



مركز الإحصاء  
STATISTICS CENTRE

# Economy Statistics | 2021

## Consumer Price Index

CPI (2014=100)

January 2021

Release date: February 2021

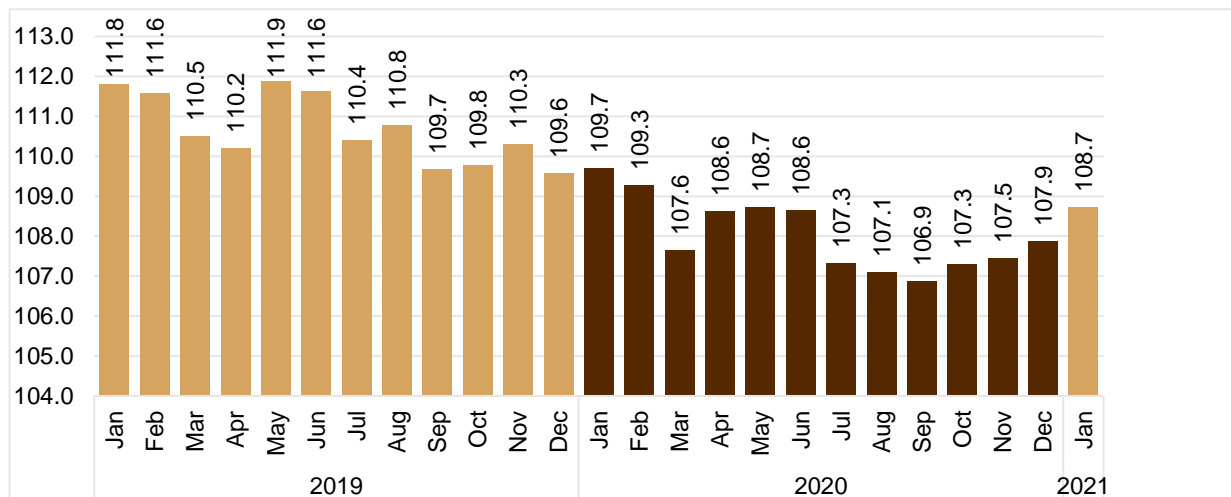


## Introduction

Statistics Centre- Abu Dhabi is the sole official body responsible for calculating and publishing the Consumer Price Index (CPI) in the Emirate of Abu Dhabi. The Centre updated the CPI base year to 2014 for both prices and weights. The weights used in the new CPI were calculated using the results derived from the Household Income and Expenditure Survey 2014, which was carried out in the Emirate of Abu Dhabi in 2013/2014. The methodology used in calculating the CPI follows best international recommendations and practices in this field.

This publication provides an analysis of the results of the CPI for January 2021 with the base year 2014. The CPI results are further detailed by household welfare level and household type and the percentage contribution of the major expenditure groups to the annual price change.

**Figure 1: CPI for the months of 2019-2021**



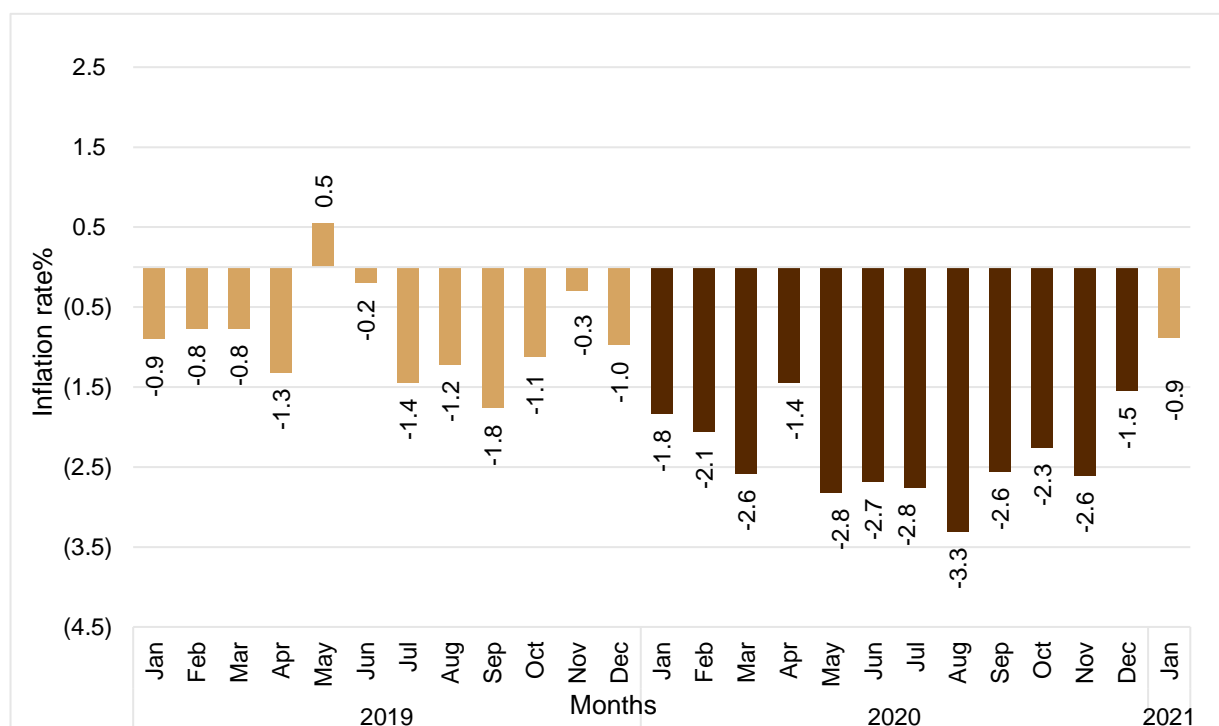
Source: Statistics Centre - Abu Dhabi

**Table 1: Major expenditure groups by weight, relative change and percentage contribution to the overall change in January 2021 compared with the same month in 2020**

Main expenditure groups	Weight	Relative change%	Contribution%
Food and beverages	12.3	4.2	55.3
Tobacco	0.2	-1.0	-0.5
Clothing and footwear	5.4	5.7	36.5
Housing, water, electricity, gas and fuels	31.2	0.5	18.3
Furnishings, household equipment	7.2	-0.6	-4.9
Health	1.6	1.5	2.9
Transport	14.7	-6.1	-99.4
Communication	5.0	2.2	10.7
Recreation and culture	4.8	-23.9	-165.0
Education	6.9	1.0	8.2
Restaurants and hotels	3.8	6.7	28.8
Miscellaneous goods and services	7.0	1.1	9.1
<b>Total</b>	<b>100.00</b>	<b>-0.9</b>	<b>-100.0</b>

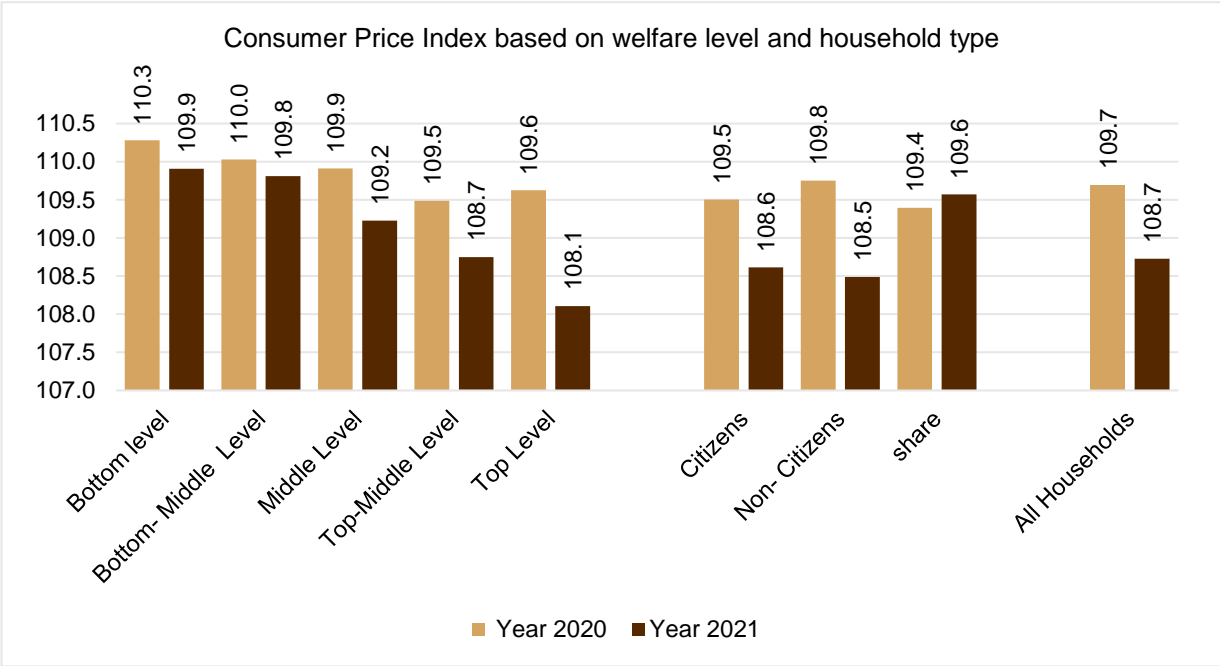
Source: Statistics Centre - Abu Dhabi

**Figure 2: Monthly inflation rates, 2019 -2021**



Source: Statistics Centre – Abu Dhabi

**Figure 3: Consumer Price Index by welfare level and household type for January 2020 and January 2021**



Source: Statistics Centre – Abu Dhabi

## Explanatory Notes

### Importance

The CPI provides monthly estimates on the rate of change in the prices of a consumer price basket in the Emirate of Abu Dhabi. Some of the significant utilizations of the CPI are:

- The CPI serves as an important economic indicator used in calculation of inflation rates. The Inflation rate is a key statistic for economic policymaking and is used for adjusting payments (such as rents and wages).
- Salaries and wages are being adjusted by international entities and big corporations based on the change taking place in the CPI.
- The CPI is used as a deflator in the compilation of national accounts at constant prices.

### Objectives

- Provide the data needed to calculate monthly and annual inflation rates.
- Calculate the rates of relative change in the averages of the main and sub-groups.
- Monitor movements in average prices.
- Provide the necessary indices in calculating the growth rates in the national income at constant prices.
- Update the poverty lines on a quarterly basis.

### Glossary

The publication contains technical terms related to price statistical indices and the Income and Prices section. To understand the publication, the reader should be familiar with these terms, and the publication includes the following terms:

**Inflation:** Average rise in the general level of prices

**Index:** is a number used to compare the relative change in any phenomenon (or a number of phenomena) at any time or place.

**Price:** is defined as the value of one unit of a good or service.

**Consumer Price:** A price paid by a household to gain a commodity or service.

**Comparison Period:** It is the time period that we want to compare its' prices or quantities or values with another period.

**Base Period:** It refers to the period to which the current period is being compared.

**Weight:** It is the percentage calculated by dividing the households' expenditure on a determined good\ service on the total households' expenditure on all goods and services.

**CPI Basket:** The Goods and services that comprise the CPI. Each item\ service has a weight.

**Consumer Basket:** The goods and services that represent the CPI basket. The goods and services in this basket do not have weights.

### **Coverage**

Prices are collected from the three regions of the Emirate of Abu Dhabi (Abu Dhabi, Al Ain, Al Dhafra), where the consumer price index is representative of all the main regions of the Emirate.

### **Periodicity**

The Consumer Price Index is published monthly and annually.

### **Classification**

The Classification of Individual Consumption according to Purpose (COICOP) is used in the construction of the CPI. The COICOP is a United Nations classification, which is used for statistical purposes.

### **Data sources**

Data are obtained through a field survey by collecting the prices from different outlets distributed across Abu Dhabi Regions (Abu Dhabi, Al Ain and Al Dhafra) The data are then processed and passed to the Prices and Income Section at Statistic Centre – Abu Dhabi for further editing and compilation. Moreover, there are administrative data that are received from Abu Dhabi Department of Urban Planning and Municipalities and Department of Education and knowledge.

### **Data collection form**

Prices are collected through an electronic program downloaded on the iPad.

### **Sample design**

Sample proportional to size

### **Data collection**

Prices for the basket of goods and services are collected through field visits by statistical nominators in the field on a weekly, monthly, and quarterly basis, through iPad.

## Data auditing and calculation method

The price audit process goes through several stages:

- Validation rules have been added to the change in prices, where the goods / service whose change in the price exceeds a certain limit are shown, as these limits were set based on the historical change in the prices of goods and services.
- Review the price history on a weekly basis with the nominators.
- A mechanism has been set up for the treatment of seasonal goods.
- Final review of the prices for the three geographical regions (Abu Dhabi, Al Ain and Al Dhafra).

The CPI was calculated using Laspeyres method

$$CPI_L = \sum \frac{P_{li}}{P_{oi}} \times W_{oi}$$

## Output indicators

- Consumer Price Index - Emirate level
- Consumer Price Index - Regional Level
- Consumer Price Index - household welfare level
- Consumer Price Index - household type level
- Inflation rates
- Ramadan food price index

## Timeline

The Consumer Price Index is issued 15 working days after the reference month ends

## Dissemination

The consumer price index data is published as follows:

- SCAD website
- Press release
- Sallatna application

## Improvement

A smart application has been developed on smartphones, "Sallatna", so that the consumer price index basket is displayed at all levels of publication, indices, monthly and yearly inflation rates, in addition to average prices, and it is possible to make a comparison with previous months. Currently, work is being done in coordination with the Information Technology Department on the "E- link" project with Hypermarkets, outlets and other data providers, so that the prices of goods and services are provided directly to the databases in order to save the effort and time that the Field Nominators and the Statistical Researcher go through in extracting the results of the consumer price index.

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