

The Consumer Price Index of Ras Al Khaimah



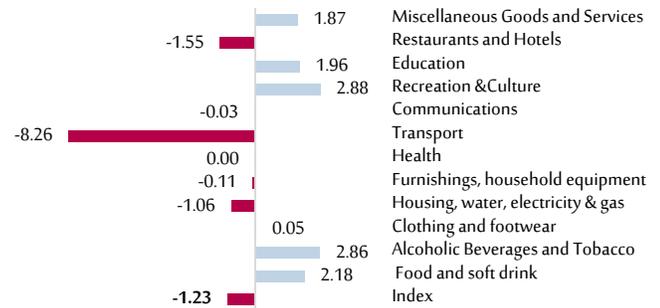
August 2020

The consumer price index of Ras Al Khaimah has decreased by **1.23%** from August 2019 till August 2020.

- The tobacco group registered an annual increase of 2.86%, and that's because of expanded the scope of excise tax that was applied in December 2019.
- The recreation and culture group increased by 2.88%.
- The food and soft drinks group increased by 2.18%.
- The group of miscellaneous goods and services increased by 1.87%, due to the increase in gold prices.
- The education group has annually increased by 1.96%.
- The transportation services group decreased by 8.26%, due to the decrease in oil prices.
- The housing, water, electricity and gas group has decreased by 1.06% due to the decrease in the rent prices in the Emirate.
- The restaurants and hotels group decreased by 1.55%.

1 Consumer Price Index

Change Rate between August 2019 and August 2020



The average change rate by groups of goods and services groups from July 2020 till

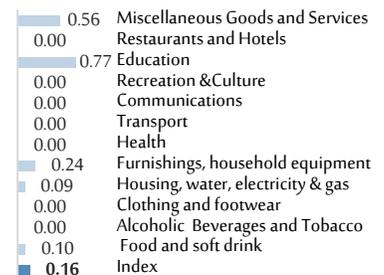
August 2020

The consumer price index has increased by **0.16%** in the emirate of Ras Al Khaimah from July 2020 till August 2020.

- The education group registered a monthly increase by 0.77%.
- The group of miscellaneous goods and services increased by 0.56%, due to the increase in gold prices
- The group of furnishings, household equipment increased by 0.24%.
- The food and soft drinks group increased by 0.10%.
- The housing, water, electricity and gas group has increased by 0.09%.

2 Consumer Price Index

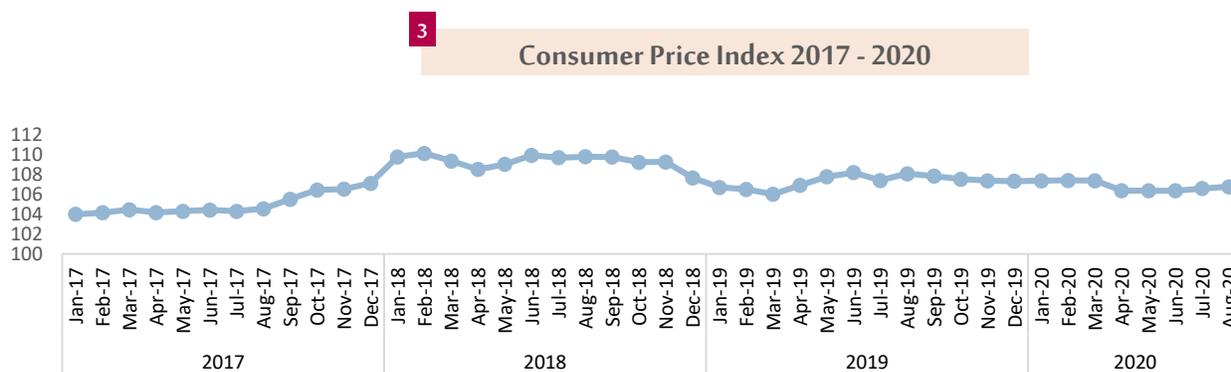
Change Rate between July 2020 and August 2020



During the year 2017, the index increased progressively till the third quarter of the year and in the fourth quarter it started increasing significantly because of the excise tax that was applied.

In 2018 the index has increased significantly because of the implementation of a 5% Value Added Tax on various groups of goods and services, and at the end of 2018, the index started to decrease gradually because of the decrease of the rents, gasoline, oil, gas, and fuel.

In 2019, the index was approximately similar to the index of 2017 and it is relatively stable in 2020.



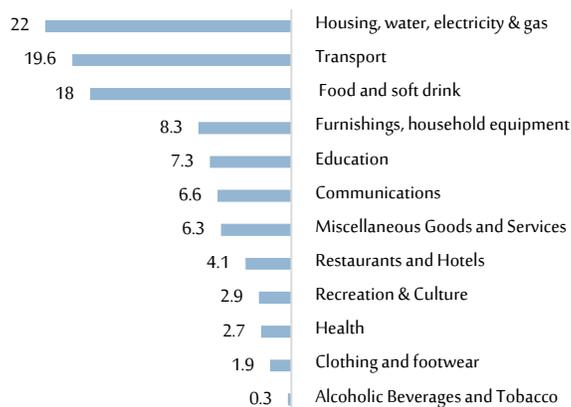
Technical Notes

Weights

Goods and services weights are considered as the main element in the production of the index number. They are calculated based on the Households' Income & Expenditures survey.

The UAE and the center has adopted the data of the 2014' Households' Income & Expenditures survey in calculating goods and services weights. Also, 2014 has been adopted as the base year for the consumer price index.

Relative Weights of Major Groups of Expenditure



Taking into the account the disparities in the relative shares of the goods and services in the total expenditure of the household, the relative shares were calculated in details for each product then they were aggregated to come out with the final weights used in the index calculation (figure 4).

■ The method of calculating the consumer price index

The index is calculated based on the Laspeyres Equation. According to this formula the importance of each product is given by the quantities used in the base year. The cost of a group of commodities at current prices, is divided by the cost of the same group of commodities at base period prices. The general index calculation starts with the calculation of each product's index then it is aggregated to reach the group level, then the groups indices are aggregated until we reach the general index. The index is calculated by the average monthly price indices, for example, the annual price index is calculated by the average mean for 12 months.

■ Exhaustiveness & Coverage

The consumer price index covers all the consumption expenditures of the citizen and non-citizen families but it doesn't include loan installments, income tax, buying houses, and stocks, or any other financial assets.

The consumer basket of 2014 (base year) includes around 1200 goods and services, that were grouped in 12 groups as per the United Nations Classification of Individual Consumption by Purpose. Prices are collected from around 50 outlets in the emirate of Ras Al Khaimah. The frequency of price collection is related to the nature of the good or the service, for example, the prices of fruits and vegetables are collected weekly, but the prices of other food products and consumable goods, and oil prices are collected monthly. Rents, electronic devices, culture and recreation, and personal goods are collected quarterly. Education and health related prices are collected annually.

Main Tables

1 Consumer Price Index and Change Rate between August 2019 and August 2020

Major Groups of Expenditure	نسبة التغير	أغسطس 2020	أغسطس 2019	مجموعات الانفاق الرئيسية
	Change%	Aug-20	Aug-19	
Index	-1.23	106.79	108.12	الرقم القياسي العام
Food and soft drink	2.18	108.26	105.95	الأغذية والمشروبات غير الكحولية
Alcoholic Beverages and Tobacco	2.86	193.07	187.70	المشروبات الكحولية والتبغ
Clothing and footwear	0.05	104.29	104.24	الملابس والأحذية
Housing, water, electricity & gas	-1.06	97.68	98.72	السكن، المياه، والكهرباء، والغاز
Furnishings, household equipment	-0.11	107.26	107.38	التجهيزات والمعدات المنزلية
Health	0.00	98.04	98.04	خدمات الصحة
Transport	-8.26	104.37	113.77	خدمات النقل
Communications	-0.03	104.61	104.65	الاتصالات
Recreation & Culture	2.88	104.33	101.41	الترويح والثقافة
Education	1.96	123.23	120.86	التعليم
Restaurants and Hotels	-1.55	114.71	116.51	المطاعم والفنادق
Miscellaneous Goods and Services	1.87	121.41	119.18	سلع وخدمات متنوعة
Base year 2014				سنة الأساس 2014

2 Consumer Price Index and Change Rate between July 2020 and August 2020

Major Groups of Expenditure	نسبة التغير	أغسطس 20	يوليو 2020	مجموعات الانفاق الرئيسية
	Change%	Aug-20	Jul-20	
Index	0.16	106.79	106.62	الرقم القياسي العام
Food and soft drink	0.10	108.26	108.14	الأغذية والمشروبات غير الكحولية
Alcoholic Beverages and Tobacco	0.00	193.07	193.07	المشروبات الكحولية والتبغ
Clothing and footwear	0.00	104.29	104.29	الملابس والأحذية
Housing, water, electricity & gas	0.09	97.68	97.58	السكن، المياه، والكهرباء، والغاز
Furnishings, household equipment	0.24	107.26	107.01	التجهيزات والمعدات المنزلية
Health	0.00	98.04	98.04	خدمات الصحة
Transport	0.00	104.37	104.37	خدمات النقل
Communications	0.00	104.61	104.61	الاتصالات
Recreation & Culture	0.00	104.33	104.33	الترويح والثقافة
Education	0.77	123.23	122.29	التعليم
Restaurants and Hotels	0.00	114.71	114.71	المطاعم والفنادق
Miscellaneous Goods and Services	0.56	121.41	120.73	سلع وخدمات متنوعة
Base year 2014				سنة الأساس 2014