

The Consumer Price Index of Ras Al Khaimah



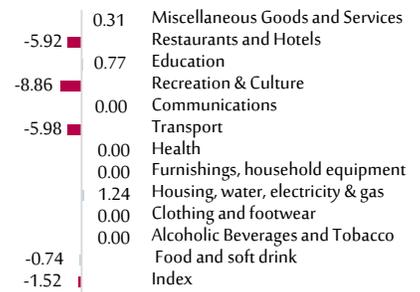
February 2021

The consumer price index of Ras Al Khaimah has decreased by **1.52%** from February 2020 till February 2021.

- The housing, water, electricity and gas group has annually increased by 1.24% due to the increase in the rent prices in the Emirate.
- The education group has annually increased by 0.77%.
- The group of miscellaneous goods and services increased by 0.31%, due to the increase in gold prices.
- The recreation and culture group decreased by 8.86%, due to the decrease in wedding hall prices.
- The transportation services group decreased by 5.98%, due to the decrease in oil prices.
- The restaurants and hotels has decreased by 5.92%.
- The food and soft drinks group has decreased by 0.74%.

1 Consumer Price Index

Change Rate between February 2020 and February 2021



The average change rate by groups of goods and services groups from January 2021 till February 2021.

The consumer price index has decreased by **0.13%** in the emirate of Ras Al Khaimah from January 2021 till February 2021.

- The housing, water, electricity and gas group had the biggest monthly increase by 0.21%.
- The group of miscellaneous goods and services decreased by 0.28%, due to the decrease in gold prices.
- The food and soft drinks group decreased by 0.86%.

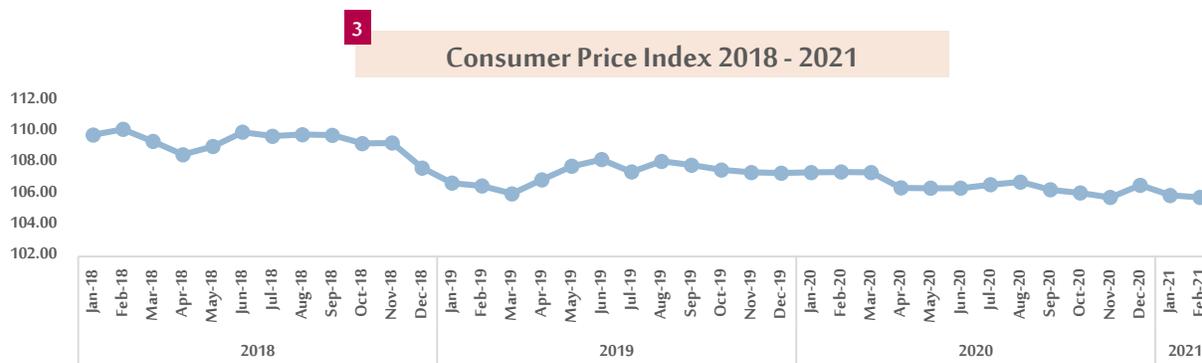
2 Consumer Price Index

Change Rate between January 2021 and February 2021



The year 2018 witnessed an increase in the consumer price index due to the application of a 5% value-added tax on a wide range of goods and services, the average index increased from around 105 in 2017 to 109 in 2018.

As of the fourth quarter of 2018, the index began to gradually decrease due to the decline in rental and fuel prices. The index decreased from 109 in 2018 to 107 in 2019 to reach 106.6 in 2020.



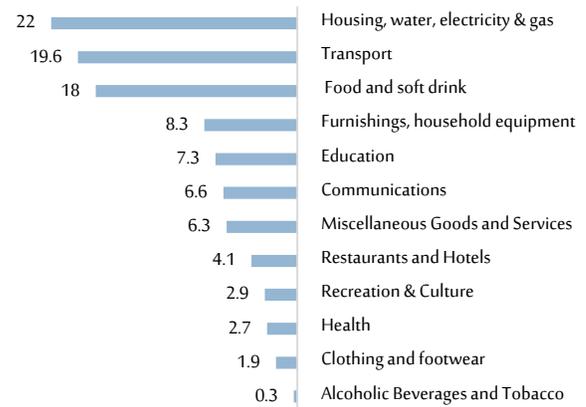
Technical Notes

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 February 2020 and February 2021

Major Groups of Expenditure	نسبة التغير	فبراير 2021	فبراير 2020	مجموعات الانفاق الرئيسية
	Change%	Feb-21	Feb-20	
Index	-1.52	105.80	107.43	الرقم القياسي العام
Food and soft drink	-0.74	105.21	105.99	الاغذية 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 والاحذية
Housing, water, electricity & gas	1.24	98.79	97.58	السكن والمياه والكهرباء والغاز
Furnishings, household equipment	0.00	107.19	107.19	التجهيزات والمعدات المنزلية
Health	0.00	98.04	98.04	خدمات الصحة
Transport	-5.98	104.37	111.01	خدمات النقل
Communications	0.00	104.61	104.61	الاتصالات
Recreation & Culture	-8.86	93.63	102.73	الترويح والثقافة
Education	0.77	123.23	122.29	التعليم
Restaurants and Hotels	-5.92	109.64	116.54	المطاعم والفنادق
Miscellaneous Goods and Services	0.31	118.86	118.49	سلع وخدمات متنوعة
Base year 2014				سنة الأساس 2014

2 Consumer Price Index and Change Rate between January 2021 and February 2021

Major Groups of Expenditure	نسبة التغير	فبراير 21	يناير 21	مجموعات الانفاق الرئيسية
	Change%	Feb-21	Jan21	
Index	-0.13	105.80	105.94	الرقم القياسي العام
Food and soft drink	-0.86	105.21	106.12	الاغذية 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 والاحذية
Housing, water, electricity & gas	0.21	98.79	98.58	السكن والمياه والكهرباء والغاز
Furnishings, household equipment	0.00	107.19	107.19	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	93.63	93.63	الترويح والثقافة
Education	0.00	123.23	123.23	التعليم
Restaurants and Hotels	0.00	109.64	109.64	المطاعم والفنادق
Miscellaneous Goods and Services	-0.28	118.86	119.19	سلع وخدمات متنوعة
Base year 2014				سنة الأساس 2014