

# Consumer Price Inflation

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*This note is produced as background briefing for the Consumer Price Inflation Statistical Bulletin. Users who require authoritative figures should use the Consumer Price Inflation Statistical Bulletin or Consumer Price Inflation Dataset.*

## SUMMARY

### CPIH

The Consumer Prices Index including owner occupiers' housing costs (CPIH) is the most comprehensive measure of inflation. It extends the Consumer Prices Index (CPI) to include a measure of the costs associated with owning, maintaining and living in one's own home, known as owner occupiers' housing costs (OOH), along with council tax. Both of these are significant expenses for many households and are not included in the CPI.

Aside from including owner occupiers' housing costs (OOH) and council tax, CPIH is otherwise identical to CPI. This means that, aside from these two components, the factors contributing to the CPI rate are the same as those contributing to the CPIH. For example, if food is reported as increasing the CPIH rate, it is also acting to increase the CPI rate. The size of the contributions for components other than OOH and council tax are exaggerated in the CPI compared with the CPIH because they account for a larger proportion of the overall index.

The [National Statistics](#) status of the Consumer Prices Index including owner occupiers' housing costs (CPIH) was reinstated on 31 July 2017. [A letter](#) from the Director General for Regulation to the National Statistician detailed the actions that were taken to meet the requirements as set out in the [CPIH assessment report](#).

The main movements for CPIH in August 2017 are:

- The all items CPIH is 104.0, up from 103.5 in July.
- The all items CPIH annual rate is 2.7%, up from 2.6% in July.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 2.6%, up from 2.4% last month.
- The OOH component of CPIH is 104.6, up from 104.4 in July.
- The OOH component annual rate is 1.9%, down from 2.0% last month.
- The CPIH all goods index is 101.3, up from 100.7 in July.
- The CPIH all goods index annual rate is 3.1%, up from 2.7% last month.
- The CPIH all services index is 106.0, up from 105.6 in July.
- The CPIH all services index annual rate is 2.5%, up from 2.4% last month.

### Consumer Prices Index (CPI)

The CPI continues to be a National Statistic and is a measure of consumer price inflation produced to international standards and in line with European regulations. First published in 1997 as the Harmonised Index of Consumer Prices (HICP), the CPI is the inflation measure used in the Government's target for inflation.

The CPI is also used for purposes such as uprating pensions, wages and benefits and can aid in the understanding of inflation on family budgets. For more information see [Users and uses of consumer price inflation statistics](#).

The main movements for CPI in August 2017 are:

- The all items CPI is 103.8, up from 103.2 in July.
- The all items CPI annual rate is 2.9%, up from 2.6% in July.
- The annual rate for CPI excluding indirect taxes, CPIY, is 2.7%, up from 2.5% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 2.7%, up from 2.4% last month.
- The CPI all goods index is 101.3, up from 100.7 in July.
- The CPI all goods index annual rate is 3.1%, up from 2.7% last month.
- The CPI all services index is 106.5, up from 106.0 in July.
- The CPI all services index annual rate is 2.7%, up from 2.6% last month.

### **Retail Prices Index (RPI)**

**In accordance with the Statistics and Registration Service Act 2007, the Retail Prices Index and its derivatives have been assessed against the Code of Practice for Official Statistics and found not to meet the required standard for designation as National Statistics. The [full assessment report](#) can be found on the UK Statistics Authority website.**

The RPI is a legacy measure of UK inflation that continues to be published because of its use in long-term contracts and index-linked gilts. For further information see [Users and uses of consumer price inflation statistics](#).

The main movements for RPI in August 2017 are:

- The all items RPI is 274.7, up from 272.9 in July.
- The all items RPI annual rate is 3.9%, up from 3.6% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 4.1%, up from 3.9% last month.
- The all goods RPI is 206.3, up from 204.9 in July.
- The all goods RPI annual rate is 4.2%, up from 3.9% last month.
- The all services RPI is 379.6, up from 376.7 in July.
- The all services RPI annual rate is 4.0%, up from 3.9% last month.

## CPIH SUMMARY

### CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

CPIH COICOP DIVISIONS	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
01: Food and non-alcoholic beverages	83	81	0.4	0.1	-0.03
02: Alcoholic beverages and tobacco	34	34	0.7	0.1	-0.02
03: Clothing and footwear	58	58	1.0	2.4	0.09
04: Housing, water, electricity, gas and other fuels	294	294	0.2	0.1	-0.01
05: Furniture, household equipment and maintenance	49	49	1.4	1.8	0.03
06: Health	22	21	0.1	-	-
07: Transport	122	126	0.8	1.0	0.03
08: Communication	25	21	0.2	1.7	0.03
09: Recreation and culture	119	121	-0.3	0.1	0.04
10: Education	20	17	-	-	-
11: Restaurants and hotels	98	101	-0.3	0.1	0.04
12: Miscellaneous goods and services	76	77	0.3	0.3	-

#### Large upward effects came from:

- Clothing and footwear**, with average prices rising by 2.4% between July and August 2017 compared with a smaller rise of 1.0% between the same two months a year ago. Prices of clothing and footwear usually rise between July and August as autumn ranges start to enter the shops following the summer sales season. The rise was larger this year than in 2016 and may have been influenced by the proportion of items on sale, which fell by more between July and August this year than between the same two months a year ago. The upward effect came from clothing and, in particular, women's clothing;
- Recreation and culture**, where prices rose slightly by 0.1% on the month compared with a fall of 0.3% between July and August last year. The most notable, but small, upward

pressures came from data processing equipment and package holidays. In both cases, prices rose by more between July and August this year than between the same two months a year ago; and

- **Restaurants and hotels**, with the upward effect coming from accommodation services, where prices fell by less between July and August this year than between the same two months a year ago. The movement in the cost of overnight hotel accommodation was the main contributor.

#### Small upward effects came from:

- **Communication**, where prices overall rose by 1.7% between July and August this year compared with a smaller rise of 0.2% a year ago;
- **Furniture, household equipment and maintenance**, where prices overall rose by 1.8% compared with a smaller rise of 1.4% a year ago; and
- **Transport**, in particular motor fuels. Fuel prices rose by 1.6% between July and August 2017. This contrasts with the same period last year, when fuel prices fell by 1.3%. Partially offset by a downward effect coming from air fares, where prices overall rose as usual between July and August but the rise of 10.9% was smaller than the 14.4% recorded between the same two months a year ago.

#### Small downward effects came from:

- **Food and non-alcoholic beverages**, where prices overall rose by 0.1% between July and August this year compared with a larger rise of 0.4% in the same period a year ago; and
- **Alcoholic beverages and tobacco**, where prices overall rose by 0.1% this year compared with a larger rise of 0.7% a year ago.

## CPIH NOTABLE MOVEMENTS

All items CPIH	Annual rate +2.7%, up from +2.6% last month Also +2.7% in May 2017 Last higher in April 2012 (+2.8%)
All items CPIH exc energy, food, alcohol and tobacco	Annual rate +2.6%, up from +2.4% last month Also +2.6% in December 2011 Last higher in November 2011 (+2.8%)
Clothing and footwear	Annual rate +4.6%, up from +3.2% last month Never higher since series began in January 2006
Furniture, household equipment and maintenance	Annual rate +4.2%, up from +3.7% last month Also +4.2% in March 2012 Last higher in February 2012 (+4.6%)
Restaurants and hotels	Annual rate +3.5%, up from +3.1% last month Highest since December 2011 (+4.4%)
Miscellaneous goods and services	Annual rate +2.0%, up from +1.9% last month Highest since November 2012 (+2.2%)
All goods	Annual rate +3.1%, up from +2.7% last month Also +3.1% in April 2012 Last higher in March 2012 (+3.6%)
All services	Annual rate +2.5%, up from +2.4% last month Also +2.5% in June 2017 Last higher in May 2017 (+2.6%)

## CPIH DETAILED BRIEFING

The [National Statistics](#) status of the Consumer Prices Index including owner occupiers' housing costs (CPIH) was reinstated on 31 July 2017. [A letter](#) from the Director General for Regulation to the National Statistician detailed the actions that were taken to meet the requirements as set out in the [CPIH assessment report](#).

- Weights are specified as parts per 1000 in the CPIH.

<b>01 FOOD AND NON-ALCOHOLIC BEVERAGES</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
01 Food & non-alcoholic beverages	83	81	0.4	0.1	-0.03

- Largest downward effect on the all items 12-month rate change.
- Due to **food**.
- Partially offset by **non-alcoholic beverages**.

<b>01.1 Food</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
01.1 Food	74	71	0.6	0.1	-0.04
01.1.1 Bread and cereals	12	12	1.5	0.7	-0.01
01.1.2 Meat	17	16	0.4	-0.1	-0.01
01.1.3 Fish	3	3	-0.3	1.7	0.01
01.1.4 Milk, cheese and eggs	10	9	-0.2	-0.3	-
01.1.5 Oils and fats	2	2	3.6	4.4	-
01.1.6 Fruit	7	7	1.0	-0.3	-0.01
01.1.7 Vegetables including potatoes	11	10	-1.1	-0.4	0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	10	10	2.1	0.5	-0.02
01.1.9 Food products not elsewhere covered	2	2	0.8	-4.2	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to **sugar, jam, syrups, chocolate and confectionery; fruit; food products not elsewhere covered; bread and cereals; and meat**.
- Partially offset by **vegetables including potatoes and fish**.

**Bread and cereals**

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contributions coming from dried potted snacks and unsweetened breakfast cereals.
- Partially offset by small upward contributions coming from packs of individual cakes, chilled pizzas and sugar coated breakfast cereal, where prices overall rose this year but fell a year ago.

**Meat**

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for sausages and individual meat pies.
- Partially offset by small upward contributions coming from pre-packed cooked ham and bacon, where prices overall rose this year but fell a year ago.

**Fish**

- Small upward effect.
- Prices overall rose this year but fell a year ago.

**Fruit**

- Small downward effect.
- Prices overall fell this year but rose a year ago.

**Vegetables including potatoes**

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from premium potato crisps.

**Sugar, jam, syrups, chocolate and confectionery**

- Small downward effect.
- Prices overall rose this year by less than a year ago, particularly for cartons and boxes of chocolates.
- Partially offset by a small upward contribution coming from bags of non-chocolate sweets, where prices overall rose this year but fell a year ago.

**Food products not elsewhere covered**

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for cook-in sauces and mayonnaise.



<b>01.2 Non-alcoholic beverages</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
01.2 Non-alcoholic beverages	9	10	-1.1	-0.3	0.01
01.2.1 Coffee, tea and cocoa	2	3	1.2	-0.2	-
01.2.2 Mineral waters, soft drinks and juices	7	7	-1.7	-0.4	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **mineral waters, soft drinks and juices**, where prices overall fell this year by less than a year ago, with the main upward contribution coming from bottles of cola flavoured drinks.

<b>02 ALCOHOLIC BEVERAGES AND TOBACCO</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
02 Alcoholic beverages and tobacco	34	34	0.7	0.1	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **tobacco**.

<b>02.1 Alcoholic Beverages</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	15	16	0.3	0.4	-
02.1.1 Spirits	4	5	0.4	2.3	0.01
02.1.2 Wine	7	7	0.4	-0.9	-0.01
02.1.3 Beer	4	4	-0.2	0.2	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **spirits**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from vodka.
- Offset by a small downward contribution coming from **wine**, where prices overall fell this year but rose a year ago, particularly for red wine.

<b>02.2 Tobacco</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
02.2 Tobacco	19	18	1.0	-0.1	-0.02

- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year but rose a year ago.

<b>03 CLOTHING AND FOOTWEAR</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
03 Clothing and footwear	58	58	1.0	2.4	0.09

- Largest upward effect on the all items 12-month rate change.
- Due to **clothing** and, to a lesser extent, **footwear including repairs**.

<b>03.1 Clothing</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
03.1 Clothing	50	49	1.0	2.4	0.07
03.1.2 Garments	44	44	1.0	2.7	0.08
03.1.3 Other clothing and clothing accessories	5	4	1.8	-0.4	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.1	0.1	-

- Large upward effect on the all items 12-month rate change.
- Due to **garments**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from women's jackets, men's T-shirts and casual shirts, girls' fashion tops and children's trousers and jumpers.
- Partially offset by **other clothing and clothing accessories**, where prices overall fell this year but rose a year ago, particularly for ladies' scarves.

<b>03.2 Footwear including repairs</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
03.2 Footwear including repairs	8	9	0.7	2.1	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year by more than a year ago, with the main upward contributions coming from women's boots and flat shoes.

<b>04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
04 Housing, water, electricity, gas and other fuels	294	294	0.2	0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **actual rentals for housing**.

<b>04.1 Actual rentals for housing</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
04.1 Actual rentals for housing	58	56	0.2	0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Average charges for private rented properties rose this year by less than a year ago.

<b>4.2 Owner occupiers' housing costs</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
4.2 Owner occupiers' housing costs	171	174	0.2	0.2	-

- Negligible overall effect on the all items 12-month rate change.

<b>04.3 Regular maintenance and repair of the dwelling</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	0.3	-0.3	-
04.3.1 Materials for maintenance and repair	1	1	0.4	-0.7	-
04.3.2 Services for maintenance and repair	1	1	0.2	0.1	-

- Negligible overall effect on the all items 12-month rate change.

<b>04.4 Other services related to the dwelling</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
04.4 Other services related to the dwelling	9	9	-	-	-
04.4.1 Water supply	5	4	-	-	-
04.4.3 Sewerage collection	4	5	-	-	-

- Negligible overall effect on the all items 12-month rate change.

<b>04.5 Electricity, gas and other fuels</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	28	27	-0.1	0.1	-
04.5.1 Electricity	14	13	-	-	-
04.5.2 Gas	12	12	-	-	-
04.5.3 Liquid fuels	1	1	-2.0	4.5	0.01
04.5.4 Solid fuels	1	1	0.1	-	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **liquid fuels**, where average kerosene prices rose this year but fell a year ago.

<b>4.9 Council tax and rates</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
4.9 Council tax and rates	26	26	-	-	-

- Negligible overall effect on the all items 12-month rate change.

<b>05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
05 Furniture, household equipment and maintenance	49	49	1.4	1.8	0.03

- Small upward effect on the all items 12-month rate change.
- Due to **furniture, furnishings and carpets**; and **household appliances, fitting and repairs**.
- Partially offset by **glassware, tableware and household utensils**; and **goods and services for routine maintenance**.

<b>05.1 Furniture, furnishings and carpets</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
05.1 Furniture, furnishings and carpets	16	18	2.6	3.3	0.02
05.1.1 Furniture and furnishings	13	15	2.9	4.0	0.03
05.1.2 Carpets and other floor coverings	3	3	1.3	-0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from items of kitchen and bedroom furniture.

<b>05.2 Household textiles</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
05.2 Household textiles	6	6	2.0	2.5	-

- Negligible overall effect on the all items 12-month rate change.

<b>05.3 Household appliances, fitting and repairs</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
05.3 Household appliances, fitting and repairs	7	7	-0.3	1.1	0.01
05.3.1/2 Major appliances and small electric goods	6	6	-0.4	1.3	0.01
05.3.3 Repair of household appliances	1	1	-	-	-

- Small upward effect on the all items 12-month rate change.
- Due to **major appliances and small electric goods**, where prices overall rose this year but fell a year ago.

<b>05.4 Glassware, tableware and household utensils</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
05.4 Glassware, tableware and household utensils	5	4	3.0	1.8	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall rose this year by less than a year ago.

<b>05.5 Tools and equipment for house and garden</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
05.5 Tools and equipment for house and garden	4	4	-0.1	0.5	-

- Negligible overall effect on the all items 12-month rate change.

<b>05.6 Goods and services for routine maintenance</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance	11	10	0.2	-0.3	-0.01
05.6.1 Non-durable household goods	4	4	-	-1.2	-0.01
05.6.2 Domestic services and household services	7	6	0.4	0.3	-

- Small downward effect on the all items 12-month rate change.
- Due to **non-durable household goods**, where prices overall fell this year but were little changed a year ago, with the main downward contribution coming from household cleaner creams/liquids.

<b>06 HEALTH</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
06 Health	22	21	0.1	-	-

- Negligible overall effect on the all items 12-month rate change.

<b>06.1 Medical products, appliances and equipment</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
06.1 Medical products, appliances and equipment	10	10	0.2	-0.1	-
06.1.1 Pharmaceutical products	6	6	0.3	-	-
06.1.2/3 Other medical and therapeutic equipment	4	4	-0.1	-0.2	-

- Negligible overall effect on the all items 12-month rate change.

<b>06.2 Out-patient services</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
06.2 Out-patient services	5	5	-	0.3	-
06.2.1/3 Medical and paramedical services	3	3	0.1	0.3	-
06.2.2 Dental services	2	2	-0.1	0.1	-

- Negligible overall effect on the all items 12-month rate change.

<b>06.3 Hospital services</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
06.3 Hospital Services	7	6	0.1	-	-

- Negligible overall effect on the all items 12-month rate change.

<b>07 TRANSPORT</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
07 Transport	122	126	0.8	1.0	0.03

- Small upward effect on the all items 12-month rate change.
- Due to **operation of personal transport equipment** and, to a lesser extent, **purchase of vehicles**.
- Partially offset by **transport services**.

<b>07.1 Purchase of vehicles</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	35	37	-0.6	-0.3	0.01
07.1.1A New cars	20	21	0.2	-0.3	-0.01
07.1.1B Second-hand cars	13	14	-1.6	-0.2	0.02
07.1.2/3 Motorcycles and bicycles	2	2	-3.6	-0.2	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **second-hand cars**; and **motorcycles and bicycles**.
- Partially offset by **new cars**.

#### New cars

- Small downward effect.
- Prices overall fell this year but rose a year ago.

#### Second-hand cars

- Small upward effect.
- Prices overall fell this year by less than a year ago.



### Motorcycles and bicycles

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for bicycles.

07.2 Operation of personal transport equipment	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
07.2 Operation of personal transport equipment	58	61	-0.6	0.8	0.09
07.2.1 Spare parts and accessories	4	4	-0.1	1.1	0.01
07.2.2 Fuels and lubricants	25	26	-1.3	1.6	0.08
07.2.3 Maintenance and repairs	18	20	0.1	0.2	-
07.2.4 Other services	11	11	-0.2	-	-

- Large upward effect on the all items 12-month rate change.
- Due to **fuels and lubricants** and, to a lesser extent, **spare parts and accessories**.

### Spare parts and accessories

- Small upward effect.
- Prices overall rose this year but fell a year ago.

### Fuels and lubricants

- Large upward effect.
- The average price of petrol across the month, as recorded for the CPIH, rose by 1.8 pence per litre between July and August 2017 to stand at 115.7 pence per litre.
- Last year, the average price of petrol fell by 1.8 pence per litre between July and August 2016 to stand at 110.0 pence per litre.
- The average price of diesel rose by 2.0 pence per litre between July and August 2017 to stand at 117.6 pence per litre, compared with a fall of 1.2 pence per litre a year earlier to stand at 111.8 pence per litre.

<b>07.3 Transport services</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
07.3 Transport services	29	28	5.0	2.9	-0.07
07.3.1 Passenger transport by railway	10	11	-0.9	-0.8	-
07.3.2 Passenger transport by road	10	10	1.0	0.3	-0.01
07.3.3 Passenger transport by air	6	4	14.4	10.9	-0.06
07.3.4 Passenger transport by sea and inland waterway	3	3	9.1	7.8	-

- Large downward effect on the all items 12-month rate change.
- Due to **passenger transport by air** and, to a lesser extent, **passenger transport by road**.

#### Passenger transport by road

- Small downward effect.
- Average coach fares rose this year by less than a year ago.

#### Passenger transport by air

- Large downward effect.
- Average air fares rose this year by less than a year ago, with the main downward contributions coming from European flights and, to a lesser extent, long haul and domestic routes.

<b>08 COMMUNICATION</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
08 Communication	25	21	0.2	1.7	0.03

- Small upward effect on the all items 12-month rate change.
- Due to **telephone equipment and services**.

<b>08.1 Postal services</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
08.1 Postal services	1	1	-	-	-

- Negligible overall effect on the all items 12-month rate change.

<b>08.2/3 Telephone equipment and services</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
08.2/3 Telephone equipment and services	24	20	0.2	1.7	0.03

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year by more than a year ago, with the main upward contributions coming from mobile phone charges and bundled telecommunication services.
- Partially offset by a small downward contribution coming from mobile phone applications, where prices overall fell this year but rose a year ago.

<b>09 RECREATION AND CULTURE</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
09 Recreation and culture	119	121	-0.3	0.1	0.04

- Large upward effect on the all items 12-month rate change.
- Due to **audio-visual equipment and related products; recreational and cultural services; and package holidays.**
- Partially offset by **books, newspapers and stationery.**

<b>09.1 Audio-visual equipment and related products</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	16	15	-0.5	1.2	0.03
09.1.1 Equipment for the reception and reproduction of sound and pictures	4	3	-2.2	-0.3	0.01
09.1.2 Photographic, cinematographic and optical equipment	2	2	1.6	2.8	-
09.1.3 Data processing equipment	6	5	0.2	3.6	0.02
09.1.4 Recording media	3	4	-1.3	-1.0	-
09.1.5 Repair of audio-visual equipment and related products	1	1	-	-0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **data processing equipment and equipment for the reception and reproduction of sound and pictures.**

### Equipment for the reception and reproduction of sound and pictures

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from televisions.

### Data processing equipment

- Small upward effect.
- Prices overall rose this year by more than a year ago, with the main upward contributions coming from PC peripherals and tablet computers.

09.2 Other major durables for recreation and culture	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
09.2.1/2 Major durables for in/outdoor recreation	9	13	-	-	-

- Negligible overall effect on the all items 12-month rate change.

09.3 Other recreational items, gardens and pets	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	27	30	-0.9	-0.9	-
09.3.1 Games, toys and hobbies	16	16	-1.2	-1.6	-0.01
09.3.2 Equipment for sport and open-air recreation	2	3	-0.8	-0.3	-
09.3.3 Gardens, plants and flowers	3	4	-0.1	-0.7	-
09.3.4/5 Pets, related products and services	6	7	-0.6	0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **games, toys and hobbies**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from computer games purchased over the internet. Partially offset by small upward contributions coming from shop bought computer games and children's trikes.

<b>09.4 Recreational and cultural services</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
09.4 Recreational and cultural services	27	26	0.1	0.7	0.02
09.4.1 Recreational and sporting services	8	8	-	0.3	-
09.4.2 Cultural services	19	18	0.2	0.9	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **cultural services**, where charges overall rose this year by more than a year ago, with the main upward contribution coming from live music events. Partially offset by a small downward contribution coming from theatre admissions, where average charges rose this year by less than a year ago.

<b>09.5 Books, newspapers and stationery</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	11	9	-1.1	-2.3	-0.01
09.5.1 Books	3	3	-2.9	-6.3	-0.01
09.5.2 Newspapers and periodicals	4	3	0.1	0.4	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	4	3	-0.8	-0.7	-

- Small downward effect on the all items 12-month rate change.
- Due to **books**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from eBooks. Partially offset by a small upward contribution coming from hardback books.

<b>09.6 Package holidays</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
09.6 Package holidays	29	28	0.3	0.9	0.02

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year by more than a year ago, with the main upward contribution coming from foreign holidays.

<b>10 EDUCATION</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
10 Education	20	17	-	-	-

- Negligible overall effect on the all items 12-month rate change.

<b>11 RESTAURANTS AND HOTELS</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
11 Restaurants and hotels	98	101	-0.3	0.1	0.04

- Large upward effect on the all items 12-month rate change.
- Due to **accommodation services**.

<b>11.1 Catering services</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
11.1 Catering services	81	77	0.1	0.1	-
11.1.1 Restaurants and cafes	74	70	0.2	0.2	-
11.1.2 Canteens	7	7	-0.1	-0.2	-

- Negligible overall effect on the all items 12-month rate change.

<b>11.2 Accommodation services</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
11.2 Accommodation services	17	24	-2.5	-0.2	0.04

- Large upward effect on the all items 12-month rate change.
- Average prices for overnight hotel accommodation fell this year by less than a year ago.

<b>12 MISCELLANEOUS GOODS AND SERVICES</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
12 Misc. goods and services	76	77	0.3	0.3	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **personal effects not elsewhere covered**.

<b>12.1 Personal care</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
12.1 Personal care	25	25	-0.1	-0.2	-
12.1.1 Hairdressing and personal grooming establishments	6	6	0.2	-	-
12.1.2/3 Appliances and products for personal care	19	19	-0.1	-0.3	-

- Negligible overall effect on the all items 12-month rate change.

<b>12.3 Personal effects not elsewhere covered</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	12	11	1.5	2.1	0.01
12.3.1 Jewellery, clocks and watches	7	7	2.4	1.2	-0.01
12.3.2 Other personal effects	5	4	0.2	3.8	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **other personal effects**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from handbags and luggage trolley cases.
- Partially offset by **jewellery, clocks and watches**, where prices overall rose this year by less than a year ago.

<b>12.4 Social protection</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
12.4 Social protection	13	13	0.3	0.2	-

- Negligible overall effect on the all items 12-month rate change.

<b>12.5 Insurance</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
12.5 Insurance	7	7	0.3	0.6	-
12.5.2 House contents insurance	2	2	0.2	1.3	-
12.5.3 Health insurance	2	2	-	-	-
12.5.4 Transport insurance	3	3	0.5	0.6	-

- Negligible overall effect on the all items 12-month rate change.

<b>12.6 Financial services not elsewhere covered</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
12.6 Financial services not elsewhere covered	9	11	-0.2	-	-

- Negligible overall effect on the all items 12-month rate change.

<b>12.7 Other services not elsewhere covered</b>	Weight 2016	Weight 2017 Feb-Dec	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to CPIH annual rate change
12.7 Other services not elsewhere covered	10	10	0.1	-0.2	-

- Negligible overall effect on the all items 12-month rate change.



## RPI SUMMARY

### CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

<b>GROUPS</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
FOOD	102	102	0.5	-0.1	-0.06
CATERING	47	48	0.2	0.1	-
ALCOHOLIC DRINKS	57	57	0.2	0.1	-
TOBACCO	25	24	1.0	-0.1	-0.03
HOUSING	266	266	-	0.4	0.09
FUEL AND LIGHT	41	38	-0.1	0.1	0.01
HOUSEHOLD GOODS	62	65	1.8	2.1	0.03
HOUSEHOLD SERVICES	67	64	-0.1	0.8	0.06
CLOTHING AND FOOTWEAR	41	41	1.5	2.6	0.05
PERSONAL GOODS AND SERVICES	42	38	0.4	0.3	-0.01
MOTORING EXPENDITURE	117	123	-0.7	0.6	0.16
FARES AND OTHER TRAVEL COSTS	26	26	6.3	5.5	-0.01
LEISURE GOODS	29	29	-0.7	-0.7	-
LEISURE SERVICES	78	79	0.2	0.6	0.04

## RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +3.9%, up from +3.6% last month Also +3.9% in January 2012 Last higher in December 2011 (+4.8%)
All items RPI exc MIPS (RPIX)	Annual rate +4.1%, up from +3.9% last month Highest since December 2011 (+5.0%)
Fuel and light	Annual rate +5.7%, up from +5.5% last month Highest since January 2014 (+6.4%)
Household goods	Annual rate +6.7%, up from +6.3% last month Highest since October 2011 (+7.0%)
Clothing and footwear	Annual rate +10.7%, up from +9.5% last month Highest since January 2012 (+10.9%)
Leisure services	Annual rate +3.4%, up from +2.9% last month Highest since June 2013 (+3.7%)
All goods	Annual rate +4.2%, up from +3.9% last month Also +4.2% in February 2012 Last higher in December 2011 (+5.4%)
All services	Annual rate +4.0%, up from +3.9% last month Also +4.0% in May 2013 Last higher in March 2013 (+4.3%)

## RPI DETAILED BRIEFING

In accordance with the Statistics and Registration Service Act 2007, the Retail Prices Index and its derivatives have been assessed against the Code of Practice for Official Statistics and found not to meet the required standard for designation as National Statistics. A consultation was carried out in March 2013 on whether to maintain this detailed RPI briefing and, based on views received, it was decided to continue with its publication.

- Weights are specified as parts per 1000 in the RPI.

<b>FOOD</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
FOOD	102	102	0.5	-0.1	-0.06

- Largest downward effect on the all items 12-month rate change.
- Due to **non-seasonal food** and, to a lesser extent, **seasonal food**.

<b>Seasonal Food</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	-	-0.4	-0.01
Home killed lamb	1	1	2.3	1.4	-
Fresh fish	2	2	-4.1	-	0.01
Eggs	1	1	-0.4	-0.3	-
Unprocessed potatoes	1	1	-	0.3	-
Other fresh vegetables	6	6	-0.1	-1.1	-0.01
Fresh fruit	7	7	1.1	-0.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
  - Fresh fruit**, where prices overall fell this year but rose a year ago; and
  - Other fresh vegetables**, where prices overall fell this year by more than a year ago.
- Partially offset by **fresh fish**, where prices overall were little changed this year but fell a year ago, with the main upward contribution coming from frozen prawns.

<b>Non-Seasonal Food</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
NON-SEASONAL FOOD	84	84	0.7	-	-0.06
Bread	4	4	1.5	1.6	-
Cereals	4	3	1.3	-	-
Biscuits and cakes	6	6	0.1	1.2	0.01
Beef	4	4	1.1	2.3	0.01
Imported lamb	1	1	-2.3	-0.2	-
Pork	1	1	1.0	-3.4	-
Bacon	1	1	-2.2	1.2	-
Poultry	4	3	-0.1	-0.6	-
Other meat	6	6	0.9	-1.0	-0.01
Processed fish	2	2	1.5	3.4	-
Butter	1	1	-2.5	1.8	-
Oils and fats	1	1	7.5	4.9	-
Cheese	3	3	-1.6	-0.9	-
Milk, fresh	3	3	-0.1	-0.2	-
Milk products	4	4	1.2	0.6	-
Tea	1	1	2.3	-1.9	-
Soft drinks	9	8	-1.6	-0.3	0.01
Sugar and preserves	1	1	3.2	-0.9	-
Sweets and chocolates	11	11	2.7	1.0	-0.02
Potato products	2	3	-3.5	0.1	0.01
Processed vegetables	2	2	-2.5	-0.5	-
Processed fruit	1	2	-0.4	-0.7	-
Other foods	10	11	2.2	-2.9	-0.05
Coffee and other hot drinks	2	2	0.2	0.7	-

- Large downward effect on the all items 12-month rate change.
- Due to:
  - **Other foods** and, to a lesser extent, **other meat**, where prices overall fell this year but rose a year ago, particularly for dried potted snacks, mayonnaise, cook-in sauces and sausages. Partially offset by small upward contributions coming from chilled pizzas, pre-packed cooked ham and chilled ready-meals; and
  - **Sweets and chocolates**, where prices overall rose this year by less than a year ago, particularly for cartons and boxes of chocolates. Partially offset by an upward contribution coming from bags of non-chocolate sweets, where prices overall rose this year but fell a year ago.
- Partially offset by:
  - **Biscuits and cakes** and **beef**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from packs of individual cakes;
  - **Potato products**, where prices overall rose this year but fell a year ago; and
  - **Soft drinks**, where prices overall fell this year by less than a year ago, with the main upward contribution coming from bottles of cola flavoured drinks.

<b>CATERING</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
CATERING	47	48	0.2	0.1	-
Restaurant meals	28	29	0.1	-	-
Canteen meals	3	3	-0.1	-	-
Take-away meals and snacks	16	16	0.3	0.5	-

- Negligible overall effect on the all items 12-month rate change.

<b>ALCOHOLIC DRINKS</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	57	57	0.2	0.1	-
Beer on sales	19	19	0.2	0.1	-
Beer off sales	5	5	-1.3	-	0.01
Wines and spirits on sales	19	19	0.1	0.2	-
Wines and spirits off sales	14	14	0.8	0.1	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There is an upward contribution coming from **beer off sales**, where prices overall were little changed this year but fell a year ago, with the main upward contribution coming from large packs of cans and bottles of lager. Partially offset by a small downward contribution coming from four bottle packs of lager, where prices overall fell this year but rose a year ago.
- Offset by a downward contribution coming from **wines and spirits off sales**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from red wine. Partially offset by a small upward contribution coming from vodka, where prices overall rose this year but fell a year ago.

<b>TOBACCO</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
TOBACCO	25	24	1.0	-0.1	-0.03
Cigarettes	21	20	1.1	-0.1	-0.03
Other tobacco products	4	4	0.4	-0.3	-

- Small downward effect on the all items 12-month rate change.
- Due to **cigarettes**, where prices overall fell this year but rose a year ago.

<b>HOUSING</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
HOUSING	266	266	-	0.4	0.09
Rent	83	84	0.2	0.1	-0.01
Mortgage interest payments	28	25	-3.9	-0.2	0.10
Council tax and rates	40	39	-	-	-
Water and other charges	13	13	-	-	-
Repairs and maintenance charges	9	9	0.2	0.2	-
DIY materials	7	6	0.2	-0.2	-
Dwelling insurance and ground rent	6	6	1.6	1.1	-
House depreciation	80	84	1.0	0.9	-

- Large upward effect on the all items 12-month rate change.
- Due to **mortgage interest payments**, where average charges fell this year by less than a year ago.
- Partially offset by **rent**, where average charges for private rented properties rose this year by less than a year ago.

<b>FUEL AND LIGHT</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
FUEL AND LIGHT	41	38	-0.1	0.1	0.01
Coal and solid fuels	1	1	0.1	-	-
Electricity	20	19	-	-	-
Gas	18	16	-	-	-
Oil and other fuels	2	2	-1.6	3.5	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **oil and other fuels**, where average kerosene prices rose this year but fell a year ago.

<b>HOUSEHOLD GOODS</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
HOUSEHOLD GOODS	62	65	1.8	2.1	0.03
Furniture	25	26	3.5	4.6	0.04
Furnishings	8	10	1.9	0.8	-0.01
Electrical appliances	7	6	0.1	0.8	-
Other household equipment	4	4	2.9	2.4	-
Household consumables	11	11	-0.1	-0.7	-0.01
Pet care	7	8	-0.5	0.1	-

- Small upward effect on the all items 12-month rate change.

- Due to **furniture**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from kitchen and bedroom furniture. Partially offset by a small downward contribution coming from leather settees, where prices overall rose this year by less than a year ago.
- Partially offset by:
  - **Household consumables**, where prices overall fell this year by more than a year ago, particularly for household cleaner creams/liquids; and
  - **Furnishings**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from tufted carpets.

<b>HOUSEHOLD SERVICES</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	67	64	-0.1	0.8	0.06
Domestic services	14	15	0.2	0.2	-
Fees and subscriptions	27	22	-0.3	0.4	0.02
Postage	1	1	-	-	-
Telephone charges	25	26	-	1.5	0.04

- Large upward effect on the all items 12-month rate change.
- Due to:
  - **Telephone charges**, where prices overall rose this year but were little changed a year ago, with the main upward contributions coming from mobile phone charges and bundled telecommunication services. Partially offset by a small downward contribution coming from mobile phone applications, where prices overall fell this year but rose a year ago; and, to a lesser extent
  - **Fees and subscriptions**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from estate agent fees and house contents insurance.

<b>CLOTHING AND FOOTWEAR</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	41	41	1.5	2.6	0.05
Men's outerwear	9	8	0.3	1.1	0.01
Women's outerwear	15	15	2.7	3.7	0.02
Children's outerwear	4	5	1.2	4.1	0.02
Other clothing	5	5	1.7	0.7	-0.01
Footwear	8	8	0.9	2.2	0.01

- Large upward effect on the all items 12-month rate change.
- Due to **women's outerwear**, **children's outerwear**, **men's outerwear** and **footwear**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from women's jackets, men's T-shirts and girls' fashion tops.
- Partially offset by **other clothing**, where prices overall rose this year by less than a year ago.

<b>PERSONAL GOODS AND SERVICES</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	42	38	0.4	0.3	-0.01
Personal articles	12	9	1.5	1.9	-
Chemists' goods	15	15	-	-0.6	-0.01
Personal services	15	14	0.1	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **chemists' goods**, where prices overall fell this year but were little changed a year ago.

<b>MOTORING EXPENDITURE</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
MOTORING EXPENDITURE	117	123	-0.7	0.6	0.16
Purchase of motor vehicles	45	46	-0.8	-0.2	0.02
Maintenance of motor vehicles	16	16	0.1	0.4	0.01
Petrol and oil	33	37	-2.1	1.7	0.14
Vehicle tax and insurance	23	24	1.1	0.7	-0.01

- Largest upward effect on the all items 12-month rate change.
- Due to:
  - **Petrol and oil**, where prices overall rose this year but fell a year ago. The price of petrol, as recorded for the RPI, rose by 1.9 pence per litre between July and August



2017, to stand at 115.5 pence per litre, compared with a fall of 2.6 pence per litre last year to stand at 109.3 pence per litre. Diesel prices rose by 2.1 pence per litre, to stand at 117.4 pence per litre in August 2017, compared with a fall of 2.1 pence per litre last year to stand at 111.0 pence per litre; and, to a lesser extent

- **Purchase of motor vehicles**, where prices overall fell this year by less than a year ago, particularly for second-hand cars. Partially offset by a small downward contribution coming from new cars, where prices overall fell this year but rose a year ago; and
- **Maintenance of motor vehicles**, where prices overall rose this year by more than a year ago.
- Partially offset by **vehicle tax and insurance**, where average premiums for car insurance rose this year by less than a year ago.

<b>FARES AND OTHER TRAVEL COSTS</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	26	26	6.3	5.5	-0.01
Rail fares	7	6	-0.7	-0.9	-
Bus and coach fares	3	3	1.7	0.6	-
Other travel costs	16	17	9.4	7.9	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **other travel costs**, where average air fares rose this year by less than a year ago.

<b>LEISURE GOODS</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
LEISURE GOODS	29	29	-0.7	-0.7	-
Audio-visual equipment	7	6	-1.4	1.4	0.02
CDs and tapes	2	2	-1.6	0.1	-
Toys, photographic and sports goods	9	9	-0.5	0.7	0.01
Books and newspapers	6	6	-1.0	-5.2	-0.03
Gardening products	5	6	-	-0.8	-

- Negligible overall effect on the all items 12-month rate change.
- There are upward contributions coming from **audio-visual equipment** and **toys, photographic and sports goods**, where prices overall rose this year but fell a year ago, with the main upward contribution coming from PC peripherals.
- Offset by a downward contribution coming from **books and newspapers**, where prices overall fell this year by more than a year ago, particularly for eBooks.

<b>LEISURE SERVICES</b>	Weight 2016	Weight 2017	1 month % change Aug 2016	1 month % change Aug 2017	Contribution to RPI annual rate change
LEISURE SERVICES	78	79	0.2	0.6	0.04
TV licence and rentals	12	12	-	-	-
Entertainment and other recreation	16	16	0.2	0.8	0.01
Foreign holidays	40	40	0.3	0.9	0.02
UK holidays	10	11	-0.2	0.3	0.01

- Large upward effect on the all items 12-month rate change.
- Due to:
  - **Foreign holidays** and **entertainment and other recreation**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from foreign holidays and live music events. Partially offset by a small downward contribution coming from theatre admissions, where average charges fell this year but rose a year ago; and
  - **UK holidays**, where prices overall rose this year but fell a year ago, with the main upward contribution coming from overnight stays in hotels. Partially offset by a small downward contribution coming from longer UK holidays.

## RECONCILIATION OF CPI AND RPI

### (Table 5 of the Consumer Price Inflation Dataset)

This table identifies the main factors contributing to the differences between the unrounded inflation rates for the CPI and the RPI. These differences are broken down into: mortgage interest payments, other housing components excluded from the CPI, other differences in the coverage of goods and services, and the formula effect. The final column titled 'other differences including weights' is derived as a residual.

This table currently compares CPI with RPI. In due course it will be updated to compare CPIH with RPI.

The difference between the CPI and RPI unrounded annual rates in August 2017 was -1.06 percentage points, widening from -0.98 percentage points in July 2017.

The main factor contributing to the widening was:

- **Mortgage interest payments**, which increased the RPI 12-month rate by 0.10 percentage points between July and August 2017 but are excluded from the CPI.

The main off-setting factor was:

- **Other differences including weights**, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.04 percentage points between July and August 2017. The effect came mainly from food and non-alcoholic beverages, and clothing and footwear. This was partially offset by fuels and lubricants, and airfares.

## RPI MISCELLANEOUS DATA

### Selected Average Prices

Description		June 2017	July 2017	August 2017
Petrol per litre	Diesel	£1.18	£1.15	£1.17
	Petrol	£1.16	£1.14	£1.16
Alcohol pub prices	Draught bitter (pint)	£3.06	£3.06	£3.07
	Draught lager (pint)	£3.59	£3.59	£3.59
	Whisky (per nip)	£2.78	£2.79	£2.80
Cigarettes	Per 20 king size	£9.52	£9.53	£9.52

Average prices are as recorded for the RPI.

### Changes in Mortgage Interest Rates

This table gives an estimate of the contribution that changes in the average mortgage interest rate (MI) make to the 1-month percentage change in the RPI.

Month	1-month % change in the RPI	Approx. change in average MI rate	Approx. contribution to the 1-month % change in the RPI
August 2016	+0.4	Down -0.12% points	-0.11% points
September 2016	+0.2	Up +0.06% points	+0.05% points
October 2016	0.0	Down -0.09% points	-0.08% points
November 2016	+0.3	Down -0.03% points	-0.03% points
December 2016	+0.6	Down -0.02% points	-0.02% points
January 2017	-0.6	Down -0.01% points	-0.01% points
February 2017	+1.1	Down -0.01% points	-0.01% points
March 2017	+0.3	Down -0.01% points	-0.01% points
April 2017	+0.5	Down -0.02% points	-0.02% points
May 2017	+0.4	Negligible	-
June 2017	+0.2	Down -0.02% points	-0.02% points
July 2017	+0.2	Down -0.01% points	-0.01% points
August 2017	+0.7	Down -0.01% points	-0.01% points

**NB:** A one percentage point change in the average mortgage interest rate contributes approx. 0.9 percentage points to the 1-month percentage change in the RPI.

## OUTLOOK

The outlook is a summary of seasonal trends, selected news cuttings and other sources of information. It gives some indication of expected changes to the annual rate of the CPIH and RPI in the next few months.

### FOOD

#### Seasonal Food

- Seasonal food prices have shown a mixed pattern of rises and falls in September of previous years, but are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPIH seasonal food index			
Year	July	August	September
2011	-0.9	-1.0	0.7
2012	-0.5	0.3	-0.1
2013	0.2	0.1	1.1
2014	0.2	-0.3	-0.5
2015	-1.4	-0.4	0.4
2016	0.5	-0.3	1.2
2017	-0.4	-0.1	

- Seasonal food prices in the RPI tend to show a similar movement.

### CLOTHING AND FOOTWEAR

- Prices for clothing and footwear tend to rise in September.

Monthly % change for CPIH clothing and footwear index			
Year	July	August	September
2011	-3.5	3.7	4.4
2012	-2.6	2.8	4.6
2013	-3.2	1.9	4.2
2014	-5.7	2.6	4.0
2015	-3.3	1.5	2.8
2016	-3.4	1.0	5.1
2017	-2.9	2.4	

- The clothing and footwear group in the RPI exhibits a similar seasonal pattern.

### HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS

#### Electricity, Gas and Other Fuels

- Centrica plc has announced that the price of electricity on the British Gas standard tariff will increase by 12.5% from 15 September. ([www.britishgas.co.uk](http://www.britishgas.co.uk) 1 August 2017)

## FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

- Prices tend to rise in September.

Monthly % change for CPIH furniture, household equipment and maintenance index			
Year	July	August	September
2011	-1.1	2.0	1.2
2012	-1.1	0.8	0.5
2013	-1.0	1.7	0.1
2014	-1.5	1.0	0.6
2015	-1.5	1.7	0.7
2016	-1.7	1.4	0.4
2017	-1.2	1.8	

- The household goods group in the RPI exhibits a similar seasonal pattern.

## TRANSPORT

### Fuels and Lubricants

- Oil prices fell following concerns that Hurricane Irma's impact on heavily populated areas of Florida could affect oil demand in the world's top oil consuming nation. Losses were capped by talks between Saudi Arabia's oil minister and counterparts over a possible extension to a pact to cut global oil supplies beyond next March. Brent crude oil futures were down 33 cents at \$53.45 a barrel while benchmark U.S. West Texas intermediate crude advanced by 22 cents to \$47.70. (reuters.com 11 September 2017)
- When considering the price of petrol between August and September 2017, it may be useful to note that the average price of petrol rose by 1.2 pence per litre between August and September 2016, standing at 111.2 pence per litre as measured in the CPIH.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately 0.02 percentage points to the 1-month change in the CPIH.

### Passenger Transport by Air

- Air fares tend to fall sharply in September.

Monthly % change for CPIH air fares index			
Year	July	August	September
2011	9.8	11.2	-21.2
2012	21.7	10.2	-25.2
2013	13.9	9.4	-18.8
2014	14.0	11.3	-21.7
2015	21.6	13.9	-20.4
2016	15.9	14.4	-24.2
2017	17.9	10.9	

- The air fares index used in the RPI is the same as that used in the CPIH, and is included in

the **other travel costs** section.

## HOUSING (RPI)

### Mortgage interest payments (MIPs)

- The Bank of England Bank Rate remained unchanged at 0.25% on Thursday 3 August 2017. The next announcement and minutes from the Bank of England's Monetary Policy Committee are scheduled to be published on 14 September 2017.
- The change in average mortgage interest rates recorded in the RPI was +0.06 percentage points between August and September 2016. The Bank of England Bank Rate decreased from 0.50% to 0.25% in August 2016.
- A one percentage point change in the average mortgage interest rate contributes approximately 0.9 percentage points to the 1-month percentage change in the RPI.

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