

Statistical Bulletin

BRIEFING NOTE

Consumer Price Inflation

February 2020

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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.

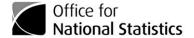
The <u>National Statistics</u> status of the CPIH was reinstated on 31 July 2017. <u>A letter from the Director General for Regulation to the National Statistician detailed the actions that were taken to meet the requirements as set out in the CPIH assessment report.</u>

The main movements for CPIH in February 2020 are:

- The all items CPIH is 108.6, up from 108.3 in January.
- The all items CPIH annual rate is 1.7%, down from 1.8% in January.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 1.7%, unchanged from last month.
- The OOH component of CPIH is 107.6, unchanged from last month.
- The OOH component annual rate is 1.2%, down from 1.3% last month.
- The CPIH all goods index is 105.8, up from 105.4 in January.
- The CPIH all goods index annual rate is 1.0%, down from 1.3% last month.
- The CPIH all services index is 110.7, up from 110.4 in January.
- The CPIH all services index annual rate is 2.2%, up from 2.1% 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 <u>Users and uses of consumer price inflation statistics</u>.

The main movements for CPI in February 2020 are:

- The all items CPI is 108.6, up from 108.2 in January.
- The all items CPI annual rate is 1.7%, down from 1.8% in January.
- The annual rate for CPI excluding indirect taxes, CPIY, is 1.8%, unchanged from last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 1.7%, unchanged from last month.
- The CPI all goods index is 105.8, up from 105.4 in January.
- The CPI all goods index annual rate is 1.0%, down from 1.3% last month.
- The CPI all services index is 111.7, up from 111.3 in January.
- The CPI all services index annual rate is 2.5%, up from 2.3% 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 <u>full</u> <u>assessment report</u> 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 <u>Users and uses of consumer price inflation statistics</u>.

The UK Statistics Authority recommended in 2019 that the publication of the RPI should be stopped at a point in the future and that in the interim, the shortcomings of the RPI should be addressed by introducing CPIH data sources and methods into its production. The Authority and HM Treasury have launched a consultation on the Authority's proposal to address the shortcomings of the RPI. HM Treasury is consulting on the appropriate timing for the proposed changes to the RPI to take place. The Authority is consulting on how to make its proposed methodological changes to the RPI in a way that follows best statistical practice. The consultation will run until 22 April 2020.

The main movements for RPI in February 2020 are:

- The all items RPI is 292.0, up from 290.6 in January.
- The all items RPI annual rate is 2.5%, down from 2.7% last month.



- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 2.5%, down from 2.8% last month.
- The all goods RPI is 219.9, up from 218.3 in January.
- The all goods RPI annual rate is 1.4%, down from 2.0% last month.
- The all services RPI is 402.5, up from 400.6 in January.
- The all services RPI annual rate is 3.7%, up from 3.6% last month.



CPIH SUMMARY

CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

	Weight	Weight	1 month	1 month	Contribution
CPIH COICOP DIVISIONS	2019	2020	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
01: Food and non-alcoholic beverages	82	79	0.4	0.2	-0.02
02: Alcoholic beverages and tobacco	32	32	0.9	-	-0.03
03: Clothing and footwear	54	51	1.0	0.9	-0.01
04: Housing, water, electricity, gas and other fuels	298	296	0.1	-	-0.03
05: Furniture, household equipment and maintenance	53	50	2.0	1.7	-0.02
06: Health	22	22	0.2	0.4	-
07: Transport	123	120	0.4	0.4	-
08: Communication	20	17	-	0.2	-
09: Recreation and culture	127	136	0.5	0.4	-0.01
10: Education	18	24	•	-	-
11: Restaurants and hotels	97	96	0.2	0.5	0.04
12: Miscellaneous goods and services	74	77	0.3	0.3	-

Small downward effects came from:

- Housing and household services, where prices overall were little changed between
 January and February 2020 but rose by 0.1% between the same two months a year ago.
 Within this category, there were small downward contributions from owner occupiers'
 housing costs and liquid fuels;
- Alcohol and tobacco, principally from the prices of tobacco rising by less than a year ago;
- Furniture, household equipment and maintenance, where prices of furniture and furnishings rose by less between January and February 2020 than between the same two months a year ago. The effect came principally from lounge furniture; and



• Food and non-alcoholic beverages, with prices rising by 0.2% between January and February 2020, compared with a rise of 0.4% between the same two months a year ago. Bread and cereals, and vegetables had the largest downward effects though these were partially offset by small upward contributions from oils and fats, and fruit.

A large upward effect came from:

 Restaurants and hotels, where average prices for accommodation rose by 1.6% between January and February 2020, compared with a negligible movement between the same two months a year ago.



CPIH NOTABLE MOVEMENTS

All items CPIH	Annual rate +1.7%, down from +1.8% last month Lowest since December 2019 (+1.4%)
All items CPIH excl. energy, food, alcohol and tobacco	Annual rate +1.7%, up from +1.6% last month Also +1.7% in November 2019 and October 2019 Last higher in July 2019 (+1.9%)
Alcoholic beverages and tobacco	Annual rate +0.7%, down from +1.5% last month Lowest since June 2016 (+0.5%)
Health	Annual rate +3.0%, up from +2.8% last month Highest since December 2017 (+3.2%)
All goods	Annual rate +1.0%, down from +1.3% last month Lowest since December 2019 (+0.6%)
All services	Annual rate +2.2%, up from +2.1% last month Also +2.2% in November 2019, October 2019, September 2019, July 2019 and June 2019 Last higher in May 2019 (+2.3%)



CPIH DETAILED BRIEFING

The <u>National Statistics</u> status of the Consumer Prices Index including owner occupiers' housing costs (CPIH) was reinstated on 31 July 2017. <u>A letter</u> 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 <u>CPIH assessment report</u>.

Weights are specified as parts per 1000 in the CPIH.

01 FOOD AND NON- ALCOHOLIC BEVERAGES	Weight	Weight	1 month	1 month	Contribution
	2019	2020	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
01 Food & non-alcoholic beverages	82	79	0.4	0.2	-0.02

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

	Weight	Weight	1 month	1 month	Contribution
01.1 Food	2019	2020	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
01.1 Food	72	71	0.4	0.2	-0.02
01.1.1 Bread and cereals	12	13	2.6	-0.2	-0.03
01.1.2 Meat	15	14	-0.4	0.1	0.01
01.1.3 Fish	3	3	1.0	1.2	-
01.1.4 Milk, cheese and eggs	9	8	1.6	1.0	-0.01
01.1.5 Oils and fats	2	2	-4.3	3.4	0.02
01.1.6 Fruit	8	9	-1.5	1.2	0.02
01.1.7 Vegetables including potatoes	11	11	1.6	0.1	-0.02
01.1.8 Sugar, jam, syrups, chocolate and confectionery	10	9	-1.0	-1.6	-0.01
01.1.9 Food products not elsewhere covered	2	2	0.5	-1.4	-

- Small downward effect on the all items 12-month rate change.
- Due to bread and cereals; vegetables including potatoes; milk, cheese and eggs; and sugar, jam, syrups, chocolate and confectionery.
- Partially offset by fruit; oils and fats; and meat.

Bread and cereals

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contributions



coming from dried potted snacks, packs of individual cakes, chilled pizzas and chocolate biscuits.

 Partially offset by a small upward contribution coming from plain biscuits, where prices overall rose this year but fell a year ago.

Meat

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

Milk, cheese and eggs

- Small downward effect.
- Prices overall rose this year by less than a year ago, particularly for yoghurt/fromage frais.

Oils and fats

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for margarine/low fat spread.

Fruit

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for raspberries.

Vegetables including potatoes

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from crisps.

Sugar, jam, syrups, chocolate and confectionery

- Small downward effect.
- Prices overall fell this year by more than a year ago.
- Partially offset by a small upward contribution coming from cartons/boxes of chocolates,
 where prices overall fell this year by less than a year ago.



01.2 Non-alcoholic beverages	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
01.2 Non-alcoholic beverages	10	8	0.1	0.6	-
01.2.1 Coffee, tea and cocoa	3	2	-2.1	-2.9	-
01.2.2 Mineral waters, soft drinks and juices	7	6	1.0	1.7	-

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2019	Weight 2020	1 month % change	Ü	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
02 Alcoholic beverages and tobacco	32	32	0.9	-	-0.03

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

02.1 Alcoholic Beverages	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	15	16	0.3	-0.1	-0.01
02.1.1 Spirits	4	5	1.3	0.2	-0.01
02.1.2 Wine	7	7	-0.3	-0.3	-
02.1.3 Beer	4	4	0.6	-0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **spirits**, where prices overall rose this year by less than a year ago.

02.2 Tobacco	Weight	Weight	1 month	1 month	Contribution
	2019	2020	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
02.2 Tobacco	17	16	1.3	0.2	-0.02

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



03 CLOTHING AND FOOTWEAR	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
03 Clothing and footwear	54	51	1.0	0.9	-0.01

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

03.1 Clothing	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
03.1 Clothing	45	43	1.0	0.8	-0.01
03.1.2 Garments	41	38	1.1	1.3	-
03.1.3 Other clothing and clothing accessories	3	4	-0.3	-2.9	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.4	0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to **other clothing and clothing accessories**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from knitting wool.

03.2 Footwear including repairs	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
03.2 Footwear including repairs	9	8	0.7	1.0	-

04 HOUSING, WATER, ELECTRICITY, GAS AND	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
OTHER FUELS	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
04 Housing, water, electricity, gas and other fuels	298	296	0.1	_	-0.03

- Largest downward effect on the all items 12-month rate change.
- Due to electricity, gas and other fuels; and owner occupiers' housing costs.



04.1 Actual rentals for	Weight	Weight	1 month	1 month	Contribution
housing	2019	2020	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
04.1 Actual rentals for housing	69	68	0.1	-	-

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

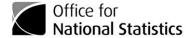
04.2 Owner occupiers' housing costs	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
04.2 Owner occupiers' housing costs	165	163	0.1	-	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall were little changed this year but rose a year ago, with the main downward contribution coming from costs in England.

04.3 Regular maintenance and repair of the dwelling	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of the dwelling	3	2	-0.1	0.1	-
04.3.1 Materials for maintenance and repair	1	1	-0.4	-	-
04.3.2 Services for maintenance and repair	2	1	0.1	0.2	-

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

04.4 Other services related to the dwelling	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
04.4 Other services related to the dwelling	9	9	1	-	-
04.4.1 Water supply	4	4	-	-	-
04.4.3 Sewerage collection	5	5	-	-	-



04.5 Electricity, gas and other fuels	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	26	27	0.2	-0.4	-0.02
04.5.1 Electricity	14	15	0.1	-	-
04.5.2 Gas	10	10	0.1	-	-
04.5.3 Liquid fuels	1	1	2.3	-11.2	-0.01
04.5.4 Solid fuels	1	1	0.1	1.1	-

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

04.9 Council Tax and rates	Weight 2019	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
04.9 Council Tax and rates	26	27	-	-	-

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
05 Furniture, household equipment and maintenance	53	50	2.0	1.7	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to furniture, furnishings and carpets; and tools and equipment for house and garden.
- Partially offset by glassware, tableware and household utensils; goods and services for routine maintenance; and household textiles.



05.1 Furniture, furnishings and carpets	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
05.1 Furniture, furnishings and carpets	22	17	3.6	2.7	-0.03
05.1.1 Furniture and furnishings	15	14	5.3	3.3	-0.03
05.1.2 Carpets and other floor coverings	7	3	-	-0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall rose this year by less than a year ago, particularly for lounge and bedroom furniture.

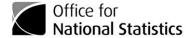
05.2 Household textiles	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
05.2 Household textiles	5	6	3.0	3.3	0.01

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

05.3 Household appliances, fitting and repairs	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual
	rep-pec	reb-bec	Feb 2019	Feb 2020	rate change
05.3 Household appliances, fitting and repairs	8	8	0.4	0.7	-
05.3.1/2 Major appliances and small electric goods	7	7	0.5	0.8	-
05.3.3 Repair of household appliances	1	1	0.2	-	-

05.4 Glassware, tableware and household utensils	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
05.4 Glassware, tableware and household utensils	4	6	1.4	2.4	0.01

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



05.5 Tools and equipment	Weight	Weight	1 month	1 month	Contribution
for house and garden	2019	2020	% change	% change	to CPIH annual
Tor House and garden	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
05.5 Tools and equipment for house and					
garden	5	5	0.1	-1.0	-0.01

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

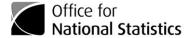
05.6 Goods and services for routine maintenance	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance	9	8	0.1	0.8	0.01
05.6.1 Non-durable household goods 05.6.2 Domestic services and household	3	3	0.1	1.3	-
services	6	5	-	0.5	-

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

06 HEALTH	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
06 Health	22	22	0.2	0.4	-

06.1 Medical products,	Weight	Weight	1 month	1 month	Contribution
appliances and equipment	2019	2020	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
06.1 Medical products, appliances and					
equipment	9	12	0.2	0.7	0.01
06.1.1 Pharmaceutical products	5	8	0.5	1.1	0.01
06.1.2/3 Other medical and therapeutic					
equipment	4	4	-0.1	-0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **pharmaceutical products**, where prices overall rose this year by more than a year



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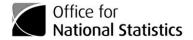
06.2 Out-patient services	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
06.2 Out-patient services	8	6	0.2	0.3	-
06.2.1/3 Medical and paramedical					
services	5	4	0.3	0.2	-
06.2.2 Dental services	3	2	0.2	0.3	-

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

06.3 Hospital services	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
06.3 Hospital Services	5	4	0.2	-0.1	-

07 TRANSPORT	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
07 Transport	123	120	0.4	0.4	-

- Negligible overall effect on the all items 12-month rate change.
- There are small upward contributions coming from transport services and purchase of vehicles.
- Offset by a large downward contribution coming from operation of personal transport equipment.



07.1 Purchase of vehicles	Weight 2019	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	37	35	0.3	1.0	0.03
07.1.1A New cars	21	19	0.2	0.1	-
07.1.1B Second-hand cars	14	14	0.2	2.3	0.03
07.1.2/3 Motorcycles and bicycles	2	2	1.4	1.3	-

- Small upward effect on the all items 12-month rate change.
- Due to **second-hand cars**. where prices overall rose this year by more than a year ago.

07.2 Operation of personal transport equipment	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
07.2 Operation of personal transport equipment	60	62	-0.1	-0.9	-0.05
07.2.1 Spare parts and accessories	4	4	0.1	0.4	-
07.2.2 Fuels and lubricants	24	25	-0.3	-2.1	-0.05
07.2.3 Maintenance and repairs	20	21	-	-0.2	-0.01
07.2.4 Other services	12	12	-	-0.1	-

- Large downward effect on the all items 12-month rate change.
- Due to **fuels and lubricants** and, to a lesser extent, **maintenance and repairs**.

Fuels and lubricants

- Large downward effect.
- Prices overall fell this year by more than a year ago.
- The average price of petrol across the month, as recorded for the CPIH, fell by 2.4 pence per litre between January and February 2020, to stand at 124.5 pence per litre.
- Last year, the average price of petrol fell by 0.5 pence per litre between January and February 2019, to stand at 119.1 pence per litre.
- The average price of diesel fell by 3.2 pence per litre between January and February 2020, to stand at 129.3 pence per litre, compared with a fall of 0.2 pence per litre a year earlier, to stand at 129.3 pence per litre.

Maintenance and repairs

- Small downward effect.
- Prices overall fell this year but were little changed a year ago, with the main downward contribution coming from roadside recovery services.



07.3 Transport services	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
07.3 Transport services	26	23	1.8	3.3	0.03
07.3.1 Passenger transport by railway	11	9	0.8	2.0	0.01
07.3.2 Passenger transport by road	9	8	0.6	1.7	0.01
07.3.3 Passenger transport by air	4	4	7.7	5.3	-0.01
07.3.4 Passenger transport by sea and inland waterway	2	2	1.6	11.2	0.02

- Small upward effect on the all items 12-month rate change.
- Due to passenger transport by sea and inland waterway; passenger transport by railway and passenger transport by road.
- Partially offset by passenger transport by air.

Passenger transport by railway

- Small upward effect.
- Due to international rail, where prices rose this year by more than a year ago.

Passenger transport by road

- Small upward effect.
- Average charges rose this year by more than a year ago, particularly for coach fares.

Passenger transport by air

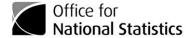
- Small downward effect.
- Average fares for European flights rose this year by less than a year ago.
- Partially offset by a small upward contribution coming from long-haul flights, where average fares fell this year by less than a year ago.

Passenger transport by sea and inland waterway

- Small upward effect.
- Average fares for international journeys rose this year by more than a year ago.

08 COMMUNICATION	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
08 Communication	20	17	-	0.2	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from telephone equipment and services.



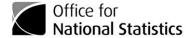
08.1 Postal services	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
08.1 Postal services	1	1	-	-	-

08.2/3 Telephone equipment and services	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
08.2/3 Telephone equipment and services	19	16		0.3	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year but were little changed a year ago, with the main upward contribution coming from mobile phone charges.

09 RECREATION AND CULTURE	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
09 Recreation and culture	127	136	0.5	0.4	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to other recreational items, gardens and pets and, to a lesser extent, books, newspapers and stationery.
- Partially offset by **audio-visual equipment and related products** and, to a lesser extent, **recreational and cultural services**.



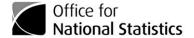
09.1 Audio-visual equipment and related products	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	17	18	1.7	3.6	0.04
09.1.1 Equipment for the reception and reproduction of sound and pictures	4	3	1.7	-0.1	-0.01
09.1.2 Photographic, cinematographic and optical equipment	2	2	0.5	1.7	-
09.1.3 Data processing equipment	7	7	-0.1	0.4	-
09.1.4 Recording media	3	5	7.3	11.8	0.04
09.1.5 Repair of audio-visual equipment and related products	1	1	-	0.3	1

- Large upward effect on the all items 12-month rate change.
- Due to **recording media**, where prices overall rose this year by more than a year ago, particularly for CDs and music downloads.
- Partially offset by equipment for the reception and reproduction of sound and pictures, where prices overall fell this year but rose a year ago.

09.2 Other major durables for recreation and culture	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
09.2.1/2 Major durables for in/outdoor recreation	14	14	0.1	-	-

09.3 Other recreational items, gardens and pets	Weight 2019	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	30	33	0.1	-1.8	-0.06
09.3.1 Games, toys and hobbies	18	16	-0.3	-3.8	-0.06
09.3.2 Equipment for sport and open-air recreation	2	3	-	-0.4	-
09.3.3 Gardens, plants and flowers	3	5	1.6	0.1	-
09.3.4/5 Pets, related products and services	7	9	0.4	0.3	-

- Large downward effect on the all items 12-month rate change.
- Due to **games**, **toys and hobbies**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from computer games, computer game



downloads and board games.

09.4 Recreational and cultural services	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
09.4 Recreational and cultural services	22	28	-0.3	8.0	0.03
09.4.1 Recreational and sporting services	6	8	0.1	-	-
09.4.2 Cultural services	16	20	-0.4	1.1	0.03

- Small upward effect on the all items 12-month rate change.
- Due to **cultural services**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from live music events and theatre admissions.

09.5 Books, newspapers and stationery	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	10	9	2.6	1.8	-0.01
09.5.1 Books	3	3	5.2	2.0	-0.01
09.5.2 Newspapers and periodicals	3	3	1.8	2.5	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	4	3	1.2	0.8	-

- Small downward effect on the all items 12-month rate change.
- Due to **books**, where prices overall rose this year by less than a year ago, particularly for non-fiction hardbacks.

09.6 Package holidays	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
09.6 Package holidays	34	34	0.2	0.3	-

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

10 EDUCATION	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
10 Education	18	24	-	-	-



11 RESTAURANTS AND	Weight	Weight	1 month	1 month	Contribution
HOTELS	2019	2020	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
11 Restaurants and hotels	97	96	0.2	0.5	0.04

- Largest upward effect on the all items 12-month rate change.
- Due to accommodation services and catering services.

11.1 Catering services	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
11.1 Catering services	76	80	0.2	0.3	0.01
11.1.1 Restaurants and cafes	70	74	0.2	0.3	0.01
11.1.2 Canteens	6	6	0.1	0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **restaurants and cafes**, where prices overall rose this year by more than a year ago.

11.2 Accommodation services	Weight	Weight	1 month	1 month	Contribution
	2019	2020	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
11.2 Accommodation services	21	16	-	1.6	0.03

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year but were little changed a year ago, with the main upward contribution coming from overnight hotel accommodation.

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
12 Misc. goods and services	74	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 care.
- Offset by a small downward contribution coming from personal effects not elsewhere covered.



12.1 Personal care	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
12.1 Personal care	24	23	-0.3	-0.1	0.01
12.1.1 Hairdressing and personal grooming establishments	6	6	0.2	0.2	-
12.1.2/3 Appliances and products for personal care	18	17	-0.5	-0.2	0.01

- Small upward effect on the all items 12-month rate change.
- Due to appliances and products for personal care, where prices overall fell this year by
 less than a year ago, with the main upward contributions coming from deodorant/antiperspirant, sunscreen, shower gel and electric hair styling appliances. Partially offset by
 small downward contributions coming from body moisturising lotion and facial
 moisturiser/day cream.

12.3 Personal effects not elsewhere covered	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	15	11	1.6	1.6	-0.01
12.3.1 Jewellery, clocks and watches	10	7	1.3	0.9	-0.01
12.3.2 Other personal effects	5	4	2.3	2.9	-

- Small downward effect on the all items 12-month rate change.
- Due to **jewellery**, **clocks and watches**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from jewellery.

12.4 Social protection	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
12.4 Social protection	13	17	0.3	0.2	-



12.5 Insurance	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
12.5 Insurance	5	5	0.1	0.4	-
12.5.2 House contents insurance	1	1	-1.6	-0.5	-
12.5.3 Health insurance	2	2	-	-	-
12.5.4 Transport insurance	2	2	0.9	1.2	-

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

12.6 Financial services not elsewhere covered	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Feb 2019	Feb 2020	rate change
12.6 Financial services not elsewhere covered	8	8	0.1	-0.1	-

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

12.7 Other services not elsewhere covered	Weight 2019 Feb-Dec	Weight 2020 Feb-Dec	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to CPIH annual rate change
12.7 Other services not elsewhere covered	9	13	0.1	0.1	_



RPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

	Weight	Weight	1 month	1 month	Contribution
GROUPS	pre-Jul	2020	% change	% change	to RPI annual
	2019		Feb 2019	Feb 2020	rate change
FOOD	100	102	0.9	0.2	-0.07
CATERING	49	51	0.1	0.4	0.01
ALCOHOLIC DRINKS	59	62	0.2	0.1	-0.01
TOBACCO	21	22	1.4	0.2	-0.03
HOUSING	260	266	-0.1	-0.2	-0.03
FUEL AND LIGHT	38	40	0.2	-0.6	-0.02
HOUSEHOLD GOODS	69	67	3.4	2.4	-0.07
HOUSEHOLD SERVICES	61	55	-0.2	-	-
CLOTHING AND FOOTWEAR	39	37	3.9	4.1	-
PERSONAL GOODS AND SERVICES	42	42	0.7	0.9	0.01
MOTORING EXPENDITURE	125	113	0.1	-0.2	-0.03
FARES AND OTHER TRAVEL COSTS	28	26	3.6	3.3	-0.01
LEISURE GOODS	24	26	1.6	1.0	-0.01
LEISURE SERVICES	85	91	0.2	0.5	0.02

As a result of the <u>error identified in the Retail Prices Index (RPI) in 2019</u> (resulting from an issue with the 2017 and 2018 Living Costs and Food Survey (LCF) dataset, which is used to produce the weights unpinning the RPI), the 2019 RPI was based on two weight structures – prior to July 2019, on the incorrect basis and, from July 2019 onwards, on the corrected basis. From February 2020, the new 2020 RPI weights structure has been implemented and it should be noted that contributions calculations will be based on the comparison between the latest 2020 weights structure and the structure used at the time of publication. This means that contribution



calculations between now and July 2020 will be based on the uncorrected 2019 weights structure to ensure that no revisions are made to the RPI.



RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +2.5%, down from +2.7% last month Lowest since December 2019 (+2.2%)
All items RPI excl. MIPS (RPIX)	Annual rate +2.5%, down from +2.8% last month Lowest since December 2019 (+2.2%)
Food	Annual rate +0.7%, down from +1.4% last month Lowest since December 2018 (+0.6%)
Catering	Annual rate +3.4%, up from +3.2% last month Highest since January 2012 (+3.5%)
Tobacco	Annual rate +0.5%, down from +1.7% last month Never lower since official series began in January 1988
Household goods	Annual rate +0.9%, down from +1.9% last month Lowest since September 2016 (0.0%)
Clothing and footwear	Annual rate +6.0%, up from +5.9% last month Also +6.0% in October 2019 Last higher in August 2018 (+6.3%)
Personal goods and services	Annual rate +3.4%, up from +3.2% last month Highest since December 2012 (+3.8%)
All goods	Annual rate +1.4%, down from +2.0% last month Lowest since October 2016 (+0.9%)
All services	Annual rate +3.7%, up from +3.6% last month Also +3.7% in August 2019 Last higher in June 2019 (+4.0%)



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.

FOOD	Weight pre-Jul	Weight 2020	1 month % change	1 month % change	Contribution to RPI annual
	2019		Feb 2019	Feb 2020	rate change
FOOD	100	102	0.9	0.2	-0.07

- Largest downward effect on the all items 12-month rate change.
- Due to non-seasonal food.

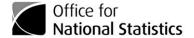
Seasonal Food	Weight pre-Jul	Weight 2020	1 month % change	1 month % change	Contribution to RPI annual
	2019		Feb 2019	Feb 2020	rate change
SEASONAL FOOD	18	18	0.2	0.3	-
Home killed lamb	1	1	0.6	-0.4	-
Fresh fish	2	2	1.4	-1.1	-0.01
Eggs	1	1	-0.9	-0.1	-
Unprocessed potatoes	1	1	0.3	2.4	-
Other fresh vegetables	6	6	1.8	-0.3	-0.01
Fresh fruit	7	7	-1.5	1.2	0.02

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from fresh fruit, where prices overall rose this
 year but fell a year ago, particularly for raspberries.
- Offset by small downward contributions coming from fresh fish and other fresh vegetables,
 where prices overall fell this year but rose a year ago, particularly for onions.



	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	pre-Jul	2020	% change	% change	to RPI annual
	2019		Feb 2019	Feb 2020	rate change
NON-SEASONAL FOOD	82	84	0.9	0.1	-0.07
Bread	3	3	0.7	-1.2	-0.01
Cereals	3	3	2.4	1.6	-
Biscuits and cakes	6	6	1.7	-	-0.01
Beef	3	3	-0.8	-0.6	-
Imported lamb	1	0	0.3	-	-
Pork	1	1	-1.5	0.1	-
Bacon	1	1	-0.7	0.2	-
Poultry	4	3	-0.2	-0.4	-
Other meat	6	6	-0.5	0.1	-
Processed fish	2	2	0.6	2.8	-
Butter	1	1	2.0	1.5	-
Oils and fats	1	1	-8.9	4.7	0.01
Cheese	3	3	-1.8	-0.3	-
Milk, fresh	3	3	0.5	0.8	-
Milk products	4	4	8.0	3.5	-0.02
Tea	1	1	-3.1	-0.9	-
Soft drinks	9	9	1.1	2.1	0.01
Sugar and preserves	1	1	0.7	-2.3	-
Sweets and chocolates	11	12	-0.6	-1.2	-0.01
Potato products	3	3	0.9	-0.3	-
Processed vegetables	1	2	4.8	1.0	-0.01
Processed fruit	1	2	0.3	0.3	-
Other foods	11	12	3.8	-0.9	-0.05
Coffee and other hot drinks	2	2	-1.9	-3.5	

- Large downward effect on the all items 12-month rate change.
- Due to:
 - Other foods and, to a lesser extent, bread, where prices overall fell this year but rose a year ago, with the main downward contributions coming from dried potted snacks, chilled pizzas and mayonnaise;
 - Milk products and processed vegetables, where prices overall rose this year by less than a year ago, particularly for yoghurt/fromage frais;
 - Biscuits and cakes, where prices overall were little changed this year but rose a year
 ago, with the main downward contributions coming from packs of individual cakes and
 chocolate biscuits. Partially offset by a small upward contribution coming from plain
 biscuits, where prices overall rose this year but fell a year ago; and
 - Sweets and chocolates, where prices overall fell this year by more than a year ago.
- Partially offset by:
 - Oils and fats, where prices overall rose this year but fell a year ago, particularly for margarine/low fat spread; and
 - Soft drinks, where prices overall rose this year by more than a year ago. Partially



offset by a small downward contribution coming from fruit squash, where prices overall rose this year by less than a year ago.

CATERING	Weight pre-Jul 2019	Weight 2020	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to RPI annual rate change
CATERING	49	51	0.1	0.4	0.01
Restaurant meals	29	30	0.1	0.4	0.01
Canteen meals	3	3	0.1	0.1	-
Take-away meals and snacks	17	18	0.3	0.4	-

- Small upward effect on the all items 12-month rate change.
- Due to **restaurant meals**, where prices overall rose this year by more than a year ago.

ALCOHOLIC DRINKS	Weight pre-Jul	Weight 2020	1 month % change	1 month % change	Contribution to RPI annual
	2019		Feb 2019	Feb 2020	rate change
ALCOHOLIC DRINKS	59	62	0.2	0.1	-0.01
Beer on sales	19	19	0.1	0.2	-
Beer off sales	6	6	0.4	-	-
Wines and spirits on sales	19	21	0.3	0.3	-
Wines and spirits off sales	15	16	-	-0.3	-

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

ТОВАССО	Weight pre-Jul	Weight 2020	1 month % change	1 month % change	Contribution to RPI annual
	2019		Feb 2019	Feb 2020	rate change
TOBACCO	21	22	1.4	0.2	-0.03
Cigarettes	17	18	1.2	0.1	-0.02
Other tobacco products	4	4	2.2	0.6	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **cigarettes** and **other tobacco products**, where prices overall rose this year by less than a year ago.



	Weight	Weight	1 month	1 month	Contribution
HOUSING	pre-Jul	2020	% change	% change	to RPI annual
	2019		Feb 2019	Feb 2020	rate change
HOUSING	260	266	-0.1	-0.2	-0.03
Rent	77	82	0.1	0.1	-
Mortgage interest payments	25	24	0.2	-0.6	-0.02
Council Tax and rates	39	41	-	-	-
Water and other charges	12	13	-	-	-
Repairs and maintenance charges	10	9	0.1	0.2	-
DIY materials	7	7	0.2	0.1	-
Dwelling insurance and ground rent	6	6	0.2	-0.7	-0.01
House depreciation	84	84	-0.4	-0.4	-

- Small downward effect on the all items 12-month rate change.
- Due to:
 - Mortgage interest payments, where average charges fell this year but rose a year ago; and
 - **Dwelling insurance and ground rent**, where average insurance premiums fell this year but rose a year ago.

FUEL AND LIGHT	Weight pre-Jul 2019	Weight 2020	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to RPI annual rate change
FUEL AND LIGHT	38	40	0.2	-0.6	-0.02
Coal and solid fuels	1	1	-	1.1	-
Electricity	19	21	0.1	-	0.01
Gas	15	15	0.1	•	-
Oil and other fuels	3	3	1.9	-8.6	-0.03

- Small downward effect on the all items 12-month rate change.
- Due to **oil and other fuels**, where average price for kerosene fell this year but rose a year ago.
- Partially offset by electricity, where the upward contribution is due to weight changes in 2019 and 2020. Prices were unchanged this year but rose a year ago, however as the weight for electricity changed during 2019 and then increased in 2020, this is showing as an upward effect.



HOUSEHOLD GOODS	Weight pre-Jul	Weight 2020	1 month % change	1 month % change	Contribution to RPI annual
	2019		Feb 2019	Feb 2020	rate change
HOUSEHOLD GOODS	69	67	3.4	2.4	-0.07
Furniture	27	27	7.0	4.1	-0.08
Furnishings	10	9	1.9	1.7	-
Electrical appliances	7	6	1.8	2.1	-
Other household equipment	5	4	2.0	3.2	-
Household consumables	11	12	0.1	0.7	0.01
Pet care	9	9	0.4	0.3	-

- Largest downward effect on the all items 12-month rate change.
- Due to **furniture**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from lounge and bedroom furniture.
- Partially offset by **household consumables**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from dishwasher tablets.

	Weight	Weight	1 month	1 month	Contribution
HOUSEHOLD SERVICES	pre-Jul	2020	% change	% change	to RPI annual
	2019		Feb 2019	Feb 2020	rate change
HOUSEHOLD SERVICES	61	55	-0.2	-	-
Domestic services	14	12	0.3	0.3	-
Fees and subscriptions	22	18	-0.2	-	-
Postage	1	1	-	-	-
Telephone charges	24	24	-0.5	-0.2	-

CLOTHING AND FOOTWEAR	Weight pre-Jul 2019	Weight 2020	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	39	37	3.9	4.1	-
Men's outerwear	8	7	3.1	1.9	-0.01
Women's outerwear	14	13	6.4	8.1	0.02
Children's outerwear	4	4	2.7	2.6	-
Other clothing	5	5	2.0	0.6	-0.01
Footwear	8	8	1.9	2.4	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **women's outerwear**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from trousers. Partially offset by a small downward contribution coming from dresses, where



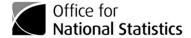
- prices overall rose this year by less than a year ago.
- Offset by small downward contributions coming from men's outerwear and other clothing,
 where prices overall rose this year by less than a year ago.

PERSONAL GOODS AND SERVICES	Weight pre-Jul 2019	Weight 2020	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	42	42	0.7	0.9	0.01
Personal articles	10	10	2.3	2.9	-
Chemists' goods	16	16	0.1	0.2	-
Personal services	16	16	0.2	0.3	-

- 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 deodorant/anti-perspirant, luggage trolley cases and sunscreen. Partially offset
 by small downward contributions coming from body moisturising lotion, facial moisturiser/day
 cream and ladies' handbags/shoulder bags, where prices overall fell this year but rose a year
 ago.

MOTORING EXPENDITURE	Weight pre-Jul 2019	Weight 2020	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to RPI annual rate change
MOTORING EXPENDITURE	125	113	0.1	-0.2	-0.03
Purchase of motor vehicles	51	37	0.2	1.3	0.04
Maintenance of motor vehicles	17	15	0.1	-	-
Petrol and oil	35	37	-1.0	-2.9	-0.08
Vehicle tax and insurance	22	24	1.3	1.7	0.01

- Small downward effect on the all items 12-month rate change.
- Due to **petrol and oil**, where prices overall fell this year by more than a year ago. The price of petrol, as recorded for the RPI, fell by 3.4 pence per litre between January and February 2020, to stand at 123.8 pence per litre, compared with a fall of 1.3 pence per litre last year, to stand at 119.0 pence per litre. Diesel prices fell by 4.5 pence per litre, to stand at 128.2 pence per litre in February 2020, compared with a fall of 1.1 pence per litre last year, to stand at 129.2 pence per litre.
- Partially offset by purchase of motor vehicles and, to a lesser extent, vehicle tax and insurance, where prices overall rose this year by more than a year ago, with the main upward contributions coming from second-hand cars and car insurance premiums.

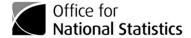


FARES AND OTHER TRAVEL COSTS	Weight pre-Jul 2019	Weight 2020	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	28	26	3.6	3.3	-0.01
Rail fares	7	7	0.8	2.0	0.01
Bus and coach fares	3	3	1.1	3.8	0.01
Other travel costs	18	16	5.2	3.7	-0.03

- 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.
- Partially offset by rail fares and bus and coach fares, where average international rail fares and coach fares rose this year by more than a year ago.

LEISURE GOODS	Weight pre-Jul 2019	Weight 2020	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to RPI annual rate change
LEISURE GOODS	24	26	1.6	1.0	-0.01
Audio-visual equipment	4	5	1.5	-	-0.01
CDs and tapes	1	1	6.9	12.7	0.01
Toys, photographic and sports goods	9	9	0.3	-0.7	-0.01
Books and newspapers	5	5	2.7	4.6	0.01
Gardening products	5	6	1.7	-0.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
 - Gardening products and toys, photographic and sports goods, where prices
 overall fell this year but rose a year ago, with the main downward contribution coming
 from computer game downloads; and
 - Audio-visual equipment, where prices overall were little changed this year but rose a
 year ago.
- Partially offset by books and newspapers and CDs and tapes, where prices overall rose
 this year by more than a year ago, with the main upward contribution coming from eBooks.



LEISURE SERVICES	Weight pre-Jul 2019	Weight 2020	1 month % change Feb 2019	1 month % change Feb 2020	Contribution to RPI annual rate change
LEISURE SERVICES	85	91	0.2	0.5	0.02
TV licence and rentals	10	14	-	-	-
Entertainment and other recreation	16	16	-0.1	0.8	0.01
Foreign holidays	46	50	0.3	0.4	-
UK holidays	13	11	0.2	1.3	0.01

- Largest upward effect on the all items 12-month rate change.
- Due to:
 - Entertainment and other recreation, where average admission charges for live music events rose this year but fell a year ago; and
 - **UK holidays**, where average charges for overnight hotel accommodation rose this year by more than a year ago.



RECONCILIATION OF CPIH AND RPI

(Table 5a of the Consumer Price Inflation Dataset)

This table identifies the main factors contributing to the differences between the unrounded inflation rates for the CPIH and the RPI. These differences are broken down into: mortgage interest payments, other housing components excluded from the CPIH, imputed rents (included in CPIH as a measure of owner occupiers' housing costs and excluded from RPI), other differences in the coverage of goods and services, and the formula effect. The final component titled 'other differences including weights' is derived as a residual.

The corresponding figures for the Consumer Prices Index (CPI) can be found in Table 5b of the Consumer price inflation dataset.

The difference between the CPIH and RPI unrounded annual rates in February 2020 was -0.75 percentage points, narrowing from -0.93 percentage points in January 2020.

The main factors contributing to the narrowing were:

- Other differences including weights, which decreased the RPI 12-month rate relative to the CPIH 12-month rate by 0.16 percentage points between January and February 2020. The effect came mainly from food and non-alcoholic beverages; furniture and furnishings; recording media; fuels and lubricants; air fares; liquid fuels; and sea fares. These were partially offset by a widening effect from games, toys and hobbies and equipment for sport and open-air recreation.
- Mortgage interest payments, which decreased the RPI 12-month rate by 0.02 percentage points between January and February 2020 but are excluded from the CPIH.

There were no significant offsetting factors.



RPI MISCELLANEOUS DATA

Selected Average Prices

Description		December 2019	January 2020	February 2020
Fuel per litre	Diesel	£1.30	£1.33	£1.28
	Petrol	£1.25	£1.27	£1.24
Alcohol pub prices	Draught bitter (pint)	£3.12	£3.13	£3.12
	Draught lager (pint)	£3.73	£3.73	£3.76
	Whisky (per nip)	£3.00	£3.00	£3.03
Cigarettes	Per 20 king size	£10.80	£10.80	£10.80

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
February 2019	+0.7	Negligible	-
March 2019	0.0	Down -0.01% points	-0.01% points
April 2019	+1.1	Down -0.01% points	-0.01% points
May 2019	+0.3	Negligible	-
June 2019	+0.1	Down -0.02% points	-0.02% points
July 2019	0.0	Negligible	-
August 2019	+0.8	Negligible	-
September 2019	-0.2	Negligible	-
October 2019	-0.2	Down -0.02% points	-0.02% points
November 2019	+0.2	Down -0.01% points	-0.01% points
December 2019	+0.3	Negligible	-
January 2020	-0.4	Down -0.03% points	-0.03% points
February 2020	+0.5	Down -0.02% points	-0.02% points

NB: A one percentage point change in the average mortgage interest rate contributes approx. 1.0 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 tended to fall in March of recent years and are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPIH seasonal food index				
Year	January	February	March	
2014	0.1	-0.4	-0.5	
2015	-1.1	-0.3	-0.4	
2016	-1.1	1.4	-0.9	
2017	-0.8	2.2	0.6	
2018	0.5	0.1	-0.5	
2019	0.7	0.4	-0.5	
2020	-0.1	0.7		

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

CLOTHING AND FOOTWEAR

 Prices or clothing and footwear have tended to rise in March of recent years due to continued recoveries following the January sales.

Monthly % change for CPIH clothing and footwear index				
Year	January	February	March	
2014	-5.4	1.1	1.8	
2015	-3.7	1.3	-0.1	
2016	-3.1	1.3	1.0	
2017	-4.2	1.2	2.0	
2018	-3.9	1.7	0.7	
2019	-4.3	1.0	1.0	
2020	-3.3	0.9		

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



FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

 Prices tend to rise in March of recent years due to continued recoveries following the January sales.

Monthly % change for CPIH furniture, household equipment and maintenance index				
Year	January	February	March	
2014	-3.1	2.5	0.3	
2015	-2.5	1.4	0.4	
2016	-2.3	1.7	0.7	
2017	-2.5	2.4	0.7	
2018	-2.6	2.5	-0.1	
2019	-2.1	2.0	0.1	
2020	-3.1	1.7		

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

HEALTH

Prescription Charges

 The Department of Health and Social Care has announced that NHS prescription charges for England will rise by 15 pence to £9.15 from 1 April 2020. (www.gov.uk 3 March 2020)

TRANSPORT

Fuels and Lubricants

- Oil prices have continued to decline, with record low U.S. gasoline prices leading the energy complex lower, as the coronavirus pandemic crushes demand worldwide after travel and industrial activity contracted across the globe in a bid to stem the spread of the virus. Brent crude LCOc1 futures fell to \$26.51 a barrel, a 1.7% percent drop. West Texas Intermediate (WTI) crude CLc1 futures for May delivery fell to \$22.59 a barrel. The demand destruction from the coronavirus comes as the oil market contends with the unexpected price war that erupted between producers Russia and Saudi Arabia, effectively ending an OPEC+ alliance and flooding the market with barrels. (uk.reuters.com 22 March 2020)
- When considering the price of petrol between February and March 2020, it may be useful to note that the average price of petrol rose by 1.2 pence per litre between February and March 2019, to stand at 120.3 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 have shown a mixed pattern of increases and decreases in March of recent years, and can depend on the position of Easter.

Monthly % change for CPIH air fares index				
Year	January	February	March	
2014	-18.5	3.3	1.9	
2015	-17.1	5.3	2.7	
2016	-35.8	5.6	22.9	
2017	-36.0	6.0	-3.9	
2018	-33.2	5.3	-2.1	
2019	-25.5	7.7	-5.7	
2020	-17.9	5.3		

• 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.

COMMUNICATION

Postal Services

 Royal Mail has announced that from 23 March 2020, the price of a First Class stamp will rise by 6p to 76p and the price of a Second Class stamp will rise by 4p to 65p.
 (www.royalmailgroup.com 21 February 2020)

RECREATION AND CULTURE

Television Licence

The cost of a TV Licence will change on 1 April 2020. A colour licence will cost £157.50, an increase of £3.00 on the current fee. A black and white licence will cost £53.00, an increase of £1.00. (www.tvlicensing.co.uk)

HOUSING (RPI)

Mortgage interest payments (MIPs)

- The Bank of England Bank Rate was decreased from 0.75% to 0.25% on Wednesday 11
 March 2020, and then to 0.10% on Thursday 19 March 2020. The next announcement and
 minutes from the Bank of England's Monetary Policy Committee are scheduled to be
 published on 26 March 2020.
- The change in average mortgage interest rates recorded in the RPI was -0.01 percentage points between February and March 2019. The Bank of England Bank Rate remained unchanged at 0.75% in February 2019.
- A one percentage point change in the average mortgage interest rate contributes approximately 1.0 percentage points to the 1-month percentage change in the RPI.



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