

# Consumer Price Inflation

## January 2017

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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

### **Consumer Prices Index (CPI)**

The CPI 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 January 2017 are:

- The all items CPI is 101.4, down from 101.9 in December.
- The all items CPI annual rate is 1.8%, up from 1.6% in December.
- The annual rate for CPI excluding indirect taxes, CPIY, is 1.7%, up from 1.5% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 1.8%, up from 1.5% last month.
- The CPI all goods index is 99.6, down from 100.0 in December.
- The CPI all goods index annual rate is 1.1%, up from 0.7% last month.
- The CPI all services index is 103.3, down from 104.0 in December.
- The CPI all services index annual rate is 2.6%, up from 2.5% last month.

### **CPIH**

On 10 November 2016, the National Statistician published a [statement](#), confirming the intention that CPIH should become our headline measure of inflation from March 2017. The [Consumer Price Inflation Quality and Methodology Information page](#) is a good starting point for understanding CPIH and how it relates to other measures of inflation.

CPIH has been re-assessed to evaluate the extent to which it meets the professional standards set out in the Code of Practice for Official Statistics and the [assessment report](#) published on 3 March 2016. The report includes a number of requirements that need to be implemented for CPIH to regain its status as a National Statistic. The actions taken to address these requirements were reported to the UK Statistics Authority at the end of September 2016, and a range of articles were published on 28 October 2016.

CPIH is a measure of UK consumer price inflation that includes owner occupiers' housing costs (OOH). These are the costs of housing services associated with owning, maintaining and living in one's own home. OOH does not include costs such as utility bills, minor repairs and maintenance, which are already included in the index. The [CPIH compendium](#) provides further information,

including the rationale for the choice of methodology for measuring OOH, which is still extensively debated.

CPIH uses an approach called rental equivalence to measure OOH. Rental equivalence uses the rent paid for an equivalent house as a proxy for the costs faced by an owner occupier. In other words, this answers the question “how much would I have to pay in rent to live in a home like mine?” for an owner occupier. OOH does not seek to capture increases in house prices. Although this may be inconsistent with some users’ expectations of measures of OOH, the inclusion of an asset price and therefore capital gains would make the index less suitable as a measure of consumption. OOH currently accounts for 17.8% of the expenditure weight of CPIH. This compares with a weight of 19.5% in 2005.

Currently, the method of calculation, the population coverage, the basket of goods and services and the method of deriving the weights are the same as for the Consumer Prices Index (CPI), with the exception of OOH. A full description of how CPIH is compiled is given in the [Consumer Price Indices Technical Manual](#) and the [CPIH compendium](#).

The main movements for CPIH in January 2017 are:

- The all items CPIH is 101.8, down from 102.2 in December.
- The all items CPIH annual rate is 2.0%, up from 1.7% in December.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 1.9%, up from 1.8% last month.
- The OOH component of CPIH is 103.8, up from 103.6 in December.
- The OOH component annual rate is 2.5%, down from 2.6% last month.
- The CPIH all goods index is 99.6, down from 100.1 in December.
- The CPIH all goods index annual rate is 1.1%, up from 0.7% last month.
- The CPIH all services index is 103.4, down from 103.8 in December.
- The CPIH all services index annual rate is 2.6%, up from 2.5% last month.

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

**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 long-standing measure of UK inflation that has historically been used for a wide range of purposes such as the indexation of pensions, rents and index-linked gilts. For further information see [Users and uses of consumer price inflation statistics](#).

RPIJ is a variant of the Retail Prices Index which is calculated using formulae that meet international standards. The rationale for creating RPIJ was to give users a better alternative to the RPI if their needs were for a measure of inflation based on the same population, classifications, weights, etc. as the RPI. Currently, RPIJ also acts as an analytical series in that it allows users to see the impact of using the Jevons (which meets international standards) in place of the Carli formula (which does not meet international standards) in the RPI. The use of the different formulae at the elementary aggregate level is currently the only difference between these indices. Detailed goods and services indices are not produced for RPIJ.

The main movements for RPI and RPIJ in January 2017 are:

- The all items RPI is 265.5, down from 267.1 in December.
- The all items RPI annual rate is 2.6%, up from 2.5% last month.
- The all items RPIJ is 242.5, down from 244.0 in December.
- The all items RPIJ annual rate is 1.8%, unchanged from last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 2.9%, up from 2.7% last month.
- The all goods RPI is 201.0, down from 201.5 in December.
- The all goods RPI annual rate is 2.8%, up from 2.1% last month.
- The all services RPI is 362.4, down from 366.6 in December.
- The all services RPI annual rate is 2.3%, down from 2.7% last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 2.8%, unchanged from last month.
- The Tax and Price Index (TPI) for January is 232.7, down from 234.1 in December.
- The TPI annual rate is 3.1%, up from 2.9% last month.

## CPI SUMMARY

### CONTRIBUTIONS TO CHANGE IN THE CPI ANNUAL RATE

CPI COICOP DIVISIONS	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
01: Food and non-alcoholic beverages	103	102	-0.4	0.2	0.06
02: Alcoholic beverages and tobacco	42	41	2.4	2.4	-
03: Clothing and footwear	71	75	-3.1	-4.2	-0.10
04: Housing, water, electricity, gas and other fuels	120	117	-	0.2	0.03
05: Furniture, household equipment and maintenance	59	63	-2.4	-2.5	-0.02
06: Health	28	25	1.3	0.8	-0.02
07: Transport	153	160	-2.5	-0.6	0.29
08: Communication	32	25	-0.5	-0.1	0.01
09: Recreation and culture	148	149	-0.7	-0.7	-
10: Education	25	22	-	-	-
11: Restaurants and hotels	123	125	-0.2	-0.1	0.02
12: Miscellaneous goods and services	96	96	0.2	0.1	-0.02

#### Large upward effects came from:

- Transport**, where prices overall fell by 0.6% between December 2016 and January 2017, compared with a larger fall of 2.5% a year ago. Within transport, the largest upward effect came from motor fuels, with prices rising by 3.4% between December 2016 and January 2017, having fallen by 2.6% a year earlier. This continues the trend of increasing fuel prices seen since early 2016, reflecting movements in oil prices. Transport services, notably transport by air, road and rail, also contributed to the increase in the rate, as collectively prices fell by less than they did a year ago; and
- Food and non-alcoholic beverages**, where the upward effect came from a wide range of food products, with prices for food overall being unchanged between December 2016 and

January 2017, having fallen by 0.6% a year ago. Following a sustained period of deflation of food prices since mid-2014, during which the 12-month rate was often lower than negative 3.0%, the rate has increased for 4 consecutive months, reaching negative 0.4% in January 2017. This is the highest it has been since June 2014.

#### A large downward effect came from:

- **Clothing and footwear**, where the downward effect was due to prices for a wide range of items of clothing and footwear. Overall, prices fell by 4.2% between December 2016 and January 2017, compared with a smaller fall of 3.1% last year. Sales patterns may have contributed to this, as the proportion of items on sale increased by more between December 2016 and January 2017 than it did a year ago.

## CPI NOTABLE MOVEMENTS

All items CPI	Annual rate +1.8%, up from +1.6% last month Highest since June 2014 (+1.9%)
All items CPI exc energy, food, alcohol and tobacco	Annual rate +1.6%, unchanged from last month Last higher in August 2014 (+1.9%) Last lower in November 2016 (+1.4%)
Food and non-alcoholic beverages	Annual rate -0.5%, up from -1.1% last month Highest since July 2014 (-0.4%)
Housing, water, electricity, gas and other fuels	Annual rate +0.6%, up from +0.4% last month Highest since March 2015 (+0.7%)
Transport	Annual rate +5.7%, up from +3.7% last month Highest since December 2011 (+5.8%)
Restaurants and hotels	Annual rate +3.0%, up from +2.8% last month Highest since March 2013 (+3.1%)
Miscellaneous goods and services	Annual rate +0.8%, down from +1.0% last month Also +0.8% in August 2016 and October 2015 Last lower in September 2015 (+0.6%)
All goods	Annual rate +1.1%, up from +0.7% last month Highest since June 2014 (+1.4%)
All services	Annual rate +2.6%, up from +2.5% last month Also +2.6% in September 2016 Last higher in August 2016 (+2.8%)
Fuels and lubricants	Annual rate +16.8%, up from +10.0% last month Highest since September 2011 (+17.8%)

## CPI DETAILED BRIEFING

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

<b>01 FOOD AND NON-ALCOHOLIC BEVERAGES</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
01 Food & non-alcoholic beverages	103	102	-0.4	0.2	0.06

- Large upward effect on the all items 12-month rate change.
- Due to **food** and, to a lesser extent, **non-alcoholic beverages**.

<b>01.1 Food</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
01.1 Food	91	90	-0.6	-	0.06
01.1.1 Bread and cereals	15	15	-1.2	-1.9	-0.01
01.1.2 Meat	21	20	-0.3	0.3	0.01
01.1.3 Fish	4	4	-1.7	0.2	0.01
01.1.4 Milk, cheese and eggs	12	12	-1.0	-0.5	0.01
01.1.5 Oils and fats	2	2	4.0	0.6	-0.01
01.1.6 Fruit	9	9	-3.3	-4.2	-0.01
01.1.7 Vegetables including potatoes	13	13	0.5	1.2	0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	2.1	4.9	0.04
01.1.9 Food products not elsewhere covered	3	3	-7.0	-2.5	0.01

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

### Bread and cereals

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from chilled pizza and dried potted snacks.

### Meat

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for pre-packed cooked ham.



**Fish**

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

**Milk, cheese and eggs**

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for tubs of cheese spread.

**Oils and fats**

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from margarine/low fat spread.

**Fruit**

- Small downward effect.
- Prices overall fell this year by more than a year ago, particularly for strawberries.

**Vegetables including potatoes**

- Small upward effect.
- Prices overall rose this year by more than a year ago, with upward contributions coming from a range of products. Partially offset by small downward contributions coming from old potatoes and cauliflower.

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

- Large upward effect.
- Prices overall rose this year by more than year ago, with the main upward contributions coming from bags of chocolate sweets and cartons/boxes of chocolates.

**Food products not elsewhere covered**

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for jars of cook-in-sauces.

<b>01.2 Non-alcoholic beverages</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
01.2 Non-alcoholic beverages	12	12	1.4	1.8	0.01
01.2.1 Coffee, tea and cocoa	3	3	1.3	1.5	-
01.2.2 Mineral waters, soft drinks and juices	9	9	1.4	1.9	-

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

<b>02 ALCOHOLIC BEVERAGES AND TOBACCO</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	42	41	2.4	2.4	-

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

<b>02.1 Alcoholic Beverages</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
02.1 Alcoholic beverages	19	19	5.2	5.0	-
02.1.1 Spirits	5	5	7.5	6.7	-
02.1.2 Wine	9	9	4.8	4.1	-0.01
02.1.3 Beer	5	5	3.6	5.1	0.01

- Negligible overall effect on the all items 12-month rate change.
- There was a small downward contribution coming from **wine**, where overall prices rose this year by less than a year ago.
- Offset by a small upward contribution coming from **beer**, where prices overall rose this year by more than a year ago.

<b>02.2 Tobacco</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
02.2 Tobacco	23	22	0.1	-	-

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

<b>03 CLOTHING AND FOOTWEAR</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
03 Clothing and footwear	71	75	-3.1	-4.2	-0.10

- Largest downward effect on the all items 12-month rate change.
- Due to **clothing and footwear including repairs**.

<b>03.1 Clothing</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
03.1 Clothing	61	63	-3.4	-4.3	-0.07
03.1.2 Garments	54	57	-3.4	-4.5	-0.07
03.1.3 Other clothing and clothing accessories	6	5	-3.9	-3.5	0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.3	0.2	-

- Large downward effect on the all items 12-month rate change.
- Due to **garments**.
- Partially offset by **other clothing and clothing accessories**.

#### Garments

- Large downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from men's formal shirts and official football shirts; women's formal tops and jackets; and girl's fashion tops.

#### Other clothing and clothing accessories

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for men's ties.

<b>03.2 Footwear including repairs</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
03.2 Footwear including repairs	10	12	-1.3	-3.9	-0.04

- Large downward effect on the all items 12-month rate change.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from canvas fashion shoes, women's sandals and children's branded trainers.

<b>04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and other fuels	120	117	-	0.2	0.03

- Small upward effect on the all items 12-month rate change.
- Due to **actual rentals for housing**; and **electricity, gas and other fuels**.

<b>04.1 Actual rentals for housing</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
04.1 Actual rentals for housing	72	70	0.1	0.3	0.02

- Small upward effect on the all items 12-month rate change.
- Due to Registered Social Landlord (RSL) rents, where charges rose this year but fell a year ago.
- Partially offset by private rented property, where charges rose this year by less than a year ago.

<b>04.3 Regular maintenance and repair of the dwelling</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
04.3 Regular maintenance and repair of the dwelling	2	3	-0.3	0.2	-
04.3.1 Materials for maintenance and repair	1	1	-0.7	0.4	-
04.3.2 Services for maintenance and repair	1	2	-	0.2	-

- 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	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
04.4 Other services related to the dwelling	11	11	-	-	-
04.4.1 Water supply	6	5	-	-	-
04.4.3 Sewerage collection	5	6	-	-	-

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

<b>04.5 Electricity, gas and other fuels</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
04.5 Electricity, gas and other fuels	35	33	-0.3	-	0.01
04.5.1 Electricity	17	16	-	-	-
04.5.2 Gas	16	15	-	-0.5	-0.01
04.5.3 Liquid fuels	1	1	-9.0	5.9	0.02
04.5.4 Solid fuels	1	1	-0.1	0.2	-

- Small upward effect on the all items 12-month rate change.
- Due to **liquid fuels**.
- Partially offset by **gas**.

#### Gas

- Small downward effect.
- Prices overall fell this year but were little changed a year ago.

#### Liquid fuels

- Small upward effect.
- Average kerosene prices rose this year but fell a year ago.

<b>05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	59	63	-2.4	-2.5	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **furniture, furnishings and carpets**; and, to a lesser extent, **household textiles** and

### household appliances, fitting and repairs.

- Partially offset by **goods and services for routine maintenance**; and **glassware, tableware and household utensils**.

<b>05.1 Furniture, furnishings and carpets</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	20	23	-3.8	-5.0	-0.04
05.1.1 Furniture and furnishings	16	19	-4.2	-5.6	-0.04
05.1.2 Carpets and other floor coverings	4	4	-1.8	-2.2	-

- Large downward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall fell this year by more than a year ago, particularly for leather settees.

<b>05.2 Household textiles</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
05.2 Household textiles	7	8	-4.5	-4.5	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall fell marginally more this year than a year ago, with the main downward contribution coming from ready-made curtains.

<b>05.3 Household appliances, fitting and repairs</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
05.3 Household appliances, fitting and repairs	8	8	-0.8	-1.5	-0.01
05.3.1/2 Major appliances and small electric goods	7	7	-1.3	-1.7	-
05.3.3 Repair of household appliances	1	1	2.8	-	-

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

<b>05.4 Glassware, tableware and household utensils</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	-2.4	-1.1	0.01

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

<b>05.5 Tools and equipment for house and garden</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	5	5	0.8	0.6	-

- 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	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	-1.3	0.8	0.03
05.6.1 Non-durable household goods	5	5	-3.3	1.6	0.02
05.6.2 Domestic services and household services	8	8	-	0.2	-

- Small upward effect on the all items 12-month rate change.
- Due to **non-durable household goods**, where prices overall rose this year but fell a year ago, particularly for cream/liquid household cleaner.

<b>06 HEALTH</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
06 Health	28	25	1.3	0.8	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **medical products, appliances and equipment**.

<b>06.1 Medical products, appliances and equipment</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	13	12	0.7	-	-0.01
06.1.1 Pharmaceutical products	8	7	1.0	-	-0.01
06.1.2/3 Other medical and therapeutic equipment	5	5	0.2	-0.1	-

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

<b>06.2 Out-patient services</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
06.2 Out-patient services	7	6	0.3	0.1	-
06.2.1/3 Medical and paramedical services	4	3	0.5	-	-
06.2.2 Dental services	3	3	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	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
06.3 Hospital Services	8	7	3.1	3.0	-

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

<b>07 TRANSPORT</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
07 Transport	153	160	-2.5	-0.6	0.29

- Largest upward effect on the all items 12-month rate change.
- Due to **operation of personal transport equipment; transport services; and purchase of vehicles.**



<b>07.1 Purchase of vehicles</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
07.1 Purchase of vehicles	43	47	0.3	1.1	0.04
07.1.1A New cars	25	26	-0.3	1.0	0.03
07.1.1B Second-hand cars	16	18	0.8	1.4	0.01
07.1.2/3 Motorcycles and bicycles	2	3	3.5	0.4	-0.01

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

#### New cars

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

#### Second-hand cars

- Small upward effect.
- Prices overall rose this year by more than a year ago.

#### Motorcycles and bicycles

- Small downward effect.
- Prices overall rose this year by less than a year ago.

<b>07.2 Operation of personal transport equipment</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
07.2 Operation of personal transport equipment	73	76	-1.1	1.4	0.19
07.2.1 Spare parts and accessories	5	5	-0.4	0.2	-
07.2.2 Fuels and lubricants	32	32	-2.6	3.4	0.20
07.2.3 Maintenance and repairs	22	25	0.4	-0.2	-0.01
07.2.4 Other services	14	14	-0.1	-0.1	-

- Large upward effect on the all items 12-month rate change.
- Due to **fuels and lubricants**.
- Partially offset by **maintenance and repairs**.

#### Fuels and lubricants

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

- The average price of petrol across the month, as recorded for the CPI, rose by 4.0 pence per litre between December 2016 and January 2017 to stand at 118.6 pence per litre. Last year, the average price of petrol fell by 2.0 pence per litre between December 2015 and January 2016 to stand at 101.8 pence per litre. The average price of diesel rose by 3.9 pence per litre between December 2016 and January 2017 to stand at 121.9 pence per litre, compared with a fall of 4.4 pence per litre a year earlier to stand at 103.5 pence per litre.

### Maintenance and repairs

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

<b>07.3 Transport services</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
07.3 Transport services	37	37	-8.7	-7.0	0.06
07.3.1 Passenger transport by railway	13	14	0.2	1.4	0.02
07.3.2 Passenger transport by road	12	12	-1.0	1.6	0.03
07.3.3 Passenger transport by air	8	7	-35.8	-36.0	0.03
07.3.4 Passenger transport by sea and inland waterway	4	4	-6.8	-11.8	-0.02

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

### Passenger transport by railway

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

### Passenger transport by road

- Small upward effect.
- Average charges rose this year but fell a year ago, particularly for coach fares.

### Passenger transport by air

- Small upward effect.
- The upward contribution is due to weight changes in 2017. Average fares fell this year by more than a year ago. However as the weight for passenger transport by air has decreased between 2016 and 2017, this has resulted in a small upward effect on the all items 12-month rate change.

**Passenger transport by sea and inland waterway**

- Small downward effect.
- Average sea fares fell this year by more than a year ago, with the main downward contribution coming from international routes.

<b>08 COMMUNICATION</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
08 Communication	32	25	-0.5	-0.1	0.01

- 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	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
08.1 Postal services	2	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	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
08.2/3 Telephone equipment and services	30	24	-0.5	-0.1	0.01

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

<b>09 RECREATION AND CULTURE</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
09 Recreation and culture	148	149	-0.7	-0.7	-

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

- There were small downward contributions coming from **audio-visual equipment and related products**; and **recreational and cultural services**.
- Offset by small upward contributions coming from **other major durables for recreation and culture**; **other recreational items, gardens and pets**; and **package holidays**.

<b>09.1 Audio-visual equipment and related products</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
09.1 Audio-visual equipment and related products	18	18	-1.3	-2.0	-0.01
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	3	-1.8	1.4	0.01
09.1.2 Photographic, cinematographic and optical equipment	2	2	-1.2	3.1	0.01
09.1.3 Data processing equipment	7	7	0.6	-0.9	-0.01
09.1.4 Recording media	3	5	-5.5	-7.9	-0.02
09.1.5 Repair of audio-visual equipment and related products	1	1	-	-	-

- Small downward effect on the all items 12-month rate change.
- Due to **recording media**; and **data processing equipment**.
- Partially offset by **equipment for the reception and reproduction of sound and pictures**; and **photographic, cinematographic and optical equipment**.

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

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

#### **Photographic, cinematographic and optical equipment**

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

#### **Data processing equipment**

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for laptop computers.

#### **Recording media**

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from music downloads and internet and shop bought CDs. Partially offset by a small upward contribution coming from internet bought DVDs, where prices overall rose this year

but fell a year ago.

<b>09.2 Other major durables for recreation and culture</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
09.2.1/2 Major durables for in/outdoor recreation	12	15	-0.5	1.3	0.03

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from caravans and boats.

<b>09.3 Other recreational items, gardens and pets</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
09.3 Other recreational items, gardens and pets	35	37	-0.4	-0.2	0.01
09.3.1 Games, toys and hobbies	20	20	0.4	0.6	-
09.3.2 Equipment for sport and open-air recreation	3	3	-3.0	-1.4	0.01
09.3.3 Gardens, plants and flowers	4	5	-2.3	-1.4	-
09.3.4/5 Pets, related products and services	8	9	-0.5	-0.7	-

- Small upward effect on the all items 12-month rate change.
- Due to **equipment for sport and open-air recreation**, where prices overall fell this year by less than a year ago.

<b>09.4 Recreational and cultural services</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
09.4 Recreational and cultural services	33	33	-1.7	-2.5	-0.03
09.4.1 Recreational and sporting services	10	10	-1.9	-2.4	-0.01
09.4.2 Cultural services	23	23	-1.6	-2.5	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **cultural services**; and **recreational and sporting services**.

### Recreational and sporting services

- Small downward effect.
- Prices overall fell this year by more than a year ago, particularly for golf non member green fees.

### Cultural services

- Small downward effect.
- Prices overall fell this year by more than a year ago, particularly for admission to cultural events.

<b>09.5 Books, newspapers and stationery</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	12	-0.9	-1.3	-
09.5.1 Books	4	4	-4.1	-6.0	-0.01
09.5.2 Newspapers and periodicals	5	4	0.5	2.4	0.01
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	4	0.1	-0.3	-

- Negligible overall effect on the all items 12-month rate change.
- There was a small downward contribution coming from **books**, where prices overall fell this year by more than a year ago, particularly for non-fiction hard cover books. Partially offset by a small upward contribution coming from non-fiction paper-back books.
- Offset by a small upward contribution coming from **newspapers and periodicals**, where prices overall rose this year by more than a year ago, particularly for periodicals.

<b>09.6 Package holidays</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
09.6 Package holidays	36	34	-	0.3	0.01

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

<b>10 EDUCATION</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
10 Education	25	22	-	-	-

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

<b>11 RESTAURANTS AND HOTELS</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
11 Restaurants and hotels	123	125	-0.2	-0.1	0.02

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

<b>11.1 Catering services</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
11.1 Catering services	101	95	-	-	-
11.1.1 Restaurants and cafes	93	87	-	0.1	0.01
11.1.2 Canteens	8	8	0.3	-0.2	-

- Negligible overall effect on the all items 12-month rate change.
- There was a small upward contribution coming from **restaurants and cafes**, where prices overall rose this year but were little changed a year ago.

<b>11.2 Accommodation services</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
11.2 Accommodation services	22	30	-1.6	-0.6	0.02

- Small upward effect on the all items 12-month rate change.
- Prices overall fell this year by less than a year ago, particularly for overnight hotel accommodation.

<b>12 MISCELLANEOUS GOODS AND SERVICES</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
12 Misc. goods and services	96	96	0.2	0.1	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **insurance** and **personal care**.
- Partially offset by **personal effects not elsewhere covered**; and **other services not elsewhere covered**.

<b>12.1 Personal care</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
12.1 Personal care	31	31	1.6	1.2	-0.01
12.1.1 Hairdressing and personal grooming establishments	8	8	0.2	0.3	-
12.1.2/3 Appliances and products for personal care	23	23	2.1	1.5	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **appliances and products for personal care**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from sunscreen, hair styling apparatus and moisturiser.

<b>12.3 Personal effects not elsewhere covered</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
12.3 Personal effects not elsewhere covered	16	14	-1.7	-1.2	0.01
12.3.1 Jewellery, clocks and watches	9	9	0.8	-0.4	-0.01
12.3.2 Other personal effects	7	5	-4.9	-2.7	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **other personal effects**.
- Partially offset by **jewellery, clocks and watches**.

#### Jewellery, clocks and watches

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from diamond rings.



### Other personal effects

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for ladies handbags and luggage.

<b>12.4 Social protection</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
12.4 Social protection	16	16	0.2	0.2	-

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

<b>12.5 Insurance</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
12.5 Insurance	9	9	2.5	-0.4	-0.03
12.5.2 House contents insurance	2	3	1.3	-1.5	-0.01
12.5.3 Health insurance	3	2	6.0	2.9	-0.01
12.5.4 Transport insurance	4	4	0.4	-1.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **house contents insurance; health insurance and transport insurance.**

### House contents insurance

- Small downward effect.
- Average premiums fell this year but rose a year ago.

### Health insurance

- Small downward effect.
- Average premiums rose this year by less than a year ago, particularly for private health subscriptions.

### Transport insurance

- Small downward effect.
- Average premiums fell this year but rose a year ago.

<b>12.6 Financial services not elsewhere covered</b>	Weight 2016	Weight 2017	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
12.6 Financial services not elsewhere covered	12	14	-0.1	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	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to CPI annual rate change
12.7 Other services not elsewhere covered	12	12	-2.0	-1.3	0.01

- Small upward effect on the all items 12-month rate change.
- Charges overall fell this year by less than a year ago, with the main upward contribution coming from dating agency fees.

## RPI SUMMARY

### CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

<b>GROUPS</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
FOOD	109	102	-0.7	0.1	0.07
CATERING	47	47	0.1	0.1	-
ALCOHOLIC DRINKS	56	57	1.7	1.6	-
TOBACCO	27	25	0.1	-	-
HOUSING	263	266	0.2	0.1	-0.02
FUEL AND LIGHT	45	41	-0.3	0.2	0.02
HOUSEHOLD GOODS	59	62	-2.6	-3.3	-0.05
HOUSEHOLD SERVICES	65	67	-0.1	-0.2	-0.01
CLOTHING AND FOOTWEAR	42	41	-2.9	-4.0	-0.04
PERSONAL GOODS AND SERVICES	41	42	0.7	0.3	-0.02
MOTORING EXPENDITURE	115	117	-0.5	1.3	0.22
FARES AND OTHER TRAVEL COSTS	25	26	-13.1	-15.4	-0.10
LEISURE GOODS	28	29	-1.2	-0.3	0.02
LEISURE SERVICES	78	78	-0.5	-0.4	0.01

## RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +2.6%, up from +2.5% last month Also +2.6% in June 2014 Last higher in February 2014 (+2.7%)
All items RPI exc MIPS (RPIX)	Annual rate +2.9%, up from +2.7% last month Highest since September 2013 (+3.2%)
All items RPI exc MIPS and indirect taxes (RPIY)	Annual rate +2.8%, unchanged from last month Also +2.8% in July 2014 Last higher in June 2014 (+3.0%) Last lower in November 2016 (+2.4%)
Food	Annual rate -0.4%, up from -1.2% last month Last higher in July 2014 (-0.1%)
Non seasonal food	Annual rate -0.4%, up from -1.3% last month Also -0.4% in October 2014 Last higher in September 2014 (-0.3%)
Housing	Annual rate +2.3%, down from +2.4% last month Lowest since January 2014 (+2.2%)
Motoring expenditure	Annual rate +7.2%, up from +5.2% last month Also 7.2% in November 2011 Last higher in October 2011 (+7.7%)
Fuel and light	Annual rate 0.0%, up from -0.4% last month Highest since November 2014 (+4.0%)
Household services	Annual rate +2.6%, down from +2.7% last month Also +2.6% in March 2016 Last lower in October 2015 (+2.0%)
Leisure goods	Annual rate +2.2%, up from +1.4% last month Highest since August 2014 (+3.7%)
All goods	Annual rate +2.8%, up from +2.1% last month Highest since September 2013 (+2.9%)
All services	Annual rate +2.3%, down from +2.7% last month Lowest since April 2016 (+2.2%)
Petrol and oil	Annual rate +16.2%, up from +9.4% last month Highest since September 2011 (+17.9%)

## 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 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
FOOD	109	102	-0.7	0.1	0.07

- Large upward effect on the all items 12-month rate change.
- Due to **non-seasonal food**.

<b>Seasonal Food</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	-1.2	-1.3	-
Home killed lamb	1	1	-1.7	-2.1	-
Fresh fish	2	2	-2.7	1.5	0.01
Eggs	1	1	-0.1	0.4	-
Unprocessed potatoes	2	1	2.2	0.2	-
Other fresh vegetables	6	6	0.3	1.0	-
Fresh fruit	6	7	-3.2	-4.1	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There was a small upward contribution coming from **fresh fish**, where prices overall rose this year but fell a year ago.
- Offset by a small downward contribution coming from **fresh fruit**, where prices overall fell this year by more than a year ago, particularly for strawberries.

<b>Non-Seasonal Food</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
NON-SEASONAL FOOD	91	84	-0.5	0.4	0.08
Bread	4	4	-2.2	0.8	0.01
Cereals	4	4	-2.7	-2.6	-
Biscuits and cakes	7	6	-0.2	-0.4	-
Beef	4	4	0.1	1.7	0.01
Imported lamb	1	1	1.0	-4.0	-
Pork	1	1	2.1	3.7	-
Bacon	2	1	0.6	-0.7	-
Poultry	4	4	-1.6	-2.1	-
Other meat	7	6	-0.6	0.7	0.01
Processed fish	2	2	-2.2	-0.2	-
Butter	1	1	-1.9	2.2	-
Oils and fats	1	1	8.6	-0.1	-0.01
Cheese	4	3	-1.9	1.2	0.01
Milk, fresh	3	3	-0.2	-0.8	-
Milk products	4	4	-1.3	-2.0	-
Tea	1	1	-0.2	2.7	-
Soft drinks	10	9	1.5	1.9	-
Sugar and preserves	1	1	-2.3	1.1	-
Sweets and chocolates	11	11	1.2	4.8	0.04
Potato products	3	2	2.5	4.8	-
Processed vegetables	2	2	-5.7	-5.5	-
Processed fruit	2	1	-0.8	0.4	-
Other foods	11	10	-2.8	-2.5	0.01
Coffee and other hot drinks	1	2	2.3	1.1	-

- Large upward effect on the all items 12-month rate change.
- Due to:
  - **Sweets and chocolates**; and **beef**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from bags of chocolate sweets, cartons/boxes of chocolates and beef mince. Partially offset by a small downward contribution from beef joints;
  - **Bread**, **cheese** and **other meat**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from chilled garlic bread, tubs of cheese spread and cooked ham. Partially offset by a small downward contribution coming from frozen chicken nuggets; and
  - **Other foods**, where prices overall fell this year by less than a year ago, particularly for jars of cook-in sauce and mayonnaise. Partially offset by a small downward contribution from chilled pizzas and dried potted snacks.
- Partially offset by:
  - **Oils and fats**, where prices overall fell this year but rose a year ago, particularly for margarine/low fat spread.

<b>CATERING</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
CATERING	47	47	0.1	0.1	-
Restaurant meals	28	28	0.1	-	-
Canteen meals	3	3	0.3	0.2	-
Take-away meals and snacks	16	16	0.2	0.1	-

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

<b>ALCOHOLIC DRINKS</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	56	57	1.7	1.6	-
Beer on sales	19	19	-0.1	0.2	0.01
Beer off sales	5	5	3.1	5.3	0.01
Wines and spirits on sales	18	19	-0.1	-	-
Wines and spirits off sales	14	14	6.6	4.8	-0.02

- Negligible overall effect on the all items 12-month rate change.
- There were small upward contributions coming from **beer off sales** where prices overall rose this year by more than a year ago particularly for bottled cider and **beer on sales**, where prices rose this year but fell a year ago.
- Partially offset by a small downward contribution coming from **wines and spirits off sales**, where prices overall rose this year by less than a year ago.

<b>TOBACCO</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
TOBACCO	27	25	0.1	-	-
Cigarettes	23	21	0.1	0.1	-
Other tobacco products	4	4	0.2	-0.3	-

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

<b>HOUSING</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
HOUSING	263	266	0.2	0.1	-0.02
Rent	84	83	0.1	0.4	0.02
Mortgage interest payments	29	28	-	-0.2	-0.01
Council tax and rates	40	40	-	-	-
Water and other charges	14	13	-	-	-
Repairs and maintenance charges	9	9	0.1	0.2	-
DIY materials	8	7	0.3	0.4	-
Dwelling insurance and ground rent	6	6	1.8	-0.2	-0.01
House depreciation	73	80	0.4	0.1	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to:
  - **House depreciation**, with the smoothed house price index used to calculate this component rising this year by less than a year ago; and
  - **Dwelling insurance and ground rent**; and **mortgage interest payments**, where average charges fell this year but rose a year ago, particularly for dwelling insurance.
- Partially offset by **rent**, where charges overall rose this year by more than a year ago, with the main upward contribution coming from Registered Social Landlord (RSL) rents. Partially offset by a small downward contribution coming from private rented property, where average charges rose this year by less than a year ago.

<b>FUEL AND LIGHT</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
FUEL AND LIGHT	45	41	-0.3	0.2	0.02
Coal and solid fuels	1	1	-0.1	0.2	-
Electricity	21	20	-	-	-
Gas	21	18	-	-0.6	-0.01
Oil and other fuels	2	2	-7.0	5.9	0.03

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



<b>HOUSEHOLD GOODS</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
HOUSEHOLD GOODS	59	62	-2.6	-3.3	-0.05
Furniture	22	25	-4.3	-6.7	-0.08
Furnishings	9	8	-2.7	-2.9	-
Electrical appliances	5	7	-0.7	0.5	0.01
Other household equipment	4	4	-2.4	-0.6	0.01
Household consumables	12	11	-1.4	0.5	0.02
Pet care	7	7	-0.7	-1.6	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to **furniture** and, to a lesser extent, **pet care**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from leather settees, non-leather suites, dining room furniture, chest of drawers, kitchen base units and sale of small mammals.
- Partially offset by:
  - **Household consumables**; and **electrical appliances**, where prices rose this year but fell a year ago, particularly for cream/liquid household cleaner and smart phone handsets; and
  - **Other household equipment**, where prices fell this year by less than a year ago.

<b>HOUSEHOLD SERVICES</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	65	67	-0.1	-0.2	-0.01
Domestic services	13	14	0.2	0.3	-
Fees and subscriptions	26	27	0.2	-0.3	-0.01
Postage	1	1	-	-	-
Telephone charges	25	25	-0.5	-0.4	-

- Small downward effect on the all items 12-month rate change.
- Due to **fees and subscriptions**, where average charges fell this year but rose a year ago, with the main downward contribution coming from house contents insurance.

<b>CLOTHING AND FOOTWEAR</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	42	41	-2.9	-4.0	-0.04
Men's outerwear	8	9	-2.2	-3.9	-0.02
Women's outerwear	16	15	-5.2	-5.2	-
Children's outerwear	5	4	-1.3	-3.9	-0.01
Other clothing	5	5	-1.1	-1.5	-
Footwear	8	8	-0.8	-2.9	-0.02

- Large downward effect on the all items 12-month rate change.
- Due to **men's outerwear**; **footwear** and **children's outerwear**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from men's suits and official football shirts; and children's branded trainers.

<b>PERSONAL GOODS AND SERVICES</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	41	42	0.7	0.3	-0.02
Personal articles	10	12	-1.5	-0.8	-
Chemists' goods	17	15	1.4	0.6	-0.01
Personal services	14	15	1.6	0.8	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **chemists' goods** and **personal services**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from private healthcare subscriptions.

<b>MOTORING EXPENDITURE</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
MOTORING EXPENDITURE	115	117	-0.5	1.3	0.22
Purchase of motor vehicles	42	45	0.3	1.2	0.04
Maintenance of motor vehicles	16	16	0.2	-	-
Petrol and oil	35	33	-2.7	3.3	0.21
Vehicle tax and insurance	22	23	0.6	-0.6	-0.03

- 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 3.8 pence per litre between December 2016

and January 2017, to stand at 118.0 pence per litre, compared with a fall of 2.1 pence per litre last year to stand at 101.9 pence per litre. Diesel prices rose by 3.8 pence per litre, to stand at 121.3 pence per litre in January 2017, compared with a fall of 4.7 pence per litre last year to stand at 103.4 pence per litre; and

- **Purchase of motor vehicles**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from both new and second-hand cars.
- Partially offset by **vehicle tax and insurance**, where average premiums for car insurance fell this year but rose a year ago.

<b>FARES AND OTHER TRAVEL COSTS</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	26	-13.1	-15.4	-0.10
Rail fares	7	7	0.4	1.5	0.01
Bus and coach fares	3	3	-1.7	2.6	0.01
Other travel costs	15	16	-20.1	-23.9	-0.12

- Largest downward effect on the all items 12-month rate change.
- Due to **other travel costs**, where average charges fell this year by more than a year ago, with the main downward contribution coming from air fares and, to a lesser extent, children's bicycles.
- Partially offset by;
  - **Rail fares**, where average charges rose this year by more than a year ago; and
  - **Bus and coach fares**, where average charges rose this year but fell a year ago, particularly for coach fares.

<b>LEISURE GOODS</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
LEISURE GOODS	28	29	-1.2	-0.3	0.02
Audio-visual equipment	7	7	-1.4	-	0.01
CDs and tapes	2	2	-4.9	-7.2	-
Toys, photographic and sports goods	8	9	-0.2	0.8	0.01
Books and newspapers	6	6	-1.1	-	0.01
Gardening products	5	5	-1.7	-0.5	0.01

- Small upward effect on the all items 12-month rate change.
- Due to:
  - **Audio-visual equipment**; and **books and newspapers**, where prices overall were little changed this year but fell a year ago, with the main upward contributions coming

from laptop computers and periodicals;

- **Toys, photographic and sports goods**, where prices rose this year but fell a year ago, with the main upward contribution coming from computer games purchased via the internet. Partially offset by a small downward contribution coming from shop bought computer games; and
- **Gardening products**, where prices overall fell this year by less than a year ago.

<b>LEISURE SERVICES</b>	Weight 2015	Weight 2016	1 month % change Jan 2016	1 month % change Jan 2017	Contribution to RPI annual rate change
LEISURE SERVICES	78	78	-0.5	-0.4	0.01
TV licence and rentals	12	12	-	0.4	-
Entertainment and other recreation	15	16	-2.1	-2.4	-0.01
Foreign holidays	41	40	0.1	0.3	0.01
UK holidays	10	10	-0.8	-0.8	-

- Small upward effect on the all items 12-month rate change.
- Due to **foreign holidays**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from hotel foreign holidays.
- Partially offset by a small downward contribution coming from **entertainment and other recreation**, where prices overall fell this year by more than a year ago, particularly for golf non-member green fees.

## 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.

The difference between the CPI and RPI unrounded annual rates in January 2017 was -0.79 percentage points, narrowing from -0.95 percentage points in December 2016.

The main factors contributing to the narrowing were:

- **Other differences including weights**, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.1 percentage points between December 2016 and January 2017. The effect came mainly from air fares; insurance; and games, toys and hobbies and equipment for sport and open air recreation. This was partially offset by clothing and footwear; sea fares; and recording media.
- **The formula effect**, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.03 percentage points between December 2016 and January 2017. The effect came mainly from hotels, cafes and restaurants; and furniture, household equipment and maintenance. This was partially offset by food and non-alcoholic beverages.
- **Other housing components excluded from the CPI**, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.03 percentage points between December 2016 and January 2017. The effect came mainly from house depreciation.

There were no significant offsetting factors.

## RPI MISCELLANEOUS DATA

### Selected Average Prices

Description		November 2016	December 2016	January 2017
Petrol per litre	Diesel	£1.19	£1.18	£1.21
	Petrol	£1.17	£1.14	£1.18
Alcohol pub prices	Draught bitter (pint)	£3.01	£3.01	£3.02
	Draught lager (pint)	£3.51	£3.52	£3.52
	Whisky (per nip)	£2.73	£2.73	£2.73
Cigarettes	Per 20 king size	£9.47	£9.48	£9.49

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
January 2016	-0.7	Down -0.01% points	-0.01% points
February 2016	+0.5	Down -0.01% points	-0.01% points
March 2016	+0.4	Down -0.01% points	-0.01% points
April 2016	+0.1	Down -0.02% points	-0.02% points
May 2016	+0.3	Down -0.01% points	-0.01% points
June 2016	+0.4	Down -0.02% points	-0.02% points
July 2016	+0.1	Down -0.01% points	-0.01% points
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

**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 CPI and RPI in the next few months.

### FOOD

#### Seasonal Food

- Seasonal food prices are variable in February and can be affected by weather conditions both in the UK and the continent.

Monthly % change for CPI seasonal food index			
Year	December	January	February
2010/11	2.8	-1.1	0.6
2011/12	3.3	-1.6	1.2
2012/13	2.9	0.1	1.6
2013/14	0.8	0.1	-0.4
2014/15	0.6	-1.1	-0.3
2015/16	-0.5	-1.1	1.3
2016/17	0.5	-0.8	

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

### CLOTHING AND FOOTWEAR

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

Monthly % change for CPI clothing and footwear index			
Year	December	January	February
2010/11	-1.9	-5.9	3.6
2011/12	-2.8	-4.9	2.9
2012/13	-1.5	-5.4	2.0
2013/14	-0.9	-5.4	1.1
2014/15	-1.1	-3.7	1.3
2015/16	-1.3	-3.1	1.3
2016/17	-1.0	-4.2	

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

## FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

- Prices tend to rise in February as they recover from New Year sales.

Monthly % change for CPI furniture, household equipment and maintenance index			
Year	December	January	February
2010/11	1.2	-1.9	1.4
2011/12	1.0	-2.2	1.5
2012/13	1.3	-2.3	1.5
2013/14	1.7	-3.1	2.4
2014/15	1.6	-2.5	1.4
2015/16	1.1	-2.4	1.7
2016/17	0.9	-2.5	

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

## TRANSPORT

### Fuels and Lubricants

- Oil prices edged up on Friday, supported by strong Chinese crude imports and OPEC-led production cuts, although ample U.S. fuel inventories still weighted on the market. Brent crude futures LCOc1, the international benchmark for oil prices, were trading at \$55.68 per barrel at 0807 GMT, up 5 cents from their previous close (uk.reuters.com 10 February 2017)
- When considering the price of petrol between January and February 2017, it may be useful to note that the average price of petrol fell by 0.4 pence per litre between January and February 2016, standing at 101.4 pence per litre as measured in the CPI.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately 0.03 percentage points to the 1-month change in the CPI.

### Passenger Transport by Air

- With the exception of 2012, air fares have tended to rise in February.

Monthly % change for CPI air fares index			
Year	December	January	February
2010/11	41.8	-30.9	2.1
2011/12	40.9	-28.4	-1.6
2012/13	21.9	-20.5	9.2
2013/14	19.8	-18.5	3.3
2014/15	19.3	-17.1	5.3
2015/16	46.0	-35.8	5.6
2016/17	48.9	-36.0	

- The air fares index used in the RPI is the same as that used in the CPI, 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 2 February 2017. The next announcement and minutes from the Bank of England's Monetary Policy Committee are scheduled to be published on 16 March 2017.
- The change in average mortgage interest rates recorded in the RPI was -0.01% between January and February 2016. The Bank of England Bank Rate remained unchanged at 0.5% in January 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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**Media contact:**

Tel: Luke Croydon +44 (0) 845 6041858  
Out of hours media line +44 (0) 7867 906553  
Email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)

**Statistical contact:**

Tel: James Tucker +44 (0) 1633 456589  
Email: [cpi@ons.gsi.gov.uk](mailto:cpi@ons.gsi.gov.uk)

**Website:** [www.ons.gov.uk](http://www.ons.gov.uk)

**Consumer Price Inflation recorded message** (available after 9.45am on release day):

Tel: +44 (0) 800 0113703

**Consumer Price Inflation Enquiries:**

Tel: +44 (0) 1633 456900