

# **Statistical Bulletin**

# **BRIEFING NOTE**

# Consumer Price Inflation January 2019

Coverage: UK

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# **CONTENTS**

SUMMARY	2
CPIH SUMMARY	4
CPIH NOTABLE MOVEMENTS	6
CPIH DETAILED BRIEFING	7
RPI SUMMARY	24
RPI NOTABLE MOVEMENTS	25
RPI DETAILED BRIEFING	26
RECONCILIATION OF CPIH AND RPI	34
RPI MISCELLANEOUS DATA	35
OUTLOOK	36

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 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</u> assessment report.

The main movements for CPIH in January 2019 are:

- The all items CPIH is 106.4, down from 107.1 in December.
- The all items CPIH annual rate is 1.8%, down from 2.0% in December.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 1.6%, down from 1.8% last month.
- The OOH component of CPIH is 106.2, unchanged from last month.
- The OOH component annual rate is 1.1%, down from 1.2% last month.
- The CPIH all goods index is 104.1, down from 105.3 in December.
- The CPIH all goods index annual rate is 1.2%, down from 1.8% last month.
- The CPIH all services index is 108.1, down from 108.4 in December.
- 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 January 2019 are:

- The all items CPI is 106.3, down from 107.1 in December.
- The all items CPI annual rate is 1.8%, down from 2.1% in December.
- The annual rate for CPI excluding indirect taxes, CPIY, is 1.8%, down from 2.1% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 1.7%, down from 2.0% last month.
- The CPI all goods index is 104.1, down from 105.3 in December.
- The CPI all goods index annual rate is 1.3%, down from 1.8% last month.
- The CPI all services index is 108.8, down from 109.2 in December.
- The CPI all services index annual rate is 2.5%, up from 2.4% last month.

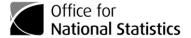
#### **Retail Prices Index (RPI)**

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 main movements for RPI in January 2019 are:

- The all items RPI is 283.0, down from 285.6 in December.
- 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 2.7% last month.
- The all goods RPI is 214.0, down from 215.8 in December.
- The all goods RPI annual rate is 2.3%, down from 2.5% last month.
- The all services RPI is 386.6, down from 391.8 in December.
- The all services RPI annual rate is 2.7%, down from 2.8% last month.



# **CPIH SUMMARY**

#### CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

	Weight	Weight	1 month	1 month	Contribution
CPIH COICOP DIVISIONS	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
01: Food and non-alcoholic beverages	82	80	-0.1	0.1	0.01
02: Alcoholic beverages and tobacco	33	32	2.3	2.4	-
03: Clothing and footwear	59	57	-3.9	-4.3	-0.02
04: Housing, water, electricity, gas and other fuels	300	298	0.1	-0.5	-0.19
05: Furniture, household equipment and maintenance	50	52	-2.6	-2.1	0.02
06: Health	21	22	0.6	0.6	-
07: Transport	124	124	-1.1	-1.3	-0.02
08: Communication	20	20	0.1	0.3	-
09: Recreation and culture	120	125	-0.2	-0.1	0.01
10: Education	18	18	-	-	-
11: Restaurants and hotels	97	98	-0.1	-0.6	-0.05
12: Miscellaneous goods and services	76	74	-	0.1	0.01

#### Large downward effects came from:

- Housing and household services, where gas and electricity prices fell, between December 2018
  and January 2019, by 8.5% and 4.9%, respectively. The downward movement partially reflected the
  response from energy providers to Ofgem's January energy price cap which came into effect from 1
  January 2019; and
- Accommodation services, which within the wider restaurants and hotels division, had a large
  downward contribution of 0.05 percentage points to the change in the CPIH 12-month rate, with
  prices dropping by 2.9% between December 2018 and January 2019, compared with a smaller drop
  of 0.6% between December 2017 and January 2018.



#### Small downward effects came from:

- Clothing and footwear, where the downward contribution of 0.05 percentage points from clothing
  was primarily due to women's and children's clothing, which generally saw larger price drops
  between December 2018 and January 2019 compared with the same time a year ago. This was
  partially offset by a small upward contribution from footwear, which was caused by smaller price
  drops for women's shoes compared with last year; and
- Transport, where there was a large downward contribution to the change in the CPIH 12-month rate from motor fuels. Falling crude oil prices have led to petrol prices reducing by 2.1 pence per litre between December 2018 and January 2019, compared with a rise of 1.1 pence per litre between December 2017 and January 2018. This downward effect was partially offset by upward contributions from air fares (0.04 percentage points) and sea fares (0.03 percentage points). Prices for air fares fell by 25.5% between December 2018 and January 2019 compared with a larger fall of 33.2% between the same two months a year ago. Sea fares rose between December 2018 and January 2019 compared with a fall between December 2017 and January 2018.

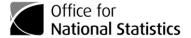
# A small upward effect came from:

• Furniture, furnishing and carpets, where, within the wider furniture, household equipment and maintenance category, the upward contribution (to the change in the CPIH 12-month rate) of 0.02 percentage points was a result of positive contributions from across the sector.



# **CPIH NOTABLE MOVEMENTS**

All items CPIH	Annual rate +1.8%, down from +2.0 last month Also +1.8% in December 2016  Last lower in November 2016 (+1.5%)
All items CPIH exc energy, food, alcohol and tobacco	Annual rate +1.8%, unchanged from last month Also +1.8% in November 2018, October 2018, September 2018, July 2018, June 2018, January 2017 and December 2016 Last higher in August 2018 (+1.9%) Last lower in November 2016 (+1.7%)
Clothing and footwear	Annual rate -1.3%, down from -0.9% last month  Lowest since August 2010 (-1.7%)
Housing, water, electricity, gas and other fuels	Annual rate +1.4%, down from +2.1% last month  Also +1.4% in March 2016  Last lower in February 2016 (+1.3%)
Communication	Annual rate +3.1%, up from +2.8% last month Also +3.1% in October 2016 Last higher in September 2016 (+3.6%)
All goods	Annual rate +1.2%, down from +1.8% last month Lowest since January 2017 (+1.1%)
All services	Annual rate +2.2%, up from +2.1% last month Also +2.2% in November 2018 and August 2018 Last higher in January 2018 (+2.3%)
Electricity, gas and other fuels	Annual rate +1.3%, down from +8.0% last month  Also +1.3% in March 2017  Last lower in February 2017 (+0.1%)



# **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
	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
01 Food & non-alcoholic beverages	82	80	-0.1	0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **food** and **non-alcoholic beverages**.

01.1 Food	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
01.1 Food	72	71	-0.1	-	0.01
01.1.1 Bread and cereals	12	12	-1.9	-3.1	-0.02
01.1.2 Meat	16	15	-0.9	0.3	0.02
01.1.3 Fish	3	3	-	0.6	-
01.1.4 Milk, cheese and eggs	9	9	-1.3	-1.1	-
01.1.5 Oils and fats	2	2	-3.1	2.5	0.01
01.1.6 Fruit	8	8	-0.7	1.0	0.01
01.1.7 Vegetables including potatoes	10	10	1.5	0.5	-0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	10	10	3.4	2.4	-0.01
01.1.9 Food products not elsewhere covered	2	2	1.6	-0.2	-

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



#### **Bread and cereals**

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

#### Meat

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

#### 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 strawberries.

# Vegetables including potatoes

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from premium potato crisps.
- Partially offset by a small upward contribution coming from frozen chips, where prices rose this year but fell a year ago.

# Sugar, jam, syrups, chocolate and confectionery

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from chocolate covered ice cream bars.

01.2 Non-alcoholic beverages	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
01.2 Non-alcoholic beverages	10	9	0.1	1.0	0.01
01.2.1 Coffee, tea and cocoa	3	2	-0.4	0.7	-
01.2.2 Mineral waters, soft drinks and juices	7	7	0.3	1.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to mineral waters, soft drinks and juices, where prices overall rose this year by more



than a year ago, particularly for bottled cola flavoured drinks.

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
02 Alcoholic beverages and tobacco	33	32	2.3	2.4	-

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

02.1 Alcoholic Beverages	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	15	15	4.5	4.8	0.01
02.1.1 Spirits	4	4	5.5	5.9	-
02.1.2 Wine	7	7	2.9	3.1	-
02.1.3 Beer	4	4	6.4	6.6	-

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

02.2 Tobacco	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
02.2 Tobacco	18	17	0.4	0.2	-

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

03 CLOTHING AND FOOTWEAR	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
03 Clothing and footwear	59	57	-3.9	-4.3	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **clothing**.
- Partially offset by footwear including repairs.



03.1 Clothing	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
03.1 Clothing	49	48	-3.7	-4.6	-0.05
03.1.2 Garments	44	43	-4.0	-4.9	-0.04
03.1.3 Other clothing and clothing					
accessories	4	4	-1.0	-2.6	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	-0.1	0.6	-

- Large downward effect on the all items 12-month rate change.
- Due to garments and, to a lesser extent, other clothing and clothing accessories, where
  prices overall fell this year by more than a year ago, with the main downward contributions
  coming from women's formal trousers, casual jackets and t-shirts; girl's fashion tops; and
  ladies scarves. Partially offset by an upward contribution coming from women's skirts, where
  prices fell this year by less than a year ago.

03.2 Footwear including repairs	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
03.2 Footwear including repairs	10	9	-4.9	-2.8	0.02

- 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 contributions coming from women's sandals and high heeled shoes.

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
04 Housing, water, electricity, gas and other fuels	300	298	0.1	-0.5	-0.19

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



04.1 Actual rentals for	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
housing	Jan	Jan	Jan 2018	Jan 2019	rate change
04.1 Actual rentals for housing	69	69	0.1	-	-

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

4.2 Owner occupiers' housing costs	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
4.2 Owner occupiers' housing costs	168	164	0.1	-	-0.01

- Small downward effect on the all items 12-month rate change.
- Charges overall were little changed this year but rose a year ago, with the main downward contribution coming from costs in England. Partially offset by a small upward contribution coming from costs in Northern Ireland.

04.3 Regular maintenance and repair of the dwelling	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of the dwelling	2	3	0.3	-0.6	_
04.3.1 Materials for maintenance and repair	1	1	0.6	-1.9	-
04.3.2 Services for maintenance and repair	1	2	0.1	0.1	-

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

04.4 Other services related to the dwelling	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
04.4 Other services related to the dwelling	9	9	-	-	-
04.4.1 Water supply	4	4	-	_	-
04.4.3 Sewerage collection	5	5	1	-	-

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



04.5 Electricity, gas and other fuels	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	27	27	0.1	-6.1	-0.17
04.5.1 Electricity	13	14	-	-4.9	-0.07
04.5.2 Gas	12	11	0.1	-8.5	-0.10
04.5.3 Liquid fuels	1	1	1.2	-3.5	-0.01
04.5.4 Solid fuels	1	1	0.2	-	-

- Large downward effect on the all items 12-month rate change.
- Due to gas and electricity and, to a lesser extent, liquid fuels.

# **Electricity**

- Large downward effect.
- Charges overall fell this year but were little changed a year ago, partially reflecting the response from energy providers to Ofgem's January energy price cap which came into effect from 1 January 2019.

#### Gas

- Large downward effect.
- Charges overall fell this year but rose a year ago, partially reflecting the response from energy providers to Ofgem's January energy price cap which came into effect from 1 January 2019.

#### Liquid fuels

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

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
05 Furniture, household equipment and maintenance	50	52	-2.6	-2.1	0.02

- Largest upward effect on the all items 12-month rate change.
- Due to furniture, furnishings and carpets.
- Partially offset by glassware, tableware and household utensils.



05.1 Furniture, furnishings and carpets	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
05.1 Furniture, furnishings and carpets	19	21	-4.9	-2.9	0.03
05.1.1 Furniture and furnishings	15	15	-5.6	-4.2	0.02
05.1.2 Carpets and other floor coverings	4	6	-2.1	0.2	0.01

- Small upward effect on the all items 12-month rate change.
- Due to furniture and furnishings; and carpets and other floor coverings.

# **Furniture and furnishings**

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

# Carpets and other floor coverings

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

05.2 Household textiles	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
05.2 Household textiles	6	5	-4.0	-5.0	-

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

05.3 Household appliances, fitting and repairs	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
05.3 Household appliances, fitting and repairs	7	8	-1.0	-1.0	
05.3.1/2 Major appliances and small electric goods	6	7	-1.2	-1.1	-
05.3.3 Repair of household appliances	1	1	0.1	-	-

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



05.4 Glassware, tableware and household utensils	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
05.4 Glassware, tableware and household					
utensils	4	4	-1.3	-2.8	-0.01

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

05.5 Tools and equipment for house and garden	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
05.5 Tools and equipment for house and garden	4	5	0.4	0.4	-

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

05.6 Goods and services for routine maintenance	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance	10	9	-0.4	-0.4	-
05.6.1 Non-durable household goods	4	3	-1.2	-1.4	-
05.6.2 Domestic services and household services	6	6	0.2	0.1	-

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

06 HEALTH	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
06 Health	21	22	0.6	0.6	-

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



06.1 Medical products, appliances and equipment	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
06.1 Medical products, appliances and equipment	9	9	0.5	0.3	
06.1.1 Pharmaceutical products 06.1.2/3 Other medical and therapeutic equipment	5	5	0.7	0.6	-

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

06.2 Out-patient services	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
06.2 Out-patient services	7	8	-	0.3	-
06.2.1/3 Medical and paramedical					
services	4	5	-	0.3	-
06.2.2 Dental services	3	3	-	0.2	-

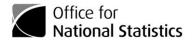
• Negligible overall effect on the all items 12-month rate change.

06.3 Hospital services	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
06.3 Hospital Services	5	5	1.5	1.7	-

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

	Weight	Weight	1 month	1 month	Contribution
07 TRANSPORT	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
07 Transport	124	124	-1.1	-1.3	-0.02

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



07.1 Purchase of vehicles	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	38	37	0.5	0.2	-0.01
07.1.1A New cars	22	21	0.5	0.5	-
07.1.1B Second-hand cars	14	14	0.6	-0.2	-0.01
07.1.2/3 Motorcycles and bicycles	2	2	0.1	0.2	-

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

07.2 Operation of personal transport equipment	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
07.2 Operation of personal transport equipment	57	60	0.6	-0.8	-0.09
07.2.1 Spare parts and accessories	4	4	0.6	0.3	-
07.2.2 Fuels and lubricants	24	24	0.8	-1.7	-0.06
07.2.3 Maintenance and repairs	19	20	0.7	-	-0.01
07.2.4 Other services	10	12	-	-0.7	-0.01

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

#### **Fuels and lubricants**

- Large downward effect.
- Prices overall fell this year but rose a year ago.
- The average price of petrol across the month, as recorded for the CPIH, fell by 2.1 pence per litre between December 2018 and January 2019, to stand at 119.6 pence per litre.
- Last year, the average price of petrol rose by 1.1 pence per litre between December 2017 and January 2018, to stand at 121.0 pence per litre.
- The average price of diesel fell by 2.4 pence per litre between December 2018 and January 2019 to stand at 129.5 pence per litre, compared with a rise of 1.0 pence per litre a year earlier, to stand at 124.5 pence per litre.

#### **Maintenance and repairs**

- Small downward effect.
- Prices overall were little changed this year but rose a year ago, with the main downward contributions coming from brake fitting and labour costs for car repairs.



#### Other services

- Small downward effect.
- Prices overall fell this year but were little changed a year ago, with the main downward contribution coming from road tolls, mainly due to the removal of tolls for the Severn Bridge crossing.

	Weight	Weight	1 month	1 month	Contribution
07.3 Transport services	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
07.3 Transport services	29	27	-6.7	-4.2	0.08
07.3.1 Passenger transport by railway	10	10	2.5	3.0	0.01
07.3.2 Passenger transport by road	10	9	-0.3	-0.5	-
07.3.3 Passenger transport by air	6	6	-33.2	-25.5	0.04
07.3.4 Passenger transport by sea and					
inland waterway	3	2	-5.4	6.4	0.03

- Large upward effect on the all items 12-month rate change.
- Due to passenger transport by air and, to a lesser extent, passenger transport by sea and inland waterway; and passenger transport by railway.

#### Passenger transport by railway

- Small upward effect.
- Average charges for rail journeys rose this year by more than a year ago, with the main upward contribution coming from international travel.

# Passenger transport by air

- Large upward effect.
- Average fares fell this year by less than a year ago, with the main upward contribution coming from long-haul flights.

## Passenger transport by sea and inland waterway

- Small upward effect.
- Average international sea fares rose this year but fell a year ago.



08 COMMUNICATION	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
	Jan	Jan	Jan 2010	<b>J</b> an 2013	rate change
08 Communication	20	20	0.1	0.3	-

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

	Weight	Weight	1 month	1 month	Contribution
08.1 Postal services	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
08.1 Postal services	1	1	-	ı	-

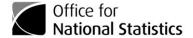
Negligible overall effect on the all items 12-month rate change.

08.2/3 Telephone equipment and services	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
08.2/3 Telephone equipment and services	19	19	0.1	0.3	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year by more than a year ago, particularly for mobile phone applications.

09 RECREATION AND CULTURE	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
			0di12010	0411 Z0 10	rate enange
09 Recreation and culture	120	125	-0.2	-0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to package holidays; and other major durables for recreation and culture.
- Partially offset by audio-visual equipment and related products; and books, newspapers and stationery.



09.1 Audio-visual equipment and related products	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	14	16	-1.4	-1.8	-0.01
09.1.1 Equipment for the reception and reproduction of sound and pictures	4	4	-0.1	-2.9	-0.01
09.1.2 Photographic, cinematographic and optical equipment	1	2	-2.3	-1.4	-
09.1.3 Data processing equipment	5	6	-1.0	0.2	0.01
09.1.4 Recording media	3	3	-4.2	-5.1	-
09.1.5 Repair of audio-visual equipment and related products	1	1	0.3	0.2	-

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

# Equipment for the reception and reproduction of sound and pictures

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

## **Data processing equipment**

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for computer software.
- Partially offset by a small downward contribution coming from PC peripherals, where prices fell this year but rose a year ago.

09.2 Other major durables for recreation and culture	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
09.2.1/2 Major durables for in/outdoor					
recreation	14	14	0.1	0.4	0.01

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



09.3 Other recreational items, gardens and pets	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
, <b>3</b> a a a a a a a a a a a a a a a a a a a	Jan	Jan	Jan 2018	Jan 2019	rate change
09.3 Other recreational items, gardens and pets	29	29	0.4	0.4	_
09.3.1 Games, toys and hobbies	17	18	0.7	0.3	-
09.3.2 Equipment for sport and open-air recreation	2	2	-0.6	0.9	-
09.3.3 Gardens, plants and flowers	3	3	-0.7	0.3	-
09.3.4/5 Pets, related products and services	7	6	0.5	0.6	-

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

09.4 Recreational and cultural services	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
09.4 Recreational and cultural services	23	22	-0.8	-0.7	-
09.4.1 Recreational and sporting services	7	6	-1.1	-1.3	-
09.4.2 Cultural services	16	16	-0.7	-0.6	-

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

09.5 Books, newspapers and stationery	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	9	10	0.3	-0.6	-0.01
09.5.1 Books	3	3	0.4	-2.9	-0.01
09.5.2 Newspapers and periodicals	3	3	1.4	1.6	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	3	4	-0.8	-0.7	-

- Small downward effect on the all items 12-month rate change.
- Due to **books**, where prices overall fell this year but rose a year ago, with the main downward contribution coming from non-fiction hard cover books.

09.6 Package holidays	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
	Jan	Jan	Jan 2016	Jan 2019	rate change
09.6 Package holidays	31	34	0.1	0.5	0.02

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



 Prices overall rose this year by more than a year ago, with the main upward contributions coming from self-catering and hotel foreign holidays. Partially offset by a small downward contribution coming from late booked foreign holidays.

10 EDUCATION	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
10 Education	18	18	-	-	-

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

11 RESTAURANTS AND HOTELS	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
11 Restaurants and hotels	97	98	-0.1	-0.6	-0.05

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

11.1 Catering services	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
11.1 Catering services	75	76	0.1	0.1	-
11.1.1 Restaurants and cafes	69	70	0.1	0.1	-
11.1.2 Canteens	6	6	0.1	-	-

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

11.2 Accommodation	Weight	Weight	1 month	1 month	Contribution
services	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
11.2 Accommodation services	22	22	-0.6	-2.9	-0.05

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



12 MISCELLANEOUS	Weight	Weight	1 month	1 month	Contribution
GOODS AND SERVICES	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
12 Misc. goods and services	76	74	ı	0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to personal care and financial services not elsewhere covered.
- Partially offset by personal effects not elsewhere covered.

12.1 Personal care	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
12.1 Personal care	24	24	0.8	1.2	0.01
12.1.1 Hairdressing and personal grooming establishments	6	6	0.1	0.2	-
12.1.2/3 Appliances and products for personal care	18	18	1.0	1.5	0.01

- Small upward effect on the all items 12-month rate change.
- Due to appliances and products for personal care, where prices overall rose this year by
  more than a year ago, with the main upward contributions coming from deodorant/antiperspirant and shampoo. Partially offset by small downward contributions coming from
  electric hair styling appliances and toilet rolls.

12.3 Personal effects not elsewhere covered	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	12	15	-1.8	-1.8	-0.01
12.3.1 Jewellery, clocks and watches	8	10	-0.9	-1.2	-
12.3.2 Other personal effects	4	5	-3.6	-3.2	-

- Small downward effect on the all items 12-month rate change.
- The downward contribution is due to weight changes in 2019. Prices were little changed this
  year compared to year ago. However, as the weight for personal effects not elsewhere
  covered has increased between 2018 and 2019, this has resulted in a small downward
  effect on the all items 12-month rate change.



12.4 Social protection	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
12.4 Social protection	14	13	0.2	0.1	-

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

12.5 Insurance	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
12.5 Insurance	7	5	0.8	0.7	-
12.5.2 House contents insurance	2	1	0.4	-0.3	-
12.5.3 Health insurance	2	2	2.6	2.7	-
12.5.4 Transport insurance	3	2	-0.2	-0.7	-

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

12.6 Financial services not	Weight	Weight	1 month	1 month	Contribution
elsewhere covered	2018	2019	% change	% change	to CPIH annual
	Jan	Jan	Jan 2018	Jan 2019	rate change
12.6 Financial services not elsewhere					
covered	9	8	-0.4	0.4	0.01

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

12.7 Other services not elsewhere covered	Weight 2018 Jan	Weight 2019 Jan	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to CPIH annual rate change
12.7 Other services not elsewhere					
covered	10	9	0.2	0.1	-

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



# **RPI SUMMARY**

# CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
FOOD	102	102	-0.4	-0.1	0.02
CATERING	48	50	0.1	0.2	0.01
ALCOHOLIC DRINKS	57	56	1.5	1.5	-
TOBACCO	24	23	0.4	0.2	-
HOUSING	266	257	0.2	-	-0.03
FUEL AND LIGHT	38	37	0.1	-6.2	-0.25
HOUSEHOLD GOODS	65	68	-2.9	-2.4	0.03
HOUSEHOLD SERVICES	64	58	0.3	0.5	0.01
CLOTHING AND FOOTWEAR	41	43	-3.9	-4.4	-0.03
PERSONAL GOODS AND SERVICES	38	42	-0.1	0.1	0.01
MOTORING EXPENDITURE	123	124	0.4	-0.5	-0.11
FARES AND OTHER TRAVEL COSTS	26	25	-16.8	-12.2	0.18
LEISURE GOODS	29	30	-0.1	-0.1	-
LEISURE SERVICES	79	85	-0.2	-0.1	0.01



# **RPI NOTABLE MOVEMENTS**

All items RPI	Annual rate +2.5%, down from +2.7% last month  Also +2.5 in December 2016  Last lower in November 2016 (+2.2%)
All items RPI exc MIPS (RPIX)	Annual rate +2.5%, down from +2.7% last month  Also +2.5% in November 2016  Last lower in October 2016 (+2.2%)
Seasonal food	Annual rate +3.1%, up from +2.1% last month Highest since January 2018 (+4.6%)
Fuel and light	Annual rate +1.4%, down from +8.3% last month  Lowest since February 2017 (+0.5%)
Clothing and footwear	Annual rate +4.5%, down from +4.9% last month Lowest since July 2010 (+4.3%)
Motoring Expenditure	Annual rate +1.5%, down from +2.5% last month  Lowest since August 2016 (+1.2%)
All goods	Annual rate +2.3%, down from +2.5% last month Lowest since December 2016 (+2.1%)
All services	Annual rate +2.7%, down from +2.8% last month Lowest since March 2017 (+2.2%)



# **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	Weight	1 month	1 month	Contribution
	2017	2018	% change	% change	to RPI annual
			Jan 2018	Jan 2019	rate change
FOOD	102	102	-0.4	-0.1	0.02

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

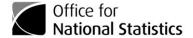
Seasonal Food	Weight 2017	Weight 2018	1 month % change	1 month % change	Contribution to RPI annual
			Jan 2018	Jan 2019	rate change
SEASONAL FOOD	18	18	-0.2	0.8	0.02
Home killed lamb	1	1	1.0	6.4	0.01
Fresh fish	2	2	1.4	2.2	-
Eggs	1	1	-	0.8	-
Unprocessed potatoes	1	1	-0.1	1.1	-
Other fresh vegetables	6	6	0.1	0.5	-
Fresh fruit	7	7	-1.1	-0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to:
  - Home killed lamb, where prices overall rose this year by more than a year ago; and
  - Fresh fruit, where prices overall fell this year by less than a year ago.



Non Occasional Food	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2017	2018	% change	% change	to RPI annual
			Jan 2018	Jan 2019	rate change
NON-SEASONAL FOOD	84	84	-0.4	-0.3	-
Bread	4	4	0.2	1.0	-
Cereals	3	3	-4.3	-1.9	0.01
Biscuits and cakes	6	6	-0.6	-3.2	-0.02
Beef	4	3	0.8	0.9	-
Imported lamb	1	1	-2.0	2.1	-
Pork	1	1	-2.8	0.9	-
Bacon	1	1	1.9	1.3	-
Poultry	3	4	0.3	1.8	0.01
Other meat	6	6	-1.8	-1.3	-
Processed fish	2	2	-1.9	0.6	0.01
Butter	1	1	-1.8	-0.4	-
Oils and fats	1	1	-2.3	5.3	0.01
Cheese	3	3	1.0	1.8	-
Milk, fresh	3	3	-0.6	-0.3	-
Milk products	4	4	-6.2	-6.7	-
Tea	1	1	-2.8	1.7	-
Soft drinks	8	8	-0.1	1.0	0.01
Sugar and preserves	1	1	-0.8	-0.8	-
Sweets and chocolates	11	11	2.1	2.2	-
Potato products	3	3	2.7	1.1	-
Processed vegetables	2	2	-3.6	-3.3	-
Processed fruit	2	2	1.5	2.7	-
Other foods	11	11	0.3	-2.9	-0.03
Coffee and other hot drinks	2	2	1.1	0.5	-

- Negligible overall effect on the all items 12-month rate change.
- There were small upward contributions coming from:
  - Processed fish, oils and fats and soft drinks, where prices overall rose this year but fell a year ago, with the main upward contributions coming from margarine/low fat spread and bottled cola flavoured drinks;
  - Cereals, where prices overall fell this year by less than a year ago; and
  - Poultry, where prices overall rose this year by more than a year ago.
- Offset by:
  - Biscuits and cakes, where prices overall fell this year by more than a year ago, with
    the main downward contributions coming from half chocolate coated biscuits and packs
    of individual cakes; and
  - Other foods, where prices overall fell this year but rose a year ago, with the main
    downward contributions coming from dried potted snacks, mayonnaise, jars/cans of
    cook-in sauces and chocolate covered ice cream bars. Partially offset by a small
    upward contribution coming from chilled ready-meals.



CATERING	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
CATERING	48	50	0.1	0.2	0.01
Restaurant meals	29	30	0.1	0.1	-
Canteen meals	3	3	-	-	-
Take-away meals and snacks	16	17	-	0.3	-

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

ALCOHOLIC DRINKS	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	57	56	1.5	1.5	-
Beer on sales	19	18	0.1	-0.1	-
Beer off sales	5	5	5.2	5.8	-
Wines and spirits on sales	19	19	0.1	-0.1	-
Wines and spirits off sales	14	14	4.2	4.5	0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **wines and spirits off sales**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from European red wine.

ТОВАССО	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
TOBACCO	24	23	0.4	0.2	-
Cigarettes	20	19	0.3	0.3	-
Other tobacco products	4	4	0.6	0.2	-

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



HOUSING	Weight	Weight 2018	1 month	1 month	Contribution to RPI annual
	2017	2018	% change Jan 2018	% change Jan 2019	rate change
HOHOMO	2000	257		Jan 2019	
HOUSING	266	257	0.2	-	-0.03
Rent	84	76	0.1	0.1	-
Mortgage interest payments	25	24	-1.0	0.3	0.03
Council Tax and rates	39	38	-	-	-
Water and other charges	13	12	-	-	-
Repairs and maintenance charges	9	9	0.1	0.1	-
DIY materials	6	8	0.7	-0.7	-0.01
Dwelling insurance and ground rent	6	7	0.4	-	-
House depreciation	84	83	0.6	-	-0.05

- 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 little changed this year but rising a year ago; and, to a lesser extent
  - **DIY materials**, where prices overall fell this year but rose a year ago.
- Partially offset by a small upward contribution coming from mortgage interest payments,
   where charges overall rose this year but fell a year ago.

FUEL AND LIGHT	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
FUEL AND LIGHT	38	37	0.1	-6.2	-0.25
Coal and solid fuels	1	1	0.2	0.1	-
Electricity	19	20	-	-4.9	-0.10
Gas	16	15	-	-8.7	-0.14
Oil and other fuels	2	1	2.1	-3.0	-0.01

- Largest downward effect on the all items 12-month rate change.
- Due to:
  - Gas and electricity, where prices overall fell this year, but were little changed a year ago, partially reflecting the response from energy providers to Ofgem's January energy price cap which came into effect from 1 January 2019; and, to a lesser extent
  - Oil and other fuels, where average kerosene prices fell this year but rose a year ago.



HOUSEHOLD GOODS	Weight 2017	Weight 2018	1 month % change	1 month % change	Contribution to RPI annual
			Jan 2018	Jan 2019	rate change
HOUSEHOLD GOODS	65	68	-2.9	-2.4	0.03
Furniture	26	28	-5.9	-4.5	0.03
Furnishings	10	9	-2.9	-2.0	0.01
Electrical appliances	6	7	0.6	-0.3	-0.01
Other household equipment	4	4	-1.2	-2.1	-
Household consumables	11	11	-0.3	-0.8	-0.01
Pet care	8	9	0.8	0.7	-

- Small upward effect on the all items 12-month rate change.
- Due to:
  - **Furniture** and **furnishings**, where prices overall fell this year by less than a year ago, with the main upward contributions coming from kitchen units, bookcases/freestanding shelving units, double beds, leather settees and tufted man-made carpets.
- Partially offset by:
  - Electrical appliances, where prices overall fell this year but rose a year ago; and
  - Household consumables, where prices overall fell this year by more than a year ago.

HOUSEHOLD SERVICES	Weight 2017	Weight 2018	1 month % change	1 month % change	Contribution to RPI annual
			Jan 2018	Jan 2019	rate change
HOUSEHOLD SERVICES	64	58	0.3	0.5	0.01
Domestic services	15	13	0.2	0.1	-
Fees and subscriptions	22	19	0.5	0.1	-0.01
Postage	1	1	-	-	-
Telephone charges	26	25	0.1	1.0	0.02

- Small upward effect on the all items 12-month rate change.
- Due to telephone charges, where prices overall rose this year by more than a year ago, with the main upward contributions coming from mobile phone applications and bundled telecommunication services.
- Partially offset by a small downward contribution coming from fees and subscriptions, where average charges rose this year by less than a year ago, with the main downward contribution coming from estate agent fees.



CLOTHING AND FOOTWEAR	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	41	43	-3.9	-4.4	-0.03
Men's outerwear	8	9	-3.9	-3.4	-
Women's outerwear	15	16	-5.1	-6.4	-0.03
Children's outerwear	5	5	-3.0	-3.9	-
Other clothing	5	5	-1.5	-3.0	-0.01
Footwear	8	8	-3.7	-2.2	0.01

- Small downward effect on the all items 12-month rate change.
- Due to women's outerwear and other clothing, where prices overall fell this year by more than a year ago, particularly for women's formal trousers, vest/strappy tops and dresses.
   Partially offset by a small upward contribution coming from women's casual skirts.
- Partially offset by **footwear**, where prices overall fell this year by less than a year ago, particularly for women's sandals.

PERSONAL GOODS AND SERVICES	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	38	42	-0.1	0.1	0.01
Personal articles	9	11	-1.8	-2.2	-0.01
Chemists' goods	15	15	0.4	1.2	0.01
Personal services	14	16	0.6	0.6	-

- Small upward effect on the all items 12-month rate change.
  - Due to **chemists' goods**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from shampoo.
  - Partially offset by personal articles, where prices overall fell by more than a year ago.

MOTORING EXPENDITURE	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
MOTORING EXPENDITURE	123	124	0.4	-0.5	-0.11
Purchase of motor vehicles	46	50	0.5	0.1	-0.02
Maintenance of motor vehicles	16	16	0.7	0.1	-0.01
Petrol and oil	37	34	0.4	-1.6	-0.07
Vehicle tax and insurance	24	24	0.3	-0.3	-0.02

- Large downward effect on the all items 12-month rate change.
- Due to:



- **Petrol and oil**, where prices overall fell this year but rose a year ago. The price of petrol, as recorded for the RPI, fell by 2.1 pence per litre between December 2018 and January 2019, to stand at 120.3 pence per litre, compared with a rise of 0.6 pence per litre last year, to stand at 120.5 pence per litre. Diesel prices fell by 2.2 pence per litre, to stand at 130.3 pence per litre in January 2019, compared with a rise of 0.3 pence per litre last year, to stand at 124.0 pence per litre; and, to a lesser extent
- Purchase of motor vehicles, where prices overall rose this year by less than a year ago, with the main downward contribution coming from second-hand cars;
- Vehicle tax and insurance, where average premiums for car insurance fell this year but rose a year ago; and
- Maintenance of motor vehicles, where prices overall rose this year by less than a
  year ago, with the main downward contribution coming from hourly charges for car
  repairs.

FARES AND OTHER TRAVEL COSTS	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	26	25	-16.8	-12.2	0.18
Rail fares	6	6	2.5	3.2	0.01
Bus and coach fares	3	3	-1.0	-3.2	-0.01
Other travel costs	17	16	-23.9	-18.2	0.18

- Largest upward effect on the all items 12-month rate change.
- Due to:
  - Other travel costs, where average air fares fell this year by less than a year ago.
     Partially offset by a small downward contribution coming from road tolls, where charges fell this year by more than a year ago, mainly due to the removal of tolls for the Severn Bridge crossing; and, to a lesser extent
  - Rail fares, where average charges rose this year by more than a year ago, with the main upward contribution coming from European rail journeys.
- Partially offset by **bus and coach fares**, where average charges fell this year by more than a year ago, particularly for coach fares.



LEISURE GOODS	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
LEISURE GOODS	29	30	-0.1	-0.1	-
Audio-visual equipment	6	6	-	-1.4	-0.01
CDs and tapes	2	2	-5.2	-4.4	-
Toys, photographic and sports goods	9	10	-0.1	0.9	0.01
Books and newspapers	6	6	1.8	1.4	-
Gardening products	6	6	-0.4	0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from audio-visual equipment, where prices
  overall fell this year but were little changed a year ago, with the main downward contribution
  coming from PC peripherals.
- Offset by a small upward contribution coming from toys, photographic and sports goods, where prices overall rose this year but fell a year ago.

LEISURE SERVICES	Weight 2017	Weight 2018	1 month % change Jan 2018	1 month % change Jan 2019	Contribution to RPI annual rate change
LEISURE SERVICES	79	85	-0.2	-0.1	0.01
TV licence and rentals	12	11	-	-0.1	-
Entertainment and other recreation	16	16	-1.3	-1.2	-
Foreign holidays	40	47	0.2	0.6	0.02
UK holidays	11	11	-0.2	-1.5	-0.01

- Small upward effect on the all items 12-month rate change.
- Due to foreign holidays, where average prices rose this year by more than a year ago, with the main upward contributions coming from self-catering and hotel holidays. Partially offset by late booked holidays.
- Partially offset by **UK holidays**, where average prices fell this year by more than a year ago, particularly for overnight hotel accommodation.



# 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 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 in the Consumer price inflation dataset.

The difference between the CPIH and RPI unrounded annual rates in January 2019 was -0.77 percentage points, widening from -0.71 percentage points in December 2018.

The main factors contributing to the widening were:

- Other differences including weights, which increased the RPI 12-month rate relative to the CPIH 12-month rate by 0.08 percentage points between December 2018 and January 2019. The effect came mainly from air fares; and furniture, furnishings, carpets and household textiles. This was partially offset by sea fares.
- Mortgage interest payments, which increased the RPI 12-month rate by 0.03 percentage points between December 2018 and January 2019 but are excluded from the CPIH.

The main offsetting factor was:

• Other housing components, which decreased the RPI 12-month rate relative to the CPIH 12-month rate by 0.06 percentage points between December 2018 and January 2019. The effect came mainly from house depreciation.



# **RPI MISCELLANEOUS DATA**

# **Selected Average Prices**

Description		November 2018	December 2018	January 2019
Petrol per litre	Diesel	£1.37	£1.33	£1.30
	Petrol	£1.29	£1.22	£1.20
Alcohol pub prices	Draught bitter (pint)	£3.06	£3.06	£3.05
	Draught lager (pint)	£3.67	£3.67	£3.67
	Whisky (per nip)	£2.90	£2.92	£2.91
Cigarettes	Per 20 king size	£10.63	£10.63	£10.66

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 2018	-0.8	Down -0.04% points	-0.04% points
February 2018	+0.8	Down -0.01% points	-0.01% points
March 2018	+0.1	Down -0.02% points	-0.02% points
April 2018	+0.5	Down -0.01% points	-0.01% points
May 2018	+0.4	Down -0.02% points	-0.02% points
June 2018	+0.3	Down -0.01% points	-0.01% points
July 2018	+0.1	Negligible	-
August 2018	+0.9	Up +0.06% points	+0.06% points
September 2018	0.0	Down -0.06% points	-0.06% points
October 2018	+0.1	Up +0.07% points	+0.07% points
November 2018	0.0	Down -0.02% points	-0.02% points
December 2018	+0.4	Down -0.01% points	-0.01% points
January 2019	-0.9	Negligible	-

**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 are variable in February and can be affected by weather conditions both in the UK and around the world.

Monthly % change for CPIH seasonal food index			
Year	December	January	February
2012/13	2.8	0.2	1.6
2013/14	0.9	0.1	-0.4
2014/15	0.6	-1.1	-0.3
2015/16	-0.6	-1.1	1.4
2016/17	0.5	-0.8	2.2
2017/18	-0.4	0.5	0.1
2018/19	-0.2	0.7	

• 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 CPIH clothing and footwear index			
Year	December	January	February
2012/13	-1.4	-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	1.2
2017/18	-0.9	-3.9	1.7
2018/19	-1.0	-4.3	

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 CPIH furniture, household equipment and maintenance index					
Year	Year December January February				
2012/13	1.2	-2.3	1.5		
2013/14	1.7	-3.1	2.5		
2014/15	1.6	-2.5	1.4		
2015/16	1.1	-2.3	1.7		
2016/17	0.9	-2.5	2.4		
2017/18	1.4	-2.6	2.5		
2018/19	1.0	-2.1			

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

#### **TRANSPORT**

#### **Fuels and Lubricants**

- Oil prices have fallen more than 2% amid concerns that global demand growth would slow this year. A rebound from December lows has stalled on fresh worries about a trade war between the US and China. Brent crude is down 2.2% and US crude futures are 3.05% lower. (www.bbc.co.uk 7 February 2019)
- When considering the price of petrol between January and February 2019, it may be useful
  to note that the average price of petrol fell by 0.2 pence per litre between January and
  February 2018, to stand at 120.8 pence per litre as measured in the CPIH.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately
   0.02 percentage points to the 1-month change in the CPIH.

#### **Passenger Transport by Air**

Air fares tend to rise in February.

Monthly % change for CPIH air fares index			
Year	December	January	February
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	6.0
2017/18	52.8	-33.2	5.3
2018/19	39.6	-25.5	

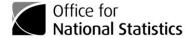
The air fares index used in the RPI is the same as that used in the CPIH, and is included in the **other travel costs** section.



# **HOUSING (RPI)**

# Mortgage interest payments (MIPs)

- The Bank of England Bank Rate remained unchanged at 0.75% on Thursday 7 February 2019. The next announcement and minutes from the Bank of England's Monetary Policy Committee are scheduled to be published on 21 March 2019.
- The change in average mortgage interest rates recorded in the RPI was -0.01 percentage points between January and February 2018. The Bank of England Bank Rate remained unchanged at 0.5% in January 2018.
- 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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