

# Consumer Price Inflation

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## CONTENTS

<b>SUMMARY</b>	<b>2</b>
<b>CPI SUMMARY</b>	<b>5</b>
<b>CPI NOTABLE MOVEMENTS</b>	<b>7</b>
<b>CPI DETAILED BRIEFING</b>	<b>8</b>
<b>RPI SUMMARY</b>	<b>25</b>
<b>RPI NOTABLE MOVEMENTS</b>	<b>26</b>
<b>RPI DETAILED BRIEFING</b>	<b>27</b>
<b>RECONCILIATION OF CPI AND RPI</b>	<b>35</b>
<b>RPI MISCELLANEOUS DATA</b>	<b>36</b>
<b>OUTLOOK</b>	<b>37</b>

*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 \(2013\)](#).

The main movements for CPI in June 2016 are:

- The all items CPI is 100.6, up from 100.4 in May.
- The all items CPI annual rate is 0.5%, up from 0.3% in May.
- The annual rate for CPI excluding indirect taxes, CPIY, is 0.3%, up from 0.1% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 0.4%, up from 0.2% last month.
- The CPI all goods index is 98.8, unchanged from last month.
- The CPI all goods index annual rate is -1.6%, up from -1.8% last month.
- The CPI all services index is 102.7, up from 102.2 in May.
- The CPI all services index annual rate is 2.8%, up from 2.6% last month.

### **CPIH**

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 will be reported to the UK Statistics Authority by September 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.

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 16.5% 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 in various papers published on the [prices guidance and methodology webpage](#).

The main movements for CPIH in June 2016 are:

- The all items CPIH is 100.9, up from 100.7 in May.
- The all items CPIH annual rate is 0.8%, up from 0.7% in May.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 0.7%, up from 0.6% last month.
- The OOH component of CPIH is 102.2, up from 102.1 in May.
- The OOH component annual rate is 2.3%, unchanged from last month.
- The CPIH all goods index is 98.8, unchanged from last month.
- The CPIH all goods index annual rate is -1.6%, up from -1.7% last month.
- The CPIH all services index is 102.5, up from 102.2 in May.
- The CPIH all services index annual rate is 2.7%, 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 \(2013\)](#).

RPIJ is an improved 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 for RPIJ are not produced.

The main movements for RPI and RPIJ in June 2016 are:

- The all items RPI is 263.1, up from 262.1 in May.
- The all items RPI annual rate is 1.6%, up from 1.4% last month.
- The all items RPIJ is 240.9, up from 240.1 in May.
- The all items RPIJ annual rate is 0.9%, up from 0.7% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 1.7%, up from 1.5% last month.
- The all goods RPI is 198.4, up from 198.2 in May.
- The all goods RPI annual rate is -0.6%, unchanged from last month.
- The all services RPI is 360.2, up from 358.1 in May.
- The all services RPI annual rate is 2.8%, up from 2.4% last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 1.6%, up from 1.3% last month.
- The Tax and Price Index (TPI) for June is 230.4, up from 229.5 in May.
- The TPI annual rate is 2.0%, up from 1.8% last month.

## CPI SUMMARY

### CONTRIBUTIONS TO CHANGE IN THE CPI ANNUAL RATE

CPI COICOP DIVISIONS	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
01: Food and non-alcoholic beverages	110	103	-0.2	-0.4	-0.02
02: Alcoholic beverages and tobacco	43	42	0.2	-0.3	-0.02
03: Clothing and footwear	70	71	-0.4	-0.7	-0.02
04: Housing, water, electricity, gas and other fuels	128	120	-	0.2	0.02
05: Furniture, household equipment and maintenance	59	59	0.3	-0.3	-0.04
06: Health	25	28	-0.6	0.1	0.02
07: Transport	149	153	0.2	1.1	0.13
08: Communication	31	32	-0.2	0.6	0.03
09: Recreation and culture	147	148	-0.1	0.6	0.10
10: Education	26	25	-	-	-
11: Restaurants and hotels	121	123	0.4	0.1	-0.03
12: Miscellaneous goods and services	91	96	0.2	-	-0.02

#### Large upward effects came from:

- Transport**, where prices overall rose by 1.1% between May and June this year compared with a rise of 0.2% between the same 2 months a year ago. Within transport, the largest upward effect came from air fares which rose by more than a year ago, with the main contribution coming from European routes. The 10.9% rise in fares this year was the largest May to June movement on record although it is important to note that air fares are highly variable. Motor fuel prices also rose by more than a year ago with petrol and diesel prices rising by 2.3 and 2.6 pence per litre respectively between May and June 2016. A smaller upward effect came from changes in sea transport fares though this was offset by a downward pull from rail transport; and

- **Recreation and culture**, where prices overall rose by 0.6% this year compared with a fall of 0.1% a year ago. The upward contribution came principally from games, toys and hobbies (particularly computer games) with prices rising between May and June 2016 compared with a fall last year. Other smaller upward effects came from cultural services and books.

#### Small upward effects came from:

- **Communication**, where the upward contribution came from telephone equipment and services with prices overall rising by 0.6% between May and June this year compared with a fall of 0.2% between the same 2 months a year ago. The effect came principally from mobile phone charges which fell this year but by less than a year ago; and
- **Health**, where prices overall rose by 0.1% between May and June this year but fell by 0.6% between the same 2 months a year ago.

#### A large downward effect came from:

- **Furniture, household equipment and maintenance**, where prices overall fell by 0.3% between May and June this year but rose by 0.3% between the same 2 months a year ago. The downward contribution came almost entirely from furniture and furnishings, particularly kitchen units.

#### Small downward effects came from:

- **Restaurants and hotels**, where prices overall rose by 0.1% this year compared with a larger rise of 0.4% a year ago. The downward effect came from accommodation services, where prices for overnight hotel accommodation fell this year but rose a year ago;
- **Alcoholic beverages and tobacco**, where prices overall fell by 0.3% between April and May 2016 compared with a rise of 0.2% a year ago; and
- **Clothing and footwear**, where prices overall fell by 0.7% compared with a fall of 0.4% between the same 2 months a year ago, with the main downward contribution coming from footwear.

## CPI NOTABLE MOVEMENTS

All items CPI	Annual rate +0.5%, up from +0.3% last month Also +0.5% in March 2016 and December 2014 Last higher in November 2014 (+1.0%)
All items CPI exc energy, food, alcohol and tobacco	Annual rate +1.4%, up from +1.2% last month Highest since March 2016 (+1.5%)
Food and non-alcoholic beverages	Annual rate -2.9%, down from -2.8% last month Also -2.9% in December 2015 Last lower in March 2015 (-3.0%)
Clothing and footwear	Annual rate -0.7%, down from -0.4% last month Lowest since June 2015 (-0.8%)
Furniture, household equipment and maintenance	Annual rate -0.5%, down from +0.2% last month Also -0.5% in May 2015, April 2015, November 2006 and August 2006 Last lower in July 2006 (-1.3%)
Health	Annual rate +2.7%, up from +1.9% last month Highest since August 2014 (+2.9%)
Communication	Annual rate +3.7%, up from +2.8% last month Highest since February 2013 (+4.0%)
Recreation and culture	Annual rate +0.8%, up from +0.1% last month Highest since October 2014 (+1.0%)
All goods	Annual rate -1.6%, up from -1.8% last month Also -1.6% in April 2016, March 2016 and February 2016 Last higher in January 2016 (-1.5%)
All services	Annual rate +2.8%, up from +2.6% last month Also +2.8% in March 2016 Last higher in December 2015 (+2.9%)
Fuels and lubricants	Annual rate -5.5%, up from -6.8% last month Highest since October 2014 (-4.8%)

## CPI DETAILED BRIEFING

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

<b>01 FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
01 Food & non-alcoholic beverages	110	103	-0.2	-0.4	-0.02

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

<b>01.1 Food</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
01.1 Food	97	91	-0.4	-0.4	-
01.1.1 Bread and cereals	16	15	-1.1	-0.6	0.01
01.1.2 Meat	22	21	-0.1	1.1	0.02
01.1.3 Fish	4	4	0.1	-	-
01.1.4 Milk, cheese and eggs	14	12	0.7	-1.6	-0.03
01.1.5 Oils and fats	2	2	-4.9	0.8	0.01
01.1.6 Fruit	10	9	-1.4	-1.1	-
01.1.7 Vegetables including potatoes	14	13	1.0	-0.8	-0.02
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	-2.1	-2.1	-
01.1.9 Food products not elsewhere covered	3	3	1.8	3.2	-

- Negligible overall effect on the all items 12-month rate change.
- There are small downward contributions coming from **milk, cheese and eggs**; and **vegetables including potatoes**.
- Offset by small upward contributions coming from **meat; oils and fats**; and **bread and cereals**.

### Bread and cereals

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from potted snacks.
- Partially offset by a small downward contribution coming from breakfast cereals, where prices fell this year by more than a year ago.

### Meat

- Small upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from pork loin chops and cooked ham.

### Milk, cheese and eggs

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for yoghurt/fromage frais, cheese spread and cheddar cheese.

### Oils and fats

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

### Vegetables including potatoes

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from crisps and cauliflowers.

<b>01.2 Non-alcoholic beverages</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
01.2 Non-alcoholic beverages	13	12	1.0	-0.1	-0.01
01.2.1 Coffee, tea and cocoa	3	3	1.2	-0.5	-0.01
01.2.2 Mineral waters, soft drinks and juices	10	9	0.9	0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **mineral waters, soft drinks and juices**, where prices overall rose this year by less than a year ago, and **coffee, tea and cocoa**, where prices overall fell this year but rose a year ago.

<b>02 ALCOHOLIC BEVERAGES AND TOBACCO</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	43	42	0.2	-0.3	-0.02

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

<b>02.1 Alcoholic Beverages</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
02.1 Alcoholic beverages	19	19	0.2	-0.9	-0.02
02.1.1 Spirits	5	5	-2.6	-0.6	0.01
02.1.2 Wine	9	9	1.3	-0.4	-0.01
02.1.3 Beer	5	5	0.9	-2.2	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **beer** and **wine**, where prices overall fell this year but rose a year ago, particularly for lager.
- Partially offset by **spirits**, where prices overall fell this year by less than a year ago, particularly for whisky.

<b>02.2 Tobacco</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
02.2 Tobacco	24	23	0.2	0.1	-

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

<b>03 CLOTHING AND FOOTWEAR</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
03 Clothing and footwear	70	71	-0.4	-0.7	-0.02

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

<b>03.1 Clothing</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
03.1 Clothing	60	61	-0.5	-0.5	-
03.1.2 Garments	54	54	-0.4	-0.2	0.01
03.1.3 Other clothing and clothing accessories	5	6	-1.4	-3.1	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.1	0.2	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **other clothing and clothing accessories**.
- Offset by a small upward contribution coming from **garments**.

#### Garments

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from men's official football shirts.
- Partially offset by small downward contributions coming from women's dresses and formal jackets and trousers, and children's trousers.

#### Other clothing and clothing accessories

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

<b>03.2 Footwear including repairs</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
03.2 Footwear including repairs	10	10	-	-1.5	-0.02

- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year but were little changed a year ago, with the main downward contribution coming from women's high heel shoes.

<b>04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and other fuels	128	120	-	0.2	0.02

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

<b>04.1 Actual rentals for housing</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
04.1 Actual rentals for housing	72	72	0.1	0.1	-

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

<b>04.3 Regular maintenance and repair of the dwelling</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	0.1	0.4	-
04.3.1 Materials for maintenance and repair	1	1	0.3	0.9	-
04.3.2 Services for maintenance and repair	1	1	-	-	-

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

<b>04.4 Other services related to the dwelling</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
04.4 Other services related to the dwelling	12	11	-	-	-
04.4.1 Water supply	6	6	-	-	-
04.4.3 Sewerage collection	6	5	-	-	-

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

<b>04.5 Electricity, gas and other fuels</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
04.5 Electricity, gas and other fuels	42	35	-0.1	0.2	0.01
04.5.1 Electricity	20	17	-	-	-
04.5.2 Gas	20	16	-	-	-
04.5.3 Liquid fuels	1	1	-2.7	8.1	0.01
04.5.4 Solid fuels	1	1	-0.4	-0.8	-

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

<b>05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	59	59	0.3	-0.3	-0.04

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

<b>05.1 Furniture, furnishings and carpets</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	21	20	1.6	-0.1	-0.03
05.1.1 Furniture and furnishings	15	16	2.3	-0.1	-0.04
05.1.2 Carpets and other floor coverings	6	4	-0.4	0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from kitchen furniture and leather settees.

<b>05.2 Household textiles</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
05.2 Household textiles	6	7	-0.7	-1.6	-0.01

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

<b>05.3 Household appliances, fitting and repairs</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
05.3 Household appliances, fitting and repairs	8	8	-0.9	-0.6	-
05.3.1/2 Major appliances and small electric goods	7	7	-1.1	-0.7	-
05.3.3 Repair of household appliances	1	1	-	0.1	-

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

<b>05.4 Glassware, tableware and household utensils</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	-0.8	-1.0	-

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

<b>05.5 Tools and equipment for house and garden</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	5	5	-0.1	-0.7	-

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

<b>05.6 Goods and services for routine maintenance</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	0.3	0.5	-
05.6.1 Non-durable household goods	5	5	-	0.7	-
05.6.2 Domestic services and household services	8	8	0.5	0.4	-

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

<b>06 HEALTH</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
06 Health	25	28	-0.6	0.1	0.02

- Small upward 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 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	12	13	-1.3	-	0.02
06.1.1 Pharmaceutical products	7	8	-2.2	0.2	0.02
06.1.2/3 Other medical and therapeutic equipment	5	5	-0.1	-0.2	-

- Small upward effect on the all items 12-month rate change.
- Due to **pharmaceutical products**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from pain killers and multi-vitamins.

<b>06.2 Out-patient services</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
06.2 Out-patient services	5	7	-0.2	0.2	-
06.2.1/3 Medical and paramedical services	3	4	-0.3	0.2	-
06.2.2 Dental services	2	3	-	0.2	-

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

<b>06.3 Hospital services</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
06.3 Hospital Services	8	8	0.1	0.2	-

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

<b>07 TRANSPORT</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
07 Transport	149	153	0.2	1.1	0.13

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

<b>07.1 Purchase of vehicles</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
07.1 Purchase of vehicles	40	43	-0.3	-0.3	-
07.1.1A New cars	24	25	-	-0.3	-0.01
07.1.1B Second-hand cars	14	16	-0.9	-0.3	0.01
07.1.2/3 Motorcycles and bicycles	2	2	0.2	-0.3	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **new cars**, where prices overall fell this year but were little changed a year ago.
- Offset by a small upward contribution coming from **second-hand cars**, where prices overall fell this year by less than a year ago.

<b>07.2 Operation of personal transport equipment</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
07.2 Operation of personal transport equipment	77	73	0.4	1.0	0.05
07.2.1 Spare parts and accessories	6	5	0.2	0.2	-
07.2.2 Fuels and lubricants	34	32	0.8	2.2	0.05
07.2.3 Maintenance and repairs	23	22	0.1	0.1	-
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**, where the average price of petrol across the month, as recorded for the CPI, rose by 2.3 pence per litre between May and June 2016 to stand at 111.0 pence per litre. Last year, the average price of petrol rose by 1.1 pence per litre between May and June 2015 to stand at 116.4 pence per litre. The average price of diesel rose by 2.6 pence per litre between May and June 2016 to stand at 112.1 pence per litre, compared with a rise of 0.5 pence per litre a year earlier to stand at 121.2 pence per litre.

<b>07.3 Transport services</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
07.3 Transport services	32	37	0.4	2.6	0.09
07.3.1 Passenger transport by railway	12	13	0.2	-2.1	-0.03
07.3.2 Passenger transport by road	12	12	0.2	0.8	0.01
07.3.3 Passenger transport by air	6	8	0.3	10.9	0.10
07.3.4 Passenger transport by sea and inland waterway	2	4	2.1	4.6	0.02

- 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 road**.
- Partially offset by **passenger transport by railway**.

#### Passenger transport by railway

- Small downward effect.
- Average charges for international rail journeys fell this year but rose a year ago.

#### Passenger transport by road

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

#### Passenger transport by air

- Large upward effect.
- Average air fares rose this year by more than a year ago, with the main upward contribution coming from European flights.

#### Passenger transport by sea and inland waterway

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

<b>08 COMMUNICATION</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
08 Communication	31	32	-0.2	0.6	0.03

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

<b>08.1 Postal services</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
08.1 Postal services	2	2	-	-	-

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

<b>08.2/3 Telephone equipment and services</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
08.2/3 Telephone equipment and services	29	30	-0.2	0.6	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 mobile phone charges and bundled telecommunication services.
- Partially offset by a small downward contribution coming from mobile telephone applications, where average charges rose this year by less than a year ago.

<b>09 RECREATION AND CULTURE</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
09 Recreation and culture	147	148	-0.1	0.6	0.10

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

<b>09.1 Audio-visual equipment and related products</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
09.1 Audio-visual equipment and related products	23	18	0.6	1.0	0.01
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	5	1.1	-0.3	-0.01
09.1.2 Photographic, cinematographic and optical equipment	3	2	-3.0	2.6	0.01
09.1.3 Data processing equipment	9	7	1.4	1.0	-
09.1.4 Recording media	5	3	0.8	2.2	-
09.1.5 Repair of audio-visual equipment and related products	1	1	0.2	-	-

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

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

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

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

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

<b>09.2 Other major durables for recreation and culture</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
09.2.1/2 Major durables for in/outdoor recreation	10	12	-	-	-

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

<b>09.3 Other recreational items, gardens and pets</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
09.3 Other recreational items, gardens and pets	36	35	-1.2	0.3	0.06
09.3.1 Games, toys and hobbies	21	20	-1.8	0.4	0.05
09.3.2 Equipment for sport and open-air recreation	4	3	-1.4	0.5	0.01
09.3.3 Gardens, plants and flowers	4	4	-0.2	-	-
09.3.4/5 Pets, related products and services	7	8	-0.1	0.2	-

- Large upward effect on the all items 12-month rate change.
- Due to **games, toys and hobbies**; and, to a lesser extent, **equipment for sport and open-air recreation**.

#### Games, toys and hobbies

- Large upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from computer games and consoles, children's baby dolls and preschool activity toys.
- Partially offset by a small downward contribution coming from children's craft kits, where prices overall fell this year but rose a year ago.

#### Equipment for sport and open-air recreation

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

<b>09.4 Recreational and cultural services</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
09.4 Recreational and cultural services	31	33	0.7	1.3	0.02
09.4.1 Recreational and sporting services	8	10	0.1	0.2	-
09.4.2 Cultural services	23	23	0.8	1.7	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **cultural services**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from admission charges for theatres and live music events.

<b>09.5 Books, newspapers and stationery</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	14	0.1	1.8	0.02
09.5.1 Books	4	4	-2.6	3.4	0.02
09.5.2 Newspapers and periodicals	5	5	1.9	0.3	-0.01
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	5	0.6	2.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **books** and **miscellaneous printed matter, stationery, drawing materials**.
- Partially offset by **newspapers and periodicals**.

#### Books

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

#### Newspapers and periodicals

- Small downward effect.
- Average prices for periodicals rose this year by less than a year ago.

#### Misc. printed matter, stationery, drawing materials

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

<b>09.6 Package holidays</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
09.6 Package holidays	33	36	-	-0.1	-

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

<b>10 EDUCATION</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
10 Education	26	25	-	-	-

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

<b>11 RESTAURANTS AND HOTELS</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
11 Restaurants and hotels	121	123	0.4	0.1	-0.03

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

<b>11.1 Catering services</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
11.1 Catering services	100	101	0.2	0.2	-
11.1.1 Restaurants and cafes	91	93	0.2	0.2	-
11.1.2 Canteens	9	8	0.1	0.5	-

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

<b>11.2 Accommodation services</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
11.2 Accommodation services	21	22	1.7	-0.1	-0.04

- Large downward effect on the all items 12-month rate change.
- Prices overall fell this year but rose a year ago, particularly for overnight hotel accommodation.

<b>12 MISCELLANEOUS GOODS AND SERVICES</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
12 Misc. goods and services	91	96	0.2	-	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **financial services not elsewhere covered**.
- Partially offset by **social protection and insurance**.

<b>12.1 Personal care</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
12.1 Personal care	30	31	-0.1	-0.2	-
12.1.1 Hairdressing and personal grooming establishments	7	8	0.1	0.2	-
12.1.2/3 Appliances and products for personal care	23	23	-0.1	-0.3	-

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

<b>12.3 Personal effects not elsewhere covered</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
12.3 Personal effects not elsewhere covered	14	16	-0.3	-0.3	-
12.3.1 Jewellery, clocks and watches	9	9	-0.3	-0.4	-
12.3.2 Other personal effects	5	7	-0.3	-0.1	-

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

<b>12.4 Social protection</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
12.4 Social protection	13	16	0.2	0.6	0.01

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

<b>12.5 Insurance</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
12.5 Insurance	10	9	0.2	0.8	0.01
12.5.2 House contents insurance	2	2	0.1	0.9	-
12.5.3 Health insurance	3	3	-	-	-
12.5.4 Transport insurance	5	4	0.3	1.4	-

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

<b>12.6 Financial services not elsewhere covered</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
12.6 Financial services not elsewhere covered	12	12	1.5	-0.3	-0.02

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

<b>12.7 Other services not elsewhere covered</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to CPI annual rate change
12.7 Other services not elsewhere covered	12	12	0.2	-	-

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

## RPI SUMMARY

### CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

<b>GROUPS</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
FOOD	109	102	-0.1	-0.3	-0.02
CATERING	47	47	0.1	0.2	-
ALCOHOLIC DRINKS	56	57	0.3	-0.2	-0.03
TOBACCO	27	25	0.2	0.1	-
HOUSING	263	266	0.2	0.2	0.03
FUEL AND LIGHT	45	41	-0.1	0.4	0.02
HOUSEHOLD GOODS	59	62	1.0	0.2	-0.05
HOUSEHOLD SERVICES	65	67	-0.2	0.5	0.04
CLOTHING AND FOOTWEAR	42	41	-0.3	-0.5	-0.01
PERSONAL GOODS AND SERVICES	41	42	-0.1	-0.2	-
MOTORING EXPENDITURE	115	117	0.3	1.0	0.10
FARES AND OTHER TRAVEL COSTS	25	26	0.2	3.9	0.10
LEISURE GOODS	28	29	-	0.8	0.02
LEISURE SERVICES	78	78	0.5	0.6	0.01

## RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +1.6%, up from +1.4% last month Also +1.6% in March 2016 and December 2014 Last higher in November 2014 (+2.0%)
All items RPI exc MIPS (RPIX)	Annual rate +1.7%, up from +1.5% last month Also +1.7% in December 2014 Last higher in November 2014 (+2.0%)
All items RPI exc MIPS and indirect taxes (RPIY)	Annual rate +1.6%, up from +1.3% last month Highest since March 2016 (+1.7%)
Food	Annual rate -2.7%, down from -2.4% last month Lowest since March 2015 (-2.8%)
Seasonal food	Annual rate -3.7%, down from -3.3% last month Lowest since March 2015 (-4.4%)
Catering	Annual rate +2.1%, up from +2.0% last month Also +2.1% in December 2014 Last higher in November 2014 (+2.3%)
Housing	Annual rate +3.4%, up from +3.3% last month Also +3.4% in February 2015 Last higher in January 2015 (+3.5%)
Fuel and light	Annual rate -3.4%, up from -3.8% last month Highest since February 2015 (-3.3%)
Household goods	Annual rate +0.3%, down from +1.1% last month Lowest since July 2006 (-0.1%)
Household services	Annual rate +3.9%, up from +3.2% last month Highest since September 2013 (+6.7%)
Clothing and footwear	Annual rate +5.5%, down from +5.7% last month Also +5.5% in November 2012 Last lower in July 2010 (+4.3%)
Motoring expenditure	Annual rate +0.7%, up from -0.1% last month Highest since January 2014 (+1.2%)
Leisure goods	Annual rate +0.1%, up from -0.7% last month Highest since January 2015 (+0.6%)
All goods	Annual rate -0.6%, unchanged from last month Also -0.6% in April 2016 and March 2016 Last higher in February 2016 (-0.5%) Last lower in December 2015 (-1.2%)
All services	Annual rate +2.8%, up from +2.4% last month Highest since March 2016 (+2.9%)
Petrol and oil	Annual rate -5.5%, up from -7.1% last month Highest since October 2014 (-4.4%)

## 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 Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
FOOD	109	102	-0.1	-0.3	-0.02

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

<b>Seasonal Food</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	-0.6	-1.0	-0.01
Home killed lamb	1	1	2.7	3.2	-
Fresh fish	2	2	-	-0.9	-
Eggs	1	1	-1.2	-1.4	-
Unprocessed potatoes	2	1	-	3.1	-
Other fresh vegetables	6	6	0.1	-1.6	-0.01
Fresh fruit	6	7	-2.0	-1.7	-

- Small downward effect on the all items 12-month rate change.
- Due to **other fresh vegetables**, where prices overall fell this year but rose a year ago, particularly for cauliflowers.

<b>Non-Seasonal Food</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
NON-SEASONAL FOOD	91	84	-	-0.2	-0.02
Bread	4	4	-0.4	1.6	0.01
Cereals	4	4	-1.4	-2.7	-0.01
Biscuits and cakes	7	6	0.5	-0.4	-0.01
Beef	4	4	-0.1	-0.9	-
Imported lamb	1	1	0.4	1.2	-
Pork	1	1	-1.9	6.8	0.01
Bacon	2	1	0.4	-1.0	-
Poultry	4	4	-0.9	0.3	-
Other meat	7	6	0.4	1.4	0.01
Processed fish	2	2	2.1	1.7	-
Butter	1	1	-3.0	-1.4	-
Oils and fats	1	1	-5.9	2.2	0.01
Cheese	4	3	2.7	-2.9	-0.02
Milk, fresh	3	3	-0.6	0.4	-
Milk products	4	4	1.5	-3.7	-0.02
Tea	1	1	-0.5	-2.3	-
Soft drinks	10	9	0.8	-0.1	-0.01
Sugar and preserves	1	1	1.0	0.2	-
Sweets and chocolates	11	11	-1.3	-2.3	-0.01
Potato products	3	2	4.9	-0.4	-0.01
Processed vegetables	2	2	-3.8	-2.4	-
Processed fruit	2	1	-0.5	-0.2	-
Other foods	11	10	-0.6	2.7	0.03
Coffee and other hot drinks	1	2	2.1	0.5	-

- Small downward effect on the all items 12-month rate change.
- Due to:
  - **Milk products, cheese, potato products, soft drinks and biscuits and cakes**, where prices overall fell this year but rose a year ago, particularly for crisps, yoghurt/fromage frais, cheese spread and cheddar cheese; and
  - **Sweets and chocolates and cereals**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from cartons and boxes of chocolates. Partially offset by a small upward contribution coming from bags of non-chocolate sweets, where prices overall fell this year by less than a year ago.
- Partially offset by:
  - **Other foods, pork, bread and oils and fats**, where prices overall rose this year but fell a year ago, particularly for dried potted snacks, margarine/low fat spread, pork loin chops and chilled garlic bread; and
  - **Other meat**, where prices overall rose this year by more than a year ago.

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

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

<b>ALCOHOLIC DRINKS</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	56	57	0.3	-0.2	-0.03
Beer on sales	19	19	0.3	0.1	-
Beer off sales	5	5	-0.3	-2.5	-0.01
Wines and spirits on sales	18	19	0.3	0.2	-
Wines and spirits off sales	14	14	0.5	-0.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
  - **Wines and spirits off sales**, where prices overall fell this year but rose a year ago, with the main downward contribution coming from European red wine; and
  - **Beer off sales**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from lager.

<b>TOBACCO</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
TOBACCO	27	25	0.2	0.1	-
Cigarettes	23	21	0.2	-	-
Other tobacco products	4	4	0.1	0.5	-

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

<b>HOUSING</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
HOUSING	263	266	0.2	0.2	0.03
Rent	84	83	0.1	0.1	-0.01
Mortgage interest payments	29	28	0.1	-0.2	-0.01
Council tax and rates	40	40	-	-	-
Water and other charges	14	13	-	-	-
Repairs and maintenance charges	9	9	-	-	-
DIY materials	8	7	-	0.3	-
Dwelling insurance and ground rent	6	6	-0.2	0.7	0.01
House depreciation	73	80	0.4	0.8	0.03

- Small upward 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 more than a year ago; and
  - **Dwelling insurance and ground rent**, where average charges rose this year but fell a year ago.
- Partially offset by:
  - **Mortgage interest payments**, where average charges fell this year but rose a year ago; and
  - **Rent**, where average charges for private rented properties rose this year by less than a year ago.

<b>FUEL AND LIGHT</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
FUEL AND LIGHT	45	41	-0.1	0.4	0.02
Coal and solid fuels	1	1	-0.4	-0.8	-
Electricity	21	20	-	-	-
Gas	21	18	-	-	-
Oil and other fuels	2	2	-2.1	7.1	0.02

- 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.

<b>HOUSEHOLD GOODS</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
HOUSEHOLD GOODS	59	62	1.0	0.2	-0.05
Furniture	22	25	2.8	0.5	-0.05
Furnishings	9	8	-0.1	-0.2	-
Electrical appliances	5	7	-1.0	-1.5	-0.01
Other household equipment	4	4	-0.2	-1.0	-
Household consumables	12	11	-	0.9	0.01
Pet care	7	7	-0.1	0.3	-

- Largest downward effect on the all items 12-month rate change.
- Due to:
  - **Furniture**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from kitchen furniture and leather settees; and
  - **Electrical appliances**, where prices overall fell this year by more than a year ago, particularly for vacuum cleaners.
- Partially offset by **household consumables**, where prices overall rose this year but were little changed a year ago, with the main upward contribution coming from household cleaner creams/liquids. Partially offset by a downward contribution coming from bleach, where prices overall fell this year but rose a year ago.

<b>HOUSEHOLD SERVICES</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	65	67	-0.2	0.5	0.04
Domestic services	13	14	0.4	0.4	-
Fees and subscriptions	26	27	-0.1	0.3	0.01
Postage	1	1	-	-	-
Telephone charges	25	25	-0.7	0.7	0.03

- Large upward effect on the all items 12-month rate change.
- Due to **telephone charges** and **fees and subscriptions**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from mobile phone charges and estate agent fees.

<b>CLOTHING AND FOOTWEAR</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	42	41	-0.3	-0.5	-0.01
Men's outerwear	8	9	0.1	0.8	0.01
Women's outerwear	16	15	-0.8	-1.1	-0.01
Children's outerwear	5	4	1.0	1.5	-
Other clothing	5	5	-0.5	-0.8	-
Footwear	8	8	-	-1.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
  - **Footwear**, where prices overall fell this year but were little changed a year ago, with the main downward contribution coming from women's high heel shoes; and
  - **Women's outerwear**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from dresses.
- Partially offset by **men's outerwear**, where prices overall rose this year by more than a year ago.

<b>PERSONAL GOODS &amp; SERVICES</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
PERSONAL GOODS & SERVICES	41	42	-0.1	-0.2	-
Personal articles	10	12	0.1	-0.1	-
Chemists' goods	17	15	-0.2	-0.6	-0.01
Personal services	14	15	0.1	0.2	-

- Negligible overall effect on the all items 12-month rate change.
- There is a downward contribution coming from **chemists' goods**, where prices overall fell this year by more than a year ago.

<b>MOTORING EXPENDITURE</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
MOTORING EXPENDITURE	115	117	0.3	1.0	0.10
Purchase of motor vehicles	42	45	-0.4	-0.2	0.01
Maintenance of motor vehicles	16	16	0.1	0.1	-
Petrol and oil	35	33	0.9	2.6	0.06
Vehicle tax and insurance	22	23	0.6	1.7	0.03

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

- Due to:
  - **Petrol and oil**, where prices overall rose this year by more than a year ago. The price of petrol, as recorded for the RPI, rose by 2.8 pence per litre between May and June 2016, to stand at 111.0 pence per litre, compared with a smaller rise of 1.2 pence per litre last year to stand at 116.3 pence per litre. Diesel prices rose by 3.0 pence per litre, to stand at 112.0 pence per litre in June 2016, compared with a smaller rise of 0.7 pence per litre last year to stand at 121.3 pence per litre; and to a lesser extent
  - **Vehicle tax and insurance**, where average premiums for car insurance rose this year by more than a year ago; and
  - **Purchase of motor vehicles**, where prices overall fell this year by less than a year ago, particularly for second-hand cars. Partially offset by a small downward contribution coming from new cars, where average prices fell this year but were little changed a year ago.

<b>FARES AND OTHER TRAVEL COSTS</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	26	0.2	3.9	0.10
Rail fares	7	7	0.2	-1.7	-0.01
Bus and coach fares	3	3	0.4	1.3	-
Other travel costs	15	16	0.2	6.6	0.11

- Largest upward effect on the all items 12-month rate change.
- Due to **other travel costs**, where average air fares rose this year by more than a year ago.
- Partially offset by **rail fares**, where average charges for international rail journeys fell this year but rose a year ago.

<b>LEISURE GOODS</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
LEISURE GOODS	28	29	-	0.8	0.02
Audio-visual equipment	7	7	1.4	1.5	-
CDs and tapes	2	2	0.9	1.4	-
Toys, photographic and sports goods	8	9	-1.5	0.5	0.02
Books and newspapers	6	6	0.2	1.3	0.01
Gardening products	5	5	-0.2	-0.3	-

- Small upward effect on the all items 12-month rate change.
- Due to:
  - **Toys, photographic and sports goods**, where prices overall rose this year but fell a

year ago, particularly for computer games; and

- **Books and newspapers**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from non-fiction hardbacks. Partially offset by a small downward contribution coming from periodicals, where average prices rose this year by less than a year ago.

<b>LEISURE SERVICES</b>	Weight 2015	Weight 2016	1 month % change Jun 2015	1 month % change Jun 2016	Contribution to RPI annual rate change
LEISURE SERVICES	78	78	0.5	0.6	0.01
TV licence and rentals	12	12	2.0	2.2	-
Entertainment and other recreation	15	16	0.1	0.9	0.01
Foreign holidays	41	40	-	-0.1	-0.01
UK holidays	10	10	1.0	0.9	-

- Small upward effect on the all items 12-month rate change.
- Due to **entertainment and other recreation**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from average admission charges for theatres.
- Partially offset by **foreign holidays**, where prices overall fell this year but were little changed a year ago.

## 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 June 2016 was -1.14 percentage points, widening from -1.09 percentage points in May 2016.

The main factors contributing to the widening were:

- **Other housing components**, which increased the RPI 12-month rate by 0.05 percentage points between May and June 2016 but are excluded from the CPI. The effect came mainly from house depreciation.
- **Other differences including weights**, which increased the RPI 12-month rate relative to the CPI 12-month rate by 0.04 percentage points between May and June 2016. The effect came mainly from clothing and footwear; insurance; and financial services. This was partially offset by games, toys and hobbies and equipment for sport and open-air recreation; and sea fares.

The main offsetting factor was:

- **The formula effect**, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.03 percentage points between May and June 2016. The effect came from a wide range of sectors.

## RPI MISCELLANEOUS DATA

### Selected Average Prices

Description		April 2016	May 2016	June 2016
Petrol per litre	Diesel	£1.06	£1.09	£1.12
	Petrol	£1.05	£1.08	£1.11
Alcohol pub prices	Draught bitter (pint)	£2.99	£2.99	£2.99
	Draught lager (pint)	£3.47	£3.48	£3.48
	Whisky (per nip)	£2.68	£2.68	£2.69
Cigarettes	Per 20 king size	£9.25	£9.27	£9.28

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
June 2015	+0.2	Down -0.01% points	-0.01% points
July 2015	-0.1	Down -0.02% points	-0.02% points
August 2015	+0.5	Down -0.02% points	-0.02% points
September 2015	-0.1	Down -0.02% points	-0.02% points
October 2015	0.0	Down -0.02% points	-0.02% points
November 2015	+0.1	Down -0.01% points	-0.01% points
December 2015	+0.3	Down -0.02% points	-0.02% points
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

**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 have shown a mixed pattern of rises and falls in July of recent years, but are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPI seasonal food index			
Year	May	June	July
2010	-0.6	0.9	0.7
2011	2.9	0.5	-1.0
2012	0.5	0.7	-0.5
2013	-0.3	-1.5	0.2
2014	-1.6	-0.5	0.2
2015	0.1	-	-1.4
2016	-0.7	-0.8	

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

### CLOTHING AND FOOTWEAR

- Prices tend to fall sharply in July as a result of the summer sales.

Monthly % change for CPI clothing and footwear index			
Year	May	June	July
2010	0.3	-2.1	-4.9
2011	0.4	-1.9	-3.5
2012	-0.1	-4.2	-2.6
2013	1.2	-1.9	-3.2
2014	-0.1	0.6	-5.7
2015	0.5	-0.4	-3.4
2016	-0.2	-0.7	

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

## FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

- Prices tend to fall in July as a result of the summer sales.

Monthly % change for CPI furniture, household equipment and maintenance index			
Year	May	June	July
2010	1.2	0.7	-1.9
2011	0.4	0.4	-1.1
2012	0.6	-	-1.1
2013	1.1	-0.5	-1.0
2014	0.5	0.2	-1.5
2015	0.6	0.3	-1.4
2016	0.4	-0.3	

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

## TRANSPORT

### Fuels and Lubricants

- Oil prices were largely unaffected by the impact of the attempted coup in Turkey, while disruptions to crude exports in Libya and upbeat U.S. economic data lent prices some support. Brent crude futures rose 2 cents to \$47.63 a barrel, while U.S. crude futures eased by 4 cents to \$45.91 a barrel. (uk.reuters.com 18 July 2016)
- When considering the price of petrol between June and July 2016, it may be useful to note that the average price of petrol rose by 0.1 pence per litre between June and July 2016, standing at 116.5 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

- Air fares tend to rise in July.

Monthly % change for CPI air fares index			
Year	May	June	July
2010	6.0	10.0	9.6
2011	-11.1	8.5	9.8
2012	1.4	7.4	21.7
2013	22.0	-2.8	13.9
2014	-3.2	7.0	14.0
2015	10.4	0.3	21.6
2016	3.8	10.9	

- 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 0.5% on Thursday 16 June 2016.
- The change in average mortgage interest rates recorded in the RPI was -0.02% between June and July 2015. The Bank of England Bank Rate remained unchanged at 0.5% in June 2015.
- 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: Philip Gooding +44 (0) 1633 455896

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