

Statistical Bulletin

BRIEFING NOTE

Consumer Price Inflation June 2019

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



SUMMARY

CPIH

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

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

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

The main movements for CPIH in June 2019 are:

- The all items CPIH is 107.9, unchanged from last month.
- The all items CPIH annual rate is 1.9%, unchanged from last month.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 1.8%, down from 1.9% last month.
- The OOH component of CPIH is 106.7, up from 106.6 in May.
- The OOH component annual rate is 1.2%, unchanged from last month.
- The CPIH all goods index is 105.5, down from 105.8 in May.
- The CPIH all goods index annual rate is 1.5%, unchanged from last month.
- The CPIH all services index is 109.7, up from 109.5 in May.
- The CPIH all services index annual rate is 2.2%, down from 2.3% 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</u> consumer price inflation statistics.

The main movements for CPI in June 2019 are:

- The all items CPI is 107.9, unchanged from last month.
- The all items CPI annual rate is 2.0%, unchanged from last month.
- The annual rate for CPI excluding indirect taxes, CPIY, is 2.0%, unchanged from last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 1.9%, unchanged from last month.
- The CPI all goods index is 105.5, down from 105.8 in May.
- The CPI all goods index annual rate is 1.5%, unchanged from last month.
- The CPI all services index is 110.6, up from 110.3 in May.
- The CPI all services index annual rate is 2.5%, down from 2.6% last month.

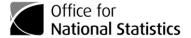
Retail Prices Index (RPI)

In accordance with the Statistics and Registration Service Act 2007, the Retail Prices Index and its derivatives have been assessed against the Code of Practice for Official Statistics and found not to meet the required standard for designation as National Statistics. The <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 June 2019 are:

- The all items RPI is 289.6, up from 289.2 in May.
- The all items RPI annual rate is 2.9%, down from 3.0% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 2.8%, down from 3.0% last month.
- The all goods RPI is 218.3, up from 218.1 in May.
- The all goods RPI annual rate is 2.0%, unchanged from last month.
- The all services RPI is 399.0, up from 397.6 in May.
- The all services RPI annual rate is 4.0%, down from 4.2% 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
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
01: Food and non-alcoholic beverages	83	82	-0.4	0.1	0.05
02: Alcoholic beverages and tobacco	34	32	-0.1	0.2	0.01
03: Clothing and footwear	57	54	-2.1	-1.0	0.07
04: Housing, water, electricity, gas and other fuels	301	298	0.2	-	-0.06
05: Furniture, household equipment and maintenance	48	53	0.3	0.7	0.02
06: Health	21	22	0.2	0.3	-
07: Transport	124	123	0.8	0.4	-0.05
08: Communication	20	20	0.7	0.1	-0.01
09: Recreation and culture	120	127	-0.4	-0.4	-
10: Education	18	18	-	-	
11: Restaurants and hotels	97	97	0.3	-0.1	-0.04
12: Miscellaneous goods and services	77	74	-0.1	-0.1	-0.01

Large downward effects came from:

- Housing, water, electricity, gas and other fuels, where prices were little changed between May
 and June this year but rose by 0.2% between the same two months a year ago. Within this broad
 category, the downward effect came from gas and electricity, as a result of some suppliers
 increasing their prices in June 2018. This increase was not repeated in June 2019;
- Transport, with prices rising by 0.4% between May and June this year compared with a larger 0.8% rise between the same two months a year ago. The main downward effect came from motor fuels. Petrol prices fell by 0.1 pence per litre between May and June 2019 compared with a rise of 2.7 pence per litre a year ago. They now stand on average at 128.2 pence per litre. Similarly, diesel prices fell by 1.5 pence per litre this year, to stand at 134.3 pence per litre, compared with a rise of 2.9 pence per litre a year ago. The purchase of vehicles produced a smaller downward effect but this



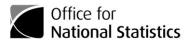
- was offset by a small upward effect from transport services (particularly rail and sea transport) with prices rising this year by more than a year ago; and
- Restaurants and hotels, with prices for accommodation services, particularly overnight hotel
 accommodation, falling this year compared with a rise in June 2018. The fall into June 2019 follows
 a relatively large increase between April and May this year.

Large upward effects came from:

- Clothing and footwear, with prices falling by 1.0% between May and June 2019 compared with a larger fall of 2.1% between the same two months in 2018. Prices usually fall between May and June as the summer sales season begins, but the fall in 2018 was the largest since 2012. The main contributions came from across a wide range of men's and women's clothing; and
- Food and non-alcoholic beverages, where prices rose this year but fell a year ago. The main upward effect came from fruit, particularly blueberries and raspberries.

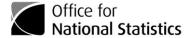
A small upward effect came from:

 Furniture, household equipment and maintenance, with prices of non-durable household goods, such as household cleaner cream, rising this year but falling a year ago.



CPIH NOTABLE MOVEMENTS

All items CPIH	Annual rate +1.9%, unchanged from last month Last higher in April 2019 (+2.0%) Last lower in March 2019 (+1.8%)
All items CPIH excl. energy, food, alcohol and tobacco	Annual rate +1.7%, unchanged from last month Also +1.7% in April 2019 and November 2016 Last higher in March 2019 (+1.8%) Last lower in October 2016 (+1.6%)
Health	Annual rate +2.7%, up from +2.6% last month Also +2.7% in April 2018 and March 2018 Last higher in January 2018 (+2.9%)
Transport	Annual rate +2.3%, down from +2.7% last month Also +2.3% in April 2018 and October 2016 Last lower in September 2016 (+1.2%)
All goods	Annual rate +1.5%, unchanged from last month Last higher in December 2018 (+1.8%) Last lower in April 2019 (+1.4%)
All services	Annual rate +2.2%, down from +2.3% last month Also +2.2% in March 2019, February 2019 and January 2019 Last lower in December 2018 (+2.1%)



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-	Weight	Weight	1 month	1 month	Contribution
ALCOHOLIC BEVERAGES	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
01 Food & non-alcoholic beverages	83	82	-0.4	0.1	0.05

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

	Weight	Weight	1 month	1 month	Contribution
01.1 Food	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
01.1 Food	73	72	-0.6	-	0.04
01.1.1 Bread and cereals	12	12	-	-0.7	-0.01
01.1.2 Meat	16	15	-0.5	0.3	0.01
01.1.3 Fish	3	3	-0.2	0.4	-
01.1.4 Milk, cheese and eggs	9	9	-0.5	-0.5	-
01.1.5 Oils and fats	2	2	1.7	0.8	-
01.1.6 Fruit	8	8	-1.1	2.3	0.03
01.1.7 Vegetables including potatoes	10	11	-0.9	0.5	0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	11	10	-1.3	-1.3	-
01.1.9 Food products not elsewhere covered	2	2	0.6	-0.1	-

- Large upward effect on the all items 12-month rate change.
- Due to fruit; vegetables including potatoes; and meat.
- Partially offset by bread and cereals.

Bread and cereals

- Small downward effect.
- Prices overall fell this year but were little changed a year ago, with the main downward contribution coming from individual fruit pies.



 Partially offset by a small upward contribution coming from biscuits, where prices overall fell this year by less than a year ago.

Meat

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

Fruit

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

Vegetables including potatoes

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

01.2 Non-alcoholic beverages	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
01.2 Non-alcoholic beverages	10	10	0.4	0.7	-
01.2.1 Coffee, tea and cocoa	3	3	-0.2	1.1	-
01.2.2 Mineral waters, soft drinks and juices	7	7	0.6	0.5	-

02 ALCOHOLIC	Weight	Weight	1 month	1 month	Contribution
BEVERAGES AND TOBACCO	2018	2019	% change	% change	to CPIH annual
ТОВАССО	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
02 Alcoholic beverages and tobacco	34	32	-0.1	0.2	0.01

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



02.1 Alcoholic Beverages	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	16	15	-0.5	0.6	0.02
02.1.1 Spirits	5	4	-1.3	0.9	0.01
02.1.2 Wine	7	7	-	0.3	-
02.1.3 Beer	4	4	-0.2	0.8	-

- Small upward effect on the all items 12-month rate change.
- Due to **spirits**, where prices overall rose this year but fell a year ago, with the main upward contribution coming from whisky.

02.2 Tobacco	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
02.2 Tobacco	18	17	0.2	-0.1	-

03 CLOTHING AND FOOTWEAR	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
03 Clothing and footwear	57	54	-2.1	-1.0	0.07

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

	Weight	Weight	1 month	1 month	Contribution
03.1 Clothing	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
03.1 Clothing	47	45	-2.3	-1.1	0.06
03.1.2 Garments	42	41	-2.5	-1.1	0.06
03.1.3 Other clothing and clothing accessories	4	3	-0.6	-0.6	-
03.1.4 Cleaning, repair and hire of clothing	1	1	0.2	0.1	-

- Large upward effect on the all items 12-month rate change.
- Due to **garments**, where prices overall fell this year by less than a year ago, with the main upward contributions coming from garments for men, in particular trousers and suits;



garments for women, such as long sleeve tops and blouses, skirts and formal jackets; and garments for children.

03.2 Footwear including repairs	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
03.2 Footwear including repairs	10	9	-1.4	-0.8	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from footwear for men.

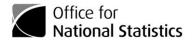
04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
04 Housing, water, electricity, gas and other fuels	301	298	0.2	-	-0.06

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

04.2 Owner occupiers' housing costs	Weight 2018	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
	reb-bec	רפט-טפט	Juli 2016	Juli 2019	rate change
04.2 Owner occupiers' housing costs	169	165	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.



04.3 Regular maintenance and repair of the dwelling	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of the dwelling	2	3	0.6	0.1	-
04.3.1 Materials for maintenance and repair	1	1	1.2	0.1	-
04.3.2 Services for maintenance and repair	1	2	0.1	-	-

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

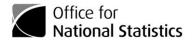
04.4 Other services related to the dwelling	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
04.4 Other services related to the dwelling	9	9	-	-	-
04.4.1 Water supply	4	4	-	-	-
04.4.3 Sewerage collection	5	5	-	-	-

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

04.5 Electricity, gas and other fuels	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	27	26	2.2	-0.1	-0.06
04.5.1 Electricity	13	14	2.2	•	-0.03
04.5.2 Gas	12	10	2.5	-	-0.03
04.5.3 Liquid fuels	1	1	-0.9	-4.0	-
04.5.4 Solid fuels	1	1	-0.1	0.6	-

- Large downward effect on the all items 12-month rate change.
- Due to gas and electricity, where charges overall were unchanged this year but rose a year ago.

04.9 Council Tax and rates	Weight 2018 Feb-Dec	Weight 2019	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
04.9 Council Tax and rates	25	26	-	-	-



05 FURNITURE,	Weight	Weight	1 month	1 month	Contribution
HOUSEHOLD EQUIPMENT AND MAINTENANCE	2018	2019	% change	% change	to CPIH annual
AND MAINTENANCE	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
05 Furniture, household equipment and					
maintenance	48	53	0.3	0.7	0.02

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

05.1 Furniture, furnishings and carpets	Weight 2018	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
05.1 Furniture, furnishings and carpets	18	22	1.6	1.4	-
05.1.1 Furniture and furnishings	14	15	1.9	1.7	-
05.1.2 Carpets and other floor coverings	4	7	0.5	0.6	-

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

05.2 Household textiles	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
05.2 Household textiles	5	5	0.2	0.3	-

05.3 Household appliances, fitting and repairs	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
05.3 Household appliances, fitting and repairs	7	8	-0.5	-1.2	-0.01
05.3.1/2 Major appliances and small electric goods	6	7	-0.6	-1.3	-0.01
05.3.3 Repair of household appliances	1	1	0.1	-0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to major appliances and small electric goods, where prices overall fell this year by more than a year ago, particularly for vacuum cleaners. Partially offset by a small upward



contribution coming from washing machines, where prices overall rose this year but fell a year ago.

05.4 Glassware, tableware and household utensils	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
05.4 Glassware, tableware and household utensils	4	4	-0.8	0.4	0.01

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

05.5 Tools and equipment for house and garden	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
05.5 Tools and equipment for house and garden	4	5	0.6	0.7	-

05.6 Goods and services for routine maintenance	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance 05.6.1 Non-durable household goods	10	9	-1.1 -3.6	0.9 1.7	0.02 0.02
05.6.2 Domestic services and household services	6	6	0.7	0.5	-

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



06 HEALTH	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
06 Health	21	22	0.2	0.3	-

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

06.1 Medical products, appliances and equipment	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
06.1 Medical products, appliances and equipment	9	9	,	0.5	-
06.1.1 Pharmaceutical products	5	5	•	0.8	-
06.1.2/3 Other medical and therapeutic equipment	4	4	0.1	0.1	-

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

06.2 Out-patient services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
06.2 Out-patient services	7	8	0.2	0.1	-
06.2.1/3 Medical and paramedical					
services	4	5	0.2	0.1	-
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 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
06.3 Hospital Services	5	5	0.3	0.3	-



07 TRANSPORT	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
07 Transport	124	123	0.8	0.4	-0.05

- Large 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 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	38	37	0.2	-0.4	-0.02
07.1.1A New cars	22	21	0.6	0.1	-0.01
07.1.1B Second-hand cars	14	14	-0.6	-1.3	-0.01
07.1.2/3 Motorcycles and bicycles	2	2	-	-0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **new cars** and **second-hand cars**.

New cars

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

Second-hand cars

- Small downward effect.
- Prices overall fell this year by more than a year ago.



07.2 Operation of personal transport equipment	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
07.2 Operation of personal transport equipment	58	60	1.0	-0.1	-0.07
07.2.1 Spare parts and accessories	4	4	0.1	-0.1	-
07.2.2 Fuels and lubricants	25	24	2.2	-0.4	-0.07
07.2.3 Maintenance and repairs	19	20	-0.1	0.3	0.01
07.2.4 Other services	10	12	0.5	-	-0.01

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

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 0.1 pence per litre between May and June 2019, to stand at 128.2 pence per litre.
- Last year, the average price of petrol rose by 2.7 pence per litre between May and June 2018, to stand at 128.0 pence per litre.
- The average price of diesel fell by 1.5 pence per litre between May and June 2019 to stand at 134.3 pence per litre, compared with a rise of 2.9 pence per litre a year earlier, to stand at 132.1 pence per litre.

Maintenance and repairs

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

Other services

- Small downward effect.
- Prices overall were little changed this year but rose a year ago, with the main downward contribution coming from the hire of self drive vehicles.



07.3 Transport services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
07.3 Transport services	28	26	1.1	2.4	0.03
07.3.1 Passenger transport by railway	11	11	-1.2	1.4	0.03
07.3.2 Passenger transport by road	10	9	0.7	0.9	-
07.3.3 Passenger transport by air	4	4	8.1	4.5	-0.01
07.3.4 Passenger transport by sea and inland waterway	3	2	0.5	9.5	0.02

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

Passenger transport by railway

- Small upward effect.
- Average charges for rail journeys rose this year but fell a year ago, particularly for international travel.

Passenger transport by air

- Small downward effect.
- Average air fares rose this year by less than a year ago, with the main downward contribution coming from long-haul flights.
- Partially offset by a small upward contribution coming from European flights, where prices overall rose this year by more than a year ago.

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.

08 COMMUNICATION	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
08 Communication	20	20	0.7	0.1	-0.01

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



08.1 Postal services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual
	reb-bec	reb-bec	Jun 2016	Jun 2019	rate change
08.1 Postal services	1	1	-	-	-

08.2/3 Telephone equipment and services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
08.2/3 Telephone equipment and services	19	19	0.7	0.1	-0.01

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

09 RECREATION AND CULTURE	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
09 Recreation and culture	120	127	-0.4	-0.4	-

- Negligible overall effect on the all items 12-month rate change.
- There are small downward contributions coming from **other recreational items**, **gardens** and **pets**; and **recreational and cultural services**.
- Offset by a small upward contribution coming from audio-visual equipment and related products.



09.1 Audio-visual equipment and related products	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	14	17	-2.3	1	0.03
09.1.1 Equipment for the reception and reproduction of sound and pictures	4	4	-1.3	-0.9	-
09.1.2 Photographic, cinematographic and optical equipment	1	2	-0.5	-3.7	-0.01
09.1.3 Data processing equipment	5	7	-4.8	0.4	0.03
09.1.4 Recording media	3	3	-1.0	2.3	0.01
09.1.5 Repair of audio-visual equipment and related products	1	1	0.4	0.4	1

- Small upward effect on the all items 12-month rate change.
- Due to data processing equipment and recording media.
- Partially offset by photographic, cinematographic and optical equipment.

Photographic, cinematographic and optical equipment

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contribution coming from action cameras.

Data processing equipment

- Small upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from computer software and laptop computers.

Recording media

- Small upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contribution coming from DVDs.
- Partially offset by a small downward contribution coming from CDs purchased over the internet, where prices overall fell this year but rose a year ago.

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



09.3 Other recreational items, gardens and pets	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	29	30	-2.0	-2.8	-0.03
09.3.1 Games, toys and hobbies	17	18	-3.8	-4.7	-0.02
09.3.2 Equipment for sport and open-air recreation	2	2	-0.3	-1.0	-
09.3.3 Gardens, plants and flowers	3	3	2.0	-0.9	-0.01
09.3.4/5 Pets, related products and services	7	7	0.1	0.5	1

- Small downward effect on the all items 12-month rate change.
- Due to games, toys and hobbies; and gardens, plants and flowers.

Games, toys and hobbies

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from computer games purchased over the internet and computer game consoles.
- Partially offset by a small upward contribution coming from shop bought computer games, where prices overall fell this year by less than a year ago.

Gardens, plants and flowers

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

09.4 Recreational and cultural services	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
09.4 Recreational and cultural services	23	22	0.7	0.4	-0.01
09.4.1 Recreational and sporting services	7	6	-0.1	0.1	-
09.4.2 Cultural services	16	16	1.1	0.5	-0.01

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



09.5 Books, newspapers and stationery	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	9	10	0.8	1.0	-
09.5.1 Books	3	3	0.4	1.2	-
09.5.2 Newspapers and periodicals	3	3	0.2	0.2	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	3	4	1.7	1.4	

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

09.6 Package holidays	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
09.6 Package holidays	31	34	0.4	0.3	-

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

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

11 RESTAURANTS AND HOTELS	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
11 Restaurants and hotels	97	97	0.3	-0.1	-0.04

- 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
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
11.1 Catering services	75	76	0.2	0.2	-
11.1.1 Restaurants and cafes	69	70	0.2	0.2	-
11.1.2 Canteens	6	6	0.5	0.3	-

11.2 Accommodation services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
11.2 Accommodation services	22	21	0.7	-1.1	-0.04

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

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
12 Misc. goods and services	77	74	-0.1	-0.1	-0.01

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

12.1 Personal care	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
12.1 Personal care	25	24	0.5	-0.1	-0.02
12.1.1 Hairdressing and personal grooming establishments	6	6	0.2	0.1	-
12.1.2/3 Appliances and products for personal care	19	18	0.6	-0.2	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to appliances and products for personal care, where prices overall fell this year but rose a year ago.



12.3 Personal effects not elsewhere covered	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	12	15	-1.7	-1.0	0.01
12.3.1 Jewellery, clocks and watches	8	10	-1.3	-1.3	-
12.3.2 Other personal effects	4	5	-2.5	-0.6	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **other personal effects**, where prices overall fell this year by less than a year ago, particularly for travel goods.

12.4 Social protection	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to CPIH annual rate change
12.4 Social protection	14	13	0.5	0.6	-

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

12.5 Insurance	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
12.5 Insurance	7	5	-0.6	-0.2	-
12.5.2 House contents insurance	2	1	-0.6	-0.1	-
12.5.3 Health insurance	2	2	-	-	-
12.5.4 Transport insurance	3	2	-1.0	-0.3	-

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

12.6 Financial services not elsewhere covered	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
12.6 Financial services not elsewhere					
covered	9	8	0.1	0.1	-



12.7 Other services not	Weight	Weight	1 month	1 month	Contribution
elsewhere covered	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Jun 2018	Jun 2019	rate change
12.7 Other services not elsewhere					
covered	10	9	•	0.1	-



RPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to RPI annual
			Jun 2018	Jun 2019	rate change
FOOD	102	100	-0.3	0.1	0.04
CATERING	50	49	0.2	0.3	-
ALCOHOLIC DRINKS	56	59	-	0.3	0.02
TOBACCO	23	21	0.2	-	-0.01
HOUSING	257	260	0.1	-	-0.04
FUEL AND LIGHT	37	38	2.2	-0.2	-0.09
HOUSEHOLD GOODS	68	69	0.9	1.1	0.02
HOUSEHOLD SERVICES	58	61	0.4	0.3	-0.01
CLOTHING AND FOOTWEAR	43	39	-2.1	-0.8	0.06
PERSONAL GOODS AND SERVICES	42	42	-0.1	-0.1	-
MOTORING EXPENDITURE	124	125	0.9	-0.1	-0.11
FARES AND OTHER TRAVEL COSTS	25	28	3.5	2.7	-0.01
LEISURE GOODS	30	24	-0.5	-0.9	-
LEISURE SERVICES	85	85	0.5	0.2	-0.02



RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +2.9%, down from +3.0% last month Lowest since March 2019 (+2.4%)
All items RPI excl. MIPS (RPIX)	Annual rate +2.8%, down from +3.0% last month Lowest since March 2019 (+2.4%)
Tobacco	Annual rate +5.7%, down from +5.9% last month Lowest since November 2017 (+5.3%)
Household goods	Annual rate +2.2%, up from +2.0% last month Highest since June 2018 (+2.4%)
Leisure services	Annual rate +3.9%, down from +4.1% last month Lowest since October 2017 (+3.7%)
All goods	Annual rate +2.0%, unchanged from last month Last higher in March 2019 (+2.3%) Last lower in April 2019 (+1.9%)
All services	Annual rate +4.0%, down from +4.2% last month Lowest since March 2019 (+2.7%)



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
	2018	2019	% change	% change	to RPI annual
			Jun 2018	Jun 2019	rate change
FOOD	102	100	-0.3	0.1	0.04

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

Seasonal Food	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to RPI annual
			Jun 2018	Jun 2019	rate change
SEASONAL FOOD	18	18	-0.5	1.0	0.03
Home killed lamb	1	1	0.1	-1.7	-
Fresh fish	2	2	1.0	-0.6	-
Eggs	1	1	0.1	-0.6	-
Unprocessed potatoes	1	1	-0.1	2.0	-
Other fresh vegetables	6	6	-	0.4	-
Fresh fruit	7	7	-1.7	2.5	0.03

- Small upward effect on the all items 12-month rate change.
- Due to fresh fruit, where prices overall rose this year but fell a year ago, particularly for blueberries and raspberries.



	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2018	2019	% change	% change	to RPI annual
			Jun 2018	Jun 2019	rate change
NON-SEASONAL FOOD	84	82	-0.3	-	0.02
Bread	4	3	-0.6	-1.4	-
Cereals	3	3	1.8	0.3	-
Biscuits and cakes	6	6	-0.8	-2.1	-0.01
Beef	3	3	-	-0.7	-
Imported lamb	1	1	1.1	0.1	-
Pork	1	1	3.2	-1.6	-
Bacon	1	1	-0.2	-	-
Poultry	4	4	-1.0	-0.1	-
Other meat	6	6	-0.7	1.3	0.01
Processed fish	2	2	-1.5	1.7	0.01
Butter	1	1	-2.2	1.4	-
Oils and fats	1	1	3.0	0.6	-
Cheese	3	3	1.6	-	-
Milk, fresh	3	3	-0.3	-0.7	-
Milk products	4	4	-1.9	-1.1	-
Tea	1	1	-0.8	1.0	-
Soft drinks	8	9	0.7	0.3	-
Sugar and preserves	1	1	1.0	1.5	-
Sweets and chocolates	11	11	-2.0	-0.2	0.02
Potato products	3	3	-2.6	1.3	0.01
Processed vegetables	2	1	-1.6	-1.0	-
Processed fruit	2	1	3.5	4.4	-
Other foods	11	11	0.9	-0.6	-0.02
Coffee and other hot drinks	2	2	-0.4	1.4	-

- Small upward effect on the all items 12-month rate change.
- Due to:
 - Other meat, processed fish and potato products, where prices overall rose this year but fell a year ago, particularly for premium potato crisps, prepacked cooked ham and canned tuna; and
 - Sweets and chocolates, where prices overall fell this year by less than a year ago, with the main upward contributions coming from cartons/boxes of chocolates, large bars of chocolate and bags of non-chocolate sweets.
- Partially offset by:
 - Other foods, where prices overall fell this year but rose a year ago, particularly for ice cream and chocolate covered ice cream bars; and
 - Biscuits and cakes, where prices overall fell this year by more than a year ago, with
 the main downward contributions coming from individual fruit pies and packs of
 individual cakes. Partially offset by a small upward contribution coming from biscuits,
 where prices overall fell this year by less than a year ago.



CATERING	Weight 2018	Weight 2019	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to RPI annual rate change
CATERING	50	49	0.2	0.3	-
Restaurant meals	30	29	0.1	0.2	-
Canteen meals	3	3	0.3	0.2	-
Take-away meals and snacks	17	17	0.3	0.2	-

ALCOHOLIC DRINKS	Weight 2018	Weight 2019	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	56	59	-	0.3	0.02
Beer on sales	18	19	0.1	0.1	-
Beer off sales	5	6	-0.5	0.9	0.01
Wines and spirits on sales	19	19	0.3	0.2	-
Wines and spirits off sales	14	15	-0.4	0.3	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **beer off sales** and **wines and spirits off sales**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from red wine, whisky and small packs of bottled lager. Partially offset by a small downward contribution coming from New World white wine, where prices overall fell this year by more than a year ago.

ТОВАССО	Weight 2018	Weight 2019	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to RPI annual rate change
TOBACCO	23	21	0.2	-	-0.01
Cigarettes	19	17	0.2	-	-0.01
Other tobacco products	4	4	-	-	-

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



HOUSING	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to RPI annual
			Jun 2018	Jun 2019	rate change
HOUSING	257	260	0.1	-	-0.04
Rent	76	77	0.1	0.1	-
Mortgage interest payments	24	25	-	-0.5	-0.01
Council Tax and rates	38	39	-	-	-
Water and other charges	12	12	-	-	-
Repairs and maintenance charges	9	10	0.1	0.1	-
DIY materials	8	7	0.6	0.3	-
Dwelling insurance and ground rent	7	6	0.2	0.8	-
House depreciation	83	84	0.2	-0.1	-0.03

- Large 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 falling this year but rising a year ago; and
 - **Mortgage interest payments**, where charges overall fell this year but were little changed a year ago.

FUEL AND LIGHT	Weight 2018	Weight 2019	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to RPI annual rate change
FUEL AND LIGHT	37	38	2.2	-0.2	-0.09
Coal and solid fuels	1	1	-0.1	0.6	-
Electricity	20	19	2.2	-	-0.05
Gas	15	15	2.6	-	-0.04
Oil and other fuels	1	3	-0.8	-3.1	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to:
 - Electricity and gas, where charges overall were unchanged this year but rose a year ago; and, to a lesser extent
 - **Oil and other fuels**, where average kerosene prices fell this year by more than a year ago.



HOUSEHOLD GOODS	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to RPI annual
			Jun 2018	Jun 2019	rate change
HOUSEHOLD GOODS	68	69	0.9	1.1	0.02
Furniture	28	27	2.4	2.1	-0.01
Furnishings	9	10	0.5	0.5	-
Electrical appliances	7	7	-0.5	-0.9	-
Other household equipment	4	5	-0.6	-0.4	-
Household consumables	11	11	-0.9	1.8	0.03
Pet care	9	9	0.4	0.4	-

- Small upward effect on the all items 12-month rate change.
- Due to **household consumables**, where prices overall rose this year but fell a year ago, particularly for household cleaner cream/liquid.
- Partially offset by furniture, where prices overall rose this year by less than a year ago, with
 the main downward contributions coming from bedroom and kitchen furniture. Partially offset
 by a small upward contribution coming from leather settees, where prices overall rose this
 year by more than a year ago.

HOUSEHOLD SERVICES	Weight 2018	Weight 2019	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	58	61	0.4	0.3	-0.01
Domestic services	13	14	0.4	0.6	-
Fees and subscriptions	19	22	0.1	-0.2	-0.01
Postage	1	1	-	-	-
Telephone charges	25	24	0.7	0.4	-

- Small downward effect on the all items 12-month rate change.
- Due to fees and subscriptions, where average estate agent fees fell this year but rose a
 year ago.



CLOTHING AND FOOTWEAR	Weight 2018	Weight 2019	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	43	39	-2.1	-0.8	0.06
Men's outerwear	9	8	-3.2	-0.5	0.03
Women's outerwear	16	14	-2.5	-1.5	0.02
Children's outerwear	5	4	-1.6	-0.3	0.01
Other clothing	5	5	-0.3	-	-
Footwear	8	8	-1.3	-0.7	0.01

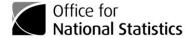
- Largest upward effect on the all items 12-month rate change.
- Due to men's outerwear, women's outerwear, children's outerwear and footwear, where
 prices overall fell this year by less than a year ago, with the main upward contributions
 coming from women's long sleeve tops and blouses, skirts and formal jackets, and men's
 suits and trousers.

PERSONAL GOODS AND SERVICES	Weight 2018	Weight 2019	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	42	42	-0.1	-0.1	-
Personal articles	11	10	-1.1	-0.6	0.01
Chemists' goods	15	16	0.4	-	-0.01
Personal services	16	16	0.2	0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **personal articles**, where prices overall fell this year by less than a year ago.
- Offset by a small downward contribution coming from chemists' goods, where prices overall
 were little changed this year but rose a year ago.

MOTORING EXPENDITURE	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to RPI annual
			Jun 2018	Jun 2019	rate change
MOTORING EXPENDITURE	124	125	0.9	-0.1	-0.11
Purchase of motor vehicles	50	51	-0.1	-0.6	-0.03
Maintenance of motor vehicles	16	17	-	0.2	-
Petrol and oil	34	35	3.4	0.5	-0.10
Vehicle tax and insurance	24	22	-0.5	0.1	0.01

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



- Petrol and oil, where prices overall rose this year by less than a year ago. The price of petrol, as recorded for the RPI, rose by 0.9 pence per litre between May and June 2019, to stand at 128.9 pence per litre, compared with a rise of 4.3 pence per litre last year, to stand at 128.6 pence per litre. Diesel prices remained unchanged at 135.4 pence per litre in June 2019, compared with a rise of 4.3 pence per litre last year, to stand at 132.6 pence per litre; and, to a lesser extent
- Purchase of motor vehicles, where prices overall fell this year by more than a year
 ago, with the main downward contributions coming from the purchase of both secondhand and new cars.
- Partially offset by **vehicle tax and insurance**, where average premiums for car insurance rose this year but fell a year ago.

FARES AND OTHER TRAVEL COSTS	Weight 2018	Weight 2019	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	28	3.5	2.7	-0.01
Rail fares	6	7	-1.1	1.4	0.02
Bus and coach fares	3	3	1.4	1.8	-
Other travel costs	16	18	5.4	3.2	-0.03

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

LEISURE GOODS	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to RPI annual
	2010	2019	Jun 2018	Jun 2019	rate change
LEISURE GOODS	30	24	-0.5	-0.9	-
Audio-visual equipment	6	4	-2.9	-1.4	0.01
CDs and tapes	2	1	-1.1	2.5	0.01
Toys, photographic and sports goods	10	9	-1.3	-2.3	-0.01
Books and newspapers	6	5	0.4	0.5	-
Gardening products	6	5	1.5	-0.4	-0.01

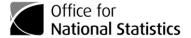
- Negligible overall effect on the all items 12-month rate change.
- There are small upward contributions coming from:
 - Audio-visual equipment, where prices overall fell this year by less than a year ago, particularly for laptop computers; and
 - CDs and tapes, where prices overall rose this year but fell a year ago.



- Offset by small downward contributions coming from:
 - Gardening products, where prices overall fell this year but rose a year ago, particularly for potted shrubs; and
 - Toys, photographic and sports goods, where prices overall fell this year by more than a year ago.

LEISURE SERVICES	Weight 2018	Weight 2019	1 month % change Jun 2018	1 month % change Jun 2019	Contribution to RPI annual rate change
LEISURE SERVICES	85	85	0.5	0.2	-0.02
TV licence and rentals	11	10	-	-	-
Entertainment and other recreation	16	16	0.7	0.4	-0.01
Foreign holidays	47	46	0.5	0.4	-0.01
UK holidays	11	13	0.3	-0.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
 - Entertainment and other recreation and foreign holidays, where prices overall rose this year by less than a year ago; and
 - **UK holidays**, where average charges for overnight hotel stays fell this year but rose a year ago.



RECONCILIATION OF CPIH AND RPI

(Table 5a of the Consumer Price Inflation Dataset)

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

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

The difference between the CPIH and RPI unrounded annual rates in June 2019 was -0.95 percentage points, narrowing from -1.07 percentage points in May 2019.

The main factors contributing to the narrowing were:

- Other differences including weights, which decreased the RPI 12-month rate relative to
 the CPIH 12-month rate by 0.07 percentage points between May and June 2019. The
 narrowing effect came mainly from fuels and lubricants; and air fares. This was partially
 offset by a widening effect from games, toys and hobbies and equipment for sport and
 open-air recreation.
- Other housing components, which decreased the RPI 12-month rate relative to the CPIH 12-month rate by 0.03 percentage points between May and June 2019. The effect came mainly from house depreciation.

There were no significant offsetting factors.



RPI MISCELLANEOUS DATA

Selected Average Prices

Description		April 2019	May 2019	June 2019
Fuel per litre	Diesel	£1.32	£1.35	£1.35
Fuel per litre	Petrol	£1.23	£1.28	£1.29
Alcohol pub prices	Draught bitter (pint)	£3.08	£3.08	£3.08
	Draught lager (pint)	£3.69	£3.69	£3.70
	Whisky (per nip)	£2.94	£2.95	£2.95
Cigarettes	Per 20 king size	£10.77	£10.77	£10.77

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 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	-
February 2019	+0.7	Negligible	-
March 2019	0.0	Down -0.01% points	-0.01% points
April 2019	+1.1	Down -0.01% points	-0.01% points
May 2019	+0.3	Negligible	-
June 2019	+0.1	Down -0.02% points	-0.02% points

NB: A one percentage point change in the average mortgage interest rate contributes approx. 1.0 percentage points to the 1-month percentage change in the RPI.



OUTLOOK

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

FOOD

Seasonal Food

Seasonal food prices have 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 CPIH seasonal food index				
Year	May	June	July	
2013	-0.4	-1.5	0.2	
2014	-1.6	-0.5	0.2	
2015	0.1	-	-1.4	
2016	-0.7	-0.8	0.5	
2017	-0.5	-0.3	-0.4	
2018	0.5	-0.9	-0.6	
2019	-0.4	1.1		

• 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 CPIH clothing and footwear index				
Year	May	June	July	
2013	1.2	-1.9	-3.2	
2014	-0.1	0.6	-5.7	
2015	0.5	-0.4	-3.3	
2016	-0.2	-0.7	-3.4	
2017	0.5	-1.0	-2.9	
2018	0.2	-2.1	-3.7	
2019	0.5	-1.0		

• 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 CPIH furniture, household equipment and maintenance index			
Year	May	June	July
2013	1.0	-0.4	-1.0
2014	0.5	0.2	-1.5
2015	0.6	0.4	-1.5
2016	0.4	-0.3	-1.7
2017	1.2	0.5	-1.2
2018	0.6	0.3	-1.8
2019	1.1	0.7	

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

TRANSPORT

Fuels and Lubricants

- Oil prices have risen slightly as Chinese industrial output and retail data topped expectations, but gains were capped by overall figures showing the country's slowest quarterly economic growth in decades. The positive Chinese data may indicate early success in the government's stimulus efforts and potentially more oil demand in the world's second biggest economy. Brent crude futures rose to \$67.01 a barrel, while U.S. crude was up to \$60.44 a barrel. (uk.reuters.com 15 July 2019)
- When considering the price of petrol between June and July 2019, it may be useful to note
 that the average price of petrol fell by 0.8 pence per litre between June and July 2018, to
 stand at 127.2 pence per litre as measured in the CPIH.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately
 0.02 percentage points to the 1-month change in the CPIH.

Passenger Transport by Air

Air fares have tended to rise in July.

Monthly % change for CPIH air fares index				
Year	May	June	July	
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	15.9	
2017	-6.4	14.5	17.9	
2018	10.0	8.1	20.1	
2019	-5.2	4.5		

• 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 20 June 2019.
 The next announcement and minutes from the Bank of England's Monetary Policy
 Committee are scheduled to be published on 1 August 2019.
- The change in average mortgage interest rates recorded in the RPI was negligible between June and July 2018. The Bank of England Bank Rate remained unchanged at 0.5% in June 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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