

# Consumer Price Inflation

March 2016

Coverage: **UK**  
Date: **12 April 2016**  
Geographical Area: **UK**  
Theme: **Economy**

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

## SUMMARY

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

The CPI is a measure of consumer price inflation produced to international standards and in line with European regulations. First published in 1997 as the Harmonised Index of Consumer Prices (HICP), the CPI is the inflation measure used in the Government's target for inflation.

The CPI is also used for purposes such as uprating pensions, wages and benefits and can aid in the understanding of inflation on family budgets. For more information see [Users and uses of consumer price inflation statistics \(2013\)](#).

The main movements for CPI in March 2016 are:

- The all items CPI is 100.2, up from 99.8 in February.
- The all items CPI annual rate is 0.5%, up from 0.3% in February.
- The annual rate for CPI excluding indirect taxes, CPIY, is 0.4%, up from 0.2% 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, up from 98.6 in February.
- The CPI all goods index annual rate is -1.6%, unchanged from last month.
- The CPI all services index is 101.7, up from 101.1 in February.
- The CPI all services index annual rate is 2.8%, up from 2.4% 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 for 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 and the basket of goods and services are the same as the Consumer Prices Index (CPI), with the exception of OOH. The method of deriving the weights for CPIH and the data used for these are also the same as for CPI, with the exception of OOH. This can result in some differences from the CPI.

The main movements for CPIH in March 2016 are:

- The all items CPIH is 100.4, up from 100.1 in February.
- The all items CPIH annual rate is 0.7%, up from 0.6% in February.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 0.8%, up from 0.6% last month.
- The OOH component of CPIH is 101.5, up from 101.3 in February.
- The OOH component annual rate is 2.1%, up from 2.0% last month.
- The CPIH all goods index is 98.8, up from 98.7 in February.
- The CPIH all goods index annual rate is -1.6%, unchanged from last month.
- The CPIH all services index is 101.6, up from 101.1 in February.
- The CPIH all services index annual rate is 2.6%, up from 2.2% 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 March 2016 are:

- The all items RPI is 261.1, up from 260.0 in February.
- The all items RPI annual rate is 1.6%, up from 1.3% last month.
- The all items RPIJ is 239.4, up from 238.7 in February.
- The all items RPIJ annual rate is 0.8%, up from 0.6% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 1.6%, up from 1.4% last month.
- The all goods RPI is 197.8, up from 197.0 in February.
- The all goods RPI annual rate is -0.6%, down from -0.5% last month.
- The all services RPI is 357.2, up from 355.5 in February.
- The all services RPI annual rate is 2.9%, up from 2.4% last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 1.7%, up from 1.4% last month.
- The Tax and Price Index (TPI) for March is 228.0, up from 226.9 in February.
- The TPI annual rate is 1.1%, up from 0.8% last month.

## CPI SUMMARY

### CONTRIBUTIONS TO CHANGE IN THE CPI ANNUAL RATE

CPI COICOP DIVISIONS	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
01: Food and non-alcoholic beverages	110	103	-0.2	-0.6	-0.05
02: Alcoholic beverages and tobacco	43	42	-0.1	-0.3	-0.01
03: Clothing and footwear	70	71	-0.1	1.0	0.08
04: Housing, water, electricity, gas and other fuels	128	120	-0.4	-0.2	0.02
05: Furniture, household equipment and maintenance	59	59	0.4	0.7	0.02
06: Health	25	28	0.4	0.2	-0.01
07: Transport	149	153	0.7	1.7	0.14
08: Communication	31	32	0.2	-0.4	-0.02
09: Recreation and culture	147	148	0.4	0.3	-0.01
10: Education	26	25	-	-	-
11: Restaurants and hotels	121	123	0.2	0.5	0.04
12: Miscellaneous goods and services	91	96	0.2	-	-0.02

#### Large upward effects came from:

- Transport**, where prices overall rose by 1.7% between February and March this year compared with a rise of 0.7% between the same 2 months a year ago. By far the largest upward effect came from air transport where the timing of Easter contributed to fares rising by 22.9% between February and March 2016. Fares rose by 2.7% between the same 2 months in 2015. There was also a smaller upward effect from rail passenger transport with fares rising this year but falling a year ago. These upward effects were partially offset by a downward contribution from motor fuels with petrol prices rising by 0.9 pence per litre this year compared with a larger rise of 3.8 pence per litre a year ago;

- **Clothing and footwear**; where prices overall rose by 1.0% between February and March this year compared with a fall of 0.1% between the same 2 months a year ago. Last year was the first time that prices had fallen between February and March since the CPI started in 1996. Normally they rise as they continue to recover following the January sales period. The upward contribution this year came from price movements across a range of women's outerwear; and
- **Restaurants and hotels**, where prices overall rose by 0.5% between February and March 2016 compared with a rise of 0.2% between the same 2 months a year ago. The upward effect came principally from restaurant and café prices rising by more than a year ago.

**Small upward effects came from:**

- **Housing, water, electricity, gas and other fuels**, where prices overall fell by 0.2% between February and March this year compared with a larger fall of 0.4% between the same months a year ago. The upward contributions came from gas and liquid fuels; and
- **Furniture, household equipment and maintenance**, where prices overall rose by 0.7% between February and March this year compared with a smaller rise of 0.4% a year ago.

**A large downward effect came from:**

- **Food and non-alcoholic beverages**, where prices overall fell by 0.6% between February and March this year compared with a fall of 0.2% between the same 2 months a year ago. The overall downward contribution came from a variety of product groups, most notably vegetables.

**Small downward effects came from:**

- **Miscellaneous goods and services**, where prices overall were little changed between February and March this year compared with a rise of 0.2% between the same months a year ago; and
- **Communication**, where prices overall fell by 0.4% between February and March this year compared with a rise of 0.2% a year ago.

## CPI NOTABLE MOVEMENTS

All items CPI	<p>Annual rate +0.5%, up from +0.3% last month</p> <p>Also +0.5% in December 2014</p> <p>Last higher in November 2014 (+1.0%)</p>
All items CPI exc energy, food, alcohol and tobacco	<p>Annual rate +1.5%, up from +1.2% last month</p> <p>Also +1.5% in October 2014 and September 2014</p> <p>Last higher in August 2014 (+1.9%)</p>
Furniture, household equipment and maintenance	<p>Annual rate +0.6%, up from +0.2% last month</p> <p>Also +0.6% in October 2015</p> <p>Last higher in January 2015 (+0.8%)</p>
Transport	<p>Annual rate -0.1%, up from -1.1% last month</p> <p>Highest since October 2014 (+0.5%)</p>
Restaurants and hotels	<p>Annual rate +2.1%, up from +1.9% last month</p> <p>Highest since February 2015 (+2.2%)</p>
All goods	<p>Annual rate -1.6%, unchanged from last month</p> <p>Last higher in January 2016 (-1.5%)</p> <p>Last lower in December 2015 (-2.1%)</p>
All services	<p>Annual rate +2.8%, up from +2.4% last month</p> <p>Highest since December 2015 (+2.9%)</p>

## 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 Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
01 Food & non-alcoholic beverages	110	103	-0.2	-0.6	-0.05

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

<b>01.1 Food</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
01.1 Food	97	91	-0.2	-0.7	-0.05
01.1.1 Bread and cereals	16	15	-0.3	-0.1	-
01.1.2 Meat	22	21	-0.7	-0.7	-
01.1.3 Fish	4	4	-1.9	-2.5	-
01.1.4 Milk, cheese and eggs	14	12	1.2	-0.1	-0.02
01.1.5 Oils and fats	2	2	-2.7	-10.0	-0.02
01.1.6 Fruit	10	9	0.1	2.4	0.02
01.1.7 Vegetables including potatoes	14	13	-0.3	-2.4	-0.03
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	0.6	-0.9	-0.02
01.1.9 Food products not elsewhere covered	3	3	-1.2	0.8	0.01

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

### Milk, cheese and eggs

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from shop bought milk and tubs of cheese spread.

### Oils and fats

- Small downward effect.
- Prices overall fell this year by more than a year ago, particularly for margarine/low fat spread.



### Fruit

- Small upward effect.
- Prices overall rose this year by more than a year ago, with the main upward contributions coming from blueberries and strawberries.

### Vegetables including potatoes

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from premium potato crisps, baked beans and canned tomatoes.

### Sugar, jam, syrups, chocolate and confectionery

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for bags of non-chocolate sweets.

### Food products not elsewhere covered

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

<b>01.2 Non-alcoholic beverages</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
01.2 Non-alcoholic beverages	13	12	-0.2	-	-
01.2.1 Coffee, tea and cocoa	3	3	-2.2	0.1	0.01
01.2.2 Mineral waters, soft drinks and juices	10	9	0.4	-	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **coffee, tea and cocoa**, where prices overall rose this year but fell a year ago.

<b>02 ALCOHOLIC BEVERAGES AND TOBACCO</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	43	42	-0.1	-0.3	-0.01

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

<b>02.1 Alcoholic Beverages</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
02.1 Alcoholic beverages	19	19	-0.2	-0.9	-0.01
02.1.1 Spirits	5	5	-1.0	-0.3	-
02.1.2 Wine	9	9	-0.2	-0.9	-0.01
02.1.3 Beer	5	5	0.6	-1.3	-0.01

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

#### Wine

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from cider and white wine.
- Partially offset by a small upward contribution coming from New World red wine, where prices overall rose this year but fell a year ago.

#### Beer

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from large multipacks of lager.

<b>02.2 Tobacco</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
02.2 Tobacco	24	23	-0.1	0.2	0.01

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

<b>03 CLOTHING AND FOOTWEAR</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
03 Clothing and footwear	70	71	-0.1	1.0	0.08

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

<b>03.1 Clothing</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
03.1 Clothing	60	61	-0.3	1.0	0.08
03.1.2 Garments	54	54	-0.4	0.9	0.07
03.1.3 Other clothing and clothing accessories	5	6	0.8	2.0	0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.3	0.2	-

- Large upward effect on the all items 12-month rate change.
- Due to **garments** and, to a lesser extent, **other clothing and clothing accessories**.

#### Garments

- Large upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from women's trousers, blouses/shirts, cardigans, jumpers and dresses and girls' jackets.
- Partially offset by a small downward contribution coming from boys' jeans, where prices overall rose this year by less than a year ago.

#### Other clothing and clothing accessories

- Small upward effect.
- Prices overall rose this year by more than a year ago, particularly for ladies' scarves.

<b>03.2 Footwear including repairs</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
03.2 Footwear including repairs	10	10	1.6	1.3	-

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

<b>04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and other fuels	128	120	-0.4	-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 Mar 2015	1 month % change Mar 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 Mar 2015	1 month % change Mar 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	-	0.8	-
04.3.2 Services for maintenance and repair	1	1	0.1	0.1	-

- 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 Mar 2015	1 month % change Mar 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 Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
04.5 Electricity, gas and other fuels	42	35	-1.3	-1.0	0.02
04.5.1 Electricity	20	17	-	-	-
04.5.2 Gas	20	16	-2.6	-2.6	0.01
04.5.3 Liquid fuels	1	1	-3.0	7.8	0.01
04.5.4 Solid fuels	1	1	0.1	-0.2	-

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

### Gas

- Small upward effect.
- The upward contribution is due to weight changes in 2016. Average charges fell this year by a similar amount to a year ago. However, as the weight for gas has decreased between 2015 and 2016, this has resulted in a small upward effect on the all items 12-month rate change.

### Liquid fuels

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

<b>05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	59	59	0.4	0.7	0.02

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

<b>05.1 Furniture, furnishings and carpets</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	21	20	0.8	1.7	0.02
05.1.1 Furniture and furnishings	15	16	1.8	1.6	-
05.1.2 Carpets and other floor coverings	6	4	-1.7	2.2	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **carpets and other floor coverings**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from floor rugs and tufted carpets.

<b>05.2 Household textiles</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
05.2 Household textiles	6	7	0.2	1.0	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>05.3 Household appliances, fitting and repairs</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
05.3 Household appliances, fitting and repairs	8	8	0.2	0.6	-
05.3.1/2 Major appliances and small electric goods	7	7	0.2	0.7	-
05.3.3 Repair of household appliances	1	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 Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	0.8	-0.1	-0.01

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

<b>05.5 Tools and equipment for house and garden</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	5	5	0.2	-0.8	-0.01

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

<b>05.6 Goods and services for routine maintenance</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	-0.1	0.1	-
05.6.1 Non-durable household goods	5	5	-0.6	-0.2	-
05.6.2 Domestic services and household services	8	8	0.1	0.2	-

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

<b>06 HEALTH</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
06 Health	25	28	0.4	0.2	-0.01

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

<b>06.1 Medical products, appliances and equipment</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	12	13	0.8	0.3	-0.01
06.1.1 Pharmaceutical products	7	8	1.6	0.3	-0.01
06.1.2/3 Other medical and therapeutic equipment	5	5	-0.4	0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to **pharmaceutical products**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from tablets/capsules of pain killers and multi-vitamins.

<b>06.2 Out-patient services</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 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	0.1	-	-
06.2.2 Dental services	2	3	0.4	0.4	-

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

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

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

<b>07 TRANSPORT</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
07 Transport	149	153	0.7	1.7	0.14

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

<b>07.1 Purchase of vehicles</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
07.1 Purchase of vehicles	40	43	-0.2	-	0.01
07.1.1A New cars	24	25	-	-	-
07.1.1B Second-hand cars	14	16	-0.8	-	0.01
07.1.2/3 Motorcycles and bicycles	2	2	1.7	-0.9	-0.01

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

#### Second-hand cars

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

#### Motorcycles and bicycles

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

<b>07.2 Operation of personal transport equipment</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
07.2 Operation of personal transport equipment	77	73	1.5	0.7	-0.06
07.2.1 Spare parts and accessories	6	5	-	0.3	-
07.2.2 Fuels and lubricants	34	32	3.4	1.2	-0.08
07.2.3 Maintenance and repairs	23	22	0.1	0.3	-
07.2.4 Other services	14	14	0.1	0.4	-

- Large downward effect on the all items 12-month rate change.
- Due to **fuels and lubricants**.



### Fuels and lubricants

- Large downward effect.
- The average price of petrol across the month, as recorded for the CPI, rose by 0.9 pence per litre between February and March 2016 to stand at 102.3 pence per litre.
- Last year, the average price of petrol rose by 3.8 pence per litre between February and March 2015 to stand at 110.8 pence per litre.
- The average price of diesel rose by 2.0 pence per litre between February and March 2016 to stand at 103.1 pence per litre, compared with a larger rise of 3.5 pence per litre a year earlier to stand at 118.0 pence per litre.

07.3 Transport services	Weight	Weight	1 month	1 month	Contribution to CPI annual rate change
	2015	2016	% change Mar 2015	% change Mar 2016	
07.3 Transport services	32	37	-	5.4	0.20
07.3.1 Passenger transport by railway	12	13	-0.9	1.2	0.03
07.3.2 Passenger transport by road	12	12	-0.8	-0.1	0.01
07.3.3 Passenger transport by air	6	8	2.7	22.9	0.18
07.3.4 Passenger transport by sea and inland waterway	2	4	2.3	-1.0	-0.01

- 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 railway** and **passenger transport by road**.
- Partially offset by **passenger transport by sea and inland waterway**.

### Passenger transport by railway

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

### Passenger transport by road

- Small upward effect.
- Average coach fares fell this year by less than a year ago.

### Passenger transport by air

- Large upward effect.
- Average air fares rose this year by more than a year ago, particularly for European flights and, to a lesser extent, long haul and domestic routes.

### Passenger transport by sea and inland waterway

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

<b>08 COMMUNICATION</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
08 Communication	31	32	0.2	-0.4	-0.02

- Small downward 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 Mar 2015	1 month % change Mar 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 Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
08.2/3 Telephone equipment and services	29	30	0.2	-0.5	-0.02

- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from landline telephone handsets and mobile phone applications.

<b>09 RECREATION AND CULTURE</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
09 Recreation and culture	147	148	0.4	0.3	-0.01

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

<b>09.1 Audio-visual equipment and related products</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
09.1 Audio-visual equipment and related products	23	18	-0.5	0.8	0.03
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	5	-0.5	-	-
09.1.2 Photographic, cinematographic and optical equipment	3	2	-1.8	-0.4	0.01
09.1.3 Data processing equipment	9	7	-0.3	0.8	0.01
09.1.4 Recording media	5	3	-	2.7	0.01
09.1.5 Repair of audio-visual equipment and related products	1	1	0.2	0.3	-

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

#### Photographic, cinematographic and optical equipment

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from digital camcorders.

#### Data processing equipment

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

#### Recording media

- Small upward effect.
- Prices overall rose this year but were little changed a year ago, with the main upward contribution coming from DVDs.

<b>09.2 Other major durables for recreation and culture</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
09.2.1/2 Major durables for in/outdoor recreation	10	12	-	0.1	-

- 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 Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
09.3 Other recreational items, gardens and pets	36	35	1.6	1.4	-0.01
09.3.1 Games, toys and hobbies	21	20	2.5	2.2	-0.01
09.3.2 Equipment for sport and open-air recreation	4	3	2.1	1.6	-
09.3.3 Gardens, plants and flowers	4	4	-0.1	-0.5	-
09.3.4/5 Pets, related products and services	7	8	-0.6	0.3	0.01

- Small downward effect on the all items 12-month rate change.
- Due to **games, toys and hobbies**.
- Partially offset by **pets, related products and services**.

#### Games, toys and hobbies

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from preschool activity toys.
- Partially offset by a small upward contribution coming from computer games, where prices overall rose this year by more than a year ago.

#### Pets, related products and services

- 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 Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
09.4 Recreational and cultural services	31	33	0.6	0.2	-0.01
09.4.1 Recreational and sporting services	8	10	0.1	0.3	-
09.4.2 Cultural services	23	23	0.8	0.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **cultural services**, where average admission charges for theatres fell this year but rose a year ago.

<b>09.5 Books, newspapers and stationery</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	14	0.3	-1.1	-0.02
09.5.1 Books	4	4	2.0	-5.5	-0.03
09.5.2 Newspapers and periodicals	5	5	-1.0	0.9	0.01
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	5	0.2	0.3	-

- Small downward effect on the all items 12-month rate change.
- Due to **books**, where overall prices for non-fiction hardbacks fell this year but rose a year ago.
- Partially offset by **newspapers and periodicals**, where average prices for national daily newspapers rose this year but were unchanged a year ago.

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

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

<b>10 EDUCATION</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 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 Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
11 Restaurants and hotels	121	123	0.2	0.5	0.04

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

<b>11.1 Catering services</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
11.1 Catering services	100	101	0.1	0.3	0.02
11.1.1 Restaurants and cafes	91	93	0.2	0.3	0.02
11.1.2 Canteens	9	8	-0.4	-	-

- Small upward effect on the all items 12-month rate change.
- Due to **restaurants and cafes**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from a variety of on sale alcohol items.

<b>11.2 Accommodation services</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
11.2 Accommodation services	21	22	0.9	1.4	0.01

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

<b>12 MISCELLANEOUS GOODS AND SERVICES</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 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 **personal effects not elsewhere covered, personal care, and other services not elsewhere covered**.
- Partially offset by **financial services not elsewhere covered**.

<b>12.1 Personal care</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
12.1 Personal care	30	31	0.5	0.3	-0.01
12.1.1 Hairdressing and personal grooming establishments	7	8	-	0.3	-
12.1.2/3 Appliances and products for personal care	23	23	0.6	0.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **appliances and products for personal care**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from baby wipes, personal hygiene products and toothpaste. Partially offset by small upward contributions coming from electric razors and toothbrushes.

<b>12.3 Personal effects not elsewhere covered</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
12.3 Personal effects not elsewhere covered	14	16	0.5	-0.7	-0.02
12.3.1 Jewellery, clocks and watches	9	9	-0.3	-0.6	-
12.3.2 Other personal effects	5	7	2.0	-0.9	-0.02

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

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

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

<b>12.5 Insurance</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
12.5 Insurance	10	9	-0.2	-0.1	-
12.5.2 House contents insurance	2	2	-0.1	-1.8	-
12.5.3 Health insurance	3	3	-	-	-
12.5.4 Transport insurance	5	4	-0.3	0.6	-

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

<b>12.6 Financial services not elsewhere covered</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
12.6 Financial services not elsewhere covered	12	12	-0.4	0.2	0.01

- 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 contribution coming from mortgage arrangement fees.

<b>12.7 Other services not elsewhere covered</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to CPI annual rate change
12.7 Other services not elsewhere covered	12	12	0.3	-0.2	-0.01

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



## RPI SUMMARY

### CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

<b>GROUPS</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
FOOD	109	102	-0.3	-0.4	-0.02
CATERING	47	47	0.1	0.2	0.01
ALCOHOLIC DRINKS	56	57	0.2	0.1	-
TOBACCO	27	25	-	0.2	0.01
HOUSING	263	266	-	0.1	0.04
FUEL AND LIGHT	45	41	-1.4	-0.9	0.03
HOUSEHOLD GOODS	59	62	0.7	1.3	0.04
HOUSEHOLD SERVICES	65	67	-	-0.4	-0.02
CLOTHING AND FOOTWEAR	42	41	1.3	2.1	0.03
PERSONAL GOODS AND SERVICES	41	42	0.5	0.1	-0.01
MOTORING EXPENDITURE	115	117	1.0	0.4	-0.07
FARES AND OTHER TRAVEL COSTS	25	26	0.6	8.4	0.21
LEISURE GOODS	28	29	0.6	0.6	-
LEISURE SERVICES	78	78	0.1	0.1	-

## RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +1.6%, up from +1.3% last month Also +1.6% in December 2014 Last higher in November 2014 (+2.0%)
All items RPI exc MIPS (RPIX)	Annual rate +1.6%, up from +1.4% last month Highest since December 2014 (+1.7%)
All items RPI exc MIPS and indirect taxes (RPIY)	Annual rate +1.7%, up from +1.4% last month Highest since December 2014 (+1.8%)
Catering	Annual rate +1.9%, up from +1.7% last month Also +1.9% in February 2015 Last higher in January 2015 (+2.0%)
All goods	Annual rate -0.6%, down from -0.5% last month Lowest since December 2015 (-1.2%)
All services	Annual rate +2.9%, up from +2.4% last month Also +2.9% in December 2015, October 2014, September 2014 and August 2014 Last higher in April 2014 (+3.0%)

## RPI DETAILED BRIEFING

In accordance with the Statistics and Registration Service Act 2007, the Retail Prices Index and its derivatives have been assessed against the Code of Practice for Official Statistics and found not to meet the required standard for designation as National Statistics. A consultation was carried out in March 2013 on whether to maintain this detailed RPI briefing and, based on views received, it was decided to continue with its publication.

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

<b>FOOD</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
FOOD	109	102	-0.3	-0.4	-0.02

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

<b>Seasonal Food</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	-0.8	-0.1	0.01
Home killed lamb	1	1	-1.3	-4.8	-
Fresh fish	2	2	-3.1	-3.0	-
Eggs	1	1	-1.2	-6.5	-0.01
Unprocessed potatoes	2	1	-1.4	-2.4	-
Other fresh vegetables	6	6	-0.4	0.5	0.01
Fresh fruit	6	7	-	2.4	0.02

- Small upward effect on the all items 12-month rate change.
- Due to:
  - Fresh fruit**, where prices overall rose this year but were little changed a year ago, with the main upward contribution coming from blueberries; and
  - Other fresh vegetables**, where prices overall rose this year but fell a year ago.
- Partially offset by a small downward contribution coming from **eggs**, where prices overall fell this year by more than a year ago.

<b>Non-Seasonal Food</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
NON-SEASONAL FOOD	91	84	-0.1	-0.6	-0.03
Bread	4	4	-0.6	-1.7	-
Cereals	4	4	-	0.5	-
Biscuits and cakes	7	6	-	1.1	0.01
Beef	4	4	-1.5	-3.0	-0.01
Imported lamb	1	1	-0.9	0.5	-
Pork	1	1	-	0.7	-
Bacon	2	1	-0.8	-2.2	-
Poultry	4	4	-0.1	-0.3	-
Other meat	7	6	-0.3	0.2	-
Processed fish	2	2	-2.3	0.1	-
Butter	1	1	-4.3	-3.2	-
Oils and fats	1	1	-1.1	-14.5	-0.01
Cheese	4	3	2.2	-0.4	-0.01
Milk, fresh	3	3	1.2	-0.5	-
Milk products	4	4	0.9	3.1	0.01
Tea	1	1	-3.0	-0.2	-
Soft drinks	10	9	0.3	0.1	-
Sugar and preserves	1	1	-3.7	-2.1	-
Sweets and chocolates	11	11	1.2	-1.0	-0.02
Potato products	3	2	-1.2	-4.7	-0.01
Processed vegetables	2	2	3.5	-4.6	-0.02
Processed fruit	2	1	-1.4	0.6	-
Other foods	11	10	-1.5	0.5	0.02
Coffee and other hot drinks	1	2	-1.5	0.8	-

- Small downward effect on the all items 12-month rate change.
- Due to:
  - **Sweets and chocolates, processed vegetables and cheese**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from baked beans, canned tomatoes, bags of non-chocolate sweets and cheese spread; and
  - **Beef, oils and fats and potato products**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from margarine/low fat spread and premium potato crisps.
- Partially offset by:
  - **Other foods**, where prices overall rose this year but fell a year ago, particularly for cook-in sauces and tomato ketchup. Partially offset by a small downward contribution coming from canned soup, where prices overall fell this year but rose a year ago;
  - **Biscuits and cakes**, where prices overall rose this year but were little changed a year ago; and
  - **Milk products**, where prices overall rose this year by more than a year ago, particularly for yoghurt/fromage frais.

<b>CATERING</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
CATERING	47	47	0.1	0.2	0.01
Restaurant meals	28	28	0.1	0.3	-
Canteen meals	3	3	-0.3	0.1	-
Take-away meals and snacks	16	16	-	0.2	-

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

<b>ALCOHOLIC DRINKS</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	56	57	0.2	0.1	-
Beer on sales	19	19	0.4	0.5	-
Beer off sales	5	5	-0.1	-3.0	-0.01
Wines and spirits on sales	18	19	0.2	0.7	0.01
Wines and spirits off sales	14	14	-0.1	-0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a downward contribution coming from **beer off sales**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from lager and cider.
- Offset by an upward contribution coming from **wines and spirits on sales**, where prices overall rose this year by more than a year ago.

<b>TOBACCO</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
TOBACCO	27	25	-	0.2	0.01
Cigarettes	23	21	-0.1	0.2	0.01
Other tobacco products	4	4	-	0.1	-

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

<b>HOUSING</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
HOUSING	263	266	-	0.1	0.04
Rent	84	83	0.1	0.1	-
Mortgage interest payments	29	28	-0.3	-0.1	0.01
Council tax and rates	40	40	-	-	-
Water and other charges	14	13	-	-	-
Repairs and maintenance charges	9	9	0.2	0.1	-
DIY materials	8	7	0.2	0.5	-
Dwelling insurance and ground rent	6	6	-0.9	-1.1	-
House depreciation	73	80	-0.1	0.3	0.03

- Large 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 but falling a year ago; and
  - **Mortgage interest payments**, where average charges fell this year by less than a year ago.

<b>FUEL AND LIGHT</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
FUEL AND LIGHT	45	41	-1.4	-0.9	0.03
Coal and solid fuels	1	1	0.2	-0.2	-
Electricity	21	20	-	-	-
Gas	21	18	-2.7	-2.7	0.01
Oil and other fuels	2	2	-2.5	6.7	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; and
  - **Gas**, where the upward contribution is due to weight changes in 2016. Average charges fell this year by a similar amount to a year ago. However, as the weight for gas has decreased between 2015 and 2016, this has resulted in a small upward effect on the all items 12-month rate change.

<b>HOUSEHOLD GOODS</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
HOUSEHOLD GOODS	59	62	0.7	1.3	0.04
Furniture	22	25	1.7	2.4	0.02
Furnishings	9	8	-0.3	1.9	0.02
Electrical appliances	5	7	2.1	-0.1	-0.01
Other household equipment	4	4	0.6	-0.2	-
Household consumables	12	11	-0.5	-0.1	-
Pet care	7	7	-0.4	0.4	0.01

- Large upward effect on the all items 12-month rate change.
- Due to:
  - **Furnishings** and **pet care**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from tufted carpets and floor rugs; and
  - **Furniture**, where prices overall rose this year by more than a year ago, particularly for leather settees.
- Partially offset by **electrical appliances**, where prices overall fell this year but rose a year ago, particularly for vacuum cleaners.

<b>HOUSEHOLD SERVICES</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	65	67	-	-0.4	-0.02
Domestic services	13	14	0.2	0.1	-
Fees and subscriptions	26	27	-0.3	-0.7	-0.01
Postage	1	1	-	-	-
Telephone charges	25	25	-	-0.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
  - **Telephone charges**, where average fees fell this year but were little changed a year ago, with the main downward contribution coming from mobile phone applications; and
  - **Fees and subscriptions**, where average premiums for house contents insurance fell this year by more than a year ago.

<b>CLOTHING AND FOOTWEAR</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	42	41	1.3	2.1	0.03
Men's outerwear	8	9	1.3	1.3	-
Women's outerwear	16	15	0.7	2.8	0.03
Children's outerwear	5	4	2.5	2.1	-
Other clothing	5	5	0.3	1.3	0.01
Footwear	8	8	2.1	1.9	-

- Small upward effect on the all items 12-month rate change.
- Due to **women's outerwear** and **other clothing**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from women's cardigans, casual trousers, jumpers and blouses/shirts.

<b>PERSONAL GOODS &amp; SERVICES</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
PERSONAL GOODS & SERVICES	41	42	0.5	0.1	-0.01
Personal articles	10	12	0.8	-0.3	-0.01
Chemists' goods	17	15	0.6	0.4	-
Personal services	14	15	0.1	0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to **personal articles**, where prices overall fell this year but rose a year ago, particularly for trolley cases.

<b>MOTORING EXPENDITURE</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
MOTORING EXPENDITURE	115	117	1.0	0.4	-0.07
Purchase of motor vehicles	42	45	-0.4	-	0.02
Maintenance of motor vehicles	16	16	0.1	0.3	-
Petrol and oil	35	33	3.3	0.6	-0.09
Vehicle tax and insurance	22	23	0.6	0.9	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 0.2 pence per litre between February and March 2016, to stand at 101.7 pence per litre, compared with a larger rise of 3.7 pence per litre last year to stand at 111.0 pence per litre. Diesel prices rose by 1.3 pence per litre, to stand at



102.5 pence per litre in March 2016, compared with a larger rise of 3.6 pence per litre last year to stand at 118.3 pence per litre.

- Partially offset by:
  - **Purchase of motor vehicles**, where prices overall were little changed this year but fell a year ago, with the main upward contribution coming from second-hand cars; and
  - **Vehicle tax and insurance**, where average premiums for car insurance rose this year by more than a year ago.

<b>FARES AND OTHER TRAVEL COSTS</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	26	0.6	8.4	0.21
Rail fares	7	7	-0.7	0.9	0.01
Bus and coach fares	3	3	-1.3	-0.3	-
Other travel costs	15	16	1.7	13.2	0.19

- 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; and
  - **Rail fares**, where average charges for international rail journeys rose this year but fell a year ago.

<b>LEISURE GOODS</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
LEISURE GOODS	28	29	0.6	0.6	-
Audio-visual equipment	7	7	-	-	0.01
CDs and tapes	2	2	0.7	2.3	-
Toys, photographic and sports goods	8	9	2.0	1.5	-
Books and newspapers	6	6	-0.2	-1.0	-0.01
Gardening products	5	5	0.1	-0.5	-

- Negligible overall effect on the all items 12-month rate change.
- There is an upward contribution coming from **audio-visual equipment**, with the main upward effects coming from laptop and tablet computers.
- Offset by a downward contribution coming from **books and newspapers**, where prices overall fell this year by more than a year ago, with the main downward effect coming from non-fiction hardbacks. Partially offset by a small upward contribution coming from national daily newspapers, where average prices rose this year but were unchanged a year ago.

<b>LEISURE SERVICES</b>	Weight 2015	Weight 2016	1 month % change Mar 2015	1 month % change Mar 2016	Contribution to RPI annual rate change
LEISURE SERVICES	78	78	0.1	0.1	-
TV licence and rentals	12	12	-	-	-
Entertainment and other recreation	15	16	0.7	0.2	-0.01
Foreign holidays	41	40	-0.1	-0.1	-
UK holidays	10	10	0.5	0.7	-

- Negligible overall effect on the all items 12-month rate change.
- There is a downward contribution coming from **entertainment and other recreation**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from admission charges for theatres.

## 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 March 2016 was -1.06 percentage points, widening from -1.01 percentage points in February 2016.

Factors contributing to the widening were:

- **Other differences including weights**, which increased the RPI 12-month rate relative to the CPI 12-month rate by 0.03 percentage points between February and March 2016. The effect came mainly from food and non-alcoholic beverages, and air fares. This was partially offset by clothing and footwear, and fuels and lubricants.
- **Other housing components**, which increased the RPI 12-month rate by 0.02 percentage points between February and March 2016 but are excluded from the CPI. The effect came mainly from house depreciation.

There were no notable offsetting factors.

## RPI MISCELLANEOUS DATA

### Selected Average Prices

Description		January 2016	February 2016	March 2016
Petrol per litre	Diesel	£1.03	£1.01	£1.03
	Petrol	£1.02	£1.01	£1.02
Alcohol pub prices	Draught bitter (pint)	£2.98	£2.97	£2.98
	Draught lager (pint)	£3.48	£3.44	£3.46
	Whisky (per nip)	£2.65	£2.65	£2.67
Cigarettes	Per 20 king size	£9.08	£9.08	£9.09

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
March 2015	+0.2	Down -0.02% points	-0.02% points
April 2015	+0.4	Down -0.01% points	-0.01% points
May 2015	+0.2	Down -0.02% points	-0.02% points
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

**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 tended to show variable movements in April of recent years and are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPI seasonal food index			
Year	February	March	April
2010	1.8	0.2	0.6
2011	0.6	-2.0	-1.1
2012	1.2	-0.2	-1.3
2013	1.6	-0.7	0.5
2014	-0.4	-0.5	-1.7
2015	-0.3	-0.4	-0.7
2016	1.3	-0.8	

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

### ALCOHOLIC BEVERAGES AND TOBACCO

- As announced at Budget 2016, the following alcohol duty rates will increase in line with inflation (based on RPI): sparkling cider and perry exceeding 5.5% alcohol by volume (abv) but less than 8.5% abv; all wine and made-wine rates at or below 22% abv. The duty rates on beer, spirits, wine and made-wine exceeding 22% abv, still cider and perry, and sparkling cider and perry of a strength not exceeding 5.5% abv have been frozen.
- As announced at the 2016 Budget, duty rates on tobacco products will increase by 2% above the RPI rate of inflation on all tobacco duty rates each year until the end of the next Parliament. Budget 2016 also announced that hand-rolling tobacco duty would rise by an additional 3% above this to 5% above retail price inflation.

## CLOTHING AND FOOTWEAR

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

Monthly % change for CPI clothing and footwear index			
Year	February	March	April
2010	2.0	1.8	2.2
2011	3.6	1.1	1.3
2012	2.9	2.2	0.2
2013	2.0	2.4	-
2014	1.1	1.8	1.0
2015	1.3	-0.1	0.7
2016	1.3	1.0	

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

## ELECTRICITY, GAS AND OTHER FUELS

- EDF Energy has announced a 5% cut to its standard gas price effective from 24 March 2016. (media.edfenergy.com 11 February 2016)
- npower has announced an average 5.2% or £32 average annual reduction to its standard domestic gas tariff. This will be effective from Monday 28 March 2016. (npowermediacentre.com 8 February 2016)
- SSE will reduce domestic gas prices on its standard tariff by an average of 5.3%, effective from 29 March 2016. (sse.com 28 January 2016)

## FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

- Prices tend to fall in April.

Monthly % change for CPI furniture, household equipment and maintenance index			
Year	February	March	April
2010	1.1	1.6	-1.6
2011	1.4	1.7	-0.8
2012	1.5	1.3	-1.2
2013	1.5	0.8	-1.3
2014	2.4	0.3	-0.9
2015	1.4	0.4	-1.2
2016	1.7	0.7	

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

## HEALTH

### Prescription Charges

- The Department of Health has announced that NHS prescription charges for England will rise by 20 pence to £8.40 from 1 April 2016. (www.gov.uk 11 March 2016)

### NHS Dental Charges

- The Department of Health has announced that NHS dental charges for England will rise from £18.80 to £19.70 for Band 1, from £51.30 to £53.90 for Band 2 and from £222.50 to £233.70 for Band 3 from 1 April 2016. ([www.gov.uk](http://www.gov.uk) 11 March 2016)

## TRANSPORT

### Fuels and Lubricants

- Oil futures have increased following a decline in U.S. inventories and drilling, while outages and hopes that exporters could freeze output boosted international prices. U.S. West Texas Intermediate (WTI) crude futures were trading at \$40.17 per barrel, up 45 cents or 1.1 percent from their last close. International Brent crude futures were up 35 cents or 0.8 percent at \$42.29 a barrel. ([uk.reuters.com](http://uk.reuters.com) 11 April 2016)
- When considering the price of petrol between March and April 2016, it may be useful to note that the average price of petrol rose by 2.0 pence per litre between March and April 2015, standing at 112.8 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.

### Vehicle Excise Duty (VED)

- The March 2016 Budget announced that VED rates will increase in line with the Retail Prices Index for cars, vans and motorcycles, with effect from 1 April 2016.

### Passenger Transport by Air

- Air fares have shown variable movements in April which can depend on the position of Easter.

Monthly % change for CPI air fares index			
Year	February	March	April
2010	1.7	7.7	-1.0
2011	2.1	2.1	29.0
2012	-1.6	4.4	7.4
2013	9.2	5.3	-6.4
2014	3.3	1.9	17.9
2015	5.3	2.7	4.5
2016	5.6	22.9	

- 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.
- As announced at the March 2015 Budget, the rate of Air Passenger Duty (APD) for the tax year 2016 to 2017 will increase in line with the Retail Prices Index (RPI), with effect from 1 April 2016. ([www.gov.uk](http://www.gov.uk) 16 March 2016)

## COMMUNICATION

### Postal Services

- Royal Mail has announced that from 29 March 2016, the prices of a First Class stamp and a Second Class stamp will rise by 1p to 64p and 55p respectively. (royalmailgroup.com 19 February 2016)

## HOUSING (RPI)

### Mortgage interest payments (MIPs)

- The Bank of England Bank Rate remained unchanged at 0.5% on Thursday 17 March 2016.
- The change in average mortgage interest rates recorded in the RPI was -0.01% between March and April 2015. The Bank of England Bank Rate remained unchanged at 0.5% in March 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.

### Council Tax

- The Department for Communities and Local Government (DCLG) announced that the average Band D council tax set by local authorities in England for 2016-17 will be £1,530 – a 3.1% increase on last year. (www.gov.uk 31 March 2016)
- The Scottish Government announced that the council tax freeze will continue until April 2017. (news.scotland.gov.uk 2 March 2016)
- The Welsh Government announced that the average band D council tax for Wales for 2016-17 is £1,374 – a 3.5% increase on last year. (gov.wales 24 March 2016)
- The Northern Ireland Executive announced that in the 2016-17 rating year, there will be an increase of 1.7% for the domestic regional rates. (northernireland.gov.uk 23 February 2016)
- The recorded increase for council tax and rates in the RPI last April was 1.1%.

### Social Housing Rents

- The Summer 2015 Budget announced that rents for social housing would decrease by 1% each year for the next four years, starting in April 2016.

## BUDGET 2016

- Budgetary measures that come into force in 2016/17 will add an estimated 0.05 percentage points to the CPI 1-month rate. Further details are available in the article [Estimated Effect of the Budget on Consumer Prices Index and Retail Prices Index](#).



**Next publication:**

17 May 2016

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