

Consumer Price Inflation

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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 May 2016 are:

- The all items CPI is 100.4, up from 100.2 in April.
- The all items CPI annual rate is 0.3%, unchanged from last month.
- The annual rate for CPI excluding indirect taxes, CPIY, is 0.1%, unchanged from last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 0.2%, unchanged from last month.
- The CPI all goods index is 98.8, unchanged from last month.
- The CPI all goods index annual rate is -1.8%, down from -1.6% last month.
- The CPI all services index is 102.2, up from 101.9 in April.
- The CPI all services index annual rate is 2.6%, 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 as a measure of consumption. OOH currently accounts for 16.5% of the expenditure weight of CPIH. This compares with a weight of 19.5% in 2005.

Currently, the method of calculation, the population coverage 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 May 2016 are:

- The all items CPIH is 100.7, up from 100.5 in April.
- The all items CPIH annual rate is 0.7%, up from 0.6% in April.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 0.6%, unchanged from last month.
- The OOH component of CPIH is 102.1, up from 101.8 in April.
- The OOH component annual rate is 2.3%, up from 2.2% last month.
- The CPIH all goods index is 98.8, unchanged from last month.
- The CPIH all goods index annual rate is -1.7%, down from -1.6% last month.
- The CPIH all services index is 102.2, up from 101.8 in April.
- The CPIH all services index annual rate is 2.5%, up from 2.3% 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 May 2016 are:

- The all items RPI is 262.1, up from 261.4 in April.
- The all items RPI annual rate is 1.4%, up from 1.3% last month.
- The all items RPIJ is 240.1, up from 239.6 in April.
- The all items RPIJ annual rate is 0.7%, unchanged from last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 1.5%, up from 1.4% last month.
- The all goods RPI is 198.2, up from 197.8 in April.
- The all goods RPI annual rate is -0.6%, unchanged from last month.
- The all services RPI is 358.1, up from 356.7 in April.
- The all services RPI annual rate is 2.4%, up from 2.2% last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 1.3%, unchanged from last month.
- The Tax and Price Index (TPI) for May is 229.5, up from 228.8 in April.
- The TPI annual rate is 1.8%, up from 1.6% last month.

CPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE CPI ANNUAL RATE

CPI COICOP DIVISIONS	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
01: Food and non-alcoholic beverages	110	103	-0.1	-0.4	-0.03
02: Alcoholic beverages and tobacco	43	42	0.7	0.4	-0.02
03: Clothing and footwear	70	71	0.5	-0.2	-0.05
04: Housing, water, electricity, gas and other fuels	128	120	-	0.1	0.01
05: Furniture, household equipment and maintenance	59	59	0.6	0.4	-0.01
06: Health	25	28	0.3	0.2	-
07: Transport	149	153	0.6	0.9	0.05
08: Communication	31	32	-0.2	0.9	0.04
09: Recreation and culture	147	148	-0.1	-0.4	-0.04
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	0.1	0.03

Large upward effects came from:

- Transport**, where prices overall rose by 0.9% between April and May this year compared with a rise of 0.6% between the same 2 months a year ago. There were small upward effects from motor fuels, where diesel prices rose by 3.0 pence per litre this year compared with 1.5 pence a year ago, and sea fares, which rose slightly this year but fell a year ago. The overall upward contribution was partially offset by a downward effect from air fares, which rose by less than a year ago;
- Restaurants and hotels**, where prices overall rose by 0.5% this year compared with 0.2% a year ago. The main upward effect came from accommodation services, where prices for hotel overnight stays rose by more than a year ago; and

- **Communication**, where the upward contribution came from telephone equipment and services with prices overall rising by 0.9% between April and May this year compared with a fall of 0.3% between the same 2 months a year ago. The effect came principally from bundled telecommunication services and mobile phone applications.

A small upward effect came from:

- **Miscellaneous goods and services**, where prices overall rose this year but fell a year ago with the main upward contribution coming from insurance.

Large downward effects came from:

- **Clothing and footwear**, where prices overall fell by 0.2% between April and May this year but rose by 0.5% between the same 2 months a year ago. The downward contribution came from a variety of clothing but particularly children's outerwear; and
- **Recreation and culture**, where prices overall fell by 0.4% compared with a fall of 0.1% between the same 2 months a year ago. The downward contribution came mainly from games, toys and hobbies (particularly computer games) with prices falling between April and May 2016 compared with a rise last year. This was partially offset by an upward effect from data processing equipment with the price of PC peripherals (such as printers and routers) falling by less than a year ago.

A small downward effect came from:

- **Food and non-alcoholic beverages**, where prices overall fell by 0.4% between April and May 2016 compared with a fall of 0.1% a year ago. The downward contribution came from a variety of food product groups, most notably vegetables and confectionery.

CPI NOTABLE MOVEMENTS

All items CPI	<p>Annual rate +0.3%, unchanged from last month Also +0.3% in February 2016 and January 2016 Last higher in March 2016 (+0.5%) Last lower in December 2015 (+0.2%)</p>
All items CPI exc energy, food, alcohol and tobacco	<p>Annual rate +1.2%, unchanged from last month Also +1.2% in February 2016, January 2016 and November 2015 Last higher in March 2016 (+1.5%) Last lower in October 2015 (+1.1%)</p>
Restaurants and hotels	<p>Annual rate +2.6%, up from +2.3% last month Also +2.6% in August 2014 Last higher in July 2014 (+2.8%)</p>
All goods	<p>Annual rate -1.8%, down from -1.6% last month Lowest since December 2015 (-2.1%)</p>
All services	<p>Annual rate +2.6%, up from +2.4% last month Highest since March 2016 (+2.8%)</p>
Fuels and lubricants	<p>Annual rate -6.8%, up from -7.5% last month Highest since November 2014 (-5.9%)</p>

CPI DETAILED BRIEFING

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

01 FOOD & NON-ALCOHOLIC BEVERAGES	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
01 Food & non-alcoholic beverages	110	103	-0.1	-0.4	-0.03

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

01.1 Food	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
01.1 Food	97	91	0.1	-0.5	-0.05
01.1.1 Bread and cereals	16	15	0.1	-	-
01.1.2 Meat	22	21	-0.7	-0.9	-
01.1.3 Fish	4	4	1.0	-0.3	-0.01
01.1.4 Milk, cheese and eggs	14	12	-	0.9	0.01
01.1.5 Oils and fats	2	2	4.4	-2.8	-0.01
01.1.6 Fruit	10	9	-0.1	-0.1	-
01.1.7 Vegetables including potatoes	14	13	-0.1	-1.2	-0.02
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	1.0	-0.5	-0.02
01.1.9 Food products not elsewhere covered	3	3	-1.1	-3.0	-0.01

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

Fish

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for fresh white fish fillets.
- Partially offset by a small upward contribution coming from fresh salmon fillets, where prices rose this year by more than a year ago.

Milk, cheese and eggs

- Small upward effect.
- Prices overall rose this year but were little changed a year ago, with the main upward contribution coming from cheese spread.
- Partially offset by a small downward contribution coming from flavoured milk, where prices overall fell this year but rose a year ago.

Oils and fats

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

Vegetables including potatoes

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

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

01.2 Non-alcoholic beverages	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
01.2 Non-alcoholic beverages	13	12	-1.2	0.7	0.02
01.2.1 Coffee, tea and cocoa	3	3	-1.8	1.3	0.01
01.2.2 Mineral waters, soft drinks and juices	10	9	-1.0	0.5	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **mineral waters, soft drinks and juices**; and **coffee, tea and cocoa**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from fresh orange juice and cola-flavoured drinks.

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	43	42	0.7	0.4	-0.02

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

02.1 Alcoholic Beverages	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
02.1 Alcoholic beverages	19	19	1.5	0.5	-0.02
02.1.1 Spirits	5	5	1.7	0.1	-0.01
02.1.2 Wine	9	9	1.5	0.2	-0.01
02.1.3 Beer	5	5	1.2	1.5	-

- Small downward effect on the all items 12-month rate change.
- Due to **wine** and **spirits**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from white wine, vodka and cider.

02.2 Tobacco	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
02.2 Tobacco	24	23	0.1	0.3	-

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

03 CLOTHING AND FOOTWEAR	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
03 Clothing and footwear	70	71	0.5	-0.2	-0.05

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

03.1 Clothing	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
03.1 Clothing	60	61	0.5	-0.3	-0.05
03.1.2 Garments	54	54	0.6	-0.3	-0.05
03.1.3 Other clothing and clothing accessories	5	6	-0.5	-0.4	-
03.1.4 Cleaning, repair and hire of clothing	1	1	0.2	0.1	-

- Large downward effect on the all items 12-month rate change.
- Due to **garments**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from women's trousers and girls' fashion tops. Partially offset by small upward contributions coming from women's casual jackets and long sleeve tops, and men's T-shirts, where prices overall rose this year but fell a year ago.

03.2 Footwear including repairs	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
03.2 Footwear including repairs	10	10	0.7	0.3	-

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

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and other fuels	128	120	-	0.1	0.01

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

04.1 Actual rentals for housing	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
04.1 Actual rentals for housing	72	72	0.2	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.

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

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

04.4 Other services related to the dwelling	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 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.

04.5 Electricity, gas and other fuels	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
04.5 Electricity, gas and other fuels	42	35	-0.3	0.2	0.02
04.5.1 Electricity	20	17	-	-	-
04.5.2 Gas	20	16	-0.7	-	0.01
04.5.3 Liquid fuels	1	1	1.5	6.2	0.01
04.5.4 Solid fuels	1	1	-2.1	-1.2	-

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

Gas

- Small upward effect.
- Average charges were unchanged this year but fell a year ago.

Liquid fuels

- Small upward effect.
- Average kerosene prices rose this year by more than a year ago.

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	59	59	0.6	0.4	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **household textiles**; and **furniture, furnishings and carpets**.
- Partially offset by **household appliances, fitting and repairs**.

05.1 Furniture, furnishings and carpets	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	21	20	0.5	0.2	-0.01
05.1.1 Furniture and furnishings	15	16	0.3	0.4	-
05.1.2 Carpets and other floor coverings	6	4	1.0	-0.7	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **carpets and other floor coverings**, where prices overall fell this year but rose a year ago.

05.2 Household textiles	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
05.2 Household textiles	6	7	1.9	0.2	-0.01

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

05.3 Household appliances, fitting and repairs	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
05.3 Household appliances, fitting and repairs	8	8	-0.3	0.7	0.01
05.3.1/2 Major appliances and small electric goods	7	7	-0.4	0.8	0.01
05.3.3 Repair of household appliances	1	1	-	0.1	-

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

- Due to **major appliances and small electric goods**, where prices overall rose this year but fell a year ago.

05.4 Glassware, tableware and household utensils	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	1.2	0.7	-

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

05.5 Tools and equipment for house and garden	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	5	5	0.1	0.6	-

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

05.6 Goods and services for routine maintenance	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	0.5	0.7	-
05.6.1 Non-durable household goods	5	5	0.6	1.1	-
05.6.2 Domestic services and household services	8	8	0.5	0.4	-

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

06 HEALTH	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
06 Health	25	28	0.3	0.2	-

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

06.1 Medical products, appliances and equipment	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	12	13	0.5	0.2	-
06.1.1 Pharmaceutical products	7	8	0.6	0.3	-
06.1.2/3 Other medical and therapeutic equipment	5	5	0.4	-	-

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

06.2 Out-patient services	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
06.2 Out-patient services	5	7	0.2	0.2	-
06.2.1/3 Medical and paramedical services	3	4	0.3	0.1	-
06.2.2 Dental services	2	3	-	0.4	-

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

06.3 Hospital services	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
06.3 Hospital Services	8	8	0.2	0.3	-

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

07 TRANSPORT	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
07 Transport	149	153	0.6	0.9	0.05

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

07.1 Purchase of vehicles	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 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	0.3	0.2	-
07.1.1B Second-hand cars	14	16	-1.3	-0.4	0.01
07.1.2/3 Motorcycles and bicycles	2	2	0.2	-	-

- Small upward effect on the all items 12-month rate change.
- Due to **second-hand cars**, where prices overall fell this year by less than a year ago.

07.2 Operation of personal transport equipment	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
07.2 Operation of personal transport equipment	77	73	0.9	1.5	0.04
07.2.1 Spare parts and accessories	6	5	-0.1	-0.1	-
07.2.2 Fuels and lubricants	34	32	1.9	2.7	0.02
07.2.3 Maintenance and repairs	23	22	0.3	0.4	-
07.2.4 Other services	14	14	-0.1	0.9	0.01

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

Fuels and lubricants

- Small upward effect.
- The average price of petrol across the month, as recorded for the CPI, rose by 2.8 pence per litre between April and May 2016 to stand at 108.7 pence per litre.
- Last year, the average price of petrol rose by 2.5 pence per litre between April and May 2015 to stand at 115.3 pence per litre.
- The average price of diesel rose by 3.0 pence per litre between April and May 2016 to stand at 109.5 pence per litre, compared with a rise of 1.5 pence per litre a year earlier to stand at 120.7 pence per litre.

Other services

- Small upward effect.
- Average charges for self drive car hire rose this year but fell a year ago.

07.3 Transport services	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
07.3 Transport services	32	37	0.9	0.8	-
07.3.1 Passenger transport by railway	12	13	-1.1	-0.4	0.01
07.3.2 Passenger transport by road	12	12	-0.8	-	0.01
07.3.3 Passenger transport by air	6	8	10.4	3.8	-0.04
07.3.4 Passenger transport by sea and inland waterway	2	4	-6.4	0.1	0.02

- Negligible overall effect on the all items 12-month rate change.
- There is a large downward contribution coming from **passenger transport by air**.
- Offset by small upward contributions coming from **passenger transport by sea and inland waterway**, **passenger transport by road** and **passenger transport by railway**.

Passenger transport by railway

- Small upward effect.
- Average charges for international rail journeys fell this year by less than a year ago.

Passenger transport by road

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

Passenger transport by air

- Large downward effect.
- Average air fares rose this year by less than a year ago, with the main downward contributions coming from European and, to a lesser extent, long haul flights.
- Partially offset by a small upward contribution coming from fares for domestic routes, where average prices fell this year by less than a year ago.

Passenger transport by sea and inland waterway

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

08 COMMUNICATION	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
08 Communication	31	32	-0.2	0.9	0.04

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

08.1 Postal services	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
08.1 Postal services	2	2	-	-	-

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

08.2/3 Telephone equipment and services	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
08.2/3 Telephone equipment and services	29	30	-0.3	0.9	0.04

- Large upward effect on the all items 12-month rate change.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from bundled telecommunication services and mobile telephone applications.

09 RECREATION AND CULTURE	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
09 Recreation and culture	147	148	-0.1	-0.4	-0.04

- Large downward effect on the all items 12-month rate change.
- Due to **other recreational items, gardens and pets**; and, to a lesser extent, **package holidays**.
- Partially offset by **audio-visual equipment and related products**; and **books, newspapers and stationery**.

09.1 Audio-visual equipment and related products	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
09.1 Audio-visual equipment and related products	23	18	-1.7	-1.0	0.02
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	5	2.4	-0.2	-0.01
09.1.2 Photographic, cinematographic and optical equipment	3	2	0.6	0.3	-
09.1.3 Data processing equipment	9	7	-4.8	-1.9	0.03
09.1.4 Recording media	5	3	-2.1	-1.6	0.01
09.1.5 Repair of audio-visual equipment and related products	1	1	0.2	-	-

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

Equipment for the reception and reproduction of sound and pictures

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

Data processing equipment

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contributions coming from PC peripherals and tablet computers.

Recording media

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

09.2 Other major durables for recreation and culture	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 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.

09.3 Other recreational items, gardens and pets	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
09.3 Other recreational items, gardens and pets	36	35	0.5	-0.9	-0.05
09.3.1 Games, toys and hobbies	21	20	0.7	-1.1	-0.04
09.3.2 Equipment for sport and open-air recreation	4	3	0.7	-0.9	-0.01
09.3.3 Gardens, plants and flowers	4	4	-0.3	-0.2	-
09.3.4/5 Pets, related products and services	7	8	-0.1	-0.7	-0.01

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

Games, toys and hobbies

- Large downward effect.
- Prices overall fell this year but rose a year ago, particularly for computer games.
- Partially offset by a small upward contribution coming from children's soft toys, where prices overall rose this year but fell a year ago.

Equipment for sport and open-air recreation

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

Pets, related products and services

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

09.4 Recreational and cultural services	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
09.4 Recreational and cultural services	31	33	0.4	0.3	-
09.4.1 Recreational and sporting services	8	10	0.2	-	-
09.4.2 Cultural services	23	23	0.4	0.4	-

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

09.5 Books, newspapers and stationery	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	14	-0.9	-0.4	0.01
09.5.1 Books	4	4	-0.9	1.1	0.01
09.5.2 Newspapers and periodicals	5	5	-0.7	-0.8	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	5	-1.0	-1.2	-

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

09.6 Package holidays	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
09.6 Package holidays	33	36	-	-0.4	-0.01

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

10 EDUCATION	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
10 Education	26	25	-	-	-

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

11 RESTAURANTS AND HOTELS	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 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 **accommodation services** and **catering services**.

11.1 Catering services	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
11.1 Catering services	100	101	0.1	0.2	0.01
11.1.1 Restaurants and cafes	91	93	0.1	0.2	0.01
11.1.2 Canteens	9	8	-0.2	0.2	-

- 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.

11.2 Accommodation services	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
11.2 Accommodation services	21	22	0.9	2.0	0.03

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

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
12 Misc. goods and services	91	96	-0.2	0.1	0.03

- Small upward effect on the all items 12-month rate change.
- Due to **insurance, financial services not elsewhere covered** and **personal effects not elsewhere covered**.

12.1 Personal care	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
12.1 Personal care	30	31	-0.7	-0.6	-
12.1.1 Hairdressing and personal grooming establishments	7	8	0.1	0.2	-
12.1.2/3 Appliances and products for personal care	23	23	-0.9	-0.9	-

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

12.3 Personal effects not elsewhere covered	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
12.3 Personal effects not elsewhere covered	14	16	0.4	0.6	0.01
12.3.1 Jewellery, clocks and watches	9	9	0.4	0.5	-
12.3.2 Other personal effects	5	7	0.3	0.8	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **other personal effects**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from trolley cases.

12.4 Social protection	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 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.

12.5 Insurance	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
12.5 Insurance	10	9	-0.2	1.6	0.02
12.5.2 House contents insurance	2	2	-1.1	0.8	-
12.5.3 Health insurance	3	3	-	-	-
12.5.4 Transport insurance	5	4	-	3.3	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **transport insurance**, where average car insurance premiums rose this year by more than a year ago.

12.6 Financial services not elsewhere covered	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
12.6 Financial services not elsewhere covered	12	12	-0.6	-	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall were little changed this year but fell a year ago, with the main upward contribution coming from mortgage fees.

12.7 Other services not elsewhere covered	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to CPI annual rate change
12.7 Other services not elsewhere covered	12	12	0.2	0.2	-

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

RPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
FOOD	109	102	-0.2	-0.4	-0.02
CATERING	47	47	0.1	0.2	0.01
ALCOHOLIC DRINKS	56	57	0.5	0.3	-0.01
TOBACCO	27	25	0.1	0.3	-
HOUSING	263	266	0.1	0.2	0.02
FUEL AND LIGHT	45	41	-0.3	0.2	0.02
HOUSEHOLD GOODS	59	62	0.5	0.3	-0.02
HOUSEHOLD SERVICES	65	67	0.1	0.3	0.01
CLOTHING AND FOOTWEAR	42	41	0.6	0.1	-0.02
PERSONAL GOODS AND SERVICES	41	42	-0.2	-0.1	-
MOTORING EXPENDITURE	115	117	0.4	1.4	0.11
FARES AND OTHER TRAVEL COSTS	25	26	2.6	1.4	-0.03
LEISURE GOODS	28	29	-0.5	-0.6	-0.01
LEISURE SERVICES	78	78	0.2	0.1	-0.01

RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +1.4%, up from +1.3% last month Highest since March 2016 (+1.6%)
All items RPI exc MIPS (RPIX)	Annual rate +1.5%, up from +1.4% last month Highest since March 2016 (+1.6%)
All items RPI exc MIPS and indirect taxes (RPIY)	Annual rate +1.3%, unchanged from last month Last higher in March 2016 (+1.7%) Last lower in December 2015 (+1.1%)
Seasonal food	Annual rate -3.3%, down from -3.1% last month Lowest since March 2015 (-4.4%)
Catering	Annual rate +2.0%, up from +1.9% last month Also +2.0% in January 2015 Last higher in December 2014 (+2.1%)
Housing	Annual rate +3.3%, up from +3.2% last month Also +3.3% in March 2015 Last higher in February 2015 (+3.4%)
Fuel and light	Annual rate -3.8%, up from -4.4% last month Highest since April 2015 (-3.7%)
Clothing and footwear	Annual rate +5.7%, down from +6.2% last month Lowest since November 2012 (+5.5%)
Motoring expenditure	Annual rate -0.1%, up from -1.0% last month Highest since July 2014 (+0.1%)
Fares and other travel	Annual rate -0.4%, down from +0.8% last month Lowest since August 2006 (-0.7%)
Leisure services	Annual rate +2.4%, down from +2.5% last month Also +2.4% in August 2015, March 2015 and July 2014 Last lower in June 2014 (+2.0%)
All goods	Annual rate -0.6%, unchanged from last month Also -0.6% in March 2016 Last higher in February 2016 (-0.5%) Last lower in December 2015 (-1.2%)
All services	Annual rate +2.4%, up from +2.2% last month Highest since March 2016 (+2.9%)
Petrol and oil	Annual rate -7.1%, up from -7.8% last month Highest since November 2014 (-5.7%)

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 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
FOOD	109	102	-0.2	-0.4	-0.02

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

Seasonal Food	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	-0.2	-0.3	-
Home killed lamb	1	1	-4.2	-0.9	-
Fresh fish	2	2	-0.9	-0.2	-
Eggs	1	1	0.2	-0.5	-
Unprocessed potatoes	2	1	1.5	-3.7	-0.01
Other fresh vegetables	6	6	-0.3	-0.2	-
Fresh fruit	6	7	0.3	0.2	-

- Negligible overall effect on the all items 12-month rate change.
- There is a downward contribution coming from **unprocessed potatoes**, where prices overall fell this year but rose a year ago.

Non-Seasonal Food	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
NON-SEASONAL FOOD	91	84	-0.2	-0.4	-0.02
Bread	4	4	0.7	-0.6	-0.01
Cereals	4	4	-	1.5	0.01
Biscuits and cakes	7	6	-1.1	0.5	0.01
Beef	4	4	0.5	0.9	-
Imported lamb	1	1	0.7	0.5	-
Pork	1	1	-0.6	-6.9	-0.01
Bacon	2	1	-1.1	-0.8	-
Poultry	4	4	0.1	-1.0	-
Other meat	7	6	-0.2	-0.7	-
Processed fish	2	2	-2.5	-4.3	-
Butter	1	1	1.8	-1.2	-
Oils and fats	1	1	5.4	-3.2	-0.01
Cheese	4	3	-1.3	3.1	0.01
Milk, fresh	3	3	-	-0.4	-
Milk products	4	4	0.3	0.9	-
Tea	1	1	-1.3	0.8	-
Soft drinks	10	9	-1.0	0.5	0.01
Sugar and preserves	1	1	-0.4	2.2	-
Sweets and chocolates	11	11	0.6	-0.9	-0.02
Potato products	3	2	-1.4	-3.3	-
Processed vegetables	2	2	1.8	2.4	-
Processed fruit	2	1	0.1	0.9	-
Other foods	11	10	0.1	-2.7	-0.03
Coffee and other hot drinks	1	2	-2.0	1.4	-

- Small downward effect on the all items 12-month rate change.
- Due to:
 - **Other foods, sweets and chocolates, bread and oils and fats**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from bags of non-chocolate sweets, dried potted snacks, margarine/low fat spread and cook-in sauces. Partially offset by a small upward contribution coming from mayonnaise; and
 - **Pork**, where average prices for loin chops fell this year by more than a year ago.
- Partially offset by:
 - **Biscuits and cakes, cheese and soft drinks**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from cheddar cheese, sponge cakes, cheese spread and cola-flavoured drinks; and
 - **Cereals**, where prices overall rose this year but were little changed a year ago.

CATERING	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
CATERING	47	47	0.1	0.2	0.01
Restaurant meals	28	28	-	0.2	0.01
Canteen meals	3	3	-0.1	0.4	-
Take-away meals and snacks	16	16	0.2	0.1	-

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

ALCOHOLIC DRINKS	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	56	57	0.5	0.3	-0.01
Beer on sales	19	19	-	0.1	-
Beer off sales	5	5	2.4	0.8	-0.01
Wines and spirits on sales	18	19	0.1	0.3	-
Wines and spirits off sales	14	14	0.7	0.3	-

- Small downward effect on the all items 12-month rate change.
- Due to **beer off sales**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from cider.

TOBACCO	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
TOBACCO	27	25	0.1	0.3	-
Cigarettes	23	21	0.1	0.2	-
Other tobacco products	4	4	0.2	0.9	-

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

HOUSING	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
HOUSING	263	266	0.1	0.2	0.02
Rent	84	83	0.2	0.2	-0.01
Mortgage interest payments	29	28	-0.3	-0.2	-
Council tax and rates	40	40	-	-	-
Water and other charges	14	13	-	-	-
Repairs and maintenance charges	9	9	-	-	-
DIY materials	8	7	0.3	-0.5	-0.01
Dwelling insurance and ground rent	6	6	-0.1	1.2	0.01
House depreciation	73	80	0.2	0.5	0.02

- Small upward effect on the all items 12-month rate change.
- Due to:
 - **House depreciation**, with the smoothed house price index used to calculate this component rising this year by more than a year ago; and
 - **Dwelling insurance and ground rent**, where average insurance premiums rose this year but fell a year ago.
- Partially offset by:
 - **DIY materials**, where prices overall fell this year but rose a year ago; and
 - **Rent**, where average charges for private rented properties rose this year by less than a year ago.

FUEL AND LIGHT	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
FUEL AND LIGHT	45	41	-0.3	0.2	0.02
Coal and solid fuels	1	1	-2.1	-1.2	-
Electricity	21	20	-	-	-
Gas	21	18	-0.7	-	0.01
Oil and other fuels	2	2	1.3	5.4	0.01

- 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 by more than a year ago; and
 - **Gas**, where average charges were unchanged this year but fell a year ago.

HOUSEHOLD GOODS	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
HOUSEHOLD GOODS	59	62	0.5	0.3	-0.02
Furniture	22	25	0.6	0.6	-
Furnishings	9	8	1.4	-0.3	-0.02
Electrical appliances	5	7	-0.3	0.6	0.01
Other household equipment	4	4	0.7	-0.1	-
Household consumables	12	11	0.3	0.6	-
Pet care	7	7	-	-1.0	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
 - **Furnishings**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from tufted carpets and floor rugs; and
 - **Pet care**, where prices overall fell this year but were little changed a year ago.
- Partially offset by **electrical appliances**, where prices overall rose this year but fell a year ago.

HOUSEHOLD SERVICES	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	65	67	0.1	0.3	0.01
Domestic services	13	14	0.3	0.3	-
Fees and subscriptions	26	27	0.1	-	-
Postage	1	1	-	-	-
Telephone charges	25	25	-	0.6	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **telephone charges**, where prices overall rose this year but were little changed a year ago, with the main upward contribution coming from charges for bundled telecommunication services.

CLOTHING AND FOOTWEAR	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	42	41	0.6	0.1	-0.02
Men's outerwear	8	9	-0.1	-	-
Women's outerwear	16	15	0.8	1.0	-
Children's outerwear	5	4	1.5	-2.1	-0.02
Other clothing	5	5	0.1	-0.9	-0.01
Footwear	8	8	0.4	0.5	-

- Small downward effect on the all items 12-month rate change.
- Due to **children's outerwear** and **other clothing**, where prices overall fell this year but rose a year ago.

PERSONAL GOODS & SERVICES	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
PERSONAL GOODS & SERVICES	41	42	-0.2	-0.1	-
Personal articles	10	12	0.2	0.5	-
Chemists' goods	17	15	-0.6	-1.1	-
Personal services	14	15	0.1	0.2	-

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

MOTORING EXPENDITURE	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
MOTORING EXPENDITURE	115	117	0.4	1.4	0.11
Purchase of motor vehicles	42	45	-0.6	-0.1	0.02
Maintenance of motor vehicles	16	16	0.2	0.3	-
Petrol and oil	35	33	1.9	2.7	0.02
Vehicle tax and insurance	22	23	0.2	3.1	0.07

- Largest upward effect on the all items 12-month rate change.
- Due to:
 - **Vehicle tax and insurance**, where average premiums for car insurance rose this year by more than a year ago; and to a lesser extent
 - **Petrol and oil**, where prices overall rose this year by more than a year ago. The price of petrol, as recorded for the RPI, rose by 2.8 pence per litre between April and May 2016, to stand at 108.2 pence per litre, compared with a smaller rise of 2.6 pence per litre last year to stand at 115.1 pence per litre. Diesel prices rose by 3.0 pence per litre,

to stand at 109.0 pence per litre in May 2016, compared with a smaller rise of 1.4 pence per litre last year to stand at 120.6 pence per litre; and

- **Purchase of motor vehicles**, where prices overall fell this year by less than a year ago, particularly for second-hand cars.

FARES AND OTHER TRAVEL COSTS	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	26	2.6	1.4	-0.03
Rail fares	7	7	-0.9	-0.3	-
Bus and coach fares	3	3	-1.3	-	-
Other travel costs	15	16	4.9	2.4	-0.04

- Largest 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.

LEISURE GOODS	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
LEISURE GOODS	28	29	-0.5	-0.6	-0.01
Audio-visual equipment	7	7	-1.4	-1.5	-
CDs and tapes	2	2	-1.7	-0.8	-
Toys, photographic and sports goods	8	9	0.8	-0.7	-0.01
Books and newspapers	6	6	-0.8	-	0.01
Gardening products	5	5	-0.1	0.3	-

- Small downward effect on the all items 12-month rate change.
- Due to **toys, photographic and sports goods**, where prices overall fell this year but rose a year ago, particularly for computer games.
- Partially offset by **books and newspapers**, where prices overall were little changed this year but fell a year ago.

LEISURE SERVICES	Weight 2015	Weight 2016	1 month % change May 2015	1 month % change May 2016	Contribution to RPI annual rate change
LEISURE SERVICES	78	78	0.2	0.1	-0.01
TV licence and rentals	12	12	-	-	-
Entertainment and other recreation	15	16	0.4	0.4	-
Foreign holidays	41	40	0.1	-0.4	-0.02
UK holidays	10	10	0.6	1.6	0.01

- Small downward effect on the all items 12-month rate change.
- Due to **foreign holidays**, where prices overall fell this year but rose a year ago.
- Partially offset by **UK holidays**, where prices overall rose this year by more than a year ago.

RECONCILIATION OF CPI AND RPI

(Table 5 of the Consumer Price Inflation Dataset)

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

The difference between the CPI and RPI unrounded annual rates in May 2016 was -1.09 percentage points, widening from -1.03 percentage points in April 2016.

The main factors contributing to the widening were:

- **The formula effect**, which increased the RPI 12-month rate relative to the CPI 12-month rate by 0.04 percentage points between April and May 2016. The effect came mainly from clothing and footwear.
- **Other housing components**, which increased the RPI 12-month rate by 0.02 percentage points between April and May 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		March 2016	April 2016	May 2016
Petrol per litre	Diesel	£1.03	£1.06	£1.09
	Petrol	£1.02	£1.05	£1.08
Alcohol pub prices	Draught bitter (pint)	£2.98	£2.99	£2.99
	Draught lager (pint)	£3.46	£3.47	£3.48
	Whisky (per nip)	£2.67	£2.68	£2.68
Cigarettes	Per 20 king size	£9.09	£9.25	£9.27

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
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
April 2016	+0.1	Down -0.02% points	-0.02% points
May 2016	+0.3	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 shown a mixed pattern of rises and falls in June of recent years, but are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPI seasonal food index			
Year	April	May	June
2010	0.6	-0.6	0.9
2011	-1.1	2.9	0.5
2012	-1.3	0.5	0.7
2013	0.5	-0.3	-1.5
2014	-1.7	-1.6	-0.5
2015	-0.7	0.1	-
2016	-0.9	-0.7	

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

CLOTHING AND FOOTWEAR

- With the exception of 2014, prices for clothing and footwear tend to fall in June as a result of the summer sales.

Monthly % change for CPI clothing and footwear index			
Year	April	May	June
2010	2.2	0.3	-2.1
2011	1.3	0.4	-1.9
2012	0.2	-0.1	-4.2
2013	-	1.2	-1.9
2014	1.0	-0.1	0.6
2015	0.7	0.5	-0.4
2016	-0.3	-0.2	

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

FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

- With the exception of 2012 and 2013, prices for furniture, household equipment and maintenance have tended to rise in June.

Monthly % change for CPI furniture, household equipment and maintenance index			
Year	April	May	June
2010	-1.6	1.2	0.7
2011	-0.8	0.4	0.4
2012	-1.2	0.6	-
2013	-1.3	1.1	-0.5
2014	-0.9	0.5	0.2
2015	-1.2	0.6	0.3
2016	-1.5	0.4	

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

TRANSPORT

Fuels and Lubricants

- Oil prices have fallen, due to rising economic concerns in Europe and Asia. The softening comes a week after crude prices hit 2016 highs on the back of a quicker-than-expected rebalancing in physical oil markets. Brent crude oil futures fell to \$50.03 per barrel, down 51 cents, after trading as low as \$49.80. U.S. crude was down 61 cents at \$48.46 a barrel. (uk.reuters.com 13 June 2016)
- When considering the price of petrol between May and June 2016, it may be useful to note that the average price of petrol rose by 1.1 pence per litre between May and June 2015, standing at 116.4 pence per litre as measured in the CPI.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately 0.03 percentage points to the 1-month change in the CPI.

Passenger Transport by Air

- With the exception of 2013, air fares have tended to rise in June.

Monthly % change for CPI air fares index			
Year	April	May	June
2010	-1.0	6.0	10.0
2011	29.0	-11.1	8.5
2012	7.4	1.4	7.4
2013	-6.4	22.0	-2.8
2014	17.9	-3.2	7.0
2015	4.5	10.4	0.3
2016	-14.2	3.8	

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

HOUSING (RPI)

Mortgage interest payments (MIPs)

- The Bank of England Bank Rate remained unchanged at 0.5% on Thursday 12 May 2016.
- The change in average mortgage interest rates recorded in the RPI was -0.01% between May and June 2015. The Bank of England Bank Rate remained unchanged at 0.5% in May 2015.
- A one percentage point change in the average mortgage interest rate contributes approximately 0.9 percentage points to the 1-month percentage change in the RPI.

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