

# Statistical Bulletin

# **BRIEFING NOTE**

# Consumer Price Inflation April 2016

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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 <u>Users and uses of consumer price inflation statistics (2013)</u>.

The main movements for CPI in April 2016 are:

- The all items CPI is 100.2, unchanged from last month.
- The all items CPI annual rate is 0.3%, down from 0.5% in March.
- The annual rate for CPI excluding indirect taxes, CPIY, is 0.1%, down from 0.4% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 0.2%, down from 0.4% last month.
- The CPI all goods index is 98.8, unchanged from last month.
- The CPI all goods index annual rate is -1.6%, unchanged from last month.
- The CPI all services index is 101.9, up from 101.7 in March.
- The CPI all services index annual rate is 2.4%, down from 2.8% last month.

#### <u>CPIH</u>

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 <u>assessment report</u> 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 April 2016 are:

- The all items CPIH is 100.5, up from 100.4 in March.
- The all items CPIH annual rate is 0.6%, down from 0.7% in March.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 0.6%, down from 0.8% last month.
- The OOH component of CPIH is 101.8, up from 101.5 in March.
- The OOH component annual rate is 2.2%, up from 2.1% last month.
- The CPIH all goods index is 98.8, unchanged from last month.
- The CPIH all goods index annual rate is -1.6%, unchanged from last month.
- The CPIH all services index is 101.8, up from 101.6 in March.
- The CPIH all services index annual rate is 2.3%, down from 2.6% 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 <u>full</u> <u>assessment report</u> 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 <u>Users and uses of consumer price inflation statistics (2013)</u>.

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



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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 April 2016 are:

- The all items RPI is 261.4, up from 261.1 in March.
- The all items RPI annual rate is 1.3%, down from 1.6% last month.
- The all items RPIJ is 239.6, up from 239.4 in March.
- The all items RPIJ annual rate is 0.7%, down from 0.8% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 1.4%, down from 1.6% last month.
- The all goods RPI is 197.8, unchanged from last month.
- The all goods RPI annual rate is -0.6%, unchanged from last month.
- The all services RPI is 356.7, down from 357.2 in March.
- The all services RPI annual rate is 2.2%, down from 2.9% last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 1.3%, down from 1.7% last month.
- The Tax and Price Index (TPI) for April is 228.8, up from 228.0 in March.
- The TPI annual rate is 1.6%, up from 1.1% last month.

## **CPI SUMMARY**

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

	Weight	Weight	1 month	1 month	Contribution
CPI COICOP DIVISIONS	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
01: Food and non-alcoholic beverages	110	103	-0.4	-0.1	0.03
02: Alcoholic beverages and tobacco	43	42	0.5	0.8	0.01
03: Clothing and footwear	70	71	0.7	-0.3	-0.08
04: Housing, water, electricity, gas and other fuels	128	120	0.4	-0.2	-0.07
05: Furniture, household equipment and maintenance	59	59	-1.2	-1.5	-0.02
06: Health	25	28	0.7	0.9	0.01
07: Transport	149	153	1.1	-0.1	-0.18
08: Communication	31	32	-	0.2	0.01
09: Recreation and culture	147	148	0.2	0.8	0.09
10: Education	26	25	-	-	-
11: Restaurants and hotels	121	123	0.3	0.4	0.02
12: Miscellaneous goods and services	91	96	-	-	-

#### Large downward effects came from:

Transport, where prices, overall, fell by 0.1% between March and April this year compared with a rise of 1.1% between the same 2 months a year ago. By far the largest downward effect came from air transport, with prices falling by 14.2% compared with a rise of 4.5% between the same 2 months last year. This is influenced by the timing of Easter, which contributed to a large increase in fares between February and March 2016, with a subsequent fall in April 2016. There was also a smaller downward effect from purchase of vehicles, particularly second-hand cars, for which prices fell between March and April 2016, compared with a rise between the same 2 months last year. These downward effects were partially offset by an upward contribution from motor fuels, with prices for both petrol and diesel rising by more than they did a year ago;



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lational Statistics

- **Clothing and footwear**, where the downward contribution came from clothing, with prices, overall, falling by 0.4% between March and April this year compared with a rise of 0.9% between the same 2 months a year ago. Much of the downward contribution came from women's outerwear; and
- Housing, water, electricity, gas and other fuels, where prices, overall, fell by 0.2% between March and April 2016 compared with a rise of 0.4% between the same 2 months a year ago. The downward effect came mainly from social housing rent. This is likely to be due to changes that were announced in the Summer Budget 2015, in which social housing rent was set to decrease by 1% for the next 4 years, starting in April 2016.

#### A large upward effect came from:

• Recreation and culture, where prices, overall, rose by 0.8% compared with a rise of 0.2% between the same 2 months a year ago. The upward contribution came mainly from computer games, with prices rising between March and April 2016 compared with a fall last year, and from admission to cultural events, for which prices increased by more than they did a year ago.

#### A small upward effect came from:

• Food and non-alcoholic beverages, where the upward contribution came from food, with prices, overall, being unchanged between March and April 2016, having fallen by 0.4% a year ago. The overall upward contribution was due to smaller upward pressures across a variety of products.

# **CPI NOTABLE MOVEMENTS**

All items CPI	Annual rate +0.3%, down from +0.5% last month Also +0.3% in February 2016 and January 2016 Last lower in December 2015 (+0.2%)
All items CPI exc energy, food, alcohol and tobacco	Annual rate +1.2%, down from +1.5% last month Also +1.2% in February 2016, January 2016 and November 2015 Last lower in October 2015 (+1.1%)
Housing, water, electricity, gas and other fuels	Annual rate -0.1%, down from +0.4% last month Lowest since February 2010 (-1.0%)
Recreation and culture	Annual rate +0.4%, up from -0.2% last month Highest since December 2014 (+0.6%)
Restaurants and hotels	Annual rate +2.3%, up from +2.1% last month Highest since January 2015 (+2.4%)
All goods	Annual rate -1.6%, unchanged from last month Last higher in January 2016 (-1.5%) Last lower in December 2015 (-2.1%)
All services	Annual rate +2.4%, down from +2.8% last month Also +2.4% in February 2016 Last lower in January 2016 (+2.3%)

# **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 Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
01 Food & non-alcoholic beverages	110	103	-0.4	-0.1	0.03

- Small upward 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	1 month % change	Contribution to CPI annual
			Apr 2015	Apr 2016	rate change
01.1 Food	97	91	-0.4	-	0.04
01.1.1 Bread and cereals	16	15	-0.9	-0.5	0.01
01.1.2 Meat	22	21	-	-0.6	-0.01
01.1.3 Fish	4	4	-3.0	-0.3	0.01
01.1.4 Milk, cheese and eggs	14	12	-0.6	-1.1	-0.01
01.1.5 Oils and fats	2	2	-0.9	10.5	0.02
01.1.6 Fruit	10	9	-	-1.9	-0.02
01.1.7 Vegetables including potatoes	14	13	-0.6	-0.2	0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	0.5	2.7	0.03
01.1.9 Food products not elsewhere covered	3	3	0.6	1.3	-

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

#### **Bread and cereals**

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from potted snacks.
- Partially offset by a small downward contribution coming from packs of individual cakes, where prices fell this year but rose a year ago.



#### Meat

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

#### Fish

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for fresh white fish and fresh salmon.

#### Milk, cheese and eggs

- Small downward effect.
- Prices overall fell this year by more than a year ago, particularly for yoghurt/fromage frais. Partially offset by a small upward contribution coming from flavoured milk.

#### Oils and fats

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

#### Fruit

- Small downward effect.
- Prices overall fell this year but were little changed a year ago, with the main downward contribution coming from peaches/nectarines.

#### Vegetables including potatoes

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for premium potato crisps.

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

- Small upward effect.
- Prices overall rose this year by more than a year ago, with the main upward contributions coming from cartons/boxes of chocolates and bags of non-chocolate sweets.
- Partially offset by a small downward contribution from chocolate covered ice cream bars, where prices overall fell this year but rose a year ago.

01.2 Non-alcoholic beverages	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
01.2 Non-alcoholic beverages	13	12	-0.2	-1.0	-0.01
01.2.1 Coffee, tea and cocoa	3	3	1.4	-0.2	-
01.2.2 Mineral waters, soft drinks and juices	10	9	-0.6	-1.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **mineral waters, soft drinks and juices**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from bottled cola flavoured drinks.

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	43	42	0.5	0.8	0.01

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

02.1 Alcoholic Beverages	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
02.1 Alcoholic beverages	19	19	-1.0	-0.4	0.01
02.1.1 Spirits	5	5	-2.5	-1.4	0.01
02.1.2 Wine	9	9	-	-0.3	-
02.1.3 Beer	5	5	-1.1	0.4	0.01

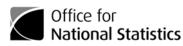
- Small upward effect on the all items 12-month rate change.
- Due to **spirits** and **beer**.

#### Spirits

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for bottles of vodka.

#### Beer

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for large multipacks of lager.



02.2 Tobacco	Weight	Weight	1 month	1 month	Contribution
	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
02.2 Tobacco	24	23	1.6	1.8	-

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

03 CLOTHING AND FOOTWEAR	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
03 Clothing and footwear	70	71	0.7	-0.3	-0.08

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

03.1 Clothing	Weight	Weight	1 month	1 month	Contribution
	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
03.1 Clothing	60	61	0.9	-0.4	-0.08
03.1.2 Garments	54	54	0.8	-0.6	-0.08
03.1.3 Other clothing and clothing accessories	5	6	2.0	1.1	-
03.1.4 Cleaning, repair and hire of clothing	1	1	0.3	0.2	-

- 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 jumpers, cardigans, casual trousers, dresses, casual skirts and men's football shirts.
- Partially offset by a small upward contribution coming from women's shower-proof jackets, where prices rose this year but fell a year ago.

03.2 Footwear including repairs	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to CPI annual
			Apr 2015	Apr 2016	rate change
03.2 Footwear including repairs	10	10	-0.3	0.1	-

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and other fuels	128	120	0.4	-0.2	-0.07

- Large downward effect on the all items 12-month rate change.
- Due to actual rentals for housing; and electricity, gas and other fuels.
- Partially offset by other services related to the dwelling.

04.1 Actual rentals for housing	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
04.1 Actual rentals for housing	72	72	0.8	-0.2	-0.07

- Large downward effect on the all items 12-month rate change.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from Registered Social Landlord (RSL) rents and, to a lesser extent, local authority rents and self catering UK holidays.

04.3 Regular maintenance and repair of the dwelling	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	-0.1	-0.3	-
04.3.1 Materials for maintenance and repair	1	1	-0.3	-0.5	-
04.3.2 Services for maintenance and repair	1	1	0.1	-	-

04.4 Other services related to the dwelling	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
04.4 Other services related to the dwelling	12	11	-0.7	1.4	0.02
04.4.1 Water supply	6	6	-1.7	0.9	0.02
04.4.3 Sewerage collection	6	5	0.3	1.9	0.01

- Small upward effect on the all items 12-month rate change.
- Due to water supply; and sewerage collection.

#### Water supply

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

#### Sewerage collection

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

04.5 Electricity, gas and other fuels	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
04.5 Electricity, gas and other fuels	42	35	-0.1	-0.6	-0.02
04.5.1 Electricity	20	17	-0.2	-0.2	-
04.5.2 Gas	20	16	-0.1	-1.3	-0.02
04.5.3 Liquid fuels	1	1	0.2	2.3	-
04.5.4 Solid fuels	1	1	0.1	0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to **gas**, where average charges fell this year by more than a year ago.

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	59	59	-1.2	-1.5	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to household appliances, fitting and repairs; and tools and equipment for house and garden.
- Partially offset by furniture, furnishings and carpets; and goods and services for routine

#### maintenance.

05.1 Furniture, furnishings and carpets	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	21	20	-2.4	-2.3	0.01
05.1.1 Furniture and furnishings	15	16	-2.2	-2.5	-0.01
05.1.2 Carpets and other floor coverings	6	4	-3.2	-1.5	0.01

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

#### Furniture and furnishings

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from kitchen units and dining room furniture.

#### Carpets and other floor coverings

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

05.2 Household textiles	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
05.2 Household textiles	6	7	-1.1	-0.9	-

05.3 Household appliances, fitting and repairs	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
05.3 Household appliances, fitting and repairs	8	8	0.2	-2.0	-0.02
05.3.1/2 Major appliances and small electric goods	7	7	0.1	-2.3	-0.02
05.3.3 Repair of household appliances	1	1	1.1	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to major appliances and small electric goods, where prices overall fell this year but

rose a year ago, particularly for washing machines.

05.4 Glassware, tableware and household utensils	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	-0.7	-0.8	-

05.5 Tools and equipment for house and garden	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	5	5	0.2	-1.8	-0.01

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

05.6 Goods and services for routine maintenance	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	-1.0	-0.6	0.01
05.6.1 Non-durable household goods	5	5	-2.8	-2.0	-
05.6.2 Domestic services and household services	8	8	0.1	0.3	-

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

06 HEALTH	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
06 Health	25	28	0.7	0.9	0.01

- Small upward effect on the all items 12-month rate change.
- Due to medical products, appliances and equipment; and out-patient services.
- Partially offset by hospital services.

06.1 Medical products, appliances and equipment	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	12	13	-0.2	0.5	0.01
06.1.1 Pharmaceutical products 06.1.2/3 Other medical and therapeutic equipment	5	8 5	-0.5 0.3	0.7 0.2	0.01

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

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• Due to **pharmaceutical products**, where prices overall rose this year but fell a year ago, particularly for pain killer tablets/capsules.

06.2 Out-patient services	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
06.2 Out-patient services	5	7	0.3	1.1	0.01
06.2.1/3 Medical and paramedical services	3	4	-0.4	-	-
06.2.2 Dental services	2	3	1.3	2.6	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **dental services**, where prices overall rose this year by more than a year ago, particularly for NHS dental charges.

	Weight	Weight	1 month	1 month	Contribution
06.3 Hospital services	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
06.3 Hospital Services	8	8	2.2	1.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Charges overall rose this year by less than a year ago, with the main downward contribution coming from private surgery/self pay operations.

	Weight	Weight	1 month	1 month	Contribution
07 TRANSPORT	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
07 Transport	149	153	1.1	-0.1	-0.18

- Largest downward effect on the all items 12-month rate change.
- Due to transport services; and purchase of vehicles.
- Partially offset by operation of personal transport equipment.

07.1 Purchase of vehicles	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
07.1 Purchase of vehicles	40	43	0.6	-0.6	-0.05
07.1.1A New cars	24	25	1.0	0.2	-0.02
07.1.1B Second-hand cars	14	16	0.3	-2.1	-0.04
07.1.2/3 Motorcycles and bicycles	2	2	-2.1	2.0	0.01

- Large downward effect on the all items 12-month rate change.
- Due to second-hand cars and, to a lesser extent, new cars.
- Partially offset by motorcycles and bicycles.

#### New cars

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

#### Second-hand cars

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

#### Motorcycles and bicycles

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for children's bicycles.

07.2 Operation of personal transport equipment	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
07.2 Operation of personal transport equipment	77	73	0.8	1.7	0.07
07.2.1 Spare parts and accessories	6	5	0.1	-	-
07.2.2 Fuels and lubricants	34	32	1.6	3.4	0.06
07.2.3 Maintenance and repairs	23	22	0.1	0.1	-
07.2.4 Other services	14	14	0.2	1.0	0.01

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

#### **Fuels and lubricants**

- Large upward effect.
- The average price of petrol across the month, as recorded for the CPI, rose by 3.6 pence per litre between March and April 2016 to stand at 105.9 pence per litre.
- Last year, the average price of petrol rose by 2.0 pence per litre between March and April 2015 to stand at 112.8 pence per litre.
- The average price of diesel rose by 3.4 pence per litre between March and April 2016 to stand at 106.5 pence per litre, compared with a rise of 1.2 pence per litre a year earlier to stand at 119.2 pence per litre.

#### **Other services**

- Small upward effect.
- Prices overall rose this year by more than a year ago, particularly for vehicle excise duty.

07.3 Transport services	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to CPI annual
			Apr 2015	Apr 2016	rate change
07.3 Transport services	32	37	2.4	-3.0	-0.20
07.3.1 Passenger transport by railway	12	13	0.9	-1.0	-0.02
07.3.2 Passenger transport by road	12	12	0.8	0.6	-
07.3.3 Passenger transport by air	6	8	4.5	-14.2	-0.18
07.3.4 Passenger transport by sea and inland waterway	2	4	14.7	8.6	-

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



#### Passenger transport by railway

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

#### Passenger transport by air

- Large downward effect.
- Average air fares fell this year but rose a year ago, particularly for European flights and, to a lesser extent, long haul and domestic routes.

	Weight	Weight	1 month	1 month	Contribution
08 COMMUNICATION	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
08 Communication	31	32	-	0.2	0.01

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

	Weight	Weight	1 month	1 month	Contribution
08.1 Postal services	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
08.1 Postal services	2	2	1.7	1.5	-

08.2/3 Telephone equipment and services	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
08.2/3 Telephone equipment and services	29	30	-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.

09 RECREATION AND	Weight	Weight	1 month	1 month	Contribution
CULTURE	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
09 Recreation and culture	147	148	0.2	0.8	0.09

- Largest upward effect on the all items 12-month rate change.
- Due to other recreational items, gardens and pets; and recreational and cultural services.
- Partially offset by **books, newspapers and stationery**; and **package holidays**.

09.1 Audio-visual equipment and related products	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
09.1 Audio-visual equipment and related products	23	18	-0.5	-0.8	-
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	5	-0.9	-1.8	-
09.1.2 Photographic, cinematographic and optical equipment	3	2	0.9	-1.6	-0.01
09.1.3 Data processing equipment	9	7	-1.5	-0.6	0.01
09.1.4 Recording media	5	3	0.8	0.3	-
09.1.5 Repair of audio-visual equipment and related products	1	1	0.2	-	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **photographic**, **cinematographic** and **optical equipment**, where prices overall fell this year but rose a year ago.
- Offset by a small upward contribution coming from **data processing equipment**, where prices overall fell this year by less than a year ago, with the main upward contribution coming from tablet computers.

09.2 Other major durables for recreation and culture	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
09.2.1/2 Major durables for in/outdoor recreation	10	12	0.9	0.5	-

09.3 Other recreational items, gardens and pets	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to CPI annual
			Apr 2015	Apr 2016	rate change
09.3 Other recreational items, gardens and pets	36	35	-1.6	0.4	0.07
09.3.1 Games, toys and hobbies	21	20	-2.8	0.5	0.07
09.3.2 Equipment for sport and open-air recreation	4	3	-1.1	0.5	0.01
09.3.3 Gardens, plants and flowers	4	4	-0.1	-0.5	-
09.3.4/5 Pets, related products and services	7	8	0.9	0.6	-

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

#### Games, toys and hobbies

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

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

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

09.4 Recreational and cultural services	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to CPI annual
			Apr 2015	Apr 2016	rate change
09.4 Recreational and cultural services	31	33	2.0	3.4	0.05
09.4.1 Recreational and sporting services	8	10	2.6	2.5	-
09.4.2 Cultural services	23	23	1.8	3.8	0.05

- Large upward effect on the all items 12-month rate change.
- Due to **cultural services**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from admission to cultural events and theatre admission. Partially offset by a small downward contribution coming from admission to live music events.

09.5 Books, newspapers and stationery	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	14	1.2	0.5	-0.01
09.5.1 Books	4	4	2.9	-0.9	-0.02
09.5.2 Newspapers and periodicals	5	5	1.2	1.8	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	5	-0.2	0.2	-

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

	Weight	Weight	1 month	1 month	Contribution
09.6 Package holidays	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
09.6 Package holidays	33	36	0.2	-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, particularly for foreign city breaks and foreign hotel and self catering holidays.
- Partially offset by a small upward contribution coming from late booked foreign holidays, where prices overall rose this year but fell a year ago.

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

11 RESTAURANTS AND	Weight	Weight	1 month	1 month	Contribution
HOTELS	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
11 Restaurants and hotels	121	123	0.3	0.4	0.02

- Small upward effect on the all items 12-month rate change.
- Due to catering services.

11.1 Catering services	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 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	0.1	0.3	0.02
11.1.2 Canteens	9	8	0.1	0.3	-

- 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 contribution coming from draught beer.

11.2 Accommodation	Weight	Weight	1 month	1 month	Contribution
services	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
11.2 Accommodation services	21	22	0.9	0.8	-

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

- Negligible overall effect on the all items 12-month rate change.
- There are small upward contributions coming from **personal care**; and **other services not elsewhere covered**.
- Offset by small downward contributions coming from **personal effects not elsewhere covered**; and **insurance**.

12.1 Personal care	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to CPI annual
			Apr 2015	Apr 2016	rate change
12.1 Personal care	30	31	-0.1	-	0.01
12.1.1 Hairdressing and personal grooming establishments	7	8	0.4	0.3	-
12.1.2/3 Appliances and products for personal care	23	23	-0.3	-0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **appliances and products for personal care**, where prices overall fell this year by less than a year ago, with the main upward contributions coming from toothpaste and sunscreen.
- Partially offset by a small downward contribution coming from electric hairstyling apparatus, where prices overall fell this year by more than a year ago.

12.3 Personal effects not elsewhere covered	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
12.3 Personal effects not elsewhere covered	14	16	-0.7	-0.9	-0.01
12.3.1 Jewellery, clocks and watches	9	9	-0.9	-0.1	0.01
12.3.2 Other personal effects	5	7	-0.5	-1.9	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to other personal effects.
- Partially offset by jewellery, clocks and watches.

#### Jewellery, clocks and watches

- Small upward effect.
- Prices overall fell this year by less than a year ago.

#### Other personal effects

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

12.4 Social protection	Weight	Weight	1 month	1 month	Contribution
	2015	2016	% change	% change	to CPI annual
			Apr 2015	Apr 2016	rate change
12.4 Social protection	13	16	0.4	0.4	-

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

12.5 Insurance	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
12.5 Insurance	10	9	1.1	0.3	-0.01
12.5.2 House contents insurance	2	2	-	0.2	-
12.5.3 Health insurance	3	3	4.0	3.1	-
12.5.4 Transport insurance	5	4	-0.2	-1.7	-0.01

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

12.6 Financial services not elsewhere covered	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to CPI annual
			Apr 2015	Apr 2016	rate change
12.6 Financial services not elsewhere covered	12	12	-	-0.1	-

12.7 Other services not elsewhere covered	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to CPI annual rate change
12.7 Other services not elsewhere covered	12	12	-	0.5	0.01

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

# **RPI SUMMARY**

# CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to RPI annual rate change
				Api 2010	
FOOD	109	102	-0.3	-0.1	0.02
CATERING	47	47	0.3	0.2	-
ALCOHOLIC DRINKS	56	57	-0.4	0.1	0.03
ТОВАССО	27	25	1.6	1.7	-
HOUSING	263	266	0.6	0.7	0.02
FUEL AND LIGHT	45	41	-0.1	-0.6	-0.02
HOUSEHOLD GOODS	59	62	-1.4	-1.6	-0.02
HOUSEHOLD SERVICES	65	67	0.3	0.6	0.02
CLOTHING AND FOOTWEAR	42	41	1.2	0.1	-0.05
PERSONAL GOODS AND SERVICES	41	42	0.1	0.4	0.01
MOTORING EXPENDITURE	115	117	0.6	0.5	-0.01
FARES AND OTHER TRAVEL COSTS	25	26	1.8	-5.6	-0.21
LEISURE GOODS	28	29	-0.2	-0.1	0.01
LEISURE SERVICES	78	78	0.8	0.6	-0.01

# **RPI NOTABLE MOVEMENTS**

All items RPI	Annual rate +1.3%, down from +1.6% last month Also +1.3% in February 2016 and January 2016 Last lower in December 2015 (+1.2%)
All items RPI exc MIPS (RPIX)	Annual rate +1.4%, down from +1.6% last month Also +1.4% in February 2016 and January 2016 Last lower in December 2015 (+1.3%)
All items RPI exc MIPS and indirect taxes (RPIY)	Annual rate +1.3%, down from +1.7% last month Lowest since December 2015 (+1.1%)
Clothing and footwear	Annual rate +6.2%, down from +7.4% last month Lowest since November 2012 (+5.5%)
Fares and other travel	Annual rate +0.8%, down from +8.7% last month Also +0.8% in March 2014 Last lower in August 2013 (+0.5%)
All goods	Annual rate -0.6%, unchanged from last month Last higher in February 2016 (-0.5%) Last lower in December 2015 (-1.2%)
All services	Annual rate +2.2%, down from +2.9% last month Lowest since October 2015 (+2.1%)

# **RPI DETAILED BRIEFING**

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

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

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

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

Seasonal Food	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to RPI annual
			Apr 2015	Apr 2016	rate change
SEASONAL FOOD	18	18	-0.1	-1.1	-0.02
Home killed lamb	1	1	8.5	3.6	-
Fresh fish	2	2	-2.2	-0.6	-
Eggs	1	1	0.3	-0.2	-
Unprocessed potatoes	2	1	-	0.1	-
Other fresh vegetables	6	6	-0.4	-1.2	-
Fresh fruit	6	7	-0.7	-2.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **fresh fruit**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from peaches/nectarines.



	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2015	2016	% change	% change	to RPI annual
			Apr 2015	Apr 2016	rate change
NON-SEASONAL FOOD	91	84	-0.4	0.1	0.04
Bread	4	4	-3.2	-0.3	0.01
Cereals	4	4	0.4	-1.2	-0.01
Biscuits and cakes	7	6	0.6	-1.1	-0.01
Beef	4	4	-0.5	-0.3	-
Imported lamb	1	1	-0.3	-2.2	-
Pork	1	1	0.9	-0.9	-
Bacon	2	1	0.6	1.3	-
Poultry	4	4	-1.8	-2.6	-
Other meat	7	6	-0.9	-0.8	-
Processed fish	2	2	3.8	0.8	-0.01
Butter	1	1	4.0	4.2	-
Oils and fats	1	1	-4.1	14.9	0.02
Cheese	4	3	-0.7	-2.1	-
Milk, fresh	3	3	-0.3	0.9	-
Milk products	4	4	-0.8	-3.7	-0.01
Tea	1	1	0.4	1.9	-
Soft drinks	10	9	-0.6	-1.4	-0.01
Sugar and preserves	1	1	0.5	0.2	-
Sweets and chocolates	11	11	-0.3	3.4	0.04
Potato products	3	2	-0.6	1.4	-
Processed vegetables	2	2	-2.3	-0.3	-
Processed fruit	2	1	1.5	-0.6	-
Other foods	11	10	-0.1	1.2	0.01
Coffee and other hot drinks	1	2	1.7	-1.6	-0.01

- Large upward effect on the all items 12-month rate change.
- Due to:
  - Sweets and chocolates and, to a lesser extent, oils and fats; and other foods, where prices overall rose this year but fell a year ago, with the main upward contributions coming from bags of non-chocolate sweets, cartons/boxes of chocolates, margarine/low fat spread, dried potted snacks, tomato ketchup and canned soup.
     Partially offset by small downward contributions coming from chocolate covered ice cream bars and cook-in sauces; and
  - **Bread**, where prices overall fell this year by less than a year ago, with the main upward contribution coming from wholemeal sliced loaves.
- Partially offset by:
  - **Cereals**, and **biscuits and cakes**, where prices overall fell this year but rose a year ago, particularly for packs of individual cakes;
  - **Milk products**; and **soft drinks**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from bottles of cola flavoured drinks and yoghurt/fromage frais; and
  - **Processed fish**, where prices overall rose this year by less than a year ago.



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

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

ALCOHOLIC DRINKS	Weight	Weight	1 month	1 month	Contribution
	2015	2016	% change	% change	to RPI annual
			Apr 2015	Apr 2016	rate change
ALCOHOLIC DRINKS	56	57	-0.4	0.1	0.03
Beer on sales	19	19	-0.1	0.4	0.01
Beer off sales	5	5	-0.4	0.8	0.01
Wines and spirits on sales	18	19	0.1	0.4	0.01
Wines and spirits off sales	14	14	-1.3	-1.0	-

- Largest upward effect on the all items 12-month rate change.
- Due to:
  - Beer on sales; and beer off sales, where prices overall rose this year but fell a year ago; and
  - Wines and spirits on sales, where prices overall rose this year by more than a year ago.

ТОВАССО	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to RPI annual rate change
TOBACCO	27	25	1.6	1.7	-
Cigarettes	23	21	1.6	1.8	-
Other tobacco products	4	4	1.3	1.6	-



HOUSING	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to RPI annual
			Apr 2015	Apr 2016	rate change
HOUSING	263	266	0.6	0.7	0.02
Rent	84	83	0.8	-0.1	-0.08
Mortgage interest payments	29	28	0.1	-0.1	-0.01
Council tax and rates	40	40	1.1	2.8	0.07
Water and other charges	14	13	-0.7	1.4	0.03
Repairs and maintenance charges	9	9	0.1	-	-
DIY materials	8	7	-	-0.7	-0.01
Dwelling insurance and ground rent	6	6	-0.1	0.1	-
House depreciation	73	80	0.8	1.0	0.02

- Small upward effect on the all items 12-month rate change.
- Due to:
  - **Council tax and rates**, where average charges rose this year by more than a year ago and, to a lesser extent;
  - Water and other charges, where average costs rose this year but fell a year ago; and
  - **House depreciation**, with the smoothed house price index used to calculate this component rising this year by more than a year ago.
- Partially offset by:
  - **Rent** and **mortgage interest payments**, where average charges fell this year but rose a year ago, particularly for Registered Social Landlord (RSL) rents and local authority rents; and
  - **DIY materials**, where prices overall fell this year but were little changed a year ago, with the main downward contribution coming from door handles.

FUEL AND LIGHT	Weight	Weight	1 month	1 month	Contribution
I OLL AND LIGHT	2015	2016	% change	% change	to RPI annual
			Apr 2015	Apr 2016	rate change
FUEL AND LIGHT	45	41	-0.1	-0.6	-0.02
Coal and solid fuels	1	1	0.1	0.3	-
Electricity	21	20	-0.2	-0.2	-
Gas	21	18	-	-1.4	-0.02
Oil and other fuels	2	2	-0.3	1.8	-

- Small downward effect on the all items 12-month rate change.
- Due to **gas**, where average charges fell this year but were little changed a year ago.

HOUSEHOLD GOODS	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to RPI annual
			Apr 2015	Apr 2016	rate change
HOUSEHOLD GOODS	59	62	-1.4	-1.6	-0.02
Furniture	22	25	-2.3	-2.7	-0.02
Furnishings	9	8	-2.1	-1.1	0.01
Electrical appliances	5	7	-	-2.0	-0.02
Other household equipment	4	4	0.3	0.4	-
Household consumables	12	11	-1.5	-1.0	0.01
Pet care	7	7	0.7	0.5	-

- Small downward effect on the all items 12-month rate change.
- Due to:
  - **Furniture**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from double beds, kitchen units and dining room furniture; and
  - Electrical appliances, where prices overall fell this year but were little changed a year ago, with the main downward contributions coming from washing machines and electric cooling fans. Partially offset by a small upward contribution coming from vacuum cleaners.
- Partially offset by **furnishings** and **household consumables**, where prices overall fell this year by less than a year ago, with the main upward contributions coming from rugs and dishwasher tablets.

HOUSEHOLD SERVICES	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to RPI annual
			Apr 2015	Apr 2016	rate change
HOUSEHOLD SERVICES	65	67	0.3	0.6	0.02
Domestic services	13	14	0.2	0.3	-
Fees and subscriptions	26	27	0.5	0.9	0.01
Postage	1	1	1.7	1.5	-
Telephone charges	25	25	0.1	0.5	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **fees and subscriptions**; and **telephone charges**, where prices overall rose this year by more than a year ago, particularly for estate agent fees and mobile telephone applications.

CLOTHING AND FOOTWEAR	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	42	41	. 1.2	. 0.1	-0.05
Men's outerwear	8	9	1.6	0.8	-0.01
Women's outerwear	16	15	2.0	-0.3	-0.04
Children's outerwear	5	4	0.3	0.3	-
Other clothing	5	5	0.9	-	-
Footwear	8	8	0.2	0.2	-

- Large downward effect on the all items 12-month rate change.
- Due to:
  - Women's outerwear, where prices overall fell this year but rose a year ago, with the main downward contributions coming from women's casual trousers, cardigans, skirts and jumpers. Partially offset by shower-proof jackets and, to a lesser extent;
  - **Men's outerwear**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from official football shirts.

PERSONAL GOODS & SERVICES	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to RPI annual rate change
PERSONAL GOODS & SERVICES	41	42	0.1	0.4	0.01
Personal articles	10	12	-0.3	-0.5	-
Chemists' goods	17	15	-0.4	0.4	0.01
Personal services	14	15	1.1	1.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **chemists' goods**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from toothpaste and sunscreen.

MOTORING EXPENDITURE	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to RPI annual rate change
MOTORING EXPENDITURE	115	117	0.6	0.5	-0.01
Purchase of motor vehicles	42	45	0.6	-1.1	-0.07
Maintenance of motor vehicles	16	16	0.2	0.1	-
Petrol and oil	35	33	1.2	3.5	0.08
Vehicle tax and insurance	22	23	0.3	-0.1	-0.01

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



- **Purchase of motor vehicles**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from second-hand and new cars and, to a lesser extent;
- Vehicle tax and insurance, where average premiums for car insurance fell this year but rose a year ago. Partially offset by vehicle excise duty where charges rose this year by more than a year ago.
- Partially offset by **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 3.7 pence per litre between March and April 2016, to stand at 105.4 pence per litre, compared with a smaller rise of 1.5 pence per litre last year to stand at 112.5 pence per litre. Diesel prices rose by 3.5 pence per litre, to stand at 106.0 pence per litre in April 2016, compared with a smaller rise of 0.9 pence per litre last year to stand at 119.2 pence per litre.

FARES AND OTHER TRAVEL COSTS	Weight 2015	Weight 2016	1 month % change Apr 2015	1 month % change Apr 2016	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	26	1.8	-5.6	-0.21
Rail fares	7	7	0.7	-0.8	-0.01
Bus and coach fares	3	3	1.6	0.5	-
Other travel costs	15	16	2.3	-8.4	-0.19

- Largest downward effect on the all items 12-month rate change.
- Due to:
  - Other travel costs where average fares fell this year but rose a year ago, particularly for air fares. Partially offset by a small upward contribution from children's bicycles; and
  - **Rail fares**, where average charges for international rail journeys fell this year but rose a year ago.

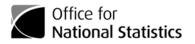
LEISURE GOODS	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to RPI annual
			Apr 2015	Apr 2016	rate change
LEISURE GOODS	28	29	-0.2	-0.1	0.01
Audio-visual equipment	7	7	-1.3	-1.4	-
CDs and tapes	2	2	0.8	1.1	-
Toys, photographic and sports goods	8	9	-1.7	0.3	0.02
Books and newspapers	6	6	1.6	0.7	-0.01
Gardening products	5	5	0.4	-0.9	-0.01

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

- Due to **toys**, **photographic and sports goods**, where prices overall rose this year but fell a year ago, particularly for computer games.
- Partially offset by:
  - Books and newspapers, where prices overall rose this year by less than a year ago, with downward contributions coming from a number of book and newspaper items.
    Partially offset by a small upward contribution coming from periodicals; and
  - **Gardening products**, where prices overall fell this year but rose a year ago.

LEISURE SERVICES	Weight 2015	Weight 2016	1 month % change	1 month % change	Contribution to RPI annual
			Apr 2015	Apr 2016	rate change
LEISURE SERVICES	78	78	0.8	0.6	-0.01
TV licence and rentals	12	12	-	0.1	-
Entertainment and other recreation	15	16	2.4	2.7	0.01
Foreign holidays	41	40	0.3	-0.1	-0.02
UK holidays	10	10	1.3	0.8	-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, with the main downward contribution coming from self catering and hotel foreign holidays and foreign holiday city breaks. Partially offset by a small upward contribution coming from late booked foreign holidays, where prices overall rose this year but fell a year ago; and
  - **UK holidays**, where prices overall rose this year by less than a year ago, particularly for self catering UK holidays.
- Partially offset by **entertainment and other recreation**, where prices overall rose this year by more than a year ago, particularly for admission to cultural events.



# **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 April 2016 was -1.03 percentage points, narrowing from -1.06 percentage points in March 2016.

The main factor contributing to the widening was:

• Other differences including weights, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.12 percentage points between March and April 2016. The effect came mainly from games, toys and hobbies and equipment for sport and open air recreation; air fares; and second-hand cars. This was partially offset by clothing and footwear; and fuels and lubricants.

The only significant offsetting factor was:

• Other housing components, which increased the RPI 12-month rate by 0.10 percentage points between March and April 2016 but are excluded from the CPI. The effect came mainly from council tax; and house depreciation.

# **RPI MISCELLANEOUS DATA**

elected Average Prices						
Description		February 2016	March 2016	April 2016		
Datral nar litra	Diesel	£1.01	£1.03	£1.06		
Petrol per litre	Petrol	£1.01	£1.02	£1.05		
	Draught bitter (pint)	£2.97	£2.98	£2.99		
Alcohol pub prices	Draught lager (pint)	£3.44	£3.46	£3.47		
•	Whisky (per nip)	£2.65	£2.67	£2.68		
Cigarettes	Per 20 king size	£9.08	£9.09	£9.25		

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
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
April 2016	+0.1	Down -0.02% points	-0.02% points

**NB:** A one percentage point change in the average mortgage interest rate contributes approx. 0.9 percentage points to the 1-month percentage change in the RPI.



# OUTLOOK

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

#### FOOD

#### **Seasonal Food**

• Seasonal food prices have shown a mixed pattern of rise and falls in May 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	March	April	Мау
2010	0.2	0.6	-0.6
2011	-2.0	-1.1	2.9
2012	-0.2	-1.3	0.5
2013	-0.7	0.5	-0.3
2014	-0.5	-1.7	-1.6
2015	-0.4	-0.7	0.1
2016	-0.8	-0.9	

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

#### **CLOTHING AND FOOTWEAR**

• With the exception of 2012 and 2014, prices for clothing and footwear tend to rise slightly in May.

Monthly % change for CPI clothing and footwear index			
Year	March	April	Мау
2010	1.8	2.2	0.3
2011	1.1	1.3	0.4
2012	2.2	0.2	-0.1
2013	2.4	-	1.2
2014	1.8	1.0	-0.1
2015	-0.1	0.7	0.5
2016	1.0	-0.3	

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

#### FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

• Prices tend to rise in May.

Monthly % change for CPI furniture, household equipment and maintenance index			
Year	March	April	Мау
2010	1.6	-1.6	1.2
2011	1.7	-0.8	0.4
2012	1.3	-1.2	0.6
2013	0.8	-1.3	1.1
2014	0.3	-0.9	0.5
2015	0.4	-1.2	0.6
2016	0.7	-1.5	

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

#### TRANSPORT

#### **Fuels and Lubricants**

• After slipping on Monday, oil prices rose as wildfires in Canada continued to force suppliers to halt production.

OPEC president Mohammed bin Saleh al-Sada said on Tuesday that he expected the oil market recovery to continue as global demand increased in the second quarter of the year. The US benchmark West Texas crude gained 2.8% to \$44.66 a barrel and Brent crude climbed 4.5% to \$45.60. (www.bbc.co.uk 10 May 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.

#### Passenger Transport by Air

• Air fares tend to rise in May, but this can depend on the position of Easter.

Monthly % change for CPI air fares index			
Year	March	April	Мау
2010	7.7	-1.0	6.0
2011	2.1	29.0	-11.1
2012	4.4	7.4	1.4
2013	5.3	-6.4	22.0
2014	1.9	17.9	-3.2
2015	2.7	4.5	10.4
2016	22.9	-14.2	

• 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 April 2016.
- The change in average mortgage interest rates recorded in the RPI was -0.02% between April and May 2015. The Bank of England Bank Rate remained unchanged at 0.5% in April 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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