

Consumer Price Inflation

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CONTENTS

SUMMARY	2
CPI SUMMARY	5
CPI NOTABLE MOVEMENTS	7
ANNUAL AVERAGE CPI 12-MONTH CHANGES	8
CPI DETAILED BRIEFING	9
RPI SUMMARY	26
RPI NOTABLE MOVEMENTS	27
ANNUAL AVERAGE RPI 12-MONTH CHANGES	28
RPI DETAILED BRIEFING	30
RECONCILIATION OF CPI AND RPI	38
RPI MISCELLANEOUS DATA	39
OUTLOOK	40

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 Reference Tables.

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](#).

The main movements for CPI in December 2015 are:

- The all items CPI is 128.5, up from 128.3 in November.
- The all items CPI annual rate is 0.2%, up from 0.1% in November.
- The annual rate for CPI excluding indirect taxes, CPIY, is 0.0%, up from -0.1% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 0.2%, up from 0.1% last month.
- The CPI all goods index is 118.4, down from 119.0 in November.
- The CPI all goods index annual rate is -2.1%, down from -1.9% last month.
- The CPI all services index is 141.3, up from 140.2 in November.
- The CPI all services index annual rate is 2.9%, up from 2.4% last month.

CPIH

CPIH is currently undergoing re-assessment to evaluate the extent to which it meets the professional standards set out in the Code of Practice for Official Statistics. CPIH was first assessed in 2013. In August 2014 its National Statistics status was removed pending work to improve the methods for measuring owner occupiers' housing costs in the index. [Full details](#) can be found on the UK Statistics Authority website and in an [explanatory note \(313.9 Kb Pdf\)](#) on our website. The improvements from the resulting development work were introduced as part of the February 2015 dataset with the historical series revised back to 2005. Further information on the changes is available in 2 articles: [Improvements to the measurement of Owner Occupiers' Housing Costs and Private Housing Rental Prices \(2.48 Mb Pdf\)](#) and [Revising the weight of Owner Occupiers' Housing in CPIH \(197.4 Kb Pdf\)](#).

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 17.8% 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 December 2015 are:

- The all items CPIH is 126.5, up from 126.4 in November.
- The all items CPIH annual rate is 0.5%, up from 0.4% in November.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 0.5%, up from 0.3% last month.
- The OOH component of CPIH is 117.8, up from 117.6 in November.
- The OOH component annual rate is 1.9%, unchanged from last month.
- The CPIH all goods index is 118.5, down from 119.2 in November.
- The CPIH all goods index annual rate is -2.1%, down from -1.9% last month.
- The CPIH all services index is 133.0, up from 132.2 in November.
- The CPIH all services index annual rate is 2.6%, 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](#).

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 December 2015 are:

- The all items RPI is 260.6, up from 259.8 in November.
- The all items RPI annual rate is 1.2%, up from 1.1% last month.
- The all items RPIJ is 239.8, up from 239.1 in November.
- The all items RPIJ annual rate is 0.5%, up from 0.3% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 1.3%, up from 1.1% last month.
- The all goods RPI is 197.3, down from 197.9 in November.
- The all goods RPI annual rate is -1.2%, down from -0.9% last month.
- The all services RPI is 357.1, up from 353.7 in November.
- The all services RPI annual rate is 2.9%, up from 2.3% last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 1.1%, up from 0.9% last month.
- The Tax and Price Index (TPI) for December is 227.6, up from 226.7 in November.
- The TPI annual rate is 0.7%, up from 0.5% last month.

CPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE CPI ANNUAL RATE

CPI COICOP DIVISIONS	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
01: Food and non-alcoholic beverages	112	110	0.3	-0.2	-0.05
02: Alcoholic beverages and tobacco	45	43	-0.2	-1.3	-0.05
03: Clothing and footwear	72	70	-1.1	-1.3	-0.01
04: Housing, water, electricity, gas and other fuels	129	128	-	-	0.01
05: Furniture, household equipment and maintenance	60	59	1.6	1.1	-0.03
06: Health	24	25	0.2	-	-
07: Transport	152	149	-0.2	1.8	0.29
08: Communication	32	31	0.6	0.4	-0.01
09: Recreation and culture	144	147	-0.2	-0.3	-0.02
10: Education	22	26	-	-	-
11: Restaurants and hotels	120	121	-	-0.2	-0.02
12: Miscellaneous goods and services	88	91	-0.1	-0.2	-0.01

A large upward effect came from:

- Transport**, where prices overall increased by 1.8% between November and December this year, compared with a fall of 0.2% between the same 2 months a year ago. The upward effect on the change in the 12-month rate came principally from air fares and to a lesser extent motor fuels. Air fares increased by 46% between November and December 2015 compared with 19% between the same 2 months a year earlier. This is the largest November to December price increase since 2002, although it is important to note that air fare prices are highly variable. November to December rises in excess of 40% were also seen in 2009 to 2011. Motor fuel prices fell by less than they did a year ago, meaning that they had an upward contribution to the change in the 12-month rate. Petrol prices fell by 3.4 pence per litre this year compared with a larger fall of 6.1 pence a year ago, while diesel fell by 2.3 pence this year compared with 4.8 pence a year ago.

Large downward effects came from:

- **Food and non-alcoholic beverages**, where prices overall fell by 0.2% between November and December this year, compared with a rise of 0.3% between the same 2 months a year ago. Price changes for cauliflower and potato crisps had the largest downward contribution to the change in the 12-month rate; and
- **Alcoholic beverages and tobacco**, where prices overall fell by 1.3%, compared with a smaller fall of 0.2% between the same 2 months a year earlier. Wine and spirits were the main contributors to the change in the 12-month rate, with both showing larger price drops than in the same period a year ago.

CPI NOTABLE MOVEMENTS

All items CPI	Annual rate +0.2%, up from +0.1% last month Highest since January 2015 (+0.3%)
All items CPI exc energy, food, alcohol and tobacco	Annual rate +1.4%, up from +1.2% last month Also +1.4% in January 2015 Last higher in October 2014 (+1.5%)
Alcoholic beverages and tobacco	Annual rate +0.3%, down from +1.4% last month Also +0.3% in October 2015 Never lower since official series began in January 1997
Health	Annual rate +1.5%, down from +1.7% last month Also +1.5% in November 2004 and October 2004 Last lower in September 2004 (+1.4%)
Transport	Annual rate -0.2%, up from -2.1% last month Also -0.2% in November 2014 Last higher in October 2014 (+0.5%)
All goods	Annual rate -2.1%, down from -1.9% last month Also -2.1% in October 2015 Last lower in September 2015 (-2.4%)
All services	Annual rate +2.9%, up from +2.4% last month Highest since September 2013 (+3.4%)

ANNUAL AVERAGE CPI 12-MONTH CHANGES

All items CPI	Annual average +0.0%, down from +1.5% last year Never lower since official series began in January 1997
Food and non-alcoholic beverages	Annual average -2.6%, down from -0.2% last year Never lower since official series began in January 1997
Alcoholic beverages and tobacco	Annual average +2.1%, down from +4.5% last year Lowest since 2004 (+2.0%)
Clothing and footwear	Annual average +0.3%, down from +0.5% last year Lowest since 2010 (-1.0%)
Housing, water, electricity, gas and other fuels	Annual average +0.5%, down from +3.0% last year Lowest since 2010 (+0.4%)
Furniture, household equipment and routine maintenance	Annual average 0.0%, down from +0.8% last year Lowest since 2006 (-0.4%)
Health	Annual average +1.9%, down from +2.8% last year Lowest since 2004 (+1.8%)
Transport	Annual average -2.1%, down from +0.3% last year Never lower since official series began in January 1997
Communication	Annual average +1.4%, up from +1.3% last year Highest since 2013 (+3.0%)
Recreation and culture	Annual average -0.6%, down from +0.9% last year Also -0.6% in 2008 Last lower in 2007 (-1.0%)
Education	Annual average +8.5%, down from +10.2% last year Lowest since 2011 (+5.2%)
Restaurants and hotels	Annual average +1.9%, down from +2.4% last year Never lower since official series began in January 1997
Miscellaneous goods and services	Annual average +0.3%, up from 0.0% last year Highest since 2013 (+1.0%)
All goods	Annual average -2.0%, down from +0.6% last year Never lower since official series began in January 1997
All services	Annual average +2.4%, down from +2.5% last year Never lower since official series began in January 1997
CPI excluding energy, food, alcohol & tobacco	Annual average -13.2%, down from -5.0% last year Never lower since official series began in January 1997

CPI DETAILED BRIEFING

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

01 FOOD & NON-ALCOHOLIC BEVERAGES	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
01 Food & non-alcoholic beverages	112	110	0.3	-0.2	-0.05

- Largest downward effect on the all items 12-month rate change.
- Due to **food** and, to a lesser extent, **non-alcoholic beverages**.

01.1 Food	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
01.1 Food	99	97	0.5	-	-0.05
01.1.1 Bread and cereals	17	16	1.1	0.6	-0.01
01.1.2 Meat	22	22	0.5	0.3	-0.01
01.1.3 Fish	4	4	-0.9	1.6	0.01
01.1.4 Milk, cheese and eggs	14	14	-0.1	1.3	0.02
01.1.5 Oils and fats	2	2	0.5	-3.5	-0.01
01.1.6 Fruit	10	10	0.8	1.2	-
01.1.7 Vegetables including potatoes	15	14	0.8	-2.3	-0.04
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	-	-1.3	-0.01
01.1.9 Food products not elsewhere covered	3	3	1.7	2.4	-

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

Bread and cereals

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contributions coming from cereal bars and cakes.

Meat

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contributions coming from frozen chicken breasts, home killed pork chops and frozen imported lamb joints.

- Partially offset by small upward contributions coming from meat pies and home killed lamb joints.

Fish

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for canned tuna, fresh salmon and fresh white fish fillets.

Milk, cheese and eggs

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for yoghurt/fromage frais.

Oils and fats

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

Vegetables including potatoes

- Large downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from potato crisps, cauliflower and old white potatoes.

Sugar, jam, syrups, chocolate and confectionery

- Small downward effect.
- Prices overall fell this year but were little changed a year ago, with the main downward contribution coming from bags of sweets.

01.2 Non-alcoholic beverages	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
01.2 Non-alcoholic beverages	13	13	-1.3	-1.8	-0.01
01.2.1 Coffee, tea and cocoa	3	3	0.3	-1.0	-
01.2.2 Mineral waters, soft drinks and juices	10	10	-1.8	-2.0	-

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

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	45	43	-0.2	-1.3	-0.05

- Large downward effect on the all items 12-month rate change.
- Due to **alcoholic beverages** and, to a lesser extent, **tobacco**.

02.1 Alcoholic Beverages	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
02.1 Alcoholic beverages	20	19	-0.7	-3.0	-0.04
02.1.1 Spirits	6	5	-0.2	-3.5	-0.02
02.1.2 Wine	9	9	-0.5	-3.4	-0.02
02.1.3 Beer	5	5	-1.7	-1.9	-

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

Spirits

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from whisky and vodka.

Wine

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

02.2 Tobacco	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
02.2 Tobacco	25	24	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.

03 CLOTHING AND FOOTWEAR	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
03 Clothing and footwear	72	70	-1.1	-1.3	-0.01

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

03.1 Clothing	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
03.1 Clothing	62	60	-1.1	-1.4	-0.01
03.1.2 Garments	55	54	-1.1	-1.5	-0.02
03.1.3 Other clothing and clothing accessories	6	5	-1.5	0.1	0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.4	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **garments** and **other clothing and clothing accessories**.

Garments

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from women's coats, casual jackets, casual trousers, skirts, T-shirts and dresses; and girl's fashion tops.
- Partially offset by small upward contributions coming from women's formal trousers and strappy tops; and men's formal shirts.

Other clothing and clothing accessories

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

03.2 Footwear including repairs	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
03.2 Footwear including repairs	10	10	-0.8	-1.0	-

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

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and other fuels	129	128	-	-	0.01

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

04.1 Actual rentals for housing	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
04.1 Actual rentals for housing	70	72	0.1	0.1	-

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

04.3 Regular maintenance and repair of the dwelling	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	0.3	0.4	-
04.3.1 Materials for maintenance and repair	1	1	0.6	0.8	-
04.3.2 Services for maintenance and repair	1	1	0.1	0.1	-

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

04.4 Other services related to the dwelling	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
04.4 Other services related to the dwelling	12	12	-	-	-
04.4.1 Water supply	6	6	-	-	-
04.4.3 Sewerage collection	6	6	-	-	-

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

04.5 Electricity, gas and other fuels	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
04.5 Electricity, gas and other fuels	45	42	-0.3	-0.2	0.01
04.5.1 Electricity	21	20	-	-	-
04.5.2 Gas	21	20	-	-	-
04.5.3 Liquid fuels	2	1	-8.1	-7.9	0.01
04.5.4 Solid fuels	1	1	-	-	-

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

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	60	59	1.6	1.1	-0.03

- Small downward effect on the all items 12-month rate change.
- Due to **furniture, furnishings and carpets** and, to a lesser extent, **household textiles**.
- Partially offset by **goods and services for routine maintenance**.

05.1 Furniture, furnishings and carpets	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	21	21	4.1	1.9	-0.05
05.1.1 Furniture and furnishings	16	15	4.7	2.4	-0.04
05.1.2 Carpets and other floor coverings	5	6	2.2	0.9	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to **furniture and furnishings** and, to a lesser extent, **carpets and other floor coverings**.

Furniture and furnishings

- Large downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contributions coming from sofa beds and kitchen units.

Carpets and other floor coverings

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

05.2 Household textiles	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
05.2 Household textiles	7	6	0.1	-1.0	-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 duvet covers and ready made curtains.

05.3 Household appliances, fitting and repairs	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
05.3 Household appliances, fitting and repairs	9	8	0.5	0.3	-
05.3.1/2 Major appliances and small electric goods	8	7	0.5	0.4	-
05.3.3 Repair of household appliances	1	1	0.2	-0.2	-

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

05.4 Glassware, tableware and household utensils	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	1.3	0.7	-

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

05.5 Tools and equipment for house and garden	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	4	5	-0.3	-	-

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

05.6 Goods and services for routine maintenance	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	-0.1	1.7	0.02
05.6.1 Non-durable household goods	5	5	-0.6	3.7	0.02
05.6.2 Domestic services and household services	8	8	0.3	0.5	-

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

06 HEALTH	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
06 Health	24	25	0.2	-	-

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

06.1 Medical products, appliances and equipment	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	10	12	0.3	-	-
06.1.1 Pharmaceutical products	6	7	0.4	0.3	-
06.1.2/3 Other medical and therapeutic equipment	4	5	0.2	-0.5	-

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

06.2 Out-patient services	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
06.2 Out-patient services	6	5	0.1	-0.1	-
06.2.1/3 Medical and paramedical services	3	3	0.2	0.1	-
06.2.2 Dental services	3	2	-	-0.3	-

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

06.3 Hospital services	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
06.3 Hospital Services	8	8	-	0.1	-

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

07 TRANSPORT	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
07 Transport	152	149	-0.2	1.8	0.29

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

07.1 Purchase of vehicles	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
07.1 Purchase of vehicles	44	40	-0.1	-	0.01
07.1.1A New cars	23	24	-	-	-
07.1.1B Second-hand cars	18	14	-0.3	-	-
07.1.2/3 Motorcycles and bicycles	3	2	-0.6	0.8	-

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

07.2 Operation of personal transport equipment	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
07.2 Operation of personal transport equipment	76	77	-2.0	-1.0	0.06
07.2.1 Spare parts and accessories	5	6	-0.4	0.4	-
07.2.2 Fuels and lubricants	35	34	-4.5	-2.8	0.06
07.2.3 Maintenance and repairs	23	23	0.1	0.1	-
07.2.4 Other services	13	14	0.2	0.6	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, fell by 3.4 pence per litre between November and December 2015 to stand at 103.8 pence per litre.
- Last year, the average price of petrol fell by 6.1 pence per litre between November and December 2014 to stand at 116.8 pence per litre.
- The average price of diesel fell by 2.3 pence per litre between November and December 2015 to stand at 107.9 pence per litre, compared with a fall of 4.8 pence per litre a year earlier to stand at 122.9 pence per litre.

Other services

- Small upward effect.
- Prices overall rose this year by more than a year ago, with the main upward contribution coming from self-drive car hire.

07.3 Transport services	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
07.3 Transport services	32	32	3.8	10.5	0.22
07.3.1 Passenger transport by railway	11	12	-0.5	-	0.01
07.3.2 Passenger transport by road	11	12	0.8	2.1	0.02
07.3.3 Passenger transport by air	6	6	19.3	46.0	0.17
07.3.4 Passenger transport by sea and inland waterway	4	2	-0.1	13.0	0.03

- Large upward effect on the all items 12-month rate change.
- Due to **passenger transport by air** and, to a lesser extent, **passenger transport by sea and inland waterway**; **passenger transport by road**; and **passenger transport by railway**.

Passenger transport by railway

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

Passenger transport by road

- Small upward effect.
- Prices overall rose this year by more than a year ago, with the main upward contribution coming from coach fares.

Passenger transport by air

- Large upward effect.
- Average air fares rose this year by more than a year ago, with the main upward contributions coming from long haul and, to a lesser extent, European flights.

Passenger transport by sea and inland waterway

- Small upward effect.
- Average sea fares rose this year but fell a year ago, with upward contributions coming from both domestic and international routes.

08 COMMUNICATION	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
08 Communication	32	31	0.6	0.4	-0.01

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

08.1 Postal services	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	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 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
08.2/3 Telephone equipment and services	30	29	0.6	0.4	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from land-line telephone charges.
- Partially offset by a small upward contribution coming from mobile telephone charges, where prices overall fell this year by less than a year ago.

09 RECREATION AND CULTURE	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
09 Recreation and culture	144	147	-0.2	-0.3	-0.02

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

09.1 Audio-visual equipment and related products	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
09.1 Audio-visual equipment and related products	22	23	0.2	-0.8	-0.02
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	5	-2.0	-2.1	-
09.1.2 Photographic, cinematographic and optical equipment	3	3	0.8	-1.9	-0.01
09.1.3 Data processing equipment	8	9	0.6	-0.7	-0.01
09.1.4 Recording media	5	5	1.3	0.6	-
09.1.5 Repair of audio-visual equipment and related products	1	1	0.2	-0.3	-

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

Photographic, cinematographic and optical equipment

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

Data processing equipment

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

09.2 Other major durables for recreation and culture	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
09.2.1/2 Major durables for in/outdoor recreation	9	10	-	0.1	-

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

09.3 Other recreational items, gardens and pets	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
09.3 Other recreational items, gardens and pets	36	36	-1.1	-0.8	0.01
09.3.1 Games, toys and hobbies	21	21	-1.9	-2.1	-0.01
09.3.2 Equipment for sport and open-air recreation	3	4	-0.8	1.1	0.01
09.3.3 Gardens, plants and flowers	4	4	1.0	2.1	0.01
09.3.4/5 Pets, related products and services	8	7	-0.4	0.5	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **equipment for sport and open-air recreation; gardens, plants and flowers; and pets, related products and services.**
- Partially offset by **games, toys and hobbies.**

Games, toys and hobbies

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from computer games consoles and children's dolls.
- Partially offset by small upward contributions coming from computer games, children's pre-school activity toys and children's soft toys.

Equipment for sport and open-air recreation

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

Gardens, plants and flowers

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

Pets, related products and services

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for complete dry dog food.

09.4 Recreational and cultural services	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
09.4 Recreational and cultural services	31	31	0.1	-0.3	-0.01
09.4.1 Recreational and sporting services	9	8	-	-	-
09.4.2 Cultural services	22	23	0.1	-0.4	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **cultural services**, where prices overall fell this year but rose a year ago, with the main downward contribution coming from theatre admission.

09.5 Books, newspapers and stationery	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	14	0.5	0.6	-
09.5.1 Books	4	4	3.4	2.4	-0.01
09.5.2 Newspapers and periodicals	5	5	-1.3	-0.5	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	5	-0.2	0.2	-

- Negligible overall effect on the all items 12-month rate change.
- There was a small downward contribution coming from **books**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from eBooks. Partially offset by a small upward contribution coming from non-fiction hard cover books.

09.6 Package holidays	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
09.6 Package holidays	32	33	-	0.1	-

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

10 EDUCATION	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
10 Education	22	26	-	-	-

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

11 RESTAURANTS AND HOTELS	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
11 Restaurants and hotels	120	121	-	-0.2	-0.02

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

11.1 Catering services	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
11.1 Catering services	100	100	-	0.4	0.04
11.1.1 Restaurants and cafes	91	91	-	0.5	0.04
11.1.2 Canteens	9	9	0.1	-0.1	-

- Large upward effect on the all items 12-month rate change.
- Due to restaurants and cafés, where prices rose this year but were little changed a year ago, with the main upward contribution coming from wine per serving.

11.2 Accommodation services	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
11.2 Accommodation services	20	21	-0.3	-2.7	-0.05

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

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
12 Misc. goods and services	88	91	-0.1	-0.2	-0.01

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

12.1 Personal care	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
12.1 Personal care	29	30	0.2	-0.9	-0.03
12.1.1 Hairdressing and personal grooming establishments	7	7	0.2	0.3	-
12.1.2/3 Appliances and products for personal care	22	23	0.2	-1.3	-0.03

- Small downward effect on the all items 12-month rate change.
- Due to **appliances and products for personal care**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from electric hair styling apparatus, tissues and deodorant.
- Partially offset by a small upward contribution from electric razors, where prices rose this year but fell a year ago.

12.3 Personal effects not elsewhere covered	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
12.3 Personal effects not elsewhere covered	13	14	-0.2	-0.1	-
12.3.1 Jewellery, clocks and watches	8	9	0.2	-0.1	-
12.3.2 Other personal effects	5	5	-0.8	-0.1	-

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

12.4 Social protection	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
12.4 Social protection	12	13	0.1	0.2	-

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

12.5 Insurance	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
12.5 Insurance	7	10	-0.4	0.3	0.01
12.5.2 House contents insurance	2	2	-3.4	0.1	0.01
12.5.3 Health insurance	2	3	-	-	-
12.5.4 Transport insurance	3	5	1.4	0.5	-

- Small upward effect on the all items 12-month rate change.
- Due to premiums for **house contents insurance** rising this year but falling a year ago.

12.6 Financial services not elsewhere covered	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
12.6 Financial services not elsewhere covered	17	12	0.1	-	-

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

12.7 Other services not elsewhere covered	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to CPI annual rate change
12.7 Other services not elsewhere covered	10	12	-1.0	0.3	0.01

- Small upward effect on the all items 12-month rate change.
- Charges overall rose this year but fell a year ago, with the main upward contribution coming from flower delivery costs.

RPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
FOOD	114	109	0.4	-	-0.05
CATERING	47	47	0.1	0.3	0.01
ALCOHOLIC DRINKS	58	56	-0.2	-0.7	-0.03
TOBACCO	29	27	0.2	-	-0.01
HOUSING	253	263	0.1	0.2	0.03
FUEL AND LIGHT	48	45	-0.5	-0.2	0.01
HOUSEHOLD GOODS	61	59	2.0	1.6	-0.03
HOUSEHOLD SERVICES	62	65	0.1	0.3	0.02
CLOTHING AND FOOTWEAR	45	42	-1.0	-1.4	-0.01
PERSONAL GOODS AND SERVICES	40	41	0.2	-0.3	-0.02
MOTORING EXPENDITURE	120	115	-0.6	-0.6	0.01
FARES AND OTHER TRAVEL COSTS	22	25	4.1	14.0	0.27
LEISURE GOODS	30	28	-0.2	-0.2	-
LEISURE SERVICES	71	78	0.1	-0.2	-0.02

RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +1.2%, up from +1.1% last month Highest since December 2014 (+1.6%)
All items RPI exc MIPS (RPIX)	Annual rate +1.3%, up from +1.1% last month Highest since December 2014 (+1.7%)
All items RPI exc MIPS and indirect taxes (RPIY)	Annual rate +1.1%, up from +0.9% last month Also +1.1% in August 2015 and January 2015 Last higher in December 2014 (+1.8%)
Personal goods and services	Annual rate +0.4%, down from +1.0% last month Also +0.4% in September 2004 Last lower in August 2004 (+0.2%)
Fares and other travel	Annual rate +12.4% up from +2.6% last month Also +12.4% in April 2011 Last higher in December 2008 (+14.2%)
All goods	Annual rate -1.2%, down from -0.9% last month Also -1.2% in October 2015 and September 2015 Last lower in June 2002 (-1.6%)
All services	Annual rate +2.9%, up from +2.3% last month Highest since April 2014 (+3.0%)

ANNUAL AVERAGE RPI 12-MONTH CHANGES

All items RPI	Annual average +1.0%, down from +2.4% last year Lowest since 2009 (-0.5%)
All items RPI exc. MIPS (RPIX)	Annual average +1.0%, down from +2.4% last year Never lower since official series began in 1969
All items RPI exc. MIPS & Indirect Taxes (RPIY)	Annual average +0.9%, down from +2.6% last year Never lower since official series began in 1969
Food	Annual average -2.3%, down from 0.0% last year Never lower since official series began in 1969
Non seasonal food	Annual average -2.3%, down from +0.6% last year Never lower since official series began in 1969
Seasonal food	Annual average -2.3%, up from -2.7% last year Highest since 2013 (+7.2%)
Catering	Annual average +1.6%, down from +2.3% last year Never lower since official series began in 1969
Alcoholic drink	Annual average +0.5%, down from +1.9% last year Never lower since official series began in 1969
Tobacco	Annual average +5.6%, down from +7.6% last year Lowest since 2009 (+4.0%)
Housing	Annual average +2.9%, down from +3.0% last year Lowest since 2013 (+2.1%)
Fuel and light	Annual average -4.1% down from +4.0% last year Lowest since 1998 (-4.3%)
Household goods	Annual average +1.4%, down from +2.3% last year Lowest since 2006 (+1.3%)
Household services	Annual average +2.9%, down from +3.4% last year Lowest since 2009 (+2.5%)
Clothing and footwear	Annual average +7.8%, up from +7.7% last year Highest since 2013 (+8.3%)

Personal goods and services	Annual average +0.8%, down from +1.8% last year Also +0.8% in 2004 Never lower since official series began in 1969
Motoring expenditure	Annual average -4.3%, down from -0.8% last year Never lower since official series began in 1969
Fares and other travel	Annual average +5.6%, up from +3.4% last year Highest since 2011 (+7.3%)
Leisure goods	Annual average -1.3%, down from +2.3% last year Lowest since 2011 (-1.6%)
Leisure services	Annual average +2.6%, up from +2.1% last year Highest since 2013 (+3.4%)
All goods	Annual average -0.9%, down from +1.5% last year Never lower since official series began in 1969
All services	Annual average +2.2%, down from +2.8% last year Never lower since official series began in 1969

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 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
FOOD	114	109	0.4	-	-0.05

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

Seasonal Food	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
SEASONAL FOOD	19	18	0.7	0.4	-
Home killed lamb	1	1	-5.1	6.7	0.01
Fresh fish	2	2	1.6	1.5	-
Eggs	1	1	-0.1	-0.1	-
Unprocessed potatoes	2	2	-0.2	-2.1	-
Other fresh vegetables	7	6	0.8	-1.0	-0.01
Fresh fruit	6	6	1.6	1.5	-

- Negligible overall effect on the all items 12-month rate change.
- There was a small upward contribution from **home killed lamb**, where prices rose this year but fell a year ago, particularly for lamb joints.
- Offset by a small downward contribution coming from **other fresh vegetables**, where prices overall fell this year but rose a year ago, particularly for cauliflower.

Non-Seasonal Food	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
NON-SEASONAL FOOD	95	91	0.4	-0.2	-0.05
Bread	5	4	0.7	1.4	-
Cereals	4	4	-0.6	0.5	-
Biscuits and cakes	7	7	1.6	0.3	-0.01
Beef	4	4	-0.1	-1.3	-
Imported lamb	1	1	6.9	-2.5	-0.01
Pork	1	1	0.6	-4.5	-0.01
Bacon	2	2	0.3	0.2	-
Poultry	4	4	2.1	-0.9	-0.01
Other meat	7	7	-0.2	1.2	0.01
Processed fish	2	2	0.7	1.2	-
Butter	1	1	3.2	-3.4	-0.01
Oils and fats	2	1	-0.8	-4.4	-
Cheese	4	4	-0.9	0.2	-
Milk, fresh	4	3	0.2	0.8	-
Milk products	4	4	-0.2	2.5	0.01
Tea	1	1	0.1	-0.9	-
Soft drinks	11	10	-1.6	-1.8	-
Sugar and preserves	1	1	2.5	1.4	-
Sweets and chocolates	11	11	-	-0.8	-0.01
Potato products	3	3	2.4	-5.9	-0.02
Processed vegetables	2	2	-1.1	1.5	0.01
Processed fruit	1	2	-2.6	-0.4	-
Other foods	11	11	2.1	1.7	-
Coffee and other hot drinks	2	1	-	-1.2	-

- Large downward effect on the all items 12-month rate change.
- Due to:
 - **Potato products, pork, butter, imported lamb and poultry**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from potato crisps, pork chops, frozen lamb joints and frozen chicken breasts;
 - **Biscuits and cakes**, where prices overall rose by less than a year ago, with the main downward contribution coming from cakes; and
 - **Sweets and chocolates**, where prices overall fell this year but were little changed a year ago, with the main downward contribution coming from bags of sweets.
- Partially offset by:
 - **Other meat, milk products and processed vegetables**, where prices overall rose this year but fell a year ago, with the main upward contribution coming from yoghurt/fromage frais.

CATERING	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
CATERING	47	47	0.1	0.3	0.01
Restaurant meals	28	28	0.1	0.4	0.01
Canteen meals	3	3	-	-0.1	-
Take-away meals and snacks	16	16	0.2	0.3	-

- Small upward effect on the all items 12-month rate change.
- Due to **restaurant meals**, where prices overall rose this year by more than a year ago.

ALCOHOLIC DRINKS	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	58	56	-0.2	-0.7	-0.03
Beer on sales	20	19	0.1	0.4	0.01
Beer off sales	5	5	-2.1	-1.2	-
Wines and spirits on sales	18	18	-0.1	0.8	0.02
Wines and spirits off sales	15	14	-0.2	-4.3	-0.05

- Small downward effect on the all items 12-month rate change.
- Due to **wines and spirits off sales**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from European white wine, New World red wine, rosé wine, whisky and vodka.
- Partially offset by:
 - **Wines and spirits on sales**, where prices overall rose this year but fell a year ago; and
 - **Beer on sales**, where prices overall rose this year by more than a year ago.

TOBACCO	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
TOBACCO	29	27	0.2	-	-0.01
Cigarettes	25	23	0.2	-0.1	-0.01
Other tobacco products	4	4	-0.1	0.2	-

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

HOUSING	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
HOUSING	253	263	0.1	0.2	0.03
Rent	87	84	0.1	0.1	-
Mortgage interest payments	30	29	0.1	-0.3	-0.01
Council tax and rates	42	40	-	-	-
Water and other charges	14	14	-	-	-
Repairs and maintenance charges	10	9	0.2	0.1	-
DIY materials	6	8	0.5	0.2	-
Dwelling insurance and ground rent	6	6	-1.2	0.2	0.01
House depreciation	58	73	-	0.6	0.04

- 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 but being little changed a year ago; and, to a lesser extent
 - **Dwelling insurance and ground rent**, with the main upward contribution coming from dwelling insurance, where average premiums fell this year by less than a year ago.
- Partially offset by a small downward contribution from **mortgage interest payments**, where charges fell this year but rose a year ago.

FUEL AND LIGHT	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
FUEL AND LIGHT	48	45	-0.5	-0.2	0.01
Coal and solid fuels	1	1	-	-	-
Electricity	22	21	-	-	-
Gas	21	21	-	-	-
Oil and other fuels	4	2	-6.8	-6.4	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **oil and other fuels**, where average prices for kerosene fell this year by less than a year ago.

HOUSEHOLD GOODS	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
HOUSEHOLD GOODS	61	59	2.0	1.6	-0.03
Furniture	21	22	5.4	2.6	-0.06
Furnishings	9	9	1.6	0.6	-0.01
Electrical appliances	6	5	-1.1	0.4	0.01
Other household equipment	4	4	1.5	0.7	-
Household consumables	12	12	-0.3	2.0	0.03
Pet care	9	7	-0.3	0.6	0.01

- Small downward effect on the all items 12-month rate change.
- Due to **furniture** and, to a lesser extent, **furnishings**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from kitchen units and sofa beds. Partially offset by a small upward contribution coming from leather settees, where prices overall rose this year by more than a year ago.
- Partially offset by **household consumables**; **electrical appliances**; and **pet care**, where prices overall rose this year but fell a year ago, particularly for cream/liquid household cleaner and complete dry dog food.

HOUSEHOLD SERVICES	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	62	65	0.1	0.3	0.02
Domestic services	13	13	0.2	0.4	-
Fees and subscriptions	24	26	-0.5	-	0.01
Postage	1	1	-	-	-
Telephone charges	24	25	0.6	0.7	-

- Small upward effect on the all items 12-month rate change.
- Due to **fees and subscriptions**, where average charges were little changed this year but fell a year ago, with the main upward contribution coming from house contents insurance. Partially offset by a small downward contribution coming from estate agent fees, where charges fell this year but rose a year ago.

CLOTHING AND FOOTWEAR	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	45	42	-1.0	-1.4	-0.01
Men's outerwear	10	8	-0.6	-0.3	-
Women's outerwear	16	16	-1.6	-2.3	-0.01
Children's outerwear	5	5	-1.0	-1.6	-
Other clothing	5	5	-0.6	-0.2	-
Footwear	9	8	-0.6	-1.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **women's outerwear**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from coats, T-shirts and dresses. Partially offset by a small upward contribution coming from formal trousers, where prices overall fell this year by less than a year ago.

PERSONAL GOODS & SERVICES	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
PERSONAL GOODS & SERVICES	40	41	0.2	-0.3	-0.02
Personal articles	10	10	0.6	0.5	-
Chemists' goods	16	17	0.3	-1.2	-0.02
Personal services	14	14	-0.2	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **chemists' goods**, where prices overall fell this year but rose a year ago, particularly for tissues and deodorant.

MOTORING EXPENDITURE	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
MOTORING EXPENDITURE	120	115	-0.6	-0.6	0.01
Purchase of motor vehicles	36	42	-0.1	-	-
Maintenance of motor vehicles	17	16	-	0.2	-
Petrol and oil	43	35	-2.4	-2.5	0.01
Vehicle tax and insurance	24	22	1.1	0.7	-0.01

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

- Due to **petrol and oil**, the upward contribution is due to weight changes in 2015. The weight for petrol and oil has decreased between 2014 and 2015, this has resulted in a small upward effect on the all items 12-month rate change.
- The price of petrol, as recorded for the RPI, fell by 3.1 pence per litre between November and December 2015, to stand at 104.0 pence per litre, compared with a fall of 3.1 pence per litre last year to stand at 119.8 pence per litre. Diesel prices fell by 2.0 pence per litre, to stand at 108.1 pence per litre in December 2015, compared with a fall of 2.8 pence per litre last year to stand at 124.8 pence per litre.
- Partially offset by **Vehicle tax and insurance**, where average premiums for car insurance rose this year by less than a year ago.

FARES AND OTHER TRAVEL COSTS	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	22	25	4.1	14.0	0.27
Rail fares	7	7	-0.6	-	-
Bus and coach fares	4	3	1.2	3.3	0.01
Other travel costs	11	15	8.0	22.5	0.26

- Largest upward effect on the all items 12-month rate change.
- Due to:
 - **Other travel costs**, where average charges rose this year by more than a year ago, with the main upward contribution coming from air fares and, to a lesser extent, sea fares; and
 - **Bus and coach fares**, where average charges rose this year by more than a year ago, particularly for coach fares.

LEISURE GOODS	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
LEISURE GOODS	30	28	-0.2	-0.2	-
Audio-visual equipment	7	7	-	-1.4	-
CDs and tapes	2	2	1.4	-0.2	-
Toys, photographic and sports goods	9	8	-1.4	-1.0	-
Books and newspapers	7	6	0.4	0.5	-
Gardening products	5	5	0.8	1.6	-

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

LEISURE SERVICES	Weight 2014	Weight 2015	1 month % change Dec 2014	1 month % change Dec 2015	Contribution to RPI annual rate change
LEISURE SERVICES	71	78	0.1	-0.2	-0.02
TV licence and rentals	12	12	-	-	-
Entertainment and other recreation	15	15	0.1	-0.3	-0.01
Foreign holidays	34	41	-	0.1	-
UK holidays	10	10	0.1	-1.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **entertainment and other recreation**; and **UK holidays**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from theatre admission and overnight hotel accommodation.

RECONCILIATION OF CPI AND RPI

(Table 5 of the Consumer Price Inflation Reference Tables)

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 December 2015 was -0.99 percentage points, widening from -0.91 percentage points in November 2015.

The notable factors contributing to the widening were:

- **Other differences including weights**, which increased the RPI 12-month rate relative to the CPI 12-month rate by 0.05 percentage points between November and December 2015. The effect came mainly from air fares. This was partially offset by fuels and lubricants; and sea fares.
- **Other housing components**, which increased the RPI 12-month rate by 0.04 percentage points between November and December 2015 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		October 2015	November 2015	December 2015
Petrol per litre	Diesel	£1.11	£1.10	£1.08
	Petrol	£1.09	£1.07	£1.04
Alcohol pub prices	Draught bitter (pint)	£2.97	£2.97	£2.99
	Draught lager (pint)	£3.46	£3.47	£3.48
	Whisky (per nip)	£2.62	£2.62	£2.65
Cigarettes	Per 20 king size	£9.01	£9.07	£9.07

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
December 2014	+0.2	Down -0.01% points	-0.01% points
January 2015	-0.8	Down -0.01% points	-0.01% points
February 2015	+0.5	Down -0.02% points	-0.02% points
March 2015	+0.2	Down -0.02% points	-0.02% points
April 2015	+0.4	Down -0.01% points	-0.01% points
May 2015	+0.2	Down -0.02% points	-0.02% points
June 2015	+0.2	Down -0.01% points	-0.01% points
July 2015	-0.1	Down -0.02% points	-0.02% points
August 2015	+0.5	Down -0.02% points	-0.02% points
September 2015	-0.1	Down -0.02% points	-0.02% points
October 2015	0.0	Down -0.02% points	-0.02% points
November 2015	+0.1	Down -0.01% points	-0.01% points
December 2015	+0.3	Down -0.02% points	-0.02% points

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 tend to fall in January.

Monthly % change for CPI seasonal food index			
Year	November	December	January
2009/10	3.6	1.7	-0.2
2010/11	3.0	2.8	-1.1
2011/12	1.8	3.3	-1.6
2012/13	2.5	2.9	0.1
2013/14	-0.1	0.8	0.1
2014/15	0.6	0.6	-1.1
2015/16	0.8	-0.5	

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

CLOTHING AND FOOTWEAR

- Prices for clothing and footwear tend to fall in January.

Monthly % change for CPI clothing and footwear index			
Year	November	December	January
2009/10	0.6	-1.3	-5.7
2010/11	2.0	-1.9	-5.9
2011/12	1.2	-2.8	-4.9
2012/13	0.6	-1.5	-5.4
2013/14	0.7	-0.9	-5.4
2014/15	0.7	-1.1	-3.7
2015/16	-0.1	-1.3	

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

FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

- Prices tend to fall in January.

Monthly % change for CPI furniture, household equipment and maintenance index			
Year	November	December	January
2009/10	0.9	2.2	-3.1
2010/11	1.6	1.2	-1.9
2011/12	1.0	1.0	-2.2
2012/13	-0.1	1.3	-2.3
2013/14	-0.1	1.7	-3.1
2014/15	0.1	1.6	-2.5
2015/16	-0.2	1.1	

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

TRANSPORT

Fuels and Lubricants

- The price of US crude oil fell almost 2% to \$30.59 a barrel, while Brent crude was down more than 1% to \$30.54. Both benchmark oil contracts have fallen below \$30 a barrel for the first time since the first half of 2004 this week. (www.bbc.co.uk 15 January 2016)
- When considering the price of petrol between December 2015 and January 2016, it may be useful to note that the average price of petrol fell by 8.5 pence per litre between December 2014 and January 2015, standing at 108.3 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 fall in January.

Monthly % change for CPI air fares index			
Year	November	December	January
2009/10	-2.6	41.7	-28.4
2010/11	-6.4	41.8	-30.9
2011/12	-7.5	40.9	-28.4
2012/13	-8.3	21.9	-20.5
2013/14	-8.1	19.8	-18.5
2014/15	-12.3	19.3	-17.1
2015/16	-13.0	46.0	

- 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 14 January 2015.
- The change in average mortgage interest rates recorded in the RPI was -0.01% between December 2014 and January 2015. The Bank of England Bank Rate remained unchanged at 0.5% in December 2014.
- 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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