

Consumer Price Inflation Detailed Briefing Note, June 2015

Coverage: UK Date: **14 July 2015** Geographical Area: UK Theme: **Economy**

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</u> <u>price inflation statistics (100.5 Kb Pdf)</u>.

The main movements for CPI in June 2015 are:

- The all items CPI is 128.2, unchanged from last month.
- The all items CPI annual rate is 0.0%, down from 0.1% in May.
- The annual rate for CPI excluding indirect taxes, CPIY, is -0.1%, down from 0.0% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 0.0%, down from 0.1% last month.
- The CPI all goods index is 119.7, down from 119.9 in May.
- The CPI all goods index annual rate is -2.0%, down from -1.8% last month.
- The CPI all services index is 139.1, up from 138.7 in May.
- The CPI all services index annual rate is 2.2%, down from 2.3% last month.

CPIH

The National Statistics status of CPIH and its derivative indices has been discontinued pending work to investigate and improve the method for measuring owner occupiers' housing costs in these indices. <u>Full details</u> can be found on the UK Statistics Authority website and in an <u>explanatory note (313.9 Kb Pdf)</u> on this website. The improvements from the resulting development work were introduced in CPIH as part of the February 2015 dataset with the historical series revised back to 2005. Improved methodology for owner occupiers' housing costs in the CPIHY (CPIH excluding indirect taxation) measure of consumer prices

has been implemented as part of this release, again with the historical series revised back to 2005. Further information on the changes is available in the following articles: <u>Improvements to the measurement of Owner Occupiers' Housing Costs and Private Housing Rental Prices (2.48 Mb Pdf)</u> and <u>Revising the weight of Owner Occupiers' Housing in CPIH (197.4 Kb Pdf)</u>.

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 June 2015 are:

- The all items CPIH is 126.1, up from 126.0 in May.
- The all items CPIH annual rate is 0.3%, down from 0.4% in May.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 0.3%, down from 0.4% last month.
- The OOH component of CPIH is 116.6, up from 116.4 in May.
- The OOH component annual rate is 1.9%, up from 1.8% last month.
- The CPIH all goods index is 119.9, down from 120.0 in May.
- The CPIH all goods index annual rate is -2.0%, down from -1.8% last month.
- The CPIH all services index is 131.1, up from 130.8 in May.
- The CPIH all services index annual rate is 2.1%, down from 2.2% last month.

Retail Prices Index (RPI) and RPIJ

In accordance with the Statistics and Registration Service Act 2007, the Retail Prices Index and its derivatives have been assessed against the Code of Practice for Official Statistics and found not to meet the required standard for designation as National Statistics. The <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 (100.5 Kb Pdf)</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 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 June 2015 are:

- The all items RPI is 258.9, up from 258.5 in May.
- The all items RPI annual rate is 1.0%, unchanged from last month.
- The all items RPIJ is 238.7, up from 238.5 in May.
- The all items RPIJ annual rate is 0.4%, unchanged from last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 1.1%, unchanged from last month.
- The all goods RPI is 199.6, up from 199.3 in May.
- The all goods RPI annual rate is -0.7%, unchanged from last month.
- The all services RPI is 350.3, up from 349.7 in May.
- The all services RPI annual rate is 2.1%, unchanged from last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 1.0%, unchanged from last month.
- The Tax and Price Index (TPI) for June is 225.9, up from 225.5 in May.
- The TPI annual rate is 0.5%, unchanged from last month.

CPI Summary

Contributions to change in the CPI annual rate

CPI COICOP DIVISIONS	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
01: Food and non-alcoholic beverages	112	110	0.1	-0.2	-0.04
02: Alcoholic beverages and tobacco	45	43	-	0.2	-
03: Clothing and footwear	72	70	0.6	-0.4	-0.07
04: Housing, water, electricity, gas and other fuels	129	128	0.1	-	-
05: Furniture, household equipment and maintenance	60	59	0.2	0.3	0.01
06: Health	24	25	0.1	-0.6	-0.02
07: Transport	152	149	0.6	0.2	-0.05
08: Communication	32	31	-0.1	-0.2	-
09: Recreation and culture	144	147	-	-0.1	-0.01
10: Education	22	26	-	-	-
11: Restaurants and hotels	120	121	0.4	0.4	0.01
12: Miscellaneous goods and services	88	91	-0.1	0.2	0.03

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Large downward effects came from:

- **Clothing and footwear**, where prices overall fell by 0.4% between May and June this year compared with a rise of 0.6% between the same 2 months a year ago. Prices usually fall between May and June as the summer sales begin but last year the average prices of a number of products rose. The main downward effect came from garments, particularly women's outerwear;
- **Transport**, where prices overall rose by 0.2% between May and June 2015 compared with a larger rise of 0.6% a year earlier. The downward contribution came from transport services (particularly air transport and, to a lesser extent, sea transport) where fares rose this year but by less than a year ago. This was partially offset by a small upward contribution from motor fuels with average petrol prices rising by 1.1 pence per litre between May and June this year compared with a smaller rise of 0.6 pence per litre a year earlier. Diesel prices also rose this year, by 0.5 pence per litre, compared with a fall of 0.4 pence per litre a year ago; and
- Food and non-alcoholic beverages, where prices overall fell by 0.2% between May and June this year compared with a rise of 0.1% between the same 2 months a year ago. The downward effect came from bread and cereals, and sugar, jam, syrups, chocolate and confectionery.

A small downward effect came from:

• **Health**, where prices overall fell by 0.6% between May and June 2015 compared with a rise of 0.1% a year earlier.

A small upward effect came from:

• **Miscellaneous goods and services**, where prices overall rose by 0.2% between May and June 2015 compared with a fall of 0.1% between the same 2 months a year ago. The upward effect came principally from financial services.

CPI Notable Movements

CPI notable movements, June 2015

All items CPI	Annual rate 0.0%, down from +0.1% last month
	Lowest since April 2015 (-0.1%)
All items CPI exc energy, food,	Annual rate +0.8%, down from +0.9% last month
alcohol and tobacco	Also +0.8% in April 2015
	Last lower in March 2001 (+0.5%)
Clothing and footwear	Annual rate -0.8%, down from +0.2% last month
	Also -0.8% in June 2012
	Last lower in August 2010 (-1.7%)
Health	Annual rate +1.6%, down from +2.2% last month
	Lowest since November 2004 (+1.5%)
Miscellaneous goods and services	Annual rate +0.1%, up from -0.1% last month
	Highest since May 2014 (+0.3%)
All goods	Annual rate -2.0%, down from -1.8% last month
Ŭ	Also -2.0% in April 2015
	Last lower in March 2015 (-2.1%)
All services	Annual rate +2.2%, down from +2.3% last month
	Lowest since April 2015 (+2.0%)

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CPI Detailed Briefing

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

01 Food and non-alcoholic beverages

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
01 Food and non-alcoholic beverages	112	110	0.1	-0.2	-0.04

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

• Due to **food**.

01.1 Food

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
01.1 Food	99	97	-	-0.4	-0.04
01.1.1 Bread and cereals	17	16	1.2	-1.1	-0.04
01.1.2 Meat	22	22	0.1	-0.1	-
01.1.3 Fish	4	4	-1.8	0.1	0.01
01.1.4 Milk, cheese and eggs	14	14	-	0.7	0.01
01.1.5 Oils and fats	2	2	1.2	-4.9	-0.01
01.1.6 Fruit	10	10	-1.8	-1.4	-
01.1.7 Vegetables including potatoes	15	14	0.7	1.0	-
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	-	-2.1	-0.03
01.1.9 Food products not elsewhere covered	3	3	-1.6	1.8	0.01

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

Bread and cereals

• Large downward effect.

• Prices overall fell this year but rose a year ago, particularly for dried potted snacks, pizzas and cereal bars.

Fish

- Small upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contribution coming from canned tuna.
- Partially offset by a small downward contribution coming from fresh white fillets, where prices fell this year but rose a year ago.

Milk, cheese and eggs

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

Oils and fats

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

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 contributions coming from bags of sweets and chocolate covered ice cream bars.
- Partially offset by a small upward contribution coming from cartons/boxes of chocolates, where prices rose this year but fell a year ago.

Food products not elsewhere covered

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

01.2 Non-alcoholic beverages

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
01.2 Non- alcoholic beverages	13	13	0.8	1.0	-
01.2.1 Coffee, tea and cocoa	3	3	-1.3	1.2	0.01
01.2.2 Mineral waters, soft drinks and juices	10	10	1.4	0.9	-0.01

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- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from coffee, tea and cocoa.
- Offset by a small downward contribution coming from mineral waters, soft drinks and juices.

Coffee, tea and cocoa

- Small upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contribution coming from coffee.

Mineral waters, soft drinks and juices

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contributions coming from bottles of cola flavoured drinks and fresh/chilled orange juice.
- Partially offset by a small upward contribution coming from fruit squash, where prices rose this year by more than a year ago.

02 Alcoholic beverages and tobacco

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	45	43	-	0.2	-

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- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **alcoholic beverages**.

02.1 Alcoholic beverages

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
02.1 Alcoholic beverages	20	19	-0.3	0.2	0.01
02.1.1 Spirits	6	5	2.0	-2.6	-0.03
02.1.2 Wine	9	9	-1.4	1.3	0.02
02.1.3 Beer	5	5	-1.1	0.9	0.01

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

Spirits

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for whisky and rum.

Wine

• Small upward effect.

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

Beer

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

02.2 Tobacco

	Weight 2014	Weight 2015	1 month % change Jun 2014		Contribution to CPI annual rate change
02.2 Tobacco	25	24	0.3	0.2	-

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

03 Clothing and footwear

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
03 Clothing and footwear	72	70	0.6	-0.4	-0.07

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

03.1 Clothing

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
03.1 Clothing	62	60	0.6	-0.5	-0.07
03.1.2 Garments	55	54	0.7	-0.4	-0.06
03.1.3 Other clothing and clothing accessories	6	5	-0.6	-1.4	-
03.1.4 Cleaning, repair and hire of clothing	1	1	0.1	0.1	-

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- 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 skirts, trousers, jumpers, casual jackets and plain t-shirts; men's casual jackets/coats and girls' fashion tops. Partially offset by a small upward contribution coming from women's dresses, where prices overall have risen this year by more than a year ago.

03.2 Footwear including repairs

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
03.2 Footwear including repairs	10	10	0.4	-	-

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• 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 Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and other fuels	129	128	0.1	-	-

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

04.1 Actual rentals for housing

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

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

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	0.2	0.1	-
04.3.1 Materials for maintenance and repair	1	1	0.3	0.3	-
04.3.2 Services for maintenance and repair	1	1	0.1	-	-

04.3 Regular maintenance and repair of the dwelling

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• 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 Jun 2014	1 month % change Jun 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	-	-	-

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04.5 Electricity, gas and other fuels

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
04.5 Electricity, gas and other fuels	45	42	-	-0.1	-
04.5.1 Electricity	21	20	-	-	-
04.5.2 Gas	21	20	-	-	-
04.5.3 Liquid fuels	2	1	-0.7	-2.7	-
04.5.4 Solid fuels	1	1	-0.2	-0.4	-

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

05 Furniture, household equipment and maintenance

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	60	59	0.2	0.3	0.01

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

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	21	21	1.0	1.6	0.01
05.1.1 Furniture and furnishings	16	15	1.5	2.3	0.01
05.1.2 Carpets and other floor coverings	5	6	-0.8	-0.4	-

05.1 Furniture, furnishings and carpets

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

05.2 Household textiles

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
05.2 Household textiles	7	6	0.1	-0.7	-0.01

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- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from bedding textiles.
- Partially offset by a small upward contribution coming from ready made curtains, where prices overall rose this year but fell a year ago.

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
05.3 Household appliances, fitting and repairs	9	8	-1.5	-0.9	0.01
05.3.1/2 Major appliances and small electric goods	8	7	-1.7	-1.1	0.01
05.3.3 Repair of household appliances	1	1	-	-	-

05.3 Household appliances, fitting and repairs

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- Small upward effect on the all items 12-month rate change.
- Due to **major appliances and small electric goods**, where prices overall fell this year by less than a year ago.

05.4 Glassware, tableware and household utensils

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	0.8	-0.8	-0.01

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

05.5 Tools and equipment for house and garden

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	4	5	0.4	-0.1	-

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• 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 Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	-0.1	0.3	0.01
05.6.1 Non- durable household goods	5	5	-1.2	-	0.01
05.6.2 Domestic services and household services	8	8	0.6	0.5	-

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- Small upward effect on the all items 12-month rate change.
- Due to **non-durable household goods**, where prices overall were little changed this year but fell a year ago.

06 Health

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
06 Health	24	25	0.1	-0.6	-0.02

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

06.1 Medical products, appliances and equipment

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	10	12	-0.1	-1.3	-0.02
06.1.1 Pharmaceutical products	6	7	-0.1	-2.2	-0.02
06.1.2/3 Other medical and therapeutic equipment	4	5	-0.1	-0.1	-

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- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from pain killer and multi-vitamin tablets/capsules.

06.2 Out-patient services

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

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

06.3 Hospital services

	Weight 2014	Weight 2015	1 month % change Jun 2014		Contribution to CPI annual rate change
06.3 Hospital Services	8	8	0.2	0.1	-

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

07 Transport

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
07 Transport	152	149	0.6	0.2	-0.05

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- Large downward effect on the all items 12-month rate change.
- Due to transport services.
- Partially offset by operation of personal transport equipment.

07.1 Purchase of vehicles

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
07.1 Purchase of vehicles	44	40	-0.3	-0.3	
07.1.1A New cars	23	24	-	-	-
07.1.1B Second-hand cars	18	14	-1.1	-0.9	0.01
07.1.2/3 Motorcycles and bicycles	3	2	2.0	0.2	-0.01

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- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from second-hand cars.
- Offset by motorcycles and bicycles.

Second-hand cars

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

Motorcycles and bicycles

- Small downward effect.
- Prices overall rose this year by less than a year ago, particularly for adult bicycles.

	Weight 2014	Weight 2015	1 month % change Jun	1 month % change Jun	Contribution to CPI annual
			2014	2015	rate change
07.2 Operation of personal transport equipment	76	77	0.2	0.4	0.02
07.2.1 Spare parts and accessories	5	6	-0.2	0.2	-
07.2.2 Fuels and lubricants	35	34	0.2	0.8	0.02
07.2.3 Maintenance and repairs	23	23	0.3	0.1	-0.01
07.2.4 Other services	13	14	-	0.1	-

07.2 Operation of personal transport equipment

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- Small upward effect on the all items 12-month rate change.
- Due to fuels and lubricants.
- Partially offset by maintenance and repairs.

Fuels and lubricants

- Small upward effect.
- The average price of petrol across the month, as recorded for the CPI, rose by 1.1 pence per litre between May and June 2015 to stand at 116.4 pence per litre.
- Last year, the average price of petrol rose by 0.6 pence per litre between May and June 2014 to stand at 130.0 pence per litre.
- The average price of diesel rose by 0.5 pence per litre between May and June 2015 to stand at 121.2 pence per litre, compared with a fall of 0.4 pence per litre a year earlier to stand at 135.9 pence per litre.

Maintenance and repairs

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

07.3 Transport services

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
07.3 Transport services	32	32	2.5	0.4	-0.07
07.3.1 Passenger transport by railway	11	12	0.7	0.2	-0.01
07.3.2 Passenger transport by road	11	12	0.4	0.2	-
07.3.3 Passenger transport by air	6	6	7.0	0.3	-0.05
07.3.4 Passenger transport by sea and inland waterway	4	2	5.2	2.1	-0.02

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- 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 sea and inland waterway; and passenger transport by railway.

Passenger transport by railway

- Small downward effect.
- Prices overall rose this year by less than a year ago, particularly for international rail journeys.

Passenger transport by air

- Large downward effect.
- Average air fares rose this year by less than a year ago, with the main downward contribution coming from European flights.
- Partially offset by small upward contributions coming from long-haul and domestic flights.

Passenger transport by sea and inland waterway

- Small downward effect.
- Average international sea fares rose this year by less than a year ago.

08 Communication

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
08 Communication	32	31	-0.1	-0.2	-

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- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from telephone equipment and services.

08.1 Postal services

	Weight 2014	Weight 2015	1 month % change Jun 2014		Contribution to CPI annual rate change
08.1 Postal services	2	2	-	-	-

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• 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 Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
08.2/3 Telephone equipment and services	30	29	-0.1	-0.2	-0.01

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

09 Recreation and culture

	Weight 2014	Weight 2015	1 month % change Jun 2014		Contribution to CPI annual rate change
09 Recreation and culture	144	147	-	-0.1	-0.01

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

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
09.1 Audio- visual equipment and related products	22	23	0.2	0.6	0.01
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	5	-1.0	1.1	0.01
09.1.2 Photographic, cinematographic and optical equipment	3	3	4.5	-3.0	-0.02
09.1.3 Data processing equipment	8	9	-1.4	1.4	0.02
09.1.4 Recording media	5	5	1.4	0.8	-
09.1.5 Repair of audio-visual equipment and related products	1	1	-0.4	0.2	-

09.1 Audio-visual equipment and related products

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- Small upward effect on the all items 12-month rate change.
- Due to data processing equipment; and equipment for the reception and reproduction of sound and pictures.
- Partially offset by photographic, cinematographic and optical equipment.

Equipment for the reception and reproduction of sound and pictures

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

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 upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from PC peripherals and tablet computers.

09.2 Other major durables for recreation and culture

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
09.2.1/2 Major durables for in/outdoor recreation	9	10	-	-	-

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

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
09.3 Other recreational items, gardens and pets	36	36	-1.0	-1.2	-0.01
09.3.1 Games, toys and hobbies	21	21	-1.8	-1.8	-
09.3.2 Equipment for sport and open-air recreation	3	4	0.2	-1.4	-0.01
09.3.3 Gardens, plants and flowers	4	4	-0.3	-0.2	-
09.3.4/5 Pets, related products and services	8	7	-	-0.1	-

09.3 Other recreational items, gardens and pets

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- Small downward effect on the all items 12-month rate change.
- Due to **equipment for sport and open-air recreation**, where prices overall fell this year but rose a year ago.

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
09.4 Recreational and cultural services	31	31	0.4	0.7	0.01
09.4.1 Recreational and sporting services	9	8	0.1	0.1	-
09.4.2 Cultural services	22	23	0.5	0.8	0.01

09.4 Recreational and cultural services

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- Small 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 contribution coming from increases to the subscription costs for satellite TV. Partially offset by a small downward contribution coming from admission to theatres, where prices overall fell this year but rose a year ago.

09.5 Books, newspapers and stationery

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	14	1.0	0.1	-0.01
09.5.1 Books	4	4	1.4	-2.6	-0.02
09.5.2 Newspapers and periodicals	5	5	0.9	1.9	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	5	0.8	0.6	-

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- 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 non-fiction.

09.6 Package holidays

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

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

10 Education

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

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

11 Restaurants and hotels

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
11 Restaurants and hotels	120	121	0.4	0.4	0.01

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- Small upward 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 Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
11.1 Catering services	100	100	0.2	0.2	-0.01
11.1.1 Restaurants and cafes	91	91	0.3	0.2	-0.01
11.1.2 Canteens	9	9	0.1	0.1	-

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- Small downward effect on the all items 12-month rate change.
- Due to **restaurants and cafes**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from cafeteria meals and takeaway sandwiches.

11.2 Accommodation services

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
11.2 Accommodation services	20	21	1.1	1.7	0.01

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

• Prices overall rose this year by more than a year ago, particularly for overnight hotel stays.

12 Miscellaneous goods and services

	Weight 2014	Weight 2015	1 month % change Jun 2014		Contribution to CPI annual rate change
12 Misc. goods and services	88	91	-0.1	0.2	0.03

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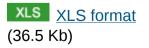
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- Largest upward effect on the all items 12-month rate change.
- Due to financial services not elsewhere covered; personal care; and insurance.
- Partially offset by personal effects not elsewhere covered.

12.1 Personal care

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
12.1 Personal care	29	30	-0.4	-0.1	0.01
12.1.1 Hairdressing and personal grooming establishments	7	7	0.2	0.1	-
12.1.2/3 Appliances and products for personal care	22	23	-0.6	-0.1	0.01

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- 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 perfume/eau de toilette and baby wipes. Partially offset by a small downward contribution coming from deodorant, where prices overall rose this year by less than a year ago.

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
12.3 Personal effects not elsewhere covered	13	14	0.6	-0.3	-0.01
12.3.1 Jewellery, clocks and watches	8	9	0.1	-0.3	-
12.3.2 Other personal effects	5	5	1.4	-0.3	-0.01

12.3 Personal effects not elsewhere covered

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- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from trolley cases.

12.4 Social protection

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
12.4 Social protection	12	13	0.4	0.2	-

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

12.5 Insurance

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
12.5 Insurance	7	10	-0.8	0.2	0.01
12.5.2 House contents insurance	2	2	2.1	0.1	-
12.5.3 Health insurance	2	3	-	-	-
12.5.4 Transport insurance	3	5	-3.3	0.3	0.01

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- Small upward effect on the all items 12-month rate change.
- Due to transport insurance, where average premiums rose this year but fell a year ago.

12.6 Financial services not elsewhere covered

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
12.6 Financial services not elsewhere covered	17	12	-	1.5	0.02

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

12.7 Other services not elsewhere covered

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to CPI annual rate change
12.7 Other services not elsewhere covered	10	12	-0.1	0.2	-

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

RPI Summary

Contributions to change in the RPI annual rate

GROUPS	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
FOOD	114	109	0.2	-0.1	-0.03
CATERING	47	47	0.2	0.1	-0.01
ALCOHOLIC DRINKS	58	56	-	0.3	0.02
TOBACCO	29	27	0.3	0.2	-0.01
HOUSING	253	263	0.3	0.2	-0.04
FUEL AND LIGHT	48	45	-0.1	-0.1	-
HOUSEHOLD GOODS	61	59	0.4	1.0	0.03
HOUSEHOLD SERVICES	62	65	0.4	-0.2	-0.04
CLOTHING AND FOOTWEAR	45	42	0.5	-0.3	-0.04
PERSONAL GOODS AND SERVICES	40	41	-	-0.1	-
MOTORING EXPENDITURE	120	115	-0.6	0.3	0.11
FARES AND OTHER TRAVEL COSTS	22	25	2.3	0.2	-0.05
LEISURE GOODS	30	28	0.1	-	-
LEISURE SERVICES	71	78	0.3	0.5	0.01

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RPI Notable Movements

RPI notable movements, June 2015

All items RPI	Annual rate +1.0%, unchanged from last month
	Also +1.0% in February 2015
	Last higher in January 2015 (+1.1%)
	Last lower in April 2015 (+0.9%)
All items RPI exc MIPS (RPIX)	Annual rate +1.1%, unchanged from last month
	Last higher in January 2015 (+1.2%)
	Last lower in April 2015 (+0.9%)
All items RPI exc MIPS and indirect	Annual rate +1.0%, unchanged from last month
taxes (RPIY)	Last higher in January 2015 (+1.1%)
	Last lower in April 2015 (+0.8%)
Catering	Annual rate +1.6%, down from +1.7% last month
	Never lower since official series began in January 1988
Торассо	Annual rate +5.7%, down from +5.9% last month
	Lowest since December 2009 (+4.5%)
Housing	Annual rate +2.8%, down from +3.0% last month
	Also +2.8% in May 2014
	Last lower in April 2014 (+2.6%)
Household services	Annual rate +2.7%, down from +3.3% last month
	Also +2.7% in January 2015 and May 2012
	Last lower in August 2011 (+2.5%)

Leisure goods	Annual rate -2.3%, down from -2.2% last month Also -2.3% in February 2012 Last lower in December 2011 (-2.4%)
All goods	Annual rate -0.7%, unchanged from last month Last higher in January 2015 (-0.6%) Last lower in April 2015 (-0.8%)
All services	Annual rate +2.1%, unchanged from last month Also +2.1% in February 2015 and December 2014 Last higher in November 2014 (+2.8%) Last lower in April 2015 (+1.8%)

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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 Jun 2014		Contribution to RPI annual rate change
FOOD	114	109	0.2	-0.1	-0.03

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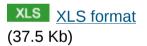
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- Small downward effect on the all items 12-month rate change.
- Due to **non-seasonal food**.

Seasonal food

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
SEASONAL FOOD	19	18	-0.3	-0.6	-
Home killed lamb	1	1	4.3	2.7	-
Fresh fish	2	2	-1.7	-	-
Eggs	1	1	0.5	-1.2	-
Unprocessed potatoes	2	2	2.5	-	-
Other fresh vegetables	7	6	0.4	0.1	-
Fresh fruit	6	6	-2.4	-2.0	-

Download table



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

Non-seasonal food

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
NON- SEASONAL FOOD	95	91	0.3	-	-0.03
Bread	5	4	0.1	-0.4	-
Cereals	4	4	-	-1.4	-0.01
Biscuits and cakes	7	7	0.6	0.5	-
Beef	4	4	0.5	-0.1	-
Imported lamb	1	1	2.1	0.4	-
Pork	1	1	-2.7	-1.9	-
Bacon	2	2	0.4	0.4	-
Poultry	4	4	-0.5	-0.9	-
Other meat	7	7	0.1	0.4	-
Processed fish	2	2	-4.8	2.1	0.01
Butter	1	1	1.3	-3.0	-
Oils and fats	2	1	2.0	-5.9	-0.01
Cheese	4	4	0.9	2.7	0.01
Milk, fresh	4	3	-0.6	-0.6	-
Milk products	4	4	-0.1	1.5	0.01
Теа	1	1	-1.5	-0.5	-
Soft drinks	11	10	1.3	0.8	-0.01
Sugar and preserves	1	1	0.8	1.0	-
Sweets and chocolates	11	11	0.3	-1.3	-0.02
Potato products	3	3	0.5	4.9	0.01
Processed vegetables	2	2	0.9	-3.8	-0.01
Processed fruit	1	2	0.7	-0.5	-
Other foods	11	11	0.5	-0.6	-0.01

	Weight 2014	Weight 2015	1 month % change Jun 2014		Contribution to RPI annual rate change
Coffee and other hot drinks	2	1	-1.4	2.1	-

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- Small downward effect on the all items 12-month rate change.
- Due to:
 - Sweets and chocolates, oils and fats, processed vegetables and other foods, where prices overall fell this year but rose a year ago, with the main downward contributions coming from bags of sweets, dried potted snacks, margarine/low fat spread and pizzas. Partially offset by small upward contributions coming from cartons/boxes of chocolates, cook-in sauces and mayonnaise, where prices overall rose this year but fell a year ago;
 - Cereals, where prices overall fell this year but were little changed a year ago; and
 - **Soft drinks**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from bottles of cola flavoured drinks and fresh/chilled orange juice. Partially offset by a small upward contribution coming from fruit squash, where prices rose this year by more than a year ago.
- Partially offset by:
 - **Processed fish** and **milk products**, where prices overall rose this year but fell a year ago, particularly for canned tuna; and
 - **Cheese** and **potato products**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from potato crisps.

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

Catering

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

Alcoholic drinks

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	58	56	-	0.3	0.02
Beer on sales	20	19	0.3	0.3	-
Beer off sales	5	5	0.1	-0.3	-
Wines and spirits on sales	18	18	0.2	0.3	-
Wines and spirits off sales	15	14	-0.7	0.5	0.02

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- Small upward effect on the all items 12-month rate change.
- Due to **wines and spirits off sales**, where prices overall rose this year but fell a year ago, particularly for red and white wine. Partially offset by small downward contributions coming from whisky and rum, where prices overall fell this year but rose a year ago.

Tobacco

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
TOBACCO	29	27	0.3	0.2	-0.01
Cigarettes	25	23	0.4	0.2	-0.01
Other tobacco products	4	4	-0.2	0.1	-

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

Housing

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
HOUSING	253	263	0.3	0.2	-0.04
Rent	87	84	0.1	0.1	-
Mortgage interest payments	30	29	0.1	0.1	-
Council tax and rates	42	40	-	-	-
Water and other charges	14	14	-	-	-
Repairs and maintenance charges	10	9	0.1	-	-
DIY materials	6	8	0.3	-	-
Dwelling insurance and ground rent	6	6	0.6	-0.2	-
House depreciation	58	73	1.1	0.4	-0.04

Download table



- Large downward effect on the all items 12-month rate change.
- Due to **house depreciation**, with the smoothed house price index used to calculate this component rising this year by less than a year ago.

Fuel and light

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
FUEL AND LIGHT	48	45	-0.1	-0.1	-
Coal and solid fuels	1	1	-0.2	-0.4	-
Electricity	22	21	-	-	-
Gas	21	21	-	-	-
Oil and other fuels	4	2	-0.6	-2.1	-

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

Household goods

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
HOUSEHOLD GOODS	61	59	0.4	1.0	0.03
Furniture	21	22	1.7	2.8	0.03
Furnishings	9	9	-0.2	-0.1	-
Electrical appliances	6	5	-1.9	-1.0	0.01
Other household equipment	4	4	1.1	-0.2	-0.01
Household consumables	12	12	-0.6	-	0.01
Pet care	9	7	-	-0.1	-

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- Small upward effect on the all items 12-month rate change.
- Due to:
 - Furniture, where prices overall rose this year by more than a year ago, particularly for leather settees;
 - Household consumables, where prices overall were little changed this year but fell a year ago; and
 - Electrical appliances, where prices overall fell this year by less than a year ago.
- Partially offset by other household equipment, where prices overall fell this year but rose a year ago.

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	62	65	0.4	-0.2	-0.04
Domestic services	13	13	0.4	0.4	-
Fees and subscriptions	24	26	0.8	-0.1	-0.02
Postage	1	1	-	-	-
Telephone charges	24	25	-0.1	-0.7	-0.01

Household services

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- Large downward effect on the all items 12-month rate change.
- Due to:
 - Fees and subscriptions, where average charges fell this year but rose a year ago, with the main downward contributions coming from estate agent fees and house contents insurance; and
 - **Telephone charges**, where prices overall fell this year by more than a year ago, particularly for mobile telephone charges. There is a partially offsetting upward contribution coming from mobile phone applications, where prices rose this year but fell a year ago.

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	45	42	0.5	-0.3	-0.04
Men's outerwear	10	8	0.4	0.1	-
Women's outerwear	16	16	0.4	-0.8	-0.02
Children's outerwear	5	5	2.0	1.0	-
Other clothing	5	5	0.2	-0.5	-
Footwear	9	8	0.6	-	-0.01

Clothing and footwear

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- 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 trousers, jumpers, skirts and casual jackets; and
 - **Footwear**, where prices overall were little changed this year but rose a year ago, with the main downward contribution coming from women's boots.

Personal goods & services

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

XLS <u>XLS format</u> (37.5 Kb)

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

Motoring expenditure

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
MOTORING EXPENDITURE	120	115	-0.6	0.3	0.11
Purchase of motor vehicles	36	42	-0.5	-0.4	-
Maintenance of motor vehicles	17	16	0.2	0.1	-
Petrol and oil	43	35	0.1	0.9	0.03
Vehicle tax and insurance	24	22	-2.6	0.6	0.08

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- Largest upward effect on the all items 12-month rate change.
- Due to:
 - Vehicle tax and insurance, where average premiums for car insurance rose this year but fell a year ago; and, to a lesser extent,
 - **Petrol and oil**, where prices overall rose this year by more than a year ago. The price of petrol, as recorded for the RPI, rose by 1.2 pence per litre between May and June 2015, to stand at 116.3 pence per litre, compared with a rise of 0.2 pence per litre last year to stand at 129.7 pence per litre. Diesel prices rose by 0.7 pence per litre, to stand at 121.3 pence per litre in June 2015, compared with a fall of 0.4 pence per litre last year to stand at 136.0 pence per litre.

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	22	25	2.3	0.2	-0.05
Rail fares	7	7	0.7	0.2	-
Bus and coach fares	4	3	0.5	0.4	-
Other travel costs	11	15	3.8	0.2	-0.04

Fares and other travel costs

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- Largest downward effect on the all items 12-month rate change.
- Due to other travel costs, where average air fares rose this year by less than a year ago.

Leisure goods

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
LEISURE GOODS	30	28	0.1	-	-
Audio-visual equipment	7	7	-1.2	1.4	0.02
CDs and tapes	2	2	1.4	0.9	-
Toys, photographic and sports goods	9	8	-0.4	-1.5	-0.01
Books and newspapers	7	6	1.3	0.2	-0.01
Gardening products	5	5	-0.4	-0.2	-

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- Negligible overall effect on the all items 12-month rate change.
- There is an upward contribution coming from **audio-visual equipment**, where prices overall rose this year but fell a year ago, particularly for PC peripherals.
- Offset by downward contributions coming from:
 - **Toys, photographic and sports goods**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from digital camcorders. Partially offset by a small upward contribution coming from computer games, where prices overall fell this year by less than a year ago; and
 - **Books and newspapers**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from hardback non-fiction books.

	Weight 2014	Weight 2015	1 month % change Jun 2014	1 month % change Jun 2015	Contribution to RPI annual rate change
LEISURE SERVICES	71	78	0.3	0.5	0.01
TV licence and rentals	12	12	-	2.0	0.02
Entertainment and other recreation	15	15	0.6	0.1	-0.01
Foreign holidays	34	41	0.1	-	-
UK holidays	10	10	0.9	1.0	-

Leisure services

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- Small upward effect on the all items 12-month rate change.
- Due to **TV licence and rentals**, where prices overall rose this year but were unchanged a year ago, with the main upward contribution coming from increases to the subscription costs for satellite TV.
- Partially offset by **entertainment and other recreation**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from admission to theatres.

Reconciliation of CPI and RPI

Table 5 of the Consumer Price Inflation Reference Tables (2.51 Mb Excel sheet)

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 June 2015 was -1.05 percentage points, widening from -0.93 percentage points in May 2015.

The main 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 0.16 percentage points between May and June 2015. The effect came mainly from insurance; clothing and footwear; furniture and furnishings, carpets and household textiles; and seafares.
- **Formula effect**, which increased the RPI 12-month rate relative to the CPI 12-month rate by 0.03 percentage points between May and June 2015. The effect came mainly from clothing and footwear.

The only offsetting factor was:

• Other housing components, which decreased the RPI 12-month rate by 0.06 percentage points between May and June 2015 but are excluded from the CPI. The effect came mainly from house depreciation and estate agent fees.

RPI Miscellaneous Data

Selected average prices

Description		April 2015	May 2015	June 2015
Petrol per litre	Diesel	£1.19	£1.21	£1.21
	Petrol	£1.13	£1.15	£1.16
Alcohol pub prices	Draught bitter (pint)	£2.96	£2.95	£2.96
	Draught lager (pint)	£3.44	£3.44	£3.45
	Whisky (per nip)	£2.58	£2.59	£2.60
Cigarettes	Per 20 king size	£8.86	£8.87	£8.89

Table notes:

1. Average prices are as recorded for the RPI.

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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.

Changes in mortgage interest rates

Month	1-month % change in the RPI	Approx. change in average MI rate	Approx. contribution to the 1-month % change in the RPI
June 2014	+0.2	Down -0.01% points	-0.01% points
July 2014	-0.1	Negligible	-
August 2014	+0.4	Down -0.01% points	-0.01% points
September 2014	+0.2	Negligible	-
October 2014	+0.0	Down -0.02% points	-0.02% points
November 2014	-0.2	Down -0.01% points	-0.01% points
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

Table notes:

1. 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.

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Outlook

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

FOOD

Seasonal Food

• Seasonal food prices have shown a mixed pattern of rises and falls in July 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	Мау	June	July
2009	+2.0	-0.5	-2.5
2010	-0.6	+0.9	+0.7
2011	+2.9	+0.5	-1.0
2012	+0.5	+0.7	-0.5
2013	-0.3	-1.5	+0.2
2014	-1.6	-0.5	+0.2
2015	+0.1	+0.0	

Table notes:

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

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CLOTHING AND FOOTWEAR

• Prices tend to fall sharply in July as a result of the summer sales.

Year	Мау	June	July
2009	+0.4	-1.5	-3.2
2010	+0.3	-2.1	-4.9
2011	+0.4	-1.9	-3.5
2012	-0.1	-4.2	-2.6
2013	+1.2	-1.9	-3.2
2014	-0.1	+0.6	-5.7
2015	+0.5	-0.4	

Monthly % change for CPI clothing and footwear index

Table notes:

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

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FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

• Prices tend to fall in July as a result of the summer sales.

Monthly % change for CPI furniture, household equipment and maintenance index

Year	Мау	June	July
2009	+1.0	+1.0	-2.7
2010	+1.2	+0.7	-1.9
2011	+0.4	+0.4	-1.1
2012	+0.6	+0.0	-1.1
2013	+1.1	-0.5	-1.0
2014	+0.5	+0.2	-1.5
2015	+0.6	+0.3	

Table notes:

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

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TRANSPORT

Fuels and Lubricants

- Oil prices fell as Iran and six world powers approached a nuclear deal that would end sanctions on the Islamic Republic and let more Iranian oil on to world markets. News of a unanimous agreement by European leaders on a bailout loan for Athens, which should allow Greece to stay in the euro zone, helped pare early losses. Brent crude for August fell \$1.89 to a low of \$56.84 a barrel before rallying back to around \$57.30. U.S. light crude, also known as West Texas Intermediate (WTI), was down \$1.15 at \$51.59 a barrel. (uk.reuters.com 13 July 2015)
- When considering the price of petrol between June and July 2015, it may be useful to note that the average price of petrol rose by 1.0 pence per litre between June and July 2014, standing at 131.0 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 July.

Monthly % change for CPI air fares index

Year	May	June	July
2009	+6.9	+3.0	+12.2
2010	+6.0	+10.0	+9.6
2011	-11.1	+8.5	+9.8
2012	+1.4	+7.4	+21.7
2013	+22.0	-2.8	+13.9
2014	-3.2	+7.0	+14.0
2015	+10.4	+0.3	

Table notes:

1. 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.

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HOUSING (RPI)

Mortgage interest payments (MIPs)

• The Bank of England Bank Rate remained unchanged at 0.5% on Wednesday 8 July 2015.

- The change in average mortgage interest rates recorded in the RPI was negligible between June and July 2014. The Bank of England Bank Rate remained unchanged at 0.5% in June 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.

JULY 2015 BUDGET

An article describing the estimated effects on consumer price inflation of duty and tax changes announced in the July 2015 Budget will be published on this website on 15 July 2015.

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Background notes

- 1. Consumer price inflation for July 2014 to July 2015 will be published on 18 August 2015.
- 2. Details of the policy governing the release of new data are available by visiting <u>www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html</u> or from the Media Relations Office email: <u>media.relations@ons.gsi.gov.uk</u>

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