

# **Statistical Bulletin**

## **BRIEFING NOTE**

## **Consumer Price Inflation**

November 2015

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This note is produced as background briefing for the Consumer Price Inflation Statistical Bulletin. Users who require authoritative figures should use the Consumer Price Inflation Statistical Bulletin or Consumer Price Inflation 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 <u>Users and uses of</u> <u>consumer price inflation statistics</u>.

The main movements for CPI in November 2015 are:

- The all items CPI is 128.3, down from 128.4 in October.
- The all items CPI annual rate is 0.1%, up from -0.1% in October.
- The annual rate for CPI excluding indirect taxes, CPIY, is -0.1%, up from -0.3% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 0.1%, up from -0.1% last month.
- The CPI all goods index is 119.0, down from 119.1 in October.
- The CPI all goods index annual rate is -1.9%, up from -2.1% last month.
- The CPI all services index is 140.2, unchanged from last month.
- The CPI all services index annual rate is 2.4%, up from 2.2% last month.

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

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 <u>explanatory note (313.9 Kb Pdf)</u> 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 November 2015 are:

- The all items CPIH is 126.4, unchanged from last month.
- The all items CPIH annual rate is 0.4%, up from 0.2% in October.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 0.3%, up from 0.2% last month.
- The OOH component of CPIH is 117.6, up from 117.3 in October.
- The OOH component annual rate is 1.9%, up from 1.8% last month.
- The CPIH all goods index is 119.2, down from 119.3 in October.
- The CPIH all goods index annual rate is -1.9%, up from -2.1% last month.
- The CPIH all services index is 132.2, up from 132.1 in October.
- The CPIH all services index annual rate is 2.3%, up from 2.1% last month.

#### Retail Prices Index (RPI) and RPIJ

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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</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 November 2015 are:

- The all items RPI is 259.8, up from 259.5 in October.
- The all items RPI annual rate is 1.1%, up from 0.7% last month.
- The all items RPIJ is 239.1, up from 238.9 in October.
- The all items RPIJ annual rate is 0.3%, up from 0.0% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 1.1%, up from 0.8% last month.
- The all goods RPI is 197.9, down from 198.0 in October.
- The all goods RPI annual rate is -0.9%, up from -1.2% last month.
- The all services RPI is 353.7, up from 353.3 in October.
- The all services RPI annual rate is 2.3%, up from 2.1% last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 0.9%, up from 0.6% last month.
- The Tax and Price Index (TPI) for November is 226.7, up from 226.5 in October.
- The TPI annual rate is 0.5%, up from 0.2% last month.

## **CPI SUMMARY**

## CONTRIBUTIONS TO CHANGE IN THE CPI ANNUAL RATE

	Weight	Weight	1 month	1 month	Contribution
CPI COICOP DIVISIONS	2014	2015	% change	% change	to CPI annual
			Nov 2014	Nov 2015	rate change
01: Food and non-alcoholic beverages	112	110	-0.2	0.1	0.03
02: Alcoholic beverages and tobacco	45	43	-1.2	-0.1	0.05
03: Clothing and footwear	72	70	0.7	-0.1	-0.07
04: Housing, water, electricity, gas and other fuels	129	128	-	0.1	0.01
05: Furniture, household equipment and maintenance	60	59	0.1	-0.2	-0.02
06: Health	24	25	-0.2	-0.2	-
07: Transport	152	149	-1.2	-0.7	0.08
08: Communication	32	31	-0.3	0.6	0.03
09: Recreation and culture	144	147	-0.3	-	0.03
10: Education	22	26	-	-	-
11: Restaurants and hotels	120	121	-	0.2	0.03
12: Miscellaneous goods and services	88	91	-0.1	0.3	0.04

#### Large upward effects came from:

Transport, where prices overall fell by 0.7% between October and November this year compared with a larger fall of 1.2% between the same months a year ago. As prices fell by less than last year, this resulted in an upward contribution to the CPI 12-month rate. Within transport, the upward effects came principally from motor fuels and second-hand cars. Petrol prices fell by 1.5 pence per litre this year compared with a fall of 3.0 pence per litre a year ago while diesel fell by 0.6 pence this year compared with 2.9 pence a year ago. Second-hand car prices rose by 1.6% this year compared with a fall of 1.0% a year ago;

- Alcoholic beverages and tobacco, where prices overall fell by 0.1% between October and November this year compared with a fall of 1.2% between the same months a year ago. The upward contributions came from spirits and wine; and
- Miscellaneous goods and services, where prices overall rose by 0.3% between October and November this year compared with a fall of 0.1% between the same months a year ago. Some of the upward effect came from car insurance premiums which rose by more than a year ago, with Insurance Premium Tax rising from 6% to 9.5% at the start of November 2015 as announced in the Summer 2015 Budget. There was also an upward contribution from other personal effects, where prices of items such as luggage rose by more than a year ago.

#### Small upward effects came from:

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- Recreation and culture, where prices overall were little changed between October and November this year compared with a fall of 0.3% between the same months a year ago. The upward contribution came from a range of sectors, most notably recording media and books;
- Food and non-alcoholic beverages, where prices overall rose by 0.1% between October and November this year compared with a fall of 0.2% a year ago. The upward contributions came from price movements for bread and cereals, meat, vegetables including potatoes and food products. These were partially offset by a downward effect from milk, cheese and eggs;
- **Restaurants and hotels**, where prices overall rose by 0.2% between October and November this year but were little changed a year ago. The upward effect came from accommodation services; and
- **Communication**, where prices overall rose by 0.6% between October and November this year compared with a fall of 0.3% between the same months a year ago.

#### A large downward effect came from:

 Clothing and footwear, where prices overall fell by 0.1% between October and November this year compared with a rise of 0.7% between the same months a year ago. This is the first fall in prices between October and November since official records began in 1996 and follows the largest September to October price increase on record. It continues the trend seen since the summer of atypical monthly price movements in the clothing and footwear sector. The contribution to change this month came primarily from price movements for a broad range of outerwear (particularly women's trousers) with more products on sale this November than a year ago.



#### A small downward effect came from:

• Furniture, household equipment and maintenance, where prices overall fell by 0.2% between October and November this year compared with a rise of 0.1% between the same months a year ago.

## **CPI NOTABLE MOVEMENTS**

All items CPI	Annual rate +0.1%, up from -0.1% last month Also +0.1% in July 2015 and May 2015 Last higher in January 2015 (+0.3%)
All items CPI exc energy, food, alcohol and tobacco	Annual rate +1.2%, up from +1.1% last month Also +1.2% in July 2015 and February 2015 Last higher in January 2015 (+1.4%)
Communication	Annual rate +2.9%, up from +2.0% last month Highest since December 2013 (+3.3%)
Miscellaneous goods and services	Annual rate +1.3%, up from +0.8% last month Highest since July 2013 (+1.5%)
All goods	Annual rate -1.9%, up from -2.1% last month Highest since July 2015 (-1.8%)
All services	Annual rate +2.4%, up from +2.2% last month Highest since September 2015 (+2.5%)

## **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 Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
01 Food & non-alcoholic beverages	112	110	-0.2	0.1	0.03

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

	Weight	Weight	1 month	1 month	Contribution
01.1 Food	2014	2015	% change	% change	to CPI annual
			Nov 2014	Nov 2015	rate change
01.1 Food	99	97	-0.2	0.2	0.03
01.1.1 Bread and cereals	17	16	-1.5	-0.2	0.02
01.1.2 Meat	22	22	-0.7	-0.2	0.01
01.1.3 Fish	4	4	0.7	-0.3	-
01.1.4 Milk, cheese and eggs	14	14	0.4	-0.8	-0.02
01.1.5 Oils and fats	2	2	-0.6	1.5	-
01.1.6 Fruit	10	10	1.9	2.1	-
01.1.7 Vegetables including potatoes	15	14	-0.3	0.2	0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	0.6	0.3	-
01.1.9 Food products not elsewhere covered	3	3	-1.4	1.6	0.01

- Small upward effect on the all items 12-month rate change.
- Due to bread and cereals; meat; food products not elsewhere covered; and vegetables including potatoes.
- Partially offset by **milk**, cheese and eggs.

#### **Bread and cereals**

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contributions coming from cereal bars and cakes.
- Partially offset by a small downward contribution coming from breakfast cereals.

#### Meat

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

from frozen chicken breasts.

• Partially offset by a small downward contribution coming from meat pies, where prices overall fell this year but rose a year ago.

#### Milk, cheese and eggs

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from shop-bought semi-skimmed milk, yoghurt/fromage frais and cheddar cheese.

#### Vegetables including potatoes

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

#### Food products not elsewhere covered

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

01.2 Non-alcoholic beverages	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
01.2 Non-alcoholic beverages	13	13	-0.7	-0.5	-
01.2.1 Coffee, tea and cocoa	3	3	-0.5	-0.3	-
01.2.2 Mineral waters, soft drinks and juices	10	10	-0.7	-0.6	-

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	45	43	-1.2	-0.1	0.05

- Large upward 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 Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
02.1 Alcoholic beverages	20	19	-3.4	-1.4	0.04
02.1.1 Spirits	6	5	-7.9	-4.7	0.03
02.1.2 Wine	9	9	-1.8	1.0	0.02
02.1.3 Beer	5	5	-0.8	-2.3	-0.01

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

#### Spirits

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

#### Wine

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

#### Beer

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

	Weight	Weight	1 month	1 month	Contribution
02.2 Tobacco	2014	2015	% change	% change	to CPI annual
			Nov 2014	Nov 2015	rate change
02.2 Tobacco	25	24	0.4	0.8	0.01

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

03 CLOTHING AND	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
FOOTWEAR	2014	2013	Nov 2014	Nov 2015	rate change
03 Clothing and footwear	72	70	0.7	-0.1	-0.07

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

	Weight	Weight	1 month	1 month	Contribution
03.1 Clothing	2014	2015	% change	% change	to CPI annual
			Nov 2014	Nov 2015	rate change
03.1 Clothing	62	60	0.8	-0.1	-0.06
03.1.2 Garments	55	54	0.8	-0.1	-0.05
03.1.3 Other clothing and clothing accessories	6	5	1.1	-0.6	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.2	0.2	-

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

#### Garments

- Large downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from women's trousers, blouses/shirts and strappy tops; and men's coats.
- Partially offset by small upward contributions coming from women's dresses and jumpers; and men's suits.

#### Other clothing and clothing accessories

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

03.2 Footwear including repairs	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
03.2 Footwear including repairs	10	10	0.1	-	-

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and other fuels	129	128	-	0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to actual rentals for housing.

04.1 Actual rentals for housing	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
04.1 Actual rentals for housing	70	72	0.1	0.1	0.01

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

04.3 Regular maintenance and repair of the dwelling	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	0.2	1.0	-
04.3.1 Materials for maintenance and repair	1	1	0.4	1.9	-
04.3.2 Services for maintenance and repair	1	1	-	-	-

04.4 Other services related to the dwelling	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 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 Nov 2014	1 month % change Nov 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	-1.3	-3.4	-
04.5.4 Solid fuels	1	1	0.1	0.2	-

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	60	59	0.1	-0.2	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to goods and services for routine maintenance.
- Partially offset by household appliances, fitting and repairs.

05.1 Furniture, furnishings and carpets	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	21	21	0.4	0.2	-
05.1.1 Furniture and furnishings	16	15	0.2	0.3	-
05.1.2 Carpets and other floor coverings	5	6	0.8	0.2	-

05.2 Household textiles	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Nov 2014	Nov 2015	rate change
05.2 Household textiles	7	6	1.1	1.8	-

05.3 Household appliances, fitting and repairs	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
05.3 Household appliances, fitting and repairs	9	8	-0.7	-0.1	0.01
05.3.1/2 Major appliances and small electric goods	8	7	-0.8	-0.1	0.01
05.3.3 Repair of household appliances	1	1	-0.2	0.1	-

- 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, particularly for washing machines.

05.4 Glassware, tableware and household utensils	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	-0.6	-0.8	-

05.5 Tools and equipment for house and garden	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	4	5	0.2	-	-

• 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 Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	0.1	-1.6	-0.02
05.6.1 Non-durable household goods	5	5	-0.1	-4.4	-0.02
05.6.2 Domestic services and household services	8	8	0.1	0.1	-

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

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

06.1 Medical products, appliances and equipment	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	10	12	-0.7	-0.5	-
06.1.1 Pharmaceutical products	6	7	-0.9	-0.4	-
06.1.2/3 Other medical and therapeutic equipment	4	5	-0.4	-0.7	-

06.2 Out-patient services	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
06.2 Out-patient services	6	5	0.1	0.3	-
06.2.1/3 Medical and paramedical services	3	3	0.2	0.4	-
06.2.2 Dental services	3	2	-	0.1	-

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

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

07 TRANSPORT	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Nov 2014	Nov 2015	rate change
07 Transport	152	149	-1.2	-0.7	0.08

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

07.1 Purchase of vehicles	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
07.1 Purchase of vehicles	44	40	-0.3	0.6	0.03
07.1.1A New cars	23	24	0.2	-	-
07.1.1B Second-hand cars	18	14	-1.0	1.6	0.04
07.1.2/3 Motorcycles and bicycles	3	2	-	0.4	-

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

07.2 Operation of personal transport equipment	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
07.2 Operation of personal transport equipment	76	77	-1.0	-0.4	0.04
07.2.1 Spare parts and accessories	5	6	-0.7	0.1	-
07.2.2 Fuels and lubricants	35	34	-2.3	-1.1	0.04
07.2.3 Maintenance and repairs	23	23	0.3	0.2	-
07.2.4 Other services	13	14	-0.1	-	-

- Large upward effect on the all items 12-month rate change.
- Due to fuels and lubricants.
- The average price of petrol across the month, as recorded for the CPI, fell by 1.5 pence per litre between October and November 2015 to stand at 107.2 pence per litre.
- Last year, the average price of petrol fell by 3.0 pence per litre between October and November 2014 to stand at 122.9 pence per litre.
- The average price of diesel fell by 0.6 pence per litre between October and November 2015 to stand at 110.2 pence per litre, compared with a fall of 2.9 pence per litre a year earlier to stand at 127.7 pence per litre.

07.3 Transport services	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Nov 2014	Nov 2015	rate change
07.3 Transport services	32	32	-2.8	-2.6	0.01
07.3.1 Passenger transport by railway	11	12	0.7	-	-0.01
07.3.2 Passenger transport by road	11	12	-	0.5	0.01
07.3.3 Passenger transport by air	6	6	-12.3	-13.0	-0.01
07.3.4 Passenger transport by sea and inland waterway	4	2	-3.3	-0.4	0.01

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

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- Due to passenger transport by sea and inland waterway and passenger transport by road.
- Partially offset by passenger transport by railway and passenger transport by air.

#### Passenger transport by railway

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

#### Passenger transport by road

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

#### Passenger transport by air

- Small downward effect.
- Average air fares fell this year by more than a year ago, with the main downward contribution coming from European flights.
- Partially offset by a small upward contribution coming from long haul flights.

#### Passenger transport by sea and inland waterway

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

	Weight	Weight	1 month	1 month	Contribution
08 COMMUNICATION	2014	2015	% change	% change	to CPI annual
			Nov 2014	Nov 2015	rate change
08 Communication	32	31	-0.3	0.6	0.03

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

	Weight	Weight	1 month	1 month	Contribution
08.1 Postal services	2014	2015	% change	% change	to CPI annual
			Nov 2014	Nov 2015	rate change
08.1 Postal services	2	2	-0.4	-	-

08.2/3 Telephone equipment and services	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
08.2/3 Telephone equipment and services	30	29	-0.3	0.6	0.03

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

09 RECREATION AND CULTURE	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
09 Recreation and culture	144	147	-0.3	-	0.03

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

09.1 Audio-visual equipment and related products	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
09.1 Audio-visual equipment and related products	22	23	-2.8	-0.7	0.04
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	5	-2.2	-1.0	0.01
09.1.2 Photographic, cinematographic and optical equipment	3	3	-4.0	-2.1	0.01
09.1.3 Data processing equipment	8	9	-3.3	-2.6	-
09.1.4 Recording media	5	5	-2.5	2.9	0.03
09.1.5 Repair of audio-visual equipment and related products	1	1	0.3	0.3	-

- Large upward effect on the all items 12-month rate change.
- Due to recording media; equipment for the reception and reproduction of sound and pictures; and photographic, cinematographic and optical equipment.



Equipment for the reception and reproduction of sound and pictures

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

Photographic, cinematographic and optical equipment

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

#### **Recording media**

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

09.2 Other major durables for recreation and culture	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Nov 2014	Nov 2015	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 Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
09.3 Other recreational items, gardens and pets	36	36	0.8	-0.2	-0.03
09.3.1 Games, toys and hobbies	21	21	1.0	-0.1	-0.02
09.3.2 Equipment for sport and open-air recreation	3	4	-0.7	0.1	-
09.3.3 Gardens, plants and flowers	4	4	1.7	-0.3	-0.01
09.3.4/5 Pets, related products and services	8	7	0.4	-0.6	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to games, toys and hobbies; gardens, plants and flowers; and pets, related products and services.

Games, toys and hobbies

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from computer games consoles, model road vehicles and computer games.

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• Partially offset by a small upward contribution coming from children's pre-school activity toys, where prices rose this year but fell a year ago.

#### Gardens, plants and flowers

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

#### Pets, related products and services

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

09.4 Recreational and cultural services	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
09.4 Recreational and cultural services	31	31	0.2	0.3	-
09.4.1 Recreational and sporting services	9	8	0.1	-	-
09.4.2 Cultural services	22	23	0.3	0.4	-

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

09.5 Books, newspapers and stationery	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	14	-0.7	0.5	0.02
09.5.1 Books	4	4	-3.8	0.7	0.02
09.5.2 Newspapers and periodicals	5	5	0.7	0.2	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	5	0.8	0.7	-

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

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



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

11 RESTAURANTS AND HOTELS	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
11 Restaurants and hotels	120	121	-	0.2	0.03

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

11.1 Catering services	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
11.1 Catering services	100	100	0.1	0.1	-
11.1.1 Restaurants and cafes	91	91	0.1	0.1	-
11.1.2 Canteens	9	9	-0.3	0.1	-

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

11.2 Accommodation services	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
11.2 Accommodation services	20	21	-0.7	0.6	0.03

- Small upward effect on the all items 12-month rate change.
- Charges overall rose this year but fell a year ago, particularly for overnight stays at hotels.

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
12 Misc. goods and services	88	91	-0.1	0.3	0.04

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

12.1 Personal care	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
12.1 Personal care	29	30	-0.6	-0.9	-0.01
12.1.1 Hairdressing and personal grooming establishments	7	7	0.3	0.1	-
12.1.2/3 Appliances and products for personal care	22	23	-0.9	-1.2	-0.01

- 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 by more than a year ago, with the main downward contribution coming from toothpaste.

12.3 Personal effects not elsewhere covered	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
<ul><li>12.3 Personal effects not elsewhere covered</li><li>12.3.1 Jewellery, clocks and watches</li></ul>	13 8	14 9	0.1 -0.6	1.7 0.1	0.02 0.01
12.3.2 Other personal effects	5	5	1.2	4.6	0.02

- Small upward effect on the all items 12-month rate change.
- Due to other personal effects; and jewellery, clocks and watches.

#### Jewellery, clocks and watches

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

#### Other personal effects

- Small upward effect.
- Prices overall rose this year by more than a year ago, particularly for trolley cases.

12.4 Social protection	Weight	Weight	1 month	1 month	Contribution
	2014	2015	% change	% change	to CPI annual
			Nov 2014	Nov 2015	rate change
12.4 Social protection	12	13	0.3	0.4	-

12.5 Insurance	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
12.5 Insurance	7	10	0.1	2.2	0.02
12.5.2 House contents insurance	2	2	-0.3	1.4	-
12.5.3 Health insurance	2	3	-	0.6	-
12.5.4 Transport insurance	3	5	0.4	3.5	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **transport insurance**, where average car insurance premiums rose this year by more than a year ago, with Insurance Premium Tax rising from 6% to 9.5%.

12.6 Financial services not elsewhere covered	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
12.6 Financial services not elsewhere covered	17	12	-0.2	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 Nov 2014	1 month % change Nov 2015	Contribution to CPI annual rate change
12.7 Other services not elsewhere covered	10	12	0.2	0.2	-

## **RPI SUMMARY**

## CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to RPI annual rate change
FOOD	114	109	-0.6	0.1	0.08
CATERING	47	47	0.2	0.1	-
ALCOHOLIC DRINKS	58	56	-1.1	-0.3	0.05
ТОВАССО	29	27	0.4	0.8	0.01
HOUSING	253	263	0.1	0.3	0.06
FUEL AND LIGHT	48	45	-0.1	-0.1	-
HOUSEHOLD GOODS	61	59	0.3	-0.5	-0.05
HOUSEHOLD SERVICES	62	65	-0.2	0.6	0.06
CLOTHING AND FOOTWEAR	45	42	0.8	0.1	-0.03
PERSONAL GOODS AND SERVICES	40	41	-	0.2	0.01
MOTORING EXPENDITURE	120	115	-1.1	0.6	0.19
FARES AND OTHER TRAVEL COSTS	22	25	-2.6	-4.0	-0.05
LEISURE GOODS	30	28	-0.5	-0.5	-
LEISURE SERVICES	71	78	-	0.1	0.01

## **RPI NOTABLE MOVEMENTS**

All items RPI	Annual rate +1.1%, up from +0.7% last month Also +1.1% in August 2015 and January 2015 Last higher in December 2014 (+1.6%)
All items RPI exc MIPS (RPIX)	Annual rate +1.1%, up from +0.8% last month Highest since August 2015 (+1.2%)
All items RPI exc MIPS and indirect taxes (RPIY)	Annual rate +0.9%, up from +0.6% last month Highest since August 2015 (+1.1%)
Catering	Annual rate +1.3%, down from +1.4% last month Never lower since official series began in January 1988
Motoring expenditure	Annual rate -2.8%, up from -4.4% last month Highest since November 2014 (-1.8%)
Leisure services	Annual rate +2.9%, up from +2.7% last month Also +2.9% in September 2014 Last higher in August 2013 (+3.1%)
All goods	Annual rate -0.9%, up from -1.2% last month Highest since August 2015 (-0.8%)
All services	Annual rate +2.3%, up from +2.1% last month Highest since September 2015 (+2.4%)

## **RPI DETAILED BRIEFING**

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

Weights are specified as parts per 1000 in the RPI.

FOOD	Weight	Weight	1 month	1 month	Contribution
	2014	2015	% change	% change	to RPI annual
			Nov 2014	Nov 2015	rate change
FOOD	114	109	-0.6	0.1	0.08

- Large upward effect on the all items 12-month rate change.
- Due to **non-seasonal food** and, to a lesser extent, **seasonal food**.

Seasonal Food	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Nov 2014	Nov 2015	rate change
SEASONAL FOOD	19	18	-0.2	0.6	0.01
Home killed lamb	1	1	-1.6	-1.2	-
Fresh fish	2	2	-1.9	-0.2	-
Eggs	1	1	-1.2	-0.1	-
Unprocessed potatoes	2	2	-1.5	0.4	-
Other fresh vegetables	7	6	-0.9	-0.9	-
Fresh fruit	6	6	2.0	2.7	-

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from frozen prawns and strawberries.
- Partially offset by a small downward contribution coming from grapes, where prices overall rose this year by less than a year ago.



New Concernel Food	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2014	2015	% change	% change	to RPI annual
			Nov 2014	Nov 2015	rate change
NON-SEASONAL FOOD	95	91	-0.6	-	0.07
Bread	5	4	-2.5	-1.4	0.01
Cereals	4	4	1.0	0.2	-
Biscuits and cakes	7	7	-2.6	-0.4	0.02
Beef	4	4	0.6	0.5	-
Imported lamb	1	1	-2.7	1.3	-
Pork	1	1	-0.8	-0.2	-
Bacon	2	2	-0.6	-2.1	-
Poultry	4	4	-2.5	0.4	0.01
Other meat	7	7	-0.1	0.2	-
Processed fish	2	2	-2.5	-2.6	-
Butter	1	1	-2.4	7.1	0.01
Oils and fats	2	1	0.4	-1.6	-
Cheese	4	4	3.3	1.4	-0.01
Milk, fresh	4	3	-0.8	-1.5	-
Milk products	4	4	0.3	-1.1	-0.01
Tea	1	1	-1.4	-0.2	-
Soft drinks	11	10	-1.0	-0.4	0.01
Sugar and preserves	1	1	-3.2	-2.1	-
Sweets and chocolates	11	11	0.3	0.7	-
Potato products	3	3	-1.6	1.7	0.01
Processed vegetables	2	2	5.0	0.8	-0.01
Processed fruit	1	2	1.0	0.3	-
Other foods	11	11	-1.9	0.6	0.03
Coffee and other hot drinks	2	1	0.4	-0.4	-

- Large upward effect on the all items 12-month rate change.
- Due to:
  - Other foods, poultry, butter and potato products, where prices overall rose this year but fell a year ago, with the main upward contributions coming from cook-in sauces, dried potted snacks, chilled ready meals, frozen chicken breasts and spreadable butter.
    Partially offset by a small downward contribution coming from chocolate covered ice cream bars, where prices overall fell this year but rose a year ago; and
  - **Biscuits and cakes**, **bread** and **soft drinks**, where prices overall fell this year by less than a year ago, with the main upward contributions coming from cakes, bottles of cola flavoured drinks and multipacks of fruit drink bottles.
- Partially offset by:
  - **Cheese** and **processed vegetables**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from cheddar cheese; and
  - **Milk products**, where prices overall fell this year but rose a year ago.



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

ALCOHOLIC DRINKS	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	58	56	-1.1	-0.3	0.05
Beer on sales	20	19	0.1	0.1	-
Beer off sales	5	5	-0.7	-2.2	-0.01
Wines and spirits on sales	18	18	0.2	0.2	-
Wines and spirits off sales	15	14	-4.5	-0.9	0.05

- Large upward effect on the all items 12-month rate change.
- Due to **wines and spirits off sales**, where prices overall fell this year by less than a year ago, with the main upward contributions coming from wine, whisky and vodka.
- Partially offset by **beer off sales**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from bottles of premium lager.

ТОВАССО	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to RPI annual rate change
TOBACCO	29	27	0.4	0.8	0.01
Cigarettes	25	23	0.4	0.7	0.01
Other tobacco products	4	4	-	1.2	-

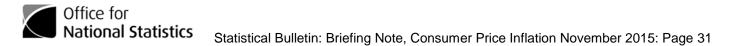
- Small upward effect on the all items 12-month rate change.
- Due to **cigarettes**, where prices overall rose this year by more than a year ago.



HOUSING	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Nov 2014	Nov 2015	rate change
HOUSING	253	263	0.1	0.3	0.06
Rent	87	84	0.1	0.2	0.01
Mortgage interest payments	30	29	-	-	-
Council tax and rates	42	40	-	-	-
Water and other charges	14	14	-	-	-
Repairs and maintenance charges	10	9	-	-	-
DIY materials	6	8	0.4	1.1	0.01
Dwelling insurance and ground rent	6	6	1.9	1.9	-
House depreciation	58	73	0.1	0.6	0.04

- Large upward effect on the all items 12-month rate change.
- Due to:
  - **House depreciation**, with the smoothed house price index used to calculate this component rising this year by more than a year ago; and, to a lesser extent
  - **Rent**, where average charges for private rented properties rose this year by more than a year ago; and
  - **DIY materials**, where prices overall rose this year by more than a year ago, particularly for shower heads.

FUEL AND LIGHT	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to RPI annual rate change
FUEL AND LIGHT	48	45	-0.1	-0.1	-
Coal and solid fuels	1	1	-	0.2	-
Electricity	22	21	-	-	-
Gas	21	21	-	-	-
Oil and other fuels	4	2	-1.0	-2.8	-



HOUSEHOLD GOODS	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Nov 2014	Nov 2015	rate change
HOUSEHOLD GOODS	61	59	0.3	-0.5	-0.05
Furniture	21	22	0.7	0.3	-0.01
Furnishings	9	9	1.0	0.7	-
Electrical appliances	6	5	-1.3	-2.4	-
Other household equipment	4	4	-0.6	-0.3	-
Household consumables	12	12	0.1	-1.9	-0.02
Pet care	9	7	0.4	-0.9	-0.01

- Largest downward effect on the all items 12-month rate change.
- Due to:
  - Household consumables and pet care, where prices overall fell this year but rose a year ago, particularly for household cleaner cream/liquid and dry dog food; and
  - **Furniture**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from leather settees. Partially offset by a small upward contribution coming from kitchen furniture, where prices overall rose this year but fell a year ago.

HOUSEHOLD SERVICES	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	62	65	-0.2	0.6	0.06
Domestic services	13	13	0.2	0.3	-
Fees and subscriptions	24	26	-0.4	0.6	0.03
Postage	1	1	-0.4	-	-
Telephone charges	24	25	-0.2	0.8	0.03

- Large upward effect on the all items 12-month rate change.
- Due to fees and subscriptions and telephone charges, where average charges rose this year but fell a year ago, with the main upward contributions coming from house contents insurance, estate agent fees, bundled telecommunication services and mobile phone applications.



CLOTHING AND FOOTWEAR	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	45	42	0.8	0.1	-0.03
Men's outerwear	10	8	1.1	-0.6	-0.02
Women's outerwear	16	16	0.9	-	-0.01
Children's outerwear	5	5	1.6	1.2	-
Other clothing	5	5	0.4	-0.3	-
Footwear	9	8	0.1	0.4	-

- Small downward effect on the all items 12-month rate change.
- Due to:
  - Men's outerwear, where prices overall fell this year but rose a year ago; and
  - Women's outerwear, where prices overall were little changed this year but rose a year ago, with the main downward contribution coming from trousers. Partially offset by a small upward contribution coming from plain T-shirts, where prices overall rose this year by more than a year ago.

PERSONAL GOODS & SERVICES	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to RPI annual rate change
PERSONAL GOODS & SERVICES	40	41	-	0.2	0.01
Personal articles	10	10	0.1	0.8	0.01
Chemists' goods	16	17	-0.1	-0.1	-
Personal services	14	14	0.1	0.1	-

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

MOTORING EXPENDITURE	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Nov 2014	Nov 2015	rate change
MOTORING EXPENDITURE	120	115	-1.1	0.6	0.19
Purchase of motor vehicles	36	42	-0.5	0.9	0.05
Maintenance of motor vehicles	17	16	0.1	0.1	-
Petrol and oil	43	35	-2.7	-1.3	0.06
Vehicle tax and insurance	24	22	0.3	3.2	0.07

- Largest upward effect on the all items 12-month rate change.
- Due to:

- Vehicle tax and insurance, where average premiums for car insurance rose this year by more than a year ago, with Insurance Premium Tax rising from 6% to 9.5%;
- **Petrol and oil**, where prices overall fell this year by less than a year ago. The price of petrol, as recorded for the RPI, fell by 1.9 pence per litre between October and November 2015, to stand at 107.1 pence per litre, compared with a fall of 3.6 pence per litre last year to stand at 122.9 pence per litre. Diesel prices fell by 0.7 pence per litre, to stand at 110.1 pence per litre in November 2015, compared with a fall of 3.5 pence per litre last year to stand at 127.6 pence per litre; and
- **Purchase of motor vehicles**, where average prices for second-hand cars rose this year but fell a year ago.

FARES AND OTHER TRAVEL COSTS	Weight 2014	Weight 2015	1 month % change Nov 2014	1 month % change Nov 2015	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	22	25	-2.6	-4.0	-0.05
Rail fares	7	7	0.7	-0.1	-0.01
Bus and coach fares	4	3	-0.1	0.7	-
Other travel costs	11	15	-5.4	-6.5	-0.04

- Large downward effect on the all items 12-month rate change.
- Due to:
  - **Other travel costs**, where average charges fell this year by more than a year ago, particularly for air fares; and
  - **Rail fares**, where average charges for international rail journeys fell this year but rose a year ago.

LEISURE GOODS	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Nov 2014	Nov 2015	rate change
LEISURE GOODS	30	28	-0.5	-0.5	-
Audio-visual equipment	7	7	-2.6	-2.8	-
CDs and tapes	2	2	-2.6	2.8	0.01
Toys, photographic and sports goods	9	8	0.8	-0.5	-0.01
Books and newspapers	7	6	-0.9	-	0.01
Gardening products	5	5	1.7	-0.2	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There are upward contributions coming from:
  - **CDs and tapes**, where prices overall rose this year but fell a year ago, particularly for DVDs; and

- **Books and newspapers**, where prices overall were little changed this year but fell a year ago, with the main upward contribution coming from eBooks.
- Offset by downward contributions coming from **toys**, **photographic and sports goods** and **gardening products**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from computer games and potted shrubs.

LEISURE SERVICES	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Nov 2014	Nov 2015	rate change
LEISURE SERVICES	71	78	-	0.1	0.01
TV licence and rentals	12	12	-	-	-
Entertainment and other recreation	15	15	0.3	0.4	-
Foreign holidays	34	41	-0.1	-	-
UK holidays	10	10	-0.2	0.4	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **UK holidays**, where prices overall rose this year but fell a year ago, particularly for overnight stays at hotels.

## **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 November 2015 was -0.91 percentage points, widening from -0.81 percentage points in October 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 0.08 percentage points between October and November 2015. The effect came mainly from insurance; games, toys and hobbies and equipment for sport and open air recreation; food and non-alcoholic beverages; clothing and footwear; and fuels and lubricants. This was partially offset by air fares.
- Other housing components, which increased the RPI 12-month rate by 0.05 percentage points between October and November 2015 but are excluded from the CPI. The effect came mainly from house depreciation.

These were partially offset by:

• **The formula effect**, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.03 percentage points between October and November 2015. The effect came mainly from recreation and culture.

## **RPI MISCELLANEOUS DATA**

#### **Selected Average Prices**

Description		September 2015	October 2015	November 2015		
Dotrol por litro	Diesel £1.10		£1.11	£1.10		
Petrol per litre	Petrol	£1.11	£1.09	£1.07		
	Draught bitter (pint)	£2.97	£2.97	£2.97		
Alcohol pub prices	Draught lager (pint)	£3.46	£3.46	£3.47		
	Whisky (per nip)	£2.61	£2.62	£2.62		
Cigarettes	Per 20 king size	£8.92	£9.01	£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
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
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

**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 rise in December.

Monthly % change for CPI seasonal food index			
Year	October	November	December
2009	2.1	3.6	1.7
2010	0.4	3.0	2.8
2011	-1.6	1.8	3.3
2012	0.9	2.5	2.9
2013	0.1	-0.1	0.8
2014	1.3	0.6	0.6
2015	0.3	0.8	

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

#### CLOTHING AND FOOTWEAR

• Prices for clothing and footwear tend to fall in December.

Monthly % change for CPI clothing and footwear index			
Year	October	November	December
2009	-0.4	0.6	-1.3
2010	-0.7	2.0	-1.9
2011	0.8	1.2	-2.8
2012	1.2	0.6	-1.5
2013	1.0	0.7	-0.9
2014	0.6	0.7	-1.1
2015	2.0	-0.1	

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

#### FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

• Prices tend to rise in December.

Monthly % change for CPI furniture, household equipment and maintenance index			
Year	October	November	December
2009	-0.8	0.9	2.2
2010	-1.0	1.6	1.2
2011	-0.6	1.0	1.0
2012	-0.6	-0.1	1.3
2013	-0.4	-0.1	1.7
2014	-1.1	0.1	1.6
2015	-1.0	-0.2	

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

#### TRANSPORT

#### **Fuels and Lubricants**

- Oil prices have fallen, coming close to their 11-year lows, on growing fears that the global oil glut would worsen in the months to come in a pricing war between key producers. Brent crude fell by 3.4 percent below \$37 a barrel for the first time since December 2008 and U.S. West Texas Intermediate (WTI) sank 2.5 percent below \$35 a barrel. Brent traded less than 50 cents above the lows last seen during the 2008 financial crisis of \$36.20 a barrel. If Brent falls below that level, that will be its lowest since mid-2004, when talk of a commodity supercycle was only beginning. WTI's financial crisis low was \$32.40 in December 2008. (uk.reuters.com 14 December 2015)
- When considering the price of petrol between November and December 2015, it may be useful to note that the average price of petrol fell by 6.1 pence per litre between November and December 2014, standing at 116.8 pence per litre as measured in the CPI.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately 0.03 percentage points to the 1-month change in the CPI.

#### Passenger Transport by Air

• Air fares tend to rise in December.

Monthly % change for CPI air fares index			
Year	October	November	December
2009	1.5	-2.6	41.7
2010	2.7	-6.4	41.8
2011	-6.0	-7.5	40.9
2012	-3.5	-8.3	21.9
2013	-11.2	-8.1	19.8
2014	-6.0	-12.3	19.3
2015	-12.7	-13.0	

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