

Article

Developing a Northern Ireland Consumer Prices Index: October 2025

Update on the Office for National Statistics' work to produce consumer price inflation estimates for Northern Ireland.

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1 . Background

The Consumer Prices Index (CPI) measures the change in price of a “fixed basket” of goods and services that is representative of spending within the UK. This article is an update to work previously covered in our [Developing a Northern Ireland Consumer Prices Index: October 2024](#) publication. The aim is to develop reliable estimates of consumer price inflation for Northern Ireland using a boosted Northern Ireland price collection and adjusting basket weights to be more reflective of Northern Ireland spending patterns.

The CPI is based on the methodology for [Eurostat's Harmonised Indices of Consumer Prices \(HICP\)](#), which is a harmonised methodology that allows international comparisons to be made. The coverage and classification of item indices within the CPI are based on the international classification system for household consumption expenditures known as the [Classification of Individual Consumption According to Purpose \(COICOP\)](#). COICOP is a hierarchical classification system.

In our [first publication](#), we highlighted the small sample size for price quotes as a challenge for constructing a Northern Ireland Consumer Prices Index. To try and overcome the issue of a small sample size we have collaborated with the Consumer Council for Northern Ireland (CCNI) to boost the sample size of the price collection in Northern Ireland, mainly the local collection (prices that are collected from local shopping outlets). This boost was implemented in January 2022, so we now have over three and a half years of boosted price data for Northern Ireland.

In [our second publication](#) we implemented an approach to producing experimental region-specific expenditure weights. For expenditure weights, [Living Costs and Food Survey \(LCF\) data](#) can be reconciled to CPI spending totals to provide a regional breakdown. However, disaggregating the LCF sample into country and regions means that the sample sizes are much smaller than the national sample size. As it was not feasible to increase the sample size of each regional breakdown in previous years of LCF data, we created a five-year average weight, centred around 2015 data, which was then adjusted by annual changes in UK weights to create a set of more stable Northern Ireland-specific weights. We have focused on improving this work in this update.

In [our previous publication](#), we highlighted the improvements made to regional prices by extracting Northern Ireland quotes from centrally collected items. We have included new data, such as the [Consumer Council for Northern Ireland's](#) price trackers and using the Office for National Statistics's (ONS's) Index of Private Housing Rental Prices for Northern Ireland rents. We have conducted a deeper analysis of item weights where regional components are present.

2 . Areas improved since previous publication

We have improved Northern Ireland price collection through [boosting Northern Ireland price collection on locally collected prices](#), that is, price collectors visiting outlets and recording prices. We have also improved central collection with increased coverage for Northern Ireland, including gas and electricity price collection.

Since the previous publication, there has been a focus on improving regional weights for the Northern Ireland Consumer Prices Index (CPI). For expenditure weights, [Living Costs and Food \(LCF\) data were reconciled to CPI spending totals to provide a regional breakdown](#). We then converted these regional spending totals into weights and calculated a five-year average around 2015. The main issue with this approach is that Northern Ireland proportions are then fixed around the 2015 base, so changes in regional spend over time will not be captured if they differ to overall UK changes.

A single year of LCF data are often highly volatile at a regional level for individual Classification of Individual Consumption According to Purpose (COICOPs). Examining multiple years of LCF data helps to smooth out some of this variation, which may include random noise. This variation can be particularly large in those COICOPs with lower responses in the LCF data.

For each COICOP and year, we followed several steps to calculate Northern Ireland-specific weights.

1. Calculate the total spending per region in the LCF data.
2. Convert these spending totals into proportions of spend per region.
3. Take a weighted moving average of the Northern Ireland proportion of UK spend for each COICOP.
4. Use this weighted moving average proportion to redistribute UK CPI spending totals, creating estimates of Northern Ireland spend per COICOP and year.
5. Convert into yearly Northern Ireland-specific weights by rebasing spending to 1000.

Please see [Section 5: Effects of the changes in weights methodology](#) for an analysis of the effects our changes made.

As we continue to multiply these more stable proportions by the national account totals, we are still accounting for general changes in spending patterns. We are also better able to capture regional trends. For example, the LCF data show a clear upward trend in Northern Ireland's proportion of overall spending on gas. Northern Ireland accounted for 1.3% of UK spending on gas in the 2022 LCF data, 10 years before it was less than half at 0.5%. This rising proportion is reflected in the new methodology, whereas previously the weights were fixed around 2015 and would not have captured this trend.

The downside of this method is that genuine short-lived changes in a region which differ from the UK's overall changes may be smoothed out by this method, which often treats such fluctuations as noise. However, the previous methodology also did not account for short-term regional differences. It is important to note that, as we are taking regional proportions of overall UK spending, we are still accounting for broad UK changes in spending patterns.

This method is comparable to research on [Estimating Regional Harmonized Indices of Consumer Prices: An Application to the UK](#), which modelled regional spending proportions based on the LCF data. We have used this analysis to provide input on our methodology which we detailed to the [Technical Advisory Panel on Consumer Prices](#) in July 2025.

Table 1 shows these new weights for CPI aggregated to division, and how they compare with the UK. The table is not a comparison of Northern Ireland against the rest of the UK, it is a comparison of Northern Ireland against the UK including Northern Ireland. It is also worth noting that weights show the proportion of spending in each category. A higher Northern Ireland weight for clothing and footwear does not necessarily suggest that Northern Ireland households buy more clothing and footwear. Rather, it suggests that these consumers proportionally spend more on this category than those in the UK as a whole.

Table 1: Experimental Northern Ireland expenditure weights differ from previous methodology and UK headline CPI weights (parts per thousand), August 2025

| Division | UK | NI | Difference |
|--|-----------|-----------|-------------------|
| 01 Food and non-alcoholic beverages | 112.6 | 133.8 | 21.2 |
| 02 Alcoholic beverages and tobacco | 38.6 | 49.2 | 10.6 |
| 03 Clothing and footwear | 60.1 | 82.4 | 22.4 |
| 04 Housing, water, electricity, gas and other fuels | 127.9 | 86.0 | -41.8 |
| 05 Furniture, household equipment and maintenance | 58.5 | 58.9 | 0.4 |
| 06 Health | 28.4 | 34.0 | 5.6 |
| 07 Transport | 132.3 | 129.5 | -2.8 |
| 08 Communication | 24.4 | 28.1 | 3.6 |
| 09 Recreation and culture | 148.7 | 120.2 | -28.6 |
| 10 Education | 31.8 | 13.6 | -18.3 |
| 11 Restaurants and hotels | 136.7 | 152.3 | 15.6 |
| 12 Miscellaneous goods and services | 100.1 | 112.1 | 12.0 |

Source: Consumer Prices Index data from the Office for National Statistics

The largest difference in weights is because of lower rental costs. Northern Ireland has an assigned 40.7 parts per 1,000 to actual rentals for housing, compared with 81.5 for the UK. This reflects the [relatively lower rental prices in Northern Ireland](#). Other regional factors also influence the weighting structure, such as the absence of water charges in Northern Ireland and [comparatively lower higher education tuition fees in Northern Ireland than in Great Britain](#).

3 . Results

In this section, we present the experimental Northern Ireland Consumer Prices index (CPI), based on the latest iteration of the methodology and how it compares with the UK CPI. We show 44 months of data, including 32 months of annual rates and their contributions.

These estimates reflect the current outcome of this pilot and our research on sample sizes and weights. We are still investigating methodologies and so results may be subject to change. We have not identified an optimal sample size and as a result there may be volatile or unusual effects that are not genuine movements for Northern Ireland, but instead are a result of sample size issues. We do not recommend the use of these metrics for policy or decision-making purposes.

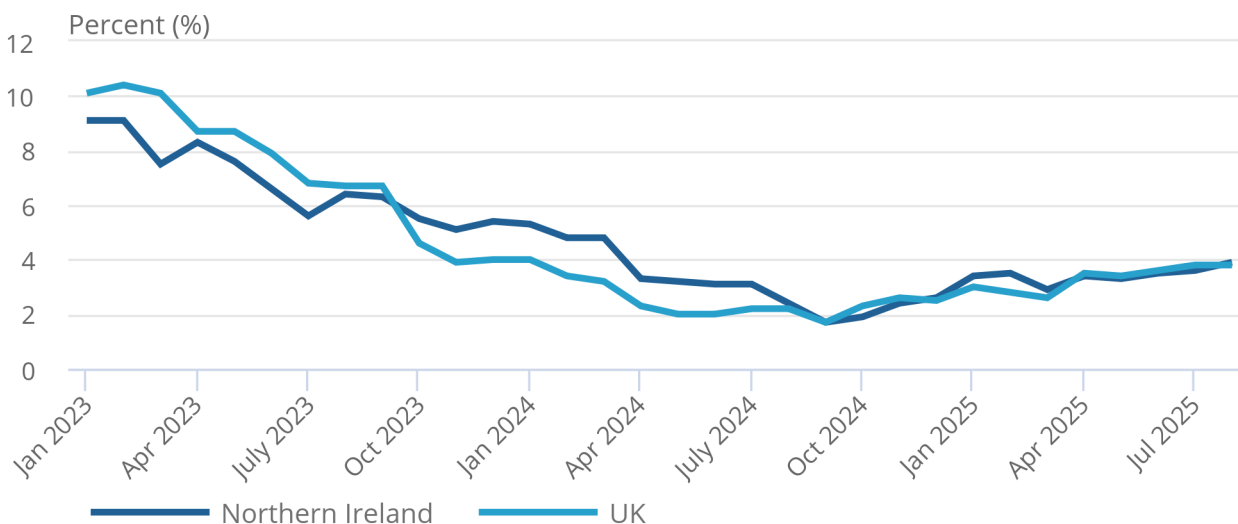
The weighting of the CPI basket for a household in Northern Ireland will be different to one in the UK because of different spending patterns. Therefore, the results presented here show a combination of differing inflation rates in Northern Ireland and the UK as well as differing basket weights. For example, prices for individual items in Northern Ireland might be going up at the same rate as those in the UK. However, if spending patterns differ between Northern Ireland and the UK, this will cause a difference between the Northern Ireland and the UK index. Note this does not indicate how the absolute level of prices in Northern Ireland compares with the UK as a whole – it only reflects changes in the level of prices since the start of 2022.

Figure 1: Experimental Northern Ireland annual CPI inflation has been largely in line with the rest of the UK since April 2025

UK and Northern Ireland, annual inflation rate, January 2023 to August 2025

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UK and Northern Ireland, annual inflation rate, January 2023 to August 2025



Source: Consumer Prices Index data from the Office for National Statistics

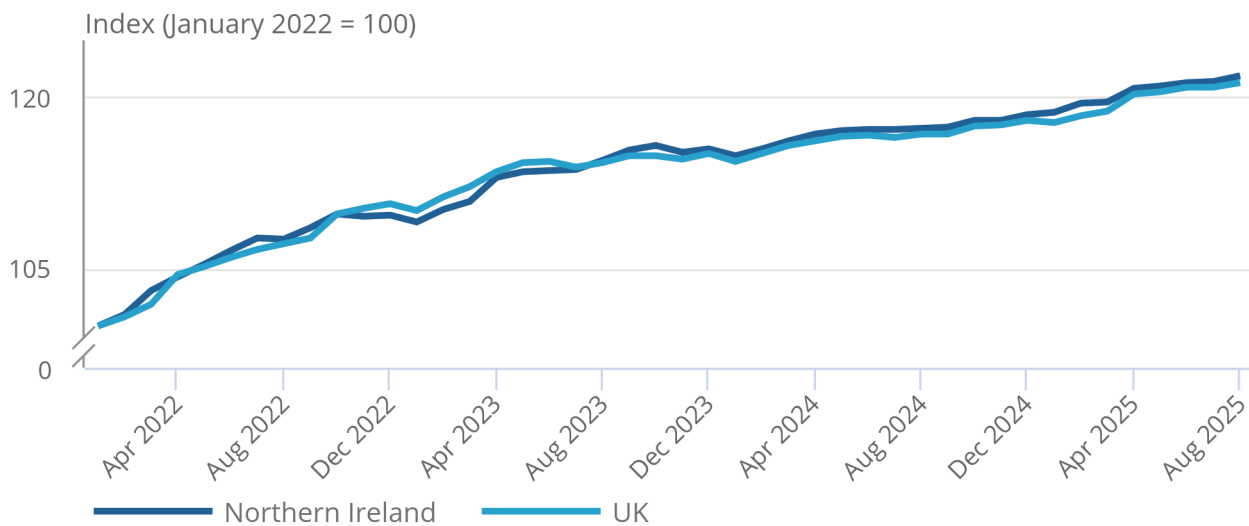
The rate of [UK annual inflation](#) peaked at 11.1% in October 2022 and was easing until September 2024, hitting a low of 1.7% after which it has largely risen, reaching 3.8% in August 2025. Figure 1 shows that the annual rate for the experimental Northern Ireland Consumer Prices Index was lower than the UK from January 2023 to September 2023. However, the UK annual inflation rate decreased more rapidly than Northern Ireland, with UK annual inflation dropping below that of Northern Ireland from October 2023 until September 2024. Northern Ireland inflation was slightly below the UK from September to November 2024, and slightly above the UK from December 2024 to March 2025. Inflation rates for Northern Ireland and the UK have been similar since April 2025. The latest figure in August 2025 is 3.9% for Northern Ireland compared with the UK's 3.8%. The latest figure in August 2025 is 3.9% for Northern Ireland compared with the UK's 3.8%.

Figure 2: Experimental Northern Ireland CPI is higher than the UK since August 2023

Consumer Prices Index (CPI), UK and Northern Ireland, index (January 2022=100), January 2022 to August 2025

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Consumer Prices Index (CPI), UK and Northern Ireland, index (January 2022=100), January 2022 to August 2025



Source: Consumer Prices Index data from the Office for National Statistics

Figure 2 shows that cumulatively, between January 2022 and August 2025, Northern Ireland inflation was slightly higher at 21.9% compared with 21.3% for the UK.

This chart does not reflect actual price levels in Northern Ireland or the UK. Instead, to compare cumulative price changes over time, we anchor both series to a common starting point in January 2022 (index equals 100). From this baseline, we apply the measured inflation rates to show how prices have evolved relative to that starting point. This approach allows for a consistent comparison of inflation trends, but it should not be interpreted as showing differences in absolute price levels between the two regions.

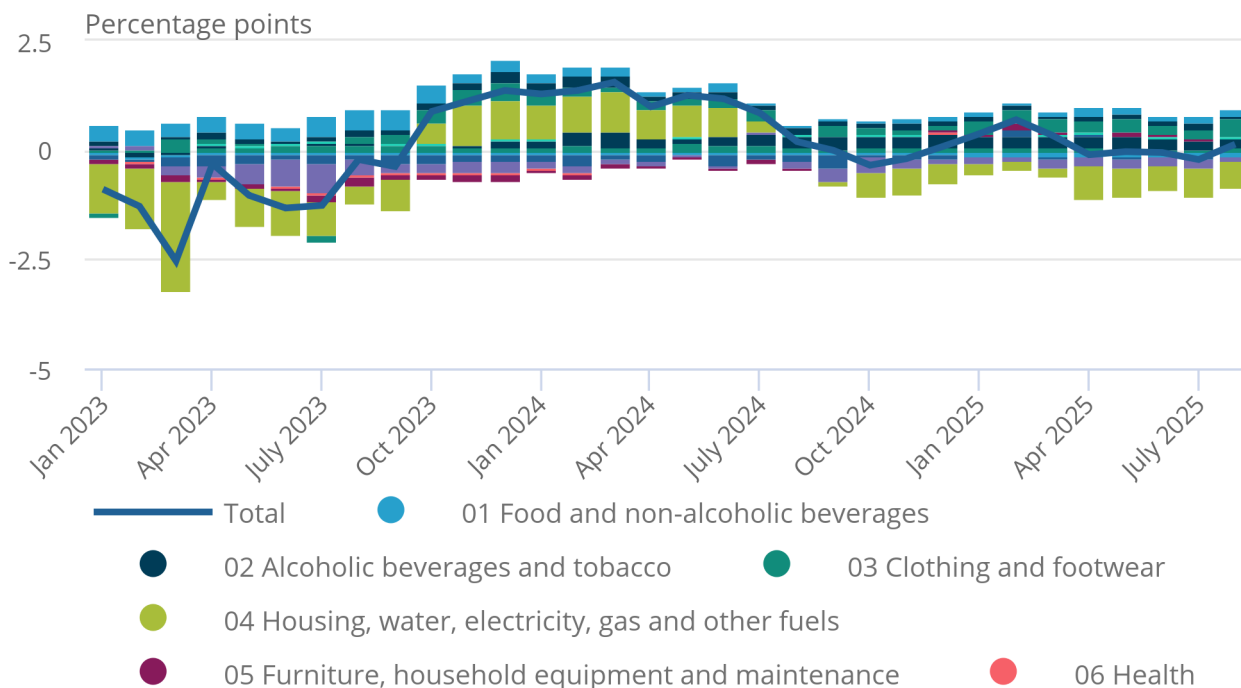
Figure 3 compares the differences in contributions to the annual rates of inflation between the experimental Northern Ireland CPI and the published UK CPI. Each chart shows how each of the 12 spending categories contributes to the difference in the annual inflation rate. The sum of the contributions in any given month is equal to the overall difference in the annual inflation rate. For example, in Figure 3 we can see a negative contribution from housing, water, electricity, gas and other fuels in the first nine months of 2023. This means that this area contributed to inflation being higher in the UK than Northern Ireland over this period.

Figure 3: Household energy bills caused the largest difference in the annual rate between the UK and Northern Ireland CPI

Differences in contributions between Northern Ireland and the UK in the annual Consumer Prices Index (CPI) inflation rate, January 2023 to August 2025

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Differences in contributions between Northern Ireland and the UK in the annual Consumer Prices Index (CPI) inflation rate, January 2023 to August 2025



Source: Consumer Prices Index data from the Office for National Statistics

There are differences in energy sources between Northern Ireland and the rest of the UK. The electricity industry in Northern Ireland operates as a single wholesale market across the island of Ireland, which is known as the Single Electricity Market (SEM).

Northern Ireland is also much more reliant on heating oil as a source of home heating compared with the rest of the UK. Therefore, liquid fuels have a higher weight in the Northern Ireland CPI (11.4 parts per 1,000, compared with 1.0 in the UK in August 2025) and gas has a lower weight (6.5 in Northern Ireland compared with 13.1 in the UK). Differing inflation rates between these two sources, as well as their different weightings in Northern Ireland and the UK CPI baskets, often caused differences in the rate of inflation between Northern Ireland and the UK. Gas experienced very high inflation throughout the first six months of 2023, while inflation rates in heating oil were not as high. This was a major contributor to the higher UK inflation rate relative to Northern Ireland. Gas then went through a period of negative inflation from the end of 2023, which contributed to the lower UK inflation rate.

Food and non-alcoholic beverages experienced similar high inflation rates in Northern Ireland and the UK in 2023. Northern Ireland's greater weight to this area contributed to the positive contribution that can be seen in Figure 3. Northern Ireland experienced a higher rate of inflation in clothing and footwear as well as restaurants and hotels over most of the last two years. These are also both areas with a greater weight in the Northern Ireland CPI basket. Clothing and footwear, and restaurants and hotels were the largest positive contributions to the differences between Northern Ireland and the UK CPI inflation over the last year.

4 . Future developments

It is important to note that this is still early work for producing regional inflation and the estimates produced thus far are not yet considered robust enough for regular experimental production.

In this section, we discuss possible next steps to improve estimates of consumer price inflation for Northern Ireland.

The Office for National Statistics (ONS) is [transforming](#) our consumer price statistics, including incorporating new data sources through improving methods, and developing systems to improve the Consumer Prices Index (CPI) and CPI including owner occupiers' housing costs (CPIH). Where possible we will look to bring these improvements to the Northern Ireland CPI.

A particularly important transformation is [Introducing grocery scanner data into consumer price statistics](#), which is planned to be incorporated into live production in March 2026. Regional prices can be extracted from the scanner data, and we are working on implementing this into the Northern Ireland CPI.

Another area we are developing is item-level volatility analysis, where we are improving identification and treatment of excessively volatile Northern Ireland prices within the data. To give a clearer picture of Northern Ireland trends, we are creating logic to determine when it is worth using a Northern Ireland specific price, or if this price is introducing excessive volatility. If so, then this would be replaced with an outlier price point, or the whole item index will be replaced with a proxy (such as the UK index).

Finally, we have not yet investigated how much the boosted sample size is benefitting the results. This boost improves the quality of the Northern Ireland CPI, however, work that we have been doing with Southampton University on using standard errors will help us to define the true effect of the boost. This will also help us to determine what sample sizes are needed per region or country.

The ONS will keep under review the ambition and pace of this work programme in consideration of its other ongoing priorities. For more information, please see [The plan for ONS economic statistics](#).

5 . Effects of the changes in weights methodology

This section shows the effect of the change in weights methodology detailed earlier.

Table 2: Experimental Northern Ireland expenditure weights differ from the previous methodology (parts per thousand), August 2025

| Division | NI Weights Previous Methodology | NI Weights New Methodology | Difference in weights |
|--|--|---|--------------------------------------|
| 01 Food and non-alcoholic beverages | 120.8 | 133.8 | 13.0 |
| 02 Alcoholic beverages and tobacco | 50.1 | 49.2 | -0.9 |
| 03 Clothing and footwear | 95.1 | 82.4 | -12.7 |
| 04 Housing, water, electricity, gas and other fuels | 84.0 | 86.0 | 2.1 |
| 05 Furniture, household equipment and maintenance | 55.0 | 58.9 | 3.9 |
| 06 Health | 28.4 | 34.0 | 5.6 |
| 07 Transport | 116.2 | 129.5 | 13.2 |
| 08 Communication | 24.2 | 28.1 | 3.8 |
| 09 Recreation and culture | 131.2 | 120.2 | -11.0 |
| 10 Education | 20.9 | 13.6 | -7.3 |
| 11 Restaurants and hotels | 156.9 | 152.3 | -4.6 |
| 12 Miscellaneous goods and services | 117.1 | 112.1 | -5.0 |

Source: Consumer Prices Index data from the Office for National Statistics

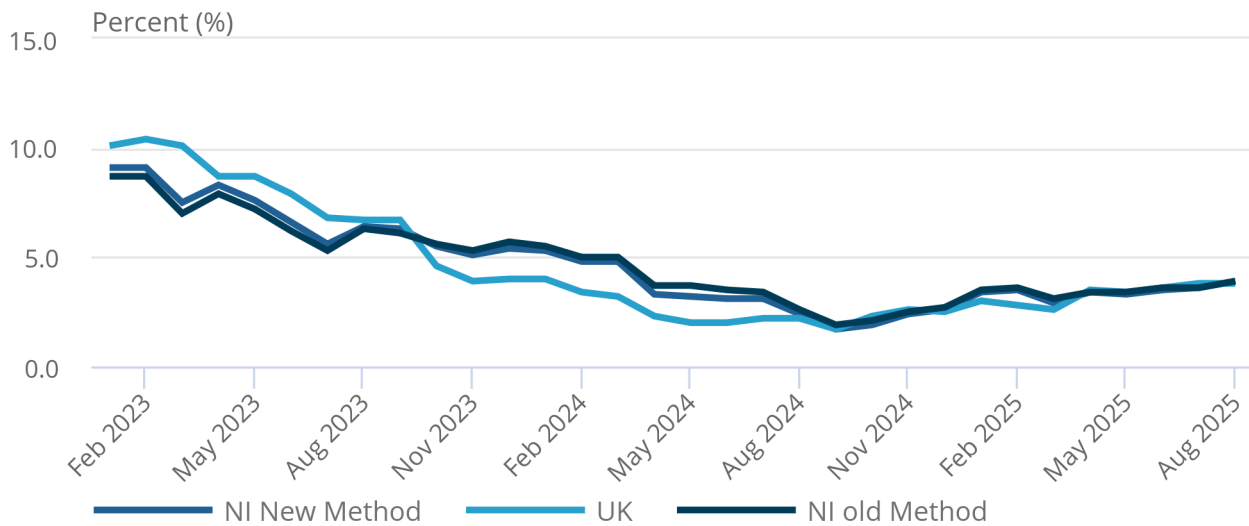
Despite there not being a large change in the weight for Division 4: Housing, water, electricity, gas and other fuels, there was a relatively large increase to weight given to gas between the methods. Gas increased from 3.4 parts per 1,000 to 6.5 parts per 1,000 between methods.

Figure 4: Increased weight to gas and food caused the largest difference in the annual rate between the Northern Ireland CPI old and new methodology

Consumer Prices Index (CPI), UK and Northern Ireland old and new methodology, annual inflation rate (%), January 2023 to August 2025

Figure 4: Increased weight to gas and food caused the largest difference in the annual rate between the Northern Ireland CPI old and new methodology

Consumer Prices Index (CPI), UK and Northern Ireland old and new methodology, annual inflation rate (%), January 2023 to August 2025



Source: Consumer Prices Index data from the Office for National Statistics

6 . Cite this article

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