

Statistical Bulletin

BRIEFING NOTE

Consumer Price Inflation August 2019

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This note is produced as background briefing for the Consumer Price Inflation Statistical Bulletin. Users who require authoritative figures should use the Consumer Price Inflation Statistical Bulletin or Consumer Price Inflation Dataset.



SUMMARY

<u>CPIH</u>

The Consumer Prices Index including owner occupiers' housing costs (CPIH) is the most comprehensive measure of inflation. It extends the Consumer Prices Index (CPI) to include a measure of the costs associated with owning, maintaining and living in one's own home, known as owner occupiers' housing costs (OOH), along with Council Tax. Both of these are significant expenses for many households and are not included in the CPI.

Aside from including owner occupiers' housing costs (OOH) and Council Tax, CPIH is otherwise identical to CPI. This means that, aside from these two components, the factors contributing to the CPI rate are the same as those contributing to the CPIH. For example, if food is reported as increasing the CPIH rate, it is also acting to increase the CPI rate. The size of the contributions for components other than OOH and Council Tax are exaggerated in the CPI compared with the CPIH because they account for a larger proportion of the overall index.

The <u>National Statistics</u> status of the CPIH was reinstated on 31 July 2017. <u>A letter</u> from the Director General for Regulation to the National Statistician detailed the actions that were taken to meet the requirements as set out in the <u>CPIH assessment report</u>.

The main movements for CPIH in August 2019 are:

- The all items CPIH is 108.3, up from 108.0 in July.
- The all items CPIH annual rate is 1.7%, down from 2.0% in July.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 1.6%, down from 1.9% last month.
- The OOH component of CPIH is 106.9, up from 106.8 in July.
- The OOH component annual rate is 1.1%, down from 1.2% last month.
- The CPIH all goods index is 105.4, up from 105.1 in July.
- The CPIH all goods index annual rate is 1.2%, down from 1.7% last month.
- The CPIH all services index is 110.4, up from 110.1 in July.
- The CPIH all services index annual rate is 2.0%, down from 2.2% last month.

Consumer Prices Index (CPI)

The CPI continues to be a National Statistic and is a measure of consumer price inflation produced to international standards and in line with European regulations. First published in 1997 as the Harmonised Index of Consumer Prices (HICP), the CPI is the inflation measure used in the Government's target for inflation.



The CPI is also used for purposes such as uprating pensions, wages and benefits and can aid in the understanding of inflation on family budgets. For more information see <u>Users and uses of consumer price inflation statistics</u>.

The main movements for CPI in August 2019 are:

- The all items CPI is 108.4, up from 107.9 in July.
- The all items CPI annual rate is 1.7%, down from 2.1% in July.
- The annual rate for CPI excluding indirect taxes, CPIY, is 1.7%, down from 2.1% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 1.6%, down from 2.0% last month.
- The CPI all goods index is 105.4, up from 105.1 in July.
- The CPI all goods index annual rate is 1.3%, down from 1.7% last month.
- The CPI all services index is 111.7, up from 111.2 in July.
- The CPI all services index annual rate is 2.2%, down from 2.5% last month.

Retail Prices Index (RPI)

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 legacy measure of UK inflation that continues to be published because of its use in long-term contracts and index-linked gilts. For further information see <u>Users and uses of consumer</u> <u>price inflation statistics</u>.

The main movements for RPI in August 2019 are:

- The all items RPI is 291.7, up from 289.5 in July.
- The all items RPI annual rate is 2.6%, down from 2.8% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 2.6%, down from 2.7% last month.
- The all goods RPI is 218.1, up from 216.8 in July.
- The all goods RPI annual rate is 2.0%, down from 2.2% last month.
- The all services RPI is 405.7, up from 401.3 in July.
- The all services RPI annual rate is 3.7%, up from 3.5% last month.

CPIH SUMMARY

CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

	Weight	Weight	1 month	1 month	Contribution
CPIH COICOP DIVISIONS	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
01: Food and non-alcoholic beverages	83	82	0.2	0.5	0.03
02: Alcoholic beverages and tobacco	34	32	0.6	0.2	-0.02
03: Clothing and footwear	57	54	3.1	1.8	-0.07
04: Housing, water, electricity, gas and other fuels	301	298	0.1	0.1	-0.02
05: Furniture, household equipment and maintenance	48	53	1.2	1.0	-0.01
06: Health	21	22	0.3	-	-0.01
07: Transport	124	123	1.3	1.3	-0.01
08: Communication	20	20	0.4	0.2	-
09: Recreation and culture	120	127	0.6	-0.6	-0.15
10: Education	18	18	-	-	-
11: Restaurants and hotels	97	97	0.1	-0.2	-0.03
12: Miscellaneous goods and services	77	74	0.6	0.6	-

Large downward effects came from:

• Recreation and culture, where within the group, the largest effect (of 0.09 percentage points) came from games, toys and hobbies (particularly computer games including downloads), with prices overall falling by 5.0% between July and August 2019 compared with a smaller fall of 0.1% between the same two months a year ago. Price movements for games can often be relatively large depending on the composition of bestseller charts and the downward contribution between the latest two months follows a large upward contribution to the change between June and July 2019. There was also a downward effect from cultural services, with prices rising by 0.2% between July and August this year



compared with a larger rise of 2.9% between the same two months a year ago. The largest contributions came from admissions to live music events and theatres; and

• **Clothing and footwear**, where prices rose by 1.8% this year compared with a larger rise of 3.1% a year ago. The main effect came from clothing, particularly children's clothing. Prices of clothing and footwear usually rise between July and August as autumn ranges start to enter the shops following the summer sales season. The rise was smaller this year and may have been influenced by the proportion of items on sale, which fell by less between July and August this year than between the same two months a year ago.

Small downward effects came from:

- **Restaurants and hotels**, where the main effect came from accommodation services, with prices falling by more between July and August 2019 than a year ago;
- Housing and household services, where the main effect came from owner occupiers' housing costs, with prices rising this year but by less than in 2018; and
- Alcoholic beverages and tobacco, with prices rising by 0.2% between July and August 2019 compared with a larger rise of 0.6% between the same two months a year ago.

A large upward effect came from:

• Food and non-alcoholic beverages, with prices rising by more between July and August 2019 than between the same two months of 2018. The effects were relatively small from all categories within this heading, with the largest upward ones coming from bread and cereals (from products such as dried potted snacks, breakfast cereal and packs of individual cakes), and meat (principally cooked ham).



CPIH NOTABLE MOVEMENTS

All items CPIH	Annual rate +1.7%, down from +2.0% last month Lowest since November 2016 (+1.5%)
All items CPIH excl. energy, food, alcohol and tobacco	Annual rate +1.5%, down from +1.9% last month Also +1.5% in August 2016, May 2016 and April 2016 Last lower in February 2016 (+1.4%)
Food and non-alcoholic beverages	Annual rate +1.8%, up from +1.5% last month Highest since August 2018 (+2.4%)
Alcoholic beverages and tobacco	Annual rate +3.3%, down from +3.8% last month Also +3.3% in May 2019 Last lower in February 2017 (+2.9%)
Recreation and culture	Annual rate +1.2%, down from +2.4% last month Lowest since April 2017 (+1.0%)
Miscellaneous goods and services	Annual rate +1.8%, up from +1.7% last month Highest since August 2017 (+2.0%)
All goods	Annual rate +1.2%, down from +1.7% last month Also +1.2% in January 2019 Last lower in January 2017 (+1.1%)
All services	Annual rate +2.0%, down from +2.2% last month Also +2.0% in September 2018, July 2018 and June 2018 Last lower in April 2018 (+1.9%)
Fuels and lubricants	Annual rate -0.1%, down from +0.2% last month Lowest since August 2016 (-2.6%)

CPIH DETAILED BRIEFING

The <u>National Statistics</u> status of the Consumer Prices Index including owner occupiers' housing costs (CPIH) was reinstated on 31 July 2017. <u>A letter</u> from the Director General for Regulation to the National Statistician detailed the actions that were taken to meet the requirements as set out in the <u>CPIH assessment report</u>.

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

01 FOOD AND NON- ALCOHOLIC BEVERAGES	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
01 Food & non-alcoholic beverages	83	82	0.2	0.5	0.03

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

	Weight	Weight	1 month	1 month	Contribution
01.1 Food	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
01.1 Food	73	72	0.2	0.6	0.02
01.1.1 Bread and cereals	12	12	-0.2	1.2	0.02
01.1.2 Meat	16	15	-0.2	0.9	0.02
01.1.3 Fish	3	3	1.7	-1.6	-0.01
01.1.4 Milk, cheese and eggs	9	9	-0.3	1.0	0.01
01.1.5 Oils and fats	2	2	-6.5	-1.8	0.01
01.1.6 Fruit	8	8	-0.2	-0.8	-0.01
01.1.7 Vegetables including potatoes	10	11	1.4	-	-0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	11	10	2.1	1.7	-0.01
01.1.9 Food products not elsewhere covered	2	2	-0.7	0.3	-

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

Bread and cereals

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

from dried potted snacks, breakfast cereals and packs of individual cakes.

• Partially offset by a small downward contribution coming from chocolate biscuits, where prices overall rose this year by less than a year ago.

Meat

• Small upward effect.

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• Prices overall rose this year but fell a year ago, particularly for cooked ham.

Fish

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

Milk, cheese and eggs

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

Oils and fats

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

Fruit

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

Vegetables including potatoes

- Small downward effect.
- Prices overall were little changed this year but rose a year ago, with the main downward contribution coming from premium potato crisps.

Sugar, jam, syrups, chocolate and confectionery

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contributions coming from large bars of chocolate and chocolate covered ice cream bars.

01.2 Non-alcoholic beverages	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
01.2 Non-alcoholic beverages	10	10	-0.4	0.1	-
01.2.1 Coffee, tea and cocoa	3	3	-0.7	-2.1	-
01.2.2 Mineral waters, soft drinks and juices	7	7	-0.3	1.0	0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **mineral waters**, **soft drinks and juices**, where prices overall rose this year but fell a year ago, particularly for bottled cola drinks.

02 ALCOHOLIC	Weight	Weight	1 month	1 month	Contribution
BEVERAGES AND TOBACCO	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
02 Alcoholic beverages and tobacco	34	32	0.6	0.2	-0.02

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

02.1 Alcoholic Beverages	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	16	15	1.7	0.5	-0.02
02.1.1 Spirits	5	4	1.3	2.0	-
02.1.2 Wine	7	7	2.0	0.5	-0.01
02.1.3 Beer	4	4	1.6	-1.1	-0.01

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

Wine

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

Beer

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



02.2 Tobacco	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
02.2 Tobacco	18	17	-0.2	-0.1	-

03 CLOTHING AND FOOTWEAR	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
03 Clothing and footwear	57	54	3.1	1.8	-0.07

- Large downward effect on the all items 12-month rate change.
- Due to **clothing** and, to a lesser extent, **footwear including repairs**.

	Weight	Weight	1 month	1 month	Contribution
03.1 Clothing	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
03.1 Clothing	47	45	3.2	2.0	-0.06
03.1.2 Garments	42	41	3.5	2.3	-0.05
03.1.3 Other clothing and clothing accessories	4	3	1.5	-1.9	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	-0.1	0.3	-

- 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 rose this year by less than a year ago, with the main downward contributions coming from children's, women's and men's trousers.
- Partially offset by small upward contributions coming from women's cardigans, where prices overall rose this year but fell a year ago, and women's long sleeve tops and jumpers, where prices overall rose this year by more than a year ago.

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	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
03.2 Footwear including repairs	10	9	2.4	1.0	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall rose this year by less than a year ago, with the main downward contributions coming from women's sandals and training shoes.

04 HOUSING, WATER,	Weight	Weight	1 month	1 month	Contribution
ELECTRICITY, GAS AND	2018	2019	% change	% change	to CPIH annual
OTHER FUELS	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
04 Housing, water, electricity, gas and other fuels	301	298	0.1	0.1	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to owner occupiers' housing costs.

04.1 Actual rentals for	Weight	Weight	1 month	1 month	Contribution
housing	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
04.1 Actual rentals for housing	69	69	0.1	-	-

04.2 Owner occupiers' housing costs	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
04.2 Owner occupiers' housing costs	169	165	0.2	0.1	-0.02

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

04.3 Regular maintenance and repair of the dwelling	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of	T ED-DEC	I ED-DEC	Aug 2010	Aug 2013	rate change
the dwelling	2	3	0.2	0.4	-
04.3.1 Materials for maintenance and					
repair	1	1	0.4	1.1	-
04.3.2 Services for maintenance and					
repair	1	2	-	-	-

04.4 Other services related to the dwelling	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
04.4 Other services related to the dwelling	9	9	-	-	-
04.4.1 Water supply	4	4	-	-	-
04.4.3 Sewerage collection	5	5	-	-	-

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

04.5 Electricity, gas and other fuels	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	27	26	0.1	-	-
04.5.1 Electricity	13	14	-	-	-
04.5.2 Gas	12	10	-	-	-
04.5.3 Liquid fuels	1	1	1.2	1.6	-
04.5.4 Solid fuels	1	1	0.2	-0.6	-

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

	Weight	Weight	1 month	1 month	Contribution
04.9 Council Tax and rates	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
04.9 Council Tax and rates	25	26	-	-	-

05 FURNITURE,	Weight	Weight	1 month	1 month	Contribution
HOUSEHOLD EQUIPMENT	2018	2019	% change	% change	to CPIH annual
AND MAINTENANCE	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
05 Furniture, household equipment and maintenance	48	53	1.2	1.0	-0.01

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

05.1 Furniture, furnishings and carpets	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
05.1 Furniture, furnishings and carpets	18	22	3.5	1.4	-0.03
05.1.1 Furniture and furnishings	14	15	4.3	2.1	-0.03
05.1.2 Carpets and other floor coverings	4	7	0.7	-0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall rose this year by less than a year ago, particularly for bedroom furniture and leather settees.

05.2 Household textiles	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
05.2 Household textiles	5	5	0.7	1.7	-

05.3 Household appliances, fitting and repairs	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
05.3 Household appliances, fitting and repairs	7	8	0.2	0.7	-
05.3.1/2 Major appliances and small electric goods	6	7	0.2	0.8	0.01
05.3.3 Repair of household appliances	1	1	-	0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from major appliances and small electric

goods, where prices overall rose this year by more than a year ago.

05.4 Glassware, tableware and household utensils	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
05.4 Glassware, tableware and household utensils	4	4	0.6	1.4	-

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

05.5 Tools and equipment for house and garden	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
05.5 Tools and equipment for house and garden	4	5	-0.5	0.2	-

05.6 Goods and services for	Weight	Weight	1 month	1 month	Contribution
routine maintenance	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
05.6 Goods and services for routine maintenance	10	9	-1.0	-0.3	0.01
05.6.1 Non-durable household goods	4	3	-2.9	-1.3	0.01
05.6.2 Domestic services and household services	6	6	0.2	0.3	-

- Small upward effect on the all items 12-month rate change.
- Due to **non-durable household goods**, where prices overall fell this year by less than a year ago, particularly for household cleaner cream/liquid.

	Weight	Weight	1 month	1 month	Contribution
06 HEALTH	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
06 Health	21	22	0.3	-	-0.01

- 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 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
06.1 Medical products, appliances and			Aug 2010	Aug 2010	Tate change
equipment	9	9	0.4	-0.2	-0.01
06.1.1 Pharmaceutical products	5	5	0.7	0.1	-
06.1.2/3 Other medical and therapeutic					
equipment	4	4	0.1	-0.5	-

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

06.2 Out-patient services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
06.2 Out-patient services	7	8	0.2	0.2	-
06.2.1/3 Medical and paramedical services	4	5	0.2	0.2	-
06.2.2 Dental services	3	3	0.2	0.2	-

	Weight	Weight	1 month	1 month	Contribution
06.3 Hospital services	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
06.3 Hospital Services	5	5	0.1	0.1	-

	Weight	Weight	1 month	1 month	Contribution
07 TRANSPORT	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
07 Transport	124	123	1.3	1.3	-0.01

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



07.1 Purchase of vehicles	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	38	37	-	-0.3	-0.01
07.1.1A New cars	22	21	0.2	0.2	-
07.1.1B Second-hand cars	14	14	-0.2	-1.2	-0.01
07.1.2/3 Motorcycles and bicycles	2	2	-0.1	-0.4	-

- Small downward effect on the all items 12-month rate change.
- Due to **second-hand cars**, where prices overall fell this year by more than a year ago.

07.2 Operation of personal transport equipment	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
07.2 Operation of personal transport equipment	58	60	0.6	0.3	-0.02
07.2.1 Spare parts and accessories	4	4	0.3	-	-
07.2.2 Fuels and lubricants	25	24	1.0	0.7	-0.01
07.2.3 Maintenance and repairs	19	20	0.2	0.2	-
07.2.4 Other services	10	12	0.4	-0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to fuels and lubricants; and other services.

Fuels and lubricants

- Small downward effect.
- Prices overall rose this year by less than a year ago.
- The average price of petrol across the month, as recorded for the CPIH, rose by 1.0 pence per litre between July and August 2019, to stand at 128.3 pence per litre.
- Last year, the average price of petrol rose by 1.4 pence per litre between July and August 2018, to stand at 128.6 pence per litre.
- The average price of diesel rose by 0.6 pence per litre between July and August 2019 to stand at 132.6 pence per litre, compared with a rise of 1.2 pence per litre a year earlier, to stand at 132.8 pence per litre.

Other services

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for the hire of self drive vehicles.



2019 Feb-Dec 26	% change Aug 2018 4.3	% change Aug 2019	to CPIH annual
	¥	0	¥
26	13	F 4	0.00
20	4.3	5.4	0.02
11	-1.3	-0.5	0.01
9	0.6	1.1	-
4	13.5	22.4	0.05
2	17.2	9.2	-0.04
	9	9 0.6 4 13.5	9 0.6 1.1 4 13.5 22.4

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

Passenger transport by railway

- Small upward effect.
- Average charges for international rail journeys fell this year by less than a year ago.

Passenger transport by air

- Large upward effect.
- Average air fares rose this year by more than a year ago, particularly for European and, to a lesser extent, long-haul flights.

Passenger transport by sea and inland waterway

- Large downward effect.
- Average sea fares rose this year by less than a year ago, particularly for international routes.

	Weight	Weight	1 month	1 month	Contribution
08 COMMUNICATION	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
08 Communication	20	20	0.4	0.2	-



	Weight	Weight	1 month	1 month	Contribution
08.1 Postal services	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
08.1 Postal services	1	1	-	-	-

08.2/3 Telephone equipment and services	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
08.2/3 Telephone equipment and services	19	19	0.4	0.2	-

09 RECREATION AND CULTURE	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
09 Recreation and culture	120	127	0.6	-0.6	-0.15

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

09.1 Audio-visual equipment and related products	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	14	17	-	-0.2	-
09.1.1 Equipment for the reception and reproduction of sound and pictures	4	4	-0.3	1.4	0.01
09.1.2 Photographic, cinematographic and optical equipment	1	2	1.9	0.3	-
09.1.3 Data processing equipment	5	7	1.9	-2.0	-0.02
09.1.4 Recording media	3	3	-3.1	1.2	0.01
09.1.5 Repair of audio-visual equipment and related products	1	1	-0.1	0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **data processing equipment**.

• Offset by small upward contributions coming from **recording media**; and **equipment for the reception and reproduction of sound and pictures**.

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 large televisions.

Data processing equipment

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for laptop computers and computer software.

Recording media

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

09.2 Other major durables for recreation and culture	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
09.2.1/2 Major durables for in/outdoor recreation	14	14	-	-	-

09.3 Other recreational items, gardens and pets	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	29	30	-0.1	-3.1	-0.09
09.3.1 Games, toys and hobbies	17	18	-0.1	-5.0	-0.09
09.3.2 Equipment for sport and open-air recreation	2	2	1.1	0.6	-
09.3.3 Gardens, plants and flowers	3	3	-1.3	0.2	-
09.3.4/5 Pets, related products and services	7	7	-0.1	-0.6	-

- Large downward effect on the all items 12-month rate change.
- Due to **games, toys and hobbies**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from computer game downloads and computer games. Partially offset by a small upward contribution coming from children's craft kits, where prices rose this year but fell a year ago.

09.4 Recreational and cultural services	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
09.4 Recreational and cultural services	23	22	2.1	0.2	-0.05
09.4.1 Recreational and sporting services	7	6	0.4	0.2	-
09.4.2 Cultural services	16	16	2.9	0.2	-0.04

- Large downward effect on the all items 12-month rate change.
- Due to **cultural services**, where average admission charges for theatres and live music events rose this year by less than a year ago.

09.5 Books, newspapers and stationery	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	9	10	-1.4	-0.4	0.01
09.5.1 Books	3	3	-3.5	0.6	0.01
09.5.2 Newspapers and periodicals	3	3	0.8	-0.4	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	3	4	-1.6	-1.1	-

- 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.

	Weight	Weight	1 month	1 month	Contribution
09.6 Package holidays	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
09.6 Package holidays	31	34	1.2	0.4	-0.02

- Small downward effect on the all items 12-month rate change.
- Prices overall rose this year by less than a year ago, with downward contributions coming from both foreign and UK holidays.

	Weight	Weight	1 month	1 month	Contribution
10 EDUCATION	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
10 Education	18	18	-	-	-

11 RESTAURANTS AND HOTELS	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
11 Restaurants and hotels	97	97	0.1	-0.2	-0.03

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

11.1 Catering services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
11.1 Catering services	75	76	0.2	0.2	-
11.1.1 Restaurants and cafes	69	70	0.2	0.3	-
11.1.2 Canteens	6	6	-0.2	-0.1	-

11.2 Accommodation services	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
11.2 Accommodation services	22	21	-0.2	-1.7	-0.03

- Small downward effect on the all items 12-month rate change.
- Average charges for overnight hotel accommodation fell this year by more than a year ago.

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
12 Misc. goods and services	77	74	0.6	0.6	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **personal care**.
- Offset by a small downward contribution coming from **personal effects not elsewhere covered**.



12.1 Personal care	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
12.1 Personal care	25	24	0.4	0.9	0.01
12.1.1 Hairdressing and personal grooming establishments	6	6	0.2	0.2	-
12.1.2/3 Appliances and products for personal care	19	18	0.5	1.2	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **appliances and products for personal care**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from non-electrical toothbrushes. Partially offset by a small downward contribution coming from shower gel, where prices fell this year but rose a year ago.

12.3 Personal effects not elsewhere covered	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	12	15	2.4	1.3	-0.01
12.3.1 Jewellery, clocks and watches	8	10	1.6	1.8	0.01
12.3.2 Other personal effects	4	5	3.9	0.4	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **other personal effects**, where prices overall rose this year by less than a year ago, particularly for ladies' handbags/shoulder bags.
- Partially offset by **jewellery**, **clocks and watches**, where prices overall rose this year by more than a year ago, particularly for diamond solitaire rings.

12.4 Social protection	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
12.4 Social protection	14	13	0.2	0.2	-



12.5 Insurance	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to CPIH annual rate change
12.5 Insurance	7	5	0.5	0.5	-
12.5.2 House contents insurance	2	1	1.1	0.6	-
12.5.3 Health insurance	2	2	-	-	-
12.5.4 Transport insurance	3	2	0.5	1.0	-

12.6 Financial services not elsewhere covered	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
12.6 Financial services not elsewhere					
covered	9	8	-0.1	-	-

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

12.7 Other services not elsewhere covered	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Aug 2018	Aug 2019	rate change
12.7 Other services not elsewhere					
covered	10	9	-	-	-

RPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Aug 2018	Aug 2019	rate change
FOOD	102	101	-	0.6	0.05
CATERING	50	49	0.3	0.3	-
ALCOHOLIC DRINKS	56	59	0.6	0.3	-0.01
ТОВАССО	23	23	-0.3	-0.2	-
HOUSING	257	258	0.7	0.2	-0.13
FUEL AND LIGHT	37	35	-	0.1	-
HOUSEHOLD GOODS	68	68	2.1	1.1	-0.07
HOUSEHOLD SERVICES	58	62	0.5	0.2	-0.02
CLOTHING AND FOOTWEAR	43	39	3.3	2.4	-0.05
PERSONAL GOODS AND SERVICES	42	43	0.8	0.5	-0.01
MOTORING EXPENDITURE	124	125	0.4	0.3	-0.01
FARES AND OTHER TRAVEL COSTS	25	28	6.7	11.3	0.17
LEISURE GOODS	30	24	-0.5	-0.5	-
LEISURE SERVICES	85	86	1.2	0.3	-0.08

RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +2.6%, down from +2.8% last month Lowest since March 2019 (+2.4%)
All items RPI excl. MIPS (RPIX)	Annual rate +2.6%, down from +2.7% last month Lowest since March 2019 (+2.4%)
Food	Annual rate +1.9%, up from +1.3% last month Highest since August 2018 (+2.4%)
Non-seasonal food	Annual rate +1.8%, up from +1.0% last month Highest since August 2018 (+2.3%)
Housing	Annual rate +1.7%, down from +2.2% last month Lowest since October 2013 (+1.6%)
Leisure services	Annual rate +3.4%, down from +4.4% last month Also +3.4% in August 2017 Last lower in July 2017 (+2.9%)
All goods	Annual rate +2.0%, down from +2.2% last month Also +2.0% in June 2019 and May 2019 Last lower in April 2019 (+1.9%)
All services	Annual rate +3.7%, up from +3.5% last month Highest since June 2019 (+4.0%)



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.

	Weight	Weight	1 month	1 month	Contribution
FOOD	2018	Jul 2019	% change	% change	to RPI annual
		onwards	Aug 2018	Aug 2019	rate change
FOOD	102	101	-	0.6	0.05

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

Seasonal Food	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Aug 2018	Aug 2019	rate change
SEASONAL FOOD	18	18	-	-0.7	-0.01
Home killed lamb	1	1	-3.7	2.8	0.01
Fresh fish	2	2	-	-1.5	-
Eggs	1	1	-0.2	-0.2	-
Unprocessed potatoes	1	1	0.2	-0.2	-
Other fresh vegetables	6	6	-0.1	-0.3	-
Fresh fruit	7	7	0.5	-1.4	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **fresh fruit**, where prices overall fell this year but rose a year ago, particularly for raspberries.
- Partially offset by shoulders of **home killed lamb**, where prices overall rose this year but fell a year ago.



	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2018	Jul 2019	% change	% change	to RPI annual
		onwards	Aug 2018	Aug 2019	rate change
NON-SEASONAL FOOD	84	83	0.1	0.8	0.06
Bread	4	3	0.4	-0.9	-
Cereals	3	3	-2.3	1.3	0.01
Biscuits and cakes	6	6	2.6	1.8	-
Beef	3	3	1.2	0.7	-
Imported lamb	1	1	-0.2	-0.2	-
Pork	1	1	0.4	-0.8	-
Bacon	1	1	0.2	-1.4	-
Poultry	4	4	-0.7	-0.7	-
Other meat	6	6	0.3	2.0	0.01
Processed fish	2	2	3.0	-1.5	-0.01
Butter	1	1	0.2	-2.9	-
Oils and fats	1	1	-9.6	-1.5	0.01
Cheese	3	3	-	-2.0	-0.01
Milk, fresh	3	3	-0.3	1.2	-
Milk products	4	4	-0.5	3.7	0.02
Теа	1	1	-0.5	-5.1	-
Soft drinks	8	9	-0.2	1.1	0.01
Sugar and preserves	1	1	-2.2	0.9	-
Sweets and chocolates	11	11	0.9	0.7	-
Potato products	3	3	4.0	1.6	-0.01
Processed vegetables	2	2	-0.2	-0.4	-
Processed fruit	2	1	-2.1	2.8	0.01
Other foods	11	11	-1.0	2.2	0.03
Coffee and other hot drinks	2	2	-0.7	-0.8	-

- Large upward effect on the all items 12-month rate change.
- Due to:
 - Other foods, milk products, cereals, soft drinks and processed fruit, where prices overall rose this year but fell a year ago, with the main upward contributions coming from dried potted snacks, yoghurt/fromage frais, cook-in sauces, bottles of cola drinks, packets of peanuts, fruit squashes and basmati rice;
 - **Other meat**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from cooked ham; and
 - **Oils and fats**, where prices overall fell this year by less than a year ago, particularly for margarine/low fat spread.
- Partially offset by:
 - **Processed fish**, where prices overall fell this year but rose a year ago, particularly for frozen fish fingers;
 - **Cheese**, where prices overall fell this year but were little changed a year ago, with the main downward contribution coming from cheese spread; and
 - Potato products, where prices overall rose this year by less than a year ago, with the

main downward contribution coming from premium potato crisps.

CATERING	Weight 2018	Weight Jul 2019 onwards	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to RPI annual rate change
CATERING	50	49	0.3	0.3	-
Restaurant meals	30	29	0.1	0.3	-
Canteen meals	3	3	-0.1	-0.1	-
Take-away meals and snacks	17	17	0.8	0.4	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **take-away meals and snacks**, where prices overall rose this year by less than a year ago, particularly for take-away sandwiches.

ALCOHOLIC DRINKS	Weight	Weight	1 month	1 month	Contribution
	2018	Jul 2019	% change	% change	to RPI annual
		onwards	Aug 2018	Aug 2019	rate change
ALCOHOLIC DRINKS	56	59	0.6	0.3	-0.01
Beer on sales	18	19	-	0.2	-
Beer off sales	5	6	1.2	-1.5	-0.01
Wines and spirits on sales	19	19	0.1	0.2	-
Wines and spirits off sales	14	15	1.7	1.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
 - **Beer off sales**, where prices overall fell this year but rose a year ago, particularly for lager; and
 - Wines and spirits off sales, where prices overall rose this year by less than a year ago, with the main downward contribution coming from wine. Partially offset by a small upward contribution coming from vodka, where prices overall rose this year but fell a year ago.

ТОВАССО	Weight 2018	Weight Jul 2019 onwards	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to RPI annual rate change
TOBACCO	23	23	-0.3	-0.2	-
Cigarettes	19	18	-0.1	-	-
Other tobacco products	4	5	-0.8	-0.9	-



HOUSING	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Aug 2018	Aug 2019	rate change
HOUSING	257	258	0.7	0.2	-0.13
Rent	76	75	0.1	0.1	-
Mortgage interest payments	24	25	2.8	0.2	-0.06
Council Tax and rates	38	39	-	-	-
Water and other charges	12	12	-	-	-
Repairs and maintenance charges	9	10	-	-	-
DIY materials	8	7	0.1	0.5	-
Dwelling insurance and ground rent	7	6	1.5	1.0	-
House depreciation	83	84	1.1	0.4	-0.06

- Largest downward effect on the all items 12-month rate change.
- Due to:
 - Mortgage interest payments, where average charges rose this year by less than a year ago; and
 - **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 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Aug 2018	Aug 2019	rate change
FUEL AND LIGHT	37	35	-	0.1	-
Coal and solid fuels	1	1	0.2	-0.7	-
Electricity	20	17	-	-	-
Gas	15	14	-	-	-
Oil and other fuels	1	3	1.0	1.2	-



HOUSEHOLD GOODS	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Aug 2018	Aug 2019	rate change
HOUSEHOLD GOODS	68	68	2.1	1.1	-0.07
Furniture	28	27	5.6	2.3	-0.09
Furnishings	9	9	0.7	0.7	-
Electrical appliances	7	7	0.9	1.2	-
Other household equipment	4	5	0.1	1.9	0.01
Household consumables	11	11	-1.7	-0.8	0.01
Pet care	9	9	-0.8	-0.4	-

- Large downward effect on the all items 12-month rate change.
- Due to **furniture**, where prices overall rose this year by less than a year ago, particularly for bedroom furniture and leather settees.
- Partially offset by:
 - Other household equipment, where prices overall rose this year by more than a year ago, with the main upward contribution coming from plastic food storage containers; and
 - Household consumables, where prices overall fell this year by less than a year ago.

HOUSEHOLD SERVICES	Weight	Weight	1 month	1 month	Contribution
	2018	Jul 2019	% change	% change	to RPI annual
		onwards	Aug 2018	Aug 2019	rate change
HOUSEHOLD SERVICES	58	62	0.5	0.2	-0.02
Domestic services	13	14	0.3	0.3	-
Fees and subscriptions	19	23	0.4	0.2	-
Postage	1	1	-	-	-
Telephone charges	25	24	0.6	0.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **telephone charges**, where average prices for mobile phone applications rose this year by less than a year ago.



CLOTHING AND FOOTWEAR	Weight 2018	Weight Jul 2019 onwards	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	43	39	3.3	2.4	-0.05
Men's outerwear	9	8	1.7	1.5	-
Women's outerwear	16	14	5.0	4.4	-0.02
Children's outerwear	5	4	4.4	2.2	-0.01
Other clothing	5	5	1.6	0.4	-0.01
Footwear	8	8	2.1	1.0	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to women's outerwear, children's outerwear, other clothing and footwear, where
 prices overall rose this year by less than a year ago, particularly for women's trousers.
 Partially offset by a small upward contribution coming from women's cardigans, where prices
 rose this year but fell a year ago.

PERSONAL GOODS AND SERVICES	Weight 2018	Weight Jul 2019 onwards	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	42	43	0.8	0.5	-0.01
Personal articles	11	11	2.3	0.7	-0.02
Chemists' goods	15	16	0.3	0.7	0.01
Personal services	16	16	0.2	0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to **personal articles**, where prices overall rose this year by less than a year ago, particularly for ladies' handbags/shoulder bags.
- Partially offset by **chemists' goods**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from non-electrical toothbrushes.

MOTORING EXPENDITURE	Weight 2018	Weight Jul 2019 onwards	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to RPI annual rate change
MOTORING EXPENDITURE	124	125	0.4	0.3	-0.01
Purchase of motor vehicles	50	51	-0.1	-0.5	-0.02
Maintenance of motor vehicles	16	17	0.3	0.2	-
Petrol and oil	34	35	1.0	1.0	-
Vehicle tax and insurance	24	22	0.7	1.2	0.01

- Small downward effect on the all items 12-month rate change.
- Due to **purchase of motor vehicles**, where average prices for second-hand cars fell this

year by more than a year ago.

• Partially offset by **vehicle tax and insurance**, where average premiums for car insurance rose this year by more than a year ago.

FARES AND OTHER TRAVEL COSTS	Weight 2018	Weight Jul 2019 onwards	1 month % change Aug 2018	1 month % change Aug 2019	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	28	6.7	11.3	0.17
Rail fares	6	7	-1.2	-0.5	-
Bus and coach fares	3	3	1.0	2.1	-
Other travel costs	16	18	10.0	16.2	0.17

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

LEISURE GOODS	Weight 2018	Weight Jul 2019	1 month % change	1 month % change Aug 2019	Contribution to RPI annual
		onwards	Aug 2018	0	rate change
LEISURE GOODS	30	24	-0.5	-0.5	-
Audio-visual equipment	6	4	1.5	-	-0.01
CDs and tapes	2	1	-2.2	0.9	0.01
Toys, photographic and sports goods	10	9	-0.3	-2.0	-0.01
Books and newspapers	6	5	-1.3	0.2	0.01
Gardening products	6	5	-1.2	0.3	0.01

- Negligible overall effect on the all items 12-month rate change.
- There are small upward contributions coming from **CDs and tapes**, **books and newspapers** and **gardening products**, where prices overall rose this year but fell a year ago, particularly for eBooks, DVDs and potted shrubs.
- Offset by small 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 contributions coming from computer games and computer game downloads; and
 - **Audio-visual equipment**, where prices overall were little changed this year but rose a year ago, with the main downward contribution coming from laptop computers.

LEISURE SERVICES	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
	-	onwards	Aug 2018	Aug 2019	rate change
LEISURE SERVICES	85	86	1.2	0.3	-0.08
TV licence and rentals	11	10	-	-	-
Entertainment and other recreation	16	16	2.2	0.2	-0.03
Foreign holidays	47	47	1.2	0.6	-0.03
UK holidays	11	13	0.9	-0.5	-0.02

- Large downward effect on the all items 12-month rate change.
- Due to:
 - Entertainment and other recreation and foreign holidays, where prices overall rose this year by less than a year ago, particularly for theatre admissions, live music events and foreign holidays; and
 - **UK holidays**, where prices overall fell this year but rose a year ago, with the main downward contribution coming from non-self catering UK holidays.

RECONCILIATION OF CPIH AND RPI

(Table 5a of the Consumer Price Inflation Dataset)

This table identifies the main factors contributing to the differences between the unrounded inflation rates for the CPIH and the RPI. These differences are broken down into: mortgage interest payments, other housing components excluded from the CPIH, imputed rents (included in CPIH and excluded from RPI), other differences in the coverage of goods and services, and the formula effect. The final component titled 'other differences including weights' is derived as a residual.

The corresponding figures for the Consumer Prices Index (CPI) can be found in Table 5b of the Consumer price inflation dataset.

The difference between the CPIH and RPI unrounded annual rates in August 2019 was -0.94 percentage points, widening from -0.80 percentage points in July 2019.

The main factors contributing to the widening were:

- Other differences including weights, which increased the RPI 12-month rate relative to the CPIH 12-month rate by 0.25 percentage points between July and August 2019. The effect came mainly from air fares; games, toys and hobbies and equipment for sport and open-air recreation; sea fares; and food and non-alcoholic beverages. This was partially offset by a narrowing effect from furniture and furnishings, carpets and household textiles.
- **Imputed rents**, which decreased the CPIH 12-month rate by 0.02 percentage points between July and August 2019 but are excluded from the RPI.

The main offsetting factors were:

- Other housing components, which decreased the RPI 12-month rate relative to the CPIH 12-month rate by 0.07 percentage points between July and August 2019. The effect came mainly from house depreciation.
- **Mortgage interest payments,** which decreased the RPI 12-month rate by 0.06 percentage points between July and August 2019 but are excluded from the CPIH.

RPI MISCELLANEOUS DATA

Selected Average Prices				
Description		June 2019	July 2019	August 2019
Fuel per litre	Diesel	£1.35	£1.32	£1.33
	Petrol	£1.29	£1.27	£1.28
Alcohol pub prices	Draught bitter (pint)	£3.08	£3.09	£3.09
	Draught lager (pint)	£3.70	£3.70	£3.71
	Whisky (per nip)	£2.95	£2.96	£2.97
Cigarettes	Per 20 king size	£10.77	£10.77	£10.77

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
August 2018	+0.9	Up +0.06% points	+0.06% points
September 2018	0.0	Down -0.06% points	-0.06% points
October 2018	+0.1	Up +0.07% points	+0.07% points
November 2018	0.0	Down -0.02% points	-0.02% points
December 2018	+0.4	Down -0.01% points	-0.01% points
January 2019	-0.9	Negligible	-
February 2019	+0.7	Negligible	-
March 2019	0.0	Down -0.01% points	-0.01% points
April 2019	+1.1	Down -0.01% points	-0.01% points
May 2019	+0.3	Negligible	-
June 2019	+0.1	Down -0.02% points	-0.02% points
July 2019	0.0	Negligible	-
August 2019	+0.8	Negligible	-

NB: A one percentage point change in the average mortgage interest rate contributes approx. 1.0 percentage points to the 1-month percentage change in the RPI.

OUTLOOK

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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 CPIH and RPI in the next few months.

FOOD

Seasonal Food

• Seasonal food prices tend to rise in September, but are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPIH seasonal food index			
Year	July	August	September
2013	0.2	0.1	1.1
2014	0.2	-0.3	-0.5
2015	-1.4	-0.4	0.4
2016	0.5	-0.3	1.2
2017	-0.4	-0.1	0.9
2018	-0.6	0.8	0.6
2019	0.1	-0.5	

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

CLOTHING AND FOOTWEAR

• Prices for clothing and footwear tend to rise in September.

Monthly % change for CPIH clothing and footwear index			
Year	July	August	September
2013	-3.2	1.9	4.2
2014	-5.7	2.6	4.0
2015	-3.3	1.5	2.8
2016	-3.4	1.0	5.1
2017	-2.9	2.4	3.9
2018	-3.7	3.1	3.1
2019	-2.9	1.8	

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

FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

• Prices tend to rise in September.

Monthly % change for CPIH furniture, household equipment and maintenance index			
Year	July	August	September
2013	-1.0	1.7	0.1
2014	-1.5	1.0	0.6
2015	-1.5	1.7	0.7
2016	-1.7	1.4	0.4
2017	-1.2	1.8	0.2
2018	-1.8	1.2	-
2019	-1.7	1.0	

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

TRANSPORT

Fuels and Lubricants

- Oil prices have increased following an attack on Saudi Arabian crude oil processing facilities, which cut the kingdom's production in half and threatened to hamper shipments from the world's largest crude exporter. Prices initially surged more than 20%, with Brent crude posting its biggest intraday gain since the 1990-1991 Gulf crisis, before pulling back as various nations have said they would tap emergency supplies to keep the world supplied with oil. Brent crude futures rose as much as 19.5% to \$71.95 per barrel, the biggest intraday jump since 14 January 1991. U.S. West Texas Intermediate (WTI) futures climbed as much as 15.5% to \$63.34, the biggest intraday percentage gain since 22 June 1998. (uk.reuters.com 16 September 2019)
- When considering the price of petrol between August and September 2019, it may be useful to note that the average price of petrol rose by 1.7 pence per litre between August and September 2018, to stand at 130.3 pence per litre as measured in the CPIH.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately 0.02 percentage points to the 1-month change in the CPIH.

Passenger Transport by Air

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• Air fares tend to fall sharply in September.

Monthly % change for CPIH air fares index			
Year	July	August	September
2013	13.9	9.4	-18.8
2014	14.0	11.3	-21.7
2015	21.6	13.9	-20.4
2016	15.9	14.4	-24.2
2017	17.9	10.9	-26.7
2018	20.1	13.5	-27.3
2019	12.0	22.4	

• The air fares index used in the RPI is the same as that used in the CPIH, and is included in the **other travel costs** section.

HOUSING (RPI)

Mortgage interest payments (MIPs)

- The Bank of England Bank Rate was unchanged at 0.75% on Thursday 1 August 2019. The next announcement and minutes from the Bank of England's Monetary Policy Committee are scheduled to be published on 19 September 2019.
- The change in average mortgage interest rates recorded in the RPI was -0.06 percentage points between August and September 2018. The Bank of England Bank Rate increased from 0.5% to 0.75% in August 2018.
- A one percentage point change in the average mortgage interest rate contributes approximately 1.0 percentage points to the 1-month percentage change in the RPI.

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