

# Consumer Price Inflation

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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

### CPIH

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 [National Statistics](#) status of the Consumer Prices Index including owner occupiers' housing costs (CPIH) was reinstated on 31 July 2017. [A letter](#) 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 [CPIH assessment report](#).

The main movements for CPIH in February 2018 are:

- The all items CPIH is 104.9, up from 104.5 in January.
- The all items CPIH annual rate is 2.5%, down from 2.7% in January.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 2.3%, down from 2.5% last month.
- The OOH component of CPIH is 105.1, up from 105.0 in January.
- The OOH component annual rate is 1.2%, unchanged from last month.
- The CPIH all goods index is 103.4, up from 102.8 in January.
- The CPIH all goods index annual rate is 3.0%, down from 3.2% last month.
- The CPIH all services index is 106.0, up from 105.8 in January.
- The CPIH all services index annual rate is 2.1%, down from 2.3% 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 [Users and uses of consumer price inflation statistics](#).

The main movements for CPI in February 2018 are:

- The all items CPI is 104.9, up from 104.4 in January.
- The all items CPI annual rate is 2.7%, down from 3.0% in January.
- The annual rate for CPI excluding indirect taxes, CPIY, is 2.6%, down from 2.9% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 2.4%, down from 2.7% last month.
- The CPI all goods index is 103.4, up from 102.8 in January.
- The CPI all goods index annual rate is 3.0%, down from 3.2% last month.
- The CPI all services index is 106.4, up from 106.1 in January.
- The CPI all services index annual rate is 2.4%, down from 2.8% 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 [full assessment report](#) 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 [Users and uses of consumer price inflation statistics](#).

The main movements for RPI in February 2018 are:

- The all items RPI is 278.1, up from 276.0 in January.
- The all items RPI annual rate is 3.6%, down from 4.0% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 3.6%, down from 4.0% last month.
- The all goods RPI is 212.0, up from 209.2 in January.
- The all goods RPI annual rate is 3.7%, down from 4.1% last month.
- The all services RPI is 377.9, up from 376.6 in January.
- The all services RPI annual rate is 3.6%, down from 3.9% last month.

## CPIH SUMMARY

### CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

CPIH COICOP DIVISIONS	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017 Feb-Dec	2018 Feb-Dec	% change Feb 2017	% change Feb 2018	
01: Food and non-alcoholic beverages	81	83	0.8	0.1	-0.06
02: Alcoholic beverages and tobacco	34	34	-0.2	0.1	0.01
03: Clothing and footwear	58	57	1.2	1.7	0.03
04: Housing, water, electricity, gas and other fuels	294	301	0.1	-	-0.01
05: Furniture, household equipment and maintenance	49	48	2.4	2.5	0.01
06: Health	21	21	0.3	0.1	-0.01
07: Transport	126	124	1.1	0.5	-0.08
08: Communication	21	20	0.9	-0.5	-0.03
09: Recreation and culture	121	120	0.6	0.2	-0.04
10: Education	17	18	-	-	-
11: Restaurants and hotels	101	97	0.7	0.1	-0.06
12: Miscellaneous goods and services	77	77	0.3	0.3	-

#### Large downward effects came from:

- Transport**, particularly motor fuels and sea fares, where average petrol prices fell by 0.2 pence per litre between January and February this year to stand at 120.8 pence per litre in February. This compares with a rise of 1.6 pence between the same two months a year ago to reach 120.2 pence per litre in February 2017. Sea fares rose by 2.9% between January and February this year compared with a larger rise of 13.2% a year ago. The sharper rise in 2017 may have been influenced by the pricing date for outward journeys falling on Valentine's Day;

- **Restaurants and hotels**, with prices of overnight hotel accommodation falling this year but rising a year ago. These prices can be reasonably volatile but again, the rise in 2017 may have been influenced by the timing of Valentine's Day;
- **Food and non-alcoholic beverages**, where prices rose by 0.1% between January and February this year compared with a rise of 0.8% a year ago. The downward effect was widespread within the broad group, with the largest single contribution coming from vegetables where prices fell in 2018 compared with a rise in 2017. The rise between January and February 2017 came amidst reports of shortages of certain greens and salad vegetables arising from adverse weather in southern Europe; and
- **Recreation and culture**, where the downward contributions came from a range of recreational goods and services, particularly audio-visual equipment.

**A small downward effect came from:**

- **Communication**, where prices overall fell by 0.5% between January and February this year compared with a rise of 0.9% a year ago;

**A small upward effect came from:**

- **Clothing and footwear**, with average prices rising by 1.7% between January and February 2018 compared with a smaller rise of 1.2% between the same two months a year ago. The largest upward contribution in this sector came from footwear.

## CPIH NOTABLE MOVEMENTS

All items CPIH	Annual rate +2.5%, down from +2.7% last month Lowest since March 2017 (+2.3%)
All items CPIH exc energy, food, alcohol and tobacco	Annual rate +2.2%, down from +2.4% last month Lowest since March 2017 (+1.9%)
Alcoholic beverages and tobacco	Annual rate +5.7%, up from +5.5% last month Highest since December 2013 (+5.8%)
Housing, water, electricity, gas and other fuels	Annual rate +1.7%, down from +1.8% last month Lowest since August 2016 (+1.6%)
Transport	Annual rate +2.7%, down from +3.3% last month Also +2.7% in November 2016 Last lower in October 2016 (+2.3%)
Communication	Annual rate -0.3%, down from +1.2% last month Lowest since March 2009 (-0.7%)
Restaurants and hotels	Annual rate +2.4%, down from +3.1% last month Lowest since August 2016 (+2.3%)
All goods	Annual rate +3.0%, down from +3.2% last month Lowest since July 2017 (+2.7%)
All services	Annual rate +2.1%, down from +2.3% last month Also +2.1% in October 2015, June 2015 and May 2015 Last lower in April 2015 (+2.0%)
Fuels and lubricants	Annual rate +0.8%, down from +2.1% last month Lowest since August 2016 (-2.6%)

## CPIH DETAILED BRIEFING

The [National Statistics](#) status of the Consumer Prices Index including owner occupiers' housing costs (CPIH) was reinstated on 31 July 2017. [A letter](#) 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 [CPIH assessment report](#).

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

<b>01 FOOD AND NON-ALCOHOLIC BEVERAGES</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
01 Food & non-alcoholic beverages	81	83	0.8	0.1	-0.06

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

<b>01.1 Food</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
01.1 Food	71	73	0.8	0.1	-0.05
01.1.1 Bread and cereals	12	12	2.0	0.5	-0.02
01.1.2 Meat	16	16	0.5	0.1	-0.01
01.1.3 Fish	3	3	4.7	1.3	-0.01
01.1.4 Milk, cheese and eggs	9	9	0.6	2.7	0.02
01.1.5 Oils and fats	2	2	0.6	-1.3	-0.01
01.1.6 Fruit	7	8	1.3	0.3	-0.01
01.1.7 Vegetables including potatoes	10	10	2.2	-0.3	-0.03
01.1.8 Sugar, jam, syrups, chocolate and confectionery	10	11	-3.1	-2.1	0.01
01.1.9 Food products not elsewhere covered	2	2	2.4	-1.7	-0.01

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

**Bread and cereals**

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contributions coming from dried potted snacks, cereal bars and chilled pizzas.
- Partially offset by small upward contributions coming from breakfast cereals and packs of individual cakes.

**Meat**

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from poultry.

**Fish**

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from fresh fish fillets.

**Milk, cheese and eggs**

- Small upward effect.
- Prices overall rose this year by more than a year ago, with the main upward contribution coming from yoghurt/fromage frais.

**Oils and fats**

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

**Fruit**

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from packets of peanuts.
- Partially offset by a small upward contribution coming from strawberries, where prices overall rose this year but fell a year ago.

**Vegetables including potatoes**

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from fresh lettuce, courgettes and tomatoes.
- Price increases in February 2017 were due to a shortage of greens and salad items, caused by bad weather in Spain and Italy. (<http://www.bbc.co.uk/news/uk-38666752> 3 February 2017)



**Sugar, jam, syrups, chocolate and confectionery**

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contributions coming from chocolate covered ice cream bars and cartons/boxes of chocolates.
- Partially offset by a small downward contribution coming from ice cream, where prices overall fell this year but rose a year ago.

**Food products not elsewhere covered**

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

<b>01.2 Non-alcoholic beverages</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
01.2 Non-alcoholic beverages	10	10	0.9	-	-0.01
01.2.1 Coffee, tea and cocoa	3	3	4.2	-0.4	-0.01
01.2.2 Mineral waters, soft drinks and juices	7	7	-0.5	0.2	0.01

- Small downward effect on the all items 12-month rate change.
- Due to **coffee, tea and cocoa**.
- Partially offset by **mineral waters, soft drinks and juices**.

**Coffee, tea and cocoa**

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for jars of instant coffee.

**Mineral waters, soft drinks and juices**

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

<b>02 ALCOHOLIC BEVERAGES AND TOBACCO</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
02 Alcoholic beverages and tobacco	34	34	-0.2	0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **alcoholic beverages**.
- Partially offset by **tobacco**.

02.1 Alcoholic Beverages	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
02.1 Alcoholic beverages	16	16	-1.1	-0.1	0.02
02.1.1 Spirits	5	5	-3.0	1.4	0.02
02.1.2 Wine	7	7	-1.0	-0.5	-
02.1.3 Beer	4	4	0.9	-1.1	-0.01

- Small upward effect on the all items 12-month rate change.
- Due to **spirits**, where prices overall rose this year but fell a year ago, particularly for whisky and rum.
- Partially offset by **beer**, where prices overall fell this year but rose a year ago, particularly for lager.

02.2 Tobacco	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
02.2 Tobacco	18	18	0.7	0.2	-0.01

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

03 CLOTHING AND FOOTWEAR	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
03 Clothing and footwear	58	57	1.2	1.7	0.03

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

<b>03.1 Clothing</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
03.1 Clothing	49	47	1.3	1.3	-
03.1.2 Garments	44	42	1.6	1.5	-0.01
03.1.3 Other clothing and clothing accessories	4	4	-1.9	-0.8	-
03.1.4 Cleaning, repair and hire of clothing	1	1	0.3	0.4	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **garments**, where prices overall rose this year by less than a year ago, with the main downward contribution coming women's trousers. Partially offset by a small upward contribution coming from women's cardigans.

<b>03.2 Footwear including repairs</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
03.2 Footwear including repairs	9	10	0.7	3.3	0.03

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year by more than a year ago, particularly for women's high heel shoes and sandals.

<b>04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
04 Housing, water, electricity, gas and other fuels	294	301	0.1	-	-0.01

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

<b>04.1 Actual rentals for housing</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
04.1 Actual rentals for housing	56	69	0.1	0.1	-

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

<b>4.2 Owner occupiers' housing costs</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
4.2 Owner occupiers' housing costs	174	169	0.1	0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- The downward contribution is due to weight changes in 2018. Average charges rose this year by a similar amount to a year ago. However, as the weight for owner occupiers' housing costs has decreased between 2017 and 2018, this has resulted in a small downward effect on the all items 12-month rate change.

<b>04.3 Regular maintenance and repair of the dwelling</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	-0.6	-	-
04.3.1 Materials for maintenance and repair	1	1	-1.3	-	-
04.3.2 Services for maintenance and repair	1	1	0.1	-	-

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

<b>04.4 Other services related to the dwelling</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	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.

<b>04.5 Electricity, gas and other fuels</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	27	27	-	-0.1	-
04.5.1 Electricity	13	13	-	-	-
04.5.2 Gas	12	12	-	-	-
04.5.3 Liquid fuels	1	1	-1.6	-1.7	-
04.5.4 Solid fuels	1	1	0.5	-	-

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

<b>4.9 Council tax and rates</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
4.9 Council tax and rates	26	25	-	-	-

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

<b>05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
05 Furniture, household equipment and maintenance	49	48	2.4	2.5	0.01

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

<b>05.1 Furniture, furnishings and carpets</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
05.1 Furniture, furnishings and carpets	18	18	3.4	3.7	0.01
05.1.1 Furniture and furnishings	15	14	3.8	4.6	0.01
05.1.2 Carpets and other floor coverings	3	4	0.9	0.5	-

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

<b>05.2 Household textiles</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
05.2 Household textiles	6	5	3.0	4.4	-

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

<b>05.3 Household appliances, fitting and repairs</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
05.3 Household appliances, fitting and repairs	7	7	1.2	2.4	0.01
05.3.1/2 Major appliances and small electric goods	6	6	1.4	2.8	0.01
05.3.3 Repair of household appliances	1	1	0.1	0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **major appliances and small electric goods**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from vacuum cleaners.

<b>05.4 Glassware, tableware and household utensils</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
05.4 Glassware, tableware and household utensils	4	4	3.3	0.8	-0.01

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

<b>05.5 Tools and equipment for house and garden</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
05.5 Tools and equipment for house and garden	4	4	2.0	2.1	-

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

<b>05.6 Goods and services for routine maintenance</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance	10	10	0.9	0.5	-
05.6.1 Non-durable household goods	4	4	2.0	1.1	-
05.6.2 Domestic services and household services	6	6	0.2	0.1	-

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

<b>06 HEALTH</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
06 Health	21	21	0.3	0.1	-0.01

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

<b>06.1 Medical products, appliances and equipment</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
06.1 Medical products, appliances and equipment	10	9	0.5	-	-0.01
06.1.1 Pharmaceutical products	6	5	0.8	0.2	-
06.1.2/3 Other medical and therapeutic equipment	4	4	0.2	-0.2	-

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

<b>06.2 Out-patient services</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
06.2 Out-patient services	5	7	0.1	0.1	-
06.2.1/3 Medical and paramedical services	3	4	0.2	0.2	-
06.2.2 Dental services	2	3	-	-	-

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

<b>06.3 Hospital services</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
06.3 Hospital Services	6	5	0.2	0.1	-

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

<b>07 TRANSPORT</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
07 Transport	126	124	1.1	0.5	-0.08

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

<b>07.1 Purchase of vehicles</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	37	38	0.7	0.2	-0.02
07.1.1A New cars	21	22	0.5	0.1	-0.01
07.1.1B Second-hand cars	14	14	0.6	0.4	-
07.1.2/3 Motorcycles and bicycles	2	2	3.1	0.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **new cars**; and **motorcycles and bicycles.**

#### **New cars**

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

#### **Motorcycles and bicycles**

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from children's bicycles.



07.2 Operation of personal transport equipment	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
07.2 Operation of personal transport equipment	61	58	0.5	0.1	-0.03
07.2.1 Spare parts and accessories	4	4	0.2	0.2	-
07.2.2 Fuels and lubricants	26	25	1.2	-0.1	-0.03
07.2.3 Maintenance and repairs	20	19	-	0.2	-
07.2.4 Other services	11	10	-0.1	0.4	-

- Small downward effect on the all items 12-month rate change.
- Due to **fuels and lubricants**, where the average price of petrol across the month, as recorded for the CPIH, fell by 0.2 pence per litre between January and February 2018 to stand at 120.8 pence per litre. Last year, the average price of petrol rose by 1.6 pence per litre between January and February 2017 to stand at 120.2 pence per litre. The average price of diesel fell by 0.1 pence per litre between January and February 2018 to stand at 124.4 pence per litre, compared with a rise of 1.3 pence per litre between January and February 2017 to stand at 123.2 pence per litre.

07.3 Transport services	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
07.3 Transport services	28	28	3.1	1.9	-0.03
07.3.1 Passenger transport by railway	11	11	0.2	0.4	-
07.3.2 Passenger transport by road	10	10	2.2	1.9	-
07.3.3 Passenger transport by air	4	4	6.0	5.3	-
07.3.4 Passenger transport by sea and inland waterway	3	3	13.2	2.9	-0.03

- Small downward effect on the all items 12-month rate change.
- Due to **passenger transport by sea and inland waterway**, where average sea fares rose this year by less than a year ago, particularly for international routes.

08 COMMUNICATION	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
08 Communication	21	20	0.9	-0.5	-0.03

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

<b>08.1 Postal services</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
08.1 Postal services	1	1	-	-	-

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

<b>08.2/3 Telephone equipment and services</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
08.2/3 Telephone equipment and services	20	19	1.0	-0.5	-0.03

- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from bundled telecommunication services and mobile phone applications.

<b>09 RECREATION AND CULTURE</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
09 Recreation and culture	121	120	0.6	0.2	-0.04

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

<b>09.1 Audio-visual equipment and related products</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	15	14	2.4	0.6	-0.03
09.1.1 Equipment for the reception and reproduction of sound and pictures	3	4	3.7	-0.9	-0.02
09.1.2 Photographic, cinematographic and optical equipment	2	1	2.1	-0.7	-
09.1.3 Data processing equipment	5	5	2.4	0.3	-0.01
09.1.4 Recording media	4	3	2.3	3.6	-
09.1.5 Repair of audio-visual equipment and related products	1	1	-0.2	-0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to **equipment for the reception and reproduction of sound and pictures**; and **data processing equipment**.

#### **Equipment for the reception and reproduction of sound and pictures**

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

#### **Data processing equipment**

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from laptop computers.
- Partially offset by a small upward contribution coming from tablet computers, where prices overall rose this year but fell a year ago.

<b>09.2 Other major durables for recreation and culture</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
09.2.1/2 Major durables for in/outdoor recreation	13	14	0.1	0.1	-

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

<b>09.3 Other recreational items, gardens and pets</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	30	29	-0.3	-0.4	-0.01
09.3.1 Games, toys and hobbies	16	17	-1.6	-1.5	-
09.3.2 Equipment for sport and open-air recreation	3	2	-0.4	1.6	0.01
09.3.3 Gardens, plants and flowers	4	3	2.1	1.7	-
09.3.4/5 Pets, related products and services	7	7	1.5	0.6	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **pets, related products and services**.
- Partially offset by **equipment for sport and open-air recreation**.

#### Equipment for sport and open-air recreation

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

#### Pets, related products and services

- Small downward effect.
- Prices overall rose this year by less than a year ago, particularly for dry dog food.

<b>09.4 Recreational and cultural services</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
09.4 Recreational and cultural services	26	23	0.6	0.6	-
09.4.1 Recreational and sporting services	8	7	-0.1	0.1	-
09.4.2 Cultural services	18	16	0.9	0.7	-

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

09.5 Books, newspapers and stationery	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
09.5 Books, newspapers and stationery	9	9	2.0	1.2	-0.01
09.5.1 Books	3	3	5.0	2.6	-0.01
09.5.2 Newspapers and periodicals	3	3	0.1	0.6	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	3	3	0.9	0.5	-

- Small downward effect on the all items 12-month rate change.
- Due to **books**, where prices overall rose this year by less than a year ago. The downward contributions are partially offset by a small upward effect coming from non-fiction hard cover books, where prices overall rose this year by more than a year ago.

09.6 Package holidays	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
09.6 Package holidays	28	31	0.1	0.3	0.01

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

10 EDUCATION	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
10 Education	17	18	-	-	-

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

11 RESTAURANTS AND HOTELS	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
11 Restaurants and hotels	101	97	0.7	0.1	-0.06

- Large downward effect on the all items 12-month rate change.
- Due to **accommodation services** and, to a lesser extent, **catering services**.

<b>11.1 Catering services</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
11.1 Catering services	77	75	0.3	0.2	-0.01
11.1.1 Restaurants and cafes	70	69	0.4	0.2	-0.01
11.1.2 Canteens	7	6	0.2	-0.2	-

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

<b>11.2 Accommodation services</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
11.2 Accommodation services	24	22	1.9	-0.3	-0.05

- Large downward effect on the all items 12-month rate change.
- Prices overall fell this year but rose a year ago, particularly for overnight hotel accommodation.

<b>12 MISCELLANEOUS GOODS AND SERVICES</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
12 Misc. goods and services	77	77	0.3	0.3	-

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

<b>12.1 Personal care</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
12.1 Personal care	25	25	-0.7	-	0.02
12.1.1 Hairdressing and personal grooming establishments	6	6	0.3	0.2	-
12.1.2/3 Appliances and products for personal care	19	19	-1.0	-0.1	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **appliances and products for personal care**, where prices overall fell this year by less than a year ago, with the main upward contributions coming from deodorant/anti-perspirant and tissues.

<b>12.3 Personal effects not elsewhere covered</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	11	12	2.6	1.9	-0.01
12.3.1 Jewellery, clocks and watches	7	8	2.2	1.9	-
12.3.2 Other personal effects	4	4	3.4	1.9	-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.

<b>12.4 Social protection</b>	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to CPIH annual rate change
12.4 Social protection	13	14	0.3	0.2	-

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

<b>12.5 Insurance</b>	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
12.5 Insurance	7	7	1.3	0.2	-0.01
12.5.2 House contents insurance	2	2	0.2	0.5	-
12.5.3 Health insurance	2	2	-	-	-
12.5.4 Transport insurance	3	3	2.9	-	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **transport insurance**, where average premiums for car insurance were little changed this year but rose a year ago.

<b>12.6 Financial services not elsewhere covered</b>	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
12.6 Financial services not elsewhere covered	11	9	-0.4	-0.2	-

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

<b>12.7 Other services not elsewhere covered</b>	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Feb 2017	Feb 2018	
12.7 Other services not elsewhere covered	10	10	0.2	-	-

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



## RPI SUMMARY

### CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

<b>GROUPS</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
FOOD	102	102	1.1	0.1	-0.11
CATERING	48	50	0.4	0.2	-0.01
ALCOHOLIC DRINKS	57	56	-0.2	0.1	0.01
TOBACCO	24	23	0.7	0.2	-0.01
HOUSING	266	257	0.4	0.2	-0.07
FUEL AND LIGHT	38	37	-0.1	-	-
HOUSEHOLD GOODS	65	68	3.5	3.7	0.03
HOUSEHOLD SERVICES	64	58	0.7	-0.2	-0.06
CLOTHING AND FOOTWEAR	41	43	5.0	5.0	0.02
PERSONAL GOODS AND SERVICES	38	42	0.5	0.6	0.01
MOTORING EXPENDITURE	123	124	1.3	0.5	-0.11
FARES AND OTHER TRAVEL COSTS	26	25	3.5	3.0	-0.01
LEISURE GOODS	29	30	2.4	1.1	-0.03
LEISURE SERVICES	79	85	0.4	0.4	-

## RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +3.6%, down from +4.0% last month Also +3.6% in July 2017 Last lower in June 2017 (+3.5%)
All items RPI exc MIPS (RPIX)	Annual rate +3.6%, down from +4.0% last month Lowest since March 2017 (+3.4%)
Seasonal food	Annual rate +2.1%, down from +4.6% last month Also +2.1% in March 2017 and February 2017 Last lower in January 2017 (-0.6%)
Household services	Annual rate +1.5%, down from +2.4% last month Also +1.5% in January 2009 and September 2001 Last lower in July 2001 (+0.6%)
Motoring expenditure	Annual rate +3.9%, down from +4.7% last month Lowest since October 2016 (+3.8%)
All goods	Annual rate +3.7%, down from +4.1% last month Lowest since January 2017 (+2.8%)
All services	Annual rate +3.6%, down from +3.9% last month Also +3.6% in June 2017 Last lower in May 2017 (+3.5%)
Petrol and oil	Annual rate +1.3%, down from +2.2% last month Lowest since August 2016 (-4.5%)

## 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.

<b>FOOD</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
FOOD	102	102	1.1	0.1	-0.11

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

<b>Seasonal Food</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	2.8	0.2	-0.05
Home killed lamb	1	1	2.9	3.1	-
Fresh fish	2	2	2.9	-0.7	-0.01
Eggs	1	1	0.4	-	-
Unprocessed potatoes	1	1	-0.7	0.2	-
Other fresh vegetables	6	6	7.0	-0.2	-0.04
Fresh fruit	7	7	-	0.6	-

- Large downward effect on the all items 12-month rate change.
- Due to **other fresh vegetables** and, to a lesser extent, **fresh fish**, where prices overall fell this year but rose a year ago, particularly for fresh lettuce and tomatoes.

<b>Non-Seasonal Food</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
NON-SEASONAL FOOD	84	84	0.7	0.1	-0.06
Bread	4	4	0.6	-0.3	-
Cereals	3	3	4.6	3.1	-
Biscuits and cakes	6	6	-1.2	-1.4	-
Beef	4	3	1.0	-	-
Imported lamb	1	1	8.1	4.2	-
Pork	1	1	0.8	-1.9	-
Bacon	1	1	-0.5	-1.3	-
Poultry	3	4	2.0	-0.3	-0.01
Other meat	6	6	-0.3	0.3	-
Processed fish	2	2	5.8	2.8	-0.01
Butter	1	1	-0.9	-0.3	-
Oils and fats	1	1	0.8	-2.4	-
Cheese	3	3	0.6	-0.3	-
Milk, fresh	3	3	1.0	0.8	-
Milk products	4	4	0.7	9.5	0.04
Tea	1	1	1.6	-	-
Soft drinks	8	8	-0.4	0.6	0.01
Sugar and preserves	1	1	0.1	3.9	-
Sweets and chocolates	11	11	-3.3	-2.9	-
Potato products	3	3	-2.7	-2.3	-
Processed vegetables	2	2	2.7	4.0	-
Processed fruit	2	2	6.6	-0.5	-0.01
Other foods	11	11	3.1	-1.3	-0.05
Coffee and other hot drinks	2	2	6.8	-0.9	-0.02

- Large downward effect on the all items 12-month rate change.
- Due to:
  - **Other foods** and, to a lesser extent, **coffee and other hot drinks, poultry and processed fruit**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from jars of instant coffee, dried potted snacks, packets of peanuts, chilled pizzas, canned soup, fresh boneless chicken breast fillets, cook-in sauces and ice cream. Partially offset by a small upward contribution coming from chocolate covered ice cream bars, where prices overall rose this year but fell a year ago; and
  - **Processed fish**, where prices overall rose this year by less than a year ago.
- Partially offset by:
  - **Milk products**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from yoghurt/fromage frais; and, to a lesser extent
  - **Soft drinks**, where prices overall rose this year but fell a year ago, with the main upward contribution coming from bottles of flavoured water.

CATERING	Weight	Weight	1 month	1 month	Contribution to RPI annual rate change
	2017	2018	% change	% change	
			Feb 2017	Feb 2018	
CATERING	48	50	0.4	0.2	-0.01
Restaurant meals	29	30	0.3	0.1	-0.01
Canteen meals	3	3	0.3	-0.1	-
Take-away meals and snacks	16	17	0.4	0.3	-

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

ALCOHOLIC DRINKS	Weight	Weight	1 month	1 month	Contribution to RPI annual rate change
	2017	2018	% change	% change	
			Feb 2017	Feb 2018	
ALCOHOLIC DRINKS	57	56	-0.2	0.1	0.01
Beer on sales	19	18	0.3	0.2	-
Beer off sales	5	5	1.2	-1.1	-0.01
Wines and spirits on sales	19	19	0.2	0.3	-
Wines and spirits off sales	14	14	-1.9	0.2	0.03

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

TOBACCO	Weight	Weight	1 month	1 month	Contribution to RPI annual rate change
	2017	2018	% change	% change	
			Feb 2017	Feb 2018	
TOBACCO	24	23	0.7	0.2	-0.01
Cigarettes	20	19	0.6	0.1	-0.01
Other tobacco products	4	4	1.3	0.5	-

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

<b>HOUSING</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
HOUSING	266	257	0.4	0.2	-0.07
Rent	84	76	0.1	0.1	-
Mortgage interest payments	25	24	-	-0.1	-
Council tax and rates	39	38	-	-	-
Water and other charges	13	12	-	-	-
Repairs and maintenance charges	9	9	0.1	-	-
DIY materials	6	8	0.1	1.1	0.01
Dwelling insurance and ground rent	6	7	1.5	0.8	-
House depreciation	84	83	1.0	0.3	-0.07

- Large downward effect on the all items 12-month rate change.
- Due to **house depreciation**, with the smoothed house price index used to calculate this component rising this year by less than a year ago.
- Partially offset by **DIY materials**, where prices overall rose this year by more than a year ago, particularly for screwdrivers.

<b>FUEL AND LIGHT</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
FUEL AND LIGHT	38	37	-0.1	-	-
Coal and solid fuels	1	1	0.5	-	-
Electricity	19	20	-	-	-
Gas	16	15	-	-	-
Oil and other fuels	2	1	-1.2	-1.2	-

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

<b>HOUSEHOLD GOODS</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
HOUSEHOLD GOODS	65	68	3.5	3.7	0.03
Furniture	26	28	5.1	6.5	0.05
Furnishings	10	9	2.7	3.1	-
Electrical appliances	6	7	2.9	3.7	0.01
Other household equipment	4	4	3.4	0.9	-0.01
Household consumables	11	11	1.5	0.8	-0.01
Pet care	8	9	2.2	0.6	-0.01

- Largest upward effect on the all items 12-month rate change.
- Due to **furniture** and, to a lesser extent, **electrical appliances**, where prices overall rose

this year by more than a year ago, with the main upward contributions coming from leather settees and vacuum cleaners. Partially offset by a small downward contribution coming from double beds, where prices overall rose this year by less than a year ago.

- Partially offset by **other household equipment**, **household consumables** and **pet care**, where prices overall rose this year by less than a year ago, particularly for dry dog food.

<b>HOUSEHOLD SERVICES</b>	Weight	Weight	1 month	1 month	Contribution
	2017	2018	% change	% change	to RPI annual
			Feb 2017	Feb 2018	rate change
HOUSEHOLD SERVICES	64	58	0.7	-0.2	-0.06
Domestic services	15	13	0.3	0.1	-
Fees and subscriptions	22	19	0.1	0.2	-
Postage	1	1	-	-	-
Telephone charges	26	25	1.5	-0.7	-0.06

- Large downward effect on the all items 12-month rate change.
- Due to **telephone charges**, where average charges fell this year but rose a year ago, with the main downward contributions coming from mobile phone applications and bundled telecommunication services.

<b>CLOTHING AND FOOTWEAR</b>	Weight	Weight	1 month	1 month	Contribution
	2017	2018	% change	% change	to RPI annual
			Feb 2017	Feb 2018	rate change
CLOTHING AND FOOTWEAR	41	43	5.0	5.0	0.02
Men's outerwear	8	9	4.4	2.7	-0.01
Women's outerwear	15	16	8.4	7.9	-
Children's outerwear	5	5	2.4	3.9	0.01
Other clothing	5	5	1.5	1.2	-
Footwear	8	8	2.5	4.8	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **footwear** and **children's outerwear**, where prices overall rose this year by more than a year ago, particularly for women's high heel shoes.
- Partially offset by **men's outerwear**, where prices overall rose this year by less than a year ago.

<b>PERSONAL GOODS AND SERVICES</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	38	42	0.5	0.6	0.01
Personal articles	9	11	3.1	1.8	-0.01
Chemists' goods	15	15	-0.7	0.3	0.01
Personal services	14	16	0.2	0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **chemists' goods**, where prices overall rose this year but fell a year ago, particularly for deodorant/anti-perspirant.
- Partially offset by **personal articles**, where prices overall rose this year by less than a year ago.

<b>MOTORING EXPENDITURE</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
MOTORING EXPENDITURE	123	124	1.3	0.5	-0.11
Purchase of motor vehicles	46	50	0.7	0.2	-0.01
Maintenance of motor vehicles	16	16	-	0.2	-
Petrol and oil	37	34	1.7	0.8	-0.03
Vehicle tax and insurance	24	24	2.9	0.5	-0.06

- Large downward 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 less than a year ago; and, to a lesser extent
  - **Petrol and oil**, where prices overall rose this year by less than a year ago. The price of petrol, as recorded for the RPI, rose by 1.1 pence per litre between January and February 2018, to stand at 121.6 pence per litre, compared with a rise of 2.2 pence per litre last year to stand at 120.2 pence per litre. Diesel prices rose by 1.0 pence per litre, to stand at 125.0 pence per litre in February 2018, compared with a rise of 1.9 pence per litre last year to stand at 123.2 pence per litre; and
  - **Purchase of motor vehicles**, where prices overall rose this year by less than a year ago, particularly for new cars.



<b>FARES AND OTHER TRAVEL COSTS</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	26	25	3.5	3.0	-0.01
Rail fares	6	6	0.3	0.4	-
Bus and coach fares	3	3	4.4	4.5	-
Other travel costs	17	16	4.5	3.6	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **other travel costs**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from air fares and children's bicycles.

<b>LEISURE GOODS</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
LEISURE GOODS	29	30	2.4	1.1	-0.03
Audio-visual equipment	6	6	4.3	1.4	-0.02
CDs and tapes	2	2	3.8	3.8	-
Toys, photographic and sports goods	9	10	0.3	-	-
Books and newspapers	6	6	2.7	1.4	-0.01
Gardening products	6	6	2.9	2.0	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **audio-visual equipment**, **books and newspapers** and **gardening products**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from televisions, laptop computers and eBooks. Partially offset by a small upward contribution coming from tablet computers, where prices overall rose this year but fell a year ago.

<b>LEISURE SERVICES</b>	Weight 2017	Weight 2018	1 month % change Feb 2017	1 month % change Feb 2018	Contribution to RPI annual rate change
LEISURE SERVICES	79	85	0.4	0.4	-
TV licence and rentals	12	11	-	-	-
Entertainment and other recreation	16	16	0.7	0.9	-
Foreign holidays	40	47	0.1	0.4	0.01
UK holidays	11	11	1.3	-	-0.02

- Negligible overall effect on the all items 12-month rate change.
- There is an upward contribution coming from **foreign holidays**, where prices overall rose this year by more than a year ago.

- Offset by a downward contribution coming from **UK holidays**, where prices overall were little changed this year but rose a year ago, with the main downward contribution coming from overnight hotel accommodation.

## RECONCILIATION OF CPI AND RPI

### (Table 5 of the Consumer Price Inflation Dataset)

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.

This table currently compares CPI with RPI. In due course it will be updated to compare CPIH with RPI.

The difference between the CPI and RPI unrounded annual rates in February 2018 was -0.91 percentage points, narrowing from -0.97 percentage points in January 2018.

The main factors contributing to the narrowing were:

- **Other housing components excluded from the CPI**, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.07 percentage points between January and February 2018. The effect came mainly from house depreciation.
- **The formula effect**, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.04 percentage points between January and February 2018. The effect came mainly from clothing and footwear.

The main off-setting factor was:

- **Other differences including weights**, which increased the RPI 12-month rate relative to the CPI 12-month rate by 0.05 percentage points between January and February 2018. The effect came mainly from sea fares. This was partially offset by food and non-alcoholic beverages; and insurance.

## RPI MISCELLANEOUS DATA

### Selected Average Prices

Description		December 2017	January 2018	February 2018
Petrol per litre	Diesel	£1.24	£1.24	£1.25
	Petrol	£1.20	£1.21	£1.22
Alcohol pub prices	Draught bitter (pint)	£3.08	£3.09	£3.03
	Draught lager (pint)	£3.63	£3.63	£3.61
	Whisky (per nip)	£2.83	£2.84	£2.83
Cigarettes	Per 20 king size	£9.90	£9.94	£9.96

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
February 2017	+1.1	Down -0.01% points	-0.01% points
March 2017	+0.3	Down -0.01% points	-0.01% points
April 2017	+0.5	Down -0.02% points	-0.02% points
May 2017	+0.4	Negligible	-
June 2017	+0.2	Down -0.02% points	-0.02% points
July 2017	+0.2	Down -0.01% points	-0.01% points
August 2017	+0.7	Down -0.01% points	-0.01% points
September 2017	+0.1	Down -0.01% points	-0.01% points
October 2017	+0.1	Down -0.02% points	-0.02% points
November 2017	+0.2	Up +0.01% points	+0.01% points
December 2017	+0.8	Up +0.09% points	+0.08% points
January 2018	-0.8	Down -0.04% points	-0.04% points
February 2018	+0.8	Down -0.01% points	-0.01% points

**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

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

- With the exception of 2017, seasonal food prices have tended to fall in March of recent years and are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPIH seasonal food index			
Year	January	February	March
2012	-1.5	1.3	-0.2
2013	0.2	1.6	-0.7
2014	0.1	-0.4	-0.5
2015	-1.1	-0.3	-0.4
2016	-1.1	1.4	-0.9
2017	-0.8	2.2	0.6
2018	0.5	0.1	

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

### CLOTHING AND FOOTWEAR

- With the exception of 2015, prices for clothing and footwear have tended to rise in March due to continued recoveries following the January sales.

Monthly % change for CPIH clothing and footwear index			
Year	January	February	March
2012	-4.8	2.8	2.1
2013	-5.4	2.0	2.3
2014	-5.4	1.1	1.8
2015	-3.7	1.3	-0.1
2016	-3.1	1.3	1.0
2017	-4.2	1.2	2.0
2018	-3.9	1.7	

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

### ACTUAL RENTALS FOR HOUSING

#### Social Housing Rents

- The Summer 2015 Budget announced that rents for social housing would decrease by 1% each year for four years, starting in April 2016.

## FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

- Prices tend to rise in March due to continued recoveries following the January sales.

Monthly % change for CPIH furniture, household equipment and maintenance index			
Year	January	February	March
2012	-2.3	1.6	1.4
2013	-2.3	1.5	0.8
2014	-3.1	2.5	0.3
2015	-2.5	1.4	0.4
2016	-2.3	1.7	0.7
2017	-2.5	2.4	0.7
2018	-2.6	2.5	

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

## HEALTH

### Prescription Charges

- The Department of Health and Social Care has announced that NHS prescription charges for England will rise by 20 pence to £8.80 from 1 April 2018. ([www.gov.uk](http://www.gov.uk) 26 February 2018)

### NHS Dental Charges

- Regulations have been laid before Parliament to uplift NHS dental charges in England from 1 April 2018. Charges will rise from £20.60 to £21.60 for Band 1, from £56.30 to £59.10 for Band 2 and from £244.30 to £256.50 for Band 3. ([www.parliament.uk](http://www.parliament.uk) 12 March 2018)

## TRANSPORT

### Fuels and Lubricants

- Oil prices have eased following recent increases: Brent crude futures LCOc1 were down to \$66.11 a barrel and U.S. West Texas Intermediate (WTI) futures CLc1 fell to \$62.17 a barrel. ([uk.reuters.com](http://uk.reuters.com) 19 March 2018)
- When considering the price of petrol between February and March 2018, it may be useful to note that the average price of petrol fell by 1.0 pence per litre between February and March 2017, standing at 119.2 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.

### Vehicle Excise Duty (VED)

- The November 2017 Budget announced that from 1 April 2018, VED rates will increase in line with the RPI for cars, vans, and motorcycles. In addition, new Diesel vehicles that do not meet the RDE2 standard will be charged a supplement on their first year rate to the effect of moving up by one VED band. The new Standard Rate for cars first registered after 1st April 2017 will also come into effect.

### Passenger Transport by Air

- With the exception of 2017, air fares have tended to rise in March of recent years, and can depend on the position of Easter.

Monthly % change for CPIH air fares index			
Year	January	February	March
2012	-28.4	-1.6	4.4
2013	-20.5	9.2	5.3
2014	-18.5	3.3	1.9
2015	-17.1	5.3	2.7
2016	-35.8	5.6	22.9
2017	-36.0	6.0	-3.9
2018	-33.2	5.3	

- 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.

## COMMUNICATION

### Postal Services

- Royal Mail has announced that from 26 March 2018, the prices of a First Class stamp and a Second Class stamp will rise by 2p to 67p and 58p respectively. (royalmailgroup.com 16 February 2018)

## RECREATION AND CULTURE

### Television Licence

- The cost of a TV Licence will change on 1 April 2018. A colour licence will cost £150.50, an increase of £3.50 on the current fee. A black and white licence will cost £50.50, an increase of £1.00. (www.tvlicensing.co.uk)

## MISCELLANEOUS GOODS AND SERVICES

### Passport Fees

- The Home Office has outlined plans to introduce different passport fees for online and postal applications, with effect from 27 March 2018. Under the plans, online applications will increase from £72.50 to £75.50 for adults and £49.00 for children. Postal applications will increase by £12.50 to £85.00 for adults and £58.50 for children. (www.gov.uk 29 January 2018)

**HOUSING (RPI)****Mortgage interest payments (MIPs)**

- The Bank of England Bank Rate remained unchanged at 0.5% on Thursday 8 February 2018. The next announcement and minutes from the Bank of England's Monetary Policy Committee are scheduled to be published on 22 March 2018.
- The change in average mortgage interest rates recorded in the RPI was -0.01 percentage points between February and March 2017. The Bank of England Bank Rate remained unchanged at 0.25% in February 2017.
- 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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