

Consumer Price Inflation

January 2018

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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 January 2018 are:

- The all items CPIH is 104.5, down from 105.0 in December.
- The all items CPIH annual rate is 2.7%, unchanged from last month.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 2.5%, unchanged from last month.
- The OOH component of CPIH is 105.0, up from 104.9 in December.
- The OOH component annual rate is 1.2%, down from 1.3% last month.
- The CPIH all goods index is 102.8, down from 103.4 in December.
- The CPIH all goods index annual rate is 3.2%, down from 3.4% last month.
- The CPIH all services index is 105.8, down from 106.1 in December.
- The CPIH all services index annual rate is 2.3%, up 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 [Users and uses of consumer price inflation statistics](#).

The main movements for CPI in January 2018 are:

- The all items CPI is 104.4, down from 104.9 in December.
- The all items CPI annual rate is 3.0%, unchanged from last month.
- The annual rate for CPI excluding indirect taxes, CPIY, is 2.9%, up from 2.8% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 2.7%, unchanged from last month.
- The CPI all goods index is 102.8, down from 103.4 in December.
- The CPI all goods index annual rate is 3.2%, down from 3.4% last month.
- The CPI all services index is 106.1, down from 106.6 in December.
- The CPI all services index annual rate is 2.8%, up 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 [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 January 2018 are:

- The all items RPI is 276.0, down from 278.1 in December.
- The all items RPI annual rate is 4.0%, down from 4.1% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 4.0%, down from 4.2% last month.
- The all goods RPI is 209.2, down from 210.5 in December.
- The all goods RPI annual rate is 4.1%, down from 4.5% last month.
- The all services RPI is 376.6, down from 381.0 in December.
- The all services RPI annual rate is 3.9%, unchanged from last month.

CPIH SUMMARY

CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

CPIH COICOP DIVISIONS	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
01: Food and non-alcoholic beverages	81	82	0.3	-0.1	-0.03
02: Alcoholic beverages and tobacco	33	33	2.3	2.3	-
03: Clothing and footwear	60	59	-4.2	-3.9	0.02
04: Housing, water, electricity, gas and other fuels	293	300	0.2	0.1	-0.02
05: Furniture, household equipment and maintenance	51	50	-2.5	-2.6	-
06: Health	21	21	0.9	0.6	-0.01
07: Transport	127	124	-0.8	-1.1	-0.04
08: Communication	21	20	-0.1	0.1	-
09: Recreation and culture	119	120	-0.7	-0.2	0.07
10: Education	17	18	-	-	-
11: Restaurants and hotels	101	97	-0.1	-0.1	-
12: Miscellaneous goods and services	76	76	0.1	-	-0.01

A large downward effect came from:

- **Transport**, in particular prices for motor fuels, which rose by less than they did a year ago.

A small downward effect came from:

- **Food and non-alcoholic drinks**, with prices falling slightly between December 2017 and January 2018, having risen in the same period a year ago. This effect came from prices for a wide range of types of food and drink, with the largest contribution coming from a fall in meat prices. Food prices tend to fall in January, meaning that the change in January 2018

is more in line with historic trends. The rise in January 2017 was unusual and reflected an increasing trend in food prices that began in late 2016.

These downward effects were offset by prices for a range of recreational and cultural goods and services, with prices falling by less than they did a year ago. The main upward contribution came from admission prices for attractions such as zoos and gardens, with prices falling by less than they did last year.

CPIH NOTABLE MOVEMENTS

All items CPIH	<p>Annual rate +2.7%, unchanged from last month Also +2.7% in August 2017</p> <p>Last higher in November 2017 (+2.8%) Last lower in July 2017 (+2.6%)</p>
All items CPIH exc energy, food, alcohol and tobacco	<p>Annual rate +2.4%, up from +2.3% last month Highest since November 2017 (+2.5%)</p>
Recreation and culture	<p>Annual rate +3.4%, up from +2.8% last month Highest since January 2010 (+3.6%)</p>
All goods	<p>Annual rate +3.2%, down from +3.4% last month Also 3.2% in September 2017 Lowest since August 2017 (+3.1%)</p>
All services	<p>Annual rate +2.3%, up from +2.2% last month Highest since November 2017 (+2.4%)</p>

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.

01 FOOD AND NON-ALCOHOLIC BEVERAGES	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
01 Food & non-alcoholic beverages	81	82	0.3	-0.1	-0.03

- Small downward effect on the all items 12-month rate change.
- Due to **non-alcoholic beverages**; and **food**.

01.1 Food	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
01.1 Food	71	72	0.1	-0.1	-0.01
01.1.1 Bread and cereals	12	12	-1.9	-1.9	-
01.1.2 Meat	16	16	0.3	-0.9	-0.02
01.1.3 Fish	3	3	0.2	-	-
01.1.4 Milk, cheese and eggs	9	9	-0.5	-1.3	-0.01
01.1.5 Oils and fats	2	2	0.6	-3.1	-0.01
01.1.6 Fruit	7	8	-4.2	-0.7	0.02
01.1.7 Vegetables including potatoes	10	10	1.2	1.5	-
01.1.8 Sugar, jam, syrups, chocolate and confectionery	10	10	4.9	3.4	-0.01
01.1.9 Food products not elsewhere covered	2	2	-2.5	1.6	0.01

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

Meat

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

Milk, cheese and eggs

- Small downward effect.
- Prices overall fell this year by more than a year ago, particularly for yoghurt/formage frais.

Oils and fats

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

Fruit

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

Sugar, jam, syrups, chocolate and confectionery

- Small downward effect.
- Prices overall rose this year by less than a year ago, particularly for cartons/boxes of chocolates.

Food products not elsewhere covered

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

01.2 Non-alcoholic beverages	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
01.2 Non-alcoholic beverages	10	10	1.8	0.1	-0.02
01.2.1 Coffee, tea and cocoa	3	3	1.5	-0.4	-0.01
01.2.2 Mineral waters, soft drinks and juices	7	7	1.9	0.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **coffee, tea and cocoa**; and **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 smaller packets of tea bags.

Mineral waters, soft drinks and juices

- Small downward effect.
- Prices overall rose this year by less than a year ago, particularly for bottles of cola flavoured drink.

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
02 Alcoholic beverages and tobacco	33	33	2.3	2.3	-

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

02.1 Alcoholic Beverages	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	15	15	5.0	4.5	-0.01
02.1.1 Spirits	4	4	6.7	5.5	-
02.1.2 Wine	7	7	4.1	2.9	-0.01
02.1.3 Beer	4	4	5.1	6.4	0.01

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

Wine

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

Beer

- Small upward effect.
- Prices overall rose this year by more than a year ago.

02.2 Tobacco	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
02.2 Tobacco	18	18	-	0.4	0.01

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

03 CLOTHING AND FOOTWEAR	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
03 Clothing and footwear	60	59	-4.2	-3.9	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **clothing**.
- Partially offset by **footwear including repairs**.

03.1 Clothing	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
03.1 Clothing	50	49	-4.3	-3.7	0.03
03.1.2 Garments	45	44	-4.5	-4.0	0.02
03.1.3 Other clothing and clothing accessories	4	4	-3.5	-1.0	0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.2	-0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **garments**; and **other clothing and clothing accessories**.

Garments

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contributions coming from women's blouses, jumpers and formal jackets; girl's fashion tops and men's official football shirts. Partially offset by a small upward contribution coming from women's skirts, where prices fell this year by more than a year ago.

Other clothing and clothing accessories

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for ladies scarves.

03.2 Footwear including repairs	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
03.2 Footwear including repairs	10	10	-3.9	-4.9	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year by more than a year ago, particularly for women's shoes.

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
04 Housing, water, electricity, gas and other fuels	293	300	0.2	0.1	-0.02

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

04.1 Actual rentals for housing	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
04.1 Actual rentals for housing	56	69	0.3	0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to Registered Social Landlord (RSL) rents, where charges rose this year by less than a year ago.

4.2 Owner occupiers' housing costs	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
4.2 Owner occupiers' housing costs	173	168	0.2	0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Charges overall rose this year by less than a year ago, with the main downward contribution coming from housing costs in England and Northern Ireland.

04.3 Regular maintenance and repair of the dwelling	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	0.3	0.3	-
04.3.1 Materials for maintenance and repair	1	1	0.4	0.6	-
04.3.2 Services for maintenance and repair	1	1	0.2	0.1	-

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

04.4 Other services related to the dwelling	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 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.

04.5 Electricity, gas and other fuels	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 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	-0.5	0.1	0.01
04.5.3 Liquid fuels	1	1	5.9	1.2	-0.01
04.5.4 Solid fuels	1	1	0.2	0.2	-

- Negligible overall effect on the all items 12-month rate change.
- There was a small upward contribution coming from **gas**, where charges overall rose this year but fell a year ago.
- Offset by a small downward contribution coming from **liquid fuels**, where average kerosene prices rose this year by less than a year ago.

4.9 Council tax and rates	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 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.

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
05 Furniture, household equipment and maintenance	51	50	-2.5	-2.6	-

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

05.1 Furniture, furnishings and carpets	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
05.1 Furniture, furnishings and carpets	19	19	-5.1	-4.9	-
05.1.1 Furniture and furnishings	16	15	-5.6	-5.6	-
05.1.2 Carpets and other floor coverings	3	4	-2.2	-2.1	-

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

05.2 Household textiles	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
05.2 Household textiles	6	6	-4.5	-4.0	-

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

05.3 Household appliances, fitting and repairs	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
05.3 Household appliances, fitting and repairs	7	7	-1.4	-1.0	-
05.3.1/2 Major appliances and small electric goods	6	6	-1.7	-1.2	-
05.3.3 Repair of household appliances	1	1	-	0.1	-

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

05.4 Glassware, tableware and household utensils	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
05.4 Glassware, tableware and household utensils	5	4	-1.1	-1.3	-

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

05.5 Tools and equipment for house and garden	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
05.5 Tools and equipment for house and garden	4	4	0.6	0.4	-

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

05.6 Goods and services for routine maintenance	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance	10	10	0.8	-0.4	-0.01
05.6.1 Non-durable household goods	4	4	1.6	-1.2	-0.01
05.6.2 Domestic services and household services	6	6	0.2	0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to **non-durable household goods**, where prices overall fell this year but rose a year ago, particularly for household cleaning products.

06 HEALTH	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
06 Health	21	21	0.9	0.6	-0.01

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

06.1 Medical products, appliances and equipment	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 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	-	0.7	-
06.1.2/3 Other medical and therapeutic equipment	4	4	-0.1	0.2	-

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

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

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

06.3 Hospital services	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
06.3 Hospital Services	6	5	3.0	1.5	-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 contribution coming from private surgery/self-pay operations.

07 TRANSPORT	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
07 Transport	127	124	-0.8	-1.1	-0.04

- Largest downward effect on the all items 12-month rate change.
- Due to **operation of personal transport equipment**; and to a lesser extent, **purchase of vehicles**.
- Partially offset by **transport services**.

07.1 Purchase of vehicles	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	37	38	1.1	0.5	-0.02
07.1.1A New cars	21	22	1.0	0.5	-0.01
07.1.1B Second-hand cars	14	14	1.4	0.6	-0.01
07.1.2/3 Motorcycles and bicycles	2	2	0.4	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **new cars** and **second-hand cars**.

New cars

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

Second-hand cars

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

07.2 Operation of personal transport equipment	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
07.2 Operation of personal transport equipment	60	57	1.4	0.6	-0.04
07.2.1 Spare parts and accessories	4	4	0.2	0.6	-
07.2.2 Fuels and lubricants	25	24	3.4	0.8	-0.06
07.2.3 Maintenance and repairs	20	19	-0.2	0.7	0.02
07.2.4 Other services	11	10	-0.1	-	-

- Large downward effect on the all items 12-month rate change.
- Due to **fuels and lubricants**.
- The average price of petrol across the month, as recorded for the CPIH, rose by 1.1 pence per litre between December 2017 and January 2018 to stand at 121.0 pence per litre.
- Last year, the average price of petrol fell by 4.0 pence per litre between December 2016 to January 2017 to stand at 118.6 pence per litre.
- The average price of diesel rose by 1.0 pence per litre between December 2017 and January 2018 to stand at 124.5 pence per litre, compared with a rise of 3.9 pence per litre between December 2016 and January 2017 to stand at 121.9 pence per litre.
- Partially offset by **maintenance and repairs**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from roadside recovery services and car repairs.

07.3 Transport services	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
07.3 Transport services	30	29	-7.3	-6.7	0.02
07.3.1 Passenger transport by railway	11	10	1.4	2.5	0.01
07.3.2 Passenger transport by road	10	10	1.6	-0.3	-0.02
07.3.3 Passenger transport by air	6	6	-36.0	-33.2	0.01
07.3.4 Passenger transport by sea and inland waterway	3	3	-11.8	-5.4	0.02

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

Passenger transport by railway

- Small upward effect.
- Average charges for rail journeys rose this year by more than a year ago.

Passenger transport by road

- Small downward effect.
- Charges overall fell this year but rose a year ago, particularly for coach fares.

Passenger transport by air

- Small upward effect.
- Average fares fell this year by less than a year ago with the main upward contributions coming from European flights and, to a lesser extent, long haul journeys.

Passenger transport by sea and inland waterway

- Small upward effect.
- Average sea fares fell this year by less than a year ago, with upward contributions coming from both international and domestic routes.

08 COMMUNICATION	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
08 Communication	21	20	-0.1	0.1	-

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

08.1 Postal services	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
08.1 Postal services	1	1	-	-	-

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

08.2/3 Telephone equipment and services	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
08.2/3 Telephone equipment and services	20	19	-0.1	0.1	-

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

09 RECREATION AND CULTURE	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
09 Recreation and culture	119	120	-0.7	-0.2	0.07

- Largest upward effect on the all items 12-month rate change.
- Due to **recreational and cultural services**; and, to a lesser extent, **other recreational items, gardens and pets; books, newspapers and stationery; and audio-visual equipment and related products**.
- Partially offset by **other major durables for recreation and culture**.

09.1 Audio-visual equipment and related products	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	14	14	-2.1	-1.4	0.01
09.1.1 Equipment for the reception and reproduction of sound and pictures	3	4	1.4	-0.1	-
09.1.2 Photographic, cinematographic and optical equipment	1	1	3.1	-2.3	-0.01
09.1.3 Data processing equipment	5	5	-0.9	-1.0	-
09.1.4 Recording media	4	3	-7.9	-4.2	0.02
09.1.5 Repair of audio-visual equipment and related products	1	1	-	0.3	-

- Small upward effect on the all items 12-month rate change.
- Due to **recording media**.
- Partially offset by **photographic, cinematographic and optical equipment**.

Photographic, cinematographic and optical equipment

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

Recording media

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for music downloads.

09.2 Other major durables for recreation and culture	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
09.2.1/2 Major durables for in/outdoor recreation	12	14	1.3	0.1	-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 contribution coming from caravans.

09.3 Other recreational items, gardens and pets	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	30	29	-0.2	0.4	0.02
09.3.1 Games, toys and hobbies	16	17	0.6	0.7	-
09.3.2 Equipment for sport and open-air recreation	3	2	-1.4	-0.6	-
09.3.3 Gardens, plants and flowers	4	3	-1.4	-0.7	-
09.3.4/5 Pets, related products and services	7	7	-0.7	0.5	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **pets, related products and services**, where prices overall rose this year but fell a year ago, particularly for complete dry dog food.

09.4 Recreational and cultural services	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
09.4 Recreational and cultural services	26	23	-2.5	-0.8	0.05
09.4.1 Recreational and sporting services	8	7	-2.4	-1.1	0.01
09.4.2 Cultural services	18	16	-2.5	-0.7	0.03

- Large upward effect on the all items 12-month rate change.
- Due to **cultural services**; and **recreational and sporting services**.

Recreational and sporting services

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

Cultural services

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for admission to cultural events. Partially offset by a small downward contribution coming from live music events, where charges fell this year by more than a year ago.

09.5 Books, newspapers and stationery	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	9	9	-1.3	0.3	0.02
09.5.1 Books	3	3	-6.0	0.4	0.02
09.5.2 Newspapers and periodicals	3	3	2.4	1.4	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	3	3	-0.3	-0.8	-

- 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, with the main upward contributions coming from fiction and non-fiction hard cover books.

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

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

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

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

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

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

11.1 Catering services	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
11.1 Catering services	77	75	-	0.1	-
11.1.1 Restaurants and cafes	70	69	0.1	0.1	-
11.1.2 Canteens	7	6	-0.2	0.1	-

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

11.2 Accommodation services	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
11.2 Accommodation services	24	22	-0.6	-0.6	-

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

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
12 Misc. goods and services	76	76	0.1	-	-0.01

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

12.1 Personal care	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
12.1 Personal care	25	24	1.2	0.8	-0.01
12.1.1 Hairdressing and personal grooming establishments	6	6	0.3	0.1	-
12.1.2/3 Appliances and products for personal care	19	18	1.5	1.0	-0.01

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

12.3 Personal effects not elsewhere covered	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	11	12	-1.2	-1.8	-0.01
12.3.1 Jewellery, clocks and watches	7	8	-0.4	-0.9	-
12.3.2 Other personal effects	4	4	-2.7	-3.6	-

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

12.4 Social protection	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
12.4 Social protection	12	14	0.2	0.2	-

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

12.5 Insurance	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
12.5 Insurance	7	7	-0.1	0.8	0.01
12.5.2 House contents insurance	2	2	-1.5	0.4	-
12.5.3 Health insurance	2	2	2.9	2.6	-
12.5.4 Transport insurance	3	3	-1.2	-0.2	-

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

12.6 Financial services not elsewhere covered	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
12.6 Financial services not elsewhere covered	11	9	0.2	-0.4	-0.01

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

12.7 Other services not elsewhere covered	Weight 2017 Jan	Weight 2018 Jan	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to CPIH annual rate change
12.7 Other services not elsewhere covered	10	10	-1.3	0.2	0.02

- Small upward effect on the all items 12-month rate change.
- Charges overall rose this year but fell a year ago, with the main upward contribution coming from surveyor's valuation fees.

RPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
FOOD	102	102	0.1	-0.4	-0.04
CATERING	47	48	0.1	0.1	-
ALCOHOLIC DRINKS	57	57	1.6	1.5	-
TOBACCO	25	24	-	0.4	0.01
HOUSING	266	266	0.1	0.2	0.01
FUEL AND LIGHT	41	38	0.2	0.1	-
HOUSEHOLD GOODS	62	65	-3.3	-2.9	0.01
HOUSEHOLD SERVICES	67	64	-0.2	0.3	0.03
CLOTHING AND FOOTWEAR	41	41	-4.0	-3.9	-0.01
PERSONAL GOODS AND SERVICES	42	38	0.3	-0.1	-0.01
MOTORING EXPENDITURE	117	123	1.3	0.4	-0.09
FARES AND OTHER TRAVEL COSTS	26	26	-15.4	-16.8	-0.09
LEISURE GOODS	29	29	-0.3	-0.1	0.01
LEISURE SERVICES	78	79	-0.4	-0.2	0.02

RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +4.0%, down from +4.1% last month Lowest since November 2017 (+3.9%)
All items RPI exc MIPS (RPIX)	Annual rate +4.0%, down from +4.2% last month Also +4.0% in November 2017 Last lower in July 2017 (+3.9%)
Seasonal food	Annual rate +4.6%, up from +3.5% last month Highest since October 2013 (+8.0%)
Tobacco	Annual rate +8.4%, up from +8.0% last month Highest since October 2014 (+8.5%)
Personal goods and services	Annual rate +1.3%, down from +1.6% last month Lowest since August 2016 (+1.1%)
Motoring expenditure	Annual rate +4.7%, down from +5.6% last month Also +4.7% in July 2017 Last lower in October 2016 (+3.8%)
Leisure services	Annual rate +4.4%, up from +4.1% last month Highest since March 2013 (+4.8%)
All goods	Annual rate +4.1%, down from +4.5% last month Lowest since July 2017 (+3.9%)
All services	Annual rate +3.9%, unchanged from last month Last higher in August 2017 (+4.0%) Last lower in November 2017 (+3.8%)

RPI DETAILED BRIEFING

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

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

FOOD	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
FOOD	102	102	0.1	-0.4	-0.04

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

Seasonal Food	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	-1.3	-0.2	0.02
Home killed lamb	1	1	-2.1	1.0	-
Fresh fish	2	2	1.5	1.4	-
Eggs	1	1	0.4	-	-
Unprocessed potatoes	1	1	0.2	-0.1	-
Other fresh vegetables	6	6	1.0	0.1	-
Fresh fruit	7	7	-4.1	-1.1	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **fresh fruit**, where prices overall fell this year by less than a year ago, with the main upward contribution coming from strawberries and blueberries.

Non-Seasonal Food	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
NON-SEASONAL FOOD	84	84	0.4	-0.4	-0.06
Bread	4	4	0.8	0.2	-
Cereals	4	3	-2.6	-4.3	-
Biscuits and cakes	6	6	-0.4	-0.6	-
Beef	4	4	1.7	0.8	-
Imported lamb	1	1	-4.0	-2.0	-
Pork	1	1	3.7	-2.8	-0.01
Bacon	1	1	-0.7	1.9	-
Poultry	4	3	-2.1	0.3	0.01
Other meat	6	6	0.7	-1.8	-0.02
Processed fish	2	2	-0.2	-1.9	-
Butter	1	1	2.2	-1.8	-
Oils and fats	1	1	-0.1	-2.3	-
Cheese	3	3	1.2	1.0	-
Milk, fresh	3	3	-0.8	-0.6	-
Milk products	4	4	-2.0	-6.2	-0.02
Tea	1	1	2.7	-2.8	-0.01
Soft drinks	9	8	1.9	-0.1	-0.02
Sugar and preserves	1	1	1.1	-0.8	-
Sweets and chocolates	11	11	4.8	2.1	-0.03
Potato products	2	3	4.8	2.7	-
Processed vegetables	2	2	-5.5	-3.6	-
Processed fruit	1	2	0.4	1.5	-
Other foods	10	11	-2.5	0.3	0.03
Coffee and other hot drinks	2	2	1.1	1.1	-

- Large downward effect on the all items 12-month rate change.
- Due to:
 - **Sweets and chocolates**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from carton/boxes of chocolates and bags of sweets;
 - **Soft drinks, other meat, pork and tea**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from bottled flavoured water, bottles of cola flavoured drink, prepacked cooked ham, pork loin chops and smaller packets of tea bags; and
 - **Milk products**, where prices fell this year by more than a year ago, particularly for yoghurt/fromage frais.
- Partially offset by **other foods** and **poultry**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from mayonnaise, canned soup, cook in sauces, dried potted snacks and fresh boneless chicken breasts.

CATERING	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
CATERING	47	48	0.1	0.1	-
Restaurant meals	28	29	-	0.1	-
Canteen meals	3	3	0.2	-	-
Take-away meals and snacks	16	16	0.1	-	-

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

ALCOHOLIC DRINKS	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	57	57	1.6	1.5	-
Beer on sales	19	19	0.2	0.1	-
Beer off sales	5	5	5.3	5.2	-
Wines and spirits on sales	19	19	-	0.1	-
Wines and spirits off sales	14	14	4.8	4.2	-

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

TOBACCO	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
TOBACCO	25	24	-	0.4	0.01
Cigarettes	21	20	0.1	0.3	0.01
Other tobacco products	4	4	-0.3	0.6	-

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

HOUSING	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
HOUSING	266	266	0.1	0.2	0.01
Rent	83	84	0.4	0.1	-0.02
Mortgage interest payments	28	25	-0.2	-1.0	-0.02
Council tax and rates	40	39	-	-	-
Water and other charges	13	13	-	-	-
Repairs and maintenance charges	9	9	0.2	0.1	-
DIY materials	7	6	0.4	0.7	-
Dwelling insurance and ground rent	6	6	-0.2	0.4	-
House depreciation	80	84	0.1	0.6	0.04

- Small upward effect on the all items 12-month rate change.
- Due to **house depreciation**, with the smoothed house price index used to calculate this component rising this year by more than a year ago.
- Partially offset by:
 - **Rent** where charges overall rose this year by less than a year ago, particularly for Registered Social Landlords (RSL) rents and private rented property; and
 - **Mortgage interest payments**, where average charges fell this year by more than a year ago.

FUEL AND LIGHT	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
FUEL AND LIGHT	41	38	0.2	0.1	-
Coal and solid fuels	1	1	0.2	0.2	-
Electricity	20	19	-	-	-
Gas	18	16	-0.6	-	0.01
Oil and other fuels	2	2	5.9	2.1	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There was a small upward contribution coming from **gas**, where charges were little changed this year but fell a year ago.
- Offset by **oil and other fuels**, where average kerosene prices rose this year by less than a year ago.

HOUSEHOLD GOODS	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
HOUSEHOLD GOODS	62	65	-3.3	-2.9	0.01
Furniture	25	26	-6.7	-5.9	0.01
Furnishings	8	10	-2.9	-2.9	-0.01
Electrical appliances	7	6	0.5	0.6	-
Other household equipment	4	4	-0.6	-1.2	-
Household consumables	11	11	0.5	-0.3	-0.01
Pet care	7	8	-1.6	0.8	0.02

- Small upward effect on the all items 12-month rate change.
- Due to:
 - **Pet care**, where prices overall rose this year but fell a year ago, particularly for complete dry dog food and small mammal cages; and
 - **Furniture**, where prices overall fell this year by less than a year ago, with the main upward contributions coming from dining tables and chairs and non-leather 3-piece suites.
- Partially offset by:
 - **Household consumables**, where prices overall fell this year but rose a year ago, particularly for household cleaning products; and
 - **Furnishings**, where the downward contribution is due to weight changes in 2017. Average prices were little changed. However, as the weight for furnishings has increased between 2016 and 2017, this has resulted in a small downward effect on the all items 12-month rate change.

HOUSEHOLD SERVICES	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	67	64	-0.2	0.3	0.03
Domestic services	14	15	0.3	0.2	-
Fees and subscriptions	27	22	-0.3	0.5	0.02
Postage	1	1	-	-	-
Telephone charges	25	26	-0.4	0.1	0.01

- Largest upward effect on the all items 12-month rate change.
- Due to **fees and subscriptions**; and **telephone charges**, where average charges rose this year but fell a year ago, particularly for household services maintenance policies and mobile phone applications. Partially offset by a small downward contribution coming from bundled telecommunication services, where average charges fell this year but rose a year ago.

CLOTHING AND FOOTWEAR	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	41	41	-4.0	-3.9	-0.01
Men's outerwear	9	8	-3.9	-3.9	-
Women's outerwear	15	15	-5.2	-5.1	-
Children's outerwear	4	5	-3.9	-3.0	-
Other clothing	5	5	-1.5	-1.5	-
Footwear	8	8	-2.9	-3.7	-0.01

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

PERSONAL GOODS AND SERVICES	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	42	38	0.3	-0.1	-0.01
Personal articles	12	9	-0.8	-1.8	-0.01
Chemists' goods	15	15	0.6	0.4	-
Personal services	15	14	0.8	0.6	-

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

MOTORING EXPENDITURE	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
MOTORING EXPENDITURE	117	123	1.3	0.4	-0.09
Purchase of motor vehicles	45	46	1.2	0.5	-0.03
Maintenance of motor vehicles	16	16	-	0.7	0.01
Petrol and oil	33	37	3.3	0.4	-0.10
Vehicle tax and insurance	23	24	-0.6	0.3	0.02

- Largest downward effect on the all items 12-month rate change.
- Due to:
 - **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 0.6 pence per litre between December 2017 and January 2018, to stand at 120.5 pence per litre, compared with a rise of 3.8 pence per litre last year to stand at 118.0 pence per litre. Diesel prices rose by 0.3 pence per litre, to stand at 124.0 pence per litre in January 2018, compared with a rise of 3.8 pence per litre last year to stand at 121.3

pence per litre; and, to a lesser extent

- **Purchase of motor vehicles**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from new and second-hand cars.
- Partially offset by:
 - **Vehicle tax and insurance**, where average premiums for car insurance rose this year but fell a year ago; and
 - **Maintenance of motor vehicles**, where prices rose this year but were little changed a year ago, with the main upward contribution coming from roadside recovery services.

FARES AND OTHER TRAVEL COSTS	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	26	26	-15.4	-16.8	-0.09
Rail fares	7	6	1.5	2.5	-
Bus and coach fares	3	3	2.6	-1.0	-0.01
Other travel costs	16	17	-23.9	-23.9	-0.08

- Largest downward effect on the all items 12-month rate change.
- Due to:
 - **Other travel costs**, where the downward contribution is due to weight changes in 2017. Average air fares fell this year by less than a year ago. However, as the weight for air fares has increased between 2016 and 2017, this has resulted in a large downward effect on the all items 12-month rate change; and, to a lesser extent
 - **Bus and coach fares**, where coach fares fell this year but rose a year ago.

LEISURE GOODS	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
LEISURE GOODS	29	29	-0.3	-0.1	0.01
Audio-visual equipment	7	6	-	-	-
CDs and tapes	2	2	-7.2	-5.2	-
Toys, photographic and sports goods	9	9	0.8	-0.1	-0.01
Books and newspapers	6	6	-	1.8	0.01
Gardening products	5	6	-0.5	-0.4	-

- Small upward effect on the all items 12-month rate change.
- Due to **books and newspapers**, where prices overall rose this year but were little changed a year ago, with the main upward contribution coming from e-books.
- Partially offset by **toys, photographic and sports goods**, where prices overall fell this year

but rose a year ago.

LEISURE SERVICES	Weight 2016	Weight 2017	1 month % change Jan 2017	1 month % change Jan 2018	Contribution to RPI annual rate change
LEISURE SERVICES	78	79	-0.4	-0.2	0.02
TV licence and rentals	12	12	0.4	-	-
Entertainment and other recreation	16	16	-2.4	-1.3	0.02
Foreign holidays	40	40	0.3	0.2	-
UK holidays	10	11	-0.8	-0.2	0.01

- Small upward effect on the all items 12-month rate change.
- Due to:
 - **Entertainment and other recreation**; and **UK holidays**, where prices overall fell this year by less than a year ago, with the main upward contributions coming from attractions, admission to cultural events and hotel overnight stays.

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 January 2018 was -0.97 percentage points, narrowing from -1.14 percentage points in December 2017.

The main factors contributing to the narrowing were:

- **Other differences including weights**, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.26 percentage points between December 2017 and January 2018. The effect came mainly from air fares; clothing and footwear; fuels and lubricants; and sea fares. This was partially offset by games, toys and hobbies and equipment for sport and open-air recreation; and insurance.
- **Mortgage interest payments**, which decreased the RPI 12-month rate by 0.02 percentage points between December 2017 and January 2018 but are excluded from the CPI.

The main off-setting factors were:

- **Other housing components excluded from the CPI**, which increased the RPI 12-month rate relative to the CPI 12-month rate by 0.06 percentage points between December 2017 and January 2018. The effect came mainly from house depreciation.
- **The formula effect**, which increased the RPI 12-month rate relative to the CPI 12-month rate by 0.04 percentage points between December 2017 and January 2018. The effect came mainly from hotels, cafes and restaurants; and furniture, household equipment and maintenance.

RPI MISCELLANEOUS DATA

Selected Average Prices

Description		November 2017	December 2017	January 2018
Petrol per litre	Diesel	£1.23	£1.24	£1.24
	Petrol	£1.19	£1.20	£1.21
Alcohol pub prices	Draught bitter (pint)	£3.07	£3.08	£3.09
	Draught lager (pint)	£3.62	£3.63	£3.63
	Whisky (per nip)	£2.83	£2.83	£2.84
Cigarettes	Per 20 king size	£9.64	£9.90	£9.94

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
January 2017	-0.6	Down -0.01% points	-0.01% points
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

NB: A one percentage point change in the average mortgage interest rate contributes approx. 0.9 percentage points to the 1-month percentage change in the RPI.

OUTLOOK

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

FOOD

Seasonal Food

- Seasonal food prices are variable in February and can be affected by weather conditions both in the UK and the continent.

Monthly % change for CPIH seasonal food index			
Year	December	January	February
2011/12	3.3	-1.5	1.3
2012/13	2.8	0.2	1.6
2013/14	0.9	0.1	-0.4
2014/15	0.6	-1.1	-0.3
2015/16	-0.6	-1.1	1.4
2016/17	0.5	-0.8	2.2
2017/18	-0.4	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 February.

Monthly % change for CPIH clothing and footwear index			
Year	December	January	February
2011/12	-2.8	-4.8	2.8
2012/13	-1.4	-5.4	2.0
2013/14	-0.9	-5.4	1.1
2014/15	-1.1	-3.7	1.3
2015/16	-1.3	-3.1	1.3
2016/17	-1.0	-4.2	1.2
2017/18	-0.9	-3.9	

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

FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

- Prices tend to rise in February as they recover from New Year sales.

Monthly % change for CPIH furniture, household equipment and maintenance index			
Year	December	January	February
2011/12	1.0	-2.3	1.6
2012/13	1.2	-2.3	1.5
2013/14	1.7	-3.1	2.5
2014/15	1.6	-2.5	1.4
2015/16	1.1	-2.3	1.7
2016/17	0.9	-2.5	2.4
2017/18	1.4	-2.6	

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

TRANSPORT

Fuels and Lubricants

- Oil prices fell for a sixth day on Friday, and were on track for their biggest weekly losses in 10 months, as record-high U.S. crude output added to concerns about a sharp rise in global supplies. The drop came amid a rout in global equity markets sparked by inflation fears. Brent futures LCOc1 were down 64 cents at \$64.17 a barrel by 1252 GMT. (uk.reuters.com 09 February 2018)
- When considering the price of petrol between January and February 2018, it may be useful to note that the average price of petrol rose by 1.6 pence per litre between January and February 2017, standing at 120.2 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.

Passenger Transport by Air

- With the exception of 2012, air fares have tended to rise in February.

Monthly % change for CPIH air fares index			
Year	December	January	February
2011/12	40.9	-28.4	-1.6
2012/13	21.9	-20.5	9.2
2013/14	19.8	-18.5	3.3
2014/15	19.3	-17.1	5.3
2015/16	46.0	-35.8	5.6
2016/17	48.9	-36.0	6.0
2017/18	52.8	-33.2	

- 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 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 January and February 2017. The Bank of England Bank Rate remained unchanged at 0.25% in January 2017.
- A one percentage point change in the average mortgage interest rate contributes approximately 0.9 percentage points to the 1-month percentage change in the RPI.

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