

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

Consumer Prices Index (CPI)

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

The CPI is also used for purposes such as uprating pensions, wages and benefits and can aid in the understanding of inflation on family budgets. For more information see [Users and uses of consumer price inflation statistics \(2013\)](#).

The main movements for CPI in July 2016 are:

- The all items CPI is 100.6, unchanged from last month.
- The all items CPI annual rate is 0.6%, up from 0.5% in June.
- The annual rate for CPI excluding indirect taxes, CPIY, is 0.4%, up from 0.3% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 0.5%, up from 0.4% last month.
- The CPI all goods index is 98.1, down from 98.8 in June.
- The CPI all goods index annual rate is -1.4%, up from -1.6% last month.
- The CPI all services index is 103.3, up from 102.7 in June.
- The CPI all services index annual rate is 2.7%, down from 2.8% last month.

CPIH

CPIH has been re-assessed to evaluate the extent to which it meets the professional standards set out in the Code of Practice for Official Statistics and the [assessment report](#) published on 3 March 2016. The report includes a number of requirements that need to be implemented for CPIH to regain its status as a National Statistic. The actions taken to address these requirements will be reported to the UK Statistics Authority by September 2016.

CPIH is a measure of UK consumer price inflation that includes owner occupiers' housing costs (OOH). These are the costs of housing services associated with owning, maintaining and living in one's own home. OOH does not include costs such as utility bills, minor repairs and maintenance, which are already included in the index.

CPIH uses an approach called rental equivalence to measure OOH. Rental equivalence uses the rent paid for an equivalent house as a proxy for the costs faced by an owner occupier. In other words this answers the question "how much would I have to pay in rent to live in a home like mine?" for an owner occupier. OOH does not seek to capture increases in house prices. Although this may be inconsistent with some users' expectations of measures of OOH, the inclusion of an

asset price and therefore capital gains would make the index less suitable as a measure of consumption. OOH currently accounts for 16.5% of the expenditure weight of CPIH. This compares with a weight of 19.5% in 2005.

Currently, the method of calculation, the population coverage, the basket of goods and services and the method of deriving the weights are the same as for the Consumer Prices Index (CPI), with the exception of OOH. A full description of how CPIH is compiled is given in the [Consumer Price Indices Technical Manual](#) and in various papers published on the [prices guidance and methodology webpage](#).

The main movements for CPIH in July 2016 are:

- The all items CPIH is 100.9, unchanged from last month.
- The all items CPIH annual rate is 0.9%, up from 0.8% in June.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 0.8%, up from 0.7% last month.
- The OOH component of CPIH is 102.4, up from 102.2 in June.
- The OOH component annual rate is 2.4%, up from 2.3% last month.
- The CPIH all goods index is 98.1, down from 98.8 in June.
- The CPIH all goods index annual rate is -1.4%, up from -1.6% last month.
- The CPIH all services index is 103.1, up from 102.5 in June.
- The CPIH all services index annual rate is 2.6%, down from 2.7% last month.

Retail Prices Index (RPI) and RPIJ

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 long-standing measure of UK inflation that has historically been used for a wide range of purposes such as the indexation of pensions, rents and index-linked gilts. For further information see [Users and uses of consumer price inflation statistics \(2013\)](#).

RPIJ is an improved variant of the Retail Prices Index which is calculated using formulae that meet international standards. The rationale for creating RPIJ was to give users a better alternative to the RPI if their needs were for a measure of inflation based on the same population, classifications, weights, etc. as the RPI. Currently, RPIJ also acts as an analytical series, in that it allows users to see the impact of using the Jevons (which meets international standards) in place of the Carli formula (which does not meet international standards) in the RPI. The use of the different formulae

at the elementary aggregate level is currently the only difference between these indices. Detailed goods and services indices for RPIJ are not produced.

The main movements for RPI and RPIJ in July 2016 are:

- The all items RPI is 263.4, up from 263.1 in June.
- The all items RPI annual rate is 1.9%, up from 1.6% last month.
- The all items RPIJ is 241.1, up from 240.9 in June.
- The all items RPIJ annual rate is 1.1%, up from 0.9% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 1.9%, up from 1.7% last month.
- The all goods RPI is 197.3, down from 198.4 in June.
- The all goods RPI annual rate is -0.1%, up from -0.6% last month.
- The all services RPI is 362.7, up from 360.2 in June.
- The all services RPI annual rate is 2.7%, down from 2.8% last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 1.8%, up from 1.6% last month.
- The Tax and Price Index (TPI) for July is 230.7, up from 230.4 in June.
- The TPI annual rate is 2.3%, up from 2.0% last month.

CPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE CPI ANNUAL RATE

CPI COICOP DIVISIONS	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
01: Food and non-alcoholic beverages	110	103	-0.7	-0.3	0.04
02: Alcoholic beverages and tobacco	43	42	-1.0	0.3	0.06
03: Clothing and footwear	70	71	-3.4	-3.4	-
04: Housing, water, electricity, gas and other fuels	128	120	0.3	-	-0.03
05: Furniture, household equipment and maintenance	59	59	-1.4	-1.7	-0.02
06: Health	25	28	0.9	-	-0.02
07: Transport	149	153	1.2	1.6	0.08
08: Communication	31	32	0.3	0.3	-
09: Recreation and culture	147	148	0.2	-0.1	-0.03
10: Education	26	25	-	-	-
11: Restaurants and hotels	121	123	0.1	0.4	0.04
12: Miscellaneous goods and services	91	96	-	-0.1	-0.02

Large upward effects came from:

- Transport**, where prices, overall, rose by 1.6% between June and July this year, compared with a rise of 1.2% between the same 2 months a year ago. Within transport, the largest upward effect came from motor fuels, with prices rising between June and July 2016, having fallen overall between the same 2 months last year. Smaller upward effects came from second-hand cars, with prices falling by less than they did a year ago and from international rail fares, which increased by more than they did last year;
- Alcoholic beverages and tobacco**, where within this category, the upward contribution came from alcoholic beverages, for which prices rose overall by 0.5% between June and July 2016, compared with a fall of 2.5% between the same 2 months last year. This was

primarily due to prices for wine, which fell by less than they did a year ago, although it is important to note that last year's fall was particularly large;

- **Restaurants and hotels**, where prices, overall, rose by 0.4%, compared with a smaller rise of 0.1% a year ago. The main upward contribution came from accommodation services, in particular overnight hotel stays, for which prices rose by more than they did a year ago; and
- **Food and non-alcoholic beverages**, where the upward contribution came from food, for which prices, overall, fell by 0.2% between June and July this year compared with a larger fall of 0.7% between the same 2 months a year ago. The main upward effects came from certain dairy items, although the price movements were not unusual in the historic context. For example, the upward effect seen for shop-bought semi-skimmed milk was partially due to a particularly large fall in prices between June and July last year. These upward contributions were partially offset by a downward effect for meat, with prices falling between June and July 2016, having risen between the same 2 months a year ago.

Small downward effects came from:

- **Housing, water, electricity, gas and other fuels**, where prices, overall, were unchanged between June and July this year, having risen by 0.3% between the same 2 months a year ago. The downward effect came from housing rental, specifically Registered Social Landlord (RSL) rents, which saw a decrease between June and July 2016, having increased between the same 2 months last year. This may relate to the announcement in the Summer Budget 2015, which committed to reducing social housing rental prices by 1% per year for 4 years, starting in 2016; and
- **Recreation and culture**, where prices, overall, decreased by 0.1% this year compared with an increase of 0.2% a year ago. The downward effect came primarily from games and toys, particularly computer games and consoles, which fell in price between June and July this year, having risen in the same period last year. This downward effect was partially offset by an upward contribution from audio-visual equipment and related products which, overall, fell in price by less than they did last year.

CPI NOTABLE MOVEMENTS

All items CPI	Annual rate +0.6%, up from +0.5% last month Highest since November 2014 (+1.0%)
All items CPI exc energy, food, alcohol and tobacco	Annual rate +1.3%, down from +1.4% last month Lowest since May 2016 (+1.2%)
Housing, water, electricity, gas and other fuels	Annual rate -0.1%, down from +0.1% last month Also -0.1% in April 2016 Last lower in February 2010 (-1.0%)
Furniture, household equipment and maintenance	Annual rate -0.8%, down from -0.5% last month Lowest since July 2006 (-1.3%)
Transport	Annual rate +0.2%, up from -0.2% last month Highest since October 2014 (+0.5%)
Restaurants and hotels	Annual rate +2.7%, up from +2.3% last month Highest since July 2014 (+2.8%)
All goods	Annual rate -1.4%, up from -1.6% last month Highest since December 2014 (-1.0%)
All services	Annual rate +2.7%, down from +2.8% last month Lowest since May 2016 (+2.6%)
Fuels and lubricants	Annual rate -4.3%, up from -5.5% last month Highest since July 2014 (-2.9%)

CPI DETAILED BRIEFING

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

01 FOOD & NON-ALCOHOLIC BEVERAGES	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
01 Food & non-alcoholic beverages	110	103	-0.7	-0.3	0.04

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

01.1 Food	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
01.1 Food	97	91	-0.7	-0.2	0.05
01.1.1 Bread and cereals	16	15	0.7	-0.7	-0.02
01.1.2 Meat	22	21	0.1	-1.3	-0.03
01.1.3 Fish	4	4	-0.2	2.8	0.01
01.1.4 Milk, cheese and eggs	14	12	-2.7	1.5	0.06
01.1.5 Oils and fats	2	2	0.4	-1.4	-
01.1.6 Fruit	10	9	-1.4	-1.5	-
01.1.7 Vegetables including potatoes	14	13	-1.7	1.2	0.04
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	-0.2	0.2	0.01
01.1.9 Food products not elsewhere covered	3	3	-1.1	-1.4	-

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

Bread and cereals

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from unsweetened breakfast cereal and potted snacks.
- Partially offset by small upward contributions coming from cereal bars and packs of individual cakes, where prices overall rose this year but fell a year ago.

Meat

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for pork sausages. Partially offset by a small upward contribution coming from bacon, where prices overall rose this year but fell a year ago.

Fish

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

Milk, cheese and eggs

- Large upward effect.
- Prices overall rose this year but fell a year ago, particularly for yoghurt/fromage frais, shop bought semi-skimmed milk and cheese spread.

Vegetables including potatoes

- Large upward effect.
- Prices overall rose this year but fell a year ago, particularly for premium potato crisps.

Sugar, jam, syrups, chocolate and confectionery

- Small upward contribution.
- Prices overall rose this year but fell a year ago, particularly for bags of non-chocolate sweets.

01.2 Non-alcoholic beverages	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
01.2 Non-alcoholic beverages	13	12	-0.6	-1.4	-0.01
01.2.1 Coffee, tea and cocoa	3	3	0.4	-0.3	-
01.2.2 Mineral waters, soft drinks and juices	10	9	-0.9	-1.7	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **mineral waters, soft drinks and juices**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from fruit juice. Partially offset by a small upward contribution coming from bottled cola flavoured drinks.

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	43	42	-1.0	0.3	0.06

- Large upward effect on the all items 12-month rate change.
- Due to **alcoholic beverages**.

02.1 Alcoholic Beverages	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
02.1 Alcoholic beverages	19	19	-2.5	0.5	0.06
02.1.1 Spirits	5	5	1.6	2.3	-
02.1.2 Wine	9	9	-4.7	-0.2	0.04
02.1.3 Beer	5	5	-2.6	-0.1	0.01

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

Wine

- Large upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contributions coming from New world red and white wine, cider, European white wine and rosé wine.

Beer

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from larger packs of bottled lager.

02.2 Tobacco	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
02.2 Tobacco	24	23	0.1	0.1	-

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

03 CLOTHING AND FOOTWEAR	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
03 Clothing and footwear	70	71	-3.4	-3.4	-

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

03.1 Clothing	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
03.1 Clothing	60	61	-3.4	-3.6	-0.01
03.1.2 Garments	54	54	-3.5	-3.7	-0.01
03.1.3 Other clothing and clothing accessories	5	6	-3.3	-3.5	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	-	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **garments**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from women's shorts, swimwear and showerproof jackets. Partially offset by a small upward contribution coming from girl's fashion tops.

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and other fuels	128	120	0.3	-	-0.03

- Largest downward effect on the all items 12-month rate change.
- Due to **actual rentals for housing**.

04.1 Actual rentals for housing	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
04.1 Actual rentals for housing	72	72	0.6	0.1	-0.04

- Large 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 Registered Social Landlord (RSL) rents. This may relate to the announcement in the Summer Budget 2015, which committed to reducing social housing rental prices by 1%

per year for 4 years, starting in 2016.

04.3 Regular maintenance and repair of the dwelling	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	-0.7	0.3	-
04.3.1 Materials for maintenance and repair	1	1	-1.5	0.5	-
04.3.2 Services for maintenance and repair	1	1	0.1	-	-

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

04.4 Other services related to the dwelling	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
04.4 Other services related to the dwelling	12	11	-	-	-
04.4.1 Water supply	6	6	-	-	-
04.4.3 Sewerage collection	6	5	-	-	-

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

04.5 Electricity, gas and other fuels	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
04.5 Electricity, gas and other fuels	42	35	-0.1	-	-
04.5.1 Electricity	20	17	-	-	-
04.5.2 Gas	20	16	-	-	-
04.5.3 Liquid fuels	1	1	-4.2	0.2	0.01
04.5.4 Solid fuels	1	1	-	-0.9	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **liquid fuels**, where prices rose this year but fell a year ago.

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	59	59	-1.4	-1.7	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **goods and services for routine maintenance**; and **household appliances, fitting and repairs**.
- Partially offset by **furniture, furnishings and carpets**; and **tools and equipment for house and garden**.

05.1 Furniture, furnishings and carpets	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	21	20	-2.8	-2.7	0.01
05.1.1 Furniture and furnishings	15	16	-4.2	-3.5	0.01
05.1.2 Carpets and other floor coverings	6	4	1.1	0.3	-0.01

- Small upward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall fell this year by less than a year ago.
- Partially offset by **carpets and other floor coverings**, where prices overall rose this year by less than a year ago.

05.2 Household textiles	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
05.2 Household textiles	6	7	-1.3	-1.2	-

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

05.3 Household appliances, fitting and repairs	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
05.3 Household appliances, fitting and repairs	8	8	0.8	-0.2	-0.01
05.3.1/2 Major appliances and small electric goods	7	7	0.6	-0.3	-0.01
05.3.3 Repair of household appliances	1	1	1.9	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **major appliances and small electric goods**, where prices overall fell this year but rose a year ago, particularly for washing machines.

05.4 Glassware, tableware and household utensils	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	-2.9	-2.8	-

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

05.5 Tools and equipment for house and garden	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	5	5	-1.1	0.5	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year but fell a year ago, particularly for door handles.

05.6 Goods and services for routine maintenance	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	-	-1.5	-0.02
05.6.1 Non-durable household goods	5	5	-0.1	-4.1	-0.02
05.6.2 Domestic services and household services	8	8	0.2	0.1	-

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

06 HEALTH	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
06 Health	25	28	0.9	-	-0.02

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

06.1 Medical products, appliances and equipment	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	12	13	1.8	-0.2	-0.02
06.1.1 Pharmaceutical products	7	8	2.1	-0.2	-0.02
06.1.2/3 Other medical and therapeutic equipment	5	5	1.3	-0.3	-0.01

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

Pharmaceutical products

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

Other medical and therapeutic equipment

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for spectacle frames with single vision lenses included.

06.2 Out-patient services	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
06.2 Out-patient services	5	7	-	-	-
06.2.1/3 Medical and paramedical services	3	4	0.1	-0.1	-
06.2.2 Dental services	2	3	-0.2	-	-

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

06.3 Hospital services	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
06.3 Hospital Services	8	8	0.2	0.4	-

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

07 TRANSPORT	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
07 Transport	149	153	1.2	1.6	0.08

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

07.1 Purchase of vehicles	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
07.1 Purchase of vehicles	40	43	-0.7	-	0.03
07.1.1A New cars	24	25	0.1	0.2	-
07.1.1B Second-hand cars	14	16	-1.8	-0.3	0.02
07.1.2/3 Motorcycles and bicycles	2	2	-1.8	-0.7	-

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

07.2 Operation of personal transport equipment	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
07.2 Operation of personal transport equipment	77	73	-0.2	0.2	0.03
07.2.1 Spare parts and accessories	6	5	-	0.1	-
07.2.2 Fuels and lubricants	34	32	-0.6	0.7	0.05
07.2.3 Maintenance and repairs	23	22	0.2	-0.4	-0.01
07.2.4 Other services	14	14	0.3	-	-0.01

- Small upward 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 CPI, rose by 0.8 pence per litre between June and July 2016 to stand at 111.8 pence per litre. Last year, the average price of petrol rose by 0.1 pence per litre between June and July 2015 to stand at 116.5 pence per litre. The average price of diesel rose by 0.9 pence per litre between June and July 2016 to stand at 113.0 pence per litre, compared with a fall of 2.5 pence per litre a year earlier to stand at 118.7 pence per litre.
- Partially offset by **maintenance and repairs**, where prices overall fell this year but rose a year ago, particularly for roadside recovery services; and
- **Other services**, where average charges were little changed this year but rose a year ago, with the main downward contribution coming from self-drive car hire.

07.3 Transport services	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
07.3 Transport services	32	37	6.6	6.1	0.02
07.3.1 Passenger transport by railway	12	13	1.7	2.9	0.02
07.3.2 Passenger transport by road	12	12	1.7	0.8	-0.01
07.3.3 Passenger transport by air	6	8	21.6	15.9	-
07.3.4 Passenger transport by sea and inland waterway	2	4	9.0	7.3	0.01

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

Passenger transport by railway

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

Passenger transport by road

- Small downward effect.
- Average charges for coach fares rose this year by less than a year ago.

Passenger transport by sea and inland waterway

- Small upward effect.
- The upward contribution is due to weight changes in 2016. Average fares rose this year by less than a year ago. However as the weight for passenger transport by sea and inland waterway has increased between 2015 and 2016, this has resulted in a small upward effect on the all items 12-month rate change.

08 COMMUNICATION	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
08 Communication	31	32	0.3	0.3	-

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

08.1 Postal services	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
08.1 Postal services	2	2	-	-	-

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

08.2/3 Telephone equipment and services	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
08.2/3 Telephone equipment and services	29	30	0.3	0.3	-

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

09 RECREATION AND CULTURE	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
09 Recreation and culture	147	148	0.2	-0.1	-0.03

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

09.1 Audio-visual equipment and related products	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
09.1 Audio-visual equipment and related products	23	18	-2.1	-0.4	0.04
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	5	-3.8	2.6	0.03
09.1.2 Photographic, cinematographic and optical equipment	3	2	-5.0	-2.8	0.01
09.1.3 Data processing equipment	9	7	-2.5	-0.9	0.01
09.1.4 Recording media	5	3	1.7	-2.5	-0.02
09.1.5 Repair of audio-visual equipment and related products	1	1	-	0.2	-

- Large upward effect on the all items 12-month rate change.
- Due to **equipment for the reception and reproduction of sound and pictures**;

photographic, cinematographic and optical equipment; and data processing equipment.

- Partially offset by **recording media**.

Equipment for the reception and reproduction of sound and pictures

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

Photographic, cinematographic and optical equipment

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

Data processing equipment

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for PC peripherals.
- Partially offset by a small downward contribution coming from laptop computers, where prices overall fell this year but rose a year ago.

Recording media

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for DVDs purchased via the internet and shop bought DVD films.

09.2 Other major durables for recreation and culture	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
09.2.1/2 Major durables for in/outdoor recreation	10	12	0.8	-	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall were little changed this year but rose a year ago, with the main downward contribution coming from caravans.

09.3 Other recreational items, gardens and pets	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
09.3 Other recreational items, gardens and pets	36	35	0.8	-0.6	-0.05
09.3.1 Games, toys and hobbies	21	20	1.5	-1.1	-0.05
09.3.2 Equipment for sport and open-air recreation	4	3	-0.4	-0.5	-
09.3.3 Gardens, plants and flowers	4	4	-0.1	0.3	-
09.3.4/5 Pets, related products and services	7	8	0.1	0.4	-

- Large downward effect on the all items 12-month rate change.
- Due to **games, toys and hobbies**, where prices overall fell this year but rose a year ago, particularly for computer games, pre-school activity toys, computer games consoles and baby dolls.
- Partially offset by small upward contributions coming from children's craft kits and other plastic dolls, where prices rose this year but fell a year ago.

09.4 Recreational and cultural services	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
09.4 Recreational and cultural services	31	33	0.1	0.1	-
09.4.1 Recreational and sporting services	8	10	0.2	0.1	-
09.4.2 Cultural services	23	23	0.1	0.2	-

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

09.5 Books, newspapers and stationery	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	14	1.7	1.5	-
09.5.1 Books	4	4	5.7	4.7	-0.01
09.5.2 Newspapers and periodicals	5	5	0.2	0.8	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	5	0.1	-0.3	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution from **books**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from Ebooks, partially offset by a small upward contribution from hard back fiction books.

09.6 Package holidays	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
09.6 Package holidays	33	36	0.1	-0.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year but rose a year ago, particularly for late booked foreign holidays.

10 EDUCATION	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
10 Education	26	25	-	-	-

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

11 RESTAURANTS AND HOTELS	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
11 Restaurants and hotels	121	123	0.1	0.4	0.04

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

11.1 Catering services	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
11.1 Catering services	100	101	0.1	0.1	0.01
11.1.1 Restaurants and cafes	91	93	0.1	0.2	0.01
11.1.2 Canteens	9	8	-	-	-

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

11.2 Accommodation services	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
11.2 Accommodation services	21	22	0.3	1.8	0.04

- Large upward effect on the all items 12-month rate change.
- Prices overall rose this year by more than a year ago, particularly for overnight hotel accommodation.

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
12 Misc. goods and services	91	96	-	-0.1	-0.02

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

12.1 Personal care	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
12.1 Personal care	30	31	0.1	0.5	0.01
12.1.1 Hairdressing and personal grooming establishments	7	8	0.4	0.5	-
12.1.2/3 Appliances and products for personal care	23	23	-	0.5	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **appliances and products for personal care**, where prices overall rose this year but were little changed a year ago, with the main upward contributions coming from toothpaste and deodorant.

12.3 Personal effects not elsewhere covered	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
12.3 Personal effects not elsewhere covered	14	16	-1.2	-1.7	-0.01
12.3.1 Jewellery, clocks and watches	9	9	0.2	-0.9	-0.01
12.3.2 Other personal effects	5	7	-3.4	-2.7	-

- Small downward effect on the all items 12-month rate change.
- Due to **jewellery, clocks and watches**, where prices overall fell this year but rose a year ago, particularly for solitaire diamond rings.

12.4 Social protection	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
12.4 Social protection	13	16	0.3	0.3	-

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

12.5 Insurance	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
12.5 Insurance	10	9	0.2	0.4	-
12.5.2 House contents insurance	2	2	0.9	-0.1	-
12.5.3 Health insurance	3	3	-0.9	0.1	-
12.5.4 Transport insurance	5	4	0.6	0.9	-

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

12.6 Financial services not elsewhere covered	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
12.6 Financial services not elsewhere covered	12	12	-0.1	-0.1	-

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

12.7 Other services not elsewhere covered	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to CPI annual rate change
12.7 Other services not elsewhere covered	12	12	1.1	-0.7	-0.02

- 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 surveyors fees and dating agency fees.
- Partially offset by a small upward contribution coming from home delivery charges, which were little changed this year but fell a year ago.

RPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
FOOD	109	102	-0.8	-0.4	0.04
CATERING	47	47	0.2	0.2	-
ALCOHOLIC DRINKS	56	57	-0.9	0.3	0.07
TOBACCO	27	25	0.1	0.1	-
HOUSING	263	266	0.3	0.3	0.02
FUEL AND LIGHT	45	41	-0.2	-	0.01
HOUSEHOLD GOODS	59	62	-2.2	-2.2	-0.01
HOUSEHOLD SERVICES	65	67	0.4	0.3	-
CLOTHING AND FOOTWEAR	42	41	-2.9	-2.9	-
PERSONAL GOODS AND SERVICES	41	42	-0.1	-0.1	-
MOTORING EXPENDITURE	115	117	-0.3	0.5	0.10
FARES AND OTHER TRAVEL COSTS	25	26	7.8	7.2	-0.01
LEISURE GOODS	28	29	-	0.3	0.01
LEISURE SERVICES	78	78	0.2	0.1	-0.01

RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +1.9%, up from +1.6% last month Highest since November 2014 (+2.0%)
All items RPI exc MIPS (RPIX)	Annual rate +1.9%, up from +1.7% last month Highest since November 2014 (+2.0%)
All items RPI exc MIPS and indirect taxes (RPIY)	Annual rate +1.8%, up from +1.6% last month Also +1.8% in December 2014 Last higher in November 2014 (+2.2%)
Alcoholic drink	Annual rate +1.1%, up from -0.1% last month Highest since February 2015 (+1.3%)
Fuel and light	Annual rate -3.2%, up from -3.4% last month Highest since January 2015 (-2.9%)
Motoring expenditure	Annual rate +1.5%, up from +0.7% last month Highest since April 2012 (+1.9%)
Leisure goods	Annual rate +0.5%, up from +0.1% last month Highest since January 2015 (+0.6%)
Leisure services	Annual rate +2.4%, down from +2.5% last month Also +2.4% in May 2016, August 2015, March 2015 and July 2014 Last lower in June 2014 (+2.0%)
All goods	Annual rate -0.1%, up from -0.6% last month Highest since December 2014 (+0.3%)
All services	Annual rate +2.7%, down from +2.8% last month Lowest since May 2016 (+2.4%)
Petrol and oil	Annual rate -4.1%, up from -5.5% last month Highest since July 2014 (-2.0%)

RPI DETAILED BRIEFING

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

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

FOOD	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
FOOD	109	102	-0.8	-0.4	0.04

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

Seasonal Food	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	-1.3	-0.5	0.01
Home killed lamb	1	1	-	-6.4	-0.01
Fresh fish	2	2	4.3	5.5	-
Eggs	1	1	-1.3	0.3	-
Unprocessed potatoes	2	1	-2.9	-0.2	0.01
Other fresh vegetables	6	6	-2.7	-	0.02
Fresh fruit	6	7	-1.5	-1.9	-

- Small upward effect on the all items 12-month rate change.
- Due to:
 - Other fresh vegetables**, where prices overall were little changed this year but fell a year ago; and
 - Unprocessed potatoes**, where prices fell this year by less than a year ago.
- Partially offset by a small downward contribution from **home killed lamb**, where prices overall fell this year but were little changed a year ago.

Non-Seasonal Food	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
NON-SEASONAL FOOD	91	84	-0.7	-0.4	0.03
Bread	4	4	-1.1	-2.0	-
Cereals	4	4	0.4	0.1	-
Biscuits and cakes	7	6	-0.5	1.3	0.01
Beef	4	4	-0.8	-2.6	-0.01
Imported lamb	1	1	0.7	-2.5	-
Pork	1	1	1.5	-0.5	-
Bacon	2	1	-1.4	0.5	-
Poultry	4	4	0.3	-0.3	-
Other meat	7	6	0.6	-1.2	-0.01
Processed fish	2	2	-7.3	-0.4	0.01
Butter	1	1	-1.7	0.2	-
Oils and fats	1	1	2.4	-3.0	-0.01
Cheese	4	3	-1.9	2.0	0.01
Milk, fresh	3	3	-2.5	0.7	0.01
Milk products	4	4	-3.3	2.7	0.02
Tea	1	1	1.4	2.0	-
Soft drinks	10	9	-1.3	-1.4	-
Sugar and preserves	1	1	-1.9	-1.7	-
Sweets and chocolates	11	11	-0.2	0.5	0.01
Potato products	3	2	-0.7	2.8	0.01
Processed vegetables	2	2	0.6	2.5	-
Processed fruit	2	1	-1.2	-	-
Other foods	11	10	0.3	-2.7	-0.03
Coffee and other hot drinks	1	2	-0.2	-0.7	-

- Small upward effect on the all items 12-month rate change.
- Due to:
 - **Milk products, cheese, biscuits and cakes, milk, potato products and sweets and chocolates**, where prices overall rose this year but fell a year ago, particularly for yoghurt/fromage frais, cheese spread, packs of individual cakes, shop bought semi-skimmed milk, crisps and bags of non-chocolate sweets; and
 - **Processed fish**, where prices overall fell this year by less than a year ago, particularly for canned tuna.
- Partially offset by:
 - **Other foods, other meat and oils and fats**, where prices overall fell this year but rose a year ago, particularly for dried potted snacks; and
 - **Beef**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from home killed beef steak.

CATERING	Weight	Weight	1 month	1 month	Contribution to RPI annual rate change
	2015	2016	% change	% change	
			Jul 2015	Jul 2016	
CATERING	47	47	0.2	0.2	-
Restaurant meals	28	28	0.2	0.1	-
Canteen meals	3	3	0.1	-	-
Take-away meals and snacks	16	16	0.1	0.3	-

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

ALCOHOLIC DRINKS	Weight	Weight	1 month	1 month	Contribution to RPI annual rate change
	2015	2016	% change	% change	
			Jul 2015	Jul 2016	
ALCOHOLIC DRINKS	56	57	-0.9	0.3	0.07
Beer on sales	19	19	-	0.1	-
Beer off sales	5	5	-2.8	0.8	0.02
Wines and spirits on sales	18	19	-	0.2	-
Wines and spirits off sales	14	14	-2.6	0.5	0.04

- Large upward effect on the all items 12-month rate change.
- Due to **wines and spirits off sales** and, to a lesser extent, **beer off sales** where prices overall rose this year but fell a year ago, with the main upward contributions coming from New World red and white wine, vodka, European white wine, rosé wine, cider and larger packs of bottled lager.

TOBACCO	Weight	Weight	1 month	1 month	Contribution to RPI annual rate change
	2015	2016	% change	% change	
			Jul 2015	Jul 2016	
TOBACCO	27	25	0.1	0.1	-
Cigarettes	23	21	0.1	0.1	-
Other tobacco products	4	4	-	0.3	-

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

HOUSING	Weight	Weight	1 month	1 month	Contribution to RPI annual rate change
	2015	2016	% change	% change	
			Jul 2015	Jul 2016	
HOUSING	263	266	0.3	0.3	0.02
Rent	84	83	0.6	0.1	-0.04
Mortgage interest payments	29	28	-0.4	-0.1	0.01
Council tax and rates	40	40	-	-	-
Water and other charges	14	13	-	-	-
Repairs and maintenance charges	9	9	0.1	-	-
DIY materials	8	7	-1.1	0.8	0.01
Dwelling insurance and ground rent	6	6	0.3	0.6	-
House depreciation	73	80	0.6	1.0	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; and to a lesser extent
 - **DIY materials**, where prices rose this year but fell a year ago, particularly for door handles; and
 - **Mortgage interest payments**, where charges fell this year by less than a year ago.
- Partially offset by **rent**, where average charges rose this year by less than a year ago, with the main downward contribution coming from Registered Social Landlord (RSL) rent, where charges overall fell this year but rose a year ago. This may relate to the announcement in the Summer Budget 2015, which committed to reducing social housing rental prices by 1% per year for 4 years, starting in 2016.

FUEL AND LIGHT	Weight	Weight	1 month	1 month	Contribution to RPI annual rate change
	2015	2016	% change	% change	
			Jul 2015	Jul 2016	
FUEL AND LIGHT	45	41	-0.2	-	0.01
Coal and solid fuels	1	1	-	-0.8	-
Electricity	21	20	-	-	-
Gas	21	18	-	-	-
Oil and other fuels	2	2	-3.5	0.3	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **oil and other fuels**, where average prices for kerosene rose this year but fell a year ago.

HOUSEHOLD GOODS	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
HOUSEHOLD GOODS	59	62	-2.2	-2.2	-0.01
Furniture	22	25	-4.6	-3.8	0.01
Furnishings	9	8	-0.3	-0.4	-
Electrical appliances	5	7	-0.8	-0.7	-
Other household equipment	4	4	-3.2	-1.9	0.01
Household consumables	12	11	-0.3	-2.3	-0.02
Pet care	7	7	0.1	0.7	-

- Small downward effect on the all items 12-month rate change.
- Due to **household consumables**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from household cleaner creams/liquids.
- Partially offset by **furniture** and **other household equipment**, where prices fell this year by less than a year ago, particularly for dining room furniture and mattresses.

HOUSEHOLD SERVICES	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	65	67	0.4	0.3	-
Domestic services	13	14	0.1	0.2	-
Fees and subscriptions	26	27	0.5	0.3	-0.01
Postage	1	1	-	-	-
Telephone charges	25	25	0.4	0.5	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **fees and subscriptions**, where prices overall rose this year by less than a year ago.

CLOTHING AND FOOTWEAR	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	42	41	-2.9	-2.9	-
Men's outerwear	8	9	-2.0	-1.6	-
Women's outerwear	16	15	-3.6	-4.8	-0.01
Children's outerwear	5	4	-3.8	-2.6	0.01
Other clothing	5	5	-1.9	-1.8	-
Footwear	8	8	-2.5	-1.7	0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **women's outerwear**, where prices

overall fell this year by more than a year ago, with the main downward contribution coming from women's shower-proof jackets.

- Offset by small upward contributions coming from **children's outerwear** and **footwear**, where prices overall fell this year by less than a year ago.

PERSONAL GOODS & SERVICES	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
PERSONAL GOODS & SERVICES	41	42	-0.1	-0.1	-
Personal articles	10	12	-1.2	-1.5	-0.01
Chemists' goods	17	15	0.3	0.7	0.01
Personal services	14	15	0.2	0.3	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **personal articles**, where prices overall fell this year by more than a year ago.
- Offset by a small upward contribution coming from **chemists' goods**, where prices overall rose this year by more than a year ago.

MOTORING EXPENDITURE	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
MOTORING EXPENDITURE	115	117	-0.3	0.5	0.10
Purchase of motor vehicles	42	45	-1.0	-0.1	0.03
Maintenance of motor vehicles	16	16	0.1	-0.2	-0.01
Petrol and oil	35	33	-0.6	0.8	0.05
Vehicle tax and insurance	22	23	0.8	1.4	0.02

- Largest upward effect on the all items 12-month rate change.
- Due to:
 - **Petrol and oil**, where prices overall rose this year but fell a year ago. The price of petrol, as recorded for the RPI, rose by 0.9 pence per litre between June and July 2016, to stand at 111.9 pence per litre, compared with a smaller rise of 0.1 pence per litre last year to stand at 116.4 pence per litre. Diesel prices rose by 1.1 pence per litre, to stand at 113.1 pence per litre in July 2016, compared with a fall of 2.5 pence per litre last year to stand at 118.8 pence per litre; and to a lesser extent
 - **Purchase of motor vehicles**, where prices overall fell this year by less than a year ago, particularly for second-hand cars; and
 - **Vehicle tax and insurance**, where average premiums for car insurance rose this year by more than a year ago.

- Partially offset by **maintenance of motor vehicles**, where charges fell this year but rose a year ago.

FARES AND OTHER TRAVEL COSTS	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	26	7.8	7.2	-0.01
Rail fares	7	7	1.3	2.3	0.01
Bus and coach fares	3	3	2.8	1.2	-
Other travel costs	15	16	11.5	9.9	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **other travel costs**, where average prices rose this year by less than a year ago, particularly for air fares.
- Partially offset by **rail fares**, where average charges for international rail journeys rose this year by more than a year ago.

LEISURE GOODS	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
LEISURE GOODS	28	29	-	0.3	0.01
Audio-visual equipment	7	7	-2.7	1.5	0.03
CDs and tapes	2	2	1.7	-1.0	-0.01
Toys, photographic and sports goods	8	9	0.7	-0.7	-0.01
Books and newspapers	6	6	2.2	2.1	-
Gardening products	5	5	-0.5	0.2	-

- Small upward effect on the all items 12-month rate change.
- Due to **audio-visual equipment**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from televisions and PC peripherals.
- Partially offset by small downward contributions coming from **CDs and tapes** and **toys, photographic and sports goods**, where prices overall fell this year but rose a year ago, particularly for internet bought DVDs and computer games.

LEISURE SERVICES	Weight 2015	Weight 2016	1 month % change Jul 2015	1 month % change Jul 2016	Contribution to RPI annual rate change
LEISURE SERVICES	78	78	0.2	0.1	-0.01
TV licence and rentals	12	12	-	-	-
Entertainment and other recreation	15	16	0.3	0.2	-
Foreign holidays	41	40	0.2	-0.3	-0.02
UK holidays	10	10	0.4	1.6	0.01

- Largest downward effect on the all items 12-month rate change.
- Due to **foreign holidays**, where prices overall fell this year but rose a year ago, with the main downward contribution coming from late booked foreign holidays.
- Partially offset by **UK holidays**, where prices overall rose this year by more than a year ago, particularly for holidays other than self catering.

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.

The difference between the CPI and RPI unrounded annual rates in July 2016 was -1.26 percentage points, widening from -1.14 percentage points in June 2016.

The main factors contributing to the widening were:

- **Other differences including weights**, which increased the RPI 12-month rate relative to the CPI 12-month rate by 0.05 percentage points between June and July 2016. The effect came mainly from games, toys and hobbies and equipment for sport and open air recreation; clothing and footwear; and other services.
- **Other housing components**, which increased the RPI 12-month rate by 0.04 percentage points between June and July 2016 but are excluded from the CPI. 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 0.02 percentage points between June and July 2016. The effect came from a wide range of sectors.

There were no significant offsetting factors.

RPI MISCELLANEOUS DATA

Selected Average Prices

Description		May 2016	June 2016	July 2016
Petrol per litre	Diesel	£1.09	£1.12	£1.13
	Petrol	£1.08	£1.11	£1.12
Alcohol pub prices	Draught bitter (pint)	£2.99	£2.99	£3.00
	Draught lager (pint)	£3.48	£3.48	£3.48
	Whisky (per nip)	£2.68	£2.69	£2.70
Cigarettes	Per 20 king size	£9.27	£9.28	£9.29

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
July 2015	-0.1	Down -0.02% points	-0.02% points
August 2015	+0.5	Down -0.02% points	-0.02% points
September 2015	-0.1	Down -0.02% points	-0.02% points
October 2015	0.0	Down -0.02% points	-0.02% points
November 2015	+0.1	Down -0.01% points	-0.01% points
December 2015	+0.3	Down -0.02% points	-0.02% points
January 2016	-0.7	Down -0.01% points	-0.01% points
February 2016	+0.5	Down -0.01% points	-0.01% points
March 2016	+0.4	Down -0.01% points	-0.01% points
April 2016	+0.1	Down -0.02% points	-0.02% points
May 2016	+0.3	Down -0.01% points	-0.01% points
June 2016	+0.4	Down -0.02% points	-0.02% points
July 2016	+0.1	Down -0.01% points	-0.01% points

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

OUTLOOK

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

FOOD

Seasonal Food

- Seasonal food prices have shown a mixed pattern of rises and falls in August of previous years, but are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPI seasonal food index			
Year	June	July	August
2010	0.9	0.7	-0.5
2011	0.5	-1.0	-1.0
2012	0.7	-0.5	0.2
2013	-1.5	0.2	0.2
2014	-0.5	0.2	-0.3
2015	-	-1.4	-0.4
2016	-0.8	0.5	

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

CLOTHING AND FOOTWEAR

- Prices tend to recover in August, following summer sales.

Monthly % change for CPI clothing and footwear index			
Year	June	July	August
2010	-2.1	-4.9	2.8
2011	-1.9	-3.5	3.7
2012	-4.2	-2.6	2.8
2013	-1.9	-3.2	2.0
2014	0.6	-5.7	2.6
2015	-0.4	-3.4	1.5
2016	-0.7	-3.4	

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

FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

- Prices tend to recover in August following summer sales in July.

Monthly % change for CPI furniture, household equipment and maintenance index			
Year	June	July	August
2010	0.7	-1.9	1.0
2011	0.4	-1.1	2.0
2012	-	-1.1	0.8
2013	-0.5	-1.0	1.8
2014	0.2	-1.5	1.0
2015	0.3	-1.4	1.7
2016	-0.3	-1.7	

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

TRANSPORT

Fuels and Lubricants

- A weaker economic outlook means demand for oil in 2017 is likely to grow at a slower rate than this year, according to the International Energy Agency.
Global demand for oil will grow by 1.2 million barrels per day (bpd) in 2017, down from 1.4 million bpd this year, the IEA said.
This represents a cut of 0.1 million bpd from the IEA's forecast last month.
Meanwhile, increasing supply is keeping pressure on crude prices, which have fallen sharply in the past month.
After reaching a price of above \$52 a barrel in June, Brent crude fell 14.5% in July due to combination of rising stockpiles and worries about the outlook for demand.
The IEA said huge amounts of stored oil was also putting pressure on prices.
(www.bbc.co.uk 11 August 2016)
- When considering the price of petrol between July and August 2016, it may be useful to note that the average price of petrol fell by 2.4 pence per litre between July and August 2015, standing at 114.1 pence per litre as measured in the CPI.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately 0.03 percentage points to the 1-month change in the CPI.

Passenger Transport by Air

- Air fares have tended to rise more slowly in August compared to July, although historically there is a mixed pattern.

Monthly % change for CPI air fares index			
Year	June	July	August
2010	10.0	9.6	16.1
2011	8.5	9.8	11.2
2012	7.4	21.7	10.2
2013	-2.8	13.9	9.4
2014	7.0	14.0	11.3
2015	0.3	21.6	13.9
2016	10.9	15.9	

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

HOUSING (RPI)

Mortgage interest payments (MIPs)

- The Bank of England Bank Rate was decreased by 0.25 % to 0.25% on Thursday 4 August 2016.
- The change in average mortgage interest rates recorded in the RPI was -0.02% between July and August 2015. The Bank of England Bank Rate remained unchanged at 0.5% in July 2015.
- 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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