

# **Statistical Bulletin**

# **BRIEFING NOTE**

# Consumer Price Inflation May 2019

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



# **SUMMARY**

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

The main movements for CPIH in May 2019 are:

- The all items CPIH is 107.9, up from 107.6 in April.
- The all items CPIH annual rate is 1.9%, down from 2.0% in April.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 1.9%, unchanged from last month.
- The OOH component of CPIH is 106.6, up from 106.5 in April.
- The OOH component annual rate is 1.2%, unchanged from last month.
- The CPIH all goods index is 105.8, up from 105.2 in April.
- The CPIH all goods index annual rate is 1.5%, up from 1.4% last month.
- The CPIH all services index is 109.5, up from 109.4 in April.
- The CPIH all services index annual rate is 2.3%, down from 2.5% last month.

#### **Consumer Prices Index (CPI)**

The CPI continues to be a National Statistic and is a measure of consumer price inflation produced to international standards and in line with European regulations. First published in 1997 as the



Harmonised Index of Consumer Prices (HICP), the CPI is the inflation measure used in the Government's target for inflation.

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

The main movements for CPI in May 2019 are:

- The all items CPI is 107.9, up from 107.6 in April.
- The all items CPI annual rate is 2.0%, down from 2.1% in April.
- The annual rate for CPI excluding indirect taxes, CPIY, is 2.0%, down from 2.2% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 1.9%, down from 2.0% last month.
- The CPI all goods index is 105.8, up from 105.2 in April.
- The CPI all goods index annual rate is 1.5%, up from 1.4% last month.
- The CPI all services index is 110.3, unchanged from last month.
- The CPI all services index annual rate is 2.6%, down from 2.9% last month.

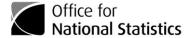
#### **Retail Prices Index (RPI)**

In accordance with the Statistics and Registration Service Act 2007, the Retail Prices Index and its derivatives have been assessed against the Code of Practice for Official Statistics and found not to meet the required standard for designation as National Statistics. The <u>full</u> <u>assessment report</u> can be found on the UK Statistics Authority website.

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

The main movements for RPI in May 2019 are:

- The all items RPI is 289.2, up from 288.2 in April.
- The all items RPI annual rate is 3.0%, unchanged from last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 3.0%, unchanged from last month.
- The all goods RPI is 218.1, up from 216.9 in April.
- The all goods RPI annual rate is 2.0%, up from 1.9% last month.
- The all services RPI is 397.6, up from 397.4 in April.
- The all services RPI annual rate is 4.2%, down from 4.5% last month.



# **CPIH SUMMARY**

#### CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

	Weight	Weight	1 month	1 month	Contribution
CPIH COICOP DIVISIONS	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
01: Food and non-alcoholic beverages	83	82	-0.3	0.1	0.03
02: Alcoholic beverages and tobacco	34	32	0.9	0.2	-0.02
03: Clothing and footwear	57	54	0.2	0.5	0.01
04: Housing, water, electricity, gas and other fuels	301	298	0.1	0.1	0.01
05: Furniture, household equipment and maintenance	48	53	0.6	1.1	0.03
06: Health	21	22	-	0.2	-
07: Transport	124	123	1.5	-0.3	-0.23
08: Communication	20	20	0.3	0.6	0.01
09: Recreation and culture	120	127	0.1	0.5	0.04
10: Education	18	18	-	-	-
11: Restaurants and hotels	97	97	0.4	0.8	0.04
12: Miscellaneous goods and services	77	74	0.1	0.2	0.01

#### A large downward effect came from:

• Transport, where prices fell by 0.3% between April and May this year compared with a 1.5% rise between the same two months a year ago. The main downward effect came from transport services: fares fell by 3.8% overall between April and May this year, with the April prices influenced by Easter and the associated school holidays falling in the middle of the month. In 2018, when Easter fell in early April before the price collection dates, fares rose between April and May by 2.0%. The contribution from transport services came from all categories – air, sea, rail and road – with the single largest contribution from air transport. Within transport overall, there were also smaller downward contributions from the purchase of vehicles (second-hand and new cars) and motor fuels. Petrol prices rose by 4.2 pence per litre between April and May 2019 compared with a larger rise of 4.6 pence per litre a year ago. They now stand on average at 128.3 pence per litre. Similarly, diesel



prices rose by 2.8 pence per litre this year to stand at 135.8 pence per litre, compared with a rise of 4.7 pence per litre a year ago.

#### A small downward effect came from:

Alcoholic beverages and tobacco, where prices of cigarettes were little changed this year but rose
a year earlier.

#### Large upward effects came from:

- Recreation and culture, where prices rose by 0.5% between April and May 2019 compared with a
  smaller rise of 0.1% between the same two months of 2018. Within this group, the largest upward
  effect came from games, toys and hobbies, partially from computer games but also from more
  traditional toys and games. Price movements for computer games can often be relatively large
  depending on the composition of bestseller charts. Within recreation and culture, there was a small,
  partially offsetting, downward effect from package holidays, which fell in price this year but rose in
  2018; and
- **Restaurants and hotels**, with prices for accommodation services, particularly overnight hotel accommodation, rising by more than a year ago.

#### Small upward effects came from:

- Food and non-alcoholic beverages, where prices rose this year but fell a year ago, particularly for meat: and
- Furniture, household equipment and maintenance, where prices rose this year by more than a year ago, with the main upward contribution coming from furniture and furnishings.



# **CPIH NOTABLE MOVEMENTS**

All items CPIH	Annual rate +1.9%, down from +2.0% last month Lowest since March 2019 (+1.8%)
All items CPIH exc energy, food, alcohol and tobacco	Annual rate +1.7%, unchanged from last month Also +1.7% in November 2016 Last higher in March 2019 (+1.8%) Last lower in October 2016 (+1.6%)
Alcoholic beverages and tobacco	Annual rate +3.3%, down from +3.9% last month Lowest since February 2017 (+2.9%)
Health	Annual rate +2.6%, up from +2.4% last month Also +2.6% in March 2019 and September 2018 Last higher in April 2018 (+2.7%)
Transport	Annual rate +2.7%, down from +4.6% last month Lowest since April 2018 (+2.3%)
Communication	Annual rate +4.9%, up from +4.6% last month Highest since June 2012 (+5.2%)
Miscellaneous goods and services	Annual rate +1.1%, up from +0.9% last month Highest since September 2017 (+1.5%)
All goods	Annual rate +1.5%, up from +1.4% last month Highest since December 2018 (+1.8%)
All services	Annual rate +2.3%, down from +2.5% last month Lowest since March 2019 (+2.2%)



# **CPIH DETAILED BRIEFING**

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

Weights are specified as parts per 1000 in the CPIH.

01 FOOD AND NON- ALCOHOLIC BEVERAGES	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
01 Food & non-alcoholic beverages	83	82	-0.3	0.1	0.03

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

	Weight	Weight	1 month	1 month	Contribution
01.1 Food	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
01.1 Food	73	72	-0.2	0.1	0.03
01.1.1 Bread and cereals	12	12	-	-	-
01.1.2 Meat	16	15	-0.6	0.3	0.02
01.1.3 Fish	3	3	1.6	2.2	-
01.1.4 Milk, cheese and eggs	9	9	-0.2	1.0	0.01
01.1.5 Oils and fats	2	2	-4.0	-1.9	0.01
01.1.6 Fruit	8	8	-0.1	-1.3	-0.01
01.1.7 Vegetables including potatoes	10	11	0.7	-0.5	-0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	11	10	-0.5	0.7	0.01
01.1.9 Food products not elsewhere covered	2	2	-1.5	0.2	-

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

#### Meat

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for pork and beef products.



#### Milk, cheese and eggs

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

#### Oils and fats

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

#### Fruit

- Small downward effect.
- Prices overall fell this year by more than a year ago.

#### **Vegetables including potatoes**

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for premium potato crisps.
- Partially offset by a small upward contribution coming from multi-packs of potato crisps,
   where prices overall rose this year but fell a year ago.

# Sugar, jam, syrups, chocolate and confectionery

- Small upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from ice cream and cartons/boxes of chocolates.

01.2 Non-alcoholic	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
beverages	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
01.2 Non-alcoholic beverages	10	10	-0.5	-0.1	-
01.2.1 Coffee, tea and cocoa	3	3	-0.6	1.2	0.01
01.2.2 Mineral waters, soft drinks and juices	7	7	-0.5	-0.6	-

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



02 ALCOHOLIC	Weight	Weight	1 month	1 month	Contribution
BEVERAGES AND TOBACCO	2018	2019	% change	% change	to CPIH annual
ТОВАССО	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
02 Alcoholic beverages and tobacco	34	32	0.9	0.2	-0.02

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

02.1 Alcoholic Beverages	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	16	15	0.4	0.6	-
02.1.1 Spirits	5	4	1.6	-0.7	-0.01
02.1.2 Wine	7	7	-0.3	0.7	0.01
02.1.3 Beer	4	4	0.3	1.5	0.01

- Negligible overall effect on the all items 12-month rate change.
- There are small upward contributions coming from wine and beer.
- Offset by a small downward contribution coming from **spirits**.

#### **Spirits**

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

#### Wine

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for New World white wine.

#### Beer

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

	Weight	Weight	1 month	1 month	Contribution
02.2 Tobacco	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
02.2 Tobacco	18	17	1.3	-	-0.02

- 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 cigarettes.

03 CLOTHING AND FOOTWEAR	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
03 Clothing and footwear	57	54	0.2	0.5	0.01

- Small upward effect on the all items 12-month rate change.
- Due to clothing.

03.1 Clothing	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
			,	,	
03.1 Clothing	47	45	0.2	0.5	0.01
03.1.2 Garments	42	41	0.3	0.5	0.01
03.1.3 Other clothing and clothing accessories	4	3	-0.6	1.1	0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.5	-	-

- 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 rose this year by more than a year ago, with the main upward contributions coming from men's jumpers and sweatshirts; and garments for children.
- Partially offset by a small downward contribution coming from women's jackets, where prices overall fell this year but rose a year ago.

#### Other clothing and clothing accessories

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



03.2 Footwear including repairs	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
03.2 Footwear including repairs	10	9	0.3	0.4	-

04 HOUSING, WATER, ELECTRICITY, GAS AND	Weight	Weight	1 month	1 month	Contribution
OTHER FUELS	2018	2019	% change	% change	to CPIH annual
011121(10220	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
04 Housing, water, electricity, gas and					
other fuels	301	298	0.1	0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to actual rentals for housing.

04.1 Actual rentals for housing	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
04.1 Actual rentals for housing	69	69	0.1	0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Average charges for private rented properties rose this year by slightly more than a year ago.

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

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



04.3 Regular maintenance and repair of the dwelling	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of the dwelling	2	3	-0.1	0.6	-
04.3.1 Materials for maintenance and repair	1	1	-0.3	1.2	-
04.3.2 Services for maintenance and repair	1	2	0.1	0.2	-

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

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

04.5 Electricity, gas and other fuels	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	27	26	0.1	0.1	-
04.5.1 Electricity	13	14	0.1	-	-
04.5.2 Gas	12	10	0.1	-	-
04.5.3 Liquid fuels	1	1	3.5	1.6	-
04.5.4 Solid fuels	1	1	-2.8	0.8	-

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

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

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



05 FURNITURE,	Weight	Weight	1 month	1 month	Contribution
HOUSEHOLD EQUIPMENT AND MAINTENANCE	2018	2019	% change	% change	to CPIH annual
AND MAINTENANCE	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
05 Furniture, household equipment and					
maintenance	48	53	0.6	1.1	0.03

- Small upward effect on the all items 12-month rate change.
- Due to furniture, furnishings and carpets; and, to a lesser extent, household textiles.
- Partially offset by goods and services for routine maintenance; and household appliances, fitting and repairs.

05.1 Furniture, furnishings and carpets	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
05.1 Furniture, furnishings and carpets	18	22	-0.4	1.4	0.04
05.1.1 Furniture and furnishings	14	15	-0.7	2.0	0.04
05.1.2 Carpets and other floor coverings	4	7	0.6	-	-

- Large upward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from bedroom furniture, kitchen furniture and settees.

	Weight	Weight	1 month	1 month	Contribution
05.2 Household textiles	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
05.2 Household textiles	5	5	0.1	2.3	0.01

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



05.3 Household appliances, fitting and repairs	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
05.3 Household appliances, fitting and repairs	7	8	3.3	1.9	-0.01
05.3.1/2 Major appliances and small electric goods	6	7	3.8	2.2	-0.01
05.3.3 Repair of household appliances	1	1	-		-

- Small downward effect on the all items 12-month rate change.
- Due to major appliances and small electric goods, where prices overall rose this year by less than a year ago.

05.4 Glassware, tableware and household utensils	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
05.4 Glassware, tableware and household utensils	4	4	-0.1	0.6	-

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

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

05.6 Goods and services for routine maintenance	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance	10	9	1.6	-0.4	-0.02
05.6.1 Non-durable household goods	4	3	4.0	-1.6	-0.02
05.6.2 Domestic services and household services	6	6	0.1	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 cleaner cream/liquid.

06 HEALTH	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
06 Health	21	22	-	0.2	-

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

06.1 Medical products, appliances and equipment	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
06.1 Medical products, appliances and equipment	9	9	-0.3	-	-
06.1.1 Pharmaceutical products	5	5	-0.6	-0.2	-
06.1.2/3 Other medical and therapeutic equipment	4	4	0.1	0.2	-

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

06.2 Out-patient services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
06.2 Out-patient services	7	8	-0.1	0.1	-
06.2.1/3 Medical and paramedical					
services	4	5	-0.1	0.1	-
06.2.2 Dental services	3	3	-	0.1	-

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

06.3 Hospital services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
06.3 Hospital Services	5	5	0.4	0.5	-

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



07 TRANSPORT	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
07 Transport	124	123	1.5	-0.3	-0.23

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

07.1 Purchase of vehicles	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	38	37	0.6	-0.4	-0.04
07.1.1A New cars	22	21	0.7	0.1	-0.01
07.1.1B Second-hand cars	14	14	0.6	-1.1	-0.02
07.1.2/3 Motorcycles and bicycles	2	2	-0.2	0.1	-

- Large downward effect on the all items 12-month rate change.
- Due to **second-hand cars** and **new 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 fell this year but rose a year ago.

07.2 Operation of personal transport equipment	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
07.2 Operation of personal transport					
equipment	58	60	1.9	1.3	-0.03
07.2.1 Spare parts and accessories	4	4	0.1	-	-
07.2.2 Fuels and lubricants	25	24	3.8	2.8	-0.02
07.2.3 Maintenance and repairs	19	20	0.4	0.4	-
07.2.4 Other services	10	12	0.6	0.1	-0.01

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



#### **Fuels and lubricants**

- Small downward effect.
- Prices overall rose this year by less than a year ago.
- The average price of petrol across the month, as recorded for the CPIH, rose by 4.2 pence per litre between April and May 2019, to stand at 128.3 pence per litre.
- Last year, the average price of petrol rose by 4.6 pence per litre between April and May 2018, to stand at 125.3 pence per litre.
- The average price of diesel rose by 2.8 pence per litre between April and May 2019 to stand at 135.8 pence per litre, compared with a rise of 4.7 pence per litre a year earlier, to stand at 129.2 pence per litre.

#### Other services

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from the hire of self drive vehicles.

07.3 Transport services	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
07.3 Transport services	28	26	2.0	-3.8	-0.17
07.3.1 Passenger transport by railway	11	11	0.7	-2.6	-0.04
07.3.2 Passenger transport by road	10	9	-0.8	-3.6	-0.03
07.3.3 Passenger transport by air	4	4	10.0	-5.2	-0.07
07.3.4 Passenger transport by sea and inland waterway	3	2	5.4	-7.9	-0.04

- Large downward effect on the all items 12-month rate change.
- Due to passenger transport by air; passenger transport by railway; passenger transport by sea and inland waterway; and, to a lesser extent, passenger transport by road.

#### Passenger transport by railway

- Large downward effect.
- Average charges for rail journeys fell this year but rose a year ago, particularly for international travel.

#### Passenger transport by road

- Small downward effect.
- Average coach fares fell this year by more than a year ago.



# Passenger transport by air

- Large downward effect.
- Average air fares fell this year but rose a year ago, with downward contributions coming from European flights and, to a lesser extent, domestic and long-haul flights.

#### Passenger transport by sea and inland waterway

- Large downward effect.
- Average sea fares fell this year but rose a year ago, particularly for international routes.

08 COMMUNICATION	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
08 Communication	20	20	0.3	0.6	0.01

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

08.1 Postal services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	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 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
	ו פטיטפט	ו פט-טפט	Iviay 2010	Iviay 2019	rate change
08.2/3 Telephone equipment and services	19	19	0.3	0.7	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year by more than a year ago, with the main upward contributions coming from bundled telecommunication services and mobile phone charges.



09 RECREATION AND CULTURE	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
09 Recreation and culture	120	127	0.1	0.5	0.04

- Largest upward effect on the all items 12-month rate change.
- Due to other recreational items, gardens and pets.
- Partially offset by package holidays.

09.1 Audio-visual equipment and related products	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	14	17	1.5	1.0	-
09.1.1 Equipment for the reception and reproduction of sound and pictures	4	4	-1.3	0.1	0.01
09.1.2 Photographic, cinematographic and optical equipment	1	2	1.2	2.6	-
09.1.3 Data processing equipment	5	7	3.4	1.4	-0.01
09.1.4 Recording media	3	3	2.5	0.8	-0.01
09.1.5 Repair of audio-visual equipment and related products	1	1	0.1	ı	-

- Negligible overall effect on the all items 12-month rate change.
- There are small downward contributions coming from data processing equipment and recording media.
- Offset by a small upward contribution coming from equipment for the reception and reproduction of sound and pictures.

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

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

#### **Data processing equipment**

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



#### **Recording media**

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from DVDs.
- Partially offset by a small upward contribution coming from music downloads, where prices overall rose this year by more than a year ago.

09.2 Other major durables for recreation and culture	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
09.2.1/2 Major durables for in/outdoor recreation	14	14	-0.1	-	-

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

09.3 Other recreational items, gardens and pets	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	29	30	-0.7	1.6	0.07
09.3.1 Games, toys and hobbies	17	18	-0.9	2.9	0.07
09.3.2 Equipment for sport and open-air recreation	2	2	-0.1	-0.3	-
09.3.3 Gardens, plants and flowers	3	3	-1.5	-0.4	-
09.3.4/5 Pets, related products and services	7	7	1	0.1	-

- Large upward effect on the all items 12-month rate change.
- Due to games, toys and hobbies, where prices overall rose this year but fell a year ago, with the main upward contributions coming from computer games, computer game consoles, dolls and board games.

09.4 Recreational and cultural services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
09.4 Recreational and cultural services	23	22	-0.1	-	-
09.4.1 Recreational and sporting services	7	6	0.1	0.2	-
09.4.2 Cultural services	16	16	-0.1	-0.1	-

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



09.5 Books, newspapers and stationery	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	9	10	-0.1	-0.2	- Tato onango
09.5.1 Books	3	3	0.4	-0.2	_
	_	3		•	-
09.5.2 Newspapers and periodicals	3	3	-	-0.5	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	3	4	-0.6	0.1	-

09.6 Package holidays	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
09.6 Package holidays	31	34	0.6	-0.1	-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 contribution coming from foreign holidays.

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

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

11 RESTAURANTS AND	Weight	Weight	1 month	1 month	Contribution
HOTELS	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
11 Restaurants and hotels	97	97	0.4	0.8	0.04

- Large upward effect on the all items 12-month rate change.
- Due to accommodation services.
- Partially offset by catering services.



11.1 Catering services	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
11.1 Catering services	75	76	0.3	0.2	-0.01
11.1.1 Restaurants and cafes	69	70	0.3	0.2	-0.01
11.1.2 Canteens	6	6	1.2	0.6	-

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

11.2 Accommodation services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
11.2 Accommodation services	22	21	0.5	2.9	0.05

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

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
12 Misc. goods and services	77	74	0.1	0.2	0.01

- Small upward effect on the all items 12-month rate change.
- Due to insurance.
- Partially offset by personal effects not elsewhere covered.

12.1 Personal care	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
12.1 Personal care	25	24	-0.2	-	-
12.1.1 Hairdressing and personal grooming establishments	6	6	0.1	0.1	-
12.1.2/3 Appliances and products for personal care	19	18	-0.3	-0.1	-



12.3 Personal effects not elsewhere covered	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	12	15	1.1	0.3	-0.01
12.3.1 Jewellery, clocks and watches	8	10	0.4	0.3	-
12.3.2 Other personal effects	4	5	2.5	0.2	-0.01

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

12.4 Social protection	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
12.4 Social protection	14	13	0.3	0.5	-

12.5 Insurance	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change May 2018	1 month % change May 2019	Contribution to CPIH annual rate change
12.5 Insurance	7	5	-1.2	1.0	0.01
12.5.2 House contents insurance	2	1	-1.2	1.3	-
12.5.3 Health insurance	2	2	-	-	-
12.5.4 Transport insurance	3	2	-1.9	1.9	0.01

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

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

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



12.7 Other services not	Weight	Weight	1 month	1 month	Contribution
elsewhere covered	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	May 2018	May 2019	rate change
12.7 Other services not elsewhere					
covered	10	9	-0.1	0.3	-



# **RPI SUMMARY**

# CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2018	Weight 2019	1 month % change May 2018	1 month % change May 2019	Contribution to RPI annual rate change
FOOD	102	100	-0.2	0.2	0.04
CATERING	50	49	0.2	0.2	-
ALCOHOLIC DRINKS	56	59	0.4	0.3	-
TOBACCO	23	21	1.3	-	-0.03
HOUSING	257	260	-	0.4	0.09
FUEL AND LIGHT	37	38	0.1	0.1	-
HOUSEHOLD GOODS	68	69	0.4	0.9	0.04
HOUSEHOLD SERVICES	58	61	0.1	0.6	0.03
CLOTHING AND FOOTWEAR	43	39	0.4	0.7	0.01
PERSONAL GOODS AND SERVICES	42	42	0.3	0.2	-
MOTORING EXPENDITURE	124	125	0.9	1.3	0.04
FARES AND OTHER TRAVEL COSTS	25	28	4.0	-3.9	-0.23
LEISURE GOODS	30	24	-	0.5	0.01
LEISURE SERVICES	85	85	0.4	0.2	-0.02



# **RPI NOTABLE MOVEMENTS**

All items RPI	Annual rate +3.0%, unchanged from last month Last higher in November 2018 (+3.2%) Last lower in March 2019 (+2.4%)
All items RPI exc MIPS (RPIX)	Annual rate +3.0%, unchanged from last month Last higher in November 2018 (+3.1%) Last lower in March 2019 (+2.4%)
Alcoholic drinks	Annual rate +1.5%, down from +1.6% last month Also +1.5% in July 2018 Last lower in November 2016 (+1.3%)
Tobacco	Annual rate +5.9%, down from +7.3% last month Also +5.9% in March 2018 Last lower in November 2017 (+5.3%)
Household services	Annual rate +4.6%, up from +4.1% last month Highest since September 2013 (+6.7%)
Leisure services	Annual rate +4.1%, down from +4.4% last month Also +4.1% in December 2017 Last lower in November 2017 (+4.0%)
All goods	Annual rate +2.0%, up from +1.9% last month Highest since March 2019 (+2.3%)
All services	Annual rate +4.2%, down from +4.5% last month Lowest since March 2019 (+2.7%)



# **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	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to RPI annual
			May 2018	May 2019	rate change
FOOD	102	100	-0.2	0.2	0.04

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

Seasonal Food	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to RPI annual
			May 2018	May 2019	rate change
SEASONAL FOOD	18	18	-0.3	-0.2	-
Home killed lamb	1	1	3.5	-0.5	-
Fresh fish	2	2	0.3	2.4	-
Eggs	1	1	-0.1	-	-
Unprocessed potatoes	1	1	-1.4	2.7	-
Other fresh vegetables	6	6	-0.5	0.3	-
Fresh fruit	7	7	-0.8	-1.8	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from fresh fruit, where prices overall fell this
  year by more than a year ago.



	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2018	2019	% change	% change	to RPI annual
			May 2018	May 2019	rate change
NON-SEASONAL FOOD	84	82	-0.1	0.3	0.03
Bread	4	3	-0.2	-0.2	-
Cereals	3	3	-1.4	0.2	-
Biscuits and cakes	6	6	2.4	-0.8	-0.02
Beef	3	3	-1.9	0.8	0.01
Imported lamb	1	1	0.7	2.1	-
Pork	1	1	-3.7	2.0	0.01
Bacon	1	1	-0.5	2.2	-
Poultry	4	4	-	-0.6	-
Other meat	6	6	-0.3	-0.2	-
Processed fish	2	2	4.4	3.6	-
Butter	1	1	3.4	-0.6	-
Oils and fats	1	1	-6.9	-3.0	-
Cheese	3	3	-2.1	-2.4	-
Milk, fresh	3	3	-0.3	0.6	-
Milk products	4	4	1.5	5.6	0.02
Tea	1	1	-1.5	1.8	-
Soft drinks	8	9	-0.5	-0.4	-
Sugar and preserves	1	1	-1.3	-0.3	-
Sweets and chocolates	11	11	0.5	0.5	-
Potato products	3	3	4.0	-2.2	-0.02
Processed vegetables	2	1	0.4	-0.2	-
Processed fruit	2	1	-1.2	-0.9	-
Other foods	11	11	-2.0	0.4	0.03
Coffee and other hot drinks	2	2	-0.1	0.8	-

- Small upward effect on the all items 12-month rate change.
- Due to:
  - Other foods, beef and pork, where prices overall rose this year but fell a year ago,
    particularly for chilled pizzas, cook-in sauces, ice cream and pork loin chops. Partially
    offset by dried potted snacks, where prices overall fell this year but rose a year ago;
    and
  - Milk products, where prices overall rose this year by more than a year ago, particularly for yoghurt/fromage frais.
- Partially offset by biscuits and cakes and potato products, where prices overall fell this
  year but rose a year ago, with the main downward contributions coming from premium potato
  crisps, half chocolate coated biscuits and packs of individual cakes.



CATERING	Weight 2018	Weight 2019	1 month % change May 2018	1 month % change May 2019	Contribution to RPI annual rate change
CATERING	50	49	0.2	0.2	-
Restaurant meals	30	29	0.2	0.1	-
Canteen meals	3	3	0.9	0.6	-
Take-away meals and snacks	17	17	0.2	0.3	-

ALCOHOLIC DRINKS	Weight 2018	Weight 2019	1 month % change May 2018	1 month % change May 2019	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	56	59	0.4	0.3	-
Beer on sales	18	19	0.2	0.1	-
Beer off sales	5	6	0.4	1.1	-
Wines and spirits on sales	19	19	0.5	0.3	-
Wines and spirits off sales	14	15	0.3	0.2	-

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

ТОВАССО	Weight 2018	Weight 2019	1 month % change May 2018	1 month % change May 2019	Contribution to RPI annual rate change
TOBACCO	23	21	1.3	- Widy 2015	-0.03
Cigarettes	19	17	1.1	-	-0.02
Other tobacco products	4	4	2.1	-0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
  - Cigarettes, where prices overall were little changed this year but rose a year ago; and
  - Other tobacco products, where prices overall fell this year but rose a year ago, particularly for hand rolling tobacco.



HOUSING	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to RPI annual
			May 2018	May 2019	rate change
HOUSING	257	260	-	0.4	0.09
Rent	76	77	0.1	0.2	0.01
Mortgage interest payments	24	25	-0.3	0.3	0.02
Council Tax and rates	38	39	-	-	-
Water and other charges	12	12	-	-	-
Repairs and maintenance charges	9	10	0.1	0.2	-
DIY materials	8	7	-0.6	1.4	0.02
Dwelling insurance and ground rent	7	6	0.2	0.6	-
House depreciation	83	84	0.1	0.7	0.05

- Largest 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
  - Mortgage interest payments, where charges overall rose this year but fell a year ago;
  - **DIY materials**, where prices overall rose this year but fell a year ago, particularly for power drills; and
  - Rent, where average charges rose this year by more than a year ago, particularly for private rented properties.

FUEL AND LIGHT	Weight 2018	Weight 2019	1 month % change May 2018	1 month % change May 2019	Contribution to RPI annual rate change
FUEL AND LIGHT	37	38	0.1	0.1	-
Coal and solid fuels	1	1	-2.8	0.9	-
Electricity	20	19	0.1	-	-
Gas	15	15	0.1	-	-
Oil and other fuels	1	3	2.9	1.3	-



HOUSEHOLD GOODS	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to RPI annual
			May 2018	May 2019	rate change
HOUSEHOLD GOODS	68	69	0.4	0.9	0.04
Furniture	28	27	-0.6	2.1	0.07
Furnishings	9	10	0.5	1.0	0.01
Electrical appliances	7	7	3.2	0.9	-0.02
Other household equipment	4	5	-0.5	1.3	0.01
Household consumables	11	11	1.7	-1.5	-0.03
Pet care	9	9	0.1	0.1	-

- Large upward effect on the all items 12-month rate change.
- Due to:
  - Furniture and, to a lesser extent, other household equipment, where prices overall rose this year but fell a year ago, with the main upward contributions coming from kitchen furniture, bedroom furniture and settees; and
  - **Furnishings**, where prices overall rose this year by more than a year ago.
- Partially offset by:
  - Household consumables, where prices overall fell this year but rose a year ago, particularly for household cleaner cream/liquid; and
  - **Electrical appliances**, where prices overall rose this year by less than a year ago, with the main downward effect coming from electric kettles.

HOUSEHOLD SERVICES	Weight 2018	Weight 2019	1 month % change May 2018	1 month % change May 2019	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	58	61	0.1	0.6	0.03
Domestic services	13	14	0.2	0.3	-
Fees and subscriptions	19	22	-0.2	0.5	0.02
Postage	1	1	-	-	-
Telephone charges	25	24	0.3	0.9	0.01

- Small upward effect on the all items 12-month rate change.
- Due to:
  - Fees and subscriptions, where average house contents insurance premiums rose this year but fell a year ago; and
  - **Telephone charges**, where average charges rose this year by more than a year ago, with the main upward contributions coming from bundled telecommunication services and mobile phone charges. Partially offset by a small downward contribution coming from mobile phone applications, where average prices rose this year by less than a



year ago.

CLOTHING AND FOOTWEAR	Weight 2018	Weight 2019	1 month % change May 2018	1 month % change May 2019	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	43	39	0.4	0.7	0.01
Men's outerwear	9	8	0.4	1.1	0.01
Women's outerwear	16	14	0.4	0.4	-
Children's outerwear	5	4	0.2	1.0	-
Other clothing	5	5	-	0.8	-
Footwear	8	8	0.5	0.5	-

- Small upward effect on the all items 12-month rate change.
- Due to **men's outerwear**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from jumpers and sweatshirts.

PERSONAL GOODS AND SERVICES	Weight 2018	Weight 2019	1 month % change May 2018	1 month % change May 2019	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	42	42	0.3	0.2	-
Personal articles	11	10	1.2	0.7	-0.01
Chemists' goods	15	16	-0.2	0.1	-
Personal services	16	16	0.1	0.1	-

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

MOTORING EXPENDITURE	Weight 2018	Weight	1 month	1 month	Contribution to RPI annual
	2016	2019	% change May 2018	% change May 2019	rate change
MOTORING EXPENDITURE	124	125	0.9	1.3	0.04
Purchase of motor vehicles	50	51	0.6	-0.5	-0.06
Maintenance of motor vehicles	16	17	0.4	0.4	-
Petrol and oil	34	35	3.1	3.5	0.02
Vehicle tax and insurance	24	22	-1.1	2.3	0.08

- Large upward effect on the all items 12-month rate change.
- Due to:
  - **Vehicle tax and insurance**, where average premiums for car insurance rose this year but fell a year ago; and, to a lesser extent



- **Petrol and oil**, where prices overall rose this year by more than a year ago. The price of petrol, as recorded for the RPI, rose by 5.3 pence per litre between April and May 2019, to stand at 128.0 pence per litre, compared with a rise of 3.7 pence per litre last year, to stand at 124.3 pence per litre. Diesel prices rose by 3.3 pence per litre, to stand at 135.4 pence per litre in May 2019, compared with a rise of 4.0 pence per litre last year, to stand at 128.3 pence per litre.
- Partially offset by purchase of motor vehicles, where prices overall fell this year but rose a
  year ago, with the main downward contributions coming from the purchase of both secondhand and new cars.

FARES AND OTHER TRAVEL COSTS	Weight 2018	Weight 2019	1 month % change May 2018	1 month % change May 2019	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	28	4.0	-3.9	-0.23
Rail fares	6	7	0.6	-2.6	-0.02
Bus and coach fares	3	3	-2.2	-8.1	-0.02
Other travel costs	16	18	6.4	-3.7	-0.18

- Largest downward effect on the all items 12-month rate change.
- Due to:
  - Other travel costs, where average charges for air fares fell this year but rose a year ago; and, to a lesser extent
  - Rail fares, where average charges for international journeys fell this year but rose a
    year ago; and
  - Bus and coach fares, where average coach fares fell this year by more than a year ago.

LEISURE GOODS	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to RPI annual
			May 2018	May 2019	rate change
LEISURE GOODS	30	24	-	0.5	0.01
Audio-visual equipment	6	4	-	1.5	0.01
CDs and tapes	2	1	2.6	1.2	-
Toys, photographic and sports goods	10	9	-	1.6	0.02
Books and newspapers	6	5	0.1	-1.0	-0.01
Gardening products	6	5	-0.8	-0.4	-

- Small upward effect on the all items 12-month rate change.
- Due to toys, photographic and sports goods and audio-visual equipment, where prices
  overall rose this year but were little changed a year ago, with the main upward contribution



- coming from shop-bought computer games. Partially offset by a small downward contribution coming from PC peripherals, where prices overall fell this year but rose a year ago.
- Partially offset by books and newspapers, where prices overall fell this year but rose a year ago, particularly for eBooks.

LEISURE SERVICES	Weight 2018	Weight 2019	1 month % change May 2018	1 month % change May 2019	Contribution to RPI annual rate change
LEISURE SERVICES	85	85	0.4	0.2	-0.02
TV licence and rentals	11	10	-	-	-
Entertainment and other recreation	16	16	-0.1	-	-
Foreign holidays	47	46	0.7	-0.1	-0.04
UK holidays	11	13	0.6	1.4	0.01

- Small 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.
- Partially offset by **UK holidays**, where average charges for overnight hotel stays rose this
  year by more than a year ago.



# RECONCILIATION OF CPIH AND RPI

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

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

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

The difference between the CPIH and RPI unrounded annual rates in May 2019 was -1.07 percentage points, widening from -1.04 percentage points in April 2019.

The main factor contributing to the widening was:

 Other housing components, which increased the RPI 12-month rate relative to the CPIH 12-month rate by 0.06 percentage points between April and May 2019. The effect came mainly from house depreciation.

The main offsetting factor was:

Other differences including weights, which decreased the RPI 12-month rate relative to
the CPIH 12-month rate by 0.04 percentage points between April and May 2019. The effect
came mainly from air fares; games, toys and hobbies and equipment for sport and open-air
recreation; and second-hand cars. This was partially offset by widening effects from
insurance; fuels and lubricants; sea fares; and furniture and furnishings, carpets and
household textiles.



# **RPI MISCELLANEOUS DATA**

#### **Selected Average Prices**

Description		March 2019	April 2019	May 2019
Fuel per litre	Diesel	£1.31	£1.32	£1.35
	Petrol	£1.20	£1.23	£1.28
Alcohol pub prices	Draught bitter (pint)	£3.06	£3.08	£3.08
	Draught lager (pint)	£3.67	£3.69	£3.69
	Whisky (per nip)	£2.93	£2.94	£2.95
Cigarettes	Per 20 king size	£10.83	£10.77	£10.77

Average prices are as recorded for the RPI.

# **Changes in Mortgage Interest Rates**

This table gives an estimate of the contribution that changes in the average mortgage interest rate (MI) make to the 1-month percentage change in the RPI.

Month	1-month % change in the RPI	Approx. change in average MI rate	Approx. contribution to the 1-month % change in the RPI
May 2018	+0.4	Down -0.02% points	-0.02% points
June 2018	+0.3	Down -0.01% points	-0.01% points
July 2018	+0.1	Negligible	-
August 2018	+0.9	Up +0.06% points	+0.06% points
September 2018	0.0	Down -0.06% points	-0.06% points
October 2018	+0.1	Up +0.07% points	+0.07% points
November 2018	0.0	Down -0.02% points	-0.02% points
December 2018	+0.4	Down -0.01% points	-0.01% points
January 2019	-0.9	Negligible	-
February 2019	+0.7	Negligible	-
March 2019	0.0	Down -0.01% points	-0.01% points
April 2019	+1.1	Down -0.01% points	-0.01% points
May 2019	+0.3	Negligible	-

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



# **OUTLOOK**

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

#### **FOOD**

#### **Seasonal Food**

 Seasonal food prices have tended to fall in June of recent years and are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPIH seasonal food index				
Year	April	May	June	
2013	0.6	-0.4	-1.5	
2014	-1.7	-1.6	-0.5	
2015	-0.7	0.1	-	
2016	-0.8	-0.7	-0.8	
2017	-0.2	-0.5	-0.3	
2018	-0.8	0.5	-0.9	
2019	-0.8	-0.4		

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

#### **CLOTHING AND FOOTWEAR**

• Prices for clothing and footwear tend to fall in June as a result of the summer sales.

Monthly % change for CPIH clothing and footwear index				
Year	April	May	June	
2013	-	1.2	-1.9	
2014	1.0	-0.1	0.6	
2015	0.7	0.5	-0.4	
2016	-0.3	-0.2	-0.7	
2017	1.1	0.5	-1.0	
2018	0.4	0.2	-2.1	
2019	0.2	0.5		

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



#### FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

Prices have shown a mixed pattern of rises and falls in June of recent years.

Monthly % change for CPIH furniture, household equipment and maintenance index					
Year April May June					
2013	-1.3	1.0	-0.4		
2014	-0.9	0.5	0.2		
2015	-1.2	0.6	0.4		
2016	-1.5	0.4	-0.3		
2017	-1.0	1.2	0.5		
2018	-0.8	0.6	0.3		
2019	-1.2	1.1			

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

#### **TRANSPORT**

#### **Fuels and Lubricants**

- Oil prices have fallen as signs of an economic slowdown amid international trade disputes began to outweigh supply fears stoked by attacks on oil tankers recently. Brent futures were down to \$61.33 a barrel and U.S. West Texas Intermediate (WTI) crude futures were down to \$51.93. Decreases have also been caused by the outlook for oil demand growth in 2019 projected by the International Energy Agency (IEA), citing worsening prospects for global trade. (uk.reuters.com 17 June 2019)
- When considering the price of petrol between May and June 2019, it may be useful to note that the average price of petrol rose by 2.7 pence per litre between May and June 2018, to stand at 128.0 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

Air fares have tended to rise in June.

Monthly % change for CPIH air fares index				
Year	April	May	June	
2013	-6.4	22.0	-2.8	
2014	17.9	-3.2	7.0	
2015	4.5	10.4	0.3	
2016	-14.2	3.8	10.9	
2017	18.6	-6.4	14.5	
2018	-0.2	10.0	8.1	
2019	26.4	-5.2		

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 0.75% on Thursday 2 May 2019.
   The next announcement and minutes from the Bank of England's Monetary Policy
   Committee are scheduled to be published on 20 June 2019.
- The change in average mortgage interest rates recorded in the RPI was -0.01 percentage points between May and June 2018. The Bank of England Bank Rate remained unchanged at 0.5% in May 2018.
- A one percentage point change in the average mortgage interest rate contributes approximately 1.0 percentage points to the 1-month percentage change in the RPI.



#### **Next publication:**

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#### Media contact:

Tel: Luke Croydon +44 (0) 845 604 1858

Out of hours media line +44 (0) 7867 906553

Email: media.relations@ons.gov.uk

**Statistical contact:** 

Tel: Philip Gooding +44 (0) 1633 455896

Email: <a href="mailto:cpi@ons.gov.uk">cpi@ons.gov.uk</a>

Website: www.ons.gov.uk

Consumer Price Inflation recorded message (available after 9.45am on release day):

Tel: +44 (0) 800 0113703

#### **Consumer Price Inflation Enquiries:**

Tel: +44 (0) 1633 456900