

# **Statistical Bulletin**

#### **BRIEFING NOTE**

## **Consumer Price Inflation**

### September 2019

Coverage: UK

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

The main movements for CPIH in September 2019 are:

- The all items CPIH is 108.4, up from 108.3 in August.
- The all items CPIH annual rate is 1.7%, unchanged from last month.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 1.6%, unchanged from last month.
- The OOH component of CPIH is 107.1, up from 106.9 in August.
- The OOH component annual rate is 1.1%, unchanged from last month.
- The CPIH all goods index is 105.9, up from 105.4 in August.
- The CPIH all goods index annual rate is 0.9%, down from 1.2% last month.
- The CPIH all services index is 110.2, down from 110.4 in August.
- The CPIH all services index annual rate is 2.2%, up from 2.0% 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 September 2019 are:

- The all items CPI is 108.5, up from 108.4 in August.
- The all items CPI annual rate is 1.7%, unchanged from last month.
- The annual rate for CPI excluding indirect taxes, CPIY, is 1.7%, unchanged from last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 1.6%, unchanged from last month.
- The CPI all goods index is 106.0, up from 105.4 in August.
- The CPI all goods index annual rate is 1.0%, down from 1.3% last month.
- The CPI all services index is 111.3, down from 111.7 in August.
- The CPI all services index annual rate is 2.5%, up from 2.2% 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 September 2019 are:

- The all items RPI is 291.0, down from 291.7 in August.
- The all items RPI annual rate is 2.4%, down from 2.6% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 2.4%, down from 2.6% last month.
- The all goods RPI is 218.9, up from 218.1 in August.
- The all goods RPI annual rate is 1.8%, down from 2.0% last month.
- The all services RPI is 401.0, down from 405.7 in August.
- The all services RPI annual rate is 3.2%, down from 3.7% 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	Sep 2018	Sep 2019	rate change
01: Food and non-alcoholic beverages	83	82	-0.1	-0.2	-0.01
02: Alcoholic beverages and tobacco	34	32	0.2	-0.1	-0.01
03: Clothing and footwear	57	54	3.1	3.0	-0.01
04: Housing, water, electricity, gas and other fuels	301	298	0.2	0.1	-0.05
05: Furniture, household equipment and maintenance	48	53	-	1.1	0.06
06: Health	21	22	0.2	0.4	0.01
07: Transport	124	123	-1.8	-2.5	-0.09
08: Communication	20	20	0.3	0.7	0.01
09: Recreation and culture	120	127	0.3	0.5	0.03
10: Education	18	18	1.0	1.1	-
11: Restaurants and hotels	97	97	0.3	0.8	0.05
12: Miscellaneous goods and services	77	74	0.3	0.3	-

#### Large downward effects came from:

- Transport, where there was a downward contribution from motor fuels. Petrol prices fell by 1.0 pence per litre between August and September 2019 to stand at 127.3 pence per litre while diesel prices fell to 131.8 pence per litre a fall of 0.8 pence per litre. Last year, petrol and diesel prices had risen by 1.7 and 1.5 pence per litre, respectively, between the same two months. There was a further large downward contribution from second-hand cars, where prices fell by 1.4% between August and September compared with a rise of 1.4% a year ago; and
- Housing, water, electricity, gas and other fuels, where domestic fuels provided a further large downward contribution in September 2019 despite prices being little changed since



April 2019, under Ofgem's energy price cap. Between August and September 2018, prices of electricity and gas had risen by 1.8% and 1.2%, respectively, resulting in this month's downward contribution to change in the CPIH 12-month inflation rate.

#### Large upward effects came from:

- Furniture, household equipment and maintenance, where prices overall for both
  furniture and furnishings, and major (household) appliances and small electric goods rose
  between August and September 2019 compared with prices falling between the same two
  months a year ago. There were upward movements from bedroom furniture, leather
  settees, vacuum cleaners and washing machines; and
- Restaurants and hotels, where the main effects came from accommodation services, with prices overall rising between August and September 2019 by more than they did a year ago.

#### A small upward effect came from:

Recreation and culture, with upward contributions coming from theatre and concert tickets
and, to a lesser extent, from computer games, CDs, eBooks and foreign self-catering
holidays. These were partially offset by downward movements across data processing
equipment (including computers and their associated software and peripherals), where
prices overall fell by 4.4% between August and September this year but rose by 1.5%
between the same two months a year ago.



#### **CPIH NOTABLE MOVEMENTS**

All items CPIH	Annual rate +1.7%, unchanged from last month Last higher in July 2019 (+2.0%) Last lower in November 2016 (+1.5%)
All items CPIH excl. energy, food, alcohol and tobacco	Annual rate +1.6%, up from +1.5% last month Highest since July 2019 (+1.9%)
Alcoholic beverages and tobacco	Annual rate +3.0%, down from +3.3% last month Lowest since February 2017 (+2.9%)
Furniture, household equipment and maintenance	Annual rate +1.9%, up from +0.8% last month Highest since June 2018 (+2.0%)
Transport	Annual rate +0.5%, down from +1.3% last month Lowest since July 2016 (+0.1%)
Education	Annual rate +3.2%, up from +3.1% last month Highest since August 2017 (+4.3%)
Restaurants and hotels	Annual rate +3.2%, up from +2.8% last month Also +3.2% in November 2017 Last higher in August 2017 (+3.5%)
All goods	Annual rate +0.9%, down from +1.2% last month Lowest since December 2016 (+0.7%)
All services	Annual rate +2.2%, up from +2.0% last month Also +2.2% in July 2019 and June 2019 Last higher in May 2019 (+2.3%)
Fuels and lubricants	Annual rate -2.1%, down from -0.1% last month Lowest since August 2016 (-2.6%)



#### **CPIH DETAILED BRIEFING**

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

Weights are specified as parts per 1000 in the CPIH.

01 FOOD AND NON- ALCOHOLIC BEVERAGES	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
01 Food & non-alcoholic beverages	83	82	-0.1	-0.2	-0.01

- Small downward 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	Sep 2018	Sep 2019	rate change
01.1 Food	73	72	-0.2	-0.3	-0.01
01.1.1 Bread and cereals	12	12	-0.9	-2.6	-0.02
01.1.2 Meat	16	15	-0.4	-0.1	0.01
01.1.3 Fish	3	3	-0.1	1.7	0.01
01.1.4 Milk, cheese and eggs	9	9	-0.3	-	-
01.1.5 Oils and fats	2	2	7.0	-3.4	-0.02
01.1.6 Fruit	8	8	1.9	2.5	-
01.1.7 Vegetables including potatoes	10	11	-0.2	-0.9	-0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	11	10	-1.4	0.9	0.02
01.1.9 Food products not elsewhere covered	2	2	-1.4	-2.6	-

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

#### **Bread and cereals**

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from dried potted snacks and chocolate biscuits.



 Partially offset by a small upward contribution coming from chilled pizzas, where prices overall rose this year but fell a year ago.

#### Meat

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

#### Fish

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

#### Oils and fats

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for margarine/low fat spread.

#### Vegetables including potatoes

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

#### Sugar, jam, syrups, chocolate and confectionery

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for chocolate covered ice cream bars, bags of chocolate sweets and large bars of chocolate.

01.2 Non-alcoholic beverages	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
01.2 Non-alcoholic beverages	10	10	0.2	0.4	-
01.2.1 Coffee, tea and cocoa	3	3	-0.2	0.7	-
01.2.2 Mineral waters, soft drinks and juices	7	7	0.4	0.3	-



02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2018	Weight 2019	1 month % change	J	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
02 Alcoholic beverages and tobacco	34	32	0.2	-0.1	-0.01

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

02.1 Alcoholic Beverages	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	16	15	0.2	-0.4	-0.01
02.1.1 Spirits	5	4	0.5	-1.7	-0.01
02.1.2 Wine	7	7	-0.2	-0.3	-
02.1.3 Beer	4	4	0.5	0.8	-

- Small downward effect on the all items 12-month rate change.
- Due to **spirits**, where prices overall fell this year but rose a year ago, particularly for vodka.

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

03 CLOTHING AND FOOTWEAR	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
03 Clothing and footwear	57	54	3.1	3.0	-0.01

- Small downward 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 Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
03.1 Clothing	47	45	3.4	3.3	-0.01
03.1.2 Garments	42	41	3.6	3.5	-
03.1.3 Other clothing and clothing accessories	4	3	2.0	1.1	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.2	0.1	-

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

03.2 Footwear including repairs	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
03.2 Footwear including repairs	10	9	1.5	1.2	-

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
04 Housing, water, electricity, gas and other fuels	301	298	0.2	0.1	-0.05

- Large downward effect on the all items 12-month rate change.
- Due to electricity, gas and other fuels.

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



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

04.3 Regular maintenance and repair of the dwelling	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
04.3 Regular maintenance and repair of the dwelling	2	3	0.3	0.3	-
04.3.1 Materials for maintenance and repair	1	1	0.4	0.9	-
04.3.2 Services for maintenance and repair	1	2	0.1	-	-

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

04.4 Other services related to the dwelling	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 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	-	-	-

04.5 Electricity, gas and other fuels	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	27	26	1.6	-	-0.04
04.5.1 Electricity	13	14	1.8	-	-0.03
04.5.2 Gas	12	10	1.2	-	-0.02
04.5.3 Liquid fuels	1	1	4.9	-	-0.01
04.5.4 Solid fuels	1	1	-0.4	0.4	-

- Large downward effect on the all items 12-month rate change.
- Due to electricity, gas and liquid fuels, where charges overall were unchanged this year but rose a year ago.



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

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
05 Furniture, household equipment and maintenance	48	53	-	1.1	0.06

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

05.1 Furniture, furnishings and carpets	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
05.1 Furniture, furnishings and carpets	18	22	-0.2	1.9	0.05
05.1.1 Furniture and furnishings	14	15	-0.4	2.1	0.04
05.1.2 Carpets and other floor coverings	4	7	0.5	1.4	0.01

- Large upward effect on the all items 12-month rate change.
- Due to furniture and furnishings; and, to a lesser extent, carpets and other floor coverings.

#### **Furniture and furnishings**

- Large upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from bedroom furniture and leather settees.

#### Carpets and other floor coverings

- Small upward effect.
- Prices overall rose this year by more than a year ago, particularly for tufted carpets.



05.2 Household textiles	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
05.2 Household textiles	5	5	0.9	1.4	-

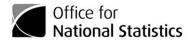
05.3 Household appliances, fitting and repairs	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
05.3 Household appliances, fitting and repairs	7	8	-1.4	1.1	0.02
05.3.1/2 Major appliances and small electric goods	6	7	-1.7	1.2	0.02
05.3.3 Repair of household appliances	1	1	0.2	0.1	-

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

05.4 Glassware, tableware and household utensils	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
05.4 Glassware, tableware and household utensils	4	4	1.4	-0.4	-0.01

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

05.5 Tools and equipment for house and garden	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
05.5 Tools and equipment for house and garden	4	5	-0.4	-0.5	-



05.6 Goods and services for routine maintenance	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance	10	9	0.3	0.7	-
05.6.1 Non-durable household goods 05.6.2 Domestic services and household services	6	6	0.5	0.3	-

	Weight	Weight	1 month	1 month	Contribution
06 HEALTH	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
06 Health	21	22	0.2	0.4	0.01

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

06.1 Medical products, appliances and equipment	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
06.1 Medical products, appliances and equipment	9	9	0.4	0.5	-
06.1.1 Pharmaceutical products 06.1.2/3 Other medical and therapeutic equipment	5	5	0.3	0.4	-

• 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 Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
06.2 Out-patient services	7	8	0.2	0.5	-
06.2.1/3 Medical and paramedical					
services	4	5	0.3	0.7	-
06.2.2 Dental services	3	3	-	0.3	-



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

07 TRANSPORT	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
07 Transport	124	123	-1.8	-2.5	-0.09

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

07.1 Purchase of vehicles	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	38	37	0.6	-0.4	-0.03
07.1.1A New cars	22	21	-	0.2	•
07.1.1B Second-hand cars	14	14	1.4	-1.4	-0.04
07.1.2/3 Motorcycles and bicycles	2	2	0.6	0.9	-

- Small downward effect on the all items 12-month rate change.
- Due to **second-hand cars**, where 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	Sep 2018	Sep 2019	rate change
07.2 Operation of personal transport					
equipment	58	60	0.7	-0.2	-0.06
07.2.1 Spare parts and accessories	4	4	0.6	0.1	-
07.2.2 Fuels and lubricants	25	24	1.3	-0.7	-0.05
07.2.3 Maintenance and repairs	19	20	0.2	0.2	-
07.2.4 Other services	10	12	0.4	0.1	-

- Large downward effect on the all items 12-month rate change.
- Due to **fuels and lubricants**, where prices overall fell this year but rose a year ago.
- The average price of petrol across the month, as recorded for the CPIH, fell by 1.0 pence per



- litre between August and September 2019, to stand at 127.3 pence per litre.
- Last year, the average price of petrol rose by 1.7 pence per litre between August and September 2018, to stand at 130.3 pence per litre.
- The average price of diesel fell by 0.8 pence per litre between August and September 2019 to stand at 131.8 pence per litre, compared with a rise of 1.5 pence per litre a year earlier, to stand at 134.3 pence per litre.

07.3 Transport services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
07.3 Transport services	28	26	-9.3	-9.9	-
07.3.1 Passenger transport by railway	11	11	0.1	-0.6	-0.01
07.3.2 Passenger transport by road	10	9	-0.7	-0.8	-
07.3.3 Passenger transport by air	4	4	-27.3	-33.0	-0.05
07.3.4 Passenger transport by sea and inland waterway	3	2	-26.5	-20.2	0.06

- Negligible overall effect on the all items 12-month rate change.
- There is a large upward contribution coming from passenger transport by sea and inland waterway.
- Offset by downward contributions coming from passenger transport by air and, to a lesser extent, passenger transport by railway.

#### Passenger transport by railway

- Small downward effect.
- Average charges for international rail journeys fell this year but rose a year ago.

#### Passenger transport by air

- Large downward effect.
- Average air fares fell this year by more than a year ago, with small downward contributions coming from European, long-haul and domestic flights.

#### Passenger transport by sea and inland waterway

- Large upward effect.
- Average sea fares fell this year by less than 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	Sep 2018	Sep 2019	rate change
08 Communication	20	20	0.3	0.7	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	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
08.1 Postal services	1	1	-	-	-

08.2/3 Telephone equipment and services	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 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, particularly for mobile phone charges.

09 RECREATION AND CULTURE	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
09 Recreation and culture	120	127	0.3	0.5	0.03

- Small upward effect on the all items 12-month rate change.
- Due to recreational and cultural services; and, to a lesser extent, other recreational items, gardens and pets.
- Partially offset by audio-visual equipment and related products.



09.1 Audio-visual equipment and related products	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	14	17	1.2	-1.1	-0.04
09.1.1 Equipment for the reception and reproduction of sound and pictures	4	4	1.4	-0.4	-0.01
09.1.2 Photographic, cinematographic and optical equipment	1	2	-0.8	-	-
09.1.3 Data processing equipment	5	7	1.5	-4.4	-0.04
09.1.4 Recording media	3	3	1.6	3.9	0.01
09.1.5 Repair of audio-visual equipment and related products	1	1	-	_	1

- Large downward effect on the all items 12-month rate change.
- Due to data processing equipment and, to a lesser extent, equipment for the reception and reproduction of sound and pictures.
- Partially offset by recording media.

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

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

#### **Data processing equipment**

- Large downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from computer software and PC peripherals.

#### **Recording media**

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

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



09.3 Other recreational items, gardens and pets	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	29	30	1.1	1.5	0.02
09.3.1 Games, toys and hobbies	17	18	1.6	2.5	0.02
09.3.2 Equipment for sport and open-air recreation	2	2	1.1	-0.1	-
09.3.3 Gardens, plants and flowers	3	3	0.3	0.2	-
09.3.4/5 Pets, related products and services	7	7	0.1	0.4	1

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

09.4 Recreational and cultural services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
09.4 Recreational and cultural services	23	22	-1.4	0.6	0.05
09.4.1 Recreational and sporting services	7	6	1.2	2.1	0.01
09.4.2 Cultural services	16	16	-2.5	-	0.04

- Large upward effect on the all items 12-month rate change.
- Due to cultural services and, to a lesser extent, recreational and sporting services.

#### Recreational and sporting services

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

#### **Cultural services**

- Large upward effect.
- Charges overall were little changed this year but fell a year ago, with the main upward contributions coming from admission charges for theatres and live music events.



09.5 Books, newspapers and stationery	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	9	10	-	0.4	-
09.5.1 Books	3	3	-0.1	1.0	-
09.5.2 Newspapers and periodicals	3	3	-0.1	0.6	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	3	4	0.3	-0.2	-

	Weight	Weight	1 month	1 month	Contribution
09.6 Package holidays	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
09.6 Package holidays	31	34	0.6	0.6	-

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

10 EDUCATION	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
10 Education	18	18	1.0	1.1	-

11 RESTAURANTS AND HOTELS	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
11 Restaurants and hotels	97	97	0.3	0.8	0.05

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



11.1 Catering services	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
11.1 Catering services	75	76	0.2	0.2	-
11.1.1 Restaurants and cafes	69	70	0.2	0.2	-
11.1.2 Canteens	6	6	0.4	0.3	-

11.2 Accommodation services	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
11.2 Accommodation services	22	21	0.6	2.6	0.04

- 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 Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
12 Misc. goods and services	77	74	0.3	0.3	-

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

12.1 Personal care	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
12.1 Personal care	25	24	0.2	-	-0.01
12.1.1 Hairdressing and personal grooming establishments	6	6	0.2	0.2	-
12.1.2/3 Appliances and products for personal care	19	18	0.2	-0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to appliances and products for personal care, where prices overall fell this year but rose a year ago, with the main downward contribution coming from household paper products.



12.3 Personal effects not elsewhere covered	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	12	15	1.0	1.1	-
12.3.1 Jewellery, clocks and watches	8	10	0.1	0.7	0.01
12.3.2 Other personal effects	4	5	2.5	1.7	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **jewellery**, **clocks and watches**, where prices overall rose this year by more than a year ago, particularly for jewellery.

12.4 Social protection	Weight 2018 Feb-Dec	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
12.4 Social protection	14	13	0.1	0.2	-

12.5 Insurance	Weight 2018	Weight 2019 Feb-Dec	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to CPIH annual rate change
12.5 Insurance	7	5	0.4	0.2	-
12.5.2 House contents insurance	2	1	0.8	-0.3	-
12.5.3 Health insurance	2	2	-	-	-
12.5.4 Transport insurance	3	2	0.4	0.7	-

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

12.6 Financial services not elsewhere covered	Weight	Weight	1 month	1 month	Contribution
	2018	2019	% change	% change	to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
12.6 Financial services not elsewhere					
covered	9	8	0.3	0.1	-



12.7 Other services not elsewhere covered	Weight 2018	Weight 2019	1 month % change	1 month % change	Contribution to CPIH annual
	Feb-Dec	Feb-Dec	Sep 2018	Sep 2019	rate change
12.7 Other services not elsewhere					
covered	10	9	0.2	-	-



#### **RPI SUMMARY**

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

GROUPS	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Sep 2018	Sep 2019	rate change
FOOD	102	101	-0.1	-0.4	-0.03
CATERING	50	49	0.2	0.3	-
ALCOHOLIC DRINKS	56	59	0.2	-	-0.01
TOBACCO	23	23	0.2	0.1	-
HOUSING	257	258	0.1	0.5	0.10
FUEL AND LIGHT	37	35	1.6	-	-0.06
HOUSEHOLD GOODS	68	68	-0.4	1.1	0.10
HOUSEHOLD SERVICES	58	62	0.6	0.8	0.02
CLOTHING AND FOOTWEAR	43	39	3.3	3.2	-0.01
PERSONAL GOODS AND SERVICES	42	43	0.3	0.5	0.01
MOTORING EXPENDITURE	124	125	0.9	-0.2	-0.13
FARES AND OTHER TRAVEL COSTS	25	28	-14.5	-18.4	-0.22
LEISURE GOODS	30	24	0.4	0.8	-
LEISURE SERVICES	85	86	0.3	0.8	0.05



#### **RPI NOTABLE MOVEMENTS**

All items RPI	Annual rate +2.4%, down from +2.6% last month Also +2.4% in March 2019 Last lower in November 2016 (+2.2%)
All items RPI excl. MIPS (RPIX)	Annual rate +2.4%, down from +2.6% last month Also +2.4% in March 2019 and February 2019 Last lower in October 2016 (+2.2%)
Catering	Annual rate +3.2%, up from +3.1% last month Also +3.2% in July 2019 Last higher in April 2012 (+3.3%)
Tobacco	Annual rate +5.5%, down from +5.7% last month Lowest since November 2017 (+5.3%)
Household goods	Annual rate +3.1%, up from +1.6% last month Highest since April 2018 (+3.5%)
Motoring expenditure	Annual rate +0.3%, down from +1.4% last month Lowest since May 2016 (-0.1%)
All goods	Annual rate +1.8%, down from +2.0% last month Lowest since November 2016 (+1.7%)
All services	Annual rate +3.2%, down from +3.7% last month Lowest since March 2019 (+2.7%)
Petrol and oil	Annual rate -1.8%, down from +0.1% last month Lowest since August 2016 (-4.5%)



#### **RPI DETAILED BRIEFING**

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

Weights are specified as parts per 1000 in the RPI.

FOOD	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Sep 2018	Sep 2019	rate change
FOOD	102	101	-0.1	-0.4	-0.03

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

Seasonal Food	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Sep 2018	Sep 2019	rate change
SEASONAL FOOD	18	18	1.2	1.0	-
Home killed lamb	1	1	-3.6	1.0	-
Fresh fish	2	2	2.5	3.6	-
Eggs	1	1	-1.7	-0.5	-
Unprocessed potatoes	1	1	1.7	-1.5	-
Other fresh vegetables	6	6	1.1	-0.9	-0.01
Fresh fruit	7	7	2.1	2.6	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **other fresh vegetables**, where prices overall fell this year but rose a year ago, particularly for lettuces.



	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2018	Jul 2019	% change	% change	to RPI annual
		onwards	Sep 2018	Sep 2019	rate change
NON-SEASONAL FOOD	84	83	-0.4	-0.8	-0.03
Bread	4	3	-0.2	-1.3	-
Cereals	3	3	-0.8	-3.2	-0.01
Biscuits and cakes	6	6	1.0	-1.9	-0.02
Beef	3	3	-1.0	-2.4	-
Imported lamb	1	1	-1.6	0.2	-
Pork	1	1	2.4	-0.8	-
Bacon	1	1	-0.1	1.9	-
Poultry	4	4	-0.9	-1.9	-
Other meat	6	6	-0.1	0.8	0.01
Processed fish	2	2	-1.1	0.6	-
Butter	1	1	-1.6	-0.3	-
Oils and fats	1	1	10.7	-4.6	-0.01
Cheese	3	3	0.1	0.3	-
Milk, fresh	3	3	0.7	-	-
Milk products	4	4	-1.5	-0.2	0.01
Tea	1	1	-1.9	1.6	-
Soft drinks	8	9	0.4	0.7	-
Sugar and preserves	1	1	3.1	-0.3	-
Sweets and chocolates	11	11	-1.6	-0.1	0.02
Potato products	3	3	-1.9	-2.0	-
Processed vegetables	2	2	0.4	-0.8	-
Processed fruit	2	1	2.1	0.6	-
Other foods	11	11	-1.9	-2.5	-0.01
Coffee and other hot drinks	2	2	0.3	0.5	-

- Small downward effect on the all items 12-month rate change.
- Due to:
  - Biscuits and cakes and oils and fats, where prices overall fell this year but rose a
    year ago, with the main downward contributions coming from margarine/low fat spread
    and chocolate biscuits; and
  - Cereals and other foods, where prices overall fell this year by more than a year ago, with the main downward contributions coming from dried potted snacks and mayonnaise. Partially offset by small upward contributions coming from chilled pizzas and chocolate covered ice cream bars, where prices overall rose this year but fell a year ago.
- Partially offset by:
  - Sweets and chocolates and milk products, where prices overall fell this year by less
    than a year ago, with the main upward contributions coming from large bars of
    chocolate and bags of chocolate sweets; and
  - Other meat, where prices overall rose this year but fell a year ago.

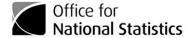


CATERING	Weight 2018	Weight Jul 2019 onwards	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to RPI annual rate change
CATERING	50	49	0.2	0.3	-
Restaurant meals	30	29	0.1	0.2	-
Canteen meals	3	3	0.6	0.3	-
Take-away meals and snacks	17	17	0.3	0.3	-

ALCOHOLIC DRINKS	Weight 2018	Weight Jul 2019 onwards	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	56	59	0.2	-	-0.01
Beer on sales	18	19	0.2	0.3	-
Beer off sales	5	6	0.6	1.0	-
Wines and spirits on sales	19	19	0.2	0.1	-
Wines and spirits off sales	14	15	-0.2	-0.8	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to wines and spirits off sales, where prices overall fell this year by more than a year
  ago, with the main downward contributions coming from New World wine, vodka and whisky.
  Partially offset by a small upward contribution coming from sparkling wine, where prices
  overall rose this year but fell a year ago.

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

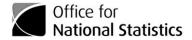


HOUSING	Weight	Weight	1 month	1 month	Contribution
110001110	2018	Jul 2019	% change	% change	to RPI annual
		onwards	Sep 2018	Sep 2019	rate change
HOUSING	257	258	0.1	0.5	0.10
Rent	76	75	0.1	0.1	-
Mortgage interest payments	24	25	-2.0	0.3	0.05
Council Tax and rates	38	39	-	-	-
Water and other charges	12	12	-	-	-
Repairs and maintenance charges	9	10	0.2	0.1	-
DIY materials	8	7	0.5	0.6	-
Dwelling insurance and ground rent	7	6	1.0	0.2	-0.01
House depreciation	83	84	0.6	1.2	0.05

- Large upward effect on the all items 12-month rate change.
- Due to:
  - Mortgage interest payments, where average charges rose this year but fell a year ago; and
  - **House depreciation**, with the smoothed house price index used to calculate this component rising this year by more than a year ago.
- Partially offset by dwelling insurance and ground rent, where prices overall rose this year
  by less than a year ago, with the main downward contribution coming from dwelling
  insurance.

FUEL AND LIGHT	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Sep 2018	Sep 2019	rate change
FUEL AND LIGHT	37	35	1.6	-	-0.06
Coal and solid fuels	1	1	-0.4	0.4	-
Electricity	20	17	1.8	-	-0.04
Gas	15	14	1.2	-	-0.02
Oil and other fuels	1	3	4.1	-	-

- Large downward effect on the all items 12-month rate change.
- Due to electricity and, to a lesser extent, gas, where average charges were unchanged this
  year but rose a year ago.



HOUSEHOLD GOODS	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Sep 2018	Sep 2019	rate change
HOUSEHOLD GOODS	68	68	-0.4	1.1	0.10
Furniture	28	27	-1.0	2.1	0.09
Furnishings	9	9	0.9	1.4	0.01
Electrical appliances	7	7	-1.9	1.1	0.02
Other household equipment	4	5	1.2	-0.3	-0.01
Household consumables	11	11	0.1	-0.1	-
Pet care	9	9	0.2	0.2	-

- Largest upward effect on the all items 12-month rate change.
- Due to:
  - Furniture and, to a lesser extent, electrical appliances, where prices overall rose this
    year but fell a year ago, with the main upward contributions coming from bedroom
    furniture, leather settees, vacuum cleaners, electric kettles and smart phone handsets;
    and
  - **Furnishings**, where prices overall rose this year by more than a year ago.
- Partially offset by **other household equipment**, where prices overall fell this year but rose a year ago, particularly for plastic food storage containers.

HOUSEHOLD SERVICES	Weight 2018	Weight Jul 2019 onwards	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	58	62	0.6	0.8	0.02
Domestic services	13	14	0.2	0.3	-
Fees and subscriptions	19	23	0.7	0.7	-
Postage	1	1	-	-	-
Telephone charges	25	24	0.8	1.2	0.01

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



CLOTHING AND FOOTWEAR	Weight 2018	Weight Jul 2019 onwards	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	43	39	3.3	3.2	-0.01
Men's outerwear	9	8	4.4	2.7	-0.02
Women's outerwear	16	14	4.4	5.1	-
Children's outerwear	5	4	2.4	3.4	-
Other clothing	5	5	1.3	1.7	-
Footwear	8	8	1.5	0.9	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to men's outerwear and footwear, where prices overall rose this year by less than a
  year ago.

PERSONAL GOODS AND SERVICES	Weight 2018	Weight Jul 2019 onwards	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	42	43	0.3	0.5	0.01
Personal articles	11	11	0.6	1.0	-
Chemists' goods	15	16	0.3	0.4	-
Personal services	16	16	0.1	0.2	-

- Small upward effect on the all items 12-month rate change.
- Due to **personal articles**, where prices overall rose this year by more than a year ago.
- Partially offset by chemists' goods, where prices overall rose this year by more than a year ago.

MOTORING EXPENDITURE	Weight 2018	Weight Jul 2019 onwards	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to RPI annual rate change
MOTORING EXPENDITURE	124	125	0.9	-0.2	-0.13
Purchase of motor vehicles	50	51	0.7	-0.6	-0.07
Maintenance of motor vehicles	16	17	0.3	0.2	-
Petrol and oil	34	35	1.4	-0.5	-0.07
Vehicle tax and insurance	24	22	0.6	0.9	0.01

- Large downward effect on the all items 12-month rate change.
- Due to:
  - Purchase of motor vehicles, where average prices for second-hand cars fell this year but rose a year ago; and
  - Petrol and oil, where prices overall fell this year but rose a year ago. The price of petrol,



as recorded for the RPI, fell by 0.6 pence per litre between August and September 2019, to stand at 127.8 pence per litre, compared with a rise of 1.8 pence per litre last year, to stand at 130.2 pence per litre. Diesel prices fell by 0.7 pence per litre, to stand at 131.9 pence per litre in September 2019, compared with a rise of 1.7 pence per litre last year, to stand at 134.3 pence per litre.

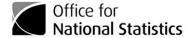
 Partially offset by vehicle tax and insurance, where average premiums for car insurance rose this year by more than a year ago.

FARES AND OTHER TRAVEL COSTS	Weight 2018	Weight Jul 2019 onwards	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	28	-14.5	-18.4	-0.22
Rail fares	6	7	0.1	-0.6	-
Bus and coach fares	3	3	-2.0	-2.3	-
Other travel costs	16	18	-20.1	-25.0	-0.22

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

LEISURE GOODS	Weight 2018	Weight Jul 2019 onwards	1 month % change Sep 2018	1 month % change Sep 2019	Contribution to RPI annual rate change
LEISURE GOODS	30	24	0.4	0.8	-
Audio-visual equipment	6	4	-	-1.5	-0.01
CDs and tapes	2	1	2.5	2.3	-
Toys, photographic and sports goods	10	9	0.8	1.4	-
Books and newspapers	6	5	-0.3	2.5	0.01
Gardening products	6	5	0.4	0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from books and newspapers, where prices
  overall rose this year but fell a year ago, particularly for eBooks.
- Offset by a small downward contribution coming from **audio-visual equipment**, where prices overall fell this year but were little changed a year ago.



LEISURE SERVICES	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Sep 2018	Sep 2019	rate change
LEISURE SERVICES	85	86	0.3	0.8	0.05
TV licence and rentals	11	10	-	-	-
Entertainment and other recreation	16	16	-0.8	1.4	0.04
Foreign holidays	47	47	0.6	0.8	0.01
UK holidays	11	13	0.8	1.0	-

- Large upward effect on the all items 12-month rate change.
- Due to:
  - Entertainment and other recreation, where prices overall rose this year but fell a
    year ago, with the main upward contributions coming from theatre admissions, parttime leisure classes and live music events; and
  - **Foreign holidays**, where prices overall 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 September 2019 was -0.77 percentage points, narrowing from -0.94 percentage points in August 2019.

The main factor contributing to the narrowing was:

Other differences including weights, which decreased the RPI 12-month rate relative to
the CPIH 12-month rate by 0.28 percentage points between August and September 2019.
The effect came mainly from air fares; sea fares; second-hand cars; games, toys and
hobbies and equipment for sport and open-air recreation; food and non-alcoholic
beverages; and fuels and lubricants. This was partially offset by a widening effect from
furniture and furnishings, carpets and household textiles.

The main offsetting factors were:

- Mortgage interest payments, which increased the RPI 12-month rate by 0.05 percentage points between August and September 2019 but are excluded from the CPIH.
- Other housing components, which increased the RPI 12-month rate relative to the CPIH 12-month rate by 0.05 percentage points between August and September 2019. The effect mainly came from house depreciation.



#### **RPI MISCELLANEOUS DATA**

#### **Selected Average Prices**

Description		July 2019	August 2019	September 2019
Fuel per litre	Diesel	£1.32	£1.33	£1.32
Fuel per litre	Petrol	£1.27	£1.28	£1.28
	Draught bitter (pint)	£3.09	£3.09	£3.11
Alcohol pub prices	Draught lager (pint)	£3.70	£3.71	£3.72
	Whisky (per nip)	£2.96	£2.97	£2.98
Cigarettes	Per 20 king size	£10.77	£10.77	£10.78

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
September 2018	0.0	Down -0.06% points	-0.06% points
October 2018	+0.1	Up +0.07% points	+0.07% points
November 2018	0.0	Down -0.02% points	-0.02% points
December 2018	+0.4	Down -0.01% points	-0.01% points
January 2019	-0.9	Negligible	-
February 2019	+0.7	Negligible	-
March 2019	0.0	Down -0.01% points	-0.01% points
April 2019	+1.1	Down -0.01% points	-0.01% points
May 2019	+0.3	Negligible	-
June 2019	+0.1	Down -0.02% points	-0.02% points
July 2019	0.0	Negligible	-
August 2019	+0.8	Negligible	-
September 2019	-0.2	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 tend to rise in October, but are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPIH seasonal food index				
Year	August	September	October	
2013	0.1	1.1	-	
2014	-0.3	-0.5	1.3	
2015	-0.4	0.4	0.2	
2016	-0.3	1.2	-0.2	
2017	-0.1	0.9	2.1	
2018	0.8	0.6	1.9	
2019	-0.5	0.6		

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

#### **CLOTHING AND FOOTWEAR**

Prices for clothing and footwear tend to rise in October.

Monthly % change for CPIH clothing and footwear index				
Year	August	September	October	
2013	1.9	4.2	1.0	
2014	2.6	4.0	0.6	
2015	1.5	2.8	2.0	
2016	1.0	5.1	0.3	
2017	2.4	3.9	0.2	
2018	3.1	3.1	-0.5	
2019	1.8	3.0		

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



#### FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

Prices tend to fall in October as a result of mid-season sales.

Monthly % change for CPIH furniture, household equipment and maintenance index					
Year	Year August September October				
2013	1.7	0.1	-0.4		
2014	1.0	0.6	-1.1		
2015	1.7	0.7	-1.0		
2016	1.4	0.4	0.5		
2017	1.8	0.2	-0.4		
2018	1.2	-	-0.1		
2019	1.0	1.1			

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

#### **TRANSPORT**

#### **Fuels and Lubricants**

- Oil prices have fallen by nearly 3% as a lack of details about the first phase of a trade deal between the United States and China undercut optimism over a trade relations thaw that had previously helped lift crude markets. Brent crude dropped \$1.64, or 2.7%, to \$58.87 a barrel, while U.S. West Texas Intermediate (WTI) crude lost \$1.52, or 2.8%, to \$53.18 a barrel. (uk.reuters.com 14 October 2019)
- When considering the price of petrol between September and October 2019, it may be useful
  to note that the average price of petrol rose by 0.4 pence per litre between September and
  October 2018, to stand at 130.7 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 tend to fall in October.

Monthly % change for CPIH air fares index				
Year	August	September	October	
2013	9.4	-18.8	-11.2	
2014	11.3	-21.7	-6.0	
2015	13.9	-20.4	-12.7	
2016	14.4	-24.2	-7.4	
2017	10.9	-26.7	-4.8	
2018	13.5	-27.3	-5.0	
2019	22.4	-33.0		

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



#### **HOUSING (RPI)**

#### Mortgage interest payments (MIPs)

- The Bank of England Bank Rate was unchanged at 0.75% on Thursday 19 September 2019.
  The next announcement and minutes from the Bank of England's Monetary Policy
  Committee are scheduled to be published on 7 November 2019.
- The change in average mortgage interest rates recorded in the RPI was +0.07 percentage points between September and October 2018. The Bank of England Bank Rate remained unchanged at 0.75% in September 2018.
- A one percentage point change in the average mortgage interest rate contributes approximately 1.0 percentage points to the 1-month percentage change in the RPI.



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