

Consumer Price Inflation

December 2017

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CONTENTS

SUMMARY	2
CPIH SUMMARY	4
CPIH NOTABLE MOVEMENTS	6
ANNUAL AVERAGE CPIH 12-MONTH CHANGES	7
CPIH DETAILED BRIEFING	8
RPI SUMMARY	25
RPI NOTABLE MOVEMENTS	26
ANNUAL AVERAGE RPI 12-MONTH CHANGES	27
RPI DETAILED BRIEFING	28
RECONCILIATION OF CPI AND RPI	36
RPI MISCELLANEOUS DATA	37
OUTLOOK	38

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

SUMMARY

CPIH

The Consumer Prices Index including owner occupiers' housing costs (CPIH) is the most comprehensive measure of inflation. It extends the Consumer Prices Index (CPI) to include a measure of the costs associated with owning, maintaining and living in one's own home, known as owner occupiers' housing costs (OOH), along with council tax. Both of these are significant expenses for many households and are not included in the CPI.

Aside from including owner occupiers' housing costs (OOH) and council tax, CPIH is otherwise identical to CPI. This means that, aside from these two components, the factors contributing to the CPI rate are the same as those contributing to the CPIH. For example, if food is reported as increasing the CPIH rate, it is also acting to increase the CPI rate. The size of the contributions for components other than OOH and council tax are exaggerated in the CPI compared with the CPIH because they account for a larger proportion of the overall index.

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

The main movements for CPIH in December 2017 are:

- The all items CPIH is 105.0, up from 104.7 in November.
- The all items CPIH annual rate is 2.7%, down from 2.8% in November.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 2.5%, down from 2.6% last month.
- The OOH component of CPIH is 104.9, unchanged from last month.
- The OOH component annual rate is 1.3%, down from 1.5% last month.
- The CPIH all goods index is 103.4, unchanged from last month.
- The CPIH all goods index annual rate is 3.4%, up from 3.3% last month.
- The CPIH all services index is 106.1, up from 105.6 in November.
- The CPIH all services index annual rate is 2.2%, down from 2.4% last month.

Consumer Prices Index (CPI)

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

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

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

The main movements for CPI in December 2017 are:

- The all items CPI is 104.9, up from 104.6 in November.
- The all items CPI annual rate is 3.0%, down from 3.1% in November.
- The annual rate for CPI excluding indirect taxes, CPIY, is 2.8%, down from 2.9% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 2.7%, down from 2.9% last month.
- The CPI all goods index is 103.4, up from 103.3 in November.
- The CPI all goods index annual rate is 3.4%, up from 3.3% last month.
- The CPI all services index is 106.6, up from 105.9 in November.
- The CPI all services index annual rate is 2.5%, down from 2.8% last month.

Retail Prices Index (RPI)

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

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

The main movements for RPI in December 2017 are:

- The all items RPI is 278.1, up from 275.8 in November.
- The all items RPI annual rate is 4.1%, up from 3.9% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 4.2%, up from 4.0% last month.
- The all goods RPI is 210.5, up from 209.7 in November.
- The all goods RPI annual rate is 4.5%, up from 4.2% last month.
- The all services RPI is 381.0, up from 376.0 in November.
- The all services RPI annual rate is 3.9%, up from 3.8% last month.

CPIH SUMMARY

CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

CPIH COICOP DIVISIONS	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
01: Food and non-alcoholic beverages	83	81	0.8	0.7	-0.01
02: Alcoholic beverages and tobacco	34	34	-0.5	0.5	0.03
03: Clothing and footwear	58	58	-1.0	-0.9	-
04: Housing, water, electricity, gas and other fuels	294	294	0.2	0.1	-0.04
05: Furniture, household equipment and maintenance	49	49	0.9	1.4	0.03
06: Health	22	21	0.2	0.1	-
07: Transport	122	126	2.8	2.3	-0.06
08: Communication	25	21	-0.5	-1.3	-0.02
09: Recreation and culture	119	121	-	-0.4	-0.05
10: Education	20	17	-	-	-
11: Restaurants and hotels	98	101	0.1	-0.1	-0.02
12: Miscellaneous goods and services	76	77	-0.2	-	0.02

Large downward effects came from:

- Transport**, particularly air fares and to a lesser extent coach and rail fares. As is usually the case in December, air fares rose sharply, with the increase being of a similar magnitude to the previous year. However, because air fares account for a smaller proportion of the basket of goods and services in 2017, the impact of the rise in prices on the contribution of air fares to the headline rate was smaller in 2017 than in 2016. This in turn resulted in air fares making a downward contribution to the change in the rate. These downward contributions were partially offset by prices for motor fuel, which increased between November and December 2017, having fallen a year ago;

- **Recreation and culture**, with prices overall falling between November and December 2017 having been unchanged in the same period a year ago. This fall follows three successive months of relatively large increases in prices when compared with previous years. The largest effects came from prices for games and toys, which fell between November and December 2017 by more than they did a year ago, along with audio-visual products, for which prices fell between November and December 2017, having risen in the same period last year; and
- **Housing and household services**, mainly from owner occupiers' housing costs (OOH), with prices increasing by less between November and December 2017 than they did a year ago. OOH costs have changed little since September 2017, following an increasing trend seen since mid-2010.

A large upward effect came from:

- **Tobacco**, with prices increasing by more this year than they did a year ago. This reflects duty increases announced in the Autumn Budget.

CPIH NOTABLE MOVEMENTS

All items CPIH	Annual rate +2.7%, down from +2.8% last month Also +2.7% in August 2017 Last lower in July 2017 (+2.6%)
All items CPIH exc energy, food, alcohol and tobacco	Annual rate +2.3%, down from +2.5% last month Lowest since March 2017 (+1.9%)
Alcoholic beverages and tobacco	Annual rate +5.5%, up from +4.4% last month Highest since December 2013 (+5.8%)
Housing, water, electricity, gas and other fuels	Annual rate +1.8%, down from +2.0% last month Also +1.8% in November 2016 and September 2016 Last lower in August 2016 (+1.6%)
All goods	Annual rate +3.4%, up from +3.3% last month Highest since March 2012 (+3.6%)
All services	Annual rate +2.2%, down from +2.4% last month Also +2.2% in March 2017, January 2016 and November 2015 Last lower in October 2015 (+2.1%)

ANNUAL AVERAGE CPIH 12-MONTH CHANGES

All items CPIH	Annual average +2.6%, up from +1.0% last year Also +2.6% in 2012 Last higher in 2011 (+3.8%)
Food and non-alcoholic beverages	Annual average +2.3%, up from -2.4% last year Highest since 2013 (+3.7%)
Alcoholic beverages and tobacco	Annual average +4.4%, up from +1.5% last year Highest since 2014 (+4.5%)
Clothing and footwear	Annual average +2.5%, up from +0.2% last year Never higher since official series began in January 2006
Housing, water, electricity, gas and other fuels	Annual average +2.1%, up from +1.6% last year Highest since 2013 (+2.3%)
Furniture, household equipment and routine maintenance	Annual average +2.6%, up from -0.1% last year Highest since 2012 (+2.9%)
Health	Annual average +2.5%, up from +2.2% last year Highest since 2014 (+2.7%)
Transport	Annual average +4.3%, up from +0.5% last year Highest since 2011 (+7.9%)
Communication	Annual average +1.8%, down from +2.7% last year Lowest since 2015 (+1.4%)
Recreation and culture	Annual average +2.0%, up from +0.5% last year Never higher since official series began in January 2006
Education	Annual average +3.8%, down from +4.7% last year Never lower since official series began in January 2006
Restaurants and hotels	Annual average +3.1%, up from +2.4% last year Also +2.4% in 2012 Highest since 2011 (+4.5%)
Miscellaneous goods and services	Annual average +1.4%, up from +1.1% last year Highest since 2012 (+2.2%)
All goods	Annual average +2.7%, up from -1.1% last year Highest since 2011 (+4.6%)
All services	Annual average +2.5%, unchanged from last year Last higher in 2013 (+2.6%) Last lower in 2015 (+2.2%)
CPIH excluding energy, food, alcohol & tobacco	Annual average +2.3%, up from +1.6% last year Highest since 2011 (+2.8%)

CPIH DETAILED BRIEFING

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

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

01 FOOD AND NON-ALCOHOLIC BEVERAGES	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
01 Food & non-alcoholic beverages	83	81	0.8	0.7	-0.01

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

01.1 Food	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
01.1 Food	74	71	0.8	0.6	-0.02
01.1.1 Bread and cereals	12	12	1.3	1.7	0.01
01.1.2 Meat	17	16	0.9	1.3	0.01
01.1.3 Fish	3	3	0.6	0.5	-
01.1.4 Milk, cheese and eggs	10	9	0.5	0.3	-
01.1.5 Oils and fats	2	2	5.1	8.8	0.01
01.1.6 Fruit	7	7	-	0.3	-
01.1.7 Vegetables including potatoes	11	10	0.9	-1.3	-0.02
01.1.8 Sugar, jam, syrups, chocolate and confectionery	10	10	0.1	-1.0	-0.01
01.1.9 Food products not elsewhere covered	2	2	0.7	-1.9	-0.01

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

Bread and cereals

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

Meat

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

Oils and fats

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

Vegetables including potatoes

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from premium potato crisps, where prices overall fell this year by more than a year ago.

Sugar, jam, syrups, chocolate and confectionery

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

Food products not elsewhere covered

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

01.2 Non-alcoholic beverages	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2016	2017	% change	% change	
		Feb-Dec	Dec 2016	Dec 2017	
01.2 Non-alcoholic beverages	9	10	0.7	1.9	0.01
01.2.1 Coffee, tea and cocoa	2	3	-1.4	2.3	0.01
01.2.2 Mineral waters, soft drinks and juices	7	7	1.4	1.7	-

- Small upward effect on the all items 12-month rate change.
- Due to **coffee, tea and cocoa**, where overall prices for smaller packets of tea bags rose this year by more than a year ago.

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
02 Alcoholic beverages and tobacco	34	34	-0.5	0.5	0.03

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

02.1 Alcoholic Beverages	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	15	16	-1.5	-2.1	-0.01
02.1.1 Spirits	4	5	-0.9	-3.0	-0.01
02.1.2 Wine	7	7	-2.1	-1.8	-
02.1.3 Beer	4	4	-1.0	-1.6	-

- Small downward effect on the all items 12-month rate change.
- Due to **spirits**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from whisky.

02.2 Tobacco	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
02.2 Tobacco	19	18	0.2	2.7	0.05

- Large upward effect on the all items 12-month rate change.
- Prices overall rose this year by more than a year ago, mainly due to increases in cigarette prices, reflecting duty increases announced in the Autumn Budget.

03 CLOTHING AND FOOTWEAR	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
03 Clothing and footwear	58	58	-1.0	-0.9	-

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

03.1 Clothing	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
03.1 Clothing	50	49	-0.9	-1.0	-0.01
03.1.2 Garments	44	44	-1.2	-1.1	-
03.1.3 Other clothing and clothing accessories	5	4	1.7	0.1	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	-	0.1	-

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

03.2 Footwear including repairs	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
03.2 Footwear including repairs	8	9	-1.4	-0.7	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from women's sandals.

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
04 Housing, water, electricity, gas and other fuels	294	294	0.2	0.1	-0.04

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

04.1 Actual rentals for housing	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
04.1 Actual rentals for housing	58	56	0.1	-	-

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

4.2 Owner occupiers' housing costs	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
4.2 Owner occupiers' housing costs	171	174	0.2	0.1	-0.02

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

04.3 Regular maintenance and repair of the dwelling	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	1.0	-0.1	-
04.3.1 Materials for maintenance and repair	1	1	2.0	-0.4	-
04.3.2 Services for maintenance and repair	1	1	-	0.1	-

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

04.4 Other services related to the dwelling	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
04.4 Other services related to the dwelling	9	9	-	-	-
04.4.1 Water supply	5	4	-	-	-
04.4.3 Sewerage collection	4	5	-	-	-

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

04.5 Electricity, gas and other fuels	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	28	27	0.4	0.3	-
04.5.1 Electricity	14	13	-	-	-
04.5.2 Gas	12	12	-	-	-
04.5.3 Liquid fuels	1	1	8.6	7.8	-
04.5.4 Solid fuels	1	1	0.6	0.3	-

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

4.9 Council tax and rates	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
4.9 Council tax and rates	26	26	-	-	-

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

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
05 Furniture, household equipment and maintenance	49	49	0.9	1.4	0.03

- Small upward effect on the all items 12-month rate change.
- Due to **furniture, furnishings and carpets; household appliances, fitting and repairs; and goods and services for routine maintenance.**

05.1 Furniture, furnishings and carpets	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
05.1 Furniture, furnishings and carpets	16	18	2.5	2.9	0.01
05.1.1 Furniture and furnishings	13	15	2.6	3.0	0.01
05.1.2 Carpets and other floor coverings	3	3	1.8	2.2	-

- Small upward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from a range of goods. Partially offset by a small downward contribution coming from leather settees.

05.2 Household textiles	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
05.2 Household textiles	6	6	-	-0.4	-

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

05.3 Household appliances, fitting and repairs	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
05.3 Household appliances, fitting and repairs	7	7	1.6	2.3	0.01
05.3.1/2 Major appliances and small electric goods	6	6	1.9	2.6	0.01
05.3.3 Repair of household appliances	1	1	0.3	0.1	-

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

05.4 Glassware, tableware and household utensils	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
05.4 Glassware, tableware and household utensils	5	4	-1.0	-0.6	-

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

05.5 Tools and equipment for house and garden	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
05.5 Tools and equipment for house and garden	4	4	0.8	0.6	-

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

05.6 Goods and services for routine maintenance	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance	11	10	-0.7	0.1	0.01
05.6.1 Non-durable household goods	4	4	-2.1	-0.4	0.01
05.6.2 Domestic services and household services	7	6	0.2	0.4	-

- Small upward effect on the all items 12-month rate change.
- Due to **non-durable household goods**, where prices overall fell this year by less than a year ago, with the main upward contribution coming from household cleaning products.

06 HEALTH	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
06 Health	22	21	0.2	0.1	-

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

06.1 Medical products, appliances and equipment	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
06.1 Medical products, appliances and equipment	10	10	0.3	-	-
06.1.1 Pharmaceutical products	6	6	0.3	0.5	-
06.1.2/3 Other medical and therapeutic equipment	4	4	0.2	-0.7	-

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

06.2 Out-patient services	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
06.2 Out-patient services	5	5	0.1	0.1	-
06.2.1/3 Medical and paramedical services	3	3	0.1	0.1	-
06.2.2 Dental services	2	2	0.1	0.1	-

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

06.3 Hospital services	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
06.3 Hospital Services	7	6	0.1	0.2	-

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

07 TRANSPORT	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
07 Transport	122	126	2.8	2.3	-0.06

- Largest downward effect on the all items 12-month rate change.
- Due to **transport services**.
- Partially offset by **operation of personal transport equipment**.

07.1 Purchase of vehicles	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	35	37	-	0.1	-
07.1.1A New cars	20	21	0.1	0.2	-
07.1.1B Second-hand cars	13	14	-	-0.3	-
07.1.2/3 Motorcycles and bicycles	2	2	-0.5	0.7	-

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

07.2 Operation of personal transport equipment	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
07.2 Operation of personal transport equipment	58	61	-0.1	0.4	0.03
07.2.1 Spare parts and accessories	4	4	0.1	-0.5	-
07.2.2 Fuels and lubricants	25	26	-0.4	0.7	0.03
07.2.3 Maintenance and repairs	18	20	0.2	0.2	-
07.2.4 Other services	11	11	0.1	0.3	-

- Small upward effect on the all items 12-month rate change.
- Due to **fuels and lubricants**.
- The average price of petrol across the month, as recorded for the CPIH, rose by 0.8 pence per litre between November and December 2017 to stand at 119.9 pence per litre.
- Last year, the average price of petrol fell by 0.8 pence per litre between November and December 2016 to stand at 114.6 pence per litre.
- The average price of diesel rose by 0.7 pence per litre between November and December 2017 to stand at 123.5 pence per litre, compared with no change between November and December 2016 to stand at 118.0 pence per litre.

07.3 Transport services	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
07.3 Transport services	29	28	12.1	9.2	-0.09
07.3.1 Passenger transport by railway	10	11	0.9	-0.2	-0.01
07.3.2 Passenger transport by road	10	10	1.8	0.2	-0.02
07.3.3 Passenger transport by air	6	4	48.9	52.8	-0.07
07.3.4 Passenger transport by sea and inland waterway	3	3	8.6	13.8	0.01

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

Passenger transport by railway

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

Passenger transport by road

- Small downward effect.
- Charges overall rose this year by less than a year ago, particularly for coach fares.

Passenger transport by air

- Large downward effect.
- The downward contribution is due to weight changes in 2017. Average fares rose this year by more than a year ago. However, as the weight for passenger transport by air has decreased between 2016 and 2017, this has resulted in a large downward effect on the all items 12-month rate change.

Passenger transport by sea and inland waterway

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

08 COMMUNICATION	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
08 Communication	25	21	-0.5	-1.3	-0.02

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

08.1 Postal services	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	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 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
08.2/3 Telephone equipment and services	24	20	-0.5	-1.4	-0.02

- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year by more than a year ago, particularly for mobile telephone charges.

09 RECREATION AND CULTURE	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
09 Recreation and culture	119	121	-	-0.4	-0.05

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

09.1 Audio-visual equipment and related products	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	16	15	0.6	-0.6	-0.02
09.1.1 Equipment for the reception and reproduction of sound and pictures	4	3	0.7	-2.9	-0.01
09.1.2 Photographic, cinematographic and optical equipment	2	2	-0.6	-2.3	-
09.1.3 Data processing equipment	6	5	-2.5	-1.1	0.01
09.1.4 Recording media	3	4	7.4	2.2	-0.01
09.1.5 Repair of audio-visual equipment and related products	1	1	-	-	-

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

Equipment for the reception and reproduction of sound and pictures

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

Data processing equipment

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from computer software.
- Partially offset by a small downward contribution from laptop computers, where prices overall fell this year by more than 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 purchased via the internet.
- 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 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
09.2.1/2 Major durables for in/outdoor recreation	9	13	0.1	-	-

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

09.3 Other recreational items, gardens and pets	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	27	30	-0.4	-1.6	-0.04
09.3.1 Games, toys and hobbies	16	16	-1.0	-2.7	-0.03
09.3.2 Equipment for sport and open-air recreation	2	3	-0.6	-0.9	-
09.3.3 Gardens, plants and flowers	3	4	0.7	1.4	-
09.3.4/5 Pets, related products and services	6	7	0.6	-1.0	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to **games, toys and hobbies**; and **pets, related products and services**.

Games, toys and hobbies

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from computer game downloads, computer game consoles, computer games purchased via the internet and pre-school activity toys.
- Partially offset by small upward contributions coming from shop bought computer games and board games, where prices fell this year by less than a year ago.

Pets, related products and services

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from dry dog food.

09.4 Recreational and cultural services	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
09.4 Recreational and cultural services	27	26	-0.1	0.3	0.01
09.4.1 Recreational and sporting services	8	8	0.1	0.2	-
09.4.2 Cultural services	19	18	-0.2	0.4	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **cultural services**, where charges overall rose this year but fell a year ago, particularly for theatre admissions.

09.5 Books, newspapers and stationery	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	11	9	-0.4	-0.6	-
09.5.1 Books	3	3	0.2	-1.9	-0.01
09.5.2 Newspapers and periodicals	4	3	-1.9	-0.1	0.01
09.5.3/4 Misc. printed matter, stationery, drawing materials	4	3	0.7	0.4	-

- Negligible overall effect on the all items 12-month rate change.
- There was a small downward contribution coming from **books**, where prices overall fell this year but rose a year ago.
- Offset by a small upward contribution coming from **newspapers and periodicals**, where prices overall fell this year by less than a year ago, particularly for periodicals.

09.6 Package holidays	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
09.6 Package holidays	29	28	0.1	0.3	-

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

10 EDUCATION	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
10 Education	20	17	-	-	-

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

11 RESTAURANTS AND HOTELS	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
11 Restaurants and hotels	98	101	0.1	-0.1	-0.02

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

11.1 Catering services	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
11.1 Catering services	81	77	0.2	0.2	-
11.1.1 Restaurants and cafes	74	70	0.2	0.2	-
11.1.2 Canteens	7	7	-	-	-

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

11.2 Accommodation services	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
11.2 Accommodation services	17	24	-0.6	-1.2	-0.02

- Small downward effect on the all items 12-month rate change.
- Average prices for overnight hotel accommodation fell this year by more than a year ago.

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
12 Misc. goods and services	76	77	-0.2	-	0.02

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

12.1 Personal care	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
12.1 Personal care	25	25	-0.6	-0.4	-
12.1.1 Hairdressing and personal grooming establishments	6	6	0.1	0.3	-
12.1.2/3 Appliances and products for personal care	19	19	-0.8	-0.7	-

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

12.3 Personal effects not elsewhere covered	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	12	11	-1.1	-0.1	0.01
12.3.1 Jewellery, clocks and watches	7	7	-	0.6	-
12.3.2 Other personal effects	5	4	-2.7	-1.4	0.01

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

12.4 Social protection	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
12.4 Social protection	13	13	0.4	0.4	-

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

12.5 Insurance	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
12.5 Insurance	7	7	0.8	-0.5	-0.01
12.5.2 House contents insurance	2	2	1.2	2.2	-
12.5.3 Health insurance	2	2	-	-	-
12.5.4 Transport insurance	3	3	1.1	-2.4	-0.01

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

12.6 Financial services not elsewhere covered	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
12.6 Financial services not elsewhere covered	9	11	-0.3	0.6	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year but fell a year ago, with the main upward contribution coming from mortgage arrangement fees.

12.7 Other services not elsewhere covered	Weight 2016	Weight 2017 Feb-Dec	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to CPIH annual rate change
12.7 Other services not elsewhere covered	10	10	0.1	0.3	-

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

RPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
FOOD	102	102	0.6	0.6	-
CATERING	47	48	0.2	0.3	-
ALCOHOLIC DRINKS	57	57	-0.4	-0.6	-0.01
TOBACCO	25	24	0.1	2.7	0.06
HOUSING	266	266	0.1	0.4	0.09
FUEL AND LIGHT	41	38	0.5	0.3	-0.01
HOUSEHOLD GOODS	62	65	1.7	1.6	-
HOUSEHOLD SERVICES	67	64	-	-0.4	-0.02
CLOTHING AND FOOTWEAR	41	41	-1.0	-0.7	0.01
PERSONAL GOODS AND SERVICES	42	38	-0.1	-0.1	-
MOTORING EXPENDITURE	117	123	-0.2	-0.1	-
FARES AND OTHER TRAVEL COSTS	26	26	17.7	22.0	0.14
LEISURE GOODS	29	29	-0.3	-0.9	-0.02
LEISURE SERVICES	78	79	0.1	0.2	0.01

RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +4.1%, up from +3.9% last month Highest since December 2011 (+4.8%)
All items RPI exc MIPS (RPIX)	Annual rate +4.2%, up from +4.0% last month Also +4.2% in October 2017 Last higher in December 2011 (+5.0%)
Tobacco	Annual rate +8.0%, up from +5.3% last month Highest since October 2014 (+8.5%)
Housing	Annual rate +2.7%, up from +2.4% last month Highest since October 2016 (+2.8%)
Household services	Annual rate +1.9%, down from +2.3% last month Also +1.9% in June 2009 and March 2009 Last lower in January 2009 (+1.5%)
Fares and other travel	Annual rate +7.6%, up from +3.8% last month Highest since March 2016 (+8.7%)
Leisure services	Annual rate +4.1%, up from +4.0% last month Highest since May 2013 (+4.2%)
All goods	Annual rate +4.5%, up from +4.2% last month Also +4.5% in October 2017 and September 2017 Last higher in December 2011 (+5.4%)
All services	Annual rate +3.9%, up from +3.8% last month Highest since August 2017 (+4.0%)

ANNUAL AVERAGE RPI 12-MONTH CHANGES

All items RPI	Annual average +3.6%, up from +1.8% last year Highest since 2011 (+5.2%)
All items RPI exc. MIPS (RPIX)	Annual average +3.8%, up from +1.9% last year Highest since 2011 (+5.3%)
Food	Annual average +2.3%, up from -2.2% last year Highest since 2013 (3.7%)
Catering	Annual average +2.8%, up from +2.1% last year Highest since 2012 (+3.1%)
Alcoholic drink	Annual average +2.8%, up from +0.6% last year Highest since 2013 (+3.0%)
Tobacco	Annual average +5.9%, up from +4.9% last year Highest since 2014 (+7.6%)
Housing	Annual average +2.3%, down from +3.0% last year Lowest since 2013 (+2.1%)
Fuel and light	Annual average +4.3%, up from -2.9% last year Highest since 2013 (+7.0%)
Household goods	Annual average +4.5%, up from +1.1% last year Highest since 2011 (+5.8%)
Household services	Annual average +2.6%, down from +3.3% last year Lowest since 2009 (+2.5%)
Clothing and footwear	Annual average +9.1%, up from +6.3% last year Highest since 2011 (+11.5%)
Motoring expenditure	Annual average +6.5%, up from +1.4% last year Highest since 2011 (+8.8%)
Leisure goods	Annual average +4.2%, up from 0.0% last year Highest since 1991 (+4.7%)
Leisure services	Annual average +3.1%, up from +2.3% last year Highest since 2013 (+3.4%)

RPI DETAILED BRIEFING

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

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

FOOD	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
FOOD	102	102	0.6	0.6	-

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

Seasonal Food	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	0.6	0.4	-
Home killed lamb	1	1	2.9	-1.1	-
Fresh fish	2	2	1.2	-2.5	-0.01
Eggs	1	1	0.7	0.2	-
Unprocessed potatoes	1	1	0.4	-	-
Other fresh vegetables	6	6	1.8	0.7	-0.01
Fresh fruit	7	7	-0.7	1.2	0.01

- Negligible overall effect on the all items 12-month rate change.
- There are small downward contributions coming from **fresh fish**, where prices fell this year but rose a year ago and **fresh vegetables**, where prices overall rose this year by less than a year ago.
- Offset by a small upward contribution coming from **fresh fruit**, where prices overall rose this year but fell a year ago, particularly for strawberries.

Non-Seasonal Food	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
NON-SEASONAL FOOD	84	84	0.6	0.6	-
Bread	4	4	-0.2	1.1	0.01
Cereals	4	3	-0.4	1.9	0.01
Biscuits and cakes	6	6	2.6	0.5	-0.01
Beef	4	4	-1.4	-0.7	-
Imported lamb	1	1	-1.2	0.8	-
Pork	1	1	-3.2	1.6	-
Bacon	1	1	0.9	0.8	-
Poultry	4	3	0.6	0.4	-
Other meat	6	6	1.7	1.5	-
Processed fish	2	2	-2.3	2.9	0.01
Butter	1	1	3.2	-0.1	-
Oils and fats	1	1	7.5	12.5	-
Cheese	3	3	0.3	-0.9	-
Milk, fresh	3	3	0.6	2.2	-
Milk products	4	4	0.7	-0.4	-
Tea	1	1	-1.7	5.7	0.01
Soft drinks	9	8	1.3	1.8	-
Sugar and preserves	1	1	0.3	-3.5	-
Sweets and chocolates	11	11	0.6	-	-0.01
Potato products	2	3	-0.1	-2.5	-0.01
Processed vegetables	2	2	2.9	-0.8	-0.01
Processed fruit	1	2	-0.1	-3.0	-0.01
Other foods	10	11	0.4	0.4	-
Coffee and other hot drinks	2	2	-1.1	0.2	-

- Negligible overall effect on the all items 12-month rate change.
- There are upward contributions coming from **bread**, **cereals**, **processed fish**, and **tea**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from canned tuna, smaller packets of teabags and garlic bread.
- Offset by downward contributions coming from:
 - **Biscuits and cakes**, where prices overall rose this year by less than a year ago;
 - **Sweets and chocolates**, where prices overall were little changed this year but rose a year ago, with the main downward contributions coming from bags of chocolate sweets and large chocolate bars;
 - **Potato products** and **processed fruit**, where prices overall fell this year by more than a year ago, particularly for potato crisps and packets of peanuts; and
 - **Processed vegetables**, where prices fell this year but rose a year ago, particularly for canned tomatoes.

CATERING	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
CATERING	47	48	0.2	0.3	-
Restaurant meals	28	29	0.3	0.2	-
Canteen meals	3	3	0.1	-	-
Take-away meals and snacks	16	16	0.3	0.3	-

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

ALCOHOLIC DRINKS	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	57	57	-0.4	-0.6	-0.01
Beer on sales	19	19	0.1	0.3	-
Beer off sales	5	5	-1.6	-1.2	-
Wines and spirits on sales	19	19	0.1	-	-
Wines and spirits off sales	14	14	-1.5	-2.5	-0.02

- 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 contribution coming from whisky.

TOBACCO	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
TOBACCO	25	24	0.1	2.7	0.06
Cigarettes	21	20	0.1	2.7	0.05
Other tobacco products	4	4	0.3	2.6	0.01

- Large upward effect on the all items 12-month rate change.
- Due to **cigarettes** and, to a lesser extent, **other tobacco products**, where prices overall rose this year by more than a year ago, particularly for some brands of cigarettes and hand rolling tobacco, reflecting duty increases announced in the Autumn Budget.

HOUSING	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
HOUSING	266	266	0.1	0.4	0.09
Rent	83	84	0.1	0.1	-0.01
Mortgage interest payments	28	25	-0.4	4.0	0.11
Council tax and rates	40	39	-	-	-
Water and other charges	13	13	-	-	-
Repairs and maintenance charges	9	9	-	0.1	-
DIY materials	7	6	2.1	-0.2	-0.01
Dwelling insurance and ground rent	6	6	-0.2	2.3	0.02
House depreciation	80	84	0.2	-	-0.02

- Large upward effect on the all items 12-month rate change.
- Due to **mortgage interest payments** and, to a lesser extent **dwelling insurance and ground rent**, where average charges rose this year but fell a year ago, particularly for dwelling insurance.
- Partially offset by:
 - **House depreciation**, with the smoothed house price index used to calculate this component little changed this year but rising a year ago;
 - **Rent**, where charges overall rose this year by marginally less than a year ago, particularly for private rented property; and
 - **DIY materials**, where prices overall fell this year but rose a year ago, with the main downward contribution coming from wallpaper.

FUEL AND LIGHT	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
FUEL AND LIGHT	41	38	0.5	0.3	-0.01
Coal and solid fuels	1	1	0.6	0.3	-
Electricity	20	19	-	-	-
Gas	18	16	-	-	-
Oil and other fuels	2	2	7.7	6.3	-0.01

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

HOUSEHOLD GOODS	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
HOUSEHOLD GOODS	62	65	1.7	1.6	-
Furniture	25	26	3.4	3.5	0.01
Furnishings	8	10	1.3	1.5	-
Electrical appliances	7	6	1.4	2.0	-
Other household equipment	4	4	-0.2	-0.2	-
Household consumables	11	11	-0.8	-0.3	0.01
Pet care	7	8	1.4	-1.7	-0.02

- Negligible overall effect on the all items 12-month rate change.
- There were small upward contributions coming from:
 - **Furniture**, where prices overall rose this year by more than a year ago, particularly for kitchen furniture and bookcases. Partially offset by a small downward contribution from leather settees; and
 - **Household consumables**, where prices overall fell this year by less than a year ago, with the main upward contribution coming from household cleaners.
- Offset by **pet care**, where prices overall fell this year but rose a year ago, with the main downward contributions coming from dry dog food and the sale of small mammals.

HOUSEHOLD SERVICES	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	67	64	-	-0.4	-0.02
Domestic services	14	15	0.3	0.3	-
Fees and subscriptions	27	22	0.1	0.6	0.01
Postage	1	1	-	-	-
Telephone charges	25	26	-0.4	-1.5	-0.03

- Small downward effect on the all items 12-month rate change.
- Due to **telephone charges**, where average charges fell this year by more than a year ago, particularly for mobile telephone charges.
- Partially offset by **fees and subscriptions**, where average charges rose this year by more than a year ago.

CLOTHING AND FOOTWEAR	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	41	41	-1.0	-0.7	0.01
Men's outerwear	9	8	-0.2	0.3	-
Women's outerwear	15	15	-1.9	-2.3	-0.01
Children's outerwear	4	5	-	0.8	-
Other clothing	5	5	0.2	0.4	-
Footwear	8	8	-1.3	-0.3	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **footwear**, where prices overall fell this year by less than a year ago.
- Partially offset by **women's outerwear**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from skirts and strappy tops. Partially offset by a small upward contribution coming from cardigans and casual outer jackets.

PERSONAL GOODS AND SERVICES	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	42	38	-0.1	-0.1	-
Personal articles	12	9	-0.2	-0.2	-
Chemists' goods	15	15	-0.2	-0.4	-
Personal services	15	14	0.1	0.2	-

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

MOTORING EXPENDITURE	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
MOTORING EXPENDITURE	117	123	-0.2	-0.1	-
Purchase of motor vehicles	45	46	-	-0.1	-
Maintenance of motor vehicles	16	16	0.2	-	-
Petrol and oil	33	37	-1.7	0.8	0.09
Vehicle tax and insurance	23	24	1.5	-1.5	-0.08

- Negligible overall effect on the all items 12-month rate change.
- There is a large upward contribution coming from **petrol and oil**, where prices overall rose this year but fell a year ago. The price of petrol, as recorded for the RPI, rose by 1.0 pence per litre between November and December 2017, to stand at 119.9 pence per litre, compared with a fall of 2.3 pence per litre last year to stand at 114.2 pence per litre. Diesel

prices rose by 1.0 pence per litre, to stand at 123.7 pence per litre in December 2017, compared with a fall of 1.4 pence per litre last year to stand at 117.5 pence per litre.

- Offset by **vehicle tax and insurance**, where average premiums for car insurance fell this year but rose a year ago.

FARES AND OTHER TRAVEL COSTS	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	26	26	17.7	22.0	0.14
Rail fares	7	6	0.7	-0.2	-0.01
Bus and coach fares	3	3	3.2	0.1	-0.01
Other travel costs	16	17	27.7	33.5	0.15

- Largest upward effect on the all items 12-month rate change.
- Due to **other travel costs**, where average air fares rose this year by more than a year ago.
- Partially offset by:
 - **Rail fares**, where charges for international rail journeys fell this year but rose a year ago; and
 - **Bus and coach fares**, where coach fares rose this year by less than a year ago.

LEISURE GOODS	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
LEISURE GOODS	29	29	-0.3	-0.9	-0.02
Audio-visual equipment	7	6	-1.4	-2.8	-0.01
CDs and tapes	2	2	5.7	3.9	-
Toys, photographic and sports goods	9	9	-0.3	-1.3	-0.01
Books and newspapers	6	6	-1.3	-1.9	-
Gardening products	5	6	0.6	1.3	0.01

- Largest downward effect on the all items 12-month rate change.
- Due to **audio-visual equipment**; and **toys, photographic and sports goods**; where prices overall fell this year by more than a year ago, particularly for laptop computers and larger television sets.
- Partially offset by **gardening products**, where prices overall rose this year by more than a year ago.

LEISURE SERVICES	Weight 2016	Weight 2017	1 month % change Dec 2016	1 month % change Dec 2017	Contribution to RPI annual rate change
LEISURE SERVICES	78	79	0.1	0.2	0.01
TV licence and rentals	12	12	-	-	-
Entertainment and other recreation	16	16	-0.1	0.4	0.01
Foreign holidays	40	40	0.2	0.4	0.01
UK holidays	10	11	-	-0.7	-0.01

- Small 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, particularly for theatre admission; and
 - **Foreign holidays**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from late booked and self-catering foreign holidays. Partially offset by a small downward contribution coming from foreign holiday city breaks, where prices fell this year but rose a year ago.
- Partially offset by **UK holidays**, where prices overall fell this year but were little changed a year ago, with the main downward contribution coming from hotel overnight stays.

RECONCILIATION OF CPI AND RPI

(Table 5 of the Consumer Price Inflation Dataset)

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

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

The difference between the CPI and RPI unrounded annual rates in December 2017 was -1.14 percentage points, widening from -0.79 percentage points in November 2017.

The main factors contributing to the widening were:

- **Mortgage interest payments**, which increased the RPI 12-month rate by 0.11 percentage points between November and December 2017 but are excluded from the CPI.
- **Other differences including weights**, which increased the RPI 12-month rate relative to the CPI 12-month rate by 0.25 percentage points between November and December 2017. The effect came mainly from air fares; fuels and lubricants; and games, toys and hobbies and equipment for sport and open-air recreation. This was partially offset by insurance and sea fares.

RPI MISCELLANEOUS DATA

Selected Average Prices

Description		October 2017	November 2017	December 2017
Petrol per litre	Diesel	£1.21	£1.23	£1.24
	Petrol	£1.17	£1.19	£1.20
Alcohol pub prices	Draught bitter (pint)	£3.08	£3.07	£3.08
	Draught lager (pint)	£3.61	£3.62	£3.63
	Whisky (per nip)	£2.82	£2.83	£2.83
Cigarettes	Per 20 king size	£9.62	£9.64	£9.90

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
December 2016	+0.6	Down -0.02% points	-0.02% points
January 2017	-0.6	Down -0.01% points	-0.01% points
February 2017	+1.1	Down -0.01% points	-0.01% points
March 2017	+0.3	Down -0.01% points	-0.01% points
April 2017	+0.5	Down -0.02% points	-0.02% points
May 2017	+0.4	Negligible	-
June 2017	+0.2	Down -0.02% points	-0.02% points
July 2017	+0.2	Down -0.01% points	-0.01% points
August 2017	+0.7	Down -0.01% points	-0.01% points
September 2017	+0.1	Down -0.01% points	-0.01% points
October 2017	+0.1	Down -0.02% points	-0.02% points
November 2017	+0.2	Up +0.01% points	+0.01% points
December 2017	+0.8	Up +0.09% points	+0.08% points

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

OUTLOOK

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

FOOD

Seasonal Food

- Seasonal food prices tend to fall in January.

Monthly % change for CPIH seasonal food index			
Year	November	December	January
2011/12	1.7	3.3	-1.5
2012/13	2.3	2.8	0.2
2013/14	-0.2	0.9	0.1
2014/15	0.6	0.6	-1.1
2015/16	0.8	-0.6	-1.1
2016/17	1.2	0.5	-0.8
2017/18	1.0	-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 January.

Monthly % change for CPIH clothing and footwear index			
Year	November	December	January
2011/12	1.1	-2.8	-4.8
2012/13	0.6	-1.4	-5.4
2013/14	0.7	-0.9	-5.4
2014/15	0.7	-1.1	-3.7
2015/16	-0.1	-1.3	-3.1
2016/17	1.4	-1.0	-4.2
2017/18	1.2	-0.9	

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

FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

- Prices tend to fall in January.

Monthly % change for CPIH furniture, household equipment and maintenance index			
Year	November	December	January
2011/12	1.0	1.0	-2.3
2012/13	-0.1	1.2	-2.3
2013/14	-0.1	1.7	-3.1
2014/15	0.1	1.6	-2.5
2015/16	-0.2	1.1	-2.3
2016/17	0.5	0.9	-2.5
2017/18	0.3	1.4	

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

TRANSPORT

Fuels and Lubricants

- The price of oil has hit \$70 a barrel for the first time since December 2014. Brent crude climbed after member of Opec, the cartel of 14 oil-producing nations that accounts for 40% of the world's output, said it would continue to limit supplies. (bbc.co.uk 11 January 2018)
- When considering the price of petrol between December 2017 and January 2018, it may be useful to note that the average price of petrol rose by 4.0 pence per litre between December 2016 and January 2017, standing at 118.6 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 January.

Monthly % change for CPIH air fares index			
Year	November	December	January
2011/12	-7.5	40.9	-28.4
2012/13	-8.3	21.9	-20.5
2013/14	-8.1	19.8	-18.5
2014/15	-12.3	19.3	-17.1
2015/16	-13.0	46.0	-35.8
2016/17	-13.4	48.9	-36.0
2017/18	-10.4	52.8	

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

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

- The Bank of England Bank Rate remained unchanged at 0.5% on Thursday 14 December 2017. The next announcement and minutes from the Bank of England's Monetary Policy Committee are scheduled to be published on 8 February 2018.
- The change in average mortgage interest rates recorded in the RPI was -0.01 percentage points between December 2016 and January 2017. The Bank of England Bank Rate remained unchanged at 0.25% in December 2016.
- A one percentage point change in the average mortgage interest rate contributes approximately 0.9 percentage points to the 1-month percentage change in the RPI.

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Media contact:

Tel: Luke Croydon +44 (0) 845 6041858

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

Email: media.relations@ons.gsi.gov.uk**Statistical contact:**

Tel: James Tucker +44 (0) 1633 456589

Email: cpi@ons.gsi.gov.uk**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