

# **Statistical Bulletin**

# **BRIEFING NOTE**

# Consumer Price Inflation January 2020

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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.

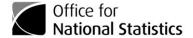
The <u>National Statistics</u> status of the CPIH was reinstated on 31 July 2017. <u>A letter from the Director General for Regulation to the National Statistician detailed the actions that were taken to meet the requirements as set out in the CPIH assessment report.</u>

The main movements for CPIH in January 2020 are:

- The all items CPIH is 108.3, down from 108.5 in December.
- The all items CPIH annual rate is 1.8%, up from 1.4% in December.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 1.7%, up from 1.3% last month.
- The OOH component of CPIH is 107.6, up from 107.5 in December.
- The OOH component annual rate is 1.3%, up from 1.2% last month.
- The CPIH all goods index is 105.4, down from 105.8 in December.
- The CPIH all goods index annual rate is 1.3%, up from 0.6% last month.
- The CPIH all services index is 110.4, down from 110.5 in December.
- The CPIH all services index annual rate is 2.1%, up from 1.9% 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 January 2020 are:

- The all items CPI is 108.2, down from 108.5 in December.
- The all items CPI annual rate is 1.8%, up from 1.3% in December.
- The annual rate for CPI excluding indirect taxes, CPIY, is 1.8%, up from 1.3% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 1.7%, up from 1.3% last month.
- The CPI all goods index is 105.4, down from 105.9 in December.
- The CPI all goods index annual rate is 1.3%, up from 0.6% last month.
- The CPI all services index is 111.3, down from 111.5 in December.
- The CPI all services index annual rate is 2.3%, up from 2.1% 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 January 2020 are:

- The all items RPI is 290.6, down from 291.9 in December.
- The all items RPI annual rate is 2.7%, up from 2.2% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 2.8%, up from 2.2% last month.
- The all goods RPI is 218.3, down from 219.4 in December.
- The all goods RPI annual rate is 2.0%, up from 1.7% last month.
- The all services RPI is 400.6, down from 402.5 in December.
- The all services RPI annual rate is 3.6%, up from 2.7% last month.



# **CPIH SUMMARY**

### CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

	Weight	Weight	1 month	1 month	Contribution
CPIH COICOP DIVISIONS	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
01: Food and non-alcoholic beverages	80	79	0.1	-0.1	-0.02
02: Alcoholic beverages and tobacco	32	31	2.4	2.3	-
03: Clothing and footwear	57	52	-4.3	-3.3	0.07
04: Housing, water, electricity, gas and other fuels	298	295	-0.5	0.1	0.19
05: Furniture, household equipment and maintenance	52	51	-2.1	-3.1	-0.05
06: Health	22	21	0.6	0.6	-
07: Transport	124	121	-1.3	-0.1	0.14
08: Communication	20	17	0.3	0.2	-
09: Recreation and culture	125	136	-0.1	-0.1	0.01
10: Education	18	24	-	-	-
11: Restaurants and hotels	98	96	-0.6	-0.1	0.05
12: Miscellaneous goods and services	74	77	0.1	0.4	0.02

### Large upward effects came from:

- Housing and household services, where gas and electricity prices were unchanged in January 2020 but fell a year ago. In January 2019, the fall in prices partially reflected the response from energy providers to the Office of Gas and Electricity Markets' (Ofgem's) initial energy price cap, which came into effect from 1 January 2019;
- Transport, where the main upward contributions came from fuels and lubricants, and airfares. Prices at the pump rose between December 2019 and January 2020 but fell between December 2018 and January 2019. Petrol prices increased by 2.3 pence per litre, between December 2019 and January 2020, to stand at 126.9 pence per litre and diesel



prices increased by 2.6 pence per litre, to stand at 132.5 pence per litre. In comparison, between December 2019 and January 2019, petrol and diesel prices fell by 2.1 and 2.4 pence per litre to stand at 119.6 and 129.5 pence per litre, respectively. There was also a large upward contribution from airfares where prices fell between December 2019 and January 2020 by 17.9%, compared with a fall of 25.5% a year earlier. There were further small upward contributions from vehicle maintenance and repairs, and other services. These upward contributions were partially offset by small downward contributions from rail and sea fares, and the purchase of vehicles;

- Clothing and footwear, where the large upward contribution to change in the CPIH 12-month inflation rate (of 0.07 percentage points) was mainly due to women's clothing. Prices for clothing overall fell by 3.3% between December 2019 and January 2020, compared with a fall of 4.6% between December 2018 and January 2019. There was no evidence to suggest a reduction in the proportion of items being recorded on sale compared with January 2019, despite evidence of increased discounting reported in December 2019; and
- Restaurants and hotels, where, overall, prices for overnight hotel accommodation fell by 3.9% between December 2019 and January 2020, compared with a fall of 9.1% between December 2018 and January 2019.

### Small upward effect came from:

Miscellaneous goods and services, where overall prices rose between December 2019
and January 2020 by more than a year ago. The main upward contributions came from
personal effects not elsewhere covered; personal care; and other services not elsewhere
covered. Partially offset by a small downward contribution from financial services not
elsewhere covered.

## Large downward effect came from:

Furniture, household equipment and maintenance, where prices overall fell by 3.1% between December 2019 and January 2020, compared with a fall of 2.1% between December 2018 and January 2019. The main downward movement came from furniture and furnishings, in particular, from settees and double beds.



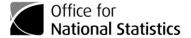
# Small downward effect came from:

• Food and non-alcoholic beverages, where prices overall fell by 0.1% between December 2019 and January 2020, compared with a rise of 0.1% a year earlier. There were downward contributions from margarine or low-fat spread; fish; fruit; and fruit squash. These were partially offset by upward contributions from bread and cereals; and sugar, jam, syrups, chocolate and confectionery.



# **CPIH NOTABLE MOVEMENTS**

All items CPIH	Annual rate +1.8%, up from +1.4% last month Highest since July 2019 (+2.0%)
All items CPIH excl. energy, food, alcohol and tobacco	Annual rate +1.6%, up from +1.4% last month Highest since November 2019 (+1.7%)
Miscellaneous goods and services	Annual rate +2.4%, up from +2.1% last month Highest since April 2012 (+2.7%)
All goods	Annual rate +1.3%, up from +0.6% last month Highest since July 2019 (+1.7%)
All services	Annual rate +2.1%, up from +1.9% last month Highest since November 2019 (+2.2%)
Fuels and lubricants	Annual rate +4.7%, up from +1.0% last month Highest since November 2018 (+8.9%)



# **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
	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
01 Food & non-alcoholic beverages	80	79	0.1	-0.1	-0.02

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

	Weight	Weight	1 month	1 month	Contribution
01.1 Food	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
01.1 Food	71	71	-	-0.2	-0.01
01.1.1 Bread and cereals	12	13	-3.1	-1.4	0.02
01.1.2 Meat	15	14	0.3	0.4	-
01.1.3 Fish	3	3	0.6	-1.1	-0.01
01.1.4 Milk, cheese and eggs	9	8	-1.1	-1.7	-
01.1.5 Oils and fats	2	2	2.5	-8.9	-0.02
01.1.6 Fruit	8	9	1.0	-	-0.01
01.1.7 Vegetables including potatoes	10	11	0.5	•	-
01.1.8 Sugar, jam, syrups, chocolate and confectionery	10	9	2.4	3.4	0.01
01.1.9 Food products not elsewhere covered	2	2	-0.2	0.3	-

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



### **Bread and cereals**

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from dried potted snacks.
- Partially offset by a small downward contribution coming from cereal bars, where prices overall fell this year but were little changed a year ago.

#### **Fish**

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from frozen fish fingers.

#### Oils and fats

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

### **Fruit**

- Small downward effect.
- Prices overall remained unchanged this year but rose a year ago, with the main downward contribution coming from strawberries.

# Sugar, jam, syrups, chocolate and confectionery

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

01.2 Non-alcoholic beverages	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
01.2 Non-alcoholic beverages	9	8	1.0	0.4	-0.01
01.2.1 Coffee, tea and cocoa	2	2	0.7	1.5	-
01.2.2 Mineral waters, soft drinks and juices	7	6	1.1	-	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **mineral waters**, **soft drinks and juices**, with the main downward contribution coming from fruit squash, where prices overall fell this year but rose a year ago.



02 ALCOHOLIC	Weight	Weight	1 month	1 month	Contribution
BEVERAGES AND TOBACCO	2019	2020	% change	% change	to CPIH annual
ТОВАССС	Jan	Jan	Jan 2019	Jan 2020	rate change
02 Alcoholic beverages and tobacco	32	31	2.4	2.3	-

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

02.1 Alcoholic Beverages	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	15	15	4.8	4.8	-
02.1.1 Spirits	4	4	5.9	7.3	0.01
02.1.2 Wine	7	7	3.1	3.3	-
02.1.3 Beer	4	4	6.6	5.0	-0.01

- Negligible overall effect on the all items 12-month rate change.
- Due to **spirits**, where prices overall rose this year by more than a year ago.
- Offset by beer, where prices overall rose this year by less than a year ago, with the main downward contribution coming from packs of bottled lager.

02.2 Tobacco	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
02.2 Tobacco	17	16	0.2	-	-

03 CLOTHING AND FOOTWEAR	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
03 Clothing and footwear	57	52	-4.3	-3.3	0.07

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



03.1 Clothing	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
03.1 Clothing	48	44	-4.6	-3.3	0.07
03.1.2 Garments	43	39	-4.9	-3.5	0.07
03.1.3 Other clothing and clothing					
accessories	4	4	-2.6	-2.4	-
03.1.4 Cleaning, repair and hire of clothing	1	1	0.6	0.6	-

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

### **Garments**

- Large upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contributions coming from women's formal trousers, casual outer jacket, nightdresses/pyjamas, and dresses; and child's trousers.
- Partially offset by women's long sleeve tops, where prices overall fell this year by more than a year ago.

03.2 Footwear including repairs	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
03.2 Footwear including repairs	9	8	-2.8	-3.0	-

04 HOUSING, WATER,	Weight	Weight	1 month	1 month	Contribution
ELECTRICITY, GAS AND	2019	2020	% change	% change	to CPIH annual
OTHER FUELS	Jan	Jan	Jan 2019	Jan 2020	rate change
04 Housing, water, electricity, gas and					
other fuels	298	295	-0.5	0.1	0.19

- Largest upward effect on the all items 12-month rate change.
- Due to electricity, gas and other fuels and, to a lesser extent, owner occupiers' housing costs.



04.1 Actual rentals for housing	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
04.1 Actual rentals for housing	69	68	-	-	-

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

04.2 Owner occupiers'	Weight	Weight	1 month	1 month	Contribution
housing costs	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
04.2 Owner occupiers' housing costs	164	162	-	0.1	0.02

- Small upward effect on the all items 12-month rate change.
- Charges rose this year but were little changed a year ago, with the main upward contribution coming from costs in England.

04.3 Regular maintenance and repair of the dwelling	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of the dwelling	3	2	-0.6	-	-
04.3.1 Materials for maintenance and repair	1	1	-1.9	-0.1	-
04.3.2 Services for maintenance and repair	2	1	0.1	0.1	-

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

04.4 Other services related to the dwelling	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
04.4 Other services related to the dwelling	9	6		-	-
04.4.1 Water supply	4	4	-	-	-
04.4.3 Sewerage collection	5	5	-	-	-



04.5 Electricity, gas and other fuels	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	27	27	-6.1	0.1	0.17
04.5.1 Electricity	14	15	-4.9	-	0.07
04.5.2 Gas	11	10	-8.5	-	0.09
04.5.3 Liquid fuels	1	1	-3.5	3.4	0.01
04.5.4 Solid fuels	1	1	-	-0.9	-

- Large upward effect on the all items 12-month rate change.
- Due to gas and electricity and, to a lesser extent, liquid fuels.

# **Electricity**

- Large upward effect.
- Charges overall were unchanged this year but fell a year ago, partially reflecting the response from energy providers to Ofgem's initial energy price cap which came into effect from 1 January 2019.

#### Gas

- Large upward effect.
- Charges overall were unchanged this year but fell a year ago, partially reflecting the response from energy providers to Ofgem's initial energy price cap which came into effect from 1 January 2019.

# **Liquid fuels**

- Small upward effect.
- Average kerosene prices rose this year but fell a year ago.

04.9 Council Tax and rates	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
04.9 Council Tax and rates	26	27	-	-	-



05 FURNITURE,	Weight	Weight	1 month	1 month	Contribution
HOUSEHOLD EQUIPMENT	2019	2020	% change	% change	to CPIH annual
AND MAINTENANCE	Jan	Jan	Jan 2019	Jan 2020	rate change
05 Furniture, household equipment and					
maintenance	52	51	-2.1	-3.1	-0.05

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

05.1 Furniture, furnishings and carpets	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
05.1 Furniture, furnishings and carpets	21	17	-2.9	-5.4	-0.03
05.1.1 Furniture and furnishings	15	14	-4.2	-6.4	-0.03
05.1.2 Carpets and other floor coverings	6	3	0.2	-0.4	-

- Small downward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from settees and double beds.

	Weight	Weight	1 month	1 month	Contribution
05.2 Household textiles	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
05.2 Household textiles	5	7	-5.0	-4.3	-0.01

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



05.3 Household appliances, fitting and repairs	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
05.3 Household appliances, fitting and repairs	8	8	-1.0	-2.2	-0.01
05.3.1/2 Major appliances and small electric goods	7	7	-1.1	-2.5	-0.01
05.3.3 Repair of household appliances	1	1	-	-0.2	-

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

05.4 Glassware, tableware and household utensils	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
05.4 Glassware, tableware and household utensils	4	6	-2.8	-3.6	-0.01

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

05.5 Tools and equipment for house and garden	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
05.5 Tools and equipment for house and garden	5	5	0.4	-0.5	-0.01

• Small downward effect on the all items 12-month rate change.



05.6 Goods and services for routine maintenance	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance 05.6.1 Non-durable household goods	9	8	-0.4 -1.4	0.5 1.3	0.01 0.01
05.6.2 Domestic services and household services	6	5	0.1	0.1	-

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

	Weight	Weight	1 month	1 month	Contribution
06 HEALTH	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
06 Health	22	21	0.6	0.6	-

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

06.1 Medical products, appliances and equipment	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
06.1 Medical products, appliances and equipment	9	11	0.3	0.3	-
06.1.1 Pharmaceutical products	5	7	-	0.5	-
06.1.2/3 Other medical and therapeutic equipment	4	4	0.6	-0.2	-

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

06.2 Out-patient services	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
06.2 Out-patient services	8	6	0.3	0.3	-
06.2.1/3 Medical and paramedical					
services	5	4	0.3	0.1	-
06.2.2 Dental services	3	2	0.2	0.9	-



06.3 Hospital services	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
06.3 Hospital Services	5	4	1.7	1.9	-

07 TRANSPORT	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
07 Transport	124	121	-1.3	-0.1	0.14

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

	Weight	Weight	1 month	1 month	Contribution
07.1 Purchase of vehicles	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
07.1 Purchase of vehicles	37	34	0.2	-	-0.01
07.1.1A New cars	21	19	0.5	-0.2	-0.01
07.1.1B Second-hand cars	14	13	-0.2	0.4	0.01
07.1.2/3 Motorcycles and bicycles	2	2	0.2	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **new cars**, where prices overall fell this year but rose a year ago.
- Partially offset by second-hand cars, where prices rose this year but fell a year ago.



07.2 Operation of personal transport equipment	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
07.2 Operation of personal transport equipment	60	62	-0.8	1.1	0.12
07.2.1 Spare parts and accessories	4	4	0.3	0.1	-
07.2.2 Fuels and lubricants	24	25	-1.7	1.9	0.09
07.2.3 Maintenance and repairs	20	21	-	0.8	0.02
07.2.4 Other services	12	12	-0.7	0.1	0.01

- Large upward effect on the all items 12-month rate change.
- Due to fuels and lubricants and, to a lesser extent, maintenance and repairs, and other services.

#### **Fuels and lubricants**

- Large upward effect.
- Prices overall rose this year but fell a year ago.
- The average price of petrol across the month, as recorded for the CPIH, rose by 2.3 pence per litre between December 2019 and January 2020, to stand at 126.9 pence per litre. Last year, the average price of petrol fell by 2.1 pence per litre between December 2018 and January 2019, to stand at 119.6 pence per litre.
- The average price of diesel rose by 2.6 pence per litre between December 2019 and January 2020 to stand at 132.5 pence per litre, compared with a fall of 2.4 pence per litre a year earlier, to stand at 129.5 pence per litre.

07.3 Transport services	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
07.3 Transport services	27	25	-4.2	-3.4	0.03
07.3.1 Passenger transport by railway	10	9	3.0	1.4	-0.02
07.3.2 Passenger transport by road	9	9	-0.5	-0.8	-
07.3.3 Passenger transport by air	6	5	-25.5	-17.9	0.06
07.3.4 Passenger transport by sea and inland waterway	2	2	6.4	-0.5	-0.01

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



# Passenger transport by railway

- Small downward effect.
- Due to international rail, where prices fell this year but rose a year ago.

# Passenger transport by air

- Large upward effect.
- Average air fares fell this year by less than a year ago, particularly for European flights.

# Passenger transport by sea and inland waterway

- Small downward effect.
- Average sea fares fell this year but rose a year ago.

	Weight	Weight	1 month	1 month	Contribution
08 COMMUNICATION	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
08 Communication	20	17	0.3	0.2	-

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

	Weight	Weight	1 month	1 month	Contribution
08.1 Postal services	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
08.1 Postal services	1	1	•	•	-

08.2/3 Telephone equipment and services	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
08.2/3 Telephone equipment and services	19	16	0.3	0.2	-

- Negligible overall effect on the all items 12-month rate change.
- There was a small downward contribution from mobile phone applications, where prices overall fell this year but rose a year ago.



09 RECREATION AND CULTURE	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
09 Recreation and culture	125	136	-0.1	-0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to other recreational items, gardens and pets.
- Partially offset by recreational and cultural services.

09.1 Audio-visual equipment and related products	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	16	18	-1.8	-1.5	-
09.1.1 Equipment for the reception and reproduction of sound and pictures	4	3	-2.9	-0.4	0.01
09.1.2 Photographic, cinematographic and optical equipment	2	2	-1.4	1.6	0.01
09.1.3 Data processing equipment	6	7	0.2	2.6	0.02
09.1.4 Recording media	3	5	-5.1	-9.6	-0.03
09.1.5 Repair of audio-visual equipment and related products	1	1	0.2	ı	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from recording media, where prices overall
  fell this year by more than a year ago, with the main downward contributions coming from
  internet CDs and DVDs; Top 40 CD albums; and music downloads. Partially offset by prerecorded film DVDs.
- Offset by:
  - Data processing equipment, where prices overall rose this year by more than a year ago, with the main upward contributions coming from PC peripherals and laptops, partially offset by computer software;
  - Reception and reproduction of sound and pictures, where prices fell this year by less than a year ago; and
  - **Photographic, cinematographic and optical equipment**, where prices rose this year but fell a year ago, with the main upward contribution coming from action cameras.



09.2 Other major durables	Weight	Weight	1 month	1 month	Contribution
for recreation and culture	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
09.2.1/2 Major durables for in/outdoor					
recreation	14	14	0.4	0.7	-

09.3 Other recreational items, gardens and pets	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	29	33	0.4	0.9	0.02
09.3.1 Games, toys and hobbies	18	16	0.3	1.5	0.02
09.3.2 Equipment for sport and open-air recreation	2	3	0.9	0.9	-
09.3.3 Gardens, plants and flowers	3	5	0.3	-0.2	-
09.3.4/5 Pets, related products and services	6	9	0.6	0.4	-

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year more than a year ago, due to games, toys and hobbies, with the main upward contributions coming from computer games and computer game consoles.
   Partially offset by child's preschool activity toy.

09.4 Recreational and cultural services	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
09.4 Recreational and cultural services	22	28	-0.7	-1.2	-0.02
09.4.1 Recreational and sporting services	6	8	-1.3	-1.4	-
09.4.2 Cultural services	16	20	-0.6	-1.2	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to cultural services, where prices overall fell this year by more than a year ago, with the main downward contributions coming from tickets for live music events and cinema admissions. Partially offset by theatre admissions and social subscriptions.



09.5 Books, newspapers and stationery	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	10	9	-0.6	-0.3	-
09.5.1 Books	3	3	-2.9	-0.6	0.01
09.5.2 Newspapers and periodicals	3	3	1.6	0.7	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	4	3	-0.7	-1.0	-

- Negligible overall effect on the all items 12-month rate change.
- There was a small upward contribution from **books**, where prices overall fell this year by less than a year ago, with the main contribution coming from non-fiction books.

09.6 Package holidays	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
09.6 Package holidays	34	34	0.5	0.4	-

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

10 EDUCATION	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
10 Education	18	24	-	-	-

11 RESTAURANTS AND	Weight	Weight	1 month	1 month	Contribution
HOTELS	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
11 Restaurants and hotels	98	96	-0.6	-0.1	0.05

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



11.1 Catering services	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
11.1 Catering services	76	80	0.1	0.2	0.01
11.1.1 Restaurants and cafes	70	74	0.1	0.2	0.01
11.1.2 Canteens	6	6	-	0.4	-

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

11.2 Accommodation services	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
11.2 Accommodation services	22	16	-2.9	-1.3	0.04

- Large upward effect on the all items 12-month rate change.
- Due to **accommodation services**, with the main upward contribution coming from overnight hotel accommodation, where prices fell this year by less than a year ago.

12 MISCELLANEOUS	Weight	Weight	1 month	1 month	Contribution
GOODS AND SERVICES	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
12 Misc. goods and services	74	77	0.1	0.4	0.02

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



12.1 Personal care	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
12.1 Personal care	24	23	1.2	1.7	0.01
12.1.1 Hairdressing and personal grooming establishments	6	6	0.2	0.6	-
12.1.2/3 Appliances and products for personal care	18	17	1.5	2.1	0.01

- Small upward effect on the all items 12-month rate change.
- Due to appliances and products for personal care, where prices rose this year by more than a year ago, with the main upward contributions coming from perfume/eau de toilette and body moisturising lotion. Partially offset by small downward contributions coming from shower gel and tissues.

12.3 Personal effects not elsewhere covered	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
<ul><li>12.3 Personal effects not elsewhere covered</li><li>12.3.1 Jewellery, clocks and watches</li></ul>	15 10	12 7	-1.8 -1.2	-1.0 -1.2	0.02
12.3.2 Other personal effects	5	5	-3.2	-0.8	0.01

- Small upward effect on the all items 12-month rate change.
- There is a small upward contribution coming from other personal effects, where prices fell
  this year by less than a year ago, with the main upward contributions coming from luggage
  and photo frames.

12.4 Social protection	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
12.4 Social protection	13	16	0.1	0.1	-



12.5 Insurance	Weight 2019 Jan	Weight 2020 Jan	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to CPIH annual rate change
12.5 Insurance	5	5	0.7	1.0	-
12.5.2 House contents insurance	1	1	-0.3	-0.9	-
12.5.3 Health insurance	2	2	2.7	3.4	-
12.5.4 Transport insurance	2	2	-0.7	-0.5	-

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

12.6 Financial services not elsewhere covered	Weight 2019	Weight 2020	1 month % change	1 month % change	Contribution to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
12.6 Financial services not elsewhere covered	8	8	0.4	-1.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to money transfer fees, where prices fell this year but remained unchanged a year ago.

12.7 Other services not	Weight	Weight	1 month	1 month	Contribution
elsewhere covered	2019	2020	% change	% change	to CPIH annual
	Jan	Jan	Jan 2019	Jan 2020	rate change
12.7 Other services not elsewhere					
covered	9	13	0.1	0.5	0.01

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



# **RPI SUMMARY**

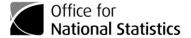
# CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

	Weight	Weight	1 month	1 month	Contribution
GROUPS	2018	Jul 2019	% change	% change	to RPI annual
		onwards	Jan 2019	Jan 2020	rate change
FOOD	102	101	-0.1	-0.3	-0.02
CATERING	50	49	0.2	0.3	0.01
ALCOHOLIC DRINKS	56	59	1.5	1.8	0.02
TOBACCO	23	23	0.2	-	-0.01
HOUSING	257	258	-	-0.1	-0.02
FUEL AND LIGHT	37	35	-6.2	0.2	0.25
HOUSEHOLD GOODS	68	68	-2.4	-3.4	-0.08
HOUSEHOLD SERVICES	58	62	0.5	0.1	-0.02
CLOTHING AND FOOTWEAR	43	39	-4.4	-3.5	0.05
PERSONAL GOODS AND SERVICES	42	43	0.1	0.6	0.02
MOTORING EXPENDITURE	124	125	-0.5	0.8	0.16
FARES AND OTHER TRAVEL COSTS	25	28	-12.2	-8.1	0.10
LEISURE GOODS	30	24	-0.1	0.1	0.01
LEISURE SERVICES	85	86	-0.1	-0.1	-



# **RPI NOTABLE MOVEMENTS**

All items RPI	Annual rate +2.7%, up from +2.2% last month Highest since July 2019 (+2.8%)
All items RPI excl. MIPS (RPIX)	Annual rate +2.8%, up from +2.2% last month Also +2.8% in June 2019 Last higher in May 2019 (+3.0%)
Catering	Annual rate +3.2%, up from +3.0% last month Also +3.2% in September 2019 and July 2019 Last higher in April 2012 (+3.3%)
Tobacco	Annual rate +1.7%, down from +1.9% last month Lowest since April 2002 (+1.6%)
Personal goods and services	Annual rate +3.2%, up from +2.7% last month Highest since December 2012 (+3.8%)
Motoring expenditure	Annual rate +3.4%, up from +2.1% last month Highest since October 2018 (+4.9%)
All goods	Annual rate +2.0%, up from +1.7% last month Also +2.0% in August 2019 Last higher in July 2019 (+2.2%)
All services	Annual rate +3.6%, up from +2.7% last month Highest since August 2019 (+3.7%)
Petrol and oil	Annual rate +4.1%, up from +0.4% last month Highest since November 2018 (+9.7%)



# **RPI DETAILED BRIEFING**

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

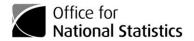
Weights are specified as parts per 1000 in the RPI.

FOOD	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Jan 2019	Jan 2020	rate change
FOOD	102	101	-0.1	-0.3	-0.02

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

Seasonal Food	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Jan 2019	Jan 2020	rate change
SEASONAL FOOD	18	18	8.0	0.5	-0.01
Home killed lamb	1	1	6.4	8.1	-
Fresh fish	2	2	2.2	-1.0	-0.01
Eggs	1	1	0.8	0.7	-
Unprocessed potatoes	1	1	1.1	1.8	-
Other fresh vegetables	6	6	0.5	1.0	-
Fresh fruit	7	7	-0.1	-0.8	-

- Small downward effect on the all items 12-month rate change.
- There is a small downward contribution coming from fresh fish, where prices overall fell this
  year but rose a year ago, with the main downward contribution coming from fresh salmon
  fillets.



	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2018	Jul 2019	% change	% change	to RPI annual
		onwards	Jan 2019	Jan 2020	rate change
NON-SEASONAL FOOD	84	83	-0.3	-0.5	-0.01
Bread	4	3	1.0	1.0	-
Cereals	3	3	-1.9	-4.1	-0.01
Biscuits and cakes	6	6	-3.2	-1.3	0.01
Beef	3	3	0.9	0.6	-
Imported lamb	1	1	2.1	-8.9	-0.01
Pork	1	1	0.9	-	-
Bacon	1	1	1.3	1.1	-
Poultry	4	4	1.8	0.4	-0.01
Other meat	6	6	-1.3	0.1	0.01
Processed fish	2	2	0.6	-1.8	-0.01
Butter	1	1	-0.4	-3.4	-
Oils and fats	1	1	5.3	-10.6	-0.02
Cheese	3	3	1.8	-0.1	-0.01
Milk, fresh	3	3	-0.3	-1.4	-
Milk products	4	4	-6.7	-4.7	0.01
Tea	1	1	1.7	-0.1	-
Soft drinks	8	9	1.0	-0.9	-0.02
Sugar and preserves	1	1	-0.8	2.4	-
Sweets and chocolates	11	11	2.2	2.3	-
Potato products	3	3	1.1	-1.1	-0.01
Processed vegetables	2	2	-3.3	0.5	0.01
Processed fruit	2	1	2.7	0.9	-
Other foods	11	11	-2.9	0.4	0.04
Coffee and other hot drinks	2	2	0.5	2.0	-

- Small downward effect on the all items 12-month rate change.
- Due to:
  - Soft drinks; oils and fats; imported lamb; potato products; cheese; and
    processed fish, where prices overall fell this year but rose a year ago, with the main
    downward contribution coming from fruit squash, margarine/low fat spread, cheese
    spread and frozen fish fingers. Partially offset by fruit smoothies, where prices rose this
    year but fell a year ago;
  - Cereals, where prices overall fell this year by more than a year ago, with the main downward contribution coming from cereal bars; and
  - **Poultry**, where prices overall rose this year by less than a year ago.

# Partially offset by:

- Other foods and, to a lesser extent, other meats and processed vegetables, where
  prices overall rose this year but fell a year ago, with the main upward contributions
  coming from dried potted snacks and chilled pizzas; and
- **Biscuits and cakes** and **milk products**, where prices overall fell this year by less than a year ago, with the main upward contribution coming from yoghurt/fromage frais.



CATERING	Weight 2018	Weight Jul 2019 onwards	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to RPI annual rate change
CATERING	50	49	0.2	0.3	0.01
Restaurant meals	30	29	0.1	0.2	-
Canteen meals	3	3	-	0.6	-
Take-away meals and snacks	17	17	0.3	0.4	-

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

ALCOHOLIC DRINKS	Weight 2018	Weight Jul 2019 onwards	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	56	59	1.5	1.8	0.02
Beer on sales	18	19	-0.1	-	-
Beer off sales	5	6	5.8	4.3	-
Wines and spirits on sales	19	19	-0.1	0.1	-
Wines and spirits off sales	14	15	4.5	5.4	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **wines and spirits off sales**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from gin, vodka and New World white wine.

ТОВАССО	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Jan 2019	Jan 2020	rate change
TOBACCO	23	23	0.2	-	-0.01
Cigarettes	19	18	0.3	-	-0.01
Other tobacco products	4	5	0.2	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **cigarettes**, where prices overall where unchanged this year but rose a year ago.



HOUSING	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Jan 2019	Jan 2020	rate change
HOUSING	257	258	-	-0.1	-0.02
Rent	76	75	0.1	0.1	-
Mortgage interest payments	24	25	0.3	-1.1	-0.03
Council Tax and rates	38	39	-	-	-
Water and other charges	12	12	-	-	-
Repairs and maintenance charges	9	10	0.1	0.2	-
DIY materials	8	7	-0.7	-	0.01
Dwelling insurance and ground rent	7	6	-	-0.7	-
House depreciation	83	84	-	0.1	0.01

- Small downward effect on the all items 12-month rate change.
- Due to **mortgage interest payments**, where charges overall fell this year but rose a year ago.
- Partially offset by house depreciation, where prices rose this year but were unchanged a
  year ago, and DIY materials, where prices overall were unchanged this year but fell a year
  ago.

	Weight	Weight	1 month	1 month	Contribution
FUEL AND LIGHT	2018	Jul 2019	% change	% change	to RPI annual
		onwards	Jan 2019	Jan 2020	rate change
FUEL AND LIGHT	37	35	-6.2	0.2	0.25
Coal and solid fuels	1	1	0.1	-0.9	-
Electricity	20	17	-4.9	-	0.10
Gas	15	14	-8.7	-	0.14
Oil and other fuels	1	3	-3.0	2.7	0.01

- Largest upward effect on the all items 12-month rate change.
- Due to:
  - Gas and electricity, where prices remained unchanged this year but fell a year ago, partially reflecting the response from energy providers to Ofgem's initial energy price cap which came into effect from 1 January 2019; and, to a lesser extent,
  - **Oil and other fuels**, where prices rose this year but fell a year ago, with the main contribution coming from kerosene.



HOUSEHOLD GOODS	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
HOUGEHOLD COODS	00	onwards	Jan 2019	Jan 2020	rate change
HOUSEHOLD GOODS	68	68	-2.4	-3.4	-0.08
Furniture	28	27	-4.5	-6.8	-0.07
Furnishings	9	9	-2.0	-1.9	-
Electrical appliances	7	7	-0.3	-1.4	-0.01
Other household equipment	4	5	-2.1	-4.3	-0.01
Household consumables	11	11	-0.8	0.4	0.01
Pet care	9	9	0.7	0.4	-

- Largest downward effect on the all items 12-month rate change.
- Due to:
  - Furniture, where prices overall fell this year by more than a year ago, with the main downwards contributions coming from settees, beds and mattresses. Partially offset by three-piece non-leather suites;
  - Electrical appliances, where prices overall fell this year by more than a year ago; and
  - Other household equipment, where prices overall fell this year by more than a year ago, with the main downward contribution coming from plastic storage containers.
- Partially offset by **household consumables**, where prices overall rose this year but fell a year ago, with the main upward contribution coming from household cleaner.

HOUSEHOLD SERVICES	Weight 2018	Weight Jul 2019 onwards	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	58	62	0.5	0.1	-0.02
Domestic services	13	14	0.1	0.2	-
Fees and subscriptions	19	23	0.1	-0.2	-0.01
Postage	1	1	-	-	-
Telephone charges	25	24	1.0	0.2	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to telephone charges, where prices rose this year by less than a year ago, and fees
  and subscriptions, where prices fell this year but rose a year ago, with the main downward
  contributions coming from mobile phone applications.



CLOTHING AND FOOTWEAR	Weight 2018	Weight Jul 2019 onwards	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	43	39	-4.4	-3.5	0.05
Men's outerwear	9	8	-3.4	-3.4	-
Women's outerwear	16	14	-6.4	-5.3	0.03
Children's outerwear	5	4	-3.9	-3.2	0.01
Other clothing	5	5	-3.0	-0.9	0.01
Footwear	8	8	-2.2	-2.1	-

- Large upward effect on the all items 12-month rate change.
- Due to women's outerwear; other clothing and children's outerwear, where prices
  overall fell this year by less than a year ago, with the main upward contributions coming from
  women's formal trousers, dresses, strappy tops and casual outer jackets. Partially offset by
  women's casual trousers.

PERSONAL GOODS AND SERVICES	Weight 2018	Weight Jul 2019 onwards	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	42	43	0.1	0.6	0.02
Personal articles	11	11	-2.2	-1.6	0.01
Chemists' goods	15	16	1.2	1.5	0.01
Personal services	16	16	0.6	1.2	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **personal articles**, where prices fell this year by less than a year ago, with the main upward contribution coming from photo frames; and
- Personal services and chemist goods, where prices rose this year by more than a year
  ago, with the main upward contributions coming from perfume/eau de toilette and body
  moisturising lotion. Partially offset by a small downward contribution coming from tissues,
  where prices fell this year but were unchanged a year ago.



MOTORING EXPENDITURE	Weight 2018	Weight Jul 2019 onwards	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to RPI annual rate change
MOTORING EXPENDITURE	124	125	-0.5	0.8	0.16
Purchase of motor vehicles	50	51	0.1	0.1	-
Maintenance of motor vehicles	16	17	0.1	0.7	0.01
Petrol and oil	34	35	-1.6	2.0	0.13
Vehicle tax and insurance	24	22	-0.3	0.2	0.02

- Large upward effect on the all items 12-month rate change.
- Due to:
  - Petrol and oil, where prices rose this year but fell a year ago. The price of petrol, as recorded for the RPI, rose by 2.5 pence per litre between December 2019 and January 2020, to stand at 127.2 pence per litre, compared with a fall of 2.1 pence per litre last year, to stand at 120.3 pence per litre. Diesel prices rose by 2.9 pence per litre, to stand at 132.7 pence per litre in January 2020, compared with a fall of 2.2 pence per litre last year, to stand at 130.3 pence per litre; and, to lesser extent,
  - **Tax and insurance**, where prices overall rose this year but fell a year ago, with the main upward contribution coming from car insurance; and
  - **Maintenance of motor vehicles**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from hourly charges for car repairs.

FARES AND OTHER TRAVEL COSTS	Weight 2018	Weight Jul 2019 onwards	1 month % change Jan 2019	1 month % change Jan 2020	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	25	28	-12.2	-8.1	0.10
Rail fares	6	7	3.2	1.3	-0.01
Bus and coach fares	3	3	-3.2	-2.8	-
Other travel costs	16	18	-18.2	-12.1	0.11

- Large upward effect on the all items 12-month rate change.
- Due to **other travel costs**, where average air fares fell this year by less than a year ago, and, to a lesser extent, road tolls, where charges were unchanged this year but fell a year ago, mainly due to the removal of tolls for the Severn Bridge crossing.
- Partially offset by rail fares, where average charges for international rail journeys fell this
  year but rose a year ago.

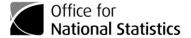


LEISURE GOODS	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Jan 2019	Jan 2020	rate change
LEISURE GOODS	30	24	-0.1	0.1	0.01
Audio-visual equipment	6	4	-1.4	1.6	0.02
CDs and tapes	2	1	-4.4	-9.8	-
Toys, photographic and sports goods	10	9	0.9	1.1	-
Books and newspapers	6	5	1.4	-0.1	-0.01
Gardening products	6	5	0.1	-0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to audio-visual equipment, where prices rose this year but fell a year ago, with the
  main upward contribution coming from PC peripherals. This was partially offset by books
  and newspapers, where prices fell this year but rose a year ago, with the main downward
  contribution coming from eBooks.

LEISURE SERVICES	Weight 2018	Weight Jul 2019	1 month % change	1 month % change	Contribution to RPI annual
		onwards	Jan 2019	Jan 2020	rate change
LEISURE SERVICES	85	86	-0.1	-0.1	-
TV licence and rentals	11	10	-0.1	-	-
Entertainment and other recreation	16	16	-1.2	-1.8	-0.01
Foreign holidays	47	47	0.6	0.6	-
UK holidays	11	13	-1.5	-0.6	0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution from **UK holidays**, where prices fell this year by less than a year ago, with the main contribution coming from overnight hotel accommodation.
- This was offset by **entertainment and other recreation**, where prices fell this year by more than a year ago, with the main contributions coming from live music events and cinema admissions.



# **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 as a measure of owner occupiers' housing costs 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 January 2020 was -0.93 percentage points, widening from -0.85 percentage points in December 2019.

The main factor contributing to the widening was:

Other differences including weights, which increased the RPI 12-month rate relative to
the CPIH 12-month rate by 0.13 percentage points between December 2019 and January
2020. The effect came mainly from air fares; fuels and lubricants; and recording media.
This was partially offset by a narrowing effect from furniture and furnishings, carpets and
household textiles; and clothing and footwear.

The main offsetting factors were:

- Mortgage interest payments, which decreased the RPI 12-month rate by 0.03 percentage points between December 2019 and January 2020 but are excluded from the CPIH.
- **Imputed rents**, which increased the CPI 12-month rate by 0.02 percentage points between December 2019 and January 2020 but are excluded from the RPI.



# **RPI MISCELLANEOUS DATA**

# **Selected Average Prices**

Description		November 2019	December 2019	January 2020
Fuel per litre	Diesel	£1.30	£1.30	£1.33
	Petrol	£1.26	£1.25	£1.27
Alcohol pub prices	Draught bitter (pint)	£3.12	£3.12	£3.13
	Draught lager (pint)	£3.73	£3.73	£3.73
	Whisky (per nip)	£3.00	£3.00	£3.00
Cigarettes	Per 20 king size	£10.79	£10.80	£10.80

Average prices are as recorded for the RPI.

# **Changes in Mortgage Interest Rates**

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

Month	1-month % change in the RPI	Approx. change in average MI rate	Approx. contribution to the 1-month % change in the RPI
January 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	-
October 2019	-0.2	Down -0.02% points	-0.02% points
November 2019	+0.2	Down -0.01% points	-0.01% points
December 2019	+0.3	Negligible	-
January 2020	-0.4	Down -0.03% points	-0.3% points

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



# **OUTLOOK**

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

### **FOOD**

### **Seasonal Food**

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

Monthly % change for CPIH seasonal food index				
Year	December	January	February	
2013/14	0.9	0.1	-0.4	
2014/15	0.6	-1.1	-0.3	
2015/16	-0.6	-1.1	1.4	
2016/17	0.5	-0.8	2.2	
2017/18	-0.4	0.5	0.1	
2018/19	-0.2	0.7	0.4	
2019/20	1.1	-0.1		

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

### **CLOTHING AND FOOTWEAR**

Prices for clothing and footwear tend to rise in February.

Monthly % change for CPIH clothing and footwear index				
Year	December	January	February	
2013/14	-0.9	-5.4	1.1	
2014/15	-1.1	-3.7	1.3	
2015/16	-1.3	-3.1	1.3	
2016/17	-1.0	-4.2	1.2	
2017/18	-0.9	-3.9	1.7	
2018/19	-1.0	-4.3	1.0	
2019/20	-1.8	-3.3		

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



# FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

Prices tend to rise in February as they recover from January sales.

Monthly % change for CPIH furniture, household equipment and maintenance index						
Year						
2013/14	1.7	-3.1	2.5			
2014/15	1.6	-2.5	1.4			
2015/16	1.1	-2.3	1.7			
2016/17	0.9	-2.5	2.4			
2017/18	1.4	-2.6	2.5			
2018/19	1.0	-2.1	2.0			
2019/20	1.4	-3.1				

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

# **TRANSPORT**

#### **Fuels and Lubricants**

- Oil prices have rose slightly due to extending days of losses as the threat of war in the Middle East receded and investors switched attention to economic growth prospects and the rise in U.S. crude oil and product inventories. Oil prices rose slightly as investors bet the economic impact of the coronavirus would be short-lived and hoped for further Chinese central bank stimulus to tackle any slowdown. Brent crude oil rose 57 cents, or 1%, at \$56.91 a barrel, it has risen 4.4%, its first weekly increase in six weeks. West Texas Intermediate crude was up 48 cents, or 0.9%, at \$51.90 a barrel. (uk.reuters.com 14 February 2020)
- When considering the price of petrol between January and February 2020, it may be useful
  to note that the average price of petrol fell by 0.5 pence per litre between January and
  February 2019, to stand at 119.1 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 rise in February.

Monthly % change for CPIH air fares index				
Year	December	January	February	
2013/14	19.8	-18.5	3.3	
2014/15	19.3	-17.1	5.3	
2015/16	46.0	-35.8	5.6	
2016/17	48.9	-36.0	6.0	
2017/18	52.8	-33.2	5.3	
2018/19	39.6	-25.5	7.7	
2019/20	15.8	-17.9		

• 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 30 January 2020.
   The next announcement and minutes from the Bank of England's Monetary Policy
   Committee are scheduled to be published on 26 March 2020.
- The change in average mortgage interest rates recorded in the RPI was negligible between January and February 2019. The Bank of England Bank Rate remained unchanged at 0.75% in January 2019.
- 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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