

Consumer Price Inflation

December 2018

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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 [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 2018 are:

- The all items CPIH is 107.1, up from 106.9 in November.
- The all items CPIH annual rate is 2.0%, down from 2.2% in November.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 1.8%, down from 2.0% last month.
- The OOH component of CPIH is 106.2, up from 106.1 in November.
- The OOH component annual rate is 1.2%, up from 1.1% last month.
- The CPIH all goods index is 105.3, down from 105.6 in November.
- The CPIH all goods index annual rate is 1.8%, down from 2.1% last month.
- The CPIH all services index is 108.4, up from 107.9 in November.
- The CPIH all services index annual rate is 2.1%, down from 2.2% 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 2018 are:

- The all items CPI is 107.1, up from 107.0 in November.
- The all items CPI annual rate is 2.1%, down from 2.3% in November.
- The annual rate for CPI excluding indirect taxes, CPIY, is 2.1%, down from 2.2% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 2.0%, down from 2.1% last month.
- The CPI all goods index is 105.3, down from 105.6 in November.
- The CPI all goods index annual rate is 1.8%, down from 2.1% last month.
- The CPI all services index is 109.2, up from 108.5 in November.
- The CPI all services index annual rate is 2.4%, down from 2.5% 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 2018 are:

- The all items RPI is 285.6, up from 284.6 in November.
- The all items RPI annual rate is 2.7%, down from 3.2% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 2.7%, down from 3.1% last month.
- The all goods RPI is 215.8, down from 216.1 in November.
- The all goods RPI annual rate is 2.5%, down from 3.1% last month.
- The all services RPI is 391.8, up from 387.5 in November.
- The all services RPI annual rate is 2.8%, down from 3.1% last month.

CPIH SUMMARY

CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

CPIH COICOP DIVISIONS	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017 Feb-Dec	2018 Feb-Dec	% change Dec 2017	% change Dec 2018	
01: Food and non-alcoholic beverages	81	83	0.7	0.9	0.02
02: Alcoholic beverages and tobacco	34	34	0.5	-1.1	-0.05
03: Clothing and footwear	58	57	-0.9	-1.0	-
04: Housing, water, electricity, gas and other fuels	294	301	0.1	0.1	-
05: Furniture, household equipment and maintenance	49	48	1.4	1.0	-0.02
06: Health	21	21	0.1	0.1	-
07: Transport	126	124	2.3	0.8	-0.18
08: Communication	21	20	-1.3	-0.1	0.03
09: Recreation and culture	121	120	-0.4	-0.2	0.02
10: Education	17	18	-	-	-
11: Restaurants and hotels	101	97	-0.1	0.3	0.04
12: Miscellaneous goods and services	77	77	-	-0.3	-0.02

Large downward effects came from:

- Transport**, principally due to price movements of motor fuels which contributed 0.14 percentage points to the fall in the CPIH 12-month rate. Falling crude oil prices have led to petrol prices reducing by 6.4 pence per litre between November and December 2018, compared with a rise of 0.8 pence per litre between November and December 2017. The price of petrol at the pump, in December 2018, was the lowest since April 2018.

Prices for air and sea fares rose between November and December 2018, but by less than a year ago resulting in downward contributions of 0.06 and 0.03 percentage points, respectively. As is usually the case, air fares rose sharply increasing by 39.6% between November and December 2018. However, this increase was three-quarters of the magnitude of the increase between

November and December 2017. The timing of Christmas in relation to the days for which prices were collected may have been a factor. These effects were partially offset by small upward contributions from the purchase of both new and second-hand cars; and

- **Alcoholic beverages and tobacco**, where following the large upward contribution from tobacco reported in November 2018, when prices rose reflecting an increase in duty, there was a large downward contribution in December 2018. Between November and December 2018, tobacco prices fell by 0.1% but prices had risen by 2.7% between the same two months a year ago when tobacco prices rose following an increase in duty announced in the Autumn 2017 Budget.

Small downward effects came from:

- **Miscellaneous goods and services**, where prices overall fell between November and December 2018 but were little changed a year ago; and
- **Furniture, household equipment and maintenance**, where prices overall rose by less than a year ago.

A large upward effect came from:

- **Restaurants and hotels**, where in the accommodation services section, prices for overnight hotel accommodation rose by 0.9% between November and December 2018 compared with a fall of 3.0% between the same two months in 2017.

Small upward effects came from:

- **Communication**, in particular from mobile phone charges where prices rose by 0.1% between November and December 2018 but fell by 3.6% a year ago;
- **Recreation and culture**, where prices fell overall by 0.2% between November and December 2018, compared with a fall of 0.4% a year ago. The main upward contributions came from games, toys and hobbies, dry dog food, and from newspapers and periodicals. There were partially offsetting downward contributions from recording media and data processing equipment items; and
- **Food**, where the cost of food remained little changed with prices rising by 0.4% in the year to December 2018. Between November and December 2018, food prices rose by 0.9% compared with a rise of 0.6% between the same two months in 2017.

CPIH NOTABLE MOVEMENTS

All items CPIH	Annual rate +2.0%, down from +2.2 last month Lowest since January 2017 (+1.9%)
All items CPIH exc energy, food, alcohol and tobacco	Annual rate +1.8%, unchanged from last month Also +1.8% in October 2018, September 2018, July 2018, June 2018, January 2017 and December 2016 Last higher in August 2018 (+1.9%) Last lower in November 2016 (+1.7%)
Housing, water, electricity, gas and other fuels	Annual rate +2.1%, up from +2.0% last month Also +2.1% in October 2018 Last higher in September 2017 (+2.2%)
Furniture, household equipment and maintenance	Annual rate +0.3%, down from +0.6% last month Lowest since October 2016 (+0.1%)
Communication	Annual rate +2.8%, up from +1.6% last month Also +2.8% in March 2017 Last higher in October 2016 (+3.1%)
Restaurants and hotels	Annual rate +3.1%, up from +2.7% last month Also +3.1% in January 2018 and December 2017 Last higher in November 2017 (+3.2%)
All goods	Annual rate +1.8%, down from +2.1% last month Lowest since January 2017 (+1.1%)
All services	Annual rate +2.1%, down from +2.2% last month Also +2.1% in October 2018 Last lower in September 2018 (+2.0%)

ANNUAL AVERAGE CPIH 12-MONTH CHANGES

All items CPIH	Annual average +2.3%, down from +2.6% last year Lowest since 2016 (+1.0%)
Food and non-alcoholic beverages	Annual average +2.1%, down from +2.3% last year Lowest since 2016 (-2.4%)
Alcoholic beverages and tobacco	Annual average +4.3%, down from +4.4% last year Lowest since 2016 (+1.5%)
Clothing and footwear	Annual average +0.8%, down from +2.5% last year Lowest since 2016 (+0.2%)
Housing, water, electricity, gas and other fuels	Annual average +1.8%, down from +2.1% last year Lowest since 2016 (+1.6%)
Furniture, household equipment and routine maintenance	Annual average +1.6%, down from +2.6% last year Lowest since 2015 (-0.1%)
Health	Annual average +2.5%, unchanged from last year Last higher in 2014 (+2.7%) Last lower in 2016 (+2.2%)
Transport	Annual average +4.3%, unchanged from last year Last higher in 2011 (+7.9%) Last lower in 2016 (+0.5%)
Communication	Annual average +1.0%, down from +1.8% last year Lowest since 2008 (-2.5%)
Recreation and culture	Annual average +3.1%, up from +2.0% last year Never higher since official series began in January 2006
Education	Annual average +2.9%, down from +3.8% last year Never lower since official series began in January 2006
Restaurants and hotels	Annual average +2.6%, up from +3.1% last year Lowest since 2016 (+2.4%)
Miscellaneous goods and services	Annual average 0.0%, down from +1.4% last year Never lower since official series began in January 2006
All goods	Annual average +2.5%, down from +2.7% last year Lowest since 2016 (-1.1%)
All services	Annual average +2.1%, down from +2.5% last year Never lower since official series began in January 2006
CPIH excluding energy, food, alcohol & tobacco	Annual average +1.9%, down from +2.3% last year Lowest since 2016 (+1.6%)

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 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
01 Food & non-alcoholic beverages	81	83	0.7	0.9	0.02

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

01.1 Food	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
01.1 Food	71	73	0.6	0.9	0.02
01.1.1 Bread and cereals	12	12	1.7	2.5	0.01
01.1.2 Meat	16	16	1.3	0.8	-0.01
01.1.3 Fish	3	3	0.5	-0.1	-
01.1.4 Milk, cheese and eggs	9	9	0.3	1.5	0.01
01.1.5 Oils and fats	2	2	8.8	6.1	-0.01
01.1.6 Fruit	7	8	0.3	-0.5	-0.01
01.1.7 Vegetables including potatoes	10	10	-1.3	0.1	0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	10	11	-1.0	-0.1	0.01
01.1.9 Food products not elsewhere covered	2	2	-1.9	-0.8	-

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

Bread and cereals

- Small upward effect.
- Prices overall rose this year by more than a year ago, with the main upward contributions

coming from dried potted snacks and breakfast cereals.

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

Meat

- Small downward effect.
- Prices overall rose this year by less than a year ago, particularly for pork sausages.

Milk, cheese and eggs

- Small upward effect.
- Prices overall rose this year by more than a year ago, particularly for yoghurt/fromage frais.

Oils and fats

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

Fruit

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

Vegetables including potatoes

- Small upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contribution coming from premium potato crisps.

Sugar, jam, syrups, chocolate and confectionery

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contributions coming from jam and cartons/boxes of chocolates.

01.2 Non-alcoholic beverages	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017 Feb-Dec	2018 Feb-Dec	% change Dec 2017	% change Dec 2018	
01.2 Non-alcoholic beverages	10	10	1.9	1.5	-
01.2.1 Coffee, tea and cocoa	3	3	2.3	1.9	-
01.2.2 Mineral waters, soft drinks and juices	7	7	1.7	1.3	-

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

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
02 Alcoholic beverages and tobacco	34	34	0.5	-1.1	-0.05

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

02.1 Alcoholic Beverages	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	16	16	-2.1	-2.3	-
02.1.1 Spirits	5	5	-3.0	-3.6	-
02.1.2 Wine	7	7	-1.8	-0.8	0.01
02.1.3 Beer	4	4	-1.6	-3.3	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **wine**, where prices overall fell this year by less than a year ago, with the main upward contribution coming from New World white wine.
- Offset by a small downward contribution coming from **beer**, where average prices fell this year by more than a year ago.

02.2 Tobacco	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
02.2 Tobacco	18	18	2.7	-0.1	-0.05

- Large downward effect on the all items 12-month rate change.
- Prices overall fell this year but rose a year ago, with the main downward contributions coming from cigarettes and hand rolling tobacco.

03 CLOTHING AND FOOTWEAR	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
03 Clothing and footwear	58	57	-0.9	-1.0	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution from **clothing**.

- Offset by a small downward contribution from **footwear including repairs**.

03.1 Clothing	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Dec 2017	Dec 2018	
03.1 Clothing	49	47	-1.0	-0.8	0.01
03.1.2 Garments	44	42	-1.1	-0.8	0.01
03.1.3 Other clothing and clothing accessories	4	4	0.1	-1.0	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.1	0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **garments**, where prices overall fell this year by less than a year ago, particularly for women's skirts; dresses; formal jackets and trousers. Partially offset by downward contributions coming from men's coats and children's trousers, where prices fell this year but rose a year ago.
- Partially offset by a small downward contribution from **other clothing and clothing accessories**, where prices overall fell this year but rose a year ago.

03.2 Footwear including repairs	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Dec 2017	Dec 2018	
03.2 Footwear including repairs	9	10	-0.7	-2.0	-0.01

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

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Dec 2017	Dec 2018	
04 Housing, water, electricity, gas and other fuels	294	301	0.1	0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **electricity, gas and other fuels**.
- Offset by small upward contributions coming from **owner occupiers' housing costs**; and **actual rentals for housing**.

04.1 Actual rentals for housing	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
04.1 Actual rentals for housing	56	69	-	0.1	0.01

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

4.2 Owner occupiers' housing costs	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
4.2 Owner occupiers' housing costs	174	169	0.1	0.1	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year by slightly more than a year ago, with the main upward contribution coming from costs in England.

04.3 Regular maintenance and repair of the dwelling	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	-0.1	0.6	-
04.3.1 Materials for maintenance and repair	1	1	-0.4	1.0	-
04.3.2 Services for maintenance and repair	1	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 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
04.4 Other services related to the dwelling	9	9	-	-	-
04.4.1 Water supply	4	4	-	-	-
04.4.3 Sewerage collection	5	5	-	-	-

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

04.5 Electricity, gas and other fuels	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	27	27	0.3	-0.2	-0.01
04.5.1 Electricity	13	13	-	-	-
04.5.2 Gas	12	12	-	-	-
04.5.3 Liquid fuels	1	1	7.8	-6.3	-0.01
04.5.4 Solid fuels	1	1	0.3	2.0	-

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

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
05 Furniture, household equipment and maintenance	49	48	1.4	1.0	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **furniture, furnishings and carpets**; and **household appliances, fitting and repairs**.
- Partially offset by **household textiles**; and **glassware, tableware and household utensils**.

05.1 Furniture, furnishings and carpets	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
05.1 Furniture, furnishings and carpets	18	18	2.9	1.7	-0.02
05.1.1 Furniture and furnishings	15	14	3.0	2.3	-0.01
05.1.2 Carpets and other floor coverings	3	4	2.2	-0.5	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**; and **carpets and other floor coverings**.

Furniture and furnishings

- Small downward effect.
- Prices overall rose this year by less than a year ago.

Carpets and other floor coverings

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for tufted wool blend carpet.

05.2 Household textiles	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
05.2 Household textiles	6	5	-0.4	0.8	0.01

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

05.3 Household appliances, fitting and repairs	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
05.3 Household appliances, fitting and repairs	7	7	2.3	1.0	-0.01
05.3.1/2 Major appliances and small electric goods	6	6	2.6	1.2	-0.01
05.3.3 Repair of household appliances	1	1	0.1	-	-

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

05.4 Glassware, tableware and household utensils	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
05.4 Glassware, tableware and household utensils	4	4	-0.6	0.7	0.01

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

05.5 Tools and equipment for house and garden	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
05.5 Tools and equipment for house and garden	4	4	0.6	-	-

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

05.6 Goods and services for routine maintenance	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance	10	10	0.1	0.5	-
05.6.1 Non-durable household goods	4	4	-0.4	1.2	0.01
05.6.2 Domestic services and household services	6	6	0.4	-	-

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

06 HEALTH	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
06 Health	21	21	0.1	0.1	-

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

06.1 Medical products, appliances and equipment	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
06.1 Medical products, appliances and equipment	10	9	-	0.2	-
06.1.1 Pharmaceutical products	6	5	0.5	0.2	-
06.1.2/3 Other medical and therapeutic equipment	4	4	-0.7	0.1	-

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

06.2 Out-patient services	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
06.2 Out-patient services	5	7	0.1	0.2	-
06.2.1/3 Medical and paramedical services	3	4	0.1	0.3	-
06.2.2 Dental services	2	3	0.1	0.1	-

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

06.3 Hospital services	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
06.3 Hospital Services	6	5	0.2	-	-

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

07 TRANSPORT	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
07 Transport	126	124	2.3	0.8	-0.18

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

07.1 Purchase of vehicles	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
07.1 Purchase of vehicles	37	38	0.1	0.7	0.03
07.1.1A New cars	21	22	0.2	0.8	0.01
07.1.1B Second-hand cars	14	14	-0.3	0.6	0.01
07.1.2/3 Motorcycles and bicycles	2	2	0.7	0.2	-

- Small upward effect on the all items 12-month rate change.
- Due to **new cars** and **second-hand cars**.

New cars

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

Second-hand cars

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

07.2 Operation of personal transport equipment	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Dec 2017	Dec 2018	
07.2 Operation of personal transport equipment	61	58	0.4	-1.9	-0.14
07.2.1 Spare parts and accessories	4	4	-0.5	-0.2	-
07.2.2 Fuels and lubricants	26	25	0.7	-4.4	-0.14
07.2.3 Maintenance and repairs	20	19	0.2	0.2	-
07.2.4 Other services	11	10	0.3	-0.1	-

- Large downward effect on the all items 12-month rate change.
- Due to **fuels and lubricants**, where prices overall fell this year but rose a year ago.
- The average price of petrol across the month, as recorded for the CPIH, fell by 6.4 pence per litre between November and December 2018, to stand at 121.7 pence per litre.
- Last year, the average price of petrol rose by 0.8 pence per litre between November and December 2017, to stand at 119.9 pence per litre.
- The average price of diesel fell by 4.6 pence per litre between November and December 2018 to stand at 131.9 pence per litre, compared with a rise of 0.7 pence per litre a year earlier, to stand at 123.5 pence per litre.

07.3 Transport services	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Dec 2017	Dec 2018	
07.3 Transport services	28	28	9.2	6.6	-0.07
07.3.1 Passenger transport by railway	11	11	-0.2	-0.2	-
07.3.2 Passenger transport by road	10	10	0.2	1.6	0.02
07.3.3 Passenger transport by air	4	4	52.8	39.6	-0.06
07.3.4 Passenger transport by sea and inland waterway	3	3	13.8	4.4	-0.03

- 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 sea and inland waterway**.
- Partially offset by **passenger transport by road**.

Passenger transport by road

- Small upward effect.
- Average coach fares rose this year by more than a year ago.

Passenger transport by air

- Large downward effect.
- Average fares rose this year by less than a year ago, with the main downward contribution coming from European and long haul flights.

Passenger transport by sea and inland waterway

- Small downward effect.
- Average international sea fares rose this year by less than a year ago.

08 COMMUNICATION	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
08 Communication	21	20	-1.3	-0.1	0.03

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

08.1 Postal services	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	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 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
08.2/3 Telephone equipment and services	20	19	-1.4	-0.1	0.02

- 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 mobile phone charges.

09 RECREATION AND CULTURE	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
09 Recreation and culture	121	120	-0.4	-0.2	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **other recreational items, gardens and pets**; and **books, newspapers and stationery**.
- Partially offset by **audio-visual equipment and related products**.

09.1 Audio-visual equipment and related products	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	15	14	-0.6	-1.0	-0.01
09.1.1 Equipment for the reception and reproduction of sound and pictures	3	4	-2.9	-0.7	0.01
09.1.2 Photographic, cinematographic and optical equipment	2	1	-2.3	1.1	0.01
09.1.3 Data processing equipment	5	5	-1.1	-3.1	-0.01
09.1.4 Recording media	4	3	2.2	1.3	-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 **data processing equipment**; and **recording media**.
- Partially offset by **equipment for the reception and reproduction of sound and pictures**; and **photographic, cinematographic and optical equipment**.

Equipment for the reception and reproduction of sound and pictures

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

Photographic, cinematographic and optical equipment

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

Data processing equipment

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contribution coming from computer software.

- Partially offset by a small upward contribution coming from laptop computers where prices fell this year by less than a year ago.

Recording media

- Small downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contributions coming from music downloads and CDs purchased via the internet.
- Partially offset by a small upward contribution coming from DVDs purchased via the internet, where prices fell this year by less than a year ago.

09.2 Other major durables for recreation and culture	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
09.2.1/2 Major durables for in/outdoor recreation	13	14	-	-0.1	-

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

09.3 Other recreational items, gardens and pets	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
09.3 Other recreational items, gardens and pets	30	29	-1.6	-0.8	0.03
09.3.1 Games, toys and hobbies	16	17	-2.7	-1.3	0.02
09.3.2 Equipment for sport and open-air recreation	3	2	-0.9	0.5	-
09.3.3 Gardens, plants and flowers	4	3	1.4	-0.5	-0.01
09.3.4/5 Pets, related products and services	7	7	-1.0	-	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **games, toys and hobbies**; and **pets, related products and services**.
- Partially offset by **gardens, plants and flowers**.

Games, toys and hobbies

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contributions coming from computer game downloads and, to a lesser extent, computer games purchased via the internet.
- Partially offset by small downward contributions coming from shop-bought computer games and model road vehicles.

Gardens, plants and flowers

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

Pets, related products and services

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for dry dog food.

09.4 Recreational and cultural services	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017 Feb-Dec	2018 Feb-Dec	% change Dec 2017	% change Dec 2018	
09.4 Recreational and cultural services	26	23	0.3	0.3	-
09.4.1 Recreational and sporting services	8	7	0.2	-0.1	-
09.4.2 Cultural services	18	16	0.4	0.4	-

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

09.5 Books, newspapers and stationery	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017 Feb-Dec	2018 Feb-Dec	% change Dec 2017	% change Dec 2018	
09.5 Books, newspapers and stationery	9	9	-0.6	0.4	0.01
09.5.1 Books	3	3	-1.9	-0.7	-
09.5.2 Newspapers and periodicals	3	3	-0.1	1.6	0.01
09.5.3/4 Misc. printed matter, stationery, drawing materials	3	3	0.4	0.4	-

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

09.6 Package holidays	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017 Feb-Dec	2018 Feb-Dec	% change Dec 2017	% change Dec 2018	
09.6 Package holidays	28	31	0.3	0.1	-

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

10 EDUCATION	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
10 Education	17	18	-	-	-

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

11 RESTAURANTS AND HOTELS	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
11 Restaurants and hotels	101	97	-0.1	0.3	0.04

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

11.1 Catering services	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
11.1 Catering services	77	75	0.2	0.2	-
11.1.1 Restaurants and cafes	70	69	0.2	0.3	-
11.1.2 Canteens	7	6	-	-	-

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

11.2 Accommodation services	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
11.2 Accommodation services	24	22	-1.2	0.5	0.04

- Large upward effect on the all items 12-month rate change.
- Average prices for overnight hotel accommodation rose this year but fell a year ago.

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
12 Misc. goods and services	77	77	-	-0.3	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **personal care** and **financial services not elsewhere covered**.

12.1 Personal care	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
12.1 Personal care	25	25	-0.4	-0.9	-0.01
12.1.1 Hairdressing and personal grooming establishments	6	6	0.3	0.1	-
12.1.2/3 Appliances and products for personal care	19	19	-0.7	-1.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **appliances and products for personal care**, where prices overall fell this year by more than a year ago, with the main downward contributions coming from shower gel and liquid soap. Partially offset by small upward contributions coming from toothbrushes and toilet rolls, where prices rose this year but fell a year ago.

12.3 Personal effects not elsewhere covered	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	11	12	-0.1	-0.4	-
12.3.1 Jewellery, clocks and watches	7	8	0.6	0.3	-
12.3.2 Other personal effects	4	4	-1.4	-1.8	-

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

12.4 Social protection	Weight 2017 Feb-Dec	Weight 2018 Feb-Dec	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to CPIH annual rate change
12.4 Social protection	13	14	0.4	0.3	-

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

12.5 Insurance	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Dec 2017	Dec 2018	
12.5 Insurance	7	7	-0.5	0.1	-
12.5.2 House contents insurance	2	2	2.2	-	-
12.5.3 Health insurance	2	2	-	-	-
12.5.4 Transport insurance	3	3	-2.4	0.2	0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **transport insurance**, where average premiums for car insurance rose this year but fell a year ago.

12.6 Financial services not elsewhere covered	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Dec 2017	Dec 2018	
12.6 Financial services not elsewhere covered	11	9	0.6	0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Charges overall rose this year by less than a year ago.

12.7 Other services not elsewhere covered	Weight	Weight	1 month	1 month	Contribution to CPIH annual rate change
	2017	2018	% change	% change	
	Feb-Dec	Feb-Dec	Dec 2017	Dec 2018	
12.7 Other services not elsewhere covered	10	10	0.3	0.1	-

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

RPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
FOOD	102	102	0.6	0.8	0.03
CATERING	48	50	0.3	0.3	-
ALCOHOLIC DRINKS	57	56	-0.6	-0.5	-
TOBACCO	24	23	2.7	-0.1	-0.07
HOUSING	266	257	0.4	-0.1	-0.13
FUEL AND LIGHT	38	37	0.3	-0.1	-0.02
HOUSEHOLD GOODS	65	68	1.6	1.1	-0.03
HOUSEHOLD SERVICES	64	58	-0.4	-	0.02
CLOTHING AND FOOTWEAR	41	43	-0.7	-0.9	-0.01
PERSONAL GOODS AND SERVICES	38	42	-0.1	-0.3	-0.01
MOTORING EXPENDITURE	123	124	-0.1	-0.9	-0.10
FARES AND OTHER TRAVEL COSTS	26	25	22.0	16.3	-0.16
LEISURE GOODS	29	30	-0.9	-0.9	-
LEISURE SERVICES	79	85	0.2	0.2	-

RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +2.7%, down from +3.2% last month Lowest since January 2017 (+2.6%)
All items RPI exc MIPS (RPIX)	Annual rate +2.7%, down from +3.1% last month Also +2.7% in December 2016 Last lower in November 2016 (+2.5%)
Housing	Annual rate +2.5%, down from +3.0% last month Also +2.5% in March 2018 and February 2018 Last lower in November 2017 (+2.4%)
Household goods	Annual rate +1.0%, down from +1.4% last month Also +1.0% in September 2018 Last lower in September 2016 (+0.0%)
Clothing and footwear	Annual rate +4.9%, down from +5.1% last month Lowest since July 2010 (+4.3%)
Motoring Expenditure	Annual rate +2.5%, down from +3.3% last month Lowest since August 2016 (+1.2%)
All goods	Annual rate +2.5%, down from +3.1% last month Lowest since December 2016 (+2.1%)
All services	Annual rate +2.8%, down from +3.1% last month Lowest since March 2017 (+2.2%)

ANNUAL AVERAGE RPI 12-MONTH CHANGES

All items RPI	Annual average +3.3%, down from +3.6% last year Lowest since 2016 (+1.8%)
All items RPI exc. MIPS (RPIX)	Annual average +3.3%, down from +3.8% last year Lowest since 2016 (+1.9%)
Food	Annual average +1.9%, down from +2.3% last year Lowest since 2016 (-2.2%)
Catering	Annual average +2.8%, unchanged from last year Last higher in 2012 (+3.1%) Last lower in 2016 (+2.1%)
Alcoholic drink	Annual average +2.1%, down from +2.8% last year Lowest since 2016 (+0.6%)
Tobacco	Annual average +7.4%, up from +5.9% last year Highest since 2014 (+7.6%)
Housing	Annual average +2.7%, up from +2.3% last year Highest since 2016 (+3.0%)
Fuel and light	Annual average +7.0%, up from +4.3% last year Also +7.0% in 2013 Last higher in 2012 (+7.6%)
Household goods	Annual average +2.4%, down from +4.5% last year Lowest since 2016 (+1.1%)
Household services	Annual average +2.3%, down from +2.6% last year Also 2.3% in 2005 Last lower in 2001 (+1.1%)
Clothing and footwear	Annual average +6.8%, down from +9.1% last year Lowest since 2016 (+6.3%)
Personal goods and services	Annual average +1.6%, down from +1.9% last year Lowest since 2016 (+1.3%)
Motoring expenditure	Annual average +4.3%, down from +6.5% last year Lowest since 2016 (+1.4%)

Fares and other travel	Annual average +3.3%, down from +3.5% last year Lowest since 2016 (+2.4%)
Leisure goods	Annual average +2.6%, up from 4.2% last year Lowest since 2016 (0.0%)
Leisure services	Annual average +4.8%, up from +3.1% last year Highest since 2010 (+5.1%)
All goods	Annual average +3.4%, down from +4.0% last year Lowest since 2016 (+0.2%)
All services	Annual average +3.2%, down from +3.4% last year Lowest since 2016 (+2.6%)

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 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
FOOD	102	102	0.6	0.8	0.03

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

Seasonal Food	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	0.4	-	-0.01
Home killed lamb	1	1	-1.1	-2.6	-
Fresh fish	2	2	-2.5	-2.8	-
Eggs	1	1	0.2	0.1	-
Unprocessed potatoes	1	1	-	2.1	-
Other fresh vegetables	6	6	0.7	1.4	-
Fresh fruit	7	7	1.2	-0.5	-0.01

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

Non-Seasonal Food	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
NON-SEASONAL FOOD	84	84	0.6	1.0	0.04
Bread	4	4	1.1	0.5	-
Cereals	3	3	1.9	2.3	-
Biscuits and cakes	6	6	0.5	1.9	0.01
Beef	4	3	-0.7	0.1	-
Imported lamb	1	1	0.8	0.3	-
Pork	1	1	1.6	-3.1	-
Bacon	1	1	0.8	-0.2	-
Poultry	3	4	0.4	-1.0	-
Other meat	6	6	1.5	2.7	0.01
Processed fish	2	2	2.9	1.8	-
Butter	1	1	-0.1	5.0	0.01
Oils and fats	1	1	12.5	4.7	-0.01
Cheese	3	3	-0.9	-0.6	-
Milk, fresh	3	3	2.2	0.8	-
Milk products	4	4	-0.4	4.6	0.02
Tea	1	1	5.7	2.6	-
Soft drinks	8	8	1.8	1.5	-
Sugar and preserves	1	1	-3.5	4.4	0.01
Sweets and chocolates	11	11	-	-0.5	-0.01
Potato products	3	3	-2.5	-1.0	-
Processed vegetables	2	2	-0.8	2.0	0.01
Processed fruit	2	2	-3.0	-3.4	-
Other foods	11	11	0.4	1.1	0.01
Coffee and other hot drinks	2	2	0.2	1.4	-

- Large upward effect on the all items 12-month rate change.
- Due to:
 - **Milk products, sugar and preserves, butter and processed vegetables**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from yoghurt/fromage frais and jam; and
 - **Biscuits and cakes, other meat and other foods**, where prices overall rose this year by more than a year ago, particularly for half chocolate coated biscuits, dried potted snacks and jars/cans of cook-in sauces. Partially offset by a small downward contribution coming from chilled pizza.
- Partially offset by:
 - **Oils and fats**, where prices overall rose this year by less than a year ago; and
 - **Sweets and chocolates**, where prices overall fell this year but were little changed a year ago, with the main downward contribution coming from larger bars of chocolate. Partially offset by a small upward contribution coming from cartons/boxes of chocolates.

CATERING	Weight	Weight	1 month	1 month	Contribution
	2017	2018	% change	% change	to RPI annual
			Dec 2017	Dec 2018	rate change
CATERING	48	50	0.3	0.3	-
Restaurant meals	29	30	0.2	0.3	-
Canteen meals	3	3	-	-	-
Take-away meals and snacks	16	17	0.3	0.4	-

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

ALCOHOLIC DRINKS	Weight	Weight	1 month	1 month	Contribution
	2017	2018	% change	% change	to RPI annual
			Dec 2017	Dec 2018	rate change
ALCOHOLIC DRINKS	57	56	-0.6	-0.5	-
Beer on sales	19	18	0.3	0.1	-
Beer off sales	5	5	-1.2	-3.0	-0.01
Wines and spirits on sales	19	19	-	0.5	0.01
Wines and spirits off sales	14	14	-2.5	-2.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **beer off sales**, where prices overall fell this year by more than a year ago.
- Offset by a small upward contribution coming from **wines and spirits on sales**, where prices overall rose this year but were little changed a year ago, with the main upward contribution coming from bottles of wine.

TOBACCO	Weight	Weight	1 month	1 month	Contribution
	2017	2018	% change	% change	to RPI annual
			Dec 2017	Dec 2018	rate change
TOBACCO	24	23	2.7	-0.1	-0.07
Cigarettes	20	19	2.7	-0.1	-0.06
Other tobacco products	4	4	2.6	-0.1	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to **cigarettes** and, to a lesser extent, **other tobacco products**, where prices overall fell this year but rose a year ago.

HOUSING	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
HOUSING	266	257	0.4	-0.1	-0.13
Rent	84	76	0.1	0.2	0.01
Mortgage interest payments	25	24	4.0	0.1	-0.09
Council Tax and rates	39	38	-	-	-
Water and other charges	13	12	-	-	-
Repairs and maintenance charges	9	9	0.1	0.1	-
DIY materials	6	8	-0.2	0.5	-
Dwelling insurance and ground rent	6	7	2.3	-0.3	-0.02
House depreciation	84	83	-	-0.3	-0.03

- Large downward effect on the all items 12-month rate change.
- Due to:
 - **Mortgage interest payments**, where charges overall rose this year by less a year ago;
 - **Dwelling insurance and ground rent**, where charges overall fell this year but rose a year ago, particularly for dwelling insurance; and
 - **House depreciation**, with the smoothed house price index used to calculate this component falling this year but little changed a year ago.
- Partially offset by **rent**, where charges overall rose this year by more than a year ago, particularly for private rented property.

FUEL AND LIGHT	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
FUEL AND LIGHT	38	37	0.3	-0.1	-0.02
Coal and solid fuels	1	1	0.3	2.1	-
Electricity	19	20	-	-	-
Gas	16	15	-	-	-
Oil and other fuels	2	1	6.3	-5.2	-0.02

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

HOUSEHOLD GOODS	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
HOUSEHOLD GOODS	65	68	1.6	1.1	-0.03
Furniture	26	28	3.5	2.5	-0.02
Furnishings	10	9	1.5	-	-0.01
Electrical appliances	6	7	2.0	-0.8	-0.02
Other household equipment	4	4	-0.2	0.8	-
Household consumables	11	11	-0.3	0.8	0.01
Pet care	8	9	-1.7	-0.2	0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
 - **Furniture**, where prices overall rose this year by less than a year ago, particularly bookcases/freestanding shelving units and leather settees. Partially offset by a small upward contribution coming from sofa beds;
 - **Furnishings**, where prices overall were little changed this year but rose a year ago, with the main downward contributions coming from tufted carpets: and
 - **Electrical appliances**, where prices overall fell this year but rose a year ago, particularly for smart phone handsets.
- 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 cream/liquid; and
 - **Pet care**, where prices overall fell this year by less than a year ago, particularly for dry dog food.

HOUSEHOLD SERVICES	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	64	58	-0.4	-	0.02
Domestic services	15	13	0.3	0.2	-
Fees and subscriptions	22	19	0.6	-	-0.01
Postage	1	1	-	-	-
Telephone charges	26	25	-1.5	-0.1	0.04

- Small upward effect on the all items 12-month rate change.
- Due to **telephone charges**, where prices overall fell this year by less than a year ago, with the main upward contribution coming from mobile phone charges.
- Partially offset by a small downward contribution from **fees and subscriptions**, where average charges were little changed this year but rose a year ago, with the main downward

contribution coming from house content insurance.

CLOTHING AND FOOTWEAR	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	41	43	-0.7	-0.9	-0.01
Men's outerwear	8	9	0.3	-1.5	-0.02
Women's outerwear	15	16	-2.3	-0.6	0.03
Children's outerwear	5	5	0.8	-0.1	-
Other clothing	5	5	0.4	-0.2	-
Footwear	8	8	-0.3	-1.4	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
 - **Men's outerwear**, where prices overall fell this year but rose a year ago; and
 - **Footwear**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from women's sandals.
- Partially offset by **women's outerwear**, where prices overall fell this year by less than a year ago, particularly for dresses.

PERSONAL GOODS AND SERVICES	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	38	42	-0.1	-0.3	-0.01
Personal articles	9	11	-0.2	-	-
Chemists' goods	15	15	-0.4	-0.9	-0.01
Personal services	14	16	0.2	0.1	-

- Small downward effect on the all items 12-month rate change.
 - Due to **chemists' goods**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from liquid soap. Partially offset by a small upward contribution coming from toothbrushes.

MOTORING EXPENDITURE	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
MOTORING EXPENDITURE	123	124	-0.1	-0.9	-0.10
Purchase of motor vehicles	46	50	-0.1	0.6	0.03
Maintenance of motor vehicles	16	16	-	0.1	-
Petrol and oil	37	34	0.8	-4.4	-0.19
Vehicle tax and insurance	24	24	-1.5	0.6	0.05

- Large downward effect on the all items 12-month rate change.
- Due to **petrol and oil**, where prices overall fell this year but rose a year ago. The price of petrol, as recorded for the RPI, fell by 6.5 pence per litre between November and December 2018, to stand at 122.4 pence per litre, compared with a rise of 1.0 pence per litre last year, to stand at 119.9 pence per litre. Diesel prices fell by 4.6 pence per litre, to stand at 132.5 pence per litre in December 2018, compared with a rise of 1.0 pence per litre last year, to stand at 123.7 pence per litre.
- Partially offset by **purchase of motor vehicles** and **vehicle tax and insurance**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from new and second-hand cars and car insurance.

FARES AND OTHER TRAVEL COSTS	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	26	25	22.0	16.3	-0.16
Rail fares	6	6	-0.2	-0.2	-
Bus and coach fares	3	3	0.1	3.8	0.01
Other travel costs	17	16	33.5	24.8	-0.17

- Largest downward effect on the all items 12-month rate change.
- Due to **other travel costs**, where average air fares rose this year by less than a year ago.
- Partially offset by **bus and coach fares**, where average coach fares rose this year by more than a year ago.

LEISURE GOODS	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
LEISURE GOODS	29	30	-0.9	-0.9	-
Audio-visual equipment	6	6	-2.8	-1.4	0.01
CDs and tapes	2	2	3.9	0.3	-0.01
Toys, photographic and sports goods	9	10	-1.3	-1.0	-
Books and newspapers	6	6	-1.9	-1.0	0.01
Gardening products	6	6	1.3	-0.3	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There are upward contributions coming from **audio-visual equipment** and **books and newspapers**, where prices overall fell this year by less than a year ago, with the main upward contributions coming from laptop computers and periodicals.
- Offset by:
 - **CDs and tapes**, where prices overall rose this year by less than a year ago, with the main downward contributions coming from computer software; and
 - **Gardening products**, where prices overall fell this year but rose a year ago, particularly for potted shrubs.

LEISURE SERVICES	Weight 2017	Weight 2018	1 month % change Dec 2017	1 month % change Dec 2018	Contribution to RPI annual rate change
LEISURE SERVICES	79	85	0.2	0.2	-
TV licence and rentals	12	11	-	-	-
Entertainment and other recreation	16	16	0.4	0.1	-
Foreign holidays	40	47	0.4	0.1	-0.01
UK holidays	11	11	-0.7	0.5	0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **foreign holidays**, where average prices rose this year by less than a year ago, with the main downward contributions coming from late booked and self-catering holidays. Partially offset by city breaks and foreign hotel holidays.
- Offset by **UK holidays**, where average prices rose this year but fell a year ago, particularly for overnight hotel accommodation and non-self-catering holidays.

RECONCILIATION OF CPIH AND RPI

(Table 5a of the Consumer Price Inflation Dataset)

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

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

The difference between the CPIH and RPI unrounded annual rates in December 2018 was -0.71 percentage points, narrowing from -1.01 percentage points in November 2018.

The main factors contributing to the narrowing were:

- **Other differences including weights**, which decreased the RPI 12-month rate relative to the CPIH 12-month rate by 0.13 percentage points between November and December 2018. The effect came mainly from air fares; fuels and lubricants; and furniture and furnishings, carpets and household textiles. This was partially offset by insurance and sea fares.
- **Mortgage interest payments**, which decreased the RPI 12-month rate by 0.09 percentage points between November and December 2018 but are excluded from the CPIH.
- **Other housing components**, which decreased the RPI 12-month rate relative to the CPIH 12-month rate by 0.05 percentage points between November and December 2018. The effect came mainly from house depreciation; and dwelling insurance and ground rent.
- **The formula effect**, which decreased the RPI 12-month rate relative to the CPIH 12-month rate by 0.03 percentage points between November and December 2018. The effect came mainly from recreation and culture.

There were no offsetting factors.

RPI MISCELLANEOUS DATA

Selected Average Prices

Description		October 2018	November 2018	December 2018
Petrol per litre	Diesel	£1.35	£1.37	£1.33
	Petrol	£1.31	£1.29	£1.22
Alcohol pub prices	Draught bitter (pint)	£3.05	£3.06	£3.06
	Draught lager (pint)	£3.66	£3.67	£3.67
	Whisky (per nip)	£2.89	£2.90	£2.92
Cigarettes	Per 20 king size	£10.28	£10.63	£10.63

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 2017	+0.8	Up +0.09% points	+0.08% points
January 2018	-0.8	Down -0.04% points	-0.04% points
February 2018	+0.8	Down -0.01% points	-0.01% points
March 2018	+0.1	Down -0.02% points	-0.02% points
April 2018	+0.5	Down -0.01% points	-0.01% points
May 2018	+0.4	Down -0.02% points	-0.02% points
June 2018	+0.3	Down -0.01% points	-0.01% points
July 2018	+0.1	Negligible	-
August 2018	+0.9	Up +0.06% points	+0.06% points
September 2018	0.0	Down -0.06% points	-0.06% points
October 2018	+0.1	Up +0.07% points	+0.07% points
November 2018	0.0	Down -0.02% points	-0.02% points
December 2018	+0.4	Down -0.01% points	-0.01% points

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 January of previous years and are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPIH seasonal food index			
Year	November	December	January
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	0.5
2018/19	0.6	-0.2	

- 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
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	-3.9
2018/19	1.5	-1.0	

- 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
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	-2.6
2018/19	0.2	1.0	

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

TRANSPORT

Fuels and Lubricants

- Oil prices rose by around 1 percent on Tuesday amid supply cuts led by producer club OPEC and Russia, although a darkening economic outlook may soon weigh on growth in fuel demand. International Brent crude oil futures LCOc1 were at \$59.62 per barrel at 0740 GMT, up 63 cents, or 1.1 percent, from their last close. (www.reuters.com 15 January 2019)
- When considering the price of petrol between December 2018 and January 2019, it may be useful to note that the average price of petrol rose by 1.1 pence per litre between December 2017 and January 2018, to stand at 121.0 pence per litre as measured in the CPIH.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately 0.02 percentage points to the 1-month change in the CPIH.

Passenger Transport by Air

- Air fares tend to fall in January.

Monthly % change for CPIH air fares index			
Year	November	December	January
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	-33.2
2018/19	-12.1	39.6	

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

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

- The Bank of England Bank Rate remained unchanged at 0.75% on Thursday 20 December 2018. The next announcement and minutes from the Bank of England's Monetary Policy Committee are scheduled to be published on 7 February 2019.
- The change in average mortgage interest rates recorded in the RPI was -0.04 percentage points between December 2017 and January 2018. The Bank of England Bank Rate remained unchanged at 0.5% in December 2017.
- 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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