

# Comparison of consumer prices June 2014

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## Overview

This report has been produced on an annual basis by the Statistics Unit since 2002. The 2014 edition focuses on the relative movement of retail prices in Jersey, Guernsey and the UK between June 2005 and June 2014 and also presents a comparison of price levels for a sub-set of items at June 2014.

A more comprehensive comparison of overall relative consumer price levels in Jersey and the UK was published by the Statistics Unit in March 2014:

“Jersey-UK Relative Consumer Price Levels for Goods and Services 2013”.

## Summary

### Price movements

- over the nine-year period from 2005 to 2014 the overall increase of the RPI in Jersey (29%) has been similar to that in Guernsey (29%) and to that of RPIJ<sup>1</sup> in the UK (27%);
- during the twelve months to June 2014 the RPI increased by 1.6% in Jersey and by 2.6% in Guernsey; over the same period RPIJ increased by 2.0% the UK.

### Price levels (June 2014)

- direct food price comparisons show that:
  - ⇒ fresh fruit was about a third more expensive in Jersey than in the UK;
  - ⇒ fresh vegetables were about two-fifths more expensive in Jersey than in the UK;
  - ⇒ meat was, on average, a sixth more expensive in Jersey than in the UK;
- the mean retail price of alcohol was higher in Jersey than in the UK: by around 50 p for a pint of beer or lager; and by 29 p for a nip of whisky;
- the mean retail price of cigarettes was lower in Jersey than in the UK, by 111 p for a packet of 20 cigarettes;
- the mean retail price of unleaded petrol and diesel was lower in Jersey than in the UK, by 7 p and 12 p per litre, respectively;
- the pre-tax prices of alcohol, tobacco and motor fuels were higher in Jersey than in the UK in June 2014. The mean pre-tax price of:
  - ⇒ alcohol was higher in Jersey than in the UK, by almost a third for nip of whisky to more than two-fifths for a pint of beer or lager;
  - ⇒ cigarettes were 24 p per packet higher in Jersey than in the UK;
  - ⇒ petrol and diesel were higher in Jersey than in the UK, by almost a half for unleaded petrol and by a third for diesel, corresponding to around 20 p per litre.

<sup>1</sup> For methodological reasons, the appropriate comparison with the UK is that of the Jersey RPI and the UK RPIJ.

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## Introduction

The simplest way to think about the Retail Prices Index (RPI) is to imagine a 'shopping basket' containing the various goods (e.g. bread, televisions, wardrobes) and services (e.g. doctors, dentists, hairdressers) on which people in Jersey spend their money. As the prices of the various items in the basket change over time, so does the total cost of the basket. On or around the 15<sup>th</sup> day of March, June, September and December the current total cost of the basket is calculated and then compared with the total cost a year earlier, showing how much the total cost has changed over the twelve-month period.

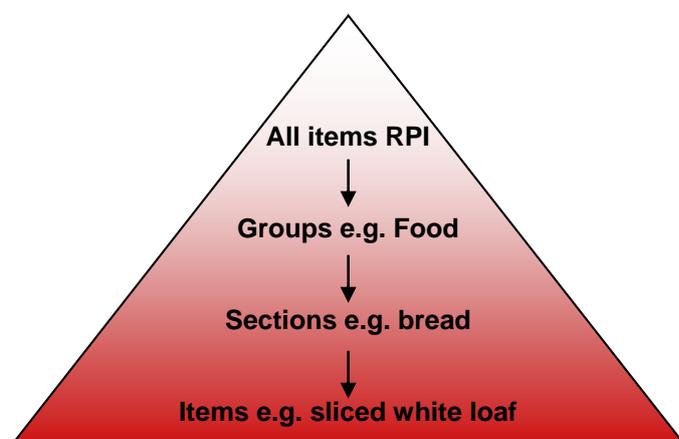
In principle, the cost of the basket should be calculated with reference to all consumer goods and services purchased by all households, and the prices measured in every shop or outlet that supplies them. In practice this is impossible, so the RPI is calculated by collecting a sample of prices for a selection of 'representative' goods and services from a range of retail outlets and service providers. The RPI is calculated from around 2,500 separate price quotations in total. The same approach is adopted in other jurisdictions (e.g. in the UK by the Office for National Statistics, ONS) for the compilation of consumer price indices.

The other essential element of the RPI is to ensure that the items are weighted. Weights are needed in the RPI to ensure that items which account for more of a household budget (e.g. housing costs) are given more importance in the index. Without weighting items, the change in the price of a kilogram of cheese, for example, would have the same impact on the RPI as a change in mortgage interest rates.

To ensure that the contents of the RPI basket of goods and services, and the associated expenditure weights, remain representative of actual household spending they are reviewed on completion of each round of a survey which records the expenditure of households in Jersey<sup>2</sup>, involving the analysis of detailed expenditure information from over 1,000 households covering more than 300,000 individual purchases.

The purpose of this report is to compare prices in Jersey, Guernsey and the UK by looking at the RPI for each jurisdiction. The RPI is composed of 14 groups; each group is composed of several sections (there are 85 sections in total); and each section is made up of a number of representative items:

### RPI Structure



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<sup>2</sup> The 2009/10 Jersey Household Spending and Income Survey (HSIS) and the 1998/9 and 2005/6 Jersey Household Expenditure Surveys (HES).

This report examines the rate at which prices have changed by looking at the behaviour of the groups and sections in the various jurisdictions. Additionally, direct comparisons of prices are made, where possible, in order to give an indication of price levels<sup>3</sup>.

Throughout the report the figures show component series of the RPI whilst the tables show actual prices. The RPI data are informative of the rate of change in prices, but do not lead to any conclusions on relative price levels.

In considering the analysis it is important to remember that the data relate to average (mean) prices in each of the jurisdictions. Whilst averages are the correct way to present such an analysis, there will of course be differences in the prices of items in shops throughout each jurisdiction; some prices will be lower than the average and others higher. In addition, for the UK there will also be differences between regions and even within regions<sup>4</sup>.

Another source of difference that can affect price comparisons is quality, and the fact that higher quality goods or services generally cost more than lower quality ones. This fact is accounted for in the RPI by ensuring that the index is representative of the range of products available for a specific item. However, in using the comparisons it is important to remember that a higher quality product is likely to be priced above average.

In the UK, an Expenditure and Food Survey (EFS) is carried out annually by the ONS to highlight changes in spending patterns so that items in the RPI can be adjusted accordingly. As noted above, the States of Jersey Statistics Unit runs a similar survey approximately every five years. A Jersey household expenditure survey was completed in 2010 and subsequently the 'basket' of goods and services used to compile the Jersey RPI was reviewed. A consequence of the different timing between jurisdictions is that newer brands, specifically lower cost alternatives to named brands, may be included in the UK analysis sooner. Such differences will not affect rates of change, but may, depending on take up, affect price level comparisons.

Many factors will influence the rate of change in the price of a product or service and its absolute level at any one point in time. For example, a product could be rising in price at a faster rate in one jurisdiction than another but may be starting from a lower price base; thus, a greater rise in price does not necessarily mean it is more expensive.

Despite all the points to note on interpreting the data, this type of exercise has real value. It highlights the product or services groups where price changes are causing the greatest upward pressure on inflation, and, where there are differences in the rate of change of prices, these can be considered further and better understood. In addition, this exercise can show how actual prices differ between Jersey, Guernsey and the UK.

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<sup>3</sup> Direct comparisons of prices are based on information published monthly by the Office for National Statistics (ONS) on the average price of around 60 non-brand items which are included in the UK RPI. Guernsey figures are supplied by the Guernsey Policy and Research Unit.

<sup>4</sup> UK Relative Regional Consumer Price levels for Goods and Services for 2010; Office for National Statistics.

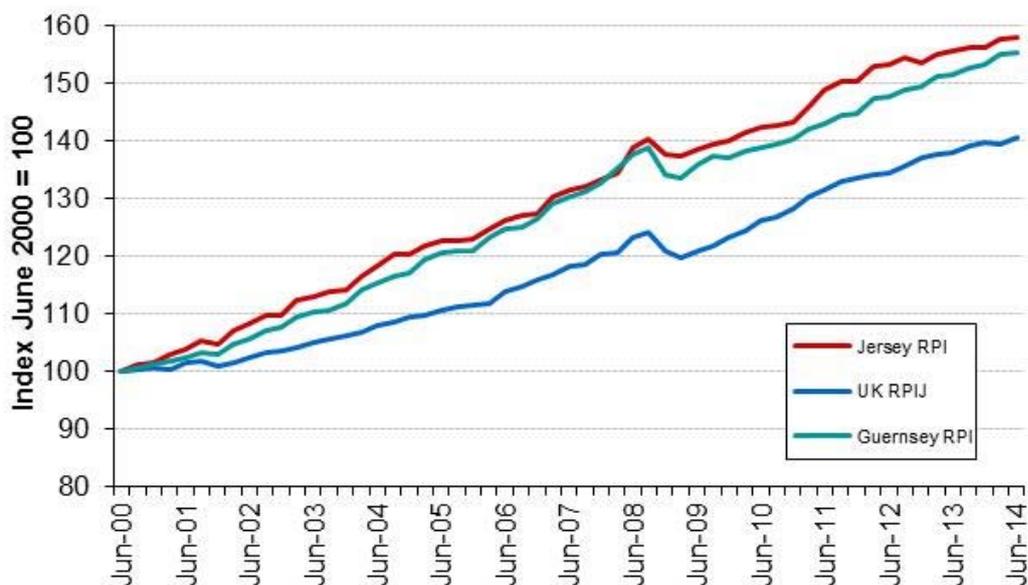
## Overall Consumer Price Inflation

The rate of inflation as measured by retail prices indices has increased at a greater rate, overall, in Jersey and Guernsey than in the UK since 2000.

For methodological reasons<sup>5</sup>, the appropriate comparison with the UK is that of the Jersey and Guernsey all-items RPI with the UK all-items RPIJ.

Figure 1 shows that the Jersey RPI increased by 58% between June 2000 and June 2014; the Guernsey RPI increased by 56% over this period; whilst the UK RPIJ increased by 41%.

Figure 1 – Jersey and Guernsey RPI and UK RPIJ; June 2000 to June 2014<sup>6</sup>



However, there have been two distinct periods since 2000 in the relative behaviour of the three jurisdictions:

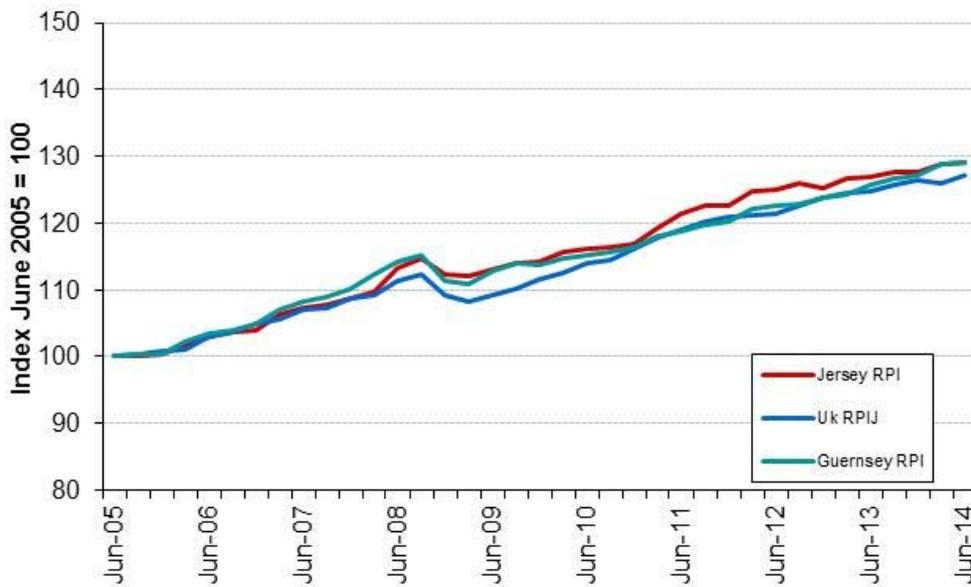
- between 2000 and 2005 prices increased by more in Jersey (23%) and Guernsey (21%) than in the UK (11%);
- from 2005 to date price increases have been relatively similar: up by 29% in both Jersey and Guernsey and by 27% in the UK (see Figure 2).

Since most of the divergence between the three jurisdictions in retail price indices (overall and at group and section levels) occurred before 2005, focussing on more recent years removes the effect of the earlier divergence and provides a better understanding of any more recent differences.

<sup>5</sup> The outcome of a 2012 consultation on the UK RPI conducted by the UK National Statistician was that the UK RPI does not meet current international standards and that a new index (RPIJ) should be published; from March 2013 the UK have published RPIJ. The annual percentage change in the UK RPI is systematically greater (by an average of approximately 0.5 pp) than RPIJ; this upward bias is predominantly due to the "formula effect". The Jersey RPI is not susceptible to such an upward bias.

<sup>6</sup> In Figure 1 the UK and Guernsey indices have been re-based to June 2000 = 100.

Figure 2 - Jersey and Guernsey RPI and UK RPIJ; June 2005 to June 2014<sup>7</sup>



Most recently, during the twelve months to June 2014, the RPI increased by 1.6% in Jersey and by 2.6% in Guernsey, whilst RPIJ increased by 2.0% in the UK (Figure 3).

Figure 3 - Annual percentage change in Jersey and Guernsey RPI and UK RPIJ; June 2005 to June 2014



Underlying inflation

RPI(X) is the (all-items) RPI excluding mortgage interest payments; the annual change of RPI(X) is considered a measure of underlying inflation. The annual change of RPI(X) in Jersey was 1.8% in June 2013, 2.1% in Guernsey and 2.7% in the UK<sup>8</sup>.

<sup>7</sup> In the following Figures showing comparative movements of indices since June 2005, all Jersey, Guernsey and UK indices have been re-based to June 2005 = 100.

<sup>8</sup> The annual change of the UK indices RPI(X) and RPI(Y) are also susceptible, in principle, to an upward bias due to the formula effect. However, the upward biases of the UK RPI(X) and RPI(Y) are not quantified by the UK Office for National Statistics.

## Effect of tax changes

A major difference between the three jurisdictions is the type and amount of tax that is levied on certain goods and services. Alcohol, petrol and tobacco are subject to impôts in Jersey and Guernsey and to duty in the UK. Many items are also subject to VAT in the UK at the rate of 20%<sup>9</sup>, whilst in Jersey many items are subject to a Goods and Services Tax (GST) at the rate of 5%<sup>10</sup>. Although the majority of items are subject to GST in Jersey there are some exemptions, for example school fees, doctors, dentists and optician fees. Guernsey does not currently have a comparable tax.

The impact of these different tax structures on price changes and on price levels is discussed throughout the report where impôts and duty apply. Furthermore, it is important to consider the effect of the changes to the rate of VAT in the UK which occurred between December 2008 and January 2011 and of the introduction and change in the rate of GST in Jersey:

- the introduction of GST in Jersey at the rate of 3% in May 2008 contributed 1.9 percentage points (pp) to the annual rate of increase of the RPI in June 2008; this contribution from GST remained in the annual increases of the RPI for four quarters, up to and including March 2009;
- the increase in the rate of GST in Jersey from 3% to 5% in June 2011 contributed 1.3 pp to the annual rate of increase of RPI in June 2011; this contribution from GST remained in the annual increase of the RPI for four quarters, up to and including March 2012.

RPI(Y) is a measure of underlying inflation which removes the effect of mortgage interest payments as well as the effects of the introduction or changes in indirect taxes<sup>11</sup> such as GST and VAT. Over the twelve months to June 2014 the annual change of RPI(Y) in Jersey (1.6%) was lower than in the UK (2.7%) and Guernsey (1.8%).

## **Group level analysis**

Considering the groups which comprise the RPI shows whether different price pressures are evident in each jurisdiction and can help explain any differences seen in the overall rates of increase of the RPI. Therefore, it is useful to look directly at the annual *percentage* changes of each RPI group in each jurisdiction (Figures 4 to 6).

It should be noted that the UK RPIJ is not published at group level. Therefore, *group-level comparisons are made between Jersey's RPI and the UK RPI.*

The effect of a percentage change for a particular group on the overall RPI could, in principle, be susceptible to different weights being used in each of the RPIs. For example, if a group had a larger weight in Jersey than in the UK then the same price rise for that group would result in a larger impact on the Jersey RPI. However, broadly speaking, the weights are similar in both indices, with differences easily understood.

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<sup>9</sup> UK VAT rate was increased from 17.5% to 20% on 4<sup>th</sup> January 2011.

<sup>10</sup> GST was introduced in Jersey in May 2008 at the rate of 3%; the rate of GST increased to 5% in June 2011.

<sup>11</sup> RPI(Y) was introduced as a measure of underlying inflation in Jersey in December 2007.

For example, Personal goods and services has a weight of 6.6 out of 100 in the Jersey RPI compared with a weight of 4.0 in the UK RPI. This group has a larger weight in the Jersey RPI largely because the proportion of average household expenditure on health and personal care in Jersey is greater than in the UK. Similarly, Household services has a weight of 10.4 in Jersey compared with 6.2 in the UK; this group includes school fees, which has a larger weight in the Jersey RPI due to the proportion of average household expenditure on private education being greater in Jersey than in the UK.

Figure 4 - Jersey RPI group percentage changes, June 2014

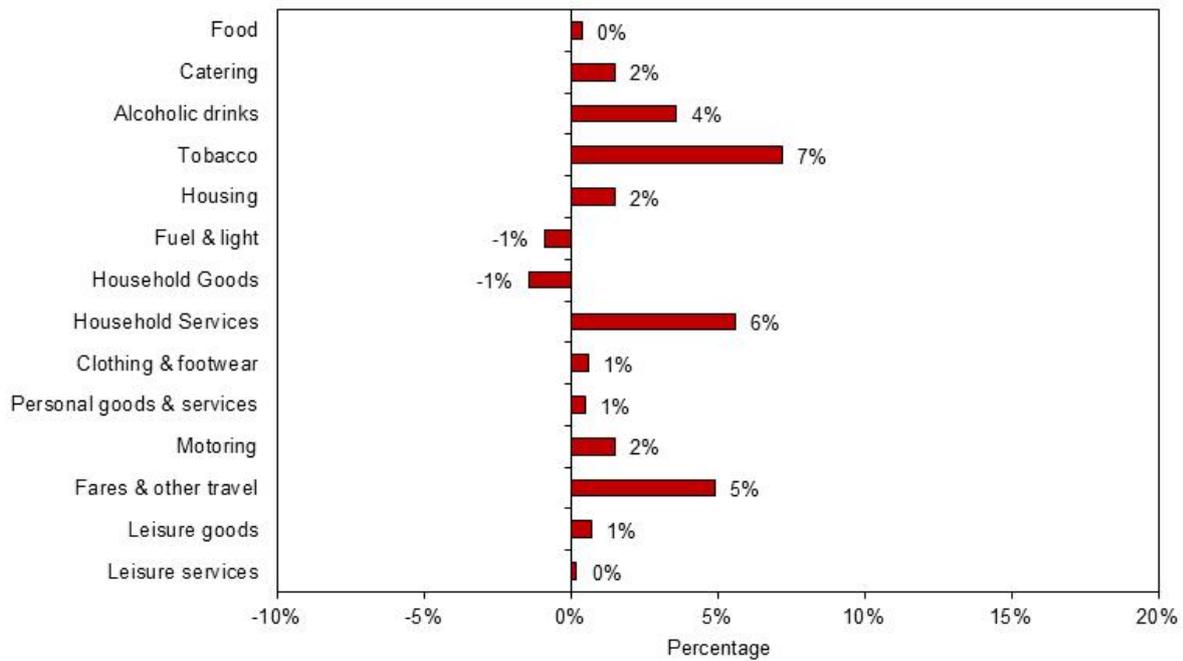
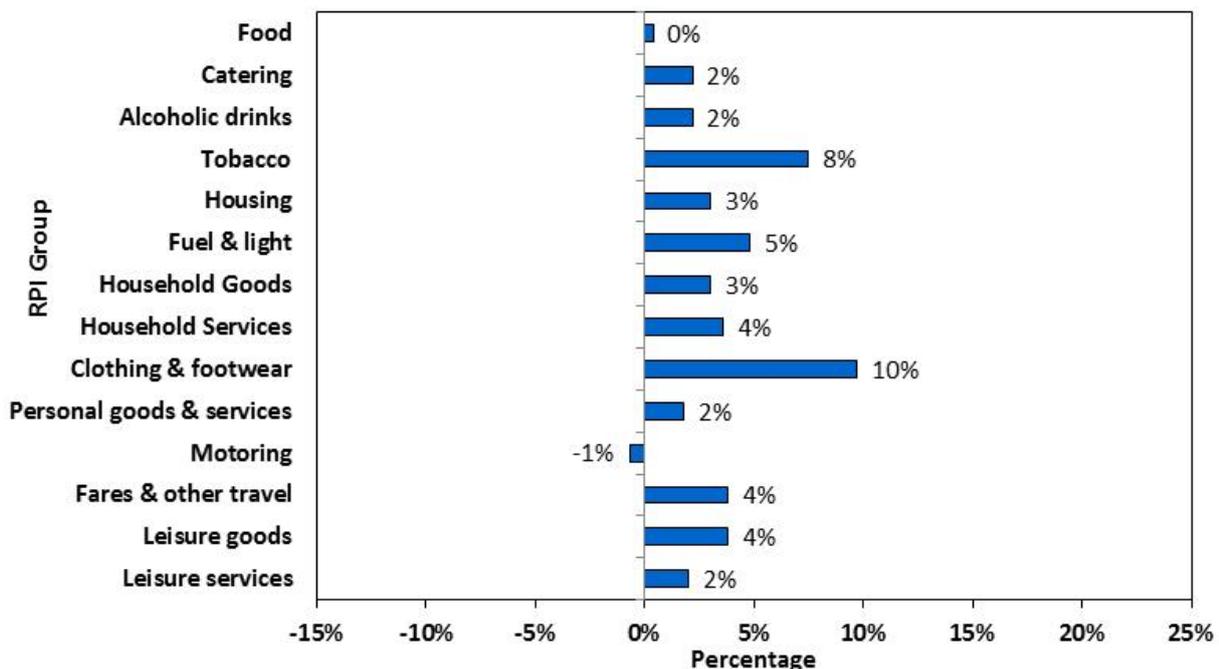


Figure 5 - UK RPI group percentage changes, June 2014

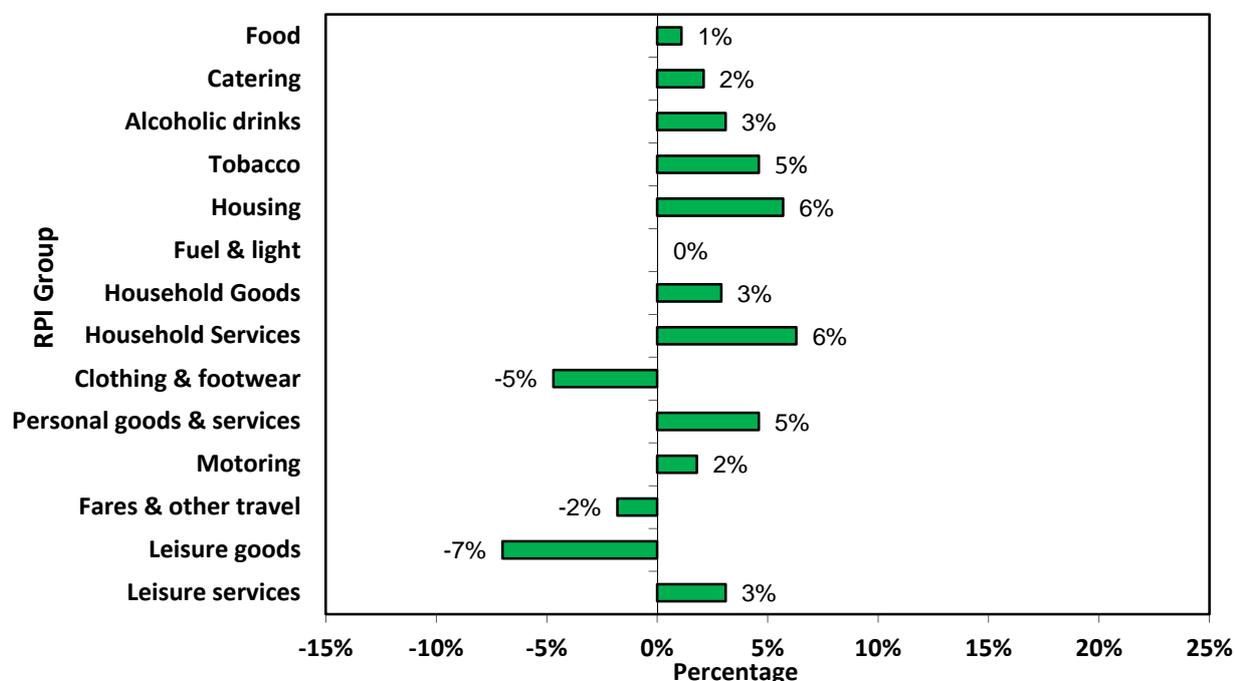


Despite the fact that global factors influence all three jurisdictions, local trends and issues in each location dictate the full effect of such factors. In particular:

- **Clothing & Footwear** prices increased at a greater rate in the UK than in Jersey on an annual basis (up by 10% and 1%, respectively);
- **Housing** costs increased at a greater rate in the UK than in Jersey (up by 3.0% and 1.5%, respectively), driven by increased property prices in the UK;
- **Fuel & light costs** increased by 5% in the UK on an annual basis but decreased by 1% in Jersey over the same period. In this group, both jurisdictions saw increases in electricity prices (up by 6% in the UK and by 1.5% in Jersey) and gas prices (up by 5% in the UK and by 3.5% in Jersey) over the twelve months to June 2014. The decrease in the cost of domestic heating oil was similar in both jurisdictions (down by 4% on an annual basis); this item has considerably greater weight in the Jersey RPI.
- in contrast, the cost of **Motoring** increased by almost 2% in Jersey over the twelve months to June 2014 compared with a decrease of almost 1% in the UK over the same period. This difference was predominantly due to the cost of motor insurance (up in Jersey, essentially unchanged in the UK) and of motor fuels (petrol up by ½ p per litre in Jersey but down by 4 p per litre in the UK; diesel down by 1 p per litre in Jersey and down by 3 p per litre in the UK) on an annual basis.

Comparing price indices with Guernsey, over the twelve months to June 2014 the annual change of the RPI in Jersey (1.6%) was lower than in Guernsey (2.6%). At group level (Figures 4 and 6) the difference in the annual rates of increase of the RPI in Jersey and Guernsey was largely due to the Housing group: Housing costs increased by 6%, on average, in Guernsey compared with an increase of 2% in Jersey.

Figure 6 - Guernsey RPI group percentage changes, June 2014

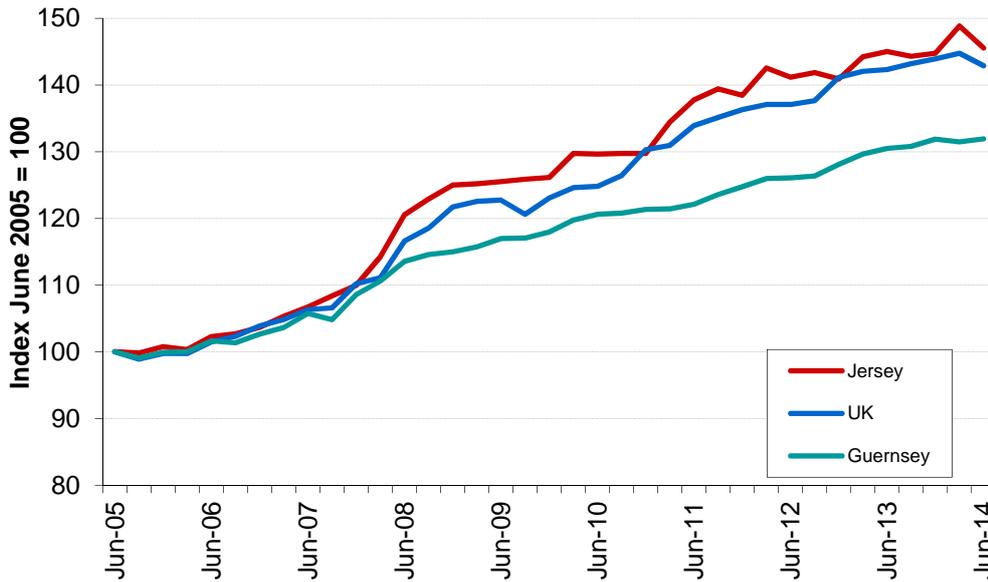


The remainder of this report examines the 14 groups of the RPI separately, comparing Jersey, Guernsey and the UK in each case<sup>12</sup>.

<sup>12</sup> Data are available to enable comparisons to be made at a section level for Jersey and the UK but not for Guernsey.

Group 1: Food (weight in Jersey RPI: 10.9 out of 100)

Figure 7 - Food group of the RPI in Jersey, Guernsey and the UK  
June 2005 to June 2014

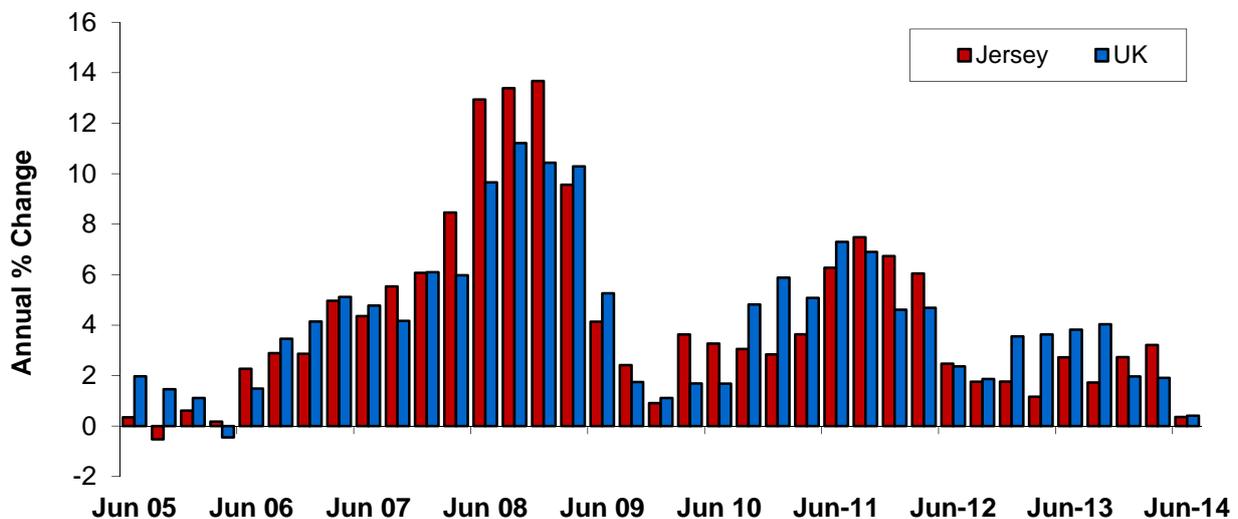


Over the last nine years, Food prices have increased by 46% in Jersey, 43% in the UK and 32% in Guernsey (Figure 7). The effects of the introduction and increase in the rate of GST in Jersey in May 2008 and June 2011, respectively, are apparent in Figure 7.

The Food group saw rates of inflation peak in 2008, with both Jersey and the UK recording annual changes of more than 10% (Figure 8); increases of this magnitude had not been seen by the Food group since the 1990s. Both jurisdictions have since seen lower rates of increase.

Over the twelve months to June 2014, Food prices rose by 0.4% in both Jersey and the UK, whilst in Guernsey Food prices rose by 1.1% over the same period.

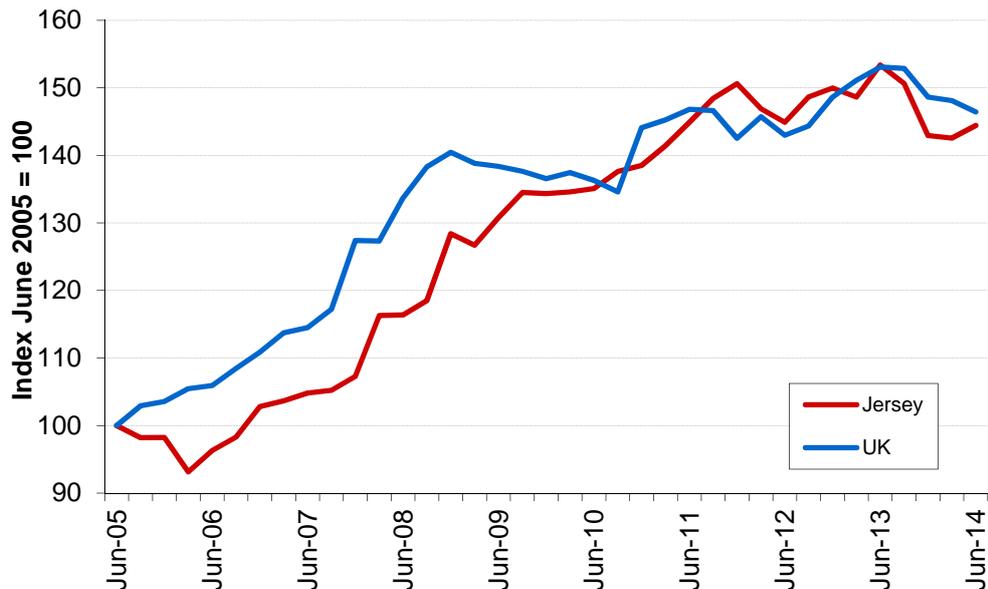
Figure 8 - Jersey and UK Food group annual percentage changes;  
June 2005 to June 2014



There are many items in the overall Food group; the sub-indices for 8 of the 29 sections of the Food group are presented in Figures 9 to 16 for Jersey and the UK. When examining these graphs it is important to bear in mind that special offers and seasonality can impact upon the prices of some foods, and also to note that GST applies to all food items in Jersey whilst VAT applies to only some food items in the UK.

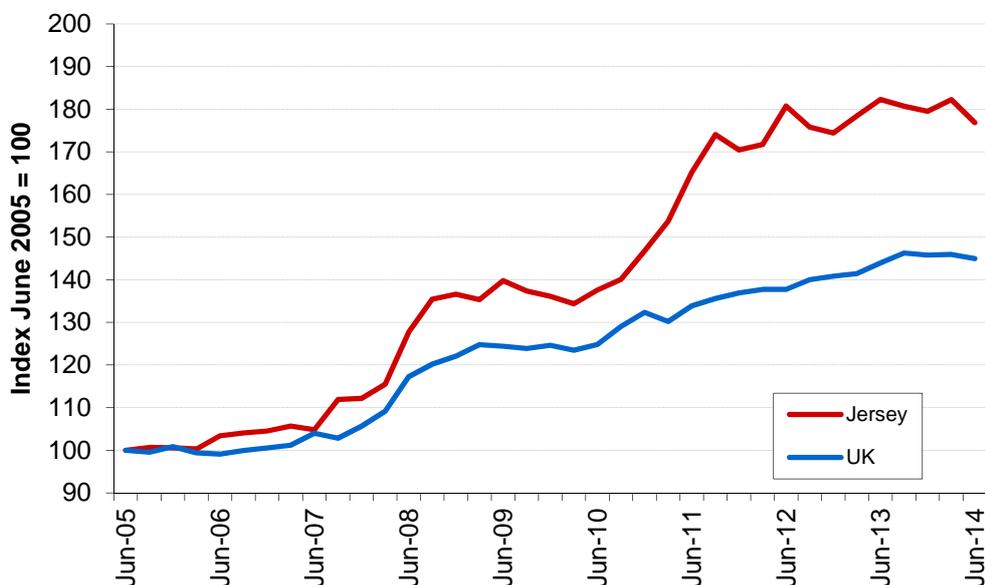
Bread prices have increased by almost a half in both Jersey and the UK since 2005 (Figure 9). During the twelve months to June 2014 the average price of bread decreased in both Jersey and the UK, down by 6% and 4%, respectively.

**Figure 9 - Bread section of RPI**



Over the last nine years, the prices of cereals (Figure 10), biscuits and cakes have risen by more in Jersey than in the UK. Cereals have seen an overall increase in price of 77% in Jersey and of 45% in the UK, whilst biscuits and cakes have seen an increase of 66% in Jersey and of 55% in the UK.

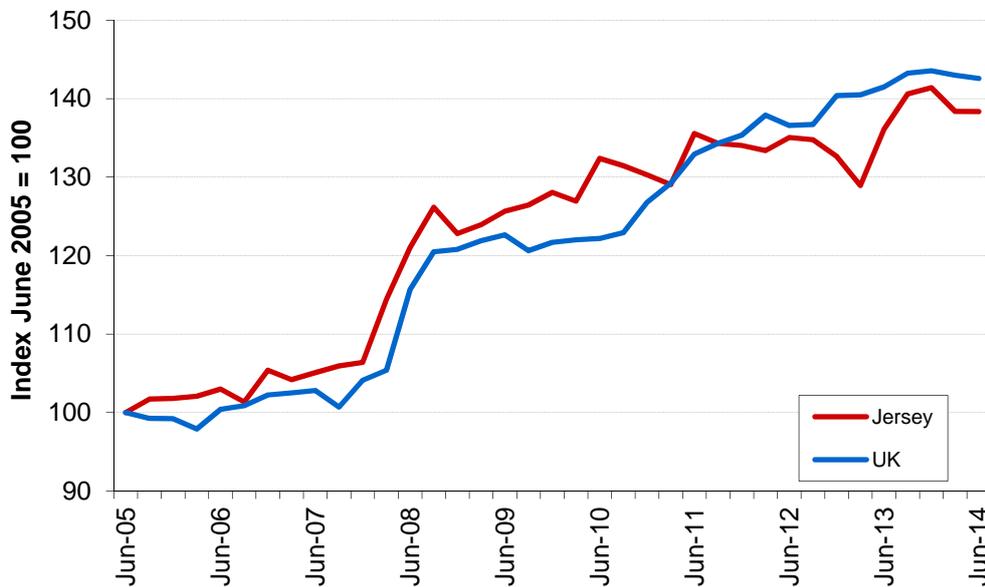
**Figure 10 - Cereals section of RPI**



During the twelve months to June 2014 cereal prices decreased by 3% in Jersey, compared to an increase of 1% in the UK, whilst the price of biscuits and cakes increased by 4% in both jurisdictions.

Since 2005, both Jersey and the UK have seen meat prices, overall, increase by 38% in Jersey and by 43% in the UK – see Figure 11.

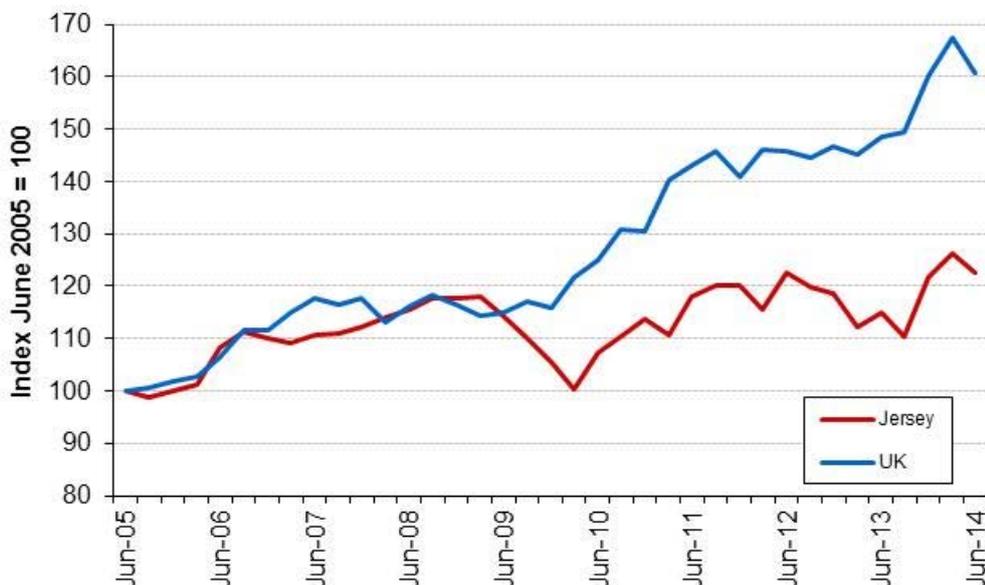
**Figure 11 - Meat section of RPI**



Within the meat sections, the prices of pork, lamb and poultry have seen greater overall increases since 2005 in the UK (up by 47%, 54% and 29%, respectively) than in Jersey (up by 29%, 35% and 15%, respectively). In contrast, beef has risen by four-fifths (80%) in Jersey compared to three-fifths (62%) in the UK over the same period.

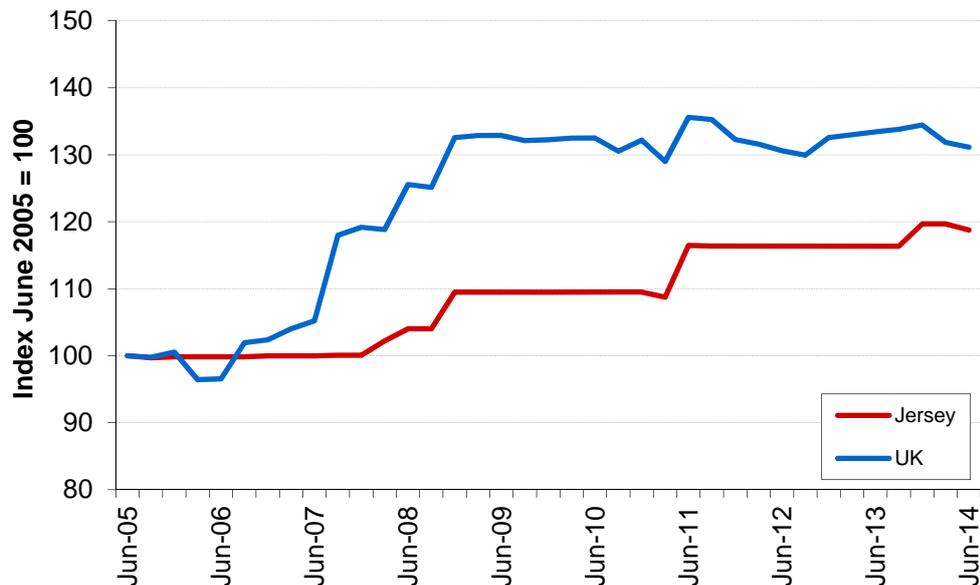
Between June 2005 and June 2014 fresh fish prices rose by 23% in Jersey, compared with 61% in the UK (Figure 12). Over the twelve months to June 2014 the price of fresh fish increased by 7% in Jersey and 8% in the UK.

**Figure 12 - Fresh fish section of RPI**



Since 2005 the price of milk has risen by a third (31%) in the UK and by a fifth (19%) in Jersey (Figure 13). The average price of milk in Jersey in June 2014, however, was over a third higher than in the UK (corresponding to 18 p per pint - see Table 7).

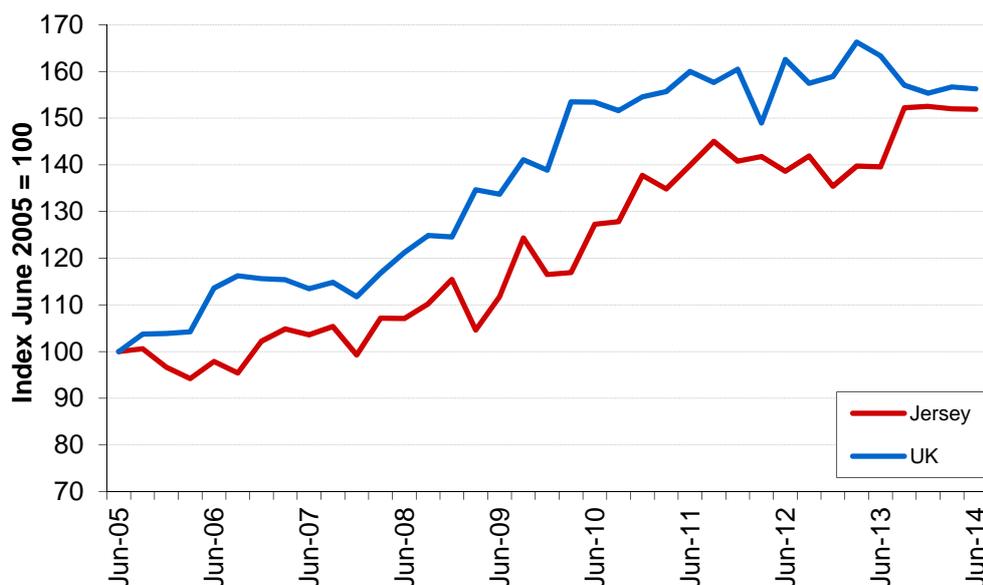
Figure 13 - Fresh milk section of RPI



Since 2005, the price of butter has almost doubled in the UK (increasing by 93%), compared to an increase in Jersey of almost three-fifths (57%). Most recently, over the twelve months to June 2014, the price of butter increased by 8% in Jersey and by 7% in the UK. In contrast, the price of other milk products (yoghurt, cream etc.) has risen more in Jersey (59%) than in the UK (32%) over the last nine years.

The price of tea in Jersey increased by 9% over the last twelve months compared to a 4% decrease in the UK. Over the last nine years, however, tea prices have seen a slightly smaller overall increase in Jersey (52%) than in the UK (56%) – see Figure 14.

Figure 14 - Tea section of RPI

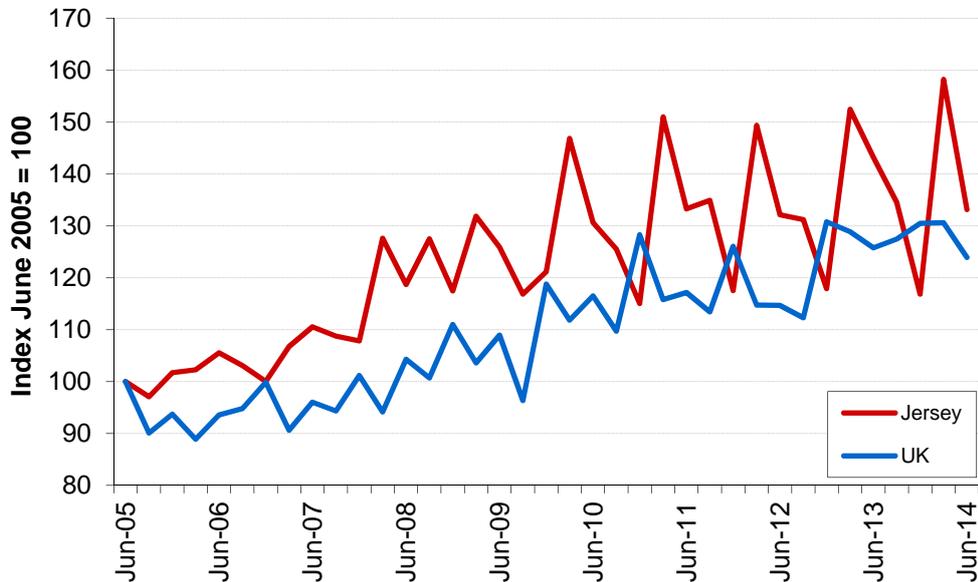


Similarly, since 2005, coffee has seen a smaller overall increase in price in Jersey, up by 26% compared with an increase of 45% in the UK.

The price of oils and fats has increased by around a half in both Jersey and the UK since 2005, up by 55% and 53%, respectively. More recently, over the twelve months to June 2014, prices increased by 6% in Jersey and decreased by 1% in the UK.

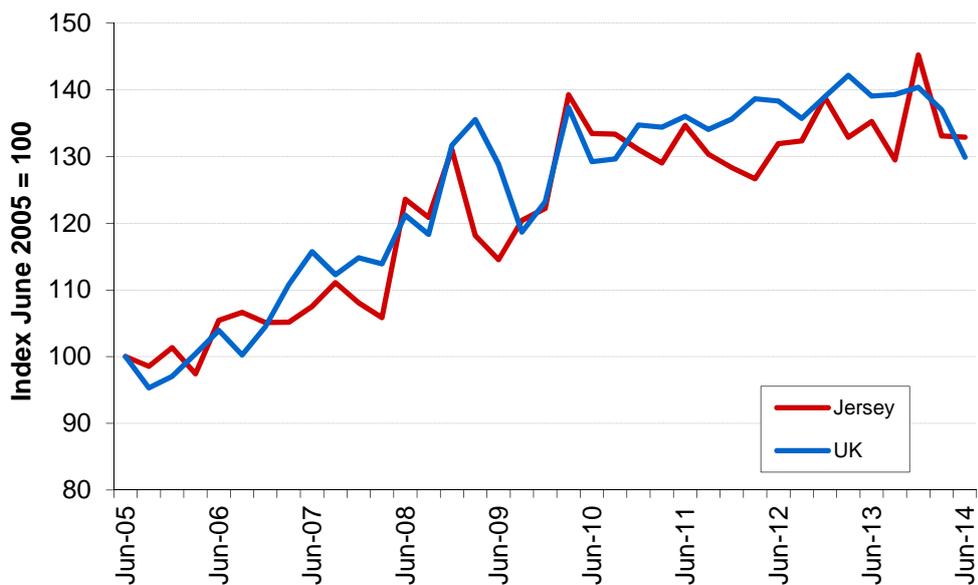
Since June 2005 the price of fresh fruit has increased by around a third (33%) in Jersey and around a quarter (24%) in the UK (Figure 15).

**Figure 15 - Fresh fruit section of RPI**



Fresh vegetables have seen similar overall increases in price in Jersey and in the UK since 2005 (Figure 16), up by 33% and 30%, respectively.

**Figure 16 - Fresh vegetables section of RPI**



Where data are available, it is also informative to look at a direct comparison of average prices. These are presented in Tables 1 to 9 for various food items in June 2014 for Jersey, Guernsey and the UK. Comparisons over the nine-year period 2005 to 2014 are shown in Annex A for Jersey and the UK and for the latest two years in Annex B for Jersey and Guernsey.

Percentage differences between jurisdictions, shown in tables and annexes, are calculated from un-rounded numbers and are then rounded to the nearest integer. A positive percentage difference implies that the Jersey average price is greater than that of the other jurisdiction.

### **Meat and fish**

In June 2014 the average price of meat (items for which prices were available) was about a sixth (16%) higher in Jersey than in the UK (see Table 1). This overall price difference for meat was similar to that seen during the preceding nine years (17%).

Fresh fish was 2% higher in Jersey than in the UK; white fish was 11% more expensive in Jersey whilst salmon was 10% cheaper to purchase locally.

**Table 1 - Average retail prices of matched Meat & Fish items in Jersey and UK:  
June 2014**

| Item   | Mean price (in pence) |      | Percentage difference |
|--|-----------------------|------|-----------------------|
|  | Jersey                | UK   |                       |
| <b>Beef: fresh per kg</b>                    |                       |      |                       |
| Best beef mince                              | 680                   | 815  | -17                   |
| Topside                                      | 1206                  | 1082 | 11                    |
| Rump Steak                                   | 1758                  | 1615 | 9                     |
| <b>Lamb: fresh per kg</b>                    |                       |      |                       |
| Loin (with bone)                             | 1629                  | 1316 | 24                    |
| Shoulder (without bone)                      | 984                   | 842  | 17                    |
| <b>Pork: fresh per kg</b>                    |                       |      |                       |
| Loin (with bone)                             | 740                   | 650  | 14                    |
| <b>Chicken: roasting, oven-ready, per kg</b> |                       |      |                       |
| Fresh or chilled                             | 399                   | 335  | 19                    |
| <b>Other Meat</b>                            |                       |      |                       |
| Gammon, per kg                               | 833                   | 788  | 6                     |
| Bacon, back, per kg                          | 982                   | 882  | 11                    |
| Ham 100 - 125g                               | 234                   | 181  | 29                    |
| Pork sausages, per kg                        | 602                   | 498  | 21                    |
| <b>Overall (Weighted) – all Meat</b>         |                       |      | <b>16</b>             |
| <b>Fresh fish: per kg</b>                    |                       |      |                       |
| White fillets                                | 1505                  | 1361 | 11                    |
| Salmon fillets                               | 1550                  | 1714 | -10                   |
| <b>Overall (Weighted) – all Fish</b>         |                       |      | <b>2</b>              |

Table 2 shows average meat and fish prices in Jersey and Guernsey in June 2014.

Table 2 - Average retail prices of matched Meat & Fish in Jersey and Guernsey:  
June 2014

| Item   | Mean price (in pence) |          | Percentage difference |
|--|-----------------------|----------|-----------------------|
|  | Jersey                | Guernsey |                       |
| <b>Beef: fresh per kg</b>                    |                       |          |                       |
| Best beef mince                              | 680                   | 940      | -28                   |
| Topside                                      | 1206                  | 1210     | 0                     |
| Rump Steak                                   | 1758                  | 1684     | 4                     |
| <b>Lamb: fresh per kg</b>                    |                       |          |                       |
| Loin (with bone)                             | 1629                  | 1676     | -3                    |
| <b>Chicken: roasting, oven-ready, per kg</b> |                       |          |                       |
| Fresh or chilled                             | 399                   | 388      | 3                     |
| <b>Other Meat</b>                            |                       |          |                       |
| Gammon, per kg                               | 833                   | 697      | 20                    |
| Bacon, back, per kg                          | 982                   | 933      | 5                     |
| Pork sausages, per kg                        | 602                   | 677      | -11                   |
| <b>Fresh fish: per kg</b>                    |                       |          |                       |
| White fillets                                | 1505                  | 1476     | 2                     |
| Salmon fillets                               | 1550                  | 1759     | -12                   |

### Fruit and vegetables

Overall, the average price of fruit was more than a third (35%) higher in Jersey than in the UK in June 2014. This overall price difference was greater than the average difference seen during the preceding nine years (31%). No items (for which matched price quotes were available) were cheaper to purchase locally (see Table 3).

Fresh vegetables (for which matched price quotes were available) were two-fifths (44%) more expensive in Jersey than in the UK in June 2014. This overall price difference is also greater than the average difference seen during the preceding nine years (27%). There were no fresh vegetables (for which matched price quotes were available) cheaper in Jersey than the UK in June 2014 (see Table 4).

Table 3 - Average retail prices of matched Fruit in Jersey and the UK: June 2014

| Item                                    | Mean price (in pence) |     | Percentage difference |
|---|-----------------------|-----|-----------------------|
|   | Jersey                | UK  |                       |
| <b>Fresh fruit</b>                      |                       |     |                       |
| Apples: dessert, per kg                 | 206                   | 197 | 5                     |
| Pears: dessert, per kg                  | 223                   | 203 | 10                    |
| Oranges: all sizes, each                | 50                    | 32  | 56                    |
| Bananas, per kg                         | 142                   | 86  | 66                    |
| Grapes, per kg                          | 561                   | 406 | 38                    |
| Avocado, each                           | 133                   | 97  | 37                    |
| <b>Overall (Weighted) – Fresh fruit</b> |                       |     | <b>35</b>             |

Table 4 - Average prices of matched Vegetables in Jersey and the UK: June 2014

| Item   | Mean price (in pence) |     | Percentage difference |
|--|-----------------------|-----|-----------------------|
|  | Jersey                | UK  |                       |
| <b>Fresh vegetables</b>                      |                       |     |                       |
| Potatoes: old whites, loose, per kg          | 111                   | 84  | 33                    |
| Potatoes: new, loose, per kg                 | 234                   | 167 | 40                    |
| Tomatoes, per kg                             | 262                   | 202 | 30                    |
| Cauliflower, each                            | 139                   | 105 | 33                    |
| Carrots, per kg                              | 121                   | 81  | 50                    |
| Onions, per kg                               | 131                   | 81  | 62                    |
| Mushrooms, per kg                            | 451                   | 302 | 49                    |
| Cucumber, each                               | 111                   | 64  | 74                    |
| Lettuce: iceberg, each                       | 111                   | 73  | 52                    |
| <b>Overall (Weighted) – Fresh vegetables</b> |                       |     | <b>44</b>             |

Using the smaller number of matched items available, Tables 5 and 6 indicate that the average price of fresh fruit and vegetables was slightly higher in Jersey than in Guernsey in June 2014.

Table 5 - Average retail prices of matched Fruit in Jersey and Guernsey: June 2014

| Item                     | Mean price (in pence) |          | Percentage difference |
|--------------------------|-----------------------|----------|-----------------------|
|                          | Jersey                | Guernsey |                       |
| <b>Fresh fruit</b>       |                       |          |                       |
| Apples: dessert, per Kg  | 206                   | 210      | -2                    |
| Pears: dessert, per kg   | 223                   | 224      | 0                     |
| Oranges: all sizes, each | 50                    | 40       | 24                    |
| Bananas, per kg          | 142                   | 113      | 26                    |
| Grapes, per kg           | 561                   | 527      | 7                     |

Table 6 - Average retail prices of matched Vegetables in Jersey and Guernsey: June 2014

| Item                                | Mean price (in pence) |          | Percentage difference |
|-------------------------------------|-----------------------|----------|-----------------------|
|                                     | Jersey                | Guernsey |                       |
| <b>Fresh vegetables</b>             |                       |          |                       |
| Potatoes: old whites, loose, per kg | 111                   | 128      | -13                   |
| Potatoes: new, loose, per kg        | 234                   | 227      | 3                     |
| Tomatoes, per kg                    | 262                   | 202      | 30                    |
| Cauliflower, each                   | 139                   | 128      | 9                     |
| Carrots, per kg                     | 121                   | 127      | -4                    |
| Onions, per kg                      | 131                   | 138      | -5                    |
| Mushrooms, per kg                   | 451                   | 425      | 6                     |
| Cucumber, each                      | 111                   | 134      | -17                   |
| Lettuce: iceberg, each              | 111                   | 121      | -8                    |

## Dairy produce

A pint of milk was, on average, 18 p (38%) more expensive in Jersey than in the UK in June 2014 (see Table 7).

Table 7: Average retail prices of matched dairy produce in Jersey and the UK:  
June 2014

| Item                        | Mean price (in pence) |     | % difference |
|-----------------------------|-----------------------|-----|--------------|
|                             | Jersey                | UK  |              |
| <b>Dairy produce</b>        |                       |     |              |
| Butter, per 250g            | 175                   | 156 | 12           |
| Cheddar cheese, per kg      | 1012                  | 806 | 26           |
| Eggs, size 4, per dozen     | 330                   | 249 | 33           |
| Milk, pasteurised, per pint | 64                    | 46  | 38           |

Butter was slightly more expensive in Jersey than in Guernsey in June 2014.

Table 8: Average retail prices of matched dairy produce in Jersey and Guernsey:  
June 2014

| Item                            | Mean price (in pence) |          | % difference |
|---------------------------------|-----------------------|----------|--------------|
|                                 | Jersey                | Guernsey |              |
| <b>Dairy produce</b>            |                       |          |              |
| Butter, home produced, per 250g | 156                   | 147      | 6            |
| Butter, imported, per 250g      | 194                   | 186      | 4            |
| Eggs, size 4, per dozen         | 330                   | 330      | 0            |
| Milk, pasteurised, per pint     | 64                    | 63       | 1            |

## **Bread and other foods and drinks**

In general, the other foods for which comparable prices were available were more expensive to purchase in Jersey than in the UK in June 2014 (see Table 9).

**Table 9 - Average retail prices of matched other food items in Jersey and the UK:  
June 2014**

| Item                                 | Mean price (in pence) |     | % difference |
|--------------------------------------|-----------------------|-----|--------------|
|                                      | Jersey                | UK  |              |
| <b>Other foods &amp; soft drinks</b> |                       |     |              |
| Bread: white loaf, sliced, 800g      | 151                   | 115 | 31           |
| Bread: wholemeal loaf, sliced, 800g  | 170                   | 120 | 42           |
| Flour, self-raising, per 1.5kg       | 216                   | 125 | 73           |
| Sugar, granulated, per kg            | 97                    | 89  | 9            |
| Tea bags, per 250g                   | 256                   | 197 | 30           |
| Coffee, pure, instant, per 100g      | 349                   | 275 | 27           |

Table 10 shows the average prices for the other food items for which comparable prices were available in June 2014 in Jersey and Guernsey.

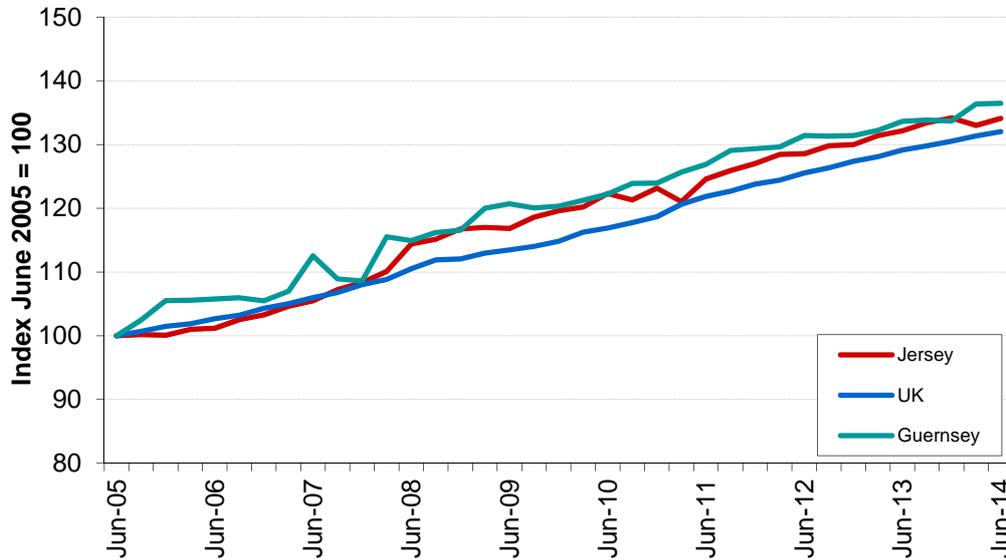
**Table 10 - Average retail prices of matched other food in Jersey and Guernsey:  
June 2014**

| Item                                | Mean price (in pence) |          | % difference |
|-------------------------------------|-----------------------|----------|--------------|
|                                     | Jersey                | Guernsey |              |
| <b>Other foods &amp; drinks</b>     |                       |          |              |
| Bread: white loaf, sliced, 800g     | 151                   | 131      | 15           |
| Bread: wholemeal loaf, sliced, 800g | 170                   | 144      | 18           |
| Flour, self-raising, per 1.5kg      | 216                   | 231      | -6           |
| Sugar, granulated, per kg           | 97                    | 95       | 3            |
| Tea bags, per 250g                  | 256                   | 244      | 5            |
| Coffee, pure, instant, per 100g     | 349                   | 335      | 4            |

### Group 2: Catering (weight in Jersey RPI: 4.6 out of 100)

Despite differences in the rates of change of various food items described previously, the overall increase for the Catering group has been similar in all three jurisdictions (Figure 17). Since June 2005, catering prices have risen by 34% in Jersey, by 36% in Guernsey and by 32% in the UK.

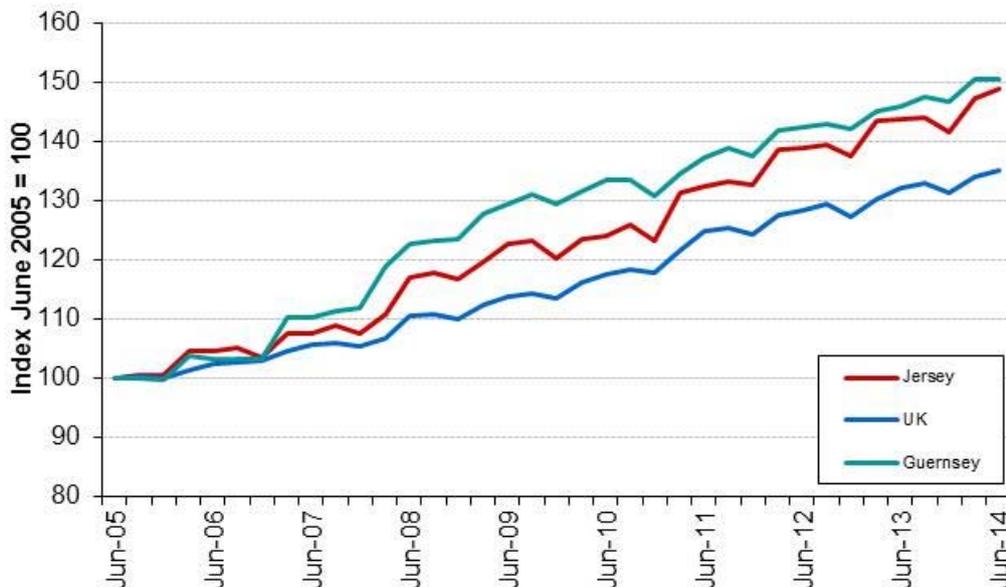
**Figure 17 - Catering group of the RPI in Jersey, Guernsey and the UK  
June 2005 to June 2014**



### Group 3: Alcoholic drinks (weight in Jersey RPI: 5.5 out of 100)

Over the last nine years, the average price of alcoholic drinks has increased by more in both Guernsey (50%) and Jersey (49%) than in the UK (35%).

**Figure 18 - Alcoholic drinks group of the RPI in Jersey, Guernsey and the UK  
June 2005 to June 2014**



Over the latest twelve months, the price of Alcoholic drinks increased by 4% in Jersey, by 3% in Guernsey and by 2% in the UK.

The level of taxes (impôts and excise rates) on alcoholic drinks in each jurisdiction has an impact on this group of the RPI.

For example, the effect of increases in impôts is apparent in the alcoholic drinks index of the Jersey RPI shown in Figure 18; impôts increases levied in a given January result in a step change of this index in the subsequent March.

Table 11 shows the current levels of impôts and duties levied on alcoholic drinks.

Table 11 - Impôts and Excise duties on alcohol in pence; levied in 2014

| Item                          | Jersey | UK   | Guernsey |
|-------------------------------|--------|------|----------|
| Draught beer (4% ABV) / pint  | 34     | 43   | 39       |
| Draught lager (5% ABV) / pint | 45     | 53   | 39       |
| Whisky / litre                | 1276   | 1129 | 1115     |
| Whisky / 25 ml nip            | 32     | 28   | 28       |

1. In the UK VAT is also applied to these items, currently at 20%.
2. In Jersey GST is also applied to these items, currently at 5%.
3. ABV (alcohol by volume) is the alcoholic strength.

Table 12 shows that the mean retail prices of alcoholic drinks in Jersey in June 2014 were higher than those in the UK by around 15%.

Table 12 - Average retail prices of matched alcoholic drinks in Jersey and the UK: June 2014

| Alcoholic drinks         | Mean price (in pence) |     | Difference in Pence | Percentage difference |
|--------------------------|-----------------------|-----|---------------------|-----------------------|
|                          | Jersey                | UK  |                     |                       |
| Draught bitter, per pint | 344                   | 294 | 50                  | 17                    |
| Draught lager, per pint  | 386                   | 337 | 49                  | 14                    |
| Whisky, per 25 ml nip    | 283                   | 254 | 29                  | 11                    |

The average **pre-tax** prices of alcoholic drinks, i.e. *before* the application of duties and taxes, were higher in Jersey than in the UK, by almost a third for whisky to more than two-fifths for beer and lager (Table 13).

**Table 13: Average *pre-tax* prices of matched alcoholic drinks in Jersey and the UK:  
June 2014**

| Alcoholic drinks         | Mean price (in pence) |     | Difference in Pence | Percentage difference |
|--------------------------|-----------------------|-----|---------------------|-----------------------|
|                          | Jersey                | UK  |                     |                       |
| Draught bitter, per pint | 294                   | 202 | 92                  | 45                    |
| Draught lager, per pint  | 322                   | 228 | 94                  | 41                    |
| Whisky, per 25 ml nip    | 237                   | 184 | 53                  | 29                    |

The *pre-tax* prices of beer and lager were, respectively, 92 p and 94 p per pint higher in Jersey than in the UK in June 2014; the *pre-tax* price of a nip of whisky was more than 50 p higher in Jersey.

The average retail prices of alcoholic drinks in Jersey were similar to those in Guernsey in June 2014 (Table 14).

**Table 14: Average retail prices of matched alcoholic drinks in Jersey and Guernsey:  
June 2014**

| Alcoholic drinks                       | Mean price (in pence) |          | Difference in Pence | Percentage difference |
|--|-----------------------|----------|---------------------|-----------------------|
|  | Jersey                | Guernsey |                     |                       |
| Draught bitter, per pint <sup>13</sup> | 344                   | 353      | -9                  | -2                    |
| Draught lager, per pint                | 386                   | 364      | 22                  | 6                     |
| Whisky, per 25 ml nip                  | 283                   | 305      | -22                 | -7                    |

The *pre-tax* prices of beer, lager and whisky were lower in Jersey than in Guernsey in June 2014 (see Table 15).

**Table 15: Average *pre-tax* prices of matched alcoholic drinks in Jersey and Guernsey:  
June 2014**

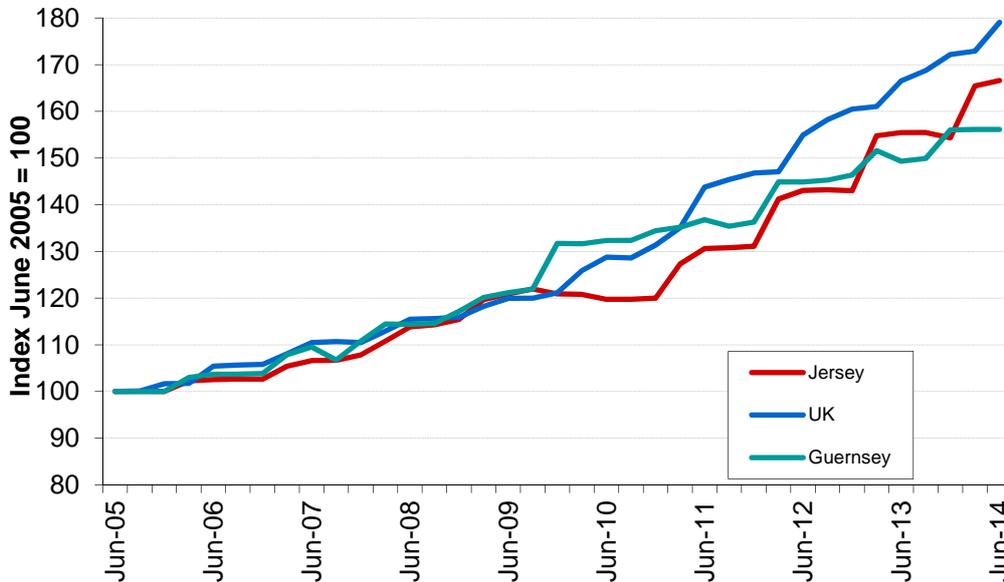
| Alcoholic drinks         | Mean price (in pence) |          | Difference in Pence | Percentage difference |
|--------------------------|-----------------------|----------|---------------------|-----------------------|
|                          | Jersey                | Guernsey |                     |                       |
| Draught bitter, per pint | 294                   | 314      | -20                 | -6                    |
| Draught lager, per pint  | 322                   | 326      | -4                  | -1                    |
| Whisky, per 25 ml nip    | 237                   | 277      | -40                 | -14                   |

<sup>13</sup> In Guernsey the mean price of draught bitter was derived from a sample of pubs only whilst that of draught lager was from a sample of both pubs and restaurants.

Group 4: Tobacco (weight in Jersey RPI: 1.7 out of 100)

The impact of increases in duties is also clearly visible in Figure 19, which shows the tobacco group index of the Jersey, Guernsey and UK RPIs.

Figure 19 - Tobacco group of the RPI in Jersey, Guernsey and the UK:  
June 2005 to June 2014



Over the last nine years, since June 2005, tobacco prices have increased by four-fifths (79%) in the UK, two-thirds (67%) in Jersey and more than a half in Guernsey (56%).

In the twelve months to June 2014, the price of tobacco products increased by 7% in Jersey, by 8% in the UK and by 5% in Guernsey.

Table 16 shows the impôts and duties levied on a packet of cigarettes in the three jurisdictions in 2005 and in the latest two years.

Table 16 - Impôts and Excise duties on tobacco products in pence

| Item          | Jersey |      |      | UK   |      |      | Guernsey |      |      |
|---------------|--------|------|------|------|------|------|----------|------|------|
|               | 2005   | 2013 | 2014 | 2005 | 2013 | 2014 | 2005     | 2013 | 2014 |
| 20 Cigarettes | 280    | 429  | 476  | 305  | 481  | 507  | 224      | 352  | 372  |

Note: In addition to impôts and excise duties, GST is applied in Jersey and VAT in the UK.

Overall, impôts and taxes accounted for more than two-thirds (70%) of the retail price of a packet of cigarettes in Jersey in June 2014 and for more than three-quarters (77%) of the retail price in the UK. Duty in Guernsey accounted for 62% of the retail price of cigarettes in June 2014.

In June 2014 a packet of 20 cigarettes was, on average, 13% less expensive in Jersey than in the UK, corresponding to being 111 p per packet cheaper in Jersey (Table 17).

Table 17 - Average retail prices of matched tobacco products in Jersey and the UK:  
June 2014

| Item                | Mean price (in pence) |     | Difference in Pence | Percentage difference |
|---------------------|-----------------------|-----|---------------------|-----------------------|
|                     | Jersey                | UK  |                     |                       |
| 20 king size filter | 728                   | 839 | -111                | -13                   |

However, as Table 18 shows, the **pre-tax** price of cigarettes was 13% higher in Jersey than in the UK in June 2014, corresponding to 24 p per packet<sup>14</sup>.

Table 18 - Average **pre-tax** prices of matched tobacco products in Jersey and the UK:  
June 2014

| Item                | Mean price (in pence) |     | Difference in Pence | Percentage difference |
|---------------------|-----------------------|-----|---------------------|-----------------------|
|                     | Jersey                | UK  |                     |                       |
| 20 king size filter | 217                   | 193 | 24                  | 13                    |

The average retail price of cigarettes in Jersey was almost a quarter (24%) higher than in Guernsey in June 2014 (Table 19)<sup>15</sup>.

Table 19 - Average retail prices of matched tobacco products in Jersey and Guernsey:  
June 2014

| Item                | Mean price (in pence) |          | Difference in Pence | Percentage difference |
|---------------------|-----------------------|----------|---------------------|-----------------------|
|                     | Jersey                | Guernsey |                     |                       |
| 20 king size filter | 744                   | 599      | 145                 | 24                    |

The **pre-tax** price of cigarettes was marginally higher in Jersey than in Guernsey in June 2014 (Table 20).

Table 20 -Average **pre-tax** prices of matched tobacco products in Jersey and Guernsey:  
June 2014

| Item                | Mean price (in pence) |          | Difference in Pence | Percentage difference |
|---------------------|-----------------------|----------|---------------------|-----------------------|
|                     | Jersey                | Guernsey |                     |                       |
| 20 king size filter | 232                   | 227      | 5                   | 2                     |

<sup>14</sup> The effect of the different consumption distributions of premium, mid-range, value for money (vfm) and sub-vfm brands in the two jurisdictions is to increase the mean retail and pre-tax prices for Jersey relative to the UK. If a similar consumption distribution was seen in Jersey as in the UK, the mean prices shown for Jersey in Tables 17 and 18 would reduce by almost 10p per pack, such that the mean retail price in Jersey in June 2014 would be almost £1.20 lower in Jersey than in the UK and the pre-tax price would be around 15–20 p greater in Jersey than in the UK.

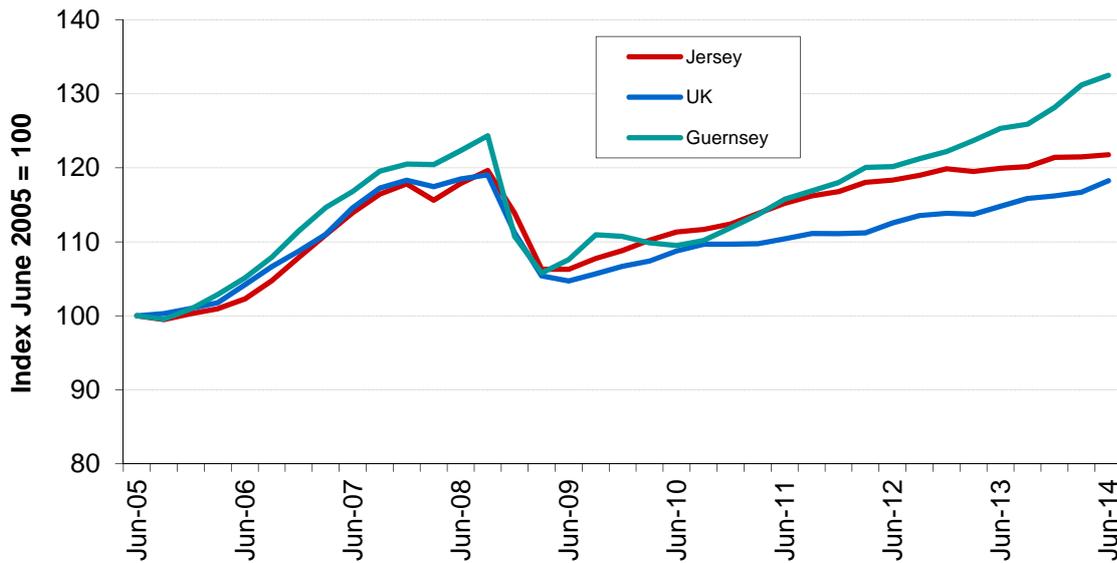
<sup>15</sup> A different set of brands was matched in comparing Jersey and Guernsey to that comparing Jersey and the UK.

### Group 5: Housing (weight in Jersey RPI: 21.0 out of 100)

The Housing group has the largest group weight in the Jersey RPI, accounting for more than a fifth of the overall index. The group itself consists not only of house purchase costs (the interest paid on mortgages) but also rents (public and private), rates (Parish and all-Island), water rates, housing repairs and maintenance and DIY materials.

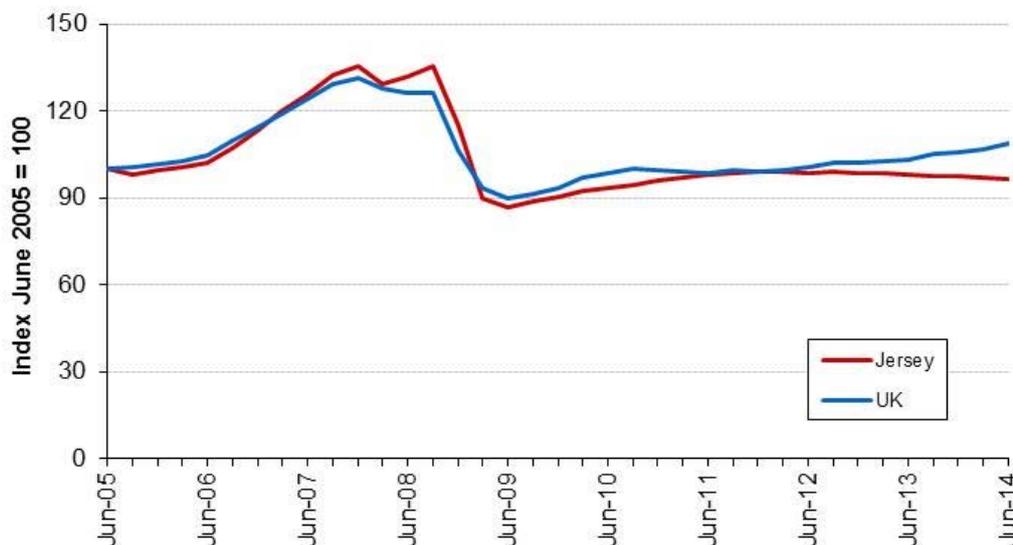
The overall increase in Housing costs (Figure 20) has been greater in Guernsey (up by 32%) than in Jersey (up by 22%) over the past nine years, and greater in these jurisdictions than in the UK (up by 18% over the same period).

Figure 20 - Housing group of the RPI in Jersey, Guernsey and the UK:  
June 2005 to June 2014



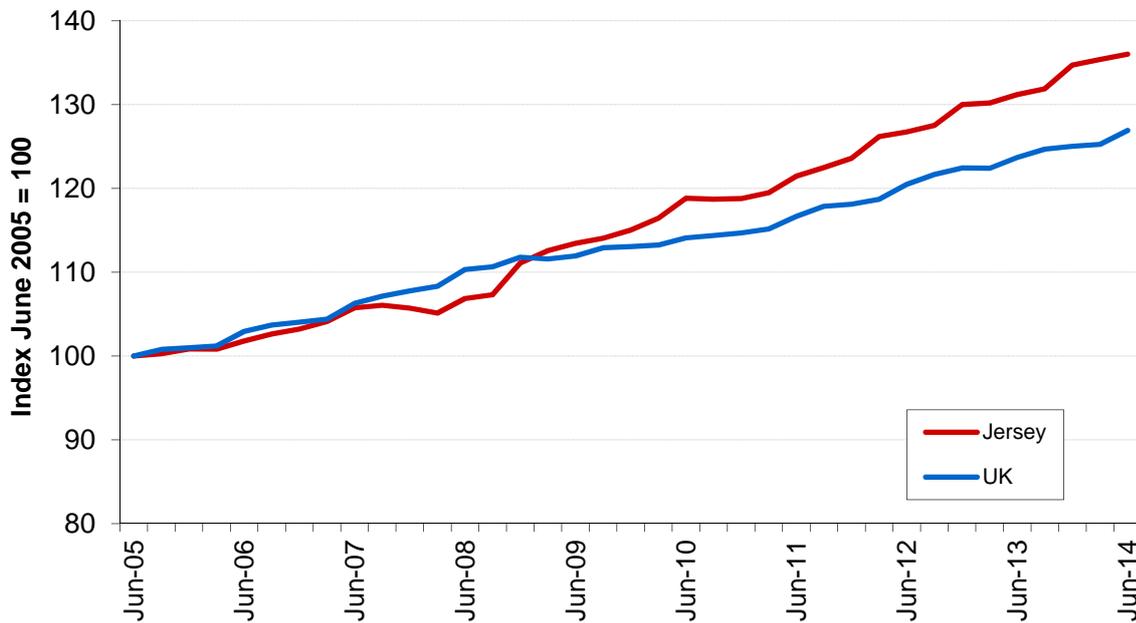
The fall in the Housing group index in late 2008 and early 2009 was driven by mortgage interest payments reflecting the series of cuts in the Bank of England base rate during that period, from 5.0% in September 2008 to 0.5% in March 2009. Over the nine-year period from June 2005 to June 2014 house purchase costs have decreased by 4% in Jersey and increased by 9% in the UK (Figure 21).

Figure 21 - House purchase section of RPI



Rental costs (public and private) have risen by over a third (36%) in Jersey over the past nine years (see Figure 22), a greater increase than that seen in the UK (27%). More recently, over the last twelve months, the increase in rental costs has been similar in Jersey and the UK (up by 4% and 3%, respectively).

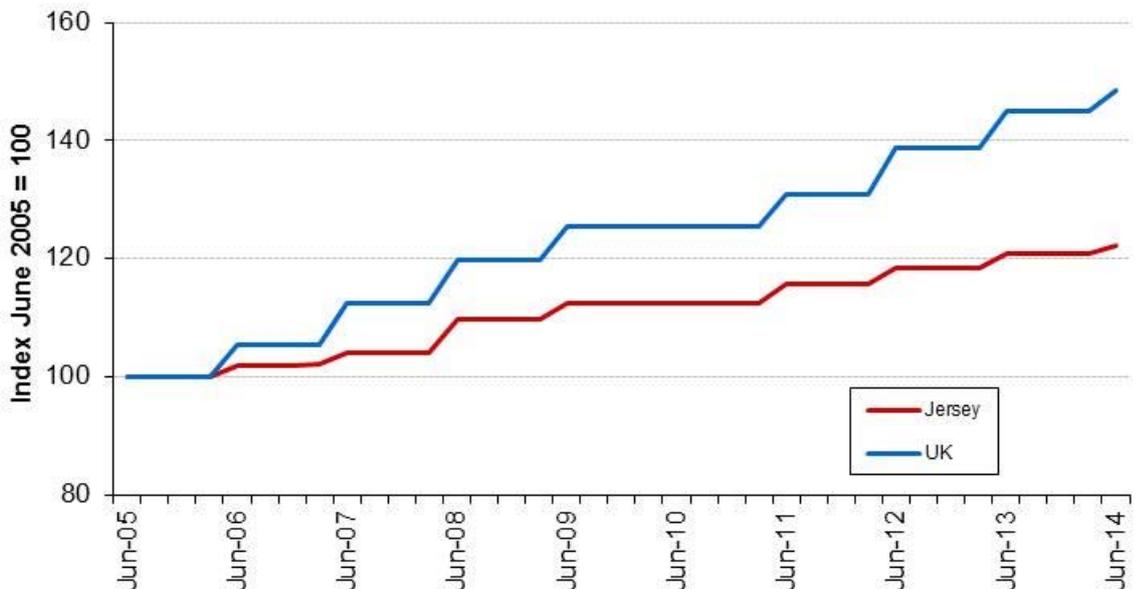
**Figure 22 - Rent section of RPI**



Overall, since June 2005, domestic rates (council taxes in the UK and Parish and all-Island rates in Jersey) have risen faster in the UK (21%) than in Jersey (7%). Changes in domestic rates typically occur in March in the UK and in September in Jersey.

Water rates increased by 1% in Jersey and by 2% in the UK over the twelve months to June 2014. Since June 2005 water rates have increased by more than a fifth (22%) in Jersey compared with an increase of almost a half (48%) in the UK.

**Figure 23 - Water rates section of RPI**



Another element of the Housing group is DIY materials. Prices have risen by around two-fifths in both Jersey (38%) and the UK (43%) since June 2005. Over the year to June 2014 prices rose by 2% in Jersey and 1% in the UK.

Over the past nine years repairs and maintenance costs have increased in both jurisdictions, up by 27% in Jersey and by 23% in the UK.

**Group 6: Fuel and light (weight in Jersey RPI: 4.7 out of 100)**

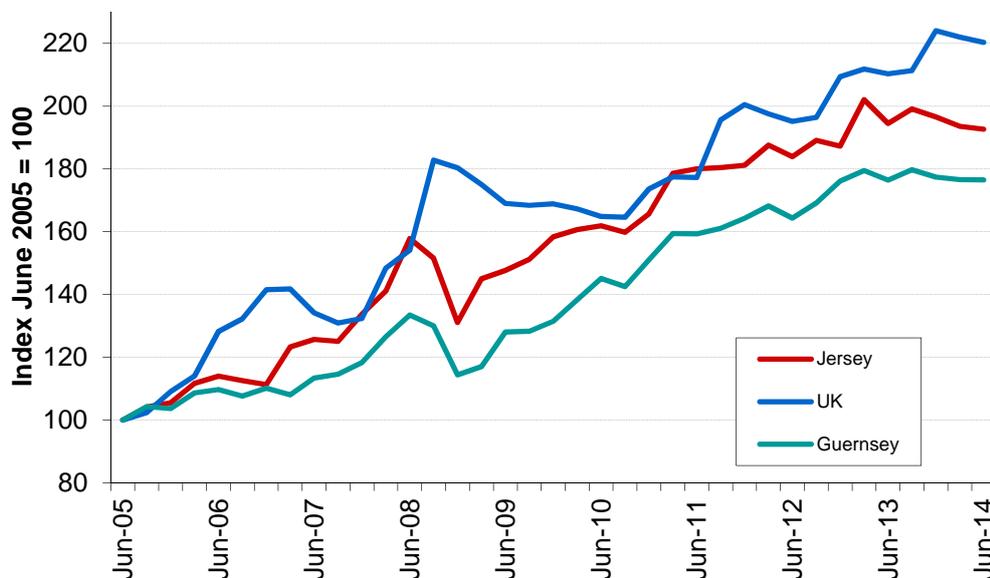
The Fuel and light group covers fuels used at home i.e. electricity, oil, gas and coal<sup>16</sup>.

Over the nine years to June 2014, domestic energy prices have increased by more in the UK (up by 120%, corresponding to more than doubling) than in Jersey (up by 93%, corresponding to almost doubling). During the same period Guernsey recorded a smaller overall increase of 76%.

In the Jersey RPI, heating oil accounts for a third (36%) of the Fuel and light group whilst gas accounts for only 6%. In contrast, in the UK gas accounts for 44% of the group and oil for only 8%. Electricity costs account for 55% of the group in Jersey and for 46% in the UK. These differences in proportions mean that the Jersey RPI is more susceptible to short term changes in the price of oil. Fuel proportions in the Guernsey RPI are similar to those for Jersey.

Over the twelve months to June 2014, domestic energy prices fell by 1% in Jersey, rose by 5% in the UK and were essentially unchanged in Guernsey.

**Figure 24 - Fuel and light group of the RPI in Jersey, Guernsey and the UK**  
**June 2005 to June 2014**

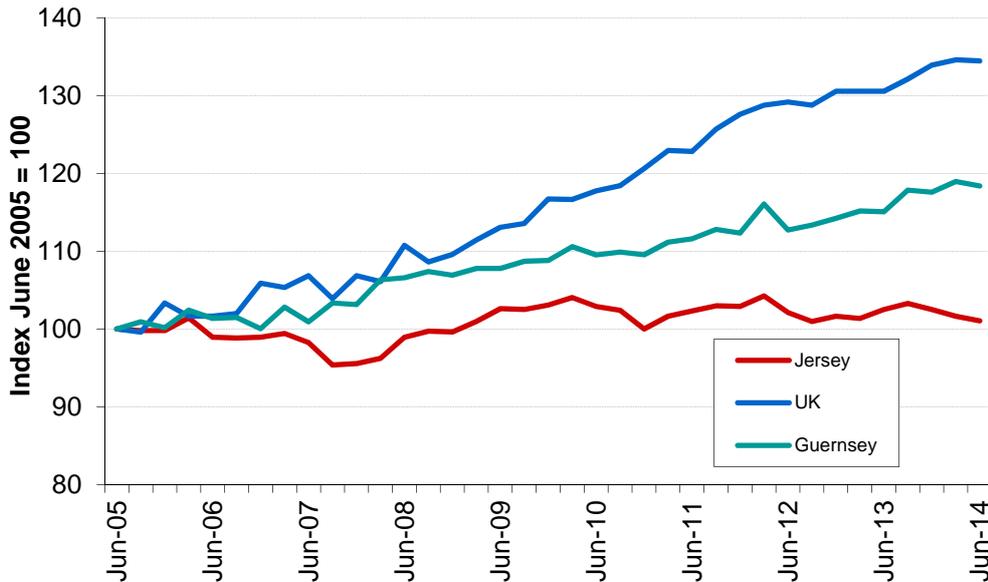


<sup>16</sup> Motor fuels are included within the Motoring group.

### Group 7: Household goods (weight in Jersey RPI: 5.5 out of 100)

The Household goods group is wide-ranging, covering furniture, soft furnishings (e.g. duvets, carpets), electrical appliances, kitchen equipment, everyday household items (e.g. washing-up liquid, pens) and pet food. Prices in this group, overall, have risen only marginally in Jersey since June 2005, up by 1% over the nine-year period (see Figure 25) but increasing by 34% and 18% in the UK and Guernsey, respectively. Over the twelve months to June 2014, Jersey prices fell by 1%, while Guernsey and the UK recorded increases of 3%.

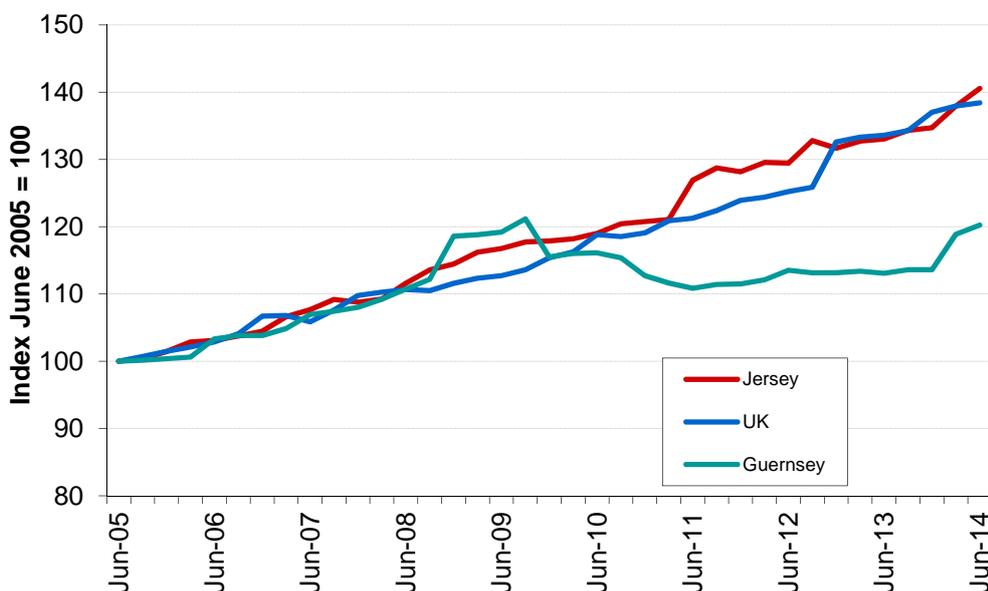
Figure 25 - Household goods group of the RPI in Jersey, Guernsey and the UK  
June 2005 to June 2014



### Group 8: Household services (weight in Jersey RPI 10.4 out of 100)

The Household services group includes postage, telephone charges, domestic services (such as dry-cleaning and child-minding) and fees and subscriptions.

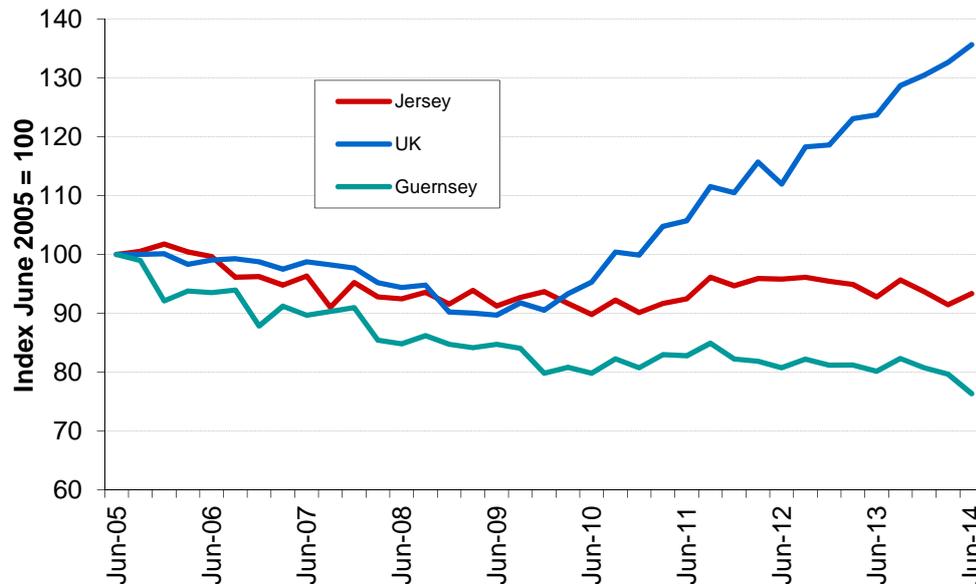
Figure 26 - Household services group of the RPI in Jersey, Guernsey and the UK  
June 2005 to June 2014



Overall prices in this group have increased by similar amounts in Jersey (41%) and in the UK (38%) over the last nine years; Guernsey has seen a smaller overall increase (20%). Over the twelve months to June 2014, Jersey and Guernsey recorded annual increases of 6% compared with an increase of 4% in the UK.

**Group 9: Clothing and footwear (weight in Jersey RPI: 3.2 out of 100)**

**Figure 27 - Clothing and footwear group of the RPI in Jersey, Guernsey and the UK  
June 2005 to June 2014**



The average overall price of clothing and footwear had followed a general downward trend in both Jersey and Guernsey between 2005 and 2011. In the UK, however, the downward trend in prices in this group ceased in 2009.

In the latest twelve-month period, average prices increased by 1% in Jersey and 10% in the UK compared to a 5% decrease in Guernsey.

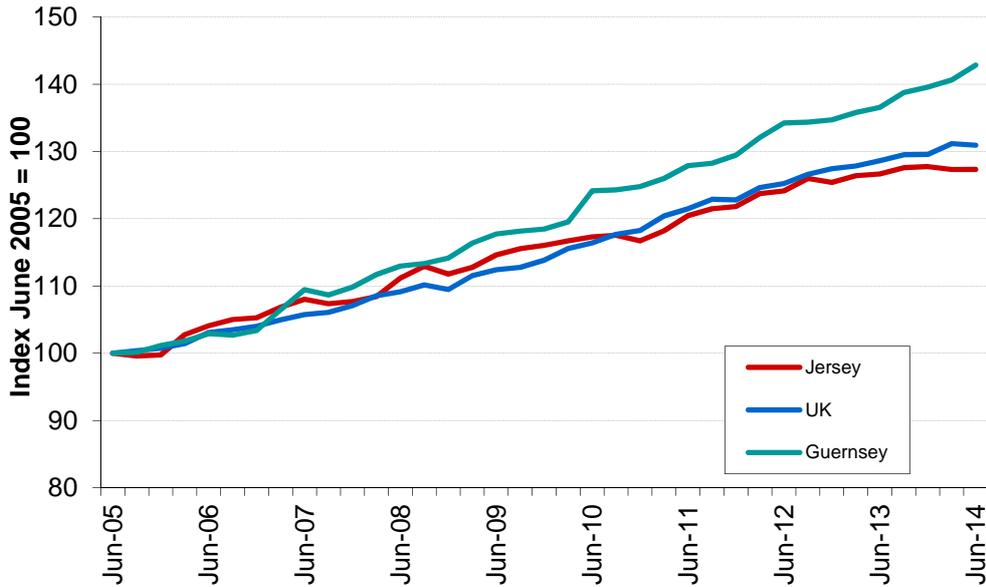
**Group 10: Personal goods & services (weight in Jersey RPI: 6.6 out of 100)**

The Personal goods and services group includes products such as chemist goods (ranging from painkillers to shampoo and nappies), bags, jewellery and watches, and services such as hairdressing, medical consultations and eye tests.

Overall, prices for these items in Jersey have risen by about a quarter (27%) over the past nine years (see Figure 28); a similar increase has been seen in the UK (31%) whilst Guernsey has seen a rise of 43%.

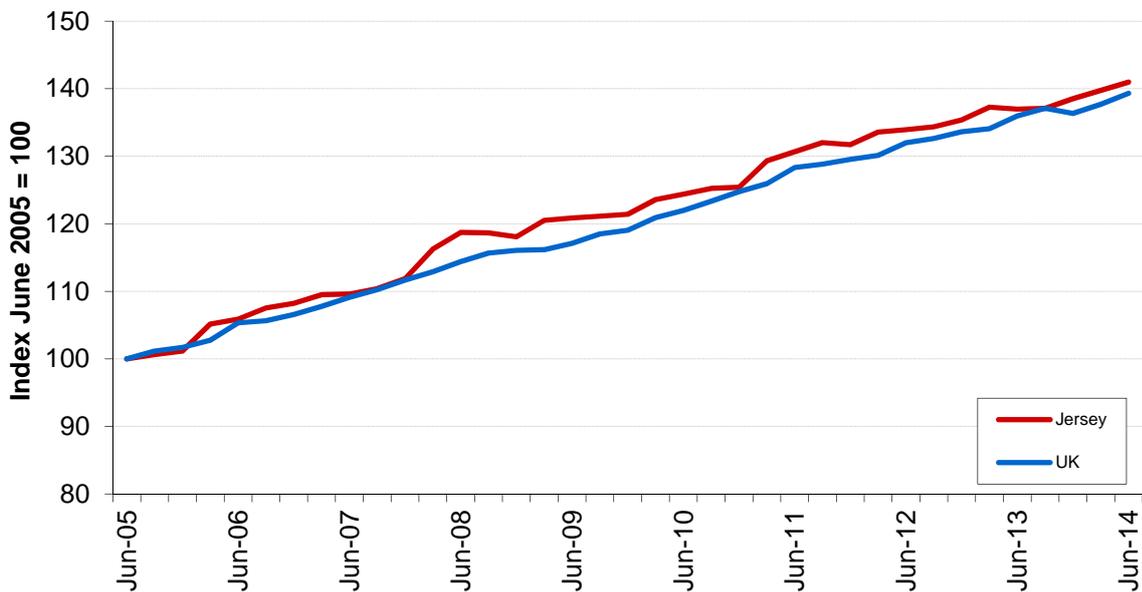
In the twelve months to June 2014 prices increased by 1% in Jersey compared with increases of 5% in Guernsey and of 2% in the UK.

**Figure 28 - Personal goods & services group of the RPI in Jersey, Guernsey and UK  
June 2005 to June 2014**



Personal services (Figure 29) have seen similar overall price increases in Jersey (41%) and the UK (39%) since 2005. In the twelve months to June 2014 costs rose by 3% in Jersey and by 2% in the UK.

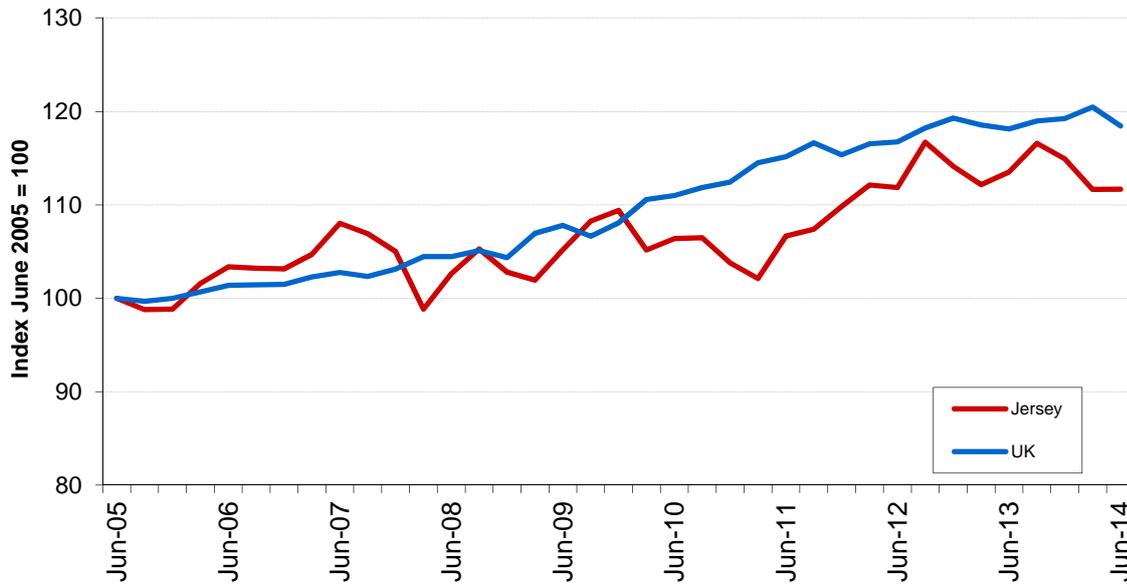
**Figure 29 - Personal services section of the RPI**



The UK has seen an increase of 18% in the average price of chemist goods over the nine years from June 2005 to June 2014 whereas Jersey prices have increased by 12% over the same period (Figure 30).

Within the last year, the price of chemist goods remained essentially unchanged in the UK and fell by 2% in Jersey.

**Figure 30 - Chemist goods section of the RPI**

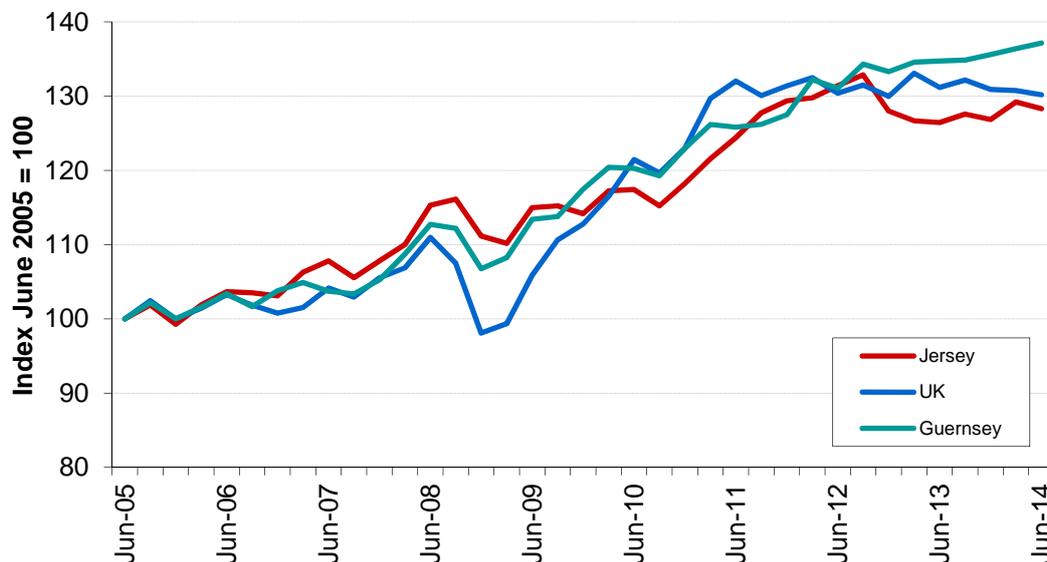


**Group 11: Motoring (weight in Jersey RPI: 10.3 out of 100)**

The Motoring group has the second largest group weight in the Jersey RPI and therefore can have a major influence on the movement of the overall index.

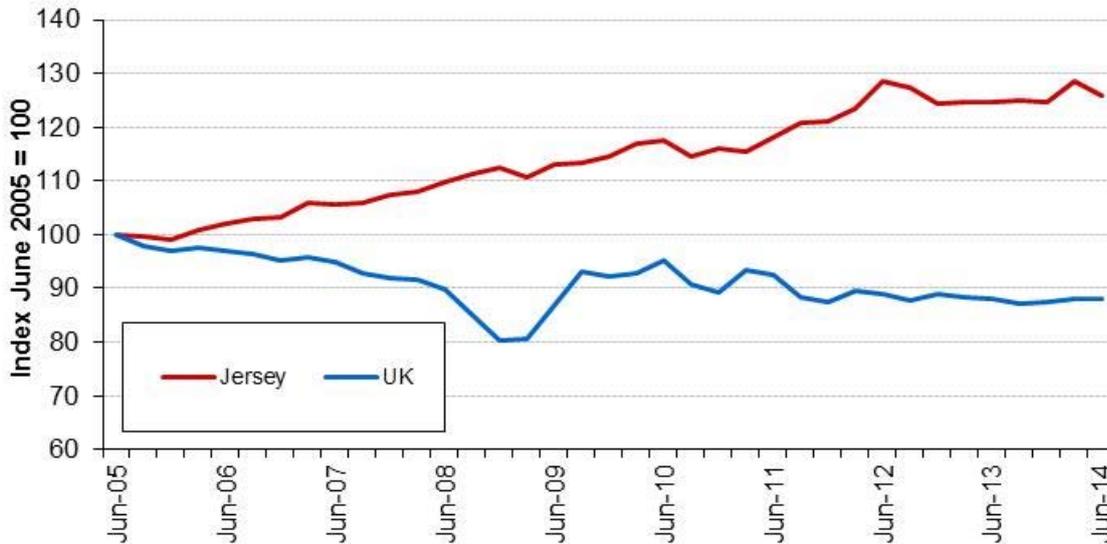
Between 2005 and 2014, motoring costs have increased similarly in Jersey and the UK (up by 28% and 30%, respectively) whilst Guernsey has recorded an increase of 37%.

**Figure 31: Motoring group of the RPI in Jersey, Guernsey and the UK June 2005 to June 2014**



The largest weight within the Motoring group is for the cost of purchasing motor vehicles. Since 2005 the cost of purchasing motor vehicles has fallen by 12% in the UK but has risen by 26% in Jersey (see Figure 32). More recently, between June 2013 and June 2014, the cost of purchasing motor vehicles was essentially unchanged in the UK and rose by 1% in Jersey.

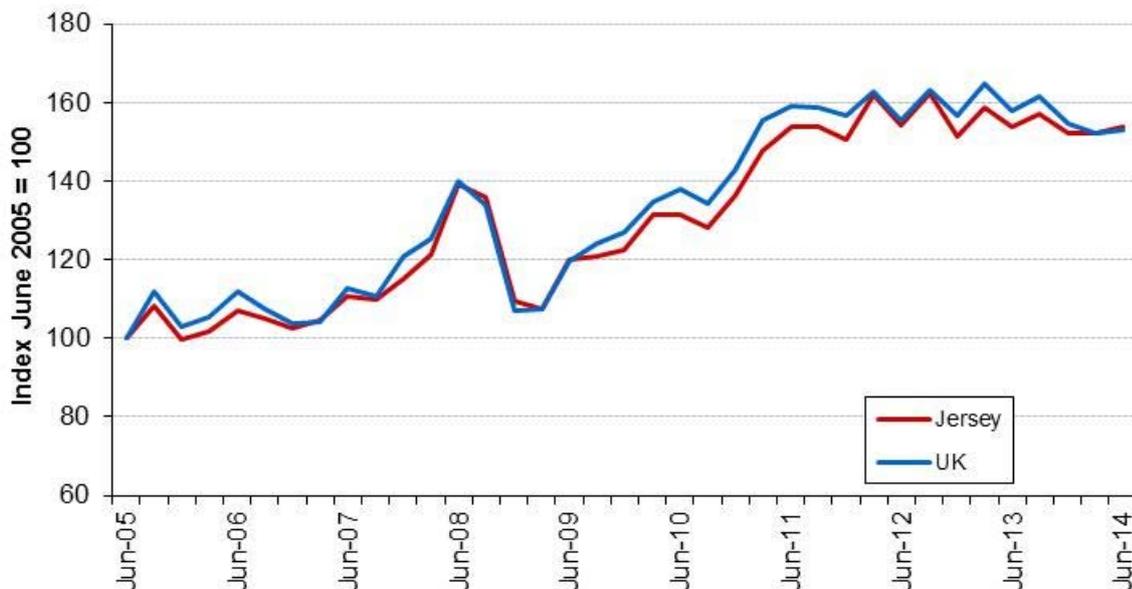
Figure 32 - Motor vehicles section of the RPI



It is important to note that until February 2012 there were methodological differences between Jersey and the UK in terms of how the costs of purchasing vehicles were calculated for use in the respective RPIs. The most significant difference was that in Jersey a range of price quotes were collected from various vendors on a quarterly basis, including new and used cars. In the UK RPI price quotes were only obtained for used vehicles; prices for new cars were then calculated using the used vehicle quotes together with weights for new cars that reflected the manufactures' market share. Since February 2012 the UK methodology has been similar to that of Jersey.

Another major element of Motoring costs is motor fuel (constituting the largest component of the petrol and oil section of the RPI). Prices increased by similar amounts in both jurisdictions between 2005 and 2014, by 54% in Jersey and by 53% in the UK.

Figure 33: Petrol and oil section of the RPI



Most recently, between June 2013 and June 2014 motor fuel prices fell by 3% in the UK but were essentially unchanged in Jersey.

In the latest year, duties on motor fuels increased by 1 p per litre in Jersey and by 2 p per litre in Guernsey. In contrast, the UK saw no change in duty (see Table 21).

Table 21 - Taxes levied on motor fuels (*pence per litre*)

| Fuel                | ULSP / premium unleaded |      |      | ULSD / diesel |      |      |
|---------------------|-------------------------|------|------|---------------|------|------|
|                     | 2005                    | 2013 | 2014 | 2005          | 2013 | 2014 |
| Jersey impôts       | 37                      | 43   | 44   | 37            | 43   | 44   |
| Jersey impôts + GST | 37                      | 49   | 49   | 37            | 49   | 49   |
| UK duty             | 47                      | 58   | 58   | 47            | 58   | 58   |
| UK duty + VAT       | 60                      | 80   | 80   | 60            | 81   | 81   |
| Guernsey duty       | 7                       | 47   | 49   | 0             | 47   | 49   |

ULSP = Ultra low sulphur petrol; ULSD = Ultra low sulphur diesel.

In June 2014 the retail prices of premium unleaded petrol and diesel were, respectively, 5% and 9% lower in Jersey than in the UK, corresponding to being 7 p and 12 p per litre cheaper in Jersey (Table 22).

Table 22: Average retail prices of motor fuels in Jersey and the UK: June 2014

| Fuel                  | Mean price (in pence) |     | Difference in Pence | Percentage difference |
|-----------------------|-----------------------|-----|---------------------|-----------------------|
|                       | Jersey                | UK  |                     |                       |
| ULSP/premium unleaded | 123                   | 130 | -7                  | -5                    |
| ULSD/diesel           | 124                   | 136 | -12                 | -9                    |

The average **pre-tax** price of premium unleaded petrol in June 2014 was almost a half (46%) higher in Jersey than in the UK (see Table 23), whilst that for diesel was a third (34%) higher in Jersey than in the UK. These differences correspond to the **pre-tax** prices of motor fuels being around 20 p per litre higher in Jersey than in the UK.

Table 23: Average **pre-tax** prices of motor fuels in Jersey and the UK: June 2014

| Fuel                  | Mean price (in pence) |    | Difference in Pence | Percentage difference |
|-----------------------|-----------------------|----|---------------------|-----------------------|
|                       | Jersey                | UK |                     |                       |
| ULSP/premium unleaded | 74                    | 50 | 24                  | 46                    |
| ULSD/diesel           | 74                    | 55 | 19                  | 34                    |

As Table 24 shows, the average retail price of motor fuels was 2 p per litre higher in Jersey than in Guernsey in June 2014 for both petrol and diesel.

Table 24: Average retail prices of motor fuels in Jersey and Guernsey: June 2014

| Fuel                  | Mean price (in pence) |          | Difference in Pence | Percentage difference |
|-----------------------|-----------------------|----------|---------------------|-----------------------|
|                       | Jersey                | Guernsey |                     |                       |
| ULSP/premium unleaded | 123                   | 121      | 2                   | 2                     |
| ULSD/diesel           | 124                   | 122      | 2                   | 1                     |

The average **pre-tax** price of premium unleaded petrol was 2 p per litre higher in Jersey than in Guernsey in June 2014, whilst that of diesel was 1 p per litre higher in Jersey.

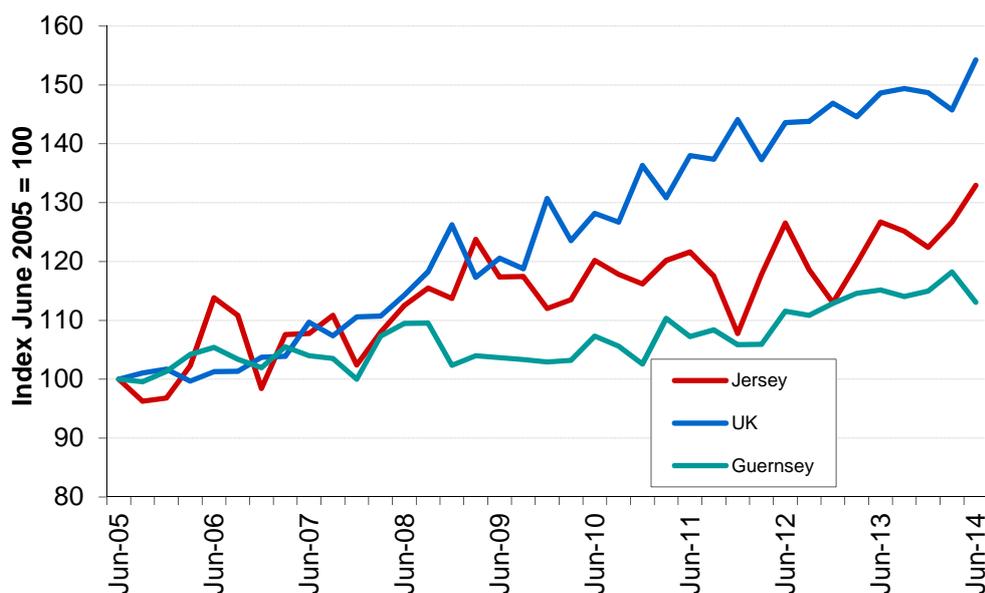
Table 25: Average **pre-tax** prices of motor fuels in Jersey and Guernsey: June 2014

| Fuel                  | Mean price (in pence) |          | Difference in Pence | Percentage difference |
|-----------------------|-----------------------|----------|---------------------|-----------------------|
|                       | Jersey                | Guernsey |                     |                       |
| ULSP/premium unleaded | 74                    | 72       | 2                   | 3                     |
| ULSD/diesel           | 74                    | 73       | 1                   | 1                     |

### Group 12: Fares & other travel costs (weight in Jersey RPI: 2.6 out of 100)

The majority of this group is made up of travel fares, e.g. air, bus, ferry and taxi in all three jurisdictions and includes train fares in the UK. Over the last nine years, the overall Fares and other travel group index has increased by 33% in Jersey, by 54% in the UK and by 13% in Guernsey (Figure 34).

Figure 34 - Fares and travel group of the RPI in Jersey, Guernsey and the UK  
June 2005 to June 2014



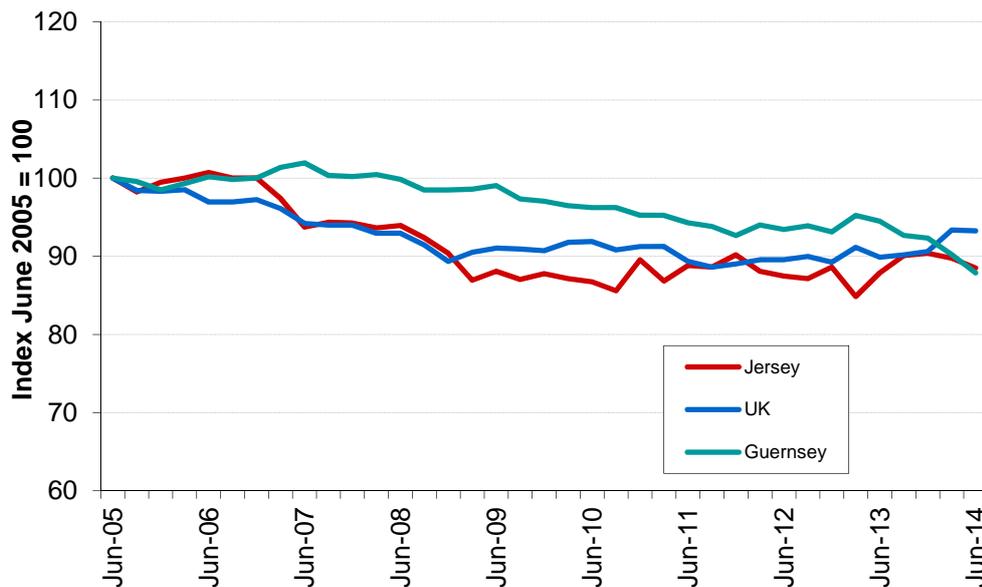
Between June 2013 and June 2014, prices increased by 5% in Jersey and 4% in the UK compared to a 2% decrease in Guernsey.

### Group 13: Leisure goods (weight in Jersey RPI: 4.1 out of 100)

Leisure goods cover a wide range of items which people buy for leisure-time activities, such as audio-visual and photography equipment, CDs, toys, sports equipment, newspapers and books.

Between 2005 and 2014, prices decreased in all three jurisdictions: by 11% in Jersey, by 12% in Guernsey and by 7% in the UK.

Figure 35 - Leisure goods group of the RPI in Jersey, Guernsey and the UK  
June 2005 to June 2014



As a result of the broad nature of this group, the price movements in individual sections can differ greatly.

For example, the average cost of audio-visual equipment has fallen by three-fifths (58%) in both Jersey and the UK between June 2005 and June 2014. This reflects the tendency for the cost of established products to fall as technology progresses.

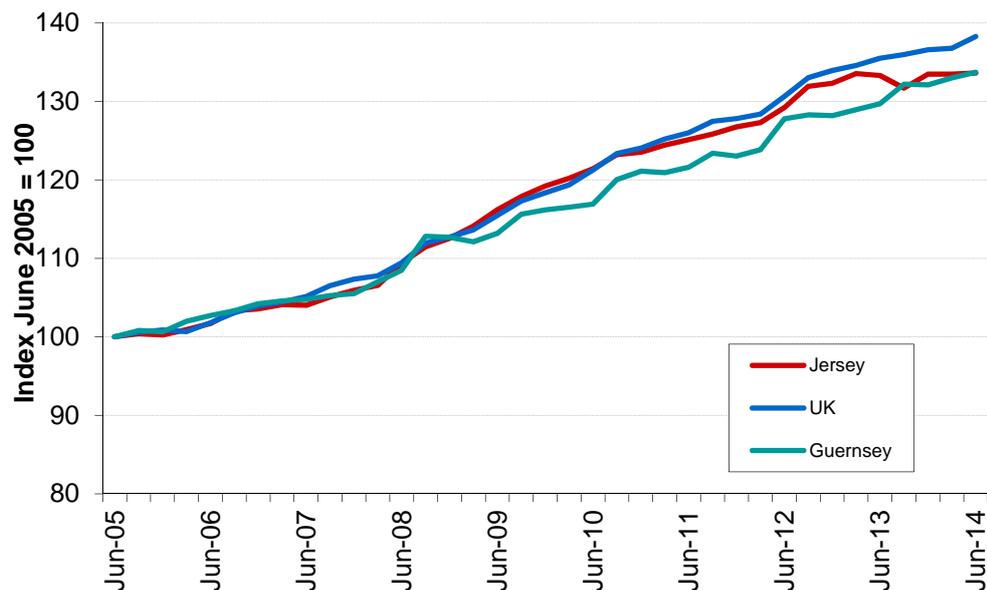
In contrast, over the past nine years the cost of books, papers and magazines has risen in both Jersey (32%) and the UK (49%).

Within this group, over the last nine years the average prices of toys, photographic and sporting goods in Jersey and the UK have decreased by 10%. In the most recent twelve months, prices rose by 6% in Jersey and 4% in the UK.

Gardening products have, overall, increased in price by 3% in Jersey and by 20% in the UK over the last nine years. In the latest twelve months the average price of gardening products decreased by 1% in Jersey and increased by 3% in the UK.

## Group 14: Leisure services (weight in Jersey RPI: 8.9 out of 100)

Figure 36 - Leisure services group of the RPI in Jersey, Guernsey and the UK  
June 2005 to June 2014



The RPI Leisure services group covers items such as TV licences, cinemas, sport and fitness club membership, evening classes and off-Island holidays.

Prices have risen similarly in Jersey (34%), the UK (38%) and Guernsey (34%) over the last nine years (Figure 36).

In the latest twelve-month period, prices were essentially unchanged in Jersey, but rose in the UK and Guernsey (by 2% and 3%, respectively).

## Annex A: Average retail prices of matched items in Jersey and the UK June 2005 – June 2014

**Table A1 - Meat and fish<sup>17</sup>**

| Item   | Mean prices (in pence) |      |        |      |      |        |      |      |        |
|--|------------------------|------|--------|------|------|--------|------|------|--------|
|  | 2005                   |      |        | 2013 |      |        | 2014 |      |        |
|  | Jsy                    | UK   | % diff | Jsy  | UK   | % diff | Jsy  | UK   | % diff |
| <b>Beef: fresh per kg</b>                    |                        |      |        |      |      |        |      |      |        |
| Best beef mince                              | 522                    | 428  | 22     | 764  | 795  | -4     | 680  | 815  | -17    |
| Topside                                      | 681                    | 670  | 2      | 1241 | 1054 | 18     | 1206 | 1082 | 11     |
| Rump Steak                                   | 1077                   | 902  | 19     | 1717 | 1608 | 7      | 1758 | 1615 | 9      |
| <b>Lamb: fresh per kg</b>                    |                        |      |        |      |      |        |      |      |        |
| Loin (with bone)                             | 1213                   | 1033 | 17     | 1474 | 1416 | 4      | 1629 | 1316 | 24     |
| <b>Pork: fresh per kg</b>                    |                        |      |        |      |      |        |      |      |        |
| Loin (with bone)                             | 624                    | 500  | 25     | 692  | 679  | 2      | 740  | 650  | 14     |
| <b>Chicken: roasting, oven-ready, per kg</b> |                        |      |        |      |      |        |      |      |        |
| Fresh or chilled                             | 272                    | 231  | 18     | 398  | 335  | 19     | 399  | 335  | 19     |
| <b>Other Meat</b>                            |                        |      |        |      |      |        |      |      |        |
| Gammon, per kg                               | 669                    | 582  | 15     | 729  | 801  | -9     | 833  | 788  | 6      |
| Bacon, back, per kg                          | 837                    | 706  | 19     | 1075 | 911  | 18     | 982  | 882  | 11     |
| Ham (not shoulder) 100-125g                  | n/a                    | n/a  | n/a    | 238  | 180  | 32     | 234  | 181  | 29     |
| Pork sausages, per kg                        | 490                    | 343  | 43     | 577  | 486  | 19     | 602  | 498  | 21     |
| <b>Fresh fish: per kg</b>                    |                        |      |        |      |      |        |      |      |        |
| White fish fillets                           | 1012                   | 874  | 16     | 1503 | 1257 | 20     | 1505 | 1361 | 11     |
| Salmon fillets                               | 998                    | 796  | 25     | 1516 | 1570 | -3     | 1550 | 1714 | -10    |

n/a: comparison not available

<sup>17</sup> Percentage differences between jurisdictions, shown in tables and annexes, are calculated from un-rounded numbers and are then rounded to the nearest integer. Note that where the percentage difference is a positive value, the Jersey average price is greater than that of the other jurisdiction.

**Table A2 - Fruit and vegetables**

| Item                                | Mean prices (in pence) |     |        |      |     |        |      |     |        |
|-------------------------------------|------------------------|-----|--------|------|-----|--------|------|-----|--------|
|                                     | 2005                   |     |        | 2013 |     |        | 2014 |     |        |
|                                     | Jsy                    | UK  | % diff | Jsy  | UK  | % diff | Jsy  | UK  | % diff |
| <b>Fresh vegetables</b>             |                        |     |        |      |     |        |      |     |        |
| Potatoes: old whites, loose, per kg | 62                     | 44  | 41     | 123  | 98  | 25     | 111  | 84  | 33     |
| Potatoes: new, loose, per kg        | 87                     | 92  | -5     | 230  | 202 | 14     | 234  | 167 | 40     |
| Tomatoes, per kg                    | 155                    | 147 | 5      | 224  | 209 | 7      | 262  | 202 | 30     |
| Cauliflower, each                   | 89                     | 74  | 20     | 151  | 123 | 23     | 139  | 105 | 33     |
| Carrots, per kg                     | 89                     | 73  | 22     | 120  | 87  | 38     | 121  | 81  | 50     |
| Onions, per kg                      | 71                     | 71  | 1      | 111  | 87  | 28     | 131  | 81  | 62     |
| Mushrooms, per kg                   | 397                    | 257 | 54     | 458  | 298 | 54     | 451  | 302 | 49     |
| Cucumber, each                      | 75                     | 57  | 31     | 112  | 81  | 39     | 111  | 64  | 74     |
| Lettuce: iceberg, each              | 83                     | 62  | 34     | 131  | 86  | 52     | 111  | 73  | 52     |
| <b>Fresh fruit</b>                  |                        |     |        |      |     |        |      |     |        |
| Apples: cooking, per kg             | 152                    | 145 | 5      | 253  | 213 | 19     | 201  | 175 | 15     |
| Apples: dessert, per kg             | 137                    | 120 | 14     | 241  | 196 | 23     | 206  | 197 | 5      |
| Pears: dessert, per kg              | 153                    | 132 | 16     | 288  | 262 | 10     | 223  | 203 | 10     |
| Oranges: all sizes, each            | 29                     | 22  | 31     | 53   | 31  | 72     | 50   | 32  | 56     |
| Bananas, per kg                     | 136                    | 96  | 42     | 140  | 86  | 62     | 142  | 86  | 66     |
| Grapes, per kg                      | 500                    | 398 | 26     | 570  | 408 | 40     | 561  | 406 | 38     |
| Avocado, each                       | 65                     | 66  | -2     | 126  | 98  | 29     | 133  | 97  | 37     |

**Table A3 - Dairy produce, other foods and soft drinks**

| Item                                 | Mean prices (in pence) |     |        |      |     |        |      |     |        |
|--------------------------------------|------------------------|-----|--------|------|-----|--------|------|-----|--------|
|                                      | 2005                   |     |        | 2013 |     |        | 2014 |     |        |
|                                      | Jsy                    | UK  | % diff | Jsy  | UK  | % diff | Jsy  | UK  | % diff |
| <b>Dairy produce</b>                 |                        |     |        |      |     |        |      |     |        |
| Butter, per 250g                     | 106                    | 84  | 13     | 165  | 149 | 11     | 175  | 156 | 12     |
| Cheddar cheese, per kg               | 569                    | 541 | 5      | 901  | 757 | 19     | 1012 | 806 | 26     |
| Eggs, size 4, per dozen              | 162                    | 153 | 6      | 330  | 272 | 21     | 330  | 249 | 33     |
| Milk, pasteurised, per pint          | 55                     | 35  | 56     | 62   | 46  | 36     | 64   | 46  | 38     |
| <b>Other foods &amp; soft drinks</b> |                        |     |        |      |     |        |      |     |        |
| Bread: white loaf, sliced, 800g      | 109                    | 69  | 58     | 174  | 132 | 31     | 151  | 115 | 31     |
| Bread: wholemeal loaf, sliced, 800g  | 120                    | 82  | 47     | 186  | 141 | 32     | 170  | 120 | 42     |
| Flour, self-raising, per 1.5kg       | 87                     | 65  | 33     | 195  | 119 | 64     | 216  | 125 | 73     |
| Sugar, granulated, per kg            | 84                     | 74  | 14     | 105  | 98  | 7      | 97   | 89  | 9      |
| Tea bags, per 250g                   | 181                    | 121 | 50     | 251  | 203 | 24     | 256  | 197 | 30     |
| Coffee, pure, instant, per 100g      | 200                    | 182 | 10     | 353  | 263 | 34     | 349  | 275 | 27     |

**Table A4 - Alcohol and tobacco**

| Item  | Mean prices (in pence) |     |        |      |     |        |      |     |        |
|---|------------------------|-----|--------|------|-----|--------|------|-----|--------|
|   | 2005                   |     |        | 2013 |     |        | 2014 |     |        |
|   | Jsy                    | UK  | % diff | Jsy  | UK  | % diff | Jsy  | UK  | % diff |
| <b>Alcoholic drinks mean retail prices</b>    |                        |     |        |      |     |        |      |     |        |
| Draught bitter, per pint                      | 204                    | 212 | -4     | 328  | 287 | 14     | 344  | 294 | 17     |
| Draught lager, per pint                       | 242                    | 242 | 0      | 379  | 330 | 15     | 386  | 337 | 14     |
| Whisky, per 25 ml nip                         | 184                    | 174 | 6      | 280  | 245 | 14     | 283  | 254 | 11     |
| <b>Alcoholic drinks <u>pre-tax</u> prices</b> |                        |     |        |      |     |        |      |     |        |
| Draught bitter, per pint                      | 182                    | 151 | 21     | 280  | 196 | 43     | 294  | 202 | 45     |
| Draught lager, per pint                       | 215                    | 169 | 27     | 319  | 221 | 44     | 322  | 228 | 41     |
| Whisky, per 25 ml nip                         | 164                    | 128 | 28     | 238  | 176 | 35     | 237  | 184 | 29     |
| <b>Cigarettes mean retail prices</b>          |                        |     |        |      |     |        |      |     |        |
| 20 King size filter                           | 458                    | 457 | 0      | 680  | 777 | -12    | 728  | 839 | -13    |
| <b>Cigarettes <u>pre-tax</u> prices</b>       |                        |     |        |      |     |        |      |     |        |
| 20 King size filter                           | 178                    | 84  | 112    | 218  | 167 | 31     | 217  | 193 | 13     |

**Table A5 - Petrol and diesel**

| Item                                     | Mean prices (in pence) |    |        |      |     |        |      |     |        |
|--|------------------------|----|--------|------|-----|--------|------|-----|--------|
|  | 2005                   |    |        | 2013 |     |        | 2014 |     |        |
|  | Jsy                    | UK | % diff | Jsy  | UK  | % diff | Jsy  | UK  | % diff |
| <b>Petrol mean retail prices</b>         |                        |    |        |      |     |        |      |     |        |
| ULSP unleaded petrol, per litre          | 83                     | 85 | -3     | 123  | 134 | -8     | 123  | 130 | -5     |
| ULSD diesel, per litre                   | 87                     | 89 | -2     | 125  | 139 | -10    | 124  | 136 | -9     |
| <b>Petrol mean <u>pre-tax</u> prices</b> |                        |    |        |      |     |        |      |     |        |
| ULSP unleaded petrol, per litre          | 46                     | 25 | 84     | 74   | 54  | 38     | 74   | 50  | 46     |
| ULSD diesel, per litre                   | 50                     | 29 | 74     | 76   | 58  | 31     | 74   | 55  | 34     |

## Annex B: Average retail prices of matched items in Jersey and Guernsey June 2013 – June 2014

**Table B1 - Meat and fish**

| Item   | Mean prices (in pence)<br>2013 |      |                  | Mean prices (in pence)<br>2014 |      |                  |
|--|--------------------------------|------|------------------|--------------------------------|------|------------------|
|  | Jsy                            | Gsy  | %<br><i>diff</i> | Jsy                            | Gsy  | %<br><i>diff</i> |
| <b>Beef: fresh per Kg</b>                    |                                |      |                  |                                |      |                  |
| Best beef mince                              | 764                            | 867  | -12              | 680                            | 940  | -28              |
| Topside                                      | 1241                           | 1245 | 0                | 1206                           | 1210 | 0                |
| Rump Steak                                   | 1717                           | 1674 | 3                | 1758                           | 1684 | 4                |
| <b>Lamb: fresh per Kg</b>                    |                                |      |                  |                                |      |                  |
| Loin (with bone)                             | 1474                           | 1690 | -13              | 1629                           | 1676 | -3               |
| <b>Chicken: roasting, oven-ready, per Kg</b> |                                |      |                  |                                |      |                  |
| Fresh or chilled                             | 398                            | 373  | 7                | 399                            | 388  | 3                |
| <b>Other Meat</b>                            |                                |      |                  |                                |      |                  |
| Gammon, per kg                               | 729                            | 727  | 0                | 833                            | 697  | 20               |
| Bacon, back, per kg                          | 1075                           | 928  | 16               | 982                            | 933  | 5                |
| Pork sausages, per kg                        | 577                            | 618  | -7               | 602                            | 677  | -11              |
| <b>Fresh fish: per Kg</b>                    |                                |      |                  |                                |      |                  |
| White fish fillets                           | 1503                           | 1394 | 8                | 1505                           | 1476 | 2                |
| Salmon fillets                               | 1516                           | 1825 | -17              | 1550                           | 1759 | -12              |

**Table B2 - Fruit and vegetables**

| Item                                | Mean prices (in pence)<br>2013 |     |                  | Mean prices (in pence)<br>2014 |     |                  |
|-------------------------------------|--------------------------------|-----|------------------|--------------------------------|-----|------------------|
|                                     | Jsy                            | Gsy | %<br><i>diff</i> | Jsy                            | Gsy | %<br><i>diff</i> |
| <b>Fresh vegetables</b>             |                                |     |                  |                                |     |                  |
| Potatoes: old whites, loose, per kg | 123                            | 113 | 9                | 111                            | 128 | -13              |
| Potatoes: new, loose, per kg        | 230                            | 257 | -11              | 234                            | 227 | 3                |
| Tomatoes, per kg                    | 224                            | 189 | 19               | 262                            | 202 | 30               |
| Cauliflower, each                   | 151                            | 131 | 16               | 139                            | 128 | 9                |
| Carrots, per kg                     | 120                            | 116 | 4                | 121                            | 127 | -4               |
| Onions, per kg                      | 111                            | 103 | 8                | 131                            | 138 | -5               |
| Mushrooms, per kg                   | 458                            | 386 | 19               | 451                            | 425 | 6                |
| Cucumber, each                      | 112                            | 134 | -16              | 111                            | 134 | -17              |
| Lettuce: iceberg, each              | 131                            | 118 | 11               | 111                            | 121 | -8               |
| <b>Fresh fruit</b>                  |                                |     |                  |                                |     |                  |
| Apples: dessert, per kg             | 241                            | 226 | 7                | 206                            | 210 | -2               |
| Pears: dessert, per kg              | 288                            | 286 | 1                | 223                            | 224 | 0                |
| Grapes, per kg                      | 570                            | 525 | 9                | 561                            | 527 | 7                |

**Table B3 - Dairy produce, other foods and soft drinks**

| Item                                 | Mean prices (in pence)<br>2013 |     |           | Mean prices (in pence)<br>2014 |     |           |
|--------------------------------------|--------------------------------|-----|-----------|--------------------------------|-----|-----------|
|                                      | Jsy                            | Gsy | %<br>diff | Jsy                            | Gsy | %<br>diff |
| <b>Dairy produce</b>                 |                                |     |           |                                |     |           |
| Butter, home produced, per 250g      | 143                            | 143 | 0         | 156                            | 147 | 6         |
| Butter, imported, per 250g           | 188                            | 178 | 5         | 194                            | 186 | 4         |
| Eggs, size 4, per dozen              | 330                            | 326 | 1         | 330                            | 330 | 0         |
| Milk, pasteurised, per pint          | 62                             | 61  | 2         | 64                             | 63  | 1         |
| <b>Other foods &amp; soft drinks</b> |                                |     |           |                                |     |           |
| Bread: white loaf, sliced, 800g      | 174                            | 166 | 5         | 151                            | 131 | 15        |
| Bread: wholemeal loaf, sliced, 800g  | 186                            | 187 | 0         | 170                            | 144 | 18        |
| Flour, self-raising, per 1.5kg       | 195                            | 209 | -7        | 216                            | 231 | -6        |
| Sugar, granulated, per kg            | 105                            | 99  | 6         | 97                             | 95  | 3         |
| Tea bags, per 250g                   | 251                            | 258 | -3        | 256                            | 244 | 5         |
| Coffee, pure, instant, per 100g      | 353                            | 337 | 5         | 349                            | 335 | 4         |

**Table B4 - Alcohol and tobacco**

| Item  | Mean prices (in pence)<br>2013 |     |           | Mean prices (in pence)<br>2014 |     |           |
|---|--------------------------------|-----|-----------|--------------------------------|-----|-----------|
|   | Jsy                            | Gsy | %<br>diff | Jsy                            | Gsy | %<br>diff |
| <b>Alcoholic drinks mean retail prices</b>    |                                |     |           |                                |     |           |
| Draught bitter, per pint                      | 328                            | 338 | -3        | 344                            | 353 | -2        |
| Draught lager, per pint                       | 379                            | 348 | 9         | 386                            | 364 | 6         |
| Whisky, per 25 ml nip                         | 280                            | 295 | -5        | 283                            | 305 | -7        |
| <b>Alcoholic drinks <i>pre-tax</i> prices</b> |                                |     |           |                                |     |           |
| Draught bitter, per pint                      | 280                            | 301 | -7        | 294                            | 314 | -6        |
| Draught lager, per pint                       | 319                            | 311 | 2         | 322                            | 326 | -1        |
| Whisky, per 25 ml nip                         | 238                            | 268 | -11       | 237                            | 277 | -14       |
| <b>Cigarettes mean retail prices</b>          |                                |     |           |                                |     |           |
| 20 King size filter                           | 680                            | 575 | 18        | 744                            | 599 | 24        |
| <b>Cigarettes <i>pre-tax</i> prices</b>       |                                |     |           |                                |     |           |
| 20 King size filter                           | 218                            | 223 | -2        | 232                            | 227 | 2         |

**Table B5 - Petrol and diesel**

| Item                                     | Mean prices (in pence)<br>2013 |     |           | Mean prices (in pence)<br>2014 |     |           |
|--|--------------------------------|-----|-----------|--------------------------------|-----|-----------|
|  | Jsy                            | Gsy | %<br>diff | Jsy                            | Gsy | %<br>diff |
| <b>Petrol mean retail prices</b>         |                                |     |           |                                |     |           |
| ULSP unleaded petrol, per litre          | 123                            | 117 | 5         | 123                            | 121 | 2         |
| ULSD diesel, per litre                   | 125                            | 123 | 2         | 124                            | 122 | 1         |
| <b>Petrol mean <i>pre-tax</i> prices</b> |                                |     |           |                                |     |           |
| ULSP unleaded petrol, per litre          | 74                             | 71  | 5         | 74                             | 72  | 3         |
| ULSD diesel, per litre                   | 76                             | 77  | -1        | 74                             | 73  | 1         |