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## Summary - Jersey RPI September 2020

- **during the twelve months to September 2020 the All Items Retail Prices Index (RPI) for Jersey increased by 0.9% to stand at 181.4 (June 2000 = 100)**
- the increase in the RPI over the twelve months to June 2020 was 0.5%; hence the **annual rate of inflation increased by 0.4 percentage points (pp)** in the latest quarter
- this **increase in the annual rate of inflation** was largely the result of several groups giving upward contributions to the overall rate of increase of the RPI, notably:
  - **Personal goods & services** saw prices increase, on average, over the twelve months to September 2020, whereas they had decreased over the twelve months to June 2020
  - **Fares & other travel** saw prices decrease at a lower rate over the twelve months to September 2020 than over the twelve months to June 2020
  - within these two groups, the downward contributions of policies introduced in response to the COVID-19 pandemic were no longer in effect in September 2020; respectively, the lower cost of GP fees and the suspension of parking charges in Government-owned car parks
- **underlying inflation, as measured by the annual change in RPI(Y), increased by 1.0%** over the twelve months to September 2020<sup>1</sup>
- the rate of underlying inflation increased by 0.4 pp since June 2020 (up from 0.6%)
- over the twelve months to September 2020:
  - RPI(X) increased by 1.3%<sup>2</sup>
  - RPI Pensioners increased by 1.0%
  - RPI Low Income increased by 1.9%
- all indices of retail prices recorded higher annual rates of increase than in June 2020
- the rate of inflation in Jersey over the twelve months to September 2020, as measured by the RPI, was 0.2 pp higher than the broadly comparable headline rate of inflation for the UK

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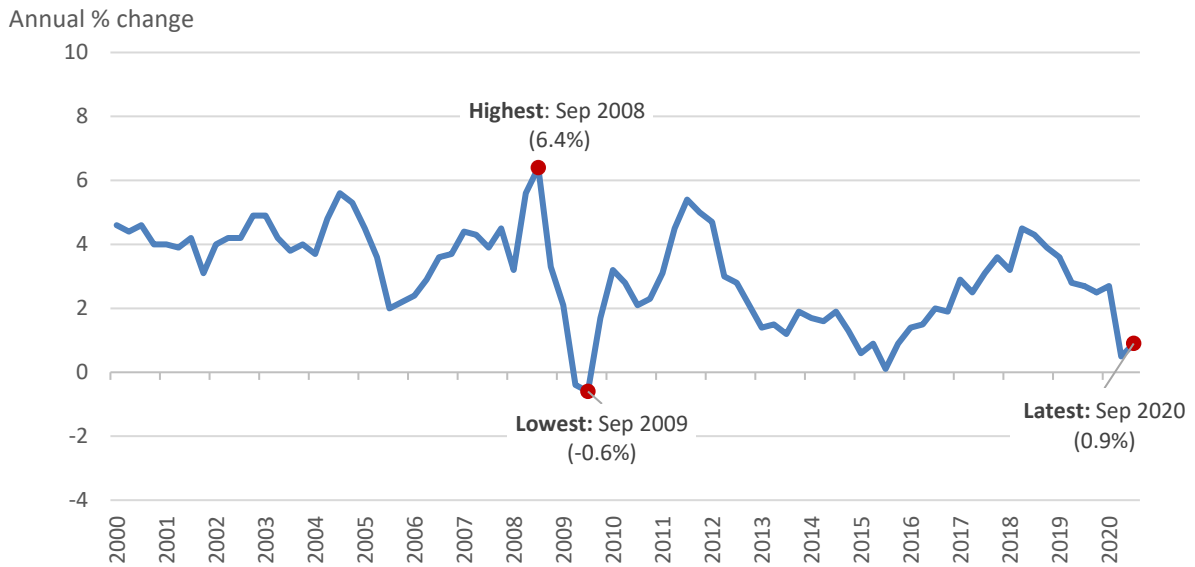
<sup>1</sup> RPI(Y): the RPI excluding mortgage interest payments and indirect taxes (e.g. GST and impôts). During periods involving the introduction of, or changes in, indirect taxes, the annual change in RPI(Y) is the pertinent measure of underlying inflation.

<sup>2</sup> RPI(X): the RPI excluding mortgage interest payments.

## Annual change

The increase in the All Items Retail Prices Index (RPI) over the twelve months to September 2020 was 0.9%. The annual percentage changes in the RPI since March 2000 are shown in Figure 1.

Figure 1 - Jersey RPI annual inflation rate (percent) Mar 2000 to Sep 2020



In September 2020, the annual change in the RPI was 0.4 pp greater than for the previous quarter (June 2020).

The annual percentage changes for each group of the RPI are shown in Figure 2.

Figure 2 - Annual percentage changes for each group, Sep 2020

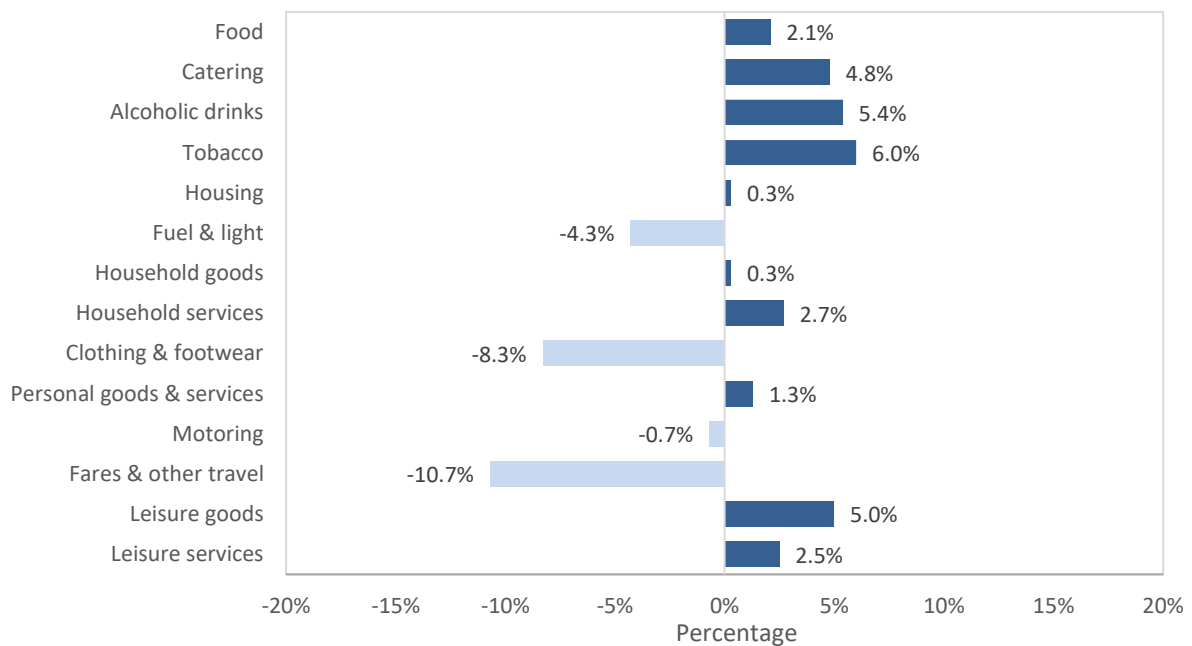
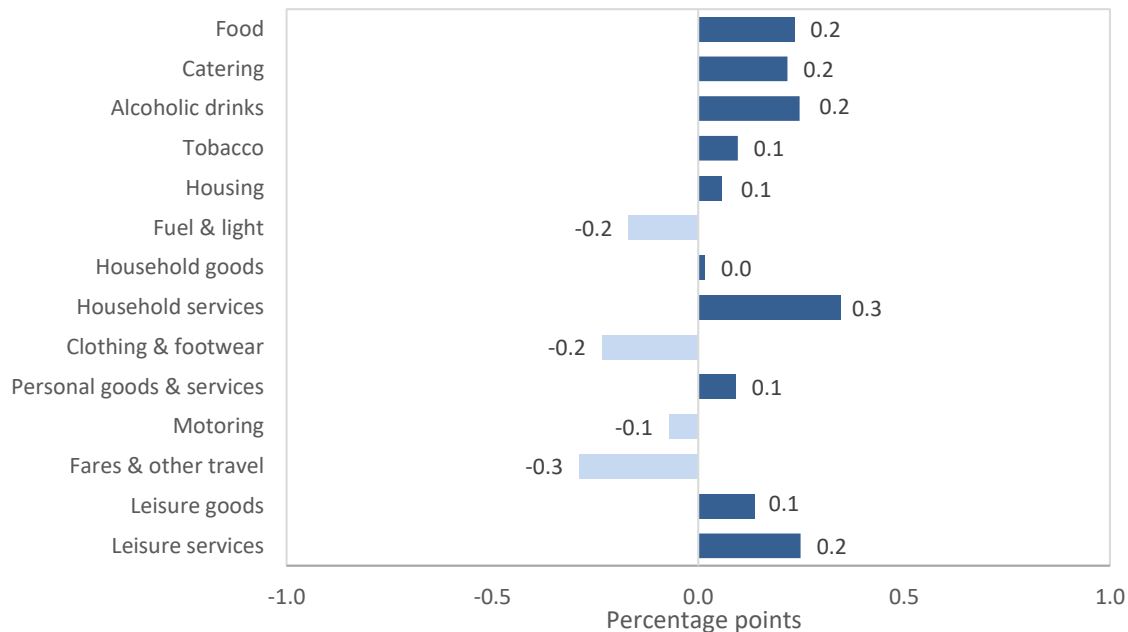


Figure 3 shows the contribution of each group of the RPI to the overall annual increase of 0.9%.

Figure 3 - Contribution of each group to the annual change in the RPI, Sep 2020



*Individual contributions shown do not sum to the total change due to rounding*

The groups that saw prices increase over the twelve months to September 2020 gave **upward** contributions to the RPI, notably:

- **Household services:** costs rose by 2.7%, on average, over the twelve months to September 2020, contributing +0.3 percentage points (pp) to the annual change of the RPI. Among other items, this group includes school fees (increased for some schools in January 2020), telephone charges and domestic services
- **Food:** costs rose by 2.1%, on average, over the year to September 2020, contributing +0.2 pp to the annual change of the RPI
- **Catering:** on average, prices in this group increased by 4.8% over the twelve months to September 2020, contributing +0.2 pp to the annual change of the RPI
- **Alcoholic drinks:** prices in this group increased by 5.4%, on average, over the twelve months to September 2020, contributing +0.2 pp to the annual change of the RPI

In contrast, prices in several groups saw prices decrease, on average, over the twelve months to September 2020:

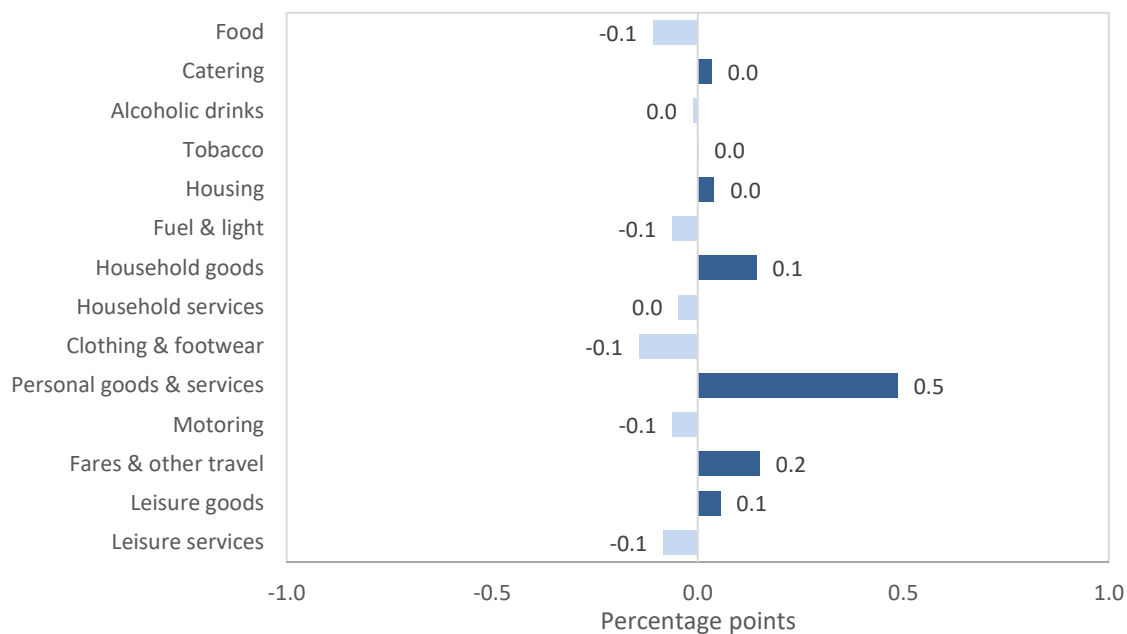
- **Fares & other travel:** for the group overall, prices decreased by 10.7%, contributing -0.3 pp to the annual change of the RPI
- **Fuel & light:** overall, prices in this group decreased by 4.3%, on average, contributing -0.2 pp to the annual change of the RPI
- **Clothing & footwear:** prices in this group decreased by 8.3% over the twelve months to September 2020, contributing -0.2 pp to the annual change of the RPI

The **Housing** group contributed +0.1 pp to the annual change of the RPI. An increase in rents was partially offset by a net decrease in the cost of house purchase following the reductions in the Bank of England Bank Rate in March 2020<sup>3</sup>.

Group level indices are presented in Appendix Table A1, which also shows the most recent annual and quarterly percentage changes.

The annual rate of increase of the RPI was 0.4 pp higher in September 2020 (0.9%) than in June 2020 (0.5%). Figure 4 shows the contributions to the change in the annual rate of increase of the RPI.

**Figure 4 - Contributions to change in annual rate of increase of RPI between Jun 2020 and Sep 2020 (+0.4 pp from 0.5% to 0.9%)**



Some groups gave upward contributions to the change in the annual rate of increase of the RPI:

- **Personal goods & services:** contributed +0.5 pp to the change in the annual rate of increase of the RPI. Prices in this group increased over the twelve months to September 2020 (up 1.3%) and had decreased over the same period to June 2020 (down 5.8%). This group includes GP fees, which had reduced in price between March and June 2020 due to COVID-19 related policies, and had increased between June and September 2020
- **Fares & other travel** contributed +0.2 pp to the change in the annual rate of increase of the RPI. Prices over the twelve months to September 2020 decreased at a lower rate than over the twelve months to June 2020. This group includes parking charges, which had on average reduced between March and June 2020, largely due to the suspension of parking charges in Government owned car parks as a COVID-19 related policy, and then increased between June and September 2020

<sup>3</sup> The Bank of England Bank Rate decreased from 0.75% to 0.25% on 11 March 2020, then to 0.1% on 19 March 2020.

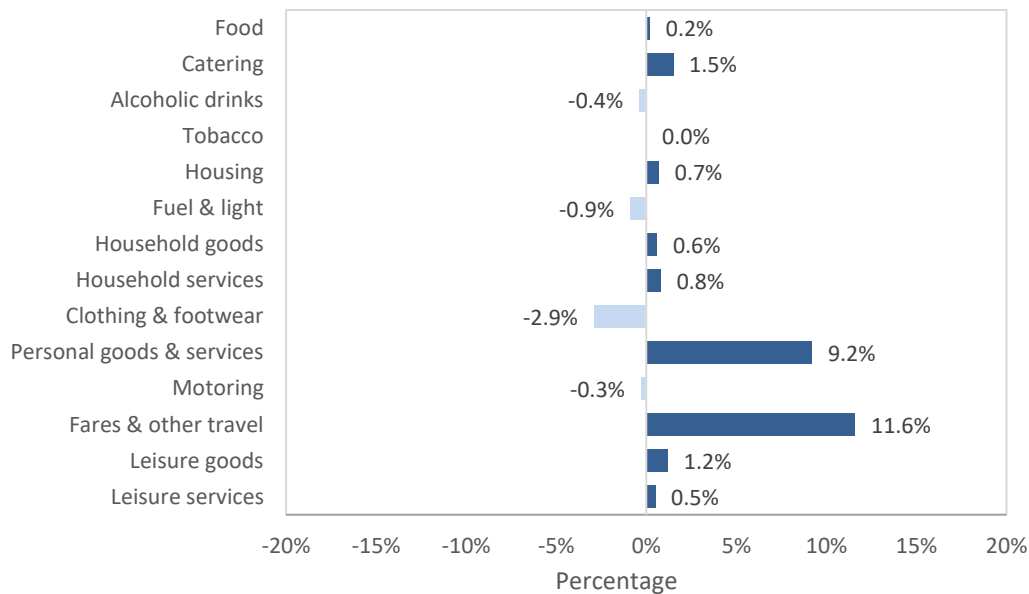
- **Household goods:** contributed +0.1 pp to the change in the overall annual rate of increase. Prices in this group increased, on average, over the twelve months to September 2020 (up 0.3%) whereas they had decreased over the same period to June 2020 (down 2.1%)

Several groups gave small downward contributions to the change in the annual rate of the RPI, including **Food** and **Clothing & footwear** each contributing -0.1 pp to the change in the annual rate.

### Quarterly change

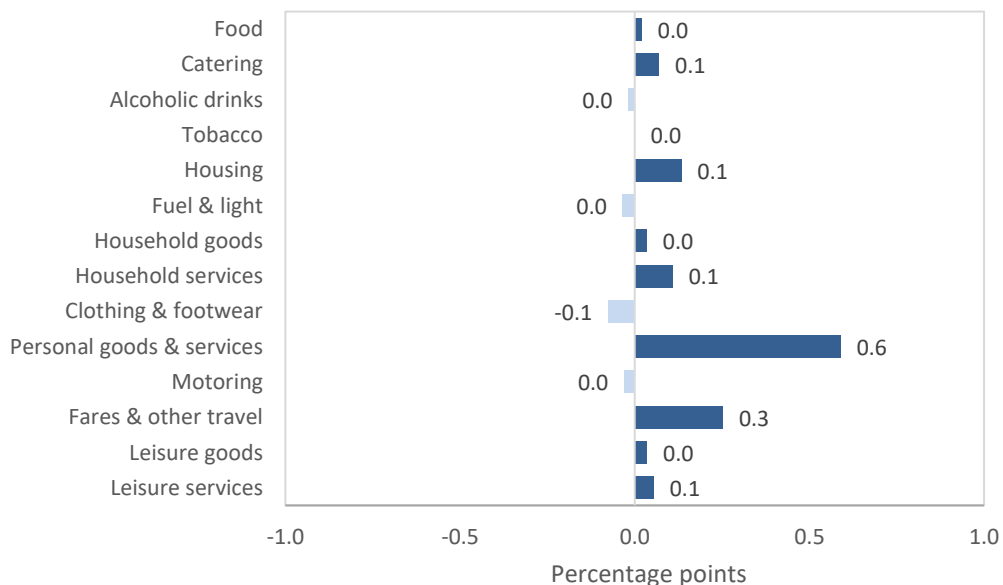
On a quarterly basis, the RPI increased by 1.2% between June 2020 and September 2020. Figure 5 shows the percentage changes over the latest quarter for each group of the RPI.

Figure 5 - Quarterly percentage changes for each group, Sep 2020



Most groups saw prices increase over the three months to September 2020, notably **Fares & other travel** and **Personal goods & services**. Figure 6 shows the contributions of these groups to the quarterly change in the RPI.

Figure 6 - Contribution of each group to the quarterly change in the RPI, Sep 2020



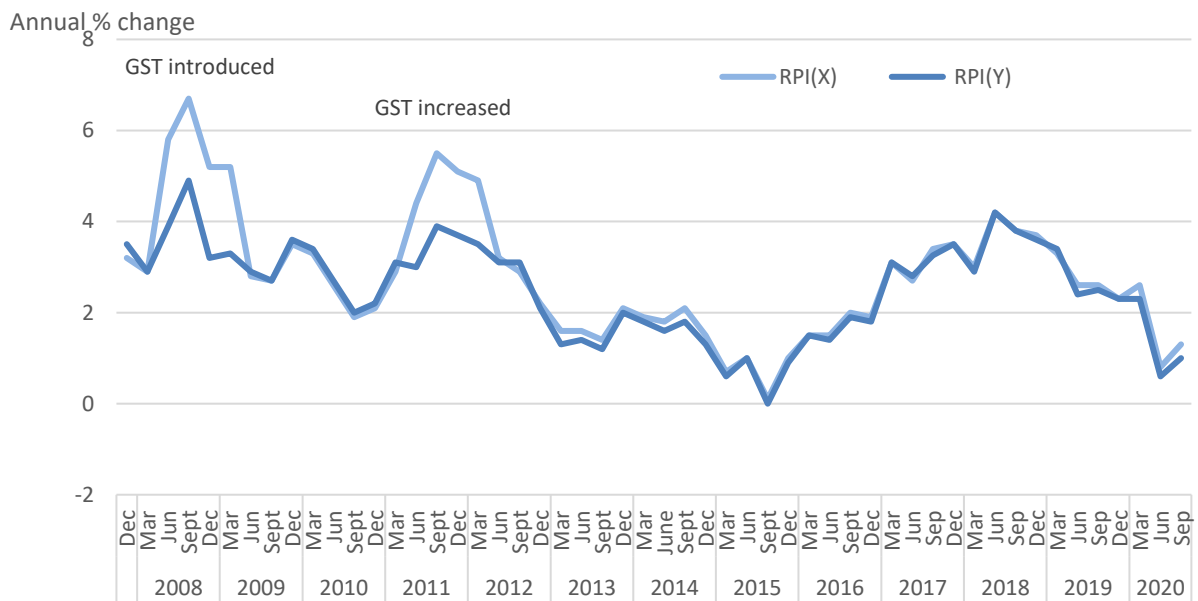
## RPI(X) and RPI(Y) - underlying rate of inflation

RPI(X) is defined as the all items RPI excluding the cost of mortgage interest payments. RPI(Y) provides a measure of underlying inflation by removing the effect not only of mortgage interest payments but also of indirect taxes such as GST and impôts. During periods involving the introduction of, or changes in, indirect taxes, the annual change in RPI(Y) is the pertinent measure of underlying inflation.

Over the twelve months to September 2020, RPI(X) increased by 1.3% and RPI(Y) increased by 1.0%.

Figure 7 shows the annual rates of change of both RPI(X) and RPI(Y) since 2007, when RPI(Y) was first published for Jersey (see Appendix Tables A3 and A4).

Figure 7 - Annual percentage changes in RPI(X) and RPI(Y), Dec 2007 to Sep 2020



In September 2020, the annual rate of increase of RPI(X) was 0.5 pp greater than in June 2020 (up from 0.8%).

For RPI(Y), the annual rate of increase in September 2020 was 0.4 pp greater than in June 2020 (up from 0.6%).

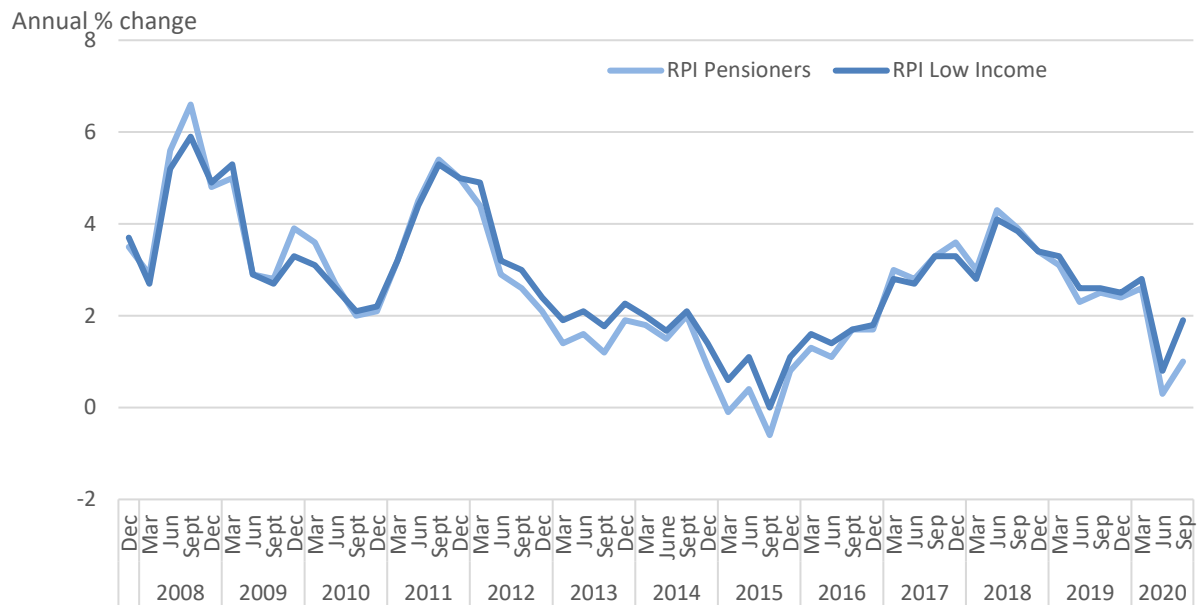
## Other inflation measures

In December 2007, two further consumer price indices were introduced for Jersey: **RPI Pensioners**, for pensioner households; and **RPI Low Income**, for households in the lowest quintile of household income.

Over the twelve months to September 2020, RPI Pensioners increased by 1.0% and RPI Low Income increased by 1.9%.

Figure 8 shows the annual rates of change of both RPI Pensioners and RPI Low Income since December 2007, when annual changes in these indices were first published (see Appendix Table A4).

Figure 8 - Annual percentage changes in RPI Pensioners and RPI Low Income, Dec 2007 to Sep 2020



### Comparison with the UK

The annual measures of the headline rates of inflation for Jersey and the UK are shown in Table 1. The headline annual rate of inflation for the UK is that of CPIH, which is broadly comparable with the Jersey RPI. The annual rate of increase of the UK CPI (also shown) is similarly broadly comparable to that of Jersey RPI(X) - see Note 4 for more information.

Table 1: Annual percentage changes in Jersey and UK consumer price indices Jun 2020 and Sep 2020

	Jun 2020	Sep 2020
<b>Jersey RPI</b>	0.5	0.9
<b>UK CPIH</b>	0.8	0.7
<b>Jersey RPI(X)</b>	0.8	1.3
<b>UK CPI</b>	0.6	0.5

Over the twelve months to September 2020, the annual increase of the Jersey RPI was 0.9% and that of the UK CPI was 0.7%, hence, the headline rate of inflation in Jersey over the twelve months to September 2020 was 0.2 pp greater than the broadly comparable headline rate of inflation for the UK.

The annual rate of increase of the Jersey RPI(X) during this period was 1.3%, compared with 0.5% for the UK CPI.

## Notes

1. The Retail Prices Index (RPI) is the main measure of inflation in Jersey. It measures the change from quarter to quarter in the price of the goods and services purchased by an “average household” in Jersey. The spending pattern on which the index is based is revised at intervals, using information from the Jersey Household Spending Survey (HSS). An HSS was conducted in 2014-15, the results of which were published in May 2016; these results have been used to conduct a commodity review and the introduction of new weights for all consumer prices indices in March 2018.
2. The RPI is compiled using a large and representative selection of over 500 separate goods and services. The price movements for each of these are measured at a representative range of outlets. Around 2,500 separate price quotations are used each quarter in compiling the index. Prices are measured on or around the 15<sup>th</sup> day of March, June, September and December.
3. Full details of the Jersey Retail Prices Index and its movements since 2000 are set out in the Appendix, along with details of the Jersey figures for RPI(X).
4. In 2012 a consultation exercise on the UK RPI was conducted by the UK National Statistician. The principal outcomes of this consultation were that the UK RPI did not meet current international standards and that a new index (RPIJ) should be published. From March 2013 to January 2017 the UK Office for National Statistics (ONS) published RPIJ. The annual percentage change in the UK RPI was systematically greater than that of RPIJ; the upward bias was predominantly due to the “formula effect”. The Jersey RPI is not susceptible to such an upward bias. Prior to February 2017 the appropriate comparison with the UK was that of the Jersey RPI and the UK RPIJ. However, in February 2017, the UK Office for National Statistics discontinued publication of RPIJ.

A direct estimate of the formula effect was published by the ONS, enabling comparison between the annual rates of change of the Jersey RPI and the UK RPI by adjusting for the formula effect. The ONS ceased publication of this in February 2020.

Thereafter, the annual change in the UK CPIH (the headline measure of inflation in the UK) is used for comparison with the Jersey RPI. The UK CPI is the CPIH excluding owner occupiers’ housing costs and is the appropriate measure of inflation to compare with the Jersey RPI(X).

5. RPI(Y) excludes mortgage interest payments and indirect taxes. The indirect taxes excluded are Parish rates and all taxes and duties that directly affect retail prices: impôts (on tobacco, alcohol and motor fuels); the Goods and Services Tax (GST); Air Passenger Duty; and Vehicle Emissions Duty.
6. Group and section weights for RPI Pensioners and RPI Low Income are derived from information on expenditure collected by the 2014/15 Household Spending Survey (HSS). Section and item weights therefore differ from those in the Jersey RPI due to the different expenditure patterns for these households compared to all households.
7. COVID-19 context  
Government policies implemented in response to the COVID-19 pandemic has resulted in travel restrictions to and from Jersey, leading to a reduction in the number of prices collected in the Fares & other travel group. In June 2020 a small number of prices in other groups were not available at the time of price collection; any such unavailable prices were imputed using those from March 2020, considered as being the most current prices at that time.
8. The Jersey Retail Prices Index is compiled by Statistics Jersey;  
(enquiries to Statistics Jersey: 07797 780488 e-mail: [statistics@gov.je](mailto:statistics@gov.je))



Table A1: Group indices (June 2000 = 100) and percentage changes

<b>GROUP</b>	<b>2019 Sep</b>	<b>2019 Dec</b>	<b>2020 Mar</b>	<b>2020 Jun</b>	<b>2020 Sep</b>	<b>Annual change (percent)</b>	<b>Quarterly change (percent)</b>
Food	176.5	174.5	178.9	179.9	180.2	2.1	0.2
Catering	186.2	188.5	191.7	192.2	195.1	4.8	1.5
Alcoholic drinks	205.2	206.3	214.9	217.0	216.2	5.4	-0.4
Tobacco	349.0	349.0	370.2	370.1	370.1	6.0	0.0
Housing	198.0	199.8	201.6	197.3	198.6	0.3	0.7
Fuel & light	242.6	241.3	240.8	234.3	232.2	-4.3	-0.9
Household goods	105.4	105.8	106.1	105.1	105.7	0.3	0.6
Household services	234.0	235.6	237.6	238.3	240.3	2.7	0.8
Clothing & footwear	80.7	79.7	76.0	76.2	74.0	-8.3	-2.9
Personal goods & services	163.6	162.1	165.8	151.8	165.8	1.3	9.2
Motoring	179.7	180.0	182.7	179.0	178.4	-0.7	-0.3
Fares & other travel	235.3	213.5	215.3	188.2	210.1	-10.7	11.6
Leisure goods	81.9	82.4	83.4	85.0	86.0	5.0	1.2
Leisure services	204.6	207.5	209.7	208.6	209.7	2.5	0.5
<b>All items</b>	<b>179.7</b>	<b>179.8</b>	<b>182.1</b>	<b>179.3</b>	<b>181.4</b>	<b>0.9</b>	<b>1.2</b>

Table A2: Jersey Retail Prices Index RPI, 2000-2020 (Jun 2000 = 100)

		RPI	Annual change (%)	Quarterly change (%)		RPI	Annual change (%)	Quarterly change (%)	
<b>2000</b>	Mar	99.0	4.6	1.3		Sep	142.6	2.1	0.1
	Jun	100.0	4.4	1.0		Dec	143.2	2.3	0.4
	Sep	101.1	4.6	1.1	<b>2011</b>	Mar	146.1	3.1	2.0
	Dec	101.6	4.0	0.5		Jun	148.8	4.5	1.8
<b>2001</b>	Mar	103.0	4.0	1.4		Sep	150.3	5.4	1.0
	Jun	103.9	3.9	0.9		Dec	150.4	5.0	0.1
	Sep	105.3	4.2	1.3	<b>2012</b>	Mar	153.0	4.7	1.7
	Dec	104.7	3.1	-0.6		Jun	153.3	3.0	0.2
<b>2002</b>	Mar	107.1	4.0	2.3		Sep	154.5	2.8	0.8
	Jun	108.3	4.2	1.1		Dec	153.5	2.1	-0.6
	Sep	109.7	4.2	1.3	<b>2013</b>	Mar	155.2	1.4	1.1
	Dec	109.8	4.9	0.1		Jun	155.6	1.5	0.3
<b>2003</b>	Mar	112.4	4.9	2.4		Sep	156.4	1.2	0.5
	Jun	112.9	4.2	0.4		Dec	156.4	1.9	0.0
	Sep	113.9	3.8	0.9	<b>2014</b>	Mar	157.9	1.7	1.0
	Dec	114.2	4.0	0.3		Jun	158.1	1.6	0.1
<b>2004</b>	Mar	116.6	3.7	2.1		Sep	159.3	1.9	0.8
	Jun	118.3	4.8	1.5		Dec	158.5	1.3	-0.5
	Sep	120.3	5.6	1.7	<b>2015</b>	Mar	158.9	0.6	0.3
	Dec	120.3	5.3	0.0		Jun	159.6	0.9	0.4
<b>2005</b>	Mar	121.9	4.5	1.3		Sep	159.5	0.1	-0.1
	Jun	122.6	3.6	0.6		Dec	160.0	0.9	0.3
	Sep	122.7	2.0	0.1	<b>2016</b>	Mar	161.2	1.4	0.8
	Dec	123.0	2.2	0.2		Jun	162.0	1.5	0.5
<b>2006</b>	Mar	124.8	2.4	1.5		Sep	162.7	2.0	0.4
	Jun	126.2	2.9	1.1		Dec	163.0	1.9	0.2
	Sep	127.1	3.6	0.7	<b>2017</b>	Mar	165.9	2.9	1.8
	Dec	127.5	3.7	0.3		Jun	166.1	2.5	0.1
<b>2007</b>	Mar	130.3	4.4	2.2		Sep	167.8	3.1	1.0
	Jun	131.6	4.3	1.0		Dec	168.8	3.6	0.6
	Sep	132.1	3.9	0.4	<b>2018</b>	Mar	171.2	3.2	1.4
	Dec	133.3	4.5	0.9		Jun	173.5	4.5	1.3
<b>2008</b>	Mar	134.5	3.2	0.9		Sep	175.0	4.3	0.9
	Jun	139.0	5.6	3.3		Dec	175.4	3.9	0.2
	Sep	140.5	6.4	1.1	<b>2019</b>	Mar	177.3	3.6	1.1
	Dec	137.7	3.3	-2.0		Jun	178.4	2.8	0.6
<b>2009</b>	Mar	137.3	2.1	-0.3		Sep	179.7	2.7	0.7
	Jun	138.5	-0.4	0.9		Dec	179.8	2.5	0.1
	Sep	139.6	-0.6	0.8	<b>2020</b>	Mar	182.1	2.7	1.3
	Dec	140.0	1.7	0.3		Jun	179.3	0.5	-1.5
<b>2010</b>	Mar	141.7	3.2	1.2		Sep	181.4	0.9	1.2
	Jun	142.4	2.8	0.5					

Table A3: Jersey Retail Prices Index excluding house purchase costs, RPI(X), 2000-2020 (Jun 2000 = 100)

		RPI(X)	Annual	Quarterly			RPI(X)	Annual	Quarterly		
		Jun 2000 =100)	change (%)	change (%)			(Jun 2000 =100	change (%)	change (%)		
<b>2000</b>	Mar	(99.2)	4.3	1.1			Sep	141.4	1.9	0.0	
	Jun	100.0	4.0	0.8			Dec	141.9	2.1	0.4	
	Sep	101.1	4.2	1.1			<b>2011</b>	Mar	144.8	2.9	2.0
	Dec	101.4	3.4	0.3				Jun	147.6	4.4	1.9
<b>2001</b>	Mar	102.8	3.6	1.4			Sep	149.2	5.5	1.1	
	Jun	103.8	3.8	1.0			Dec	149.2	5.1	0.0	
	Sep	105.3	4.2	1.4			<b>2012</b>	Mar	151.9	4.9	1.8
	Dec	105.1	3.6	-0.2				Jun	152.3	3.2	0.3
<b>2002</b>	Mar	107.3	4.4	2.1			Sep	153.5	2.9	0.8	
	Jun	108.4	4.4	1.0			Dec	152.5	2.2	-0.7	
	Sep	109.7	4.2	1.2			<b>2013</b>	Mar	154.3	1.6	1.2
	Dec	109.8	4.5	0.1				Jun	154.8	1.6	0.3
<b>2003</b>	Mar	112.5	4.8	2.5			Sep	155.6	1.4	0.5	
	Jun	113.4	4.6	0.8			Dec	155.7	2.1	0.1	
	Sep	114.5	4.4	1.0			<b>2014</b>	Mar	157.3	1.9	1.0
	Dec	114.2	4.0	-0.3				Jun	157.6	1.8	0.2
<b>2004</b>	Mar	116.4	3.5	1.9			Sep	158.9	2.1	0.8	
	Jun	117.3	3.4	0.8			Dec	158.0	1.5	-0.6	
	Sep	118.3	3.3	0.9			<b>2015</b>	Mar	158.4	0.7	0.3
	Dec	118.1	3.4	-0.2				Jun	159.2	1.0	0.5
<b>2005</b>	Mar	119.6	2.7	1.3			Sep	159.1	0.1	-0.1	
	Jun	120.2	2.5	0.5			Dec	159.6	1.0	0.3	
	Sep	120.6	1.9	0.3			<b>2016</b>	Mar	160.8	1.5	0.8
	Dec	120.7	2.2	0.1				Jun	161.6	1.5	0.5
<b>2006</b>	Mar	122.5	2.4	1.5			Sep	162.3	2.0	0.4	
	Jun	123.9	3.1	1.1			Dec	162.7	1.9	0.2	
	Sep	124.0	2.8	0.1			<b>2017</b>	Mar	165.8	3.1	1.9
	Dec	123.7	2.5	-0.2				Jun	166.0	2.7	0.1
<b>2007</b>	Mar	125.9	2.8	1.8			Sep	167.8	3.4	1.1	
	Jun	126.7	2.3	0.6			Dec	168.4	3.5	0.4	
	Sep	126.7	2.2	0.0			<b>2018</b>	Mar	170.7	3.0	1.4
	Dec	127.7	3.2	0.8				Jun	173.0	4.2	1.3
<b>2008</b>	Mar	129.5	2.9	1.4			Sep	174.2	3.8	0.7	
	Jun	134.0	5.8	3.5			Dec	174.6	3.7	0.2	
	Sep	135.2	6.7	0.9			<b>2019</b>	Mar	176.4	3.3	1.0
	Dec	134.3	5.2	-0.7				Jun	177.5	2.6	0.6
<b>2009</b>	Mar	136.2	5.2	1.4			Sep	178.7	2.6	0.7	
	Jun	137.8	2.8	1.2			Dec	178.7	2.3	0.0	
	Sep	138.8	2.7	0.7			<b>2020</b>	Mar	181.0	2.6	1.3
	Dec	139.0	3.5	0.1				Jun	178.9	0.8	-1.2
<b>2010</b>	Mar	140.7	3.3	1.2			Sep	181.0	1.3	1.2	
	Jun	141.4	2.6	0.5							

Table A4: Annual percentage changes in RPI(Y), RPI Pensioners and RPI Low Income

		RPI(Y)	RPI Pensioners	RPI Low Income
<b>2009</b>	Mar	3.3	5.0	5.3
	Jun	2.9	2.9	2.9
	Sep	2.7	2.8	2.7
	Dec	3.6	3.9	3.3
<b>2010</b>	Mar	3.4	3.6	3.1
	Jun	2.7	2.7	2.6
	Sep	2.0	2.0	2.1
	Dec	2.2	2.1	2.2
<b>2011</b>	Mar	3.1	3.2	3.2
	Jun	3.0	4.5	4.4
	Sep	3.9	5.4	5.3
	Dec	3.7	5.0	5.0
<b>2012</b>	Mar	3.5	4.4	4.9
	Jun	3.1	2.9	3.2
	Sep	3.1	2.6	3.0
	Dec	2.1	2.1	2.4
<b>2013</b>	Mar	1.3	1.4	1.9
	Jun	1.4	1.6	2.1
	Sep	1.2	1.2	1.8
	Dec	2.0	1.9	2.3
<b>2014</b>	Mar	1.8	1.8	2.0
	Jun	1.6	1.5	1.7
	Sep	1.8	2.0	2.1
	Dec	1.3	0.9	1.4
<b>2015</b>	Mar	0.6	-0.1	0.6
	Jun	1.0	0.4	1.1
	Sep	0.0	-0.6	0.0
	Dec	0.9	0.8	1.1
<b>2016</b>	Mar	1.5	1.3	1.6
	Jun	1.4	1.1	1.4
	Sep	1.9	1.7	1.7
	Dec	1.8	1.7	1.8
<b>2017</b>	Mar	3.1	3.0	2.8
	Jun	2.8	2.8	2.7
	Sep	3.3	3.3	3.3
	Dec	3.5	3.6	3.3
<b>2018</b>	Mar	2.9	3.0	2.8
	Jun	4.2	4.3	4.1
	Sep	3.8	3.9	3.8
	Dec	3.6	3.4	3.4
<b>2019</b>	Mar	3.4	3.1	3.3
	Jun	2.4	2.3	2.6
	Sep	2.5	2.5	2.6
	Dec	2.3	2.4	2.5
<b>2020</b>	Mar	2.3	2.6	2.8
	Jun	0.6	0.3	0.8
	Sep	1.0	1.0	1.9