

# Jersey Retail Prices Index

## September 2013

Statistics Unit: [www.gov.je/statistics](http://www.gov.je/statistics)



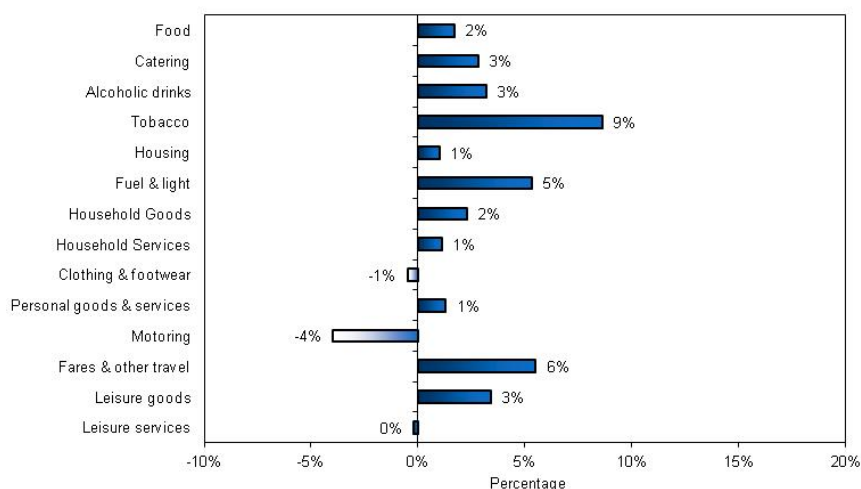
### Summary

- During the twelve months to September 2013 the All Items Retail Prices Index (RPI) for Jersey **increased by 1.2%** to stand at 156.4 (June 2000 = 100).
- The increase of the RPI over the twelve months to June was 1.5%, implying that the **annual rate of inflation decreased by 0.3 percentage points** (pp) in the latest quarter.
- **RPI(X)<sup>1</sup> increased by 1.4%** over the twelve months to September 2013. The annual rate of increase of RPI(X) in September 2013 was 0.2 pp lower than in June 2013 and was the lowest annual change recorded since this index was introduced in 1997.
- **RPI Pensioners increased by 1.2%** over the twelve months to September 2013.
- **RPI Low Income increased by 1.8%** over the twelve months to September 2013. The greater rate of increase of RPI Low Income compared with other price indices was primarily due to the greater weight given to domestic energy costs and to housing rents in this index.
- **Underlying inflation<sup>2</sup> as measured by RPI(Y) increased by 1.2%** over the twelve months to September 2013.
- The annual rates of increase of RPI Pensioners, RPI Low Income and RPI(Y) in September 2013 were all lower than in June 2013.

### Annual change

The annual percentage changes for each group of the all items RPI are shown in Figure 1; price increases were seen for the majority of groups on an annual basis.

**Figure 1 - Annual percentage changes for each group, Sep 2013**

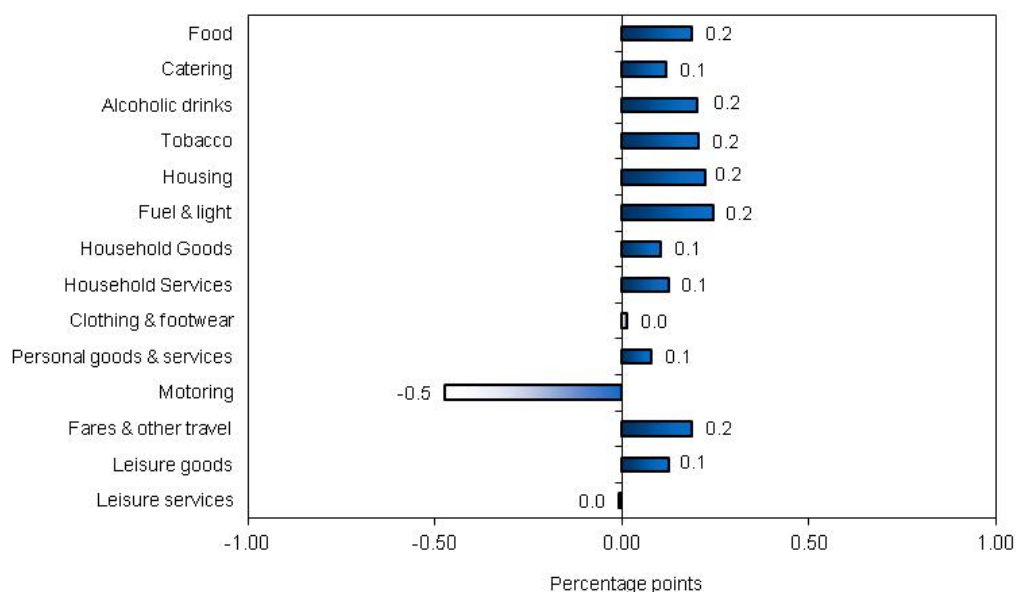


<sup>1</sup> RPI(X): the RPI excluding mortgage interest payments.

<sup>2</sup> RPI(Y): the RPI excluding mortgage interest payments and indirect taxes (e.g. GST and impôts).

Figure 2 shows the contribution of each group of the all items RPI to the overall annual increase of 1.2%.

**Figure 2 - Contribution of each group to annual change in the RPI**



Most groups gave small upward contributions to the RPI of less than +0.2 pp, including:

- **Fuel and light:** costs rose by 5%, on average, over the twelve months to September 2013, contributing 0.2 pp to the annual change of the RPI. The increases in electricity prices (up by more than 9% in January 2013) and gas prices (up in January and August 2013) were the largest contributors to the increase recorded by this group;
- **Fares & other travel:** costs rose by almost 6%, on average, over the year to September 2013, contributing 0.2 pp to the annual change of the RPI;
- **Food:** costs rose by 1.7% on average, over the year to September 2013, contributing 0.2 pp to the annual change of the RPI. Notable price increases were seen for the average prices of fresh meats and potatoes, whilst fish and eggs recorded decreases in prices on an annual basis.

In contrast, the cost of **Motoring** fell by 4%, on average, over the twelve months to September 2013, contributing a downward 0.5 pp to the overall annual change of the RPI. Decreases on an annual basis were recorded for the cost of motor vehicles, motor insurance and motor fuels. Petrol and diesel prices were each about 4 pence per litre lower, on average, in September 2013 than a year earlier.

Increased **impôts duties** in January 2013 accounted for almost half of the 0.2 pp contribution of the Alcohol group to the increase in the RPI and for most of the 0.2 pp contribution of the Tobacco group to the increase in the RPI.

Individual group indices are presented in Table 1, which also includes the most recent annual and quarterly percentage changes.

**Table 1: Group indices (June 2000 = 100) and percentage changes**

<b>GROUP</b>	<b>2012 Sep</b>	<b>2012 Dec</b>	<b>2013 Mar</b>	<b>2013 Jun</b>	<b>2013 Sep</b>	<b>Annual change (percent)</b>	<b>Quarterly change (percent)</b>
Food	162.3	161.2	165.0	165.9	165.1	1.7	-0.5
Catering	154.2	154.4	156.1	157.0	158.5	2.8	0.9
Alcoholic drinks	170.2	167.8	175.0	175.5	175.7	3.2	0.1
Tobacco	232.1	231.8	250.9	252.0	252.0	8.6	0.0
Housing	162.9	164.1	163.6	164.2	164.5	1.0	0.2
Fuel & light	236.2	233.9	252.4	242.9	248.7	5.3	2.4
Household goods	104.7	105.4	105.1	106.3	107.1	2.3	0.8
Household services	166.4	165.0	166.3	166.7	168.3	1.1	1.0
Clothing & footwear	86.8	86.2	85.7	83.8	86.4	-0.5	3.1
Personal goods & services	150.8	150.1	151.3	151.6	152.7	1.3	0.7
Motoring	163.3	157.3	155.7	155.4	156.8	-4.0	0.9
Fares & other travel	181.6	173.0	183.2	194.0	191.6	5.5	-1.2
Leisure goods	83.4	84.8	81.2	84.1	86.2	3.4	2.5
Leisure services	171.1	171.6	173.2	172.9	170.8	-0.2	-1.2
<b>All items</b>	<b>154.5</b>	<b>153.5</b>	<b>155.2</b>	<b>155.6</b>	<b>156.4</b>	<b>1.2</b>	<b>0.5</b>

There was a fall of 0.3 percentage points in the annual rate of increase of Jersey's RPI between June 2013 and September 2013, from 1.5% to 1.2%. All groups gave small contributions to this change in the annual rate of increase of the RPI.

**Fares & other travel** was the largest upward contributor to the change in the annual rate of inflation; prices in this group increased, on average by almost 6% over the twelve months to September but were almost unchanged (up by 0.2%) over the twelve months to June 2013.

In contrast, the **Leisure services** group contributed a downward 0.3 pp to the change in the overall rate of inflation, having seen a small decrease in prices, on average, over the latest twelve-month period (down 0.2% over the twelve months to September 2013) compared with an increase of 3% over the twelve months to June 2013.

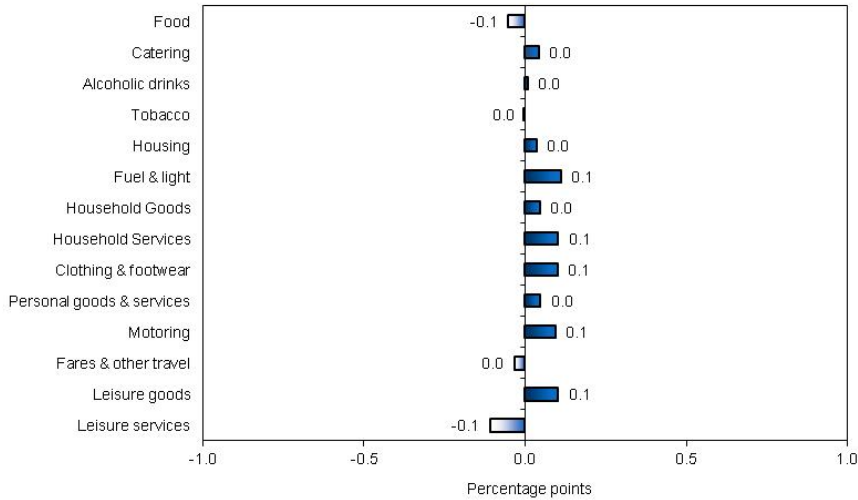
The **Food** and **Household services** groups each contributed a downward 0.1 pp to the change in the annual rate of inflation. Food prices increased at a lower rate over the twelve months to September 2013 (up 1.7%) compared with the twelve months to June 2013 (up 2.7%), whilst Household services recorded a smaller increase over the twelve months to September 2013 (up 1%) compared with the twelve months to June 2013 (up 3%).

**Quarterly change**

On a quarterly basis, the RPI increased by 0.5% between June 2013 and September 2013;

Figure 3 shows that all groups were small contributors to the overall quarterly increase.

**Figure 3 - Contribution of each group to quarterly change in the RPI**



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

Notable changes in the latest quarter included:

- **Clothing & footwear** costs rose by 3% over the three months to September 2013, contributing 0.1 pp to the quarterly change in the RPI;
- **Fuel and light** costs rose by 2.4%, on average, over the three months to September 2013, contributing 0.1 pp to the quarterly change in the RPI. In this group, the price of domestic heating oil increased by 4 p per litre, on average, over the quarter, and gas prices increased by 3.5% in August 2013;
- **Leisure goods** costs rose by 2.5% over the three months to September 2013, contributing 0.1 pp to the quarterly change in the RPI;
- in the **Motoring** group, petrol and diesel prices were each about 3 pence per litre higher, on average, in September 2013 than in June 2013;

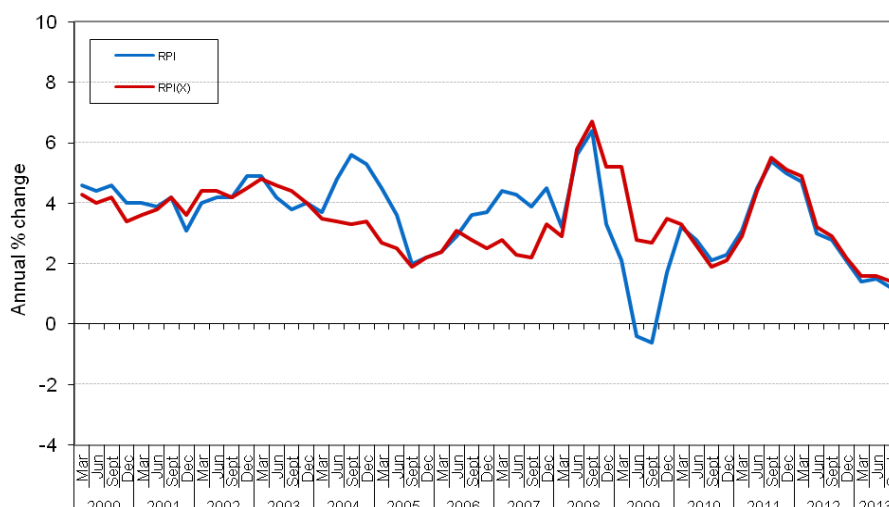
- **Leisure services** prices decreased by 1% over the three months to September 2013, contributing -0.1pp to the quarterly change in the RPI.

### Excluding house purchase costs: RPI(X)

RPI(X) is the RPI excluding the cost of mortgage interest payments. During the twelve months to September 2013, RPI(X) increased by 1.4% to 155.6.

The annual rate of increase of RPI(X) decreased by 0.2 pp between June and September 2013 from 1.6% to 1.4%, the lowest increase recorded since this index was introduced in 1997. The annual rates of change of both RPI and RPI(X) since 2000 are shown in Figure 4.

**Figure 4 - Annual percentage changes in RPI and RPI(X)**



On a quarterly basis, RPI(X) increased by 0.5 % between June and September 2013; the key contributors to this quarterly increase were the same as those for the all-items RPI.

### Other inflation measures

In December 2007, a further three consumer price indices were introduced for Jersey:

- RPI Pensioners, for pensioner households;
- RPI Low Income, for households in the lowest income quintile;
- RPI(Y).

RPI(Y) provides a measure of underlying inflation by removing the effect of mortgage interest payments and 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) may be considered to be the pertinent measure of the rate of underlying inflation.

The annual rates of change of these indices, and also of RPI(X), are shown in Table 2.

RPI Pensioners, RPI Low Income and RPI(Y) each recorded lower rates of annual increase in September 2013 than in June 2013.

**Table 2: Annual % increases in RPI(X), RPI(Y), RPI Pensioners and RPI Low Income**

<b>Date</b>	<b>RPI(X)</b>	<b>RPI(Y)</b>	<b>RPI Pensioners</b>	<b>RPI Low Income</b>
<b>Mar-09</b>	5.2	3.3	5.0	5.3
<b>Jun-09</b>	2.8	2.9	2.9	2.9
<b>Sep-09</b>	2.7	2.7	2.8	2.7
<b>Dec-09</b>	3.5	3.6	3.9	3.3
<b>Mar-10</b>	3.3	3.4	3.6	3.1
<b>Jun-10</b>	2.6	2.7	2.7	2.6
<b>Sep-10</b>	1.9	2.0	2.0	2.1
<b>Dec-10</b>	2.1	2.2	2.1	2.2
<b>Mar-11</b>	2.9	3.1	3.2	3.2
<b>Jun-11</b>	4.4	3.0	4.5	4.4
<b>Sep-11</b>	5.5	3.9	5.4	5.3
<b>Dec-11</b>	5.1	3.7	5.0	5.0
<b>Mar-12</b>	4.9	3.5	4.4	4.9
<b>Jun-12</b>	3.2	3.1	2.9	3.2
<b>Sep-12</b>	2.9	3.1	2.6	3.0
<b>Dec-12</b>	2.2	2.1	2.1	2.4
<b>Mar-13</b>	1.6	1.3	1.4	1.9
<b>Jun-13</b>	1.6	1.4	1.6	2.1
<b>Sep-13</b>	1.4	1.2	1.2	1.8

The greater annual increase of RPI Low Income compared with the other price indices was primarily due to the greater weight given to domestic energy costs and to housing rents (public and private sector) in this index; domestic heating costs increased by 5% over the twelve months to September 2013 and rents increased by more than 3%, on average, over the same period.

The lower weight given to the Motoring group (which recorded a decrease in prices over the latest twelve month period) was also a factor in the greater rate of increase of RPI Low Income compared with the other price indices.

## Comparison with other jurisdictions

The annual rates of increase of the RPI, RPI(X) and RPI(Y) in Jersey, Guernsey and the UK are shown in Table 3, which also includes, for the UK, the annual rate of increase of RPIJ.

RPIJ is currently classified by the Office for National Statistics as an “experimental statistic” and was first published in March 2013 (see Note 4). The RPIJ index is methodologically similar to that of the Jersey RPI; hence, the appropriate comparison with the UK is that of the Jersey RPI and the UK RPIJ.

**Table 3: Annual % increases in RPI, RPI(X) and RPI(Y) for Jun 2013 and Sep 2013**

		RPI		RPI(X)		RPI(Y)	
		Jun 13	Sep 13	Jun 13	Sep 13	Jun 13	Sep 13
<b>Jersey</b>		1.5	1.2	1.6	1.4	1.4	1.2
<b>UK</b>	<b>RPI</b>	3.3	3.2	3.3	3.2	3.4	3.4
	<b>RPIJ</b>	2.7	2.5				
<b>Guernsey</b>		2.7	2.7	2.1	2.0	1.9	1.9

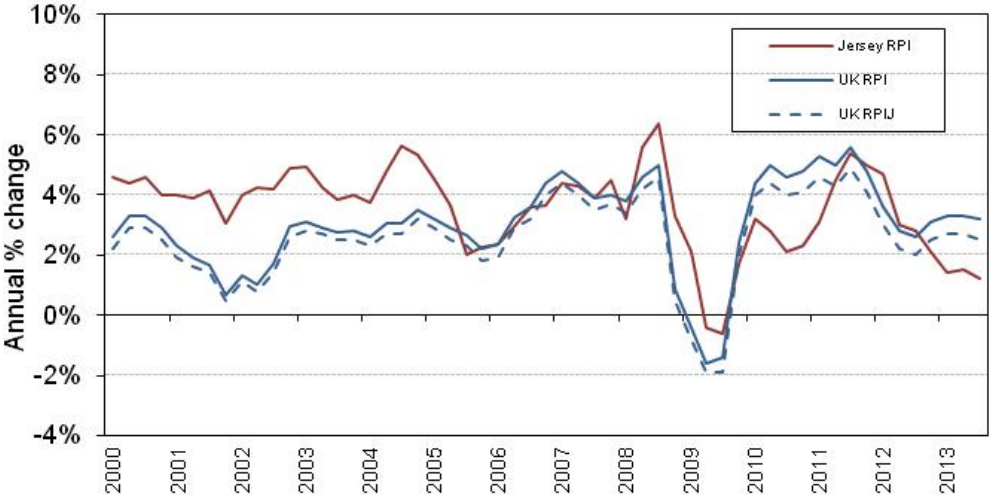
Despite the fact that global factors influence all three jurisdictions, local trends and issues in each location dictate the full extent of such factors. In particular, several groups gave notably different contributions to the annual rates of increase of the RPI in Jersey and the UK<sup>3</sup>:

- **Motoring** contributed 0.5 pp more to the change of the RPI in the UK than in Jersey; prices in this group increased slightly in the UK on an annual basis (up by 0.5%) but decreased by 4% in Jersey over the same period;
- **Clothing and footwear** contributed 0.4 pp more to the annual change of the RPI in the UK than in the Jersey; prices increased by more than 9% in the UK on an annual basis but decreased slightly in Jersey (down by 0.5%) over the same period;
- **Housing, Food and Household services** each contributed 0.3 pp more to the change of the RPI in the UK than in Jersey. Food prices rose by 4.0% on an annual basis in the UK compared with an increase of 1.7% in Jersey over the same period.

The annual percentage changes since 2000 in the Jersey RPI, the UK RPI and the UK RPIJ are shown in Figure 5.

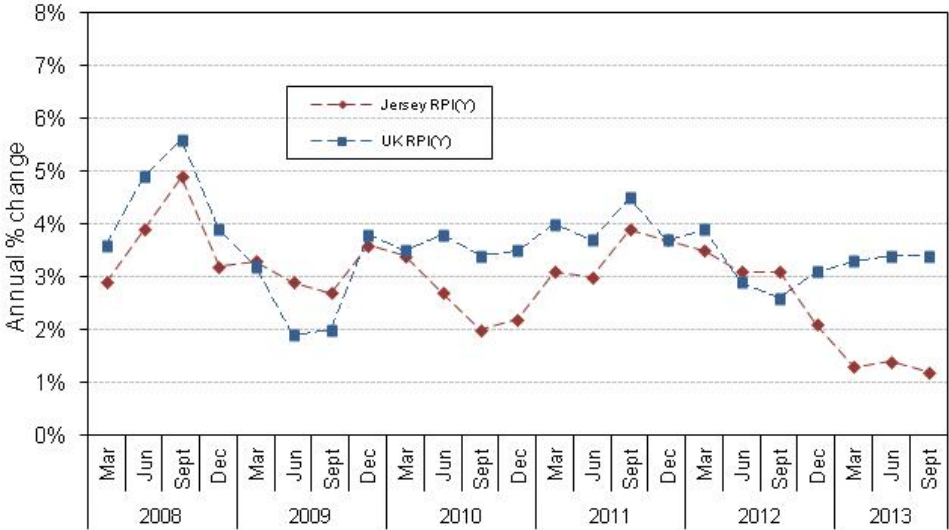
<sup>3</sup> Group level contributions are not published for the UK RPIJ. Acknowledging the upward bias of annual changes in the UK RPI compared with RPIJ (see Note 4), informative comparison can be made at the RPI group level, for which UK information is published.

**Figure 5 – Annual percentage change in RPI: Jersey and UK and UK RPIJ 2000 - 2013**



Due to the series of changes in recent years in the rate of VAT in the UK and the introduction and subsequent increase of GST in Jersey, the pertinent comparative measure of underlying inflation in the two jurisdictions is that afforded by RPI(Y) – see Figure 6.

**Figure 6 – Annual percentage change in RPI(Y): Jersey and UK 2008 - 2013**



Over the twelve months to September 2013 the annual change of RPI(Y) in Jersey (1.2%) was 2.2 pp lower than in the UK (3.4%)<sup>4</sup>.

<sup>4</sup> It should be acknowledged that the annual change of the UK RPI(Y) is also susceptible, in principle, to an upward bias due to the formula effect; however, the upward bias for the UK RPI(Y) has not been quantified by the Office for National Statistics.



## BACKGROUND 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 Expenditure Survey (HES). An HES was conducted in 2009-10, the results of which were published in July 2011; these results have been used to conduct a commodity review and the introduction of new weights for all consumer prices indices in September 2013.
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. About 2,500 separate price quotations are used each quarter in compiling the index. Prices are measured on or around the 15th day of March, June, September and December.
3. Full details of the Jersey Retail Prices Index and its movements for the past twelve years, together with the comparable UK and Guernsey indices, are set out in the Annex, along with details of the Jersey and UK figures for RPI(X) from 2000 to date.
4. In 2012 a UK RPI consultation was conducted by the UK National Statistician. The principal outcomes of this consultation were that: the UK RPI does not meet current international standards; and that a new “experimental” index (called 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 due to the “formula effect”. The Jersey RPI is not susceptible to such an upward bias.
5. The Bank of England base rate has remained at 0.5% since 5 March 2009.
6. RPI(Y) excludes mortgage interest payments and indirect taxes. For Jersey, the indirect taxes excluded are Parish rates and all taxes and duties that directly affect retail prices, namely impôts (on tobacco, alcohol and motor fuels), the Goods and Services Tax (GST), Air Passenger Duty and Vehicle Emissions Duty. Full details can be found in the December 2007 RPI report on the website [www.gov.je/statistics](http://www.gov.je/statistics).
7. Group and section weights for RPI Pensioners and RPI Low Income are derived from information on expenditure collected by the 2009/10 Household Expenditure Survey (HES). 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.
8. The December 2013 Index will be released on 17 January 2014.
9. The Jersey Retail Prices Index is compiled by the Statistics Unit, The Parade, St. Helier, Jersey, JE4 8QT; (enquiries to Helen Hale – 01534 440465 e-mail: [statistics@gov.je](mailto:statistics@gov.je)).

## Annex A

ALL ITEMS RETAIL PRICES INDEX: 2000 - 2013								
Jersey RPI (June 2000=100)			Annual Movements %			Quarterly Movements %		
			Jersey	UK	Guernsey	Jersey	UK	Guernsey
<b>2002</b>	Mar	107.1	4.0	1.3	2.9	2.3	0.6	1.6
	Jun	108.3	4.2	1.0	3.3	1.1	1.0	1.0
	Sep	109.7	4.2	1.7	3.9	1.3	0.8	1.4
	Dec	109.8	4.9	2.9	4.4	0.1	0.5	0.4
<b>2003</b>	Mar	112.4	4.9	3.1	4.7	2.4	0.8	1.9
	Jun	112.9	4.2	2.9	4.3	0.4	0.8	0.6
	Sep	113.9	3.8	2.8	3.3	0.9	0.7	0.4
	Dec	114.2	4.0	2.8	3.9	0.3	0.5	1.0
<b>2004</b>	Mar	116.6	3.7	2.6	4.2	2.1	0.6	2.2
	Jun	118.3	4.8	3.0	4.5	1.5	1.2	0.9
	Sep	120.3	5.6	3.1	5.2	1.7	0.7	1.1
	Dec	120.3	5.3	3.5	4.9	0.0	1.0	0.7
<b>2005</b>	Mar	121.9	4.5	3.2	4.6	1.3	0.3	1.9
	Jun	122.6	3.6	2.9	4.6	0.6	0.9	0.9
	Sep	122.7	2.0	2.7	3.8	0.1	0.5	0.3
	Dec	123.0	2.2	2.2	3.3	0.2	0.5	0.2
<b>2006</b>	Mar	124.8	2.4	2.4	3.1	1.5	0.5	1.7
	Jun	126.2	2.9	3.3	3.4	1.1	1.8	1.2
	Sep	127.1	3.6	3.6	3.5	0.7	0.8	0.4
	Dec	127.5	3.7	4.4	4.4	0.3	1.3	1.1
<b>2007</b>	Mar	130.3	4.4	4.8	4.8	2.2	0.8	2.1
	Jun	131.6	4.3	4.4	4.7	1.0	1.4	1.1
	Sep	132.1	3.9	3.9	4.9	0.4	0.3	0.6
	Dec	133.3	4.5	4.0	4.9	0.9	1.4	1.1
<b>2008</b>	Mar	134.5	3.2	3.8	4.8	0.9	0.6	2.0
	Jun	139.0	5.6	4.6	5.5	3.3	2.2	1.7
	Sep	140.5	6.4	5.0	5.8	1.1	0.7	0.9
	Dec	137.7	3.3	0.9	1.2	-2.0	-2.5	-3.4
<b>2009</b>	Mar	137.3	2.1	-0.4	-1.2	-0.3	-0.8	-0.4
	Jun	138.5	-0.4	-1.6	-1.3	0.9	1.0	1.6
	Sep	139.6	-0.6	-1.4	-1.2	0.8	0.9	1.1
	Dec	140.0	1.7	2.4	2.2	0.3	1.3	0.0
<b>2010</b>	Mar	141.7	3.2	4.4	3.4	1.2	1.2	0.7
	Jun	142.4	2.8	5.0	2.3	0.5	1.5	0.5
	Sep	142.6	2.1	4.6	1.6	0.1	0.5	0.4
	Dec	143.2	2.3	4.8	2.3	0.4	1.4	0.6
<b>2011</b>	Mar	146.1	3.1	5.3	2.9	2.0	1.8	1.4
	Jun	148.8	4.5	5.0	3.0	1.8	1.2	0.6
	Sep	150.3	5.4	5.6	3.5	1.0	1.1	0.9
	Dec	150.4	5.0	4.8	3.2	0.1	0.6	0.3
<b>2012</b>	Mar	153.0	4.7	3.6	3.5	1.7	0.6	1.7
	Jun	153.3	3.0	2.8	3.2	0.2	0.4	0.3
	Sep	154.5	2.8	2.6	3.0	0.8	1.0	0.7
	Dec	153.5	2.1	3.1	3.2	-0.6	1.1	0.4
<b>2013</b>	Mar	155.2	1.4	3.3	2.6	1.1	0.8	1.1
	Jun	155.6	1.5	3.3	2.7	0.3	0.4	0.4
	Sep	156.4	1.2	3.2	2.7	0.5	0.9	0.7

<b>RETAIL PRICES INDEX EXCLUDING HOUSE PURCHASE COSTS: 2000 - 2013</b>						
<b>Jersey RPI(X) (June 2000=100)</b>			<b>Annual Movements %</b>			<b>Quarterly Movements %</b>
			<b>Jersey</b>	<b>UK</b>	<b>Guernsey</b>	<b>Jersey</b>
<b>2002</b>	Mar	107.3	4.4	2.3	3.8	2.1
	Jun	108.4	4.4	1.5	3.6	1.0
	Sep	109.7	4.2	2.1	3.8	1.2
	Dec	109.8	4.5	2.7	3.8	0.1
<b>2003</b>	Mar	112.5	4.8	3.0	4.3	2.5
	Jun	113.4	4.6	2.8	3.8	0.8
	Sep	114.5	4.4	2.8	3.1	1.0
	Dec	114.2	4.0	2.6	3.4	-0.3
<b>2004</b>	Mar	116.4	3.5	2.1	3.2	1.9
	Jun	117.3	3.4	2.3	3.1	0.8
	Sep	118.3	3.3	1.9	2.9	0.9
	Dec	118.1	3.4	2.5	2.9	-0.2
<b>2005</b>	Mar	119.6	2.7	2.4	3.2	1.3
	Jun	120.2	2.5	2.2	3.3	0.5
	Sep	120.6	1.9	2.5	3.6	0.3
	Dec	120.7	2.2	2.0	3.0	0.1
<b>2006</b>	Mar	122.5	2.4	2.1	2.8	1.5
	Jun	123.9	3.1	3.1	3.1	1.1
	Sep	124.0	2.8	3.2	2.5	0.1
	Dec	123.7	2.5	3.8	2.8	-0.2
<b>2007</b>	Mar	125.9	2.8	3.9	3.1	1.8
	Jun	126.7	2.3	3.3	3.1	0.6
	Sep	126.7	2.2	2.8	2.9	0.0
	Dec	127.7	3.2	3.1	3.9	0.8
<b>2008</b>	Mar	129.5	2.9	3.5	4.3	1.4
	Jun	134.0	5.8	4.8	5.4	3.5
	Sep	135.2	6.7	5.5	6.2	0.9
	Dec	134.3	5.2	2.8	4.6	-0.7
<b>2009</b>	Mar	136.2	5.2	2.2	3.3	1.4
	Jun	137.8	2.8	1.0	2.7	1.2
	Sep	138.8	2.7	1.3	2.4	0.7
	Dec	139.0	3.5	3.8	2.9	0.1
<b>2010</b>	Mar	140.7	3.3	4.8	3.1	1.2
	Jun	141.4	2.6	5.0	2.4	0.5
	Sep	141.4	1.9	4.6	2.3	0.0
	Dec	141.9	2.1	4.7	2.7	0.4
<b>2011</b>	Mar	144.8	2.9	5.4	2.9	2.0
	Jun	147.6	4.4	5.0	2.6	1.9
	Sep	149.2	5.5	5.7	3.0	1.1
	Dec	149.2	5.1	5.0	2.8	0.0
<b>2012</b>	Mar	151.9	4.9	3.7	3.2	1.8
	Jun	152.3	3.2	2.8	3.1	0.3
	Sep	153.5	2.9	2.6	3.0	0.8
	Dec	152.5	2.2	3.0	3.0	-0.7
<b>2013</b>	Mar	154.3	1.6	3.2	2.3	1.2
	Jun	154.8	1.6	3.3	2.1	0.3
	Sep	155.6	1.4	3.2	2.0	0.5