


Jersey Retail Prices Index

December 2015

Statistics Unit: www.gov.je/statistics

 @JsyStats

Summary

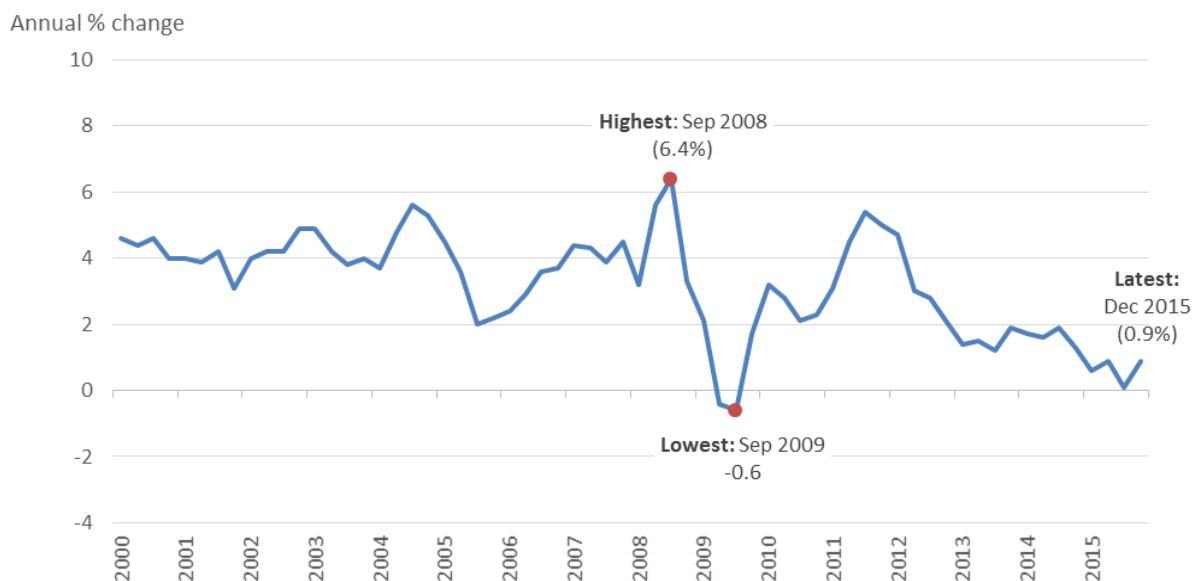
- During the twelve months to December 2015 the All Items Retail Prices Index (RPI) for Jersey **increased by 0.9%** to stand at 160.0 (June 2000 = 100)
- The increase in the RPI over the twelve months to September 2015 was 0.1%; hence, the **annual rate of inflation increased by 0.8 percentage points** in the latest quarter
- This latest increase in the annual rate of inflation was the result of most groups of the RPI giving small upward contributions to the annual rate of change
- **RPI(X)¹ increased by 1.0%** and **underlying inflation**, as measured by **RPI(Y)²**, increased by 0.9% over the twelve months to December 2015
- The annual rates of increase of **RPI Pensioners** and **RPI Low Income** over the twelve months to December 2015 were **0.8 %** and **1.1%**, respectively
- The annual rates of increase of RPI(X), RPI(Y), RPI Pensioners and RPI Low Income were all higher in December 2015 than in September 2015
- On a calendar year basis, the annual average change of the RPI in 2015 was the lowest observed since this index has been produced for Jersey (since 1949); the annual average changes of the other price indices were also the lowest since these measures were first introduced

Annual change

The increase in the all items retail prices index (RPI) over the twelve months to December 2015 was 0.9%.

Figure 1 shows the annual percentage changes in the RPI since March 2000.

Figure 1 - Jersey RPI annual inflation rate (percent) Mar 2000 to Dec 2015



¹ RPI(X): the RPI excluding mortgage interest payments.

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

The annual percentage changes for each group of the RPI are shown in Figure 2. Over the twelve months to December 2015: eight of the fourteen groups saw prices increase, on average; four groups saw prices decrease; and two groups saw prices essentially unchanged over the period.

Figure 2 - Annual percentage changes for each group, December 2015

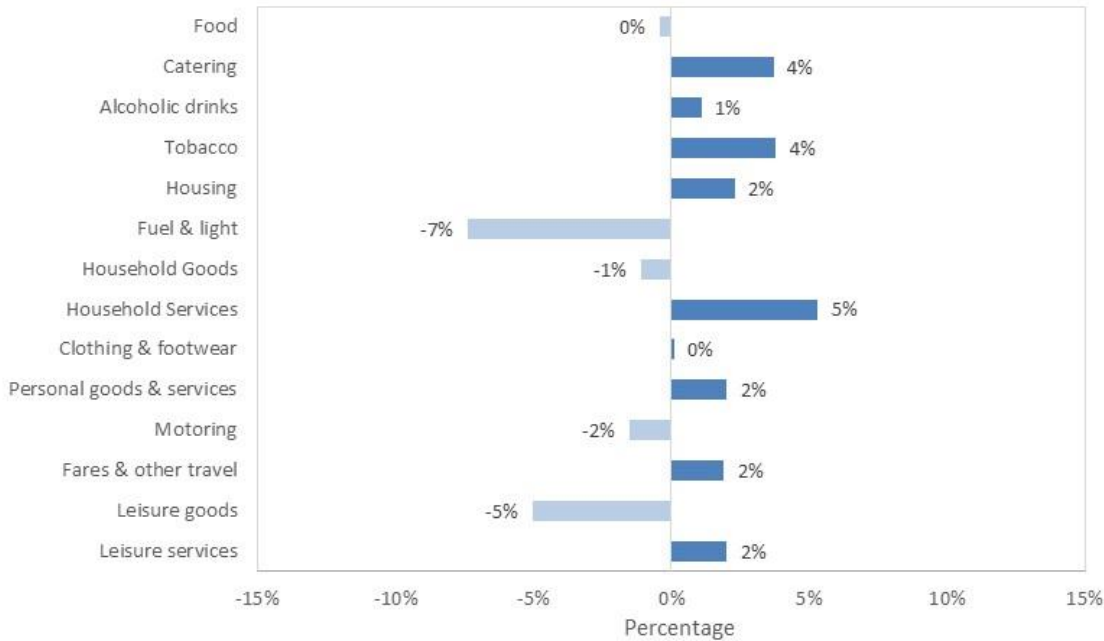
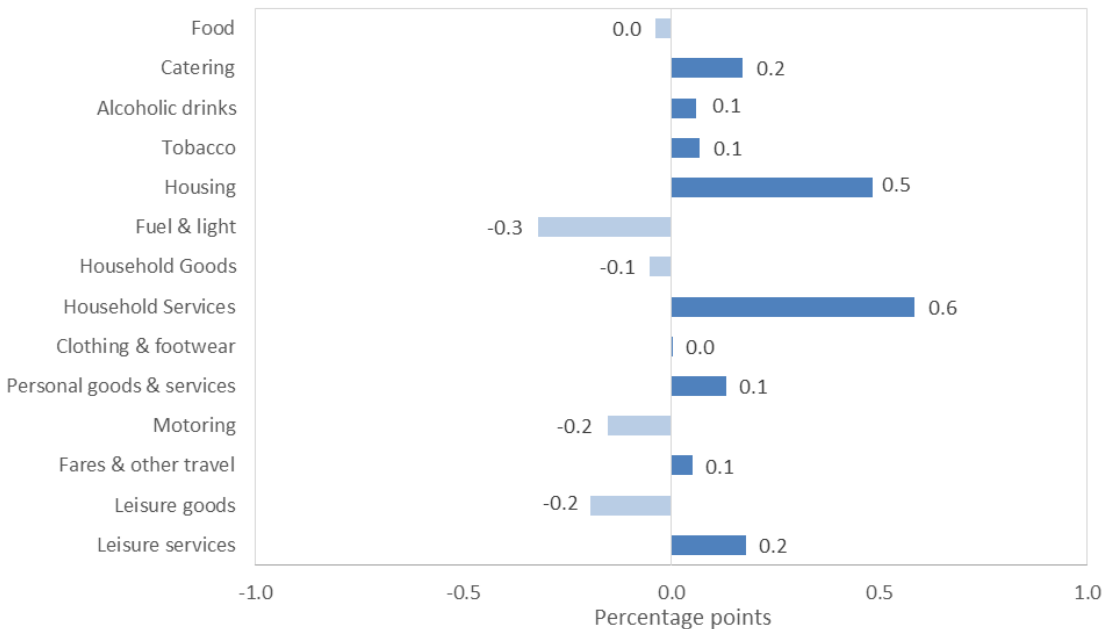


Figure 3 shows the contribution of each group of the RPI to the overall annual increase of 0.9%.

Figure 3 - Contribution of each group to the annual change of the RPI



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

The groups which saw prices increase, on average, over the twelve months to December 2015 gave upward contributions to the RPI; notably:

- **Household services:** costs rose by 5%, on average, over the year to December 2015, contributing +0.6 percentage points (pp) to the annual change of the RPI; price increases were seen across the group which includes school fees (increased in September 2015), postal charges (increased in April 2015), telephone charges and domestic services

- **Housing:** costs rose by 2%, on average, over the year to December 2015, contributing +0.5 pp to the annual change of the RPI. The increase recorded by this group was driven by increased average rents paid in both the public and private sectors
- the **Leisure services** and **Catering** groups saw prices rise, on average, by 2% and 4%, respectively, over the twelve months to December 2015, such that each group contributed +0.2 pp to the annual change of the RPI. Price increases were seen across both groups: the Leisure services group includes entertainment and recreational activities and holidays; the Catering group is comprised of food and drink bought at restaurants, cafes and take-aways

In contrast, the groups which saw prices decrease, on average, over the twelve months to December 2015 gave downward contributions to the RPI:

- **Fuel & light:** costs decreased by 7%, on average, contributing -0.3 pp to the annual change of the RPI. The decrease recorded by this group was largely due to the lower cost of domestic heating oil, which was 14 p per litre lower in December 2015 than a year earlier. The cost of gas was also lower on an annual basis (having decreased in March 2015) whilst electricity prices were unchanged
- **Leisure goods:** costs decreased by 5%, on average, over the twelve months to December 2015, contributing -0.2 pp to the annual change of the RPI. Lower average prices were seen across this group which includes audio-visual equipment, toys, sports equipment and gardening products
- **Motoring:** prices in this group were 2% lower, on average, than twelve months earlier, contributing -0.2 pp to the annual change of the RPI. In this group, the mean prices of petrol and diesel were 8 and 12 p per litre lower, respectively, in December 2015 than a year earlier. Lower average prices were also seen for motor insurance on an annual basis
- **Food:** prices in this group fell by 0.4%, on average, over the twelve months to December 2015. Lower prices were seen for fresh vegetables, potatoes and eggs, whilst the price of sweets and chocolate, fresh fish and some meats increased, on average, over the same period

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

On a calendar year basis, the annual average change of the RPI in 2015 (0.6%) was the lowest observed since this index has been produced for Jersey, since 1949.

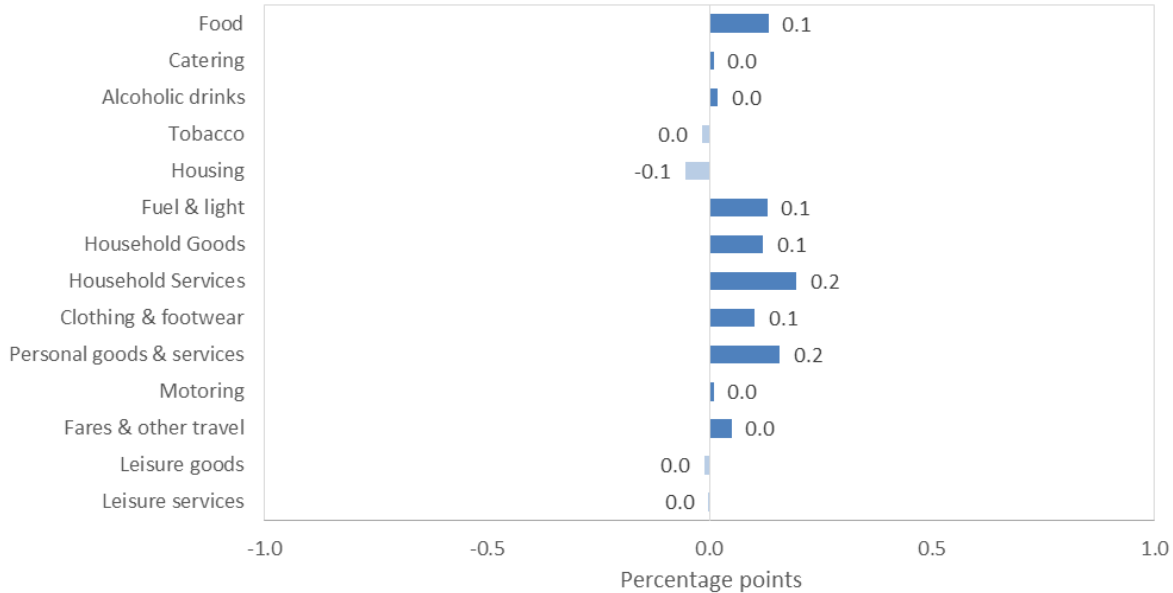
There was an increase of 0.8 pp in the annual rate of increase of Jersey's RPI between September 2015 and December 2015, from 0.1% to 0.9%.

Most groups gave small **upward** contributions to the change in the annual rate of increase of the RPI (see Figure 4), notably:

- **Household services** contributed +0.2 pp to the change in the annual rate of increase of the RPI. Prices in this group saw greater rates of increase over the twelve months to December 2015 (up by 5%) than over the twelve months to September 2015 (up by 4%)
- **Personal goods & services** contributed +0.2 pp to the change in the annual rate of increase of the RPI. Prices in this group increased, on average, over the twelve months to December 2015 (up by 2%) having seen a small decrease over the twelve months to September 2015 (down by 0.4%)
- the **Food, Fuel & Light** and **Household goods** groups all saw lower rates of decrease over the twelve months to December 2015 than over the twelve months to September 2015, resulting in each group giving an upward contribution of +0.1 pp to the change in the annual rate of increase of the RPI

In contrast, the **Housing** group gave a small downward contribution of -0.1 pp to the change in the annual rate of increase of the RPI. Prices in this group, on average, increased by marginally less over the twelve months to December 2015 (up by 2.3%) than over the twelve months to September 2015 (up by 2.6%).

Figure 4 - Contributions to change in annual rate of increase of RPI between Sep 2015 and Dec 2015 (+0.8 pp from 0.1% to 0.9%)

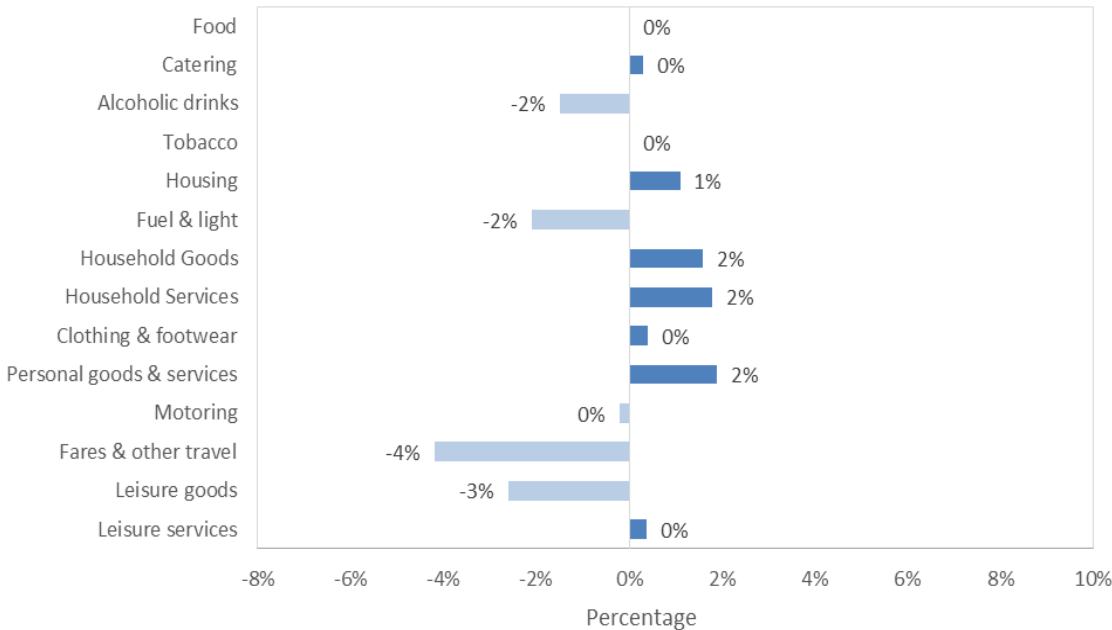


Individual contributions shown do not sum to the total change in the annual rate of increase due to rounding

Quarterly change

On a quarterly basis, the RPI increased by 0.3% between September 2015 and December 2015. Figure 5 shows the percentage changes over the latest quarter for each group of the RPI.

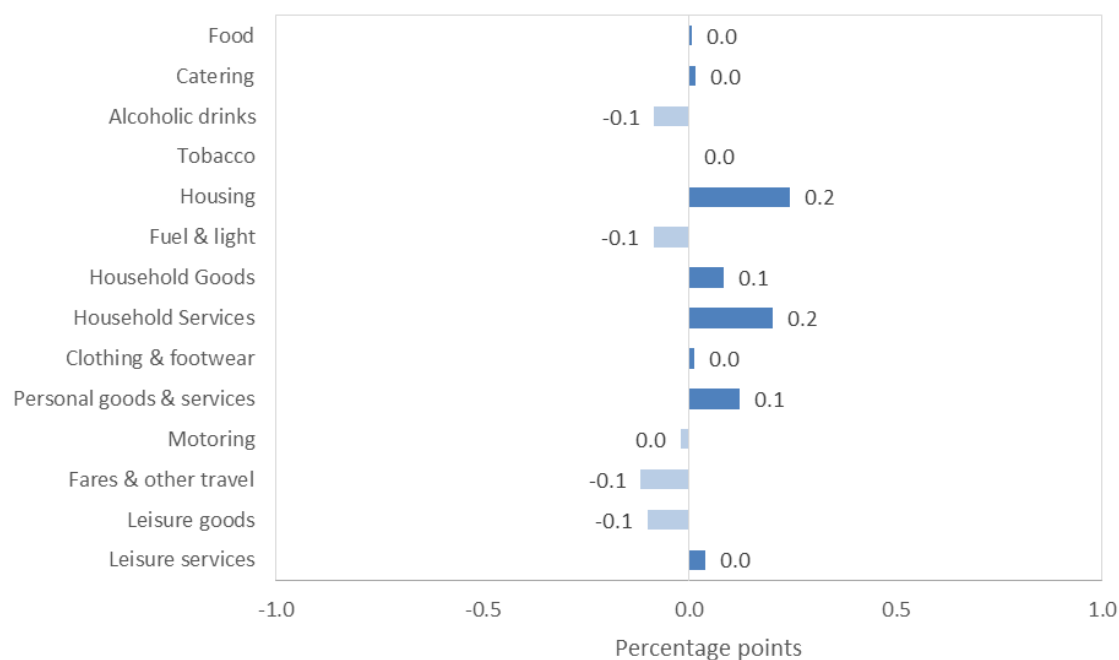
Figure 5 - Quarterly percentage changes for each group, December 2015



Several groups which saw prices increase, on average, over the latest quarter gave small upward contributions to the quarterly change in the RPI (see Figure 6):

- **Housing:** prices increased by 1%, on average, contributing +0.2 pp to the overall quarterly change. The increase recorded by this group was driven by higher average rents paid in both the public and private sectors; higher prices were also seen, on average, for DIY materials, repairs and maintenance

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



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

- **Household services:** prices increased by 2%, on average, over the latest quarter, contributing +0.2 pp to the overall quarterly change of the RPI
- the **Personal goods & services** and **Household goods** groups saw prices rise, on average, by 2% over the quarter to December 2015, each group contributing +0.1 pp to the quarterly change of the RPI

In contrast, several groups which saw prices decrease, on average, over the latest quarter gave small downward contributions to the quarterly change in the RPI:

- prices in the **Fares & other travel** group decreased by 4%, on average, contributing -0.1 pp to the overall quarterly change
- **Leisure goods:** prices decreased by 3%, on average, over the latest quarter, contributing -0.1 pp to the overall quarterly change. Lower average prices were seen across this group, which includes audio-visual equipment, toys, sports equipment and gardening products
- the **Fuel & light** and **Alcoholic drinks** groups both saw prices decrease by 2%, on average, over the latest quarter, each contributing -0.1 pp to the overall quarterly change. The mean price of domestic heating oil was 4 p per litre lower in December 2015 than in September 2015

Prices in the **Food** group were essentially unchanged, on average, over the quarter. Lower prices were seen for soft drinks, bread and some fresh meats, whilst the price of cereals, sweets and chocolate and some dairy products increased, on average, over the same period.

Prices in the **Motoring** group decreased by 0.2%, on average, over the latest quarter. The mean prices of petrol and diesel were both 2 p per litre lower in December 2015 than in September 2015.

Underlying rates of inflation: RPI(X) and RPI(Y)

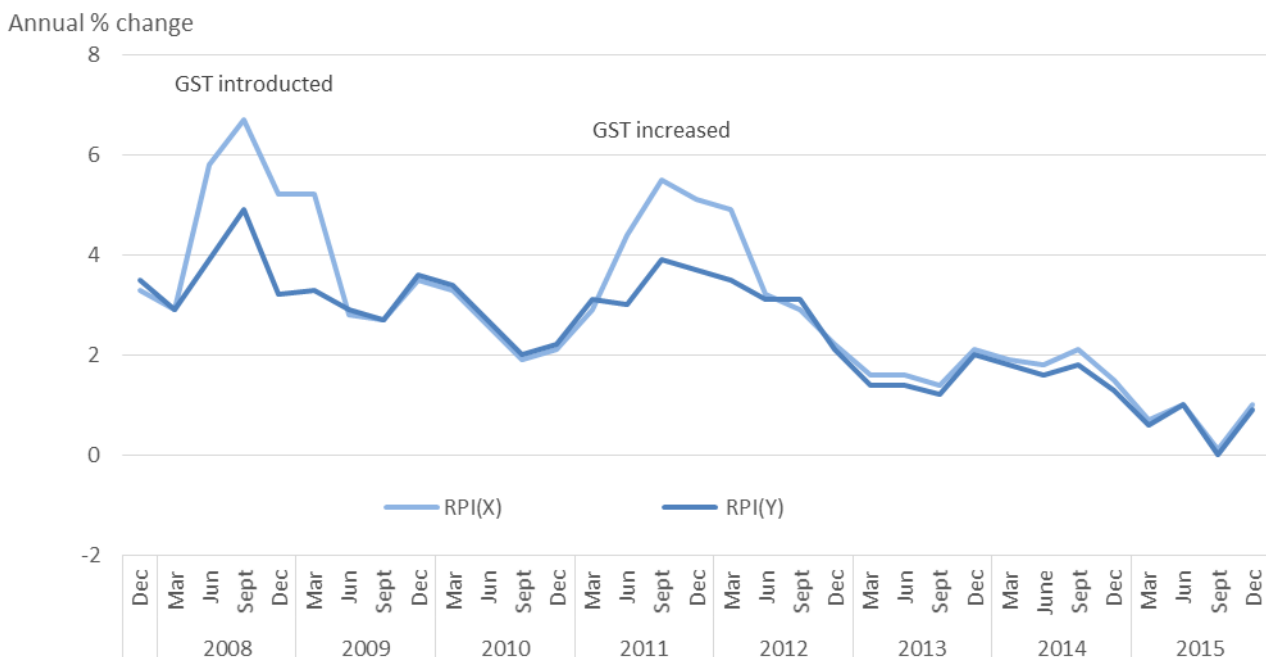
RPI(X) is the all items RPI excluding the cost of mortgage interest payments; the annual change in RPI(X) is often considered a measure of underlying inflation.

RPI(Y) provides a further 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 considered to be the pertinent measure of the rate of underlying inflation.

Over the twelve months to December 2015, RPI(X) increased by 1.0% and RPI(Y) increased by 0.9%.

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)



The annual rates of increase of RPI(X) and RPI(Y) both increased by 0.9 pp, between September 2015 and December 2015.

On a calendar year basis, the annual average change of both RPI(X) and RPI(Y) in 2015 (0.7% and 0.6%, respectively) were the lowest recorded since these indices were introduced for Jersey (2000 for RPI(X); and 2007 for RPI(Y)).

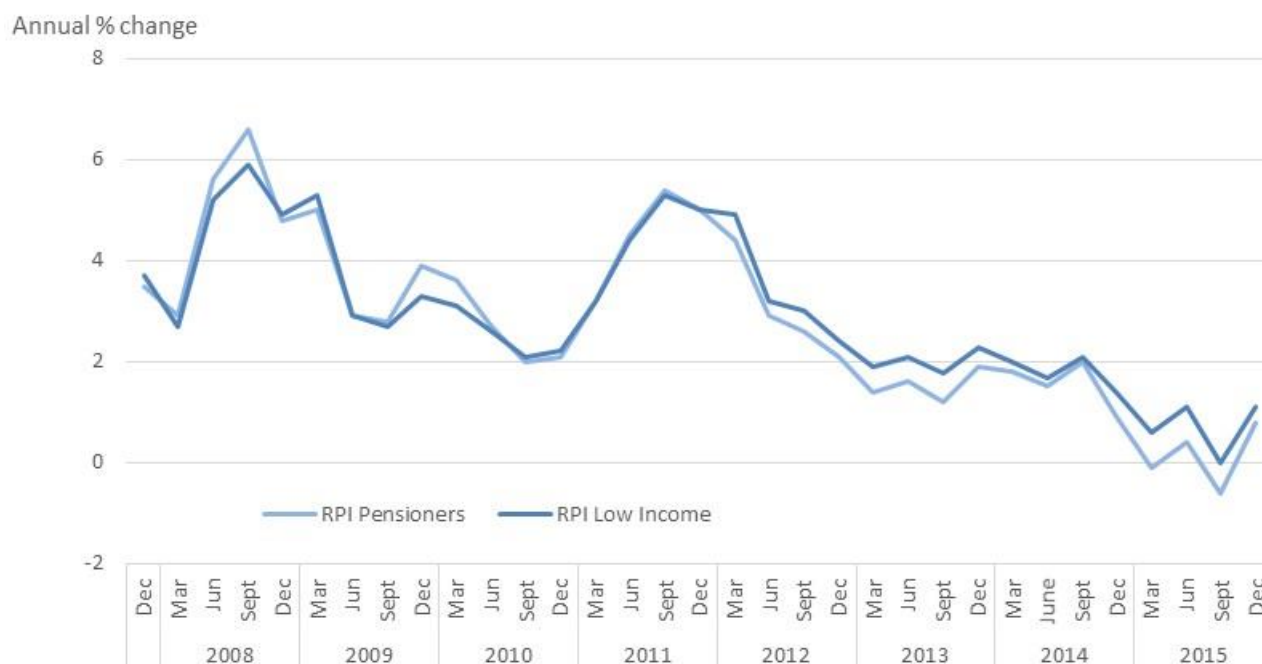
Other inflation measures

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 income quintile.

Over the twelve months to December 2015, RPI Pensioners increased by 0.8% and RPI Low Income increased by 1.1%.

As Figure 8 shows, the annual changes in both RPI Pensioners and RPI Low Income over the twelve months to December 2015 were higher than over the twelve months to September 2015, by 1.4 pp and 1.1 pp, respectively. The annual rates of change of these indices since 2007 are shown in Appendix Table A4.

Figure 8 - Annual percentage changes in RPI Pensioners and RPI Low Income



On a calendar year basis, the annual average change of RPI Pensioners and RPI Low Income in 2015 (0.1% and 0.7%, respectively) were the lowest seen since these indices were introduced for Jersey, in 2007.

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 1; the annual rate of increase of RPIJ for the UK is also shown³ (see Note 4). Over the twelve months to December 2015, the annual increase of the RPI in Jersey was 0.9% and that of RPIJ in the UK was 0.5%.

Table 1: Annual percentage changes in RPI, RPI(X) and RPI(Y) for Sep 2015 and Dec 2015

	RPI		RPI(X)		RPI(Y)	
	Sep-15	Dec-15	Sep-15	Dec-15	Sep-15	Dec-15
Jersey	0.1	0.9	0.1	1.0	0.0	0.9
UK	0.8	1.2	0.9	1.3	0.8	1.1
UK RPIJ	0.1	0.5				
Guernsey	0.7	1.1	0.5	1.0	0.3	0.8

Despite the fact that global factors influence all three jurisdictions considered in Table 1, local trends and issues in each location dictate the full effect of such factors. In particular, for Jersey and the UK⁴:

- the **Clothing & footwear, Fares & other travel** and **Housing** groups saw lower rates of price increase, on average, in Jersey than in the UK over the twelve months to December 2015
- in contrast, the cost of **Household services** increased at a greater rate in Jersey (5%) over the twelve months to December 2015 than in the UK (3%)

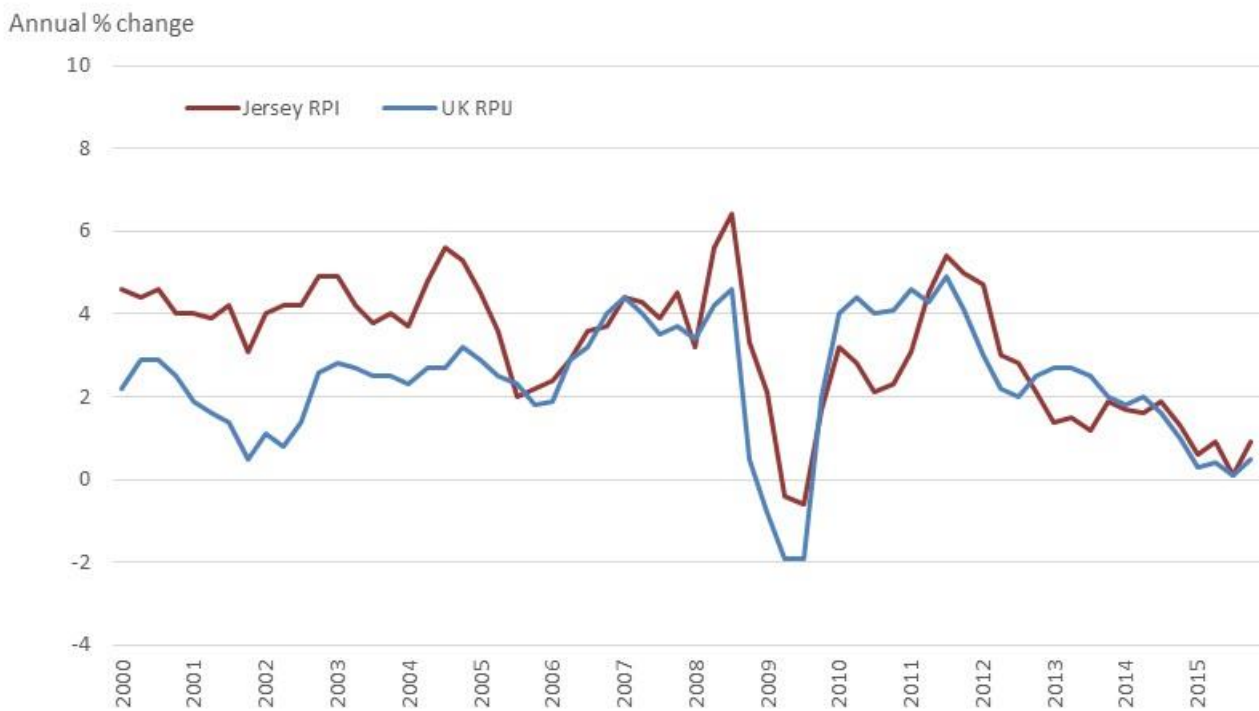
³ For methodological reasons, the appropriate comparison with the UK is that of the Jersey RPI and the UK RPIJ.

⁴ Group level contributions are not published for the UK RPIJ. Acknowledging the upward bias of annual changes in the UK RPI compared with RPIJ, informative comparison can be made at the RPI group level, for which UK information is published.

- **Food** prices decreased by less in Jersey (-0.4%) than in the UK (-2.2%) over the twelve months to December 2015
- **Motoring** costs, overall, recorded a greater decrease, on average, over the twelve months to December 2015 in the UK (down by 3%) than in Jersey (down by 2%). This difference was largely due to two factors: the cost of purchasing motor vehicles decreased in the UK but marginally increased in Jersey; and a greater fall in petrol and diesel prices was seen in the UK than in Jersey. Petrol and diesel prices were down, on average, by 16 and 17 p per litre, respectively, in the UK over the twelve months to December 2015 and were down by 8 and 12 p per litre, respectively, in Jersey over the same period. Furthermore, the fall in petrol and diesel prices in the UK is given greater weight in the UK indices than in Jersey.

The annual percentage changes since 2000 of the Jersey RPI and the UK RPIJ are shown in Figure 9.

Figure 9 – Annual percentage changes for the Jersey RPI and the UK RPIJ



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 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 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 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.

It should also be acknowledged that 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.

5. 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.
6. Group and section weights for RPI Pensioners and RPI Low Income are derived from information on expenditure collected by the 2009/10 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. The Jersey RPI for March 2016 will be published on 15 April 2016.
8. The Jersey Retail Prices Index is compiled by the Statistics Unit, The Parade, St. Helier, Jersey, JE4 8QT; (enquiries to Statistics Unit: 01534-440465 e-mail: statistics@gov.je).

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

Appendix

GROUP	2014 Dec	2015 Mar	2015 Jun	2015 Sep	2015 Dec	Annual change (percent)	Quarterly change (percent)
Food	164.8	167.8	164.3	164.2	164.2	-0.4	0.0
Catering	162.1	163.2	165.4	167.5	168.1	3.7	0.4
Alcoholic drinks	178.7	182.6	182.3	183.6	180.6	1.1	-1.6
Tobacco	271.7	282.6	282.6	282.2	282.0	3.8	-0.1
Housing	170.1	170.9	171.8	172.1	174.0	2.3	1.1
Fuel & light	229.1	224.3	224.4	216.8	212.1	-7.4	-2.2
Household goods	103.5	102.8	102.6	100.9	102.4	-1.1	1.5
Household services	180.7	180.2	183.7	186.9	190.2	5.3	1.8
Clothing & footwear	82.0	81.6	82.0	81.7	82.1	0.1	0.5
Personal goods & services	153.1	153.6	154.8	153.3	156.2	2.0	1.9
Motoring	158.2	156.1	158.8	156.1	155.8	-1.5	-0.2
Fares & other travel	198.3	206.5	216.2	210.9	202.1	1.9	-4.2
Leisure goods	82.2	80.7	77.6	80.2	78.1	-5.0	-2.6
Leisure services	176.4	176.1	177.7	179.2	179.9	2.0	0.4
All items	158.5	158.9	159.6	159.5	160.0	0.9	0.3

Table A2: Retail Prices Index RPI, 2000-2015

Appendix

		Jersey Index (Jun 2000 =100)	Annual change (percent)	Quarterly change (percent)			Jersey Index (Jun 2000 =100)	Annual change (percent)	Quarterly change (percent)
2000	Mar	99.0	4.6	1.3	2008	Mar	134.5	3.2	0.9
	Jun	100.0	4.4	1.0		Jun	139.0	5.6	3.3
	Sep	101.1	4.6	1.1		Sep	140.5	6.4	1.1
	Dec	101.6	4.0	0.5		Dec	137.7	3.3	-2.0
2001	Mar	103.0	4.0	1.4	2009	Mar	137.3	2.1	-0.3
	Jun	103.9	3.9	0.9		Jun	138.5	-0.4	0.9
	Sep	105.3	4.2	1.3		Sep	139.6	-0.6	0.8
	Dec	104.7	3.1	-0.6		Dec	140.0	1.7	0.3
2002	Mar	107.1	4.0	2.3	2010	Mar	141.7	3.2	1.2
	Jun	108.3	4.2	1.1		Jun	142.4	2.8	0.5
	Sep	109.7	4.2	1.3		Sep	142.6	2.1	0.1
	Dec	109.8	4.9	0.1		Dec	143.2	2.3	0.4
2003	Mar	112.4	4.9	2.4	2011	Mar	146.1	3.1	2.0
	Jun	112.9	4.2	0.4		Jun	148.8	4.5	1.8
	Sep	113.9	3.8	0.9		Sep	150.3	5.4	1.0
	Dec	114.2	4.0	0.3		Dec	150.4	5.0	0.1
2004	Mar	116.6	3.7	2.1	2012	Mar	153.0	4.7	1.7
	Jun	118.3	4.8	1.5		Jun	153.3	3.0	0.2
	Sep	120.3	5.6	1.7		Sep	154.5	2.8	0.8
	Dec	120.3	5.3	0.0		Dec	153.5	2.1	-0.6
2005	Mar	121.9	4.5	1.3	2013	Mar	155.2	1.4	1.1
	Jun	122.6	3.6	0.6		Jun	155.6	1.5	0.3
	Sep	122.7	2.0	0.1		Sep	156.4	1.2	0.5
	Dec	123.0	2.2	0.2		Dec	156.4	1.9	0.0
2006	Mar	124.8	2.4	1.5	2014	Mar	157.9	1.7	1.0
	Jun	126.2	2.9	1.1		Jun	158.1	1.6	0.1
	Sep	127.1	3.6	0.7		Sep	159.3	1.9	0.8
	Dec	127.5	3.7	0.3		Dec	158.5	1.3	-0.5
2007	Mar	130.3	4.4	2.2	2015	Mar	158.9	0.6	0.3
	Jun	131.6	4.3	1.0		Jun	159.6	0.9	0.4
	Sep	132.1	3.9	0.4		Sep	159.5	0.1	-0.1
	Dec	133.3	4.5	0.9		Dec	160.0	0.9	0.3

Table A3: Retail Prices Index **Excluding** house purchase costs, RPI(X), 2000-2015

Appendix

		Jersey Index (Jun 2000 =100)	Annual change (percent)	Quarterly change (percent)
2000	Mar	(99.2)	4.3	1.1
	Jun	100.0	4.0	0.8
	Sep	101.1	4.2	1.1
	Dec	101.4	3.4	0.3
2001	Mar	102.8	3.6	1.4
	Jun	103.8	3.8	1.0
	Sep	105.3	4.2	1.4
	Dec	105.1	3.6	-0.2
2002	Mar	107.3	4.4	2.1
	Jun	108.4	4.4	1.0
	Sep	109.7	4.2	1.2
	Dec	109.8	4.5	0.1
2003	Mar	112.5	4.8	2.5
	Jun	113.4	4.6	0.8
	Sep	114.5	4.4	1.0
	Dec	114.2	4.0	-0.3
2004	Mar	116.4	3.5	1.9
	Jun	117.3	3.4	0.8
	Sep	118.3	3.3	0.9
	Dec	118.1	3.4	-0.2
2005	Mar	119.6	2.7	1.3
	Jun	120.2	2.5	0.5
	Sep	120.6	1.9	0.3
	Dec	120.7	2.2	0.1
2006	Mar	122.5	2.4	1.5
	Jun	123.9	3.1	1.1
	Sep	124.0	2.8	0.1
	Dec	123.7	2.5	-0.2
2007	Mar	125.9	2.8	1.8
	Jun	126.7	2.3	0.6
	Sep	126.7	2.2	0.0
	Dec	127.7	3.2	0.8

		Jersey Index (Jun 2000 =100)	Annual change (percent)	Quarterly change (percent)
2008	Mar	129.5	2.9	1.4
	Jun	134.0	5.8	3.5
	Sep	135.2	6.7	0.9
	Dec	134.3	5.2	-0.7
2009	Mar	136.2	5.2	1.4
	Jun	137.8	2.8	1.2
	Sep	138.8	2.7	0.7
	Dec	139.0	3.5	0.1
2010	Mar	140.7	3.3	1.2
	Jun	141.4	2.6	0.5
	Sep	141.4	1.9	0.0
	Dec	141.9	2.1	0.4
2011	Mar	144.8	2.9	2.0
	Jun	147.6	4.4	1.9
	Sep	149.2	5.5	1.1
	Dec	149.2	5.1	0.0
2012	Mar	151.9	4.9	1.8
	Jun	152.3	3.2	0.3
	Sep	153.5	2.9	0.8
	Dec	152.5	2.2	-0.7
2013	Mar	154.3	1.6	1.2
	Jun	154.8	1.6	0.3
	Sep	155.6	1.4	0.5
	Dec	155.7	2.1	0.1
2014	Mar	157.3	1.9	1.0
	Jun	157.6	1.8	0.2
	Sep	158.9	2.1	0.8
	Dec	158.0	1.5	-0.6
2015	Mar	158.4	0.7	0.3
	Jun	159.2	1.0	0.5
	Sep	159.1	0.1	-0.1
	Dec	159.6	1.0	0.3

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

Appendix

		RPI(Y)	RPI Pensioners	RPI Low Income
2007	Dec	3.5	3.5	3.7
2008	Mar	2.9	2.9	2.7
	Jun	3.9	5.6	5.2
	Sep	4.9	6.6	5.9
	Dec	3.2	4.8	4.9
2009	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
2010	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
2011	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
2012	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
2013	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
2014	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
2015	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