
Summary - Jersey RPI June 2019

- **during the twelve months to June 2019 the All Items Retail Prices Index (RPI) for Jersey increased by 2.8% to stand at 178.4 (June 2000 = 100)**
- **almost all groups** saw prices **increase**, on average, on an annual basis
- the **Housing, Household services** and **Leisure services** groups were the largest contributors to the overall annual increase in the RPI
- key drivers in the **Housing** group were the increased cost of house purchase due to higher mortgage interest payments and increased rental costs
- the increase in the RPI over the twelve months to March 2019 was 3.6%; hence, the **annual rate of inflation fell by 0.8 percentage points** (pp) in the latest quarter
- this fall in the annual rate of inflation was due to several groups seeing **lower rates of price increase** over the twelve months to June 2019 than over the twelve months to March 2019, notably **Household services** and **Motoring**
- **underlying inflation, as measured by the annual change in RPI(Y), increased by 2.4%** over the twelve months to June 2019¹
- over the twelve months to June 2019:
 - RPI(X) increased by 2.6%²
 - RPI Pensioners increased by 2.3%
 - RPI Low Income increased by 2.6%
- the latest **annual rates** of increase of all consumer price indices were **lower** than in March 2019
- the **headline rate of inflation**, as measured by the annual change in the RPI, was **the lowest for two years**, since June 2017
- the rate of inflation in Jersey over the twelve months to June 2019 was **0.5 pp greater** than that of the **comparable measure for the UK**; this represents the smallest difference between the rates of inflation in the two jurisdictions for 18 months

¹ 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.

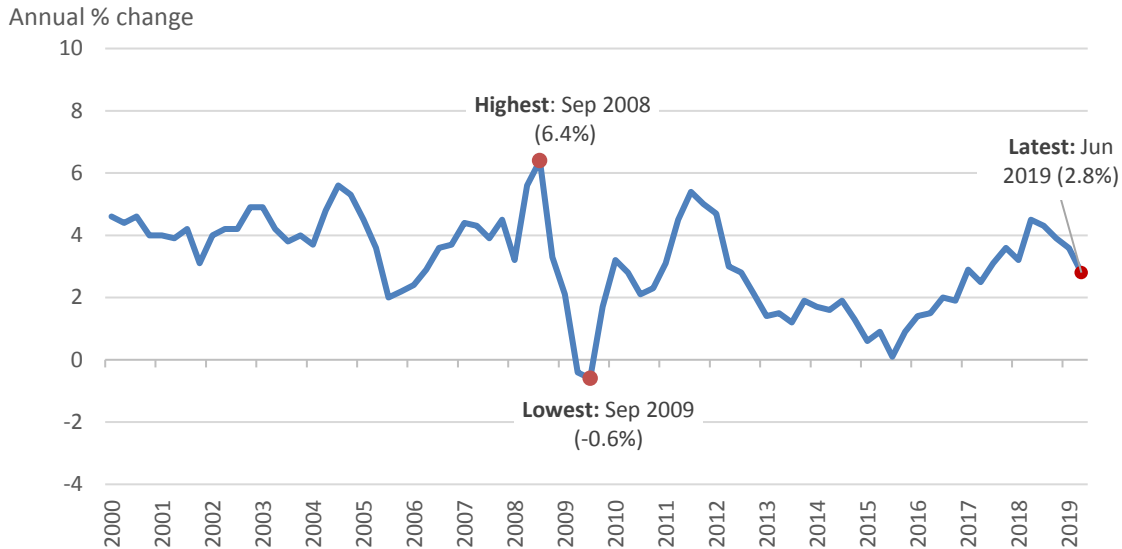
² RPI(X): the RPI excluding mortgage interest payments.

Annual change

The increase in the All Items Retail Prices Index (RPI) over the twelve months to June 2019 was 2.8%.

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 Jun 2019



In June 2019, the annual change in the RPI was 0.8 pp lower than for the previous quarter (March 2019) and was the lowest recorded for two years, since June 2017.

The annual percentage changes for each group of the RPI are shown in Figure 2. On average, over the twelve months to June 2019, prices in almost all groups increased. The exception was **Fares & other travel**, which saw prices decrease, on average, over the period.

Figure 2 - Annual percentage changes for each group, Jun 2019

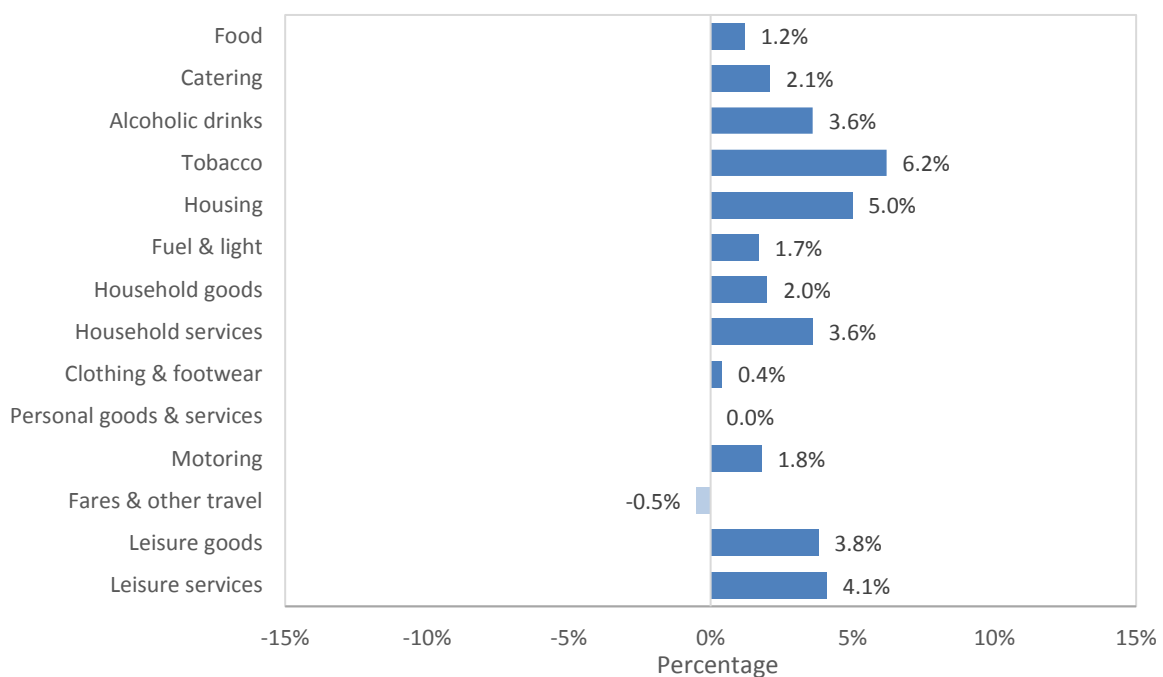
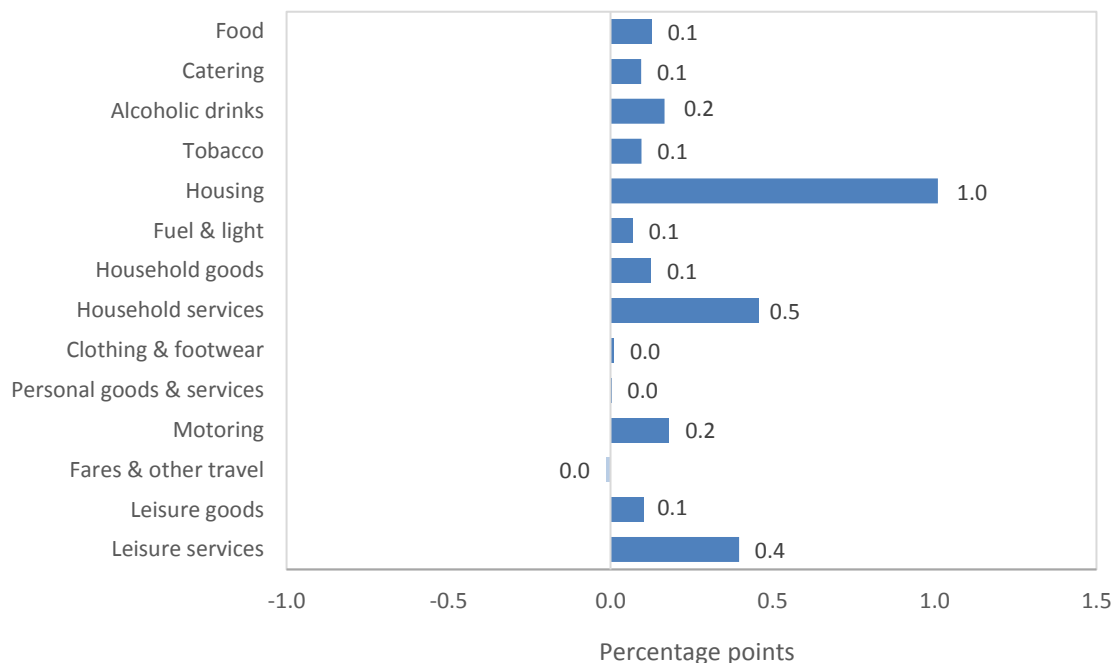


Figure 3 shows the contribution of each group of the RPI to the overall annual increase of 2.8%.

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



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

The groups which saw prices increase, over the twelve months to June 2019, gave **upward** contributions to the RPI, notably:

- **Housing:** costs rose by 5.0%, on average, over the year to June 2019, contributing +1.0 percentage points (pp) to the annual change of the RPI. Price increases were seen across most of the group, which includes house purchase costs, rents, water charges (increased in April 2019) and repairs and maintenance costs. The key upward drivers were rents and the increased cost of house purchase³.
- **Household services:** costs rose by 3.6%, on average, over the year to June 2019, contributing +0.5 pp to the annual change of the RPI. Price increases were seen across the group, which includes telephone charges, domestic services, fees and subscriptions, and postal charges
- **Leisure services:** prices in this group increased by 4.1%, on average, over the twelve months to June 2019, contributing +0.4 pp to the annual change of the RPI. Higher average prices were seen across the group which includes foreign holidays, TV licences (increased in April 2019), entertainment and recreation activities

In the **Fuel & light** group, the effect of an increase in the price of electricity in April 2019 was partially offset by a decrease in the price of domestic heating oil on an annual basis.

Impôts duties increased in January 2019, contributing +0.2 pp to the overall annual change in the RPI.

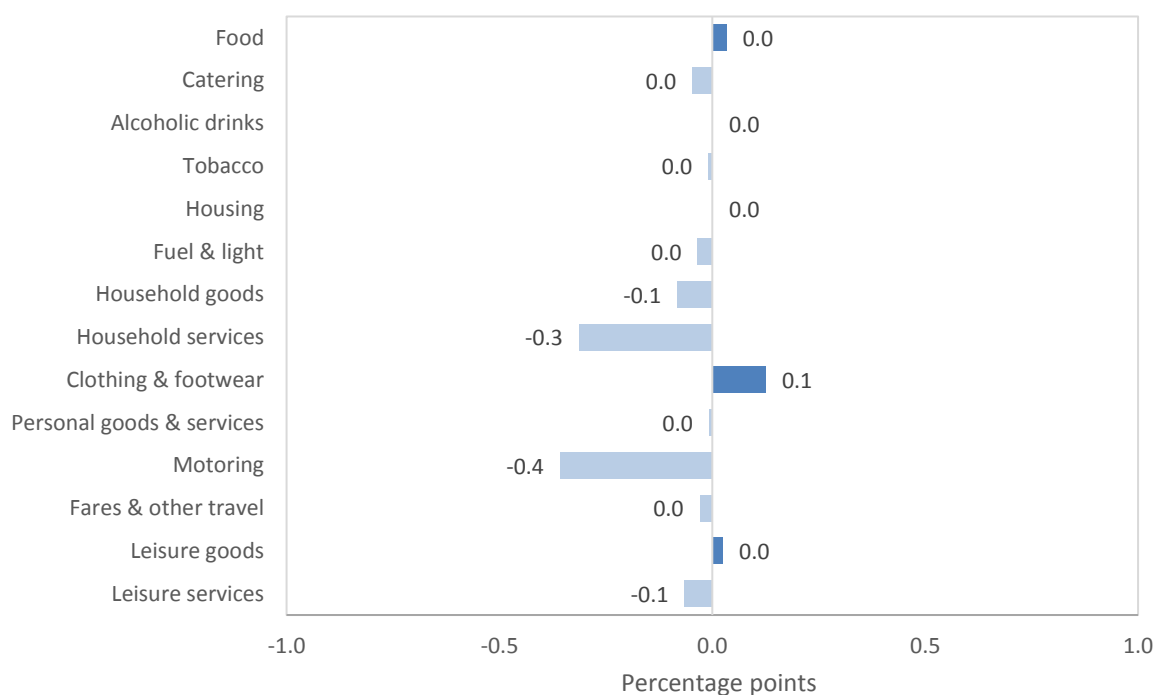
Prices in the **Fares & other travel** group decreased slightly over the twelve months to June 2019; the contribution to the overall change in the RPI was small.

³ The Bank of England base rate increased by a quarter percentage point (from 0.5% to 0.75%) on 2 August 2018.

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 Jersey's RPI was 0.8 pp lower in June 2019 (2.8%) than in March 2019 (3.6%). 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 Mar 2019 and Jun 2019 (-0.8 pp from 3.6% to 2.8%)



The majority of groups gave **downward** contributions to the **change** in the annual rate of increase of the RPI:

- **Motoring:** contributed -0.4 pp to the change in the annual rate of increase. Prices in this group, which includes the purchase of motor vehicles and motor fuels, increased at a lower rate over the twelve months to June 2019 (up 1.8%) than over the same period to March 2019 (up 5.6%). Over the twelve months to June 2019 the price of petrol and diesel increased by 1 p and 2 p per litre, on average, and had increased by 2 p and 7 p, respectively, over the year to March 2019
- **Household services:** contributed -0.3 pp to the change in the annual rate of increase of the RPI. Prices in this group increased, on average, at a lower rate over the twelve months to June 2019 (up 3.6%) than over the twelve months to March 2019 (up 6.2%)
- **Household goods:** contributed -0.1 pp to the change in the annual rate of increase of the RPI. On average, prices increased at a lower rate over the twelve months to June 2019 (up 2.0%) than over the twelve months to March 2019 (up 3.5%)
- **Leisure services:** contributed -0.1 pp to the change in the annual rate of increase. The rate of price increase for this group was lower over the twelve months to June 2019 (up 4.1%) than over the same period to March 2019 (up 4.8%).

In contrast, the **Clothing & footwear** group gave a small upward contribution of +0.1 pp to the annual change. Overall, prices in this group increased slightly over the twelve months to June 2019 (up 0.4%), whereas they had decreased over the twelve months to March 2019 (down 3.8%).

Quarterly change

On a quarterly basis, the RPI increased by 0.6% between March 2019 and June 2019. Figure 5 shows the percentage changes over the latest quarter for each group of the RPI.

Figure 5 - Quarterly percentage changes for each group, Jun 2019

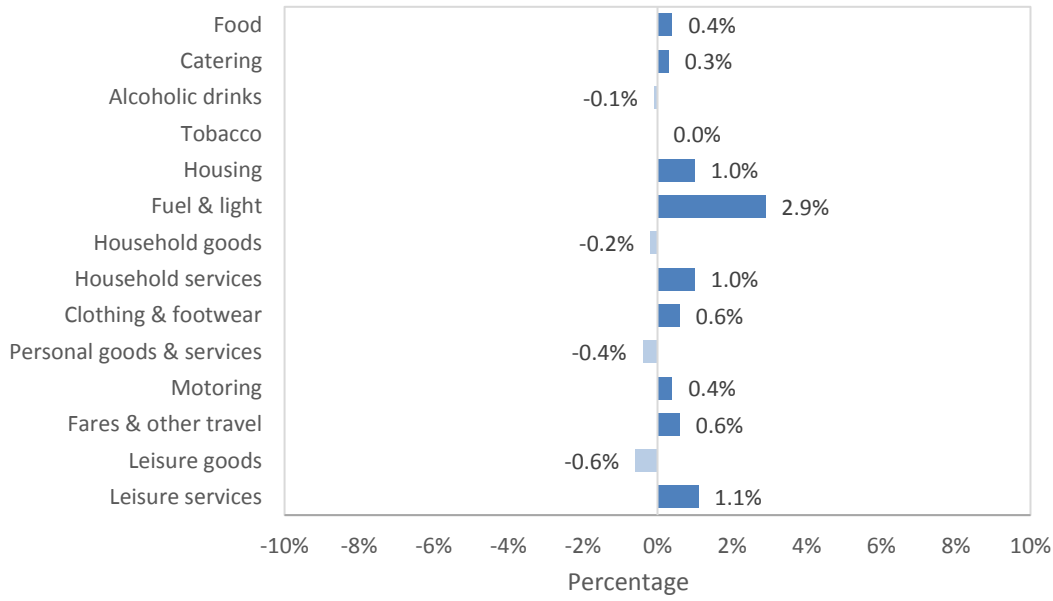
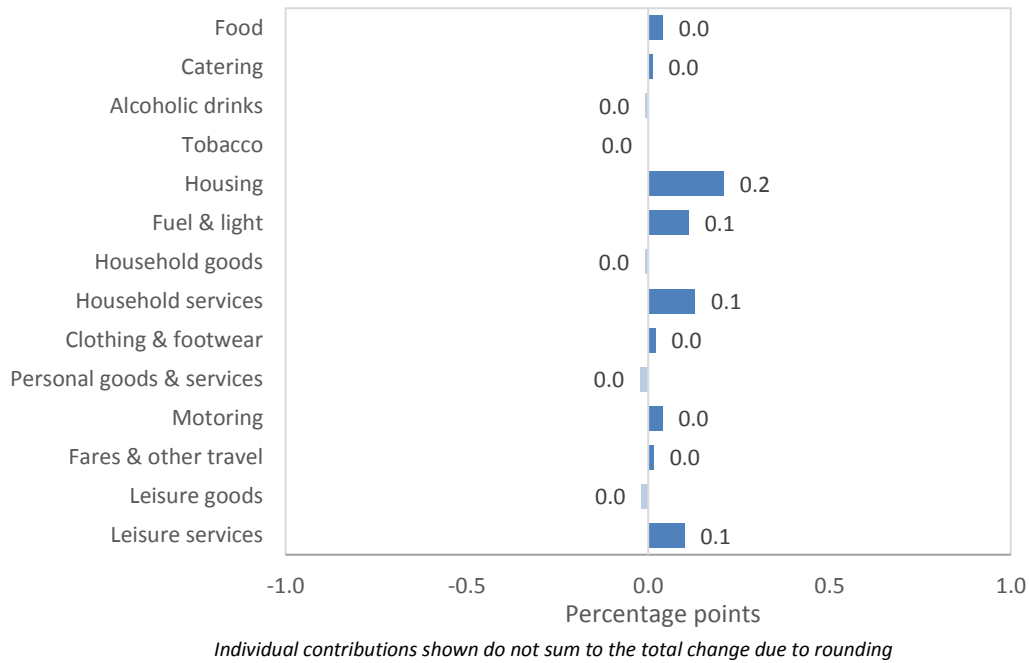


Figure 6 shows the respective contribution of each group to the overall quarterly change in the RPI.

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



The groups which saw prices **increase**, on average, in the latest quarter gave **upward** contributions to the RPI, (see figure 6), notably:

- **Housing:** overall prices increased by 1.0%, contributing +0.2 pp to the quarterly change in the RPI
- **Household services:** on average, prices in this group increased by 1.0%, contributing +0.1 pp to the quarterly change
- **Leisure services:** increased by 1.1%, on average, contributing +0.1 pp to the quarterly change
- **Fuel& light:** increased by 2.9%, on average, contributing +0.1 pp to the quarterly change

In contrast, several groups saw prices decrease in the last quarter, giving small downward contributions to the overall change.

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

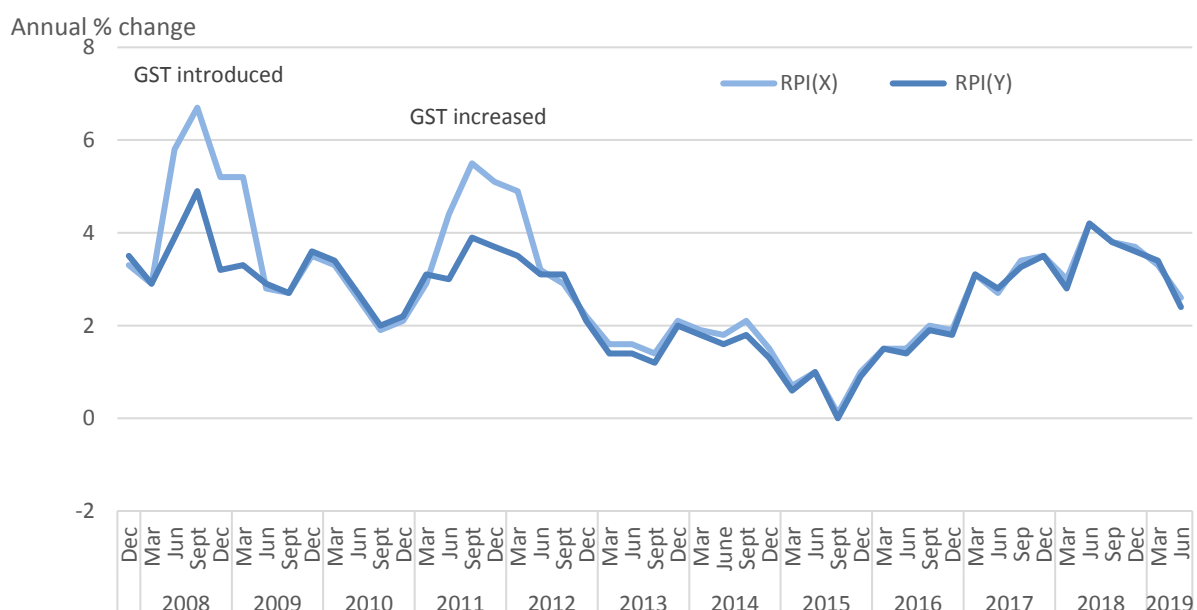
RPI(X) is defined as the all items RPI excluding the cost of mortgage interest payments.

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 considered to be the pertinent measure of the rate of underlying inflation.

Over the twelve months to June 2019, RPI(X) increased by 2.6% and RPI(Y) increased by 2.4%. The latest annual change in RPI(X) was 0.7 pp lower than over the twelve months to March 2019, and that of RPI(Y) was 1.0 pp lower.

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 Jun 2019



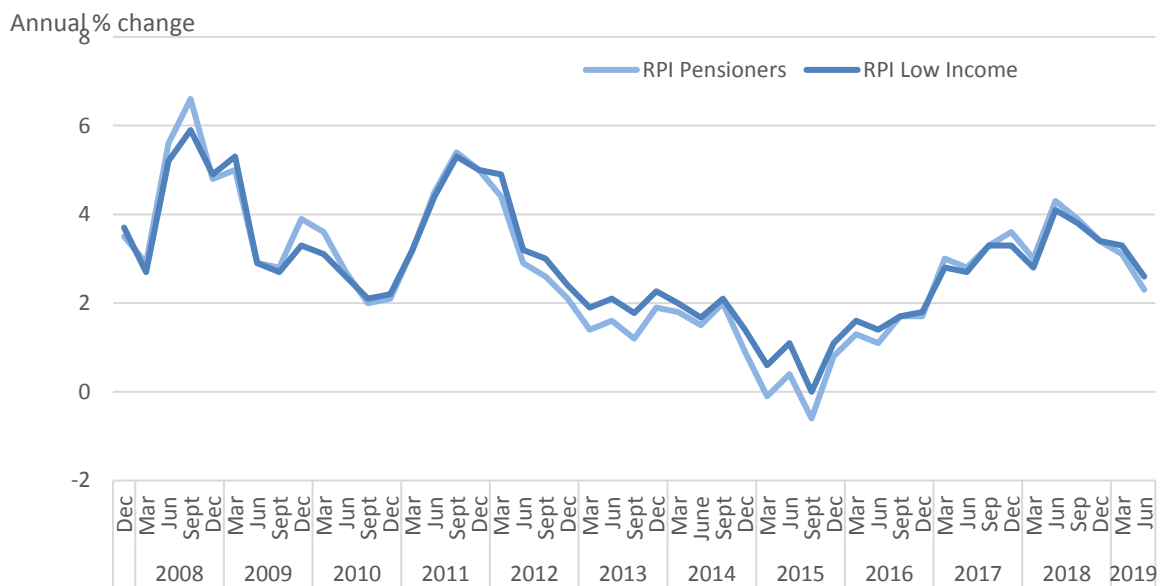
Other inflation measures

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 June 2019, RPI Pensioners increased by 2.3% and RPI Low Income increased by 2.6%.

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).

The annual rates of increase of RPI Pensioners and RPI Low Income were lower for June 2019 than March 2019, by 0.8 pp and 0.7 pp, respectively.

Figure 8 - Annual percentage changes in RPI Pensioners and RPI Low Income, Dec 2007 to Jun 2019



Comparison with the UK

The annual rates of increase of the RPI in Jersey and the UK are shown in Table 1. The annual rate of increase of the UK RPI adjusted for the formula effect (see Note 4) is also shown. The appropriate comparison is that of the Jersey RPI and the UK RPI adjusted for the formula effect.

Table 1: Annual percentage changes in RPI for Mar 2019 and Jun 2019

	RPI	
	Mar 2019	Jun 2019
Jersey	3.6	2.8
UK	2.4	2.9
UK adjusted	1.9	2.3

Over the twelve months to June 2019, the annual increase of the RPI in Jersey was 2.8% and that of the UK adjusted RPI was 2.3%.

There was a decrease of 0.8 pp in the annual rate of increase of Jersey's RPI between March 2019 and June 2019 (from 3.6% to 2.8%) compared to an increase of 0.4 pp in the UK adjusted RPI over the same period (from 1.9% to 2.3%).

The rate of inflation in Jersey over the twelve months to June 2019 was 0.5 pp greater than the comparable measure for the UK, representing the smallest difference in the comparable measures of inflation for 18 months.

Over the twelve months to June 2019:

- several groups increased at a greater annual rate in Jersey than in the UK, particularly **Housing** and **Leisure goods**
- in contrast, other groups increased at a lower annual rate in Jersey than in the UK, notably **Fuel & light** and **Clothing & footwear**
- prices in **Fares & other travel** decreased over the year in Jersey, whereas in the UK prices in this group increased

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 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 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 continues to be published by the ONS, enabling comparison between the annual rates of change of the Jersey and UK RPIS by adjusting for the formula effect.

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 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. The Jersey RPI for September 2019 will be published on 18 October 2019.
8. The Jersey Retail Prices Index is compiled by Statistics Jersey; (enquiries to Statistics Jersey: 01534-440465 e-mail: statistics@gov.je).

Statistics Jersey

19 July 2019

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

GROUP	2018 Jun	2018 Sep	2018 Dec	2019 Mar	2019 Jun	Annual change (percent)	Quarterly change (percent)
Food	172.5	172.1	170.8	173.8	174.5	1.2	0.4
Catering	181.0	181.0	182.3	184.3	184.8	2.1	0.3
Alcoholic drinks	198.3	197.8	198.0	205.8	205.5	3.6	-0.1
Tobacco	329.1	329.1	329.1	349.5	349.5	6.2	0.0
Housing	187.8	191.2	193.5	195.2	197.1	5.0	1.0
Fuel & light	236.8	238.1	235.3	234.1	240.9	1.7	2.9
Household goods	105.2	105.7	107.0	107.5	107.3	2.0	-0.2
Household services	223.1	226.7	227.4	228.9	231.2	3.6	1.0
Clothing & footwear	78.5	79.7	78.2	78.3	78.8	0.4	0.6
Personal goods & services	161.1	162.4	161.2	161.7	161.1	0.0	-0.4
Motoring	176.0	176.0	176.1	178.5	179.2	1.8	0.4
Fares & other travel	227.5	221.6	221.2	225.0	226.3	-0.5	0.6
Leisure goods	79.5	81.6	81.3	83.0	82.5	3.8	-0.6
Leisure services	193.9	196.8	199.2	199.7	201.8	4.1	1.1
All items	173.5	175.0	175.4	177.3	178.4	2.8	0.6

Table A2: Jersey Retail Prices Index RPI, 2000-2019 (Jun 2000 = 100)

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

Table A3: Jersey Retail Prices Index excluding house purchase costs, RPI(X), 2000-2019 (Jun 2000 = 100)

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

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

		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
2016	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
2017	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
2018	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
2019	Mar	3.4	3.1	3.3
	Jun	2.4	2.3	2.6