
Summary - Jersey RPI June 2021

- **during the twelve months to June 2021 the All Items Retail Prices Index (RPI) for Jersey increased by 3.5% to stand at 185.5 (June 2000 = 100)**
- the increase in the RPI over the twelve months to March 2021 was 0.8%; hence the **annual rate of inflation increased by 2.7 percentage points (pp)** since last quarter
- **the annual rate of inflation** was greater than March 2021 due to upward contributions from most groups, notably:
 - the **Housing** group saw an increase over the twelve months to June 2021, whereas there was a slight decrease in prices in this group over the twelve months to March 2021
 - the **Personal goods & services** and **Fares & other travel** groups saw prices increase by more over the twelve months to June 2021 than they did over the same time period to March 2021
- the **Food** group gave a small downward contribution to the change in rate of annual inflation. Prices decreased slightly over the twelve months to June 2021, whereas they had increased over the twelve months to March 2021
- **underlying inflation, as measured by the annual change in RPI(Y), increased by 3.4%** over the twelve months to June 2021¹
- the rate of underlying inflation, RPI(Y), increased by 2.3 pp since March 2021 (up from 1.1%)
- over the twelve months to June 2021:
 - RPI(X) increased by 3.3%²
 - RPI Pensioners increased by 4.1%
 - RPI Low Income increased by 3.7%
- The annual rates of increase for RPI, RPI(X) and RPI(Y) in June 2021 were the highest for 2 years (since March 2019).
- The annual rate of increase for RPI Low Income was the highest since September 2018 and for RPI Pensioners the highest since June 2018
- the rate of inflation in Jersey over the twelve months to June 2021, as measured by the RPI, was 1.1 pp higher than the broadly comparable headline rate of inflation for the UK

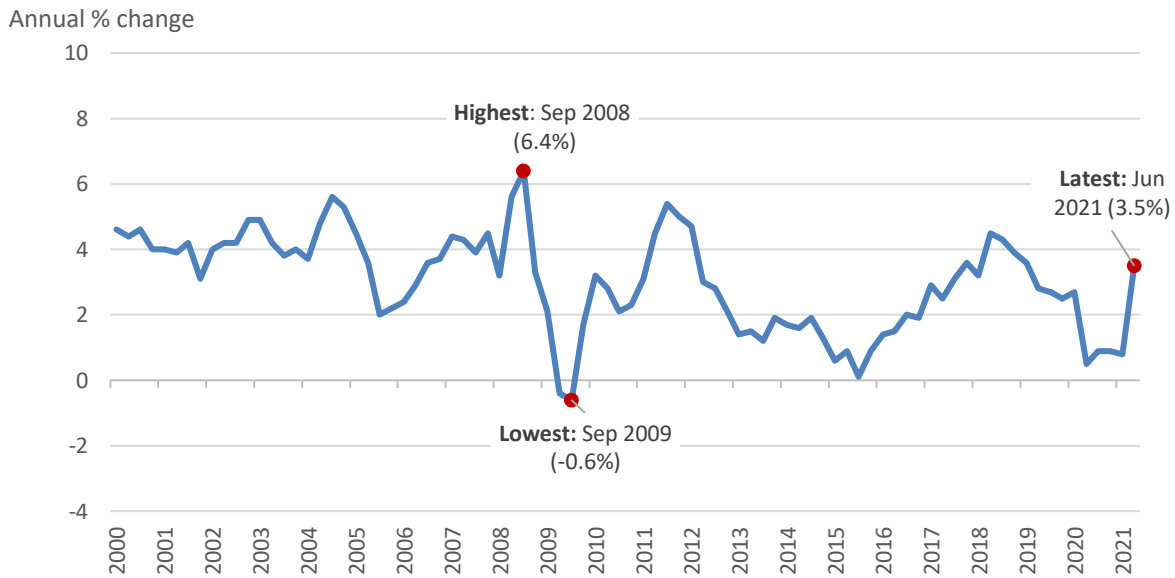
¹ RPI(Y): the RPI excluding mortgage interest payments and indirect taxes (e.g. GST and impôts). During periods involving the introduction of, or changes in, indirect taxes, the annual change in RPI(Y) is the pertinent measure of underlying inflation.

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 2021 was 3.5%. 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 2021



In June 2021, the annual change in the RPI was 2.7 pp higher than the previous quarter (March 2021). The annual percentage changes for each group of the RPI are shown in Figure 2.

Figure 2 - Annual percentage changes for each group, Jun 2021

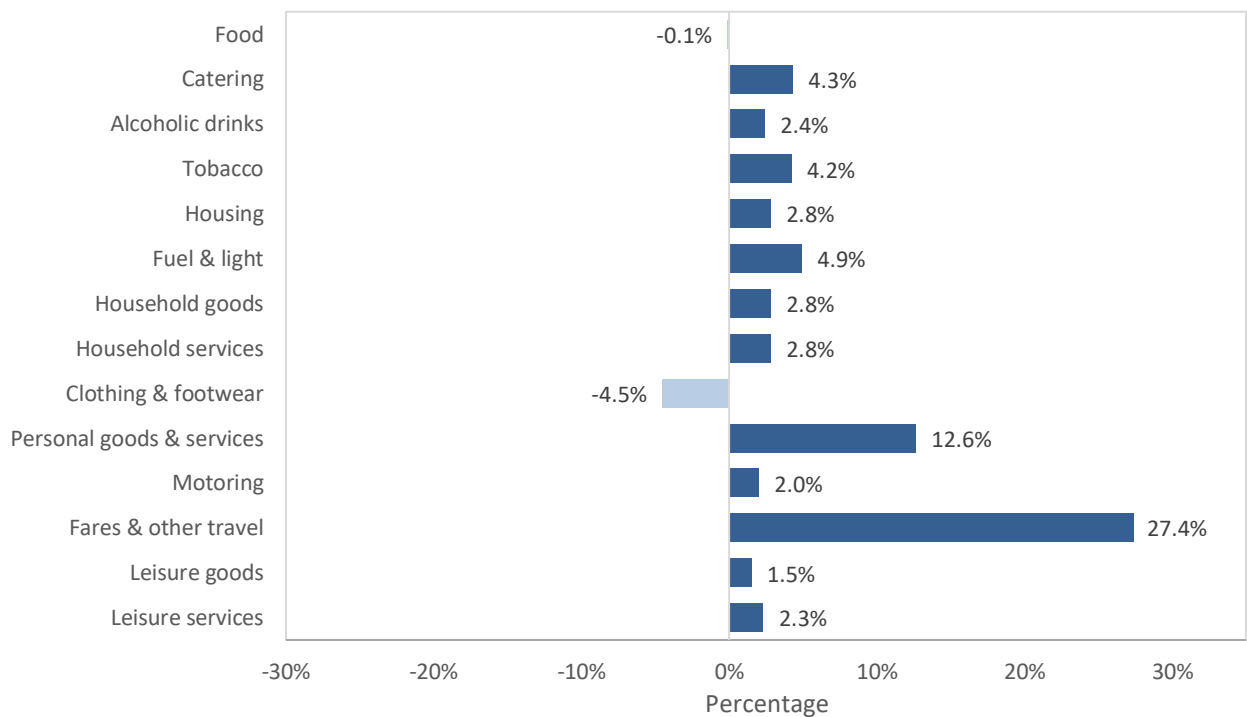
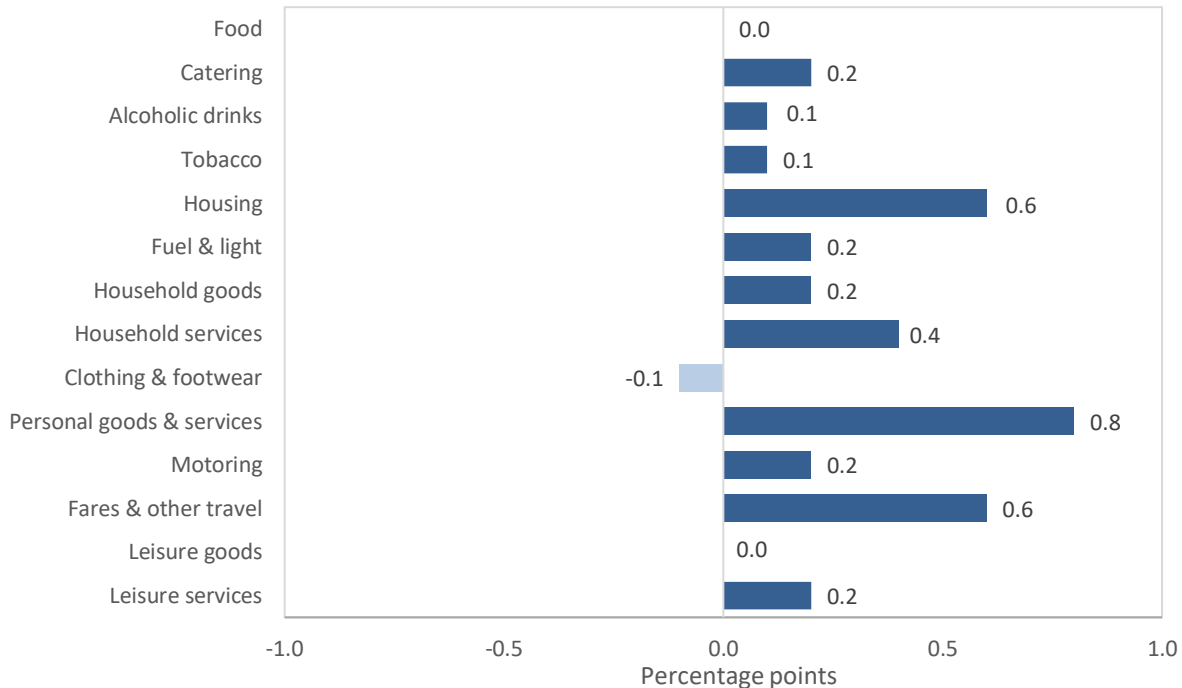


Figure 3 shows the contribution of each group of the RPI to the overall annual increase of 3.5%.

Figure 3 - Contribution of each group to the annual change in the RPI, Jun 2021



Most groups saw prices increase over the twelve months to June 2021, giving **upward** contributions to the RPI, notably:

- **Housing:** costs in this group increased by 2.8% overall over the twelve months to June 2021, contributing +0.6 pp to the annual change of the RPI
- **Personal goods & services:** costs rose by 12.6%, on average, over the twelve months to June 2021, contributing +0.8 pp to the annual change of the RPI
- **Fares & other travel:** on average, prices in this group increased by 27.4% over the twelve months to June 2021, contributing +0.6 pp to the annual change of the RPI. This group includes parking charges, which were made free for Government owned car parks in June 2020, then were subsequently re-introduced, contributing to the annual increase of this group

Impôt duties increased in January 2021, contributing +0.1 pp to the overall annual change in the RPI.

In contrast, prices in the **Clothing & footwear** group decreased by 4.5% on average, over the twelve months to June 2021, contributing -0.1 pp to the annual change in the RPI.

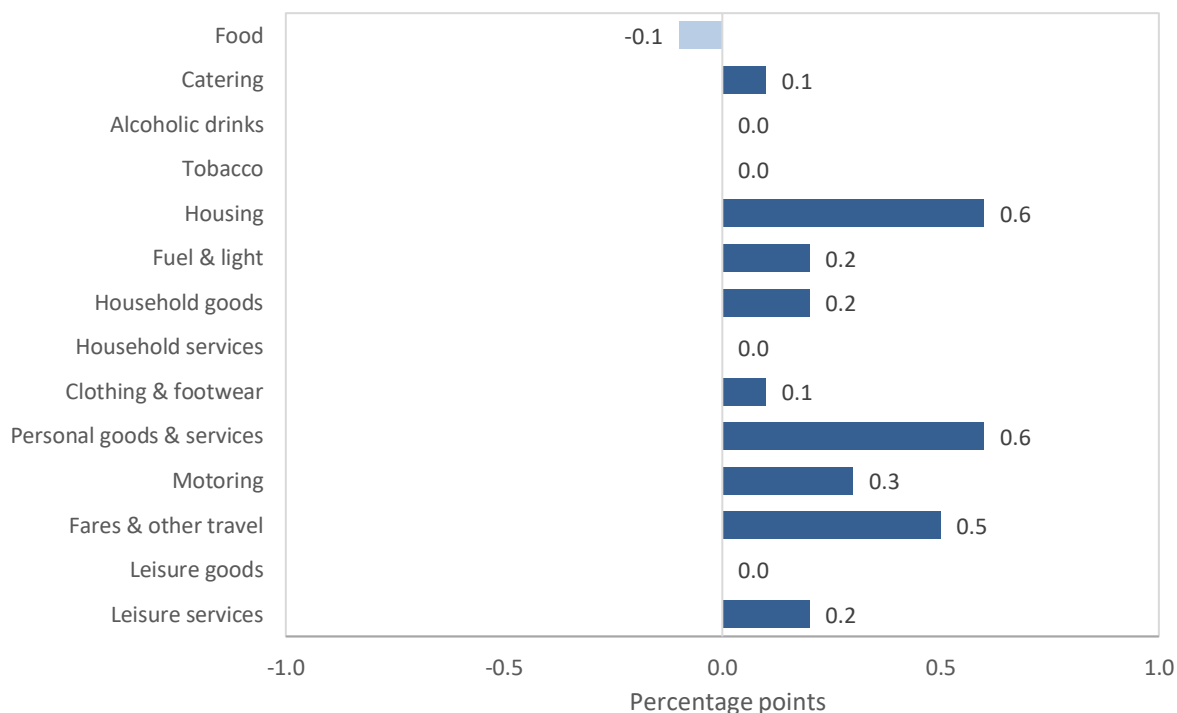
The **Housing** group's upward contribution to the annual change of the RPI was mostly due to small increases in rents and the cost of house purchase over the twelve months to June 2021. The Bank of England Bank Rate reduced in March 2020³, remaining the same to June 2021. This resulted in a net decrease in the cost of house purchase over the twelve months to March 2021 and a net increase over the same time period to June 2021.

³ The Bank of England Bank Rate (sometimes referred to as the 'base rate') decreased from 0.75% to 0.25% on 11 March 2020, then to 0.10% on 19 March 2020.

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 in June 2021 was 2.7 pp higher than March 2021 (0.8%). 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 2021 and Jun 2021



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

Most groups gave upward contributions to the change in the annual rate of increase of the RPI. Most notably:

- **Housing:** prices in this group increased by 2.8% over the twelve months to June 2021 whereas they decreased over the twelve months to March 2021 (down 0.1%), contributing +0.6 pp to the change in the rate of increase
- **Personal goods & services:** saw an overall price increase of 12.6% over the twelve months to June 2021, which was greater than the increase over the same period of time to March 2021 (up 2.7%), contributing +0.6 pp to the rate of increase; a key driver in the greater increase over the twelve months to June 2021 was the upward contribution from GP fees, which had been temporarily reduced a year ago (June 2020), in response to the pandemic
- **Fares & other travel:** overall prices in this group saw an increase of 27.4% over the twelve months to June 2021, whereas they increased by less (up 2.0%) over the twelve months to March 2021, contributing +0.5 pp to the change in the annual rate of increase of the RPI

The **Food** group gave a slight downward contribution of -0.1 pp to the change in the annual rate of increase of the RPI. Prices decreased slightly over the twelve months to June 2021 (down -0.1%) and increased (up 1.1%) over the same period of time to March 2021.

Quarterly change

On a quarterly basis, the RPI increased by 1.0% between March 2021 and June 2021. 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 2021

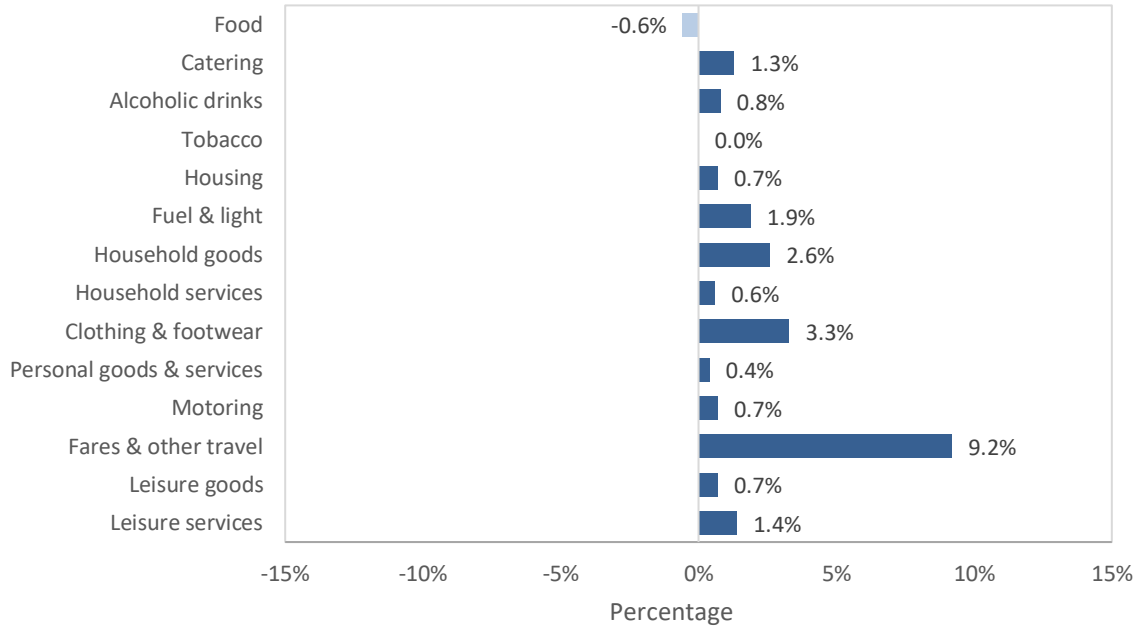
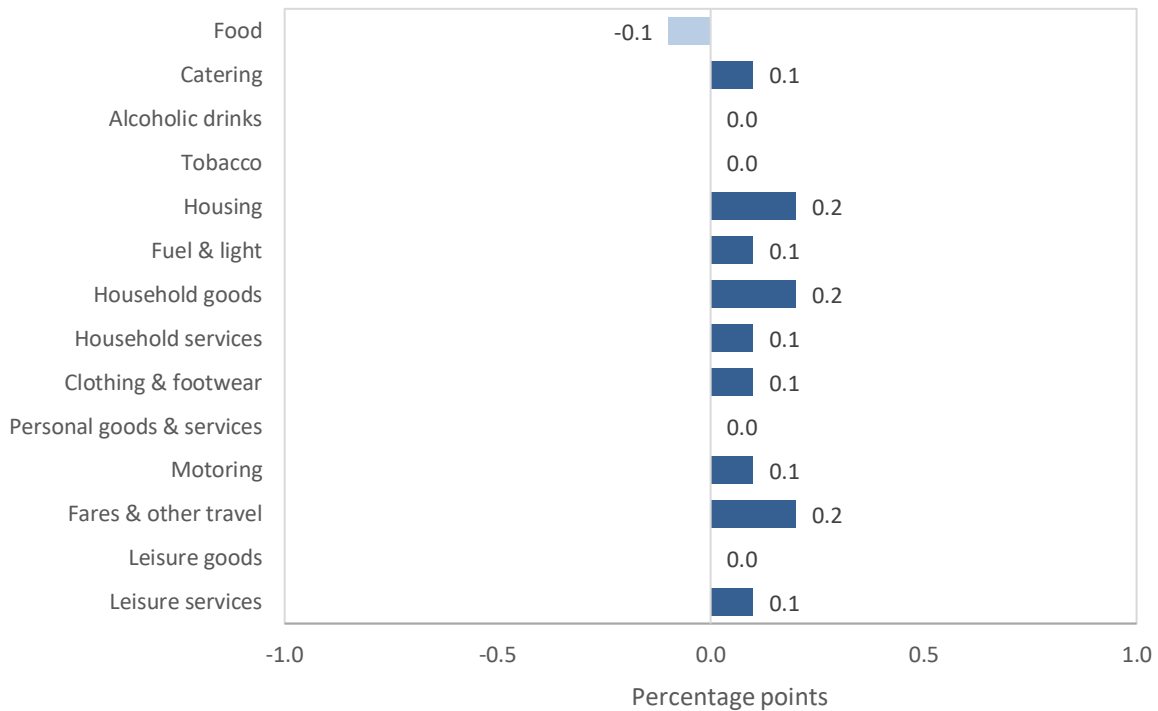


Figure 6 shows the contributions of these groups to the quarterly change in the RPI.

Figure 6 - Contribution of each group to the quarterly change in the RPI, Jun 2021



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

The majority of groups saw price increase over the three months to June 2021, others changed very little, and prices in the **Food** group decreased slightly.

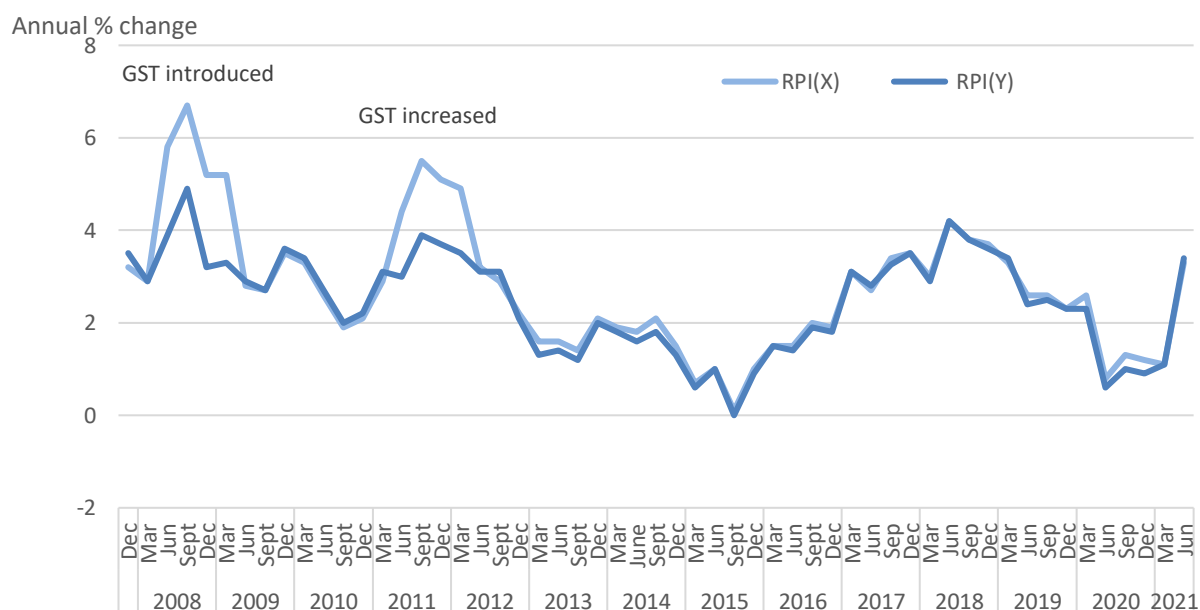
RPI(X) and RPI(Y) - underlying rate of inflation

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) provides a measure of underlying inflation.

Over the twelve months to June 2021, RPI(X) increased by 3.3% and RPI(Y) by 3.4%.

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 2021



In June 2021, the annual rate of increase of RPI(X) was 2.2 pp greater than in March 2021 (up from 1.1%).

For RPI(Y), the annual rate of increase in June 2021 was 2.3 pp greater than in March 2021 (up from 1.1%).

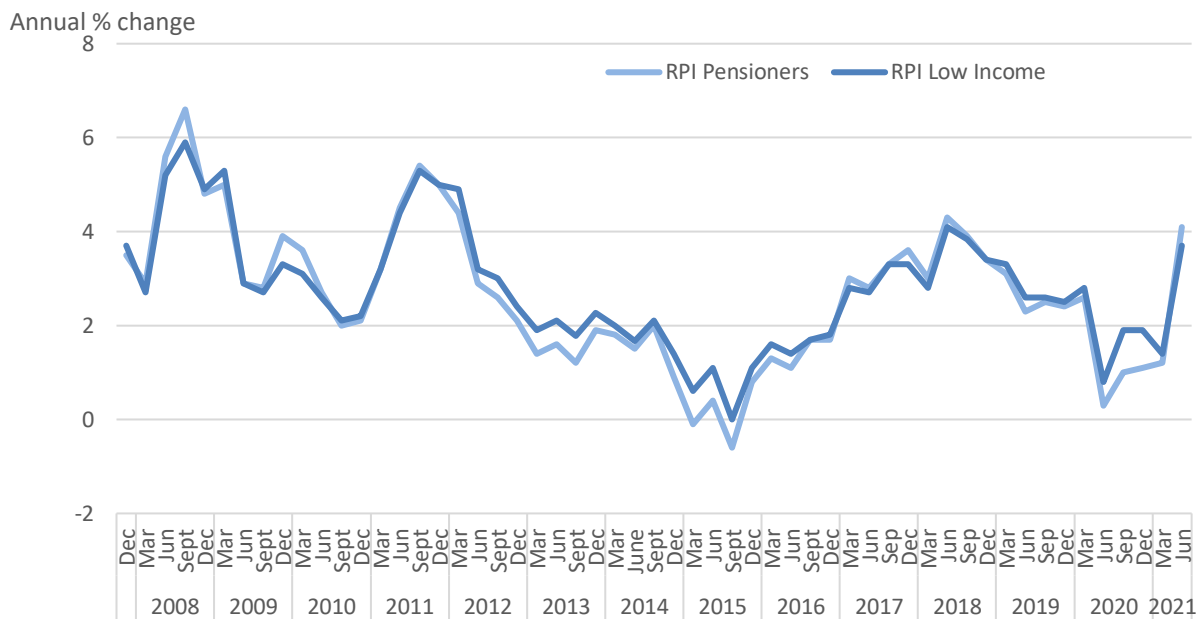
Other inflation measures

In December 2007, two further 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 2021, RPI Pensioners increased by 4.1% and RPI Low Income increased by 3.7%.

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 Jun 2021



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 – see Note 4 for more information.

Table 1: Annual percentage changes in Jersey and UK price indices, Mar 2021 and Jun 2021

	Mar 2021	Jun 2021
Jersey RPI	0.8	3.5
UK CPIH	1.0	2.4

Over the twelve months to June 2021, the annual increase of the Jersey RPI was 3.5% and that of the UK CPIH was 2.4%, hence, the headline rate of inflation in Jersey over the twelve months to June 2021 was 1.1 pp greater than the broadly comparable headline rate of inflation for the UK.

Statistics Jersey

23 July 2021

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 households on average 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 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.

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 had 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, December 2020, and March 2021 a small number of prices in other groups were not available at the time of price collection; any such unavailable prices were imputed using the most current that were available at the time.
8. The Jersey RPI for September 2021 is provisionally scheduled to be published on 22nd October 2021.
9. The Jersey Retail Prices Index is compiled by Statistics Jersey; (enquiries to Statistics Jersey: e-mail: statistics@gov.je)

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

GROUP	2020 Jun	2020 Sep	2020 Dec	2021 Mar	2021 Jun	Annual change (percent)	Quarterly change (percent)
Food	179.9	180.2	178.0	180.8	179.8	-0.1	-0.6
Catering	192.2	195.1	195.4	198.0	200.5	4.3	1.3
Alcoholic drinks	217.0	216.2	215.2	220.5	222.3	2.4	0.8
Tobacco	370.1	370.1	370.1	385.6	385.6	4.2	0.0
Housing	197.3	198.6	200.1	201.3	202.8	2.8	0.7
Fuel & light	234.3	232.2	236.3	241.1	245.8	4.9	1.9
Household goods	105.1	105.7	105.4	105.3	108.0	2.8	2.6
Household services	238.3	240.3	241.2	243.6	245.0	2.8	0.6
Clothing & footwear	76.2	74.0	72.9	70.5	72.8	-4.5	3.3
Personal goods & services	151.8	165.8	164.9	170.3	170.9	12.6	0.4
Motoring	179.0	178.4	178.6	181.4	182.6	2.0	0.7
Fares & other travel	188.2	210.1	214.8	219.6	239.7	27.4	9.2
Leisure goods	85.0	86.0	85.6	85.7	86.3	1.5	0.7
Leisure services	208.6	209.7	208.3	210.4	213.4	2.3	1.4
All items	179.3	181.4	181.4	183.6	185.5	3.5	1.0

Table A2: Jersey Retail Prices Index RPI, 2000-2021 (Jun 2000 = 100)

		RPI	Annual change (%)	Quarterly change (%)			RPI	Annual change (%)	Quarterly change (%)
2000	Mar	99.0	4.6	1.3	2011	Dec	143.2	2.3	0.4
	Jun	100.0	4.4	1.0		Mar	146.1	3.1	2.0
	Sep	101.1	4.6	1.1		Jun	148.8	4.5	1.8
	Dec	101.6	4.0	0.5		Sep	150.3	5.4	1.0
2001	Mar	103.0	4.0	1.4	2012	Dec	150.4	5.0	0.1
	Jun	103.9	3.9	0.9		Mar	153.0	4.7	1.7
	Sep	105.3	4.2	1.3		Jun	153.3	3.0	0.2
	Dec	104.7	3.1	-0.6		Sep	154.5	2.8	0.8
2002	Mar	107.1	4.0	2.3	2013	Dec	153.5	2.1	-0.6
	Jun	108.3	4.2	1.1		Mar	155.2	1.4	1.1
	Sep	109.7	4.2	1.3		Jun	155.6	1.5	0.3
	Dec	109.8	4.9	0.1		Sep	156.4	1.2	0.5
2003	Mar	112.4	4.9	2.4	2014	Dec	156.4	1.9	0.0
	Jun	112.9	4.2	0.4		Mar	157.9	1.7	1.0
	Sep	113.9	3.8	0.9		Jun	158.1	1.6	0.1
	Dec	114.2	4.0	0.3		Sep	159.3	1.9	0.8
2004	Mar	116.6	3.7	2.1	2015	Dec	158.5	1.3	-0.5
	Jun	118.3	4.8	1.5		Mar	158.9	0.6	0.3
	Sep	120.3	5.6	1.7		Jun	159.6	0.9	0.4
	Dec	120.3	5.3	0.0		Sep	159.5	0.1	-0.1
2005	Mar	121.9	4.5	1.3	2016	Dec	160.0	0.9	0.3
	Jun	122.6	3.6	0.6		Mar	161.2	1.4	0.8
	Sep	122.7	2.0	0.1		Jun	162.0	1.5	0.5
	Dec	123.0	2.2	0.2		Sep	162.7	2.0	0.4
2006	Mar	124.8	2.4	1.5	2017	Dec	163.0	1.9	0.2
	Jun	126.2	2.9	1.1		Mar	165.9	2.9	1.8
	Sep	127.1	3.6	0.7		Jun	166.1	2.5	0.1
	Dec	127.5	3.7	0.3		Sep	167.8	3.1	1.0
2007	Mar	130.3	4.4	2.2	2018	Dec	168.8	3.6	0.6
	Jun	131.6	4.3	1.0		Mar	171.2	3.2	1.4
	Sep	132.1	3.9	0.4		Jun	173.5	4.5	1.3
	Dec	133.3	4.5	0.9		Sep	175.0	4.3	0.9
2008	Mar	134.5	3.2	0.9	2019	Dec	175.4	3.9	0.2
	Jun	139.0	5.6	3.3		Mar	177.3	3.6	1.1
	Sep	140.5	6.4	1.1		Jun	178.4	2.8	0.6
	Dec	137.7	3.3	-2.0		Sep	179.7	2.7	0.7
2009	Mar	137.3	2.1	-0.3	2020	Dec	179.8	2.5	0.1
	Jun	138.5	-0.4	0.9		Mar	182.1	2.7	1.3
	Sep	139.6	-0.6	0.8		Jun	179.3	0.5	-1.5
	Dec	140.0	1.7	0.3		Sep	181.4	0.9	1.2
2010	Mar	141.7	3.2	1.2	2021	Dec	181.4	0.9	0.0
	Jun	142.4	2.8	0.5		Mar	183.6	0.8	1.2
	Sep	142.6	2.1	0.1		Jun	185.5	3.5	1.0

Table A3: Jersey Retail Prices Index excluding house purchase costs, RPI(X), 2000-2021 (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	2011	Dec	141.9	2.1	0.4
	Jun	100.0	4.0	0.8		Mar	144.8	2.9	2.0
	Sep	101.1	4.2	1.1		Jun	147.6	4.4	1.9
	Dec	101.4	3.4	0.3		Sep	149.2	5.5	1.1
2001	Mar	102.8	3.6	1.4	Dec	149.2	5.1	0.0	
	Jun	103.8	3.8	1.0	2012	Mar	151.9	4.9	1.8
	Sep	105.3	4.2	1.4		Jun	152.3	3.2	0.3
	Dec	105.1	3.6	-0.2		Sep	153.5	2.9	0.8
2002	Mar	107.3	4.4	2.1		Dec	152.5	2.2	-0.7
	Jun	108.4	4.4	1.0	2013	Mar	154.3	1.6	1.2
	Sep	109.7	4.2	1.2		Jun	154.8	1.6	0.3
	Dec	109.8	4.5	0.1		Sep	155.6	1.4	0.5
2003	Mar	112.5	4.8	2.5		Dec	155.7	2.1	0.1
	Jun	113.4	4.6	0.8	2014	Mar	157.3	1.9	1.0
	Sep	114.5	4.4	1.0		Jun	157.6	1.8	0.2
	Dec	114.2	4.0	-0.3		Sep	158.9	2.1	0.8
2004	Mar	116.4	3.5	1.9		Dec	158.0	1.5	-0.6
	Jun	117.3	3.4	0.8	2015	Mar	158.4	0.7	0.3
	Sep	118.3	3.3	0.9		Jun	159.2	1.0	0.5
	Dec	118.1	3.4	-0.2		Sep	159.1	0.1	-0.1
2005	Mar	119.6	2.7	1.3		Dec	159.6	1.0	0.3
	Jun	120.2	2.5	0.5	2016	Mar	160.8	1.5	0.8
	Sep	120.6	1.9	0.3		Jun	161.6	1.5	0.5
	Dec	120.7	2.2	0.1		Sep	162.3	2.0	0.4
2006	Mar	122.5	2.4	1.5		Dec	162.7	1.9	0.2
	Jun	123.9	3.1	1.1	2017	Mar	165.8	3.1	1.9
	Sep	124.0	2.8	0.1		Jun	166.0	2.7	0.1
	Dec	123.7	2.5	-0.2		Sep	167.8	3.4	1.1
2007	Mar	125.9	2.8	1.8		Dec	168.4	3.5	0.4
	Jun	126.7	2.3	0.6	2018	Mar	170.7	3.0	1.4
	Sep	126.7	2.2	0.0		Jun	173.0	4.2	1.3
	Dec	127.7	3.2	0.8		Sep	174.2	3.8	0.7
2008	Mar	129.5	2.9	1.4		Dec	174.6	3.7	0.2
	Jun	134.0	5.8	3.5	2019	Mar	176.4	3.3	1.0
	Sep	135.2	6.7	0.9		Jun	177.5	2.6	0.6
	Dec	134.3	5.2	-0.7		Sep	178.7	2.6	0.7
2009	Mar	136.2	5.2	1.4		Dec	178.7	2.3	0.0
	Jun	137.8	2.8	1.2	2020	Mar	181.0	2.6	1.3
	Sep	138.8	2.7	0.7		Jun	178.9	0.8	-1.2
	Dec	139.0	3.5	0.1		Sep	181.0	1.3	1.2
2010	Mar	140.7	3.3	1.2		Dec	180.9	1.2	-0.1
	Jun	141.4	2.6	0.5	2021	Mar	183.0	1.1	1.2
	Sep	141.4	1.9	0.0		Jun	184.8	3.3	1.0

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

		RPI(Y)	RPI Pensioners	RPI Low Income
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
	Sep	2.5	2.5	2.6
	Dec	2.3	2.4	2.5
2020	Mar	2.3	2.6	2.8
	Jun	0.6	0.3	0.8
	Sep	1.0	1.0	1.9
	Dec	0.9	1.1	1.9
2021	Mar	1.1	1.2	1.4
	Jun	3.4	4.1	3.7