


Jersey Retail Prices Index

September 2016

Statistics Unit: www.gov.je/statistics

 @JsyStats

Summary

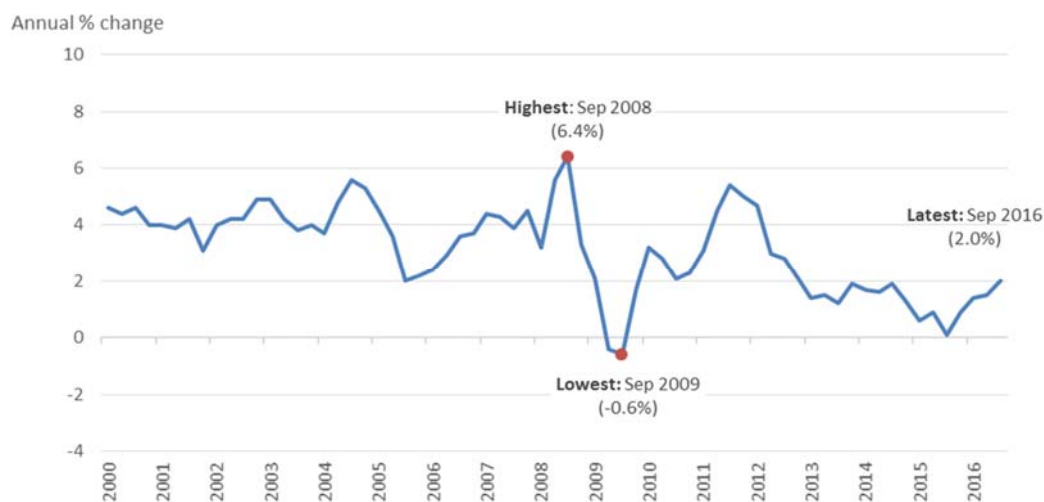
- During the twelve months to September 2016 the All Items Retail Prices Index (RPI) for Jersey **increased by 2.0%** to stand at **162.7** (June 2000 = 100);
- The **Household services** and **Housing** groups were the largest contributors to the overall annual increase in the RPI, with increased prices seen across both groups
- The increase in the RPI over the twelve months to June 2016 was 1.5%; hence, the **annual rate of inflation increased by 0.5 percentage points** (pp) in the latest quarter. The key contributors to this increase in the annual rate of inflation were the **Motoring** and **Fuel & light** groups, with annual changes in the prices of motor fuels and domestic heating oil being the principal drivers
- **RPI(X)¹ increased by 2.0%** over the twelve months to September 2016 and **underlying inflation**, as measured by **RPI(Y)², increased by 1.9%** over the same period
- **RPI Pensioners** and **RPI Low Income** both **increased by 1.7%** over the twelve months to September 2016
- In the latest quarter, all indices recorded greater rates of increase than seen in the previous few years:
 - RPI recorded the highest annual rate of increase since December 2012
 - RPI(Y) recorded the highest annual rate of increase since December 2013
 - RPI(X), RPI Pensioners and RPI Low Income each recorded the highest annual rates of increase since September 2014

Annual change

The increase in the All Items Retail Prices Index (RPI) over the twelve months to September 2016 was 2.0%.

The annual percentage changes in the RPI since March 2000 are shown in Figure 1. The latest quarter recorded the highest annual rate of increase of the RPI since December 2012.

Figure 1 - Jersey RPI annual inflation rate (percent) Mar 2000 to Sep 2016



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 September 2016: ten of the fourteen groups saw prices increase on average; two groups saw prices decrease; and two groups saw prices essentially unchanged over the period

Figure 2 - Annual percentage changes for each group, Sep 2016

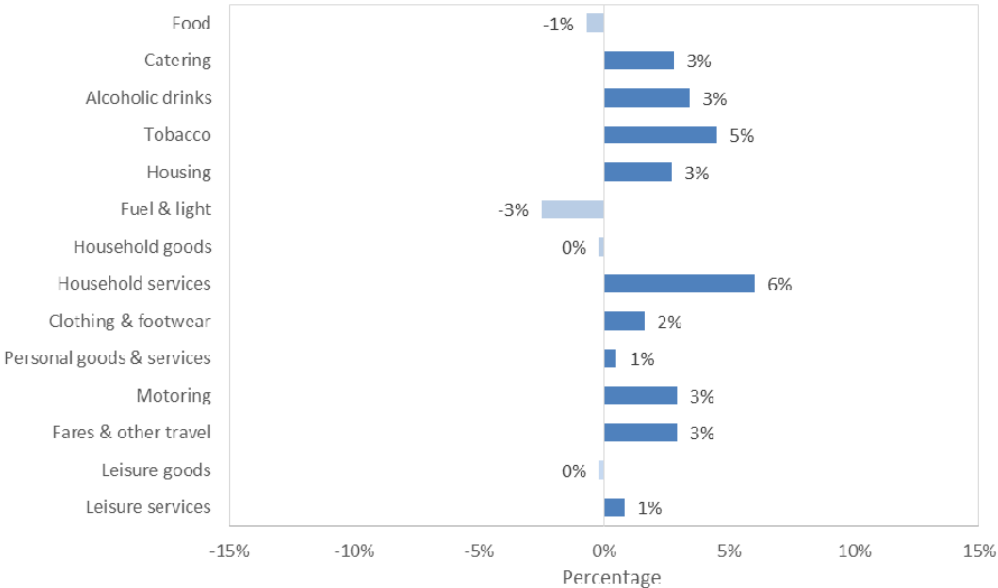
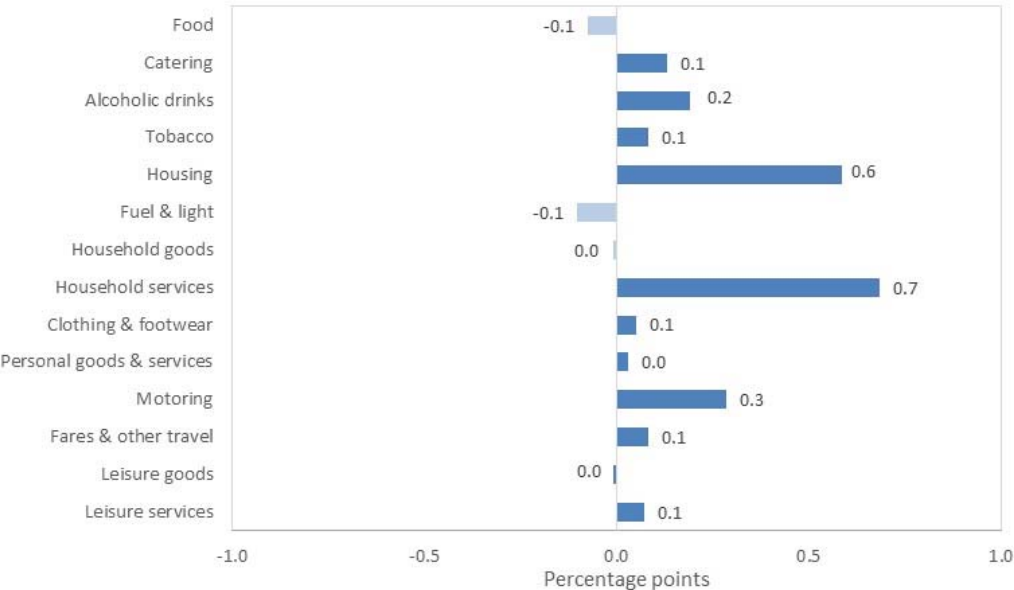


Figure 3 shows the contribution of each group of the RPI to the overall annual increase of 2.0%.

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 September 2016 gave upward contributions to the RPI; notably:

- **Household services:** costs rose by 6%, on average, over the year to September 2016, contributing +0.7 percentage points (pp) to the annual change of the RPI. Price increases were seen across the group, which includes school fees (increased in September 2016), postal charges (increased in April 2016), telephone charges and domestic services

- **Housing:** costs rose by 3%, on average, over the year to September 2016, contributing +0.6 pp to the annual change of the RPI. Price increases were seen across the group including higher average rents paid in both the public and private sectors, dwelling insurance and water charges (increased in April 2016)
- **Motoring:** prices in this group were 3% greater, on average, than twelve months earlier, contributing +0.3 pp to the annual change of the RPI. In this group, the mean prices of petrol and diesel were 1 p and 2 p per litre higher, respectively, in September 2016 than a year earlier. Higher average prices were seen across the group which includes motor insurance and the purchase and servicing of motor vehicles
- **Alcoholic drinks:** prices in this group increased on average by 3% over the year to September 2016, contributing +0.2 pp to the annual change of the RPI. Price increases were seen in both on-licenced and off-licenced premises over the twelve months to September 2016
- increased impôts duties in January 2016 contributed +0.1 pp to the annual change of the RPI, accounting for less than a fifth of the overall contribution from the Alcoholic drinks group to the increase of the RPI and for three-quarters of the contribution from the Tobacco group

In contrast, the groups which saw prices decrease, on average, over the twelve months to September 2016 gave downward contributions to the RPI:

- **Fuel & light:** prices in this group decreased by 3% on average, over the twelve months to September 2016, contributing a downward -0.1 pp to the annual change of the RPI. The decrease recorded by this group was largely due to the cost of domestic heating oil, which was 5 p per litre lower in September 2016 than a year earlier. Gas and electricity prices were unchanged over the twelve months to September 2016
- **Food:** prices in this group decreased by 1%, on average, over the twelve months to September 2016, contributing -0.1 pp to the annual change. Lower prices were seen for sugar & preserves, fresh meats and bread, whilst the price of fresh fruit, vegetables, fish, lamb and cheese increased, on average, over the same period

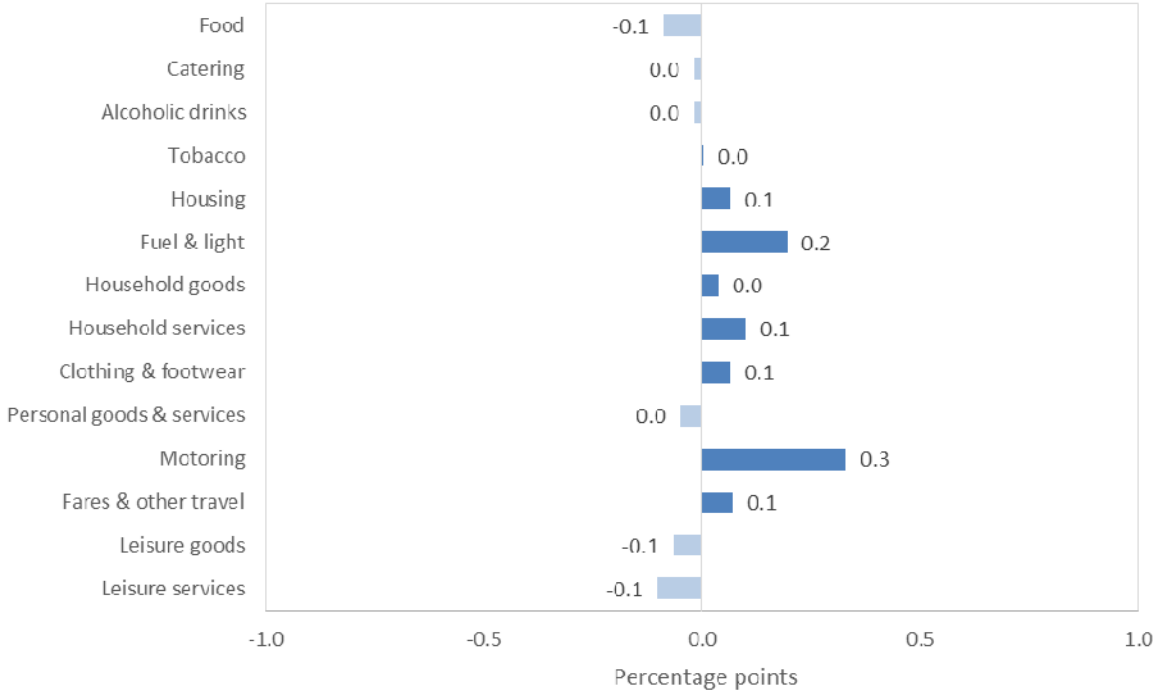
Group level indices are presented in Appendix Table A1, which also shows the most recent annual and quarterly percentage changes.

There was an increase of 0.5 pp in the annual rate of increase of Jersey's RPI between June 2016 and September 2016, from 1.5% to 2.0%. Figure 4 shows that the majority of groups gave small contributions to the change in the annual rate of increase of the RPI.

The **Motoring** and **Fuel & Light** groups were the largest contributions to the change in the annual rate of increase of the RPI:

- the **Motoring** group contributed +0.3 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 September 2016 (+3%) whilst over the twelve months to June 2016 prices decreased (-0.4%). The key driver was the change in the price of motor fuels on an annual basis: over the twelve months to September 2016, the mean prices of petrol and diesel increased by 1 p and 2 p per litre, respectively; in contrast, over the twelve months to June 2016, the mean prices of petrol and diesel decreased by 9 p and 8 p per litre, respectively
- the **Fuel & light** group contributed + 0.2 pp to the change in the overall rate of inflation, having seen a smaller decrease in prices, on average, over the twelve months to September 2016 (-3%) compared with the twelve months to June 2016 (-7%). The lower rate of decrease on an annual basis was due to a smaller fall in the cost of domestic heating oil over the twelve months to September 2016 (down by 5 p per litre) compared with that over the twelve months to June 2016 (down by 13 p per litre)

Figure 4 - Contributions to change in annual rate of increase of RPI between Jun 2016 and Sep 2016 (+0.5 pp from 1.5% to 2.0%)



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

Quarterly change

On a quarterly basis, the RPI increased by 0.4% between June 2016 and September 2016. 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 2016

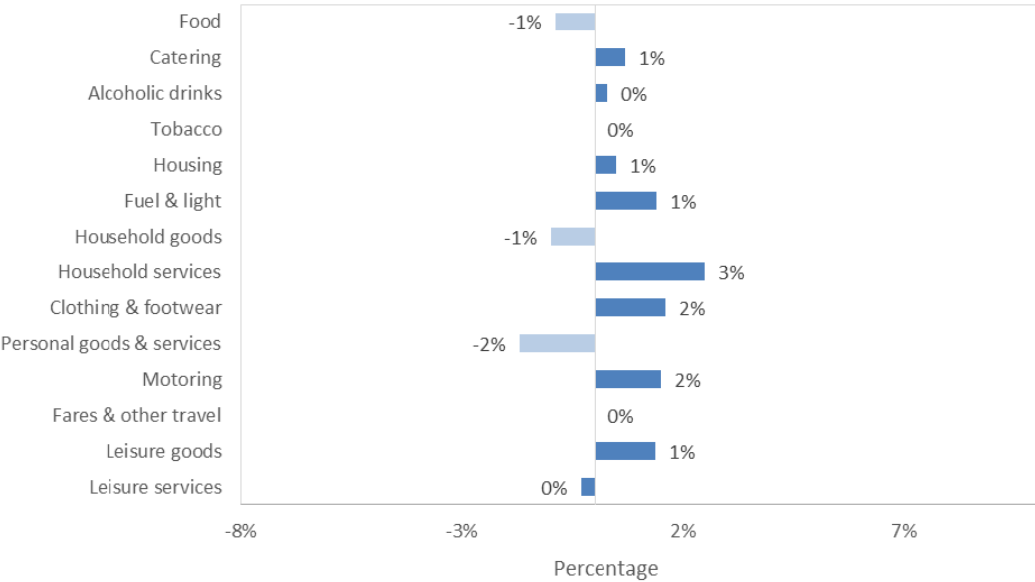
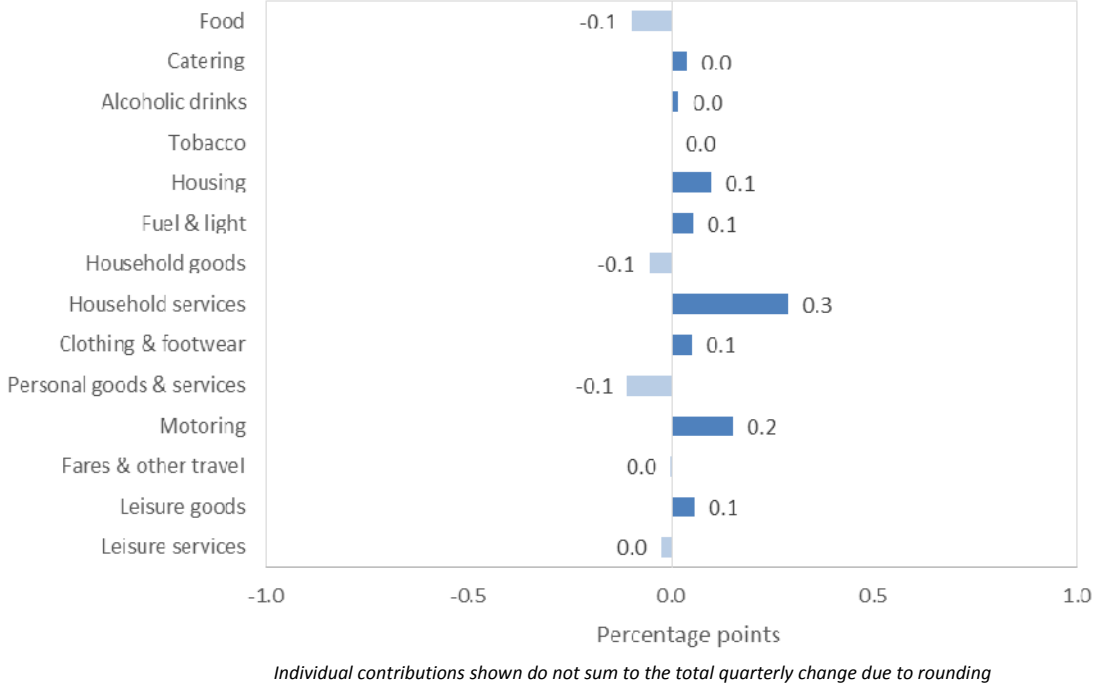


Figure 6 - Contribution of each group to the quarterly change in the RPI



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

- **Household services:** prices increased by 3%, on average, contributing +0.3 pp to the overall quarterly change. Price increases were seen across the group, which includes school fees (increased in September 2016)
- **Motoring:** costs increased by almost 2%, on average, over the latest quarter, contributing +0.2 pp to the overall quarterly change of the RPI. In this group, the mean prices of both petrol and diesel were 1 p per litre higher in September 2016 than in June 2016
- **Housing, Leisure goods, Fuel & light** and **Clothing & footwear** groups each contributed +0.1 pp to the overall quarterly change. The increase recorded by the Fuel & light group was largely due to a rise in the cost of domestic heating oil, which was 2 p per litre higher in September 2016 than in June 2016

In contrast, the **Personal goods & services, Food** and **Household goods** groups saw prices decrease, on average, over the latest quarter, each contributing -0.1 pp to the quarterly change in the RPI.

Personal goods & services saw prices decrease, on average, by 2% during the latest quarter, a key element being decreases recorded in the price of chemist goods.

Both the Food and Household goods groups saw prices decrease on average by 1% over the quarter. In the Food group, lower prices were seen for sugar & preserves and fresh meat, whilst the price of butter, fresh fruit and fish increased, on average, over the same period.

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

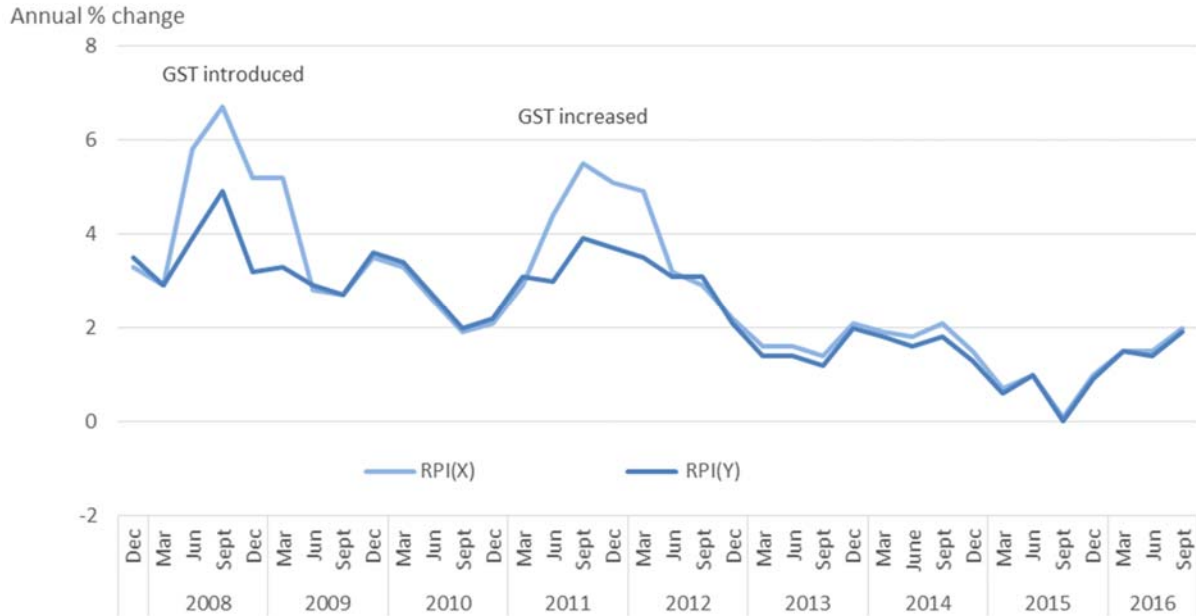
RPI(X) is the all items RPI excluding the cost of mortgage interest payments; the annual change in RPI(X) is often considered a measure of underlying inflation.

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 September 2016, RPI(X) increased by 2.0% and RPI(Y) increased by 1.9%

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 both RPI(X) and RPI(Y) were 0.5 pp higher in September 2016 than in June 2016.

The latest annual rate of increase of RPI(X) was the highest recorded for two years, since September 2014.

The latest annual rate of increase of RPI(Y) was the highest recorded since December 2013.

Other inflation measures

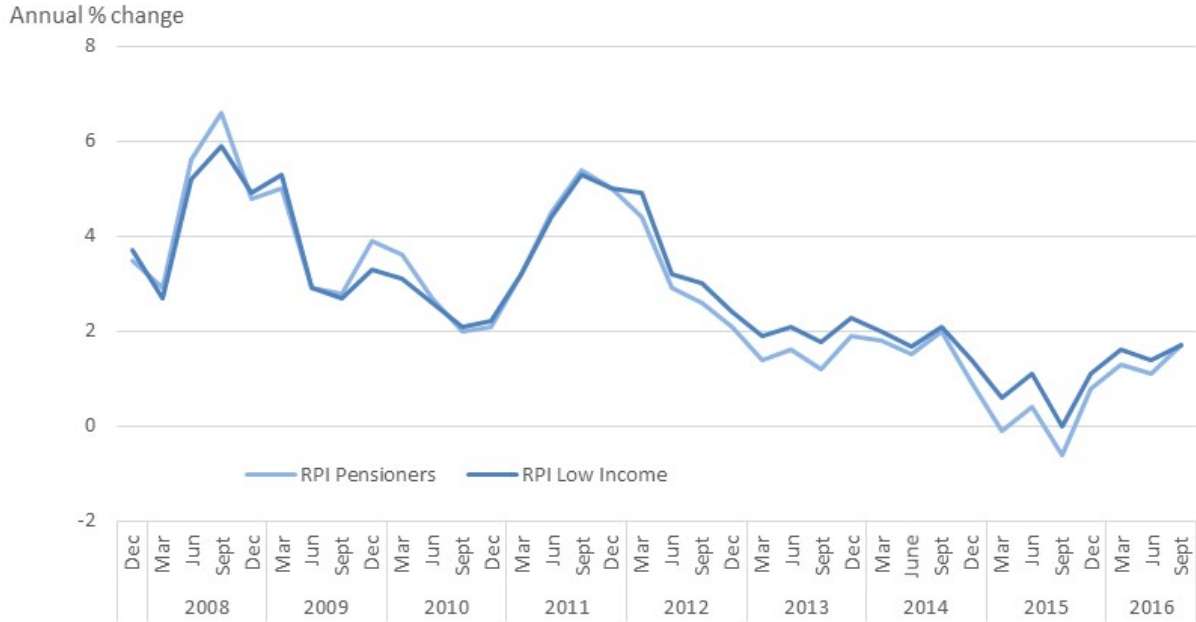
In December 2007, two further consumer price indices were introduced for Jersey: **RPI Pensioners**, for pensioner households; and **RPI Low Income**, for households in the lowest quintile of household income.

Over the twelve months to September 2016, both RPI Pensioners and RPI Low Income increased by 1.7%.

The lower annual rate of increase of RPI Pensioners and RPI Low Income in September 2016 compared with the other consumer price indices was primarily due to the smaller weight given to Household services (which saw increased prices) in both RPI Pensioners and RPI Low Income.

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



The annual rates of changes of both RPI Pensioners and RPI Low Income over the twelve months to September 2016 were greater than over the twelve months to June 2016 (by +0.6 pp and +0.3 pp, respectively).

In September 2016, the annual rates of increase of both RPI Pensioners and RPI Low Income were the highest recorded for these indices for two years, since September 2014.

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).

Table 1: Annual percentage changes in RPI, RPI(X) and RPI(Y) for Jun 2016 and Sep 2016

	RPI		RPI(X)		RPI(Y)	
	Jun-16	Sep-16	Jun-16	Sep-16	Jun-16	Sep-16
Jersey	1.5	2.0	1.5	2.0	1.4	1.9
UK	1.6	2.0	1.7	2.2	1.6	2.1
UK RPIJ	0.9	1.3				
Guernsey ⁴	0.4	0.9	0.6	1.1	0.3	0.8

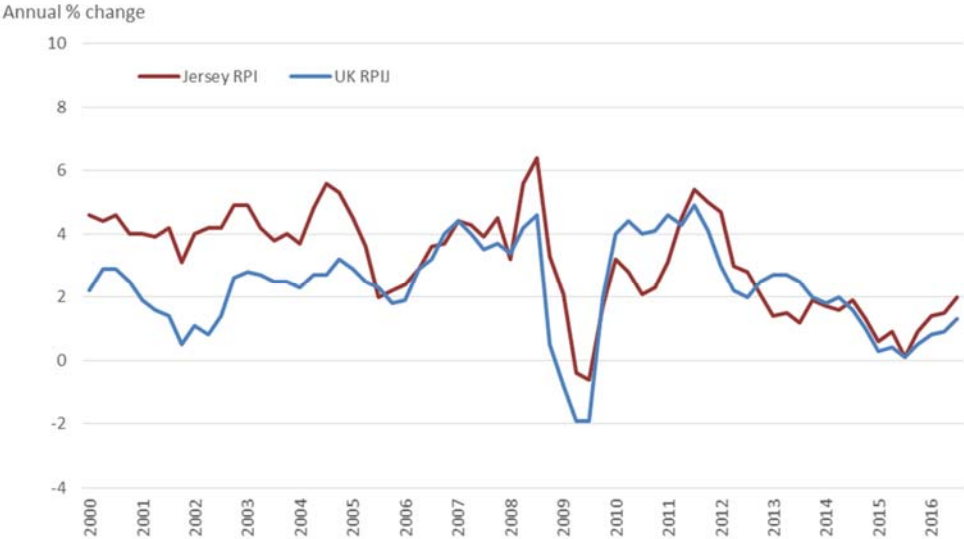
Over the twelve months to September 2016, the annual increase of the RPI in Jersey was 2.0% and that of the RPIJ in the UK was 1.3%. The annual rates of increase of the Jersey RPI and the UK RPIJ both rose between June 2016 and September 2016, by +0.5 pp and +0.4 pp respectively.

Despite the fact that global factors influence all three jurisdictions shown in Table 1, local trends and issues in each location dictate the full effect of such factors. In particular, for Jersey and the UK⁵ over the twelve months to September 2016:

- the cost of **Household services** increased at a greater rate in Jersey (6%) than in the UK (4%)
- **Food** prices decreased at a lower rate in Jersey (-1%) than in the UK (-2%)
- in contrast, prices in the **Clothing & footwear** group increased at a lower rate, on average, in Jersey (2%) than in the UK (7%)

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

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



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

⁴ Consumer price information for Guernsey for September 2016 is due to be published at 09:30 on Friday 21 October 2016

⁵ 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.

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. 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 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 December 2016 will provisionally be published on 20 January 2017
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

GROUP	2015 Sep	2015 Dec	2016 Mar	2016 Jun	2016 Sep	Annual change (percent)	Quarterly change (percent)
Food	164.2	164.2	167.3	164.5	163.0	-0.7	-0.9
Catering	167.5	168.1	168.8	170.8	172.2	2.8	0.8
Alcoholic drinks	183.6	180.6	188.5	189.1	189.8	3.4	0.4
Tobacco	282.2	282.0	294.7	294.8	294.8	4.5	0.0
Housing	172.1	174.0	174.8	175.9	176.8	2.7	0.5
Fuel & light	216.8	212.1	201.8	208.5	211.4	-2.5	1.4
Household goods	100.9	102.4	101.8	101.8	100.7	-0.2	-1.1
Household services	186.9	190.2	190.7	193.4	198.2	6.0	2.5
Clothing & footwear	81.7	82.1	81.8	81.7	83.0	1.6	1.6
Personal goods & services	153.3	156.2	156.6	156.7	154.1	0.5	-1.7
Motoring	156.1	155.8	155.8	158.2	160.6	2.9	1.5
Fares & other travel	210.9	202.1	219.7	217.2	217.0	2.9	-0.1
Leisure goods	80.2	78.1	78.4	78.9	80.0	-0.2	1.4
Leisure services	179.2	179.9	181.4	181.2	180.6	0.8	-0.3
All items	159.5	160.0	161.2	162.0	162.7	2.0	0.4

Table A2: Jersey Retail Prices Index RPI, 2000-2016 (Jun 2000 = 100)

		RPI	Annual change (%)	Quarterly change (%)
2000	Mar	99.0	4.6	1.3
	Jun	100.0	4.4	1.0
	Sep	101.1	4.6	1.1
	Dec	101.6	4.0	0.5
2001	Mar	103.0	4.0	1.4
	Jun	103.9	3.9	0.9
	Sep	105.3	4.2	1.3
	Dec	104.7	3.1	-0.6
2002	Mar	107.1	4.0	2.3
	Jun	108.3	4.2	1.1
	Sep	109.7	4.2	1.3
	Dec	109.8	4.9	0.1
2003	Mar	112.4	4.9	2.4
	Jun	112.9	4.2	0.4
	Sep	113.9	3.8	0.9
	Dec	114.2	4.0	0.3
2004	Mar	116.6	3.7	2.1
	Jun	118.3	4.8	1.5
	Sep	120.3	5.6	1.7
	Dec	120.3	5.3	0.0
2005	Mar	121.9	4.5	1.3
	Jun	122.6	3.6	0.6
	Sep	122.7	2.0	0.1
	Dec	123.0	2.2	0.2
2006	Mar	124.8	2.4	1.5
	Jun	126.2	2.9	1.1
	Sep	127.1	3.6	0.7
	Dec	127.5	3.7	0.3
2007	Mar	130.3	4.4	2.2
	Jun	131.6	4.3	1.0
	Sep	132.1	3.9	0.4
	Dec	133.3	4.5	0.9
2008	Mar	134.5	3.2	0.9
	Jun	139.0	5.6	3.3
	Sep	140.5	6.4	1.1
	Dec	137.7	3.3	-2.0

Appendix

		RPI	Annual change (%)	Quarterly change (%)
2009	Mar	137.3	2.1	-0.3
	Jun	138.5	-0.4	0.9
	Sep	139.6	-0.6	0.8
	Dec	140.0	1.7	0.3
2010	Mar	141.7	3.2	1.2
	Jun	142.4	2.8	0.5
	Sep	142.6	2.1	0.1
	Dec	143.2	2.3	0.4
2011	Mar	146.1	3.1	2.0
	Jun	148.8	4.5	1.8
	Sep	150.3	5.4	1.0
	Dec	150.4	5.0	0.1
2012	Mar	153.0	4.7	1.7
	Jun	153.3	3.0	0.2
	Sep	154.5	2.8	0.8
	Dec	153.5	2.1	-0.6
2013	Mar	155.2	1.4	1.1
	Jun	155.6	1.5	0.3
	Sep	156.4	1.2	0.5
	Dec	156.4	1.9	0.0
2014	Mar	157.9	1.7	1.0
	Jun	158.1	1.6	0.1
	Sep	159.3	1.9	0.8
	Dec	158.5	1.3	-0.5
2015	Mar	158.9	0.6	0.3
	Jun	159.6	0.9	0.4
	Sep	159.5	0.1	-0.1
	Dec	160.0	0.9	0.3
2016	Mar	161.2	1.4	0.8
	Jun	162.0	1.5	0.5
	Sep	162.7	2.0	0.4

Table A3: Jersey Retail Prices Index **Excluding** house purchase costs, RPI(X), 2000-2016 (Jun 2000 = 100)

Appendix

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

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
2016	Mar	1.5	1.3	1.6
	Jun	1.4	1.1	1.4
	Sep	1.9	1.7	1.7