

Comparison of consumer prices June 2009

Statistics Unit www.gov.je/statistics

Summary

- In the year to June 2009 the all-items Retail Prices Index, RPI, fell by 0.4% in Jersey, by 1.6% in the UK and by 1.3% in Guernsey.
- The decrease of 0.4% in the RPI in Jersey between June 2008 and June 2009 represents the first annual decrease seen in Jersey's RPI since the official series began in October 1948.
- The effect of the introduction of GST (Goods and Services Tax) dropping out of the change in the RPI on an annual basis was the principal cause of fall in the RPI from 2.1% in March 2009 to -0.4% in June 2009.
- Lower Housing costs was the key downward contributor to the annual change in the RPI in Jersey, the UK and Guernsey, a result of lower mortgage interest payments, following the recent series of cuts in the Bank of England base rate.
- Over the last year food prices have, on average, been rising at a similar rate in Jersey (4%), the UK (5%) and Guernsey (3%). The increase of 4% in Jersey represents the lowest rate of increase seen in the Island for two and a half years.
- Direct food comparisons show that average meat prices were about 15% higher in Jersey than in the UK in June 2009 and the cost of fresh fruit and vegetables in Jersey were 25% and 14% higher, respectively.
- Largely as a result of different rates of increase of impôts and duties since June 2000, alcohol and tobacco prices have seen greater overall increases in Jersey and Guernsey than in the UK.
- Pre-tax prices for alcohol, tobacco and motor fuels are higher in Jersey than in the UK: alcohol by over a quarter; cigarettes by 71% and petrol and diesel by around a half (50% and 46%, respectively).
- Pre-tax prices of beer, whisky and petrol are slightly lower in Jersey than Guernsey; whereas the pre-tax price of tobacco is similar in both jurisdictions.

Contents

	Page
Summary	1
Introduction	3
Overall RPI level analysis	5
Individual group level analysis	
Food	11
Catering	21
Alcoholic drinks	22
Tobacco	24
Housing	26
Fuel and light	29
Household goods	30
Household services	30
Clothing and footwear	32
Personal goods and services	32
Motoring	34
Fares and other travel costs	38
Leisure goods	39
Leisure services	40
Annex A: Average prices of matched items in Jersey and the UK 2000-2009	41
Annex B: Average prices of matched items in Jersey and Guernsey 2008–2009	45

Introduction

The simplest way to think about the Retail Prices Index (RPI) is to imagine a 'shopping basket' containing the various goods (e.g. bread, televisions, wardrobes) and services (e.g. doctors, dentists, hairdressers) on which people in Jersey typically spend their money. As the prices of the various items in the basket change over time, so does the total cost of the basket. On or around the 15th day of March, June, September and December the current total cost of the basket is calculated and then compared with the total cost a year earlier, showing how much the total cost has changed over the twelve month period.

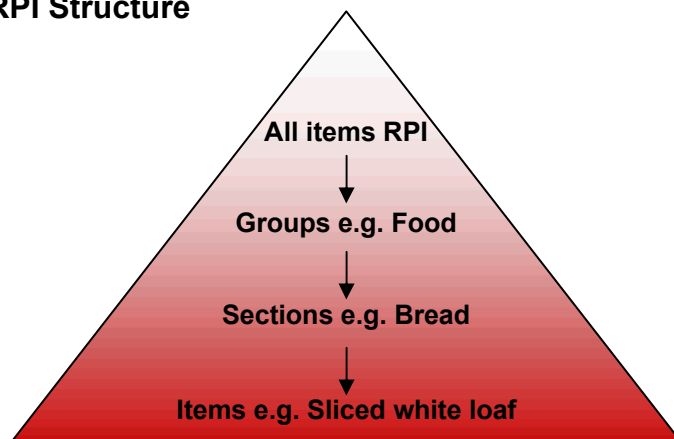
In principle, the cost of the basket should be calculated with reference to all consumer goods and services purchased by all households, and the prices measured in every shop or outlet that supplies them. In practice, this is impossible so the RPI is calculated by collecting a sample of prices for a selection of 'representative' goods and services from a range of Jersey retail outlets and service providers. The RPI is calculated from around 2,500 separate price quotations in total. The same approach is adopted in other jurisdictions (e.g. by the Office for National Statistics in the UK) for the compilation of retail price indices.

The other essential element of the RPI is to ensure that the items are weighted. Weights are needed in the RPI to ensure that items which account for more of a household budget (e.g. housing costs) are given more importance in the index. Without weighting items, the change in the price of a kilogram of cheese, for example, would have the same impact on the RPI as a change in mortgage interest rates.

To ensure that the contents of the RPI basket of goods and services, and the associated expenditure weights, remain representative of actual household spending they are reviewed on completion of each round of a survey which records the expenditure of households in Jersey¹, involving the analysis of detailed expenditure information from over 1,000 households covering more than 300,000 individual purchases.

The purpose of this report is to compare prices in Jersey, Guernsey and the UK by looking at the RPI for each jurisdiction. The RPI is composed of 14 groups with each group being composed of several sections (85 in total) and each section being made up of a number of items:

RPI Structure



¹ The 2005/6 and 1998/9 Jersey Household Expenditure Survey (HES); the 2009/10 Jersey Spending and Income Survey (HSIS).

This report examines the rate at which prices have changed by looking at the behaviour of the groups and sections in the various jurisdictions. Additionally, direct comparisons of prices are made where possible in order to give an indication of price levels². Throughout the report the figures show component series of the RPI whilst the tables show actual prices. The RPI data are informative of the rate of change in prices, but do not lead to any conclusions on relative price levels.

In considering the analysis it is important to remember that the data relate to average (mean) prices in each of the jurisdictions. Whilst averages are the correct way to present such an analysis, there will of course be differences in the prices of items in shops throughout each jurisdiction; some prices will be lower than the average and others higher. In addition, for the UK there will also be differences across regions and even within regions³.

Another source of difference that can affect price comparisons is quality, and the fact that higher quality goods or services generally cost more than lower quality ones. This fact is accounted for in the RPI by ensuring the index is representative of the range of products available for a specific item. However, in using the comparisons it is important to remember that a higher quality product is likely to be priced above average.

In the UK, an Expenditure and Food Survey (EFS) is carried out annually by the ONS to highlight changes in spending patterns so that items in the RPI can be adjusted accordingly. As noted above, the States of Jersey Statistics Unit runs a similar survey approximately every five years. A Jersey expenditure survey was completed in October 2005 and subsequently the 'basket' of goods and services used to compile the Jersey RPI was reviewed.⁴ The latest round of the survey is currently underway with results due in 2010. The Guernsey Policy and Research unit also runs an expenditure survey, the most recent being in 2005/6. A consequence of the different timing between jurisdictions is that newer brands, specifically lower cost alternatives to named brands, may be included in the UK analysis sooner. Such differences will not affect rates of change, but may, depending on take up, affect price level comparisons.

Many factors will influence the rate of change in the price of a product or service and its absolute level at any one point in time. For example a product could be rising in price at a faster rate in one jurisdiction than another but may be starting from a lower price base, so a greater rise in price does not necessarily mean it is more expensive. Equally, whilst data for nine years is shown throughout this report, June 2000 may represent a high or low point in the cost of a product or service and therefore the focus should be on more recent behaviour.

Despite all the points to note on interpreting the data given above, this type of exercise has real value. It highlights the product or services groups where price changes are causing the greatest upward pressure on inflation, and, where there are differences in

² Direct comparisons of prices are based on information published monthly by the Office for National Statistics (ONS) which shows the average price of around 60 non-brand items which are included in the UK RPI. Guernsey figures are supplied by the Guernsey Policy and Research Unit.

³ Relative Regional Consumer Price Levels in 2004: Fenwick and Wingfield.

⁴ For more information see the Statistics Unit report entitled Retail Prices Index: Review of the basket of goods and services 2007; available from www.gov.je/statistics.

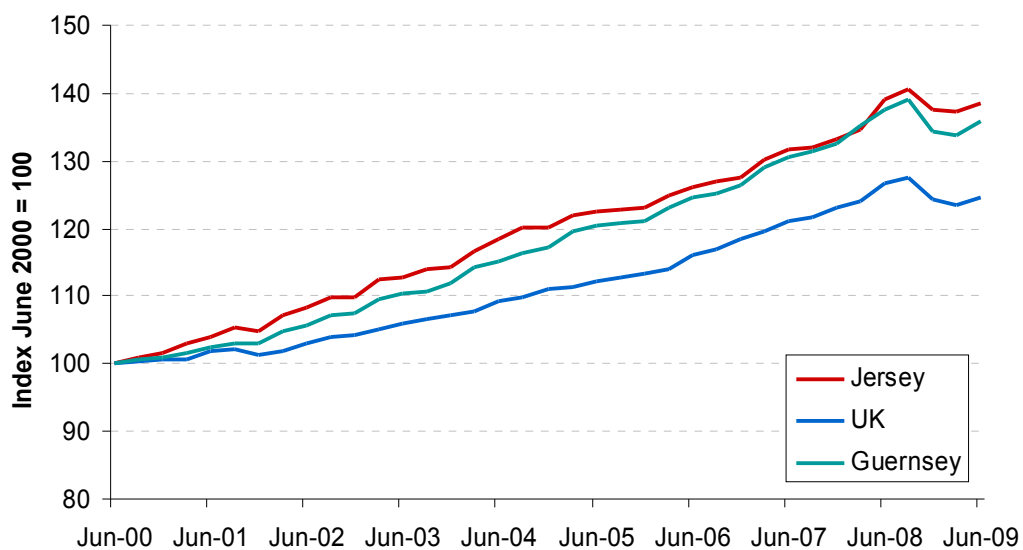
the rate of change of prices, these can be considered further and better understood. In addition, this exercise can show how actual prices differ between Jersey, Guernsey and the UK.

Overall RPI analysis

The rate of inflation as measured by the Retail Prices Index (RPI) has increased at a greater rate, overall, in the Channel Islands than in the UK since 2000. There have been two distinct periods: from 2000 to 2005 prices increased at a considerably faster rate in Jersey (23%) and Guernsey (21%) than in the UK (12%); whereas from 2005 to date the rate of increase has been similar for all three jurisdictions, 13% in both Jersey and Guernsey and 11% in the UK. Overall, as shown by Figure 1, the Jersey RPI increased by 39% between June 2000 and June 2009, whilst the Guernsey RPI rose by 36% and the UK RPI increased by about a quarter (25%) over the nine year period.

December 2008 saw the annual change of the RPI in each jurisdiction recording a lower rate of increase than generally seen in previous years. This was primarily due to lower house purchase costs, following a series of cuts in the Bank of England base rate.

Figure 1: Jersey, Guernsey and the UK RPI (all items) June 2000 to June 2009⁵



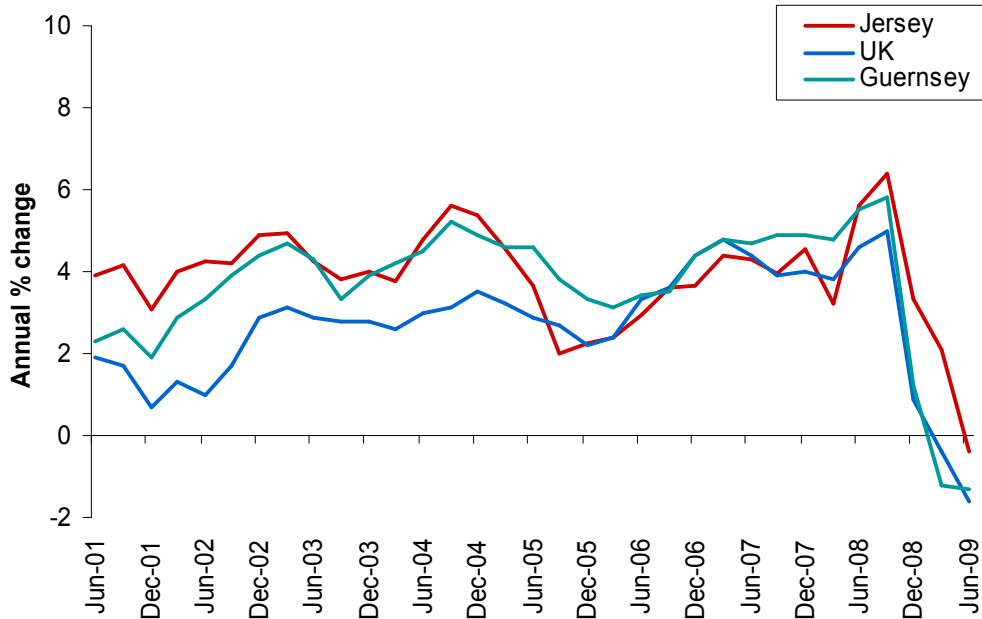
Driven by lower house purchase costs, between June 2008 and June 2009 the RPI fell by 0.4% in Jersey, by 1.6% in the UK and by 1.3% in Guernsey.

The underlying rate of inflation, measured by RPI(X) was 2.8% in Jersey in June 2009, 1.0% in the UK and 2.7% in Guernsey. A significant contributor to the lower annual increase in the UK was the cut in the VAT rate in December 2008.

The annual percentage changes in the headline and underlying rates of inflation for each jurisdiction, measured by RPI and RPI(X) respectively, are shown in Figures 1a and 1b.

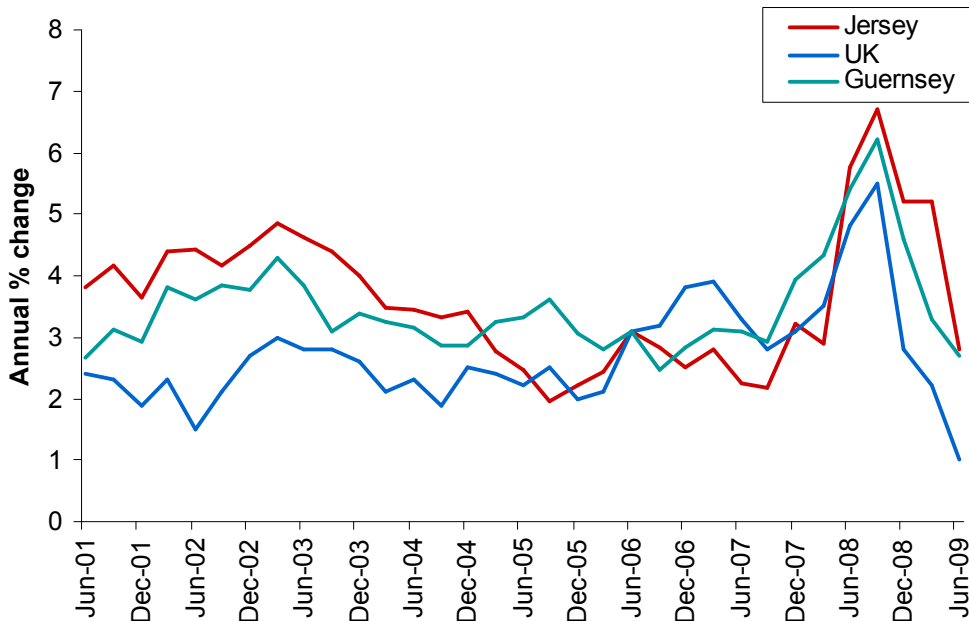
⁵ In Figures showing comparative movements of indices, UK and Guernsey indices have been re-based to June 2000 = 100 to match the most recent Jersey base period.

Figure 1a: Annual percentage change in RPI: Jersey, Guernsey and the UK 2001-2009



The fall of 0.4% in the RPI in Jersey between June 2008 and June 2009 represents the first annual decrease seen in Jersey’s RPI since the official series began in October 1948.

Figure 1b: Annual percentage change in RPI(X): Jersey, Guernsey and the UK 2001-2009



Effect of tax changes

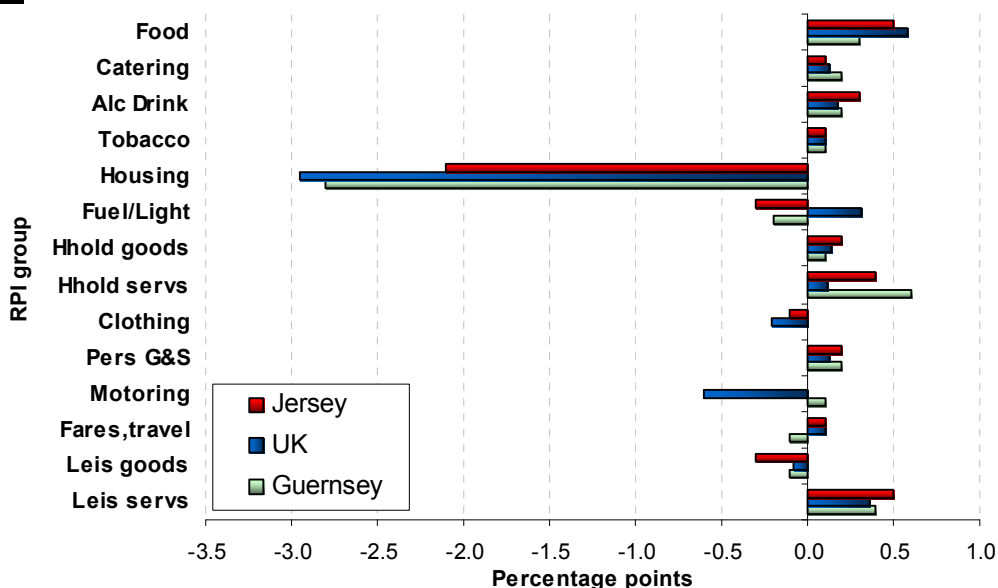
A major difference between the three jurisdictions is the type and amount of tax that is imposed on certain goods and services. Alcohol, petrol and tobacco are subject to impôts in Jersey and Guernsey and duty in the UK. Many items are also subject to VAT in the UK at the rate of 15%⁶, whilst a consumption tax was introduced in Jersey in May 2008 (the Goods and Services Tax, GST) at a rate of 3%. Although the majority of items are subject to GST in Jersey there are some exemptions, for example school fees, doctors, dentists and optician fees. Guernsey does not currently have a comparable tax in place.

The impact of the different tax structures on price changes and price levels is discussed throughout the report where relevant for impôts and duty. In the following group analysis however, it is also important to bear in mind that the effect of the reduction in the UK VAT rate will be included in both the annual and long term changes reported. Although the effect of the introduction of GST in Jersey dropped out of the annual changes in RPI and RPI(X) in June 2009, it is important to note that this tax will have introduced a step change in price level to both overall indices, as well as to each of the group indices. Consequently, from June 2008 onwards, GST contributes towards the long-term changes reported for the Jersey indices and this should also be kept in mind when looking at the subsequent analyses of each group.

Group analysis of growth in RPI

Considering the groups together shows whether different price pressures are evident in each jurisdiction. Figure 2 shows the contribution in *percentage points* that each group made to the most recent overall annual change in the RPI (this means the total of all the group changes equals the overall annual change).

Figure 2: Percentage point contribution to overall annual change in RPI June 2008 to June 2009



⁶ The VAT rate changed in December 2008, from 17½% to 15%.

This Figure shows that lower Housing costs was the key downward driver in each jurisdiction, contributing -2.1 percentage points to the annual change in the RPI in Jersey, -2.9 percentage points to the UK RPI and -2.8 percentage points to Guernsey's RPI. Lower mortgage interest payments, following the recent series of cuts in the Bank of England base rate, was the principal cause of the fall in prices seen in the housing group in all three jurisdictions, on an annual basis.

Since the annual rate of inflation is often different for each jurisdiction, it can make direct comparisons based solely on percentage point movements difficult. Therefore it is useful to look at the *percentage* contribution that each group is making to the total increase in RPI in each jurisdiction.

Such analysis could be susceptible to different weights being used in each of the RPIs; for example, if a group had a larger weight in Jersey than in the UK then the same price rise for that group would result in a larger impact on the Jersey RPI. However, broadly speaking, the weights are similar in all three indices, with differences easily understood.

For example, Personal goods and services has a weight of 6.5 out of 100 in Jersey compared to 3.9 in the UK and Household services has a weight of 9.0 in Jersey compared to 6.5 in the UK. Personal goods and services has a larger weight in the Jersey RPI because the proportion of average expenditure on health and personal care is higher in Jersey than the UK. Similarly, Household services, which includes school fees, has a larger weight in the Jersey RPI because the proportion of average expenditure on private education is higher in Jersey than in the UK.

Figures 2a, 2b and 2c show an overall view of how the annual percentage changes of the RPI groups have differed between the year to June 2008 and the year to June 2009 for each jurisdiction. For example, Food and Fuel & light costs increased at a higher rate in 2008 in all jurisdictions, reflecting global trends. Housing costs were also higher in 2008 compared to 2009 in all jurisdictions, with prices rising in the year to June 2008 but falling in the twelve months to June 2009, reflecting lower mortgage interest rates in 2009. In contrast, the cost of Leisure Services was higher in June 2009 than in June 2008 in Jersey, the UK and Guernsey.

Figure 2a: Jersey 2008 and 2009 RPI group percentage changes

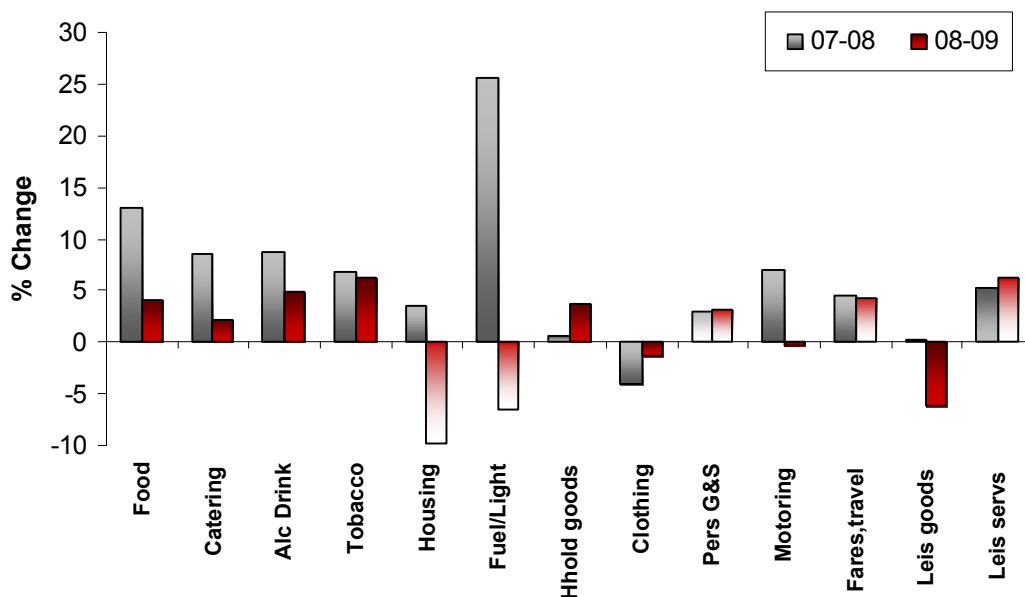


Figure 2b: UK 2008 and 2009 RPI group percentage changes

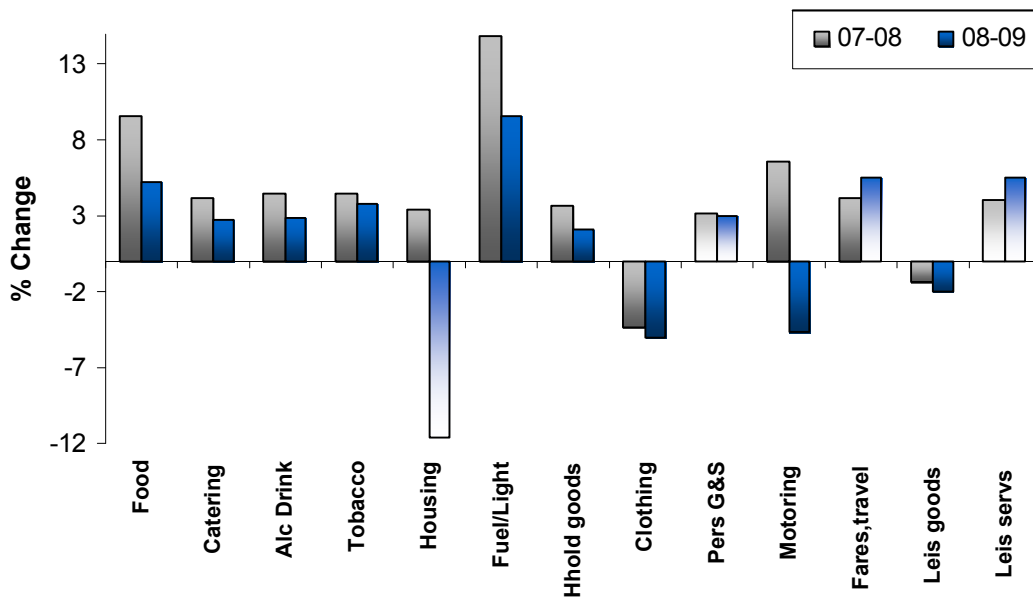
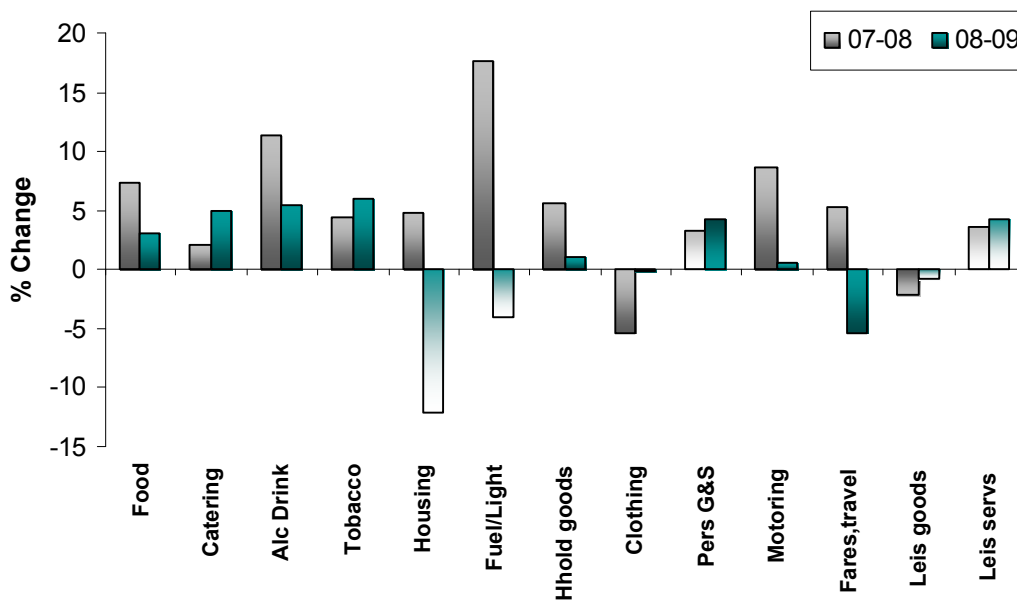


Figure 2c: Guernsey 2008 and 2009 RPI group percentage changes



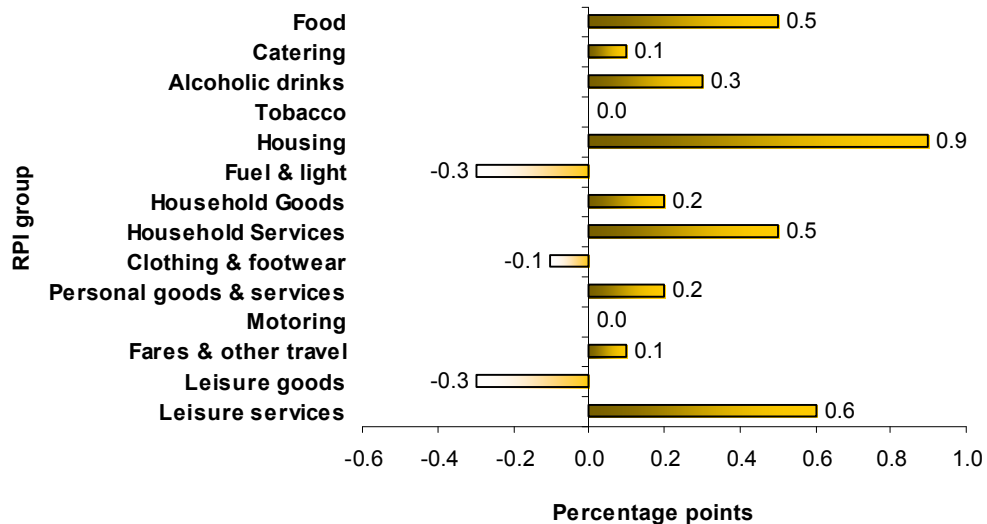
The introduction of GST in Jersey in May 2008 had an upward influence on the annual change in the RPI for the first time in June 2008, contributing 1.9 percentage points across the groups⁷. This upward contribution remained present in the annual rate of change of the RPI for the subsequent three quarters before dropping out of the annual change in June 2009.

It is important to keep in mind therefore, that the effect of the introduction of GST was present in June, September and December in 2008, as well as in March 2009, but not in June 2009 when looking at recent trends. Given the fact that the effect of GST was

⁷ The introduction of GST introduced a similar upward contribution of 2.1 percentage points to the annual change of RPI(X).

present in June 2008 but not in June 2009 it is useful to look at RPI(Y). The RPI(Y) is a measure of underlying inflation which removes the effect of mortgage interest payments as well as the effect of indirect taxes.

Figure 2d: *Percentage point* contribution to overall annual change in RPI(Y) June 2008 to June 2009



In the twelve months to June 2009 the Jersey RPI(Y) increased by 2.9%, compared with 1.9% in the UK. Figure 2d shows the percentage point contribution to the overall annual change in RPI(Y) from June 2008 to June 2009.

Excluding the cost of house purchase means that the Housing group contributed positively to the RPI(Y), increasing by 7% on an annual basis. Excluding the effect of indirect taxes, Food saw an annual increase of 4%, contributing 0.5 percentage points to the overall change in RPI(Y).

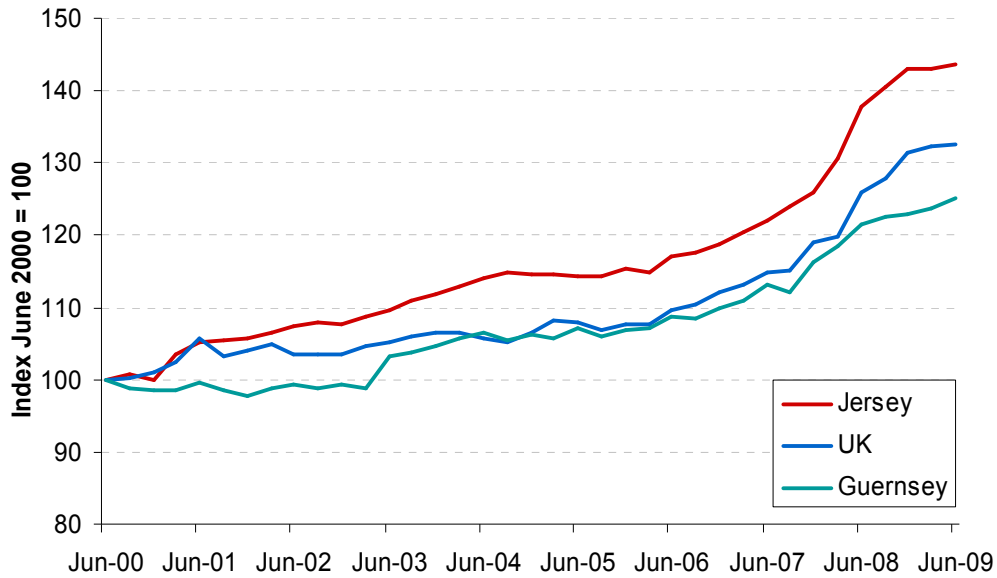
The annual change in RPI(Y) for Jersey in June 2008 was 3.9% compared to 4.9% in the UK. The reduction in the rate of VAT in the UK (in December 2008) was a key downward contributor to both the RPI and RPI(X) in the UK.

The remainder of this report examines the fourteen groups of the RPI separately, comparing Jersey, Guernsey and the UK in each case⁸.

⁸ Data are available to enable comparisons to be made at a section level for Jersey and the UK but not for Guernsey.

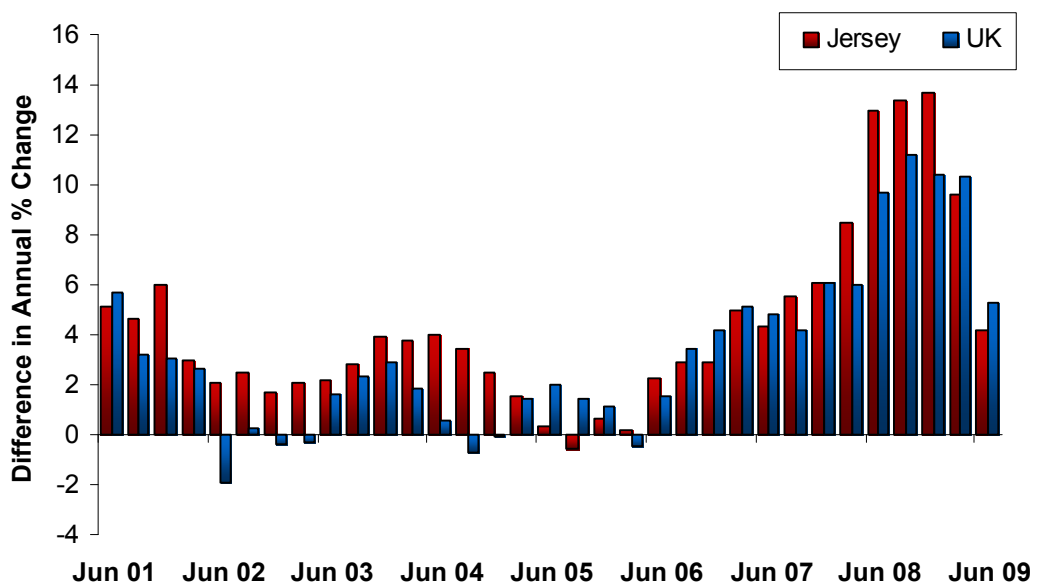
Group 1: Food (weight in Jersey RPI: 10.4 out of 100)

Figure 3: Food group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



Over the past year, Food prices have, on average, been rising at a similar rate in Jersey (4%), the UK (5%) and Guernsey (3%), as shown in Figure 3. This increase of 4% in Jersey represents the lowest rate of increase seen in the Island for two and a half years, with the effect of the introduction of GST dropping out of the change in Food prices on an annual basis being a key factor.

Figure 3a: Jersey and UK Food group annual percentage changes per quarter June 2001 to June 2009



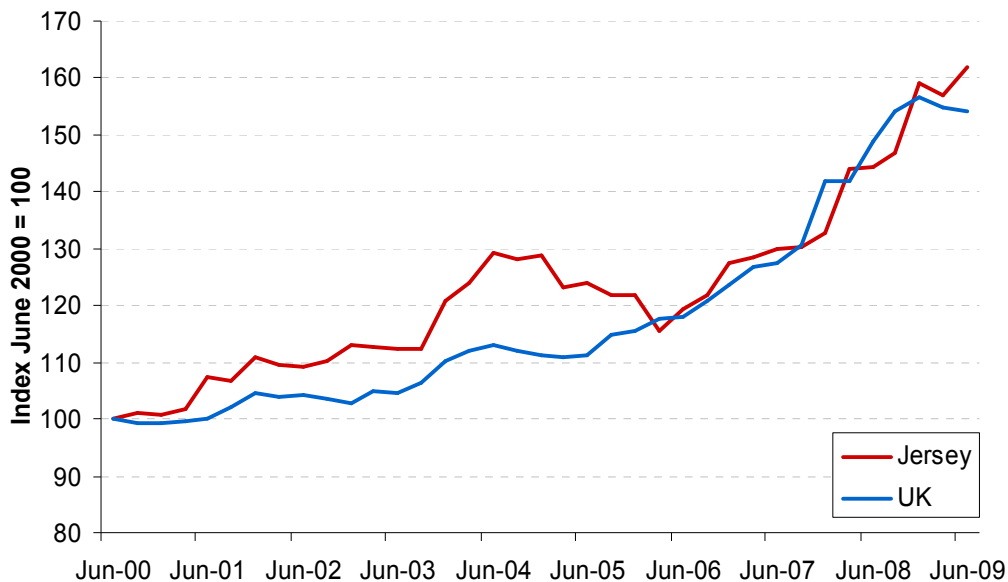
Longer-term analysis shows that Food prices increased by 44% in Jersey, by 32% in the UK and by 25% in Guernsey between June 2000 and June 2009. This long-term behaviour is apparent in Figure 3 and re-iterated in Figure 3a, which shows the annual percentage change of the Food group for Jersey and the UK for each quarter, since June 2001.

Food prices in Jersey were increasing at a faster rate than in Guernsey and the UK from June 2000 to 2004, with increases of 14%, 7% and 6%, in Jersey, Guernsey and the UK, respectively. Since early 2005, the rates of increase in all three jurisdictions have been similar, with the Food group increasing by 26% in Jersey, by 23% in the UK and by 17% in Guernsey since June 2005.

There are of course many items in the overall Food index, and Jersey and UK sub-indices for 8 of the 29 major sections of Food are presented in Figures 3b to 3i below. When viewing these graphs it is important to understand that special offers and seasonality can impact upon the prices of some foods. However, these Figures show that for most of the sections within the Food group, prices in Jersey have generally been rising at a faster rate than in the UK over the nine-year period.

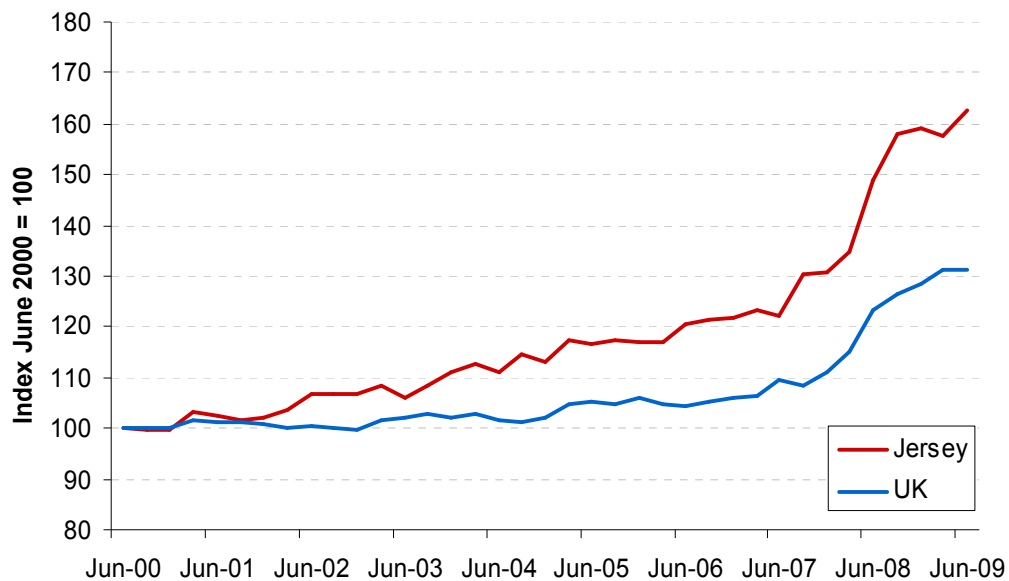
During the year to June 2009 the average price of bread rose by 12% in Jersey and by 4% in the UK. Over the longer-term, prices increased by 62% and 54% respectively, between 2000 and 2009.

Figure 3b: Bread section of RPI



Over the last nine years, prices of cereals (Figure 3c) and biscuits and cakes have risen about twice as fast in Jersey compared with the UK. During the 12 months to June 2009 cereal prices rose by 9% in Jersey and by 6% in the UK. The price of biscuits and cakes increased at similar rates in each jurisdiction over the same period, by 5% and 4%, respectively.

Figure 3c: Cereals section of RPI

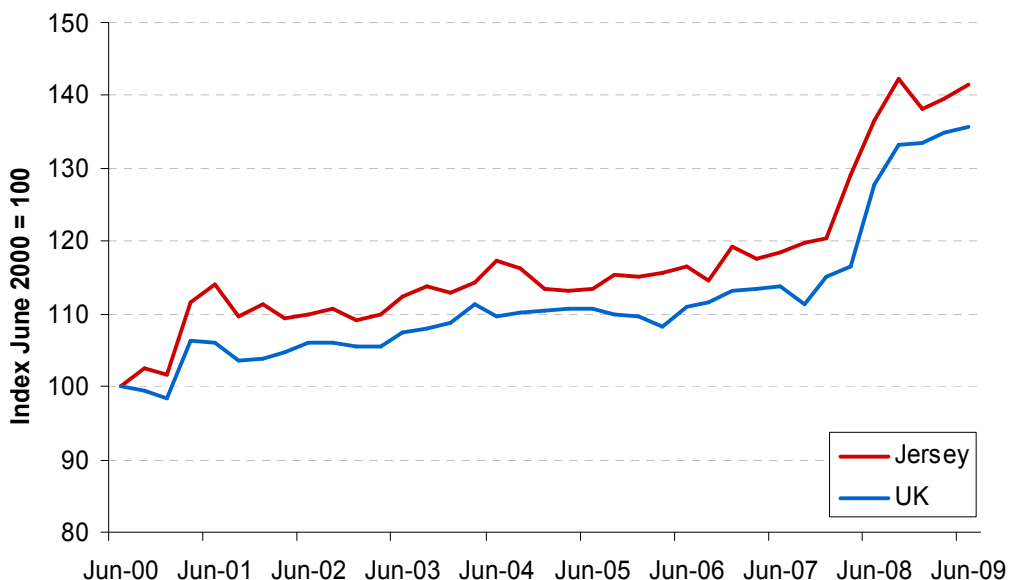


Jersey saw a slightly lower rate of increase in meat prices (Figure 3d) over the past year, up by 4% on average compared to an increase of 6% in the UK. Within the meat sections, Jersey has seen greater rates of increase than that in the UK from 2000 to 2009 for both beef and pork, with the average price of pork rising by 73% in Jersey compared with a rise of 52% in the UK and the average price of beef rising by 48% in Jersey compared to 34% in the UK over the nine year period.

The average cost of lamb saw similar rates of increase between 2000 and 2009 in Jersey and the UK, with the average price rising by 47% in Jersey and 49% in the UK.

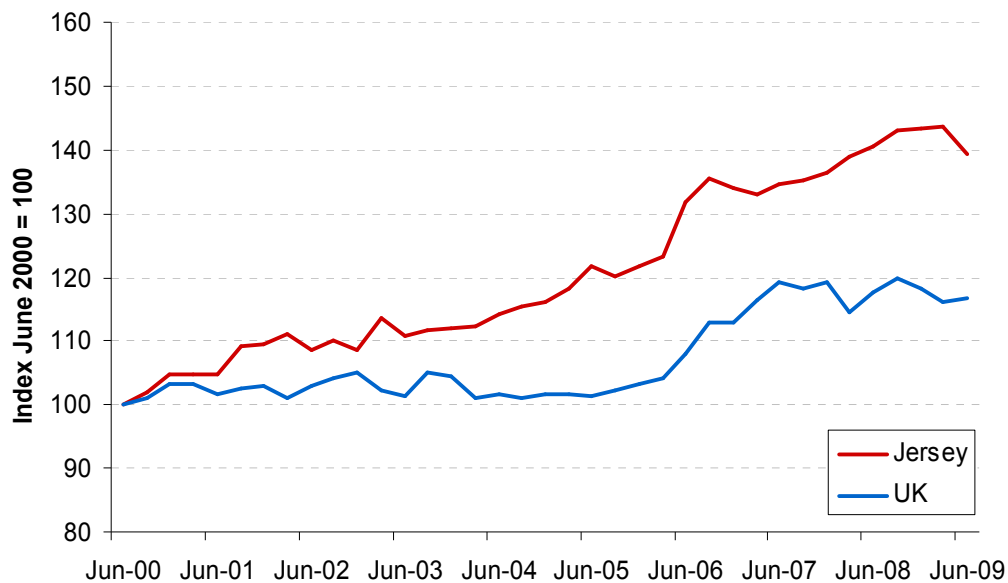
Average bacon prices rose by 21% in Jersey, compared to 38% in the UK over the nine year period, whereas the average cost of poultry increase by 15% in Jersey compared to 18% in the UK.

Figure 3d: Meat section of RPI



Overall average meat prices increased in the year to June 2009, by 4% in Jersey and by 6% in the UK.

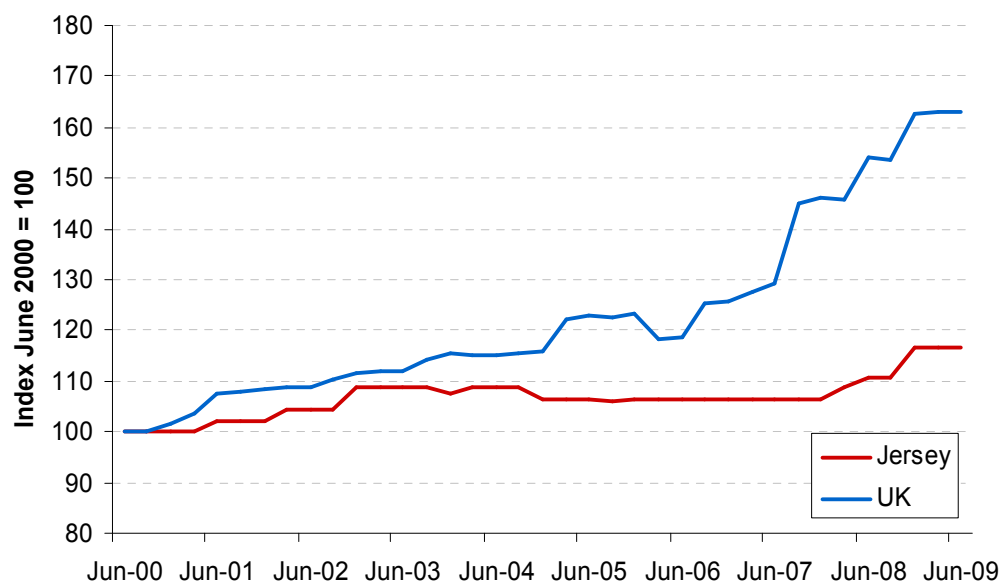
Figure 3e: Fresh fish section of RPI



Fresh fish prices rose by 39% in Jersey compared to 17% in the UK between June 2000 and June 2009 (Figure 3e). In the 12 months to 2009 prices have fallen slightly in both jurisdictions, by 1%.

Within the dairy products, milk prices (Figure 3f) rose by 5% over the year to June 2009 in Jersey, similar to the rise seen in the UK over the same period (6%). Prices have risen by 63% since 2000 in the UK compared to 16% in Jersey. The average price of milk, however, remains substantially higher in Jersey.

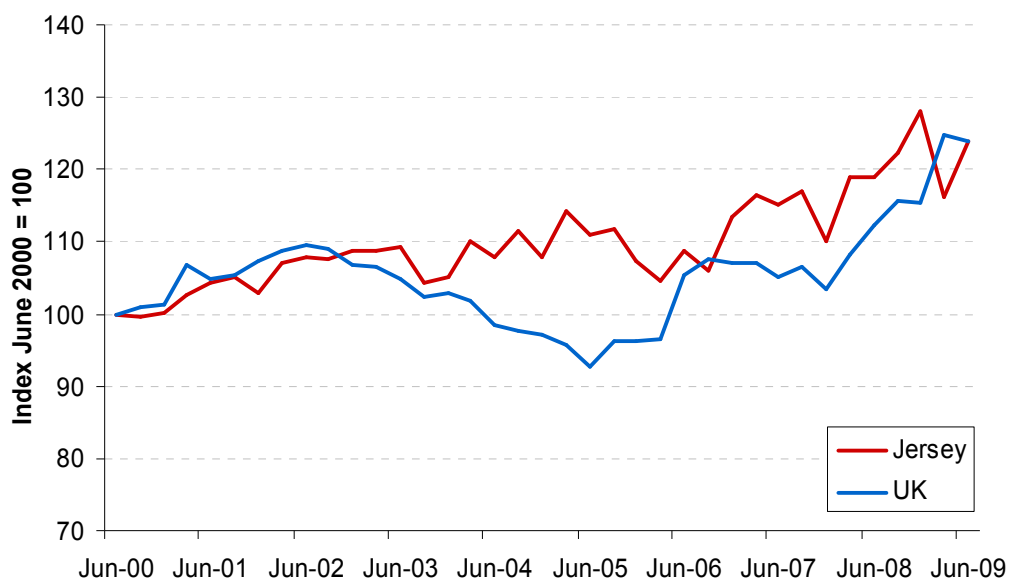
Figure 3f: Fresh milk section of RPI



Other milk products (yoghurt, cream etc) have seen slight price increases in both Jersey and the UK lately (1% and 2% respectively) whereas over the last nine years prices of other milk products in Jersey have risen about 57% compared to 22% in the UK.

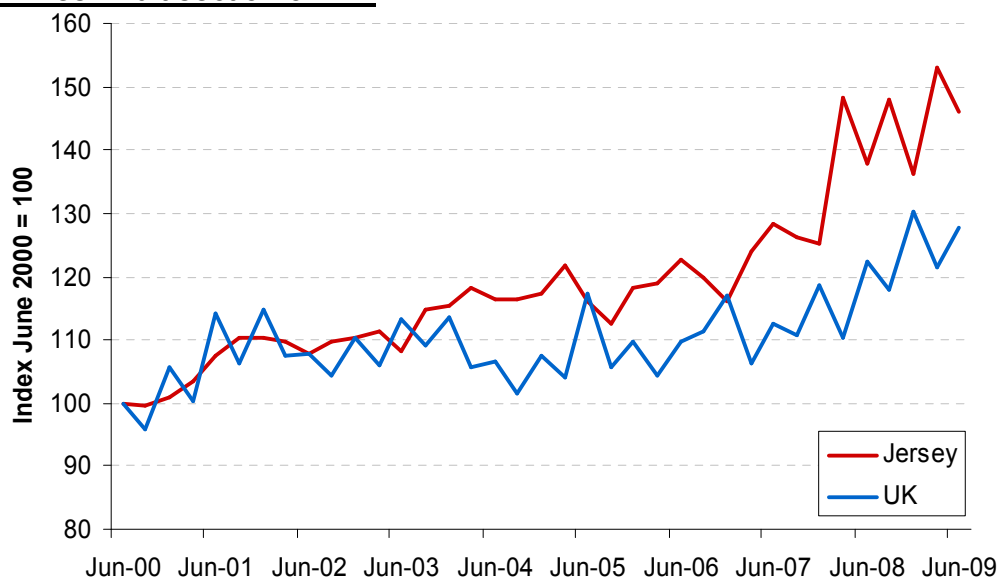
The price of oils and fats has risen by 49% in Jersey since 2000, compared with 25% in the UK. In the twelve months to June 2009 prices in Jersey rose by 8% whereas they fell by 5% in the UK. Long-term changes in the average price of butter have been similar in both jurisdictions, increasing by 43% in Jersey over the last nine years and by 37% in the UK over the same period. Prices between June 2008 and June 2009 rose by 2% in Jersey and by 1% in the UK.

Figure 3g: Tea section of RPI



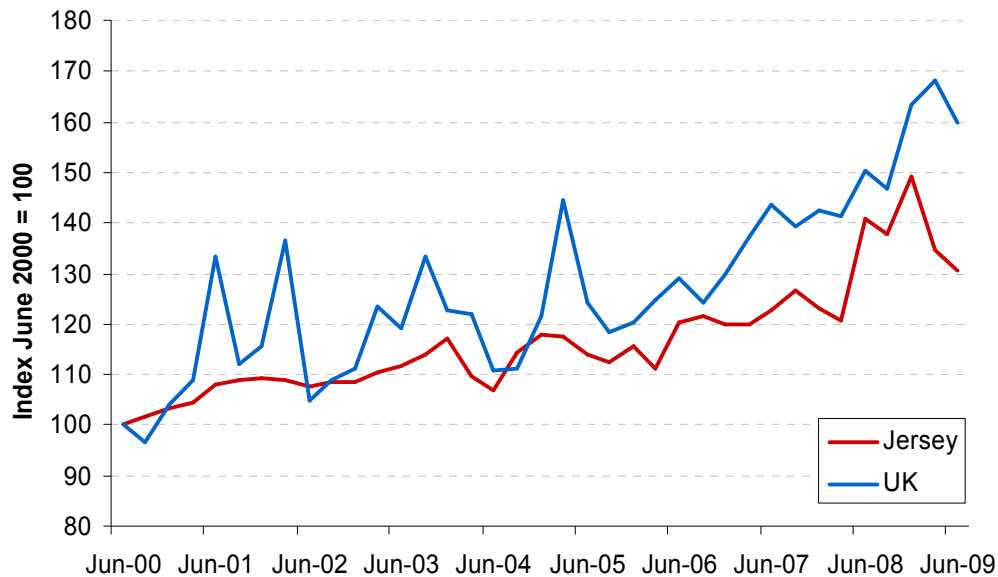
The price of tea has increased more in the UK (10%) than in Jersey (4%) over the last year however, over the last nine years, tea prices have risen by about a quarter (24%) in both jurisdictions (Figure 3g). The price of coffee has seen similar long term behaviour with prices in Jersey increasing by 16% between 2000 and 2009 compared by a rise of 20% in the UK.

Figure 3h: Fresh fruit section of RPI



Since June 2000 fresh fruit prices (Figure 3h) have risen by 46% in Jersey compared to 28% in the UK. Over the past year, fresh fruit prices have increased by 6% in Jersey and by 4% in the UK.

Figure 3i: Fresh vegetables section of RPI



In contrast, on average, fresh vegetable prices (Figure 3i) have increased more in the UK over the longer term (60% since 2000 compared to 31% in Jersey). Vegetable prices rose by 6% in the year to June 2009 in the UK but fell by 7% in Jersey over the same period. Average fresh (non-processed) potato prices have increased by 50% in Jersey since 2000, compared to a rise of 75% in the UK. In the latest year, average prices rose by about 7% in the UK compared to a decrease of 8% locally.

Where data are available, it is also informative to look at a direct comparison of average prices. These are presented for Jersey, Guernsey and the UK for various foods in Tables 1 to 9 below. A longer run of data is shown in Annex A (Jersey and the UK) and Annex B (Jersey and Guernsey).

Meat and fish

Whilst there have been some fluctuations in prices, on average meat prices (for items for which prices are available) were about 15% higher in Jersey than in the. The only meat product (for which price quotes are available) cheaper in Jersey is fresh loin of lamb, which was 2% below the average price in the UK. The average price of bacon was the same in both jurisdictions.

Table 1: Average prices of matched meat & fish items in Jersey and the UK: June 2009⁹

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
Beef: fresh per kg			
Best beef mince	635	600	6
Topside	991	908	9
Rump Steak	1433	1166	23
Lamb: fresh per kg			
Loin (with bone)	1265	1285	-2
Shoulder (with bone)	789	556	42
Pork: fresh per kg			
Loin (with bone)	652	596	9
Chicken: roasting, oven-ready, per kg			
Fresh or chilled	301	291	4
Other Meat			
Gammon, per kg	727	704	3
Bacon, back, per kg	890	890	0
Ham (not shoulder) 100 - 125g	219	148	48
Pork sausages, per kg	508	405	25
Weighted average – all Meat			15
Fresh fish: per kg			
White fillets	1321	1060	25
Salmon fillets	1178	1128	4
Weighted average – Fish			17

The overall price difference of meat (15% more expensive in Jersey, for those items priced) was similar to the average seen over the preceding five-year period (16%).

Fresh fish was on average 17% more expensive in Jersey with white fish being 25% more expensive in Jersey and salmon being 4% more expensive locally.

Table 2 shows that, generally, average meat prices are lower in Jersey than in Guernsey, with the exception of rump steak, bacon and gammon which are cheaper in Guernsey. However, the average price of fresh fish is more expensive locally, with white fish fillets being 19% higher in Jersey and salmon being 21% higher.

⁹ Percentage differences between jurisdictions, shown in tables and annexes, are calculated from un-rounded numbers and are then rounded to the nearest integer. Note that where the percentage difference (shown in the tables and annexes) is a positive value, the Jersey average price is greater than the other jurisdiction being compared.

Table 2: Average prices of matched meat & fish items in Jersey and Guernsey: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
Beef: fresh per kg			
Best beef mince	635	664	-4
Topside	991	1007	-2
Rump Steak	1433	1266	13
Lamb: fresh per kg			
Loin (with bone)	1265	1453	-13
Chicken: roasting, oven-ready, per kg			
Fresh or chilled	301	368	-18
Other Meat			
Gammon, per kg	727	681	7
Bacon, back, per kg	890	811	10
Pork sausages, per kg	508	643	-21
Fresh fish: per kg			
White fillets	1321	1115	19
Salmon fillets	1178	975	21

Fruit and vegetables

Table 3: Average prices of matched vegetable items in Jersey and the UK: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
Fresh vegetables			
Potatoes: old whites, loose, per kg	83	71	17
Potatoes: new, loose, per kg	150	173	-13
Tomatoes, per kg	182	180	1
Cauliflower, each	116	89	31
Carrots, per kg	123	92	34
Onions, per kg	104	87	20
Mushrooms, per kg	411	301	37
Cucumber, each	88	75	18
Lettuce: iceberg, each	81	88	-8
Weighted average – Fresh vegetables			14

Overall, for the items priced, fresh vegetables were 14% more expensive in Jersey than in the UK, a difference which is below the average seen over the preceding five years (25%).

Both new potatoes and lettuces were found to be cheaper in Jersey than in the UK in June 2009, by 13% and 8%, respectively.

The majority of priced items saw a smaller price gap between June 2008 and 2009 with only onions having a larger difference in 2009 (20%) compared to 2008 (14%).

Overall, average fruit prices were a quarter (25%) more expensive in Jersey than in the UK, with no items (for which price quotes are available) cheaper to purchase locally. The overall price difference was similar to the average over the preceding five years (26%).

Table 4: Average prices of matched fruit items in Jersey and the UK: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
Fresh fruit			
Apples: cooking, per kg	166	156	7
Apples: dessert, per kg	162	160	1
Pears: dessert, per kg	224	219	2
Oranges: all sizes, each	39	28	39
Bananas, per kg	156	101	55
Grapes, per kg	531	425	25
Avocado, each	81	76	6
Weighted average – Fresh fruit			25

Using the small amount of matched item quotes available, Table 5 shows that the average price of fresh vegetables is similar in both Jersey and Guernsey, with prices overall being just 3% lower in Jersey in June 2009. Fresh fruit was about 9% higher in Jersey, with pears being the only item (for which price quotes are available) cheaper to purchase locally (Table 6).

Table 5: Average prices of matched vegetable items in Jersey and Guernsey: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
Fresh vegetables			
Potatoes: old whites, loose, per kg	83	104	-20
Potatoes: new, loose, per kg	150	162	-8
Tomatoes, per kg	182	163	11
Cauliflower, each	116	113	3
Carrots, per kg	123	116	6
Onions, per kg	104	103	2
Mushrooms, per kg	411	411	0
Cucumber, each	88	n/a	n/a
Lettuce: iceberg, each	81	98	-17
Weighted average – Fresh vegetables			-3

Table 6: Average prices of matched fruit items in Jersey and Guernsey: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
Fresh fruit			
Apples: cooking, per kg	166	n/a	n/a
Apples: dessert, per Kg	162	137	18
Pears: dessert, per kg	224	293	-23
Oranges: all sizes, each	39	38	4
Bananas, per kg	156	139	13
Grapes, per kg	531	505	5
Avocado, each	81	n/a	n/a
Weighted average – Fresh fruit			9

Dairy produce

Most dairy products continue to be significantly more expensive in Jersey than in the UK. A pint of milk is on average 15 pence more (33%), with butter around 14% more and medium sized eggs about 10% more costly in Jersey.

Table 7: Average prices of matched dairy items in Jersey and the UK: June 2009

Item	Mean price (in pence)		% difference
	Jersey	UK	
Dairy produce			
Butter, home produced, per 250g	117	104	12
Butter, imported, per 250g	147	126	16
Cheddar cheese, per kg	781	755	3
Eggs, size 4, per dozen	308	279	10
Milk, pasteurised, per pint	59	44	33

The average price of imported butter was the only priced dairy item that was cheaper to buy in Jersey than in Guernsey in June 2009.

Table 8: Average prices of matched dairy items in Jersey and Guernsey: June 2009

Item	Mean price (in pence)		% difference
	Jersey	Guernsey	
Dairy produce			
Butter, home produced, per 250g	117	98	19
Butter, imported, per 250g	147	156	-6
Cheddar cheese, per kg	781	682	15
Eggs, size 4, per dozen	308	261	18
Milk, pasteurised, per pint	59	56	5

Bread, other foods and soft drinks

In general, the other foods for which comparable prices are available are more expensive to purchase in Jersey than in the UK.

Table 9: Average prices of matched other food items in Jersey and the UK: June 2009

Item	Mean price (in pence)		% difference
	Jersey	UK	
Other foods & soft drinks			
Bread: white loaf, sliced, 800g	139	124	12
Bread: wholemeal loaf, sliced, 800g	169	126	34
Flour, self-raising, per 1.5kg	131	100	31
Sugar, granulated, per kg	95	95	0
Tea bags, per 250g	215	176	22
Coffee, pure, instant, per 100g	259	225	15

Table 10: Average prices of matched other food items in Jersey and Guernsey: June 2009

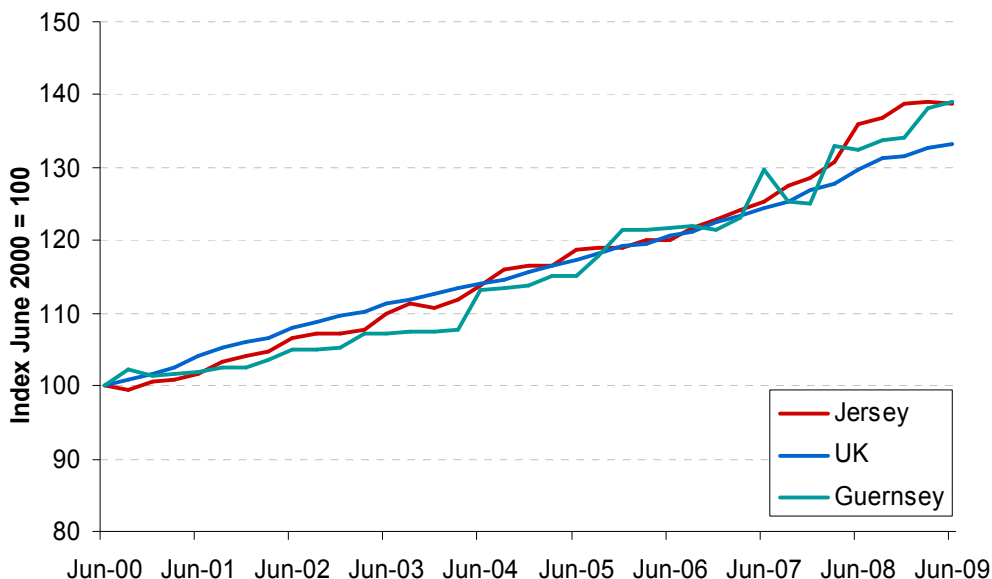
Item	Mean price (in pence)		% difference
	Jersey	Guernsey	
Other foods & soft drinks			
Bread: white loaf, sliced, 800g	139	144	-3
Bread: wholemeal loaf, sliced, 800g	169	157	8
Flour, self-raising, per 1.5kg	131	123	7
Sugar, granulated, per kg	95	85	11
Tea bags, per 250g	215	204	6
Coffee, pure, instant, per 100g	259	275	-6

As Table 10 shows, average prices for the other food items for which comparable prices are available are similar, overall, in both Jersey and Guernsey.

Group 2: Catering (weight in Jersey RPI: 4.3 out of 100)

Despite differences in the rate of increase of food items, overall the rate of price change for catering has been similar in all three jurisdictions (Figure 4). In the nine years to June 2009 catering prices have risen by 39% in both Jersey and Guernsey and by 33% in the UK. In the most recent 12 month period the price increases were lowest in Jersey at 2% compared to 3% in the UK and 5% in Guernsey.

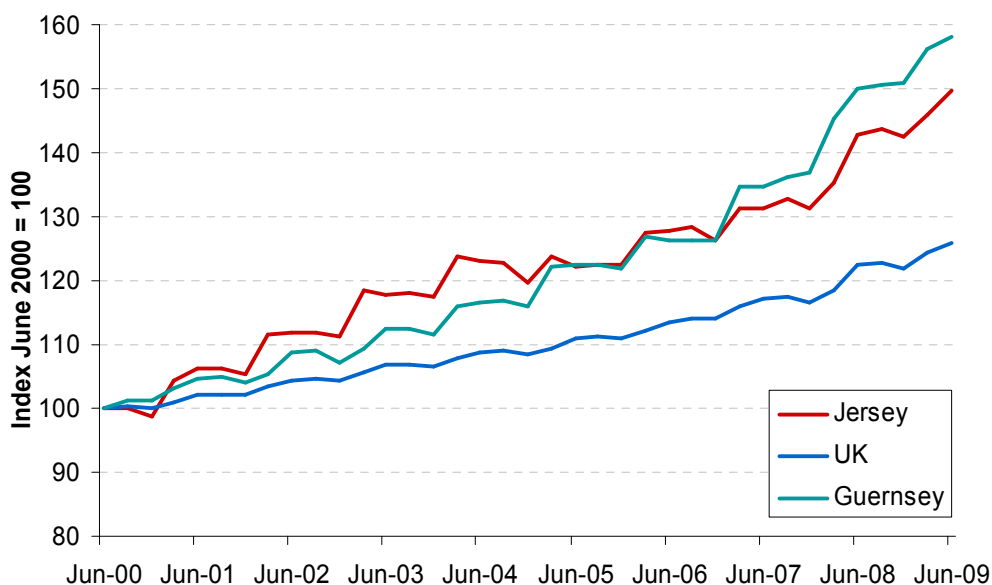
Figure 4: Catering group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



Group 3: Alcoholic drinks (weight in Jersey RPI: 5.8 out of 100)

Over the last 12 months, the rate of price change for Alcoholic drinks increased in each jurisdiction, by 5% in both Jersey and Guernsey and by 3% in the UK. Over the last nine years, overall the average price of alcoholic drinks has increased faster in Guernsey (58%) and Jersey (50%) than in the UK (26%).

Figure 5: Alcoholic drinks group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



The level of imposed taxes (impôts and excise rates) on alcoholic drinks in each jurisdiction has a large impact on this group of the RPI. For example, the impact of increases in impôts is clearly visible in the alcoholic drink component of the Jersey RPI in Figure 5; the stepped change each March reflects the effect of the impôt increases which come into effect in the January of each year¹⁰.

Table 11: Impôts and Excise duties on alcohol in pence

Item	Jersey			UK			Guernsey		
	2000	2008	2009	2000	2008	2009	2000	2008	2009
Draught beer (4% ABV) / pint	12	27	28	27	34	37	18	32	34
Draught lager (5% ABV) / pint	16	40	42	34	42	47	18	32	34
Whisky / litre	609	888	937	782	854	906	183	319	336
Whisky / 25 ml	15	22	23	20	21	23	5	8	8

1. In the UK VAT is applied to these items, currently at 15%.
2. In Jersey GST is applied to these items, currently at 3%.
3. ABV (alcohol by volume) is the alcoholic strength.

Excise duties have been increasing in the UK since 2000 at a lower overall rate than impôts in Jersey and Guernsey. For example, from 2000 to 2009 impôts on beer have increased by 16p/pint in Jersey and Guernsey whilst UK duties increased by 10p/pint over the same period.

As Table 11 shows however, taxes on alcohol increased more in the UK than in Jersey and Guernsey between 2008 and 2009. Taxes on beer increased by 3p/pint in the UK, by 2p/pint in Guernsey and by 1p/pint in Jersey between 2008 and 2009. Over the same period, lager duties increased by 5p/pint in the UK compared with 2p/pint in both Jersey and Guernsey. Taxes on whisky increased by 52p/litre in the UK, by 49p/litre in Jersey and by 17p/litre in Guernsey.

Table 12: Average prices of matched alcoholic drinks in Jersey and the UK: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
Alcoholic drinks			
Draught bitter, per pint	265	249	6
Draught lager, per pint	294	281	5
Whisky, per 25ml nip	244	205	19

Actual prices of alcoholic drinks in Jersey were above those in the UK (Table 12). Furthermore, as Table 13 shows, average prices before the addition of duties and taxes were significantly higher in Jersey than the UK.

¹⁰ Impôts on alcohol were not changed in January 2005 and as such the impôt component of the cost of alcohol was the same in March 2005 as March 2004. As a result, there was no step change and in the absence of price movements for other reasons the index would have seen no change.

Table 13: Average *pre-tax* prices of matched alcoholic drinks in Jersey and the UK: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
Alcoholic drinks			
Draught bitter, per pint	229	180	27
Draught lager, per pint	250	197	27
Whisky, per 25ml nip	214	155	38

Actual prices of lager and whisky were similar, on average, in both Jersey and Guernsey, with the average price of beer being 11% cheaper locally. The pre-tax price of bitter was 14% lower in Jersey and the pre-tax price of whisky was 5% lower locally, whereas the pre-tax price of lager was similar in both jurisdictions.

Table 14: Average prices of matched alcoholic drinks in Jersey and Guernsey: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
Alcoholic drinks			
Draught bitter, per pint	265	299	-11
Draught lager, per pint	294	281	5
Whisky, per 25ml nip	244	234	4

Table 15: Average *pre-tax* prices of matched alcoholic drinks in Jersey and Guernsey: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
Alcoholic drinks			
Draught bitter, per pint	229	265	-14
Draught lager, per pint	250	248	1
Whisky, per 25ml nip	214	226	-5

Group 4: Tobacco (weight in Jersey RPI: 1.6 out of 100)

The impact of increases in duties is also clearly visible in Figure 6 which shows the tobacco element of the Jersey, Guernsey and UK RPIs. In the nine years from June 2000, tobacco prices in Jersey have increased by 96%, compared with an increase of 78% in Guernsey and 44% in the UK. In the past 12 months, both Jersey and Guernsey prices increased by 6% compared to a rise in the UK of 4%.

Figure 6: Tobacco group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009

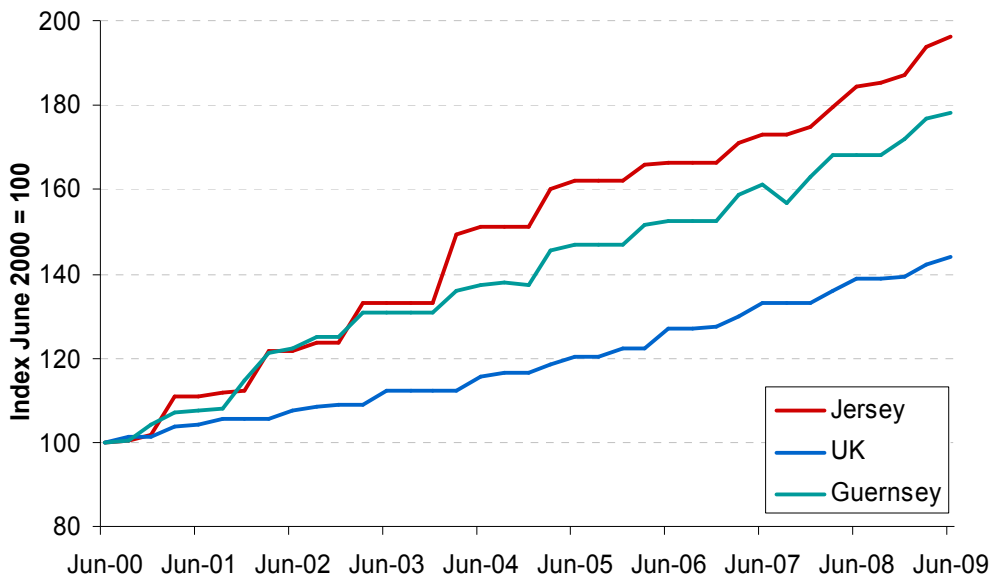


Table 16: Impôts and Excise duties on tobacco products in pence

Item	Jersey			UK			Guernsey		
	2000	2008	2009	2000	2008	2009	2000	2008	2009
20 Cigarettes	140	297	315	268	342	349	153	240	260

Note: VAT is currently applied at 15% in the UK whereas GST is applied at 3% in Jersey.

Impôts on cigarettes have more than doubled in Jersey between 2000 and 2009, increasing by £1.75 per packet, whilst over the same period duty in Guernsey increased by £1.07. In the UK, excise duties have increased by 81 pence per packet over the past nine years (Table 16). Overall, in June 2009, impôts (and GST in Jersey) account for around 61% of the total price in Jersey and for 55% in Guernsey, whilst duty and VAT make up about 77% of the total UK price.

The price differential between Jersey and the UK on a pack of 20 cigarettes has narrowed from £1.15 in June 2000 to just 1 pence in June 2009 (Table 17) and as Table 18 shows, in June 2009, the pre-tax price of cigarettes in Jersey was 71% more expensive than that in the UK, £2.13 in Jersey compared with £1.25 in the UK.

Table 17: Average prices of matched tobacco products in Jersey and the UK: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
20 king size filter	544	545	0

Table 18: Average *pre-tax* prices of matched tobacco products in Jersey and the UK: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
20 king size filter	213	125	71

The average price of cigarettes in Jersey is about a sixth higher (15%) than in Guernsey (Table 19). However, the pre-tax prices are similar in both jurisdictions, at £2.13 per packet in Jersey and £2.12 per packet in Guernsey (Table 20).

Table 19: Average prices of matched tobacco products in Jersey and Guernsey: June 2009

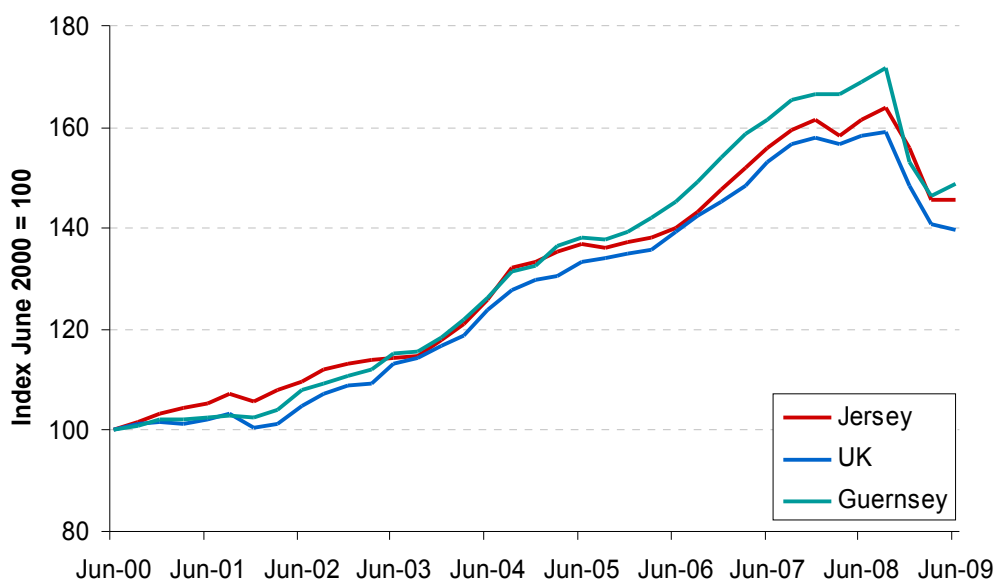
Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
20 king size filter	544	472	15

Table 20: Average *pre-tax* prices of matched tobacco products in Jersey and Guernsey: June 2009

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
20 king size filter	213	212	1

Group 5: Housing (weight in Jersey RPI: 21.6 out of 100)

Figure 7: Housing group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



The Housing group has the largest group weight in the Jersey RPI, accounting for more than a fifth of the overall index. The group itself consists not only of house purchase costs (the interest paid on mortgages) but also rents, Parish rates, water rates, repairs and maintenance and DIY materials.

Overall the rate of price increase in the Housing group (Figure 7) has been very similar in Jersey, Guernsey and the UK over the past nine years (increases of 46%, 49% and 40%, respectively). This reflects the fact that home purchase costs (the largest element in the group) has increased by a similar amount, overall, in all of the jurisdictions.

In the year to June 2009, Jersey saw a decrease of 10% in the overall Housing group whilst both Guernsey and the UK saw a fall of 12%. Lower mortgage interest payments, following the recent series of cuts in the Bank of England base rate, was the principal cause of the fall seen by the housing group in all three jurisdictions, on an annual basis, as shown in Figure 7a.

Figure 7a: House purchase section of RPI

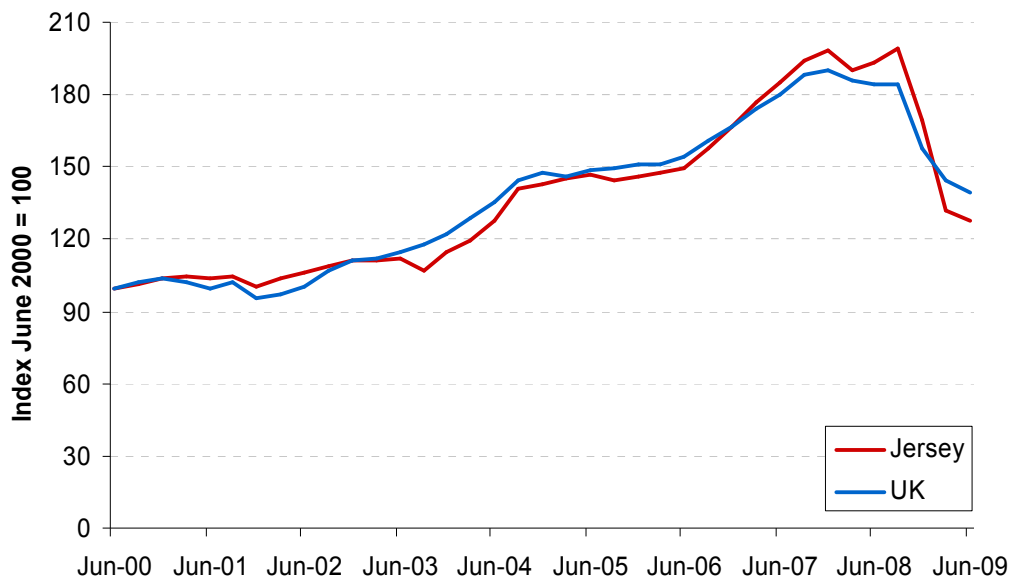
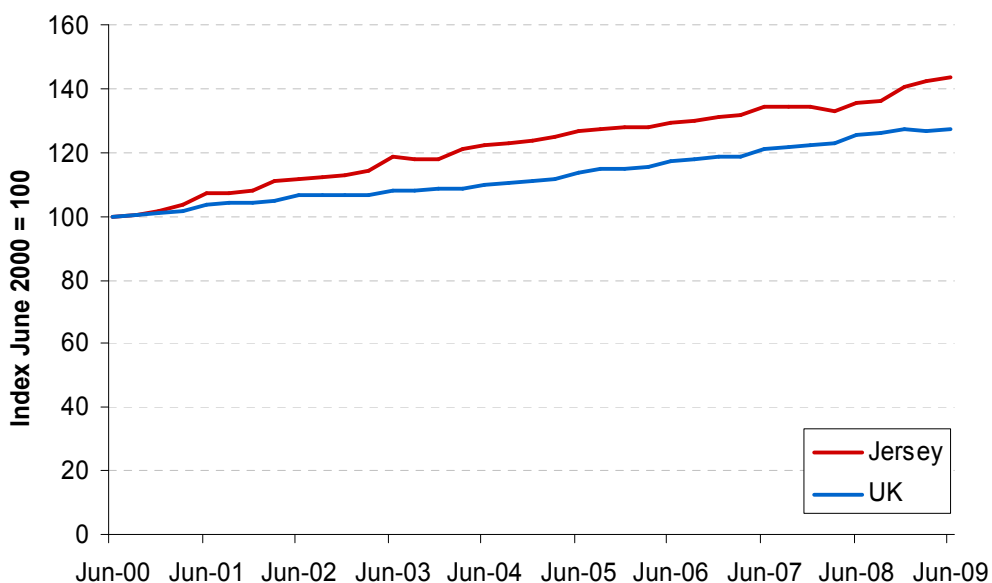


Figure 7b: Rent section of RPI

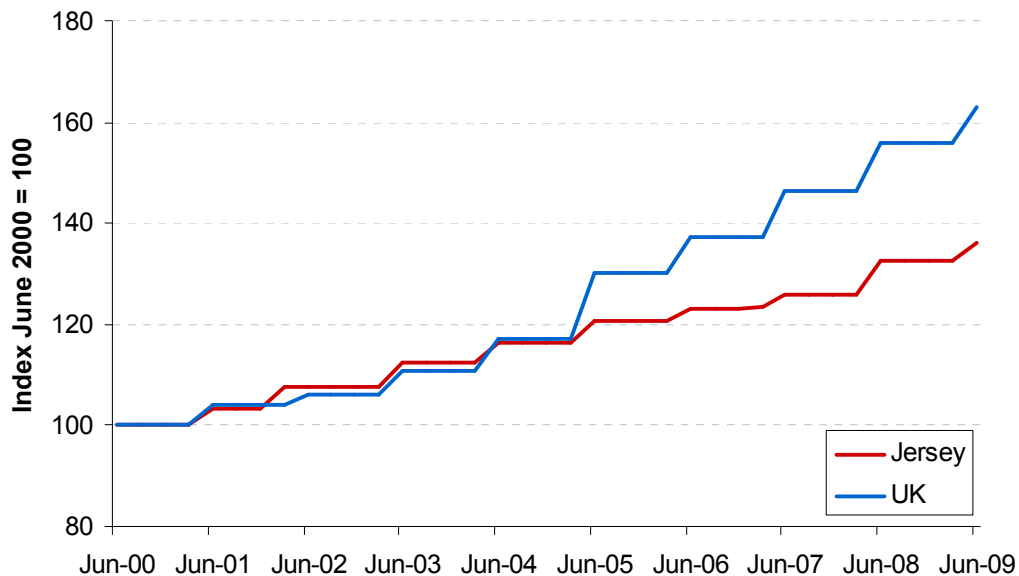


Rental costs (Figure 7b) have risen more than 1½ times faster in Jersey than in the UK over the past nine years, (44% compared to 27% in the UK). This behaviour reflects the higher overall rate of increase in the Jersey RPI compared to the UK over the same period (39% compared to 25%) since that index is often used to increase rental costs each year. More recently, over the last 12 months, the increase in rental costs has been higher in Jersey, rising by 6% compared to a 1% increase in the UK.

Between June 2008 and June 2009 Jersey Parish rates increased by 3% on average, as did UK council taxes. Overall, rates have risen faster in the UK than in Jersey since June 2000 (64% and 31% respectively). Rates increases typically occur in September in Jersey and March in the UK; such timing differences emphasise the importance of using annual rather than quarterly comparisons when looking at prices.

Water rates have risen by a similar amount in Jersey (3%) and in the UK (5%) over the last 12 months. Since June 2000, Jersey water rates have increased by more than a third (36%) compared to nearly two-thirds (63%) in the UK over the same period.

Figure 7c: Water rates section of RPI



Another element of the housing group is DIY materials. Prices have risen by 26% in Jersey since June 2000 whilst the UK saw an increase of 21%. Over the year to June 2009 prices rose by 6% locally and by 8% in the UK.

Repairs and maintenances costs have increased by similar amounts in Jersey (55%) and in the UK (61%) over the past nine years with both jurisdictions experiencing a rise of 2% between June 2008 and June 2009.

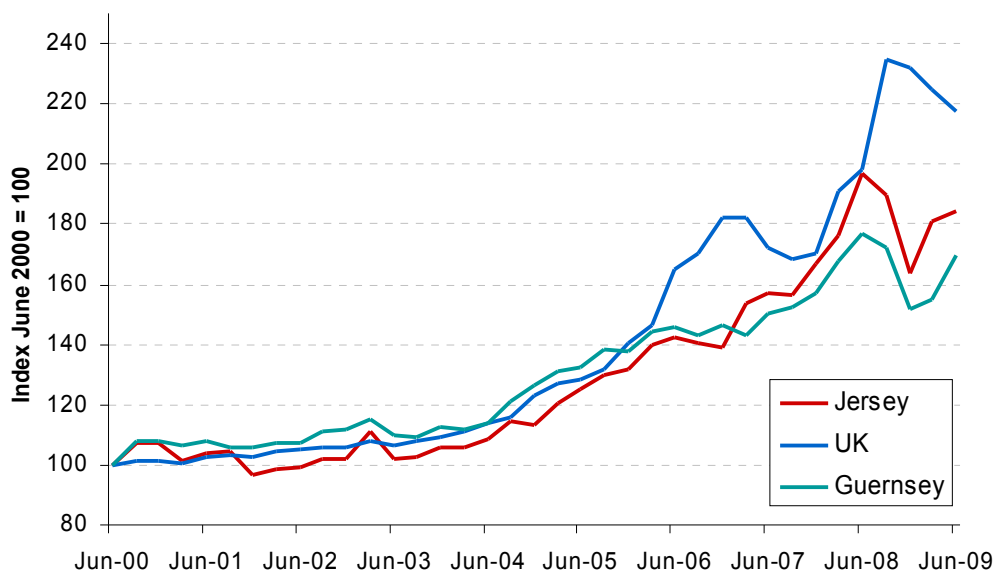
Group 6: Fuel and light (weight in Jersey RPI: 3.0 out of 100)

The Fuel and light group covers fuels used at home i.e. coal, oil, gas and electricity. Motor fuels are included within the Motoring group (see page 33). Over the nine years to June 2009, domestic energy prices rose by 84% in Jersey, by 70% in Guernsey and by 117% in the UK (i.e. prices more than doubled in the UK).

In the last 12 months overall energy prices increased in the UK by 10% whereas they fell in both Jersey and Guernsey by 6% and 4%, respectively. This difference in price movements reflects the different proportions of fuels used in the Channel Islands compared to the UK.

In the Jersey RPI, heating oil accounts for about a third of the Fuel and light group and gas about a twentieth; whereas in the UK gas accounts for about half of the group and oil about a twentieth. Electricity accounts for about three-fifths of the group in Jersey and about half in the UK. These proportions mean that the Jersey RPI is more susceptible to short term changes in the price of oil, which tends to be quite volatile. Fuel proportions in Guernsey are similar to those for Jersey.

Figure 8: Fuel and light group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



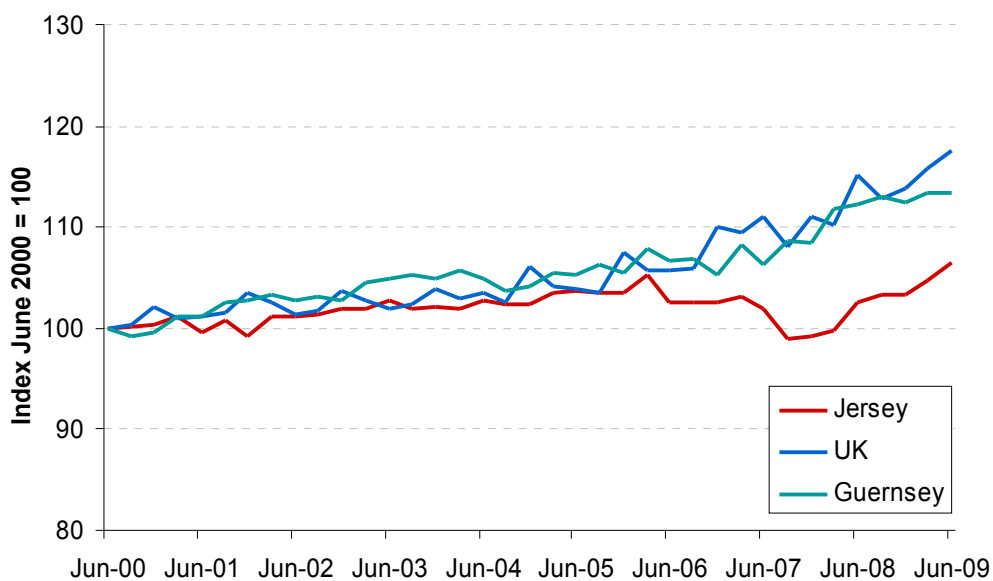
In the twelve months to 2009, the Fuel and light group contributed -0.3 percentage points to the change in the Jersey RPI but recorded a positive contribution in the UK (of 0.3 percentage points), primarily due to the different use of fuels for domestic purposes in the two jurisdictions. Gas prices in the UK were up 24% on an annual basis compared with a decrease of 45% for heating oil in Jersey. Electricity prices rose on an annual basis in both jurisdictions, up by 25% in Jersey and by 7% in the UK.

Group 7: Household goods (weight in Jersey RPI: 5.9 out of 100)

The Household goods group is quite a wide-ranging group covering furniture, soft furnishings (duvets, carpets etc), electrical appliances, kitchen equipment, everyday household items (e.g. washing-up liquid, pens, etc) and pet food. Prices in this group rose by 6% in Jersey over the past nine years, with prices in the UK and Guernsey rising by 18% and 13% respectively, over the same period.

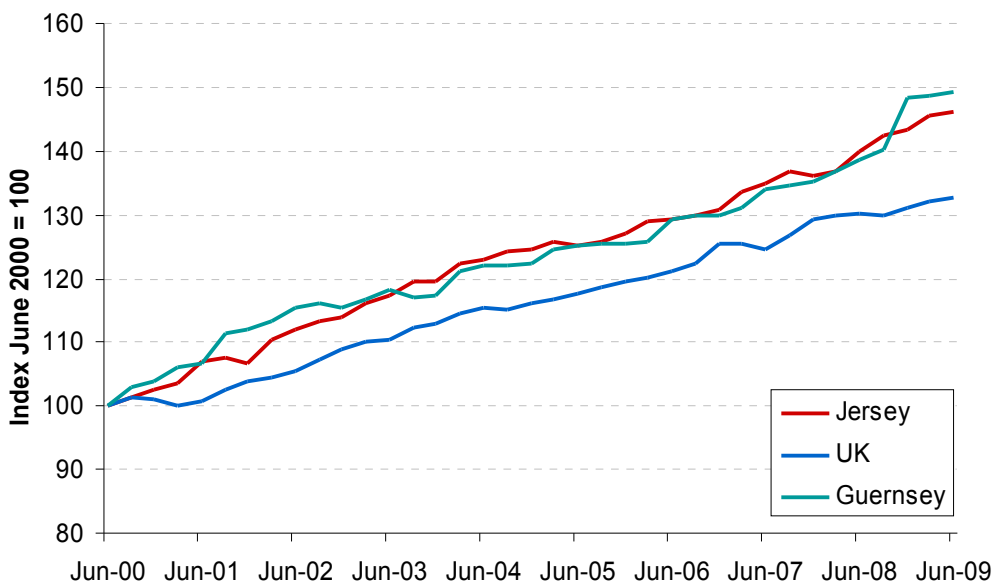
From June 2008 to June 2009 however, Jersey saw a larger increase (4%) than the UK (up 2%) and Guernsey (up 1%).

Figure 9: Household goods group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



Group 8: Household services (weight in Jersey RPI 9.0 out of 100)

Figure 10: Household services group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



The Household services group includes postage, telephone charges, domestic services (such as dry-cleaning and child-minding) and fees and subscriptions.

In the year to June 2009, Jersey saw an increase of 5% whereas the UK saw an increase of 2% and Guernsey an increase of 8%. Overall prices in this group have increased more in Guernsey and Jersey than the UK over the last nine years (49%, 46% and 33%, respectively).

Since June 2000 postal costs have increased at the same rate in both Jersey and the UK, at 58%. From June 2008 to June 2009 postal costs rose by 7% in Jersey and increased by 10% in the UK. This narrowing of the price gap between the two jurisdictions can be seen in Figure 10a.

Figure 10a: Postal charges section of the RPI

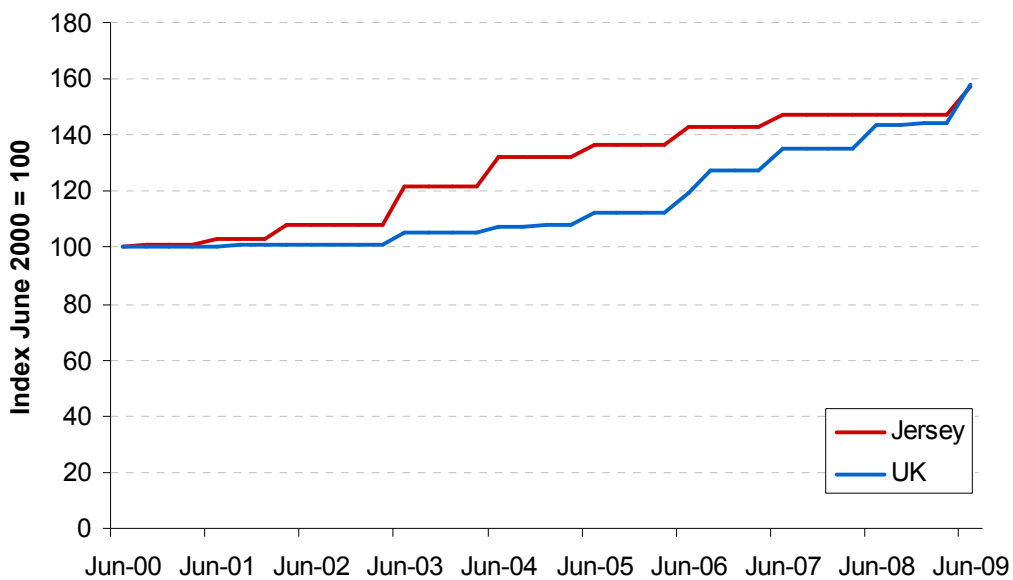
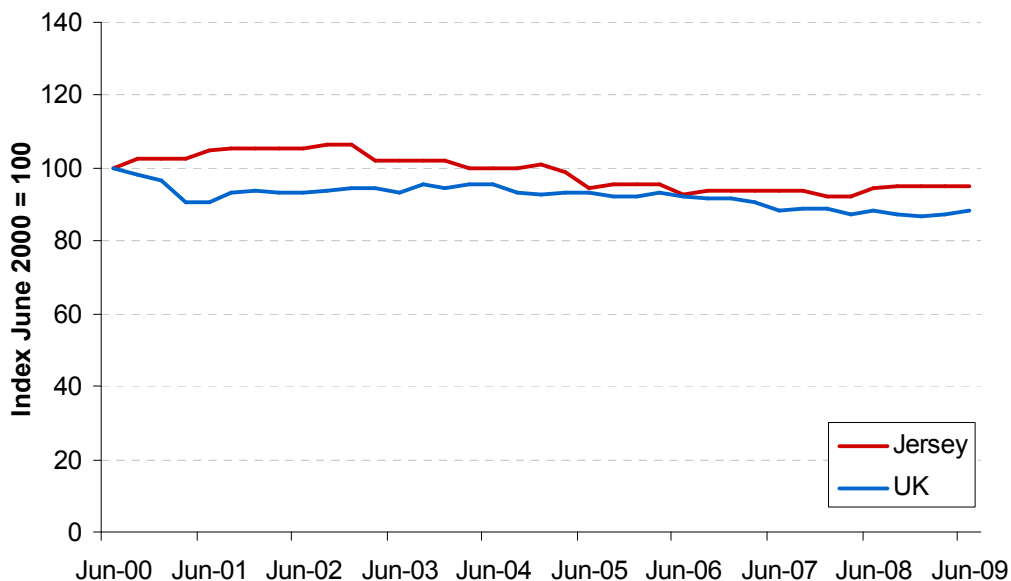


Figure 10b: Telephone charges section of the RPI

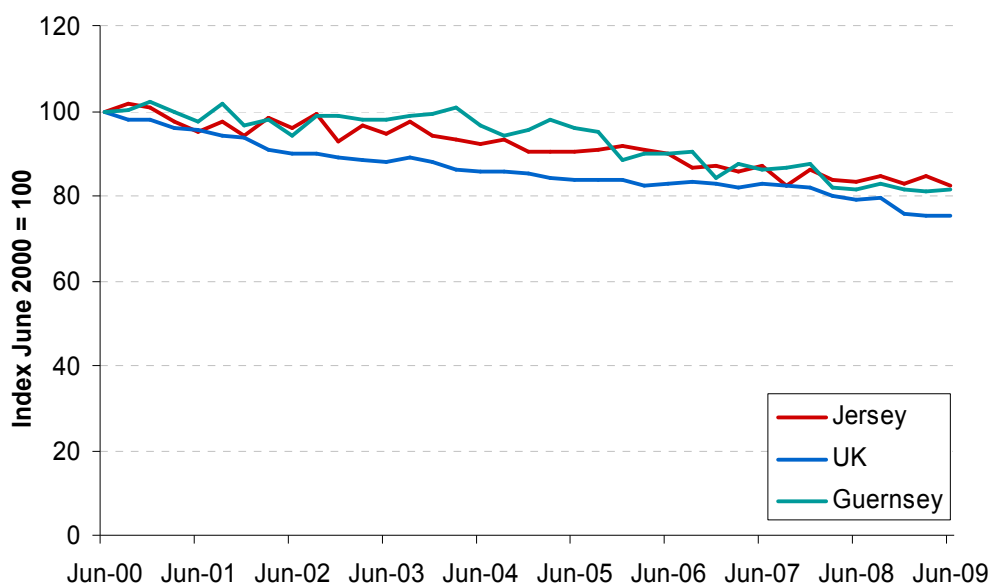


Both jurisdictions have seen decreases in telephone charges over the nine-year period (a 5% decrease in Jersey and a 12% decrease in the UK), see Figure 10b. Most recently Jersey has seen a slight increase of 1% whereas prices have remained stable in the UK.

Domestic services (which include childcare, home-help etc) have seen similar price increases of about a half (51% in Jersey and 56% in the UK) over the last nine years. More recently both jurisdictions have seen a rise of 3% in the twelve months to June 2009.

Group 9: Clothing and footwear (weight in Jersey RPI: 4.5 out of 100)

Figure 11: Clothing and footwear group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



The average price of clothes and shoes has been on a downward trend in all three jurisdictions over the past nine years, with prices decreasing by 18% in Jersey, by 19% in Guernsey and by 25% in the UK.

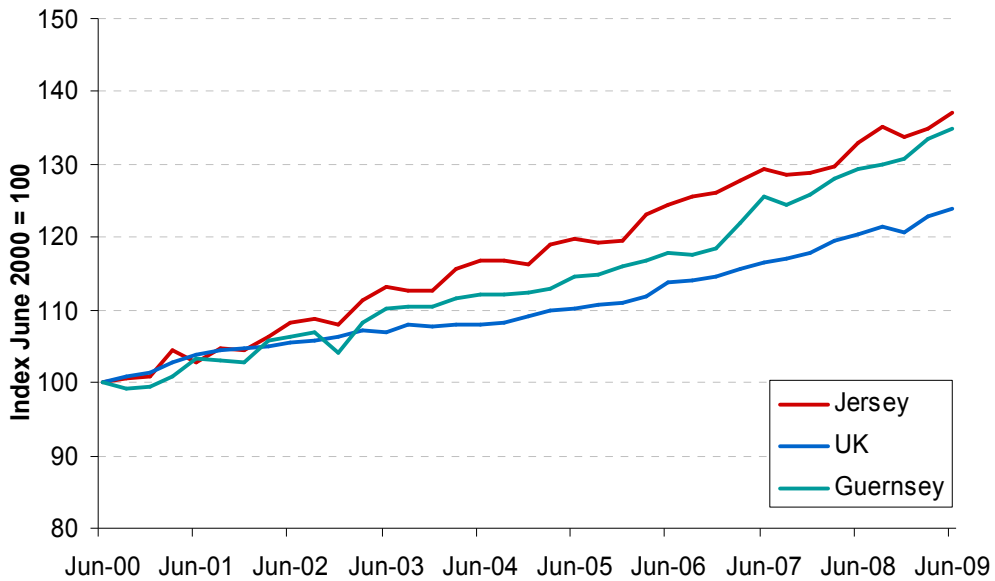
In the most recent 12-month period, average prices fell in Jersey and the UK, by 1% and 5%, respectively whilst prices in Guernsey remained stable.

Group 10: Personal goods & services (weight in Jersey RPI: 6.5 out of 100)

The Personal goods and services group comprises goods such as chemist goods (ranging from painkillers to shampoo and nappies), bags, jewellery and watches, and services (such as hairdressing, medical consultations and eye tests).

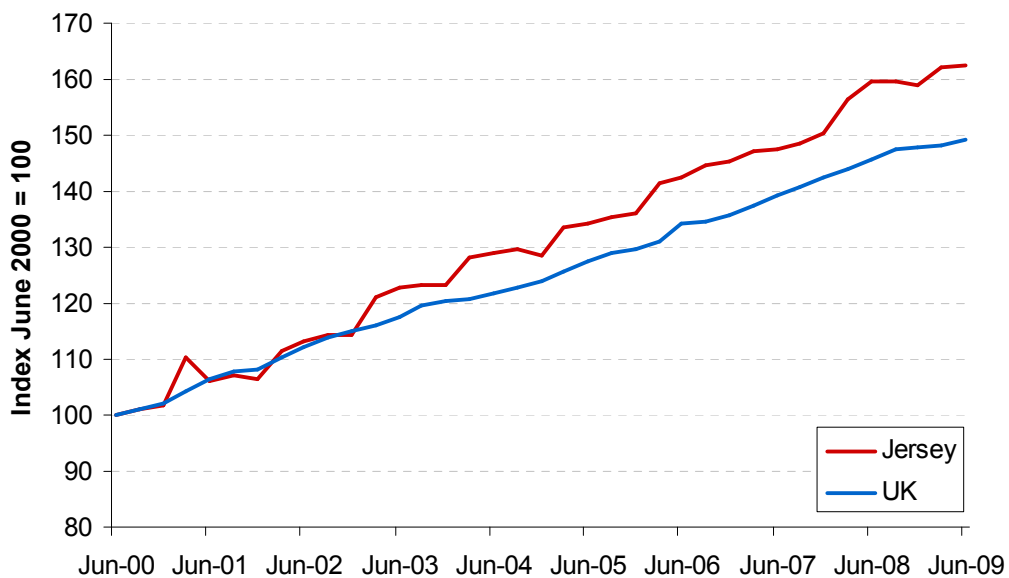
Overall, prices for these items in Jersey have risen by 37% over the past nine years compared to a 35% rise in Guernsey and an increase of about a quarter (24%) in the UK. In the 12 months to June 2009 both Jersey and the UK saw prices rise by 3% compared to a rise of 4% in Guernsey (Figure 12).

Figure 12: Personal goods & services group of the RPI in Jersey, Guernsey and UK June 2000 to June 2009



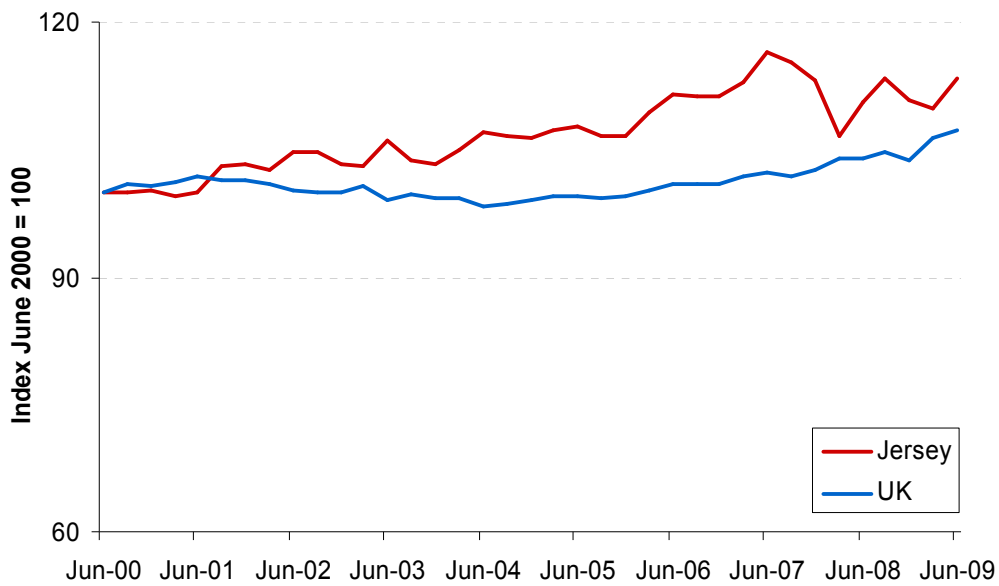
Personal services (Figure 12a) have experienced price increases of 63% in Jersey and of 49% in the UK between 2000 and 2009. In the twelve months to 2009 costs rose by 2% in both jurisdictions.

Figure 12a: Personal services section of the RPI



The UK has seen an increase of 7% in chemist goods over the nine years from June 2000 whereas Jersey prices have increased by 13% over the same period. Within the last year, the average price for chemist goods increased by 2% in Jersey and by 3% in the UK (Figure 12b).

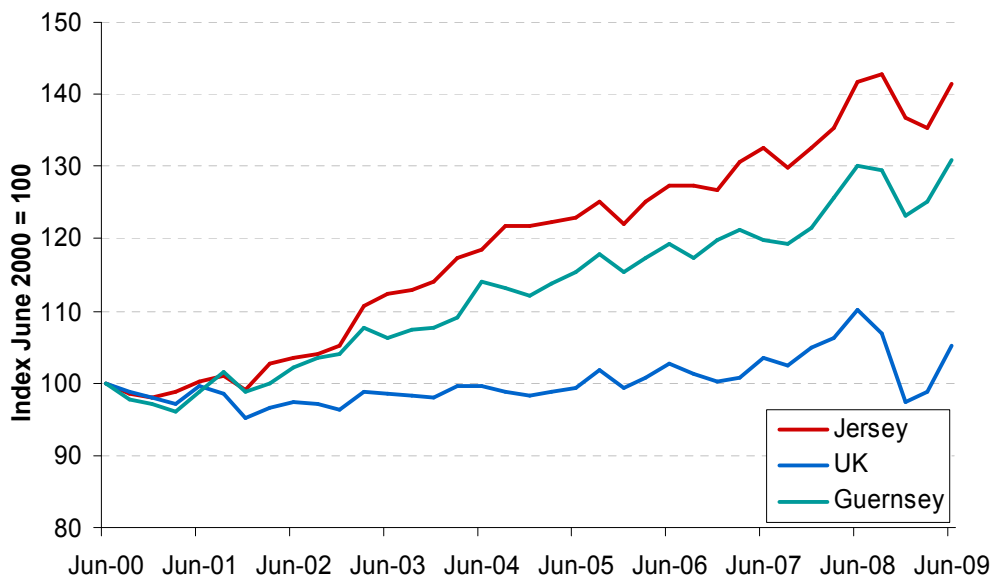
Figure 12b: Chemist goods section of the RPI



Group 11: Motoring expenditure (weight in Jersey RPI: 11.1 out of 100)¹¹

The Motoring expenditure group (Figure 13) has the second largest weight in the Jersey RPI after Housing and therefore can have a major influence on the RPI. As such the fact that Motoring costs have increased by 41% in Jersey and by 31% in Guernsey but by only 5% in the UK between 2000 and 2009 will be an important factor in the difference in growth between the respective aggregate RPIs.

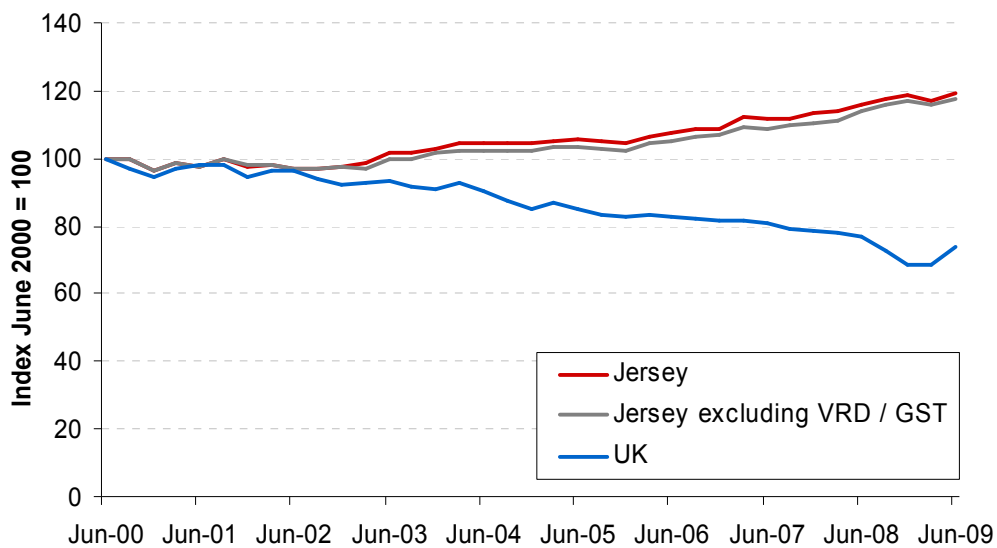
Figure 13: Motoring group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



¹¹ Following the latest review of the RPI, parking fees were moved from the Motoring group and are now included in Fares and other travel - see Statistics Unit report Retail Prices Index: Review of the basket of goods and services 2007.

The largest weight within the group is given to the cost of purchasing vehicles. Throughout the period 2000 to 2002 the element of the RPI covering the cost of vehicles moved by very similar amounts in Jersey and the UK. In January 2003 VRD¹² was introduced in Jersey, adding to the cost of new vehicles. This tax was abolished in 2008 and was effectively replaced with GST¹³. However, as Figure 13a shows, even when tax is removed from the Jersey cost of purchase, Jersey prices increased considerably more than those in the UK. Overall vehicle costs have fallen in the UK by 26% but have risen in Jersey by 19% over the last nine years. Between June 2008 and June 2009 the cost of vehicles fell by 4% in the UK but increased by 3% in Jersey.

Figure 13a: Motor vehicles section of the RPI



It is important to note however, that there are methodological differences between Jersey and the UK in terms of how the costs of purchasing vehicles are calculated for use in the respective RPIs. The most significant difference between the two methodologies is that in Jersey, a range of price quotes are collected from various vendors on a quarterly basis, including new and used cars. In the UK however, price quotes are only obtained for used vehicles and prices for new cars are then calculated using the used vehicle quotes together with weights for new cars that reflect the manufacturer's market share.

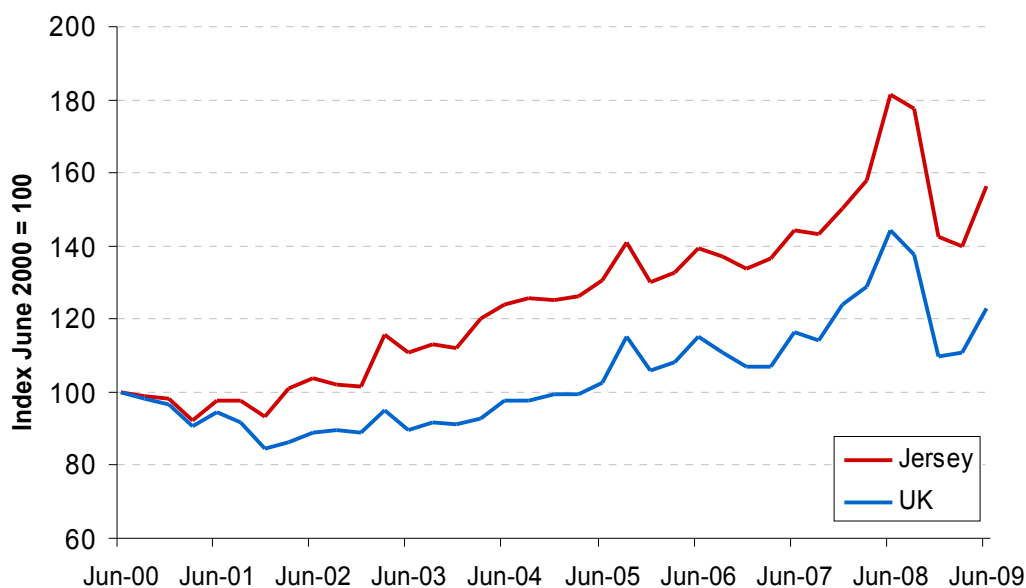
Another major element of Motoring costs is motor fuel (constituting the bulk of the petrol and oil section of the RPI). However, some care is needed in analysing these costs over the period 2000 to 2009. In 2000 petrol prices in the UK had reached what was then an all-time peak, as global oil prices rose and successive governments had increased the excise duty on motor fuels. Since then duty remained essentially unchanged in the UK up until 2006, whereas impôts increased over this period in Jersey. As a result, the petrol and oil component of the Jersey RPI has seen an increase more than double that of the UK's (56% and 23%, respectively) since June 2000.

¹² Vehicle Registration Duty

¹³ Goods and Services Tax

In the 12 months to June 2009 motor fuel prices fell by about a seventh in both Jersey (14%), and in the UK (15%).

Figure 13b: Petrol and oil section of the RPI



This year, both the UK and Guernsey increased duties on petrol and diesel by 2p/litre whereas in Jersey, impôts remained at the same level as in 2008, at 41p/litre.

Table 21: Taxes levied on motor fuels (*pence per litre*)

Fuel	ULSP / premium unleaded			ULSD / diesel		
	2000	2008	2009	2000	2008	2009
Jersey impôts	22	41	41	22	41	41
Jersey impôts + GST	22	44	44	22	44	44
UK duty	49	52	54	49	52	54
UK duty + VAT	62	70	67	61	72	68
Guernsey duty	7	29	31	0	29	31

The UK duty on petrol shown for 2000 is that on unleaded petrol; subsequent years are for ULSP. ULSP = Ultra low sulphur petrol; ULSD = Ultra low sulphur diesel.

The average price of premium unleaded petrol in June 2009 was 96p/litre in Jersey compared with £1.02/litre in the UK whilst the average price of diesel was 98p/litre locally and £1.05/litre in the UK. The difference between the retail prices in Jersey and UK of around 24p/litre in June 2000 (see Annex Table A5) has therefore reduced to about 6p/litre for premium unleaded fuel and about 7p/litre for diesel in June 2009 (Table 22).

Table 22: Average prices of motor fuels in Jersey and the UK: June 2009

Fuel	Mean price (in pence)		Percentage difference
	Jersey	UK	
ULSP/premium unleaded	96	102	-6
ULSD/diesel	98	105	-7

The average pre-tax price of unleaded petrol (52p/litre) and diesel (54p/litre) in Jersey is almost 50% higher than in the UK (35p/litre and 37p/litre, respectively).

Table 23: Average *pre-tax* prices of motor fuels in Jersey and the UK: June 2009

Fuel	Mean price (in pence)		Percentage difference
	Jersey	UK	
ULSP/premium unleaded	52	35	50
ULSD/diesel	54	37	46

As Table 24 shows, the average price of motor fuels was greater in Jersey than in Guernsey in June 2009. However, as shown in Table 25, the pre-tax average price of unleaded petrol is 4p cheaper in Jersey (52p/litre) than in Guernsey (56p/litre) and the pre-tax average price of diesel is 3p cheaper in Jersey (54p/litre) than in Guernsey (57p/litre).

Table 24: Average prices of motor fuels in Jersey and Guernsey: June 2009

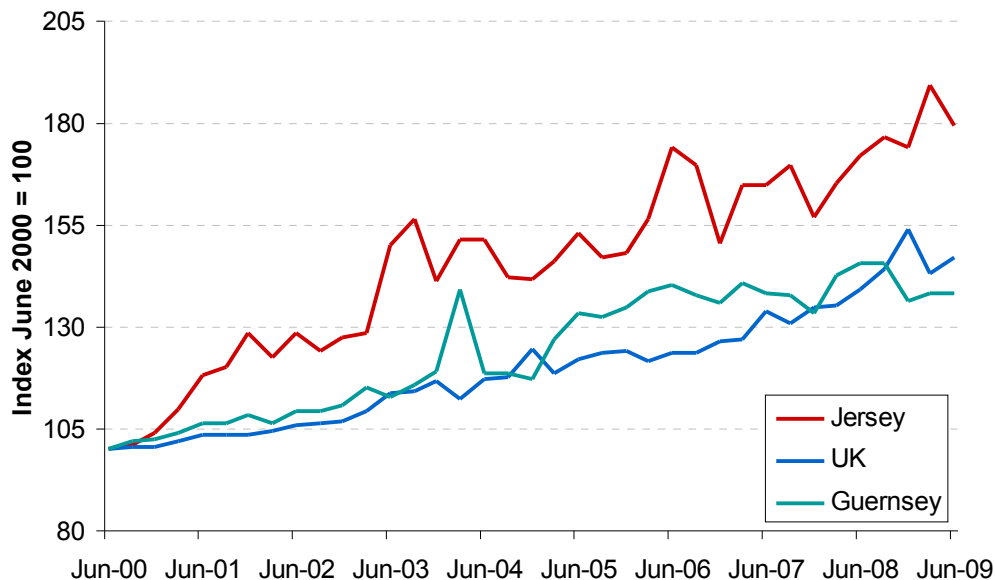
Fuel	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
ULSP/premium unleaded	96	87	10
ULSD/diesel	98	88	12

Table 25: Average *pre-tax* prices of motor fuels in Jersey and Guernsey: June 2009

Fuel	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
ULSP/premium unleaded	52	56	-7
ULSD/diesel	54	57	-5

Group 12: Fares and other travel costs
(weight in Jersey RPI: 2.7 out of 100)

Figure 14: Fares and travel group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



The majority of this group is travel fares (i.e. bus, ferry, taxi and air). Whilst bus, ferry and taxi fares are relatively simple to measure, airline fares have seen considerable change over the past five years. The number of operators has increased, with the growth of 'no-frills' airlines and there has also been a considerable increase in the use of the internet to book air fares.

As a result, the UK, Jersey and Guernsey RPIs have changed to adapt to the new world of airline travel, but will have done so over different periods such that direct comparisons over the whole period can be misleading. Internet airfares were introduced into the Jersey RPI in March 2003 and over the past few years the number of fare quotes used within the index has been significantly increased. As a result it is perhaps more meaningful to look at movements in more recent years only.

Over the last four years, the Fares and other travel group increased by 17% in Jersey, by 21% in the UK and by 4% in Guernsey. Prices increased by similar rates in Jersey (up 4%) and in the UK (up 5%) between June 2008 and June 2009 whilst Guernsey saw a decrease of 5% over the same period.

Group 13: Leisure goods (weight in Jersey RPI: 5.2 out of 100)

Leisure goods cover a wide range of items which people buy for leisure-time activities such as audio-visual and photography equipment, CDs, toys, sports equipment, newspapers and books.

Figure 15: Leisure goods group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009

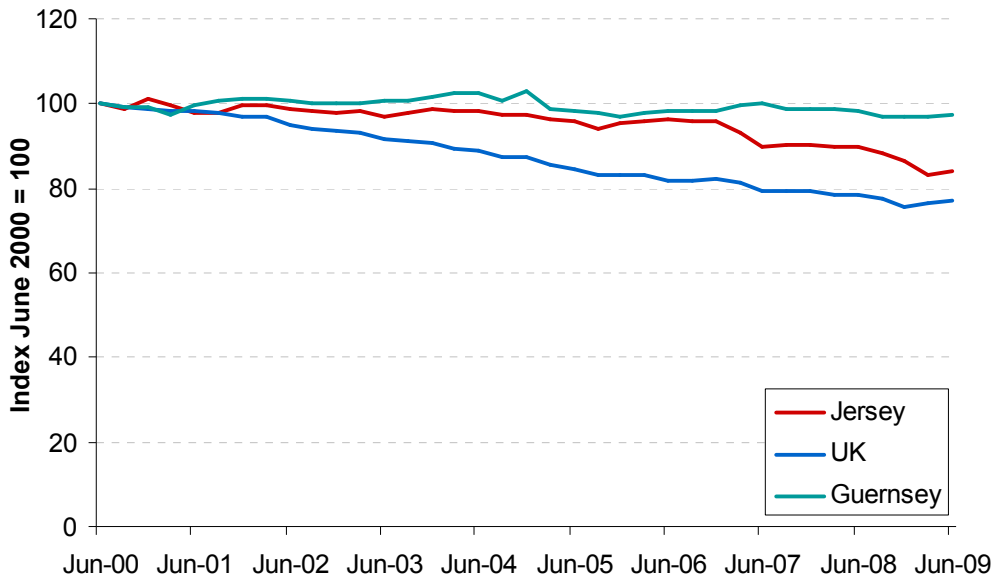
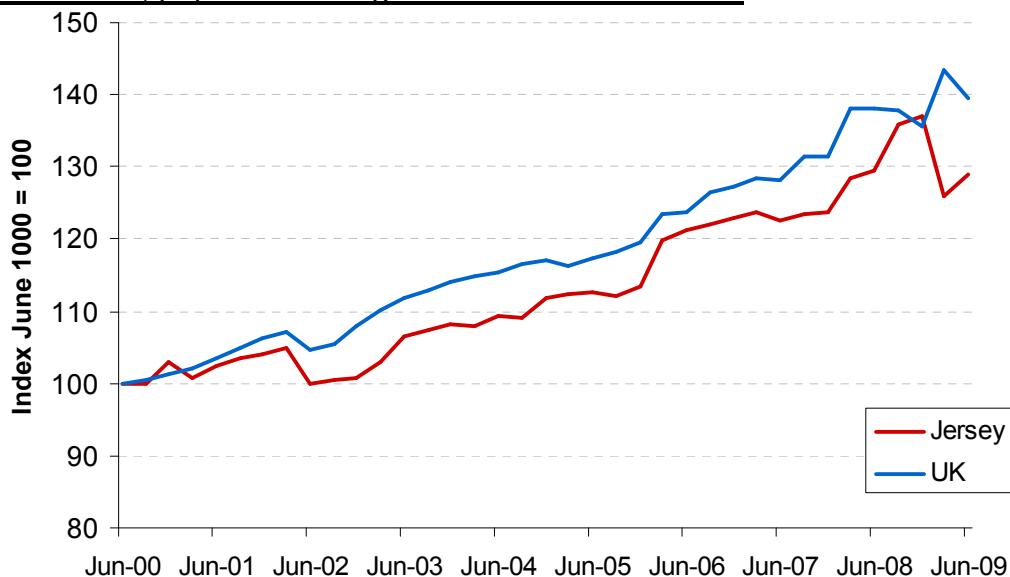


Figure 15 shows that UK prices have fallen by 23% in the nine years to June 2009, compared to a decrease of 16% in Jersey and a fall of 3% in Guernsey.

As a result of the broad nature of this group, the price movements in individual sections can differ greatly. For example, the average cost of audio-visual equipment has fallen by more than two-thirds; 69% and 72% in Jersey and the UK respectively, between June 2000 and June 2009, reflecting the fact that as technology advances the cost of established products falls. However, over the past nine years the cost of books, papers and magazines has continued to rise (Figure 15a) in both Jersey (by 29%) and the UK (by 40%).

Figure 15a: Books, papers and magazines section of the RPI



Another factor to note is the large decrease of about a quarter (23%) in the prices of toys, photographic and sporting goods in the UK over the last nine years in comparison with the smaller decrease of 16% in Jersey. Within the most recent 12 months to June 2009, prices fell by 5% in Jersey but remained stable in the UK.

Gardening products saw a rise in Jersey, of 1%, compared with an increase of 2% in the UK over the last nine years. Focusing on just the last 12 months to June 2009 shows that Jersey's average price for gardening products fell by 4% while the UK's increased by 1%.

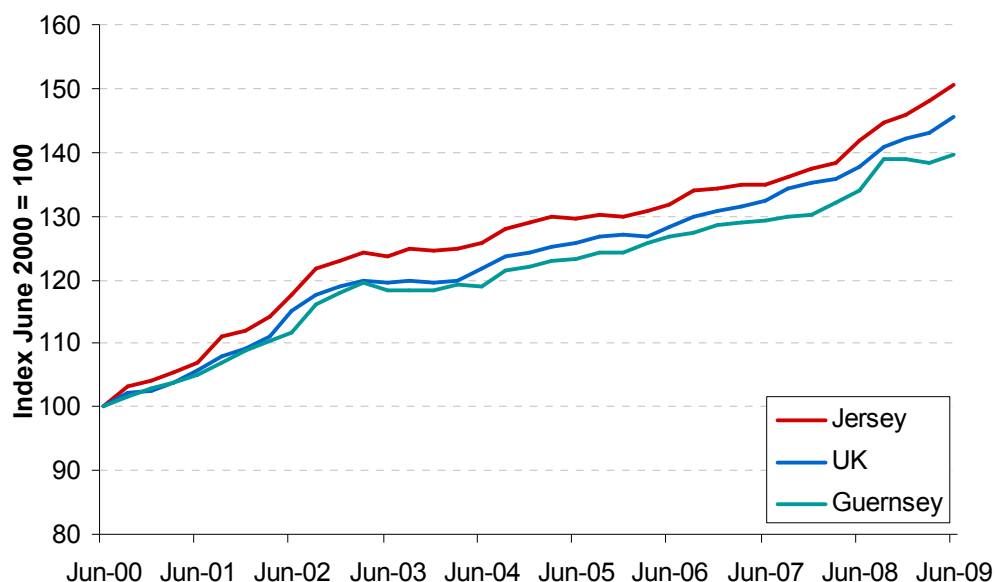
Group 14: Leisure services (weight in Jersey RPI: 8.4 out of 100)¹⁴

The RPI Leisure services group (Figure 16) covers items such as TV licences, cinemas, sport and fitness club membership, evening classes and out-of-Island holidays.

Overall price movements have been fairly similar with prices increasing by 6% in both Jersey and the UK, and by 4% in Guernsey in the 12 months to June 2009.

Prices have risen marginally faster in Jersey (51%) than in the UK (45%), and Guernsey (40%), over the past nine years.

Figure 16: Leisure services group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2009



¹⁴ Following the latest review of the RPI, school fees were moved from the Leisure services group and are now included in Household services - see Statistics Unit report Retail Prices Index: Review of the basket of goods and services 2007.

Average prices of matched items in Jersey and the UK
June 2000 – June 2009

Table A1: Meat and fish¹⁵

Item	Mean prices (in pence)								
	2000			2008			2009		
	Jsy	UK	% diff	Jsy	UK	% diff	Jsy	UK	% diff
Beef: fresh per kg									
Best beef mince	463	411	13	575	551	4	635	600	6
Topside	728	615	18	942	888	6	991	908	9
Rump Steak	970	858	13	1465	1169	25	1433	1166	23
Lamb: fresh per kg									
Loin (with bone)	932	882	6	1178	1194	-1	1265	1285	-2
Shoulder (with bone)	372	363	2	n/a	528	n/a	789	556	42
Pork: fresh per kg									
Loin (with bone)	568	441	29	773	557	39	652	596	9
Chicken: roasting, oven-ready, per kg									
Fresh or chilled	247	222	11	299	288	4	301	291	4
Other Meat									
Gammon, per kg	521	525	-1	761	674	13	727	704	3
Bacon, back, per kg	837	597	40	923	817	13	890	890	0
Ham (not shoulder) 100-125g	96	87	10	149	135	10	219	148	48
Pork sausages, per kg	394	304	30	471	374	26	508	405	25
Fresh fish: per kg									
White fish fillets	n/a	n/a	n/a	1285	1051	22	1321	1060	25
Salmon fillets	n/a	n/a	n/a	995	965	3	1178	1128	4

¹⁵ Percentage differences between jurisdictions, shown in tables and annexes, are calculated from un-rounded numbers and are then rounded to the nearest integer. Note that where the percentage difference is a positive value, the Jersey average price is greater than the other jurisdiction being compared.

Table A2: Fruit and vegetables

Item	Mean prices (in pence)								
	2000			2008			2009		
	Jsy	UK	Jsy	Jsy	UK	% diff	Jsy	UK	% diff
Fresh vegetables									
Potatoes: old whites, loose, per kg	35	57	-39	81	69	17	83	71	17
Potatoes: new, loose, per kg	136	75	81	168	130	29	150	173	-13
Tomatoes, per kg	123	133	-8	198	173	15	182	180	1
Cauliflower, each	70	75	-7	132	96	38	116	89	31
Carrots, per kg	88	54	63	109	80	36	123	92	34
Onions, per kg	64	66	-3	96	84	14	104	87	20
Mushrooms, per kg	371	266	39	417	261	60	411	301	37
Cucumber, each	61	55	11	92	70	32	88	75	18
Lettuce: iceberg, each	69	53	30	112	78	44	81	88	-8
Fresh fruit									
Apples: cooking, per kg	98	105	-7	199	156	27	166	156	7
Apples: dessert, per kg	126	112	13	160	153	5	162	160	1
Pears: dessert, per kg	140	133	5	202	166	21	224	219	2
Oranges: all sizes, each	22	21	5	38	28	35	39	28	39
Bananas, per kg	111	100	11	140	85	65	156	101	55
Grapes, per kg	392	356	10	401	412	-3	531	425	25
Avocado, each	69	72	-4	78	80	-2	81	76	6

Table A3: Dairy produce, other foods and soft drinks

Item	Mean prices (in pence)								
	2000			2008			2009		
	Jsy	UK	% <i>diff</i>	Jsy	UK	% <i>diff</i>	Jsy	UK	% <i>diff</i>
Dairy produce									
Butter, home produced, per 250g	82	81	1	108	99	9	117	104	12
Butter, imported, per 250g	88	88	0	140	124	13	147	126	16
Cheddar cheese, per kg	506	508	0	674	691	-2	781	755	3
Eggs, size 4, per dozen	141	135	4	299	267	12	308	279	10
Milk, pasteurised, per pint	51	34	50	56	43	29	59	44	33
Other foods & soft drinks									
Bread: white loaf, sliced, 800g	86	52	65	117	120	-3	139	124	12
Bread: wholemeal loaf, sliced, 800g	103	74	39	155	120	29	169	126	34
Flour, self-raising, per 1.5kg	76	60	27	133	100	33	131	100	31
Sugar, granulated, per kg	71	55	29	87	86	1	95	95	0
Tea bags, per 250g	166	138	20	180	168	7	215	176	22
Coffee, pure, instant, per 100g	200	186	8	271	193	40	259	225	15

Table A4: Alcohol and tobacco

Item	Mean prices (in pence)								
	2000			2008			2009		
	Jsy	UK	% diff	Jsy	UK	% diff	Jsy	UK	% diff
Alcoholic drinks mean retail prices									
Draught bitter, per pint	157	178	-12	252	241	4	265	249	6
Draught lager, per pint	178	200	-11	283	276	2	294	281	5
Whisky, per 25ml nip	135	142	-5	230	198	16	244	205	19
Alcoholic drinks pre-tax prices									
Draught bitter, per pint	145	124	17	218	171	27	229	180	27
Draught lager, per pint	164	136	20	241	193	25	250	197	27
Whisky, per 25ml nip	120	101	18	201	148	36	214	155	38
Cigarettes mean retail prices									
20 King size filter	281	396	-29	518	535	-3	544	545	0
Cigarettes pre-tax prices	141	69	104	206	113	82	213	125	71

Table A5: Petrol and diesel

Item	Mean prices (in pence)								
	2000			2008			2009		
	Jsy	UK	% diff	Jsy	UK	% diff	Jsy	UK	% diff
Petrol mean retail prices									
ULSP unleaded petrol, per litre	60	84	-29	109	118	-7	96	102	-6
ULSD diesel, per litre	60	83	-28	123	131	-6	98	105	-7
Petrol mean pre-tax prices									
ULSP unleaded petrol, per litre	38	22	73	65	48	37	52	35	50
ULSD diesel, per litre	38	22	73	78	59	33	54	37	46

Average prices of matched items in Jersey and Guernsey June 2000 – June 2009

Table B1: Meat and fish

Item	Mean prices (in pence) 2008			Mean prices (in pence) 2009		
	Jsy	Gsy	% diff	Jsy	Gsy	% diff
Beef: fresh per Kg						
Best beef mince	575	599	-4	635	664	-4
Topside	942	1054	-11	991	1007	-2
Rump Steak	1465	1452	1	1433	1266	13
Lamb: fresh per Kg						
Loin (with bone)	1178	1149	3	1265	1453	-13
Pork: fresh per Kg						
Loin (with bone)	773	799	-3	652	714	-9
Chicken: roasting, oven-ready, per Kg						
Fresh or chilled	299	239	25	301	368	-18
Other Meat						
Gammon, per kg	761	762	0	272	681	7
Bacon, back, per kg	923	930	0	890	877	10
Ham (not shoulder) 100 – 125g	149	n/a	n/a	219	269	-18
Pork sausages, per kg	471	469	0	508	643	-21
Fresh fish: per Kg						
White fish fillets	1285	1058	21	1321	1115	19
Salmon fillets	995	975	2	1178	975	21

Table B2: Fruit and vegetables

Item	Mean prices (in pence) 2008			Mean prices (in pence) 2009		
	Jsy	Gsy	% diff	Jsy	Gsy	% diff
Fresh vegetables						
Potatoes: old whites, loose, per kg	81	100	-19	83	104	-20
Potatoes: new, loose, per kg	168	141	19	150	162	-8
Tomatoes, per kg	198	188	5	182	163	11
Cauliflower, each	132	104	27	116	113	3
Carrots, per kg	109	103	6	123	116	6
Onions, per kg	96	86	11	104	103	2
Mushrooms, per kg	417	393	6	411	411	0
Lettuce: iceberg, each	112	90	25	81	98	-17
Fresh fruit						
Apples: dessert, per kg	160	n/a	n/a	162	137	18
Pears: dessert, per kg	202	202	0	224	293	-23
Oranges: all sizes, each	38	34	12	39	38	4
Bananas, per kg	140	126	11	156	139	13
Grapes, per kg	401	354	13	531	505	5

Table B3: Dairy produce, other foods and soft drinks

Item	Mean prices (in pence) 2008			Mean prices (in pence) 2009		
	Jsy	Gsy	% <i>diff</i>	Jsy	Gsy	% <i>diff</i>
Dairy produce						
Butter, home produced, per 250g	108	121	-10	117	98	19
Butter, imported, per 250g	140	132	6	147	156	-6
Cheddar cheese, per kg	674	703	-4	781	682	15
Eggs, size 4, per dozen	299	258	16	308	261	18
Milk, pasteurised, per pint	56	50	11	59	56	5
Other foods & soft drinks						
Bread: white loaf, sliced, 800g	117	131	-11	139	144	-3
Bread: wholemeal loaf, sliced, 800g	155	137	13	169	157	8
Flour, self-raising, per 1.5kg	133	111	20	131	123	7
Sugar, granulated, per kg	87	81	8	95	85	11
Tea bags, per 250g	180	188	-4	215	204	6
Coffee, pure, instant, per 100g	271	266	2	259	275	-6

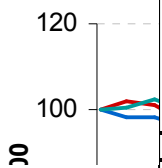


Table B4: Alcohol and tobacco

Item	Mean prices (in pence) 2008			Mean prices (in pence) 2009		
	Jsy	Gsy	% diff	Jsy	Gsy	% diff
Alcoholic drinks mean retail prices						
Draught bitter, per pint	252	261	-4	265	299	-11
Draught lager, per pint	283	274	3	294	281	5
Whisky, per 25ml nip	230	222	4	244	234	4
20 King size filter	518	445	16	544	472	15
Alcoholic drinks pre-tax prices						
Draught bitter, per pint	218	229	-5	229	265	-14
Draught lager, per pint	241	242	-1	250	248	1
Whisky, per 25ml nip	201	214	-6	214	226	-5
Cigarettes mean retail prices						
20 King size filter	518	445	16	544	472	15
Cigarettes pre-tax prices						
20 King size filter	206	206	0	213	212	1

Table B5: Petrol and diesel

Item	Mean prices (in pence) 2008			Mean prices (in pence) 2009		
	Jsy	Gsy	% diff	Jsy	Gsy	% diff
ULSP unleaded petrol, per litre	109	98	12	96	87	10
ULSD diesel, per litre	123	107	15	98	88	12
Petrol mean pre-tax prices						
ULSP unleaded petrol, per litre	65	69	-5	52	56	-7
ULSD diesel, per litre	78	78	1	54	57	-5