

Summary - Jersey RPI March 2020

- **during the twelve months to March 2020 the All Items Retail Prices Index (RPI) for Jersey increased by 2.7% to stand at 182.1 (June 2000 = 100)**
- most groups saw prices increase, on average, on an annual basis
- the largest contributors to the annual increase in the RPI were the **Housing, Household services and Leisure services** groups
- the increase in the RPI over the twelve months to December 2019 was 2.5%; hence, the **annual rate of inflation increased by 0.2 percentage points (pp)** in the latest quarter
- this **increase in the annual rate of inflation** was the net result of several groups giving small upward contributions to the overall rate of increase of the RPI and other groups giving small downward contributions:
 - several groups, notably **Food, Personal goods & services** and **Leisure services**, saw greater rates of price increase over the twelve months to March 2020 than over the twelve months to December 2019, resulting in upward contributions from these groups to the inflation rate
 - in contrast, the cost of **Clothing & footwear** decreased, on average, over the twelve months to March 2020 and had increased over the same time period to December 2019, resulting in a downward contribution to the inflation rate
- **underlying inflation, as measured by the annual change in RPI(Y), increased by 2.3%** over the twelve months to March 2020¹
- underlying inflation was unchanged since December 2019, remaining at its lowest rate for more than three years, since December 2016
- over the twelve months to March 2020:
 - RPI(X) increased by 2.6%²
 - RPI Pensioners increased by 2.6%
 - RPI Low Income increased by 2.8%
- the rate of inflation in Jersey over the twelve months to March 2020, as measured by the RPI, was 1.2 pp greater than the broadly comparable headline rate of inflation for the UK.

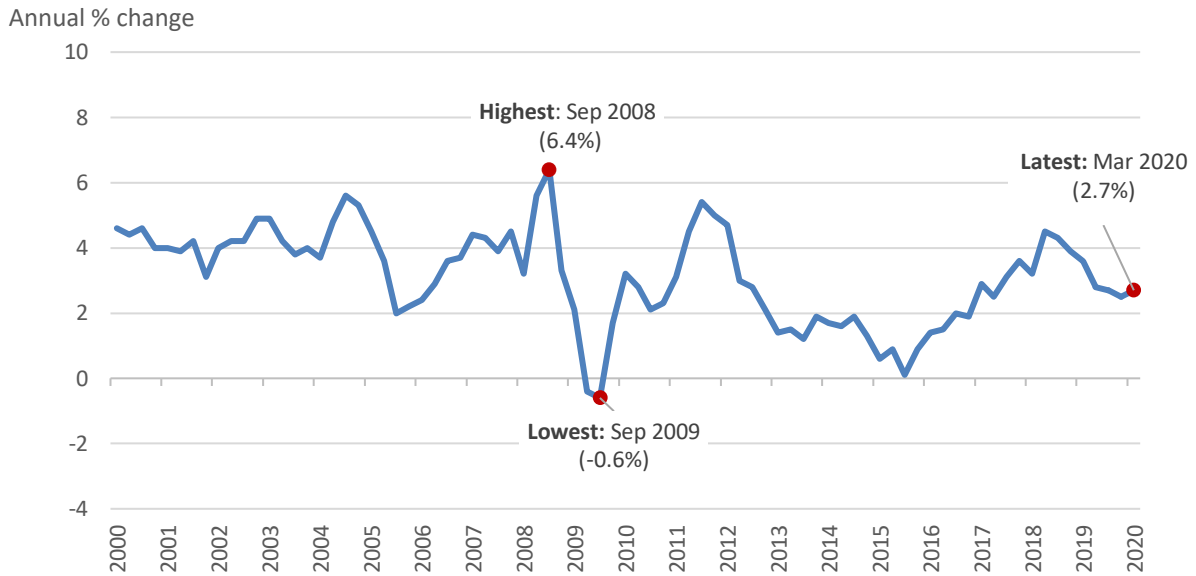
¹ RPI(Y): the RPI excluding mortgage interest payments and indirect taxes (e.g. GST and impôts). During periods involving the introduction of, or changes in, indirect taxes, the annual change in RPI(Y) is the pertinent measure of underlying inflation.

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

Annual change

The increase in the All Items Retail Prices Index (RPI) over the twelve months to March 2020 was 2.7%. The annual percentage changes in the RPI since March 2000 are shown in Figure 1.

Figure 1 - Jersey RPI annual inflation rate (percent) Mar 2000 to Mar 2020



In March 2020, the annual change in the RPI was 0.2 pp higher than for the previous quarter (December 2019).

The annual percentage changes for each group of the RPI are shown in Figure 2. Over the twelve months to March 2020 prices in most groups increased, on average. In contrast, **Fares & other travel**, **Clothing & footwear** and **Household goods** saw prices decrease, on average, over the same period.

Figure 2 - Annual percentage changes for each group, Mar 2020

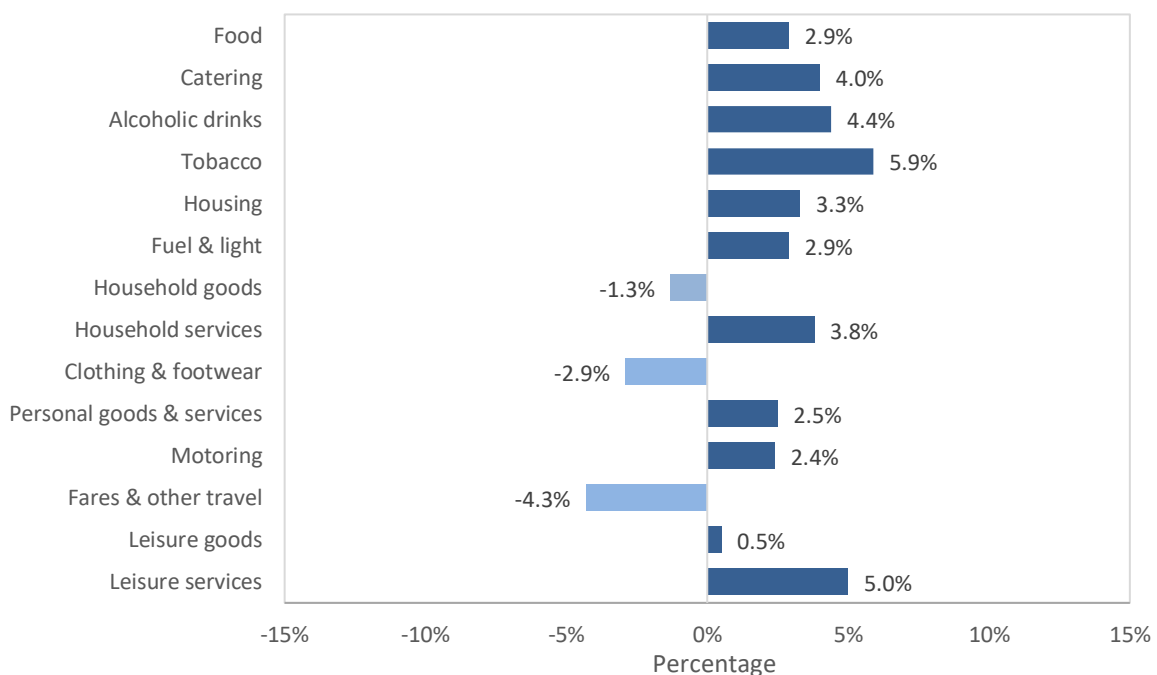
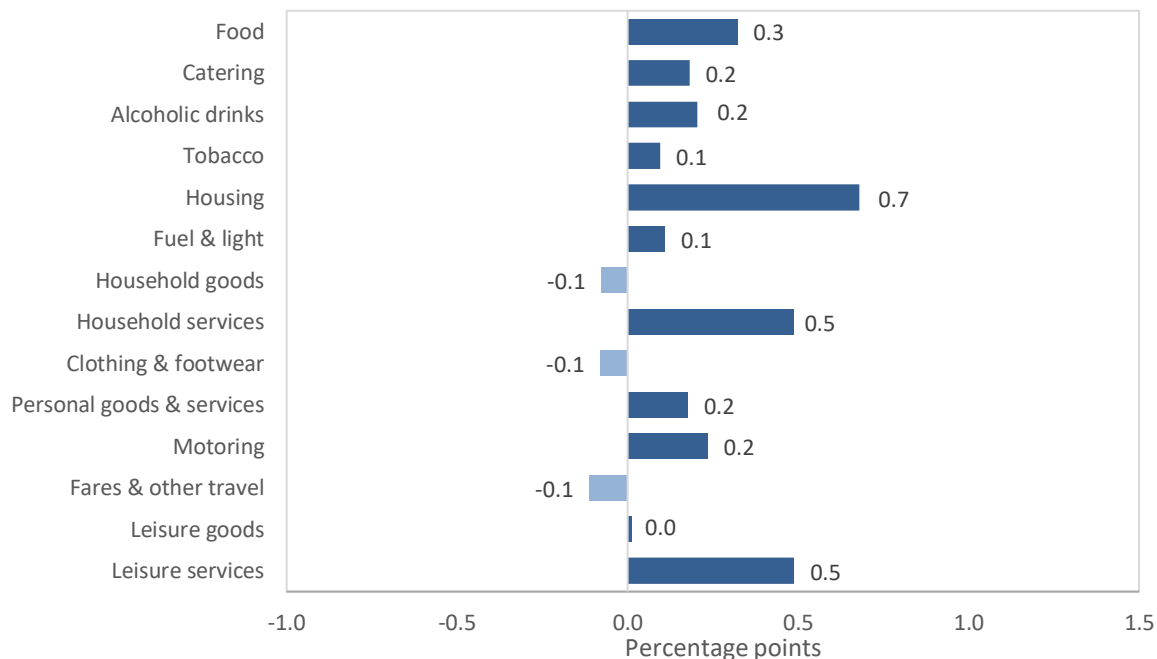


Figure 3 shows the contribution of each group of the RPI to the overall annual increase of 2.7%.

Figure 3 - Contribution of each group to the annual change in the RPI, Mar 2020



The groups which saw prices increase, over the twelve months to March 2020, gave **upward** contributions to the RPI, notably:

- **Housing:** costs rose by 3.3%, on average, over the year to March 2020, contributing +0.7 percentage points (pp) to the annual change of the RPI. Price increases were seen across the group, which includes house purchase costs, rents, Parish and Island-wide rates (increased in September 2019) and water charges (increased in April 2019). The largest upward contributions were from increased rents paid in both the public and private sectors and the increased cost of house purchase
- **Household services:** costs rose by 3.8%, on average, over the year to March 2020, contributing +0.5 pp to the annual change of the RPI. Price increases were seen across the group, which includes telephone charges, domestic services and school fees (increased for some schools in September 2019 and for others in January 2020)
- **Leisure services:** prices in this group increased by 5.0%, on average, over the twelve months to March 2020, contributing +0.5 pp to the annual change of the RPI. Higher average prices were seen across the group which includes foreign holidays, television services, entertainment and recreation activities

Impôts duties increased in January 2020, contributing +0.3 pp to the overall annual change in the RPI.

In contrast, prices in three groups decreased, on average, over the twelve months to March 2020:

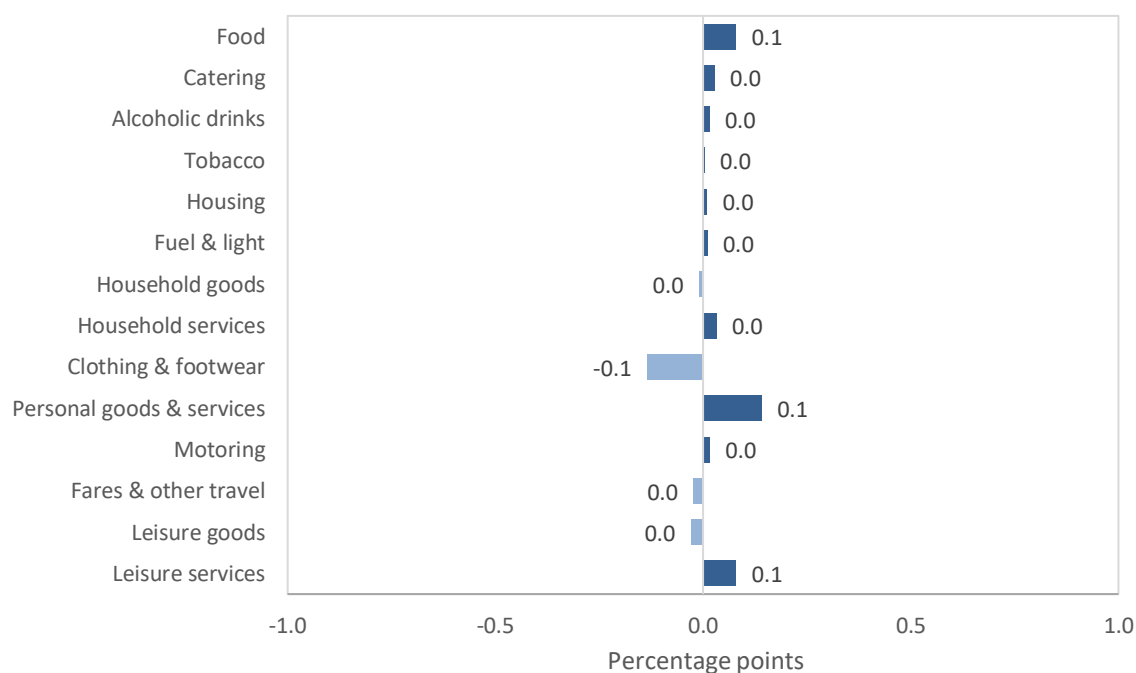
- **Fares & other travel:** on average, prices decreased by 4.3%, contributing -0.1 pp to the annual change in the RPI
- **Clothing & footwear:** overall, prices in this group decreased by 2.9%, contributing -0.1 pp to the annual change in the RPI

- **Household goods:** costs decreased by 1.3%, on average, over the twelve months to March 2020, contributing -0.1 pp to the annual change in the RPI

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

The annual rate of increase of Jersey's RPI was 0.2 pp higher in March 2020 (2.7%) than in December 2019 (2.5%). Figure 4 shows the contributions to the change in the annual rate of increase of the RPI.

Figure 4 - Contributions to change in annual rate of increase of RPI between Dec 2019 and Mar 2020 (+0.2 pp from 2.5% to 2.7%)



Several groups gave small **upward** contributions to the **change** in the annual rate of increase of the RPI, notably:

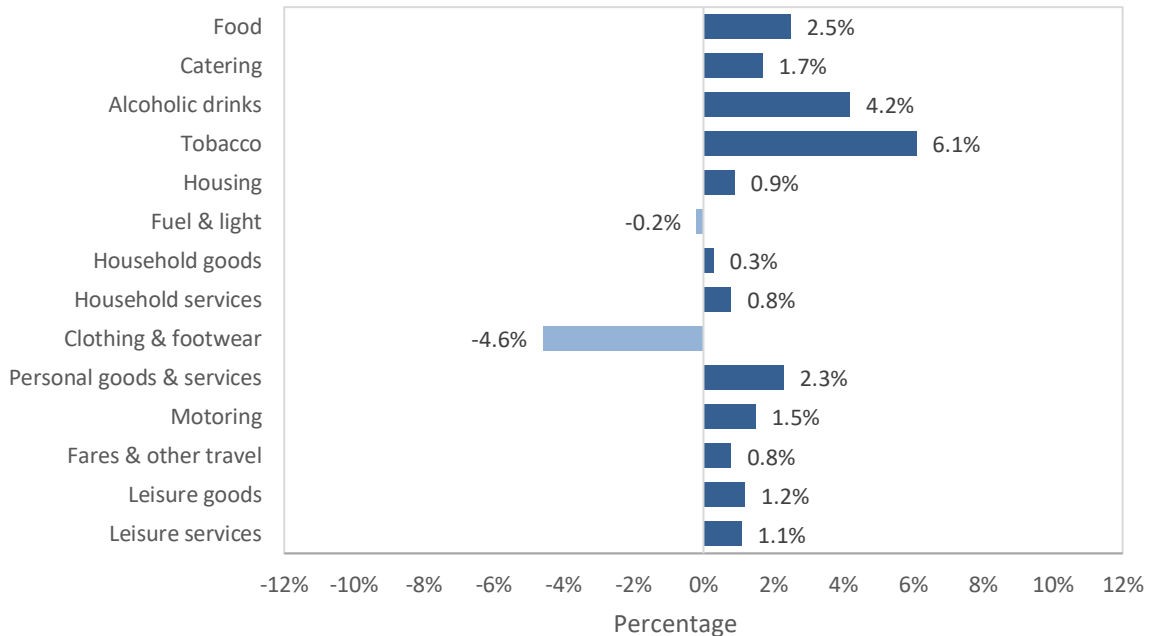
- **Food:** contributed +0.1 pp to the change in the annual rate of increase. Prices in this group increased by more over the twelve months to March 2020 (up 2.9%), than over the same time period to December 2019 (up 2.2%).
- **Personal goods & services:** contributed +0.1 pp to the change in the annual rate of increase of the RPI. Prices in this group increased at a greater rate over the twelve months to March 2020 (up 2.5%) than over the same period to December 2019 (up 0.6%)
- **Leisure services:** contributed +0.1 pp to the change in the annual rate of increase of the RPI. Prices in this group increased at a greater rate, on average, over the twelve months to March 2020 (up 5.0%) than over the same period to December 2019 (up 4.2%)

In contrast, several groups gave small downward contributions to the change in the annual rate of increase of the RPI, notably **Clothing & footwear**. Prices in this group decreased over the twelve months to March 2020 (down 2.9%) whereas they had increased over the same time period to December 2019 (up 1.9%), thereby contributing -0.1 pp to the change in the annual rate of increase.

Quarterly change

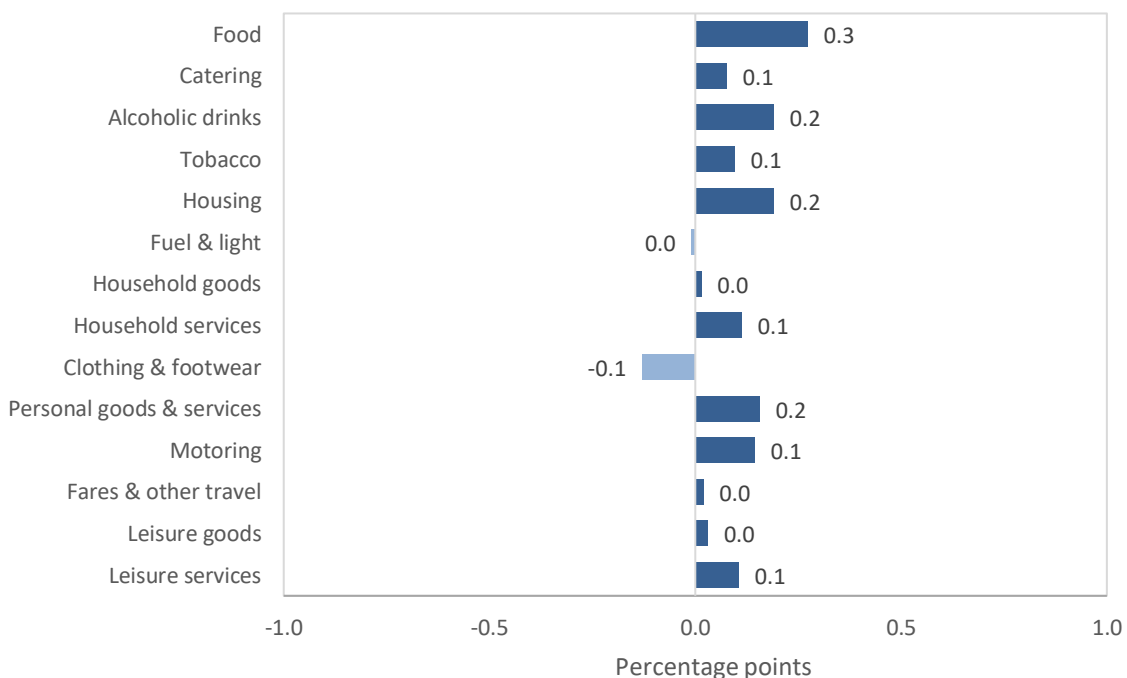
On a quarterly basis, the RPI increased by 1.3% between December 2019 and March 2020. This was the largest quarterly change for nearly two years (since June 2018). Figure 5 shows the percentage changes over the latest quarter for each group of the RPI.

Figure 5 - Quarterly percentage changes for each group, Mar 2020



The groups which saw prices increase, on average, in the latest quarter gave upward contributions to the RPI (see Figure 6). In contrast, groups recording price decreases in the latest quarter gave downward contributions to the overall quarterly change.

Figure 6 - Contribution of each group to the quarterly change in the RPI, Mar 2020



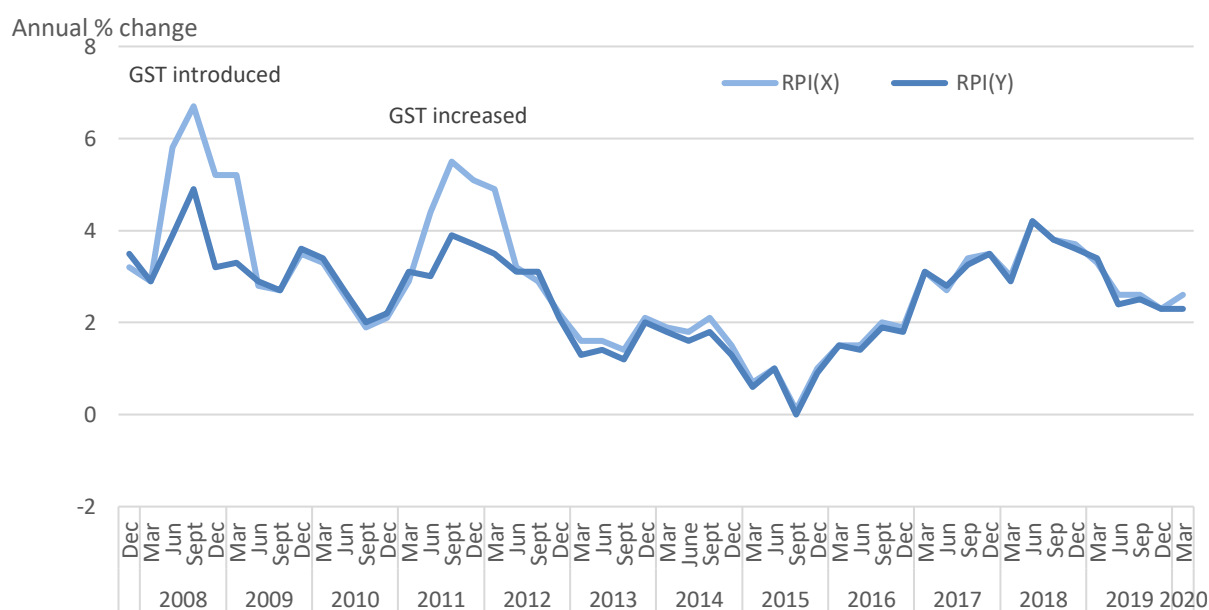
RPI(X) and RPI(Y) - underlying rate of inflation

RPI(X) is defined as the all items RPI excluding the cost of mortgage interest payments. RPI(Y) provides a measure of underlying inflation by removing the effect not only of mortgage interest payments but also of indirect taxes such as GST and impôts. During periods involving the introduction of, or changes in, indirect taxes, the annual change in RPI(Y) is the pertinent measure of underlying inflation.

Over the twelve months to March 2020, RPI(X) increased by 2.6% and RPI(Y) increased by 2.3%.

Figure 7 shows the annual rates of change of both RPI(X) and RPI(Y) since 2007, when RPI(Y) was first published for Jersey (see Appendix Tables A3 and A4).

Figure 7 - Annual percentage changes in RPI(X) and RPI(Y), Dec 2007 to Mar 2020



In March 2020, the annual rate of increase of RPI(Y) was unchanged from December 2019 (2.3%), remaining at its lowest rate of increase for more than three years, since December 2016.

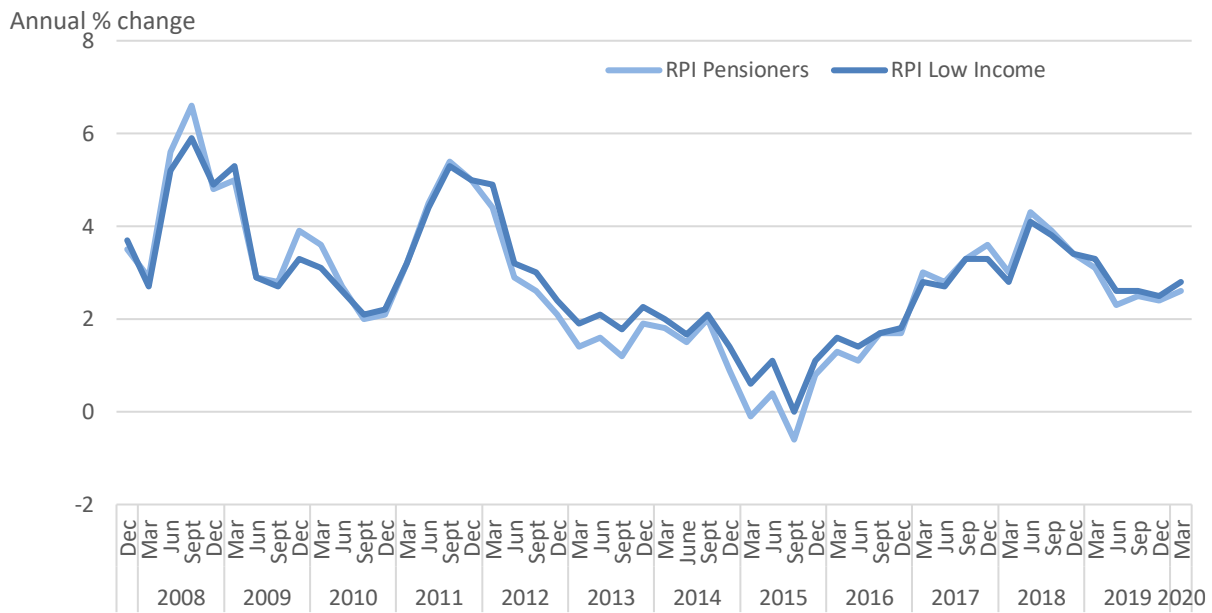
Other inflation measures

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 March 2020, RPI Pensioners increased by 2.6% and RPI Low Income increased by 2.8%.

Figure 8 shows the annual rates of change of both RPI Pensioners and RPI Low Income since December 2007, when annual changes in these indices were first published (see Appendix Table A4).

Figure 8 - Annual percentage changes in RPI Pensioners and RPI Low Income, Dec 2007 to Mar 2020



Comparison with the UK

The annual measures of the Jersey and UK headline rates of inflation are shown in Table 1. The headline annual rate of inflation for the UK is that of CPIH, which is broadly comparable with the Jersey RPI. The annual rate of increase of the UK CPI (also shown) is similarly broadly comparable to that of Jersey RPI(X) - see Note 4 for more information.

Table 1: Annual percentage changes in Jersey and UK consumer price indices Dec 2019 and Mar 2020

	Dec 2019	Mar 2020
Jersey RPI	2.5	2.7
UK CPIH	1.4	1.5
Jersey RPI(X)	2.3	2.6
UK CPI	1.3	1.5

Over the twelve months to March 2020, the annual increase of the RPI in Jersey was 2.7% and that of the UK CPIH was 1.5%. Hence, the headline rate of inflation in Jersey over the twelve months to March 2020 was 1.2 pp greater than the broadly comparable headline rate of inflation for the UK.

The annual rate of increase of the Jersey RPI(X) during this period was 2.6%, compared with 1.5% for the UK CPI.

Notes

1. The Retail Prices Index (RPI) is the main measure of inflation in Jersey. It measures the change from quarter to quarter in the price of the goods and services purchased by an “average household” in Jersey. The spending pattern on which the index is based is revised at intervals, using information from the Jersey Household Spending Survey (HSS). An HSS was conducted in 2014-15, the results of which were published in May 2016; these results have been used to conduct a commodity review and the introduction of new weights for all consumer prices indices in March 2018.
2. The RPI is compiled using a large and representative selection of over 500 separate goods and services. The price movements for each of these are measured at a representative range of outlets. Around 2,500 separate price quotations are used each quarter in compiling the index. Prices are measured on or around the 15th day of March, June, September and December.
3. Full details of the Jersey Retail Prices Index and its movements since 2000 are set out in the Appendix, along with details of the Jersey figures for RPI(X).
4. In 2012 a consultation exercise on the UK RPI was conducted by the UK National Statistician. The principal outcomes of this consultation were that the UK RPI did not meet current international standards and that a new index (RPIJ) should be published. From March 2013 to January 2017 the UK Office for National Statistics (ONS) published RPIJ. The annual percentage change in the UK RPI was systematically greater than that of RPIJ; the upward bias was predominantly due to the “formula effect”. The Jersey RPI is not susceptible to such an upward bias. Prior to February 2017 the appropriate comparison with the UK was that of the Jersey RPI and the UK RPIJ. However, in February 2017, the UK Office for National Statistics discontinued publication of RPIJ.

A direct estimate of the formula effect was published by the ONS, enabling comparison between the annual rates of change of the Jersey RPI and the UK RPI by adjusting for the formula effect. The ONS ceased publication of this in February 2020.

Thereafter, the annual change in the UK CPIH (the headline measure of inflation in the UK) is used for comparison with the Jersey RPI. The UK CPI is the CPIH excluding owner occupiers’ housing costs and is the appropriate measure of inflation to compare with the Jersey RPI(X).

5. RPI(Y) excludes mortgage interest payments and indirect taxes. For Jersey, the indirect taxes excluded are Parish rates and all taxes and duties that directly affect retail prices, namely impôts (on tobacco, alcohol and motor fuels), the Goods and Services Tax (GST), Air Passenger Duty and Vehicle Emissions Duty.
6. Group and section weights for RPI Pensioners and RPI Low Income are derived from information on expenditure collected by the 2014/15 Household Spending Survey (HSS). Section and item weights therefore differ from those in the Jersey RPI due to the different expenditure patterns for these households compared to all households.
7. The Jersey RPI for June 2020 is provisionally scheduled to be published on 17 July 2020.
8. The Jersey Retail Prices Index is compiled by Statistics Jersey; (enquiries to Statistics Jersey: 01534-440465 e-mail: statistics@gov.je).

Statistics Jersey

24 April 2020

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

GROUP	2019 Mar	2019 Jun	2019 Sep	2019 Dec	2020 Mar	Annual change (percent)	Quarterly change (percent)
Food	173.8	174.5	176.5	174.5	178.9	2.9	2.5
Catering	184.3	184.8	186.2	188.5	191.7	4.0	1.7
Alcoholic drinks	205.8	205.5	205.2	206.3	214.9	4.4	4.2
Tobacco	349.5	349.5	349.0	349.0	370.2	5.9	6.1
Housing	195.2	197.1	198.0	199.8	201.6	3.3	0.9
Fuel & light	234.1	240.9	242.6	241.3	240.8	2.9	-0.2
Household goods	107.5	107.3	105.4	105.8	106.1	-1.3	0.3
Household services	228.9	231.2	234.0	235.6	237.6	3.8	0.8
Clothing & footwear	78.3	78.8	80.7	79.7	76.0	-2.9	-4.6
Personal goods & services	161.7	161.1	163.6	162.1	165.8	2.5	2.3
Motoring	178.5	179.2	179.7	180.0	182.7	2.4	1.5
Fares & other travel	225.0	226.3	235.3	213.5	215.3	-4.3	0.8
Leisure goods	83.0	82.5	81.9	82.4	83.4	0.5	1.2
Leisure services	199.7	201.8	204.6	207.5	209.7	5.0	1.1
All items	177.3	178.4	179.7	179.8	182.1	2.7	1.3

Table A2: Jersey Retail Prices Index RPI, 2000-2020 (Jun 2000 = 100)

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

Table A3: Jersey Retail Prices Index excluding house purchase costs, RPI(X), 2000-2020 (Jun 2000 = 100)

		RPI(X)	Annual	Quarterly			RPI(X)	Annual	Quarterly	
		Jun 2000 =100)	change (%)	change (%)			(Jun 2000 =100	change (%)	change (%)	
2000	Mar	(99.2)	4.3	1.1			Jun	141.4	2.6	0.5
	Jun	100.0	4.0	0.8			Sep	141.4	1.9	0.0
	Sep	101.1	4.2	1.1			Dec	141.9	2.1	0.4
	Dec	101.4	3.4	0.3			2011	Mar	144.8	2.9
2001	Mar	102.8	3.6	1.4	Jun	147.6		4.4	1.9	
	Jun	103.8	3.8	1.0	Sep	149.2		5.5	1.1	
	Sep	105.3	4.2	1.4	Dec	149.2		5.1	0.0	
	Dec	105.1	3.6	-0.2	2012	Mar	151.9	4.9	1.8	
2002	Mar	107.3	4.4	2.1		Jun	152.3	3.2	0.3	
	Jun	108.4	4.4	1.0		Sep	153.5	2.9	0.8	
	Sep	109.7	4.2	1.2		Dec	152.5	2.2	-0.7	
	Dec	109.8	4.5	0.1	2013	Mar	154.3	1.6	1.2	
2003	Mar	112.5	4.8	2.5		Jun	154.8	1.6	0.3	
	Jun	113.4	4.6	0.8		Sep	155.6	1.4	0.5	
	Sep	114.5	4.4	1.0		Dec	155.7	2.1	0.1	
	Dec	114.2	4.0	-0.3	2014	Mar	157.3	1.9	1.0	
2004	Mar	116.4	3.5	1.9		Jun	157.6	1.8	0.2	
	Jun	117.3	3.4	0.8		Sep	158.9	2.1	0.8	
	Sep	118.3	3.3	0.9		Dec	158.0	1.5	-0.6	
	Dec	118.1	3.4	-0.2	2015	Mar	158.4	0.7	0.3	
2005	Mar	119.6	2.7	1.3		Jun	159.2	1.0	0.5	
	Jun	120.2	2.5	0.5		Sep	159.1	0.1	-0.1	
	Sep	120.6	1.9	0.3		Dec	159.6	1.0	0.3	
	Dec	120.7	2.2	0.1	2016	Mar	160.8	1.5	0.8	
2006	Mar	122.5	2.4	1.5		Jun	161.6	1.5	0.5	
	Jun	123.9	3.1	1.1		Sep	162.3	2.0	0.4	
	Sep	124.0	2.8	0.1		Dec	162.7	1.9	0.2	
	Dec	123.7	2.5	-0.2	2017	Mar	165.8	3.1	1.9	
2007	Mar	125.9	2.8	1.8		Jun	166.0	2.7	0.1	
	Jun	126.7	2.3	0.6		Sep	167.8	3.4	1.1	
	Sep	126.7	2.2	0.0		Dec	168.4	3.5	0.4	
	Dec	127.7	3.2	0.8	2018	Mar	170.7	3.0	1.4	
2008	Mar	129.5	2.9	1.4		Jun	173.0	4.2	1.3	
	Jun	134.0	5.8	3.5		Sep	174.2	3.8	0.7	
	Sep	135.2	6.7	0.9		Dec	174.6	3.7	0.2	
	Dec	134.3	5.2	-0.7	2019	Mar	176.4	3.3	1.0	
2009	Mar	136.2	5.2	1.4		Jun	177.5	2.6	0.6	
	Jun	137.8	2.8	1.2		Sep	178.7	2.6	0.7	
	Sep	138.8	2.7	0.7		Dec	178.7	2.3	0.0	
	Dec	139.0	3.5	0.1	2020	Mar	181.0	2.6	1.3	
2010	Mar	140.7	3.3	1.2						

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

		RPI(Y)	RPI Pensioners	RPI Low Income
2009	Mar	3.3	5.0	5.3
	Jun	2.9	2.9	2.9
	Sep	2.7	2.8	2.7
	Dec	3.6	3.9	3.3
2010	Mar	3.4	3.6	3.1
	Jun	2.7	2.7	2.6
	Sep	2.0	2.0	2.1
	Dec	2.2	2.1	2.2
2011	Mar	3.1	3.2	3.2
	Jun	3.0	4.5	4.4
	Sep	3.9	5.4	5.3
	Dec	3.7	5.0	5.0
2012	Mar	3.5	4.4	4.9
	Jun	3.1	2.9	3.2
	Sep	3.1	2.6	3.0
	Dec	2.1	2.1	2.4
2013	Mar	1.3	1.4	1.9
	Jun	1.4	1.6	2.1
	Sep	1.2	1.2	1.8
	Dec	2.0	1.9	2.3
2014	Mar	1.8	1.8	2.0
	Jun	1.6	1.5	1.7
	Sep	1.8	2.0	2.1
	Dec	1.3	0.9	1.4
2015	Mar	0.6	-0.1	0.6
	Jun	1.0	0.4	1.1
	Sep	0.0	-0.6	0.0
	Dec	0.9	0.8	1.1
2016	Mar	1.5	1.3	1.6
	Jun	1.4	1.1	1.4
	Sep	1.9	1.7	1.7
	Dec	1.8	1.7	1.8
2017	Mar	3.1	3.0	2.8
	Jun	2.8	2.8	2.7
	Sep	3.3	3.3	3.3
	Dec	3.5	3.6	3.3
2018	Mar	2.9	3.0	2.8
	Jun	4.2	4.3	4.1
	Sep	3.8	3.9	3.8
	Dec	3.6	3.4	3.4
2019	Mar	3.4	3.1	3.3
	Jun	2.4	2.3	2.6
	Sep	2.5	2.5	2.6
	Dec	2.3	2.4	2.5
2020	Mar	2.3	2.6	2.8