

# Jersey Retail Prices Index

## March 2014

Statistics Unit: [www.gov.je/statistics](http://www.gov.je/statistics)



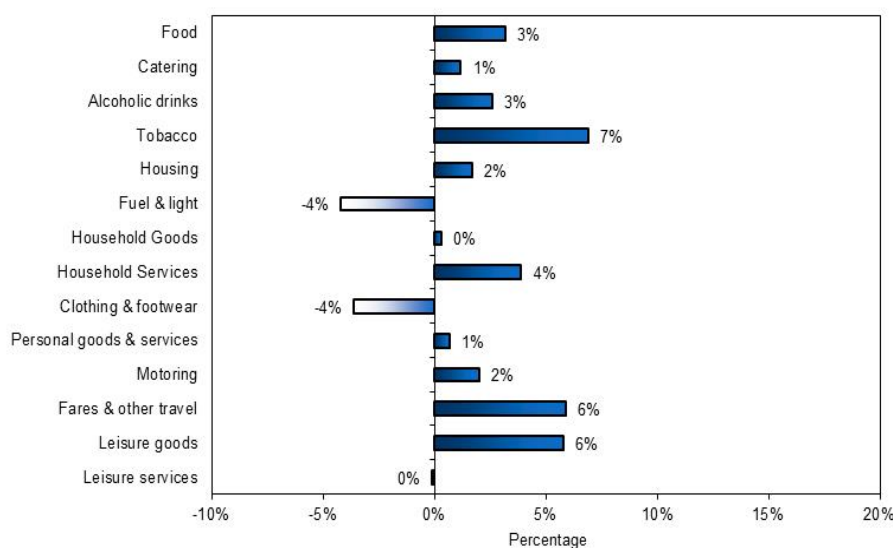
### Summary

- During the twelve months to March 2014 the All Items Retail Prices Index (RPI) for Jersey **increased by 1.7%** to stand at 157.9 (June 2000 = 100).
- The increase of the RPI over the twelve months to December was 1.9%; hence, the **annual rate of inflation decreased by 0.2 percentage points** (pp) in the latest quarter.
- The fall in the annual rate of inflation was driven by a reduction in domestic Fuel and light costs: heating oil recorded a larger decrease in price over the latest twelve-month period; whilst increases in the price of electricity and gas in January 2013 have now dropped out of the change in the index on an annual basis.
- **RPI(X)<sup>1</sup> increased by 1.9%** over the twelve months to March 2014; the annual rate of increase of RPI(X) in March 2014 was 0.2 pp lower than in December 2013.
- The annual rates of increase of **RPI Pensioners** and **RPI Low Income** over the twelve months to March 2014 were **1.8%** and **2.0%**, respectively.
- **Underlying inflation<sup>2</sup>** as measured by **RPI(Y)** **increased by 1.8%** over the twelve months to March 2014.
- The annual rates of increase of RPI Pensioners, RPI Low Income and RPI(Y) in March 2014 were all lower than in December 2013.

### Annual change

The annual percentage changes for each group of the all items RPI are shown in Figure 1; price increases were seen for the majority of groups on an annual basis.

**Figure 1 - Annual percentage changes for each group, Mar 2014**

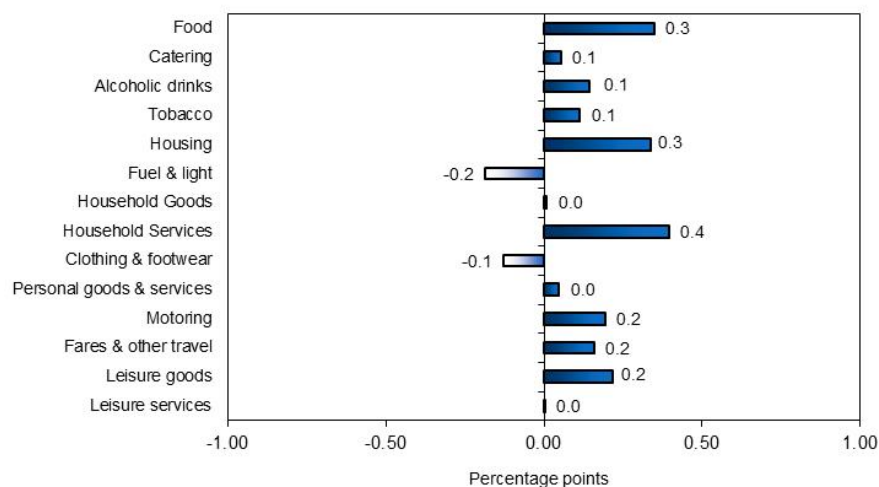


<sup>1</sup> RPI(X): the RPI excluding mortgage interest payments.

<sup>2</sup> RPI(Y): the RPI excluding mortgage interest payments and indirect taxes (e.g. GST and impôts).

Figure 2 shows the contribution of each group of the all items RPI to the overall annual increase of 1.7%.

**Figure 2 - Contribution of each group to the annual change of the RPI**



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

The majority of groups gave small upward contributions to the RPI of between +0.1 and +0.4 pp, including:

- **Household services:** costs rose by 4%, on average, over the year to March 2014, contributing +0.4 pp to the annual change of the RPI; price increases were seen across this group which includes telephone charges, domestic services, fees and subscriptions;
- **Food:** costs rose by 2.8%, on average, over the year to March 2014, contributing +0.3 pp to the annual change of the RPI. Notable increases were seen for the average price of some fresh meat, fish and chocolate, whilst chicken and bread prices decreased, on average, on an annual basis;
- **Housing:** costs rose by 2%, on average, over the year to March 2014, contributing +0.3 pp to the annual change of the RPI; the increase recorded by this group was driven by increased average rents in both the public and private sectors;
- **Leisure goods** and **Fare & other travel:** costs in these groups increased by 6%, on average, and each contributed +0.2 pp to the annual change of the RPI. Price increases were seen for garden products, toys and sporting equipment in Leisure goods, whilst Fares and other travel saw increases in the cost of parking and of taxi, bus and air fares;
- **Motoring:** costs increased by 2%, on average, over the twelve months to March 2014, contributing +0.2 pp to the RPI. The increase recorded by this group was driven by the increased cost of motor insurance and motor vehicles on an annual basis. Motoring fuel prices decreased over the twelve months to March 2014; petrol was down by 5 p per litre, on average, and diesel was down by 6 p per litre;
- **Fuel and light:** costs decreased by 4%, on average, over the twelve months to March 2014, contributing -0.2 pp to the annual change of the RPI. The decrease recorded by this group was largely due to the reduced cost of domestic heating oil, down by 8 p per litre on an annual basis. Increases in the price of electricity and gas in January 2013 have now dropped out of the change in the index on an annual basis.
- increased **impôts duties** in January 2014 accounted for about half of the contribution from **Alcoholic drinks** to the increase in the RPI and for effectively all of the contribution from the **Tobacco** group.

Individual group indices are presented in Table 1, which also includes the most recent annual and quarterly percentage changes.

**Table 1: Group indices (June 2000 = 100) and percentage changes**

<b>GROUP</b>	<b>2013 Mar</b>	<b>2013 Jun</b>	<b>2013 Sep</b>	<b>2013 Dec</b>	<b>2014 Mar</b>	<b>Annual change (percent)</b>	<b>Quarterly change (percent)</b>
Food	165.0	165.9	165.1	165.6	170.3	3.2	2.8
Catering	156.1	157.0	158.5	159.4	158.0	1.2	-0.9
Alcoholic drinks	175.0	175.5	175.7	172.7	179.6	2.6	4.0
Tobacco	250.9	252.0	252.0	250.2	268.2	6.9	7.2
Housing	163.6	164.2	164.5	166.2	166.3	1.7	0.1
Fuel & light	252.4	242.9	248.7	245.5	241.8	-4.2	-1.5
Household goods	105.1	106.3	107.1	106.3	105.4	0.3	-0.8
Household services	166.3	166.7	168.3	168.8	172.8	3.9	2.4
Clothing & footwear	85.7	83.8	86.4	84.6	82.6	-3.6	-2.4
Personal goods & services	151.3	151.6	152.7	152.9	152.4	0.7	-0.3
Motoring	155.7	155.4	156.8	155.9	158.8	2.0	1.9
Fares & other travel	183.2	194.0	191.6	187.4	194.0	5.9	3.5
Leisure goods	81.2	84.1	86.2	86.5	85.9	5.8	-0.7
Leisure services	173.2	172.9	170.8	173.1	173.1	-0.1	0.0
<b>All items</b>	<b>155.2</b>	<b>155.6</b>	<b>156.4</b>	<b>156.4</b>	<b>157.9</b>	<b>1.7</b>	<b>1.0</b>

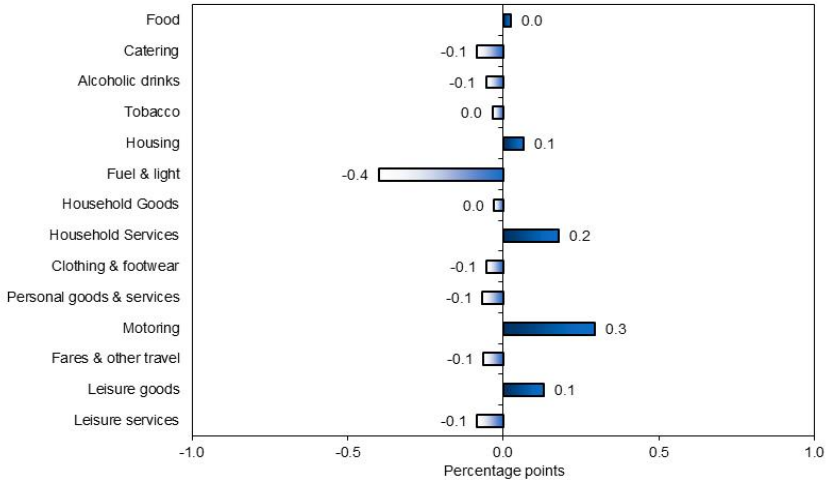
There was a decrease of 0.2 percentage points in the annual rate of increase of Jersey's RPI between December 2013 and March 2014, from 1.9 % to 1.7 %.

**Fuel & light** was the largest downward contributor to the change in the annual rate of inflation, contributing -0.4 pp (see Figure 3). The average cost in the group decreased by 4% over the twelve months to March 2014 compared with an increase of 5% over the twelve months to December 2013. This change was driven by two factors:

- the cost of domestic heating oil saw a greater fall over the twelve months to March 2014 (down by 8 p per litre) compared with that over the twelve months to December 2013 (down by 1 p per litre);
- the increases in the price of electricity and gas recorded in January 2013 have now dropped out of the change in the index on an annual basis.

In contrast, the **Motoring** group was the largest upward contributor to the change in the annual rate of inflation, contributing +0.3 pp. This upward contribution was the result of an increase of 2% in average prices in this group over the twelve months to March 2014 compared with a decrease of 1% over the twelve months to December 2013. Within the group, the average cost of motor insurance increased over the twelve months to March 2014 compared with a decrease recorded over the twelve months to December 2013, whilst the average purchase cost of motor vehicles saw a greater increase over the twelve months to March 2014 than over the twelve months to December 2013.

**Figure 3 - Contributions to change in annual rate of change of RPI between Dec 2013 and Mar 2014 (-0.2 pp from 1.9% to 1.7%)**



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

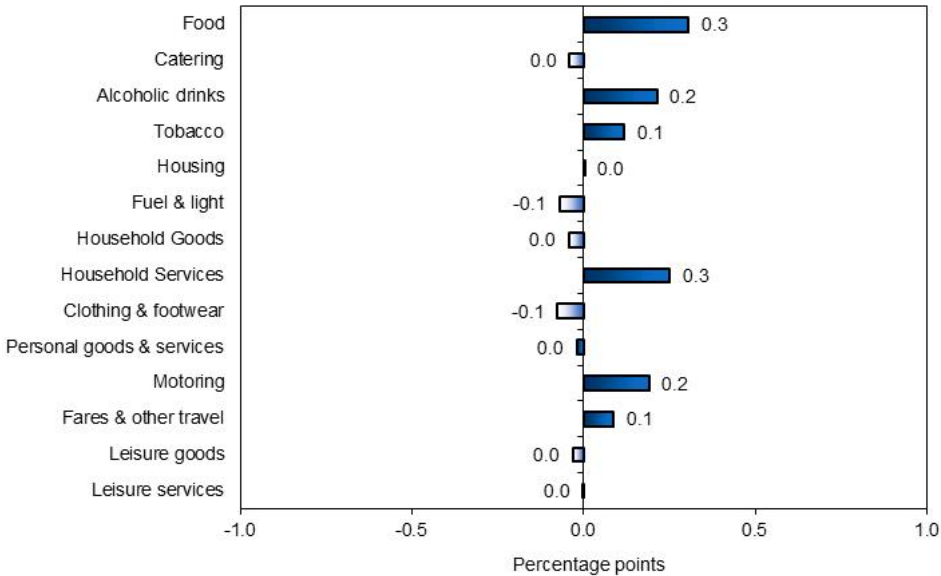
**Quarterly change**

On a quarterly basis, the RPI increased by 1.0% between December 2013 and March 2014.

Figure 4 shows that all groups were small contributors to the overall change of the RPI on a quarterly basis. In the latest quarter:

- **Food** costs rose by 2.8% between December 2013 and March 2014 contributing +0.3 pp to the overall quarterly change, predominantly due to increased prices for sweets, chocolate, fresh fruit and potatoes;
- **Household services** prices rose by 2% over the latest quarter, contributing +0.3 pp to the overall quarterly change;
- the cost of **Alcoholic drinks** increased by 4% over the latest quarter, contributing +0.2 pp to the overall quarterly change.

**Figure 4 - Contribution of each group to the quarterly change in the RPI**



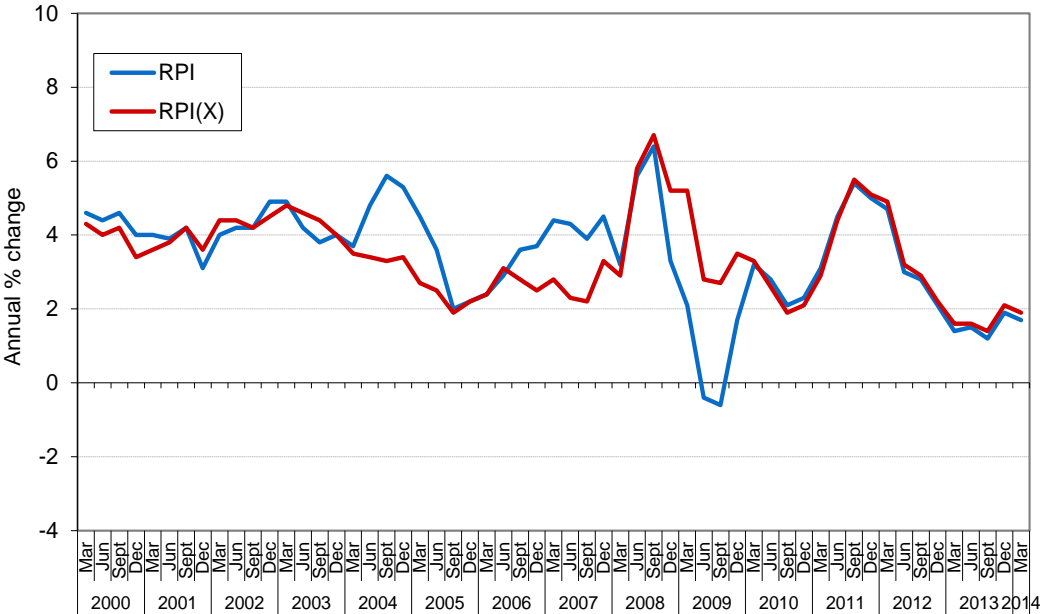
**Excluding house purchase costs: RPI(X)**

RPI(X) is the RPI excluding the cost of mortgage interest payments. During the twelve months to March 2014, RPI(X) increased by 1.9% to 157.3.

The annual rate of increase of RPI(X) decreased by 0.2 pp between December 2013 and March 2014, from 2.1% to 1.9%. The key contributors to this change in the rate of increase of RPI(X) were the same as those for the all-items RPI.

The annual rates of change of both RPI and RPI(X) since 2000 are shown in Figure 5.

**Figure 5 - Annual percentage changes in RPI and RPI(X)**



On a quarterly basis, RPI(X) increased by 1.0% between December 2013 and March 2014.

## Other inflation measures

In December 2007, a further three consumer price indices were introduced for Jersey:

- RPI Pensioners, for pensioner households;
- RPI Low Income, for households in the lowest income quintile;
- RPI(Y).

RPI(Y) provides a measure of underlying inflation by removing the effect of mortgage interest payments and 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) may be considered to be the pertinent measure of the rate of underlying inflation.

The annual rates of change of these indices, and also of RPI(X), are shown in Table 2.

**Table 2: Annual % increases in RPI(X), RPI(Y), RPI Pensioners and RPI Low Income**

Date	RPI(X)	RPI(Y)	RPI Pensioners	RPI Low Income
Mar-09	5.2	3.3	5.0	5.3
Jun-09	2.8	2.9	2.9	2.9
Sep-09	2.7	2.7	2.8	2.7
Dec-09	3.5	3.6	3.9	3.3
Mar-10	3.3	3.4	3.6	3.1
Jun-10	2.6	2.7	2.7	2.6
Sep-10	1.9	2.0	2.0	2.1
Dec-10	2.1	2.2	2.1	2.2
Mar-11	2.9	3.1	3.2	3.2
Jun-11	4.4	3.0	4.5	4.4
Sep-11	5.5	3.9	5.4	5.3
Dec-11	5.1	3.7	5.0	5.0
Mar-12	4.9	3.5	4.4	4.9
Jun-12	3.2	3.1	2.9	3.2
Sep-12	2.9	3.1	2.6	3.0
Dec-12	2.2	2.1	2.1	2.4
Mar-13	1.6	1.3	1.4	1.9
Jun-13	1.6	1.4	1.6	2.1
Sep-13	1.4	1.2	1.2	1.8
Dec-13	2.1	2.0	1.9	2.3
Mar-14	1.9	1.8	1.8	2.0

As Table 2 shows, RPI Pensioners, RPI Low Income and RPI(Y) each recorded lower annual rates of increase in March 2014 than in December 2013.

## Comparison with other jurisdictions

The annual rates of increase of the RPI, RPI(X) and RPI(Y) in Jersey, Guernsey and the UK are shown in Table 3, which also includes, for the UK, the annual rate of increase of RPIJ<sup>3</sup>.

For methodological reasons (see Background Note 4), the appropriate comparison with the UK is that of the Jersey RPI and the UK RPIJ. Over the twelve months to March 2014 the annual increase of the RPI in Jersey (1.7%) was marginally lower than that of RPIJ in the UK (1.8%).

**Table 3: Annual % increases in RPI, RPI(X) and RPI(Y) for Dec 2013 and Mar 2014**

		RPI		RPI(X)		RPI(Y)	
		Dec 13	Mar 14	Dec 13	Mar 14	Dec 13	Mar 14
<b>Jersey</b>		1.9	1.7	2.1	1.9	2.0	1.8
<b>UK</b>	<b>RPI</b>	2.7	2.5	2.8	2.5	2.8	2.7
	<b>RPIJ</b>	2.0	1.8				
<b>Guernsey</b>		2.7	2.8	2.1	2.2	1.9	1.9

Despite the fact that global factors influence all three jurisdictions, local trends and issues in each location dictate the full extent of such factors. In particular, the Clothing and footwear, Housing and Fuel and light groups were key contributors to the greater rate of increase of the RPI in the UK compared with Jersey<sup>4</sup>:

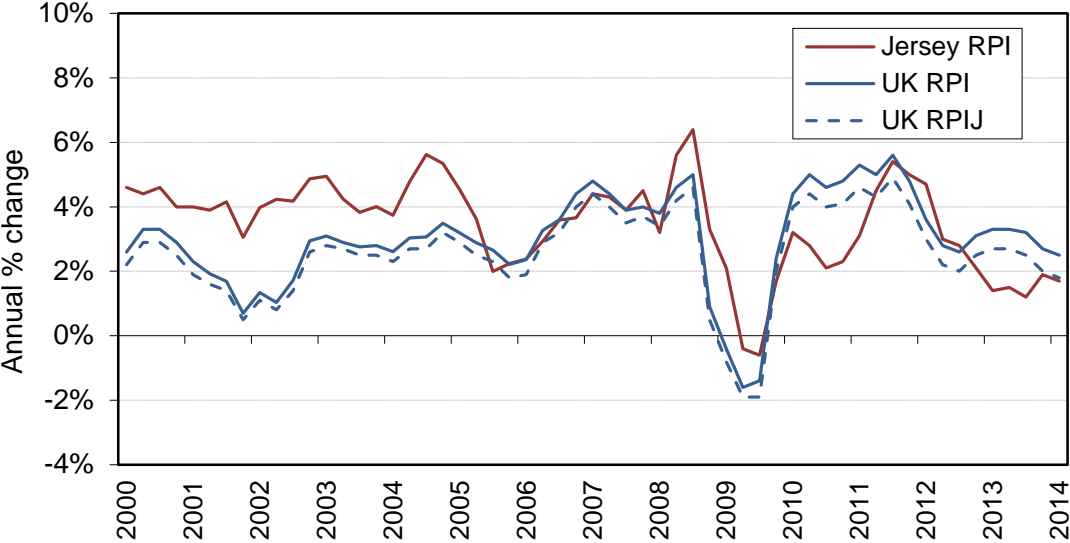
- **Clothing and footwear** prices increased by 8% in the UK on an annual basis but decreased by 4% in Jersey over the same period;
- **Housing** prices increased by more in the UK on an annual basis than in Jersey (up by 3% and 2%, respectively);
- **Fuel and Light costs** increased by 5% in the UK on an annual basis but decreased by 4% in Jersey over the same period. In this group, electricity prices increased by 7% in the UK over the twelve months to March 2014 but were unchanged in Jersey. The cost of domestic heating oil decreased in both jurisdictions over the twelve-month period, down by 11% in the UK and by 10% in Jersey;
- in contrast, the cost of **Motoring** decreased by 2% on an annual basis in the UK compared with an increase of 2% in Jersey over the same period.

The annual percentage changes since 2000 of the Jersey RPI, the UK RPI and the UK RPIJ are shown in Figure 6.

<sup>3</sup> RPIJ was first published by the UK Office for National Statistics in March 2013.

<sup>4</sup> Group level contributions are not published for the UK RPIJ. Acknowledging the upward bias of annual changes in the UK RPI compared with RPIJ (see Background Note 4), informative comparison can be made at the RPI group level, for which UK information is published.

Figure 6 – Annual percentage change in RPI: Jersey and UK and UK RPIJ 2000 – 2014



Statistics Unit  
17 April 2014



## BACKGROUND NOTES

1. The Retail Prices Index (RPI) is the main measure of inflation in Jersey. It measures the change from quarter to quarter in the price of the goods and services purchased by an “average household” in Jersey. The spending pattern on which the index is based is revised at intervals, using information from the Jersey Household Spending Survey (HSS). An HSS was conducted in 2009-10, the results of which were published in July 2011; these results have been used to conduct a commodity review and the introduction of new weights for all consumer prices indices in September 2013.
2. The RPI is compiled using a large and representative selection of over 500 separate goods and services. The price movements for each of these are measured at a representative range of outlets. About 2,500 separate price quotations are used each quarter in compiling the index. Prices are measured on or around the 15<sup>th</sup> day of March, June, September and December.
3. Full details of the Jersey Retail Prices Index and its movements for the past twelve years, together with the comparable UK and Guernsey indices, are set out in the Annex, along with details of the Jersey and UK figures for RPI(X) from 2002 to date.
4. In 2012 a UK RPI consultation was conducted by the UK National Statistician. The principal outcomes of this consultation were that: the UK RPI does not meet current international standards; and that a new index (RPIJ) should be published. From March 2013 the UK have published RPIJ. The annual percentage change in the UK RPI is systematically greater (by an average of approximately 0.5 pp) than RPIJ; this upward bias is due to the “formula effect”. The Jersey RPI is not susceptible to such an upward bias.

It should also be acknowledged that the annual change of the UK indices RPI(X) and RPI(Y) are also susceptible, in principle, to an upward bias due to the formula effect. However, the upward biases of the UK RPI(X) and RPI(Y) are not quantified by the UK Office for National Statistics.

5. The Bank of England base rate has remained at 0.5% since 5 March 2009.
6. 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.
7. Group and section weights for RPI Pensioners and RPI Low Income are derived from information on expenditure collected by the 2009/10 Household Spending Survey (HSS). Section and item weights therefore differ from those in the Jersey RPI due to the different expenditure patterns for these households compared to all households.
8. The June 2014 Index will be released on 18 July 2014.
9. The Jersey Retail Prices Index is compiled by the Statistics Unit, The Parade, St. Helier, Jersey, JE4 8QT; (enquiries to Statistics Unit: 01534-440465 e-mail: [statistics@gov.je](mailto:statistics@gov.je)).

## Annex A

ALL ITEMS RETAIL PRICES INDEX: 2002 - 2014								
Jersey RPI (June 2000=100)			Annual Movements %			Quarterly Movements %		
			Jersey	UK	Guernsey	Jersey	UK	Guernsey
<b>2002</b>	Mar	107.1	4.0	1.3	2.9	2.3	0.6	1.6
	Jun	108.3	4.2	1.0	3.3	1.1	1.0	1.0
	Sep	109.7	4.2	1.7	3.9	1.3	0.8	1.4
	Dec	109.8	4.9	2.9	4.4	0.1	0.5	0.4
<b>2003</b>	Mar	112.4	4.9	3.1	4.7	2.4	0.8	1.9
	Jun	112.9	4.2	2.9	4.3	0.4	0.8	0.6
	Sep	113.9	3.8	2.8	3.3	0.9	0.7	0.4
	Dec	114.2	4.0	2.8	3.9	0.3	0.5	1.0
<b>2004</b>	Mar	116.6	3.7	2.6	4.2	2.1	0.6	2.2
	Jun	118.3	4.8	3.0	4.5	1.5	1.2	0.9
	Sep	120.3	5.6	3.1	5.2	1.7	0.7	1.1
	Dec	120.3	5.3	3.5	4.9	0.0	1.0	0.7
<b>2005</b>	Mar	121.9	4.5	3.2	4.6	1.3	0.3	1.9
	Jun	122.6	3.6	2.9	4.6	0.6	0.9	0.9
	Sep	122.7	2.0	2.7	3.8	0.1	0.5	0.3
	Dec	123.0	2.2	2.2	3.3	0.2	0.5	0.2
<b>2006</b>	Mar	124.8	2.4	2.4	3.1	1.5	0.5	1.7
	Jun	126.2	2.9	3.3	3.4	1.1	1.8	1.2
	Sep	127.1	3.6	3.6	3.5	0.7	0.8	0.4
	Dec	127.5	3.7	4.4	4.4	0.3	1.3	1.1
<b>2007</b>	Mar	130.3	4.4	4.8	4.8	2.2	0.8	2.1
	Jun	131.6	4.3	4.4	4.7	1.0	1.4	1.1
	Sep	132.1	3.9	3.9	4.9	0.4	0.3	0.6
	Dec	133.3	4.5	4.0	4.9	0.9	1.4	1.1
<b>2008</b>	Mar	134.5	3.2	3.8	4.8	0.9	0.6	2.0
	Jun	139.0	5.6	4.6	5.5	3.3	2.2	1.7
	Sep	140.5	6.4	5.0	5.8	1.1	0.7	0.9
	Dec	137.7	3.3	0.9	1.2	-2.0	-2.5	-3.4
<b>2009</b>	Mar	137.3	2.1	-0.4	-1.2	-0.3	-0.8	-0.4
	Jun	138.5	-0.4	-1.6	-1.3	0.9	1.0	1.6
	Sep	139.6	-0.6	-1.4	-1.2	0.8	0.9	1.1
	Dec	140.0	1.7	2.4	2.2	0.3	1.3	0.0
<b>2010</b>	Mar	141.7	3.2	4.4	3.4	1.2	1.2	0.7
	Jun	142.4	2.8	5.0	2.3	0.5	1.5	0.5
	Sep	142.6	2.1	4.6	1.6	0.1	0.5	0.4
	Dec	143.2	2.3	4.8	2.3	0.4	1.4	0.6
<b>2011</b>	Mar	146.1	3.1	5.3	2.9	2.0	1.8	1.4
	Jun	148.8	4.5	5.0	3.0	1.8	1.2	0.6
	Sep	150.3	5.4	5.6	3.5	1.0	1.1	0.9
	Dec	150.4	5.0	4.8	3.2	0.1	0.6	0.3
<b>2012</b>	Mar	153.0	4.7	3.6	3.5	1.7	0.6	1.7
	Jun	153.3	3.0	2.8	3.2	0.2	0.4	0.3
	Sep	154.5	2.8	2.6	3.0	0.8	1.0	0.7
	Dec	153.5	2.1	3.1	3.2	-0.6	1.1	0.4
<b>2013</b>	Mar	155.2	1.4	3.3	2.6	1.1	0.8	1.1
	Jun	155.6	1.5	3.3	2.7	0.3	0.4	0.4
	Sep	156.4	1.2	3.2	2.7	0.5	0.9	0.7
	Dec	156.4	1.9	2.7	2.7	0.0	0.6	0.5
<b>2014</b>	Mar	157.9	1.7	2.5	2.8	1.0	0.6	1.2

RETAIL PRICES INDEX EXCLUDING HOUSE PURCHASE COSTS: 2002 - 2014						
Jersey RPI(X) (June 2000=100)			Annual Movements %			Quarterly Movements %
			Jersey	UK	Guernsey	Jersey
<b>2002</b>	Mar	107.3	4.4	2.3	3.8	2.1
	Jun	108.4	4.4	1.5	3.6	1.0
	Sep	109.7	4.2	2.1	3.8	1.2
	Dec	109.8	4.5	2.7	3.8	0.1
<b>2003</b>	Mar	112.5	4.8	3.0	4.3	2.5
	Jun	113.4	4.6	2.8	3.8	0.8
	Sep	114.5	4.4	2.8	3.1	1.0
	Dec	114.2	4.0	2.6	3.4	-0.3
<b>2004</b>	Mar	116.4	3.5	2.1	3.2	1.9
	Jun	117.3	3.4	2.3	3.1	0.8
	Sep	118.3	3.3	1.9	2.9	0.9
	Dec	118.1	3.4	2.5	2.9	-0.2
<b>2005</b>	Mar	119.6	2.7	2.4	3.2	1.3
	Jun	120.2	2.5	2.2	3.3	0.5
	Sep	120.6	1.9	2.5	3.6	0.3
	Dec	120.7	2.2	2.0	3.0	0.1
<b>2006</b>	Mar	122.5	2.4	2.1	2.8	1.5
	Jun	123.9	3.1	3.1	3.1	1.1
	Sep	124.0	2.8	3.2	2.5	0.1
	Dec	123.7	2.5	3.8	2.8	-0.2
<b>2007</b>	Mar	125.9	2.8	3.9	3.1	1.8
	Jun	126.7	2.3	3.3	3.1	0.6
	Sep	126.7	2.2	2.8	2.9	0.0
	Dec	127.7	3.2	3.1	3.9	0.8
<b>2008</b>	Mar	129.5	2.9	3.5	4.3	1.4
	Jun	134.0	5.8	4.8	5.4	3.5
	Sep	135.2	6.7	5.5	6.2	0.9
	Dec	134.3	5.2	2.8	4.6	-0.7
<b>2009</b>	Mar	136.2	5.2	2.2	3.3	1.4
	Jun	137.8	2.8	1.0	2.7	1.2
	Sep	138.8	2.7	1.3	2.4	0.7
	Dec	139.0	3.5	3.8	2.9	0.1
<b>2010</b>	Mar	140.7	3.3	4.8	3.1	1.2
	Jun	141.4	2.6	5.0	2.4	0.5
	Sep	141.4	1.9	4.6	2.3	0.0
	Dec	141.9	2.1	4.7	2.7	0.4
<b>2011</b>	Mar	144.8	2.9	5.4	2.9	2.0
	Jun	147.6	4.4	5.0	2.6	1.9
	Sep	149.2	5.5	5.7	3.0	1.1
	Dec	149.2	5.1	5.0	2.8	0.0
<b>2012</b>	Mar	151.9	4.9	3.7	3.2	1.8
	Jun	152.3	3.2	2.8	3.1	0.3
	Sep	153.5	2.9	2.6	3.0	0.8
	Dec	152.5	2.2	3.0	3.0	-0.7
<b>2013</b>	Mar	154.3	1.6	3.2	2.3	1.2
	Jun	154.8	1.6	3.3	2.1	0.3
	Sep	155.6	1.4	3.2	2.0	0.5
	Dec	155.7	2.1	2.8	2.1	0.1
<b>2014</b>	Mar	157.3	1.9	2.5	2.2	1.0