



Isle of Man
Government

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Isle of Man Inflation Report April 2018

Economic Affairs

Cabinet Office

May 2018

ISLE OF MAN INFLATION

APRIL 2018



KEY POINTS FOR APRIL 2018

CONSUMER PRICES INDEX

4.0%

CONSUMER PRICES INDEX DECREASES (CPI)

The annual rate of inflation as measured by CPI decreased to 4.0% in April 2018, down from 4.4% in March 2018.

Inflation as measured by the Consumer Price Index decreased to 4.0% in April 2018.

Transport continues to be a driver of inflation in April 2018, particularly air fares which have shown significant increases over 12 months, particularly with the impact of some flights being around the TT race period.

Housing, water, electricity, gas and other fuels are also contributing to the increase, with increased costs of heating oil, as a result of the rising crude oil price which is not being offset by improvements in the £/USD exchange rate. There is also a notable increase in rental costs, which are across both the public and private sector.

Some categories however have shown limited to no increases in prices over the 12 month period, such as food and non-alcoholic beverages and health costs, with lower inflationary pressure compared with March 2018 from most categories.

LARGEST CATEGORY MOVEMENTS OVER 12 MONTHS TO APRIL 2018 (CPI)

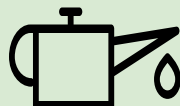
INCREASES



Other household equipment
+22.9%



Air Travel
+35.2%



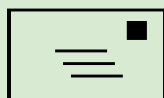
Oil and Other Fuels
+12.8%



Kennel Fees
+20.0%



Telephones, ect.
+15.4%



Postage
+15.6%

DECREASES



Wines & Spirits
'Off' Sale
-5.6%



Subscription to internet
-6.9%



Milk Products
-6.0%



Oils and Fats
-7.0%



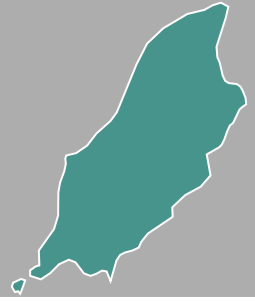
Fruit
-8.6%



Pork
-7.8%

ISLE OF MAN INFLATION

APRIL 2018
OVERALL CPI 4.0%



12 MONTH CHANGE CATEGORY MOVEMENTS (CPI)



Food and Non-
Alcoholic Beverages
0.0%



Alcoholic Beverages
and Tobacco
+0.7%



Clothing and
Footwear
+3.3%



Housing, Water,
Electricity, Gas and
Other Fuels
+5.4%



Furniture, Household
Equipment and
Maintenance
+6.0%



Health
+0.2%



Transport
+9.7%



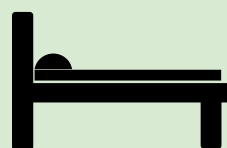
Communication
+15.5%



Recreation and
Culture
+2.1%



Education
+6.5%



Restaurants and
Hotels
+2.9%



Miscellaneous Goods
and Services
0.0%

Table 1 - Isle of Man Consumer Prices Index - Summary April 2018

Category	Weights	Index	1 month change	12 month change	Contribution to overall 12 month change
Food and non-alcoholic beverages	148	120.4	-0.4%	0.0%	0.0%
Alcoholic beverages and tobacco	39	143.2	-1.5%	0.7%	0.0%
Clothing and footwear	58	98.5	1.9%	3.3%	0.2%
Housing, water, electricity, gas and other fuels	99	142.0	0.7%	5.4%	0.5%
Furniture, household equipment and maintenance	68	143.6	1.0%	6.0%	0.4%
Health	20	122.4	0.7%	0.2%	0.0%
Transport	169	122.3	2.3%	9.7%	1.6%
Communication	25	140.6	2.7%	15.5%	0.4%
Recreation and Culture	194	122.7	0.5%	2.1%	0.4%
Education	35	141.6	1.2%	6.5%	0.2%
Restaurants and hotels	70	164.7	0.1%	2.9%	0.2%
Miscellaneous goods and services	76	107.2	0.7%	0.0%	0.0%
Consumer Price Index	1000	129.6	0.8%	4.0%	4.0%

Note: January 2008 = 100 for the purposes of the Isle of Man Consumer Price Index

Table 2 - Isle of Man Consumer Prices Index detailed indices April 2018
January 2008 = 100

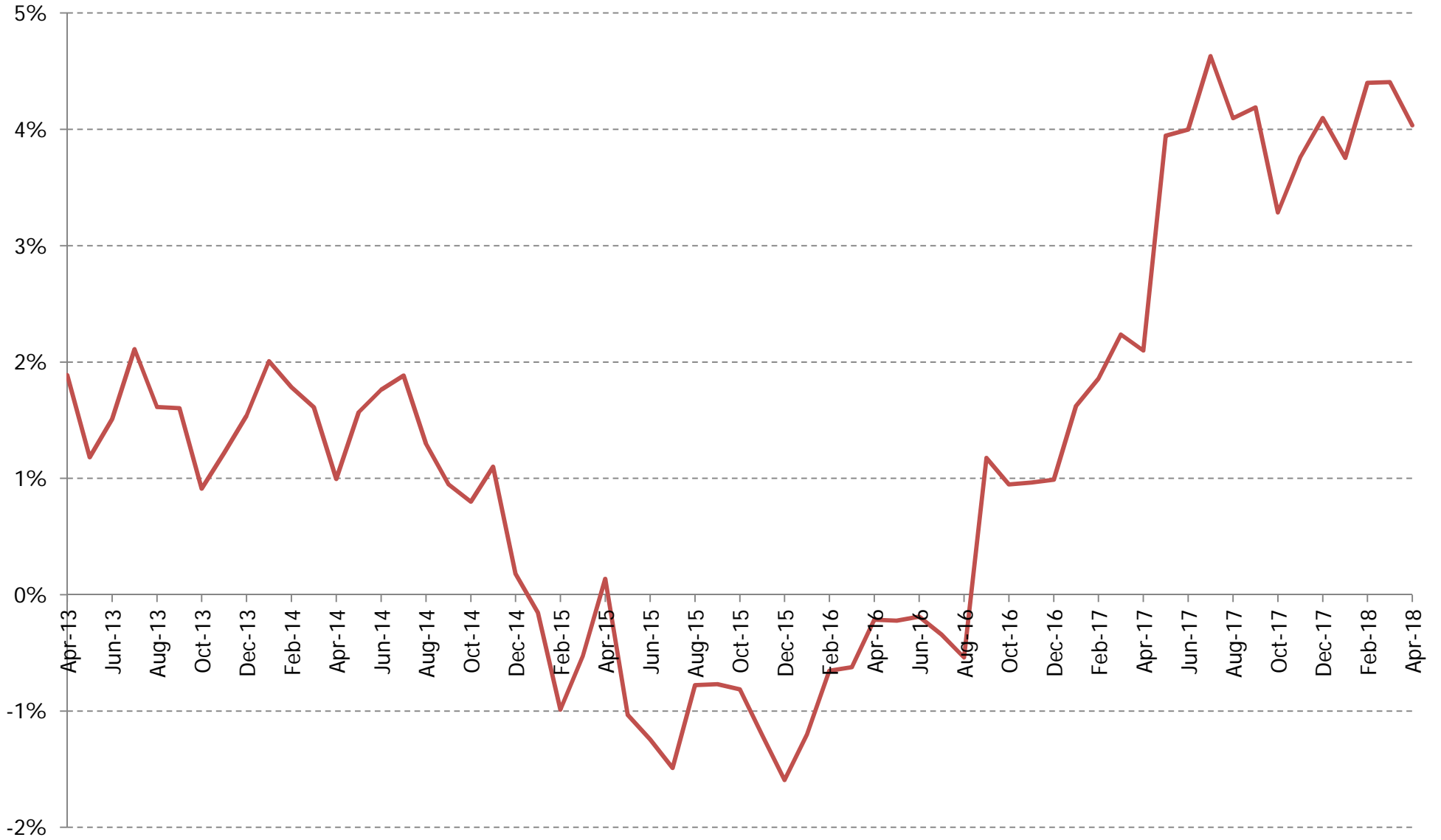
Category	Index	12 month change	Category	Index	12 month change
Food and non-alcoholic beverages	120.4	0.0%	Furniture, household equipment and maintenance	143.6	6.0%
Bread	128.6	1.7%	Furniture	135.6	1.1%
Cereals	130.2	2.1%	Furnishings	174.5	4.8%
Biscuits and cakes	133.6	4.0%	Electrical appliances	89.1	-1.8%
Beef	118.1	-1.8%	Other household equipment	151.7	22.9%
Lamb	130.6	4.7%	Household consumables	124.7	4.0%
Pork	109.9	-7.8%	Domestic help	136.0	0.0%
Bacon	89.2	0.1%	Window cleaning	135.7	0.0%
Poultry	172.9	-2.6%			
Other meat	129.3	2.7%	Health	122.4	0.2%
Fish	119.9	2.5%	NHS prescription	118.5	0.0%
Butter	166.6	11.0%	Contact lens solution	133.7	0.5%
Oils and fats	121.1	-7.0%	Indigestion tablets	124.7	1.2%
Cheese	118.7	-0.6%	Painkiller tablets	155.8	3.0%
Eggs	93.6	-3.3%	Multivitamin tablets	166.9	0.0%
Milk	119.3	1.5%	Sticking plasters	89.0	-1.2%
Milk products	113.8	-6.0%	Dentist fees	106.5	0.0%
Tea	153.1	4.6%	Subscription to a medical plan	111.7	0.0%
Coffee and other hot drinks	155.3	7.2%			
Soft drinks	107.3	-0.3%	Transport	122.3	9.7%
Sugar and preserves	87.3	3.4%	Driving lessons	107.3	0.0%
Sweets and chocolates	129.5	0.8%	Purchase of motor vehicles	102.2	2.2%
Potatoes	68.5	2.2%	Maintenance of motor vehicles	124.7	1.2%
Vegetables	86.7	-2.3%	Petrol and oil	108.9	1.1%
Fruit	112.9	-8.6%	Sea travel	157.2	7.9%
Other foods	120.5	0.8%	Air travel	118.8	35.2%
			Bus and coach fares	138.0	0.0%
Alcoholic beverages and tobacco	143.2	0.7%	Other travel costs	127.7	-1.9%
Beer 'off' sales	115.5	1.3%			
Wines & spirits 'off' sales	110.4	-5.6%	Communication	140.6	15.5%
Tobacco	195.0	6.8%	Postage	179.9	15.6%
			Telephones, etc.	133.6	15.4%
Clothing and footwear	98.5	3.3%			
Men's outerwear	94.0	3.2%	Recreation and culture	122.7	2.1%
Women's outerwear	89.8	2.6%	Pet care	140.0	11.3%
Childrens' outerwear	149.9	8.0%	Kennel fees	123.4	20.0%
Other clothing	109.1	0.9%	Subscription to internet	91.0	-6.9%
Footwear	93.4	2.2%	Leisure goods & services	254.2	0.5%
Housing, water, electricity, gas and other fuels	142.0	5.4%	Education	141.6	6.5%
Rent	161.3	7.5%	Private education fee	137.7	-0.7%
Rates	177.7	0.0%	Preschool fees	127.9	7.9%
Repairs and maintenance charges	132.0	4.0%			
DIY materials	109.0	5.0%	Restaurants and hotels	164.7	2.9%
Coal and solid fuels	163.4	3.1%	Catering	159.2	2.8%
Electricity	134.4	0.0%	Beer 'on' sales	138.6	1.9%
Gas	126.4	3.3%	Wines & spirits 'on' sales	246.8	4.9%
Oil and other fuels	115.1	12.8%			
			Miscellaneous goods and services	107.2	0.0%
			Consumer Price Index	129.6	4.0%

Table 4 - Isle of Man Retail Prices Index - Summary April 2018

Category	Weights	Index	1 month change	12 month change	Contribution to overall 12 month change
Food	131	289.2	-1.6%	0.4%	0.1%
Catering	43	201.3	-0.2%	2.8%	0.1%
Alcoholic drink	41	179.1	-2.8%	-1.5%	-0.1%
Tobacco	22	352.0	1.7%	30.3%	0.7%
Housing	221	145.8	0.0%	0.7%	0.2%
Fuel and light	71	248.3	0.0%	5.8%	0.4%
Household goods	64	186.5	0.0%	7.7%	0.5%
Household services	73	146.5	2.3%	6.8%	0.5%
Clothing and footwear	38	218.2	2.3%	17.1%	0.7%
Personal goods and services	56	264.5	-3.4%	4.3%	0.3%
Motoring expenditure	89	148.6	0.0%	1.6%	0.1%
Fares and other travel costs	30	365.1	14.5%	53.0%	2.1%
Leisure goods	36	186.3	-6.6%	16.1%	0.7%
Leisure services	86	190.1	0.6%	4.5%	0.4%
All Items excluding Housing	779	203.1	0.2%	2.5%	-
All Items	1000	198.3	0.2%	6.5%	6.5%

Note: January 2000 = 100 for the purposes of the Isle of Man Retail Price Index

Consumer Price Index April 2013 - April 2018



ISLE OF MAN INFLATION

METHODOLOGY



METHODOLOGICAL NOTES

Inflation measures the increase in the cost of living, expressed through the prices paid for goods and services by an average household.

A "basket" of goods has been compiled based on the results of the Household Income and Expenditure Survey 2013. The relevant importance of each item is taken into account by weighting products according to the average expenditure on each.

Combining the movements in all the prices together results in an index value and movements in that index value represent an inflation rate; usually expressed as a percentage increase over the previous year. For example, if an annual rate of inflation is given as 5%, then this means something like: "over the last 12 months, the total cost of goods and services consumed by the average household has increased by 5%".

Currently in the Isle of Man, around 1,000 prices are collected for some 500 items. These prices are collected by the staff of Economic Affairs Division by a combination of: mailing out forms to be filled in by participating businesses, personal visits to premises, telephone contacts, and browsing online shopping sites. Approximately one hundred retailers and other organisations help by either supplying price information or allowing access to their premises. Prices are collected on the 17th/18th of every month (or the nearest working day if this falls on a weekend).

Change to the calculation of the Retail Price Index

As announced in January 2018, April 2018 is the first month where the methodology for the Retail Price Index has changed.

The change to the Retail Price Index relates to the formula which is used to create the index, which has changed from the Carli formula to the Jevons formula. This is the same formula which is used in the creation of the Consumer Price Index. However the basket of goods and services and the weightings used in the Retail Price Index will remain the same.

In order to enable comparisons with the United Kingdom's RPI, a comparison chart which takes into account the 'formula effect' is provided below and will be provided each month:

UK RPI (March 2018): 3.3%
Estimated Formula Effect: -0.83%

Adjusted UK RPI: 2.5%

This data can be sourced from Table 1 and Table 5 of the ONS Inflation Data release: <https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>



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