



**Isle of Man**  
**Government**

*Reiltys Ellan Vannin*

# Isle of Man Inflation Report August 2019

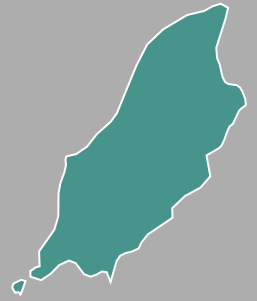
Economic Affairs

Cabinet Office

September 2019

# ISLE OF MAN INFLATION

## AUGUST 2019



### KEY POINTS FOR AUGUST 2019

#### CONSUMER PRICES INDEX

**2.5%**

#### CONSUMER PRICES INDEX (CPI)

The annual rate of inflation as measured by CPI increased in August 2019 to 2.5% up from 2.1% in July 2019.

Inflation as measured by the Consumer Price Index has risen in August 2019 to 2.5%.

The most significant contributors to the rate of inflation for August 2019 are Recreation & culture, Transport and Education contributing 0.7, 0.4 and 0.4 points respectively to the overall 12 month rate.

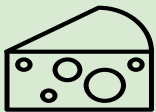
Within Recreation & Culture, Subscription to the internet was the largest contributor to the overall rate of inflation which contributed a 12.5% increase in the rate of inflation.

In Transport, the largest contributors to the overall rate of inflation were Other travel costs (10.6%) and Air travel (5.8%)

Within Education, both Preschool and Private education fees have increased by 4.4% and 3.5% respectively compared to last year.

### LARGEST CATEGORY MOVEMENTS OVER 12 MONTHS TO AUGUST (CPI)

#### INCREASES



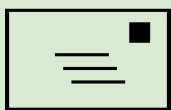
Cheese  
+9.4%



Men's outerwear  
+10.1%



Subscriptions to internet  
+12.5%



Postage  
+9.6%



Other travel costs  
+10.6%



Other household equipment  
+13.6%

#### DECREASES



Other meat  
-4.2%



Eggs  
-5.0%



Soft drinks  
-4.8%



Indigestion tablets  
-4.3%



Milk  
-6.9%



Wine & spirits  
'off' sale  
-4.4%

# ISLE OF MAN INFLATION

AUGUST 2019  
OVERALL CPI 2.5%



## 12 MONTH CHANGE CATEGORY MOVEMENTS (CPI)



Food and Non-  
Alcoholic Beverages  
+0.7%



Alcoholic Beverages  
and Tobacco  
+0.7%



Clothing and  
Footwear  
+1.4%



Housing, Water,  
Electricity, Gas and  
Other Fuels  
0.0%



Furniture, Household  
Equipment and  
Maintenance  
+3.9%



Health  
+0.2%



Transport  
+2.2%



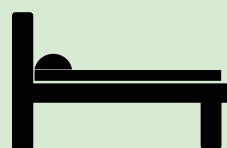
Communication  
+4.8%



Recreation and  
Culture  
+3.5%



Education  
+11.8%



Restaurants and  
Hotels  
+2.5%



Miscellaneous Goods  
and Services  
+3.4%

**Table 1 - Isle of Man Consumer Prices Index - Summary August 2019**

Category	Weights	Index	1 month change	12 month change	Contribution to overall 12 month change
Food and non-alcoholic beverages	148	121.3	-0.1%	0.7%	0.1%
Alcoholic beverages and tobacco	39	149.7	0.9%	0.7%	0.0%
Clothing and footwear	58	96.7	6.6%	1.4%	0.1%
Housing, water, electricity, gas and other fuels	99	144.2	1.1%	0.0%	0.0%
Furniture, household equipment and maintenance	68	147.5	1.7%	3.9%	0.3%
Health	20	122.7	-0.6%	0.2%	0.0%
Transport	169	118.4	-2.4%	2.2%	0.4%
Communication	25	147.3	0.0%	4.8%	0.1%
Recreation and Culture	194	126.1	0.3%	3.5%	0.7%
Education	35	158.3	0.0%	11.8%	0.4%
Restaurants and hotels	70	170.1	0.0%	2.5%	0.2%
Miscellaneous goods and services	76	111.8	0.8%	3.4%	0.3%
<b>Consumer Price Index</b>	<b>1000</b>	<b>131.7</b>	<b>0.2%</b>	<b>2.5%</b>	<b>2.5%</b>

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 August 2019**  
**January 2008 = 100**

Category	Index	12 month change	Category	Index	12 month change
<b>Food and non-alcoholic beverages</b>	<b>121.3</b>	<b>0.7%</b>	<b>Furniture, household equipment and maintenance</b>	<b>147.5</b>	<b>3.9%</b>
Bread	128.4	0.0%	Furniture	139.4	0.6%
Cereals	132.9	2.9%	Furnishings	175.3	5.1%
Biscuits and cakes	134.7	2.4%	Electrical appliances	82.8	-1.8%
Beef	122.6	3.5%	Other household equipment	171.9	13.6%
Lamb	132.7	0.9%	Household consumables	126.7	2.9%
Pork	112.8	2.7%	Domestic help	136.0	0.0%
Bacon	88.8	0.5%	Window cleaning	142.3	4.0%
Poultry	174.1	2.2%			
Other meat	121.2	-4.2%	<b>Health</b>	<b>122.7</b>	<b>0.2%</b>
Fish	121.4	2.2%	NHS prescription	118.5	0.0%
Butter	170.9	1.3%	Contact lens solution	133.7	0.0%
Oils and fats	135.4	9.4%	Indigestion tablets	122.6	-4.3%
Cheese	130.3	9.4%	Painkiller tablets	148.2	0.6%
Eggs	89.0	-5.0%	Multivitamin tablets	165.1	-1.1%
Milk	111.9	-6.9%	Sticking plasters	91.9	3.3%
Milk products	122.0	2.1%	Dentist fees	108.3	1.7%
Tea	133.5	-0.7%	Subscription to a medical plan	111.7	0.0%
Coffee and other hot drinks	145.1	-2.3%			
Soft drinks	102.3	-4.8%	<b>Transport</b>	<b>118.4</b>	<b>2.2%</b>
Sugar and preserves	87.6	0.9%	Driving lessons	107.3	0.0%
Sweets and chocolates	129.0	-1.0%	Purchase of motor vehicles	103.8	1.1%
Potatoes	71.5	3.2%	Maintenance of motor vehicles	128.6	1.1%
Vegetables	92.4	4.5%	Petrol and oil	114.0	-0.6%
Fruit	114.9	1.2%	Sea travel	159.5	1.6%
Other foods	125.6	0.9%	Air travel	97.6	5.8%
			Bus and coach fares	138.0	0.0%
<b>Alcoholic beverages and tobacco</b>	<b>149.7</b>	<b>0.7%</b>	Other travel costs	133.7	10.6%
Beer 'off' sales	116.3	-0.4%			
Wines & spirits 'off' sales	112.5	-4.4%	<b>Communication</b>	<b>147.3</b>	<b>4.8%</b>
Tobacco	209.9	5.6%	Postage	197.2	9.6%
			Telephones, etc.	139.4	4.4%
<b>Clothing and footwear</b>	<b>96.7</b>	<b>1.4%</b>			
Men's outerwear	96.1	10.1%	<b>Recreation and culture</b>	<b>126.1</b>	<b>3.5%</b>
Women's outerwear	86.4	-2.8%	Pet care	141.3	1.1%
Childrens' outerwear	134.6	-2.0%	Kennel fees	123.4	0.0%
Other clothing	112.9	3.9%	Subscription to internet	102.4	12.5%
Footwear	94.7	1.8%	Leisure goods & services	261.5	0.4%
<b>Housing, water, electricity, gas and other fuels</b>	<b>144.2</b>	<b>0.0%</b>	<b>Education</b>	<b>158.3</b>	<b>11.8%</b>
Rent	157.6	-3.3%	Private education fee	142.6	3.5%
Water Rates	186.3	4.9%	Preschool fees	133.5	4.4%
Repairs and maintenance charges	132.0	0.0%			
DIY materials	106.9	-1.9%	<b>Restaurants and hotels</b>	<b>170.1</b>	<b>2.5%</b>
Coal and solid fuels	163.6	3.2%	Catering	162.9	2.0%
Electricity	140.1	2.5%	Beer 'on' sales	146.8	4.8%
Gas	126.4	0.0%	Wines & spirits 'on' sales	271.8	4.9%
Oil and other fuels	126.3	3.3%			
			<b>Miscellaneous goods and services</b>	<b>111.8</b>	<b>3.4%</b>
			<b>Consumer Price Index</b>	<b>131.7</b>	<b>2.5%</b>

**Table 3 - Isle of Man Consumer Price Index  
January 2008 = 100**

Group		January	February	March	April	May	June	July	August	September	October	November	December
		2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
01	Food and non-alcoholic beverages	121.8	121.3	120.9	120.4	120.4	120.3	120.8	120.5	120.6	120.7	121.6	120.9
02	Alcoholic beverages and tobacco	141.1	141.3	145.3	143.2	146.9	147.3	146.9	148.6	148.3	148.4	148.6	146.5
03	Clothing and footwear	92.0	91.8	96.7	98.5	98.2	96.7	92.7	95.4	100.0	97.9	95.0	95.0
04	Housing, water, electricity, gas and other fuels	137.3	141.0	141.0	142.0	143.2	143.7	143.8	144.3	144.7	145.7	145.8	143.5
05	Furniture, household equipment and maintenance	141.1	141.6	142.1	143.6	143.5	141.5	142.3	142.0	143.1	143.7	144.7	144.9
06	Health	121.8	121.5	121.6	122.4	122.9	122.3	122.5	122.4	122.4	122.4	122.4	121.9
07	Transport	111.7	115.7	119.6	122.3	115.3	117.2	119.4	115.8	123.0	118.4	118.9	113.0
08	Communication	136.7	136.8	136.8	140.6	140.6	140.6	140.6	140.6	140.6	142.1	142.5	142.5
09	Recreation and culture	120.5	121.7	122.1	122.7	123.6	123.2	120.8	121.8	123.2	123.6	123.0	123.4
10	Education	139.9	139.9	139.9	141.6	141.6	141.6	141.6	141.6	156.5	156.5	156.5	156.5
11	Restaurants and hotels	163.5	164.4	164.5	164.7	164.7	164.9	165.9	165.9	165.9	166.2	167.5	167.4
12	Miscellaneous goods and services	109.4	109.2	106.4	107.2	106.4	110.2	108.3	108.1	109.0	110.5	111.0	106.9
	<b>Consumer Price Index</b>	<b>126.2</b>	<b>127.5</b>	<b>128.5</b>	<b>129.6</b>	<b>128.6</b>	<b>129.1</b>	<b>128.7</b>	<b>128.5</b>	<b>131.1</b>	<b>130.5</b>	<b>130.6</b>	<b>128.8</b>
	CPI inflation rate	3.8%	4.4%	4.4%	4.0%	2.2%	2.6%	1.6%	2.3%	2.4%	3.5%	3.2%	2.5%

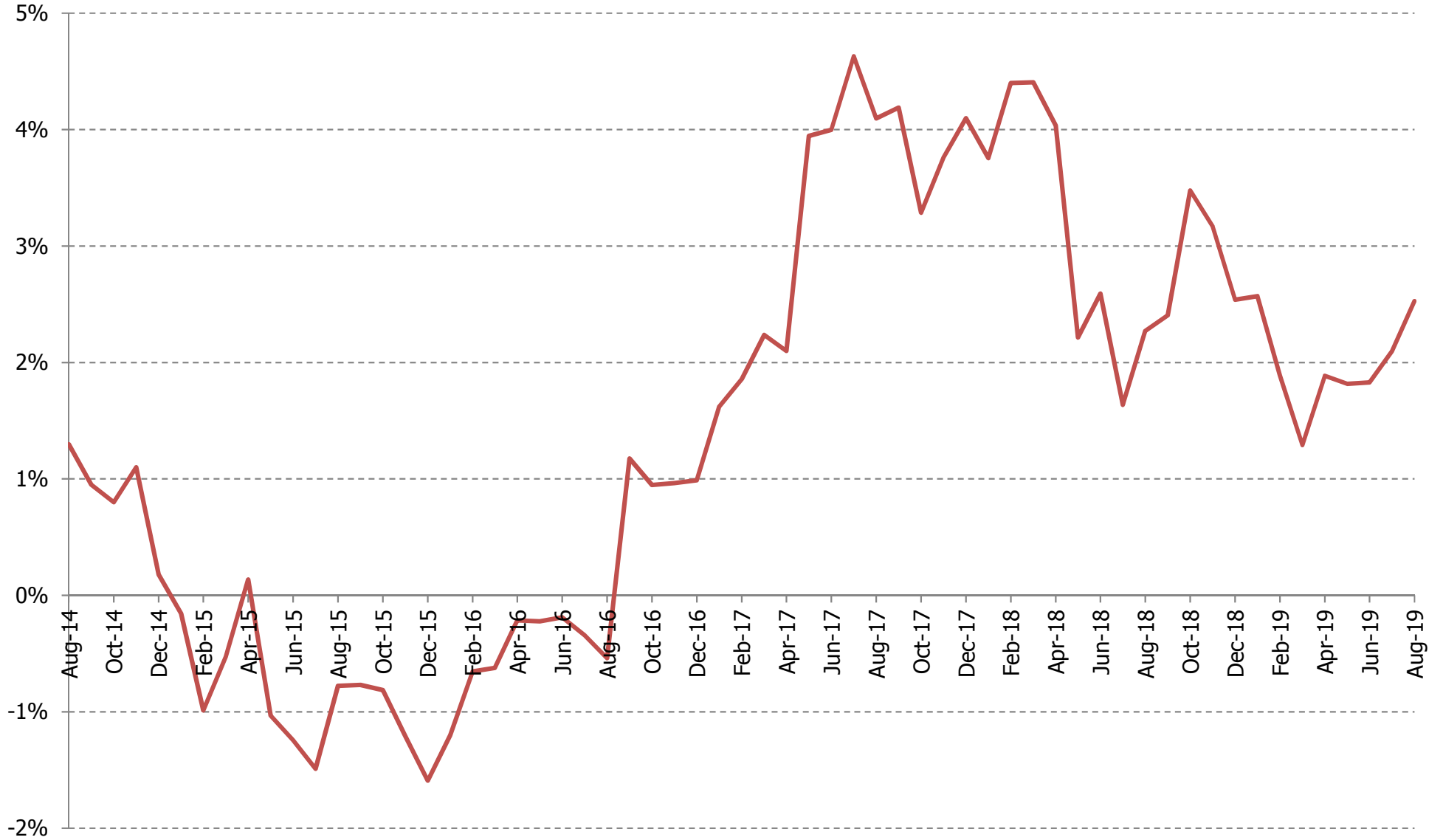
Group		January	February	March	April	May	June	July	August	September	October	November	December
		2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019
01	Food and non-alcoholic beverages	121.2	121.4	121.6	121.7	121.8	121.7	121.5	121.3				
02	Alcoholic beverages and tobacco	147.8	149.6	149.1	150.6	149.2	150.2	148.3	149.7				
03	Clothing and footwear	94.6	98.1	91.5	92.9	95.9	97.0	90.7	96.7				
04	Housing, water, electricity, gas and other fuels	142.9	143.0	142.4	142.8	142.7	142.9	142.7	144.2				
05	Furniture, household equipment and maintenance	144.6	143.5	145.6	145.2	147.3	146.9	145.1	147.5				
06	Health	121.8	121.8	122.8	122.4	122.8	122.8	123.5	122.7				
07	Transport	115.4	113.9	117.4	128.1	120.6	120.2	121.3	118.4				
08	Communication	142.5	142.5	142.5	143.5	138.4	147.3	147.3	147.3				
09	Recreation and culture	123.3	124.4	124.7	123.8	123.9	124.6	125.8	126.1				
10	Education	156.5	158.3	158.3	158.3	158.3	158.3	158.3	158.3				
11	Restaurants and hotels	167.5	170.2	170.2	169.4	170.2	170.1	170.1	170.1				
12	Miscellaneous goods and services	109.1	110.0	108.8	106.9	108.2	108.9	110.9	111.8				
	<b>Consumer Price Index</b>	<b>129.4</b>	<b>129.9</b>	<b>130.2</b>	<b>132.0</b>	<b>131.0</b>	<b>131.4</b>	<b>131.4</b>	<b>131.7</b>				
	CPI inflation rate	2.6%	1.9%	1.3%	1.9%	1.8%	1.8%	2.1%	2.5%				

**Table 4 - Isle of Man Retail Prices Index - Summary August 2019**

Category	Weights	Index	1 month change	12 month change	Contribution to overall 12 month change
Food	131	292.8	-0.1%	1.0%	0.1%
Catering	43	205.9	0.0%	1.9%	0.1%
Alcoholic drink	41	185.3	1.2%	-1.4%	-0.1%
Tobacco	22	379.5	0.2%	6.0%	0.2%
Housing	221	147.9	0.2%	0.3%	0.1%
Fuel and light	71	261.9	3.1%	2.4%	0.2%
Household goods	64	190.8	1.3%	3.0%	0.2%
Household services	73	154.8	0.0%	5.6%	0.4%
Clothing and footwear	38	212.9	7.8%	1.2%	0.1%
Personal goods and services	56	273.3	-2.0%	4.2%	0.3%
Motoring expenditure	89	152.8	0.3%	-0.3%	0.0%
Fares and other travel costs	30	274.7	-7.0%	5.3%	0.2%
Leisure goods	36	198.6	-2.7%	9.1%	0.4%
Leisure services	86	200.7	1.7%	4.8%	0.4%
All Items excluding Housing	779	206.1	0.3%	3.1%	
<b>All Items</b>	<b>1000</b>	<b>201.1</b>	<b>0.3%</b>	<b>2.4%</b>	<b>2.4%</b>

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

## Consumer Price Index August 2014 - August 2019





**Isle of Man Retail Prices Index All Items**

Year	January	February	March	April	May	June	July	August	September	October	November	December	Average
2000	100.0	100.4	100.8	101.4	101.4	101.6	101.8	102.1	102.8	102.7	102.7	102.5	101.7
2001	102.7	102.8	103.2	104.2	104.2	104.1	103.7	103.6	104.0	103.1	102.9	102.8	103.4
2002	103.5	103.8	104.7	105.7	105.7	105.8	106.2	106.6	106.7	107.0	107.0	107.0	105.8
2003	107.3	108.0	108.5	108.4	108.5	108.7	109.4	109.7	109.9	110.2	110.3	110.4	109.1
2004	111.0	111.8	112.2	114.0	114.6	114.7	114.6	115.3	116.5	116.7	117.3	117.5	114.7
2005	117.7	117.7	118.1	118.9	118.8	119.3	119.6	119.8	120.2	120.9	121.3	121.4	119.5
2006	121.6	121.5	121.7	122.3	122.7	122.8	123.0	123.4	124.1	124.1	124.6	125.2	123.1
2007	125.7	126.1	126.3	127.2	127.8	128.1	128.0	128.4	128.9	129.1	129.6	130.2	128.0
2008	130.9	131.2	131.7	133.5	134.9	136.2	136.3	136.6	137.1	137.2	135.7	133.8	134.6
2009	132.5	132.5	132.4	134.4	134.6	135.0	136.2	136.6	137.2	137.2	137.5	138.2	135.4
2010	138.4	138.9	139.0	141.1	142.2	142.1	142.7	142.7	143.7	144.5	145.0	145.8	142.2
2011	146.8	147.4	148.3	150.6	151.1	151.3	151.8	152.4	152.1	152.0	152.3	152.7	150.7
2012	152.6	153.1	152.8	154.4	155.5	155.0	155.1	155.6	156.3	156.7	156.7	156.4	155.0
2013	156.4	157.5	157.8	159.4	159.2	159.4	160.1	159.7	160.2	160.3	160.6	160.9	159.3
2014	161.2	162.1	161.9	162.5	163.5	163.8	164.9	163.8	164.4	164.0	165.4	164.4	163.5
2015	164.3	164.3	165.0	167.2	166.9	167.2	167.8	168.2	168.6	168.8	169.1	168.2	167.1
2016	168.7	169.7	170.6	173.5	173.3	173.8	174.5	174.9	178.5	179.0	180.1	178.9	174.6
2017	180.3	181.8	184.1	186.2	187.8	188.4	189.3	187.2	191.9	189.9	191.5	191.3	187.4
2018	191.9	195.6	197.9	198.3	197.9	198.7	198.2	196.3	199.4	199.8	200.8	196.3	197.6
2019	198.6	199.1	198.4	202.1	199.7	201.2	200.6	201.1					

Note:- The average index is the arithmetic average of the monthly indices. The index was rebased to 100 in January 2000.

**Isle of Man Retail Prices Index All Items 12 month percentage change**

Year	January	February	March	April	May	June	July	August	September	October	November	December	Annual Average
2000	2.4	2.7	2.6	2.5	2.6	2.7	2.6	2.9	3.3	3.2	3.2	2.6	2.8
2001	2.7	2.4	2.4	2.7	2.8	2.5	1.9	1.5	1.2	0.4	0.2	0.3	1.7
2002	0.8	1.0	1.5	1.4	1.4	1.6	2.4	2.9	2.6	3.8	4.0	4.0	2.3
2003	3.7	4.0	3.6	2.6	2.7	2.8	3.0	2.9	3.0	3.0	3.1	3.2	3.1
2004	3.5	3.5	3.5	5.1	5.5	5.5	4.8	5.1	6.0	5.9	6.3	6.4	5.1
2005	5.9	5.3	5.3	4.3	3.7	4.0	4.4	3.9	3.2	3.6	3.4	3.3	4.2
2006	3.3	3.2	3.0	2.9	3.3	2.9	2.8	2.9	3.3	2.6	2.7	3.1	3.0
2007	3.4	3.7	3.8	4.0	4.2	4.4	4.1	4.1	3.9	4.1	4.0	4.0	4.0
2008	4.2	4.1	4.3	4.9	5.6	6.3	6.5	6.4	6.5	6.2	4.7	2.8	5.2
2009	1.2	1.0	0.5	0.7	-0.2	-0.9	0.0	0.0	0.1	0.0	1.3	3.3	0.6
2010	4.5	4.8	5.0	5.0	5.6	5.3	4.7	4.4	4.7	5.3	5.4	5.5	5.0
2011	6.0	6.1	6.7	6.7	6.3	6.4	6.4	6.8	5.9	5.2	5.0	4.7	6.0
2012	4.0	3.9	3.0	2.5	2.9	2.5	2.2	2.1	2.8	3.1	2.9	2.5	2.8
2013	2.5	2.8	3.3	3.3	2.4	2.8	3.2	2.6	2.4	2.3	2.5	2.9	2.8
2014	3.1	2.9	2.6	1.9	2.7	2.8	3.0	2.6	2.6	2.3	3.0	2.2	2.6
2015	1.9	1.4	1.9	2.9	2.1	2.1	1.8	2.6	2.6	2.9	2.3	2.3	2.2
2016	2.6	3.3	3.4	3.8	3.8	3.9	4.0	4.0	5.9	6.0	6.5	6.4	4.5
2017	6.9	7.1	7.9	7.3	8.4	8.4	8.5	7.0	7.6	6.1	6.3	6.9	7.4
2018	6.4	7.6	7.5	6.5	5.4	5.5	4.7	4.9	3.9	5.2	4.9	2.6	5.4
2019	3.5	1.8	0.2	1.9	0.9	1.3	1.2	2.4					

Note:- The annual average inflation rate is the change in the annual average index from the year before. This need not be the same as the average of the inflation rates for January to December but in practice the difference is small.

# 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 was the first month where the methodology for the Retail Price Index 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 (July 2019)                      2.8%  
Estimated Formula Effect:    -0.66%

**Adjusted UK RPI:                      2.14%**

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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