



Isle of Man
Government

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Isle of Man Inflation Report December 2020

Economic Affairs

Cabinet Office

January 2020

ISLE OF MAN INFLATION

DECEMBER 2020



KEY POINTS FOR DECEMBER 2020

CONSUMER PRICES INDEX

0.1%

CONSUMER PRICES INDEX (CPI)

Given recent changes in border restrictions, the reported CPI rate of inflation for December 2020 (0.1%) excludes air and sea fares.

Taking air and sea fares into account, the CPI rate of inflation would be -0.5%

Excluding air and sea fares, inflation for December 2020, as measured by the Consumer Price Index, stands at 0.1%.

The biggest contributor to this decrease in the rate of inflation is Clothing and footwear, leading to a decrease of 0.7% to the overall 12-month rate. All products within this category experience a decrease in prices compared to same month last year (December 2019). The biggest decrease within this category is experienced by women's outerwear (-18.8%), followed by men's outerwear (-16.4%) and children's outerwear (-13.8%).

Housing, water, electricity, gas and other fuels is the second biggest contributor to the decrease in rate of inflation, leading to a 0.5% decrease in the overall rate. Oils and other fuels within this category experience the greatest decrease (-33.5%) in prices compared to December 2019.

LARGEST CATEGORY MOVEMENTS OVER 12 MONTHS TO DECEMBER (CPI)

INCREASES



Pork
+29%



Driving Lessons
+11.1%



Preschool Fees
+8.2%



Pet Care
8.7%



Postage
+8.8%

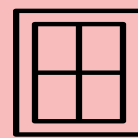


Domestic Help₂
+15.2%

DECREASES



Men's
Outerwear
-16.4%



Window
Cleaning
-23.3%



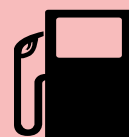
Women's
Outerwear
-18.8%



Oils and other
fuels
-33.5%



Tea
-15.5%



Petrol and Oil
-13.8%

ISLE OF MAN INFLATION

DECEMBER 2020
OVERALL CPI 0.1%



12 MONTH CHANGE CATEGORY MOVEMENTS (CPI)



Food and Non-
Alcoholic Beverages
+0.1%



Alcoholic Beverages
and Tobacco
+3.3%



Clothing and
Footwear
-13.2%



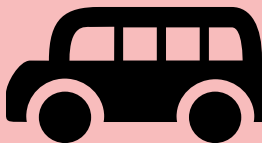
Housing, Water,
Electricity, Gas and
Other Fuels
-5.7%



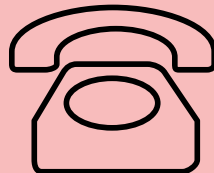
Furniture, Household
Equipment and
Maintenance
0.0%



Health
+0.9%



Transport
-0.8%



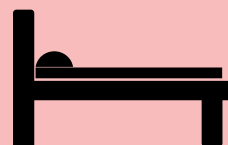
Communication
-0.6%



Recreation and
Culture
+4.8%



Education
+2.2%



Restaurants and
Hotels
-1.6%



Miscellaneous
Goods and Services
+5.3%

Table 1 - Isle of Man Consumer Prices Index - Summary December 2020

Category	Weights	Index	1 month change	12 month change	Contribution to overall 12 month change
Food and non-alcoholic beverages	148	121.4	0.0%	0.1%	0.0%
Alcoholic beverages and tobacco	39	152.5	0.2%	3.3%	0.1%
Clothing and footwear	58	82.7	-2.8%	-13.2%	-0.7%
Housing, water, electricity, gas and other fuels	99	137.5	0.1%	-5.7%	-0.5%
Furniture, household equipment and maintenance	68	147.4	-0.9%	0.0%	0.0%
Health	20	124.4	-0.3%	0.9%	0.0%
Transport	169	116.4	-11.2%	-0.8%	-0.1%
Communication	25	146.9	0.0%	-0.6%	0.0%
Recreation and Culture	194	130.3	-1.3%	4.8%	0.9%
Education	35	162.7	0.0%	2.2%	0.1%
Restaurants and hotels	70	171.0	0.5%	-1.6%	-0.1%
Miscellaneous goods and services	76	119.0	0.4%	5.3%	0.4%
Consumer Price Index	1000	131.7	-2.4%	0.1%	0.1%

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 December 2020
January 2008 = 100**

Category	Index	12 month change	Category	Index	12 month change
Food and non-alcoholic beverages	121.4	0.1%	Furniture, household equipment and maintenance	147.4	0.0%
Bread	126.2	-1.0%	Furniture	141.9	2.6%
Cereals	132.1	-1.2%	Furnishings	171.2	-2.6%
Biscuits and cakes	127.6	2.4%	Electrical appliances	83.0	1.4%
Beef	127.9	3.5%	Other household equipment	168.3	-0.8%
Lamb	140.3	6.7%	Household consumables	124.3	-2.9%
Pork	147.9	29.0%	Domestic help	156.6	15.2%
Bacon	90.5	1.4%	Window cleaning	125.9	-23.3%
Poultry	168.4	-5.9%			
Other meat	123.4	0.2%	Health	124.4	0.9%
Fish	128.4	5.0%	NHS prescription	118.5	0.0%
Butter	174.8	2.7%	Contact lens solution	133.7	0.0%
Oils and fats	133.2	-1.3%	Indigestion tablets	132.5	-5.4%
Cheese	126.5	-2.7%	Painkiller tablets	154.3	8.8%
Eggs	90.4	-1.2%	Multivitamin tablets	165.5	2.1%
Milk	115.7	3.4%	Sticking plasters	91.2	-0.7%
Milk products	122.5	-2.2%	Dentist fees	108.3	0.0%
Tea	115.2	-15.5%	Subscription to a medical plan	111.7	0.0%
Coffee and other hot drinks	141.8	-2.3%			
Soft drinks	103.6	-1.1%	Transport	116.4	-0.8%
Sugar and preserves	87.4	-0.2%	Driving lessons	119.2	11.1%
Sweets and chocolates	125.8	-1.4%	Purchase of motor vehicles	109.4	5.4%
Potatoes	70.0	-0.3%	Maintenance of motor vehicles	133.6	4.0%
Vegetables	84.3	-7.8%	Petrol and oil	96.0	-13.8%
Fruit	124.8	7.8%	Sea travel	148.9	0.0%
Other foods	125.4	-0.7%	Air travel	98.3	0.0%
			Bus and coach fares	138.0	0.0%
Alcoholic beverages and tobacco	152.5	3.3%	Other travel costs	126.2	-2.3%
Beer 'off' sales	108.8	-8.7%			
Wines & spirits 'off' sales	111.2	0.3%	Communication	146.9	-0.6%
Tobacco	222.7	8.3%	Postage	214.5	8.8%
			Telephones, etc.	138.0	-1.4%
Clothing and footwear	82.7	-13.2%			
Men's outerwear	75.4	-16.4%	Recreation and culture	130.3	4.8%
Women's outerwear	69.0	-18.8%	Pet care	153.9	8.7%
Children's outerwear	121.1	-13.8%	Kennel fees	123.4	0.0%
Other clothing	106.2	-4.3%	Subscription to internet	116.5	1.2%
Footwear	91.2	-4.4%	Leisure goods & services	264.0	-1.8%
Housing, water, electricity, gas and other fuels	137.5	-5.7%	Education	162.7	2.2%
Rent	164.0	-0.3%	Private education fee	147.1	0.0%
Water Rates	184.0	1.1%	Preschool fees	144.4	8.2%
Repairs and maintenance charges	126.0	-4.6%			
DIY materials	109.8	2.7%	Restaurants and hotels	171.0	-1.6%
Coal and solid fuels	172.3	3.5%	Catering	162.2	-2.2%
Electricity	141.8	1.2%	Beer 'on' sales	150.5	-0.2%
Gas	126.4	0.0%	Wines & spirits 'on' sales	290.2	2.3%
Oil and other fuels	81.0	-33.5%			
			Miscellaneous goods and services	119.0	5.3%
			Consumer Price Index	131.7	0.1%

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

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	121.8	121.6	121.4	121.3
02	Alcoholic beverages and tobacco	147.8	149.6	149.1	150.6	149.2	150.2	148.3	149.7	151.3	150.1	150.7	147.6
03	Clothing and footwear	94.6	98.1	91.5	92.9	95.9	97.0	90.7	96.7	98.8	99.1	97.1	95.3
04	Housing, water, electricity, gas and other fuels	142.9	143.0	142.4	142.8	142.4	142.5	142.4	143.9	143.4	143.8	145.8	145.8
05	Furniture, household equipment and maintenance	144.6	143.5	145.6	145.2	147.3	146.9	145.1	147.5	146.5	146.0	147.1	147.3
06	Health	121.8	121.8	122.8	122.4	122.8	122.8	123.5	122.7	123.2	123.3	123.6	123.2
07	Transport	115.4	113.9	117.4	128.1	120.6	120.2	121.3	118.4	122.2	118.7	132.0	117.3
08	Communication	142.5	142.5	142.5	143.5	138.4	147.3	147.3	147.3	147.2	147.2	147.8	147.8
09	Recreation and culture	123.3	124.4	124.7	123.8	123.9	124.6	125.8	126.1	126.1	125.0	126.1	124.4
10	Education	156.5	158.3	158.3	158.3	158.3	158.3	158.3	158.3	159.2	159.1	159.1	159.1
11	Restaurants and hotels	167.5	170.2	170.2	169.4	170.2	170.1	170.1	170.1	170.5	170.5	173.8	173.8
12	Miscellaneous goods and services	109.1	110.0	108.8	106.9	108.2	108.9	110.9	111.8	111.1	110.8	111.7	113.0
	Consumer Price Index	129.4	129.9	130.2	132.0	130.9	131.4	131.4	131.7	132.6	131.6	134.7	131.5
	CPI inflation rate	2.6%	1.9%	1.3%	1.9%	1.8%	1.8%	2.1%	2.5%	1.1%	0.8%	3.1%	2.1%

Group		January	February	March	April	May	June	July	August	September	October	November	December
		2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
01	Food and non-alcoholic beverages	121.6	122.1	121.4	122.0	121.7	121.4	121.7	121.8	121.3	121.9	121.4	121.4
02	Alcoholic beverages and tobacco	150.3	151.8	152.0	153.2	152.0	152.6	154.3	153.9	151.8	153.0	152.2	152.5
03	Clothing and footwear	94.5	89.3	87.1	86.2	84.5	85.8	85.1	85.3	82.6	84.7	85.0	82.7
04	Housing, water, electricity, gas and other fuels	145.6	141.9	140.1	137.4	135.0	134.8	135.6	138.1	138.2	137.9	137.3	137.5
05	Furniture, household equipment and maintenance	145.9	146.6	144.7	145.1	147.8	148.6	149.2	151.4	148.1	147.7	148.8	147.4
06	Health	123.4	124.8	124.6	124.9	124.8	124.8	125.6	125.4	125.4	125.4	124.8	124.4
07	Transport	123.0	123.0	121.7	125.2	117.6	116.9	117.9	113.5	111.9	113.5	131.0	116.4
08	Communication	148.4	148.4	148.4	147.7	148.4	144.4	144.4	144.4	146.8	146.8	146.9	146.9
09	Recreation and culture	125.2	128.3	127.9	128.0	128.4	127.8	130.6	132.7	132.4	131.0	132.0	130.3
10	Education	159.1	161.4	161.4	161.4	161.4	161.4	161.4	161.4	161.4	162.7	162.7	162.7
11	Restaurants and hotels	173.8	178.4	178.8	178.8	178.6	179.9	172.2	171.7	170.8	167.1	170.2	171.0
12	Miscellaneous goods and services	113.6	114.1	114.3	114.3	109.5	112.2	111.9	115.6	114.0	117.2	118.5	119.0
	Consumer Price Index	132.8	133.3	132.5	133.1	131.0	131.0	131.5	131.8	130.8	131.2	134.9	131.7
	CPI inflation rate*	2.6%	2.6%	1.8%	0.8%	0.1%	-0.3%	0.1%	0.1%	-1.3%	-0.3%	0.1%	0.1%

Note: After the publication of the November 2020 inflation report, Economic Affairs was notified of an error in the price of electricity that was provided to us. The error related back to April 2020 however due to small size of the correction required, only the November 2020's inflation rate has changed from 0.2% to 0.1%.

Table 4 - Isle of Man Retail Prices Index - Summary December 2020

Category	Weights	Index	1 month change	12 month change	Contribution to overall 12 month change
Food	131	296.7	0.0%	1.0%	0.1%
Catering	43	205.3	0.6%	-2.1%	-0.1%
Alcoholic drink	41	185.3	-1.0%	-0.4%	0.0%
Tobacco	22	404.0	1.6%	8.3%	0.2%
Housing	221	150.8	0.1%	0.9%	0.2%
Fuel and light	71	223.4	0.2%	-13.5%	-0.9%
Household goods	64	193.0	-0.4%	1.6%	0.1%
Household services	73	175.4	0.9%	11.3%	0.8%
Clothing and footwear	38	176.6	-3.2%	-16.1%	-0.7%
Personal goods and services	56	272.1	-2.1%	0.5%	0.0%
Motoring expenditure	89	150.9	0.4%	-0.1%	0.0%
Fares and other travel costs	30	275.8	4.4%	-0.1%	0.0%
Leisure goods	36	315.6	-13.9%	61.9%	2.8%
Leisure services	86	202.5	-0.2%	1.6%	0.1%
All Items excluding Housing	779	212.0	-1.4%	3.2%	
All Items	1000	206.5	-1.1%	2.7%	-1.1%

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

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	199.5	201.0	200.4	200.9	202.5	201.1	205.9	201.0	200.9
2020	203.0	204.6	202.8	204.0	200.7	201.5	205.9	208.5	207.4	206.9	208.9	206.5	205.1

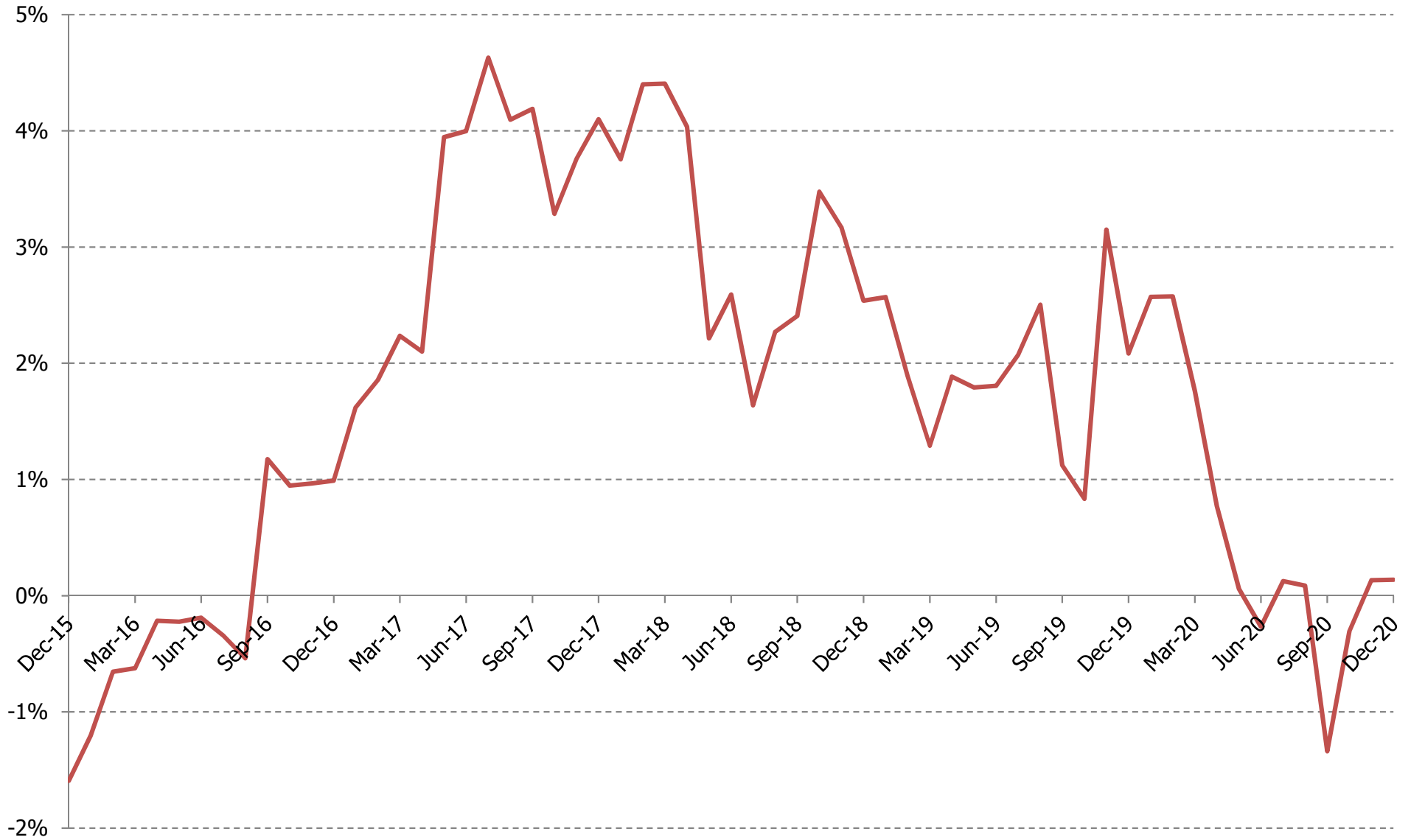
Note:- The average index is the arithmetic average of the monthly indices. The index was rebased to 100 in January 2000.

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	1.7	0.8	2.6	2.4	1.7
2020	2.3	2.8	2.2	0.9	0.6	0.2	2.7	3.8	2.4	2.9	1.5	2.7	2.1

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.

Consumer Price Index December 2015 - December 2020



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 (November 2020)	0.9%
Estimated Formula Effect:	-0.87%

Adjusted UK RPI: 0.03%

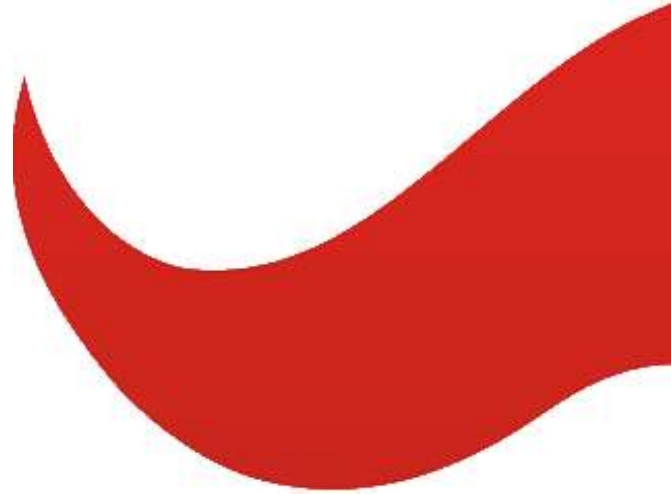
This data can be sourced from Table 1 and Table 5 of the ONS Inflation Data release:

<https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>



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