



Isle of Man
Government

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Isle of Man Inflation Report October 2019

Economic Affairs

Cabinet Office

November 2019

ISLE OF MAN INFLATION

OCTOBER 2019



KEY POINTS FOR OCTOBER 2019

CONSUMER PRICES INDEX

0.9%

CONSUMER PRICES INDEX (CPI)

The annual rate of inflation as measured by CPI decreased in October 2019 to 0.9% down from 1.1% in September 2019.

Inflation as measured by the Consumer Price Index has fallen again and now stands at 0.9% for October 2019.

The main driver for the decrease in inflation this month is Housing, water, electricity, gas and other fuels, with Oils and other fuels as the biggest driver for the decrease, having reduce by 3.6%, closely followed by rent, in the private sector, which has decreased by 3.3%.

As well as this, there is low inflationary pressure across all of the other categories, with Recreation and Culture being the most significant. Whilst prices are continuing to increase, they are doing so at a lower rate than in September 2019, having contributed 0.2% in October 2019 compared with 0.4% in September 2019.

LARGEST CATEGORY MOVEMENTS OVER 12 MONTHS TO OCTOBER (CPI)

INCREASES



Beer 'On' sales +5.9%



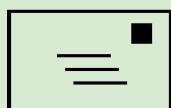
Footwear +8.5%



Subscriptions to internet +26.5%



Childrens' Outerwear +16.2%



Postage +9.6%



Other household equipment +11.1%

DECREASES



Electrical appliances -3.7%



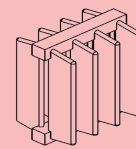
Eggs -5.5%



Rent -3.3%



Fruit -7.1%



Oil and other fuels -3.6%



Petrol & oil -3.6%

ISLE OF MAN INFLATION

OCTOBER 2019
OVERALL CPI 0.9%



12 MONTH CHANGE CATEGORY MOVEMENTS (CPI)



Food and Non-
Alcoholic Beverages
+0.7%



Alcoholic Beverages
and Tobacco
+1.1%



Clothing and
Footwear
+1.2%



Housing, Water,
Electricity, Gas and
Other Fuels
-1.1%



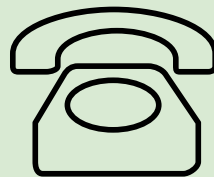
Furniture, Household
Equipment and
Maintenance
+1.6%



Health
+0.7%



Transport
+0.2%



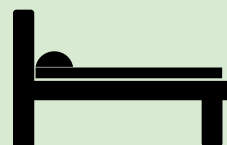
Communication
+3.6%



Recreation and
Culture
+1.1%



Education
+1.7%



Restaurants and
Hotels
+2.6%



Miscellaneous
Goods and Services
+0.3%

Table 1 - Isle of Man Consumer Prices Index - Summary October 2019

Category	Weights	Index	1 month change	12 month change	Contribution to overall 12 month change
Food and non-alcoholic beverages	148	121.6	-0.2%	0.7%	0.1%
Alcoholic beverages and tobacco	39	150.1	-0.8%	1.1%	0.0%
Clothing and footwear	58	99.1	0.3%	1.2%	0.1%
Housing, water, electricity, gas and other fuels	99	144.1	0.3%	-1.1%	-0.1%
Furniture, household equipment and maintenance	68	146.0	-0.4%	1.6%	0.1%
Health	20	123.3	0.1%	0.7%	0.0%
Transport	169	118.7	-2.9%	0.2%	0.0%
Communication	25	147.2	0.0%	3.6%	0.1%
Recreation and Culture	194	125.0	-0.9%	1.1%	0.2%
Education	35	159.1	0.0%	1.7%	0.1%
Restaurants and hotels	70	170.5	0.0%	2.6%	0.2%
Miscellaneous goods and services	76	110.8	-0.3%	0.3%	0.0%
Consumer Price Index	1000	131.6	-0.7%	0.9%	0.9%

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 October 2019
January 2008 = 100**

Category	Index	12 month change	Category	Index	12 month change
Food and non-alcoholic beverages	121.6	0.7%	Furniture, household equipment and maintenance	146.0	1.6%
Bread	127.5	0.9%	Furniture	138.7	-1.4%
Cereals	134.4	5.0%	Furnishings	173.6	-0.1%
Biscuits and cakes	130.0	-0.5%	Electrical appliances	80.4	-3.7%
Beef	122.4	2.9%	Other household equipment	168.0	11.1%
Lamb	130.2	-0.5%	Household consumables	125.9	1.4%
Pork	112.8	2.7%	Domestic help	136.0	0.0%
Bacon	89.2	2.8%	Window cleaning	142.3	4.0%
Poultry	173.3	0.5%			
Other meat	123.3	-0.3%	Health	123.3	0.7%
Fish	122.8	3.2%	NHS prescription	118.5	0.0%
Butter	169.6	1.8%	Contact lens solution	133.7	0.0%
Oils and fats	132.7	1.9%	Indigestion tablets	131.7	5.3%
Cheese	128.2	5.3%	Painkiller tablets	150.3	-0.9%
Eggs	89.0	-5.5%	Multivitamin tablets	162.1	-1.8%
Milk	111.9	-1.6%	Sticking plasters	91.9	3.3%
Milk products	123.8	3.6%	Dentist fees	108.3	1.7%
Tea	136.3	3.3%	Subscription to a medical plan	111.7	0.0%
Coffee and other hot drinks	145.2	-0.5%			
Soft drinks	103.9	0.3%	Transport	118.7	0.2%
Sugar and preserves	87.6	0.8%	Driving lessons	107.3	0.0%
Sweets and chocolates	130.0	-2.0%	Purchase of motor vehicles	102.9	-0.3%
Potatoes	71.1	1.5%	Maintenance of motor vehicles	128.5	0.5%
Vegetables	92.0	1.0%	Petrol and oil	112.9	-3.6%
Fruit	115.9	-7.1%	Sea travel	154.3	2.2%
Other foods	127.3	2.6%	Air travel	101.8	3.0%
			Bus and coach fares	138.0	0.0%
Alcoholic beverages and tobacco	150.1	1.1%	Other travel costs	129.2	2.3%
Beer 'off' sales	119.8	3.1%			
Wines & spirits 'off' sales	115.2	-0.6%	Communication	147.2	3.6%
Tobacco	205.6	2.3%	Postage	197.2	9.6%
			Telephones, etc.	139.3	3.1%
Clothing and footwear	99.1	1.2%			
Men's outerwear	95.5	-3.0%	Recreation and culture	125.0	1.1%
Women's outerwear	89.6	-1.8%	Pet care	141.6	1.4%
Childrens' outerwear	145.2	16.2%	Kennel fees	123.4	0.0%
Other clothing	111.8	-1.3%	Subscription to internet	115.1	26.5%
Footwear	97.1	8.5%	Leisure goods & services	257.5	-1.0%
Housing, water, electricity, gas and other fuels	144.1	-1.1%	Education	159.1	1.7%
Rent	157.6	-3.3%	Private education fee	147.1	3.2%
Water Rates	186.3	4.9%	Preschool fees	133.5	4.4%
Repairs and maintenance charges	132.0	0.0%			
DIY materials	106.9	-0.5%	Restaurants and hotels	170.5	2.6%
Coal and solid fuels	166.5	3.9%	Catering	162.9	2.0%
Electricity	140.1	2.5%	Beer 'on' sales	149.3	5.9%
Gas	126.4	0.0%	Wines & spirits 'on' sales	271.8	4.0%
Oil and other fuels	125.3	-3.6%			
			Miscellaneous goods and services	110.8	0.3%
			Consumer Price Index	131.6	0.9%

**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
	Consumer Price Index	126.2	127.5	128.5	129.6	128.6	129.1	128.7	128.5	131.1	130.5	130.6	128.8
	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%

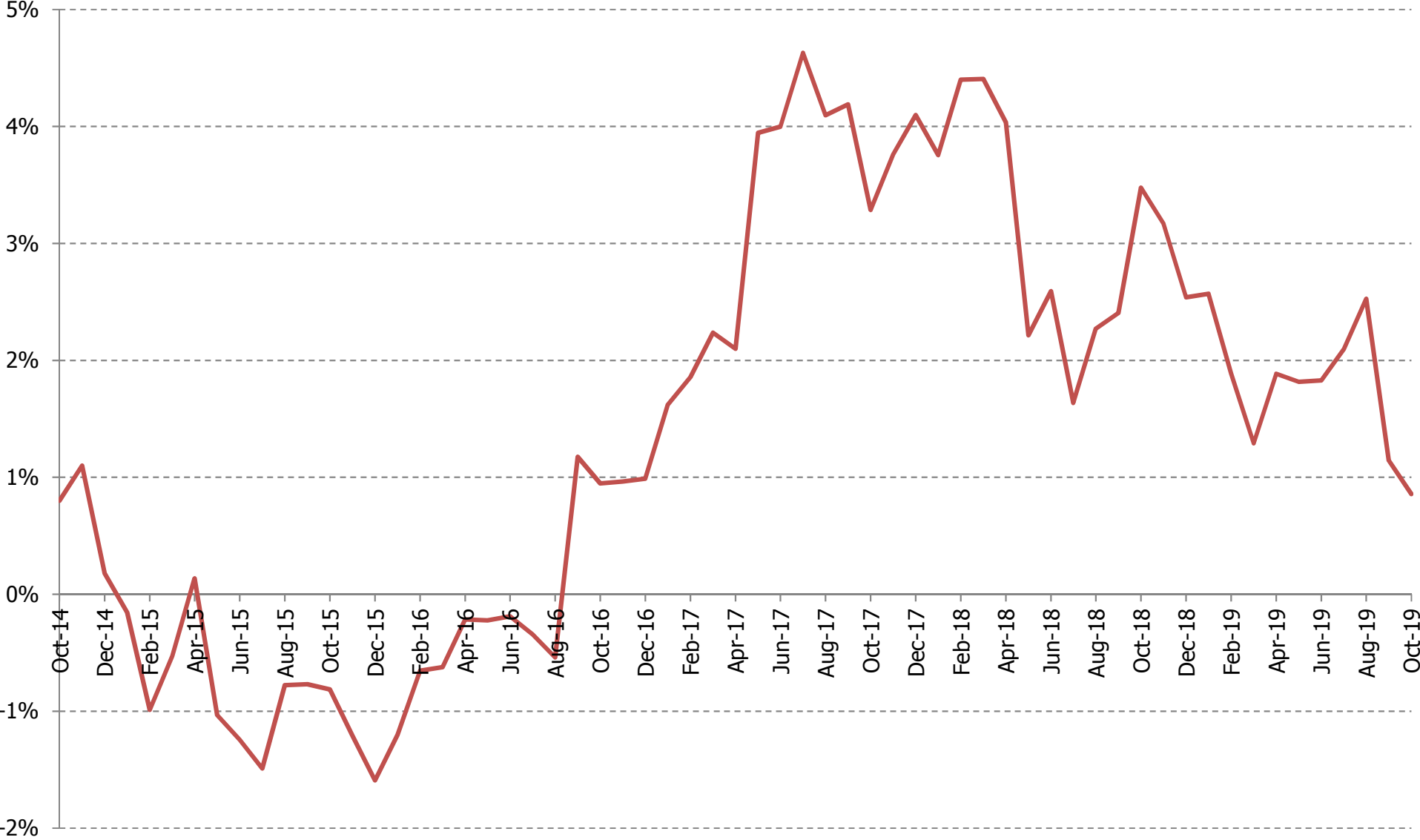
Group		January	February	March	April	May	June	July	August	September	October	November	December
		2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019
01	Food and non-alcoholic beverages	121.2	121.4	121.6	121.7	121.8	121.7	121.5	121.3	121.8	121.6		
02	Alcoholic beverages and tobacco	147.8	149.6	149.1	150.6	149.2	150.2	148.3	149.7	151.3	150.1		
03	Clothing and footwear	94.6	98.1	91.5	92.9	95.9	97.0	90.7	96.7	98.8	99.1		
04	Housing, water, electricity, gas and other fuels	142.9	143.0	142.4	142.8	142.7	142.9	142.7	144.2	143.7	144.1		
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		
06	Health	121.8	121.8	122.8	122.4	122.8	122.8	123.5	122.7	123.2	123.3		
07	Transport	115.4	113.9	117.4	128.1	120.6	120.2	121.3	118.4	122.2	118.7		
08	Communication	142.5	142.5	142.5	143.5	138.4	147.3	147.3	147.3	147.2	147.2		
09	Recreation and culture	123.3	124.4	124.7	123.8	123.9	124.6	125.8	126.1	126.1	125.0		
10	Education	156.5	158.3	158.3	158.3	158.3	158.3	158.3	158.3	159.2	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		
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		
	Consumer Price Index	129.4	129.9	130.2	132.0	131.0	131.4	131.4	131.7	132.6	131.6		
	CPI inflation rate	2.6%	1.9%	1.3%	1.9%	1.8%	1.8%	2.1%	2.5%	1.1%	0.9%		

Table 4 - Isle of Man Retail Prices Index - Summary October 2019

Category	Weights	Index	1 month change	12 month change	Contribution to overall 12 month change
Food	131	293.9	-0.1%	-0.5%	-0.1%
Catering	43	205.9	0.0%	1.9%	0.1%
Alcoholic drink	41	189.0	0.2%	1.5%	0.1%
Tobacco	22	373.2	-1.7%	3.1%	0.1%
Housing	221	147.0	-0.6%	2.3%	0.4%
Fuel and light	71	261.3	0.8%	-0.6%	0.0%
Household goods	64	189.5	0.0%	1.6%	0.1%
Household services	73	157.2	0.0%	5.5%	0.4%
Clothing and footwear	38	219.6	-0.1%	2.0%	0.1%
Personal goods and services	56	266.4	-1.4%	-7.0%	-0.5%
Motoring expenditure	89	151.6	-0.2%	-2.3%	-0.2%
Fares and other travel costs	30	281.1	-6.7%	4.0%	0.2%
Leisure goods	36	202.9	-3.9%	-0.6%	0.0%
Leisure services	86	200.1	0.6%	2.6%	0.2%
All Items excluding Housing	779	206.6	-0.7%	0.4%	0.0%
All Items	1000	201.3	-0.7%	0.8%	0.8%

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

Consumer Price Index October 2014 - October 2019



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 (September 2019) 2.4%
Estimated Formula Effect: -0.67%

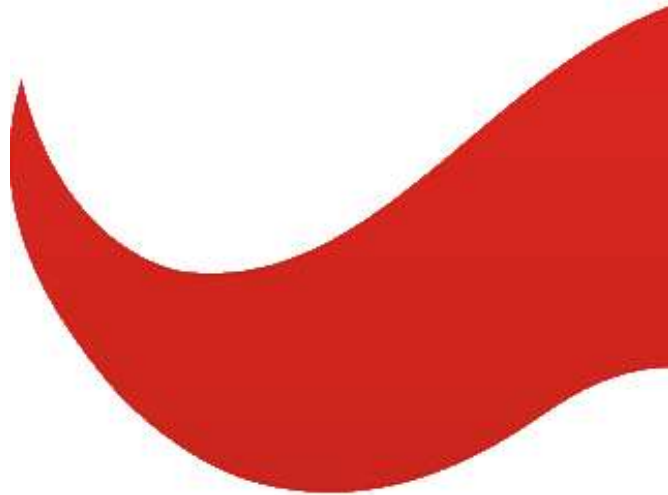
Adjusted UK RPI: 1.73%

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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