

Comparison of consumer prices June 2008

Statistics Unit: www.gov.je/statistics

Headlines

- The annual changes in the RPIs in Jersey, Guernsey and the UK were higher in June 2008 than in June 2007, with global increases in commodity and oil prices being key group level drivers to the rates of increase for all jurisdictions.
- The introduction of the Goods and Services Tax in Jersey accounted for about 1.9 percentage points of the overall annual change in the Jersey June 2008 RPI, spread across the groups. The annual change in RPI(Y), a measure of underlying inflation which removes the effect of mortgage interest payments as well as the effect of indirect taxes, was 3.9% in June 2008 in Jersey compared to 4.9% in the UK.
- Over the last year, the Food group of the RPI increased by 13% in Jersey, 10% in the UK and 7% in Guernsey. If the effect of GST is removed, Food prices in Jersey increased at the same rate as in the UK (10%) from June 2007 to June 2008.
- Direct food comparisons show that average meat prices were about 13% higher in Jersey than in the UK in June 2008 and the cost of fresh fruit and vegetables in Jersey were over a quarter higher.
- Largely as a result of different rates of increase of impôts and duties since June 2000, alcohol and tobacco prices have seen greater overall increases in Jersey and Guernsey than in the UK.
- Over the last eight years motoring costs, overall, have increased significantly more in Jersey and Guernsey than in the UK.
- Pre-tax prices for alcohol, tobacco and motor fuels are higher in Jersey than in the UK: alcohol by over a quarter; cigarettes by more than four-fifths (82%); and petrol and diesel by around a third.
- Pre-tax prices of beer, whisky and petrol are slightly lower in Jersey than Guernsey; whereas the pre-tax price of tobacco is similar in both jurisdictions.

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Introduction

The simplest way to think about the Retail Prices Index (RPI) is to imagine a 'shopping basket' containing the various goods (e.g. bread, televisions, wardrobes) and services (e.g. doctors, dentists, hairdressers) on which people in Jersey typically spend their money. As the prices of the various items in the basket change over time, so does the total cost of the basket. On or around the 15th day of March, June, September and December the current total cost of the basket is calculated and then compared with the total cost a year earlier, showing how much the total cost has changed over the twelve month period.

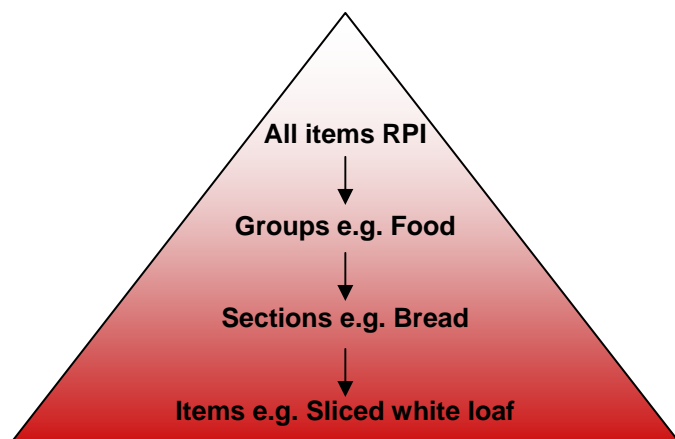
In principle, the cost of the basket should be calculated with reference to all consumer goods and services purchased by all households, and the prices measured in every shop or outlet that supplies them. In practice, this is impossible so the RPI is calculated by collecting a sample of prices for a selection of "representative" goods and services from a range of Jersey retail outlets and service providers. The RPI is calculated from around 2,500 separate price quotations in total. The same approach is adopted in other jurisdictions (e.g. by the Office for National Statistics in the UK) for the compilation of retail price indices.

The other essential element of the RPI is to ensure that the items are weighted. Weights are needed in the RPI to ensure that items which account for more of a household budget (e.g. housing costs) are given more importance in the index. Without weighting items, the change in the price of a kilogram of cheese, for example, would have the same impact on the RPI as a change in mortgage interest rates.

To ensure that the contents of the RPI basket of goods and services, and the associated expenditure weights, remain representative of actual household spending they are reviewed on completion of each round of the Jersey Household Expenditure Survey (HES). The HES involves the analysis of detailed expenditure information from over 1,000 households covering in excess of 300,000 individual purchases.

The purpose of this report is to compare prices in Jersey, Guernsey and the UK by looking at the RPI for each jurisdiction. The RPI is composed of 14 groups with each group being composed of several sections (85 in total) and each section being made up of a number of items:

RPI Structure



This report examines the rate at which prices have changed by looking at the behaviour of the groups and sections in the various jurisdictions. Additionally, direct comparisons of prices are made where possible in order to give an indication of price levels¹. Throughout the report the figures show component series of the RPI whilst the tables show actual prices. The RPI data are informative of the rate of change in prices, but do not lead to any conclusions on relative price levels.

In considering the analysis it is important to remember that the data relate to average (mean) prices in each of the jurisdictions. Whilst averages are the correct way to present such an analysis, there will of course be differences in the prices of items in shops throughout each jurisdiction; some prices will be lower than the average and others higher. In addition, for the UK there will also be differences across regions and even within regions².

Another source of difference that can affect price comparisons is quality, and the fact that higher quality goods or services generally cost more than lower quality ones. This fact is accounted for in the RPI by ensuring the index is representative of the range of products available for a specific item. However, in using the comparisons it is important to remember that a higher quality product is likely to be priced above average.

In the UK, an Expenditure and Food Survey (EFS) is carried out annually by the ONS to highlight changes in spending patterns so that items in the RPI can be adjusted accordingly. As noted above, the States of Jersey Statistics Unit runs a similar survey, the Household Expenditure Survey (HES), every five years. The most recent HES survey was completed in October 2005 and subsequently the “basket” of goods and services used to compile the Jersey RPI was reviewed.³ The Guernsey Policy and Research unit also runs a HES, the most recent being the 2005/6 survey. A consequence of the different timing between jurisdictions is that newer brands, specifically lower cost alternatives to named brands, may be included in the UK analysis sooner. Such differences will not affect rates of change, but may, depending on take up, affect price level comparisons.

Many factors will influence the rate of change in the price of a product or service and its absolute level at any one point in time. For example a product could be rising in price at a faster rate in one jurisdiction than another but may be starting from a lower price base, so a greater rise in price does not necessarily mean it is more expensive. Equally, whilst data for eight years is shown throughout this report, June 2000 may represent a high or low point in the cost of a product or service and therefore the focus should be on more recent behaviour.

A major difference between the three jurisdictions is the type and amount of tax that is imposed on certain goods and services. Many items are subject to VAT in the UK at the rate of 17.5%, whilst a consumption tax was introduced in Jersey in May 2008 (the Goods and Services Tax, GST) at a rate of 3%. Guernsey does not currently have a

¹ Direct comparisons of prices are based on information published monthly by the Office for National Statistics (ONS) which shows the average price of around 60 non-brand items which are included in the UK RPI. Guernsey figures are supplied by the Guernsey Policy and Research Unit.

² Relative Regional Consumer Price Levels in 2003: Ball and Fenwick.

³ For more information see the Statistics Unit report entitled Retail Prices Index: Review of the basket of goods and services 2007; available from www.gov.je/statistics.

comparable tax in place. The impact of the different tax structures on price changes and price levels is discussed throughout the report where relevant.

Despite all the points to note on interpreting the data given above, this type of exercise has real value. It highlights the product or services groups where price changes are causing the greatest upward pressure on inflation, and, where there are differences in the rate of change of prices, these can be considered further and better understood. In addition, this exercise can show how actual prices differ between Jersey, Guernsey and the UK.

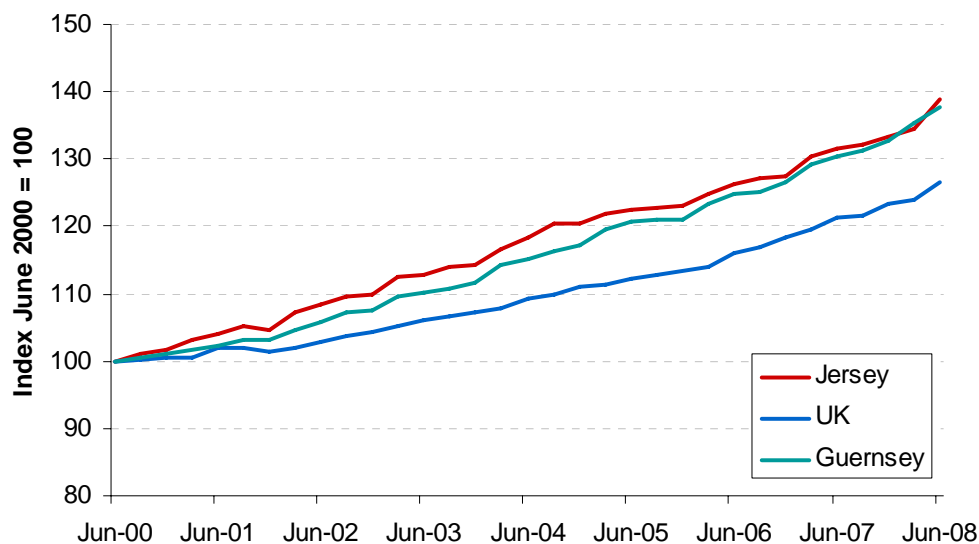
Overall RPI analysis

The rate of inflation as measured by the Retail Prices Index (RPI) has increased at a greater rate, overall, in Jersey than in the UK since 2000. There have been two distinct periods: from 2000 to 2005 prices increased at a considerably faster rate in Jersey; whereas from 2005 to date the rate of increase has been similar for both jurisdictions.

The Jersey RPI increased by almost 40% between June 2000 and June 2008, whilst the UK RPI increased by about 27% (Figure 1). More recently the RPI rose by 13% between June 2005 and June 2008 in both jurisdictions.

The behaviour of the Guernsey RPI has been similar to that of Jersey, with the index rising by 38% between June 2000 and June 2008 and by 14% between June 2005 and June 2008.

Figure 1: Jersey, Guernsey and the UK RPI (all items) June 2000 to June 2008⁴



The annual change from June 2007 to June 2008 was 5.6% in Jersey compared to 4.6% in the UK and 5.5% in Guernsey over the same period. The underlying rate of inflation, measured by RPI(X) was 5.8% in Jersey in June 2008, 4.8% in the UK and 5.4% in Guernsey.

⁴ In Figures showing comparative movements of indices, UK and Guernsey indices have been re-based to June 2000 = 100 to match the most recent Jersey base period.

The annual percentage changes in the headline and underlying rates of inflation for each jurisdiction, as measured by RPI and RPI(X) respectively, are shown in Figures 1a and 1b.

Figure 1a: Annual percentage change in RPI: Jersey, Guernsey and the UK 2001-2008

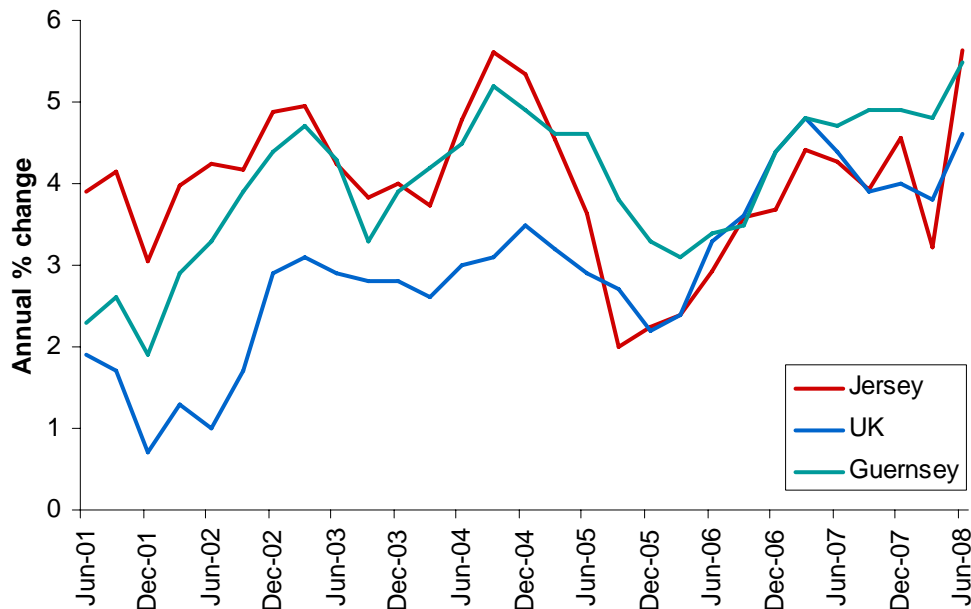
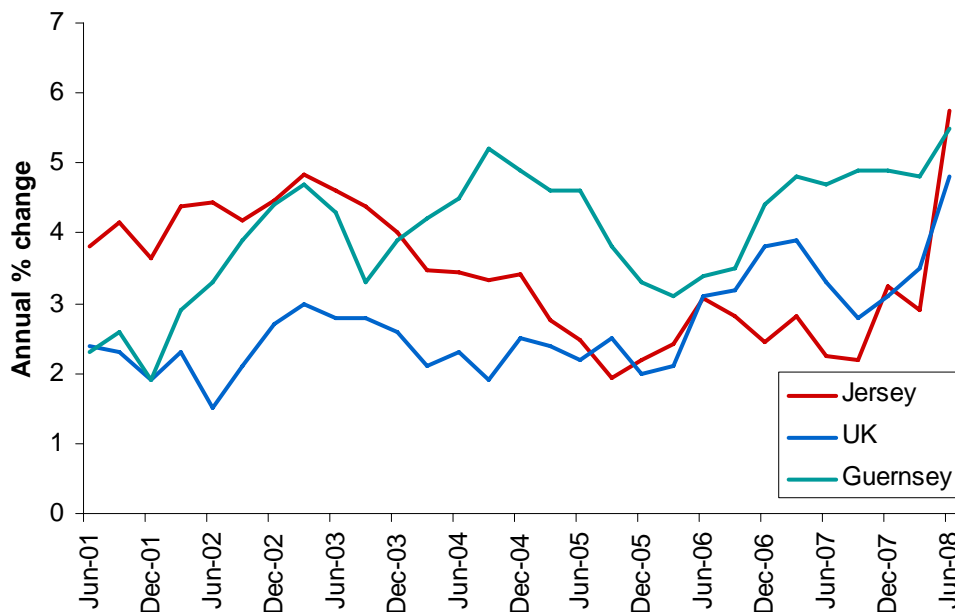


Figure 1b: Annual percentage change in RPI(X): Jersey, Guernsey and the UK 2001-2008

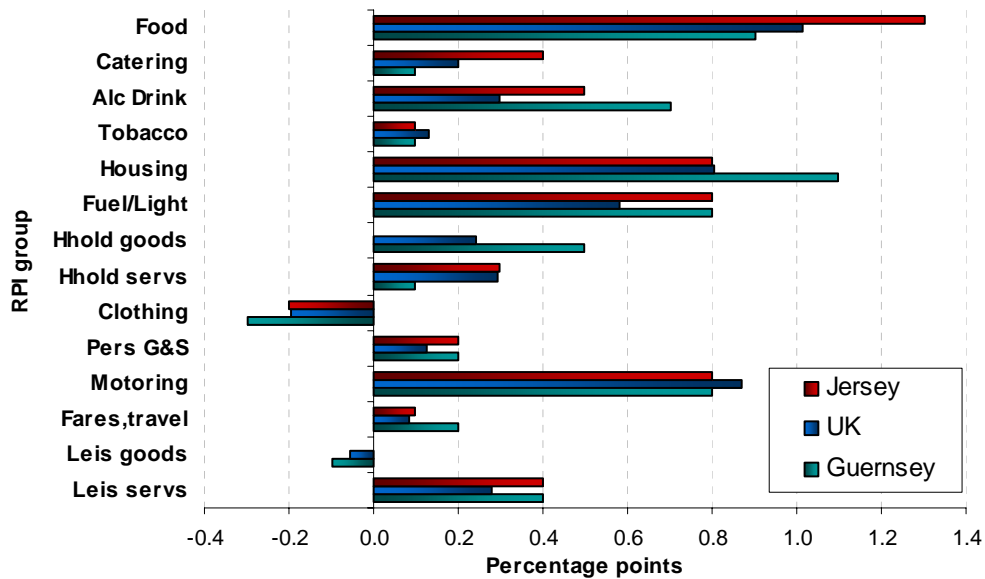


The annual change in the Jersey RPI in June 2007 (4.3%) was lower than that for the UK RPI (4.4%) for the Guernsey RPI (4.7%). Jersey's annual change in June 2007 for RPI(X) was also lower than that in the UK and Guernsey (2.3%, 3.3% and 3.1% respectively). As noted above, the annual change in both the RPI and RPI(X) in Jersey, from June 2007 to 2008, was higher than that seen in the other jurisdictions. This was mainly due to the introduction of GST in Jersey, which contributed about 1.9 percentage points to the latest annual change in Jersey's RPI. This effect is clearly visible in Figures 1a and 1b.

Group analysis of growth in RPI

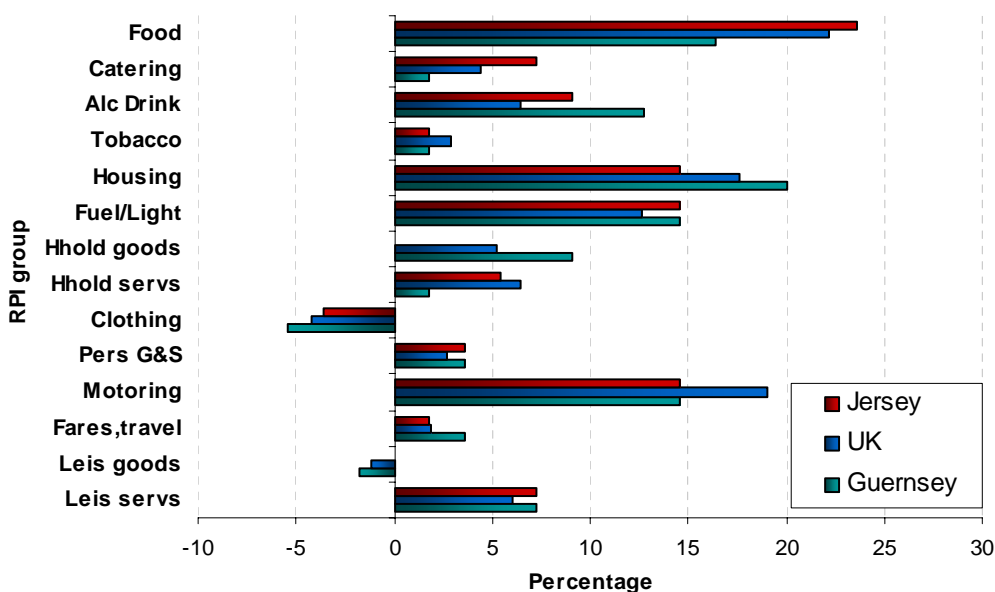
Considering the groups together shows whether different price pressures are evident in each jurisdiction. Figure 2 shows the contribution in *percentage points* that each group made to the most recent overall annual change in the RPI (this means the total of all the group changes equals the overall annual change). This Figure shows that in both the UK and Jersey the biggest upward pressure occurred from the Food group, which contributed 1.1 percentage points to the overall index in the UK and 1.3 to the overall index in Jersey. In Guernsey the Food group was also a key driver, contributing 0.9 percentage points.

Figure 2: Percentage point contribution to overall annual change in RPI June 2007 to June 2008



Since the annual rate of inflation is often different for each jurisdiction, it can make direct comparisons based solely on percentage point movements difficult. Therefore Figure 3 shows the *percentage* contribution that each group is making to the total increase in RPI in each jurisdiction.

Figure 3: Percentage change in each group in RPI June 2007 to June 2008



Such analysis could be susceptible to different weights being used in each of the RPIs; for example, if a group had a larger weight in Jersey than in the UK then the same price rise for that group would result in a larger impact on the Jersey RPI. However, broadly speaking, the weights are similar in all three indices, with any differences being easily understood.

Personal goods and services has a weight of 6.5 out of 100 in Jersey compared to 3.9 in the UK and Household services has a weight of 9.0 in Jersey compared to 6.5 in the UK. Personal goods and services has a larger weight in the Jersey RPI because the proportion of average expenditure on health and personal care is higher in Jersey than the UK. Similarly, Household services, which includes school fees, has a larger weight in the Jersey RPI because the proportion of average expenditure on private education is higher in Jersey than in the UK.

Figure 3a: Jersey 2007 and 2008 RPI group percentage changes

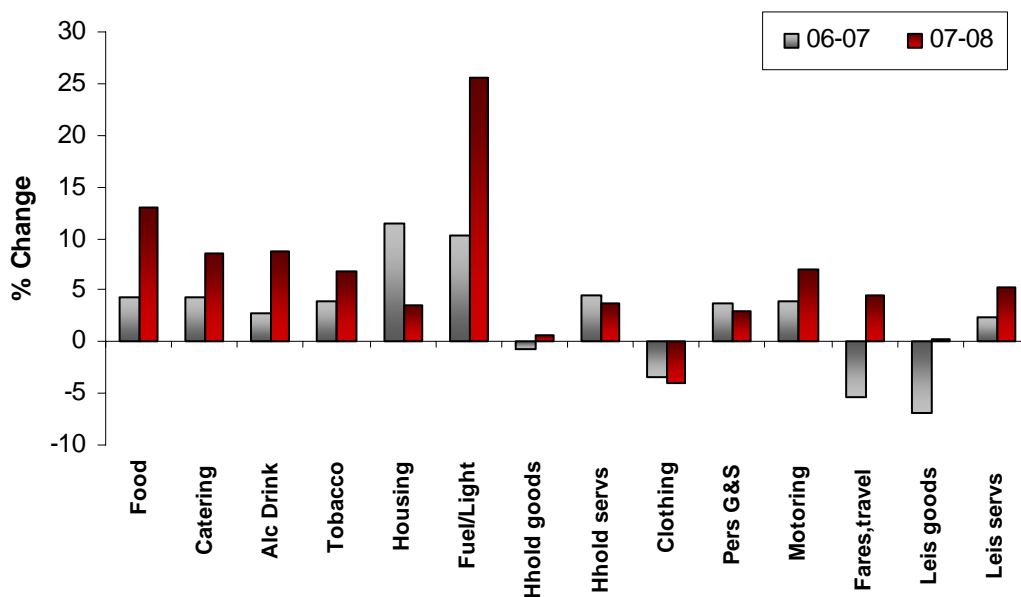


Figure 3b: UK 2007 and 2008 RPI group percentage changes

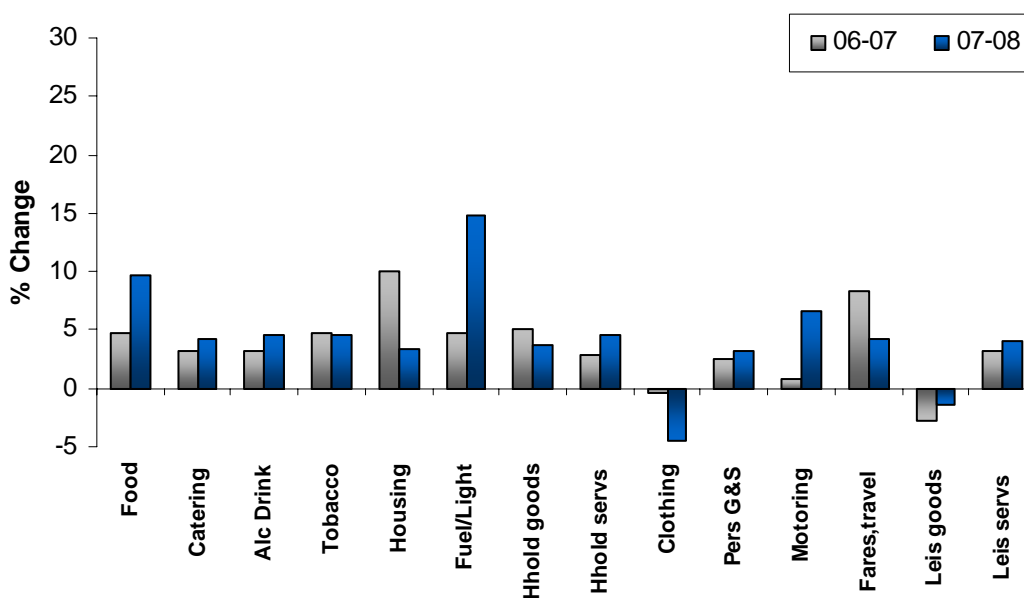
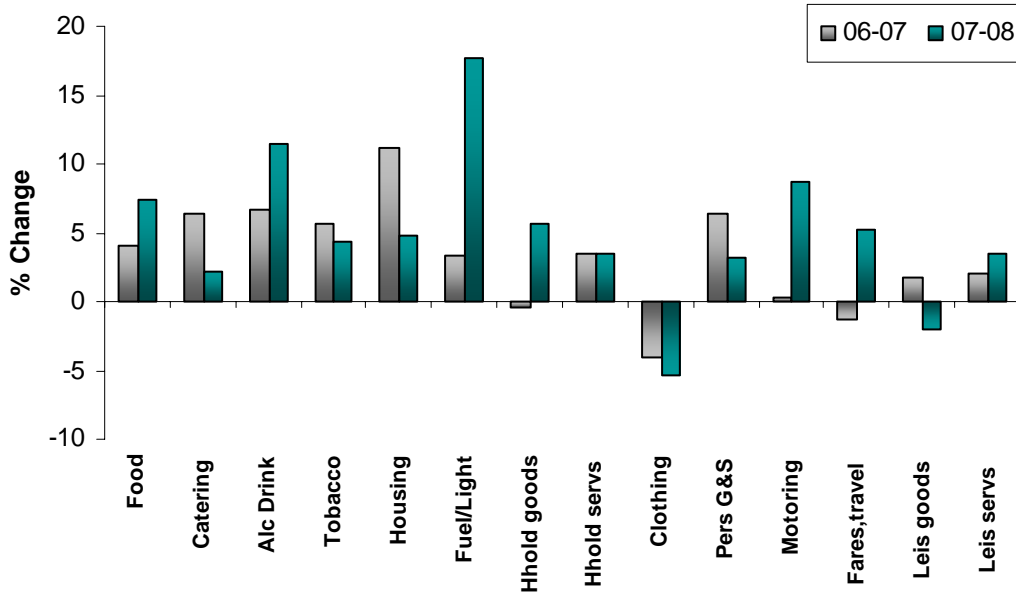


Figure 3c: Guernsey 2007 and 2008 RPI group percentage changes



Figures 3a, 3b and 3c show an overall view of how the annual percentage changes of the RPI groups have differed between the year to June 2007 and the year to June 2008 for each jurisdiction. For example, Food and Fuel & light costs increased at a greater rate in 2008 in all jurisdictions, reflecting global trends. In contrast, Housing costs were higher in 2007 compared to 2008 in all jurisdictions, reflecting lower mortgage interest rates in 2008.

A key factor in Jersey’s annual change to June 2008 was the effect of GST, which accounted for about 1.9 percentage points of the overall change in the Jersey RPI, spread across the groups. GST did not have any effect on the annual change to June 2007, as the tax was not introduced until May 2008. It is important to keep in mind the effect of this new tax in Jersey when comparing recent data. RPI(Y) is a measure of underlying inflation which removes the effect of mortgage interest payments as well as the effect of indirect taxes. Given the effect of GST in June 2008 it is informative to consider RPI(Y) in more detail.

Figure 3d: Percentage point contribution to overall annual change in RPI(Y) June 2007 to June 2008

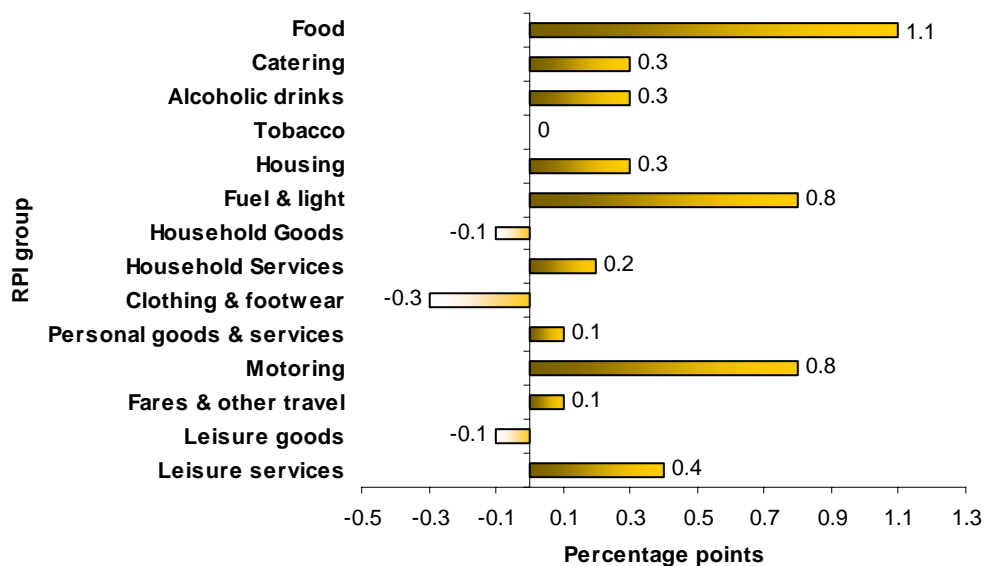
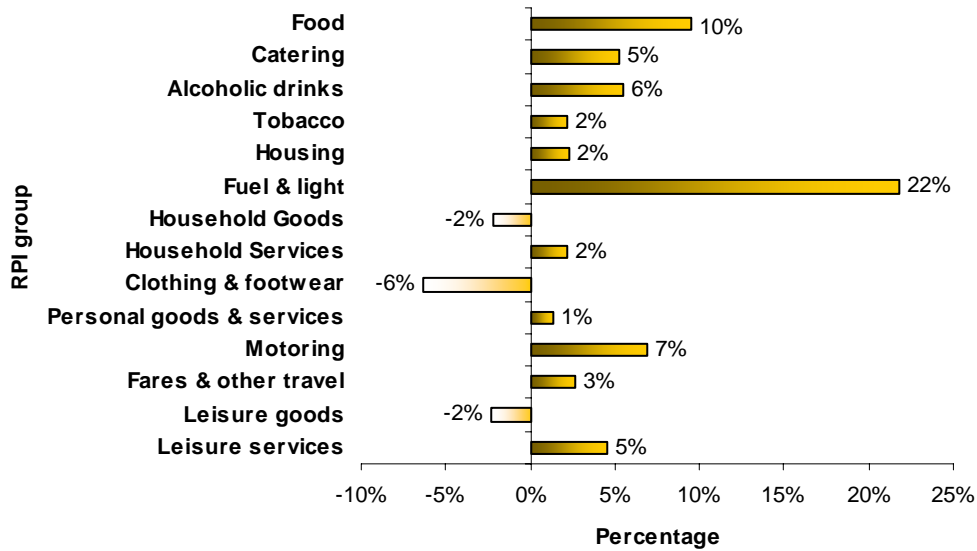


Figure 3d shows the annual percentage contribution for each RPI(Y) group in June 2008 and Figure 3e shows the annual percentage change for each RPI(Y) group in June 2008.

Figure 3e: Percentage change in each RPI(Y) group June 2007 to June 2008



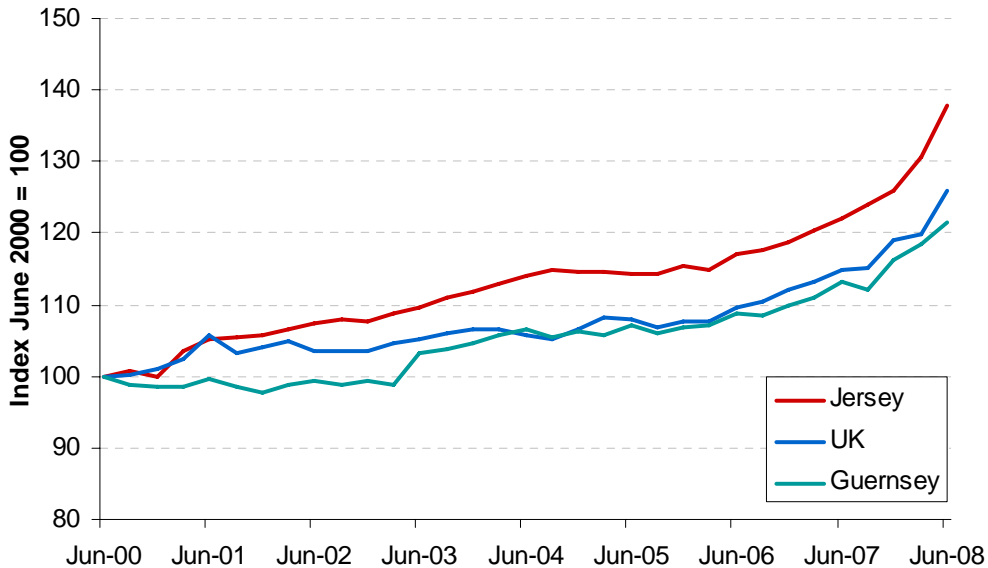
The Food, Fuel & light and Motoring groups were the major contributors to the overall annual rate of increase of RPI(Y) in Jersey in June 2008. Excluding the cost of house purchase means that the Housing group is not such a major a contributor to RPI(Y) as to the RPI. Excluding the effect of indirect taxes, Fuel & light and Food saw annual increases of 22% and 10%, respectively and the goods groups (Households goods, Leisure goods and Clothing & footwear) on average saw overall price reductions.

The annual change in RPI(Y) for Jersey in June 2008 was 3.9% compared to 4.9% in the UK.

The remainder of this report examines the 14 groups of the RPI separately, comparing Jersey, Guernsey and the UK in each case. Data are available to enable comparisons to be made at a section level for Jersey and the UK but not for Guernsey.

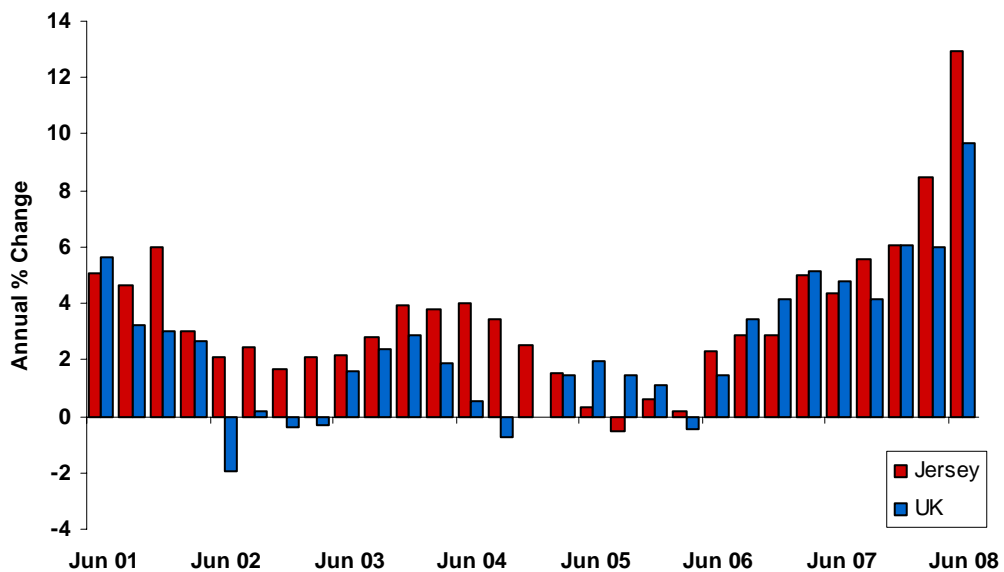
Group 1: Food (weight in Jersey RPI 10.4 out of 100)

Figure 4: Food group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



Over the past year, excluding the effect of GST in Jersey, Food prices have, on average, been rising at the same rate in Jersey and the UK (10%); a slightly greater rate of increase than that seen in Guernsey (7%), as shown in Figure 4. Including GST, Food prices in Jersey rose by 13% from June 2007 to 2008.

Figure 4a: Jersey and UK Food group annual percentage changes per quarter June 2001 to June 2008



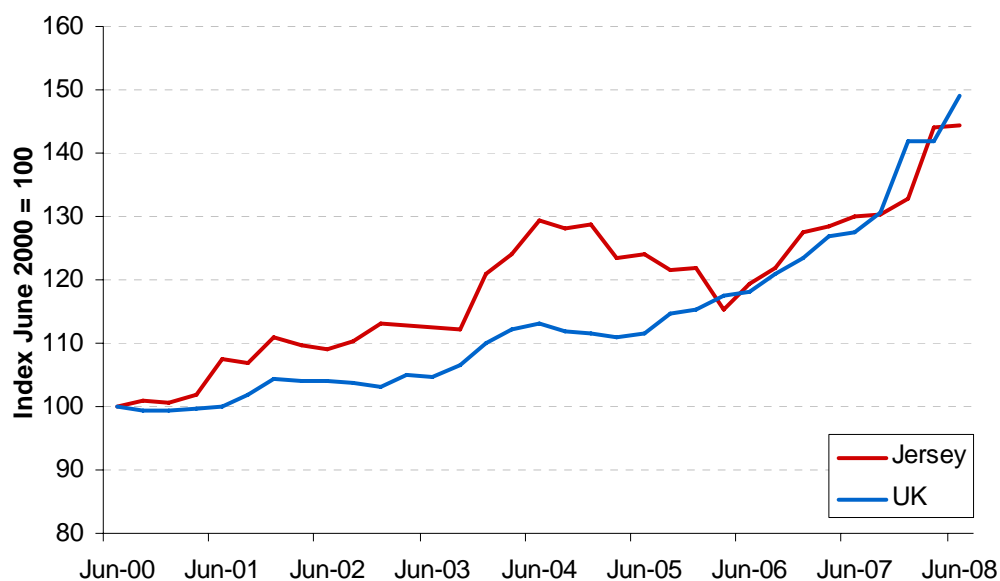
Longer-term analysis shows that Food prices increased by 38% in Jersey, by 26% in the UK and by 22% in Guernsey between June 2000 and June 2008. This long-term behaviour is apparent in Figure 4 and re-iterated in Figure 4a, which shows the annual percentage change of the Food group for Jersey and the UK for each quarter, since June 2001.

Food prices in Jersey were increasing at a faster rate than in the UK from 2001 to 2004, with increases of 14% and 5.9% and 6.6%, in Jersey, the UK and Guernsey, respectively. Since early 2005, the rates of increase in all three jurisdictions have been similar with the Food group increasing by 18% in Jersey, by 15% in the UK and by 12% in Guernsey since June 2006.

There are of course many items in the overall Food index, and Jersey and UK sub-indices for 8 of the 29 major sections of Food are presented in Figures 4b to 4i below. When viewing these graphs it is important to understand that special offers and seasonality can impact upon the prices of some foods. However, these Figures show that for most of the sections within the Food group, prices in Jersey have generally been rising at a faster rate than in the UK over the eight-year period.

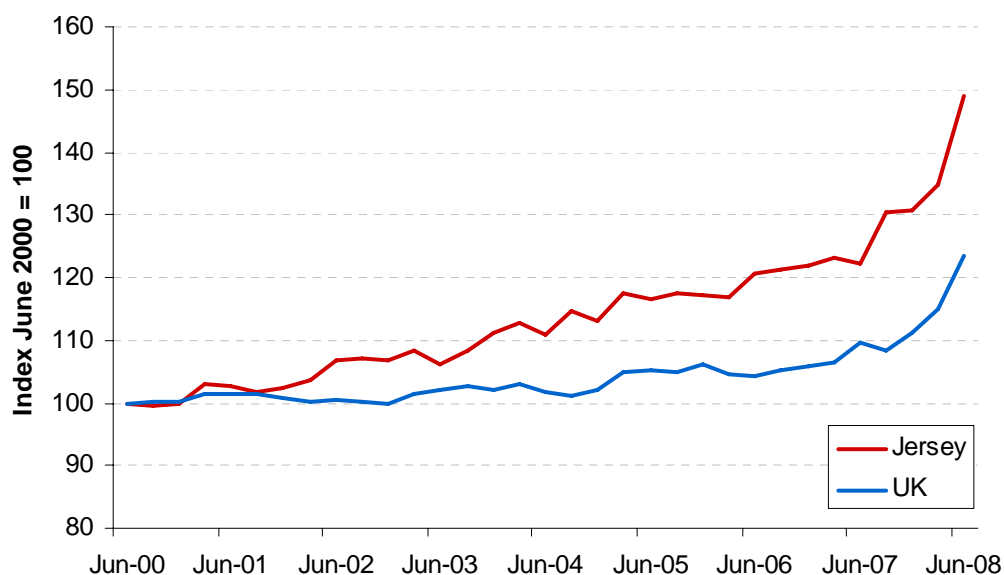
During the year to June 2008 the average price of bread rose by 11% in Jersey and by 17% in the UK. Over the longer-term, prices increased by 44% and 49% respectively, between 2000 and 2008.

Figure 4b: Bread section of RPI



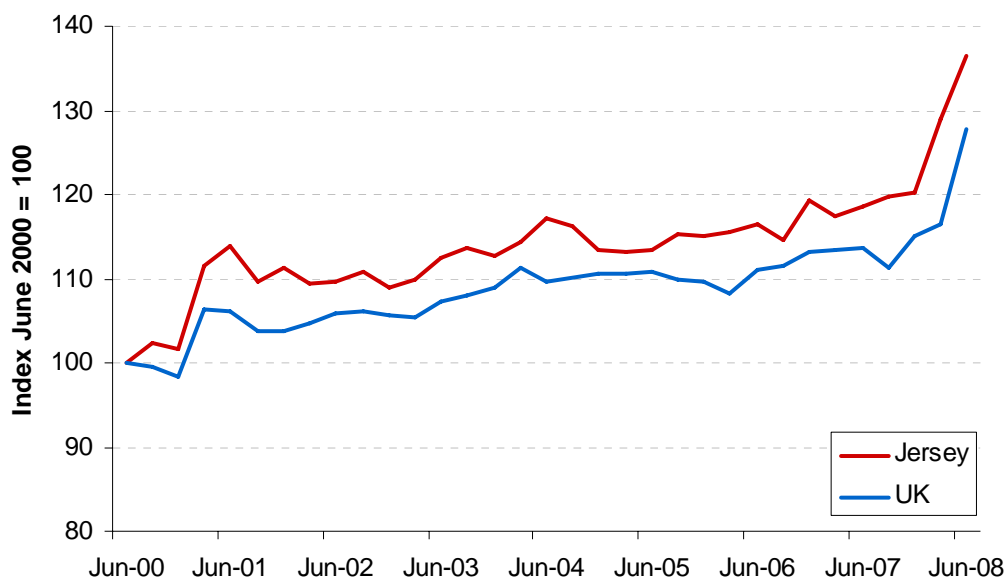
Over the last eight years, prices of cereals (Figure 4c) and biscuits and cakes have risen more than twice as fast in Jersey compared with the UK. During the 12 months to June 2008 cereal prices rose by 22% in Jersey and by 13% in the UK. The price of biscuits and cakes increased at similar rates as cereals over the same period, by 22% and 11%, respectively.

Figure 4c: Cereals section of RPI



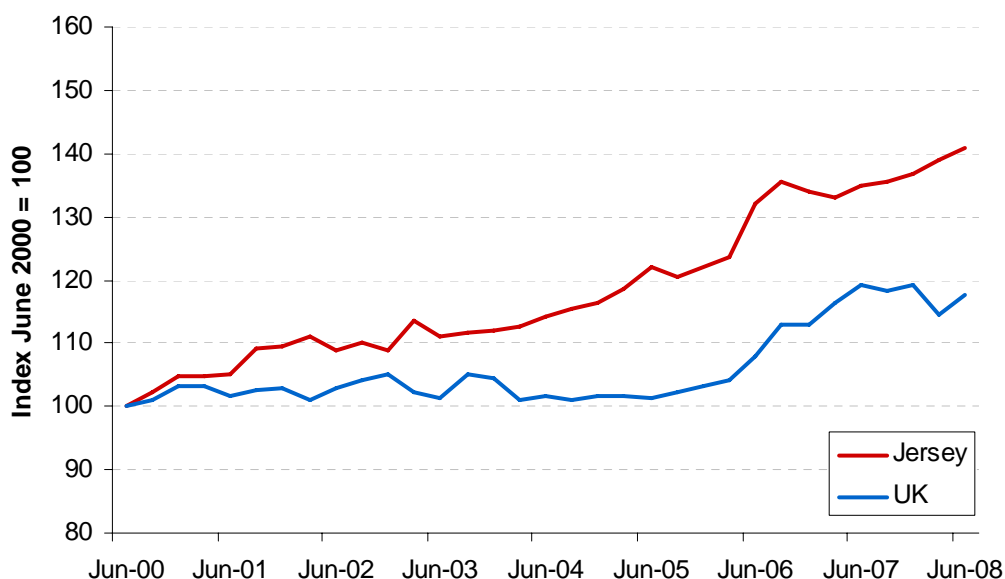
Jersey saw a slightly higher rate of increase in meat prices (Figure 4d) over the past year, up by 15% on average compared to an increase of 12% in the UK. Within the meat sections, Jersey has generally seen greater rates of increase than that in the UK from 2000 to 2008. For example, the average price of pork rose by 70% in Jersey compared with a rise of 36% in the UK over the eight year period. The average cost of beef rose by about 39% in Jersey from 2000 to 2008, compared with a rise of 27% in the UK. The average price of lamb saw an increase of 43% in Jersey and a rise of 36% in the UK.

Figure 4d: Meat section of RPI



In contrast, average poultry prices have risen by 10% over the period 2000 to 2008 in Jersey, whilst prices in the UK have increased at about 21%. Similarly, the UK saw a higher rate of increase in the average price of bacon (32%) than Jersey (21%) over the same period.

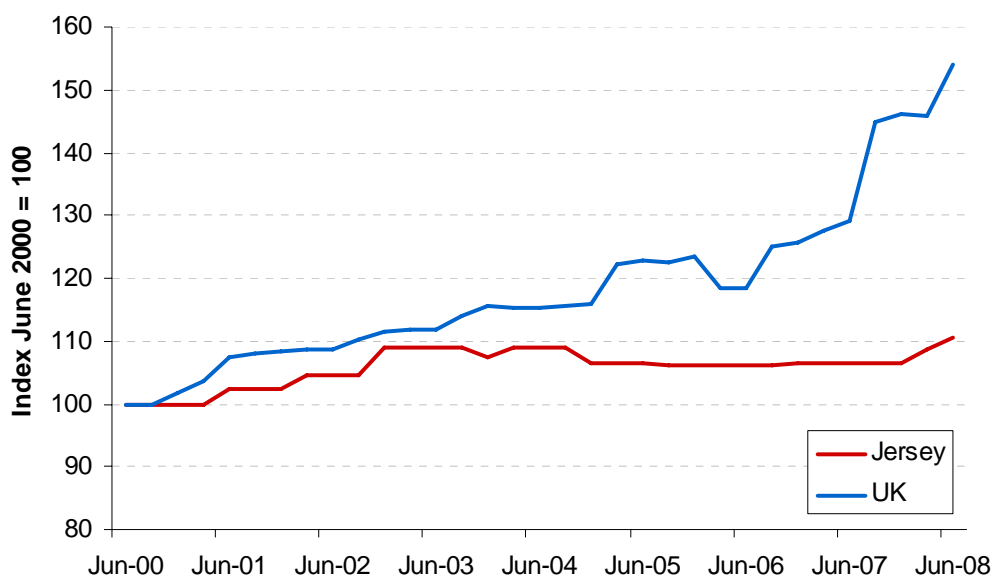
Figure 4e: Fresh fish section of RPI



Fresh fish prices rose by 41% in Jersey compared to 18% in the UK between June 2000 and June 2008 (Figure 4e). In the 12 months to 2008 prices have risen in Jersey (up 4.5%) but fell in the UK, by 1.4%.

Within the dairy products, milk prices (Figure 4f) rose by 4.1% over the year to June 2008 in Jersey (largely due to the introduction of GST), whereas they rose by 19% in the UK. This continues the longer term behaviour, with prices rising by 54% since 2000 in the UK and by 11% in Jersey. The average price of milk, however, remains substantially higher in Jersey.

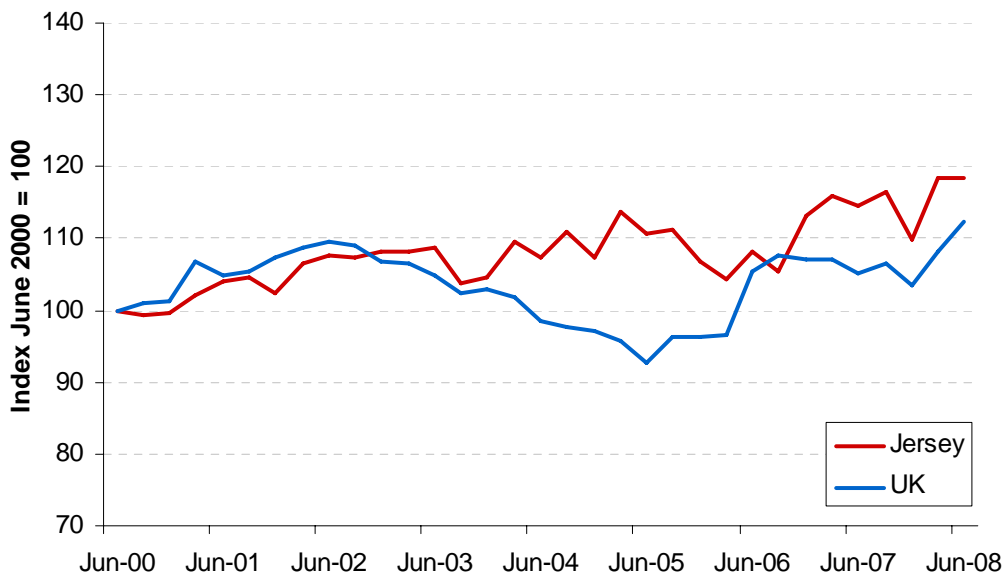
Figure 4f: Fresh milk section of RPI



Other milk products (yoghurt, cream etc) have seen price increases in both Jersey and the UK lately (23% and 11% respectively) and over the last eight years prices of other milk products in Jersey have risen about 56% compared to 20% in the UK.

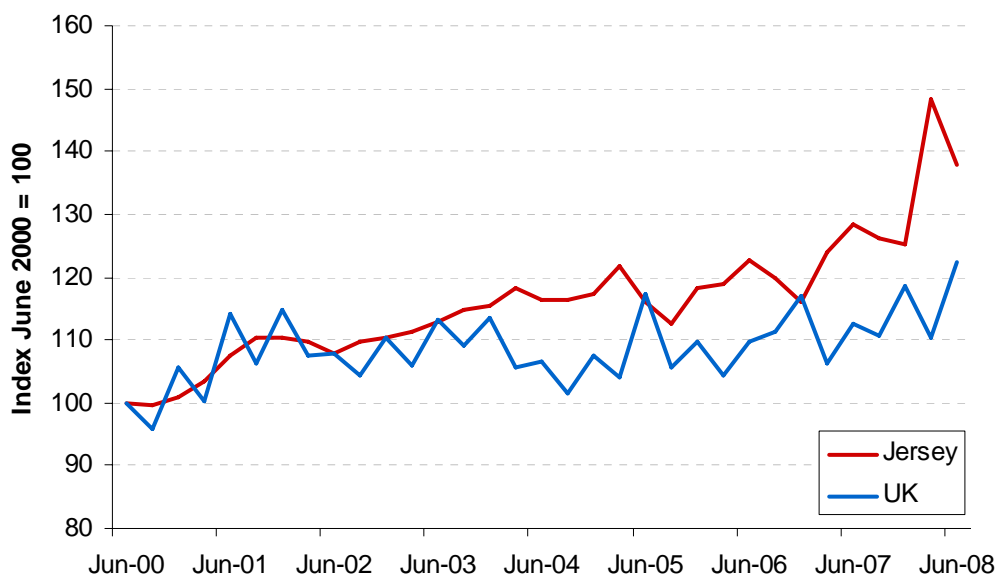
The price of oils and fats has risen by 39% in Jersey since 2000, compared with 31% in the UK. In the twelve months to June 2008 prices in Jersey rose by about a fifth (19%) whereas they rose by about a quarter (24%) in the UK. Long-term changes in the average price of butter have been similar in both jurisdictions, increasing by 39% in Jersey over the last eight years and by 37% in the UK over the same period. However, the rate of increase from 2007 to 2008 is higher in the UK (up 32%) than in Jersey (up 19%).

Figure 4g: Tea section of RPI



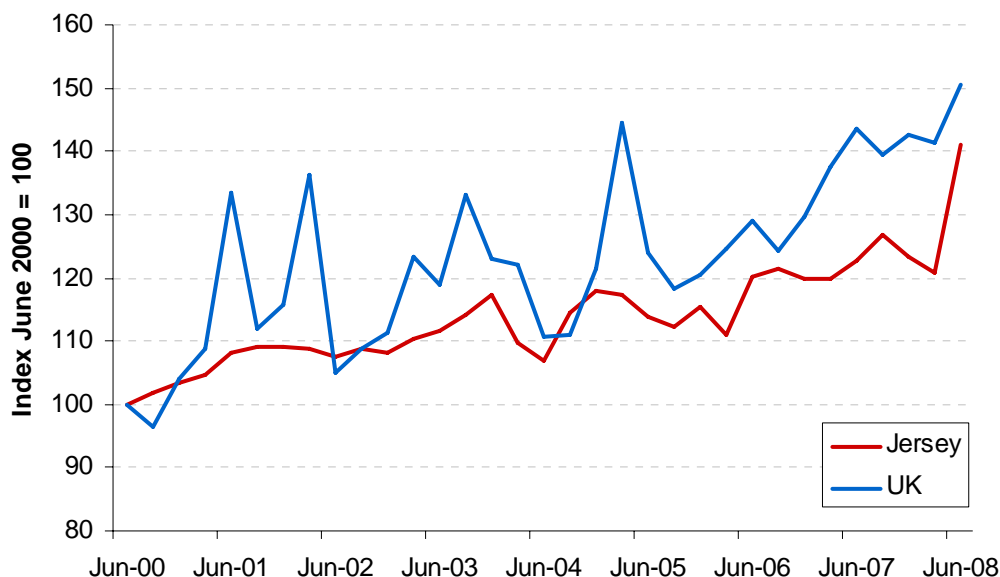
The price of tea has increased more in the UK (6.8%) than in Jersey (3.4%) over the last year. Over the last eight years, tea prices have risen by about 18% in Jersey and by around 12% in the UK (Figure 4g). The price of coffee has seen similar long term behaviour with prices in Jersey increasing by 10% between 2000 and 2008 whereas the price of coffee in the UK rose by 8.3%.

Figure 4h: Fresh fruit section of RPI



Since June 2000 fresh fruit prices (Figure 4h) have risen by 38% in Jersey compared to 22% in the UK. Over the past year, fresh fruit prices have increased by 7.4% in Jersey and by 8.6% in the UK.

Figure 4i: Fresh vegetables section of RPI



In contrast, on average, fresh vegetable prices (Figure 4i) have increased more in the UK over the longer term (50% since 2000 compared to 41% in Jersey). However, vegetable prices have risen more in Jersey in the latest year (15% compared to 4.7% in the UK). Fresh (non-processed) potato prices have moved with some volatility in the UK, but over the whole period both jurisdictions have seen prices increase by nearly two-thirds (63%). In the latest year, average prices rose by about 12% in Jersey and by about 17% in the UK.

Where data are available, it is also informative to look at a direct comparison of average prices. These are presented for Jersey, Guernsey and the UK for various foods in tables 1 to 8 below. A longer run of data is shown in Annex A (Jersey and the UK) and Annex B (Jersey and Guernsey).

Meat and fish

Whilst there have been some fluctuations in prices, on average meat prices (for items for which prices are available) were about 13% higher in Jersey than in the UK in June 2008, a slightly smaller difference than that seen in both 2006 and 2007. The only meat product (for which price quotes are available) cheaper in Jersey is fresh loin of lamb, which was only 1% below the average price in the UK.

Table 1: Average prices of matched meat & fish items in Jersey and the UK: June 2008⁵

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
Beef: fresh per kg			
Best beef mince	575	551	4
Topside	942	888	6
Rump Steak	1465	1169	25
Lamb: fresh per kg			
Loin (with bone)	1178	1194	-1
Pork: fresh per kg			
Loin (with bone)	773	557	39
Chicken: roasting, oven-ready, per kg			
Fresh or chilled	299	288	4
Other Meat			
Gammon, per kg	761	674	13
Bacon, back, per kg	923	817	13
Ham (not shoulder) 100 - 125g	149	135	10
Pork sausages, per kg	471	374	26
Weighted average – all Meat			13
Fresh fish: per kg			
Haddock fillets ⁶	1285	1051	22
Salmon fillets	995	965	3
Weighted average – Fish			15

Fresh fish was on average almost a sixth (15%) more expensive in Jersey with white fish being just under a quarter more expensive in Jersey (22%) and salmon being 3% more expensive locally.

Table 2 demonstrates that, generally, average meat and fish prices were fairly similar in Jersey and Guernsey, except for chicken and haddock which were both more expensive in Jersey.

⁵. Percentage differences between jurisdictions, shown in tables and annexes, are calculated from un-rounded numbers and are then rounded to the nearest integer. Note that where the percentage difference (shown in the tables and annexes) is a positive value, the Jersey average price is greater than the other jurisdiction being compared.

⁶ Price quotes are for haddock in Jersey and for white fish fillets in the UK.

Table 2: Average prices of matched meat & fish items in Jersey and Guernsey: June 2008

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
Beef: fresh per kg			
Best beef mince	575	599	-4
Topside	942	1054	-11
Rump Steak	1465	1452	1
Lamb: fresh per kg			
Loin (with bone)	1178	1149	3
Pork: fresh per kg			
Loin (with bone)	773	799	-3
Chicken: roasting, oven-ready, per kg			
Fresh or chilled	299	239	25
Other Meat			
Gammon, per kg	761	762	0
Bacon, back, per kg	923	930	0
Pork sausages, per kg	471	469	0
Fresh fish: per kg			
Haddock fillets	1285	1058	21
Salmon fillets	995	975	2

Fruit and vegetables

No fresh vegetable (for which comparable price quotes were available) was found to be cheaper in Jersey than in the UK in June 2008. Overall, of all items priced, fresh vegetables were over a quarter more expensive (29%) than in the UK, a similar overall difference to that seen in 2007. The majority of priced items saw a larger price gap between June 2007 and 2008; for example the price of mushrooms was 42% higher in Jersey than the UK in 2007 but was 60% higher in 2008. In contrast, the price gap between Jersey and the UK for potatoes and onions narrowed slightly over the same period.

Table 3: Average prices of matched fruit and vegetables items in Jersey and the UK: June 2008

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
Fresh vegetables			
Potatoes: old whites, loose, per kg	81	69	17
Potatoes: new, loose, per kg	168	130	29
Tomatoes, per kg	198	173	15
Cauliflower, each	132	96	38
Carrots, per kg	109	80	36
Onions, per kg	96	84	14
Mushrooms, per kg	417	261	60
Cucumber, each	92	70	32
Lettuce: iceberg, each	112	78	44
Weighted average – Fresh vegetables			29

Overall, average fruit prices were also over a quarter (27%) more expensive in Jersey than in the UK, with grapes and avocados being the only items (for which price quotes are available) that were cheaper to purchase locally. Again, the price gap has increased slightly for the majority of priced items from 2007 to 2008 compared with 2006 to 2007.

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
Fresh fruit			
Apples: cooking, per kg	199	156	27
Apples: dessert, per kg	160	153	5
Pears: dessert, per kg	202	166	21
Oranges: all sizes, each	38	28	35
Bananas, per kg	140	85	65
Grapes, per kg	401	412	-3
Avocado, each	78	80	-2
Weighted average – Fresh fruit			27

Using the small amount of matched item quotes available, table 4 shows that the average price of fresh vegetables is similar in both Jersey and Guernsey, with prices overall being just 6% higher in Jersey in June 2008. Similarly, fresh fruit was about 7% higher in Jersey, with no items (for which price quotes are available) being cheaper to purchase locally.

Table 4: Average prices of matched Fruit and vegetables items in Jersey and Guernsey: June 2008

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
Fresh vegetables			
Potatoes: old whites, loose, per kg	81	100	-19
Potatoes: new, loose, per kg	168	141	19
Tomatoes, per kg	198	188	5
Cauliflower, each	132	104	27
Carrots, per kg	109	103	6
Onions, per kg	96	86	11
Mushrooms, per kg	417	393	6
Cucumber, each	92	n/a	n/a
Lettuce: iceberg, each	112	90	25
Weighted average – Fresh vegetables			6

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
Fresh fruit			
Apples: cooking, per kg	199	n/a	n/a
Pears: dessert, per kg	202	202	0
Oranges: all sizes, each	38	34	12
Bananas, per kg	140	126	11
Grapes, per kg	401	354	13
Avocado, each	78	n/a	n/a
Weighted average – Fresh fruit			7

Dairy produce

Most dairy products continue to be significantly more expensive in Jersey than in the UK. A pint of milk is on average 13 pence more (29%), with butter around 10% more and medium sized eggs about 12% more costly in Jersey.

Table 5: Average prices of matched dairy items in Jersey and the UK: June 2008

Item	Mean price (in pence)		% difference
	Jersey	UK	
Dairy produce			
Butter, home produced, per 250g	108	99	9
Butter, imported, per 250g	140	124	13
Cheddar cheese, per kg	674	691	-2
Eggs, size 4, per dozen	299	267	12
Milk, pasteurised, per pint	56	43	29

Milk, butter and eggs were also more expensive to purchase in Jersey than in Guernsey in June 2008, with cheddar cheese being cheaper to buy locally.

Table 6: Average prices of matched dairy items in Jersey and Guernsey: June 2008

Item	Mean price (in pence)		% difference
	Jersey	Guernsey	
Dairy produce			
Butter, home produced, per 250g	108	121	-10
Butter, imported, per 250g	140	132	6
Cheddar cheese, per kg	674	703	-4
Eggs, size 4, per dozen	299	258	16
Milk, pasteurised, per pint	56	50	11

Bread, other foods and soft drinks

On average, the other foods for which comparable prices are available are generally more expensive to purchase in Jersey than in the UK.

Table 7: Average prices of matched other food items in Jersey and the UK: June 2008

Item	Mean price (in pence)		% difference
	Jersey	UK	
Other foods & soft drinks			
Bread: white loaf, sliced, 800g	117	120	-3
Bread: wholemeal loaf, sliced, 800g	155	120	29
Flour, self-raising, per 1.5kg	133	100	33
Sugar, granulated, per kg	87	86	1
Tea bags, per 250g	180	168	7
Coffee, pure, instant, per 100g	271	193	40

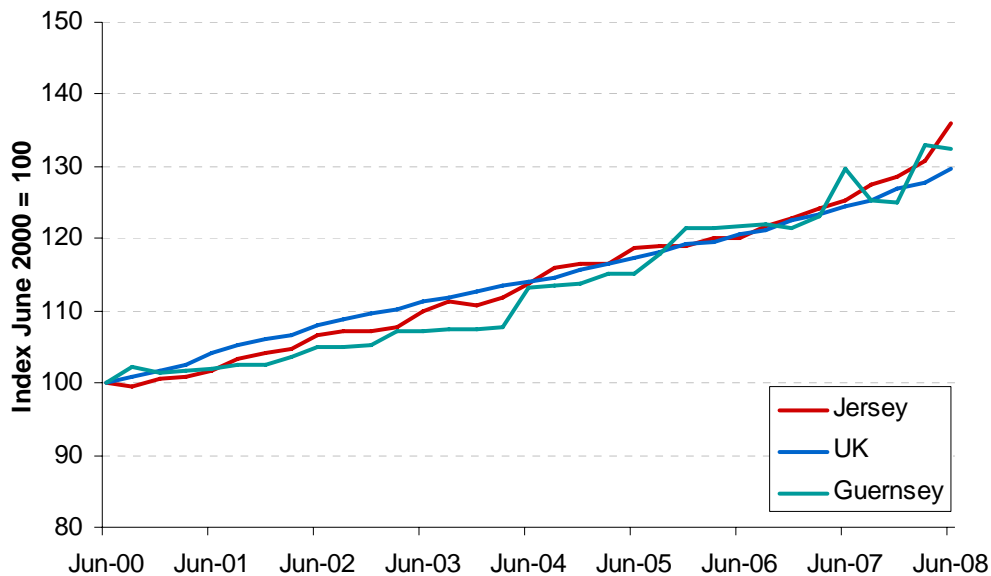
Table 8: Average prices of matched other food items in Jersey and Guernsey: June 2008

Item	Mean price (in pence)		% difference
	Jersey	Guernsey	
Other foods & soft drinks			
Bread: white loaf, sliced, 800g	117	131	-11
Bread: wholemeal loaf, sliced, 800g	155	137	13
Flour, self-raising, per 1.5kg	133	111	20
Sugar, granulated, per kg	87	81	8
Tea bags, per 250g	180	188	-4
Coffee, pure, instant, per 100g	271	266	2

As table 8 shows, average prices for the other food items for which comparable prices are available are similar, overall, in both Jersey and Guernsey, except for flour.

Group 2: Catering (weight in Jersey RPI 4.3 out of 100)

Figure 5: Catering group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



Despite differences in the rate of increase of food items, overall the rate of price change for catering has been similar in all three jurisdictions (Figure 5). In the eight years to June 2008 catering prices have risen by 36% in Jersey, by 32% in Guernsey and by 30% in the UK. In the most recent 12 month period the price increases were higher in Jersey at 8.5% (which includes the effect of the introduction of GST) compared to 4.3% in the UK and 2.1% in Guernsey.

Group 3: Alcoholic drinks (weight in Jersey RPI 5.8 out of 100)

Over the last 12 months, the rate of price change for Alcoholic drinks increased in each jurisdiction, by 8.8% in Jersey, 11.4% in Guernsey and by 4.5% in the UK. Over the last eight years, overall the average price of alcoholic drinks has increased faster in Guernsey than in Jersey and the UK (50%, 43% and 22%, respectively).

The level of imposed taxes (impôts and excise rates) on alcoholic drinks in each jurisdiction has a large impact on this group of the RPI. For example, the impact of increases in impôts is clearly visible in the alcoholic drink component of the Jersey RPI in Figure 6; the stepped change each March reflects the effect of the impôt increases which come into effect in the January of each year⁷.

Figure 6: Alcoholic drinks group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008

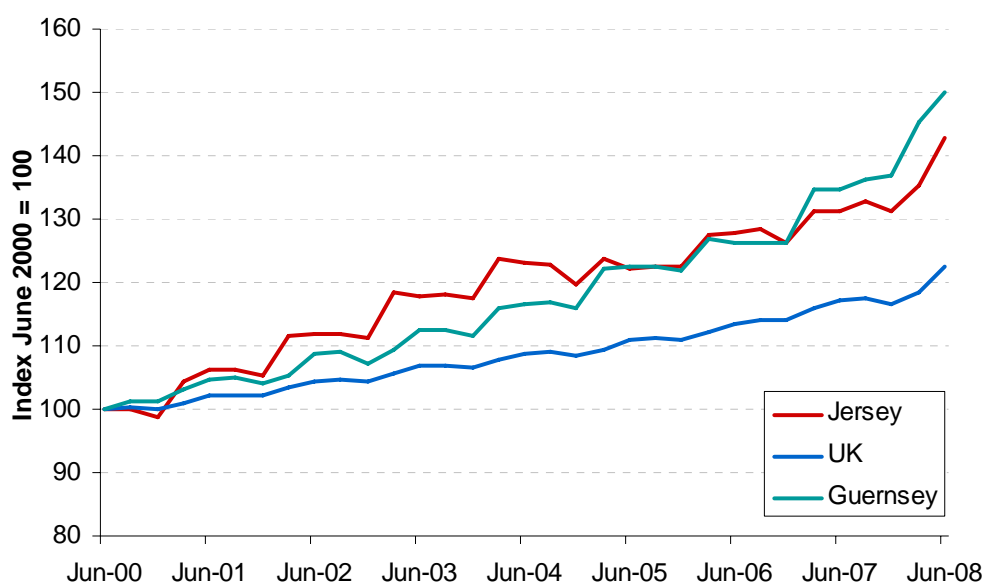


Table 9: Impôts and Excise duties on alcohol in pence

Item	Jersey			UK			Guernsey		
	2000	2007	2008	2000	2007	2008	2000	2007	2008
Draught beer (4% ABV) / pint	12	26	27	27	31	34	18	32	32
Draught lager (5% ABV) / pint	16	39	40	34	39	42	18	32	32
Whisky / litre	609	854	888	782	782	854	183	319	319
Whisky / 25 ml	15	21	22	20	20	23	5	8	8

1. In the UK VAT is applied to these items at 17.5%.
2. In Jersey GST is applied to these items at 3%.
3. ABV (alcohol by volume) is the alcoholic strength.

⁷ Impôts on alcohol were not changed in January 2005 and as such the impôt component of the cost of alcohol was the same in March 2005 as March 2004. As a result, there was no step change and in the absence of price movements for other reasons the index would have seen no change.

Excise duties (as they are known in the UK) have also been increasing in the UK since 2000 but at a lower overall rate than Jersey. For example, from 2000 to 2008 impôts on beer have increased from 12p/pint in 2000 to 27p/pint in Jersey, from 18p/pint to 32p/pint in Guernsey whilst UK duties increased from 27p/pint to 34p/pint over the same period.

Broadly speaking, tax changes (excluding GST) have accounted for about a sixth (15%) of the price increase seen in Jersey for beer between 2000 and 2008, with excise duty increases (excluding VAT) accounting for about 11% of the UK increase.

As table 9 shows, impôts on beer and lager increased by 1p/pint between 2007 and 2008 in Jersey, whilst those on whisky increased by 34p/litre over the same period. In the UK both beer and lager duties increased by 3p/pint, whilst duty on whisky increased by 72p/litre over the same period. Following increases of 5p/pint on beer and lager, and 53p/litre on whisky between 2006 and 2007, Guernsey duties remained unchanged between 2007 and 2008.

Table 10: Average prices of matched alcoholic drinks in Jersey and the UK: June 2008

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
Alcoholic drinks			
Draught bitter, per pint	252	241	4
Draught lager, per pint	283	276	2
Whisky, per 25ml nip	230	198	16

Actual prices of alcoholic drinks in Jersey were above those in the UK (table 10). Furthermore, as table 11 shows, average prices before the addition of duties were significantly higher in Jersey than the UK.

Table 11: Average *pre tax* prices of matched alcoholic drinks in Jersey and the UK: June 2008

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
Alcoholic drinks			
Draught bitter, per pint	218	171	27
Draught lager, per pint	241	193	25
Whisky, per 25ml nip	201	146	38

Actual prices of alcoholic drinks were similar, on average, in both Jersey and Guernsey, although the pre-tax prices of bitter, larger and whisky were all slightly higher in Guernsey than in Jersey.

Table 12: Average prices of matched alcoholic drinks in Jersey and Guernsey: June 2008

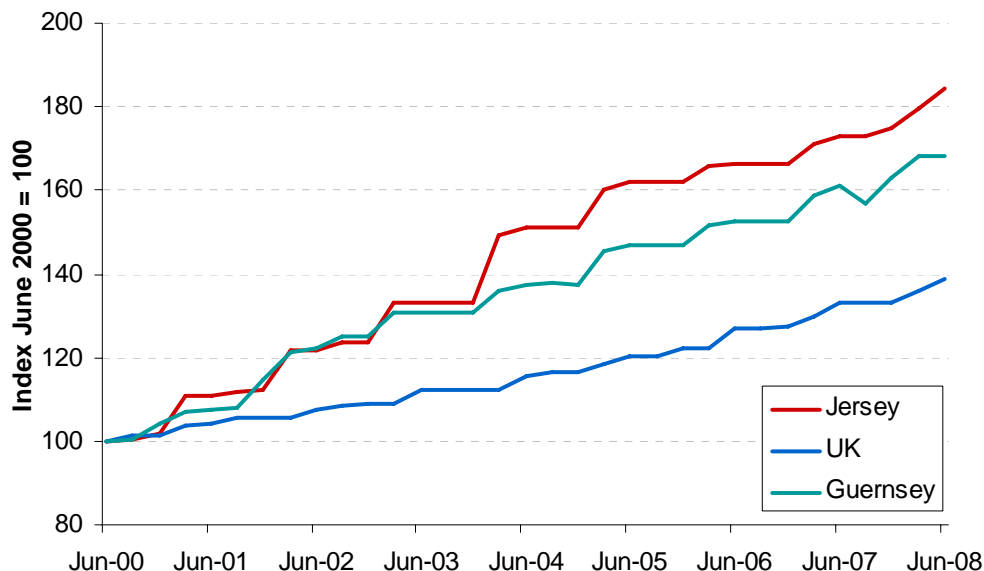
Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
Alcoholic drinks			
Draught bitter, per pint	252	261	-4
Draught lager, per pint	283	274	3
Whisky, per 25ml nip	230	222	4

Table 13: Average *pre tax* prices of matched alcoholic drinks in Jersey and Guernsey: June 2008

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
Alcoholic drinks			
Draught bitter, per pint	218	229	-5
Draught lager, per pint	241	242	-1
Whisky, per 25ml nip	201	214	-6

Group 4: Tobacco (weight in Jersey RPI 1.6 out of 100)

Figure 7: Tobacco group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



The impact of increases in duties is also clearly visible in Figure 7 which shows the tobacco element of the Jersey, Guernsey and UK RPIs. In the eight years from June 2000 tobacco prices in Jersey have increased by 85%, compared with an increase of 68% in Guernsey and 39% in the UK. In the past 12 months, Jersey prices increased by

6.8% (which includes the effect of GST) compared to a 4.4% increase in Guernsey and a rise in the UK of 4.5%.

Table 14: Impôts and Excise duties on tobacco products in pence

Item	Jersey			UK			Guernsey		
	2000	2007	2008	2000	2007	2008	2000	2007	2008
20 Cigarettes	140	304	297	268	328	342	153	257	257

Note: VAT is applied at 17.5% in the UK whereas GST is applied at 3% in Jersey.

Impôts on cigarettes have more than doubled in Jersey between 2000 and 2008, from £1.40 to £2.97 per packet, whilst over the same period duty in Guernsey almost doubled from £1.53 to £2.57. In the UK, excise duties have increased by 74 pence per packet over the past eight years (Table 14). Overall, impôts (and GST in Jersey) account for around 60% of the total price in both Jersey and Guernsey, whilst duty and VAT make up about 80% of the total UK price.

The price differential between Jersey and the UK on a pack of 20 cigarettes has narrowed from £1.15 in June 2000 to 17 pence in June 2008 (Table 15) and as table 16 shows, in June 2008, the pre-tax price of cigarettes in Jersey was about 80% more expensive than that in the UK, £2.06 in Jersey compared with £1.13 in the UK.

Table 15: Average prices of matched tobacco products in Jersey and the UK: June 2008

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
20 king size filter	518	535	-3

Table 16: Average *pre tax* prices of matched tobacco products in Jersey and the UK: June 2008

Item	Mean price (in pence)		Percentage difference
	Jersey	UK	
20 king size filter	206	113	82

The average price of cigarettes in Jersey is about a sixth higher than in Guernsey (table 17). However, the pre tax prices are the same in both jurisdictions, at £2.06 per packet (table 18).

Table 17: Average prices of matched tobacco products in Jersey and Guernsey: June 2008

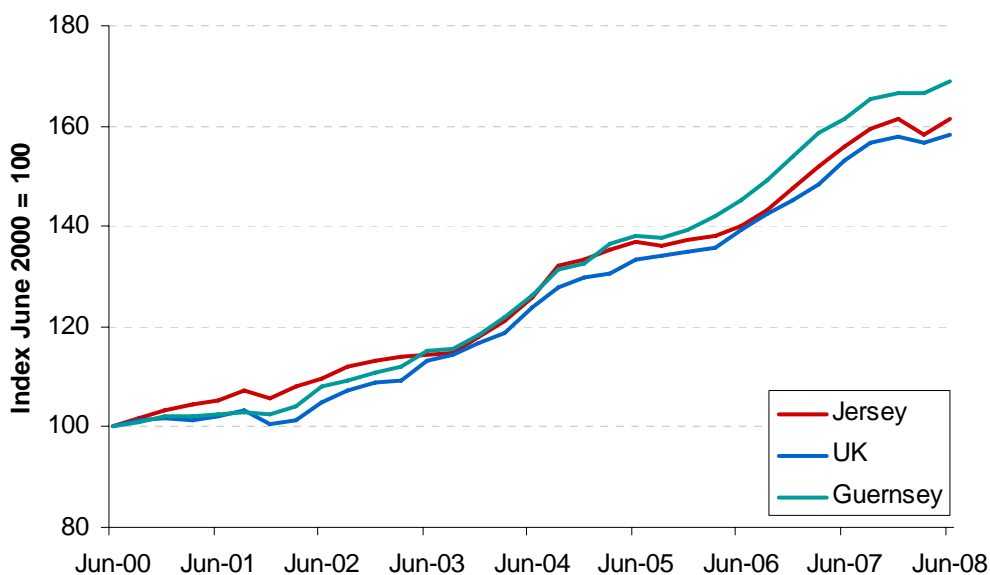
Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
20 king size filter	518	445	16

Table 18: Average *pre tax* prices of matched tobacco products in Jersey and Guernsey: June 2008

Item	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
20 king size filter	206	206	0

Group 5: Housing (weight in Jersey RPI 21.6 out of 100)

Figure 8: Housing group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



The Housing group has the largest group weight in the Jersey RPI, accounting for more than a fifth of the overall index. The group itself consists not only of house purchase costs (the interest paid on mortgages) but also rents, Parish rates, water rates, repairs and maintenance and DIY materials.

Overall the rate of price increase in the Housing group (Figure 8) has been very similar in Jersey, Guernsey and the UK over the past eight years (increases of around 61%, 69% and 58%, respectively). This reflects the fact that home purchase costs (which is the largest element in the group) has increased by a similar amount in all of the jurisdictions. In the year to June 2008, Jersey saw an increase of 3.5% in the overall Housing group whereas Guernsey saw a rise of 4.7% and the UK an increase of 3.4%.

The price movements of individual elements within the Housing group are shown in Figures 8a to 8d, for Jersey and the UK.

Rental costs (Figure 8a) have risen about 1½ times faster in Jersey than in the UK over the past eight years, (36% compared to 26% in the UK). This behaviour reflects the higher overall rate of increase in the Jersey RPI compared to the UK over the same period (39% compared to 27%) since that index is often used to increase rental costs

each year. More recently, over the last 12 months, the increase in rental costs has been higher in the UK, rising by 3.8% compared to 1.0% in Jersey.

Figure 8a: Rent section of RPI

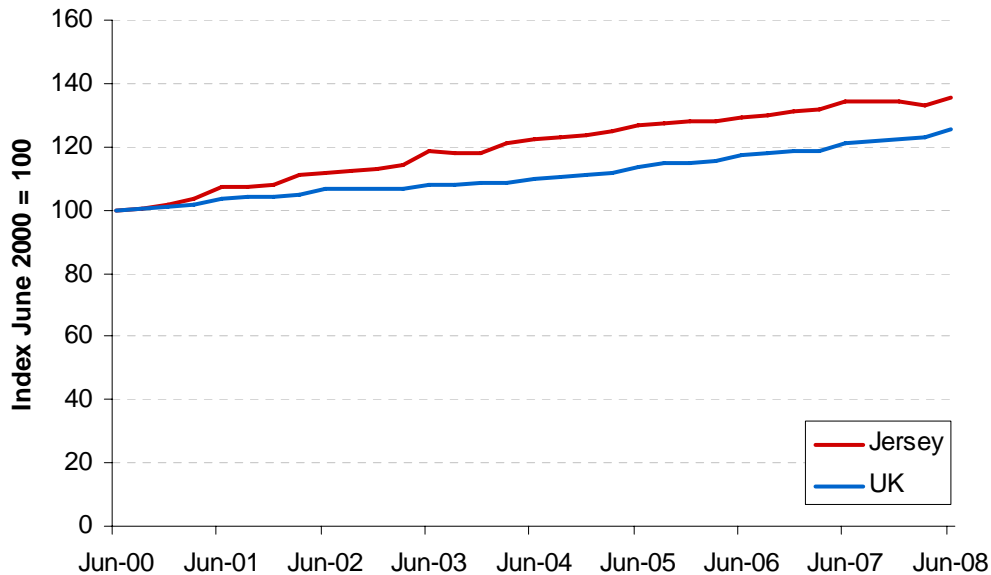
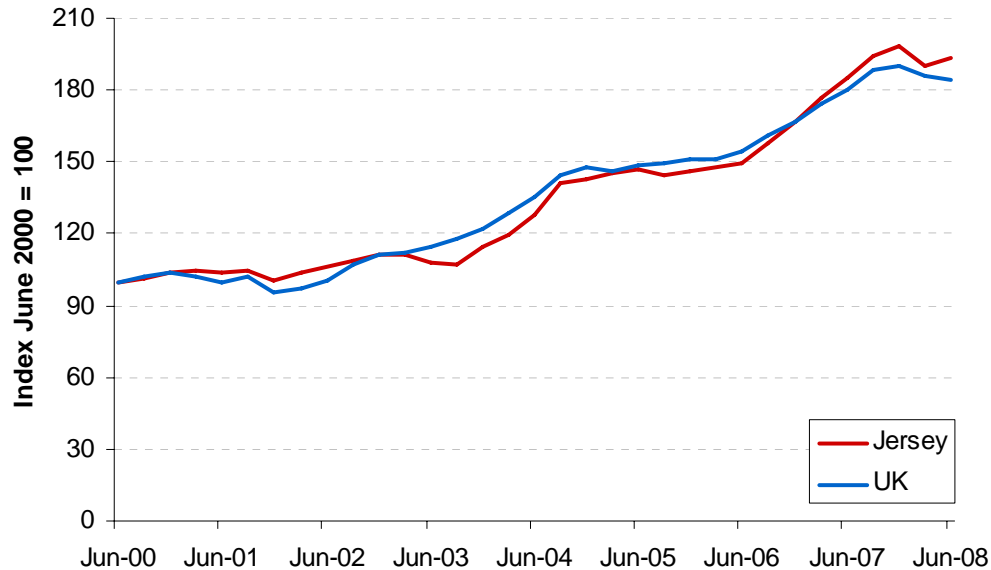


Figure 8b: Housing purchase section of RPI



Between June 2007 and June 2008 Jersey Parish rates decreased by 1.5% on average, whereas UK council taxes saw an average increase of 3.6% over the same period. Overall, rates have risen faster in the UK than in Jersey since June 2000 (60% and 28% respectively). Rates increases typically occur in September in Jersey and March in the UK; such timing differences emphasise the importance of using annual rather than quarterly comparisons when looking at prices.

Water rates have risen by a similar amount in Jersey (5.4% including the effect of GST) and in the UK (6.5%) over the last 12 months. Since June 2000, Jersey water rates have

increased by about a third (33%) compared to over half (56%) in the UK over the same period.

Another element of the housing group is DIY materials. Prices have risen by 19% in Jersey since June 2000 whereas the UK saw an increase of 12%. Over the year to June 2008 prices rose by 4.4% in both jurisdictions.

Figure 8c: Water rates section of RPI

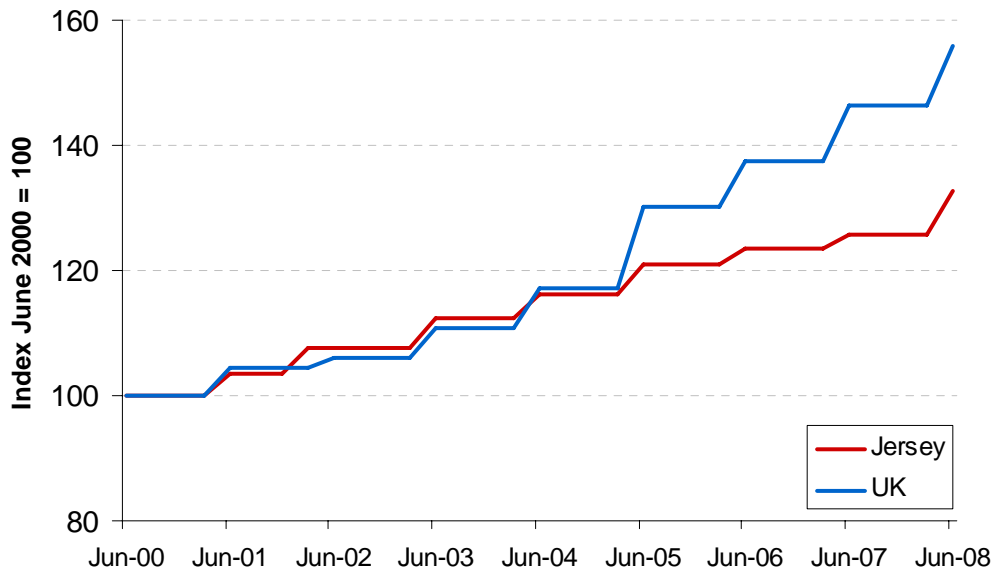
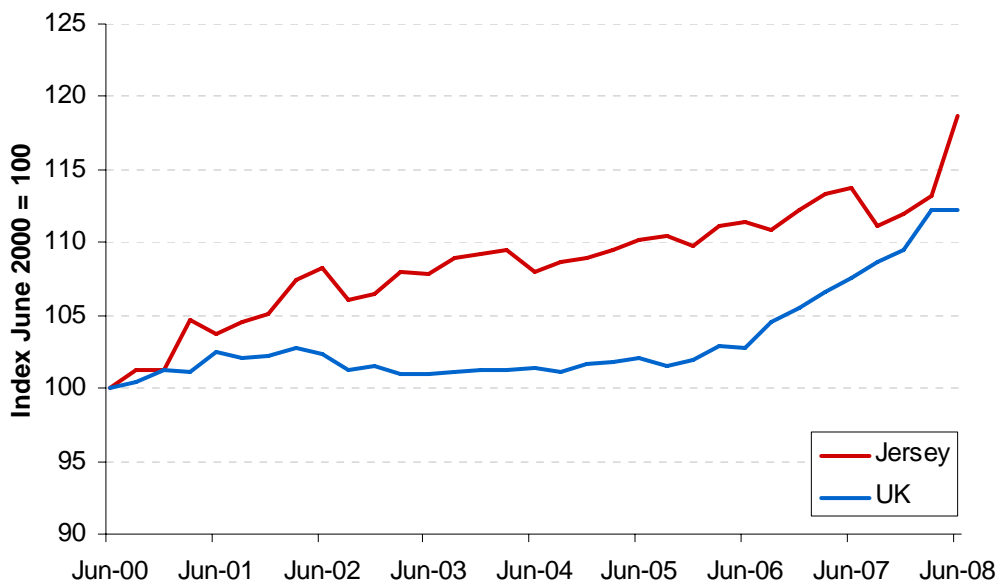


Figure 8d: DIY section of RPI



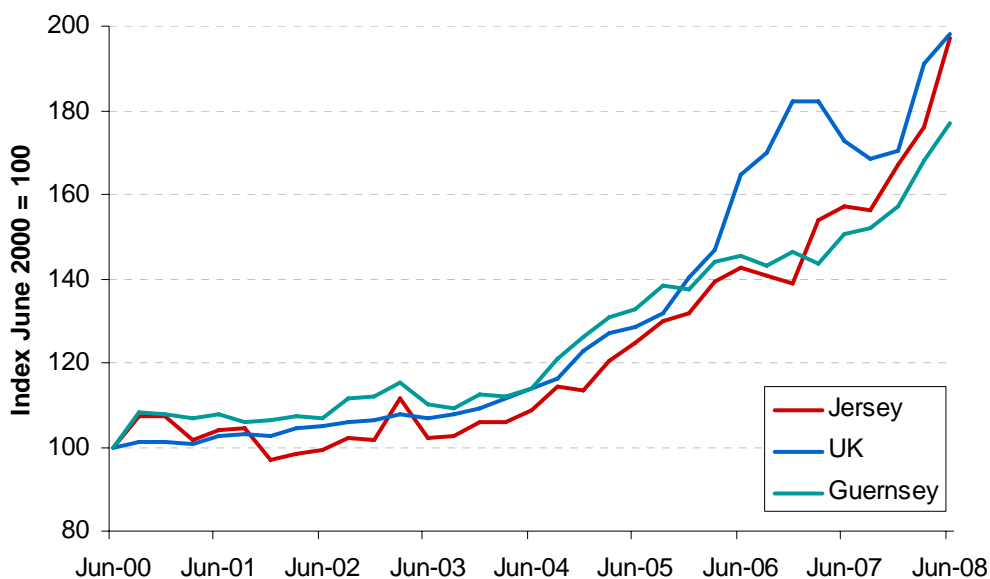
Group 6: Fuel and light (weight in Jersey RPI 3.0 out of 100)

The Fuel and light group covers fuels used at home i.e. coal, oil, gas and electricity. Motor fuels are included within the Motoring group. Overall price changes in Jersey, Guernsey and the UK have moved broadly in phase over the past eight years; however, there are some important differences which reflect the different proportions of fuels used in the Channel Islands and in the UK.

In the Jersey RPI, heating oil accounts for about a third of the Fuel and light group and gas about a twentieth; in the UK gas accounts for about half of the group and oil about a twentieth. Electricity accounts for about three-fifths of the group in Jersey and about half in the UK. These proportions mean that the Jersey RPI is more susceptible to short term changes in the price of oil, which tends to be quite volatile. Fuel proportions in Guernsey are similar to those for Jersey.

Changes in the price of oil are evident in Figure 9, with the sharp fall in December 2001 and the rise and fall in mid-2003 reflecting large changes in global oil prices. Oil prices have risen since 2004, and since oil and gas prices are linked over the longer term, increases in oil prices have led to increases in gas prices, which has been particularly pertinent for the UK.

Figure 9: Fuel and light group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



Over the eight years to June 2008, energy prices rose by 97% in Jersey, 77% in Guernsey and by about 98% in the UK.

With the decrease in oil-fired electricity generation seen recently in Jersey, electricity prices became more insulated from increases in oil prices for a period but more recently, as the price of electricity increased throughout Europe, prices have risen in Jersey as well. Electricity prices remained unchanged between October 2000 and January 2005, however from January 2005 to January 2006, prices for all consumers rose by about

10%, followed by a 19% increase from January 2006 to January 2007. There were no price increases in January 2008.

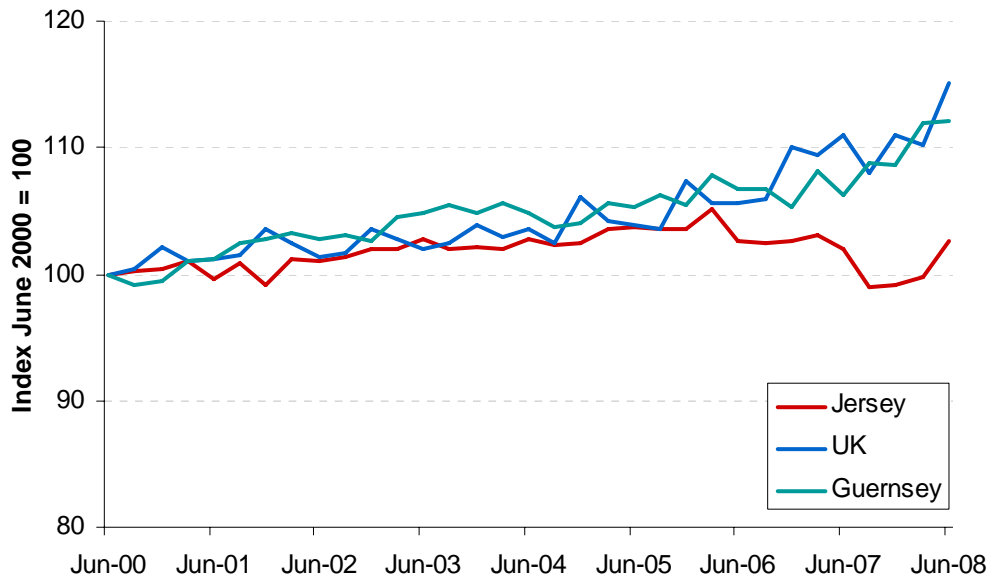
In the last 12 months the overall change in energy prices has been higher in Jersey (26%) than in Guernsey (18%) and in the UK (15%).

Group 7: Household goods (weight in Jersey RPI 5.9 out of 100)

The Household goods group is quite a wide-ranging group covering furniture, soft furnishings (duvets, carpets etc), electrical appliances, kitchen equipment, everyday household items (e.g. washing-up liquid, pens, etc) and pet food. However, despite the wide nature of the goods involved (or possibly because price rises for one type of product may be cancelled out by price falls for another product) prices in this group have been substantially flat (Figure 10) in Jersey over the past eight years, increasing by just 3%. Prices in the UK and Guernsey however rose by 15% and 12% respectively, over the same period.

Since 2005, the Household goods group in Jersey has been on a downward trend, with the slight increase of 0.7% seen in the year to June 2008 being mostly due to the effect of GST. From June 2007 to June 2008 the UK saw an increase of 3.7% and Guernsey saw an increase of 5.6%.

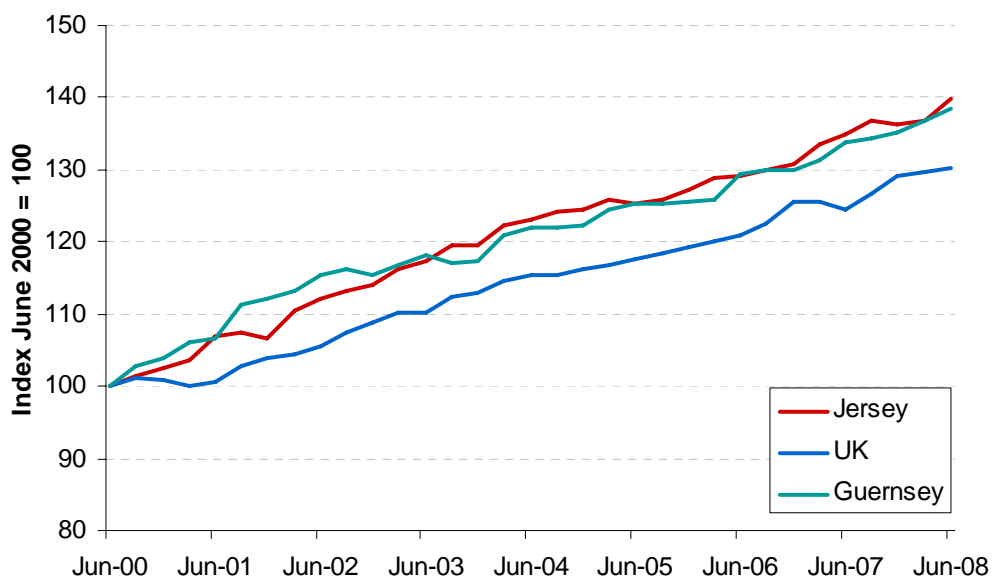
Figure 10: Household goods group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



Group 8: Household services (weight in Jersey RPI 9.0 out of 100)

The Household services group includes postage, telephone charges, domestic services (such as dry-cleaning and child-minding) and fees and subscriptions. In the year to June 2008, Jersey saw an increase of 3.6% whereas the UK saw an increase of 4.5% and Guernsey an increase of 3.5%. Overall prices in this group have increased more in Jersey and Guernsey than the UK over the last eight years (40%, 39% and 30%, respectively).

Figure 11: Household services group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



Since June 2000 postal costs have increased slightly more in Jersey (48%) than in the UK (44%). However, from June 2007 to June 2008 postal costs remained unchanged in Jersey, whereas prices increased by about 7% in the UK. This narrowing of the price gap between the two jurisdictions can be seen in Figure 11a.

Figure 11a: Postal charges section of the RPI

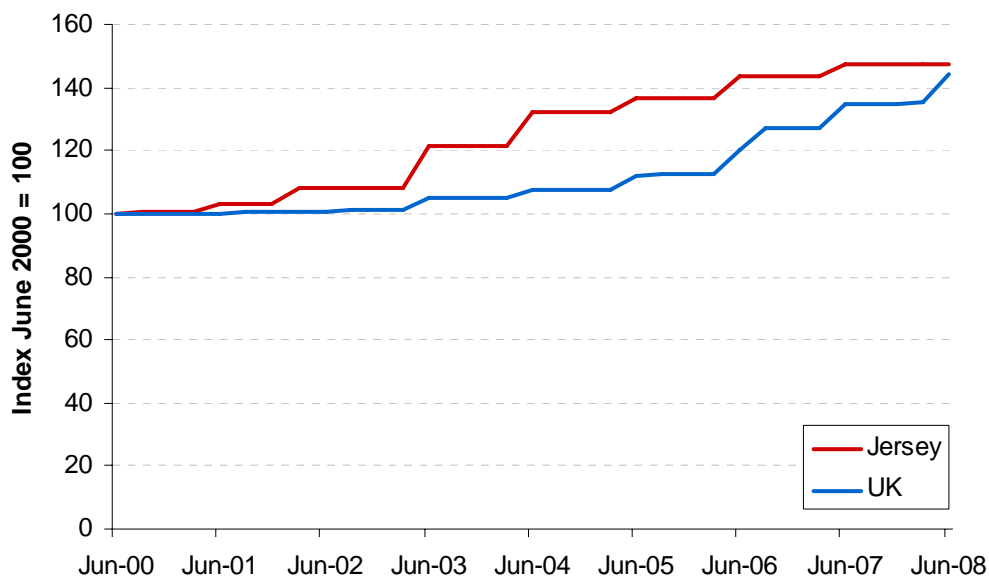
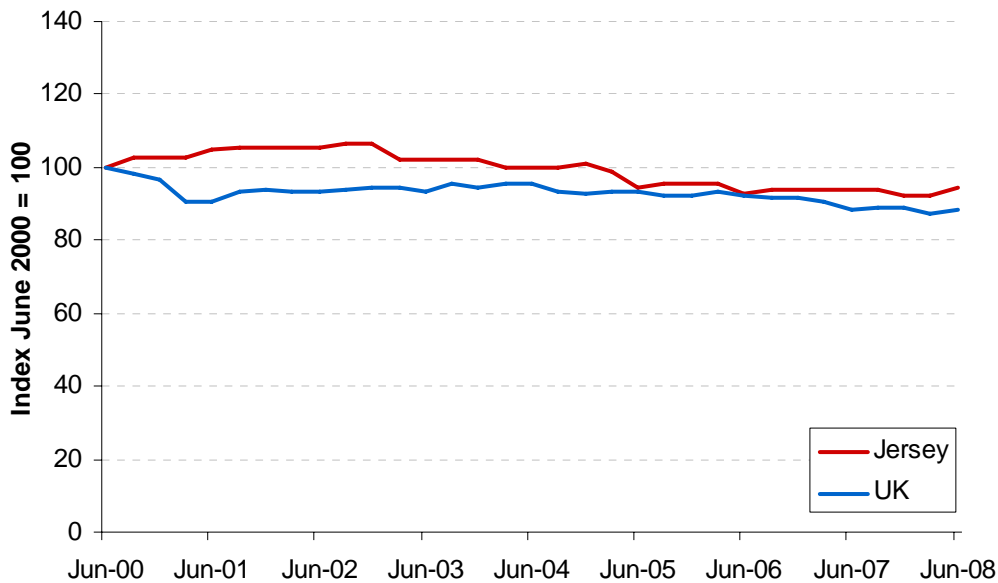


Figure 11b: Telephone charges section of the RPI

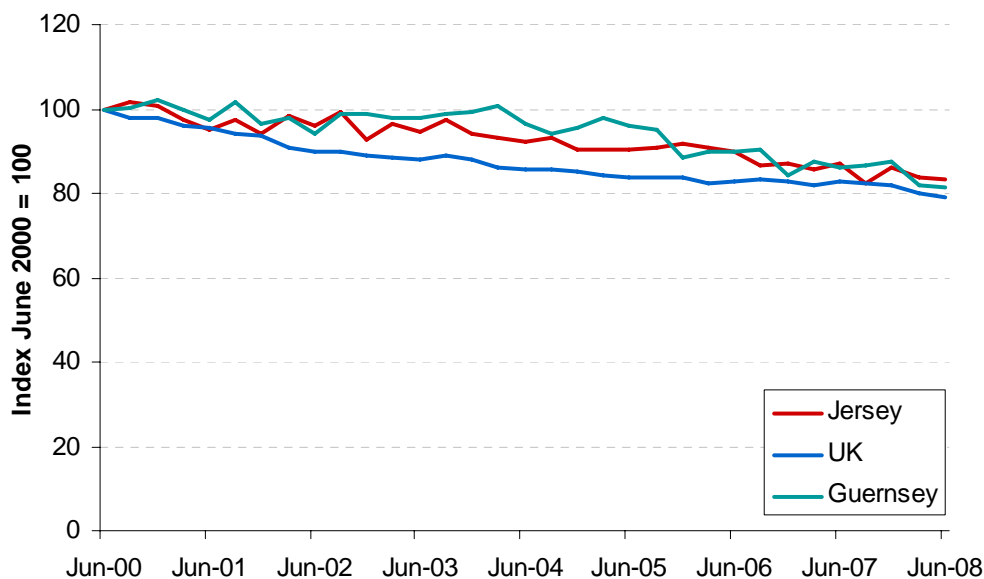


Both jurisdictions have seen decreases in telephone charges over the eight-year period (a 5% decrease in Jersey and a 12% decrease in the UK), although as Figure 11b shows the profiles of each jurisdiction are quite different. Until December 2002 prices in Jersey were increasing, but then started to fall. In the UK, prices initially fell from 2000 and then levelled. Most recently Jersey has seen a slight increase of 0.8% whereas prices have fallen by 0.4% in the UK.

Domestic services (which include childcare, home-help etc) have seen similar price increases of about a half (47% in Jersey and 51% in the UK) over the last eight years. More recently Jersey has seen an annual increase of 3.6% whilst the UK has seen an increase of 4.8%.

Group 9: Clothing and footwear (weight in Jersey RPI 4.5 out of 100)

Figure 12: Clothing group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008

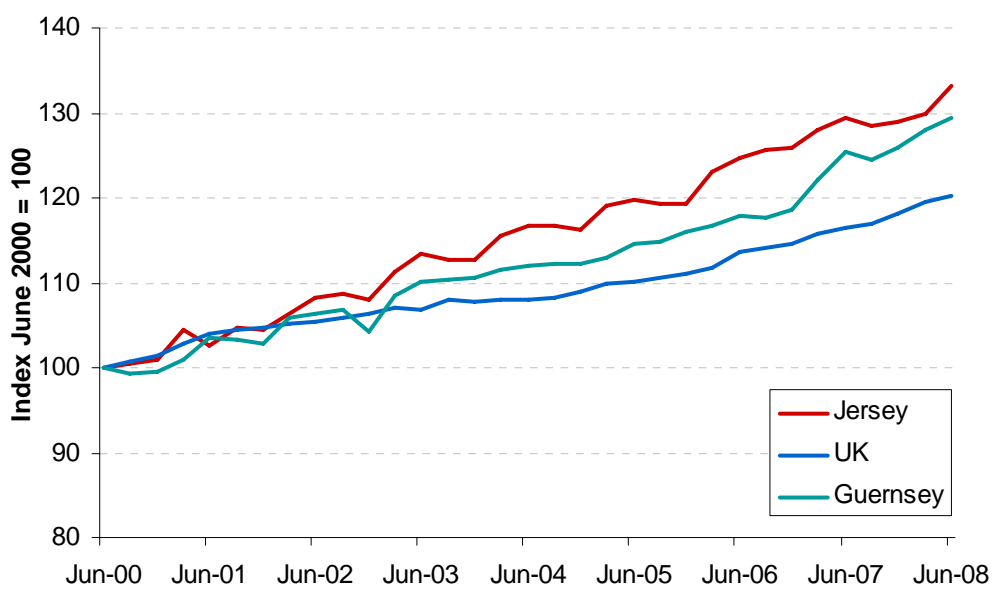


The average price of clothes and shoes has been on a downward trend in all three jurisdictions over the past eight years, with Jersey prices decreasing by 17%, Guernsey by 19% and the UK by 21%.

In the most recent 12-month period, average prices in Jersey, Guernsey and the UK fell, by 4.0%, 5.4% and 4.4%, respectively.

Group 10: Personal goods & services (weight in Jersey RPI 6.5 out of 100)

Figure 13: Personal goods & services group of the RPI in Jersey, Guernsey and UK June 2000 to June 2008



The Personal goods and services group comprises goods such as chemist goods (ranging from painkillers to shampoo and nappies) bags, jewellery and watches, and services (such as hairdressing, medical consultations and eye tests).

Overall, prices for these items in Jersey have risen by about a third (33%) over the past eight years compared to 30% in Guernsey and about a fifth (20%) in the UK. In the 12 months to June 2008 Jersey prices have risen by 2.9% compared to a rise of 3.2% in both Guernsey and the UK (Figure 13).

Personal services (Figure 13a) have experienced price increases at a rate of 60% in Jersey and at a rate of 46% in the UK between 2000 and 2008. In the twelve months to 2008 costs rose by 8.3% in Jersey compared to 4.8% in the UK.

Figure 13a: Personal services section of the RPI

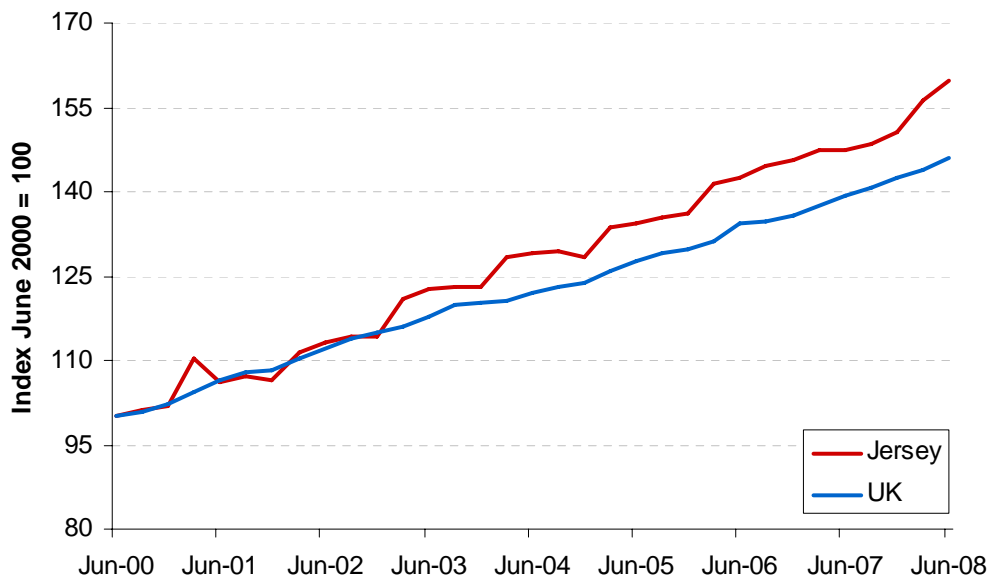
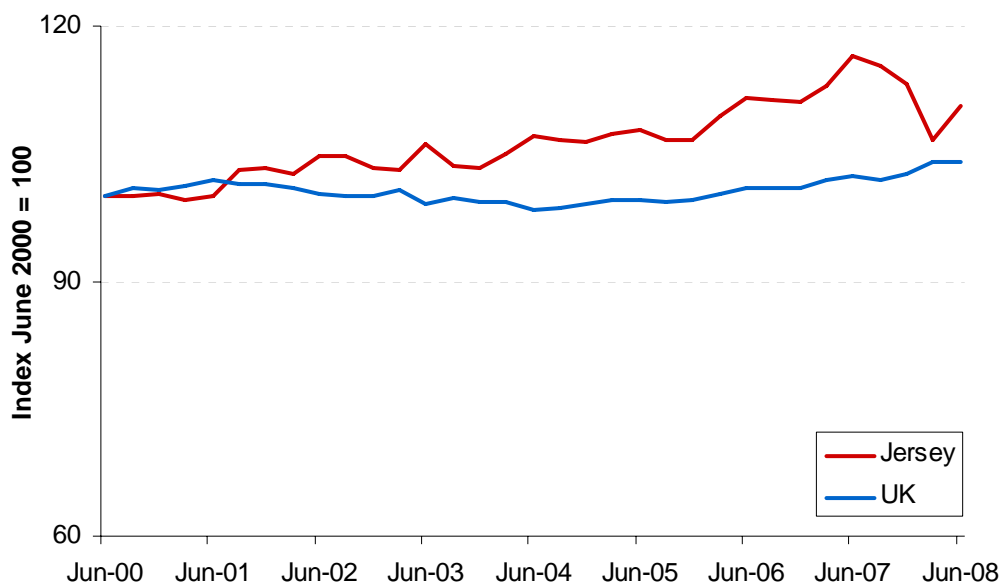


Figure 13b: Chemist goods section of the RPI

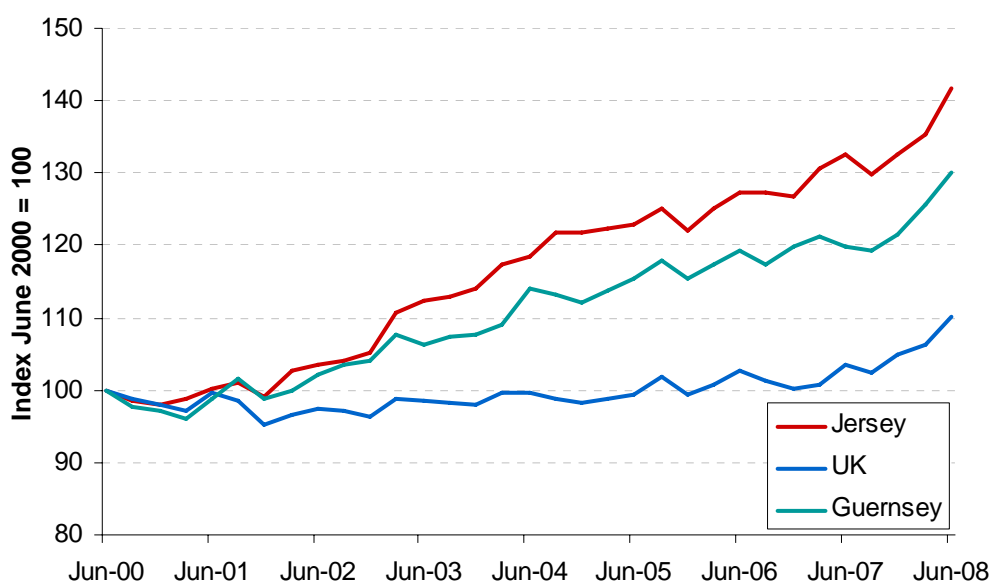


The UK has seen an increase of 4.0% in chemist goods over the eight years from June 2000 whereas Jersey prices have increased by 11% over the same period. Within the last year, the average price for chemist goods has decreased by 5% in Jersey compared to an increase of 2% in the UK (Figure 13b).

Group 11: Motoring expenditure (weight in Jersey RPI 11.1 out of 100)⁸

The Motoring expenditure group (Figure 14) has the second largest weight in the Jersey RPI after Housing and therefore can have a major influence on the RPI. As such the fact that Motoring costs have increased by 42% in Jersey and by 30% in Guernsey but by only 10% in the UK between 2000 and 2008 will be an important factor in the difference in growth between the respective aggregate RPIs.

Figure 14: Motoring group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



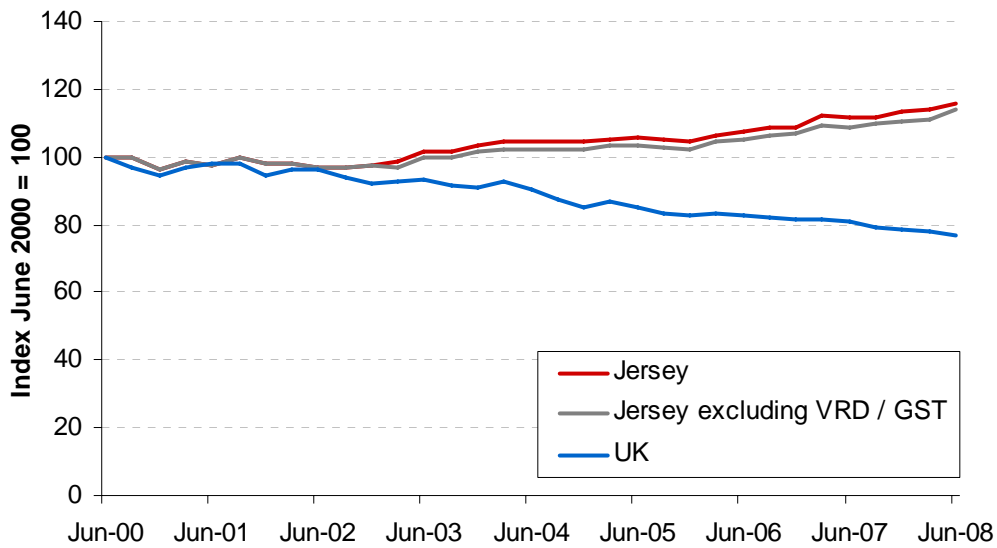
The largest weight within the group is given to the costs of purchasing vehicles. Throughout the period 2000 to 2002 the element of the RPI covering the cost of vehicles moved by very similar amounts in Jersey and the UK. In January 2003 VRD⁹ was introduced in Jersey, adding to the cost of new vehicles. This tax was abolished in 2008 and was effectively replaced with GST¹⁰. However, as Figure 14a shows, even when tax is removed from the Jersey cost of purchase, Jersey prices increased considerably more than those in the UK. Overall vehicle costs have fallen in the UK by 23% but have risen in Jersey by 16% over the last eight years. Between June 2007 and June 2008 the cost of vehicles fell by 5.3% in the UK but increased by 3.9% in Jersey.

8 Following the latest review of the RPI, parking fees were moved from the Motoring group and are now included in Fares and other travel - see Statistics Unit report Retail Prices Index: Review of the basket of goods and services 2007

9 Vehicle Registration Duty

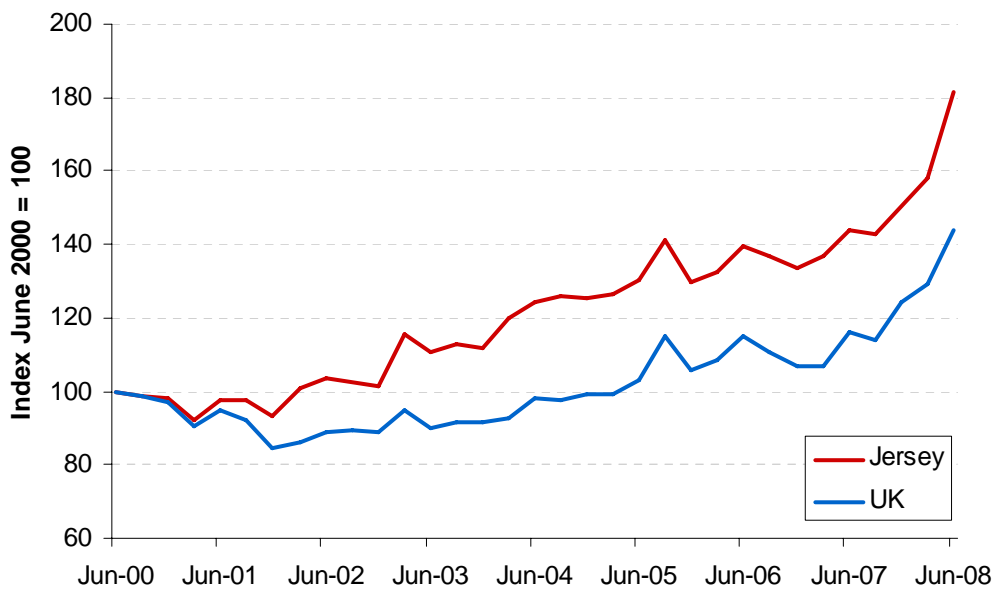
10 Goods and Services Tax

Figure 14a: Motor vehicles section of the RPI



Another major element of Motoring costs is motor fuel (constituting the bulk of the petrol and oil section of the RPI). However, some care is needed in analysing these costs in the period 2000 to 2008. In 2000 petrol prices in the UK had reached what was then an all-time peak, as global oil prices rose and successive governments had increased the excise duty on motor fuels. Since then duty remained essentially unchanged in the UK up until 2006, whereas impôts have risen in Jersey. As a result, the petrol and oil component of the Jersey RPI has seen an increase almost double that of the UK's (82% and 44%, respectively) since June 2000.

Figure 14b: Petrol and oil section of the RPI



This year, there was a duty increase in the UK on both unleaded petrol and diesel fuel to 52p/litre. In Jersey, impôts also increased on both fuel types, to 41p/litre. This is reflected in the 12 months to June 2008, with motor fuel prices rising by about a quarter in both jurisdictions (26% in Jersey and 24% in the UK). Guernsey also increased the tax on petrol and diesel from 2007 to 2008 by 14p/litre to 29p/litre.

Table 19: Taxes levied on motor fuels (pence per litre)

Fuel	ULSP / premium unleaded			ULSD / diesel		
	2000	2007	2008	2000	2007	2008
Jersey impôts	22	39	41	22	39	41
Jersey impôts + GST	22	39	44	22	39	44
UK duty	49	50	52	49	47	52
UK duty + VAT	62	64	70	61	64	72
Guernsey duty	7	15	29	7	15	29

The UK duty on petrol shown for 2000 is that on unleaded petrol; subsequent years are for ULSP. ULSP = Ultra low sulphur petrol; ULSD = Ultra low sulphur diesel.

The difference between the retail prices in Jersey and UK of around 24p/litre in June 2000 (see Annex Table A5) had reduced to about 9p/litre for premium unleaded fuel and about 8p/litre for diesel by June 2008 (Table 20).

Table 20: Average prices of motor fuels in Jersey and the UK: June 2008

Fuel	Mean price (in pence)		Percentage difference
	Jersey	UK	
ULSP/premium unleaded	109	118	-7
ULSD/diesel	123	131	-6

The average pre-tax price of unleaded petrol in Jersey (65p/litre) is over a third (37%) higher than in the UK (48p/litre) whereas the average pre-tax price of diesel is about a third (33%) higher in Jersey (78p/litre) than in the UK (59p/litre).

Table 21: Average pre tax prices of motor fuels in Jersey and the UK: June 2008

Fuel	Mean price (in pence)		Percentage difference
	Jersey	UK	
ULSP/premium unleaded	65	48	37
ULSD/diesel	78	59	33

As table 22 shows, the average price of motor fuels was greater in Jersey than in Guernsey in June 2008. However, as shown in table 23, the pre-tax average price of unleaded petrol is 4p cheaper in Jersey (65p/litre) than in Guernsey (69p/litre) and the pre-tax average price of diesel is the same in both jurisdictions (78p/litre).

Table 22: Average prices of motor fuels in Jersey and Guernsey: June 2008¹¹

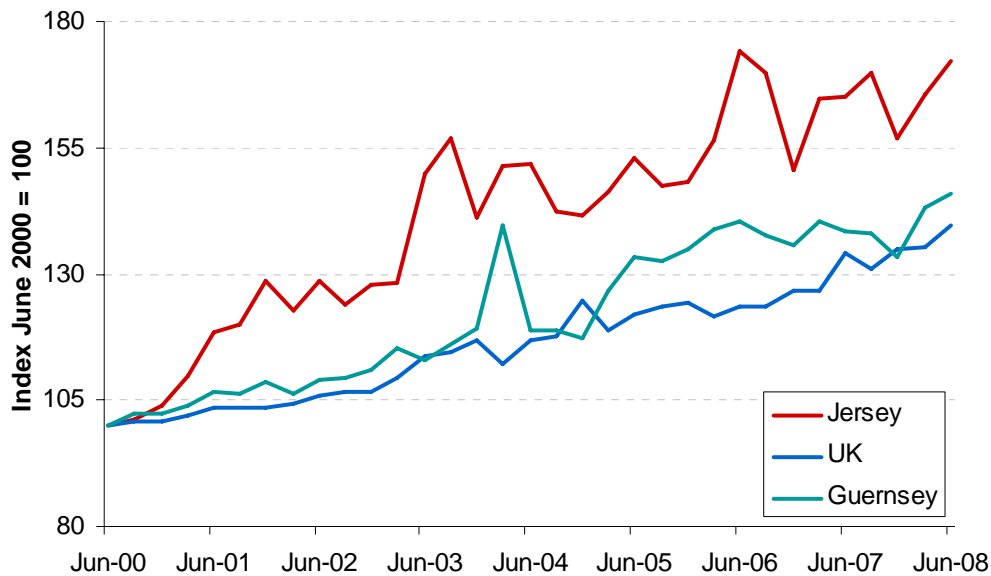
Fuel	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
ULSP/premium unleaded	109	98	12
ULSD/diesel	123	107	15

Table 23: Average *pre tax* prices of motor fuels in Jersey and Guernsey: June 2008¹¹

Fuel	Mean price (in pence)		Percentage difference
	Jersey	Guernsey	
ULSP/premium unleaded	65	69	-5
ULSD/diesel	78	78	1

Group 12: Fares and other travel costs (weight in Jersey RPI 2.7 out of 100)

Figure 15: Fares and travel group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



The majority of this group is travel fares (i.e. bus, ferry, taxi and air). Whilst bus, ferry and taxi fares are relatively simple to measure, airline fares have seen considerable change over the past four years. The number of operators has increased, with the growth of “no-frills” airlines and there has also been an increase in the use of the internet to book air fares.

¹¹ Percentage differences are calculated from un-rounded numbers and are then rounded to the nearest integer.

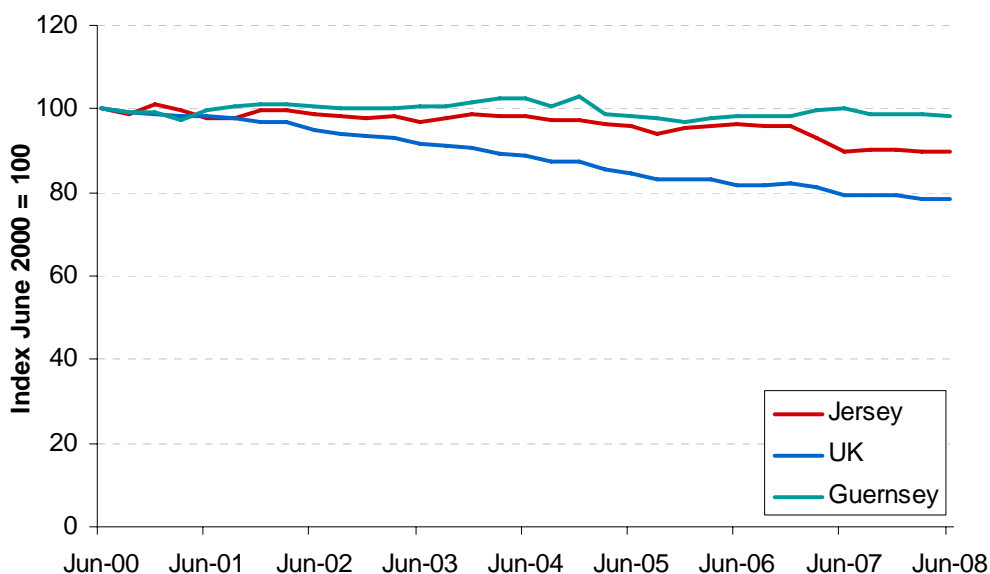
As a result, the UK, Jersey and Guernsey RPIs have changed to adapt to the new world of airline travel, but will have done so over different periods such that direct comparisons over the whole period can be misleading. Internet fares were introduced into the Jersey RPI in March 2003 and over the past few years the number of fare quotes used within the index has been significantly increased. As a result it is perhaps more meaningful to look at movements in more recent years only.

Over the last three years, the Fares and other travel group increased by 13% in Jersey, by 14% in the UK and by 9% in Guernsey. Prices increased by similar rates in all three jurisdictions between 2007 and 2008, 4.4% in Jersey, 5.3% in Guernsey and 4.2% in the UK.

Group 13: Leisure goods (weight in Jersey RPI 5.2 out of 100)

Leisure goods cover a wide range of items which people buy for leisure-time activities such as audio-visual and photography equipment, CDs, toys, sports equipment, newspapers and books.

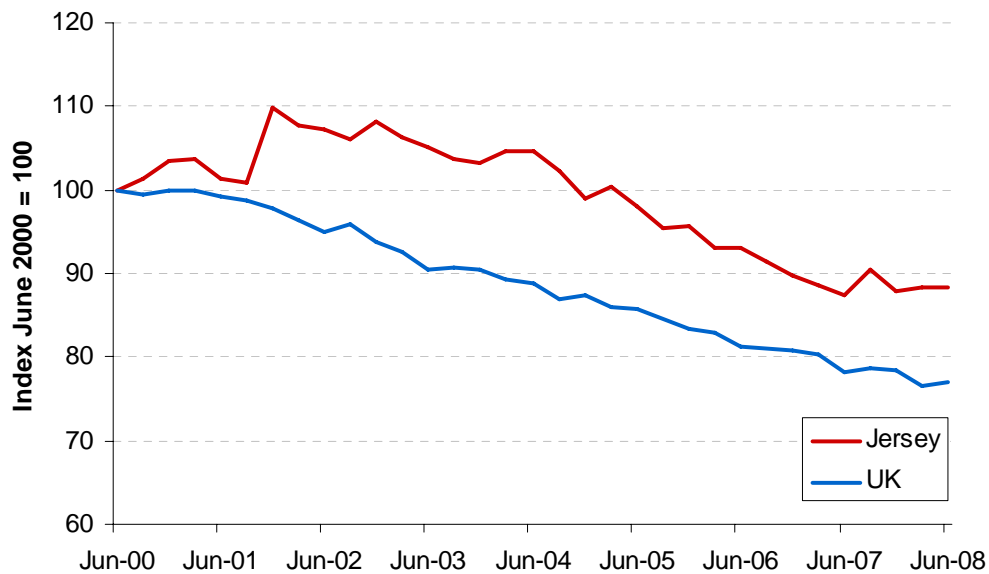
Figure 16: Leisure goods group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



Aggregating the various section levels into the group index for Leisure goods (Figure 16) shows that UK prices have fallen by 22% in the eight years to June 2008, compared to a decrease of 10% in Jersey and a fall of 2% in Guernsey.

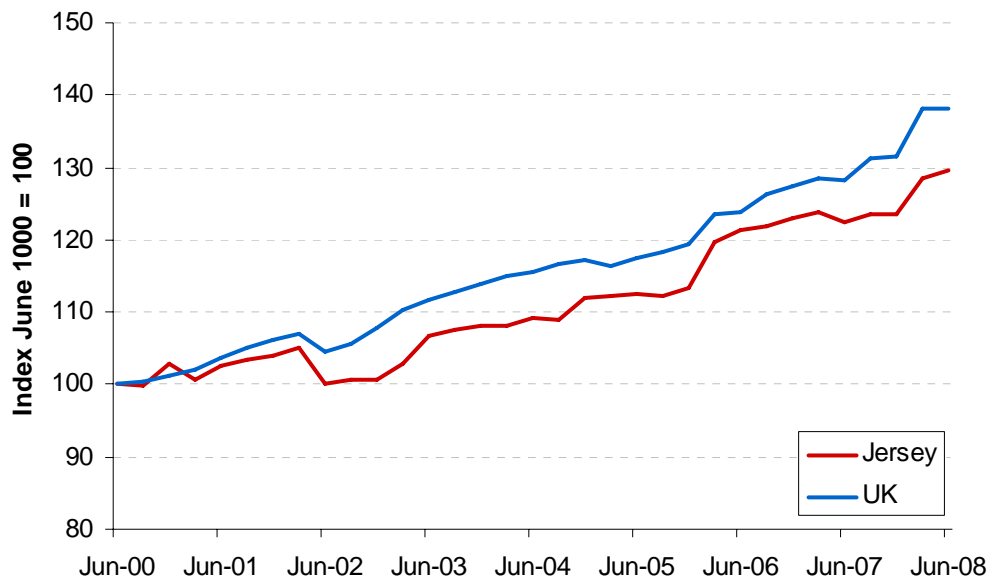
Within individual series some interesting results can be observed. For example, prices for gardening products show a rise in Jersey of 4.7% but an increase of just 1.1% in the UK over the last eight years. Focusing on just the last 12 months to June 2008 shows that Jersey's prices for gardening products fell by 3% while the UK's increased by 4%.

Figure 16a: Toys, photographic and sporting goods section of the RPI



Another factor to note is the large decrease of about a quarter (23%) in the prices of toys, photographic and sporting goods in the UK over the last eight years in comparison with the smaller decrease of 12% in Jersey. Within the most recent 12 months to June 2008, prices fell by 1.7% in the UK but rose in Jersey, by 1.2%.

Figure 16b: Books, papers and magazines section of the RPI



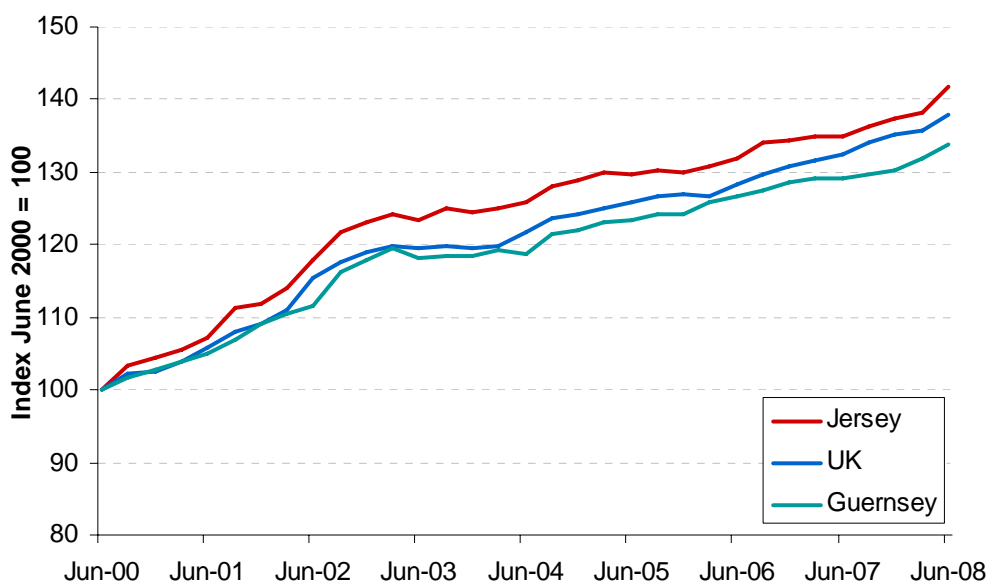
As a result of the broad nature of this group, the price movements in individual sections can differ greatly. For example, the average cost of audio-visual equipment has fallen by around two-thirds; 63% and 70% in Jersey and the UK respectively, between June 2000 and June 2008, reflecting the fact that as technology advances the cost of established products falls. However, over the past eight years the cost of books, papers and magazines has continued to rise (Figure 16a) in both Jersey (30%) and the UK (38%).

Group 14: Leisure services (weight in Jersey RPI 8.4 out of 100)¹²

The RPI Leisure services group (Figure 17) covers items such as TV licences, cinema costs, sport and fitness club membership, evening classes and out-of-Island holidays.

Overall price movements have been fairly similar with prices increasing by 5.2% in Jersey, 3.5% in Guernsey and by 4.1% in the UK in the 12 months to June 2008.

Figure 17: Leisure services group of the RPI in Jersey, Guernsey and the UK June 2000 to June 2008



Prices have risen marginally faster in Jersey (42%) than in Guernsey (34%) and in the UK (38%) over the past eight years.

Comparison with the Isle of Man¹³

A direct comparison of prices between Jersey and the Isle of Man for selected items is shown in Annex B.

Compared to the Isle of Man, almost all items of food (for which prices are published) are more expensive to purchase in Jersey. Exceptions include fresh potatoes (17% cheaper in Jersey), avocados (25% cheaper locally) and white sliced bread (9% less expensive in Jersey). In contrast, both petrol and diesel have a higher cost in the Isle of Man being £1.22 and £1.34 per litre, respectively, compared with £1.09 per litre and £1.23 per litre, respectively, in Jersey. The average price of cigarettes is also cheaper locally at £5.18 per pack, compared to £5.77 per pack in the Isle of Man.

The average cost of bitter and lager are similar in both jurisdictions, whereas whisky is around two-fifths (43%) more expensive in Jersey.

¹² Following the latest review of the RPI, school fees were moved from the Leisure services group and are now included in Household services - see Statistics Unit report Retail Prices Index: Review of the basket of goods and services 2007.

¹³ Source: Isle of Man Economic Affairs Division.

Average prices of matched items in Jersey and the UK
June 2000 – June 2008

Table A1: Meat and fish¹⁴

Item	Mean prices (in pence)								
	2000			2007			2008		
	Jsy	UK	% diff	Jsy	UK	% diff	Jsy	UK	% diff
Beef: fresh per kg									
Best beef mince	463	411	13	508	481	6	575	551	4
Topside	728	615	18	734	732	0	942	888	6
Rump Steak	970	858	13	1193	983	21	1465	1169	25
Lamb: fresh per kg									
Loin (with bone)	932	882	6	1109	1132	-2	1178	1194	-1
Shoulder (with bone)	372	363	2	558	442	26	n/a	528	n/a
Pork: fresh per kg									
Loin (with bone)	568	441	29	558	518	8	773	557	39
Chicken: roasting, oven-ready, per kg									
Fresh or chilled	247	222	11	283	226	25	299	288	4
Other Meat									
Gammon, per kg	521	525	-1	641	662	-3	761	674	13
Bacon, back, per kg	837	597	40	878	761	15	923	817	13
Ham (not shoulder) 100-125g	96	87	10	138	120	15	149	135	10
Pork sausages, per kg	394	304	30	392	362	8	471	374	26
Fresh fish: per kg									
White fish fillets (Haddock in Jersey)	n/a	n/a	n/a	1093	1040	5	1285	1051	22
Salmon fillets	n/a	n/a	n/a	817	1038	-21	995	965	3

¹⁴ Percentage differences between jurisdictions, shown in tables and annexes, are calculated from un-rounded numbers and are then rounded to the nearest integer. Note that where the percentage difference is a positive value, the Jersey average price is greater than the other jurisdiction being compared.

Table A2: Fruit and vegetables

Item	Mean prices (in pence)								
	2000			2007			2008		
	Jsy	UK	Jsy	Jsy	UK	% diff	Jsy	UK	% diff
Fresh vegetables									
Potatoes: old whites, loose, per kg	35	57	-39	88	56	56	81	69	17
Potatoes: new, loose, per kg	136	75	81	134	95	41	168	130	29
Tomatoes, per kg	123	133	-8	167	158	6	198	173	15
Cauliflower, each	70	75	-7	107	89	20	132	96	38
Carrots, per kg	88	54	63	94	76	24	109	80	36
Onions, per kg	64	66	-3	107	81	32	96	84	14
Mushrooms, per kg	371	266	39	373	262	42	417	261	60
Cucumber, each	61	55	11	79	67	18	92	70	32
Lettuce: iceberg, each	69	53	30	87	70	24	112	78	44
Fresh fruit									
Apples: cooking, per kg	98	105	-7	142	148	-4	199	156	27
Apples: dessert, per kg	126	112	13	145	131	10	160	153	5
Pears: dessert, per kg	140	133	5	139	141	-1	202	166	21
Oranges: all sizes, each	22	21	5	33	26	25	38	28	35
Bananas, per kg	111	100	11	121	83	46	140	85	65
Grapes, per kg	392	356	10	466	374	24	401	412	-3
Avocado, each	69	72	-4	66	74	-11	78	80	-2

Table A3: Dairy produce, other foods and soft drinks

Item	Mean prices (in pence)								
	2000			2007			2008		
	Jsy	UK	% diff	Jsy	UK	% diff	Jsy	UK	% diff
Dairy produce									
Butter, home produced, per 250g	82	81	1	104	76	37	108	99	9
Butter, imported, per 250g	88	88	0	103	92	12	140	124	13
Cheddar cheese, per kg	506	508	0	656	564	16	674	691	-2
Eggs, size 4, per dozen	141	135	4	220	181	21	299	267	12
Milk, pasteurised, per pint	51	34	50	54	35	54	56	43	29
Other foods & soft drinks									
Bread: white loaf, sliced, 800g	86	52	65	103	89	16	117	120	-3
Bread: wholemeal loaf, sliced, 800g	103	74	39	137	97	41	155	120	29
Flour, self-raising, per 1.5kg	76	60	27	102	75	36	133	100	33
Sugar, granulated, per kg	71	55	29	83	79	5	87	86	1
Tea bags, per 250g	166	138	20	171	157	9	180	168	7
Coffee, pure, instant, per 100g	200	186	8	272	198	37	271	193	40

Table A4: Alcohol and tobacco

Item	Mean prices (in pence)								
	2000			2007			2008		
	Jsy	UK	% diff	Jsy	UK	% diff	Jsy	UK	% diff
Alcoholic drinks mean retail prices									
Draught bitter, per pint	157	178	-12	229	231	-1	252	241	4
Draught lager, per pint	178	200	-11	263	263	0	283	276	2
Whisky, per 25ml nip	135	142	-5	209	188	11	230	198	16
Alcoholic drinks pre-tax prices									
Draught bitter, per pint	145	124	17	204	166	23	218	171	27
Draught lager, per pint	164	136	20	230	185	25	241	193	25
Whisky, per 25ml nip	120	101	18	188	140	34	201	146	38
Cigarettes mean retail prices									
20 King size filter	281	396	-29	484	504	-4	518	535	-3
Cigarettes pre-tax prices	141	69	104	180	101	78	206	113	82

Table A5: Petrol and diesel

Item	Mean prices (in pence)								
	2000			2007			2008		
	Jsy	UK	% diff	Jsy	UK	% diff	Jsy	UK	% diff
Petrol mean retail prices									
ULS unleaded petrol, per litre	60	84	-29	89	97	-8	109	118	-7
ULS diesel, per litre	60	83	-28	90	97	-7	123	131	-6
Petrol mean pre-tax prices									
ULS unleaded petrol, per litre	38	22	73	49	32	56	65	48	37
ULS diesel, per litre	38	22	73	51	33	56	78	59	33

Average prices of matched items in Jersey, Guernsey and the Isle of Man June 2000 – June 2008

Table B1: Meat and fish

Item	Mean prices (in pence) 2007					Mean prices (in pence) 2008				
	Jsy	Gsy	% diff	Isle of Man	% diff	Jsy	Gsy	% diff	Isle of Man	% diff
Beef: fresh per Kg										
Best beef mince	508	487	4	253	101	575	599	-4	500	15
Topside	734	891	-18	709	4	942	1054	-11	709	33
Rump Steak	1193	1249	-4	1221	-2	1465	1452	1	1268	16
Lamb: fresh per Kg										
Loin (with bone)	1109	1208	-8	1168	-5	1178	1149	3	1249	-6
Shoulder (with bone)	558	568	-2	744	-25	n/a	699	n/a	744	n/a
Pork: fresh per Kg										
Loin (with bone)	558	666	-16	590	-5	773	799	-3	726	6
Chicken: roasting, oven-ready, per Kg										
Fresh or chilled	283	303	-7	287	-1	299	239	25	320	-7
Other Meat										
Gammon, per kg	641	637	1	704	-9	761	762	0	516	47
Bacon, back, per kg	878	912	-4	764	15	923	930	0	850	9
Ham (not shoulder) 100 – 125g	138	n/a	n/a	n/a	n/a	149	n/a	n/a	n/a	n/a
Pork sausages, per kg	392	497	-21	351	12	471	469	0	322	46
Fresh fish: per Kg										
Haddock fillets	1093	1040	5	n/a	n/a	1285	1058	21	n/a	n/a
Salmon fillets	817	1023	-20	n/a	n/a	995	975	2	n/a	n/a

Table B2: Fruit and vegetables

Item	Mean prices (in pence) 2007					Mean prices (in pence) 2008				
	Jsy	Gsy	% diff	Isle of Man	% diff	Jsy	Gsy	% diff	Isle of Man	% diff
Fresh vegetables										
Potatoes: old whites, loose, per kg	88	123	-28	78	13	81	100	-19	98	-17
Potatoes: new, loose, per kg	134	n/a	n/a	n/a	n/a	168	141	19	n/a	n/a
Tomatoes, per kg	167	187	-11	119	40	198	188	5	173	15
Cauliflower, each	107	110	-3	112	4	132	104	27	n/a	n/a
Carrots, per kg	94	97	-3	55	71	109	103	6	76	44
Onions, per kg	107	126	-15	96	11	96	86	11	85	13
Mushrooms, per kg	373	397	-6	219	70	417	393	6	259	61
Cucumber, each	79	n/a	n/a	87	-9	92	n/a	n/a	n/a	n/a
Lettuce: iceberg, each	87	85	2	86	1	112	90	25	89	26
Fresh fruit										
Apples: cooking, per kg	142	n/a	n/a	141	1	199	n/a	n/a	165	21
Apples: dessert, per kg	145	198	-27	109	33	160	n/a	n/a	145	10
Pears: dessert, per kg	139	152	-9	88	58	202	202	0	149	35
Oranges: all sizes, each	33	34	-3	29	14	38	34	12	39	-3
Bananas, per kg	121	123	-2	102	19	140	126	11	111	26
Grapes, per kg	466	520	-10	206	126	401	354	13	222	81
Avocado, each	66	n/a	n/a	134	-51	78	n/a	n/a	104	-25

Table B3: Dairy produce, other foods and soft drinks

Item	Mean prices (in pence) 2007					Mean prices (in pence) 2008				
	Jsy	Gsy	% diff	Isle of Man	% diff	Jsy	Gsy	% diff	Isle of Man	% diff
Dairy produce										
Butter, home produced, per 250g	104	96	8	76	37	108	121	-10	91	19
Butter, imported, per 250g	103	94	10	97	6	140	132	6	122	15
Cheddar cheese, per kg	656	888	-26	562	17	674	703	-4	523	37
Eggs, size 4, per dozen	220	n/a	n/a	212	4	299	258	16	288	4
Milk, pasteurised, per pint	54	40	35	50	8	56	50	11	53	5
Other foods & soft drinks										
Bread: white loaf, sliced, 800g	103	123	-16	118	-13	117	131	-11	128	-9
Bread: wholemeal loaf, sliced, 800g	137	137	0	124	10	155	137	13	n/a	n/a
Flour, self-raising, per 1.5kg	102	90	13	103	-1	133	111	20	94	42
Sugar, granulated, per kg	83	81	2	93	-11	87	81	8	90	-3
Tea bags, per 250g	171	186	-8	162	6	180	188	-4	164	15
Coffee, pure, instant, per 100g	272	252	8	229	19	271	266	2	234	21

Table B4: Alcohol and tobacco

Item	Mean prices (in pence) 2007					Mean prices (in pence) 2008				
	Jsy	Gsy	% diff	Isle of Man	% diff	Jsy	Gsy	% diff	Isle of Man	% diff
Alcoholic drinks mean retail prices										
Draught bitter, per pint	229	233	-2	230	-0	252	261	-4	249	1
Draught lager, per pint	263	251	5	276	-5	283	274	3	311	-9
Whisky, per 25ml nip	209	187	12	146	43	230	222	4	161	43
20 King size filter	484	418	16	532	-9	518	445	16	577	-10

Table B5: Petrol and diesel

Item	Mean prices (in pence) 2007					Mean prices (in pence) 2008				
	Jsy	Gsy	% diff	Isle of Man	% diff	Jsy	Gsy	% diff	Isle of Man	% diff
ULS unleaded petrol, per litre	89	65	37	102	-13	109	98	12	122	-10
ULS diesel, per litre	90	51	76	104	-13	123	107	15	134	-8