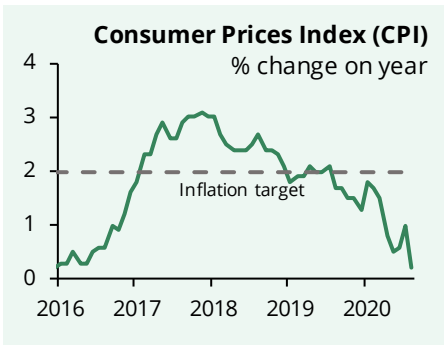




B1: Inflation

The Consumer Prices Index (CPI) is the main measure of inflation. It is produced in line with international standards and is the measure used for the Bank of England’s 2% inflation target. The Retail Prices Index (RPI) is no longer classified as a National Statistic as the way it is calculated does not meet international standards. It is included here as it is well-known and is the longest running measure of inflation.

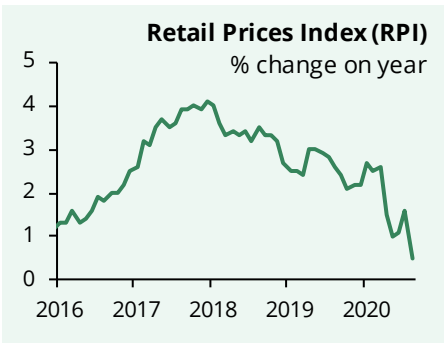


The CPI inflation rate was 0.2% in August 2020, down from 1.0% in July.

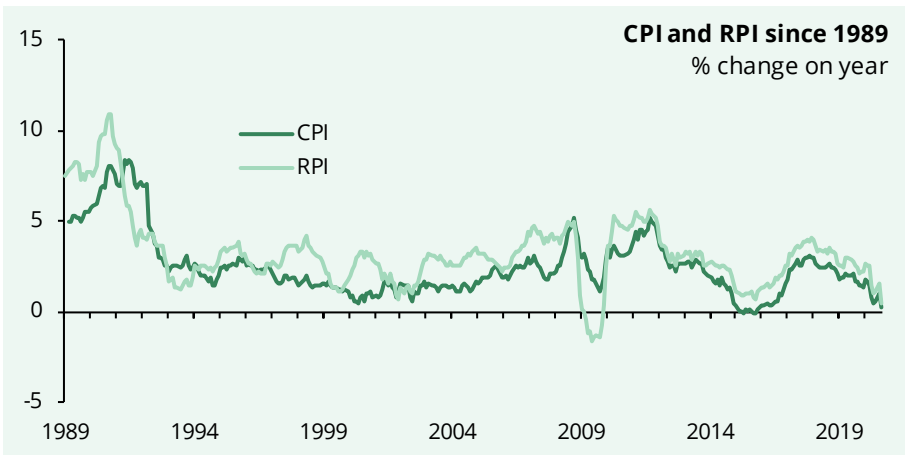
The RPI inflation rate was 0.5% in August 2020, down from 1.6% in June.

The vast majority of downward contributions to the CPI rate came from restaurants and hotels,

reflecting lower prices as a result of the Eat Out to Help Out scheme and the VAT cut for the hospitality sector. Smaller contributions also came from clothing and footwear.



Price indices			
% change on a year ago			
		CPI	RPI
2017	Aug	2.9	3.9
2018	Aug	2.7	3.5
2019	Aug	1.7	2.6
2020	Jun	0.6	1.1
	Jul	1.0	1.6
	Aug	0.2	0.5



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Update
ONS, [Consumer price inflation](#), 21 October 2020