

ADVISORY PANEL ON CONSUMER PRICES – STAKEHOLDER

Proposal of changes to Prices inflation publications

Status: Final

Expected publication: Alongside minutes

Purpose

1. This paper summarises the output of a project to improve the range of price statistics publications available to users. These improvements are aimed at making the existing cohort of publications more concise, impactful and uniform.

Actions

2. Members of the Panel are invited to:
 - a) Please provide feedback on whether the proposed changes are sensible, as some bulletins have changed dramatically

Background

3. Over the last couple of months, Office for National Statistics (ONS) has been working to improve the range of price statistics publications available on its website. These improvements are aimed to make the existing cohort of publications more concise, impactful and uniform. This will be achieved by shortening and combining publications. The overall aim of this work is to allow users to more easily find the data and information they require and reduce the resource burden of producing the existing publications, which are often extensive, and use these to focus on more meaningful analysis and development work.
4. With less resource being spent on longer publications, we plan to cover wider publications and commentary, such as the quarterly analysis commentary publication and additional analysis in each bulletin.
5. The changes detailed on this paper have been compiled using web metric analysis as well detailed feedback from internal stakeholders and users. The web metrics were compiled for the period December 2018 to January 2020, for most of the publications. However, for those with annual publications all releases over time were considered due to the lower number of total publications. We analysed the following web metric data defined below, but the focus was on average time on page and page reads:
 - a. **Unique page views** - Number of visits in which that page was viewed.
 - b. **Pageviews** - Every time that the page was viewed.
 - c. **Entrances** - Number of times page was the first page on the site viewed by users.
 - d. **Bounce rate** - Percentage of “single-page sessions” – users who viewed only this page for a short amount of time (5 seconds) and then left site entirely.
 - e. **Average time on page** - How long users view the page for on average.
 - f. **% Exits** - Percentage of exits from the website that were made from the page.
 - g. **Page Reads** - Number of people who stayed on the page to read information. The proportion of unique page views minus those who left under 5 seconds (Bounce Rate).

6. The internal feedback that we have already received has been positive. ONS Digital Publishing has endorsed these changes commenting on how the sections are more concise and the structure of the bulletins are now consistent throughout. The changes have been accepted within publication teams reducing production time and increasing time to analyse longer term trends.
7. However, external feedback is required to ensure the changes will not impact the wider audience. We are requesting feedback on whether the proposed changes look sensible as some bulletins have changed drastically, specifically on the proposed changes to the Construction OPI bulletin and CPIH detailed briefing note.
8. Any major changes to structure of bulletins for any indices that are National Statistics will be signed off by Office for Statistics Regulations (OSR).
9. The timeframe for implementing these changes is dependent on the current situation, however we expected all changes to be made by Autumn 2020.
10. In the sections below there is a summary of the proposed changes for each area of price inflation.

Overall changes

11. ONS's Digital Publishing teams carries out extensive user testing of all ONS outputs and, as part of this process, they identified that the bulletin structures needed to change to make it easier of users to access the information they require. Overall, these changes won't affect the content of the bulletins but reordered them making the bulletins more readable. The CPIH/CPI bulletin has already transitioned to the new format while the other Prices publications will transition through this review process.
12. Alongside the publication of the price statistics publications, we publish the [Prices economic commentary](#) which proved additional economic analysis on the factors contributing to the latest releases. To streamline the range of publications, this economic commentary will be embedded into the statistical bulletins providing additional explanation of the economic impact of price changes.

Consumer Prices Statistics

Consumer price inflation

13. Over the last year, the [consumer price inflation bulletin](#) has transitioned into the updated bulletin structure, albeit with only small changes to the published content, so we are only proposing further minor changes to the publication. These included embedding additional economic commentary into the bulletin, reviewing the links with the publication, and adding further sub-headings in order to direct more traffic to the bulletin.

Consumer price inflation detailed briefing note

14. The [Consumer price inflation detailed briefing note](#) is produced as background briefing for the consumer price inflation bulletin, and covers the movements and records for CPIH, CPI and RPI, along with an outlook section containing seasonal trends and other sources of information to give some indication of expected changes to the annual inflation rates.

15. In its current format, the briefing note does not adhere to ONS's accessibility policy as it is published as a pdf file which is not accessible to all users.
16. We are proposing to cease publication of the detailed briefing note in its current format but replace it with data tables containing the CPIH and RPI group-level summaries (weights, 1 months percentage changes, and contribution to the change in the annual rate) and the item-level statistics for items which have contributed either +/- 0.01 percentage points to the change in the annual rate. It is the impact at item-level that exclusively available in the detailed briefing notes.
[Additional Note: The CPIH and RPI records will also be published as an Excel spreadsheet alongside the consumer price inflation bulletin.]
17. The only other exclusive section is the outlook section which does not fit into the consumer price inflation bulletin due to the bulletin's focus on the current month. We are considering the options for placement of the outlook as user feedback has confirmed the importance of this section.

House Market Statistics

18. Minimal changes have been proposed for all these publications due to their concise length and content. Two changes have been proposed to implement:

Index of Private Housing Rental/Private Rental Growth Measures

19. The private rental growth measures bulletin is currently published on a quarterly basis; however, this will be moving to an annual publication. Due to this moving to a less frequent basis Figure 1 in the Private Rental Growth Measures; Index of Private Housing Rental Prices and private sector measures of rents, percentage change over 12 months, UK, will now be included in the Index of Private Housing Rental bulletin (IPHR). This will be an additional section in the IPHR bulletin, section 7: Comparing ONS rents data and private sector data.
20. With Private Rental Growth Measures moving to an annual publication more detailed trends and analyse can now be reported on.
21. ONS are planning to implement a transformational change to private rental price statistics to better meet user needs. The current publication of private rental data is not coherent, consisting of the UK Index of Private Housing Rental Prices (IPHRP) and Private Rental Market Statistics (PRMS) for England, with limited geographical granularity and inconsistencies between the measured which may be confusing to users. Our longer term development plan is to utilise a new data source to replace these two publications with one unified release, presenting rental statistics comparable over time and down to lower geographic levels.

Business Prices Statistics

22. Previously Business Prices consisted of three inflation publications; [Producer Price Inflation \(PPI\)](#), [Services Producer Price Inflation \(SPPI\)](#) and Construction Output Indices (OPI).

PPI and SPPI

23. The PPI publication will continue to be published on a monthly basis; however, the amount of text being published in some sections has been reduced. The main points and summary sections of bulletin remain unchanged, also due to the feedback regarding the annual output inflation section this will also not be changed.
24. The annual input inflation section has massively reduced. All figures and tables have remained, however the text size has been reduced to a single starting sentence, summarising the headline figure. All other text was removed due to repetition of content on the table and graphs and lack of interest in section.
25. SPPI will no longer be standalone publication, on the quarterly basis a small SPPI section will be added to the PPI publication. The main points will be updated to four PPI main points and two SPPI main points. The detail in the SPPI summary will remain unchanged and will be included as a separate section near the top of the bulletin, underneath the PPI summary.
26. The main SPPI section is now located after all PPI analysis sections, where the opening paragraph describes overall movements. A second section of text has been kept detailing reasons causing the movement in the quarter and 12-month percentage change, as this information was not provided on the tables. All the same figures and tables that were in the SPPI bulletin will continue to be published in this merged bulletin.
27. A prototype of this merged PPI and SPPI bulletin can be found in Annex A.

Construction OPI

28. The Construction OPI bulletin is heavily linked to the Construction Output bulletin as the data feeds into the data published in this bulletin. The users of the Construction OPI data are also users/readers of the Construction Output bulletin, therefore the decision has been made to merge the Construction OPI bulletin with the Construction Output bulletin.

Experimental Publications

Household Cost Indices: Preliminary Estimate

29. There will be no content change to the [Household Cost Indices bulletin](#) as the web metrics showed that users are spending a lot of time reading most of the material on the page. It also showed a large number of page views for an experimental statistic and a long time spent on the page, compared to other inflation publications. The only change will be the bulletin moving to the new Digital Publish template.

CPIH-Consistent Inflation Rate Estimates for UK Household Groups

30. CPIH-Consistent Inflation Rate Estimates for UK Household Groups article is published quarterly with datasets. The datasets will remain being published quarterly, however the article will move from being a standalone publication to a regular annual analysis piece in

the Economic Commentary. This would mean less static content and there will be more informative analysis for users.

Emily Hopson and Emma Campbell
Prices Division, Office for National Statistics
April, 2020

List of Annexes

Annex A	Prototype of merged PPI and SPPI bulletin.
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Annex A – Prototype of merged PPI and SPPI bulletin.

Please note: This prototype has been created by taking the July to September 2019 SPPI publication and [September 2019 PPI publication](#). This is only an initial prototype and is not final, small changes to be expected.

Producer price inflation including services, UK: July to September 2019

OFFICIAL-SENSITIVE STATISTICS until 09.30am on 16th October 2019



Coverage: **UK**
Date: **16 October 2019**
Geographical Area: **UK**
Theme: **Economy**

1. Main points

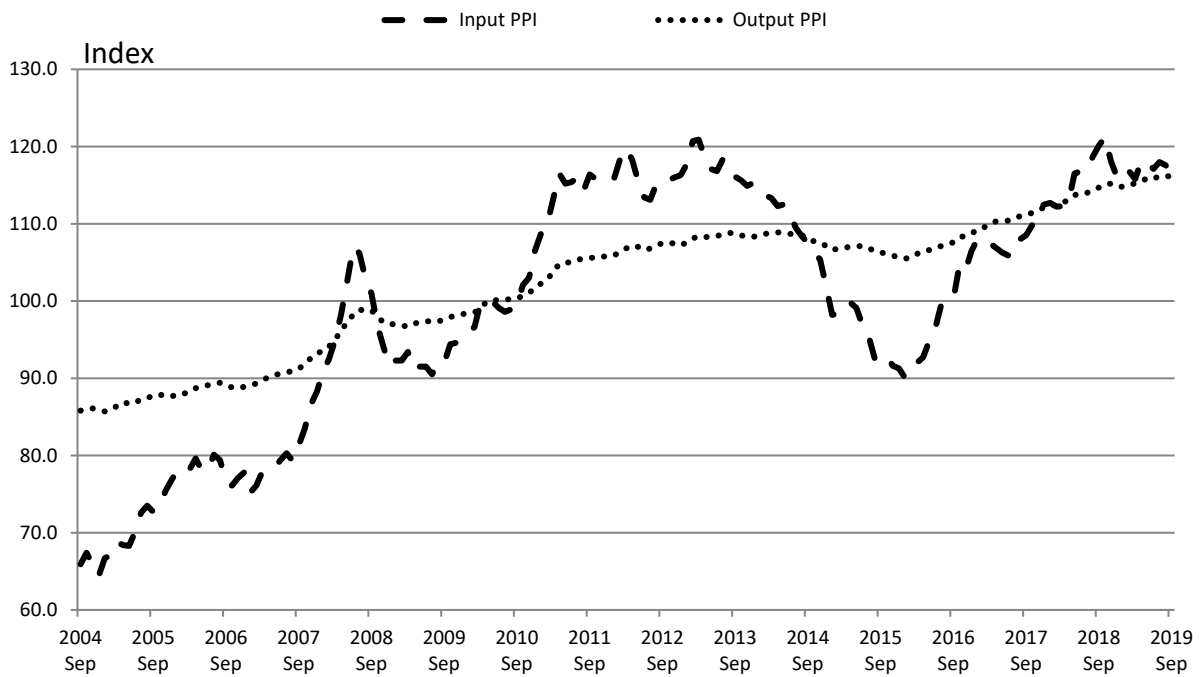
- The headline rate of output inflation for goods leaving the factory gate was 1.2% on the year to September 2019, down from 1.7% in August 2019.
- The growth rate of prices for materials and fuels used in the manufacturing process was negative 2.8% on the year to September 2019, down from negative 0.9% in August 2019.
- Clothing, textiles and leather products provided the largest upward contribution to the annual rate of output inflation.
- The annual rate of growth for the Services Producer Price Index (SPPI) was 1.9% in Quarter 3 (Jul to Sept) 2019, up from 1.4% in Quarter 2 (Apr to Jun) 2019.
- The price of services sold by UK companies rose by 1.1% in Quarter 3 2019, up from 0.3% in Quarter 2 2019.

2. Bulletin main story

Figure 1 shows input and output Producer Price Indices (PPI) over the past 15 years. Input PPI is driven mostly by commodity prices, which tend to be more volatile over time, compared with prices for finished goods (output PPI). Input PPI is also sensitive to exchange rate movements as roughly two-thirds of inputs into the UK manufacturing sector are imported.

Figure 1: Input producer price inflation (PPI) is more volatile over time than output inflation

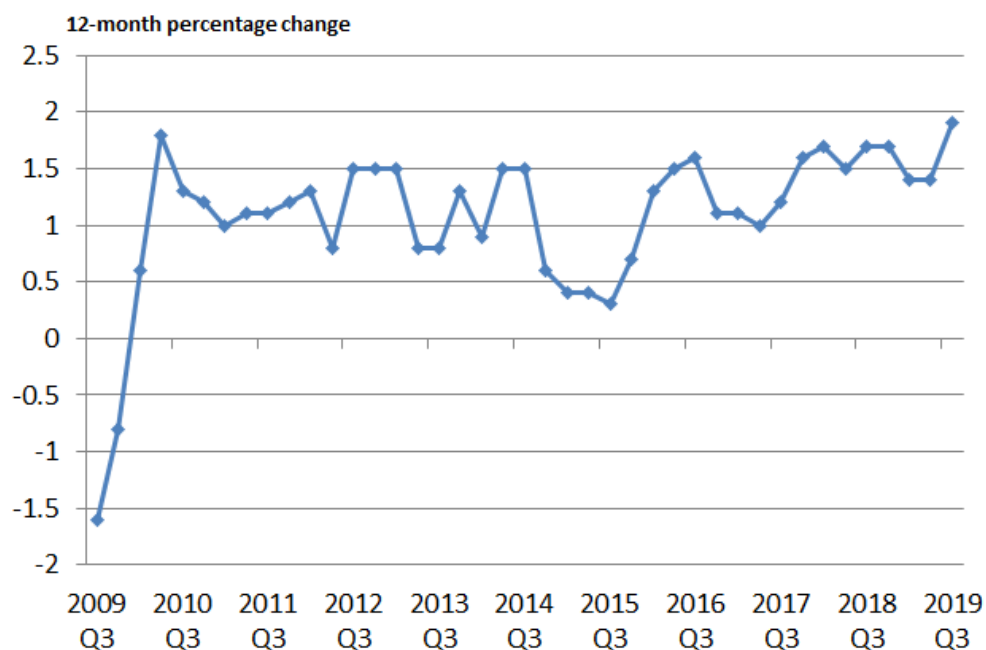
Input and output PPI, UK, September 2004 to September 2019



Source: Office for National Statistics

The Services Producer Price Index (SPPI) has reported positive growth for most of the period across the past 10 years (Figure 2). SPPI annual growth slowed from negative 1.3% in Quarter 2 (Apr to Jun) 2009 to a negative 1.6% in Quarter 3 (Jul to Sept) 2009, before returning to more typical growth from early 2010. The annual inflation rate was 1.9% in Quarter 3 (Jul to Sept) 2019, up from 1.4% in Quarter 2 (Apr to Jun) 2019.

Figure 2: The annual rate of inflation for SPPI rose in Quarter 3 (Jul to Sept) 2019



Source: Office for National Statistics

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

3. Annual PPI output inflation rate

The annual rate of inflation for goods leaving the factory gate (output prices) slowed from 1.7% in August 2019 to 1.2% in September 2019 (Table 1). The annual rate has remained positive since July 2016, but is the lowest the rate has been since September 2016.

Table 1: Output prices, index values, growth rates and percentage point change to the 12-month rate, UK, September 2018 to September 2019

All manufactured products (JVZ7)				
	PPI Index (2010=100)	1-month rate	12-month rate	Change in the 12-month rate (percentage points)
2018 Sept	114.7	0.3	3.1	0.1
Oct	115.1	0.3	3.3	0.2
Nov	115.2	0.1	3.0	-0.3
Dec	114.8	-0.3	2.4	-0.6
2019 Jan	114.8	0.0	2.1	-0.3
Feb	115.1	0.3	2.4	0.3
Mar	115.2	0.1	2.2	-0.2
Apr	115.5	0.3	2.1	-0.1
May	115.9	0.3	1.9	-0.2
June	115.8	-0.1	1.6	-0.3
July	116.2	0.3	1.9	0.3
Aug	116.2	0.0	1.7	-0.2
Sept	116.1	-0.1	1.2	-0.5

Source: Office for National Statistics

Notes:

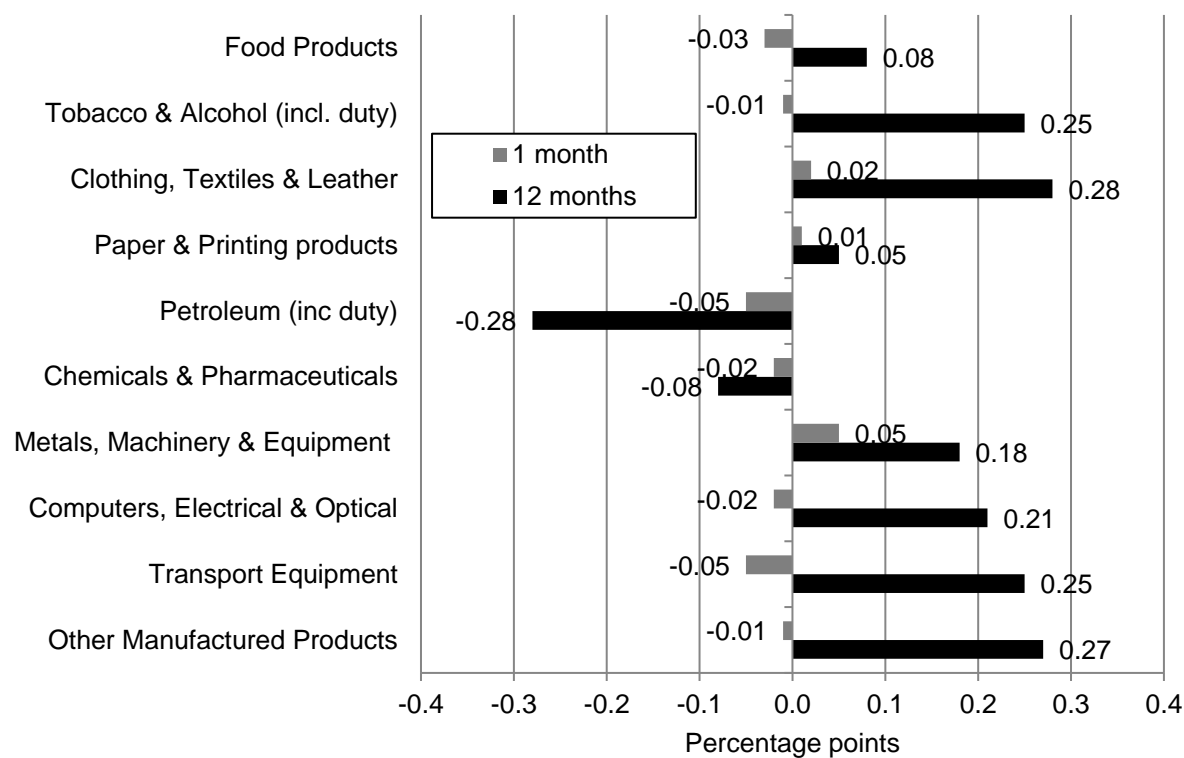
1. Series are not seasonally adjusted

Figure 3 shows contributions by product group to the monthly and annual rate of output inflation and Table 2 shows monthly and annual growth rates by product group.

Clothing, textile and leather products provided the largest upward contribution of 0.28 percentage points to the annual rate (Figure 3), with price growth of 2.6% on the year to September 2019 (Table 2). This is the highest the annual rate has been within this industry since November 2014 and is driven by wearing apparel.

Figure 3: Eight of the ten product groups provided upward contributions to the annual rate, the largest coming from clothing, textiles and leather products

Output prices contribution to 1-month and 12-month growth rate, UK, September 2019



Source: Office for National Statistics

Notes:

- Contributions to the rate may not add up to the rate exactly due to rounding.

Table 2: Output prices, growth rates, UK, September 2019

Product group	Percentage Change	
	1-month rate	12-month rate
Food products	-0.3	0.5
Tobacco and alcohol (incl. duty)	-0.1	2.6
Clothing, textile and leather	0.2	2.6
Paper and printing	0.3	1.4
Petroleum products (incl. duty)	-0.7	-3.5
Chemical and pharmaceutical	-0.3	-1.1
Metal, machinery and equipment	0.8	2.5
Computer, electrical and optical	-0.2	1.8
Transport equipment	-0.4	2.1
Other manufactured products	0.0	1.8
All manufacturing	-0.1	1.2

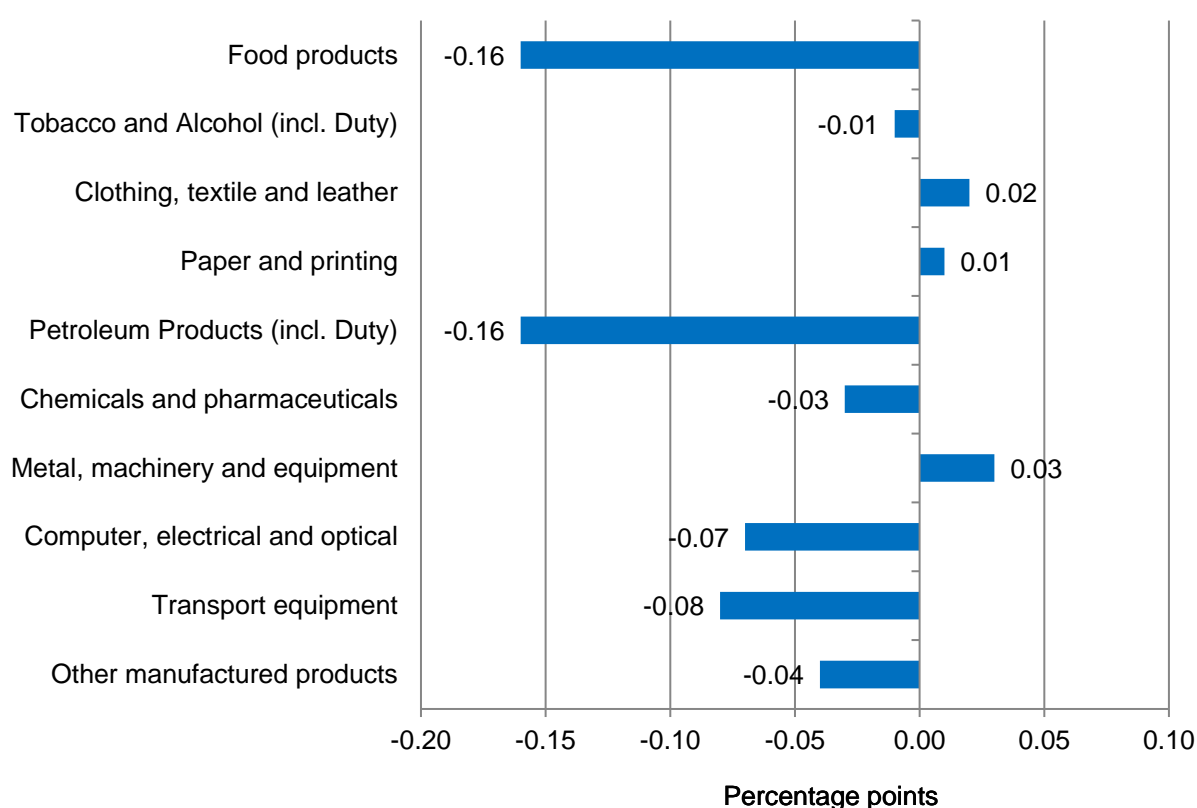
Source: Office for National Statistics

Figure 4 shows contributions to the change in the annual rate for factory gate prices (output prices).

The annual rate of output inflation slowed for the second consecutive month, with petroleum products and food products both provided the largest downward contributions to the change in the rate, at 0.16 percentage points (Figure 4).

Figure 4: Petroleum and food products made the largest downward contributions to the change in the annual rate of output inflation

Output PPI, contribution to change in the annual rate, UK, September 2019



Source: Office for National Statistics – Producer Price Index

Notes:

1. Contributions to the rate may not add up to the rate exactly due to rounding.

4. Annual PPI input inflation rate

The annual rate of inflation for materials and fuels purchased by manufacturers (input prices) descended further into negative growth, falling 1.9 percentage points from a negative 0.9% to a negative 2.8% in September 2019, and the lowest this index has been since May 2016. This fall is

largely driven by crude oil at negative 14.6% on the year; and which continues five consecutive months of negative annual growth for this product group.

The one-month rate for materials and fuels purchased fell from negative 0.3% in August 2019 to negative 0.8% in September 2019 (Table 3).

Table 3: Input prices, index values, growth rates and percentage point change to the 12-month rate, UK, September 2018 to September 2019

All materials and fuels purchased (K646)				
	PPI Index (2010=100)	1-month rate	12-month rate	Change in the 12-month rate (percentage points)
2018 Sept	120.1	1.2	10.7	0.8
Oct	121.2	0.9	10.4	-0.3
Nov	118.1	-2.6	5.4	-5.0
Dec	116.0	-1.8	3.1	-2.3
2019 Jan	115.7	-0.3	2.7	-0.4
Feb	116.8	1.0	4.1	1.4
Mar	115.8	-0.9	3.1	-1.0
Apr	118.1	2.0	4.6	1.5
May	118.1	0.0	1.4	-3.2
June	117.1	-0.8	0.3	-1.1
July	118.0	0.8	1.0	0.7
Aug	117.6	-0.3	-0.9	-1.9
Sept	116.7	-0.8	-2.8	-1.9

Source: Office for National Statistics

Notes:

1. Series are not seasonally adjusted.

The sterling effective exchange rate index (ERI) grew by 2.4% on the month to 76.6 in September 2019. This is the first positive growth in the monthly rate since March 2019 and the highest since November 2016.

All else equal a stronger sterling effective exchange rate will lead to less expensive inputs of imported materials and fuels.

Table 4: The annual and monthly rate for imported materials slow in September 2019

Table 4: Imported materials and fuels purchased and sterling effective exchange rate, index values, growth rates and percentage point change to the 12-month rate, UK, September 2018 to September 2019

	Imported materials and fuels purchased (K64F)				Sterling effective exchange rate - month average (BK67)		
	PPI Index (2010=100)	1-month rate	12-month rate	Change in the 12-month rate (percentage points)	Sterling Index (Jan 2005=100)	1-month rate	12-month rate
2018 Sept	116.1	0.3	8.9	0.3	78.2	1.0	1.4
Oct	117.1	0.9	8.7	-0.2	78.6	0.5	1.8
Nov	114.6	-2.1	4.9	-3.8	78.3	-0.4	0.9
Dec	112.4	-1.9	2.7	-2.2	76.7	-2.0	-1.9
2019 Jan	111.4	-0.9	1.6	-1.1	77.8	1.4	-1.3
Feb	112.1	0.6	2.7	1.1	78.8	1.3	-0.1
Mar	112.1	0.0	2.7	0.0	79.9	1.4	1.0
Apr	113.8	1.5	3.6	0.9	79.5	-0.5	-0.9
May	114.5	0.6	0.6	-3.0	78.8	-0.9	0.0
June	114.0	-0.4	0.0	-0.6	77.2	-2.0	-1.5
July	115.3	1.1	0.6	0.6	76.1	-1.4	-2.6
Aug	115.8	0.4	0.0	-0.6	74.8	-1.7	-3.4
Sept	115.0	-0.7	-0.9	-0.9	76.6	2.4	-2.0

Source: Office for National Statistics

The sterling effective exchange rate source: [Bank of England](#)

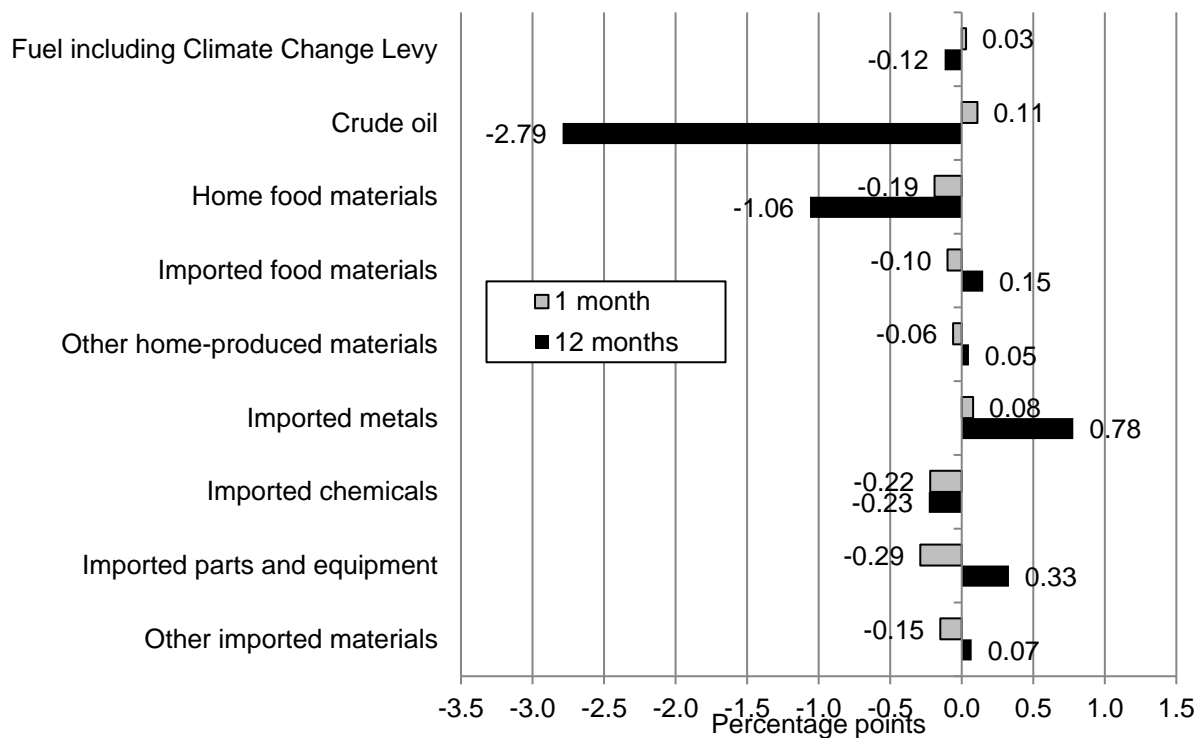
Notes:

1. Series are not seasonally adjusted.
2. The sterling effective exchange rate measures changes in the strength of sterling relative to a basket of other currencies
3. The sterling effective exchange rate is only indicative of the rates applied to producer prices. This is because the sterling effective exchange rate is a trade weighted index that represents all UK trade, whereas producer prices reflect transactions in the manufacturing sector.

Figure 5 shows contributions by product group to the monthly and annual rate of input inflation and Table 5 shows monthly and annual growth rates by product group.

Figure 5: Crude oil provided the largest downward contribution to the annual rate in September 2019

Input PPI, contribution to 1-month and 12-month growth rate, UK, September 2019



Source: Office for National Statistics – Producer Price Index

Notes:

- Contributions to the rate may not add up to the rate exactly due to rounding.

Table 5: Input prices, growth rates, UK, September 2019

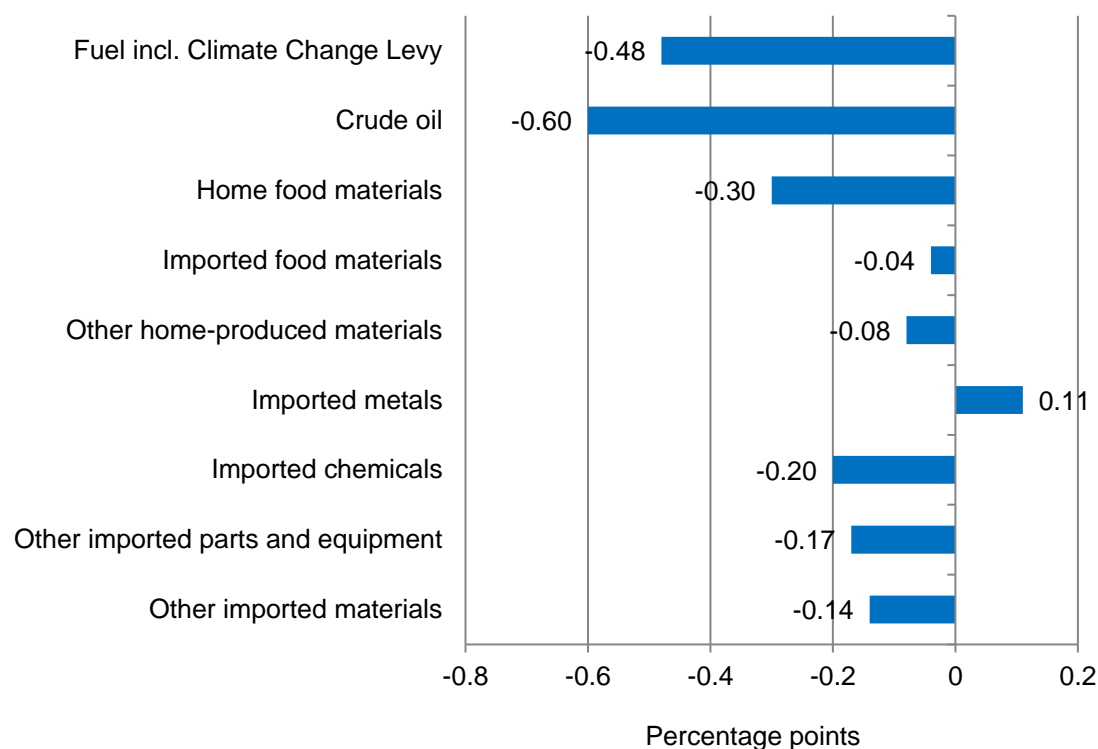
Product group	Percentage change	
	1-month rate	12-month rate
Fuel including Climate Change Levy	0.3	-1.1
Crude oil	0.6	-14.6
Home food materials	-1.5	-7.7
Imported food materials	-1.3	2.2
Other home-produced materials	-1.8	1.8
Imported metals	0.8	9.9
Imported chemicals	-1.5	-1.7
Imported parts and equipment	-1.6	2.0
Other imported materials	-1.7	0.8
All manufacturing	-0.8	-2.8

Source: Office for National Statistics

Figure 6 shows contributions to the change in the annual rate of inflation for fuels and materials purchased by manufacturers (input prices).

Figure 6: Crude oil provided the largest downward contribution to the change in the annual rate in September 2019

Input PPI, contribution to change in the annual rate, UK, September 2019



Source: Office for National Statistics – Producer Price Index

Notes:

1. Contributions to the rate may not add up to the rate exactly due to rounding.

5. Services producer price inflation

The SPPI rose to 1.9% on the year to Quarter 3 (Jul to Sept) 2019, up from 1.4% on the year to Quarter 2 (Apr to Jun) 2019. This is the highest the annual rate has been since Quarter 4 (Oct to Dec) 2008. The price of services sold by UK companies rose by 1.1% between Quarter 2 (Apr to Jun) 2019 and Quarter 3 (Jul to Sept) 2019.

The annual rate has remained positive since Quarter 1 2010, whilst the quarterly rate has remained positive for eleven consecutive quarters.

Table 6: Services Producer Prices, UK, Quarter 3 (July to Sept) 2019

UK		Percentage change			
		SPPI Index (2010=100)	1-Quarter	12-months	Change in the 12- month rate (percentage points)
2018	Q2	109.3	0.3	1.5	-0.2
	Q3	109.9	0.5	1.7	0.2
	Q4	110.2	0.3	1.7	0.0
2019	Q1	110.5	0.3	1.4	-0.3
	Q2	110.8	0.3	1.4	0.0
	Q3	112.0	1.1	1.9	0.5

Source: Office for National Statistics

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

2. Series are not seasonally adjusted

Table 7 shows 'Other services' showing the largest price increase on the year to Quarter 3 (Jul to Sept) 2019 at 4.5%; the highest growth we have seen in this index since records began. Which was driven by services provided within 'Commercial washing and dry cleaning', which increased by 4.5% on the year to Quarter 3 (Jul to Sept) 2019.

'Information and communication' provided the largest downward contribution to the quarterly rate, with a contribution of negative 0.13 percentage points (Figure 7), this was mainly driven by 'Computer programming' where prices fell 1.4% on the quarter.

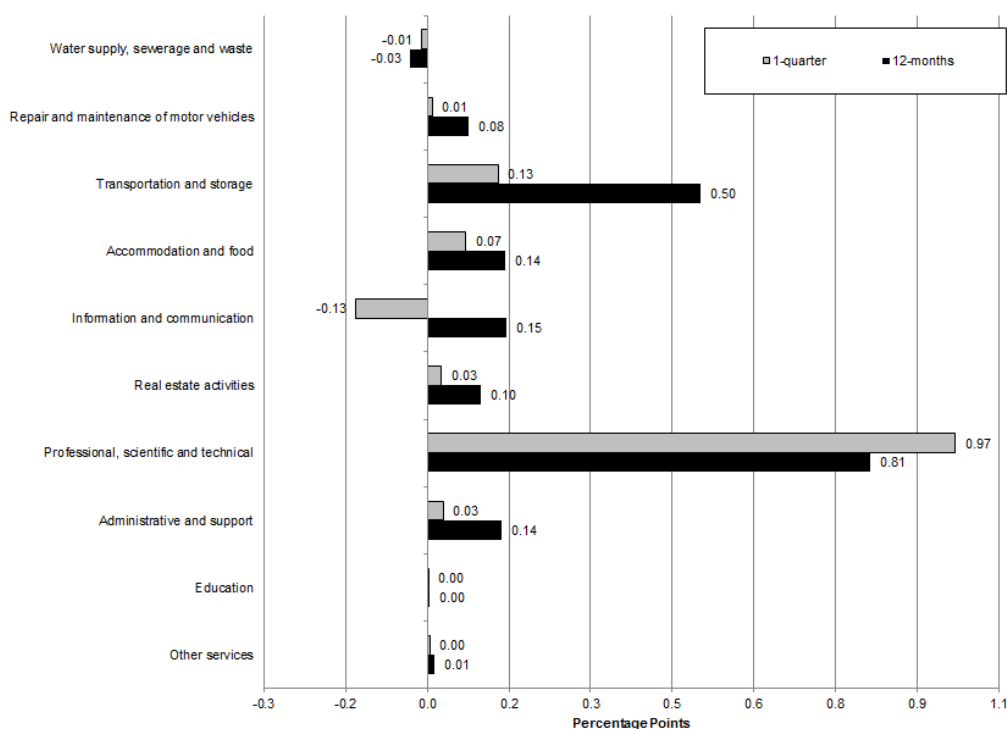
Table 7: Services Producer Price Inflation, 1-quarter and 12-month percentage change to Quarter 3 (Jul to Sept) 2019.

UK Service group	UK Percentage change	
	1-quarter	12-months
Water supply, sewerage and waste management	-0.7	-2.1
Repair and maintenance of motor vehicles	0.2	2.1
Transportation and storage	0.6	2.6
Accommodation and food	1.3	2.7
Information and communication	-0.7	0.8
Real estate activities	0.4	1.9
Professional, scientific and technical activities	3.4	2.9
Administrative and support services	0.2	0.9
Education	0.0	0.2
Other services	1.1	4.5
SPPI	1.1	1.9

1. The section level SPPIs are an aggregate of individual industry level SPPIs (excluding Financial Intermediation) published in the SPPI Statistical Bulletin. They do not provide full coverage of the service sector.

Source: Office for National Statistics

Figure 7: Professional, scientific and technical activities made the largest contribution to the SPPI annual and quarterly growth rate



Source: Office for National Statistics

Notes: Contributions to the rate may not add up to the rate exactly due to rounding.

6. Producer price inflation and services producer price inflation data

- Producer price inflation (MM22)
- Producer price inflation time series
- Service producer price inflation
- Services producer price inflation time series

7. Glossary

Producer price inflation

Changes in the prices of goods bought and sold by UK manufacturers including price indices of materials and fuels purchased (input prices) and factory gate prices (output prices).

Output price

The factory gate price (output price) is the amount received by UK producers for the goods that they sell to the domestic market. It includes the margin that businesses make on goods, in addition to costs such as labour, raw materials and energy, as well as interest on loans, site or building maintenance, or rent.

Input price

The input price measures the price of materials and fuels bought by UK manufacturers for processing. It includes materials and fuels that are both imported or sourced within the domestic market. It is not limited to materials used in the final product but includes what is required by businesses in their normal day-to-day running, such as fuels.

Services producer price inflation

Quarterly estimates monitoring the changes in prices charged for services provided to UK-based customers for a range of industries.

12-month inflation rate

The most common approach to measuring inflation is the 12-month inflation rate, which compares prices for the latest month with the same month a year ago. In any given month, the 12-month rate is determined by the balance between upward and downward price movements of the range of goods and services included in the index.

8. Measuring the Data

The use of core input inflation removes the more volatile indices of food, tobacco, beverages and petrol from our statistics.

Index numbers shown in the main text of this bulletin are on a net sector basis. The index for any industry relates only to transactions between that industry and other industries; sales and purchases within industries are excluded.

Indices relate to average prices for a month or quarter. The full effect of a price change occurring part way through any month or quarter will only be reflected in the following period's index.

All figures presented in this statistical bulletin are calculated on a gross sector basis unless otherwise stated and all index numbers exclude Value Added Tax (VAT). The Soft Drinks Industry Levy, introduced in April 2018, is also excluded. Excise Duty (on cigarettes, manufactured tobacco, alcoholic liquor and petroleum products) is included, except where labelled otherwise.

Each PPI and SPPI has two unique identifiers: a 10-digit index number, which relates to the Standard Industrial Classification 2007: SIC 2007 code appropriate to the index, and a four-character alpha-numeric code (series ID), which can be used to find series when using the time series dataset for PPI and SPPI.

Figures for the latest two months PPI data are provisional, and the latest five months are subject to revisions taking account of late and revised respondent data.

The SPPI provides a measure of inflation for the UK services sector. It is constructed from a statutory quarterly survey, which measures changes in the price of services provided to UK-based customers for a range of industries. Individual SPPIs are available, which provide information on price change for a selection of services industries. These individual price indices are also aggregated together to create a services industry SPPI with limited coverage (it does not provide full coverage of the “services sector”).

The services sector is estimated to account for around 80% of the UK economy based on its weight in gross domestic product (GDP). We do not produce an index for every industry in the services sector and so the SPPI is a partial, best estimate of the overall inflation to UK businesses in the services sector. The SPPIs presented in this statistical bulletin are estimated to represent 59% of the total services sector at industry level.

As resources allow, we will continue to review the existing indices and expand coverage through developing indices for new industries. As such, the SPPI will change composition from time to time but will always remain our best estimate of inflation in the UK services sector. You should consider that coverage may change over time when deciding which indices best meet your needs.

The figures presented in the SPPI data are considered provisional for the latest two quarters and may be revised as late data are received.

The [Producer Price Index \(PPI\) Quality and Methodology Information report](#) and the [Services Producer Price Indices \(SPPI\) Quality and Methodology information report](#) contains important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

[Guidance on using indices in indexation clauses \(PDF, 197KB\)](#) covers producer prices, services producer prices and consumer prices.

An up-to-date manual for the PPI, including the import and export index, is now available. [PPI methods and guidance \(PDF, 1.18MB\)](#) provides an outline of the methods used to produce the PPI as well as information about recent PPI developments.

The SPPI's coverage of the services sector at Standard Industrial Classification (SIC) class, division and section level is available in the [SPPI user guidance and methodology article](#).

If you would like more information about the reliability of the data, [PPI standard errors article](#) and SPPI standard errors article were published on 18 May 2018.

9. Strengths and limitations

Strengths

- These data provide users with valuable insight into the changes in the process of goods and services bought and sold by UK manufacturers.
- Our data is very comprehensive, covering many products at a much greater level of detail than other surveys.

Limitations

- Some products are produced by only a small number of manufacturers, meaning that there may not be enough manufacturers for a detailed and robust analysis and the sector may be volatile, requiring some estimation.
- The data can be revised for a five-month period due to the timeframe suppliers provide price data.

10. Related Links

Other important measures of inflation and prices include the

- [Consumer Prices Index \(CPI\)](#)
- House Price Index
- Construction OPs
- Prices economic commentary
- GDP