

**ACRONYM/NAME                      DESCRIPTION**

**ECONOMIC**

<p><b>CPI</b> Source: ONS (Office for National Statistics)</p>	<p><b>Consumer Price Index</b></p> <p>The main UK domestic measure of inflation for macroeconomic purposes. It measures the change level of prices for goods and services bought for the purpose of household consumption in the UK. It excludes mortgage repayments and the cost of housing.</p> <p>There are 700+ items that make up the basket of goods and services – the list is reviewed annually. ONS collects around 110,000 individual prices each month from 20,000 shops across the UK, as well as a further 70,000 prices online. The 'weight' of each item – its relative importance – is based on survey evidence of people's spending gathered by ONS from its own sources and commercial market research.</p>
<p><b>CPIH</b> Source: ONS</p>	<p><b>CPIH</b></p> <p>A new measure of consumer price inflation including a measure of owner occupiers' housing costs (OOH).</p> <p>Owner occupiers' housing costs are the costs associated with owning, maintaining and living in one's own home. For many owner occupiers the biggest housing cost is the mortgage payment, other costs include dwelling insurance, estate agents' fees and maintenance and/or renovation costs. These costs are a significant expense for many households and account for approximately ten per cent of total household expenditure (as measured by the UK's National Accounts). The costs are excluded from the Consumer Prices Index (CPI) and CPIH has been developed to help fill this gap.</p>
<p><b>RPI</b> Source: ONS</p>	<p><b>Retail Price Index</b></p> <p>This is similar to CPI but does include mortgage repayments and housing costs.</p>
<p><u>Additional Notes</u></p>	<p>The main difference between CPI &amp; RPI is the way they are calculated. RPI is an arithmetic mean = i.e. the prices of everything to be included are added up and divided by the number of items. CPI is a geometric mean = calculated by multiplying the prices of all the items together and then taking the nth root of them, where 'n' is the number of items involved.</p>
<p><b>GDP</b> Source: ONS</p>	<p><b>Gross Domestic Product</b></p> <p>The total value of goods &amp; services produced by the country in a year. It includes all consumer, investment &amp; Govt. spending, plus exports, minus the value of imports.</p>
<p><b>Balance of Trade</b> Source: ONS</p>	<p><b>Balance of Trade</b></p> <p>The difference between a country's imports and its exports. Balance of trade is the largest component of a country's balance of payments. Debit items include imports, foreign aid, domestic spending abroad and domestic investments abroad. Credit items include exports, foreign spending in the domestic economy and foreign investments in the domestic economy. A country has a trade deficit if it imports more than it exports; the opposite scenario is a trade surplus.</p>
<p><b>Net Borrowing</b> Source: ONS</p>	<p><b>Net Borrowing</b></p> <p>In the U.K., the amount of expenditures less the total receipts taken in by the government. Public sector net borrowing is the measure of fiscal surpluses and deficits along with the amount of new debt created. If this number is positive, it means the U.K. is running a fiscal deficit, while a negative number represents a fiscal surplus.</p> <p>The Office of National Statistics in the U.K. issues an estimate of the public sector net borrowing each month. This statistic is often used by foreign traders to determine the fundamental health of the British economy and currency.</p>



**RETAIL**

<p><b>RSI</b> Source: ONS</p>	<p><b>Retail Sales Index</b> This measures the value and volume of retail sales in GB. It is a key economic indicator and early short term measure of economic activity used by the ONS. The value estimates reflect the total turnover that businesses have collected over a period of time, while the volume estimate are calculated by taking value removing the impact of price changes.</p>
<p><b>Grocery Market</b> Source: Kantar WorldPanel</p>	<p><b>Total Till Roll</b> These measures are based on data gather by Kantar from 30,000 households. Inflation figures are based on over 75,000 identical products compared on a year-on-year basis.</p>

**CONSUMER**

<p><b>Income</b> Source: Centre for Economics and Business Research (Asda Income Tracker)</p>	<p><b>Discretionary Income</b> This can be summarised as follows. <b>Household Income</b> minus <b>Taxes</b> equals <b>Net Income</b> <b>Net Income</b> minus <b>Cost of Living</b> equals <b>Discretionary Income</b> Household Income = Wages, Investment Income, Pensions, Social Security Taxes = Income Tax, National Insurance etc. Cost of Living = Food, Clothing, Housing Costs, Bills, Transport, Health, Schooling, House Maintenance &amp; Repairs</p>
<p><b>Consumer Debit</b> Source: The Money Charity</p>	<p><b>Debit Statistics</b> The information in this section is based on a combination of publically available data source and primary calculation done by The Money Charity.</p>
<p><b>Consumer Confidence</b> Source: GfK Consumer Confidence Barometer on behalf of the European Commission</p>	<p><b>Consumer Confidence Barometer Measure</b> Conducted amongst a sample of 2,000 individuals aged 16+ on behalf of the European Commission. The following outlines the individual questions being asked. <b>Personal Financial Situation</b> How has the financial situation of your household changed over the last 12 months? How do you expect the financial position of your household to change over the next 12 months? <b>General Economic Situation</b> How do you think the general economic situation in this country has changed over the last 12 months? How do you expect the general economic situation in this country to develop over the next 12 months? <b>Climate for Major Purchases</b> In view of the general economic situation, do you think now is the right time for people to make major purchases such as furniture or electrical goods?</p>