

	Percentage change over past 12 months (Oct 05 - Oct 06)	Percentage change over past 3 months (July 06 - Oct 06)	Direction of movement
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Consumer Prices Index	+2.4	+0.7	▲
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The annual percentage change in the Consumer Prices Index remains higher than the chancellor's target figure of 2%, as it has been for the past six months. The Bank of England rate was increased 0.25% in November, the second increase since July, to prevent inflation rising further. Over the past year, the highest driver of CPI inflation has been gas and electricity price increases.

Industry generally

Materials and fuels purchased by manufacturing industry	+3.8	-4.8	▼
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Materials and fuels purchased by manufacturing industry excluding food, beverages, tobacco and petroleum industries	+5.4	-0.2	▼
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Output prices of manufactured products	+1.7	-0.1	▼
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Output prices of manufactured products excluding food, beverages, tobacco and petroleum	+2.5	+0.5	►
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There has been a fall in the annual inflation rate of materials and fuel, from 18.1% in December 2005 to 3.8% in October 2006. Prices have fallen for the past three months. The pattern for industry excluding food, beverages, tobacco and petroleum (FBT&P) has been similar but less extreme: the annual figure falling from its peak of 12.2% last December to 5.4% this October and declining fractionally over the past three months. The commodities exerting the most influence on input price changes over the past year and the past three months have been:

	Past 12 months %	Past 3 months %
Electricity	+27	+11
Gas	+9	-4
Crude oils	-7	-23
Imported non-ferrous metals	+45	+0.5
Imported iron and steel	+12	+5

All industries have suffered from the increase in fuel costs (particularly electricity) over the past year. Gas prices are likely to be heading upwards again now as the winter season approaches. The other principal driver of industry costs over the past year has been the price of imported metals, however figures have recently stabilised.

Industry's output prices have been on a declining trend for the past four months but, excluding FBT&P products, inflation has registered 2.0 to 2.5% since July, rising 0.5% over the past three months.

Construction industry	Sept 2005- Sept 2006	June 2006- Sept 2006	Direction
Construction materials generally			
New housing	+7.5	+1.9	►
Non-housing new work	+9.9	+3.3	▲
Repair and maintenance	+9.0	+2.6	▲
Mechanical services materials			
Housing only	+14.6	-0.6	▼
Non-housing	+10.4	0	▼
Electrical services materials	+9.8	+1.2	▲

General construction materials prices, up more than 9% over the past year, have now risen more than they did in 2004. Steel prices have been on the up throughout 2006: Corus has introduced four price rises for structural sections this year, totalling £120/tonne, and has announced a further £30 a tonne rise from January. Reinforcement prices have registered greater increases, rising 35% over the year. In the past three months, other than steel, the largest price increases have come in the base metals zinc and lead, and in timber.

Price changes over the past year and the past three months include:

	% change	
	(Oct 2005-Oct 2006)	(July 2006-Oct 2006)
Copper tubes and fittings	55.1	-1.1
Insulated wire and cables	45.1	0.7
Lead, zinc and tin	41.7	11.8
Concrete reinforcing bars	35.3	15.8 *
Asphalt products	32.4	6.5
Aluminium bars, rods and profiles	23.1	-2.8
Recovered secondary raw materials (e.g. scrap metal)	17.9	-3.2
Imported hardwood	16.4	6.2 *
Steel sheet piling	14.3	10.0 *
Imported softwood	13.5	9.0 *
Fabricated structural steel	13.5	9.9 *
Bituminous mixtures	12.5	1.4 *
Central heating pumps	11.0	0 *
Coated roadstone	9.3	-0.9
Ready-mixed concrete	8.4	1.4
Cement	7.7	-0.1
Fibre cement products	6.9	1.3
Sawn wood	6.3	5.1

* September 2005 to September 2006

(Data sources: ONS and DTI; September/October 2006 figures provisional)