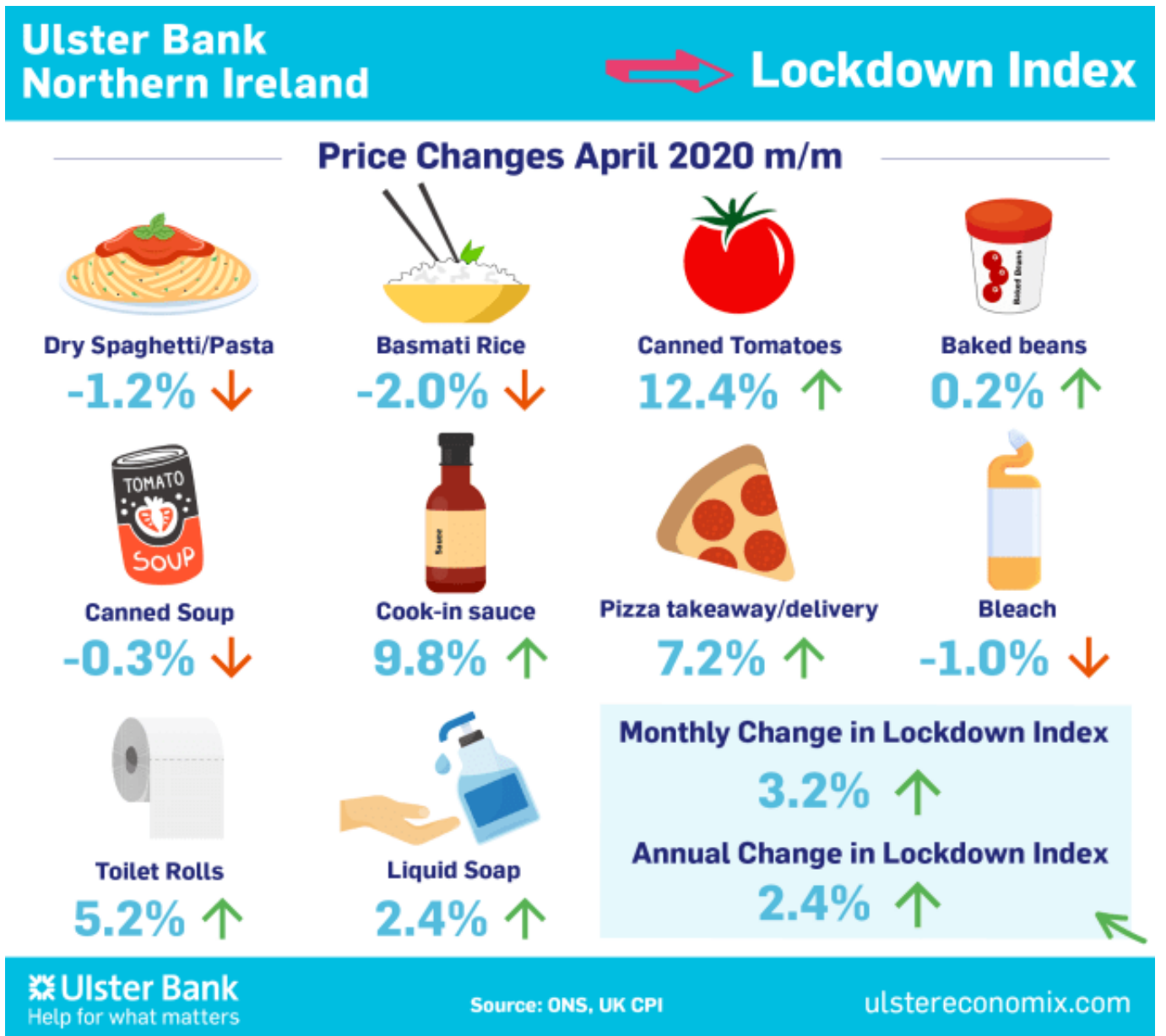


Lockdown index: significant rises in prices of some lockdown items during April | 1

Our index of key items being bought by households in recent months in preparation for and during the so-called lockdown has risen by much more than the overall CPI inflation rate.



Canned tomatoes, cooking sauce in a jar and toilet rolls were amongst the items seeing the biggest price increases.

Other items included in the Ulster Bank Lockdown Index include liquid soap, bleach, pasta,

Lockdown index: significant rises in prices of some lockdown items during April | 2

rice, baked beans and takeaway pizza.

The price of canned tomatoes rose 12.4% month-on-month in April alone, whilst cooking sauce in a jar saw a price jump of 9.8% in the same timeframe. The price of toilet roll was up 5.2% in the month, whilst the cost of liquid soap increased by 2.4%.

The Ulster Bank Lockdown Index measures the prices of these key items that have been in high demand by consumers using the CPI (consumer price inflation) measure of inflation.

And whilst overall CPI rose 0.8% year-on-year in April, the Ulster Bank Lockdown Index increased 2.4%. The Lockdown Index increased by 3.2% month-on-month in April alone.

| Lockdown Index items | Apr M/M | Apr Y/Y |
|--------------------------------|----------------|----------------|
| DRY SPAGHETTI OR PASTA 500G | -1.2% | 2.1% |
| BASMATI RICE 500G-1KG | -2.0% | 5.0% |
| CANNED TOMATOES | 12.4% | 13.7% |
| BAKED BEANS, 400-420G TIN | 0.2% | -6.7% |
| CANNED SOUP-390-425G | -0.3% | 0.2% |
| COOK-IN SAUCE-JAR/CAN 350-520G | 9.8% | 5.4% |
| PIZZA TAKEAWAY OR DELIVERED | 7.2% | 8.4% |
| BLEACH 750ML | -1.0% | -5.6% |
| TOILET ROLLS | 5.2% | 2.4% |
| LIQUID SOAP 200-300ML | 2.4% | -0.3% |
| Simple Average | 3.2% | 2.4% |

Factors including intense demand for some items and the rising cost-base of the grocery supply chain have been influencing the price we pay for some goods. The cost of introducing new working practices, acquiring PPE and adapting stores will likely have led retailers to try to recoup at least some of their additional cost burden. The intense demand for items like soap as well as things like hand sanitizer will have pushed up global prices, and retailers will have had to pass these on to consumers at least to some extent. So whilst the food and grocery retail sector has seen high demand, it will also have seen increased costs, which potentially squeezes profit. We have also had an environment where consumers have been focused on access to goods rather than necessarily their cost. Going forward, the focus of consumers will likely switch back to value rather than just access. Shopping around for value may force retailers to look more closely at price and we may start to see multi-buy deals and discounts reappear.

With regard to the overall inflation rate, petrol (-12.1%) and diesel (-12.8%) are down significantly on the year, influencing the overall figures, but for many the saving is an irrelevance as they aren't using their vehicles much at present. Interestingly, over one-sixth of the items that normally make up the CPI basket of goods and services were unavailable to consumers during April, including the likes of hairdressing and cinema popcorn. So the Lockdown Index which doesn't include these items is perhaps a better reflection of the price experience that many consumers are actually having at the minute.

Lockdown index: significant rises in prices of some lockdown items
during April | 4

Share this:

- [Twitter](#)
- [Facebook](#)
- [LinkedIn](#)
- [Email](#)