

## Inflation: don't get fooled by the statistics

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The Office for National Statistics [has said this morning](#) (and I have related this to refer to the Consumer Prices Index, or CPI alone):

- \* The Consumer Prices Index (CPI) rose by 2.6% in the 12 months to March 2025, down from 2.8% in the 12 months to February.
- \* On a monthly basis, CPI rose by 0.3% in March 2025, compared with a rise of 0.6% in March 2024.
- \* The largest downward contribution to the monthly change in the CPI annual rate came from recreation and culture, and motor fuels.
- \* Core CPI (excluding energy, food, alcohol and tobacco) rose by 3.4% in the 12 months to March 2025, down slightly from 3.5% in the 12 months to February; the CPI goods annual rate eased from 0.8% to 0.6%, while the CPI services annual rate slowed from 5.0% to 4.7%.

Reeves will, of course, be trumpeting on the airwaves about this. She should not be.

As the ONS make clear, this fall in the rate is because a bad month, March 2024, has fallen out of the calculation. It is not because March 2025 was especially good. 0.3% in a month, when annualised, is clearly not that good. It's just decidedly better than 0.6%, which it was in March 2024.

And recall that April 2025 is not going to be good for inflation. Energy, water, rail fares, phones and a great deal else have gone up at way above the inflation rate in April 2025. The April 2024 inflation figure was 0.3%. It would be very surprising if that for April 2025 was that low. Reeves would be wise to keep her head down until the trend in inflation is really downward. I think that will happen. But not yet.

As usual, my advice is to take this data with a decided pinch of salt.