



## TSA Laundry Cost Index – July 2010

<u>Cost Centre</u>	<u>Increase</u>	<u>Weighting</u>	<u>Total</u>
Labour <sup>1</sup>	1.2%	40%	0.48%
Textiles <sup>2,3</sup>	18.4%	15%	2.76%
Energy <sup>4</sup>	- 9.5%	10%	-0.95%
Diesel <sup>5</sup>	15.75%	4.2%	0.66%
Other Transport <sup>6</sup>	4.8%	7.8%	0.36%
Other <sup>7</sup>	5.1%	23%	1.17%
<b>TOTAL</b>		<b>100%</b>	<b>4.48 %</b>

### Sources:

1 UK Government ([www.direct.gov.uk](http://www.direct.gov.uk))  
National Minimum Wage increase £5.73 to £5.80 per hour October 2009

2 Cotton prices from Intercontinental Exchange Cotton No. 2 Futures Price  
<http://markets.ft.com/tearsheets/performance.asp?s=1066877&ss=WSODIssue>

3 £/\$ Exchange Rates from [www.ft.com](http://www.ft.com)

Date	Cotton Price (\$)	Cotton Price Increase (\$)	Exchange Rate \$ per £	Cotton Price (£)	Cotton Price Increase (£)
14 July 2009	\$0.616	-	\$1.62	£ 0.38	-
9 July 2010	\$0.784	27.27%	\$1.49	£ 0.52	36.8%

TSA calculates the raw material cost of cotton to represent 50% of the cost of the made up textile.

0.5\* 36.8% = 18.4%

4 Dept for Energy & Climate Change: "Quarterly Energy Prices" June 2010  
Table 3.1.1 Page 36

	Price Increase %	Weighting %	TOTAL
Gas	- 29.4%	50%	- 14.7%
Electricity	-13.2%	25%	-3.3%
Heavy Fuel Oil	+34.0%	25%	+8.5%
<b>Total</b>		<b>100%</b>	<b>- 9.5%</b>

5 Dept for Energy & Climate Change: "Quarterly Energy Prices" December 2009  
Table 3.3.2 Page 38 Diesel increased from 103.85 p (July 2009) to 120.21p (July 2010)

6 Freight Transport Association: Quarterly Transport Activity Survey, April 2010  
Sections 10 & 11; 2009 Cost Increases average 4.8%

7 Office for National Statistics ([www.statistics.gov.uk](http://www.statistics.gov.uk))  
Retail Price Index July 2010, 5.1%