

# Consumer Price Indices for June 2019

The Census and Statistics Department (C&SD) released today (July 22) the Consumer Price Index (CPI) figures for June 2019. According to the Composite CPI, overall consumer prices rose by 3.3% in June 2019 over the same month a year earlier, larger than the corresponding increase (2.8%) in May 2019. Netting out the effects of all Government's one-off relief measures, the year-on-year rate of increase in the Composite CPI (i.e. the underlying inflation rate) in June 2019 was 3.2%, larger than that in May 2019 (2.8%), mainly due to the enlarged increases in the prices of pork and the charges for package tours.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the three-month period ending June 2019 was 0.5%, and that for the three-month period ending May 2019 was 0.3%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of increase were 0.4% and 0.2%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 3.9%, 3.0% and 2.9% respectively in June 2019, as compared to 3.1%, 2.6% and 2.7% respectively in May 2019. Netting out the effects of all Government's one-off relief measures, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 4.0%, 2.9% and 2.8% respectively in June 2019, as compared to 3.2%, 2.5% and 2.6% respectively in May 2019.

On a seasonally adjusted basis, for the three-month period ending June 2019, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.6%, 0.5% and 0.4% respectively. The corresponding rates of increase for the three-month period ending May 2019 were all 0.3%. Netting out the effects of all Government's one-off relief measures, the corresponding average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) for the three-month period ending June 2019 were 0.6%, 0.4% and 0.3% respectively, and the corresponding rates of increase for the three-month period ending May 2019 were all 0.2%.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in June 2019 for food (excluding meals bought away from home) (12.1%), housing (4.1%), miscellaneous services (2.1%), miscellaneous goods (2.1%), meals bought away from home (2.1%), alcoholic drinks and tobacco (1.8%) as well as transport (1.7%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in June 2019 for electricity, gas and water (-5.1%); clothing and footwear (-3.1%) as well as durable goods (-1.5%).

For the first half of 2019 as a whole, the Composite CPI rose by 2.6% over a year earlier. The respective increases in the CPI(A), CPI(B) and CPI(C) were 3.0%, 2.4% and 2.4% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures

were 2.8%, 3.3%, 2.7% and 2.5% respectively.

In the second quarter of 2019, the Composite CPI rose by 3.0% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 3.3%, 2.8% and 2.8% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.9%, 3.4%, 2.7% and 2.7% respectively.

For the 12 months ending June 2019, the Composite CPI was on average 2.6% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 3.0%, 2.4% and 2.3% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.8%, 3.3%, 2.7% and 2.5% respectively.

### Commentary

A Government spokesman said that the underlying consumer price inflation rate went up to 3.2% in June, driven by the surge in pork prices amid the disruption to the supply of fresh pork. Price pressures on most major CPI components stayed tame.

Looking ahead, while overall price pressures should remain largely contained in view of the earlier easing in fresh-letting residential rentals and modest global inflation, the inflation rate in the near term may hinge on the supply situation and thus prices of fresh pork. The Government will continue to monitor the inflation situation closely, particularly the impact on the lower-income people.

### Further information

The CPIs and year-on-year rates of change at section level for June 2019 are shown in Table 1. The time series on the year-on-year rates of change in the CPIs before and after netting out the effects of all Government's one-off relief measures are shown in Table 2. For discerning the latest trend in consumer prices, it is also useful to look at the changes in the seasonally adjusted CPIs. The corresponding time series on the average monthly rates of change during the latest three months for the seasonally adjusted CPIs are shown in Table 3. The rates of change in the original and the seasonally adjusted Composite CPI and the underlying inflation rate are presented graphically in Chart 1.

More detailed CPI data (including year-on-year comparison, month-to-month comparison, seasonally adjusted data series and the CPIs by the Classification of Individual Consumption According to Purpose (COICOP)) are available in the monthly reports. Users can download the June 2019 issue of the "Monthly Report on the Consumer Price Index"

([www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=B1060001](http://www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=B1060001)), the time series of CPIs at detailed level

([www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600001](http://www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600001)), the time series of CPIs at COICOP division level

([www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600002](http://www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600002)) and the time

series of CPIs after netting out the effects of all Government's one-off relief measures

([www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600003](http://www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600003)) free of charge at the website of the C&SD.

For enquiries about the CPIs, please contact the Consumer Price Index Section of the C&SD (Tel: 3903 7374 or email: [cpi@censtatd.gov.hk](mailto:cpi@censtatd.gov.hk)).

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## Illegal worker jailed

A Vietnamese illegal worker was jailed by Fanling Magistrates' Courts on July 20.

During an anti-illegal worker operation mounted on July 18, Immigration Department (ImmD) investigators raided a restaurant in Aberdeen. A female Vietnamese illegal worker, aged 32, was arrested. When intercepted, she was working as a dish washing worker. An employer suspected of employing the illegal worker was also arrested and investigation is ongoing.

The illegal worker was charged at Fanling Magistrates' Courts on July 20 with taking employment after landing in Hong Kong unlawfully and remaining in Hong Kong without the authority of the Director of Immigration or while being a person in respect of whom a removal order or deportation order was in force. She pleaded guilty to the charge and was sentenced to 15 months' imprisonment. Meanwhile, she was also charged with one count of using a forged Hong Kong identity card. She was sentenced to 15 months' imprisonment with part of the sentence to run consecutively, making a total of 18 months' imprisonment.

The ImmD spokesman warned that, as stipulated in section 38AA of the Immigration Ordinance, illegal immigrants or people who are the subject of a removal order or a deportation order are prohibited from taking any employment, whether paid or unpaid, or establishing or joining in any business. Offenders are liable upon conviction to a maximum fine of \$50,000 and up to three years' imprisonment. The Court of Appeal has issued a guideline ruling that a sentence of 15 months' imprisonment should be applied in such cases. Under the prevailing laws, it is an offence to use or possess a forged Hong Kong identity card or a Hong Kong identity card related to another person. Offenders are liable to prosecution and a maximum penalty of a \$100,000 fine and up to 10 years' imprisonment.

The spokesman reiterated that it is a serious offence to employ people who are not lawfully employable. The maximum penalty is imprisonment for three years and a fine of \$350,000. The High Court has laid down sentencing guidelines that the employer of an illegal worker should be given an immediate custodial sentence. According to the court sentencing, employers

must take all practicable steps to determine whether a person is lawfully employable prior to employment. Apart from inspecting a prospective employee's identity card, the employer has the explicit duty to make enquiries regarding the person and ensure that the answers would not cast any reasonable doubt concerning the lawful employability of the person. The court will not accept failure to do so as a defence in proceedings. It is also an offence if an employer fails to inspect the job seeker's valid travel document if the job seeker does not have a Hong Kong permanent identity card. The maximum penalty for failing to inspect such a document is imprisonment for one year and a fine of \$150,000.

Under the existing mechanism, the ImmD will, as a standard procedure, conduct initial screening of vulnerable persons, including illegal workers, illegal immigrants, sex workers and foreign domestic helpers, who are arrested during any operation with a view to ascertaining whether they are trafficking in persons (TIP) victims. When any TIP indicator is revealed in the initial screening, the officers will conduct a full debriefing and identification by using a standardised checklist to ascertain the presence of TIP elements, such as threat and coercion in the recruitment phase, and the nature of exploitation. Identified TIP victims will be provided with various forms of support and assistance, including urgent interference, medical services, counselling, shelter, temporary accommodation and other supporting services. The ImmD calls on TIP victims to report crimes to the relevant departments.

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## **Effective Exchange Rate Index**

The effective exchange rate index for the Hong Kong dollar on Monday, July 22, 2019 is 105.1 (same as last Saturday's index).

The effective exchange rate index for the Hong Kong dollar on Saturday, July 20, 2019 was 105.1 (same as last Friday's index).

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## **Hong Kong team achieves outstanding results in first participation in International Biology Olympiad (with**

## photo)

In the first time Hong Kong representatives have participated in the International Biology Olympiad (IBO), the team, comprising four student members, achieved outstanding results, winning one gold medal, two silver medals and one bronze medal.

The IBO is an international competition for secondary school students. The purpose of the IBO is to enable students to apply analytical skills and creativity through tackling challenging problems in biology and conducting experiments. This year, the IBO was held from July 14 to 20 in Szeged, Hungary, and there were around 285 contestants from 73 countries/regions participating in the event.

Li Yung-chi (Diocesan Boys' School) won a gold medal in the competition. The two silver medallists were Chow King-ngai (La Salle College) and Wong Chi-ngai (St Paul's Co-educational College). Bruce Chum (Hoi Ping Chamber of Commerce Secondary School) received a bronze medal.

The Secretary for Education, Mr Kevin Yeung, congratulated the Hong Kong team today (July 22) on their remarkable performance. "The Education Bureau (EDB) supports a number of outstanding students every year to represent Hong Kong to take part in various significant national and international competitions. It is with great joy that the Hong Kong team has achieved good results in its first participation in the IBO. The IBO emphasises both theory and practice. It is believed that Hong Kong students can further broaden their horizons and pursue excellence through participating in these challenging learning activities.

"The Finance Committee of the Legislative Council in October last year approved an injection of \$800 million into the Gifted Education Fund. Different organisations may apply for funding support to provide a variety of off-school advanced learning programmes for gifted students starting from the 2019/20 school year, including programmes with themes of 'STEM Education'.

The programmes aim to provide high quality learning opportunities for talented students so as to further develop their potential," he added.

The members of the Hong Kong team achieved excellent results in the International Biology Olympiad – Hong Kong Contest, a territory-wide competition newly organised last year. They subsequently completed the biology enhancement programme provided by the Hong Kong Academy for Gifted Education. The outstanding students in the programme were then selected as contestants representing Hong Kong to participate in the IBO this year. The Hong Kong team was fully funded by the EDB to join this competition.



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## Centre of Excellence for Major Project Leaders established

â€‹The Centre of Excellence for Major Project Leaders (CoE), under the Development Bureau, was formally established today (July 22).

As the first of its kind in Asia, the CoE offers a high-level project management and leadership development programme to senior government officials. The aim is to equip them with a more innovative mentality and world-class leadership skills to enhance their project delivery capability, which will enhance project performance as a whole. The programme is also offered to construction leaders involved in public projects.

The inauguration ceremony was officiated by the Financial Secretary and the Honorary President of the CoE, Mr Paul Chan, and the Secretary for Development and the Chairman of the CoE, Mr Michael Wong.

Taking into account a considerable number of capital works projects in the pipeline, Mr Chan said, "It's a huge investment in our future. We need to ensure our resources are used as smartly, effectively and efficiently as possible. The Government and the public will settle for nothing less".

He also encouraged the participants to seize the opportunity to update themselves on state-of-art project management and leadership skills, and more importantly, their mindset, with a view to bringing the delivery of Hong Kong infrastructure to new heights and enhancing the livelihood of citizens.

The Saïd Business School of the University of Oxford was appointed as the Programme Director for the first programme under the CoE, namely the Major Projects Leadership Programme (MPLP). Starting from August this year, separate cohorts will attend the 12-month MPLP to enhance the participants' capabilities to elevate the performance at major construction and public works projects. Around 150 major project leaders will complete the MPLP under the CoE in the coming three years. The Government anticipates that the CoE will substantially benefit the implementation of public works projects.

