

Consumer Price Indices for April 2019

The Census and Statistics Department (C&SD) released today (May 23) the Consumer Price Index (CPI) figures for April 2019. According to the Composite CPI, overall consumer prices rose by 2.9% in April 2019 over the same month a year earlier, larger than the corresponding increase (2.1%) in March 2019. The larger year-on-year rate of change in the Composite CPI in April was mainly attributable to the lower ceiling of rates concession, from \$2,500 per quarter for each rateable tenement to \$1,500 starting from April 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 April 2019 was also 2.9%, larger than that in March 2019 (2.6%), mainly due to the enlarged increases in the charges for package tours and the increases in inbound and outbound transport fares.

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

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 3.0%, 2.8% and 3.0% respectively in April 2019, as compared to 2.4%, 1.9% and 1.9% respectively in March 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 3.1%, 2.7% and 2.9% respectively in April 2019, as compared to 3.0%, 2.4% and 2.3% respectively in March 2019.

On a seasonally adjusted basis, for the three-month period ending April 2019, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were all 0.4%. The corresponding rates of increase for the three-month period ending March 2019 were 0.2%, 0.2% and 0.1% respectively. 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 April 2019 were all 0.3%, and the corresponding rates of increase for the three-month period ending March 2019 were 0.3%, 0.2% and 0.2% respectively.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in April 2019 for food (excluding meals bought away from home) (4.6%), housing (4.3%), miscellaneous services (3.1%), transport (2.7%), alcoholic drinks and tobacco (2.3%), meals bought away from home (2.2%) and miscellaneous goods (1.9%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in April 2019 for electricity, gas and water (-4.3%); durable goods (-2.1%) as well as clothing and footwear (-1.0%).

Taking the first four months of 2019 together, the Composite CPI rose by 2.4% over a year earlier. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.7%, 2.3% and 2.2% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.7%, 3.2%, 2.6% and 2.5% respectively.

For the three months ending April 2019, the Composite CPI rose by 2.3% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.7%, 2.2% and 2.2% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.7%, 3.1%, 2.5% and 2.4% respectively.

For the 12 months ending April 2019, the Composite CPI was on average 2.4% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.8%, 2.3% and 2.2% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.8%, 3.1%, 2.7% and 2.5% respectively.

Commentary

A Government spokesman said that inflation pressure remained largely moderate in recent months. The underlying consumer price inflation rate went up somewhat in April, mainly reflecting a larger year-on-year increase in the charges for package tours amid the late arrival of the Easter holidays (which started in mid-April this year but in late March last year). The increase in headline inflation rate in April also reflected the lower ceiling of the Government's rates concession in the new financial year.

Looking ahead, inflation will likely stay moderate in the near term. The earlier easing in fresh-letting residential rentals should have a mitigating effect in the coming months. External price pressures have also eased recently. The Government will continue to monitor the 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 April 2019 are shown in Table 1. The time series on the year-on-year rates of change in the CPIs before and after removing 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 April 2019 issue of

the "Monthly Report on the Consumer Price Index"
(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), the time series of CPIs at COICOP division level
(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) 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).