

# Consumer Price Indices for August 2019

The Census and Statistics Department (C&SD) released today (September 20) the Consumer Price Index (CPI) figures for August 2019. According to the Composite CPI, overall consumer prices rose by 3.5% in August 2019 over the same month a year earlier, larger than the corresponding increase (3.3%) in July 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 August 2019 was 3.4%, larger than that in July 2019 (3.2%), mainly due to the enlarged increases in the prices of pork 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 August 2019 was 0.4%, and that for the three-month period ending July 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 0.3%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 4.1%, 3.2% and 3.0% respectively in August 2019, as compared to 3.9%, 3.1% and 2.8% respectively in July 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 4.2%, 3.1% and 2.9% respectively in August 2019, as compared to 4.0%, 3.0% and 2.7% respectively in July 2019.

On a seasonally adjusted basis, for the three-month period ending August 2019, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.5%, 0.4% and 0.3% respectively. The corresponding rates of increase for the three-month period ending July 2019 were 0.5%, 0.3% and 0.2% 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 August 2019 were 0.5%, 0.4% and 0.3% respectively, and the corresponding rates of increase for the three-month period ending July 2019 were 0.5%, 0.3% and 0.2% respectively.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in August 2019 for food (excluding meals bought away from home) (14.2%), housing (3.9%), transport (2.9%), miscellaneous goods (2.8%), meals bought away from home (2.1%) and miscellaneous services (1.3%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in August 2019 for electricity, gas and water (-5.2%); durable goods (-1.5%) as well as clothing and footwear (-0.6%).

As for alcoholic drinks and tobacco, the Composite CPI remained unchanged over a year earlier.

Taking the first eight months of 2019 together, the Composite CPI rose by 2.8% over a year earlier. The respective increases in the CPI(A), CPI(B) and CPI(C) were 3.2%, 2.6% and 2.5% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 3.0%, 3.5%, 2.8% and 2.6% respectively.

For the three months ending August 2019, the Composite CPI rose by 3.3% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 4.0%, 3.1% and 2.9% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 3.3%, 4.0%, 3.1% and 2.8% respectively.

For the 12 months ending August 2019, the Composite CPI was on average 2.7% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 3.2%, 2.6% and 2.5% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 3.0%, 3.5%, 2.8% and 2.6% respectively.

#### Commentary

A Government spokesman said that the rise in the underlying consumer price inflation rate to 3.4% in August was mainly due to an accelerated increase in pork prices amid continued disruptions to the supply of fresh pork. Price pressures on other major consumer price index components remained largely moderate.

Looking ahead, modest global inflation and sluggish local economic growth should continue to help contain overall inflation. Yet, food inflation will probably stay elevated in the near term due to high 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 August 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 August 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)).