

# Consumer Price Indices for December 2021

The Census and Statistics Department (C&SD) released today (January 20) the Consumer Price Index (CPI) figures for December 2021. According to the Composite CPI, overall consumer prices rose by 2.4% in December 2021 over the same month a year earlier, larger than the corresponding increase (1.8%) in November 2021. 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 December 2021 was 1.4%, also larger than that in November 2021 (1.2%). The larger increase was mainly due to the enlarged increases in costs for meals out and takeaway food as well as electricity charges.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the three-month period ending December 2021 was 1.0%, and that for the three-month period ending November 2021 was 0.2%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of increase were both 0.1%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 3.0%, 2.2% and 2.0% respectively in December 2021, as compared to 2.2%, 1.7% and 1.5% respectively in November 2021. 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 1.5%, 1.3% and 1.4% respectively in December 2021, as compared to 1.2%, 1.1% and 1.2% respectively in November 2021.

On a seasonally adjusted basis, for the three-month period ending December 2021, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 2.5%, 0.4% and 0.1% respectively. The corresponding rates of increase for the three-month period ending November 2021 were all 0.2%. Netting out the effects of all Government's one-off relief measures, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) for the three-month period ending December 2021 were 0.1%, 0.1% and 0.0% respectively, and the corresponding rates of increase for the three-month period ending November 2021 were all 0.1%.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in December 2021 for electricity, gas and water (54.2%); clothing and footwear (8.7%); transport (4.1%); meals out and takeaway food (3.7%); durable goods (2.1%); basic food (1.9%); miscellaneous services (1.0%) and alcoholic drinks and tobacco (0.6%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in December 2021 for miscellaneous goods (-1.1%) and housing (-0.5%).

In the fourth quarter of 2021, the Composite CPI rose by 2.0% over a

year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.5%, 1.8% and 1.7% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 1.2%, 1.2%, 1.1% and 1.3% respectively.

For 2021 as a whole, the Composite CPI was 1.6% higher than that in the preceding year. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.9%, 1.0% and 0.9% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 0.6%, 0.8%, 0.4% and 0.6% respectively.

## Commentary

A Government spokesman said that the underlying consumer price inflation rate went up to 1.4% in December 2021. Prices of meals out and takeaway food showed a widened year-on-year increase against a lower base of comparison a year earlier due to the fourth wave of local epidemic. The increase in prices of energy-related items accelerated further, and those of certain major CPI components such as clothing and footwear and transport were more visible. Nonetheless, price pressures on other major components remained moderate. For 2021 as a whole, the underlying consumer price inflation rate averaged 0.6%.

Looking ahead, external price pressures may increase further amid elevated global inflation and the pandemic-induced logistic disruptions. Yet, as the latest wave of local epidemic has weighed on some consumption-related activities and domestic cost pressures remain limited, the underlying inflation should stay broadly in check in the near term. The Government will continue to monitor the situation closely.

## Further information

The CPIs and year-on-year rates of change at section level for December 2021 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 December 2021 issue of the "Monthly Report on the Consumer Price Index"

([www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1060001&scode=270](http://www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1060001&scode=270)), the time series of CPIs at detailed level

([www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=D5600001&scode=270](http://www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=D5600001&scode=270)), the time series of CPIs at COICOP division level

([www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=D5600002&scode=270](http://www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=D5600002&scode=270)) and

the time series of CPIs after netting out the effects of all Government's one-off relief measures ([www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=D5600003&scode=270](http://www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=D5600003&scode=270)) at the website of the C&SD.

The new 2019/20-based CPI series, as was first announced by the C&SD on May 28, 2021, is compiled on the basis of the expenditure patterns obtained from the Household Expenditure Survey (HES) conducted during October 2019 to September 2020. It replaces the old 2014/15-based series for analysing consumer price changes. After the reference month of December 2021 (i.e. the current month), the old 2014/15-based CPI series will cease to be compiled. It is an established practice in Hong Kong for the HES to be conducted and for the CPI series to be rebased once every five years. Both the old and the new series of CPIs have been exhibiting a similar trend in recent months.

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)).