

Consumer Price Indices for February 2022

The Census and Statistics Department (C&SD) released today (March 21) the Consumer Price Index (CPI) figures for February 2022. According to the Composite CPI, overall consumer prices rose by 1.6% in February 2022 over the same month a year earlier, larger than the corresponding increase (1.2%) in January 2022. 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 February 2022 was also 1.6%, larger than that in January 2022 (1.2%), mainly due to the increases in the prices of fresh vegetables.

It should be noted that consumer prices tend to show greater volatility in the first two months of a year due to the timing of the Lunar New Year. As the Lunar New Year fell in early February this year but in mid-February last year, the year-on-year comparison of the figures for January and February 2022 might have been affected by this factor to a certain extent. Taking the first two months of 2022 together to neutralise the effect of the Lunar New Year, the Composite CPI rose by 1.4% over a year earlier. Netting out the effect of all Government's one-off relief measures, the corresponding increase was 1.5%.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the 3-month period ending February 2022 was 0.2%, the same as that for the 3-month period ending January 2022. Netting out the effects of all Government's one-off relief measures, the corresponding rates of increase were also both 0.2%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 1.6%, 1.6% and 1.7% respectively in February 2022, as compared to 1.1%, 1.2% and 1.4% respectively in January 2022. 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 1.7%, 1.6% and 1.6% respectively in February 2022, as compared to 1.2%, 1.2% and 1.4% respectively in January 2022.

Taking the first two months of 2022 together, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 1.3%, 1.4% and 1.5% respectively. Netting out the effects of all Government's one-off relief measures, the corresponding increases were 1.4%, 1.4% and 1.5% respectively.

On a seasonally adjusted basis, for the 3-month period ending February 2022, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.2%, 0.1% and 0.1% respectively. The corresponding rates of increase for the 3-month period ending January 2022 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 3-month period ending February 2022 were 0.2%, 0.1% and 0.1% respectively, and the corresponding rates of increase for the 3-month period ending January 2022 were 0.1%, 0.2% and 0.2% respectively.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in February 2022 for clothing and footwear (8.0%); transport (7.0%); basic food (4.5%); meals out and takeaway food (3.0%); durable goods (2.0%); miscellaneous services (1.2%); alcoholic drinks and tobacco (1.1%) and miscellaneous goods (0.1%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in February 2022 for electricity, gas and water (-2.7%) and housing (-0.3%).

For the 3 months ending February 2022, the Composite CPI rose by 1.8% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 1.9%, 1.7% and 1.7% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 1.5%, 1.4%, 1.3% and 1.5% respectively.

For the 12 months ending February 2022, the Composite CPI was on average 1.6% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.3%, 1.2% and 1.1% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 0.9%, 1.0%, 0.7% and 0.9% respectively.

Commentary

A Government spokesman said that taking the first two months of 2022 together to neutralise the distortions caused by the timing of the Lunar New Year, the underlying consumer price inflation rate was 1.5%, slightly higher than that in December 2021. Basic food prices showed an accelerated increase as the supply of fresh vegetables from the Mainland was temporarily affected by the epidemic-induced transport disruptions in the month. The year-on-year increases in prices of energy-related items and certain CPI components such as transport, and clothing and footwear remained visible. Nonetheless, price pressures on other major components were broadly in check.

Looking ahead, the upward price pressures on the external front will remain amid elevated inflation in major advanced economies as well as surging international energy and commodity prices. However, the austere local epidemic situation has dealt a severe blow to economic activities and will likely keep domestic price pressures at bay in the near term. Meanwhile, the resumption of stable food supply from the Mainland should help contain the upward pressures on basic food prices. Overall, the underlying inflation should stay moderate in the near term. The Government will continue to monitor the situation.

Further information

The CPIs and year-on-year rates of change at section level for February 2022 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 3 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 February 2022 issue of the "Monthly Report on the Consumer Price Index" (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), the time series of CPIs at COICOP division level (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) 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).