

Consumer Price Indices for February 2025

The Census and Statistics Department (C&SD) released today (March 20) the Consumer Price Index (CPI) figures for February 2025. According to the Composite CPI, overall consumer prices rose by 1.4% in February 2025 over the same month a year earlier, smaller than the corresponding increase (2.0%) in January 2025. 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 2025 was 1.1%, also smaller than that in January 2025 (1.6%). The smaller increase in February 2025 was mainly due to the high base of comparison stemming from the Chinese New Year falling in February last year, in particular food prices and the charges for package tours.

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 Chinese New Year. As the Chinese New Year fell in January this year but in February last year, the year-on-year comparison of the figures for January and February 2025 might have been affected by this factor to a certain extent. Taking the first two months of 2025 together to neutralise the effect of the Chinese New Year, the Composite CPI rose by 1.7% over a year earlier. Netting out the effect of all Government's one-off relief measures, the corresponding increase was 1.3%.

On a seasonally adjusted basis, the average monthly rate of change in the Composite CPI for the 3-month period ending February 2025 was 0.0%, and that for the 3-month period ending January 2025 was 0.1%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of change were 0.0% and 0.1%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 2.0%, 1.2% and 1.0% respectively in February 2025, as compared to 2.5%, 1.7% and 1.7% respectively in January 2025. 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 1.4%, 1.0% and 0.9% respectively in February 2025, as compared to 1.9%, 1.5% and 1.5% respectively in January 2025.

Taking the first two months of 2025 together, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 2.2%, 1.5% and 1.3% respectively. Netting out the effects of all Government's one-off relief measures, the corresponding increases were 1.7%, 1.2% and 1.2% respectively.

On a seasonally adjusted basis, for the 3-month period ending February 2025, the average monthly rates of change in the CPI(A), CPI(B) and CPI(C) were 0.1%, 0.0% and 0.1% respectively. The corresponding rates of change for the 3-month period ending January 2025 were 0.2%, 0.1% and 0.1% respectively. Netting out the effects of all Government's one-off relief measures, the

average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) for the 3-month period ending February 2025 were -0.1%, 0.0% and 0.0% respectively, and the corresponding rates of change for the 3-month period ending January 2025 were 0.0%, 0.1% and 0.1% respectively.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in February 2025 for alcoholic drinks and tobacco (20.9%), electricity, gas and water (13.3%), transport (2.6%), housing (1.6%), miscellaneous goods (1.4%), meals out and takeaway food (1.2%), and miscellaneous services (1.2%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in February 2025 for basic food (-1.9%), clothing and footwear (-1.9%), and durable goods (-1.1%).

For the 3 months ending February 2025, the Composite CPI rose by 1.6% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.1%, 1.5% and 1.3% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 1.3%, 1.6%, 1.2% and 1.1% respectively.

For the 12 months ending February 2025, the Composite CPI was on average 1.7% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.1%, 1.5% and 1.4% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 1.1%, 1.2%, 1.1% and 1.2% respectively.

Commentary

A Government spokesman said that the underlying consumer price inflation stayed modest in early 2025. Taking the first two months of 2025 together to remove the effect due to the different timing of the Chinese New Year, which fell in late January this year but around mid-February last year, the underlying Composite CPI increased by 1.3% over a year earlier, same as the increase in December 2024. Price pressures on various major components stayed largely contained.

Looking ahead, overall inflation should remain moderate in the near term. Domestic costs pressures might increase somewhat as the economy continues to grow. External price pressures should remain broadly in check, though uncertainties stemming from geopolitical tensions and trade conflicts continue to warrant attention.

Further information

The CPIs and year-on-year rates of change at section level for February 2025 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 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 statistics are given in the "Monthly Report on the Consumer Price Index". Users can browse and download this publication at the website of the C&SD

(www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1060001&scode=270).

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).