

Consumer Price Indices for January 2019

The Census and Statistics Department (C&SD) released today (February 22) the Consumer Price Index (CPI) figures for January 2019. According to the Composite CPI, overall consumer prices rose by 2.4% in January 2019 over the same month a year earlier, slightly smaller than the corresponding increase (2.5%) in December 2018, mainly due to the Government's provision of electricity charge subsidy starting from January 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 January 2019 was 3.0%, slightly larger than that in December 2018 (2.9%), mainly due to the enlarged increases in the costs for meals bought away from home and the charges for household services.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the 3-month period ending January 2019 was 0.1%, and that for the 3-month period ending December 2018 was 0.2%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of increase were both 0.2%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 2.8%, 2.3% and 2.3% respectively in January 2019, as compared to 3.0%, 2.4% and 2.2% respectively in December 2018. 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 3.3%, 2.9% and 2.6% respectively in January 2019, as compared to 3.3%, 2.8% and 2.5% respectively in December 2018.

On a seasonally adjusted basis, for the 3-month period ending January 2019, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.0%, 0.1% and 0.2% respectively. The corresponding rates of increase for the 3-month period ending December 2018 were 0.1%, 0.2% and 0.3% 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 3-month period ending January 2019 were 0.1%, 0.2% and 0.2% respectively, and the corresponding rates of increase for the 3-month period ending December 2018 were 0.1%, 0.2% and 0.3% respectively.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in January 2019 for food (excluding meals bought away from home) (4.2%), alcoholic drinks and tobacco (3.1%), housing (3.0%), miscellaneous services (2.9%), meals bought away from home (2.7%), transport (2.3%), miscellaneous goods (1.3%) as well as clothing and footwear (0.3%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in January 2019 for electricity, gas and water

(-4.6%) as well as durable goods (-2.2%).

For the 3 months ending January 2019, the Composite CPI rose by 2.5% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.9%, 2.3% and 2.3% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.9%, 3.3%, 2.8% and 2.6% respectively.

For the 12 months ending January 2019, the Composite CPI was on average 2.5% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.8%, 2.4% and 2.3% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.8%, 3.0%, 2.7% and 2.5% respectively.

Commentary

A Government spokesman said that the underlying inflation rate edged up to 3.0% in January. Given the likely distortion from the difference in timing of the Lunar New Year (which fell in early February this year but in mid-February last year), it would be more meaningful to examine the figures for January and February combined, when available, to assess the underlying inflation situation.

In the near term, the upside risks to inflation should remain contained. The recent moderation in fresh-letting residential rentals could have a mitigating effect in the months ahead. The moderating global economic growth and the earlier strengthening of the US dollar vis-à-vis other major currencies should help keep external price pressures in check. The Government will continue to monitor the inflation developments closely, particularly the impact on the lower-income people.

Further information

The CPIs and year-on-year rates of change at section level for January 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 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 January 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).