

# Consumer Price Indices for January 2020

The Census and Statistics Department (C&SD) released today (February 20) the Consumer Price Index (CPI) figures for January 2020. According to the Composite CPI, overall consumer prices rose by 1.4% in January 2020 over the same month a year earlier, smaller than the corresponding increase (2.9%) in December 2019. The smaller increase in the Composite CPI in January was mainly due to the Government's payment of public housing rentals and waiver of two-thirds of rent for tenants of Group B estates by Hong Kong Housing Society in January 2020, as well as the additional Government's provision of electricity charge subsidy starting from January 2020. 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 2020 was 3.7%, larger than that in December 2019 (2.9%). The increase was mainly due to the enlarged increases in the charges for package tours and prices of pork around the Lunar New Year.

On a seasonally adjusted basis, the average monthly rate of change in the Composite CPI for the 3-month period ending January 2020 was -0.5%, and the corresponding rate of change for the 3-month period ending December 2019 was 0.1%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of increase were 0.3% and 0.1%.

Analysed by sub-index, the year-on-year rates of change in the CPI(A), CPI(B) and CPI(C) were -2.0%, 2.8% and 3.4% respectively in January 2020, as compared to 3.4%, 2.9% and 2.5% respectively in December 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 4.3%, 3.5% and 3.4% respectively in January 2020, as compared to 3.5%, 2.7% and 2.4% respectively in December 2019.

On a seasonally adjusted basis, for the 3-month period ending January 2020, the average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were -1.8%, 0.0% and 0.2% respectively. The corresponding rates of increase for the 3-month period ending December 2019 were all 0.1%. 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 January 2020 were all 0.3%, and the corresponding rates of increase for the 3-month period ending December 2019 were all 0.1%.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in January 2020 for food (excluding meals bought away from home) (17.0%), miscellaneous services (4.8%), miscellaneous goods (3.6%), meals bought away from home (2.2%) and transport (1.8%).

On the other hand, year-on-year decreases in the components of the

Composite CPI were recorded in January 2020 for electricity, gas and water (-16.0%); clothing and footwear (-5.5%); housing (-3.0%); durable goods (-2.7%) as well as alcoholic drinks and tobacco (-1.5%).

For the 3 months ending January 2020, the Composite CPI rose by 2.4% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 1.6%, 2.8% and 2.8% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 3.2%, 3.8%, 3.0% and 2.7% respectively.

For the 12 months ending January 2020, the Composite CPI was on average 2.8% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.9%, 2.8% and 2.7% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 3.0%, 3.6%, 2.9% and 2.7% respectively.

### Commentary

A Government spokesman said that the underlying consumer price inflation rate went up to 3.7% in January, distorted by enlarged year-on-year increases in charges for package tours and prices of basic foodstuffs around the Lunar New Year (which fell in late January this year but early February last year). It would thus be more meaningful to examine the figures for January and February combined, when available, to assess the underlying inflation situation. On the other hand, the headline consumer price inflation rate eased to 1.4% in January, reflecting the impacts of the Government's one-off relief measures.

Looking ahead, overall inflationary pressures will likely be contained in the near term, given the mild external price pressures and subdued local economic conditions. While the threat of the novel coronavirus infection may cause prices of certain daily necessities to rise, any disruption should only be temporary. 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 January 2020 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 January 2020 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)).