

Consumer Price Indices for June 2021

The Census and Statistics Department (C&SD) released today (July 22) the Consumer Price Index (CPI) figures for June 2021. According to the Composite CPI, overall consumer prices rose by 0.7% in June 2021 over the same month a year earlier, smaller than the corresponding increase (1.0%) in May 2021. The smaller increase in the Composite CPI in June was mainly due to the Government's additional provision of electricity charges subsidy starting from June 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 June 2021 was 0.4%, larger than that in May 2021 (0.2%). The larger increase was mainly due to the enlarged increases in the costs for meals out and takeaway food as well as the smaller decreases in the prices of proprietary medicines and supplies.

On a seasonally adjusted basis, the average monthly rate of change in the Composite CPI for the three-month period ending June 2021 was 0.0%, and that for the three-month period ending May 2021 was 0.2%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of change were 0.1% and 0.2%.

Analysed by sub-index, the year-on-year rates of change in the CPI(A), CPI(B) and CPI(C) were 1.3%, 0.3% and 0.5% respectively in June 2021, as compared to 1.9%, 0.5% and 0.5% respectively in May 2021. Netting out the effects of all Government's one-off relief measures, the year-on-year rates of change in the CPI(A), CPI(B) and CPI(C) were 0.7%, 0.1% and 0.3% respectively in June 2021, as compared to 0.6%, -0.1% and 0.2% respectively in May 2021.

On a seasonally adjusted basis, for the three-month period ending June 2021, the average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were -0.1%, 0.0% and 0.1% respectively. The corresponding rates of change for the three-month period ending May 2021 were 0.3%, 0.2% and 0.2% 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 three-month period ending June 2021 were all 0.1%, and the corresponding rates of change for the three-month period ending May 2021 were all 0.2%.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in June 2021 for electricity, gas and water (17.0%); clothing and footwear (3.2%); transport (2.5%); meals out and takeaway food (1.2%); basic food (1.1%); durable goods (0.8%); miscellaneous services (0.6%) as well as alcoholic drinks and tobacco (0.3%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in June 2021 for miscellaneous goods (-2.9%) and housing (-0.7%).

For the first half of 2021 as a whole, the Composite CPI rose by 1.0%

over a year earlier. The respective rates of change in the CPI(A), CPI(B) and CPI(C) were 2.5%, 0.3% and 0.2% respectively. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 0.0%, 0.4%, -0.2% and 0.0% respectively.

In the second quarter of 2021, the Composite CPI rose by 0.8% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 1.6%, 0.4% and 0.4% respectively. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 0.3%, 0.6%, -0.1% and 0.2% respectively.

For the 12 months ending June 2021, the Composite CPI remained unchanged over a year earlier. The respective rates of change in the CPI(A), CPI(B) and CPI(C) were 0.0%, -0.1% and 0.0% respectively. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 0.2%, 0.6%, -0.1% and 0.0% respectively.

Commentary

A Government spokesman said that the underlying consumer price inflation rate edged up to 0.4% in June. Prices of meals out and takeaway food as well as clothing and footwear showed widened year-on-year increases as the local epidemic situation continued to stabilise, helping to support consumption demand. Meanwhile, pressures on other major CPI components remained modest.

Looking ahead, while inflationary pressures may increase further in the near term alongside the economic recovery and rising import prices, overall inflation should remain largely contained as the local economy is still operating below capacity. The Government will continue to monitor the situation closely.

Further information

The CPIs and year-on-year rates of change at section level for June 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 June 2021 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.

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. Concurrent with the new CPI series, the old 2014/15-based CPI series will continue to be compiled and published monthly until the reference month of December 2021.

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).