

Consumer Price Indices for March 2019

The Census and Statistics Department (C&SD) released today (April 23) the Consumer Price Index (CPI) figures for March 2019. According to the Composite CPI, overall consumer prices rose by 2.1% in March 2019 over the same month a year earlier, smaller than the average rate of increase in January and February 2019 (2.3%). The comparison to the average rate of increase in January and February is to neutralise the effect caused by different timing of the Lunar New Year between two years, which occurred in early February this year but in mid-February last year. 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 March 2019 was 2.6%, also smaller than the average rate of increase in January and February 2019 (2.8%), mainly due to the smaller increases in the charges for package tours and the larger decreases in the charges for information and communications services.

Comparing to February 2019, the year-on-year rate of increase in the Composite CPI in March 2019 was virtually unchanged. Netting out the effects of all Government's one-off relief measures, the year-on-year rate of increase in the Composite CPI in March 2019 also remained virtually unchanged as compared to February 2019.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the three-month period ending March 2019 was 0.2%, the same as that for the three-month period ending February 2019. 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 2.4%, 1.9% and 1.9% respectively in March 2019, as compared to the average rates of increase of 2.7%, 2.1% and 2.0% respectively in January and February 2019, and 2.6%, 1.9% and 1.8% respectively in February 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 3.0%, 2.4% and 2.3% respectively in March 2019, as compared to the average rates of increase of 3.3%, 2.7% and 2.4% respectively in January and February 2019, and 3.2%, 2.4% and 2.1% respectively in February 2019.

On a seasonally adjusted basis, for the three-month period ending March 2019, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.2%, 0.2% and 0.1% respectively, same as those for the three-month period ending February 2019. 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 three-month period ending March 2019 were 0.3%, 0.2% and 0.2% respectively, same as those rates of increase for the three-month period ending February 2019.

Amongst the various components of the Composite CPI, year-on-year

increases in prices were recorded in March 2019 for food (excluding meals bought away from home) (4.7%), housing (2.9%), alcoholic drinks and tobacco (2.5%), meals bought away from home (2.3%), miscellaneous goods (2.1%), transport (2.0%), miscellaneous services (1.1%) 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 March 2019 for electricity, gas and water (-5.4%) as well as durable goods (-2.4%).

In the first quarter of 2019, the Composite CPI rose by 2.2% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.6%, 2.1% and 2.0% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.7%, 3.2%, 2.6% and 2.4% respectively.

For the 12 months ending March 2019, the Composite CPI was on average 2.3% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.7%, 2.2% and 2.1% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.7%, 3.1%, 2.6% and 2.4% respectively.

Commentary

A Government spokesman said that the underlying inflation rate went down slightly to 2.6% in March, compared with the average of 2.8% in January and February. This was partly due to the late arrival of the Easter holidays (started in mid-April this year but in late March last year), which led to a smaller year-on-year increase in charges for package tours. Meanwhile, the year-on-year increase in the private housing rental component was largely steady in recent months.

Looking ahead, inflation will likely stay moderate in the near term. The consolidation of fresh-letting residential rentals earlier on should continue to have a mitigating effect in the period ahead. External price pressures have also shown some easing recently. The Government will continue to monitor the 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 March 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 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 March 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).