

Consumer Price Indices for March 2020

The Census and Statistics Department (C&SD) released today (April 23) the Consumer Price Index (CPI) figures for March 2020. According to the Composite CPI, overall consumer prices rose by 2.3% in March 2020 over the same month a year earlier, larger than the average rate of increase in January and February 2020 (1.8%). 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 late January this year but in early February last year. The larger increase in the Composite CPI in March compared to January and February combined 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. 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 2020 was 2.6%, smaller than the average rate of increase in January and February 2020 (3.1%). The smaller increase was mainly due to the smaller increases in the prices of pork.

The year-on-year rate of increase in the Composite CPI in March 2020 was 2.3%, larger than that in February 2020 (2.2%). 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 2020 was 2.6%, also larger than that in February 2020 (2.5%).

On a seasonally adjusted basis, the average monthly rate of change in the Composite CPI for the three-month period ending March 2020 was 0.0%, the same as that for the three-month period ending February 2020. Netting out the effects of all Government's one-off relief measures, the corresponding rates of increase were both 0.1%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 2.5%, 2.3% and 2.1% respectively in March 2020, as compared to the average rates of increase of 0.4%, 2.4% and 2.5% respectively in January and February 2020, and 2.7%, 2.1% and 1.8% respectively in February 2020. 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 3.1%, 2.5% and 2.1% respectively in March 2020, as compared to the average rates of increase of 3.7%, 2.9% and 2.6% respectively in January and February 2020, and 3.3%, 2.3% and 1.8% respectively in February 2020.

On a seasonally adjusted basis, for the three-month period ending March 2020, the average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were -0.1%, 0.0% and 0.0% respectively, same as those for the three-month period ending February 2020. 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 three-month period ending March 2020 were 0.2%, 0.1% and 0.1% respectively, same as those rates of increase for the three-month period ending February 2020.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in March 2020 for food (excluding meals bought away from home) (13.0%), miscellaneous goods (3.5%), housing (2.6%), meals bought away from home (1.6%), transport (1.1%) and miscellaneous services (1.1%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in March 2020 for electricity, gas and water (-16.1%); clothing and footwear (-4.0%); durable goods (-2.4%) as well as alcoholic drinks and tobacco (-0.6%).

In the first quarter of 2020, the Composite CPI rose by 2.0% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 1.1%, 2.4% and 2.4% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.9%, 3.5%, 2.7% and 2.4% respectively.

For the 12 months ending March 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 2.6% respectively.

Commentary

A Government spokesman said that the underlying consumer price inflation rate went down from 3.1% for January and February combined to 2.6% in March, as food inflation moderated slightly while price pressures on most other major CPI components showed varying degrees of easing.

Looking ahead, inflation should remain moderate in the near term. Domestic cost pressures have abated amid the austere local economic situation. External price pressures are expected to subside further in view of the global recession and the recent strengthening of the Hong Kong dollar along with the US dollar. 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 March 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 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 2020 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).