

Consumer Price Indices for May 2018

The Census and Statistics Department (C&SD) released today (June 21) the Consumer Price Index (CPI) figures for May 2018. According to the Composite CPI, overall consumer prices rose by 2.1% in May 2018 over the same month a year earlier, larger than the corresponding increase (1.9%) in April 2018. 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 May 2018 was 2.4%. This increase was larger than that in April 2018 (2.2%), mainly due to the enlarged increases in the charges for package tours and private housing rentals.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the three-month period from March to May 2018 was 0.1%, and that for the three-month period from February to April 2018 was 0.2%. Netting out the effects of all Government's one-off relief measures, the average monthly rate of increase in the Composite CPI for the three-month period from March to May 2018 was 0.2%, and that for the three-month period from February to April 2018 was 0.3%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 2.3%, 2.0% and 1.9% respectively in May 2018, as compared to 2.2%, 1.8% and 1.7% respectively in April 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 2.6%, 2.4% and 2.2% respectively in May 2018, as compared to 2.5%, 2.2% and 2.0% respectively in April 2018.

On a seasonally adjusted basis, for the three-month period from March to May 2018, the average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.1%, 0.1% and virtually nil respectively. The corresponding rates of change for the three-month period from February to April 2018 were 0.3%, 0.2% and 0.2%. 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 from March to May 2018 were 0.2%, 0.2% and 0.1% respectively, and the corresponding rates of increase for the three-month period from February to April 2018 were 0.4%, 0.4% and 0.3% respectively.

Amongst the various CPI components, year-on-year increases in prices were recorded in May 2018 for food (excluding meals bought away from home) (4.7% in the Composite CPI and 4.4% in the CPI(A)); electricity, gas and water (3.4% in the Composite CPI and 3.6% in the CPI(A)); meals bought away from home (3.0% in the Composite CPI and 3.1% in the CPI(A)); housing (2.0% in the Composite CPI and 2.2% in the CPI(A)); clothing and footwear (1.4% in the Composite CPI and 1.6% in the CPI(A)); miscellaneous services (1.4% in the Composite CPI and 0.9% in the CPI(A)); transport (1.2% in the Composite CPI and 1.1% in the CPI(A)); miscellaneous goods (1.1% in the Composite CPI and 1.8% in the CPI(A)) as well as alcoholic drinks and tobacco (0.2% in the Composite CPI and 0.3% in the CPI(A)).

On the other hand, year-on-year decrease in prices was recorded in May 2018 for durable goods (-2.3% in both the Composite CPI and CPI(A)).

Taking the first five months of 2018 together, the Composite CPI rose by 2.3% over a year earlier. The corresponding increases in the CPI(A), CPI(B) and CPI(C) were 2.5%, 2.2% and 2.2%. Netting out the effects of all Government's one-off relief measures, the Composite CPI, CPI(A), CPI(B) and CPI(C) rose by 2.4%, 2.6%, 2.3% and 2.3% respectively in the first five months of 2018 over a year earlier.

For the three months ended May 2018, the Composite CPI rose by 2.2% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.4%, 2.1% and 2.1% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.4%, 2.6%, 2.4% and 2.3% respectively.

For the 12 months ended May 2018, the Composite CPI was on average 2.0% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.2%, 1.8% and 1.9%. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.0%, 2.2%, 1.9% and 2.0% respectively.

Commentary

A Government spokesman said that consumer price inflation remained moderate in May, though picking up somewhat from the earlier part of the year amid favourable economic conditions.

The spokesman commented further that, looking forward, inflationary pressure will likely go up in the period ahead, in view of the robust economic conditions and continued feed-through of earlier rises in fresh-letting residential rentals. Nevertheless, inflation should stay within a moderate range for the year as a whole. 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 May 2018 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 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 May 2018 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 a detailed level (www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600001), the time series of CPIs at the 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.

â€‹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).