

Consumer Price Indices for November 2020

The Census and Statistics Department (C&SD) released today (December 21) the Consumer Price Index (CPI) figures for November 2020. According to the Composite CPI, overall consumer prices fell marginally by 0.2% in November 2020 over the same month a year earlier, same as the year-on-year decrease for October 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 November 2020 was 0.3%, marginally smaller than that in October 2020 (0.4%). The smaller increase in November was mainly due to the decreases in private housing rentals and the smaller increases in the prices of fresh vegetables.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the three-month period ending November 2020 was 0.2%, and that for the three-month period ending October 2020 was 0.9%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of increase were 0.2% and 0.3%.

Analysed by sub-index, the year-on-year rates of change in the CPI(A), CPI(B) and CPI(C) were 0.0%, -0.3% and -0.1% respectively in November 2020, as compared to -0.2%, -0.2% and -0.1% respectively in October 2020. 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 0.8%, 0.1% and 0.2% respectively in November 2020, as compared to 0.9%, 0.2% and 0.2% respectively in October 2020.

On a seasonally adjusted basis, for the three-month period ending November 2020, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.3%, 0.2% and 0.2% respectively. The corresponding rates of increase for the three-month period ending October 2020 were 2.2%, 0.4% and 0.2% respectively. 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 November 2020 were 0.4%, 0.2% and 0.2% respectively, remaining virtually unchanged as compared to the corresponding rates of increase for the three-month period ending October 2020.

Amongst the various components of the Composite CPI, year-on-year decreases in prices were recorded in November 2020 for electricity, gas and water (-21.6%); clothing and footwear (-5.5%); durable goods (-2.3%) and transport (-1.9%).

On the other hand, year-on-year increases in the components of the Composite CPI were recorded in November 2020 for food (excluding meals bought away from home) (2.8%), alcoholic drinks and tobacco (1.6%), miscellaneous goods (1.3%), meals bought away from home (1.0%), housing (0.5%) and miscellaneous services (0.1%).

Taking the first eleven months of 2020 together, the Composite CPI rose by 0.4% over a year earlier. The respective rates of change in the CPI(A), CPI(B) and CPI(C) were -0.5%, 0.8% and 0.9% respectively. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 1.4%, 1.9%, 1.3% and 1.1% respectively.

For the three months ending November 2020, the Composite CPI fell by 0.8% over a year earlier, while the corresponding rates of change in the CPI(A), CPI(B) and CPI(C) were -2.1%, -0.4% and -0.1% respectively. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 0.4%, 0.9%, 0.1% and 0.2% respectively.

For the 12 months ending November 2020, the Composite CPI was on average 0.6% higher than that in the preceding 12-month period. The corresponding rates of change in the CPI(A), CPI(B) and CPI(C) were -0.2%, 1.0% and 1.0% respectively. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 1.5%, 2.0%, 1.4% and 1.2% respectively.

Commentary

A Government spokesman said that the underlying consumer price inflation rate edged down to 0.3% in November. Private housing rentals turned to a modest year-on-year decline, while price pressures on other major CPI components remained mild amid subdued economic conditions.

Looking ahead, overall inflationary pressures are likely to stay very mild in the near term as global and local economic conditions remain clouded by the threat of COVID-19. The Government will continue to monitor the situation closely.

Further information

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

The current CPI series are compiled based on the expenditure patterns obtained from the 2014/15 Household Expenditure Survey (HES). The 2019/20 HES is being conducted to collect information for updating the expenditure weights of the CPI series and the new 2019/20-based CPI series will be available around mid-2021. As a result of the rebasing exercise, the year-on-year changes of the new 2019/20-based CPI series will be compiled from October 2020 onwards. The year-on-year changes compiled from the new 2019/20-based CPI series may be different from those compiled from the current 2014/15-based CPI series. The 2014/15-based CPI series will continue to be compiled and published 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).