

Consumer Price Indices for October 2021

The Census and Statistics Department (C&SD) released today (November 22) the Consumer Price Index (CPI) figures for October 2021. According to the Composite CPI, overall consumer prices rose by 1.7% in October 2021 over the same month a year earlier, larger than the corresponding increase (1.4%) in September 2021. The larger year-on-year rate of change in the Composite CPI in October was mainly attributable to the lowering of the ceiling of rates concession, from \$1,500 per quarter for each rateable tenement to \$1,000 starting from October 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 October 2021 was 1.1%, marginally larger than that in September 2021 (1.0%). The larger increase was mainly due to the enlarged increases in electricity charges as well as the prices of fresh vegetables.

On a seasonally adjusted basis, the average monthly rate of change in the Composite CPI for the three-month period ending October 2021 was 0.2%, and that for the three-month period ending September 2021 was -0.7%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of change 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 2.1%, 1.6% and 1.5% respectively in October 2021, as compared to 1.6%, 1.2% and 1.3% respectively in September 2021. 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 1.1%, 1.0% and 1.2% respectively in October 2021, as compared to 0.9%, 0.9% and 1.2% respectively in September 2021.

On a seasonally adjusted basis, for the three-month period ending October 2021, the average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.1%, 0.2% and 0.2% respectively. The corresponding rates of change for the three-month period ending September 2021 were -2.1%, -0.1% and 0.1% 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 October 2021 were 0.1%, 0.1% and 0.2% respectively, and the corresponding rates of increase for the three-month period ending September 2021 were all 0.1%.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in October 2021 for electricity, gas and water (28.1%); clothing and footwear (6.1%); transport (5.7%); meals out and takeaway food (2.5%); durable goods (2.0%); basic food (1.8%); miscellaneous services (0.9%) and alcoholic drinks and tobacco (0.7%).

On the other hand, year-on-year decreases in the components of the

Composite CPI were recorded in October 2021 for miscellaneous goods (-1.6%) and housing (-0.6%).

Taking the first 10 months of 2021 together, the Composite CPI rose by 1.5% over a year earlier. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.9%, 0.8% and 0.7% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 0.5%, 0.7%, 0.2% and 0.4% respectively.

For the three months ending October 2021, the Composite CPI rose by 1.6% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.0%, 1.3% and 1.4% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 1.1%, 1.1%, 1.0% and 1.2% respectively.

For the 12 months ending October 2021, the Composite CPI was on average 1.1% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.3%, 0.5% and 0.5% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 0.4%, 0.7%, 0.2% and 0.3% respectively.

Commentary

A Government spokesman said that the underlying consumer price inflation rate edged up to 1.1% in October from 1.0% in September. The prices of energy-related items and certain individual items in such major CPI components as clothing and footwear and transport saw more visible year-on-year increases, while price pressures on many other major components remained modest.

Looking ahead, inflation pressure may go up somewhat in the near term alongside the faster increase in import prices and the economic recovery. Yet, the underlying inflation should remain largely in check as domestic cost pressures are still tame. The Government will continue to monitor the situation closely.

Further information

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