

Consumer Price Indices for September 2018

The Census and Statistics Department (C&SD) released today (October 23) the Consumer Price Index (CPI) figures for September 2018. According to the Composite CPI, overall consumer prices rose by 2.7% in September 2018 over the same month a year earlier, larger than the corresponding increase (2.3%) in August 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 September 2018 was 3.1%. This increase was also larger than that in August 2018 (2.6%), mainly due to the increases in school fees and the upward adjustment in public housing rentals.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the 3-month period from July to September 2018 was 0.2%, the same as that for the 3-month period from June to August 2018. Netting out the effects of all Government's one-off relief measures, the average monthly rate of increase in the Composite CPI for the 3-month period from July to September 2018 was 0.2%, the same as that for the 3-month period from June to August 2018.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 3.3%, 2.5% and 2.4% respectively in September 2018, as compared to 2.5%, 2.2% and 2.0% respectively in August 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 3.6%, 2.9% and 2.7% respectively in September 2018, as compared to 2.8%, 2.6% and 2.3% respectively in August 2018.

On a seasonally adjusted basis, for the 3-month period from July to September 2018, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.3%, 0.1% and 0.1% respectively. The corresponding rates of increase for the 3-month period from June to August 2018 were 0.2%, 0.2% and 0.1% respectively. 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 3-month period from July to September 2018 were 0.3%, 0.1% and 0.1% respectively, and the corresponding rates of increase for the 3-month period from June to August 2018 were 0.2%, 0.2% and 0.1% respectively.

Amongst the various CPI components, year-on-year increases in prices were recorded in September 2018 for food (excluding meals bought away from home) (5.1% in both the Composite CPI and CPI(A)); electricity, gas and water (3.8% in the Composite CPI and 4.2% in the CPI(A)); housing (2.9% in the Composite CPI and 4.4% in the CPI(A)); miscellaneous services (2.9% in the Composite CPI and 1.7% in the CPI(A)); meals bought away from home (2.8% in both the Composite CPI and CPI(A)); clothing and footwear (2.5% in the Composite CPI and 3.1% in the CPI(A)); alcoholic drinks and tobacco (2.2% in the Composite CPI and 2.3% in the CPI(A)); miscellaneous goods (1.6% in the

Composite CPI and 2.0% in the CPI(A)) and transport (1.3% in the Composite CPI and 1.1% in the CPI(A)).

On the other hand, year-on-year decrease in prices was recorded in September 2018 for durable goods (-1.8% in the Composite CPI and -1.7% in the CPI(A)).

Taking the first 9 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 2.6%, 2.3% and 2.2% respectively. Netting out the effects of all Government's one-off relief measures, the Composite CPI, CPI(A), CPI(B) and CPI(C) rose by 2.5%, 2.8%, 2.5% and 2.4% respectively in the first 9 months of 2018 over a year earlier.

In the third quarter of 2018, the Composite CPI rose by 2.5% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.8%, 2.4% and 2.2% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.8%, 3.1%, 2.8% and 2.5% respectively.

For the 12 months ended September 2018, the Composite CPI was on average 2.2% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.3%, 2.1% and 2.1% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.3%, 2.5%, 2.3% and 2.2% respectively.

Commentary

A Government spokesman said that the underlying inflation rate went up to 3.1% in September, mainly on account of special factors including the upward adjustment in public housing rentals and increase in school fees as the effects of the government subsidy schemes introduced a year earlier dissipated.

Looking ahead, the inflation rate may still be subject to some mild upward pressure in the rest of the year, as local costs have increased along with the sustained economic expansion, and as the earlier rises in fresh-letting residential rentals would also continue to feed through. The Government will 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 September 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 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 3 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 September 2018 issue of the "Monthly Report on the Consumer Price Index"

(<http://www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=B1060001>), the time series of CPIs at detailed level

(<http://www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600001>), the time series of CPIs at COICOP division level

(<http://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

(<http://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).