

Consumer Price Indices for September 2020

The Census and Statistics Department (C&SD) released today (October 22) the Consumer Price Index (CPI) figures for September 2020. According to the Composite CPI, overall consumer prices fell by 2.2% in September 2020 over the same month a year earlier. The decrease was larger than the corresponding decrease (-0.4%) in August 2020, mainly due to the waiver of public housing rentals by Hong Kong Housing Authority in September 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 September 2020 was 0.5%, larger than that in August 2020 (0.1%). The larger increase in September was mainly due to the increases in the costs for meals bought away from home and the upward adjustment in public housing rentals.

On a seasonally adjusted basis, the average monthly rate of change in the Composite CPI for the three-month period ending September 2020 was -0.8%, and that for the three-month period ending August 2020 was -0.2%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of change were 0.0% and -0.2%.

Analysed by sub-index, the year-on-year rates of change in the CPI(A), CPI(B) and CPI(C) were -5.9%, -0.7% and 0.0% respectively in September 2020, as compared to -0.6%, -0.4% and -0.1% respectively in August 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 1.0%, 0.3% and 0.2% respectively in September 2020, as compared to 0.1%, 0.0% and 0.1% respectively in August 2020.

On a seasonally adjusted basis, for the three-month period ending September 2020, the average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were -2.0%, -0.3% and 0.0% respectively. The corresponding rates of change for the three-month period ending August 2020 were -0.2%, -0.3% and -0.2% respectively. Netting out the effects of all Government's one-off relief measures, the average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) for the three-month period ending September 2020 were 0.1%, -0.1% and 0.0% respectively, and the corresponding rates of change for the three-month period ending August 2020 were -0.2%, -0.3% and -0.2% respectively.

Amongst the various components of the Composite CPI, year-on-year decreases in prices were recorded in September 2020 for electricity, gas and water (-19.8%); clothing and footwear (-7.0%); housing (-5.3%); durable goods (-3.0%) and transport (-2.1%).

On the other hand, year-on-year increases in the components of the Composite CPI were recorded in September 2020 for food (excluding meals bought away from home) (3.1%), miscellaneous goods (1.9%), alcoholic drinks and tobacco (1.8%), meals bought away from home (0.6%) and miscellaneous

services (0.6%).

Taking the first nine months of 2020 together, the Composite CPI rose by 0.5% over a year earlier. The respective rates of change in the CPI(A), CPI(B) and CPI(C) were -0.5%, 1.0% and 1.1% respectively. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 1.7%, 2.1%, 1.5% and 1.3% respectively.

In the third quarter of 2020, the Composite CPI fell by 1.7% over a year earlier, while the corresponding rates of change in the CPI(A), CPI(B) and CPI(C) were -4.2%, -0.6% and -0.1% respectively. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 0.3%, 0.5%, 0.1% and 0.2% respectively.

For the 12 months ending September 2020, 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 0.4%, 1.5% and 1.5% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.0%, 2.5%, 1.9% and 1.6% respectively.

Commentary

A Government spokesman said that the enlarged year-on-year decline in headline consumer prices in September mainly reflected the waiver of public housing rentals for that month by the Hong Kong Housing Authority. Netting out the effects of the Government's one-off relief measures, the underlying consumer price inflation rate rose back to 0.5% in September. Prices of meals bought away from home resumed a year-on-year increase as the local epidemic situation stabilised in the month. Meanwhile, price pressures on other major CPI components remained tame.

Looking ahead, overall inflationary pressures should stay mild in the rest of the year as global and local economic conditions remain weak amid 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 September 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 September 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).