

Consumer Price Indices for September 2021

The Census and Statistics Department (C&SD) released today (October 22) the Consumer Price Index (CPI) figures for September 2021. According to the Composite CPI, overall consumer prices rose by 1.4% in September 2021 over the same month a year earlier, smaller than the corresponding increase (1.6%) in August 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 September 2021 was 1.0%, also smaller than that in August 2021 (1.2%), mainly due to dissipation of the effect of upward adjustment in public housing rentals in September 2020 as well as the smaller increases in the costs for meals out and takeaway food.

On a seasonally adjusted basis, the average monthly rate of change in the Composite CPI for the 3-month period ending September 2021 was -0.7%, and that for the 3-month period ending August 2021 was -0.1%. 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 1.6%, 1.2% and 1.3% respectively in September 2021, as compared to 2.2%, 1.3% and 1.4% respectively in August 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 0.9%, 0.9% and 1.2% respectively in September 2021, as compared to 1.5%, 1.0% and 1.2% respectively in August 2021.

On a seasonally adjusted basis, for the 3-month period ending September 2021, the average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were -2.1%, -0.1% and 0.1% respectively. The corresponding rates of change for the 3-month period ending August 2021 were -0.1%, -0.1% and 0.0% 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 3-month period ending September 2021 were all 0.1%, and the corresponding rates of change for the 3-month period ending August 2021 were 0.1%, 0.0% and 0.1% respectively.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in September 2021 for electricity, gas and water (23.6%); clothing and footwear (8.7%); transport (5.4%); meals out and takeaway food (2.8%); durable goods (2.2%); basic food (1.3%) and miscellaneous services (0.9%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in September 2021 for miscellaneous goods (-2.1%), housing (-1.4%) and alcoholic drinks and tobacco (-0.6%).

Taking the first 9 months of 2021 together, the Composite CPI rose by

1.4% over a year earlier. The respective increases in the CPI(A), CPI(B) and CPI(C) were 3.0%, 0.7% and 0.6% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 0.4%, 0.7%, 0.1% and 0.3% respectively.

In the third quarter of 2021, the Composite CPI rose by 2.3% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 4.0%, 1.4% and 1.3% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 1.1%, 1.2%, 0.9% and 1.1% respectively.

For the 12 months ending September 2021, the Composite CPI was on average 0.9% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.0%, 0.4% and 0.4% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 0.4%, 0.8%, 0.1% and 0.3% respectively.

Commentary

A Government spokesman said that the underlying consumer price inflation rate eased to 1.0% in September, as the effect of the upward adjustment in public housing rentals in the same month last year dissipated and the year-on-year increase in prices of meals out and takeaway food narrowed due to base effect. Meanwhile, pressures on many other CPI components remained modest, though prices of electricity and clothing and footwear posted accelerated increases amid surging energy cost and improved local consumption demand.

Looking ahead, while overall inflationary pressures will likely increase in the near term alongside the continued economic recovery and rising import prices, the underlying inflation should remain largely moderate in the rest of the year as the local economy is still operating below capacity. 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 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 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 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).