Consumer Price Indices for February 2019

The Census and Statistics Department (C&SD) released today (March 21) the Consumer Price Index (CPI) figures for February 2019. According to the Composite CPI, overall consumer prices rose by 2.1% in February 2019 over the same month a year earlier, smaller than the corresponding increase (2.4%) in January 2019. 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 February 2019 was 2.6%, smaller than that in January 2019 (3.0%), mainly due to the smaller increases in the costs for meals bought away from home and the charges for package tours.

It should be noted that consumer prices tend to show greater volatility in the first two months of a year due to the timing of the Lunar New Year. As the Lunar New Year fell in early February this year but in mid-February last year, the year-on-year comparison of the figures for January and February 2019 might have been affected by this factor to a certain extent. Taking the first 2 months of 2019 together to neutralise the effect of the Lunar New Year, the Composite CPI rose by 2.3% over a year earlier. Netting out the effect of all Government's one-off relief measures, the Composite CPI rose by 2.8% in the first 2 months of 2019 over a year earlier.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the 3-month period ending February 2019 was 0.2%, and that for the 3-month period ending January 2019 was 0.1%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of increase were both 0.2%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 2.6%, 1.9% and 1.8% respectively in February 2019, as compared to 2.8%, 2.3% and 2.3% respectively in January 2019. 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 3.2%, 2.4% and 2.1% respectively in February 2019, as compared to 3.3%, 2.9% and 2.6% respectively in January 2019.

Taking the first 2 months of 2019 together, the CPI(A), CPI(B) and CPI(C) rose by 2.7%, 2.1% and 2.0% respectively over a year earlier. Netting out the effects of all Government's one-off relief measures, the CPI(A), CPI(B) and CPI(C) rose by 3.3%, 2.7% and 2.4% respectively in the first 2 months of 2019 over a year earlier.

On a seasonally adjusted basis, for the 3-month period ending February 2019, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.2%, 0.2% and 0.1% respectively. The corresponding rates of change for the 3-month period ending January 2019 were virtually nil, 0.1% and 0.2% 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 ending February 2019 were 0.3%, 0.2% and 0.2% respectively, and the corresponding rates of increase for the 3-month period ending January 2019 were 0.1%, 0.2% and 0.2% respectively.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in February 2019 for food (excluding meals bought away from home) (4.9%), housing (3.0%), alcoholic drinks and tobacco (2.6%), meals bought away from home (2.0%), miscellaneous services (1.6%), miscellaneous goods (1.4%) and transport (1.4%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in February 2019 for electricity, gas and water (-4.7%); durable goods (-1.7%) as well as clothing and footwear (-1.5%).

For the 3 months ending February 2019, the Composite CPI rose by 2.4% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.8%, 2.2% and 2.1% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.8%, 3.3%, 2.7% and 2.5% respectively.

For the 12 months ending February 2019, the Composite CPI was on average 2.4% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.7%, 2.3% and 2.2% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.7%, 3.1%, 2.7% and 2.4% respectively.

Commentary

A Government spokesman said that underlying inflation was largely stable in recent months. Taking the first two months of 2019 together to neutralise the distortions by the timing of the Lunar New Year, the underlying inflation rate edged down to 2.8% from 2.9% in December 2018.

Looking ahead, the upside risks to inflation should remain contained. The earlier moderation in fresh-letting residential rentals could have a mitigating effect in the period ahead, and external price pressures have also stayed moderate recently. The Government will continue to monitor the inflation developments closely, particularly the impact on the lower-income people.

Further information

The CPIs and year-on-year rates of change at section level for February 2019 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 February 2019 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).

<u>Appeal for information on missing</u> <u>woman in Tseung Kwan O (with photo)</u>

Police today (March 21) appealed to the public for information on a woman who went missing in Tseung Kwan O.

Ho Kit-ching, aged 64, went missing after she left her residences on Chiu Shun Road yesterday (March 20) afternoon. Her family made a report to Police on the same day.

She is about 1.55 metres tall, 68 kilograms in weight and of fat build. She has a round face with yellow complexion and medium straight black hair. She was last seen wearing a black down jacket with white dots pattern, black trousers and black shoes.

Anyone who knows the whereabouts of the missing woman or may have seen her is urged to contact the Regional Missing Person Unit of Kowloon East on 3661 0316 or 9020 2746 or email to rmpu-ke-2@police.gov.hk, or contact any police station.



Senior appointments (with photos)

The Government announced today (March 21) the following senior appointments:

- (a) Ms Gracie Foo Siu-wai, former Director, Office of the Government of the Hong Kong Special Administrative Region (HKSAR) in Beijing, will take up the post of Director of Administration and Development of the Department of Justice on April 17, 2019, when Mr Alan Siu Yu-bun commences his pre-retirement leave; and
- (b) Ms Esther Leung Yuet-yin, Deputy Secretary for Transport and Housing (Housing) and Deputy Director of Housing (Strategy), will take up the post of Director of Administration on April 15, 2019, succeeding Ms Kitty Choi Kit-yu who will commence her pre-retirement leave on April 8, 2019.

Commenting on the appointments of Ms Foo and Ms Leung, the Secretary for the Civil Service, Mr Joshua Law, said, "The two appointees are seasoned Administrative Officers with proven leadership and management skills. I have every confidence that they will continue to serve the community with professionalism in their new capacities."

On the retirement of Ms Choi, Mr Law said, "Ms Choi has rendered over 32 years of loyal and dedicated service to the community of Hong Kong. During her tenure as Director of Administration, Ms Choi provided crucial support to the Chief Secretary for Administration. She played an instrumental role in co-ordinating the Government's business with the Legislative Council. With strong organisational skills and enthusiasm, she capably led the Protocol Division to facilitate close communication with the Consular Corps. She also dedicated her efforts to enhancing the records management of the Government.

I wish her a fulfilling and happy retirement."

Speaking on the retirement of Mr Siu, Mr Law said, "Mr Siu has served with zeal and commitment in the civil service over the past 36 years. As Director of Administration and Development of the Department of Justice, Mr Siu provided the Secretary for Justice with staunch support in formulating strategies for the launch of new policy initiatives. He capably managed the department's human and financial resources to ensure the effective delivery of its services. With dedication and strong management skills, he competently oversaw the relocation of the department to the former Central Government Offices. I wish him a fulfilling and happy retirement."

Brief biographical notes of the four officers are set out below:

Ms Kitty Choi Kit-yu

Ms Choi joined the Administrative Service in July 1986 and rose to the rank of Administrative Officer Staff Grade A in April 2014. She has served in various bureaux and departments, including the former City and New Territories Administration, the former Administrative Services and Information Branch, the former Chief Secretary's Office, the former Civil Service Branch, the former Industry Department, the Information Services Department, the former Transport Bureau, the Chief Secretary for Administration's Office and the Leisure and Cultural Services Department. She was Head of the former Efficiency Unit from April 2006 to August 2009 and Deputy Secretary for Food and Health (Food) from August 2009 to June 2012, and has been serving as Director of Administration since July 2012.

Ms Gracie Foo Siu-wai

Ms Foo joined the Administrative Service in July 1987 and rose to the rank of Administrative Officer Staff Grade A in April 2016. She has served in various bureaux and departments, including the former City and New Territories Administration, the former General Duties Branch, the former Civil Service Branch, the former New Airport Project Co-ordination Office, the Hong Kong Economic and Trade Office in Toronto, the former Finance Branch, the former Information Technology and Broadcasting Bureau, the former Office of the Telecommunications Authority and Radio Television Hong Kong. She was Deputy Secretary for Development (Planning and Lands) from February 2009 to September 2012, Deputy Secretary for Home Affairs from September 2012 to January 2015, and Director, Office of the Government of the HKSAR in Beijing from January 2015 to January 2019.

Mr Alan Siu Yu-bun

Mr Siu joined the Administrative Service in July 1986 and rose to the rank of Administrative Officer Staff Grade A in April 2017. He has served in various bureaux and departments, including the former City and New Territories Administration, the former Transport Branch, the former

Television and Entertainment Licensing Authority, the former Finance Branch, the former Information Technology and Broadcasting Bureau, the Leisure and Cultural Services Department and the Home Affairs Bureau. He was Deputy Secretary for Commerce and Economic Development (Communications and Technology) from July 2007 to October 2011 and Government Property Administrator from October 2011 to November 2015, and has been serving as Director of Administration and Development of the Department of Justice since November 2015.

Ms Esther Leung Yuet-yin

Ms Leung joined the Administrative Service in July 1989 and rose to the rank of Administrative Officer Staff Grade B1 in April 2013. She has served in various bureaux and departments, including the former Trade and Industry Branch, the former City and New Territories Administration, the former Education and Manpower Bureau, the Civil Service Bureau, the former Finance Bureau, the Home Affairs Bureau and the Education Bureau. She was Deputy Secretary for Financial Services and the Treasury (Treasury) from April 2012 to September 2016 and Private Secretary to the Chief Executive from October 2016 to June 2017, and has been serving as Deputy Secretary for Transport and Housing (Housing) and Deputy Director of Housing (Strategy) since August 2017.









Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Thursday, March 21, 2019 is 102.8 (down 0.4 against yesterday's index).

<u>Winning gardens on display at Hong</u> <u>Kong Flower Show (with photos)</u>

The Hong Kong Flower Show 2019 is currently running at Victoria Park. Apart from beautiful floral arrangements and mosaiculture works, the winning entries of the Leisure and Cultural Services Department (LCSD)'s Oriental Style Garden Plot Competition and Western Style Garden Plot Competition are also being displayed at the showground.

Yau Tsim Mong District's "Back to Nature" and Southern District's "Flower's Wishes" have won the Oriental Style Garden Plot Competition and the Western Style Garden Plot Competition respectively. "Flower's Wishes" is also the winner of the Environmental Award for a Western Style Garden Plot while the winner of the Environmental Award for an Oriental Style Garden Plot is Island District's "Bali, the Island of Happiness". All entries in the Garden Plot Competitions were designed by staff of the LCSD's District Leisure Services Offices.

The theme of "Back to Nature" is simple living, which means taking from nature, using for the benefit of nature, and giving back to nature. The garden features an immense biodiversity of plant species that can be found in the tropical rainforest: towering trees, gorgeous flowers, hardy ferns, pervasive lianas, and more. The plentiful supply of sunlight and rainfall provides a perfect stage on which individual plants thrive and synergise with each other.

The design of "Flower's Wishes" is to bring together different forms, textures and elements to create a cheerful Western-style garden with garlands of blooming flowers. The garden is adorned with various kinds of shrubs to showcase the flowers in their best light. In addition, naturally shaped stepping stones, a small pond and an ornamental fence also create a relaxing and joyful ambience for visitors.

The Hong Kong Flower Show has launched public voting for "The most popular garden plot in 18-district competition" and "The garden plot with best local characteristics in 18-district competition", and members of the public can vote via QR codes on-site or vote online.

The flower show is running until this Sunday (March 24) from 9am to 9pm daily. Some 420 000 flowering plants are on display. A rich diversity of educational and recreational fringe activities is also being held for the enjoyment of visitors of all ages.

For enquiries, please call 2601 8260 or visit the flower show webpage www.hkflowershow.hk/en/hkfs/2019/index.html.

The flower show is organised by the LCSD. The Hong Kong Jockey Club Charities Trust is supporting the flower show for the seventh consecutive year and has been the show's Major Sponsor since 2014.









