

# Consumer Price Indices for August 2020

The Census and Statistics Department (C&SD) released today (September 21) the Consumer Price Index (CPI) figures for August 2020. According to the Composite CPI, overall consumer prices fell by 0.4% in August 2020 over the same month a year earlier. The decrease was smaller than the corresponding decrease (-2.3%) in July 2020, as effect of the Government's payment of public housing rentals and waiver of two-thirds of rent for tenants of Group B estates by Hong Kong Housing Society in July dissipated in August. 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 August 2020 was 0.1%, slightly smaller than that in July 2020 (0.2%). The smaller increase in August was mainly due to the smaller increases in the prices of pork and private housing rentals.

On a seasonally adjusted basis, the average monthly rate of decrease in the Composite CPI for the three-month period ending August 2020 was 0.2%, and that for the three-month period ending July 2020 was 1.0%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of decrease were 0.2% and 0.3%.

Analysed by sub-index, the year-on-year rates of change in the CPI(A), CPI(B) and CPI(C) were -0.6%, -0.4% and -0.1% respectively in August 2020, as compared to -6.0%, -0.7% and -0.1% respectively in July 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 0.1%, 0.0% and 0.1% respectively in August 2020, as compared to 0.4%, 0.2% and 0.1% respectively in July 2020.

On a seasonally adjusted basis, for the three-month period ending August 2020, the average monthly rates of decrease in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.2%, 0.3% and 0.2% respectively. The corresponding rates of decrease for the three-month period ending July 2020 were 2.2%, 0.5% and 0.3% respectively. Netting out the effects of all Government's one-off relief measures, the average monthly rates of decrease in the seasonally adjusted CPI(A), CPI(B) and CPI(C) for the three-month period ending August 2020 were 0.2%, 0.3% and 0.2% respectively, and the corresponding rates of decrease for the three-month period ending July 2020 were 0.3%, 0.4% and 0.3% respectively.

Amongst the various components of the Composite CPI, year-on-year decreases in prices were recorded in August 2020 for electricity, gas and water (-19.3%); clothing and footwear (-7.6%); durable goods (-4.2%); transport (-2.4%) and meals bought away from home (-1.3%).

On the other hand, year-on-year increases in the components of the Composite CPI were recorded in August 2020 for food (excluding meals bought away from home) (3.5%), miscellaneous goods (2.9%), alcoholic drinks and tobacco (1.4%), miscellaneous services (0.7%) and housing (0.6%).

Taking the first eight months of 2020 together, the Composite CPI rose by 0.9% over a year earlier. The respective increases in the CPI(A), CPI(B) and CPI(C) were 0.1%, 1.3% and 1.3% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 1.8%, 2.2%, 1.7% and 1.5% respectively.

For the three months ending August 2020, the Composite CPI fell by 0.7% over a year earlier, while the corresponding rates of change in the CPI(A), CPI(B) and CPI(C) were -2.0%, -0.1% and 0.2%. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 0.5%, 0.6%, 0.4% and 0.5% respectively.

For the 12 months ending August 2020, the Composite CPI was on average 1.6% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 1.2%, 1.8% and 1.8% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.2%, 2.7%, 2.1% and 1.9% respectively.

#### Commentary

A Government spokesman said that the underlying consumer price inflation rate edged down further to 0.1% in August as economic conditions remained weak amid the third wave of local epidemic. Prices of meals bought away from home saw a slightly larger year-on-year decline, while price pressures on many other major CPI components receded further.

Looking ahead, price pressures on both external and domestic fronts should remain tame in the rest of year amid subdued global and local economic conditions. The Government will continue to monitor the situation closely.

#### Further information

The CPIs and year-on-year rates of change at section level for August 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 August 2020 issue of the "Monthly Report on the Consumer Price Index"

([www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=B1060001](http://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](http://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](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  
([www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600003](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](mailto:cpi@censtatd.gov.hk)).