

Consumer Price Indices for July 2019

The Census and Statistics Department (C&SD) released today (August 20) the Consumer Price Index (CPI) figures for July 2019. According to the Composite CPI, overall consumer prices rose by 3.3% in July 2019 over the same month a year earlier, remaining virtually unchanged as compared to June 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 July 2019 also remained virtually unchanged at 3.2% as compared to June 2019.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the three-month period ending July 2019 was 0.3%, and that for the three-month period ending June 2019 was 0.5%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of increase were 0.3% and 0.4%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 3.9%, 3.1% and 2.8% respectively in July 2019, as compared to 3.9%, 3.0% and 2.9% respectively in June 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 4.0%, 3.0% and 2.7% respectively in July 2019, as compared to 4.0%, 2.9% and 2.8% respectively in June 2019.

On a seasonally adjusted basis, for the three-month period ending July 2019, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 0.5%, 0.3% and 0.2% respectively. The corresponding rates of increase for the three-month period ending June 2019 were 0.6%, 0.5% and 0.4% 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 three-month period ending July 2019 were 0.5%, 0.3% and 0.2% respectively, and the corresponding rates of increase for the three-month period ending June 2019 were 0.6%, 0.4% and 0.3% respectively.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in July 2019 for food (excluding meals bought away from home) (12.8%), housing (4.0%), miscellaneous goods (2.7%), alcoholic drinks and tobacco (2.4%), meals bought away from home (2.2%), transport (1.9%) and miscellaneous services (1.4%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in July 2019 for electricity, gas and water (-5.9%); clothing and footwear (-2.0%) as well as durable goods (-1.2%).

Taking the first seven months of 2019 together, the Composite CPI rose by 2.7% over a year earlier. The respective increases in the CPI(A), CPI(B) and CPI(C) were 3.1%, 2.5% and 2.5% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures

were 2.9%, 3.4%, 2.7% and 2.5% respectively.

For the three months ending July 2019, the Composite CPI rose by 3.1% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 3.6%, 2.9% and 2.8% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 3.1%, 3.7%, 2.8% and 2.6% respectively.

For the 12 months ending July 2019, the Composite CPI was on average 2.6% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 3.1%, 2.5% and 2.4% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.9%, 3.4%, 2.8% and 2.5% respectively.

Commentary

A Government spokesman said that the underlying consumer price inflation rate held stable at 3.2% in July. While pork prices showed an enlarged increase amid disruptions to the supply of fresh pork, the effect was offset by the narrower increase in charges for package tours. Price pressures on other major consumer price index components stayed largely moderate.

Looking ahead, overall price pressures should remain largely contained in the near term amid the earlier easing in fresh-letting residential rentals, modest global inflation and subdued local economic conditions. Yet, the inflation rate in the next few months will hinge on the supply situation and thus prices of fresh pork. The Government will continue to monitor the inflation 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 July 2019 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 July 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).