

# Consumer Price Indices for May 2020

The Census and Statistics Department (C&SD) released today (June 22) the Consumer Price Index (CPI) figures for May 2020. According to the Composite CPI, overall consumer prices rose by 1.5% in May 2020 over the same month a year earlier, smaller than the corresponding increase (1.9%) in April 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 May 2020 was 1.9%, smaller than that in April 2020 (2.3%). The smaller increase in May was mainly due to the smaller increases in the prices of pork and fresh vegetables, as well as private housing rentals.

On a seasonally adjusted basis, the average monthly rate of change in the Composite CPI for the three-month period ending May 2020 was 0.0%, and the corresponding rate of change for the three-month period ending April 2020 was 0.6%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of change were 0.0% and -0.1%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 1.7%, 1.5% and 1.2% respectively in May 2020, as compared to 2.3%, 1.9% and 1.5% respectively in April 2020. 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 2.5%, 1.9% and 1.4% respectively in May 2020, as compared to 3.0%, 2.3% and 1.7% respectively in April 2020.

On a seasonally adjusted basis, for the three-month period ending May 2020, the average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were -0.1%, 0.0% and 0.0% respectively. The corresponding rates of change for the three-month period ending April 2020 were 1.8%, 0.1% and -0.1% 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 May 2020 were -0.1%, 0.0% and 0.0% respectively, and the corresponding rates of change for the three-month period ending April 2020 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 May 2020 for food (excluding meals bought away from home) (11.0%), miscellaneous goods (2.9%), housing (1.6%), meals bought away from home (1.4%), miscellaneous services (0.7%) and transport (0.6%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in May 2020 for electricity, gas and water (-19.4%); clothing and footwear (-5.4%) as well as durable goods (-2.8%).

As for alcoholic drinks and tobacco, the Composite CPI remained unchanged over a year earlier.

Taking the first five months of 2020 together, the Composite CPI rose by 1.8% over a year earlier. The respective increases in the CPI(A), CPI(B) and CPI(C) were 1.5%, 2.1% and 2.0% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.6%, 3.2%, 2.5% and 2.1% respectively.

For the three months ending May 2020, the Composite CPI rose by 1.9% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.2%, 1.9% and 1.6% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.3%, 2.9%, 2.2% and 1.8% respectively.

For the 12 months ending May 2020, 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 2.7%, 2.6% and 2.5% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.9%, 3.5%, 2.8% and 2.4% respectively.

#### Commentary

A Government spokesman said that the underlying consumer price inflation rate went down further to 1.9% in May. Prices of basic foodstuffs showed a narrower year-on-year increase as the impact of the surge in pork prices which started in May last year began to wane. Price pressures on many other major CPI components also receded.

Looking ahead, inflation should continue to ease in the near term, as both external and domestic price pressures are expected to abate further amid subdued economic conditions, and food inflation is set to recede visibly against a high base of comparison. 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 May 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 May 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)).