

Consumer Price Indices for October 2019

The Census and Statistics Department (C&SD) released today (November 21) the Consumer Price Index (CPI) figures for October 2019. According to the Composite CPI, overall consumer prices rose by 3.1% in October 2019 over the same month a year earlier, slightly smaller than the corresponding increase (3.2%) in September 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 October 2019 was also 3.1%, slightly smaller than that in September 2019 (3.2%). The smaller increase in October was mainly due to the smaller increases in private housing rentals and prices of fresh fruit.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the three-month period ending October 2019 was 0.2%, the same as that for the three-month period ending September 2019. 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 3.5%, 3.1% and 2.9% respectively in October 2019, as compared to 3.5%, 3.1% and 3.0% respectively in September 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 3.6%, 3.0% and 2.8% respectively in October 2019, as compared to 3.6%, 3.0% and 2.9% respectively in September 2019.

On a seasonally adjusted basis, for the three-month period ending October 2019, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were all 0.2%, same as those for the three-month period ending September 2019. 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 October 2019 were all 0.2%, same as those rates of increase for the three-month period ending September 2019.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in October 2019 for food (excluding meals bought away from home) (13.3%), miscellaneous goods (3.4%), housing (3.1%), miscellaneous services (2.6%), meals bought away from home (2.1%) and transport (2.1%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in October 2019 for electricity, gas and water (-5.8%); clothing and footwear (-3.5%); durable goods (-1.7%) as well as alcoholic drinks and tobacco (-0.6%).

Taking the first 10 months of 2019 together, the Composite CPI rose by

2.9% over a year earlier. The respective increases in the CPI(A), CPI(B) and CPI(C) were 3.3%, 2.7% and 2.6% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 3.0%, 3.5%, 2.8% and 2.6% respectively.

For the three months ending October 2019, the Composite CPI rose by 3.3% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 3.7%, 3.1% and 3.0% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 3.3%, 3.8%, 3.0% and 2.9% respectively.

For the 12 months ending October 2019, the Composite CPI was on average 2.8% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 3.2%, 2.6% and 2.6% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 3.0%, 3.5%, 2.8% and 2.6% respectively.

Commentary

A Government spokesman said that the underlying consumer price inflation rate in October, at 3.1%, was marginally lower than in September. Price pressures on most major CPI components were largely moderate but food inflation remained high due to elevated pork prices.

Looking ahead, modest global inflation and subdued economic conditions should help contain overall inflation. Yet, inflation may stay somewhat elevated in the near term given the supply situation 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 October 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 October 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).

[Details of organisation allowed to conduct exit poll available on website](#)

Details of the organisation approved to conduct the exit poll on the polling day of the 2019 District Council Ordinary Election were uploaded to the election website (www.elections.gov.hk) today (November 21). The information will also be displayed at relevant polling stations on the polling day.

The Registration and Electoral Office (REO) received an application from the Hong Kong Research Association before deadline to conduct the exit poll and has approved the organisation to conduct the exit poll at designated polling stations.

"To forestall public perception of unfairness, an organisation approved to conduct the exit poll is subject to the preconditions that it does not have members contesting in any constituency covered by the exit poll, has not publicly expressed support and will not publicly express support for any candidate in any constituency covered by the exit poll, and will not assign members of any body which has members contesting in any constituency covered by the exit poll or members of any body which has publicly expressed support for candidates contesting in any constituency covered by the exit poll to conduct the exit poll," a spokesman for the REO said.

"The organisation is required to make a statutory declaration not to announce the results of the exit poll before the close of the poll. In particular, it should not release the results to any candidate contesting in any constituency covered by the exit poll, any person or organisation which has publicly expressed support for any candidate contesting in any constituency covered by the exit poll, or any organisation with a member or members contesting in any constituency covered by the exit poll.

"In addition, it should not make specific remarks or predictions on the performance of any individual candidate before the close of the poll as this may affect electors' voting intentions and have an impact on election

results," the spokesman added.

"All approved exit poll interviewers are required to wear an identification badge showing clearly the identity of the organisation conducting the poll and the name of the interviewer during the conduct of the exit poll. Also, it should not speak to or communicate with the candidates or their agents there," he said.

"Interviews are not allowed inside polling stations. It is an elector's right to keep their votes secret and electors' participation in the exit poll is wholly voluntary," he stressed.

The REO reminded the public that the Government has not commissioned any person or organisation to conduct the exit poll.

For enquiries, please call the election hotline on 2891 1001.

Mainland and Hong Kong Economic and Trade Co-operation Committee convenes second meeting

Co-chaired by the Financial Secretary, Mr Paul Chan, and the Vice Minister of Commerce, Mr Wang Bingnan, the Mainland and Hong Kong Economic and Trade Co-operation Committee convened its second meeting in Hong Kong today (November 21). The Committee reviewed the work commenced after the first meeting and explored the way forward for economic and trade collaboration between the two places.

Various issues including making amendments to and implementing the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), advancing Hong Kong's participation in the Belt and Road Initiative, jointly promoting the development of the Guangdong-Hong Kong-Macao Greater Bay Area, supporting Hong Kong in regional economic co-operation and strengthening bilateral trade and economic exchanges were discussed at the meeting.

"Trade and economic ties between the Mainland and Hong Kong have been on the rise since the reform and opening up of the Mainland. The Mainland and Hong Kong Economic and Trade Co-operation Committee is one the most important platforms for promoting bilateral co-operation in this area. We will continue to make good use of this platform to foster closer economic and trade co-operation with the Mainland," Mr Chan said.

The Mainland and Hong Kong Belt and Road Task Group under the Committee, co-chaired by Mr Wang and the Secretary for Commerce and Economic

Development, Mr Edward Yau, also held its meeting today.

Mr Yau underlined that the Government of the Hong Kong Special Administrative Region attaches great importance to the pursuit of the Belt and Road Initiative. As set out by the Chief Executive in her Policy Address delivered last month, the Government will capitalise on the opportunities brought about by the Initiative to create new growth areas for Hong Kong's economy and open up more markets for its enterprises and professional services. Hong Kong enterprises will be supported to set up businesses in the Mainland's overseas Economic and Trade Co-operation Zones (ETCZs). He said he was confident that the Belt and Road efforts will bear fruit with the support of the Central Authorities and the Ministry of Commerce.

The Task Group agreed at the meeting to further promote trade and economic co-operation under the Belt and Road Initiative, including exploring and implementing possible policy measures, and trying out measures to facilitate business matching and collaboration between Hong Kong enterprises and selected ETCZs. Both sides also agreed to support and participate in the Belt and Road Joint Conference Policy Exchanges and Capacity Building Programme, and roll out collaboration on capacity building and human resources development. Missions to Belt and Road-related countries and regions, comprising Mainland and Hong Kong enterprises and professionals, will continue to be organised in conjunction with the Ministry of Commerce to encourage "going global" en bloc. The Mainland authorities will also support Hong Kong in staging the fifth Belt and Road Summit next September and other business matching and information sharing activities as well as project partnerships.

The Chief Executive, Mrs Carrie Lam, witnessed the signing of the Agreement Concerning Amendment to the CEPA Agreement on Trade in Services (Amendment Agreement) by Mr Chan and Mr Wang after the Committee meeting.

The Amendment Agreement will help sustain the first-mover advantage of Hong Kong's trades in establishing footholds in the Mainland market. It also ensures that Hong Kong service suppliers will continue to enjoy the most preferential treatment and most favourable conditions for development in the Mainland, thus enabling them to reach broader and deeper into the Mainland market at a lower cost for participation in the development of the Mainland, and to contribute to the development of the Greater Bay Area.

Details of the Amendment Agreement and the latest information of CEPA can be found in the press release and website of the Trade and Industry Department at (www.tid.gov.hk/english/cepa/index.html).

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Thursday, November 21, 2019 is 106.4 (up 0.1 against yesterday's index).

Three illegal workers jailed

Three Vietnamese illegal workers were jailed by Shatin Magistrates' Courts yesterday (November 20).

During operation "Fastrack" conducted on September 16, Immigration Department (ImmD) investigators raided a massage shop in Causeway Bay. A female Vietnamese illegal worker, aged 36, was arrested while working as a masseuse. Upon identity checking, she produced for inspection a recognisance form issued by the ImmD, which prohibits her from taking employment. Further investigation revealed that she was a non-refoulement claimant. An employer suspected of employing the illegal worker was arrested and the investigation is ongoing.

In addition, during an anti-illegal worker operation conducted on November 18, ImmD investigators raided a restaurant in Tuen Mun. A female Vietnamese illegal worker, aged 39, was arrested while working as a dish-washing worker. Upon identity checking, she produced for inspection a recognisance form issued by the ImmD, which prohibits her from taking employment. Further investigation revealed that she was a non-refoulement claimant. An employer suspected of employing the illegal worker was also arrested and the investigation is ongoing.

Furthermore, during operation "Twilight" conducted on November 18, ImmD investigators raided a restaurant in Kwun Tong. A female Vietnamese illegal worker, aged 42, was arrested while working as a dish-washing worker. An employer suspected of employing the illegal worker was also arrested and the investigation is ongoing.

The three illegal workers were charged at Shatin Magistrates' Courts yesterday with taking employment after landing in Hong Kong unlawfully and remaining in Hong Kong without the authority of the Director of Immigration or while being a person in respect of whom a removal order or deportation order was in force. Among them, two of the illegal workers pleaded guilty to the charge and were sentenced to 15 months' imprisonment while the other one was convicted and sentenced to 22 months and 2 weeks' imprisonment after trial.

The ImmD spokesman warned that, as stipulated in section 38AA of the Immigration Ordinance, illegal immigrants or people who are the subject of a

removal order or a deportation order are prohibited from taking any employment, whether paid or unpaid, or establishing or joining in any business. Offenders are liable upon conviction to a maximum fine of \$50,000 and up to three years' imprisonment. The Court of Appeal has issued a guideline ruling that a sentence of 15 months' imprisonment should be applied in such cases.

The spokesman reiterated that it is a serious offence to employ people who are not lawfully employable. The maximum penalty is imprisonment for three years and a fine of \$350,000. The High Court has laid down sentencing guidelines that the employer of an illegal worker should be given an immediate custodial sentence. According to the court sentencing, employers must take all practicable steps to determine whether a person is lawfully employable prior to employment. Apart from inspecting a prospective employee's identity card, the employer has the explicit duty to make enquiries regarding the person and ensure that the answers would not cast any reasonable doubt concerning the lawful employability of the person. The court will not accept failure to do so as a defence in proceedings. It is also an offence if an employer fails to inspect the job seeker's valid travel document if the job seeker does not have a Hong Kong permanent identity card. The maximum penalty for failing to inspect such a document is imprisonment for one year and a fine of \$150,000.

Under the existing mechanism, the ImmD will, as a standard procedure, conduct initial screening on vulnerable persons, including illegal workers, illegal immigrants, sex workers and foreign domestic helpers, who are arrested during any operation, with a view to ascertaining whether they are trafficking in persons (TIP) victims. When any TIP indicator is revealed in the initial screening, the officers will conduct a full debriefing and identification by using a standardised checklist to ascertain the presence of TIP elements, such as threat and coercion in the recruitment phase and the nature of exploitation. Identified TIP victims will be provided with various forms of support and assistance, including urgent intervention, medical services, counselling, shelter, temporary accommodation and other supporting services. The ImmD calls on TIP victims to report crimes to the relevant departments.