

Consumer Price Indices for December 2020

The Census and Statistics Department (C&SD) released today (January 21) the Consumer Price Index (CPI) figures for December 2020. According to the Composite CPI, overall consumer prices fell by 0.7% in December 2020 over the same month a year earlier. The decrease was larger than the corresponding decrease in November 2020 (-0.2%), mainly due to a larger amount of Government's provision of electricity charges subsidy in December 2020. Netting out the effects of all Government's one-off relief measures, the year-on-year rate of change in the Composite CPI (i.e. the underlying inflation rate) in December 2020 was 0.0%, smaller than that in November 2020 (0.3%). The smaller year-on-year rate of change in December was mainly due to the smaller increases in the costs for meals bought away from home and the enlarged decreases in private housing rentals.

On a seasonally adjusted basis, the average monthly rate of change in the Composite CPI for the 3-month period ending December 2020 was 0.6%, and that for the 3-month period ending November 2020 was 0.2%. Netting out the effects of all Government's one-off relief measures, the corresponding rates of change were -0.1% and 0.2%.

Analysed by sub-index, the year-on-year rates of change in the CPI(A), CPI(B) and CPI(C) were -0.7%, -0.9% and -0.5% respectively in December 2020, as compared to 0.0%, -0.3% and -0.1% respectively in November 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 0.4%, -0.3% and -0.1% respectively in December 2020, as compared to 0.8%, 0.1% and 0.2% respectively in November 2020.

On a seasonally adjusted basis, for the 3-month period ending December 2020, the average monthly rates of change in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were 1.9%, 0.0% and -0.1% respectively. The corresponding rates of change for the 3-month period ending November 2020 were 0.3%, 0.2% and 0.2% 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 3-month period ending December 2020 were -0.1%, -0.1% and 0.0% respectively, and the corresponding rates of change for the 3-month period ending November 2020 were 0.4%, 0.2% and 0.2% respectively.

Amongst the various components of the Composite CPI, year-on-year decreases in prices were recorded in December 2020 for electricity, gas and water (-30.0%); clothing and footwear (-5.9%); durable goods (-2.6%); transport (-2.1%) and miscellaneous services (-0.1%).

On the other hand, year-on-year increases in the components of the Composite CPI were recorded in December 2020 for food (excluding meals bought away from home) (2.2%), alcoholic drinks and tobacco (1.7%), miscellaneous

goods (1.4%) and housing (0.3%).

As for meals bought away from home, the Composite CPI remained unchanged over a year earlier.

In the fourth quarter of 2020, the Composite CPI fell by 0.3% over a year earlier. The respective rates of change in the CPI(A), CPI(B) and CPI(C) were -0.3%, -0.5% and -0.2% respectively. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 0.2%, 0.7%, -0.1% and 0.1%.

For 2020 as a whole, the Composite CPI was 0.3% higher than that in the preceding year. The corresponding rates of change in the CPI(A), CPI(B) and CPI(C) were -0.5%, 0.7% and 0.8% respectively. The corresponding rates of change after netting out the effects of all Government's one-off relief measures were 1.3%, 1.7%, 1.1% and 1.0% respectively.

Commentary

A Government spokesman said that the underlying consumer price inflation rate eased to virtually zero in December 2020. Prices of meals bought away from home softened visibly in the month amid the fourth wave of local epidemic and the resultant social distancing measures. Meanwhile, the year-on-year decline in private housing rentals widened slightly, and price pressures on many other major CPI components receded further. For 2020 as a whole, the underlying consumer price inflation rate averaged 1.3%.

Looking ahead, overall price pressures should remain very mild in the near term as global and local economic conditions are still challenging amid the continued threat of COVID-19. The Government will continue to monitor the situation closely.

Further information

The CPIs and year-on-year rates of change at section level for December 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 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 December 2020 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) at the website of the C&SD.

The current CPI series are compiled based on the expenditure patterns obtained from the 2014/15 Household Expenditure Survey (HES). The 2019/20 HES is being conducted to collect information for updating the expenditure weights of the CPI series and the new 2019/20-based CPI series will be available around mid-2021. As a result of the rebasing exercise, the year-on-year changes of the new 2019/20-based CPI series will be compiled from October 2020 onwards. The year-on-year changes compiled from the new 2019/20-based CPI series may be different from those compiled from the current 2014/15-based CPI series. The 2014/15-based CPI series will continue to be compiled and published until the reference month of December 2021.

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).

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Thursday, January 21, 2021 is 100.4 (down 0.2 against yesterday's index).

Services of Smart Identity Card Replacement Centres remain suspended

In view of the situation of the novel coronavirus infection, the services of the nine Smart Identity Card Replacement Centres (SIDCCs) have been suspended since December 2, 2020, until further notice.

The current groups for replacement of identity cards are Hong Kong residents born in 1962 to 1963, and in 1970 to 1972, with specified periods of replacement ending on January 30 and April 30, 2021, respectively. Due to the epidemic, the Immigration Department is planning to extend the application period of replacement of identity cards for persons born in 1962 to 1963. Details will be announced later.

Members of the public who have previously made an appointment for replacement of new smart identity cards may proceed to the SIDCCs after service resumption, and need not make another appointment. Members of the public who cannot collect their new identity cards within the collection period shown on their Notice of Collection may also proceed to the SIDCCs to collect their new identity cards after service resumption.

For the latest information or details of the Territory-wide Identity Card Replacement Exercise, please check the latest press release, or visit www.smartid.gov.hk or call the enquiry hotline 3521 6565 during working hours.

Import of poultry meat and products from four municipalities in Sweden suspended

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department announced today (January 21) that in view of notifications from the World Organisation for Animal Health (OIE) and the Swedish authorities about an outbreak of highly pathogenic H5N5 avian influenza in the Municipality of Mönsterås in Kalmar County in Sweden, the CFS has instructed the trade to suspend the import of poultry meat and products (including poultry eggs) from the Municipality of Mönsterås and the adjacent Municipality of Högsby in Kalmar County and the Municipalities of Svedala and Trelleborg in Skåne County with immediate effect to protect public health in Hong Kong.

A CFS spokesman said that according to the Census and Statistics Department, in the first nine months of last year, Hong Kong imported about 1,150 tonnes of frozen poultry meat from Sweden.

"The CFS has contacted the Swedish authorities over the issue and will closely monitor information issued by the OIE and the relevant authorities on the avian influenza outbreaks. Appropriate action will be taken in response to the development of the situation," the spokesman said.

FEHD conducts joint operation in Tsim Sha Tsui and takes stringent enforcement actions relating to anti-epidemic regulations

The Food and Environmental Hygiene Department (FEHD) conducted joint operations with the Police in the vicinity of Tsim Sha Tsui in the afternoon and at night yesterday (January 20) and inspected 13 catering premises. During the operations, the FEHD initiated procedures on prosecution against one catering business operator suspected of breaching the requirements and directions under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F) (the Regulation) relating to distancing or partitioning between tables at Chungking Mansions in the afternoon. The FEHD also acted on complaints at night and inspected three catering premises which were alleged to have been providing dine-in services after 6pm and found that the premises were not in operation.

An FEHD spokesman said, "According to the current directions issued by the Secretary for Food and Health in relation to social distancing measures in the catering business under the Regulation, catering business operators must strictly comply with a series of requirements and restrictions, which include requirements that a person responsible for carrying on a catering business must cease selling or supplying food or drink for consumption on the premises of the business from 6pm to 4.59am of the subsequent day; the number of people participating in a banquet in a catering premises is limited to 20; no more than two persons may be seated together at one table within any catering premises; the total number of customers allowed in catering premises must not exceed 50 per cent of the normal seating capacity; no live performance and dancing is allowed; a mask must be worn within the premises except when the person is consuming food or drink at a table therein; tables must be arranged in a way to ensure there is a distance of at least 1.5 metres or provide some form of partition which could serve as an effective buffer between one table and another table; body temperature screening must be conducted before the person is allowed to enter the catering premises and hand sanitisers must be provided. In addition, a person responsible for carrying on a catering business must display the poster containing the 'LeaveHomeSafe' venue QR code at the entrance of the premises or at a conspicuous location."

If a person responsible for carrying on a catering business or scheduled premises contravenes the regulations under the Regulation, he or she is liable to prosecution and, upon conviction, to a maximum fine of \$50,000 and imprisonment for six months.

Customers in breach of the requirement on no more than two persons per table within catering premises are liable to a fixed penalty of \$5,000 for violating the Prevention and Control of Disease (Prohibition on Group

Gathering) Regulation (Cap. 599G). Moreover, customers not wearing a mask when they are not eating or drinking at a table therein or they are not eating or drinking otherwise are liable to a fixed penalty of \$5,000 for contravening the Prevention and Control of Disease (Wearing of Mask) Regulation (Cap. 599I).

The spokesman stressed that the FEHD will continue to step up enforcement action and publicity efforts and conduct joint operations with the Police to take stringent enforcement actions against offenders to ensure compliance of relevant regulations. He reminded operators concerned and the public to exercise self-discipline and co-operate to fight the virus together.