

Business expectations for third quarter of 2019

The Census and Statistics Department (C&SD) released today (July 19) the results of the Quarterly Business Tendency Survey for the third quarter (Q3) of 2019.

Business situation

For all surveyed sectors taken together, the proportion of respondents expecting their business situation to be worse (17%) in Q3 2019 over Q2 2019 is higher than that expecting it to be better (9%).

When compared with the results of the Q2 2019 survey round, the proportion of respondents expecting a worse business situation in Q3 2019 as compared with the preceding quarter has increased to 17%, against the corresponding proportion of 13% in Q2 2019.

Analysed by sector, respondents in all of the surveyed sectors, except for information and communications sector, expect their business situation to be worse on balance in Q3 2019 as compared with Q2 2019. In particular, more respondents in the retail; accommodation and food services; and real estate sectors expect their business situation to be worse in Q3 2019 as compared with Q2 2019, relative to those expecting a better business situation.

A Government spokesman cautioned that the results of the survey should be interpreted with care. He said, "In this type of survey on expectations, the views collected in the survey are affected by the events in the community occurring around the time of enumeration, and it is difficult to establish precisely the extent to which respondents' perception of the future accords with the underlying trends." The enumeration period for this survey round was from June 4, 2019 to July 12, 2019.

Volume of business/output

Respondents in quite a number of the surveyed sectors expect their volume of business/output to decrease on balance in Q3 2019 as compared with Q2 2019. In particular, more respondents in the retail sector expect their volume of sales to decrease, as compared to those expecting it to increase. On the other hand, more respondents in the information and communications sector expect their volume of business to increase, as compared to those expecting it to decrease.

Employment

Respondents in quite a number of the surveyed sectors expect their employment to increase on balance in Q3 2019 as compared with Q2 2019. More respondents in the accommodation and food services; and construction sectors

expect their employment to increase in Q3 2019 over Q2 2019. On the other hand, slightly more respondents in the import/export trade and wholesale sector expect their employment to decrease, as compared to those expecting it to increase.

Selling price/service charge

Respondents in quite a number of the surveyed sectors expect their selling prices/service charges to go down on balance in Q3 2019 as compared with Q2 2019. However, slightly more respondents in the transportation, storage and courier sector expect their service charges to go up, as compared to those expecting a decrease in service charges.

Further information

The survey gathers views on short-term business performance from the senior management of about 560 prominent establishments in various sectors in Hong Kong with a view to providing a quick reference, with minimum time lag, for predicting the short-term future economic performance of the local economy.

The survey covers 10 major sectors in Hong Kong, namely manufacturing; construction; import/export trade and wholesale; retail; accommodation and food services (mainly covering services rendered by hotels and restaurants); transportation, storage and courier services; information and communications; financing and insurance; real estate; and professional and business services sectors.

Views collected in the survey refer only to those of respondents on their own establishments rather than those on the respective sectors they are engaged in, and are limited to the expected direction of quarter-to-quarter change (e.g. "up", "same" or "down") but not the magnitude of change. In collecting views on the quarter-to-quarter changes, if the variable in question is subject to seasonal variations, respondents are asked to provide the expected changes after excluding the normal seasonal variations.

Survey results are generally presented as "net balance", i.e. the difference between the percentage of respondents choosing "up" and that choosing "down". The percentage distribution of respondents among various response categories (e.g. "up", "same" and "down") reflects how varied their business expectations are. The "net balance", with its appropriate sign, indicates the direction of expected change in the variable concerned. A positive sign indicates a likely upward trend while a negative sign indicates a likely downward trend. However, the magnitude of the "net balance" reflects only the prevalence of optimism or pessimism, but not the magnitude of expected change, since information relating to such magnitude is not collected in the survey.

Furthermore, owing to sample size constraint, care should be taken in interpreting survey results involving a small percentage (e.g. less than 10%) of respondents in individual sectors.

Chart 1 shows the views on expected changes in business situation for the period Q3 2018 to Q3 2019.

Table 1 shows the net balances of views on expectations in respect of different variables for Q3 2019.

The survey results are published in greater detail in the "Report on Quarterly Business Tendency Survey, Q3 2019". Users can download the publication free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp300.jsp?productCode=B1110008).

Users who have enquiries about the survey results may contact the Business Expectation Statistics Section of the C&SD (Tel: 3903 7263 or email: business-prospects@censtatd.gov.hk).

Employer fined \$160,000 for late payment of wages

Eastside Holdings Limited was prosecuted by the Labour Department (LD) for failing to pay eight employees' wages, totalling about \$332,000, within seven days after the expiry of the wage period as required by the Employment Ordinance (EO). The employer was fined \$160,000 after pleading guilty at Shatin Magistrates' Courts today (July 19).

"The ruling helps disseminate a strong message to all employers that they have to pay wages to employees within the time limit stipulated in the EO," an LD spokesman said.

"The LD will not tolerate these offences and will spare no effort in enforcing the law and safeguarding employees' statutory rights," the spokesman added.

Fraudulent website related to United Overseas Bank Ltd

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by United Overseas Bank Ltd on fraudulent website, which has been reported to the HKMA. Hyperlink to the press release

is available on [the HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the website concerned or has conducted any financial transactions through the website should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and Technology Crime Bureau of the Hong Kong Police Force at 2860 5012.

Draft URA Queen's Road West/In Ku Lane Development Scheme Plan approved

The Chief Executive in Council has approved the draft Urban Renewal Authority (URA) Queen's Road West/In Ku Lane Development Scheme Plan (DSP).

"The approved DSP provides a statutory land use planning framework to guide the implementation of the URA Queen's Road West/In Ku Lane Development Scheme," a spokesman for the Town Planning Board said today (July 19).

The Development Scheme Area covers a total area of 2 046 square metres. The Area comprises a row of tenement buildings, the In Ku Lane refuse collection point and public toilet, a five-a-side soccer pitch (being part of the Li Sing Street Playground), government lanes and a pavement area. The Area is broadly bounded by the Ko Shing Building and In Ku Lane to the north, Kam Yu Mansion and Largos Residences to the east, Queen's Road West to the south and No. 153 Queen's Road West and the Li Sing Street Playground to the west.

The area is zoned "Residential (Group A)23", which was primarily intended for high-density residential development with a government refuse collection point and public toilet, a neighbourhood elderly centre sub-base and a public open space. Commercial uses are always permitted on the lowest three floors of a building or in the purpose-designed non-residential portion of an existing building. The maximum building height of the area is restricted to 130 metres above Principal Datum or the height of the existing building, whichever is the greater.

The approved DSP No. S/H3/URA3/2 is now available for public inspection during office hours at the Secretariat of the Town Planning Board, the Planning Enquiry Counters, the Hong Kong District Planning Office and the Central and Western Home Affairs Enquiry Centre.

Copies of the approved plan are available for sale at the Map Publications Centres in North Point and Yau Ma Tei. The electronic version of the plan can be viewed at the Town Planning Board's website (www.info.gov.hk/tpb).

26th batch of applications approved under Pilot Green Transport Fund

The Environmental Protection Department (EPD) today (July 19) announced its approval of the 26th batch of applications for the trials of green innovative transport technologies under the Pilot Green Transport Fund.

The 20 newly approved applications are for the trials of 27 electric light goods vehicles and one hybrid light goods vehicle involving a total subsidy of about \$5.5 million. The applications were from:

- Cheung Mao Kee Electrical Company Limited
- China Wealth Hong Kong Machine Limited
- Chun Tat Motor Limited
- Dream's Transportation Company
- Fish Marketing Organization
- Frans Trading Enterprises Company Limited
- Garment Express Limited
- Hong Kong Airlines Limited
- Kamwai Tyre Service Limited
- Kau Kee Hong Kong Limited
- Koon Hing Engineering Co
- New Method Cleaning Services Limited
- Nice Global Logistics Limited
- Real Best Limited
- SATS HK Limited
- Sendon Electrical Service
- Shun Hing Electric Service Centre Limited
- Sunshine Trading Company
- Teamway Decoration and Engineering Limited
- 668 Car

The latest approval brings the total number of trials being pursued under the Fund to 168 for testing 114 electric light goods vehicles, 21 single-deck electric buses, three electric light buses, three electric taxis, one electric medium goods vehicle (tractor), 49 hybrid light goods vehicles, 28 hybrid medium goods vehicles, 11 hybrid public light buses, two single-deck hybrid buses, one solar air-conditioning system for a bus, four electric inverter air conditioning systems for buses, three diesel-electric propulsion systems for ferries and one seawater scrubber for a ferry, amounting to a total subsidy of about \$147 million.

At present, 114 approvals under the Fund are already on trial. Seventy-seven of them have completed the trials, involving 47 electric light goods

vehicles, eight single-deck electric buses, three electric taxis, two electric light buses, 28 hybrid light goods vehicles, 18 hybrid medium goods vehicles, five hybrid public light buses, one solar air-conditioning system for a bus, four electric inverter air-conditioning systems for buses, one diesel-electric propulsion system for a ferry and one seawater scrubber for a ferry. The EPD will continue to upload the interim and final reports once completed to the Fund's website for public information.

The Government put in place the \$300 million Fund in March 2011 to subsidise the testing of green innovative transport technologies. The Fund is open for applications from public transport operators, charitable and non-profit-making organisations providing services to clients, and goods vehicle operators. The technologies for trial include alternative-fuelled vehicles, conversion of in-use conventional vehicles to alternative-fuelled vehicles, and after-treatment emission reduction devices or fuel-saving devices related to transport activities. Transport operators may apply for the Fund to try out different green innovative products subject to a maximum subsidy of \$9 million for each application and \$12 million in total.

For more information on the Fund and the approved applications, please visit the EPD website (www.epd.gov.hk) or call the enquiry hotline on 2824 0022.