

Hong Kong's Gross National Income and external primary income flows for first quarter of 2019

The Census and Statistics Department (C&SD) released today (June 17) the preliminary statistics on Hong Kong's Gross National Income (GNI) and related figures for the first quarter of 2019.

Hong Kong's GNI, which denotes the total income earned by Hong Kong residents from engaging in various economic activities, increased by 3.7% in the first quarter of 2019 over a year earlier to \$737.0 billion at current market prices. The Gross Domestic Product (GDP), estimated at \$714.0 billion at current market prices in the same quarter, recorded a 4.0% increase over the same period. The value of GNI was larger than GDP by \$23.0 billion in the first quarter of 2019, which was equivalent to 3.2% of GDP in that quarter, mainly attributable to a net inflow of investment income.

After netting out the effect of price changes over the same period, Hong Kong's GNI increased by 1.2% in real terms in the first quarter of 2019 over a year earlier. The corresponding GDP in the same quarter increased by 0.6% in real terms.

Hong Kong's total inflow of primary income, which mainly comprises investment income, estimated at \$369.2 billion in the first quarter of 2019 and equivalent to 51.7% of GDP in that quarter, recorded an increase of 5.6% over a year earlier. Meanwhile, total primary income outflow, estimated at \$346.2 billion in the first quarter of 2019 and equivalent to 48.5% of GDP in that quarter, also increased by 6.4% over a year earlier.

As for the major components of investment income inflow, direct investment income (DII) increased by 2.1% over a year earlier, mainly due to the increase in earnings of some prominent local enterprises from their direct investment abroad. Portfolio investment income (PII) recorded an increase of 1.3% over a year earlier, mainly attributable to the increase in interest income received by resident investors from their holdings of non-resident short-term debt securities, partly offset by the decrease in dividend income received by resident investors from their holdings of non-resident equity securities.

Regarding the major components of investment income outflow, DII increased by 3.0% over a year earlier, mainly due to the increase in earnings of some prominent multinational enterprises from their direct investment in Hong Kong. PII increased significantly by 20.3%, mainly attributable to the increase in interest payout to non-resident investors from their holdings of resident long-term debt securities and the increase in dividend payout to non-resident investors from their holdings of resident equity securities.

Analysed by country/territory, the mainland of China continued to be the

largest source of Hong Kong's total primary income inflow in the first quarter of 2019, accounting for 36.1%. This was followed by the British Virgin Islands (BVI), with a share of 22.8%. Regarding total primary income outflow, the BVI and the mainland of China remained the most important destinations in the first quarter of 2019, accounting for 26.2% and 26.0% respectively.

Further Information

GDP and GNI are closely related indicators for measuring economic performance. GDP is a measure of the total value of production of all resident producing units of an economy. GNI denotes the total income earned by residents of an economy from engaging in various economic activities, irrespective of whether the economic activities are carried out within the economic territory of the economy or outside.

Figures of primary income inflow and outflow presented above are compiled based on data obtained from the Survey of External Claims, Liabilities and Income conducted quarterly by the C&SD, supplemented by data from other sources.

Figures of GNI and primary income flows analysed by income component from the second quarter of 2017 to the first quarter of 2019 are presented in Table A, while selected major country/territory breakdowns of primary income inflow and outflow for the same quarters are presented in Tables B(1) and B(2) respectively.

Statistics on GDP and GNI from 2017 onwards and primary income flows from 2018 onwards are subject to revision when more data become available.

Enquiries about GNI and related statistics may be directed to the Balance of Payments Branch (2) of the C&SD at 3903 7054.

Final report on accident of Robinson R22 Beta II helicopter published

The investigation team of the Air Accident Investigation Authority (AAIA) today (June 17) published the final report (1/2019) on the investigation into an aircraft accident that occurred at Shek Kong Airfield on October 23, 2016, involving a Robinson R22 Beta II helicopter (registration mark B-HJU) operated by a flying instructor of the Hong Kong Aviation Club.

The accident occurred when the instructor, based on traffic considerations, landed the helicopter on a grass strip which runs parallel to the runway. When the traffic was clear, the instructor attempted to lift off

again to continue to hover-taxi but the fronts of both skids were entangled with the grass. The helicopter subsequently rolled over forward and rested on its left side. The engine stopped on impact. The helicopter sustained substantial damage. The instructor suffered some minor injuries while a student pilot onboard was not injured. The occurrence was classified as an accident according to the criteria of the International Civil Aviation Organization (ICAO).

"The investigation report was published by the AAIA with the objective of identifying the circumstances and causes of the accident with a view to preventing recurrence," an AAIA spokesperson said.

The investigation was conducted by a team of professional investigators in strict adherence to international standards established by the ICAO. The investigation identified that the probable cause of the accident was a dynamic rollover caused by an uncontrollable angular momentum that was created by the instructor's attempt to lift off with the fronts of both the helicopter's skids entangled with long grass. The investigation team made two safety recommendations, mainly suggesting enhanced pilot awareness on dynamic rollover and the management of the grass area at the Shek Kong Airfield, which is used for takeoff and landing by helicopters.

Throughout the investigation, all parties concerned were properly consulted on the report. The report is available for download at the AAIA webpage (www.thb.gov.hk/aaia/eng/investigation_reports/index.htm).

Ministry of Finance issues Renminbi Sovereign Bonds through Central Moneymarkets Unit of Hong Kong Monetary Authority

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

The Ministry of Finance will issue Renminbi Sovereign Bonds through the Central Moneymarkets Unit of the Hong Kong Monetary Authority (HKMA). Attached are the tender notice and the tender information memorandum of the Renminbi Sovereign Bonds to be issued by the Ministry of Finance. Tender-related information provided by the Issuing and Lodging Agent through the HKMA is also attached.

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Monday, June 17, 2019 is 105.6 (same as last Saturday's index).

The effective exchange rate index for the Hong Kong dollar on Saturday, June 15, 2019 was 105.6 (up 0.1 against last Friday's index).

Lifesaving services at Cafeteria New Beach and Cafeteria Old Beach resume

Attention TV/radio announcers:

Please broadcast the following as soon as possible and repeat it at regular intervals:

Here is an item of interest to swimmers.

The Leisure and Cultural Services Department has announced that the lifesaving services at Cafeteria New Beach and Cafeteria Old Beach in Tuen Mun District resumed today (June 17). The lifesaving services at these beaches were suspended earlier due to an insufficient number of lifeguards on duty.