

External merchandise trade statistics for February 2019

The Census and Statistics Department (C&SD) released today (March 26) the external merchandise trade statistics for February 2019. In February 2019, the values of Hong Kong's total exports and imports of goods both recorded year-on-year decreases, at 6.9% and 3.8% respectively.

As the trade flows in January and February of each year tend to show considerable volatilities due to difference in timing of the Lunar New Year holidays, it is useful to analyse the trade figures for these two months taken together.

Taking January and February as a whole to neutralise the distortion caused by the difference in timing of the Lunar New Year holidays, the value of total exports of goods decreased by 3.1% over the same period in 2018. Concurrently, the value of imports of goods decreased by 5.0%. A visible trade deficit of \$59.4 billion, equivalent to 9.3% of the value of imports of goods, was recorded in the first two months of 2019.

In February 2019, the value of total exports of goods decreased by 6.9% over a year earlier to \$228.7 billion, after a year-on-year decrease of 0.4% in January 2019. Concurrently, the value of imports of goods decreased by 3.8% over a year earlier to \$277.5 billion in February 2019, after a year-on-year decrease of 6.0% in January 2019. A visible trade deficit of \$48.8 billion, equivalent to 17.6% of the value of imports of goods, was recorded in February 2019.

Comparing the three-month period ending February 2019 with the preceding three months on a seasonally adjusted basis, the value of total exports of goods decreased by 7.8%. Meanwhile, the value of imports of goods decreased by 8.6%.

Analysis by country/territory

Comparing February 2019 with February 2018, total exports to Asia as a whole went down by 7.8%. In this region, decreases were registered in the values of total exports to some major destinations, in particular India (-41.2%), Taiwan (-26.5%), Japan (-19.7%) and the mainland of China (the Mainland) (-5.3%). On the other hand, increases were recorded in the values of total exports to Malaysia (+14.3%), Vietnam (+12.2%) and Singapore (+11.1%).

Apart from destinations in Asia, decreases were registered in the values of total exports to some major destinations in other regions, in particular the USA (-20.5%) and Germany (-15.0%). Concurrently, an increase was registered in the value of total exports to the United Kingdom (+30.7%).

Over the same period of comparison, decreases were registered in the

values of imports from some major suppliers, in particular Korea (-23.4%), Thailand (-15.4%), Malaysia (-12.1%), Switzerland (-11.3%) and the Mainland (-10.2%). Concurrently, increases were recorded in the values of imports from Singapore (+16.8%) and the USA (+14.9%).

For the first two months of 2019 as a whole, year-on-year decreases were registered in the values of total exports to some major destinations, in particular India (-37.4%), Taiwan (-21.9%), the USA (-12.4%), Germany (-7.6%), Japan (-6.9%) and the Mainland (-4.5%). However, a year-on-year increase was registered in the value of total exports to Singapore (+14.7%).

Over the same period of comparison, year-on-year decreases were registered in the values of imports from most major suppliers, in particular Korea (-30.4%), India (-14.8%), Switzerland (-14.5%), Taiwan (-10.0%), Thailand (-9.3%), Malaysia (-6.5%) and the Mainland (-4.9%). On the other hand, a year-on-year increase was registered in the value of imports from Singapore (+7.0%).

Analysis by major commodity

Comparing February 2019 with February 2018, decreases were registered in the values of total exports of some principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$7.2 billion or -8.0%), "office machines and automatic data processing machines" (by \$3.7 billion or -13.7%) and "miscellaneous manufactured articles (mainly jewellery, goldsmiths' and silversmiths' wares)" (by \$1.9 billion or -13.0%). However, an increase was registered in the value of total exports of "telecommunications and sound recording and reproducing apparatus and equipment" (by \$1.7 billion or 3.8%).

Over the same period of comparison, decreases were registered in the values of imports of some principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$7.9 billion or -7.5%), "office machines and automatic data processing machines" (by \$3.1 billion or -12.7%) and "articles of apparel and clothing accessories" (by \$1.3 billion or -21.6%). However, an increase was registered in the value of imports of "non-metallic mineral manufactures" (by \$1.6 billion or 8.3%).

For the first two months of 2019 as a whole, year-on-year decreases were registered in the values of total exports of some principal commodity divisions, in particular "office machines and automatic data processing machines" (by \$6.8 billion or -10.3%), "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$5.4 billion or -2.5%) and "non-metallic mineral manufactures" (by \$5.0 billion or -18.3%). However, a year-on-year increase was registered in the value of total exports of "telecommunications and sound recording and reproducing apparatus and equipment" (by \$3.4 billion or 3.3%).

Over the same period of comparison, year-on-year decreases were registered in the values of imports of most principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical

parts thereof" (by \$22.7 billion or -9.4%), "office machines and automatic data processing machines" (by \$3.0 billion or -5.4%) and "non-metallic mineral manufactures" (by \$2.0 billion or -5.6%). However, a year-on-year increase was registered in the value of imports of "power generating machinery and equipment" (by \$1.8 billion or 15.8%).

Commentary

A Government spokesman said that, similar to the situations in many other Asian economies, Hong Kong's merchandise exports remained weak in early 2019, dampened by easing global economic growth and the US-Mainland trade tensions. Taking the first two months of 2019 together to remove the effect from the difference in timing of the Lunar New Year holidays, the value of merchandise exports decreased by 3.1% over a year earlier.

In the near term, the external trading environment is likely to remain challenging. While the US-Mainland trade negotiations have reportedly entered the final stage, there are still uncertainties about whether and when the two sides will reach a final agreement. Other external developments, including global growth moderation and Brexit, also warrant attention. The Government will remain vigilant.

Further information

Table 1 at the annex presents the analysis of external merchandise trade statistics for February 2019. Table 2 presents the original monthly trade statistics from January 2016 to February 2019, and Table 3 gives the seasonally adjusted series for the same period.

The values of total exports of goods to 10 main destinations for February 2019 are shown in Table 4, whereas the values of imports of goods from 10 main suppliers are given in Table 5.

Tables 6 and 7 show the values of total exports and imports of 10 principal commodity divisions for February 2019.

All the merchandise trade statistics described here are measured at current prices and no account has been taken of changes in prices between the periods of comparison. A separate analysis of the volume and price movements of external merchandise trade for February 2019 will be released in mid-April 2019.

The February 2019 issue of "Hong Kong External Merchandise Trade" contains detailed analysis on the performance of Hong Kong's external merchandise trade in February 2019 and will be available in mid-April 2019. Users can download the publication free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp230.jsp).

Enquiries on merchandise trade statistics may be directed to the Trade Analysis Section (2) of the C&SD (Tel: 2582 5042).

Release of interim report of CoI into Construction Works at and near Hung Hom Station Extension under Shatin to Central Link Project

The following is issued on behalf of the Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension under the Shatin to Central Link Project:

The Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension under the Shatin to Central Link Project submitted its interim report to the Chief Executive on February 25, 2019, on its findings and recommendations on matters covered by its original terms of reference.

The Commission notes that today (March 26) the Government has published the interim report in redacted form on the GovHK website (www.gov.hk/en/theme/coi-hh/).

At the invitation of the Government, the redacted interim report has been uploaded to the Commission's website (www.coi-hh.gov.hk/eng/).

Following the Chief Executive in Council's earlier approval for an expansion of its terms of reference on February 19, 2019, the Commission will endeavour to accomplish its tasks within the given time frame.

Release of Interim Report of Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension under the Shatin to Central Link Project

The Chief Executive, Mrs Carrie Lam, received on February 25 the Interim Report submitted by the Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension under the Shatin to Central Link

Project (the Commission). The Government released today (March 26) the Interim Report in redacted form.

In commenting on the release of the Interim Report, Mrs Lam again expressed her deep appreciation to the Chairman and Commissioner of the Commission, Mr Michael Hartmann, and the Commissioner of the Commission, Professor Peter Hansford, for their dedicated work.

"I have personally studied the Commission's Interim Report. The Commission's determinations have understandably assuaged our concern during the past few months about the structural safety of the relevant construction works. Nevertheless, as the Commission has pointed out, the entire episode has not yet drawn to a close. There are a number of ongoing collateral investigations. Moreover, there remain extensive public concerns. We consider it appropriate to exercise particular caution. I have therefore accepted the advice of the Secretary for Transport and Housing and his professional colleagues, including the advice of the Expert Adviser Team comprising three retired senior government officers, that the MTR Corporation Limited should continue to implement its proposed Holistic Assessment Strategy for the Hung Hom Station Extension, with a view to completing it as expeditiously as possible," Mrs Lam said.

The Government's redaction of parts of the Interim Report is based on legal consideration to avoid any prejudice (actual or perceived) to any ongoing criminal investigations and any potential prosecutions of any criminal offences in the future (if so decided to be justified after the relevant investigations). The Government understands that the public would like to see the Interim Report in full, and the redactions to the Interim Report have been kept to a minimum as permitted by law. The Government will release the Interim Report in full after the relevant criminal investigations and criminal prosecutions (if any) have been concluded. This is to safeguard the fairness of the criminal justice system, in accordance with the public interest.

The Interim Report in redacted form has been uploaded to the GovHK website (www.gov.hk/en/theme/coi-hh/).

Task Force on Professional Development of Teachers submits report to EDB

The Task Force on Professional Development of Teachers submitted its report to the Education Bureau (EDB) today (March 26).

The Task Force has reviewed the current state of play regarding teachers' professional development. After extensive consultation with

stakeholders, an in-depth study and much deliberation over the past year or so, the Task Force has made a total of 18 recommendations, which include the establishment of a Professional Ladder for Teachers to be further steered by the Committee on Professional Development of Teachers and Principals (COTAP), implementation of the "all-graduate teaching force" policy, enhancement of the manpower arrangements for senior teachers and vice-principals, enhancement of the ranking arrangements of vice-principals and principals of primary schools and principals of secondary schools, and establishment of commendation schemes at multiple levels to acknowledge teachers with outstanding performance. Of them, the Government, having regard to the views of the Task Force, has earlier undertaken to implement the all-graduate teaching force policy in public sector primary and secondary schools in one go in the 2019/20 school year.

The Chairman of the Task Force, Dr Carrie Willis said, "The Task Force envisages that establishing the Professional Ladder for Teachers in Hong Kong will deepen the positive impact of the policies on teachers' professional development that have been implemented so far, open up new directions for promoting the professional growth and development of teachers, enhance public recognition of the teaching profession and raise its professional status."

She added that the Task Force recommended a series of multi-faceted strategies aimed at supporting the establishment of the Professional Ladder for Teachers, which she believed would vigorously steer those in the teaching profession towards continuously renewing their professional knowledge and skills, upholding their professional values and conduct and scaling up their professional capacity and management effectiveness, and ultimately provide students with a quality education to better prepare them for the challenges and opportunities of the 21st century.

Having received the report, the Secretary for Education, Mr Kevin Yeung said, "Since it was set up in November 2017, the Task Force has actively engaged different stakeholders in thoroughly reviewing the professional development of teachers in Hong Kong. The report has far-reaching influence on the promotion of professional development of our teachers and enhancement of their professionalism and professional status. I deeply thank the Chairman, Dr Carrie Willis, and all the members of the Task Force, for their hard work and contribution to the review. The Education Bureau will study the report carefully and put the feasible recommendations into practice."

The full review report can be viewed on the EDB's website (www.edb.gov.hk/en/teacher/report-tftpd/index.html).

Exchange Fund Bills Tender Results

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

Exchange Fund Bills Tender Results

Tender date	: March 26, 2019
Paper on offer	: EF Bills
Issue number	: Q1913
Issue date	: March 27, 2019
Maturity date	: June 26, 2019
Amount applied	: HK\$102,050 MN
Amount allotted	: HK\$43,056 MN
Average yield accepted	: 1.60 PCT
Highest yield accepted	: 1.62 PCT
Pro rata ratio	: About 56 PCT
Average tender yield	: 1.65 PCT

Tender date	: March 26, 2019
Paper on offer	: EF Bills
Issue number	: H1942
Issue date	: March 27, 2019
Maturity date	: September 25, 2019
Amount applied	: HK\$47,980 MN
Amount allotted	: HK\$11,000 MN
Average yield accepted	: 1.56 PCT
Highest yield accepted	: 1.59 PCT
Pro rata ratio	: About 19 PCT
Average tender yield	: 1.68 PCT

Hong Kong Monetary Authority tenders to be held in the week beginning April 1:

Tender date	: April 2, 2019
Paper on offer	: EF Bills
Issue number	: Q1914
Issue date	: April 3, 2019
Maturity date	: July 3, 2019
Tenor	: 91 Days
Amount on offer	: HK\$56,252 MN

Tender date	: April 2, 2019
Paper on offer	: EF Bills
Issue number	: H1943
Issue date	: April 3, 2019
Maturity date	: October 2, 2019

Tenor	: 182 Days
Amount on offer	: HK\$15,000 MN