

# Hong Kong Customs seizes suspected illicit heat-not-burn products (with photo)

Hong Kong Customs seized a total of about 134 000 sticks of suspected illicit heat-not-burn (HNB) products with an estimated market value of about \$380,000 and a duty potential of about \$260,000 at Hong Kong International Airport, Lai Chi Kok and To Kwa Wan respectively from March 19 to yesterday (March 21).

Customs officers inspected one consignment of air parcel, declared as health care products, from Japan on March 19 and found about 40 000 sticks of suspected illicit HNB products in 10 carton boxes.

After follow-up investigation, Customs officers arrested a 40-year-old man and a 31-year-old woman, suspected to be connected with the case, in Lai Chi Kok on March 20. Customs officers further seized about 14 000 sticks of suspected illicit HNB products inside the vehicle of the arrested man.

Customs officers also inspected two consignments of air parcels, declared as health care products, from Japan on March 20 and found about 80 000 sticks of suspected illicit HNB products in 10 carton boxes.

After follow-up investigation, Customs officers yesterday in To Kwa Wan arrested two men, aged 53 and 22, suspected to be connected with the case, and seized a small quantity of suspected illicit HNB products.

Investigation is ongoing.

Customs reminds members of the public that under the Dutiable Commodities Ordinance (DCO), tobacco products are dutiable goods to which the DCO applies. Any HNB products containing tobacco in content are also dutiable goods subject to the control of the DCO. Any person who imports, possesses, sells or buys dutiable commodities without a valid licence commits an offence. The maximum penalty upon conviction is a fine of \$1 million and imprisonment for two years. Members of the public may call the Customs' hotline 2815 7711 to enquire whether a specific tobacco or smoking product is regulated by the DCO.

Members of the public may also report any suspected violation of the DCO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)).



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## Hong Kong's Balance of Payments and International Investment Position statistics for fourth quarter of 2018 and whole year of 2018

The Census and Statistics Department (C&SD) released today (March 22) the preliminary Balance of Payments (BoP) and International Investment Position (IIP) statistics of Hong Kong for the fourth quarter of 2018 and the whole year of 2018. This release also included the preliminary External Debt (ED) statistics of Hong Kong for the same period.

### I. Balance of Payments

Hong Kong recorded a BoP surplus of \$24.0 billion (as a ratio of 3.2% to GDP) in the fourth quarter of 2018, as against a deficit of \$41.7 billion (as a ratio of 5.7% to GDP) in the third quarter of 2018. Reserve assets correspondingly increased by the same amount (\$24.0 billion) in the fourth quarter of 2018.

For 2018 as a whole, there was a BoP surplus of \$7.6 billion (as a ratio of 0.3% to GDP), compared with a surplus of \$250.5 billion (as a ratio of 9.4% to GDP) in 2017.

### Current account

The current account recorded a surplus of \$42.1 billion (as a ratio of 5.6% to GDP) in the fourth quarter of 2018. This implies that Hong Kong continues to save more than invest, enabling Hong Kong to accumulate external financial assets (such as equity securities or debt securities) as a buffer against global financial volatilities. Compared with the current account surplus of \$21.7 billion (as a ratio of 3.0% to GDP) in the fourth quarter of 2017, the increase in surplus was mainly due to an increase in the services surplus, a decrease in the goods deficit and an increase in the net inflow of primary income.

The goods deficit decreased to \$37.8 billion in the fourth quarter of

2018, compared with the \$43.5 billion in the same quarter of 2017. Over the same period, the services surplus increased to \$65.7 billion in the fourth quarter of 2018, compared with the \$52.6 billion in the same quarter of 2017. The primary income inflow and outflow amounted to \$386.1 billion and \$366.9 billion respectively, thus yielding a net inflow of \$19.1 billion in the fourth quarter of 2018, compared with a net inflow of \$17.9 billion in the same quarter of 2017.

For 2018 as a whole, the current account surplus was \$122.5 billion (as a ratio of 4.3% to GDP), smaller than that of \$123.9 billion (as a ratio of 4.7% to GDP) in 2017, mainly due to an increase in the goods deficit, partly offset by an increase in the services surplus and an increase in the net inflow of primary income.

## Financial account

An overall net outflow of financial non-reserve assets amounting to \$41.6 billion (as a ratio of 5.5% to GDP) was recorded in the fourth quarter of 2018, compared with an overall net outflow of \$69.1 billion (as a ratio of 9.5% to GDP) in the third quarter of 2018. The overall net outflow recorded in the fourth quarter of 2018 was the result of a net outflow of portfolio investment, partly offset by a net inflow of direct investment, a net inflow due to the cash settlement of financial derivatives and a net inflow of other investment.

In the fourth quarter of 2018, reserve assets increased by \$24.0 billion, as against a decrease of \$41.7 billion in the third quarter of 2018.

For 2018 as a whole, an overall net outflow of financial non-reserve assets amounting to \$175.0 billion (as a ratio of 6.1% to GDP) was recorded, as against an overall net inflow of \$174.7 billion (as a ratio of 6.6% to GDP) in 2017. The overall net outflow recorded in 2018 was the result of a net outflow of portfolio investment, partly offset by a net inflow of direct investment, a net inflow of other investment and a net inflow due to the cash settlement of financial derivatives.

In 2018, reserve assets increased by \$7.6 billion, compared with an increase of \$250.5 billion in 2017.

## II. International Investment Position

At the end of the fourth quarter of 2018, both Hong Kong's external financial assets and liabilities stood at a very high level, amounting to \$42,933.5 billion (equivalent to 15.1 times of GDP) and \$32,793.6 billion (equivalent to 11.5 times of GDP) respectively, a typical feature of a prominent international financial centre.

After netting out the external financial liabilities from the external financial assets, Hong Kong's net external financial assets amounted to \$10,139.9 billion (equivalent to 3.6 times of GDP) at the end of the fourth quarter of 2018, compared with \$10,195.0 billion (also equivalent to 3.6

times of GDP) at the end of the third quarter of 2018. Hong Kong's net external financial assets to GDP ratio is one of the largest in the world, which provides the economy with a strong cushion against sudden external shocks.

### III. External Debt

At the end of the fourth quarter of 2018, Hong Kong's gross ED amounted to \$13,257.6 billion (equivalent to 4.7 times of GDP). Compared with \$12,972.3 billion (equivalent to 4.6 times of GDP) at the end of the third quarter of 2018, gross ED increased by \$285.3 billion. This was mainly attributable to the increase in ED of the banking sector, partly offset by the decreases in ED of other sectors and debt liabilities in direct investment (intercompany lending).

As one of the world's major financial centres, Hong Kong has a significant amount of ED held against the local banking sector arising through normal banking businesses. At the end of the fourth quarter of 2018, 62.8% of Hong Kong's ED was attributable to the banking sector. Other ED mainly consisted of ED of other sectors (21.6%) and debt liabilities in direct investment (intercompany lending) (15.4%).

#### Further information

BoP is a statistical statement that systematically summarises, for a specific time period (typically a year or a quarter), the economic transactions of an economy with the rest of the world (i.e. between residents and non-residents).

IIP is a balance sheet showing the stock of external financial assets and liabilities of an economy at a particular time point. The difference between the external financial assets and liabilities is the net IIP of the economy, which represents either its net claim on or net liability to the rest of the world.

Gross ED, at a particular time point, is the outstanding amount of those actual current, and not contingent, liabilities that are owed to non-residents by residents of an economy and that require payment of principals and / or interests by the debtors at some time points in the future.

BoP and IIP statistics of Hong Kong are compiled in accordance with international standards as stipulated in the Sixth Edition of the Balance of Payments and International Investment Position Manual released by the International Monetary Fund (IMF) in 2009. ED statistics of Hong Kong are compiled according to the 2013 External Debt Statistics: Guide for Compilers and Users published by the Inter-agency Task Force on Finance Statistics chaired by the IMF. Concepts inherent in these two international guidelines are harmonised with each other.

Table 1 presents Hong Kong's BoP by standard component. Table 2 presents the detailed current account analysed by sub-account component, while Table 3 presents the detailed capital and financial account analysed by sub-account

component. Table 4 shows Hong Kong's IIP by broad component, and Table 5 shows Hong Kong's ED by standard component.

Statistics on BoP, IIP and ED for the fourth quarter of 2018 and the whole year of 2018 are only preliminary figures and are subject to revision upon the availability of more data.

More details of the statistics of BoP (including seasonally adjusted current account), IIP and ED, together with the conceptual and methodological details, are presented in the publication Balance of Payments, International Investment Position and External Debt Statistics of Hong Kong, Fourth Quarter 2018 published by the C&SD. Users can download this publication free of charge at the website of the C&SD

([www.censtatd.gov.hk/hkstat/sub/sp260.jsp?productCode=B1040001](http://www.censtatd.gov.hk/hkstat/sub/sp260.jsp?productCode=B1040001)).

For enquiries about the BoP, IIP and ED statistics, please contact the Balance of Payments Section of the C&SD (Tel: 3903 6979; fax: 2116 0278; email: [bop@censtatd.gov.hk](mailto:bop@censtatd.gov.hk)).

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## Survey results of 2018 Annual Earnings and Hours Survey released

### Monthly wage

According to the statistics released today (March 22) by the Census and Statistics Department (C&SD), the median monthly wage of employees in Hong Kong (excluding government employees as well as student interns, work experience students, and live-in domestic workers as exempted by the Minimum Wage Ordinance (MWO)) in May – June 2018 was \$17,500. This was 4.0% higher than the median of \$16,800 in May – June 2017.

The change in monthly wage in 2018 when compared with 2017 is useful in reflecting the change in take-home pay of employees between these two years.

In May – June 2018, the 10th, 25th, 75th and 90th percentile monthly wages of Hong Kong employees were \$9,900, \$12,600, \$27,300 and \$43,300 respectively. They were 4.7%, 4.0%, 3.6% and 2.2% higher than the corresponding figures in May – June 2017 respectively (Table 1).

As shown in Table 2, increase in median monthly wage was generally observed for both male and female employees and for all age groups, educational attainments, occupational groups and industry sections.

### Hourly wage

The median hourly wage of employees in Hong Kong in May – June 2018 was

\$70.5, 3.7% higher than the median of \$68.0 in May – June 2017. The 5th, 10th, 25th, 75th and 90th percentile hourly wages were \$39.1, \$41.9, \$50.0, \$111.1 and \$181.6 respectively. The overall hourly wage distribution of employees is shown in Table 3. The numbers of employees earning less than selected hourly wage levels are shown in Table 4.

In May – June 2018, the median hourly wage of male employees was \$77.8 while that of female employees was \$62.2. Analysed by age group, the median hourly wage of employees at age 35 – 44 was the highest (\$81.0), followed by employees at age 25 – 34 (\$73.3) and at age 45 – 54 (\$72.2). The median hourly wages of employees of different sexes, age groups, educational attainments, occupational groups and industry sections are given in Table 5.

#### Further information

The above wage statistics were compiled based on the data obtained from the 2018 Annual Earnings and Hours Survey (AEHS). The purpose of the survey is to provide comprehensive data on the level and distribution of wages, employment details and demographic profile of employees in Hong Kong. These statistics are useful for studies on labour-related topics by the private sector and the Government. They are also essential inputs for analyses related to the Statutory Minimum Wage. A sample of about 10 000 business undertakings was selected for the survey in 2018.

Wage(s) is defined to include basic wage, commission and tips not of gratuitous nature, guaranteed bonuses and allowances, and overtime allowance paid to an employee in the survey period. It does not cover bonuses and allowances of gratuitous nature, end of year payment and payments in kind. Number of working hours is the sum of contractual/agreed working hours (including meal breaks if they are regarded as working hours according to the employment contract or agreement with the employer) and overtime hours worked at the direction of employers.

By arranging the hourly wages of all employees from the smallest to the largest value, the median hourly wage is the hourly wage of the employee who ranks in the middle of all the employees concerned. In other words, the median hourly wage is the hourly wage value that delineates the lowest 50% of all the employees concerned.

Percentile hourly wage figures are useful in discerning the distribution of hourly wage of employees. The pth percentile hourly wage is the hourly wage value which delineates the lowest p% of all the employees concerned, where p can be any integer value from 1 to 99. For instance, the 10th percentile hourly wage is the hourly wage value that delineates the lowest 10% of the employees. The 25th percentile, 50th percentile and 75th percentile hourly wages are also known as the lower quartile, median and upper quartile hourly wages respectively.

The median and percentile monthly wage figures are derived similarly as the median and percentile hourly wage figures.

Regarding the survey coverage, AEHS covers all business undertakings

irrespective of their employment sizes and industries, except those engaged in agriculture, forestry and fishing activities. All employees of business undertakings falling within the scope of the survey who are under the coverage of the MWO are included in the survey. Government employees as well as student interns, work experience students and live-in domestic workers as exempted by the MWO are excluded.

Details of the wage statistics compiled from the 2018 AEHS and the survey methodology are given in the 2018 Report on Annual Earnings and Hours Survey. Users can download this publication free of charge from the website of the C&SD at [www.censtatd.gov.hk/hkstat/sub/sp210.jsp?productCode=B1050014](http://www.censtatd.gov.hk/hkstat/sub/sp210.jsp?productCode=B1050014).

Enquiries concerning the survey results of AEHS can be directed to the Wages and Labour Costs Statistics Section (2) of the Census and Statistics Department at 3105 2369.

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## **Employment and vacancies statistics for December 2018**

According to the figures released today (March 22) by the Census and Statistics Department (C&SD), total employment in the private sector surveyed increased by 0.7% or 21 400 persons in December 2018 compared with a year earlier. The total number of vacancies was 78 190, representing an increase of 6% or 4 150 over the preceding year.

### **Employment statistics**

In December 2018, the selected industries as a whole employed 2 879 300 persons. The import and export trade engaged 474 800 persons, followed by the professional and business services (excluding cleaning and similar services) engaging 305 600 persons, the retail trade 274 100 persons, and the food and beverage services 252 000 persons.

Employment increased in many surveyed industries compared with a year earlier. Increases in employment were mainly recorded in the industries of accommodation services (covering hotels, guesthouses, boarding houses and other establishments providing short term accommodation) (5.9% or 2 300 persons), human health services (3.7% or 4 600 persons), food and beverage services (3.5% or 8 400 persons), professional and business services (excluding cleaning and similar services) (3.2% or 9 500 persons), and financing and insurance (2.8% or 6 300 persons). On the other hand, employment decreased mainly in the industries of construction sites (manual workers only) (-16.1% or -19 800 persons), cleaning and similar services (-1.5% or -1 200 persons), and manufacturing (-1.5% or -1 300 persons). Employment figures for selected major industries are shown in Table 1.

## Vacancies statistics

Among the 78 190 private sector vacancies, 11 790 were from the industry of food and beverage services, 8 770 from retail trade, 7 850 from professional and business services (excluding cleaning and similar services), 6 080 from financing and insurance, and 5 830 from import and export trade.

Vacancies increased in many selected industries in December 2018 over a year earlier. Increases were mainly observed in the industries of retail trade (970 or 12%); arts, entertainment, recreation and other services (890 or 19%); professional and business services (excluding cleaning and similar services) (830 or 12%); and transportation, storage, postal and courier services (800 or 23%). On the other hand, vacancies decreased mainly in the industries of human health services (-1 180 or -29%) and construction sites (manual workers only) (-520 or -38%). Job vacancies figures for selected major industries are shown in Table 2.

Analysed by major occupation category, private sector vacancies were observed mainly in the categories of service and sales workers (24 110 vacancies), associate professionals (15 030 vacancies), elementary occupations (14 600 vacancies), and clerical support workers (8 880 vacancies). Job vacancies figures by major occupation category are shown in Table 3.

## Seasonally adjusted statistics

For discerning the latest trend in employment and vacancies in the private sector, it is useful to look at changes over a three-month period in the respective seasonally adjusted figures. Compared with September 2018, the seasonally adjusted total employment and total vacancies in the surveyed industries increased by less than 0.05% and 1.3% respectively in December 2018. The changes over three-month periods in the seasonally adjusted series of employment and vacancies are shown in Table 4.

## Other information

The above employment and vacancies statistics were obtained from the Quarterly Survey of Employment and Vacancies and the Quarterly Employment Survey of Construction Sites conducted by the C&SD. In the former survey, some economic activities (e.g. those dominated by self-employment, including taxi operators and hawkers) are not covered. Therefore, the respective employment and vacancies figures relate only to those selected industries included in the survey. In the latter survey on construction sites, employment and vacancies figures relate to manual workers only.

A detailed breakdown of the above statistics is published in the following reports:

"Quarterly Report of Employment and Vacancies Statistics, December 2018"  
([www.censtatd.gov.hk/hkstat/sub/sp452.jsp?productCode=B1050003](http://www.censtatd.gov.hk/hkstat/sub/sp452.jsp?productCode=B1050003))

"Quarterly Report of Employment and Vacancies at Construction Sites, December 2018"



([www.censtatd.gov.hk/hkstat/sub/sp452.jsp?productCode=B1050004](http://www.censtatd.gov.hk/hkstat/sub/sp452.jsp?productCode=B1050004))

Users can download these publications free of charge at the website of the C&SD.

Enquiries on more detailed employment and vacancies statistics can be directed to the Employment Statistics and Central Register of Establishments Section, C&SD (Tel: 2582 5076; fax: 2827 2296; email: [employment@censtatd.gov.hk](mailto:employment@censtatd.gov.hk)).

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## Statistics of payment cards issued in Hong Kong for fourth quarter 2018

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

The Hong Kong Monetary Authority (HKMA) published today (March 22) statistics of payment cards issued in Hong Kong for the fourth quarter of 2018.

The payment card statistics (see Annex) include quarterly data on credit and debit cards issued in Hong Kong under the credit and/or debit card schemes of the eight payment card scheme operators (Note 1). The HKMA began to publish the payment card statistics on a quarterly basis in June 2010 to enhance transparency of the payment card industry in Hong Kong, in line with international practice.

According to the quarterly statistics, the total number of credit cards in circulation (Note 2) was 19.46 million by the end of Q4/2018. The figure represents a 0.7 per cent increase from the previous quarter and a 3.1 per cent increase from the previous year. The number and value of credit card transactions (including retail sales and cash advances) (Note 3) are susceptible to seasonal factors and the general economic environment, making the trends more prone to fluctuation. The total number of credit card transactions was 196.62 million for Q4/2018, representing a 5.9 per cent increase from the previous quarter and a 18.7 per cent increase from the same period in 2017. The total value of credit card transactions was HK\$196.9 billion for Q4/2018, representing a 10.0 per cent increase from the previous quarter and a 7.9 per cent increase from the same period in 2017. Of the total transaction value, HK\$141.6 billion (71.9 per cent) was related to retail spending in Hong Kong, HK\$23.9 billion (12.1 per cent) in retail spending overseas and HK\$12.8 billion (6.5 per cent) in cash advances.

The total number of debit cards in circulation is not available due to overlapping of debit card brands in a single card. Like the number and value

of credit card transactions, the number and value of debit card transactions in relation to retail sales and bills payments (Note 4) are also affected by seasonal factors. On a quarterly basis, the total number of debit card transactions in relation to retail sales and bills payments increased 6.9 per cent to 35.80 million while the total value increased by 8.7 per cent to HK\$86.3 billion in Q4/2018. When compared to the same period in 2017, the total number increased by 1.6 per cent and the total value rose by 6.2 per cent in Q4/2018.

Notes:

1. The payment card statistics are compiled from data on credit and debit cards issued in Hong Kong by both authorised institutions (AIs) and non-authorised institutions (non-AIs) under the credit and/or debit card schemes of the eight payment card scheme operators (the card operators). The card operators, in alphabetical order, are American Express International, Inc., Discover Financial Services (Hong Kong) Limited, EPS Company (Hong Kong) Limited (EPSCO), JCB International (Asia) Ltd, Joint Electronic Teller Services Ltd. (JETCO), MasterCard Asia/Pacific Pte. Ltd., UnionPay International Co. Ltd and Visa Worldwide Pte. Limited.

2. A credit card issued in Hong Kong only carries one credit card brand. The total number of credit cards in circulation refers to the total number of credit cards (i.e. cards with a credit function) issued in Hong Kong under the credit card schemes of card operators (but excluding EPSCO and JETCO, which do not operate a credit card scheme). Some of these credit cards carry debit card functions, i.e. the credit card can be used for making purchases/payments or cash withdrawal at ATMs through directly debiting cardholders' bank accounts.

3. The total number/value of credit card transactions refer to the total number/value of transactions made via credit card accounts of credit cards issued in Hong Kong under the credit card schemes of card operators (excluding EPSCO and JETCO). Starting from March 2015, a Hong Kong/overseas spending breakdown of credit card retail sales transactions is provided.

4. The total number/value of debit card transactions in relation to retail sales/bill payments refers to the total number/value of those transactions made via debiting cardholders' bank accounts. Some of the eight card operators do not operate a debit card scheme. Care should be exercised in combining the credit card retail sales figures and the debit card retail sales/bills payment figures because of the possibility of double counting.