

Composite Interest Rate: End of July 2018

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

The Hong Kong Monetary Authority (HKMA) announced today (August 17) the composite interest rate at the end of July 2018.*

The composite interest rate, which is a measure of the average cost of funds of banks, increased by 1 basis point to 0.63% at the end of July 2018, from 0.62% at the end of June 2018 (see Chart 1 in the Annex). The rise in the composite interest rate mainly reflected an increase in the weighted funding cost for deposits during the month (see Chart 2 in the Annex).

The historical data of the composite interest rate from the end of the fourth quarter of 2003 to the end of July 2018 are available in the Monthly Statistical Bulletin on the HKMA website (www.hkma.gov.hk). The next data release is scheduled for September 19, 2018 and will provide the composite interest rate at the end of August 2018.

*The composite interest rate is a weighted average interest rate of all Hong Kong dollar interest bearing liabilities, which include deposits from customers, amounts due to banks, negotiable certificates of deposit and other debt instruments, and Hong Kong dollar non-interest bearing demand deposits on the books of banks. Data from retail banks, which account for about 90% of the total customers' deposits in the banking sector, are used in the calculation. It should be noted that the composite interest rate represents only average interest expenses. There are various other costs involved in the making of a loan, such as operating costs (e.g. staff and rental expenses), credit cost and hedging cost, which are not covered by the composite interest rate.

Unemployment and underemployment statistics for May – July 2018

According to the latest labour force statistics (i.e. provisional figures for May – July 2018) released today (August 17) by the Census and Statistics Department (C&SD), the seasonally adjusted unemployment rate stood at 2.8% in May – July 2018, same as that in April – June 2018. The underemployment rate increased from 1.0% in April – June 2018 to 1.1% in May – July 2018.

Comparing May – July 2018 with April – June 2018, movements in the unemployment rate (not seasonally adjusted) in different industry sectors varied, but were generally small in magnitude. Movements in the underemployment rate also varied, with a relatively notable increase observed in the food and beverage service activities sector.

Total employment increased by around 2 900 from 3 869 800 in April – June 2018 to 3 872 700 in May – July 2018. Over the same period, the labour force also increased by around 5 200 from 3 982 200 to 3 987 400.

The number of unemployed persons (not seasonally adjusted) increased by around 2 300 from 112 400 in April – June 2018 to 114 700 in May – July 2018. Over the same period, the number of underemployed persons also increased by around 2 700 from 41 400 to 44 100.

Commentary

Commenting on the latest unemployment figures, the Secretary for Labour and Welfare, Dr Law Chi-kwong, said, "Labour market remained tight in May – July 2018, with the seasonally adjusted unemployment rate holding stable at 2.8%. Total employment posted further solid year-on-year growth.

"When compared to the preceding three-month period, movements in jobless rates varied across sectors, but were generally small in magnitude. On a year-on-year comparison to net out seasonal fluctuations, the unemployment situation improved across most of the major service sectors, especially so in the retail, information and communications, as well as warehousing and support activities for transportation sectors."

Looking ahead, Dr Law said, "The labour market should remain tight in the near term riding on the solid growth momentum of the local economy. Nevertheless, as external uncertainties have increased markedly of late, with possible repercussions for export outlook, local economic sentiment and asset markets, we will stay vigilant to their potential impact on the local labour market."

He noted that the Labour Department (LD) has been implementing the Employment Programme for the Middle-aged to encourage employers to take on mature unemployed job-seekers aged 40 or above in full-time or part-time jobs and offer them on-the-job training through the provision of training allowance to employers. With effect from September 1, 2018, the LD will rename the programme as the Employment Programme for the Elderly and Middle-aged, and enhance the programme by offering an on-the-job training allowance of up to \$4,000 per month for a period of six to 12 months to employers engaging elderly job seekers aged 60 or above who have left the workforce or are unemployed.

On large-scale job fairs, the LD will organise the Job Fair for Middle-aged and Elderly Employment on September 20 and 21 at the Tuen Mun Town Hall, and the New Opportunities-New Terrain Job Expo on October 25 and 26 at the Hong Kong Polytechnic University. In addition, industry-based or district-

based job fairs are regularly organised at the LD's industry-based recruitment centres and job centres located across the territory.

Further Information

The unemployment and underemployment statistics were compiled from the findings of the continuous General Household Survey.

The survey for May – July 2018 covered a sample of some 25 000 households or 74 000 persons, selected in accordance with a scientifically designed sampling scheme to represent the population of Hong Kong.

Data on labour force characteristics were obtained from the survey by interviewing each member aged 15 or over in the sampled households.

In the survey, the definitions used in measuring unemployment and underemployment follow closely those recommended by the International Labour Organization.

Detailed analysis of labour force characteristics is given in the "Quarterly Report on General Household Survey" which is published four times a year. The latest issue of the publication contains statistics for the quarter January – March 2018 while the next issue covering the quarter April – June 2018 will be available by end August 2018. Users can download this publication free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp200.jsp?productCode=B1050001).

For enquiries about labour force statistics, please contact the Household Statistics Analysis Section of the C&SD (Tel: 2887 5508 or email: ghs@censtatd.gov.hk).

Fatal traffic accident in Tseung Kwan O

Police are investigating a fatal traffic accident in Tseung Kwan O this afternoon (August 17) in which a four-year-old girl died.

At about 1.03pm, a private car driven by a 56-year-old man was travelling along Clear Water Bay Road towards Kowloon. When approaching near Pak Shek Wo Village, it reportedly knocked down the four-year-old girl who was crossing the road.

Sustaining serious head injuries, the girl was certified dead at scene.

The private car driver was arrested for dangerous driving causing death

and is being detained for further enquiries.

Investigation by the Special Investigation Team of Traffic, Kowloon East is underway.

Anyone who witnessed the accident or has any information to offer is urged to contact the investigating officers on 2305 7500 or 2305 7570.

Tenderers invited to apply for prequalification for "Trunk Road T2 and infrastructure works for developments at former south apron"

The Civil Engineering and Development Department (CEDD) today (August 17) invited interested tenderers for the design and build contract "Trunk Road T2 and Infrastructure Works for Developments at the Former South Apron" to apply for prequalification.

The works mainly comprise design and construction of the following:

- * a dual two-lane trunk road approximately 3.4km long, of which about 3.1km is in the form of a tunnel, connecting the former south apron of Kai Tak Development and the Lam Tin Interchange;
- * two ventilation buildings at the two ends of the trunk road; and
- * electrical and mechanical works and associated civil, structural, building, landscaping, drainage and sewerage works.

Subject to approval, other works to be included in the contract are:

- * infrastructure works for developments at the former south apron, including local roads, elevated pedestrian walkway and associated works;
- * pipelines for the district cooling system; and
- * a slip road of the Central Kowloon Route.

The works are scheduled to commence in mid-2019 and complete in 2025.

The CEDD has commissioned Hyder-Meinhardt Joint Venture to supervise the works. Interested contractors may obtain prequalification documents from Hyder-Meinhardt Joint Venture at 17/F, Two Harbour Square, 180 Wai Yip Street, Kwun Tong.

The notice for prequalification of tenderers was gazetted today. The closing time for the prequalification application is noon on September 28. Completed applications should be placed in the Civil Engineering and

Development Department Tender Box located at Suite 1213, Chinachem Golden Plaza, 77 Mody Road, Tsim Sha Tsui, Kowloon.

Details of the notice are available on the CEDD website (www.cedd.gov.hk/eng/tender/contract/tender/index.html). For enquiries, please call Hyder-Meinhardt Joint Venture at 2911 2048 during office hours.

Meetings of Legislative Council Committees

The following is issued on behalf of the Legislative Council Secretariat:

No open or closed meetings of the Legislative Council (LegCo) Committees will be held in the LegCo Complex during the week from August 20 to 24.