

Statistics of payment cards issued in Hong Kong for first quarter 2018

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

The Hong Kong Monetary Authority (HKMA) today (June 22) published today statistics of payment cards issued in Hong Kong for the first 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 19.89 million by the end of Q1/2018. The figure represents a 1.1% increase from the previous quarter and a 3.3% 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 167.01 million for Q1/2018, representing a 0.1% increase from the previous quarter and a 14.5% increase from the same period in 2017. The total value of credit card transactions was HK\$182.6 billion for Q1/2018, representing a 0.1% decrease from the previous quarter and a 13.9% increase from the same period in 2017. Of the total transaction value, HK\$142.5 billion (78%) was related to retail spending in Hong Kong, HK\$28.3 billion (15%) in retail spending overseas and HK\$11.8 billion (7%) 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 decreased 1.6% to 34.65 million while the total value increased by 8.2% to HK\$87.9 billion in Q1/2018. When compared to the same period in 2017, the total number increased by 1.9% and the total value rose by 12.0% in Q1/2018.

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.

[Update on number of dengue fever cases](#)

The Centre for Health Protection (CHP) of the Department of Health today (June 22) reported the latest number of cases of dengue fever (DF), and again urged the public to maintain strict environmental hygiene, mosquito control and personal protective measures both locally and during travel.

From June 15 to 21, the CHP recorded five confirmed DF cases. The patients had been to Cambodia (one case), Indonesia (one case), the Philippines (one case), Thailand (one case) and multiple countries (one case, who had been to Malaysia and Singapore) during the incubation period.

As of yesterday (June 21), 37 cases had been confirmed this year, all of which were imported cases. The cases were mainly imported from Thailand (16), the Philippines (eight) and Cambodia (four).

DF remains endemic in some areas in Asia. The latest figures for 2018 reveal that 19 804 cases have been recorded in Thailand, 1 282 in Singapore (since December 31, 2017) and 56 in Japan. In Macao, one local case was recorded this year as of June 19. In the Americas, the latest figures

indicate that 10 645 cases have been filed in Mexico in 2018.

The public should take heed of the following advice on mosquito control:

- Thoroughly check all gully traps, roof gutters, surface channels and drains to prevent blockage;
- Scrub and clean drains and surface channels with an alkaline detergent compound at least once a week to remove any deposited mosquito eggs;
- Properly dispose of refuse, such as soft drink cans, empty bottles and boxes, in covered litter containers;
- Completely change the water of flowers and plants at least once a week. The use of saucers should be avoided if possible;
- Level irregular ground surfaces before the rainy season;
- Avoid staying in shrubby areas; and
- Take personal protective measures such as wearing light-coloured long-sleeved clothes and trousers and apply insect repellent containing DEET to clothing or uncovered areas of the body when doing outdoor activities.

To reduce the risk of infections spread by mosquitoes, apart from [general measures](#), travellers returning from affected areas should apply insect repellent for 14 days (DF) or at least 21 days (Zika virus infection) upon arrival in Hong Kong. If feeling unwell, seek medical advice promptly and provide travel details to the doctor. DEET-containing insect repellents are effective and the public should take heed of the tips below:

- Read the label instructions carefully first;
- Apply right before entering an area with risk of mosquito bites;
- Apply on exposed skin and clothing;
- Use DEET of up to 30 per cent for pregnant women and up to 10 per cent for children*;
- Apply sunscreen first, then insect repellent; and
- Re-apply only when needed and follow the instructions.

* For children who travel to countries or areas where mosquito-borne diseases are endemic or epidemic and where exposure is likely, those aged 2 months or above can use DEET-containing insect repellents with a concentration of DEET of up to 30 per cent.

The public may refer to the CHP's [tips for using insect repellents](#) for details.

Hong Kong's Balance of Payments and International Investment Position statistics for first quarter of 2018

The Census and Statistics Department (C&SD) released today (June 22) the preliminary Balance of Payments (BoP) and International Investment Position (IIP) statistics of Hong Kong for the first quarter 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 \$73.8 billion (as a ratio of 10.7% to GDP) in the first quarter of 2018, compared with a surplus of \$73.5 billion (as a ratio of 10.2% to GDP) in the fourth quarter of 2017. Reserve assets correspondingly increased by the same amount (\$73.8 billion) in the first quarter of 2018.

Current account

On a year-on-year comparison, the current account recorded a surplus of \$16.3 billion (as a ratio of 2.4% to GDP) in the first quarter of 2018, compared with a surplus of \$20.2 billion (as a ratio of 3.2% to GDP) in the same quarter of 2017. The decrease in the current account surplus was 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.

The goods deficit increased to \$76.9 billion in the first quarter of 2018, compared with the \$56.6 billion in the same quarter of 2017. This was due to a larger increase in imports of goods relative to that in respect of exports of goods. Over the same period, the services surplus increased to \$74.5 billion in the first quarter of 2018, compared with the \$61.8 billion in the same quarter of 2017. This was due to a larger increase in exports of services relative to that in respect of imports of services. The overall balance on goods and services recorded a deficit of \$2.4 billion in the first quarter of 2018, as against a surplus of \$5.3 billion in the same quarter of 2017.

The primary income inflow and outflow amounted to \$349.6 billion and \$325.4 billion respectively, thus yielding a net inflow of \$24.2 billion in the first quarter of 2018, compared with a net inflow of \$19.8 billion in the same quarter of 2017.

The secondary income inflow and outflow amounted to \$3.1 billion and \$8.6 billion respectively, resulting in a net outflow of \$5.6 billion in the first quarter of 2018, compared with a net outflow of \$4.9 billion in the same quarter of 2017.

On a seasonally adjusted quarter-to-quarter comparison basis, the current account credit and the current account debit in the first quarter of 2018 increased by 4.8% and 4.6% respectively from the fourth quarter of 2017.

Capital and financial account

In the first quarter of 2018, a net outflow of \$0.1 billion was recorded in the capital account, compared with a net outflow of \$0.4 billion in the fourth quarter of 2017.

An overall net inflow of financial non-reserve assets amounting to \$29.3 billion (as a ratio of 4.3% to GDP) was recorded in the first quarter of 2018, compared with an overall net inflow of \$41.8 billion (as a ratio of 5.8% to GDP) in the fourth quarter of 2017. The overall net inflow recorded in the first quarter of 2018 was the result of a net inflow of other investment, partly offset by a net outflow of portfolio investment, a net outflow of direct investment and a net outflow due to the cash settlement of financial derivatives.

Direct investment recorded a net outflow of \$19.7 billion in the first quarter of 2018, as against a net inflow of \$121.8 billion in the fourth quarter of 2017. Portfolio investment recorded a net outflow of \$245.7 billion in the first quarter of 2018, compared with a net outflow of \$13.6 billion in the fourth quarter of 2017. Financial derivatives recorded a net outflow of \$3.8 billion in the first quarter of 2018, as against a net inflow of \$19.7 billion in the fourth quarter of 2017. Other investment recorded a net inflow of \$298.5 billion in the first quarter of 2018, as against a net outflow of \$86.0 billion in the fourth quarter of 2017.

In the first quarter of 2018, reserve assets increased by \$73.8 billion, compared with an increase of \$73.5 billion in the fourth quarter of 2017.

II. International Investment Position

At the end of the first quarter of 2018, Hong Kong's external financial assets and liabilities amounted to \$43,623.6 billion and \$31,989.8 billion respectively. After netting out the external financial liabilities from the external financial assets, Hong Kong was a net creditor. Hong Kong's net external financial assets amounted to \$11,633.8 billion (as a ratio of 428% to GDP) at the end of the first quarter of 2018, compared with \$10,893.7 billion (as a ratio of 409% to GDP) at the end of the fourth quarter of 2017.

The ratios of both Hong Kong's external financial assets and liabilities to GDP at the end of the first quarter of 2018 remained at a very high level, at 16.0 times and 11.8 times respectively, reflecting that Hong Kong is a highly externally oriented economy and also a major financial centre in the region with considerable cross-territory investment.

External financial assets

Within the total value of external financial assets at the end of the first quarter of 2018, direct investment was the largest component,

accounting for 36.9% (\$16,117.7 billion) of the total value. Portfolio investment (\$13,871.8 billion) and other investment (\$9,511.6 billion) contributed 31.8% and 21.8% respectively.

External financial liabilities

Within the total value of external financial liabilities at the end of the first quarter of 2018, 53.0% (\$16,962.2 billion) was in the form of direct investment. Other investment (\$10,068.9 billion) and portfolio investment (\$4,336.7 billion) contributed 31.5% and 13.6% respectively.

III. External Debt

At the end of the first quarter of 2018, Hong Kong's gross ED (measuring total outstanding gross external liabilities other than equity liabilities) amounted to \$12,775.6 billion (as a ratio of 470% to GDP). Compared with \$12,220.5 billion (as a ratio of 459% to GDP) at the end of the fourth quarter of 2017, gross ED increased by \$555.1 billion. This was mainly attributable to the increases in ED of the banking sector, ED of other sectors and debt liabilities in direct investment (intercompany lending).

Sectoral analysis

At the end of the first quarter of 2018, a major proportion of Hong Kong's ED was attributable to the banking sector, accounting for 63.2% of the total. Other ED mainly consisted of ED of other sectors (19.8%) and debt liabilities in direct investment (intercompany lending) (16.7%).

ED of the banking sector increased from \$7,697.4 billion at the end of the fourth quarter of 2017 (as a ratio of 289% to GDP) to \$8,071.3 billion at the end of the first quarter of 2018 (as a ratio of 297% to GDP). ED of other sectors, debt liabilities in direct investment (intercompany lending) and ED of the Government and the Hong Kong Monetary Authority amounted to \$2,535.1 billion, \$2,138.6 billion, \$26.4 billion and \$4.1 billion respectively at the end of the first quarter of 2018.

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 first quarter of 2018 are only preliminary figures, and are subject to revision upon the availability of more data.

More details of the statistics of BoP, 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, First 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).

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).

[Zhejiang Semir Garment Co Ltd opens first Hong Kong store \(with photo\)](#)

Shenzhen-listed multi-brand fashion apparel company Zhejiang Semir Garment Co Ltd announced today (June 22) that it will open its Balabala children's apparel brand's first store in Hong Kong tomorrow (June 23), leveraging the city's international status and its sophisticated retail environment to extend its brand globally.

The new store in Kowloon offers Balabala-branded children's casual wear for all ages. The Deputy General Manager of Semir International Group (HK) Limited, Ms Leeky Li, said that the Hong Kong store will take the company to the world stage given the city's sophisticated retail market and international clientele.

Ms Li said, "Hong Kong is an international and well-developed city offering an ideal platform for us to enter the global market. The retail market here is also very established, which means a lot of convenience for us when we set up and grow from here."

She added, "As our regional office, the Hong Kong branch is also a major bridge and contact point to execute our global expansion plan in terms of acquisition, joint venture and overseas franchising. The city is also a key sourcing centre for our group. Therefore, Hong Kong offers us numerous strategic advantages."

Associate Director-General of Investment Promotion Dr Jimmy Chiang welcomed the opening of Balabala's first store in Hong Kong. He said, "Hong Kong is a top shopping destination for international visitors. It also attracts retailers from around the globe to showcase their brands globally. We look forward to Balabala's continuous expansion in the region via the city."

About Zhejiang Semir Garment Co Ltd

Founded in 1996 in Wenzhou, Zhejiang Semir Garment Co Ltd is a multi-brand garment company focusing on the business of casual wear and children's wear. With two major brands, Semir and Balabala, the company operates a nationwide sales network with more than 8,600 stores. The company was listed on the Shenzhen Stock Exchange in 2011. For more information, please visit www.semirbiz.com.

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For an event photo, please visit www.flickr.com/photos/investhk/albums/72157698244899245.



SFST to attend third Annual Meeting of AIIB Board of Governors in Mumbai

The Secretary for Financial Services and the Treasury, Mr James Lau, will depart for Mumbai, India, on Sunday (June 24) to attend the third Annual Meeting of the Board of Governors of the Asian Infrastructure Investment Bank (AIIB) scheduled for June 25 and 26.

This year's theme is "Mobilising Finance for Infrastructure: Innovation and Collaboration". Government officials and leaders from around the world will share ideas and experiences on creating a sustainable future through sound infrastructure investment.

While in Mumbai, Mr Lau will also meet with the AIIB President, Mr Jin Liqun, and other financial officials attending the meeting.

Mr Lau will be back in Hong Kong in the morning of June 27.

During his absence, the Under Secretary for Financial Services and the Treasury, Mr Joseph Chan, will act as the Secretary for Financial Services and the Treasury.