

# External merchandise trade statistics for February 2020

The Census and Statistics Department (C&SD) released today (March 26) the external merchandise trade statistics for February 2020. In February 2020, the value of Hong Kong's total exports of goods increased by 4.3%, whereas the value of imports of goods decreased by 0.1% over a year earlier.

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 12.0% over the same period in 2019. Concurrently, the value of imports of goods decreased by 9.3%. A visible trade deficit of \$69.1 billion, equivalent to 12.0% of the value of imports of goods, was recorded in the first two months of 2020.

In February 2020, the value of total exports of goods increased by 4.3% over a year earlier to \$238.6 billion, after a year-on-year decrease of 22.7% in January 2020. Concurrently, the value of imports of goods decreased by 0.1% over a year earlier to \$277.1 billion in February 2020, after a year-on-year decrease of 16.4% in January 2020. A visible trade deficit of \$38.6 billion, equivalent to 13.9% of the value of imports of goods, was recorded in February 2020.

Comparing the three-month period ending February 2020 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 5.8%.

## Analysis by country/territory

Comparing February 2020 with February 2019, total exports to Asia as a whole grew by 11.2%. In this region, increases were registered in the values of total exports to some major destinations, in particular Vietnam (+43.5%), Taiwan (+38.3%), India (+23.1%), Malaysia (+13.3%) and the mainland of China (the Mainland) (+13.2%). On the other hand, decreases were recorded in the values of total exports to Japan (-17.4%), Korea (-16.0%) and Singapore (-12.7%).

Apart from destinations in Asia, decreases were registered in the values of total exports to some major destinations in other regions, in particular the United Kingdom (-34.9%), Germany (-26.3%) and the USA (-16.5%).

Over the same period of comparison, decreases were registered in the values of imports from some major suppliers, in particular the Mainland (-8.6%), the USA (-7.8%) and the United Kingdom (-3.5%). Concurrently, increases were recorded in the values of imports from Vietnam (+68.5%), Taiwan (+39.6%) and Korea (+31.6%).

For the first two months of 2020 as a whole, year-on-year decreases were registered in the values of total exports to some major destinations, in particular the USA (-26.4%), Japan (-24.2%), Germany (-22.3%) and Singapore (-16.0%). The value of total exports to the Mainland also decreased by 7.9%. However, year-on-year increases were registered in the values of total exports to the United Arab Emirates (+4.6%), India (+4.3%) and Vietnam (+4.2%).

Over the same period of comparison, year-on-year decreases were registered in the values of imports from some major suppliers, in particular the Mainland (-18.8%), the USA (-11.7%), Thailand (-10.1%) and Malaysia (-10.2%). However, year-on-year increases were registered in the values of imports from Vietnam (+42.8%), Korea (+20.6%) and Taiwan (+18.5%).

#### Analysis by major commodity

Comparing February 2020 with February 2019, increases 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 \$16.7 billion or 20.1%), "power generating machinery and equipment" (by \$3.8 billion or 82.1%) and "non-metallic mineral manufactures" (by \$1.2 billion or 12.6%). However, decreases were registered in the values of total exports of "telecommunications and sound recording and reproducing apparatus and equipment" (by \$6.5 billion or -14.3%) and "miscellaneous manufactured articles (mainly jewellery, goldsmiths' and silversmiths' wares)" (by \$1.7 billion or -12.9%).

Over the same period of comparison, decreases were registered in the values of imports of some principal commodity divisions, in particular "non-metallic mineral manufactures" (by \$12.1 billion or -60.0%), "telecommunications and sound recording and reproducing apparatus and equipment" (by \$3.4 billion or -8.4%) and "office machines and automatic data processing machines" (by \$2.7 billion or -12.6%). However, an increase was registered in the value of imports of "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$18.1 billion or 18.5%).

For the first two months of 2020 as a whole, year-on-year decreases were registered in the values of total exports of most principal commodity divisions, in particular "telecommunications and sound recording and reproducing apparatus and equipment" (by \$21.8 billion or -20.0%), "office machines and automatic data processing machines" (by \$7.4 billion or -12.6%) and "miscellaneous manufactured articles (mainly jewellery, goldsmiths' and silversmiths' wares)" (by \$6.7 billion or -20.1%). However, a year-on-year increase was registered in the value of total exports of "power generating machinery and equipment" (by \$3.7 billion or 35.2%).

Over the same period of comparison, year-on-year decreases were registered in the values of imports of most principal commodity divisions, in particular "telecommunications and sound recording and reproducing apparatus and equipment" (by \$16.5 billion or -16.6%), "non-metallic mineral manufactures" (by \$16.1 billion or -48.4%) and "office machines and automatic data processing machines" (by \$12.3 billion or -23.4%). However, a year-on-year increase was registered in the value of imports of "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$15.2 billion or 6.9%).

#### Commentary

A Government spokesman said that merchandise exports turned to a moderate year-on-year increase in February mainly due to the distortions from the timing of the Lunar New Year. Taking the first two months of 2020 together, the fall in merchandise exports widened to 12.0% in value terms, reflecting the serious disruptions to regional trading and production activities caused by the COVID-19 outbreak.

The external trading environment has turned even more austere lately, as demand in most major export markets plunged amid the COVID-19 pandemic. As such, Hong Kong's merchandise export performance will likely remain weak in the near term. The Government will continue to monitor the situation closely.

#### Further information

Table 1 at the annex presents the analysis of external merchandise trade statistics for February 2020. Table 2 presents the original monthly trade statistics from January 2017 to February 2020, 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 2020 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 2020.

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 2020 will be released in mid-April 2020.

The February 2020 issue of "Hong Kong External Merchandise Trade" contains detailed analysis on the performance of Hong Kong's external merchandise trade in February 2020 and will be available in mid-April 2020. Users can download the publication free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp230.jsp](http://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).