Hong Kong's Gross National Income and external primary income flows for third quarter of 2019

The Census and Statistics Department (C&SD) released today (December 13) the preliminary statistics on Hong Kong's Gross National Income (GNI) and related figures for the third quarter of 2019.

Hong Kong's GNI, which denotes the total income earned by Hong Kong residents from engaging in various economic activities, decreased by 0.6% in the third quarter of 2019 from a year earlier to $764.1 billion at current market prices. The Gross Domestic Product (GDP), estimated at $722.8 billion at current market prices in the same quarter, recorded a 0.5% decrease over the same period. The value of GNI was larger than GDP by $41.3 billion in the third quarter of 2019, which was equivalent to 5.7% of GDP in that quarter, mainly attributable to a net inflow of investment income.

After netting out the effect of price changes over the same period, Hong Kong's GNI decreased by 3.5% in real terms in the third quarter of 2019 from a year earlier. The corresponding GDP in the same quarter decreased by 2.9% in real terms.

Hong Kong's total inflow of primary income, which mainly comprises investment income, estimated at $440.0 billion in the third quarter of 2019 and equivalent to 60.9% of GDP in that quarter, recorded an increase of 0.1% over a year earlier. Meanwhile, total primary income outflow, estimated at $398.7 billion in the third quarter of 2019 and equivalent to 55.2% of GDP in that quarter, also increased by 0.3% over a year earlier.

As for the major components of investment income inflow, direct investment income (DII) increased by 2.8% over a year earlier, mainly due to the increase in earnings of some prominent local enterprises from their direct investment abroad. Portfolio investment income (PII) recorded a decrease of 5.4% from a year earlier, mainly attributable to the decrease in dividend income received by resident investors from their holdings of non-resident equity securities.

Regarding the major components of investment income outflow, DII increased by 1.5% over a year earlier, mainly due to the increase in earnings of some prominent multinational enterprises from their direct investment in Hong Kong. PII decreased by 0.5%, mainly attributable to the decrease in dividend payout to non-resident investors from their holdings of resident equity securities.

Analysed by country/territory, the mainland of China continued to be the largest source of Hong Kong's total primary income inflow in the third quarter of 2019, accounting for 41.6%. This was followed by the British Virgin Islands (BVI), with a share of 21.0%. Regarding total primary income

outflow, the BVI and the mainland of China remained the most important destinations in the third quarter of 2019, accounting for 25.4% and 24.0% respectively.

Further information

GDP and GNI are closely related indicators for measuring economic performance. GDP is a measure of the total value of production of all resident producing units of an economy. GNI denotes the total income earned by residents of an economy from engaging in various economic activities, irrespective of whether the economic activities are carried out within the economic territory of the economy or outside.

Figures of GNI and primary income flows analysed by income component from the fourth quarter of 2017 to the third quarter of 2019 are presented in Table A, while selected major country/territory breakdowns of primary income inflow and outflow for the same quarters are presented in Tables B(1) and B(2) respectively.

Statistics on GDP and GNI from 2017 onwards and primary income flows for 2019 are subject to revision when more data become available. In the light of the latest information available, annual and quarterly figures of GNI and external primary income flows for 2018 have been revised, such that the corresponding figures presented in Tables A and B are revised figures.

Enquiries about GNI and related statistics may be directed to the Balance of Payments Branch (2) of the C&SD at 3903 7054.