

# Volume and Price Statistics of External Merchandise Trade in January 2020

Further to the external merchandise trade statistics in value terms for January 2020 released earlier on, the Census and Statistics Department (C&SD) released today (March 19) the volume and price statistics of external merchandise trade for that month.

In January 2020, the volume of Hong Kong's total exports of goods and imports of goods decreased by 22.9% and 16.8% respectively over January 2019.

Comparing the three months ending January 2020 with the three months ending January 2019, the volume of Hong Kong's total exports of goods and imports of goods decreased by 6.8% and 8.0% respectively.

Comparing the three-month period ending January 2020 with the preceding three months on a seasonally adjusted basis, the volume of total exports of goods and imports of goods decreased by 4.1% and 1.8% respectively.

Changes in volume of external merchandise trade are derived from changes in external merchandise trade value with the effect of price changes discounted.

Comparing January 2020 with January 2019, the prices of total exports of goods and imports of goods increased by 0.4% and 0.7% respectively.

Price changes in external merchandise trade are reflected by changes in unit value indices of external merchandise trade, which are compiled based on average unit values or, for certain commodities, specific price data.

The terms of trade index is derived from the ratio of price index of total exports of goods to that of imports of goods. Compared with the same period in 2019, the index decreased by 0.3% in January 2020.

Changes in the unit value and volume of total exports of goods by main destination are shown in Table 1.

Comparing January 2020 with January 2019, double-digit declines were recorded for the total export volume to the USA (-32.2%), Japan (-26.9%), the mainland of China (the Mainland) (-22.7%) and Taiwan (-22.1%). Concurrently, the total export volume to India (-1.1%) also decreased.

Over the same period of comparison, the total export prices to the Mainland (1.8%) and Taiwan (1.0%) increased. On the other hand, the total export prices to the USA (-0.1%), Japan (-1.6%) and India (-4.7%) decreased.

Changes in the unit value and volume of imports of goods by main supplier are shown in Table 2.

Comparing January 2020 with January 2019, a double-digit decline of 26.2% was recorded for the import volume from the Mainland. Concurrently, the import volume from Japan (-6.3%) also decreased. On the other hand, the import volume from Singapore (3.9%), Taiwan (5.9%) and Korea (14.6%) increased.

Over the same period of comparison, the import prices from the Mainland (1.7%) and Japan (0.9%) increased. On the other hand, the import prices from Singapore (-1.2%), Taiwan (-2.7%) and Korea (-3.4%) decreased.

Further information

Details of the above statistics are published in the January 2020 issue of "Hong Kong Merchandise Trade Index Numbers". Users can download the publication free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp230.jsp?productCode=B1020006](http://www.censtatd.gov.hk/hkstat/sub/sp230.jsp?productCode=B1020006)).

Enquiries on merchandise trade indices may be directed to the Trade Analysis Section (1) of the C&SD (Tel: 2582 4918).

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## Composite interest rate: End of February 2020

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

The Hong Kong Monetary Authority (HKMA) announced today (March 19) the composite interest rate at the end of February 2020. (Note 1)

The composite interest rate, which is a measure of the average cost of funds of banks, decreased by 2 basis points to 0.99 per cent at the end of February 2020, from 1.01 per cent at the end of January 2020 (see Chart 1 in the Annex). The decrease in composite interest rate reflected decreases in the weighted funding cost for both deposits and interbank funds during the month (see Chart 2 in the Annex). (Note 2)

The historical data of the composite interest rate from the end of the fourth quarter of 2003 to the end of February 2020 are available in the Monthly Statistical Bulletin on the HKMA website ([www.hkma.gov.hk](http://www.hkma.gov.hk)).

Note 1: The composite interest rate is a weighted average interest rate of all Hong Kong dollar interest-rate-sensitive liabilities, which include deposits from customers, amounts due to banks, negotiable certificates of

deposit and other debt instruments, and all other liabilities that do not involve any formal payment of interest but the values of which are sensitive to interest rate movements (such as Hong Kong dollar non-interest bearing demand deposits) on the books of banks. Data from retail banks, which account for about 90 per cent 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.

Note 2: Since June 2019, the composite interest rate and weighted deposit rate have been calculated based on the new local "Interest rate risk in the banking book" (IRRBB) framework. As such, these figures are not strictly comparable with those of previous months.

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## EAC responds to concern related to “candidate” definition in Legislative Council Election proposed guidelines

The following is issued on behalf of the Electoral Affairs Commission:

The Electoral Affairs Commission (EAC) released on March 9 the proposed guidelines on election-related activities in respect of the Legislative Council Election for public consultation. As there have been concern and discussions regarding the definition of "candidate" in Chapter 16 of the proposed guidelines, a spokesman for the EAC made the following clarifications today (March 19):

The Elections (Corrupt and Illegal Conduct) Ordinance (ECICO) clearly states the definition of "candidate". According to the ECICO, "candidate":

- means a person who stands nominated as a candidate at an election; and
- also means a person who, at any time before the close of nominations for an election, has publicly declared an intention to stand as a candidate at the election.

Such a legal definition had also been set out in the election guidelines released by the EAC in the past. The EAC has no intention or authority to change the definition of "candidate" in the proposed guidelines.

"The ECICO clearly sets out provisions regulating election expenses.

Apart from prescribing the maximum amount of election expenses, it also requires candidates to submit election returns setting out all election expenses and election donations, in order to ensure that election expenses will not exceed the statutory upper limit and all candidates compete on a level playing field within a reasonable level of expenditures," the spokesman said.

"When considering what expenses would amount to 'election expenses', it is considered both necessary and useful to take heed of the points made by the Court of Final Appeal in a case which touched on election expenses (FACV No. 2 of 2012). Details can be found at Appendix 15 of the proposed guidelines."

The spokesman stressed that the definition of "candidate" in the proposed guidelines only follows what is stipulated in the ECICO. The EAC has the responsibility to remind those who intend to run for elections of the requirements in relevant laws, especially when a court case is available for reference, in order to avoid breaking the law inadvertently.

In case of doubts about whether an expense would constitute an election expense, independent legal advice should be sought. Any suggestions of amending the existing legislation should be made to the Government. The EAC has no authority to make legislative amendment and will pass opinions received in this regard to the Government for consideration.

The spokesman reiterated that the EAC is an independent, impartial and apolitical body, and is committed to ensuring that public elections are held in an open, fair and honest manner. The guidelines aim to explain in simple language the relevant provisions under the electoral legislation and to promulgate a code of conduct in election-related activities based on the fair and equal treatment principle.

The proposed guidelines can be downloaded from the EAC website ([www.eac.hk](http://www.eac.hk)). They are also available for viewing at the Registration and Electoral Office and the Home Affairs Enquiry Centres of District Offices. Members of the public are welcome to express their views on the proposed guidelines through written submissions to the EAC by post at 10/F, Harbour Centre, 25 Harbour Road, Wan Chai, by fax (2511 1682) or by email ([eacengq@eac.hk](mailto:eacengq@eac.hk)) not later than April 7. Late submissions will not be considered. The EAC will consider the representations received during the public consultation period and revise the guidelines as appropriate.

For enquiries, please call 2891 1001.

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# Communications Authority press release

The following is issued on behalf of the Communications Authority:

This press release summarises the decisions of the Communications Authority (CA) following its 93rd meeting held in March 2020:

Disruptions of the Telecommunications Services of Hong Kong Broadband Network Limited (HKBN)

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On June 8, 2019, two incidents of HKBN network outage caused disruptions to the provision of fixed broadband services and Internet Protocol telephony services to some of its customers, in one case lasting for about four and a half hours and in the other lasting for 39 minutes. The Office of the Communications Authority (OFCA) conducted an investigation into the two incidents. Having considered OFCA's assessment and HKBN's representations, the CA concluded that there had been no breach by HKBN of General Condition 5.1 of its Unified Carrier Licence (Licence No. 045), which requires it to operate, maintain and provide a good, efficient and continuous service in a manner satisfactory to the CA. For details, please refer to the CA's Decision published on the CA's website:

[www.coms-auth.hk/filemanager/statement/en/upload/528/HKBN\\_FinalDecision\\_e.pdf](http://www.coms-auth.hk/filemanager/statement/en/upload/528/HKBN_FinalDecision_e.pdf).

Broadcast Complaint

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The CA considered a complaint case about the radio programme "C Hing Temple" broadcast on July 9, 2019, on the Radio 2 channel of Radio Television Hong Kong (RTHK). The CA decided that RTHK should be strongly advised to observe more closely the relevant provision of the Radio Code of Practice on Programme Standards. Details of the case are at

[www.coms-auth.hk/filemanager/en/content\\_713/appx\\_20200319.pdf](http://www.coms-auth.hk/filemanager/en/content_713/appx_20200319.pdf).

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## Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Thursday, March 19, 2020 is 109.1 (up 1.0 against yesterday's index).