

Hong Kong's Balance of Payments and International Investment Position statistics for first quarter of 2019

The Census and Statistics Department (C&SD) released today (June 21) the preliminary Balance of Payments (BoP) and International Investment Position (IIP) statistics of Hong Kong for the first quarter of 2019. 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 \$33.0 billion (as a ratio of 4.6% to GDP) in the first quarter of 2019, compared with a surplus of \$24.0 billion (as a ratio of 3.2% to GDP) in the fourth quarter of 2018. Reserve assets correspondingly increased by the same amount (\$33.0 billion) in the first quarter of 2019.

Current account

The current account recorded a surplus of \$36.6 billion (as a ratio of 5.1% to GDP) in the first quarter of 2019. This implies that Hong Kong continues to save more than invest, enabling Hong Kong to accumulate external financial assets (such as equity securities or debt securities) as a buffer against global financial volatilities. Compared with the current account surplus of \$18.4 billion (as a ratio of 2.7% to GDP) in the first quarter of 2018, the increase in surplus was mainly due to a decrease in the goods deficit and an increase in the services surplus, partly offset by a decrease in the net inflow of primary income.

The goods deficit decreased to \$65.1 billion in the first quarter of 2019, compared with the \$74.9 billion in the same quarter of 2018. Over the same period, the services surplus increased to \$83.8 billion in the first quarter of 2019, compared with the \$74.7 billion in the same quarter of 2018. The primary income inflow and outflow amounted to \$369.2 billion and \$346.2 billion respectively, thus yielding a net inflow of \$23.0 billion in the first quarter of 2019, compared with a net inflow of \$24.2 billion in the same quarter of 2018.

Financial account

An overall net inflow of financial non-reserve assets amounting to \$28.2 billion (as a ratio of 3.9% to GDP) was recorded in the first quarter of 2019, as against an overall net outflow of \$41.6 billion (as a ratio of 5.5% to GDP) in the fourth quarter of 2018. The overall net inflow recorded in the first quarter of 2019 was the result of a net inflow of other investment and a net inflow due to the cash settlement of financial derivatives, partly offset by a net outflow of portfolio investment and a net outflow of direct

investment.

In the first quarter of 2019, reserve assets increased by \$33.0 billion, compared with an increase of \$24.0 billion in the fourth quarter of 2018.

II. International Investment Position

At the end of the first quarter of 2019, both Hong Kong's external financial assets and liabilities stood at a very high level, amounting to \$44,178.3 billion (equivalent to 15.4 times of GDP) and \$33,345.8 billion (equivalent to 11.6 times of GDP) respectively, a typical feature of a prominent international financial centre.

After netting out the external financial liabilities from the external financial assets, Hong Kong's net external financial assets amounted to \$10,832.4 billion (equivalent to 3.8 times of GDP) at the end of the first quarter of 2019, compared with \$10,139.9 billion (equivalent to 3.6 times of GDP) at the end of the fourth quarter of 2018. Hong Kong's net external financial assets to GDP ratio is one of the largest in the world, which provides the economy with a strong cushion against sudden external shocks.

III. External Debt

At the end of the first quarter of 2019, Hong Kong's gross ED amounted to \$12,695.3 billion (equivalent to 4.4 times of GDP). Compared with \$13,257.6 billion (equivalent to 4.7 times of GDP) at the end of the fourth quarter of 2018, gross ED decreased by \$562.3 billion. This was mainly attributable to the decreases in ED of the banking sector, debt liabilities in direct investment (intercompany lending) and ED of other sectors.

As one of the world's major financial centres, Hong Kong has a significant amount of ED held against the local banking sector arising through normal banking businesses. At the end of the first quarter of 2019, 62.0% of Hong Kong's ED was attributable to the banking sector. Other ED mainly consisted of ED of other sectors (22.4%) and debt liabilities in direct investment (intercompany lending) (15.4%).

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 2019 are only preliminary figures and are subject to revision upon the availability of more data.

More details of the statistics of BoP (including seasonally adjusted current account), 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 2019 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).

Employment and vacancies statistics for March 2019

According to the figures released today (June 21) by the Census and Statistics Department (C&SD), total employment in the private sector surveyed increased by 0.2% or 6 900 persons in March 2019 compared with a year earlier. The total number of vacancies was 79 580, representing an increase of 4% or 2 700 over the preceding year.

Employment statistics

In March 2019, the selected industries as a whole employed 2 874 300

persons. The import and export trade engaged 460 100 persons, followed by the professional and business services (excluding cleaning and similar services) engaging 307 100 persons, the retail trade 272 600 persons, and the food and beverage services 251 800 persons.

Employment increased in many surveyed industries compared with a year earlier. Increases in employment were mainly recorded in the industries of accommodation services (covering hotels, guesthouses, boarding houses and other establishments providing short term accommodation) (6.6% or 2 600 persons), human health services (4.3% or 5 600 persons), information and communications (3.4% or 3 700 persons), and financing and insurance (3.2% or 7 200 persons). On the other hand, employment decreased mainly in the industries of construction sites (manual workers only) (-11.0% or -13 300 persons), and import and export trade (-3.7% or -17 900 persons). Employment figures for selected major industries are shown in Table 1.

Vacancies statistics

Among the 79 580 private sector vacancies, 12 280 were from the industry of food and beverage services, 8 350 from retail trade, 8 160 from professional and business services (excluding cleaning and similar services), 6 470 from financing and insurance, and 5 570 from import and export trade.

Vacancies increased in many selected industries in March 2019 over a year earlier. Increases were mainly observed in the industries of transportation, storage, postal and courier services (740 or 18%); education (710 or 17%); residential care and social work services (630 or 17%); and professional and business services (excluding cleaning and similar services) (490 or 6%). On the other hand, vacancies decreased mainly in the industries of import and export trade (-720 or -11%), real estate (-190 or -5%), and information and communications (-170 or -5%). Job vacancies figures for selected major industries are shown in Table 2.

Analysed by major occupation category, private sector vacancies were observed mainly in the categories of service and sales workers (24 530 vacancies), associate professionals (15 180 vacancies), elementary occupations (14 930 vacancies), and clerical support workers (9 490 vacancies). Job vacancies figures by major occupation category are shown in Table 3.

Seasonally adjusted statistics

For discerning the latest trend in employment and vacancies in the private sector, it is useful to look at changes over a three-month period in the respective seasonally adjusted figures. Compared with December 2018, the seasonally adjusted total employment and total vacancies in the surveyed industries decreased by 0.1% and 0.8% respectively in March 2019. The changes over three-month periods in the seasonally adjusted series of employment and vacancies are shown in Table 4.

Other information

The above employment and vacancies statistics were obtained from the Quarterly Survey of Employment and Vacancies and the Quarterly Employment Survey of Construction Sites conducted by the C&SD. In the former survey, some economic activities (e.g. those dominated by self-employment, including taxi operators and hawkers) are not covered. Therefore, the respective employment and vacancies figures relate only to those selected industries included in the survey. In the latter survey on construction sites, employment and vacancies figures relate to manual workers only.

A detailed breakdown of the above statistics is published in the following reports:

"Quarterly Report of Employment and Vacancies Statistics, March 2019"
(www.censtatd.gov.hk/hkstat/sub/sp452.jsp?productCode=B1050003)

"Quarterly Report of Employment and Vacancies at Construction Sites, March 2019"
(www.censtatd.gov.hk/hkstat/sub/sp452.jsp?productCode=B1050004)

Users can download these publications free of charge at the website of the C&SD.

Enquiries on more detailed employment and vacancies statistics can be directed to the Employment Statistics and Central Register of Establishments Section, C&SD (Tel: 2582 5076; fax: 2827 2296; email: employment@censtatd.gov.hk).

"Thematic Household Survey Report No. 66" published

The Thematic Household Survey Report No. 66 is published by the Census and Statistics Department (C&SD) today (June 21).

This publication contains key findings of the Thematic Household Survey conducted during March to June 2018. The survey collected information on Hong Kong residents having studied outside Hong Kong, training needs, desire to take up jobs, keeping of dogs and cats, and use of language.

Hong Kong residents having studied outside Hong Kong

The survey results showed that 54 800 persons (1.3%) aged below 50 had studied outside Hong Kong during the five years before enumeration. The rate of persons who had studied outside Hong Kong during the five years before enumeration was the highest for those aged 18 – 24, at 3.8%.

Training needs of economically active persons

752 800 (20.4%) economically active persons had attended job-related training/retraining courses during the 12 months before enumeration. 240 400 (6.5%) economically active persons had plans at the time of enumeration to attend job-related training / retraining courses in the future. Most commonly cited courses planned to be attended in future were those related to job-specific skills, followed by management skills and language skills.

Desire of economically inactive persons to take up jobs

99 100 (5.7%) economically inactive persons aged 15 – 69 at the time of enumeration, within which 66 600 were female homemakers aged 30 – 59 and early retirees aged 50 – 64, would be willing to take up jobs if being offered suitable employment. Their main considerations were "flexible/convenient working hours", "high/reasonable salary" and "work place near home", etc.

Keeping of dogs and cats

There were some 241 900 households keeping dogs or cats at the time of enumeration, representing 9.4% of all households in Hong Kong, down from 10.6% in 2010. The percentage of households keeping dogs dropped from 7.1% in 2010 to 5.7% in 2018, whereas the percentage of households keeping cats remained more or less the same in 2010 and 2018, at 4.1% and 4.0% respectively.

Use of language

Among persons aged 6 – 65, 87.7% perceived their language competence in using Cantonese as very good or good, similar to the corresponding percentage in 2015 (86.5%). 29.0% perceived their language competence in using spoken English as very good or good, while 28.0% perceived their language competence in using Putonghua as very good or good. These percentages were higher than the corresponding percentages in 2015 (23.1% and 24.7% respectively).

On written language, the survey results showed that there was an increase in the percentage of persons aged 6 – 65 who perceived their language competence in written Chinese as very good or good, from 73.1% in 2015 to 78.2% in 2018. As for written English, the percentage of persons aged 6 – 65 who perceived their language competence as very good or good also rose from 23.3% in 2015 to 28.6% in 2018.

Other information

The survey successfully enumerated target respondents in some 10 000 households in accordance with a scientific sampling scheme to represent the population of Hong Kong.

Detailed findings of the survey, together with the population coverage and concepts/definitions of key terms, are presented in the publication. Users can download the publication free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp140.jsp?productCode=B1130201).

Enquiries about the contents of the publication can be directed to the

Statistics of Stored Value Facilities schemes issued by Stored Value Facilities licensees

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

The Hong Kong Monetary Authority published today (June 21) statistics on Stored Value Facilities (SVF) schemes issued by SVF licensees for the first quarter of 2019.

The SVF scheme statistics (see Annex) include quarterly data on SVF schemes issued by the sixteen SVF licensees (Note 1).

According to the quarterly statistics, the total number of SVF accounts in use (Note 2) was 59.34 million by the end of Q1/2019, representing a 5.8 per cent increase from the previous quarter. The total number of SVF transactions (Note 3) was around 1.6 billion for Q1/2019, or 4.4 per cent lower than the previous quarter. The total value of SVF transactions was HK\$47.5 billion for Q1/2019, representing a 1.3 per cent drop from the previous quarter. Of the total transaction value, HK\$23.2 billion was related to point-of-sale spending payment, HK\$16.8 billion in online spending payment and HK\$7.4 billion in P2P funds transfer. The total float and SVF deposit (Note 4) was HK\$10.4 billion for Q1/2019, 6.5 per cent higher than the previous quarter. The quarter-to-quarter drops in payment transaction number and value in Q1/2019 are likely due to seasonal factors as a similar pattern was observed in the previous year.

As compared with the end of Q1/2018, the total number of SVF accounts in use at the end of Q1/2019 was up by 21.1 per cent, and the total float and SVF deposit was up by 22.8 per cent. The total number and value of SVF transactions during Q1/2019 were up by 9.7 per cent and 21.7 per cent respectively year-on-year.

Note 1: The SVF scheme statistics are compiled from data on SVF schemes issued by the sixteen SVF licensees. The SVF licensees, in alphabetical order, are 33 Financial Services Limited, Alipay Financial Services (HK) Limited, Autotoll Limited, Bank of Communications (Hong Kong) Limited, Dah Sing Bank, Limited, ePaylinks Technology Co., Limited, HKT Payment Limited, Hongkong and Shanghai Banking Corporation Limited (The), K & R International Limited, Octopus Cards Limited, Optal Asia Limited, PayPal Hong Kong Limited, TNG (Asia) Limited, Transforex (Hong Kong) Investment Consulting Co.,

Limited, UniCard Solution Limited and WeChat Pay Hong Kong Limited.

Note 2: "Total number of SVF accounts in use" refers to the total number of SVF accounts that can be used as at the end of the reporting period.

Note 3: SVF transactions include point-of-sale spending payment, online spending payment and P2P funds transfer.

Note 4: The following terms follow their definitions in the Payment Systems and Stored Value Facilities Ordinance:

- "Float" means the stored value remaining on the facility but does not include any SVF deposit; and
- "SVF deposit" means a deposit placed with the licensee, or another person on behalf of the licensee, for enabling the facility to be used.

Approved Hebe Haven Outline Zoning Plan amended

The Town Planning Board today (June 21) announced amendments to the approved Hebe Haven Outline Zoning Plan (OZP).

The amendments mainly involve the rezoning of a site near the junction of Hiram's Highway and Heung Chung Road from "Government, Institution or Community" to "Residential (Group C)4" and a site to the south of Nam Wai from "Green Belt" to "Residential (Group C)5" for private housing development, and other amendments to reflect the as-built conditions. Opportunity is also taken to amend the Notes and Explanatory Statement of the OZP to reflect the above amendments and to update the general information of various land use zonings, where appropriate.

The draft Hebe Haven OZP No. S/SK-HH/7, incorporating the amendments, is now available for public inspection during office hours at (i) the Secretariat of the Board, (ii) the Planning Enquiry Counters, (iii) the Sai Kung and Islands District Planning Office, (iv) the Sai Kung District Office, and (v) the Sai Kung Rural Committee.

Any person may make written representations in respect of the amendments to the Secretary of the Town Planning Board on or before August 21. Any person who intends to make a representation is advised to read the revised Town Planning Board Guidelines No. 29B on "Submission and Publication of Representations, Comments on Representations and Further Representations under the Town Planning Ordinance" (TPB PG-No. 29B) promulgated in November 2018 and taking effect in 2019. Submission of a representation should comply with the requirements set out in TPB PG-No. 29B. The Guidelines and the

submission form are available at locations (i) and (ii) above and the Board's website (www.info.gov.hk/tpb).

Copies of the draft Hebe Haven OZP are available for sale at the Map Publications Centres in North Point and Yau Ma Tei. The electronic version of the plan can be viewed at the Town Planning Board's website (www.info.gov.hk/tpb).