

Quarterly Survey of Employment and Vacancies for December 2018 starts

The Census and Statistics Department has commenced a new round of the Quarterly Survey of Employment and Vacancies to collect data on employment and vacancies in major industry sections of the economy in respect of December 2018. This survey is conducted quarterly. The survey results are useful in serving as short-term economic indicators and providing information on the latest changes in the labour market.

This round of the survey covers about 30 000 establishments which are drawn from various industry sections including industrial sections (such as mining and quarrying; manufacturing; and electricity, gas and waste management) and the services sections (such as import/export, wholesale and retail trades; accommodation and food services; transportation, storage, postal and courier services; information and communications; financing and insurance; real estate; professional and business services; and social and personal services). Information on the number of persons engaged and vacancies, together with the characteristics of job vacancies, as at December 31, 2018, will be sought from each selected establishment.

Questionnaires are being sent by mail or by fax to selected establishments. In accordance with the Census and Statistics Ordinance, these establishments are required to complete and return the questionnaires to the department within the specified period. If individual establishments have any difficulties in completing the questionnaires, they may contact the department for assistance at 2234 3800.

Accrual-based consolidated Government accounts for 2017-18

The Government published today (December 13) its accrual-based consolidated accounts for the financial year 2017-18.

A government spokesman said that the accrual-based accounts differ from the cash-based ones in the purposes they serve. "Compiled on the basis of actual cash revenue and expenditure within a financial year, the cash-based accounts serve mainly to demonstrate that public money has been paid within the limits and ambits approved by the legislature. The accrual-based accounts, on the other hand, aim to present more information on the financial performance and position of the Government," he said.

"The cash-based accounts consolidate the General Revenue Account (GRA)

and the Funds established under section 29 of the Public Finance Ordinance (Cap. 2) except the Bond Fund, the balance of which is not part of the Fiscal Reserves. In addition to the GRA and Funds consolidated in the cash-based accounts, the accrual-based accounts include the Exchange Fund, the Hong Kong Housing Authority (HKHA), government business enterprises such as the MTR Corporation Limited and the Kowloon-Canton Railway Corporation, and other government funds such as the Bond Fund, the Quality Education Fund and the Beat Drugs Fund. There are also more comprehensive disclosures of the Government's assets and liabilities in the accrual-based accounts, e.g. fixed assets and provision for pensions and government debts," he added.

The key figures shown in the accrual-based accounts as compared with those in the cash-based accounts are highlighted below:

	2017-18	
	Cash-based	Accrual-
	(HK\$ billion)	(HK\$ billion)
	_____	_____
Financial results		
* Fiscal surplus	148.9	
* Net surplus		320.1
Reserves		
* Fiscal Reserves	1,102.9	
* General Reserve		830.2
* Exchange Fund Reserve		714.7
* Capital Expenditure Reserve		486.3
	_____	_____
1,102.9	2,031.2	
	_____	_____
Net assets	1,102.9	2,031.2

The accrual-based Consolidated Statement of Financial Performance reports a surplus of HK\$320.1 billion, whereas the cash-based accounts show a surplus of HK\$148.9 billion. This is mainly due to the inclusion of the surpluses of the Exchange Fund, the HKHA and other funds as well as the share of surpluses from government business enterprises, partly offset by the provision for pension liabilities.

According to the accrual-based Consolidated Statement of Financial Position, the Government's net assets were HK\$2,031.2 billion as at March 31, 2018. These net assets were represented by three reserves: General Reserve of HK\$830.2 billion, Exchange Fund Reserve of HK\$714.7 billion and Capital Expenditure Reserve of HK\$486.3 billion. Notwithstanding these, the cash resources available for the Government's spending remain to be the Fiscal Reserves, which stood at HK\$1,102.9 billion as at March 31, 2018.

"The General Reserve represents the net financial assets of the Government. The Exchange Fund Reserve refers to the net assets of the Exchange Fund, the use of which is governed by the Exchange Fund Ordinance (Cap. 66), whereas the Capital Expenditure Reserve represents the total net book value of fixed assets," the government spokesman added.

"The Government's General Reserve as at March 31, 2018, was HK\$830.2 billion, HK\$272.7 billion less than the Fiscal Reserves of HK\$1,102.9 billion reported in the cash-based accounts. The difference arises because the net financial assets of the Government in the accrual-based accounts take into account the Government's liabilities such as government bonds and notes, pensions and untaken leave of staff, partly offset by financial assets such as investments in the MTR Corporation Limited and the Airport Authority.

"Totalling HK\$123.2 billion, the government bonds and notes refer to the debt instruments issued in 2004 and those under the Government Bond Programme. The provision for pensions of HK\$964.6 billion, in terms of present value, represents the statutory liabilities in relation to civil servants' pensions.

"Apart from the liabilities shown in the accrual-based Consolidated Statement of Financial Position, there are also outstanding commitments, largely for capital works, of HK\$538.1 billion and guarantees of HK\$109.0 billion provided under various schemes," the government spokesman said.

The public can access the accrual-based and cash-based accounts at the Treasury's website: www.try.gov.hk.

Government announces subscription and allocation results of Silver Bond

The Government announced today (December 13) the subscription and allocation results of the third Silver Bond, issued under the retail part of the Government Bond Programme.

According to the subscription information submitted by Placing Banks and Designated Securities Brokers, as at the close of the subscription period at 2pm on December 6, 2018, a total of 45 488 valid applications had been received for a total of HK\$6,221,050,000 in principal amount of bonds.

The final issue amount is HK\$3 billion. Allocation is made in accordance with the mechanism set out in the Issue Circular dated November 22, 2018. The valid applications received have been allocated different amounts of bonds up to a maximum of eight units. There are a total of 16 558 applications for seven or fewer units, which will be allocated the full amounts applied for. The remaining 28 930 valid applications (i.e. those applying for more

than seven units) will be allocated seven units each and then entered into a ballot. Of these applications, 24 184 will be allocated one additional unit.

The Silver Bond will be issued on December 17, 2018. Notifications on individual allocation results, applicable subscription moneys and amounts of any refund of application moneys will be sent to applicants in accordance with the schedule set out in the Issue Circular.

A Government spokesman said, "Silver Bond has provided an investment product with steady returns for senior residents in Hong Kong, and further promoted the development of the relevant market. We will continue to issue the fourth batch of Silver Bond in 2019."

Research Grants Council to present public lecture on marketing and branding in Hong Kong on December 15

The following is issued on behalf of the University Grants Committee:

The Research Grants Council (RGC) will present its fourth public lecture this year under the theme "Marketing and Branding in Hong Kong" on December 15 (Saturday) at the Hong Kong Central Library.

The RGC has invited Associate Professor of the Department of Chinese and Bilingual Studies of the Hong Kong Polytechnic University Dr Doreen Wu and Assistant Professor of Marketing and International Business of Lingnan University Professor Vincent Wong to share their research findings and knowledge with the public. Details are as follows:

Time: 2.30pm to 4.30pm

Venue: Lecture Theatre, G/F, Hong Kong Central Library

Language: Cantonese

Admission is free on a first-come, first-served basis.

Emotional branding refers to acts of engaging the consumer on the level of senses and emotions. Dr Wu will deliver a talk entitled "Emotional Branding by Global Brands across Hong Kong and the Mainland" to share with the audience her insights on and analyses of the top global brands which use emotional branding to achieve global reach and local relevance. She will also compare their strategies used in Hong Kong and on the Mainland.

Will consumers respond positively to marketing communications conveying partial reduction of negative product attributes? Professor Wong will deliver

a talk entitled "How does partial reduction in negative product attributes influence consumers' responses? The role of consumers' implicit theories" to provide consumers with adequate knowledge to correct their cognitive biases, and to provide marketers with strategies to effectively convey improvement in product attributes.

The public lectures of the RGC aim at arousing public interest in local research developments. Since 2009, the RGC has invited numerous leading scholars to speak at these lectures. For enquiries, please call 2524 3987 or visit the University Grants Committee webpage (www.ugc.edu.hk/eng/rgc/lectures/lectures.html).

SCED and CA announce arrangements for releasing 5G spectrum in various frequency bands

The Secretary for Commerce and Economic Development (SCED) and the Communications Authority (CA) announced today (December 13) their decisions after public consultations to assign the first batch of 4 100 MHz of spectrum that can be used for the fifth generation mobile (5G) services in April next year at the earliest for deployment by the operators. The authorities also promulgated their decisions to auction a total of 380 MHz of spectrum in the 3.5 GHz band, 3.3 GHz band and 4.9 GHz band by batches in mid-2019, as well as the arrangements for the related spectrum utilisation fee (SUF).

"Starting from April 2019, a total of about 4 500 MHz of spectrum will be made available to the market for 5G services, representing more than eight times the existing amount of 552 MHz of spectrum being used for 2G, 3G and 4G services in Hong Kong," the spokesman for the CA said.

The 4 100 MHz of spectrum in the 26 GHz and 28 GHz bands will be the first batch of spectrum available for use for the provision of 5G services, starting from April 2019. Due to the ample supply, the spectrum in these two frequency bands will be assigned administratively. Among them, 3 700 MHz of spectrum will be assigned for the provision of large scale public mobile services across the territory. Applications for assignment of the spectrum will be invited before the end of 2018. The remaining 400 MHz of spectrum will be set aside for the provision of localised innovative 5G services to specific groups of users on a geographically sharing basis and applications for assignment will be invited in the second quarter of 2019.

Given the likely competing demands for spectrum in the 3.5 GHz band (with 200 MHz of spectrum), 3.3 GHz band (with 100 MHz of spectrum) and 4.9 GHz band (with 80 MHz of spectrum), they will be assigned by way of auctions.

Subject to enactment of the necessary legislative amendments, the CA aims to conduct three separate auctions for these frequency bands starting from July/August 2019.

"The 3.5 GHz band will be used by both the existing satellite services and the new mobile services. The Office of the Communications Authority (OFCA) has been co-ordinating with the relevant network operators to enable controlled deployment of spectrum in the 3.5 GHz band within the restriction zone where the Tai Po satellite earth stations are located. The co-ordination work is expected to be completed by the first quarter of 2019, and the conditions of use will be set out in the information memorandum for the auction. The OFCA will administer a subsidy scheme, funded by successful bidders in the auction for the 3.5 GHz band, to support the upgrading of about 1 600 existing satellite master antenna television systems in Hong Kong," the spokesman for the CA said.

As for the SUF, a spokesman for the Commerce and Economic Development Bureau said, "Since the CA will administratively assign the spectrum in the 26 GHz and 28 GHz bands, the SCED has decided not to charge any SUF if less than 75 per cent of the spectrum in these frequency bands has been occupied. The SUF will be charged only if the frequency bands become congested i.e. 75 per cent or more occupied, and are anticipated to become more congested in the future – \$21,600 per MHz per annum for spectrum to be assigned for the provision of large-scale public mobile services, and \$1,080 per MHz per annum for the spectrum to be assigned on geographically sharing basis."

For spectrum in the 3.3 GHz, 3.5 GHz and 4.9 GHz bands, the SUF will be determined by auction. The auction reserve prices will be set by SCED nearer the time. To enable greater financial flexibility for spectrum assignees, the SCED will allow spectrum assignees the choice of either paying the SUF by lump sum payment upfront or by annual instalments.

The assignment arrangements of the above spectrum are summarised in the table at Annex. For details about the respective decisions made by SCED and the CA, please refer to the three Joint Statements issued today, which are available at:

For the 26 GHz and 28 GHz bands:

www.cedb.gov.hk/ccib/eng/paper/pdf/joint_statement_26_28GHz_2018en.pdf
www.coms-auth.hk/filemanager/statement/en/upload/480/joint_statement_st_052018.pdf

For the 3.5 GHz band:

www.cedb.gov.hk/ccib/eng/paper/pdf/joint_statement_3.4_3.6GHz_2018en.pdf
www.coms-auth.hk/filemanager/statement/en/upload/481/joint_statement_st_062018.pdf

For the 3.3 GHz and 4.9 GHz bands:

www.cedb.gov.hk/ccib/eng/paper/pdf/joint_statement_3.3_4.9GHz_2018en.pdf
www.coms-auth.hk/filemanager/statement/en/upload/482/joint_statement_st_072018.pdf