

Key statistics on business performance and operating characteristics of building, construction and real estate sectors in 2017

According to the results of the 2017 Annual Survey of Economic Activities – Building, Construction and Real Estate Sectors released today (November 30) by the Census and Statistics Department (C&SD), the construction sector's total receipts (comprising gross value of construction works performed and other business receipts) amounted to \$418.5 billion in 2017, representing an increase of 3.1% over 2016; on a per establishment basis, total receipts was \$16.8 million in 2017, increased slightly by 0.4% compared with 2016.

Operating expenses and compensation of employees of the construction sector altogether amounted to \$377.6 billion in 2017, representing an increase of 2.8% over 2016; on a per establishment basis, they were \$15.2 million in 2017, edged up by 0.1% compared with 2016.

Gross surplus of the construction sector, which is equal to total receipts less operating expenses and compensation of employees, increased by 6.1% over 2016 to \$40.9 billion in 2017; on a per establishment basis, gross surplus increased by 3.3% compared with 2016 to \$1.6 million in 2017. Gross surplus accounted for 9.8% of total receipts in 2017, up by 0.3 of a percentage point over 2016.

Value added of the construction sector, which is a measure of its contribution to Hong Kong's Gross Domestic Product, increased by 5.2% over 2016 to \$132.8 billion in 2017; on a per establishment basis, the value added was \$5.3 million in 2017, representing an increase of 2.4% over 2016.

In 2017, there were some 24 800 establishments in the construction sector, which directly engaged about 185 100 persons, or an average of 7.5 persons per establishment.

The survey did not cover labour-only sub-contractors that mainly supplied labour to work on a job-to-job basis, owing to practical consideration in data collection. The employment figures above mainly covered direct employees of the construction establishments and did not reflect the labour input through the sub-contracting activities of labour-only sub-contractors.

Apart from the construction sector, the survey also enumerated establishments engaged in real estate activities; and architectural, surveying and engineering services.

Total receipts (comprising gross margin of real estate development

projects, service and rental income and other business receipts) of establishments engaged in the real estate activities (including real estate development, real estate leasing, real estate brokerage and agency and real estate maintenance management) amounted to \$202.0 billion in 2017, representing an increase of 4.0% over 2016. Operating expenses and compensation of employees altogether amounted to \$82.0 billion in 2017, representing an increase of 8.1% over 2016. Gross surplus increased by 0.8% compared with 2016 to \$111.6 billion in 2017. Gross surplus accounted for 55.3% of total receipts in 2017, down by 1.8 percentage points compared with 2016. Value added increased by 3.6% compared with 2016 to \$145.3 billion in 2017.

In 2017, the real estate activities comprised 9 100 establishments and engaged about 112 300 persons, or an average of 12.4 persons per establishment.

The total number of private real estate projects ever operated in 2017 was 299. As at end-2017, 236 projects, which were expected to provide a total 7.4 million square metres of gross floor area of buildings when completed, were still under construction. Among them, 19% were on Hong Kong Island, 30% in Kowloon and 51% in the New Territories and outlying islands.

The survey excluded establishments which developed real estate projects for their own use as well as those which owned land but had not developed it during the reference year. Real estate leasing and other related activities undertaken by individuals or firms which engaged less than two persons (except for subsidiaries of real estate enterprises) were also not covered in the survey.

Total receipts (comprising service income and other business receipts) of establishments engaged in the architectural, surveying and engineering services amounted to \$22.0 billion in 2017, representing an increase of 1.4% over 2016. Operating expenses and compensation of employees altogether amounted to \$19.9 billion in 2017, representing an increase of 0.5% over 2016. Gross surplus increased by 10.6% compared with 2016 to \$2.1 billion in 2017. Gross surplus accounted for 9.4% of total receipts in 2017, up by 0.8 of a percentage point compared with 2016. Value added increased by 3.7% compared with 2016 to \$15.7 billion in 2017.

In 2017, the architectural, surveying and engineering services comprised some 2 000 establishments and engaged about 25 700 persons, or an average of 12.8 persons per establishment.

Selected statistics for the building, construction and real estate sectors, with breakdowns by industry grouping, are shown in the attached table.

More detailed survey results on the building, construction and real estate sectors will be given in the report "Key Statistics on Business Performance and Operating Characteristics of the Building, Construction and Real Estate Sectors in 2017". Users can download this report free of charge at the website of C&SD

(www.censtatd.gov.hk/hkstat/sub/sp330.jsp?productCode=B1080011) as from end-December 2018.

For enquiries about the key statistics on business performance and operating characteristics of the building, construction and real estate sectors, please contact the Construction and Miscellaneous Services Statistics Section of the C&SD at telephone: 3903 6964 or email: building@censtatd.gov.hk.

Provisional statistics of retail sales for October 2018

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (November 30).

The value of total retail sales in October 2018, provisionally estimated at \$39.7 billion, increased by 5.9% over the same month in 2017. The revised estimate of the value of total retail sales in September 2018 increased by 2.4% over a year earlier. For the first ten months of 2018 taken together, it was provisionally estimated that the value of total retail sales increased by 10.6% over the same period in 2017.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in October 2018 increased by 5.2% over a year earlier. The revised estimate of the volume of total retail sales in September 2018 increased by 1.4% over a year earlier. For the first ten months of 2018 taken together, the provisional estimate of the total retail sales increased by 9.1% in volume over the same period in 2017.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing October 2018 with October 2017, the value of sales of jewellery, watches and clocks, and valuable gifts increased by 3.3%. This was followed by sales of electrical goods and other consumer durable goods, not elsewhere classified (+16.1% in value); commodities in department stores (+3.5%); wearing apparel (+2.3%); medicines and cosmetics (+14.9%); other consumer goods, not elsewhere classified (+12.7%); motor vehicles and parts (+13.6%); fuels (+10.3%); footwear, allied products and other clothing accessories (+9.3%); books, newspapers, stationery and gifts (+5.8%); furniture and fixtures (+0.8%); Chinese drugs and herbs (+0.6%); and optical shops (+3.2%).

On the other hand, the value of sales of commodities in supermarkets decreased by 0.9% in October 2018 compared with a year earlier. This was followed by sales of food, alcoholic drinks and tobacco (-2.0% in value).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 2.2% in the three months ending October 2018 compared with the preceding three-month period, while the provisional estimate of the volume of total retail sales decreased by 1.8%.

These retail sales statistics measure the sales receipts in respect of goods sold by local retail establishments and are primarily intended for gauging the short-term business performance of the local retail sector. They cover consumer spending on goods but not on services (such as those on housing, catering, medical care and health services, transport and communication, financial services, education and entertainment) which account for over 50% of the overall consumer spending. Moreover, they include spending on goods in Hong Kong by visitors but exclude spending outside Hong Kong by Hong Kong residents. Hence they should not be regarded as indicators for measuring overall consumer spending.

Users interested in the trend of overall consumer spending should refer to the data series of private consumption expenditure (PCE), which is a major component of the Gross Domestic Product published at quarterly intervals. Compiled from a wide range of data sources, PCE covers consumer spending on both goods (including goods purchased from all channels) and services by Hong Kong residents whether locally or abroad. Please refer to the C&SD publication "Gross Domestic Product (Quarterly)" for more details.

Commentary

A government spokesman indicated that growth in retail sales picked up somewhat in October after a deceleration in the preceding month, supported by the faster increase in visitor arrivals and continued income growth.

The spokesman commented further that, looking forward, strong inbound tourism and favourable job and income conditions should continue to support the retail sector in the near term. Yet, consumer sentiment could increasingly be affected by the external uncertainties and weaker asset markets. The Government will closely monitor the situation.

Further information

Table 1 presents the revised figures on value index and value of retail sales for all retail outlets and by broad type of retail outlet for September 2018 as well as the provisional figures for October 2018. The provisional figures on the value of retail sales for all retail outlets and by broad type of retail outlet as well as the corresponding year-on-year changes for the first ten months of 2018 taken together are also shown.

Table 2 presents the revised figures on volume index of retail sales for all retail outlets and by broad type of retail outlet for September 2018 as well as the provisional figures for October 2018. The provisional figures on year-on-year changes for the first ten months of 2018 taken together are also shown.

Table 3 shows the movements of the value and volume of total retail

sales in terms of the year-on-year rate of change for a month compared with the same month in the preceding year based on the original series, and in terms of the rate of change for a three-month period compared with the preceding three-month period based on the seasonally adjusted series.

The classification of retail establishments follows the Hong Kong Standard Industrial Classification (HSIC) Version 2.0, which is used in various economic surveys for classifying economic units into different industry classes.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can download this publication free of charge at the website of the C&SD

(www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=B1080003).

Alternatively, the historical series of retail sales statistics can be downloaded in the form of a statistical table at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=D5600089).

Users who have enquiries about the survey results may contact the Distribution Services Statistics Section of C&SD (Tel: 3903 7400; email: mrs@censtatd.gov.hk).

Key statistics on operating characteristics of import/export, wholesale and retail trades, and accommodation and food services sectors in 2017

According to the results of the 2017 Annual Survey of Economic Activities – Import/Export, Wholesale and Retail Trades, and Accommodation and Food Services Sectors released today (November 30) by the Census and Statistics Department (C&SD), total receipts (i.e. sales and other receipts) of the import/export, wholesale and retail trades, and accommodation and food services sectors amounted to \$5,039.9 billion in 2017, representing an increase of 2.8% compared with 2016; on a per establishment basis, total receipts increased by 4.8% compared with 2016 to \$33.1 million in 2017.

Operating expenses, cost of goods sold and compensation of employees of the above sectors altogether amounted to \$4,661.4 billion in 2017, representing an increase of 2.7% compared with 2016; on a per establishment basis, they altogether increased by 4.7% compared with 2016 to \$30.6 million in 2017.

Gross surplus of the sectors, which is equal to total receipts less operating expenses, cost of goods sold and compensation of employees, increased by 3.3% compared with 2016 to \$378.4 billion in 2017; on a per establishment basis, gross surplus was \$2.5 million in 2017, which increased by 5.3% compared with 2016. For all these sectors taken together, gross surplus accounted for 7.5% of total receipts in 2017, which was similar to that in 2016.

Value added of the sectors, which is a measure of their total contribution to Hong Kong's Gross Domestic Product, amounted to \$645.7 billion in 2017, which increased by 5.3% compared with 2016; on a per establishment basis, value added was \$4.2 million in 2017, which increased by 7.3% compared with 2016.

According to the survey results, it was estimated that the aforementioned sectors comprised some 152 400 establishments and engaged about 1 092 600 persons, or an average of 7.2 persons per establishment, in 2017.

In the import/export trade, total receipts amounted to \$3,986.6 billion while operating expenses, cost of goods sold and compensation of employees totalled \$3,680.7 billion in 2017. Gross surplus increased from \$295.0 billion in 2016 to \$305.9 billion in 2017, accounting for 7.7% of total receipts in 2017. Value added increased by 5.2% compared with 2016 to \$457.6 billion.

In the wholesale trade, total receipts amounted to \$310.3 billion while operating expenses, cost of goods sold and compensation of employees totalled \$302.1 billion in 2017. Gross surplus decreased from \$8.2 billion in 2016 to \$8.1 billion in 2017, accounting for 2.6% of total receipts in 2017. Value added increased by 4.0% compared with 2016 to \$21.9 billion.

In the retail trade, total receipts amounted to \$552.3 billion while operating expenses, cost of goods sold and compensation of employees totalled \$513.1 billion in 2017. Gross surplus increased from \$39.0 billion in 2016 to \$39.2 billion in 2017, accounting for 7.1% of total receipts in 2017. Value added increased by 5.7% compared with 2016 to \$84.1 billion.

In the accommodation services sector which covers hotels, guesthouses, boarding houses and other establishments providing short term accommodation, total receipts amounted to \$45.2 billion while operating expenses, cost of goods sold and compensation of employees totalled \$30.4 billion in 2017. Gross surplus increased from \$14.3 billion in 2016 to \$14.7 billion in 2017, accounting for 32.6% of total receipts in 2017. Value added increased by 4.9% compared with 2016 to \$28.4 billion.

In the food services sector which mainly covers restaurants, total receipts amounted to \$145.5 billion while operating expenses, cost of goods sold and compensation of employees totalled \$135.1 billion in 2017. Gross surplus increased from \$10.1 billion in 2016 to \$10.5 billion in 2017,

accounting for 7.2% of total receipts in 2017. Value added increased by 6.1% compared with 2016 to \$53.8 billion.

Selected statistics for the import/export, wholesale and retail trades, and accommodation and food services sectors in 2016 and 2017 are shown in the attached table.

More detailed survey results on the import/export, wholesale and retail trades, and accommodation and food services sectors will be given in the report "Key Statistics on Business Performance and Operating Characteristics of the Import/Export, Wholesale and Retail Trades, and Accommodation and Food Services Sectors in 2017". Users can download this report (in PDF format) free of charge at the website of C&SD (www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=B1080014) as from end-December 2018.

Users who have enquiries about the survey results may contact the Distribution Services Statistics Section of C&SD (Tel: 3903 7399; email : asw@censtatd.gov.hk).

Key statistics on operating characteristics of information and communications, financing and insurance, professional and business services sectors in 2017

The Census and Statistics Department (C&SD) released today (November 30) the results of the 2017 Annual Survey of Economic Activities – Information and Communications, Financing and Insurance, Professional and Business Services Sectors.

Amongst the industry sectors covered by the survey, the financing (except banking) industry recorded the largest total receipts (comprising business receipts and other income) in 2017, followed by the insurance industry and the banking industry. The other industry sectors in descending order in terms of total receipts were information and communications; administrative and support service activities; and professional, scientific and technical activities.

In the financing (except banking) industry, total receipts amounted to \$666.0 billion in 2017, representing an increase of 10.4% compared with 2016. On a per establishment basis, total receipts increased by 9.4% compared with

2016 to \$81.6 million in 2017. Operating expenses and compensation of employees together increased by 10.8% year-on-year to \$235.9 billion in 2017. Gross surplus, which is equal to total receipts less operating expenses, compensation of employees and (where applicable) value of purchases of goods for sale, increased from \$390.2 billion in 2016 to \$430.0 billion in 2017, accounting for 64.6% of total receipts in 2017. Value added, which provides a measure of the contribution of this industry to Hong Kong's Gross Domestic Product (GDP), increased by 9.6% compared with 2016 to \$94.8 billion in 2017. In 2017, the financing (except banking) industry comprised about 8 200 establishments and engaged about 86 200 persons, or an average of 10.6 persons per establishment.

In the insurance industry, total receipts increased by 15.5% over 2016 to \$592.8 billion in 2017. On a per establishment basis, total receipts increased by 14.2% compared with 2016 to \$222.1 million in 2017. Operating expenses and compensation of employees together increased by 7.7% year-on-year to \$67.6 billion in 2017. In 2017, the insurance industry comprised about 2 700 establishments and engaged about 83 700 persons, or an average of 31.4 persons per establishment.

In the banking industry, total receipts amounted to \$425.5 billion in 2017, representing an increase of 12.7% compared with 2016. On a per establishment basis, total receipts increased by 19.3% compared with 2016 to \$1.8 billion in 2017. Operating expenses and compensation of employees together increased by 8.9% year-on-year to \$205.0 billion in 2017. In 2017, the banking industry comprised 239 establishments and engaged about 104 300 persons, or an average of 436.2 persons per establishment.

In compiling gross surplus and value added of the banking industry and the insurance industry, other data sources are required to supplement the data collected through this survey and these statistics are to be compiled under the framework of GDP. Statistics on value added of these two industries are released by the C&SD separately.

In the information and communications sector, total receipts edged up by 0.2% compared with 2016 to \$200.4 billion in 2017. On a per establishment basis, total receipts decreased by 3.7% compared with 2016 to \$18.9 million in 2017. Operating expenses and compensation of employees together decreased by 1.8% year-on-year to \$133.9 billion in 2017. Gross surplus increased from \$45.7 billion in 2016 to \$47.0 billion in 2017, accounting for 23.5% of total receipts in 2017. Value added increased by 3.4% compared with 2016 to \$85.5 billion in 2017. In 2017, the information and communications sector comprised about 10 600 establishments and engaged about 107 400 persons, or an average of 10.1 persons per establishment.

In the administrative and support service activities sector, total receipts amounted to \$150.3 billion in 2017, representing a decrease of 1.8% compared with 2016. On a per establishment basis, total receipts decreased by 2.8% compared with 2016 to \$12.6 million in 2017. Operating expenses and compensation of employees together decreased by 2.0% year-on-year to \$138.4 billion in 2017. Gross surplus increased from \$11.2 billion in 2016 to \$11.3

billion in 2017, accounting for 7.5% of total receipts in 2017. Value added increased by 5.5% compared with 2016 to \$53.9 billion in 2017. In 2017, the administrative and support service activities sector comprised about 11 900 establishments and engaged about 230 600 persons, or an average of 19.4 persons per establishment.

In the professional, scientific and technical activities sector, total receipts amounted to \$150.1 billion in 2017, representing an increase of 4.6% compared with 2016. On a per establishment basis, total receipts increased by 2.7% compared with 2016 to \$5.7 million in 2017. Operating expenses and compensation of employees together increased by 4.6% year-on-year to \$120.9 billion in 2017. Gross surplus increased from \$26.9 billion in 2016 to \$27.9 billion in 2017, and accounted for 18.6% of total receipts in 2017. Value added increased by 3.8% compared with 2016 to \$81.3 billion in 2017. In 2017, the professional, scientific and technical activities sector comprised about 26 500 establishments and engaged about 145 300 persons, or an average of 5.5 persons per establishment.

Selected statistics for the sectors mentioned above are shown in the attached table. More detailed statistics will be given in the report "Key Statistics on Business Performance and Operating Characteristics of the Information and Communications, Financing and Insurance, Professional and Business Services Sectors in 2017". Users can download this report (in PDF format) free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp350.jsp?productCode=B1080013) as from end-December 2018.

For enquiries about the key statistics on business performance and operating characteristics of the information and communications, financing and insurance, professional and business services sectors, please contact the Business Services Statistics Section of the C&SD (Tel: 3903 7268 or email: business-services@censtatd.gov.hk).

Financial results for the seven months ended October 31, 2018

The Government announced today (November 30) its financial results for the seven months ended October 31, 2018.

There was a surplus of HK\$29.3 billion in the month of October, thereby bringing the cumulative year-to-date deficit down to HK\$46 billion. Expenditure for the seven-month period amounted to HK\$294.6 billion and revenue HK\$248.6 billion.

A government spokesperson said that the improved financial results in

October were mainly due to the collection of profits tax.

The fiscal reserves stood at HK\$1,056.9 billion as at October 31, 2018.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended October 31, 2018 HK\$ million	Seven months ended October 31, 2018 HK\$ million
Revenue	72,800.8	248,551.3
Expenditure	(43,483.1)	(294,565.6)
Surplus/(Deficit)	29,317.7	(46,014.3)
Financing		
Domestic		
Banking Sector (Note 2)	(29,108.2)	43,763.3
Non-Banking Sector	(209.5)	2,251.0
External	—	—
Total	(29,317.7)	46,014.3

Government Debts as at October 31, 2018 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at October 31, 2018 (Note 4)

HK\$23,898.3 million

TABLE 2. FISCAL RESERVES

	Month ended October 31, 2018 HK\$ million	Seven months ended October 31, 2018 HK\$ million
Fiscal Reserves at start of period	1,027,601.7	1,102,933.7
Consolidated Surplus/ (Deficit)	29,317.7	(46,014.3)

Fiscal Reserves at end of period (Note 5)	1,056,919.4	1,056,919.4
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Notes:

1. This Account consolidates the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond Fund balance as at October 31, 2018, was HK\$138,910 million.
2. Includes transactions with the Exchange Fund and resident banks.
3. These were the outstanding institutional notes as at October 31, 2018, which were denominated in Hong Kong dollars with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$100,395 million and alternative bonds with nominal value of US\$3,000 million (equivalent to HK\$23,535 million as at October 31, 2018) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme (including Silver Bonds with nominal value of HK\$5,795 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$26,077 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,845 million as at October 31, 2018) will mature within the period from November 2018 to October 2019 and the rest within the period from November 2019 to March 2032.
4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the Special Concessionary Measures under the SME Financing Guarantee Scheme launched in 2012, and a commercial loan of the Hong Kong Science and Technology Parks Corporation.
5. Includes HK\$219,730 million being the balance of the Land Fund held in the name of "Future Fund" as from January 1, 2016, for long-term investments initially up to December 31, 2025. As from July 1, 2016, the Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.