

# Appointment of Non-Executive Directors of SFC

The Government announced today (October 17) that the Financial Secretary, Mr Paul Chan, under the authority delegated by the Chief Executive, has appointed Mr Keith Pogson and reappointed Mr Chew Fook-aun as Non-Executive Directors of the Securities and Futures Commission (SFC) for a term of two years from October 20, 2024, and January 1, 2025, respectively.

A spokesman for the Financial Services and the Treasury Bureau said, "Mr Pogson has extensive experience in accounting, banking and financial services and in-depth knowledge in capital markets and listing matters. We are confident that his expertise will be valuable to facilitating the development of the SFC.

"Mr Chew has made useful contribution to the promotion of good corporate governance of the SFC during his tenure. We look forward to his continued support for the work of the SFC.

"We would also like to thank the outgoing Non-Executive Director, Ms Agnes Chan Sui-kuen, for her significant contribution to the SFC over the past six years. Her stewardship has been conducive to fostering the development and regulation of Hong Kong's securities and futures markets."

With effect from October 20, 2024, the Chairman of the SFC is Dr Kelvin Wong Tin-yau, and Non-Executive Directors are Mr Vincent Chan Chun-hung, Mr Chew Fook-aun, Mr Victor Dawes, SC, Mr Johnson Kong Chi-how, Mr Nicky Lo Kar-chun, Mr Keith Pogson, Mr Michael Wong Yick-kam and Mr Dieter Yih Lai-tak.

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## Volume and price statistics of external merchandise trade in August 2024

Further to the external merchandise trade statistics in value terms for August 2024 released earlier on, the Census and Statistics Department (C&SD) released today (October 17) the volume and price statistics of external merchandise trade for that month.

In August 2024, the volume of Hong Kong's total exports of goods and imports of goods increased by 3.1% and 4.9% respectively over August 2023.

Comparing the first eight months of 2024 with the same period in 2023, the volume of Hong Kong's total exports of goods and imports of goods increased by 7.2% and 4.2% respectively.

Comparing the three-month period ending August 2024 with the preceding three months on a seasonally adjusted basis, the volume of total exports of goods decreased by 0.1%, while the volume of imports of goods increased by 4.7%.

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

Comparing August 2024 with August 2023, the prices of total exports of goods and imports of goods increased by 3.1% and 2.6% respectively.

As regards price changes in the first eight months of 2024 over the same period in 2023, the prices of total exports of goods and imports of goods increased by 4.0% and 3.5% 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 periods in 2023, the index increased by 0.5% in August 2024 and 0.4% in the first eight months of 2024.

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

Comparing August 2024 with August 2023, increases were recorded for the total export volume to Vietnam (23.9%), the mainland of China (the Mainland) (8.6%) and Taiwan (7.0%). On the other hand, the total export volume to the USA (-2.0%) and India (-20.3%) decreased.

Over the same period of comparison, the total export prices to the USA (5.3%), the Mainland (3.9%), Taiwan (3.5%) and Vietnam (2.1%) increased. On the other hand, the total export prices to India decreased by 1.8%.

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

Comparing August 2024 with August 2023, increases were recorded for the import volume from Singapore (21.3%), Korea (14.5%), the Mainland (6.8%) and Taiwan (6.8%). On the other hand, the import volume from Japan decreased by 0.4%.

Over the same period of comparison, the import prices from all main suppliers increased: Singapore (5.2%), Korea (4.6%), the Mainland (2.9%),

Japan (0.9%) and Taiwan (0.4%).

#### Further information

Details of the above statistics are published in the August 2024 issue of "Hong Kong Merchandise Trade Index Numbers". Users can browse and download the report at the website of the C&SD ([www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1020006&scode=230](http://www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1020006&scode=230)).

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

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## Composite Interest Rate: End of September 2024

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

The Hong Kong Monetary Authority (HKMA) announced today (17 October) the composite interest rate at the end of September 2024 (Note 1).

The composite interest rate, which is a measure of the average cost of funds of banks, decreased by 17 basis points to 2.35 per cent at the end of September 2024, from 2.52 per cent at the end of August 2024 (see Chart 1 in the Annex). The decrease in composite interest rate mainly reflected the decrease in the weighted funding cost for deposits 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 September 2024 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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## Hong Kong Visual Arts Centre to showcase works by Art Specialist Course graduates (with photos)

The Hong Kong Visual Arts Centre (vA!) of the Art Promotion Office is staging the "Art Specialist Course 2023-24 Graduation Exhibition" from today (October 17) to November 4. The exhibition showcases the learning achievements by 22 graduates of the art specialist course, with a view to sharing the joy of artistic creation with the public. Admission to the exhibition is free.

Under the theme of "Resonance", participating students have utilised a variety of media, such as ceramic, wood, ink and creative expression techniques, to connect with the emotions of the visitors through their artworks. They invite visitors to seek resonance from their experiences and draw inspiration and insights from the art.

vA! strives to promote art learning by organising diverse activities, enabling individuals from different walks of life to explore art and cultivate creativity. The new round of "vA!cademy" will be launched, including the popular Art Specialist Course and Art Advanced Course. The course content of the 2024-25 Art Specialist Course will cover "Sculpture, Body and Space" as well as "Drawing, Painting and Printmaking", while that of the 2024-25 Art Advanced Course will cover "Ceramics" and "Landscapes, Flowers and Birds". Both courses will be taught by a group of professional and experienced artists. Course applications are open from now until November 1.

For details of the course application and the exhibition, please visit the website of vA! [www.apo.hk/en/web/apo/va\\_projects\\_and\\_programmes.html](http://www.apo.hk/en/web/apo/va_projects_and_programmes.html) or call 2521 3008 for enquiry.



# HKMC's social bond issuance

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

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (October 17) that it has successfully concluded its third social bond issuance of around HK\$23.8 billion equivalent (or US\$3 billion equivalent) (Issuance). Following a series of effective investor roadshows and improvement in overall market atmosphere, the Issuance was book-built and priced in Hong Kong on October 9, 2024. The Issuance marked the largest social bond issuance in Asia Pacific, breaking the record set by the HKMC in September 2023 when it launched its second social bonds of close to HK\$20 billion equivalent.

The triple-currency social bond issuance with four tranches comprises HK\$7 billion 2-year, HK\$8 billion 5-year, CNH 2 billion 7-year and US\$850 million 3-year social bonds. Amid the favourable market conditions, the Issuance was well received by a diverse group of high-quality local and overseas institutional investors including banks, investment funds, government-related funds, wealth management and private banks, with a combined peak orderbook of around HK\$55 billion equivalent and final allocation to over 200 accounts. Moreover, the two Hong Kong dollar (HKD) tranches totalling HK\$15 billion was the largest-ever institutional bond denominated in HKD, while the Renminbi (CNH) tranche was the first ever 7-year institutional bond denominated in CNH. The Issuance has helped to establish new benchmarks across the yield curve for the market and has further facilitated the bond market development in Hong Kong. Major terms of the Issuance are highlighted in the Annex.

The net proceeds from the Issuance will mainly be used to finance or refinance the loans under the Special 100% Loan Guarantee of the SME Financing Guarantee Scheme. The Special 100% Loan Guarantee was launched in April 2020 to alleviate the cash flow pressure of small and medium-sized enterprises (SMEs) in Hong Kong during the COVID-19 pandemic, helping to minimise business shut-downs and layoffs. The application period for the Special 100% Loan Guarantee expired at end-March 2024. The product has benefitted around 40 000 local SMEs and 400 000 related employees up to September 2024.

The Executive Director and Chief Executive Officer of the HKMC, Mr Raymond Li, said, "Our record-breaking social bond issuance once again demonstrated investors' strong confidence in Hong Kong and the HKMC. With the financing from a broadened investor base and the participation of a diverse group of financial institutions, the HKMC will continue to deliver on its policy missions, support the local development of sustainable finance and further solidify Hong Kong's role as an international financial centre."

The HKMC appreciates the professional advice and tremendous support from the Joint Global Co-ordinators, Joint Bookrunners, Joint Lead Managers and the Joint Structuring Banks, which comprised a total of 23 local and

international financial institutions, in making the Issuance successful. The list of participated financial institutions is set out at the Annex.

The social bonds are issued pursuant to the HKMC's Social, Green and Sustainability Financing Framework (SGS Framework). Details of the SGS Framework, the Second Party Opinion, the Social Bonds Allocation Update and Impact Reports and the Independent Practitioner's Limited Assurance Reports are available

at [www.hkmc.com.hk/eng/investor\\_relations/sustainable\\_finance.html](http://www.hkmc.com.hk/eng/investor_relations/sustainable_finance.html).