

# Hong Kong's Gross National Income and external primary income flows for first quarter of 2018

The Census and Statistics Department (C&SD) released today (June 14) the preliminary statistics on Hong Kong's Gross National Income (GNI) and external primary income flows (EPIF) for the first quarter of 2018.

Hong Kong's GNI in the first quarter of 2018 increased by 9.4% over a year earlier to \$712.1 billion at current market prices. The Gross Domestic Product (GDP), preliminarily estimated at \$688.0 billion at current market prices in the same quarter, recorded a 9.1% increase over the same period. Measured at current market prices, the value of GNI was larger than GDP by \$24.2 billion in the first quarter of 2018, representing a net external primary income inflow of the same amount, and equivalent to 3.5% of GDP in that quarter.

After netting out the effect of price changes over the same period, Hong Kong's GNI increased by 5.5% in real terms in the first quarter of 2018 over a year earlier. The corresponding GDP in the same quarter increased by 4.7% in real terms.

Total primary income inflow into Hong Kong, estimated at \$349.6 billion in the first quarter of 2018 and equivalent to 50.8% of GDP in that quarter, increased by 18.8% over a year earlier. Meanwhile, total primary income outflow, estimated at \$325.4 billion in the first quarter of 2018 and equivalent to 47.3% of GDP in that quarter, increased by 18.6% over a year earlier. Taking the inflow and outflow together, a net external primary income inflow of \$24.2 billion was recorded in the first quarter of 2018.

As for the major components of total primary income inflow, direct investment income (DII) increased by 12.1% over a year earlier, mainly due to the increase in earnings of some prominent local enterprises from their direct investment abroad. Portfolio investment income (PII) increased by 19.8% over a year earlier, mainly attributable to the increase in interest income received by resident investors from their holdings of non-resident long-term debt securities and the increase in dividend income received by resident investors from their holdings of non-resident equity securities. Other investment income (OII) increased by 82.7%, largely caused by the increase in interest income from external assets of the local banking sector. Income on reserve assets increased by 51.0%, as a result of the increase in investment earnings from foreign currency reserves.

Regarding the major components of total primary income outflow, DII increased by 13.8% over a year earlier, mainly due to the increase in earnings of some prominent multinational enterprises from their direct investment in Hong Kong. PII increased by 11.6%, mainly attributable to the increase in interest payout to non-resident investors from their holdings of

resident long-term debt securities. OII increased by 93.6%, largely caused by the increase in the interest rates.

Analysed by country/territory, the mainland of China continued to be the largest source of Hong Kong's total external primary income inflow in the first quarter of 2018, accounting for 34.7%. This was followed by the British Virgin Islands (BVI), with a share of 25.4%. Regarding total external primary income outflow, the BVI and the mainland of China remained the most important destinations in the first quarter of 2018, accounting for 28.0% and 25.3% respectively.

#### Further Information

GDP and GNI are closely related indicators for measuring economic performance. GDP is a measure of the total value of production of all resident producing units of an economy. GNI denotes the total income earned by residents of an economy from engaging in various economic activities, irrespective of whether the economic activities are carried out within the economic territory of the economy or outside. In other words, GNI is obtained by adding to GDP the primary income earned by residents from outside the economic territory and deducting primary income earned by non-residents from within the economic territory. Primary income comprises investment income and compensation of employees.

Figures of EPIF presented above are compiled based on data obtained from the Survey of External Claims, Liabilities and Income conducted quarterly by the C&SD, supplemented by data from other sources.

Figures of GNI and EPIF analysed by income component from the second quarter of 2016 to the first quarter of 2018 are presented in Table A, while selected major country/territory breakdowns of external primary income inflow and external primary income outflow for the same quarters are presented in Tables B(1) and B(2) respectively.

Statistics on GDP and GNI from 2016 onwards and EPIF from 2017 onwards are subject to revision when more data become available.

Enquiries about GNI and EPIF statistics may be directed to the Balance of Payments Branch (2) of the C&SD at 3903 7017.

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## **Volume and Price Statistics of External Merchandise Trade in April 2018**

Further to the external merchandise trade statistics in value terms for

April 2018 released earlier on, the Census and Statistics Department (C&SD) released today (June 14) the volume and price statistics of external merchandise trade for that month.

In April 2018, the volume of Hong Kong's total exports of goods increased by 5.4% over April 2017. Concurrently, the volume of imports of goods increased by 8.3%.

Comparing the first four months of 2018 with the same period in 2017, the volume of Hong Kong's total exports of goods increased by 6.8%. Concurrently, the volume of imports of goods increased by 8.2%.

Comparing the three-month period ending April 2018 with the preceding three months on a seasonally adjusted basis, the volume of total exports of goods increased by 1.8%. Concurrently, the volume of imports of goods increased by 4.0%.

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

Comparing April 2018 with April 2017, the prices of total exports of goods increased by 2.6%. Concurrently, the prices of imports of goods increased by 2.7%.

As regards price changes in the first four months of 2018 over the same period in 2017, the prices of total exports of goods increased by 2.4%. Concurrently, the prices of imports of goods increased by 2.4%.

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 2017, the index decreased by 0.1% in April 2018, whereas it remained virtually unchanged in the first four months of 2018.

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

Comparing April 2018 with April 2017, the total export volume to Taiwan increased significantly, by 24.9%. Concurrently, the total export volume to the mainland of China (the Mainland) and the USA increased by 9.3% and 8.7% respectively. On the other hand, the total export volume to Japan and India decreased by 3.7% and 48.9% respectively.

Over the same period of comparison, the total export prices to Japan, the Mainland, the USA and Taiwan increased by 3.4%, 3.3%, 2.7% and 1.9% respectively. 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 April 2018 with April 2017, double-digit increases were recorded for the import volume from Taiwan (+21.5%) and Korea (+16.9%). Concurrently, the import volume from Japan and the Mainland increased by 8.8% and 7.4% respectively. On the other hand, the import volume from Singapore decreased by 4.2%

Over the same period of comparison, the import prices from all main suppliers increased: Korea (+7.9%), the Mainland (+2.2%), Taiwan (+2.2%), Singapore (+2.0%) and Japan (+1.7%).

Further information

Details of the above statistics are published in the April 2018 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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## **Quarterly Survey of Employment and Vacancies for June 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 June 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 June 29, 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.

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## Analytical Accounts of Exchange Fund

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

The Hong Kong Monetary Authority (HKMA) released today (June 14) the key analytical accounts of the Exchange Fund at the end of May 2018.

Foreign assets, representing the external assets of the Exchange Fund, decreased during the month by HK\$18.6 billion to HK\$3,540.0 billion.

The Monetary Base, comprising Certificates of Indebtedness, Government-issued currency notes and coins in circulation, the balance of the banking system and Exchange Fund Bills and Notes issued, amounted to HK\$1,644.1 billion.

Claims on the private sector in Hong Kong amounted to HK\$218.2 billion.

Foreign liabilities, representing fees payable to the Exchange Fund's external managers, amounted to HK\$0.5 billion.

The analytical accounts of the Exchange Fund are released in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS) and are referred to as the Analytical Accounts of the Central Bank under SDDS (Annex).

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At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the SDDS. The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of June 2018, the scheduled dates for issuing the press releases are as follows:

June 7 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
June 14	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
June 29	SDDS Template on International Reserves and Foreign Currency Liquidity
June 29	Exchange Fund Abridged Balance Sheet and Currency Board Account

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## [Appeal for information on missing man in Yau Ma Tei \(with photo\)](#)

Police today (June 14) appealed to the public for information on a man who went missing in Yau Ma Tei.

Pau Chung-ping, aged 43, went missing after he was last seen at a hospital on Gascoigne Road on September 1, 2016. His family made a report to Police on April 19, 2018.

He is about 1.73 metres tall, 77 kilograms in weight and of fat build. He has a round face with yellow complexion and short straight black hair.

Anyone who knows the whereabouts of the missing man or may have seen him is urged to contact the Regional Missing Person Unit of Kowloon East on 3661 0316 or email to [rmpu-ke-2@police.gov.hk](mailto:rmpu-ke-2@police.gov.hk), or contact any police station.

