

Business expectations for the third quarter of 2024

The Census and Statistics Department (C&SD) released today (July 19) the results of the Quarterly Business Tendency Survey for the third quarter (Q3) of 2024.

Business situation

For all surveyed sectors taken together, the proportion of respondents expecting their business situation to be better (11%) in Q3 2024 over the preceding quarter is slightly lower than that expecting it to be worse (12%).

When compared with the results of the Q2 2024 survey round, the proportion of respondents expecting a better business situation in Q3 2024 is 11%, lower than the corresponding proportion of 14% in Q2 2024, while the proportion of respondents expecting a worse business situation in Q3 2024 is broadly the same as the corresponding proportion in Q2 2024 (12%).

Analysed by sector, respondents in most of the surveyed sectors expect their business situation to decrease on balance or remain broadly unchanged in Q3 2024 as compared with Q2 2024. In particular, more respondents in the construction and retail sectors expect their business situation to be worse in Q3 2024 as compared with Q2 2024.

The results of the survey should be interpreted with care. In this type of survey on expectations, the views collected in the survey are affected by the events in the community occurring around the time of enumeration, and it is difficult to establish precisely the extent to which respondents' perception of the future accords with the underlying trends. The enumeration period for this survey round was from June 1, 2024 to July 8, 2024.

Volume of business/output

Respondents in quite a number of the surveyed sectors expect their volume of business/output to remain broadly unchanged in Q3 2024 as compared with Q2 2024. In the manufacturing and accommodation and food services sectors, however, more respondents expect their volume of production/business to increase in Q3 2024 over Q2 2024. On the contrary, more respondents in the retail sector expect their volume of sales to decrease, as compared to those expecting it to increase.

Employment

Respondents in most of the surveyed sectors expect their employment to remain broadly unchanged in Q3 2024 as compared with Q2 2024. Nevertheless, more respondents in the manufacturing sector expect their employment to

increase, as compared to those expecting it to decrease.

Selling price/service charge

Respondents in most of the surveyed sectors expect their selling prices/service charges to remain broadly unchanged in Q3 2024 as compared with Q2 2024. In the construction sector, however, more respondents expect their tender prices to go down in Q3 2024 over Q2 2024.

Commentary

A Government spokesman said that large enterprises' overall business sentiment softened slightly as compared to three months ago. Meanwhile, large enterprises' appetite for hiring stayed largely positive.

Looking forward, the spokesman said that while geopolitical tensions will affect business sentiment in the near term, the Central Government's various measures that benefit Hong Kong and continued growth of the local economy should provide support. The Government will monitor the situation closely.

Further information

The survey gathers views on short-term business performance from the senior management of about 560 prominent establishments in various sectors in Hong Kong with a view to providing a quick reference, with minimum time lag, for predicting the short-term future economic performance of the local economy.

The survey covers 10 major sectors in Hong Kong, namely manufacturing; construction; import/export trade and wholesale; retail; accommodation and food services (mainly covering services rendered by hotels and restaurants); transportation, storage and courier services; information and communications; financing and insurance; real estate; and professional and business services sectors.

Views collected in the survey refer only to those of respondents on their own establishments rather than those on the respective sectors they are engaged in, and are limited to the expected direction of quarter-to-quarter change (e.g. "up", "same" or "down") but not the magnitude of change. In collecting views on the quarter-to-quarter changes, if the variable in question is subject to seasonal variations, respondents are asked to provide the expected changes after excluding the normal seasonal variations.

Survey results are generally presented as "net balance", i.e. the difference between the percentage of respondents choosing "up" and that choosing "down". The percentage distribution of respondents among various response categories (e.g. "up", "same" and "down") reflects how varied their business expectations are. The "net balance", with its appropriate sign, indicates the direction of expected change in the variable concerned. A positive sign indicates a likely upward trend while a negative sign indicates

a likely downward trend. However, the magnitude of the "net balance" reflects only the prevalence of optimism or pessimism, but not the magnitude of expected change, since information relating to such magnitude is not collected in the survey.

Furthermore, owing to sample size constraint, care should be taken in interpreting survey results involving a small percentage (e.g. less than 10%) of respondents in individual sectors.

Chart 1 shows the views on expected changes in business situation for the period Q3 2023 to Q3 2024.

Table 1 shows the net balances of views on expectations in respect of different variables for Q3 2024.

The survey results are published in greater detail in the "Report on Quarterly Business Tendency Survey, Q3 2024". Users can browse and download the publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1110008&scode=300).

Users who have enquiries about the survey results may contact the Business Expectation Statistics Section of the C&SD (Tel: 3903 7263; e-mail: business-prospects@censtatd.gov.hk).

Grading of beach water quality released

The Environmental Protection Department (EPD) today (July 19) released the latest grading of water quality for 39 gazetted beaches (see Note 1) and one non-gazetted beach (see Note 2).

Nineteen beaches were rated as Good (Grade 1), 18 as Fair (Grade 2), and three as Poor (Grade 3).

Grade 1 beaches are:

Cheung Chau Tung Wan Beach*	Ma Wan Tung Wan Beach*
Chung Hom Kok Beach	Repulse Bay Beach*
Clear Water Bay Second Beach*	Silverstrand Beach*
Deep Water Bay Beach*	South Bay Beach*
Discovery Bay Tai Pak Beach	St. Stephen's Beach
Hap Mun Bay Beach*	Stanley Main Beach*
Hung Shing Yeh Beach*	Tai Po Lung Mei Beach*
Kiu Tsui Beach	Trio Beach

Kwun Yam Beach
Lo So Shing Beach

Turtle Cove Beach

Grade 2 beaches are:

Anglers' Beach*	Lido Beach*
Approach Beach	Lower Cheung Sha Beach
Big Wave Bay Beach*	Middle Bay Beach
Butterfly Beach*	Pui O Beach*
Cafeteria New Beach	Shek O Beach*
Casam Beach*	Silver Mine Bay Beach*
Clear Water Bay First Beach	Ting Kau Beach*
Golden Beach*	Tong Fuk Beach
Hoi Mei Wan Beach	Upper Cheung Sha Beach

Grade 3 beaches are:

Cafeteria Old Beach	Kadoorie Beach
Castle Peak Beach	

Compared with the grading released last week, Deep Water Bay Beach, Ma Wan Tung Wan Beach, Stanley Main Beach and Tai Po Lung Mei Beach have been upgraded from Grade 2 to Grade 1.

Under the present grading system, beaches are classified into four grades, namely Good (Grade 1), Fair (Grade 2), Poor (Grade 3) and Very Poor (Grade 4), according to the level of E. coli in the water. Grades are calculated on the basis of the geometric mean of the E. coli counts on the five most recent sampling occasions.

While the ratings represent the general water quality at the beaches, an EPD spokesman reminded members of the public that water quality could be temporarily affected during and after periods of heavy rain. Bathers should avoid swimming at beaches for up to three days after a tropical cyclone or heavy rainfall.

A summary of beach grades is published weekly before the weekend. The latest beach grades based on the most current data may be obtained from the EPD's website on Beach Water Quality (www.epd.gov.hk/epd/beach) or the beach hotline, 2511 6666. Members of the public can also obtain the latest daily water quality forecast information for all beaches that are open for swimming through the Beach Water Quality Forecast mobile application (available for download from: www.epd.gov.hk/en/BWQApp) or the dedicated beach water quality forecast page (www.epd.gov.hk/en/BWQForecast) on the EPD's beach thematic website.

Note 1: Lifesaving services are provided by the Leisure and Cultural Services Department at 21 gazetted beaches, marked with an asterisk (*) above, from June 1. Due to the damage caused to the footpaths leading to Chung Hom Kok Beach by landslides, the beach is temporarily closed until further notice. For details, please refer to the Leisure and Cultural Services Department's Special Announcement (www.lcsd.gov.hk/en/beach/index.html).

Note 2: This refers to Discovery Bay Tai Pak Beach which is a non-gazetted beach that has no lifesaving service.

Inspection of aquatic products imported from Japan

In response to the Japanese Government's plan to discharge nuclear-contaminated water at the Fukushima Nuclear Power Station, the Director of Food and Environmental Hygiene issued a Food Safety Order which prohibits all aquatic products, sea salt and seaweeds originating from the 10 metropolis/prefectures, namely Tokyo, Fukushima, Ibaraki, Miyagi, Chiba, Gunma, Tochigi, Niigata, Nagano and Saitama, from being imported into and supplied in Hong Kong.

For other Japanese aquatic products, sea salt and seaweeds that are not prohibited from being imported into Hong Kong, the Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department will conduct comprehensive radiological tests to verify that the radiation levels of these products do not exceed the guideline levels before they are allowed to be supplied in the market.

As the discharge of nuclear-contaminated water is unprecedented and will continue for 30 years or more, the Government will closely monitor and step up the testing arrangements. Should anomalies be detected, the Government does not preclude further tightening the scope of the import ban.

From noon on July 18 to noon today (July 19), the CFS conducted tests on the radiological levels of 192 food samples imported from Japan, which were of the "aquatic and related products, seaweeds and sea salt" category. No sample was found to have exceeded the safety limit. Details can be found on the CFS's thematic website titled "Control Measures on Foods Imported from Japan" (www.cfs.gov.hk/english/programme/programme_rafs/programme_rafs_fc_01_30_Nuclear_Event_and_Food_Safety.html).

In parallel, the Agriculture, Fisheries and Conservation Department (AFCD) has also tested 50 samples of local catch for radiological levels. All the samples passed the tests. Details can be found on the AFCD's website

(www.afcd.gov.hk/english/fisheries/Radiological_testing/Radiological_Test.html).

The Hong Kong Observatory (HKO) has also enhanced the environmental monitoring of the local waters. No anomaly has been detected so far. For details, please refer to the HKO's website (www.hko.gov.hk/en/radiation/monitoring/seawater.html).

From August 24 to noon today, the CFS and the AFCD have conducted tests on the radiological levels of 69 141 samples of food imported from Japan (including 44 457 samples of aquatic and related products, seaweeds and sea salt) and 16 394 samples of local catch respectively. All the samples passed the tests.

Senior appointments (with photos)

The Government announced today (July 19) the following senior appointments:

(a) Mrs Angelina Cheung Fung Wing-ping, Deputy Secretary for the Civil Service, will take up the post of Commissioner for Tourism on August 12, 2024;

(b) Mr Aaron Liu Kong-cheung, Deputy Secretary for Financial Services and the Treasury (Treasury), will take up the post of Director-General of Trade and Industry on August 19, 2024; and

(c) Mr Maurice Loo Kam-wah, Deputy Secretary for Financial Services and the Treasury (Treasury), will take up the post of Director of Lands on September 5, 2024.

Commenting on the appointments of Mrs Cheung, Mr Liu and Mr Loo, the Secretary for the Civil Service, Mrs Ingrid Yeung, said, "The appointees are seasoned Administrative Officers with proven leadership and management skills. I have every confidence that they will continue to serve the community with professionalism in their new posts."

Brief biographical notes of the three officers are set out below:

Mrs Angelina Cheung Fung Wing-ping

Mrs Cheung joined the Administrative Service in September 1992 and rose to the rank of Administrative Officer Staff Grade B1 in April 2022. She has served in a diverse range of bureaux and departments, including the former City and New Territories Administration, the former Economic Services Branch,

the former Education and Manpower Branch, the Civil Service Bureau, the Home Affairs Department, the former Food and Health Bureau and the Labour and Welfare Bureau. She was Deputy Secretary for Education from April 2012 to October 2017, Deputy Secretary for Home Affairs from October 2017 to August 2020, and has been serving as Deputy Secretary for the Civil Service since August 2020.

Mr Aaron Liu Kong-cheung

Mr Liu joined the Administrative Service in June 1996 and rose to the rank of Administrative Officer Staff Grade B1 in April 2023. He has served in a diverse range of bureaux and departments, including the former Security Branch, the former Industry Department, the former Economic Services Bureau, the Civil Service Bureau and the Commerce and Economic Development Bureau. He was Deputy Commissioner for Tourism from September 2016 to July 2019, Deputy Secretary for Financial Services and the Treasury (Financial Services) from August 2019 to July 2022, and has been serving as Deputy Secretary for Financial Services and the Treasury (Treasury) since July 2022.

Mr Maurice Loo Kam-wah

Mr Loo joined the Administrative Service in July 1996 and rose to the rank of Administrative Officer Staff Grade B1 in April 2022. He has served in various bureaux and departments, including the former Home Affairs Branch, the former Transport Branch, the Home Affairs Department, the former Planning, Environment and Lands Bureau, the former Environment and Food Bureau, the Civil Service Bureau, the Innovation and Technology Commission, the former Commerce, Industry and Technology Bureau and the Hong Kong Economic and Trade Office in Washington DC. He was Principal Assistant Secretary (Financial Services) from April 2011 to June 2014, Deputy Secretary for Development (Planning and Lands) from July 2015 to August 2020, and has been serving as Deputy Secretary for Financial Services and the Treasury (Treasury) since August 2020.



AFCD reports to Expert Group on Conservation of Marine Mammals on investigation findings of cause of death of Bryde's whale last year

The Expert Group on Conservation of Marine Mammals held a meeting today (July 19). The Agriculture, Fisheries and Conservation Department (AFCD) reported to the Expert Group on the findings of the investigation into the cause of death of the Bryde's whale that appeared in Hong Kong waters in July

last year, as well as the progress of the Government's work in strengthening conservation of marine mammals.

After comprehensive consideration of the report of the Ocean Park Conservation Foundation Hong Kong (OPCFHK) commissioned by the AFCD last year to investigate the cause of death of the Bryde's whale, as well as the opinions of two experts from Australia and Spain, the Expert Group noted that the Bryde's whale was struck by a fast-moving vessel between the morning of July 30 and the morning of July 31 last year, the animal's back and spine was thus injured and instant death was caused. The type of the vessel concerned cannot be determined in the analysis. Nonetheless, no whale-watching activity was detected during the four days prior to the death of the Bryde's whale. Moreover, fishing vessels generally do not travel at such high speeds, and fishing sampans and speedboats equipped with outboard engines could not cause such large wounds. Therefore, the wounds were more likely caused by other types of vessels.

Whales per se are not species that reside in Hong Kong waters. Their entry into Hong Kong waters is likely due to special circumstances, such as health problems, disorientation or young whales losing their caretakers. The international principle in dealing with this type of situation is to avoid any human disturbance as far as possible, strengthen monitoring and patrols, and allow the whales to swim back to suitable habitats on their own under minimal disturbance as far as possible.

A spokesman for the AFCD said, "Between the first sighting of the Bryde's whale in Sai Kung waters last year until its death, the AFCD worked with the OPCFHK as well as local and Mainland marine conservation experts to closely monitor the health condition of the whale and consider suitable measures to protect its safety, and worked jointly with relevant government departments to advise the public not to go out to sea for whale watching and conduct water activities in the relevant waters. On July 29 and 30, the AFCD further co-ordinated with relevant government departments to adopt special administrative measures to set up a management area in the waters frequented by the whale, where patrols were stepped up and all vessels entering the area were requested to leave immediately.

"Based on the experience of this incident, the department has strengthened its work in four aspects, including formulating a response plan with relevant departments to deal with similar incidents in future, reviewing the relevant powers of the AFCD under current legislation, sending staff to the Mainland and overseas to learn about measures for protecting marine mammals and applying them to the response plan, and taking measures to raise public awareness and knowledge of wildlife conservation, etc."

Since July last year, the AFCD has followed up on the above four aspects as follows:

(1) Formulate response plan: Making reference to the opinions of local, Mainland and overseas experts, as well as the actual local situation, the Government has formulated a response plan based on different scenarios where

non-resident cetaceans appear in Hong Kong waters. The plan provides guidelines for interdepartmental co-ordination and response actions, stipulating the specific roles and actions of the relevant departments in monitoring, on-site operations, support, and dissemination of information to the public, with a view to handling similar situations more quickly and effectively in future. In particular, the AFCD, together with the Marine Department and the Marine Police, tried out the principles and procedures of the response plan when handling a whale sighting case in Southern District in September last year, where swift deployment and actions were taken in respect of monitoring, patrolling and disseminating information, with good effect. The Government will listen to the advice of the Expert Group, and will also maintain communication with relevant organisations and experts to ensure that the response plan meets actual needs and is kept up-to-date;

(2) Legislative review: The Government has reviewed the relevant legislation for the protection of marine mammals and preliminarily suggested that the Director of Agriculture, Fisheries and Conservation should be given more powers to deal with exceptional circumstances, including the designation of temporary restriction areas more quickly where necessary through simplified procedures, and imposing restrictions on vessel navigation and relevant activities within such areas. These measures aim to provide better protection and a safe environment as well as reducing human disturbance to species that accidentally enter local waters, such as whales that are not found in Hong Kong waters normally. The Government also proposed that whale-watching activities should be prohibited to avoid causing stress to whales and endangering their health and safety. The Government expects to consult the Expert Group on the specific proposals for the relevant legislative amendments within this year;

(3) Exchange with experienced agencies: The AFCD earlier sent staff to the Beibu Gulf Cetacean Research and Protection Center at Beihai, Guangxi, and Southern Marine Parks, Queensland, Australia, to exchange and learn from their experience in dealing with marine mammal stranding; legislation, management and research on the protection of such animals; as well as communication with the public, publicity and education, such as how to observe the health condition of wild whales and respond to whale sighting reports according to a tiered mechanism, etc. The department has suitably applied these relevant experiences in their follow-up work such as formulation of a response plan and legislative review, etc; and

(4) Enhance publicity and education: With regard to the whale sighting case in Southern District in September last year, the AFCD immediately issued press releases and posts on social media as well as distributing leaflets at nearby piers to urge the public not to go out to the sea for whale watching, whereas the Marine Department also called on vessels to reduce speed via a broadcast system. The overall response was satisfactory. The AFCD has also conducted a series of public education activities, targetting not only the general public, but also students and teachers, to deepen their understanding of Hong Kong's marine environment and wildlife, and raise their awareness of respecting, caring for and appreciating marine resources. Among others, the AFCD organised the Marine Wildlife Appreciation Festival from January to

March this year to promote the message of marine conservation to the public. The department will also continue to strengthen the work of mainstreaming marine conservation awareness in future.

The Expert Group acknowledged the department's progress in the four aspects of work and discussed the response plan in detail. The AFCD will take into account views of the Expert Group when dealing with similar situations in future, and will continue to work with the Expert Group to continuously improve the response measures.

The Expert Group is responsible for advising the Government on conservation of marine mammals in Hong Kong waters, including response planning for handling of non-resident marine mammal sightings in Hong Kong waters, assessment of associated potential risks as well as the formulation of appropriate measures, guidelines, protocols, and best practices, etc. A list of its membership is at the Annex.

Relevant documents of the Expert Group meeting, including the reports prepared and opinions raised by the AFCD, the OPCFHK and the two overseas experts in relation to the cause of death of the Bryde's whale, have been uploaded to the AFCD's webpage (www.afcd.gov.hk/english/conservation/con_mar/con_mar_chi/con_mar_chi_chi/con_mar_chi_chi_rep.html) for public inspection.