

Interest rate of third interest payment for iBond Series due 2024

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

The Hong Kong Monetary Authority, as representative of the Hong Kong Special Administrative Region Government, announced today (December 9) the relevant per annum interest rate for the third interest payment of iBond Series due 2024 (Issue Number 03GB2406R; Stock Code: 4246) (the Bonds) issued under the Retail Bond Issuance Programme of the Government Bond Programme.

According to the Issue Circular dated May 12, 2021 for the Bonds, the third interest payment of the Bonds is scheduled to be made on December 23, 2022, and the relevant interest rate is scheduled to be determined and announced on December 9, 2022 as the higher of the prevailing Floating Rate and Fixed Rate.

On December 9, 2022, the Floating Rate and Fixed Rate are as follows:-

Floating Rate: +2.17 per cent (Annex)

Fixed Rate: +2.00 per cent

Based on the Floating Rate and Fixed Rate set out above, the relevant interest rate for the third interest payment is determined and announced as 2.17 per cent per annum.

Government follows up on positive results of sewage surveillance and appeals to residents to undergo virus testing

The Government announced today (December 9) that in order to fight the coronavirus epidemic, the Environmental Protection Department and the Drainage Services Department have been collecting sewage samples for virus testing in all districts, and had detected positive results in some areas, indicating that there may be hidden cases in the premises within these areas.

Rapid test

As regards positive sewage testing results with relatively high viral loads in the following areas, the respective District Offices will commence

distributing about 50 000 sets of the COVID-19 rapid antigen test (RAT) kits to residents, cleaning workers and property management staff working in the following areas for them to take the test on their own, in order to help identify infected persons:

- Sha Tin District – Lucky Plaza, Scenery Garden, Sha Tin 33, Peak One, 15-117 Tung Lo Wan Hill Road, Peak House, the Great Hill, Sky One, Yuk Wo Court and the Grandville
- Yuen Long District – Central Park Towers and Wetland Seasons Bay

Members of the public may refer to (www.coronavirus.gov.hk/rat/eng/rat.html) for enquiries relating to the use of the RAT kits.

When using an RAT kit, please pay attention to and follow the instructions from the manufacturer to perform the test and read the result properly. It is advisable to record the displayed result by taking a photo immediately after reading. Users should wash their hands before and after performing the tests, and avoid placing non-essential items within the specimen collection area. After completing the test, wrap and seal all components of the test kit carefully and dispose properly. If the household environment is contaminated during the specimen collecting process, disinfection should be conducted with 1 in 49 diluted bleach solution or 70 per cent alcohol.

People who obtained a positive result through an RAT for the first time can report via the online platform "Declaration System for individuals tested positive for COVID-19 using Rapid Antigen Test" (www.chp.gov.hk/ratp). If individuals encounter difficulties using the online platform, they can call the automated system at 183 6119 to register their identification document and telephone number. The Centre for Health Protection of the Department of Health will contact the relevant person later to finish the report procedure.

Results of monthly survey on business situation of small and medium-sized enterprises for November 2022

The Census and Statistics Department (C&SD) released today (December 9) the results of the Monthly Survey on Business Situation of Small and Medium-sized Enterprises (SMEs) for November 2022.

The current diffusion index (DI) on business receipts amongst SMEs

decreased from 45.5 in October 2022 in the contractionary zone to 44.0 in November 2022, whereas the one-month's ahead (i.e. December 2022) outlook DI on business receipts was 48.4. Analysed by sector, the current DIs on business receipts for many surveyed sectors dropped by varying degrees in November 2022 as compared with previous month, particularly for the restaurants (from 47.6 to 44.0) and business services (from 48.8 to 45.7).

The current DI on new orders for the import and export trades decreased from 47.2 in October 2022 to 44.9 in November 2022, whereas the outlook DI on new orders in one month's time (i.e. December 2022) was 47.7.

Commentary

A Government spokesman said that overall business sentiment among SMEs remained generally soft. The current diffusion index on business receipts for SMEs declined slightly in November, though mixed performance was seen for different sectors. The expected business situation in one month's time showed improvement.

Looking forward, the spokesman pointed out that the deteriorating global economic outlook and tightened financial conditions will continue to dampen business sentiment. Nonetheless, relaxed epidemic-related measures and the Consumption Voucher Scheme should render support to consumption-related businesses. It remains vital for the community to work together with the Government to contain the epidemic.

Further information

The Monthly Survey on Business Situation of Small and Medium-sized Enterprises aims to provide a quick reference, with minimum time lag, for assessing the short-term business situation faced by SMEs. SMEs covered in this survey refer to establishments with fewer than 50 persons engaged. Respondents were asked to exclude seasonal fluctuations in reporting their views. Based on the views collected from the survey, a set of diffusion indices (including current and outlook diffusion indices) is compiled. A reading above 50 indicates that the business condition is generally favourable, whereas that below 50 indicates otherwise. As for statistics on the business prospects of prominent establishments in Hong Kong, users may refer to the publication entitled "Report on Quarterly Business Tendency Survey" released by the C&SD.

The results of the survey should be interpreted with care. The survey solicits feedback from a panel sample of about 600 SMEs each month and the survey findings are thus subject to sample size constraint. Views collected from the survey refer only to those of respondents on their own establishments rather than those on the respective sectors they are engaged in. Besides, in this type of opinion survey on expected business situation, 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 business situation accords with the underlying trends. For this survey, main bulk of

the data were collected around the last week of the reference month.

More detailed statistics are given in the "Report on Monthly Survey on the Business Situation of Small and Medium-sized Enterprises". Users can download the publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080015&scode=300).

Users who have enquiries about the survey results may contact Industrial Production Statistics Section of the C&SD (Tel: 3903 7246; email: sme-survey@censtatd.gov.hk).

External Direct Investment of Hong Kong in 2021

Hong Kong's external direct investment (DI) statistics for 2021 were released today (December 9) by the Census and Statistics Department (C&SD).

Stocks of DI

At the end of 2021, the total stock of Hong Kong's inward DI (i.e. the position of Hong Kong's DI liabilities) increased by 5.9% over a year earlier to \$16,826.2 billion. Its ratio to the Gross Domestic Product (GDP) stood at 586% in 2021. The increase in 2021 was mainly attributable to the positive DI inflow to Hong Kong during the year.

As for the total stock of Hong Kong's outward DI (i.e. the position of Hong Kong's DI assets), it increased by 4.5% over 2020 to \$17,154.3 billion. Its ratio to GDP was 598% in 2021. The increase in 2021 was mainly attributable to the positive DI outflow to enterprises outside Hong Kong during the year.

Analysed by immediate source of investment, the British Virgin Islands (BVI) and the mainland of China (the Mainland) were the two largest sources for Hong Kong's inward DI, with a share of 30.9% and 27.7% respectively at end-2021. Analysed by major economic activity of Hong Kong enterprise groups (HKEGs) which had received inward DI, those engaged in investment and holding, real estate, professional and business services took up the largest share, at 63.9% at end-2021. This was followed by banking, at 13.2%; and import/export, wholesale and retail trades, at 11.5%.

Analysed by immediate destination of investment, the Mainland and the BVI were the two largest destinations for Hong Kong's outward DI, with a share of 49.3% and 30.3% respectively at end-2021. Analysed by major economic activity of HKEGs which had made outward DI, those engaged in investment and holding, real estate, professional and business services took up the largest

share, at 77.3% at end 2021. This was followed by import/export, wholesale and retail trades, at 8.8%.

Flows of DI

In 2021, total DI inflow amounted to \$1,066.2 billion, larger than that of \$911.1 billion in 2020. On the other hand, total DI outflow in 2021 amounted to \$726.0 billion, larger than that of \$647.4 billion in 2020. Taking the inflow and outflow together, a net DI inflow of \$340.1 billion was recorded in 2021.

Analysed by immediate source of investment, the Mainland was the major source of Hong Kong's DI inflow in 2021, amounting to \$351.6 billion. The BVI came next, at \$311.0 billion. Analysed by major economic activity of HKEGs which had received DI inflow, those engaged in investment and holding, real estate, professional and business services attracted the largest amount in 2021, at \$753.6 billion.

Analysed by immediate destination of investment, the Mainland accounted for a predominant share of Hong Kong's DI outflow in 2021, at \$436.4 billion. The BVI came next, at \$177.5 billion. Analysed by major economic activity of HKEGs which had made DI outflow, those engaged in investment and holding, real estate, professional and business services took up the largest amount, at \$518.7 billion.

Commentary

A Government spokesman said that Hong Kong's total DI inflow and total DI outflow saw increases of 17.0% and 12.1% respectively in 2021, partly related to the visible recovery of the global and local economies during the year. A net DI inflow of \$340.1 billion was recorded in 2021, which was 29.0% larger than in the preceding year.

The stocks of overall inward and outward DI were substantial at end-2021, at \$16,826.2 billion and \$17,154.3 billion (586% and 598% of GDP) respectively, making Hong Kong one of the world's major destinations for and sources of external DI. The vast stock of external DI in Hong Kong testifies our status as a prominent international financial centre and commercial hub, as well as our attractiveness as a base for multinational corporations to manage their investments and businesses around the world.

Hong Kong's DI covers a large geographical spread and a wide range of economic activities, with the Mainland featuring prominently both as a source and as a destination.

The spokesman noted that the National 14th Five Year Plan sets a clear positioning for Hong Kong. With the country's staunch support, Hong Kong will fully leverage its unique advantages under "one country, two systems" and further reinforce our position as an international financial and business centre.

Further Information

DI represents external investment in which an investor of an economy acquires a lasting interest and a significant degree of influence or an effective voice in the management of an enterprise located in another economy. For statistical purpose, an effective voice is taken as being equivalent to a holding of 10% or more of the voting power in an enterprise.

According to the international statistical standards, the total stocks and flows of DI presented above are compiled based on the "asset/liability principle", while detailed DI figures analysed by country/territory and by major economic activity of HKEGs are based on the "directional principle". Owing to the adoption of different presentation principles, the total stocks and flows of DI are different from the sums of the detailed DI figures by country/territory or by major economic activity of HKEGs. However, the overall direct investment balance compiled from figures based on these two presentation principles respectively is the same.

Tables 1 and 2 show the positions (i.e. stocks) and flows of inward DI in Hong Kong by selected major investor country/territory and by major economic activity of HKEGs respectively for 2020 and 2021. Similar statistics on outward DI from Hong Kong are presented in Tables 3 and 4.

More detailed statistics for 2021 are given in the report External Direct Investment Statistics of Hong Kong 2021. Users can download the publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1040003&scode=260).

Enquiries about the DI statistics may be directed to the Balance of Payments Branch (2) of the C&SD at 3903 7024.

[Three holding centres to commence operation](#)

The Social Welfare Department (SWD) announced today (December 9) that, in light of the rising number of confirmed COVID-19 cases in the community and residential care homes (RCHs), the quarantine centres at Tsuen Wan West Sports Centre and Lung Sum Avenue Sports Centre will be converted to holding centres (HCs) on December 12 and December 14 respectively. A new holding centre at Hall 8 of AsiaWorld-Expo will also commence operation on December 14.

The three centres will receive COVID-19 patients who are asymptomatic or showing mild symptoms. Basic meals and nursing support will also be provided without charge. The Hospital Authority will collaborate with private medical

vendors to provide medical support. The number of beds, service targets and care teams of the three centres are set out in the table below:

	HCs	Number of beds	Service targets	Care teams
1	HC at Tsuen Wan West Sports Centre	126	Elderly persons	Yan Chai Hospital Social Services Department
2	HC at Lung Sum Avenue Sports Centre	131	Elderly persons	Kato (Hong Kong) Holdings Limited
3	HC at Hall 8 of AsiaWorld-Expo	204	Elderly persons and persons with disabilities	Caregivers Alliance International Limited

The SWD expresses heartfelt gratitude to the above teams for their professional services and support for the centres.

Meanwhile, the HCs at Shek Kip Mei Park Sports Centre, Siu Sai Wan Sports Centre, Tin Shui Wai Sports Centre, Harbour Road Sports Centre and Choi Wing Road Sports Centre will continue to be in operation. The Temporary Quarantine Centre at Halls 3, 6, 9 and 11 of AsiaWorld-Expo will also continue to receive those elderly persons and persons with disabilities in RCHs who are identified as close contacts.

The SWD will continue to monitor the epidemic situation closely. If necessary, and upon liaison with relevant bureaux and departments, the SWD will swiftly mobilise resources and prepare venues to activate other holding centres or quarantine facilities.