

# Composite Interest Rate: End of January 2021

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

The Hong Kong Monetary Authority (HKMA) announced today (February 19) the composite interest rate at the end of January 2021. (Note 1)

The composite interest rate, which is a measure of the average cost of funds of banks, decreased by 4 basis points to 0.24 per cent at the end of January 2021, from 0.28 per cent at the end of December 2020 (see Chart 1 in the Annex). The decrease in composite interest rate mainly reflected decreases 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 January 2021 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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## Grading of beach water quality released

The Environmental Protection Department (EPD) today (February 19)

released the latest grading of water quality for four gazetted beaches that are open all year round for swimming (see Note).

Three beaches were rated as Good (Grade 1) and one as Fair (Grade 2).

Grade 1 beaches are:

Clear Water Bay Second Beach      Golden Beach  
Deep Water Bay Beach

Grade 2 beach is:

Silverstrand Beach

Compared with the grading released last week, Silverstrand Beach has been changed from Grade 1 to Grade 2.

"The change is generally within the normal range of fluctuation of the bacteriological water quality of the beach," an EPD spokesman said.

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.

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](http://www.epd.gov.hk/epd/beach)) or the beach hotline, 2511 6666.

Note: In view of the latest situation of COVID-19, the Leisure and Cultural Services Department announced that all gazetted beaches were closed from December 10, 2020, until further notice.

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## **February 2021 issue of “Hong Kong Monthly Digest of Statistics” now available**

The Census and Statistics Department (C&SD) published today (February 19) the February 2021 issue of the “Hong Kong Monthly Digest of Statistics” (HKMDS).

Apart from providing up-to-date statistics, this issue also contains two feature articles entitled “Labour Productivity Index and Shift-share Analysis of Productivity Growth in Hong Kong, 2000 to 2019” and “The Profile of Persons Residing in Private Elderly Homes in 2020”.

“Labour Productivity Index and Shift-share Analysis of Productivity Growth in Hong Kong, 2000 to 2019”

Labour Productivity Index (LPI) is an important economic indicator. It shows how efficiently labour input is used for generating real output and is very useful for analysing the contribution of changes in labour productivity to various industries and the economy as a whole.

This feature article analyses the LPIs for selected major economic sectors during 2000 to 2019 and also uses shift-share analysis to decompose the growth of labour productivity for more in-depth structural analysis.

For enquiries about this feature article, please contact the Logistics and Producer Prices Statistics Section, the C&SD (Tel: 3903 7255; email: [transport@censtatd.gov.hk](mailto:transport@censtatd.gov.hk)).

“The Profile of Persons Residing in Private Elderly Homes in 2020”

A survey was conducted by the C&SD during July to August 2020 to collect the age-sex profile of persons residing in private elderly homes (PEH). Results of the survey together with some other administrative records are used in the General Household Survey to estimate the age-sex profile of the land-based non-institutional population of Hong Kong. This feature article gives a brief account of the results of the 2020 round of Annual Survey on Profile of Inmates of PEH.

For enquiries about this feature article, please contact the Household Statistics and Analysis Section, the C&SD (Tel: 2887 5208; email: [ghs@censtatd.gov.hk](mailto:ghs@censtatd.gov.hk)).

Published in bilingual form, the HKMDS is a compact volume of official statistics containing about 140 tables. It collects up-to-date statistical series on various aspects of the social and economic situation of Hong Kong. Topics include population; labour; external trade; National Income and Balance of Payments; prices; business performance; energy; housing and property; government accounts, finance and insurance; and transport, communications and tourism. For selected key statistical items, over 20 charts depicting the annual trend in the past decade and quarterly or monthly trend in the recent two years are also available. Users can download the Digest at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp460.jsp?productCode=B1010002](http://www.censtatd.gov.hk/hkstat/sub/sp460.jsp?productCode=B1010002)).

Enquiries about the contents of the Digest can be directed to the Statistical Information Dissemination Section (1) of the C&SD (Tel: 2582 4738; email: [gen-enquiry@censtatd.gov.hk](mailto:gen-enquiry@censtatd.gov.hk)).

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## **Effective Exchange Rate Index**

The effective exchange rate index for the Hong Kong dollar on Friday, February 19, 2021 is 100.6 (same as yesterday's index).

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## **FEHD orders Sham Shui Po light refreshment restaurant to suspend business for 14 days**

The Director of Food and Environmental Hygiene has ordered a light refreshment restaurant in Sham Shui Po to suspend business for 14 days as the operator repeatedly breached the Food Business Regulation (FBR) by operating an unlicensed restaurant and extending the business area illegally.

The premises, located on the ground floor of 204 Lai Chi Kok Road, was ordered to suspend business from today (February 19) to March 4.

"In October and December last year, two convictions for the above-mentioned breaches were recorded against the shop. A total fine of \$7,000 was levied by the court and 15 demerit points were registered against the licensee under the department's demerit points system. The contraventions resulted in the 14-day licence suspension," a spokesman for the Food and Environmental Hygiene Department (FEHD) said.

The licensee of the shop had a record of two convictions for storing and preparing food in an open space and extending the business area illegally in May and June last year. A total fine of \$2,600 was levied and 15 demerit points were also registered. The breaches led to a licence suspension for seven days in August last year.

The spokesman reminded the licensees of food premises to comply with the FBR or their licences could be suspended or cancelled.

Licensed food premises are required to exhibit a sign, at a conspicuous place near the main entrance, indicating that the premises have been licensed. A list of licensed food premises is available on the FEHD's website ([www.fehd.gov.hk/english/licensing/index.html](http://www.fehd.gov.hk/english/licensing/index.html)).