

HKMC and MUFG sign MoU on infrastructure loan sales framework

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

The Hong Kong Mortgage Corporation Limited (HKMC) and MUFG Bank, Ltd. (MUFG) signed a Memorandum of Understanding (MoU) today (January 26) on an infrastructure loan sales framework.

The MoU sets out the principal terms for potential infrastructure loan sales by MUFG to the HKMC, including the loan selection criteria, mode of sales and engagement process, with an aim to facilitate loan sale cooperation between MUFG and the HKMC. This represents the first MoU that the HKMC has signed with a commercial bank, and would further the mandates of the HKMC's Infrastructure Financing and Securitisation (IFS) business to fill the infrastructure financing market gaps and to consolidate Hong Kong's position as an infrastructure financing hub.

The Executive Director and Chief Executive Officer of the HKMC, Mr Raymond Li, said, "The MoU enhances the collaboration between MUFG and the HKMC which has started since the commencement of the IFS business of the HKMC. The steady and high quality infrastructure financing deal flow presented by MUFG is conducive to HKMC's business objective of infrastructure loan securitisation after accumulating a diversified and sizeable asset portfolio."

MUFG's Head of Global Corporate and Investment Banking, Asia Pacific, Mr Richard Yorke, said, "MUFG is an active player in the infrastructure financing market, and as part of its overall strategy, has long sought to expand its investor base in Asia Pacific beyond the traditional banking sector. The HKMC is a key strategic partner for MUFG, and we hope this MoU will allow us to further enhance our partnership and accelerate the delivery of our respective business objectives."

About the HKMC

The HKMC, established in 1997, is wholly-owned by the Hong Kong SAR Government through the Exchange Fund. Operating on prudent commercial principles, the HKMC strives to promote stability of the banking sector, wider home ownership, as well as development of the local debt market and retirement planning market.

To further its mandates on promoting banking sector stability and local debt market development, the HKMC commenced the implementation of the Infrastructure Financing and Securitisation business in 2019, with the aims to fill the infrastructure financing market gaps, facilitating infrastructure investment and financing flows; and to help consolidate Hong Kong's position as an infrastructure financing hub, benefitting financial and professional service sectors.

About MUFG

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with around 2 600 locations in more than 50 markets. The Group has over 180 000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing.

The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges.

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning more than 50 markets. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

In Asia, MUFG has a presence across 20 markets – Australia, Bangladesh, Cambodia, China, Hong Kong, Indonesia, India, South Korea, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

It has also formed strategic partnerships with some of the most prominent banks in Southeast Asia, further augmenting its unrivalled network across the region – VietinBank in Vietnam, Krungsri in Thailand, Security Bank in the Philippines and Bank Danamon in Indonesia.

[Missing woman in Kowloon City located](#)

A woman who went missing in Kowloon City has been located.

Tai Lok-ting, aged 21, went missing after she was last seen in Sung Wong Toi Park on January 20 afternoon. Her family made a report to Police on January 21.

Police located the woman on Lai Chi Kok Road this morning (January 26).

Exchange Fund Bills tender results

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

Exchange Fund Bills tender results:

Tender date : January 26, 2021
Paper on offer : EF Bills
Issue number : Q2104
Issue date : January 27, 2021
Maturity date : April 28, 2021
Amount applied : HK\$93,815 MN
Amount allotted : HK\$33,417 MN
Average yield accepted : 0.06 PCT
Highest yield accepted : 0.07 PCT
Pro rata ratio* : About 44 PCT
Average tender yield : 0.09 PCT

Tender date : January 26, 2021
Paper on offer : EF Bills
Issue number : H2133
Issue date : January 27, 2021
Maturity date : July 28, 2021
Amount applied : HK\$59,982 MN
Amount allotted : HK\$11,800 MN
Average yield accepted : 0.06 PCT
Highest yield accepted : 0.06 PCT
Pro rata ratio* : About 76 PCT
Average tender yield : 0.10 PCT

*"Pro rata ratio" refers to the average percentage of allotment with respect to each tender participant's tendered amount at the "highest yield accepted" level.

Hong Kong Monetary Authority tenders to be held in the week beginning
– February 1, 2021:

Tender date : February 2, 2021
Paper on offer : EF Bills
Issue number : Q2105
Issue date : February 3, 2021
Maturity date : May 5, 2021

Tenor	: 91 Days
Amount on offer	: HK\$36,947 MN

Tender date	: February 2, 2021
Paper on offer	: EF Bills
Issue number	: H2134
Issue date	: February 3, 2021
Maturity date	: August 4, 2021
Tenor	: 182 Days
Amount on offer	: HK\$11,000 MN

External merchandise trade statistics for December 2020

The Census and Statistics Department (C&SD) released today (January 26) the external merchandise trade statistics for December 2020. In December 2020, the values of Hong Kong's total exports and imports of goods both recorded year-on-year increases, at 11.7% and 14.1% respectively.

In December 2020, the value of total exports of goods increased by 11.7% over a year earlier to \$392.2 billion, after a year-on-year increase of 5.6% in November 2020. Concurrently, the value of imports of goods increased by 14.1% over a year earlier to \$437.9 billion in December 2020, after a year-on-year increase of 5.1% in November 2020. A visible trade deficit of \$45.7 billion, equivalent to 10.4% of the value of imports of goods, was recorded in December 2020.

For 2020 as a whole, the value of total exports of goods decreased by 1.5% over 2019. Concurrently, the value of imports of goods decreased by 3.3%. A visible trade deficit of \$342.2 billion, equivalent to 8.0% of the value of imports of goods, was recorded in 2020.

Comparing the fourth quarter of 2020 with the preceding quarter on a seasonally adjusted basis, the value of total exports of goods increased by 5.5%. Meanwhile, the value of imports of goods increased by 8.9%.

Analysis by country/territory

Comparing December 2020 with December 2019, total exports to Asia as a whole grew by 13.8%. In this region, increases were registered in the values of total exports to some major destinations, in particular Taiwan (+28.9%), Korea (+20.1%), Vietnam (+18.2%) and the mainland of China (the Mainland) (+17.5%). On the other hand, decreases were recorded in the values of total exports to India (-21.4%) and Singapore (-13.5%).

Apart from destinations in Asia, increases were registered in the values of total exports to some major destinations in other regions, in particular the USA (+3.2%). On the other hand, a decrease was recorded in the value of total exports to Germany (-7.2%).

Over the same period of comparison, increases were registered in the values of imports from most major suppliers, in particular Korea (+42.0%), Taiwan (+35.6%), Singapore (+21.7%), Vietnam (+21.3%) and the Mainland (+14.7%). Concurrently, a decrease was recorded in the value of imports from the USA (-4.9%).

For 2020 as a whole, year-on-year decreases were registered in the values of total exports to some major destinations, in particular India (-17.6%), Singapore (-17.5%), the USA (-14.9%), Germany (-14.5%), Japan (-9.7%) and Korea (-7.6%). However, year-on-year increases were registered in the values of total exports to Taiwan (+11.6%), Vietnam (+5.3%) and the Mainland (+5.1%).

Over the same period of comparison, year-on-year decreases were registered in the values of imports from some major suppliers, in particular the USA (-17.9%), the Mainland (-6.5%) and Japan (-5.0%). However, year-on-year increases were registered in the values of imports from Vietnam (+28.4%), Taiwan (+22.8%), Korea (+12.3%) and Singapore (+8.1%).

Analysis by major commodity

Comparing December 2020 with December 2019, increases were registered in the values of total exports of most principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$30.1 billion or 20.8%), "telecommunications and sound recording and reproducing apparatus and equipment" (by \$5.0 billion or 8.1%), "non-ferrous metals" (by \$3.9 billion or 174.7%) and "office machines and automatic data processing machines" (by \$3.9 billion or 10.1%). However, decreases were registered in the values of total exports of "power generating machinery and equipment" (by \$3.1 billion or -31.2%) and "articles of apparel and clothing accessories" (by \$2.1 billion or -27.9%).

Over the same period of comparison, increases were registered in the values of imports of most principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$35.4 billion or 23.6%), "telecommunications and sound recording and reproducing apparatus and equipment" (by \$10.8 billion or 17.7%) and "office machines and automatic data processing machines" (by \$4.2 billion or 13.1%). However, a decrease was registered in the value of imports of "power generating machinery and equipment" (by \$0.9 billion or -9.4%).

For 2020 as a whole, year-on-year decreases were registered in the values of total exports of some principal commodity divisions, in particular "telecommunications and sound recording and reproducing apparatus and equipment" (by \$69.5 billion or -9.4%), "miscellaneous manufactured articles

(mainly jewellery, goldsmiths' and silversmiths' wares)" (by \$37.0 billion or -16.6%), "articles of apparel and clothing accessories" (by \$32.4 billion or -33.7%) and "non-metallic mineral manufactures" (by \$31.7 billion or -20.4%). However, year-on-year increases were registered in the values of total exports of "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$133.0 billion or 8.5%) and "office machines and automatic data processing machines" (by \$29.4 billion or 7.4%).

Over the same period of comparison, year-on-year decreases were registered in the values of imports of some principal commodity divisions, in particular "non-metallic mineral manufactures" (by \$49.5 billion or -27.9%), "telecommunications and sound recording and reproducing apparatus and equipment" (by \$45.3 billion or -6.6%) and "miscellaneous manufactured articles (mainly jewellery, goldsmiths' and silversmiths' wares)" (by \$39.3 billion or -15.0%). However, year-on-year increases were registered in the values of imports of "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$124.6 billion or 7.4%), "essential oils and resinoids and perfume materials; toilet, polishing and cleansing preparations" (by \$16.5 billion or 31.6%) and "non-ferrous metals" (by \$12.3 billion or 23.0%).

Commentary

A Government spokesman said that the value of merchandise exports posted a double-digit growth in December 2020 over a year earlier, as import demand in many major markets revived further. Exports to the Mainland accelerated notably, and those to the US and the EU also saw faster growth. Exports to many other major Asian markets showed improvement of varying degrees. Yet dragged by the weak export performance in the first half of the year, the value of merchandise exports fell further by 1.5% for 2020 as a whole.

Looking ahead, while the Mainland economy is expected to strengthen further and render support to Hong Kong's exports, the prospects of other major markets will depend on how the pandemic situation evolves. Evolving China-US relations under the new US administration, persistent geopolitical tensions and post-Brexit developments also warrant attention. The Government will monitor the developments closely.

Further information

Table 1 at the annex presents the analysis of external merchandise trade statistics for December 2020. Table 2 presents the original monthly trade statistics from January 2017 to December 2020, and Table 3 gives the seasonally adjusted series for the same period.

The values of total exports of goods to 10 main destinations for December 2020 are shown in Table 4, whereas the values of imports of goods from 10 main suppliers are given in Table 5.

Tables 6 and 7 show the values of total exports and imports of 10 principal commodity divisions for December 2020.

All the merchandise trade statistics described here are measured at current prices and no account has been taken of changes in prices between the periods of comparison. A separate analysis of the volume and price movements of external merchandise trade for December 2020 will be released in mid-February 2021.

The December 2020 issue of "Hong Kong External Merchandise Trade" contains detailed analysis on the performance of Hong Kong's external merchandise trade in December 2020 and will be available in mid-February 2021. Users can download the publication at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp230.jsp).

Enquiries on merchandise trade statistics may be directed to the Trade Analysis Section (2) of the C&SD (Tel: 2582 5042).

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Tuesday, January 26, 2021 is 100.7 (same as yesterday's index).