

International Reserves and Foreign Currency Liquidity

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

The Hong Kong Monetary Authority (HKMA) released today (May 31) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of April 2019 (Annex). These data are published monthly in the Template on International Reserves and Foreign Currency Liquidity in accordance with the International Monetary Fund's Special Data Dissemination Standard.

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 International Monetary Fund's Special Data Dissemination Standard (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 May 2019, the scheduled dates for issuing the press releases are as follows:

May 7 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
May 14 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
May 31	SDDS Template on International Reserves and Foreign Currency Liquidity
May 31	Exchange Fund Abridged Balance Sheet and Currency Board Account

Interest rate of first interest payment for Silver Bond Series due 2021

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

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government, announces today (May 31) the relevant per annum interest rate for the first interest payment of Silver Bond Series due 2021 (Issue Number 03GB2112R) (the Bonds) issued under the Retail Bond Issuance Programme of the Government Bond Programme.

According to the Issue Circular dated November 22, 2018 for the Bonds, the first interest payment of the Bonds is scheduled to be made on June 17, 2019, and the relevant interest rate is scheduled to be determined and announced on May 31, 2019 as the higher of the prevailing Floating Rate and Fixed Rate.

On May 31, 2019, the Floating Rate and Fixed Rate are as follows:

Floating Rate: +2.43 per cent

Fixed Rate: +3.00 per cent

Based on the Floating Rate and Fixed Rate set out above, the relevant interest rate for the first interest payment is determined and announced as 3.00 per cent per annum.

Provisional statistics of retail sales for April 2019

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (May 31).

The value of total retail sales in April 2019, provisionally estimated at \$37.7 billion, decreased by 4.5% compared with the same month in 2018. The revised estimate of the value of total retail sales in March 2019 edged down by 0.2% compared with a year earlier. For the first four months of 2019 taken together, it was provisionally estimated that the value of total retail sales decreased by 2.0% compared with the same period in 2018.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in April 2019

decreased by 5.0% compared with a year earlier. The revised estimate of the volume of total retail sales in March 2019 decreased by 0.8% compared with a year earlier. For the first four months of 2019 taken together, the provisional estimate of the total retail sales decreased by 2.3% in volume compared with the same period in 2018.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing April 2019 with April 2018, the value of sales of jewellery, watches and clocks, and valuable gifts decreased by 11.4%. This was followed by sales of wearing apparel (-2.2% in value); medicines and cosmetics (-6.0%); commodities in department stores (-4.3%); electrical goods and other consumer durable goods, not elsewhere classified (-13.7%); motor vehicles and parts (-6.3%); footwear, allied products and other clothing accessories (-5.4%); furniture and fixtures (-0.4%); books, newspapers, stationery and gifts (-7.5%); Chinese drugs and herbs (-5.7%); and optical shops (-7.8%).

On the other hand, the value of sales of commodities in supermarkets increased by 1.1% in April 2019 over a year earlier. This was followed by sales of other consumer goods, not elsewhere classified (+4.5% in value); food, alcoholic drinks and tobacco (+0.8%); and fuels (+3.3%).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales increased by 1.4% in the three months ending April 2019 over the preceding three-month period, while the provisional estimate of the volume of total retail sales increased by 0.9%.

These retail sales statistics measure the sales receipts in respect of goods sold by local retail establishments and are primarily intended for gauging the short-term business performance of the local retail sector. They cover consumer spending on goods but not on services (such as those on housing, catering, medical care and health services, transport and communication, financial services, education and entertainment) which account for over 50% of the overall consumer spending. Moreover, they include spending on goods in Hong Kong by visitors but exclude spending outside Hong Kong by Hong Kong residents. Hence they should not be regarded as indicators for measuring overall consumer spending.

Users interested in the trend of overall consumer spending should refer to the data series of private consumption expenditure (PCE), which is a major component of the Gross Domestic Product published at quarterly intervals. Compiled from a wide range of data sources, PCE covers consumer spending on both goods (including goods purchased from all channels) and services by Hong Kong residents whether locally or abroad. Please refer to the C&SD publication "Gross Domestic Product (Quarterly)" for more details.

Commentary

A government spokesman said that retail sales remained weak in April. The larger year-on-year decrease recorded in April reflected the still-cautious consumption sentiment amid external uncertainties, but was also partly due to the late arrival of the Labour Day holidays in the Mainland

(which fell in early May this year but straddled between April and May last year), which has led to a notable deceleration in the growth rate of visitor arrivals.

The spokesman pointed out further that, in the near term, consumption sentiment will continue to be affected by various external uncertainties, though the sustained expansion in inbound tourism and the largely stable local labour market should provide support to retail sales business. The Government will closely monitor the situation.

Further information

Table 1 presents the revised figures on value index and value of retail sales for all retail outlets and by broad type of retail outlet for March 2019 as well as the provisional figures for April 2019. The provisional figures on the value of retail sales for all retail outlets and by broad type of retail outlet as well as the corresponding year-on-year changes for the first four months of 2019 taken together are also shown.

Table 2 presents the revised figures on volume index of retail sales for all retail outlets and by broad type of retail outlet for March 2019 as well as the provisional figures for April 2019. The provisional figures on year-on-year changes for the first four months of 2019 taken together are also shown.

Table 3 shows the movements of the value and volume of total retail sales in terms of the year-on-year rate of change for a month compared with the same month in the preceding year based on the original series, and in terms of the rate of change for a three-month period compared with the preceding three-month period based on the seasonally adjusted series.

The classification of retail establishments follows the Hong Kong Standard Industrial Classification (HSIC) Version 2.0, which is used in various economic surveys for classifying economic units into different industry classes.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can download this publication free of charge at the website of the C&SD

(www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=B1080003).

Alternatively, the historical series of retail sales statistics can be downloaded in the form of a statistical table at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=D5600089).

Users who have enquiries about the survey results may contact the Distribution Services Statistics Section of the C&SD (Tel: 3903 7400; email: mrs@censtatd.gov.hk).

Financial results for the month ended April 30, 2019

The Government announced today (May 31) its financial results for April 2019, the first month of the current financial year.

Expenditure for the first month amounted to HK\$41.9 billion and revenue HK\$47.5 billion, resulting in a surplus of HK\$5.6 billion.

A government spokesperson said that the surplus in April was mainly due to the receipt of land premium.

The fiscal reserves stood at HK\$1,176.5 billion as at April 30, 2019.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended April 30, 2019 HK\$ million
Revenue	47,551.4
Expenditure	(41,923.6)
Surplus	5,627.8
Financing	
Domestic	
Banking Sector (Note 2)	(6,446.3)
Non-Banking Sector	818.5
External	–
Total	(5,627.8)

Government Debts as at April 30, 2019 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at April 30, 2019 (Note 4)

HK\$25,141.7 million

TABLE 2. FISCAL RESERVES

	Month ended April 30, 2019 HK\$ million
Fiscal Reserves at start of period	1,170,882.5
Consolidated Surplus	5,627.8
Fiscal Reserves at end of period (Note 5)	1,176,510.3

Notes:

1. This Account consolidates the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond Fund balance as at April 30, 2019 was HK\$142,317 million.

2. Includes transactions with the Exchange Fund and resident banks.

3. These were the outstanding institutional notes as at April 30, 2019, which were denominated in Hong Kong dollars with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$98,742 million and alternative bonds with nominal value of US\$3,000 million (equivalent to HK\$23,532 million as at April 30, 2019) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme (including Silver Bonds with nominal value of HK\$8,742 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$32,255 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,844 million as at April 30, 2019) will mature within the period from May 2019 to April 2020 and the rest within the period from May 2020 to March 2034.

4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the Special Concessionary Measures under the SME Financing Guarantee Scheme launched in 2012, and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$219,730 million being the balance of the Land Fund held in the name of "Future Fund" as from January 1, 2016, for long-term investments initially up to December 31, 2025. As from July 1, 2016, the Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.

Hospital Authority releases Medication Safety Bulletin

The following is issued on behalf of the Hospital Authority:

“The Hospital Authority (HA) today (May 31) published the biannual issue of the Medication Safety Bulletin (MSB). This issue reported on the Annual Medication Safety Forum, which was held in December 2018. The Forum is one of the HA's key initiatives to promote risk management among healthcare professionals in public hospitals.

The latest issue also reminded colleagues of the medication alert regarding SGLT-2 Inhibitors, shared details of cases on oral anti-coagulants, and featured how New Territories West Cluster discussed and learned from its near-miss incidents.

The publication has already been posted on the Internet for the attention of healthcare professionals. Members of the public are also welcome to read it via the following link www.ha.org.hk/msb. The MSB is published every six months, on the last Fridays of May and November. The next issue will be published on November 29.