

Prequalification application period for “Trunk Road T2 and infrastructure works for developments at former south apron” extended

The Civil Engineering and Development Department (CEDD) today (September 21) extended the application period for prequalification for the design and build contract for "Trunk Road T2 and Infrastructure Works for Developments at the Former South Apron" to noon on October 12.

The CEDD invited interested tenderers to apply for the prequalification for the contract on August 17 and the original application period was set to due at noon on September 28.

The extension of the application period was gazetted today. Details of the prequalification are available at the CEDD's website (www.cedd.gov.hk/eng/tender/contract/tender/index.html#ED/2018/04). For enquiries, please call Hyder-Meinhardt Joint Venture at 2911 2048 during office hours.

Statistics of Payment Cards Issued in Hong Kong for Second Quarter 2018

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

The Hong Kong Monetary Authority (HKMA) published today statistics of payment cards issued in Hong Kong for the second quarter of 2018.

The payment card statistics (see Annex) include quarterly data on credit and debit cards issued in Hong Kong under the credit and/or debit card schemes of the eight payment card scheme operators (Note 1). The HKMA began to publish the payment card statistics on a quarterly basis in June 2010 to enhance transparency of the payment card industry in Hong Kong, in line with international practice.

According to the quarterly statistics, the total number of credit cards in circulation (Note 2) was 20.06 million by the end of Q2/2018. The figure represents a 0.9% increase from the previous quarter and a 4.0% increase from the previous year. The number and value of credit card transactions (including retail sales and cash advances) (Note 3) are susceptible to seasonal factors and the general economic environment, making the trends more

prone to fluctuation. The total number of credit card transactions was 181.11 million for Q2/2018, representing a 8.4% increase from the previous quarter and a 17.1% increase from the same period in 2017. The total value of credit card transactions was HK\$178.9 billion for Q2/2018, representing a 2.0% decrease from the previous quarter and a 15.4% increase from the same period in 2017. Of the total transaction value, HK\$137.3 billion (76.8%) was related to retail spending in Hong Kong, HK\$29.9 billion (16.7%) in retail spending overseas and HK\$11.7 billion (6.5%) in cash advances.

The total number of debit cards in circulation is not available due to overlapping of debit card brands in a single card. Like the number and value of credit card transactions, the number and value of debit card transactions in relation to retail sales and bills payments (Note 4) are also affected by seasonal factors. On a quarterly basis, the total number of debit card transactions in relation to retail sales and bills payments decreased 1.1% to 34.27 million while the total value decreased by 9.4% to HK\$79.6 billion in Q2/2018. When compared to the same period in 2017, the total number increased by 0.5% and the total value rose by 11.3% in Q2/2018.

Notes:

1. The payment card statistics are compiled from data on credit and debit cards issued in Hong Kong by both authorized institutions (AIs) and non-authorized institutions (non-AIs) under the credit and/or debit card schemes of the eight payment card scheme operators ("the card operators"). The card operators, in alphabetical order, are American Express International, Inc., Discover Financial Services (Hong Kong) Limited, EPS Company (Hong Kong) Limited (EPSCO), JCB International (Asia) Ltd, Joint Electronic Teller Services Ltd. (JETCO), MasterCard Asia/Pacific Pte. Ltd., UnionPay International Co. Ltd and Visa Worldwide Pte. Limited.
2. A credit card issued in Hong Kong only carries one credit card brand. The total number of credit cards in circulation refers to the total number of credit cards (i.e. cards with a credit function) issued in Hong Kong under the credit card schemes of card operators (but excluding EPSCO and JETCO, which do not operate a credit card scheme). Some of these credit cards carry debit card functions, i.e. the credit card can be used for making purchases/payments or cash withdrawal at ATMs through directly debiting cardholders' bank accounts.
3. The total number/value of credit card transactions refer to the total number/value of transactions made via credit card accounts of credit cards issued in Hong Kong under the credit card schemes of card operators (excluding EPSCO and JETCO). Starting from March 2015, a Hong Kong/overseas spending breakdown of credit card retail sales transactions is provided.
4. The total number/value of debit card transactions in relation to retail sales/bill payments refers to the total number/value of those

transactions made via debiting cardholders' bank accounts. Some of the eight card operators do not operate a debit card scheme. Care should be exercised in combining the credit card retail sales figures and the debit card retail sales/bills payment figures because of the possibility of double counting.

Statistics of Stored Value Facilities (SVF) Schemes Issued by SVF Licensees

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

The Hong Kong Monetary Authority (HKMA) published today (September 21) statistics on SVF schemes issued by SVF licensees for the second quarter of 2018.

The SVF scheme statistics (see Annex) include quarterly data on SVF schemes issued by the sixteen SVF licensees (Note 1). The HKMA began to publish the SVF scheme statistics on a quarterly basis in March 2017 to enhance transparency of the SVF industry in Hong Kong.

According to the quarterly statistics, the total number of SVF accounts in use (Note 2) was 51.81 million by the end of Q2/2018, representing a 5.7% increase from the previous quarter. The total number of SVF transactions (Note 3) was around 1.5 billion for Q2/2018, or 5.6% higher than the previous quarter. The total value of SVF transactions was HK\$41.0 billion for Q2/2018, up 5.2% from the previous quarter. Of the total transaction value, HK\$21.3 billion was related to point-of-sale spending payment, HK\$15.4 billion in online spending payment and HK\$4.3 billion in P2P funds transfer. The total float and SVF deposit (Note 4) was HK\$8.9 billion for Q2/2018, 6.1% higher than the previous quarter.

As compared with the end of Q2/2017, the total number of SVF accounts in use at the end of Q2/2018 was up by 19.2%, and the total float and SVF deposit was up by 24.0%. The total number and value of SVF transactions during Q2/2018 were up by 10.2% and 29.0% respectively year-on-year.

Notes:

1. The SVF scheme statistics are compiled from data on SVF schemes issued by the sixteen SVF licensees. The SVF licensees, in alphabetical order, are 33 Financial Services Limited, Alipay Financial Services (HK) Limited, Autotoll Limited, Bank of Communications (Hong Kong) Limited, Dah Sing Bank, Limited, ePaylinks Technology Co., Limited, HKT Payment Limited, Hongkong and Shanghai Banking Corporation Limited (The), K & R International Limited, Octopus Cards Limited, Optal Asia Limited, PayPal

Hong Kong Limited, TNG (Asia) Limited, Transforex (Hong Kong) Investment Consulting Co., Limited, UniCard Solution Limited and WeChat Pay Hong Kong Limited.

2. "Total number of SVF accounts in use" refers to the total number of SVF accounts that can be used as at the end of the reporting period.
3. SVF transactions include point-of-sale spending payment, online spending payment and P2P funds transfer.
4. The following terms follow their definitions in the Payment Systems and Stored Value Facilities Ordinance:
 - "Float" means the stored value remaining on the facility but does not include any SVF deposit;
 - "SVF deposit" means a deposit placed with the licensee, or another person on behalf of the licensee, for enabling the facility to be used.

[Hong Kong's Balance of Payments and International Investment Position statistics for the second quarter of 2018](#)

The Census and Statistics Department (C&SD) released today (September 21) the preliminary Balance of Payments (BoP) and International Investment Position (IIP) statistics of Hong Kong for the second quarter of 2018. This release also included the preliminary External Debt (ED) statistics of Hong Kong for the same period.

I. Balance of Payments

Hong Kong recorded a BoP deficit of \$48.5 billion (as a ratio of 7.2% to GDP) in the second quarter of 2018, as against a surplus of \$73.8 billion (as a ratio of 10.7% to GDP) in the first quarter of 2018. Reserve assets correspondingly decreased by the same amount (\$48.5 billion) in the second quarter of 2018.

Current account

On a year-on-year comparison, the current account recorded a surplus of \$15.7 billion (as a ratio of 2.3% to GDP) in the second quarter of 2018, compared with a surplus of \$19.1 billion (as a ratio of 3.0% to GDP) in the same quarter of 2017. The decrease in the current account surplus was mainly due to an increase in the goods deficit, partly offset by an increase in the services surplus and an increase in the net inflow of primary income.

The goods deficit increased to \$91.8 billion in the second quarter of 2018, compared with the \$67.7 billion in the same quarter of 2017. This was due to a larger increase in imports of goods relative to that in respect of exports of goods. Over the same period, the services surplus increased to \$56.2 billion in the second quarter of 2018, compared with the \$41.1 billion in the same quarter of 2017. This was due to a larger increase in exports of services relative to that in respect of imports of services. The overall balance on goods and services recorded a deficit of \$35.6 billion in the second quarter of 2018, compared with a deficit of \$26.6 billion in the same quarter of 2017.

The primary income inflow and outflow amounted to \$459.3 billion and \$402.7 billion respectively, thus yielding a net inflow of \$56.6 billion in the second quarter of 2018, compared with a net inflow of \$50.4 billion in the same quarter of 2017.

The secondary income inflow and outflow amounted to \$3.1 billion and \$8.5 billion respectively, resulting in a net outflow of \$5.3 billion in the second quarter of 2018, compared with a net outflow of \$4.7 billion in the same quarter of 2017.

On a seasonally adjusted quarter-to-quarter comparison basis, the current account credit and the current account debit in the second quarter of 2018 decreased by 0.6% and 1.5% respectively from the first quarter of 2018.

Capital and financial account

In the second quarter of 2018, a net outflow of \$0.8 billion was recorded in the capital account, compared with a net outflow of \$0.1 billion in the first quarter of 2018.

An overall net outflow of financial non-reserve assets amounting to \$93.5 billion (as a ratio of 13.8% to GDP) was recorded in the second quarter of 2018, as against an overall net inflow of \$29.3 billion (as a ratio of 4.3% to GDP) in the first quarter of 2018. The overall net outflow recorded in the second quarter of 2018 was the result of a net outflow of portfolio investment and a net outflow of other investment, partly offset by a net inflow of direct investment and a net inflow due to the cash settlement of financial derivatives.

Direct investment recorded a net inflow of \$68.1 billion in the second quarter of 2018, as against a net outflow of \$19.7 billion in the first quarter of 2018. Portfolio investment recorded a net outflow of \$158.1 billion in the second quarter of 2018, compared with a net outflow of \$245.7 billion in the first quarter of 2018. Financial derivatives recorded a net inflow of \$0.5 billion in the second quarter of 2018, as against a net outflow of \$3.8 billion in the first quarter of 2018. Other investment recorded a net outflow of \$4.1 billion in the second quarter of 2018, as against a net inflow of \$298.5 billion in the first quarter of 2018.

In the second quarter of 2018, reserve assets decreased by \$48.5 billion, as against an increase of \$73.8 billion in the first quarter of

2018.

II. International Investment Position

At the end of the second quarter of 2018, Hong Kong's external financial assets and liabilities amounted to \$43,751.9 billion and \$32,773.8 billion respectively. After netting out the external financial liabilities from the external financial assets, Hong Kong was a net creditor. Hong Kong's net external financial assets amounted to \$10,978.2 billion (as a ratio of 397% to GDP) at the end of the second quarter of 2018, compared with \$11,633.8 billion (as a ratio of 428% to GDP) at the end of the first quarter of 2018.

The ratios of both Hong Kong's external financial assets and liabilities to GDP at the end of the second quarter of 2018 remained at a very high level, at 15.8 times and 11.8 times respectively, reflecting that Hong Kong is a highly externally oriented economy and also a major financial centre in the region with considerable cross-territory investment.

External financial assets

Within the total value of external financial assets at the end of the second quarter of 2018, direct investment was the largest component, accounting for 37.3% (\$16,303.7 billion) of the total value. Portfolio investment (\$13,655.3 billion) and other investment (\$9,711.4 billion) contributed 31.2% and 22.2% respectively.

External financial liabilities

Within the total value of external financial liabilities at the end of the second quarter of 2018, 53.6% (\$17,550.5 billion) was in the form of direct investment. Other investment (\$10,268.1 billion) and portfolio investment (\$4,338.5 billion) contributed 31.3% and 13.2% respectively.

III. External Debt

At the end of the second quarter of 2018, Hong Kong's gross ED (measuring total outstanding gross external liabilities other than equity liabilities) amounted to \$13,057.3 billion (as a ratio of 472% to GDP). Compared with \$12,775.6 billion (as a ratio of 470% to GDP) at the end of the first quarter of 2018, gross ED increased by \$281.7 billion. This was mainly attributable to the increases in ED of other sectors, ED of the banking sector and debt liabilities in direct investment (intercompany lending).

Sectoral analysis

At the end of the second quarter of 2018, a major proportion of Hong Kong's ED was attributable to the banking sector, accounting for 62.4% of the total. Other ED mainly consisted of ED of other sectors (20.8%) and debt liabilities in direct investment (intercompany lending) (16.7%).

ED of the banking sector increased from \$8,071.3 billion at the end of the first quarter of 2018 (as a ratio of 297% to GDP) to \$8,141.8 billion at the end of the second quarter of 2018 (as a ratio of 294% to GDP). ED of

other sectors, debt liabilities in direct investment (intercompany lending) and ED of the Government and the Hong Kong Monetary Authority amounted to \$2,710.8 billion, \$2,174.3 billion, \$26.5 billion and \$3.9 billion respectively at the end of the second quarter of 2018.

Further information

BoP is a statistical statement that systematically summarises, for a specific time period (typically a year or a quarter), the economic transactions of an economy with the rest of the world (i.e. between residents and non-residents).

IIP is a balance sheet showing the stock of external financial assets and liabilities of an economy at a particular time point. The difference between the external financial assets and liabilities is the net IIP of the economy, which represents either its net claim on or net liability to the rest of the world.

Gross ED, at a particular time point, is the outstanding amount of those actual current, and not contingent, liabilities that are owed to non-residents by residents of an economy and that require payment of principals and/or interests by the debtors at some time points in the future.

BoP and IIP statistics of Hong Kong are compiled in accordance with international standards as stipulated in the Sixth Edition of the Balance of Payments and International Investment Position Manual released by the International Monetary Fund (IMF) in 2009. ED statistics of Hong Kong are compiled according to the 2013 External Debt Statistics: Guide for Compilers and Users published by the Inter-agency Task Force on Finance Statistics chaired by the IMF. Concepts inherent in these two international guidelines are harmonised with each other.

Table 1 presents Hong Kong's BoP by standard component. Table 2 presents the detailed current account analysed by sub-account component, while Table 3 presents the detailed capital and financial account analysed by sub-account component. Table 4 shows Hong Kong's IIP by broad component, and Table 5 shows Hong Kong's ED by standard component.

Statistics on BoP, IIP and ED for the second quarter of 2018 are only preliminary figures, and are subject to revision upon the availability of more data.

More details of the statistics of BoP, IIP and ED, together with the conceptual and methodological details, are presented in the publication Balance of Payments, International Investment Position and External Debt Statistics of Hong Kong, Second Quarter 2018 published by the C&SD. Users can download this publication free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp260.jsp?productCode=B1040001).

For enquiries about the BoP, IIP and ED statistics, please contact the Balance of Payments Section of the C&SD (Tel: 3903 6979; fax: 2116 0278; email: bop@censtatd.gov.hk).

SCED to visit United States and Canada

The Secretary for Commerce and Economic Development, Mr Edward Yau, will leave Hong Kong tomorrow (September 22) for duty visits to Washington, DC, in the United States (US) and Ottawa and Montreal in Canada from September 23 to 29 to consolidate and strengthen economic ties between Hong Kong and the two countries. Mr Yau will also officiate at an event to celebrate the inaugural direct flight between Hong Kong and Washington, DC.

During his stay in Washington, DC, between September 23 and 26 (Eastern Standard Time), Mr Yau will meet with senior government officials, congressional members, think tanks and leaders of chambers or business organisations to exchange views on Hong Kong-US trade and economic relations and update them on the latest economic developments in Hong Kong. He will pay a courtesy call to the Chinese Embassy in the United States of America.

On September 25, Mr Yau will officiate at a gala reception and dinner hosted by Cathay Pacific Airways Limited to mark its inaugural direct flight between Hong Kong and Washington, DC. He will also witness the signing of the Statement of Intent on Smart Technology Collaboration by the US Department of Commerce and the Hong Kong Productivity Council.

On September 26, he will deliver a keynote speech at a seminar entitled "The United States, Hong Kong & China: Innovation Economies in the 21st Century" co-organised by the Hong Kong Economic and Trade Office, Washington, DC (Washington ETO) and the Atlantic Council. He will also address a business luncheon co-organised by the Washington ETO and Cathay Pacific, and supported by the American Chamber of Commerce in Hong Kong, Invest Hong Kong and the US Chamber of Commerce.

Mr Yau will then proceed to Canada in the evening on September 26. On the following day in Ottawa, he will call on senior government officials and Canadian Parliament members to discuss issues relating to trade and economic co-operation between Hong Kong and Canada. He will also meet with key members of the Hong Kong-Canada Business Association Ottawa. In Montreal, he will meet with senior government officials responsible for trade matters.

Mr Yau will return to Hong Kong on September 29 (Hong Kong time). During his absence, the Under Secretary for Commerce and Economic Development, Dr Bernard Chan, will be the Acting Secretary for Commerce and Economic Development.