

# Statistics on trade involving outward processing in the mainland of China for first quarter of 2018

In the first quarter of 2018, 25.8% of Hong Kong's total exports to the mainland of China (the Mainland) were for outward processing in the Mainland. On the other hand, 37.3% of Hong Kong's imports from the Mainland were related to outward processing in the Mainland, according to statistics released today (June 11) by the Census and Statistics Department (C&SD). Over the same period, 65.0% of Hong Kong's re-exports of Mainland origin to other places were produced through outward processing in the Mainland.

In the first quarter of 2017, the corresponding proportions were 26.9% for total exports to the Mainland, 38.1% for imports from the Mainland and 66.5% for re-exports of Mainland origin to other places.

In value terms, \$132.6 billion of Hong Kong's total exports to the Mainland in the first quarter of 2018 were for outward processing in the Mainland, representing an increase of 7.8% compared with the first quarter of 2017. On the other hand, the value of imports from the Mainland related to outward processing in the Mainland increased by 5.3% compared with the first quarter of 2017 to \$176.6 billion. Meanwhile, \$201.1 billion of Hong Kong's re-exports of Mainland origin to other places were produced through outward processing in the Mainland, representing an increase of 4.1% compared with the first quarter of 2017.

The statistics for the first quarter of 2018 are given in the attached tables.

Information on trade involving outward processing in the Mainland is collected in a sample survey conducted by the C&SD. For the purpose of the survey, exports to the Mainland for outward processing refer to raw materials or semi-manufactures exported from or through Hong Kong to the Mainland for processing with a contractual arrangement for subsequent re-importation of the processed goods into Hong Kong.

Imports from the Mainland related to outward processing refer to processed goods imported from the Mainland, of which all or part of the raw materials or semi-manufactures have been under contractual arrangement exported from or through Hong Kong to the Mainland for processing.

Re-exports of Mainland origin to other places involving outward processing in the Mainland refer to processed goods re-exported through Hong Kong, of which all or part of the raw materials or semi-manufactures have been exported from or through Hong Kong to the Mainland for processing with a contractual arrangement for subsequent re-importation of the processed goods into Hong Kong.

In interpreting the statistics, it should be noted that all imports and exports of goods (not including transshipments and goods-in-transit) are recorded as external trade, irrespective of whether the goods are associated with outward processing or not. Moreover, the value and proportion of imports from the Mainland and re-exports of Mainland origin to other places involving outward processing in the Mainland refer to those of the entire goods instead of just the value added contributed by outward processing in the Mainland.

A sample of import/export declarations in respect of Hong Kong's trade with the Mainland and Hong Kong's re-exports originated in the Mainland to other places is selected for enumeration to obtain the required information from the establishments concerned. The findings of the survey facilitate a more informed analysis of the nature of Hong Kong's trade with the Mainland. In this respect, the survey results are a useful supplement to the regular trade statistics.

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Figures for 2017 had been revised because a small proportion of import/export declarations had not been included in the 2017 sample.

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The above survey results will be included in the June 2018 issue of "Hong Kong External Merchandise Trade". The publication will be available in August 2018. Users can download this publication free of charge from the website of the C&SD

([www.censtatd.gov.hk/hkstat/sub/sp230.jsp?productCode=B1020005](http://www.censtatd.gov.hk/hkstat/sub/sp230.jsp?productCode=B1020005)).

Enquiries on the survey results may be directed to the Outward Processing and Shipping Statistics Section of the C&SD (Tel: 2582 2126 or email: [ops@censtatd.gov.hk](mailto:ops@censtatd.gov.hk)).

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## [Construction output for first quarter of 2018](#)

The total gross value of construction works performed by main contractors in the first quarter of 2018 increased by 12.1% in nominal terms over a year earlier to \$65.9 billion, according to the provisional results of the Quarterly Survey of Construction Output released today (June 11) by the Census and Statistics Department (C&SD).

After discounting the effect of price changes, the provisional results showed that the total gross value of construction works performed by main contractors increased by 7.4% in real terms over the same period.

Gross value of construction works in real terms is derived by deflating the corresponding nominal value with an appropriate price index to the price

level in the base period of 2000.

Analysed by type of construction works, the gross value of construction works performed at private sector sites totalled \$19.8 billion in the first quarter of 2018, up by 8.9% in nominal terms over a year earlier. In real terms, it increased by 7.5%.

The gross value of construction works performed at public sector sites increased by 13.3% in nominal terms over a year earlier to \$23.4 billion in the first quarter of 2018. In real terms, it increased by 8.1%.

The gross value of construction works performed by main contractors at locations other than construction sites amounted to \$22.7 billion in the first quarter of 2018, up by 13.8% in nominal terms compared with a year earlier. In real terms, it increased by 6.6%. Construction works at locations other than construction sites included minor new construction activities and decoration, repair and maintenance for buildings; and electrical equipment installation and maintenance works at locations other than construction sites.

Analysed by major end-use group, the gross value of construction works performed at construction sites in respect of residential buildings projects amounted to \$17.9 billion in the first quarter of 2018, up by 16.2% in nominal terms over a year earlier. Over the same period, the gross value of construction works performed at construction sites in respect of transport projects up by 5.1% in nominal terms to \$12.8 billion in the first quarter of 2018.

On a seasonally adjusted quarter-to-quarter basis, the gross value of construction works performed by main contractors increased by 5.3% in nominal terms and increased by 3.5% in real terms in the first quarter of 2018 compared with the fourth quarter of 2017.

Table 1 shows the provisional figures on the gross value of construction works performed by main contractors in the first quarter of 2018. Tables 2 and 3 show the revised figures for the whole year of 2017 and the fourth quarter of 2017 respectively.

Owing to the widespread sub-contracting practices in the construction industry, a construction establishment can be a main contractor for one contract and a sub-contractor for another contract at the same time. The gross value of construction works performed by main contractors covers only those projects in which the construction establishment takes the role of a main contractor, but not projects in which it takes only the role of a sub-contractor. However, sub-contractors' contribution to projects should have been included in the gross value of construction works performed by main contractors for whom they worked.

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

More detailed statistics are given in "Report on the Quarterly Survey of Construction Output, 1st Quarter 2018". Users can download this publication free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp330.jsp?productCode=B1090002](http://www.censtatd.gov.hk/hkstat/sub/sp330.jsp?productCode=B1090002)).

For enquiries about the survey results, please contact the Construction and Miscellaneous Services Statistics Section of the C&SD (Tel: 3903 6965 or email: [building@censtatd.gov.hk](mailto:building@censtatd.gov.hk)).

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## [Quarterly business receipts indices for service industries for first quarter of 2018](#)

Business receipts in value terms of all major service industries showed increases of different magnitudes in the first quarter of 2018 when compared with the first quarter of 2017, according to the provisional figures of business receipts indices released today (June 11) by the Census and Statistics Department (C&SD).

Comparing the first quarter of 2018 with the first quarter of 2017, double-digit increases were recorded in business receipts of the financing (except banking) (+28.7%), warehousing and storage (+17.6%), retail (+14.4%), courier (+13.7%), banking (+11.1%), transportation (+10.8%), accommodation services (+10.6%) and food services (+10.0%) industries.

Analysed by service domain, business receipts of the tourism, convention and exhibition services domain increased by 12.3% year-on-year during the same period, while those of the computer and information technology services domain also increased by 4.0% year-on-year.

On a seasonally adjusted quarter-to-quarter comparison, business receipts in value terms of most major service industries recorded increases of different magnitudes in the first quarter of 2018 as well when compared with the fourth quarter of 2017. In particular, business receipts of the financing (except banking) industry increased by 12.8% quarter-to-quarter.

Comparing the first quarter of 2018 with the fourth quarter of 2017 and on a seasonally adjusted basis, business receipts of the tourism, convention and exhibition services domain increased by 7.4%, whereas those of the computer and information technology services domain decreased by 2.4%.

Table 1 presents the business receipts indices and their corresponding year-on-year rates of change in respect of selected service industries and service domains for the recent five quarters, while Table 2 shows the corresponding quarter-to-quarter rates of change in the business receipts

indices based on the seasonally adjusted series.

The revised figures of business receipts indices for the first quarter of 2018 will be released at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp70.jsp?subjectID=7&tableID=093&ID=0&productType=8](http://www.censtatd.gov.hk/hkstat/sub/sp70.jsp?subjectID=7&tableID=093&ID=0&productType=8)) and relevant publications of the C&SD starting from July 20, 2018.

Data for compiling the business receipts indices are mainly based on the Quarterly Survey of Service Industries conducted by the C&SD, supplemented by relevant data provided by the Hong Kong Monetary Authority and the Hong Kong Tourism Board.

A service domain differs from a service industry in that it comprises those economic activities which straddle different industries but are somehow related to a common theme. It may include all activities carried out by all establishments in a service industry that is closely related to the domain. For a service industry that is less closely related, however, only a portion of the establishments in the industry or even only part of the economic activities of the establishments is related to the domain. Taking the tourism, convention and exhibition services domain as an example, it includes all services of hotels and travel agents, and some (those involving visitors as customers) but not all of the services of restaurants, retailers and transport operators.

The classification of service industries follows the Hong Kong Standard Industrial Classification 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 "Quarterly Business Receipts Indices for Service Industries, First Quarter 2018". Users can download this publication free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp70.jsp?productCode=B1080006](http://www.censtatd.gov.hk/hkstat/sub/sp70.jsp?productCode=B1080006)).

Members of the public who have enquiries about the business receipts indices may contact the Business Services Statistics Section of the C&SD (Tel: 3903 7267 or email : [business-receipts@censtatd.gov.hk](mailto:business-receipts@censtatd.gov.hk)).

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