

Exchange Fund Bills tender results

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

Exchange Fund Bills tender results:

Tender date	: December 10, 2024
Paper on offer	: EF Bills
Issue number	: Q2450
Issue date	: December 11, 2024
Maturity date	: March 12, 2025
Amount applied	: HK\$159,602 MN
Amount allotted	: HK\$61,537 MN
Average yield accepted	: 3.99 PCT
Highest yield accepted	: 4.02 PCT
Pro rata ratio*	: About 61 PCT
Average tender yield	: 4.13 PCT

Tender date	: December 10, 2024
Paper on offer	: EF Bills
Issue number	: H2479
Issue date	: December 11, 2024
Maturity date	: June 11, 2025
Amount applied	: HK\$48,120 MN
Amount allotted	: HK\$14,000 MN
Average yield accepted	: 3.72 PCT
Highest yield accepted	: 3.76 PCT
Pro rata ratio*	: About 19 PCT
Average tender yield	: 3.79 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 December 16, 2024:

Tender date	: December 17, 2024
Paper on offer	: EF Bills
Issue number	: Q2451

Issue date : December 18, 2024
Maturity date : March 19, 2025
Tenor : 91 Days
Amount on offer : HK\$60,824 MN

Tender date : December 17, 2024
Paper on offer : EF Bills
Issue number : H2480
Issue date : December 18, 2024
Maturity date : June 18, 2025
Tenor : 182 Days
Amount on offer : HK\$13,000 MN

Tender date : December 17, 2024
Paper on offer : EF Bills
Issue number : Y2498
Issue date : December 18, 2024
Maturity date : December 17, 2025
Tenor : 364 Days
Amount on offer : HK\$2,100 MN

[Results of monthly survey on business situation of small and medium-sized enterprises for November 2024](#)

The Census and Statistics Department (C&SD) released today (December 10) the results of the Monthly Survey on Business Situation of Small and Medium-sized Enterprises (SMEs) for November 2024.

The current diffusion index (DI) on business receipts amongst SMEs decreased from 42.3 in October 2024 in the contractionary zone to 41.9 in November 2024, whereas the one-month's ahead (i.e. December 2024) outlook DI on business receipts was 46.6. Analysed by sector, the current DIs on business receipts for some surveyed sectors dropped in November 2024 as compared with previous month, including the business services (from 50.0 to 45.9), restaurants (from 37.4 to 34.9), and retail trade (from 39.8 to 37.7).

The current DI on new orders for the import and export trades increased from 44.7 in October 2024 to 45.1 in November 2024, whereas the outlook DI on new orders in one month's time (i.e. December 2024) was 47.4.

Commentary

A Government spokesman said that overall business sentiment among SMEs and their expectations on the business situation in one month's time softened slightly in November, but the situation for different sectors varied. The overall employment situation remained generally stable.

The spokesman added that increased global economic uncertainties and escalation of trade conflicts would pose pressures on business prospects. Yet, the Central Government's recent introduction of various measures to boost the Mainland economy as well as its various measures benefitting Hong Kong should bode well for business sentiment. The Government will monitor the situation closely.

Further information

The Monthly Survey on Business Situation of Small and Medium-sized Enterprises aims to provide a quick reference, with minimum time lag, for assessing the short-term business situation faced by SMEs. SMEs covered in this survey refer to establishments with fewer than 50 persons engaged. Respondents were asked to exclude seasonal fluctuations in reporting their views. Based on the views collected from the survey, a set of diffusion indices (including current and outlook diffusion indices) is compiled. A reading above 50 indicates that the business condition is generally favourable, whereas that below 50 indicates otherwise. As for statistics on the business prospects of prominent establishments in Hong Kong, users may refer to the publication entitled "Report on Quarterly Business Tendency Survey" released by the C&SD.

The results of the survey should be interpreted with care. The survey solicits feedback from a panel sample of about 600 SMEs each month and the survey findings are thus subject to sample size constraint. Views collected from the survey refer only to those of respondents on their own establishments rather than those on the respective sectors they are engaged in. Besides, in this type of opinion survey on expected business situation, the views collected in the survey are affected by the events in the community occurring around the time of enumeration, and it is difficult to establish precisely the extent to which respondents' perception of the business situation accords with the underlying trends. For this survey, main bulk of the data were collected around the last week of the reference month.

More detailed statistics are given in the "Report on Monthly Survey on the Business Situation of Small and Medium-sized Enterprises". Users can browse and download the publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080015&scode=300).

Users who have enquiries about the survey results may contact Industrial Production Statistics Section of the C&SD (Tel: 3903 7246; email: sme-survey@censtatd.gov.hk).

External direct investment of Hong Kong in 2023

Hong Kong's external direct investment (DI) statistics for 2023 were released today (December 10) by the Census and Statistics Department (C&SD).

Stocks of DI

At the end of 2023, the total stock of Hong Kong's inward DI (i.e. the position of Hong Kong's DI liabilities) increased by 6.2% over a year earlier to \$18,376.1 billion. Its ratio to the Gross Domestic Product (GDP) stood at 616% in 2023. The increase in 2023 was mainly attributable to the positive DI inflow to Hong Kong.

As for the total stock of Hong Kong's outward DI (i.e. the position of Hong Kong's DI assets), it increased by 3.8% over 2022 to \$17,702.9 billion. Its ratio to GDP was 594% in 2023. The increase in 2023 was mainly attributable to the positive DI outflow to enterprises outside Hong Kong, partly offset by the drop in the total market values of non-resident enterprises which had received DI from Hong Kong during the year.

Analysed by immediate source of investment, the mainland of China (the Mainland) and the British Virgin Islands (BVI) were the two largest sources for Hong Kong's inward DI, with a share of 31.1% and 30.5% respectively at end-2023. Analysed by major economic activity of Hong Kong enterprise groups (HKEGs) which had received inward DI, those engaged in investment and holding, real estate, professional and business services took up the largest share, at 67.1% at end-2023. This was followed by banking, at 11.6%; and import/export, wholesale and retail trades, at 10.8%.

Analysed by immediate destination of investment, the Mainland and the BVI were also the two largest destinations for Hong Kong's outward DI, with a share of 49.8% and 28.9% respectively at end-2023. Analysed by major economic activity of HKEGs which had made outward DI, those engaged in investment and holding, real estate, professional and business services took up the largest share, at 78.6% at end 2023. This was followed by import/export, wholesale and retail trades, at 8.4%.

Flows of DI

In 2023, total DI inflow amounted to \$954.9 billion, slightly smaller than that of \$958.4 billion in 2022. On the other hand, total DI outflow in 2023 amounted to \$752.9 billion, smaller than that of \$931.3 billion in 2022. Taking the inflow and outflow together, a net DI inflow of \$202.0 billion was recorded in 2023.

Analysed by immediate source of investment, the Mainland was the major source of Hong Kong's DI inflow in 2023, amounting to \$385.8 billion. The BVI came next, at \$305.2 billion. Analysed by major economic activity of HKEGs which had received DI inflow, those engaged in investment and holding, real estate, professional and business services attracted the largest amount in 2023, at \$564.9 billion.

Analysed by immediate destination of investment, the Mainland accounted for a predominant share of Hong Kong's DI outflow in 2023, at \$402.9 billion. The BVI came next, at \$116.4 billion. Analysed by major economic activity of HKEGs which had made DI outflow, those engaged in investment and holding, real estate, professional and business services took up the largest amount, at \$470.8 billion.

Commentary

A Government spokesman said that Hong Kong's total DI inflow and total DI outflow remained significant at \$954.9 billion and \$752.9 billion respectively in 2023 despite heightened geopolitical tensions and tightened global financial conditions.

The stocks of overall inward and outward DI in Hong Kong were substantial at end-2023, at \$18,376.1 billion and \$17,702.9 billion (616% and 594% of GDP) respectively, making Hong Kong one of the world's major destinations for and sources of external DI. The vast stock of external DI testifies that Hong Kong continues to be an international centre for finance and commerce, as well as a base for multinational corporations to manage their investments and businesses.

Hong Kong's DI covers a large geographical spread and a wide range of economic activities, with the Mainland featuring prominently both as a source and as a destination.

The Government has stepped up its efforts to attract external DI and bring in more strategic enterprises from outside the city to set up headquarters or corporate divisions in Hong Kong. Up to November 2024, over 60 strategic enterprises have come to Hong Kong to set up or expand their operations. The Government will also soon submit a bill to the Legislative Council to introduce a mechanism to facilitate the re-domiciliation of companies to Hong Kong.

Further information

DI represents external investment in which an investor of an economy acquires a lasting interest and a significant degree of influence or an effective voice in the management of an enterprise located in another economy. For statistical purpose, an effective voice is taken as being equivalent to a holding of 10% or more of the voting power in an enterprise.

According to the international statistical standards, the total stocks and flows of DI presented above are compiled based on the "asset/liability

principle", while detailed DI figures analysed by country/territory and by major economic activity of HKEGs are based on the "directional principle". Owing to the adoption of different presentation principles, the total stocks and flows of DI are different from the sums of the detailed DI figures by country/territory or by major economic activity of HKEGs. However, the overall direct investment balance compiled from figures based on these two presentation principles respectively is the same.

Tables 1 and 2 show the positions (i.e. stocks) and flows of inward DI in Hong Kong by selected major investor country/territory and by major economic activity of HKEGs respectively for 2022 and 2023. Similar statistics on outward DI from Hong Kong are presented in Tables 3 and 4.

More detailed statistics are given in the report "External Direct Investment Statistics of Hong Kong 2023". Users can browse and download this publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1040003&scode=260).

Enquiries about the DI statistics may be directed to the Balance of Payments Branch (2) of the C&SD at 3903 7024.

[Effective Exchange Rate Index](#)

The effective exchange rate index for the Hong Kong dollar on Tuesday, December 10, 2024 is 106.4 (down 0.3 against yesterday's index).

[Philippine Kho family establishes family office in Hong Kong \(with photo\)](#)

Invest Hong Kong (InvestHK) announced today (December 10) that the Kho family from the Philippines, who established The Kho Group (TKG), has set up a family office in Hong Kong. This demonstrates Hong Kong's position as the leading hub for family offices.

The Global Head of Family Office at InvestHK, Mr Jason Fong, warmly welcomed their opening in Hong Kong and said, "The establishment of the Kho's family office reaffirms Hong Kong's pivotal role within the global financial ecosystem. We are confident that this initiative will attract increased

international capital inflows, further strengthening Hong Kong's position as a leading global hub for asset and wealth management. Additionally, we will continue to welcome families from around the world to establish their family offices in Hong Kong."

The Executive Vice President of the Kho Group, Mr James Fok, said: "In response to the Hong Kong Special Administrative Region Government's supportive measures to promote the development of the family office sector, we are delighted to announce the establishment of the Kho family office in Hong Kong. This move reflects our unwavering confidence in Hong Kong's status as a leading international financial centre. Through this new platform, we aim to effectively integrate resources, foster closer collaborations with family offices, and drive business growth and innovation. Together, we aspire to create new opportunities and pave the way for a dynamic and prosperous future."

Since its establishment by the Kho family in 1983, TKG has accumulated more than 40 years of diversified investment experience in Mainland China and Southeast Asia and has become one of the early overseas Chinese companies to make overseas investments. TKG mainly covers five businesses, namely the supply of natural resources, shipping business, land and property development, high-end retail, and investment management.

