

Exchange Fund Abridged Balance Sheet and Currency Board Account

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

The Hong Kong Monetary Authority (HKMA) announced today (August 31) that the total assets of the Exchange Fund amounted to HK\$4,216.3 billion as at July 31, 2022, HK\$5.9 billion higher than that at the end of June 2022. Foreign currency assets increased by HK\$19.2 billion while Hong Kong dollar assets decreased by HK\$13.3 billion.

The rise in foreign currency assets was mainly due to the mark-to-market revaluation on investments and the increase in the month-end balances of unsettled purchase of securities after offsetting the sale of US dollars under the Currency Board arrangements. The decline in Hong Kong dollar assets was mainly due to the mark-to-market revaluation on Hong Kong equities.

The Currency Board Account shows that the Monetary Base at the end of July 2022 was HK\$1,977.3 billion, decreased by HK\$70.9 billion, or 3.5 per cent, from the end of June 2022. The decline was mainly due to the purchase of HK dollars under the Currency Board arrangements.

The amount of Backing Assets decreased by HK\$62.2 billion, or 2.8 per cent, to HK\$2,193.3 billion. The decrease was mainly attributable to the sale of US dollars under the Currency Board arrangements, which was partly offset by the mark-to-market revaluation on investments. The backing ratio increased from 110.12 per cent at the end of June 2022 to 110.92 per cent at the end of July 2022.

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 August 2022, the scheduled dates for issuing the press releases are as follows:

August 5 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
August 12 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
August 31	SDDS Template on International Reserves and Foreign Currency Liquidity

Residential mortgage survey results for July 2022

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

The Hong Kong Monetary Authority announced the results of the residential mortgage survey for July 2022.

The number of mortgage applications in July decreased month-on-month by 13.2 per cent to 9 497.

Mortgage loans approved in July decreased by 22.1 per cent compared with June to HK\$40.1 billion. Among these, mortgage loans financing primary market transactions increased by 3.3 per cent to HK\$7.4 billion and those financing secondary market transactions decreased by 30.3 per cent to HK\$21.7 billion. Mortgage loans for refinancing decreased by 16.5 per cent to HK\$11 billion.

Mortgage loans drawn down during July increased by 4.3 per cent compared with June to HK\$30.8 billion.

The ratio of new mortgage loans priced with reference to HIBOR decreased from 97.9 per cent in June to 96.8 per cent in July. The ratio of new mortgage loans priced with reference to best lending rates increased from 0.6 per cent in June to 1 per cent in July.

The outstanding value of mortgage loans increased month-on-month by 0.5 per cent to HK\$1,783.4 billion at end-July.

The mortgage delinquency ratio remained unchanged at 0.05 per cent and the rescheduled loan ratio remained unchanged at nearly 0 per cent.

Monetary statistics for July 2022

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

According to statistics published today (August 31) by the Hong Kong Monetary Authority, total deposits with authorized institutions increased by 0.2 per cent in July 2022. Among the total, Hong Kong dollar deposits decreased by 0.7 per cent while foreign currency deposits increased by 1.2

per cent, mainly reflecting fund flows of corporates. In the year to end-July, total deposits and Hong Kong dollar deposits rose by 0.6 per cent and 1.6 per cent respectively. Renminbi deposits in Hong Kong decreased by 0.2 per cent in July to RMB813.7 billion at the end of July. The total remittance of renminbi for cross-border trade settlement amounted to RMB732.6 billion in July, compared with RMB835.9 billion in June. It should be noted that changes in deposits are affected by a wide range of factors, such as interest rate movements and fund-raising activities. It is therefore more appropriate to observe the longer-term trends, and not to over-generalise fluctuations in a single month.

Total loans and advances decreased by 0.4 per cent in July, but increased by 0.4 per cent in the year to end-July. Among the total, loans for use in Hong Kong (including trade finance) decreased by 0.6 per cent in July while loans for use outside Hong Kong edged up by 0.1 per cent. The Hong Kong dollar loan-to-deposit ratio increased to 87.5 per cent at the end of July from 86.8 per cent at the end of June, as Hong Kong dollar loans increased while Hong Kong dollar deposits decreased.

Hong Kong dollar M2 and M3 both decreased by 0.6 per cent in July while they both rose by 1.2 per cent when compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 decreased by 2.5 per cent in July, and decreased by 5.6 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both rose by 0.2 per cent in July. Compared to a year earlier, total M2 and total M3 rose by 2.4 per cent and 2.3 per cent respectively.

As monthly monetary statistics are subject to volatilities due to a wide range of transient factors, such as seasonal and IPO-related funding demand as well as business and investment-related activities, caution is required when interpreting the statistics.

Smart Traffic Fund approves four projects

The Transport Department (TD) today (August 31) announced that the fifth batch of four projects has been approved by the Management Committee on Smart Traffic Fund, involving a total grant of around \$11.8 million.

The four approved projects in the latest batch cover artificial intelligence to detect elderly and disabled persons via thermal images, use of artificial intelligence and video analytics to detect traffic offences, a passenger counting system, and an augmented reality-assisted head-up display for driving strategy recommendation by recognising driving scenes. Details of the projects are available on the Fund's website (www.stf.hkpc.org).

The Fund accepts applications year round to provide funding support to local organisations and enterprises for conducting research and application of innovation and technology with the objectives of enhancing commuting convenience, enhancing efficiency of the road network or road space, and improving driving safety. All applications are considered and assessed in batches by the Management Committee, which is chaired by the Deputy Commissioner for Transport (Planning and Technical Services) and comprises representatives from the Government, experts in the industry and relevant stakeholders.

The TD appeals to interested organisations and enterprises for participation to help make the Fund a success, and to build Hong Kong into a liveable and sustainable city by driving Hong Kong toward a new era of transportation.

Application details are available on the Fund's website. For enquiries, please contact the Hong Kong Productivity Council, the Secretariat of the Fund, on 2788 5536 or stf_sec@hkpc.org.

[CSTB holds session on “Spirit of the President’s Important Speech” \(with photos\)](#)

The Culture, Sports and Tourism Bureau (CSTB) today (August 31) held a session on "Spirit of the President's Important Speech" at the Central Government Offices. The Secretary for Culture, Sports and Tourism, Mr Kevin Yeung, attended as the major speaker. Mr Yeung studied in depth with directorate staff the important speech delivered by President Xi Jinping at the meeting celebrating the 25th anniversary of Hong Kong's return to the motherland and the inaugural ceremony of the sixth-term Government of the Hong Kong Special Administrative Region (HKSAR), and reflected on ways to implement the messages of the speech into policies and works.

President Xi raised in his important speech "four musts" for the new administration: it must fully and faithfully implement the principle of "one country, two systems"; it must uphold the Central Government's overall jurisdiction while securing the HKSAR's high degree of autonomy; it must ensure that Hong Kong is administered by patriots; and it must maintain Hong Kong's distinctive status and advantages. President Xi also laid down "four proposals" for the newly inaugurated Government, i.e. further improving its governance, continuing to create strong impetus for growth, earnestly addressing people's concerns and difficulties in daily life, and working together to safeguard harmony and stability.

Mr Yeung said, "The National 14th Five-Year Plan supports the development of Hong Kong into a hub for arts and cultural exchanges between China and the rest of the world. The Government will facilitate the development of arts, cultural and creative industries, spare no efforts in consolidating Hong Kong's status as a hub for arts and cultural exchanges between China and the rest of the world as specified in the National 14th Five-Year Plan, showcase the rich heritage of Chinese culture, the soft power of our country, and tell the China story and Hong Kong story well."

He stressed that in line with President Xi's speech, the CSTB will seize the historic opportunities, respond to the industries' requests, make every effort to promote the development of Hong Kong's cultural, sports and tourism affairs, and collaborate with different policy bureaux and industries, so as to live up to the country's care and high expectations for Hong Kong.

During the session, the Permanent Secretary for Culture, Sports and Tourism, Mr Joe Wong, and the Under Secretary for Culture, Sports and Tourism, Mr Raistlin Lau, also shared their thoughts with the participants.

Lastly, Mr Yeung concluded by encouraging colleagues to keep in mind the expectations of President Xi on Hong Kong, so that the policies would be formulated and executed in the best way possible, as well as being in line with the country's main policy direction and for the benefit of the community. Colleagues are expected to be dedicated to work and serve the community. In his concluding remarks, Mr Yeung highlighted the importance of upholding the policy direction mentioned in President Xi's speech, which is to enrich people's lives continuously through promotion of arts and culture, sports and recreational activities and tourism, create an environment which promotes health and wellness, build a united community, and contribute to the social wellbeing of people in Hong Kong.



