

# Composite Interest Rate: End of July 2024

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

The Hong Kong Monetary Authority (HKMA) announced today (August 19) the composite interest rate at the end of July 2024 (Note 1).

The composite interest rate, which is a measure of the average cost of funds of banks, decreased by 4 basis points to 2.58 per cent at the end of July 2024, from 2.62 per cent at the end of June 2024 (see Chart 1 in the Annex). The decrease in composite interest rate mainly reflected the decrease in the weighted funding cost for deposits during the month (see Chart 2 in the Annex) (Note 2).

The historical data of the composite interest rate from the end of the fourth quarter of 2003 to the end of July 2024 are available in the Monthly Statistical Bulletin on the HKMA website ([www.hkma.gov.hk](http://www.hkma.gov.hk)).

Note 1: The composite interest rate is a weighted average interest rate of all Hong Kong dollar interest-rate-sensitive liabilities, which include deposits from customers, amounts due to banks, negotiable certificates of deposit and other debt instruments, and all other liabilities that do not involve any formal payment of interest but the values of which are sensitive to interest rate movements (such as Hong Kong dollar non-interest bearing demand deposits) on the books of banks. Data from retail banks, which account for about 90 per cent of the total customers' deposits in the banking sector, are used in the calculation. It should be noted that the composite interest rate represents only average interest expenses. There are various other costs involved in the making of a loan, such as operating costs (e.g. staff and rental expenses), credit cost and hedging cost, which are not covered by the composite interest rate.

Note 2: Since June 2019, the composite interest rate and weighted deposit rate have been calculated based on the new local "Interest rate risk in the banking book" (IRRBB) framework. As such, these figures are not strictly comparable with those of previous months.

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## Import of poultry meat and products from Ille-et-Vilaine Department in

## France suspended

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department announced today (August 19) that in view of a notification from the World Organisation for Animal Health (WOAH) about an outbreak of highly pathogenic H5 avian influenza in Ille-et-Vilaine Department in France, the CFS has instructed the trade to suspend the import of poultry meat and products (including poultry eggs) from the area with immediate effect to protect public health in Hong Kong.

A CFS spokesman said that according to the Census and Statistics Department, Hong Kong imported about 830 tonnes of chilled and frozen poultry meat and about 110 000 poultry eggs from France in the first six months of this year.

"The CFS has contacted the French authority over the issue and will closely monitor information issued by the WOAH and the relevant authorities on the avian influenza outbreak. Appropriate action will be taken in response to the development of the situation," the spokesman said.

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## Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Monday, August 19, 2024 is 104.5 (down 0.3 against last Saturday's index).

The effective exchange rate index for the Hong Kong dollar on Saturday, August 17, 2024 was 104.8 (down 0.3 against last Friday's index).

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## Inspection of aquatic products imported from Japan

In response to the Japanese Government's plan to discharge nuclear-contaminated water at the Fukushima Nuclear Power Station, the Director of Food and Environmental Hygiene issued a Food Safety Order which prohibits all aquatic products, sea salt and seaweeds originating from the 10 metropolis/prefectures, namely Tokyo, Fukushima, Ibaraki, Miyagi, Chiba, Gunma, Tochigi, Niigata, Nagano and Saitama, from being imported into and supplied in Hong Kong.

For other Japanese aquatic products, sea salt and seaweeds that are not prohibited from being imported into Hong Kong, the Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department will conduct comprehensive radiological tests to verify that the radiation levels of these products do not exceed the guideline levels before they are allowed to be supplied in the market.

As the discharge of nuclear-contaminated water is unprecedented and will continue for 30 years or more, the Government will closely monitor and step up the testing arrangements. Should anomalies be detected, the Government does not preclude further tightening the scope of the import ban.

From noon on August 16 to noon today (August 19), the CFS conducted tests on the radiological levels of 229 food samples imported from Japan, which were of the "aquatic and related products, seaweeds and sea salt" category, in the past three days (including last Saturday and Sunday). No sample was found to have exceeded the safety limit. Details can be found on the CFS's thematic website titled "Control Measures on Foods Imported from Japan" ([www.cfs.gov.hk/english/programme/programme\\_rafs/programme\\_rafs\\_fc\\_01\\_30\\_Nuclear\\_Event\\_and\\_Food\\_Safety.html](http://www.cfs.gov.hk/english/programme/programme_rafs/programme_rafs_fc_01_30_Nuclear_Event_and_Food_Safety.html)).

In parallel, the Agriculture, Fisheries and Conservation Department (AFCD) has also tested 150 samples of local catch for radiological levels. All the samples passed the tests. Details can be found on the AFCD's website ([www.afcd.gov.hk/english/fisheries/Radiological\\_testing/Radiological\\_Test.html](http://www.afcd.gov.hk/english/fisheries/Radiological_testing/Radiological_Test.html)).

The Hong Kong Observatory (HKO) has also enhanced the environmental monitoring of the local waters. No anomaly has been detected so far. For details, please refer to the HKO's website ([www.hko.gov.hk/en/radiation/monitoring/seawater.html](http://www.hko.gov.hk/en/radiation/monitoring/seawater.html)).

From August 24 to noon today, the CFS and the AFCD have conducted tests on the radiological levels of 77 192 samples of food imported from Japan (including 49 532 samples of aquatic and related products, seaweeds and sea salt) and 17 948 samples of local catch respectively. All the samples passed the tests.

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## **Public urged to report flooding**

Attention duty announcers, radio and TV stations:

Please broadcast the following as soon as possible and repeat it at suitable intervals:

Members of the public are advised to report any street flooding that comes to their notice to the Drainage Services Department by calling the 24-hour drainage hotline on 2300 1110.