

Hong Kong's Gross National Income and external primary income flows for third quarter of 2019

The Census and Statistics Department (C&SD) released today (December 13) the preliminary statistics on Hong Kong's Gross National Income (GNI) and related figures for the third quarter of 2019.

Hong Kong's GNI, which denotes the total income earned by Hong Kong residents from engaging in various economic activities, decreased by 0.6% in the third quarter of 2019 from a year earlier to \$764.1 billion at current market prices. The Gross Domestic Product (GDP), estimated at \$722.8 billion at current market prices in the same quarter, recorded a 0.5% decrease over the same period. The value of GNI was larger than GDP by \$41.3 billion in the third quarter of 2019, which was equivalent to 5.7% of GDP in that quarter, mainly attributable to a net inflow of investment income.

After netting out the effect of price changes over the same period, Hong Kong's GNI decreased by 3.5% in real terms in the third quarter of 2019 from a year earlier. The corresponding GDP in the same quarter decreased by 2.9% in real terms.

Hong Kong's total inflow of primary income, which mainly comprises investment income, estimated at \$440.0 billion in the third quarter of 2019 and equivalent to 60.9% of GDP in that quarter, recorded an increase of 0.1% over a year earlier. Meanwhile, total primary income outflow, estimated at \$398.7 billion in the third quarter of 2019 and equivalent to 55.2% of GDP in that quarter, also increased by 0.3% over a year earlier.

As for the major components of investment income inflow, direct investment income (DII) increased by 2.8% over a year earlier, mainly due to the increase in earnings of some prominent local enterprises from their direct investment abroad. Portfolio investment income (PII) recorded a decrease of 5.4% from a year earlier, mainly attributable to the decrease in dividend income received by resident investors from their holdings of non-resident equity securities.

Regarding the major components of investment income outflow, DII increased by 1.5% over a year earlier, mainly due to the increase in earnings of some prominent multinational enterprises from their direct investment in Hong Kong. PII decreased by 0.5%, mainly attributable to the decrease in dividend payout to non-resident investors from their holdings of resident equity securities.

Analysed by country/territory, the mainland of China continued to be the largest source of Hong Kong's total primary income inflow in the third quarter of 2019, accounting for 41.6%. This was followed by the British Virgin Islands (BVI), with a share of 21.0%. Regarding total primary income

outflow, the BVI and the mainland of China remained the most important destinations in the third quarter of 2019, accounting for 25.4% and 24.0% respectively.

Further information

GDP and GNI are closely related indicators for measuring economic performance. GDP is a measure of the total value of production of all resident producing units of an economy. GNI denotes the total income earned by residents of an economy from engaging in various economic activities, irrespective of whether the economic activities are carried out within the economic territory of the economy or outside.

Figures of GNI and primary income flows analysed by income component from the fourth quarter of 2017 to the third quarter of 2019 are presented in Table A, while selected major country/territory breakdowns of primary income inflow and outflow for the same quarters are presented in Tables B(1) and B(2) respectively.

Statistics on GDP and GNI from 2017 onwards and primary income flows for 2019 are subject to revision when more data become available. In the light of the latest information available, annual and quarterly figures of GNI and external primary income flows for 2018 have been revised, such that the corresponding figures presented in Tables A and B are revised figures.

Enquiries about GNI and related statistics may be directed to the Balance of Payments Branch (2) of the C&SD at 3903 7054.

Provisional statistics on index of industrial production and producer price index for the industrial sector for the third quarter of 2019

According to the provisional results of a survey released today (December 13) by the Census and Statistics Department (C&SD), the index of industrial production for manufacturing industries as a whole increased slightly by 0.4% in the third quarter of 2019 compared with a year earlier, following a year-on-year increase of 0.4% in the second quarter of 2019. The corresponding producer price index increased by 1.4% in the third quarter of 2019 compared with a year earlier, following a year-on-year increase of 0.8% in the second quarter of 2019.

The index of industrial production for sewerage, waste management and remediation activities decreased by 3.5% in the third quarter of 2019

compared with a year earlier, as against a year-on-year increase of 0.5% in the second quarter of 2019. The corresponding producer price index decreased by 4.7% in the third quarter of 2019 compared with a year earlier, following a year-on-year decrease of 2.9% in the second quarter of 2019.

Indices of industrial production reflect changes in the volume of local industrial output after discounting the effect of price changes. The price changes are measured by the producer price indices compiled from data on producer prices of selected industrial goods/services collected in the same survey.

Comparing the industrial production in respect of major manufacturing industries in the third quarter of 2019 with that a year earlier, increases in output volume were recorded mainly in the food, beverages and tobacco industry (+0.7%); and the textiles and wearing apparel industry (+0.4%). On the other hand, decreases in output volume were recorded in the metal, computer, electronic and optical products, machinery and equipment industry (-0.6%); and the paper products, printing and reproduction of recorded media industry (-0.6%).

On a seasonally adjusted basis, the index of industrial production for manufacturing industries as a whole decreased marginally by 0.1% in the third quarter of 2019 compared with the second quarter of 2019.

Producer price indices reflect changes in the prices of local output. They measure changes in the actual prices (net of any discounts or rebates allowed to buyers, plus any surcharges) received by producers for their output. Transportation and other incidental charges are not included.

Comparing the third quarter of 2019 with a year earlier, increases in producer prices were recorded mainly in the metal, computer, electronic and optical products, machinery and equipment industry (+1.9%); the food, beverages and tobacco industry (+1.8%); and the textiles and wearing apparel industry (+0.6%).

Table 1 shows the year-on-year percentage changes in the indices of industrial production by selected industry grouping. Table 2 shows the year-on-year percentage changes in the producer price indices for the industrial sector by selected industry grouping.

The revised figures on indices of industrial production and producer price indices for the industrial sector for the third quarter of 2019 will be released at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/bbs.jsp) and relevant publications of the Department starting from January 20, 2020.

Users can download the reports "Quarterly Index of Industrial Production, 3rd Quarter 2019" (www.censtatd.gov.hk/hkstat/sub/sp310.jsp?productCode=B1070002) and "Quarterly Producer Price Index for Industrial Sector, 3rd Quarter 2019" (www.censtatd.gov.hk/hkstat/sub/sp280.jsp?productCode=B1070003) free of charge at the website of the C&SD.

Readers who have enquiries about the survey results may contact the Industrial Production Statistics Section of the C&SD (Tel.: 3903 7247; Fax: 2123 1048; email: ind-production@censtatd.gov.hk).

Analytical Accounts of the Exchange Fund

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

The Hong Kong Monetary Authority (HKMA) released today (December 13) the key analytical accounts of the Exchange Fund at the end of November 2019.

Foreign assets, representing the external assets of the Exchange Fund, decreased during the month by HK\$51.3 billion to HK\$3,579.0 billion.

The Monetary Base, comprising Certificates of Indebtedness, Government-issued currency notes and coins in circulation, the balance of the banking system and Exchange Fund Bills and Notes issued, amounted to HK\$1,653.8 billion.

Claims on the private sector in Hong Kong amounted to HK\$259.3 billion.

The analytical accounts of the Exchange Fund are released in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS) and are referred to as the Analytical Accounts of the Central Bank under SDDS (Annex).

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 December 2019, the scheduled dates for issuing the press releases are as follows:

December 6 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
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December 13	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
December 31	SDDS Template on International Reserves and Foreign Currency Liquidity
December 31	Exchange Fund Abridged Balance Sheet and Currency Board Account

Progress in the handling of banking complaints by HKMA

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

The Hong Kong Monetary Authority (HKMA) announced today (December 13) the progress made in its handling of banking complaints received as at end-November 2019. Banking complaints include cases concerning general banking services and conduct-related issues.

In November 2019, 159 cases were received and the handling of 147 cases was completed. As at end-November, the handling of 423 cases was in progress.

A table summarising the progress made in the handling of banking complaints by the HKMA is attached.

Appointments of non-permanent judge from another common law jurisdiction of the Court of Final Appeal and the Chief Judge of the High Court

The following is issued on behalf of the Judiciary:

The Chief Executive has, on the recommendation of the Judicial Officers Recommendation Commission and with the endorsement of the Legislative Council, made the following appointments:

Non-permanent judge from another common law jurisdiction of the Court of Final Appeal:

(for a term of three years commencing December 18, 2019)

The Right Honourable Lord Jonathan Sumption

Chief Judge of the High Court:

(with effect from December 18, 2019)

The Honourable Mr Justice Jeremy Poon Shiu-chor,
Justice of Appeal of the Court of Appeal of the High Court