

External merchandise trade statistics for February 2019

The Census and Statistics Department (C&SD) released today (March 26) the external merchandise trade statistics for February 2019. In February 2019, the values of Hong Kong's total exports and imports of goods both recorded year-on-year decreases, at 6.9% and 3.8% respectively.

As the trade flows in January and February of each year tend to show considerable volatilities due to difference in timing of the Lunar New Year holidays, it is useful to analyse the trade figures for these two months taken together.

Taking January and February as a whole to neutralise the distortion caused by the difference in timing of the Lunar New Year holidays, the value of total exports of goods decreased by 3.1% over the same period in 2018. Concurrently, the value of imports of goods decreased by 5.0%. A visible trade deficit of \$59.4 billion, equivalent to 9.3% of the value of imports of goods, was recorded in the first two months of 2019.

In February 2019, the value of total exports of goods decreased by 6.9% over a year earlier to \$228.7 billion, after a year-on-year decrease of 0.4% in January 2019. Concurrently, the value of imports of goods decreased by 3.8% over a year earlier to \$277.5 billion in February 2019, after a year-on-year decrease of 6.0% in January 2019. A visible trade deficit of \$48.8 billion, equivalent to 17.6% of the value of imports of goods, was recorded in February 2019.

Comparing the three-month period ending February 2019 with the preceding three months on a seasonally adjusted basis, the value of total exports of goods decreased by 7.8%. Meanwhile, the value of imports of goods decreased by 8.6%.

Analysis by country/territory

Comparing February 2019 with February 2018, total exports to Asia as a whole went down by 7.8%. In this region, decreases were registered in the values of total exports to some major destinations, in particular India (-41.2%), Taiwan (-26.5%), Japan (-19.7%) and the mainland of China (the Mainland) (-5.3%). On the other hand, increases were recorded in the values of total exports to Malaysia (+14.3%), Vietnam (+12.2%) and Singapore (+11.1%).

Apart from destinations in Asia, decreases were registered in the values of total exports to some major destinations in other regions, in particular the USA (-20.5%) and Germany (-15.0%). Concurrently, an increase was registered in the value of total exports to the United Kingdom (+30.7%).

Over the same period of comparison, decreases were registered in the

values of imports from some major suppliers, in particular Korea (-23.4%), Thailand (-15.4%), Malaysia (-12.1%), Switzerland (-11.3%) and the Mainland (-10.2%). Concurrently, increases were recorded in the values of imports from Singapore (+16.8%) and the USA (+14.9%).

For the first two months of 2019 as a whole, year-on-year decreases were registered in the values of total exports to some major destinations, in particular India (-37.4%), Taiwan (-21.9%), the USA (-12.4%), Germany (-7.6%), Japan (-6.9%) and the Mainland (-4.5%). However, a year-on-year increase was registered in the value of total exports to Singapore (+14.7%).

Over the same period of comparison, year-on-year decreases were registered in the values of imports from most major suppliers, in particular Korea (-30.4%), India (-14.8%), Switzerland (-14.5%), Taiwan (-10.0%), Thailand (-9.3%), Malaysia (-6.5%) and the Mainland (-4.9%). On the other hand, a year-on-year increase was registered in the value of imports from Singapore (+7.0%).

Analysis by major commodity

Comparing February 2019 with February 2018, decreases were registered in the values of total exports of some principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$7.2 billion or -8.0%), "office machines and automatic data processing machines" (by \$3.7 billion or -13.7%) and "miscellaneous manufactured articles (mainly jewellery, goldsmiths' and silversmiths' wares)" (by \$1.9 billion or -13.0%). However, an increase was registered in the value of total exports of "telecommunications and sound recording and reproducing apparatus and equipment" (by \$1.7 billion or 3.8%).

Over the same period of comparison, decreases were registered in the values of imports of some principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$7.9 billion or -7.5%), "office machines and automatic data processing machines" (by \$3.1 billion or -12.7%) and "articles of apparel and clothing accessories" (by \$1.3 billion or -21.6%). However, an increase was registered in the value of imports of "non-metallic mineral manufactures" (by \$1.6 billion or 8.3%).

For the first two months of 2019 as a whole, year-on-year decreases were registered in the values of total exports of some principal commodity divisions, in particular "office machines and automatic data processing machines" (by \$6.8 billion or -10.3%), "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$5.4 billion or -2.5%) and "non-metallic mineral manufactures" (by \$5.0 billion or -18.3%). However, a year-on-year increase was registered in the value of total exports of "telecommunications and sound recording and reproducing apparatus and equipment" (by \$3.4 billion or 3.3%).

Over the same period of comparison, year-on-year decreases were registered in the values of imports of most principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical

parts thereof" (by \$22.7 billion or -9.4%), "office machines and automatic data processing machines" (by \$3.0 billion or -5.4%) and "non-metallic mineral manufactures" (by \$2.0 billion or -5.6%). However, a year-on-year increase was registered in the value of imports of "power generating machinery and equipment" (by \$1.8 billion or 15.8%).

Commentary

A Government spokesman said that, similar to the situations in many other Asian economies, Hong Kong's merchandise exports remained weak in early 2019, dampened by easing global economic growth and the US-Mainland trade tensions. Taking the first two months of 2019 together to remove the effect from the difference in timing of the Lunar New Year holidays, the value of merchandise exports decreased by 3.1% over a year earlier.

In the near term, the external trading environment is likely to remain challenging. While the US-Mainland trade negotiations have reportedly entered the final stage, there are still uncertainties about whether and when the two sides will reach a final agreement. Other external developments, including global growth moderation and Brexit, also warrant attention. The Government will remain vigilant.

Further information

Table 1 at the annex presents the analysis of external merchandise trade statistics for February 2019. Table 2 presents the original monthly trade statistics from January 2016 to February 2019, and Table 3 gives the seasonally adjusted series for the same period.

The values of total exports of goods to 10 main destinations for February 2019 are shown in Table 4, whereas the values of imports of goods from 10 main suppliers are given in Table 5.

Tables 6 and 7 show the values of total exports and imports of 10 principal commodity divisions for February 2019.

All the merchandise trade statistics described here are measured at current prices and no account has been taken of changes in prices between the periods of comparison. A separate analysis of the volume and price movements of external merchandise trade for February 2019 will be released in mid-April 2019.

The February 2019 issue of "Hong Kong External Merchandise Trade" contains detailed analysis on the performance of Hong Kong's external merchandise trade in February 2019 and will be available in mid-April 2019. Users can download the publication free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp230.jsp).

Enquiries on merchandise trade statistics may be directed to the Trade Analysis Section (2) of the C&SD (Tel: 2582 5042).