

# Hong Kong's Gross National Income and external primary income flows for fourth quarter of 2020 and whole year of 2020

The Census and Statistics Department (C&SD) released today (March 16) the preliminary statistics on Hong Kong's Gross National Income (GNI) and related figures for the fourth quarter of 2020 and the whole year of 2020.

Hong Kong's GNI, which denotes the total income earned by Hong Kong residents from engaging in various economic activities, decreased by 3.8% in the fourth quarter of 2020 from a year earlier to \$740.5 billion at current market prices. The Gross Domestic Product (GDP), estimated at \$713.7 billion at current market prices in the same quarter, recorded a 4.1% decrease over the same period. The value of GNI was larger than GDP by \$26.8 billion in the fourth quarter of 2020, which was equivalent to 3.8% 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 3.6% in real terms in the fourth quarter of 2020 from a year earlier. The corresponding GDP in the same quarter decreased by 3.0% in real terms.

Hong Kong's total inflow of primary income, which mainly comprises investment income, estimated at \$348.4 billion in the fourth quarter of 2020 and equivalent to 48.8% of GDP in that quarter, recorded a decrease of 8.4% from a year earlier. Meanwhile, total primary income outflow, estimated at \$321.6 billion in the fourth quarter of 2020 and equivalent to 45.1% of GDP in that quarter, decreased by 9.3% from a year earlier.

As for the major components of investment income inflow, direct investment income (DII) decreased by 0.6% from a year earlier, mainly due to the decrease in earnings of some prominent local enterprises from their direct investment abroad. Portfolio investment income (PII) recorded a decrease of 8.1% from a year earlier, mainly attributable to the decrease in interest income received by resident investors from their holdings of non-resident debt securities.

Regarding the major components of investment income outflow, DII decreased by 3.3% from a year earlier, mainly due to the decrease in earnings of some prominent multinational enterprises from their direct investment in Hong Kong. PII decreased by 14.3%, mainly attributable to the decrease in interest payout to non-resident investors from their holdings of resident debt 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 fourth quarter of 2020, accounting for 48.4%. This was followed by the British Virgin Islands (BVI), with a share of 21.3%. Regarding total primary income outflow, the mainland of China and the BVI remained the most important destinations in the fourth quarter of 2020, accounting for 24.9% and 21.6% respectively.

For 2020 as a whole, Hong Kong's GNI decreased by 5.0% from a year earlier to \$2,859.2 billion at current market prices. The difference of \$148.4 billion from GDP for the same year (estimated at \$2,710.7 billion) represented a net primary income inflow of the same amount and was equivalent to 5.5% of GDP in that year. The total primary income inflow was estimated at \$1,538.7 billion, or 56.8% of GDP in 2020 while the corresponding outflow at \$1,390.2 billion, or 51.3% of GDP in 2020. After netting out the effect of price changes, Hong Kong's GNI decreased by 5.8% in real terms in 2020 from 2019.

#### 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 first quarter of 2019 to the fourth quarter of 2020 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 2019 onwards and primary income flows for 2020 are subject to revision when more data become available.

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