

Hong Kong's Gross National Income and external primary income flows for the fourth quarter of 2023 and the whole year of 2023

The Census and Statistics Department (C&SD) released today (March 15) the preliminary statistics on Hong Kong's Gross National Income (GNI) and related figures for the fourth quarter of 2023 and the whole year of 2023.

Hong Kong's GNI, which denotes the total income earned by Hong Kong residents from engaging in various economic activities, increased significantly by 11.6% in the fourth quarter of 2023 over a year earlier to \$849.6 billion at current market prices. The Gross Domestic Product (GDP), estimated at \$794.6 billion at current market prices in the same quarter, recorded a 8.5% increase over a year earlier. The value of GNI was larger than GDP by \$55.0 billion in the fourth quarter of 2023, which was equivalent to 6.9% 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 increased by 7.5% in real terms in the fourth quarter of 2023 over a year earlier. The corresponding GDP in the same quarter increased by 4.3% in real terms.

Hong Kong's total inflow of primary income, which mainly comprises investment income, estimated at \$475.2 billion in the fourth quarter of 2023 and equivalent to 59.8% of GDP in that quarter, recorded a significant increase of 10.4% over a year earlier. Meanwhile, total primary income outflow, estimated at \$420.3 billion in the fourth quarter of 2023 and equivalent to 52.9% of GDP in that quarter, also increased by 4.8% over a year earlier.

As for the major components of investment income inflow, direct investment income (DII) decreased by 3.2% 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 significant increase of 31.9% over a year earlier, mainly attributable to the increase in interest income received by resident investors from the holdings of non-resident debt securities and the increase in dividend income received by resident investors from their holdings of non-resident equity securities.

Regarding the major components of investment income outflow, DII decreased by 1.7% 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 2.3%, 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 fourth quarter of 2023, accounting for 37.1%. This was followed by the British Virgin Islands (BVI), with a share of 20.0%. Regarding total primary income outflow, the mainland of China and the BVI remained the most important destinations in the fourth quarter of 2023, accounting for 31.8% and 21.2% respectively.

For 2023 as a whole, Hong Kong's GNI increased by 8.8% over a year earlier to \$3,259.0 billion at current market prices. The difference of \$267.7 billion from GDP for the same year (estimated at \$2,991.3 billion) represented a net primary income inflow of the same amount and was equivalent to 8.9% of GDP in that year. The total primary income inflow was estimated at \$2,048.6 billion, or 68.5% of GDP in 2023 while the corresponding outflow at \$1,780.9 billion, or 59.5% of GDP in 2023. After netting out the effect of price changes, Hong Kong's GNI increased by 4.9% in real terms in 2023 over 2022.

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 2022 to the fourth quarter of 2023 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 2022 onwards and primary income flows for 2023 are subject to revision when more data are incorporated.

More detailed statistics are given in the report "Gross National Income and External Primary Income Flows, Fourth Quarter 2023". Users can browse and download this publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1040005&scode=250).

For enquiries about GNI and related statistics, please contact the Balance of Payments Branch (2) of the C&SD (Tel: 3903 7054 or email: gni@censtatd.gov.hk).