

Exchange Fund Abridged Balance Sheet and Currency Board Account

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

The Hong Kong Monetary Authority (HKMA) announced today (May 31) that the total assets of the Exchange Fund amounted to HK\$4,062.9 billion as at April 30, 2024, HK\$0.9 billion lower than that at the end of March 2024. Foreign currency assets decreased by HK\$82.4 billion while Hong Kong dollar assets increased by HK\$81.5 billion.

The decline in foreign currency assets was mainly due to mark-to-market revaluation of investments and reduction in the month-end balances of unsettled purchase of securities. The rise in Hong Kong dollar assets was mainly due to the increase in Exchange Fund Bills and Notes issued but not yet settled at month end.

The Currency Board Account shows that the Monetary Base at the end of April 2024 was HK\$1,916.2 billion, decreased by HK\$2.0 billion, or 0.1 per cent, from the end of March 2024. The decline was mainly due to the decrease in the outstanding amount of Certificates of Indebtedness, which was partly offset by amortisation of discount on Exchange Fund Bills and Notes.

The amount of Backing Assets decreased by HK\$8.5 billion, or 0.4 per cent, to HK\$2,123.0 billion at the end of April 2024. The decrease was mainly attributable to the redemption of Certificates of Indebtedness and mark-to-market revaluation of investments, which were partly offset by interest from investments. The Backing Ratio decreased from 111.12 per cent at the end of March 2024 to 110.79 per cent at the end of April 2024.

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 May 2024, the scheduled dates for issuing the press releases are as follows:

May 7 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
May 14 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
May 31	SDDS Template on International Reserves and Foreign Currency Liquidity

Provisional statistics of retail sales for April 2024

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (May 31).

The value of total retail sales in April 2024, provisionally estimated at \$29.6 billion, decreased by 14.7% compared with the same month in 2023. The revised estimate of the value of total retail sales in March 2024 decreased by 7.0% compared with a year earlier. For the first 4 months of 2024 taken together, it was provisionally estimated that the value of total retail sales decreased by 4.7% compared with the same period in 2023.

Of the total retail sales value in April 2024, online sales accounted for 8.2%. The value of online retail sales in that month, provisionally estimated at \$2.4 billion, increased by 11.4% compared with the same month in 2023. The revised estimate of online retail sales in March 2024 decreased by 4.0% compared with a year earlier. For the first 4 months of 2024 taken together, it was provisionally estimated that the value of online retail sales decreased by 5.8% compared with the same period in 2023.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in April 2024 decreased by 16.5% compared with a year earlier. The revised estimate of the volume of total retail sales in March 2024 decreased by 8.7% compared with a year earlier. For the first 4 months of 2024 taken together, the provisional estimate of the total retail sales decreased by 6.4% in volume compared with the same period in 2023.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing April 2024 with April 2023, the value of sales of commodities in supermarkets decreased by 3.0%. This was followed by sales of other consumer goods not elsewhere classified (-13.2% in value); jewellery, watches and clocks, and valuable gifts (-28.7%); wearing apparel (-23.6%); medicines and cosmetics (-7.1%); food, alcoholic drinks and tobacco (-12.2%); electrical goods and other consumer durable goods not elsewhere classified (-26.5%); commodities in department stores (-21.5%); fuels (-9.6%); furniture and fixtures (-23.0%); footwear, allied products and other clothing accessories (-26.3%); books, newspapers, stationery and gifts (-4.5%); Chinese drugs and herbs (-25.1%); and optical shops (-23.1%).

On the other hand, the value of sales of motor vehicles and parts

increased by 58.5% in April 2024 over a year earlier.

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales increased by 0.2% in the three months ending April 2024 compared with the preceding three-month period, while the provisional estimate of the volume of total retail sales decreased by 0.3%.

Commentary

A government spokesman said that the value of total retail sales declined notably in April from a year earlier, partly because the Easter holidays rendered the effects of the changing consumption pattern of residents more visible. A large number of residents made outbound trips during the Easter holidays. This not only affected their local consumption during their time away but also could have reduced consumption in the days before and after the trips. Besides, the unstable weather conditions in April this year, with higher-than-usual rainfall, also had some impact. The relatively high base of comparison, attributable to buoyant consumer sentiment in the same period last year supported by the return to normalcy after the pandemic and the Consumption Voucher Scheme, was also relevant.

Looking ahead, the spokesman added that the changing consumption patterns of visitors and residents would continue to present challenges to the retail sector. Nevertheless, the revival of inbound tourism, rising employment earnings, and the recent stabilisation of asset markets would provide support. The Government's strenuous efforts to promote a mega event economy and boost market sentiment would also help. The Government will continue to monitor the situation.

Further information

Table 1 presents the revised figures on value index and value of retail sales for all retail outlets and by broad type of retail outlet for March 2024 as well as the provisional figures for April 2024. The provisional figures on the value of retail sales for all retail outlets and by broad type of retail outlet as well as the corresponding year-on-year changes for the first 4 months of 2024 taken together are also shown.

Table 2 presents the revised figures on value of online retail sales for March 2024 as well as the provisional figures for April 2024. The provisional figures on year-on-year changes for the first 4 months of 2024 taken together are also shown.

Table 3 presents the revised figures on volume index of retail sales for all retail outlets and by broad type of retail outlet for March 2024 as well as the provisional figures for April 2024. The provisional figures on year-on-year changes for the first 4 months of 2024 taken together are also shown.

Table 4 shows the movements of the value and volume of total retail sales in terms of the year-on-year rate of change for a month compared with the same month in the preceding year based on the original series, and in

terms of the rate of change for a three-month period compared with the preceding three-month period based on the seasonally adjusted series.

The classification of retail establishments follows the Hong Kong Standard Industrial Classification (HSIC) Version 2.0, which is used in various economic surveys for classifying economic units into different industry classes.

These retail sales statistics measure the sales receipts in respect of goods sold by local retail establishments and are primarily intended for gauging the short-term business performance of the local retail sector. Data on retail sales are collected from local retail establishments through the Monthly Survey of Retail Sales (MRS). Local retail establishments with and without physical shops are covered in MRS and their sales, both through conventional shops and online channels, are included in the retail sales statistics.

The retail sales statistics cover consumer spending on goods but not on services (such as those on housing, catering, medical care and health services, transport and communication, financial services, education and entertainment) which account for over 50% of the overall consumer spending. Moreover, they include spending on goods in Hong Kong by visitors but exclude spending outside Hong Kong by Hong Kong residents. Hence they should not be regarded as indicators for measuring overall consumer spending.

Users interested in the trend of overall consumer spending should refer to the data series of private consumption expenditure (PCE), which is a major component of the Gross Domestic Product published at quarterly intervals. Compiled from a wide range of data sources, PCE covers consumer spending on both goods (including goods purchased from all channels) and services by Hong Kong residents whether locally or abroad. Please refer to the C&SD publication "Gross Domestic Product (Quarterly)" for more details.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can browse and download this publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080003&scode=530).

Users who have enquiries about the survey results may contact the Distribution Services Statistics Section of C&SD (Tel: 3903 7400; email : mrs@censtatd.gov.hk).

[Residential mortgage survey results](#)

for April 2024

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

The Hong Kong Monetary Authority announced the results of the residential mortgage survey for April 2024.

The number of mortgage applications in April increased month-on-month by 11.7 per cent to 9,629.

Mortgage loans approved in April increased by 52.4 per cent compared with March to HK\$29 billion. Among these, mortgage loans financing primary market transactions increased by 64.8 per cent to HK\$11.1 billion and those financing secondary market transactions increased by 64.2 per cent to HK\$15.3 billion. Mortgage loans for refinancing decreased by 12.7 per cent to HK\$2.6 billion.

Mortgage loans drawn down during April increased by 9.9 per cent compared with March to HK\$13 billion.

The ratio of new mortgage loans priced with reference to HIBOR decreased from 93.1 per cent in March to 93 per cent in April. The ratio of new mortgage loans priced with reference to best lending rates decreased from 2.5 per cent in March to 2.2 per cent in April.

The outstanding value of mortgage loans remained virtually unchanged in April, standing at HK\$1,853.2 billion at end-April.

The mortgage delinquency ratio remained unchanged at 0.09 per cent and the rescheduled loan ratio remained unchanged at nearly 0 per cent.

Monetary Statistics for April 2024

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

According to statistics published today (May 31) by the Hong Kong Monetary Authority, total deposits with authorized institutions increased by 2.2 per cent in April 2024. Among the total, Hong Kong dollar deposits and foreign currency deposits increased by 0.5 per cent and 3.7 per cent respectively in April. In the year to end-April, total deposits and Hong Kong dollar deposits grew by 2.1 per cent and 0.7 per cent respectively. Renminbi deposits in Hong Kong increased by 15.2 per cent in April to RMB1,088.2 billion at the end of April, mainly reflecting fund flows of corporates. The total remittance of renminbi for cross-border trade settlement amounted to RMB1,257.0 billion in April, compared with RMB1,248.4

billion in March. It should be noted that changes in deposits are affected by a wide range of factors, such as interest rate movements and fund-raising activities. It is therefore more appropriate to observe the longer-term trends, and not to over-generalise fluctuations in a single month.

Total loans and advances decreased by 1.0 per cent in April, and decreased by 2.0 per cent in the year to end-April. Among the total, loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong decreased by 0.6 per cent and 2.3 per cent respectively in April. The Hong Kong dollar loan-to-deposit ratio decreased to 82.1 per cent at the end of April from 83.2 per cent at the end of March, as Hong Kong dollar deposits increased while Hong Kong dollar loans decreased.

Hong Kong dollar M2 and M3 both increased by 0.5 per cent in April and both increased by 0.5 per cent when compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 increased by 0.4 per cent in April while decreased by 9.9 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and total M3 both increased by 2.1 per cent in April. Compared to a year earlier, total M2 and total M3 increased by 5.5 per cent and 5.6 per cent respectively.

As monthly monetary statistics are subject to volatilities due to a wide range of transient factors, such as seasonal and IPO-related funding demand as well as business and investment-related activities, caution is required when interpreting the statistics.

Financial results for month ended April 30, 2024

The Government announced today (May 31) its financial results for April 2024, the first month of the current financial year.

Expenditure for the first month amounted to HK\$61.9 billion and revenue HK\$34.2 billion, resulting in a deficit of HK\$27.7 billion.

A Government spokesperson said that the deficit in April was mainly due to the fact that some major types of revenue including salaries and profits taxes are mostly received towards the end of a financial year.

The fiscal reserves stood at HK\$706.9 billion as at April 30, 2024.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended April 30, 2024 HK\$ million
Revenue	34,273.5
Expenditure	(61,934.9)
Deficit	(27,661.4)
Financing	
Domestic	
Banking Sector (Note 2)	25,949.6
Non-Banking Sector	1,711.8
External	—
Total	27,661.4

Government Debts as at April 30, 2024 (Note 3)

HK\$192,298 million

Debts Guaranteed by Government as at April 30, 2024 (Note 4)

HK\$144,518 million

TABLE 2. FISCAL RESERVES

	Month ended April 30, 2024 HK\$ million
Fiscal Reserves at start of period	734,585.4
Consolidated Deficit	(27,661.4)
Fiscal Reserves at end of period (Note 5)	706,924.0

Notes:

1. This Account consolidates the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond Fund balance as

at April 30, 2024, was HK\$283,317 million.

2. Includes transactions with the Exchange Fund and resident banks.

3. These were the Green Bonds (equivalent to HK\$192,298 million as at April 30, 2024) issued under the Government Green Bond Programme. They were denominated in US dollars (US\$9,950 million with maturity from May 2024 to January 2053), euros (4,580 million euros with maturity from January 2025 to November 2041), Renminbi (RMB31,500 million with maturity from November 2024 to June 2033) and Hong Kong dollars (HK\$42,000 million with maturity from May 2025 to October 2026). They do not include the outstanding bonds with nominal value of HK\$237,026 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,826 million as at April 30, 2024) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme (including Silver Bonds with nominal value of HK\$124,526 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$1,500 million were repaid upon maturity on May 20, 2024; bonds with nominal value of HK\$67,421 million will mature within the period from June 2024 to April 2025 and the rest within the period from May 2025 to May 2042.

4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the SME Financing Guarantee Scheme launched in 2012, Loan Guarantee Scheme for Cross-boundary Passenger Transport Trade, Loan Guarantee Scheme for Battery Electric Taxis and Loan Guarantee Scheme for Travel Sector launched in 2023, and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$364,974 million, being the balance of the Land Fund held in the name of "Future Fund", for long-term investments up to December 31, 2030. The Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.