

Hong Kong's Balance of Payments and International Investment Position statistics for third quarter of 2024

The Census and Statistics Department (C&SD) released today (December 20) the preliminary Balance of Payments (BoP) and International Investment Position (IIP) statistics of Hong Kong for the third quarter of 2024. This release also included the preliminary External Debt (ED) statistics of Hong Kong for the same period.

I. Balance of Payments

Hong Kong recorded a BoP deficit of \$23.0 billion (2.8% of Gross Domestic Product (GDP)) in the third quarter of 2024. Reserve assets correspondingly decreased by the same amount. This compared with a BoP deficit of \$62.7 billion (8.3% of GDP) in the second quarter of 2024.

Current account

The current account recorded a surplus of \$120.8 billion (14.9% of GDP) in the third quarter of 2024. This reflects that Hong Kong's savings was greater than its investment, enabling Hong Kong to accumulate external financial assets (such as equity securities or debt securities) as a buffer against global financial volatilities. Compared with the current account surplus of \$111.4 billion (14.5% of GDP) in the third quarter of 2023, the increase in surplus was mainly due to the decrease in goods deficit, partly offset by the decrease in net inflow of primary income.

The goods deficit decreased substantially to \$1.1 billion in the third quarter of 2024, compared with \$21.4 billion in the same quarter of 2023. Over the same period, the services surplus increased slightly from \$39.4 billion to \$39.8 billion. The primary income inflow and outflow amounted to \$616.1 billion and \$528.9 billion respectively, thus yielding a net inflow of \$87.2 billion in the third quarter of 2024, compared with a net inflow of \$97.7 billion in the same quarter of 2023.

Financial account

An overall increase in financial non-reserve assets amounting to \$107.7 billion (13.3% of GDP) was recorded in the third quarter of 2024, compared with an overall increase of \$195.9 billion (25.9% of GDP) in the second quarter of 2024. The overall increase recorded in the third quarter of 2024 was due to the net increases in portfolio investment and other investment, partly offset by the net decreases in direct investment and financial derivatives.

In the third quarter of 2024, reserve assets decreased by \$23.0 billion, compared with a decrease of \$62.7 billion in the second quarter of 2024.

II. International Investment Position

At the end of the third quarter of 2024, both Hong Kong's external financial assets and liabilities stood at a very high level, amounting to \$52,982.1 billion (16.9 times of GDP) and \$36,927.0 billion (11.8 times of GDP) respectively, a typical feature of a prominent international financial centre.

Hong Kong's net external financial assets (i.e. assets minus liabilities) amounted to \$16,055.0 billion (5.1 times of GDP) at the end of the third quarter of 2024, compared with \$14,308.4 billion (4.6 times of GDP) at the end of the second quarter of 2024. Hong Kong's net external financial assets to GDP ratio is one of the largest in the world, which provides the economy with a strong cushion against sudden external shocks.

III. External Debt

At the end of the third quarter of 2024, Hong Kong's gross ED amounted to \$14,959.6 billion (4.8 times of GDP). Compared with \$14,727.8 billion (also 4.8 times of GDP) at the end of the second quarter of 2024, gross ED increased by \$231.7 billion. This was mainly attributable to the increases in ED of the banking sector and ED of other sectors.

As one of the world's major financial centres, Hong Kong has a significant amount of ED held against the local banking sector arising through normal banking businesses. At the end of the third quarter of 2024, 54.1% of Hong Kong's ED was attributable to the banking sector. Other ED mainly consisted of ED of other sectors (27.6%) and debt liabilities in direct investment (intercompany lending) (17.3%).

Further information

BoP is a statistical statement that systematically summarises, for a specific time period (typically a year or a quarter), the economic transactions of an economy with the rest of the world (i.e. between residents and non-residents).

IIP is a balance sheet showing the stock of external financial assets and liabilities of an economy at a particular time point. The difference between the external financial assets and liabilities is the net IIP of the economy, which represents either its net claim on or net liability to the rest of the world.

Gross ED, at a particular time point, is the outstanding amount of those actual current, and not contingent, liabilities that are owed to non-residents by residents of an economy and that require payment of principals and/or interests by the debtors at some time points in the future.

Table 1 presents Hong Kong's BoP. Table 2 presents the detailed current account and capital account, while Table 3 presents the detailed financial account. Table 4 shows Hong Kong's IIP, and Table 5 shows Hong Kong's ED.

Statistics on BoP, IIP and ED for the third quarter of 2024 are

preliminary figures, which are subject to revision upon the availability of more data. With the incorporation of the latest data from surveys and other sources, the statistics on BoP, IIP and ED for 2023 have been revised.

The latest statistical tables of BoP (including seasonally adjusted current account), IIP and ED can be downloaded at the website of the C&SD (www.censtatd.gov.hk/en/scode260.html). Analysis of the statistics, together with the conceptual and methodological details, are presented in the publication Balance of Payments, International Investment Position and External Debt Statistics of Hong Kong, Third Quarter 2024 published by the C&SD. Users can download the publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1040001&scode=260).

For enquiries about the BoP, IIP and ED statistics, please contact the Balance of Payments Section of the C&SD (Tel: 3903 6979 or email: bop@censtatd.gov.hk).

Consumer Price Indices for November 2024

The Census and Statistics Department (C&SD) released today (December 20) the Consumer Price Index (CPI) figures for November 2024. According to the Composite CPI, overall consumer prices rose by 1.4% in November 2024 over the same month a year earlier, the same as that in October 2024. Netting out the effects of all Government's one-off relief measures, the year-on-year rate of increase in the Composite CPI (i.e. the underlying inflation rate) in November 2024 was 1.2%, also the same as that in October 2024.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the 3-month period ending November 2024 was 0.1%, the same as that for the 3-month period ending October 2024. Netting out the effects of all Government's one-off relief measures, the corresponding rates of increase were 0.1% and 0.2%.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 1.7%, 1.3% and 1.1% respectively in November 2024, as compared to 1.6%, 1.3% and 1.2% respectively in October 2024. Netting out the effects of all Government's one-off relief measures, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 1.6%, 1.1% and 1.0% respectively in November 2024, as compared to 1.5%, 1.1% and 1.1% respectively in October 2024.

On a seasonally adjusted basis, for the 3-month period ending November 2024, the average monthly rates of increase in the CPI(A), CPI(B) and CPI(C) were all 0.1%, the same as those for the 3-month period ending October 2024. Netting out the effects of all Government's one-off relief measures, the

average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) for the 3-month period ending November 2024 were 0.2%, 0.1% and 0.1% respectively, the same as those for the 3-month period ending October 2024.

Amongst the various components of the Composite CPI, year-on-year increases in prices were recorded in November 2024 for alcoholic drinks and tobacco (21.2%), electricity, gas and water (9.8%), miscellaneous services (2.0%), meals out and takeaway food (1.7%), transport (1.3%), housing (0.9%), and miscellaneous goods (0.8%).

On the other hand, year-on-year decreases in the components of the Composite CPI were recorded in November 2024 for clothing and footwear (-2.4%), durable goods (-0.3%), and basic food (-0.3%).

Taking the first 11 months of 2024 together, the Composite CPI rose by 1.8% over a year earlier. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.1%, 1.6% and 1.5% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 1.1%, 1.0%, 1.1% and 1.2% respectively.

For the 3 months ending November 2024, the Composite CPI rose by 1.6% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.0%, 1.5% and 1.3% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 1.1%, 1.3%, 1.0% and 1.0% respectively.

For the 12 months ending November 2024, the Composite CPI was on average 1.8% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.2%, 1.7% and 1.6% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 1.1%, 1.0%, 1.1% and 1.2% respectively.

Commentary

A Government spokesman said that underlying consumer price inflation stayed modest in November. Food prices as a whole showed further mild year-on-year increases. Meanwhile, the decline in prices of energy-related items continued to narrow alongside the dissipation of high base of comparison. Price pressures on other major components remained broadly in check.

Looking ahead, overall inflation should stay mild in the near term. Domestic cost could see some mild upward pressures, as the Hong Kong economy continues to grow. External price pressures should ease in broad terms, though uncertainties from the external environment increased. The Government will continue to monitor the situation.

Further information

The CPIs and year-on-year rates of change at section level for November 2024 are shown in Table 1. The time series on the year-on-year rates of change in the CPIs before and after netting out the effects of all

Government's one-off relief measures are shown in Table 2. For discerning the latest trend in consumer prices, it is also useful to look at the changes in the seasonally adjusted CPIs. The time series on the average monthly rates of change during the latest 3 months for the seasonally adjusted CPIs are shown in Table 3. The rates of change in the original and the seasonally adjusted Composite CPI and the underlying inflation rate are presented graphically in Chart 1.

More detailed statistics are given in the "Monthly Report on the Consumer Price Index". Users can browse and download this publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1060001&scode=270).

For enquiries about the CPIs, please contact the Consumer Price Index Section of the C&SD (Tel: 3903 7374 or email: cpi@censtatd.gov.hk).

[Employment and vacancies statistics for September 2024](#)

According to the figures released today (December 20) by the Census and Statistics Department (C&SD), total employment in the private sector surveyed decreased by 0.8% or 21 700 persons in September 2024 compared with a year earlier. The total number of vacancies was 66 460, representing a decrease of 18% or 14 190 over the preceding year.

Employment statistics

In September 2024, the selected industries as a whole employed 2 721 500 persons. The import and export trade engaged 355 700 persons, followed by professional and business services (excluding cleaning and similar services) engaging 311 300 persons, retail trade 237 100 persons, financing and insurance 230 500 persons, and food and beverage services 221 200 persons.

Movements in the employment in different surveyed industries varied when compared with a year earlier. Decreases were mainly observed in the industries of wholesale (-6.0% or -3 100 persons), retail trade (-5.9% or -15 000 persons), import and export trade (-5.1% or -19 100 persons), and financing and insurance (-2.3% or -5 300 persons). On the other hand, employment increased mainly in the industries of construction sites (manual workers only) (10.7% or 11 800 persons), residential care and social work services (3.7% or 2 600 persons), and accommodation services (3.7% or 1 300 persons). Employment figures for selected major industries are shown in Table 1.

Vacancies statistics

Among the 66 460 private sector vacancies in September 2024, 6 690 were from the industry of education, 6 590 from human health services, 6 210 from professional and business services (excluding cleaning and similar services), and 5 440 from food and beverage services.

Vacancies decreased in majority of the selected industries in September 2024 over a year earlier. Decreases were mainly observed in the industries of education (-2 420 or -27%), human health services (-1 880 or -22%), transportation, storage, postal and courier services (-1 810 or -26%), and retail trade (-1 440 or -25%). On the other hand, vacancies increased mainly in the industries of import and export trade (280 or 9%), and real estate (240 or 5%). Job vacancies figures for selected major industries are shown in Table 2.

Analysed by major occupation category, private sector vacancies were observed mainly in the categories of service and sales workers (23 930 vacancies), associate professionals (11 380 vacancies), and professionals (10 010 vacancies). Job vacancies figures by major occupation category are shown in Table 3.

Seasonally adjusted statistics

For discerning the latest trend in employment and vacancies in the private sector, it is useful to look at changes over a three-month period in the respective seasonally adjusted figures. Compared with June 2024, the seasonally adjusted total employment and total vacancies in the surveyed industries decreased by 0.3% and 9.4% respectively in September 2024. The changes over three-month periods in the seasonally adjusted series of employment and vacancies are shown in Table 4.

Other information

The above employment and vacancies statistics were obtained from the Quarterly Survey of Employment and Vacancies and the Quarterly Employment Survey of Construction Sites conducted by the C&SD. In the former survey, some economic activities (e.g. those dominated by self-employment, including taxi operators and hawkers) are not covered. Therefore, the respective employment and vacancies figures relate only to those selected industries included in the survey. In the latter survey on construction sites, employment and vacancies figures relate to manual workers only.

A detailed breakdown of the above statistics is published in the following reports:
“Quarterly Report of Employment and Vacancies Statistics, September 2024” (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1050003&scode=452)
“Quarterly Report of Employment and Vacancies at Construction Sites, September 2024” (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1050004&scode=452)

Users can browse and download these publications at the website of the C&SD.

Enquiries on more detailed employment and vacancies statistics can be directed to the Employment Statistics Section of the C&SD (Tel: 2582 5076 or email: employment@censtatd.gov.hk).

Government invites healthcare sector to establish Institute for Medical Advancement and Clinical Excellence

The Secretary for Health, Professor Lo Chung-mau, today (December 20) invited seven major institutions in the Hong Kong healthcare sector to establish the Institute for Medical Advancement and Clinical Excellence (IMACE) as its founding members, with a view to implementing the idea of establishing a professional platform for developing evidence-based clinical protocols and exploring the feasibility of devising service quality and efficiency standards for the public and private healthcare sectors as put forward in "The Chief Executive's 2024 Policy Address", thereby further enhancing the healthcare standards in Hong Kong.

The seven institutions invited to be founding members are the Hong Kong Academy of Medicine (HKAM), the Department of Health, the Hospital Authority, the Primary Healthcare Commission, the Faculty of Medicine of the Chinese University of Hong Kong, the LKS Faculty of Medicine of the University of Hong Kong, and the Hong Kong Private Hospitals Association. The diverse backgrounds of these invited institutions, which cover aspects such as medical professional standards, public health planning, academic research and development, as well as hospital management in the public and private sectors, will enable the IMACE to gather various types of clinical evidence and widely canvass professional views.

Professor Lo said, "Formulating clinical guidelines for various diseases in accordance with evidence-based medicine can enable healthcare personnel to deliver more appropriate, effective and holistic diagnostic and treatment solutions to patients based on objective research findings. I hope that the healthcare community may make the best use of the professional platform, the IMACE, by actively sharing their experiences and insights, to enable the quality of public and private healthcare services in Hong Kong to scale new heights."

Policy objectives

At present, the types of healthcare services delivered to citizens when they seek consultations largely depend on the experience and expertise of individual medical practitioners. Patients with similar conditions may undergo very different clinical pathways, resulting in potential variance in the standard of care.

With reference to experiences across the globe, clinical guidelines formulated with substantial evidence-based analysis by the healthcare community can help reduce unnecessary or ineffective medical practices, thereby benefitting patients. The establishment of a professional platform can also foster professional exchange among healthcare personnel to learn about and apply the latest technologies in their daily practice, which will be conducive to developing Hong Kong into an international health and medical innovation hub.

In this connection, the Government has taken the initiative to establish the IMACE, which is positioned as a professional-led and evidence-based platform comprising members from both the public and private healthcare sectors in Hong Kong. The IMACE enables the healthcare sector to collect data and cases in an effective manner for detailed deliberations on clinical practices in screening, diagnosis, treatment and management of various diseases, as well as evaluating the efficacy of various medical options (e.g. drugs, medical devices, diagnostic techniques, surgical procedures, non-pharmacological interventions, new medical innovations).

Upon comprehensive deliberation, the IMACE will devise and promulgate clinical guidelines as well as service quality and efficiency standards.

Apart from providing a reference for healthcare personnel to enhance healthcare standards, the relevant clinical guidelines and standards can also serve as public education tools to facilitate citizens' understanding of the healthcare services they may need in the event of different illnesses. Furthermore, the IMACE can make recommendations to the Government on implementing policy initiatives on driving clinical excellence and improving practice quality.

Operation framework

The founding members of the IMACE are invited by the Secretary for Health. In addition to the aforementioned founding members by invitation, and having regard to the specific needs of the deliberation topics, the Secretary for Health also allows the IMACE to invite professional members (e.g. industry associations for medical practitioners and other healthcare personnel, specialists in certain fields) and co-opted members (e.g. patient groups) to join the meetings, thereby facilitating more holistic deliberations.

To uphold the principle of professional autonomy, the Health Bureau will fund the operation of the IMACE without joining its discussions. Therefore, the HKAM has been invited to nominate another individual to serve as the Convenor to chair the meetings and provide secretarial support for the IMACE to assist in its initial operation. As things currently stand, the IMACE is targeted to be formally established in the first half of 2025.

Senior Appointment at the Hong Kong Monetary Authority

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

The Hong Kong Monetary Authority (HKMA) announced today (December 20) that the Financial Secretary, on the advice of the Governance Sub-Committee of the Exchange Fund Advisory Committee, has approved the appointment of Mr Nelson Chow as Executive Director (Financial Infrastructure) with effect from December 30, 2024. Mr Chow will succeed Mr Colin Pou who will be on secondment to the Hong Kong Mortgage Corporation Limited as Chief Executive Officer.

As Executive Director (Financial Infrastructure), Mr Chow will be responsible for developing and ensuring the stable operation of the financial market infrastructures in Hong Kong. He will also be responsible for promoting the development of fintech. The CV of Mr Chow is attached at Annex.