

Table 1 Hong Kong's Balance of Payments Account

	HK\$ million						
Standard Component	2006 Annual	2007 Annual	2007 1st Qtr	2007 2nd Qtr	2007 3rd Qtr	2007 4th Qtr	2008 1st Qtr
Current Account⁽¹⁾	178,166	218,732	64,413	25,769	65,190	63,361	52,940
Goods	-108,983	-153,672	-34,224	-46,204	-27,357	-45,887	-46,077
Services	277,154	330,159	76,737	70,499	86,981	95,942	87,060
Factor income	27,348	62,267	27,421	6,057	10,660	18,130	17,962
Current transfers	-17,353	-20,022	-5,521	-4,583	-5,094	-4,824	-6,005
Capital and Financial Account⁽¹⁾	-209,935	-250,457	-54,005	-40,224	-80,154	-76,075	-33,762
Capital transfers	-2,900	10,651	-1,196	3,730	7,048	1,070	2,650
<i>Financial non-reserve assets (net change)</i>	<i>-160,300</i>	<i>-146,611</i>	<i>-40,437</i>	<i>-33,973</i>	<i>-73,319</i>	<i>1,119</i>	<i>18,617</i>
Direct investment	635	52,404	1,299	23,778	22,187	5,141	56,177
Portfolio investment	-207,879	36,673	5,840	-19,988	12,019	38,801	-186,885
Financial derivatives	25,925	58,545	26,380	16,070	12,335	3,760	10,705
Other investment	21,019	-294,232	-73,957	-53,832	-119,859	-46,583	138,621
Reserve assets (net change)⁽²⁾	-46,735	-114,498	-12,372	-9,981	-13,882	-78,263	-55,029
Net errors and omissions⁽³⁾	31,769	31,726	-10,408	14,456	14,964	12,714	-19,178
Overall Balance of Payments	46,735 (in surplus)	114,498 (in surplus)	12,372 (in surplus)	9,981 (in surplus)	13,882 (in surplus)	78,263 (in surplus)	55,029 (in surplus)

Notes : (1) In accordance with the Balance of Payments accounting rules, a positive value for the balance figure in the current account represents a surplus whereas a negative value represents a deficit. For the capital and financial account, a positive value indicates a net capital and financial inflow and a negative value indicates a net outflow. As increases in external assets are debit entries and decreases are credit entries, a negative value for net change in reserve assets represents a net increase and a positive value represents a net decrease.

(2) The estimates on net change in reserve and non-reserve assets under the Balance of Payments framework are transaction figures. Effects from valuation changes (including price changes and exchange rate changes) and reclassifications are excluded.

(3) In principle, the net sum of credit entries and debit entries is zero. In practice, discrepancies between the credit and debit entries may however occur for various reasons as the data are collected from different sources. Equality between the sum of credit entries and debit entries is brought about by the inclusion of a balancing item which reflects net errors and omissions.

**Table 2 Hong Kong's Balance of Payments Sub-account Components:
Current Account**

HK\$ million

Standard Component	2006 Annual	2007 Annual	2007 1st Qtr	2007 2nd Qtr	2007 3rd Qtr	2007 4th Qtr	2008 1st Qtr
Current Account⁽¹⁾	178,166	218,732	64,413	25,769	65,190	63,361	52,940
<i>Credit⁽²⁾</i>	<i>3,691,370</i>	<i>4,225,160</i>	<i>929,617</i>	<i>1,012,062</i>	<i>1,121,351</i>	<i>1,162,130</i>	<i>1,055,265</i>
<i>Debit⁽²⁾</i>	<i>-3,513,205</i>	<i>-4,006,428</i>	<i>-865,204</i>	<i>-986,294</i>	<i>-1,056,161</i>	<i>-1,098,769</i>	<i>-1,002,324</i>
Goods	-108,983	-153,672	-34,224	-46,204	-27,357	-45,887	-46,077
<i>Credit</i>	<i>2,467,357</i>	<i>2,698,850</i>	<i>587,298</i>	<i>656,509</i>	<i>722,092</i>	<i>732,951</i>	<i>650,631</i>
<i>Debit</i>	<i>-2,576,340</i>	<i>-2,852,522</i>	<i>-621,522</i>	<i>-702,713</i>	<i>-749,449</i>	<i>-778,838</i>	<i>-696,708</i>
Services	277,154	330,159	76,737	70,499	86,981	95,942	87,060
<i>Credit</i>	<i>565,054</i>	<i>651,815</i>	<i>148,644</i>	<i>147,886</i>	<i>173,188</i>	<i>182,097</i>	<i>170,433</i>
<i>Debit</i>	<i>-287,900</i>	<i>-321,656</i>	<i>-71,907</i>	<i>-77,387</i>	<i>-86,207</i>	<i>-86,155</i>	<i>-83,373</i>
Transportation, credit	174,186	186,208	42,074	45,277	49,153	49,704	47,317
Transportation, debit	-90,234	-99,615	-21,668	-24,775	-26,513	-26,659	-25,265
Travel, credit	90,399	107,391	25,447	23,556	26,388	32,000	29,093
Travel, debit	-109,088	-117,692	-26,493	-29,062	-31,568	-30,569	-30,613
Insurance services, credit	3,240	3,986	902	996	980	1,108	1,140
Insurance services, debit	-4,764	-5,654	-1,249	-1,341	-1,440	-1,624	-1,562
Financial services, credit	71,997	100,095	23,793	24,030	26,056	26,216	29,775
Financial services, debit	-15,671	-21,327	-5,007	-4,974	-5,699	-5,647	-6,347
Other services, credit	225,233	254,135	56,428	54,027	70,611	73,069	63,108
Other services, debit	-68,143	-77,368	-17,490	-17,235	-20,987	-21,656	-19,586
Factor income	27,348	62,267	27,421	6,057	10,660	18,130	17,962
<i>Credit</i>	<i>651,503</i>	<i>867,136</i>	<i>191,779</i>	<i>205,576</i>	<i>224,373</i>	<i>245,409</i>	<i>233,551</i>
<i>Debit</i>	<i>-624,155</i>	<i>-804,869</i>	<i>-164,358</i>	<i>-199,519</i>	<i>-213,713</i>	<i>-227,279</i>	<i>-215,589</i>
Investment income, credit	649,219	864,425	191,101	204,898	223,695	244,731	232,860
Direct investment income	346,424	470,790	103,835	106,056	121,888	139,009	148,765
Dividends and distributed branch profits	135,550	167,081	16,002	65,804	60,544	24,731	13,676
Reinvested earnings and undistributed branch profits	203,872	296,166	86,025	38,507	59,728	111,906	133,774
Income on debt (interest)	7,002	7,542	1,808	1,745	1,617	2,372	1,315
Portfolio investment income	171,064	211,785	46,712	57,987	53,794	53,291	49,874
Income on equity	59,604	82,865	15,519	25,784	21,617	19,945	18,584
Income on bonds and notes	101,131	115,093	27,461	28,582	28,987	30,063	28,343
Income on money market instruments	10,330	13,827	3,732	3,621	3,190	3,284	2,947
Other investment income	131,731	181,850	40,553	40,855	48,012	52,430	34,221
Investment income, debit	-621,230	-801,905	-163,606	-198,778	-212,979	-226,542	-214,824
Direct investment income	-471,100	-606,087	-129,861	-139,418	-160,479	-176,330	-177,818
Dividends and distributed branch profits	-188,410	-205,055	-19,406	-81,504	-67,150	-36,995	-36,851
Reinvested earnings and undistributed branch profits	-277,619	-396,144	-109,271	-56,925	-92,424	-137,523	-138,405
Income on debt (interest)	-5,070	-4,888	-1,184	-989	-904	-1,811	-2,562

Table 2 (Cont'd.) Hong Kong's Balance of Payments Sub-account Components:
Current Account

	HK\$ million						
Standard Component	2006 Annual	2007 Annual	2007 1st Qtr	2007 2nd Qtr	2007 3rd Qtr	2007 4th Qtr	2008 1st Qtr
Portfolio investment income	-51,754	-65,768	-4,587	-30,658	-18,286	-12,238	-7,010
Income on equity	-48,582	-61,024	-3,670	-29,565	-17,125	-10,665	-5,494
Income on bonds and notes	-2,849	-4,081	-827	-977	-1,084	-1,192	-1,145
Income on money market instruments	-323	-663	-90	-116	-76	-381	-370
Other investment income	-98,376	-130,050	-29,158	-28,703	-34,215	-37,974	-29,996
Compensation of employees, credit	2,284	2,712	678	678	678	678	691
Compensation of employees, debit	-2,926	-2,964	-752	-741	-733	-738	-766
Current transfers	-17,353	-20,022	-5,521	-4,583	-5,094	-4,824	-6,005
<i>Credit</i>	<i>7,456</i>	<i>7,359</i>	<i>1,896</i>	<i>2,091</i>	<i>1,698</i>	<i>1,673</i>	<i>649</i>
General government	0	0	0	0	0	0	0
Other sectors	7,456	7,359	1,896	2,091	1,698	1,673	649
<i>Debit</i>	<i>-24,809</i>	<i>-27,381</i>	<i>-7,417</i>	<i>-6,674</i>	<i>-6,792</i>	<i>-6,497</i>	<i>-6,654</i>
General government	-1,520	-1,753	-433	-418	-445	-457	-633
Other sectors	-23,289	-25,628	-6,984	-6,256	-6,347	-6,040	-6,022

Notes : (1) In accordance with the Balance of Payments accounting rules, a positive value for the balance figure in the current account represents a surplus whereas a negative value represents a deficit.

(2) In a Balance of Payments account, every external transaction is presented by two entries, a credit and a debit. In the current account, exports of goods and services, factor income inflows and transfers from abroad are all credit entries, while imports of goods and services, factor income outflows and transfers to abroad are debit entries.

**Table 3 Hong Kong's Balance of Payments Sub-account Components:
Capital and Financial Account**

HK\$ million

Standard Component	2006 Annual	2007 Annual	2007 1st Qtr	2007 2nd Qtr	2007 3rd Qtr	2007 4th Qtr	2008 1st Qtr
Capital and Financial Account⁽¹⁾	-209,935	-250,457	-54,005	-40,224	-80,154	-76,075	-33,762
Capital Account	-2,900	10,651	-1,196	3,730	7,048	1,070	2,650
Capital transfers	-2,900	10,651	-1,196	3,730	7,048	1,070	2,650
General government	0	0	0	0	0	0	0
Other sectors	-2,900	10,651	-1,196	3,730	7,048	1,070	2,650
Non-produced and non-financial assets	...	...	...	...	...	...	...
Financial Account	-207,035	-261,109	-52,809	-43,954	-87,201	-77,144	-36,412
Financial non-reserve assets (net change)	-160,300	-146,611	-40,437	-33,973	-73,319	1,119	18,617
Direct investment	635	52,404	1,299	23,778	22,187	5,141	56,177
<i>Direct investment abroad</i>	<i>-349,386</i>	<i>-414,720</i>	<i>-118,908</i>	<i>-67,417</i>	<i>-79,117</i>	<i>-149,279</i>	<i>-96,509</i>
Equity capital	-45,964	-86,200	-20,603	-18,398	-32,855	-14,344	1,843
Claims on affiliated enterprises	-45,964	-86,200	-20,603	-18,398	-32,855	-14,344	1,843
Liabilities to affiliated enterprises	...	...	...	...	...	...	...
Reinvested earnings	-203,872	-296,166	-86,025	-38,507	-59,728	-111,906	-133,774
Other capital	-99,550	-32,355	-12,280	-10,511	13,466	-23,029	35,423
Claims on affiliated enterprises	-100,225	-59,141	-14,979	-37,022	18,826	-25,966	40,238
Liabilities to affiliated enterprises	675	26,786	2,699	26,510	-5,360	2,937	-4,814
<i>Direct investment in Hong Kong</i>	<i>350,021</i>	<i>467,124</i>	<i>120,207</i>	<i>91,195</i>	<i>101,303</i>	<i>154,420</i>	<i>152,685</i>
Equity capital	15,548	29,746	880	7,625	12,450	8,791	7,872
Claims on direct investors	...	...	...	...	...	...	...
Liabilities to direct investors	15,548	29,746	880	7,625	12,450	8,791	7,872
Reinvested earnings	277,619	396,144	109,271	56,925	92,424	137,523	138,405
Other capital	56,853	41,234	10,055	26,645	-3,571	8,105	6,408
Claims on direct investors	4,673	-10,192	4,202	2,360	-4,804	-11,950	3,933
Liabilities to direct investors	52,181	51,426	5,853	24,285	1,232	20,056	2,476
Portfolio investment	-207,879	36,673	5,840	-19,988	12,019	38,801	-186,885
<i>Assets</i>	<i>-324,582</i>	<i>-504,929</i>	<i>-109,942</i>	<i>-107,423</i>	<i>-15,200</i>	<i>-272,365</i>	<i>69,578</i>
Equity securities	-121,349	-446,048	-141,645	-90,034	-48,054	-166,315	-145,126
Banks	-761	4,784	2,938	-26	5,108	-3,235	13,570
Other sectors	-120,588	-450,832	-144,583	-90,007	-53,162	-163,080	-158,697
Debt securities	-203,233	-58,881	31,703	-17,389	32,854	-106,049	214,704
Bonds and notes	-58,823	8,698	33,018	-52,482	20,458	7,704	115,255
Banks	-59,902	-7,290	-16,011	-21,848	8,062	22,507	79,310
Other sectors	1,079	15,988	49,029	-30,634	12,396	-14,803	35,944
Money market instruments	-144,410	-67,579	-1,315	35,093	12,396	-113,753	99,449
Banks	-141,010	-74,232	-5,825	43,910	4,582	-116,900	93,136
Other sectors	-3,400	6,653	4,510	-8,818	7,814	3,147	6,314
<i>Liabilities</i>	<i>116,704</i>	<i>541,602</i>	<i>115,782</i>	<i>87,435</i>	<i>27,219</i>	<i>311,166</i>	<i>-256,463</i>
Equity securities	112,364	307,100	107,079	81,602	21,501	96,918	-31,639
Banks	8,355	16,183	13,207	794	1,782	401	-4,945
Other sectors	104,009	290,917	93,873	80,808	19,719	96,518	-26,694
Debt securities	4,340	234,501	8,703	5,833	5,718	214,248	-224,824
Bonds and notes	4,026	78,257	7,406	3,839	3,942	63,070	-71,754
Banks	-2,594	8,737	3,759	5,071	3,671	-3,764	-1,670
Other sectors	6,620	69,519	3,647	-1,232	270	66,834	-70,084
Money market instruments	313	156,245	1,297	1,994	1,776	151,178	-153,070
Banks	-338	154,330	1,127	1,752	1,228	150,223	-151,940
Other sectors	651	1,914	170	242	548	954	-1,130

**Table 3 (Cont'd.) Hong Kong's Balance of Payments Sub-account Components:
Capital and Financial Account**

HK\$ million

Standard Component	2006 Annual	2007 Annual	2007 1st Qtr	2007 2nd Qtr	2007 3rd Qtr	2007 4th Qtr	2008 1st Qtr
<i>Financial derivatives</i>	25,925	58,545	26,380	16,070	12,335	3,760	10,705
<i>Assets</i>	150,992	245,436	60,120	63,570	55,622	66,124	76,477
Banks	126,320	206,079	43,711	58,754	43,281	60,334	57,528
Other sectors	24,672	39,357	16,410	4,816	12,342	5,790	18,949
<i>Liabilities</i>	-125,068	-186,892	-33,740	-47,500	-43,287	-62,364	-65,772
Banks	-110,853	-155,075	-28,010	-44,060	-34,774	-48,232	-58,055
Other sectors	-14,215	-31,816	-5,731	-3,440	-8,513	-14,132	-7,718
<i>Other investment</i>	21,019	-294,232	-73,957	-53,832	-119,859	-46,583	138,621
<i>Assets</i>	-454,405	-1,255,240	-11,864	-300,527	-430,825	-512,024	141,202
Trade credits	2,928	-8,768	-4,223	-801	-15,957	12,214	-11,448
Loans	-22,059	-263,838	-20,973	-24,463	-288,403	70,001	83,338
Banks	-24,691	-212,782	-5,901	-13,656	-264,892	71,667	22,860
Other sectors	2,632	-51,056	-15,071	-10,806	-23,511	-1,667	60,478
Currency and deposits	-417,107	-973,581	27,150	-259,540	-133,534	-607,657	80,182
Banks	-407,364	-921,557	42,132	-272,042	-125,925	-565,722	60,773
Other sectors	-9,743	-52,024	-14,982	12,502	-7,609	-41,936	19,409
Other assets	-18,166	-9,052	-13,818	-15,723	7,069	13,419	-10,871
Banks	-16,350	-106	-9,695	-11,934	12,602	8,922	3,358
Other sectors	-1,816	-8,946	-4,123	-3,789	-5,532	4,497	-14,229
<i>Liabilities</i>	475,424	961,007	-62,093	246,695	310,966	465,440	-2,581
Trade credits	-15,052	-1,498	323	2,563	2,020	-6,404	10,746
Loans	80,086	17,821	-11,278	-5,427	17,629	16,898	-56,532
Banks	-6,955	8,668	-2,408	5,006	7,606	-1,536	5,601
Other sectors	87,040	9,154	-8,871	-10,433	10,023	18,434	-62,133
Currency and deposits	409,059	927,329	-68,496	240,679	290,384	464,762	32,520
Banks	406,184	925,814	-68,343	240,575	288,070	465,512	33,536
Other sectors	2,875	1,515	-153	103	2,314	-750	-1,017
Other liabilities	1,332	17,355	17,358	8,880	933	-9,816	10,686
Banks	8,279	-1,280	12,555	2,335	-11,816	-4,354	5,329
Other sectors	-6,947	18,635	4,803	6,545	12,748	-5,462	5,357
<i>Reserve assets (net change)</i> ⁽²⁾	-46,735	-114,498	-12,372	-9,981	-13,882	-78,263	-55,029

Notes : (1) In accordance with the Balance of Payments accounting rules, a positive value for the balance figure in the current account represents a surplus whereas a negative value represents a deficit. For the capital and financial account, a positive value indicates a net capital and financial inflow and a negative value indicates a net outflow. As increases in external assets are debit entries and decreases are credit entries, a negative value for net change in reserve assets represents a net increase and a positive value represents a net decrease.

(2) The estimates on net change in reserve and non-reserve assets under the Balance of Payments framework are transaction figures. Effects from valuation changes (including price changes and exchange rate changes) and reclassifications are excluded.

... Value is relatively insignificant (less than HK\$10 million).

Table 4 Hong Kong's External Debt Statistics (Position as at end of period)

							HK\$ million
Gross External Debt Position	2006	2007	2007 1st Qtr	2007 2nd Qtr	2007 3rd Qtr	2007 4th Qtr	2008 1st Qtr
General Government	12,990	13,325	13,022	12,862	12,914	13,325	13,592
<i>Short-term</i>	0	0	0	0	0	0	0
Money market instruments	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0
Trade credits	0	0	0	0	0	0	0
Other debt liabilities	0	0	0	0	0	0	0
<i>Long-term</i>	12,990	13,325	13,022	12,862	12,914	13,325	13,592
Bonds and notes	12,990	13,325	13,022	12,862	12,914	13,325	13,592
Loans	0	0	0	0	0	0	0
Trade credits	0	0	0	0	0	0	0
Other debt liabilities	0	0	0	0	0	0	0
Monetary Authority	3,169	3,865	4,820	4,966	5,112	3,865	5,720
<i>Short-term</i>	256	398	1,685	1,786	1,803	398	1,908
Money market instruments	...	...	...	...	...	...	...
Loans	0	0	1,428	1,516	1,510	0	1,490
Currency and deposits	0	0	0	0	0	0	0
Other debt liabilities	256	398	257	270	294	398	418
<i>Long-term</i>	2,913	3,467	3,135	3,180	3,309	3,467	3,812
Bonds and notes	2,913	3,467	3,135	3,180	3,309	3,467	3,812
Loans	0	0	0	0	0	0	0
Other debt liabilities	0	0	0	0	0	0	0
Banks	2,692,148	3,825,531	2,636,989	2,894,269	3,183,160	3,825,531	3,744,374
<i>Short-term</i>	2,645,733	3,760,622	2,580,947	2,832,266	3,115,129	3,760,622	3,675,766
Money market instruments	28,217	187,487	28,113	32,564	33,024	187,487	42,524
Loans	15,395	29,802	4,677	7,672	17,345	29,802	17,156
Currency and deposits	2,584,612	3,509,471	2,517,569	2,758,985	3,044,411	3,509,471	3,577,603
Other debt liabilities	17,509	33,861	30,588	33,045	20,349	33,861	38,484
<i>Long-term</i>	46,415	64,909	56,043	62,003	68,031	64,909	68,607
Bonds and notes	27,912	38,038	33,023	37,738	42,109	38,038	37,581
Loans	14,137	22,471	18,475	19,731	21,113	22,471	25,272
Other debt liabilities	4,365	4,401	4,545	4,534	4,809	4,401	5,754
Other Sectors	403,356	490,000	432,732	392,087	403,000	490,000	513,035
<i>Short-term</i>	190,206	189,317	226,539	195,666	192,607	189,317	323,273
Money market instruments	2,555	1,708	2,739	2,729	3,005	1,708	1,679
Loans	103,443	66,182	143,963	90,488	65,305	66,182	55,521
Currency and deposits	5,692	8,150	3,825	4,768	7,641	8,150	9,363
Trade credits	41,863	57,246	38,360	57,512	63,191	57,246	65,960
Other debt liabilities	36,653	56,031	37,652	40,170	53,466	56,031	190,751
<i>Long-term</i>	213,151	300,682	206,193	196,421	210,392	300,682	189,762
Bonds and notes	17,100	91,156	21,096	22,501	23,529	91,156	22,993
Loans	169,168	185,933	157,490	149,409	162,813	185,933	144,455
Trade credits	4,919	1,865	4,764	1,704	1,776	1,865	1,409
Other debt liabilities	21,964	21,728	22,842	22,807	22,275	21,728	20,905
Direct Investment: Inter-company Lending	903,205	1,060,356	895,356	990,925	981,932	1,060,356	1,030,359
Debt liabilities to affiliated enterprises	183,146	221,698	184,876	215,268	210,475	221,698	196,694
Debt liabilities to direct investors	720,059	838,658	710,480	775,657	771,458	838,658	833,664
Gross External Debt	4,014,868	5,393,077	3,982,918	4,295,108	4,586,118	5,393,077	5,307,080

Note : ... Value is relatively insignificant (less than HK\$10 million).