

Table 1 Hong Kong's Balance of Payments Account

	HK\$ million						
Standard Component	2007 Annual	2008 Annual	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 4th Qtr	2009 1st Qtr
Current Account⁽¹⁾	199,160	237,628	50,296	32,319	74,761	80,253	40,828
Goods	-153,672	-180,091	-46,077	-62,020	-41,355	-30,638	-34,758
Services	328,488	361,794	84,416	79,786	98,144	99,448	72,978
Factor income	44,437	81,443	17,962	22,035	24,270	17,176	8,608
Current transfers	-20,093	-25,518	-6,005	-7,483	-6,298	-5,733	-6,000
Capital and Financial Account⁽¹⁾	-259,247	-215,822	-33,762	-20,619	-92,360	-69,081	-30,212
Capital transfers	10,338	16,909	2,650	1,835	8,104	4,319	7,447
<i>Financial non-reserve assets (net change)⁽²⁾</i>	<i>-155,086</i>	<i>31,138</i>	<i>18,617</i>	<i>-12,191</i>	<i>-49,205</i>	<i>73,917</i>	<i>31,241</i>
Direct investment	-52,577	23,915	56,177	-80,172	32,443	15,467	56,331
Portfolio investment	-21,452	-292,474	-186,885	23,685	80,852	-210,125	74,899
Financial derivatives	43,534	63,611	10,705	11,663	32,769	8,475	774
Other investment	-124,592	236,085	138,621	32,633	-195,269	260,099	-100,764
Reserve assets (net change)⁽²⁾	-114,498	-263,869	-55,029	-10,263	-51,259	-147,317	-68,900
Net errors and omissions⁽³⁾	60,087	-21,806	-16,534	-11,700	17,599	-11,172	-10,616
Overall Balance of Payments	114,498 (in surplus)	263,869 (in surplus)	55,029 (in surplus)	10,263 (in surplus)	51,259 (in surplus)	147,317 (in surplus)	68,900 (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	2007 Annual	2008 Annual	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 4th Qtr	2009 1st Qtr
Current Account⁽¹⁾	199,160	237,628	50,296	32,319	74,761	80,253	40,828
<i>Credit⁽²⁾</i>	4,261,744	4,508,685	1,058,855	1,141,670	1,194,247	1,113,913	834,158
<i>Debit⁽²⁾</i>	-4,062,584	-4,271,057	-1,008,558	-1,109,351	-1,119,487	-1,033,660	-793,330
Goods	-153,672	-180,091	-46,077	-62,020	-41,355	-30,638	-34,758
<i>Credit</i>	2,698,850	2,843,998	650,631	708,742	764,283	720,342	512,316
<i>Debit</i>	-2,852,522	-3,024,089	-696,708	-770,762	-805,638	-750,980	-547,074
Services	328,488	361,794	84,416	79,786	98,144	99,448	72,978
<i>Credit</i>	660,728	718,835	174,023	166,916	193,601	184,295	149,606
<i>Debit</i>	-332,240	-357,041	-89,607	-87,130	-95,457	-84,847	-76,628
Transportation, credit	199,561	222,748	51,916	56,517	61,712	52,603	43,042
Transportation, debit	-108,627	-115,044	-27,455	-30,448	-31,046	-26,095	-22,534
Travel, credit	107,304	119,135	28,991	26,897	30,046	33,201	29,659
Travel, debit	-117,346	-125,008	-32,343	-30,773	-33,666	-28,226	-27,899
Insurance services, credit	3,648	3,930	1,074	1,022	870	964	1,017
Insurance services, debit	-5,543	-5,925	-1,559	-1,527	-1,423	-1,416	-1,279
Financial services, credit	96,930	95,425	29,900	22,199	24,625	18,701	20,355
Financial services, debit	-21,895	-25,059	-7,413	-5,194	-7,091	-5,361	-6,300
Other services, credit	253,286	277,597	62,142	60,281	76,348	78,826	55,533
Other services, debit	-78,828	-86,005	-20,837	-19,188	-22,231	-23,749	-18,616
Factor income	44,437	81,443	17,962	22,035	24,270	17,176	8,608
<i>Credit</i>	894,850	940,940	233,551	264,704	235,184	207,500	171,173
<i>Debit</i>	-850,413	-859,496	-215,589	-242,669	-210,915	-190,324	-162,565
Investment income, credit	892,380	938,173	232,860	264,014	234,493	206,806	170,518
Direct investment income	494,512	605,276	148,765	166,697	149,055	140,759	122,364
Dividends and distributed branch profits	199,568	179,141	13,676	34,353	110,183	20,929	13,302
Reinvested earnings and undistributed branch profits	287,597	420,408	133,774	131,046	37,636	117,951	107,789
Income on debt (interest)	7,347	5,727	1,315	1,297	1,236	1,879	1,272
Portfolio investment income	210,977	208,622	49,874	68,507	45,574	44,666	33,041
Income on equity	82,551	93,630	18,584	39,427	17,223	18,396	8,388
Income on bonds and notes	114,801	105,527	28,343	26,894	26,275	24,016	22,967
Income on money market instruments	13,625	9,465	2,947	2,186	2,077	2,255	1,686
Other investment income	186,890	124,275	34,221	28,809	39,864	21,381	15,113
Investment income, debit	-847,388	-856,429	-214,824	-241,905	-210,149	-189,552	-161,785
Direct investment income	-649,063	-672,553	-177,818	-181,030	-158,050	-155,655	-142,095
Dividends and distributed branch profits	-234,744	-219,691	-36,851	-65,954	-92,247	-24,639	-29,218
Reinvested earnings and undistributed branch profits	-404,407	-446,555	-138,405	-112,901	-65,006	-130,243	-109,417
Income on debt (interest)	-9,911	-6,307	-2,562	-2,176	-797	-772	-3,460

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

	HK\$ million						
Standard Component	2007 Annual	2008 Annual	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 4th Qtr	2009 1st Qtr
Portfolio investment income	-65,856	-80,285	-7,010	-35,837	-22,564	-14,875	-4,710
Income on equity	-61,123	-75,336	-5,494	-34,785	-21,362	-13,694	-3,701
Income on bonds and notes	-4,061	-4,394	-1,145	-978	-1,146	-1,124	-973
Income on money market instruments	-671	-555	-370	-73	-56	-57	-36
Other investment income	-132,470	-103,591	-29,996	-25,038	-29,535	-19,022	-14,980
Compensation of employees, credit	2,470	2,767	691	691	691	694	655
Compensation of employees, debit	-3,024	-3,068	-766	-764	-766	-772	-780
Current transfers	-20,093	-25,518	-6,005	-7,483	-6,298	-5,733	-6,000
<i>Credit</i>	<i>7,316</i>	<i>4,912</i>	<i>649</i>	<i>1,308</i>	<i>1,179</i>	<i>1,776</i>	<i>1,063</i>
General government	0	0	0	0	0	0	0
Other sectors	7,316	4,912	649	1,308	1,179	1,776	1,063
<i>Debit</i>	<i>-27,409</i>	<i>-30,431</i>	<i>-6,654</i>	<i>-8,790</i>	<i>-7,477</i>	<i>-7,509</i>	<i>-7,063</i>
General government	-1,749	-2,259	-633	-731	-448	-447	-445
Other sectors	-25,660	-28,172	-6,022	-8,060	-7,029	-7,062	-6,618

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	2007 Annual	2008 Annual	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 4th Qtr	2009 1st Qtr
Capital and Financial Account⁽¹⁾	-259,247	-215,822	-33,762	-20,619	-92,360	-69,081	-30,212
Capital Account	10,338	16,909	2,650	1,835	8,104	4,319	7,447
Capital transfers	10,338	16,909	2,650	1,835	8,104	4,319	7,447
General government	0	0	0	0	0	0	-770
Other sectors	10,338	16,909	2,650	1,835	8,104	4,319	8,218
Non-produced and non-financial assets	...	...	...	...	...	...	...
Financial Account	-269,585	-232,731	-36,412	-22,454	-100,464	-73,400	-37,659
Financial non-reserve assets (net change)⁽²⁾	-155,086	31,138	18,617	-12,191	-49,205	73,917	31,241
Direct investment	-52,577	23,915	56,177	-80,172	32,443	15,467	56,331
Direct investment abroad	-476,515	-466,594	-96,509	-195,655	-54,106	-120,324	-35,493
Equity capital	-86,622	-22,179	1,843	-8,263	-9,233	-6,526	-8,621
Claims on affiliated enterprises	-86,622	-22,179	1,843	-8,263	-9,233	-6,526	-8,621
Liabilities to affiliated enterprises	...	...	...	...	...	...	...
Reinvested earnings	-287,597	-420,408	-133,774	-131,046	-37,636	-117,951	-107,789
Other capital	-102,295	-24,007	35,423	-56,345	-7,237	4,153	80,917
Claims on affiliated enterprises	-112,153	-26,654	40,238	-59,160	-12,874	5,143	67,978
Liabilities to affiliated enterprises	9,858	2,647	-4,814	2,814	5,637	-990	12,940
Direct investment in Hong Kong	423,938	490,509	152,685	115,483	86,549	135,792	91,824
Equity capital	37,272	71,488	7,872	1,873	28,377	33,365	6,532
Claims on direct investors	...	...	...	...	...	...	...
Liabilities to direct investors	37,272	71,488	7,872	1,873	28,377	33,365	6,532
Reinvested earnings	404,407	446,555	138,405	112,901	65,006	130,243	109,417
Other capital	-17,742	-27,534	6,408	709	-6,835	-27,817	-24,124
Claims on direct investors	-20,492	-34,837	3,933	-7,850	-3,902	-27,018	22,462
Liabilities to direct investors	2,750	7,303	2,476	8,560	-2,933	-799	-46,586
Portfolio investment	-21,452	-292,474	-186,885	23,685	80,852	-210,125	74,899
Assets	-607,148	-149,940	69,578	-66,615	7,590	-160,492	76,075
Equity securities	-540,607	-185,537	-145,126	-44,666	11,772	-7,517	-88,954
Banks	-1,814	11,230	13,570	557	-2,864	-33	3,309
Other sectors	-538,793	-196,768	-158,697	-45,223	14,636	-7,484	-92,263
Debt securities	-66,541	35,598	214,704	-21,949	-4,182	-152,975	165,028
Bonds and notes	-18,541	146,613	115,255	-2,204	53,279	-19,716	-138,150
Banks	20,781	89,344	79,310	7,588	69,169	-66,723	-130,598
Other sectors	-39,322	57,269	35,944	-9,792	-15,890	47,006	-7,552
Money market instruments	-47,999	-111,016	99,449	-19,745	-57,461	-133,259	303,178
Banks	-58,621	-82,740	93,136	-21,392	-33,500	-120,983	307,299
Other sectors	10,622	-28,275	6,314	1,647	-23,961	-12,276	-4,121
Liabilities	585,696	-142,534	-256,463	90,300	73,262	-49,633	-1,175
Equity securities	340,325	152,136	-31,639	143,188	75,243	-34,656	4,812
Banks	16,619	-15,557	-4,945	466	3,161	-14,238	-544
Other sectors	323,706	167,693	-26,694	142,722	72,083	-20,418	5,355
Debt securities	245,371	-294,670	-224,824	-52,888	-1,981	-14,977	-5,987
Bonds and notes	78,980	-130,999	-71,754	-50,036	-313	-8,895	-3,928
Banks	9,632	-4,467	-1,670	-769	-221	-1,807	-1,547
Other sectors	69,348	-126,532	-70,084	-49,267	-93	-7,088	-2,381
Money market instruments	166,391	-163,671	-153,070	-2,851	-1,668	-6,082	-2,059
Banks	166,107	-162,008	-151,940	-2,618	-1,852	-5,598	-1,809
Other sectors	284	-1,664	-1,130	-234	184	-484	-251

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

HK\$ million

Standard Component	2007 Annual	2008 Annual	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 4th Qtr	2009 1st Qtr
<i>Financial derivatives</i>	43,534	63,611	10,705	11,663	32,769	8,475	774
Assets	232,608	560,227	76,477	113,636	160,427	209,687	145,136
Banks	193,055	500,988	57,528	102,191	133,955	207,314	141,925
Other sectors	39,553	59,239	18,949	11,445	26,472	2,373	3,211
Liabilities	-189,074	-496,616	-65,772	-101,973	-127,659	-201,211	-144,362
Banks	-152,616	-476,927	-58,055	-99,276	-122,483	-197,114	-141,796
Other sectors	-36,458	-19,688	-7,718	-2,698	-5,176	-4,098	-2,566
<i>Other investment</i>	-124,592	236,085	138,621	32,633	-195,269	260,099	-100,764
Assets	-1,271,659	458,485	141,202	125,684	-192,657	384,257	66,063
Trade credits	-52,819	-15,358	-11,448	-12,745	-6,967	15,801	19,259
Loans	-335,573	8,328	83,338	-40,003	-97,631	62,624	-40,946
Banks	-242,701	-65,911	22,860	-46,902	-101,409	59,540	-42,547
Other sectors	-92,873	74,238	60,478	6,899	3,777	3,083	1,602
Currency and deposits	-818,385	438,680	80,182	139,085	-84,175	303,587	82,284
Banks	-716,609	395,820	60,773	116,022	-70,638	289,663	95,458
Other sectors	-101,776	42,859	19,409	23,063	-13,537	13,924	-13,173
Other assets	-64,882	26,835	-10,871	39,346	-3,885	2,245	5,465
Banks	-9,556	8,633	3,358	-351	2,486	3,140	6,248
Other sectors	-55,326	18,202	-14,229	39,698	-6,371	-895	-783
Liabilities	1,147,068	-222,400	-2,581	-93,051	-2,611	-124,157	-166,827
Trade credits	5,652	9,375	10,746	3,065	1,158	-5,594	-4,411
Loans	17,393	-166,353	-56,532	-26,556	-45,175	-38,089	-72,132
Banks	8,553	16,200	5,601	4,507	4,402	1,690	-11,011
Other sectors	8,840	-182,553	-62,133	-31,064	-49,577	-39,779	-61,121
Currency and deposits	1,014,532	-2,752	32,520	-9,792	41,712	-67,192	-85,697
Banks	1,009,346	5,410	33,536	-6,016	41,503	-63,613	-83,735
Other sectors	5,186	-8,162	-1,017	-3,775	209	-3,579	-1,962
Other liabilities	109,490	-62,670	10,686	-59,767	-306	-13,282	-4,586
Banks	15,106	-9,396	5,329	-9,671	2,990	-8,044	768
Other sectors	94,384	-53,274	5,357	-50,097	-3,296	-5,239	-5,354
<i>Reserve assets (net change)⁽²⁾</i>	-114,498	-263,869	-55,029	-10,263	-51,259	-147,317	-68,900

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	2007	2008	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 4th Qtr	2009 1st Qtr
General Government	13,421	13,063	13,592	13,482	12,082	13,063	12,538
<i>Short-term</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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>	<i>13,421</i>	<i>13,063</i>	<i>13,592</i>	<i>13,482</i>	<i>12,082</i>	<i>13,063</i>	<i>12,538</i>
Bonds and notes	13,421	13,063	13,592	13,482	12,082	13,063	12,538
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	4,014	3,923	5,720	5,370	27,466	3,923	3,902
<i>Short-term</i>	<i>398</i>	<i>181</i>	<i>1,908</i>	<i>1,624</i>	<i>23,704</i>	<i>181</i>	<i>357</i>
Money market instruments	...	...	...	...	...	...	...
Loans	0	0	1,490	1,426	23,503	0	0
Currency and deposits	0	0	0	0	0	0	0
Other debt liabilities	398	181	418	199	201	181	357
<i>Long-term</i>	<i>3,616</i>	<i>3,743</i>	<i>3,812</i>	<i>3,746</i>	<i>3,762</i>	<i>3,743</i>	<i>3,545</i>
Bonds and notes	3,616	3,743	3,812	3,746	3,762	3,743	3,545
Loans	0	0	0	0	0	0	0
Other debt liabilities	0	0	0	0	0	0	0
Banks	3,929,737	3,700,072	3,744,374	3,749,249	3,766,483	3,700,072	3,697,820
<i>Short-term</i>	<i>3,862,864</i>	<i>3,625,923</i>	<i>3,675,766</i>	<i>3,680,497</i>	<i>3,691,366</i>	<i>3,625,923</i>	<i>3,622,434</i>
Money market instruments	194,186	36,036	42,524	40,743	35,010	36,036	29,401
Loans	15,809	21,277	17,156	18,740	21,443	21,277	13,366
Currency and deposits	3,618,897	3,536,471	3,577,603	3,589,831	3,595,935	3,536,471	3,540,039
Other debt liabilities	33,973	32,139	38,484	31,184	38,978	32,139	39,628
<i>Long-term</i>	<i>66,872</i>	<i>74,149</i>	<i>68,607</i>	<i>68,752</i>	<i>75,117</i>	<i>74,149</i>	<i>75,386</i>
Bonds and notes	38,033	36,343	37,581	35,946	36,611	36,343	33,006
Loans	23,906	32,032	25,272	27,384	33,160	32,032	39,246
Other debt liabilities	4,932	5,774	5,754	5,422	5,345	5,774	3,134
Other Sectors	650,041	370,958	513,035	467,635	447,477	370,958	297,148
<i>Short-term</i>	<i>348,026</i>	<i>124,429</i>	<i>323,273</i>	<i>285,011</i>	<i>247,516</i>	<i>124,429</i>	<i>144,914</i>
Money market instruments	2,852	1,174	1,679	1,127	158	1,174	1,521
Loans	99,379	21,365	55,521	42,939	42,571	21,365	52,455
Currency and deposits	9,069	4,373	9,363	32,365	6,703	4,373	8,954
Trade credits	58,440	50,671	65,960	59,824	55,680	50,671	42,746
Other debt liabilities	178,286	46,846	190,751	148,757	142,403	46,846	39,238
<i>Long-term</i>	<i>302,015</i>	<i>246,529</i>	<i>189,762</i>	<i>182,624</i>	<i>199,961</i>	<i>246,529</i>	<i>152,234</i>
Bonds and notes	91,010	35,623	22,993	19,819	40,974	35,623	30,965
Loans	187,374	186,956	144,455	138,733	134,348	186,956	101,750
Trade credits	1,554	1,519	1,409	1,508	1,552	1,519	553
Other debt liabilities	22,076	22,430	20,905	22,565	23,087	22,430	18,966
Direct Investment: Inter-company Lending	950,458	1,027,105	1,030,359	1,080,554	1,010,127	1,027,105	952,794
Debt liabilities to affiliated enterprises	195,501	212,323	196,694	194,096	204,935	212,323	221,770
Debt liabilities to direct investors	754,957	814,783	833,664	886,457	805,192	814,783	731,024
Gross External Debt	5,547,670	5,115,122	5,307,080	5,316,290	5,263,634	5,115,122	4,964,201

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