

**BANKING**

	Amount	% change, yoy, unless otherwise stated								
	(\$bn)	Monthly			Quarterly				Yearly	
		8/03	8/03	7/03	Q2/03	Q1/03	Q4/02	Q3/02	2002	2001
HKD M0 (in HKD)	122.0	13.0	12.6	11.9	9.9	11.4	11.2	11.4	10.8	-7.8
HKD M1 (in HKD)	285.3	20.6	18.2	18.7	13.4	12.9	14.5	12.9	12.8	-0.7
HKD M2 (in HKD)	2,027.5	2.7	1.9	0.5	-0.5	-0.7	-0.9	-0.7	0.5	3.9
HKD M3 (in HKD)	2,043.2	2.5	1.9	0.5	-0.5	-0.6	-0.8	-0.6	0.7	4.0
Spread (Prime-Hibor1) (pa) (%)	N.A.	3.96	3.94	3.74	3.69	3.40	3.43	3.37	3.40	3.26
Res. mortg. loans outstanding#										
(before adjusted to reclassification)	N.A.	-2.4	-2.8	-2.6	-0.8	1.0	2.4	1.0	1.6	N.A.
(after adjusted to reclassification)	522.4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Loans-to-Deposits Ratio (pa) (%)										
(Total)	N.A.	59.6	60.2	61.5	62.8	62.7	64.3	64.7	67.5	79.1
(HKD)	N.A.	84.8	85.8	87.6	89.3	88.4	89.4	89.6	90.1	92.0
Foreign Currency Reserves <sup>1</sup> (in US\$bn)	111.8	111.8	112.6	114.4	113.6	111.9	111.2	111.9	111.2	107.5
<b>Deposits</b>	3,386.9	3.0	2.5	0.6	-0.1	-2.6	-5.3	-2.6	-3.6	9.6
HKD Deposits <sup>2</sup>	1,851.7	1.6	1.0	-0.3	-1.5	-1.6	-1.7	-1.6	0.2	5.0
FC Deposits <sup>3</sup>	1,535.2	4.7	4.4	1.9	1.6	-3.8	-9.5	-3.8	-7.8	15.3
<b>Loans &amp; Advances</b>	2,020.0	-4.5	-4.8	-4.3	-4.5	-4.9	-6.6	-4.9	-11.2	-12.5
Loans in HKD	1,569.7	-3.3	-3.3	-3.0	-3.0	-1.9	-1.4	-1.9	-0.3	2.8
Loans in FC	450.3	-8.4	-9.4	-8.7	-9.7	-14.2	-21.1	-14.2	-33.6	-32.8
Loans for use in HK <sup>4</sup>	1,793.2	-2.9	-2.9	-2.8	-2.9	-2.4	-3.4	-2.4	-4.3	1.7
Loans for use outside HK <sup>5</sup>	226.9	-15.6	-17.5	-14.8	-15.4	-20.7	-24.9	-20.7	-38.6	-43.6
<b>Loans for use in HK (eop) – Q2/2003</b>	1,819.3	N.A.	N.A.	-2.8	-2.9	-2.4	-3.4	-2.4	-4.4	1.6
Mortgage Lending	624.3	N.A.	N.A.	-4.1	-2.1	-0.8	0.6	-0.8	3.3	2.9
Property Development & Investment	372.9	N.A.	N.A.	-1.7	-2.3	-2.6	-3.8	-2.6	-2.4	3.7
Trade Finances <sup>4</sup>	98.6	N.A.	N.A.	6.5	7.6	2.5	-3.0	2.5	-14.6	-8.6
Financial Concerns	129.1	N.A.	N.A.	-1.3	-11.9	-11.6	-13.0	-11.6	-16.4	-10.1
Wholesale & Retail Trade	102.1	N.A.	N.A.	-0.3	0.1	-0.8	-6.8	-0.8	-15.8	-16.6
Manufacturing	75.2	N.A.	N.A.	2.7	-0.5	-0.8	-3.1	-0.8	-3.4	-8.0
Credit Card	46.8	N.A.	N.A.	-11.4	-10.9	-6.3	-2.6	-6.3	12.8	30.1
Private Purposes	76.6	N.A.	N.A.	-8.5	-7.0	-2.3	-3.1	-2.3	-2.4	3.4

**PRIVATE CONSUMPTION**

	Amount	% change, yoy, unless otherwise stated								
		Monthly			Quarterly				Yearly	
		8/03	8/03	7/03	Q2/03	Q1/03	Q4/02	Q3/02	2002	2001
Retail Sales (Value)	\$14.7 bn	1.2	-2.5	-10.9	-2.9	-2.5	-4.3	-4.1	-1.2	3.8
(Volume)	N.A.	3.0	-0.3	-7.7	-1.1	-1.1	-3.0	-2.6	1.2	8.3
Restaurant Receipts (Value)	\$10.5 bn (03 Q2)	N.A.	N.A.	-19.7	-8.6	-5.9	-4.5	-5.4	-2.5	2.1
(Volume)	N.A.	N.A.	N.A.	-18.6	-7.3	-4.4	-3.0	-4.2	-2.3	3.1
Department Store (Value)	\$1.4 bn	-0.4	-5.1	-12.5	-4.7	-0.2	-1.6	-0.7	2.6	-1.0
(Volume)	N.A.	-1.5	-4.7	-9.7	-4.4	1.1	0.0	0.5	5.8	2.6
Visitors Arrivals	1.64 mn	9.6	-5.6	-57.9	19.7	33.9	22.1	20.7	5.1	15.3

## PROPERTY

Private Residential	Amount	% Change mom			% Change qoq			% Change yoy		
		8/03	7/03	Q2/03	Q1/03	Q4/02	Q3/02	2002	2001	2000
<b>Price and Rental Indices</b>										
Rental (official) : period average	N.A.	N.A.	-1.4	-4.5	-3.1	-4.2	-2.8	-12.6	-2.8	-1.9
Price (official) : period average	N.A.	N.A.	-1.7	-5.6	-3.7	-5.1	-4.9	-11.2	-12.2	-10.4
: eop	N.A.	N.A.	-1.7	-4.4	-5.7	-2.8	-7.2	-12.2	-9.8	-14.5
HK (\$/sf): eop	2,533	2,533	2,521	2,479	2,620	2,765	2,840	2,765	3,066	3,438
KL (\$/sf): eop	2,304	2,304	2,233	2,247	2,322	2,432	2,543	2,432	2,761	3,083
NT (\$/sf): eop	1,791	1,791	1,881	1,890	1,936	2,024	2,118	2,024	2,216	2,544
Rental yield (%) : HK	4.95	4.95	5.02	4.91	4.69	4.77	4.84	4.91	5.22	4.49
KL	5.36	5.36	5.36	5.30	5.20	5.03	4.86	5.09	5.44	4.92
NT	4.71	4.71	4.77	4.70	4.62	4.61	4.46	4.51	4.56	4.22
<b>Sales &amp; purchase agreements</b>										
Value	\$15.3 bn	-8.4	45.1	-8.5	0	-16.5	-22.0	-3.8	-13.4	-13.3
Number	7,947	3.8	27.4	-1.3	-5.4	-3.5	-23.1	-2.6	2.9	-12.9
<b>New res. mortg. approved of 25 AIs#</b>										
Number, during the period	5,327	-28.8	32.4	8.5	-15.5	-15.2	-22.8	-7.8	-4.9	N.A.
Value per loan, during the period	\$1.12 mn	-5.1	-1.7	-3.3	-3.4	3.6	-5.2	-4.9	-5.2	N.A.
<b>Supply</b>										
No. of private flats completed	4,530	N.A.	N.A.	N.A.	4,530	11,198	12,751	32,746	23,986	26,274
	03 Q1									
No. of private flats with consent to start work	12,351	N.A.	N.A.	N.A.	12,351	3,880	4,378	18,271	27,274	31,366
	03 Q1									

## MACROECONOMIC INDICATORS

	Amount (\$bn)	% change, yoy unless otherwise stated								
		Monthly			Quarterly			Yearly		
	8/03	7/03	Q2/03	Q1/03	Q4/02	Q3/02	2002	2001	2000	
GDP	N.A.	N.A.	N.A.	-0.5	4.5	5.1	3.4	2.3	0.5	10.2
Composite CPI	N.A.	-3.8	-4.0	-2.5	-1.9	-2.9	-3.5	-3.0	-1.6	-3.8
<b>Labour</b>										
Unemployment Rate (%)	N.A.	8.6	8.7	8.6	7.5	7.2	7.4	7.3	5.1	4.9
Unemployed ('000 people)	N.A.	309.0	309.2	300.0	259.8	252.6	267.2	255.5	174.8	166.9
<b>External Trade (Nominal)</b>										
Total Exports	151.2	7.0	7.6	12.2	17.6	15.5	8.5	5.4	-5.8	16.6
Domestic Exports	11.8	-2.4	-7.1	-11.4	-10.4	-13.6	-10.4	-14.7	-15.2	6.1
Re-exports	139.4	7.9	9.1	14.4	20.3	18.8	10.6	7.7	-4.6	18.1
Total Imports	152.9	6.0	5.6	9.6	17.8	14.9	6.5	3.3	-5.4	19.0
Trade Balance (in \$bn)	-1.7	-1.7	-2.3	-13.3	-20.1	-10.7	-10.9	-58.9	-87.2	-85.3

## FORECASTS FOR REAL GDP & CPI

	2003F (Gov)	2003F (BEA)	2002	2001	2000
GDP	2.0	2.3	2.3	0.5	10.2
Private Consumption	-1.5	-1.2	-1.3	1.6	5.9
Government	3.5	3.5	2.4	6.1	2.0
Capital Formation	-5.4	-4.0	-4.3	2.7	11.0
Domestic Exports	-15.0	-14.0	-11.2	-10.2	7.5
Re-exports	11.5	12.0	11.0	-2.4	18.5
Total Exports	9.2	9.7	8.7	-3.3	17.1
Imports of Goods	7.1	7.9	7.9	-1.9	18.2
Visible Trade (HK\$ billion)	-51.6	-56.7	-80.5	-85.0	-64.0
Exports of Services	2.0	2.5	11.7	6.9	12.9
Imports of Services	-7.0	-7.0	0.2	2.0	4.2
Invisible Trade (HK\$ billion)	204.6	206.5	183.3	143.9	126.0
CPI (Composite)	-3.0	-2.5	-3.0	-1.6	-3.8

Unit: %

Note: *pa*: Period averages; *eop*: End-of-period; *N.A.*: Not applicable  
*mom*: Month-on-month; *qoq*: Quarter-on-quarter; *yoy*: Year-on-year  
*Gov*: HKSAR Government; *BEA*: The Bank of East Asia

<sup>1</sup> Foreign Currency Reserves in Land Fund are not included before June 30, 1997

<sup>2</sup> Adjusted to include swap deposits

<sup>3</sup> Adjusted to exclude swap deposits

<sup>4</sup> Loans to finance merchandising trade not touching HK would be included in trade finance & loans for use in HK

<sup>5</sup> Others loans where the place of use is not known would be included in loans for use outside HK

# The number of authorized institutions participating in the HKMA Residential Mortgage Survey is reduced from 28 to 25 starting from August 2003

**KEY INTERNATIONAL INDICATORS FOR MAJOR ECONOMIES**  
(Update: 10<sup>th</sup> October, 2003)

Country/Region	Unemployment rate	CPI inflation	Real GDP/GNP growth rate	Money supply (M1) growth	Prime lending rate
Australia	5.8% (Aug.)	2.7% (Q2)	2.0% (Q2)	7.4% (Aug.)	8.75%
Canada	8.0% (Aug.)	2.0% (Aug.)	1.6% (Q2)	9.3% (Aug.)	4.50%
China	4.2%*	0.9% (Aug.)	6.7% (Q2)	18.8% (Aug.)	5.31%
Euro area	8.8% (Aug.)	2.1% (Sep.)	0.2% (Q2)	11.8% (Aug.)	3.00%
Hong Kong	8.6% (Jun. – Aug.)	-3.8% (Aug.)	-0.5% (Q2)	20.6% (Aug.)	5.00%
Japan	5.1% (Aug.)	-0.3% (Aug.)	3.0% (Q2)	5.5% (Aug.)	1.375%
UK	5.1% (Jul.)	2.9% (Aug.)	2.0% (Q2)	7.9% (Aug.)	3.50%
US	6.1% (Aug.)	2.2% (Aug.)	2.5% (Q2)	8.6% (Aug.)	4.00%

\* Figure as at end-June, 2003

*This material is prepared by The Bank of East Asia, Ltd.(Economic Research Department) based upon information which we consider reliable. Data are obtained from the Census and Statistics Department, HKSAR; the Hong Kong Monetary Authority; The Economist and the National Bureau of Statistics, China. Opinions expressed herein are subject to change without notice.*