

Awkward August threatens territory's exports recovery

By Rodeny Diola

A RECOVERY in the territory's export performance in the second half of the year seems unlikely given the tepid volume registered in August.

Statistics released yesterday showed that the volume of Hong Kong's exports rose by only 5.1 per cent in the first eight months of 1996 compared to the double digit growth posted last year.

Re-exports rose by 7.8 per cent in the first eight months, but the volume of domestic exports fell by 8.2 per cent, according to statistics released by the Census and Statistics Department.

The statistics discount price changes in goods.

Imports increased by 3.9 per cent in volume over the eight-month period.

The volume of re-exports in August increased by 7.7 per cent, compared to the same month last year.

Domestic exports fell by 11 per cent in August compared to the corresponding period last year.

The volume of total exports increased by 4.6 per cent.

The volume of imports increased by 2.1 per cent.

For August, increases in volume were recorded for all the end-use categories of re-exports.

They were: foodstuffs (+30 per cent); fuels (+29 per cent); capital goods (+12 per cent); raw materials and semi-manufactures (+6.2 per cent); and consumer goods (+5.9 per cent).

Over the same period, an increase in the prices of re-

exports was only noted of fuels (+13 per cent).

On the other hand, the re-export prices of raw materials and semi-manufactures; capital goods; foodstuffs; and consumer goods decreased by 4.1 per cent; 1.8 per cent; 0.2 per cent and 0.1 per cent respectively.

Analysts said the slowdown in export performance was due to a weaker demand from developed economies, especially for electronics and semi-conductors.

The poor performance was expected to weigh down Hong Kong's economic recovery this year, they said.

However, Hong Kong is not alone and other major Asian economies are also experiencing a slowdown in their performance.