

Box 2.3

Effect of new tourism expenditure data on the balance of payments statistics

Balance of payments (BoP) measures the economic transactions of the Hong Kong economy with the rest of the world. Expenditure by non-residents in Hong Kong is classified as travel credit of the trade in services account under the current account of BoP. A change to the tourism expenditure data will lead to the same change in absolute amount in the balance of trade in services, and hence also the same change in absolute amount in the current account balance. Nevertheless, the overall BoP balance, being the exact mirror image of the change in official reserves which is ascertained from a separate source, will be totally unaffected. Yet a parallel adjustment, to the same absolute amount as with the change in the current account balance but in the opposite direction, will be made to net errors and omissions in the BoP account.

With the new set of data on destination consumption expenditure of incoming visitors and travellers (see the technical explanation in **Box 1.1** in Chapter 1) leading to lower exports of services, the surplus on trade in services is revised down to \$115.2 billion in 2001 and \$144.5 billion in 2002. Thus the current account surplus is also revised down, to \$77.5 billion in 2001 and \$118.1 billion in 2002, corresponding to 6.1% and 9.4% of GDP in those two years.