

Business Prospects Survey Hong Kong, China

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Business Prospects Survey

- Conducted since July 1974
- Feasibility and resources implications on harmonizing with BTS in other regions being assessed



Questionnaire

- Consists of 2 parts
- 1st part - fixed, collect data on volume of orders, profit margins, employment and wages, prices, investment intentions etc.
- 2nd part - vary in each round, collect views on topics of current interest.
- Harmonization -- affect the 1st part.

Questionnaire

- Covers 5 of the 13 harmonized core questions but in different format (all asking future change for 6 months ahead).
- Variable covered (harmonized format)
 - Order books, total (present level)
 - Order books, export (present level)
 - Selling prices (future change for 3-4 months)
 - Employment (future change for 3-4 months)
 - Capacity utilization (present level)

Questionnaire

- Answers to the questions have been simplified from quantitative options to qualitative options in July 2001 round.
- Feasibility of incorporating the core questions while minimizing disruption to data continuity being deliberated

Periodicity

- Half-yearly basis
- January round -- views on outlook for 1st and 2nd half of the year
- July round -- more up-to-date views on 2nd half of the year
- Resources implications for changing the survey to quarterly basis being assessed.

Sample Design

- Panel of 280 firms
- Manufacturing, public utilities, construction, import/export, banking, real estate development.
- Mainly large establishments

Weighting Method

- Manufacturing :
 - Grossed up by sampling fraction + adjustments by employment size for most opinion entries
- Banking, real estate developers and public utilities:
 - No grossing up as only prominent firms are selected
- Others :
 - Grossed up by sampling fraction

Data Analysis

- Net balance method for each variable
-- balance of "increase" over "decrease"
- To assess the feasibility of developing a composite index after this workshop.

Summary of Way Forward

To assess feasibility and resources implications on

- incorporating the **harmonized questions**
- go **quarterly**
- developing and compiling **composite index**

