Panel on Financial Affairs Special meeting on 12 April 2007

List of follow-up actions

Summary Results of the 2006 Population By-census

1 (a) To provide an information paper to explain in greater detail the M-shaped phenomenon and compilation of Gini coefficient, detailing the changes in household income distribution and Gini coefficient for the period 1996 to 2006, setting out a comprehensive analysis on income disparity in Hong Kong as well as analyzing the impact of different thresholds on "high-income" and "low-income" households on the findings of income disparity and the Gini coefficient.

Response

An information paper will be prepared upon the release of the thematic report entitled "Household Income Distribution in Hong Kong" in the coming two to three months. It will provide requisite information relating to the "M-shape Society" phenomenon and Gini coefficient, etc.

1 (b) To provide a table to compare the changes in proportion of domestic households with monthly household income lower than \$8,000 and those with monthly household income higher than \$40,000 during the period 1996 to 2006, vis-à-vis the rate of deflation/inflation and the growth in Gross Domestic Product.

Response

The number and proportion of domestic households with monthly household income below \$8,000, in the range of \$8,000 to \$39,999 and at or above \$40,000 for each of the years 1996 and 2006 are given in <u>Table 1A</u>. Corresponding figures with the 1996 income brought up to the 2006 price level using the Composite Consumer Price Index are also presented therein to facilitate comparison. <u>Table 1B</u> compares the changes in the median monthly household income vis-à-vis the growth in per capita Gross Domestic Product (GDP) at current market prices over the period 1996-2006.

Caution should be taken in interpreting the figures in Table 1B. First, the unit of analysis of per capita GDP and household income is different. The former pertains to persons and the latter to households. Second, the number of households grew faster (at 20%) than the population (at 7%)

over the past ten years and as a result, there was a drop in average household size. The difference in growth rate between the number of households and the population of 13 percentage points is very close to the difference in the rates of change between median monthly household income and per capita GDP of around 14 percentage points. Apart from the drop in household size, there are other factors affecting the income distribution like population ageing, job upgrading amid economic restructuring, and the prolonged economic downturn in the period up to 2003.

To include in the thematic report to be published relevant statistics and indicators on income distribution including 1996, 2001 and 2006 unadjusted Gini coefficients, and Gini coefficients duly adjusted to include the effect of taxation and social benefits (such as subsidies provided by the Government on housing, medical and education services); as well as comparison of Hong Kong's indicators with those of other countries.

Response

The requested information will be included in the thematic report.

1(d) With regard to Table 25 of the "2006 Population By-census Summary Results", provide further breakdown on monthly household income higher than \$60,000.

Response

<u>Table 2</u> presents the distribution of monthly domestic household income with the upper income end extended to \$150,000. The extended upper income end is determined in accordance with statistical theory, such that the precision of the figures are at 90% level of confidence.

1(e) To note Members' request for the comprehensive thematic report on household income distribution to be made available in time for Members' consideration in June/July 2007.

Response

The Census and Statistics Department has taken note of Members' request.

表 1A: 一九九六年及二零零六年按家庭住戶每月收入(以當時及固定市價計算)劃分的家庭住戶數目

Table 1A: Number of Domestic Households by Monthly Domestic Household Income (at Current and Constant Price), 1996 and 2006

	1996		2006				
家庭住戶每月收入(港元) Monthly Domestic Household Income (HK\$)	數目 Number	百分比 %	數目 Number	百分比%			
	以當時市價計算 At Current Price						
< 8,000	305 103	16.4	473 130	21.2			
8,000-39,999	1 271 747	68.5	1 374 943	61.8 17.0			
≥ 40,000	278 703	15.0	378 473				
總計 Total	1 855 553	100.0	2 226 546	100.0			
	以固定 (二零零六年六月) 市價計算 [基於綜合消費物價指數] At Constant (June 2006) Price [based on Composite CPI]						
< 8,000	342 738	18.5	473 130	21.2			
8,000-39,999	1 252 341	67.5	1 374 943	61.8			
≥ 40,000	260 474	14.0	378 473	17.0			
總計 Total	1 855 553	100.0	2 226 546	100.0			

表 1B: 一九九六年及二零零六年綜合消費物價指數、家庭住戶每月收入中位數及本地生產總值

Table 1B: Composite Consumer Price Index, Median Monthly Domestic Household Income and Per Capita Gross Domestic Product, 1996 and 2006

	1996	2006
綜合消費物價指數 Composite Consumer Price Index	104.2	102.4 (-1.7%)
家庭住戶每月收入中位數 (以當時市價計算(港元)) Median Monthly Domestic Household Income (At Current Price (HK\$))	17,500	17,250 (-1.4%)
接人口平均計算的本地生產總值 (以當時市價計算(港元)) Per capita Gross Domestic Product (At Current Price (HK\$))	191,047	215,006 (+12.5%)

表二: 一九九六年、二零零一年及二零零六年按家庭住戶每月收入(以當時市價計算)劃分的家庭住戶數目 Table 2: Number of Domestic Households by Monthly Domestic Household Income (at current price), 1996, 2001 and 2006

	19	1996		2001		2006	
家庭住戶每月收入(港元)	數目	百分比	數目	百分比	數目	百分比	
Monthly Domestic Household Income	Number	%	Number	%	Number	%	
(HK\$)							
< 2,000	55 597	3.0	65 855	3.2	86 736	3.9	
2,000 - 3,999	68 272	3.7	97 568	4.8	118 779	5.3	
4,000 - 5,999	75 595	4.1	93 018	4.5	121 605	5.5	
6,000 - 7,999	105 639	5.7	116 340	5.7	146 010	6.6	
8,000 - 9,999	136 577	7.4	120 721	5.9	147 081	6.6	
10,000 - 14,999	324 001	17.5	318 623	15.5	339 469	15.2	
15,000 - 19,999	269 694	14.5	262 086	12.8	279 217	12.5	
20,000 - 24,999	210 926	11.4	223 708	10.9	225 292	10.1	
25,000 - 29,999	147 295	7.9	159 470	7.8	162 783	7.3	
30,000 - 39,999	183 254	9.9	219 229	10.7	221 101	9.9	
40,000 - 59,999	150 440	8.1	197 311	9.6	194 723	8.7	
60,000 - 79,999	55 119	3.0	75 430	3.7	77 347	3.5	
80,000 - 99,999	24 908	1.3	37 202	1.8	38 534	1.7	
100,000 - 149,999	27 336	1.5	39 904	1.9	40 154	1.8	
≥150,000	20 900	1.1	26 947	1.3	27 715	1.2	
總計							
Total	1 855 553	100.0	2 053 412	100.0	2 226 546	100.0	

Financial Services and the Treasury Bureau May 2007