High Frequency Macroeconomic Forecasts:
Third Quarter 2005

APEC Study Centre
The University of Hong Kong

July 7, 2005

http://www.hku.hk/apec/
# High Frequency Macroeconomic Forecasts

**APEC Study Center**  
**The University of Hong Kong**

Current Quarter Model Forecast  
(Percentage)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td><strong>Gross Domestic Product</strong></td>
<td>7.1</td>
<td>6.0</td>
<td>5.6</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>Private Consumption Expenditure</strong></td>
<td>5.9</td>
<td>4.6</td>
<td>3.9</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>Government Consumption Expenditure</strong></td>
<td>-1.7</td>
<td>-4.2</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total Export of Goods &amp; Services</strong></td>
<td>11.6</td>
<td>8.9</td>
<td>9.2</td>
<td>7.6</td>
</tr>
<tr>
<td><strong>Total Import of Goods &amp; Services</strong></td>
<td>6.9</td>
<td>3.9</td>
<td>5.0</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>Gross Investment</strong></td>
<td>-1.4</td>
<td>2.2</td>
<td>0.4</td>
<td>-1.8</td>
</tr>
<tr>
<td><strong>CPI (Composite) Inflation Rate</strong></td>
<td>0.2</td>
<td>0.4</td>
<td>0.8</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Unemployment Rate</strong></td>
<td>6.5</td>
<td>6.1</td>
<td>5.7</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Date of Forecast: June 27, 2005
# High Frequency Macroeconomic Forecasts

**APEC Study Center**  
The University of Hong Kong  

Current Quarter Model Forecast  
Contribution to total GDP Growth (Percentage Points)

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>Gross Domestic Product</td>
<td>7.1</td>
<td>6.0</td>
<td>5.6</td>
<td>4.9</td>
</tr>
<tr>
<td>Private Consumption Expenditure</td>
<td>3.2</td>
<td>2.6</td>
<td>2.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Government Consumption Expenditure</td>
<td>-0.2</td>
<td>-0.4</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Net Export of Goods &amp; Services</td>
<td>8.8</td>
<td>8.4</td>
<td>7.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Gross Investment</td>
<td>-0.3</td>
<td>0.5</td>
<td>0.1</td>
<td>-0.4</td>
</tr>
</tbody>
</table>

Date of Forecast: June 27, 2005
Retail Sales Volume

Year-on-year Percentage

Volume Index (Oct 99 - Sep 00=100)
Domestic Export of Goods
(2000 Prices)

Year-on-year Percentage

Billion HK dollars
Re-export of Goods
(2000 Prices)

Year-on-year Percentage

Billion HK dollars

Visitor Arrivals

Year-on-year Percentage

Million Persons

+13.0 +18.4 +17.1 +12.9 +7.8 +7.2 +4.2 +1.8 +12.4 +13.2 +22.1 +33.9 +19.7

-57.9

+208.4

+30.1

+17.0 +10.8 +10.1 +7.4

5.6 6.2
Export of Services (2000 Prices)

Year-on-year Percentage

Billion HK dollars

-20.0  -10.0  0.0  10.0  20.0  30.0  40.0  50.0  60.0  70.0  80.0  90.0  100.0  110.0  120.0  130.0  140.0

-20.0 -10.0  0.0  10.0  20.0  30.0  40.0  50.0  60.0  70.0  80.0  90.0  100.0  110.0  120.0  130.0  140.0
Import of Goods
(2000 Prices)

Year-on-year Percentage

Billion HK dollars
Import of Services
(2000 Prices)

Year-on-year Percentage

Billion HK dollars

Q1  Q2  Q3  Q4  Q1  Q2  Q3  Q4  Q1  Q2  Q3  Q4  Q1  Q2  Q3  Q4  Q1  Q2  Q3  Q4
+0.5 +4.0 +3.4 +2.9 +5.4 +7.7 +2.2 +5.9 +3.5 +7.2 +6.2 +5.5 +2.9 +6.3
-0.1 -0.2 -1.1 -3.0 -14.3 +30.1
Investment in Land and Construction (2000 Prices)

Year-on-year Percentage

Billion HK dollars
Investment in Machinery, Equipment & Computer Software
(2000 Prices)

Year-on-year Percentage

Billion HK dollars
Interest Rates

Spread of 3-month HIBOR over LIBOR

3-month HIBOR

3-month LIBOR