High Frequency Macroeconomic Forecasts:
Fourth Quarter 2006

APEC Study Centre
The University of Hong Kong

October 10, 2006

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>Q1</th>
<th>Q2</th>
<th>Q3 (forecast)</th>
<th>Q4 (forecast)</th>
<th>Annual (forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Domestic Product</td>
<td>8.0</td>
<td>5.2</td>
<td>5.1</td>
<td>4.5</td>
<td>5.7</td>
</tr>
<tr>
<td>Private Consumption Expenditure</td>
<td>4.5</td>
<td>5.0</td>
<td>4.5</td>
<td>5.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Government Consumption Expenditure</td>
<td>1.2</td>
<td>-1.3</td>
<td>4.9</td>
<td>4.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Total Export of Goods &amp; Services</td>
<td>13.3</td>
<td>6.7</td>
<td>9.8</td>
<td>9.2</td>
<td>9.7</td>
</tr>
<tr>
<td>Total Import of Goods &amp; Services</td>
<td>13.1</td>
<td>6.8</td>
<td>10.3</td>
<td>9.4</td>
<td>9.8</td>
</tr>
<tr>
<td>Gross Fixed Capital Formation</td>
<td>7.6</td>
<td>4.3</td>
<td>7.0</td>
<td>1.3</td>
<td>3.6</td>
</tr>
<tr>
<td>CPI (Composite) Inflation Rate</td>
<td>1.6</td>
<td>2.0</td>
<td>2.4</td>
<td>2.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.2</td>
<td>5.0</td>
<td>4.8</td>
<td>4.7</td>
<td>4.9</td>
</tr>
</tbody>
</table>

**Date of Forecast:** October 4, 2006
## High Frequency Macroeconomic Forecasts

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

<table>
<thead>
<tr>
<th>Contribution</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
</tr>
<tr>
<td>Gross Domestic Product</td>
<td>8.0</td>
</tr>
<tr>
<td>Private Consumption Expenditure</td>
<td>2.5</td>
</tr>
<tr>
<td>Government Consumption Expenditure</td>
<td>0.1</td>
</tr>
<tr>
<td>Net Export of Goods &amp; Services</td>
<td>2.3</td>
</tr>
<tr>
<td>Gross Fixed Capital Formation</td>
<td>1.8</td>
</tr>
<tr>
<td>Changes in Inventories</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Date of Forecast: October 4, 2006
External Trade Balance of Goods and Services
(Percentage of GDP, 2000 HK Dollars)
Gross Domestic Fixed Capital Formation
(2000 Prices)

Year-on-year Percentage

Billion HK dollars

-15.0 -10.0 -5.0 0.0 5.0 10.0 15.0 20.0 25.0 30.0

-15.0 -10.0 -5.0 0.0 5.0 10.0 15.0 20.0 25.0 30.0

0Q1 0Q2 0Q3 0Q4 01Q1 01Q2 01Q3 01Q4 02Q1 02Q2 02Q3 02Q4 03Q1 03Q2 03Q3 03Q4 04Q1 04Q2 04Q3 04Q4 05Q1 05Q2 05Q3 05Q4 06Q1 06Q2 06Q3 06Q4

+13.9 +13.1 +10.0 +2.8 +3.0 +5.7 +3.4 +10.3 +4.4 +0.8 +0.4 +4.9 +2.8 +4.3 +7.0 +1.3

-4.4 -4.4 -12.2 -4.0 -0.3 -1.0
Investment in Machinery, Equipment & Computer Software
(2000 Prices)

Year-on-year Percentage

Billion HK dollars
Unemployment Rate (Seasonally Adjusted)

Number of Unemployed
Workers Vs Jobs
(in millions)

[Bar chart showing the comparison between the number of workers and jobs from 2001 to 2004, with different colors representing different years.]

- Total No. of Workers
- No. of Jobs
- No. of Unemployed