

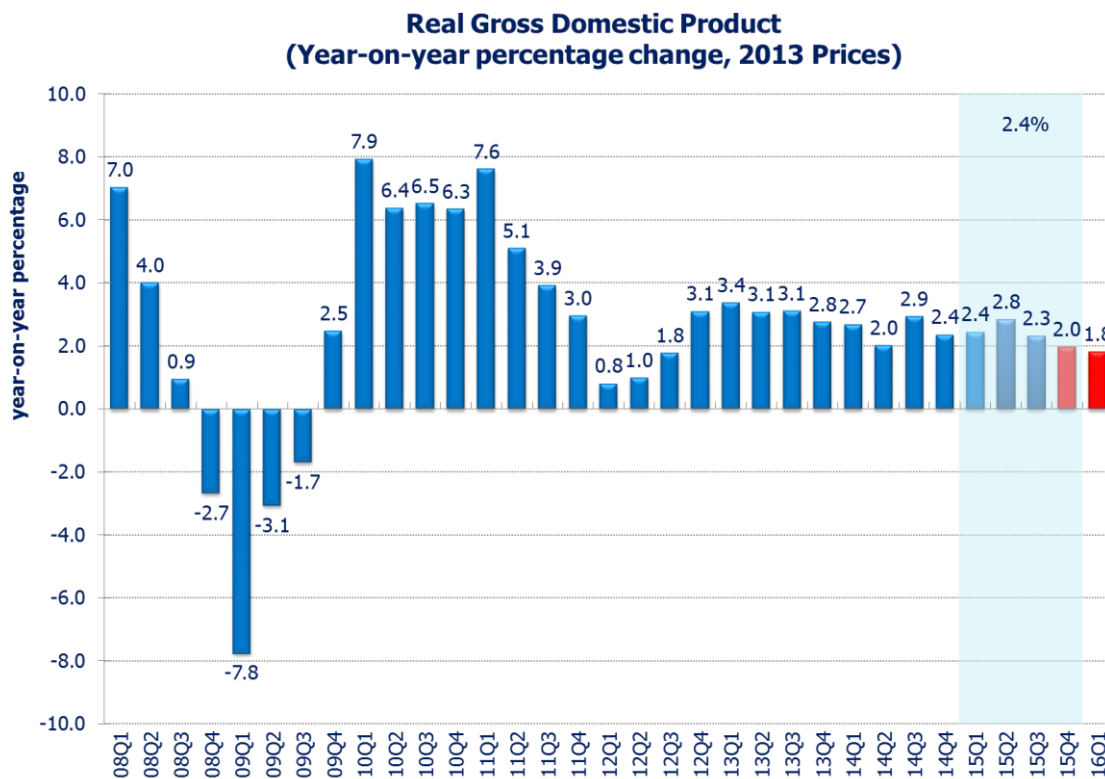


## HKU announces 2016 Q1 HK Macroeconomic Forecast

January 5, 2016

The APEC Studies Programme of the Hong Kong Institute of Economics and Business Strategy at the University of Hong Kong (HKU) released its quarterly Hong Kong Macroeconomic Forecast today (January 5). According to its High Frequency Macroeconomic Forecast, real GDP is estimated to grow by 2.0% in 15Q4, when compared with the same period in 2014. It is estimated to growth by 2.4% for the year of 2015 as a whole

In 16Q1, real GDP growth is forecast to be 1.8% when compared with the same period last year. We expect Hong Kong GDP is likely to grow below 2.0% in the year of 2016, slower than 2015.



**High Frequency Macroeconomic Forecasts**  
**APEC Studies Programme**  
**Hong Kong Institute of Economics & Business Strategy**  
**The University of Hong Kong**

Table 1: Current Quarter Model Forecast  
(Millions of 2013 HK Dollar)

	2014			2015					2016
	Q3	Q4	Annual	Q1	Q2	Q3	Q4 (Estimate)	Annual (Estimate)	Q1 (Forecast)
Gross Domestic Product	558,683	584,672	2,192,153	543,244	533,241	571,655	596,148	2,244,288	553,135
Private Consumption Expenditure	355,179	385,705	1,458,633	373,776	384,653	370,368	397,600	1,526,397	384,347
Government Consumption Expenditure	51,311	51,447	205,099	55,284	50,518	52,620	52,990	211,412	56,926
Exports of Goods	1,010,764	1,012,119	3,848,067	883,292	911,367	978,335	976,462	3,749,456	840,449
Imports of Goods	1,137,396	1,171,280	4,433,887	1,027,374	1,063,745	1,090,797	1,106,955	4,288,871	966,150
Exports of Services	276,471	283,155	1,067,450	263,596	246,529	272,994	272,936	1,056,055	251,733
Imports of Services	121,935	124,411	476,062	122,081	118,792	126,950	128,339	496,162	125,423
Gross Fixed Capital Formation	128,899	146,056	514,925	123,383	131,695	120,545	138,945	514,568	117,115
GFCF in Land & Construction	66,941	71,701	266,904	69,411	68,044	65,106	68,037	270,598	66,349
GFCF in Mach., Equip. & Comp. Soft.	61,958	74,355	248,021	53,972	63,651	55,439	70,908	243,970	50,765
Changes in Inventories	-4,610	1,881	7,928	-6,632	-8,984	-5,460	-7,492	-28,568	-5,861

Date of Forecast: Dec 30, 2015

**High Frequency Macroeconomic Forecasts**  
**APEC Studies Programme**  
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Table 2: Current Quarter Model Forecast  
Year-on-Year Growth Rate (%)

	2014			2015					2016
	Q3	Q4	Annual	Q1	Q2	Q3	Q4 (Estimate)	Annual (Estimate)	Q1 (Forecast)
Gross Domestic Product	2.9	2.4	2.5	2.4	2.8	2.3	2.0	2.4	1.8
Private Consumption Expenditure	4.7	4.1	3.2	5.3	6.1	4.3	3.1	4.6	2.8
Government Consumption Expenditure	3.6	3.3	3.0	3.4	3.3	2.6	3.0	3.1	3.0
Exports of Goods	0.7	0.6	0.8	0.4	-3.6	-3.2	-3.5	-2.6	-4.9
Imports of Goods	0.3	1.1	0.9	0.1	-3.2	-4.1	-5.5	-3.3	-6.0
Exports of Services	1.3	-0.3	0.9	0.0	0.9	-1.3	-3.6	-1.1	-4.5
Imports of Services	2.0	1.1	1.9	6.1	3.6	4.1	3.2	4.2	2.7
Gross Fixed Capital Formation	-1.7	3.4	-0.2	7.5	5.2	-6.5	-4.9	-0.1	-5.1
GFCF in Land & Construction	11.3	9.1	6.5	2.7	12.2	-2.7	-5.1	1.4	-4.4
GFCF in Machinery, Equip. & Computer Software	-11.2	-0.4	-6.5	14.4	-1.3	-10.5	-4.6	-1.6	-5.9
GDP Deflator Growth Rate	2.4	2.3	2.9	4.5	4.6	3.6	3.5	4.0	2.6
CPI (Composite) Inflation Rate	4.8	5.1	4.4	4.4	3.0	2.3	2.1	3.0	2.2
Unemployment Rate	3.3	3.3	3.2	3.3	3.2	3.3	3.2	3.3	3.3
Date of Forecast: Dec 30, 2015									

# High Frequency Macroeconomic Forecasts

## APEC Studies Programme

### Hong Kong Institute of Economics & Business Strategy

### The University of Hong Kong

Table 3: Selected Monthly Indicators  
Year-on-Year Growth Rate (%)

	2015									2016		
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Unit Value Trade Index (Domestic Exports)	-1.9	-2.5	-3.7	-3.7	-4.9	-4.1	-3.2	-3.2	-2.9	-2.4	-2.2	-1.6
Unit Value Trade Index (Imports of Foodstuffs)	2.5	1.3	0.5	0.8	0.2	-2.1	-3.5	-4.2	-4.6	-4.3	-4.3	-3.8
Unit Value Trade Index (Imports of Consumer Goods)	1.8	3.1	2.8	1.5	0.7	-0.2	-1.0	-1.0	-2.1	-2.3	-2.5	-2.2
Unit Value Trade Index (Imports of Raw Materials & Semi-Manufactures)	1.9	2.4	1.9	1.5	0.9	0.7	1.1	0.0	1.0	1.3	-0.5	1.0
Unit Value Trade Index (Imports of Fuels)	-31.8	-31.2	-30.5	-35.2	-39.4	-43.2	-40.8	-31.9	-20.0	-14.0	-8.9	-10.1
Unit Value Trade Index (Imports of Capital Goods)	-0.3	1.4	0.6	0.4	1.5	-1.9	-2.1	-1.5	-1.5	0.7	-1.9	-0.8
Real Retained Imports of Foodstuffs	-9.0	-8.1	-15.5	-18.6	-19.6	-24.0	-6.6	-12.7	-15.9	-18.8	-0.8	-6.9
Real Retained Imports of Consumer Goods	-11.4	-24.3	-3.3	-16.5	-14.7	-22.2	-35.0	-12.6	-6.2	-12.9	15.1	12.6
Real Retained Imports of Raw Materials & Semi-Manufactures	-22.0	-16.3	-8.3	-32.1	-28.1	-20.4	-24.9	-23.4	-25.7	-28.3	-7.0	-4.7
Real Retained Imports of Fuels	15.5	15.5	23.9	12.3	37.9	24.5	11.0	14.9	14.1	0.1	7.4	-6.9
Real Retained Imports of Capital Goods	-10.6	49.1	25.4	21.7	9.7	2.3	-9.0	-20.4	-10.6	-34.8	3.3	-2.4
Total Motor Vehicles Newly Registered	-1.9	0.6	30.9	3.8	-3.4	-5.9	6.6	15.5	-3.9	1.4	-20.8	2.2
Private Cars Newly Registered	-4.9	-1.8	27.5	-1.8	-8.6	-4.5	9.7	19.1	-2.0	2.8	-23.2	13.2
Money Supply (M2)	10.3	9.1	7.9	5.1	6.0	4.9	3.8	4.0	5.0	4.7	5.5	4.3
Loans and Advances	8.0	7.3	8.5	6.9	6.4	4.9	2.8	2.8	2.8	2.0	1.7	-1.4
Volume Index of Retail Sales	2.5	4.7	4.4	1.8	-0.1	-3.0	1.1	-4.7	-2.5	7.5	-5.8	-2.7
Visitors Arrivals	0.9	3.6	-2.9	-8.4	-6.6	-4.0	-2.7	-10.4	-8.3	-9.8	-10.9	-1.3
Hong Kong Resident Departures	6.4	7.0	5.8	4.3	3.6	6.4	4.4	4.1	3.4	4.5	2.3	2.9
Electricity Consumption	-1.2	2.7	3.2	-6.0	0.5	-3.2	1.2	7.4	3.9	1.3	2.6	1.8
Gas Consumption	-1.0	-3.4	-1.5	-2.1	1.6	-0.5	0.9	-2.2	0.3	0.3	-0.4	1.6

Date of Forecast: Dec 30, 2015

## **About Hong Kong Macroeconomic Forecast Project**

The Hong Kong Macroeconomic Forecast is based on research conducted by the APEC Studies Programme of the Hong Kong Institute of Economics and Business Strategy at HKU in the Faculty of Business and Economics. It aims to provide the community with timely information useful for tracking the short-term fluctuations of the economy. The current quarter macro forecasts have been released on a quarterly basis since 1999.

The high frequency forecasting system was originally developed in collaboration with Professor Lawrence Klein of the University of Pennsylvania in 1999-2000. Since then, the system has been maintained and further refined by the APEC Study Center which is now a research programme area of the Hong Kong Institution of Economics and Business Strategy.

The project is sponsored by the Faculty of Business and Economics. The Hong Kong Centre for Economic Research at HKU provides administrative support to the project. Researchers at the Hong Kong Institution of Economics and Business Strategy are solely responsible for the accuracy and interpretation of the forecasts. Our quarterly forecasts can be accessed at:

<http://www.hiebs.hku.hk/apec/macroforecast.htm>

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