



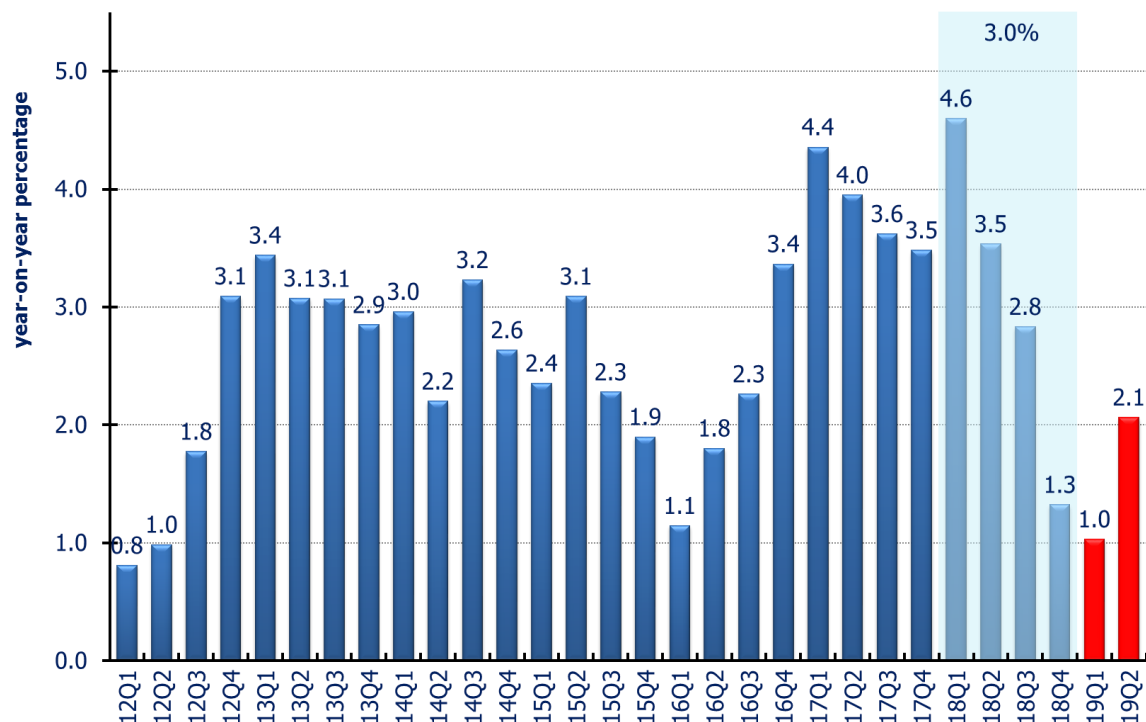
## HKU announces 2019 Q2 HK Macroeconomic Forecast

April 9, 2019

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 (April 9). According to its High Frequency Macroeconomic Forecast, real GDP is estimated to grow by 1.0% in 19Q1, when compared with the same period in 2018, a further slowdown from the 1.3% in 18Q4.

The global economic slowdown brought by the US-China trade tension severely dampened Hong Kong economic growth in the first half of 2019 but it is expected to improve in the second half. In 19Q2, real GDP growth is expected to revert to grow at 2.1% when compared with the same period last year. We forecast Hong Kong GDP to grow by 2.3% in 2019 as a whole, slower than the 3.0% growth in 2018 and a downward revision of our previous forecast by 0.5 percentage points.

**Real Gross Domestic Product  
(Year-on-year percentage change, 2016 Prices)**



## **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 Institute 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 Institute 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/macroforecasts>

For media enquiries, please contact the HKU Hong Kong Institute of Economics & Business Strategy, tel: 2547 8313, email: [info@hiebs.hku.hk](mailto:info@hiebs.hku.hk).

**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 2016 HK Dollar)

	2018					2019	
	Q1	Q2	Q3	Q4	Annual	Q1 (Estimate)	Q2 (Forecast)
Gross Domestic Product	651,185	635,373	675,977	701,822	2,664,357	657,908	648,495
Private Consumption Expenditure	452,125	462,069	446,416	478,447	1,839,057	460,732	472,484
Government Consumption Expenditure	69,099	63,580	66,052	67,018	265,749	71,172	65,487
Exports of Goods	992,647	1,030,137	1,142,000	1,126,233	4,291,017	950,277	990,022
Imports of Goods	1,059,167	1,112,206	1,188,809	1,164,604	4,524,786	1,011,007	1,059,321
Exports of Services	215,277	190,642	209,265	210,504	825,688	218,695	191,657
Imports of Services	148,012	142,799	155,389	157,093	603,293	147,774	144,574
Gross Fixed Capital Formation	132,073	142,074	144,744	144,325	563,216	122,920	137,896
GFCF in Land & Construction	88,343	84,561	78,208	77,306	328,418	79,866	79,609
GFCF in Mach., Equip. & Comp. Soft.	43,730	57,513	66,536	67,019	234,798	43,054	58,287
Changes in Inventories	-2,857	1,876	11,698	-3,008	7,709	-7,106	-5,157

Date of Forecast: April 8, 2019

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Table 2: Current Quarter Model Forecast  
Year-on-Year Growth Rate (%)

	2018					2019	
	Q1	Q2	Q3	Q4	Annual	Q1 (Estimate)	Q2 (Forecast)
Gross Domestic Product	4.6	3.5	2.8	1.3	3.0	1.0	2.1
Private Consumption Expenditure	8.9	6.0	4.8	3.1	5.6	1.9	2.3
Government Consumption Expenditure	4.3	4.3	3.3	5.0	4.2	3.0	3.0
Exports of Goods	5.2	4.7	5.0	-0.2	3.5	-4.3	-3.9
Imports of Goods	6.9	6.3	7.7	-0.8	4.9	-4.5	-4.8
Exports of Services	7.6	5.6	3.4	2.9	4.9	1.6	0.5
Imports of Services	4.2	0.2	2.5	2.0	2.2	-0.2	1.2
Gross Fixed Capital Formation	4.4	2.1	9.2	-5.4	2.2	-6.9	-2.9
GFCF in Land & Construction	3.5	0.2	0.8	-12.7	-2.2	-9.6	-5.9
GFCF in Machinery, Equip. & Computer Software	6.1	4.9	21.0	4.6	9.1	-1.5	1.3
GDP Deflator Growth Rate	3.9	3.9	3.9	3.4	3.8	3.2	1.9
CPI (Composite) Inflation Rate	2.4	2.1	2.5	2.6	2.4	2.2	2.4
Unemployment Rate	2.9	2.8	2.8	2.8	2.8	2.8	2.8
Date of Forecast: April 8, 2019							

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

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