High Frequency Macroeconomic Forecast

First Quarter 2008

APEC Study Centre
The University of Hong Kong

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http://www.hku.hk/apec/

High Frequency Macroeconomic Forecasts
APEC Study Center
The University of Hong Kong

Current Quarter Model Forecast
(Percentage)

	2007				2008
	Q2	Q3	Q4 (forecast)	Annual (forecast)	Q1 (forecast)
Gross Domestic Product	6.6	6.2	6.0	6.1	5.1
Private Consumption Expenditure	5.7	9.7	8.2	7.1	6.5
Government Consumption Expenditure	2.7	1.2	3.0	2.3	3.0
Total Export of Goods & Services	10.3	7.4	7.1	7.9	8.2
Total Import of Goods & Services	11.2	8.4	7.5	8.5	9.0
Gross Fixed Capital Formation	10.0	2.0	3.2	4.5	4.0
CPI (Composite) Inflation Rate	1.3	1.6	3.3	2.0	2.4
Unemployment Rate	4.2	4.1	3.7	4.1	3.6

Date of Forecast: Dec 27, 2007

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Current Quarter Model Forecast

(Contribution to Total GDP Growth)

	2007				2008
	Q2	Q3	Q4 (forecast)	Annual (forecast)	Q1 (forecast)
Gross Domestic Product	6.6	6.2	6.0	6.1	5.1
Private Consumption Expenditure	3.5	5.3	4.6	4.1	3.8
Government Consumption Expenditure	0.2	0.1	0.2	0.2	0.3
Net Export of Goods & Services	-0.8	-0.7	0.3	0.0	-0.6
Gross Fixed Capital Formation	2.2	0.4	0.6	0.9	0.8
Changes in Inventories	1.6	1.0	0.3	0.9	0.8

Date of Forecast: Dec 27, 2007

Real Gross Domestic Product
(2005 Prices)
Year-on-year Percentage
Billion HK dollars
25.0
20.0
15.0
10.0
5.0
0.0
-5.0
-10.0
500
450
400
350
300
250
200
150
100
50
0
+10.7
+7.5
+7.6
+6.3
+2.7
+1.5
-0.1
-1.7
-1.0
+0.5
+2.8
+4.8
+4.1
-0.9
+3.8
+4.7
+7.7
+12.0
+6.6
+7.9
+6.2
+7.1
+8.1
+7.0
+8.2
+5.6
+6.4
+6.9
+5.6
+6.6
+6.2
+6.0
+5.1
423
387
00Q1
00Q2
00Q3
00Q4
01Q1
01Q2
01Q3
01Q4
02Q1
02Q2
02Q3
02Q4
03Q1
03Q2
03Q3
03Q4
04Q1
04Q2
04Q3
04Q4
05Q1
05Q2
05Q3
05Q4
06Q1
06Q2
06Q3
06Q4
07Q1
07Q2
07Q3
07Q4
08Q1

Retail Sales Volume
(Oct 04 - Sep 05 = 100)
Year-on-year Percentage
Volume Index
40.0
30.0
20.0
10.0
0.0
-10.0
-20.0
140
130
120
110
100
90
80
70
60
50
+14.1
+10.9
+5.6
+3.1
+2.5
+4.8
+0.6
-3.0
-1.8
-4.5
-3.0
-1.0
-0.8
-7.7
+1.3
+5.2
+7.3
+15.6
+6.7
+7.6
+7.4
+6.3
+5.4
+5.1
+5.8
+5.3
+6.9
+6.3
+6.6
+7.9
+12.6
+11.4
+9.1
127.8
120.3
00Q1
00Q2
00Q3
00Q4
01Q1
01Q2
01Q3
01Q4
02Q1
02Q2
02Q3
02Q4
03Q1
03Q2
03Q3
03Q4
04Q1
04Q2
04Q3
04Q4
05Q1
05Q2
05Q3
05Q4
06Q1
06Q2
06Q3
06Q4
07Q1
07Q2
07Q3
07Q4
08Q1

Private Consumption Expenditure
(2005 Prices)
Year-on-year Percentage
Billion HK dollars
25.0
20.0
15.0
10.0
5.0
0.0
-5.0
-10.0
250
240
230
220
210
200
190
180
170
160
150
+7.7
+5.3
+4.2
+3.3
+3.3
+3.2
+1.4
-0.6
+0.5
-1.8
-0.9
-1.3
-3.6
-4.8
-0.2
+3.3
+6.1
+10.7
+5.1
+6.2
+3.0
+2.0
+3.4
+3.5
+5.7
+7.0
+4.5
+6.2
+4.8
+5.7
+9.7
+8.2
+6.5
243
229
00Q1
00Q2
00Q3
00Q4
01Q1
01Q2
01Q3
01Q4
02Q1
02Q2
02Q3
02Q4
03Q1
03Q2
03Q3
03Q4
04Q1
04Q2
04Q3
04Q4
05Q1
05Q2
05Q3
05Q4
06Q1
06Q2
06Q3
06Q4
07Q1
07Q2
07Q3
07Q4
08Q1

Total Export of Goods & Services
(2005 Prices)
Year-on-year Percentage
Billion HK dollars
60.0
50.0
40.0
30.0
20.0
10.0
0.0
-10.0
1000
900
800
700
600
500
400
300
200
100
0
875
774
+19.7
+17.1
+16.8
+12.6
+4.5
-0.7
-2.7
-6.6
-1.3
+6.2
+11.8
+18.1
+17.9
+10.1
+9.9
+14.1
+15.0
+21.1
+14.9
+11.5
+9.1
+10.6
+11.9
+10.6
+12.8
+6.2
+8.0
+10.3
+7.0
+10.3
+7.4
+7.1
+8.2
00Q1
00Q2
00Q3
00Q4
01Q1
01Q2
01Q3
01Q4
02Q1
02Q2
02Q3
02Q4
03Q1
03Q2
03Q3
03Q4
04Q1
04Q2
04Q3
04Q4
05Q1
05Q2
05Q3
05Q4
06Q1
06Q2
06Q3
06Q4
07Q1
07Q2
07Q3
07Q4
08Q1

Total Import of Goods & Services
(2005 Prices)
Year-on-year Percentage
Billion HK dollars
60.0
50.0
40.0
30.0
20.0
10.0
0.0
-10.0
-20.0
900
800
700
600
500
400
300
200
100
0
+19.0
+17.2
+17.0
+12.4
+5.5
-0.2
-2.4
-7.5
-3.2
+5.1
+10.2
+16.9
+15.8
+8.1
+7.5
+14.5
+15.3
+21.3
+13.4
+6.7
+4.0
+6.3
+10.0
+11.0
+12.3
+6.4
+7.3
+10.3
+6.9
+11.2
+8.4
+7.5
+9.0
812
734
00Q1
00Q2
00Q3
00Q4
01Q1
01Q2
01Q3
01Q4
02Q1
02Q2
02Q3
02Q4
03Q1
03Q2
03Q3
03Q4
04Q1
04Q2
04Q3
04Q4
05Q1
05Q2
05Q3
05Q4
06Q1
06Q2
06Q3
06Q4
07Q1
07Q2
07Q3
07Q4
08Q1

External Trade Balance of Goods and Services
(Percentage of GDP, 2005 HK Dollars)
25.0
20.0
15.0
10.0
5.0
0.0
-5.0
14.9
10.3
00Q1
00Q2
00Q3
00Q4
01Q1
01Q2
01Q3
01Q4
02Q1
02Q2
02Q3
02Q4
03Q1
03Q2
03Q3
03Q4
04Q1
04Q2
04Q3
04Q4
05Q1
05Q2
05Q3
05Q4
06Q1
06Q2
06Q3
06Q4
07Q1
07Q2
07Q3
07Q4
08Q1

Gross Domestic Fixed Capital Formation
(2005 Prices)
Year-on-year Percentage
Billion HK dollars
30.0
25.0
20.0
15.0
10.0
5.0
0.0
-5.0
-10.0
-15.0
120
100
80
60
40
20
0
-0.4
-0.0
+12.2
+12.3
+8.5
+2.9
+2.1
-4.2
-11.2
-0.4
-4.1
-0.9
+3.8
-5.4
+0.3
+2.5
+3.6
+9.0
-0.1
-1.4
+2.2
+5.0
+2.4
+4.7
+4.9
+3.7
+9.7
+6.9
+2.8
+10.0
+2.0
+3.2
+4.0
81
78
00Q1
00Q2
00Q3
00Q4
01Q1
01Q2
01Q3
01Q4
02Q1
02Q2
02Q3
02Q4
03Q1
03Q2
03Q3
03Q4
04Q1
04Q2
04Q3
04Q4
05Q1
05Q2
05Q3
05Q4
06Q1
06Q2
06Q3
06Q4
07Q1
07Q2
07Q3
07Q4
08Q1

Investment in Land and Constuction
(2005 Prices)
Year-on-year Percentage
Billion HK dollars
50.0
40.0
30.0
20.0
10.0
0.0
-10.0
-20.0
45
40
35
30
25
20
15
10
-14.4
-14.2
+0.4
+2.6
-1.2
+3.6
-4.7
-1.9
-5.0
+4.7
+2.4
-6.3
-2.5
-8.7
-4.6
-5.2
-5.3
-3.9
-9.7
+0.8
-0.5
-5.1
-4.3
-15.6
-14.6
-9.0
-8.3
-2.4
+1.0
+7.5
+4.6
+1.9
+3.1
29
31
00Q1
00Q2
00Q3
00Q4
01Q1
01Q2
01Q3
01Q4
02Q1
02Q2
02Q3
02Q4
03Q1
03Q2
03Q3
03Q4
04Q1
04Q2
04Q3
04Q4
05Q1
05Q2
05Q3
05Q4
06Q1
06Q2
06Q3
06Q4
07Q1
07Q2
07Q3
07Q4
08Q1

Investment in Machinery, Equipment & Computer Software
(2005 Prices)
Year-on-year Percentage
Billion HK dollars
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
-10.0
-20.0
-30.0
80
70
60
50
40
30
20
10
0
+32.2
+22.4
+29.3
+26.4
+23.2
+2.1
+9.8
-7.0
-18.7
-6.2
-10.5
+5.8
+12.8
-1.3
+5.9
+10.9
+14.6
+24.0
+9.7
-3.6
+4.9
+13.9
+8.0
+24.6
+23.7
+13.2
+22.9
+13.2
+3.9
+11.5
+0.6
+4.0
+4.5
52
48
00Q1
00Q2
00Q3
00Q4
01Q1
01Q2
01Q3
01Q4
02Q1
02Q2
02Q3
02Q4
03Q1
03Q2
03Q3
03Q4
04Q1
04Q2
04Q3
04Q4
05Q1
05Q2
05Q3
05Q4
06Q1
06Q2
06Q3
06Q4
07Q1
07Q2
07Q3
07Q4
08Q1

Consumer Price Index
(10/04-09/05=100)
Percentage
Index
10.0
8.0
6.0
4.0
2.0
0.0
-2.0
-4.0
-6.0
115
110
105
100
95
90
85
80
75
70
-5.0
-4.4
-3.0
-2.5
-1.9
-1.4
-1.0
-2.1
-2.6
-3.1
-3.4
-3.0
-1.9
-2.4
-3.7
-2.3
-1.9
-0.9
+0.8
+0.4
+0.4
+0.7
+1.2
+1.3
+1.6
+2.1
+2.3
+2.2
+1.7
+1.3
+1.7
+3.3
+2.4
106.6
105.5
00Q1
00Q2
00Q3
00Q4
01Q1
01Q2
01Q3
01Q4
02Q1
02Q2
02Q3
02Q4
03Q1
03Q2
03Q3
03Q4
04Q1
04Q2
04Q3
04Q4
05Q1
05Q2
05Q3
05Q4
06Q1
06Q2
06Q3
06Q4
07Q1
07Q2
07Q3
07Q4
08Q1

Composite Consumer Price Index
(Sept 1998 = 100)
110
100
90
80
70
60
50
103.1
102.4
96.4
91.2
83.5
78.3
Sep-98
Dec-98
Mar-99
Jun-99
Sep-99
Dec-99
Mar-00
Jun-00
Sep-00
Dec-00
Mar-01
Jun-01
Sep-01
Dec-01
Mar-02
Jun-02
Sep-02
Dec-02
Mar-03
Jun-03
Sep-03
Dec-03
Mar-04
Jun-04
Sep-04
Dec-04
Mar-05
Jun-05
Sep-05
Dec-05
Mar-06
Jun-06
Sep-06
Dec-06
Mar-07
Jun-07
Sep-07
Nov-07
Transport
Food
Services
CPI
Clothing
Housing

Unemployment
Percentage
Thousand Persons
18.0
16.0
14.0
12.0
10.0
8.0
6.0
4.0
2.0
0.0
350
300
250
200
150
100
50
-
2.3 2.2 2.1 2.2 3.3 4.3 5.2 5.9 6.3 6.1 6.3 6.3 5.6 5.1 4.8 4.4 4.5 4.5 5.2 6.3 7.0 7.5 7.3 7.4 7.5 8.5 8.2 7.5 7.2 6.7 6.7 6.6 6.0 5.7 5.4 5.2 5.1 4.9 4.7 4.4 4.3 4.2 4.1 3.7 3.6
136
132
97Q1 97Q2 97Q3 97Q4 98Q1 98Q2 98Q3 98Q4 99Q1 99Q2 99Q3 99Q4 00Q1 00Q2 00Q3 00Q4 01Q1 01Q2 01Q3 01Q4 02Q1 02Q2 02Q3 02Q4 03Q1 03Q2 03Q3 03Q4 04Q1 04Q2 04Q3 04Q4 05Q1 05Q2 05Q3 05Q4 06Q1 06Q2 06Q3 06Q4 07Q1 07Q2 07Q3 07Q4 08Q1
Unemployment Rate (Seasonally Adjusted)
Number of Unemployed

Workers Vs Jobs
(in millions)
Total No. of Workers
3.8
3.6
3.4
3.2
3.0
2.8
2.6
2.4
2.2
2.0
00Q1 3.15 0.18
00Q2 3.20 0.17
00Q3 3.22 0.17
00Q4 3.25 0.15
01Q1 3.26 0.15
01Q2 3.26 0.15
01Q3 3.25 0.19
01Q4 3.24 0.21
02Q1 3.21 0.24
02Q2 3.19 0.26
02Q3 3.24 0.27
02Q4 3.24 0.25
03Q1 3.21 0.26
03Q2 3.17 0.30
03Q3 3.18 0.30
03Q4 3.23 0.25
04Q1 3.25 0.25
04Q2 3.27 0.24
04Q3 3.27 0.25
04Q4 3.31 0.22
05Q1 3.32 0.21
05Q2 3.33 0.20
05Q3 3.34 0.20
05Q4 3.37 0.18
06Q1 3.37 0.18
06Q2 3.37 0.18
06Q3 3.43 0.18
06Q4 3.46 0.15
07Q1 3.46 0.15
07Q2 3.49 0.16
07Q3 3.50 0.16
07Q4 3.55 0.14
08Q1 3.55 0.13
Employed
Unemployed

Hong Kong Macroeconomic Forecast Project

Our quarterly forecasts
can be accessed at
http://www.hku.hk/apec/