



# High Frequency Macroeconomic Forecast

Second Quarter 2013

APEC Studies Programme  
HK Institute of Economics & Business Strategy  
The University of Hong Kong

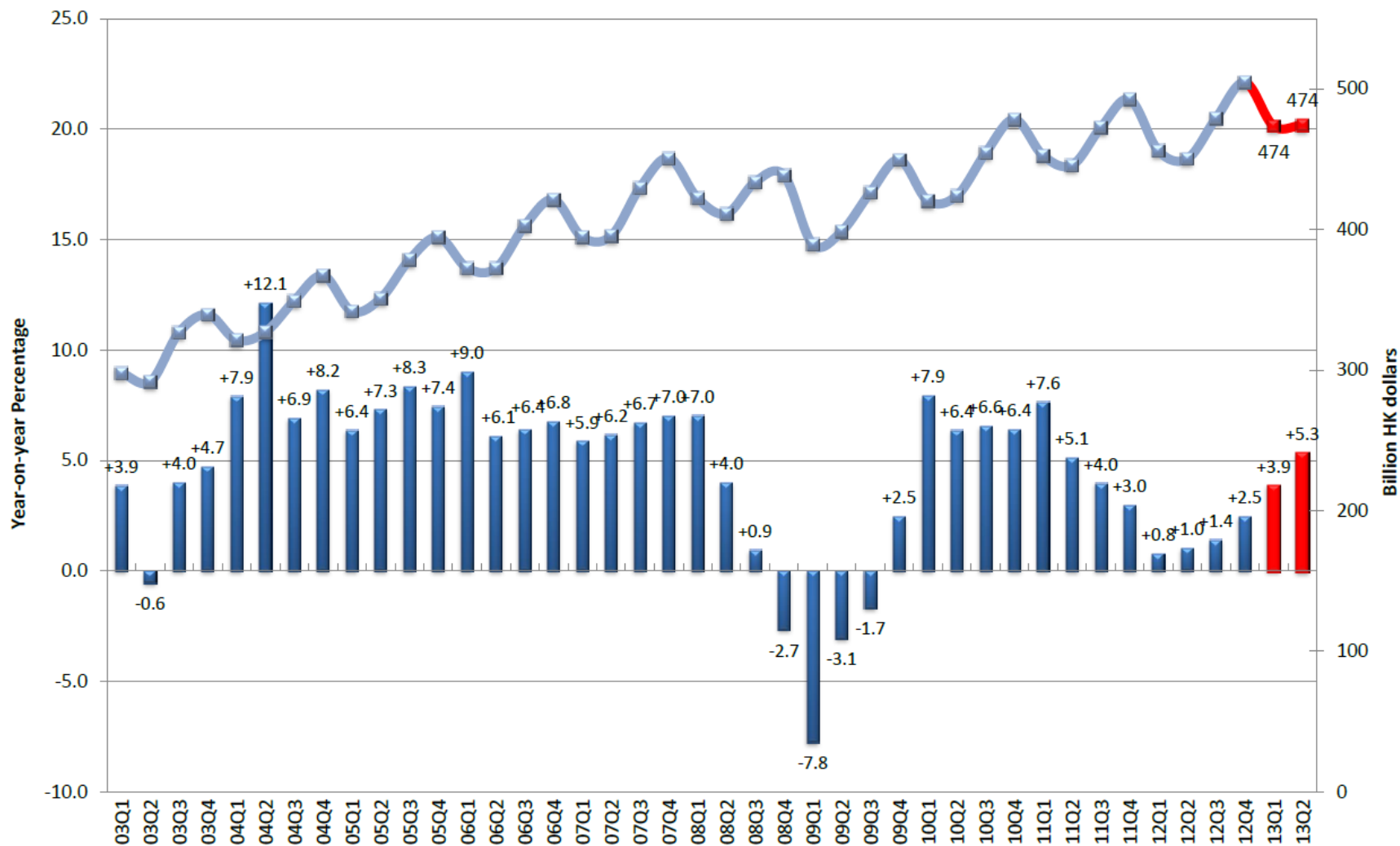
April 9, 2013

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

## Current Quarter Model Forecast Year-on-Year Growth Rate (%)

[illegible]

# Real Gross Domestic Product (2010 Prices)

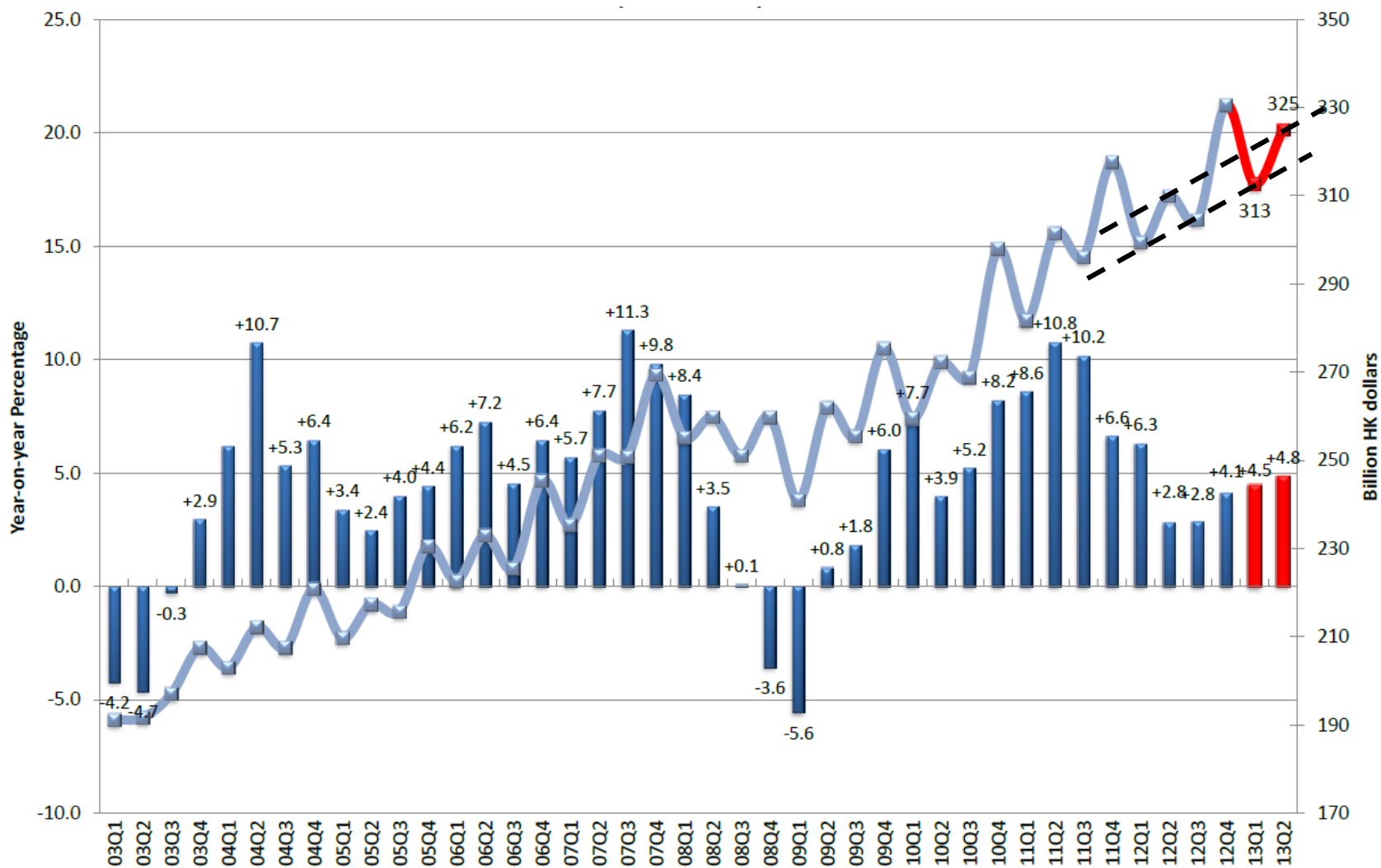


## Current Quarter Model Forecast

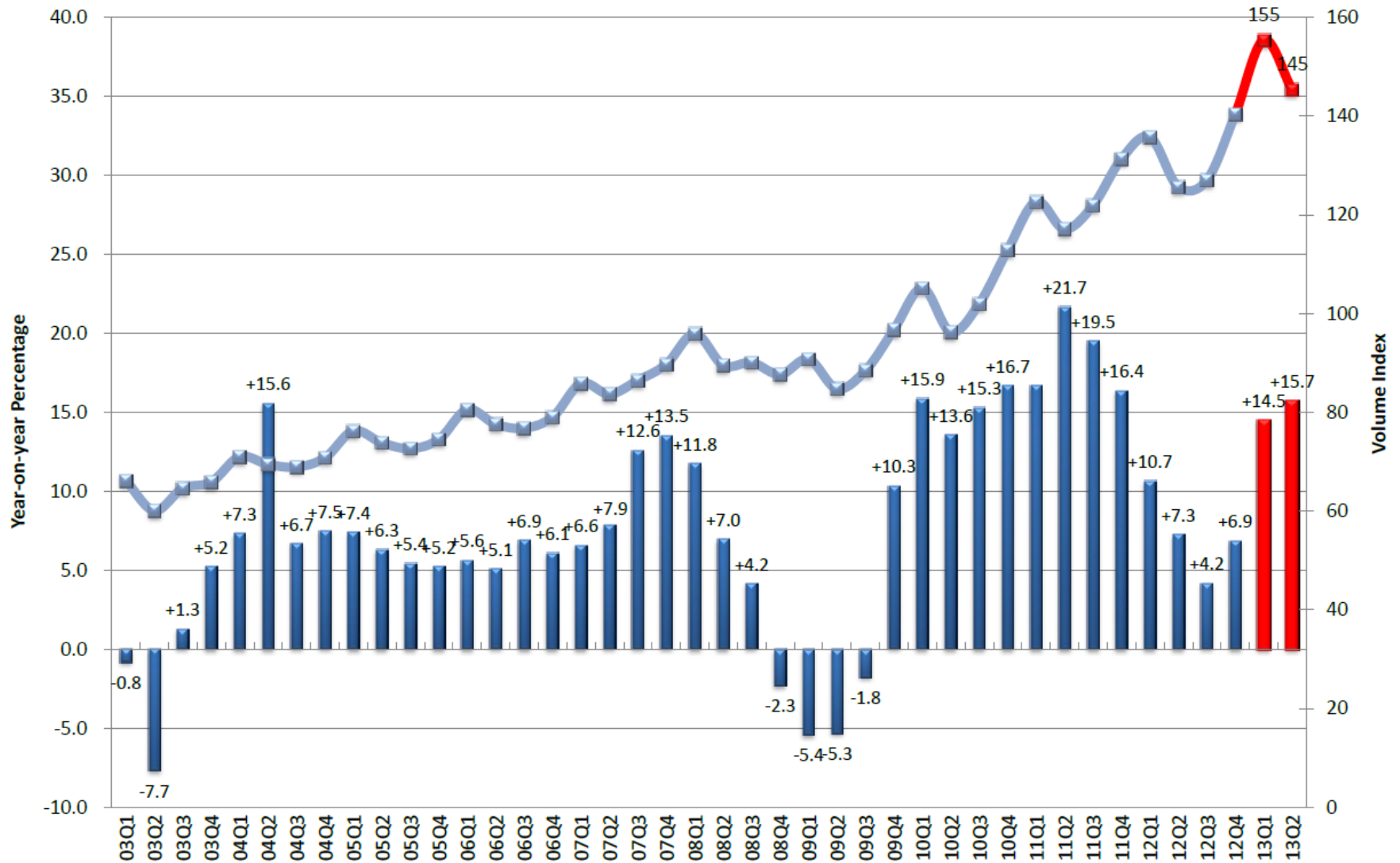
### Year-on-Year Growth Rate (%)

[illegible]

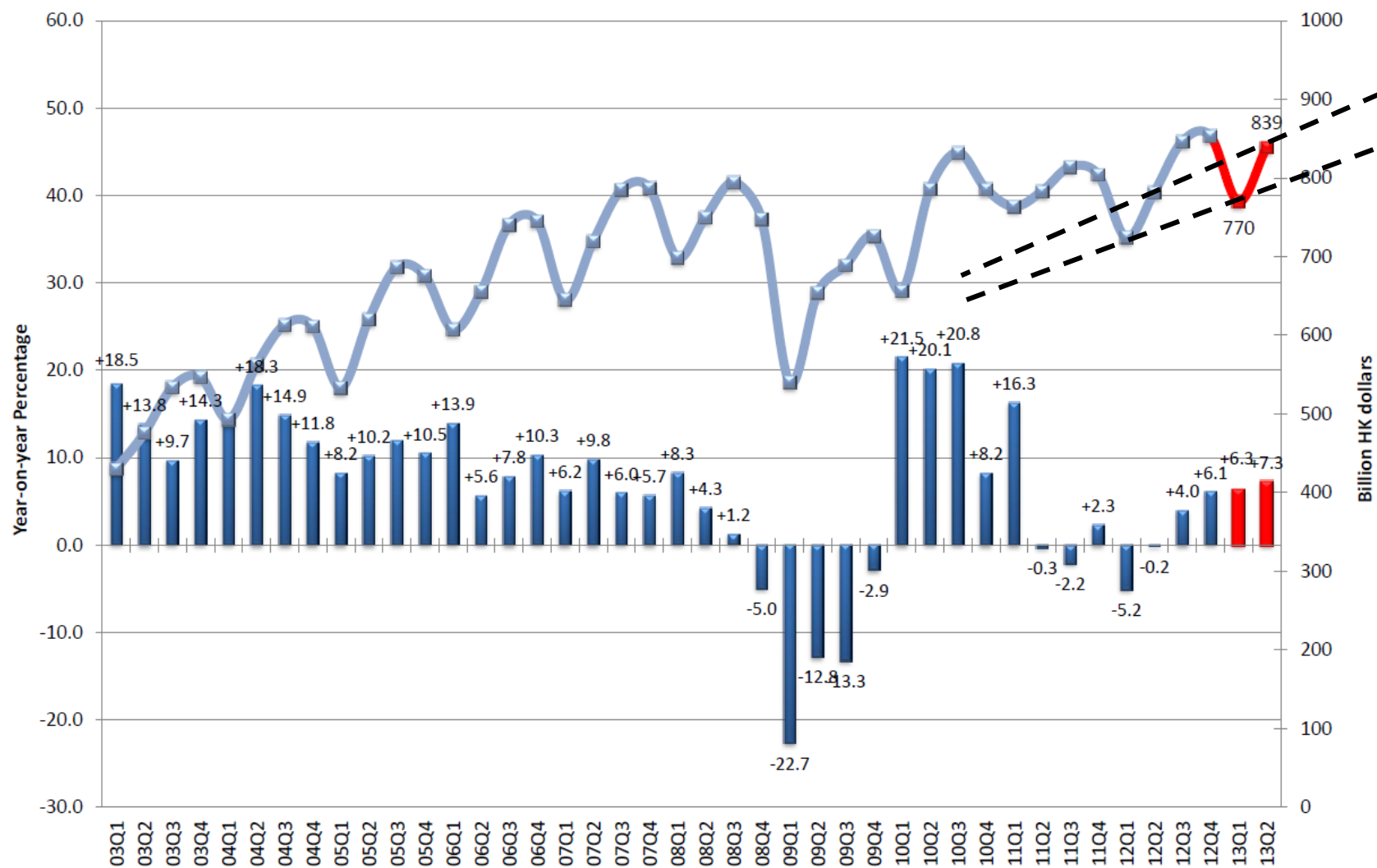
# Private Consumption Expenditure (2010 Prices)



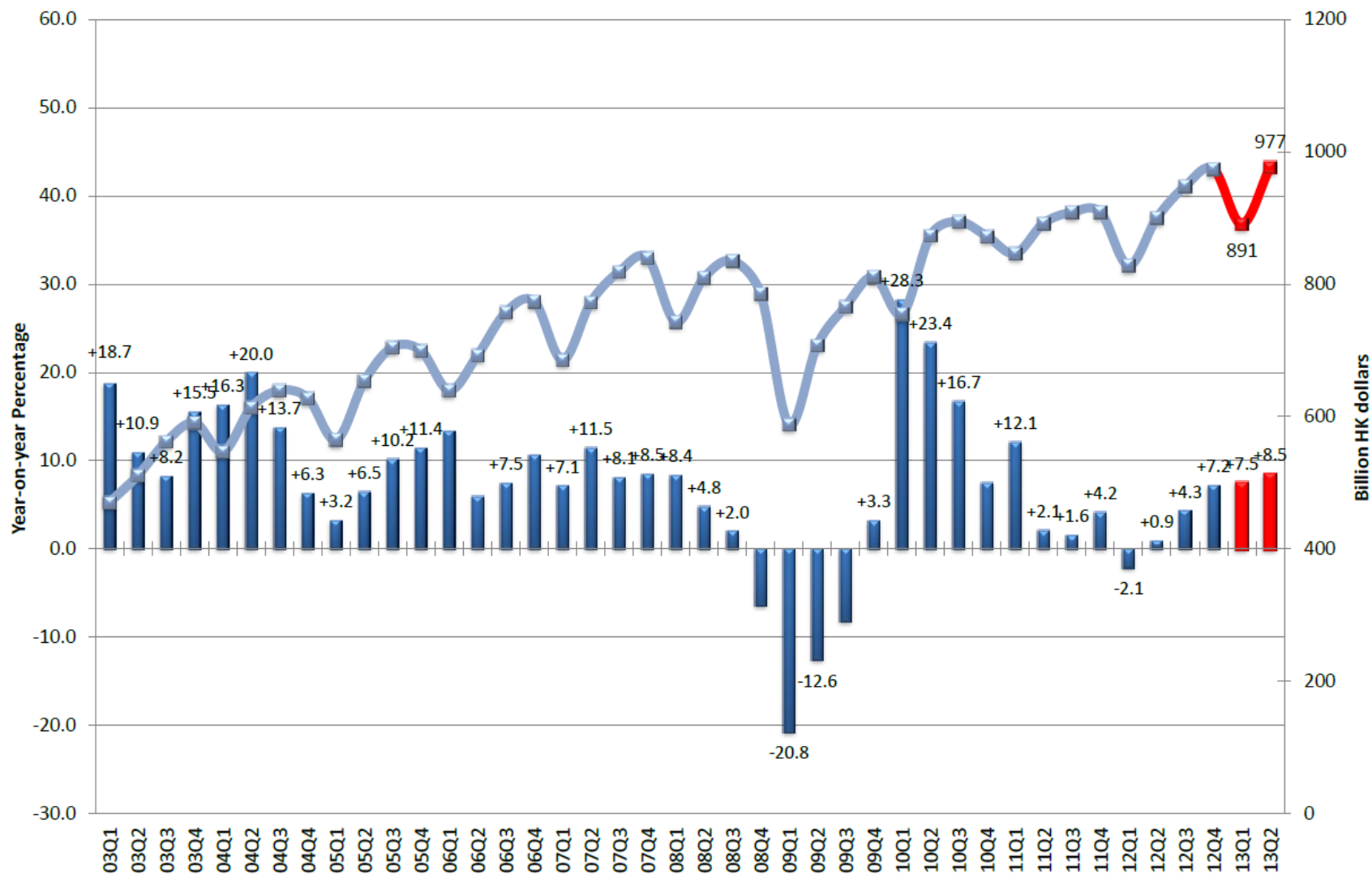
# Retail Sales Volume (Oct 09 - Sep 10 = 100)



# Exports of Goods (2010 Prices)

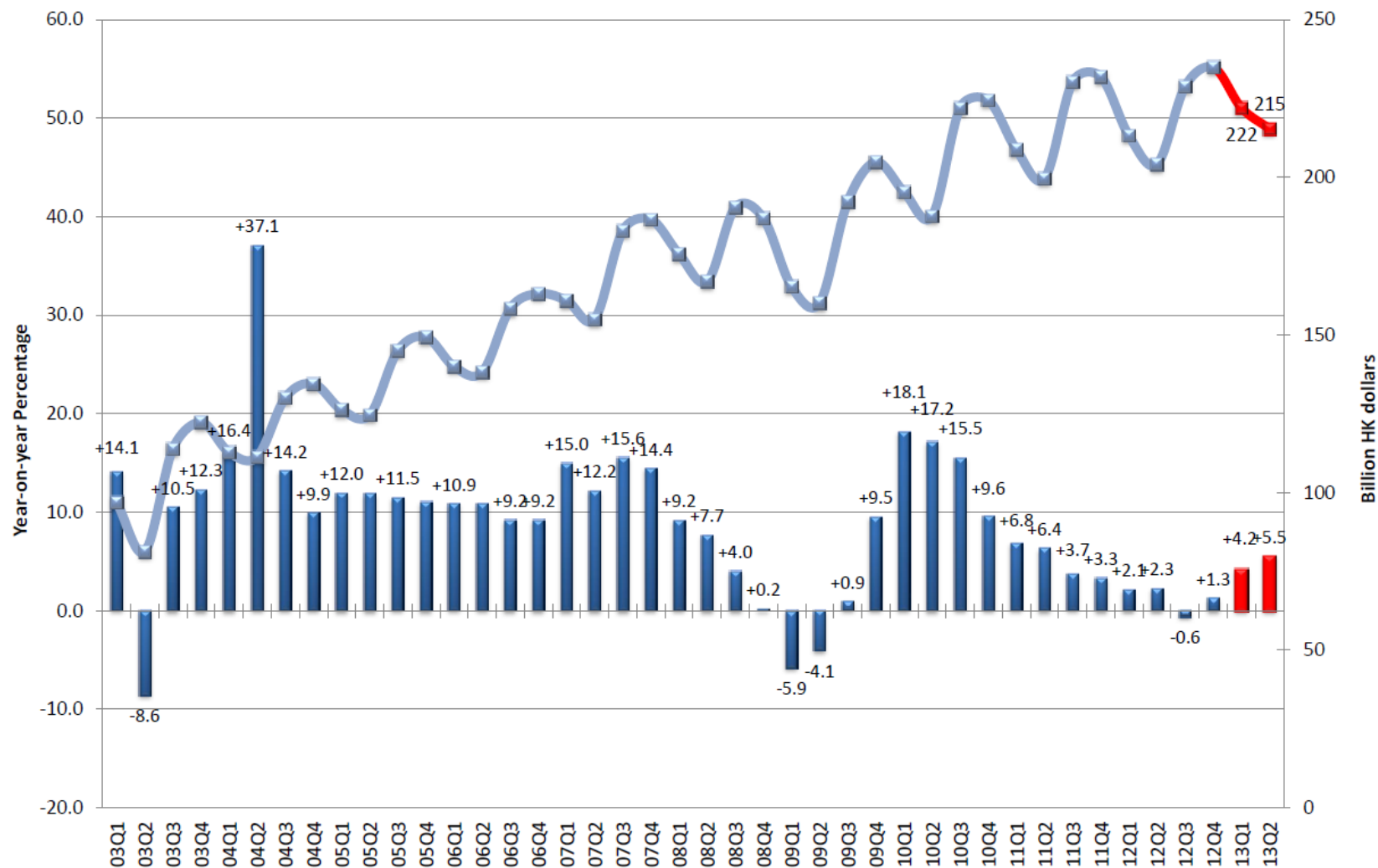


# Imports of Goods (2010 Prices)

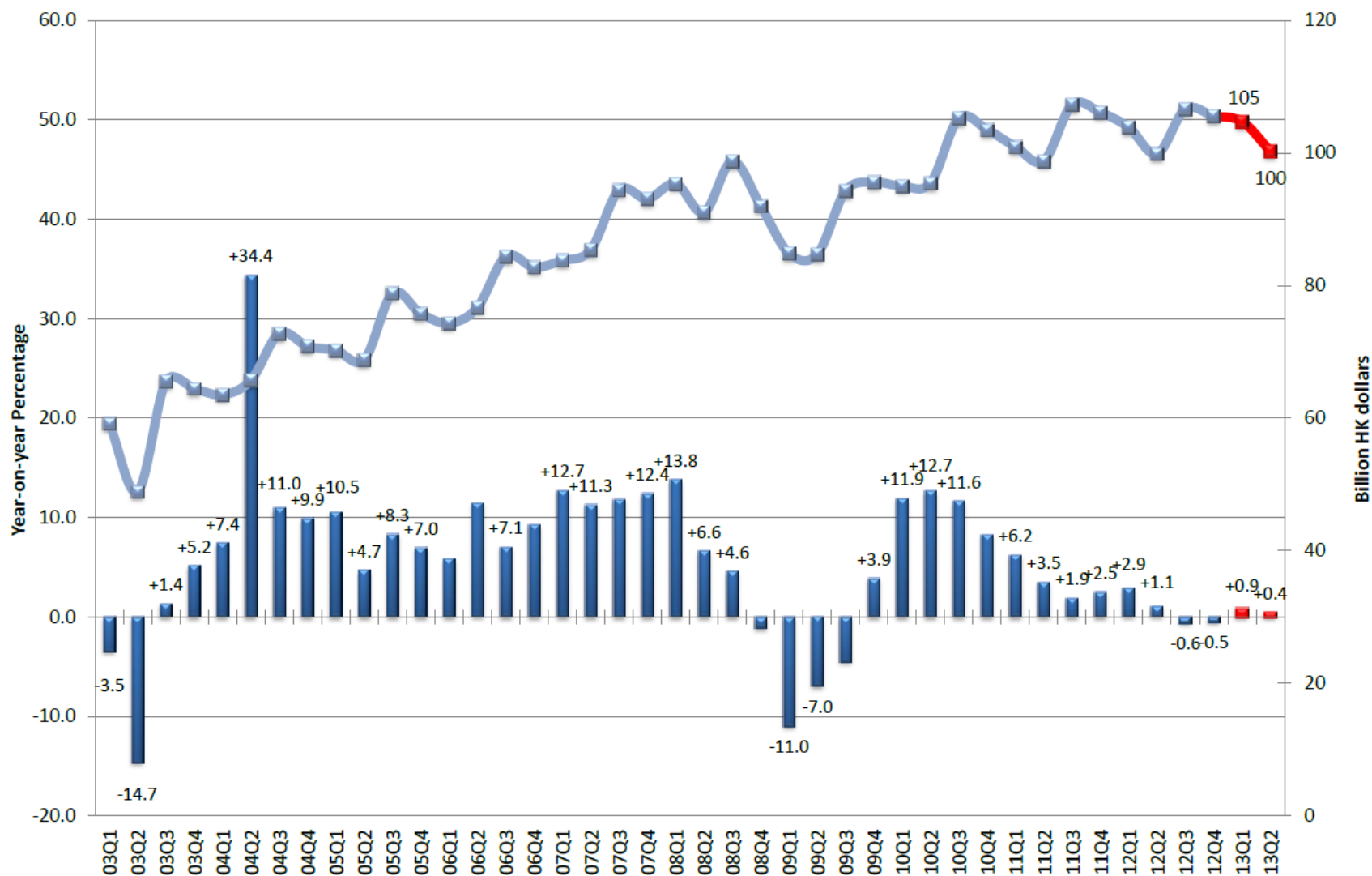




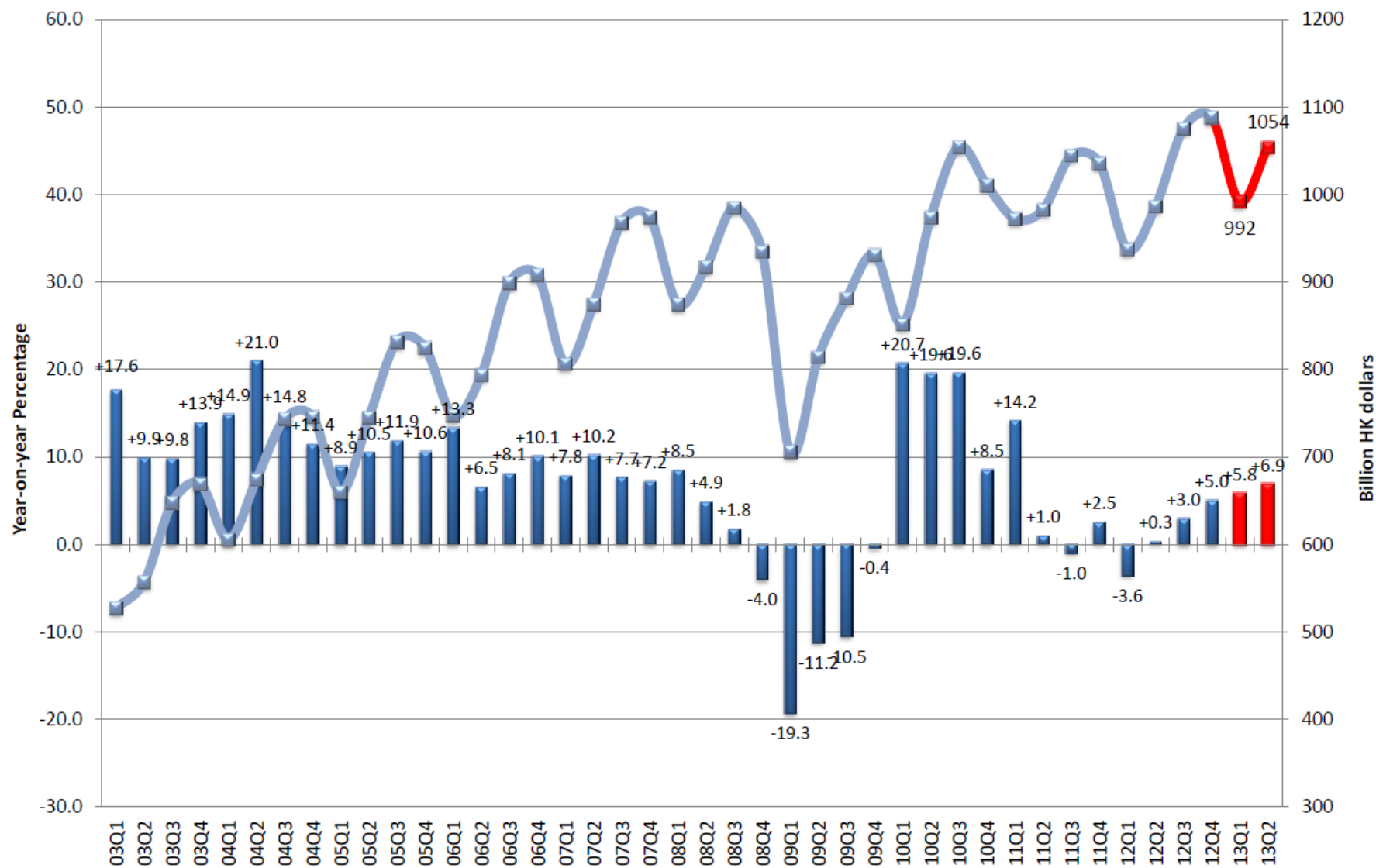
# Exports of Services (2010 Prices)



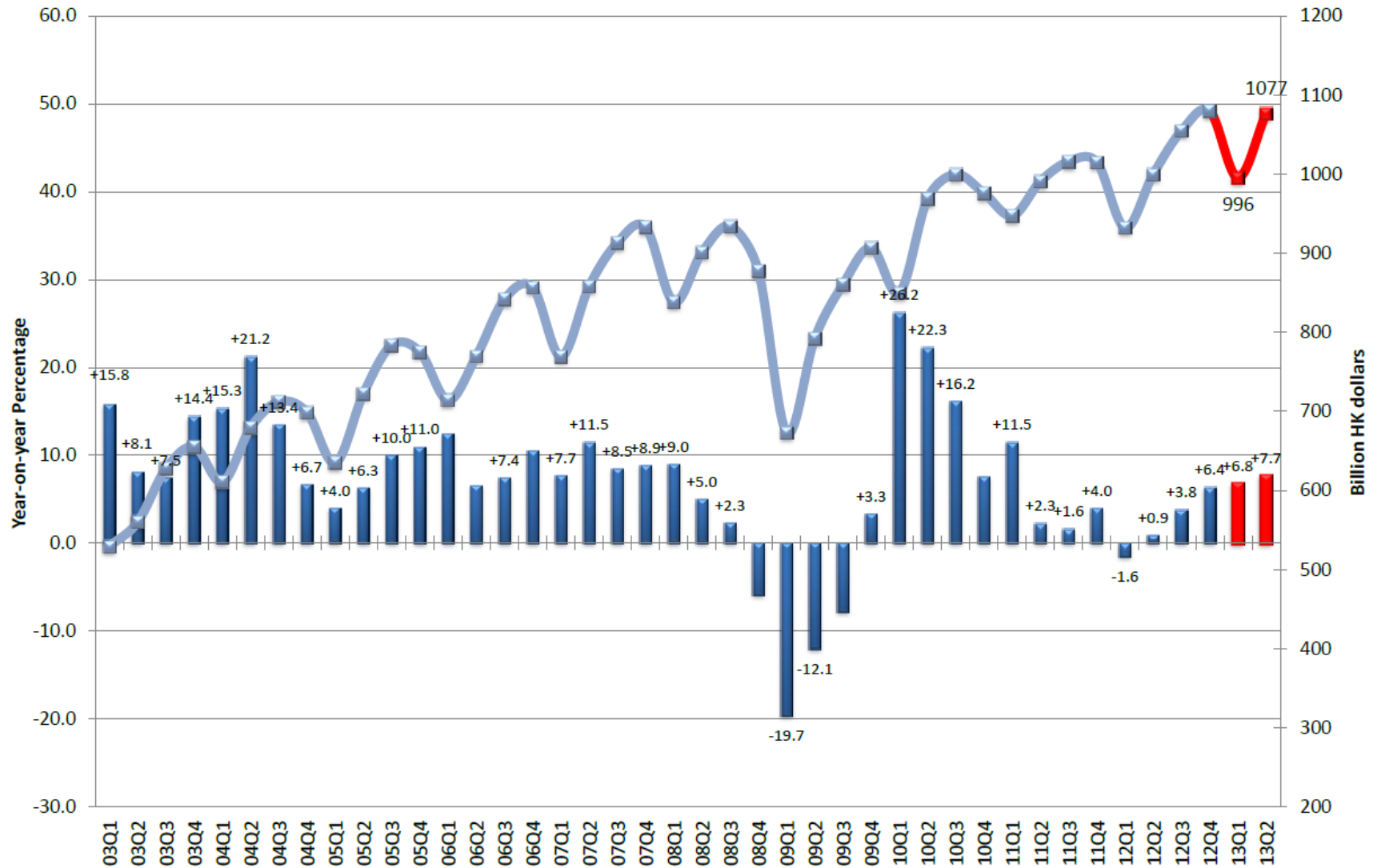
# Imports of Services (2010 Prices)



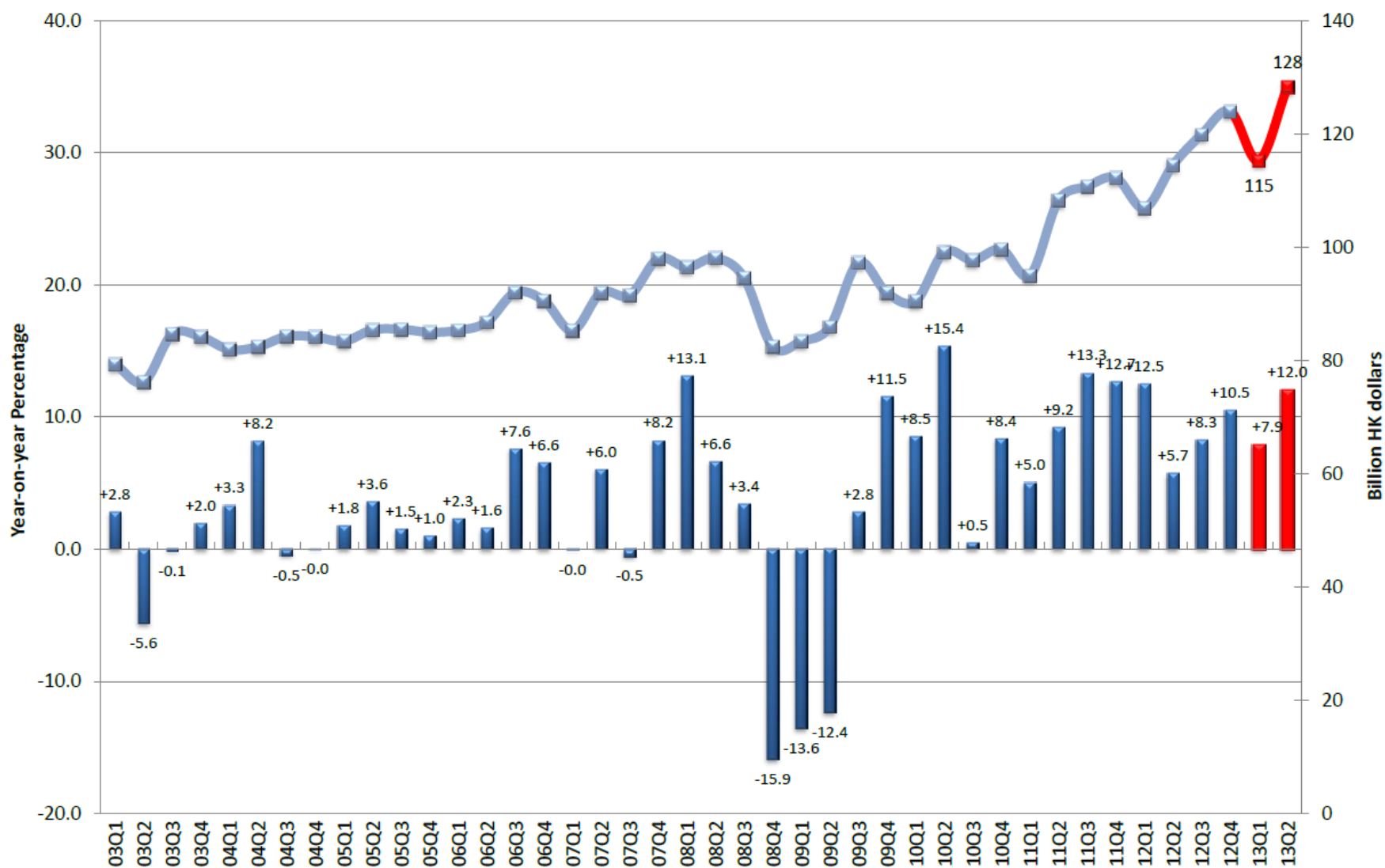
# Total Exports of Goods & Services (2010 Prices)



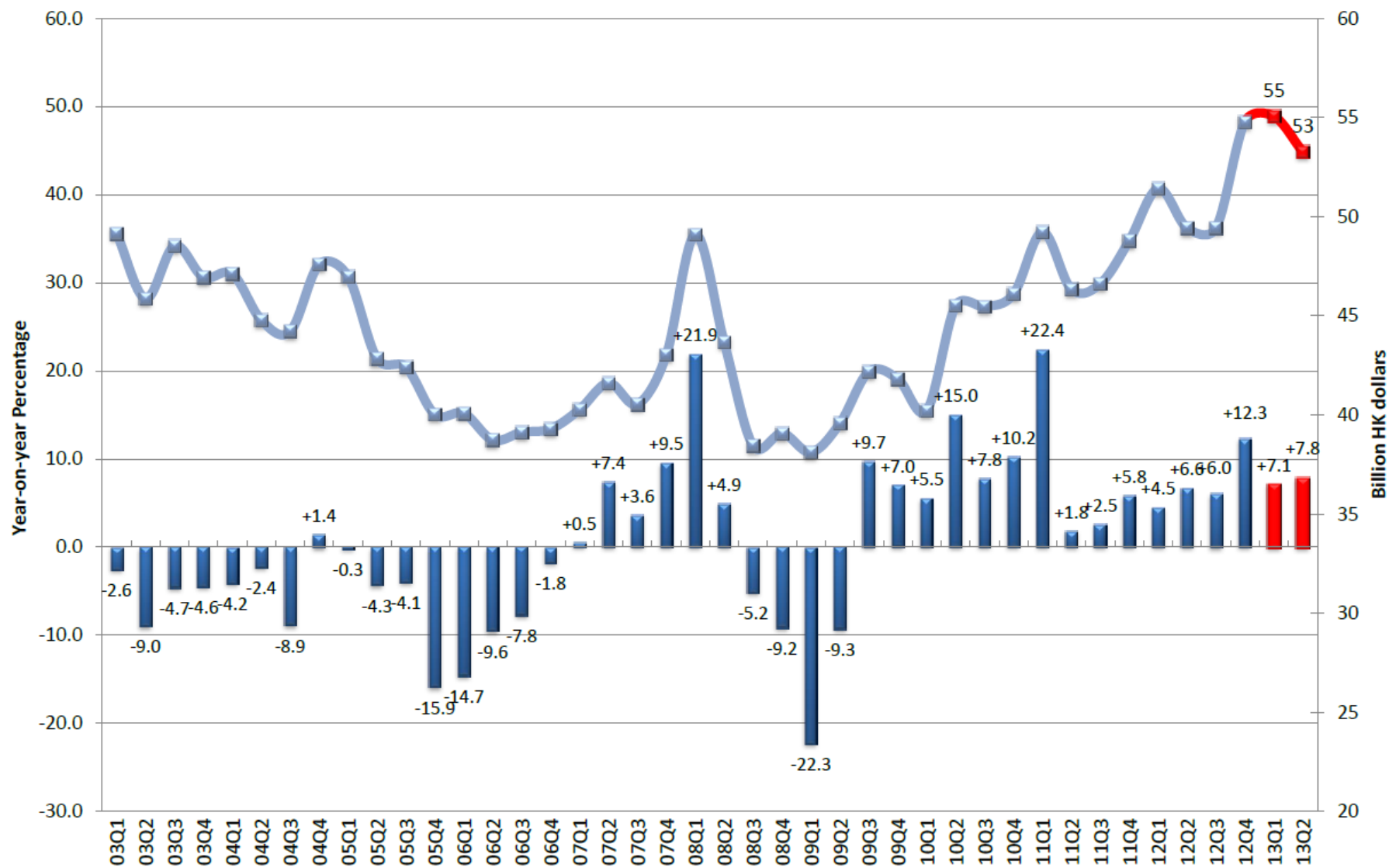
# Total Imports of Goods & Services (2010 Prices)



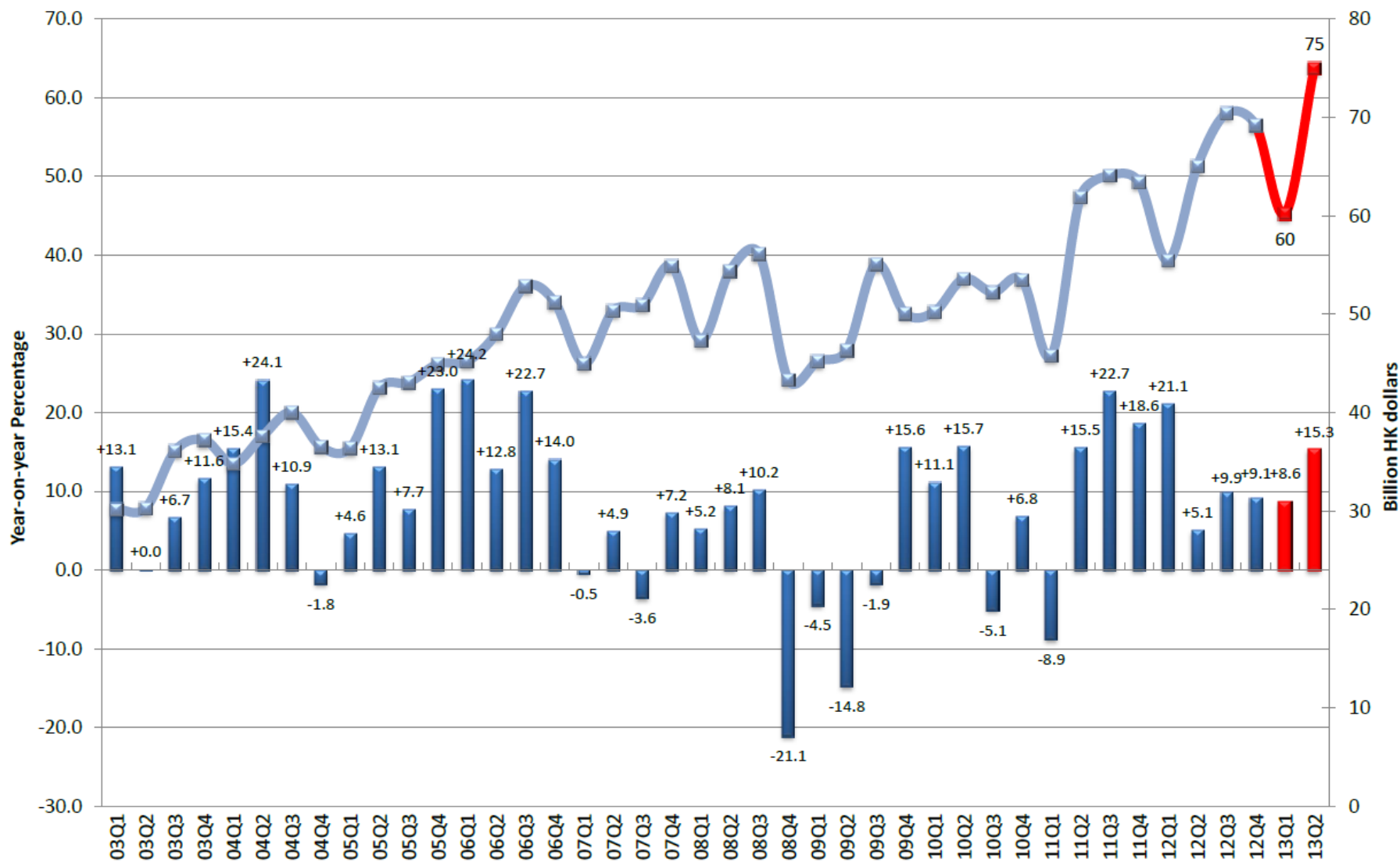
# Gross Domestic Fixed Capital Formation (2010 Prices)



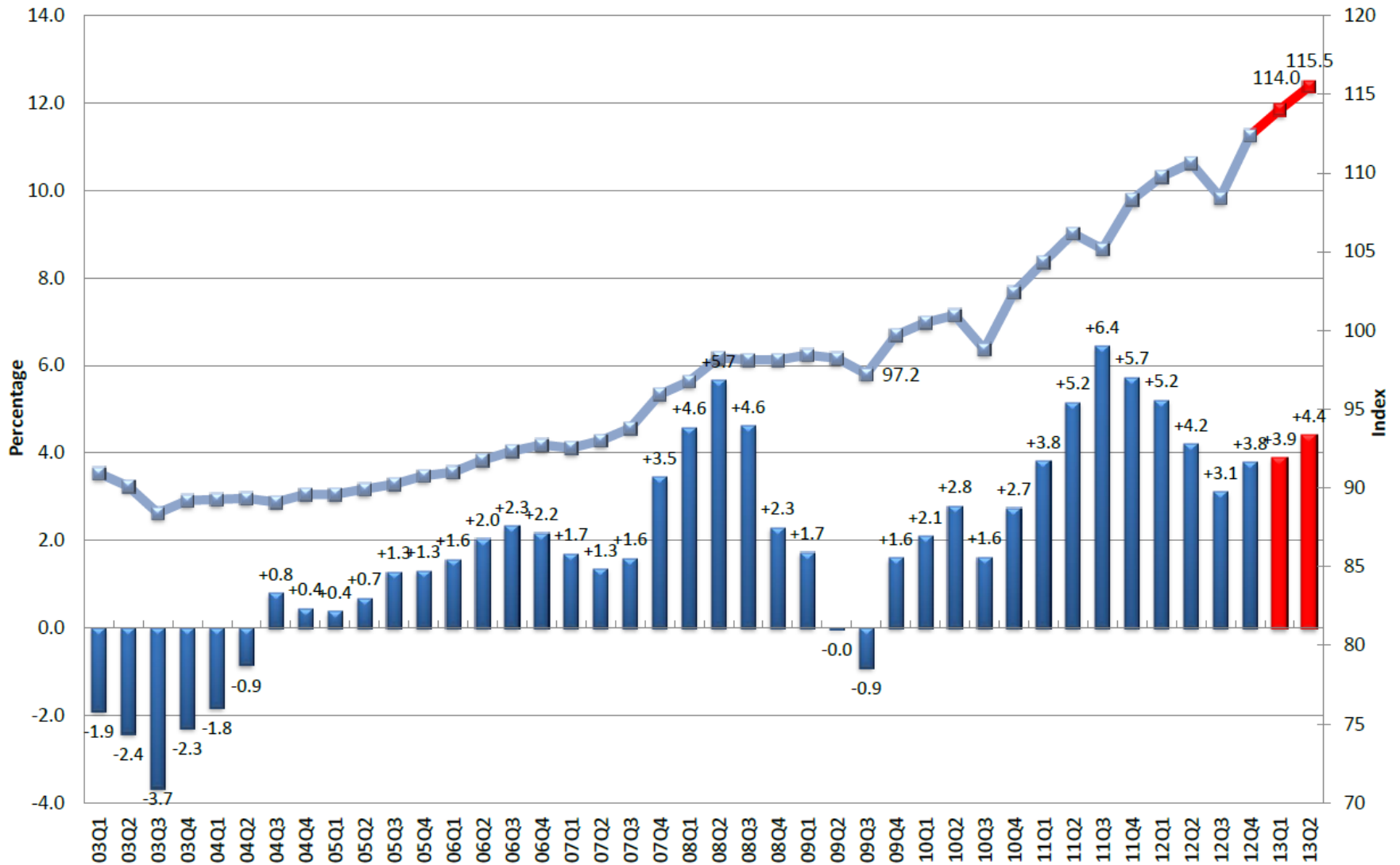
# Investment in Land and Construction (2010 Prices)



# Investment in Machinery, Equipment & Computer Software (2010 Prices)

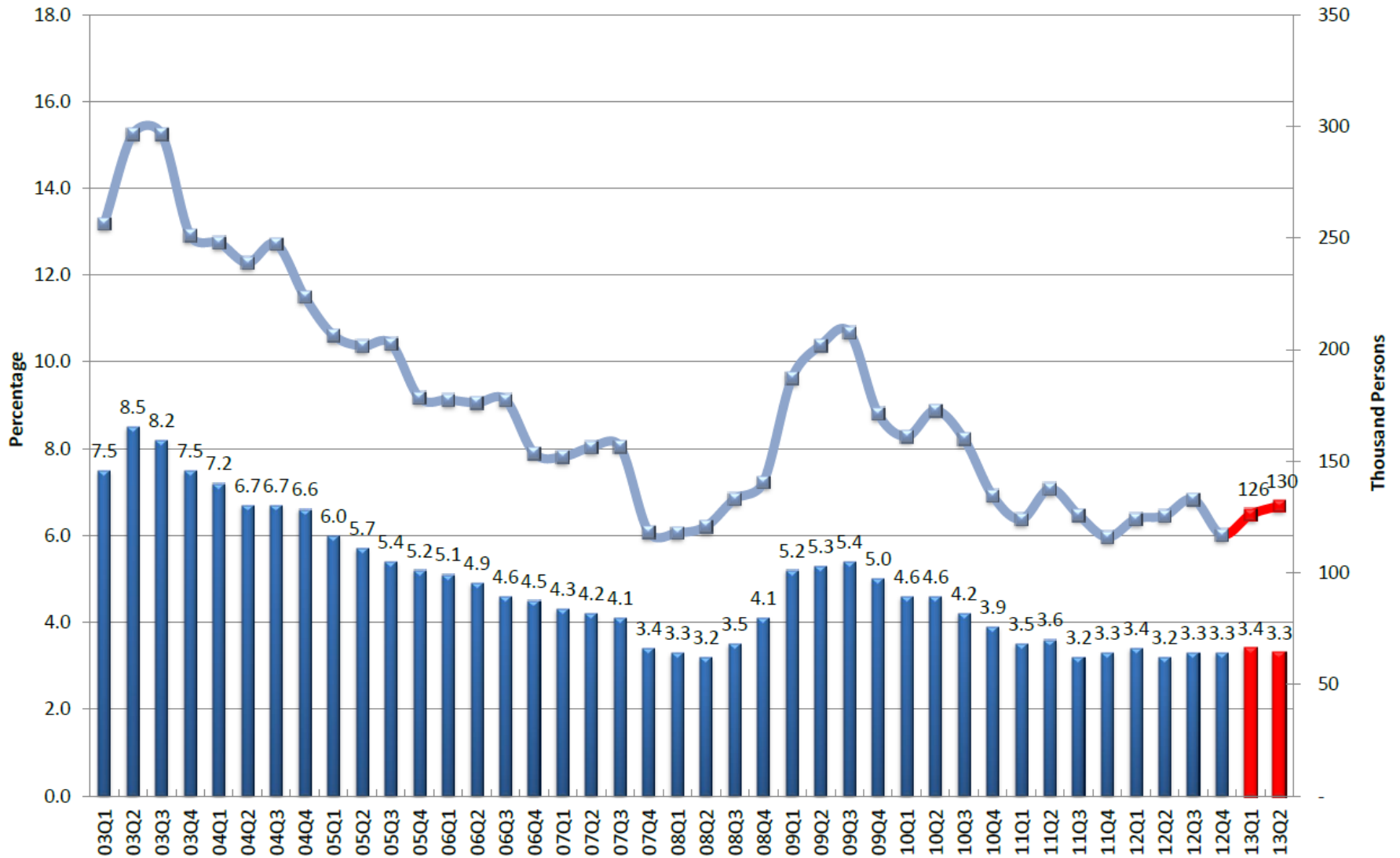


# Consumer Price Index (10/09-09/10=100)





# Unemployment



## Current Quarter Model Forecast Year-on-Year Growth Rate (%)

[illegible]

# HONG KONG MACROECONOMIC FORECAST PROJECT

Our quarterly forecasts  
can be accessed at

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

## Current Quarter Model Forecast (Millions of 2010 HK Dollar)

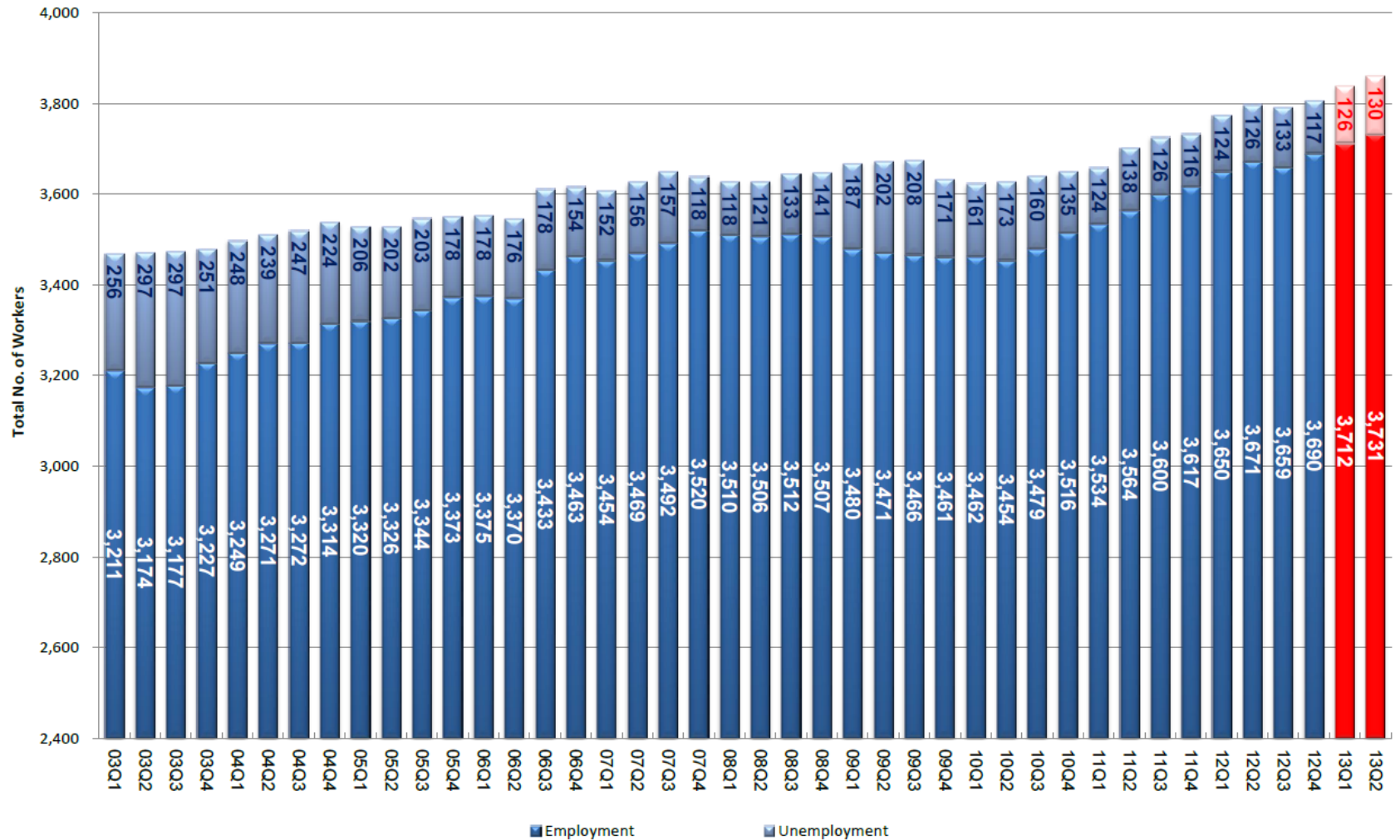
[illegible]

## Current Quarter Model Forecast (Contribution to Total Growth)

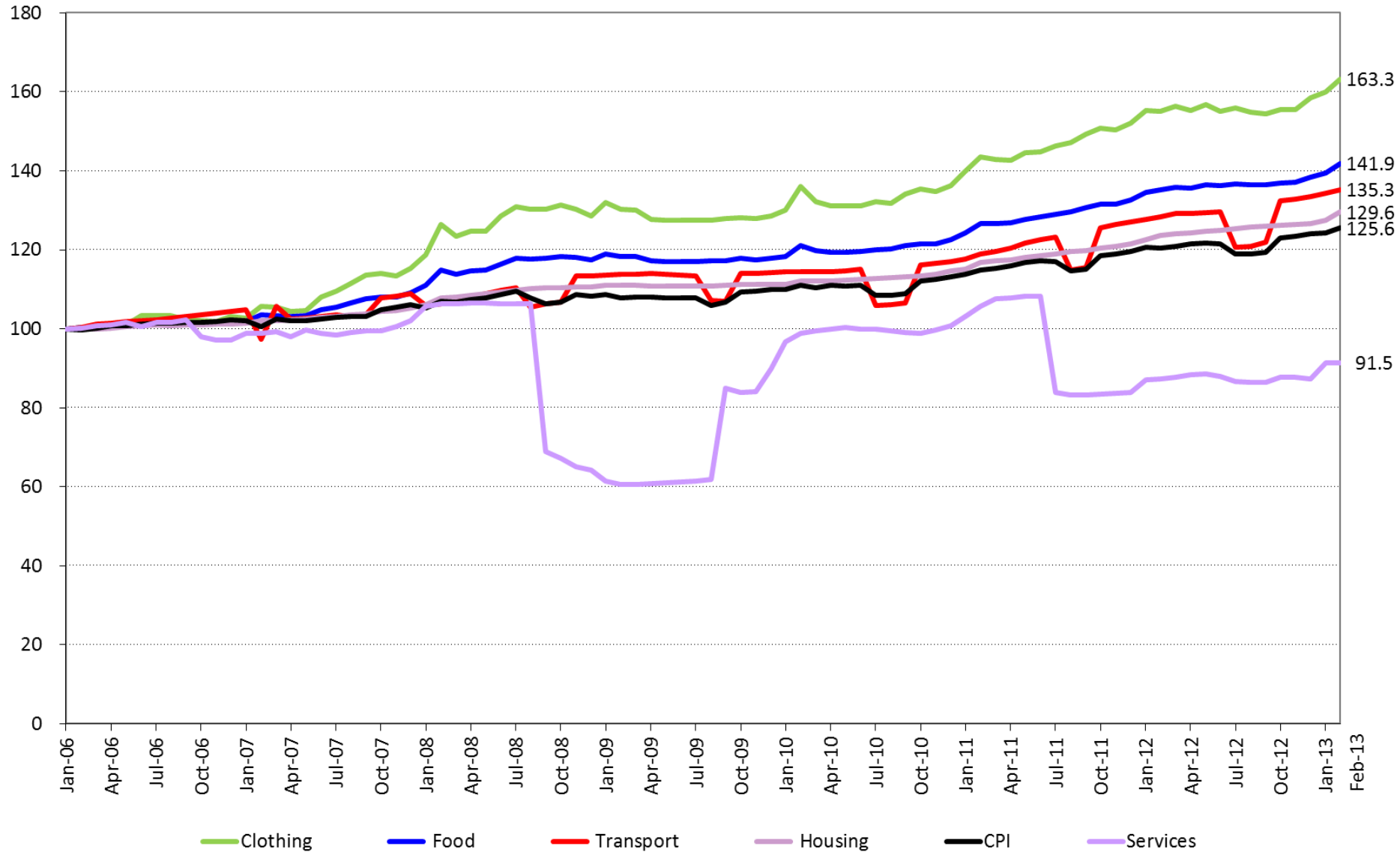
|  | 2012        |             |             |             |             | 2013             |                  |
|--|-------------|-------------|-------------|-------------|-------------|------------------|------------------|
|  | Q1          | Q2          | Q3          | Q4          | Annual      | Q1<br>(forecast) | Q2<br>(forecast) |
| <b>Gross Domestic Product</b>              | <b>0.8</b>  | <b>1.0</b>  | <b>1.4</b>  | <b>2.5</b>  | <b>1.4</b>  | <b>3.9</b>       | <b>5.3</b>       |
| <b>Private Consumption Expenditure</b>     | <b>3.9</b>  | <b>1.9</b>  | <b>1.8</b>  | <b>2.6</b>  | <b>2.6</b>  | <b>2.9</b>       | <b>3.3</b>       |
| <b>Government Consumption Expenditure</b>  | <b>0.3</b>  | <b>0.3</b>  | <b>0.3</b>  | <b>0.3</b>  | <b>0.3</b>  | <b>0.3</b>       | <b>0.3</b>       |
| Exports of Goods                           | -8.7        | -0.3        | 6.9         | 10.0        | 2.2         | 10.1             | 12.6             |
| Domestic Exports of Goods                  | 0.0         | 0.1         | 0.5         | 0.2         | 0.2         | 0.0              | -0.4             |
| Re-exports of Goods                        | -8.7        | -0.5        | 6.3         | 9.8         | 2.0         | 10.1             | 13.0             |
| Imports of Goods                           | 4.0         | -1.8        | -8.3        | -13.2       | -5.1        | -13.7            | -17.0            |
| Exports of Services                        | 1.0         | 1.0         | -0.3        | 0.6         | 0.6         | 1.9              | 2.5              |
| Imports of Services                        | -0.6        | -0.2        | 0.1         | 0.1         | -0.2        | -0.2             | -0.1             |
| <b>Net Exports of Goods &amp; Services</b> | <b>-4.4</b> | <b>-1.3</b> | <b>-1.6</b> | <b>-2.6</b> | <b>-2.5</b> | <b>-1.9</b>      | <b>-2.0</b>      |
| <b>Gross Investment</b>                    | <b>2.6</b>  | <b>1.4</b>  | <b>1.9</b>  | <b>2.4</b>  | <b>2.1</b>  | <b>1.8</b>       | <b>3.1</b>       |
| Investment in Land & Construction          | 0.5         | 0.7         | 0.6         | 1.2         | 0.8         | 0.8              | 0.9              |
| Investment in Machinery & Equip.           | 2.1         | 0.7         | 1.3         | 1.2         | 1.3         | 1.0              | 2.2              |
| <b>Changes in Inventories</b>              | <b>-1.7</b> | <b>-1.3</b> | <b>-1.0</b> | <b>-0.3</b> | <b>-1.1</b> | <b>0.7</b>       | <b>0.7</b>       |

Date of Forecast: April 2, 2013

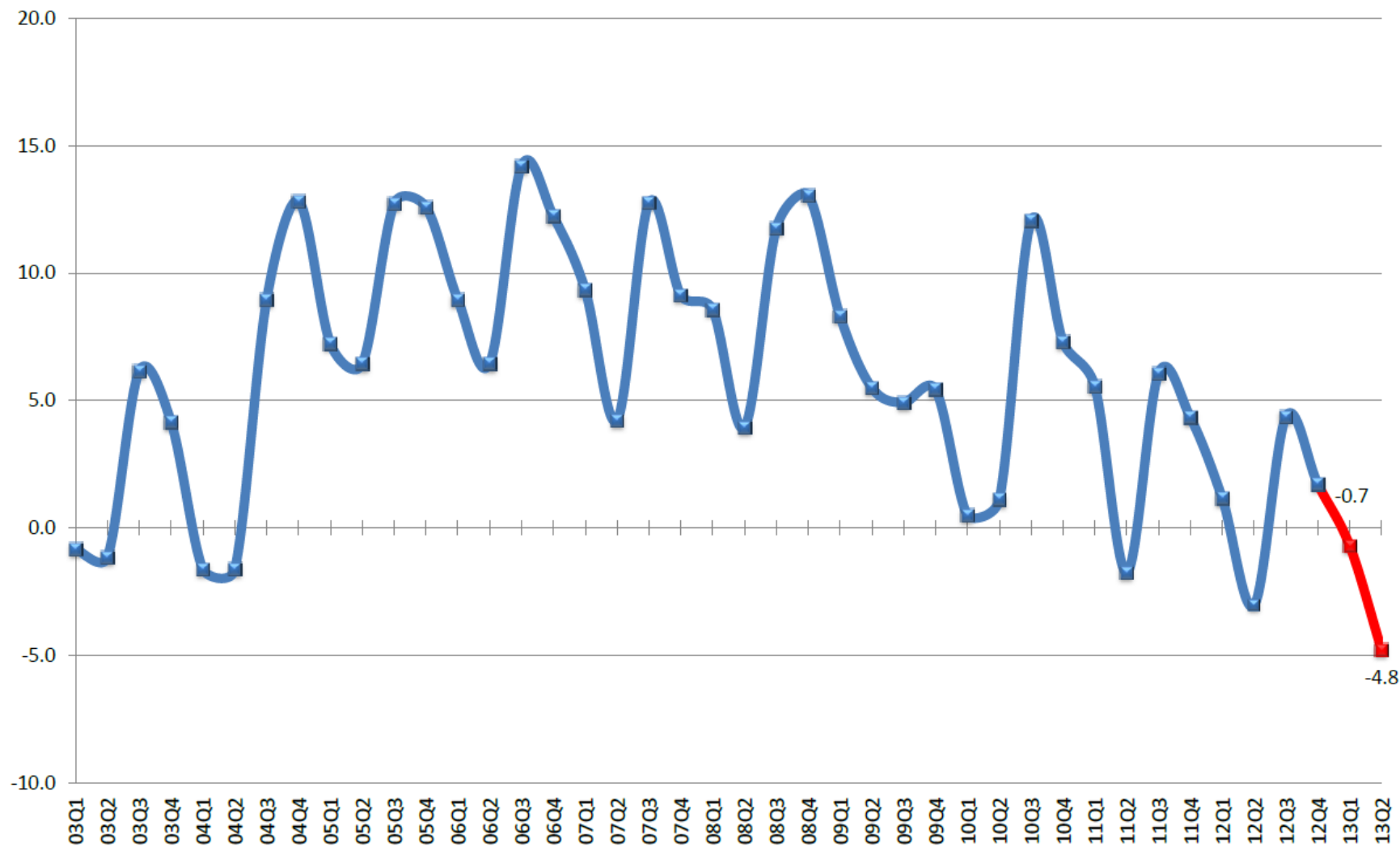
# Workers Vs Jobs (in thousands)



# Composite Consumer Price Index (Jan 2006= 100)

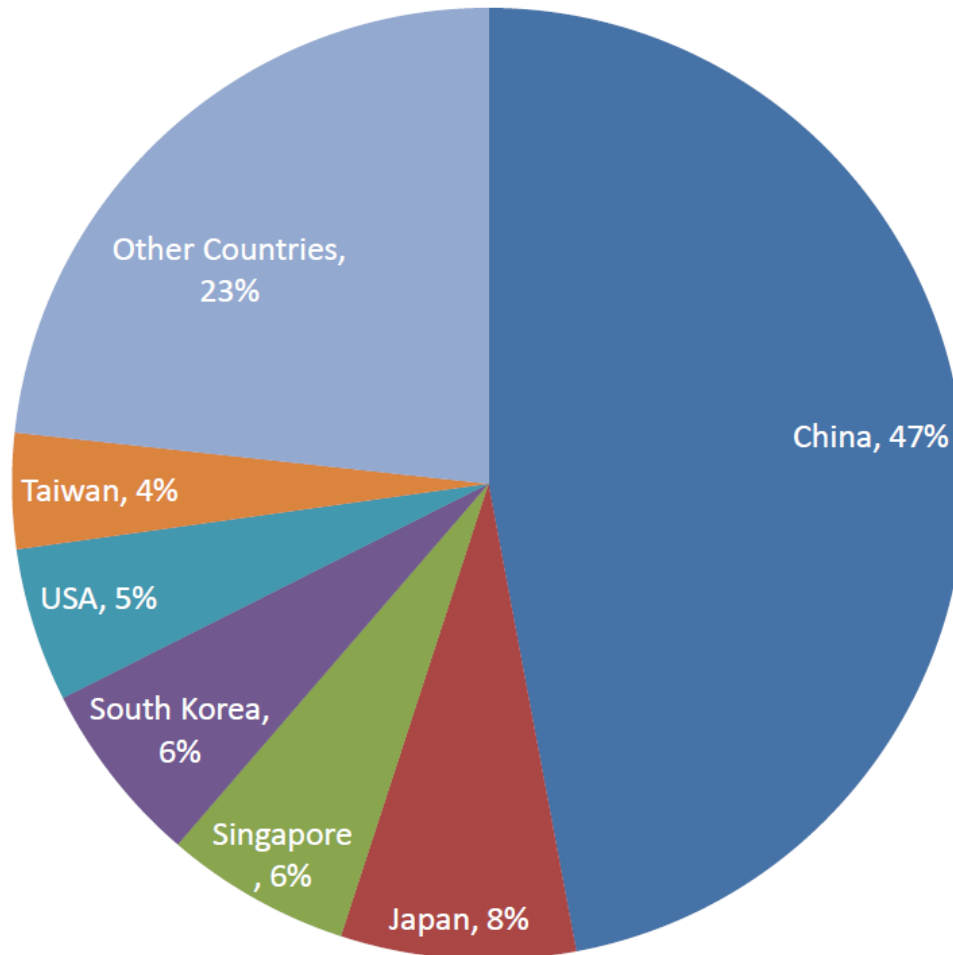


# External Trade Balance of Goods and Services (Percentage of GDP, 2010 HK Dollars)

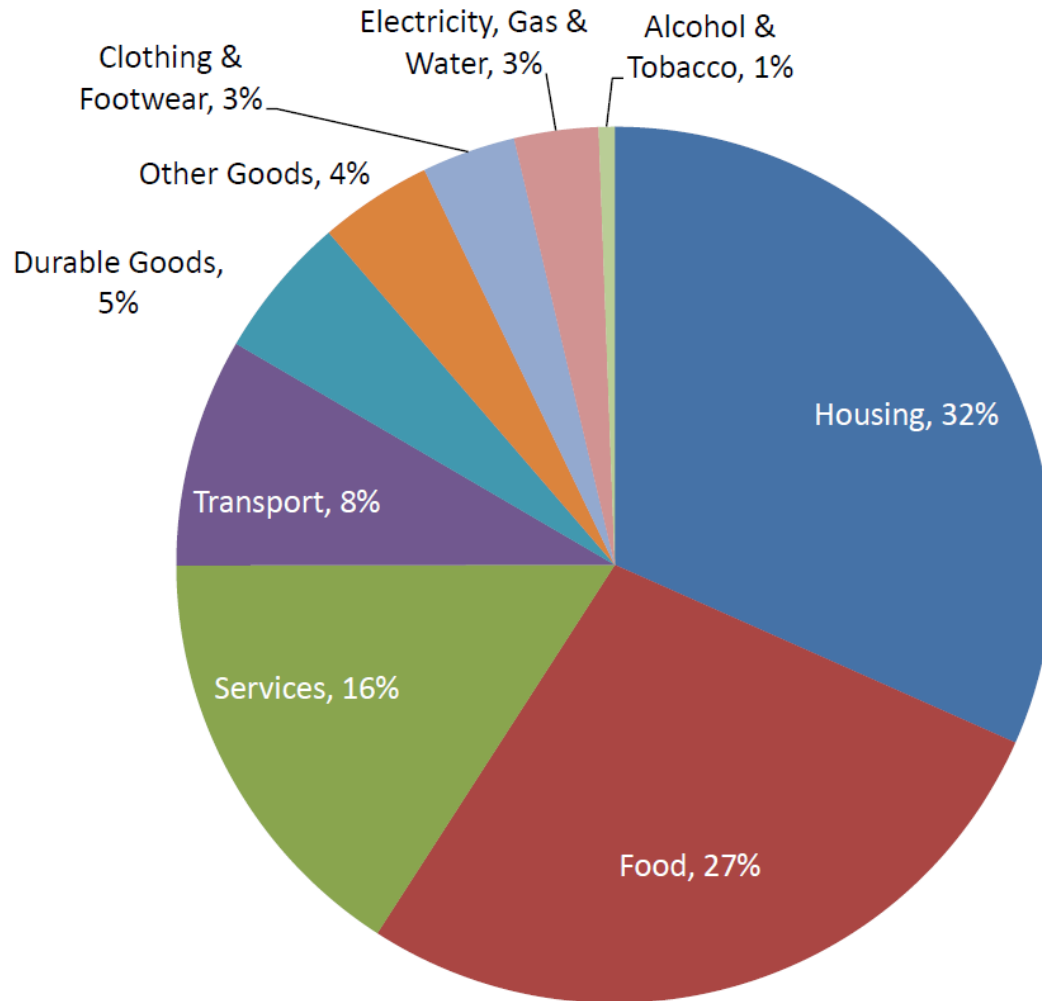




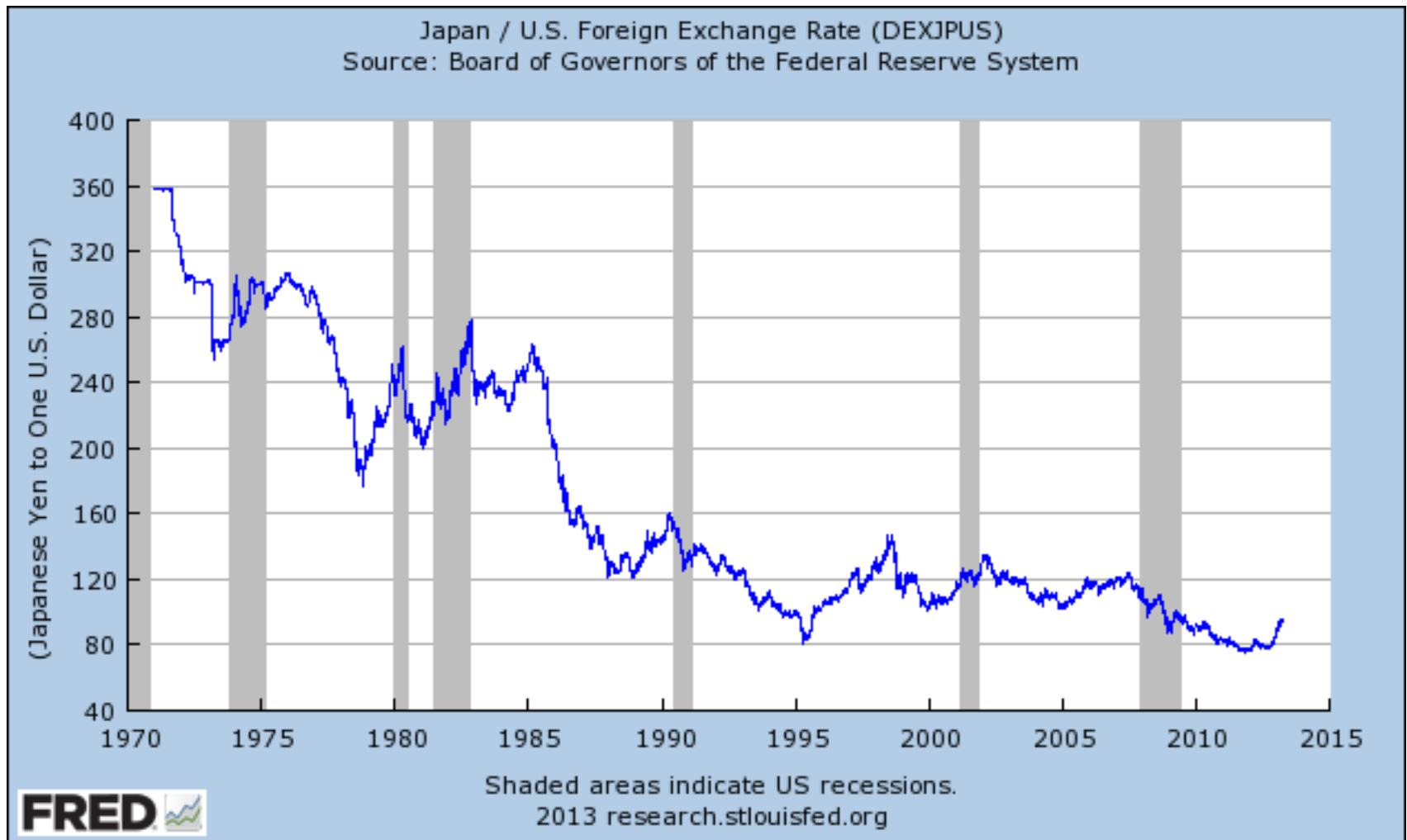
## Shares of Imports by Country of Origin (2012 current prices)



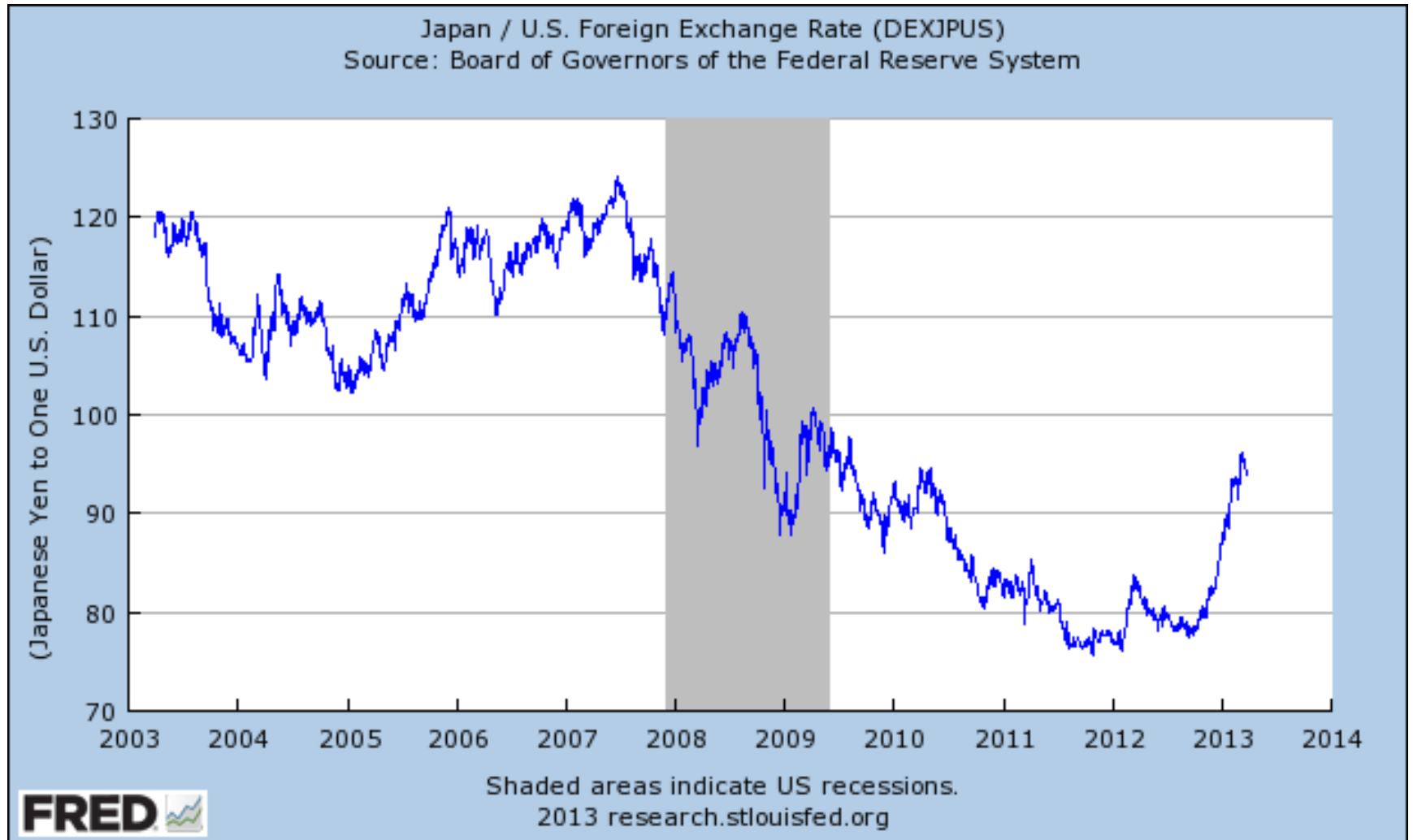
# Consumer Price Index: Weights



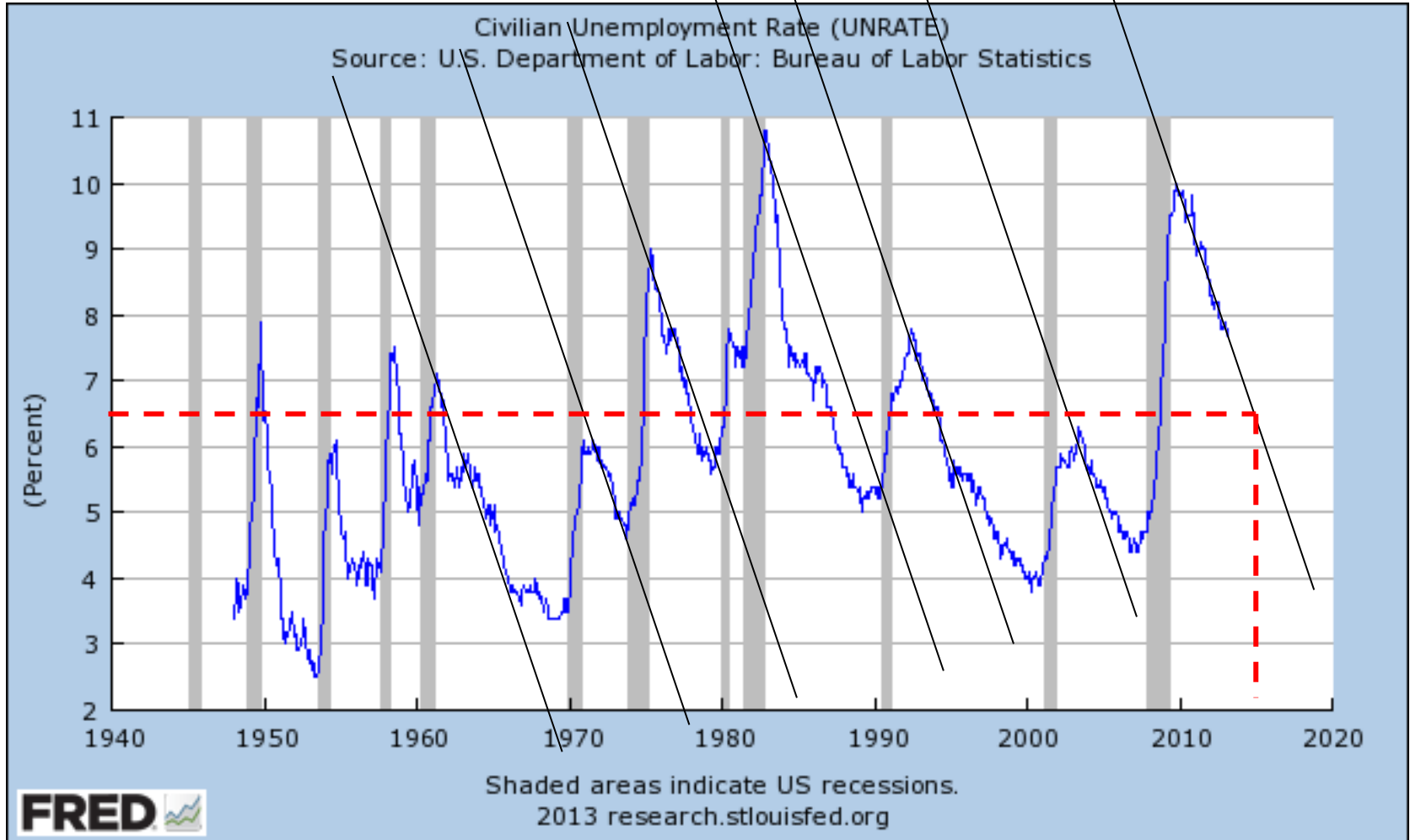
# Yen/USD



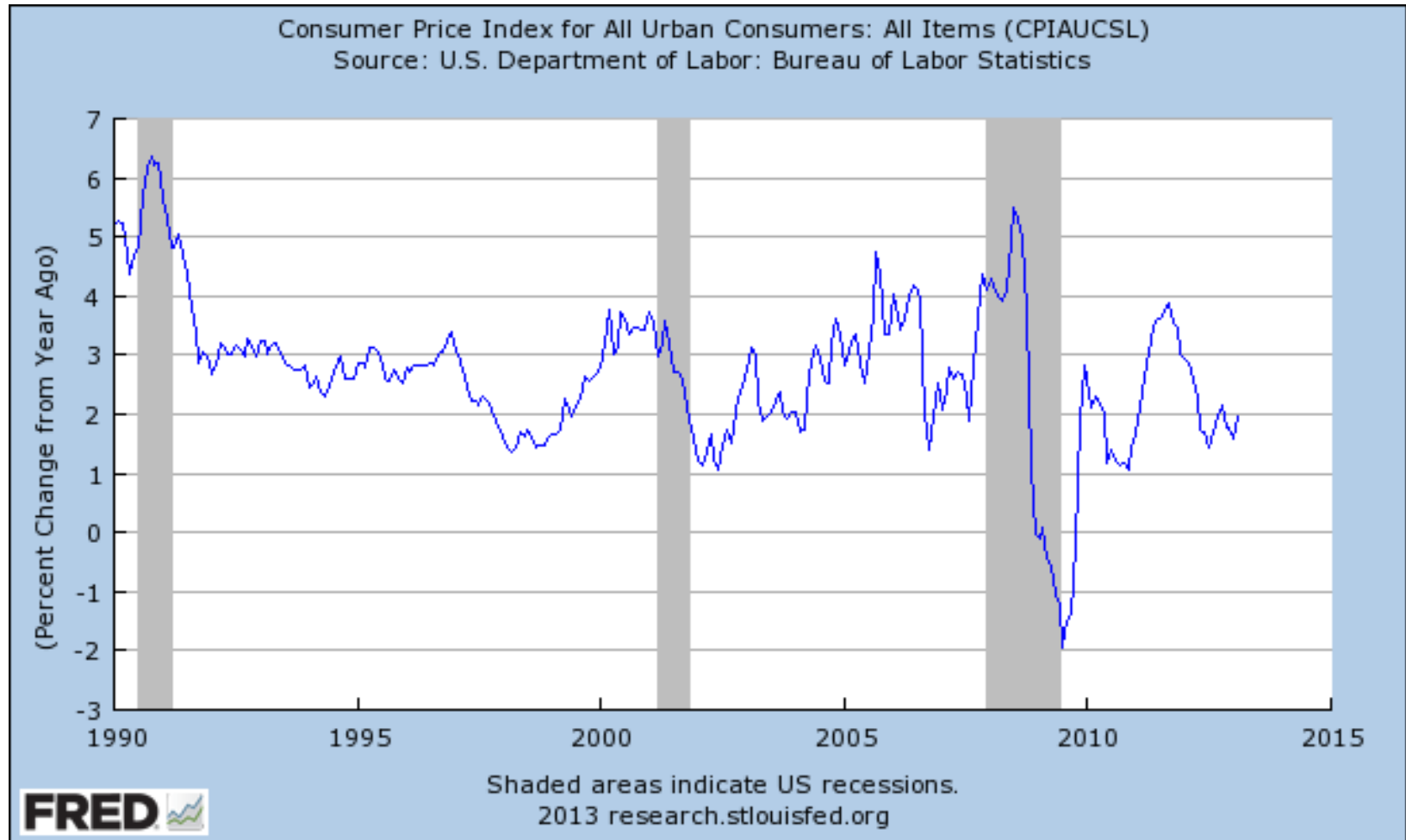
# Yen/USD



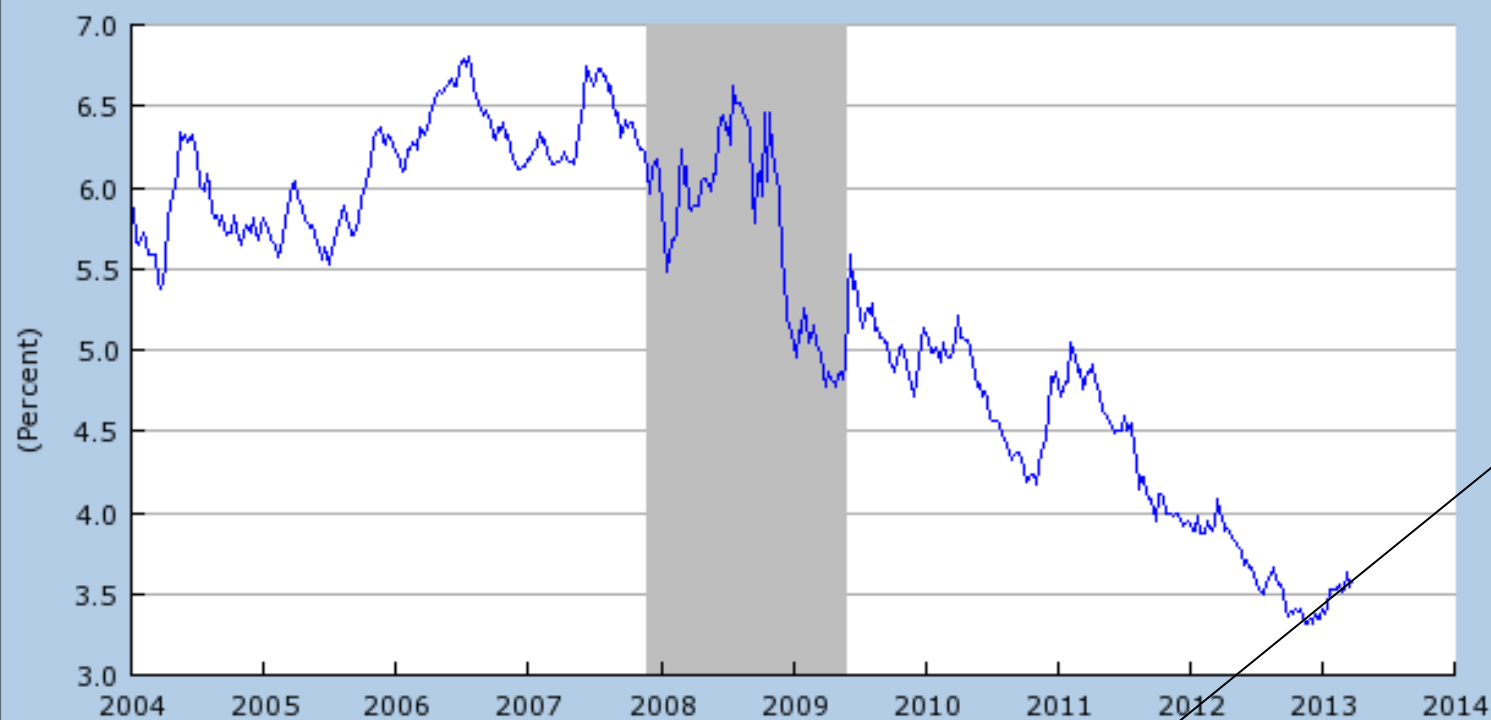
# US unemployment rate



# US CPI-based inflation



30-Year Conventional Mortgage Rate (WRMORTG)  
Source: Board of Governors of the Federal Reserve System



Shaded areas indicate US recessions.  
2013 research.stlouisfed.org

## EU Unemployment Rate

| geo\time                    | 2012<br>M06 | 2012<br>M07 | 2012<br>M08 | 2012<br>M09 | 2012<br>M10 | 2012<br>M11 | 2012<br>M12 | 2013<br>M01 | 2013<br>M02 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Euro area<br>(17 countries) | 11.4        | 11.4        | 11.5        | 11.6        | 11.7        | 11.8        | 11.8        | 12          | 12          |
| Euro area<br>(16 countries) | 11.4        | 11.4        | 11.5        | 11.6        | 11.7        | 11.8        | 11.8        | 12          | 12          |
| EU<br>(27 countries)        | 10.5        | 10.5        | 10.5        | 10.6        | 10.7        | 10.7        | 10.7        | 10.8        | 10.9        |
| EU<br>(15 countries)        | 10.6        | 10.7        | 10.7        | 10.8        | 10.9        | 10.9        | 11          | 11.1        | 11.1        |



**Table 2 : Changes in imports of goods by main supplier  
(census Volume and price statistics of external  
merchandise trade in January 2013 [14 Mar 2013])**

| Main supplier         | Comparing Jan 2013<br>with Jan 2012 |        |
|-----------------------|-------------------------------------|--------|
|                       | % change                            |        |
|                       | Unit value                          | Volume |
| The mainland of China | 0.4                                 | 34.7   |
| Singapore             | 1.5                                 | 26.0   |
| Japan                 | -1.6                                | 2.7    |
| Taiwan                | -0.2                                | 34.4   |
| USA                   | 1.8                                 | 20.0   |
| All suppliers         | 1.0                                 | 24.0   |

Note: Five main suppliers are selected based on import values in the month.

**Table 1 : Changes in total exports of goods by main destination (census)**

| Main destination      | Comparing Jan 2013<br>with Jan 2012 |        |
|-----------------------|-------------------------------------|--------|
|                       | % change                            |        |
|                       | Unit value                          | Volume |
| The mainland of China | -1.0                                | 30.8   |
| USA                   | 2.5                                 | -2.5   |
| Japan                 | 2.2                                 | 5.4    |
| Taiwan                | 3.1                                 | 48.8   |
| Germany               | 2.7                                 | 0.5    |
| All destinations      | 0.4                                 | 17.4   |

Note: Five main destinations are selected based on total export values in the month.

# Impact of a 0.25 percent increase in interest rate on property value (percentage decrease in property value at a given interest rate)

