

High Frequency Macroeconomic Forecast

Third Quarter 2014

APEC Studies Programme
HK Institute of Economics & Business Strategy
THE UNIVERSITY OF HONG KONG

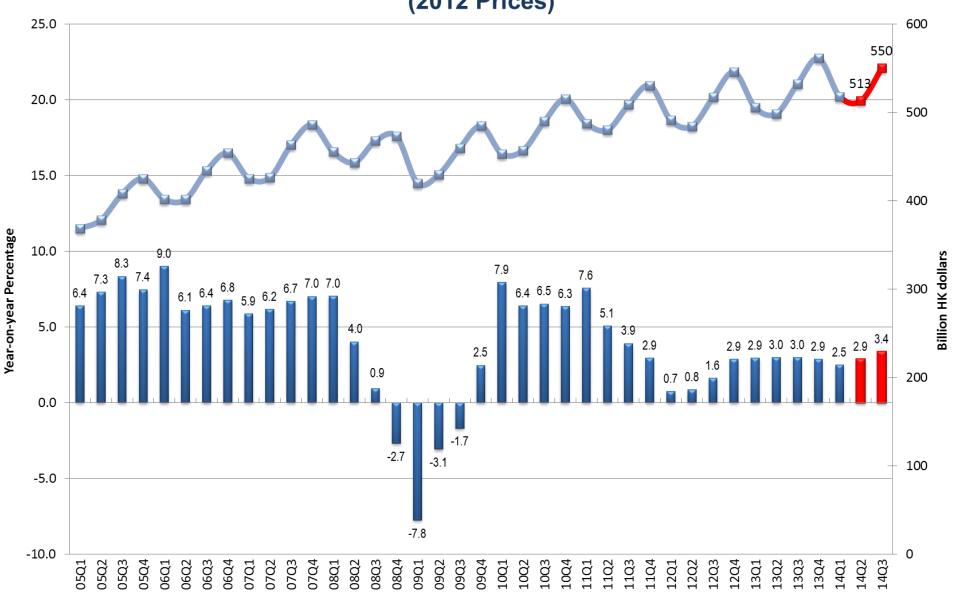
July 3, 2014

	2013					2014			
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	
							` '	(Forecast)	
Gross Domestic Product	2.9	3.0	3.0	2.9	2.9	2.5	2.9	3.4	
Private Consumption Expenditure	6.3	4.7	2.7	3.6	4.3	2.0	2.2	3.0	
Government Consumption Expenditure	1.9	3.1	2.3	2.0	2.3	2.4	3.0	3.0	
Exports of Goods	8.8	6.1	6.1	5.7	6.6	0.5	2.5	3.3	
Imports of Goods	9.5	7.6	6.6	6.1	7.4	1.2	2.6	3.5	
Exports of Services	4.7	7.7	5.0	4.7	5.5	3.1	4.4	5.0	
Imports of Services	0.3	-0.7	2.6	5.5	2.0	-0.2	2.6	2.8	
Gross Fixed Capital Formation	-3.0	7.6	2.7	5.3	3.3	3.0	-1.4	-0.4	
GFCF in Land & Construction	-1.6	-7.4	-3.7	-8.6	-5.4	4.5	-0.1	-1.9	
GFCF in Machinery, Equip. & Computer Software	-4.4	19.8	7.6	17.5	10.8	1.4	-2.3	0.7	
GDP Deflator Growth Rate	1.8	0.6	1.5	1.5	1.4	2.0	1.6	1.4	
CPI (Composite) Inflation Rate	3.7	4.0	5.3	4.3	4.3	4.2	3.7	4.0	
Unemployment Rate	3.5	3.3	3.3	3.2	3.3	3.1	3.2	3.2	

	2013					2014		
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3
								(Forecast)
Gross Domestic Product	2.9	3.1	3.0	2.9	2.9	2.5	2.9	3.4
Private Consumption Expenditure	6.5	4.6	2.4	3.6	4.2	2.0	3.5	3.0
Government Consumption Expenditure	1.9	3.1	2.3	2.0	2.7	^{3.0} 2.4	3.0	3.0
Exports of Goods	8.8	6.2	6.2	5.8	6.7	0.5	^{4.8} 2.5	3.3
Imports of Goods	^{9.6} 9.5	^{7.6} 7.6	6.8	6.5	^{7.6} 7.4	1.2	2.6	3.5
Exports of Services	^{5.1} 4.7	8.0 7.7	5.5	4.9	5.8	3.1	4.7	5.0
Imports of Services	0.5	-0.7	2.6	^{3.7} 5.5	2.0	-0.2	2.9	2.8
Gross Fixed Capital Formation	-3.3 -3.0	^{7.6} 7.6	2.8	5.3	3.3	^{5.9} 3.0	-1.4	-0.4
GFCF in Land & Construction	-1.6	^{-7.2} -7.4	-3.2	-8.6 -8.6	^{-5.4} -5.4	^{-9.7} 4.5	^{-5.7} -0.1	-1.9
GFCF in Machinery, Equip. & Computer Software	-4.4	^{19.4} 19.8	^{7.3} 7.6	17.2 17.5	10.8	1.4	^{7.4} -2.3	0.7
GDP Deflator Growth Rate	1.8	0.6	1.5	1.5	1.4	2.0	1.6	1.4
CPI (Composite) Inflation Rate	3.7	4.0	5.3 5.3	4.3	4.3	4.3	3.7	4.0
Unemployment Rate	3.5	3.3	3.3	3.2	3.3	3.1	3.1	3.2

	20	13				
	Q4 Annual		Q1 Q2		Q3	
				(estimate)	(forecast)	
Gross Domestic Product	2.9	2.9	2.5	2.9	3.4	
Private Consumption Expenditure	3.6	4.3	2.0	2.2	3.0	
Government Consumption Expenditure	2.0	2.3	2.4	3.0	3.0	
Total Exports of Goods & Services	5.5	6.4	1.0	2.9	3.6	
Total Imports of Goods & Services	6.0	6.8	1.1	2.6	3.4	
Gross Fixed Capital Formation	5.3	3.3	3.0	-1.4	-0.4	
Unemployment Rate	3.2	3.3	3.1	3.2	3.2	

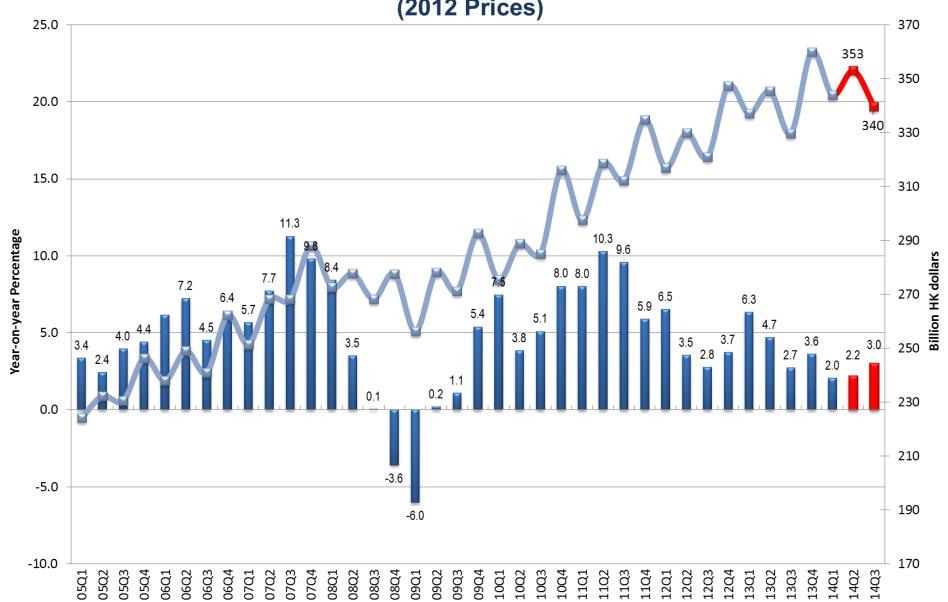
Real Gross Domestic Product (2012 Prices)



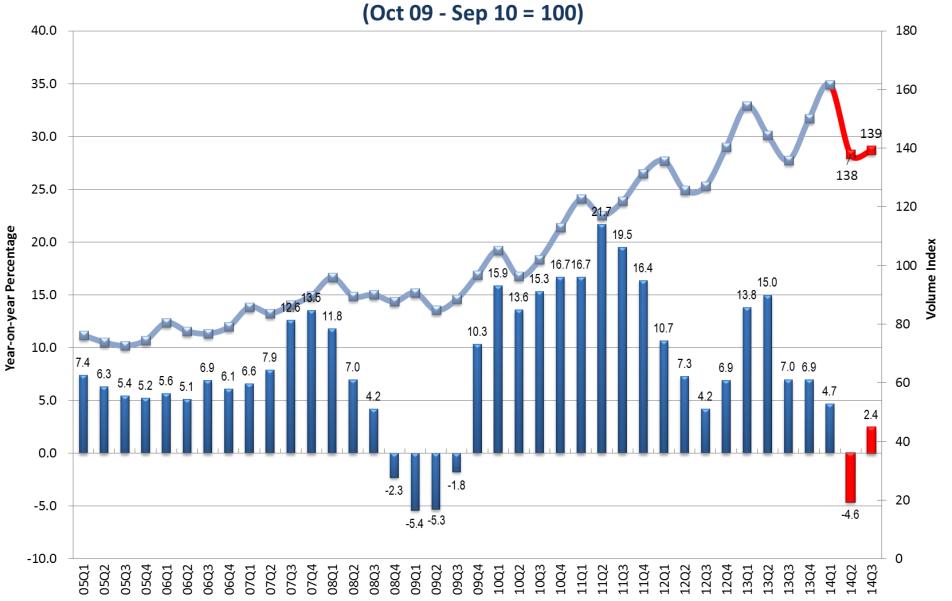
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	2013					2014			
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	
		ļ!	<u> </u>	<u> </u>			(Estimate)	(Forecast)	
Gross Domestic Product	2.9	3.0	3.0	2.9	2.9	2.5	2.9	3.4	
Private Consumption Expenditure	6.3	4.7	2.7	3.6	4.3	2.0	2.2	3.0	
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Exports of Services	4.7	7.7	5.0	4.7	5.5	3.1	4.4	5.0	
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Gross Fixed Capital Formation	-3.0	7.6	2.7	5.3	3.3	3.0	-1.4	-0.4	
GFCF in Land & Construction	-1.6	-7.4	-3.7	-8.6	-5.4	4.5	-0.1	-1.9	
GFCF in Machinery, Equip. & Computer Software	-4.4	19.8	7.6	17.5	10.8	1.4	-2.3	0.7	
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CPI (Composite) Inflation Rate	3.7	4.0	5.3	4.3	4.3	4.2	3.7	4.0	
Unemployment Rate	3.5	3.3	3.3	3.2	3.3	3.1	3.2	3.2	
		•	•	•	•	•	•	•	

2013					1	2014			
Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3		
ļ	ļ	ļl				(Estimate)	(Forecast)		
2.9	3.0	3.0	2.9	2.9	2.5	2.9	3.4		
6.3	4.7	2.7	3.6	4.3	2.0	2.2	3.0		
1.9	3.1	2.3	2.0	2.3	2.4	3.0	3.0		
8.8	6.1	6.1	5.7	6.6	0.5	2.5	3.3		
9.5	7.6	6.6	6.1	7.4	1.2	2.6	3.5		
4.7	7.7	5.0	4.7	5.5	3.1	4.4	5.0		
0.3	-0.7	2.6	5.5	2.0	-0.2	2.6	2.8		
-3.0	7.6	2.7	5.3	3.3	3.0	-1.4	-0.4		
-1.6	-7.4	-3.7	-8.6	-5.4	4.5	-0.1	-1.9		
-4.4	19.8	7.6	17.5	10.8	1.4	-2.3	0.7		
1.8	0.6	1.5	1.5	1.4	2.0	1.6	1.4		
3.7	4.0	5.3	4.3	4.3	4.2	3.7.	4.0		
3.5	3.3	3.3	3.2	3.3	3.1	3.2	3.2		
	2.9 6.3 1.9 8.8 9.5 4.7 0.3 -3.0 -1.6 -4.4	2.9 3.0 6.3 4.7 1.9 3.1 8.8 6.1 9.5 7.6 4.7 7.7 0.3 -0.7 -3.0 7.6 -1.6 -7.4 -4.4 19.8 1.8 0.6 3.7 4.0	Q1 Q2 Q3 2.9 3.0 3.0 6.3 4.7 2.7 1.9 3.1 2.3 8.8 6.1 6.1 9.5 7.6 6.6 4.7 7.7 5.0 0.3 -0.7 2.6 -3.0 7.6 2.7 -1.6 -7.4 -3.7 -4.4 19.8 7.6 1.8 0.6 1.5 3.7 4.0 5.3	Q1 Q2 Q3 Q4 2.9 3.0 3.0 2.9 6.3 4.7 2.7 3.6 1.9 3.1 2.3 2.0 8.8 6.1 6.1 5.7 9.5 7.6 6.6 6.1 4.7 7.7 5.0 4.7 0.3 -0.7 2.6 5.5 -3.0 7.6 2.7 5.3 -1.6 -7.4 -3.7 -8.6 -4.4 19.8 7.6 17.5 1.8 0.6 1.5 1.5 3.7 4.0 5.3 4.3	Q1 Q2 Q3 Q4 Annual 2.9 3.0 3.0 2.9 2.9 6.3 4.7 2.7 3.6 4.3 1.9 3.1 2.3 2.0 2.3 8.8 6.1 6.1 5.7 6.6 9.5 7.6 6.6 6.1 7.4 4.7 7.7 5.0 4.7 5.5 0.3 -0.7 2.6 5.5 2.0 -3.0 7.6 2.7 5.3 3.3 -1.6 -7.4 -3.7 -8.6 -5.4 -4.4 19.8 7.6 17.5 10.8 1.8 0.6 1.5 1.5 1.4 3.7 4.0 5.3 4.3 4.3	Q1 Q2 Q3 Q4 Annual Q1 2.9 3.0 3.0 2.9 2.9 2.5 6.3 4.7 2.7 3.6 4.3 2.0 1.9 3.1 2.3 2.0 2.3 2.4 8.8 6.1 6.1 5.7 6.6 0.5 9.5 7.6 6.6 6.1 7.4 1.2 4.7 7.7 5.0 4.7 5.5 3.1 0.3 -0.7 2.6 5.5 2.0 -0.2 -3.0 7.6 2.7 5.3 3.3 3.0 -1.6 -7.4 -3.7 -8.6 -5.4 4.5 -4.4 19.8 7.6 17.5 10.8 1.4 1.8 0.6 1.5 1.5 1.4 2.0 3.7 4.0 5.3 4.3 4.3 4.2	Q1 Q2 Q3 Q4 Annual Q1 Q2 (Estimate) 2.9 3.0 3.0 2.9 2.9 2.5 2.9 6.3 4.7 2.7 3.6 4.3 2.0 2.2 1.9 3.1 2.3 2.0 2.3 2.4 3.0 8.8 6.1 6.1 5.7 6.6 0.5 2.5 9.5 7.6 6.6 6.1 7.4 1.2 2.6 4.7 7.7 5.0 4.7 5.5 3.1 4.4 0.3 -0.7 2.6 5.5 2.0 -0.2 2.6 -3.0 7.6 2.7 5.3 3.3 3.0 -1.4 -1.6 -7.4 -3.7 -8.6 -5.4 4.5 -0.1 -4.4 19.8 7.6 17.5 10.8 1.4 -2.3 1.8 0.6 1.5 1.5 1.4 2.0 1.6 3.7		

Private Consumption Expenditure (2012 Prices)

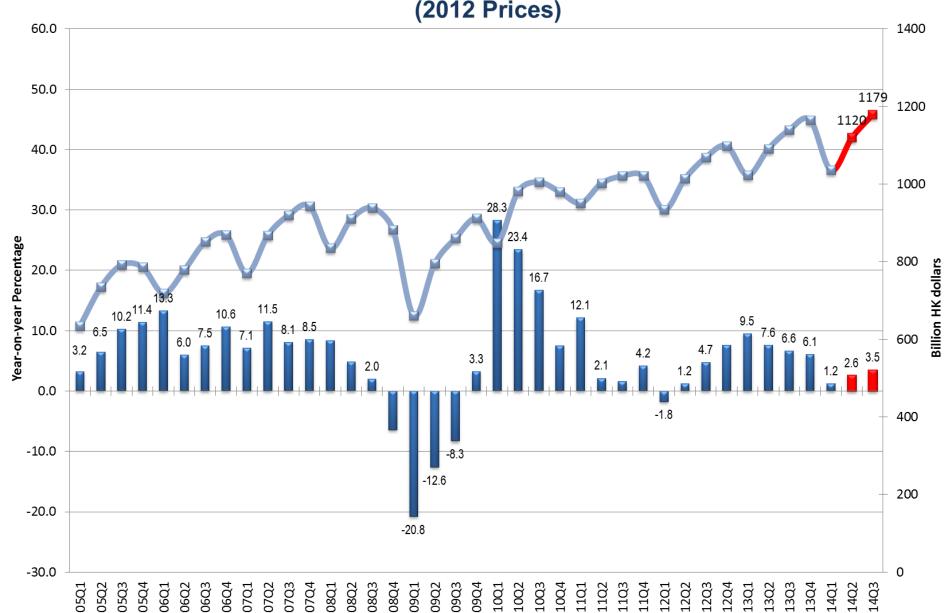


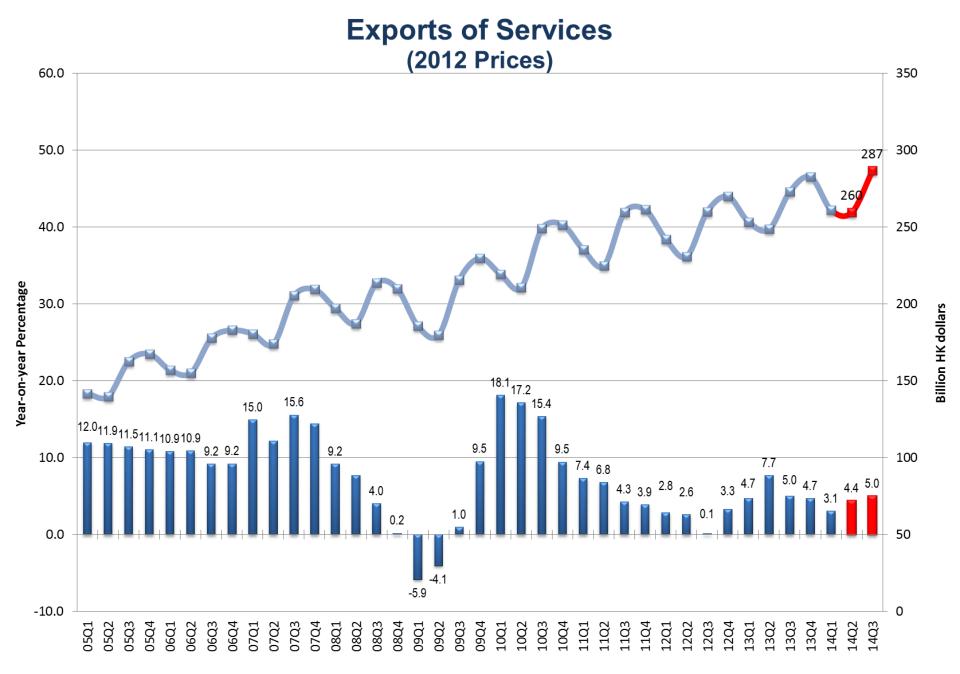
Retail Sales Volume



Exports of Goods (2012 **Prices**) 1200 60.0 1,040 50.0 1000 40.0 30.0 800 Year-on-year Percentage 21.6 20.1 20.8 **Billion HK dollars** 20.0 16.3 10.2 10.5 600 8.8 10.0 6.1 6.1 5.7 2.5 3.3 0.0 400 -0.3 -2.7 -4.7 -5.0 -10.0 -12.613.1 200 -20.0 -22.5 -30.0 0 05Q2 0503 05Q4 06Q3 06Q4 0703 07Q4 0803 08Q4 09Q3 09Q4 10Q2 1003 10Q4 1103 1104 1203 12Q4 13Q3 13Q4 1402 1403 06Q1 06Q2 08Q1 0802 09Q1 09Q2 10Q1 1101 1102 12Q1 12Q2 13Q1 1302 14Q1 07Q1 07Q2

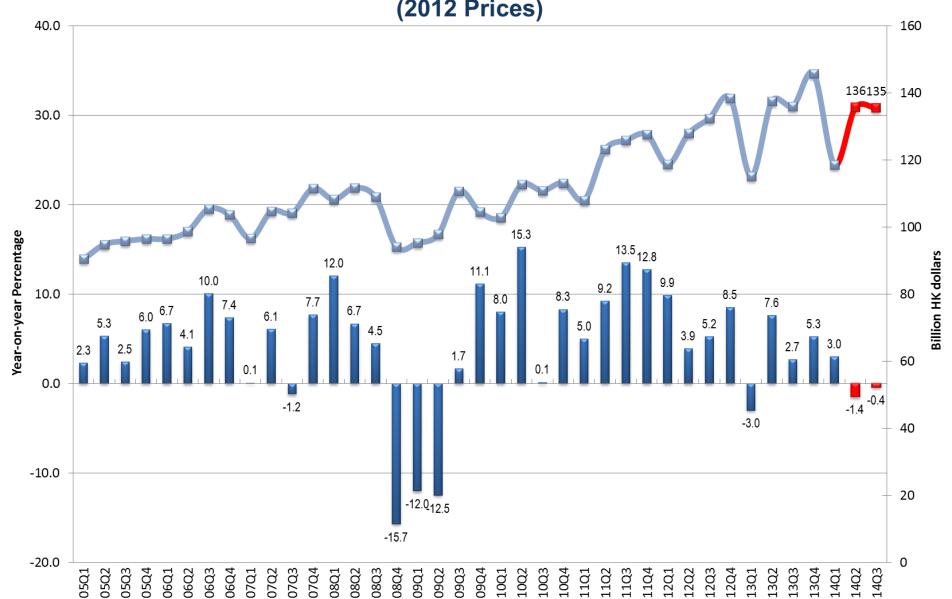
Imports of Goods (2012 Prices)



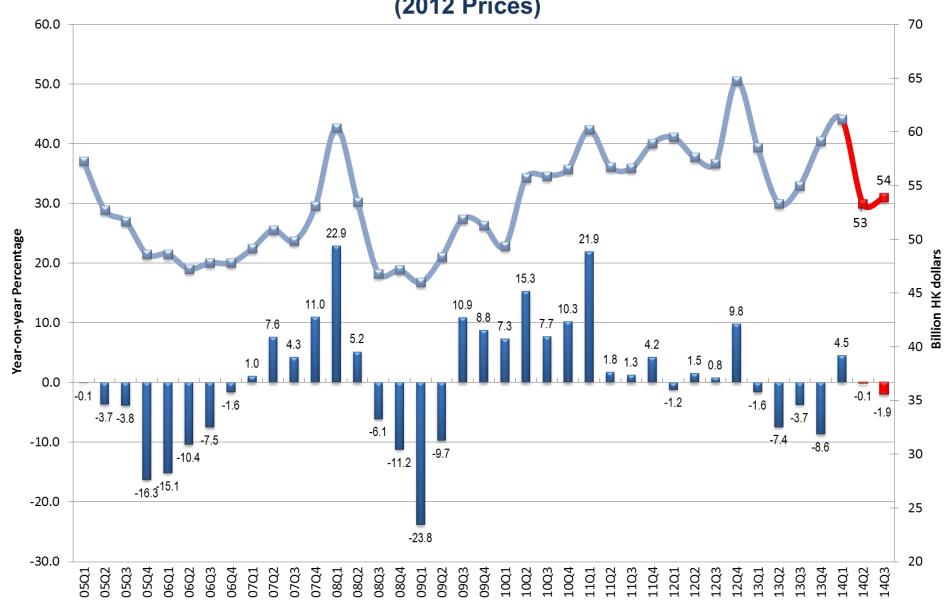


Imports of Services (2012 **Prices**) 60.0 140 122 50.0 120 40.0 100 30.0 Year-on-year Percentage 80 Billion HK dollars 20.0 11.9^{12.7} 11.7 11.3^{11.9}^{12.4} 60 10.5 11.5 10.0 5.5 40 -0.7 -0.2 20 -10.0 -11.2 -20.0 0 0504 06Q2 06Q3 0703 07Q4 0802 0803 0804 09Q1 0902 09Q3 09Q4 10Q2 1003 1004 1103 1104 12Q2 12Q3 12Q4 1303 1304 1401 1402 06Q4 07Q2 08Q1 1001 11Q2 12Q1 13Q1 13Q2 06Q1 07Q1 1101

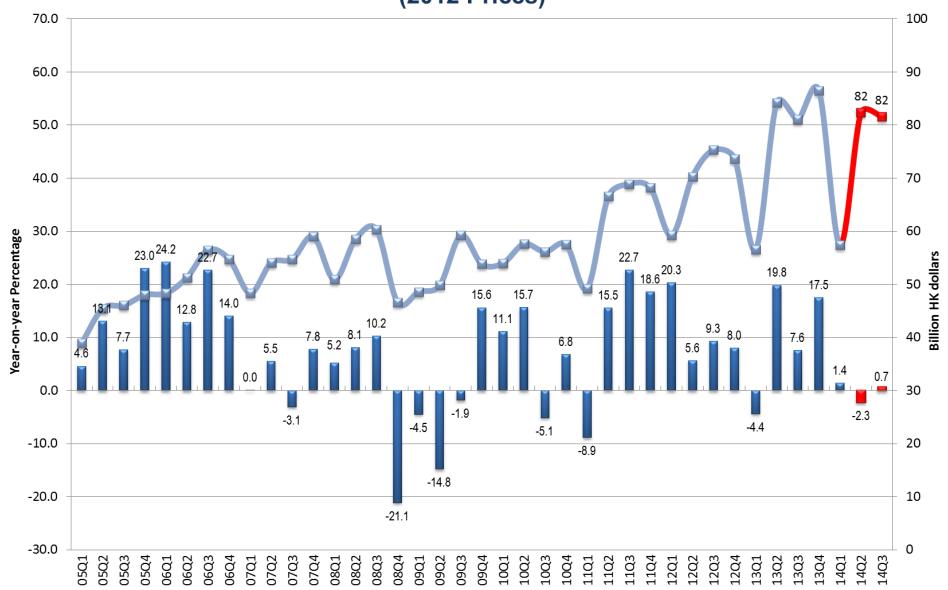
Gross Domestic Fixed Capital Formation (2012 Prices)



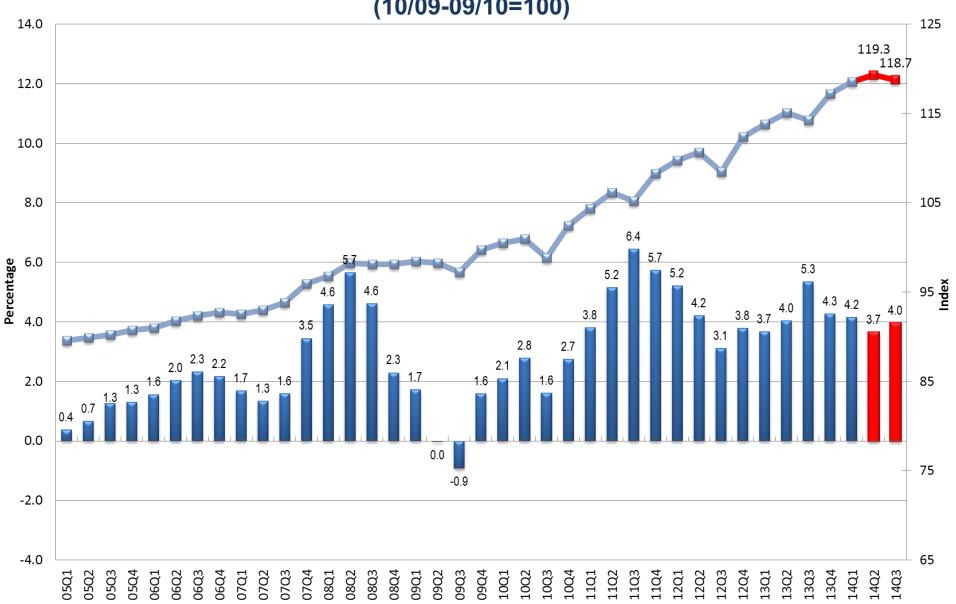
Investment in Land and Construction (2012 Prices)



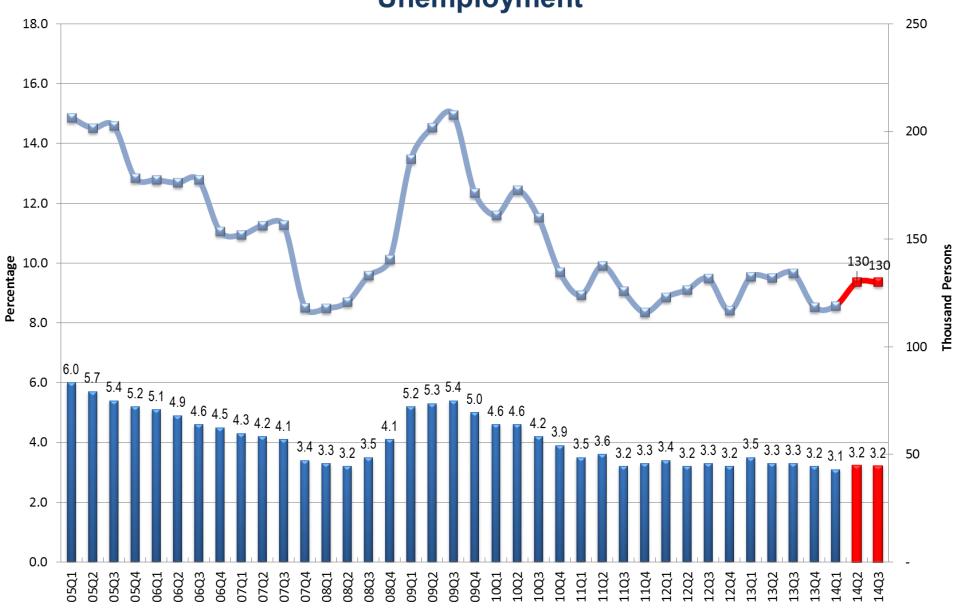
Investment in Machinery, Equipment & Computer Software (2012 Prices)



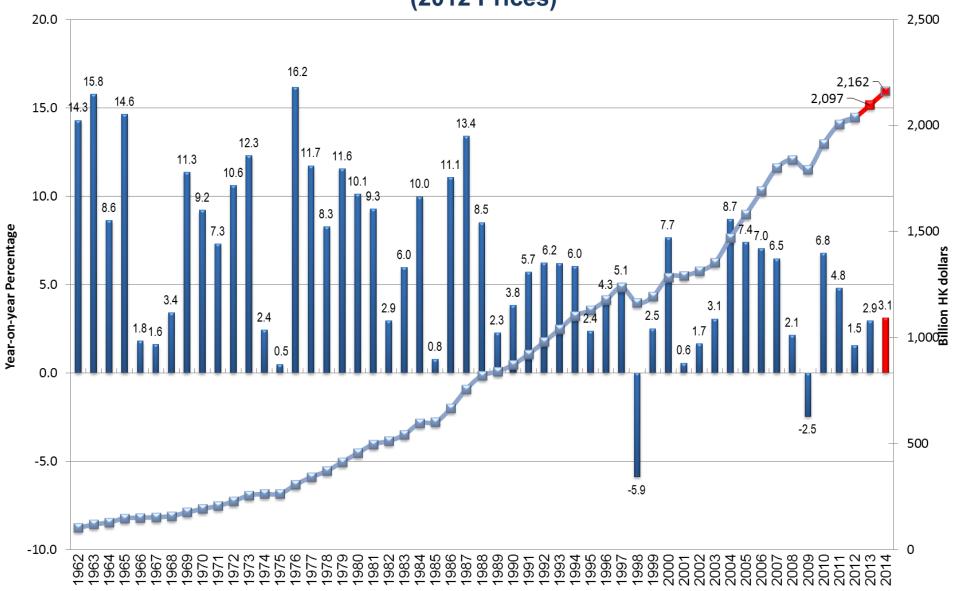
Consumer Price Index (10/09-09/10=100)



Unemployment



Real Gross Domestic Product (2012 Prices)





High Frequency Macroeconomic Forecast

Our forecasts can be accessed at:



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