

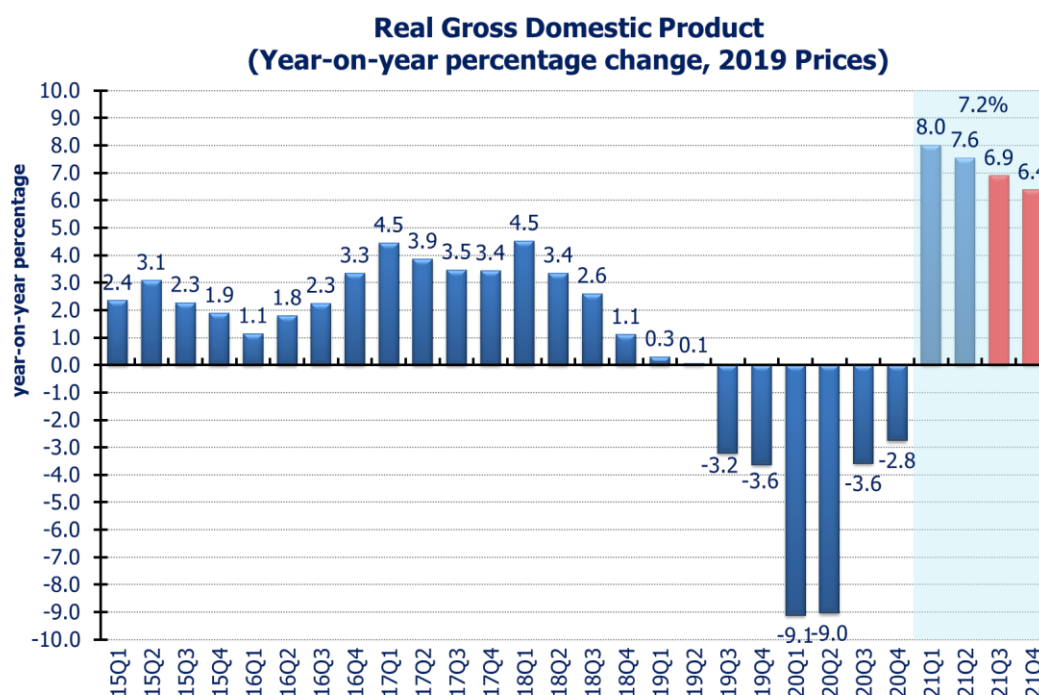


## HKU announces 2021 Q4 HK Macroeconomic Forecast

October 5, 2021

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 (October 5). The government consumption voucher scheme gave a strong boost in retail sales, with retail sales volume increased by 10.5% in August 2021, providing impetus in robust local demand growth. With vibrant external demand, Hong Kong's economy is expected to expand. Hong Kong's real GDP is estimated to grow by 6.9% in 21Q3, slightly slower than the 7.6% growth in 21Q2.

Brought by the success of climbing vaccination rate and the second instalment of the consumption voucher, Hong Kong's output growth is forecast to continue. The job market will continue to improve further, unemployment is expected to drop to 4.3% in 21Q4 from the estimated 4.6% in 21Q3. The economic deterioration by the pandemic has been arrested in 2021. Along with the broad-based economic recovery, Hong Kong's GDP is expected to grow by 6.4% in 21Q4, and by 7.2% for the year 2021 as a whole.



## **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 the HKU Business School. It aims to provide the community with well-timed 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 HKU Business School. 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:

<https://www.hiebs.hku.hk/macroeconomic-forecasts/>

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 2019 HK Dollar)

	2020			2021				
	Q3	Q4	Annual	Q1	Q2	Q3 (Estimate)	Q4 (Forecast)	Annual (Forecast)
Gross Domestic Product	683,846	713,772	2,671,569	698,029	675,187	731,043	759,364	2,863,623
Private Consumption Expenditure	431,297	468,052	1,777,713	450,175	467,229	464,890	499,606	1,881,900
Government Consumption Expenditure	83,700	83,235	334,560	93,070	82,854	86,211	85,732	347,867
Exports of Goods	1,149,700	1,207,253	4,243,016	1,165,389	1,190,572	1,374,639	1,430,572	5,161,172
Imports of Goods	1,122,948	1,209,798	4,283,510	1,156,495	1,224,285	1,347,448	1,413,576	5,141,804
Exports of Services	129,169	122,222	510,573	135,977	115,381	137,934	133,585	522,877
Imports of Services	104,169	106,022	417,750	105,126	94,858	112,883	115,870	428,737
Gross Fixed Capital Formation	114,862	130,160	462,487	119,943	127,609	133,344	140,525	521,421
GFCF in Land & Construction	74,774	78,905	303,969	81,534	79,098	82,835	86,565	330,032
GFCF in Mach., Equip. & Comp. Soft.	40,088	51,255	158,518	38,409	48,511	50,509	53,960	191,389
Changes in Inventories	2,235	18,670	44,480	-4,904	10,685	-5,644	-1,210	-1,073

Date of Forecast: October 5, 2021

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

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

	2020			2021				
	Q3	Q4	Annual	Q1	Q2	Q3 (Estimate)	Q4 (Forecast)	Annual (Forecast)
Gross Domestic Product	-3.6	-2.8	-6.1	8.0	7.6	6.9	6.4	7.2
Private Consumption Expenditure	-7.9	-6.9	-9.9	2.1	6.8	7.8	6.7	5.9
Government Consumption Expenditure	7.5	6.1	8.1	7.0	2.8	3.0	3.0	4.0
Exports of Goods	3.9	5.5	-0.3	30.1	20.2	19.6	18.5	21.6
Imports of Goods	1.9	6.7	-2.1	22.9	21.3	20.0	16.8	20.0
Exports of Services	-32.9	-28.8	-36.1	-7.3	2.6	6.8	9.3	2.4
Imports of Services	-35.0	-33.9	-34.1	-12.0	7.6	8.4	9.3	2.6
Gross Fixed Capital Formation	-10.4	3.6	-11.2	4.8	23.8	16.1	8.0	12.7
GFCF in Land & Construction	-4.9	-0.3	-7.1	5.6	8.3	10.8	9.7	8.6
GFCF in Machinery, Equip. & Computer Software	-20.1	10.1	-18.0	3.3	61.7	26.0	5.3	20.7
GDP Deflator Growth Rate	0.7	-1.2	0.6	-0.8	-0.3	-0.4	-0.3	-0.6
CPI (Composite) Inflation Rate	-1.7	-0.3	0.3	0.9	0.9	2.5	2.0	1.6
Unemployment Rate	6.3	6.5	5.8	6.8	5.5	4.6	4.3	5.3
Date of Forecast: October 5, 2021								

# 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 (%)

	2021											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Unit Value Trade Index (Domestic Exports)	-0.5	0.7	2.4	4.1	5.3	5.3	5.7	6.1	6.6	7.1	7.0	6.9
Unit Value Trade Index (Imports of Foodstuffs)	0.9	0.9	0.8	1.5	2.0	2.4	1.9	1.4	1.9	2.0	1.5	1.9
Unit Value Trade Index (Imports of Consumer Goods)	2.4	1.8	2.0	1.9	1.5	1.2	1.2	1.5	1.1	1.0	1.0	1.2
Unit Value Trade Index (Imports of Raw Materials & Semi-Manufactures)	2.5	2.6	4.0	5.8	6.2	7.3	8.7	8.7	8.8	8.2	8.3	7.0
Unit Value Trade Index (Imports of Fuels)	-17.4	-14.8	6.6	66.0	64.5	55.5	52.4	47.7	66.8	66.9	63.1	49.8
Unit Value Trade Index (Imports of Capital Goods)	-1.5	-0.8	-1.1	0.4	2.4	2.7	2.2	2.9	3.2	3.0	3.9	3.2
Real Retained Imports of Foodstuffs	41.5	-11.8	9.2	12.2	-0.2	-3.4	-4.0	-1.5	5.5	0.6	10.2	18.0
Real Retained Imports of Consumer Goods	42.4	14.7	-8.9	48.1	33.2	79.9	27.8	40.4	23.8	9.7	5.1	-14.7
Real Retained Imports of Raw Materials & Semi-Manufactures	-7.6	-14.5	0.8	13.0	40.5	12.6	20.7	36.7	31.6	-4.5	9.8	11.4
Real Retained Imports of Fuels	-18.6	-20.3	-8.3	-30.6	-15.2	-24.7	-10.4	-13.1	11.5	-13.6	-7.7	-7.2
Real Retained Imports of Capital Goods	34.8	-54.0	72.2	158.8	204.2	44.4	32.1	34.8	48.7	17.3	17.9	-8.4
Total Motor Vehicles Newly Registered	12.1	36.7	23.8	34.6	24.1	29.0	9.0	12.1	6.9	13.1	-0.5	3.9
Private Cars Newly Registered	12.9	30.4	22.0	34.8	27.5	39.6	15.3	9.9	4.8	11.0	-3.8	0.0
Money Supply (M2)	15.2	7.6	6.5	5.6	7.1	7.5	3.0	0.4	2.3	-3.0	3.9	5.7
Loans and Advances	12.4	3.2	1.1	0.2	0.9	5.2	0.7	-1.3	0.2	-3.6	4.2	4.7
Volume Index of Retail Sales	-14.6	31.5	20.0	11.1	7.7	2.9	0.6	10.5	7.9	5.2	2.4	7.5
Visitors Arrivals	-99.9	-97.2	-91.9	38.3	-34.8	-57.6	-57.9	143.0	9.5	46.2	82.0	141.9
Hong Kong Resident Departures	-98.9	-94.8	-84.2	170.0	226.7	22.4	8.8	33.7	87.0	158.8	134.4	35.4
Electricity Consumption	0.5	-4.5	4.7	13.4	10.1	-1.4	-1.3	4.1	0.1	4.6	0.3	2.5
Gas Consumption	0.0	-1.6	-4.1	0.0	-2.3	-10.8	0.2	12.5	5.4	-3.7	-3.0	-2.5
Date of Forecast: October 5, 2021												