



香港大學

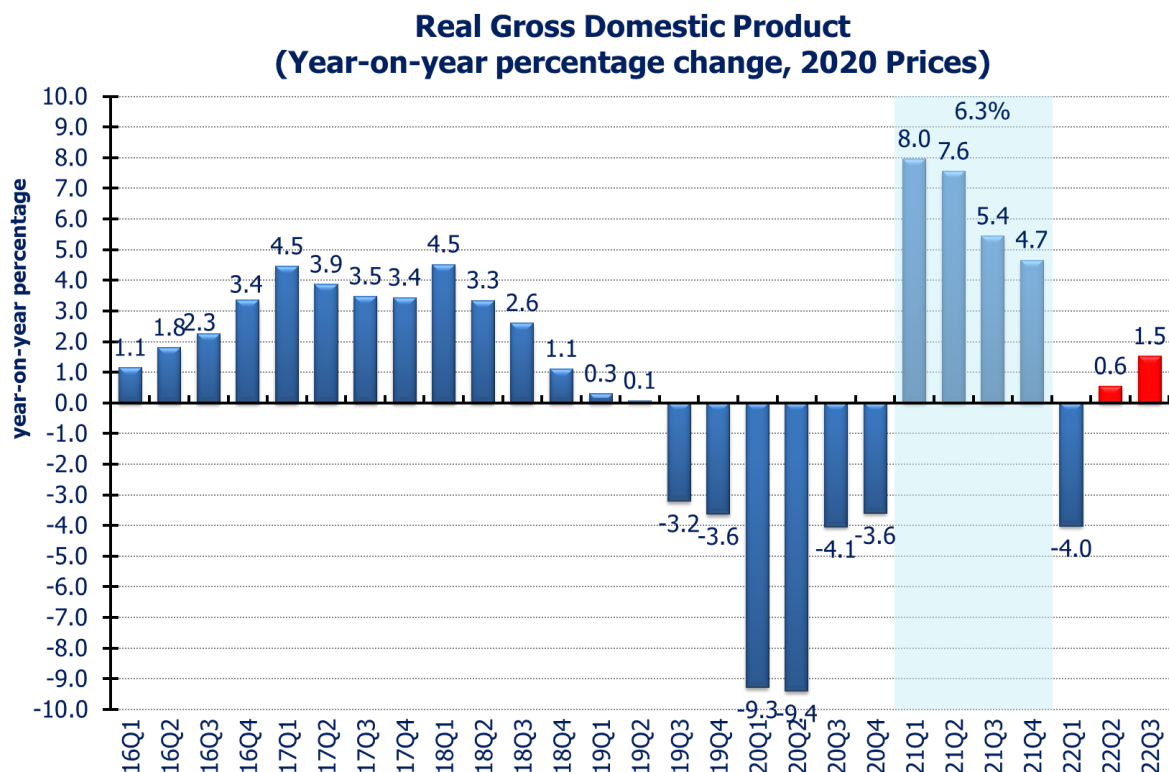
THE UNIVERSITY OF HONG KONG

HKU announces 2022 Q3 HK Macroeconomic Forecast

July 5, 2022

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 (July 5). Brought by the COVID-19 Omicron variant, Hong Kong's economy dropped by 4.0% in 22Q1. As the fifth wave of the epidemic receded and with the support of the consumption voucher scheme in the second quarter of 2022, Hong Kong's real GDP is estimated to revert to a slight growth of 0.6%, compared to the same period last year.

Brought about by the loosening of social distancing measures, the unemployment rate is expected to improve further to 4.1% in 22Q3 from the estimated 4.4% in 22Q2. The second phase of the consumption voucher scheme in the 22Q3 will continue to support Hong Kong consumer sentiment. However, the recent hikes of energy prices have already induced high inflation in various major economies. The pressure of rising interest rates is expected to constrain economic growth in upcoming quarters. Hong Kong's GDP is projected to a mild growth of 1.5% in 22Q3. Hong Kong's economy is expected to manage a slow growth of 0.5% to 1.3% in the year 2022 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.

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 2020 HK Dollar)

	2021					2022		
	Q1	Q2	Q3	Q4	Annual	Q1	Q2 (Estimate)	Q3 (Forecast)
Gross Domestic Product	700,822	676,798	722,378	745,433	2,845,431	672,617	680,524	733,391
Private Consumption Expenditure	450,658	469,643	458,657	493,715	1,872,673	425,929	474,782	474,986
Government Consumption Expenditure	94,926	84,493	89,420	87,872	356,711	100,575	89,028	93,603
Exports of Goods	1,155,746	1,181,049	1,299,663	1,356,348	4,992,806	1,103,459	1,132,015	1,220,238
Imports of Goods	1,147,585	1,214,578	1,298,762	1,317,259	4,978,184	1,079,425	1,147,465	1,206,461
Exports of Services	139,717	118,102	137,236	131,615	526,670	135,835	114,178	131,575
Imports of Services	108,229	100,188	111,432	113,751	433,600	104,569	96,794	104,589
Gross Fixed Capital Formation	117,688	126,840	128,654	125,188	498,370	107,840	115,242	113,612
GFCF in Land & Construction	79,870	77,187	77,485	75,550	310,092	75,329	73,704	72,391
GFCF in Mach., Equip. & Comp. Soft.	37,818	49,653	51,169	49,638	188,278	32,511	41,538	41,220
Changes in Inventories	-2,099	11,437	18,942	-18,295	9,985	-17,027	-462	10,428

Date of Forecast: July 5, 2022

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

	2021					2022		
	Q1	Q2	Q3	Q4	Annual	Q1	Q2 (Estimate)	Q3 (Forecast)
Gross Domestic Product	8.0	7.6	5.4	4.7	6.3	-4.0	0.6	1.5
Private Consumption Expenditure	2.3	7.3	6.5	5.3	5.4	-5.5	1.1	3.6
Government Consumption Expenditure	6.3	2.8	5.1	4.1	4.6	6.0	5.4	4.7
Exports of Goods	30.6	20.5	14.2	13.5	18.9	-4.5	-4.2	-6.1
Imports of Goods	23.3	21.7	16.7	9.9	17.4	-5.9	-5.5	-7.1
Exports of Services	-8.3	3.9	5.8	6.9	1.5	-2.8	-3.3	-4.1
Imports of Services	-11.1	10.8	5.9	4.5	1.7	-3.4	-3.4	-6.1
Gross Fixed Capital Formation	5.4	23.8	13.0	-0.6	9.8	-8.4	-9.1	-11.7
GFCF in Land & Construction	5.7	9.7	7.7	0.9	5.9	-5.7	-4.5	-6.6
GFCF in Machinery, Equip. & Computer Software	3.2	55.3	22.5	-2.3	16.8	-14.0	-16.3	-19.4
GDP Deflator Growth Rate	-0.4	0.7	1.0	2.0	0.9	0.4	1.9	1.8
CPI (Composite) Inflation Rate	1.2	0.8	2.3	2.0	1.6	1.5	1.3	1.9
Unemployment Rate	6.8	5.4	4.4	4.0	5.2	5.0	4.4	4.1
Date of Forecast: July 5, 2022								

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Table 3: Selected Monthly Indicators

	2021			2022								
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Unit Value Trade Index (Total Exports)	7.8	9.5	9.5	10.5	10.9	9.9	8.1	7.2	7.5	7.8	7.6	7.5
Unit Value Trade Index (Imports of Foodstuffs)	4.4	4.7	5.9	6.4	6.3	7.0	4.9	4.4	4.6	5.4	4.6	2.7
Unit Value Trade Index (Imports of Consumer Goods)	3.1	4.0	5.6	5.8	6.9	6.5	6.4	6.1	5.8	5.6	5.7	5.8
Unit Value Trade Index (Imports of Raw Materials & Semi-Manufactures)	9.5	11.1	11.4	11.6	12.3	12.0	9.8	8.7	8.4	7.9	7.3	5.7
Unit Value Trade Index (Imports of Fuels)	79.3	83.4	58.7	45.7	52.4	62.1	57.8	70.8	60.6	55.5	60.2	57.6
Unit Value Trade Index (Imports of Capital Goods)	6.7	6.8	6.9	7.7	11.1	9.7	8.3	6.5	6.5	6.7	6.9	4.7
Real Retained Imports of Foodstuffs	-6.6	-7.8	1.8	-31.0	-29.2	-32.8	-15.2	-16.3	-18.8	-16.6	-21.1	-16.4
Real Retained Imports of Consumer Goods	-4.1	16.1	-5.4	-28.6	-2.7	-6.8	-9.7	-14.1	-19.4	-11.5	-13.5	-0.2
Real Retained Imports of Raw Materials & Semi-Manufactures	-20.0	-13.0	5.8	-24.2	28.1	19.6	-13.5	-12.2	-4.0	-14.4	-18.6	-20.3
Real Retained Imports of Fuels	6.6	29.9	-20.7	-4.9	0.1	-20.1	21.7	-13.6	4.1	-14.9	-11.5	-15.6
Real Retained Imports of Capital Goods	37.1	-33.3	-19.3	-46.6	7.8	-33.6	5.9	-19.1	-31.1	-22.1	-9.5	-35.0
Total Motor Vehicles Newly Registered	-15.1	-2.8	-5.4	-8.4	-23.4	-11.5	-27.7	-24.9	-26.7	-24.8	-14.3	-19.0
Private Cars Newly Registered	-21.1	-5.6	-16.2	-21.1	-22.9	-14.9	-37.6	-31.0	-32.1	-29.6	-17.0	-24.3
Money Supply (M2)	-4.3	2.9	4.3	-2.0	3.6	4.0	3.7	1.9	1.1	3.5	4.1	4.1
Loans and Advances	-4.8	4.2	3.8	-6.4	1.5	2.2	1.7	1.8	-1.4	1.0	1.1	0.8
Volume Index of Retail Sales	12.1	7.1	6.1	3.9	-14.6	-13.8	11.7	-1.7	2.6	4.2	-0.4	1.8
Visitors Arrivals	19.6	59.2	94.1	61.7	-52.2	-73.0	-17.8	252.7	267.6	229.2	158.1	164.1
Hong Kong Resident Departures	72.2	57.4	31.2	-6.7	140.3	82.1	36.9	42.8	51.0	-0.4	-2.0	8.4
Electricity Consumption	7.2	-0.5	4.3	0.5	4.2	-5.2	-1.7	-18.3	-2.8	-2.3	-1.6	-6.0
Gas Consumption	-14.4	2.2	3.0	2.5	0.2	4.1	-1.5	2.7	4.4	1.3	-3.6	-0.4

Date of Forecast: July 5, 2022