

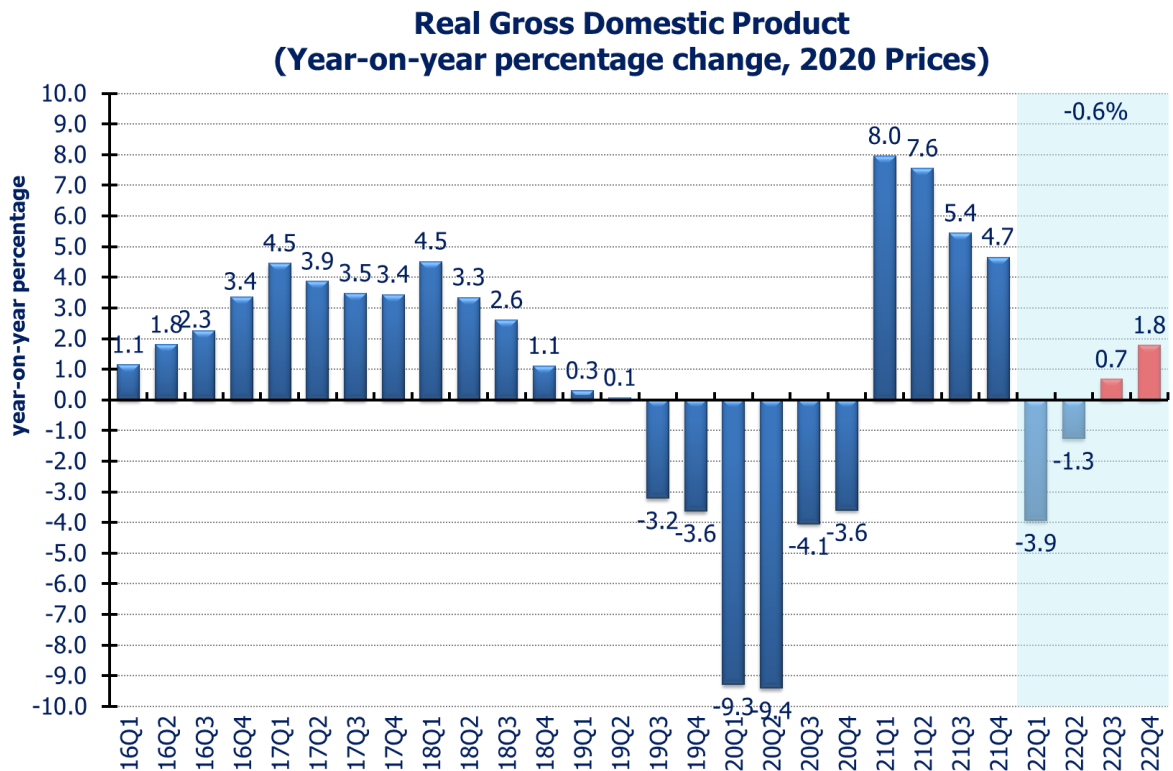


HKU announces 2022 Q4 HK Macroeconomic Forecast

October 6, 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 (October 6). Dampened by the fifth wave of the epidemic, Hong Kong economy dropped by 2.6% in the first half of 2022. With the support of phase II of the government consumption voucher scheme and easing of social distancing measures, Hong Kong’s real GDP is estimated to revert to a 0.7% growth in 22Q3 compared to the same period last year.

The job market will continue to improve with the unemployment rate dropping from 5% in the beginning of 2022 to 4% by the end of this year, returning to 21Q4’s level. Despite the significant drop of coronavirus infections in the second half of 2022, uncertainties brought by the global economic slowdown constrains output growth in the near term, especially in the external demand. Hong Kong’s GDP is expected to grow by 1.8% in 22Q4. For the year 2022 as a whole, Hong Kong’s real GDP is forecast to drop by 0.6%.



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				
	Q3	Q4	Annual	Q1	Q2	Q3 (Estimate)	Q4 (Forecast)	Annual (Forecast)
Gross Domestic Product	722,378	745,433	2,845,431	673,190	668,198	727,267	758,752	2,827,406
Private Consumption Expenditure	458,657	493,715	1,872,673	424,522	470,088	464,699	502,068	1,861,377
Government Consumption Expenditure	89,420	87,872	356,711	101,263	95,488	93,603	92,508	382,862
Exports of Goods	1,299,663	1,356,348	4,992,806	1,103,268	1,079,828	1,139,078	1,180,087	4,502,261
Imports of Goods	1,298,762	1,317,259	4,978,184	1,079,735	1,139,642	1,131,338	1,163,825	4,514,540
Exports of Services	137,236	131,615	526,670	135,613	120,787	141,771	134,266	532,438
Imports of Services	111,432	113,751	433,600	104,065	99,682	114,128	117,004	434,878
Gross Fixed Capital Formation	128,654	125,188	498,370	108,455	123,010	127,004	127,924	486,393
GFCF in Land & Construction	77,485	75,550	310,092	76,136	74,416	75,327	74,582	300,460
GFCF in Mach., Equip. & Comp. Soft.	51,169	49,638	188,278	32,319	48,594	51,677	53,342	185,933
Changes in Inventories	18,942	-18,295	9,985	-16,131	18,321	6,578	2,726	11,494

Date of Forecast: October 6, 2022

High Frequency Macroeconomic Forecasts
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Table 2: Current Quarter Model Forecast
Year-on-Year Growth Rate (%)

	2021			2022				
	Q3	Q4	Annual	Q1	Q2	Q3 (Estimate)	Q4 (Forecast)	Annual (Forecast)
Gross Domestic Product	5.4	4.7	6.3	-3.9	-1.3	0.7	1.8	-0.6
Private Consumption Expenditure	6.5	5.3	5.4	-5.8	0.1	1.3	1.7	-0.6
Government Consumption Expenditure	5.1	4.1	4.6	6.7	13.0	4.7	5.3	7.3
Exports of Goods	14.2	13.5	18.9	-4.5	-8.6	-12.4	-13.0	-9.8
Imports of Goods	16.7	9.9	17.4	-5.9	-6.2	-12.9	-11.6	-9.3
Exports of Services	5.8	6.9	1.5	-2.9	2.3	3.3	2.0	1.1
Imports of Services	5.9	4.5	1.7	-3.8	-0.5	2.4	2.9	0.3
Gross Fixed Capital Formation	13.0	-0.6	9.8	-7.8	-3.0	-1.3	2.2	-2.4
GFCF in Land & Construction	7.7	0.9	5.9	-4.7	-3.6	-2.8	-1.3	-3.1
GFCF in Machinery, Equip. & Computer Software	22.5	-2.3	16.8	-14.5	-2.1	1.0	7.5	-1.2
GDP Deflator Growth Rate	1.0	2.0	0.8	1.0	0.8	1.8	2.4	1.4
CPI (Composite) Inflation Rate	2.3	2.0	1.6	1.5	1.5	1.9	2.1	1.8
Unemployment Rate	4.4	4.0	5.2	5.0	4.7	4.0	4.0	4.4
Date of Forecast: October 6, 2022								

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Table 3: Selected Monthly Indicators
Year-on-Year Growth Rate (%)

	2022											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Unit Value Trade Index (Total Exports)	10.5	10.9	9.9	8.1	8.2	7.6	9.2	9.3	9.3	9.0	7.6	7.5
Unit Value Trade Index (Imports of Foodstuffs)	6.4	6.3	7.0	4.9	5.7	5.3	6.5	6.1	4.1	4.9	4.1	3.3
Unit Value Trade Index (Imports of Consumer Goods)	5.8	6.9	6.5	6.4	6.1	6.5	5.4	5.8	5.9	5.4	5.0	4.0
Unit Value Trade Index (Imports of Raw Materials & Semi-Manufactures)	11.6	12.3	12.0	9.8	8.6	7.9	7.8	7.8	5.9	6.9	5.4	3.7
Unit Value Trade Index (Imports of Fuels)	45.7	52.4	62.1	57.8	77.0	76.4	69.7	69.5	67.5	64.7	55.3	55.2
Unit Value Trade Index (Imports of Capital Goods)	7.7	11.1	9.7	8.3	7.3	7.0	8.1	8.1	6.2	4.5	5.3	4.4
Real Retained Imports of Foodstuffs	-31.0	-29.2	-32.8	-15.2	-15.1	-16.2	-12.8	-19.4	-14.7	-11.8	-5.1	-7.3
Real Retained Imports of Consumer Goods	-28.6	-2.7	-6.8	-9.7	4.7	12.4	-18.0	2.5	12.2	15.1	-6.0	0.1
Real Retained Imports of Raw Materials & Semi-Manufactures	-24.2	28.1	19.6	-13.5	16.6	24.1	-25.8	-16.6	-17.0	17.4	21.3	0.7
Real Retained Imports of Fuels	-4.9	0.1	-20.1	21.7	-34.1	-12.7	-13.4	-17.0	-20.0	-22.3	-28.8	-3.6
Real Retained Imports of Capital Goods	-46.6	7.8	-33.6	5.9	-28.3	0.0	-6.2	0.2	-28.0	-23.9	41.5	-3.1
Total Motor Vehicles Newly Registered	-8.4	-23.4	-11.5	-27.7	-28.7	-15.9	-24.1	-12.0	-15.6	-4.7	-22.3	-17.8
Private Cars Newly Registered	-21.1	-22.9	-14.9	-37.6	-40.6	-20.6	-28.2	-14.8	-22.4	-8.3	-28.6	-19.2
Money Supply (M2)	-2.0	3.6	4.0	3.7	1.9	0.4	2.4	2.5	3.0	3.8	3.4	3.8
Loans and Advances	-6.4	1.5	2.2	1.7	1.8	-2.3	-0.1	-1.0	-0.9	-0.1	-1.2	-0.7
Volume Index of Retail Sales	1.5	-17.5	-16.8	8.0	-4.8	-4.2	1.0	-2.9	-1.0	-3.1	-0.5	-0.3
Visitors Arrivals	61.7	-52.2	-73.0	-17.8	252.7	563.1	454.4	451.4	483.7	617.9	597.1	677.8
Hong Kong Resident Departures	-6.7	140.3	82.1	36.9	42.8	86.6	49.9	68.6	97.6	93.2	88.5	53.5
Electricity Consumption	0.5	4.2	-5.2	-1.7	-18.3	-1.6	2.1	0.6	-5.2	-2.0	0.2	-1.5
Gas Consumption	2.5	0.2	4.1	-1.5	2.7	-2.4	7.1	-3.6	1.4	3.4	0.8	-3.4
Date of Forecast: October 6, 2022												