



香港大學

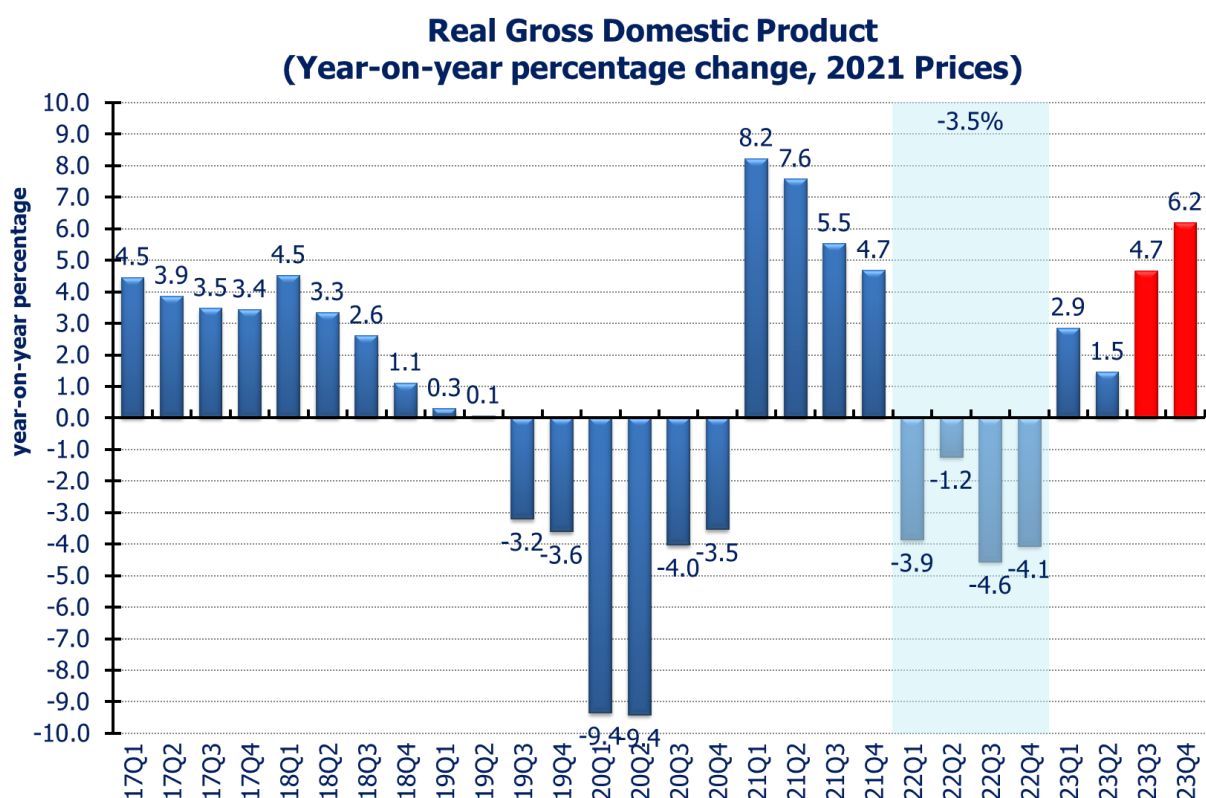
THE UNIVERSITY OF HONG KONG

HKU announces 2023 Q4 HK Macroeconomic Forecast

October 5, 2023

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 full resumption of normal travel between Hong Kong and the Mainland provided impetus to travel-related service exports. Hong Kong's economy has recovered to grow by 2.2% in the first half of 2023. It is expected to accelerate and grow by 4.7% in 23Q3.

Brought by a series of economic stimulating activities by the government, Hong Kong's tourism industry continues to improve in 23Q4, simultaneously driving up local consumer sentiment. The job market has already recovered to pre-pandemic full employment levels, and the unemployment rate has registered a new low in 25 years. The unemployment rate is expected to drop slightly to 2.7% in 23Q4 from 2.8% in 23Q3. Hong Kong's real GDP is expected to grow by 6.2% in 23Q4, partly due to a lower base of comparison. Hong Kong's economy is projected to rise by 3.8% for the year 2023 as a whole, a downward adjustment of 0.8 percentage points compared to our previous forecast, reflecting the adjustment for the unexpectedly slower growth in 23Q2.



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 macroeconomic 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 2021 HK Dollar)

	2022			2023				
	Q3	Q4	Annual	Q1	Q2	Q3 (Estimate)	Q4 (Forecast)	Annual (Forecast)
Gross Domestic Product	694,880	720,640	2,767,934	698,871	682,807	727,337	765,325	2,874,340
Private Consumption Expenditure	454,545	500,164	1,840,712	474,885	503,854	485,324	525,992	1,990,055
Government Consumption Expenditure	96,115	96,972	393,178	104,347	87,799	89,771	88,341	370,259
Exports of Goods	1,146,096	1,068,124	4,506,916	938,847	962,259	1,034,582	1,043,719	3,979,407
Imports of Goods	1,135,409	1,062,820	4,525,752	965,503	1,006,646	1,032,415	1,024,089	4,028,654
Exports of Services	154,024	154,599	606,284	182,161	173,887	195,598	180,114	731,761
Imports of Services	119,059	127,574	471,636	139,880	140,733	147,819	145,640	574,072
Gross Fixed Capital Formation	106,889	110,569	445,756	115,899	119,715	108,477	111,165	455,257
GFCF in Land & Construction	73,952	75,163	304,508	79,804	80,485	71,718	73,602	305,610
GFCF in Mach., Equip. & Comp. Soft.	32,937	35,406	141,248	36,095	39,230	36,759	37,563	149,647
Changes in Inventories	-8,321	-19,394	-27,524	-11,885	-17,328	-6,182	-14,278	-49,673

Date of Forecast: October 5, 2023

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

	2022			2023				
	Q3	Q4	Annual	Q1	Q2	Q3 (Estimate)	Q4 (Forecast)	Annual (Forecast)
Gross Domestic Product	-4.6	-4.1	-3.5	2.9	1.5	4.7	6.2	3.8
Private Consumption Expenditure	-0.4	1.7	-1.2	13.0	8.2	6.8	5.2	8.1
Government Consumption Expenditure	5.4	9.1	8.2	1.3	-9.6	-6.6	-8.9	-5.8
Exports of Goods	-15.9	-24.9	-13.9	-18.9	-15.2	-9.7	-2.3	-11.7
Imports of Goods	-16.5	-22.9	-13.2	-14.6	-15.9	-9.1	-3.6	-11.0
Exports of Services	-4.0	0.6	-1.4	16.6	22.9	27.0	16.5	20.7
Imports of Services	-3.2	1.2	-1.7	20.7	29.0	24.2	14.2	21.7
Gross Fixed Capital Formation	-14.2	-8.9	-7.7	7.9	-0.9	1.5	0.5	2.1
GFCF in Land & Construction	-5.2	-1.4	-2.8	1.8	4.5	-3.0	-2.1	0.4
GFCF in Machinery, Equip. & Computer Software	-28.8	-21.2	-16.8	24.1	-10.5	11.6	6.1	5.9
GDP Deflator Growth Rate	3.5	1.6	1.7	2.2	3.0	1.3	2.8	2.2
CPI (Composite) Inflation Rate	2.7	1.8	1.9	1.9	2.0	1.7	2.1	2.0
Unemployment Rate	4.0	3.5	4.3	3.1	2.9	2.8	2.7	2.9
Date of Forecast: October 5, 2023								

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

	2023											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Unit Value Trade Index (Total Exports)	5.4	3.9	4.4	4.8	3.2	4.3	2.9	3.3	3.4	3.7	4.3	3.0
Unit Value Trade Index (Imports of Foodstuffs)	3.1	4.0	3.6	5.2	1.3	3.8	3.4	3.5	3.5	3.4	3.0	2.2
Unit Value Trade Index (Imports of Consumer Goods)	3.9	4.2	3.7	4.6	2.2	3.3	3.9	4.1	2.8	2.6	2.2	3.5
Unit Value Trade Index (Imports of Raw Materials & Semi-Manufactures)	4.6	1.7	2.4	3.3	-3.8	5.4	4.0	2.7	1.2	2.6	3.4	1.6
Unit Value Trade Index (Imports of Fuels)	23.4	9.8	-14.2	-18.9	-48.9	-31.9	-31.6	-19.7	-14.6	-12.4	-11.9	-3.4
Unit Value Trade Index (Imports of Capital Goods)	8.0	3.4	4.1	6.6	1.4	4.9	4.8	3.3	1.7	1.1	2.4	2.0
Real Retained Imports of Foodstuffs	-21.8	21.8	17.6	-11.6	0.1	-12.1	-8.8	-10.8	-8.0	-5.4	-5.0	-6.8
Real Retained Imports of Consumer Goods	-5.6	75.0	28.1	-14.6	-2.3	6.3	11.4	35.5	-14.3	15.0	-12.3	5.5
Real Retained Imports of Raw Materials & Semi-Manufactures	29.3	-44.8	-7.6	-7.4	-39.7	-25.2	-13.4	-6.7	-4.7	46.7	4.9	-30.3
Real Retained Imports of Fuels	-2.3	1.7	11.1	23.8	91.6	58.8	6.8	-6.4	0.3	8.2	10.9	-0.5
Real Retained Imports of Capital Goods	-21.4	197.6	-10.8	-15.2	-18.5	-45.7	-27.9	231.9	7.5	9.2	72.0	-11.9
Total Motor Vehicles Newly Registered	-1.7	68.5	9.2	13.8	37.4	8.6	13.9	-13.6	-15.0	-17.5	-8.0	5.1
Private Cars Newly Registered	22.3	100.5	22.9	48.4	86.0	31.4	39.5	-12.6	-15.3	-19.1	-4.6	11.5
Money Supply (M2)	0.5	0.0	1.4	1.7	1.5	1.5	2.3	2.8	2.0	2.9	2.6	2.6
Loans and Advances	-2.5	-3.2	-3.3	-3.3	-4.3	-4.2	-4.7	-4.5	-2.3	-1.5	-1.3	-0.8
Volume Index of Retail Sales	6.8	31.3	40.7	14.9	18.5	19.5	16.7	13.7	18.5	3.5	15.8	-0.5
Visitors Arrivals	6960	55573	136239	61542	15017	6585	7369	6741	4129	3885	2655	1597
Hong Kong Resident Departures	2224	4074	6407	9428	7011	5287	4518	4212	3318	2885	2256	1068
Electricity Consumption	1.0	1.7	5.0	1.3	8.2	3.3	-2.0	1.9	-1.0	28.7	41.6	46.7
Gas Consumption	-3.7	0.4	-1.5	3.0	-0.8	8.8	-9.7	-4.6	3.1	5.0	-12.6	-23.4
Date of Forecast: October 5, 2023												