

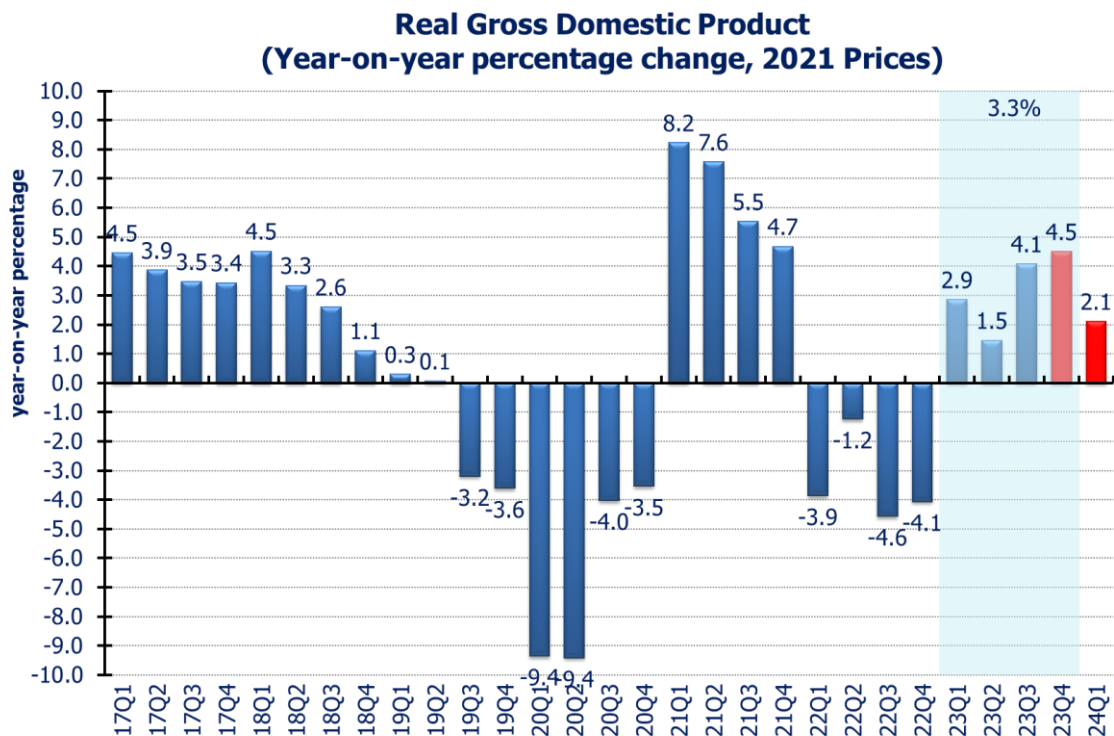


## HKU announces 2024 Q1 HK Macroeconomic Forecast

January 10, 2024

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 (January 10). Hong Kong's economy has reverted to a growth rate of 2.2% in the first half of 2023. Economic growth is expected to accelerate in the second half of 2023 with a 4.1% increase in 23Q3. Hong Kong's real GDP is expected to grow by 4.5% in 23Q4. It is projected to grow by 3.3% for the year 2023 as a whole.

Hong Kong's imports and exports are expected to reverse the decline in 2023 and grow by 5.8% and 5.5% in the first quarter of 2024 respectively, partly due to a lower base of comparison. The job market is anticipated to remain stable, with an unemployment rate maintained at 2.9%. Elevated interest rates hold back consumer and investment sentiment, leading to a global economic slowdown in the first half of 2024. Hong Kong's real GDP is expected to grow by 2.1% in 24Q1. Hong Kong's economic growth is projected to be between 1.9% to 2.7% for the year 2024.



## **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](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 2021 HK Dollar)

	2022			2023					2024
	Q3	Q4	Annual	Q1	Q2	Q3	Q4 (Estimate)	Annual (Estimate)	Q1 (Forecast)
Gross Domestic Product	694,880	720,640	2,767,934	698,871	682,846	723,307	753,103	2,858,127	713,658
Private Consumption Expenditure	454,545	500,164	1,840,712	474,885	501,550	482,995	525,027	1,984,457	484,046
Government Consumption Expenditure	96,115	96,972	393,178	104,347	87,641	91,780	90,281	374,049	102,260
Exports of Goods	1,146,096	1,068,124	4,506,916	938,847	963,107	1,047,445	1,048,445	3,997,844	990,232
Imports of Goods	1,135,409	1,062,820	4,525,752	965,503	1,008,121	1,068,235	1,049,269	4,091,128	1,021,064
Exports of Services	154,024	154,599	606,284	182,161	173,699	190,869	172,286	719,015	188,251
Imports of Services	119,059	127,574	471,636	139,880	136,789	152,740	155,270	584,679	148,878
Gross Fixed Capital Formation	106,889	110,569	445,756	115,899	120,202	126,594	116,427	479,122	115,490
GFCF in Land & Construction	73,952	75,163	304,508	79,804	81,987	80,523	77,695	320,009	81,723
GFCF in Mach., Equip. & Comp. Soft.	32,937	35,406	141,248	36,095	38,215	46,071	38,732	159,113	33,766
Changes in Inventories	-8,321	-19,394	-27,524	-11,885	-18,443	4,599	5,174	-20,555	3,322
Date of Forecast: January 10, 2024									

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

	2022			2023					2024
	Q3	Q4	Annual	Q1	Q2	Q3	Q4 (Estimate)	Annual (Estimate)	Q1 (Forecast)
Gross Domestic Product	-4.6	-4.1	-3.5	2.9	1.5	4.1	4.5	3.3	2.1
Private Consumption Expenditure	-0.4	1.7	-1.2	13.0	7.7	6.3	5.0	7.8	1.9
Government Consumption Expenditure	5.4	9.1	8.2	1.3	-9.8	-4.5	-6.9	-4.9	-2.0
Exports of Goods	-15.9	-24.9	-13.9	-18.9	-15.1	-8.6	-1.8	-11.3	5.5
Imports of Goods	-16.5	-22.9	-13.2	-14.6	-15.8	-5.9	-1.3	-9.6	5.8
Exports of Services	-4.0	0.6	-1.4	16.6	22.8	23.9	11.4	18.6	3.3
Imports of Services	-3.2	1.2	-1.7	20.7	25.4	28.3	21.7	24.0	6.4
Gross Fixed Capital Formation	-14.2	-8.9	-7.7	7.9	-0.5	18.4	5.3	7.5	-0.4
GFCF in Land & Construction	-5.2	-1.4	-2.8	1.8	6.4	8.9	3.4	5.1	2.4
GFCF in Machinery, Equip. & Computer Software	-28.8	-21.2	-16.8	24.1	-12.8	39.9	9.4	12.6	-6.5
GDP Deflator Growth Rate	3.5	1.6	1.7	2.2	2.9	2.2	2.5	2.3	2.4
CPI (Composite) Inflation Rate	2.7	1.8	1.9	1.9	2.0	1.9	2.6	2.1	2.4
Unemployment Rate	4.0	3.5	4.3	3.1	2.9	2.8	2.9	2.9	2.9
Date of Forecast: January 10, 2024									

**High Frequency Macroeconomic Forecasts**  
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Table 3: Selected Monthly Indicators  
Year-on-Year Growth Rate (%)

	2023									2024		
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Unit Value Trade Index (Total Exports)	4.8	3.2	4.3	2.9	3.8	4.3	5.0	5.7	4.4	4.0	5.0	4.3
Unit Value Trade Index (Imports of Foodstuffs)	5.2	1.3	3.8	3.4	3.7	3.4	3.3	2.9	2.2	3.2	2.6	2.4
Unit Value Trade Index (Imports of Consumer Goods)	4.6	2.2	3.3	3.9	4.1	3.5	3.8	3.6	4.1	4.1	3.2	4.0
Unit Value Trade Index (Imports of Raw Materials & Semi-Manufactures)	3.3	-3.8	5.4	4.0	5.0	3.9	4.4	5.5	3.6	4.0	5.9	4.0
Unit Value Trade Index (Imports of Fuels)	-18.9	-48.9	-31.9	-31.6	-18.8	-11.7	-14.1	-13.8	-5.4	-12.0	-6.8	6.6
Unit Value Trade Index (Imports of Capital Goods)	6.6	1.4	4.9	4.8	3.8	3.9	3.9	4.6	4.9	3.6	5.5	5.3
Real Retained Imports of Foodstuffs	-11.6	0.1	-12.1	-8.8	-3.0	-4.5	-8.2	-2.1	2.1	6.7	-13.9	-11.6
Real Retained Imports of Consumer Goods	-14.6	-2.3	6.3	11.4	24.9	19.8	-34.9	14.3	15.1	18.9	-35.4	-14.3
Real Retained Imports of Raw Materials & Semi-Manufactures	-7.4	-39.7	-25.2	-13.4	-24.4	-0.9	55.4	2.0	-20.8	-17.3	35.9	-0.3
Real Retained Imports of Fuels	23.8	91.6	58.8	6.8	14.2	29.7	18.1	26.8	9.9	10.5	6.3	6.3
Real Retained Imports of Capital Goods	-15.2	-18.5	-45.7	-27.9	280.9	53.3	15.4	111.2	2.2	39.6	-48.0	11.4
Total Motor Vehicles Newly Registered	13.8	37.4	8.6	13.9	-6.4	-26.3	-19.4	-15.2	-11.5	3.0	-30.6	-8.3
Private Cars Newly Registered	48.4	86.0	31.4	39.5	3.2	-21.4	-15.4	-6.2	-1.8	12.8	-25.5	-1.4
Money Supply (M2)	1.7	1.5	1.5	2.3	2.8	2.8	3.3	4.0	3.5	2.7	5.4	5.1
Loans and Advances	-3.3	-4.3	-4.2	-4.7	-4.5	-4.9	-4.2	-4.3	-4.4	-5.6	-5.8	-6.5
Volume Index of Retail Sales	14.9	18.5	19.5	16.7	13.7	-4.2	5.9	15.9	11.5	8.2	-3.5	-7.1
Visitors Arrivals	61542	15017	6585	7369	6741	4097	4195	2791	2012.8	544.7	82.9	10.8
Hong Kong Resident Departures	9428	7011	5287	4518	4212	3770	2714	2080	1565.1	461.8	102.1	51.5
Electricity Consumption	1.3	8.2	3.3	-2.0	1.9	-4.8	2.6	-0.4	0.0	0.3	-0.8	-0.7
Gas Consumption	3.0	-0.8	8.8	-9.7	-4.6	1.3	0.4	-0.4	-2.0	-1.1	-2.2	-2.7
Date of Forecast: January 10, 2024												