



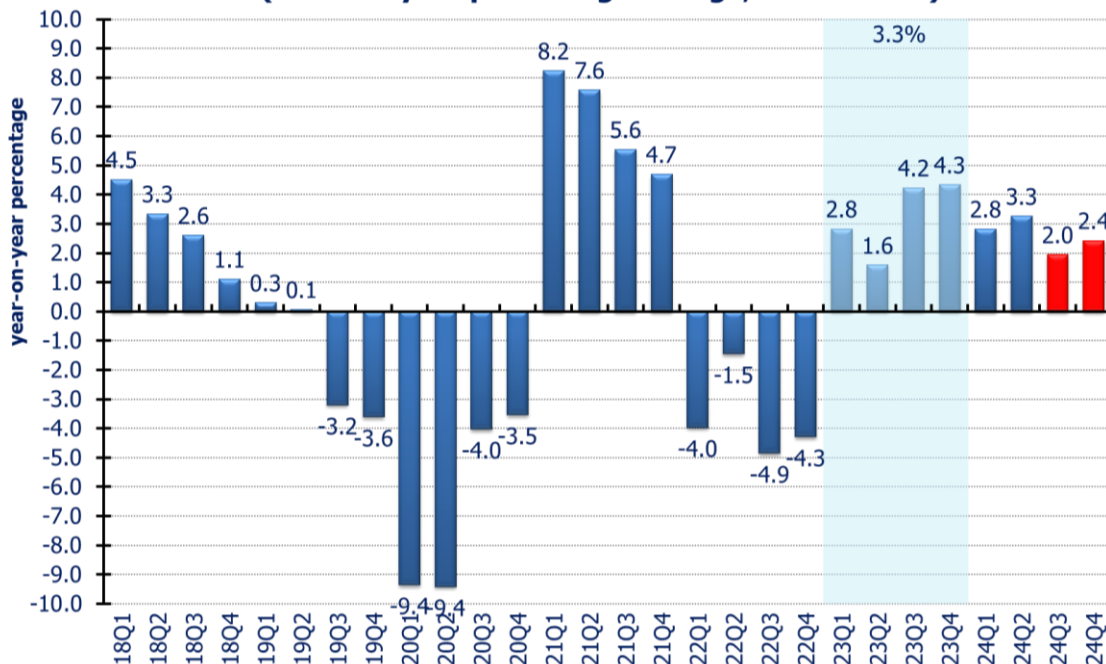
## HKU announces 2024 Q4 HK Macroeconomic Forecast

October 9, 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 (October 9). Hong Kong’s economic growth moderated from 4.3% growth in the second half of 2023 to 3.0% growth in the first half of 2024. Changes in consumer behavior and the surge in consumption by Hong Kong residents abroad have led to reduced private consumption expenditure and increased imports of services. Hong Kong's Economy is expected to slow from 3.3% in the 24Q2 to 2.0% in the 24Q3.

The job market remains tight, with the unemployment rate is projected to 3.0% in 24Q4. Visitor arrivals in Hong Kong continue to rise, with number of visitors up by 9.2% year-on-year in August 2024, driving up Hong Kong tourism-related service exports. Despite the US Fed kick-started the rate-cutting cycle, ending the 11 rate hikes since March 2022, the escalating situation in the Middle East brings uncertainty to Hong Kong’s external demand. This is expected to restrain the upward momentum of foreign trade in the 24Q4. Hong Kong’s real GDP is expected to grow by 2.4% in 24Q4. Hong Kong's economy is forecasted to grow by 2.6% for the year 2024, an upward adjustment of 0.3 percentage points from the previously announced annual growth figure, reflecting better-than-expected foreign trade growth in the 24Q2.

**Real Gross Domestic Product  
(Year-on-year percentage change, 2022 Prices)**



## **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 2022 HK Dollar)

	2023			2024				
	Q3	Q4	Annual	Q1	Q2	Q3 (Estimate)	Q4 (Forecast)	Annual (Forecast)
Gross Domestic Product	734,482	762,957	2,901,018	729,857	716,472	748,809	781,520	2,976,658
Private Consumption Expenditure	490,691	522,723	2,007,145	487,873	503,982	486,943	520,317	1,999,115
Government Consumption Expenditure	94,534	94,171	385,606	104,493	91,772	93,026	93,652	382,943
Exports of Goods	1,117,495	1,172,275	4,318,178	1,068,032	1,105,174	1,205,753	1,231,590	4,610,548
Imports of Goods	1,143,525	1,182,743	4,437,750	1,067,721	1,115,269	1,185,665	1,206,027	4,574,682
Exports of Services	204,515	202,940	786,275	211,426	188,188	212,217	214,440	826,271
Imports of Services	160,669	169,407	623,332	174,106	163,835	179,280	186,811	704,032
Gross Fixed Capital Formation	130,378	131,719	501,457	117,610	129,200	126,029	126,871	499,711
GFCF in Land & Construction	84,102	81,724	333,238	87,083	100,761	87,988	83,904	359,735
GFCF in Mach., Equip. & Comp. Soft.	46,276	49,995	168,219	30,527	28,439	38,042	42,968	139,975
Changes in Inventories	1,063	-8,721	-36,561	-17,750	-22,740	-10,215	-12,512	-63,217

Date of Forecast: Oct 9, 2024

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

	2023			2024				
	Q3	Q4	Annual	Q1	Q2	Q3 (Estimate)	Q4 (Forecast)	Annual (Forecast)
Gross Domestic Product	4.2	4.3	3.3	2.8	3.3	2.0	2.4	2.6
Private Consumption Expenditure	6.7	3.5	7.7	1.2	-1.5	-0.8	-0.5	-0.4
Government Consumption Expenditure	-3.9	-5.2	-4.3	-2.2	2.0	-1.6	-0.6	-0.7
Exports of Goods	-8.7	2.8	-10.3	6.8	7.5	7.9	5.1	6.8
Imports of Goods	-6.1	3.8	-8.6	3.3	3.4	3.7	2.0	3.1
Exports of Services	23.4	21.2	20.9	9.4	1.4	3.8	5.7	5.1
Imports of Services	28.7	26.7	25.9	18.0	12.4	11.6	10.3	12.9
Gross Fixed Capital Formation	21.7	17.5	11.1	0.1	6.0	-3.3	-3.7	-0.3
GFCF in Land & Construction	12.9	5.4	6.9	6.3	17.9	4.6	2.7	8.0
GFCF in Machinery, Equip. & Computer Software	42.0	43.7	20.5	-14.2	-21.8	-17.8	-14.1	-16.8
GDP Deflator Growth Rate	2.4	3.8	2.8	3.8	4.2	3.4	3.2	3.5
CPI (Composite) Inflation Rate	1.9	2.6	2.1	1.9	1.2	2.5	2.3	2.0
Unemployment Rate	2.8	2.9	3.0	3.0	3.0	3.0	3.0	3.0
Date of Forecast: Oct 9, 2024								

# 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 (%)

	2024											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Unit Value Trade Index (Total Exports)	3.8	5.8	4.2	3.8	4.4	3.6	3.8	3.6	3.1	3.0	3.1	3.8
Unit Value Trade Index (Imports of Foodstuffs)	2.9	1.2	0.6	-0.1	-0.7	-0.1	-0.2	-0.8	-0.6	-0.7	-0.6	-1.0
Unit Value Trade Index (Imports of Consumer Goods)	3.3	3.1	4.0	3.2	3.3	4.4	4.4	4.2	3.8	3.1	3.4	2.6
Unit Value Trade Index (Imports of Raw Materials & Semi-Manufactures)	5.8	8.1	5.1	4.1	3.6	1.3	2.2	1.7	0.7	1.6	1.3	-0.9
Unit Value Trade Index (Imports of Fuels)	-20.1	-13.0	-1.1	-3.2	2.8	-0.1	0.3	-6.3	-8.9	-6.5	-1.2	8.6
Unit Value Trade Index (Imports of Capital Goods)	3.5	5.1	4.8	2.9	3.9	4.4	3.5	4.2	2.3	1.7	2.7	2.5
Real Retained Imports of Foodstuffs	3.9	-7.7	-7.4	-7.1	-4.0	3.9	-7.2	-7.2	-7.7	-0.5	-0.8	-0.3
Real Retained Imports of Consumer Goods	17.5	-2.3	-16.5	-26.1	-23.1	-24.3	-19.1	-19.8	-36.2	26.2	-8.4	3.7
Real Retained Imports of Raw Materials & Semi-Manufactures	-78.4	37.4	10.0	-5.2	-6.2	22.8	13.9	23.1	-11.8	-13.2	-4.4	-22.3
Real Retained Imports of Fuels	25.3	10.7	28.7	13.3	-4.3	0.7	8.7	12.2	4.9	13.1	20.0	-9.3
Real Retained Imports of Capital Goods	-2.0	-80.7	8.3	-76.8	7.4	17.3	4.7	-29.5	-38.9	-16.3	-31.5	-32.8
Total Motor Vehicles Newly Registered	55.1	3.4	35.6	84.9	-29.2	-33.2	-20.3	-24.7	-12.5	-21.5	-25.7	-30.4
Private Cars Newly Registered	74.1	13.9	60.9	124.8	-28.8	-34.3	-16.6	-23.9	-10.8	-18.2	-21.7	-28.6
Money Supply (M2)	2.1	4.0	3.4	5.5	7.8	7.4	7.1	7.8	8.4	9.2	8.2	8.1
Loans and Advances	-5.5	-5.9	-5.4	-5.7	-5.5	-5.0	-5.0	-4.5	-3.9	-3.5	-4.3	-4.9
Volume Index of Retail Sales	-1.2	0.5	-8.7	-16.5	-12.7	-4.2	-13.2	-11.9	-11.5	-10.2	-11.7	-5.9
Visitors Arrivals	667	174	38.6	17.3	20.2	14.0	9.3	9.2	10.5	9.5	11.8	11.3
Hong Kong Resident Departures	350	109	74.4	24.6	44.1	49.6	28.5	31.0	33.5	27.6	21.3	24.2
Electricity Consumption	2.6	4.7	3.2	15.1	-2.9	-4.1	1.1	0.4	4.6	0.5	0.4	-0.6
Gas Consumption	-2.8	0.7	4.5	-2.9	-2.6	2.3	0.8	0.7	-1.0	-0.9	0.9	0.6
Date of Forecast: Oct 9, 2024												