

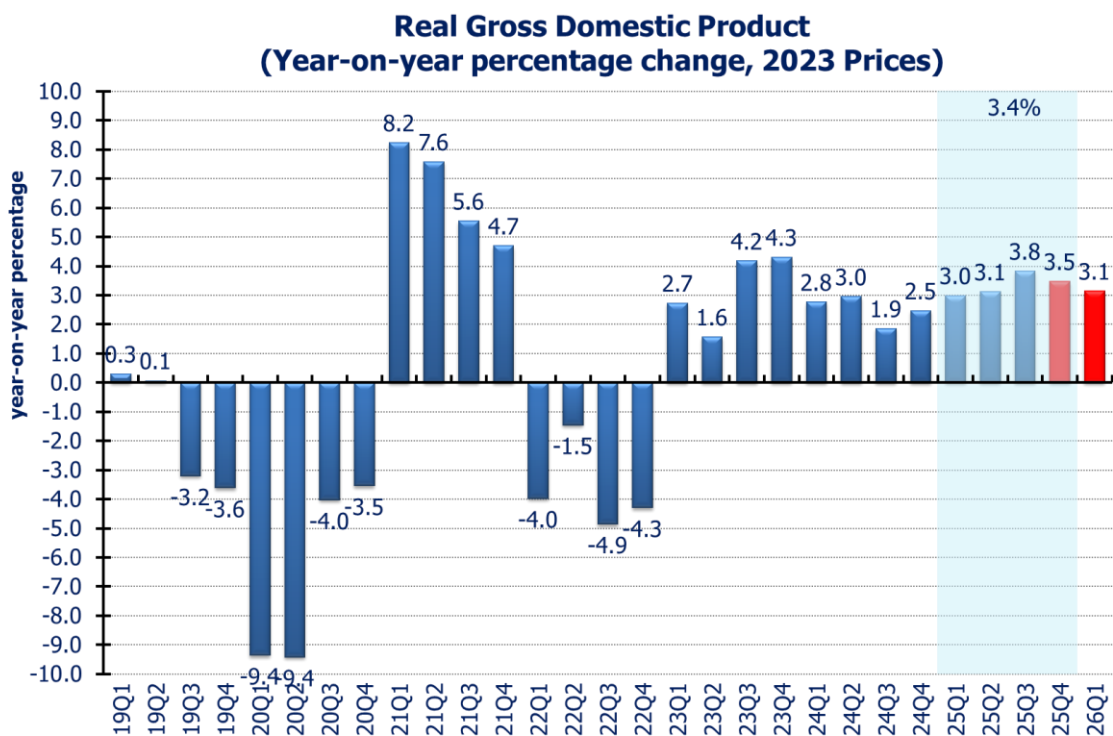


HKU announces 2026 Q1 HK Macroeconomic Forecast

January 8, 2026

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 (8 January). Boosted by the increase in local consumer sentiment and visitor arrivals, Hong Kong's economy recorded 3.8% growth in 25Q3. Real GDP growth for 25Q4 is projected to increase steadily at 3.5%. Hong Kong's GDP rose by 3.4% for the year 2025, accelerating from the 2.5% growth in 2024.

Shifts in local consumer patterns and cross-border spending have led to irreversible structural changes. Resolving labour mismatch is a prolonged process, but labour market adaptability is strengthening. The unemployment rate is projected to improve slightly to 3.7% in 26Q1. Although the Fed implemented three rate cuts in 2025 for a cumulative reduction of 0.75%, Hong Kong has not immediately benefited from the monetary easing. This is due to the lag in local rate adjustments, with the pace of rate cuts expected to remain slow in 2026. Hong Kong's real GDP growth in 26Q1 is forecast to moderate to 3.1%. Preliminary estimates place full-year economic growth for 2026 between 2.5% and 3.0%.



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 2022 HK Dollar)

	2024			2025					2026
	Q3	Q4	Annual	Q1	Q2	Q3	Q4 (Estimate)	Annual (Estimate)	Q1 (Forecast)
Gross Domestic Product	769,349	804,162	3,058,142	772,221	757,804	798,823	832,148	3,160,996	796,516
Private Consumption Expenditure	503,518	541,720	2,073,658	500,128	532,338	513,934	556,747	2,103,147	519,748
Government Consumption Expenditure	98,961	99,080	400,307	108,773	96,849	100,871	101,542	408,035	111,476
Exports of Goods	1,213,338	1,237,686	4,724,617	1,212,977	1,288,043	1,360,128	1,414,526	5,275,674	1,312,091
Imports of Goods	1,227,923	1,238,010	4,750,328	1,198,522	1,313,636	1,371,007	1,419,191	5,302,356	1,303,746
Exports of Services	203,639	210,166	801,014	218,728	197,139	216,400	223,463	855,730	227,913
Imports of Services	173,523	180,413	690,414	182,062	174,483	178,048	186,746	721,339	187,853
Gross Fixed Capital Formation	138,907	131,114	514,967	118,803	129,879	144,919	133,588	527,189	114,644
GFCF in Land & Construction	82,754	79,480	342,148	82,605	84,333	80,579	74,804	322,321	77,712
GFCF in Mach., Equip. & Comp. Soft.	56,153	51,634	172,819	36,198	45,546	64,340	58,784	204,868	36,932
Changes in Inventories	12,432	2,819	-15,679	-6,604	1,675	11,626	8,220	14,917	2,244
Date of Forecast: January 8, 2026									

High Frequency Macroeconomic Forecasts
APEC Studies Programme
Hong Kong Institute of Economics & Business Strategy
The University of Hong Kong

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

	2024			2025					2026
	Q3	Q4	Annual	Q1	Q2	Q3	Q4 (Estimate)	Annual (Estimate)	Q1 (Forecast)
Gross Domestic Product	1.9	2.5	2.5	3.0	3.1	3.8	3.5	3.4	3.1
Private Consumption Expenditure	-1.3	-0.2	-0.7	-1.2	1.9	2.1	2.8	1.4	3.9
Government Consumption Expenditure	1.6	2.1	0.9	0.9	2.5	1.9	2.5	1.9	2.5
Exports of Goods	3.9	1.3	4.7	8.4	11.5	12.1	14.3	11.7	8.2
Imports of Goods	2.8	0.4	2.4	7.2	12.6	11.7	14.6	11.6	8.8
Exports of Services	2.8	6.5	5.1	6.3	8.6	6.3	6.3	6.8	4.2
Imports of Services	9.0	8.3	11.6	4.7	7.3	2.6	3.5	4.5	3.2
Gross Fixed Capital Formation	5.8	-0.7	1.9	1.1	1.9	4.3	1.9	2.4	-3.5
GFCF in Land & Construction	0.1	-0.8	4.2	-2.8	-11.2	-2.6	-5.9	-5.8	-5.9
GFCF in Machinery, Equip. & Computer Software	14.8	-1.9	-2.5	11.1	40.4	14.6	13.8	18.5	2.0
GDP Deflator Growth Rate	4.2	2.8	3.7	1.3	0.7	1.0	1.3	1.1	1.7
CPI (Composite) Inflation Rate	2.4	1.4	1.7	1.6	1.8	1.2	1.3	1.5	1.3
Unemployment Rate	3.0	3.1	3.0	3.2	3.5	3.9	3.8	3.6	3.7
Date of Forecast: January 8, 2026									

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 (%)

	2025									2026		
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Unit Value Trade Index (Total Exports)	2.1	1.7	1.5	1.7	2.0	2.3	2.4	3.2	3.9	3.8	3.5	3.7
Unit Value Trade Index (Imports of Foodstuffs)	0.2	1.0	0.9	1.3	0.7	0.0	-0.5	-0.4	-1.1	-1.0	-0.1	-0.1
Unit Value Trade Index (Imports of Consumer Goods)	4.0	3.7	3.7	2.8	2.8	3.6	3.0	2.9	3.3	4.1	2.8	3.4
Unit Value Trade Index (Imports of Raw Materials & Semi-Manufactures)	1.3	0.9	0.9	1.4	2.0	1.7	3.0	4.4	3.1	3.8	4.7	3.9
Unit Value Trade Index (Imports of Fuels)	-18.2	-14.8	-12.4	-10.7	-9.1	-5.5	-6.6	-5.7	-0.6	-3.8	-2.7	4.2
Unit Value Trade Index (Imports of Capital Goods)	4.0	3.9	3.3	3.5	2.3	2.4	1.8	2.5	1.7	2.8	2.2	2.9
Real Retained Imports of Foodstuffs	-5.3	-0.4	1.3	0.5	-0.7	0.1	4.9	1.2	-5.0	-2.0	-5.8	-8.5
Real Retained Imports of Consumer Goods	-11.3	-12.1	-2.5	15.9	-6.1	37.0	-17.8	23.7	19.3	19.8	-17.6	0.9
Real Retained Imports of Raw Materials & Semi-Manufactures	4.2	79.5	-6.5	9.9	-8.0	-1.3	45.4	-9.8	14.3	65.7	23.2	9.3
Real Retained Imports of Fuels	0.9	10.8	5.6	3.3	2.7	-19.4	16.1	0.0	9.9	16.0	4.9	2.0
Real Retained Imports of Capital Goods	334.8	32.1	46.5	68.0	15.1	-5.3	38.3	-5.8	217.6	384.6	36.8	0.4
Total Motor Vehicles Newly Registered	-45.7	41.8	56.9	31.2	24.1	51.4	31.8	29.9	28.1	34.4	16.9	34.7
Private Cars Newly Registered	-51.4	54.5	69.2	30.9	28.8	59.1	35.6	38.3	37.6	38.8	21.0	39.3
Money Supply (M2)	9.3	10.7	11.5	10.8	10.4	11.1	10.6	11.2	10.7	9.8	9.7	9.6
Loans and Advances	-0.3	1.0	1.6	1.5	0.8	0.9	1.3	1.2	0.6	1.9	1.7	0.9
Volume Index of Retail Sales	-3.3	1.9	-0.3	0.9	3.4	-4.2	5.4	4.4	7.6	12.0	10.6	3.9
Visitors Arrivals	13.5	20.0	11.1	12.0	15.7	7.5	12.2	17.4	9.2	15.2	13.1	8.7
Hong Kong Resident Departures	32.6	17.7	4.7	10.2	9.9	4.9	11.5	11.5	10.7	8.2	18.0	4.1
Electricity Consumption	-12.1	6.0	1.4	-1.9	-3.9	-0.6	4.7	-3.3	1.3	1.4	1.0	0.3
Gas Consumption	8.1	0.5	0.7	0.1	1.3	0.5	-0.4	7.5	-0.6	3.0	0.2	0.7

Date of Forecast: January 8, 2026