



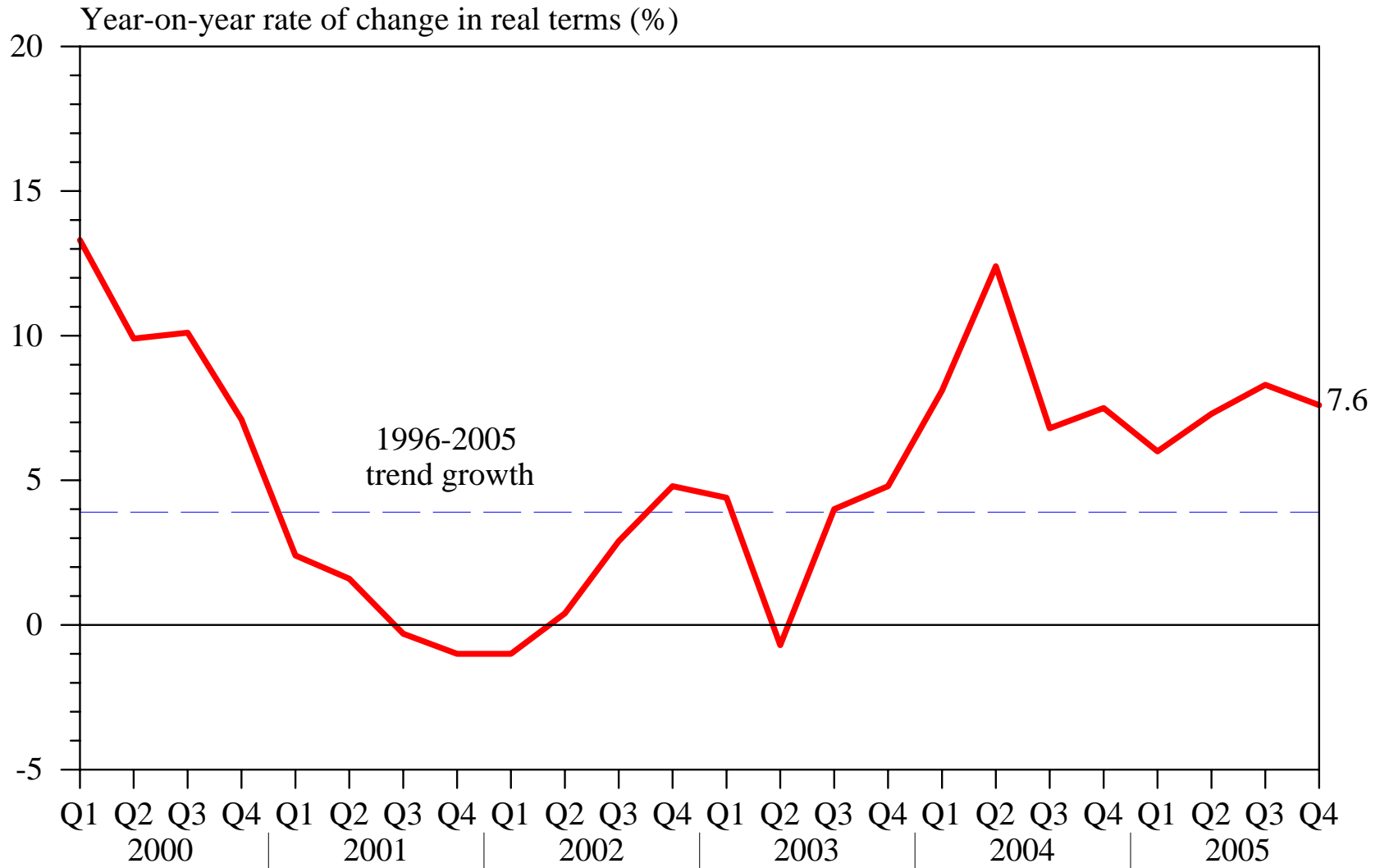
香港經濟概況
Hong Kong economy's overview

二零零六年二月二十二日
22 February 2006

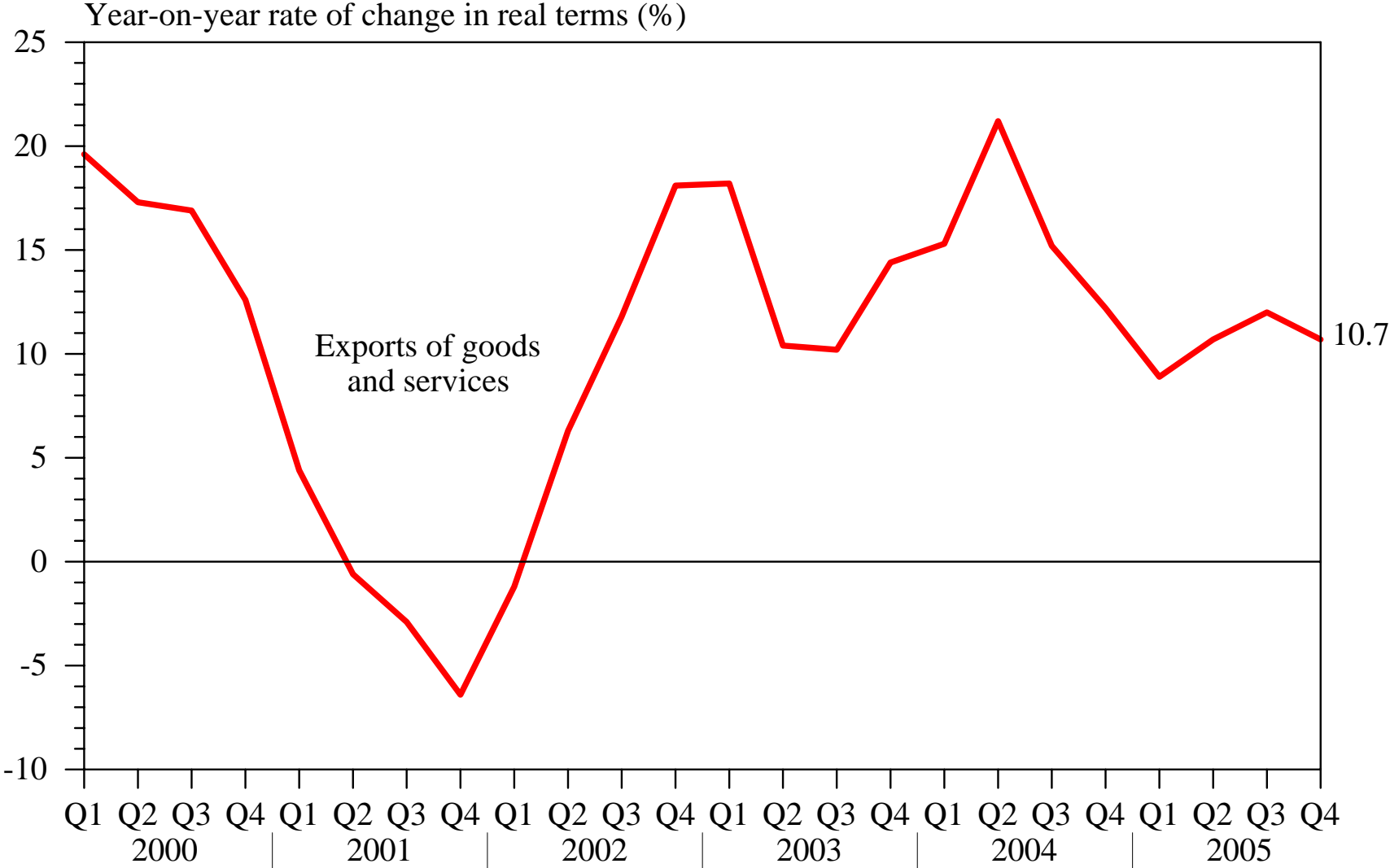
Economic performance

- 9 quarters of above-trend growth
- Broad-based upturn
- Trade, financial and producer services, and tourism are the bright spots; but construction still weak
- Significant and broad-based job creation; wages improving gradually
- Inflation creeping up but still low

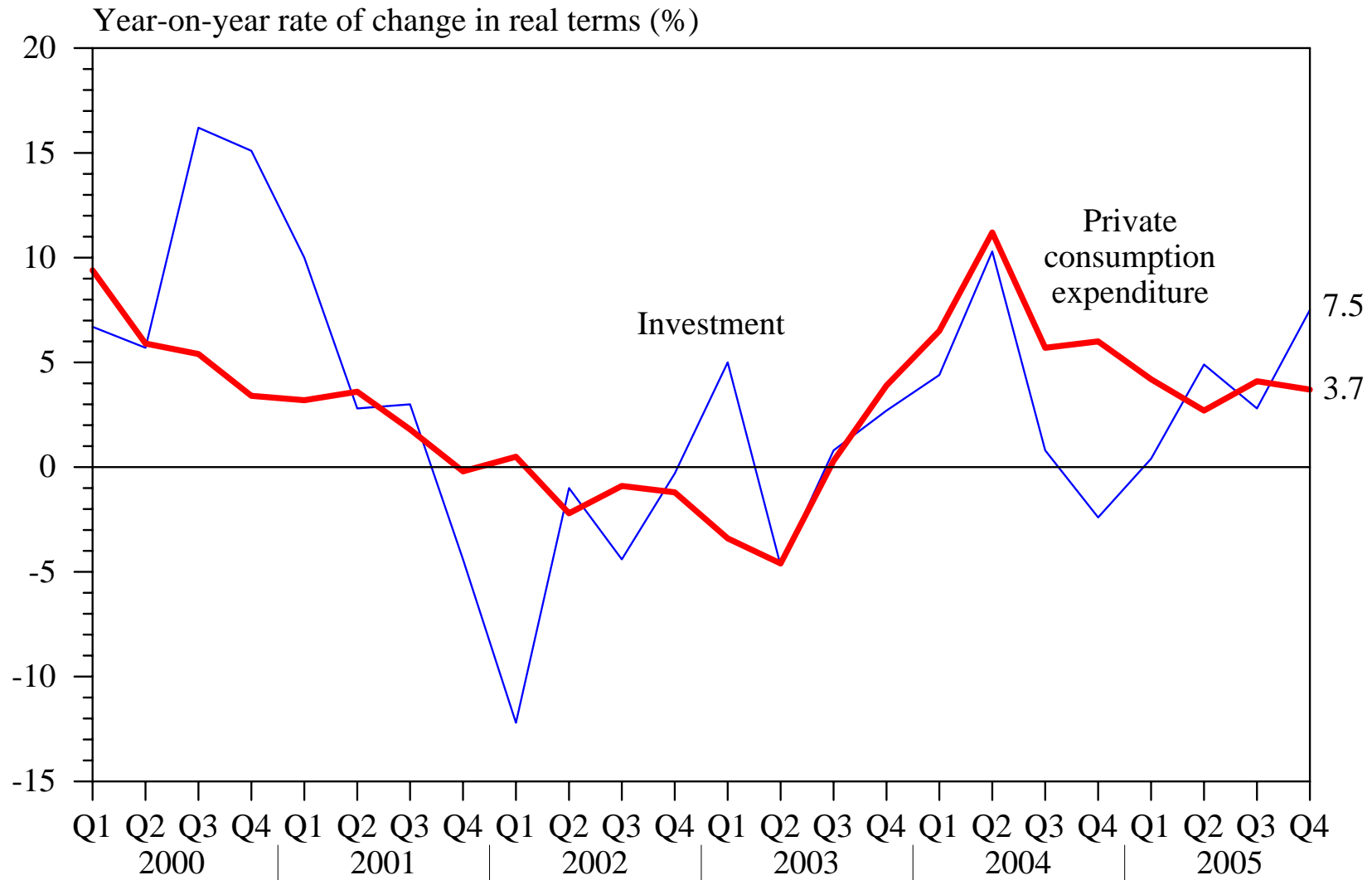
Strong GDP growth through 2005



Double-digit export growth



Domestic demand also played a role in recovery



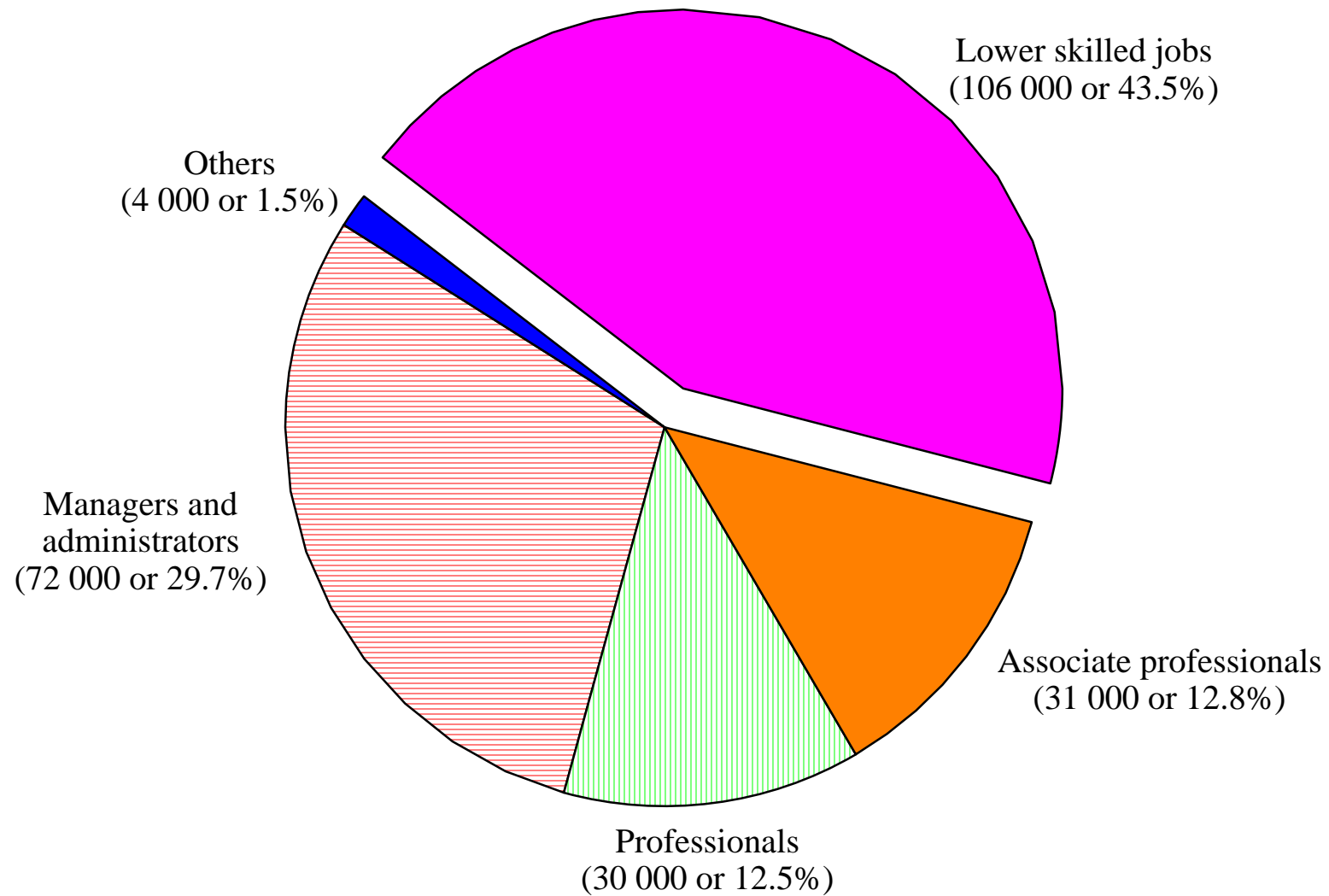
GDP growth led by trading and financial/professional services

| | <u>2001-2003</u> | <u>2004</u> | <u>2005 Q1-Q3</u> |
|--|------------------|-------------|-------------------|
| | (%) | (%) | (%) |
| Manufacturing | -9.8 | 1.7 | 0.8 |
| Construction | -2.9 | -9.8 | -4.4 |
| Services | 3.0 | 9.9 | 8.1 |
| Wholesale, retail and import and export trades, restaurants and hotels | 4.6 | 15.1 | 11.2 |
| Transport, storage and communications | 3.0 | 13.9 | 13.5 |
| Financing, insurance, real estate and business services | 2.9 | 13.1 | 9.3 |
| Community, social and personal services | 1.3 | 2.6 | 0.7 |

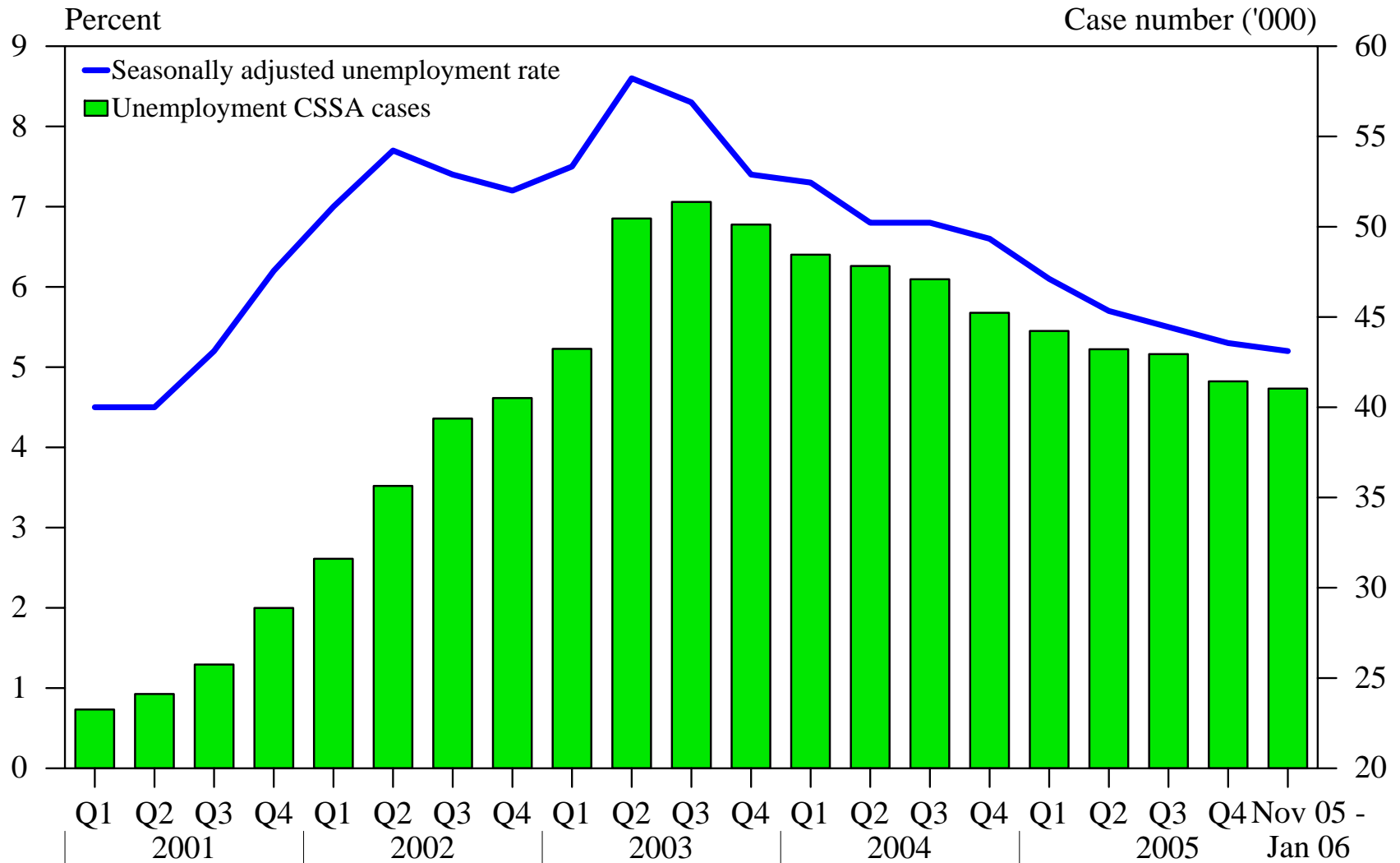
Broad-based improvement in labour market

- Improvements across all sectors, all age groups and all levels of education attainment
- Long-term unemployment declining
- Wages reversed decline and rising back
- Earnings of lower-income families also improving

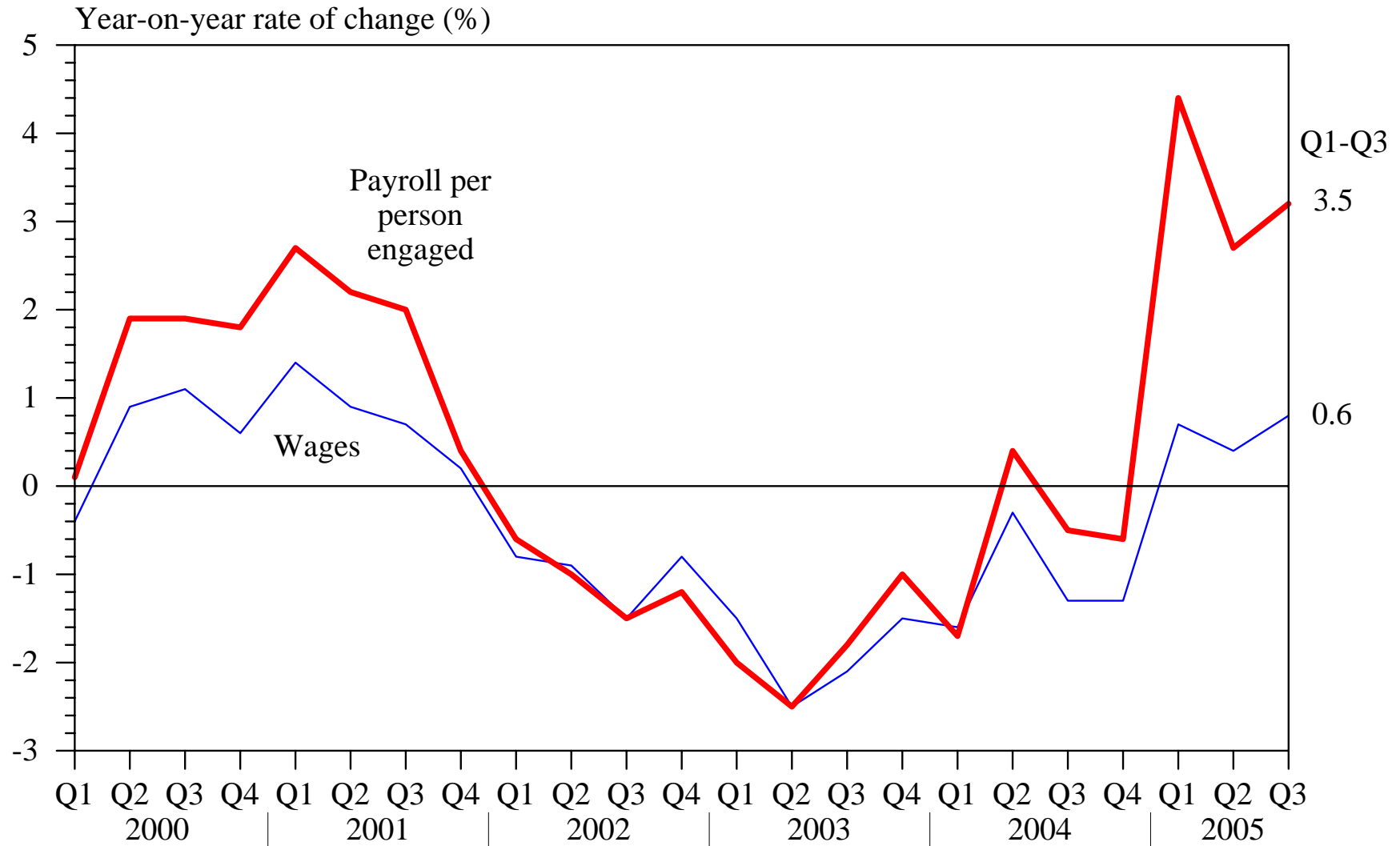
240 000 jobs created since 2003 trough



Both unemployment rate and unemployment CSSA cases are falling



Labour income rising back as labour market improves

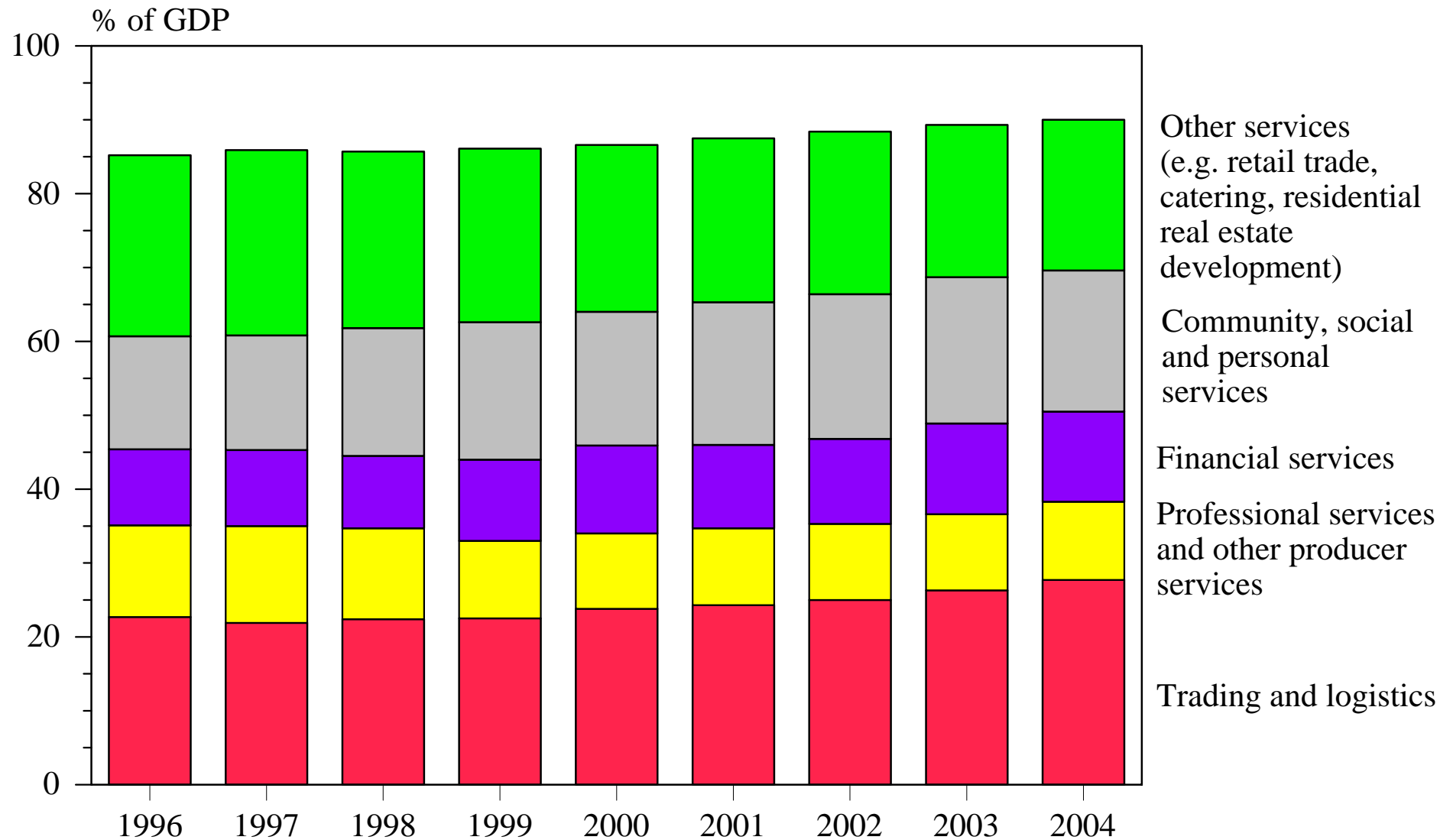


One out of three people in HK's workforce are managerial, professional or administrative workers

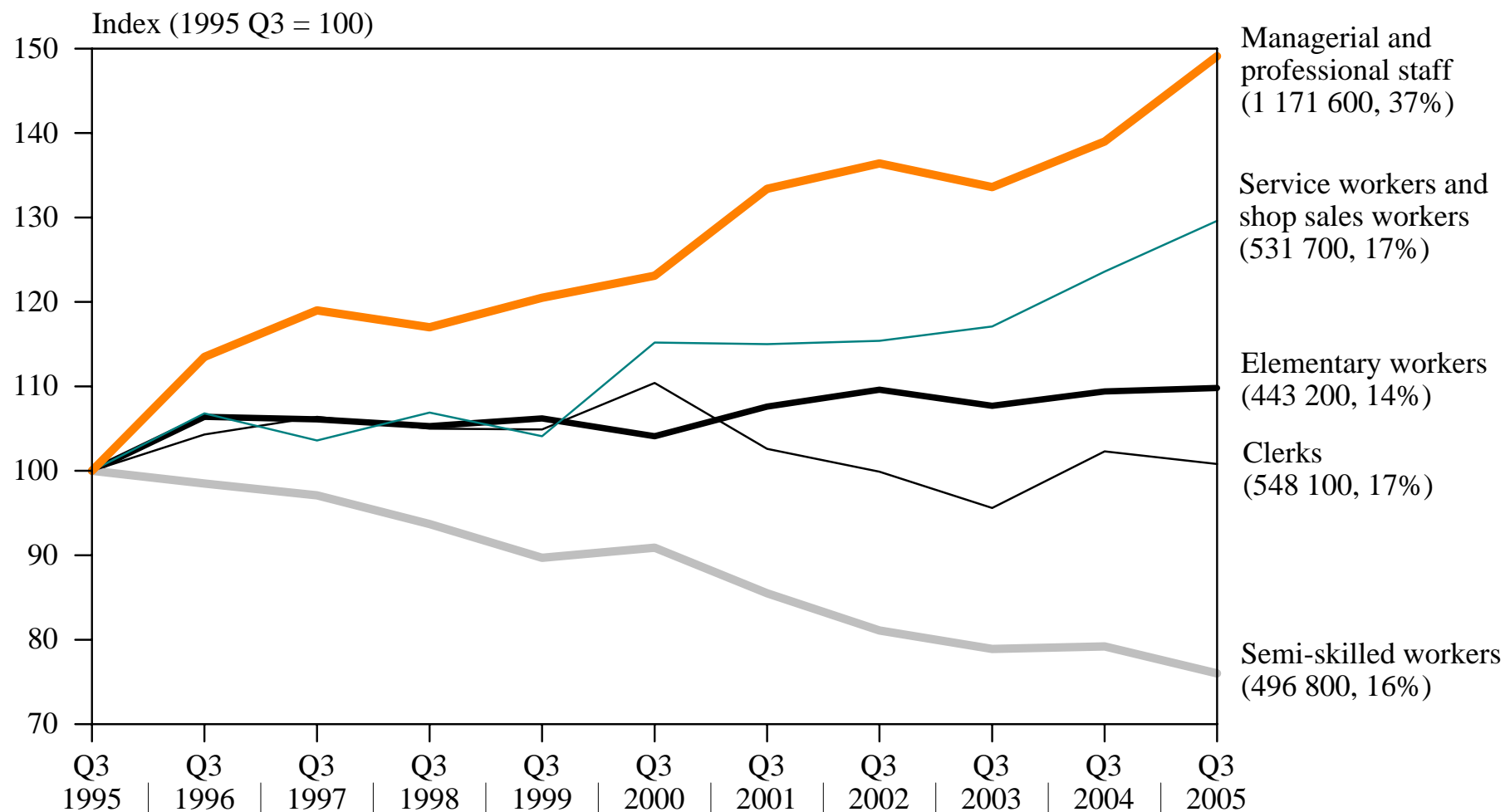
| | No of managerial, professional or administrative <u>workers</u> | Share in <u>Employment*</u> |
|------|--|--------------------------------|
| | ('000) | (%) |
| 1995 | 780 | 28 |
| 2000 | 966 | 32 |
| 2005 | 1 159 | 36 |

(*) Excluding FDH workers

The rising share of services in HK's economy



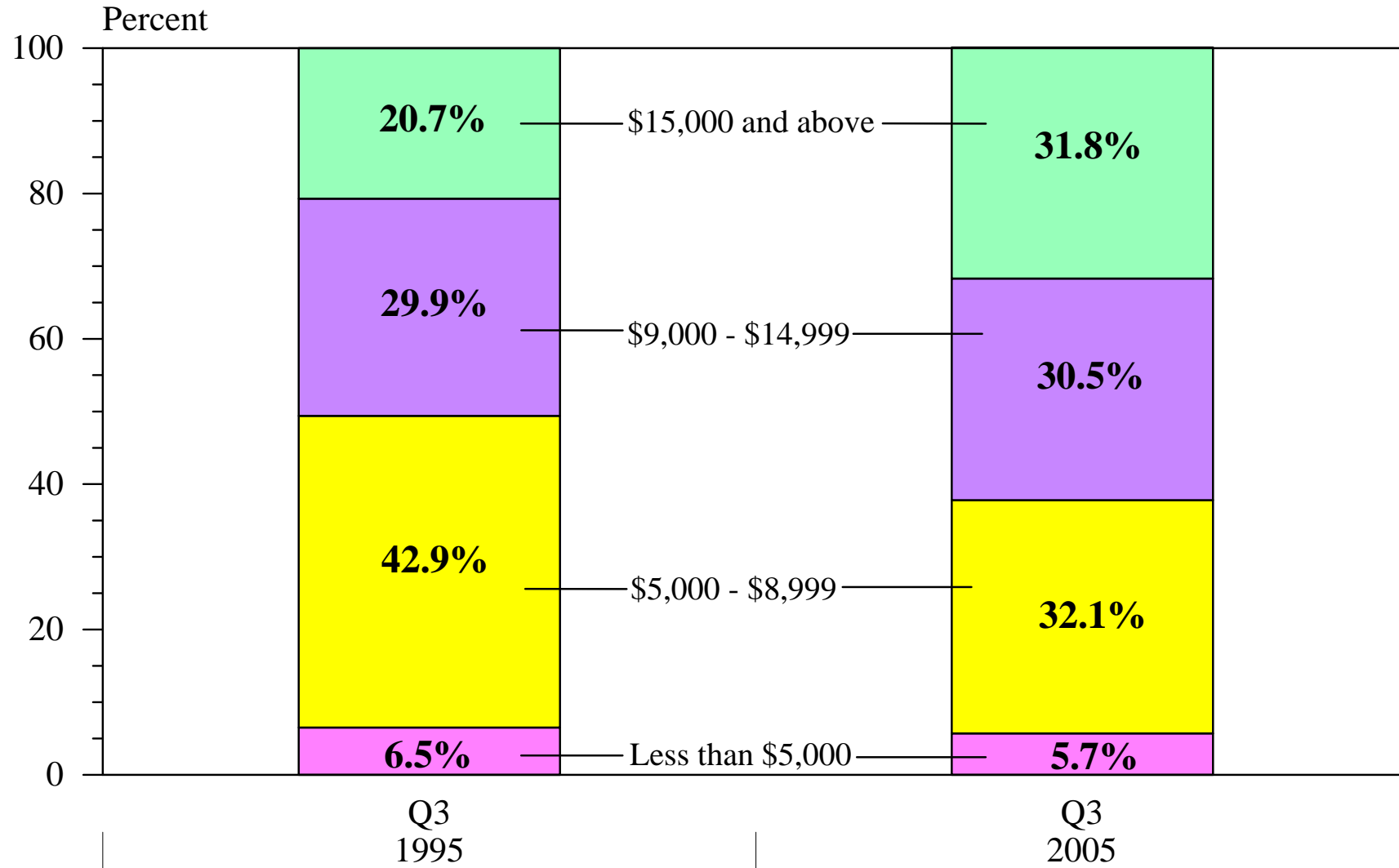
Employment by occupation category



Notes :Classification of occupations is based on that of the General Household Survey as conducted by the Census and Statistics Department.

Figures in brackets represent the number of employed persons in Q3 2005, and the percentage shares refer to the proportion of employed persons engaged in the respective occupations.

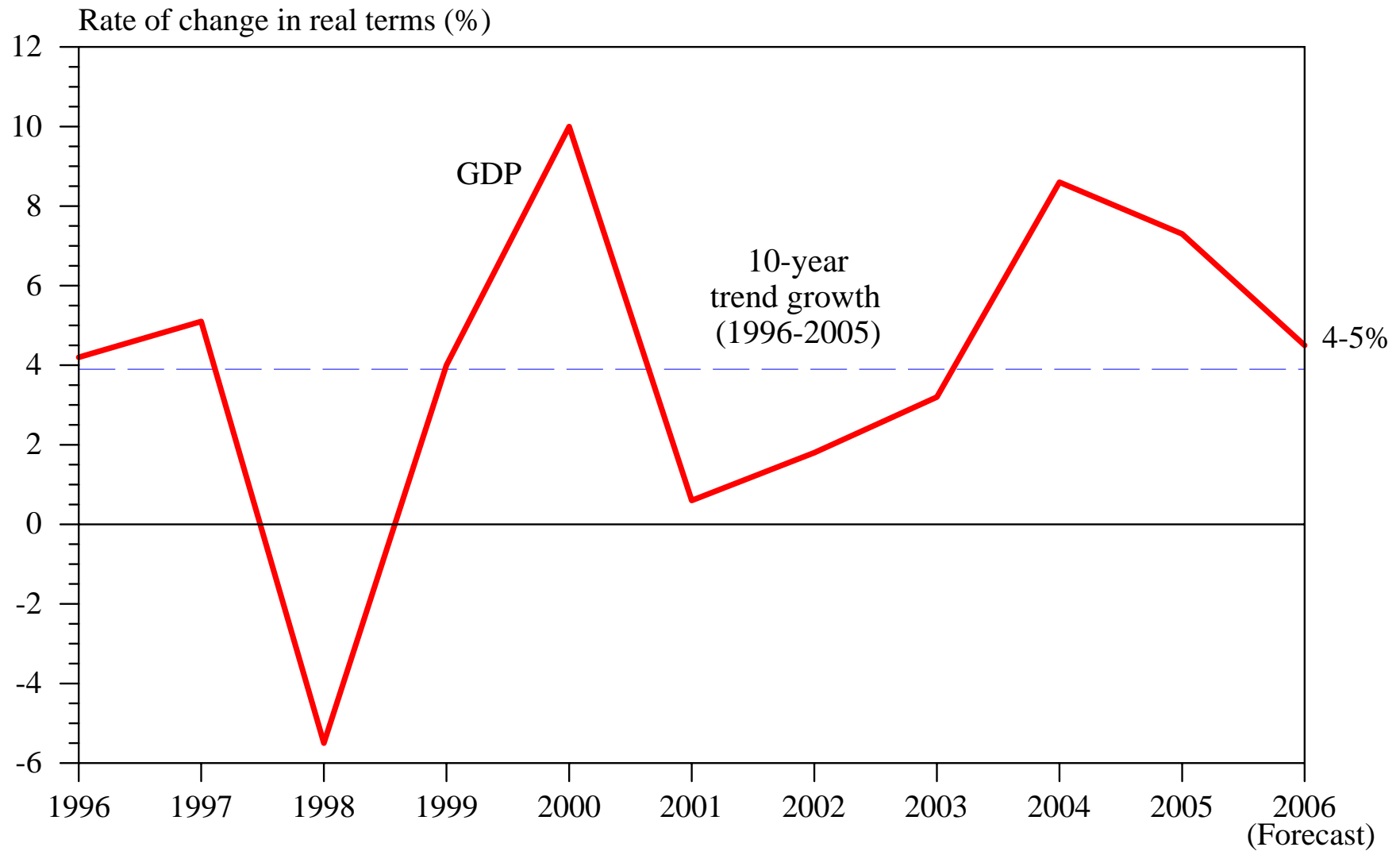
Workers earning \$5,000 – \$8,999 down markedly ... while those earning \$15,000 or more rose



2006 Economic outlook

- GDP growth to settle back to more sustainable growth of 4 - 5%, still above past 10-year trend of 3.9%
- Another year of broad-based growth
- But risks from external environment and feed-through of higher interest rates
- Labour market to improve further
- Inflation edging up but still mild

Economy set for still solid growth in 2006



Inflation creeping up but low in 2006

