

Press Release

(embargoed until 4:15 p.m. on 16 November 2007)

Economic Situation in the Third Quarter of 2007 and Latest GDP and Price Forecasts for 2007

The Government released today (Friday) the Third Quarter Economic Report 2007, together with the preliminary figures on Gross Domestic Product for the third quarter of 2007.

The Acting Government Economist, Mrs Helen Chan, described the economic situation in the third quarter of 2007 and provided the latest GDP and price forecasts for the year.

MAIN POINTS

- * The Hong Kong economy stayed vibrant in the third quarter of 2007, with GDP leaping by 6.2% in real terms over a year earlier. This followed a robust 6.1% growth in the first half of the year and also marked the 16th consecutive quarter of distinctly above-trend growth.
- * Merchandise exports grew notably further in the third quarter, by 6.4% in real terms. Merchandise exports to the Mainland and many other emerging markets held up very well, those to the EU grew further, but those to the US and Japan were lacklustre. Meanwhile, exports of services accelerated further in growth, up by 12.3% in real terms, reflecting strong inbound tourism, vibrant financial market activities and continued surge in offshore trade.
- * Domestic demand played a key role in driving the economy forward in the third quarter. Private consumption spending grew strongly by 9.7% in real terms, supported by improving job market and rising household income and wealth, but the year-on-year comparison was also partly boosted by a relatively low base of comparison in the third quarter last year. Overall investment spending expanded further, albeit at a slower pace of 2.0% in real terms. Yet business sentiment in almost all sectors continued to hold up very well as indicated by the latest Quarterly Business Tendency Survey results.
- * With the economy sustaining strong growth momentum, the seasonally adjusted unemployment rate edged down further to 4.1% in the third quarter, the lowest since mid-1998. As labour market conditions tightened, wages and earnings picked up somewhat in June 2007 over a year earlier. Job vacancies continued to surge.
- * The global credit market turbulence in August and September, while causing greater volatility, had only limited impact on the local financial markets. While the Hong Kong economy was relatively unscathed so far, the external trading environment has turned more uncertain, and the repercussions of the credit market turbulence have yet to play out more fully.

- * The US economy, being overshadowed by the housing market slump, sub-prime mortgage problem and also tightening credit, is likely to slow more in the coming months. The economic outlook for EU and Japan is likewise clouded by the uncertainties stemming from the US economy and the evolving global financial market situation, although their economies have continued to expand at a rather solid pace up till now. The recent surge in oil prices has also added uncertainty to the global trading environment. The play-out of these factors may have some impact on Hong Kong's trade performance in the fourth quarter. Yet robust trade growth in the Mainland, the weakening of the Hong Kong dollar against many Asian currencies, strong inbound tourism as well as vibrant financial markets should add support to Hong Kong's exports of goods and services in the near term, thereby offsetting in part the negative impact of weak US demand.
- * Domestic demand is likely to remain as a key driving force in overall economic growth in the fourth quarter. Consumer spending will continue to hold up well in tandem with upbeat consumption sentiment, rising incomes and strong household financial positions. With activity expansion continuing apace, business investment is poised for further expansion in the months ahead.
- * With the strong outturn of a 6.1% GDP growth in the first three quarters of 2007 and given the prevailing strength in domestic demand, the Hong Kong economy should be able to attain 6% growth in real terms for 2007 as a whole. Barring any abrupt adverse changes in the external environment, the economy looks set for further strong growth in the fourth quarter.
- * With the full fledged economic upturn over the past quarters, inflation has been climbing up gradually recently. In the first nine months of this year, the headline CPI inflation averaged at 1.5% year-on-year, and the underlying inflation at 2.5% after netting out the effects of the rates concession and public rental waiver in February.
- * Looking ahead, the headline inflation rate is expected to go higher in the fourth quarter, which to a large extent is due to the dissipation of the favourable effect of the rates concession after September, thereby bringing the headline inflation rate back in line with its underlying rate. Also, higher food prices, the weakness of the US dollar and along with it renminbi appreciation, as well as the recent resurgence in oil prices would also lead to a slight pick-up in inflation in the near term. The fact that the rise in imported inflation is more readily passed through to consumers actually reflects the current strength of local consumption. Yet sustained rapid increase in labour productivity and continued expansion in productive capacity on the supply side would continue to provide an alleviating effect. For 2007 as a whole, Composite CPI inflation is forecast at 2%.

DETAIL

GDP

According to the preliminary figures on the Gross Domestic Product (GDP) released today by the Census and Statistics Department, GDP leaped by 6.2% in real terms in the third quarter of 2007 over a year earlier, following a robust growth of 6.1% in the first half of the year. By now, the economy has attained distinctly above-trend growth for 16 consecutive quarters. On a seasonally adjusted quarter-to-quarter comparison, GDP also grew strongly by 1.7% in real terms in the third quarter of 2007 (*Chart*).

2. The latest figures on GDP and its major expenditure components up to the third quarter of 2007 are presented in *Table 1*. Developments in different segments of the economy in the third quarter of 2007 are described below.

External trade

3. Merchandise exports saw further solid growth in the third quarter, despite the more uncertain trading environment and a weak US economy. The Mainland market remained strong, supported by its own vibrant trade flows and thriving domestic demand. Exports to such emerging markets as India, Malaysia, Thailand, Indonesia and Vietnam, also fared robustly. While the EU market showed further growth, the US and Japanese markets were rather weak. Overall, *total exports of goods* grew by 6.4% in real terms in the third quarter over a year earlier. On a seasonally adjusted quarter-to-quarter comparison, total exports of goods decreased slightly by 0.2% in real terms in the third quarter.

4. Meanwhile, *exports of services* continued to display strength, surging further by 12.3% in real terms in the third quarter. The strong growth in inbound tourism, buoyant financial market activities and further expansion of offshore trade all contributed. On a seasonally adjusted quarter-to-quarter comparison, exports of services grew strongly by 4.1% in real terms in the third quarter.

Domestic sector

5. Domestic demand has been assuming a more important role in recent quarters in propelling the economy forward. Local consumer spending was particularly strong in the third quarter. Consumer sentiment was boosted by better household incomes and job prospects as well as the bullish stock market performance. A more active residential property market should also have provided further support. *Private consumption expenditure (PCE)* rose strongly by 9.7% in real terms in the third quarter. On a seasonally adjusted quarter-to-quarter comparison, private consumption expenditure likewise increased distinctly, by 4.5% in real terms in the third quarter.

6. Overall investment spending in terms of *gross domestic fixed capital formation* went up further, by 2.0% in the third quarter of 2007 over a year earlier, having expanded strongly by 10.0% in the second quarter. Machinery and equipment investment increased slightly by 0.6% in the third quarter. The slower increase was largely due to a high base of comparison in the same quarter last year. The results of latest Quarterly Business Tendency Survey continued to indicate strong confidence in near-term business outlook. Private sector activity in the construction sector continued its notable rebound in the third quarter, albeit at a slower pace, while public sector activity remained on a decline. Expenditure on building and construction as a whole rose marginally by 0.4% in the third quarter.

The labour sector

7. The strength of the local economy continued to translate into job opportunities benefiting a wide spectrum of the labour sector. Both total labour force and total employment hit all-time high during the third quarter. The seasonally adjusted unemployment rate fell further to 4.1% in the third quarter, the lowest in more than nine years. Wages and earnings picked up further in June 2007 over a year earlier, representing increases in real terms after netting out inflation. Job vacancies continued to surge.

Prices

8. Headline *consumer price inflation* remained rather modest at 1.6% in the third quarter, helped partly by the rates concession. Discounting the influence of this special factor, the underlying inflation rate has moved slightly upward, to a still rather moderate 2.7% in the third quarter, due mainly to the concurrent notable rise in food prices. As to the *GDP deflator*, it rose by 3.4% in the third quarter, bringing to an average of 2.2% in the first three quarters of 2007. The faster increase in the third quarter reflected the continued improvement in terms of trade, as well as a pick up in domestic prices along with CPI inflation. The change-over to the chain-volume GDP series has also led to upward revisions in the GDP deflator, with the use of more up-to-date price structures. Excluding the terms of trade effect, the domestic demand deflator rose by 1.6% in the third quarter, broadly in sync with the headline CPI inflation over the period.

Latest GDP and price forecasts for 2007

9. Although merchandise exports continued to show notable growth and service exports fared strongly in the third quarter, the trading environment has turned more uncertain following the recent global financial market turbulence. The US economy is likely to remain weak in the coming quarters, as the housing market slump continues, and as tightening credit and weaker consumer sentiment may impact on consumer demand, the key pillar of growth in the US economy so far. The economic outlook for EU and Japan is likewise clouded by the uncertainties surrounding the US economy and the global financial markets, although their economies have continued to expand at a rather solid pace up till now. The recent

surge in oil prices has also added uncertainty to the global trading environment. Yet robust trade growth in the Mainland, the weakening of the Hong Kong dollar against many other Asian currencies, surging inbound tourism as well as vibrant activities in the local financial markets should render support to Hong Kong's exports of goods and services, thereby reducing the risk of a more drastic slackening in external trade.

10. Domestic demand is likely to remain as a key driving force in overall economic growth in the fourth quarter. Consumer spending will continue to hold up well in tandem with upbeat consumption sentiment, rising incomes and strong household financial positions. With activity expansion continuing apace, business investment is poised for further expansion in the months ahead.

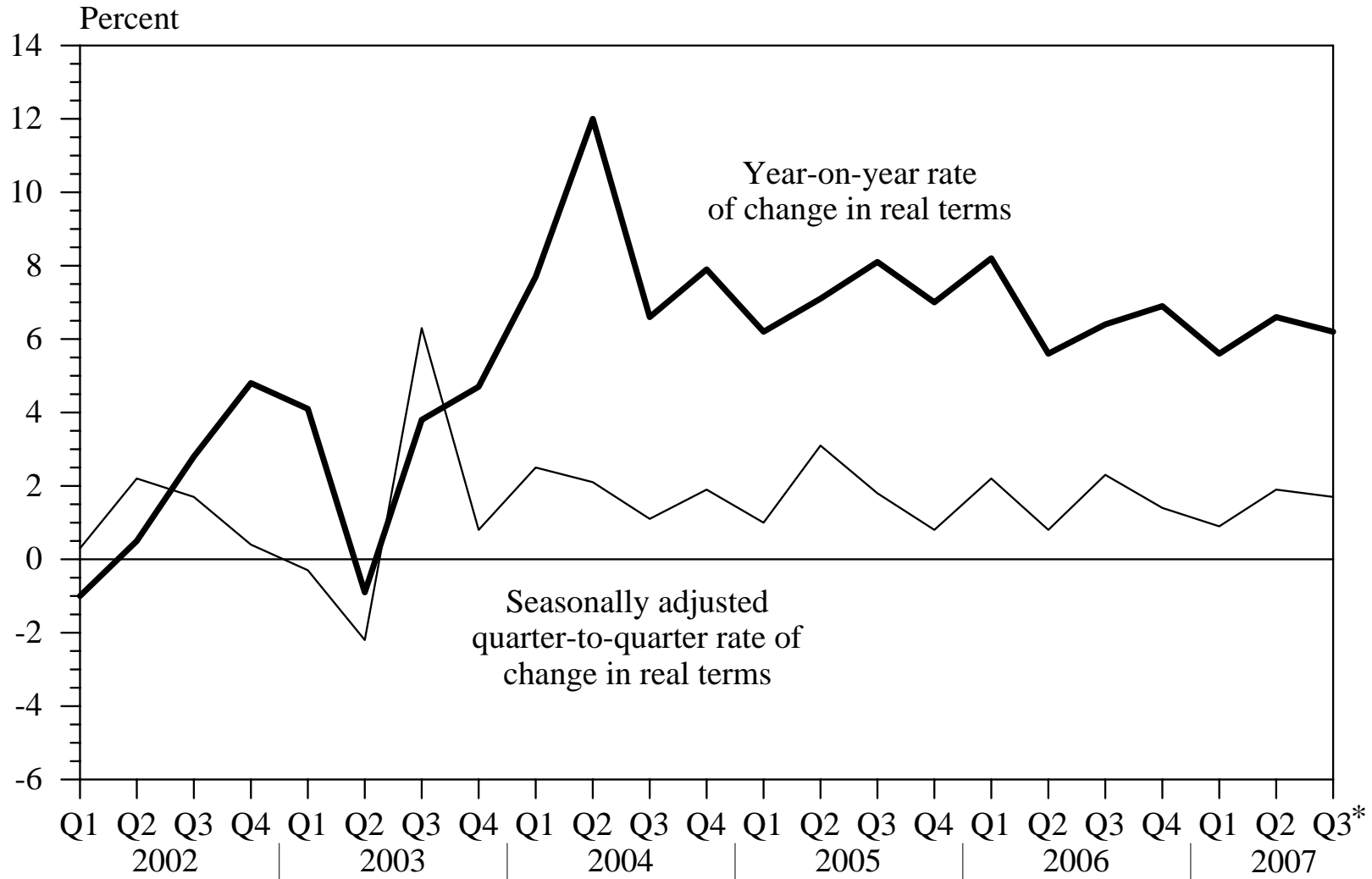
11. With the strong outturn of a 6.1% GDP growth in the first three quarters of 2007 and given the prevailing strength in domestic demand, the Hong Kong economy should be able to attain 6% growth in real terms for 2007 as a whole. Barring any abrupt adverse changes in the external environment, the economy looks set for further strong growth in the fourth quarter.

12. On inflation outlook, the headline inflation rate is expected to go higher in the fourth quarter, which to a large extent is due to the dissipation of the favourable effect of the rates concession after September, thereby bringing headline inflation back to its underlying inflation. Also, higher food prices, the weakness of the US dollar and along with it renminbi appreciation, as well as the recent resurgence in oil prices would also lead to a slight pick-up in inflation in the near term. The fact that the rise in imported inflation is more readily passed through to consumers actually reflects the current strength of local consumption. But sustained rapid increase in labour productivity and continued expansion in productive capacity on the supply side will continue to provide an alleviating effect. For 2007 as a whole, Composite CPI inflation is forecast at 2%. As to the GDP deflator, in view of the adoption of the chain-volume GDP series and also higher CPI inflation, the forecast rate of increase for 2007 as a whole is likewise revised upward, from 0.5% to 2%.

(The Third Quarter Economic Report 2007 is now available for free download at <http://www.statisticalbookstore.gov.hk> or <http://www.info.gov.hk/hkecon/report>. Print version of the report can also be purchased on-line, or by calling the Publications Sales Unit of ISD at 2537 1910. The hard copy of the report is available for sale at \$70 per copy (15% discount offered if purchased on-line), with a postage charge.)

(The GDP figures up to the third quarter of 2007 are published in the Report of the Gross Domestic Product, Third Quarter 2007. Users can download the publication free of charge at <http://www.statisticalbookstore.gov.hk>. Print version of the report can also be purchased on-line, or by calling the Publications Sales Unit of ISD at 2537 1910. The hard copy of the report is available for sale at \$47 per copy (15% discount offered if purchased on-line), with a postage charge.)

Hong Kong's Gross Domestic Product



Note: (*) Preliminary figures.

Table 1

**Gross Domestic Product and its main expenditure components
and the main price indicators
(year-on-year rate of change (%))**

	<u>2005</u> [#]	<u>2006</u> [#]	<u>2006</u>				<u>2007</u>		
			<u>Q1</u> [#]	<u>Q2</u> [#]	<u>Q3</u> [#]	<u>Q4</u> [#]	<u>Q1</u> [#]	<u>Q2</u> [#]	<u>Q3</u> ⁺
<i>Change in real terms of GDP and its main expenditure components (%)</i>									
Private consumption expenditure	3.0	5.9	5.7 (1.9)	7.0 (1.6)	4.5 (0.4)	6.2 (2.1)	4.8 (0.6)	5.7 (2.3)	9.7 (4.5)
Government consumption expenditure	-3.2	0.3	1.3 (3.0)	-1.6 (-2.6)	-1.1 (0.4)	2.3 (1.5)	2.4 (3.1)	2.7 (-2.1)	1.2 (-1.3)
Gross domestic fixed capital formation [^]	4.1	6.3	5.5	3.8	9.5	6.4	2.8	10.0	2.0
<i>of which :</i>									
Building and construction	-7.6	-7.4	-11.8	-3.0	-10.2	-3.9	-2.9	5.9	0.4
Machinery, equipment and computer software	12.8	18.0	23.7	13.2	22.9	13.2	3.9	11.5	0.6
Total exports of goods	10.4	9.3	13.7 (3.3)	5.5 (-0.1)	7.9 (3.8)	10.6 (2.7)	6.6 (1.0)	10.1 (2.2)	6.4 (-0.2)
Imports of goods	8.0	9.2	13.3 (2.7)	6.0 (-0.3)	7.5 (3.6)	10.6 (3.8)	7.1 (0.4)	11.6 (3.5)	8.3 (0.2)
Exports of services	11.7	8.9	9.0 (1.1)	9.3 (2.5)	8.6 (3.0)	8.7 (1.8)	9.0 (1.5)	11.6 (4.4)	12.3 (4.1)
Imports of services	7.8	6.6	4.3 (1.7)	9.6 (3.4)	5.3 (0.1)	7.5 (1.9)	4.5 (-0.4)	8.0 (5.9)	8.9 (1.3)
Gross Domestic Product	7.1	6.8	8.2 (2.2)	5.6 (0.8)	6.4 (2.3)	6.9 (1.4)	5.6 (0.9)	6.6 (1.9)	6.2 (1.7)
<i>Change in the main price indicators (%)</i>									
GDP deflator	-0.1	-0.1	-0.5 (-0.6)	-0.4 (0.1)	-0.6 (0.2)	0.8 (1.0)	1.2 (*)	1.9 (0.7)	3.4 (1.7)
Composite Consumer Price Index	1.0	2.0	1.6 (0.4)	2.0 (0.7)	2.3 (0.6)	2.1 (0.4)	1.7 (*)	1.3 (0.4)	1.6 (-0.1)
<u>Change in nominal GDP (%)</u>	7.1	6.6	7.7	5.2	5.7	7.8	6.8	8.7	9.8

Notes : The GDP date series have been revised, following the release of the chain volume measures of GDP on 18 October 2007, which have replaced the previous constant price series. Figures are subject to revision later on as more data become available.

(#) Revised figures.

(+) Preliminary figures.

() Seasonally adjusted quarter-to-quarter rate of change.

(^) There is no clear seasonal pattern in gross domestic fixed capital formation, due to the presence of considerable short-term fluctuations.

(*) Change of less than 0.05%

Table 2

**Economic forecasts for 2007
(year-on-year rate of change (%))**

	Forecasts for 2007 as released on 17.8.2007 <u>(%)</u>	Latest forecasts for 2007 on 16.11.2007 <u>(%)</u>
Gross Domestic Product (GDP)		
<i>Real GDP</i>	5 to 6	6
<i>Nominal GDP</i>	5.5 to 6.5	8
Composite Consumer Price Index	1.5	2
GDP deflator	0.5	2

Table 3

2007 GDP and price forecasts for Hong Kong put out by selected international organisations and private sector analysts

	<u>Date of release</u>	<u>GDP</u>	<u>Private consumption expenditure</u> (growth rate	<u>Gross domestic fixed capital Formation</u> in real	<u>Total exports of goods</u> terms (%))	<u>Exports of services</u>	<u>Rate of change in consumer prices</u> (%)	<u>Reference source</u>
International organisations:								
IMF	Apr 2007	5.5	--	--	--	--	1.5	World Economic Outlook, Apr 2007.
	Oct 2007	5.7	--	--	--	--	2	World Economic Outlook, Oct 2007.
ADB	Mar 2007	5.4	--	--	--	--	1.6	Asian Development Outlook 2007, Mar 2007.
	Sep 2007	6	--	--	--	--	1.7	Asian Development Outlook 2007 Update, Sep 2007.
World Bank	Nov 2006	4.9	--	--	--	--	--	East Asia Update, Nov 2006.
	Apr 2007	5.3	--	--	--	--	--	East Asia and Pacific Update, Apr 2007.
PECC	Nov 2006	5.1	1.7	--	--	--	2.5	State of the Region 2006-2007, Nov 2006.
	May 2007	5.3	--	--	7.4	--	2.2	State of the Region First Quarter Economic Outlook, 2007.
United Nations	Jan 2007	6.2	--	--	--	--	1.7	World Economic Situation and Prospects 2007, Jan 2007.
Private sector analysts:								
<i>(a) Major local banks</i>								
HSBC	Feb 2007	5.3	3.3	8.2	--	--	3	Macro Currencies, February 2007.
	May 2007	5.3	3.5	8	--	--	1.8	Macro Currencies, May 2007.
	Jul 2007	5.4	3.5	8	--	--	1.8	Macro Currencies, July 2007.
	Sep 2007	5.9	4.9	7.5	--	--	1.8	Macro Asia Economics Q4 2007, 28.Sep 2007.
Hang Seng Bank	Feb 2007	5.6	--	--	--	--	2.5	Economic Bulletin, February 2007.
	May 2007	5.6	--	--	8	--	2	Economic Bulletin, May 2007.
	Aug 2007	6.1	5.5	8.7	9.5	9.1	2	Hang Seng Economic Monthly, Jul/Aug 2007.
Standard Chartered Bank	Feb 2007	5	--	--	--	--	2	Asia Focus, 14 Feb 2007.
	May 2007	5.5	--	--	--	--	2	Asia Focus, 16 May 2007.
	Aug 2007	5.5	--	--	--	--	1.8	Asia Focus, 8 Aug 2007.
	Oct 2007	5.5	--	--	--	--	1.9	Asia Focus, 17 Oct 2007.

Table 3 (cont'd)

2007 GDP and price forecasts for Hong Kong put out by selected international organisations and private sector analysts

	<u>Date of release</u>	<u>GDP</u>	<u>Private consumption expenditure</u> (growth rate	<u>Gross domestic fixed capital formation</u> in real	<u>Total exports of goods</u> terms (%))	<u>Exports of services</u>	<u>Rate of change in consumer prices</u> (%)	<u>Reference source</u>
Bank of China (HK)	Dec 2006	5	3.8	4.8	7.5	7	2.5	Bank of China (HK) Research, Dec 2006.
	Jun 2007	5	3.8	4.8	7.5	7	2	BOC Economic Review Monthly, Jun 2007.
	Aug 2007	5.8	5.6	6	8.8	9.5	1.5	BOC Economic Review Monthly, Aug 2007.
Bank of East Asia	Jan 2007	5	5.5	4.5	7.4	7	2.7	Economic Analysis, Jan 2007.
	Aug 2007	6	--	--	--	--	2	Bank of East Asia, 13 Aug 2007.
	Nov 2007	6	--	--	--	--	2	Bank of East Asia, 12 Nov 2007.
ABN Amro Bank	Jan 2007	4	3.6	6	--	--	3	Asia Vision, 10 Jan 2007.
	May 2007	4.8	--	--	--	--	--	Asia Vision, 30 May 2007.
	Jul 2007	5.5	--	--	--	--	2.1	Macro forecast, Jul 2007.
	Oct 2007	6.5	--	--	--	--	0.6	Local Markets Strategy - Asia, 24 Oct 2007.
Citigroup	Jan 2007	6	4.3	5.8	--	--	2.6	Asia Economic Outlook and Strategy, 26 Jan 2007.
	Apr 2007	6	4.8	5.9	--	--	1.8	Asia Economic Outlook and Strategy, 27 Apr 2007.
	Jul 2007	6	--	--	--	--	1.8	Hong Kong Economics, 2 Jul 2007.
	Sep 2007	6	6.1	7.4	--	--	1.8	Asia Economic Outlook and Strategy, 24 Sep 2007.
<i>(b) Investment banks</i>								
JP Morgan Chase	Feb 2007	5	--	--	--	--	2.5	Global Data Watch, 16 Feb 2007.
	May 2007	5.5	--	--	--	--	1.8	JP Morgan Chase, 14 May 2007.
	Aug 2007	5.3	--	--	--	--	1.6	JP Morgan Chase, 13 Aug 2007.
	Aug 2007	5.8	--	--	8	--	--	Hong Kong Economic Journal, 22 Aug 2007.

Table 3 (cont'd)

2007 GDP and price forecasts for Hong Kong put out by selected international organisations and private sector analysts

	<u>Date of release</u>	<u>GDP</u>	<u>Private consumption expenditure</u> (growth rate	<u>Gross domestic fixed capital formation</u> in real	<u>Total exports of goods</u> terms (%))	<u>Exports of services</u>	<u>Rate of change in consumer prices</u> (%)	<u>Reference source</u>
Goldman Sachs Asia	Feb 2007	5.5	--	--	--	--	3.1	Goldman Sachs Asia, 26 Feb 2007.
	May 2007	5.5	--	--	--	--	3.1	Goldman Sachs Asia, 15 May 2007.
	Aug 2007	6	--	--	--	--	2.9	Goldman Sachs Asia, 13 Aug 2007.
	Nov 2007	6	--	--	--	--	1.7	Goldman Sachs Asia, 14 Nov 2007.
Morgan Stanley Asia	Nov 2006	5	4.2	6.4	--	--	2.5	Morgan Stanley Research, 21 Nov 2006.
	Feb 2007	5	4.2	5.8	10	7	2.5	Morgan Stanley Research, 28 Feb 2007.
	May 2007	5	4.5	6	--	--	2.5	Hong Kong Economics, 21 May 2007.
	Nov 2007	6	--	--	--	--	2.5	Morgan Stanley Asia, 13 Nov 2007.
Merrill Lynch	Apr 2007	4.6	--	--	--	--	2.3	The Asian Market Economist, 16 Apr 2007.
	Jul 2007	4.6	--	--	--	--	1.7	The Asian Market Economist, 16 Jul 2007.
	Oct 2007	6	6	7.5	--	--	1.82	Economics, Hong Kong, 22 Oct 2007.
Credit Suisse	Dec 2006	4.5	--	--	--	--	3-5	Hong Kong Economics Times, 22 Dec 2006.
	Mar 2007	5	4.5	8.5	--	--	2.2	Emerging Markets Quarterly, 14 Mar 2007.
	Jun 2007	5	5.5	6.5	--	--	2	Emerging Markets Quarterly, 20 Jun 2007.
	Sep 2007	5.9	6.2	6.2	--	--	2	Emerging Markets Quarterly, 19 Sep 2007.
Lehman Brothers	Feb 2007	5.5	--	--	--	--	2.5	Global Weekly Economic Monitor, 16 Feb 2007.
	May 2007	5.5	--	--	--	--	2.5	Global Weekly Economic Monitor, 11 May 2007.
	Aug 2007	6.5	--	--	--	--	1.5	Global Weekly Economic Monitor, 10 Aug 2007.
	Nov 2007	6	--	--	--	--	1.9	Lehman Brothers, 12 Nov 2007.

Table 3 (cont'd)

2007 GDP and price forecasts for Hong Kong put out by selected international organisations and private sector analysts

	<u>Date of release</u>	<u>GDP</u>	<u>Private consumption expenditure</u> (growth rate	<u>Gross domestic fixed capital formation</u> in real	<u>Total exports of goods</u> terms (%))	<u>Exports of services</u>	<u>Rate of change in consumer prices</u> (%)	<u>Reference source</u>
<i>(c) Others</i>								
Economist Intelligence Unit	Mar 2007	4.6	4.9	7.5	--	--	2.5	Country Forecast, Mar 2007.
	Apr 2007	5.7	5.7	8.1	--	--	2.5	Country Forecast, Apr 2007.
	May 2007	5.4	5.2	8.1	--	--	2.6	Country Forecast, May 2007.
	Jul 2007	5.7	5.5	6.5	--	--	2	Country Forecast, Jul 2007.
	Aug 2007	5.9	5.8	6.5	--	--	1.9	Country Forecast, Aug 2007.
	Sep 2007	6.2	5.8	8	--	--	1.9	Country Forecast, Sep 2007.
	Oct 2007	6.1	5.9	8	--	--	2	Country Forecast, Oct 2007.
Hong Kong General Chamber of Commerce	Feb 2007	5	--	--	--	--	2.5	HKGCC, 24 Feb 2007.
	Aug 2007	6.25	--	--	--	--	--	Hong Kong Economic Journal, 22 Aug 2007.
	Nov 2007	6.5	--	--	--	--	1.7	HKGCC, 12 Nov 2007.
University of Hong Kong	Apr 2007	5-6	--	--	--	--	2.2	APEC Study Center, HKU 11 Apr 2007.
	Jul 2007	5.2	--	--	--	--	--	APEC Study Center, HKU 4 Jul 2007.
	Oct 2007	6	6.1	6.9	8.7	9.6	2	APEC Study Center, HKU 3 Oct 2007.
Federation of Hong Kong Industries	Jan 2007	5.5-6	--	--	--	--	--	Press release, 18 Jan 2007.

Observation :

The forecasts of GDP growth in real terms for 2007 from the private sector analysts listed above are mostly in the range of 5.5% to 6.5%, averaging at 6%.