



香港特別行政區政府  
Hong Kong SAR Government

2011年經濟概況及2012年展望  
2011 Economic Background and 2012 Prospects

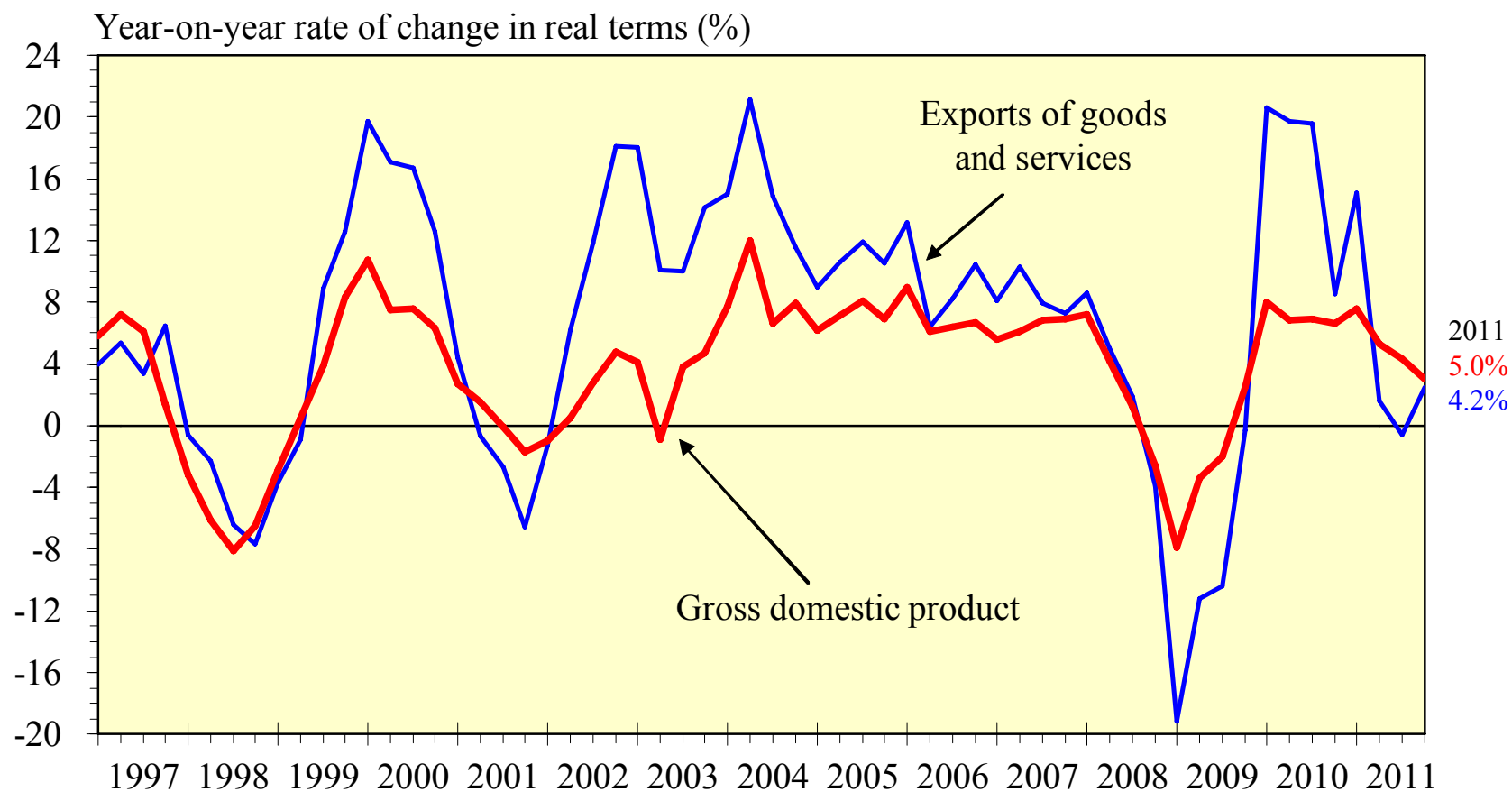
二零一二年二月一日  
1 February 2012

# 2011 Performance

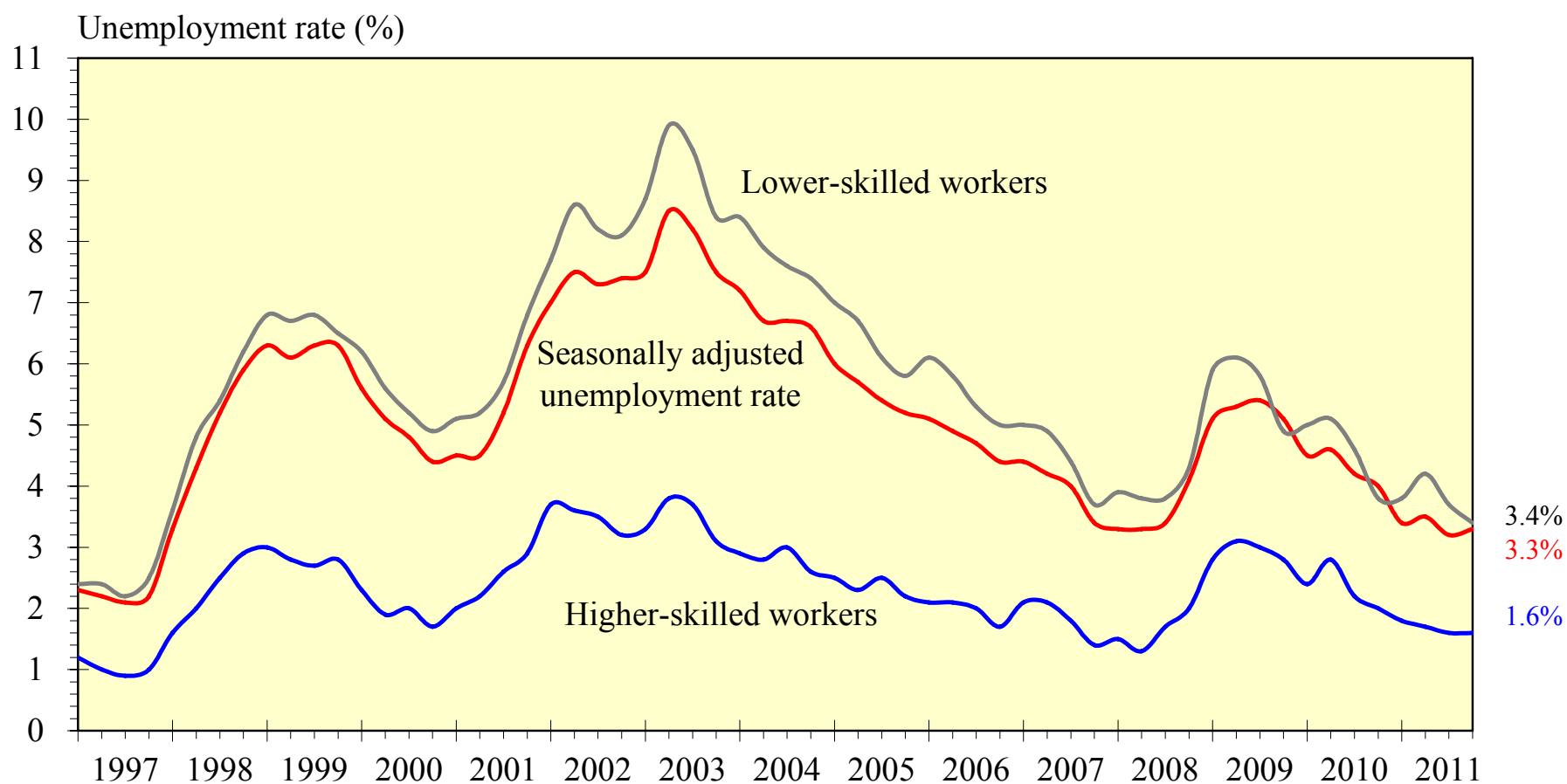
## Salient features of economic performance in 2011

- Economy sustained strong momentum in Q1 (7.6%), but slowed progressively since then (Q2: 5.3%; Q3: 4.3%; Q4: 3.0%)
- Growth for 2011 as a whole still above trend at 5.0%
- External environment increasingly plagued by the eurozone sovereign debt crisis and faltering demand in the advanced economies
- Domestic sector held up remarkably well; Labour market in full employment
- Inflation visibly up, but stabilised towards year-end

## GDP growth moderated during 2011, but still above trend for the year as a whole



# Labour market in full employment



Note: Unemployment rates for lower-skilled and higher-skilled workers are not seasonally adjusted.

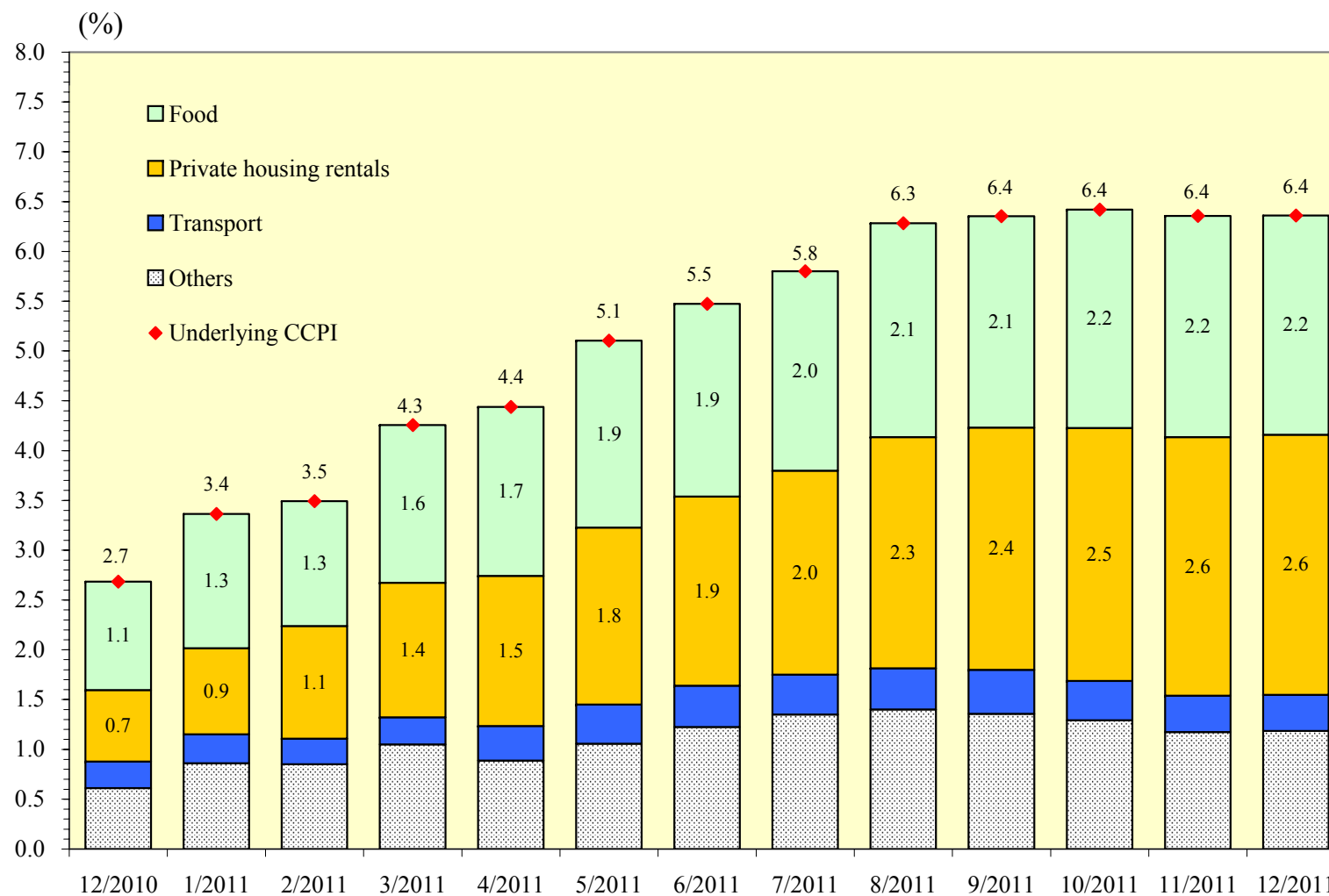
## Across-the-board improvements in incomes

	September-November 2011	
	Nominal	Real
<u>Median monthly household income</u>	11.1%	5.1%
<u>Average monthly employment earnings</u>		
Full-time employees	7.1%	1.3%
<i>of which:</i>		
<i>Lowest decile group</i>	<i>12.5%</i>	<i>7.0%</i>

# Inflation

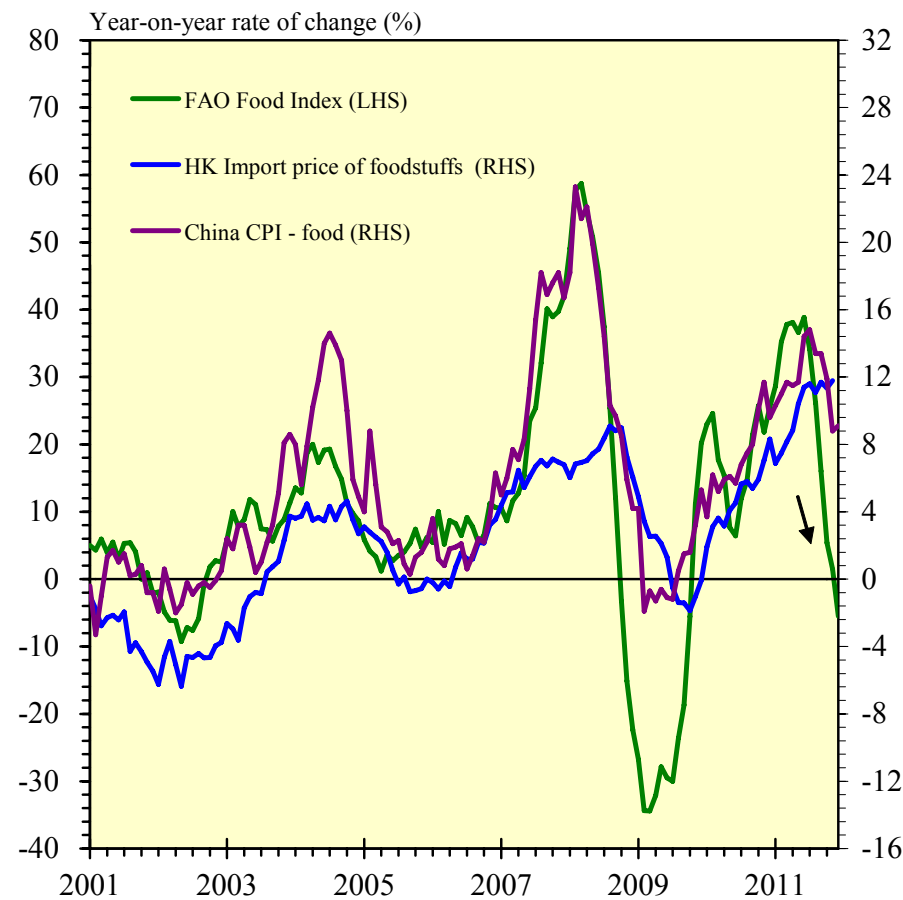
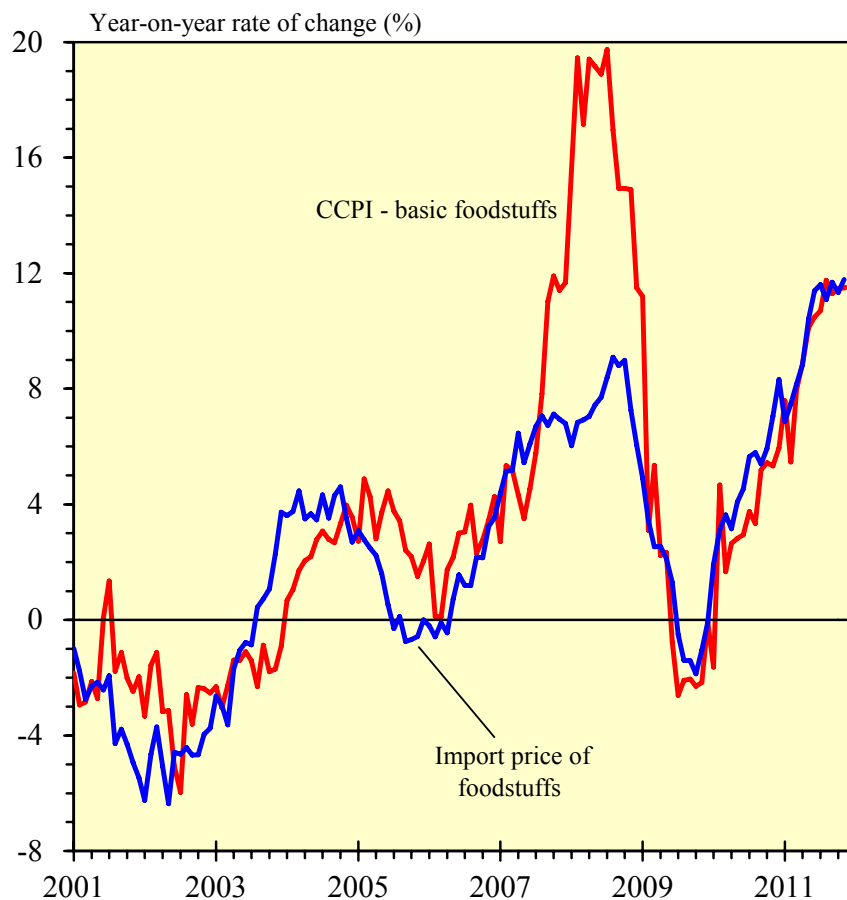
# Food and housing are the two main sources of inflation

**Contribution to the year-on-year rate of change in the underlying Composite Consumer Price Index by major components**

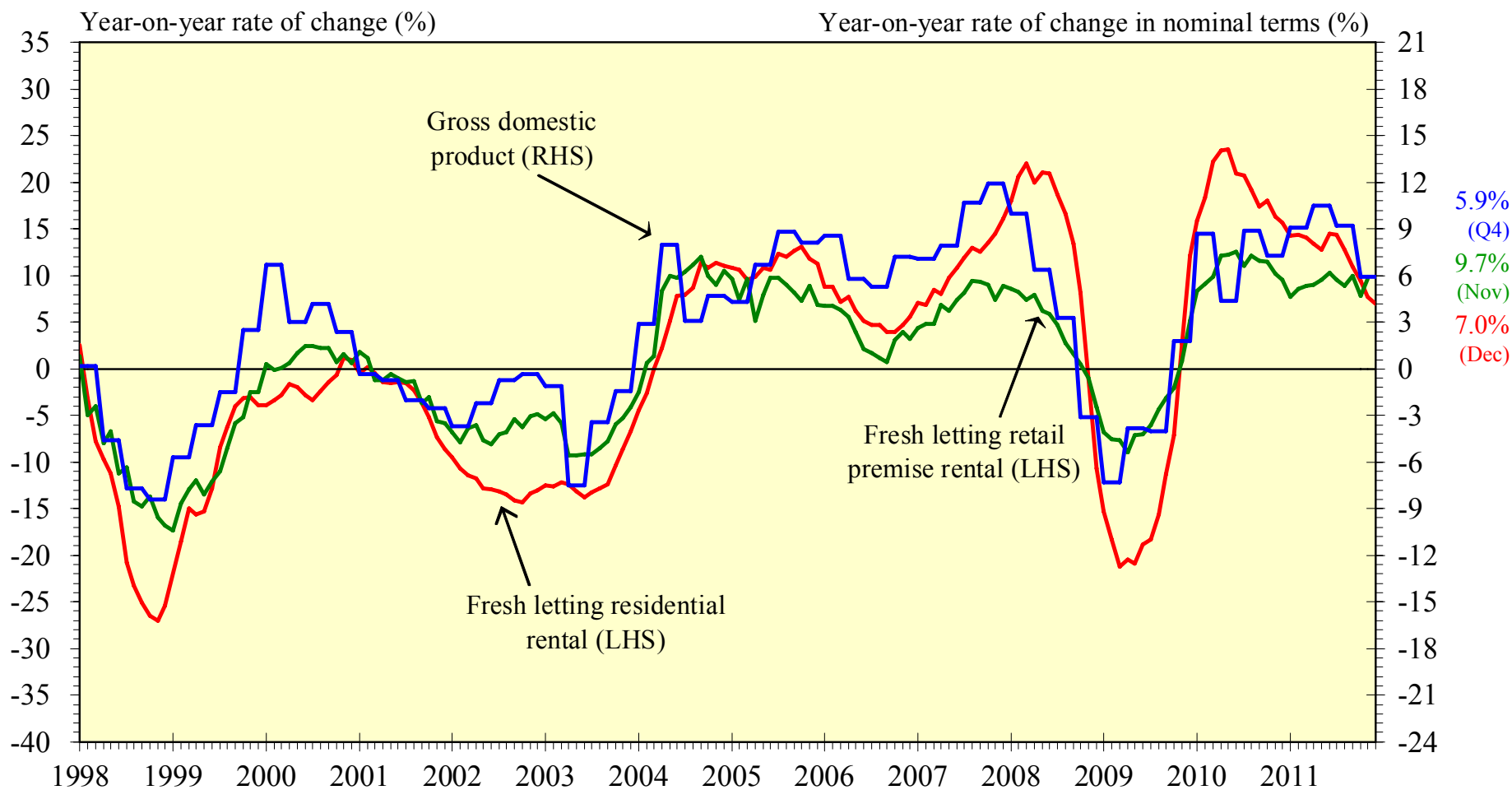




# Yet food inflation should have peaked out

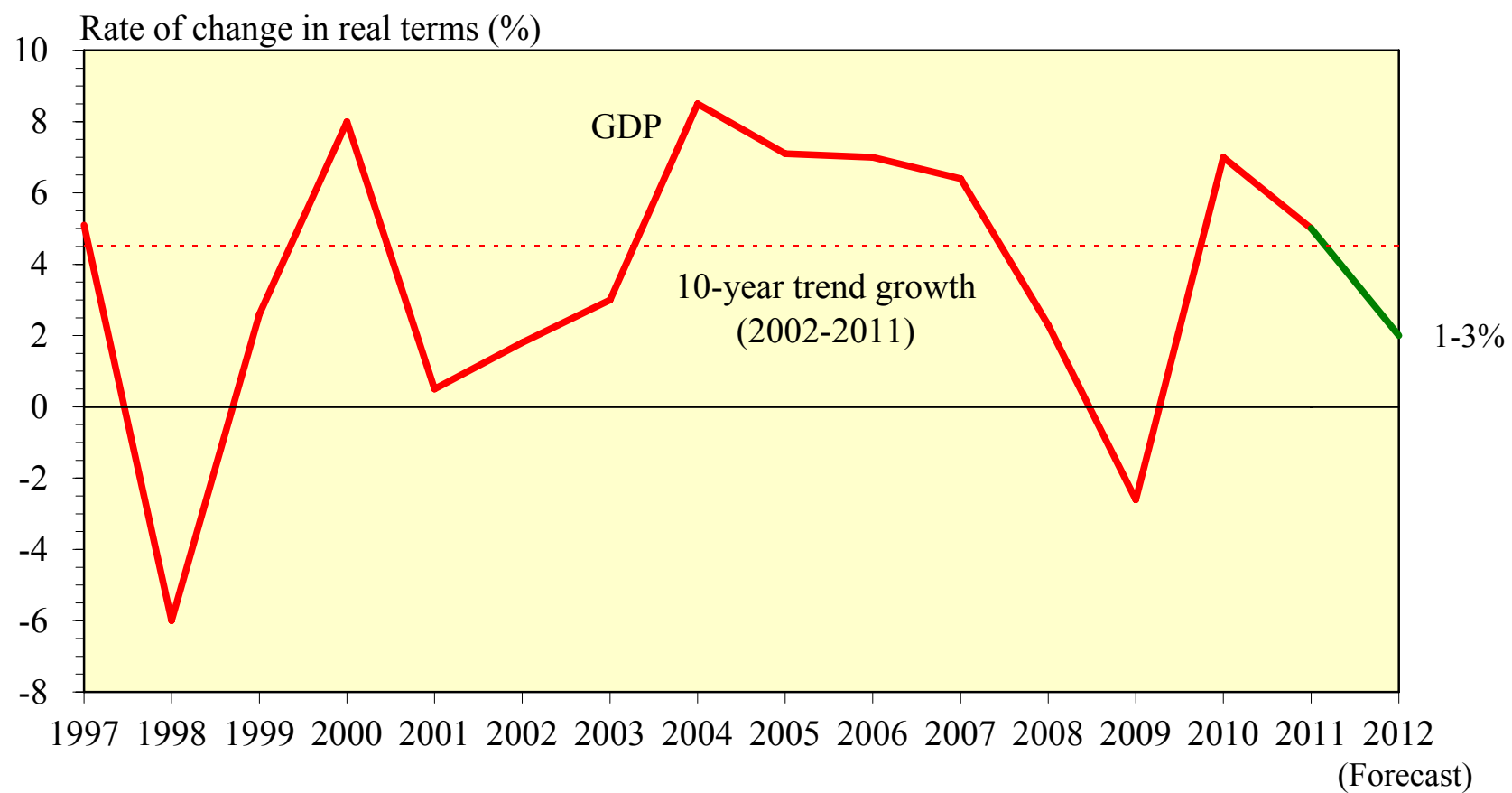


# Market rentals softening lately



# 2012 Economic Outlook

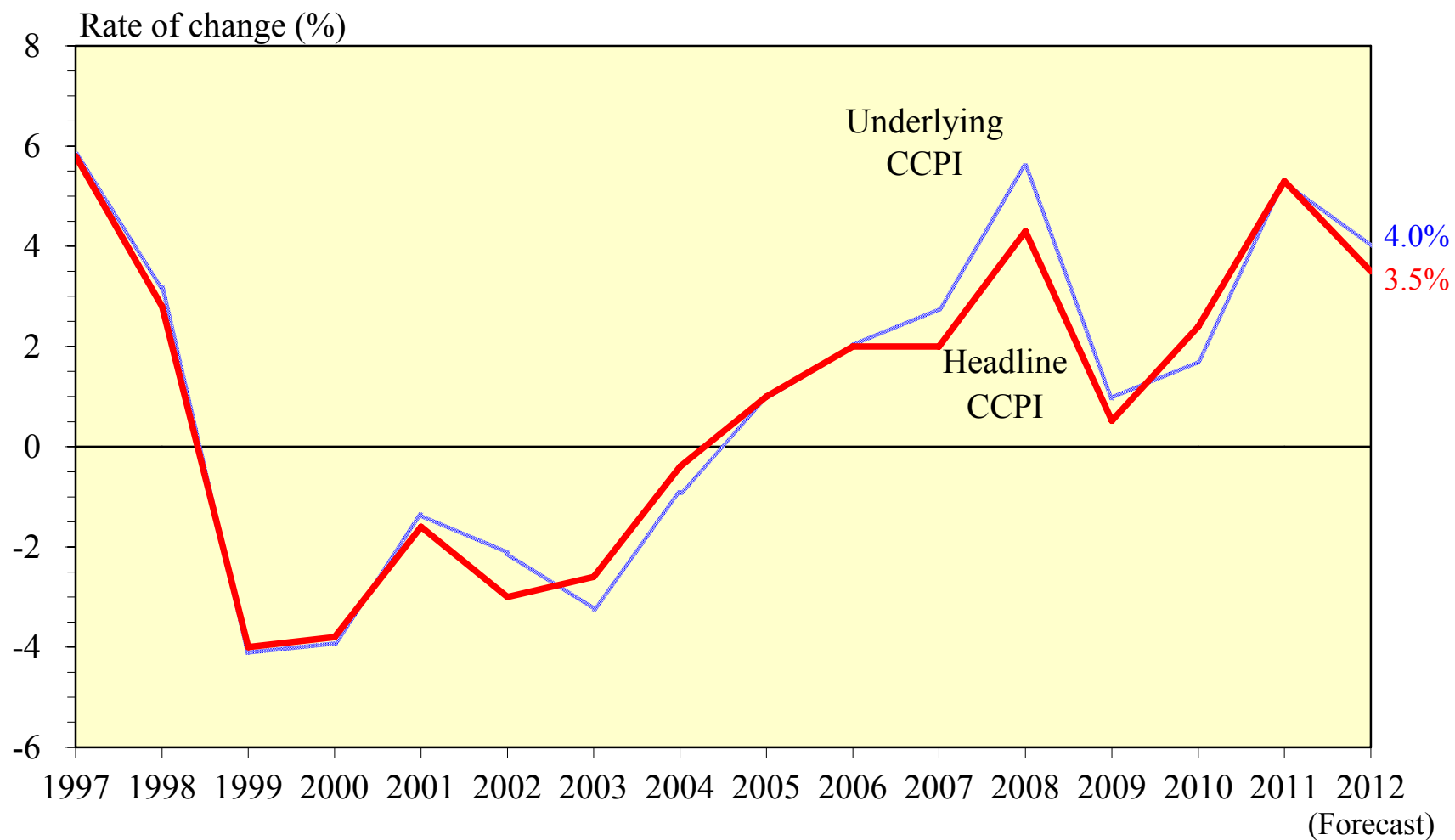
## Economy poised for muted growth in 2012



## **2012 Economic outlook**

- Bleak outlook for merchandise trade, yet exports of services should fare better
- Domestic demand also more resilient, though sentiments could be swung by asset markets and labour market conditions
- **GDP growth forecast for 2012 : 1% to 3%**
- **Underlying inflation will come down during 2012 (Annual forecast: 4%)**

## Inflation should ease off in 2012 as both external and domestic price pressures subside



## **Risks tilted towards the downside:**

- Eurozone sovereign debt crisis and the repercussions on Asia and global economy
- Fragile fiscal positions and weak private demand in the advanced economies
- Protectionist sentiments

## Supportive factors

- Mainland as key growth driver of global economy
- Inbound tourism; infrastructure investment; RMB business providing growth impetus for HK
- Government's relief package to lift GDP by around 1.5% points



## **Medium term prospects for HK are bright despite higher uncertainty in the global economy**

- Rising importance of Asia in the global economic arena
- Continued shift towards high value-added and knowledge-based economy
- Deepening economic integration with the Mainland
- National 12<sup>th</sup> Five-Year Plan : Many new opportunities
- Uphold Hong Kong's competitiveness in financial, professional, tourism, and other high value-added services
- Six economic areas to complement the four traditional pillar industries

## **Economic contribution of the 4 traditional pillar industries and the 6 new industries**

<b>% contribution to GDP</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
<b><u>4 traditional pillar industries</u></b>	<b>58.0</b>	<b>55.6</b>
Financial services	15.4	15.2
Tourism	4.4	3.3
Trading and logistics	25.5	24.1
Professional services and other producer services	12.8	13.1
<b><u>6 new industries</u></b>	<b>8.4</b>	<b>8.0</b>
Cultural and creative industries	4.6	4.1
Medical services	1.5	1.6
Education services	1.0	1.1
Innovation and technology	0.7	0.7
Testing and certification services	0.3	0.3
Environmental industries	0.3	0.3

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**Thank you**

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**1 February 2012**