



# Hong Kong SAR Government

## Half-yearly Economic Report 2013 & Updated economic forecasts for 2013

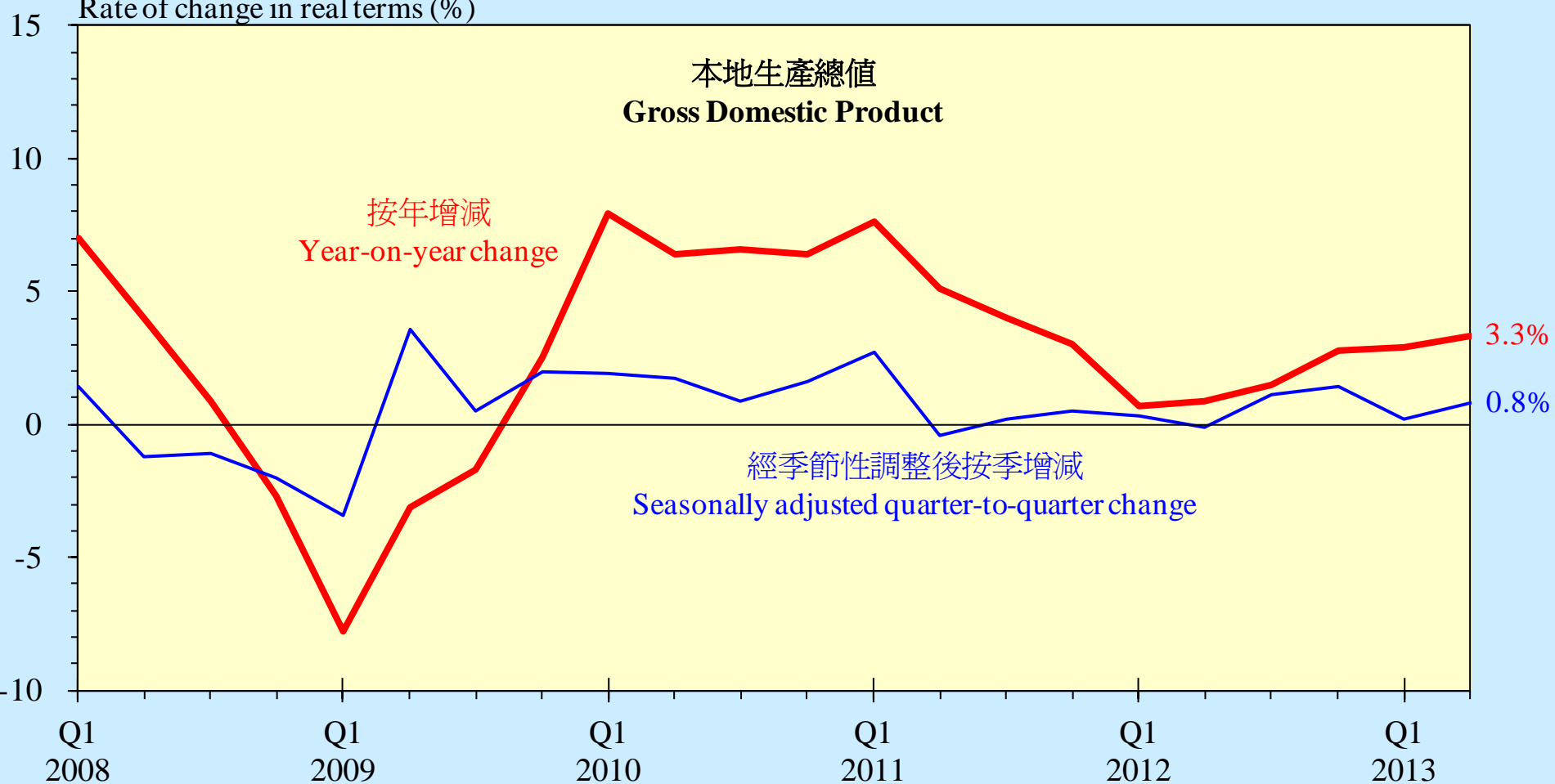
16 August 2013

# **Economic performance in Q2 2013**

# Economy grew moderately by 3.3% in Q2

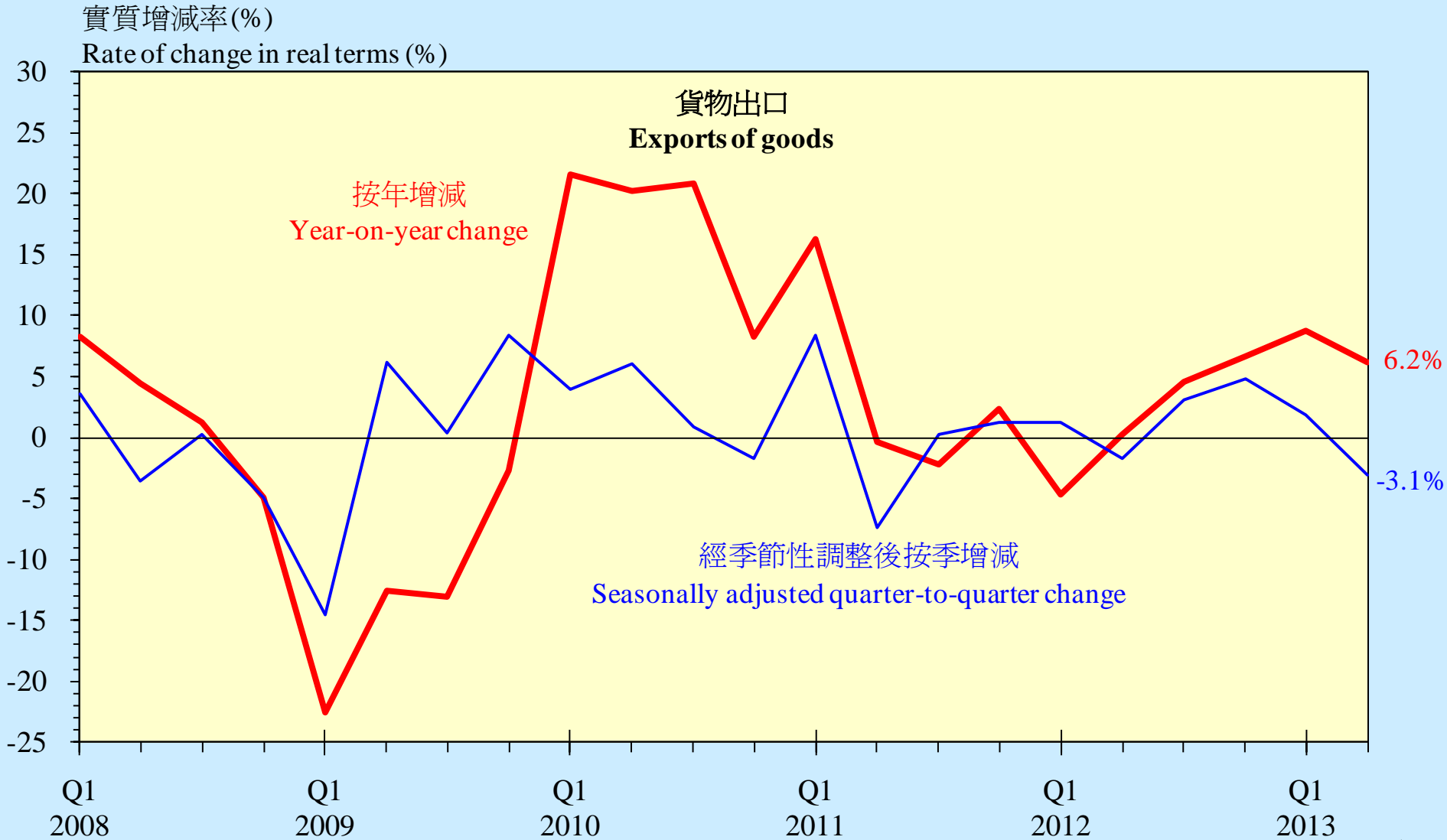
實質增減率(%)

Rate of change in real terms (%)



# External sector

# Exports of goods slowed somewhat



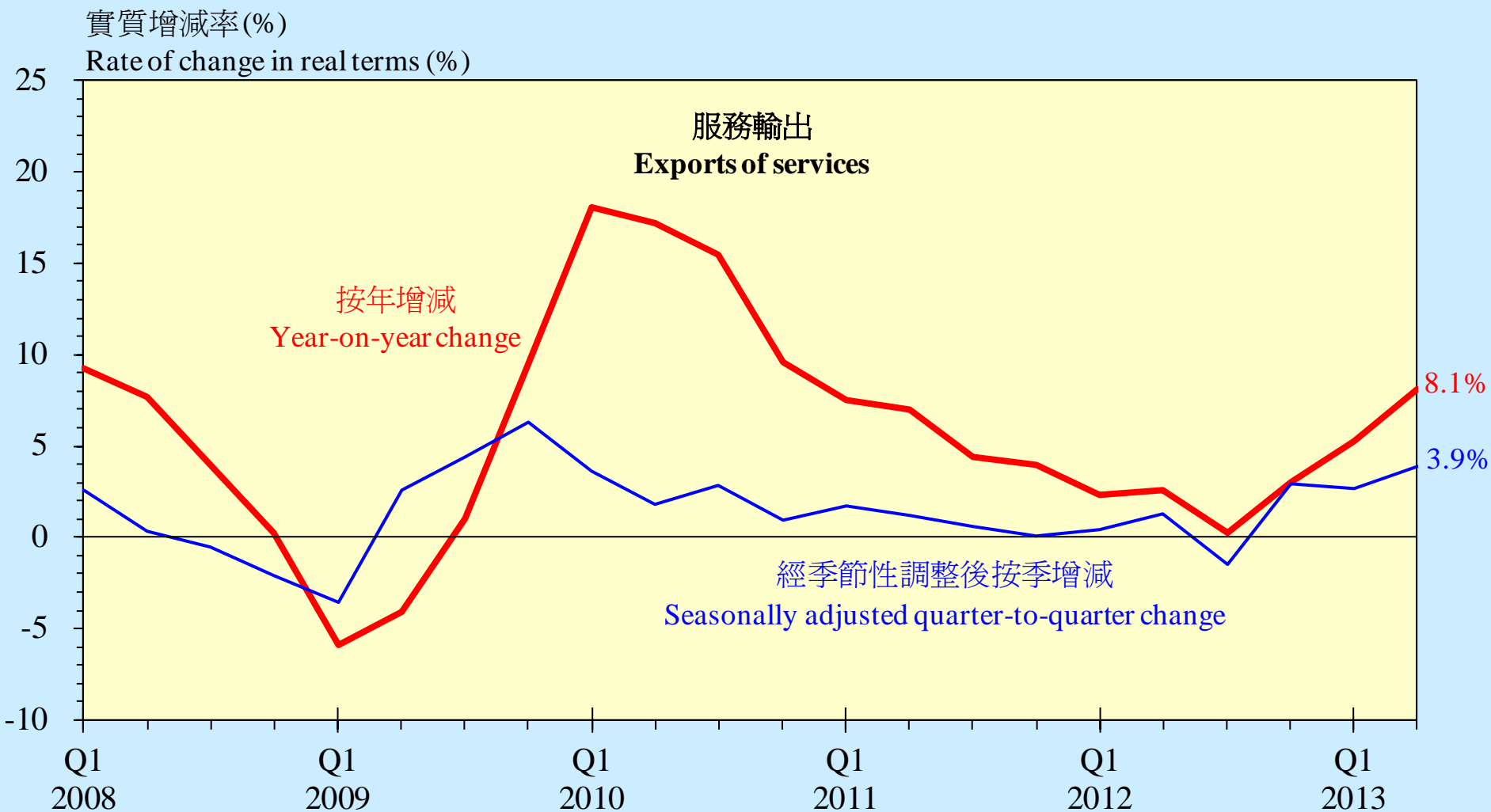
# The US, EU and Japan markets were still weak, while exports to Mainland and Asia also slowed

## Hong Kong's merchandise exports in volume terms

Year-on-year rate of change (%)

		EU	USA	Mainland	Japan	Other Asia
2012	Q1	-9.7	-7.1	-7.8	-1.5	-7.4
	Q2	-12.5	0.1	-0.6	1.5	-2.2
	Q3	-14.1	-0.1	9.7	3.3	-4.4
	Q4	-4.8	1.4	12.1	0.4	-2.4
	Annual	-10.4	-1.3	3.4	0.9	-4.1
2013	Q1	-5.4	-5.0	8.5	-4.9	3.8
	Q2	-2.5	-8.0	6.3	-5.5	1.4

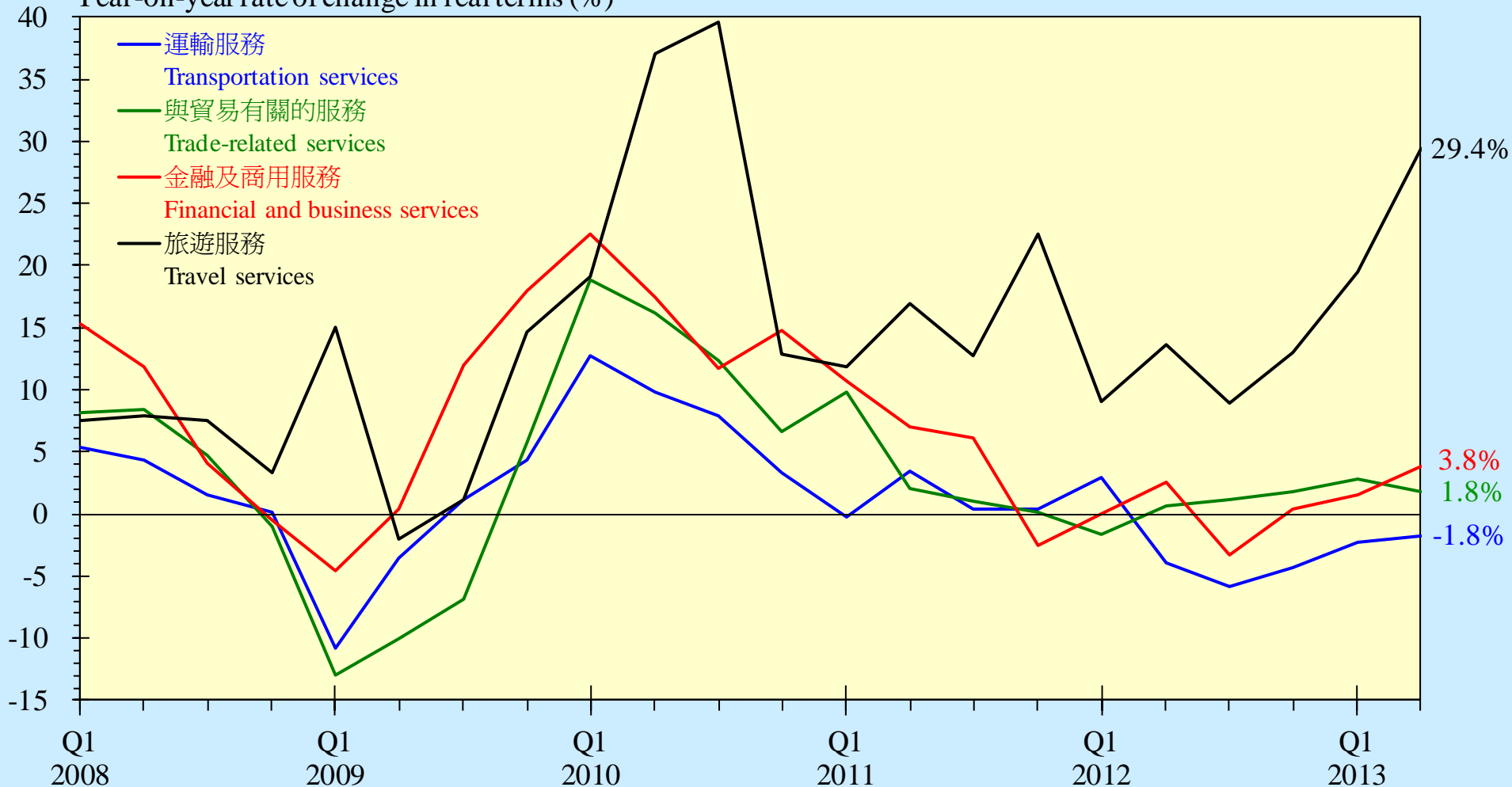
# Exports of services picked up visibly further...



# ...mainly supported by a surge in tourist receipts, while other service exports improved modestly

按年實質增減率(%)

Year-on-year rate of change in real terms (%)



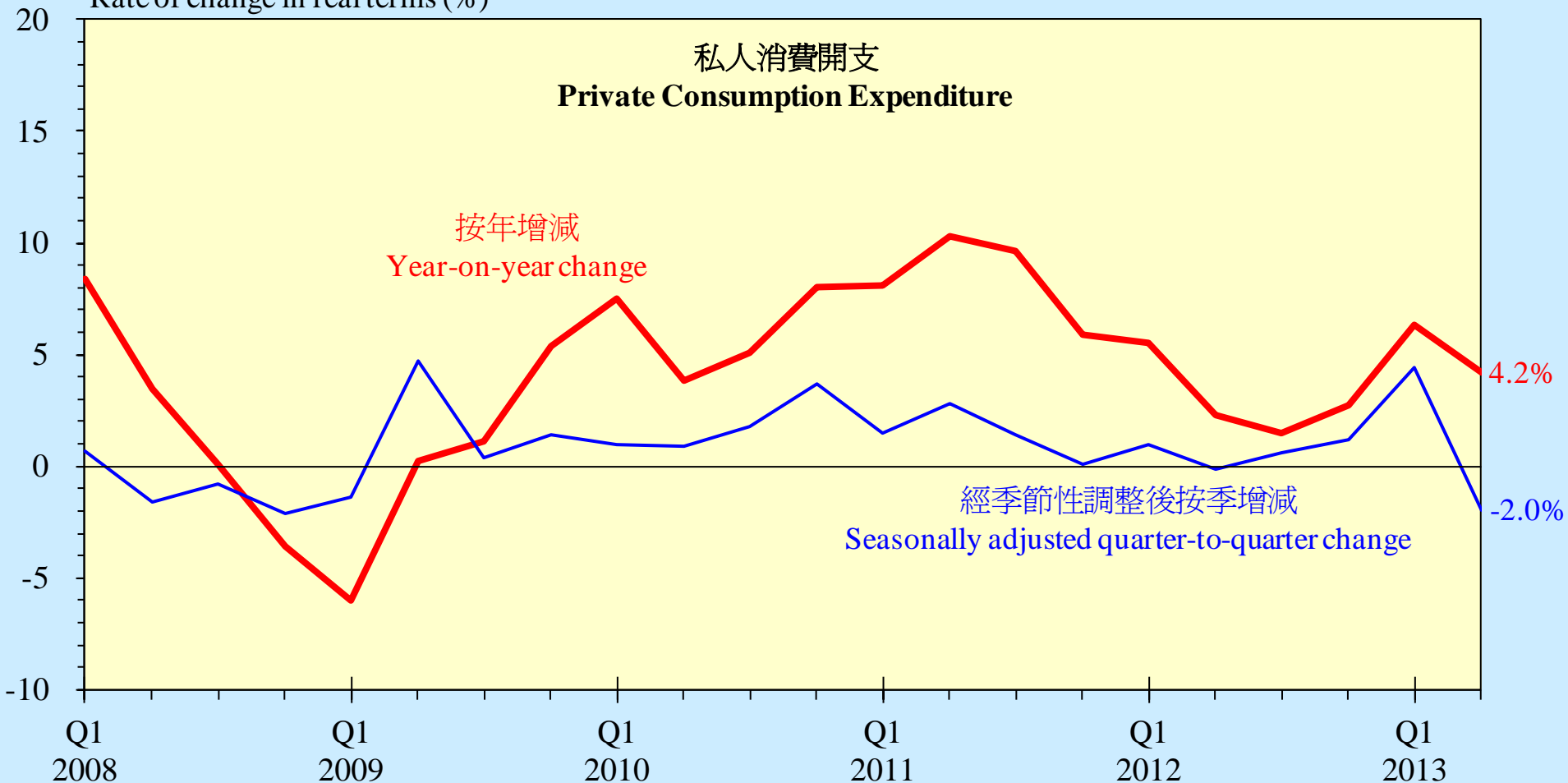


# Domestic sector

# Private consumption grew slower than in Q1, but at a more sustainable rate

實質增減率(%)

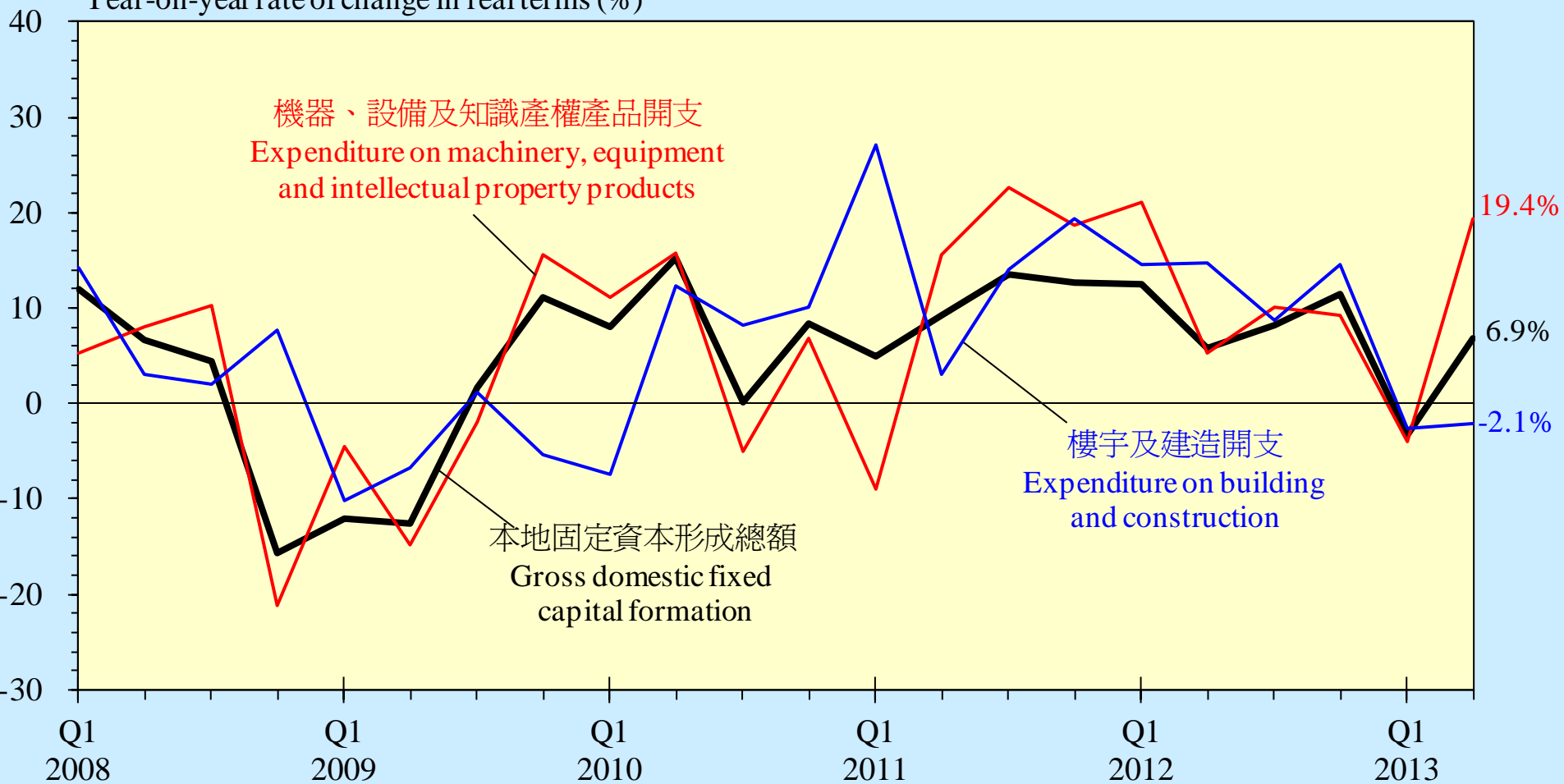
Rate of change in real terms (%)



# Investment spending reverted to a robust growth

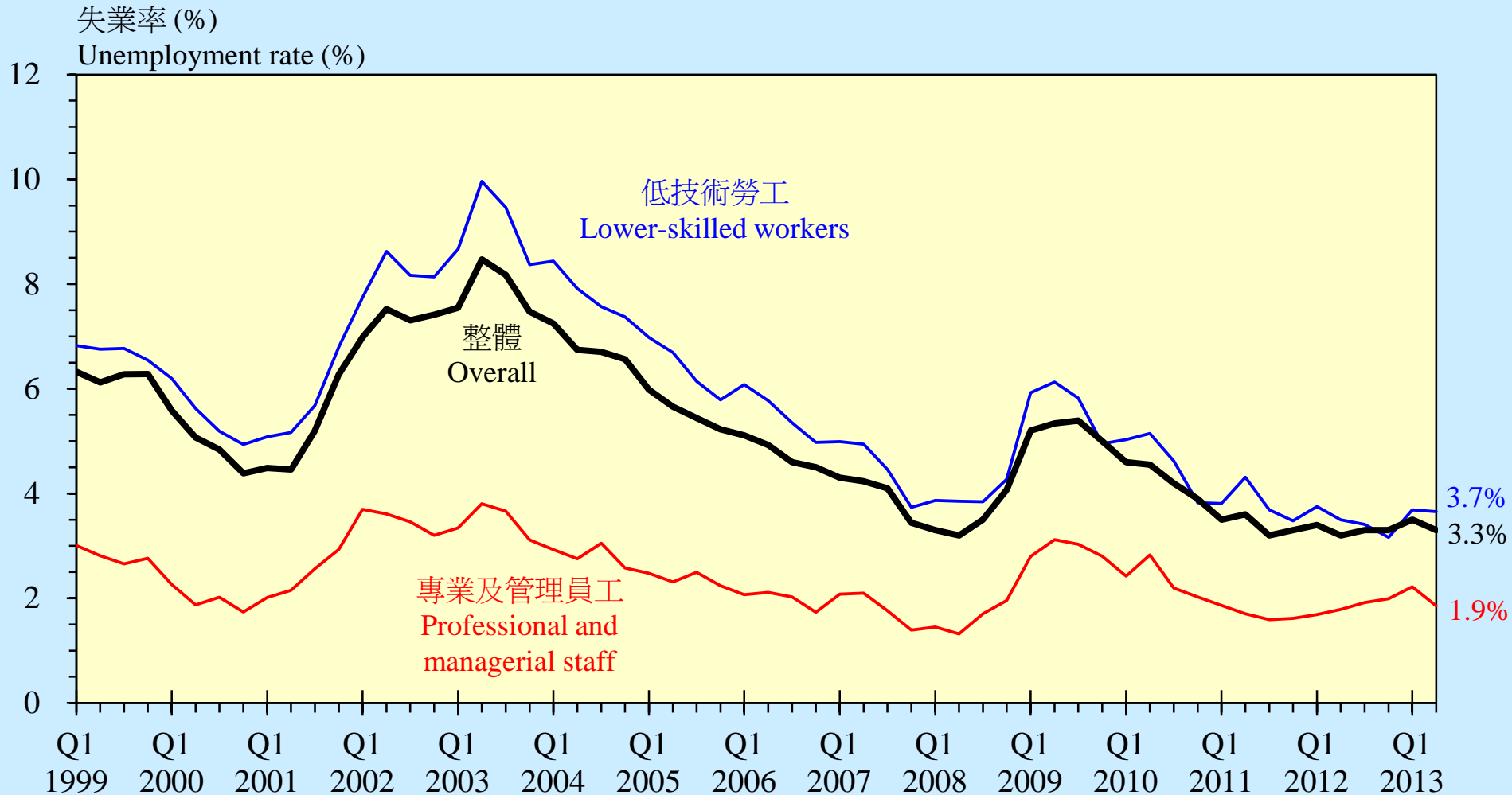
按年實質增減率(%)

Year-on-year rate of change in real terms (%)



# Labour market

# Labour market remained tight with unemployment rate edging down to a low level of 3.3%



註：除整體失業率外，其他均為未經季節性調整數字。

Note: Not seasonally adjusted except the overall unemployment rate.

# Incomes continued to improve

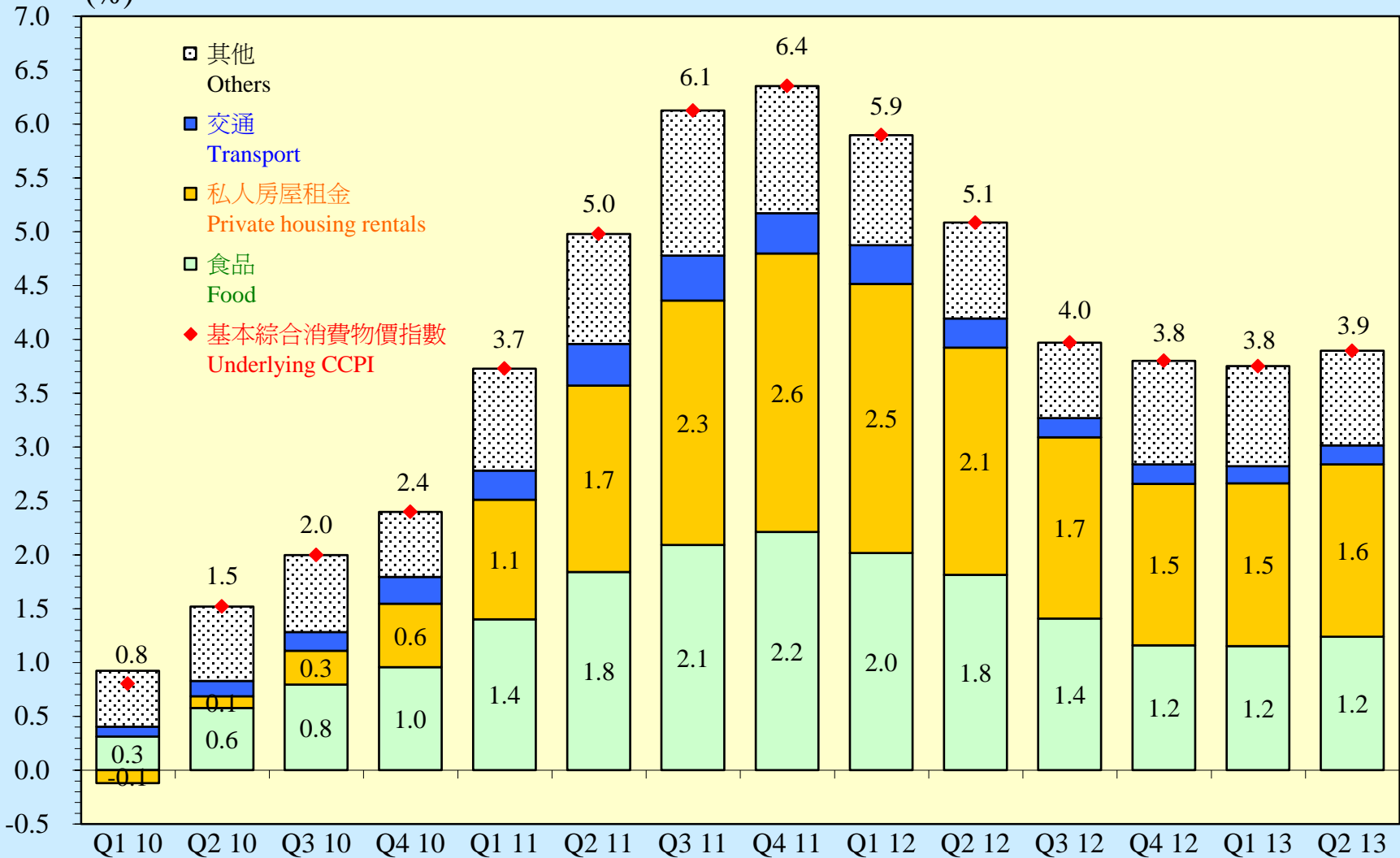
	Year-on-year rate of change	
	Nominal	Real
Index of Payroll per person engaged (2013 Q1)	5.2%	1.5%
Median household income (2013 Q2)	5.5%	1.4%
Average monthly employment earnings of full-time employees in the lowest decile group (2013 Q2)	7.7%	2.9%

# **Inflation**

# Underlying inflation edged up in Q2

基本綜合消費物價指數按年變動率的主要組成項目

Contribution to the year-on-year rate of change in the underlying Composite Consumer Price Index by major component (%)



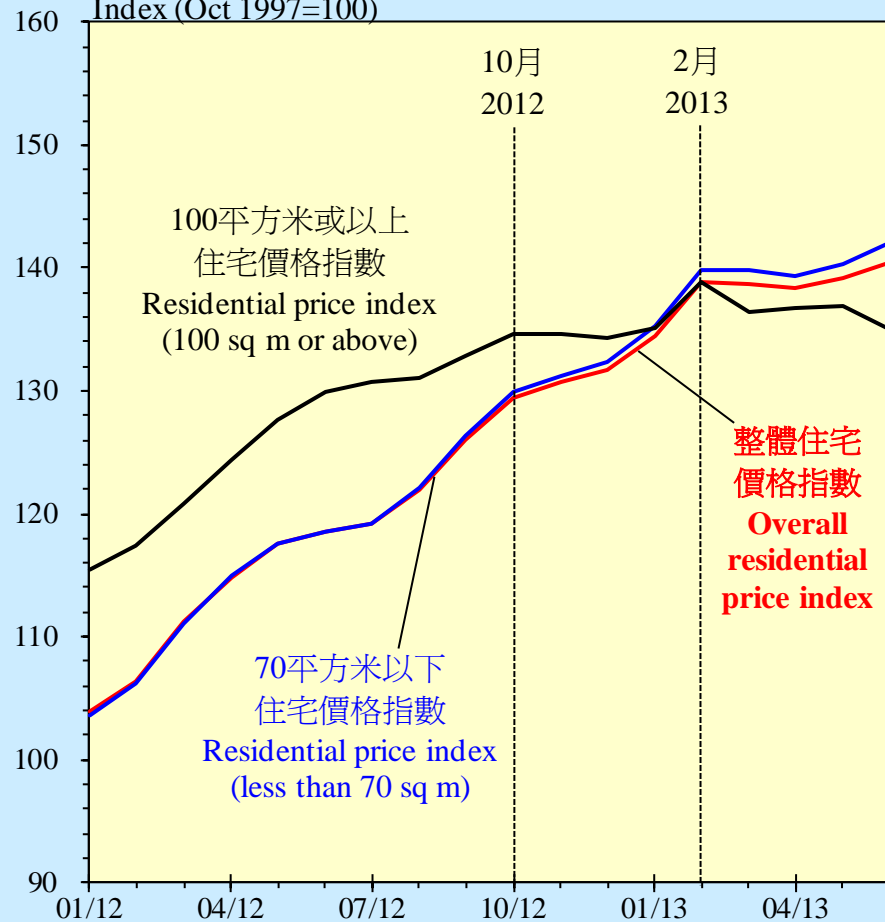


# **Local property market**

# Property market took a breather in Q2

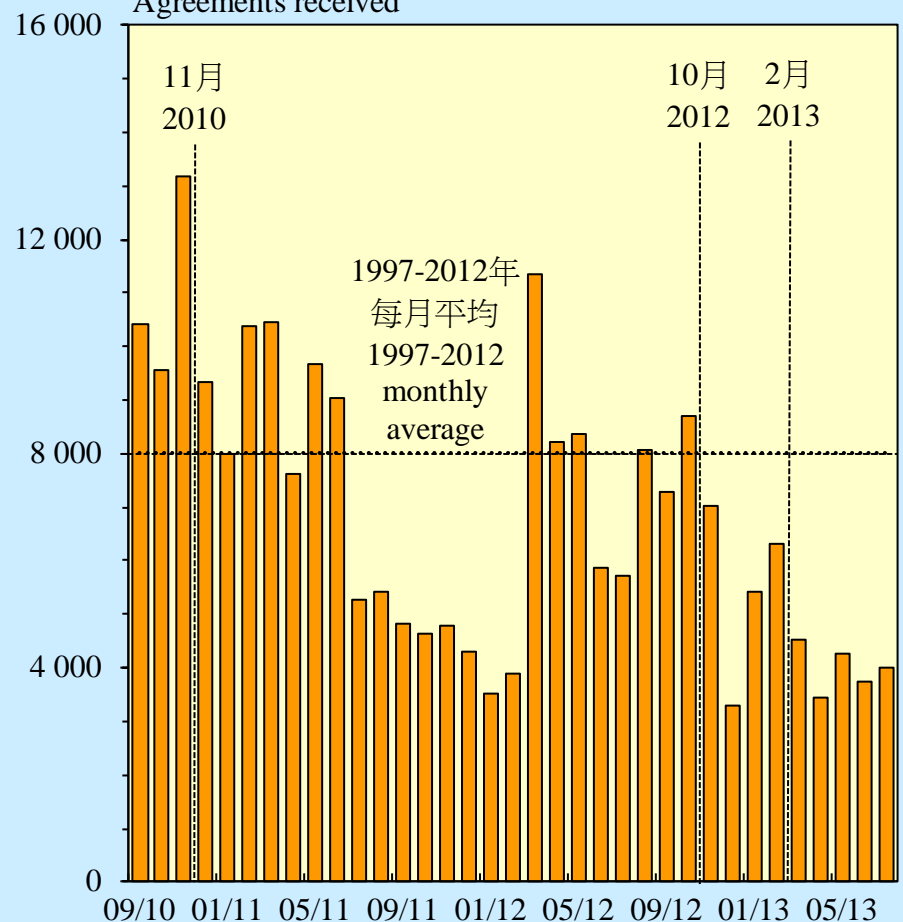
## 住宅價格上升步伐減慢 Flat prices saw moderated gain

指數(一九九七年十月=100)  
Index (Oct 1997=100)

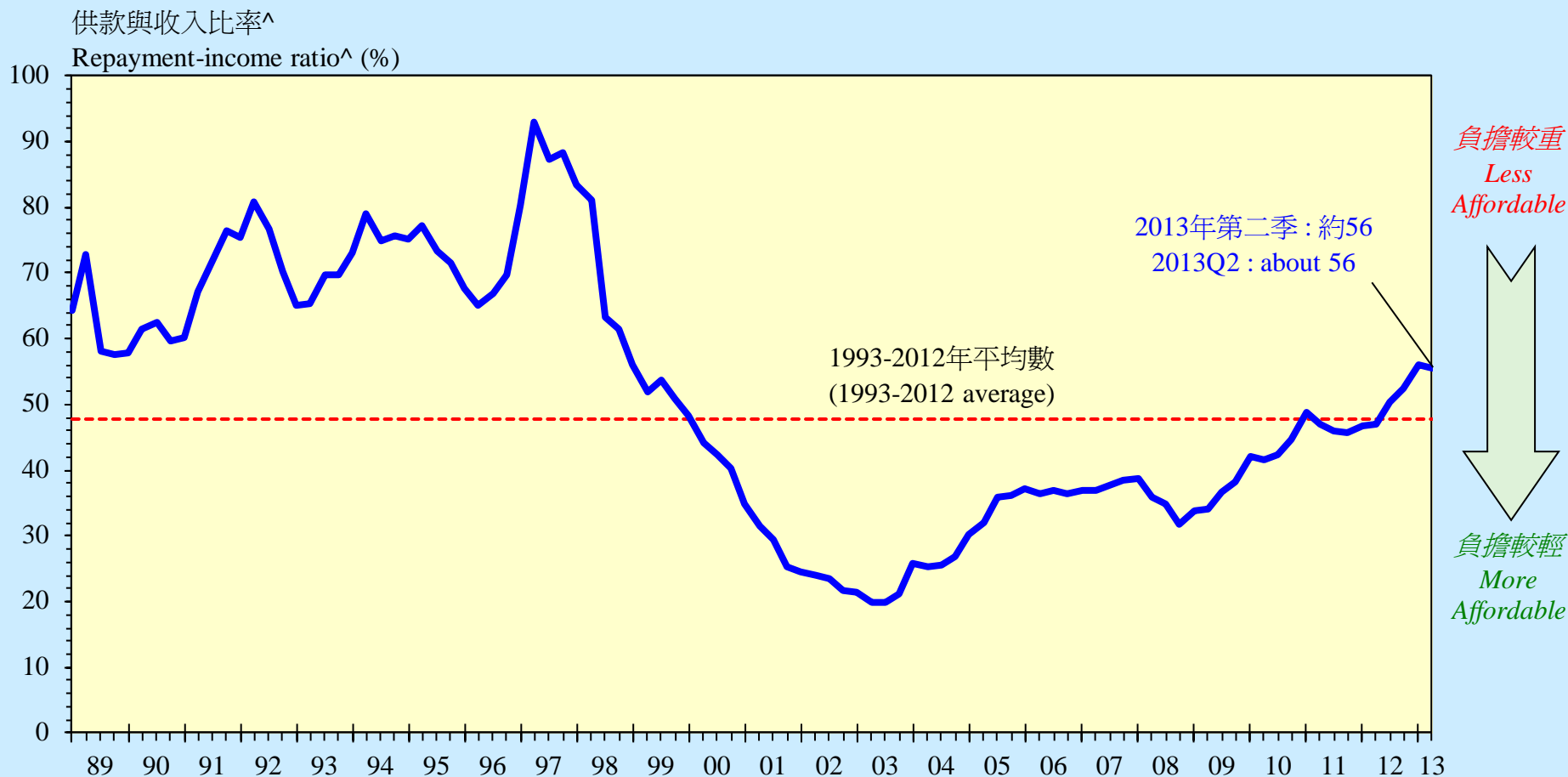


## 交投量跌至低水平 Transactions plunged to low level

買賣合約數目  
Agreements received



# Mortgage payment to income ratio remained elevated

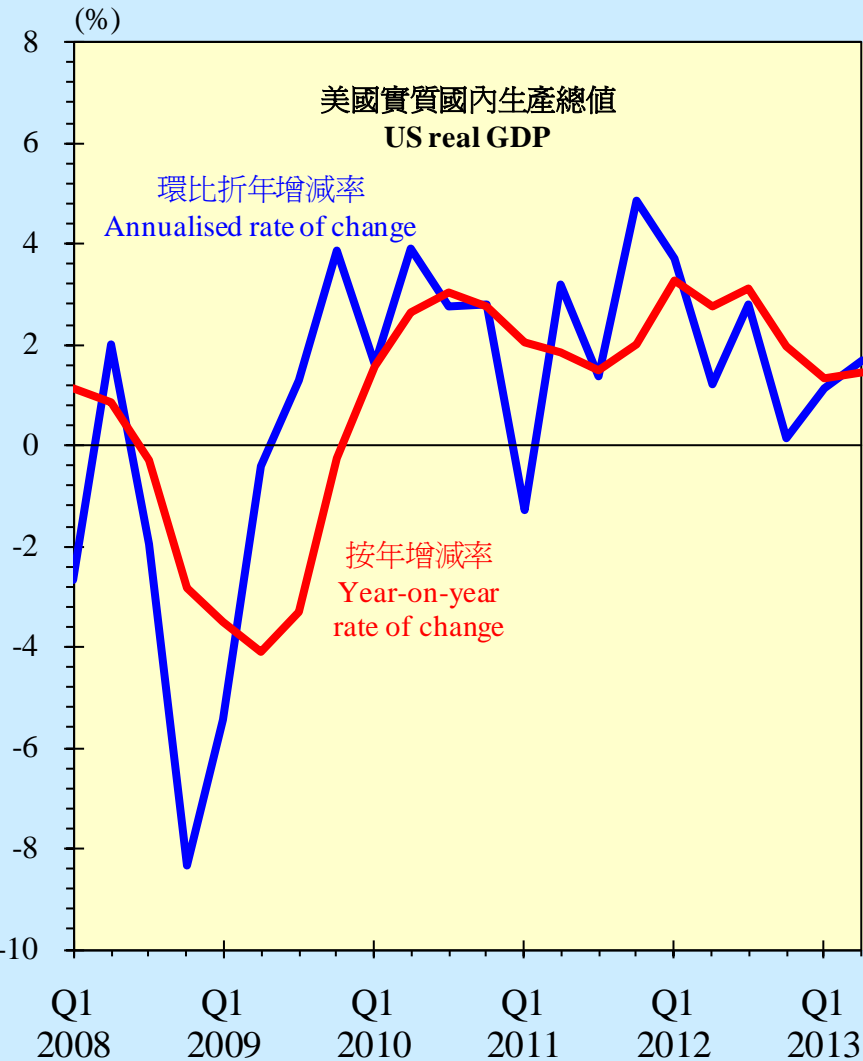


註：(^) 45平方米單位的按揭供款(假設按揭成數為70%及年期為20年)相對住戶入息中位數(不包括居於公營房屋的住戶)的比率。

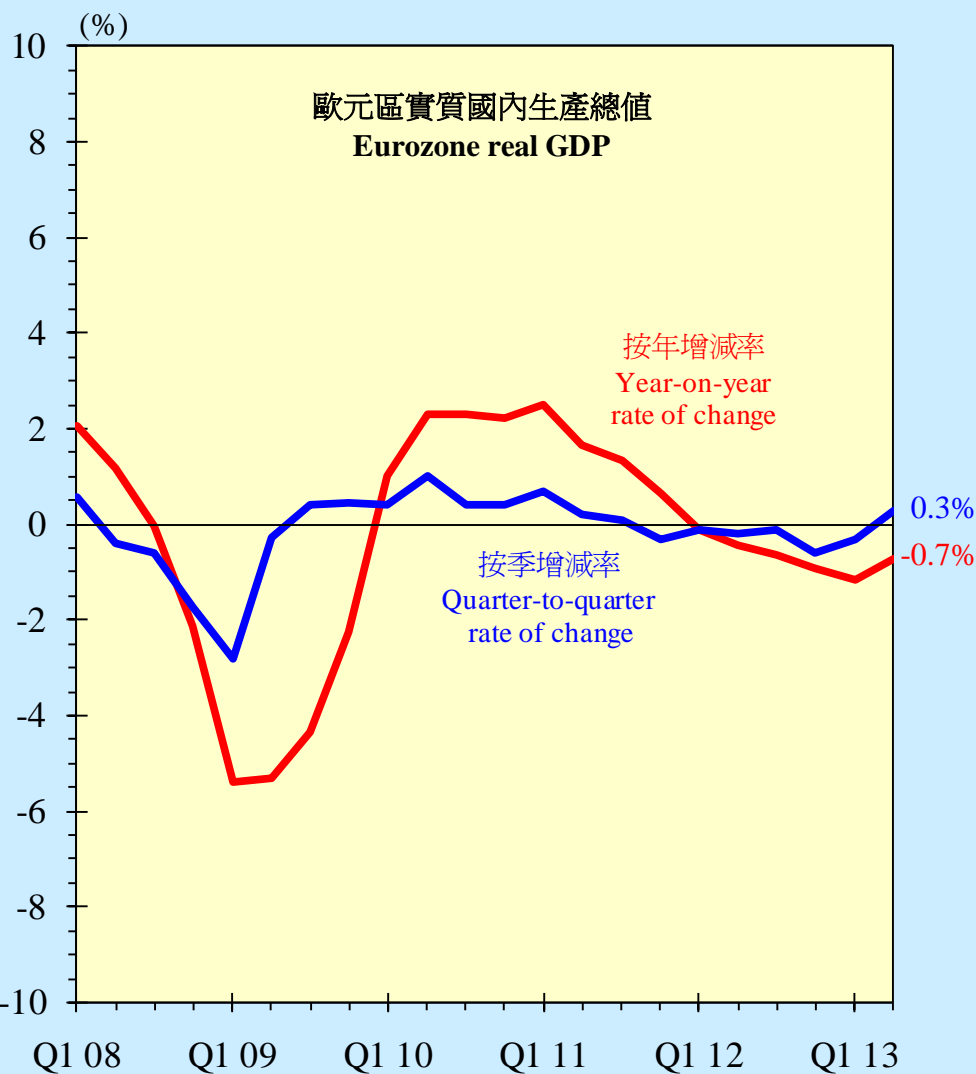
Note : (^) The ratio of mortgage payment for a flat with saleable area of 45 sq m (assuming 70% loan-to-value ratio and tenor of 20 years) to median income of households (excluding those living in public housing).

# **Outlook for the remaining of 2013**

# US economy continued to grow, but at a moderate pace



# Weak economic activities and severe unemployment in Europe

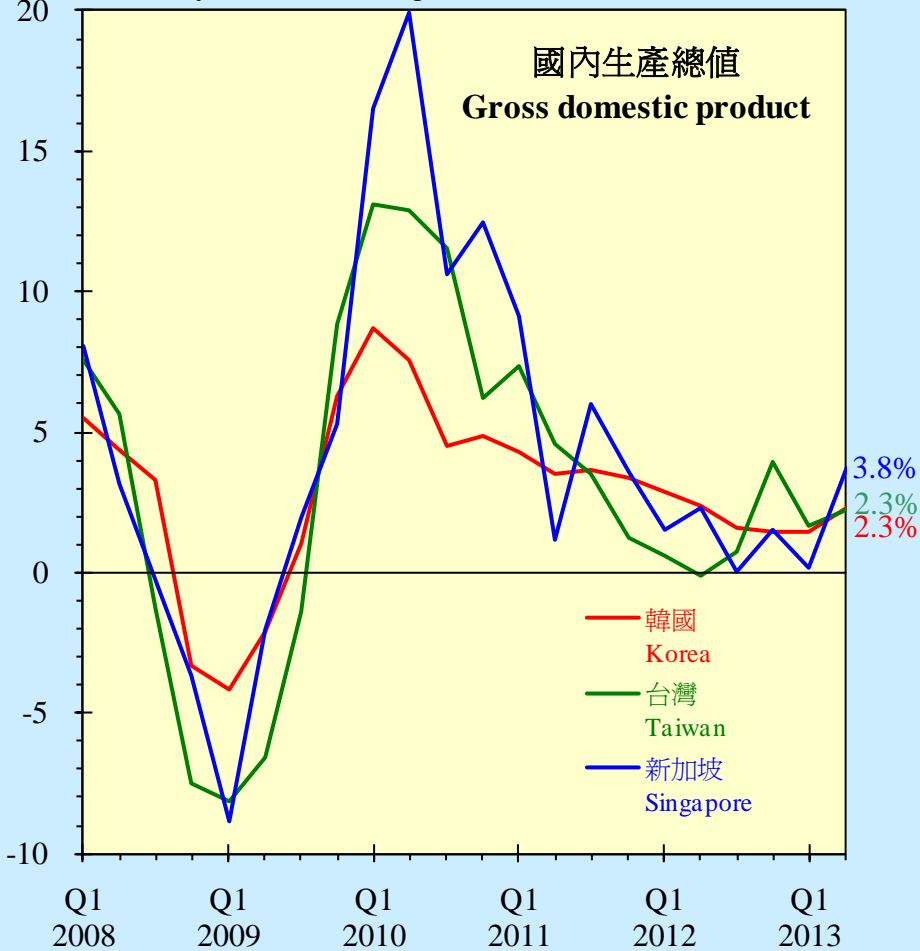


	<u>Unemployment rate in June 2013 (%)</u>	<u>Compared to same month last year</u>
歐元區 Eurozone	12.1	+0.7
德國 Germany	5.4	-0.1
法國 France	11.0	+0.8
意大利 Italy	12.1	+1.3
西班牙 Spain	26.3	+1.2
葡萄牙 Portugal	17.4	+1.6
愛爾蘭 Ireland	13.5	-1.4
希臘 Greece (May)	27.6	+3.8

# Many Asian economies also lacked momentum due to weak export performance

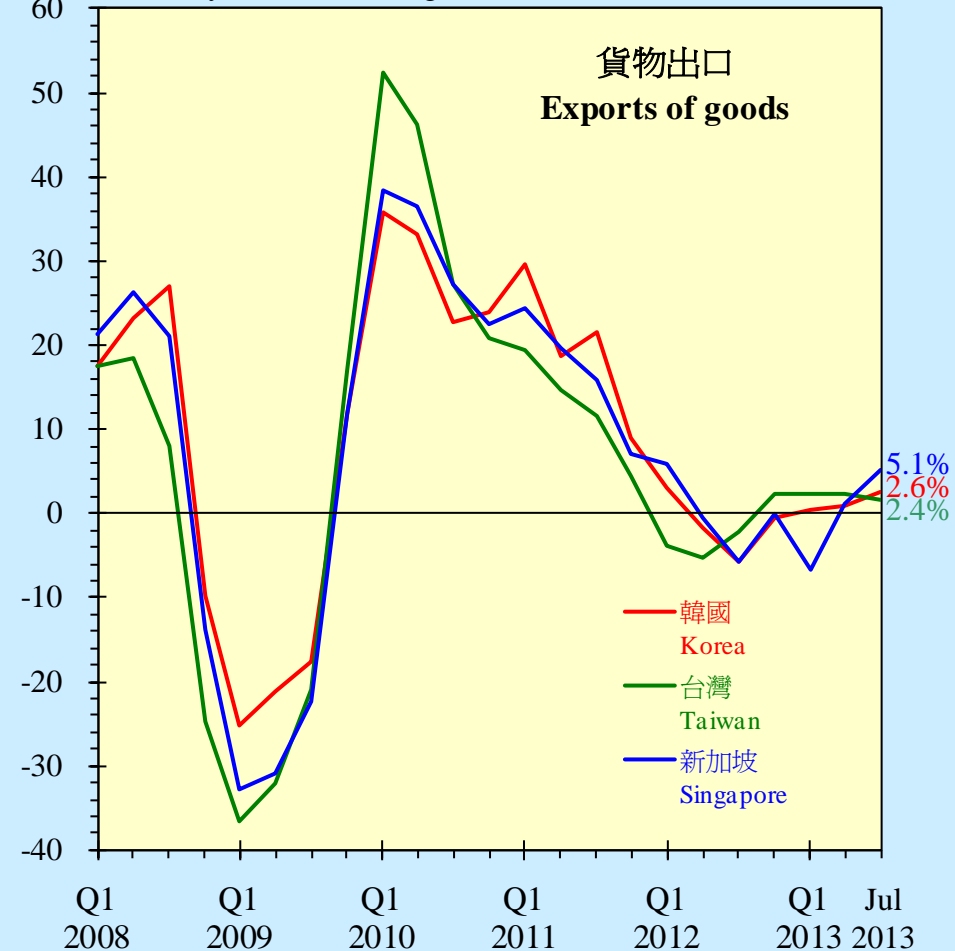
按年實質增減率(%)

Year-on-year rate of change in real terms (%)

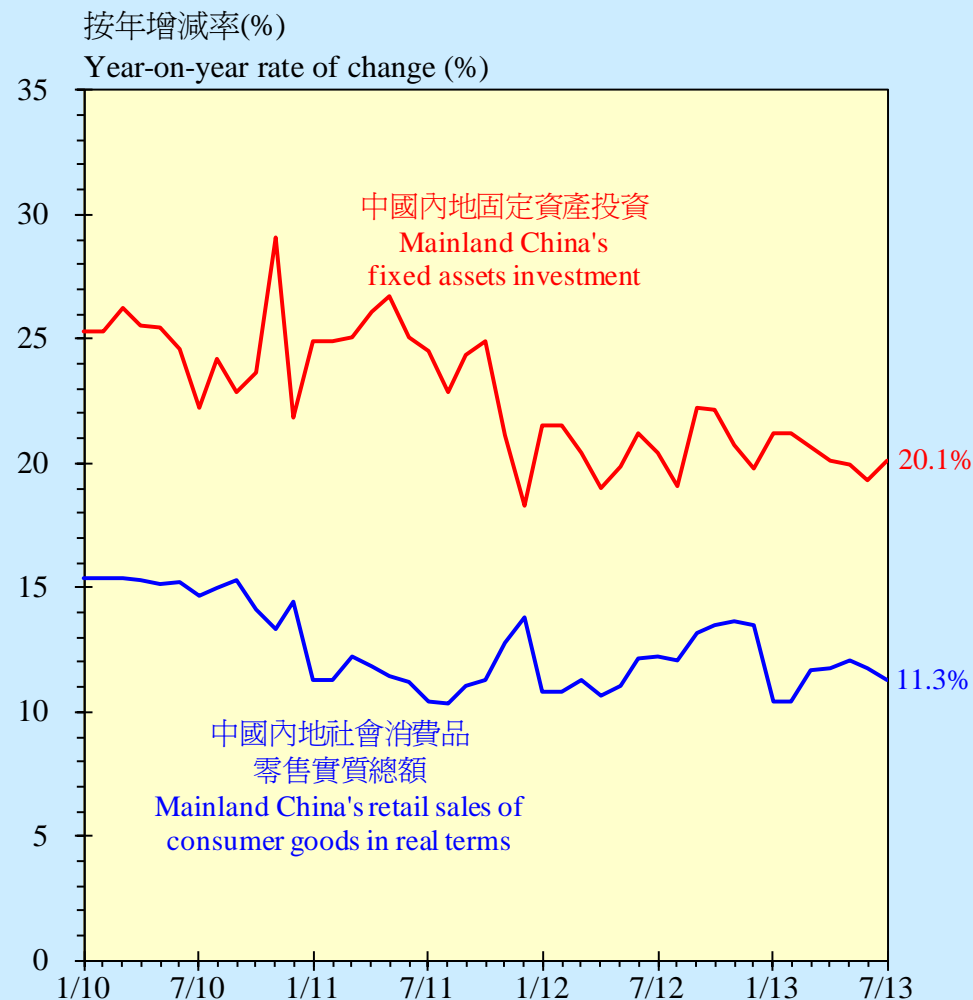
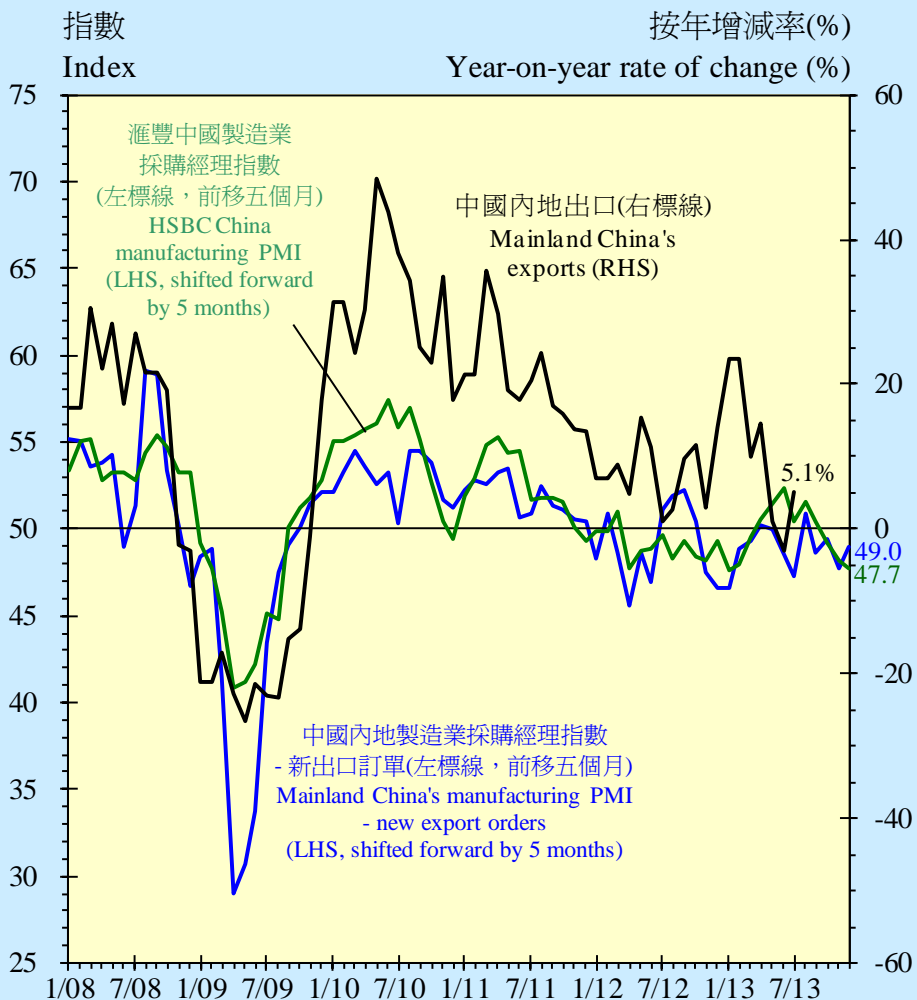


以美金計價按年增減率(%)

Year-on-year rate of change in US\$ terms (%)



# Mainland's external trade was likewise under pressure, but domestic demand stayed resilient



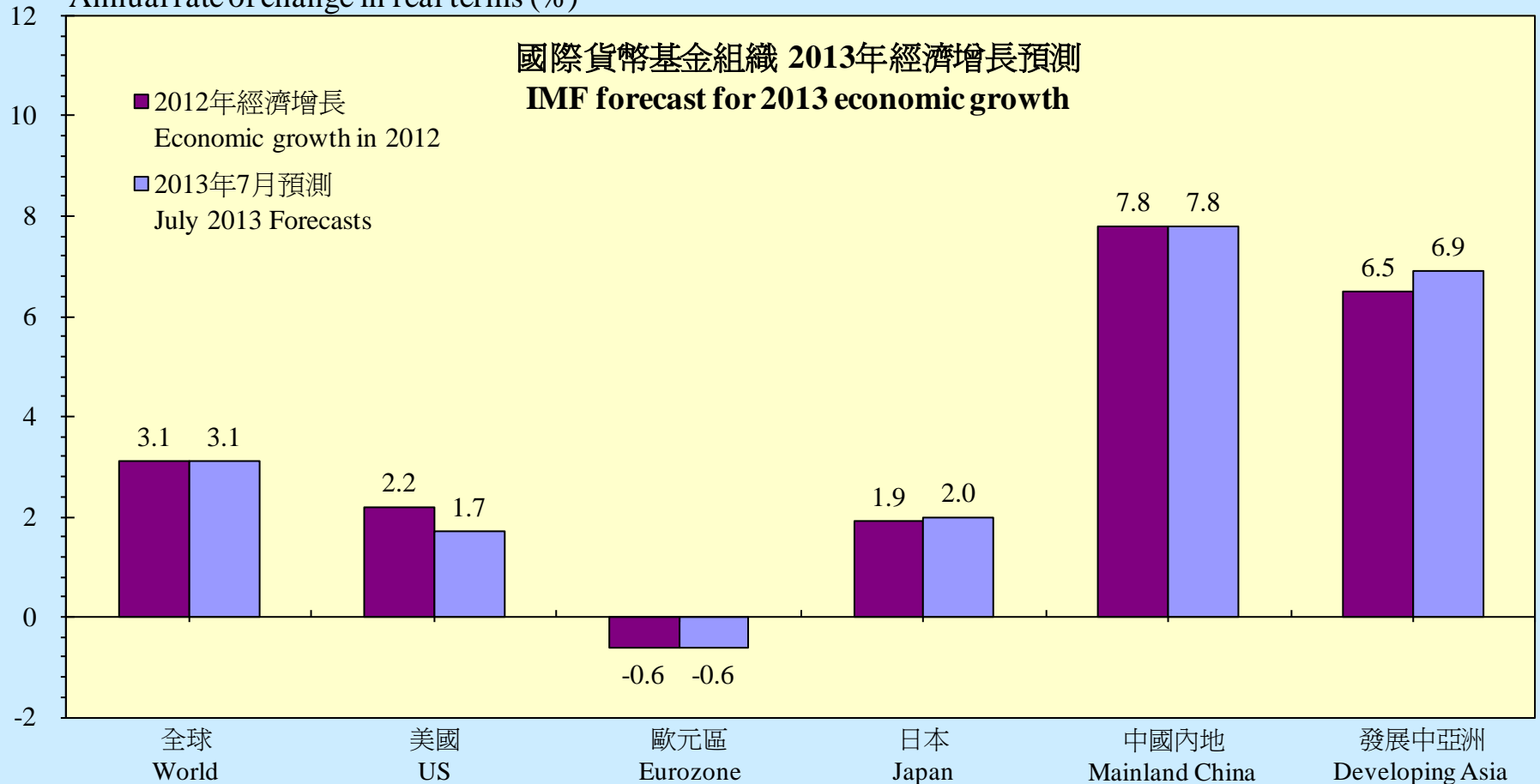


# Global growth forecast for 2013

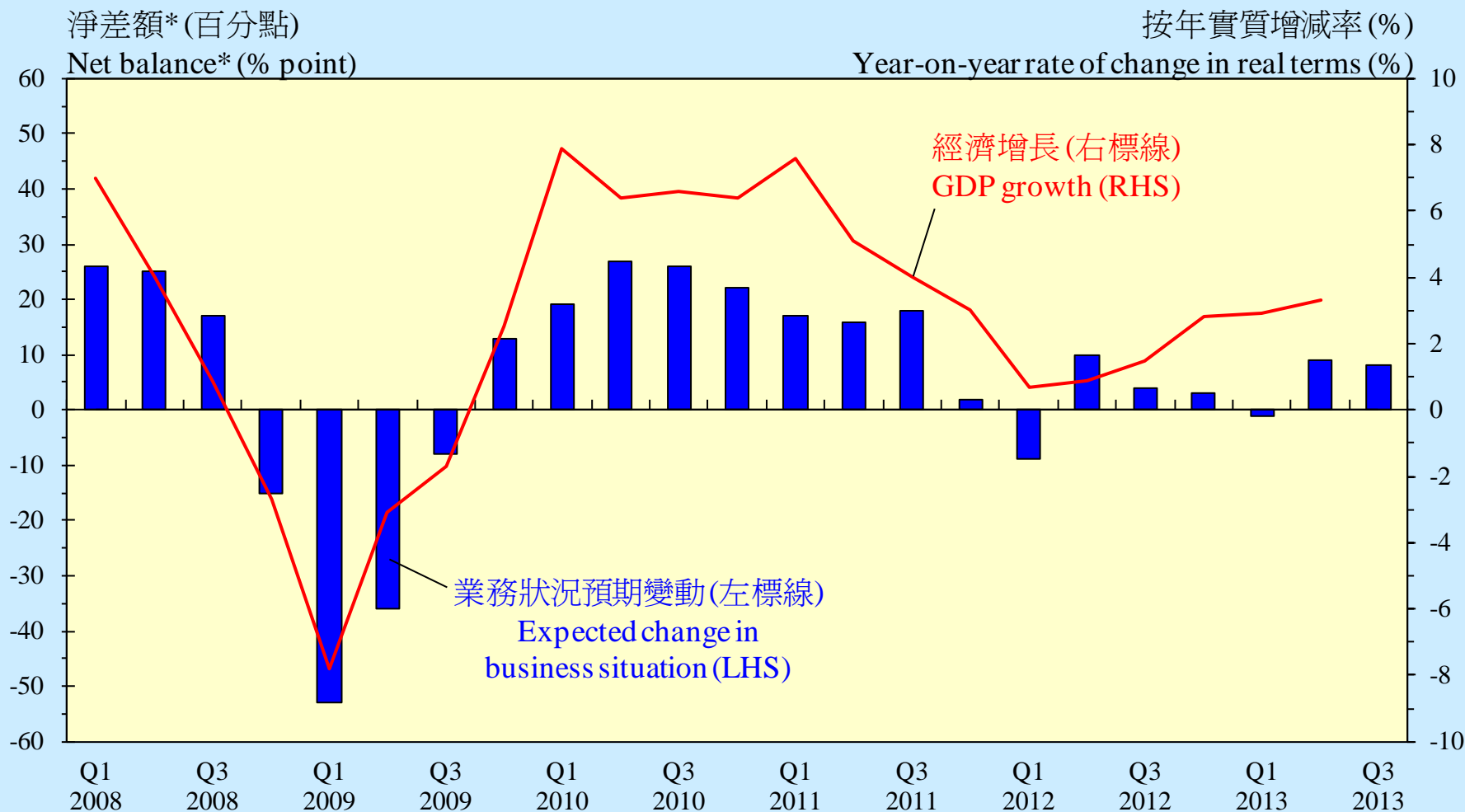
年度實質增減率(%)

Annual rate of change in real terms (%)

國際貨幣基金組織 2013年經濟增長預測  
IMF forecast for 2013 economic growth



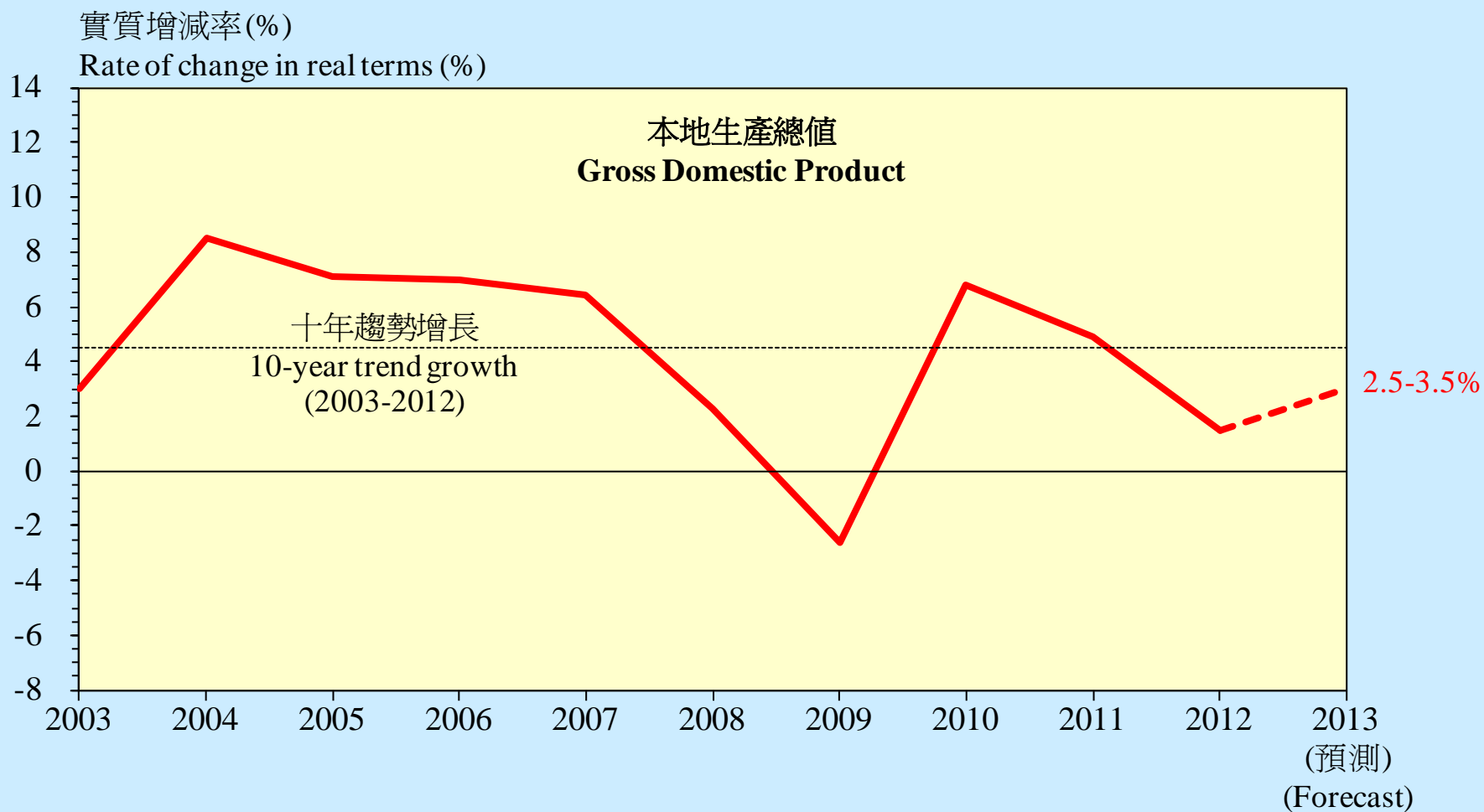
# Overall business sentiment in HK stays positive



註：\* 淨差額展現了業務狀況預期較前一季的變動方向。它是填報「較佳」的機構單位百分比與填報「較差」的機構單位百分比的差距。正數指可能向上趨升，而負數則為可能跌勢。

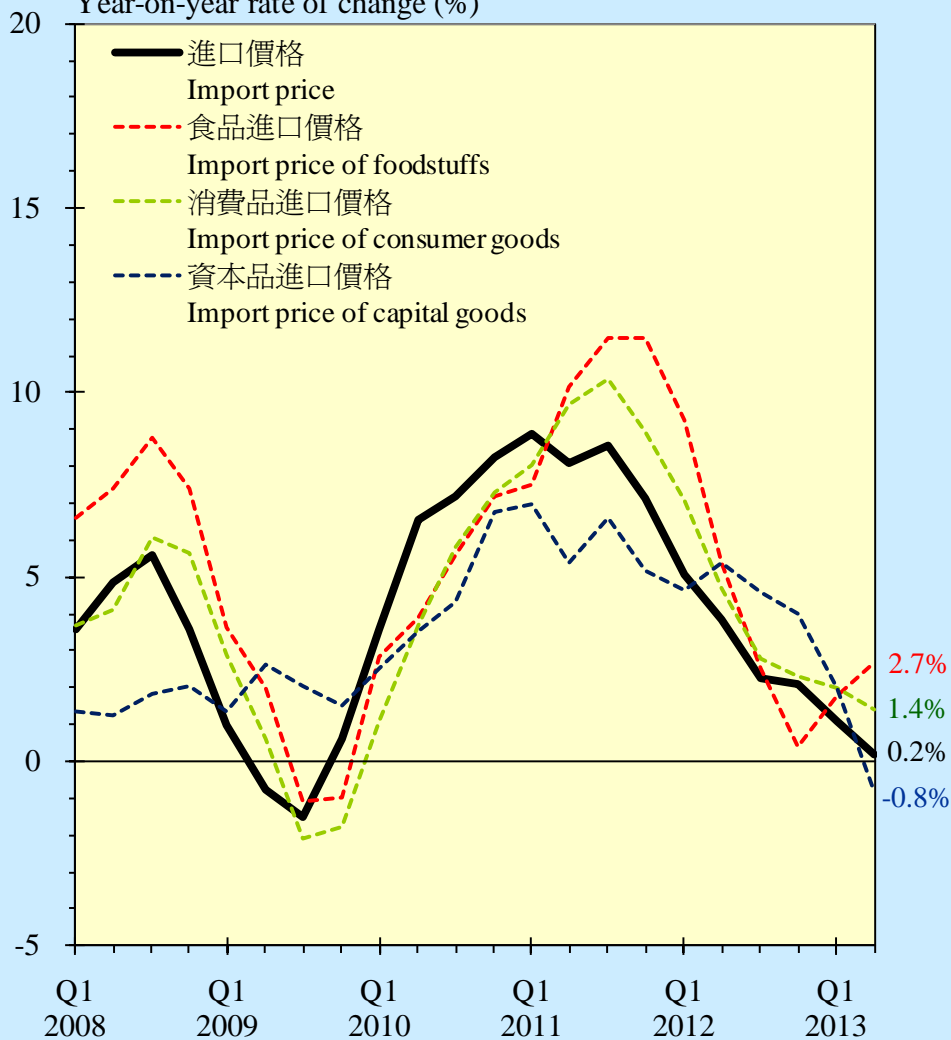
Note : \* Net balance indicates the direction of expected change in business situation versus preceding quarter. It refers to the difference in percentage points between the proportion of establishments choosing "better" over that choosing "worse". A positive sign indicates a likely upward trend while a negative sign, a likely downward trend.

# H.K. economy forecast to grow by 2.5-3.5% in 2013



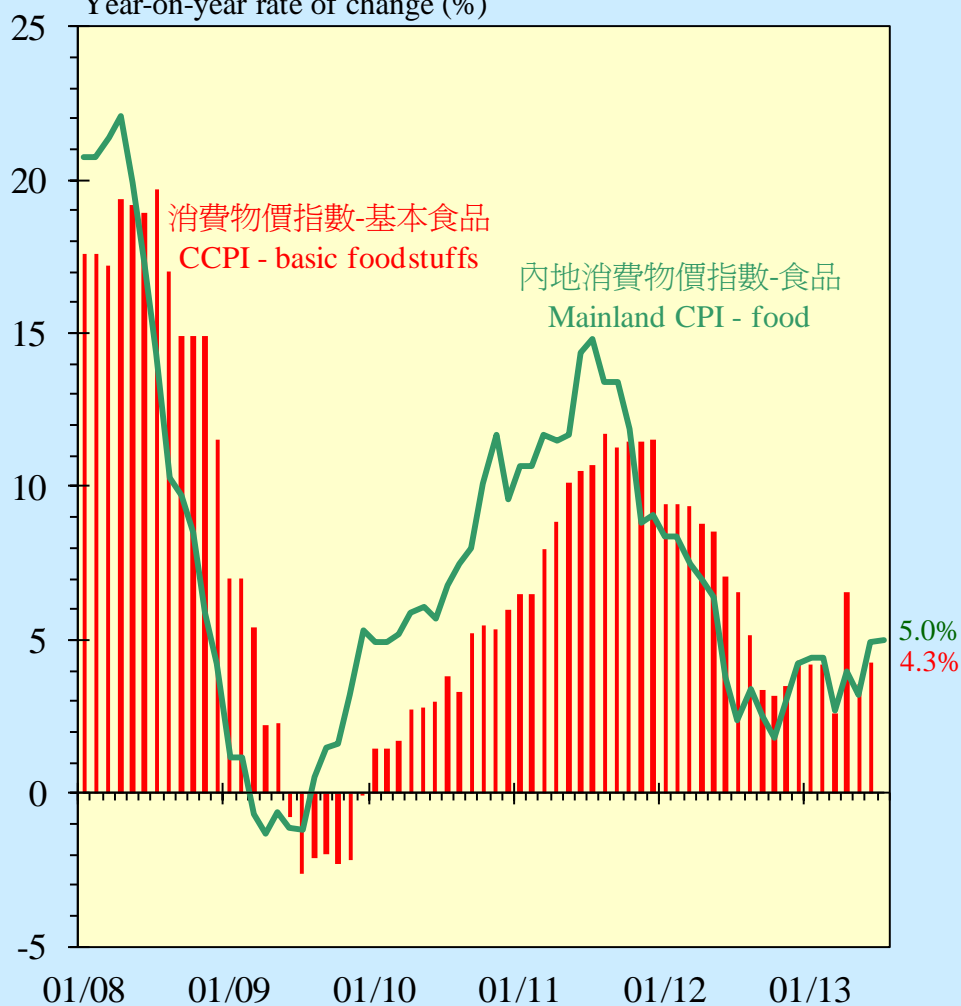
## Overall imported inflation receded further

按年增減率 (%)  
Year-on-year rate of change (%)



## Yet volatilities in Mainland's food prices could affect food inflation

按年增減率 (%)  
Year-on-year rate of change (%)





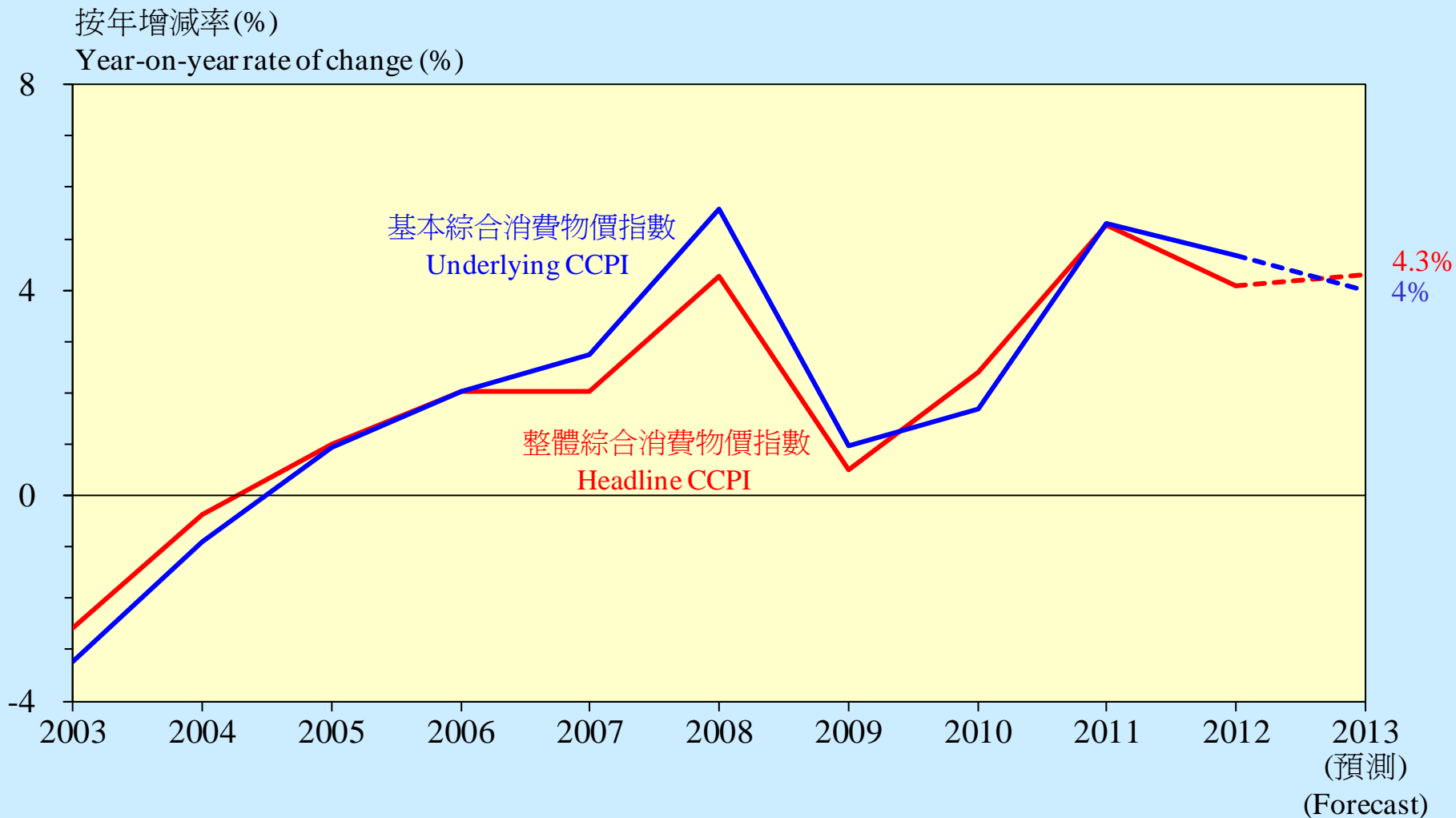
# Rise of fresh letting rentals slowed visibly of late

## Fresh letting residential rentals % change during the period

<b>2010</b>	<b>15.7</b>
<b>2011</b>	<b>6.6</b>
<b>2012</b>	<b>11.3</b>
<b>2012 H1</b>	<b>4.9</b>
<b>H2</b>	<b>6.1</b>
<b>2013 H1<sup>#</sup></b>	<b>1.7</b>

Note : (#) Provisional figures from R&VD.

# Inflation could still edge up in coming months, but upside risks rather limited



# Latest economic forecasts for 2013 as a whole

Forecasts as released  
on 10 May

Latest forecasts

Real GDP growth

1.5-3.5%

2.5-3.5%

Headline inflation

4.5%

4.3%

Underlying inflation

4.2%

4%



**Thank you**