



Hong Kong SAR Government

Third Quarter Economic Report 2013 & Updated economic forecasts for 2013

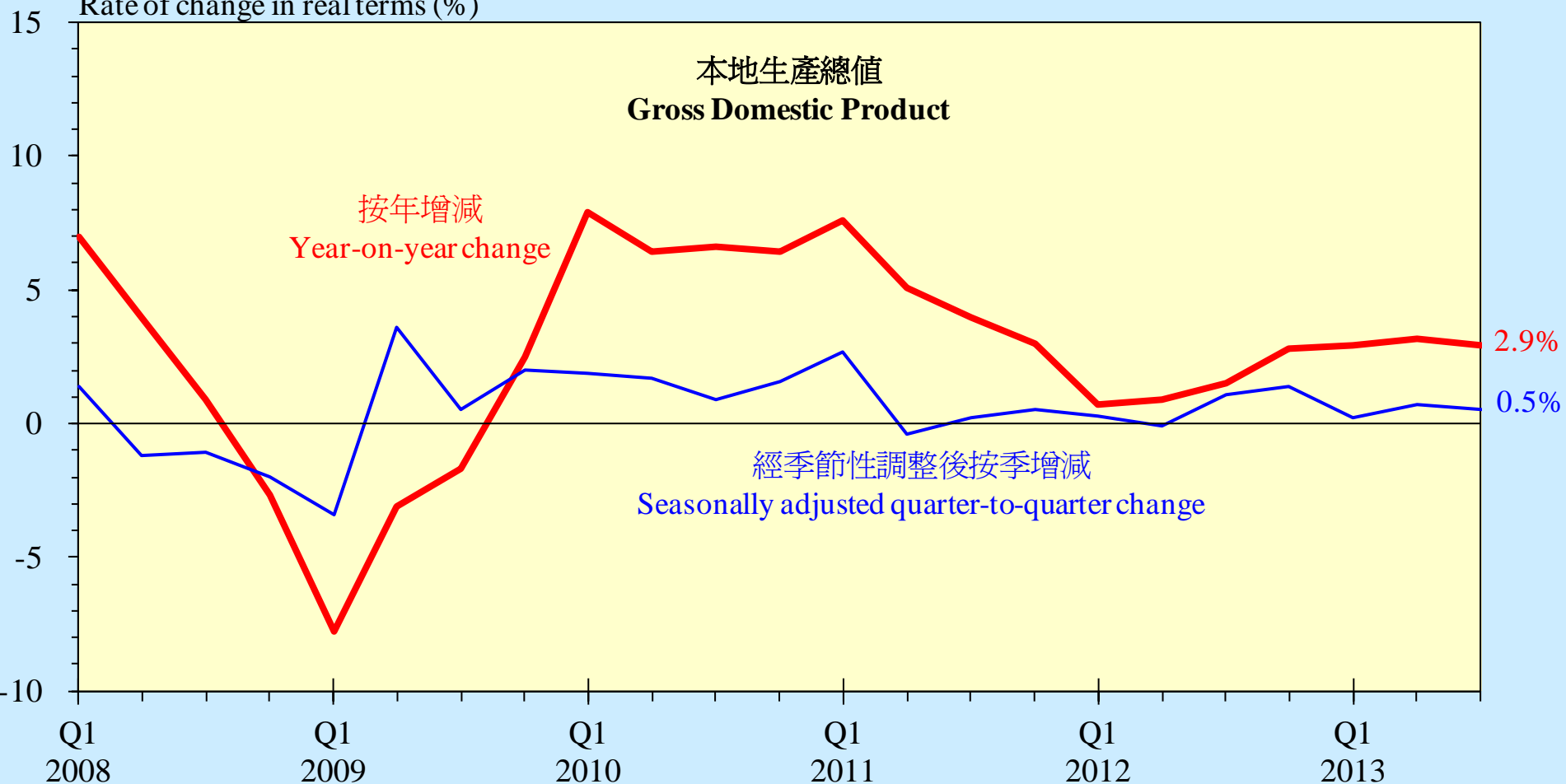
15 November 2013

Economic performance in Q3 2013

HK economy grew moderately by 2.9% in Q3

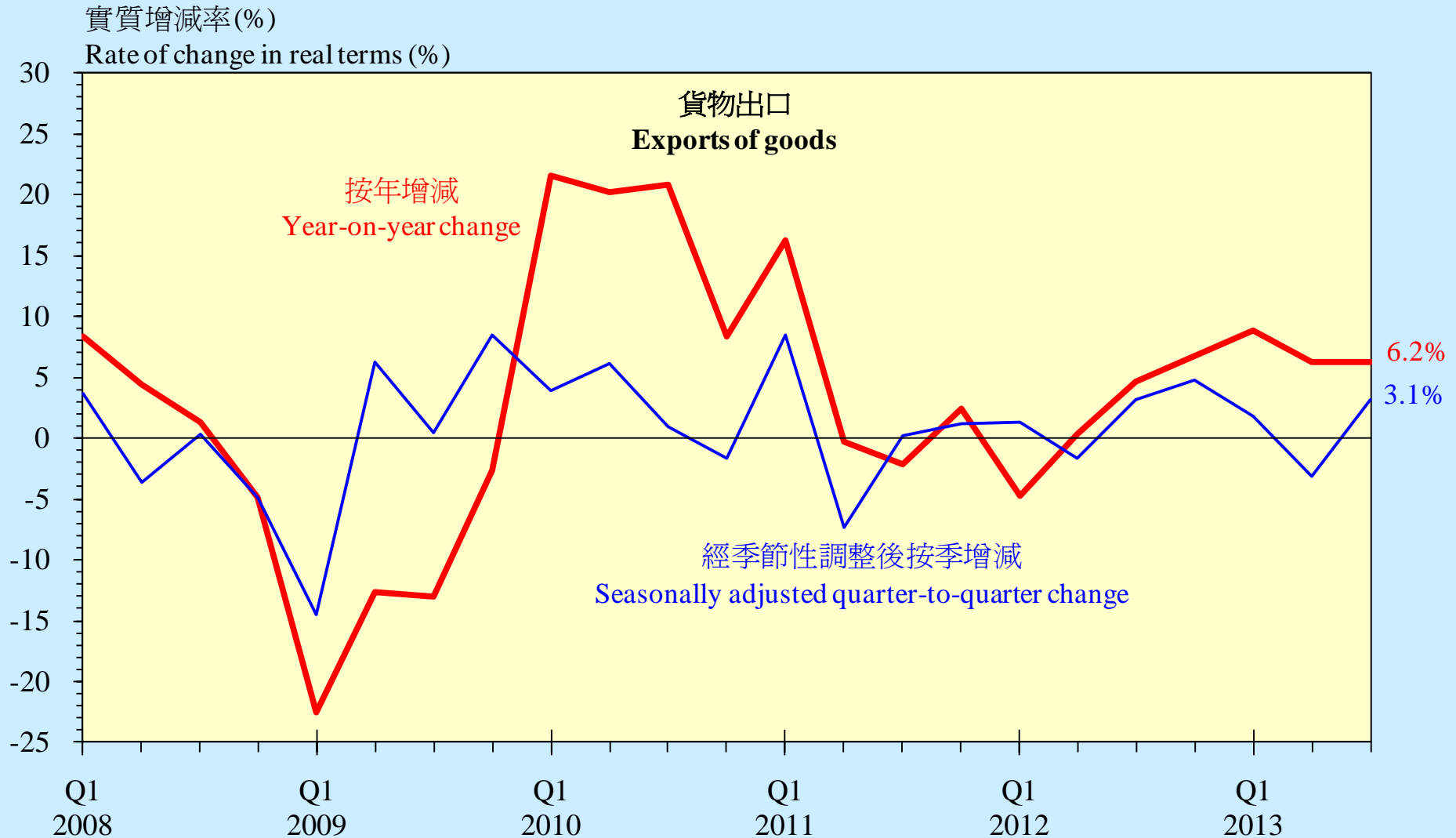
實質增減率(%)

Rate of change in real terms (%)



External sector

Exports of goods grew further



Advanced markets remained sluggish, while the Mainland market saw a moderate growth

Hong Kong's merchandise exports in volume terms

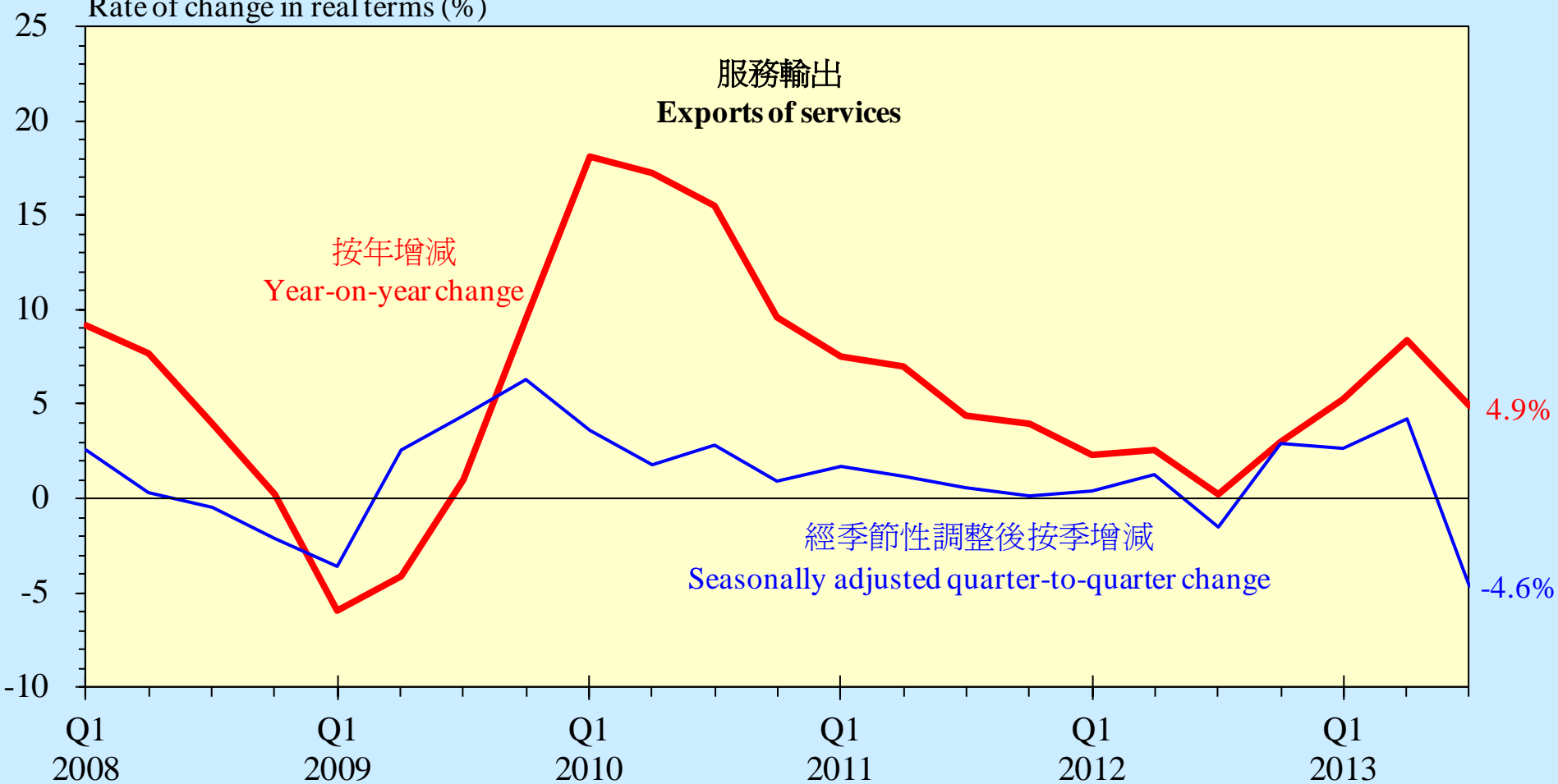
Year-on-year rate of change (%)

		<u>Overall</u>	<u>EU</u>	<u>US</u>	<u>Mainland</u>	<u>Japan</u>	<u>Other Asia</u>
2012	Q1	-7.1	-9.7	-7.1	-7.8	-1.5	-7.4
	Q2	-2.2	-12.5	0.1	-0.6	1.5	-2.2
	Q3	2.5	-14.1	-0.1	9.7	3.3	-4.4
	Q4	6.0	-4.8	1.4	12.1	0.4	-2.4
	Annual	-0.1	-10.4	-1.3	3.4	0.9	-4.1
2013	Q1	4.0	-5.4	-5.0	8.5	-4.9	3.8
	Q2	2.4	-2.5	-8.0	6.3	-5.5	1.4
	Q3	2.0	2.7	-1.0	2.8	-8.3	3.0

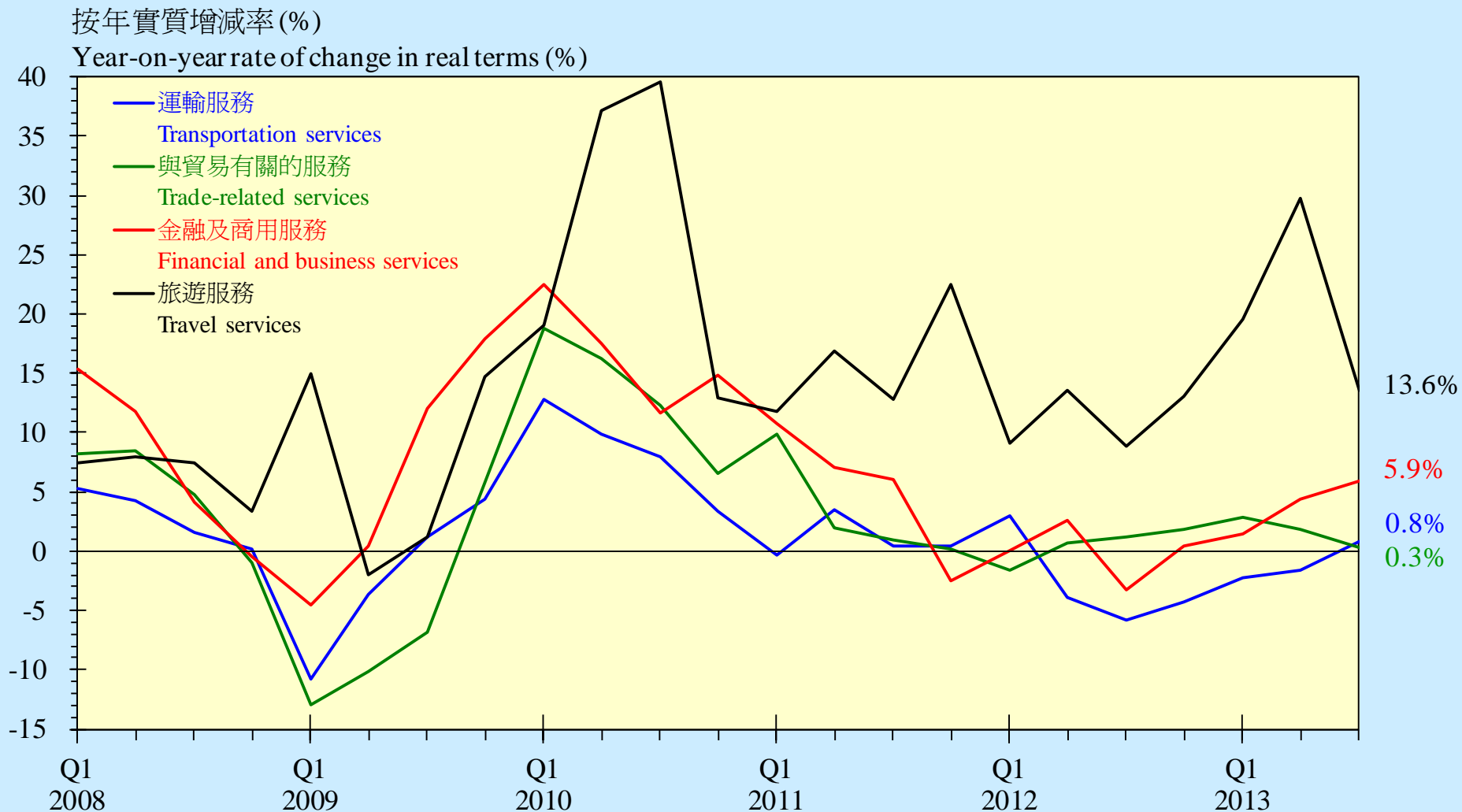
Exports of services recorded a solid growth

實質增減率(%)

Rate of change in real terms (%)



Tourist receipts remained the principal driver of services export growth

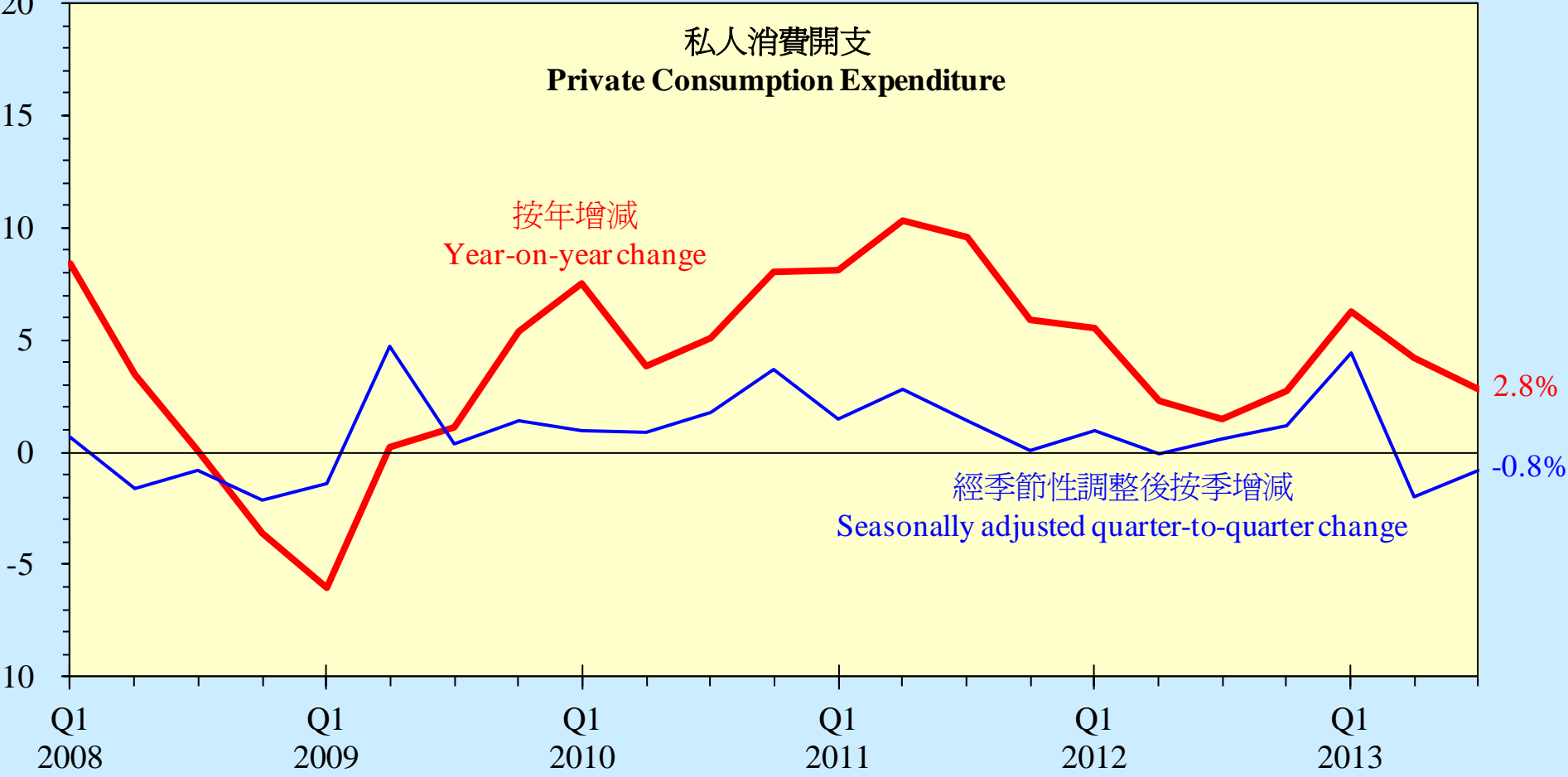


Domestic sector

Growth of private consumption slowed somewhat, but still firm

實質增減率(%)
Rate of change in real terms (%)

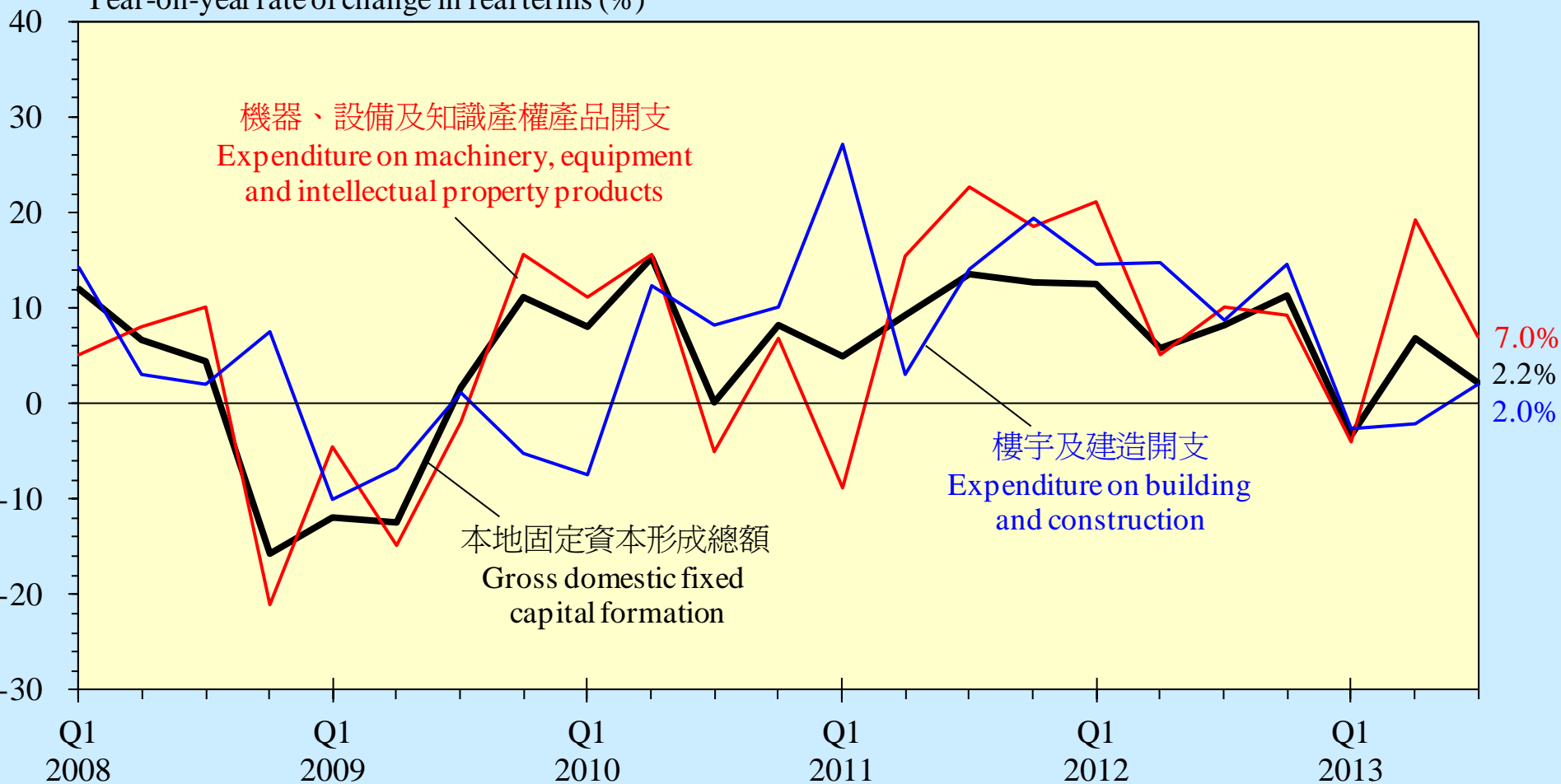
私人消費開支 Private Consumption Expenditure



Investment spending grew modestly

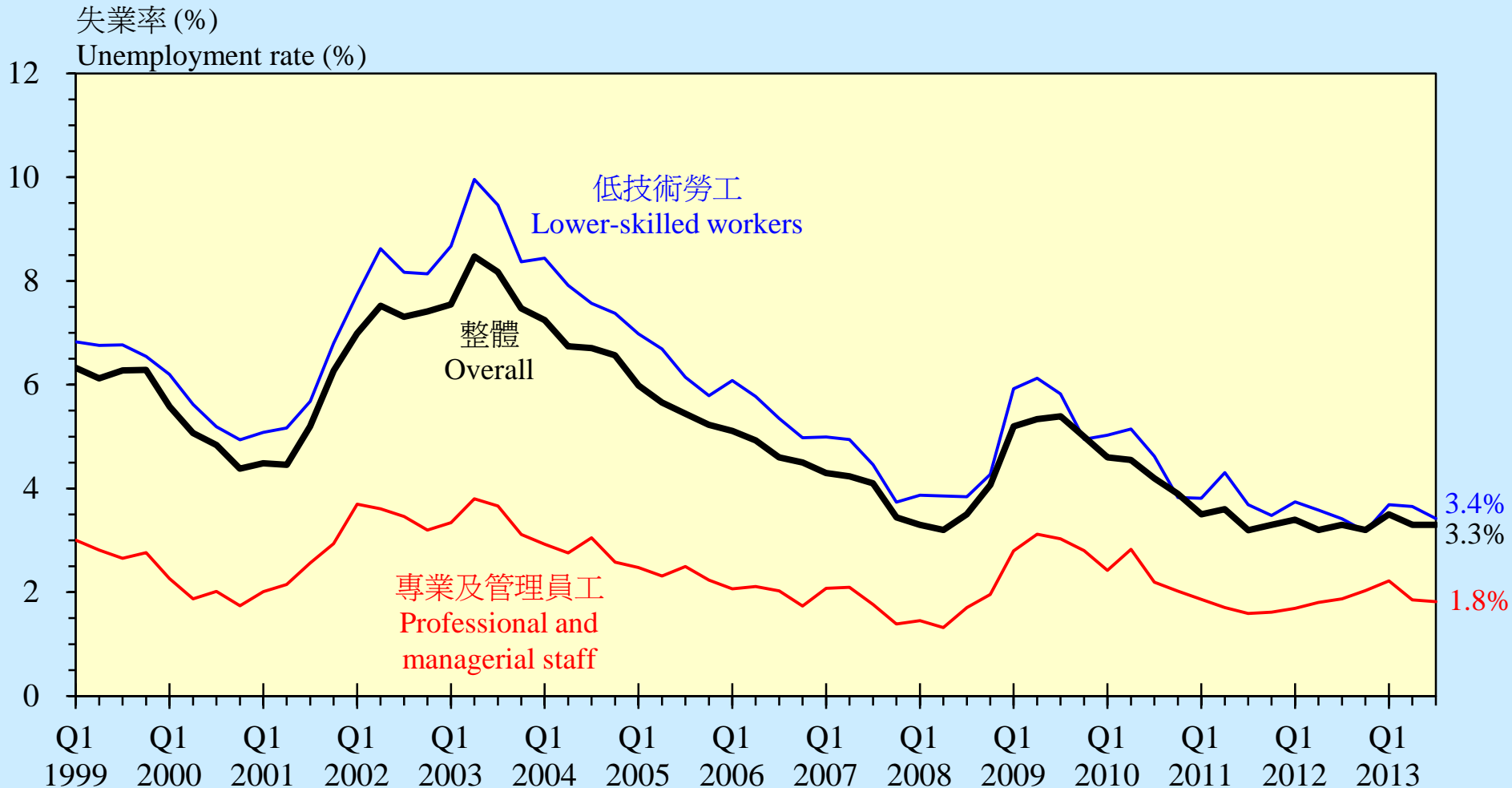
按年實質增減率(%)

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



Labour market

Labour market remained tight with unemployment rate staying low at 3.3%



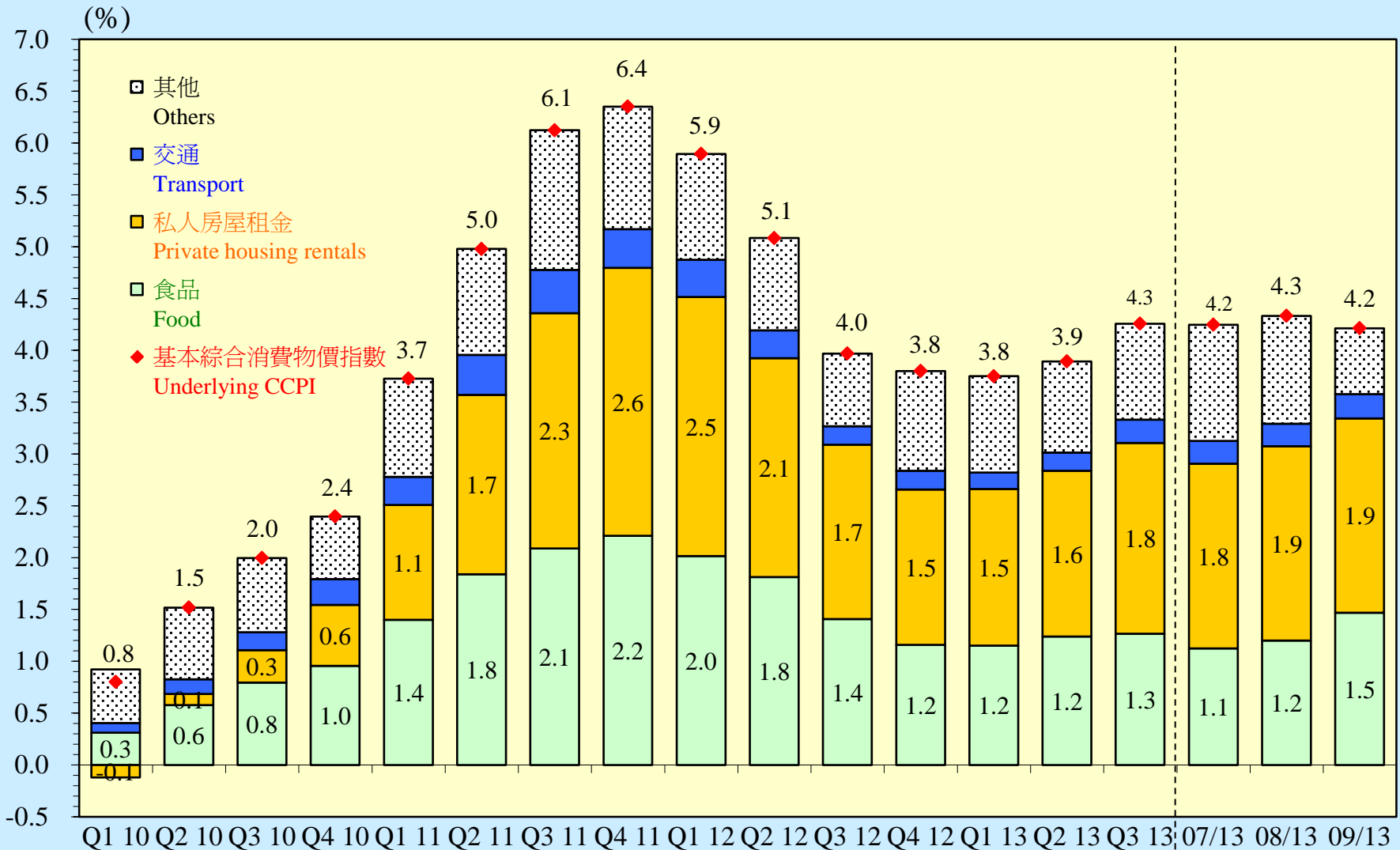
註：除整體失業率外，其他均為未經季節性調整數字。
Note: Not seasonally adjusted except the overall unemployment rate.

Inflation

Underlying inflation went up modestly in Q3

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

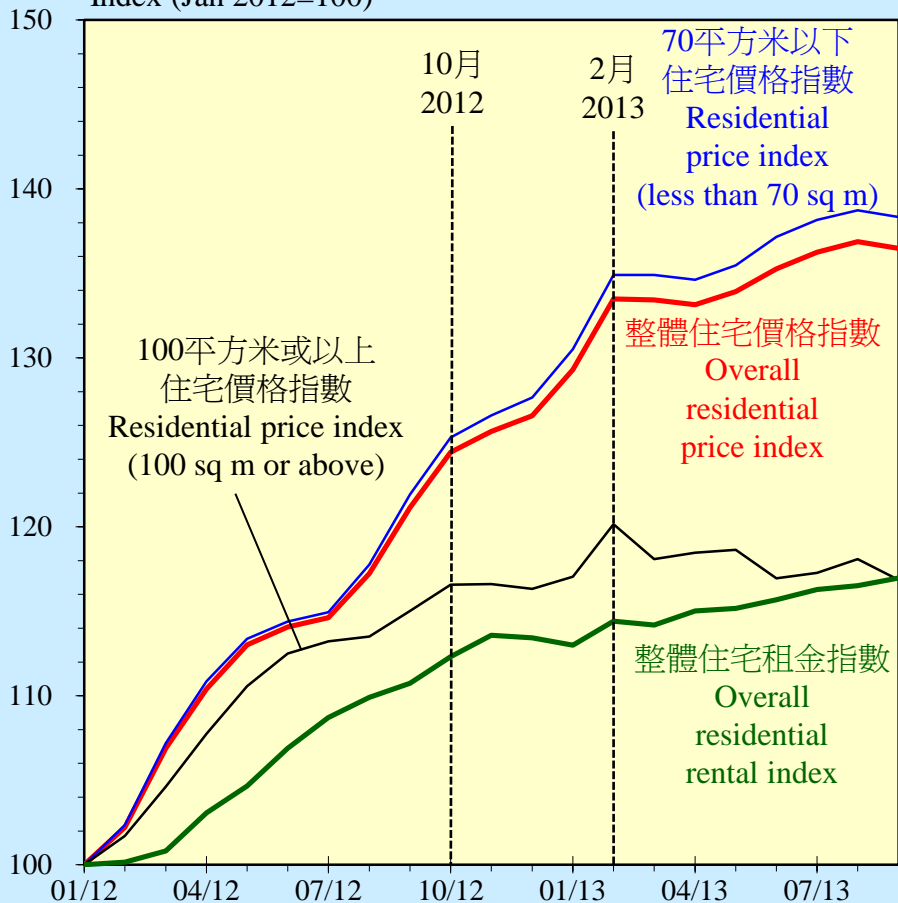
Property market remained quiet in Q3

住宅價格上升步伐趨緩

Flat price increases tended to taper

指數(二零一二年一月=100)

Index (Jan 2012=100)

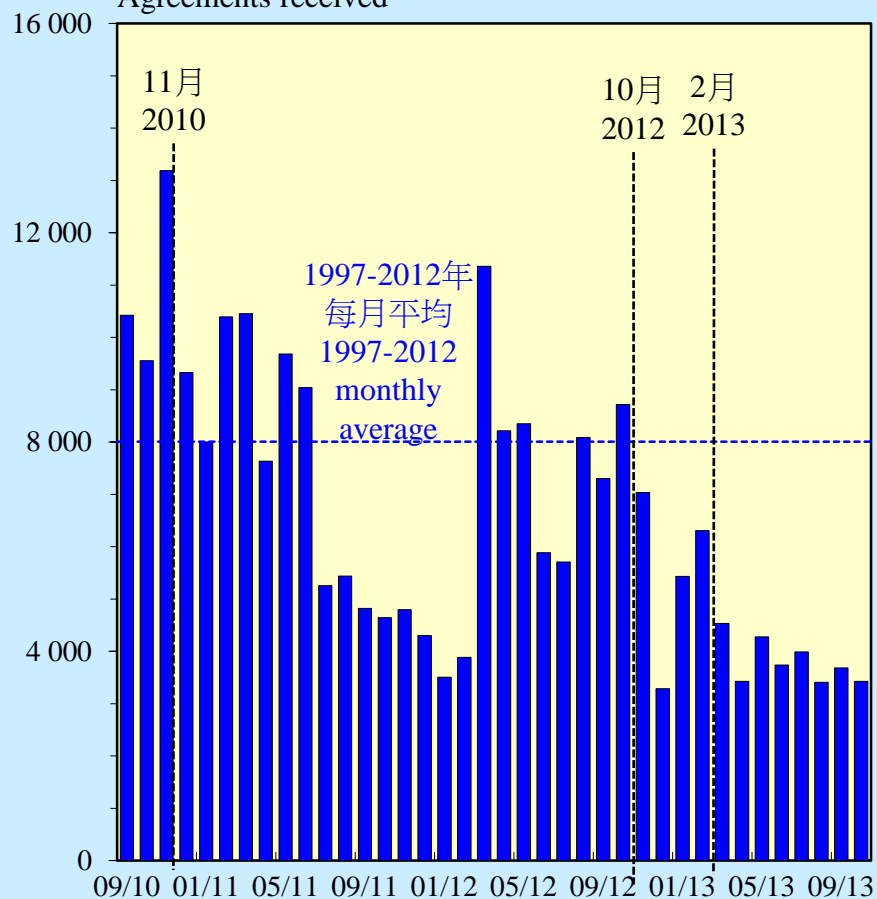


交投仍然疏落

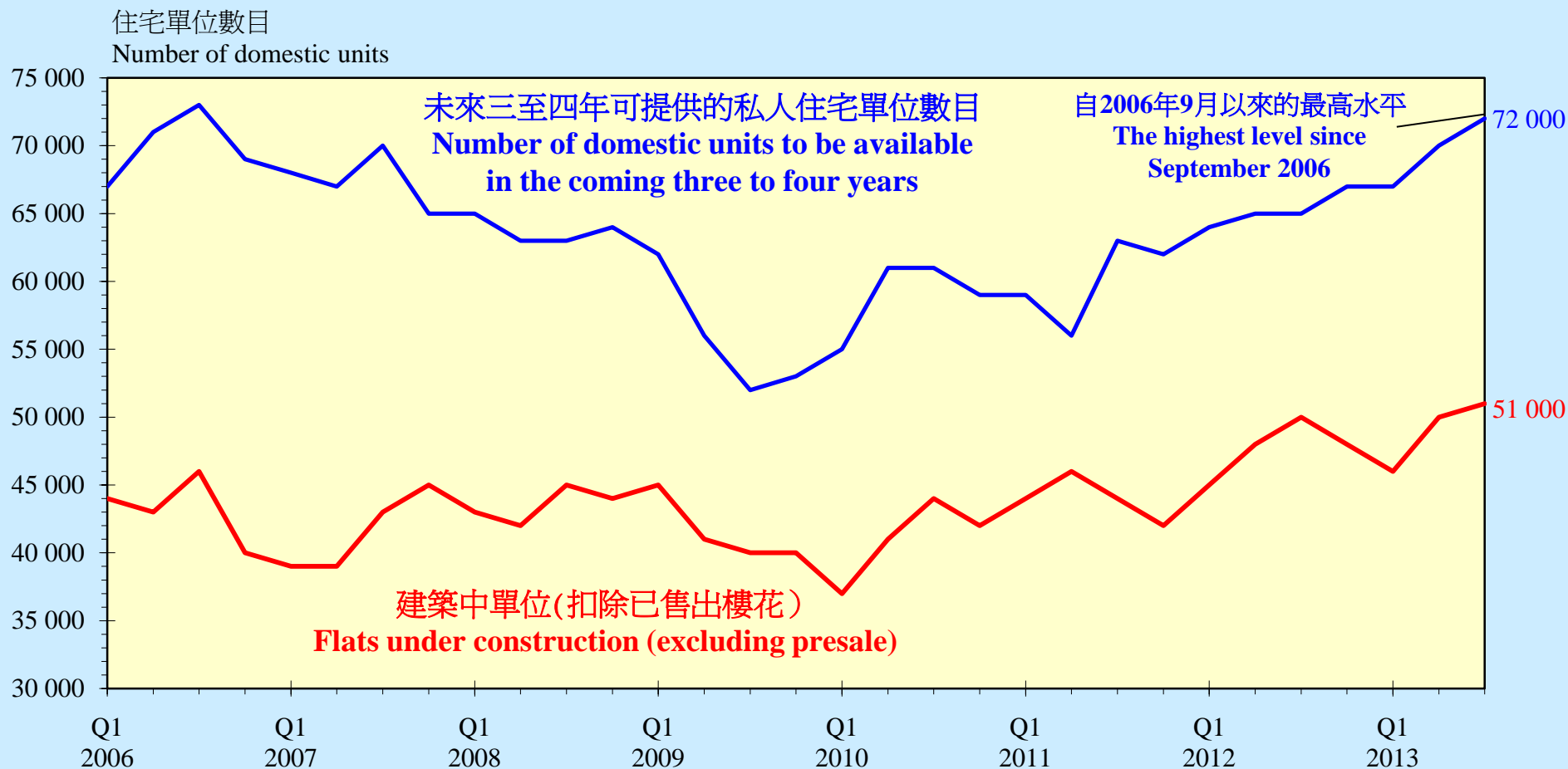
Trading remained thin

買賣合約數目

Agreements received



The Government's measures to increase flat supply continued to yield results



Note : The above figures included unsold units in completed projects, units under construction but not yet sold by presale, and units from disposed sites where construction may start anytime.

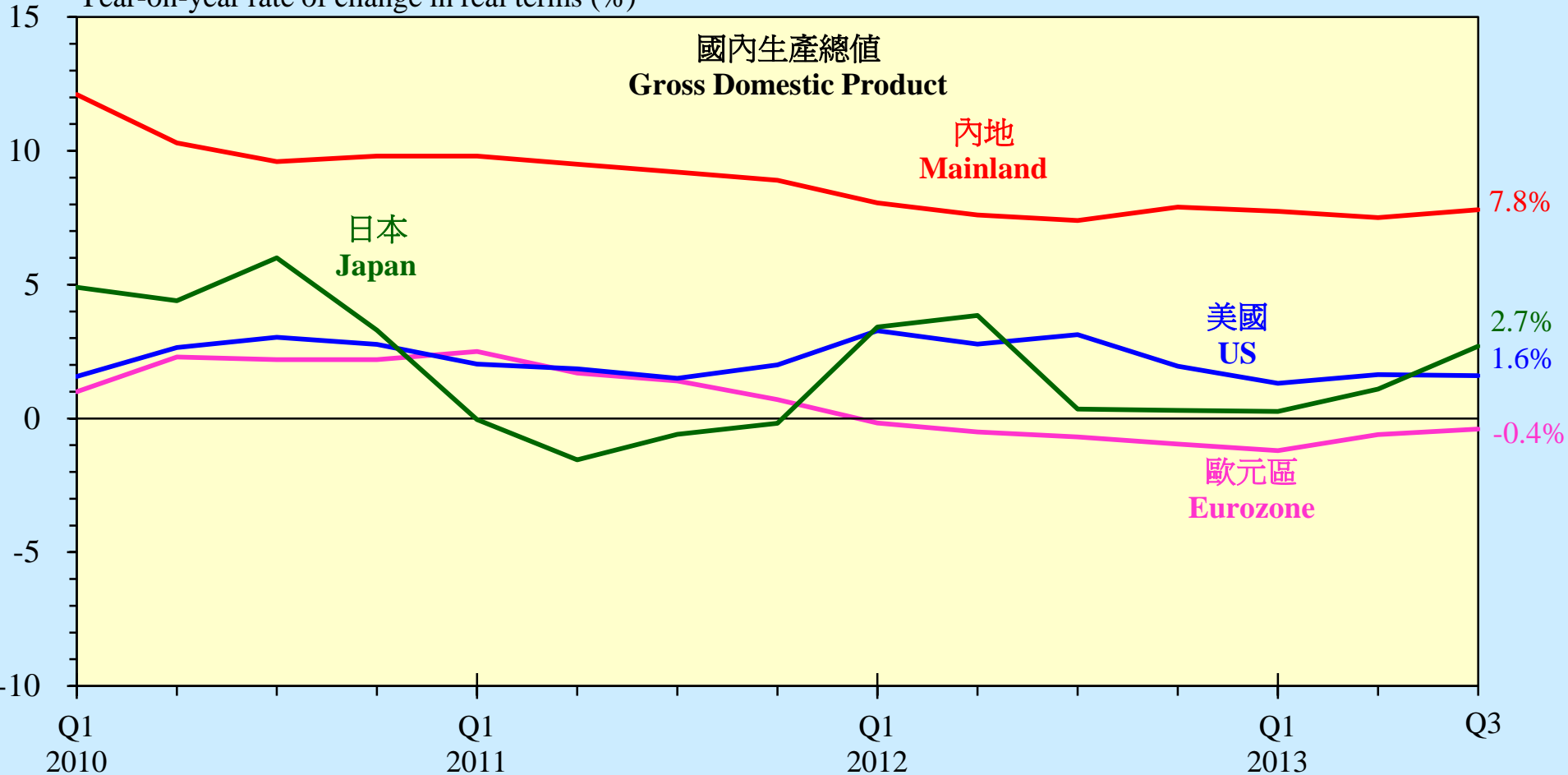
Source : Transport and Housing Bureau.

Outlook for the remaining of 2013

Growth continues to diverge across economies

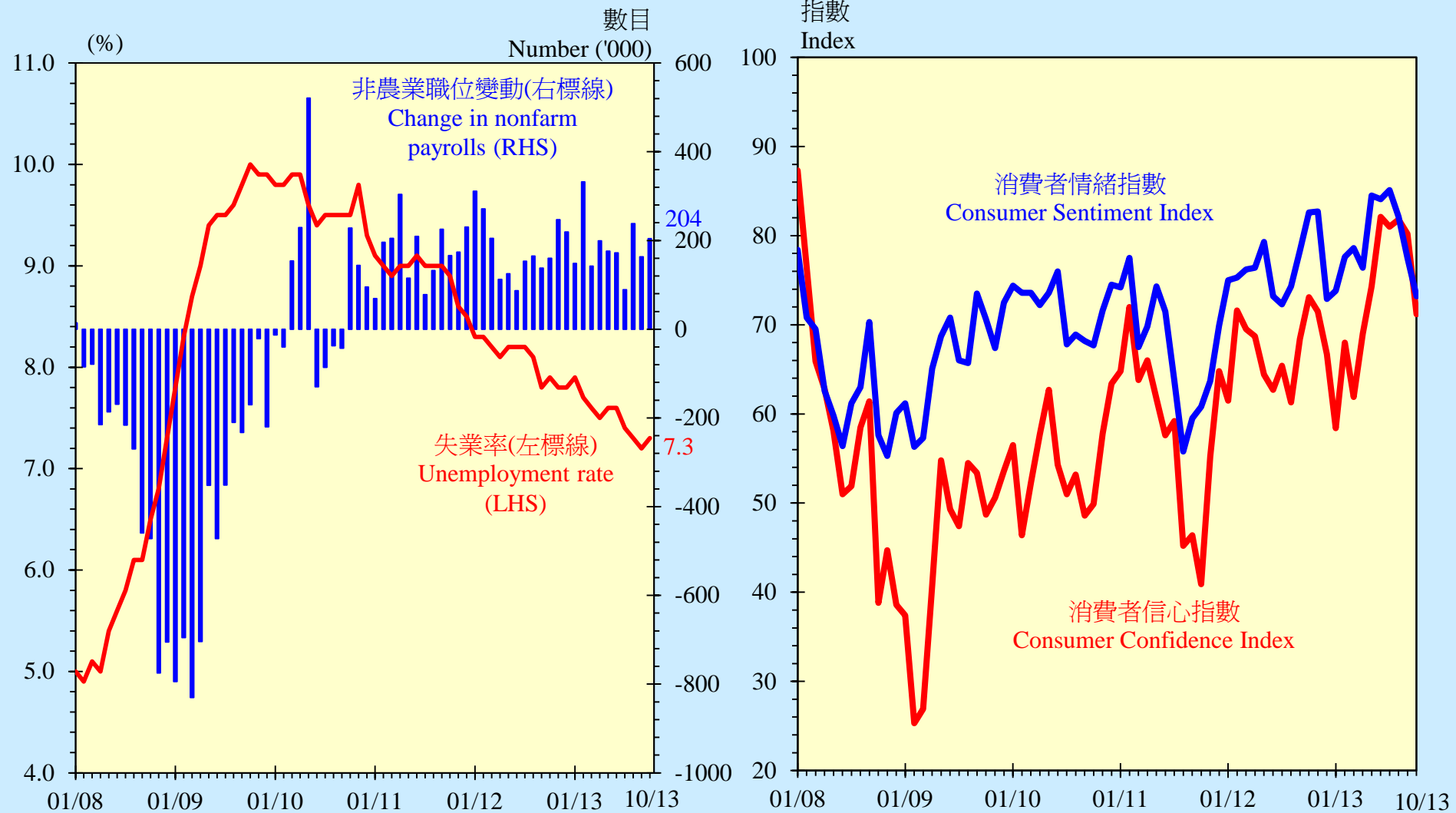
按年實質增減率 (%)

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

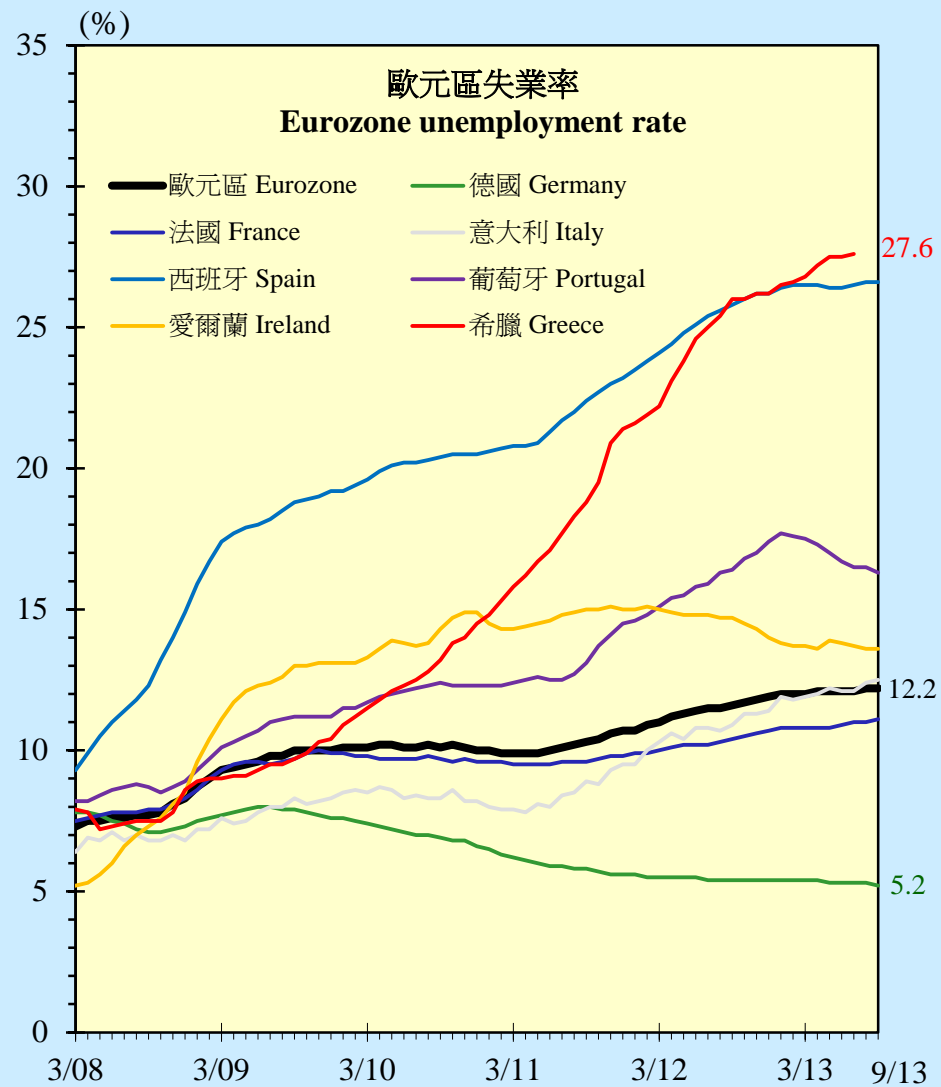
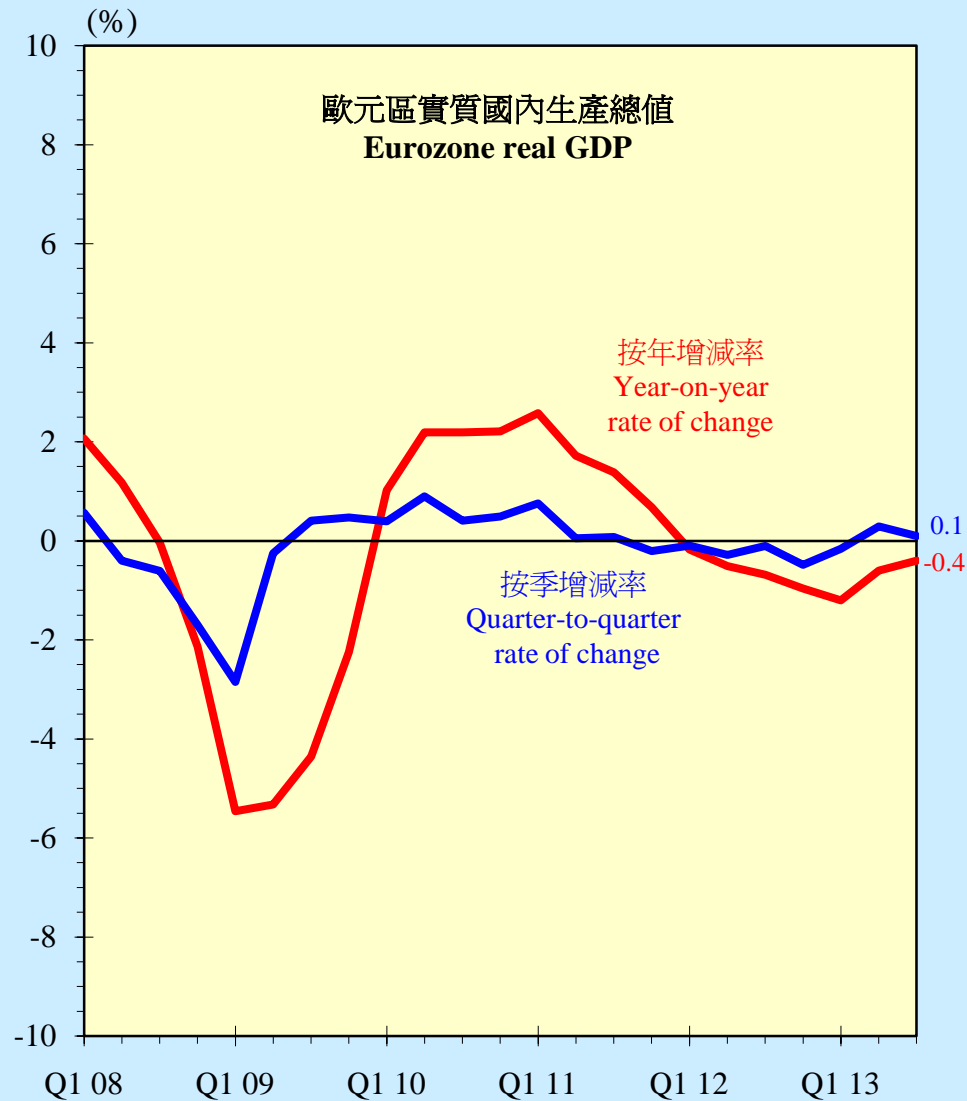


The US labour market continued to improve slowly...

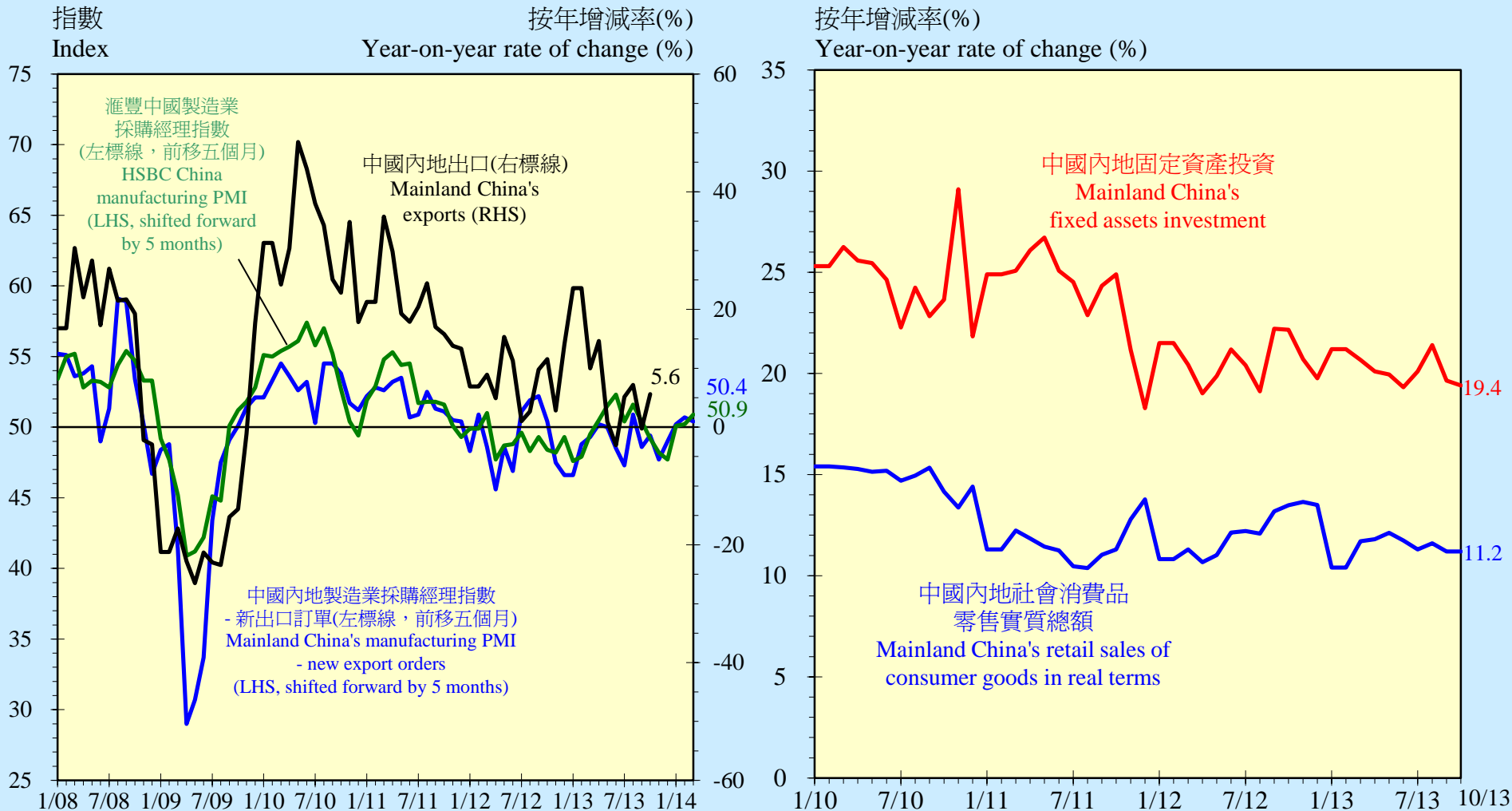
...but consumption sentiment was visibly dampened by the fiscal standoff in October



European economies began to improve but the pace of recovery still constrained by high unemployment



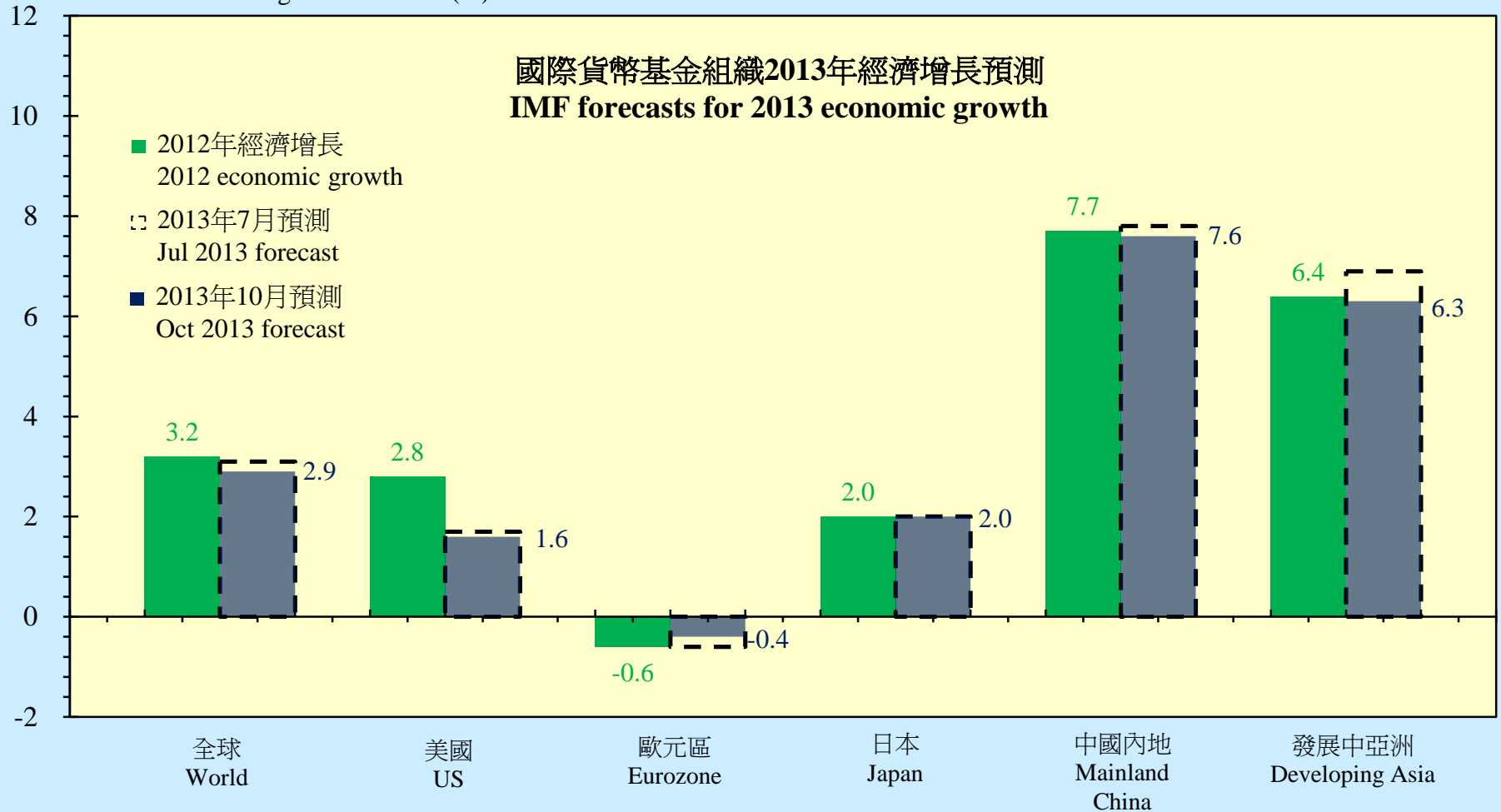
The Mainland economy continued to display resilience



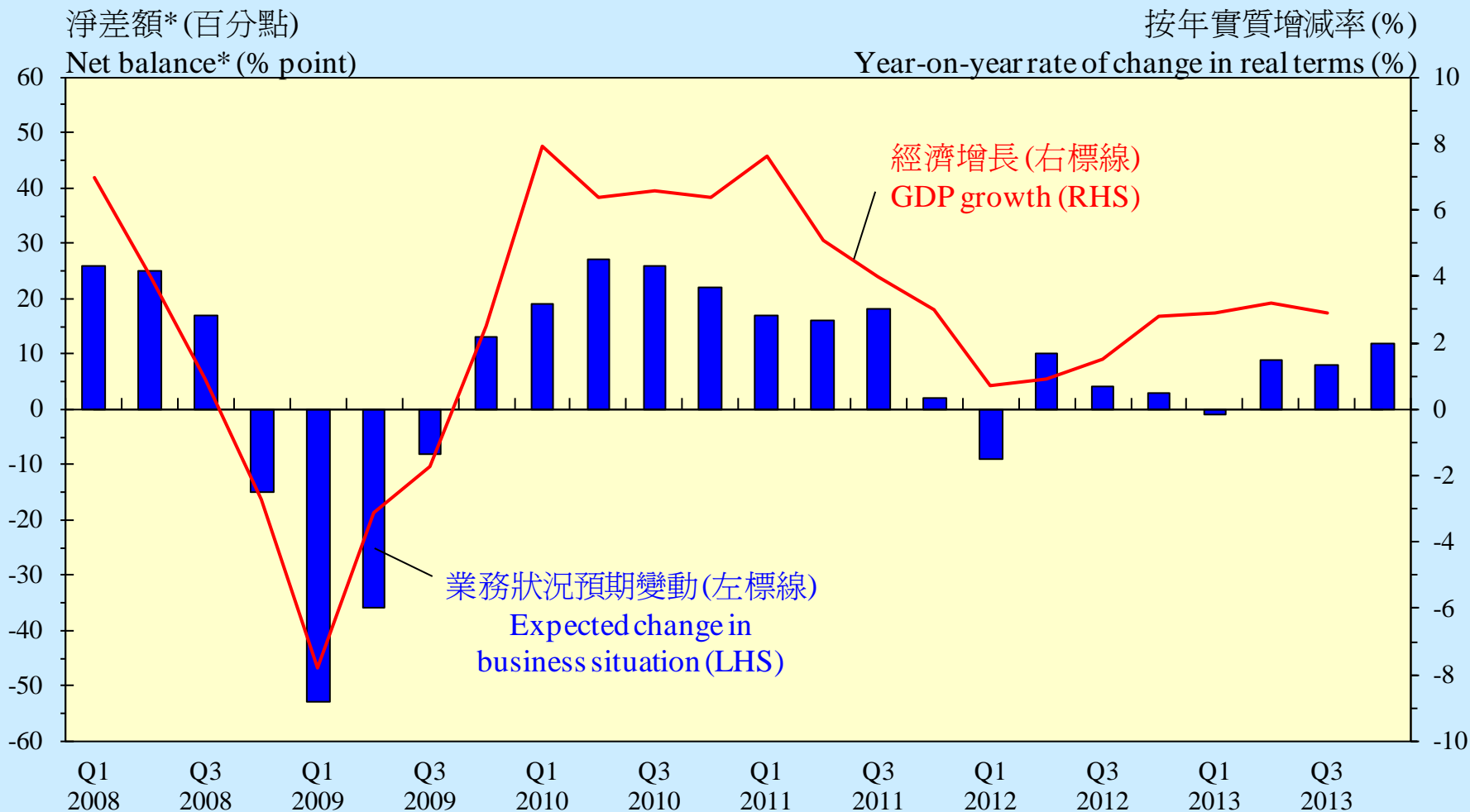
Global growth forecast for 2013

年度實質增減率 (%)

Annual rate of change in real terms (%)



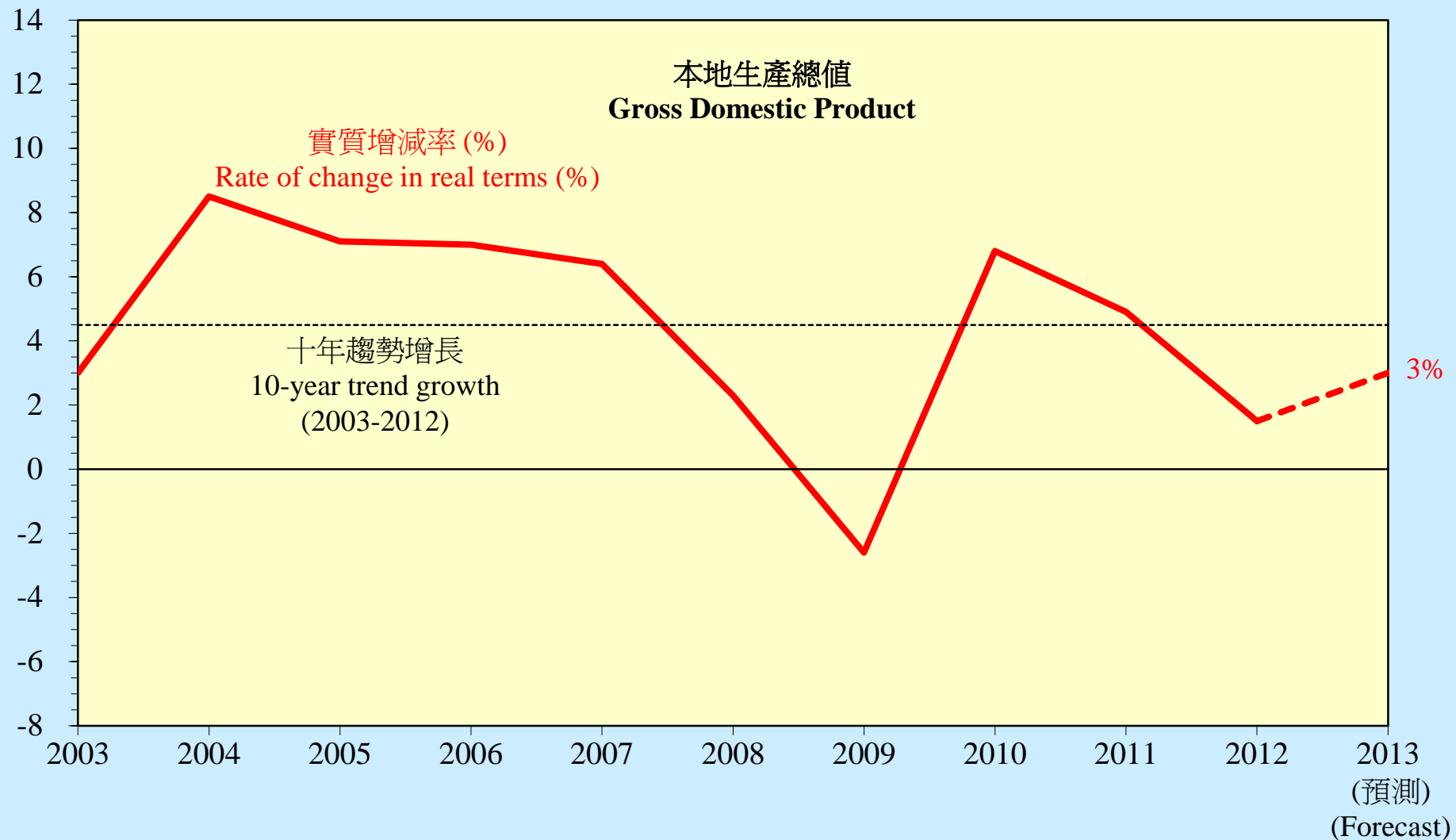
Overall business sentiment in HK stays positive



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.

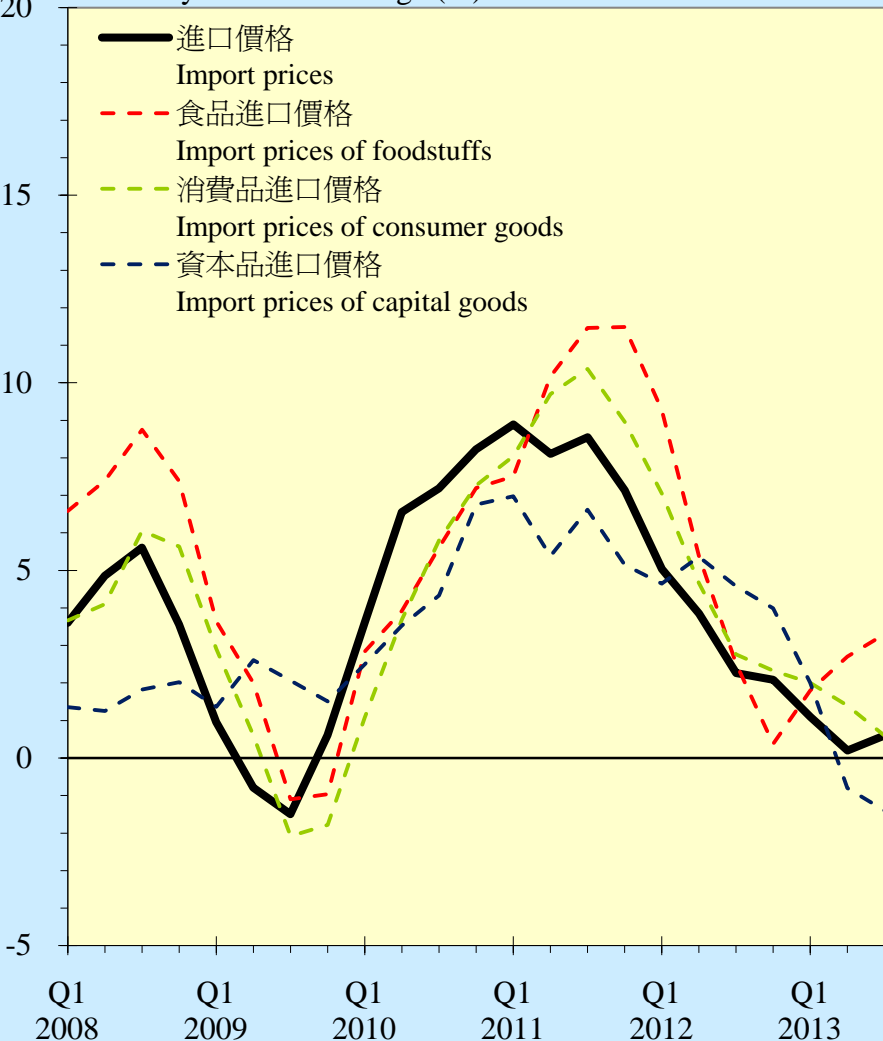
HK economy forecast to grow by 3% in 2013



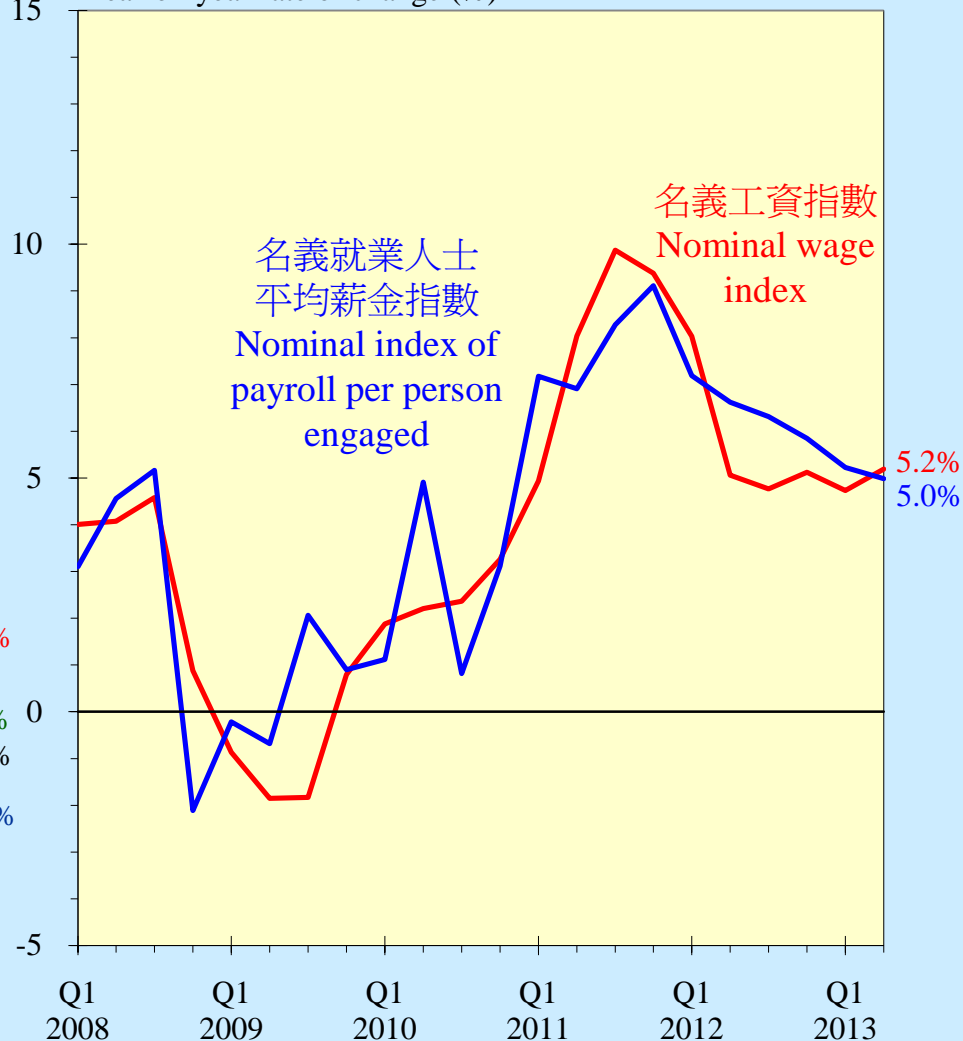
Overall imported inflation remained subdued

Wage growth was largely steady

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



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



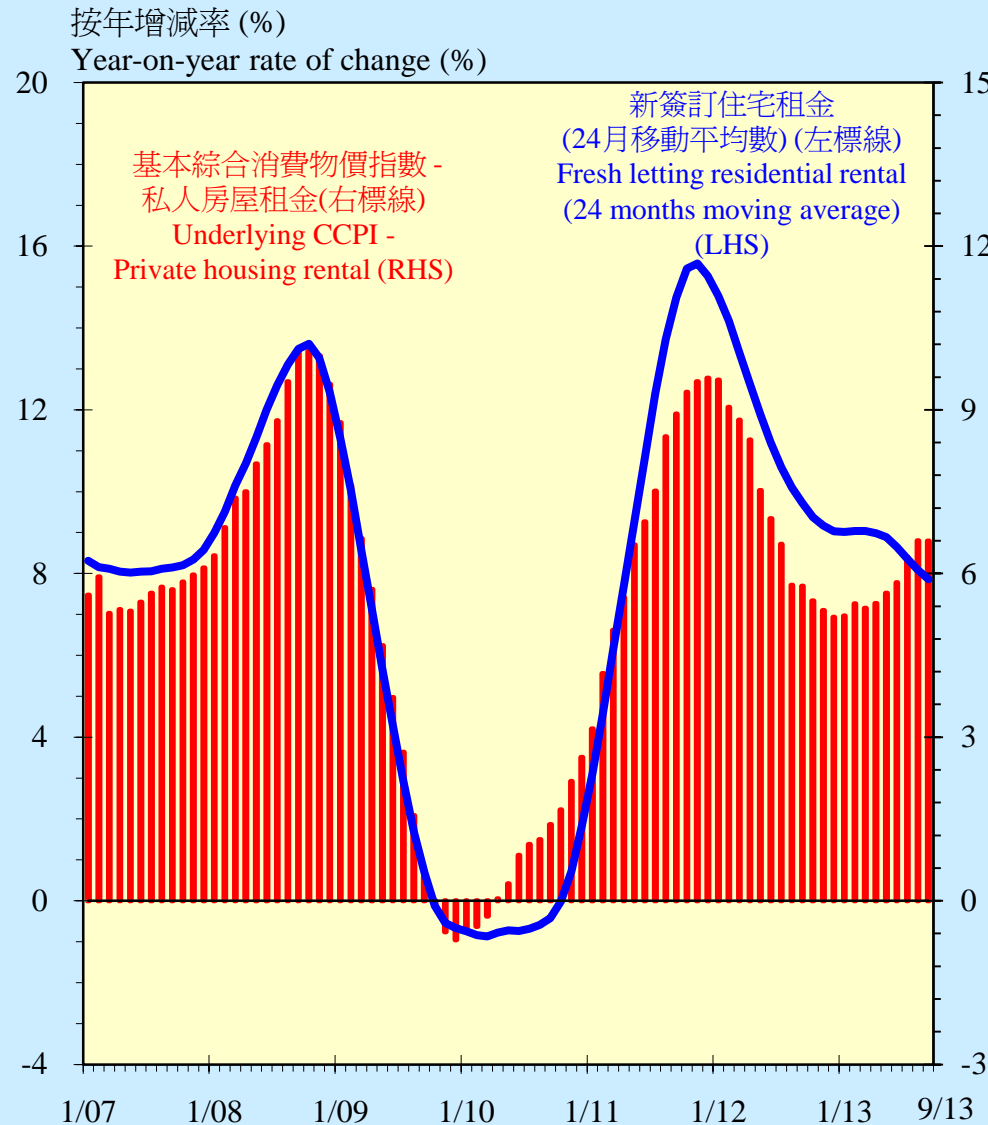
Fresh letting residential rentals showed milder increases since early 2013...

...the stabilising effect began to set in

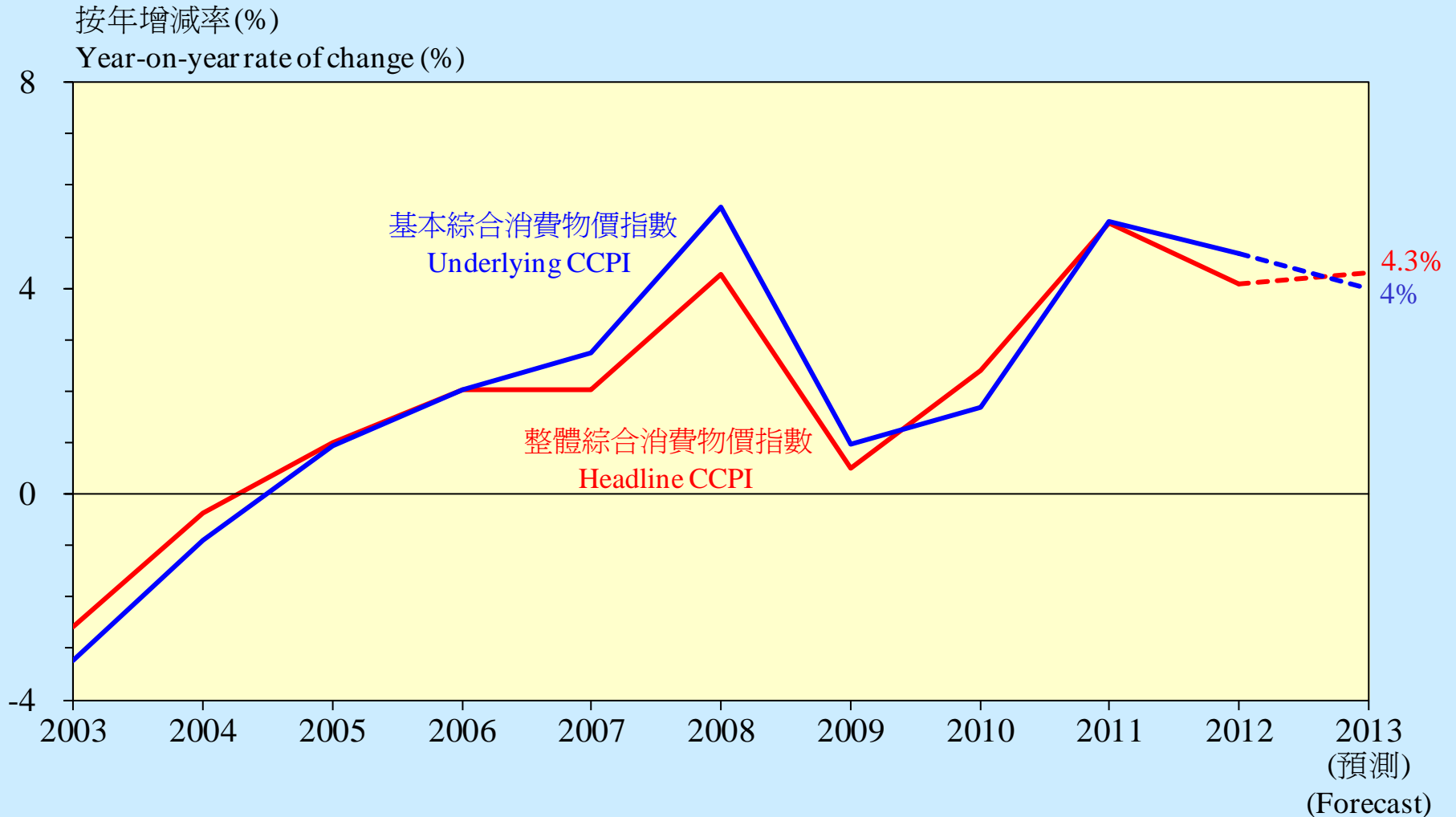
**Fresh letting residential rentals
% change during the period**

2012	Q1	-1.1
	Q2	6.0
	Q3	3.6
	Q4	2.4
2013	Q1	0.7
	Q2	1.2
	Q3[#]	1.1

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



The upside risks to inflation should be limited in the near term



Latest economic forecasts for 2013 as a whole

**Forecasts as released
on 16 Aug**

Latest forecasts

Real GDP growth

2.5-3.5%

3%

Headline inflation

4.3%

4.3%

Underlying inflation

4%

4%

Thank you



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15 November 2013