2022 Economic Performance
Summary of economic performance in 2022

- Real GDP contracted by 3.5% in 2022, having expanded visibly by 6.4% in the preceding year

- Exports of goods plunged as moderated global economic growth coupled with disruptions to cross-boundary truck movements between Hong Kong and the Mainland posed a significant drag. Exports of services declined slightly.

- Private consumption saw improvement since Q2. Investment expenditure fell notably.

- Labour market was under pressure in the early months of the year, but improved subsequently.

- Consumer price inflation, though showing some increase, remained moderate in overall terms.
Hong Kong economy weakened notably in 2022 after a visible growth in 2021
Labour market was under pressure in the early months of 2022, but improved subsequently in the rest of the year.

Unemployment rate rose notably before falling successively to 3.5%.

Total employment rose back since mid-2022.
Underlying consumer price inflation, though showing some increase, remained moderate in overall terms in 2022.

Contribution to underlying Composite CPI inflation rate by major component

Note: Energy-related items include electricity, town gas, liquefied petroleum gas and other fuel, and motor fuel.
2023 Economic Outlook
Hong Kong economy is expected to stage a visible rebound in 2023

- Despite weakness of the advanced economies, the expected faster growth of the Mainland economy and lifting of cross-boundary truck movement restrictions should provide some support to exports of goods.

- Visitor arrivals should stage a strong rebound and constitute a main driver of economic growth in 2023.

- Domestically, an improved economic outlook in tandem with the return of economic activities from the epidemic to normalcy should render a boost to private consumption, with the expected further improvement of the labour market providing additional support. Private investment will also benefit despite the tight financial conditions.

- The Government’s policy initiatives and relief measures as unveiled in the 2023-24 Budget will give further support to the local economy.
...though substantial uncertainties remain

- The pace of returning to normal for economic exchanges between Hong Kong and the Mainland
- The future path of monetary policy in major advanced economies and their economic situation
- Geopolitical tensions

- Real GDP growth forecast for 2023: 3.5% to 5.5%
Underlying consumer price inflation will likely pick up further, though remaining largely moderate in 2023

- Domestically, commercial rentals and labour costs may increase alongside the expected economic recovery.
- While external price pressures are likely to see some moderation alongside the decelerating inflation in the advanced economies, they should remain notable for some time.

  - Underlying Composite CPI inflation forecast for 2023: 2.5%
Medium-term economic outlook is bright

- The huge potential of the Mainland and other emerging economies in Asia will provide ample opportunities for Hong Kong
- A more proactive approach to economic management by the Government
- Persistent efforts in building capacity for economic development
- Reinforcing our traditional edges while also pushing forward the development of the I&T industry to create new growth impetus
- Further catch-up growth