

Press Release

(embargoed until 4:30 p.m. on 14 November 2025)

Economic performance in the third quarter of 2025 and latest GDP and price forecasts for 2025

The Government released today (14 November) the Third Quarter Economic Report 2025, together with the revised figures on Gross Domestic Product (GDP) for the third quarter of 2025.

The Acting Government Economist, Dr Cecilia Lam, gave an account of the economic performance in the third quarter of 2025 and the latest GDP and price forecasts for 2025.

Main points

- * The Hong Kong economy staged a robust performance in the third quarter of 2025, driven by a continued surge in exports and sustained expansion in domestic demand. Real GDP grew by 3.8% over a year earlier in the third quarter, picking up visibly from the 3.1% growth in the preceding quarter. On a seasonally adjusted quarter-to-quarter comparison, real GDP rose further by 0.7%.
- * Total exports of goods continued to grow markedly by 12.1% year-on-year in real terms in the third quarter, propelled by strong demand for electronic-related products and buoyant regional trade flows in Asia. Exports of services also expanded notably by 6.3% in real terms over a year earlier, mainly supported by sustained increases in inbound tourism and cross-boundary traffic, as well as vibrant cross-boundary financial service activities.
- * Domestically, private consumption expenditure picked up slightly in growth in the third quarter, rising further by 2.1% year-on-year in real terms, reflecting the continued recovery of the local consumption market. Overall investment expenditure saw an accelerated increase of 4.3% in real terms over a year earlier, alongside the economic expansion and stabilisation in the residential property market.
- * The labour market softened in the third quarter. The seasonally adjusted unemployment rate rose to 3.9% in the third quarter from 3.5% in the preceding quarter. The underemployment rate also increased. Employment earnings continued to record year-on-year growth.
- * The local stock market exhibited a strong uptrend in the third quarter amid positive market sentiments towards a thriving technology sector, rising expectations on further interest rate cuts in the United States (US) following the one in September, as well as some easing of global trade tensions. The residential property market stabilised further in the third quarter. Flat prices showed a more visible pick-up and rentals remained solid.

- * Consumer price inflation stayed modest in the third quarter. The underlying Composite Consumer Price Index (Composite CPI) increased by 1.0% over a year earlier, following the 1.1% increase in the preceding quarter. Price pressures on major components were broadly in check. Including the effects of the Government's one-off relief measures, the headline Composite CPI increased by 1.1% year-on-year in the third quarter.
- * Looking ahead, the Hong Kong economy should see further solid growth for the rest of 2025. Sustained moderate growth of the global economy in the near term, coupled with easing China-US trade tensions of late and persistent demand for electronic-related products should lend support to Hong Kong's exports of goods. Continued increases in inbound tourism and vibrant financial market activities should provide further impetus to exports of services. Domestically, the renewed US interest rate cuts since September are conducive to asset market sentiment. Together with the gradual recovery in consumption confidence and steadfast improvement in business sentiment, these developments should help bolster consumption and investment activities. The Government's various measures to develop the economy and diversify markets will also provide support. Nevertheless, external uncertainties arising from the lingering impacts of trade barriers, the pace of US interest rate cuts, and the potential moderation in goods export growth due to fluctuations in external demand warrant close monitoring.
- * Taking into account the actual outturn of 3.3% in the first three quarters of the year and the near-term outlook, the real GDP growth forecast for 2025 as a whole is revised up to 3.2%, from 2%-3% in the August round of review. The Government will continue to closely monitor the situation.
- * On the inflation outlook, overall inflation should stay modest in the near term, as domestic cost pressures remain contained and external price pressures are subdued. Taking also into account the actual inflation in the first three quarters of the year, the forecasts for the underlying and headline consumer price inflation rates for 2025 are revised down to 1.2% and 1.5% respectively, from 1.5% and 1.8% in the August round of review.

Details

GDP

According to the revised figures released today by the Census and Statistics Department, real *GDP* grew visibly by 3.8% year-on-year in the third quarter of 2025 (same as the advance estimate), having increased by 3.1% in the preceding quarter. On a seasonally adjusted quarter-to-quarter comparison, real GDP rose by 0.7% in the third quarter (same as the advance estimate), after a 0.4% increase in the preceding quarter (*Chart*).

2. The latest figures on GDP and its major expenditure components up to the third quarter of 2025 are presented in *Table 1*. Developments in different segments of the economy in the third quarter are described below.

External trade

3. *Total exports of goods* continued to grow markedly by 12.1% year-on-year in real terms in the third quarter of 2025, following a 11.5% increase in the preceding quarter. Strong demand for electronic-related products and buoyant regional trade flows in Asia supported export growth. Analysed by major market and with reference to external merchandise trade statistics, exports to the Mainland maintained double-digit growth. Exports to ASEAN markets continued to soar, and those to most advanced economies in Asia generally recorded further increases. Exports to the US rose back, while those to the European Union recorded a visibly narrowed decline. On a seasonally adjusted quarter-to-quarter basis, total exports of goods declined by 1.3% in real terms in the third quarter.

4. *Exports of services* expanded notably by 6.3% in real terms in the third quarter over a year earlier, after expanding by 8.6% in the preceding quarter. Exports of all major service groups showed further expansion. Specifically, exports of travel and transport services rose further thanks to sustained increases in inbound tourism and cross-boundary traffic. Exports of financial services expanded visibly further, supported by vibrant cross-boundary financial service activities amid advancing global stock markets. Exports of business and other services also grew modestly further. On a seasonally adjusted quarter-to-quarter basis, exports of services rose by 1.3% in real terms in the third quarter.

Domestic sector

5. *Private consumption expenditure* picked up slightly in growth in the third quarter of 2025, reflecting the continued recovery of the local consumption market. Private consumption expenditure rose by 2.1% in real terms in the third quarter over a year earlier, after an increase of 1.9% in the preceding quarter. On a seasonally

adjusted quarter-to-quarter basis, private consumption expenditure increased marginally by 0.1% in real terms. Meanwhile, *government consumption expenditure* increased by 1.9% in real terms in the third quarter over a year earlier, after rising by 2.5% in the preceding quarter. On a seasonally adjusted quarter-to-quarter basis, government consumption expenditure edged up by 0.1% in real terms.

6. Overall investment expenditure in terms of *gross domestic fixed capital formation* saw an accelerated increase of 4.3% year-on-year in real terms in the third quarter, further to a 1.9% increase in the preceding quarter. Expenditure on acquisitions of machinery, equipment and intellectual property products rose visibly, with private sector spending showing particularly strong growth. Costs of ownership transfer surged against a low base in the same period last year. Expenditure on building and construction fell at a moderated pace.

The labour sector

7. The labour market softened in the third quarter of 2025. The seasonally adjusted *unemployment rate* rose to 3.9% in the third quarter from 3.5% in the preceding quarter. The *underemployment rate* also increased from 1.4% to 1.6%. The median monthly employment earnings of full-time employees continued to increase, by 3.3% in nominal terms or 2.2% in real terms in the third quarter over a year earlier.

The asset markets

8. The *local stock market* exhibited a strong uptrend in the third quarter of 2025. Market sentiment improved amid a thriving technology sector, rising expectations on further US rate cuts following the one in September, as well as some easing of global trade tensions following trade agreements reached between the US and many economies. The Hang Seng Index (HSI) rallied to a four-year high in mid-September and closed the quarter at 26 856, up 11.6% from end-June. Entering the fourth quarter, trading activities in the local stock market has stayed vibrant, and the HSI closed at levels similar to that at end-September in recent days.

9. The *residential property market* stabilised further in the third quarter. Market sentiment in general turned more positive amid the start of interest rate cuts in the US and strong local financial market performance during the quarter. Overall flat prices showed a more visible pick-up of 2% during the third quarter. The index of home purchase affordability edged up in the third quarter amid the further stabilisation in recent flat prices but was similar to the long-term average. The number of transactions, in terms of the total number of sale and purchase agreements for residential property received by the Land Registry, stayed high at 16 700 in the third quarter, little changed from the preceding quarter but 63% higher than the low level a year earlier. Overall flat rentals remained solid, rising by 2% during the

quarter, boosted further by a seasonal surge in rental demand during the summer. The *non-residential property market* remained weak in the third quarter. Prices and rentals of all major market segments softened further, while trading activities showed mixed performance.

Prices

10. Consumer price inflation stayed modest in the third quarter of 2025. The *underlying Composite CPI* increased by 1.0% in the third quarter over a year earlier, following the 1.1% increase in the preceding quarter. Major components generally saw modest to moderate year-on-year changes, as domestic and external price pressures were broadly in check. The nascent recovery of the local consumption market also kept suppliers prudent in raising prices. Including the effects of the Government's one-off relief measures, the *headline Composite CPI* increased by 1.1% in the third quarter over a year earlier.

Latest GDP and price forecasts for 2025

11. Looking ahead, the Hong Kong economy should see further solid growth for the rest of 2025. Sustained moderate growth of the global economy in the near term, coupled with easing China-US trade tensions of late and persistent demand for electronic-related products should lend support to Hong Kong's exports of goods. Continued increases in inbound tourism and vibrant financial market activities should provide further impetus to exports of services. Domestically, the renewed US interest rate cuts since September are conducive to asset market sentiment. Together with the gradual recovery in consumption confidence and steadfast improvement in business sentiment, these developments should help bolster consumption and investment activities. The Government's various measures to develop the economy and diversify markets will also provide support. Nevertheless, external uncertainties arising from the lingering impacts of trade barriers, the pace of US interest rate cuts, and the potential moderation in goods export growth due to fluctuations in external demand warrant close monitoring.

12. Taking into account the actual outturn of 3.3% in the first three quarters of the year and the near-term outlook, the real GDP growth forecast for 2025 as a whole is revised up to 3.2%, from 2%-3% in the August round of review (*Table 2*). The Government will continue to closely monitor the situation.

13. On the inflation outlook, overall inflation should stay modest in the near term, as domestic cost pressures remain contained and external price pressures are subdued. Taking also into account the actual inflation in the first three quarters of the year, the forecasts for the underlying and headline consumer price inflation rates for 2025 are revised down to 1.2% and 1.5% respectively, from 1.5% and 1.8% in the August round of review (*Table 2*).

(The Third Quarter Economic Report 2025 is now available for online download, free of charge at www.hkeconomy.gov.hk/en/situation/index.htm. The Report of the Gross Domestic Product by Expenditure Component, which contains the GDP figures up to the third quarter of 2025, is also available for browse and download, free of charge on the homepage of the Census and Statistics Department, www.censtatd.gov.hk.)

Hong Kong's Gross Domestic Product

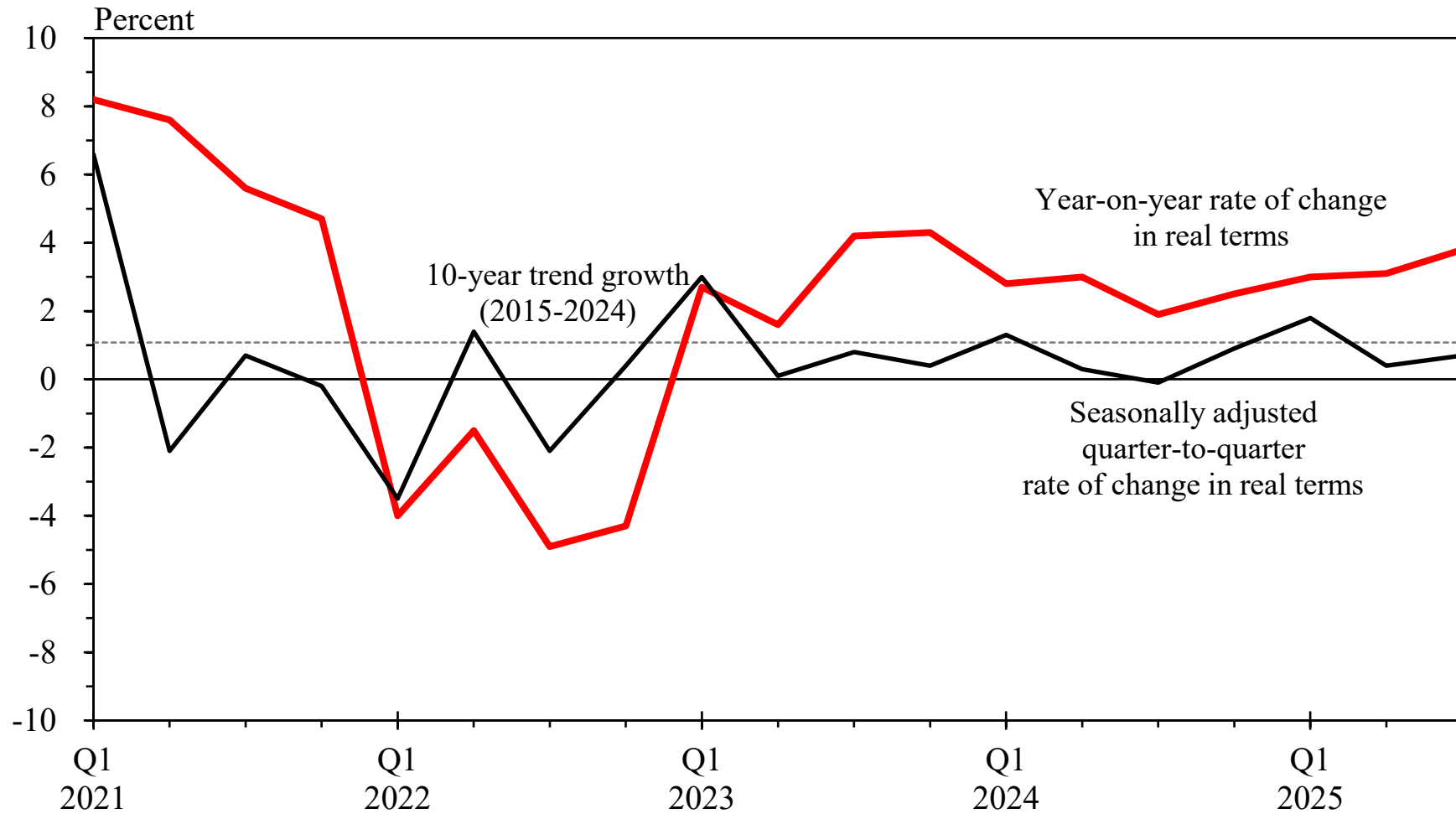


Table 1

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

	<u>2024[#]</u>	<u>Q1[#]</u>	<u>2024[#]</u> <u>Q2[#]</u>	<u>Q3[#]</u>	<u>Q4[#]</u>	<u>Q1[#]</u>	<u>2025[#]</u> <u>Q2[#]</u>	<u>Q3[#]</u>
<i>Change in real terms of GDP and its main expenditure components (%)</i>								
Private consumption	-0.7	0.9	-1.9	-1.3	-0.2	-1.2	1.9	2.1
Expenditure		(-0.7)	(0.4)	(-0.2)	(0.3)	(-1.7)	(3.4)	(0.1)
Government consumption	0.9	-1.6	1.7	1.6	2.1	0.9	2.5	1.9
expenditure		(1.1)	(-0.6)	(0.6)	(0.8)	(0.2)	(0.9)	(0.1)
Gross domestic fixed	1.9	-0.9	3.1	5.8	-0.7	1.1	1.9	4.3
capital formation								
Building and construction	3.6	9.7	10.2	-0.4	-4.8	-5.5	-11.5	-8.7
Costs of ownership transfer	11.7	-35.7	31.5	6.8	75.0	41.0	-8.3	78.4
Machinery, equipment and	-2.5	-12.9	-15.3	14.8	-1.9	11.1	40.4	14.6
intellectual property products								
Total exports of goods ^{&}	4.7	6.7	7.4	3.9	1.3	8.4	11.5	12.1
		(2.9)	(*)	(-2.1)	(0.3)	(10.3)	(2.9)	(-1.3)
Imports of goods ^{&}	2.4	3.3	3.4	2.8	0.4	7.2	12.6	11.7
		(0.7)	(-0.5)	(0.5)	(-0.5)	(7.6)	(4.6)	(-0.2)
Exports of services ^{&}	5.1	9.9	1.0	2.8	6.5	6.3	8.6	6.3
		(0.1)	(-1.8)	(3.5)	(4.7)	(-0.3)	(0.5)	(1.3)
Imports of services ^{&}	11.6	18.2	11.7	9.0	8.3	4.7	7.3	2.6
		(3.8)	(0.5)	(1.3)	(2.6)	(*)	(3.2)	(-2.9)
Gross Domestic Product	2.5	2.8	3.0	1.9	2.5	3.0	3.1	3.8
		(1.3)	(0.3)	(-0.1)	(0.9)	(1.8)	(0.4)	(0.7)
<i>Change in the main price indicators (%)</i>								
GDP deflator	3.8	3.8	4.5	4.3	2.8	1.3	0.7	1.0
		(0.7)	(1.2)	(1.0)	(-0.2)	(-0.7)	(0.6)	(1.2)
Composite CPI								
Headline	1.7	1.9	1.2	2.4	1.4	1.6	1.8	1.1
		(*)	(-0.4)	(1.5)	(0.3)	(0.2)	(-0.2)	(0.8)
Underlying[^]	1.1	1.0	1.0	1.1	1.2	1.2	1.1	1.0
		(*)	(0.4)	(0.4)	(0.5)	(*)	(0.2)	(0.4)
<i>Change in nominal GDP (%)</i>	6.4	6.7	7.6	6.3	5.3	4.4	3.9	4.8

Notes : Figures are subject to revision later on as more data become available. The seasonally adjusted quarter-to-quarter rate of change is not applicable to gross domestic fixed capital formation, as no clear seasonal pattern is found for this category due to the presence of considerable short-term fluctuations.

(&) Figures are compiled based on the change of ownership principle in recording goods sent abroad for processing and merchanting under the standards stipulated in the *System of National Accounts 2008*.

(#) Revised figures.

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

(^) After netting out the effects of the Government's one-off relief measures.

(*) Change within $\pm 0.05\%$.

Table 2**Economic forecasts for 2025
(rate of change (%))**

	Forecasts as released on 15.8.2025 (%)	Latest forecasts on 14.11.2025 (%)
Real Gross Domestic Product (GDP)	2 to 3	3.2
Composite Consumer Price Index (CCPI)		
<i>Underlying CCPI</i>	<i>1.5</i>	<i>1.2</i>
<i>Headline CCPI</i>	<i>1.8</i>	<i>1.5</i>