

Medium-term outlook for the Hong Kong economy

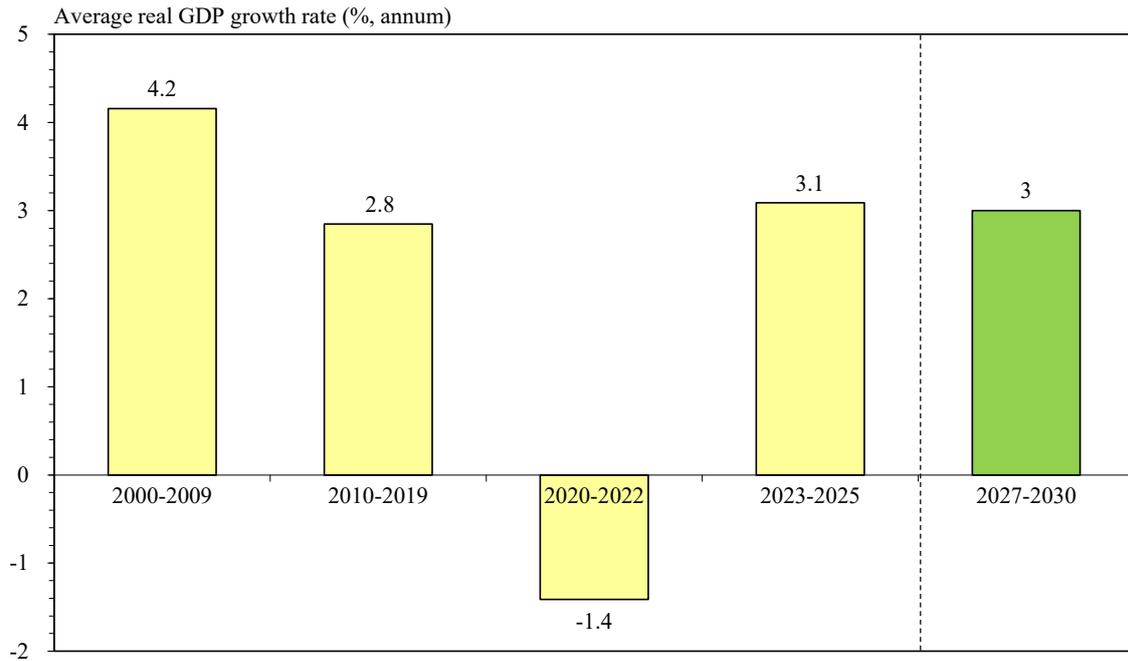
2.18 The medium-term outlook for the Hong Kong economy remains positive. Asia, especially the Chinese Mainland, will remain a key engine of global economic growth. In the international arena, the global trends in supply chains reconfiguration, the push for digital transformation and sustainability will provide substantial opportunities for different segments of the Hong Kong economy.

2.19 In the Chinese Mainland, according to the recommendations for the 15th Five-Year Plan (2026-2030) released in October 2025, the Chinese Mainland's per capita GDP is targeted to be on a par with that of a mid-level developed country by 2035. The document outlined priorities on high-quality and innovation-driven growth, industrial upgrading, green transition, and boosting domestic demand in navigating global challenges. As for promoting the long-term prosperity and stability of Hong Kong, the document, amongst others, mentioned consolidating and enhancing its status as an international financial, shipping, and trade centre, supporting it in developing into an international innovation and technology centre, and support it in building itself into an international hub for high-calibre talent. These priorities set strategic directions for the Hong Kong economy and strengthen our role and functions in better integrating into and contributing to the country's overall development, which will be key impetus for future economic growth. In an evolving international environment, Hong Kong's unique roles as a "super connector" and a "super value-adder" between the Chinese Mainland and the world have become even more prominent. It will continue to draw on its distinctive institutional strengths under the "One Country, Two Systems", and serve as a gateway for attracting capital, enterprises and talent and a strategic platform for Chinese Mainland enterprises to "go global". It will proactively align with the national 15th Five-Year Plan and seize the opportunities arising from the country's development.

2.20 Locally, the acceleration in the development of the Northern Metropolis, rising presence of companies from various strategic industries, as well as strong talent inflow will empower different segments of the economy and support Hong Kong's sustainable and high-quality economic development.

2.21 Considering the above factors, the Hong Kong economy is expected to grow by 3% per annum in real terms from 2027 to 2030, broadly similar to the average annual growth of 3.1% in 2023-25, the post COVID-19 recovery years. The trend rate of underlying Composite CPI inflation in Hong Kong from 2027 to 2030 is forecast at 2% per annum.

Diagram 2.9 : Medium-term trend growth forecast at 3% per annum



Note : The Hong Kong economy recorded a trend contraction for 2020-2022 as the economy was hit by the COVID-19 pandemic.