

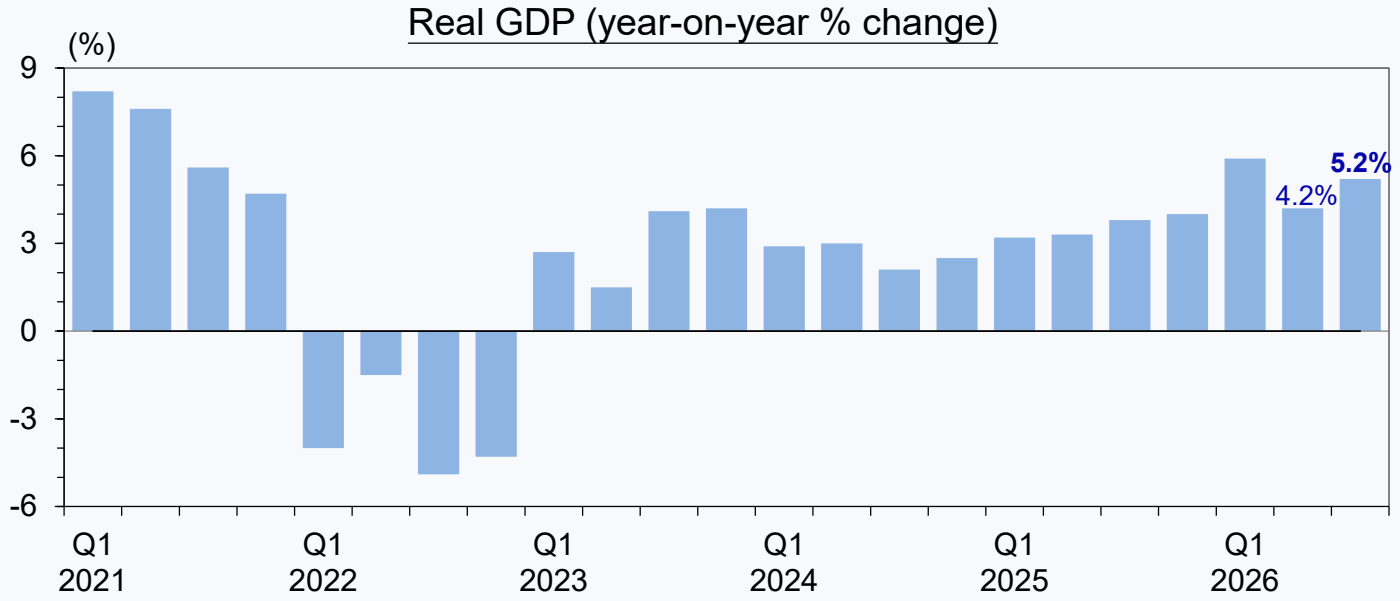
Hong Kong SAR Government

Economic Performance in Third Quarter of 2026 & Latest Economic Forecasts for 2026

13 November 2026

Hong Kong's economic growth accelerated in Q3, sustaining a strong expansion

- The Hong Kong economy grew strongly by 5.2% year-on-year in Q3 2026, and rose visibly by 1.9% on a quarter-to-quarter comparison
- For the first three quarters of 2026 combined, the economy grew by 5.1%, the fastest pace in five years for the corresponding period



All three drivers of the economy contributed to broad-based economic growth

- Exports of goods accelerated further, growing by more than 20% in each quarter so far this year and recording double-digit growth for six consecutive quarters
- Private investment remained strong, registering double-digit growth for four consecutive quarters
- Private consumption grew steadily, rising for six consecutive quarters

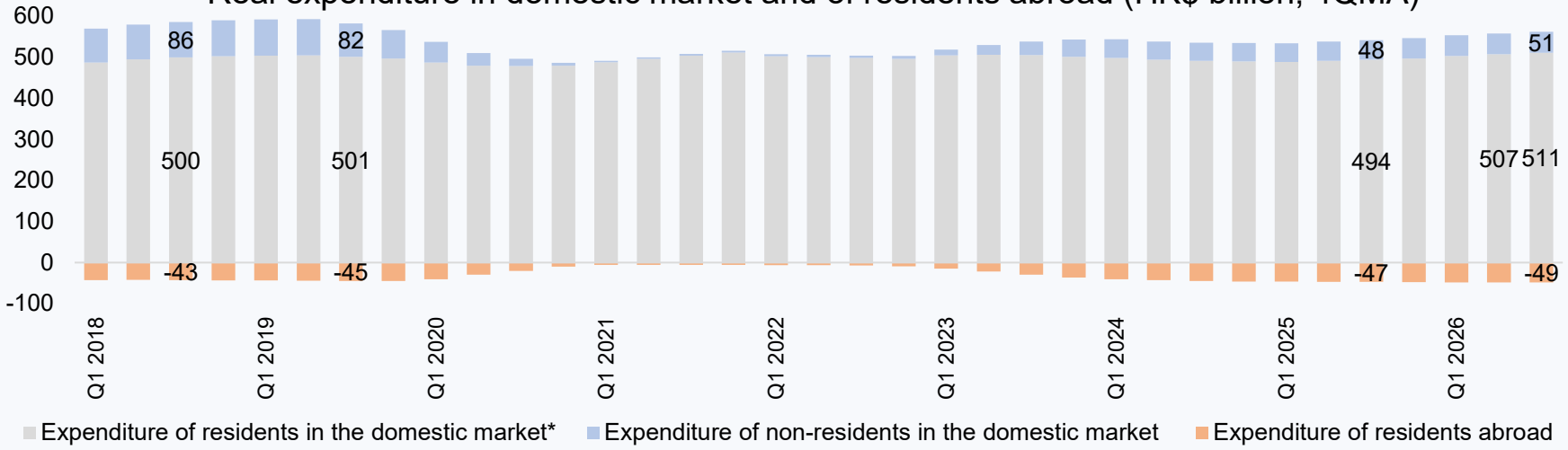
Year-on-year rate of change in real terms (%)	2024				2025				2026		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
GDP	**2.9**	**3.0**	**2.1**	**2.5**	**3.2**	**3.3**	**3.8**	**4.0**	**5.9**	**4.2**	**5.2**
Exports											
Exports of goods	7.3	8.0	4.6	1.9	8.7	11.4	12.0	15.4	23.8	28.9	30.3
Exports of services	9.3	0.2	1.6	5.2	6.0	8.0	6.4	4.7	3.3	3.2	4.3
Domestic demand											
Private consumption	1.4	-1.5	-0.7	0.2	-0.7	2.4	2.4	2.5	4.9	2.9	2.9
Government consumption	-1.4	1.4	1.4	1.9	0.4	2.5	1.9	1.5	2.8	*	1.7
Private sector investment	-2.7	-8.5	0.9	-1.0	-0.3	7.4	8.1	14.6	10.0	18.6	11.6
Public sector investment	2.2	26.7	19.1	-1.0	1.3	-7.0	-1.6	5.8	28.9	-23.4	-1.8

Note: (*) Change within ± 0.05%.

Domestic consumption market has picked up gradually in recent years, with the recovery driven mainly by residents' spending

- Expenditure of residents in the domestic market, which accounts for over 90% of total consumption expenditure in the domestic market, surpassed its pre-pandemic level
- Expenditure of non-residents in Hong Kong remained notably below its pre-pandemic average
- Expenditure of residents abroad was slightly above its pre-pandemic average

Real expenditure in domestic market and of residents abroad (HK$ billion, 4QMA)



Notes: Above figures are expressed in chained 2024 dollars.
(*) Expenditure of residents in the domestic market is estimated from deducting expenditure of non-residents in the domestic market from consumption expenditure in the domestic market.

Non-residents' consumption spending in Hong Kong recorded steady growth, alongside continued increase in inbound visitors

- Residents' expenditure in the domestic market increased by around 5% from an average of ~HK$474 billion per quarter in 2015–2019 to ~HK$497 billion in 2024–Q3 2026. Residents' expenditure abroad rose from an average of ~HK$42 billion per quarter to ~HK$47 billion
- Non-residents' spending in Hong Kong remained notably below the pre-pandemic level. Nevertheless, supported by continued growth in visitor arrivals, such expenditure recorded solid growth, rising by 5.8% in the first three quarters of 2026
- In the first half of 2026, Hong Kong hosted over 130 mega events, attracting ~1.75 million visitors, generating ~HK$5.8 billion in spending and contributing ~HK$3.3 billion in value added to the economy. Preliminary figures showed that visitor arrivals rose by 11.8% year-on-year to ~5.13 million in October

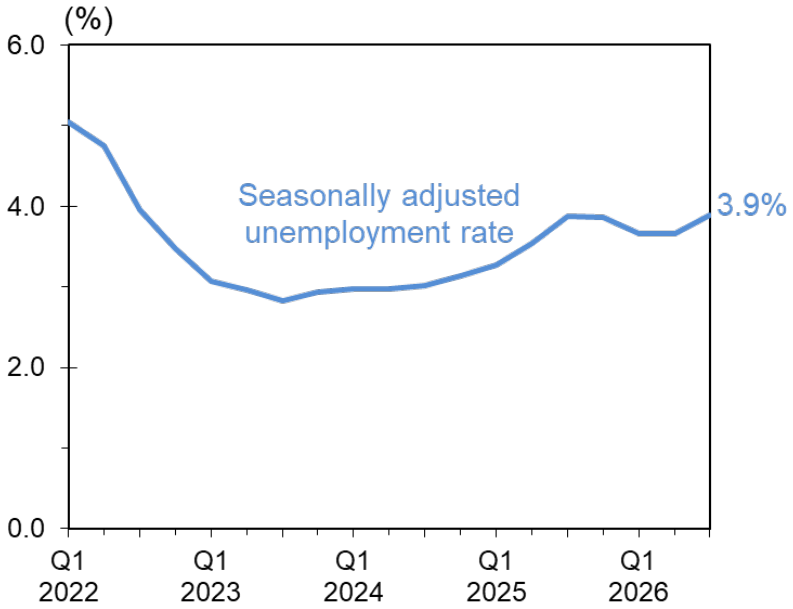
Consumption in real terms (HK$ billion)	2015 – 2019 quarterly average	2024 – Q3 2026 quarterly average	Increase / decrease
Expenditure of non-residents in the domestic market (a)	80	48	-33
Expenditure of residents in the domestic market* (b)	474	497	+23
Expenditure of residents abroad (c)	42	47	+6
Consumption expenditure in the domestic market (a+b)	**555**	**545**	**-10**

Notes: Above figures are expressed in chained 2024 dollars.
(*) Expenditure of residents in the domestic market is estimated from deducting expenditure of non-residents in the domestic market from consumption expenditure in the domestic market. Individual figures may not add up exactly to the total due to rounding.

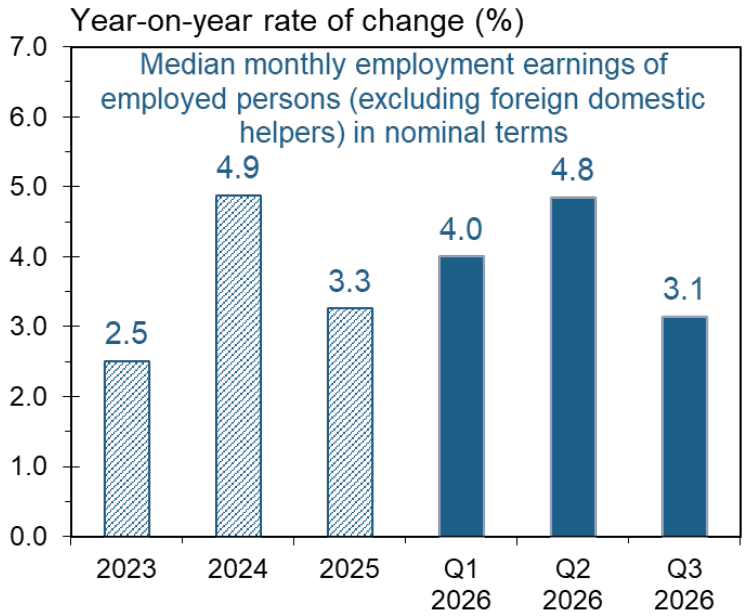
The labour market stayed broadly stable; employment earnings continued to grow

- As the labour force grew faster than total employment amid the entry of graduates and school leavers, the seasonally adjusted unemployment rate edged up to 3.9% in Q3
- The median monthly employment earnings of employed persons (excluding foreign domestic helpers) increased by 3.1% year-on-year in nominal terms in Q3

Seasonally adjusted unemployment rate edged up

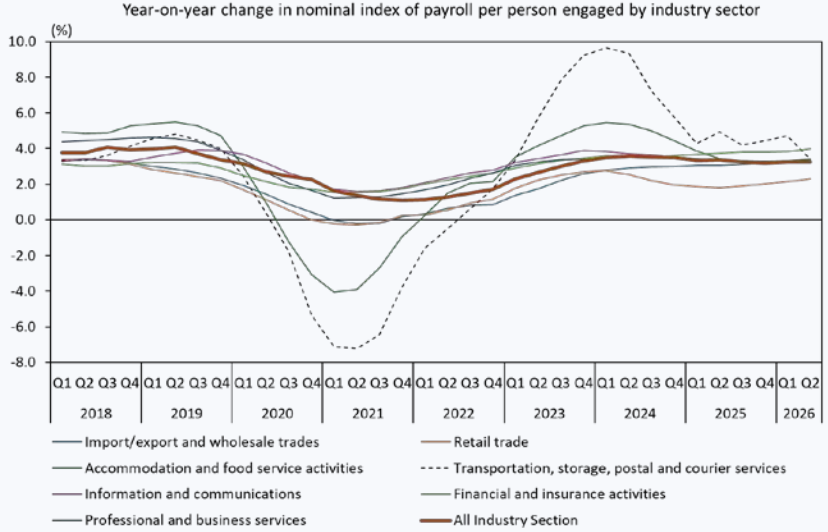


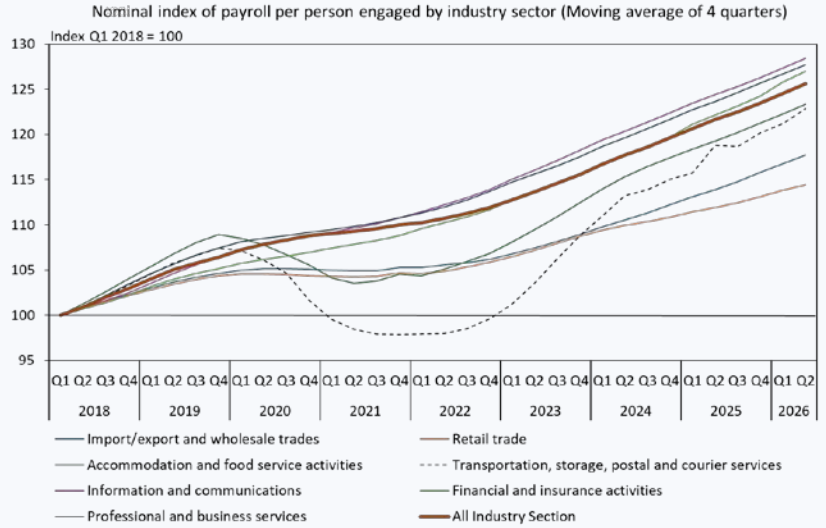
Employment earnings continue to rise steadily



Labour earnings in Q2 2026 was higher than in 2018 by over 20%

- All industries have benefitted from the economic recovery, with overall payroll per person engaged continuing to record steady year-on-year growth over the past few years. The latest payroll growth converged to a range of 3% to 4%
- In terms of cumulative changes, indices of payroll per person engaged in the information and communications, professional and business services, and financial and insurance sectors continued to rise steadily. Labour earnings in the transport sector experienced the largest fluctuations, followed by a strong rebound. In comparison, the import/export and wholesale trade and retail sectors saw slower growth in labour earnings, with cumulative gains remaining below the overall average





Industries face different challenges amid economic and technological transformation

- A higher degree of digitalisation is not necessarily associated with a higher unemployment rate
- AI's potential impacts include productivity gains and changes in job responsibilities. Therefore, the degree of exposure to AI does not necessarily translate into the extent of job losses
- Many jobs will undergo transformation and the key is to provide timely upskilling and reskilling training

	Current				Future
	Employment In Q3 2026	Share of total employment	Unemployment rate in Q3 2026	Digital intensity	Potential AI exposure
Construction	324 700	8.9%	5.9%	*	*
Import/export trade and wholesale and transportation related services	567 400	15.5%	3.3%		
Within which: Import and export trade	*274 100*	*7.5%*	*3.1%*	***	****
Transportation, storage, postal and courier services	*281 000*	*7.7%*	*3.5%*	*	**
Tourism- and consumption-related industries	484 200	13.2%	5.6%		
Within which: Retail	*224 100*	*6.1%*	*4.8%*	***	**
Accommodation and food services	*260 000*	*7.1%*	*6.2%*	*	*
Information and communications	127 100	3.5%	4.6%	****	**
Financing and insurance	271 200	7.4%	2.9%	****	***
Professional and business services (excl. cleaning and similar activities)	358 700	9.8%	3.9%	****	**
All industries	**3 655 000**	**100%**	**3.9%** (seasonally adjusted)	**---**	**---**

Digital intensity and potential AI are displayed in **asterisk.** **** denotes the highest level, whereas * represents the lowest. With reference to the OECD working paper "A taxonomy of digital intensive sectors" (2018), LWB's Report on Mid-term Update of Manpower Projection (2026), and OGE internal analysis.

SMEs are a vital pillar of Hong Kong's economy and employment; healthy industry development benefits a large number of businesses and employees

- SMEs account for 98% of all private sector enterprises in Hong Kong and provide 43% of total employment
- Among these, there are over 90 000 SMEs in the import/export trade and wholesale and transport-related services sectors, representing over 20% of all SMEs and employing over 360 000 people. There are over 60 000 SMEs in tourism- and consumption-related industries, accounting for nearly 20% of all SMEs and employing close to 240 000 people

	Q2 2026 Number of SMEs	Share to total SME	Share to total private sector enterprises	Q2 2026 Persons engaged in SMEs	Share to total persons engaged in SMEs	Share to total persons engaged in private sector enterprises
Import/export trade and wholesale and transport-related services	92 307	26%	99%	366 445	32%	66%
Import/export trade and wholesale	*83 759*	*23%*	*99%*	*317 465*	*27%*	*82%*
Transport, storage, postal and courier services	*8 548*	*2%*	*97%*	*48 980*	*4%*	*30%*
Tourism- and consumption-related industries	63 832	18%	98%	239 065	21%	49%
Retail	*47 907*	*13%*	*99%*	*126 566*	*11%*	*56%*
Accommodation and food services	*15 925*	*4%*	*96%*	*112 499*	*10%*	*44%*
Financing and insurance	36 790	10%	99%	63 770	5%	27%
Professional and business services	62 880	18%	99%	171 559	15%	44%
All industry sections covered*	**357 965**	**100%**	**98%**	**1 160 062**	**100%**	**43%**

Note: (*) Excludes agriculture, forestry and fishing, construction (other than construction sites) and public services.
Due to rounding, individual figures may not add up to the total.

A multi-pronged approach to address employment challenges and provide appropriate support for young people and people across different ages

- In Q3, the unemployment rate among young people aged 15–24 rose to 14.6%, significantly higher than that of other age groups
- The HKSAR Government is adopting a multi-pronged strategy to provide employment support for young people and those in other age groups

Age group	Q3 2026	
	Unemployed person	Unemployment rate
15 – 24	22 400	14.6%
25 – 29	21 900	6.8%
30 – 39	31 500	3.4%
40 – 49	28 200	2.8%
50 – 59	33 100	3.8%
60 and above	18 000	3.3%

Supporting Measures

Youth-specific	Employment Support: *Youth Employment Connect* *Youth Employment Start*	Employment Schemes: *30 000 Youth Employment and Internship Programme,* *Shanghai–Hong Kong and Greater Bay Area Youth Employment Schemes* *Youth Employment and Training Programme*
Support for elderly and middle-aged	Re-employment Allowance Pilot Scheme	Employment Programme for the Elderly and Middle-aged

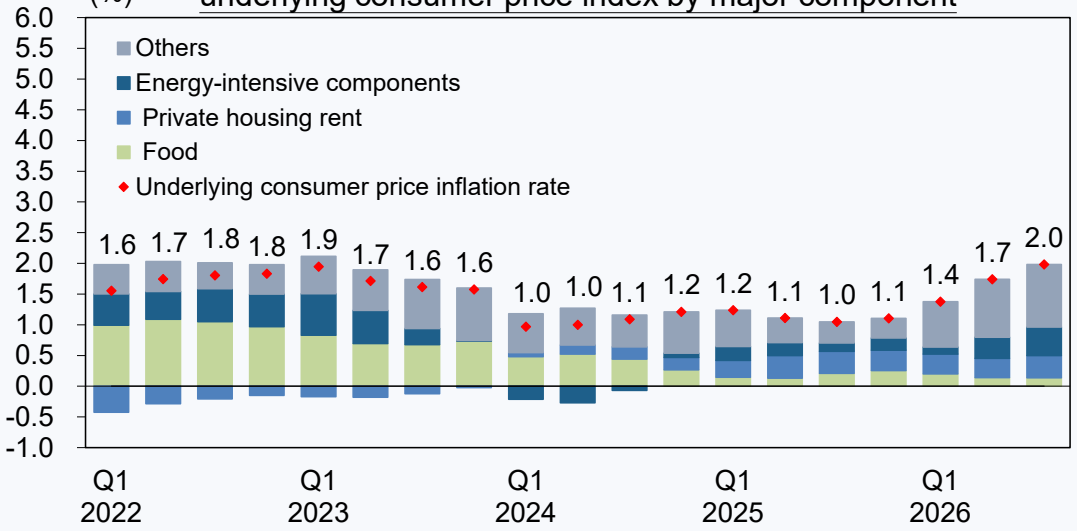
Employees Retraining Board offers a diverse range of training courses and will be upgraded to Upskill Hong Kong in 2027

Labour Department provides a range of employment support, including free job referrals and career guidance at its job centres, as well as regular thematic recruitment days and large-scale job fairs

Underlying consumer price inflation edged up further in Q3, but remained moderate overall

- The underlying consumer price inflation edged up further in Q3, mainly driven by a pick-up in fuel-related components as international oil prices stayed high. Nevertheless, overall inflation remained moderate, as price pressures on other components were generally modest
- The year-on-year increase in the underlying Composite CPI, which nets out the effects of the Government's one-off relief measures, edged up from 1.7% in Q2 to 2.0% in Q3

Contribution to the year-on-year rate of change in the underlying consumer price index by major component



Note: Energy-intensive items include electricity, towngas, liquefied petroleum gas and other fuel, and fuels for personal transport equipment, public transport fares, inbound and outbound transport fares, and other local transport fees.

Highlights

Economic performance

- The Hong Kong economy grew by 5.2% year-on-year in Q3; for the first three quarters combined, the economy grew by 5.1%, the fastest pace in five years for the corresponding period
- The three drivers of the economy - exports, investment and consumption - all contributed to growth: exports was strong, investment growth accelerated, and consumption grew steadily
- Underlying consumer price inflation edged up in Q3, averaging 1.7% in the first three quarters, and remained moderate overall

Economic outlook

- Hong Kong's economic outlook remains positive, with strong performance expected for the year as a whole
- Robust global demand for AI-related electronic products should continue to support merchandise export performance
- Domestic demand is expected to remain resilient, supported by rising labour earnings, solid consumption sentiment and continued private sector investment
- Nevertheless, external uncertainties persist, with risks to the growth outlook still tilted to the downside
- Elevated international oil prices will continue to feed through to fuel-related items. Yet, as price pressures on other fronts are expected to remain largely contained, overall inflation should stay moderate

Latest economic forecasts for 2026 as a whole

- Taking into account the stronger-than-expected economic growth in the first three quarters and with expectation of further solid growth in Q4, the real GDP growth forecast for 2026 is revised up to 4.8%
- Consumer price inflation has so far been lower than expected, reflecting the slower-than-anticipated pass-through of higher international oil prices to fuel-related components, in which the alleviation effect from the Government's relevant measures including the fuel subsidies earlier also played a part. The forecast for underlying consumer price inflation rate for 2026 is revised down to 1.9%

	Forecasts as released on 14 August	Latest forecasts
Real GDP growth	**3.5%-4.5%**	**4.8%**
Underlying inflation	**2.5%**	**1.9%**


Thank you!