Third Quarter Economic Report 2025

Government of the Hong Kong Special Administrative Region

THIRD QUARTER ECONOMIC REPORT 2025

OFFICE OF THE GOVERNMENT ECONOMIST
FINANCIAL SECRETARY'S OFFICE
GOVERNMENT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION

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Summary

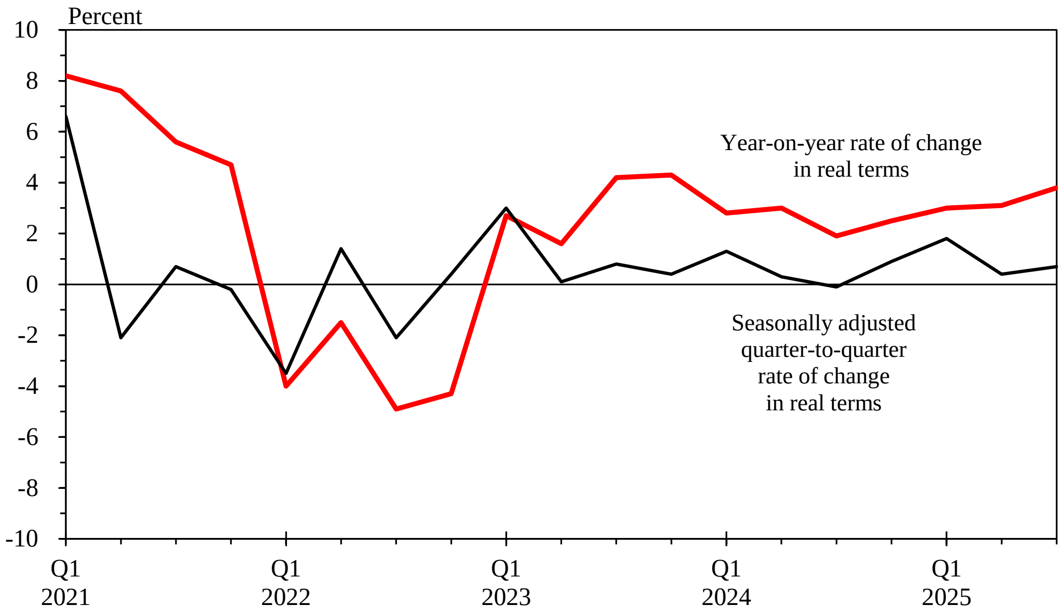
- *The Hong Kong economy staged a robust performance in the third quarter of 2025, driven by a continued surge in exports and sustained expansion in domestic demand. Real Gross Domestic Product (GDP)[(1)] grew visibly by 3.8% over a year earlier, picking up from the preceding quarter. On a seasonally adjusted quarter-to-quarter comparison[(2)], real GDP rose further by 0.7%.*
- *Hong Kong's total exports of goods continued to grow markedly 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, 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, reflecting the continued recovery of the local consumption market. Overall investment expenditure saw an accelerated increase 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.*
- *The local stock market exhibited a strong uptrend in the third quarter amid positive market sentiments on the back of a thriving technology sector, rising expectations on further rate cuts in the United States (US) following the one in September, as well as some easing of trade tensions. 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. The residential property market stabilised further in the third quarter. Flat prices showed a more visible pick-up and rentals remained solid.*
- *Underlying consumer price inflation stayed modest in the third quarter. Price pressures on major components were broadly in check.*

Overall situation

1.1 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. Total exports of goods continued to grow markedly, propelled by strong demand for electronic-related products and buoyant regional trade flows in Asia. Exports of services also expanded notably, mainly supported by sustained increases in inbound tourism and cross-boundary traffic, as well as vibrant cross-boundary financial service activities. Private consumption expenditure picked up slightly in growth, reflecting the continued recovery of the local consumption market. Overall investment expenditure saw an accelerated increase alongside the economic expansion and stabilisation in the residential property market.

1.2 Real GDP grew visibly by 3.8% year-on-year in the third quarter (same as the advance estimate), picking up from the growth of 3.1% in the preceding quarter. On a seasonally adjusted quarter-to-quarter comparison, real GDP rose by 0.7% (same as the advance estimate), further to the 0.4% increase in the preceding quarter.

Diagram 1.1 : The Hong Kong economy staged a robust performance in the third quarter of 2025



The external sector

1.3 *Total exports of goods* based on the GDP compilation framework 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.

1.4 *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.

Table 1.1 : Gross Domestic Product, its main expenditure components and the main price indicators (year-on-year rate of change (%))

	2024#	2024 Q1#	2024 Q2#	2024 Q3#	2024 Q4#	2025 Q1#	2025 Q2#	2025 Q3#
Change in real terms of GDP and its main expenditure components (%)								
Private consumption Expenditure	-0.7	0.9 (-0.7)	-1.9 (0.4)	-1.3 (-0.2)	-0.2 (0.3)	-1.2 (-1.7)	1.9 (3.4)	2.1 (0.1)
Government consumption expenditure	0.9	-1.6 (1.1)	1.7 (-0.6)	1.6 (0.6)	2.1 (0.8)	0.9 (0.2)	2.5 (0.9)	1.9 (0.1)
Gross domestic fixed capital formation	1.9	-0.9	3.1	5.8	-0.7	1.1	1.9	4.3
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 intellectual property products	-2.5	-12.9	-15.3	14.8	-1.9	11.1	40.4	14.6
Total exports of goods&	4.7	6.7 (2.9)	7.4 (*)	3.9 (-2.1)	1.3 (0.3)	8.4 (10.3)	11.5 (2.9)	12.1 (-1.3)
Imports of goods&	2.4	3.3 (0.7)	3.4 (-0.5)	2.8 (0.5)	0.4 (-0.5)	7.2 (7.6)	12.6 (4.6)	11.7 (-0.2)
Exports of services&	5.1	9.9 (0.1)	1.0 (-1.8)	2.8 (3.5)	6.5 (4.7)	6.3 (-0.3)	8.6 (0.5)	6.3 (1.3)
Imports of services&	11.6	18.2 (3.8)	11.7 (0.5)	9.0 (1.3)	8.3 (2.6)	4.7 (*)	7.3 (3.2)	2.6 (-2.9)
Gross Domestic Product	**2.5**	**2.8 (1.3)**	**3.0 (0.3)**	**1.9 (-0.1)**	**2.5 (0.9)**	**3.0 (1.8)**	**3.1 (0.4)**	**3.8 (0.7)**
Change in the main price indicators (%)								
GDP deflator	**3.8**	**3.8 (0.7)**	**4.5 (1.2)**	**4.3 (1.0)**	**2.8 (-0.2)**	**1.3 (-0.7)**	**0.7 (0.6)**	**1.0 (1.2)**
Composite CPI								
Headline	**1.7**	**1.9 (*)**	**1.2 (-0.4)**	**2.4 (1.5)**	**1.4 (0.3)**	**1.6 (0.2)**	**1.8 (-0.2)**	**1.1 (0.8)**
Underlying^	**1.1**	**1.0 (*)**	**1.0 (0.4)**	**1.1 (0.4)**	**1.2 (0.5)**	**1.2 (*)**	**1.1 (0.2)**	**1.0 (0.4)**
Change in **nominal GDP** *(%)*	**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(2).

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

(*) Change within ± 0.05%.

The domestic sector

1.5 *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.

Table 1.2 : Consumer spending by major component[(a)]
(year-on-year rate of change in real terms (%))

			Of which :						
		Total consumer spending in the domestic market[(a)]	Food	Durables	Non-durables	Services	Residents' expenditure abroad	Visitor spending	Private consumption expenditure[(b)]
2024	Annual	-2.0	-3.3	-14.3	-10.3	2.2	27.1	7.2	-0.7
	Q1	0.2	-4.2	-11.8	1.8	2.0	58.9	41.3	0.9
	Q2	-4.2	-6.1	-15.4	-17.5	1.5	23.7	-8.5	-1.9
	Q3	-2.9	-1.7	-17.1	-14.5	1.9	17.6	-3.1	-1.3
	Q4	-1.0	-0.8	-13.6	-9.5	3.5	17.2	5.9	-0.2
2025	Q1	-0.8	-0.3	-16.6	-8.1	2.9	1.8	4.9	-1.2
	Q2	2.4	0.6	-6.2	3.1	3.3	6.9	14.6	1.9
	Q3	2.8	-1.1	10.7	3.4	2.6	0.6	9.4	2.1

Notes : (a) Consumer spending in the domestic market comprises both local consumer and visitor spending.

(b) Private consumption expenditure is obtained by deducting visitor spending from total consumer spending in the domestic market, and adding back residents' expenditure abroad.

Diagram 1.2 : Private consumption expenditure picked up slightly in growth

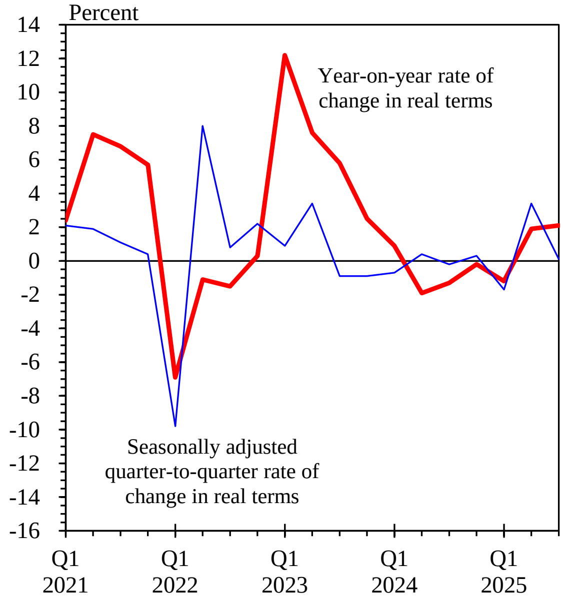
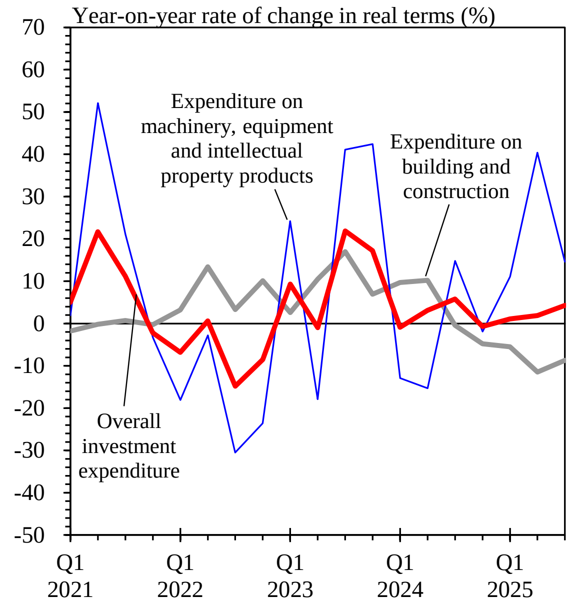


Diagram 1.3 : Overall investment expenditure saw an accelerated increase



1.6 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 by 14.6%, with private sector spending showing particularly strong growth. Costs of ownership transfer surged by 78.4% against a low base in the same period last year. Expenditure on building and construction fell at a moderated pace of 8.7%. Meanwhile, overall business sentiment improved visibly of late compared with earlier this year (See ***Box 1.1*** on business sentiment in Hong Kong).

Box 1.1

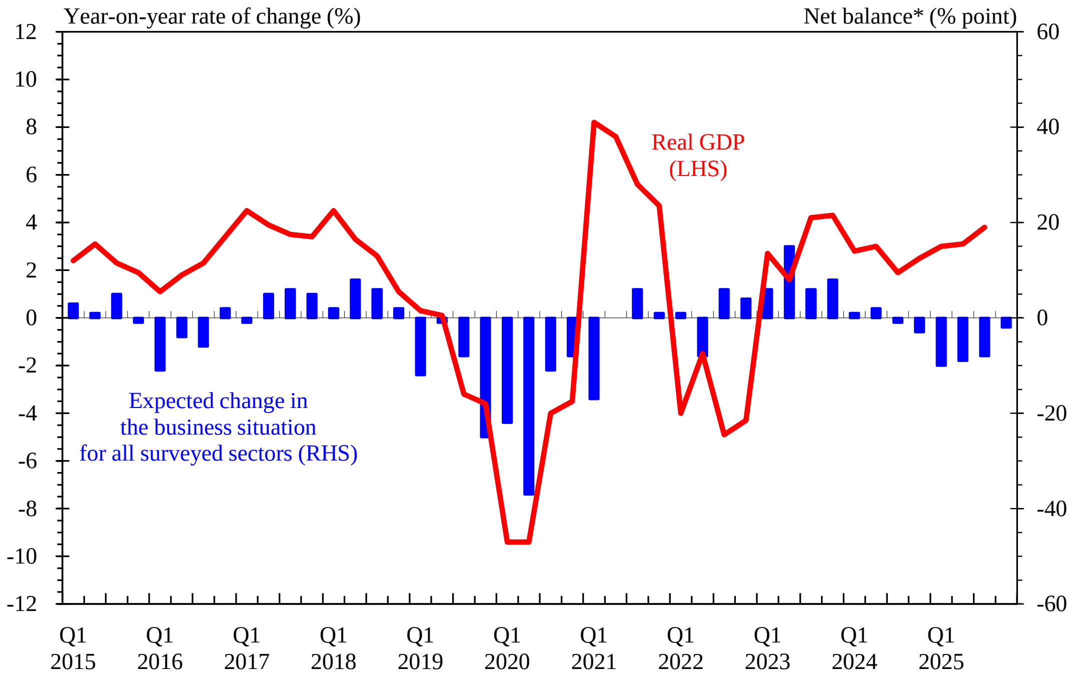
Business sentiment in Hong Kong

This box article gives a general overview of the prevailing business sentiment in Hong Kong, based on results from various surveys that are available in the public domain. Survey results indicate that overall business sentiment improved visibly lately, compared with earlier this year.

According to the results of the Census and Statistics Department (C&SD)'s Quarterly Business Tendency Survey (QBTS)[1] conducted during 2 September to 10 October, business sentiment among large enterprises in Hong Kong improved visibly for the fourth quarter of 2025 (***Chart 1***). While the proportion of large enterprises expecting their business situation to improve in the fourth quarter over the third quarter was smaller than the proportion of those expecting the situation to worsen by 2 percentage points (i.e. a net balance of -2), the net balance went up notably from those in the past three rounds, which ranged from -10 to -8.

Compared with the previous round, business sentiment of large enterprises for the fourth quarter of 2025 improved in a majority of economic sectors (***Table 1***). The net balances for "retail" and "accommodation and food services" sectors increased sharply to return to the positive zone, and those for "financing and insurance" and "real estate" sectors improved within the positive zone. Those for "professional and business services", "transportation, storage and courier services" and "import/export trade and wholesale" sectors also improved though still within the negative zone. Yet, the net balances for "manufacturing", "information and communications" and "construction" sectors fell within the negative zone. Meanwhile, large enterprises' appetite for hiring was largely steady on the whole (***Table 2***).

Chart 1 : Business sentiment among large enterprises improved visibly for the fourth quarter



Note : (*) Net balance indicates the direction of expected change in the business situation versus the 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.

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(1) The Quarterly Business Tendency Survey collected views from around 500-600 large establishments on their near-term business outlook. Respondents were asked to exclude seasonal influences in their responses.

Box 1.1 (Cont'd)

Table 1 : Business sentiment of large enterprises improved in a majority of economic sectors

QBTS: Expected changes in business situation						
	Net balance* (% point)					
	2024		2025			
	Q3	Q4	Q1	Q2	Q3	Q4
Manufacturing	-2	-19	-22	-20	-2	-15
Construction	-16	-12	-14	-16	-22	-24
Import/export trade and wholesale	-1	-8	-15	-19	-18	-11
Retail	-16	-19	-31	+4	-14	+14
Accommodation and food services	+6	-3	-36	-37	-16	+10
Transportation, storage and courier services	-2	-1	-27	-25	-31	-11
Information and communications	-3	-5	-11	-17	-9	-16
Financing and insurance	+7	+2	+10	+8	+11	+13
Real estate	0	+6	-15	-11	+3	+7
Professional and business services	-3	+3	-8	-6	-14	-9
All sectors above	-1	-3	-10	-9	-8	-2

Note : (*) Net balance indicates the direction of expected change in the business situation versus the 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.

Table 2 : Hiring sentiment of large enterprises was largely steady on the whole

QBTS: Expected changes in number of persons engaged						
	Net balance* (% point)					
	2024		2025			
	Q3	Q4	Q1	Q2	Q3	Q4
Manufacturing	+13	+3	+4	-2	+4	+15
Construction	+3	-7	-12	-12	-6	-9
Import/export trade and wholesale	0	+4	-4	+1	-6	0
Retail	+3	+2	0	+1	0	-12
Accommodation and food services	+4	-7	-5	-22	-7	+5
Transportation, storage and courier services	+9	+10	-2	+6	+9	+7
Information and communications	-8	-4	-7	-3	-13	-1
Financing and insurance	+7	+5	+9	+6	+4	+2
Real estate	+9	+9	-1	+15	+10	+11
Professional and business services	-3	-3	-5	-3	-6	-10
All sectors above	+3	+1	-3	-2	-2	-1

Note : (*) Net balance indicates the direction of expected change in the number of persons engaged versus the preceding quarter. It refers to the difference in percentage points between the proportion of establishments choosing "up" over that choosing "down". A positive sign indicates a likely upward trend while a negative sign, a likely downward trend.

As for small and medium-sized enterprises (SMEs), C&SD compiles a set of diffusion indices on a monthly basis(2) to gauge the general direction of change in their views on the business situation versus the preceding month. The overall index on the current situation increased successively from 42.1 in July to 44.8 in October, a 19-month high (***Chart 2a***). The employment sentiment among SMEs was stable over the same period, and credit conditions stayed accommodative. Meanwhile, the Standard Chartered Hong Kong SME Leading Business Index(3) bounced back in the fourth quarter to reach a year-high.

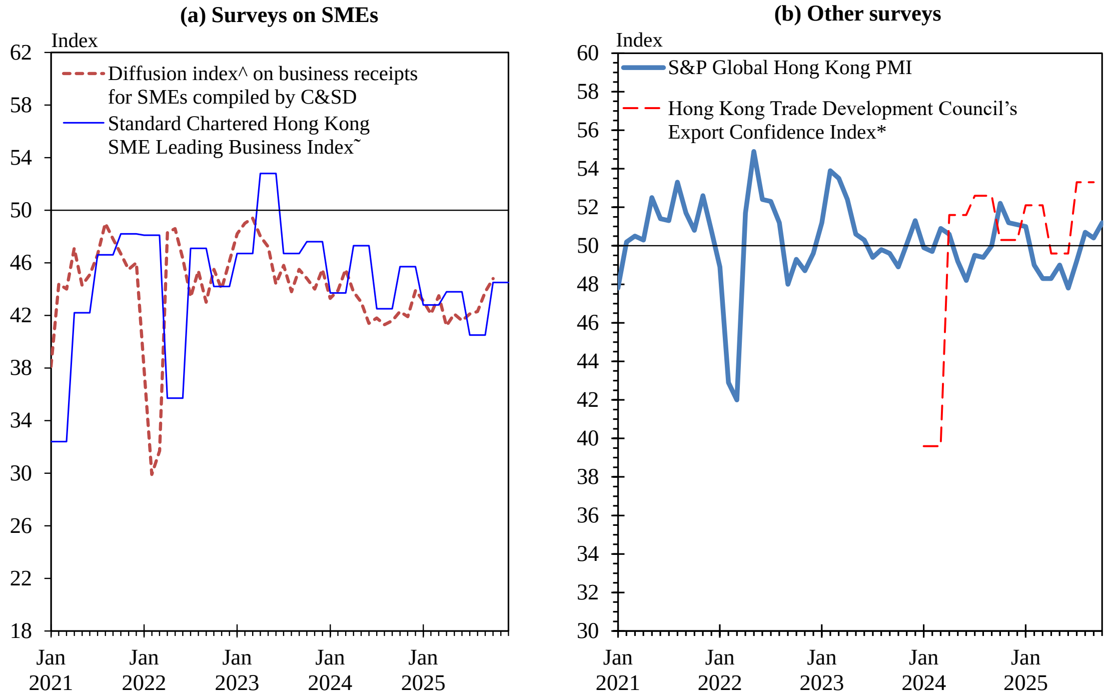
As for other surveys in the public domain, the S&P Global Purchasing Managers' Index (PMI) of Hong Kong(4), which gauges the performance of the private sector's business activity, rose back into the expansionary zone since August after hovering in the contractionary zone for 6 months, and reached a near 1-year high in October (***Chart 2b***). The Hong Kong Trade Development Council (HKTDC) Export Confidence Index(5), which is compiled based on the information collected earlier during 28 July to 15 August, indicated increased export optimism amid the easing global trade tensions at the time.

(2) It refers to the results from the Monthly Survey on the Business Situation of SMEs that solicits feedback from a panel sample of around 600 SMEs each month.

(3) Conducted independently by Hong Kong Productivity Council, the quarterly survey enables the public and SMEs to gain insights into the forthcoming business climate for better forward planning. The Overall Index comprises five areas, including local SMEs' outlook on "Recruitment Sentiment", "Investment Sentiment", "Business Condition", "Profit Margin", and "Global Economy" for the next quarter.

Box 1.1 (Cont'd)

Chart 2 : Other business sentiment indicators generally turned better in the past few months



Notes : (^) The diffusion index is computed by adding the percentage of SMEs reporting "up" to one half of the percentage of SMEs reporting "same". A diffusion index reading above 50 indicates that the business condition is generally favourable, whereas an index below 50 indicates otherwise. Respondents were asked to exclude seasonal effects in reporting their views.

(~) Quarterly data.

(*) Quarterly data since 2024 Q1. A reading above 50 indicates an upward trend and an optimistic outlook, while a reading below 50 indicates a downward trend and a pessimistic outlook.

It is worth noting that these surveys are essentially opinion-based, thereby unavoidably subject to various limitations (e.g. results are not directly comparable) and hence the results should be interpreted with care. These survey findings taken together suggest that overall business sentiment improved visibly of late compared with earlier this year. Looking forward, local business sentiment will be well underpinned by further solid growth of the Hong Kong economy in the near term, though the impacts arising from external uncertainties still warrant close monitoring.

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(4) The S&P Global Hong Kong PMI is compiled according to monthly replies to questionnaires sent to purchasing managers in around 400 private sector companies. It is a composite index based on five individual indices with the following weights: New Orders (30%); Output (25%); Employment (20%); Suppliers' Delivery Times (15%); and Stocks of Purchases (10%), with the Suppliers' Delivery Times index inverted so that it moves in a comparable direction. Survey responses reflect the change, if any, in the prevailing month compared to the previous month.

(5) The HKTDC Export Confidence Index aims to gauge the prospects of the near-term export performance of Hong Kong traders. It is a composite index based on five individual sub-indices with the following weight: Sales and New Orders (50.0%); Trade Value (12.5%); Cost (12.5%); Procurement (12.5%); and Inventory (12.5%), with the Cost index and Inventory index inverted so that they move in comparable direction. The business confidence survey is conducted on a quarterly basis, with more than 500 participating Hong Kong traders from six major industry sectors interviewed, namely electronics, clothing, toys, jewellery, timepieces and equipment/materials.

The labour sector

1.7 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 unemployment rates of many major sectors went up over the preceding quarter. Wages and labour earnings continued to record decent increases in the second quarter over a year earlier. More recent household survey data showed that employment earnings continued to record year-on-year growth in the third quarter.

The asset markets

1.8 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 trade tensions following trade agreements reached between the US and many economies. Fuelled by strong buying interests from the Mainland, the HSI rallied to a four-year high in mid-September before closing the quarter at 26 856, up 11.6% from end-June. Trading activities stayed buoyant, with the average daily turnover reaching $286.4 billion, an increase of 141.0% over a year ago and 20.5% over the preceding quarter. Fund raising activities remained robust. The total amount of funds raised through initial public offerings reached $78.9 billion in the third quarter, marking an 86.8% increase over a year ago.

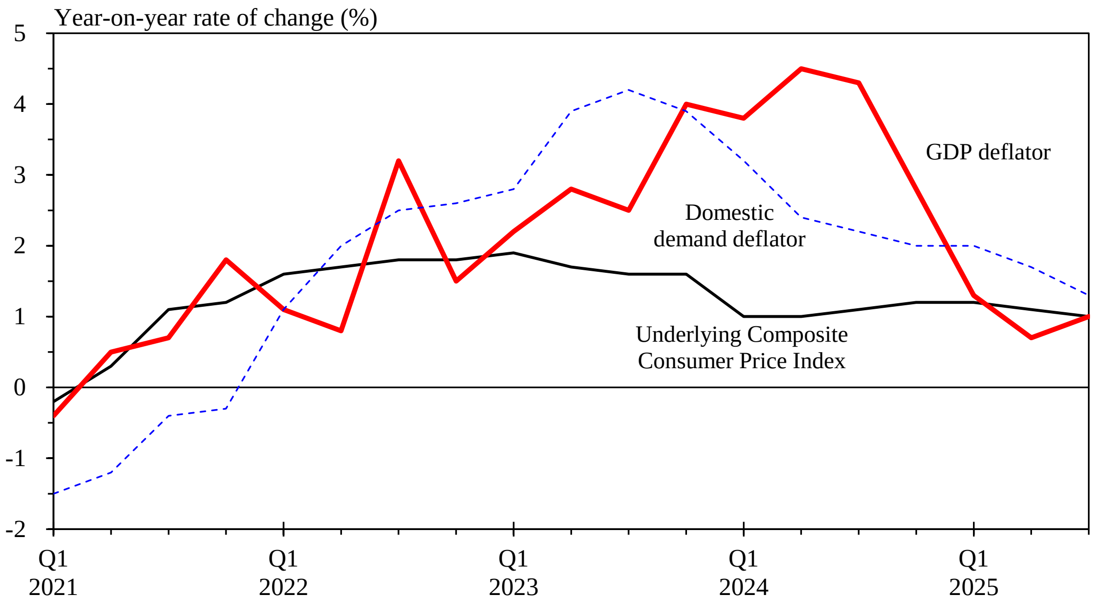
1.9 The *residential property market* stabilised further in the third quarter. Market sentiment in general turned more positive amid the start of interest rate cuts in the US and strong local financial market performance during the quarter. The number of transactions, in terms of the total number of 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 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. Overall flat rentals remained solid, rising by 2% during the third 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.

Inflation

1.10 Underlying consumer price inflation stayed modest in the third quarter of 2025. 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. Netting out the effects of the Government's one-off relief measures, 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.

1.11 As a broad measure of the overall change in prices in the economy, the *GDP deflator* increased by 1.0% year-on-year in the third quarter, somewhat faster than the increase of 0.7% in the preceding quarter. The *terms of trade* saw a narrowed year-on-year decline of 0.3%, while the domestic demand deflator continued to increase by 1.3%.

Diagram 1.4 : Underlying consumer price inflation stayed modest in the third quarter of 2025



Net output of major economic sectors

1.12 The statistics of net output of major economic sectors are only up to the second quarter of 2025. The net output of the services sector increased by 3.4% year-on-year in real terms in the second quarter of 2025, faster than the increase of 2.5% in the preceding quarter. Most major services sectors continued to record year-on-year growth in net output in the second quarter, with import and export trade, transportation and storage, and financing and insurance showing faster growth. Improvements were also seen in some of the other services sectors. The net output of wholesale and retail trades turned to a marginal increase after consecutive quarters of decline, and that of accommodation and food services saw a narrowed decline. Yet, the net output of real estate continued to decline. As for the secondary sector, the net output of the manufacturing sector continued to grow mildly, but that of the construction sector declined visibly further.

Table 1.3 : Net output of major economic sectors (year-on-year rate of change in real terms (%))

	2024	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Manufacturing	0.8	1.8	0.7	-0.1	1.0	0.7	0.9
Construction	4.4	8.2	11.7	2.1	-4.7	-4.9	-10.4
Services	2.0	2.6	2.3	1.5	1.7	2.5	3.4
Import/export, wholesale and retail trades	0.4	1.7	-0.1	0.2	-0.2	4.2	6.1
Import and export trade	2.4	2.9	2.4	2.4	1.8	6.2	7.0
Wholesale and retail trades	-10.1	-5.4	-13.5	-12.8	-8.8	-8.5	0.1
Accommodation and food services	-1.8	2.2	-7.0	-4.9	2.6	-1.8	-0.6
Transportation, storage, postal and courier services	11.0	19.7	11.1	7.2	6.8	2.6	5.5
Transportation and storage	11.7	21.1	11.7	8.0	7.0	2.6	5.7
Postal and courier services	-2.1	-6.9	-1.6	-2.3	2.0	2.5	2.2
Information and communications	1.8	1.9	1.7	2.2	1.5	1.1	0.4
Financing and insurance	0.9	-0.2	*	1.8	1.9	4.2	5.4
Real estate, professional and business services	1.6	2.1	2.8	-0.1	1.7	-0.5	-0.7
Real estate	1.7	1.6	3.6	-1.8	3.8	-4.1	-4.4
Professional and business services	1.6	2.5	2.3	1.0	0.5	1.8	1.3
Public administration, social and personal services	3.1	3.4	3.1	3.0	3.0	1.7	2.3

Notes : Figures are subject to revision later on as more data become available.

(*) Change within ± 0.05%.

Other economic developments

1.13 The 2025 Policy Address set clear goals and an actionable blueprint to accelerate Hong Kong's economic and social development, promote Hong Kong's full integration into the overall national development, and strengthen Hong Kong's role in international cooperation. It focused on two key pillars – economic development and livelihood improvement – supported by short, medium, and long-term policies. Some major economic measures include:

- Accelerating the development of the Northern Metropolis;
- Promoting industry development and reform, including the introduction of preferential policy packages to attract more enterprises;
- Consolidating Hong Kong's traditional strengths and enhancing its status as an international hub for finance, trade, shipping, aviation and international legal and dispute resolution services centre;
- Promoting the integrated development of education, technology and talents, with a view to building rich talent resources, knowledge reserve, and capacities for scientific and technological innovation, thereby enhancing Hong Kong's competitiveness; and
- Advancing the integrated development of culture, sports and tourism, generating fresh economic momentum and raising Hong Kong's global appeal.

1.14 Hong Kong excelled in various international rankings published in recent months, affirming our strength and competitiveness in multiple aspects. In the Fraser Institute's *Economic Freedom of the World 2025 Annual Report*, Hong Kong continued to rank as the world's freest economy among 165 economies. Among the five areas of assessment, Hong Kong retained the top spot in "Freedom to trade internationally", and its rankings in "Sound money" and "Regulation" stayed high at third globally. In the *Global Financial Centres Index 38 Report* published by Z/Yen from the United Kingdom and the China Development Institute from Shenzhen, Hong Kong's ranking maintained at third place globally and first place in Asia Pacific, and the rating gaps with first place (New York) and second place (London) narrowed. In the *World Talent Ranking 2025* published by the International Institute for Management Development (IMD), Hong Kong's ranking leapt markedly to fourth globally from ninth last year, marking the highest-ever ranking and moving to the top spot in Asia. Separately, in the *Global Innovation Index (GII) 2025* published by the World Intellectual Property Organization, Shenzhen-Hong Kong-Guangzhou cluster ranked first among the top 100 innovation clusters, and Hong Kong's ranking in the GII 2025 rose by three places to 15th globally. In the IMD's *World Digital Competitiveness Ranking 2025*, Hong Kong's ranking rose three places to the global fourth.

1.15 The Recommendations of the Central Committee of the Communist Party of China (CPC) for Formulating the 15th Five-Year Plan for National Economic and Social Development (Recommendations) were adopted at the fourth plenary session of the 20th Central Committee of the CPC. It is an important document for formulating the 15th Five-Year Plan, a top-level design and strategic blueprint for the country's development over the next five years. As for promoting the long-term prosperity and stability of Hong Kong, the Recommendations, amongst others, mention consolidating and enhancing Hong Kong's status as an international financial, shipping, and trade centre, supporting Hong Kong's development into an international innovation and technology hub, and building Hong Kong into an international hub for high-calibre talents. Hong Kong has the backing of the Motherland and maintains close connection with the rest of the world. These unique strengths and important roles should be further leveraged. In the face of profound and complex changes in the circumstances for development, where strategic opportunities coexist with risks and challenges with increasing uncertainties and unpredictable factors, Hong Kong will utilise its advantageous positioning in the country's development blueprint, proactively align with the 15th Five-Year Plan, seize the significant opportunities, and integrate into and contribute to the overall national development.

Notes :

(1) The Gross Domestic Product (GDP) is an overall measure of net output produced within an economy in a specified period, such as a calendar year or a quarter, before deducting the consumption of fixed capital. In accordance with the expenditure approach to its estimation, GDP is compiled as total final expenditures on goods and services (including private consumption expenditure, government consumption expenditure, gross domestic fixed capital formation, changes in inventories, and exports of goods and services), less imports of goods and services.

(2) The seasonally adjusted quarter-to-quarter GDP series, by removing the variations that occur at about the same time and in about the same magnitude each year, provides another perspective for discerning the trend, particularly in regard to turning points. A detailed examination reveals the presence of seasonality in the overall GDP and in some of its main components, including private consumption expenditure, government consumption expenditure, exports of goods, imports of goods, exports of services, and imports of services. However, due to the presence of considerable short-term fluctuations, no clear seasonal pattern is found in gross domestic fixed capital formation. Therefore, the seasonally adjusted series of GDP is compiled separately at the overall level, rather than summing up from its main components.

CHAPTER 2 : THE EXTERNAL SECTOR

Summary

- *The global economy demonstrated considerable resilience in the third quarter of 2025, though the impact of lingering trade tensions continued to affect economies in varying degree. The Mainland economy continued to grow solidly. Economic activities in the United States (US) economy expanded further in general, though consumer sentiments deteriorated and labour market weakened, while inflation accelerated. The euro area grew modestly further, and other Asian economies posted moderate or robust growth.*

- *Hong Kong's merchandise exports rose markedly by 12.9% year-on-year in real terms(1) in the third quarter, propelled by strong demand for electronic-related products and buoyant regional trade flows in Asia. 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 (EU) recorded a visibly narrowed decline.*

- *Exports of services expanded notably by 6.3% in real terms in the third quarter over a year earlier. Exports of all major service groups showed further expansion, mainly supported by sustained increases in inbound tourism and cross-boundary traffic, as well as vibrant cross-boundary financial service activities amid advancing global stock markets.*

- *To reinforce and enhance Hong Kong's position as an international trade centre, the Chief Executive announced in the 2025 Policy Address an array of initiatives to deepen our international economic and trade networks, to promote digital trade, and to foster the development of a commodity trading ecosystem in Hong Kong. The Government also persistently steps up its effort in attracting more Mainland enterprises to use Hong Kong to expand overseas.*

Merchandise trade

External environment

2.1 The global economy demonstrated considerable resilience in the third quarter of 2025, though the impact of lingering trade tensions continued to affect economies in varying degree. The Mainland economy continued to grow solidly, though at a slightly decelerated pace compared to the preceding quarter amid the complicated external environment and ongoing structural adjustment in the domestic economy. As for the US economy, while activities expanded further in general, consumer sentiments deteriorated and labour market weakened. Inflation accelerated, though moderately, as the increases in tariffs started to feed through into consumer prices. The euro area grew modestly further, with its year-on-year growth rate decelerating further from the preceding quarter, as the region's export and manufacturing activities were weighed upon by trade tensions. Other Asian economies posted moderate or robust growth amid strong export performance.

2.2 Uncertainty surrounding international trade policy generally eased in the third quarter compared with the situation in April, though the actual trade barriers in the global economy increased and policy developments remained volatile. The US implemented the new set of full "reciprocal tariff" on 7 August, and signed trade agreements with several economies. While the new tariffs imposed by the US on many economies were visibly higher than those before this term of the US administration or the 10% baseline tariff, they were generally lower than the levels that the US initially announced in early April. In late August, a US federal appeals court ruled that many of the tariffs imposed this year were unlawful, and their supreme court's examination of the US administration's appeal is underway(2).

2.3 As for the trade conflict between the US and China, both sides agreed in August to extend the suspension of part of the additional tariffs on bilateral flows of goods for another 90 days till 10 November. More trade negotiations were held in subsequent weeks, though there were fluctuations and disruptions in bilateral relations during the period(3). In late October, both sides held the fifth round of trade talks in Malaysia, reaching preliminary consensus on key issues including tariff suspension, agricultural trade and export control, among others. Towards the end of the month, President Xi and US President Trump reached consensus on major trade issues after meeting at the sidelines of the APEC summit, where the so-called "fentanyl-related tariffs" on Chinese imports (including products of Hong Kong) were lowered from 20% to 10% effective from 10 November, and the suspension of part of the additional tariffs was extended for a year.

2.4 Separately, in the past several months, the US imposed additional tariffs on more products regardless of the import origin, including softwood timber and lumber, upholstered wooden products, kitchen cabinets, buses and medium- and heavy-duty trucks, ranging from 10% to 25%(4). The US also announced a 100% import tariff on pharmaceutical products in late September, but it has yet to be implemented pending the negotiation outcome with major pharmaceutical companies. Moreover, the investigations under Section 232 of the US Trade Expansion Act of 1962 on several commodities are still ongoing (e.g. semiconductors, processed critical minerals, commercial aircraft and jet engines), which may lead to additional tariffs on these commodities upon completion of these investigations.

2.5 In October, the International Monetary Fund (IMF) projected the global economy to grow by 3.2% in 2025 and 3.1% in 2026. The projected growth rates represented a deceleration from the 3.3% growth in 2024 and continued to be visibly below the pre-pandemic ten-year historical average of 3.7%. The IMF's growth forecast for 2025 was revised up somewhat from their earlier forecast in July, as the IMF noted that the global trade shock from higher tariffs had been less severe than previous expectations. Yet, the IMF warned that risks to global economic growth remain tilted to the downside. Prolonged trade and policy uncertainties could dampen consumption and investment, and the global economy still see various downside risks including more protectionism, fiscal vulnerabilities and potential financial market corrections(5).

2.6 The Mainland economy continued to grow solidly by 4.8% year-on-year in the third quarter. Yet, the growth rate decelerated slightly from the preceding quarter, amid the complicated external environment and ongoing structural adjustment in the domestic economy. For the first three quarters as a whole, the Mainland economy expanded by 5.2% year-on-year, staying on track in achieving the official annual growth target of around 5% for 2025. Merchandise exports continued to demonstrate resilience during the quarter despite evolving US-China trade tensions. On policy, the authorities continued adopting proactive macroeconomic policies, including rolling out a new policy-based financial instrument worth RMB 500 billion for replenishing project capital so as to boost investment. Moreover, the Central Government outlined the recommendations for the upcoming 15th Five-Year Plan, notably to focus on delivering resilient, stable and inclusive growth over the next five years, and substantially grow the per capita GDP to be on par with that of a mid-level developed country by 2035.

2.7 As regards the economic situation in the US, the federal government shutdown began on 1 October. At the time of writing this report, the shutdown continues, rendering many latest official economic data not available. Other available figures showed that economic activities continued to expand in general in the third quarter. Yet, indicators on consumer sentiment showed some deterioration, and the labour market weakened. Inflation accelerated, though moderately, as the increases in tariffs started to feed through into consumer prices. Citing downside risks to the labour market, the Federal Reserve cut the target range for the federal funds rate by a total of 50 basis points in its September and October meetings, a resumption of interest rate cuts following a pause since December 2024.

2.8 In the euro area, the economy grew by 1.3% year-on-year in the third quarter, a deceleration from 1.5% in the preceding quarter, as its export and manufacturing activities were weighed upon by trade tensions. On a seasonally adjusted quarter-to-quarter comparison, the economy grew modestly further by 0.2%. With inflation largely close to the European Central Bank (ECB)'s 2% target and having already lowered interest rates by a total of 100 basis points in the first half of this year, the ECB kept interest rates unchanged in the second half of the year so far.

2.9 Other Asian economies largely grew moderately or notably further in the third quarter. Benefiting from the stellar demand on electronic-related products amid the AI boom, external trade of many Asian countries continued to see appreciable growth. Yet, for several advanced economies in the region, economic growth in Singapore decelerated from the preceding quarter, Korea's economic growth showed some mild pick-up but still grew only modestly, and activities in Japan generally slowed. In light of external headwinds, some central banks in the region continued to ease their monetary policies to support economic growth. Specifically, the central banks of Malaysia, the Philippines, Thailand and Indonesia had lowered their policy rates since July. Yet, the central banks of Japan, South Korea, Taiwan and India kept their key interest rates unchanged of late, and Singapore held its monetary policy unchanged in October for the second consecutive meeting.

Merchandise exports

2.10 Hong Kong's *merchandise exports* rose markedly by 12.9% year-on-year in real terms in the third quarter of 2025, following the 12.0% growth in the preceding quarter. The robust performance was propelled by strong demand for electronic-related products and buoyant regional trade flows in Asia.

Table 2.1 : Merchandise exports
(year-on-year rate of change (%))

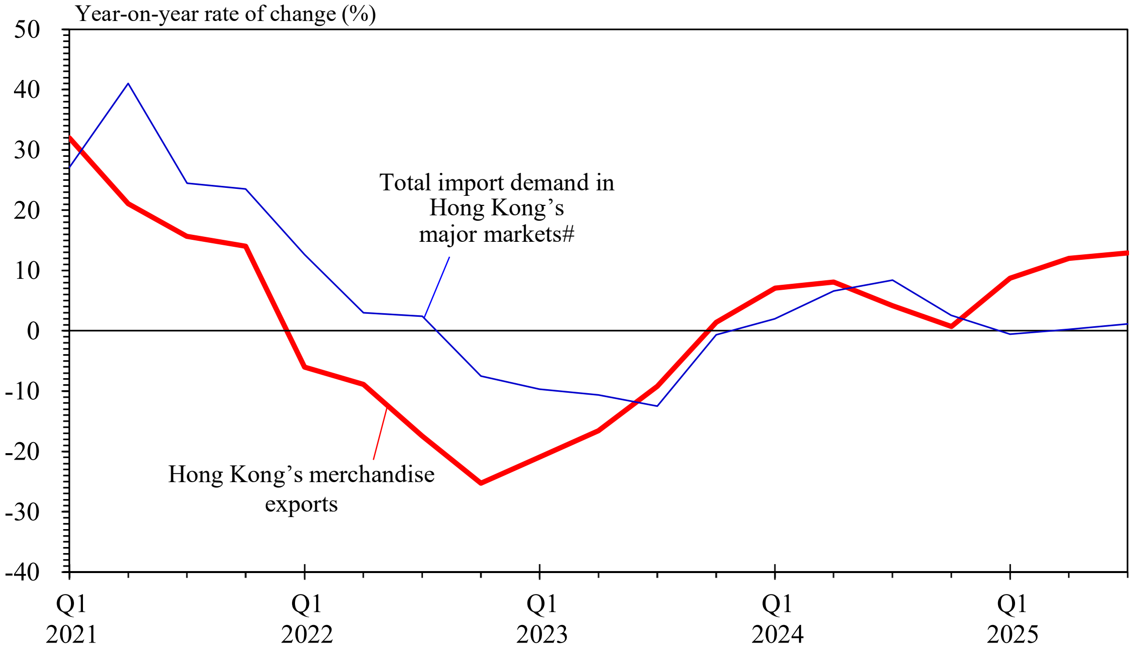
		In value terms	In real terms[a]		Change in prices
2024	Annual	8.7	4.9		3.6
	Q1	11.9	7.1	(*)	4.5
	Q2	12.5	8.1	(2.2)	3.9
	Q3	8.0	4.2	(-1.3)	3.4
	Q4	3.5	0.7	(*)	2.9
2025	Q1	10.9	8.7	(9.5)	1.9
	Q2	14.0	12.0	(3.4)	1.9
	Q3	15.1	12.9	(-0.8)	2.0

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

(a) The growth rates here are not strictly comparable with those in the GDP accounts in Table 1.1. Figures in Table 1.1 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*.

(*) Change of less than ±0.05%.

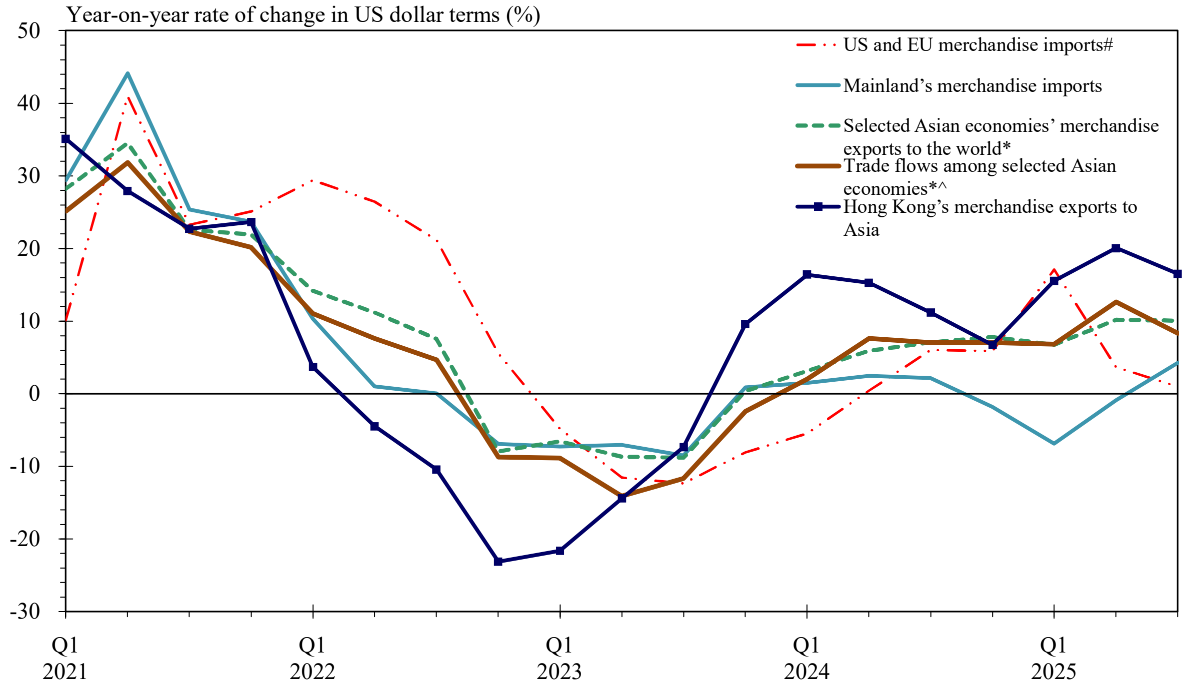
Diagram 2.1 : Merchandise exports rose markedly in the third quarter



Notes : Merchandise exports as depicted refer to the year-on-year rate of change in real terms.

(#) Total import demand in Hong Kong's major markets as depicted refers to the year-on-year rate of change in US dollar terms in the aggregate import demand in Asia, the US and the EU taken together, based on information available as of early November 2025.

Diagram 2.2 : Regional trade flows stayed buoyant



Notes : (#) Based on the information available as of early November 2025.

(*) "Selected Asian economies" include the Mainland, Hong Kong, Singapore, Korea, Taiwan, Japan, Indonesia, Malaysia, Thailand, Vietnam and the Philippines.

(^) The trade flows were measured by the sum of the individual economies' merchandise exports to the other ten economies within the "selected Asian economies".

2.11 Analysed by major market, exports to the Mainland maintained double-digit growth in the third quarter over a year earlier. 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 EU recorded a visibly narrowed decline. Analysed by major principal commodity group in value terms, exports of most commodity groups grew. In particular, exports of electrical machinery and related parts, as well as telecommunications and sound recording equipment, sustained strong performance.

Table 2.2 : Merchandise exports by major market (year-on-year rate of change in real terms (%))

		2024				2025		
	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3
The Mainland	10.4	13.8	12.6	10.8	5.5	14.3	17.8	11.9
US	3.2	-0.1	21.0	1.2	-7.9	2.1	-11.1	5.7
EU	-1.1	-11.6	-0.4	9.4	-0.8	-8.4	-11.0	-4.0
ASEAN	17.3	15.5	21.7	12.3	19.8	22.4	25.6	32.9
Vietnam	25.9	12.2	26.9	24.7	39.0	65.2	39.5	44.9
Singapore	2.4	3.5	2.0	-15.1	19.8	3.6	4.2	19.6
India	-17.8	9.5	-20.8	-23.7	-31.2	-19.0	24.3	14.6
Japan	-3.9	-3.0	0.6	-3.6	-9.5	0.5	31.2	2.3
Taiwan	-2.7	-8.3	8.1	-8.2	-1.5	33.4	20.7	42.7
Korea	-9.4	-9.8	-4.7	-14.0	-8.9	-9.4	-22.3	-6.8
Overall#	4.9	7.1	8.1	4.2	0.7	8.7	12.0	12.9

Note : (#) The growth rates here are not strictly comparable with those in the GDP accounts in Table 1.1. Figures in Table 1.1 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*.

Diagram 2.3 : Exports to the Mainland, ASEAN and many other Asian economies rose further

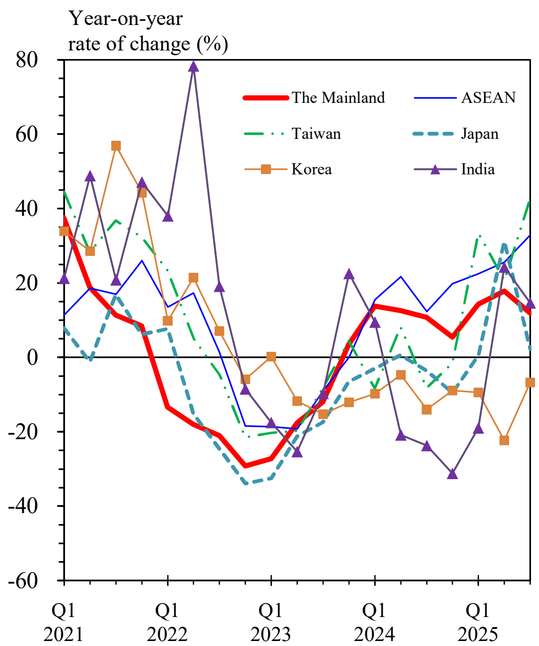
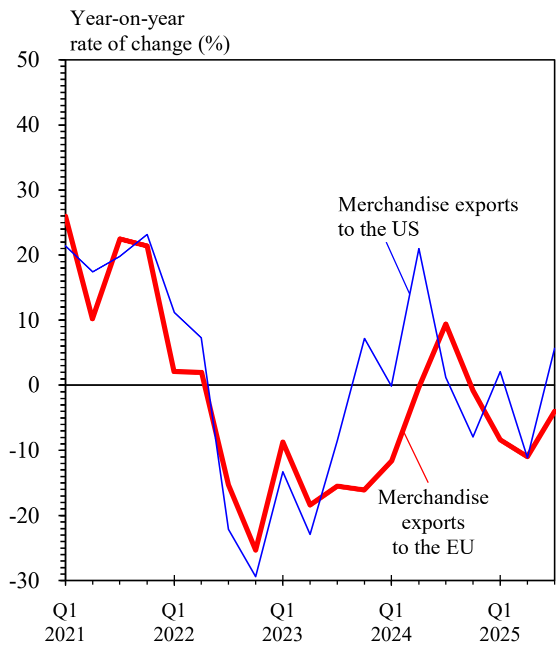


Diagram 2.4 : Exports to the US rose back, while those to the EU recorded a visibly narrowed decline



Merchandise imports

2.12 *Merchandise imports* rose by 11.8% year-on-year in real terms in the third quarter of 2025, after an increase of 12.9% in the preceding quarter. *Retained imports*, which refer to imports for domestic use and accounted for around one-fifth of merchandise imports in 2024, continued to grow by 7.3%.

Table 2.3 : Merchandise imports and retained imports (year-on-year rate of change (%))

		Merchandise imports				Retained imports[(a)]			
		In value terms	In real terms[(+)]		Change in prices	In value terms	In real terms		Change in prices
2024	Annual	6.0	2.6		3.2	-5.4	-5.9		0.4
	Q1	8.0	3.3	(-0.3)	4.6	-7.1	-10.3	(-1.7)	3.7
	Q2	7.4	4.0	(0.4)	3.1	-11.8	-10.7	(-6.7)	-1.3
	Q3	6.0	3.2	(1.5)	2.6	-2.7	-1.5	(12.9)	-1.1
	Q4	2.9	0.2	(-0.8)	2.6	-0.4	-1.4	(-3.9)	0.2
2025	Q1	9.8	7.3	(7.5)	2.0	4.9	1.1	(-0.4)	2.4
	Q2	15.2	12.9	(4.4)	1.9	19.5	15.8	(8.0)	2.5
	Q3	13.9	11.8	(*)	1.9	9.3	7.3	(3.5)	1.4

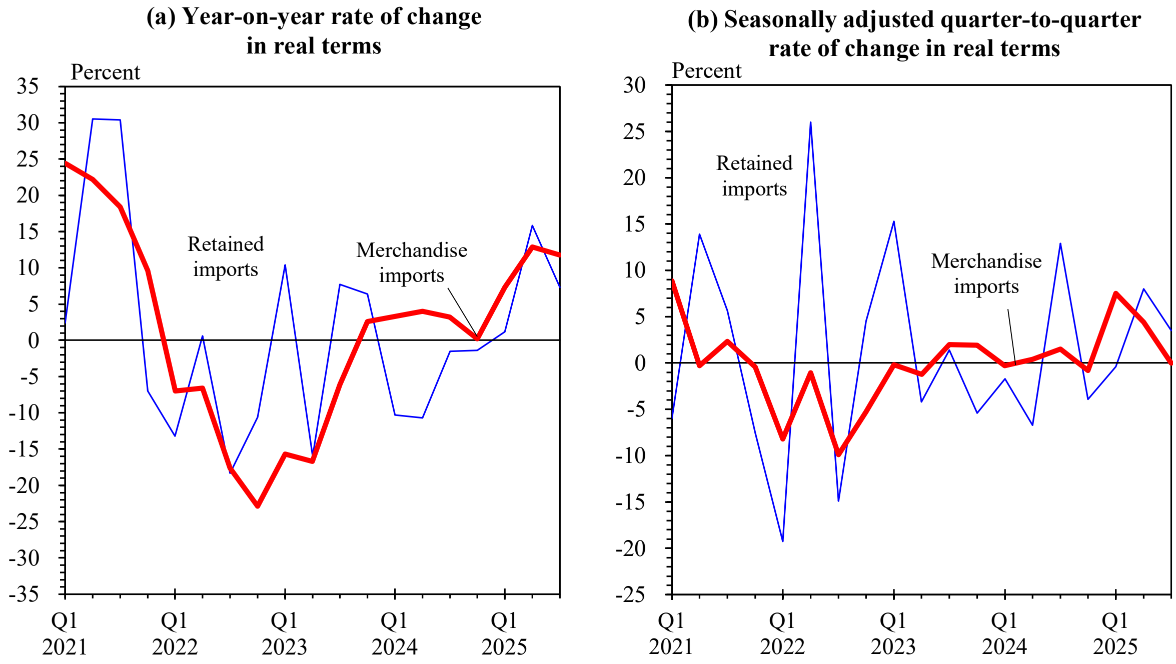
Notes : (a) Based on the results of the Annual Survey of Re-export Trade conducted by the Census and Statistics Department, re-export margins by individual end-use category are estimated and adopted for deriving the value of imports retained for use in Hong Kong.

(+) The growth rates here are not strictly comparable with those in the GDP accounts in Table 1.1. Figures in Table 1.1 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.*

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

(*) Change of less than ±0.05%.

Diagram 2.5 : Merchandise imports rose

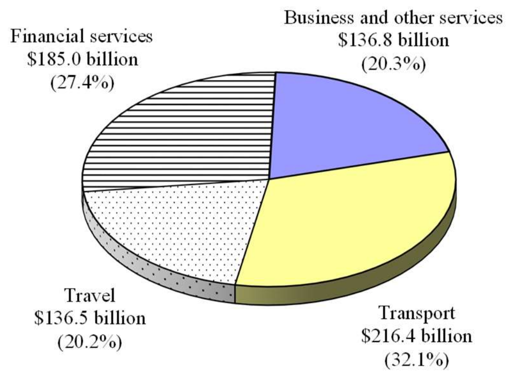


Services trade

Exports of services

2.13 *Exports of services* expanded notably by 6.3% in real terms in the third quarter of 2025 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.

Diagram 2.6 : Transport and financial services together constituted over half of exports of services



Exports of services in the first three quarters of 2025: $674.7 billion

Diagram 2.7 : Exports of services expanded notably

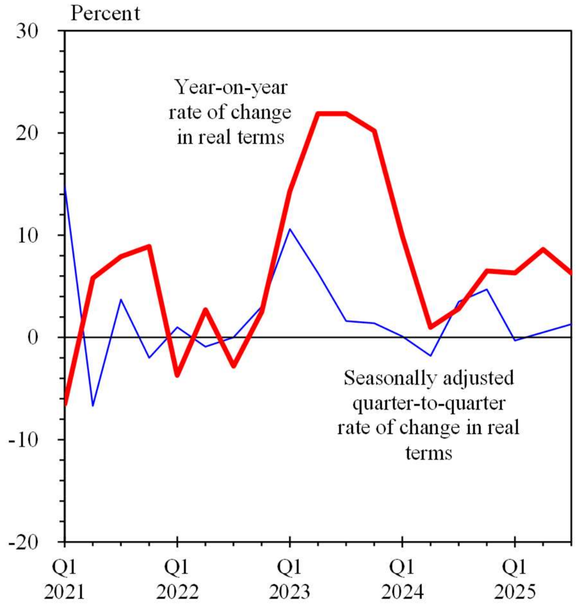


Table 2.4 : Exports of services by major service group (year-on-year rate of change in real terms (%))

		Exports of services		*Of which :* Transport	Travel[(a)]	Financial services	Business and other services
2024	Annual	5.1		7.5	6.9	2.4	3.2
	Q1	9.9	(0.1)	12.3	41.0	-5.1	1.6
	Q2	1.0	(-1.8)	5.0	-9.2	4.2	3.6
	Q3	2.8	(3.5)	5.8	-3.4	4.6	4.4
	Q4	6.5	(4.7)	7.3	5.9	7.7	3.4
2025	Q1	6.3	(-0.3)	5.6	4.7	10.4	3.7
	Q2	8.6	(0.5)	6.5	14.6	11.1	3.6
	Q3	6.3	(1.3)	3.9	9.1	11.5	1.0

Notes : 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.*

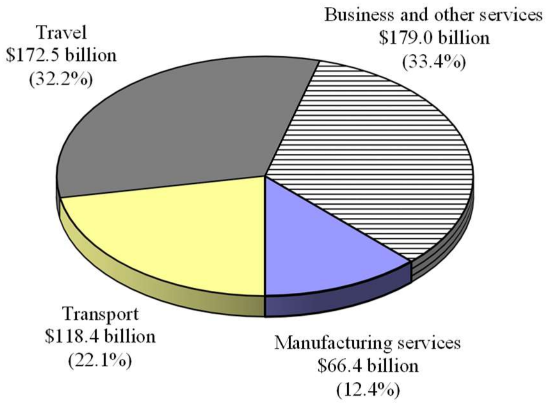
(a) Comprising mainly inbound tourism receipts.

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

Imports of services

2.14 *Imports of services* rose by 2.6% year-on-year in real terms in the third quarter of 2025, further to 7.3% growth in the preceding quarter. Imports of travel services, manufacturing services, and business and other services rose, while imports of transport services fell from a year ago.

Diagram 2.8 : Business and other services and travel together constituted over 60% of imports of services



Imports of services in the first three quarters of 2025: $536.3 billion

Diagram 2.9 : Imports of services rose year-on-year

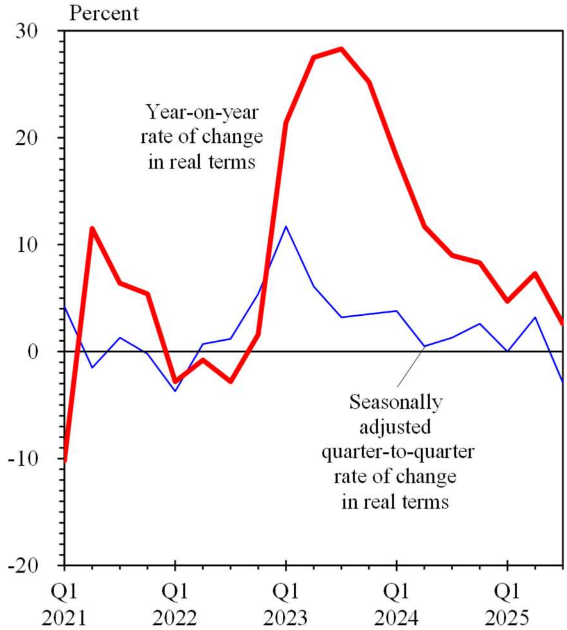


Table 2.5 : Imports of services by major service group (year-on-year rate of change in real terms (%))

		Imports of services		*Of which :* Travel(+)	Transport	Manufacturing services(^)	Business and other services
2024	Annual	11.6		28.7	4.0	4.8	5.2
	Q1	18.2	(3.8)	61.8	9.2	5.3	2.0
	Q2	11.7	(0.5)	25.4	2.5	7.8	6.9
	Q3	9.0	(1.3)	18.4	2.4	7.1	6.1
	Q4	8.3	(2.6)	18.9	1.9	-0.4	6.4
2025	Q1	4.7	(*)	2.9	1.5	2.3	9.3
	Q2	7.3	(3.2)	8.9	5.2	8.7	6.4
	Q3	2.6	(-2.9)	1.1	-0.9	6.2	4.8

Notes : 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.*

(+) Comprising mainly outbound travel spending.

(^) This includes the value of processing fees paid by Hong Kong to the processing units outside Hong Kong and raw materials / semi-manufactures directly procured by these processing units.

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

(*) Change of less than ±0.05%.

Goods and services balance

2.15 Based on the GDP compilation framework and compared to a year earlier, the trade balance of goods turned to a small surplus of $1 billion in the third quarter of 2025, as the value of exports of goods saw a larger increase than that of imports. Meanwhile, the services surplus widened to $48 billion. The combined goods and services account registered a widened surplus of $50 billion in the third quarter, equivalent to 3.0% of total import value, compared to a surplus of $38 billion or 2.7% in the third quarter last year.

Table 2.6 : Goods and services balance
($ billion at current market prices)

		Total exports		Imports		Trade balance			
		Goods	Services	Goods	Services	Goods	Services	Combined	As % of imports
2024	Annual	4,925	847	4,940	702	-16	145	129	2.3
	Q1	1,148	218	1,154	174	-6	45	38	2.9
	Q2	1,201	192	1,215	164	-14	27	13	1.0
	Q3	1,264	215	1,264	176	-1	39	38	2.7
	Q4	1,313	223	1,307	189	5	34	39	2.6
2025	Q1	1,287	238	1,291	181	-3	57	54	3.6
	Q2	1,381	210	1,419	177	-38	33	-5	-0.3
	Q3	1,465	227	1,464	179	1	48	50	3.0

Notes : 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*.

Figures may not add up exactly to the total due to rounding.

Other developments

2.16 The Government strives to consolidate Hong Kong's status as a premier international hub and pledged continued efforts to open up new markets, promote digital trade, and promote commodity trading. In the 2025 Policy Address, the Chief Executive announced an array of measures to strengthen Hong Kong's status as an international trade centre. This includes (a) exploring the signing of new investment agreements with Saudi Arabia, Bangladesh, Egypt and Peru; (b) establishing an Economic and Trade Office (ETO) in Kuala Lumpur this year to deepen economic and trade promotion in the ASEAN and neighbouring countries, and expanding the ETO coverage to Latin America and Central Asia; (c) expanding the Trade Single Window (TSW) to cover more trade documents and connect the TSWs of Hong Kong, the Mainland and ASEAN economies to promote the digitalisation of trade; (d) providing half-rate tax concessions for commodity traders to set up businesses in Hong Kong, and deepening connections with Guangzhou Futures Exchange and other commodity markets in the Mainland; (e) setting up the Strategic Committee on Commodities, led by the Financial Secretary (FS) to strengthen the top-down design and long-term strategy of Hong Kong's commodity policy together with industry representatives; and (f) continuing to seek accession to the Regional Comprehensive Economic Partnership (RCEP). Meanwhile, Hong Kong and Malaysia signed a Memorandum of Understanding on Co-operation in Digital Trade in September to encourage and promote bilateral co-operation in digital trade.

2.17 Besides, the Government persistently steps up its effort in attracting more Mainland enterprises to use Hong Kong as a platform to expand overseas. In early October, the GoGlobal Task Force was launched to proactively attract Mainland enterprises seeking to expand their overseas business to "go global via Hong Kong". The task force co-ordinates efforts across various policy bureaux, departments and agencies to provide stronger and more comprehensive support for the overseas expansion of Mainland enterprises.

2.18 Meanwhile, the Government continued to enhance Hong Kong's economic links with overseas economies through duty visits by senior officials. At the junction of October and November, the Chief Executive visited Korea to attend the APEC Economic Leaders' Meeting, and also had bilateral meetings with leaders of other member economies to exchange views on issues of mutual interest. Separately, in mid-October, the FS visited New York to meet with local political and business leaders to share the latest development and opportunities in Hong Kong. He subsequently visited Korea to attend the APEC Finance Ministers' Meeting and held bilateral meetings with officials from other economies. Towards the end of the month, the FS led a delegation to visit Saudi Arabia. The visit aimed to strengthen Hong Kong's ties with the Middle East in areas such as trade, finance, and innovation and technology, and to promote collaboration between Hong Kong and Mainland enterprises in going global and seizing new business opportunities together.

Notes :

(1) Total merchandise exports comprise domestic exports and re-exports. Changes in merchandise exports and imports in real terms are derived by discounting the effect of price changes from changes in the value of the trade aggregates. Estimates of price changes for the trade aggregates are based on changes in unit values, which do not take into account changes in the composition or quality of the goods traded, except for some selected commodities for which specific price indices are available. The real growth figures reported here are based on the external trade quantum index series compiled using the chain linking approach, which were first released in March 2015 to replace the previous trade index numbers compiled using the Laspeyres method with a fixed base year. The series are not comparable with the real trade aggregates under GDP (reported in Chapter 1) which 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*. Apart from this, non-monetary gold is recorded as a separate item in the statistics of merchandise trade and not included in the trade aggregates reported in Chapter 2, but is included in the trade aggregates under GDP in accordance with the international compilation standard.

(2) In late August, a US federal appeals court ruled a majority of tariffs implemented by the US so far this year, including the "reciprocal tariffs" and tariffs on fentanyl issues on Canada, Mexico and China (including Hong Kong) were illegal. Subsequently, the US administration formally filed an appeal to the US Supreme Court, and the latter heard the appeal in early November. Meanwhile, these tariffs were allowed to remain in effect during the appeal.

(3) During the period of negotiation between China and the US, the US made threats from time to time on rising various trade barriers against China significantly further. The US once threatened to impose additional 100% tariff on Chinese imports. In early October, the US began charging additional port fees on Chinese freight vessels, and the Mainland responded with reciprocal action, though both sides later agreed to suspend such fees for a year.

(4) In late September, the US imposed additional tariffs on a new range of products, including softwood timber and lumber (10%), kitchen cabinets and vanities (25%) and upholstered wooden products (25%), effective 14 October. The tariff rates on kitchen cabinets and vanities and upholstered wooden products will be increased to 50% and 30% respectively on 1 January 2026. Moreover, the US announced the imposition of 10% tariffs on buses and 25% tariffs on medium- and heavy-duty trucks starting from 1 November.

(5) The table below presents a more detailed comparison between the growth forecasts made by the IMF in October 2025 and those three months ago.

		2025		2026	
	2024 (%)	July round (%)	October round (%)	July round (%)	October round (%)
World (PPP## weighted)	3.3	3.0	3.2	3.1	3.1
Advanced economies	1.8	1.5	1.6	1.6	1.6
US	2.8#	1.9	2.0	2.0	2.1
Euro area	0.9#	1.0	1.2	1.2	1.1
UK	1.1#	1.2	1.3	1.4	1.3
Japan	0.1#	0.7	1.1	0.5	0.6
Emerging market and developing economies	4.3	4.1	4.2	4.0	4.0
Emerging and developing Asia	5.3	5.1	5.2	4.7	4.7
The Mainland	5.0#	4.8	4.8	4.2	4.2
India^	6.5	6.4	6.6	6.4	6.2
ASEAN-5§	4.6	4.1	4.2	4.1	4.1
Middle East and Central Asia	2.4	3.4	3.5	3.5	3.8

Notes : (#) Actual figures.
(##) PPP refers to purchasing power parity.
(^) Fiscal year.
(§) Includes Indonesia, Malaysia, the Philippines, Singapore and Thailand.

CHAPTER 3 : DEVELOPMENTS IN SELECTED SECTORS

Summary

- *The residential property market stabilised further in the third quarter of 2025. 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. Trading activities stayed active. Flat prices showed a more visible pick-up and rentals remained solid.*

- *Reflecting the Government's sustained efforts in raising flat supply, the total private first-hand flat supply in the coming three to four years would stay at a high level of 102 000 units as estimated at end-September.*

- *The non-residential property market remained weak in the third quarter. Prices and rentals softened further. Trading activities of major segments showed mixed performance.*

- *Inbound tourism sustained robust growth, with visitor arrivals rising by 12.2% over a year earlier to 12.8 million in the third quarter.*

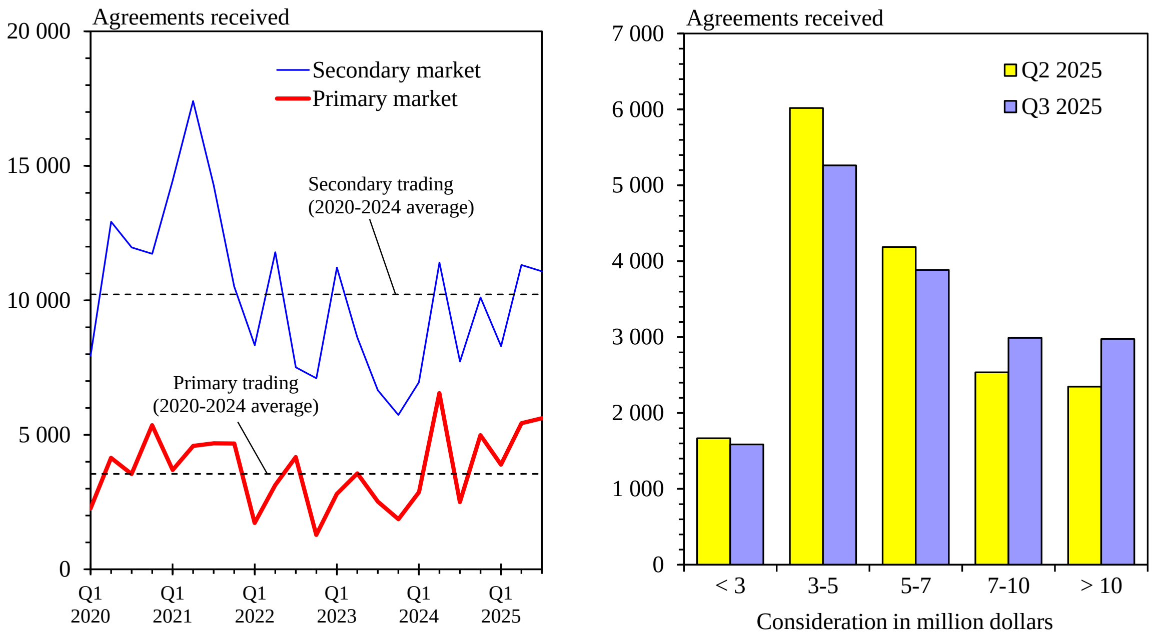
- *The performance of the logistics sector remained mixed in the third quarter. Air freight throughput and road cargo throughput rose by 2.9% and 7.8% year-on-year respectively, while total port container throughput decreased further by 9.6%.*

Property

3.1 The *residential property market* stabilised further in the third quarter of 2025. 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. Trading activities stayed active. Flat prices showed a more visible pick-up and rentals remained solid.

3.2 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. Both primary market and secondary market transactions were higher than their respective quarterly averages during 2020-2024. In parallel, total consideration edged down by 4% during the same quarter to $135.8 billion, albeit still 60% higher than the low level a year earlier.

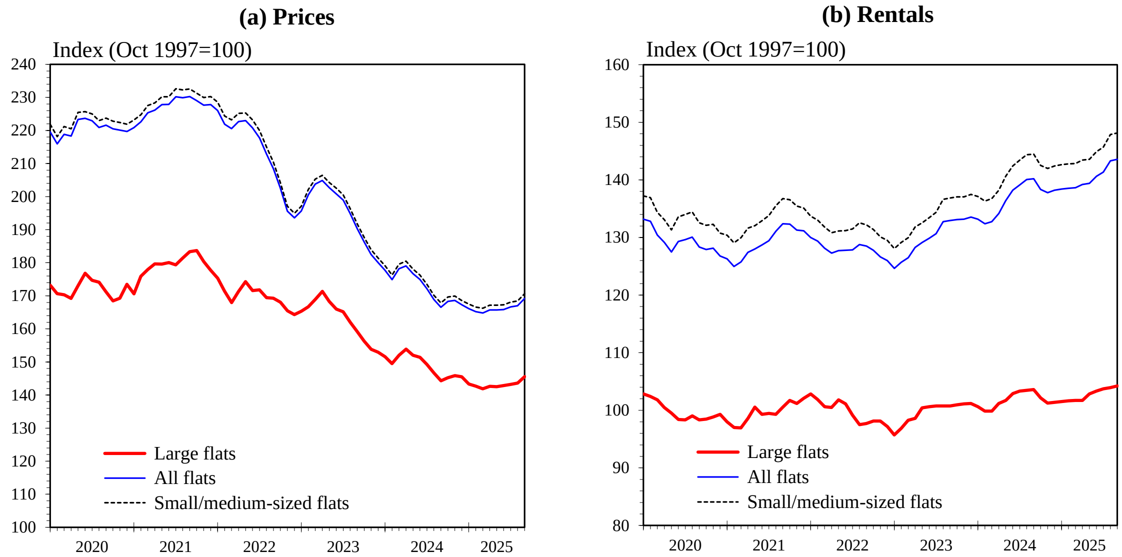
Diagram 3.1 : Trading activities stayed active in the third quarter



3.3 Overall flat prices showed a more visible pick-up of 2% during the third quarter after the 1% rise in the second quarter, marking two consecutive quarters of increases. Analysed by size, prices of small/medium-sized flats and large flats both rose by 2% during the quarter. Flat prices in September were 1% higher than the level in December 2024, albeit still 27% below the peak in September 2021.

3.4 Meanwhile, overall flat rentals remained solid, rising by 2% during the third quarter, boosted further by a seasonal surge in rental demand during the summer. Analysed by size, rentals of small/medium-sized flats and large flats increased by 2% and 1% respectively. Overall flat rentals in September were on average 4% higher than in December 2024. The average rental yield for residential property remained unchanged at 3.2% in September as compared with that in June.

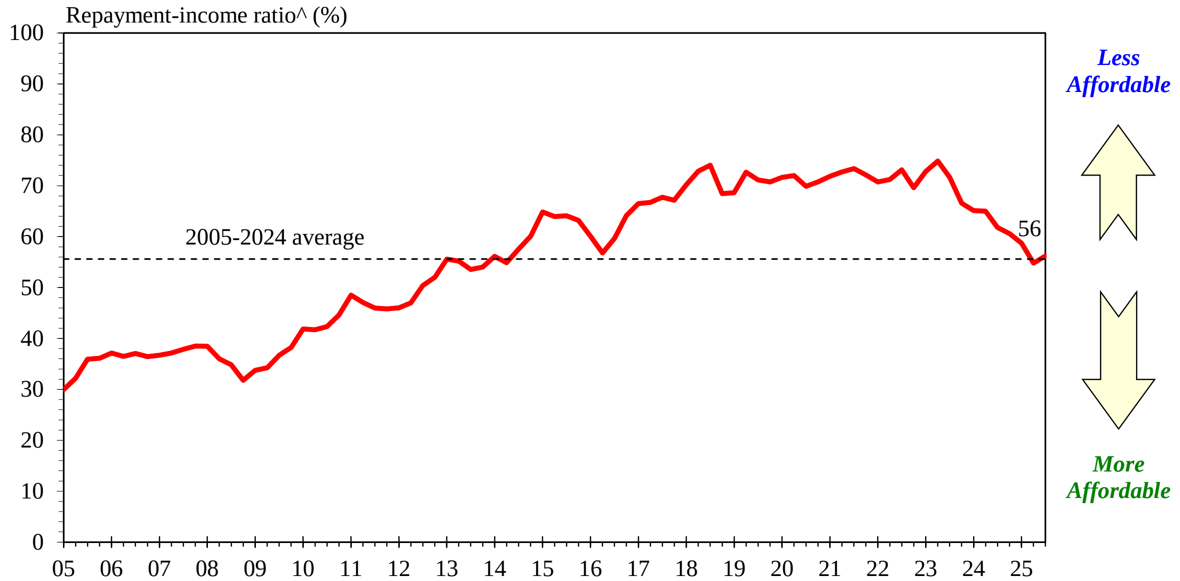
Diagram 3.2 : Flat prices showed a more visible pick-up in the third quarter while rentals remained solid



Note : Residential property price index pertains to secondary market transactions only. Large flats refer to those with a saleable area of at least 100 m^2, and small/medium-sized flats with a saleable area of less than 100 m^2.

3.5 The index of home purchase affordability (i.e. the ratio of mortgage payment for a 45-square metre flat to median income of households, excluding those living in public rental housing and public temporary housing) edged up to around 56% in the third quarter amid the further stabilisation in recent flat prices, similar to the long-term average over 2005-2024[(1)].

Diagram 3.3 : Index of home purchase affordability edged up



Note : (^) The ratio of mortgage payment for a 45m² flat (assuming 70% loan-to-value ratio and tenor of 20 years) to median income of households (excluding those living in public rental housing and public temporary housing).

3.6 Maintaining a sustained supply of housing land in a prudent and pragmatic manner is a policy priority of the Government to ensure the healthy and stable development of the residential property market. In October, the Government announced that it would put up one residential site for sale in the fourth quarter. In total, the private housing land supply in the fourth quarter is expected to produce around 6 420 flats. Together with the supply in the previous two quarters, the total private housing land supply for the first three quarters of the 2025-26 financial year is estimated to produce about 12 430 units, which is around 94% of and is very close to the annual private housing supply target (13 200 units).

3.7 Reflecting the Government's sustained efforts in raising flat supply, the *total supply of first-hand flats in the private sector* in the coming three to four years (comprising unsold flats of completed projects, flats under construction but not yet sold and flats on disposed sites where construction can start any time) would stay at a high level of 102 000 units as estimated at end-September. Another 4 600 units could be added to the total supply after the conversion of a number of residential sites into "disposed sites".

3.8 The *non-residential property market* remained weak in the third quarter. Prices and rentals of all three major market segments (office space, retail shop space and flatted factory space) softened further. Meanwhile, transactions of office space rose over the third quarter while those of retail shop space and flatted factory space retreated. The average rental yields of the three major segments remained largely stable.

Table 3.1 : Key statistics of the non-residential property market

(a) Prices and rentals

(% change over the preceding period)

	2024				Dec 2024 versus	2025			Sep 2025 versus	Sep 2025 versus
	Mar	Jun	Sep	Dec	Dec 2023	Mar	Jun	Sep	Dec 2024	their peaks
Prices										
Office space	-6.2#	-8.0	-6.3	-6.2	-24.2#	-3.8	-4.2	-2.4	-10.1	-49.7
Grade A	*-9.7#*	*-8.4*	*-5.2*	*-5.2*	*-25.7#*	*-3.2*	*-4.7*	*-1.9*	*-9.5*	*-52.2*
Retail shop space	-3.1	-6.1	-5.7	-4.4	-18.1	-1.0	-5.5	-2.2	-8.5	-41.7
Flatted factory space	-5.9	-2.0	-6.2	-1.5	-14.8	-2.5	-4.8	-4.9	-11.7	-36.1
Rentals										
Office space	-1.4	-1.9	-1.3	-0.6	-5.1	-1.0	-1.2	-1.3	-3.4	-21.4
Grade A	*-1.1*	*-2.4*	*-1.5*	*-0.2*	*-5.0*	*-1.3*	*-1.7*	*-1.8*	*-4.7*	*-25.0*
Retail shop space	-3.4	-0.5	-1.0	-2.2	-7.0	-2.1	*	-0.6	-2.7	-18.5
Flatted factory space	-1.2	-0.9	-0.1	-1.2	-3.3	-0.8	-0.1	-2.0	-2.9	-6.9

Notes : (#) Computed using November 2023 figures as December 2023 figures are not available.

(*) Change within ±0.05%.

(b) Transactions

	2024					2025			2020-2024
	Q1-Q4 average	Q1	Q2	Q3	Q4	Q1	Q2	Q3	quarterly average
Office space	150	130	150	130	190	220	250	270	180
	(-6.8)	(-1.5)	(15.9)	(-15.0)	(43.8)	(19.3)	(13.0)	(8.7)	
Retail shop space^	280	200	340	230	340	270	360	300	350
	(-0.4)	(-10.3)	(70.5)	(-32.3)	(45.9)	(-21.1)	(33.5)	(-16.3)	
Flatted factory space	410	360	400	410	450	560	590	500	560
	(-12.8)	(-3.0)	(12.6)	(2.0)	(10.2)	(23.7)	(4.8)	(-14.0)	

Notes : ( ) % change over the preceding period.

(^) The figures on transactions refer to commercial space, which comprises retail premises and other premises designed or adapted for commercial use but excludes purpose-built office space.

(c) Average rental yield

(%)

	2024					2025		
	Annual	Mar	Jun	Sep	Dec	Mar	Jun	Sep
Office space	3.4	3.2	3.5	3.7	3.7	3.8	4.1	4.1
Grade A	*3.1*	*2.9*	*3.1*	*3.2*	*3.4*	*3.5*	*3.6*	*3.6*
Retail shop space	3.1	2.9	3.1	3.2	3.3	3.3	3.5	3.6
Flatted factory space	3.6	3.5	3.5	3.8	3.8	3.9	4.1	4.2

Land

3.9 One residential site with an area of about 0.4 hectare was disposed of in the third quarter, fetching a land premium of about $1.1 billion. In addition, the tender exercises for one residential site in Tsuen Wan and one site for electric vehicle charging station in Tai Po commenced in the quarter, while three land exchange cases and lease modifications of 18 sites were approved.

3.10 In his 2025 Policy Address, the Chief Executive announced a number of measures to accelerate the development of the Northern Metropolis (NM), which include dedicated legislation, industry anchoring, public-private partnership, the land strategy for and positioning of the University Town, and speeding up of the works approval process. Besides, various innovative land initiatives were introduced, such as reserving sites in Kwu Tung North and Fanling North new development areas in the NM for the Urban Renewal Authority to construct new buildings as replacement flats under the "Flat-for-Flat" Scheme in the future and suitably increasing the plot ratio of private redevelopment projects for areas with more pressing redevelopment need and allowing the relevant land owners to transfer the increased plot ratios for utilisations in other districts including the NM.

Tourism

3.11 Inbound tourism sustained robust growth, with *visitor arrivals* rising by 12.2% over a year earlier to 12.8 million in the third quarter. Mainland visitor arrivals, accounting for 79.4% of the total, grew notably by 12.1% over a year earlier to 10.2 million, while non-Mainland visitor arrivals also grew by 12.9% to 2.6 million. Visitor arrivals from long-haul markets rose by 18.9% to 0.8 million, outpacing the short-haul markets (excluding the Mainland) that grew by 10.4% to 1.8 million. Analysed by length of stay, overnight and same-day visitor arrivals rose by 3.2% and 21.1% over a year earlier to 5.8 million and 7.0 million respectively. Meanwhile, visitor spending, as measured by exports of travel services, rose by 9.1% in real terms from a year earlier.

Table 3.2 : Number of visitor arrivals ('000)

		Overall	By source*			By length of stay	
			Chinese Mainland	Other short-haul markets	Long-haul markets	Overnight visitors	Same-day visitors
2023	Q4	10 677.7	8 077.7	1 834.1	765.9	5 313.9	5 363.8
		(2 908.9)	(4 552.7)	(1 689.8)	(872.2)	(1 511.3)	(21 286.8)
2024	Q1	11 228.8	8 698.2	1 770.3	760.3	5 613.4	5 615.4
		(154.3)	(159.2)	(126.3)	(175.1)	(139.9)	(170.7)
	Q2	9 922.4	7 452.3	1 713.0	757.1	4 928.9	4 993.6
		(17.2)	(10.4)	(40.1)	(52.1)	(16.3)	(18.0)
	Q3	11 437.5	9 095.7	1 662.9	679.0	5 656.8	5 780.8
		(9.6)	(6.1)	(25.2)	(26.7)	(7.4)	(11.8)
	Q4	11 914.0	8 797.0	2 133.9	983.2	5 744.9	6 169.2
		(11.6)	(8.9)	(16.3)	(28.4)	(8.1)	(15.0)
2025	Q1	12 228.2	9 245.4	2 084.3	898.6	5 888.4	6 339.8
		(8.9)	(6.3)	(17.7)	(18.2)	(4.9)	(12.9)
	Q2	11 407.9	8 548.4	1 968.4	891.1	5 395.9	6 012.0
		(15.0)	(14.7)	(14.9)	(17.7)	(9.5)	(20.4)
	Q3	12 835.5	10 192.1	1 836.4	807.0	5 836.4	6 999.2
		(12.2)	(12.1)	(10.4)	(18.9)	(3.2)	(21.1)

Notes : (*) Other short-haul markets refer to North Asia, South and Southeast Asia, Taiwan and Macao, but excluding the Mainland, while long-haul markets refer to the Americas, Europe, Africa, the Middle East, Australia, New Zealand and South Pacific. Visitors are classified by nationality/region.

( ) % change over a year earlier. The abnormal year-on-year changes of visitor arrivals in 2023 were due to a low base of comparison amid boundary controls against the COVID-19 pandemic.

Figures may not add up to the corresponding totals due to rounding.

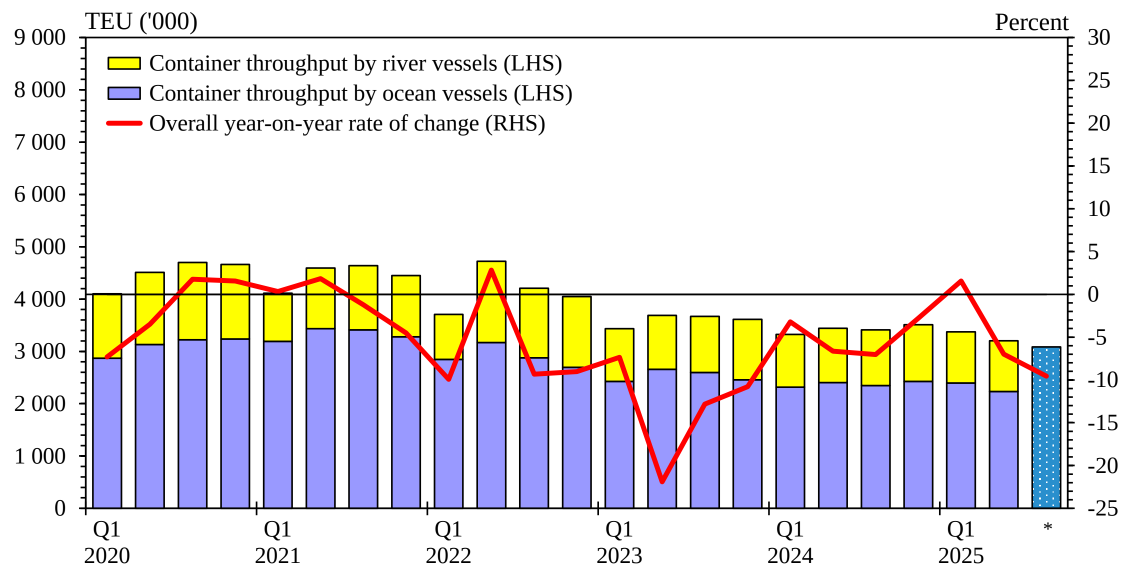
3.12 The average hotel room occupancy rate was 87% in the third quarter, marginally higher than the 86% recorded a year earlier. Meanwhile, the average achieved hotel room rate fell by 2.7% from a year earlier to \$1,168[(2)].

3.13 As remarked in the 2025 Policy Address, the Government will enhance the development of tourism products and initiatives with local and international characteristics, realising the motif of "tourism is everywhere". In addition to developing new tourist attractions to promote local thematic immersive tours, the Government will promote prime yacht tourism by providing additional yacht berths and enhancing amenities for visiting yachts. The Government will also continue to promote Muslim tourism. The Hong Kong Tourism Board has launched the "Hong Kong Restaurants Halal Certification Funding Scheme" to provide a half-rate certification fee subsidy, capped at $5,000, for restaurants that have acquired Halal certification.

Logistics

3.14 The performance of the logistics sector remained mixed in the third quarter. *Total container throughput* decreased further by 9.6% from a year earlier, to about 3.1 million twenty-foot equivalent units (TEUs). The value of trade handled at the Hong Kong port declined slightly by 0.5%, and its share in total trade fell further to 9.2%.

Diagram 3.4 : Container throughput decreased further in the third quarter

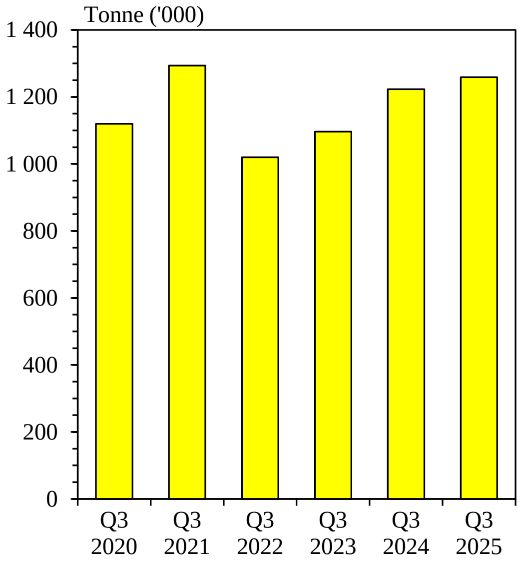


Note : (*) The container throughput figure for the latest quarter is the preliminary estimate by the Hong Kong Maritime and Port Development Board, for which a breakdown by ocean and river vessels is not yet available.

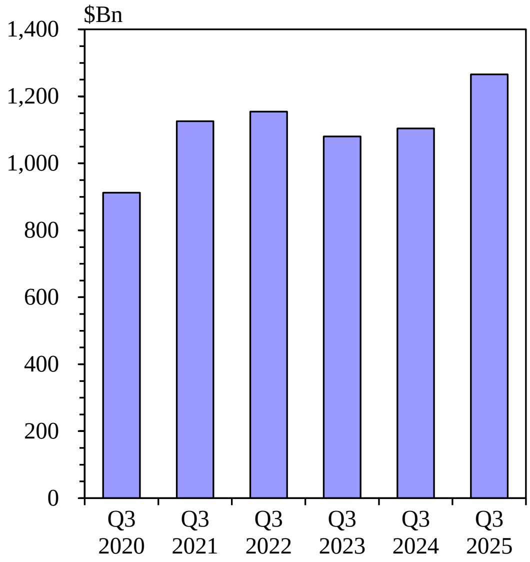
3.15 *Air freight throughput* rose modestly by 2.9% year-on-year to 1.3 million tonnes in the third quarter. The value of trade by air increased notably by 14.6%, with its share in total trade rising to 45.3%.

Diagram 3.5 : Air freight throughput and the value of trade by air both rose in the third quarter

(a) Air freight throughput



(b) Value of trade by air*

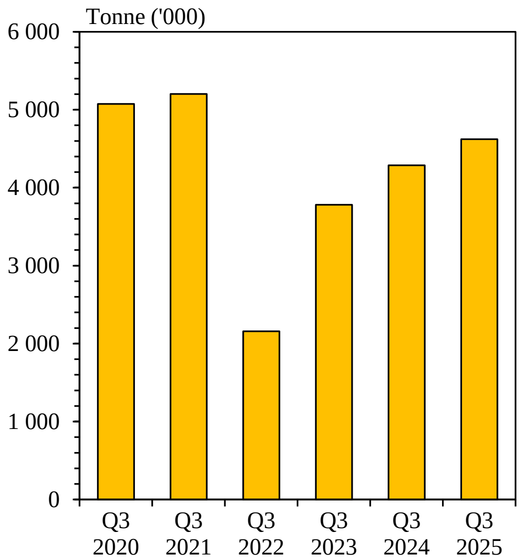


Note : (*) Not including transhipment.

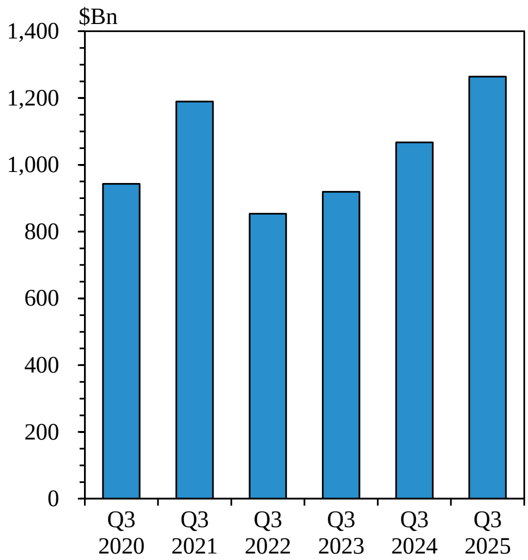
3.16 *Road cargo throughput* expanded visibly further by 7.8% to 4.6 million tonnes in the third quarter over a year earlier. The value of trade by road continued to grow strongly by 18.4%, while its respective share in total trade edged down to 45.2%.

Diagram 3.6 : Road cargo throughput expanded visibly further and the value of trade by road continued to grow strongly in the third quarter

(a) Road cargo throughput



(b) Value of trade by road



Transport

3.17 Cross-boundary traffic flows also showed mixed performance. Both air and land-based passenger trips increased by 11.7% and 10.5% over a year earlier to 15.3 million and 70.3 million respectively in the third quarter. On the other hand, water-borne passenger trips fell by 4.4% from a year earlier to 2.0 million. As regards vehicle flows, average daily cross-boundary vehicle movements remained vibrant, as shown by a further jump of 16.3% year-on-year to 50 299.

Innovation and technology

3.18 In the 2025 Policy Address, the Chief Executive set out a series of forward-looking initiatives to propel innovation and technology (I&T) development in Hong Kong. These measures include, among others: (i) commencing the $3 billion Frontier Technology Research Support Scheme in September 2025 and establishing the Hong Kong Artificial Intelligence (AI) Research and Development Institute in 2026 to promote the development of the AI and data science industries; (ii) expediting the development of the third InnoHK research cluster, with focuses on sustainable development, energy, advanced manufacturing and materials, to accelerate the development of new industrialisation; (iii) relaxing the application threshold for the New Industrialisation Acceleration Scheme and providing funding on a matching basis for the employment of relevant technical personnel; (iv) supporting people-oriented scientific research through the Innovation and Technology Fund to introduce a two-year subsidy scheme for amputees in Hong Kong for the configuration and use of the high-tech prostheses; and (v) promoting the development of a low-altitude economy ecosystem by formulating an Action Plan, rolling out the advanced “Regulatory Sandbox X” pilot projects, and setting up a task force to develop related insurance products for various application scenarios.

Arts, Cultural and Creative Industries

3.19 The 2025 Policy Address indicated that the Government will develop a premium arts trading hub and deepen collaboration with Art Basel, along with promoting the diverse development of the West Kowloon Cultural District and local cultural and creative industries. The Government will also refocus the performance venues, develop flagship arts and cultural projects, intensify promotion of intangible cultural heritage, and introduce commercial elements to enrich public facilities and events.

Environment

3.20 The Chief Executive announced measures in the 2025 Policy Address to promote the commercialisation of green I&T outcomes, including supporting the market development of technologies for battery-swapping electric vehicles and automated battery-swapping stations, encouraging the construction of district cooling systems by non-government entities, and driving the market to accelerate carbon reduction in existing buildings. The Government will also continue to support more research and development projects to help Hong Kong decarbonise and enhance environmental protection through the $400 million Green Tech Fund, under which around $150 million has been granted to support 33 projects from local universities, designated public research institutes and private enterprises.

Notes :

(1) Starting from the third quarter of 2019, the index of home purchase affordability is calculated based on, among others, the mortgage rates of new mortgage loans with reference to both the Best Lending Rate (BLR) and the Hong Kong Interbank Offered Rate (HIBOR). As such, the data from the third quarter of 2019 onwards may not be strictly comparable with those in previous quarters, which were based on the mortgage rates of new mortgages loans with reference to the BLR only.

Figures are subject to revision later as more data become available.

(2) The figures on hotel room occupancy and achieved room rate do not include guesthouses. The figures are subject to revision later as more data become available.

CHAPTER 4 : THE FINANCIAL SECTOR#

Summary

- *Interbank interest rates in Hong Kong rose notably in the third quarter due to tightened liquidity conditions. Yet, as the US Federal Open Market Committee (FOMC) lowered its target range for the Federal Funds Rate by 25 basis points in mid-September, the Base Rate under the Discount Window operated by the Hong Kong Monetary Authority (HKMA) was adjusted downward by the same magnitude to 4.50%. Interest rates on the retail front eased in tandem.*

- *The Hong Kong dollar spot exchange rate against the US dollar stayed close to the weak-side Convertibility Undertaking (CU) from July to mid-August, triggering the weak-side CU eleven times during the third quarter. Subsequently, the Hong Kong dollar strengthened gradually alongside the resultant rises in HIBORs. With the US dollar strengthening against most major currencies, the trade-weighted Hong Kong dollar Nominal and Real Effective Exchange Rate Indices rose by 0.6% and 1.1% respectively during the quarter.*

- *Total loans and advances decreased by 0.9% during the third quarter. Within the total, loans for use in and outside Hong Kong declined by 0.4% and 2.3% respectively.*

- *The local stock market exhibited a strong uptrend in the third quarter amid positive market sentiments on the back of a thriving technology sector, rising expectations on further US rate cuts following the one in September, as well as some easing of trade tensions. Fuelled by strong buying interests from the Mainland, 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. Trading activities stayed buoyant, and fund raising activities remained robust.*

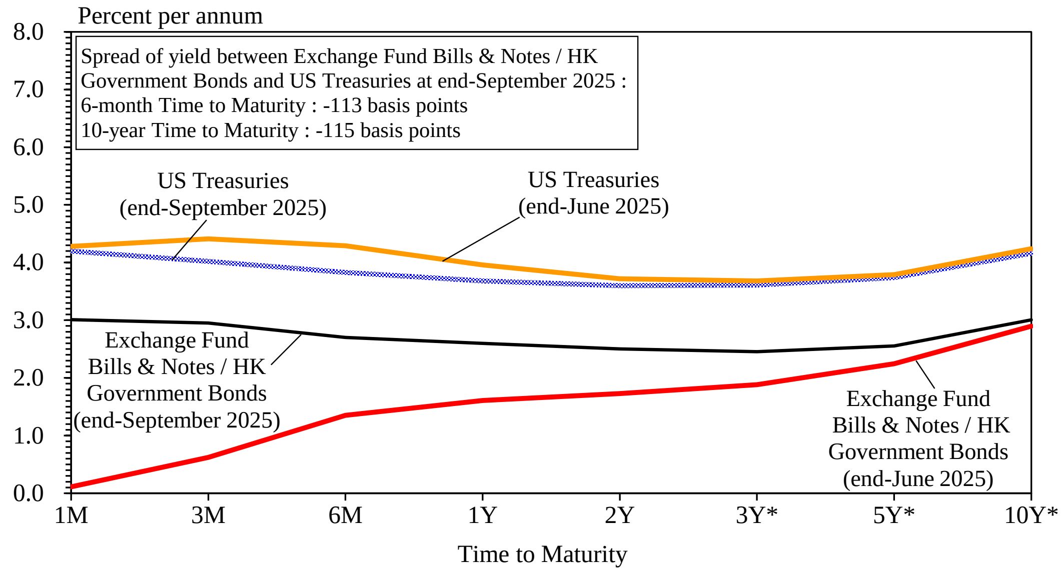
(#) This chapter is jointly prepared by the HKMA and the Office of the Government Economist.

Interest rates and exchange rates

4.1 Interbank interest rates in Hong Kong rose notably in the third quarter. After staying low until mid-August, *Hong Kong Interbank Offered Rates* (HIBORs) rose sharply amid tightened liquidity conditions following multiple rounds of weak-side CU triggering and funding demand from vibrant stock market activities. The overnight HIBOR and the 3-month HIBOR rose from 0.03% and 1.68% at end-June to 5.02% and 3.53% at end-September respectively. Meanwhile, as the US FOMC lowered its target range for the Federal Funds Rate by 25 basis points to 4.00-4.25% in mid-September, the *Base Rate*[(1)] under the Discount Window operated by the HKMA was adjusted downward by the same magnitude to 4.50%.

4.2 *Hong Kong dollar yield curve* shifted upward in the third quarter, while *US dollar yield curve* shifted downward, more so for the shorter tenors. Reflecting their relative movements, the negative yield spread between 6-month Exchange Fund Bills and 6-month US Treasury Bills narrowed from 294 basis points at end-June to 113 basis points at end-September, and that between the 10-year Hong Kong Government Bonds and 10-year US Treasury Notes also narrowed from 134 basis points to 115 basis points.

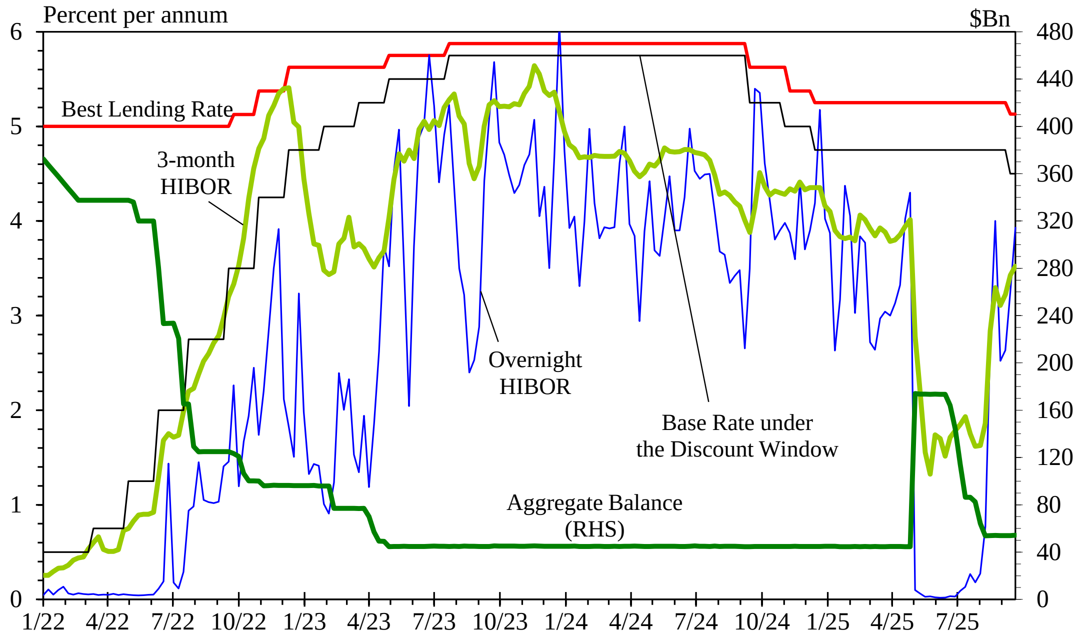
Diagram 4.1 : Hong Kong dollar yield curve shifted upward in the third quarter, while US dollar yield curve shifted downward, more so for the shorter tenors



Note : (*) The Hong Kong dollar yields for tenors of 3 years, 5 years and 10 years refer to those for Hong Kong Government Bonds under the Infrastructure Bond Programme or the Government Sustainable Bond Programme.

4.3 On the retail front, many local banks lowered their *Best Lending Rates* by 12.5 basis points after the US rate cut in mid-September. At end-September, the Best Lending Rates in the market ranged from 5.125% to 5.625%. The *average savings deposit rate* for deposits of less than $100,000 quoted by major banks decreased from 0.22% at end-June to 0.11% at end-September, while the *one-year time deposit rate* decreased from 0.27% to 0.21%. The *composite interest rate*(2), which indicates the average cost of funds for retail banks, declined from 1.26% at end-June to 1.19% at end-September.

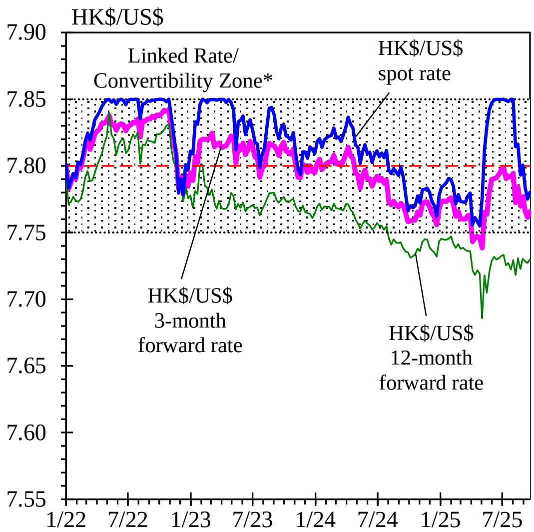
Diagram 4.2 : Interbank interest rates rose notably during the third quarter, while interest rates on the retail front eased (end of the week)



4.4 Driven by persistent carry trade selling flows amid the sizeable negative HKD-USD interest rate spreads, the *Hong Kong dollar spot exchange rate against the US dollar* stayed close to the weak-side CU from July to mid-August. The weak-side CU was triggered eleven times during the quarter, with the HKMA buying a total of $110.5 billion Hong Kong dollars. Consequently, the Aggregate Balance contracted from $164.1 billion at end-June to $54.2 billion at end-September. With the resultant rises in HIBORs amid tightened Hong Kong dollar liquidity, the negative HKD-USD interest rate spreads subsequently narrowed. Coupled with continued net buying flows through the Southbound Stock Connect, the Hong Kong dollar strengthened afterwards, closing the third quarter at 7.7804, compared with 7.8499 at end-June. The discount of 3-month *Hong Kong dollar forward rate* narrowed from 574 pips (each pip is equivalent to HK$0.0001) at end-June to 139 pips at end-September, and that of the 12-month Hong Kong dollar forward rate narrowed from 1 227 pips to 515 pips.

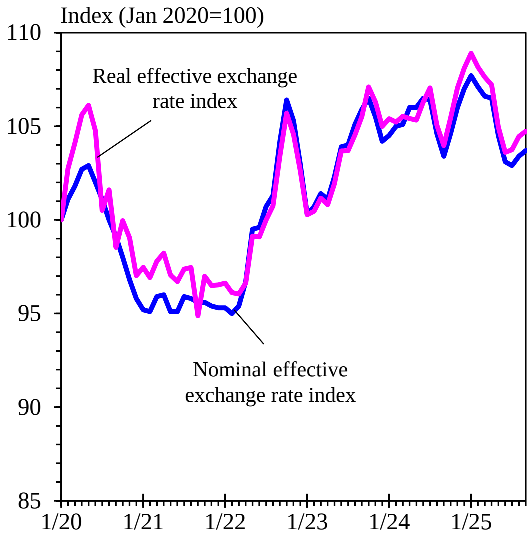
4.5 Under the Linked Exchange Rate System, movements in the Hong Kong dollar exchange rate against other currencies closely followed those of the US dollar. As the US dollar strengthened against most major currencies, the *trade-weighted Hong Kong dollar Nominal and Real Effective Exchange Rate Indices* [(3)] rose by 0.6% and 1.1% respectively during the third quarter.

Diagram 4.3 : The Hong Kong dollar spot exchange rate against the US dollar stayed weak until mid-August, triggering the weak-side CU repeatedly, before strengthening afterwards (end of the week)



Note : (*) The shaded area represents the Convertibility Zone that was introduced in May 2005 as part of the three refinements to the Linked Exchange Rate System.

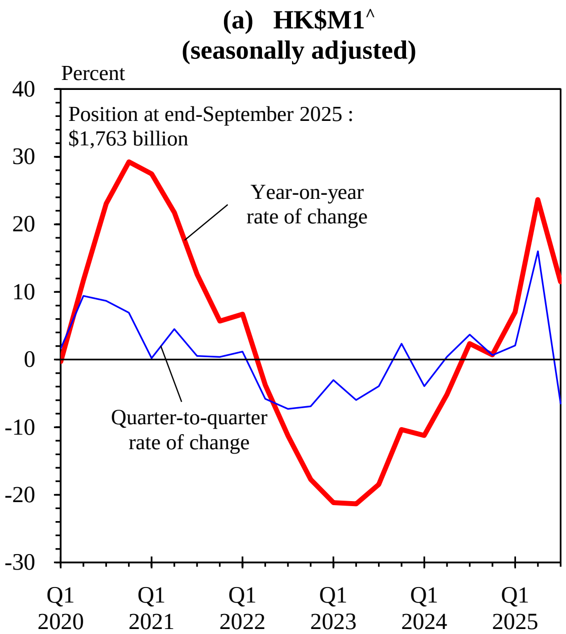
Diagram 4.4 : The trade-weighted nominal and real effective exchange rate indices both rose during the third quarter (average of the month)

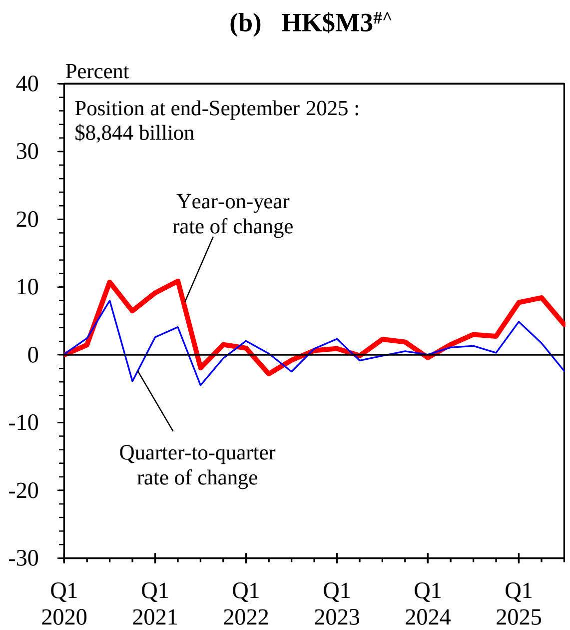


Money supply and banking sector

4.6 The Hong Kong dollar broad *money supply* (HK$M3) decreased by 2.4% over end-June to $8,844 billion at end-September, and the seasonally adjusted Hong Kong dollar narrow money supply (HK$M1) decreased by 6.5% to $1,763 billion[(4)]. Meanwhile, *total deposits* with authorized institutions (AIs)[(5)] increased by 2.4% to $19,144 billion, within which Hong Kong dollar deposits decreased by 2.7% while foreign currency deposits increased by 6.5%.

Diagram 4.5 : Both the Hong Kong dollar broad and narrow money supply decreased during the third quarter





Notes : (^) Figures refer to the positions at end of period.
(#) Adjusted to include foreign currency swap deposits.

Table 4.1 : Hong Kong dollar money supply and total money supply

% change during the quarter		M1 HK$^	M1 Total	M2 HK$(a)	M2 Total	M3 HK$(a)	M3 Total
2024	Q1	-3.9	-1.6	*	-0.1	*	*
	Q2	0.4	3.5	1.1	3.4	1.1	3.4
	Q3	3.7	6.7	1.3	2.4	1.3	2.4
	Q4	0.7	-2.7	0.3	1.4	0.3	1.4
2025	Q1	2.1	4.3	4.9	3.2	4.9	3.2
	Q2	16.0	12.2	1.7	4.0	1.7	4.1
	Q3	-6.5	-4.5	-2.4	2.1	-2.4	2.1
Total amount at end-September 2025 ($Bn)		1,763	3,072	8,830	20,238	8,844	20,282
% change over a year earlier		11.5	8.8	4.5	11.1	4.5	11.1

Notes : (^) Seasonally adjusted.

(a) Adjusted to include foreign currency swap deposits.

(*) Change within ± 0.05%.

4.7 *Total loans and advances* decreased by 0.9% from end-June to \$10,069 billion at end-September. Analysed by currency, Hong Kong dollar loans and foreign currency loans decreased by 0.6% and 1.3% respectively. Reflecting the relative movements in deposits and loans, the loan-to-deposit ratio for Hong Kong dollar rose from 72.0% at end-June to 73.6% at end-September, while that for foreign currencies fell from 40.0% to 37.0%.

4.8 Loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong decreased by 0.4% and 2.3% over end-June to \$7,617 billion and \$2,451 billion respectively at end-September. Within the former, loans to various economic segments saw mixed performance. Loans to financial concerns and stockbrokers increased by 3.0% and 0.4% respectively amid vibrant stock market activities, while those to wholesale and retail trade, trade finance, and manufacturing decreased by 3.8%, 0.7% and 0.6% respectively. As for property-related lending, loans for purchase of residential property edged up by 0.8% in tandem with the relatively active property transactions during the quarter, while loans to building, construction, property development and investment fell by 3.2%.

Table 4.2 : Loans and advances

		All loans and advances for use in Hong Kong									
		Loans to :									
% change during the quarter		Trade finance	Manu-facturing	Whole-sale and retail trade	Building and construction, property development and investment	Purchase of residential property[(a)]	Financial concerns	Stock-brokers	Total[(b)]	All loans and advances for use outside Hong Kong[(c)]	Total loans and advances
2024	Q1	-0.5	0.5	-4.7	-0.7	0.1	-7.5	-10.4	-1.2	-0.4	-1.0
	Q2	6.0	-2.7	0.2	-2.8	0.7	0.5	-2.4	0.3	-4.6	-0.9
	Q3	-1.5	2.1	3.4	-3.1	0.7	-1.3	54.9	-0.8	1.7	-0.2
	Q4	0.6	-0.9	-1.5	-1.1	-0.1	1.8	-23.1	-0.1	-2.3	-0.7
2025	Q1	-4.7	5.1	-2.1	-2.7	0.6	4.4	10.6	0.5	1.1	0.6
	Q2	3.5	4.8	2.5	-0.2	0.6	3.8	16.3	1.6	2.6	1.9
	Q3	-0.7	-0.6	-3.8	-3.2	0.8	3.0	0.4	-0.4	-2.3	-0.9
Total amount at end-September 2025 (\$Bn)		374	323	282	1,459	2,047	938	64	7,617	2,451	10,069
% change over a year earlier		-1.3	8.4	-4.9	-7.1	2.0	13.7	-0.6	1.6	-1.0	0.9

Notes : (a) Figures also include loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme, in addition to those for the purchase of private residential flats.

(b) Loans to individual sectors may not add up to all loans and advances for use in Hong Kong, as some sectors are not included.

(c) Also include loans where the place of use is not known.

4.9 The Hong Kong banking sector remained strong, underpinned by solid capital and liquidity positions. Hong Kong incorporated AIs were well capitalised, with the total capital adequacy ratio staying at a high level of 24.4% at end-June. The local banking sector's asset quality remained at a healthy level. The ratio of classified loans to total loans for all AIs edged down from 1.98% at end-March to 1.97% at end-June, though the delinquency ratio for credit card lending edged up from 0.37% to 0.40%. The delinquency ratio for residential mortgage loans stayed low at 0.13% at end-September, same as that at end-June.

Table 4.3 : Asset quality of all authorized institutions*^

(as % of total loans)

At end of period		Pass loans	Special mention loans	Classified loans (gross)
2024	Q1	96.16	2.05	1.79
	Q2	96.18	1.93	1.89
	Q3	96.00	2.01	1.99
	Q4	95.88	2.15	1.96
2025	Q1	95.77	2.25	1.98
	Q2	95.87	2.16	1.97

Notes : Due to rounding, figures may not add up to 100.

(*) Period-end figures relate to Hong Kong offices, overseas branches and major overseas subsidiaries. Loans and advances are classified into the following categories: Pass, Special Mention, Substandard, Doubtful and Loss. Loans in the substandard, doubtful and loss categories are collectively known as "classified loans".

(^) As a reference, for retail banks, the pass loans, special mention loans and classified loans (gross) as percentages of total loans were 95.74%, 2.12% and 2.13% respectively at end-June 2025.

4.10 *Offshore renminbi (RMB) business* saw mixed performance in the third quarter. RMB trade settlement transactions handled by banks in Hong Kong decreased by 12.1% from a year earlier to RMB3,353.4 billion. Total RMB deposits (including customer deposits and outstanding certificates of deposit) nonetheless increased by 11.6% over end-June to RMB1,099.0 billion at end-September. As to financing activities, outstanding RMB bank loans increased by 5.4% to RMB881.4 billion during the same period. Earlier on, RMB bond issuance (excluding certificates of deposit) amounted to RMB127.8 billion (of which RMB25.0 billion was issued by the Ministry of Finance) in the second quarter, as compared to RMB157.8 billion in the same period of 2024[(6)].

Table 4.4 : Renminbi customer deposits and cross-border renminbi trade settlement in Hong Kong

At end of period		Demand and savings deposits (RMB Mn)	Time deposits (RMB Mn)	Total deposits (RMB Mn)	Interest rates on[(a)] Savings deposits[(b)] (%)	Interest rates on[(a)] Three-month time deposits[(b)] (%)	Number of AIs engaged in RMB business	Amount of cross-border RMB trade settlement[(c)] (RMB Mn)
2024	Q1	356,992	587,672	944,664	0.16	0.31	139	3,713,713
	Q2	432,712	628,954	1,061,666	0.16	0.31	138	3,700,964
	Q3	459,606	556,732	1,016,339	0.16	0.31	139	3,816,626
	Q4	408,585	518,004	926,589	0.16	0.31	138	3,953,280
2025	Q1	423,009	536,839	959,848	0.16	0.31	138	3,625,469
	Q2	395,342	486,720	882,061	0.16	0.31	139	3,709,233
	Q3	471,341	530,430	1,001,771	0.16	0.31	141	3,353,375
% change in 2025 Q3 over 2024 Q3		2.6	-4.7	-1.4	N.A.	N.A.	N.A.	-12.1
% change in 2025 Q3 over 2025 Q2		19.2	9.0	13.6	N.A.	N.A.	N.A.	-9.6

Notes : (a) The interest rates are based on a survey conducted by the HKMA.

(b) Period average figures.

(c) Figures during the period.

N.A. Not applicable.

The debt market

4.11 As to the Hong Kong dollar *debt market*, total gross issuance of Hong Kong dollar debt securities increased by 9.7% over the preceding quarter to $1,573.3 billion[7] in the third quarter. The total outstanding amount of Hong Kong dollar debt securities rose by 6.4% over end-June to $3,208.6 billion at end-September, equivalent to 36.3% of HK$M3 or 31.0% of Hong Kong dollar-denominated assets of the banking sector[8].

4.12 As to the Hong Kong dollar bonds issued by the Government, a total of $7.25 billion institutional Government Bonds (GBs) were issued through tenders in the third quarter under the Infrastructure Bond Programme (IB Programme). At end-September, the total outstanding amount of Hong Kong dollar bonds under the GB Programme, Government Sustainable Bond Programme (GSB Programme) and IB Programme was around $257.3 billion, comprising nine institutional issues totalling $70.5 billion and one retail issue (Silver Bond) worth $53.8 billion under the GB Programme, one institutional issue worth $2.0 billion and one retail issue (Retail Green Bond) worth $20.0 billion under the GSB Programme, as well as 12 institutional issues totalling $38.8 billion and two retail issues (one Silver Bond and one Retail IB) totalling $72.2 billion under the IB Programme. As for GBs denominated in other currencies, there was one US dollar sukuk with an issuance size of US$1.0 billion outstanding under the GB Programme, around US$21.6 billion equivalent of institutional green bonds outstanding under the GSB Programme, and around US$4.3 billion equivalent of institutional IBs outstanding under the IB Programme.

Table 4.5: New issuance and outstanding value of Hong Kong dollar debt securities ($Bn)

		Exchange Fund	The HKSAR Government	Local Public sector [a]	AIs[b]	Local corporations	Non-MDBs issuers outside Hong Kong[c]	MDBs[c]	Statutory bodies/government-owned corporations in Hong Kong	Total
New Issuance										
2024	Annual	4,102.5	91.7	4,194.3	303.3	32.6	434.4	47.5	123.0	5,135.1
	Q1	1,004.5	5.5	1,010.0	59.7	6.2	113.0	18.4	57.0	1,264.3
	Q2	1,017.4	1.5	1,018.9	89.2	7.0	131.8	13.4	13.6	1,273.8
	Q3	1,036.2	1.5	1,037.7	86.2	13.1	96.6	8.6	31.5	1,273.7
	Q4	1,044.6	83.2	1,127.8	68.1	6.3	93.0	7.1	21.0	1,323.3
2025	Q1	1,049.0	7.5	1,056.5	98.9	7.7	188.6	15.3	27.8	1,394.8
	Q2	1,060.2	13.5	1,073.7	85.5	23.9	221.8	15.2	13.7	1,433.9
	Q3	1,074.3	7.3	1,081.5	123.8	11.1	312.5	24.6	19.8	1,573.3
% change in 2025 Q3 over 2024 Q3		3.7	383.3	4.2	43.5	-15.5	223.4	186.1	-37.0	23.5
% change in 2025 Q3 over 2025 Q2		1.3	-46.3	0.7	44.7	-53.5	40.9	61.1	44.3	9.7
Outstanding (as at end of period)										
2024	Q1	1,268.4	287.2	1,555.6	265.2	120.8	573.5	55.4	187.5	2,758.0
	Q2	1,281.7	258.7	1,540.4	284.5	114.2	599.2	64.6	172.1	2,775.0
	Q3	1,294.7	222.1	1,516.8	287.0	119.6	590.9	63.6	183.1	2,761.0
	Q4	1,306.8	303.3	1,610.1	276.7	120.2	570.2	70.1	177.9	2,825.1
2025	Q1	1,318.1	308.9	1,627.0	293.2	119.9	635.1	80.4	181.8	2,937.4
	Q2	1,325.3	293.9	1,619.2	284.5	134.4	699.8	94.0	183.9	3,015.7
	Q3	1,331.4	257.3	1,588.7	313.1	138.3	870.1	114.1	184.3	3,208.6
% change in 2025 Q3 over 2024 Q3		2.8	15.9	4.7	9.1	15.6	47.2	79.5	0.6	16.2
% change in 2025 Q3 over 2025 Q2		0.5	-12.4	-1.9	10.1	2.9	24.3	21.4	0.2	6.4

Notes : Figures may not add up to the corresponding totals due to rounding. Figures are provisional and may be subject to revision.

(a) Sum of Exchange Fund and the Government of the HKSAR.

(b) AIs : Authorized institutions.

(c) MDBs : Multilateral Development Banks.

The stock and derivatives markets

4.13 The *local stock market* exhibited a strong uptrend in the third quarter. 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 trade tensions following trade deals between the US and many economies. Fuelled by strong buying interests from the Mainland, the HSI rallied to a four-year high in mid-September before closing the quarter at 26 856, up 11.6% from end-June. *Market capitalisation* rose notably by 16.8% to $49.9 trillion during the quarter. The local stock market ranked the fifth largest in the world and the third largest in Asia[(9)].

4.14 Trading activities stayed buoyant in the third quarter. *Average daily turnover* in the securities market reached $286.4 billion, increasing by 141.0% over a year ago and 20.5% over the preceding quarter. Within the total, the average daily trading value of equities, callable bull/bear contracts and unit trusts (including Exchange-Traded Funds (ETFs))[(10)] increased by 25.6%, 16.8% and 2.5% respectively on a quarter-to-quarter basis, while that of derivative warrants decreased by 6.7%. As to futures and options[(11)], the average daily trading volume increased by 7.3%. Within the total, trading of stock options and Hang Seng Index futures rose by 19.2% and 0.5% respectively, while that of Hang Seng Index options and Hang Seng China Enterprises Index futures fell by 8.8% and 8.5% respectively.

Diagram 4.6 : The HSI exhibited a strong uptrend during the third quarter and once rallied to a four-year high

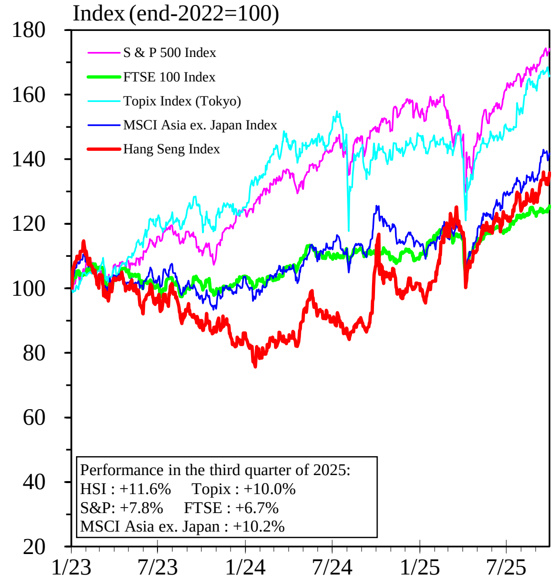
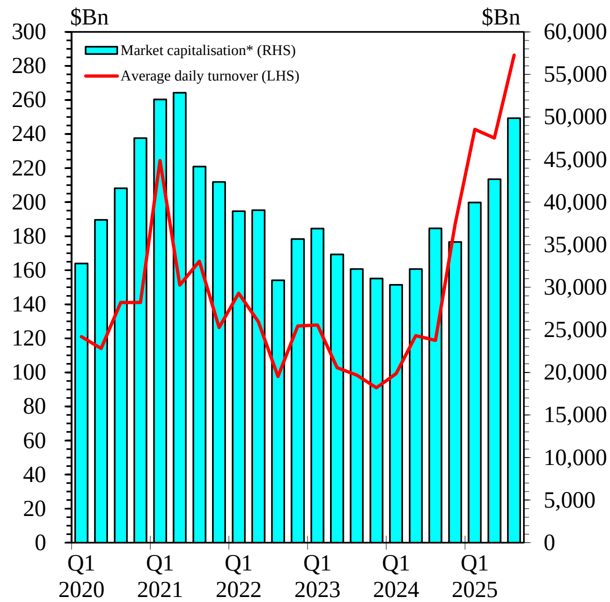


Diagram 4.7 : Market capitalisation rose notably; trading activities stayed buoyant in the third quarter



Note : (*) Position at end of quarter.

Table 4.6 : Average daily turnover of futures and options of the Hong Kong market

		Hang Seng Index futures	Hang Seng Index options	Hang Seng China Enterprises Index futures	Stock options	Total futures and options traded*
2024	Annual	140 276	19 645	187 684	720 297	1 550 593
	Q1	149 867	22 591	208 485	645 126	1 500 494
	Q2	141 876	21 446	191 449	747 232	1 565 097
	Q3	130 138	19 505	173 985	704 694	1 482 419
	Q4	139 757	15 146	177 714	784 043	1 653 975
2025	Q1	143 619	18 509	170 690	964 803	1 866 001
	Q2	121 666	13 876	151 409	771 454	1 534 850
	Q3	122 289	12 656	138 573	919 912	1 647 307
% change in 2025 Q3 over 2024 Q3		-6.0	-35.1	-20.4	30.5	11.1
% change in 2025 Q3 over 2025 Q2		0.5	-8.8	-8.5	19.2	7.3

Note : (*) Turnover figures for individual futures and options are in number of contracts, and do not add up to the total futures and options traded as some products are not included.

4.15 Fund raising activities remained robust in the third quarter. *Total equity capital raised*, comprising new share floatation and post-listing arrangements on the Main Board and GEM(12), leaped by 181.5% over a year earlier to $167.9 billion during the quarter, up 34.3% over the preceding quarter. Within the total, the amount of funds raised through IPOs increased by 86.8% over a year ago to $78.9 billion, though fell back by 13.1% from the preceding quarter. Hong Kong ranked first among stock exchange markets globally in terms of the amount of funds raised through IPOs in the first nine months of the year(13).

4.16 Mainland enterprises remained the driving force in the Hong Kong stock market. At end-September, a total of 1 518 Mainland enterprises (including 401 H-share companies and 1 117 Non-H share Mainland enterprises) were listed on the Main Board and GEM, representing 57% of the total number of listed companies and 81% of total market capitalisation. Mainland-related stocks accounted for 91% of equity turnover and 87% of total equity funds raised on the Hong Kong Stock Exchange in the first nine months of 2025.

Fund management and investment funds

4.17 Performance of the fund management business improved in the third quarter. The aggregate net asset value of the approved constituent funds under the *Mandatory Provident Fund (MPF) schemes*[14] rose by 7.0% over end-June to $1,529.7 billion at end-September. The monthly average gross retail sales of *mutual funds* increased by 23.0% over the preceding quarter to US$10.5 billion in July – August[15][16], and was 35.5% higher than the level a year earlier.

Insurance sector

4.18 The *insurance sector*[17] recorded strong growth in the second quarter. New office premiums of long-term business surged by 58.8% over a year earlier, within which premium from non-investment linked individual business (which accounted for 95.3% of total premium for this segment) rose by 59.5%, and that from investment-linked business increased by 50.2%. As to general business, gross and net premiums amounted to $27.2 billion and $19.3 billion respectively[18].

Table 4.7 : Insurance business in Hong Kong[@] ($Mn)

		General business[#]			New office premium of long-term business[^]				
		Gross premium	Net premium	Underwriting profit	Non-linked long-term individual business	Linked long-term individual business	Non-retirement scheme group business	All long-term business	Gross premium from long-term business and general business
2024	Annual	100,453	69,658	3,267	208,133	11,169	454	219,756	320,209
	Q1	N.A.	N.A.	N.A.	63,292	1,846	141	65,279	N.A.
	Q2	N.A.	N.A.	N.A.	48,004	2,457	125	50,586	N.A.
	Q3	N.A.	N.A.	N.A.	50,740	2,899	91	53,730	N.A.
	Q4	25,436	17,942	1,111	46,097	3,967	97	50,161	75,597
2025	Q1	31,245	20,588	882	90,087	3,227	99	93,413	124,658
	Q2	27,203	19,269	761	76,545	3,691	91	80,327	107,530
% change in 2025 Q2 over 2024 Q2		N.A.	N.A.	N.A.	59.5	50.2	-27.2	58.8	N.A.

Notes : (@) Provisional statistics of the Hong Kong insurance industry.

(#) Following the implementation of the Risk-based Capital (RBC) regime on 1 July 2024, a new set of regulatory returns was introduced and some definitions were modified. Under the RBC regime, an element reflecting offshore business in respect of general insurance was included. In addition, the insurers must now report their underwriting performance based on financial year instead of calendar year, causing some data to be partially covered in this set of statistics. It is therefore inappropriate to make a direct comparison between the latest figures with those published in previous years.

(^) Retirement scheme business is excluded.

(N.A.) Not applicable.

Highlights of policy and market developments

4.19 In the 2025 Policy Address, the Chief Executive set out various measures to consolidate Hong Kong's position as an international financial centre. Notably, the Government will continuously strengthen the stock market by enhancing the listing and structured products issuance mechanism, facilitating listing of overseas enterprises, improving trading arrangements and efficiency, and promoting issuance and trading of Renminbi securities in Hong Kong. The Government will also expedite the building of an international gold trading market through establishing a central clearing system for gold and encouraging more financial institutions to expand gold storage facilities in Hong Kong. On green and sustainable finance, the Hong Kong Exchanges and Clearing Limited will deepen pilot co-operation with carbon markets in the Greater Bay Area to test out cross-boundary trade settlement and jointly build a regional carbon market ecosystem. On fintech, following the implementation of the regulatory regime for stablecoin issuers on 1 August, the Government is formulating legislative proposals regarding licensing regimes for digital asset dealing and custodian service providers. The Securities and Futures Commission (SFC) is also studying the possibility of offering a wider range of digital asset products and services to professional investors on the premise of sufficient investor protection.

4.20 The HKMA and the SFC jointly announced Hong Kong's Roadmap for the Development of Fixed Income and Currency (FIC) Markets on 25 September to position Hong Kong as a global FIC hub by fostering demand, liquidity and innovation. The roadmap outlines 10 initiatives across four pillars, including primary market issuance, secondary market liquidity, offshore RMB business, and next-generation infrastructure, with a view to supporting the sustainable and diversified growth of Hong Kong's capital markets.

4.21 The People's Bank of China announced its support for further deepening mutual access between the Mainland and Hong Kong financial markets on 25 September, including supporting various types of offshore institutional investors to conduct repurchase business in the Mainland bond market, expanding the list of Swap Connect dealers and enhancing relevant management mechanisms, more than doubling the daily quota of Northbound trading of Swap Connect to RMB45 billion, working with relevant authorities to provide more RMB assets in the Hong Kong market including treasury bonds, and continuing to communicate and co-operate closely with different parties to accelerate the launch of RMB treasury bond futures in Hong Kong. Subsequently, the cross-boundary bond repurchase (repo) business between the Mainland and Hong Kong was officially launched on 26 September, as one of the key initiatives to continuously enhance the Bond Connect business.

Notes :

(1) Prior to 9 October 2008, the Base Rate was set at either 150 basis points above the prevailing US Federal Funds Target Rate (FFTR) or the average of the five-day moving averages of the overnight and one-month HIBORs, whichever was higher. Between 9 October 2008 and 31 March 2009, this formula for determination of the Base Rate was temporarily changed by reducing the spread of 150 basis points above the prevailing FFTR to 50 basis points and by removing the other leg relating to the moving averages of the relevant interbank interest rates. After a review of the appropriateness of the new Base Rate formula, the narrower 50 basis point spread over the FFTR was retained while the HIBOR leg was re-instated in the calculation of the Base Rate after 31 March 2009.

(2) In December 2005, the HKMA published a new data series on composite interest rate, reflecting movements in various deposit rates, interbank and other interest rates to closely track the average cost of funds for banks. The published data enable the banks to keep track of changes in funding cost and thus help improve interest rate risk management in the banking sector. Since June 2019, the composite interest rate has been calculated based on the new local "Interest rate risk in the banking book" framework. As such, the figures are not strictly comparable with those of previous months.

(3) The trade-weighted Nominal Effective Exchange Rate Index (EERI) is an indicator of the overall exchange value of the Hong Kong dollar against a fixed basket of other currencies. Specifically, it is a weighted average of the exchange rates of the Hong Kong dollar against 18 currencies of its major trading partners, with the weights adopted being the respective shares of these trading partners in the total value of merchandise trade for Hong Kong during 2019 and 2020.

The Real EERI of the Hong Kong dollar is obtained by adjusting the Nominal EERI for relative movements in the seasonally adjusted consumer price indices of the respective trading partners.

(4) The various definitions of the money supply are as follows:

M1 : Notes and coins with the public, plus customers' demand deposits with licensed banks.

M2 : M1 plus customers' savings and time deposits with licensed banks, plus negotiable certificates of deposit (NCDs) issued by licensed banks and held outside the monetary sector, as well as short-term Exchange Fund placements of less than one month.

M3 : M2 plus customers' deposits with restricted licence banks and deposit-taking companies, plus NCDs issued by such institutions and held outside the monetary sector.

Among the various monetary aggregates, more apparent seasonal patterns are found in HK$M1, currency held by the public, and demand deposits. As monthly monetary statistics are subject to volatilities due to a wide range of transient factors, such as seasonal and IPO-related funding demand as well as business and investment-related activities, caution is required when interpreting the statistics.

(5) AIs include licensed banks, restricted licence banks and deposit-taking companies. At end-September 2025, there were 149 licensed banks, 16 restricted licence banks and 11 deposit-taking companies in Hong Kong. Altogether, 176 AIs (excluding representative offices) from 32 countries and territories (including Hong Kong) had a presence in Hong Kong.

(6) HKMA discontinued the old RMB bond issuance data since June 2024 and adopted another data series. The new series has broader coverage sourced from various data sources including Bloomberg, the Central Moneymarkets Unit, Dealogic and Reuters but with longer time lag. Hence the latest data are up to the previous quarter only, and the new data are not directly comparable with those in previous issues of this report. Figures are subject to revisions.

(7) The figures may not represent a full coverage of all the Hong Kong dollar debt securities issued.

(8) Assets of the banking sector include notes and coins, amount due from AIs in Hong Kong as well as from banks abroad, loans and advances to customers, negotiable certificates of deposit (NCDs) held, negotiable debt instruments other than NCDs held, and other assets. Certificates of indebtedness issued by Exchange Fund and the counterpart bank notes issued are nevertheless excluded.

(9) The ranking is based on the market capitalisation figures of global stock exchange markets compiled by the World Federation of Exchanges and the London Stock Exchange Group.

(10) Given the relatively small share (less than 0.2% of the daily turnover in the securities market), trading of debt securities and its movements were not analysed.

(11) At end-September 2025, there were 132 classes of stock options contracts and 97 classes of stock futures contracts.

(12) At end-September 2025, there were 2 341 and 314 companies listed on the Main Board and GEM respectively.

(13) The ranking is based on the amount of funds raised through IPOs (including fundraising of special purpose acquisition companies) compiled by Dealogic.

(14) At end-September 2025, there were 12 approved trustees. On MPF products, 21 master trust schemes, two industry schemes and one employer sponsored scheme, comprising altogether 378 constituent funds, were approved by the Mandatory Provident Fund Schemes Authority. A total of 354 000 employers, 2.66 million employees and 228 000 self-employed persons are estimated to have participated in MPF schemes.

(15) These figures are obtained from the Sales and Redemptions Survey conducted by the Hong Kong Investment Funds Association (HKIFA) on their members, and cover only the active authorised funds that have responded to the survey. As HKIFA has revised the coverage of its funds statistics since 2023, the figures in this report may not be comparable with those contained in previous issues of this report.

(16) At end-September 2025, there was one SFC-authorised retail hedge fund with net asset size of US$83 million. This amount of net assets under management increased by

10.7% from end-June, and represented a 16.2% decrease from a year earlier and a 48.1% decrease from end-2002, the year when the hedge funds guidelines were first issued.

(17) At end-September 2025, there were 159 authorized insurers in Hong Kong. Within this total, 51 were engaged in long-term insurance business, 86 in general insurance business, 19 in composite insurance business, and three in special purpose business. These authorized insurers come from 22 countries and territories (including Hong Kong).

(18) Following the implementation of the RBC regime on 1 July 2024, an element reflecting offshore business is now included in respect of general insurance, and the coverage, classifications and definitions for related statistics have been modified. It is therefore inappropriate to make a direct comparison between the latest figures with those published in previous years.

CHAPTER 5 : THE LABOUR SECTOR

Summary

- *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%. Both the labour force and total employment rebounded from the preceding quarter.*

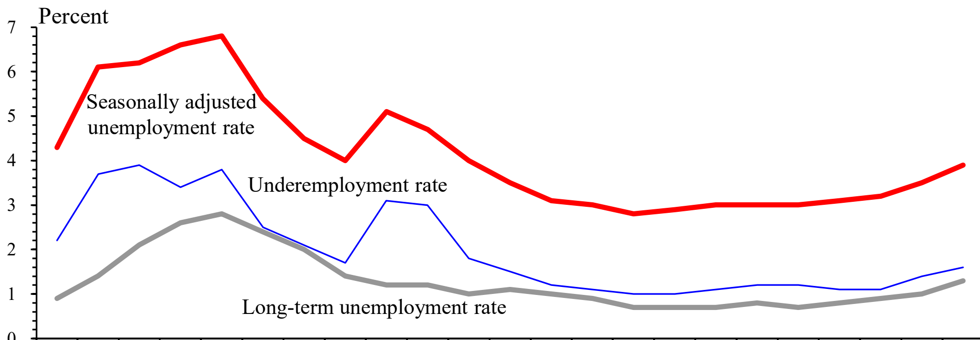
- *The unemployment rates of many major sectors went up in the third quarter from the preceding quarter.*

- *Wages and labour earnings continued to record decent increases in the second quarter over a year earlier, according to the establishment survey. More recent General Household Survey (GHS) data showed that the employment earnings continued to record year-on-year growth in the third quarter.*

Overall labour market situation[1]

5.1 The labour market softened in the third quarter of 2025. The seasonally adjusted *unemployment rate*[2] rose to 3.9% in the third quarter from 3.5% in the preceding quarter. The *underemployment rate*[3] also increased from 1.4% to 1.6%. The unemployment rates of many major sectors went up. Meanwhile, the establishment survey indicated that wages and labour earnings continued to record decent increases in the second quarter over a year earlier. More recent GHS data showed that the employment earnings continued to record year-on-year growth in the third quarter.

Diagram 5.1 : The labour market softened in the third quarter of 2025



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	2020				2021				2022				2023				2024				2025		
Seasonally adjusted unemployment rate	4.3	6.1	6.2	6.6	6.8	5.4	4.5	4.0	5.1	4.7	4.0	3.5	3.1	3.0	2.8	2.9	3.0	3.0	3.0	3.1	3.2	3.5	3.9
Underemployment rate	2.2	3.7	3.9	3.4	3.8	2.5	2.1	1.7	3.1	3.0	1.8	1.5	1.2	1.1	1.0	1.0	1.1	1.2	1.2	1.1	1.1	1.4	1.6
Long-term unemployment rate	0.9	1.4	2.1	2.6	2.8	2.4	2.0	1.4	1.2	1.2	1.0	1.1	1.0	0.9	0.7	0.7	0.7	0.8	0.7	0.8	0.9	1.0	1.3
Annual unemployment rate	5.8				5.2				4.3				2.9				3.0						
Annual underemployment rate	3.3				2.6				2.3				1.1				1.2						

Table 5.1 : The unemployment rate (seasonally adjusted), underemployment rate and long-term unemployment rate

		Unemployment rate* (%)	Underemployment rate (%)	Long-term unemployment rate (%)
2024	Annual	3.0	1.2	0.8
	Q1	3.0	1.1	0.7
	Q2	3.0	1.2	0.8
	Q3	3.0	1.2	0.7
	Q4	3.1	1.1	0.8
2025	Q1	3.2	1.1	0.9
	Q2	3.5	1.4	1.0
Three months ending				
2025	Jul	3.7	1.4	1.1
	Aug	3.7	1.6	1.2
	Sep	3.9	1.6	1.3

Note : * Seasonally adjusted (except for annual figures).

Source : General Household Survey, Census and Statistics Department.

Labour force and total employment

5.2 The *labour force*[(4)] rebounded by 1.0% to 3 830 100 in the third quarter from the preceding quarter, and 0.5% from a year earlier. The working age population (i.e. land-based non-institutional population aged 15 and above) increased by 0.2% to 6 705 900 from the preceding quarter, or 0.3% from a year earlier. Notwithstanding the drag from population ageing, the overall labour force participation rate went up by 0.4 percentage point to 57.1% from the preceding quarter, or 0.1 percentage point from a year earlier.

5.3 Meanwhile, *total employment*[(5)] rebounded by 0.5% to 3 674 500 in the third quarter from the preceding quarter, but it was still 0.5% lower than the level a year earlier. Employment of many major sectors recorded increases over the preceding quarter, including the decoration, repair and maintenance for buildings sector, the information and communications sector, the financing, insurance, real estate, professional and business services sector, the public administration, social and personal services sector, and the retail sector. On the other hand, employment of some sectors decreased from the preceding quarter, including the foundation and superstructure sector, the food and beverage service activities sector, and the transportation, storage, postal and courier services sector. On a year-on-year comparison, many sectors saw declines in employment.

Table 5.2 : The labour force, and persons employed, unemployed and underemployed

		Labour force			Persons employed			Persons unemployed[(a)]	Persons underemployed
2024	Annual	3 807 400	(-0.4)		3 693 600	(-0.4)		113 800	43 900
	Q1	3 801 900	(-0.2)	<-0.5>	3 690 000	(-0.1)	<-0.6>	111 900	40 000
	Q2	3 807 800	(§)	<0.2>	3 693 100	(§)	<0.1>	114 700	44 400
	Q3	3 810 500	(-0.7)	<0.1>	3 691 500	(-0.9)	<§>	119 000	45 800
	Q4	3 799 800	(-0.5)	<-0.3>	3 687 000	(-0.7)	<-0.1>	112 800	43 100
2025	Q1	3 815 500	(0.4)	<0.4>	3 692 700	(0.1)	<0.2>	122 800	42 700
	Q2	3 793 500	(-0.4)	<-0.6>	3 657 300	(-1.0)	<-1.0>	136 200	52 600
Three months ending									
2025	Jul	3 816 200	(0.1)	<0.3>	3 671 300	(-0.7)	<-0.2>	145 000	55 200
	Aug	3 831 600	(0.5)	<0.8>	3 680 600	(-0.3)	<0.4>	151 000	59 400
	Sep	3 830 100	(0.5)	<1.0>	3 674 500	(-0.5)	<0.5>	155 600	60 000

Notes : (a) These include first-time job-seekers and re-entrants into the labour force.

( ) % change over a year earlier.

< > % change over a quarter earlier.

§ Change within ±0.05%.

Source : General Household Survey, Census and Statistics Department.

Diagram 5.2 : Both the labour force and total employment rebounded in the third quarter from the preceding quarter

Table 5.3 : Labour force participation rates by gender and by age group (%)

	2024				2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Male							
15-24	27.6	27.4	30.3	29.1	27.5	27.8	29.9
of which:							
15-19	*6.5*	*6.4*	*8.1*	*6.2*	*5.1*	*7.1*	*8.4*
20-24	*48.6*	*48.1*	*51.7*	*50.9*	*49.5*	*48.0*	*51.0*
25-29	88.3	87.0	88.6	89.3	88.2	86.4	86.8
30-39	94.3	94.2	94.3	94.4	94.3	94.6	94.6
40-49	92.9	93.5	93.2	93.4	94.0	93.8	93.9
50-59	84.6	85.1	84.8	85.3	85.2	84.8	84.6
≥ 60	31.0	31.0	30.8	30.4	30.0	29.4	30.0
Overall	62.7	62.7	62.8	62.6	62.3	61.9	62.4
Female							
15-24	29.3	28.9	31.5	30.4	28.9	28.9	29.8
of which:							
15-19	*6.2*	*6.1*	*8.9*	*7.5*	*6.8*	*6.0*	*6.8*
20-24	*50.8*	*49.7*	*51.7*	*50.7*	*49.0*	*49.6*	*50.9*
25-29	83.9	83.4	83.4	83.1	84.9	85.3	86.8
30-39	80.1	80.8	80.3	80.6	80.7	80.5	82.0
40-49	75.2	75.8	75.6	76.2	76.6	76.4	76.6
50-59	65.7	65.2	66.1	66.3	66.9	67.4	67.0
≥ 60	17.5	18.0	17.4	17.3	17.7	17.8	17.7
Overall	52.3	52.4	52.3	52.2	52.5	52.5	52.8
Both genders combined							
15-24	28.5	28.2	30.9	29.7	28.2	28.3	29.9
of which:							
15-19	*6.3*	*6.2*	*8.5*	*6.8*	*5.9*	*6.5*	*7.7*
20-24	*49.7*	*48.9*	*51.7*	*50.8*	*49.3*	*48.8*	*50.9*
25-29	86.0	85.1	85.9	86.1	86.5	85.8	86.8
30-39	86.2	86.6	86.3	86.5	86.6	86.6	87.5
40-49	82.3	82.9	82.7	83.1	83.6	83.4	83.6
50-59	73.7	73.7	74.0	74.4	74.7	74.8	74.5
≥ 60	23.8	24.1	23.6	23.4	23.4	23.2	23.4
Overall	56.9	57.0	57.0	56.9	56.9	56.7	57.1

Source : General Household Survey, Census and Statistics Department.

Profile of unemployment

5.4 The seasonally adjusted unemployment rate rose to 3.9% in the third quarter from 3.5% in the preceding quarter. The number of unemployed persons (not seasonally adjusted) increased by 14.2% or 19 400 to 155 600 over the preceding quarter.

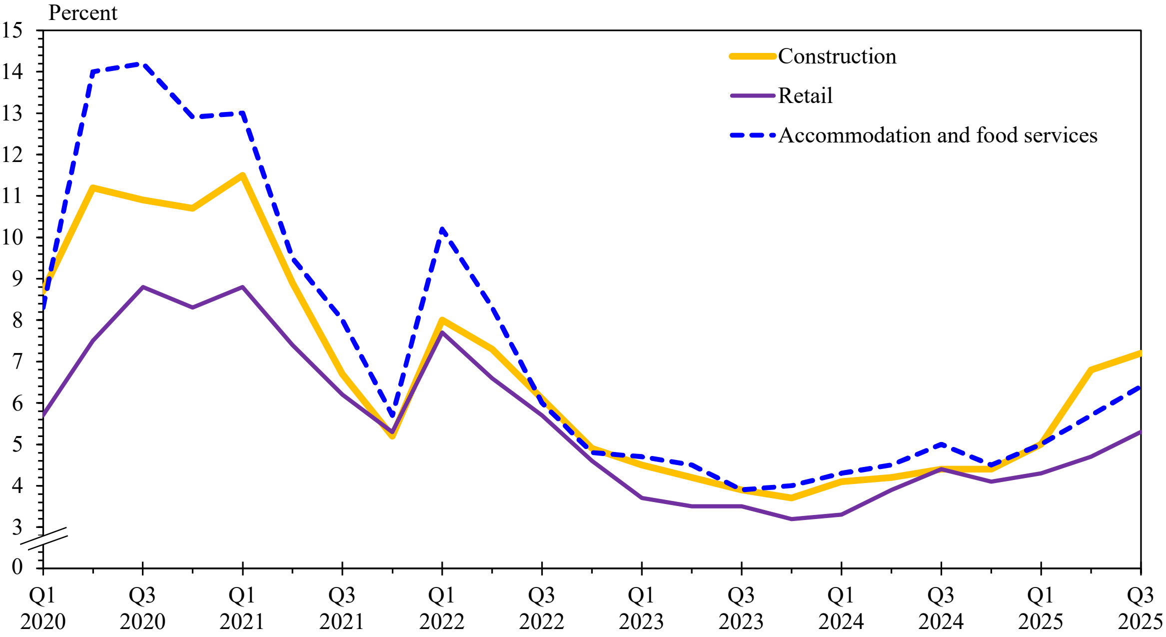
5.5 The unemployment rates of many major sectors (not seasonally adjusted) went up in the third quarter from the preceding quarter, including the retail, accommodation and food services sector (up 0.7 percentage point to 5.9%), the foundation and superstructure sector (up 0.6 percentage point to 7.0%), the information and communications sector (up 0.6 percentage point to 4.6%), the import/export trade and wholesale sector (up 0.6 percentage point to 3.6%), and the real estate sector (up 0.6 percentage point to 3.0%). On the other hand, the unemployment rates of some sectors decreased, including the financing sector (down 0.5 percentage point to 2.9%), the decoration, repair and maintenance for buildings sector (down 0.4 percentage point to 7.9%), and the human health activities sector (down 0.2 percentage point to 1.4%). For the *low-paying sectors*[(6)] as a whole, the unemployment rate increased by 0.3 percentage point to 3.4%.

5.6 Analysed by skill segment, the unemployment rates of both the lower-skilled and higher-skilled workers increased by 0.3 percentage point in the third quarter over the preceding quarter, to 4.1% and 2.8% respectively.

5.7 Analysed by other socio-economic attributes, the unemployment rates of almost all age groups and all educational attainment groups increased in the third quarter over the preceding quarter. More notable increases were seen for those aged 15-24 (up 4.5 percentage points to 14.4%) mainly due to the seasonal entry of a new batch of graduates and school leavers, and those with lower secondary education (up 0.8 percentage point to 5.1%).

5.8 The long-term unemployment situation deteriorated in the third quarter. The long-term unemployment rate (i.e. the proportion of persons unemployed for six months or longer in the labour force) increased by 0.3 percentage point over the preceding quarter to 1.3% in the third quarter. The number of long-term unemployed persons increased by 23.1% or 9 100 to 48 400. The median duration of unemployment lengthened slightly by around 1 day to 84 days.

Diagram 5.3 : The unemployment rates of many major sectors went up in the third quarter from the preceding quarter



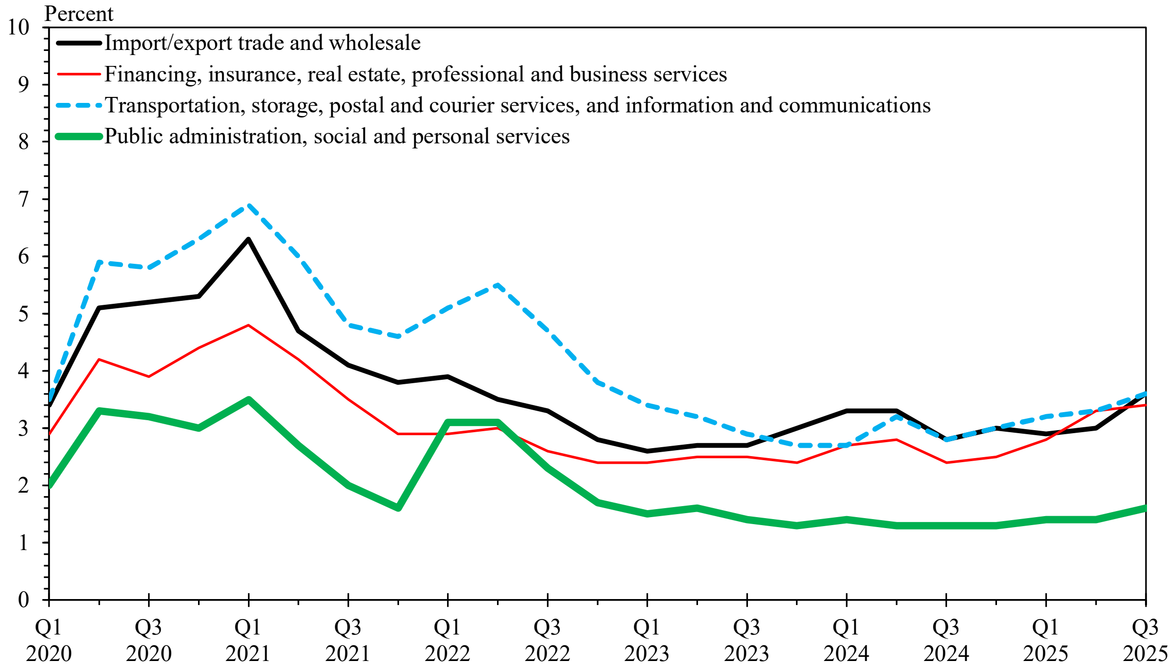


Table 5.4 : Unemployment rates by major economic sector

	2024				2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Import/export trade and wholesale	3.3	3.3	2.8	3.0	2.9	3.0	3.6
Retail, accommodation and food services	3.8	4.2	4.7	4.3	4.7	5.2	5.9
of which:							
Retail	*3.3*	*3.9*	*4.4*	*4.1*	*4.3*	*4.7*	*5.3*
Accommodation services	*2.6*	*3.4*	*3.4*	*3.4*	*3.1*	*4.0*	*4.3*
Food and beverage service activities	*4.6*	*4.6*	*5.2*	*4.7*	*5.3*	*6.0*	*6.8*
Transportation, storage, postal and courier services	2.5	3.0	2.6	2.8	2.8	2.9	3.1
Information and communications	3.1	3.4	3.3	3.5	4.1	4.0	4.6
Financing, insurance, real estate, professional and business services	2.7	2.8	2.4	2.5	2.8	3.3	3.4
of which:							
Financing	*2.3*	*2.8*	*2.3*	*2.2*	*2.6*	*3.4*	*2.9*
Real estate	*2.2*	*2.1*	*1.5*	*1.6*	*1.7*	*2.4*	*3.0*
Public administration, social and personal services	1.4	1.3	1.3	1.3	1.4	1.4	1.6
of which:							
Human health activities	*1.5*	*1.2*	*1.2*	*1.6*	*1.6*	*1.6*	*1.4*
Manufacturing	3.2	3.5	3.3	3.3	3.4	3.1	3.9
Construction	4.1	4.2	4.4	4.4	5.0	6.8	7.2
of which:							
Foundation and superstructure	*3.7*	*4.0*	*4.0*	*4.0*	*4.6*	*6.4*	*7.0*
Decoration, repair and maintenance for buildings	*5.9*	*5.2*	*5.7*	*6.1*	*6.6*	*8.3*	*7.9*
Overall*	2.9 (3.0)	3.0 (3.0)	3.1 (3.0)	3.0 (3.1)	3.2 (3.2)	3.6 (3.5)	4.1 (3.9)

Notes : * Including first-time job-seekers and re-entrants into the labour force.

( ) Seasonally adjusted unemployment rates.

Source : General Household Survey, Census and Statistics Department.

Diagram 5.4 : The unemployment rates of both the lower-skilled and higher-skilled workers increased in the third quarter over the preceding quarter

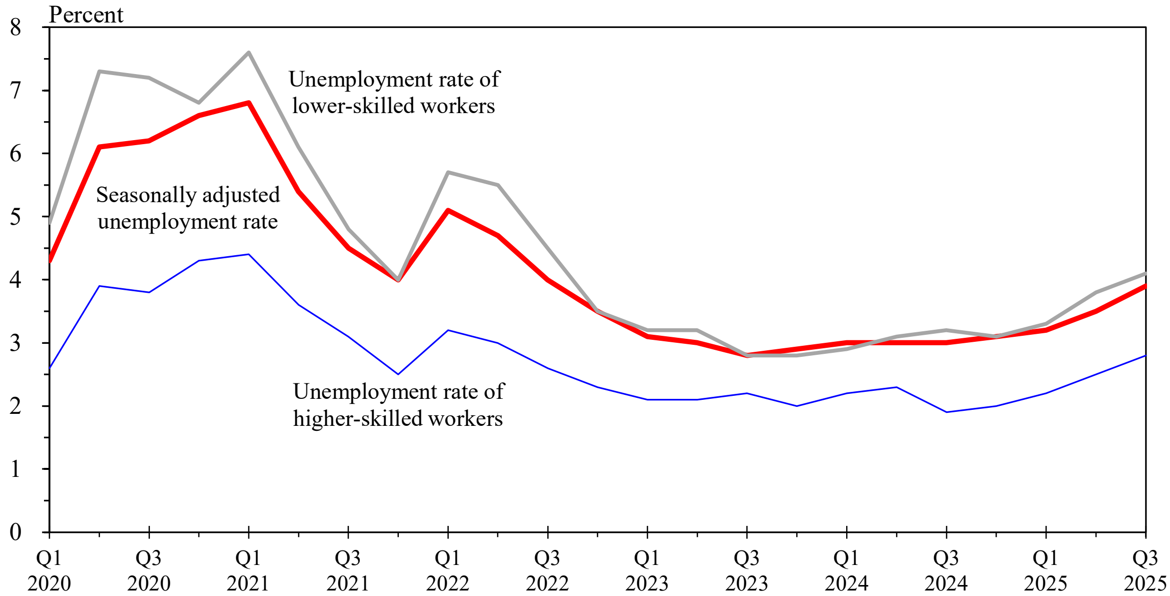


Table 5.5 : Unemployment rates* by skill segment

	2024				2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Higher-skilled segment	2.2	2.3	1.9	2.0	2.2	2.5	2.8
Managers	2.0	2.0	1.7	1.6	1.7	2.1	2.1
Professionals	1.9	1.7	1.7	1.9	2.0	2.1	2.4
Associate professionals	2.7	2.9	2.4	2.4	2.8	3.1	3.4
Lower-skilled segment^	2.9	3.1	3.2	3.1	3.3	3.8	4.1
Clerical support workers	3.4	3.7	3.5	3.3	3.5	3.9	3.9
Service and sales workers	3.3	3.4	3.6	3.5	3.5	4.0	4.6
Craft and related workers	4.0	4.0	4.0	3.9	4.7	6.2	6.9
Plant and machine operators and assemblers	2.1	2.4	2.5	2.8	2.2	2.3	3.1
Elementary occupations	2.1	2.2	2.3	2.3	2.8	3.0	3.0

Notes : * Not seasonally adjusted, and not including first-time job-seekers and re-entrants into the labour force.

^ Including other occupations.

Source : General Household Survey, Census and Statistics Department.

Table 5.6 : Unemployment rates* by age and educational attainment

	2024				2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Age							
15-24	9.9	8.2	11.3	8.6	8.9	9.9	14.4
of which:							
15-19	*8.1*	*9.7*	*15.4*	*7.8*	*7.7*	*11.3*	*15.0*
20-24	*10.1*	*8.0*	*10.7*	*8.7*	*9.1*	*9.8*	*14.4*
25-29	4.6	4.4	4.6	4.6	4.8	5.5	5.2
30-39	2.1	2.3	2.3	2.3	2.7	2.9	3.0
40-49	2.2	2.7	2.4	2.3	2.3	2.7	3.1
50-59	3.0	2.9	2.9	2.9	3.4	3.9	4.3
≥ 60	2.3	2.4	2.4	2.5	2.7	2.9	3.4
Educational attainment							
Primary education and below	1.9	2.4	2.5	2.5	3.0	3.4	3.9
Lower secondary education	2.9	3.7	3.5	3.7	4.2	4.3	5.1
Upper secondary education^	3.0	2.8	3.1	2.7	2.9	3.5	3.7
Post-secondary education	3.1	3.0	3.1	3.0	3.3	3.5	4.0

Notes : * Not seasonally adjusted, but including first-time job-seekers and re-entrants into the labour force.

^ Including craft courses.

Source : General Household Survey, Census and Statistics Department.

Underemployment situation

5.9 The underemployment rate increased by 0.2 percentage point over the preceding quarter to 1.6% in the third quarter. The number of underemployed persons rose by 14.0% or 7 400 to 60 000.

Profile of employment in establishments

5.10 The quarterly statistics collected from private sector establishments on employment, vacancies, wages and payroll are available up to June 2025. More up-to-date information was also drawn from other sources to supplement the analysis on wages and payroll.

5.11 Total private sector employment declined further by 0.9% from a year earlier to 2 699 500 in June 2025. More notable decreases in employment were observed in the industries of construction sites (covering manual workers only), retail, information and communications, import/export trade and wholesale, arts, entertainment, recreation and other services, and food and beverage services. On the other hand, more visible increases in employment were recorded in human health services, real estate, financing and insurance, and transportation, storage, postal and courier services.

Table 5.7 : Employment by major economic sector

	2024					2025	
	Annual average	Mar	Jun	Sep	Dec	Mar	Jun
Import/export trade	404 600	408 300	405 500	403 300	401 300	396 800	394 600
and wholesale	(-4.5)	(-5.1)	(-5.2)	(-5.2)	(-2.6)	(-2.8)	(-2.7)
Retail	237 700	241 900	239 100	237 100	232 700	230 800	230 100
	(-4.7)	(-2.7)	(-5.1)	(-5.9)	(-5.3)	(-4.6)	(-3.8)
Accommodation services	36 500	36 300	36 500	36 600	36 600	37 800	36 400
	(3.0)	(2.1)	(3.7)	(3.7)	(2.4)	(4.0)	(-0.3)
Food and beverage services	222 700	225 200	223 700	221 200	220 900	218 900	218 000
	(-0.7)	(0.6)	(-0.4)	(-1.3)	(-1.6)	(-2.8)	(-2.5)
Transportation, storage,	165 100	163 800	164 200	166 000	166 400	167 400	167 400
postal and courier services	(1.1)	(1.2)	(0.7)	(0.7)	(1.7)	(2.2)	(1.9)
Information and	108 600	109 700	110 100	108 000	106 800	106 100	106 300
communications	(0.3)	(2.1)	(1.2)	(-0.5)	(-1.5)	(-3.3)	(-3.4)
Financing, insurance, real estate,	768 000	762 300	765 300	772 300	772 000	771 600	773 700
professional and business services	(0.1)	(-0.1)	(-0.6)	(-0.1)	(1.4)	(1.2)	(1.1)
of which:							
Financing and insurance	*230 600*	*229 400*	*229 300*	*230 500*	*233 300*	*232 700*	*234 600*
	(-1.4)	*(-1.5)*	*(-2.4)*	*(-2.3)*	*(0.7)*	*(1.5)*	*(2.3)*
Real estate	*143 600*	*139 300*	*142 200*	*147 500*	*145 300*	*144 400*	*146 400*
	(1.6)	*(-1.8)*	*(0.2)*	*(3.6)*	*(4.6)*	*(3.7)*	*(3.0)*
Professional and business	*312 300*	*313 000*	*313 500*	*311 300*	*311 500*	*314 000*	*314 100*
services (excluding cleaning and similar services)	*(1.0)*	*(2.2)*	*(1.5)*	*(-0.1)*	*(0.4)*	*(0.3)*	*(0.2)*
Social and personal services	569 600	569 800	568 100	568 900	571 600	574 400	574 000
	(1.6)	(2.9)	(1.5)	(0.9)	(1.2)	(0.8)	(1.0)
of which:							
Human health services	*157 500*	*155 900*	*156 800*	*157 700*	*159 600*	*161 900*	*162 200*
	(2.7)	*(2.4)*	*(2.6)*	*(2.3)*	*(3.5)*	*(3.9)*	*(3.4)*
Arts, entertainment, recreation	*124 000*	*124 200*	*124 800*	*124 400*	*122 700*	*120 800*	*121 600*
and other services	*(1.1)*	*(3.6)*	*(1.4)*	*(-0.3)*	*(-0.2)*	*(-2.7)*	*(-2.6)*
Manufacturing	74 600	75 900	75 000	73 800	73 500	74 000	75 200
	(0.2)	(1.4)	(0.3)	(-0.3)	(-0.6)	(-2.5)	(0.2)
Construction sites (covering	122 500	123 600	124 100	121 400	121 000	123 600	110 700
manual workers only)	(9.1)	(14.1)	(11.8)	(10.7)	(0.7)	(§)	(-10.8)
All establishments surveyed in	**2 722 500**	**2 728 900**	**2 724 100**	**2 721 500**	**2 715 800**	**2 714 400**	**2 699 500**
the private sector[(a)]	**(-0.3)**	**(0.3)**	**(-0.5)**	**(-0.8)**	**(-0.3)**	**(-0.5)**	**(-0.9)**
		[0.2]	**[-0.2]**	**[-0.1]**	**[-0.2]**	**[§]**	**[-0.5]**
		<0.2>	**<-0.2>**	**<-0.2>**	**<§>**	**<-0.1>**	**<-0.5>**
Civil service[(b)]	*172 600*	*173 100*	*172 400*	*172 500*	*172 600*	*172 800*	*171 400*
	(-0.2)	*(-0.3)*	*(-0.2)*	*(-0.1)*	*(§)*	*(-0.2)*	*(-0.6)*

Notes : Employment figures enumerated from business establishments, as obtained from the Quarterly Survey of Employment and Vacancies, are somewhat different from those enumerated from households, as obtained from the General Household Survey. This is mainly due to the difference in sectoral coverage: while the former survey covers selected major sectors, the latter survey covers all sectors in the economy.

(a) The total figures on private sector employment cover also employment in mining and quarrying; and in electricity and gas supply, and waste management, besides employment in the major sectors indicated above.

(b) These figures cover only those employed on civil service terms of appointment. Judges, judicial officers, ICAC officers, locally engaged staff working in the Hong Kong Economic and Trade Offices outside Hong Kong, and other government employees such as non-civil service contract staff are not included.

( ) % change over a year earlier.

[ ] Non-seasonally adjusted % change compared with the level three months ago.

< > Seasonally adjusted % change compared with the level three months ago.

§ Change within ±0.05%.

Sources : Quarterly Survey of Employment and Vacancies, Census and Statistics Department.
Quarterly Employment Survey of Construction Sites, Census and Statistics Department.

Vacancies

5.12 Private sector vacancies decreased further by 28.7% from a year earlier to 49 530 in June. Vacancies decreased in all industries from a year earlier, except for financing and insurance. Among them, more notable decreases in vacancies were seen in the industries of transportation, storage, postal and courier services, professional and business services (excluding cleaning and similar services), arts, entertainment, recreation and other services, and construction sites (covering manual workers only).

5.13 The overall manpower balance situation eased visibly further in June. The ratio of job vacancies per 100 unemployed persons decreased visibly further to 36 in June from 45 three months ago. Yet, the manpower shortage situation remained evident in some sectors, including the residential care and social work services sector, the arts, entertainment and recreation sector, the human health services sector, and the education sector, with their corresponding ratios staying well above 100.

Table 5.8 : Vacancies by major economic sector

	2024					2025	
	Annual average	Mar	Jun	Sep	Dec	Mar	Jun
Import/export trade and wholesale	4 070	4 030	4 480	4 330	3 420	3 990	3 420
	(5.2)	(-5.1)	(6.3)	(12.3)	(8.7)	(-1.1)	(-23.7)
Retail	4 230	4 720	3 940	4 460	3 810	3 730	3 500
	(-30.5)	(-26.3)	(-40.2)	(-24.5)	(-30.0)	(-20.9)	(-11.2)
Accommodation services	1 470	2 100	1 580	1 220	1 000	980	970
	(-42.7)	(-25.6)	(-39.8)	(-52.1)	(-56.5)	(-53.4)	(-38.2)
Food and beverage services	5 630	5 930	5 680	5 440	5 480	4 860	4 090
	(-6.8)	(2.2)	(-6.2)	(-12.6)	(-10.2)	(-18.0)	(-27.9)
Transportation, storage, postal and courier services	6 390	8 820	7 640	5 040	4 080	3 740	3 320
	(-4.1)	(18.5)	(8.7)	(-26.4)	(-24.0)	(-57.6)	(-56.6)
Information and communications	2 660	3 100	3 040	2 350	2 140	2 430	2 330
	(-8.5)	(2.5)	(0.1)	(-17.7)	(-20.7)	(-21.5)	(-23.5)
Financing, insurance, real estate, professional and business services	17 300	17 570	17 630	17 520	16 490	14 990	14 630
	(-8.9)	(-9.5)	(-13.4)	(-5.2)	(-6.8)	(-14.7)	(-17.0)
of which:							
Financing and insurance	*4 880*	*4 840*	*4 780*	*5 000*	*4 920*	*4 660*	*5 180*
	(-17.1)	*(-22.0)*	*(-23.3)*	*(-12.5)*	*(-9.2)*	*(-3.7)*	*(8.5)*
Real estate	*4 470*	*4 410*	*4 440*	*4 600*	*4 450*	*3 950*	*3 510*
	(-1.4)	*(-4.9)*	*(-6.0)*	*(5.5)*	*(0.3)*	*(-10.5)*	*(-21.0)*
Professional and business services (excluding cleaning and similar services)	*6 430*	*6 720*	*7 120*	*6 210*	*5 670*	*5 050*	*4 810*
	(-4.8)	*(-1.2)*	*(-5.1)*	*(-5.5)*	*(-7.7)*	*(-24.9)*	*(-32.4)*
Social and personal services	21 430	23 810	20 950	22 370	18 590	17 730	15 220
	(-18.3)	(-5.9)	(-19.6)	(-21.2)	(-26.2)	(-25.5)	(-27.3)
of which:							
Human health services	*5 420*	*6 380*	*4 870*	*6 590*	*3 850*	*3 620*	*3 350*
	(-20.9)	*(-3.4)*	*(-17.9)*	*(-22.3)*	*(-39.9)*	*(-43.2)*	*(-31.3)*
Arts, entertainment, recreation and other services	*4 320*	*5 050*	*4 140*	*4 290*	*3 810*	*3 500*	*2 440*
	(-20.0)	*(-7.2)*	*(-24.9)*	*(-18.8)*	*(-29.2)*	*(-30.7)*	*(-41.2)*
Manufacturing	2 140	2 750	2 510	1 810	1 470	1 800	1 700
	(-15.1)	(15.7)	(1.6)	(-32.8)	(-41.8)	(-34.5)	(-32.5)
Construction sites (covering manual workers only)	1 840	2 070	1 800	1 760	1 730	730	180
	(-12.0)	(221.1)	(-34.9)	(-31.4)	(-27.7)	(-64.9)	(-90.0)
All establishments surveyed in the private sector[(a)]	**67 370**	**75 180**	**69 440**	**66 460**	**58 410**	**55 170**	**49 530**
	(-13.9)	**(-3.3)**	**(-14.8)**	**(-17.6)**	**(-20.1)**	**(-26.6)**	**(-28.7)**
		[2.9]	**[-7.6]**	**[-4.3]**	**[-12.1]**	**[-5.5]**	**[-10.2]**
		<0.7>	**<-7.9>**	**<-9.0>**	**<-5.3>**	**<-7.6>**	**<-10.5>**
Civil service[(b)]	*19 470*	*19 740*	*19 380*	*19 290*	*19 470*	*18 940*	*19 290*
	(-0.4)	*(2.9)*	*(-1.6)*	*(-0.8)*	*(-2.0)*	*(-4.0)*	*(-0.5)*

Notes : (a) The total figures on private sector vacancies cover also vacancies in mining and quarrying; and in electricity and gas supply, and waste management, besides vacancies in the major sectors indicated above.

(b) These figures cover only vacancies for those staff to be employed on civil service terms of appointment.

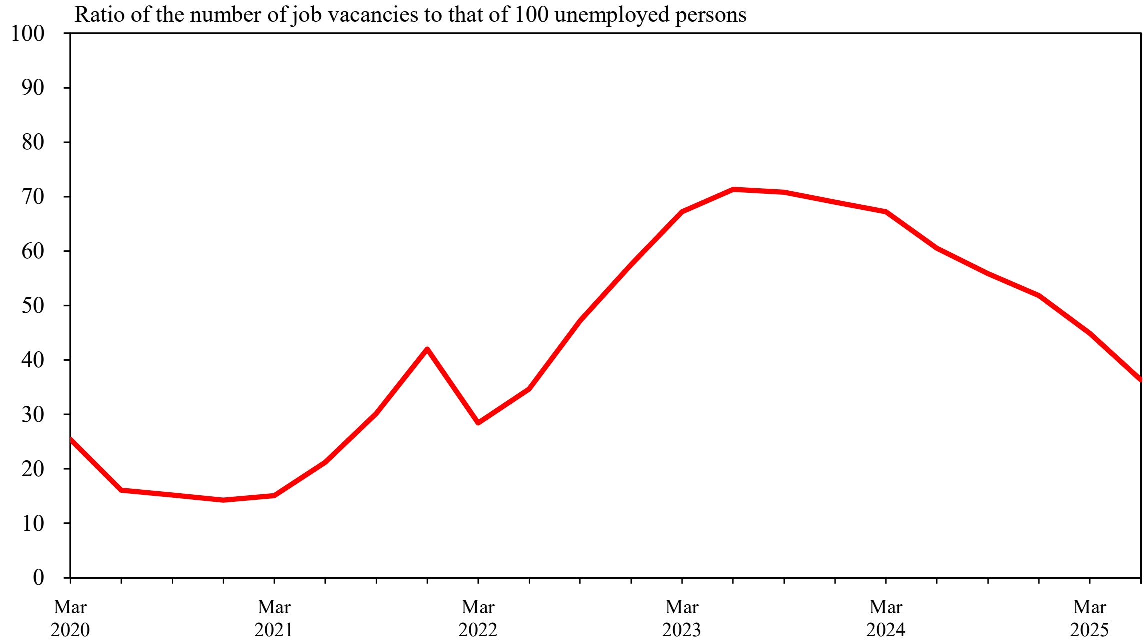
( ) % change over a year earlier.

[ ] Non-seasonally adjusted % change compared with the level three months ago.

< > Seasonally adjusted % change compared with the level three months ago.

Sources : Quarterly Survey of Employment and Vacancies, Census and Statistics Department.
Quarterly Employment Survey of Construction Sites, Census and Statistics Department.

Diagram 5.5 : Manpower balance situation eased visibly further in June

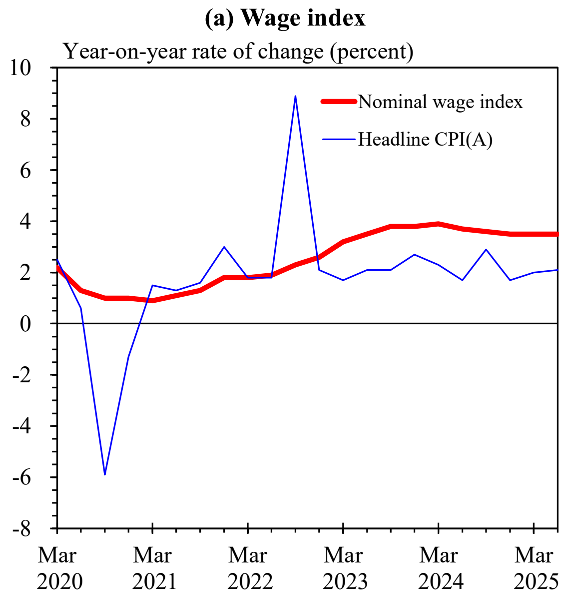


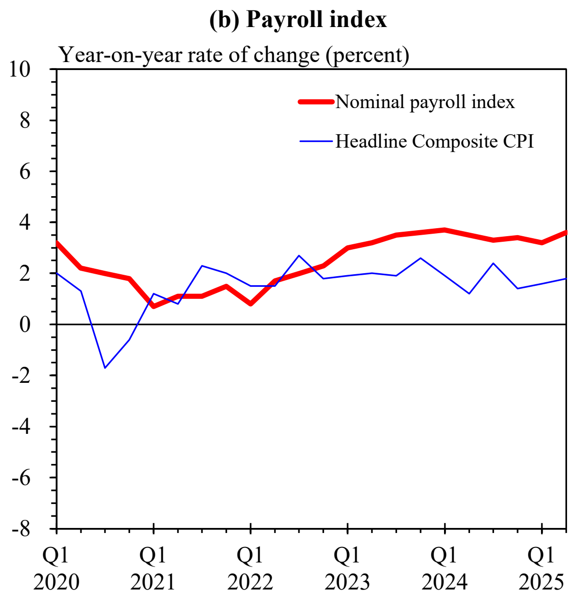
Wages and earnings

5.14 Wages and labour earnings continued to record decent increases in the second quarter over a year earlier. The average nominal wage rate, as measured by the nominal wage index for all selected industry sections which covers regular payment to employees at the supervisory level or below, rose by 3.5% in June. After discounting for *inflation*(7), the average wage rate increased by 1.4% in real terms.

5.15 *Labour earnings*(8), as measured by the index of payroll per person engaged for all selected industry sections which covers basic wage, overtime pay, discretionary bonuses and other irregular payments, saw faster increases of 3.6% in nominal terms and 1.8% in real terms in the second quarter over a year earlier.

Diagram 5.6 : Wages and labour earnings continued to record decent increases in the second quarter over a year earlier





Note : The year-on-year rates of change of the CPIs from the fourth quarter of 2020 onwards are computed from the new 2019/20-based series, and those before are from the old 2014/15-based series.

5.16 Statistics compiled from the GHS, though not strictly comparable to those from the business establishment surveys, showed that employment earnings continued to record year-on-year growth in the third quarter. The median monthly employment earnings of full-time employees (excluding foreign domestic helpers) increased by 3.3% in nominal terms or 2.2% in *real terms*(9) in the third quarter over a year earlier.

Highlights of related measures and policy developments

5.17 To safeguard employment priority for local workers, the Labour Department (LD) continues to strengthen the implementation arrangements of the Enhanced Supplementary Labour Scheme (ESLS). New measures applying to import waiters/waitresses or junior cooks under ESLS were announced in the 2025 Policy Address. Employers are required to (i) attend once a week an on-site job fair organised by LD during the local recruitment period which has been extended from four weeks to six weeks, and (ii) comply with a more stringent manning ratio requirement of local and imported labour, with the calculation basis revised from all posts engaged by an employer to the post being applied for. LD also launched a dedicated webpage for ESLS vacancies on its Interactive Employment Service website to facilitate job seekers to apply for such vacancies in September.

5.18 As announced in the 2025 Policy Address, the Government will conduct a mid-term review of the Re-employment Allowance Pilot Scheme which was launched in July 2024 to encourage persons aged 40 or above to re-join the employment market, along with the Employment Programme for the Elderly and Middle-aged, to explore measures to promote silver employment in the first quarter of 2026.

5.19 The Minimum Wage Commission is conducting a review of the Statutory Minimum Wage (SMW) rate and will submit its recommendation report to the Chief Executive in Council by end-February 2026. The first SMW rate derived under the new annual review mechanism is expected to take effect on 1 May 2026.

Notes :

(1) Labour force statistics enumerated from the General Household Survey are statistics which involve the use of the population figures in the compilation process. The statistics of the three-month periods from November 2023 – January 2024 to October – December 2024 have been revised to take into account the final end-2024 population estimates.

The classification of occupation adopted by the Census and Statistics Department follows the International Standard Classification of Occupations (ISCO), which is used to classify the occupation of an employed person or the previous occupation of an unemployed person.

(2) For a person aged 15 or above to be classified as unemployed, he or she should: (a) not have a job and not be performing any work for pay or profit during the reference period (i.e. seven days before enumeration); (b) be available for work during the reference period; and (c) be seeking work during the 30 days before enumeration.

Notwithstanding the above, the following types of persons are also considered unemployed: (a) persons without a job, having sought work but not available for work because of temporary sickness; (b) persons without a job, available for work but not having sought work because they will take up new jobs or start business at a subsequent date, or expect to return to their original jobs; and (c) discouraged workers not having sought work because they believe work is not available to them.

Even at full employment, some frictional unemployment is bound to exist as workers move between jobs in order to obtain better terms of employment. The precise level of unemployment which can be described as purely frictional varies amongst economies, depending on the structure and characteristics of their labour markets.

The seasonally adjusted series is compiled using the X-12 ARIMA method, which is a standard method applied in compiling seasonally adjusted statistical data series.

(3) The main criteria for an employed person aged 15 or above to be classified as underemployed are: involuntarily working less than 35 hours during the reference period (i.e. seven days before enumeration), and either available for additional work during the reference period or seeking additional work during the 30 days before enumeration.

Following these criteria, employed persons taking no-pay leave due to slack work during the reference period are also classified as underemployed if they had worked less than 35 hours or were on leave for the entire reference period.

(4) The labour force, or the economically active population, is defined to include all persons aged 15 or above who either were engaged in productive work during the reference period (i.e. seven days before enumeration) or would otherwise have been engaged in productive work but were unemployed.

(5) Figures enumerated from household data. The employed population is defined here to include those persons aged 15 or above who performed work for pay or profit or had a formal job attachment during the reference period (i.e. seven days before enumeration).

(6) The low-paying sectors as identified by the Minimum Wage Commission include:
   (i) retail (including supermarkets and convenience stores, and other retail stores);
   (ii) food and beverage services (including Chinese restaurants, non-Chinese restaurants, fast food cafes, Hong Kong style tea cafes, and other food and beverage services);
   (iii) estate management, security and cleaning services (including real estate maintenance management, security services, cleaning services and membership organisations);
   (iv) other low-paying sectors, including
      - elderly homes;
      - laundry and dry cleaning services;
      - hairdressing and other personal services;
      - local courier services; and
      - food processing and production.

(7) Different consumer price indices (CPIs) are used for compiling the real indices of labour earnings and wages, taking into account their relevance to the respective occupation coverage. Specifically, the headline Composite CPI, being an indicator of overall consumer prices, is taken as the price deflator for earnings received by employees at all levels of the occupational hierarchy. The headline CPI(A), being an indicator of consumer prices for the relatively low expenditure group, is taken as the price deflator for wages in respect of employees engaged in occupations up to the supervisory level.

(8) In addition to wages, which include all regular and guaranteed payments like basic pay and stipulated bonuses and allowances, earnings also cover overtime pay and other non-guaranteed or irregular bonuses and allowances, except severance pay and long service payment. Because of this difference, as well as the difference in sectoral and occupational coverage, the movements in average earnings, as measured by payroll per person engaged, do not necessarily match closely with those in wage rates.

(9) The headline Composite CPI, being an indicator of overall consumer prices, is taken as the price deflator for the median monthly employment earnings of full-time employees (excluding foreign domestic helpers).

CHAPTER 6 : PRICES

Summary

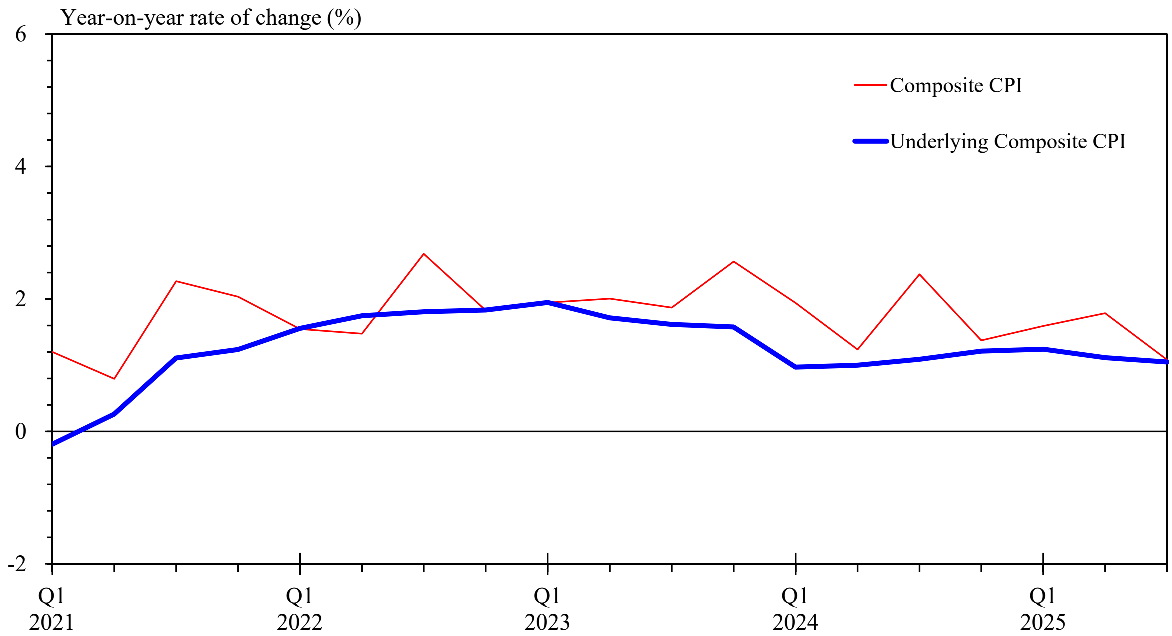
- *Consumer price inflation stayed modest in the third quarter of 2025, amid mild price pressures from domestic and external fronts. The underlying Composite Consumer Price Index (Composite CPI)*[(1)]*, which nets out the effects of the Government's one-off relief measures, increased by 1.0% in the third quarter over a year earlier, following the 1.1% increase in the preceding quarter. The headline Composite CPI rose by 1.1% in the third quarter. Price pressures on major components remained tame across the board.*

- *Domestic price pressures continued to stay in check in the third quarter. Commercial rentals remained on a downward trend, while the increases in labour earnings were well underpinned by the concurrent labour productivity growth. The nascent recovery of the local consumption market also kept suppliers prudent in raising prices. External price pressures continued to be subdued during the quarter, thanks to the generally moderate international food and commodity prices and the benign inflation in major import sources.*

Consumer prices

6.1 Consumer price inflation stayed modest in the third quarter of 2025, amid mild price pressures from domestic and external fronts. Price pressures on major components remained tame across the board. Domestic price pressures continued to stay in check. Commercial rentals remained on a downward trend, while the increases in labour earnings were well underpinned by the concurrent labour productivity growth. The nascent recovery of the local consumption market also kept suppliers prudent in raising prices. External price pressures continued to be subdued, thanks to the generally moderate international food and commodity prices and the benign inflation in major import sources.

Diagram 6.1: Consumer price inflation stayed modest in the third quarter of 2025



6.2 Underlying consumer price inflation, in terms of the year-on-year rate of change in the underlying Composite CPI which nets out the effects of the Government's one-off relief measures, was 1.0% in the third quarter, following the 1.1% increase in the preceding quarter. The headline Composite CPI inflation rate was 1.1% in the third quarter, slightly higher than its underlying counterpart, partly distorted by the low base of comparison a year ago(2).

Table 6.1 : Consumer Price Indices
(year-on-year rate of change (%))

		Composite CPI		CPI(A)	CPI(B)	CPI(C)
		Underlying[(a)]	Headline			
2024	Annual	1.1	1.7	2.1	1.6	1.5
	Q1	1.0	1.9	2.2	1.8	1.8
	Q2	1.0	1.2	1.4	1.2	1.2
	Q3	1.1	2.4	3.1	2.1	1.9
	Q4	1.2	1.4	1.7	1.3	1.2
2025	Q1	1.2	1.6	2.2	1.4	1.2
	Q2	1.1	1.8	2.4	1.6	1.3
	Q3	1.0	1.1	1.5	1.0	0.7
		(seasonally adjusted quarter-to-quarter rate of change (%))				
2024	Q1	*	*	-0.1	*	0.1
	Q2	0.4	-0.4	-0.6	-0.3	-0.1
	Q3	0.4	1.5	2.1	1.3	1.0
	Q4	0.5	0.3	0.3	0.3	0.3
2025	Q1	*	0.2	0.4	0.1	0.2
	Q2	0.2	-0.2	-0.3	-0.2	-0.2
	Q3	0.4	0.8	1.1	0.7	0.5

Notes : (a) Underlying consumer price inflation is calculated by netting out the effects of all Government's one-off relief measures introduced since 2007, including the waiver and Government's payment of public housing rentals, rates concession, suspension and subsequent abolition of Employees Retraining Levy, subsidies for household electricity charges, and waiver of examination fees.

(*) Change within ±0.05%.

6.3 Analysing the underlying Composite CPI in the third quarter by major component, food prices as a whole continued to record a mild year-on-year rise of 0.8%. Within this category, prices of meals out and takeaway food rose further by 1.3% over a year earlier, whereas prices of basic food saw a smaller decline of 0.1%. Private housing rentals increased further by 1.1%, same as the increase in the previous quarter. Public housing rentals continued to see a visible year-on-year increase, reflecting the upward adjustment of public housing rents since October 2024. As for other major components, prices of transport, alcoholic drinks and tobacco, miscellaneous services, electricity, gas and water, and miscellaneous goods recorded marginal to modest increases in the third quarter, while prices of clothing and footwear and durable goods again registered moderate declines.

Diagram 6.2 : Food and private housing rental components of the underlying Composite CPI

(a) Food prices as a whole continued to record a mild rise

(b) Private housing rentals increased further

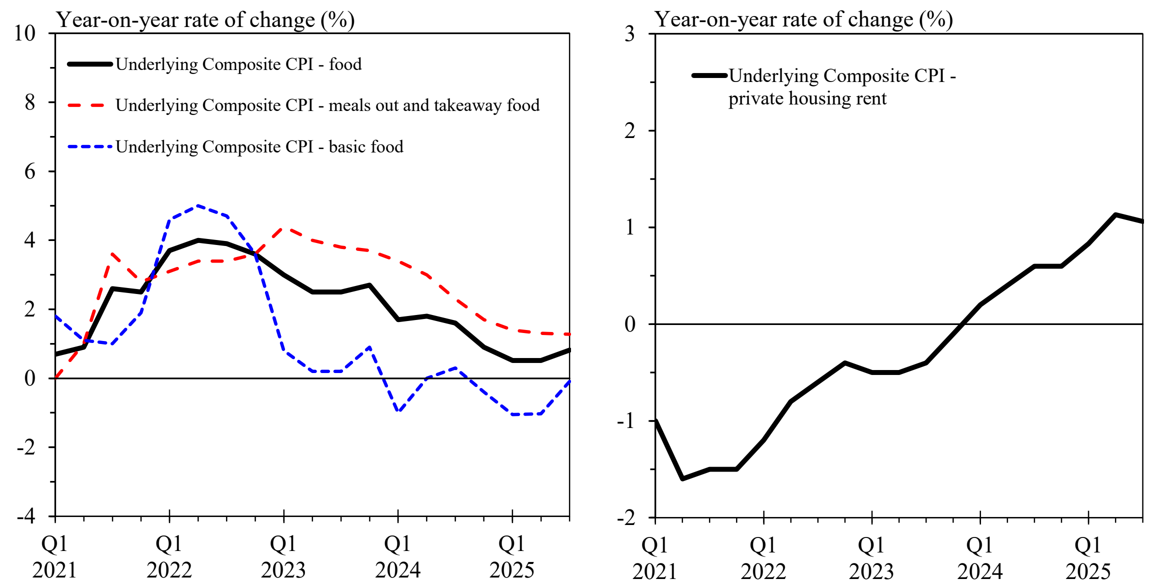


Diagram 6.3 (a) : Prices of transport, alcoholic drinks and tobacco, miscellaneous services, electricity, gas and water, and miscellaneous goods recorded marginal to modest increases

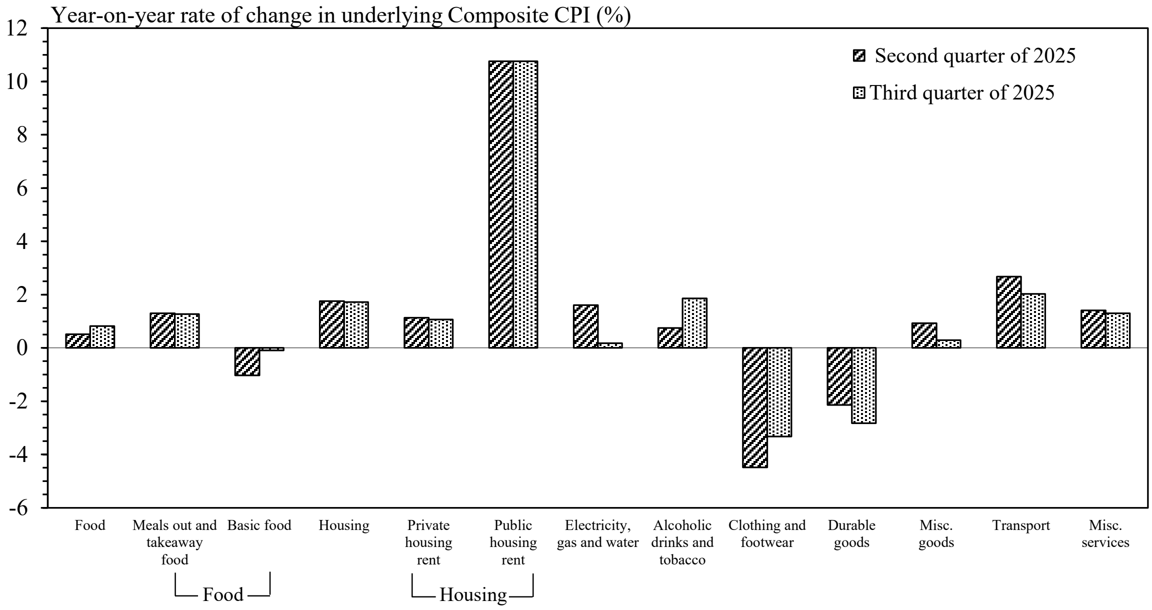
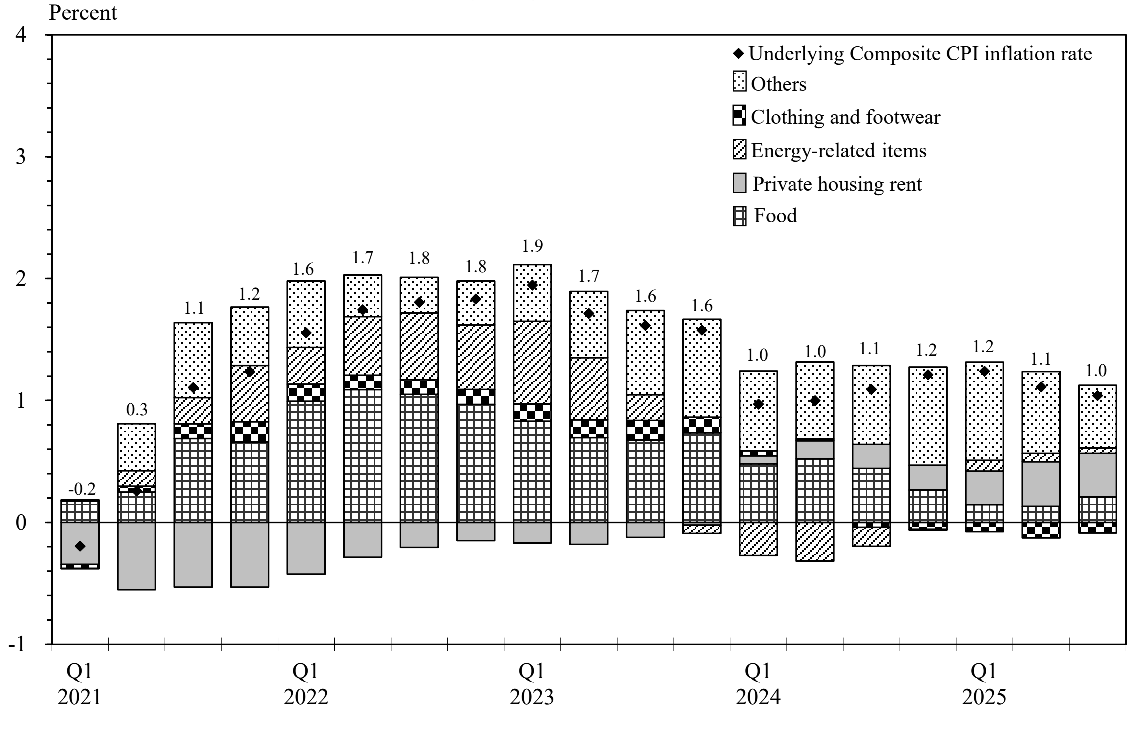


Diagram 6.3 (b) : Contribution to underlying Composite CPI inflation rate by major component



Note : Energy-related items include electricity, town gas, liquefied petroleum gas and other fuel, and motor fuel.

Table 6.2 : Underlying Composite CPI by component
(year-on-year rate of change (%))

Expenditure component	Weighting (%)^	Annual	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3
Food	25.53	1.5	1.7	1.8	1.6	0.9	0.5	0.5	0.8
Meals out and takeaway food	*16.82*	*2.6*	*3.4*	*3.0*	*2.3*	*1.7*	*1.4*	*1.3*	*1.3*
Basic food	*8.71*	*-0.3*	*-1.0*	*	*0.3*	*-0.4*	*-1.1*	*-1.0*	*-0.1*
Housing[a]	38.89	0.9 (2.1)	0.5 (3.0)	0.7 (1.1)	0.8 (3.3)	1.4 (0.9)	1.5 (1.5)	1.8 (2.8)	1.7 (1.7)
Private housing rent	*33.74*	*0.5 (1.4)*	*0.2 (2.0)*	*0.4 (0.5)*	*0.6 (2.4)*	*0.6 (0.6)*	*0.8 (0.8)*	*1.1 (2.0)*	*1.1 (1.1)*
Public housing rent	*2.05*	*2.9 (7.2)*	*0.3 (13.5)*	*0.4 (1.2)*	*0.4 (13.6)*	*10.5 (1.3)*	*10.5 (10.5)*	*10.8 (16.4)*	*10.8 (10.8)*
Electricity, gas and water	2.97	-5.2 (-0.3)	-6.9 (-8.0)	-8.4 (-6.7)	-4.8 (4.5)	-0.5 (9.9)	2.2 (13.5)	1.6 (11.0)	0.2 (0.6)
Alcoholic drinks and tobacco	0.48	19.6	14.3	21.0	21.4	21.4	14.7	0.8	1.9
Clothing and footwear	2.46	-0.5	1.6	0.4	-1.5	-2.3	-2.7	-4.5	-3.3
Durable goods	3.73	-1.0	-1.4	-0.8	-0.7	-0.9	-0.9	-2.1	-2.8
Miscellaneous goods	3.37	1.2	1.3	1.0	1.0	1.3	1.1	0.9	0.3
Transport	7.49	2.0	2.1	1.9	2.2	1.7	2.8	2.7	2.0
Miscellaneous services	15.08	2.4 (2.4)	2.9 (2.9)	2.3 (2.2)	2.3 (2.3)	2.0 (2.0)	1.7 (1.7)	1.4 (1.5)	1.3 (1.3)
All items	100.00	1.1 (1.7)	1.0 (1.9)	1.0 (1.2)	1.1 (2.4)	1.2 (1.4)	1.2 (1.6)	1.1 (1.8)	1.0 (1.1)

Notes : (a) The housing component covers rents, rates, Government rent, management fees and other housing charges. Its sub-components on private and public housing rents as presented here, however, cover rents, rates and Government rent only. Hence, the combined weighting of private and public housing rents is slightly less than the weighting of the entire housing component.

( ) Figures in brackets represent the headline rates of change before netting out the effects of Government's one-off relief measures.

(^) These are expenditure weights of the reference period 2024, which are used for the compilation of CPIs starting from the second quarter of 2025. Please refer to Note (1) for a detailed description on the methodology by the Census and Statistics Department.

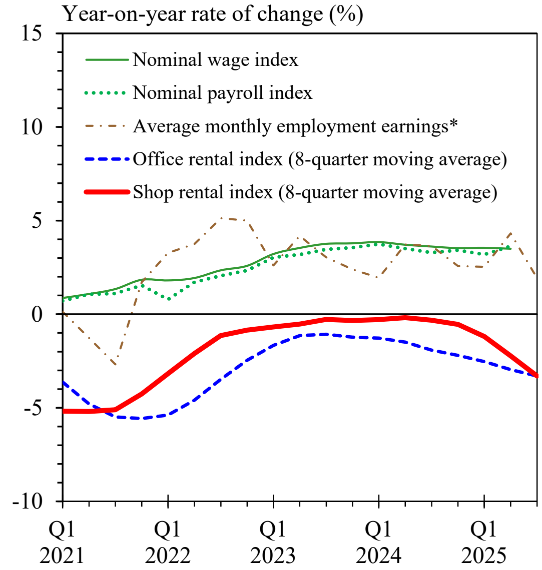
(*) Change within ±0.05%.

Costs of factor inputs and import prices

6.4 Domestic cost pressures continued to stay in check in the third quarter. Commercial rentals remained on a downward trend. As a proxy, the eight-quarter moving averages of shop and office rentals both declined further by 3.3% year-on-year. Meanwhile, latest establishment-based data up to the second quarter showed that wages and payroll per person engaged grew moderately, and so did the average employment earnings in the third quarter as shown in the more recent household-based data. The increases in labour earnings in general were well underpinned by the concurrent labour productivity growth.

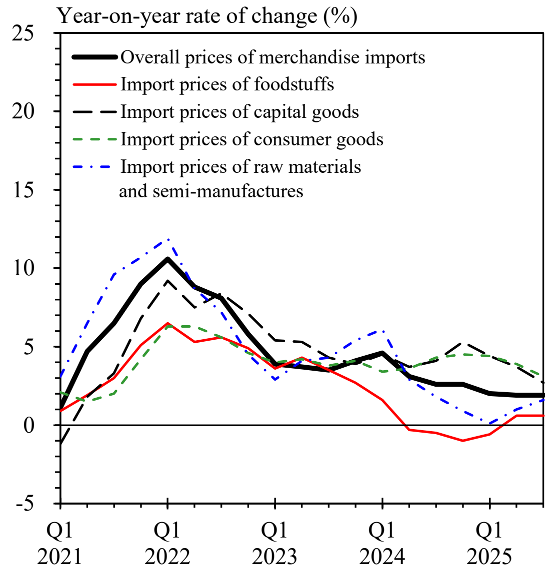
Diagram 6.4 : Domestic and external price pressures were mild

(a) Labour cost and commercial rentals



Note: (*) Refers to the nominal earnings of all full-time employees (excluding foreign domestic helpers).

(b) Prices of merchandise imports (overall and selected end-use categories)



6.5 External price pressures continued to be subdued in the third quarter, thanks to the generally moderate international food and commodity prices and the benign inflation in major import sources. Overall import prices increased by 1.9% in the third quarter over a year earlier, same as the increase in the preceding quarter. By end-use category, import prices of foodstuffs, consumer goods, raw materials and semi-manufactures, and capital goods registered modest to moderate increases, while import prices of fuels continued to decline.

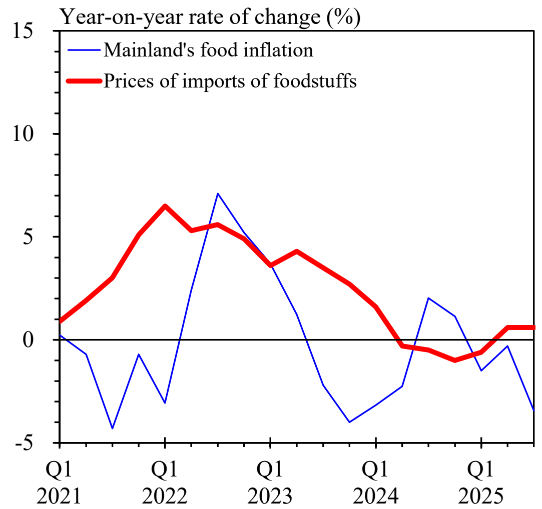
Table 6.3 : Prices of imports by end-use category
(year-on-year rate of change (%))

		Foodstuffs	Consumer goods	Raw materials and semi-manufactures	Fuels	Capital goods	All
2024	Annual	*	3.9	2.7	-7.1	4.4	3.2
	Q1	1.6	3.4	6.1	-12.0	4.5	4.6
	Q2	-0.3	3.6	2.9	-0.1	3.7	3.1
	Q3	-0.5	4.3	1.8	-9.1	4.1	2.6
	Q4	-1.0	4.5	0.9	-7.7	5.3	2.6
2025	Q1	-0.6	4.4	0.1	-8.8	4.4	2.0
	Q2	0.6	3.9	1.0	-15.2	3.7	1.9
	Q3	0.6	3.1	1.6	-8.5	2.7	1.9

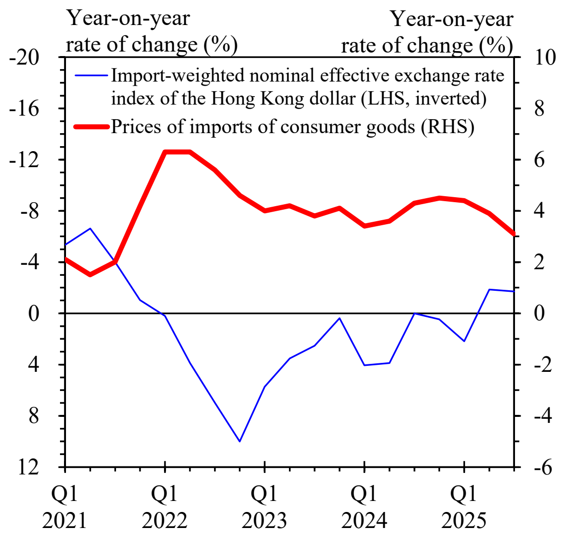
Note : (*) Change within ±0.05%.

Diagram 6.5: Prices of merchandise imports by selected end-use category

(a) Import prices of foodstuffs registered a modest increase

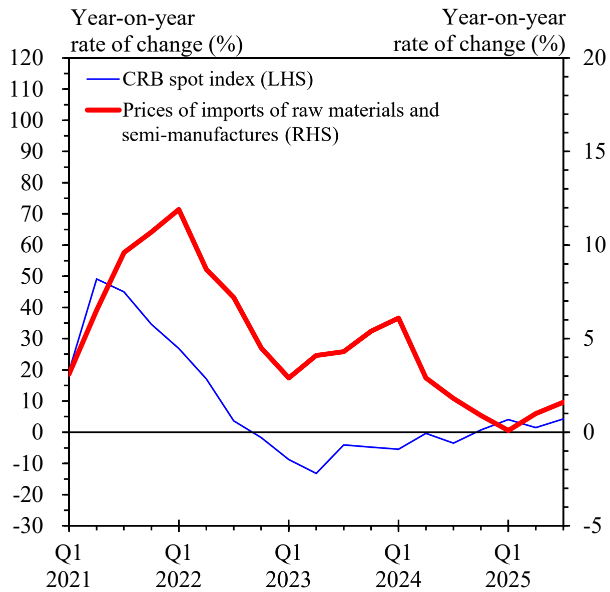


(b) Import prices of consumer goods increased moderately

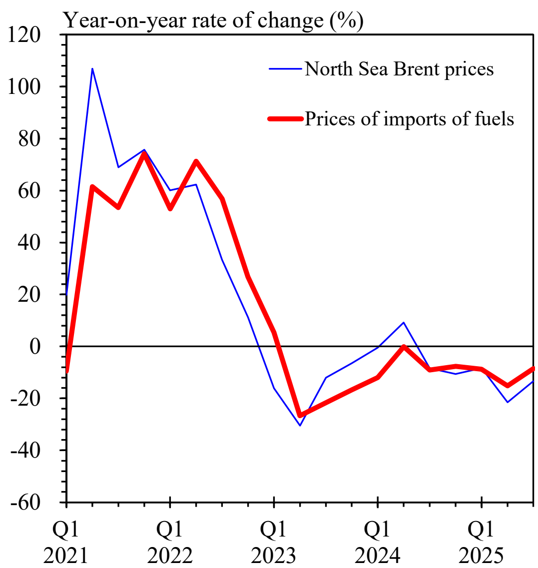


Note : An increase in the nominal EERI indicates strengthening of the Hong Kong dollar. The y-axis of nominal EERI in this graph is inverted for easier comprehension.

(c) Import prices of raw materials and semi-manufactures registered a moderate increase



(d) Import prices of fuels continued to decline



Output prices

6.6 Output prices of various selected sectors, as measured by their corresponding *Producer Price Indices*[(3)], showed mixed movements in the second quarter, but in general continued to reflect a modest inflation in the economy. Specifically, output prices for the manufacturing sector increased moderately further over a year earlier. Among the selected service sectors, output prices of accommodation services and telecommunications recorded further modest declines. Output prices for water transport turned to decrease, reflecting the pressure on sea and river freight rates at the time as the relevant cargo throughput contracted. Output prices for air transport also declined, partly reflecting the declines in passenger fares charged by airliners amid intense competition. Meanwhile, output prices of courier services and land transport increased modestly.

Table 6.4 : Producer Price Indices for the manufacturing sector and selected service sectors
(year-on-year rate of change (%))

			2024			2025	
Industry group	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Manufacturing	2.9	1.2	3.1	3.2	4.1	4.8	4.0
Selected service sectors							
Accommodation services	-1.8	12.3	-6.1	-8.4	-3.1	-3.3	-1.9
Land transport	1.5	2.8	1.8	0.8	0.7	1.0	1.5
Water transport	17.2	-5.6	7.2	37.6	34.5	5.4	-5.8
Air transport	-0.8	-7.9	1.7	5.0	-1.5	3.2	-4.2
Telecommunications	-1.5	-1.5	-1.5	-1.1	-1.8	-1.5	-1.9
Courier services	2.9	5.6	3.8	1.1	1.1	2.4	1.9

GDP deflator

6.7 As a broad measure of the overall change in prices in the economy, the *GDP deflator*[(4)] rose by 1.0% year-on-year in the third quarter, after increasing by 0.7% in the preceding quarter. The *terms of trade*[(5)] decreased by 0.3%, narrowed from a 0.5% decline in the preceding quarter. Taking out the external trade components, the domestic demand deflator increased by 1.3% over a year earlier in the third quarter, after rising by 1.7% in the preceding quarter.

Diagram 6.6: GDP deflator

(a) The GDP deflator rose **(b) Terms of trade decreased**

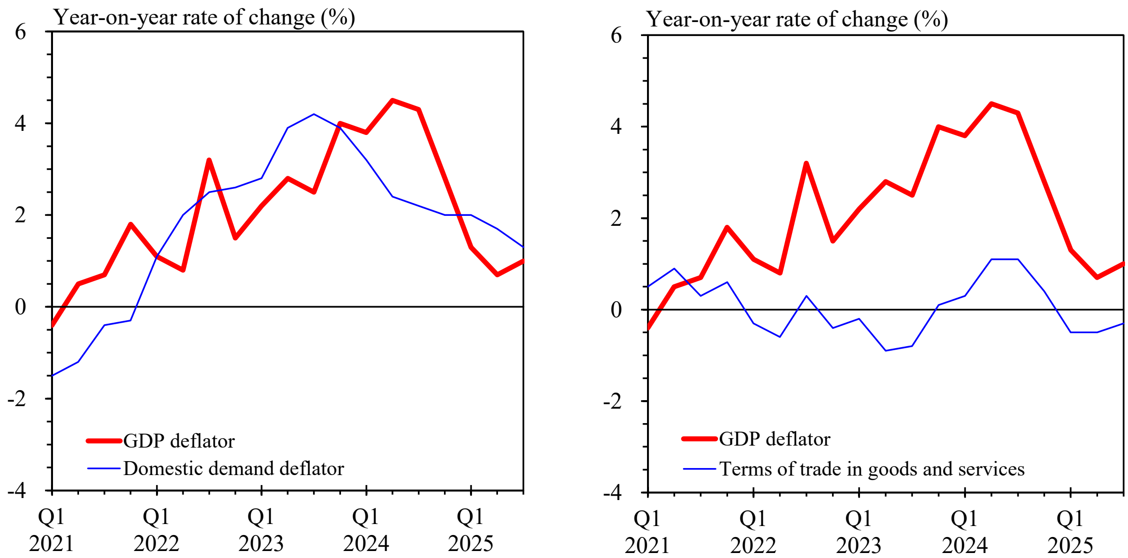


Table 6.5 : GDP deflator and the main expenditure component deflators
(year-on-year rate of change (%))

	2024					2025		
	Annual[#]	Q1[#]	Q2[#]	Q3[#]	Q4[#]	Q1[#]	Q2[#]	Q3[#]
Private consumption expenditure	3.0	3.7	3.3	2.9	2.3	1.7	1.0	1.4
Government consumption expenditure	1.9	1.8	1.5	1.9	2.3	2.4	0.8	0.6
Gross domestic fixed capital formation	0.4	2.0	-1.2	0.2	0.9	2.4	4.5	1.1
Total exports of goods[&]	4.2	4.5	4.4	4.2	4.0	3.5	3.1	3.4
Imports of goods[&]	4.0	4.8	3.8	3.6	3.9	4.4	3.7	3.7
Exports of services[&]	5.8	5.1	6.0	7.5	4.5	2.3	1.0	-0.5
Imports of services[&]	1.7	1.1	1.3	3.3	1.3	-0.7	0.4	-0.9
Gross Domestic Product	**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>**
Total final demand[&]	3.8	4.1	3.8	3.8	3.3	2.9	2.5	2.4
Domestic demand	2.4	3.2	2.4	2.2	2.0	2.0	1.7	1.3
Terms of trade in goods and services[&]	0.7	0.3	1.1	1.1	0.4	-0.5	-0.5	-0.3

Notes : Figures are derived based on the series of chain volume measures of GDP. They are subject to revision later on as more data become available.

(&) 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.

Notes :

(1) The Consumer Price Indices (A), (B) and (C) are compiled with reference to the average expenditure patterns for different groups of households as obtained from the Household Expenditure Survey. Then, by aggregating the expenditure patterns of all the households covered by the above three indices, a Composite CPI is compiled.

In May 2021, the Census and Statistics Department (C&SD) updated the base period for compiling the CPIs. CPI figures quoted in this report refer to the 2019/20-based series unless otherwise stated. To capture more recent changes in household consumption patterns for CPI compilation, C&SD has since 2021 adopted an enhanced framework to review the CPI expenditure weights annually. The subsequent update of CPI expenditure weights was first triggered in 2024, as more observable changes in the expenditure weights were identified. Specifically, CPIs for the second quarter of 2024 to the first quarter of 2025 are compiled based on the expenditure weights for 2023, while CPIs starting from the second quarter of 2025 are compiled based on the expenditure weights for 2024. As for CPIs for the first quarter of 2024 and before, they are compiled based on the expenditure weights for 2019/20.

The expenditure ranges of the households covered in the 2019/20-based CPIs are shown below:

	Approximate proportion of households covered (%)	Average monthly expenditure range (adjusted to 2024 prices) ($)
CPI(A)	50	6,900 to 29,500
CPI(B)	30	29,500 to 51,000
CPI(C)	10	51,000 to 97,000

The expenditure weights of the reference period 2024 are as follows:

Expenditure component	Composite CPI (%)	CPI(A) (%)	CPI(B) (%)	CPI(C) (%)
Food	25.53	30.62	25.14	20.08
Meals out and takeaway food	*16.82*	*18.83*	*17.13*	*14.05*
Basic food	*8.71*	*11.79*	*8.01*	*6.03*
Housing	38.89	40.17	39.08	37.12
Private housing rent	*33.74*	*32.51*	*35.19*	*33.15*
Public housing rent	*2.05*	*5.42*	*0.68*	--
Management fees and other housing charges	*3.10*	*2.24*	*3.21*	*3.97*
Electricity, gas and water	2.97	4.10	2.73	1.98
Alcoholic drinks and tobacco	0.48	0.75	0.40	0.26
Clothing and footwear	2.46	1.82	2.57	3.09
Durable goods	3.73	3.07	3.70	4.55
Miscellaneous goods	3.37	3.31	3.52	3.25
Transport	7.49	5.50	7.70	9.53
Miscellaneous services	15.08	10.66	15.16	20.14
All items	100.00	100.00	100.00	100.00

(2) The headline Composite CPI inflation rate in the third quarter of 2025 was marginally higher than the underlying Composite CPI inflation rate. While the electricity charges subsidies in the third quarter of 2025 were the same as a year ago and there were no rates concessions in the third quarters of both years, the higher headline inflation rate in the third quarter of 2025 was mainly attributable to a larger remaining balance of electricity charges subsidies credited to households being carried forward in the third quarter of 2024.

(3) The Producer Price Indices are designed to reflect changes in the prices of goods and services received by local producers. Producer prices refer to the transacted prices, net of any discounts or rebates allowed to the buyers.

(4) The implicit price deflators of GDP and its main expenditure components are derived by dividing GDP at current prices by the corresponding chained-dollar figures. The rate of change in the GDP deflator may differ substantially from that in the Composite CPI over the same time span. The Composite CPI covers consumer price inflation in particular. Yet the GDP deflator is a much broader measure of inflation for the entire economy, and takes into account all the price changes related to consumption, investment, exports and imports. Also, the rate of change in the GDP deflator may differ appreciably from that in the total final demand deflator, depending on the movement in the prices of final demand and imports. Likewise, the rate of change in the GDP deflator may differ appreciably from that in the domestic demand deflator, depending on the movement in the prices of imports and exports.

(5) The terms of trade is defined as the ratio of the prices of total exports to the prices of total imports.

Statistical Appendix

Table 1 : Gross Domestic Product by expenditure component (at current market prices)

($Mn)

	2015	2016	2017	2018	2019	2020
Private consumption expenditure	1,593,091	1,650,101	1,784,375	1,936,427	1,973,720	1,775,202
Government consumption expenditure	231,263	247,973	261,447	281,420	309,437	341,052
Gross domestic fixed capital formation	537,205	535,216	575,977	612,439	520,575	455,695
Building and construction	262,780	283,447	297,306	308,596	278,091	254,459
Costs of ownership transfer	45,846	44,517	65,810	67,482	49,209	40,071
Machinery, equipment and intellectual property products	228,579	207,252	212,861	236,361	193,275	161,165
Changes in inventories	-20,580	447	10,973	11,204	-3,067	52,221
Total exports of goods[&]	3,889,225	3,892,886	4,212,774	4,453,350	4,255,098	4,198,338
Imports of goods[&]	4,066,527	4,022,579	4,391,306	4,706,347	4,375,619	4,239,663
Exports of services[&]	808,948	764,660	811,295	886,883	799,121	519,205
Imports of services[&]	574,345	578,106	605,924	639,947	634,243	426,257
GDP	**2,398,280**	**2,490,598**	**2,659,611**	**2,835,429**	**2,845,022**	**2,675,793**
Per capita GDP ($)	***328,924***	***339,476***	***359,737***	***380,462***	***378,937***	***357,679***
GNI	**2,442,656**	**2,553,191**	**2,775,163**	**2,970,244**	**2,988,739**	**2,831,876**
Per capita GNI ($)	***335,010***	***348,007***	***375,367***	***398,551***	***398,079***	***378,542***
Total final demand	7,039,152	7,091,283	7,656,841	8,181,723	7,854,884	7,341,713
Total final demand excluding re-exports[(a)]	4,139,786	4,190,686	4,496,472	4,819,554	4,602,059	4,099,539
Domestic demand	2,340,979	2,433,737	2,632,772	2,841,490	2,800,665	2,624,170
Private	1,991,436	2,062,216	2,240,487	2,425,554	2,359,687	2,147,406
Public	349,543	371,521	392,285	415,936	440,978	476,764
External demand	4,698,173	4,657,546	5,024,069	5,340,233	5,054,219	4,717,543

Definition of Terms :

Total final demand	=	private consumption expenditure + government consumption expenditure + gross domestic fixed capital formation + changes in inventories + total exports of goods + exports of services
Private sector domestic demand	=	private consumption expenditure + gross domestic fixed capital formation by the private sector + changes in inventories
Public sector domestic demand	=	government consumption expenditure + gross domestic fixed capital formation by the public sector
Domestic demand	=	private sector domestic demand + public sector domestic demand
External demand	=	total exports of goods + exports of services

Table 1 : Gross Domestic Product by expenditure component (at current market prices) (Cont'd)

($Mn)

	2021	2022	2023#	2024#	2024 Q4#	2025 Q1#	2025 Q2#	2025 Q3#
Private consumption expenditure	1,863,524	1,863,500	2,087,584	2,136,112	558,892	520,179	552,427	540,974
Government consumption expenditure	363,591	402,725	396,813	407,953	101,788	111,944	100,039	103,643
Gross domestic fixed capital formation	483,054	451,397	505,512	517,066	134,656	120,497	135,610	146,270
Building and construction	259,950	283,395	303,822	312,454	73,174	75,274	76,089	70,851
Costs of ownership transfer	53,279	28,415	24,441	21,681	5,306	5,348	6,377	7,106
Machinery, equipment and intellectual property products	169,825	139,587	177,249	182,931	56,176	39,875	53,144	68,313
Changes in inventories	-1,909	-23,593	-23,999	-15,453	1,809	-5,973	3,431	13,214
Total exports of goods&	5,236,005	4,812,517	4,512,404	4,924,729	1,312,766	1,287,461	1,381,091	1,465,152
Imports of goods&	5,211,334	4,852,975	4,638,703	4,940,265	1,307,483	1,290,775	1,419,211	1,463,665
Exports of services&	615,069	650,549	762,172	847,317	222,740	237,588	210,082	227,013
Imports of services&	480,027	495,151	618,375	702,365	188,687	180,662	176,733	178,949
GDP	**2,867,973**	**2,808,969**	**2,983,408**	**3,175,094**	**836,481**	**800,259**	**786,736**	**853,652**
Per capita GDP ($)	***386,879***	***382,376***	***395,882***	***421,990***	--	--	--	--
GNI	**3,066,705**	**2,994,738**	**3,236,129**	**3,475,900**	**898,535**	**879,937**	**893,714**	**N.A.**
Per capita GNI ($)	***413,687***	***407,664***	***429,417***	***461,969***	--	--	--	--
Total final demand	8,559,334	8,157,095	8,240,486	8,817,724	2,332,651	2,271,696	2,382,680	2,496,266
Total final demand excluding re-exports(a)	4,454,376	4,349,616	4,765,413	5,014,534	1,343,214	1,281,203	1,282,285	1,346,992
Domestic demand	2,708,260	2,694,029	2,965,910	3,045,678	797,145	746,647	791,507	804,101
Private	2,202,170	2,118,587	2,394,726	2,441,411	648,767	579,907	642,928	653,079
Public	506,090	575,442	571,184	604,267	148,378	166,740	148,579	151,022
External demand	5,851,074	5,463,066	5,274,576	5,772,046	1,535,506	1,525,049	1,591,173	1,692,165

Notes:
(a) Re-export margin is nevertheless retained in the total final demand.
(#) Figures are subject to revision later on as more data become available.
(&) 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*.
(--) Not applicable.
N.A. Not yet available.

Table 2 : Rates of change in chain volume measures of Gross Domestic Product by expenditure component (in real terms)

(%)

	2015	2016	2017	2018	2019	2020
Private consumption expenditure	4.8	2.0	5.5	5.3	-0.8	-10.6
Government consumption expenditure	3.4	3.4	2.8	4.2	5.1	7.9
Gross domestic fixed capital formation	-3.2	-0.1	3.1	1.7	-14.9	-11.1
Building and construction	2.2	5.9	-0.5	-0.5	-10.8	-9.1
Costs of ownership transfer	-8.3	-2.9	23.2	-11.2	-13.4	-4.0
Machinery, equipment and intellectual property products	-7.7	-6.4	3.8	8.8	-20.8	-16.0
Total exports of goods[&]	-1.7	1.6	6.5	3.5	-5.5	-1.4
Imports of goods[&]	-2.7	0.7	7.3	4.7	-8.2	-3.2
Exports of services[&]	0.3	-3.5	2.8	4.6	-9.6	-34.8
Imports of services[&]	5.0	2.0	2.0	2.8	0.1	-32.2
GDP	**2.4**	**2.2**	**3.8**	**2.8**	**-1.7**	**-6.5**
Per capita GDP	***1.5***	***1.5***	***3.0***	***2.0***	***-2.4***	***-6.2***
RGNI	**3.8**	**3.2**	**5.7**	**3.5**	**-1.7**	**-5.8**
Per capita RGNI	***2.9***	***2.6***	***4.9***	***2.7***	***-2.4***	***-5.4***
Total final demand	-0.4	1.3	5.6	3.9	-5.3	-6.7
Total final demand excluding re-exports[(a)]	0.1	1.5	4.5	4.0	-5.0	-11.1
Domestic demand	1.6	2.6	5.2	4.4	-3.7	-6.9
Private	1.3	2.5	5.7	4.8	-4.6	-9.3
Public	2.9	3.1	2.2	2.4	1.5	6.2
External demand	-1.4	0.7	5.8	3.7	-6.1	-6.7

Notes: (a) Re-export margin is nevertheless retained in the total final demand.

(#) Figures are subject to revision later on as more data become available.

(&) 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*.

(--) Not applicable.

(*) Change within ±0.05%.

N.A. Not yet available.

Table 2 : Rates of change in chain volume measures of Gross Domestic Product by expenditure component (in real terms) (Cont'd)

(%)

	2021	2022	2023#	2024#	2024 Q4#	2025 Q1#	2025 Q2#	2025 Q3#	Average annual rate of change: 10 years 2014 to 2024#	Average annual rate of change: 5 years 2019 to 2024#
Private consumption expenditure	5.6	-2.2	6.8	-0.7	-0.2	-1.2	1.9	2.1	1.4	-0.4
Government consumption expenditure	5.9	8.0	-3.9	0.9	2.1	0.9	2.5	1.9	3.7	3.6
Gross domestic fixed capital formation	8.3	-7.4	11.4	1.9	-0.7	1.1	1.9	4.3	-1.4	0.2
Building and construction	-0.5	7.4	9.1	3.6	-4.8	-5.5	-11.5	-8.7	0.5	1.9
Costs of ownership transfer	36.2	-43.2	-4.7	11.7	75.0	41.0	-8.3	78.4	-4.0	-4.6
Machinery, equipment and intellectual property products	15.2	-18.9	19.5	-2.5	-1.9	11.1	40.4	14.6	-3.4	-1.8
Total exports of goods&	18.7	-14.0	-10.0	4.7	1.3	8.4	11.5	12.1	-0.1	-1.0
Imports of goods&	17.2	-13.2	-8.3	2.4	0.4	7.2	12.6	11.7	-0.7	-1.6
Exports of services&	3.4	-0.5	19.5	5.1	6.5	6.3	8.6	6.3	-2.3	-3.3
Imports of services&	2.5	-1.2	25.6	11.6	8.3	4.7	7.3	2.6	0.8	-0.8
GDP	**6.5**	**-3.7**	**3.2**	**2.5**	**2.5**	**3.0**	**3.1**	**3.8**	**1.1**	**0.3**
Per capita GDP	***7.4***	***-2.8***	***0.6***	***2.7***	--	--	--	--	***0.7***	***0.2***
RGNI	**8.9**	**-4.5**	**4.2**	**4.8**	**4.9**	**4.0**	**3.7**	**N.A.**	**2.1**	**1.4**
Per capita RGNI	***9.9***	***-3.6***	***1.6***	***5.0***	--	--	--	--	***1.7***	***1.3***
Total final demand	12.4	-9.4	-2.3	3.1	1.7	5.4	8.8	8.2	*	-0.9
Total final demand excluding re-exports(a)	6.0	-4.8	5.5	1.6	2.3	2.8	5.9	4.0	0.1	-0.8
Domestic demand	4.1	-2.5	6.2	0.2	1.2	0.5	4.6	2.3	1.0	0.1
Private	3.8	-5.6	8.5	-0.7	1.1	0.4	5.9	2.6	0.5	-0.8
Public	5.2	10.7	-2.4	4.2	1.5	0.9	-0.5	1.2	3.5	4.7
External demand	17.0	-12.5	-6.5	4.8	2.0	8.1	11.1	11.3	-0.4	-1.3

Table 3 : Gross Domestic Product by economic activity (at current prices)

	2020 $Mn	2020 % share	2021 $Mn	2021 % share	2022 $Mn	2022 % share	2023# $Mn	2023# % share	2024# $Mn	2024# % share
Agriculture, fishing, mining and quarrying	2,648	0.1	2,168	0.1	1,486	0.1	1,131	*	1,189	*
Manufacturing	25,525	1.0	26,175	1.0	26,598	1.0	28,206	1.0	29,668	1.0
Electricity, gas and water supply, and waste management	35,325	1.4	36,348	1.3	32,485	1.2	32,530	1.1	34,255	1.1
Construction	104,262	4.1	109,254	4.0	116,833	4.3	126,546	4.3	132,810	4.3
Services	2,392,895	93.4	2,571,873	93.7	2,558,038	93.5	2,725,954	93.5	2,913,180	93.6
Import/export, wholesale and retail trades	*471,246*	*18.4*	*532,715*	*19.4*	*494,689*	*18.1*	*510,316*	*17.5*	*536,848*	*17.3*
Accommodation and food services	*36,934*	*1.4*	*45,394*	*1.7*	*45,350*	*1.7*	*61,029*	*2.1*	*62,467*	*2.0*
Transportation, storage, postal and courier services	*113,951*	*4.5*	*200,986*	*7.3*	*204,118*	*7.5*	*174,621*	*6.0*	*190,600*	*6.1*
Information and communications	*93,759*	*3.7*	*99,514*	*3.6*	*100,103*	*3.7*	*101,636*	*3.5*	*104,072*	*3.3*
Financing and insurance	*599,797*	*23.4*	*583,613*	*21.3*	*613,431*	*22.4*	*724,770*	*24.9*	*814,474*	*26.2*
Real estate, professional and business services	*244,337*	*9.5*	*250,306*	*9.1*	*233,094*	*8.5*	*246,034*	*8.4*	*253,714*	*8.2*
Public administration, social and personal services	*529,457*	*20.7*	*561,530*	*20.5*	*583,008*	*21.3*	*611,185*	*21.0*	*638,942*	*20.5*
Ownership of premises	*303,414*	*11.8*	*297,816*	*10.8*	*284,245*	*10.4*	*296,363*	*10.2*	*312,064*	*10.0*
GDP at basic prices	**2,560,655**	**100.0**	**2,745,819**	**100.0**	**2,735,439**	**100.0**	**2,914,367**	**100.0**	**3,111,102**	**100.0**
Taxes on products	102,066	--	138,758	--	104,353	--	87,943	--	83,339	--
Statistical discrepancy (%)	0.5	--	-0.6	--	-1.1	--	-0.6	--	-0.6	--
GDP at current market prices	**2,675,793**	**--**	**2,867,973**	**--**	**2,808,969**	**--**	**2,983,408**	**--**	**3,175,094**	**--**

Notes: Individual figures may not add up exactly to the total due to rounding.

(#) Figures are subject to revision later on as more data become available.

(--) Not applicable.

(*) Figure denotes less than 0.05%.

Table 4 : Rates of change in chain volume measures of Gross Domestic Product by economic activity (in real terms)

(%)

	2019	2020	2021	2022	2023#	2024#	2024		2025	
							Q3#	Q4#	Q1#	Q2#
Agriculture, fishing, mining and quarrying	-0.8	3.8	-2.5	-15.8	1.5	-6.5	-7.6	-4.5	-5.0	-4.3
Manufacturing	0.4	-5.8	5.5	0.2	3.7	0.8	-0.1	1.0	0.7	0.9
Electricity, gas and water supply, and waste management	-0.5	-14.2	3.7	-1.2	3.2	2.9	3.8	3.0	-1.3	0.4
Construction	-9.7	-11.7	-0.6	8.3	8.6	4.4	2.1	-4.7	-4.9	-10.4
Services	-0.6	-6.7	5.9	-3.4	3.4	2.0	1.5	1.7	2.5	3.4
Import/export, wholesale and retail trades	*-7.5*	*-15.0*	*13.3*	*-11.9*	*-0.5*	*0.4*	*0.2*	*-0.2*	*4.2*	*6.1*
Accommodation and food services	*-11.7*	*-44.8*	*22.6*	*-6.8*	*29.3*	*-1.8*	*-4.9*	*2.6*	*-1.8*	*-0.6*
Transportation, storage, postal and courier services	*-1.7*	*-36.9*	*7.7*	*-4.5*	*29.7*	*11.0*	*7.2*	*6.8*	*2.6*	*5.5*
Information and communications	*4.7*	*1.7*	*2.6*	*0.5*	*0.8*	*1.8*	*2.2*	*1.5*	*1.1*	*0.4*
Financing and insurance	*3.4*	*4.0*	*4.7*	*-2.6*	*-1.6*	*0.9*	*1.8*	*1.9*	*4.2*	*5.4*
Real estate, professional and business services	*-0.2*	*-4.6*	*2.1*	*-2.1*	*2.3*	*1.6*	*-0.1*	*1.7*	*-0.5*	*-0.7*
Public administration, social and personal services	*3.2*	*-2.3*	*4.4*	*1.3*	*2.5*	*3.1*	*3.0*	*3.0*	*1.7*	*2.3*
Ownership of premises	*0.6*	*-0.3*	*1.2*	*0.6*	*1.1*	*1.1*	*1.3*	*0.9*	*1.0*	*0.9*
Taxes on products	-11.3	17.6	22.3	-16.6	-10.9	9.7	-3.0	41.1	33.2	16.2
GDP in chained (2023) dollars	**-1.7**	**-6.5**	**6.5**	**-3.7**	**3.2**	**2.5**	**1.9**	**2.5**	**3.0**	**3.1**

Note: (#) Figures are subject to revision later on as more data become available.

Table 5 : Balance of Payments by major component (at current prices)

($Mn)

	2020	2021	2022	2023#	2024#	2024 Q3#	2024 Q4#	2025 Q1#	2025 Q2#
Current account[(a)]	187,012	339,429	286,089	253,103	410,054	120,378	95,899	126,920	95,808
Goods	-41,325	24,671	-40,458	-126,299	-15,536	-582	5,283	-3,314	-38,120
Services	92,948	135,042	155,398	143,797	144,952	38,773	34,053	56,926	33,349
Primary income	156,083	198,732	185,769	252,721	300,806	87,239	62,054	79,678	106,978
Secondary income	-20,694	-19,017	-14,620	-17,116	-20,168	-5,052	-5,491	-6,370	-6,399
Capital account[(a)]	-90	-10,363	1,231	5,740	-684	-218	-168	-78	-124
Financial account[(b)]	243,839	363,230	276,830	241,045	487,264	84,729	133,974	160,378	126,679
Financial non-reserve assets	-19,211	372,371	644,042	320,929	576,964	107,682	102,538	245,784	21,135
Direct investment	*-263,703*	*-340,141*	*-27,086*	*-201,964*	*-303,831*	*-108,090*	*-41,987*	*76,570*	*-86,154*
Portfolio investment	*528,049*	*620,493*	*317,357*	*452,935*	*1,099,561*	*138,542*	*126,934*	*81,822*	*263,701*
Financial derivatives	*-18,790*	*-45,126*	*-140,392*	*-102,848*	*31,934*	*-40,701*	*29,546*	*-36,171*	*-28,712*
Other investment	*-264,766*	*137,145*	*494,163*	*172,806*	*-250,699*	*117,932*	*-11,955*	*123,563*	*-127,700*
Reserve assets	263,050	-9,142	-367,212	-79,884	-89,700	-22,953	31,436	-85,406	105,544
Net errors and omissions	56,918	34,164	-10,489	-17,798	77,895	-35,431	38,243	33,536	30,994
Overall Balance of Payments	**263,050**	**-9,142**	**-367,212**	**-79,884**	**-89,700**	**-22,953**	**31,436**	**-85,406**	**105,544**

Notes: Individual figures may not add up exactly to the total due to rounding.

(a) In accordance with the accounting rules adopted in compiling Balance of Payments, a positive value for the balance figure in the current account and capital account represents a surplus whereas a negative value represents a deficit.

(b) A new sign convention has been adopted for the entire series of the financial account since June 2023. A positive value indicates an increase in net assets (a net financial outflow) while a negative value indicates a decrease in net assets (a net inflow). A positive value for the reserve assets represents an increase while a negative value represents a decrease.

(#) Figures are subject to revision later on as more data become available.

Table 6 : Goods and services trade
(at current market prices)

($Mn)

	2020	2021	2022	2023#	2024#	2024 Q4#	2025 Q1#	Q2#	Q3#
Total exports of goods	4,198,338	5,236,005	4,812,517	4,512,404	4,924,729	1,312,766	1,287,461	1,381,091	1,465,152
Imports of goods	4,239,663	5,211,334	4,852,975	4,638,703	4,940,265	1,307,483	1,290,775	1,419,211	1,463,665
Goods trade balance	**-41,325**	**24,671**	**-40,458**	**-126,299**	**-15,536**	**5,283**	**-3,314**	**-38,120**	**1,487**
	(-1.0)	**(0.5)**	**(-0.8)**	**(-2.7)**	**(-0.3)**	**(0.4)**	**(-0.3)**	**(-2.7)**	**(0.1)**
Exports of services	519,205	615,069	650,549	762,172	847,317	222,740	237,588	210,082	227,013
Imports of services	426,257	480,027	495,151	618,375	702,365	188,687	180,662	176,733	178,949
Services trade balance	**92,948**	**135,042**	**155,398**	**143,797**	**144,952**	**34,053**	**56,926**	**33,349**	**48,064**
	(21.8)	**(28.1)**	**(31.4)**	**(23.3)**	**(20.6)**	**(18.0)**	**(31.5)**	**(18.9)**	**(26.9)**
Exports of goods and services	4,717,543	5,851,074	5,463,066	5,274,576	5,772,046	1,535,506	1,525,049	1,591,173	1,692,165
Imports of goods and services	4,665,920	5,691,361	5,348,126	5,257,078	5,642,630	1,496,170	1,471,437	1,595,944	1,642,614
Goods and services trade balance	**51,623**	**159,713**	**114,940**	**17,498**	**129,416**	**39,336**	**53,612**	**-4,771**	**49,551**
	<1.1>	**<2.8>**	**<2.1>**	**<0.3>**	**<2.3>**	**<2.6>**	**<3.6>**	**<-0.3>**	**<3.0>**

Notes: Figures in this table 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*.

(#) Figures are subject to revision later on as more data become available.

( ) As a percentage of the total value of imports of goods/services.

< > As a percentage of the total value of imports of goods and services.

Table 7 : Total exports of goods by market
(in value terms)

	2020	2021	2022	2023	2024		2024	2025		
							Q4	Q1	Q2	Q3
		(% change)			(% change)	($Mn)	(% change over a year earlier)			
All markets	**-1.5**	**26.3**	**-8.6**	**-7.8**	**8.7**	**4,542,371**	**3.5**	**10.9**	**14.0**	**15.1**
Mainland of China	5.1	27.0	-12.9	-9.7	15.6	2,681,658	9.1	16.2	19.6	13.8
United States	-14.9	19.6	-5.5	-6.9	8.5	295,571	-3.9	4.0	-10.1	4.3
Vietnam	5.3	22.2	8.9	-0.5	29.1	144,409	41.0	69.1	42.1	49.1
Taiwan	11.6	46.0	7.2	-9.9	1.1	140,415	1.5	40.6	26.0	51.1
India	-17.6	36.6	29.0	-2.7	-18.0	137,022	-32.2	-20.2	23.3	15.9
United Arab Emirates	-0.4	38.8	35.3	8.9	-8.0	95,152	-26.0	-36.9	-6.7	17.6
Japan	-9.7	8.7	-13.8	-17.7	-4.4	80,656	-10.7	1.7	33.1	4.8
Thailand	-13.1	17.4	3.3	9.7	18.8	77,017	-2.7	-9.8	3.7	14.6
Netherlands	-5.2	22.8	0.1	-2.5	-9.7	69,982	-23.5	-34.8	-26.0	-12.2
Korea	-7.6	42.7	9.2	-9.5	-6.6	68,816	-5.9	-7.7	-22.0	-6.4
Rest of the world	-11.5	24.4	-11.6	-6.1	-1.5	751,674	1.6	4.8	4.5	16.9

Note: Individual figures may not add up exactly to the total due to rounding.

Table 8 : Imports of goods by source (in value terms)

	2020	2021	2022	2023	2024		2024	2025		
							Q4	Q1	Q2	Q3
		(% change)			(% change)	($Mn)	(% change over a year earlier)			
All sources	**-3.3**	**24.3**	**-7.2**	**-5.7**	**6.0**	**4,922,101**	**2.9**	**9.8**	**15.2**	**13.9**
Mainland of China	-6.5	26.5	-14.6	-2.7	6.0	2,144,663	-0.3	4.1	17.0	16.2
Taiwan	22.8	35.0	7.3	-10.5	5.9	556,972	19.5	53.9	27.8	-3.2
Singapore	8.1	31.7	-3.7	-17.3	18.2	389,673	20.2	2.4	10.0	20.8
Korea	12.3	31.3	-10.7	-22.8	28.4	287,096	1.0	-23.6	-18.5	-8.8
Japan	-5.0	12.8	-10.4	-8.8	2.5	226,970	3.7	-2.8	7.4	16.1
United States	-17.9	18.3	1.3	-4.6	3.2	206,101	9.5	-6.2	8.6	-0.5
Malaysia	1.2	1.7	6.1	-15.3	10.8	165,884	31.3	47.6	12.1	2.3
Vietnam	28.4	16.9	22.3	-7.0	22.7	164,158	-16.4	68.9	72.1	93.3
Thailand	1.4	18.9	-8.9	-8.6	-4.9	81,386	-8.1	-7.0	17.4	13.2
Philippines	-0.1	25.1	7.4	-15.7	-5.9	74,686	9.3	18.0	10.0	11.8
Rest of the world	-17.0	17.0	-3.6	9.9	-7.3	624,513	-9.6	6.6	8.3	11.9

Note: Individual figures may not add up exactly to the total due to rounding.

Table 9 : Exports and imports of services by component (at current market prices)

	2020	2021	2022	2023#	2024#		2024 Q4#	2025 Q1#	2025 Q2#	2025 Q3#
		(% change)			(% change)	($Mn)	(% change over a year earlier)			
Exports of services	**-35.0**	**18.5**	**5.8**	**17.2**	**11.2**	**847,317**	**11.2**	**8.8**	**9.7**	**5.7**
Transport	-24.7	37.8	2.0	-10.1	18.8	278,765	15.1	5.4	4.4	-3.1
Travel	-90.2	-35.1	70.7	565.5	7.3	175,240	5.1	4.5	13.5	8.8
Financial services	-0.3	10.0	8.8	-2.8	9.5	214,942	17.4	18.2	17.1	16.6
Other services	-9.0	11.7	2.5	3.0	6.2	178,370	6.2	7.1	6.8	4.0
Imports of services	**-32.8**	**12.6**	**3.2**	**24.9**	**13.6**	**702,365**	**9.8**	**4.0**	**7.7**	**1.7**
Transport	-19.8	35.7	-1.5	-8.8	15.3	162,079	9.0	1.5	3.9	-9.0
Travel	-79.7	-38.9	64.4	313.2	25.3	222,678	18.0	1.6	12.0	3.6
Manufacturing^	-10.4	20.0	-4.3	-6.0	2.0	86,965	-3.2	-0.4	5.5	3.8
Other services	-1.4	7.1	2.3	3.6	7.3	230,643	8.4	9.7	6.9	6.5

Notes: Individual figures may not add up exactly to the total due to rounding.
Figures in this table 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*.

(#) Figures are subject to revision later on as more data become available.

(^) This includes the value of processing fees paid by Hong Kong to the processing units outside Hong Kong and raw materials / semi-manufactures directly procured by these processing units.

Table 10 : Incoming visitors by nationality/region

	2020	2021	2022	2023	2024	2024 Q4	2025 Q1	Q2	Q3
('000)									
All sources	**3 568.9**	**91.4**	**604.6**	**33 999.7**	**44 502.8**	**11 914.0**	**12 228.2**	**11 407.9**	**12 835.5**
Mainland of China	2 685.1	65.6	375.2	26 755.6	34 043.1	8 797.0	9 245.4	8 548.4	10 192.1
South and Southeast Asia	194.9	9.5	77.2	2 398.1	3 456.7	1 086.0	893.5	991.8	746.2
Taiwan	115.4	2.6	24.4	809.3	1 244.6	324.1	370.4	372.9	417.7
Europe	160.2	6.6	39.5	775.7	1 232.5	380.3	360.2	339.8	309.8
United States	82.7	1.4	26.5	597.0	884.3	260.0	236.9	252.5	228.2
Japan	54.4	0.3	7.2	344.2	560.2	158.2	206.6	142.0	188.9
Others	276.2	5.3	54.6	2 319.8	3 081.4	908.5	915.2	760.4	752.6
(% change over a year earlier)									
All sources	**-93.6**	**-97.4**	**561.5**	**5 523.8**	**30.9**	**11.6**	**8.9**	**15.0**	**12.2**
Mainland of China	-93.8	-97.6	471.7	7 030.7	27.2	8.9	6.3	14.7	12.1
South and Southeast Asia	-93.6	-95.1	710.3	3 006.1	44.1	15.0	12.9	13.6	5.6
Taiwan	-92.8	-97.8	853.7	3 213.5	53.8	28.9	29.9	21.4	27.3
Europe	-90.8	-95.9	499.0	1 865.5	58.9	33.6	16.0	17.9	22.2
United States	-92.6	-98.3	1 799.9	2 155.7	48.1	19.3	16.9	14.6	13.4
Japan	-95.1	-99.4	1 973.2	4 683.9	62.8	20.3	34.8	24.3	40.5
Others	-92.5	-98.1	920.6	4 149.4	32.8	17.9	16.2	14.0	4.8

Note: The requirement for visitors to furnish an arrival or departure card is cancelled with immediate effect on 16 October 2024 as stipulated in the 2024 Policy Address, to facilitate a faster and more convenient immigration clearance. "Place of residence" data derived solely from arrival cards is no longer available. The classification method of this table has been changed from by country/region of residence to by nationality/region. Individual figures may not add up exactly to the total due to rounding.

Table 11 : Property market

	2015	2016	2017	2018	2019	2020	2021
Completion of new property by the private sector							
('000 m^2 of internal floor area)							
Residential property[(a)] (in units)	11 280	14 595	17 791	20 968	13 643	20 888	14 386
Commercial property	233	276	303	304	384	136	111
of which :							
Office space	164	153	198	179	267	69	70
Other commercial premises[(b)]	69	123	105	125	118	67	42
Industrial property[(c)]	30	78	105	44	56	38	30
of which :							
Industrial-cum-office premises	0	0	0	0	0	0	0
Conventional flatted factory space	30	5	23	41	56	38	30
Storage premises[(d)]	0	73	83	3	0	0	0
Production of public housing							
(in units)							
Rental housing flats[(e)]	10 147	21 755	11 268	20 137	9 634	6 605	13 057
Subsidised sales flats[(e)]	1 310	229	2 788	4 863	7 027	7 610	3 222
Building plans with consent to commence work in the private sector							
('000 m^2 of usable floor area)							
Residential property	893.3	645.8	872.8	704.5	796.5	521.5	866.4
Commercial property	319.0	312.4	488.6	131.5	844.9	228.1	743.0
Industrial property[(f)]	225.3	76.2	62.5	105.2	177.7	182.6	39.8
Other properties	555.4	235.1	241.2	101.2	236.7	409.6	187.5
Total	1 993.0	1 269.4	1 665.2	1 042.4	2 055.9	1 341.7	1 836.7
Agreements for sale and purchase of property							
(Number)							
Residential property[(g)]	55 982	54 701	61 591	57 247	59 797	59 880	74 297
Primary market	16 826	16 793	18 645	15 633	21 108	15 317	17 650
Secondary market	39 156	37 908	42 946	41 614	38 689	44 563	56 647
Selected types of non-residential properties[(h)]							
Office space	1 470	1 105	1 955	1 331	861	686	1 077
Other commercial premises	2 067	1 523	2 198	1 926	1 300	1 269	2 189
Flatted factory space	3 407	2 727	5 135	4 852	2 426	2 117	3 637

Notes: Individual figures may not add up exactly to the total due to rounding.

(a) Figures before 2002 cover all completed residential premises to which either temporary or full Occupation Permits have been granted, as well as village type houses issued with Letters of Compliance. Property developments subject to a Consent Scheme need a Certificate of Compliance, Consent to Assign or Consent to Lease in addition to an Occupation Permit before the premises can be individually assigned. Village-type housing units are excluded as from 2002 and units issued with temporary Occupation Permits are also excluded as from 2004 onwards.

Residential premises here pertain to private residential units, excluding units built under the Private Sector Participation Scheme (PSPS), Home Ownership Scheme (HOS), Buy or Rent Option, Mortgage Subsidy Scheme, Sandwich Class Housing Scheme, Urban Improvement Scheme (UIS) and Flat-for-Sale Scheme. Figures from 2004 onwards also cover those private flats converted from subsidised flats.

(b) These include retail premises and other premises designed or adapted for commercial use, with the exception of purpose-built offices. Car-parking space and commercial premises built by the Hong Kong Housing Authority and the Hong Kong Housing Society are excluded.

(c) These include industrial-cum-office premises, but exclude specialised factory buildings which are developed mainly for own use.

(d) These include storage premises at the container terminals and the airport.

Table 11 : Property market (Cont'd)

	2022	2023	2024	2024 Q4	2025 Q1	Q2	Q3
Completion of new property by the private sector							
('000 m^2 of internal floor area)							
Residential property[a] (in units)	21 168	13 852	24 261	13 340	5 486	4 577	3 291
Commercial property	469	249	216	26	47	23	83
of which :							
Office space	351	159	147	1	30	12	70
Other commercial premises[b]	118	91	69	25	17	11	13
Industrial property[c]	180	58	23	0	5	25	14
of which :							
Industrial-cum-office premises	0	0	0	0	0	0	0
Conventional flatted factory space	105	57	23	0	5	25	14
Storage premises[d]	75	0	0	0	0	0	0
Production of public housing							
(in units)							
Rental housing flats[e]	12 285	3 838	10 743	2 604	5 160	0	N.A.
Subsidised sales flats[e]	6 996	5 674	8 129	5 716	6 545	0	N.A.
Building plans with consent to commence work in the private sector							
('000 m^2 of usable floor area)							
Residential property	483.1	437.1	268.5	44.5	79.6	54.5	N.A.
Commercial property	105.5	385.4	140.1	74.3	61.0	14.1	N.A.
Industrial property[f]	61.2	45.9	62.7	0.0	7.0	82.9	N.A.
Other properties	242.9	208.2	108.8	32.5	31.6	2.7	N.A.
Total	892.6	1 076.5	580.2	151.3	179.1	154.2	N.A.
Agreements for sale and purchase of property							
(Number)							
Residential property[g]	45 050	43 002	53 099	15 098	12 193	16 754	16 700
Primary market	10 315	10 752	16 912	4 992	3 897	5 437	5 620
Secondary market	34 735	32 250	36 187	10 106	8 296	11 317	11 080
Selected types of non-residential properties[h]							
Office space	667	646	602	187	223	252	274
Other commercial premises	1 397	1 114	1 109	337	266	355	297
Flatted factory space	2 006	1 860	1 621	452	559	586	504

Notes: (cont'd)

(e) The series, sourced from the Housing Authority's housing production figures, exhaustively cover all housing production and to count projects (including surplus HOS projects) which undergo transfer of usage at the time of disposal and according to their actual usage. Moreover, surplus HOS courts and blocks pending disposal are excluded from production statistics until they are disposed. Rental and sales flats projects of the Housing Society are included.

(f) These include multi-purpose industrial premises designed also for office use.

(g) The figures are derived from sale and purchase agreements of domestic units received for registration for the relevant periods. They generally relate to transactions executed up to four weeks prior to their submission for registration. Sales of domestic units refer to sale and purchase agreements with payment of stamp duty. These statistics do not include sales of units under the Home Ownership Scheme, the Private Sector Participation Scheme and the Tenants Purchase Scheme except those after payment of premium. Primary sales generally refer to sales from developers. Secondary sales refer to sales from parties other than developers.

(h) Timing of the figures for non-residential properties is based on the date on which the sale and purchase agreement is signed, which may differ from the date on which the agreement is received for registration.

N.A. Not yet available.

Table 12 : Property prices and rentals

	2015	2016	2017	2018	2019	2020	2021
(Index (1999=100))							
Property price indices :							
Residential flats[(a)]	296.8	286.1	333.9	377.3	383.0	381.2	392.7
Office space	448.9	426.9	487.1	554.7	543.0	468.8	502.5
Shopping space	559.2	526.9	558.4	591.4	549.7	518.9	543.4
Flatted factory space	723.9	692.7	778.1	888.1	887.9	826.1	879.0
Property rental indices[(b)] :							
Residential flats	172.8	168.2	182.6	193.0	194.4	180.3	179.8
Office space	226.7	232.3	241.8	252.2	261.4	241.7	233.4
Shopping space	182.5	178.6	182.5	187.0	187.2	169.9	172.0
Flatted factory space	174.4	181.4	190.7	202.3	209.7	200.5	208.8
(% change over a year earlier)							
Property price indices :							
Residential flats[(a)]	15.5	-3.6	16.7	13.0	1.5	-0.5	3.0
Office space	6.1	-4.9	14.1	13.9	-2.1	-13.7	7.2
Shopping space	7.3	-5.8	6.0	5.9	-7.1	-5.6	4.7
Flatted factory space	8.4	-4.3	12.3	14.1	*	-7.0	6.4
Property rental indices[(b)] :							
Residential flats	8.3	-2.7	8.6	5.7	0.7	-7.3	-0.3
Office space	6.1	2.5	4.1	4.3	3.6	-7.5	-3.4
Shopping space	5.4	-2.1	2.2	2.5	0.1	-9.2	1.2
Flatted factory space	8.9	4.0	5.1	6.1	3.7	-4.4	4.1

Notes: (a) Figures pertain to prices of existing flats traded in the secondary market, but not new flats sold in the primary market.

(b) All rental indices shown in this table have been adjusted for concessionary leasing terms such as provision of refurbishment, granting of rent-free periods, and waiver of miscellaneous charges, if known.

For residential property, changes in rentals cover only new tenancies for which rentals are freshly determined. For non-residential property, changes in rentals cover also lease renewals upon which rentals may be revised.

(#) Figures for non-residential property are provisional.

(+) Provisional figures.

(*) Change within ±0.05%.

Table 12 : Property prices and rentals (Cont'd)

	2022	2023	2024	2024 Q4	2025 Q1	Q2[#]	Q3[+]
(Index (1999=100))							
Property price indices :							
Residential flats[(a)]	369.7	337.4	298.7	290.6	285.9	286.6	289.8
Office space	495.7	468.7	373.7	342.1	326.3	314.0	303.6
Shopping space	523.0	488.3	422.9	390.2	380.6	365.4	352.0
Flatted factory space	880.3	842.3	718.0	674.9	666.8	635.1	606.0
Property rental indices[(b)] :							
Residential flats	178.3	181.1	190.5	192.4	193.0	194.7	198.8
Office space	230.0	227.7	219.9	216.3	214.3	211.8	209.2
Shopping space	167.0	170.9	165.2	161.3	157.7	157.3	156.8
Flatted factory space	211.9	218.6	215.6	213.3	211.3	211.1	208.0
(% change over a year earlier)							
Property price indices :							
Residential flats[(a)]	-5.9	-8.7	-11.5	-8.1	-6.5	-6.3	-0.9
Office space	-1.4	-5.4	-20.3	-22.6	-22.6	-18.7	-16.8
Shopping space	-3.8	-6.6	-13.4	-17.5	-16.9	-16.0	-13.8
Flatted factory space	0.1	-4.3	-14.8	-16.2	-12.3	-13.9	-13.2
Property rental indices[(b)] :							
Residential flats	-0.8	1.6	5.2	3.7	4.4	2.6	2.1
Office space	-1.5	-1.0	-3.4	-5.0	-4.7	-4.1	-3.8
Shopping space	-2.9	2.3	-3.3	-6.7	-6.7	-5.3	-4.6
Flatted factory space	1.5	3.2	-1.4	-3.3	-2.9	-2.1	-3.6

Table 13 : Monetary aggregates

	2015	2016	2017	2018	2019	2020	2021
(at end of period)							
Hong Kong dollar money supply ($Mn)							
M1	1,253,380	1,428,775	1,598,014	1,555,731	1,533,104	1,972,719	2,078,911
M2[(a)]	5,765,549	6,280,230	7,010,345	7,262,451	7,438,789	7,922,089	8,043,994
M3[(a)]	5,778,772	6,292,666	7,024,514	7,284,322	7,454,655	7,937,038	8,057,408
Total money supply ($Mn)							
M1	1,971,146	2,213,970	2,431,461	2,421,598	2,484,738	3,231,921	3,490,858
M2	11,618,441	12,508,127	13,755,255	14,348,059	14,745,872	15,606,608	16,272,650
M3	11,655,019	12,551,331	13,803,837	14,403,688	14,786,375	15,644,043	16,310,866
Deposits ($Mn)							
HK$	5,312,403	5,809,060	6,484,616	6,715,262	6,884,143	7,311,368	7,414,381
Foreign currency	5,437,346	5,918,240	6,267,872	6,671,119	6,887,444	7,202,247	7,771,839
Total	10,749,749	11,727,300	12,752,488	13,386,381	13,771,586	14,513,615	15,186,220
Loans and advances ($Mn)							
HK$	4,152,589	4,479,107	5,359,983	5,836,238	6,219,377	6,106,960	6,425,857
Foreign currency	3,381,951	3,544,284	3,953,686	3,886,385	4,157,325	4,391,617	4,467,291
Total	7,534,540	8,023,390	9,313,668	9,722,623	10,376,701	10,498,577	10,893,147
Nominal Effective Exchange Rate Indices (Jan 2020 =100)[(b)]							
Trade-weighted	95.7	98.4	98.4	96.2	99.4	100.0	95.5
Import-weighted	96.5	98.8	98.8	96.5	99.5	100.1	95.8
Export-weighted	94.8	97.9	98.0	95.8	99.2	100.0	95.1
(% change over a year earlier)							
Hong Kong dollar money supply							
M1	12.2	14.0	11.8	-2.6	-1.5	28.7	5.4
M2[(a)]	10.3	8.9	11.6	3.6	2.4	6.5	1.5
M3[(a)]	10.4	8.9	11.6	3.7	2.3	6.5	1.5
Total money supply							
M1	15.4	12.3	9.8	-0.4	2.6	30.1	8.0
M2	5.5	7.7	10.0	4.3	2.8	5.8	4.3
M3	5.5	7.7	10.0	4.3	2.7	5.8	4.3
Deposits							
HK$	10.7	9.3	11.6	3.6	2.5	6.2	1.4
Foreign currency	3.1	8.8	5.9	6.4	3.2	4.6	7.9
Total	6.7	9.1	8.7	5.0	2.9	5.4	4.6
Loans and advances							
HK$	3.8	7.9	19.7	8.9	6.6	-1.8	5.2
Foreign currency	3.2	4.8	11.6	-1.7	7.0	5.6	1.7
Total	3.5	6.5	16.1	4.4	6.7	1.2	3.8
Nominal Effective Exchange Rate Indices (Jan 2020 =100)[(b)]							
Trade-weighted	5.5	2.8	*	-2.2	3.3	0.6	-4.5
Import-weighted	5.9	2.4	*	-2.3	3.1	0.6	-4.3
Export-weighted	5.1	3.3	0.1	-2.2	3.5	0.8	-4.9

Definition of Terms :

The Hong Kong Dollar Money Supply is the Hong Kong dollar component of the respective monetary aggregate.

Total Money Supply:

M1: Legal tender notes and coins with the public, plus customers' demand deposits with licensed banks.

M2: M1 plus customers' savings and time deposits with licensed banks, plus negotiable certificates of deposit issued by licensed banks and held outside the monetary sector, as well as short-term Exchange Fund placements of less than one month.

M3: M2 plus customers' deposits with restricted licence banks and deposit-taking companies, plus negotiable certificates of deposit issued by such institutions and held outside the monetary sector.

Table 13 : Monetary aggregates (Cont'd)

	2022	2023	2024	2024 Q4	2025 Q1	2025 Q2	2025 Q3
(at end of period)							
Hong Kong dollar money supply ($Mn)							
M1	1,708,421	1,533,291	1,552,925	1,552,925	1,621,373	1,892,426	1,767,782
M2[(a)]	8,096,517	8,250,109	8,474,517	8,474,517	8,890,247	9,044,196	8,830,160
M3[(a)]	8,109,000	8,262,831	8,490,464	8,490,464	8,906,242	9,059,767	8,843,704
Total money supply ($Mn)							
M1	2,769,343	2,598,203	2,748,458	2,748,458	2,866,480	3,215,396	3,072,110
M2	16,536,625	17,195,266	18,458,425	18,458,425	19,048,522	19,819,929	20,237,578
M3	16,569,431	17,234,052	18,501,577	18,501,577	19,094,640	19,868,342	20,282,074
Deposits ($Mn)							
HK$	7,468,230	7,623,772	7,839,207	7,839,207	8,238,559	8,386,246	8,159,088
Foreign currency	7,971,455	8,598,297	9,533,510	9,533,510	9,738,543	10,312,216	10,985,365
Total	15,439,685	16,222,070	17,372,718	17,372,718	17,977,102	18,698,462	19,144,453
Loans and advances ($Mn)							
HK$	6,602,964	6,420,797	6,046,383	6,046,383	5,956,539	6,035,703	6,001,350
Foreign currency	3,968,334	3,770,518	3,861,425	3,861,425	4,014,931	4,122,678	4,067,226
Total	10,571,298	10,191,315	9,907,808	9,907,808	9,971,470	10,158,381	10,068,576
Nominal Effective Exchange Rate Indices (Jan 2020 =100)[(b)]							
Trade-weighted	100.1	103.4	105.4	105.8	107.1	104.6	103.3
Import-weighted	100.8	103.9	106.0	106.4	107.7	104.9	103.6
Export-weighted	99.3	102.9	104.7	105.2	106.3	104.2	103.1
(% change over a year earlier)							
Hong Kong dollar money supply							
M1	-17.8	-10.3	1.3	1.3	7.0	23.7	11.5
M2[(a)]	0.7	1.9	2.7	2.7	7.7	8.4	4.5
M3[(a)]	0.6	1.9	2.8	2.8	7.7	8.4	4.5
Total money supply							
M1	-20.7	-6.2	5.8	5.8	12.1	21.5	8.8
M2	1.6	4.0	7.3	7.3	10.8	11.5	11.1
M3	1.6	4.0	7.4	7.4	10.8	11.5	11.1
Deposits							
HK$	0.7	2.1	2.8	2.8	7.9	8.8	4.5
Foreign currency	2.6	7.9	10.9	10.9	13.7	14.2	17.5
Total	1.7	5.1	7.1	7.1	11.0	11.7	11.5
Loans and advances							
HK$	2.8	-2.8	-5.8	-5.8	-6.2	-3.7	-1.9
Foreign currency	-11.2	-5.0	2.4	2.4	7.5	10.5	5.5
Total	-3.0	-3.6	-2.8	-2.8	-1.2	1.6	0.9
Nominal Effective Exchange Rate Indices (Jan 2020 =100)[(b)]							
Trade-weighted	4.8	3.3	1.9	0.4	2.1	-1.5	-1.4
Import-weighted	5.2	3.1	2.0	0.5	2.2	-1.9	-1.7
Export-weighted	4.4	3.6	1.7	0.4	1.9	-1.0	-1.1

Notes: (a) Adjusted to include foreign currency swap deposits.

(b) Period average.

(*) Change within ±0.05%.

Table 14 : Rates of change in business receipts indices for services industries/domains

(%)

	2021	2022	2023	2024	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Services Industry								
Import and export trade	23.9	-8.5	-7.2	2.3	1.6	0.2	18.8	21.2
Wholesale	13.3	-5.8	-3.2	-2.5	-3.1	-7.7	-3.0	0.2
Retail	8.1	-0.8	16.2	-7.3	-9.6	-6.6	-6.5	0.3
Transportation	54.1	5.8	-17.3	13.8	17.3	10.6	1.5	-0.9
within which:								
Land transport	4.0	-3.3	21.6	12.4	8.3	11.7	0.6	0.2
Water transport	85.9	5.0	-45.8	12.4	30.7	21.5	0.6	-8.6
Air transport	43.3	9.7	7.4	14.9	12.1	4.7	2.4	3.9
Warehousing and storage	27.6	-4.6	1.8	2.2	-1.0	-3.4	-4.3	-1.6
Courier	19.0	-9.3	-11.9	4.9	2.2	8.5	7.7	6.1
Accommodation services(a)	38.3	17.3	59.9	5.3	-10.2	3.5	0.8	1.4
Food services	16.8	-6.3	26.1	-0.1	-1.3	0.4	-0.6	0.8
Information and communications	7.7	6.2	3.3	5.0	5.5	4.4	-0.5	-0.6
within which:								
Telecommunications	6.1	8.7	1.8	3.8	4.3	3.7	-2.0	0.6
Film entertainment	26.7	-10.4	21.1	8.9	-3.7	71.4	-1.6	-2.4
Banking	-4.3	10.2	21.2	5.2	7.1	1.9	19.0	14.5
Financing (except banking)	17.4	-14.7	-0.6	12.5	13.5	36.3	33.4	28.4
within which:								
Financial markets and asset management	19.6	-17.6	-3.1	11.8	12.2	40.2	33.2	27.2
within which : Asset management	23.3	-19.6	-4.2	22.9	23.7	72.0	51.0	44.4
Insurance	2.5	-6.0	-1.1	12.2	11.7	18.1	23.5	21.6
Real estate	-1.9	-8.9	-0.6	0.9	0.1	4.7	-6.8	-9.5
Professional, scientific and technical services	6.6	3.5	3.5	4.4	3.6	3.4	3.3	1.6
Administrative and support services	1.7	10.5	16.6	8.9	8.1	8.3	8.2	8.5
Services Domain								
Tourism, convention and exhibition services	-17.7	36.8	347.1	6.3	-4.8	2.8	1.1+	9.5+
Computer and information technology services	20.1	-0.4	39.2	52.0	34.5	20.8	60.9	75.5

Notes: Upon the implementation of the new Hong Kong Standard Industrial Classification (HSIC) Version 2.0 by the C&SD in October 2008, the new classification has been adopted in compiling the quarterly business receipts indices. Starting from the first quarter of 2009, all business receipts indices are compiled based on the HSIC Version 2.0, and the base period of the indices has been changed to 2008 (i.e. with the quarterly average of the indices in 2008 taken as 100). The series of business receipts indices under the HSIC Version 2.0 has also been backcasted to the first quarter of 2005.

(a) Accommodation services sector covers hotels, guesthouses, boarding houses and other establishments providing short-term accommodation.

(+) Provisional figures.

Table 15 : Labour force characteristics

	2020	2021	2022	2023	2024	2024 Q4	2025 Q1	Q2	Q3
(%)									
Labour force participation rate	59.7	59.4	58.2	57.3	57.0	56.9	56.9	56.7	57.1
Seasonally adjusted unemployment rate[(a)]	5.8	5.2	4.3	2.9	3.0	3.1	3.2	3.5	3.9
Underemployment rate	3.3	2.6	2.3	1.1	1.2	1.1	1.1	1.4	1.6
('000)									
Population of working age	6 562.2	6 518.6	6 487.0	6 667.4	6 683.0	6 682.7	6 707.8	6 690.5	6 705.9
Labour force	3 918.5	3 870.4	3 776.3	3 822.3	3 807.4	3 799.8	3 815.5	3 793.5	3 830.1
Persons employed	3 690.9	3 670.2	3 613.2	3 709.6	3 693.6	3 687.0	3 692.7	3 657.3	3 674.5
Persons unemployed	227.6	200.3	163.1	112.7	113.8	112.8	122.8	136.2	155.6
Persons underemployed	129.9	98.9	88.1	41.6	43.9	43.1	42.7	52.6	60.0
(% change over a year earlier)									
Population of working age	-0.2	-0.7	-0.5	2.8	0.2	*	0.4	0.1	0.3
Labour force	-1.7	-1.2	-2.4	1.2	-0.4	-0.5	0.4	-0.4	0.5
Persons employed	-4.7	-0.6	-1.6	2.7	-0.4	-0.7	0.1	-1.0	-0.5
Persons unemployed	95.6	-12.0	-18.6	-30.9	0.9	6.4	9.8	18.7	30.7
Persons underemployed	209.6	-23.8	-10.9	-52.8	5.4	16.7	6.8	18.5	30.9

Notes: (a) Seasonal adjustment is not applicable to annual unemployment rates.

(*) Change within ±0.05%.

Table 16 : Employment in selected major industries

Selected major industries	2020	2021	2022	2023	2024	2024 Sep	2024 Dec	2025 Mar	2025 Jun	2025 Jun
	(% change)					(% change over a year earlier)				(No.)
Manufacturing	-4.0	-5.5	-5.0	-0.6	0.2	-0.3	-0.6	-2.5	0.2	75 184
Construction sites (covering manual workers only)	-4.5	8.5	-0.7	7.3	9.1	10.7	0.7	*	-10.8	110 735
Import and export trade	-11.0	-3.6	-0.9	-2.4	-4.3	-5.1	-2.2	-2.7	-2.7	347 496
Wholesale	-8.8	-3.9	4.2	-3.3	-6.0	-6.0	-5.4	-3.4	-2.4	47 147
Retail	-6.3	-0.6	-1.6	1.7	-4.7	-5.9	-5.3	-4.6	-3.8	230 084
Food and beverage services	-13.6	1.4	1.3	3.5	-0.7	-1.3	-1.6	-2.8	-2.5	217 997
Accommodation services[(a)]	-14.7	1.1	-4.5	3.0	3.0	3.7	2.4	4.0	-0.3	36 387
Transportation, storage, postal and courier services	-3.7	-4.0	-2.1	-0.1	1.1	0.7	1.7	2.2	1.9	167 366
Information and communications	-0.3	-1.4	-2.2	1.9	0.3	-0.5	-1.5	-3.3	-3.4	106 342
Financing and insurance	0.6	0.1	-2.1	*	-1.4	-2.3	0.7	1.5	2.3	234 568
Real estate	0.4	3.6	-0.5	0.9	1.6	3.6	4.6	3.7	3.0	146 418
Professional and business services (excluding cleaning and similar services)	-0.3	*	-2.1	3.0	1.0	-0.1	0.4	0.3	0.2	314 094
Cleaning and similar services	0.3	1.3	0.8	*	-1.3	0.1	1.4	-0.3	-2.1	78 638
Education	-1.0	-0.1	1.1	4.0	0.3	-0.4	-0.3	-0.1	2.0	218 117
Human health services	4.1	2.9	2.5	2.8	2.7	2.3	3.5	3.9	3.4	162 181
Residential care and social work services	0.4	0.9	0.9	4.7	3.9	3.7	3.1	2.8	-0.7	72 135
Arts, entertainment, recreation and other services	-5.4	-1.7	-3.4	7.1	1.1	-0.3	-0.2	-2.7	-2.6	121 598
Civil service[(b)]	0.7	-0.2	-1.2	-1.1	-0.2	-0.1	*	-0.2	-0.6	171 409
Others[(c)]	-1.7	1.2	3.3	1.6	5.1	6.2	8.1	9.3	3.6	13 052

Notes: Starting from March 2009, the survey coverage has been expanded to include more economic activities in some of the industries due to the change in industrial classification based on the Hong Kong Standard Industrial Classification (HSIC) Version 2.0. The activities newly covered are in the industries of transportation, storage, postal and courier services; professional and business services; and arts, entertainment, recreation and other services. The series of employment statistics under the HSIC Version 2.0 has also been backcasted to March 2000.

(a) Accommodation services sector covers hotels, guesthouses, boarding houses and other establishments providing short-term accommodation.

(b) These figures cover only those employed on civil service terms of appointment. Judges, judicial officers, ICAC officers, locally engaged staff working in the Hong Kong Economic and Trade Offices outside Hong Kong, and other government employees such as non-civil service contract staff are not included.

(c) Include employment in mining and quarrying; and in electricity and gas supply, and waste management.

(*) Change within ±0.05%.

Table 17 : Number of manual workers engaged at building and construction sites

	2020	2021	2022	2023	2024	2024		2025	
						Sep	Dec	Mar	Jun
(Number)									
Building sites									
Private sector	54 957	58 385	56 160	57 642	55 003	54 403	52 550	54 091	50 812
Public sector[a]	22 982	23 622	22 853	26 299	33 626	32 211	34 570	34 753	29 841
Sub-total	77 939	82 006	79 012	83 941	88 628	86 614	87 120	88 844	80 653
Civil engineering sites									
Private sector	2 180	3 095	3 796	2 397	1 337	1 361	1 196	1 823	1 108
Public sector[a]	17 064	20 329	21 855	25 974	32 559	33 388	32 658	32 926	28 974
Sub-total	19 244	23 424	25 651	28 372	33 896	34 749	33 854	34 749	30 082
Total	**97 182**	**105 430**	**104 663**	**112 313**	**122 524**	**121 363**	**120 974**	**123 593**	**110 735**
(% change over a year earlier)									
Building sites									
Private sector	-12.6	6.2	-3.8	2.6	-4.6	-5.7	-12.9	-6.7	-7.7
Public sector[a]	19.3	2.8	-3.3	15.1	27.9	26.8	18.7	8.7	-16.5
Sub-total	-5.1	5.2	-3.7	6.2	5.6	4.3	-2.6	-1.2	-11.2
Civil engineering sites									
Private sector	-12.2	42.0	22.6	-36.8	-44.2	-23.0	-27.7	25.5	-17.3
Public sector[a]	-0.3	19.1	7.5	18.8	25.3	34.8	12.4	2.2	-9.3
Sub-total	-1.8	21.7	9.5	10.6	19.5	30.9	10.2	3.2	-9.7
Total	**-4.5**	**8.5**	**-0.7**	**7.3**	**9.1**	**10.7**	**0.7**	*****	**-10.8**

Notes: Individual figures may not add up exactly to the total due to rounding.

(a) Including the Mass Transit Railway Corporation Limited and the Airport Authority Hong Kong.

(*) Change within ± 0.05%

Table 18 : Rates of change in indices of payroll per person engaged by selected industry section

(%)

Selected industry sections	2020	2021	2022	2023	2024	2024 Q3	2024 Q4	2025 Q1	2025 Q2
(in nominal terms)									
Manufacturing	-0.1	-0.6	1.0	3.8	3.7	3.6	3.4	3.3	3.2
Import/export and wholesale trades	0.5	0.1	0.9	2.6	3.0	3.0	3.1	3.2	3.0
Retail trade	0.1	0.2	1.1	2.7	2.0	1.8	1.7	2.0	1.8
Transportation, storage, postal and courier services	-5.4	-3.8	1.9	9.3	5.6	2.5	3.8	2.5	10.9
Accommodation[(a)] and food service activities	-2.9	-1.0	2.2	5.3	4.4	3.9	3.3	3.3	3.1
Information and communications	2.3	1.8	2.8	3.9	3.6	3.5	3.4	3.3	3.2
Financial and insurance activities	1.7	1.7	2.7	3.5	3.4	3.7	3.8	3.9	3.6
Real estate activities	1.5	1.4	2.1	2.8	2.9	2.9	2.9	2.8	2.9
Professional and business services	1.6	1.5	2.7	3.4	3.5	3.5	3.3	3.5	3.1
Social and personal services	6.2	0.1	1.3	2.0	1.9	1.4	1.7	2.8	3.3
All selected industry sections surveyed	**2.4**	**1.0**	**1.7**	**3.3**	**3.5**	**3.3**	**3.4**	**3.2**	**3.6**
(in real terms)									
Manufacturing	-0.4	-2.1	-0.9	1.7	1.9	1.2	2.0	1.7	1.4
Import/export and wholesale trades	0.2	-1.4	-1.0	0.5	1.3	0.6	1.7	1.6	1.2
Retail trade	-0.1	-1.4	-0.7	0.5	0.2	-0.6	0.3	0.4	*
Transportation, storage, postal and courier services	-5.6	-5.3	*	7.0	3.8	0.1	2.4	0.9	9.0
Accommodation[(a)] and food service activities	-3.2	-2.6	0.3	3.1	2.6	1.5	1.9	1.7	1.3
Information and communications	2.0	0.2	0.9	1.7	1.8	1.1	2.0	1.7	1.4
Financial and insurance activities	1.2	0.2	0.8	1.3	1.6	1.2	2.3	2.3	1.8
Real estate activities	1.3	-0.1	0.2	0.7	1.2	0.5	1.5	1.1	1.1
Professional and business services	1.4	-0.1	0.8	1.2	1.8	1.1	1.9	1.9	1.3
Social and personal services	6.0	-1.5	-0.6	-0.1	0.1	-0.9	0.3	1.2	1.4
All selected industry sections surveyed	**2.1**	**-0.5**	**-0.2**	**1.1**	**1.7**	**0.9**	**2.0**	**1.6**	**1.8**

Notes: The rates of change in real terms are compiled from the Real Indices of Payroll per Person Engaged. The Indices are derived by deflating the Nominal Indices of Payroll per Person Engaged by the 2019/20-based Composite CPI.

In addition to wages, which include all regular and guaranteed payments like basic pay and stipulated bonuses and allowances, payroll also covers overtime pay and other non-guaranteed or irregular bonuses and allowances, except severance pay and long service payment. Because of this difference, as well as the difference in industrial and occupational coverage, the movements in payroll per person engaged do not necessarily match closely with those in wage rates.

(a) Accommodation services sector covers hotels, guesthouses, boarding houses and other establishments providing short-term accommodation.

(*) Change within ±0.05%.

Table 19 : Rates of change in wage indices by selected industry section

(%)

Selected industry sections	2020	2021	2022	2023	2024	2024 Sep	2024 Dec	2025 Mar	2025 Jun
(in nominal terms)									
Manufacturing	2.0	1.6	2.0	4.1	4.0	3.7	3.3	3.2	3.0
Import/export, wholesale and retail trades	1.0	0.9	1.7	2.6	3.1	3.0	3.0	3.1	2.9
Transportation	0.1	-0.9	1.4	5.6	3.7	3.4	3.1	3.5	4.9
Accommodation[(a)] and food service activities	1.0	1.4	2.1	4.2	4.3	4.2	4.0	3.8	3.5
Financial and insurance activities[(b)]	2.3	2.5	3.2	3.9	4.0	3.9	4.1	4.0	3.7
Real estate leasing and maintenance management	2.7	3.0	2.9	3.2	3.3	3.3	3.2	3.1	3.1
Professional and business services	1.7	1.8	2.5	3.4	4.0	4.0	3.9	4.1	3.9
Personal services	0.7	0.3	0.6	3.5	4.0	4.1	4.0	3.9	3.5
All industries surveyed	**1.3**	**1.3**	**2.2**	**3.6**	**3.7**	**3.6**	**3.5**	**3.5**	**3.5**
(in real terms)									
Manufacturing	3.1	-0.3	-1.5	2.0	1.8	0.7	1.6	1.2	1.0
Import/export, wholesale and retail trades	2.1	-0.9	-1.9	0.5	0.9	0.1	1.3	1.1	0.8
Transportation	1.3	-2.7	-2.2	3.4	1.5	0.4	1.4	1.5	2.7
Accommodation[(a)] and food service activities	2.1	-0.3	-1.5	2.0	2.1	1.3	2.3	1.8	1.5
Financial and insurance activities[(b)]	3.7	0.7	-0.6	1.7	1.8	0.9	2.3	2.0	1.7
Real estate leasing and maintenance management	3.8	1.3	-0.8	1.0	1.1	0.4	1.5	1.1	1.0
Professional and business services	2.8	0.1	-1.2	1.2	1.8	1.1	2.2	2.1	1.8
Personal services	1.7	-1.6	-2.9	1.3	1.8	1.1	2.2	1.9	1.4
All industries surveyed	**2.5**	**-0.5**	**-1.4**	**1.4**	**1.5**	**0.6**	**1.8**	**1.6**	**1.4**

Notes: The rates of change in real terms are compiled from the Real Wage Indices. The Indices are derived by deflating the Nominal Wage Indices by the 2019/20-based CPI(A).

(a) Accommodation services sector covers hotels, guesthouses, boarding houses and other establishments providing short-term accommodation.

(b) Excluding stock, commodity and bullion brokers; and exchanges and services companies.

Table 20 : Monthly wage level and distribution analysed by industry section : all employees

(HK$)

Industry sections	May – Jun 2023 25th percentile	May – Jun 2023 50th percentile	May – Jun 2023 75th percentile	May – Jun 2024 25th percentile	May – Jun 2024 50th percentile	May – Jun 2024 75th percentile
Manufacturing[(a)]	15,800	18,900	30,000	16,400	19,600	31,300
Electricity and gas supply; sewerage, waste management and remediation activities	22,000	29,800	44,800	22,300	31,000	46,400
Construction	19,700	24,600	32,000	20,500	25,700	33,200
Import and export trade	15,300	19,900	29,000	16,000	20,800	29,600
Wholesale	13,800	16,300	22,500	14,300	17,200	23,600
Retail trade	11,400	14,100	18,500	11,500	14,500	18,600
within which:						
Supermarkets and convenience stores	8,100	12,500	15,000	8,100	12,800	15,700
Other retail stores	12,000	14,800	18,800	12,300	15,200	19,300
Land transport	15,500	20,600	27,600	16,000	21,300	28,600
Other transportation, storage, postal and courier services[(b)]	14,400	19,400	25,000	15,000	20,800	26,100
Food and beverage services	11,000	14,700	19,000	11,300	15,300	19,500
within which:						
Hong Kong style tea cafes	12,500	14,600	18,700	13,000	15,300	19,300
Chinese restaurants	13,500	16,300	22,100	14,100	17,100	23,000
Restaurants, other than Chinese	13,000	15,500	19,400	13,600	16,200	20,500
Fast food cafes[(c)]	4,900	11,000	14,700	5,000	11,300	15,000
Other food and beverage services	8,700	13,700	17,500	9,200	14,300	18,400
Accommodation services[(d)]	14,500	17,100	21,500	14,900	18,000	22,100
Information and communications	17,600	26,000	37,100	18,000	27,300	38,200
Financing and insurance	20,400	31,600	50,300	21,200	32,800	52,200
Real estate activities[(e)]	15,600	23,500	35,300	16,000	24,200	36,200
Estate management, security and cleaning services	11,400	14,200	17,000	11,700	14,700	17,700
within which:						
Real estate maintenance management	13,300	15,700	18,700	13,800	16,300	18,900
Security services[(f)]	12,400	15,000	17,700	13,000	15,600	18,500
Cleaning services	9,000	11,200	12,800	9,200	11,700	13,100
Membership organisations[(g)]	12,500	14,900	24,400	13,000	15,700	24,500
Professional, scientific and technical services	16,600	26,700	39,200	17,000	27,900	41,000
Administrative and support services activities	13,000	18,700	28,600	13,500	19,600	29,000
Travel agency, reservation service and related activities	11,500	15,500	22,700	12,000	16,200	23,500
Education and public administration (excluding the Government)	15,100	31,800	52,900	15,300	32,800	53,800
Human health activities; and beauty and body prettifying treatment	15,500	20,700	40,000	16,300	21,500	41,900
Miscellaneous activities	11,700	14,700	18,000	12,300	15,100	18,100
within which:						
Elderly homes	14,400	16,100	19,000	15,000	16,700	19,800
Laundry and dry cleaning services	8,600	12,900	15,500	9,000	13,200	15,800
Hairdressing and other personal services	10,400	13,700	16,200	10,800	14,000	16,700
Local courier services	8,500	12,200	16,000	9,000	13,100	17,000
Food processing and production	12,600	14,500	18,800	13,000	15,100	18,900
Other activities not classified above	14,200	18,100	28,000	15,000	18,900	29,100
All industry sections above	**14,300**	**19,800**	**31,100**	**14,800**	**20,500**	**32,000**

Notes: Monthly wages figures are rounded to the nearest hundred of Hong Kong dollar.

(a) Excluding food processing and production.

(b) Excluding local courier services.

(c) Including takeaway shops.

(d) Including hotels, guesthouses, boarding houses and other establishments providing short term accommodation.

(e) Excluding real estate maintenance management.

(f) Including investigation activities and services to buildings and landscape care activities.

(g) Including incorporated owners/tenants committees, kaifong welfare associations, etc.

Table 21 : Hourly wage level and distribution analysed by industry section : all employees

(HK$)

Industry sections	May – Jun 2023 25th percentile	May – Jun 2023 50th percentile	May – Jun 2023 75th percentile	May – Jun 2024 25th percentile	May – Jun 2024 50th percentile	May – Jun 2024 75th percentile
Manufacturing[(a)]	59.6	77.4	114.1	62.7	80.6	118.7
Electricity and gas supply; sewerage, waste management and remediation activities	80.6	116.7	186.9	84.0	122.2	188.2
Construction	85.0	106.9	135.9	88.5	110.7	142.9
Import and export trade	62.6	84.2	121.5	65.2	87.4	126.5
Wholesale	56.1	69.4	90.9	59.1	72.8	94.0
Retail trade	48.6	57.1	70.1	50.0	59.1	74.1
within which:						
Supermarkets and convenience stores	45.5	51.2	62.5	47.3	53.0	61.2
Other retail stores	50.0	59.2	76.1	51.7	61.5	79.2
Land transport	61.5	84.4	106.3	64.5	87.5	106.5
Other transportation, storage, postal and courier services[(b)]	55.0	71.4	96.8	57.3	74.9	99.7
Food and beverage services	50.0	57.6	70.0	52.4	60.0	72.8
within which:						
Hong Kong style tea cafes	51.9	57.0	70.0	53.9	60.0	72.2
Chinese restaurants	51.4	58.0	78.6	53.8	60.8	81.9
Restaurants, other than Chinese	53.7	59.3	74.0	56.9	62.0	75.0
Fast food cafes[(c)]	45.2	51.3	60.3	47.0	53.1	63.0
Other food and beverage services	50.2	55.0	67.7	52.6	57.7	71.3
Accommodation services[(d)]	51.3	62.0	78.1	53.7	64.2	81.5
Information and communications	72.1	100.8	157.3	74.1	105.6	165.6
Financing and insurance	80.3	120.1	197.1	84.5	124.6	204.4
Real estate activities[(e)]	67.0	95.8	145.4	68.6	98.4	145.8
Estate management, security and cleaning services	44.9	51.0	62.3	46.8	53.0	65.7
within which:						
Real estate maintenance management	45.0	51.0	66.6	46.9	53.3	69.0
Security services[(f)]	43.9	50.0	59.4	46.5	52.2	63.9
Cleaning services	43.5	50.0	57.5	46.1	51.9	60.0
Membership organisations[(g)]	50.0	62.7	93.2	51.7	64.1	96.8
Professional, scientific and technical services	68.8	104.8	166.1	71.4	107.6	169.2
Administrative and support services activities	54.7	76.7	118.5	57.7	79.7	121.0
Travel agency, reservation service and related activities	52.2	68.2	99.3	53.8	71.1	100.8
Education and public administration (excluding the Government)	71.5	140.8	224.8	73.6	146.2	225.0
Human health activities; and beauty and body prettifying treatment	66.4	96.7	169.4	68.6	99.1	175.9
Miscellaneous activities	48.4	55.9	71.0	50.0	57.9	72.7
within which:						
Elderly homes	47.0	58.0	78.7	48.7	60.0	79.2
Laundry and dry cleaning services	49.8	54.0	63.7	50.0	55.1	66.5
Hairdressing and other personal services	49.3	55.2	64.5	50.0	57.3	66.2
Local courier services	45.0	55.0	68.8	47.3	56.3	67.5
Food processing and production	48.9	56.8	75.3	51.4	59.1	75.3
Other activities not classified above	58.7	76.1	113.7	61.8	79.3	118.1
All industry sections above	**57.0**	**80.1**	**127.6**	**59.2**	**82.9**	**131.5**

Notes: Hourly wages figures are rounded to the nearest ten cents of Hong Kong dollar.

(a) Excluding food processing and production.

(b) Excluding local courier services.

(c) Including takeaway shops.

(d) Including hotels, guesthouses, boarding houses and other establishments providing short term accommodation.

(e) Excluding real estate maintenance management.

(f) Including investigation activities and services to buildings and landscape care activities.

(g) Including incorporated owners/tenants committees, kaifong welfare associations, etc.

Table 22 : Rates of change in prices

(%)

	2015	2016	2017	2018	2019	2020	2021	2022
GDP deflator	3.6	1.6	2.9	3.7	2.0	0.6	0.7	1.7
Domestic demand deflator	2.2	1.4	2.8	3.4	2.4	0.6	-0.8	2.1
Consumer Price Indices[(a)] :								
Composite CPI	3.0	2.4	1.5	2.4	2.9	0.3	1.6	1.9
CPI(A)	4.0	2.8	1.5	2.7	3.3	-0.6	2.9	2.2
CPI(B)	2.9	2.3	1.4	2.3	2.7	0.6	1.0	1.7
CPI(C)	2.1	2.1	1.5	2.2	2.6	0.8	0.9	1.8
Unit Value Indices :								
Total exports of goods	0.1	-1.7	1.8	2.4	1.1	-0.6	5.4	7.8
Imports of goods	-0.4	-1.7	1.9	2.6	1.3	-0.7	5.5	8.1
Terms of Trade Index[(b)]	0.5	*	-0.1	-0.1	-0.1	*	*	-0.3
Producer Price Index for all manufacturing industries	-2.7	1.3	3.8	2.0	1.0	2.3	1.2	0.8
Tender Price Indices :								
Public sector building projects	5.9	1.0	-0.3	-2.9	-2.6	-3.0	1.0	5.5
Public housing projects	12.5	-0.7	0.3	-1.9	-1.8	-2.7	1.8	5.3

Notes: (a) The year-on-year rates of change before October 2020 were derived using the index series in the base periods at that time (for instance the 2014/15-based index series), compared with the index a year earlier in the same base period.

(b) Derived from merchandise trade index numbers.

(#) Figures are subject to revision later on as more data become available.

(*) Change within ±0.05%.

N.A. Not yet available.

Table 22 : Rates of change in prices (Cont'd)

(%)

	2023	2024	2024	2025			Average annual rate of change:	
			Q4	Q1	Q2	Q3	10 years 2014 to 2024	5 years 2019 to 2024
GDP deflator#	2.9	3.8	2.8	1.3	0.7	1.0	2.4	1.9
Domestic demand deflator#	3.7	2.4	2.0	2.0	1.7	1.3	2.0	1.6
Consumer Price Indices[(a)] :								
Composite CPI	2.1	1.7	1.4	1.6	1.8	1.1	2.0	1.5
CPI(A)	2.3	2.1	1.7	2.2	2.4	1.5	2.3	1.7
CPI(B)	2.0	1.6	1.3	1.4	1.6	1.0	1.8	1.4
CPI(C)	2.0	1.5	1.2	1.2	1.3	0.7	1.7	1.4
Unit Value Indices :								
Total exports of goods	4.4	3.6	2.9	1.9	1.9	2.0	2.4	4.1
Imports of goods	3.9	3.2	2.6	2.0	1.9	1.9	2.3	4.0
Terms of Trade Index[(b)]	0.4	0.4	0.3	-0.1	-0.1	0.1	0.1	0.1
Producer Price Index for all manufacturing industries	1.6	2.9	4.1	4.8	4.0	N.A.	1.4	1.8
Tender Price Indices :								
Public sector building projects	4.3	2.4	1.5	0.8	N.A.	N.A.	1.1	2.0
Public housing projects	4.3	3.2	2.3	1.9	N.A.	N.A.	1.9	2.4

Table 23 : Rates of change in Composite Consumer Price Index

(%)

	Weight^	2015	2016	2017	2018	2019	2020	2021
All items	**100.00**	**3.0** **(2.5)**	**2.4** **(2.3)**	**1.5** **(1.7)**	**2.4** **(2.6)**	**2.9** **(3.0)**	**0.3** **(1.3)**	**1.6** **(0.6)**
Food	25.53	4.0	3.4	2.2	3.4	4.9	3.3	1.7
Meals out and takeaway food	*16.82*	*4.2*	*3.3*	*2.7*	*2.9*	*2.2*	*0.8*	*1.8*
Basic food	*8.71*	*3.4*	*3.6*	*1.1*	*4.3*	*9.9*	*7.7*	*1.4*
Housing[(a)]	38.89	5.1	3.7	2.0	2.5	3.5	-0.1	0.3
Private housing rent	*33.74*	*4.7*	*3.4*	*1.8*	*2.2*	*3.1*	*1.1*	*-1.3*
Public housing rent	*2.05*	*10.9*	*7.2*	*3.0*	*4.1*	*7.1*	*-21.0*	*29.3*
Electricity, gas and water	2.97	8.4	1.0	-1.7	4.9	-5.4	-20.6	27.0
Alcoholic drinks and tobacco	0.48	1.3	1.5	0.6	1.3	1.2	0.5	0.1
Clothing and footwear	2.46	-1.8	-3.4	-0.4	1.6	-1.7	-5.2	3.3
Durable goods	3.73	-5.6	-5.4	-3.2	-2.0	-1.9	-2.7	1.0
Miscellaneous goods	3.37	0.9	1.5	1.4	1.3	2.5	3.1	-3.1
Transport	7.49	-0.3	1.6	2.3	1.6	2.0	-1.0	2.6
Miscellaneous services	15.08	1.1	2.3	0.9	2.1	2.0	0.8	0.7

Notes: The year-on-year rates of change before October 2020 were derived using the index series in the base periods at that time (for instance the 2014/15-based index series), compared with the index a year earlier in the same base period. Figures in brackets represent the underlying rates of change after netting out the effects of Government's one-off relief measures.

(a) Apart from "Private housing rent" and "Public housing rent", the "Housing" section also includes "Management fees and other housing charges".

(^) These are expenditure weights of the reference period 2024, which are used for the compilation of CPIs since the reference month of April 2025.

Table 23 : Rates of change in Composite Consumer Price Index (Cont'd)

(%)

	Weight^	2022	2023	2024	2024	2025			Average annual rate of change: 10 years 2014 to 2024	Average annual rate of change: 5 years 2019 to 2024
					Q4	Q1	Q2	Q3		
All items	**100.00**	**1.9**	**2.1**	**1.7**	**1.4**	**1.6**	**1.8**	**1.1**	**2.0**	**1.5**
		(1.7)	**(1.7)**	**(1.1)**	**(1.2)**	**(1.2)**	**(1.1)**	**(1.0)**	**(1.9)**	**(1.4)**
Food	25.53	3.8	2.7	1.5	0.9	0.5	0.5	0.8	3.1	2.6
Meals out and takeaway food	*16.82*	*3.4*	*4.0*	*2.6*	*1.7*	*1.4*	*1.3*	*1.3*	*2.8*	*2.5*
Basic food	*8.71*	*4.5*	*0.5*	*-0.3*	*-0.4*	*-1.1*	*-1.0*	*-0.1*	*3.6*	*2.7*
Housing[(a)]	38.89	0.2	1.0	2.1	0.9	1.5	2.8	1.7	2.0	0.7
Private housing rent	*33.74*	*-0.6*	*0.5*	*1.4*	*0.6*	*0.8*	*2.0*	*1.1*	*1.6*	*0.2*
Public housing rent	*2.05*	*9.6*	*4.4*	*7.2*	*1.3*	*10.5*	*16.4*	*10.8*	*5.5*	*4.6*
Electricity, gas and water	2.97	7.2	9.6	-0.3	9.9	13.5	11.0	0.6	2.3	3.2
Alcoholic drinks and tobacco	0.48	1.3	17.0	19.6	21.4	14.7	0.8	1.9	4.2	7.4
Clothing and footwear	2.46	5.3	5.8	-0.5	-2.3	-2.7	-4.5	-3.3	0.2	1.7
Durable goods	3.73	0.6	-2.4	-1.0	-0.9	-0.9	-2.1	-2.8	-2.3	-0.9
Miscellaneous goods	3.37	0.4	1.7	1.2	1.3	1.1	0.9	0.3	1.1	0.8
Transport	7.49	2.9	1.9	2.0	1.7	2.8	2.7	2.0	1.5	1.6
Miscellaneous services	15.08	1.3	2.6	2.4	2.0	1.7	1.5	1.3	1.6	1.6

Table 24 : Rates of change in implicit price deflators of GDP and its main expenditure components

(%)

	2015	2016	2017	2018	2019	2020	2021
Private consumption expenditure	1.2	1.5	2.5	3.1	2.7	0.6	-0.6
Government consumption expenditure	4.4	3.7	2.5	3.3	4.7	2.1	0.7
Gross domestic fixed capital formation	4.5	-0.3	4.4	4.6	-0.1	-1.5	-2.1
Total exports of goods	-0.7	-1.4	1.7	2.2	1.1	0.1	5.1
Imports of goods	-1.4	-1.8	1.8	2.3	1.3	0.1	4.9
Exports of services	-2.8	-2.0	3.2	4.5	-0.3	-0.4	14.5
Imports of services	-4.6	-1.3	2.7	2.8	-1.0	-0.9	9.9
Gross Domestic Product	**3.6**	**1.6**	**2.9**	**3.7**	**2.0**	**0.6**	**0.7**
Total final demand	*	-0.6	2.2	2.8	1.4	0.2	3.7
Domestic demand	2.2	1.4	2.8	3.4	2.4	0.6	-0.8

Notes: Figures in this table 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*.

(#) Figures are subject to revision later on as more data become available.

(*) Change within ±0.05%.

Table 24 : Rates of change in implicit price deflators of GDP and its main expenditure components (Cont'd)

(%)

	2022	2023#	2024#	2024	2025			Average annual rate of change: 10 years 2014 to 2024#	5 years 2019 to 2024#
				Q4#	Q1#	Q2#	Q3#		
Private consumption expenditure	2.3	4.9	3.0	2.3	1.7	1.0	1.4	2.1	2.0
Government consumption expenditure	2.6	2.5	1.9	2.3	2.4	0.8	0.6	2.8	2.0
Gross domestic fixed capital formation	1.0	0.5	0.4	0.9	2.4	4.5	1.1	1.1	-0.4
Total exports of goods	6.8	4.2	4.2	4.0	3.5	3.1	3.4	2.3	4.0
Imports of goods	7.3	4.3	4.0	3.9	4.4	3.7	3.7	2.3	4.1
Exports of services	6.3	-2.0	5.8	4.5	2.3	1.0	-0.5	2.6	4.7
Imports of services	4.4	-0.6	1.7	1.3	-0.7	0.4	-0.9	1.2	2.8
Gross Domestic Product	**1.7**	**2.9**	**3.8**	**2.8**	**1.3**	**0.7**	**1.0**	**2.4**	**1.9**
Total final demand	5.2	3.4	3.8	3.3	2.9	2.5	2.4	2.2	3.2
Domestic demand	2.1	3.7	2.4	2.0	2.0	1.7	1.3	2.0	1.6

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