CHAPTER 1 : OVERVIEW OF ECONOMIC PERFORMANCE

***Summary***

* *The Hong Kong economy continued to expand, though at a moderated pace, in the third quarter of 2024 over a year earlier. Real Gross Domestic Product (GDP)(1) grew by 1.8% year-on-year in the third quarter, having increased by 3.2% in the preceding quarter. Total exports of goods saw decelerated growth, while exports of services increased further. Overall investment expenditure rose further. However, private consumption expenditure continued to decline. On a seasonally adjusted quarter-to-quarter comparison(2), real GDP decreased by 1.1%.*
* *Hong Kong’s total exports of goods grew at a moderated pace in the third quarter alongside softening economic growth in some major markets. Exports to the Mainland continued to expand visibly. Exports to the US grew at a moderated pace, while those to the EU saw a rebound. Meanwhile, exports to many major Asian markets declined. Exports of services increased further. Exports of financial services, business and other services, and transport services grew further. Meanwhile, exports of travel services continued to decline alongside the change in consumption patterns of visitors and the strength of the Hong Kong dollar.*
* *Domestically, private consumption expenditure continued to decline in the third quarter amid the change in consumption patterns of residents. Meanwhile, overall investment expenditure increased further in tandem with the overall economic growth.*
* *The labour market remained tight in the third quarter. The seasonally adjusted unemployment rate stayed low at 3.0%, same as the preceding quarter. The underemployment rate also remained unchanged at a low level of 1.2%.*
* *The local stock market stayed soft on entering the third quarter amid uncertainties surrounding the pace of US interest rate cuts and the economic outlook of major economies. Following the US’ rate cut in mid-September and the Mainland’s subsequent announcement of a package of support measures, market sentiment improved visibly and the Hang Seng Index (HSI) jumped to close the quarter at 21 134, 19.3% higher than end-June. The residential property market was quiet for most of the third quarter, but market sentiment improved and developers stepped up launches of new projects after the US’ rate cut. For the quarter as a whole, trading activities were lower than the preceding quarter, while flat prices remained soft.*
* *Underlying consumer price inflation remained modest in overall terms in the third quarter. Prices of meals out and takeaway food increased at a moderated pace over a year earlier. Increases in private housing rentals remained small. Prices of electricity continued to record visible decline. Price pressures on other major components were generally in check.*

**Overall situation**

* 1. The Hong Kong economy continued to expand, though at a moderated pace, in the third quarter of 2024 over a year earlier. Total exports of goods saw decelerated growth, while exports of services increased further. Overall investment expenditure rose further. However, private consumption expenditure continued to decline.
  2. Real GDP grew by 1.8% year-on-year in the third quarter (same as the advance estimate), having increased by 3.2% in the preceding quarter. On a seasonally adjusted quarter-to-quarter comparison, real GDP decreased by 1.1% (same as the advance estimate), after a 0.3% increase in the preceding quarter.

 **The external sector**

* 1. *Total exports of goods* based on the GDP compilation framework grew by 4.0% year-on-year in real terms in the third quarter of 2024, after an increase of 7.5% in the preceding quarter. The moderation was mainly due to softening economic growth in some major markets. Analysed by major market and by reference to external merchandise trade statistics, exports to the Mainland continued to increase visibly in the third quarter over a year earlier. Exports to the US grew at a moderated pace, while those to the EU saw a rebound. Meanwhile, exports to many major Asian markets declined.
  2. *Exports of services* increased further by 2.4% year‑on‑year in real terms in the third quarter, after growing by 1.1% in the preceding quarter. Exports of financial services rose further in tandem with improved cross‑border financial and fund raising activities. Exports of business and other services also grew further along with the economic expansion. Exports of transport services continued to grow as visitor arrivals and regional trade flows increased. Meanwhile, exports of travel services continued to decline alongside the change in consumption patterns of visitors and the strength of the Hong Kong dollar.

**Table 1.1 : Gross Domestic Product, its main expenditure components**

**and the main price indicators**

**(year-on-year rate of change (%))**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022# | 2023# | 2023 | | | | 2024 | | |
|  |  |  | Q1# | Q2# | Q3# | Q4# | Q1# | Q2# | Q3# |
| *Change in real terms of GDP and*  *its main expenditure components (%)* |  |  |  |  |  |  |  |  |  |
| Private consumption  Expenditure | -2.2 | 7.7 | 13.0  (1.5) | 8.4  (3.6) | 6.7  (-0.8) | 3.5  (-0.7) | 1.2  (-0.7) | -1.6  (0.7) | -1.3  (-0.5) |
| Government consumption  expenditure | 8.0 | -4.3 | 1.2  (-3.7) | -9.5  (-4.4) | -3.9  (1.8) | -5.2  (1.3) | -2.2  (-0.9) | 2.2  (-0.2) | 2.1  (1.7) |
| Gross domestic fixed  capital formation | -7.4 | 11.1 | 8.9 | -1.9 | 21.7 | 17.5 | 0.1 | 4.1 | 3.7 |
| Building and construction | 7.4 | 7.5 | 0.7 | 8.0 | 16.0 | 6.1 | 10.6 | 11.3 | -3.5 |
| Costs of ownership transfer | -43.2 | 0.2 | 25.8 | -6.0 | -15.6 | -3.4 | -27.6 | 35.8 | 9.2 |
| Machinery, equipment and  intellectual property products | -18.9 | 20.5 | 25.4 | -17.1 | 42.0 | 43.7 | -14.2 | -18.5 | 15.1 |
| Total exports of goods& | -14.0 | -10.3 | -19.1  (0.4) | -15.1  (-0.2) | -8.7  (0.1) | 2.8  (3.0) | 6.8  (4.0) | 7.5  (0.2) | 4.0  (-3.1) |
| Imports of goods& | -13.2 | -8.6 | -14.8  (2.3) | -16.0  (-1.1) | -6.1  (1.3) | 3.8  (1.8) | 3.3  (1.4) | 3.4  (-1.3) | 2.8  (0.8) |
| Exports of services& | -0.5 | 20.9 | 15.7  (12.3) | 23.4  (5.3) | 23.4  (2.0) | 21.2  (1.9) | 9.4  (-0.2) | 1.1  (-2.5) | 2.4  (3.4) |
| Imports of services& | -1.2 | 25.9 | 21.1  (12.3) | 27.0  (5.9) | 28.7  (2.9) | 26.7  (3.8) | 18.0  (4.3) | 12.3  (0.6) | 8.2  (-0.5) |
| **Gross Domestic Product** | **-3.7** | **3.3** | **2.8**  **(4.1)** | **1.6**  **(\*)** | **4.2**  **(0.2)** | **4.3**  **(0.2)** | **2.8**  **(2.5)** | **3.2**  **(0.3)** | **1.8**  **(-1.1)** |
| *Change in the main*  *price indicators (%)* |  |  |  |  |  |  |  |  |  |
| **GDP deflator** | **1.7** | **2.8** | **2.1**  **(0.8)** | **2.7**  **(0.8)** | **2.4**  **(1.6)** | **3.8**  **(0.6)** | **3.8**  **(0.8)** | **4.3**  **(1.2)** | **4.2**  **(1.4)** |
| **Composite CPI** |  |  |  |  |  |  |  |  |  |
| **Headline** | **1.9** | **2.1** | **1.9**  **(0.6)** | **2.0**  **(0.2)** | **1.9**  **(0.4)** | **2.6**  **(1.3)** | **1.9**  **(0.1)** | **1.2**  **(-0.5)** | **2.4**  **(1.6)** |
| **Underlying^** | **1.7** | **1.7** | **1.9**  **(0.7)** | **1.7**  **(0.3)** | **1.6**  **(0.3)** | **1.6**  **(0.3)** | **1.0**  **(\*)** | **1.0**  **(0.3)** | **1.1**  **(0.5)** |
| *Change in* **nominal GDP** *(%)* | **-2.1** | **6.1** | **5.0** | **4.3** | **6.7** | **8.3** | **6.8** | **7.6** | **6.1** |

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. Consumption activities remained weak in the third quarter of 2024 amid the change in consumption patterns of residents. After decreasing by 1.6% year-on-year in real terms in the preceding quarter, *private consumption expenditure* declined further by 1.3% in the third quarter. On a seasonally adjusted quarter‑to‑quarter basis, private consumption expenditure decreased by 0.5%. Meanwhile, *government consumption expenditure* rose by 2.1% year-on-year in the third quarter, after rising by 2.2% in the preceding quarter.

**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) |
|  |  |  |  |  |  |  |  |  |  |
| 2023 | Annual | 8.8 | 0.4 | 12.1 | 22.8 | 6.0 | 292.1 | 499.6 | 7.7 |
|  | Q1 | 14.2 | 7.2 | 24.9 | 32.2 | 9.5 | 317.7 | 485.0 | 13.0 |
|  | Q2 | 9.6 | 0.6 | 23.5 | 21.3 | 6.1 | 411.4 | 736.5 | 8.4 |
|  | Q3 | 7.7 | -1.3 | 9.7 | 21.7 | 5.3 | 381.7 | 740.6 | 6.7 |
|  | Q4 | 4.6 | -4.3 | -1.5 | 18.1 | 3.4 | 179.8 | 300.5 | 3.5 |
|  |  |  |  |  |  |  |  |  |  |
| 2024 | Q1 | 0.3 | -4.2 | -11.8 | 1.8 | 2.5 | 64.7 | 42.9 | 1.2 |
|  | Q2 | -4.2 | -6.1 | -14.4 | -16.4 | 1.8 | 28.4 | -8.1 | -1.6 |
|  | Q3 | -3.1 | -1.7 | -15.7 | -13.6 | 1.7 | 20.2 | -2.6 | -1.3 |

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.



* 1. Overall investment expenditure in terms of *gross domestic fixed capital formation* increased by 3.7% in real terms in the third quarter over a year earlier, after a 4.1% increase in the preceding quarter. Expenditure on acquisitions of machinery, equipment and intellectual property products resumed growth of 15.1% alongside the overall economic growth. Expenditure on building and construction declined by 3.5%, with the increase in public sector spending more than offset by the decline in private sector spending. Separately, the costs of ownership transfer rose further as property transactions continued to increase.

**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 stayed generally subdued in the past few months, but some indicators have shown signs of improvement most recently.

According to the results of the Census and Statistics Department (C&SD)’s Quarterly Business Tendency Survey (QBTS)(1) conducted during 3 September 2024 to 15 October 2024, business sentiment among large enterprises in Hong Kong for the fourth quarter remained soft in overall terms (***Chart 1***). The proportion of large enterprises expecting their business situation to improve in the fourth quarter of 2024 over the third quarter was less than the proportion of those expecting the situation to worsen by 3 percentage points (i.e. a net balance of -3), following the net balance of -1 in the previous round.

Business sentiment of large enterprises varied across sectors (***Table 1***). The net balance for “financing and insurance” sector remained in the positive zone, and those for the “real estate” and “professional and business services” sectors turned positive. Those for “transportation, storage and courier services” and “construction” sectors showed relative improvement within the negative zone. Meanwhile, the net balance for “accommodation and food services” sector fell into the negative zone. Those for “information and communications”, “import/export trade and wholesale”, “manufacturing”, and “retail” sectors fell by varying degrees within the negative zone. Large enterprises’ appetite for hiring stayed largely steady in overall terms (***Table 2***).

|  |  |  |  |
| --- | --- | --- | --- |
| **Chart 1 : Business sentiment of large enterprises remained soft in overall terms** | | | |
| 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 varied across sectors** | | **Table 2 : Hiring sentiment of large enterprises  stayed largely steady in overall terms** | | |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **QBTS: Expected changes in business situation** | | | | | | | |  | Net balance\* (% point) | | | | | | | 2023 | | 2024 | | | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | Manufacturing | +20 | -2 | +2 | +8 | -2 | -19 | | Construction | +10 | +1 | -9 | -11 | -16 | -12 | | Import/export trade and wholesale | +7 | +5 | -9 | -9 | -1 | -8 | | Retail | +18 | +32 | +3 | -16 | -16 | -19 | | Accommodation and food services | +41 | +33 | +9 | +7 | +6 | -3 | | Transportation, storage and courier services | +4 | +11 | +5 | +4 | -2 | -1 | | Information and communications | +2 | +9 | -4 | +1 | -3 | -5 | | Financing and insurance | +4 | +10 | +14 | +19 | +7 | +2 | | Real estate | -2 | +6 | -6 | +8 | 0 | +6 | | Professional and business services | +5 | +1 | +1 | -9 | -3 | +3 | | All sectors above | +6 | +8 | +1 | +2 | -1 | -3 | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **QBTS: Expected changes in number of persons engaged** | | | | | | | |  | Net balance\* (% point) | | | | | | | 2023 | | 2024 | | | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | Manufacturing | +26 | +11 | +13 | +7 | +13 | +3 | | Construction | +6 | +2 | -8 | +11 | +3 | -7 | | Import/export trade and wholesale | -2 | +1 | -1 | +1 | 0 | +4 | | Retail | +8 | +14 | +7 | +6 | +3 | +2 | | Accommodation and food services | +31 | +23 | +21 | +11 | +4 | -7 | | Transportation, storage and courier services | +6 | +8 | +8 | +9 | +9 | +10 | | Information and communications | -6 | -2 | -11 | -15 | -8 | -4 | | Financing and insurance | +8 | +10 | +10 | +12 | +7 | +5 | | Real estate | +8 | +19 | +10 | +15 | +9 | +9 | | Professional and business services | +4 | +6 | +6 | +5 | -3 | -3 | | All sectors above | +8 | +9 | +6 | +7 | +3 | +1 | | | |
| 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. | 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 hovered at a relatively low level between 41.3 and 42.3 during August to October (***Chart 2a***). Employment sentiment among SMEs showed some improvement over the same period, and credit conditions stayed accommodative. Meanwhile, the Standard Chartered Hong Kong SME Leading Business Index(3) declined in the third quarter, but rose back in the fourth quarter.

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, stayed in the contractionary zone in August, but rose to the boom-bust line in September and further to 52.2 in October. The Hong Kong Trade Development Council (HKTDC) Export Confidence Index(5) indicated optimism among exporters, with expectation of moderate and sustained export growth. Exporters remained upbeat about the ASEAN and Mainland markets. Among the exporters surveyed, the top three challenges to their businesses in the next twelve months were rising transport costs, rising labour and production costs, as well as high capital costs.

1. 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.
2. 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 stayed generally subdued   
in the past few months, but some indicators have shown signs of improvement most recently**



|  |  |  |
| --- | --- | --- |
| 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 stayed generally subdued in the past few months, but some indicators have shown signs of improvement most recently. Looking ahead, the gradually easing financial conditions, the Central Government’s latest policy measures for supporting the Mainland economy as well as its various measures benefitting Hong Kong should bode well for business sentiment, though global economic uncertainties and trade conflicts may pose some negative impacts.

1. According to the press release by S&P Global, 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.
2. 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. The labour market remained tight in the third quarter of 2024. The seasonally adjusted *unemployment rate* stayed low at 3.0%, same as the preceding quarter. The *underemployment rate* also remained unchanged at a low level of 1.2%. The unemployment rates of major sectors showed diverse movements in the third quarter as compared with the preceding quarter. Wages and labour earnings continued to record decent increases in the second quarter over a year earlier. More recent General Household Survey data indicated that employment earnings continued to record solid growth in the third quarter over a year earlier.

**The asset markets**

* 1. The *local stock market* stayed soft on entering the third quarter of 2024 amid uncertainties surrounding the pace of US interest rate cuts and the economic outlook of major economies. The HSI was range-bound between 17 000 and 18 000 during most of the quarter. Following the US’ rate cut by 50 basis points on 18 September and the Mainland’s subsequent announcement of a package of measures to shore up the economy and capital markets, market sentiment improved visibly and the HSI jumped to close the quarter at 21 134, 19.3% higher than end-June. Trading activities turned more active towards the quarter-end, with daily turnover reaching a record-high of $505.9 billion on the last trading day. For the quarter as a whole, average daily turnover contracted slightly by 2.3% from the preceding quarter to $118.8 billion, though up 20.7% over a year earlier. Fund raising activities picked up notably.
  2. The *residential property market* was quiet for most of the third quarter, but market sentiment improved and developers stepped up launches of new projects after the US’ rate cut in September. For the quarter as a whole, trading activities were lower than the preceding quarter, while flat prices remained soft. The number of transactions, in terms of the total number of sale and purchase agreements for residential property received by the Land Registry, retreated by 43% from the preceding quarter to 10 225 in the third quarter, though still 11% higher than a year earlier. Overall flat prices declined by 5% during the quarter. The index of home purchase affordability improved to around 62% in the quarter alongside the fall in flat prices, but it remained above the long‑term average of 54% over 2004‑2023. Meanwhile, overall flat rentals increased further by 2% during the quarter. The *non-residential property market* stayed weak. Trading activities for all major market segments remained subdued. Prices and rentals stayed soft.

**Inflation**

* 1. Underlying consumer price inflation remained modest in overall terms in the third quarter of 2024. Prices of meals out and takeaway food increased at a moderated pace over a year earlier. Increases in private housing rentals remained small. Prices of electricity continued to record visible decline. Price pressures on other major components were generally in check. Netting out the effects of the Government’s one-off relief measures, the *underlying Composite Consumer Price Index (Composite CPI)* rose by 1.1% year-on-year in the third quarter, compared with 1.0% in the preceding quarter. Domestic business cost pressures remained largely contained. While nominal wages continued to record growth, commercial rentals declined. External price pressures softened in overall terms. Meanwhile, *headline Composite CPI* rose by 2.4% year-on-year in the third quarter, compared with 1.2% in the preceding quarter. The headline inflation was higher than its underlying counterpart by a large margin in the third quarter, as no rates concession was provided by the Government during the quarter and the electricity charges subsidy was smaller than the same period last year.
  2. As a broad measure of the overall change in prices in the economy, the *GDP deflator* rose by 4.2% year-on-year in the third quarter, after increasing by 4.3% in the preceding quarter. The *terms of trade* increased by 1.0%. Taking out the external trade components, the domestic demand deflator increased by 2.2% in the third quarter over a year earlier, after rising by 2.1% in the preceding quarter.



Note : The year-on-year rates of change of the Composite Consumer Price Index 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.

**Net output of major economic sectors**

* 1. The net output of the services sector increased further by 2.0% year-on-year in real terms in the second quarter of 2024, after rising by 3.1% in the preceding quarter. Most major service sectors continued to record growth in net outputs, though some sectors showed weaker performance. The net output of transportation and storage continued to register a double-digit growth rate alongside the recovery of handling capacity. The net outputs of the real estate, public administration, social and personal services, import and export trade, professional and business services, and information and communications increased moderately. The net output of the financing and insurance sector resumed modest growth after quarters of contraction, whereas that of the postal and courier services sector showed a narrowed decrease. However, affected by the change in consumption patterns of residents and visitors, the net output of the accommodation and food services sector turned to a decline, while that of wholesale and retail trades sector saw a sharper fall. As for the secondary sector, the net outputs of the manufacturing sector increased further, and that of the construction sector showed very sharp growth amid the strong public sector spending.

**Table 1.3 : Net output of major economic sectors**

**(year-on-year rate of change in real terms (%))**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2023 | 2023 | | | | 2024 | |
|  |  | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Manufacturing | 3.7 | 3.8 | 2.7 | 4.3 | 4.1 | 1.8 | 0.7 |
| Construction | 5.6 | -0.3 | 6.6 | 13.5 | 3.8 | 9.2 | 13.2 |
| Services | 3.7 | 3.4 | 1.7 | 4.2 | 5.3 | 3.1 | 2.0 |
| Import/export, wholesale and retail trades | -0.4 | -7.1 | -3.6 | 1.5 | 6.5 | 0.9 | -0.1 |
| Import and export trade | -4.4 | -12.8 | -7.5 | -1.8 | 4.3 | 2.2 | 2.6 |
| Wholesale and retail trades | 26.0 | 43.6 | 22.4 | 24.5 | 19.8 | -6.2 | -14.0 |
| Accommodation and food services | 29.3 | 83.9 | 22.8 | 18.4 | 14.6 | 0.9 | -6.4 |
| Transportation, storage, postal and courier services | 30.2 | 30.3 | 26.8 | 31.4 | 31.8 | 19.5 | 10.6 |
| Transportation and storage | 32.8 | 33.0 | 29.5 | 33.4 | 34.6 | 20.4 | 11.0 |
| Postal and courier services | -17.7 | -15.7 | -19.5 | -16.8 | -18.9 | -6.5 | -1.4 |
| Information and communications | 1.0 | 0.4 | -0.4 | 1.8 | 2.1 | 2.2 | 2.1 |
| Financing and insurance | -1.6 | -2.2 | -2.6 | -0.2 | -1.4 | -0.5 | 0.2 |
| Real estate, professional and business services | 2.6 | 5.5 | -0.8 | 2.8 | 2.7 | 1.2 | 2.7 |
| Real estate | 6.6 | 11.5 | 1.7 | 8.0 | 5.0 | 1.9 | 3.4 |
| Professional and business services | 0.2 | 2.0 | -2.5 | -0.2 | 1.2 | 0.7 | 2.3 |
| Public administration, social and personal services | 3.6 | 5.7 | 2.4 | 2.9 | 3.6 | 3.1 | 2.9 |

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

**Other economic developments**

* 1. The 2024 Policy Address set out a range of initiatives to create new impetus for economic development. There were measures to consolidate and enhance our advantages, develop new quality productive forces, build Hong Kong into an international hub for high-calibre talents, as well as promoting integrated development of culture, sports and tourism for a more diversified economy. Specific initiatives include developing an international gold trading market through measures such as building world-class gold storage facilities; establishing a commodity trading ecosystem by exploring the introduction of tax concessions and facilitating the set-up of accredited warehouses etc.; building a high value-added supply chain service centre to help Mainland enterprises “go global”. Moreover, the Government will reduce the import duty on liquor with a view to fostering trading of liquor and boosting development of related high value-added industries.
  2. In the *Economic Freedom of the World 2024 Annual Report* published by the Fraser Institute, Hong Kong ranked as the world’s freest economies among 165 economies. Among the five areas of assessment, Hong Kong ranked top in “Freedom to trade internationally” and “Regulation”, and its ranking in “Sound money” rose to third globally.  In the *Global Financial Centres Index 36 Report* published by Z/Yen from the United Kingdom and the China Development Institute from Shenzhen, Hong Kong ranked third globally, moving up one place from the March issue of the index this year. Hong Kong also ranked first in the Asia-Pacific region. In the *World Talent Ranking 2024* published by the International Institute for Management Development, Hong Kong’s ranking rose visibly to nine, from 16 last year, being the top 10 for the first time since 2016. Separately, in the *Global Innovation Index 2024* published by the World Intellectual Property Organization, Shenzhen-Hong Kong-Guangzhou cluster continued to rank second among the top 100 science and technology clusters for the fifth consecutive year.

**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.