CHAPTER 1 : OVERVIEW OF ECONOMIC PERFORMANCE

***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. 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.
  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.



**The external sector**

* 1. *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.
  2. *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 | | | | 2025 | | |
|  |  | Q1# | Q2# | Q3# | Q4# | Q1# | Q2# | 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. *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.



* 1. 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** | | | |
| 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** | | **Table 2 : Hiring sentiment of large enterprises was largely steady on the whole** | |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **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 | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **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 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 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.

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 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.

1. 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 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. 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.
  2. 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. 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.
  2. 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%.



**Net output of major economic sectors**

* 1. 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 | | | | 2025 | |
|  |  | Q1 | Q2 | Q3 | Q4 | Q1 | 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. 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. 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.
  2. 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.