

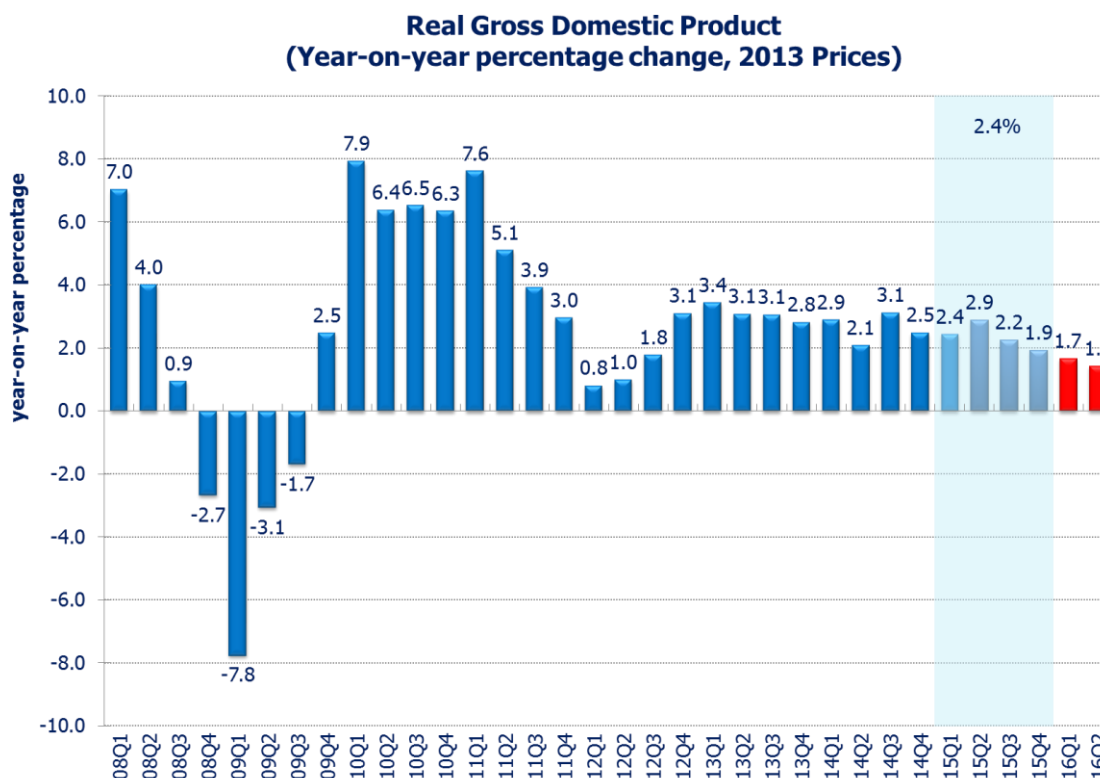


HKU announces 2016 Q2 HK Macroeconomic Forecast

April 6, 2016

The APEC Studies Programme of the Hong Kong Institute of Economics and Business Strategy at the University of Hong Kong (HKU) released its quarterly Hong Kong Macroeconomic Forecast today (April 6). According to its High Frequency Macroeconomic Forecast, real GDP is estimated to grow by 1.7% in 16Q1, when compared with the same period in 2015.

In 16Q2, real GDP growth is expected to moderate to 1.4% when compared with the same period last year. We forecast Hong Kong GDP will grow by 1.5% in 2016 as a whole, slower than 2.4% growth in 2015.



About Hong Kong Macroeconomic Forecast Project

The Hong Kong Macroeconomic Forecast is based on research conducted by the APEC Studies Programme of the Hong Kong Institute of Economics and Business Strategy at HKU in the Faculty of Business and Economics. It aims to provide the community with timely information useful for tracking the short-term fluctuations of the economy. The current quarter macro forecasts have been released on a quarterly basis since 1999.

The high frequency forecasting system was originally developed in collaboration with Professor Lawrence Klein of the University of Pennsylvania in 1999-2000. Since then, the system has been maintained and further refined by the APEC Study Center which is now a research programme area of the Hong Kong Institution of Economics and Business Strategy.

The project is sponsored by the Faculty of Business and Economics. The Hong Kong Centre for Economic Research at HKU provides administrative support to the project. Researchers at the Hong Kong Institution of Economics and Business Strategy are solely responsible for the accuracy and interpretation of the forecasts. Our quarterly forecasts can be accessed at:

<http://www.hiebs.hku.hk/apec/macroforecast.htm>

For media enquiries, please contact the HKU Hong Kong Institute of Economics & Business Strategy, tel: 2548 9300, email: info@hiebs.hku.hk.

High Frequency Macroeconomic Forecasts
APEC Studies Programme
Hong Kong Institute of Economics & Business Strategy
The University of Hong Kong

Table 1: Current Quarter Model Forecast
(Millions of 2013 HK Dollar)

	2015					2016	
	Q1	Q2	Q3	Q4	Annual	Q1 (Estimate)	Q2 (Forecast)
Gross Domestic Product	544,425	533,573	571,647	596,732	2,246,377	553,517	541,192
Private Consumption Expenditure	374,410	386,110	371,297	397,887	1,529,704	384,763	394,654
Government Consumption Expenditure	55,362	50,498	52,631	53,167	211,658	57,023	52,013
Exports of Goods	883,292	911,367	978,335	1,008,712	3,781,706	830,476	867,618
Imports of Goods	1,027,374	1,063,745	1,090,797	1,141,092	4,323,008	960,863	1,006,684
Exports of Services	265,202	246,251	274,810	276,716	1,062,979	256,647	239,102
Imports of Services	122,679	119,642	127,924	130,345	500,590	126,388	121,888
Gross Fixed Capital Formation	122,142	129,877	119,558	132,315	503,892	112,669	120,604
GFCF in Land & Construction	70,959	69,538	66,863	68,411	275,771	66,809	64,172
GFCF in Mach., Equip. & Comp. Soft.	51,183	60,339	52,695	63,904	228,121	45,860	54,432
Changes in Inventories	-5,930	-7,143	-6,263	-628	-19,964	-810	-2,227
Date of Forecast: March 31, 2016							

High Frequency Macroeconomic Forecasts
APEC Studies Programme
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Table 2: Current Quarter Model Forecast
Year-on-Year Growth Rate (%)

	2015					2016	
	Q1	Q2	Q3	Q4	Annual	Q1 (Estimate)	Q2 (Forecast)
Gross Domestic Product	2.4	2.9	2.2	1.9	2.4	1.7	1.4
Private Consumption Expenditure	5.4	6.2	4.3	3.2	4.8	2.8	2.2
Government Consumption Expenditure	3.9	3.6	2.8	3.5	3.4	3.0	3.0
Exports of Goods	0.4	-3.6	-3.2	-0.3	-1.7	-6.0	-4.8
Imports of Goods	0.1	-3.2	-4.1	-2.6	-2.5	-6.5	-5.4
Exports of Services	0.4	1.0	-0.9	-2.7	-0.6	-3.2	-2.9
Imports of Services	6.3	3.9	4.7	5.4	5.1	3.0	1.9
Gross Fixed Capital Formation	5.3	3.9	-6.4	-9.7	-2.2	-7.8	-7.1
GFCF in Land & Construction	2.0	12.9	-2.6	-6.3	1.1	-5.8	-7.7
GFCF in Machinery, Equip. & Computer Software	10.4	-4.8	-10.7	-13.0	-5.8	-10.4	-9.8
GDP Deflator Growth Rate	4.6	4.6	3.7	3.0	4.0	2.0	1.7
CPI (Composite) Inflation Rate	4.4	3.0	2.3	2.4	3.0	2.9	2.6
Unemployment Rate	3.3	3.2	3.3	3.3	3.3	3.3	3.4
Date of Forecast: March 31, 2016							

High Frequency Macroeconomic Forecasts

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Table 3: Selected Monthly Indicators
Year-on-Year Growth Rate (%)

	2015						2016					
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Unit Value Trade Index (Domestic Exports)	-3.8	-5.0	-4.2	-3.2	-3.1	-3.5	-2.9	-2.7	-2.3	-2.0	-2.0	-1.7
Unit Value Trade Index (Imports of Foodstuffs)	0.7	0.1	-2.1	-3.5	-3.6	-3.8	-2.4	-2.1	-1.4	0.0	0.3	0.4
Unit Value Trade Index (Imports of Consumer Goods)	1.4	0.7	-0.3	-1.0	-1.3	-2.5	-2.1	-2.2	-2.0	-1.3	-1.7	-2.2
Unit Value Trade Index (Imports of Raw Materials & Semi-Manufactures)	1.5	0.8	0.7	1.1	-0.7	-0.6	-0.7	-2.8	-1.7	-1.2	-2.0	-1.9
Unit Value Trade Index (Imports of Fuels)	-35.3	-39.4	-43.2	-40.8	-35.3	-34.8	-39.9	-42.9	-45.2	-47.1	-47.8	-48.1
Unit Value Trade Index (Imports of Capital Goods)	0.4	1.4	-2.0	-2.2	-1.9	-1.8	-2.2	-4.2	-3.3	-1.3	-2.8	-2.9
Real Retained Imports of Foodstuffs	-18.6	-19.6	-24.0	-6.6	-12.2	-17.3	-5.1	5.0	-2.5	1.5	4.0	3.9
Real Retained Imports of Consumer Goods	-16.4	-14.6	-21.9	-34.8	-17.6	-3.3	-8.4	16.4	15.7	8.2	18.8	-3.8
Real Retained Imports of Raw Materials & Semi-Manufactures	-32.6	-27.9	-20.6	-25.1	-28.9	-22.7	-34.9	-11.2	-9.1	-11.9	-12.6	-14.4
Real Retained Imports of Fuels	12.4	37.6	24.3	11.6	0.7	7.2	-4.1	1.1	-13.1	-6.9	-4.4	-2.1
Real Retained Imports of Capital Goods	20.1	10.8	2.9	-8.2	-17.7	-4.3	-36.6	-4.2	-0.7	-5.2	-14.4	-7.0
Total Motor Vehicles Newly Registered	3.8	-3.4	-5.9	6.6	28.7	15.9	-12.7	-20.5	-8.2	-8.6	-8.0	-12.3
Private Cars Newly Registered	-1.8	-8.6	-4.5	9.7	33.8	23.3	-13.4	-22.7	-9.5	-8.5	-10.1	-10.6
Money Supply (M2)	5.1	6.0	4.9	3.8	3.9	5.5	5.8	4.9	3.9	4.1	4.5	5.5
Loans and Advances	6.9	6.4	4.9	2.8	2.9	3.5	2.2	1.4	-1.4	1.2	0.0	-2.1
Volume Index of Retail Sales	1.8	-0.1	-3.0	1.1	-6.0	-6.1	-0.8	-19.5	-2.4	-3.4	-3.2	-2.8
Visitors Arrivals	-8.4	-6.6	-4.0	-2.7	-10.4	-10.7	-6.8	-20.5	-10.4	-10.1	-11.6	-6.4
Hong Kong Resident Departures	4.3	3.6	6.4	4.4	4.1	5.6	1.8	3.9	3.2	-1.1	0.1	1.1
Electricity Consumption	-6.0	0.5	-3.2	1.2	7.4	2.8	3.9	4.6	2.6	1.3	-1.9	-2.8
Gas Consumption	-2.1	1.6	-0.5	0.9	-2.2	-4.0	-5.5	4.0	3.9	0.7	2.2	1.9

Date of Forecast: March 31, 2016