

Advance estimates on Gross Domestic Product for first quarter of 2019

The Census and Statistics Department (C&SD) released today (May 2) the advance estimates on Gross Domestic Product (GDP) for the first quarter of 2019.

Starting from the current reference quarter, the C&SD has advanced the first release of quarterly GDP to around 1 month from around 1.5 months after the reference period. The first release of the GDP, known as the advance estimates, include only the real growth of overall GDP and its major expenditure components to facilitate an early assessment of the latest economic performance and sources of growth of Hong Kong. The advancement of the first release of GDP estimates is achieved through enhancement of estimation methods and streamlining of workflow on data processing and analysis. More detailed components of GDP for the first quarter of 2019 will be released about two weeks later (i.e. on May 17, 2019) as in the past.

According to the advance estimates, GDP increased by 0.5% in real terms in the first quarter of 2019 over a year earlier, compared with the increase of 1.2% in the fourth quarter of 2018. The moderation in growth was attributable to the slower growth in both domestic demand and external demand.

Analysed by major GDP component, private consumption expenditure increased marginally by 0.1% in real terms in the first quarter of 2019 over a year earlier, slower than the 2.7% growth in the fourth quarter of 2018.

Government consumption expenditure measured in national accounts terms grew by 4.5% in real terms in the first quarter of 2019 over a year earlier, after the increase of 4.9% in the fourth quarter of 2018.

Gross domestic fixed capital formation continued to decrease, by 7.0% in real terms in the first quarter of 2019 from a year earlier, compared with the decrease of 5.8% in the fourth quarter of 2018.

Over the same period, total exports of goods measured in national account terms recorded a decrease of 4.2% in real terms from a year earlier, compared with the virtually no change in the fourth quarter of 2018. Imports of goods measured in national account terms decreased by 4.6% in real terms in the first quarter of 2019, compared with the decrease of 0.5% in the fourth quarter of 2018.

Exports of services rose by 1.4% in real terms in the first quarter of 2019 over a year earlier, slower than the growth of 3.3% in the fourth quarter of 2018. Imports of services decreased by 1.0% in real terms in the first quarter of 2019, as against the increase of 2.1% in the fourth quarter of 2018.

On a seasonally adjusted quarter-to-quarter comparison basis, GDP increased by 1.2% in real terms in the first quarter of 2019 when compared with the fourth quarter of 2018.

Commentary

A Government spokesman said that according to the advance estimates, real GDP growth eased to 0.5% in the first quarter of 2019 on a year-on-year basis, weighed down by the weaker performance of the global economy and the various external headwinds. The modest year-on-year growth in the first quarter also reflected the high base of comparison in the same quarter of last year, when the economy grew strongly by 4.6%.

Total exports of goods weakened further in the first quarter, similar to the situations in many other Asian economies. Exports of services also recorded decelerated growth, yet sustained expansion of inbound tourism continued to provide support. Domestically, private consumption expenditure grew marginally against a high base of comparison in the same quarter of last year, and overall investment expenditure contracted as business sentiment has turned cautious since the latter part of last year.

The Government will monitor the situation closely and announce the updated economic forecasts for 2019, together with the revised figures on GDP and more detailed statistics for the first quarter of 2019, on May 17, 2019.

Further information

The year-on-year percentage changes of GDP and selected major expenditure components in real terms from the first quarter of 2018 to the first quarter of 2019 are shown in Table 1.

When more data become available, C&SD will compile revised figures on GDP. The revised figures on GDP and more detailed statistics for the first quarter of 2019 will be released at the C&SD website (www.censtatd.gov.hk/hkstat/sub/sp250.jsp) and the Gross Domestic Product (Quarterly) Report (www.censtatd.gov.hk/hkstat/sub/sp250.jsp?productCode=B1030001) on May 17, 2019.

For enquiries about statistics on GDP by expenditure component, please contact the National Income Branch (1) of C&SD (Tel: 2582 5077 or email: gdp_e@censtatd.gov.hk).