

Advance estimates on Gross Domestic Product for second quarter of 2019

The Census and Statistics Department (C&SD) released today (July 31) the advance estimates on Gross Domestic Product (GDP) for the second quarter of 2019.

According to the advance estimates, GDP increased by 0.6% in real terms in the second quarter of 2019 over a year earlier, same as that in the first quarter of 2019. The moderate growth of GDP was mainly attributable to the weak performance in investment expenditure and external demand.

Analysed by major GDP component, private consumption expenditure increased by 1.2% in real terms in the second quarter of 2019 over a year earlier, faster than the 0.4% growth in the first quarter.

Government consumption expenditure measured in national accounts terms grew by 4.0% in real terms in the second quarter of 2019 over a year earlier, after the increase of 4.5% in the first quarter.

Gross domestic fixed capital formation decreased significantly by 12.1% in real terms in the second quarter of 2019 from a year earlier, compared with the decrease of 7.0% in the first quarter.

Over the same period, total exports of goods measured in national accounts terms recorded a decrease of 5.4% in real terms from a year earlier, compared with the decrease of 3.7% in the first quarter. Imports of goods measured in national accounts terms decreased by 7.0% in real terms in the second quarter of 2019, compared with the decline of 4.2% in the first quarter.

Exports of services rose by 0.2% in real terms in the second quarter of 2019 over a year earlier, slower than the growth of 0.8% in the first quarter. Imports of services increased by 1.7% in real terms in the second quarter of 2019, as against the decrease of 1.5% in the first quarter.

On a seasonally adjusted quarter-to-quarter comparison basis, GDP decreased by 0.3% in real terms in the second quarter of 2019 when compared with the first quarter.

Commentary

A Government spokesman said that according to the advance estimates, overall economic performance was subdued in the second quarter of 2019, with GDP growing modestly by 0.6% in real terms over a year earlier. External demand weakened further and domestic demand stayed sluggish.

Hong Kong's total exports of goods showed an enlarged decline in the

second quarter in tandem with the further setback in manufacturing and trading activities in Asia, amid softening global economic growth and US-China trade and technology tensions. Exports of services likewise recorded only marginal growth. As local economic sentiment deteriorated visibly in the face of increasing downside risks facing the global economy and other headwinds, private consumption expenditure only grew modestly and overall investment expenditure fell further.

The Government will monitor the situation closely. The revised figures on GDP and more detailed statistics for the second quarter of 2019 will be released on August 16, 2019.

Further information

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

When more data become available, the C&SD will compile revised figures on GDP. The revised figures on GDP and more detailed statistics for the second 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 August 16, 2019.

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