

# Advance estimates on Gross Domestic Product for third quarter of 2023

The Census and Statistics Department (C&SD) released today (October 31) the advance estimates on Gross Domestic Product (GDP) for the third quarter of 2023.

According to the advance estimates, GDP increased by 4.1% in real terms in the third quarter of 2023 over a year earlier, compared with the increase of 1.5% in the second quarter. The continuous expansion in GDP in the third quarter of 2023 was mainly attributable to the further improvement in domestic demand and services trade.

Analysed by major GDP component, private consumption expenditure increased by 6.5% in real terms in the third quarter of 2023 over a year earlier, after the increase of 7.7% in the second quarter.

Government consumption expenditure measured in national accounts terms recorded a decline of 4.5% in real terms in the third quarter of 2023 from a year earlier, compared with the decrease of 9.8% in the second quarter.

Gross domestic fixed capital formation increased by 18.2% in real terms in the third quarter of 2023 over a year earlier, as against the decrease of 0.5% in the second quarter.

Over the same period, total exports of goods measured in national accounts terms recorded a decline of 8.6% in real terms from a year earlier, narrowed from the decrease of 15.1% in the second quarter. Imports of goods measured in national accounts terms fell by 6.0% in real terms in the third quarter of 2023, compared with the 15.8% decline in the second quarter.

Exports of services rose by 24.0% in real terms in the third quarter of 2023 over a year earlier, compared with the increase of 22.8% in the second quarter. Imports of services increased by 28.5% in real terms in the third quarter of 2023, after the increase of 25.4% in the second quarter.

On a seasonally adjusted quarter-to-quarter comparison basis, GDP increased by 0.1% in real terms in the third quarter of 2023 when compared with the second quarter.

## Commentary

A Government spokesman said that the Hong Kong economy continued to revive in the third quarter of 2023, supported by inbound tourism and private consumption. According to the advance estimates, real GDP grew by 4.1% in the third quarter over a year earlier. On a seasonally adjusted quarter-to-quarter basis, real GDP increased by 0.1%.

Analysed by major expenditure component, total exports of goods continued to fall amid weak external demand for goods. Exports of services expanded notably further thanks to the continued revival of visitor arrivals. Domestically, private consumption expenditure increased further alongside rising household income and the Government's various support initiatives, though the rate of increase moderated somewhat. Overall investment expenditure rebounded sharply against a low base of comparison a year ago.

Looking ahead, inbound tourism and private consumption will continue to underpin economic growth for the rest of the year. More visitors could be received as handling capacity recovers further. As regards private consumption, continued improvement in household income and the Government's various support initiatives including "Night Vibes Hong Kong" should provide support. Yet, the difficult external environment amid increasing geopolitical tensions and tight financial conditions would continue to weigh on exports of goods and investment and consumption sentiment.

The revised figures on GDP and more detailed statistics for the third quarter of 2023, as well as the revised GDP forecast for 2023, will be released on November 10, 2023.

#### Further information

The year-on-year percentage changes of GDP and selected major expenditure components in real terms from the third quarter of 2022 to the third quarter of 2023 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 third quarter of 2023 will be released at the C&SD website ([www.censtatd.gov.hk/en/scode250.html](http://www.censtatd.gov.hk/en/scode250.html)) and the Gross Domestic Product by Expenditure Component report ([www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1030001&scode=250](http://www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1030001&scode=250)) on November 10, 2023.

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](mailto:gdp-e@censtatd.gov.hk)).