

Advance estimates on Gross Domestic Product for third quarter of 2024

The Census and Statistics Department (C&SD) released today (October 31) the advance estimates on Gross Domestic Product (GDP) for the third quarter of 2024.

According to the advance estimates, GDP increased by 1.8% in real terms in the third quarter of 2024 over a year earlier, compared with the increase of 3.2% in the second quarter. For the first three quarters of 2024 as a whole, GDP increased by 2.6% in real terms over a year earlier.

Analysed by major GDP component, private consumption expenditure decreased by 1.4% in real terms in the third quarter of 2024 from a year earlier, compared with the decrease of 1.6% in the second quarter.

Government consumption expenditure measured in national accounts terms recorded an increase of 2.1% in real terms in the third quarter of 2024 over a year earlier, compared with the increase of 2.2% in the second quarter.

Gross domestic fixed capital formation grew by 3.7% in real terms in the third quarter of 2024 over a year earlier, following the increase of 4.1% in the second quarter.

Over the same period, total exports of goods measured in national accounts terms recorded an increase of 3.9% in real terms over a year earlier, moderated from the increase of 7.5% in the second quarter. Imports of goods measured in national accounts terms grew by 2.6% in real terms in the third quarter of 2024, compared with the increase of 3.4% in the second quarter.

Exports of services rose by 2.4% in real terms in the third quarter of 2024 over a year earlier, compared with the increase of 1.1% in the second quarter. Imports of services increased by 8.2% in real terms in the third quarter of 2024, after the increase of 12.3% in the second quarter.

On a seasonally adjusted quarter-to-quarter comparison basis, GDP decreased by 1.1% in real terms in the third quarter of 2024 when compared with the second quarter.

Commentary

A Government spokesman said that the Hong Kong economy continued to expand, though at a moderated pace, in the third quarter of 2024 over a year earlier. According to the advance estimates, real GDP grew by 1.8% year-on-year in the third quarter. For the first three quarters as a whole, real GDP grew by 2.6% over a year earlier. On a seasonally adjusted quarter-to-quarter basis, real GDP declined by 1.1% in the third quarter.

Analysed by major expenditure component, total exports of goods saw decelerated year-on-year growth alongside softening economic growth in some major markets. Exports of services continued to record a mild increase, supported by increasing cross-border economic activities. Overall investment expenditure rose further in tandem with the overall economic growth. However, private consumption expenditure continued to decline amid the change in residents' consumption patterns.

Looking ahead, the economy should continue to grow in the remainder of the year. While global economic uncertainties and trade conflicts may affect Hong Kong's exports of goods, monetary easing across major central banks and an improved outlook for the Mainland economy following the recent introduction of a wide range of stimulus measures would help support sentiment and activities in the domestic market. Specifically, gradually easing financial conditions should bode well for fixed asset investment. A possible easing of the Hong Kong dollar alongside the US dollar, coupled with the Central Government's various measures benefitting Hong Kong, the SAR Government's various initiatives to boost market sentiment and increasing employment earnings are conducive to spending by both residents and visitors in the domestic market, though the change in their consumption patterns will continue to pose challenges.

The Policy Address has set out a range of strong measures on economic development, consolidating and enhancing Hong Kong's traditional industries on the one hand while actively exploring new growth areas. On the financial front, the Policy Address announced to develop Hong Kong into an international gold trading market with a view to further consolidating Hong Kong's status as an international financial centre. On the shipping side, the Policy Address announced to establish a commodity trading ecosystem, driving maritime services and promoting the development of related financial and professional services such as hedging activities of related futures products. In respect of the trade sector, the Government will strive to establish a high value-added supply chain service centre and attract Mainland and overseas enterprises to set up their headquarters or corporate divisions in Hong Kong. The Policy Address also reduced the import duty on liquor to promote liquor trade and boost the development of related high value-added industries. In addition, on developing new quality productive forces, the Policy Address announced measures such as the establishment of a \$10 billion Innovation and Technology Industry-Oriented Fund and the development of low-altitude economy. The Government will implement various initiatives in the Policy Address in full steam so as to create new impetus for Hong Kong's economic development.

The revised figures on GDP and more detailed statistics for the third quarter of 2024, as well as the revised GDP forecast for 2024, will be released on November 15, 2024.

Further information

The year-on-year percentage changes of GDP and selected major

expenditure components in real terms from the third quarter of 2023 to the third quarter of 2024 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 2024 will be released at the C&SD website (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) on November 15, 2024.

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).