

Construction Output for the Fourth Quarter and the Whole Year of 2023

The total gross value of construction works (GVCW) performed by main contractors in the fourth quarter of 2023 increased by 4.2% in nominal terms over a year earlier to \$71.3 billion, according to the provisional results of the Quarterly Survey of Construction Output released today (March 11) by the Census and Statistics Department (C&SD).

After discounting the effect of price changes, the provisional results showed that the total GVCW performed by main contractors increased by 4.4% in real terms over the same period. GVCW in real terms is derived by deflating the corresponding nominal value with an appropriate price index to the price level in the base period of 2000.

Analysed by type of construction works, the GVCW performed at private sector sites increased by 16.5% in nominal terms in the fourth quarter of 2023 over a year earlier, while that at public sector sites increased by 2.6%. The GVCW at locations other than construction sites decreased by 4.1% in nominal terms over the same period. Construction works at locations other than construction sites included minor new construction activities and decoration, repair and maintenance for buildings; and electrical equipment installation and maintenance works at locations other than construction sites.

In real terms, the GVCW performed at private sector sites increased by 14.4% in the fourth quarter of 2023 compared with the same period in 2022, while an increase of 1.6% was recorded for public sector sites. Meanwhile, the GVCW at locations other than construction sites decreased by 2.3% in the fourth quarter of 2023 over the same period.

On a seasonally adjusted quarter-to-quarter basis, the GVCW performed by main contractors decreased by 6.8% in nominal terms and 7.6% in real terms in the fourth quarter of 2023 compared with the third quarter of 2023.

For 2023 as a whole, the provisional results showed that the total GVCW performed by main contractors increased by 8.8% in nominal terms compared with 2022 to \$271.0 billion. After discounting the effect of price changes, the total GVCW performed by main contractors in 2023 increased by 9.9% in real terms over 2022.

Analysed by type of construction works, the GVCW performed at private sector sites totalled \$85.0 billion in 2023, up by 27.0% in nominal terms compared with 2022. In real terms, it increased by 25.4%. The GVCW performed at public sector sites amounted to \$93.0 billion in 2023, up by 0.7% in nominal terms compared with 2022. In real terms, it increased by 1.3%.

The GVCW performed by main contractors at locations other than

construction sites amounted to \$93.1 billion in 2023, up by 3.6% in nominal terms compared with 2022. In real terms, it increased by 5.2%.

Analysed by major end-use group, residential buildings projects accounted for the largest share in the total GVCW performed at construction sites in 2023. The GVCW performed in respect of these projects amounted to \$69.8 billion in 2023, up by 49.8% in nominal terms compared with 2022. Transport projects constituted the second largest group of construction site works in 2023. The GVCW performed in respect of these projects totalled \$37.2 billion in 2023, up by 7.2% in nominal terms compared with 2022.

Tables 1 and 2 show the provisional figures on the GVCW performed by main contractors in the fourth quarter and the whole year of 2023 respectively. Table 3 shows the revised figures for the third quarter of 2023.

Owing to the widespread sub-contracting practices in the construction industry, a construction establishment can be a main contractor for one contract and a sub-contractor for another contract at the same time. The GVCW performed by main contractors covers only those projects in which the construction establishment takes the role of a main contractor, but not projects in which it takes only the role of a sub-contractor. However, sub-contractors' contribution to projects should have been included in the GVCW performed by main contractors for whom they worked.

The classification of construction establishments follows the Hong Kong Standard Industrial Classification Version 2.0, which is used in various economic surveys for classifying economic units into different industry classes.

More detailed statistics are given in the "Report on the Quarterly Survey of Construction Output". Users can browse and download this publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1090002&scode=330).

For enquiries about the survey results, please contact the Construction and Miscellaneous Services Statistics Section of the C&SD (Tel: 3903 6965; email: building@censtatd.gov.hk).