

Table 1

**Gross Domestic Product and its main expenditure components
and the main price indicators
(year-on-year rate of change (%))**

	<u>2004</u>	<u>2005</u>	<u>2005</u>				<u>2006</u>	
			<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1[#]</u>	<u>Q2⁺</u>
<i>Change in real terms of GDP and its main expenditure components (%)</i>								
Private consumption expenditure	7.3	3.4	4.1 (0.4)	2.4 (0.5)	3.6 (1.3)	3.4 (0.9)	4.5 (1.6)	5.0 (1.0)
Government consumption expenditure	0.7	-3.1	-4.6 (-2.6)	-2.3 (-0.7)	-1.6 (0.3)	-3.8 (-1.0)	1.2 (2.6)	-1.3 (-3.0)
Gross domestic fixed capital formation	3.0	4.1	0.4 (N.A.)	4.9 (N.A.)	2.8 (N.A.)	8.4 (N.A.)	7.6 (N.A.)	4.3 (N.A.)
<i>of which :</i>								
Building and construction	-11.7	-6.1	-1.0	-7.5	-5.2	-10.7	-11.1	-6.4
Machinery, equipment and computer software	11.0	10.6	0.8	10.7	7.1	24.0	23.3	12.8
Total exports of goods	15.3	11.2	8.9 (0.1)	11.1 (6.0)	12.8 (3.1)	11.4 (2.2)	14.4 (2.2)	6.4 (-1.1)
Imports of goods	14.1	8.6	3.8 (1.9)	7.0 (5.1)	11.0 (2.2)	12.0 (2.6)	14.0 (3.3)	6.7 (-1.6)
Exports of services	17.9	8.7	8.7 (0.4)	9.1 (2.4)	8.9 (4.3)	8.2 (1.1)	8.9 (0.8)	8.6 (1.8)
Imports of services	14.6	2.9	6.0 (-2.1)	-0.1 (3.7)	3.5 (0.7)	2.3 (-0.3)	4.9 (1.0)	7.9 (6.4)
Gross Domestic Product	8.6	7.3	6.0 (1.6)	7.2 (2.8)	8.2 (2.2)	7.5 (0.6)	8.0 (2.2)	5.2 (*)
<i>Change in the main price indicators (%)</i>								
GDP deflator	-3.6	-0.2	-1.4 (0.1)	-0.6 (0.2)	0.2 (*)	0.7 (0.5)	-0.1 (-0.9)	-0.1 (0.2)
Composite Consumer Price Index	-0.4	1.0	0.4 (0.1)	0.8 (0.3)	1.4 (0.3)	1.3[@] (0.5)[@]	1.6[@] (0.4)[@]	2.0[@] (0.8)[@]
<u>Change in nominal GDP (%)</u>	4.7	7.0	4.6	6.6	8.4	8.2	7.9	5.1

Notes : Figures are subject to revision later on as more data become available.

(#) Revised figures.

(+) Preliminary figures.

() Seasonally adjusted quarter-to-quarter rate of change.

N.A. Not applicable, as no clear seasonal pattern is found in gross domestic fixed capital formation, due to the presence of considerable short-term fluctuations.

(@) By reference to the new 2004/05-based CPI series.

(*) Change of less than 0.05%.

Table 2

**Economic forecasts for 2006
(year-on-year rate of change (%))**

	Forecasts for 2006 as released on <u>23.5.2006</u> (%)	Latest forecasts for 2006 on <u>22.8.2006</u> (%)
Gross Domestic Product (GDP)		
<i>Real GDP</i>	4 to 5	4 to 5
<i>Nominal GDP</i>	4.5 to 5.5	4 to 5
Composite Consumer Price Index	2	2
GDP Deflator	0.5	0

Table 3

2006 GDP and price forecasts for Hong Kong put out by selected international organisations and private sector analysts

	<u>Date of release</u>	<u>GDP</u>	<u>Private consumption expenditure</u> (growth rate	<u>Gross domestic fixed capital Formation</u> in real	<u>Total exports of goods</u> terms (%)	<u>Exports of services</u>	<u>Rate of change in consumer prices</u> (%)	<u>Reference source</u>
International organisations:								
IMF	Jan 2006	5.5	--	--	--	--	1.5	Staff Report for the 2005 Article IV Consultation Discussions, 6 Jan 2006.
	Apr 2006	5.5	--	--	--	--	1.8	World Economic Outlook, Apr 2006.
ADB	Apr 2006	5.5	--	--	--	--	2.5	Asian Development Outlook 2006, Apr 2006.
World Bank	Mar 2006	5.3	--	--	--	--	--	East Asia Update, Mar 2006.
Private sector analysts:								
<i>(a) Major local banks</i>								
HSBC	Feb 2006	5.5	3.2	2.5	4.9	6.4	2.2	Apple Daily, 21 Feb 2006.
	Apr 2006	5.5	3.2	2.5	--	--	2.2	Global Economics, Q2 2006.
	Jun 2006	6.4	3.5	5.8	--	--	2.3	Asian Economics, 22 Jun 2006.
Standard Chartered Bank	Feb 2006	6	--	--	--	--	2.5	On The Ground - Asia, 21 Feb 2006.
	Aug 2006	7	--	--	--	--	2.5	Asia Focus, 16 Aug 2006.
Hang Seng Bank	Dec 2005	5.3	3	2	8.5	6.4	2.3	Hang Seng Economic Monthly, Nov/Dec 2005.
	May 2006	5.3	--	--	--	--	2.2	Hang Seng Bank, 16 May 2006.
	Jun 2006	6.3	3.6	4.4	10.5	6.2	2.3	Hang Seng Economic Monthly, May/June 2006.
Bank of China (HK)	Dec 2005	5	3.3	3	8.5	8	2.5	Economic Review Monthly, Dec 2005.
	May 2006	6.5	4.2	6.8	10.5	8.6	2.2	Economic Review, 26 May 2006.
Bank of East Asia	Jan 2006	5.2	4.5	1	9	6	2.5	Economic Analysis, Jan 2006.
	May 2006	5.8	--	--	--	--	--	Sing Tao Daily, 25 May 2006.
	Aug 2006	5.8	--	--	--	--	2.3	Bank of East Asia, 16 Aug 2006.
ABN Amro Bank	Feb 2006	4.5	--	--	--	--	3	Asia Vision, 10 Feb 2006.
	May 2006	5.5	--	--	--	--	2.5	Asia Vision, 12 May 2006.
	Aug 2006	6	--	--	--	--	2.5	Asia Vision, 11 Aug 2006.

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Citigroup	Feb 2006	5	--	--	--	--	2.8	Hong Kong Economics, 9 Feb 2006.
	May 2006	5.7	3.8	3.8	10.6	8.2	2.6	Hong Kong Economics, 17 May 2006.
	July 2006	5.7	4.3	3.4	--	--	2.2	Asia Economic Outlook and Strategy, 24 Jul 2006.
<i>(b) Investment bank</i>								
JP Morgan Chase	Feb 2006	5.7	--	--	--	--	2	JP Morgan Chase, 16 Feb 2006.
	May 2006	5.8	--	--	--	--	2.2	JP Morgan Chase, 16 May 2006.
	May 2006	6	--	--	--	--	--	Sing Tao Daily, 25 May 2006.
	Aug 2006	6	--	--	--	--	2.2	JP Morgan Chase, 21 Aug 2006.
Goldman Sachs Asia	Jan 2006	5.4	--	--	--	--	2.8	Hong Kong Economic Journal, 3 Jan 2006.
	Feb 2006	5.8	--	--	--	--	2.4	Asia-Pacific Economics Flash, 6 Feb 2006.
	May 2006	6.2	--	--	--	--	--	Sing Tao Daily, 25 May 2006.
	Aug 2006	6.2	4.9	5.8	--	--	2.6	Asia Economics Flash, 10 Aug 2006.
Morgan Stanley Asia	Nov 2005	5	3	3	--	--	2	Hong Kong Economics, 28 Nov 2005.
	May 2006	5	--	--	--	--	2	Morgan Stanley Asia, 16 May 2006.
Merrill Lynch	Jan 2006	6	--	--	--	--	3.9	The Asian Market Economist, 16 Jan 2006.
	Aug 2006	6	--	--	--	--	2.1	The Asian Market Economist, 16 Aug 2006.
Credit Suisse	Jan 2006	4.7	3.6	2.5	--	--	2.6	Asian Daily, 10 Jan 2006.
	Mar 2006	5	4.2	3	--	--	2.3	Global Emerging Markets Outlook, Q2 2006, 24 Mar 2006.
	Jul 2006	5.9	4.6	4	--	--	2.2	Emerging Markets, Q3 2006, 5 Jul 2006.
Lehman Brothers	Feb 2006	5.5	--	--	--	--	3.4	Asia Ex-Japan Weekly Economic Monitor, 10 Feb 2006.
	May 2006	6	--	--	--	--	3	Global Weekly Economic Monitor, 16 May 2006.

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<i>(c) Others</i>								
Economist Intelligence Unit	May 2006	5.3	3.8	4	--	--	1.9	Country Forecast, May 2006.
	Jun 2006	6	3.9	4	--	--	1.8	Country Forecast, Jun 2006.
	Jul 2006	6.2	4.4	4	--	--	2.1	Country Forecast, Jul 2006.
	Aug 2006	6.1	5.4	4	--	--	2.1	Country Forecast, Aug 2006.
Hong Kong General Chamber of Commerce	Dec 2005	3.5	--	--	--	--	2.5	Hong Kong Economic Forecast, HKGCC, 2 Dec 2005.
	Feb 2006	4	--	--	--	--	2.5	HKGCC, 14 Feb 2006.
	May 2006	4.5	--	--	--	--	2	HKGCC, 16 May 2006.
	Jun 2006	5.5	--	--	--	--	--	Wen Wei Po, 14 Jun 2006.
	Aug 2006	6.5	--	--	--	--	2.5	HKGCC, 17 Aug 2006.
University of Hong Kong	Jan 2006	5	--	--	--	--	2.5	RTHK Online News, 5 Jan 2006.
	Apr 2006	5 - 6	--	--	--	--	2.5 - 3	Sing Tao Daily, 7 Apr 2006.
	Jul 2006	6.5	--	--	--	--	2	RTHK on internet, 7 Jul 2006.
Federation of Hong Kong Industries	Jan 2006	5 - 5.5	--	--	--	--	--	Press release, 11 Jan 2006.
	Jul 2006	6.5 - 7	--	--	10	--	--	Press Release, 27 Jul 2006.

Observation :

Most private sector forecasters have marked up their GDP forecasts for 2006 after the release of the Q1 GDP numbers. Their prevailing forecasts are mostly in the range of 6 to 6.5%, averaging at 6.2%.