

Economic QuickView



Hong Kong GDP: Growth momentum strengthened further in Q3

- Economic growth in Hong Kong accelerated to 3.8% YoY in Q3, up from 3.1% in Q2.
- Exports of goods remained resilient despite tariff uncertainties. Private consumption and investment gathered pace, while exports of services sustained solid expansion.
- With strong growth in Q1-Q3 and policy support from the Chinese Mainland, Hong Kong's 2025 GDP growth is likely to reach the upper bound of the SAR Government's 2-3% forecast.

Hong Kong's economy expanded solidly by 3.8% YoY in Q3 2025. Hong Kong's real Gross Domestic Product (GDP) grew by 3.8% year-on-year (YoY) in Q3, up from 3.1% in Q2. This marked the eleventh consecutive quarter of expansion. In Q1-Q3, growth is estimated at around 3.3% YoY. On a quarter-on-quarter (QoQ) basis, growth picked up from 0.4% in Q2 to 0.7% in Q3. During Q3, key economic components performed strongly, underscoring solid expansion in both external and domestic demand. Overall, the economy recorded broad-based improvements in Q3.

Merchandise trade maintained robust growth. Real exports of goods surged by 12.2% YoY in Q3, up from 11.5% in Q2. This robust export performance was driven by strong regional trade with the Chinese Mainland and other Asian markets such as the Association of Southeast Asian Nations (ASEAN), alongside strong demand for electronic-related products. In the meantime, growth in real imports of goods decelerated slightly from 12.6% YoY in Q2 to 11.7% in Q3. Looking ahead, while Hong Kong's external trade is likely to continue facing challenges from tariff uncertainties, a steady global economic recovery, recent progress in China-US trade negotiations, and enhanced trade relationships with non-US markets are expected to help stabilise export performance.

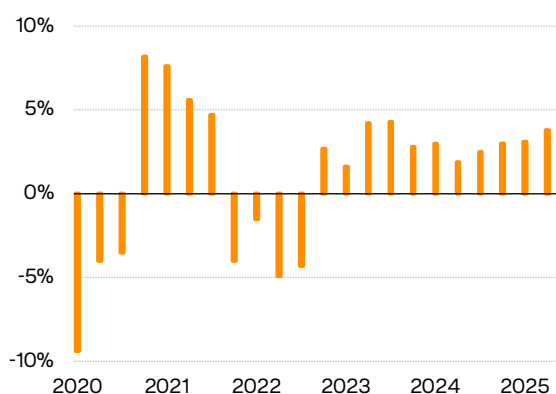
Exports of services sustained solid expansion. Supported by the government's proactive efforts to enrich tourism offerings, including a series of mega events, inbound tourist arrivals increased by

Economic Research Department

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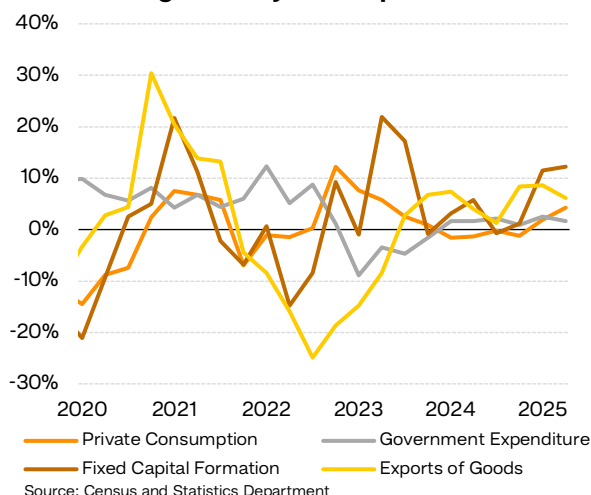
12.2% YoY to 12.8 million in Q3, driving growth in travel and transport services. Moreover, boosted by technological advancements in the Chinese Mainland and improved investor sentiment, Hong Kong's stock market remained notably vibrant, sustaining upward momentum and fuelling ongoing growth in exports of financial and related business services. Taken together, real exports of services maintained solid growth at 6.1% YoY in Q3, while real imports of services rose by 2.6%, driven by outbound travel by local residents.

Hong Kong Real GDP YoY Change



Source: Census and Statistics Department

YoY Change of Major Components



Source: Census and Statistics Department

Private consumption continued to recover. Real private consumption rose by 2.1% YoY in Q3, marking the second consecutive quarter of increase. Retail sales also maintained growth in July-September, providing further evidence that private consumption has been gradually bottoming out. Moving forward, a confluence of positive developments, including global monetary easing, a reviving stock market, and a stabilising residential property market, is poised to provide firmer support to the recovery in private consumption.

Investment growth accelerated. Real gross domestic fixed capital formation expanded by 4.3% YoY in Q3, from 1.9% in Q2. This acceleration was likely reflected by robust public investment as the SAR Government advanced the Northern Metropolis development, and improved business confidence.

Hong Kong's GDP growth is likely to reach the upper bound of the SAR Government's forecast. Despite headwinds from tariff uncertainties, Hong Kong's economic outlook remains sanguine. First, the Chinese Mainland's policy support measures and high-quality development agenda outlined in the 15th Five-Year Plan Recommendations are expected to yield positive spillover effects on Hong Kong's economy. Second, China and the US achieved positive progress in their October trade talks, including reduced tariffs and a longer trade truce. Third, the Federal Reserve has resumed easing, which should support financial and property market performance and generate positive wealth effects. Fourth, the 2025 Policy Address emphasise accelerating the Northern Metropolis development, nurturing emerging industries, deepening Greater Bay Area integration, and enhancing Hong Kong's strengths in finance. These measures will bolster Hong Kong's long-term economic competitiveness amid an increasingly challenging external environment. Taken together, Hong Kong's economy is likely to reach the upper bound of the SAR Government's 2-3% growth forecast for 2025.

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