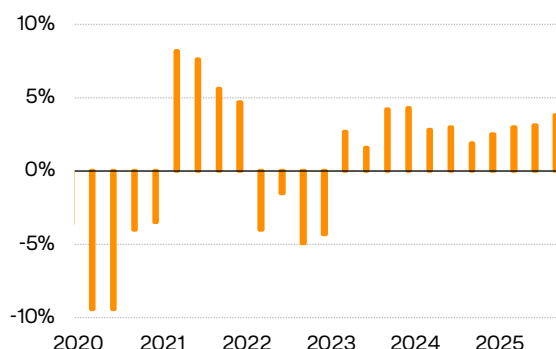


*Market Monitor – Hong Kong***Growth momentum strengthened further in Q3**

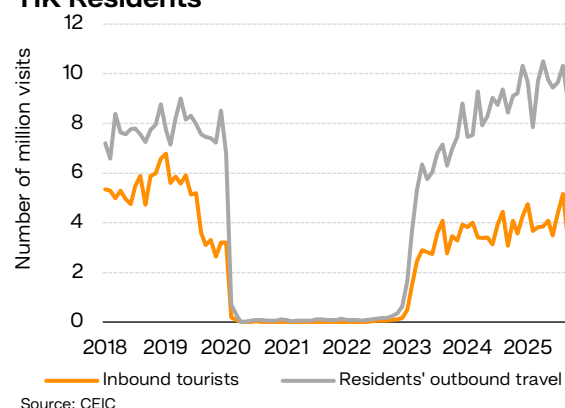
- Hong Kong's real GDP grew by 3.8% year-on-year (YoY) in Q3, the highest in seven quarters.
- Retail sales growth accelerated, while labour market softened.
- The residential property market showed stronger signs of recovery, with the official residential property price index rising by 1.3% MoM in September.

Growth momentum strengthened further in Q3

Hong Kong's economy expanded solidly by 3.8% YoY in Q3 2025. Hong Kong's real GDP grew by 3.8% year-on-year (YoY) in Q3, up from 3.1% in Q2. 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. Real exports of goods surged by 12.2% YoY in Q3, led by trade diversification efforts and strong demand for electronic-related products, while growth in real imports of goods rose 11.7%. Real exports of services maintained solid growth at 6.1% YoY in Q3, thanks to inbound tourism recovery and vibrant cross-border financial activities, while real imports of services rose by 2.6%, driven by outbound travel by residents. Real private consumption rose by 2.1% YoY, marking the second consecutive quarter of increase. Furthermore, real gross domestic fixed capital formation expanded by 4.3% YoY in Q3, likely boosted by robust public investment. 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 Real GDP YoY Change


Source: Census and Statistics Department

Inbound Tourists vs Outbound Travel by HK Residents


Retail sales continued to recover

Retail sales growth accelerated. Retail sales growth accelerated to 5.9% YoY in September, the fifth monthly increase in a row and the fastest growth rate since December 2023. In addition, inbound tourism continued to thrive, with visitor arrivals rising by 12.2% YoY to 4.6 million in October, driven by the SAR Government's proactive efforts to promote tourism and the National Day Golden Week and Mid-Autumn Festival holiday. Looking ahead, lower interest rates, the recovery in inbound tourism, and the revival of financial and property market activities are expected to provide continued support for retail sales.

The labour market softened further. The unemployment rate rose to 3.9% in July-September 2025, up from 3.7% in June-August 2025 and marking the highest level since July-September 2022. Sectors such as manufacturing, construction, retail and accommodation services experienced higher unemployment rates. The number of unemployed persons rose to 155,600 during the period, partly due to an influx of university graduates entering the job market. The gradual rise in unemployment warrants monitoring.

Promoting Hong Kong's long-term prosperity and stability

The recommendations for 15th Five-Year Plan reaffirm the nation's support for promoting Hong Kong's long-term prosperity and stability. The document emphasises better integration of Hong Kong into the country's overall development, while leveraging Hong Kong's unique role as a bridge between the Chinese Mainland and the world. In addition, it calls for consolidating and enhancing Hong Kong's status as an international financial, shipping and trade centre and as well as developing it into an international innovation and technology centre and an international hub for high-calibre talents. These priorities highlight the need for Hong Kong to accelerate progress in finance, logistics, trade, technology and talent development over the next five years to strengthen its long-term economic competitiveness.

The property market showed stronger signs of recovery. The official residential property price index rose for the fourth consecutive month, up by 1.3% month-on-month (MoM) in September. Its year-to-date performance recorded a 1.1% increase through September. The rental market remained resilient, with rental prices rising by 0.2% MoM in September. Property transactions also improved from 5,643 in September to 5,714 in October. Looking ahead, ongoing global monetary easing and improving homebuyer sentiment are likely to support further stabilisation in the property market.

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