BEA東亞銀行

Economic Indicators Analysis

3 November 2026

Hong Kong's Broad-based Recovery Picks Up Pace



Summary:

- Hong Kong's GDP expanded by 5.2% YoY in Q3 2026, accelerating from 4.2% in Q2.
- Growth in goods exports, services exports and fixed investment gained further momentum, while private consumption remained broadly stable.
- Supported by continued economic tailwinds, Hong Kong's economy is on track to record the strongest growth since 2021.

Hong Kong's GDP growth accelerated in Q3. The economy expanded by 5.2% year-on-year (YoY) in Q3 2026, up from 4.2% in Q2 and exceeding market consensus of 3.7%. On a seasonally adjusted quarter-on-quarter basis, GDP growth rebounded from -0.7% in Q2 to 1.9% in Q3. For the first three quarters of 2026, GDP growth reached 5.1% YoY, marking the strongest pace in the past five years.

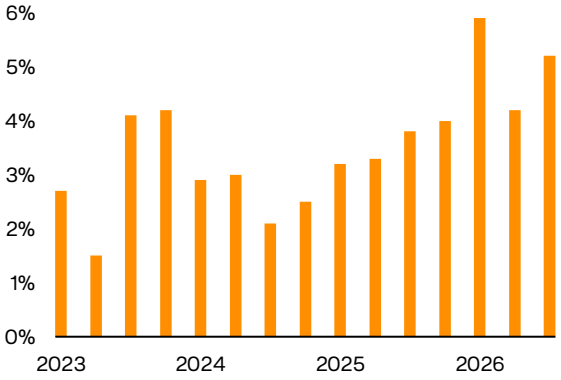
The global AI supercycle remained a key driver of goods trade. Growth in real goods exports surged to 30.4% YoY in Q3, accelerating from 28.9% in Q2. Technology-related products served as the main growth engine, with robust export growth in electrical machinery, office & automatic data processing machines, and telecommunications & audio equipment. Across key export destinations, outbound shipments expanded further in major markets such as the Chinese Mainland, the US and ASEAN. Meanwhile, real goods imports edged up from 29.3% YoY in Q2 to 29.9% in Q3. Moving forward, goods trade is expected to continue benefiting from robust AI-related investment demand in the near term. In addition, the expansion of high-tech trade is supporting the development of higher value-added supply chains in Hong Kong, with air cargo logistics assuming an increasingly important role in meeting the specialised handling requirements of technology products, including storage, packaging and time-sensitive transportation.

Services trade also picked up amid vibrant tourist arrivals. Real exports of services grew by 4.3% YoY in Q3, up from 3.2% in Q2. While a detailed breakdown is not yet available, exports of transport and travel services were likely underpinned by sustained strength in inbound tourism, though financial services activity may have softened somewhat given a moderation in stock trading transaction volume and subdued stock market performance. Meanwhile, real imports of services accelerated to 5.6% in Q3 from 3.1% YoY in Q2.

Investment activity gained steam. Growth in real gross domestic fixed capital formation rebounded to 7.3% YoY in Q3, following 3.7% in Q2 and 18.3% in Q1, respectively. The moderation in Q2 largely reflected uneven milestone-based payments in the public construction sector. As these temporary factors dissipated, investment spending resumed its recovery trend in Q3. In addition, inventory accumulation is estimated to have remained positive albeit at a slower pace, contributing around 1.4 percentage points (ppt) to headline YoY GDP growth in Q3, compared with 2.9 ppts in Q2.

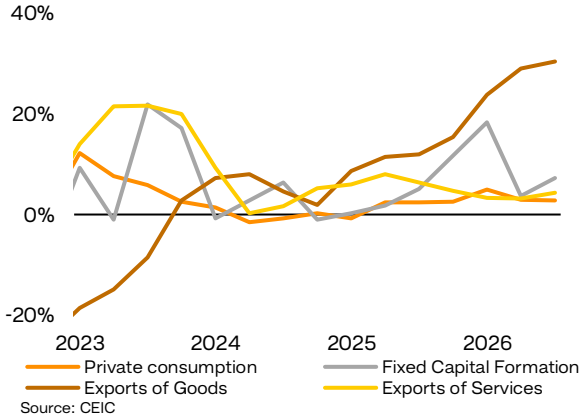
Private consumption maintained solid growth. Real private consumption expenditure increased by 2.8% YoY in Q3, little changed from 2.9% in Q2. In Q3, vehicle spending remained a major drag on consumption due to payback effects following the expiry of the 1st registration tax concession for electric private cars. That said, other consumer segments are stabilising. For instance, total receipts of the restaurants sector grew by 3.1% YoY in Q3, up from 0.4% in Q2, suggesting improved business conditions. In addition, nominal wage growth remained steady at 3.4% YoY in Q3, providing ongoing support to household spending.

Hong Kong Real GDP YoY Change



Source: CEIC

YoY Change of Major Components



Source: CEIC

Growth outlook remains constructive. Despite elevated geopolitical uncertainties and an uncertain global interest rate outlook, Hong Kong's economy has continued to outperform market expectations, delivering another strong growth print. Looking ahead, growth momentum is expected to remain solid. Externally, goods trade is likely to stay robust, supported by the ongoing global AI buildout. Domestically, the Northern Metropolis development is set to provide sustained support for investment. As indicated by Financial Secretary Paul Chan, the Government is expected to revise its GDP growth forecast upward from the current range of 3.5%-4.5%. We project Hong Kong's economy to grow by 4.7% in 2026, with risks tilted to the upside given its underlying strength.

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