

## Global Economy in the Fourth Quarter of 2023

In the fourth quarter of 2023, the growth of major economies remained resilient, though global economic recovery was affected by the ongoing Russia-Ukraine war, geopolitical instability and other factors. The supply chain gradually recovered and inflation decelerated faster than expected. Nonetheless, global economic growth was slow and uneven owing to the divergent monetary policies of different economies and high financing costs in some economies. Hence, the road to full recovery remained rough.

According to the World Economic Outlook (WEO) Update of the International Monetary Fund (IMF) in January 2024, global growth forecast for 2024 was revised upward by 0.2 percentage points to 3.1% compared to the projection in October 2023. Meanwhile, the forecast for 2025 remained at 3.2%. The projected growth rate for the US economy in 2024 was raised upward by 0.6 percentage points to 2.1%, and that for China was marked upward by 0.4 percentage points to 4.6%. On the other hand, growth projection for Japan was revised downward by 0.1 percentage point to 0.9%, and that for the Euro area was marked downward by 0.3 percentage points to 0.9%.

The Gross Domestic Product (GDP) of the US in the fourth quarter of 2023 rose by 3.1% year-on-year and 3.3% quarter-on-quarter. Private consumption expenditure and total government expenditure & investment added 1.9 percentage points and 0.6 percentage points to the increase respectively, and net exports and private domestic fixed investment contributed 0.4 percentage points and 0.3 percentage points. The unemployment rate climbed by 0.2 percentage points year-on-year to 3.5%; the seasonally adjusted unemployment rate stayed the same as in the previous quarter, at 3.7%.

The GDP of the Euro area in the fourth quarter grew by 0.1% year-on-year and remained the same quarter-on-quarter. The economy of Germany decreased by 0.4% year-on-year while the economy of France expanded by 0.7%. Gross fixed capital formation and government final consumption expenditure in the Euro area drove up the growth by 0.2 percentage points and 0.1 percentage point respectively, while net exports and inventory change dragged down the growth by 0.3 percentage points and 0.1 percentage point; meanwhile, final consumption expenditure of households and non-profit institutions had no effect on the growth. The unemployment rate held stable quarter-on-quarter, at 6.5%.

The fourth-quarter GDP of the UK shrank by 0.2% year-on-year and 0.3% quarter-on-quarter. Capital formation contributed 0.4 percentage points to economic growth, whereas net exports, household final consumption expenditure and government final consumption expenditure impeded the growth by 0.6 percentage points, 0.1 percentage point and 0.1 percentage point respectively. The seasonally adjusted unemployment rate fell by 0.3 percentage points from the previous quarter to 3.8%.

The WEO Update of IMF in January 2024 indicated that the projected growth rate for the ASEAN-5 economies<sup>a</sup> was 4.7% in 2024, an upgrade of 0.2 percentage points. The growth forecast for India in 2024 was revised upward by 0.2 percentage points to 6.5%, while that for the Middle East and Central Asia was marked downward by 0.5 percentage points to 2.9%.

The GDP of Japan in the fourth quarter rose by 1.0% year-on-year but dropped by 0.1% quarter-on-quarter. Net exports of goods and services added 0.2 percentage points to the increase, while private demand and gross fixed capital formation dragged down the growth by 0.2 percentage points and 0.1 percentage point respectively. Government consumption expenditure, however, had no effect on economic growth. The unemployment rate was 2.4%, down by 0.2 percentage points quarter-on-quarter; the seasonally adjusted unemployment rate went down by 0.1 percentage point to 2.5%.

The fourth-quarter GDP of the Republic of Korea increased by 2.2% year-on-year and 0.6% quarter-on-quarter. Net exports, government consumption expenditure and final consumption expenditure contributed 0.8 percentage points, 0.3 percentage points and 0.2 percentage points to the increase respectively, while gross fixed capital formation impeded the growth by 0.4 percentage points. The unemployment rate rose by 0.3 percentage points quarter-on-quarter to 2.6%.

The fourth-quarter GDP of mainland China grew by 5.2% year-on-year, 0.3 percentage points higher than the growth in the previous quarter. For the whole year of 2023, the GDP showed an uplift of 5.2%; final consumption expenditure contributed 4.3 percentage points to the GDP growth. Gross capital formation added 1.5 percentage points while net exports of goods and services dragged down the growth by 0.6 percentage points. The value added of industries above designated size increased by 4.6% year-on-year in 2023. National fixed asset investment (excluding rural households) went up by 3.0% year-on-year; total retail sales of consumer goods climbed by 7.2%, with sales of communication appliances, petroleum & related products, cosmetics and commodities expanded by 7.0%, 6.6%, 5.1% and 2.7% respectively. As regards external trade, total value of external trade<sup>b</sup> recorded a year-on-year growth of 0.2% in 2023. Besides, national consumer price rose by 0.2% year-on-year in 2023.

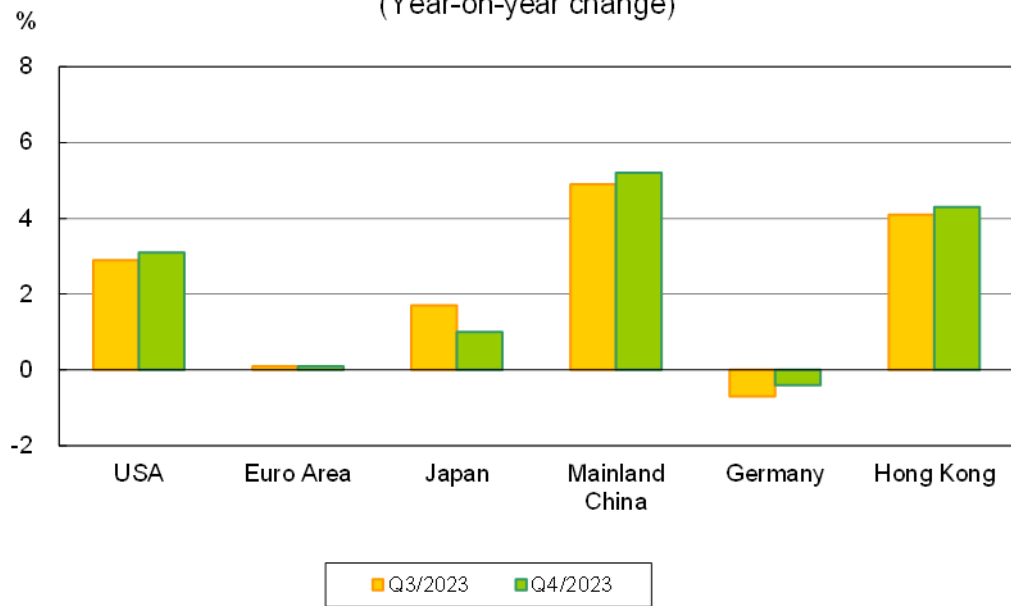
The Hong Kong economy expanded by 4.3% year-on-year and 0.4% quarter-on-quarter. Exports of services, gross fixed capital formation and private consumption expenditure grew by 22.2%, 16.4% and 3.3% respectively, whereas government consumption expenditure dropped by 5.2%. The seasonally adjusted unemployment rate was 2.9%, up by 0.1 percentage point from the previous quarter.

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<sup>a</sup> Indonesia, Malaysia, the Philippines, Thailand and Viet Nam.

<sup>b</sup> Total value of external trade in RMB

GDP of major economies  
(Year-on-year change)



1. PRINCIPAL ECONOMIC INDICATORS OF THE WORLD (YEAR-ON-YEAR COMPARISON)

	%							
	2021	2022	2023	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
USA								
Gross Domestic Product	5.8	1.9	2.5	0.7	1.7	2.4	2.9	3.1
Exports of goods	23.1	17.5	-2.2	8.2	6.5	-7.2	-5.8	-1.4
Imports of goods	21.4	14.6	-4.9	3.0	-3.8	-8.5	-5.6 <sup>f</sup>	-1.3
Consumer Price Index	4.7	8.0	4.1	7.1	5.8	4.0	3.5	3.2
Unemployment rate	5.4	3.7	3.6	3.4	3.8	3.4	3.8	3.5
Euro area <sup>a</sup>								
Gross Domestic Product	5.9	3.4	0.4	1.9 <sup>f</sup>	1.3	0.6	0.1 <sup>f</sup>	0.1
Exports of goods	14.3	18.3	-1.2	15.4 <sup>f</sup>	8.6 <sup>f</sup>	-1.9	-5.4 <sup>f</sup>	-5.3
Imports of goods	22.2	37.9 <sup>f</sup>	-13.5	20.3	1.0 <sup>f</sup>	-13.8 <sup>f</sup>	-22.2 <sup>f</sup>	-17.3
Consumer Price Index	2.6	8.4	0.7	10.0	8.0	6.2	5.0	2.7
Unemployment rate	7.7	6.7	6.5	6.7	6.8	6.3	6.5	6.5
Germany								
Gross Domestic Product	3.2	1.8	-0.3	0.2	0.3 <sup>f</sup>	-0.4	-0.7 <sup>f</sup>	-0.4
Exports of goods	14.3	15.6	-2.0	12.7	7.0	-1.7	-6.1 <sup>f</sup>	-6.5
Imports of goods	17.3	5.9	6.1	13.7	1.2	-10.5 <sup>f</sup>	-16.2 <sup>f</sup>	-14.1
Consumer Price Index	3.1	6.9	-0.3	8.6	8.2	6.5	5.6	3.6
Unemployment rate	5.7	5.3	5.7	5.3	5.7	5.6	5.7	5.7
France								
Gross Domestic Product	6.4	2.5	0.9	0.7 <sup>f</sup>	0.9 <sup>f</sup>	1.2 <sup>f</sup>	0.6 <sup>f</sup>	0.7
Exports of goods	16.6	19.8 <sup>f</sup>	1.7	16.7 <sup>f</sup>	6.9 <sup>f</sup>	6.1 <sup>f</sup>	-2.3	-3.3
Imports of goods	18.7	29.9	-6.7	20.4 <sup>f</sup>	4.1 <sup>f</sup>	-3.8 <sup>f</sup>	-12.9 <sup>f</sup>	-12.7
Consumer Price Index	1.6	5.2	4.9	6.1	6.0	5.2	4.7 <sup>f</sup>	3.7
Unemployment rate	7.9	7.3	7.3	7.3	7.2	7.0 <sup>f</sup>	7.5 <sup>f</sup>	7.7
United Kingdom								
Gross Domestic Product	8.7	4.3	0.1	0.6 <sup>f</sup>	0.3 <sup>f</sup>	0.3 <sup>f</sup>	0.2 <sup>f</sup>	-0.2
Exports of goods	5.4	28.4 <sup>f</sup>	-7.7	29.8 <sup>f</sup>	16.0 <sup>f</sup>	0.5 <sup>f</sup>	-20.3 <sup>f</sup>	-19.6
Imports of goods	12.0	29.9 <sup>f</sup>	-9.5	19.8 <sup>f</sup>	-3.0 <sup>f</sup>	-8.1 <sup>f</sup>	-15.8 <sup>f</sup>	-10.7
Consumer Price Index	2.7	9.1	7.2	10.8	10.2	8.4	6.7	4.2
Unemployment rate	4.6 <sup>f</sup>	3.9 <sup>f</sup>	4.0	3.9 <sup>f</sup>	4.0 <sup>f</sup>	4.2	4.1 <sup>f</sup>	3.8

<sup>a</sup> Consists 20 member states since 2023.

Source : U.S. Bureau of Economic Analysis, U.S. Census Bureau, U.S. Bureau of Labor Statistics

Eurostat

Federal Statistical Office of Germany

National Institute of Statistics and Economic Studies of France; French Customs

Office for National Statistics of United Kingdom

## 1. PRINCIPAL ECONOMIC INDICATORS OF THE WORLD (YEAR-ON-YEAR COMPARISON) (Cont'd)

%

	2021	2022	2023	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Mainland China								
Gross Domestic Product	8.1	3.0	5.2	2.9	4.5	6.3	4.9	5.2
Exports of goods	28.0	6.9 <sup>f</sup>	-4.6	-8.5 <sup>f</sup>	-1.9 <sup>f</sup>	-4.9 <sup>f</sup>	-9.9 <sup>f</sup>	-1.2
Imports of goods	29.7	1.0	-5.5	-6.9	-7.2 <sup>f</sup>	-7.0 <sup>f</sup>	-8.5 <sup>f</sup>	0.8
Consumer Price Index <sup>a</sup>	0.9	2.0	0.2	2.0	1.3	0.7	0.4	0.2
Hong Kong								
Gross Domestic Product	6.4	-3.7 <sup>f</sup>	3.2	-4.3 <sup>f</sup>	2.9	1.5	4.1	4.3
Exports of goods	26.3	-8.6	-7.8	-21.7	-17.7	-13.3	-6.0	6.6
Imports of goods	24.3	-7.2	-5.7	-18.8	-12.7	-13.6	-2.8	7.0
Consumer Price Index	1.6	1.9	2.1	1.8	1.9	2.0	1.9	2.6
Unemployment rate	5.2	4.3	2.9	3.3	3.1	3.0	3.0	2.8
Taiwan								
Gross Domestic Product	6.5	2.6	1.3	-0.7	-3.5	1.4	2.2 <sup>f</sup>	4.9
Exports of goods <sup>b</sup>	29.3	7.4	-1.8	-8.7	-19.2	-17.0	-5.1	3.3
Imports of goods <sup>b</sup>	33.5	12.1	-17.8	-4.4	-15.8	-24.0	-19.1	-11.4
Consumer Price Index	2.0	3.0	2.5	2.6	2.6	2.0	2.5	2.9
Unemployment rate	4.0	3.7	3.5	3.6	3.5	3.5	3.5	3.4
Japan								
Gross Domestic Product <sup>c</sup>	2.6 <sup>f</sup>	1.0 <sup>f</sup>	1.9	0.5 <sup>f</sup>	2.6 <sup>f</sup>	2.3 <sup>f</sup>	1.7 <sup>f</sup>	1.0
Exports of goods	21.5	18.2	2.8	18.7	4.8	1.6	1.1	3.7
Imports of goods	24.8	39.6	-7.0	34.4	10.8	-8.8	-16.1 <sup>f</sup>	-10.5
Consumer Price Index	-0.2	2.5	3.3	3.9	3.6	3.4	3.1	2.9
Unemployment rate	2.8	2.6	2.6	2.4	2.6	2.7	2.6	2.4
Republic of Korea								
Gross Domestic Product	4.3	2.6	1.4	1.4	0.9	0.9	1.4	2.2
Exports of goods	25.7	6.1	-7.5	-10.0	-12.8 <sup>f</sup>	-12.0	-9.7 <sup>f</sup>	5.9
Imports of goods	31.5	18.9	-12.1	3.1	-2.2	-13.2 <sup>f</sup>	-21.6 <sup>f</sup>	-10.7
Consumer Price Index	2.5	5.1	3.6	5.2 <sup>f</sup>	4.6 <sup>f</sup>	3.3 <sup>f</sup>	3.1	3.4
Unemployment rate	3.7	2.9	2.7	2.6	3.2	2.7	2.3	2.6
Singapore								
Gross Domestic Product	9.7 <sup>f</sup>	3.8 <sup>f</sup>	1.1	2.4 <sup>f</sup>	0.5	0.5	1.0 <sup>f</sup>	2.2
Exports of goods	19.1	15.6	-10.1	-2.3	-6.5	-16.9	-15.6	0.2
Imports of goods	20.4	20.1	-13.4	0.5	-9.4 <sup>f</sup>	-20.8 <sup>f</sup>	-17.4 <sup>f</sup>	-4.7
Consumer Price Index	2.3	6.1	4.8	6.6	6.1	5.1	4.1	4.0
Unemployment rate	2.7	2.1	1.9	1.8	1.6	2.4	1.9	1.8

a Accumulated year-on-year comparison.

b Imports and exports of goods are compiled according to the general trade system.

c Refer to annualised growth rates.

Source : National Bureau of Statistics of China

Census and Statistics Department of Hong Kong SAR

Directorate-General of Budget, Accounting and Statistics, Executive Yuan, Taiwan; Ministry of Economic Affairs, Taiwan

Economic and Social Research Institute of Japan; Ministry of Finance of Japan; Statistics Bureau of Japan

National Statistics Office of Republic of Korea; Bank of Korea

The Singapore Department of Statistics

## 2. PRINCIPAL ECONOMIC INDICATORS OF THE WORLD (QUARTER-ON-QUARTER COMPARISON)

%

	2021	2022	2023	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
<b>USA</b>								
Gross Domestic Product	5.8	1.9	2.5	2.6	2.2	2.1	4.9	3.3
Exports of goods	23.1	17.5	-2.2	-4.8	1.0 <sup>f</sup>	-5.7	4.0	-0.1
Imports of goods	21.4	14.6	-4.9	-2.7	-0.6 <sup>f</sup>	-2.0	0.6	0.5
Consumer Price Index	4.7	8.0	4.1	1.0	0.9	0.7	0.9	0.7
Unemployment rate <sup>a</sup>	5.4	3.6	3.6	3.6	3.5	3.6	3.7	3.7
<b>Japan</b>								
Gross Domestic Product	2.6 <sup>f</sup>	1.0 <sup>f</sup>	1.9	0.4 <sup>f</sup>	1.1 <sup>f</sup>	1.0 <sup>f</sup>	-0.8 <sup>f</sup>	-0.1
Exports of goods	21.6 <sup>f</sup>	18.2	2.9	0.4 <sup>f</sup>	-5.0 <sup>f</sup>	1.6 <sup>f</sup>	4.5	3.0
Imports of goods	25.1 <sup>f</sup>	40.4 <sup>f</sup>	-7.2	-1.7 <sup>f</sup>	-10.2 <sup>f</sup>	-4.4 <sup>f</sup>	1.2 <sup>f</sup>	1.8
Consumer Price Index	-0.3	2.5	3.3	1.2 <sup>f</sup>	0.5	0.6 <sup>f</sup>	0.8	0.9
Unemployment rate <sup>a</sup>	2.8	2.6	2.6	2.5	2.6	2.6	2.6 <sup>f</sup>	2.5
<b>Hong Kong</b>								
Gross Domestic Product	6.4	-3.7 <sup>f</sup>	3.2	0.3 <sup>f</sup>	4.8 <sup>f</sup>	-1.1 <sup>f</sup>	0.2 <sup>f</sup>	0.4
Exports of goods	26.3	-8.6	-7.8	-7.6 <sup>f</sup>	0.2	-1.1 <sup>f</sup>	0.5 <sup>f</sup>	2.0
Imports of goods	24.3	-7.2	-5.7	-5.3 <sup>f</sup>	-0.8 <sup>f</sup>	-1.3 <sup>f</sup>	2.8 <sup>f</sup>	2.2
Consumer Price Index	1.6	1.9	2.1	0.6	0.6 <sup>f</sup>	0.2 <sup>f</sup>	0.4 <sup>f</sup>	1.3
Unemployment rate <sup>a</sup>	5.2	4.3	2.9	3.5	3.1	2.9	2.8	2.9

a After seasonal adjustment.

Source : U.S. Bureau of Economic Analysis, U.S. Census Bureau, U.S. Bureau of Labor Statistics

Economic and Social Research Institute of Japan; Ministry of Finance of Japan; Statistics Bureau of Japan

Hong Kong SAR Census and Statistics Department