

Global Economy in the First Quarter of 2015

Global growth remained moderate in the first quarter of 2015, with uneven performance across countries and regions. The US economic growth slowed while the Asian region saw steady growth. With the simultaneous decline in oil prices and exchange rates, the Euro area and Japan showed signs of rebound but downside risks remained. The World Economic Outlook (WEO) of the International Monetary Fund (IMF) in April 2015 indicated that lower oil prices provided a boost to growth globally and in many oil importing countries; the sharp appreciation of the US dollar and the substantial depreciation of the euro and yen reflected major variations in monetary policies of different countries and differences in economic prospects. Overall, the outlook for advanced economies was improving, while growth in emerging markets and developing economies was expected to slow down. The world economy is projected to grow by 3.5% in 2015, same as the January forecast; the growth projection for 2016 is raised by 0.1 percentage point to 3.8%.

The US economic growth slowed in the first quarter, with Gross Domestic Product (GDP) rising by 2.7% year-on-year and falling by 0.7% quarter-to-quarter. Shrinking exports dragged down the economic growth by 1.0 percentage point while fixed investment and government expenditure each lowered the growth rate by 0.2 percentage points, totally offsetting the 1.2 percentage point contribution made by private consumption expenditure. The unemployment rate rose by 0.3 percentage points quarter-to-quarter to 5.8%; the seasonally adjusted unemployment rate stood at 5.6%.

Economic growth in the Euro area remained stable as the German economy slowed while France rebounded; the first quarter GDP increased by 1.0% year-on-year and 0.4% quarter-to-quarter. Consumption expenditure of households and non-profit institutions as well as exports contributed 0.3 percentage points each to the economic growth while fixed capital formation and inventory also added 0.2 and 0.1 percentage points respectively to the increase; however, imports dragged down the economic growth by 0.5 percentage points. The unemployment rate went up by 0.2 percentage points quarter-to-quarter to 11.7%.

The UK economic growth eased, with GDP for the first quarter rising by 2.4% year-on-year and 0.3% quarter-to-quarter. Inventory change was the main driver of economic growth, contributing 0.5 percentage points to the growth rate. Household final consumption expenditure and gross capital formation also added 0.3 percentage points each to the growth; however, net exports dragged down the increase by 0.9 percentage points. With steady economic growth, the unemployment rate declined further by 0.2 percentage points quarter-to-quarter to 5.5%.

Benefited from falling oil prices and gradual recovery of advanced economies, economic growth of the Asian region remained stable, yet the performance of the regional economies varied. The April 2015 WEO of IMF indicated that the ASEAN 5¹ economies are projected to expand by 5.2% in 2015, same as the January 2015 forecast; the projection for the Middle East, North Africa, Afghanistan and Pakistan is lowered by 0.4 percentage points to 2.9%; China is projected to maintain growth at 6.8% while the projection for India is 7.5%, up by 1.2 percentage points.

The first quarter GDP of Japan declined by 1.4% year-on-year but rose by 0.6% quarter-to-quarter. Domestic demand and exports contributed 0.8 and 0.4 percentage points respectively to the economic growth; meanwhile, imports dragged down the increase by 0.6 percentage points. The unemployment rate edged up by 0.2 percentage points to 3.5%; the seasonally adjusted rate was also 3.5%.

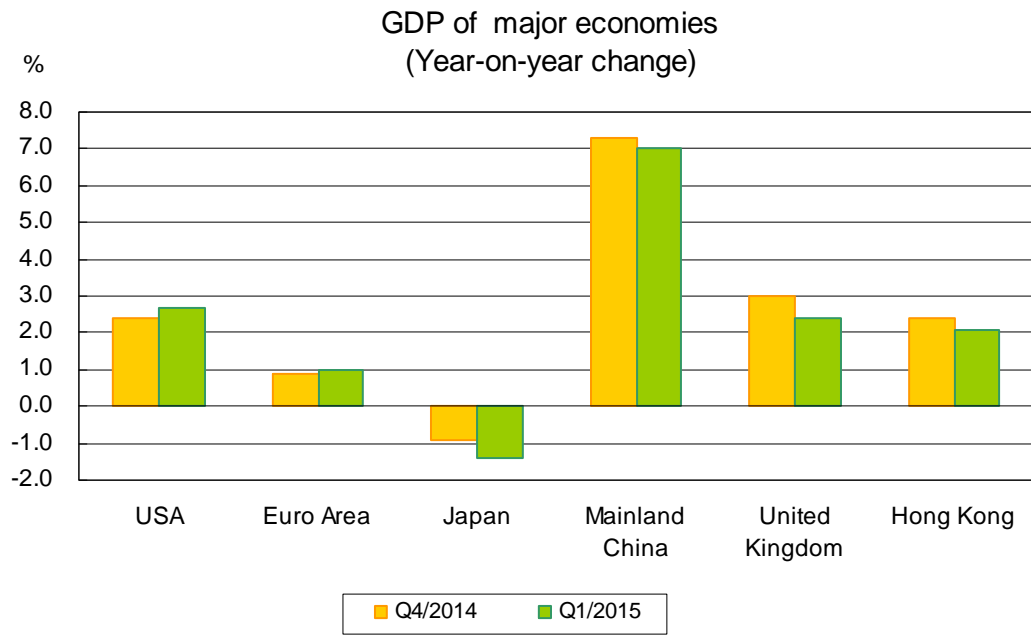
Economic growth in the Republic of Korea slowed further upon sluggish exports. GDP for the first quarter increased by 2.5% year-on-year and 0.8% quarter-to-quarter. Gross capital formation and final consumption expenditure contributed 0.7 and 0.3 percentage points respectively to the economic growth; meanwhile, exports added 0.1 percentage point to the increase. The unemployment rate rose by 0.9 percentage points quarter-to-quarter to 4.1%.

In Mainland China, GDP for the first quarter expanded by 7.0% year-on-year, down by 0.3 percentage points from the previous quarter. In the first quarter of 2015, value added of the above-scale industries rose by 6.4% year-on-year, down by 2.3 percentage points compared with the same quarter of 2014; fixed asset investment increased by 13.5% year-on-year, down by 4.1 percentage points. Retail sales of consumer goods rose by 10.6% year-on-year, down by 1.4 percentage points, of which sales of communication equipment increased by 38.0%, construction and decoration materials by 15.8% and furniture by 15.4%. Total value of external trade for the first quarter decreased by 6.3% year-on-year and the trade surplus amounted to USD123.7 billion. Inflation continued to slow; the Consumer Price Index (CPI) grew by 1.2% in the first quarter, with the CPI for March rising by 1.4% year-on-year.

The Hong Kong economy maintained modest growth in the first quarter of 2015, expanding by 2.1% year-on-year and 0.4% quarter-to-quarter. Domestic demand remained the key source of growth. Private consumption expenditure and government consumption expenditure increased by 3.5% each year-on-year; gross fixed capital formation rose by 7.3% year-on-year upon a notable rebound in machinery and equipment acquisition. Sluggish external environment continued to affect the trade performance of Hong Kong; merchandise exports rose merely by 0.4% year-on-year while exports of services dropped further by 0.6%. The unemployment rate edged up by 0.1 percentage

¹ Indonesia, Malaysia, the Philippines, Thailand and Vietnam

point year-on-year to 3.2%, and the seasonally adjusted rate stayed at 3.3%.



I. PRINCIPAL ECONOMIC INDICATORS OF THE WORLD AND MACAO

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

%

	2012	2013	2014	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1
USA								
Gross Domestic Product	2.3	2.2	2.4	1.9	2.6	2.7	2.4	2.7
Exports of goods	4.4	2.2	2.8	2.5	3.3	4.2	1.1	-5.1
Imports of goods	3.1	-0.4	3.4	1.9	4.5	3.6	3.3 ^f	-1.4
Consumer Price Index	2.1	1.5	1.6	1.4	2.1	1.8	1.2	-0.1
Unemployment rate	8.1	7.4	6.2	6.9	6.1	6.2	5.5	5.8
Euro area ^a								
Gross Domestic Product	-0.8	-0.4 ^f	0.9	1.1	0.8	0.8	0.9	1.0
Exports of goods	7.7 ^f	1.1 ^f	2.3	1.0 ^f	0.6 ^f	2.9 ^f	4.4 ^f	5.1
Imports of goods	1.8	-2.9	0.1	- ^f	0.2 ^f	0.4	-0.2 ^f	0.4
Consumer Price Index	2.5	1.3	0.4	0.6	0.6	0.4	0.2	-0.3
Unemployment rate	11.4 ^f	12.0	11.6	12.3	11.5 ^f	11.1	11.5	11.7
Germany								
Gross Domestic Product	0.4	0.1	1.6	2.6	1.0	1.2	1.6	1.1
Exports of goods	3.3	-0.2	3.7	2.6	1.5	5.4	5.3	5.4
Imports of goods	0.4	-0.9	2.1	3.5	0.5	2.1	2.2	1.8
Consumer Price Index	2.0	1.5	0.9	1.2	1.1	0.8	0.5	-
Unemployment rate	6.8	6.9	6.7	7.2	6.6	6.6	6.3	6.9
French								
Gross Domestic Product	0.2 ^f	0.7 ^f	0.2 ^f	0.7 ^f	-0.2 ^f	0.2 ^f	- ^f	0.7
Exports of goods	3.9	-1.5 ^f	0.3	0.6 ^f	-1.6	-0.9 ^f	2.9 ^f	2.5
Imports of goods	1.9 ^f	-2.4 ^f	-1.4	-1.0 ^f	-1.8	-1.2	-1.8 ^f	0.2
Consumer Price Index	2.0	0.9	0.5	0.7	0.6	0.4	0.3	-0.2
Unemployment rate	9.8	10.3	10.3 ^f	10.6	9.8	9.8	10.8 ^f	11.1
United Kingdom								
Gross Domestic Product	0.7	1.7	2.8 ^f	2.7 ^f	2.9 ^f	2.8 ^f	3.0 ^f	2.4
Exports of goods	-1.3	0.5	-4.5 ^f	-2.7 ^f	-8.3 ^f	-6.2	-0.7 ^f	-3.0
Imports of goods	2.1	1.3	-1.6 ^f	0.1 ^f	-2.7	-3.7 ^f	-0.2 ^f	-1.5
Consumer Price Index	2.8	2.5	1.5	1.7	1.7	1.4	0.9	0.2
Unemployment rate	8.0	7.6	6.2	6.8	6.3	6.0	5.7	5.5

a Consists 19 member states since 2015.

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

I. PRINCIPAL ECONOMIC INDICATORS OF THE WORLD AND MACAO

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

	2012	2013	2014	2014	2014	2014	2014	2015
				Q1	Q2	Q3	Q4	Q1
%								
Mainland China								
Gross Domestic Product	7.8	7.7	7.4	7.4	7.5	7.3	7.3	7.0
Exports of goods	7.9	7.8	6.0	-3.5	5.0	13.0	8.6	4.6
Imports of goods	4.3	7.3	0.5	1.5	1.4	1.0 ^f	-1.8	-17.6
Consumer Price Index ^a	2.6	2.6	2.0	2.3	2.3	2.1	2.0	1.2
Hong Kong								
Gross Domestic Product	1.5	3.1 ^f	2.5 ^f	2.7 ^f	2.0 ^f	2.9 ^f	2.4 ^f	2.1
Exports of goods	2.9	3.6	3.2	0.7	4.8	5.8	1.2	2.3
Imports of goods	3.9	3.8	3.9	2.1	4.5	5.7	3.2	1.4
Consumer Price Index	4.1	4.3	4.4	4.2	3.6	4.8	5.1	4.4
Unemployment rate	3.3	3.4	3.3 ^f	3.1	3.3	3.4	3.1	3.2
Taiwan								
Gross Domestic Product	2.1	2.2	3.8 ^f	3.4	3.9	4.3	3.5 ^f	3.4
Exports of goods	-2.3	1.4	2.7	1.0	2.9	6.6 ^f	0.4	-4.2
Imports of goods	-3.9	-0.2	1.5 ^f	-1.7 ^f	3.7 ^f	7.5 ^f	-3.3 ^f	-15.0
Consumer Price Index	1.9	0.8	1.2	0.8	1.6	1.5	0.8 ^f	-0.6
Unemployment rate	4.2	4.2	4.0	4.0	3.9	4.0	3.9	3.7
Japan								
Gross Domestic Product	1.7 ^f	1.6	-0.1 ^f	2.4	-0.4	-1.4	-0.9 ^f	-1.4
Exports of goods	-2.7	9.5	4.8	6.6	0.1	3.2	9.1 ^f	9.0
Imports of goods	3.8	14.9	5.7	17.6	2.8 ^f	2.4	1.2	-9.3
Consumer Price Index	-	0.3	2.8	1.5	3.6	3.3	2.5	2.3
Unemployment rate	4.3	4.0	3.6	3.7	3.7	3.6	3.3	3.5
Republic of Korea								
Gross Domestic Product	2.3	2.9 ^f	3.3	3.9	3.4 ^f	3.3 ^f	2.7	2.5
Exports of goods	-1.3	2.1	2.3 ^f	1.6	3.2	3.9 ^f	0.9 ^f	-2.9
Imports of goods	-0.9	-0.8	1.9	2.0	3.3	5.4	-2.8 ^f	-15.4
Consumer Price Index	2.2	1.3	1.3	1.1	1.6	1.4	1.0	0.6
Unemployment rate	3.2	3.1	3.5	4.0	3.7	3.3	3.2	4.1
Singapore								
Gross Domestic Product	3.4	4.4	2.9	4.6	2.3	2.8	2.1	2.6
Exports of goods	-0.9	0.6	1.1	7.4	2.7	-1.4	-3.8	-5.4
Imports of goods	3.2	-1.6	-0.6	6.8	3.0	-5.7	-6.0	-16.1
Consumer Price Index	4.6	2.4	1.0	1.0	2.2 ^f	1.0 ^f	- ^f	-0.3
Unemployment rate	2.0	1.9	2.0	1.9	2.6	1.7	1.6	1.8

a Accumulated year-on-year comparison.

Source : China National Bureau of Statistics

Hong Kong SAR Census and Statistics Department

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

I. PRINCIPAL ECONOMIC INDICATORS OF THE WORLD AND MACAO

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

%

	2012	2013	2014	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1
USA								
Gross Domestic Product	2.3	2.2	2.4	-2.1	4.6	5.0	2.2	-0.7
Exports of goods	4.4	2.2	2.8	-1.6	2.1	1.5	-1.1	-7.1
Imports of goods	3.1	-0.4	3.4	0.9	2.9	-0.3	-0.1 ^f	-4.2
Consumer Price Index	2.1	1.5	1.6	0.5	0.6	0.3	-0.2	-0.8
Unemployment rate ^a	8.1	7.4	6.2	6.6	6.2	6.1	5.7	5.6
Japan								
Gross Domestic Product	1.7 ^f	1.6	-0.1 ^f	1.2 ^f	-1.8 ^f	-0.5 ^f	0.3 ^f	0.6
Exports of goods	-3.0	9.6	4.6	-1.7 ^f	-0.2 ^f	-3.9 ^f	5.5 ^f	0.5
Imports of goods	3.3 ^f	15.2 ^f	5.7 ^f	4.4 ^f	-8.3 ^f	3.9 ^f	1.2 ^f	-6.0
Consumer Price Index	-	0.3	2.8	0.2	2.2	0.3	-0.2	-0.1
Unemployment rate ^a	4.3	4.0	3.6	3.6	3.6	3.6	3.5	3.5
Hong Kong								
Gross Domestic Product	1.5	3.1 ^f	2.5 ^f	0.6 ^f	- ^f	1.4	0.2 ^f	0.4
Exports of goods	2.9	3.6	3.2	-4.1 ^f	3.8	2.0 ^f	-3.2	-0.6
Imports of goods	3.9	3.8	3.9	-3.1 ^f	2.4	1.8 ^f	-0.4 ^f	-2.0
Consumer Price Index	4.1	4.3	4.4	0.9	0.7	0.5	2.9	0.3
Unemployment rate ^a	3.3	3.4	3.3 ^f	3.1	3.2	3.3	3.3	3.3

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