

Global Economy in the First Quarter of 2022

In the first quarter of 2022, the novel coronavirus variants continued to spread rampantly across the globe. With the supply chains remained under pressure, many economies experienced rapid inflation owing to the spike in commodity prices and the pandemic-induced imbalance between supply and demand. Besides, the intensifying global geopolitical tensions had direct impacts on the production and export of oil and commodities, which led to a surge in prices of related commodities around the world, resulting in an upward pressure on inflation. Following the gradual rise in interest rates in the US and the tightening of monetary policies in a number of major economies, emerging markets and developing economies may face an increase in capital flows and currency devaluation. Global economic recovery will be hindered to some extent and economic outlook remains highly uncertain.

The World Economic Outlook (WEO) report of the International Monetary Fund (IMF) in April 2022 projected global growth at 3.6% in 2022 and 2023, a downgrade of 0.8 percentage points and 0.2 percentage points respectively as against the forecast in January. The projected growth rate for the US economy in 2022 was revised downward by 0.3 percentage points to 3.7%, and the growth forecast for China was marked downward by 0.4 percentage points to 4.4%. The projected growth rate for the Euro area in 2022 was revised downward by 1.1 percentage points to 2.8% in 2022, whereas that for Japan was marked downward by 0.9 percentage points to 2.4%.

The Gross Domestic Product (GDP) of the US in the first quarter of 2022 rose by 3.5% year-on-year but fell by 1.5% quarter-to-quarter. Private consumption expenditure added 2.1 percentage points to economic growth. Private domestic fixed investment drove up the growth by 1.2 percentage points, while government expenditure in investment and net exports dragged down the growth by 0.5 percentage points and 3.2 percentage points respectively. The unemployment rate rose by 0.1 percentage point quarter-to-quarter to 4.1%; the seasonally adjusted unemployment rate went down by 0.4 percentage points to 3.8%.

The GDP of the Euro area in the first quarter rose by 5.4% year-on-year and 0.6% quarter-to-quarter. The economy of Germany expanded by 4.0% year-on-year and the economy of France grew by 4.5%. Inventory change in the Euro area contributed 0.6 percentage points to the increase. Meanwhile, final consumption expenditure of households and non-profit institutions hampered economic growth by 0.3 percentage points, and government final consumption expenditure impeded the growth by 0.1 percentage point. Gross fixed capital formation and net exports did not contribute to the growth. The unemployment rate held steady quarter-to-quarter at 7.1%.

The first-quarter GDP of the UK increased by 8.7% year-on-year and 0.8% quarter-to-quarter. Household final consumption expenditure and capital formation drove up the growth by 0.3

percentage points and 4.8 percentage points respectively, whereas government final consumption expenditure and net exports dragged down the growth by 0.4 percentage points and 4.0 percentage points respectively. The unemployment rate dipped by 0.4 percentage points from the previous quarter to 3.7%.

The WEO report of IMF in April 2022 indicated that the projected growth rate for the ASEAN-5 economies^a was revised downward by 0.3 percentage points to 5.3% in 2022 as compared to the January forecast. The growth forecast for the Middle East and Central Asia was 4.6% in 2022, up by 0.3 percentage points as against the prediction in January. The growth forecast for India was 8.2% in 2022, down by 0.8 percentage points compared to the January forecast.

The GDP of Japan in the first quarter rose by 0.4% year-on-year but dropped by 0.1% quarter-to-quarter. Private demand and government consumption expenditure contributed 0.4 percentage points and 0.1 percentage point to economic growth respectively, while net exports of goods and services and fixed capital formation each hampered the growth by 0.4 percentage points. The unemployment rate remained unchanged quarter-to-quarter at 2.6%; the seasonally adjusted unemployment rate was 2.7%, the same as in the previous quarter.

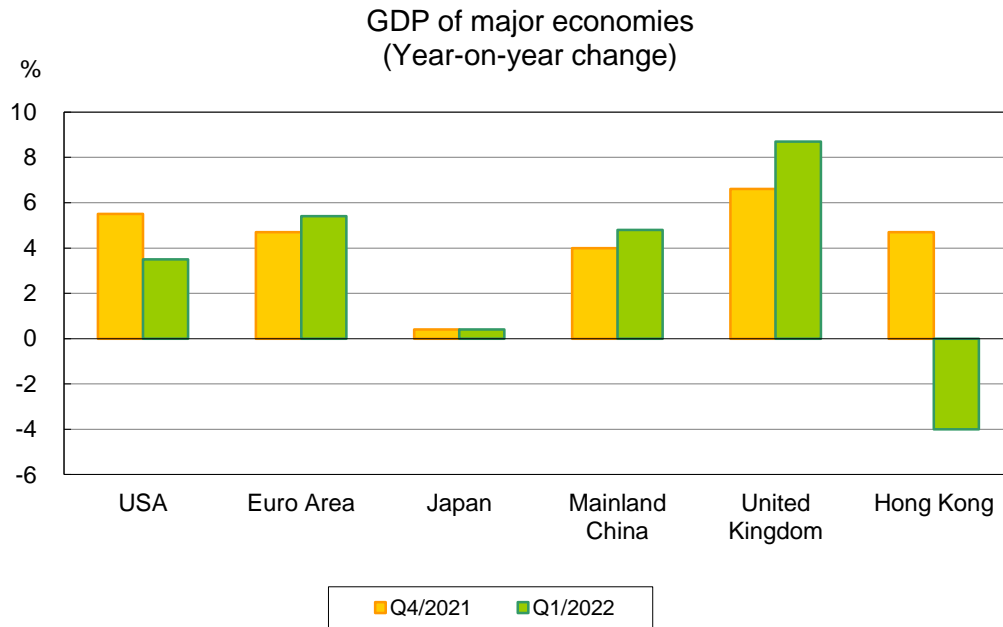
The first-quarter GDP of the Republic of Korea increased by 3.1% year-on-year and 0.7% quarter-to-quarter. Net exports added 1.4 percentage points to the rise. On the other hand, government consumption expenditure and fixed capital formation each dragged down the growth by 0.6 percentage points, whereas final consumption expenditure hampered the growth by 0.2 percentage points. The unemployment rate rose by 0.6 percentage points from the previous quarter to 3.5%.

The first-quarter GDP of China rose by 4.8% year-on-year; final consumption expenditure contributed 3.3 percentage points to the GDP growth, whereas gross capital formation and net exports of goods and services added 1.3 percentage points and 0.2 percentage points respectively. The value added of the above-scale industries increased by 6.5% year-on-year in the first quarter of 2022. Fixed asset investment (excluding farmers) grew by 9.3% year-on-year; total retail sales of consumer goods went up by 3.3%, with sales of petroleum & related products, commodities, communication appliances and cosmetics expanding by 19.7%, 6.6%, 4.3% and 1.8% respectively. As regards external trade, total value of external trade^b recorded a year-on-year growth of 10.7% in the first quarter of 2022. Consumer prices continued to show moderate rise, with the Consumer Price Index (CPI) for the first quarter of 2022 rising by 1.1% year-on-year.

^a Indonesia, Malaysia, the Philippines, Thailand and Viet Nam

^b Total value of external trade in RMB

The Hong Kong economy contracted by 4.0% year-on-year and 3.0% quarter-to-quarter in the first quarter. Private consumption expenditure dipped by 5.5%. Gross fixed capital formation decreased by 8.4%. Exports of services dropped by 2.8% while government consumption expenditure went up by 6.0%. The seasonally adjusted unemployment rate rose by 1.0 percentage point over the previous quarter to 5.0%.



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

%

	2019	2020	2021	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
USA								
Gross Domestic Product	2.3	-3.4	5.7	0.5	12.2	4.9	5.5 ^r	3.5
Exports of goods	-1.5	-13.7 ^r	23.1 ^r	2.9 ^r	50.6 ^r	23.5 ^r	22.7 ^r	18.4
Imports of goods	-1.7	-7.1 ^r	21.3	11.7 ^r	37.6 ^r	19.3 ^r	18.7 ^r	22.6
Consumer Price Index	1.8	1.2	4.7	1.9	4.8	5.3	6.7	8.0
Unemployment rate	3.7	8.1	5.4	6.5	5.8	5.2	4.0	4.1
Euro area ^a								
Gross Domestic Product	1.6	-6.4	5.4 ^r	-0.9	14.7 ^r	4.0	4.7 ^r	5.4
Exports of goods	2.9 [▼]	-9.1	14.1	0.7	34.4	13.7 ^r	12.0	16.6
Imports of goods	1.7 [▼]	-10.7	21.4	0.4	33.9 ^r	23.0 ^r	32.3 ^r	39.7
Consumer Price Index	1.2	0.3	2.6	1.1	1.8	2.8	4.6	6.1
Unemployment rate	7.6	7.9	7.7	8.5	7.9	7.4	7.1	7.1
Germany								
Gross Domestic Product	1.1	-4.6	2.9	-3.0	10.8	2.8	1.8	4.0
Exports of goods	0.8	-9.1	14.0	2.5	34.7	11.1	12.0 ^r	11.3
Imports of goods	1.4	-7.0	17.1	2.3	31.1	15.8	21.9 ^r	24.4
Consumer Price Index	1.4	0.5	3.1	1.4	2.3	3.9	5.0	5.8
Unemployment rate	5.0	5.9	5.7	6.3	5.9	5.5	5.1	5.3
France								
Gross Domestic Product	1.8	-8.0	7.0	1.8 ^r	19.2 ^r	3.0 ^r	4.9 ^r	4.5
Exports of goods	3.7	-16.2	16.4	0.3 ^r	43.8	15.5 ^r	13.4 ^r	18.2
Imports of goods	2.3	-13.4	18.4	2.6 ^r	35.0 ^r	14.0 ^r	25.0 ^r	27.1
Consumer Price Index	1.1	0.5	1.6	0.7	1.4	1.7	2.7	3.7
Unemployment rate	8.4	8.0	7.9	8.3	7.6	7.9	7.6	7.7
United Kingdom								
Gross Domestic Product	1.7	-9.3 ^r	7.4 ^r	-5.0	24.5 ^r	6.9 ^r	6.6 ^r	8.7
Exports of goods	6.0	-16.9 ^r	4.1 ^r	-11.7 ^r	15.1 ^r	4.7 ^r	10.0 ^r	15.4
Imports of goods	3.5	-14.1	9.0 ^r	-1.2 ^r	33.9 ^r	13.9 ^r	-2.8	38.2
Consumer Price Index	1.8	0.8	2.7	0.6	2.0	2.8	5.0	6.1
Unemployment rate	3.8	4.5	4.5	4.9	4.7	4.3	4.1	3.7

^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

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

	%							
	2019	2020	2021	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Mainland China								
Gross Domestic Product	6.0	2.2	8.1	18.3	7.9	4.9	4.0	4.8
Exports of goods	0.5	3.6	29.9	48.8	30.6	24.2	22.9 ^r	15.8
Imports of goods	-2.7	-0.6	30.0 ^f	29.4	44.1 ^r	25.4 ^r	23.6 ^r	9.8
Consumer Price Index ^a	2.9	2.5	0.9	-	0.5	0.6	0.9	1.1
Hong Kong								
Gross Domestic Product	-1.7	-6.5	6.4	8.0	7.6	5.4 ^r	4.7 ^r	-4.0
Exports of goods	-4.1	-1.5	26.3	33.2	27.2	22.7	23.8	3.4
Imports of goods	-6.5	-3.3	24.3	25.6	27.9	25.8	19.0	2.9
Consumer Price Index	2.9	0.3	1.6	1.2	0.8	2.3	2.0	1.5
Unemployment rate	2.9	5.8	5.2	6.7	5.5	4.7	3.8 ^r	5.0
Taiwan								
Gross Domestic Product	3.1	3.4	6.5	9.2	7.8	4.4	4.9	3.1
Exports of goods ^b	-1.5	4.9	29.3	24.6	37.3	30.1	26.0	23.5
Imports of goods ^b	0.3	0.2	33.3	21.4	36.6	42.5	32.7	25.8
Consumer Price Index	0.6	-0.2	2.0	0.8	2.1	2.3	2.7	2.8
Unemployment rate	3.7	3.9	4.0	3.7	4.2	4.2	3.7	3.6
Japan								
Gross Domestic Product ^c	-0.7 ^r	-4.5	2.2 ^f	-1.7 ^r	7.3	1.2	0.4 ^r	0.4
Exports of goods	-5.6	-11.1	21.5	6.0	45.0	24.9	15.7	14.5
Imports of goods	-5.0	-13.5	24.3	2.5 ^r	23.9 ^r	36.9 ^r	37.4 ^r	34.7
Consumer Price Index	0.5	-	-0.2	-0.5	-0.7	-0.2	0.5	0.9
Unemployment rate	2.4	2.8	2.8	2.8	3.0	2.8	2.6	2.6
Republic of Korea								
Gross Domestic Product	2.2	-0.9	4.0	1.9	6.0	4.0	4.2	3.1
Exports of goods	-10.4	-5.5	25.7	12.5	42.0	26.5	24.5	18.1
Imports of goods	-6.0	-7.1	31.5	12.4	37.7	37.5	39.4	29.5
Consumer Price Index	0.4	0.5	2.5	1.4	2.5	2.5	3.5	3.8
Unemployment rate	3.8	4.0	3.7	5.0	3.9	2.8	2.9	3.5
Singapore								
Gross Domestic Product	1.1	-4.1	7.6	2.0	15.8	7.5	6.1	3.7
Exports of goods	-4.2	-3.2	19.1	6.9	26.0	17.4	26.9	18.8
Imports of goods	-2.1	-7.4	20.4	2.7	28.6	20.9	31.0	23.1
Consumer Price Index	0.6	-0.2	2.3	0.8	2.3	2.5	3.7	4.6
Unemployment rate	2.3	3.0	2.6	2.6	3.4	2.5	2.1 ^r	1.9

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-TO-QUARTER COMPARISON)

	%							
	2019	2020	2021	2021	2021	2021	2021	2022
				Q1	Q2	Q3	Q4	Q1
USA								
Gross Domestic Product	2.3	-3.4	5.7	6.3	6.7	2.3	6.9 ^f	-1.5
Exports of goods	-2.0 ^f	-13.3 ^f	23.1 ^f	6.4 ^f	6.8 ^f	1.0 ^f	7.1	2.4
Imports of goods	-2.5 ^f	-6.3 ^f	21.3	6.0 ^f	4.2 ^f	1.5 ^f	5.9 ^f	9.6
Consumer Price Index	1.8	1.2	4.7	1.0	2.0	1.6	1.9	2.2
Unemployment rate ^a	3.7	8.1	5.4	6.2	5.9	5.1	4.2	3.8
Japan								
Gross Domestic Product	-0.7 ^f	-4.5	2.2 ^f	-0.3 ^f	0.5 ^f	-0.7	0.9 ^f	-0.1
Exports of goods	-5.6 ^f	-11.4	21.8 ^f	4.1 ^f	5.5 ^f	1.1 ^f	4.3 ^f	2.9
Imports of goods	-4.7	-14.1	25.1 ^f	12.1 ^f	10.0 ^f	4.9 ^f	6.2 ^f	9.8
Consumer Price Index	0.5	-	-0.2	0.4	-0.6	0.4	0.3	0.7
Unemployment rate ^a	2.4	2.8	2.8	2.9 ^f	2.9	2.8	2.7	2.7
Hong Kong								
Gross Domestic Product	-1.7	-6.5	6.3 ^f	5.8 ^f	-1.7 ^f	0.7 ^f	- ^f	-3.0
Exports of goods	-4.1	-1.5	26.3	14.3	-4.2	1.0	1.9	-4.2
Imports of goods	-6.5	-3.3	24.3	10.0	-0.7	1.4	-2.1	-4.5
Consumer Price Index	2.9	0.3	1.6	1.1	0.3	-0.8	1.4	0.7
Unemployment rate ^a	2.9	5.8	5.2	6.8	5.4 ^f	4.4 ^f	4.0 ^f	5.0

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