

Global Economy in the Second Quarter of 2022

In the second quarter of 2022, the global economy continued to slow down under the influence of the ongoing global pandemic, the clogged supply chains and the instability of international geopolitics. At the same time, the Russia-Ukraine war sparked rises in international food and energy prices, further exacerbating global inflation. Several major economies had tightened monetary policies one after another, triggering a tightening of the global financing environment and raising long-term borrowing costs. Global economic outlook remains highly uncertain and economic recovery will be hindered to some extent.

The World Economic Outlook (WEO) report of the International Monetary Fund (IMF) in July 2022 projected global growth at 3.2% and 2.9% in 2022 and 2023 respectively, a downgrade of 0.4 percentage points and 0.7 percentage points respectively as against the forecast in April. The projected growth rate for the US economy in 2022 was revised downward by 1.4 percentage points to 2.3%, and the growth forecast for China was marked downward by 1.1 percentage points to 3.3%. The projected growth rate for the Euro area in 2022 was revised downward by 0.2 percentage points to 2.6% in 2022, whereas that for Japan was marked downward by 0.7 percentage points to 1.7%.

The Gross Domestic Product (GDP) of the US in the second quarter of 2022 rose by 1.6% year-on-year but fell by 0.9% quarter-to-quarter. Net exports and private consumption expenditure added 1.4 percentage points and 0.7 percentage points to economic growth respectively, while private domestic fixed investment and government expenditure in investment dragged down the growth by 0.7 percentage points and 0.3 percentage points respectively. The unemployment rate dropped by 0.6 percentage points quarter-to-quarter to 3.5%; the seasonally adjusted unemployment rate went down by 0.2 percentage points to 3.6%.

The GDP of the Euro area in the second quarter rose by 4.1% year-on-year and 0.8% quarter-to-quarter. The economy of Germany expanded by 1.8% year-on-year and the economy of France grew by 4.2%. Final consumption expenditure of households and non-profit institutions, gross fixed capital formation and government final consumption expenditure in the Euro area contributed 0.6 percentage points, 0.2 percentage points and 0.1 percentage point to the increase respectively. Meanwhile, inventory change did not contribute to the growth. The unemployment rate dropped by 0.5 percentage points quarter-to-quarter to 6.6%.

The second-quarter GDP of the UK increased by 2.9% year-on-year but fell by 0.1% quarter-to-quarter. Net exports drove up the growth by 1.1 percentage points, whereas government final consumption expenditure, capital formation and household final consumption expenditure dragged down the growth by 0.6 percentage points, 0.5 percentage points and 0.1 percentage point respectively. The unemployment rate rose by 0.1 percentage point from the previous quarter to 3.8%.

The WEO report of IMF in July 2022 indicated that the projected growth rate for the ASEAN-5 economies^a was 5.3% in 2022, same as the April forecast. The growth forecast for the Middle East and Central Asia was 4.8% in 2022, up by 0.2 percentage points as against the prediction in April. The growth forecast for India was 7.4% in 2022, down by 0.8 percentage points compared to the April forecast.

The GDP of Japan in the second quarter rose by 1.1% year-on-year and 0.5% quarter-to-quarter. Private demand, fixed capital formation and government consumption expenditure contributed 0.3 percentage points, 0.2 percentage points and 0.1 percentage point to economic growth respectively, while net exports of goods and services did not contribute to the growth. The unemployment rate rose by 0.1 percentage point quarter-to-quarter to 2.7%; the seasonally adjusted unemployment rate dropped by 0.1 percentage point quarter-to quarter to 2.6%.

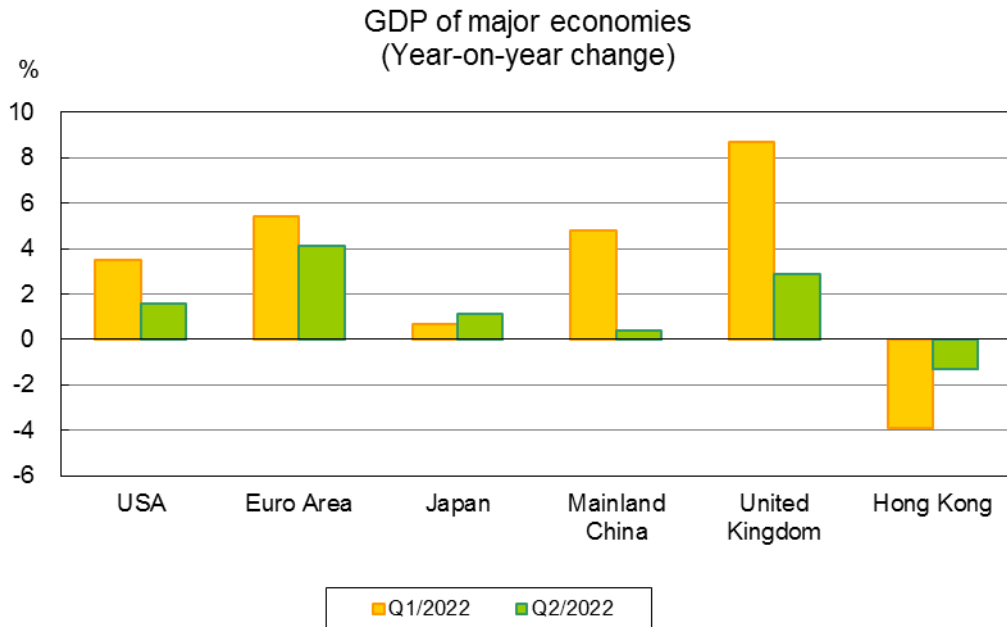
The second-quarter GDP of the Republic of Korea increased by 2.9% year-on-year and 0.7% quarter-to-quarter. Final consumption expenditure, government consumption expenditure and fixed capital formation added 1.4 percentage points, 0.2 percentage points and 0.1 percentage point to the rise respectively. On the other hand, net exports hampered the growth by 1.0 percentage point. The unemployment rate dropped by 0.5 percentage points from the previous quarter to 3.0%.

The second-quarter GDP of mainland China rose by 0.4% year-on-year; final consumption expenditure hampered the GDP growth by 0.9 percentage points, whereas gross capital formation and net exports of goods and services added 0.3 percentage points and 1.1 percentage points respectively. The value added of the above-scale industries increased by 0.7% year-on-year in the second quarter of 2022. Total retail sales of consumer goods went down by 4.6%; fixed asset investment (excluding farmers) grew by 4.2% year-on-year. Consumer prices continued to show moderate rise, with the Consumer Price Index (CPI) for the second quarter of 2022 rising by 2.3% year-on-year. Total value of external trade^b recorded a year-on-year growth of 9.4% in the first half of 2022.

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

^b Total value of external trade in RMB.

The Hong Kong economy contracted by 1.3% year-on-year but rose by 1.0% quarter-to-quarter in the second quarter. Government consumption expenditure, exports of services and private consumption expenditure rose by 13.0%, 2.3% and 0.1% respectively. Gross fixed capital formation decreased by 3.0%. The seasonally adjusted unemployment rate dipped by 0.3 percentage points over the previous quarter to 4.7%.



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

%

	2019	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
USA								
Gross Domestic Product	2.3	-3.4	5.7	12.2	4.9	5.5	3.5	1.6
Exports of goods	-2.0 ^f	-13.0 ^f	22.8 ^f	50.3 ^f	23.0 ^f	22.3 ^f	18.2 ^f	22.2
Imports of goods	-2.5 ^f	-6.5 ^f	21.5 ^f	37.7 ^f	19.4 ^f	19.0 ^f	22.6	20.7
Consumer Price Index	1.8	1.2	4.7	4.8	5.3	6.7	8.0	8.6
Unemployment rate	3.7	8.1	5.4	5.8	5.2	4.0	4.1	3.5
Euro area ^a								
Gross Domestic Product	1.6	-6.1 ^f	5.2 ^f	14.4 ^f	3.7 ^f	4.6 ^f	5.4	4.1
Exports of goods	2.9	-9.1	14.1	34.4	13.7	12.1 ^f	17.0 ^f	20.5
Imports of goods	1.7	-10.7	21.8 ^f	33.9	23.0	32.3	40.3 ^f	45.4
Consumer Price Index	1.2	0.3	2.6	1.8	2.8	4.6	6.1	1.8
Unemployment rate	7.6	8.0 ^f	7.7	7.9	7.4	7.1	7.1	6.6
Germany								
Gross Domestic Product	1.1	-4.6	2.6 ^f	10.6 ^f	1.8 ^f	1.2 ^f	3.9 ^f	1.8
Exports of goods	0.8	-9.1	14.0	34.7	11.1	12.0	11.7 ^f	15.2
Imports of goods	1.4	-7.0	17.2 ^f	31.1	15.8	21.9	24.4	28.4
Consumer Price Index	1.4	0.5	3.1	2.3	3.9	5.0	5.8	7.6
Unemployment rate	5.0	5.9	5.7	5.9	5.5	5.1	5.3	5.0
France								
Gross Domestic Product	1.9 ^f	-7.9 ^f	6.8 ^f	18.6 ^f	3.6 ^f	5.1 ^f	4.8 ^f	4.2
Exports of goods	3.7	-16.2	16.5 ^f	43.5 ^f	15.5	13.6 ^f	18.4 ^f	18.7
Imports of goods	2.3	-13.4	18.5 ^f	34.6 ^f	14.1 ^f	25.5 ^f	28.1 ^f	30.8
Consumer Price Index	1.1	0.5	1.6	1.4	1.7	2.7	3.7	5.3 ^f
Unemployment rate	8.4	8.0	7.9	7.6	7.9	7.6	7.5 ^f	7.1
United Kingdom								
Gross Domestic Product	1.7	-9.3	7.4	24.5	6.9	6.6	8.7	2.9
Exports of goods	6.0	-16.9	4.1	15.1	4.7	10.0	18.2 ^f	16.2
Imports of goods	3.5	-14.1	9.0	33.9	13.9	-2.8	39.1 ^f	37.9
Consumer Price Index	1.8	0.8	2.7	2.0	2.8	5.0	6.1	9.2
Unemployment rate	3.8	4.5	4.5	4.7	4.3	4.0 ^f	3.7	3.8

^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) (Contd)

%

	2019	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
Mainland China								
Gross Domestic Product	6.0	2.2	8.1	7.9	4.9	4.0	4.8	0.4
Exports of goods	0.5	3.6	29.9	30.6	24.2	22.9	15.6 ^f	12.8
Imports of goods	-2.7	-0.6	30.1 ^f	44.2 ^f	25.4	23.7 ^f	9.8	1.7
Consumer Price Index ^a	2.9	2.5	0.9	0.5	0.6	0.9	1.1	1.7
Hong Kong								
Gross Domestic Product	-1.7	-6.5	6.3 ^f	7.6	5.4	4.7	-3.9 ^f	-1.3
Exports of goods	-4.1	-1.5	26.3	27.2	22.7	23.8	3.4	-2.4
Imports of goods	-6.5	-3.3	24.3	27.9	25.8	19.0	2.9	1.3
Consumer Price Index	2.9	0.3	1.6	0.8	2.3	2.0	1.5	1.5
Unemployment rate	2.9	5.8	5.2	5.5	4.7	3.8	5.0	4.8
Taiwan								
Gross Domestic Product	3.1	3.4	6.6	7.8	4.4	5.3 ^f	3.1	3.1
Exports of goods ^b	-1.5	4.9	29.3	37.3	30.1	26.0	23.5	15.4
Imports of goods ^b	0.3	0.2	33.3	36.6	42.5	32.7	25.5 ^f	24.1
Consumer Price Index	0.6	-0.2	2.0	2.1	2.3	2.7	2.8	3.5
Unemployment rate	3.7	3.9	4.0	4.2	4.2	3.7	3.6	3.7
Japan								
Gross Domestic Product ^c	-0.9 ^f	-4.5	2.3 ^f	7.3	1.2	0.5 ^f	0.7 ^f	1.1
Exports of goods	-5.6	-11.1	21.5	45.0	24.9	15.7	14.5	15.9
Imports of goods	-5.0	-13.5	24.6 ^f	23.9	36.9	37.4	34.7	40.9
Consumer Price Index	0.5	-	-0.2	-0.7	-0.2	0.5	0.9	2.4
Unemployment rate	2.4	2.8	2.8	3.0	2.8	2.6	2.6	2.7
Republic of Korea								
Gross Domestic Product	2.2	-0.7 ^f	4.1	6.2 ^f	4.0	4.2	3.0 ^f	2.9
Exports of goods	-10.4	-5.5	25.7	42.0	26.5	24.5	18.4 ^f	13.0
Imports of goods	-6.0	-7.1	31.5	37.7	37.5	39.4	29.6 ^f	23.1
Consumer Price Index	0.4	0.5	2.5	2.5	2.5	3.5	3.8	5.4
Unemployment rate	3.8	4.0	3.7	3.9	2.8	2.9	3.5	3.0
Singapore								
Gross Domestic Product	1.1	-4.1	7.6	15.8	7.5	6.1	3.8 ^f	4.4
Exports of goods	-4.2	-3.2	19.1	26.0	17.4	26.9	18.8	25.0
Imports of goods	-2.1	-7.4	20.4	28.6	20.9	31.0	23.1	31.6
Consumer Price Index	0.6	-0.2	2.3	2.3	2.5	3.7	4.6	5.9
Unemployment rate	2.3	3.0	2.7 ^f	3.4	2.5	2.1	2.0 ^f	2.7

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 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
USA								
Gross Domestic Product	2.3	-3.4	5.7	6.7	2.3	6.9	-1.6 ^f	-0.9
Exports of goods	-2.0 ^f	-13.0 ^f	22.8 ^f	6.0 ^f	1.4 ^f	7.1	2.8 ^f	10.2
Imports of goods	-2.5 ^f	-6.5 ^f	21.5 ^f	3.9 ^f	1.6 ^f	6.2 ^f	9.3 ^f	2.4
Consumer Price Index	1.8	1.2	4.7	2.0	1.6	1.9	2.2	2.5
Unemployment rate ^a	3.7	8.1	5.4	5.9	5.1	4.2	3.8	3.6
Japan								
Gross Domestic Product	-0.9 ^f	-4.5	2.3 ^f	0.5	-0.5 ^f	1.0 ^f	- ^f	0.5
Exports of goods	-5.6	-11.4	21.7 ^f	5.1 ^f	0.7 ^f	4.8 ^f	3.4 ^f	5.9
Imports of goods	-4.7	-14.1	25.0 ^f	9.9 ^f	4.8 ^f	6.4 ^f	9.9 ^f	15.1
Consumer Price Index	0.5	-	-0.2	-0.6	0.4	0.3	0.7	1.0
Unemployment rate ^a	2.4	2.8	2.8	2.9	2.8	2.7	2.7	2.6
Hong Kong								
Gross Domestic Product	-1.7	-6.5	6.3	-1.7	0.7	-	-2.9 ^f	1.0
Exports of goods	-4.1	-1.5	26.3	-4.2	1.0	1.9	-4.2	-7.3
Imports of goods	-6.5	-3.3	24.3	-0.7	1.4	-2.1	-4.5	-1.6
Consumer Price Index	2.9	0.3	1.6	0.3	-0.8	1.4	0.7	0.3
Unemployment rate ^a	2.9	5.8	5.2	5.4	4.5 ^f	4.0	5.0	4.7

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