

## **Global Economy in the Third Quarter of 2022**

In the third quarter of 2022, inflationary pressure continued to rise attributable to the lingering coronavirus pandemic, international geopolitics and other factors. In view of global inflation, a number of major economies tightened monetary policy. Global financial conditions tightened and long-term borrowing costs increased, leading to a slowdown in global economic activity. The global economy remains unstable and continues to face severe challenges.

The World Economic Outlook (WEO) report of the International Monetary Fund (IMF) in October 2022 projected global growth to remain at 3.2% in 2022 and to slow to 2.7% in 2023, a downgrade of 0.2 percentage points compared to the forecast in July. The projected growth rate for the US economy in 2022 was revised downward by 0.7 percentage points to 1.6%, and the growth forecast for China was marked downward by 0.1 percentage point to 3.2%. The projected growth rate for the Euro area was revised upward by 0.5 percentage points to 3.1% in 2022, whereas that for Japan remained at 1.7%.

The Gross Domestic Product (GDP) of the US in the third quarter of 2022 rose by 1.8% year-on-year and 2.6% quarter-to-quarter. Net exports, private consumption expenditure and government expenditure in investment added 2.8 percentage points, 1.0 percentage point and 0.4 percentage points to economic growth respectively, while private domestic fixed investment dragged down the growth by 0.9 percentage points. The unemployment rate rose by 0.1 percentage point quarter-to-quarter to 3.6%; the seasonally adjusted unemployment rate remained at 3.6%.

The GDP of the Euro area in the third quarter grew by 2.3% year-on-year and 0.3% quarter-to-quarter. The economy of Germany expanded by 1.1% year-on-year and the economy of France grew by 1.0%. Gross fixed capital formation, final consumption expenditure of households and non-profit institutions and inventory change in the Euro area contributed 0.8 percentage points, 0.4 percentage points and 0.2 percentage points to the increase respectively. Meanwhile, government final consumption expenditure did not contribute to the growth. The unemployment rate rose by 0.1 percentage point quarter-to-quarter to 6.6%.

The third-quarter GDP of the UK increased by 2.4% year-on-year but fell by 0.2% quarter-to-quarter. Net exports and government final consumption expenditure drove up the growth by 3.3 percentage points and 0.3 percentage points respectively, whereas capital formation and household final consumption expenditure dragged down the growth by 3.4 percentage points and 0.3 percentage points respectively. The unemployment rate fell by 0.2 percentage points from the previous quarter to 3.6%.

The WEO report of IMF in October 2022 indicated that the projected growth rate for the ASEAN-5 economies<sup>a</sup> was 5.3% in 2022, remaining unchanged from the July forecast. The growth forecast for the Middle East and Central Asia was 5.0% in 2022, up by 0.2 percentage points as against the prediction in July. The growth forecast for India was 6.8% in 2022, down by 0.6 percentage points compared to the July forecast.

The GDP of Japan in the third quarter rose by 1.8% year-on-year but fell by 0.3% quarter-to-quarter. Private demand and fixed capital formation both contributed 0.3 percentage points to economic growth respectively, while net exports of goods and services hampered the growth by 0.7 percentage points. Government consumption expenditure did not contribute to the growth. The unemployment rate decreased by 0.1 percentage point quarter-to-quarter to 2.6%; the seasonally adjusted unemployment rate was 2.6%, the same as in the previous quarter.

The third-quarter GDP of the Republic of Korea increased by 3.1% year-on-year and 0.3% quarter-to-quarter. Final consumption expenditure, fixed capital formation and government consumption expenditure added 0.9 percentage points, 0.7 percentage points and 0.2 percentage points to the rise respectively. On the other hand, net exports hampered the growth by 1.8 percentage points. The unemployment rate dropped by 0.5 percentage points from the previous quarter to 2.5.

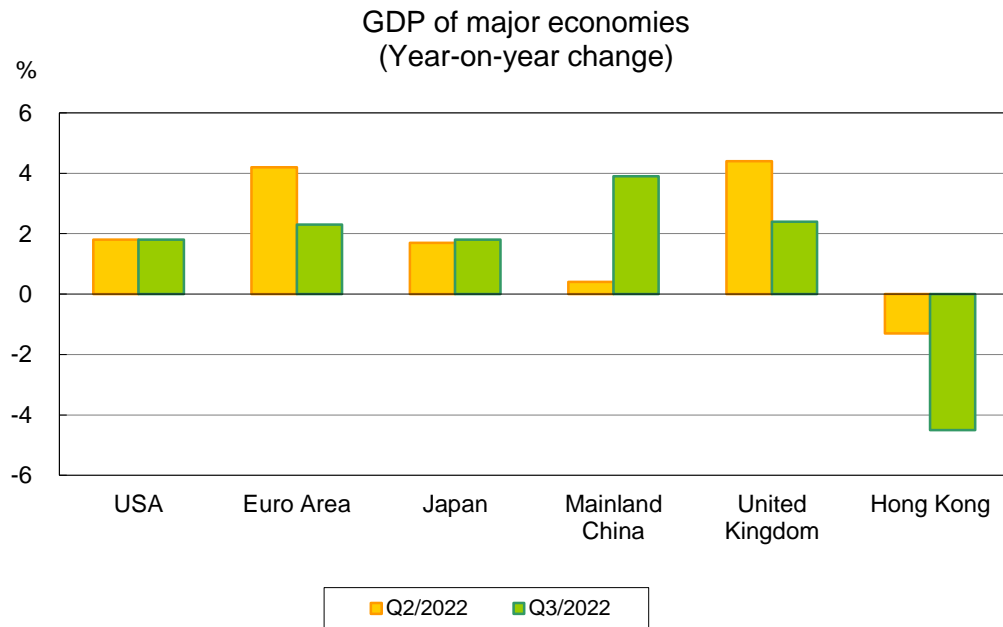
The third-quarter GDP of mainland China rose by 3.9% year-on-year; final consumption expenditure, net exports and gross capital formation drove up the GDP growth by 2.1 percentage points, 1.1 percentage points and 0.8 percentage points respectively. The value added of the above-scale industries increased by 4.8% year-on-year in the third quarter of 2022. Fixed asset investment (excluding farmers) grew by 5.7% year-on-year; total retail sales of consumer goods went up by 3.5%. Consumer prices continued to show moderate rise, with the Consumer Price Index (CPI) for the third quarter of 2022 rising by 2.6% year-on-year. Total value of external trade<sup>b</sup> recorded a year-on-year growth of 9.9% in the first three quarters of 2022.

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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

The Hong Kong economy contracted by 4.5% year-on-year and 2.6% quarter-to-quarter in the third quarter. Government consumption expenditure rose by 5.1%. Gross fixed capital formation and exports of services decreased by 14.3% and 3.8% respectively. Private consumption expenditure showed no changes. The seasonally adjusted unemployment rate dipped by 0.8 percentage points over the previous quarter to 3.9%.



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

	2019	2020	2021	2021	2021	2022	2022	2022	%
				Q3	Q4	Q1	Q2	Q3	
USA									
Gross Domestic Product	2.3	-2.8 <sup>f</sup>	5.9 <sup>f</sup>	5.0 <sup>f</sup>	5.7 <sup>f</sup>	3.7 <sup>f</sup>	1.8 <sup>f</sup>	1.8	
Exports of goods	-2.0	-13.0	22.8	23.0	22.3	18.2	22.1 <sup>f</sup>	23.0	
Imports of goods	-2.5	-6.5	21.5	19.4	19.0	22.6	20.7	14.2	
Consumer Price Index	1.8	1.2	4.7	5.3	6.7	8.0	8.6	8.3	
Unemployment rate	3.7	8.1	5.4	5.2	4.0	4.1	3.5	3.6	
Euro area <sup>a</sup>									
Gross Domestic Product	1.6	-6.1	5.3 <sup>f</sup>	3.9 <sup>f</sup>	4.8 <sup>f</sup>	5.5 <sup>f</sup>	4.2 <sup>f</sup>	2.3	
Exports of goods	2.9	-9.1	14.3 <sup>f</sup>	13.8 <sup>f</sup>	12.1	17.1 <sup>f</sup>	20.2 <sup>f</sup>	20.1	
Imports of goods	1.7	-10.7	22.1 <sup>f</sup>	23.5 <sup>f</sup>	32.9 <sup>f</sup>	40.7 <sup>f</sup>	45.7 <sup>f</sup>	47.2	
Consumer Price Index	1.2	0.3	2.6	2.8	4.6	6.1	1.8	2.8	
Unemployment rate	7.6	8.0	7.7	7.4	7.1	7.1	6.5 <sup>f</sup>	6.6	
Germany									
Gross Domestic Product	1.1	-4.6	2.6	1.8	1.2	3.9	1.7 <sup>f</sup>	1.1	
Exports of goods	0.8	-9.1	14.3 <sup>f</sup>	11.3 <sup>f</sup>	11.9 <sup>f</sup>	12.2 <sup>f</sup>	15.4 <sup>f</sup>	17.9	
Imports of goods	1.4	-7.0	17.3 <sup>f</sup>	16.0 <sup>f</sup>	22.0 <sup>f</sup>	24.5 <sup>f</sup>	28.6 <sup>f</sup>	31.7	
Consumer Price Index	1.4	0.5	3.1	3.9	5.0	5.8	7.6	8.5	
Unemployment rate	5.0	5.9	5.7	5.5	5.1	5.3	5.0	5.5	
France									
Gross Domestic Product	1.9	-7.9	6.8	3.6 <sup>f</sup>	5.1	4.7 <sup>f</sup>	4.2	1.0	
Exports of goods	3.7	-16.2	16.0 <sup>f</sup>	15.4 <sup>f</sup>	13.5 <sup>f</sup>	20.3 <sup>f</sup>	18.8 <sup>f</sup>	21.9	
Imports of goods	2.4 <sup>f</sup>	-13.3 <sup>f</sup>	17.4 <sup>f</sup>	14.1	25.4 <sup>f</sup>	33.3 <sup>f</sup>	31.9 <sup>f</sup>	36.8	
Consumer Price Index	1.1	0.5	1.6	1.7	2.7	3.7	5.3	5.8	
Unemployment rate	8.4	8.0	7.9	7.9	7.6	7.5	7.1	7.4	
United Kingdom									
Gross Domestic Product	1.6 <sup>f</sup>	-11.0 <sup>f</sup>	7.5 <sup>f</sup>	8.5 <sup>f</sup>	8.9 <sup>f</sup>	10.9 <sup>f</sup>	4.4 <sup>f</sup>	2.4	
Exports of goods	3.7 <sup>f</sup>	-15.5 <sup>f</sup>	5.3 <sup>f</sup>	5.5 <sup>f</sup>	11.4 <sup>f</sup>	19.1 <sup>f</sup>	17.2 <sup>f</sup>	44.2	
Imports of goods	3.6 <sup>f</sup>	-13.9 <sup>f</sup>	8.3 <sup>f</sup>	13.6 <sup>f</sup>	-2.7 <sup>f</sup>	38.3 <sup>f</sup>	39.5 <sup>f</sup>	31.5	
Consumer Price Index	1.8	0.8	2.7	2.8	5.0	6.1	9.2	10.1	
Unemployment rate	3.8	4.6 <sup>f</sup>	4.5	4.3	4.0	3.7	3.8	3.6	

<sup>a</sup> 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 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
<b>Mainland China</b>								
Gross Domestic Product	6.0	2.2	8.1	4.9	4.0	4.8	0.4	3.9
Exports of goods	0.5	3.6	29.8 <sup>f</sup>	24.2	22.9	15.5 <sup>f</sup>	12.5 <sup>f</sup>	10.1
Imports of goods	-2.7	-0.6	30.1	25.4	23.7	10.6 <sup>f</sup>	1.6 <sup>f</sup>	0.9
Consumer Price Index <sup>a</sup>	2.9	2.5	0.9	0.6	0.9	1.1	1.7	2.0
<b>Hong Kong</b>								
Gross Domestic Product	-1.7	-6.5	6.3	5.4	4.7	-3.9	-1.3	-4.5
Exports of goods	-4.1	-1.5	26.3	22.7	23.8	3.4	-2.4	-10.9
Imports of goods	-6.5	-3.3	24.3	25.8	19.0	2.9	1.3	-11.3
Consumer Price Index	2.9	0.3	1.6	2.3	2.0	1.5	1.5	2.7
Unemployment rate	2.9	5.8	5.2	4.7	3.8	5.0	4.8	4.1
<b>Taiwan</b>								
Gross Domestic Product	3.1	3.4	6.6	4.1 <sup>f</sup>	5.2 <sup>f</sup>	3.9 <sup>f</sup>	3.0 <sup>f</sup>	4.0
Exports of goods <sup>b</sup>	-1.5	4.9	29.3	30.1	26.0	23.5	15.4	3.4
Imports of goods <sup>b</sup>	0.3	0.2	33.3	42.5	32.7	25.5	24.1	6.6
Consumer Price Index	0.6	-0.2	2.0	2.3	2.7	2.8	3.5	2.9
Unemployment rate	3.7	3.9	4.0	4.2	3.7	3.6	3.7	3.7
<b>Japan</b>								
Gross Domestic Product <sup>c</sup>	-0.9	-4.6 <sup>f</sup>	2.3	1.2	0.5	0.6 <sup>f</sup>	1.7 <sup>f</sup>	1.8
Exports of goods	-5.6	-11.1	21.5	24.9	15.7	14.5	15.9	23.2
Imports of goods	-5.0	-13.5	24.8 <sup>f</sup>	37.1 <sup>f</sup>	37.6 <sup>f</sup>	34.6 <sup>f</sup>	40.8 <sup>f</sup>	47.6
Consumer Price Index	0.5	-	-0.2	-0.2	0.5	0.9	2.4	2.9
Unemployment rate	2.4	2.8	2.8	2.8	2.6	2.6	2.7	2.6
<b>Republic of Korea</b>								
Gross Domestic Product	2.2	-0.7	4.1	4.0	4.2	3.0	2.9	3.1
Exports of goods	-10.4	-5.5	25.7	26.5	24.5	18.4	13.0	6.0
Imports of goods	-6.0	-7.1	31.5	37.5	39.4	29.8 <sup>f</sup>	23.1	22.8
Consumer Price Index	0.4	0.5	2.5	2.5	3.5	3.8	5.4	5.9
Unemployment rate	3.8	4.0	3.7	2.8	2.9	3.5	3.0	2.5
<b>Singapore</b>								
Gross Domestic Product	1.1	-4.1	7.6	7.5	6.1	3.9 <sup>f</sup>	4.5 <sup>f</sup>	4.1
Exports of goods	-4.2	-3.2	19.1	17.4	26.9	18.8	24.9 <sup>f</sup>	23.5
Imports of goods	-2.1	-7.4	20.4	20.9	31.0	23.1	31.6	28.2
Consumer Price Index	0.6	-0.2	2.3	2.5	3.7	4.6	5.9	7.3
Unemployment rate	2.3	3.0	2.7	2.5	2.1	2.0	2.6 <sup>f</sup>	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	2022	2022	2022
				Q3	Q4	Q1	Q2	Q3
USA								
Gross Domestic Product	2.3	-2.8 <sup>f</sup>	5.9 <sup>f</sup>	2.7 <sup>f</sup>	7.0 <sup>f</sup>	-1.6	-0.6 <sup>f</sup>	2.6
Exports of goods	-2.0	-13.0	22.8	1.4	7.1	2.8	10.1	1.7
Imports of goods	-2.5	-6.5	21.5	1.6	6.2	9.3	2.4	-3.9
Consumer Price Index	1.8	1.2	4.7	1.6	1.9	2.2	2.5	1.4
Unemployment rate <sup>a</sup>	3.7	8.1	5.4	5.1	4.2	3.8	3.6	3.6
Japan								
Gross Domestic Product	-0.9	-4.6 <sup>f</sup>	2.3	-0.6 <sup>f</sup>	1.0	0.1 <sup>f</sup>	1.1 <sup>f</sup>	-0.3
Exports of goods	-5.7	-11.5	21.7	0.4 <sup>f</sup>	4.2 <sup>f</sup>	3.7 <sup>f</sup>	6.6 <sup>f</sup>	6.7
Imports of goods	-4.7	-14.1	25.2	4.5 <sup>f</sup>	5.6 <sup>f</sup>	10.4 <sup>f</sup>	15.7 <sup>f</sup>	9.3
Consumer Price Index	0.5	-	-0.2	0.4	0.3	0.7	1.0	0.8
Unemployment rate <sup>a</sup>	2.4	2.8	2.8	2.8	2.7	2.7	2.6	2.6
Hong Kong								
Gross Domestic Product	-1.7	-6.5	6.3	0.7	-	-2.9	1.0	-2.6
Exports of goods	-4.1	-1.5	26.3	1.0	1.9	-4.2	-7.3	-8.7
Imports of goods	-6.5	-3.3	24.3	1.4	-2.1	-4.5	-1.6	-11.0
Consumer Price Index	2.9	0.3	1.6	-0.8	1.4	0.7	0.3	0.4
Unemployment rate <sup>a</sup>	2.9	5.8	5.2	4.5	4.0	5.0	4.7	3.9

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