

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

In the fourth quarter of 2022, despite continued geopolitical tensions and inflationary pressures, the high supply chain costs began to ease, as demand and inflation cooled down following the tightening of monetary policies in a number of economies, while commodity prices showed signs of decline. However, interest rates are expected to rise further as core inflation in most economies remains higher than the pre-pandemic levels, which will weigh on economic growth, and continue to pose challenges to global economic recovery.

According to the World Economic Outlook (WEO) Update of the International Monetary Fund (IMF) in January 2023, global growth forecast for 2023 was revised upward by 0.2 percentage points to 2.9%, while the forecast for 2024 was marked downward by 0.1 percentage point to 3.1%. The projected growth rate for the US economy in 2023 was raised upward by 0.4 percentage points to 1.4%, and the growth forecast for China was marked upward by 0.8 percentage points to 5.2%. Growth projections for the Euro area and Japan in 2023 were both revised upward by 0.2 percentage points to 0.7% and 1.8% respectively.

The Gross Domestic Product (GDP) of the US in the fourth quarter of 2022 rose by 0.9% year-on-year and 2.7% quarter-to-quarter. Private consumption expenditure, government expenditure in investment and net exports added 0.9 percentage points, 0.6 percentage points and 0.5 percentage points to economic growth respectively, while private domestic fixed investment dragged down the growth by 0.8 percentage points. The unemployment rate reduced by 0.2 percentage points quarter-to-quarter to 3.4%; the seasonally adjusted unemployment rate remained at 3.6%.

The GDP of the Euro area in the fourth quarter grew by 1.8% year-on-year and remained the same quarter-to-quarter. The economy of Germany expanded by 0.3% year-on-year and the economy of France grew by 0.5%. Government final consumption expenditure and inventory change in the Euro area contributed 0.2 percentage points and 0.1 percentage point to the increase respectively, while net exports, fixed capital formation and final consumption expenditure of households and non-profit institutions in the Euro area hampered economic growth by 0.9 percentage points, 0.8 percentage points and 0.4 percentage points respectively. The unemployment rate rose by 0.1 percentage point quarter-to-quarter to 6.7%.

The fourth-quarter GDP of the UK increased by 0.4% year-on-year and stayed the same quarter-to-quarter. Capital formation, government final consumption expenditure and household final consumption expenditure drove up the growth by 0.6 percentage points, 0.2 percentage points and 0.1 percentage point respectively, whereas net exports dragged down the growth by 0.8 percentage points. The seasonally adjusted unemployment rate rose by 0.1 percentage point from the previous quarter to 3.7%.

The WEO Update of IMF in January 2023 indicated that the projected growth rate for the ASEAN-5 economies<sup>a</sup> was 4.3% in 2023, a downgrade of 0.2 percentage points from the forecast in October 2022. The growth forecast for the Middle East and Central Asia was 3.2% in 2023, down by 0.4 percentage points as against the prediction in October. The growth forecast for India was 6.1% in 2023, the same as in the October forecast.

The GDP of Japan in the fourth quarter rose by 0.6% year-on-year and 0.2% quarter-to-quarter. Net exports of goods and services and government consumption expenditure contributed 0.3 percentage points and 0.1 percentage point to economic growth respectively, while private demand and fixed capital formation impeded the growth by 0.3 percentage points and 0.1 percentage point respectively. The unemployment rate decreased by 0.2 percentage points quarter-to-quarter to 2.4%; the seasonally adjusted unemployment rate was 2.5%, down by 0.1 percentage point from the previous quarter.

The fourth-quarter GDP of the Republic of Korea increased by 1.4% year-on-year but decreased by 0.4% quarter-to-quarter. Government consumption expenditure, final consumption expenditure and fixed capital formation added 0.8 percentage points, 0.4 percentage points and 0.2 percentage points to the rise respectively. On the other hand, net exports hampered the growth by 0.6 percentage points. The unemployment rate rose by 0.1 percentage point from the previous quarter to 2.6%.

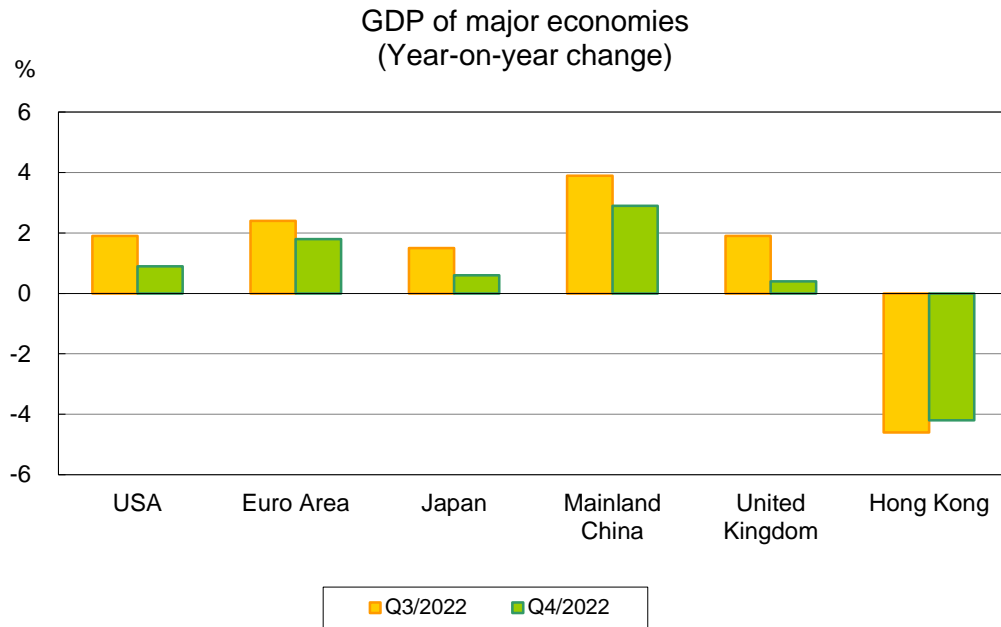
The fourth-quarter GDP of mainland China rose by 2.9% year-on-year, 1.0 percentage point lower than the growth in the previous quarter. For the whole year of 2022, the GDP showed an increase of 3.0%; final consumption expenditure contributed 1.0 percentage point to the GDP growth, whereas gross capital formation and net export of goods and services added 1.5 percentage points and 0.5 percentage points respectively. The value added of the above-scale industries increased by 3.6% year-on-year in 2022. Fixed asset investment (excluding farmers) grew by 5.1% year-on-year; total retail sales of consumer goods went down by 0.2%, with sales of petroleum & related products expanding by 9.7% while cosmetics, communication appliances and commodities reducing by 4.5%, 3.4% and 0.7% respectively. As regards external trade, total value of external trade<sup>b</sup> in 2022 recorded a year-on-year growth of 7.7%. Besides, consumer prices rose by 2.0% year-on-year in 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 4.2% year-on-year and held stable quarter-to-quarter in the fourth quarter. Government consumption expenditure, exports of services and private consumption expenditure rose by 9.1%, 2.0% and 1.9% respectively. Gross fixed capital formation decreased by 10.9%. The seasonally adjusted unemployment rate dipped by 0.4 percentage points over the previous quarter to 3.5%.



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

	2020	2021	2022	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	%
USA									
Gross Domestic Product	-2.8	5.9	2.1	5.7	3.7	1.8	1.9 <sup>f</sup>		0.9
Exports of goods	-13.0	22.8	17.7	22.3	18.2	22.1	22.8 <sup>f</sup>		8.6
Imports of goods	-6.5	21.5	14.7	19.0	22.6	20.7	14.2		3.1
Consumer Price Index	1.2	4.7	8.0	6.7	8.0	8.6	8.3		7.1
Unemployment rate	8.1	5.4	3.7	4.0	4.1	3.5	3.6		3.4
Euro area <sup>a</sup>									
Gross Domestic Product	-6.1	5.3	3.5	4.8	5.5	4.4 <sup>f</sup>	2.4 <sup>f</sup>		1.8
Exports of goods	-9.1	14.3	18.0	12.1	17.2 <sup>f</sup>	20.3 <sup>f</sup>	20.1		14.8
Imports of goods	-10.7	22.2 <sup>f</sup>	37.5	33.0 <sup>f</sup>	40.8 <sup>f</sup>	45.6 <sup>f</sup>	47.2		19.8
Consumer Price Index	0.3	2.6	8.4	4.6	6.1	8.0 <sup>f</sup>	9.3 <sup>f</sup>		10.0
Unemployment rate	8.0	7.7	6.7	7.1	7.1	6.5	6.6		6.7
Germany									
Gross Domestic Product	-4.6	2.6	1.8	1.2	3.9	1.7	1.3 <sup>f</sup>		0.3
Exports of goods	-9.1	14.3	14.2	11.9	12.3 <sup>f</sup>	15.9 <sup>f</sup>	17.9		10.8
Imports of goods	-7.0	17.3	5.7	22.0	24.5	28.6	32.0 <sup>f</sup>		13.0
Consumer Price Index	0.5	3.1	6.9	4.7 <sup>f</sup>	4.8 <sup>f</sup>	6.7 <sup>f</sup>	7.4 <sup>f</sup>		8.6
Unemployment rate	5.9	5.7	5.3	5.1	5.3	5.0	5.5		5.3
France									
Gross Domestic Product	-7.9	6.8	2.6	5.1	4.8 <sup>f</sup>	4.2	1.0		0.5
Exports of goods	-16.3 <sup>f</sup>	16.6 <sup>f</sup>	18.9	13.8 <sup>f</sup>	18.2 <sup>f</sup>	18.7 <sup>f</sup>	22.7 <sup>f</sup>		16.2
Imports of goods	-13.4 <sup>f</sup>	18.6 <sup>f</sup>	29.5	26.0 <sup>f</sup>	28.9 <sup>f</sup>	32.0 <sup>f</sup>	38.9 <sup>f</sup>		19.3
Consumer Price Index	0.5	1.6	5.2	2.7	3.7	5.3	5.8		6.1
Unemployment rate	8.0	7.9	7.3	7.6	7.5	7.1	7.4		7.1
United Kingdom									
Gross Domestic Product	-11.0	7.6 <sup>f</sup>	4.0	8.9	10.5 <sup>f</sup>	3.9 <sup>f</sup>	1.9 <sup>f</sup>		0.4
Exports of goods	-15.5	5.3	28.5	11.5 <sup>f</sup>	19.2 <sup>f</sup>	16.7 <sup>f</sup>	48.2 <sup>f</sup>		30.0
Imports of goods	-13.9	11.8 <sup>f</sup>	31.1	0.7 <sup>f</sup>	36.4 <sup>f</sup>	36.6 <sup>f</sup>	29.9 <sup>f</sup>		22.6
Consumer Price Index	0.8	2.7	9.1	5.0	6.1	9.2	10.1		10.8
Unemployment rate	4.6	4.5	3.7	4.0	3.7	3.8	3.6		3.7

<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)

%

	2020	2021	2022	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
<b>Mainland China</b>								
Gross Domestic Product	2.2	8.1	3.0	4.3 <sup>f</sup>	4.8	0.4	3.9	2.9
Exports of goods	3.6	29.6 <sup>f</sup>	7.0	22.7 <sup>f</sup>	15.5	12.4 <sup>f</sup>	10.3 <sup>f</sup>	-6.6
Imports of goods	-0.6 <sup>f</sup>	30.0 <sup>f</sup>	1.1	23.7 <sup>f</sup>	10.6	1.2 <sup>f</sup>	0.6 <sup>f</sup>	-6.5
Consumer Price Index <sup>a</sup>	2.5	0.9	2.0	0.9	1.1	1.7	2.0 <sup>f</sup>	2.0
<b>Hong Kong</b>								
Gross Domestic Product	-6.5	6.4 <sup>f</sup>	-3.5	4.7	-3.9	-1.2 <sup>f</sup>	-4.6 <sup>f</sup>	-4.2
Exports of goods	-1.5	26.3	-8.6	23.8	3.4	-2.4	-10.9	-21.7
Imports of goods	-3.3	24.3	-7.2	19.0	2.9	1.3	-11.3	-18.8
Consumer Price Index	0.3	1.6	1.9	2.0	1.5	1.5	2.7	1.8
Unemployment rate	5.8	5.2	4.3	3.8	5.0	4.8	4.1	3.3
<b>Taiwan</b>								
Gross Domestic Product	3.4	6.5 <sup>f</sup>	2.5	5.2	3.9	3.0	3.6 <sup>f</sup>	-0.4
Exports of goods <sup>b</sup>	4.9	29.2 <sup>f</sup>	7.5	25.5 <sup>f</sup>	23.5	15.4	3.3 <sup>f</sup>	-8.3
Imports of goods <sup>b</sup>	0.2	33.5 <sup>f</sup>	12.1	33.0 <sup>f</sup>	25.8 <sup>f</sup>	24.5 <sup>f</sup>	6.4 <sup>f</sup>	-4.3
Consumer Price Index	-0.2	2.0	3.0	2.7	2.8	3.4 <sup>f</sup>	2.9	2.6
Unemployment rate	3.9	4.0	3.7	3.7	3.6	3.7	3.7	3.6
<b>Japan</b>								
Gross Domestic Product <sup>c</sup>	-4.3 <sup>f</sup>	2.1 <sup>f</sup>	1.1	0.8 <sup>f</sup>	0.5 <sup>f</sup>	1.7	1.5 <sup>f</sup>	0.6
Exports of goods	-11.1	21.5	18.2	15.7	14.5	15.9	23.2	18.7
Imports of goods	-13.5	24.8	39.2	37.6	34.6	40.8	47.6	34.0
Consumer Price Index	-	-0.2	2.5	0.5	0.9	2.4	2.9	3.9
Unemployment rate	2.8	2.8	2.6	2.6	2.6	2.7	2.6	2.4
<b>Republic of Korea</b>								
Gross Domestic Product	-0.7	4.1	2.6	4.2	3.0	2.9	3.1	1.4
Exports of goods	-5.5	25.7	6.1	24.5	18.4	13.0	5.8 <sup>f</sup>	-9.9
Imports of goods	-7.1	31.5	18.9	39.4	30.0 <sup>f</sup>	22.9 <sup>f</sup>	22.6 <sup>f</sup>	3.1
Consumer Price Index	0.5	2.5	5.1	3.5	3.8	5.4	5.9	5.3
Unemployment rate	4.0	3.7	2.9	2.9	3.5	3.0	2.5	2.6
<b>Singapore</b>								
Gross Domestic Product	-3.9 <sup>f</sup>	8.9	3.6	6.6 <sup>f</sup>	4.0 <sup>f</sup>	4.5	4.0 <sup>f</sup>	2.1
Exports of goods	-3.2	19.1	15.6	26.9	18.8	24.9	23.4 <sup>f</sup>	-2.3
Imports of goods	-7.4	20.4	20.1	31.0	23.1	31.6	28.1 <sup>f</sup>	0.5
Consumer Price Index	-0.2	2.3	6.1	3.7	4.6	5.9	7.3	6.6
Unemployment rate	3.0	2.7	2.1	2.1	2.0	2.6	2.0 <sup>f</sup>	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-TO-QUARTER COMPARISON)

%

	2020	2021	2022	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
<b>USA</b>								
Gross Domestic Product	-2.8	5.9	2.1	7.0	-1.6	-0.6	3.2 <sup>f</sup>	2.7
Exports of goods	-13.0	22.8	17.7	7.1	2.5 <sup>f</sup>	10.1	1.5 <sup>f</sup>	-5.4
Imports of goods	-6.5	21.5	14.7	6.2	8.9 <sup>f</sup>	2.4	-3.9	-3.3
Consumer Price Index	1.2	4.7	8.0	1.9	2.3 <sup>f</sup>	2.3 <sup>f</sup>	1.4	1.0
Unemployment rate <sup>a</sup>	8.1	5.4	3.6	4.2	3.8	3.6	3.6	3.6
<b>Japan</b>								
Gross Domestic Product	-4.3 <sup>f</sup>	2.1 <sup>f</sup>	1.1	1.1 <sup>f</sup>	-0.4 <sup>f</sup>	1.1	-0.3	0.2
Exports of goods	-11.5	21.7	18.2	3.8 <sup>f</sup>	5.7 <sup>f</sup>	6.0 <sup>f</sup>	5.4 <sup>f</sup>	0.7
Imports of goods	-14.1	25.2	39.9	7.1 <sup>f</sup>	10.9 <sup>f</sup>	14.0 <sup>f</sup>	8.9 <sup>f</sup>	-0.8
Consumer Price Index	-	-0.2	2.5	0.3	0.7	1.0	0.9 <sup>f</sup>	1.1
Unemployment rate <sup>a</sup>	2.8	2.8	2.6	2.7	2.7	2.6	2.6	2.5
<b>Hong Kong</b>								
Gross Domestic Product	-6.5	6.4 <sup>f</sup>	-3.5	-0.5 <sup>f</sup>	-1.8 <sup>f</sup>	0.3 <sup>f</sup>	-2.6	-
Exports of goods	-1.5	26.3	-8.6	2.0 <sup>f</sup>	-6.3 <sup>f</sup>	-7.4 <sup>f</sup>	-7.5 <sup>f</sup>	-6.6
Imports of goods	-3.3	24.3	-7.2	-1.0 <sup>f</sup>	-6.3 <sup>f</sup>	-1.3 <sup>f</sup>	-10.5 <sup>f</sup>	-6.8
Consumer Price Index	0.3	1.6	1.9	1.5 <sup>f</sup>	0.6 <sup>f</sup>	0.2 <sup>f</sup>	0.5 <sup>f</sup>	0.6
Unemployment rate <sup>a</sup>	5.8	5.2	4.3	4.0	5.0	4.7	3.9	3.5

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