

Global Economy in the Fourth Quarter of 2021

In the fourth quarter of 2021, the tightening of mobility restrictions across countries in the face of the worldwide spread of Delta variant and the emergence of Omicron variant at the end of the year has hindered global economic recovery. Coronavirus outbreaks in key links of global supply chains have caused prolonged supply disruptions, which have pushed up inflation in many countries. Thus, the global economy continued to face high uncertainty.

A number of economies showed year-on-year growth in the fourth quarter of 2021. The US economy sustained growth, with Gross Domestic Product (GDP) in the fourth quarter rising by 5.6% year-on-year and 7.0% quarter-to-quarter. Private consumption expenditure added 2.1 percentage points to economic growth. Private domestic fixed investment drove up the growth by 0.5 percentage points, while government expenditure and investment dragged down the growth by 0.5 percentage points. Net exports did not contribute to the growth. The unemployment rate dropped by 1.2 percentage points quarter-to-quarter to 4.0%; the seasonally adjusted unemployment rate went down by 0.9 percentage points to 4.2%.

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The economy of the Euro area continued to improve, with the GDP in the fourth quarter rising by 4.6% year-on-year and 0.3% quarter-to-quarter. The economy of Germany expanded by 1.8% year-on-year and the economy of France grew by 5.4%. Gross fixed capital formation, inventory change and government final consumption expenditure in the Euro area contributed 0.7 percentage points, 0.3 percentage points and 0.1 percentage point to the increase respectively, while net exports and final consumption expenditure of households and non-profit institutions hampered the growth by 0.6 percentage points and 0.3 percentage points respectively. The unemployment rate decreased by 0.3 percentage points quarter-to-quarter to 7.1%.

The UK economy slowed down. The fourth-quarter GDP increased by 6.5% year-on-year and 1.0% quarter-to-quarter. Household final consumption expenditure, government final consumption expenditure and net exports drove up the growth by 0.7 percentage points, 0.5 percentage points and 1.6 percentage points respectively, whereas capital formation impeded the growth by 1.8 percentage points. The unemployment rate fell by 0.2 percentage points from the previous quarter to 4.1%.

The WEO Update of IMF in January 2022 indicated that the projected growth rate for the ASEAN-5 economies^a was revised downward by 0.2 percentage points compared to the October forecast to 5.6% in 2022. The growth forecast for the Middle East and Central Asia was 4.3% in 2022, up by 0.2 percentage points as against the October forecast. The growth forecast for India was 9.0% in 2022, up by 0.5 percentage points compared to the October forecast.

The economy of Japan showed a slowdown, with the GDP in the fourth quarter rising by 0.7% year-on-year and 1.3% quarter-to-quarter. Private demand and net exports of goods and services contributed 1.3 percentage points and 0.2 percentage points to economic growth respectively, while government consumption expenditure and fixed capital formation hampered the growth by 0.1 percentage point. The unemployment rate edged down by 0.2 percentage points quarter-to-quarter to 2.6%; the seasonally adjusted unemployment rate dropped by 0.1 percentage point to 2.7%.

The fourth-quarter GDP of the Republic of Korea increased by 4.2% year-on-year and 1.2% quarter-to-quarter. Final consumption expenditure, government consumption expenditure, fixed capital formation and net exports added 1.0 percentage point, 0.8 percentage points, 0.4 percentage points and 0.3 percentage points to the increase respectively. The unemployment rate rose by 0.1 percentage point from the previous quarter to 2.9%.

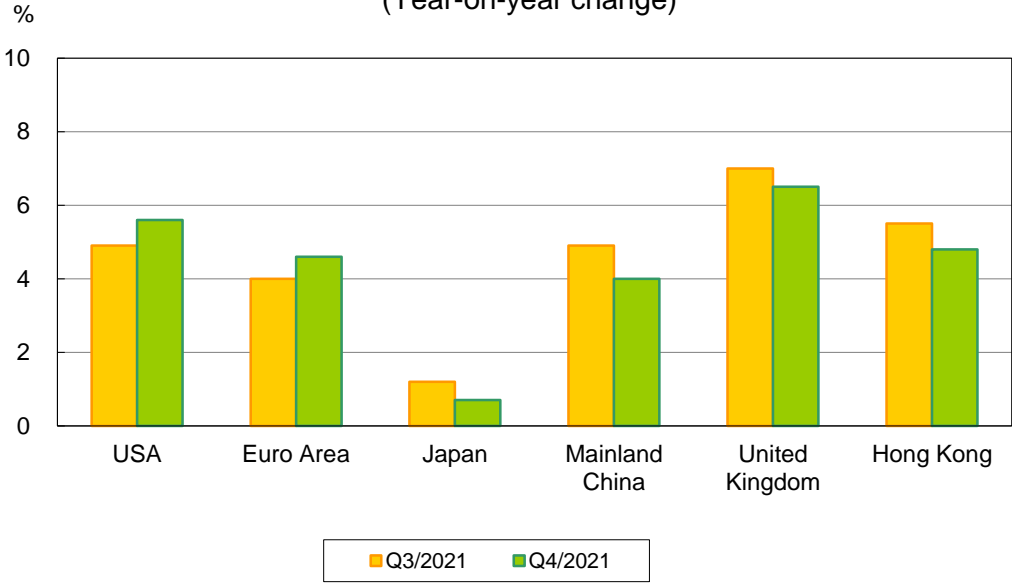
China's economy continued to recover, with the fourth-quarter GDP rising by 4.0% year-on-year, down by 0.9 percentage points from the previous quarter. For the whole year of 2021, the GDP showed an increase of 8.1%; final consumption expenditure contributed 5.3 percentage points to the GDP growth, whereas gross capital formation and net export of goods and services added 1.1 percentage points and 1.7 percentage points respectively. The value added of the above-scale industries rose by 9.6% year-on-year in 2021. Fixed asset investment (excluding farmers) grew by 4.9% year-on-year; total retail sales of consumer goods went up by 12.5%, with sales of petroleum & related products, communication appliances, commodities and cosmetics expanding by 21.2%, 14.6%, 14.4% and 14.0% respectively. As regards external trade^b, total value of external trade in 2021 went up by 21.4% year-on-year. Inflation increased, with the Consumer Price Index (CPI) for 2021 rising by 0.9% year-on-year.

The Hong Kong economy expanded by 4.8% year-on-year and 0.2% quarter-to-quarter in the fourth quarter. Private consumption expenditure rose by 5.8%. Gross fixed capital formation grew by 0.1%. Exports of services increased by 6.9% and government consumption expenditure went up by 4.1%. The seasonally adjusted unemployment rate dropped by 0.6 percentage points over the previous quarter to 3.9%.

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

b Total value of external trade in RMB

GDP of major economies
(Year-on-year change)



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

	2019	2020	2021	2020 Q4	2021 Q1	2021 Q2	2021 Q3
USA							
Gross Domestic Product	2.3	-3.4	5.7	-2.3	0.5	12.2	4.9
Exports of goods	-1.5	-13.5	23.3	-5.9	2.7	51.0	23.8 ^f
Imports of goods	-1.7	-6.5	21.3	4.2	11.6	37.9	19.4
Consumer Price Index	1.8	1.2	4.7	1.2	1.9	4.8	5.3
Unemployment rate	3.7	8.1	5.4	6.5	6.5	5.8	5.2
Euro area ^a							
Gross Domestic Product	1.6	-6.4	5.3	-4.3 ^f	-0.9 ^f	14.6 ^f	4.0 ^f
Exports of goods	2.9	-9.1 ^f	14.1	-2.7 ^f	0.7 ^f	34.4 ^f	13.6 ^f
Imports of goods	1.7	-10.7 ^f	21.4	-5.5	0.4 ^f	34.0 ^f	22.8 ^f
Consumer Price Index	1.2	0.3	2.6	-0.3	1.1	1.8	2.8
Unemployment rate	7.6	7.9	7.7	8.1	8.5	7.9	7.4
Germany							
Gross Domestic Product	1.1	-4.6	2.9	-1.9	-3.0 ^f	10.8 ^f	2.8 ^f
Exports of goods	0.8	-9.1	14.0	-1.7	2.5	34.7	11.1 ^f
Imports of goods	1.4	-7.0	17.1	-0.8	2.3	31.1	15.8 ^f
Consumer Price Index	1.4	0.5	3.1	-0.3	1.4	2.3	3.9
Unemployment rate	5.0	5.9	5.7	5.9	6.3	5.9	5.5
France							
Gross Domestic Product	1.8	-8.0	7.0	-4.3	1.7 ^f	19.0 ^f	3.5 ^f
Exports of goods	3.7 ^f	-16.2	16.4	-7.5	0.4 ^f	43.8 ^f	15.6 ^f
Imports of goods	2.3	-13.4	18.4	-7.9 ^f	2.8	35.2 ^f	14.2 ^f
Consumer Price Index	1.1	0.5	1.6	0.1	0.7	1.4	1.7
Unemployment rate	8.4	8.0	7.9	8.3	8.3	7.6	7.9
United Kingdom							
Gross Domestic Product	1.7	-9.4 ^f	7.5	-6.4 ^f	-5.0 ^f	24.6 ^f	7.0 ^f
Exports of goods	6.0	-17.0	3.8	-20.3	-11.8 ^f	14.2 ^f	3.7 ^f
Imports of goods	3.5	-14.1 ^f	8.7	8.5 ^f	-1.8 ^f	32.6 ^f	14.0 ^f
Consumer Price Index	1.8	0.8	2.7	0.5	0.6	2.0	2.8
Unemployment rate	3.8	4.5	4.5	5.2	4.9	4.7	4.3

^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	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Mainland China								
Gross Domestic Product	6.0 ^f	2.2 ^f	8.1	6.4 ^f	18.3	7.9	4.9	4.0
Exports of goods	0.5	3.6	29.9	16.6	48.8	30.6 ^f	24.2 ^f	23.0
Imports of goods	-2.7	-0.6	30.1	5.7	29.4	44.0	25.6 ^f	23.7
Consumer Price Index ^a	2.9	2.5	0.9	2.5	-	0.5	0.6	0.9
Hong Kong								
Gross Domestic Product	-1.7	-6.5 ^f	6.4	-3.4 ^f	8.0	7.6	5.5 ^f	4.8
Exports of goods	-4.1	-1.5	26.3	5.3	33.2	27.2	22.7	23.8
Imports of goods	-6.5	-3.3	24.3	6.6	25.6	27.9	25.8	19.0
Consumer Price Index	2.9	0.3	1.6	-0.6	1.2	0.8	2.3	2.0
Unemployment rate	2.9	5.8	5.2	6.3	6.7	5.5	4.7	3.7
Taiwan								
Gross Domestic Product	3.1	3.4	6.5	5.3	9.2	7.8	4.4 ^f	4.9
Exports of goods ^b	-1.5	4.9	29.3	11.7	24.6	37.3	30.1	26.0
Imports of goods ^b	0.3	0.2 ^f	33.3	3.4 ^f	21.4 ^f	36.6 ^f	42.5 ^f	32.7
Consumer Price Index	0.6	-0.2	2.0	-	0.8	2.1	2.3	2.7
Unemployment rate	3.7	3.9	4.0	3.7	3.7	4.2	4.2	3.7
Japan								
Gross Domestic Product ^c	-0.2 ^f	-4.5 ^f	1.7	-0.8 ^f	-1.8 ^f	7.3 ^f	1.2 ^f	0.7
Exports of goods	-5.6	-11.1	21.5	-0.8	6.0	45.0	24.9	15.7
Imports of goods	-5.0	-13.5	24.3	-11.4	1.9	23.6	36.8	37.3
Consumer Price Index	0.5	-	-0.2	-0.9	-0.5	-0.7	-0.2	0.5
Unemployment rate	2.4	2.8	2.8	2.9	2.8	3.0	2.8	2.6
Republic of Korea								
Gross Domestic Product	2.2	-0.9	4.0	-1.1	1.9	6.0	4.0	4.2
Exports of goods	-10.4	-5.5	25.7	4.1	12.5	42.0 ^f	26.5	24.5
Imports of goods	-6.0	-7.1	31.5	-1.7	12.4 ^f	37.7 ^f	37.5	39.4
Consumer Price Index	0.4	0.5	2.5	0.5 ^f	1.4 ^f	2.5	2.5 ^f	3.5
Unemployment rate	3.8	4.0	3.7	3.7	5.0	3.9	2.8	2.9
Singapore								
Gross Domestic Product	1.1 ^f	-4.1 ^f	7.6	-0.9 ^f	2.0 ^f	15.8 ^f	7.5 ^f	6.1
Exports of goods	-4.2	-3.2	19.1	-2.9	6.9	26.0 ^f	17.4	26.9
Imports of goods	-2.1	-7.4	20.4	-7.6	2.7	28.6	20.9 ^f	31.0
Consumer Price Index	0.6	-0.2	2.3	-0.1	0.8	2.3	2.5	3.7
Unemployment rate	2.3	3.0	2.6	2.8	2.6	3.4 ^f	2.5 ^f	2.0

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	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
USA								
Gross Domestic Product	2.3	-3.4	5.7	4.5	6.3	6.7	2.3 ^f	7.0
Exports of goods	-1.5	-13.5	23.3	7.6	6.5 ^f	7.0 ^f	1.1 ^f	7.1
Imports of goods	-1.7	-6.5	21.3	5.8	6.1 ^f	4.3	1.4	5.8
Consumer Price Index	1.8	1.2	4.7	0.6	1.0 ^f	2.0	1.6	1.9
Unemployment rate ^a	3.7	8.1	5.4	6.8	6.2	5.9	5.1	4.2
Japan								
Gross Domestic Product	-0.2 ^f	-4.5 ^f	1.7	1.8 ^f	-0.5 ^f	0.6 ^f	-0.7 ^f	1.3
Exports of goods	-5.7	-11.4 ^f	21.7	12.0 ^f	3.9 ^f	6.2 ^f	1.0 ^f	3.7
Imports of goods	-4.7	-14.1	24.9	5.3 ^f	9.6 ^f	11.8 ^f	5.8 ^f	6.3
Consumer Price Index	0.5	-	-0.2	-0.5 ^f	0.4 ^f	-0.6 ^f	0.4	0.3
Unemployment rate ^a	2.4	2.8	2.8	3.0	2.8	2.9	2.8	2.7
Hong Kong								
Gross Domestic Product	-1.7	-6.5 ^f	6.4	0.7 ^f	5.7 ^f	-1.6 ^f	0.6 ^f	0.2
Exports of goods	-4.1	-1.5	26.3	4.6 ^f	14.3 ^f	-4.2 ^f	1.0 ^f	1.9
Imports of goods	-6.5	-3.3	24.3	7.3 ^f	10.0 ^f	-0.7 ^f	1.4 ^f	-2.1
Consumer Price Index	2.9	0.3	1.6	1.6 ^f	1.1	0.3	-0.8 ^f	1.4
Unemployment rate ^a	2.9	5.8	5.2	6.5	6.8	5.5	4.5	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