

## **Global Economy in the Fourth Quarter of 2015**

Global economic growth remained moderate in the fourth quarter of 2015. The US economy continued to grow, the Euro area saw steady rise while Japan showed volatile economic performance. The tightening in monetary policy in the United States caused significant turbulence to the global financial and foreign exchange markets, posing threats to global economic recovery. Meanwhile, declining demand in advanced countries dragged down the rate of growth in emerging economies. With the continued decrease in commodity and energy prices, as well as slowdown in global manufacturing activities, trade activity saw noticeable decline. The World Economic Outlook (WEO) Update of the International Monetary Fund (IMF) in January 2016 indicated that modest recovery continued in advanced economies while growth in developing economies remained slow. Global economic growth is expected to stay at 3.1% in 2015, and the growth projection for 2016 is revised down by 0.2 percentage points to 3.4%.

The US economy maintained growth in the fourth quarter, with Gross Domestic Product (GDP) rising by 1.9% year-on-year and 1.0% quarter-to-quarter; annual economic growth for 2015 was 2.4%. Private consumption expenditure was the major impetus for economic growth, adding 1.3 percentage points to the increase, of which services industry contributed 0.9 percentage points. Gross fixed capital formation lowered the growth rate by 0.1 percentage point and falling exports dragged down the rate by 0.3 percentage points. The unemployment rate decreased by 0.4 percentage points quarter-to-quarter to 4.8%; the seasonally adjusted unemployment rate stood at 5.0%. For the whole year of 2015, the unemployment rate was 5.3%, down by 0.9 percentage points year-on-year.

The Euro area returned to moderate growth, with steady increase in the German and French economies. The fourth quarter GDP increased by 1.6% year-on-year; annual growth rate was also 1.6%, slightly higher than the growth in 2014. Inventory, consumption expenditure of households and non-profit institutions, government final consumption expenditure and exports contributed 0.1 percentage point each to the economic growth. Gross fixed capital formation added 0.3 percentage points to the increase, while imports lowered the growth by 0.4 percentage points. The unemployment rate increased by 0.3 percentage points quarter-to-quarter to 10.6%.

The UK economy saw steady growth, with the fourth quarter GDP rising by 1.9% year-on-year and 0.5% quarter-to-quarter. Annual growth for 2015 was 2.2%. Household final consumption expenditure was the main driver of economic growth, contributing 0.4 percentage points to the increase. Government expenditure and capital formation added 0.1 and 0.3 percentage points respectively to the economic growth, while net exports dragged down the increase by 0.4 percentage points. The unemployment rate improved, falling by 0.2 percentage points quarter-to-quarter to 5.1% in the fourth quarter; the annual rate for 2015 dropped by 0.8 percentage points year-on-year to 5.4%.

Affected by the economic slowdown in China and sluggish external demand, pace of growth in the emerging markets and developing economies in the Asian region continued to slow. The January 2016 WEO of IMF indicated that the ASEAN 5 economies<sup>a</sup> are projected to grow by 4.7% in 2015, up by 0.1 percentage point from the October forecast; the projection for the Middle East, North Africa, Afghanistan and Pakistan is 2.5% and that for India is 7.3%, both unchanged from the October forecast; the projection for China is revised upward by 0.1 percentage point to 6.9%.

The fourth quarter GDP of Japan rose by 0.5% year-on-year but contracted by 0.4% quarter-to-quarter; economic growth for 2015 was 0.4%. Declining exports lowered the economic growth by 0.2 percentage points, while domestic demand dragged down the increase by 0.5 percentage points. Government expenditure contributed 0.1% to the rate of growth. The unemployment rate dropped by 0.3 percentage points to 3.1%; the seasonally adjusted rate decreased by 0.1 percentage point to 3.3%.

The economy of the Republic of Korea saw steady growth, with the fourth quarter GDP rising by 3.0% year-on-year and 0.6% quarter-to-quarter. Annual economic growth for 2015 was 2.6%, slightly slower than the growth in 2014. Final consumption expenditure contributed 1.0 percentage point to the economic growth, while exports of goods and services added 1.0 percentage point to the increase. With a decline in construction investment, gross fixed capital formation dragged down the economic growth by 0.8 percentage points. The unemployment rate decreased by 0.3 percentage points quarter-to-quarter to 3.1% in the fourth quarter but rose by 0.1% year-on-year to 3.6% in 2015.

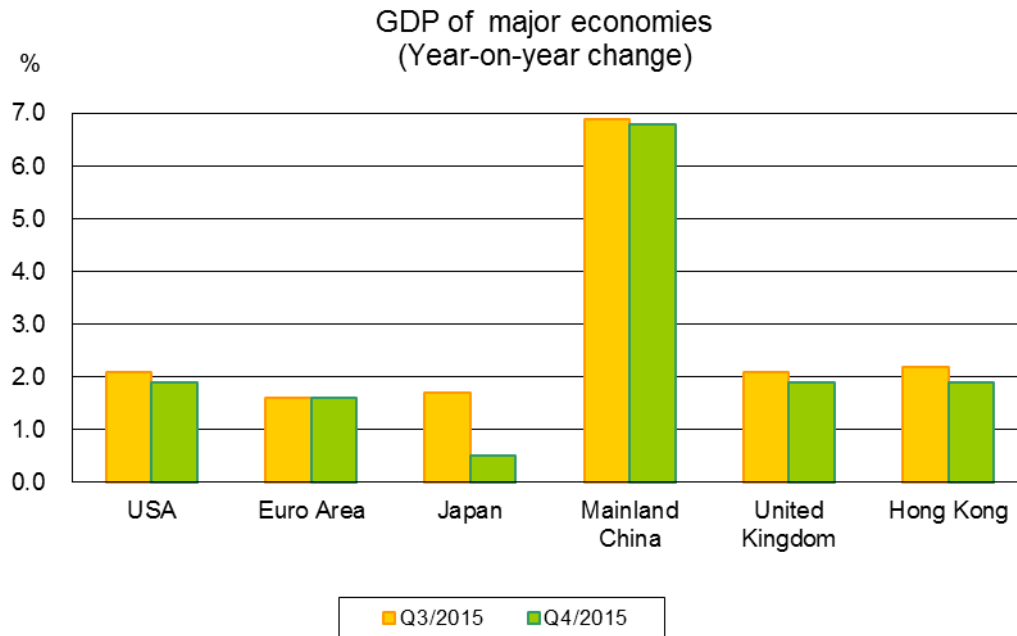
In Mainland China, GDP for the fourth quarter expanded by 6.8% year-on-year, down by 0.1 percentage point from the previous quarter; economic growth for 2015 was 6.9%. In 2015, value added of the above-scale industries rose by 6.1% year-on-year; gross fixed capital formation increased by 10.0% year-on-year, down by 2.9 percentage points from the previous year; retail sales of consumer goods rose by 10.7% year-on-year, of which sales of communication equipment increased by 29.3%, construction and decoration materials by 18.7% and furniture by 16.1%. Total value of external trade for 2015 decreased by 8.0% year-on-year and the trade surplus amounted to USD593.0 billion; exports and imports of goods in the fourth quarter decreased by 5.1% and 11.5% respectively year-on-year. The Consumer Price Index (CPI) for the fourth quarter increased by 1.4% year-on-year and the annual growth for 2015 was 1.4%, indicating moderate inflationary pressures.

The economy of Hong Kong grew at a slower pace of 1.9% year-on-year and 0.2% quarter-to-quarter in the fourth quarter; annual growth for 2015 was 2.4%. Private consumption expenditure continued to slow, rising by 3.2% year-on-year in the fourth quarter. Government consumption expenditure rose by 3.5% year-on-year. Due to the continued instability in the external environment, machinery and equipment acquisition declined further while building and construction

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<sup>a</sup> Indonesia, Malaysia, the Philippines, Thailand and Vietnam

works weakened, causing gross fixed capital formation to drop by 9.7% year-on-year. Sluggish global trade activity continued to be a drag on the trade performance of Hong Kong. Merchandise exports contracted for three consecutive quarters, falling by 2.9% year-on-year in the fourth quarter, yet representing a quarter-to-quarter rise of 1.1%. With a decrease in visitor arrivals, exports of services fell by 2.7% year-on-year in the fourth quarter. The unemployment rate declined by 0.4 percentage points to 3.1% in the fourth quarter, with a seasonally adjusted rate of 3.3%; the annual rate held stable compared with 2014, at 3.3%.



# I. PRINCIPAL ECONOMIC INDICATORS OF THE WORLD AND MACAO

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

	2013	2014	2015	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	%
<b>USA</b>									
Gross Domestic Product	1.5	2.4	2.4	2.5	2.9	2.7	2.1 <sup>f</sup>	1.9	
Exports of goods	2.1	2.7	-7.1	0.9	-4.8	-5.5	-7.7	-10.4	
Imports of goods	-0.3	3.5	-4.5	3.3	-1.9	-4.8	-4.9	-6.4	
Consumer Price Index	1.5	1.6	0.1	1.2	-0.1	-	0.1	0.5	
Unemployment rate	7.4	6.2	5.3	5.5	5.8	5.3	5.2	4.8	
<b>Euro area <sup>a</sup></b>									
Gross Domestic Product	-0.3	0.9	1.6	1.0 <sup>f</sup>	1.3	1.6	1.6	1.6	
Exports of goods	1.0 <sup>f</sup>	2.2 <sup>f</sup>	5.3	4.4 <sup>f</sup>	5.6	8.2	4.4	3.1	
Imports of goods	-3.0 <sup>f</sup>	0.7 <sup>f</sup>	2.3	0.6 <sup>f</sup>	1.9 <sup>f</sup>	4.2 <sup>f</sup>	0.8 <sup>f</sup>	2.2	
Consumer Price Index	1.3	0.4	-	0.2	-0.3	0.2	0.1	0.2	
Unemployment rate	12.0	11.6	10.9	11.6	11.6	10.9	10.3	10.6	
<b>Germany</b>									
Gross Domestic Product	0.3	1.6	1.7	1.6	1.3 <sup>f</sup>	1.6	1.7 <sup>f</sup>	2.1	
Exports of goods	-0.4	3.3	6.4	4.7	6.3	9.1	5.7 <sup>f</sup>	4.8	
Imports of goods	-1.0	2.2	4.2	2.4	2.7	4.8	5.2 <sup>f</sup>	4.0	
Consumer Price Index	1.5	0.9	0.2	0.5	-	0.5	0.1	0.3	
Unemployment rate	6.9	6.7	6.4	6.3	6.9	6.3	6.3	6.0	
<b>French</b>									
Gross Domestic Product	0.7	0.2	1.1	1 <sup>f</sup>	0.9	1.1	1.1 <sup>f</sup>	1.4	
Exports of goods	-1.6	-0.3 <sup>f</sup>	3.8	2.8	2.6	6.8 <sup>f</sup>	4.1	1.8	
Imports of goods	-2.4	-0.7	0.8	-0.8 <sup>f</sup>	-0.2	1.9 <sup>f</sup>	-0.9	2.5	
Consumer Price Index	0.9	0.5	-	0.3	-0.2	0.2	0.1	0.1	
Unemployment rate	10.3	10.3	10.4	10.8	10.9	10.1	10.1 <sup>f</sup>	10.5	
<b>United Kingdom</b>									
Gross Domestic Product	2.2	2.9	2.2	2.8 <sup>f</sup>	2.6 <sup>f</sup>	2.4	2.1 <sup>f</sup>	1.9	
Exports of goods	0.6	-4.1 <sup>f</sup>	-2.8	0.3 <sup>f</sup>	-2.7 <sup>f</sup>	0.9 <sup>f</sup>	-3.0 <sup>f</sup>	-6.2	
Imports of goods	2.6	-1.1 <sup>f</sup>	-1.5	1.1 <sup>f</sup>	2.6 <sup>f</sup>	-1.8 <sup>f</sup>	-2.0 <sup>f</sup>	-4.6	
Consumer Price Index	2.5	1.5	-	0.9	0.1 <sup>f</sup>	-	-	0.1	
Unemployment rate	7.6	6.2	5.4	5.7	5.5	5.6	5.3	5.1	

<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

# I. PRINCIPAL ECONOMIC INDICATORS OF THE WORLD AND MACAO

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

%

	2013	2014	2015	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4
<b>Mainland China</b>								
Gross Domestic Product	7.7	7.4	6.9	7.3	7.0	7.0	6.9	6.8
Exports of goods	7.8	6.0	-2.9	8.6	4.5	-2.9	-6.3 <sup>f</sup>	-5.1
Imports of goods	7.3	0.5	-14.2	-1.9	-17.5 <sup>f</sup>	-13.4 <sup>f</sup>	-14.3 <sup>f</sup>	-11.5
Consumer Price Index <sup>a</sup>	2.6	2.0	1.4	2.0	1.2	1.3	1.4	1.4
<b>Hong Kong</b>								
Gross Domestic Product	3.1	2.6 <sup>f</sup>	2.4	2.5 <sup>f</sup>	2.4	2.9 <sup>f</sup>	2.2 <sup>f</sup>	1.9
Exports of goods	3.6	3.2	-1.8	1.2	2.3	-1.9	-4.1	-2.9
Imports of goods	3.8	3.9	-4.1	3.2	1.4	-3.2	-6.7	-7.0
Consumer Price Index	4.3	4.4	3.0	5.1	4.4	3.0	2.3	2.4
Unemployment rate	3.4	3.3	3.3	3.1	3.2	3.3	3.5	3.1
<b>Taiwan</b>								
Gross Domestic Product	2.2	3.9	0.8	3.6	4.0	0.6	-0.8 <sup>f</sup>	-0.5
Exports of goods	1.4	2.7	-10.6	0.4	-4.2	-9.8	-13.9	-14.0
Imports of goods	-0.2	1.5	-16.6	-3.3	-15.1 <sup>f</sup>	-15.0 <sup>f</sup>	-19.6 <sup>f</sup>	-16.4
Consumer Price Index	0.8	1.2	-0.3	0.8	-0.6	-0.7	-0.3	0.3
Unemployment rate	4.2	4.0	3.8	3.9	3.7	3.7	3.9	3.9
<b>Japan</b>								
Gross Domestic Product	1.4 <sup>f</sup>	. <sup>f</sup>	0.4	-1.0 <sup>f</sup>	-1.0 <sup>f</sup>	0.7 <sup>f</sup>	1.7 <sup>f</sup>	0.5
Exports of goods	9.5	4.8	3.5	9.1	9.0	6.7	3.7	-4.6
Imports of goods	14.9	5.7	-8.7	1.2	-9.3	-5.1	-5.8	-13.9
Consumer Price Index	0.3	2.8	0.8	2.5	2.3	0.5	0.2	0.3
Unemployment rate	4.0	3.6	3.4	3.3	3.5	3.5	3.4	3.1
<b>Republic of Korea</b>								
Gross Domestic Product	2.9	3.3	2.6	2.7	2.5	2.2	2.7 <sup>f</sup>	3.0
Exports of goods	2.1	2.3	-8.0	0.9	-3.0	-7.3 <sup>f</sup>	-9.5 <sup>f</sup>	-11.9
Imports of goods	-0.8	1.9	-16.9	-2.8	-15.6 <sup>f</sup>	-15.6	-18.7 <sup>f</sup>	-17.8
Consumer Price Index	1.3	1.3	0.7	1.0	0.6	0.5	0.7	1.1
Unemployment rate	3.1	3.5	3.6	3.2	4.1	3.8	3.4	3.1
<b>Singapore</b>								
Gross Domestic Product	4.7 <sup>f</sup>	3.3 <sup>f</sup>	2.0	2.8 <sup>f</sup>	2.7	1.7 <sup>f</sup>	1.8 <sup>f</sup>	1.8
Exports of goods	. <sup>f</sup>	0.8 <sup>f</sup>	-7.2	-4.2 <sup>f</sup>	-6.0 <sup>f</sup>	-9.0 <sup>f</sup>	-8.0	-5.7
Imports of goods	-1.6	-0.6	-12.1	-6.0	-16.1	-13.0	-9.1	-9.9
Consumer Price Index	2.4	1.0	-0.5	-	-0.3	-0.4	-0.6	-0.7
Unemployment rate	1.9	2.0	1.9	1.6	1.7	2.6	1.7	1.6

a. Accumulated year-on-year comparison.

Source : China National Bureau of Statistics

Hong Kong SAR Census and Statistics Department

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

I. PRINCIPAL ECONOMIC INDICATORS OF THE WORLD AND MACAO

2. PRINCIPAL ECONOMIC INDICATORS OF THE WORLD (QUARTER-TO-QUARTER COMPARISON)

	2013	2014	2015	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	%
<b>USA</b>									
Gross Domestic Product	1.5	2.4	2.4	2.1	0.6	3.9	2.0 <sup>f</sup>	1.0	
Exports of goods	2.1	2.7	-7.1	-0.9	-6.5	0.5	-1.1	-3.5	
Imports of goods	-0.3	3.5	-4.5	-0.1	-3.8	-0.5	-0.1	-2.7	
Consumer Price Index	1.5	1.6	0.1	-0.2	-0.8	0.7	0.4	0.1	
Unemployment rate <sup>a</sup>	7.4	6.2	5.3	5.7	5.6	5.4	5.2	5.0	
<b>Japan</b>									
Gross Domestic Product	1.4 <sup>f</sup>	. <sup>f</sup>	0.4	0.6 <sup>f</sup>	1.0 <sup>f</sup>	-0.3 <sup>f</sup>	0.3 <sup>f</sup>	-0.4	
Exports of goods	9.6	4.6	3.6	5.9	0.5 <sup>f</sup>	-3.2 <sup>f</sup>	-0.2 <sup>f</sup>	-2.1	
Imports of goods	15.2	5.6	-8.6	2.4 <sup>f</sup>	-5.3 <sup>f</sup>	-4.4 <sup>f</sup>	1.2 <sup>f</sup>	-6.2	
Consumer Price Index	0.3	2.8	0.8	-0.1 <sup>f</sup>	. <sup>f</sup>	0.3 <sup>f</sup>	. <sup>f</sup>	-	
Unemployment rate <sup>a</sup>	4.0	3.6	3.4	3.5	3.5	3.4 <sup>f</sup>	3.4	3.3	
<b>Hong Kong</b>									
Gross Domestic Product	3.1	2.6 <sup>f</sup>	2.4	0.4 <sup>f</sup>	0.6 <sup>f</sup>	0.5 <sup>f</sup>	0.6 <sup>f</sup>	0.2	
Exports of goods	3.6	3.2	-1.8	-3.4 <sup>f</sup>	-0.3 <sup>f</sup>	-1.2 <sup>f</sup>	-0.1 <sup>f</sup>	1.1	
Imports of goods	3.8	3.9	-4.1	-1.0 <sup>f</sup>	-1.6 <sup>f</sup>	-2.3 <sup>f</sup>	-1.7 <sup>f</sup>	0.9	
Consumer Price Index	4.3	4.4	3.0	2.8 <sup>f</sup>	0.4 <sup>f</sup>	-0.6	-0.2	2.9	
Unemployment rate <sup>a</sup>	3.4	3.3	3.3	3.3	3.3	3.2	3.3	3.3	

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