

Global Economy in the First Quarter of 2024

In the first quarter of 2024, global economic growth remained resilient, with fading price shocks for energy and goods, easing inflation as well as the gradual withdrawal of tight monetary policy of some economies, coupled with robust employment growth and buoyant capital flows to most emerging market economies. However, the strong demand of some advanced economies will push up global financing costs amid rising median headline and core inflation, which will hinder disinflation process and pose risks to fiscal sustainability and financial stability of the global economy, leading to slow, uneven economic growth. Hence, the road to economic recovery remained challenging.

According to the World Economic Outlook (WEO) report of the International Monetary Fund (IMF) in April 2024, global growth forecast for 2024 was revised upward by 0.1 percentage point to 3.2% compared to the projection in January 2024. Meanwhile, the forecast for 2025 remained at 3.1%. The projected growth rate for the US economy in 2024 was raised upward by 0.6 percentage points to 2.1%, and that for Japan was marked upward by 0.1 percentage point to 1.7%. On the other hand, growth projection for China remained at 4.4%, whereas that for the Euro area was marked downward by 0.1 percentage point to 1.4%.

The Gross Domestic Product (GDP) of the US in the first quarter of 2024 rose by 3.0% year-on-year and 1.6% quarter-on-quarter. Private consumption expenditure, private domestic fixed investment and total government expenditure & investment added 1.7, 0.9 and 0.2 percentage points to economic growth respectively, while net exports dragged down the growth by 0.9 percentage points. The unemployment rate climbed by 0.3 percentage points year-on-year to 4.1%; the seasonally adjusted unemployment rate was 3.8%, up by 0.1 percentage point quarter-on-quarter.

The GDP of the Euro area in the first quarter grew by 0.4% year-on-year and 0.3% quarter-on-quarter. The economy of Germany decreased by 0.9% year-on-year while the economy of France expanded by 1.3%. Net exports and final consumption expenditure of households and non-profit institutions in the Euro area drove up the growth by 0.6 and 0.1 percentage points respectively, while fixed capital formation and inventory change each dragged down the growth by 0.3 percentage points; meanwhile, government final consumption expenditure had no effect on the growth. The unemployment rate rose by 0.3 percentage points from the previous quarter to 6.8%.

The first-quarter GDP of the UK expanded by 0.2% year-on-year and 0.6% quarter-on-quarter. Net exports, household final consumption expenditure and government final consumption expenditure added 0.4, 0.1 and 0.1 percentage points to the increase respectively, while capital formation did not contribute to the growth. The seasonally adjusted unemployment rate climbed by 0.5 percentage points from the previous quarter to 4.3%.

The WEO report of IMF in April 2024 indicated that the projected growth rate for the ASEAN-5 economies^a in 2024 held steady at 5.2%. The growth forecast for India in 2024 was revised downward by 1.4 percentage points to 6.4%.

The GDP of Japan in the first quarter decreased by 0.2% year-on-year and 0.5% quarter-on-quarter. Private demand, net exports of goods & services and fixed capital formation impeded the growth by 0.4, 0.3 and 0.1 percentage points respectively. Meanwhile, government consumption expenditure had no effect on the growth. The unemployment rate was 2.6%, up by 0.2 percentage points year-on-year; the seasonally adjusted unemployment rate held stable from the previous quarter, at 2.5%.

The first-quarter GDP of the Republic of Korea increased by 3.4% year-on-year and 1.3% quarter-on-quarter. Net exports, fixed capital formation and final consumption expenditure contributed 0.6, 0.5 and 0.5 percentage points to the growth respectively, whereas government consumption expenditure did not contribute to the growth. The unemployment rate rose by 0.7 percentage points quarter-on-quarter to 3.3%.

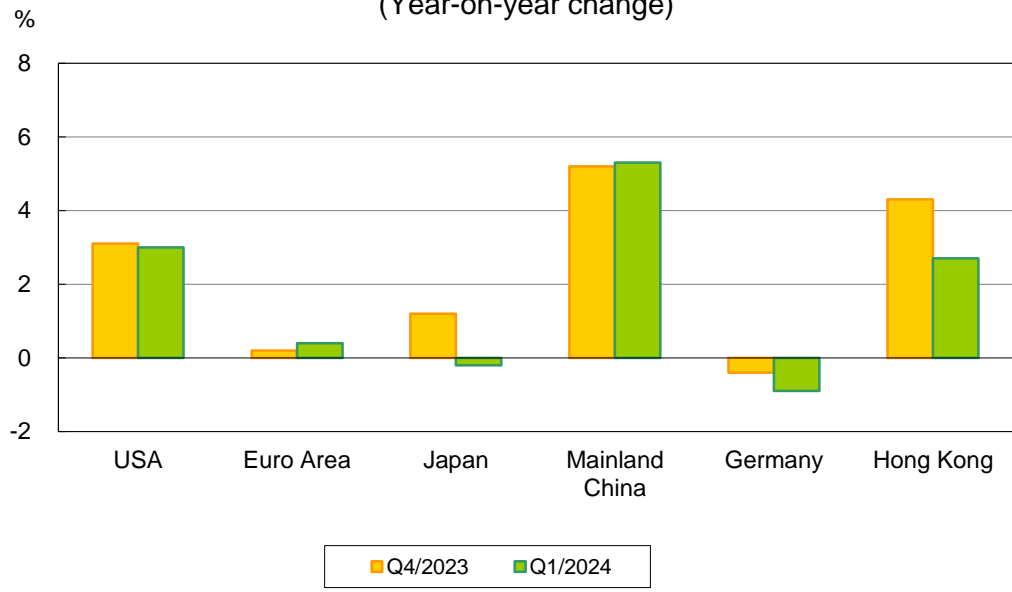
The first-quarter GDP of mainland China grew by 5.3% year-on-year, 0.1 percentage point higher than the growth in the previous quarter. Final consumption expenditure, net exports of goods & services and gross capital formation added 3.9, 0.8 and 0.6 percentage points to the increase respectively. In the first quarter, value added of industries above designated size swelled by 6.1% year-on-year. National fixed asset investment (excluding rural households) went up by 4.5% year-on-year; total retail sales of consumer goods climbed by 4.7%, with sales of communication appliances, petroleum & related products, cosmetics and commodities expanding by 13.2%, 4.5%, 3.4% and 0.7% respectively. As regards external trade, total value of external trade^b recorded a year-on-year growth of 5.0% in the first quarter of 2024. Meanwhile, national consumer price held steady year-on-year

The Hong Kong economy expanded by 4.3% year-on-year and 0.4% quarter-on-quarter. Exports of services, private consumption expenditure and gross fixed capital formation grew by 8.4%, 1.0% and 0.3% respectively, whereas government consumption expenditure dropped by 3.0%. The seasonally adjusted unemployment rate was 3.0%, up by 0.1 percentage point from the previous quarter.

^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)

	%							
	2021	2022	2023	2023	2023	2023	2023	2024
				Q1	Q2	Q3	Q4	Q1
USA								
Gross Domestic Product	5.8	1.9	2.5	1.7	2.4	2.9	3.1	3.0
Exports of goods	23.1	17.5	-2.2	6.5	-7.2	-5.8	-1.2 ^f	-0.3
Imports of goods	21.4	14.6	-4.9	-3.8	-8.5	-5.6	-1.3	1.0
Consumer Price Index	4.7	8.0	4.1	5.8	4.0	3.5	3.2	3.2
Unemployment rate	5.4	3.7	3.6	3.8	3.4	3.8	3.5	4.1
Euro area ^a								
Gross Domestic Product	5.9	3.4	0.5 ^f	1.3	0.6	0.2 ^f	0.2 ^f	0.4
Exports of goods	14.3	18.2 ^f	-0.8 ^f	9.1 ^f	-1.5 ^f	-5.2 ^f	-4.6 ^f	-3.2
Imports of goods	22.3 ^f	38.0 ^f	-13.3 ^f	1.2 ^f	-13.5 ^f	-22.1 ^f	-16.7 ^f	-12.3
Consumer Price Index	2.6	8.4	0.7	8.0	6.2	5.0	2.7	2.6
Unemployment rate	7.8 ^f	6.8 ^f	6.6 ^f	6.9 ^f	6.3	6.5	6.5	6.8
Germany								
Gross Domestic Product	3.2	1.8	-0.2 ^f	0.5 ^f	-0.3 ^f	-0.5 ^f	-0.4	-0.9
Exports of goods	14.3	15.6	-0.3 ^f	9.2 ^f	0.2 ^f	-4.7 ^f	-5.0 ^f	-2.9
Imports of goods	17.3	5.9	7.1 ^f	2.1 ^f	-9.7 ^f	-15.4 ^f	-13.1 ^f	-7.8
Consumer Price Index	3.1	6.9	5.9 ^f	8.2	6.5	5.6	3.6	2.5
Unemployment rate	5.7	5.3	5.7	5.7	5.6	5.7	5.7	6.1
France								
Gross Domestic Product	14.9 ^f	2.6 ^f	1.4 ^f	1.0 ^f	1.4 ^f	0.9 ^f	1.2 ^f	1.3
Exports of goods	16.7 ^f	19.6 ^f	2.2 ^f	7.9 ^f	6.5 ^f	-1.8 ^f	-2.9 ^f	0.6
Imports of goods	18.7	29.9	-6.5 ^f	4.4 ^f	-3.8	-12.7 ^f	-12.6 ^f	-0.8
Consumer Price Index	1.6	5.2	4.9	6.0	5.2	4.7	3.7	2.8
Unemployment rate	7.9	7.3	7.3	7.2	7.0	7.5	7.7	7.6
United Kingdom								
Gross Domestic Product	8.7	4.3	0.1	0.3	0.2 ^f	0.2	-0.2	0.2
Exports of goods	5.4	28.4	-7.2 ^f	14.8 ^f	0.3 ^f	-19.1 ^f	-18.0 ^f	-7.3
Imports of goods	12.0	29.9	-9.5	-2.9 ^f	-8.1	-15.8	-10.7	-10.1
Consumer Price Index	2.7	9.1	7.2	10.2	8.4	6.7	4.2	3.6
Unemployment rate	4.6	3.9	4.0	4.0	4.2	4.1	3.8	4.3

^a Consists 20 member states since 2023.

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)

%

	2021	2022	2023	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Mainland China								
Gross Domestic Product	8.1	3.0	5.2	4.5	6.3	4.9	5.2	5.3
Exports of goods	28.0	6.9	-4.7 ^f	-1.9	-4.9	-9.9	-1.2	1.5
Imports of goods	29.7	1.0	-5.5	-7.3 ^f	-7.0	-8.5	0.8	1.5
Consumer Price Index ^a	0.9	2.0	0.2	1.3	0.7	0.4	0.2	-
Hong Kong								
Gross Domestic Product	6.4	-3.7	3.3 ^f	2.8 ^f	1.6 ^f	4.2 ^f	4.3	2.7
Exports of goods	26.3	-8.6	-7.8	-17.7	-13.3	-6.0	6.6	11.9
Imports of goods	24.3	-7.2	-5.7	-12.7	-13.6	-2.8	7.0	8.0
Consumer Price Index	1.6	1.9	2.1	1.9	2.0	1.9	2.6	1.9
Unemployment rate	5.2	4.3	2.9	3.1	3.0	3.0	2.8	2.9
Taiwan								
Gross Domestic Product	6.5	2.6	1.3	-3.5	1.4	2.2	4.8	6.6
Exports of goods ^b	29.3	7.4	-1.8	-19.2	-17.0	-5.1	3.3	12.9
Imports of goods ^b	33.5	12.1	-17.9 ^f	-15.9 ^f	-24.3 ^f	-19.1	-11.5 ^f	2.9
Consumer Price Index	2.0	3.0	2.5	2.6	2.0	2.5	2.9	2.3
Unemployment rate	4.0	3.7	3.5	3.5	3.5	3.5	3.4	3.4
Japan								
Gross Domestic Product ^c	2.6	1.0	1.9	2.6	2.3	1.6 ^f	1.2 ^f	-0.2
Exports of goods	21.5	18.2	2.8	4.8	1.6	1.1	3.7	8.8
Imports of goods	24.8	39.6	-7.0	10.9 ^f	-8.8	-16.1	-10.4 ^f	-5.0
Consumer Price Index	-0.2	2.5	3.3	3.6	3.4	3.1	2.9	2.5
Unemployment rate	2.8	2.6	2.6	2.6	2.7	2.6	2.4	2.6
Republic of Korea								
Gross Domestic Product	4.3	2.6	1.4	0.9	0.9	1.4	2.2	3.4
Exports of goods	25.7	6.1	-7.5	-12.8	-12.0	-9.7	5.7 ^f	8.3
Imports of goods	31.5	18.9	-12.1	-2.2	-13.2	-21.6	-10.7	-11.1
Consumer Price Index	2.5	5.1	3.6	4.6	3.3	3.1	3.4	3.0
Unemployment rate	3.7	2.9	2.7	3.2	2.7	2.3	2.6	3.3
Singapore								
Gross Domestic Product	9.7	3.8	1.1	0.5	0.5	1.0	2.2	2.7
Exports of goods	19.1	15.6	-10.1	-6.5	-16.9	-15.6	0.2	4.4
Imports of goods	20.4	20.1	-13.4	-9.4	-20.8	-17.4	-4.7	5.3
Consumer Price Index	2.3	6.1	4.8	6.1	5.1	4.1	4.0	3.0
Unemployment rate	2.7	2.1	1.9	1.6	2.4	1.9	1.8	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-ON-QUARTER COMPARISON)

%

	2021	2022	2023	2023	2023	2023	2023	2024
				Q1	Q2	Q3	Q4	Q1
USA								
Gross Domestic Product	5.8	1.9	2.5	2.2	2.1	4.9	3.4 ^f	1.6
Exports of goods	23.1	17.5	-2.2	1.0 ^f	-5.7	4.0	0.1 ^f	1.4
Imports of goods	21.4	14.6	-4.9	-0.6 ^f	-2.0	0.6	0.5	2.0
Consumer Price Index	4.7	8.0	4.1	0.9	0.8 ^f	0.8 ^f	0.7	0.9
Unemployment rate ^a	5.4	3.6	3.6	3.5	3.6	3.7	3.7	3.8
Japan								
Gross Domestic Product	2.6	1.0	1.9	1.2 ^f	1.0	-0.9 ^f	- ^f	-0.5
Exports of goods	21.6	18.2	2.9	-5.3 ^f	1.9 ^f	4.6 ^f	3.1 ^f	-1.7
Imports of goods	25.1	40.3 ^f	-7.1 ^f	-9.1 ^f	-5.5 ^f	0.6 ^f	2.3 ^f	-1.5
Consumer Price Index	-0.3	2.5	3.3	0.5	0.6	0.8	0.9	0.2
Unemployment rate ^a	2.8	2.6	2.6	2.6	2.6	2.6	2.5	2.5
Hong Kong								
Gross Domestic Product	6.4	-3.7	3.3 ^f	4.1 ^f	-	0.2	0.2 ^f	2.3
Exports of goods	26.3	-8.6	-7.8	0.2	-1.0 ^f	0.4 ^f	2.0	4.1
Imports of goods	24.3	-7.2	-5.7	-0.8	-1.3	2.8	2.2	-1.5
Consumer Price Index	1.6	1.9	2.1	0.6	0.2	0.4	1.3	0.1
Unemployment rate ^a	5.2	4.3	2.9	3.1	2.9	2.8	2.9	3.0

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