

## Global Economy in the Second Quarter of 2024

In the second quarter of 2024, the output divergence among economies narrowed following the weakening of cyclical factors and the further normalisation of economic activity. Disinflation progress was hindered by the high prices in the service industry, which complicated the normalisation of monetary policy. Major central banks are expected to lower policy interest rates at different paces. The outlook for global economic recovery was uncertain amid escalating trade tensions and increased policy uncertainty, and economic growth was slow and uneven.

According to the World Economic Outlook (WEO) Update of the International Monetary Fund (IMF) in July 2024, global growth forecast for 2024 remained at 3.2% and that for 2025 was revised upward to 3.3%. The projected growth rate for China in 2024 was raised upward by 0.4 percentage points to 5.0%. Meanwhile, growth projections for the US and Japan were marked downward by 0.1 percentage point and by 0.2 percentage points to 2.6% and 0.7% respectively. On the other hand, growth projection for the Euro area was marked upward by 0.1 percentage point to 0.9%.

The Gross Domestic Product (GDP) of the US in the second quarter of 2024 rose by 3.1% year-on-year and 3.0% quarter-on-quarter. Private consumption expenditure, private domestic fixed investment and total government expenditure & investment added 2.0, 0.5 and 0.5 percentage points to economic growth respectively, while net exports dragged down the growth by 0.8 percentage points. The unemployment rate climbed by 0.4 percentage points year-on-year to 3.8%. The seasonally adjusted unemployment rate was 4.0%, up by 0.2 percentage points quarter-on-quarter.

The GDP of the Euro area in the second quarter grew by 0.6% year-on-year and 0.2% quarter-on-quarter. The economy of France and Germany expanded by 1.0% and 0.3% year-on-year respectively. Net exports and government final consumption in the Euro area drove up the growth by 0.9 and 0.1 percentage points respectively, while fixed capital formation dragged down the growth by 0.5 percentage points. Meanwhile, final consumption expenditure of households and non-profit institutions and inventory change had no effect on the growth. The unemployment rate reduced by 0.5 percentage points from the previous quarter to 6.3%.

The second-quarter GDP of the UK expanded by 0.9% year-on-year and 0.6% quarter-on-quarter. Capital formation, government final consumption expenditure and household final consumption expenditure added 2.4, 0.3 and 0.1 percentage points to the increase respectively, while net exports hampered the growth by 2.2 percentage points. The seasonally adjusted unemployment rate fell by 0.1 percentage point from the previous quarter to 4.2%.

The WEO update of IMF in July 2024 indicated that the projected growth rate for the ASEAN-5 economies<sup>a</sup> in 2024 held steady at 4.5%. The growth forecast for India in 2024 was revised upward by 0.2 percentage points to 7.0%.

The GDP of Japan in the second quarter decreased by 0.8% year-on-year but rose by 0.8% quarter-on-quarter. Private demand and fixed capital formation contributed 0.6 and 0.4 percentage points to the growth respectively, whereas net exports of goods & services impeded the growth by 0.1 percentage point. Meanwhile, government consumption expenditure had no effect on the growth. The unemployment rate stayed the same year-on-year at 2.7%. The seasonally adjusted unemployment rate increased by 0.1 percentage point from the previous quarter to 2.6%.

The second-quarter GDP of the Republic of Korea increased by 2.3% year-on-year but decreased by 0.2% quarter-on-quarter. Net exports and fixed capital formation each dragged down the growth by 0.1 percentage point, whereas final consumption expenditure and government consumption expenditure did not contribute to the growth. The unemployment rate fell by 0.4 percentage points quarter-on-quarter to 2.9%.

The second-quarter GDP of mainland China grew by 4.7% year-on-year. For the first half of 2024, the GDP increased by 5.0% year-on-year. Final consumption expenditure, gross capital formation and net exports of goods & services added 3.0, 1.3 and 0.7 percentage points to the increase respectively. The value added of industries above designated size swelled by 6.0% year-on-year in the first half year. National fixed asset investment (excluding rural households) went up by 3.9% year-on-year; total retail sales of consumer goods climbed by 3.7%, with sales of communication appliances, petroleum & related products, commodities and cosmetics expanding by 11.3%, 4.1%, 2.3% and 1.0% respectively. As regards external trade, total value of external trade<sup>b</sup> recorded a year-on-year growth of 6.1% in the first half of 2024. Meanwhile, national consumer price rose by 0.1% year-on-year in the first half of 2024.

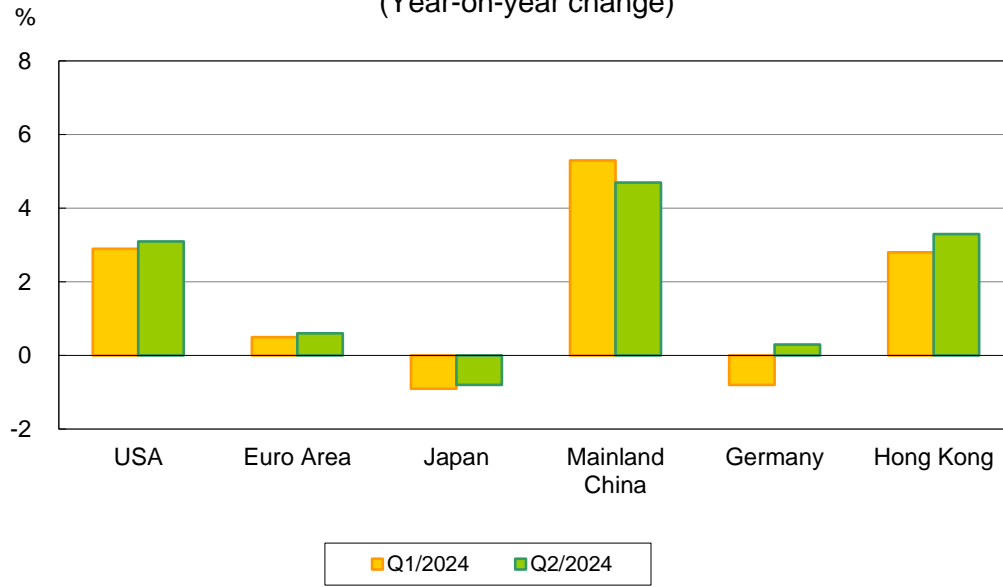
The Hong Kong economy expanded by 3.3% year-on-year and 0.4% quarter-on-quarter in the second quarter. Gross fixed capital formation, government consumption expenditure and exports of services grew by 6.0%, 2.0% and 1.4% respectively, whereas private consumption expenditure dropped by 1.5%. The seasonally adjusted unemployment rate held stable from the previous quarter at 3.0%.

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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

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



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

%

	2021	2022	2023	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
USA								
Gross Domestic Product	5.8	1.9	2.5	2.4	2.9	3.1	2.9 <sup>f</sup>	3.1
Exports of goods	23.1	17.6 <sup>f</sup>	-2.3 <sup>f</sup>	-7.2	-5.7 <sup>f</sup>	-1.3 <sup>f</sup>	0.1 <sup>f</sup>	4.5
Imports of goods	21.4	14.5 <sup>f</sup>	-4.9	-8.6 <sup>f</sup>	-5.6	-1.4 <sup>f</sup>	1.2 <sup>f</sup>	5.3
Consumer Price Index	4.7	8.0	4.1	4.0	3.5	3.2	3.2	3.2
Unemployment rate	5.4	3.7	3.6	3.4	3.8	3.5	4.1	3.8
Euro area <sup>a</sup>								
Gross Domestic Product	6.2 <sup>f</sup>	3.3 <sup>f</sup>	0.4 <sup>f</sup>	0.5 <sup>f</sup>	-	0.2	0.5 <sup>f</sup>	0.6
Exports of goods	14.3	18.2	-0.8	-1.5	-5.2	-4.8 <sup>f</sup>	-3.0 <sup>f</sup>	1.6
Imports of goods	22.3	38.0	-13.2 <sup>f</sup>	-13.5	-22.1	-16.6 <sup>f</sup>	-12.0 <sup>f</sup>	-4.6
Consumer Price Index	2.6	8.4	0.7	6.2	5.0	2.7	2.6	2.5
Unemployment rate	7.8	6.8	6.6	6.3	6.5	6.5	6.8	6.3
Germany								
Gross Domestic Product	3.7 <sup>f</sup>	1.4 <sup>f</sup>	-0.3 <sup>f</sup>	-0.4 <sup>f</sup>	-0.7 <sup>f</sup>	-0.4	-0.8 <sup>f</sup>	0.3
Exports of goods	13.6 <sup>f</sup>	16.2 <sup>f</sup>	-0.2 <sup>f</sup>	0.2	-4.7	-5.0	-2.9	-0.2
Imports of goods	16.5 <sup>f</sup>	6.1 <sup>f</sup>	7.7 <sup>f</sup>	-9.7	-15.4	-13.1	-7.6 <sup>f</sup>	-4.7
Consumer Price Index	3.1	6.9	5.9	6.5	5.6	3.6	2.5	2.3
Unemployment rate	5.7	5.3	5.7	5.6	5.7	5.7	6.1	5.9
France								
Gross Domestic Product	6.8 <sup>f</sup>	2.6	1.1 <sup>f</sup>	1.3 <sup>f</sup>	0.9	1.3 <sup>f</sup>	1.5 <sup>f</sup>	1.0
Exports of goods	16.7	19.6	2.1 <sup>f</sup>	6.3 <sup>f</sup>	-1.9 <sup>f</sup>	-3.1 <sup>f</sup>	-1.4 <sup>f</sup>	-1.2
Imports of goods	18.7	29.9	-6.6 <sup>f</sup>	-3.8	-12.7	-12.6	-7.4 <sup>f</sup>	-3.1
Consumer Price Index	1.6	5.2	4.9	5.2	4.7	3.7	2.8	2.2
Unemployment rate	7.9	7.3	7.3	7.0	7.5	7.7	7.6	7.0
United Kingdom								
Gross Domestic Product	8.7	4.3	0.1	0.2	0.2	-0.2	0.3 <sup>f</sup>	0.9
Exports of goods	5.4	28.4	-7.2	0.3	-19.1	-18.0	-7.2 <sup>f</sup>	-7.5
Imports of goods	12.0	29.9	-9.5	-8.1	-15.8	-10.7	-10.3 <sup>f</sup>	1.8
Consumer Price Index	2.7	9.1	7.2	8.4	6.7	4.2	3.6	2.1
Unemployment rate	4.6	3.9	4.0	4.2	4.1	3.8	4.3	4.2

<sup>a</sup> Starting from 2023, the euro area consists of 20 member states.

Sources of data: 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 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
<b>Mainland China</b>								
Gross Domestic Product	8.1	3.0	5.2	6.3	4.9	5.2	5.3	4.7
Exports of goods	28.0	6.9	-4.7	-4.9	-9.9	-1.3 <sup>f</sup>	1.1 <sup>f</sup>	5.7
Imports of goods	29.7	1.0	-5.5	-7.0	-8.5	0.9 <sup>f</sup>	1.6 <sup>f</sup>	2.5
Consumer Price Index <sup>a</sup>	0.9	2.0	0.2	0.7	0.4	0.2	-	0.1
<b>Hong Kong</b>								
Gross Domestic Product	6.4	-3.7	3.3	1.6	4.2	4.3	2.8 <sup>f</sup>	3.3
Exports of goods	26.3	-8.6	-7.8	-13.3	-	6.6	11.9	12.5
Imports of goods	24.3	-7.2	-5.7	-13.6	-2.8	7.0	8.0	7.4
Consumer Price Index	1.6	1.9	2.1	2.0	1.9	2.6	1.9	1.2
Unemployment rate	5.2	4.3	2.9	3.0	3.0	2.8	2.9	3.0
<b>Taiwan</b>								
Gross Domestic Product	6.6 <sup>f</sup>	2.6	1.3	1.4	2.2	4.8	6.6	5.1
Exports of goods <sup>b</sup>	29.3	7.4	-9.8 <sup>f</sup>	-17.0	-5.1	3.3	12.9	9.9
Imports of goods <sup>b</sup>	33.5	12.1	-17.9	-24.3	-19.1	-11.5	2.9	12.7
Consumer Price Index	2.0	3.0	2.5	2.0	2.5	2.9	2.3	2.2
Unemployment rate	4.0	3.7	3.5	3.5	3.5	3.4	3.4	3.4
<b>Japan</b>								
Gross Domestic Product <sup>c</sup>	2.6	1.2 <sup>f</sup>	1.7 <sup>f</sup>	2.0 <sup>f</sup>	1.3 <sup>f</sup>	0.9 <sup>f</sup>	-0.9 <sup>f</sup>	-0.8
Exports of goods	21.5	18.2	2.8	1.6	1.1	3.7	8.8	8.8
Imports of goods	24.8	39.6	-7.0	-8.8	-16.1	-10.4	-5.0	7.1
Consumer Price Index	-0.2	2.5	3.3	3.4	3.1	2.9	2.5	2.7
Unemployment rate	2.8	2.6	2.6	2.7	2.6	2.4	2.6	2.7
<b>Republic of Korea</b>								
Gross Domestic Product	4.6 <sup>f</sup>	2.7 <sup>f</sup>	1.4	1.0 <sup>f</sup>	1.4	2.1 <sup>f</sup>	3.3 <sup>f</sup>	2.3
Exports of goods	25.7	6.1	-7.5	-12.0	-9.7	5.7	8.1 <sup>f</sup>	10.0
Imports of goods	31.5	18.9	-12.1	-13.2	-21.6	-10.7	-11.1	-1.4
Consumer Price Index	2.5	5.1	3.6	3.3	3.1	3.4	3.0	2.7
Unemployment rate	3.7	2.9	2.7	2.7	2.3	2.6	3.3	2.9
<b>Singapore</b>								
Gross Domestic Product	9.7	3.8	1.1	0.5	1.0	2.2	3.0 <sup>f</sup>	2.9
Exports of goods	19.1	15.6	-10.1	-16.9	-15.6	0.2	4.4	7.6
Imports of goods	20.4	20.1	-13.4	-20.8	-17.4	-4.7	5.2 <sup>f</sup>	12.8
Consumer Price Index	2.3	6.1	4.8	5.1	4.1	4.0	3.0	2.8
Unemployment rate	2.7	2.1	1.9	2.4	1.9	1.8	1.9	2.4

a Accumulated year-on-year comparison.

b Data on imports and exports of goods are compiled according to the general trade system.

c Refer to annualised growth rates.

Sources of data: 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

Statistics Korea; Bank of Korea

The Singapore Department of Statistics

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

%

	2021	2022	2023	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
<b>USA</b>								
Gross Domestic Product	5.8	1.9	2.5	2.1	4.9	3.4	1.4 <sup>f</sup>	3.0
Exports of goods	23.1	17.6 <sup>f</sup>	-2.3 <sup>f</sup>	-4.6 <sup>f</sup>	3.8 <sup>f</sup>	-0.1 <sup>f</sup>	0.9 <sup>f</sup>	0.1
Imports of goods	21.4	14.5 <sup>f</sup>	-4.9	-1.7 <sup>f</sup>	0.3 <sup>f</sup>	0.6 <sup>f</sup>	1.9 <sup>f</sup>	2.6
Consumer Price Index	4.7	8.0	4.1	0.8	0.8	0.7	0.9	0.7
Unemployment rate <sup>a</sup>	5.4	3.6	3.6	3.6	3.7	3.7	3.8	4.0
<b>Japan</b>								
Gross Domestic Product	2.6	1.2 <sup>f</sup>	1.7 <sup>f</sup>	0.6 <sup>f</sup>	-	0.1 <sup>f</sup>	-0.6 <sup>f</sup>	0.8
Exports of goods	21.6	18.2	2.9	1.9	4.1 <sup>f</sup>	3.1	-1.3 <sup>f</sup>	3.0
Imports of goods	25.1	40.3	-7.1	-5.5	-	2.7 <sup>f</sup>	-1.1 <sup>f</sup>	5.5
Consumer Price Index	-0.3	2.5	3.3	0.6	0.8	0.9	0.2	0.8
Unemployment rate <sup>a</sup>	2.8	2.6	2.6	2.6	2.6	2.5	2.5	2.6
<b>Hong Kong</b>								
Gross Domestic Product	6.4	-3.7	3.3	-	0.2	0.2	2.5 <sup>f</sup>	0.4
Exports of goods	26.3	-8.6	-7.8	-1.0	0.4	2.0	4.1	1.7
Imports of goods	24.3	-7.2	-5.7	-1.3	2.8	2.2	-1.5	0.4
Consumer Price Index	1.6	1.9	2.1	0.2	0.4	1.3	0.1	-0.5
Unemployment rate <sup>a</sup>	5.2	4.3	2.9	3.0	2.8	2.9	3.0	3.0

a After seasonal adjustment.

Sources of data: 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