# Half-yearly Economic Report 2005

Government of the Hong Kong
Special Administrative Region

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# Press Release

(embargoed until 4:15 p.m. on 26 August 2005)

## Economic Situation in the First Half of 2005 and Latest GDP and Price Forecasts for 2005

The Government released today (Friday) the Half-yearly Economic Report 2005, together with the preliminary figure on Gross Domestic Product for the second quarter of 2005.

The Government Economist, Mr K C Kwok, described the economic situation in the first half of 2005 and provided the latest GDP and price forecasts for the year.

**MAIN POINTS**

* The Hong Kong economy continued to expand at a brisk pace in the second quarter of 2005, with GDP growing by 6.8% in real terms, following a revised 6.2% growth in the preceding quarter. On a seasonally adjusted quarter-to-quarter comparison, GDP expanded for the eighth straight quarter, by 3.0% in real terms in the second quarter of 2005.

* Externally, merchandise exports picked up again in the second quarter, growing by 11.1% in real terms over a year earlier, thanks to the sustained expansion of the global economy as well as the Mainland's strong trade flows. Exports of services also grew noticeably further, by 7.8% in real terms in the second quarter, along with the surge in offshore trade and vibrant inbound tourism.

* On the domestic front, private consumption expenditure grew further by 2.7% in real terms in the second quarter over a year earlier, on the back of improving labour market conditions and positive wealth effect stemming from the cumulative increase in asset prices.

* In tandem with the sanguine economic prospects and the activity upturn, overall investment spending picked up somewhat in the second quarter, rising by 3.5% in real terms over a year earlier. Within this, private investment in machinery and equipment went up distinctly further, but building and construction activity was still sluggish.

* The broad-based economic expansion also gave a further boost to job creation. Total employment rose to an all-time high in the three months ending July. The seasonally adjusted unemployment rate fell to 5.7% in the second quarter (and stayed unchanged in May – July), the lowest since the third quarter of 2001. Labour earnings bounced up visibly, and wages reverted to a modest increase, both reversing the downtrend in the past few years.

* Although the global economy has been rather resilient so far in absorbing the impacts from the soaring oil prices and US interest rate up-cycle, the recent surge in oil prices to successive new highs is a key source of downside that could impinge on the global economic growth momentum in the period ahead. Yet on the exchange rate front, the impact of the 2% renminbi revaluation on Hong Kong's re-export trade is likely to be rather small, being cushioned to a large extent by the concurrent appreciation of the Asian currencies. On the whole, the trade outlook for the rest of the year is for a further solid growth in exports of both goods and services. Yet, the growth pace is likely to moderate somewhat as the impact of soaring oil prices increasingly sets in.

* Locally, improving job opportunities and the rise-back of labour income should lend support to consumer demand in the second half of the year. The opening of the Hong Kong Disneyland next month, apart from giving a boost to inbound tourism, will also help lift consumer sentiment. Investment in overall terms is expected to perform rather well, as continued activity expansion should stimulate machinery and equipment acquisition. On the other hand, construction activity may still be slack in the near term, thereby holding back somewhat the pace of upturn in overall investment.

* With the highly favourable outturn of a 6.5% GDP growth for the first half of the year, the Hong Kong economy should have no difficulty in attaining the forecast GDP growth in real terms at 4.5-5.5% for 2005 as released in the Budget and the May rounds. Indeed, it is believed that given the upbeat outturn in the first half of 2005, for the year as a whole GDP growth is likely to be closer to the upper end of the range forecast. Yet with the scope for further upside limited by various uncertainties including those stemming from soaring oil price, the forecast GDP growth for 2005 is kept unchanged at 4.5-5.5% in the current round of update.

* Consumer price inflation has been gradually edging up over the past few months, along with the increasingly entrenched economic recovery. Yet for the first seven months as a whole, consumer price inflation was still very moderate, averaging at only 0.7%. The near-term inflation outlook is for a further climb-up in the coming months, as local business costs are expected to rise in the course of an increasingly entrenched recovery, and as high oil prices and the recent 2% renminbi revaluation would feed through to lift import prices. Still, on the whole, local price pressures are expected to be well contained through the end of 2005. With the outturn so far broadly in line with the earlier expectations, the forecast rate of change in the Composite CPI for 2005 is kept unchanged, at 1.5%. As to the forecast rate of change in the GDP deflator, it is likewise kept unchanged, at -1%.

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**DETAIL**

**GDP**

According to the preliminary figure on the *Gross Domestic Product (GDP)* released today by the Census and Statistics Department, GDP grew distinctly by 6.8% in real terms in the second quarter of 2005 over a year earlier, following a 6.2% growth (figure revised from that of 6.1% released earlier) in the first quarter of 2005 and an 8.2% strong growth in 2004. On a seasonally adjusted quarter-to-quarter comparison, GDP expanded for the eighth straight quarter, by 3.0% in real terms in the second quarter of 2005 (***Chart***).

2. The latest figures on GDP and its major expenditure components up to the second quarter of 2005 are presented in ***Table 1***. Developments in different segments of the economy in the second quarter of 2005 are described below.

**External trade**

3. Merchandise exports regained strong growth momentum in the second quarter of 2005, mainly supported by the sustained expansion of the global economy as well as the Mainland's strong trade flows. *Total exports of goods* recorded a double-digit growth at 11.1% in real terms in the second quarter over a year earlier, following an 8.9% increase in the first quarter and a 15.3% surge for 2004 as a whole. On a seasonally adjusted quarter-to-quarter comparison, total exports of goods accelerated sharply by 6.7% in real terms in the second quarter, after showing little change in the first quarter.

4. Exports to nearly all major markets maintained reasonably strong growth momentum. In particular, the growth in exports to both US and EU picked up further, though partly boosted by the surge in textile and clothing re-exports sourced from the Mainland. Exports to the Mainland also accelerated, amidst the Mainland's vibrant industrial activity. Exports to both Japan and Singapore maintained double-digit growth.

5. *Exports of services* attained a further notable growth at 7.8% in real terms in the second quarter over a year earlier, after an 8.8% increase in the first quarter and following a remarkable 15.3% growth for 2004 as a whole. On a seasonally adjusted quarter-to-quarter comparison, exports of services rose by 0.2% in the second quarter, following a 1.4% increase in the first quarter. Exports of trade-related services continued to surge, again thanks to the Mainland's strong trade flows. Exports of travel-related services grew solidly further, underpinned by vibrant inbound tourism.

**Domestic sector**

6. Consumer demand stayed firm in the second quarter of 2005, on the back of improving labour market conditions and generally upbeat sentiment. The positive wealth effect from the cumulative surge in asset prices was also contributory. *Private consumption expenditure* went up further by 2.7% year-on-year in real terms in the second quarter, having increased by 4.4% in the preceding quarter and after a 6.8% growth for 2004 as a whole. The moderation from the first quarter was mainly due to the decline in residents' expenditure abroad in the second quarter, which in turn was distorted by the difference in the timing of the Easter Holidays in 2004 and 2005. Also relevant was the exceptionally high base of comparison in the second quarter of 2004. On a seasonally adjusted quarter-to-quarter comparison, private consumption expenditure actually expanded slightly further, by 0.3% in real terms in the second quarter, after a 0.2% growth in the first quarter.

7. Overall investment spending in terms of the *gross domestic fixed capital formation* picked up somewhat, to a 3.5% growth in real terms in the second quarter over a year earlier, following a 0.4% modest increase in the first quarter. This was driven by the distinct surge in machinery and equipment investment amidst the continued expansion of commercial activity at a relatively robust pace. Also relevant was the delivery of several aircraft during this period. But building and construction output went down sharply again. Despite the property market upturn, there was still a lack of new large-scale building and construction projects.

**The labour sector**

8. The broad-based economic expansion gave a further boost to job creation. *Total employment* rose by 0.6% in the three months ending July over the preceding three months to an all-time high of 3.37 million. The *seasonally adjusted unemployment rate* fell to 5.7% in the second quarter (unchanged in May to July), the lowest since the third quarter of 2001. The total number of job vacancies in the private sector also soared in March 2005 over a year ago. Labour earnings bounced up visibly, and wages reverted to a modest increase, the first time since December 2001.

**Prices**

9. Consumer price inflation edged up slightly during the first half of 2005, along with the increasingly entrenched economic recovery. The *Composite Consumer Price Index* rose by 0.8% in the second quarter of 2005 over a year earlier (and further by 1.3% in July), slightly up from the 0.4% increase in the first quarter. On a seasonally adjusted quarter-to-quarter comparison, there was a 0.5% increase in the second quarter, following a 0.4% increase in the preceding quarter. The price increases for most items remained moderate, while the dampening effect of the earlier fall-offs in private housing rental continued to wane. As to the *GDP deflator*, the decline narrowed to 1.0% year-on-year in the second quarter, from 1.5% in the first quarter and 3.3% for 2004 as a whole. This mainly reflected the relative

improvement in terms of trade, arising from the relative strengthening of the US dollar towards the end of the second quarter.

**Latest GDP and price forecasts for 2005**

10. The global economy seemed to have gathered some strength again lately after the soft patch earlier this year. Latest economic data suggests that the US economy is still on a firm footing, with inflation in check. The Mainland economy continues to display strength, both in regard to external trade and domestic demand. The other Asian economies have also shown signs of improvement lately. Yet the Japanese economy is only growing moderately, so is the euro area. Thus, while on the whole, the global economy looks set for further expansion in the period ahead, a large part of the growth impetus continues to depend on the developments in US and Mainland. Furthermore, although the global economy has been rather resilient so far in absorbing the impacts from higher oil prices and higher US interest rates, the recent surge in oil prices to successive new highs continues to constitute a key risk that could impinge on the global economic growth momentum in the period ahead. Yet on the exchange rate front, the impact of the 2% renminbi appreciation is expected to be largely cushioned by the concurrent appreciation of the Asian currencies against the US dollar. On the whole, the near-term trade outlook is for a further solid rise in exports of both goods and services, yet the growth pace may moderate somewhat later in the year as the impact of soaring oil prices increasingly set in. Also, protectionist sentiment in the US and EU against Mainland's products continues to constitute a source of uncertainty to the trading environment.

11. Locally, consumer spending can be expected to hold firm, on the back of improving job opportunities and the rise-back of labour income. Furthermore, the opening of the Hong Kong Disneyland next month, apart from giving a boost to inbound tourism, will also help lift consumer sentiment. Investment in overall terms is expected to perform rather well, as continued activity expansion should stimulate machinery and equipment acquisition. On the other hand, construction activity may still be slack in the near term, thereby holding back somewhat the pace of upturn in overall investment.

12. The interest rate hikes, which have been taking place at gradual and rather predictable pace, had so far only little dampening effect on overall economic growth, apart from leading to some cooling-off in property market activity lately. Given the favourable outturn of a 6.5% GDP growth for the first half of the year, the Hong Kong economy should have no difficulty in attaining the forecast GDP growth in real terms at 4.5-5.5% for 2005 as released in the Budget and the May rounds. Indeed, it is believed that given the upbeat outturn in the first half of 2005, for the year as a whole GDP growth is likely to be closer to the upper end of the range forecast. Yet with the scope for further upside limited by various uncertainties including those stemming from soaring oil price, the forecast GDP growth for 2005 is kept unchanged at 4.5-5.5% in the current round of update ***(Table 2)***. For comparison, the forecasts of Hong Kong's GDP growth by a selection of international organisations and local analysts are summarised in ***Table 3***. The latest

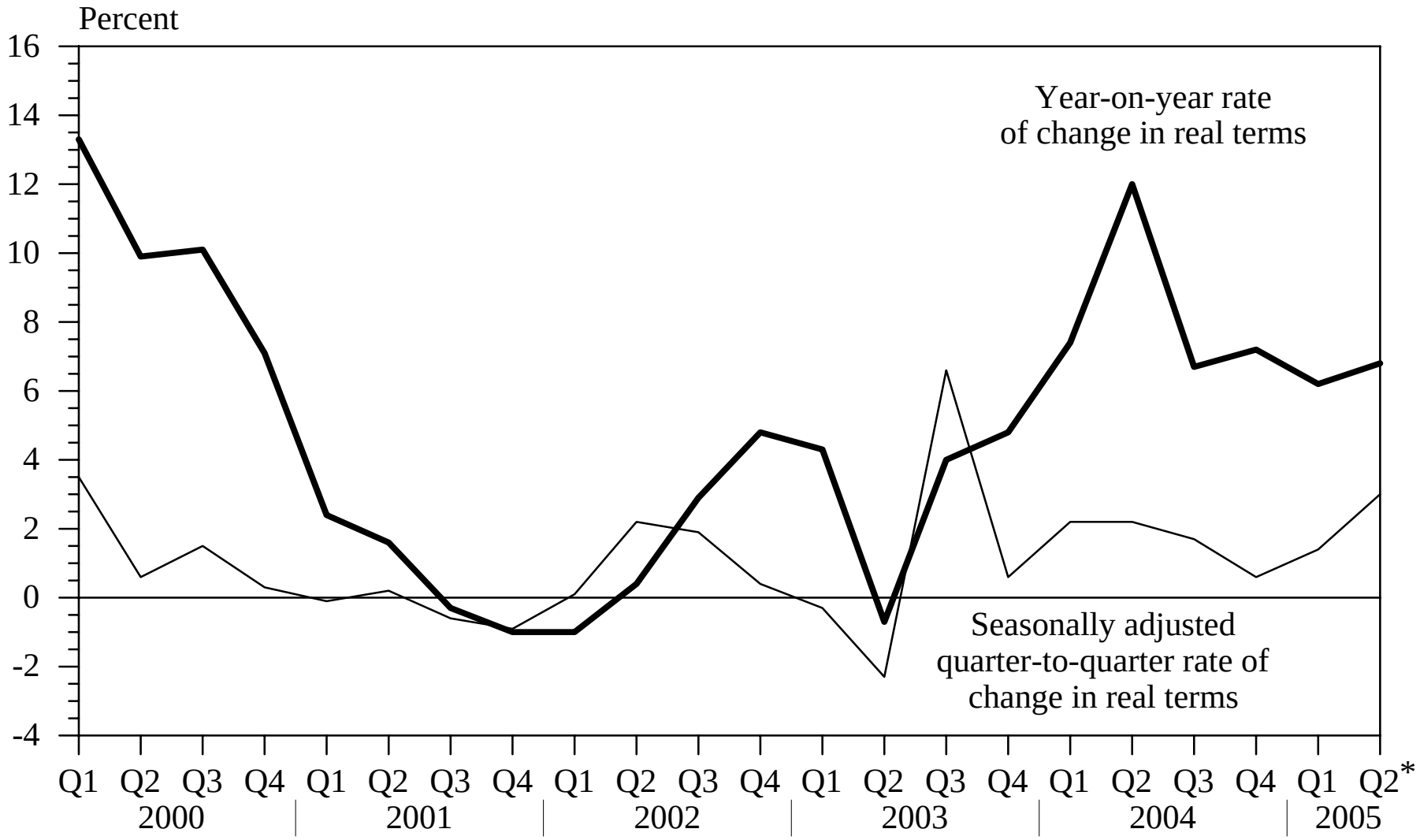
known forecasts of GDP growth in real terms for 2005 from the private sector analysts are mostly between 4% to 5.8%, broadly in line with the range forecast adopted by the Government.

13. The outlook for consumer price inflation is for a further climb-up in the coming months, as local business costs are expected to rise back in the natural course of an increasingly entrenched economic recovery, and as high oil prices and the recent 2% renminbi revaluation would feed through to lift import prices. Still, on the whole, local price pressures are expected to be well contained through the end of 2005. With the outturn so far also broadly in line with the earlier expectations, the forecast rate of change in the *Composite CPI* for 2005 is kept unchanged at 1.5%. As to the *GDP deflator*, the decline is likely to taper further in the rest of the year, along with the relative improvement in the terms of trade. For 2005 as a whole, the forecast rate of change in the GDP deflator is also kept unchanged, at -1%.

(The Half-yearly Economic Report 2005 can now be purchased on-line at http://www.statisticalbookstore.gov.hk/desc_eng.htm, or by calling the Publications Sales Section of the Information Services Department (ISD) at 2537 1910. Both the hard and soft copies of the report are available for sale at $84 a copy, yet with a postage charge for the hard copy.)

(The GDP figures up to the second quarter of 2005 are published in the Report of the Gross Domestic Product, Second Quarter 2005, which can also be purchased on-line at http://www.statisticalbookstore.gov.hk/desc_eng.htm, or by calling the Publications Sales Section of ISD. The hard copy of the report is available for sale at $32 per copy, yet with a postage charge for the hard copy. The download version of the report is available for sale at $24 per copy.)

# Hong Kong's Gross Domestic Product




Note : (*) Preliminary figures.

## Table 1

### Gross Domestic Product and its main expenditure components and the main price indicators (year-on-year rate of change (%))

| | 2003# | 2004# | 2004 | | | | 2005 | |
|---|---|---|---|---|---|---|---|---|
| | | | Q1# | Q2# | Q3# | Q4# | Q1# | Q2+ |
| *Change in real terms of GDP and its main expenditure components (%)@* | | | | | | | | |
| Private consumption expenditure | -1.0 | 6.8 | 5.7<br>(1.2) | 10.8<br>(2.3) | 5.2<br>(0.1) | 5.8<br>(1.9) | 4.4<br>(0.2) | 2.7<br>(0.3) |
| Government consumption expenditure | 1.9 | 0.7 | 5.7<br>(0.1) | *<br>(-3.3) | -1.3<br>(*) | -1.7<br>(1.4) | -4.8<br>(-2.9) | -2.3<br>(-0.7) |
| Gross domestic fixed capital formation | 0.9 | 4.1 | 5.1<br>(N.A.) | 11.5<br>(N.A.) | 2.1<br>(N.A.) | -1.4<br>(N.A.) | 0.4<br>(N.A.) | 3.5<br>(N.A.) |
| *of which :* | | | | | | | | |
| Building and construction | -5.6 | -11.1 | -12.4 | -13.4 | -14.3 | -3.7 | -1.0 | -10.7 |
| Machinery, equipment and computer software | 6.7 | 12.4 | 16.3 | 26.9 | 11.9 | -2.1 | 0.7 | 10.1 |
| Total exports of goods | 14.2 | 15.3 | 15.0<br>(2.5) | 18.7<br>(5.8) | 15.3<br>(0.6) | 12.6<br>(2.9) | 8.9<br>(*) | 11.1<br>(6.7) |
| Imports of goods | 13.1 | 14.1 | 16.3<br>(3.7) | 20.3<br>(3.6) | 14.2<br>(-1.1) | 7.0<br>(0.6) | 3.8<br>(1.6) | 7.0<br>(5.5) |
| Exports of services | 7.9 | 15.3 | 13.9<br>(0.6) | 32.7<br>(0.7) | 12.2<br>(5.9) | 7.7<br>(*) | 8.8<br>(1.4) | 7.8<br>(0.2) |
| Imports of services | -2.1 | 10.7 | 3.6<br>(-4.3) | 30.0<br>(9.9) | 7.2<br>(-1.0) | 6.1<br>(0.8) | 5.4<br>(-3.8) | -0.4<br>(3.9) |
| **Gross Domestic Product** | **3.1** | **8.2** | **7.4**<br>**(2.2)** | **12.0**<br>**(2.2)** | **6.7**<br>**(1.7)** | **7.2**<br>**(0.6)** | **6.2**<br>**(1.4)** | **6.8**<br>**(3.0)** |
| *Change in the main price indicators (%)* | | | | | | | | |
| **GDP deflator** | **-6.4** | **-3.3** | **-4.6**<br>**(-0.5)** | **-3.4**<br>**(-0.8)** | **-2.9**<br>**(-0.8)** | **-2.5**<br>**(-0.5)** | **-1.5**<br>**(0.5)** | **-1.0**<br>**(-0.1)** |
| **Composite Consumer Price Index** | **-2.6** | **-0.4** | **-1.8**<br>**(0.3)** | **-0.9**<br>**(-0.1)** | **0.8**<br>**(-0.2)** | **0.2**<br>**(0.3)** | **0.4**<br>**(0.4)** | **0.8**<br>**(0.5)** |
| *Change in* **nominal GDP** *(%)@* | **-3.4** | **4.7** | **2.4** | **8.3** | **3.7** | **4.5** | **4.5** | **5.7** |

Notes : (#) Revised figures.

(+) Preliminary figures.

(@) The entire GDP series have been revised following the completion of an exercise by the Census and Statistics Department to implement the latest international guidelines on dealing with financial intermediation services provided by banks in the estimation of national accounts statistics of Hong Kong in mid-August 2005.

( ) Seasonally adjusted quarter-to-quarter rate of change.

N.A. Not applicable, as no clear seasonal pattern is found in gross domestic fixed capital formation, due to the presence of considerable short-term fluctuations.

(*) Change of less than 0.05%.

**Table 2**

**Economic forecasts for 2005**
**(year-on-year rate of change, in real terms except for the price indicators and nominal GDP (%))**

| | Forecasts for 2005 as released on 27.5.2005 (%) | August update of the forecasts for 2005 released on 26.8.2005 (%) |
|---|---|---|
| **Gross Domestic Product (GDP)** | | |
| *Real GDP* | *4.5 to 5.5* | *4.5 to 5.5* |
| *Nominal GDP* | *3.5 to 4.5* | *3.5 to 4.5* |
| **Composite Consumer Price Index** | 1.5 | 1.5 |
| **GDP Deflator** | -1 | -1 |

# Table 3

## 2005 GDP and price forecasts for Hong Kong put out by selected international organisations and private sector analysts

| | Date of release | GDP | Private consumption expenditure | Gross domestic fixed capital formation | Total Exports of goods | Exports of services | Rate of change in consumer prices | Reference source |
|---|---|---|---|---|---|---|---|---|
| | | (growth rate in real terms (%)) | | | | | (%) | |
| **International organisations:** | | | | | | | | |
| IMF | Feb 2005 | 4 | 2.4 | 1.1 | -- | -- | 1 | Country Report No. 05/63, Feb 2005. |
| | Apr 2005 | 4 | -- | -- | -- | -- | 1 | World Economic Outlook, Apr 2005. |
| ADB | Apr 2005 | 5.7 | -- | -- | -- | -- | 1.5 | Asian Development Outlook 2005, Apr 2005. |
| World Bank | Apr 2005 | 4.6 | -- | -- | -- | -- | -- | East Asia Update, Apr 2005. |
| United Nations | Jan 2005 | 6 | -- | -- | -- | -- | 1.5 | World Economic situation and Prospects 2005. |
| **Private sector analysts:** | | | | | | | | |
| *(a) Major local banks* | | | | | | | | |
| HSBC | Jan 2005 | 4 | 2.6 | 2.8 | -- | -- | 1 | Asian Economics, Q1 2005. |
| | May 2005 | 4 | 2.6 | 2.8 | -- | -- | 1 | Asian Economic Insight, 6 May 2005. |
| | Aug 2005 | 4 | 2.7 | 0.3 | -- | -- | 1 | Asian Economic Insight, 1 Aug 2005. |
| Standard Chartered Bank | Apr 2005 | 4 | -- | -- | -- | -- | 1.5 | Special Report, 4 April 2005. |
| | Aug 2005 | 5.8 | -- | -- | -- | -- | 1 | Special Report, 22 Aug 2005. |
| Hang Seng Bank | Dec 2004 | 4 | 2.8 | 2.8 | 9.5 | 9.8 | 1 | Hang Seng Economic Monthly, Nov/Dec 2004. |
| | Aug 2005 | 4.5 | -- | -- | -- | -- | 1.2 | Hang Seng Bank, 22 Aug 2005. |
| Bank of China (HK) | Dec 2004 | 4.5 | 4.2 | 4.5 | 8.6 | 10.5 | 1.2 | BOC Economic Review Monthly, Dec 2004. |
| | Jun 2005 | 5 | 4.2 | 4.5 | 8.6 | 9.5 | 1.2 | BOC Economic Review Monthly, Jun 2005. |
| Bank of East Asia | Jan 2005 | 4.5 | 4.5 | 4 | 8.5 | 11 | 1.5 | Economic Analysis, Jan 2005. |
| ABN Amro Bank | May 2005 | 4 | -- | -- | -- | -- | 1.5 | Asia Vision, 20 May 2005. |
| | Aug 2005 | 4.5 | -- | -- | -- | -- | 1 | Asia Vision, 19 Aug 2005. |

## Table 3 (cont'd)

## 2005 GDP and price forecasts for Hong Kong put out by selected international organisations and private sector analysts

| | Date of release | GDP | Private consumption expenditure | Gross domestic fixed capital formation | Total Exports of goods | Exports of services | Rate of change in consumer prices | Reference source |
|---|---|---|---|---|---|---|---|---|
| | | (growth rate in real terms (%)) | | | | | (%) | |
| Citigroup | Jan 2005 | 4.7 | -- | -- | -- | -- | -- | Oriental Daily News, 21 Jan 2005. |
| | Feb 2005 | 4.5 | -- | -- | -- | -- | 1.4 | Hong Kong Financial Market Weekly, 21 Feb 2005. |
| | Aug 2005 | 5.2 | 3.3 | -0.5 | 9.5 | 6.6 | 1.2 | Hong Kong Economic Outlook, 19 Aug 2005. |
| *(b) Investment bank* | | | | | | | | |
| JP Morgan Chase | Mar 2005 | 5 | -- | -- | -- | -- | 2.2 | Global Data Watch: Asia, 11 Mar 2005. |
| | Aug 2005 | 5 | -- | -- | -- | -- | 1.5 | JP Morgan Chase, 22 Aug 2005. |
| Goldman Sachs Asia | Mar 2005 | 4.5 | -- | -- | -- | -- | 1.3 | Asia-Pacific Economics Analyst, 8 Mar 2005. |
| | Mar 2005 | 5 | -- | 3.6 | -- | -- | 1.3 | Economic Flash, 17 Mar 2005. |
| | Jul 2005 | 5.5 | 6 | 3.8 | -- | -- | 1.7 | Economic Flash, 18 Jul 2005. |
| Morgan Stanley Asia | Nov 2004 | 4.5 | 4 | 5.7 | 7.6 | 8 | 0.5 | Hong Kong Economics, 29 Nov 2004. |
| | May 2005 | 4.5 | 4.5 | 4.4 | 7.5 | 8 | 0.5 | Hong Kong: Economic Forecast Summary, May 2005. |
| | May 2005 | 4.5 | 4.2 | 4.8 | 7.9 | 9 | 1.2 | Hong Kong Economics, 28 May 2005. |
| Merrill Lynch | May 2005 | 5.3 | -- | -- | -- | -- | 2.1 | The Asian Market Economist, 3 May 2005. |
| | Aug 2005 | 5.3 | -- | -- | -- | -- | 2.1 | The Asian Market Economist, 15 Aug 2005. |
| Credit Suisse First Boston | Mar 2005 | 3.5 | 3.2 | 3.8 | -- | -- | 1.4 | Global Emerging Markets Outlook, 10 March 2005. |
| Lehman Brothers | May 2005 | 5.5 | -- | -- | -- | -- | -- | Reuters, 18 May 2005. |
| | Aug 2005 | 5.5 | -- | -- | -- | -- | 1.7 | Global Weekly Economic Monitor, 19 Aug 2005. |
| *(c) Others* | | | | | | | | |
| Economist Intelligence Unit | Feb 2005 | 4.6 | 5 | 6 | -- | -- | 0.4 | Country Forecast, Feb 2005. |
| | Jul 2005 | 4.6 | 5 | 3.5 | -- | -- | 0.5 | Country Forecast, Jul 2005. |
| | Aug 2005 | 4.6 | 5 | 3.5 | -- | -- | 0.6 | Country Forecast, Aug 2005. |

## Table 3 (cont'd)

## 2005 GDP and price forecasts for Hong Kong put out by selected international organisations and private sector analysts

| | Date of release | GDP (growth rate in real terms (%)) | Private consumption expenditure | Gross domestic fixed capital formation | Total Exports of goods | Exports of services | Rate of change in consumer prices (%) | Reference source |
|---|---|---|---|---|---|---|---|---|
| Hong Kong General Chamber of Commerce | Nov 2004 | 5.5 | -- | -- | -- | -- | 2.5 | HKGCC, 22 Nov 2004. |
| | May 2005 | 5.5 | -- | -- | -- | -- | 1 | HKGCC, 23 May 2005. |
| | Aug 2005 | 5 | -- | -- | -- | -- | 1 | HKGCC, 22 Aug 2005. |
| Federation of Hong Kong Industries | Jul 2005 | 5-5.5 | -- | -- | -- | -- | -- | Hong Kong Economic Times, 15 Jul 2005. |
| University of Hong Kong | Jan 2005 | 6 | -- | -- | -- | -- | 3 | The Sun, 12 Jan 2005. |
| | Jul 2005 | 5.2 | -- | -- | -- | -- | -- | RTHK Online News, 7 Jul 2005. |
| The Better Hong Kong Foundation Forecasts | Apr 2005 | 6.14 | -- | -- | -- | -- | 2.45 | RTHK Online News, 28 Apr 2005. |
| | Jul 2005 | 5.58 | -- | -- | -- | -- | 1.25 | Sing Pao, 6 Jul 2005. |

**Observation :**

The forecasts of GDP growth in real terms for 2005 released by the private sector analysts since May 2005, as listed above, range from 4% to 5.8%, averaging at 5.0%.