

2022 Export Outlook

Mid-year Assessment

29 July 2022



Key highlights

- *HKTDC Export Index* gained 6.2 points over Q1 to 30.9, with exporter confidence improved across all sectors.
- Supply chain disruptions and logistics bottlenecks are expected to ease gradually, as well as mainland market to lead the rebound in the second half of 2022.
- *HKTDC Research* has kept its 2022 export-growth forecast unchanged at 8%, albeit the growth is mainly driven by cost-induced price rises, with volume growth a less certain prospect.

Hong Kong Exports Outlook

Total Export Growth by Major Markets

	2022F
US	Dark green
EU(27)	Yellow
Japan	Dark green
Mainland China	Light green
ASEAN	Dark green
<i>World</i>	Dark green

Total Export Growth by Major Industries

	2022F
Electronics	Light green
Clothing	Yellow
Precious Jewellery	Orange
Watches & Clocks	Dark green
Toys	Dark green
Household Electrical Appliances	Red

Dark green: projected growth is higher than the 2012-2021 CAGR by more than 2 percentage points

Light green: projected growth is higher than the 2012-2021 CAGR by 0.5 to 2 percentage points

Yellow: projected growth is between -0.5 and +0.5 percentage points compared with 2012-2021 CAGR

Orange: projected growth is lower than the 2012-2021 CAGR by 0.5 to 2 percentage points

Red: projected growth is lower than the 2012-2021 CAGR by more than 2 percentage points

Note: CAGR - compound annual growth rate

Early 2022 Performance

Exports to Mainland China drop

Hong Kong Merchandise Exports by Major Market

	2021		JAN-JUN 2022	
	HK\$ Million	Growth %	HK\$ Million	Growth %
USA	309,619	+19.6	152,119	+14.1
EU	339,510	+21.2	157,931	+5.0
Japan	118,849	+8.7	55,522	-0.7
Developing Asia	3,732,954	+27.8	1,736,594	+0.4
Mainland China	2,951,973	+27.0	1,300,113	-5.7
ASEAN	338,015	+19.5	183,713	+20.1
Latin America	92,411	+39.5	45,004	+7.7
Middle East	101,693	+21.7	57,522	+20.6
Emerging Europe	110,887	+20.1	41,042	-16.6
Africa	46,603	+3.2	16,515	-32.3

Source: Hong Kong Census and Statistics Department

Exports of electronics stays positive

Hong Kong Merchandise Exports by Selected Industry Sector

	2021		January - June 2022	
	HK\$ Million	Growth %	HK\$ Million	Growth %
Precious Jewellery	74,016	+47.0	33,576	-5.5
Electronics	3,601,394	+27.7	1,667,249	+1.2
Clothing	66,688	+4.6	26,005	-9.4
Household Electrical Appliances	16,562	+19.2	4,857	-32.4
Watches & Clocks	59,807	+28.9	27,431	-1.4
Toys	33,780	+14.0	12,298	-16.2

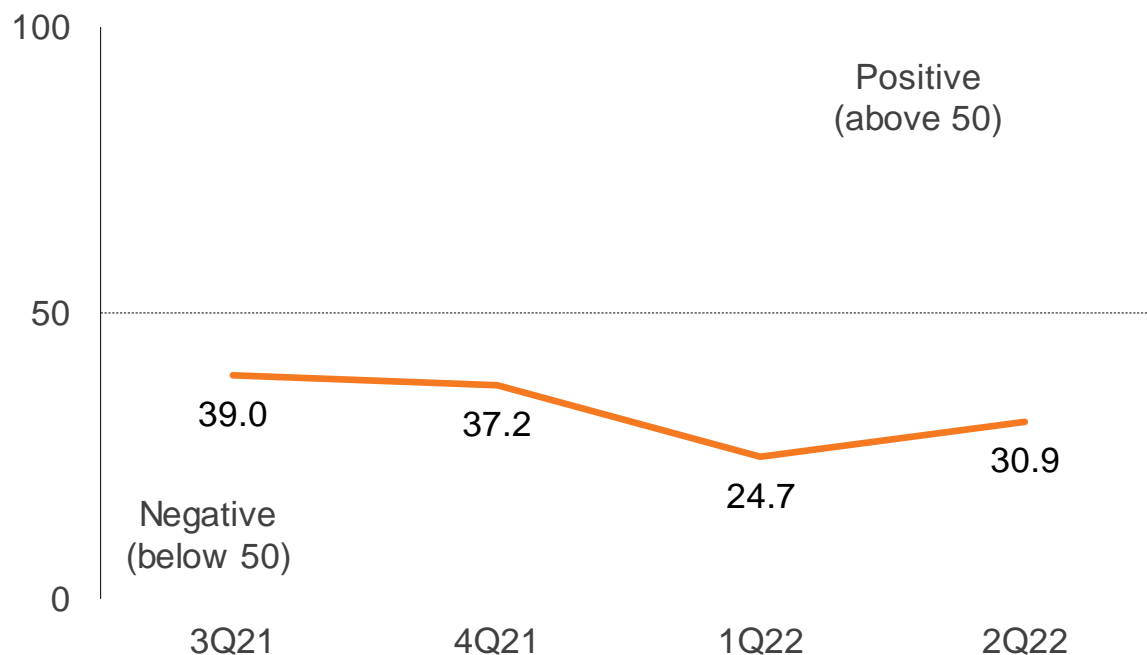
Source: Hong Kong Census and Statistics Department

HKTDC Export Index 2Q22



Export sentiment rebounds

HKTDC Export Index



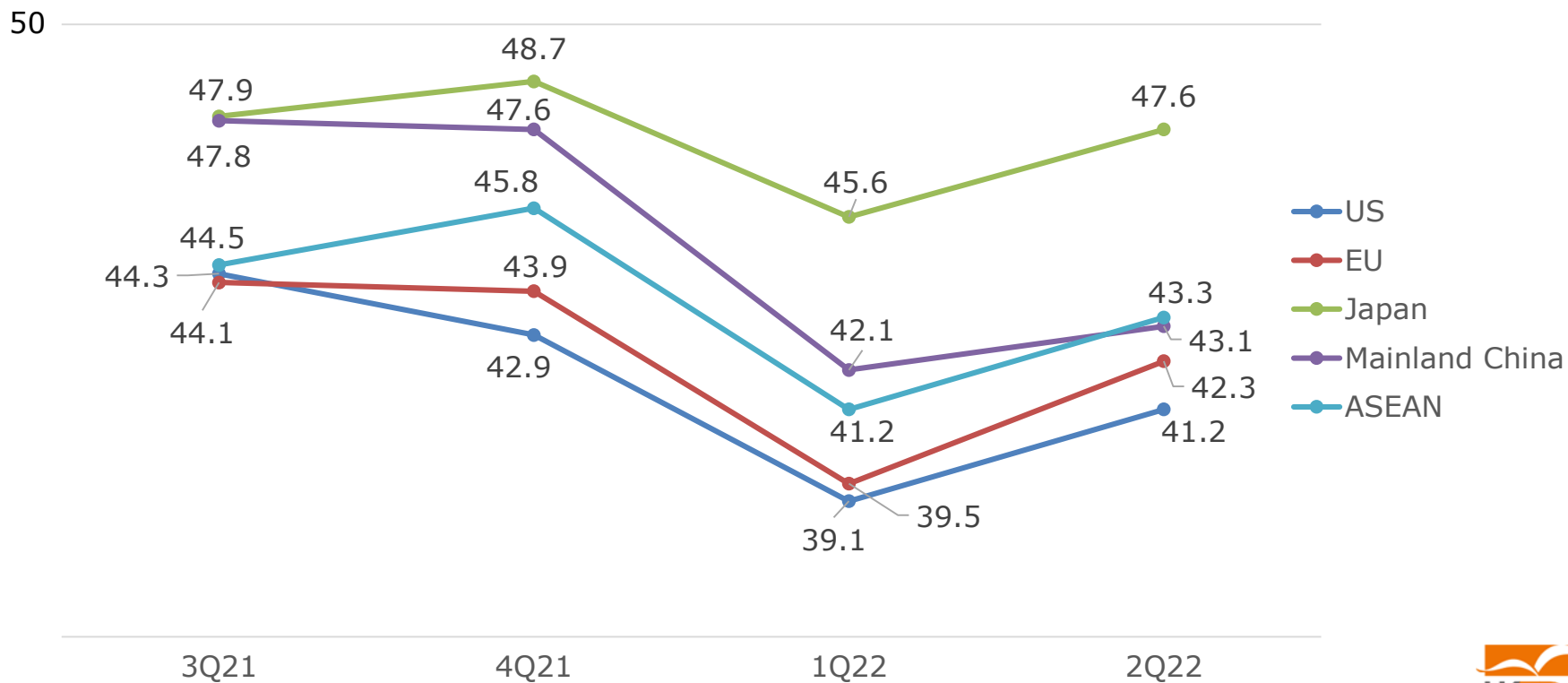
Source: HKTDC Survey

Exporter confidence improves across all sectors

Period	HKTDC Export Index	Electronics	Clothing	Toys	Jewellery	Timepieces	Machinery
2Q22	30.9 ↑	30.4 ↑	33.4 ↑	38.7 ↑	34.3 ↑	34.6 ↑	37.7 ↑
1Q22	24.7	24.5	28.0	33.5	23.5	19.7	25.0
4Q21	37.2	37.0	39.6	25.0	40.7	37.5	44.1
3Q21	39.0	38.9	36.1	44.0	39.9	38.2	43.8

Source: HKTDC Survey

Asia's market seen as more promising



Prices stay in expansionary zone

Period	Trade Value Index	Electronics	Clothing	Toys	Jewellery	Timepieces	Machinery
2Q22	51.7	51.8	49.0 ↑	53.2	54.4 ↑	51.0 ↑	50.3 ↑
1Q22	52.8	53.5	46.0	56.7	37.3	41.8	48.8
4Q21	57.0	57.2	51.5	57.7	52.9	57.2	59.0
3Q21	54.1	54.9	42.8	47.9	48.1	52.5	50.3

Source: HKTDC Survey

Procurement sentiment pickup in all sectors

Period	Procurement Index	Electronics	Clothing	Toys	Jewellery	Timepieces	Machinery
2Q22	25.0 ↑	24.6 ↑	27.7 ↑	33.8 ↑	23.5 ↑	28.8 ↑	30.2 ↑
1Q22	20.3	20.0	24.3	26.1	20.6	19.2	22.8
4Q21	36.9	37.0	36.6	21.8	37.3	36.5	40.7
3Q21	36.2	36.0	33.7	52.1	32.7	38.2	40.1

Source: HKTDC Survey

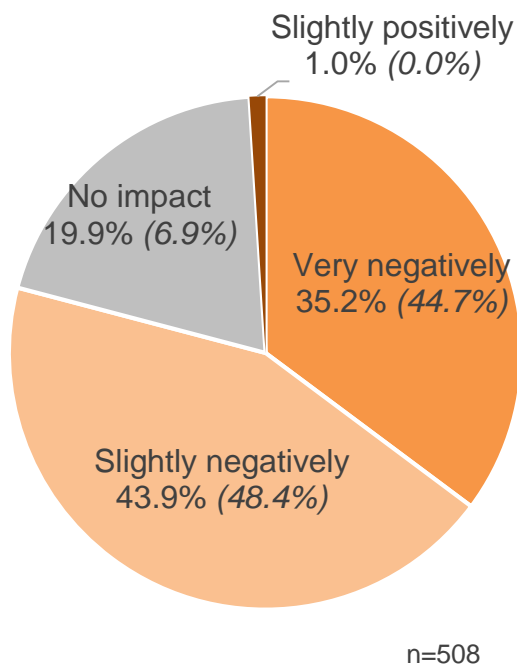
Uplifting recruitment intention

Period	Employment Index	Electronics	Clothing	Toys	Jewellery	Timepieces	Machinery
2Q22	45.3 ↑	45.4 ↑	46.5 ↑	43.0 ↑	45.1 ↑	42.3 ↑	43.2 ↑
1Q22	40.4	40.4	39.6	41.5	40.2	38.5	40.1
4Q21	44.0	44.4	39.6	38.7	43.1	41.3	43.2
3Q21	44.7	44.8	42.6	44.4	42.3	43.1	44.4

Source: HKTDC Survey

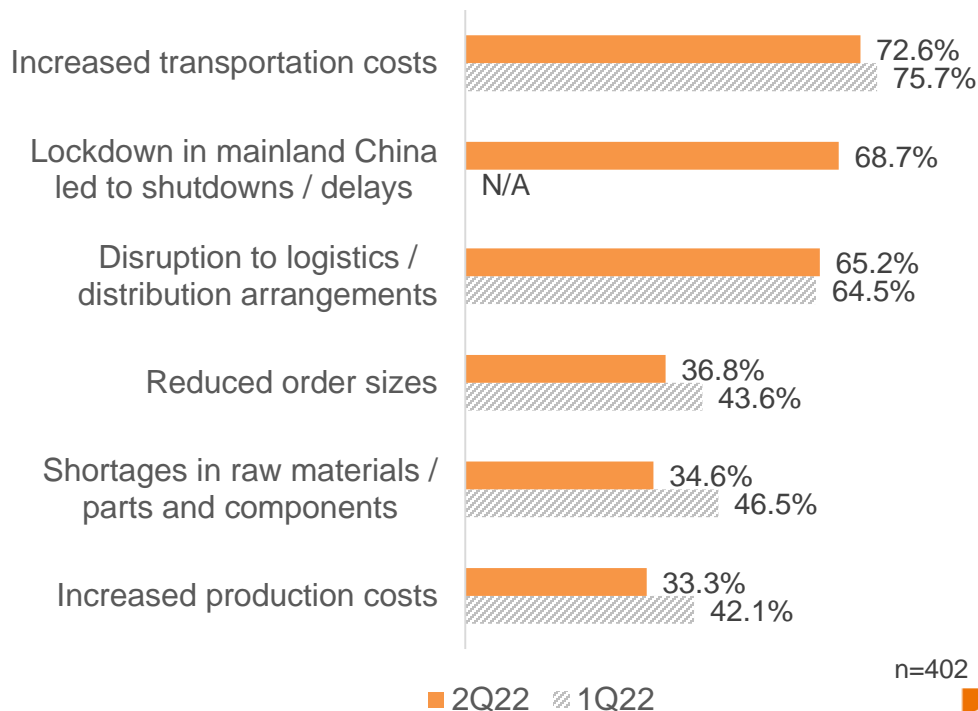
Impacts of Covid-19 are receding

Impacts of Covid-19



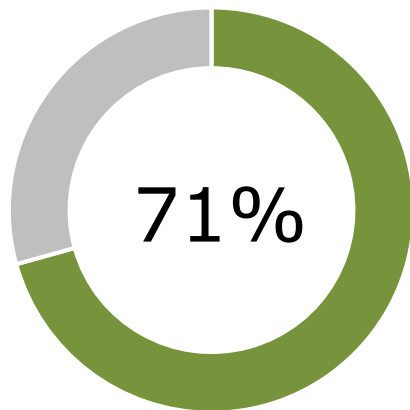
Note: Figures in brackets correspond to results from the Export Index 1Q22 survey.

Negative Impacts

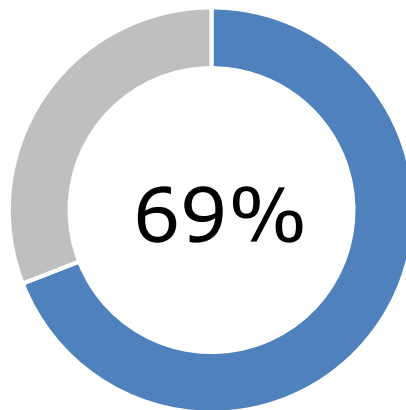


Note: Respondents could select all options that applied.

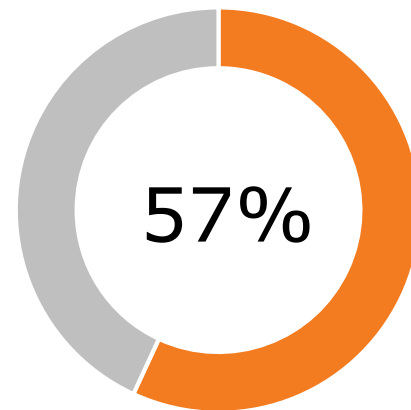
Limited impacts under global economic backdrop



Reported no impacts from the US interest rate hikes



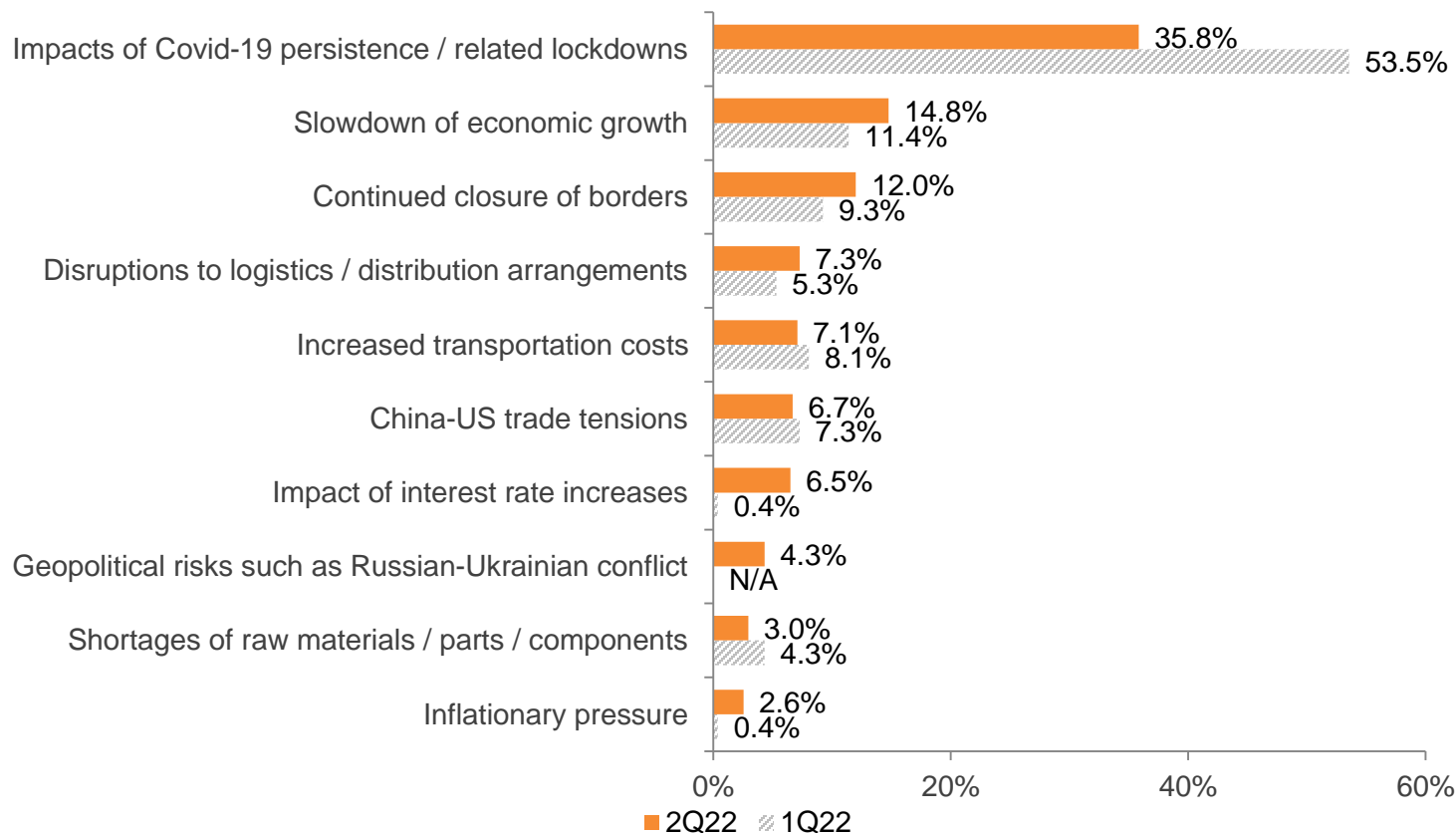
Reported no impacts from the Russia-Ukraine Conflict



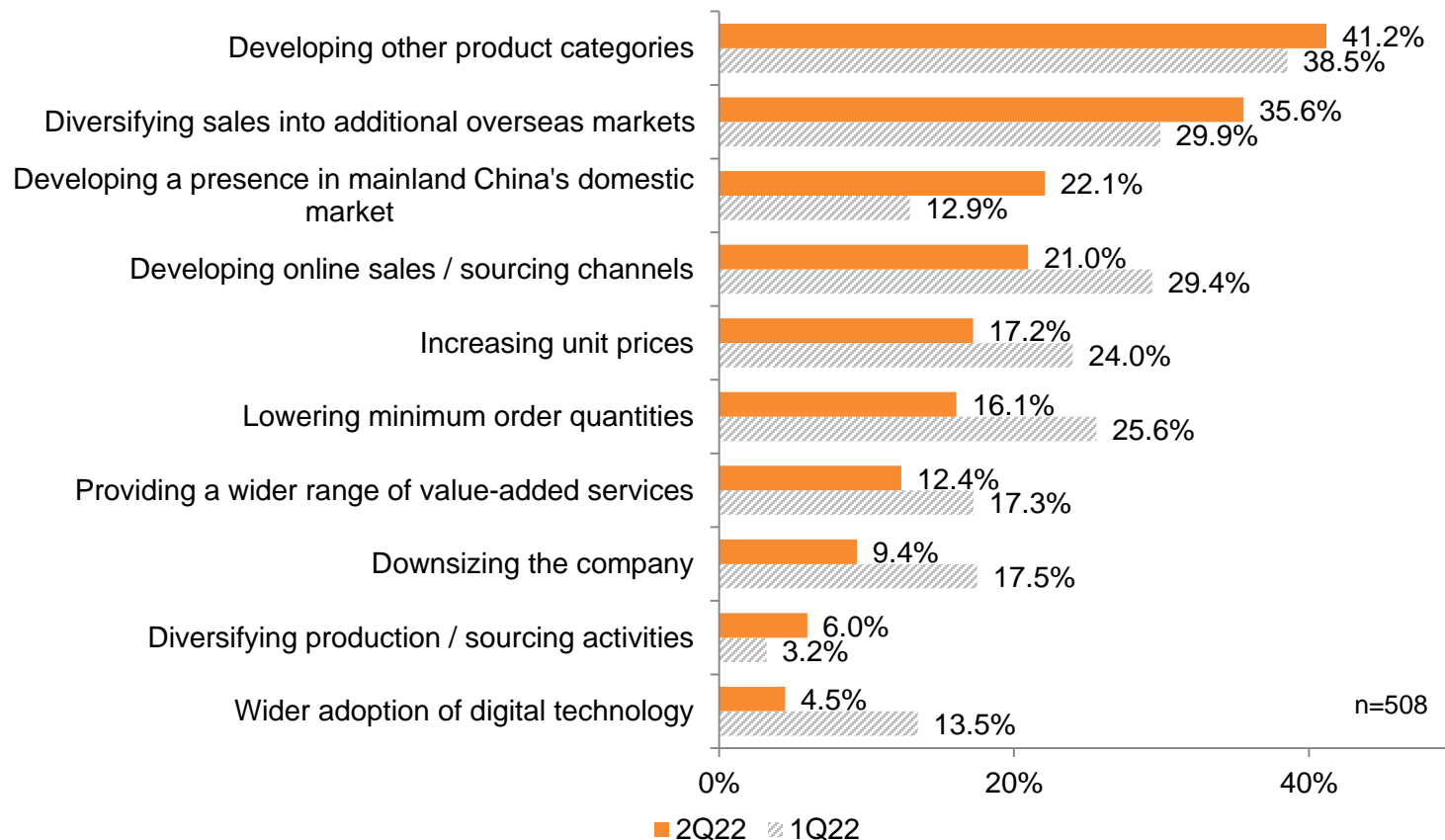
Reported no impacts from renminbi depreciation

Covid-19 remains as the biggest threat

Biggest Threat to Export Performance Over the Next Six Months



Business strategies adopt in 2022



Thank you