

Update 11: Hong Kong - Q2 2020 Economy Shrinks 9% on a YoY Basis Amid COVID-19 Pandemic

- Hong Kong's government stated that the economy shrank by 9.0% in Q2 2020 from a year earlier
- Hong Kong's Q2 2020 Gross Domestic Product (GDP) shrank 0.1% on a QoQ basis
- It was the fourth consecutive quarter of contraction for the economy, which was hit hard by anti-government protests last year and more recently by the global health crisis
- The decline in gross domestic product (GDP) eased slightly from a revised 9.1% contraction in January-March, which was the worst quarterly drop since records began in 1974
- Moody's Analytics had expected a contraction of 11.9%
- As of now, Hong Kong has reported 3,003 confirmed COVID-19 cases with 24 deaths
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments
- Please consult Department of Health (<https://www.dh.gov.hk/eindex.html>) for the latest information on COVID-19 in Hong Kong

Source(s)

<https://in.reuters.com/article/us-hongkong-economy-gdp/hong-kongs-recession-eases-slightly-second-quarter-gdp-shrinks-01-quarter-on-quarter-idINKCN24U1A8>
<http://www.businessworld.in/article/Hong-Kong-s-Recession-Eases-Slightly-Second-Quarter-GDP-Shrinks-0-1-Q-Q/29-07-2020-302786/>
<https://www.worldometers.info/coronavirus/country/china-hong-kong-sar/>

Targets Affected:

Hong Kong

Guidance

Actions to consider:

- Consider implementing suggested actions related to 'Negative Impact on Economy' under the 'COVID-19: Actions to Consider' section below / next page

Related Alerts

July 29, 2020

Medium

Update 10: Hong Kong - Imposes Strict Restrictions Amid COVID-19 Outbreak

July 19, 2020

Medium

Update 9: Hong Kong - Imposes Conditions on Travelers from High-Risk Areas Amid COVID-19 Pandemic

June 18, 2020

Medium

Update 8: Hong Kong - Eases Social Distancing Measures Starting June 19 Amid COVID-19 Pandemic

June 3, 2020

High

Update 7: Hong Kong - Extends Restrictions as New COVID-19 Cases Re-emerge

May 27, 2020

High

Update 6: Hong Kong - Reopens More Businesses as COVID-19 Cases Decline

May 20, 2020

Immediate

Update 5: Hong Kong - Unemployment Rate Reaches 10-Year High Due to COVID-19 Pandemic; Restrictions Extended

May 6, 2020

High

Update 4: Hong Kong - Certain Businesses to Resume Amid COVID-19 Pandemic

May 4, 2020

High

Update 3: Hong Kong - Reports Deepest Economic Contraction to 8.9% Amid COVID-19 Pandemic

April 30, 2020

High

Update 2: Hong Kong - Extends
Mandatory Quarantine for Arrivals from
Chinese Mainland Until June 7, 2020
Amid Declining COVID-19 Cases

April 21, 2020

Immediate

Update 1: Hong Kong - Extends
COVID-19 Restrictions Until May 7,
2020; Reports Unemployment Rate of
4.2%, Highest in More Than Nine
Years

April 8, 2020

Immediate

Hong Kong - Extends Social Distancing
Restrictions Until April 23, 2020 to Curb
Spread of COVID-19

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.