

Summary of social and economic development of Macao

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No. 2

OVERALL SOCIAL AND ECONOMIC SITUATION

As the Chinese New Year holidays extended to the beginning of February, the number of visitor arrivals recorded a rather high growth rate and gross gaming receipts surged. In terms of external trade, exports and imports of goods continued to increase. In regard to Public accounts, fiscal surplus was still recorded. Moreover, under the rapid development of the gaming and tourism sector, the employed population continued to grow and unemployment rate remained at the level of 3.9%. Regarding the property market, the number of transactions was still situated at a relatively low level. The consumer price index continued to rise owing to the increases in rentals for housing and the prices of gas.

GROSS DOMESTIC PRODUCT

In the fourth quarter of 2005, the Macao's economy increased 8.9% in real terms, spurred by strong growth in investment and the sharp rebound of the exports of goods. In annual terms, the economy recorded an increase of 6.7% in real terms in 2005, with GDP at current prices reaching MOP 92.59 billion and per-capita GDP MOP 194,458.

GAMING AND TOURISM

In February 2006, gross gaming receipts surged 40.3% to MOP 4.38 billion. In the first two months, the cumulative gross gaming receipts rose 14.8% to MOP 7.96 billion.

The number of visitor arrivals grew 16.5% to 1,773,926 in February 2006. Visitors from Mainland China and Hong Kong SAR registered increases of 20.9% and 10.4% respectively, while visitors from Taiwan region decreased

8.1%. In the first two months of 2006, visitor arrivals reached 3,435,319, up 17.5%.

CONSTRUCTION AND REAL ESTATE

In January 2006, the number of units started was 45, up 25%, but the related gross floor area was 3,750 m², down 63.4%. Moreover, the number of units and gross floor area in buildings completed grew significantly to 310 and 163,443 m² respectively. Regarding the property market, 1,317 units were transacted in February 2006, 287 units less than the previous month, reflecting the property market still in progress of adjustment.

EXTERNAL TRADE

In February 2006, total export value amounted to MOP 0.97 billion, up 21.7%, while value of imports reached MOP 2.10 billion, up 42.9%. As imports rose sharply, Macao's trade deficit widened to MOP 1.13 billion. In the first two months, the cumulative export value amounted to MOP 3.03 billion, up 33.3%, as the value of **Textile & garment** exports, which accounted for 77.1% of the total exports, increased 39.2%. The cumulative import value reached MOP 4.74 billion, up 27.6%, mainly due to the increases registered in **Fuel & lubricants** (63.6%), **Capital goods** (29.3%) and **Consumer goods** (23.9%). Trade deficit at the end of February was MOP 1.70 billion.

CONSUMER PRICE INDEX

The Composite CPI for February 2006 was 106.76, with year-on-year increase of 5.4%, or up by 0.36% over the previous month. The increment was attributable to the increase in rentals for housing, rising prices in LP gas, fruit, vegetables and meals bought away from home, which was coupled with higher charges for domestic services. As a result, the indices of Housing & fuels, Household goods & furnishings, and Food & non-alcoholic beverages went up by 2.00%, 0.85% and 0.68% respectively. For the 12 months ended February 2006, the average Composite CPI rose by 4.8% over the previous period.

PUBLIC ACCOUNTS

In February 2006, total public revenue, excluding Autonomous Agencies, decreased 0.1% to MOP 1.71 billion, among which gaming tax revenue accounted for 80.1% of the total, down 4.1% to MOP 1.37 billion. On the other hand, total public expenditure, excluding Autonomous Agencies, reached MOP 0.57 billion, down 14.2%. At the end of February, the fiscal surplus amounted to MOP 1.81 billion.

EMPLOYMENT

The employed population was 253 thousand for the period from December 2005 to February 2006, up 10.6%. The unemployment rate was 3.9%, same as the previous period (November 2005 to January 2006), but down 0.2 percentage points year-on-year. At the end of February, the number of non-resident workers increased 58.1% to 44,499.

MONEY

At the end of January 2006, narrow money supply M1 and broad money supply M2 reached MOP 13.68 billion and MOP 142.16 billion respectively. Besides, domestic loans and advances to the private sector increased 20.4% to MOP 43.43 billion. Foreign exchange reserves rose 24.8% to MOP 54.59 billion.

* Growth rates mentioned in this analysis are comparisons with the same period of the previous year, unless stated otherwise.

Principal statistical indicators of Macao	Unit	Latest period	Latest period		Cumulative	
			Value	Year-on-year % change	Value	Year-on-year % change
I - GROSS DOMESTIC PRODUCT						
Current prices	10 ⁶ MOP	Q4/2005	26 940.53	15.0	92 590.98	11.7
Real growth rate	%	Q4/2005	8.9	..	6.7	..
II - GAMING AND TOURISM						
Gross gaming receipts	10 ⁶ MOP	Feb/2006	4 378.42	40.3	7 962.39	14.8
Visitor arrivals	no.	Feb/2006	1 773 926	16.5	3 435 319	17.5
Mainland China	no.	Feb/2006	1 006 275	20.9	1 934 002	16.7
Hong Kong SAR	no.	Feb/2006	546 770	10.4	1 075 745	23.3
Taiwan region	no.	Feb/2006	111 968	-8.1	205 222	-9.3
III - CONSTRUCTION AND REAL ESTATE						
Gross floor area of buildings started	m ²	Jan/2006	3 750	-63.4	3 750	-63.4
Units of buildings started	no.	Jan/2006	45	25.0	45	25.0
Gross floor area of buildings completed	m ²	Jan/2006	163 443	1 042.6	163 443	1 042.6
Units of buildings completed	no.	Jan/2006	310	30 900.0	310	30 900.0
Building units transacted	no.	Feb/2006	1 317	-44.1	2 921	-46.4
IV - EXTERNAL TRADE						
Exports	10 ⁶ MOP	Feb/2006	968.73	21.7	3 032.96	33.3
Imports	10 ⁶ MOP	Feb/2006	2 098.52	42.9	4 736.18	27.6
Trade balance	10 ⁶ MOP	Feb/2006	-1 129.78	..	-1 703.21	..
V - CONSUMER PRICE INDEX						
(7/2004 to 6/2005 = 100)		Feb/2006	106.76	5.4	..	4.8 ^a
VI - PUBLIC ACCOUNTS						
Revenue excluding Autonomous Agencies	10 ⁶ MOP	Feb/2006	1 706.78	-0.1	3 610.56	3.5
Revenue from gaming tax	10 ⁶ MOP	Feb/2006	1 366.73	-4.1	2 944.22	4.3
Expenditure excluding Autonomous Agencies	10 ⁶ MOP	Feb/2006	570.51	-14.2	1 795.81	1.9
Balance	10 ⁶ MOP	Feb/2006	1 136.27	..	1 814.75	..
			Latest period		Previous period	
			Value	Year-on-year % change	Value	Year-on-year % change
VII - EMPLOYMENT						
Employed population	10 ³	Dec/2005-Feb/2006	253	10.6	250	9.5
Unemployment rate	%	Dec/2005-Feb/2006	3.9	-0.2 ^b	3.9	-0.3 ^b
Non-resident workers in Macao	no.	Feb/2006	44 499	58.1	42 496	54.2
VIII - MONEY						
Narrow money supply (M1)	10 ⁶ MOP	Jan/2006	13 681.9	-8.7	12 788.9	-4.8
Broad money supply (M2)	10 ⁶ MOP	Jan/2006	142 161.2	15.6	135 659.8	12.2
Domestic loans and advances to the private sector	10 ⁶ MOP	Jan/2006	43 425.1	20.4	42 509.5	19.8
Foreign exchange reserves	10 ⁶ MOP	Jan/2006	54 593.5	24.8	53 429.2	22.7

a Annual rate of change ended February 2006.

b Percentage difference from the same period of last year - positive value corresponds with increase and negative value corresponds with decrease.

.. Not applicable

