

## Summary of social and economic development of Macao

JUNE / 2006

No. 6

### OVERALL SOCIAL AND ECONOMIC SITUATION

In June 2006, the number of visitor arrivals and gross gaming receipts kept on rising. In terms of external trade, exports of goods surged and imports of goods continued to increase, thus trade deficit narrowed down further. 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 3.8%. On the other hand, regarding the property market in June 2006, the number of transactions registered a slight increase over the previous month, but dropped by nearly 50% compared with the same month of last year. Consumer Price Index in June recorded an increase over the previous month and year-on-year.

As regards overall social and economic situation in the first half of 2006, apart from the number of transactions that continued to decrease sharply, other areas such as the gaming and tourism sector, construction, external trade, public accounts and employment achieved outstanding performances. Moreover, Consumer Price Index continued to increase.

### GAMING AND TOURISM

In June 2006, gross gaming receipts increased 8.4% to MOP 4.00 billion. For the first half of 2006, total gross gaming receipts rose 12.9% to MOP 25.49 billion.

The number of visitor arrivals in June 2006 grew 11.4% to 1,596,993. Visitors from Hong Kong SAR and Mainland China registered increases of 17.4% and 9.2% respectively, but visitors from Taiwan region decreased 10.3%. For the first half of 2006, total number of visitor arrivals reached 10,422,480, up 16.8%. Visitors from Hong Kong SAR and Mainland China increased 20.3% and 16.7% respectively, but visitors from Taiwan region decreased 8.1%.

### CONSTRUCTION AND REAL ESTATE

As there were no newly started building units in May 2006, the cumulative number of units and gross floor area in buildings started at the end of May remained at 1,379 and 306,206 m<sup>2</sup> respectively, up 73.5% and down 71.2% compared with the same period of 2005. Moreover, the cumulative number of units and gross floor area in buildings completed grew significantly to 843 and 522,553 m<sup>2</sup> respectively. Regarding the property market, 2,011 units were transacted in June 2006, only 18 units more than the previous month and down 47.6% year-on-year. For the first half of 2006, the cumulative number of units transacted was 10,397, down 46.6%.

### EXTERNAL TRADE

In June 2006, total export value amounted to MOP 2.08 billion, up 42.6%; and the value of imports reached MOP 3.30 billion, up 27.5%. As exports rose sharply, Macao's trade deficit narrowed further, to MOP 1.22 billion. For the first half of 2006, the cumulative export value amounted to MOP 10.34 billion, up 40.0%, as the value of **Textile & garment** exports, which accounted for 74.9% of total exports, increased 44.4%. The cumulative import value reached MOP 17.38 billion, up 29.4%, mainly due to the increases in **Fuel & lubricants** (up 37.1%), **Consumer goods** (up 33.8%), **Raw materials & semi-manufactures** (up 27.8%) and **Capital goods** (up 19.9%). Trade deficit was MOP 7.04 billion in the first half of 2006.

## CONSUMER PRICE INDEX

The Composite CPI for June 2006 was 108.62, with year-on-year increase of 5.71%, or up by 0.43% over the previous month. The indices of Food & non-alcoholic beverages, Transport, and Recreation & culture rose more apparently, by 1.65%, 0.99% and 0.52% respectively. The increments were driven by dearer prices of vegetables after heavy rain and typhoon, rising gasoline prices on account of surging international oil prices and the ascending charges for outbound package tours as a result of the approaching summer holiday. Average Composite CPI for the first half of 2006 went up by 5.80%. For the 12 months ended June 2006, the average Composite CPI increased by 5.54% over the previous period.

## PUBLIC ACCOUNTS

In June 2006, total public revenue, excluding Autonomous Agencies, decreased 1.0% to MOP 1.97 billion, among which gaming tax revenue accounted for 85.7% of the total and rose 3.2% to MOP 1.69 billion. Total public expenditure, excluding Autonomous Agencies, reached MOP 1.27 billion, up 4.6%. For the first half of 2006, total public revenue, excluding Autonomous Agencies, increased 18.8% to MOP 12.37 billion, among which gaming tax revenue rose 14.8% to MOP 9.78 billion; moreover, total public expenditure, excluding Autonomous Agencies, reached MOP 5.71 billion, up 7.0%. At the end of June, the fiscal surplus amounted to MOP 6.66 billion.

## EMPLOYMENT

The employed population was 264 thousand for the period from April to June 2006, up 13.8%. The unemployment rate was 3.8%, same as the previous period (March to May 2006), but down 0.4 percentage point year-on-year. At the end of June, the number of non-resident workers was 50,247, an increase of 521 over the previous month.

## MONEY

At the end of May 2006, narrow money supply M1 and broad money supply M2 reached MOP 13.37 billion and MOP 150.56 billion respectively. Besides, domestic loans and advances to the private sector increased 23.2% to MOP 47.56 billion. Foreign exchange reserves rose 35.0% to MOP 60.68 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
<b>I - GROSS DOMESTIC PRODUCT</b>						
Current prices	10 <sup>6</sup> MOP	Q1/2006	25 135.89	24.1	25 135.89	24.1
Real growth rate	%	Q1/2006	18.8	..	18.8	..
<b>II - GAMING AND TOURISM</b>						
Gross gaming receipts	10 <sup>6</sup> MOP	Jun/2006	4 002.56	8.4	25 489.16	12.9
Visitor arrivals	no.	Jun/2006	1 596 993	11.4	10 422 480	16.8
Mainland China	no.	Jun/2006	876 916	9.2	5 825 455	16.7
Hong Kong SAR	no.	Jun/2006	485 800	17.4	3 191 467	20.3
Taiwan region	no.	Jun/2006	116 410	-10.3	684 273	-8.1
<b>III - CONSTRUCTION AND REAL ESTATE</b>						
Gross floor area of buildings started	m <sup>2</sup>	May/2006	-	-100.0	306 206	-71.2
Units of buildings started	no.	May/2006	-	-100.0	1 379	73.5
Gross floor area of buildings completed	m <sup>2</sup>	May/2006	121 954	4 583.3	522 553	510.5
Units of buildings completed	no.	May/2006	11	1 000.0	843	1 461.1
Building units transacted	no.	Jun/2006	2 011	-47.6	10 397	-46.6
<b>IV - EXTERNAL TRADE</b>						
Exports	10 <sup>6</sup> MOP	Jun/2006	2 081.14	42.6	10 342.10	40.0
Imports	10 <sup>6</sup> MOP	Jun/2006	3 300.24	27.5	17 383.81	29.4
Trade balance	10 <sup>6</sup> MOP	Jun/2006	- 1 219.10	..	- 7 041.71	..
<b>V - CONSUMER PRICE INDEX</b>						
(7/2004 to 6/2005 = 100)		Jun/2006	108.62	5.7	..	5.5 <sup>a</sup>
<b>VI - PUBLIC ACCOUNTS</b>						
Revenue excluding Autonomous Agencies	10 <sup>6</sup> MOP	Jun/2006	1 974.11	-1.0	12 367.23	18.8
Revenue from gaming tax	10 <sup>6</sup> MOP	Jun/2006	1 690.95	3.2	9 775.85	14.8
Expenditure excluding Autonomous Agencies	10 <sup>6</sup> MOP	Jun/2006	1 268.89	4.6	5 706.37	7.0
Balance	10 <sup>6</sup> MOP	Jun/2006	705.21	..	6 660.86	..
			Latest period		Previous period	
			Value	Year-on-year % change	Value	Year-on-year % change
<b>VII - EMPLOYMENT</b>						
Employed population	10 <sup>3</sup>	Apr/2006-Jun/2006	263.8	13.8	261.0	12.9
Unemployment rate	%	Apr/2006-Jun/2006	3.8	-0.4 <sup>b</sup>	3.8	-0.3 <sup>b</sup>
Non-resident workers in Macao	no.	Jun/2006	50 247	61.6	49 726	64.9
<b>VIII - MONEY</b>						
Narrow money supply (M1)	10 <sup>6</sup> MOP	May/2006	13 369.2	2.9	13 537.7 <sup>r</sup>	-1.4 <sup>r</sup>
Broad money supply (M2)	10 <sup>6</sup> MOP	May/2006	150 559.7	17.9	149 407.0 <sup>r</sup>	18.0 <sup>r</sup>
Domestic loans and advances to the private sector	10 <sup>6</sup> MOP	May/2006	47 560.2	23.2	45 111.2	20.5
Foreign exchange reserves	10 <sup>6</sup> MOP	May/2006	60 684.5	35.0	58 459.3	31.5

a Annual rate of change ended Jun 2006.

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

r Rectified data

.. Not applicable

- Absolute value equals zero

