

Summary of social and economic development of Macao

MARCH / 2006

No. 3

OVERALL SOCIAL AND ECONOMIC SITUATION

In March 2006, the performance of gaming and tourism sector remained satisfactory. The number of visitor arrivals recorded a rather high growth rate and gross gaming receipts maintained growth. In terms of external trade, exports of goods rebounded sharply and imports of goods continued to increase. In regard to Public accounts, fiscal surplus increased further upon the surge in revenue. 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%. In March 2006, regarding the property market, the number of transactions registered a slight increase over the previous month, but still recorded a significant decrease when compared with the same month of last year. Although Consumer Price Index in March was slightly down from February, but grew considerably when compared with the same month of 2005.

As regards overall social and economic situation in the first quarter, the gaming and tourism sector, construction, external trade, public accounts and employment, all achieved outstanding performances. On the other hand, the number of transactions registered a sharp decrease and Consumer Price Index continued to increase.

GAMING AND TOURISM

In March 2006, gross gaming receipts increased 15.1% to MOP 4.63 billion. In the first quarter of 2006, the receipts rose by 14.9% to MOP 12.59 billion.

The number of visitor arrivals in March 2006 grew 18.2% to 1,812,699. Visitors from Mainland China and Hong Kong SAR registered increases of

26.2% and 7.1% respectively, while visitors from Taiwan region decreased 3.7%. In the first quarter of 2006, visitor arrivals reached 5,248,018, up 17.7%.

CONSTRUCTION AND REAL ESTATE

At the end of February, the cumulative number of units in buildings started was 198, down 62.9%, but the related gross floor area was 77,527 m², up 18.8%. Moreover, the cumulative number of units and gross floor area in buildings completed grew significantly to 321 and 170,561 m² respectively. Regarding the property market, 1,882 units were transacted in March 2006, 565 units more than the previous month, but down 35.0% year-on year. For the first quarter of 2006, the number of units transacted was 4,803, down 42.5% when compared with the same quarter of 2005, reflecting that the property market was still under adjustment.

EXTERNAL TRADE

In March 2006, total export value amounted to MOP 1.74 billion, up 42.5%, while value of imports reached MOP 2.95 billion, up 29.5%. As imports rose sharply, Macao's trade deficit widened to MOP 1.21 billion. In the first quarter of 2006, total export value amounted to MOP 4.77 billion, up 36.4%, as the value of **Textile & garment** exports, which accounted for 76.1% of the total exports, increased 42.6%. Besides, total import value reached MOP 7.69 billion, up 28.3%, mainly due to the increases in **Fuel & lubricants** (up 50.1%), **Capital goods** (up 28.8%), **Consumer goods** (up 28.1%) and **Raw materials & semi-manufactures** (up 22.4%). For the first quarter of 2006, trade deficit was MOP 2.92 billion, an expansion from the deficit of MOP 2.49 billion in the same quarter of 2005.

CONSUMER PRICE INDEX

The Composite CPI for March 2006 was 106.63, with year-on-year increase of 5.2%, or down by 0.12% over the previous month. The decrease was mainly attributable to the price discount offered in long-distance call (IDD), price reduction in the seasonal sales of men's and women's clothing, lower prices of

fresh flowers and outbound package tours. As a result, the indices of Communication, Clothing & footwear and Recreation & culture fell by 4.36%, 0.97% and 0.64% respectively. In comparison with the same quarter of 2005, Composite CPI for the first quarter of 2006 rose by 5.5%. For the 12 months ended March 2006, the average Composite CPI rose by 5.0% over the previous period.

PUBLIC ACCOUNTS

In March 2006, total public revenue, excluding Autonomous Agencies, increased 50.7% to MOP 2.10 billion, among which gaming tax revenue accounted for 79.6% of the total and surged 42.8% to MOP 1.67 billion. On the other hand, total public expenditure, excluding Autonomous Agencies, reached MOP 0.88 billion, down 4.8%. The fiscal surplus in March 2006 was MOP 1.22 billion, while it reached MOP 3.03 billion in the first quarter.

EMPLOYMENT

The employed population was 255 thousand for the period from January to March 2006, up 11.2%. The unemployment rate was 3.9%, same as the previous period (December 2005 to February 2006), but down 0.2 percentage point year-on-year. At the end of March, the number of non-resident workers increased 67.1% to 47,876.

MONEY

At the end of February 2006, narrow money supply M1 and broad money supply M2 reached MOP 12.74 billion and MOP 143.00 billion respectively. Besides, domestic loans and advances to the private sector increased 20.4% to MOP 43.70 billion. Foreign exchange reserves rose 22.5% to MOP 54.43 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	Mar/2006	4 626.72	15.1	12 589.12	14.9
Visitor arrivals	no.	Mar/2006	1 812 699	18.2	5 248 018	17.7
Mainland China	no.	Mar/2006	1 043 761	26.2	2 977 763	19.8
Hong Kong SAR	no.	Mar/2006	520 177	7.1	1 595 922	17.5
Taiwan region	no.	Mar/2006	123 817	-3.7	329 039	-7.3
III - CONSTRUCTION AND REAL ESTATE						
Gross floor area of buildings started	m ²	Feb/2006	73 777	34.2	77 527	18.8
Units of buildings started	no.	Feb/2006	153	-69.2	198	- 62.9
Gross floor area of buildings completed	m ²	Feb/2006	7 118	2 616.8	170 561	1 070.9
Units of buildings completed	no.	Feb/2006	11	450.0	321	10 600.0
Building units transacted	no.	Mar/2006	1 882	-35.0	4 803	-42.5
IV - EXTERNAL TRADE						
Exports	10 ⁶ MOP	Mar/2006	1 744.07	42.5	4 771.80	36.4
Imports	10 ⁶ MOP	Mar/2006	2 953.20	29.5	7 689.53	28.3
Trade balance	10 ⁶ MOP	Mar/2006	- 1 209.13	..	- 2 917.73	..
V - CONSUMER PRICE INDEX						
(7/2004 to 6/2005 = 100)		Mar/2006	106.63	5.2	..	5.0 ^a
VI - PUBLIC ACCOUNTS						
Revenue excluding Autonomous Agencies	10 ⁶ MOP	Mar/2006	2 096.94	50.7	5 707.50	17.0
Revenue from gaming tax	10 ⁶ MOP	Mar/2006	1 670.08	42.8	4 614.30	15.5
Expenditure excluding Autonomous Agencies	10 ⁶ MOP	Mar/2006	880.54	-4.8	2 676.36	-0.4
Balance	10 ⁶ MOP	Mar/2006	1 216.40	..	3 031.14	..
			Latest period		Previous period	
			Value	Year-on-year % change	Value	Year-on-year % change
VII - EMPLOYMENT						
Employed population	10 ³	Jan/2006-Mar/2006	255.4	11.2	253.0	10.6
Unemployment rate	%	Jan/2006-Mar/2006	3.9	-0.2 ^b	3.9	-0.2 ^b
Non-resident workers in Macao	no.	Mar/2006	47 876	67.1	44 499	58.1
VIII - MONEY						
Narrow money supply (M1)	10 ⁶ MOP	Feb/2006	12 737.2	-9.3	13 681.9	-8.7
Broad money supply (M2)	10 ⁶ MOP	Feb/2006	142 998.3	15.5	142 161.2	15.6
Domestic loans and advances to the private sector	10 ⁶ MOP	Feb/2006	43 702.5	20.4	43 425.1	20.4
Foreign exchange reserves	10 ⁶ MOP	Feb/2006	54 429.8	22.5	54 593.5	24.8

a Annual rate of change ended March 2006.

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

.. Not applicable

