

Summary of social and economic development of Macao

OCTOBER / 2006

No. 10

OVERALL SOCIAL AND ECONOMIC SITUATION

In October 2006, the performance of the gaming and tourism sector remained satisfactory. Owing to the National Day holidays, the number of visitor arrivals registered a significant increase and gross gaming receipts grew notably. In terms of external trade, exports and imports of goods fell, and trade deficit narrowed down over the previous month. Fiscal surplus kept growing in the Public accounts. Benefited from the rapid development of the gaming and tourism sector, the employed population grew markedly, while the unemployment rate dropped further. On the other hand, the number of transactions in the property market registered a slight increase in October over the previous month; however a decrease was recorded compared with the same month of last year. Moreover, the Composite Consumer Price Index (CPI) registered increases over the previous month and year-on-year.

GROSS DOMESTIC PRODUCT

In the third quarter of 2006, Macao's economy increased 11.4% in real terms, upon outstanding performance in gaming and tourism and impetus from several large-scale construction projects in progress. GDP at current prices reached MOP 27.45 billion.

GAMING AND TOURISM

In October 2006, gross gaming receipts rose 42.5% to MOP 5.81 billion. For the first ten months of the year, total gross gaming receipts increased 17.8% to MOP 45.06 billion.

The number of visitor arrivals in October rose 19.6% to 1,989,828. Visitors from Hong Kong SAR and Mainland China registered increases of 36.7% and 10.3% respectively, but visitors from Taiwan region dropped slightly by 1.1%. For the first ten months of 2006, total number of visitor arrivals reached 17,885,622, up 15.9%.

CONSTRUCTION AND REAL ESTATE

At the end of September 2006, the cumulative number of building units started and total gross floor area were 1,833 and 589,537 m², down 24.1% and 61.9% respectively. The cumulative number of building units completed and their gross floor area were 2,904 and 1,062,959 m², which increased by 2.2 times and 4.9 times respectively. Regarding the property market, 1,927 units were transacted in October 2006, 83 units more than the previous month but down 3.0% year-on-year. For the first ten months of 2006, the total number of units transacted was 18,348, down 35.7%.

EXTERNAL TRADE

The value of total exports in October 2006 amounted to MOP 1.57 billion, down 26.6%, while the value of total imports reached MOP 2.92 billion, down 5.9%, with trade deficit narrowed to MOP 1.34 billion. For the first ten months of 2006, the cumulative export value amounted to MOP 17.43 billion, up 12.4%, owing to a 6.4% increase in value of **Textile & garment** exports, which accounted for 73.0% of the total export value. Moreover, the cumulative import value reached MOP 29.86 billion, up 17.9%, mainly due to the increases in **Fuel & lubricants** (+33.9%), **Consumer goods** (+21.5%), **Raw materials & semi-manufactures** (+15.9%) and **Capital goods** (+5.9%). Trade deficit at the end of October 2006 grew to MOP 12.43 billion.

CONSUMER PRICE INDEX

The Composite CPI for October 2006 was 109.70, a year-on-year increase of 4.18%, or up by 0.35% over the previous month. The indices of Clothing & footwear and Communication recorded notable increases of 2.91% and 2.76% respectively, which were attributable to the rising prices in new arrivals of autumn / winter clothing and lower price discount in long-distance call (IDD). In addition, due to dearer charges for the maintenance and repair services of dwelling, higher prices of LP gas, fruit and meals bought away from home, the indices of Housing & fuels and Food & non-alcoholic beverages rose by 0.33% and 0.27% respectively. On the other hand, lower gasoline prices and charges for outbound package tour pushed down the price indices of Transport and Recreation & culture by 0.47% and 0.19% respectively. For the 12 months ended October 2006, the average Composite CPI increased by 5.32% over the previous period.

PUBLIC ACCOUNTS

In October 2006, total public revenue, excluding Autonomous Agencies, increased 42.5% to MOP 2.20 billion, among which gaming tax revenue, which accounted for 79.9% of the total, rose 37.4% to MOP 1.76 billion. Total public expenditure, excluding Autonomous Agencies, reached MOP 1.26 billion, up 13.8%. At the end of October 2006, the fiscal surplus of the current year amounted to MOP 10.71 billion.

EMPLOYMENT

The employed population was 274 thousand for the period from August to October 2006, up 12.6%. The unemployment rate was 3.6%, down by 0.2 percentage point over the previous period (July to September 2006) and down 0.5 percentage point year-on-year. At the end of October 2006, the number of non-resident workers was 60,361, an increase of 3,808 over the previous month.

MONEY

At the end of September 2006, narrow money supply M1 and broad money supply M2 recorded MOP 15.16 billion and MOP 160.12 billion respectively. Besides, domestic loans and advances to the private sector increased 14.0% to MOP 46.82 billion. Foreign exchange reserves rose 34.8% to MOP 66.30 billion.

* Unless otherwise specified, growth rates mentioned in this analysis are comparisons with the same period of the previous year.

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	Q3/2006	27 453.68	17.1	79 437.80	21.2
Real growth rate	%	Q3/2006	11.4	..	15.4	..
II - GAMING AND TOURISM						
Gross gaming receipts	10 ⁶ MOP	Oct/2006	5 810.64	42.5	45 062.81	17.8
Visitor arrivals	no.	Oct/2006	1 989 828	19.6	17 885 622	15.9
Mainland China	no.	Oct/2006	1 061 697	10.3	9 773 828	13.6
Hong Kong SAR	no.	Oct/2006	641 486	36.7	5 638 262	21.2
Taiwan region	no.	Oct/2006	128 214	-1.1	1 201 477	-5.5
III - CONSTRUCTION AND REAL ESTATE						
Gross floor area of buildings started	m ²	Sept/2006	144 381	-58.9	589 537	-61.9
Units of buildings started	no.	Sept/2006	125	-89.5	1 833	-24.1
Gross floor area of buildings completed	m ²	Sept/2006	21 621	-58.5	1 062 959	489.7
Units of buildings completed	no.	Sept/2006	138	-69.9	2 904	222.7
Building units transacted	no.	Oct/2006	1 927	-3.0	18 348	-35.7
IV - EXTERNAL TRADE						
Exports	10 ⁶ MOP	Oct/2006	1 573.62	-26.6	17 426.21	12.4
Imports	10 ⁶ MOP	Oct/2006	2 916.78	-5.9	29 858.00	17.9
Trade balance	10 ⁶ MOP	Oct/2006	- 1 343.16	..	- 12 431.78	..
V - CONSUMER PRICE INDEX						
(7/2004 to 6/2005 = 100)		Oct/2006	109.70	4.2	..	5.3 ^a
VI - PUBLIC ACCOUNTS						
Revenue excluding Autonomous Agencies	10 ⁶ MOP	Oct/2006	2 203.83	42.5	21 718.51	20.6
Revenue from gaming tax	10 ⁶ MOP	Oct/2006	1 760.14	37.4	16 618.39	15.8
Expenditure excluding Autonomous Agencies	10 ⁶ MOP	Oct/2006	1 262.91	13.8	11 007.88	10.8
Balance	10 ⁶ MOP	Oct/2006	940.91	..	10 710.63	..
			Latest period		Previous period	
			Value	Year-on-year % change	Value	Year-on-year % change
VII - EMPLOYMENT						
Employed population	10 ³	Aug/2006-Oct/2006	274.0	12.6	271.0	12.6
Unemployment rate	%	Aug/2006-Oct/2006	3.6	-0.5 ^b	3.8	-0.3 ^b
Non-resident workers in Macao	no.	Oct/2006	60 361	70.2	56 553	62.9
VIII - MONEY						
Narrow money supply (M1)	10 ⁶ MOP	Sept/2006	15 159.8	21.6	13 526.2	1.4
Broad money supply (M2)	10 ⁶ MOP	Sept/2006	160 117.2	21.3	156 440.0	18.3
Domestic loans and advances to the private sector	10 ⁶ MOP	Sept/2006	46 816.6	14.0	47 382.1	18.0
Foreign exchange reserves	10 ⁶ MOP	Sept/2006	66 304.2	34.8	64 643.3	33.2

a Annual rate of change ended October 2006.

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

.. Not applicable

