

Summary of social and economic development of Macao

MARCH / 2007

No. 3

OVERALL SOCIAL AND ECONOMIC SITUATION

In March 2007, the number of visitor arrivals continued to grow and gross gaming receipts soared. In terms of external trade, imports of goods sustained its growth whereas exports of goods fell, resulting in an increase in trade deficit. In regard to Public accounts, fiscal surplus rose constantly upon the surge in revenue. Benefited from the rapid development of the gaming and tourism sector, the employed population continued to expand and the unemployment rate remained at 3.2%. On the other hand, the number of transactions in the property market in March dropped over the preceding month, but recorded a 80% rise year-on-year. The Consumer Price Index dropped slightly over February, but grew considerably when compared with the same month of 2006.

In the first quarter as a whole, the gaming and tourism sector, construction, and the property market registered outstanding performance. Total government revenue and the employment situation were satisfactory. Nevertheless, decrease in exports of goods and rising consumer prices were recorded.

GAMING AND TOURISM

Gross gaming receipts in March 2007 rose 34.3% to MOP 6.21 billion. In the first quarter of 2007, the cumulative gross gaming receipts surged 43.5% to MOP 18.07 billion.

The total number of visitor arrivals grew 19.2% to 2,161,407 in March. Visitors from Hong Kong SAR and Mainland China registered increases of

28.2% and 13.4% respectively, while visitors from Taiwan region decreased 3.7%. In the first quarter of 2007, total visitor arrivals reached 6,369,664, up 21.4%.

CONSTRUCTION AND REAL ESTATE

At the end of February 2007, the cumulative number of building units started was 828 and the respective gross floor area totalled 350,205 m², up by 3.2 times and 3.5 times respectively. The cumulative number of building units completed was 283 with their gross floor area at 115,272 m², down 11.8% and 32.4% respectively. Regarding the property market, 3,399 units were transacted in March 2007, 90 units less than the preceding month but up 80.6% year-on-year. For the first quarter of 2007, the total number of units transacted increased by 1.1 times to 10,324.

EXTERNAL TRADE

The value of total exports dropped 22.4% to MOP 1.36 billion in March 2007, while the value of imports grew 16.7% to MOP 3.46 billion, with trade deficit widening to MOP 2.10 billion. In the first quarter of 2007, the cumulative export value amounted to MOP 4.31 billion, down 9.7%, owing to the 26.3% decrease in the export value of **Textile & garment**, which accounted for 62.0% of the total exports. The cumulative import value reached MOP 9.14 billion, up 18.8%, mainly due to the increases registered in **Capital goods** (+42.9%), **Consumer goods** (+16.2%), **Fuel & lubricants** (+15.4%) and **Raw materials & semi-manufactures** (+8.3%). For the first quarter of 2007, trade deficit amounted to MOP 4.82 billion, up from MOP 2.92 billion in the same quarter of 2006.

CONSUMER PRICE INDEX

The Composite CPI for March 2007 was 111.91, a year-on-year increase of 4.96%, or down by 0.11% over the previous month. The indices of Recreation &

culture, Clothing & footwear, Miscellaneous goods & services and Transport recorded notable decreases of 5.84%, 2.26%, 0.73% and 0.50% respectively, on account of lower prices for outbound package tours, air tickets and hairdressing services after the Chinese New Year, as well as seasonal sale of women's clothing. On the other hand, the indices of Housing & fuels, and Food & non-alcoholic beverages increased by 0.89% and 0.61% respectively, as a result of higher rentals for housing, dearer prices of fresh vegetables and rising charges for meals bought away from home. In comparison with the same quarter of 2006, the Composite CPI for the first quarter of 2007 rose by 4.57%. For the 12 months ended March 2007, the average Composite CPI rose by 4.92% over the previous period.

PUBLIC ACCOUNTS

In March 2007, total government revenue increased 20.3% to MOP 2.54 billion, among which gaming tax revenue accounted for 88.5% of the total, up 34.6% to MOP 2.25 billion. On the other hand, total government expenditure reached MOP 873 million, down 2.8%. The fiscal surplus in March 2007 was MOP 1.67 billion, bringing about a surplus of MOP 7.07 billion in the first quarter.

EMPLOYMENT

The employed population comprised 284 thousand persons for the period from January 2006 to March 2007, up 12.2%. The unemployment rate stood at 3.2%, same as that in the preceding period (December 2006 to February 2007), but down 0.8 percentage point year-on-year. At the end of March, the number of non-resident workers increased 48.7% to 71,182.

MONEY

At the end of February 2007, narrow money supply (M1) and broad money supply (M2) amounted to MOP 17.35 billion and MOP 167.48 billion respectively. Moreover, domestic loans and advances to the private sector increased 13.0% to MOP 49.40 billion. Foreign exchange reserves rose 45.1% to MOP 79.00 billion.

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

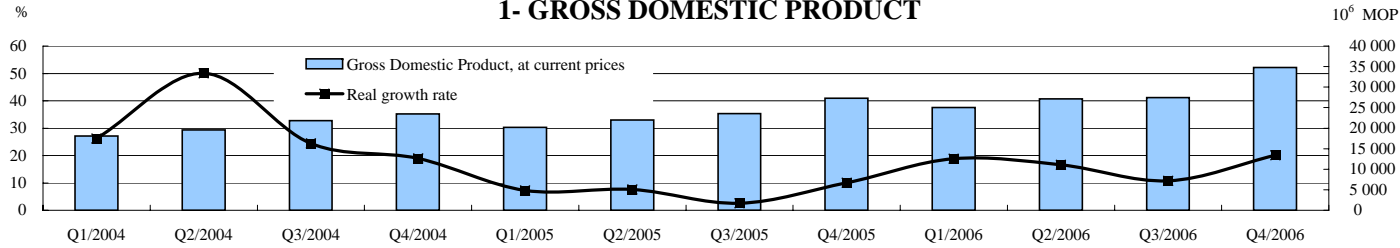
Principal statistical indicators of Macao	Unit	Latest period	Latest period		Cumulative	
			Value	Year-on-year % change	Value	Year-on-year % change
I - GROSS DOMESTIC PRODUCT						
Current prices	10 ⁶ MOP	Q4/2006	34 761.02	27.4	114 364.37	23.0
Real growth rate	%	Q4/2006	20.1	..	16.6	..
II - GAMING AND TOURISM						
Gross gaming receipts	10 ⁶ MOP	Mar/2007	6 211.81	34.3	18 066.94	43.5
Visitor arrivals	no.	Mar/2007	2 161 407	19.2	6 369 664	21.4
Mainland China	no.	Mar/2007	1 183 115	13.4	3 577 119	20.1
Hong Kong SAR	no.	Mar/2007	666 957	28.2	1 950 067	22.2
Taiwan region	no.	Mar/2007	119 194	-3.7	333 915	1.5
III - CONSTRUCTION AND REAL ESTATE						
Gross floor area of buildings started	m ²	Feb/2007	95 895	30.0	350 205	351.7
Units of buildings started	no.	Feb/2007	224	46.4	828	318.2
Gross floor area of buildings completed	m ²	Feb/2007	49 482	595.1	115 272	-32.4
Units of buildings completed	no.	Feb/2007	197	1 690.9	283	-11.8
Building units transacted	no.	Mar/2007	3 399	80.6	10 324	114.9
IV - EXTERNAL TRADE						
Exports	10 ⁶ MOP	Mar/2007	1 355.92	-22.4	4 314.93	-9.7
Imports	10 ⁶ MOP	Mar/2007	3 459.25	16.7	9 137.61	18.8
Trade balance	10 ⁶ MOP	Mar/2007	- 2 103.33	..	- 4 822.68	..
V - CONSUMER PRICE INDEX						
(7/2004 to 6/2005 = 100)		Mar/2007	111.91	5.0	..	4.9 ^a
VI - PUBLIC ACCOUNTS						
Total revenue	10 ⁶ MOP	Mar/2007	2 539.38	20.3	9 266.26	61.1
Revenue from gaming tax	10 ⁶ MOP	Mar/2007	2 248.10	34.6	7 022.67	52.2
Total expenditure	10 ⁶ MOP	Mar/2007	872.85	-2.8	2 200.04	-18.4
Balance	10 ⁶ MOP	Mar/2007	1 666.53	..	7 066.22	..
			Latest period		Previous period	
			Value	Year-on-year % change	Value	Year-on-year % change
VII - EMPLOYMENT						
Employed population	10 ³	Jan/2006 - Mar/2007	284.0	12.2	286.0	13.1
Unemployment rate	%	Jan/2006 - Mar/2007	3.2	-0.8 ^b	3.2	-0.7 ^b
Non-resident workers in Macao	no.	Mar/2007	71 182	48.7	68 832	54.7
VIII - MONEY						
Narrow money supply (M1)	10 ⁶ MOP	Feb/2007	17 353.1	36.2	18 151.1	32.7
Broad money supply (M2)	10 ⁶ MOP	Feb/2007	167 475.1	16.0	169 105.2	18.4
Domestic loans and advances to the private sector	10 ⁶ MOP	Feb/2007	49 401.8	13.0	48 500.2	11.7
Foreign exchange reserves	10 ⁶ MOP	Feb/2007	78 995.1	45.1	76 370.3	39.9

a Annual rate of change ended March 2007.

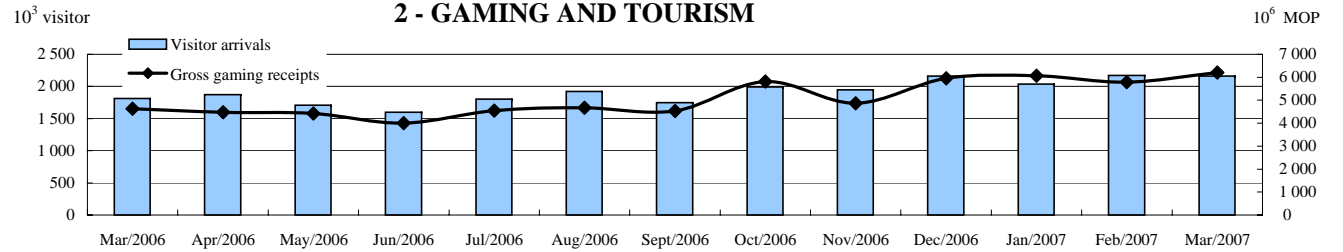
b Percentage difference from the same period of last year - positive value corresponds with increase and negative value corresponds with decrease.

.. Not applicable

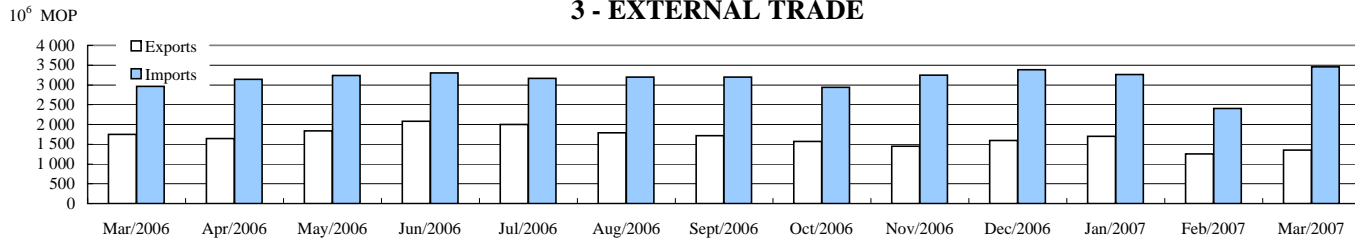
1- GROSS DOMESTIC PRODUCT



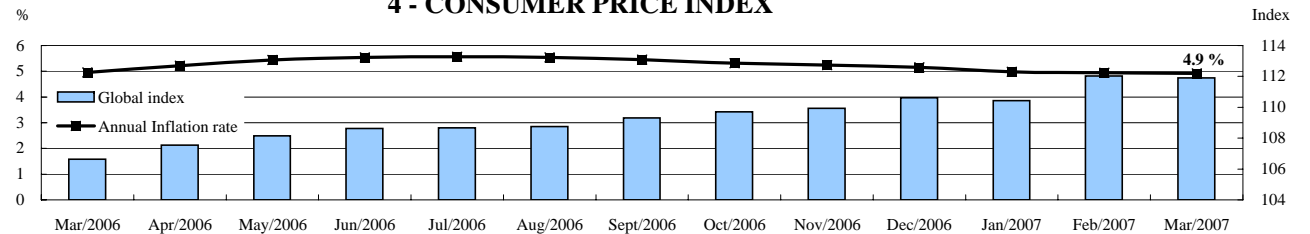
2 - GAMING AND TOURISM



3 - EXTERNAL TRADE



4 - CONSUMER PRICE INDEX



5 - UNEMPLOYMENT RATE

