

Summary of social and economic development of Macao

JULY / 2006

No. 7

OVERALL SOCIAL AND ECONOMIC SITUATION

In July 2006, the gaming and tourism sector showed outstanding performance. Owing to the summer holidays, the number of visitor arrivals increased apparently and gross gaming receipts rose. In terms of external trade, both exports and imports of goods increased moderately; and trade deficit narrowed down. In regard to Public accounts, fiscal surplus was still recorded. Moreover, under the continuous development of the gaming and tourism sector, the employed population continued to grow. On the other hand, regarding the property market in July 2006, the number of transactions decreased over the previous month and dropped over 30% when compared with the same month of last year. Consumer Price Index in July was slightly up from June, but recorded a considerable growth year-on-year.

GROSS DOMESTIC PRODUCT

In the second quarter of 2006, Macao's economy increased 16.3% in real terms, upon outstanding performances in gaming and tourism, constructions in large-scale projects and sharp rebound in exports of goods. GDP at current prices reached MOP 26.89 billion. For the first half of 2006, Macao's economy increased 17.7% in real terms, with GDP at current prices reaching MOP 52.04 billion.

GAMING AND TOURISM

In July 2006, gross gaming receipts increased 18.4% to MOP 4.55 billion. For the first seven months of 2006, total gross gaming receipts rose 13.7% to MOP 30.04 billion.

The number of visitor arrivals in July 2006 grew 8.2% to 1,802,248. Visitors from Hong Kong SAR and Mainland China registered increases of 13.4% and 4.1% respectively, but visitors from Taiwan region decreased 3.8%. For the first seven months of 2006, total number of visitor arrivals reached 12,224,728, up 15.4%.

CONSTRUCTION AND REAL ESTATE

For the first half of 2006, the cumulative number of units and gross floor area in buildings started were 1,524 and 413,728m², up 59.1% and down 62.3% respectively. Moreover, the cumulative number of units and gross floor area in buildings completed grew considerably to 855 and 526,214 m² respectively. Regarding the property market, 1,937 units were transacted in July 2006, 74 units less than the previous month and down 33.9% year-on-year. For the first seven months of 2006, the cumulative number of units transacted was 12,334, down 45.0%.

EXTERNAL TRADE

In July 2006, total export value amounted to MOP 2.00 billion, up 8.7%; and the value of imports reached MOP 3.15 billion, up 8.5%. The growth rates of imports and exports in July both paced slower than the previous six months. In July, Macao's trade deficit narrowed to MOP 1.16 billion. For the first seven months of 2006, the cumulative export value amounted to MOP 12.34 billion, up

33.8%, as the value of **Textile & garment** exports, which accounted for 74.8% of total exports, increased 35.4%. Moreover, the cumulative import value reached MOP 20.54 billion, up 25.7%, mainly due to the increases in **Fuel & lubricants** (up 42.6%), **Consumer goods** (up 29.2%), **Raw materials & semi-manufactures** (up 23.0%) and **Capital goods** (up 15.2%). Trade deficit at the end of July was MOP 8.20 billion.

CONSUMER PRICE INDEX

The Composite CPI for July 2006 was 108.67, with year-on-year increase of 5.07%, or up slightly by 0.05% over the previous month. The indices of Recreation & culture, Housing & fuels, and Transport increased by 1.38%, 1.12% and 0.92% respectively. The increments were led by higher charges for outbound package tours during summer holidays, rises in rentals for housing, upward adjustment for electricity fuel, as well as dearer taxi fares and air tickets. On the other hand, seasonal sale of men's and women's clothing and footwear, together with lower vegetable prices, resulted in decreases over the previous month in the indices of Clothing & footwear (-4.42%) and Food & non-alcoholic beverages (-0.65%). For the 12 months ended July 2006, the average Composite CPI increased by 5.56% over the previous period.

PUBLIC ACCOUNTS

In July 2006, total public revenue, excluding Autonomous Agencies, increased 17.6% to MOP 2.26 billion, among which gaming tax revenue accounted for 68.3% of the total and rose 8.7% to MOP 1.54 billion. Total public expenditure, excluding Autonomous Agencies, reached MOP 1.14 billion, up 17.0%. At the end of July, the fiscal surplus amounted to MOP 7.78 billion.

EMPLOYMENT

The employed population was 267 thousand for the period from May to July 2006, up 14.0%. The unemployment rate was 3.9%, up 0.1 percentage point over the previous period (April to June 2006), but down 0.3 percentage point year-on-year. At the end of July, the number of non-resident workers was 52,187, an increase of 1,940 over the previous month.

MONEY

At the end of June 2006, narrow money supply M1 and broad money supply M2 reached MOP 12.84 billion and MOP 153.03 billion respectively. Besides, domestic loans and advances to the private sector increased 18.7% to MOP 46.58 billion. Foreign exchange reserves rose 37.1% to MOP 63.04 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	Q2/2006	26 885.97	22.6	52 043.20	23.4
Real growth rate	%	Q2/2006	16.3	..	17.7	..
II - GAMING AND TOURISM						
Gross gaming receipts	10 ⁶ MOP	Jul/2006	4 552.32	18.4	30 041.48	13.7
Visitor arrivals	no.	Jul/2006	1 802 248	8.2	12 224 728	15.4
Mainland China	no.	Jul/2006	950 338	4.1	6 775 793	14.8
Hong Kong SAR	no.	Jul/2006	590 609	13.4	3 782 076	19.1
Taiwan region	no.	Jul/2006	133 479	-3.8	817 752	-7.5
III - CONSTRUCTION AND REAL ESTATE						
Gross floor area of buildings started	m ²	Jun/2006	107 522	204.2	413 728	-62.3
Units of buildings started	no.	Jun/2006	145	-11.0	1 524	59.1
Gross floor area of buildings completed	m ²	Jun/2006	3 661	5.3	526 214	490.8
Units of buildings completed	no.	Jun/2006	12	-7.7	855	1 176.1
Building units transacted	no.	Jul/2006	1 937	-33.9	12 334	-45.0
IV - EXTERNAL TRADE						
Exports	10 ⁶ MOP	Jul/2006	1 997.51	8.7	12 337.13	33.8
Imports	10 ⁶ MOP	Jul/2006	3 154.60	8.5	20 539.47	25.7
Trade balance	10 ⁶ MOP	Jul/2006	- 1 157.10	..	- 8 202.34	..
V - CONSUMER PRICE INDEX						
(7/2004 to 6/2005 = 100)		Jul/2006	108.67	5.1	..	5.6 ^a
VI - PUBLIC ACCOUNTS						
Revenue excluding Autonomous Agencies	10 ⁶ MOP	Jul/2006	2 257.75	17.6	14 624.97	18.6
Revenue from gaming tax	10 ⁶ MOP	Jul/2006	1 541.14	8.7	11 316.99	13.9
Expenditure excluding Autonomous Agencies	10 ⁶ MOP	Jul/2006	1 136.62	17.0	6 842.65	8.5
Balance	10 ⁶ MOP	Jul/2006	1 121.13	..	7 782.32	..
			Latest period		Previous period	
			Value	Year-on-year % change	Value	Year-on-year % change
VII - EMPLOYMENT						
Employed population	10 ³	May/2006-Jul/2006	267.0	14.0	263.8	13.8
Unemployment rate	%	May/2006-Jul/2006	3.9	-0.3 ^b	3.8	-0.4 ^b
Non-resident workers in Macao	no.	Jul/2006	52 187	63.5	50 247	61.6
VIII - MONEY						
Narrow money supply (M1)	10 ⁶ MOP	Jun/2006	12 838.0	-3.2	13 369.2	2.9
Broad money supply (M2)	10 ⁶ MOP	Jun/2006	153 025.4	17.9	150 559.7	17.9
Domestic loans and advances to the private sector	10 ⁶ MOP	Jun/2006	46 583.5	18.7	47 560.2	23.2
Foreign exchange reserves	10 ⁶ MOP	Jun/2006	63 037.6	37.1	60 684.5	35.0

a Annual rate of change ended Jul 2006.

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

.. Not applicable

