

- The economy of Macao in the first quarter of 2019 contracted by 3.2% year-on-year in real terms, ending the uptrend that had lasted for ten consecutive quarters. Total demand weakened due to feeble growth, leading to increased downward pressure on the economy.
- External demand slowed visibly; total exports of services dropped by 0.3% year-on-year, with exports of gaming services and other tourism services falling by 0.6% and 0.3% respectively; moreover, exports of goods saw a decrease of 1.8%.
- Imports of services went down by 20.9% while imports of goods grew by 2.0%.
- Domestic demand remained sluggish, down by 9.4% year-on-year owing to a significant decline in investment in fixed assets; private consumption expenditure and government final consumption expenditure rose by 2.1% and 4.1% respectively, offsetting part of the decrease resulted from the economic downturn.
- The implicit deflator of GDP, which measures the overall changes in prices, increased by 3.2% year-on-year.

### Principal indicators

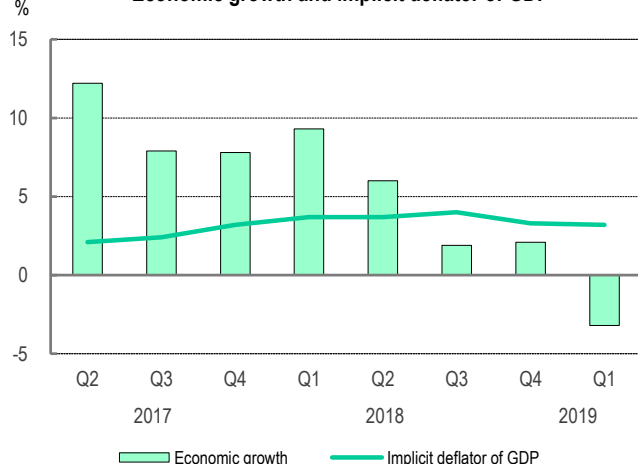
	Nominal growth	Real growth %
Gross Domestic Product	-0.1	-3.2
Exports of gaming services	2.2	-0.6
Exports of other tourism services	0.5	-0.3
Investment	-30.8	-32.1

### Major expenditure components of GDP

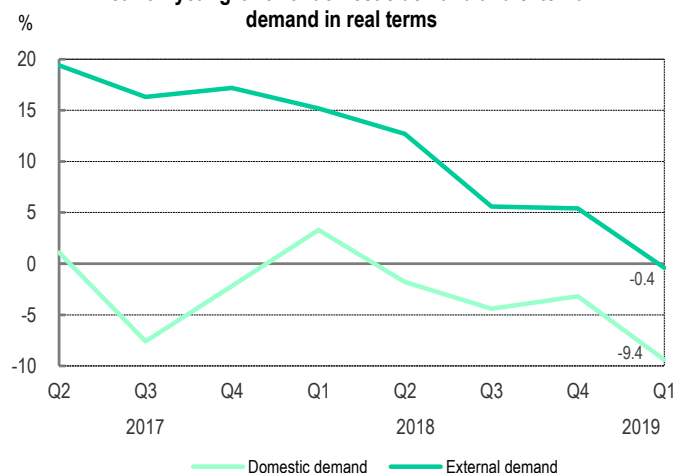
	Nominal growth	Real growth %
Private consumption expenditure	3.5	2.1
Government final consumption expenditure	8.1	4.1
Gross fixed capital formation	-30.4	-31.7
Private	-13.1	-15.0
Government	-82.1	-82.0
Changes in inventories	-2.7	-3.6
Exports of goods and services	2.0	-0.4
Exports of goods	-1.4	-1.8
Exports of services	2.2	-0.3
Imports of goods and services	-5.5	-5.0
Imports of goods	1.2	2.0
Imports of services	-20.6	-20.9

- Private consumption expenditure saw smaller growth. In spite of favourable employment situation and higher employment earnings, consumer sentiment turned cautious on account of the uncertain economic outlook. Meanwhile, private consumption expenditure rose by 2.1% year-on-year, down slightly from the 2.8% growth in the previous quarter, in view of the high comparison base resulted from an upsurge in sales of automobiles in the first quarter of 2018 after the catastrophic typhoon. Household final consumption expenditure in the domestic market and abroad showed respective increases of 1.3% and 7.9%.
- Government final consumption expenditure recorded sustained growth, up by 4.1% year-on-year, higher than the 3.4% rise in the previous quarter. Compensation of employees and net purchases of goods and services increased by 2.4% and 7.0% respectively.
- Investment in fixed assets declined further due to a decrease in construction projects. In the first quarter of 2019, gross fixed capital formation shrank by 31.7% year-on-year as a result of a 37.5% drop in construction investment; equipment investment, however, increased by 4.5%. Investment in public construction plunged by 82.3% attributable to the completion of the Macao boundary crossing area of the Hong Kong-Zhuhai-Macao Bridge, in which the government had made large investment; in addition, equipment investment declined by 75.6%. Private investment saw no improvement, down by 15.0% year-on-year. Following the successive completion of large-scale construction projects and a decrease in new projects, construction investment dropped by 20.4%; equipment investment, on the other hand, increased by 11.3%.
- Total demand eased and merchandise trade showed weak performance. Growth in private consumption expenditure narrowed, investment continued to decrease and visitor spending dropped; meanwhile, imports of goods rose mildly by 2.0% year-on-year. External demand slowed down, with exports of goods falling by 1.8%.
- Weak growth momentum led to mediocre performance of services trade. Despite a marked increase in visitor arrivals, exports of services reduced by 0.3% year-on-year as visitor spending slowed down. Exports of gaming services and other tourism services reversed from an uptrend, dropping by 0.6% and 0.3% respectively as compared to the respective growth of 6.7% and 1.4% in the previous quarter. Besides, imports of services fell by 20.9% year-on-year.

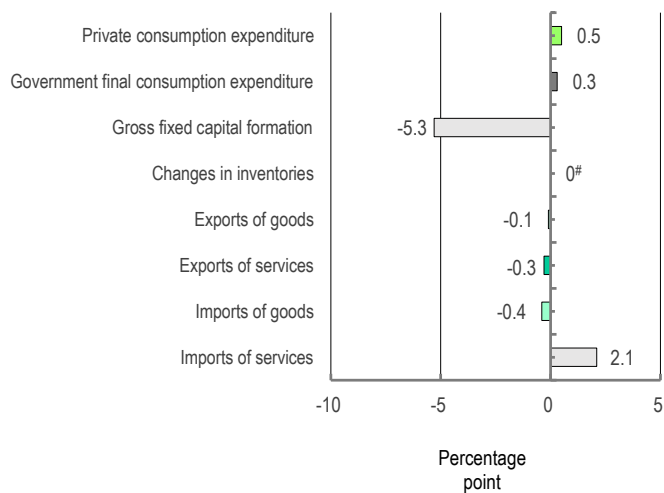
Economic growth and implicit deflator of GDP



Year-on-year growth of domestic demand and external demand in real terms

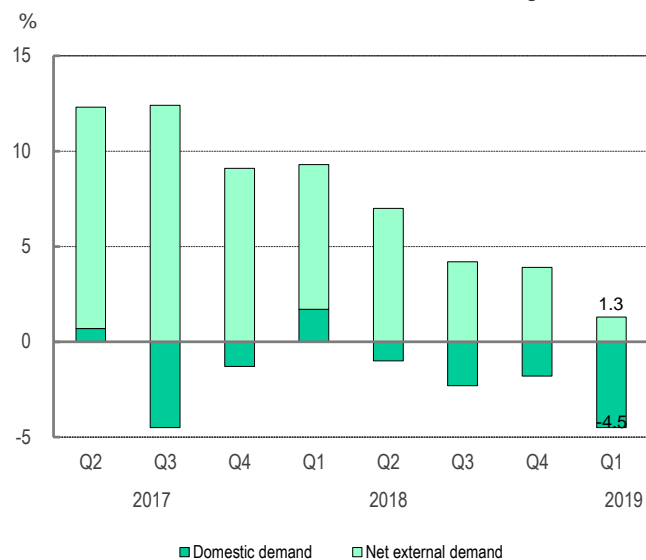


### Contribution of major expenditure components to economic growth



0# Magnitude less than half of the unit employed

### Contribution of net demand to economic growth



### Year-on-year quarterly GDP growth

	2017				2018				%
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Nominal growth	11.9	14.6	10.5	11.2	13.3	9.9	6.0	5.5	
Real growth	11.4	12.2	7.9	7.8	9.3	6.0	1.9	2.1	

### Year-on-year cumulative GDP growth

	2017				2018				%
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Nominal growth	11.9	13.2	12.3	12.0	13.3	11.6	9.7	8.5	
Real growth	11.4	11.8	10.4	9.7	9.3	7.6	5.7	4.7	

For additional information:

[http://www.dsec.gov.mo/e/gdp\\_quarterly.aspx](http://www.dsec.gov.mo/e/gdp_quarterly.aspx)

