

- The economy of Macao shrank by 48.7% year-on-year in real terms in the first quarter of 2020. The epidemic of novel coronavirus pneumonia has significantly dampened global economic activity. Although no widespread transmission of the virus was observed within the city, the economy of Macao, which was mainly driven by exports of services, was severely hit amid the epidemic, with a substantial decline in total demand.
- In terms of external demand, exports of services and exports of goods fell by 60.0% and 23.5% respectively.
- Imports of goods and imports of services dropped by 30.8% and 30.3% respectively.
- Domestic demand slid further by 17.5% year-on-year, dragged down by the reduction in investment in fixed assets and private consumption expenditure. On the other hand, government final consumption expenditure rose by 5.0%.
- The implicit deflator of GDP, which measures overall changes in prices, rose by 2.0% year-on-year.

#### Principal indicators

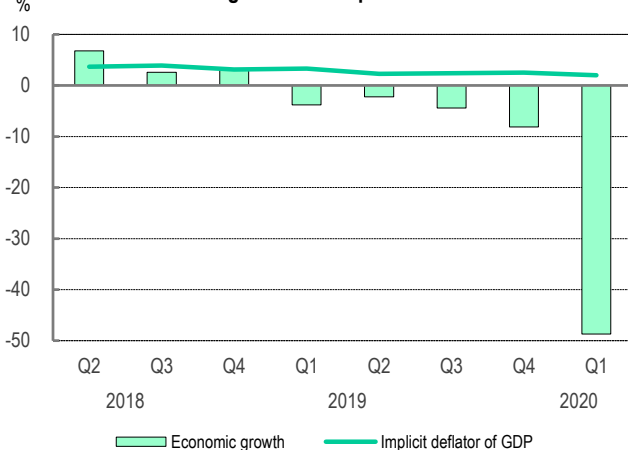
	%	
	Nominal growth	Real growth
Gross Domestic Product	-47.7	-48.7
Exports of gaming services	-60.5	-61.5
Exports of other tourism services	-63.8	-63.9
Investment	-36.9	-36.7

#### Major expenditure components of GDP

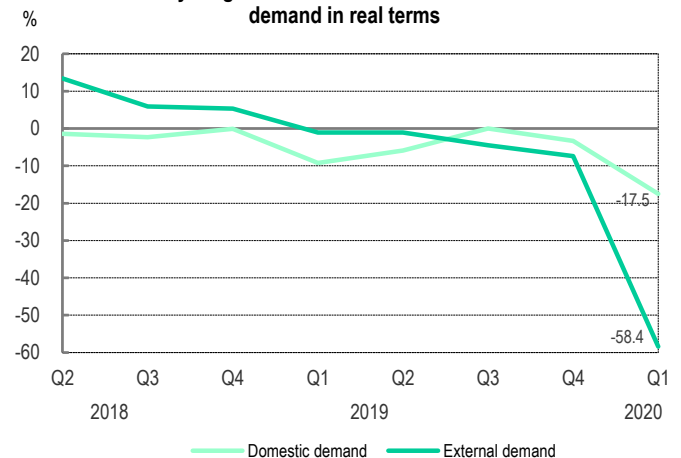
	%	
	Nominal growth	Real growth
Private consumption expenditure	-13.7	-15.2
Government final consumption expenditure	9.4	5.0
Gross fixed capital formation	-37.5	-37.2
Private	-44.1	-43.8
Government	39.5	41.3
Changes in inventories	-22.4	-23.3
Exports of goods and services	-57.8	-58.4
Exports of goods	-23.8	-23.5
Exports of services	-59.3	-60.0
Imports of goods and services	-30.3	-30.7
Imports of goods	-30.8	-30.8
Imports of services	-29.0	-30.3

- Private consumption decreased by 15.2% year-on-year amid the epidemic, as residents went out less and made fewer trips abroad while economic outlook remained uncertain. Household final consumption expenditure in the domestic market and abroad fell by 11.9% and 44.3% respectively.
- In response to the epidemic, the SAR government scaled up the procurement of protective gear and medical supplies, rented hotels to be used as quarantine facilities and introduced economic relief measures, which drove up government final consumption expenditure by 5.0%, an acceleration from the 1.9% growth in the previous quarter. Net purchases of goods and services rose by 10.3% while compensation of employees went up by 1.7%.
- Investment in fixed assets declined further by 37.2% year-on-year, with construction investment and equipment investment dropping by 37.0% and 37.8% respectively. Meanwhile, public construction investment rose by 47.8% year-on-year on account of increased investment in infrastructure by the government; yet, equipment investment reduced by 30.4%. As regards private investment, private construction investment and equipment investment slid by 45.3% and 38.1% respectively, owing to the successive completion of large-scale construction projects and reduced number of new construction projects; the slowdown in progress of construction works and a decrease in number of real estate transactions amid the epidemic also contributed to the decline.
- Total demand decreased and merchandise trade showed weak performance. Imports of goods dropped by 30.8% year-on-year due to reduction in private consumption, investment and visitor spending. External demand slowed down, with exports of goods falling by 23.5%.
- Affected by the travel restriction measures in different places, visitor arrivals to Macao showed continued decline as from the Lunar New Year, with the number in the first quarter dipping by 68.9% year-on-year, which pushed down exports of gaming services and other tourism services by 61.5% and 63.9% respectively. Imports of services slid by 30.3% year-on-year owing to a decrease in outbound trips made by residents and a slowdown in other economic activity.

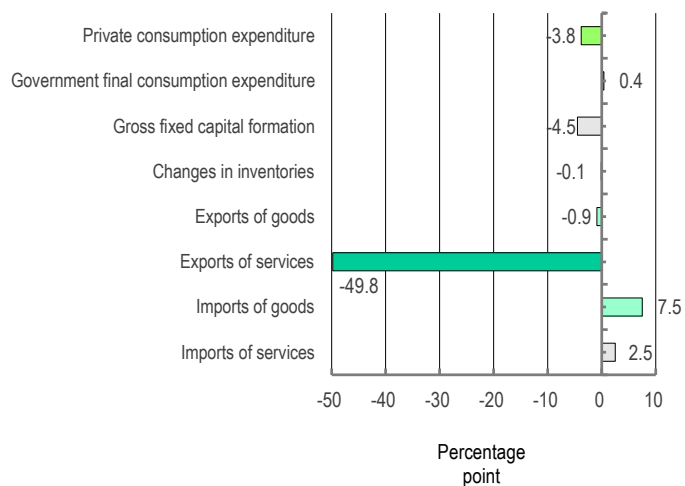
Economic growth and implicit deflator of GDP



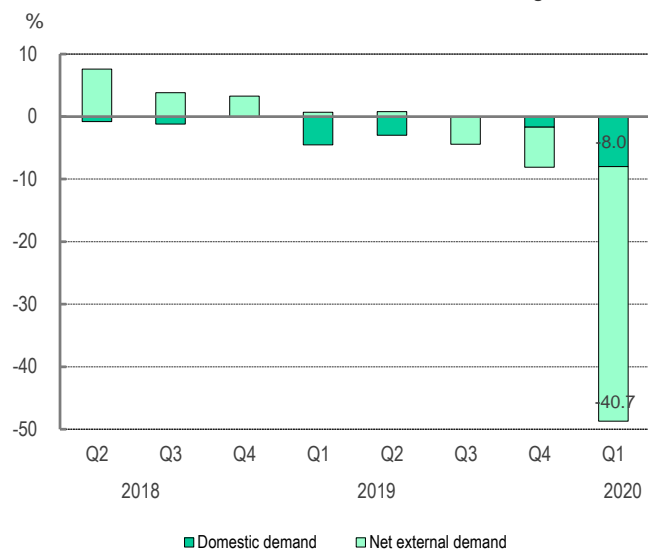
Year-on-year growth of domestic demand and external demand in real terms



### Contribution of major expenditure components to economic growth



### Contribution of net demand to economic growth



### Year-on-year quarterly GDP growth

	2018			2019				2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Nominal growth	10.7	6.6	6.5	-0.7	0.1	-2.1	-5.8	-47.7
Real growth	6.8	2.6	3.2	-3.8	-2.2	-4.4	-8.1	-48.7

### Year-on-year cumulative GDP growth

	2018			2019				2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Nominal growth	12.1	10.2	9.2	-0.7	-0.3	-0.9	-2.2	-47.7
Real growth	8.2	6.3	5.4	-3.8	-3.0	-3.5	-4.7	-48.7



For additional information:

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