

- The economy of Macao in the second quarter of 2019 contracted by 1.8% year-on-year in real terms, representing a smaller decrease compared to the drop in the first quarter (-3.2%). The economic downturn was mainly due to a year-on-year decline in gross fixed capital formation. For the first half of 2019, the economy of Macao shrank by 2.5% year-on-year in real terms.
- External demand continued to slow down; exports of gaming services fell by 0.8% and exports of goods slid by 24.4%.
- Imports of goods and services reduced by 0.8% and 13.7% respectively.
- Domestic demand went down by 6.1% year-on-year, dragged down by a 25.0% drop in gross fixed capital formation; meanwhile, private consumption expenditure and government final consumption expenditure rose by 2.2% and 5.7% respectively, offsetting part of the decrease resulting from the economic slowdown.
- The implicit deflator of GDP, which measures the overall changes in prices, increased by 2.4% year-on-year.

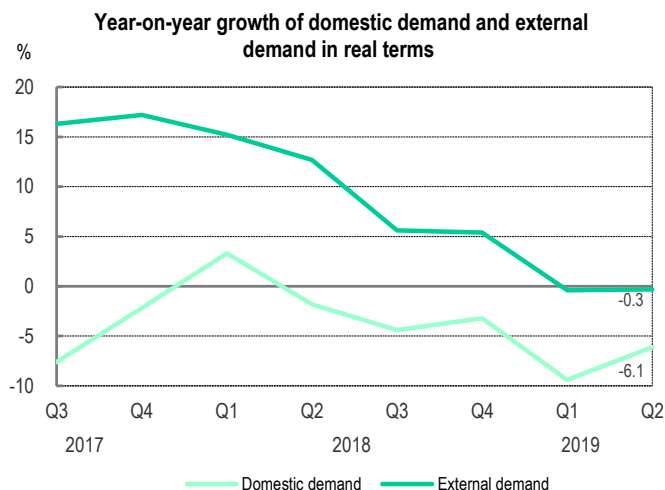
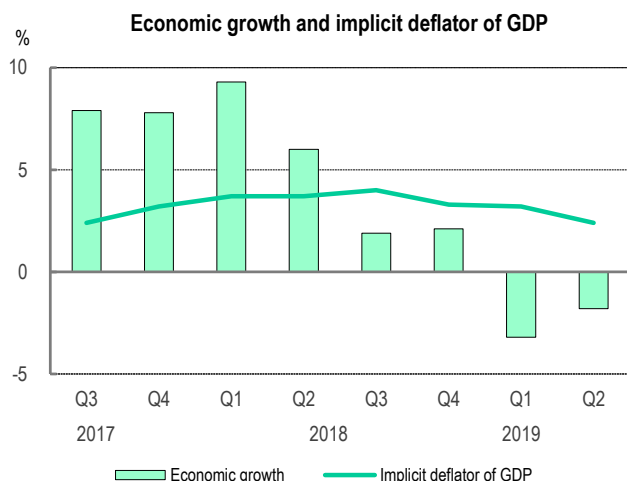
Principal indicators

	Nominal growth	Real growth %
Gross Domestic Product	0.5	-1.8
Exports of gaming services	1.9	-0.8
Exports of other tourism services	1.7	2.8
Investment	-24.8	-25.3

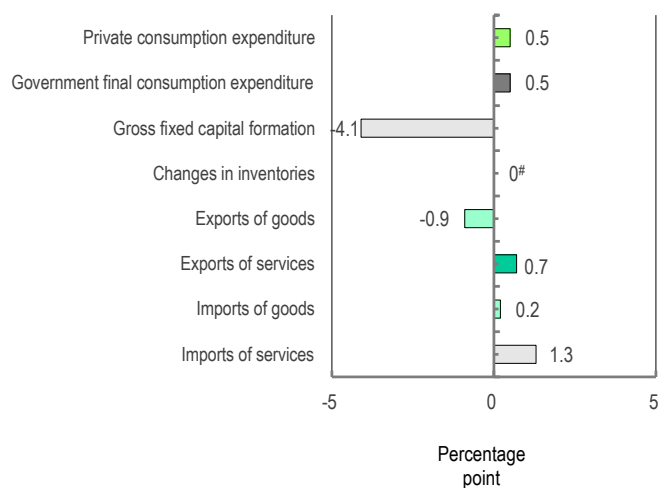
- Consumer sentiments remained cautious amid uncertain external economic environment. Private consumption expenditure growth held steady from the previous quarter, at 2.2% year-on-year. Household final consumption expenditure in the domestic market and abroad showed respective increases of 2.2% and 4.0%.
- Government final consumption expenditure recorded sustained growth, up further by 5.7% year-on-year, higher than the 4.1% rise in the previous quarter. Compensation of employees and net purchases of goods and services went up by 2.3% and 12.4% respectively.
- Investment in fixed assets continued to decline on account of decreased construction projects. Gross fixed capital formation dropped by 25.0% year-on-year in real terms in the second quarter owing to a 30.1% fall in construction investment; equipment investment, however, rose by 9.1%. In view of the high base of comparison in the second quarter of 2018 caused by the huge investment of the government in the Macao boundary crossing area of the Hong Kong-Zhuhai-Macao Bridge, public construction investment plunged by 51.6% in the second quarter this year; in addition, equipment investment reduced by 35.0%. Meanwhile, private investment slid further by 19.3% year-on-year following a decline in investment in large-scale construction projects and a drop in number of new residential projects; construction investment went down by 25.1% while equipment investment increased by 17.4%.
- Merchandise trade slackened. Consumer sentiment stayed cautious, investment continued to decrease and imports of goods edged down by 0.8% year-on-year. External demand slowed down, with exports of goods dropping by 24.4%.
- Services trade showed stable performance. Despite a drop of 0.8% in exports of gaming services, total exports of services inched up by 0.8% year-on-year in the second quarter. Besides, imports of services fell by 13.7% year-on-year.

Major expenditure components of GDP

	Nominal growth	Real growth %
Private consumption expenditure	3.3	2.2
Government final consumption expenditure	9.1	5.7
Gross fixed capital formation	-24.4	-25.0
Private	-18.6	-19.3
Government	-49.9	-49.7
Changes in inventories	-0.6	-0.9
Exports of goods and services	1.8	-0.3
Exports of goods	-24.6	-24.4
Exports of services	3.0	0.8
Imports of goods and services	-4.5	-4.6
Imports of goods	-1.1	-0.8
Imports of services	-12.7	-13.7

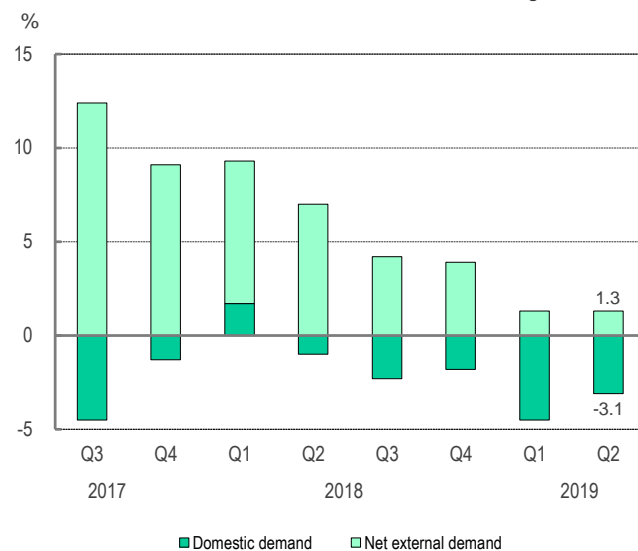


Contribution of major expenditure components to economic growth



0[#] Magnitude less than half of the unit employed

Contribution of net demand to economic growth



Year-on-year quarterly GDP growth

	2017			2018				2019
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Nominal growth	14.6	10.5	11.2	13.3	9.9	6.0	5.5	-0.1
Real growth	12.2	7.9	7.8	9.3	6.0	1.9	2.1	-3.2

Year-on-year cumulative GDP growth

	2017			2018				2019
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Nominal growth	13.2	12.3	12.0	13.3	11.6	9.7	8.5	-0.1
Real growth	11.8	10.4	9.7	9.3	7.6	5.7	4.7	-3.2

For additional information:

http://www.dsec.gov.mo/e/gdp_quarterly.aspx

