

- Gross Domestic Product (GDP) dropped by 67.8% year-on-year in real terms in the second quarter of 2020, representing a greater decline compared to the previous quarter. With the continued prevention and control measures against the pandemic, Macao's exports of services showed a sharper fall of 92.3% year-on-year in the second quarter, of which exports of gaming services and other tourism services dropped by 97.1% and 93.9% respectively. In addition, exports of goods went down by 26.4%.
- Imports of goods and services slid by 29.6% and 47.6% respectively.
- Domestic demand saw a smaller decrease of 8.2% year-on-year, mainly attributable to a slower rate of decline in the investment in fixed assets.
- The implicit deflator of GDP, which measures the overall changes in prices, increased by 0.6% year-on-year.

### Principal indicators

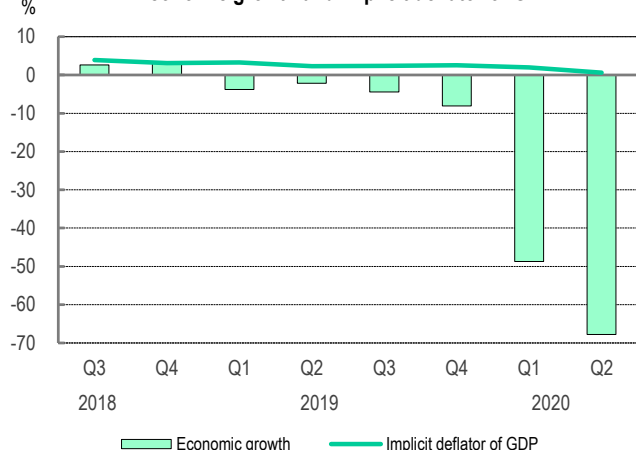
|                                   | Nominal growth | Real growth % |
|-----------------------------------|----------------|---------------|
| Gross Domestic Product            | -67.6          | -67.8         |
| Exports of gaming services        | -97.0          | -97.1         |
| Exports of other tourism services | -94.3          | -93.9         |
| Investment                        | -9.8           | -9.1          |

### Major expenditure components of GDP

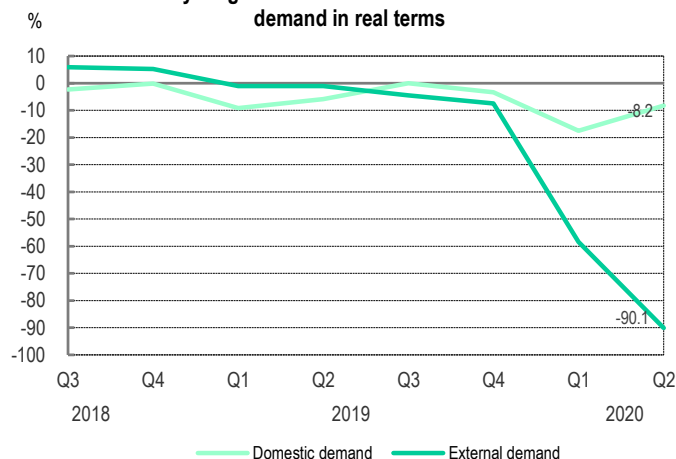
|  | Nominal growth | Real growth % |
|--|----------------|---------------|
| Private consumption expenditure          | -15.8          | -16.5         |
| Government final consumption expenditure | 17.4           | 14.0          |
| Gross fixed capital formation            | -8.9           | -8.1          |
| Private                                  | -12.3          | -11.6         |
| Government                               | 14.1           | 15.6          |
| Changes in inventories                   | -34.9          | -34.7         |
| Exports of goods and services            | -90.7          | -90.1         |
| Exports of goods                         | -26.3          | -26.4         |
| Exports of services                      | -92.8          | -92.3         |
| Imports of goods and services            | -34.7          | -34.4         |
| Imports of goods                         | -30.0          | -29.6         |
| Imports of services                      | -47.4          | -47.6         |

- With the efforts of the SAR government and the various sectors of the community in fighting against the pandemic, the novel coronavirus pneumonia situation in Macao improved and economic activity gradually recovered in the second quarter. As the SAR government introduced a consumption subsidy scheme to encourage domestic demand in the second quarter (an injection of MOP1.62 billion which is recorded in government final consumption expenditure), household final consumption expenditure in the domestic market showed a smaller decline of 9.8%. Meanwhile, household final consumption expenditure abroad reduced by 71.2% owing to the entry restrictions imposed in different places to prevent the spread of the coronavirus. The overall private consumption decreased by 16.5% year-on-year.
- In response to the pandemic of novel coronavirus pneumonia, 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 such as the consumption subsidy scheme, which drove up government final consumption expenditure by 14.0%, an acceleration from the 5.0% growth in the previous quarter. Net purchases of goods and services rose by 34.5% while compensation of employees went up by 2.3%.
- Investment in fixed assets declined at a much slower pace compared to the previous quarter, down by 8.1% year-on-year; construction investment and equipment investment dropped by 4.6% and 23.9% respectively. Meanwhile, public construction investment rose by 29.6% year-on-year on account of increased investment in infrastructure by the government, whereas equipment investment reduced by 56.0%. In terms of private investment, as construction works gradually resumed, coupled with an increase in the investment in some large-scale construction projects, private construction investment showed a smaller year-on-year decrease of 9.7% as against the previous quarter; however, equipment investment fell by 19.8%.
- Total demand decreased and merchandise trade remained flat as compared to the previous quarter. Imports of goods dropped by 29.6% year-on-year due to reduction in private consumption, investment and visitor spending. External demand slowed down, with exports of goods falling by 26.4%.
- Visitor arrivals to Macao continued to decrease amid the ongoing travel restrictions, with the number of arrivals in the second quarter plummeting by 99.0% year-on-year. This pushed down exports of gaming services and other tourism services by 97.1% and 93.9% respectively. Concurrently, imports of services slid by 47.6% year-on-year owing to a decrease in outbound trips made by residents and a slowdown in other economic activity.

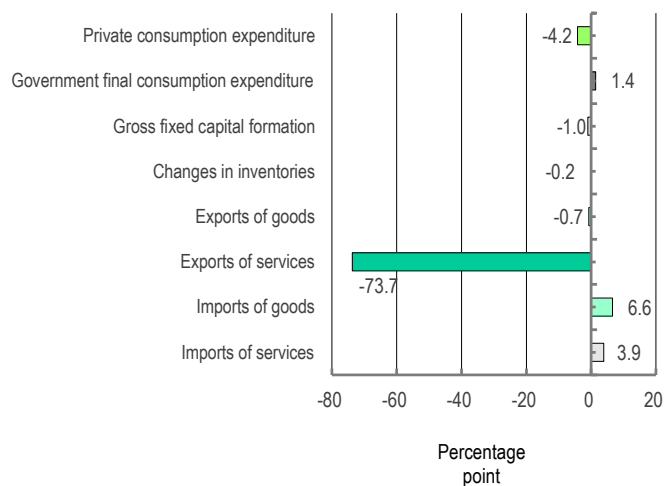
Economic growth and implicit deflator of GDP



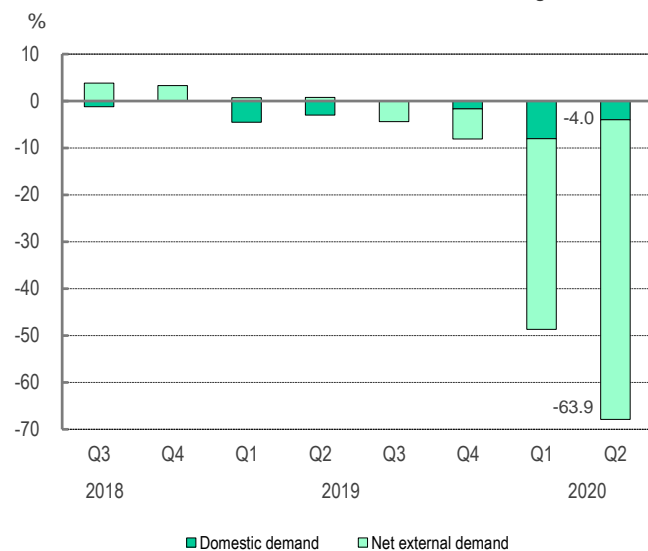
Year-on-year growth of domestic demand and external demand in real terms



### Contribution of major expenditure components to economic growth



### Contribution of net demand to economic growth



### Year-on-year quarterly GDP growth

|                | 2018 |     | 2019 |      |      |      | 2020  |       |
|----------------|------|-----|------|------|------|------|-------|-------|
|                | Q3   | Q4  | Q1   | Q2   | Q3   | Q4   | Q1    | Q2    |
| Nominal growth | 6.6  | 6.5 | -0.7 | 0.1  | -2.1 | -5.8 | -47.7 | -67.6 |
| Real growth    | 2.6  | 3.2 | -3.8 | -2.2 | -4.4 | -8.1 | -48.7 | -67.8 |

### Year-on-year cumulative GDP growth

|                | 2018 |     | 2019 |      |      |      | 2020  |       |
|----------------|------|-----|------|------|------|------|-------|-------|
|                | Q3   | Q4  | Q1   | Q2   | Q3   | Q4   | Q1    | Q2    |
| Nominal growth | 10.2 | 9.2 | -0.7 | -0.3 | -0.9 | -2.2 | -47.7 | -57.6 |
| Real growth    | 6.3  | 5.4 | -3.8 | -3.0 | -3.5 | -4.7 | -48.7 | -58.2 |

For additional information:

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

