

- Gross Domestic Product (GDP) in the second quarter of 2018 grew by 6.0% year-on-year in real terms attributable to the steady growth in exports of services and private consumption; the economic growth in the second quarter was lower than the 9.2% rise in the previous quarter due to a smaller increase in exports of services and a notable decline in investment. For the first half of 2018, the economy grew by 7.6% year-on-year in real terms.
- External demand maintained growth, which pushed up total exports of services by 13.0% year-on-year, with exports of gaming services and other tourism services rising by 13.7% and 13.0% respectively; meanwhile, exports of goods went up by 30.0%.
- Domestic demand eased slightly owing to an 11.9% decrease in investment; private consumption expenditure and government final consumption expenditure rose by 5.3% and 5.1% respectively year-on-year; meanwhile, imports of goods increased by 10.0%.
- The implicit deflator of GDP, which measures the overall changes in prices, went up by 3.5% year-on-year.

#### Principal indicators

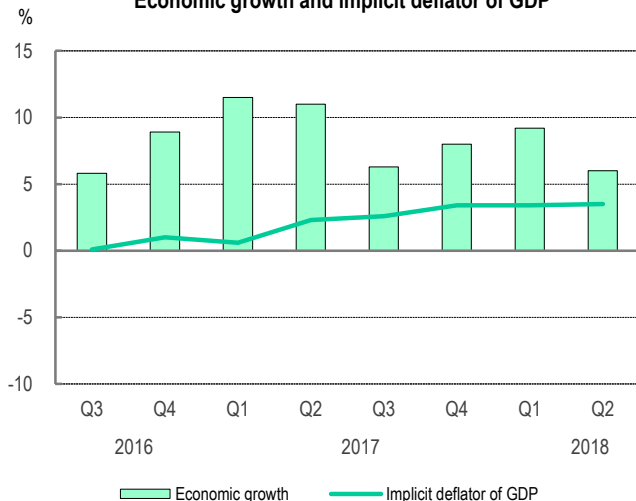
	Nominal growth	Real growth %
Gross Domestic Product	9.7	6.0
Exports of gaming services	17.1	13.7
Exports of other tourism services	15.7	13.0
Investment	-9.1	-11.9

#### Major expenditure components of GDP

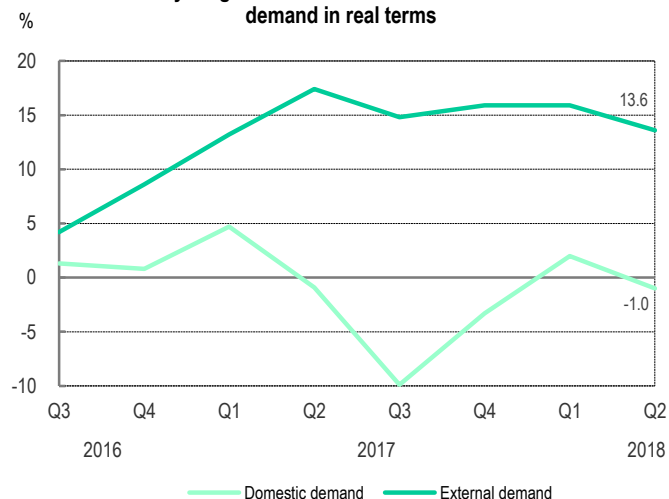
	Nominal growth	Real growth %
Private consumption expenditure	8.5	5.3
Government final consumption expenditure	8.8	5.1
Gross fixed capital formation	-9.1	-11.9
Private	-16.4	-18.9
Government	34.4	28.9
Changes in inventories	22.8	23.6
Exports of goods and services	17.4	13.6
Exports of goods	31.6	30.0
Exports of services	16.9	13.0
Imports of goods and services	15.6	12.7
Imports of goods	11.7	10.0
Imports of services	25.1	19.3

- Private consumption expenditure showed solid growth. Total employment and employment earnings increased amid satisfactory employment situation, driving private consumption expenditure up by 5.3% year-on-year, higher than the 4.8% rise in the previous quarter. Household final consumption expenditure in the domestic market and abroad increased by 4.9% and 3.3% respectively.
- Government final consumption expenditure registered increase, up by 5.1% year-on-year, higher than the 2.2% growth in the previous quarter; compensation of employees and net purchases of goods and services went up by 3.3% and 8.8% respectively.
- Private investment decreased, leading to a larger drop in gross fixed asset investment. Gross fixed asset investment contracted by 11.9% year-on-year, a much greater decline compared to the 1.9% drop in the previous quarter. Private investment in fixed assets fell markedly by 18.9% year-on-year following the successive completion of large-scale tourism and entertainment facilities and residential buildings; private construction investment decreased by 22.0% whereas equipment investment increased by 7.4%. As regards investment by the public sector, government investment in fixed assets rose by 28.9% year-on-year with the huge investment in infrastructure; public construction and equipment investments grew substantially by 21.8% and 154.7% respectively.
- Merchandise trade continued to increase. Total demand maintained growth, with exports and imports of goods rising by 30.0% and 10.0% respectively year-on-year, higher than the respective growth of 12.8% and 7.0% in the previous quarter.
- Exports of services remained the major driving force for economic growth despite a smaller rate of increase. The growth in total exports of services slowed from 16.0% in the first quarter to 13.0%, with exports of gaming services and other tourism services rising by 13.7% and 13.0% respectively. Meanwhile, imports of services increased by 19.3% year-on-year, much lower than the 34.2% rise in the previous quarter.

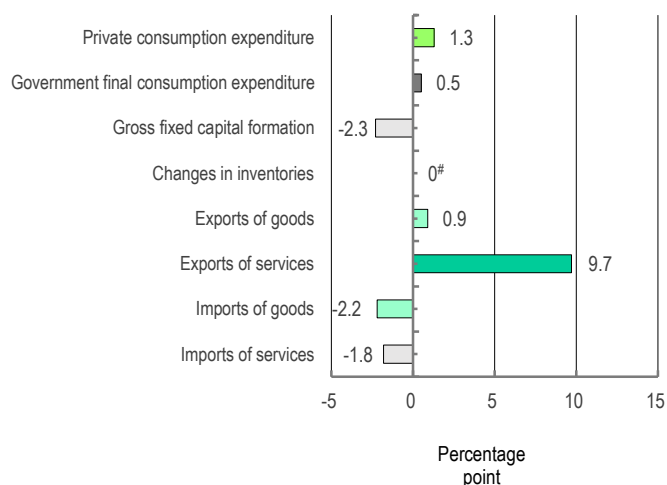
Economic growth and implicit deflator of GDP



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

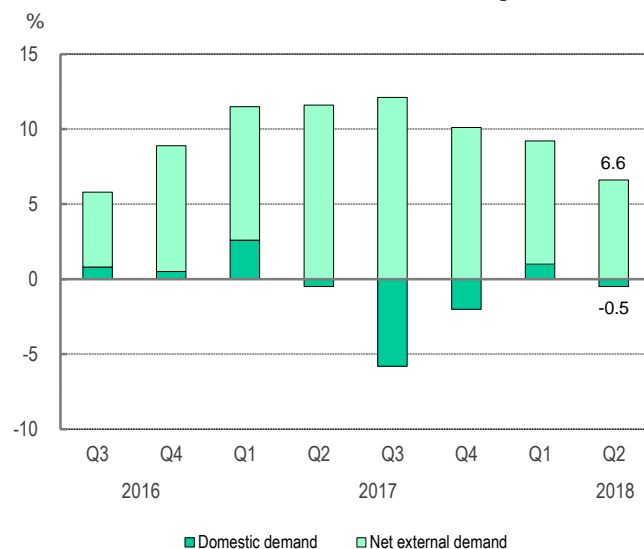


### Contribution of major expenditure components to economic growth



0<sup>#</sup> Magnitude less than half of the unit employed

### Contribution of demand to economic growth



### Year-on-year quarterly GDP growth for previous quarters

	2016			2017				2018
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Nominal growth	-5.4	5.9	10.0	12.2	13.6	9.1	11.7	12.9
Real growth	-5.6	5.8	8.9	11.5	11.0	6.3	8.0	9.2

### Year-on-year cumulative GDP growth for previous quarters

	2016			2017				2018
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Nominal growth	-7.8	-3.4	0 <sup>#</sup>	12.2	12.9	11.5	11.6	12.9
Real growth	-8.8	-4.1	-0.9	11.5	11.2	9.5	9.1	9.2

For additional information:

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

