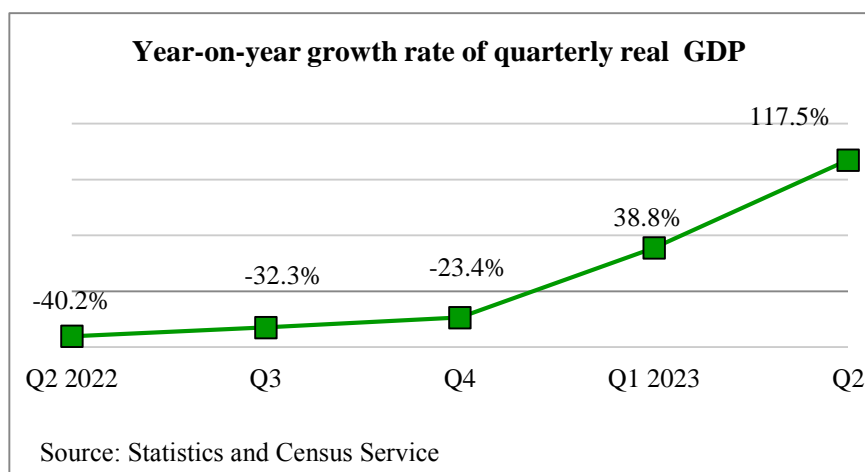


Economic Outlook of Macao

2023 First Half

Overall Economy

Under the driven force of the thriving tourism and gaming sectors, the Macao economy expanded by 71.5%¹

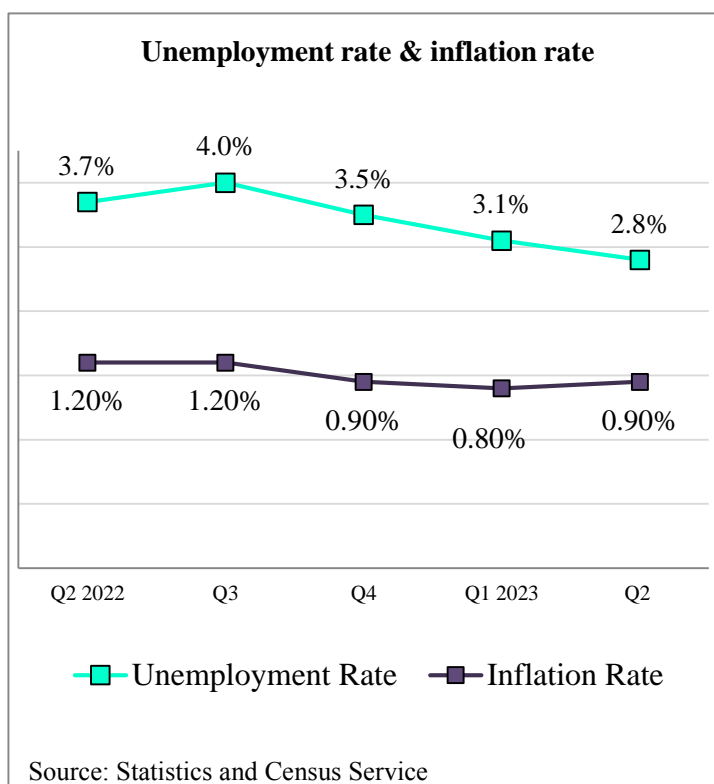


year-on-year in real terms, recording a Gross Domestic Product (GDP) of MOP158.56 billion in the first half of 2023. Owing to the loosening of prevention and control measures, the number of inbound visitors surged in the first half of 2023, leading to a rise in services exports and gaming services exports of 123.7% and 214.2%, respectively. Government final consumption expenditure increased by 14.9%. Private consumption expenditure were up by 3.2%. With the ongoing construction of public housing and the fourth Macao-Taipa bridge, gross fixed capital formation rose by 20.6%. Exports and imports of goods dropped by 36.8% and 3.5% in real terms, respectively. Imports of services increased by 36.4% year-on-year in real terms.

Employment and Inflation

The labour force in the second quarter of 2023 was 372,000, with an employed population of 361,000 and a labour force participation rate of 67.7%. The unemployment rate was 2.8%, which has decreased by 0.9 percentage points year-on-year, with the under-employment rate up 1.8 percentage points year-on-year to 2.3%. Median monthly employment earnings of the overall employed population was up 11.1% year-on-year to MOP17,000.

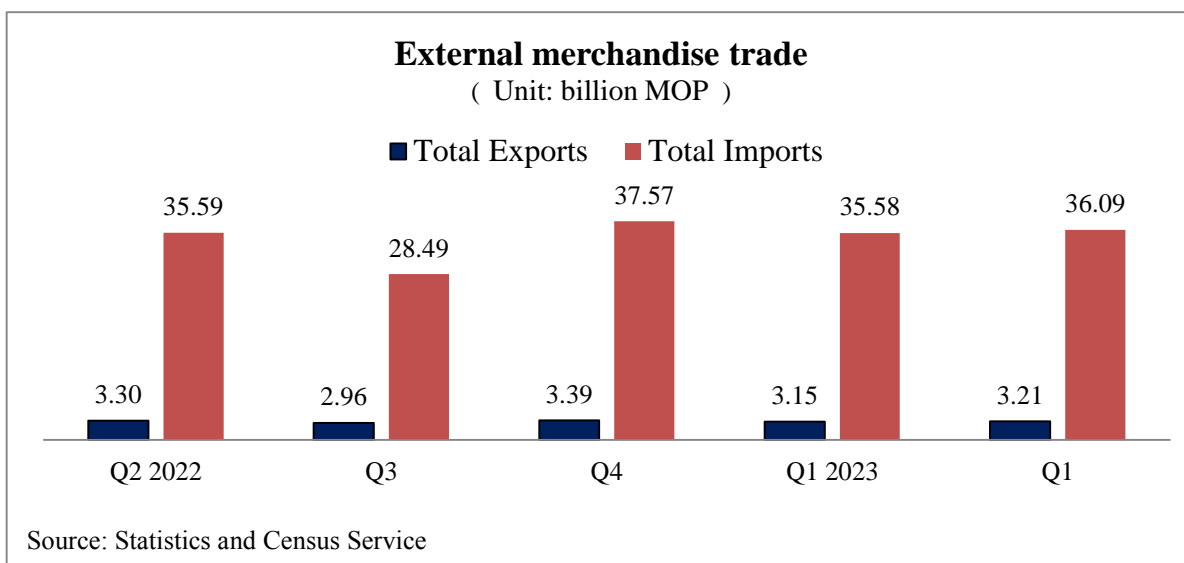
Composite CPI in the first half 2023 was up 0.82% year-on-year, attributed to the rise in charges for eating out, tuition fees, wages of domestic helpers, hotel room rates and prices of gasoline and liquefied petroleum gas. In contrast, the decrease in rentals for dwellings and airfares has mitigated part of the increase in CPI.



External Merchandise Trade

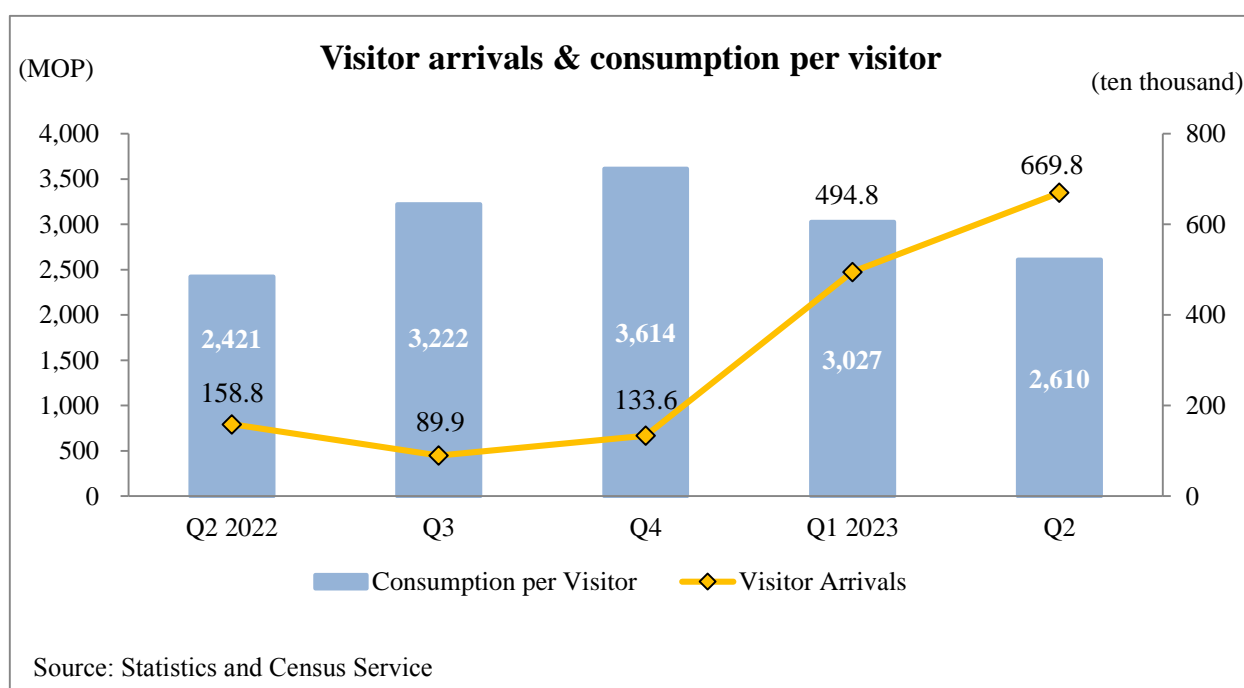
In the external merchandise trade, there was an increase in the exports of articles for casinos, machines and mechanical appliances but a decrease in the exports of diamond jewellery, watches, garments and textiles. Total merchandise exports and imports in the first half of 2023 fell 11.3% year-on-year to MOP6.36 billion and 1.9% year-on-year to MOP71.67 billion, respectively. The trade deficit was MOP65.30 billion during the period, down by 1.9% year-on-year. Major trading partners of Macao include the European Union, Mainland China, Hong Kong, the United States, Switzerland and so forth.

The total value of merchandise exports under CEPA in the first half of 2023 was down 27.8% year-on-year to MOP32.39 million, with an exemption of MOP1.60 million of tariffs, which was down 19.3% year-on-year.

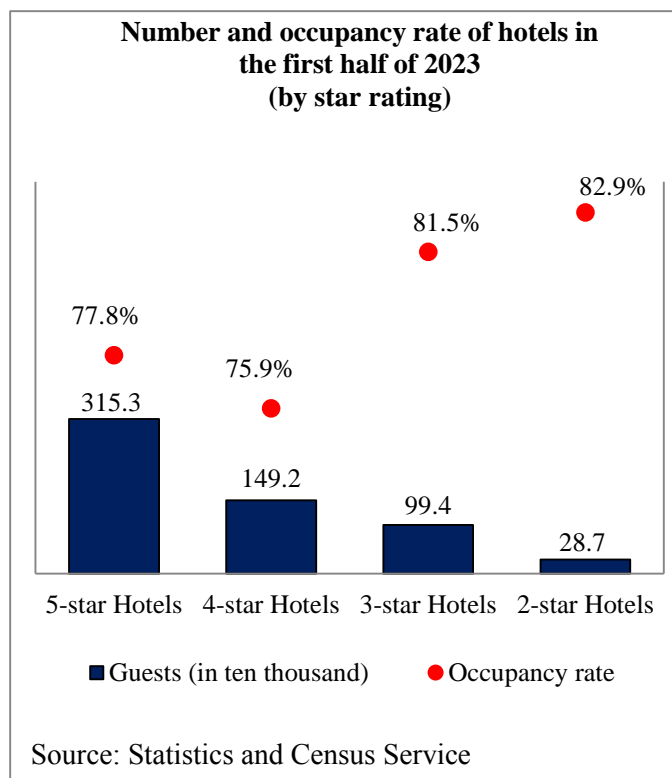


Tourism and Gaming

In the first half of 2023, the total number of visitors was up 240.0% year-on-year to 11.65 million, of which visitors from Mainland China went down by 140.0% to 7.54 million, taking up 64.8% of the total, while visitors from Hong Kong went up by 105.0% to 3.45 million, taking up 29.6% of the total. Visitors' spending (excluding gaming) in the second quarter of 2023 amounted to MOP17.48 billion, with per capita spending at MOP2,610.

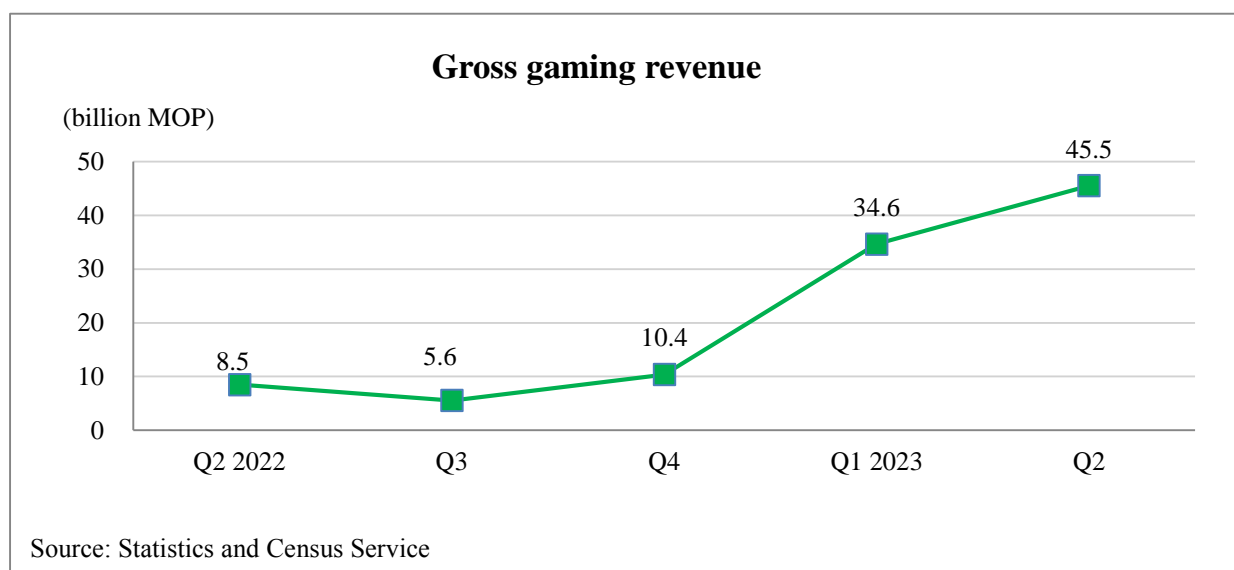


The total number of operating hotels at the end of June 2023 was 94, which was 5 hotels more than last year, providing a total of 42,000 guest rooms, representing an increment of 5,722 compared to the previous year. Among them, 35 were five-star hotels, which was 2 hotels more than that of last year, providing 26,000 guest rooms. The occupancy rate for the first half of 2023 was 78.2%, up 40.6 percentage points year-on-year. The number of guests rose by 130.0% to MOP5.93 million, with the average length of stay of 1.7 nights decreasing by 0.1 nights



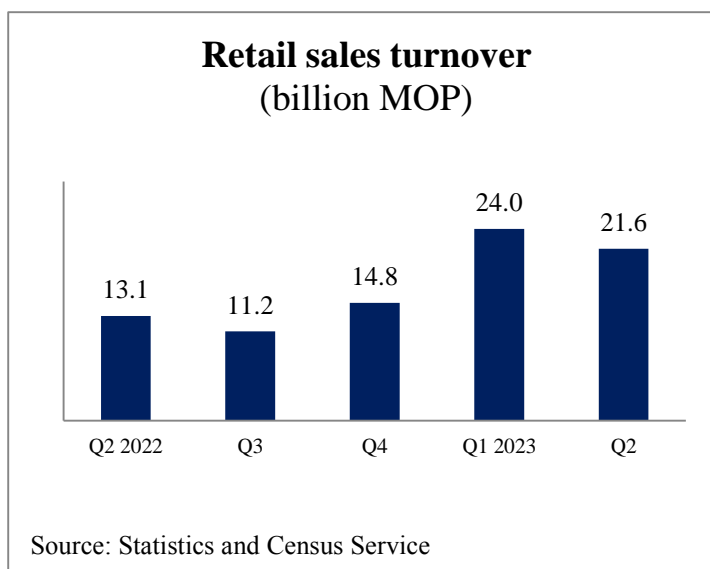
year-on-year. The occupancy rate for 5-star hotels was 77.8%, up 43.5 percentage points year-on-year, with the number of guests up by 150.0% to 3.15 million and the average length of stay declined 0.2 nights to 1.8 nights year-on-year.

As long as the loosening of pandemic prevention measures, the revenue of the gaming sector soared by 210.0% to MOP80.14 billion year-on-year.



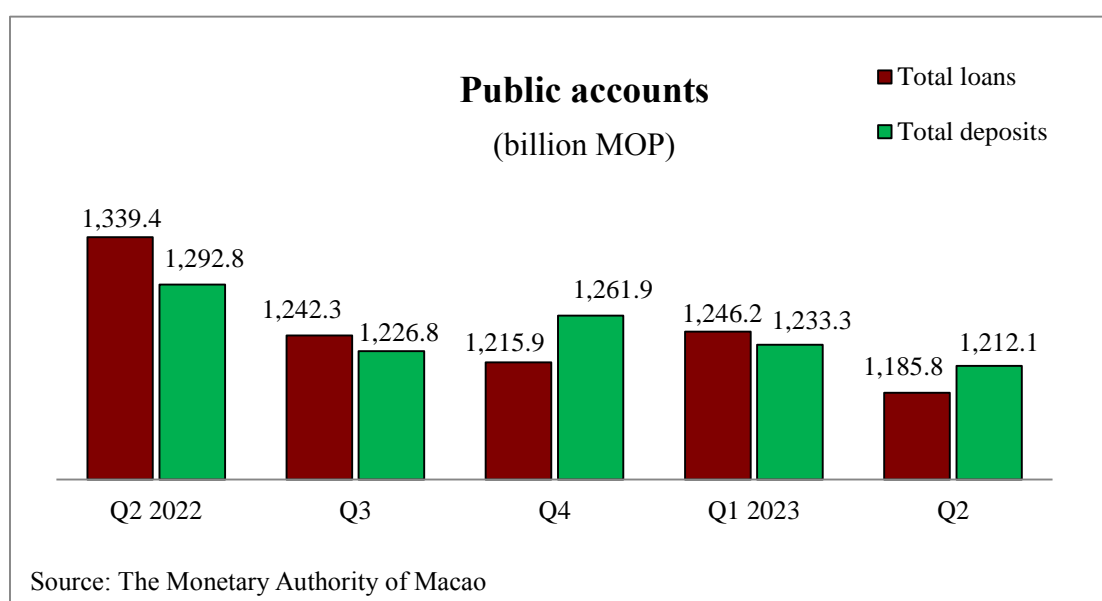
Retailing

The total value of retail sales in the first half of 2023 increased by 43.9% to MOP45.63 billion, of which retail sales of watches, clocks and jewellery were up 73.9% to MOP11.12 billion; retail sales of leather goods were up 60.8% to MOP9.72 billion, and retail sales of goods in department store was up 56.4% to MOP6.91 billion.



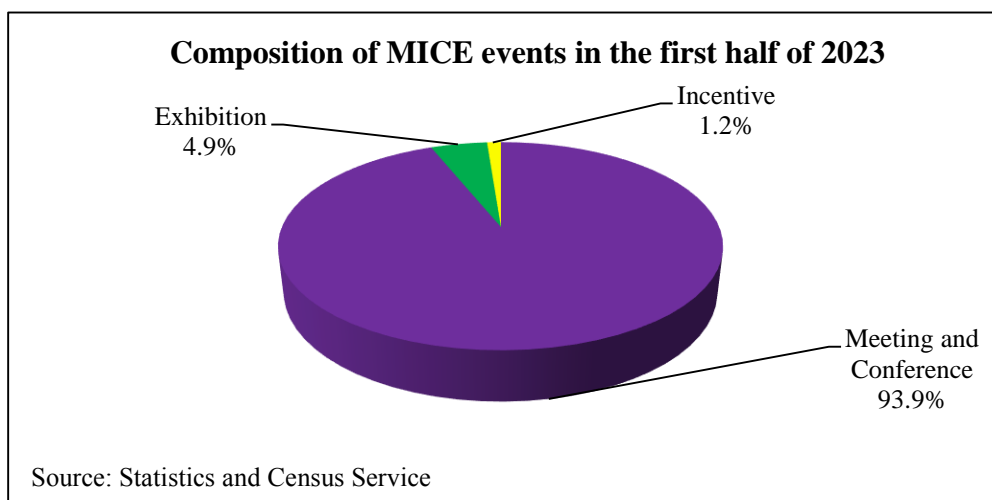
Financial Sector

The financial sector remained stable. The banking profits in the first half 2023 were MOP8.03 billion, up 8.9% year-to-year. At the end of the second quarter, total deposits reached MOP1,212.11 billion, down 6.2%. Total loans reached MOP1,185.79 billion, down 11.5%. Non-performing loans were MOP24.88 billion, up 131.0%.



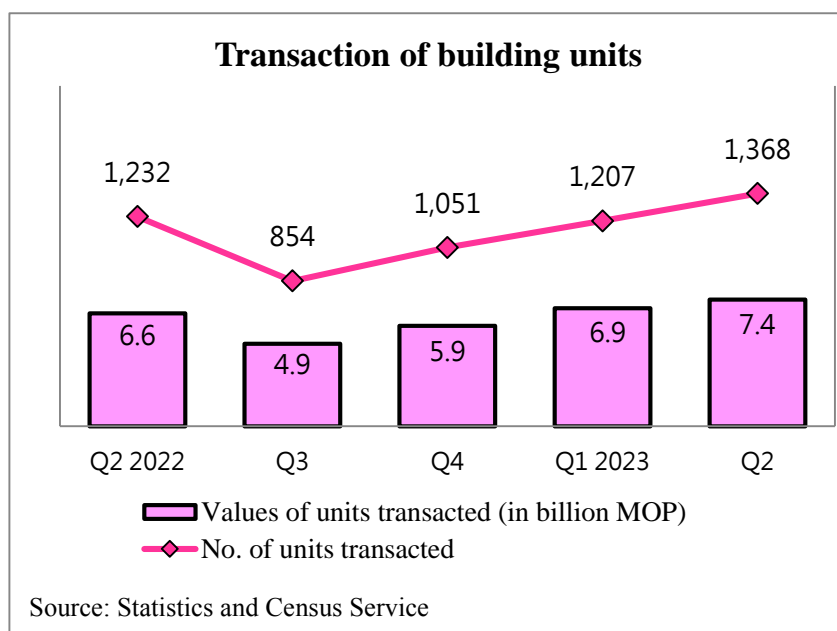
Convention and Exhibition

During the first half of 2023, the overall number of MICE events has rebounded significantly, as well as the number of visitors. There were a total of 493 events held. Among them, there were 463 meetings and conferences. The number of sessions was 305 more than last year, with an average duration of 1.1 days, which was 0.3 days more than last year, and the number of participants and attendees went up by 300.0% to 70,000. Besides, there were 24 exhibitions, which was same as last year. The average duration of exhibitions was 3.1 days, which was 0.1 days more than last year, and the number of participants and attendees went up by 40.7% to 636,000. Furthermore, it reduced 1 incentive event to 6 compared to the same period of last year. The average duration of event was 2.0 days, which was 0.8 days more than last year's. The number of participants and attendees in the incentive events increased by 200.0% to 5,000 year-to-year.



Construction and Real Estate Sector

In the real estate sector, the total number of units transacted was down 2.4% to 2,575, with the total value of transactions up 3.2% to MOP14.38 billion. The total number of residential units increased by 6.6% to 1,726 and the total value of transactions increased by 9.1% to MOP11.37 billion.



¹ Unless otherwise specified, the rates of change mentioned in this article refer to those from the first half of 2022 to the first half of 2023.

Data Source: Statistics and Census Service, the Monetary Authority of Macao, Financial Services Bureau and Economic and Technological Development Bureau.