Economic Outlook of Macao

2021

**Overall Economy**

Macao’s economy in 2021 has enhanced 18% year-on-year in real terms, recording a Gross Domestic Product (GDP) of MOP239.4 billion, compared to 2020. While exports of gaming services increased by 45.0%, total exports of services increased by 62.1%. Private consumption expenditure increased by 7.0% in real terms. Government final consumption expenditure increased by 0.1% in real terms and exports of goods increased by 91.0% year-on-year in real terms. Gross fixed capital formation dropped by 1.8% year-on-year. Imports of goods increased by 56.5% and imports of services rose by 13.5% year-on-year.

According to the World Economic Outlook published by the International Monetary Fund (IMF) in October 2021, the Macao economy is projected to grow by 37.6% in 2022, which is higher than the average projected growth of 3.5% for the group of Advanced Asian Economies which Macao belongs to.

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**Year-on-year growth rate of quarterly real GDP**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2020</td>
<td>-42.6%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Q2</td>
<td>70.9%</td>
</tr>
<tr>
<td>Q3</td>
<td>33.8%</td>
</tr>
<tr>
<td>Q4</td>
<td>-4.4%</td>
</tr>
</tbody>
</table>

Source: Statistics and Census Service

**Real GDP forecast by IMF**

- Macao: 37.6%
- East Asia: 5.5%
- Asia Pacific: 5.0%
- *Advanced Economies*: 3.9%
- *World*: 4.4%

Source: International Monetary Fund  
*Last updated in January 2022*
Employment and Inflation

In 2021, labour force totalled 390 thousands, with an employed population of 378.4 thousands and a labour force participation rate of 69.0%. Unemployment rate was 2.9% increased by 0.4 percentage point year-on-year, and under-employment rate was 4.1% increased by 0.6 percentage points. The median monthly employment earnings of the employed population increased by MOP800 year-on-year to MOP15,800, while that of the local employed population was MOP20,000, which was same as 2020.

Inflation in 2021 increased with the composite CPI rising by 0.03%, 0.78 percentage points lower from one year earlier, attributable to the mounting charges for airfares, liquefied petroleum gas, eating out and wages of domestic helpers.

Public Finance

Public revenue in 2021 decreased by 5.1% year-on-year to MOP89.83 billion and public expenditure dipped by 5.7% to MOP86.11 billion year-on-year. The preliminary estimate of fiscal reserve as at the end of 2021 increased by 4.4% year-on-year to MOP643.17 billion, which was composed of basic reserve of MOP139.08 billion and excess reserve of MOP504.09 billion.
External Merchandise Trade

External merchandise trade rose appreciably. Due to the increase in exports of diamond & diamond jewelry, watches, machines, apparatus & parts, the total merchandise exports in 2021 grew by 19.9% year-on-year to MOP12.96 billion. Meanwhile, the total value of imports in 2021 expanded 66.2% year-on-year to MOP153.88 billion. Trade deficit recorded an increase of 72.4% year-on-year to MOP140.91 billion during 2021. The major trading partners were Mainland China, Hong Kong, the United States and so forth.

The total value of merchandise exported under CEPA in 2021 was up 32.6% year-on-year to MOP100 million, with an amount of MOP5.56 million of tariffs being exempted which was up 36.1% year-on-year.
Tourism and Gaming

The amount of visitor arrivals to Macao was up 30.7% to 7.71 million. Visitors from Mainland China which accounted for 91.4% of the total went up by 48.2% to 7.05 million. However, visitors from Hong Kong which accounted for 7.6% of the total plummeted by 30.1% to 0.59 million. Visitor spending in 2021 was up 104.8% year-on-year to MOP24.45 billion and per capita spending of visitors increased by 56.7% year-on-year to MOP3,173.

The total number of operating hotels as the end of December 2021 was 81, increased by 1 year-on-year, providing a total of 38,000 guest rooms, increased by 3,587 rooms. Among them, 34 were five-star hotels, increased by 1 year-on-year, providing 25,000 guest rooms, up by 13.1% year-on-year. Hotel occupancy rate in 2021 was 50.4%, up by 22 percentage points year-on-year.
The total number of room guests was 6.49 million, recording a rise of 71.6% year-on-year with the average length of stay of 1.8 nights, which recorded an increase by 0.1 night year-on-year. The occupancy rate for five-star hotels in 2021 was 47.7%, up by 22.6 percentage points year-on-year, with the number of room guests went up by 78.6% year-on-year to 3.32 million and the average length of stay increased by 0.2 night year-on-year to 2.1 nights.

Gaming services is on the recovery path, with gross gaming revenue up 43.4% year-on-year to MOP87.56 billion.

![Gross gaming revenue chart]

Retailing

The total value of retail sales of 2021 was up 63.5% to MOP73.96 billion, of which retail sales of communication equipment, watches, clocks and jewelry, leather goods, goods in department stores and Chinese Food Products rose by 128.8%, 126.6%, 111.0%, 81.8%, and 78.8% respectively to MOP3.45 billion, MOP16.48 billion, MOP13.44 billion, MOP12.04 billion and MOP0.57 billion, whereas retail sales of adults’ clothing and supermarkets shrank by 45.0% to MOP6.08 billion and 2.0% to MOP5.04 billion respectively.

![Retail sales turnover chart]
Financial Sector

The banking sector’s profits in 2021 declined by 3.2% year-on-year to MOP16.42 billion. Total deposits reached MOP1,286.46 billion, up by 2.1%, and total loans reached MOP1,303.41 billion, up by 11.1%; non-performing loans rose by 107.70% year-on-year to MOP9.45 billion. During that period, newly-approved housing mortgage loans decreased by 21.4% to MOP36.22 billion; newly-approved commercial real estate loans increased by 78.0% to MOP67.67 billion; newly-approved small and medium-sized enterprise loans increased by 34.2% to MOP31.45 billion. As for renminbi (RMB) business, total RMB savings reached RMB79.72 billion with a year-on-year increase of 20.3%, while total cross-border RMB settlement amount reached RMB52.40 billion with a year-on-year increase of 35.1%.

![Total deposits & loans](chart.png)

In the insurance sector, gross premium income in 2021 rose 23.7% to MOP35.89 billion, while gross claims paid rose 56.9% to MOP20.05 billion.

Convention and Exhibition

A total of 449 MICE events were being held in 2021. Among them, there were 386 meetings and conferences, up by 41 year-on-year. The number of participants and attendees went up by 9.0% to 43,000 with an average duration of 1 day, which was same as the duration in the previous year. Meanwhile, 55 exhibitions were held during the period, up by 21 year-on-year, and the number of participants and attendees increased by 55.0 % to 1.36 million. The average
duration of exhibitions decreased by 0.3 day year-on-year to 3.1 days. 8 incentive events were held, increased by 6 year-on-year. The number of participants and attendees increased by 308.60% to 2,468 year-on-year. The average duration of incentive events was 2.9 days, increased by 1.4 days year-on-year.

**Composition of MICE events in 2021**

<table>
<thead>
<tr>
<th>Event Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibition</td>
<td>12.2%</td>
</tr>
<tr>
<td>Incentive Conference</td>
<td>1.8%</td>
</tr>
<tr>
<td>Meeting and Conference</td>
<td>86.0%</td>
</tr>
</tbody>
</table>

Source: Statistics and Census Service

**Construction and Real Estate Sector**

In the real estate sector, the total number of units transacted decreased by 2.2% year-on-year to 8,802, with the total value of transactions down 2.6% to MOP49.77 billion. The total number of residential units declined 7.4% year-on-year to 6,001 and the total value of transactions dropped 5.0% year-on-year to MOP40.80 billion.
1. Unless otherwise specified, the figures of GDP mentioned in this article are evaluated at current prices.

2. Unless otherwise specified, the rates of change mentioned in this article refer to those from 2020 to 2021.

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