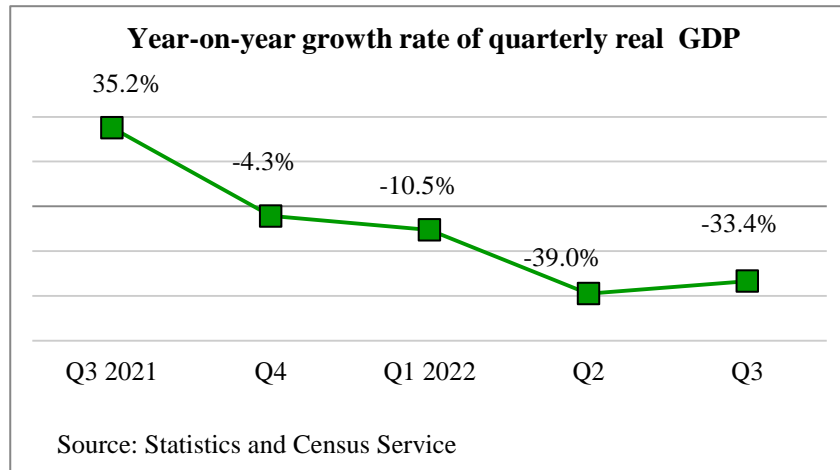


Economic Outlook of Macao

2022 First three quarters

Overall Economy

Under the impact of the pandemic and global economic slowdown, the Macao economy contracted by 27.8%¹ year-on-year in real terms, recording a Gross Domestic Product (GDP) of MOP128.39

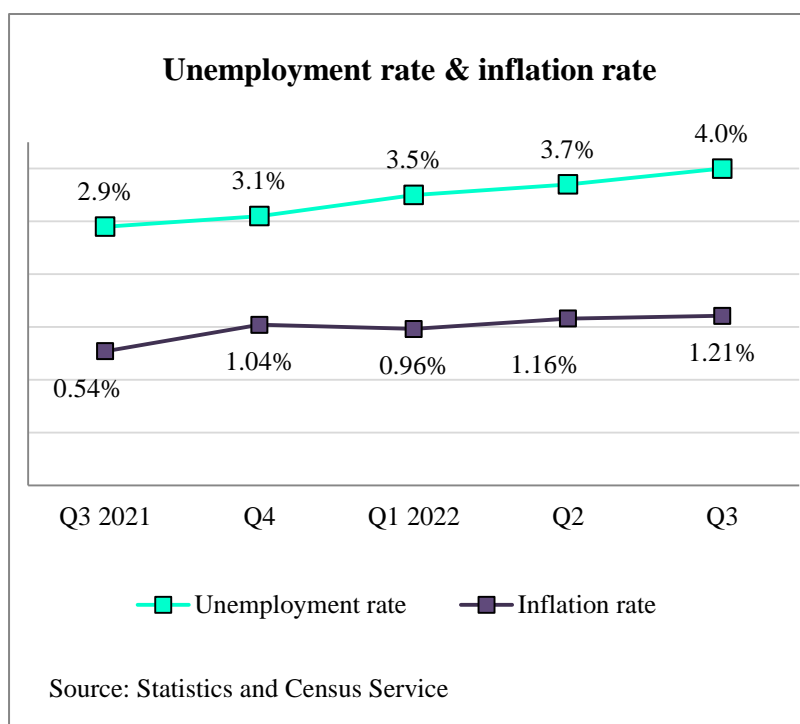


billion in the first three quarters of 2022. Owing to the impact of the pandemic in Macao and neighboring regions, the number of inbound visitors fell in the first three quarters of 2022, leading to a drop in services exports and gaming services exports of 34.3% and 54.5% respectively. Private consumption expenditure, Government final consumption expenditure and gross fixed capital formation was down 7.8%, 1.1% and 19.7% respectively. Merchandise trade was impacted amid the pandemic, with the exports and imports of goods fell by 19.9% and 10.2% respectively. Imports of services recorded a fall of 5.2%.

Employment and Inflation

The labour force in the third quarter of 2022 was 378,000, with an employed population of 363,000 and a labour force participation rate of 68.9%. Unemployment rate was 4.0%, which has increased by 1.1 percentage point year-on-year, with under-employment rate up 12.6 percentage point year-on-year to 16.5%. Median monthly employment earnings of the overall employed population was down 12.5% year-on-year to MOP14,000.

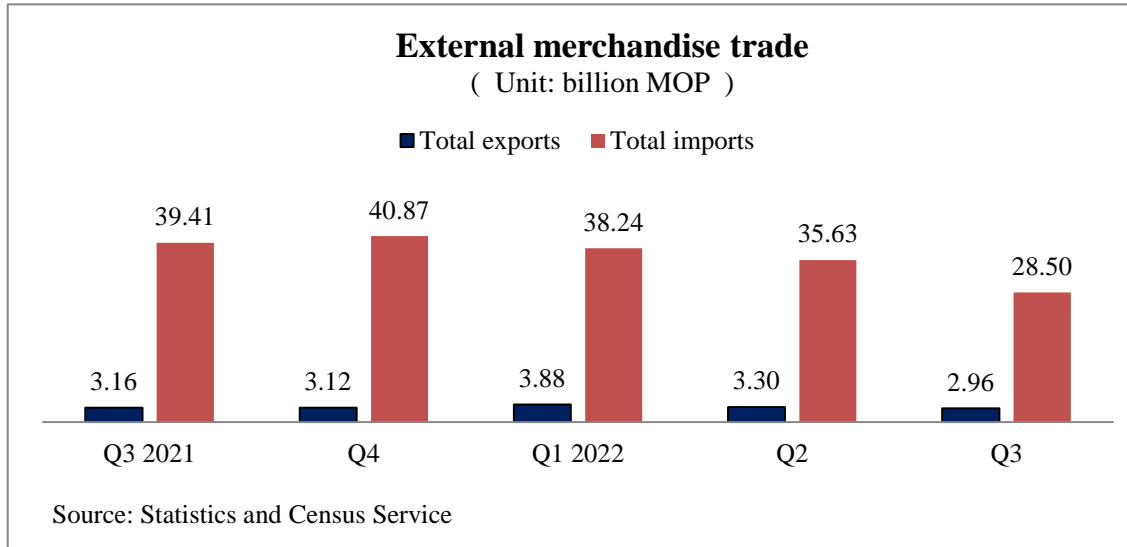
Composite CPI was up 1.11% year-on-year, attributed by the rise in wages of domestic helpers, prices of gasoline, charges for eating out and electricity, whereas lower rentals for dwellings, charges for telecommunication services and prices of pork have mitigated part of the increase in CPI.



External Merchandise Trade

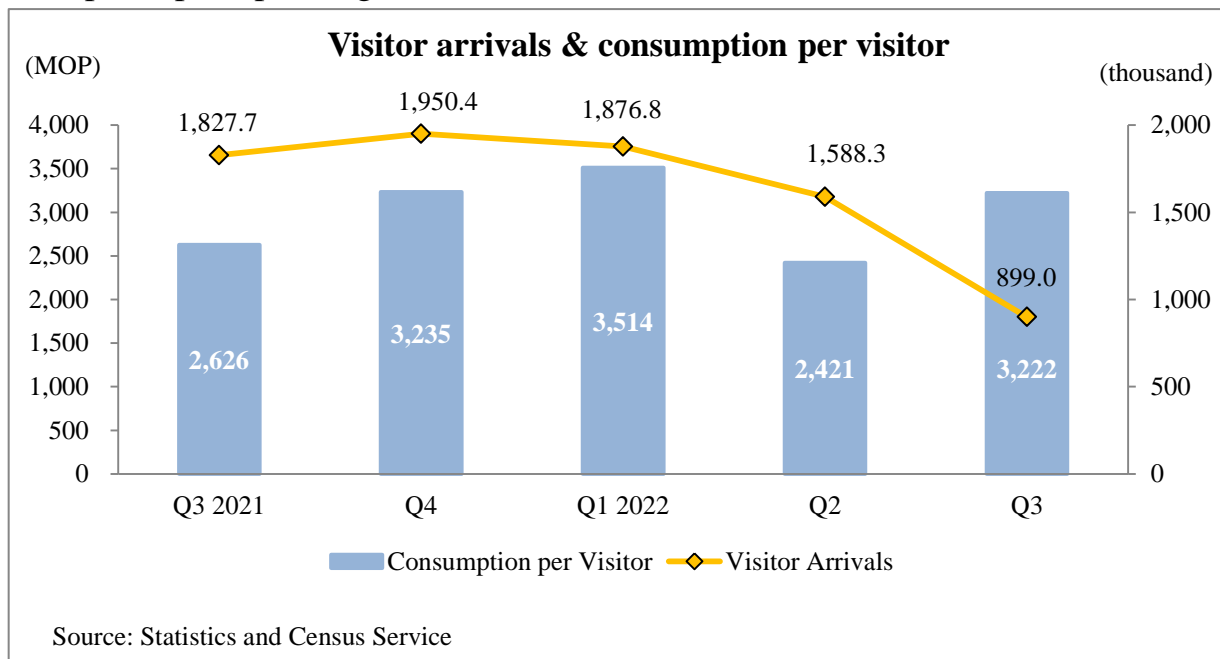
The upswing of external merchandise trade has slowed down, with the increase in the exports of diamond jewellery, watches, garments, travel goods, handbags and related products thereof, but the decrease in the exports of machines and mechanical appliances and electronic components. Total merchandise exports in the first three quarters of 2022 rose 3.0% year-on-year to MOP10.13 billion, whereas total merchandise imports dropped 9.4% year-on-year to MOP102.37 billion. During the period, trade deficit was MOP92.24 billion, down by 10.6% year-on-year. Major trading partners of Macao include Mainland China, Hong Kong, the European Union, Switzerland, the United States and so forth.

The total value of merchandise exports under CEPA in the first three quarters of 2022 was up 2.8% year-on-year to MOP79.81 million with an amount of MOP3.93 million of tariffs being exempted, which was down 7.2% year-on-year.

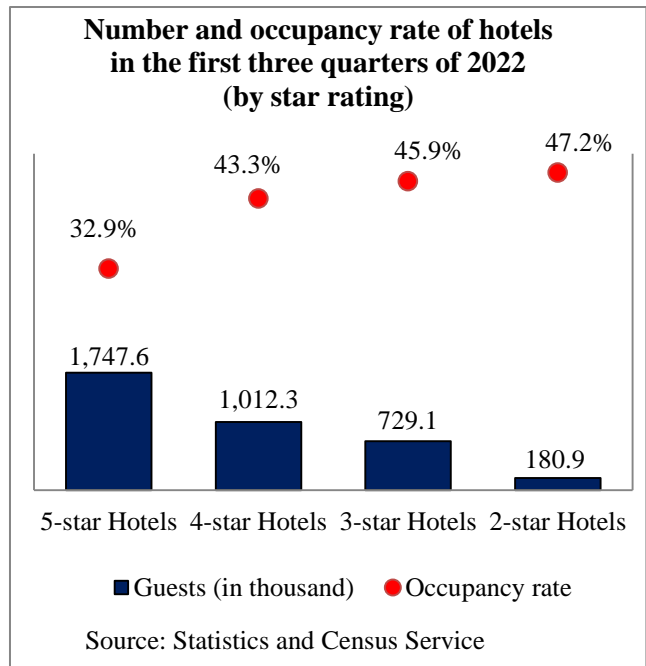


Tourism and Gaming

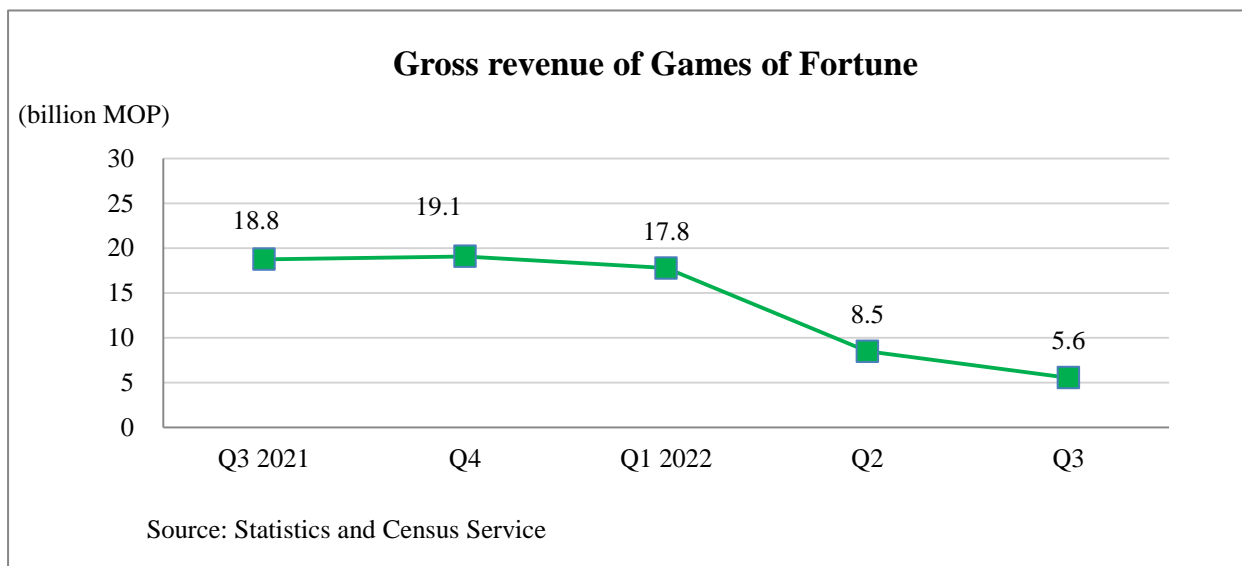
The total number of visitors dropped consistently. In the first three quarters of 2022, the total number of visitors was down 24.2% year-on-year to 4.36 million, of which visitors from Mainland China went down by 25.0% to 3.93 million, taking up 90.1% of the total; while visitors from Hong Kong went down by 16.7% to 0.38 million taking up 8.8% of the total. Visitors' spending (excluding gaming) in the third quarter of 2022 amounted to MOP2.90 billion, with per capita spending at MOP3,222.



The occupancy rate for the first three quarters of 2022 was 37.3%, down 13.5 percentage point year-on-year. Number of guests dropped by 25.7% to 3.67 million with the average length of stay of 1.9 nights, up by 0.1 night year-on-year. The occupancy rate for 5-star hotel was 32.9%, down 15.8 percentage point year-on-year, with the number of guests down by 32.1% to 1.75 million and the average length of stay remaining at 2 nights year-on-year.



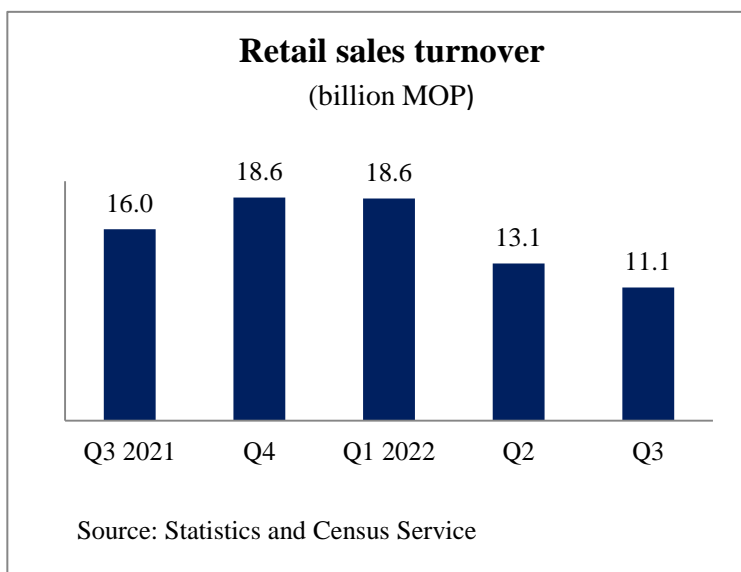
The gaming sector was hit by the pandemic and the gross revenue of Games of Fortune for the first three quarters of 2022 slumped 53.1% year-on-year to MOP31.82 billion.



Retailing

The decrease in the number of tourists led to the sluggish in the retailing market. Total value of retail sales in the first three quarters of 2022 dropped by 22.8% to MOP42.83 billion, of which retail sales of goods in department store was down 38.5% to MOP5.64 billion; watches, clocks and jewellery

was down 30.1% to MOP8.68 billion and adults' clothing was down 33.7% to MOP3.0 billion.



¹ Unless otherwise specified, the rates of change mentioned in this article refer to those from the first three quarters of 2021 to the first three quarters of 2022.

Data Source: Statistics and Census Service and Economic and Technological Development Bureau.