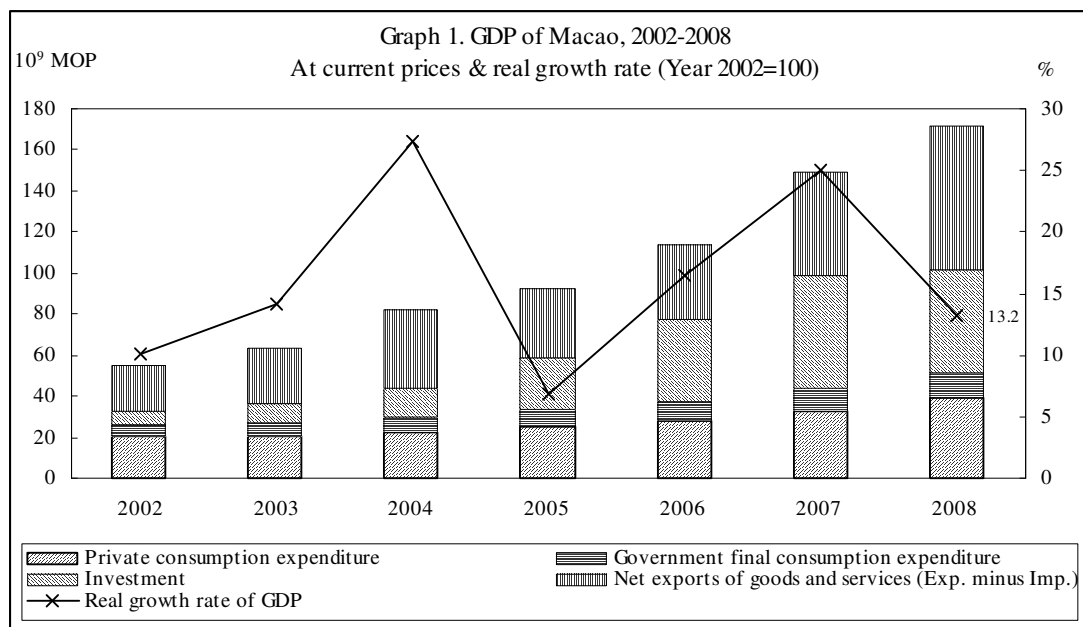


Gross Domestic Product (GDP) for 2008

The Statistics and Census Service (DSEC) released summary of the GDP for the fourth quarter and the whole year of 2008. The rates of change mentioned in the text refer to the year-on-year change, unless otherwise specified.

GDP for the fourth quarter and the whole year of 2008

The outbreak of the global financial tsunami in 2008 led to burst of the bubble arisen out of the real estate property and the financial assets, causing the real sector economy to slide in the second half of the year. Despite the rapid economic downturn, the economy of Macao was not much affected in the first half year and managed to sustain rapid growth upon the impetus of the surging gaming and tourism sector, albeit decline of investment. Entering the second half year, the economy was hit by the adverse impact of the financial crisis and decrease of Mainland visitors travelling to Macao under the Individual Visit Scheme, the gaming and tourism sector started to slow down, total investment continued to fall, bringing the entire economy to contract obviously, with GDP for the fourth quarter registering the first negative growth during the past five years. For the whole year of 2008, Macao's GDP was estimated at MOP 171.87 billion, up by 13.2% in real terms, with per-capita GDP amounting to MOP 313,091 (US\$ 39,036). GDP for the fourth quarter of 2008 shrank by 7.6% in real terms, upon declining exports of gaming services, investment and exports of goods; besides, the economic growth for the first and second quarters were revised upward from 32.3% and 22.2% to 32.5% and 22.4% respectively, while that for the third quarter was revised downward from 11.3% to 10.4%.

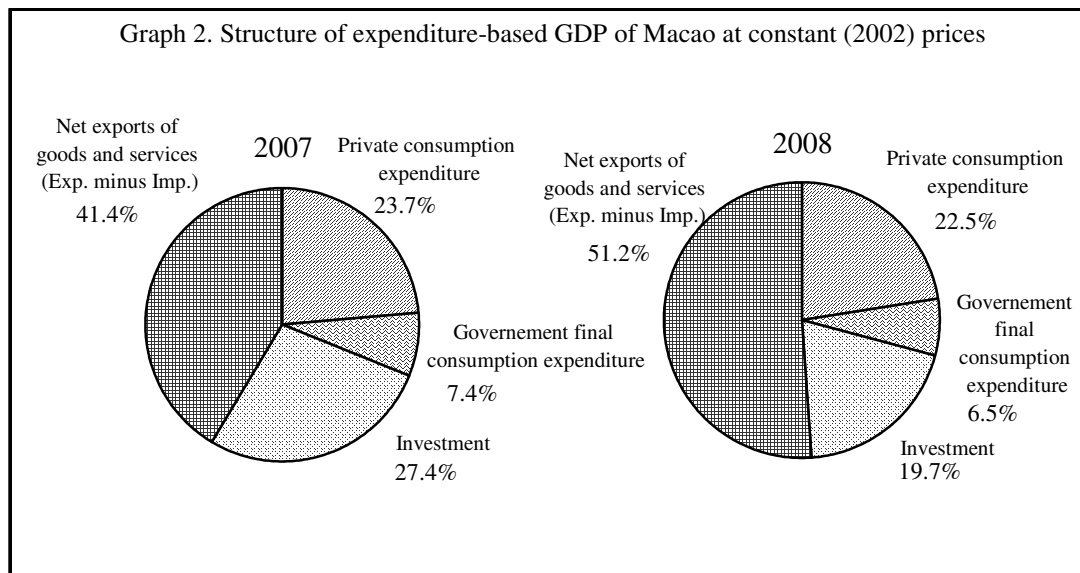


The favourable factors that contributed to the economic growth in 2008 included:

- the 31.0% surge of the annual gross gaming revenue (excluding gratuities) from 2007;
- visitor arrivals were 22,907,724 for 2008, with rising per-capita spending of visitors in all quarters, total visitor spending (excluding gaming expenses) for 2008 registered a 2.2% growth in real terms;
- growing employed population and employment income drove private consumption expenditure up by 7.5% year-on-year in real terms.

Changes of the economic structure of Macao

- the 30.9% surge in export of gaming services in 2008 offset the substantial drop of merchandise exports; the 40.0% growth of net exports of goods and services (exports of goods and services minus imports of goods and services) was far higher than the level of the overall economic growth, contributing to an apparent increase in its relative importance to GDP, from 41.4% in 2007 to 51.2% in 2008;
- total investment (gross fixed capital formation plus changes in inventories) plunged noticeably by 18.7% in 2008, lowering its relative importance to GDP from 27.4% in 2007 to 19.7% in 2008;
- albeit the rising private consumption expenditure, the rate was lower than that of the overall economic growth; therefore, the relative importance of private consumption expenditure to GDP went down from 23.7% in 2007 to 22.5% in 2008, while that of government final consumption expenditure decreased slightly from 7.4% in 2007 to 6.5% in 2008.



On account of detailed breakdown on the arrivals of visitor and other non-resident in 2008, number of visitor arrivals was revised downward substantially, which would affect the estimate of “Consumption expenditure of non-residents in the domestic market” and “Imports of goods”; therefore, GDP for 2004 to 2007 and the respective components were revised.

GDP Indicators of Macao

Items	2004	2005	2006	2007	2008
GDP (billion MOP)	82.23	92.19	113.71	149.46	171.87
GDP growth in real terms (%)	27.3	6.9	16.5	25.3	13.2
Per-capita GDP (MOP)	179,977	193,619	227,721	284,268	313,091
Per-capita GDP growth in real terms (%)	24.0	2.6	11.1	19.0	8.4

NOTE

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