

# Statistical Report on Cross-border Capital Flows, 2024/2025

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## 1. Capital Flows in 2024

For the year 2024 as a whole, the Macao Special Administrative Region (Macao SAR) recorded a net capital outflow of MOP161.2 billion when excluding the financial flow of official reserve assets (i.e. Macao SAR's foreign exchange reserves), compared to a net outflow of MOP76.5 billion in 2023. This was the cumulative effect of a net inflow of MOP4.6 billion of **direct investment**, a net outflow of MOP185.7 billion of **portfolio investment**, a net outflow of MOP0.4 billion in **financial derivatives** and a net inflow of MOP20.3 billion in **other investment**.

**Table 1: Components of Capital Flows in the Balance of Payments**

(MOP million)

|      | <b>Total<br/>(1+2+3+4)</b> | Direct<br>investment<br>(1) | Portfolio<br>investment<br>(2) | Financial<br>derivatives<br>(3) | Other<br>investment<br>(4) | <b>Official<br/>reserve<br/>assets</b> |
|------|----------------------------|-----------------------------|--------------------------------|---------------------------------|----------------------------|----------------------------------------|
| 2020 | <b>11,138.9</b>            | 63,256.8                    | 46,677.4                       | -2,773.1                        | -96,022.1                  | <b>21,328.3</b>                        |
| 2021 | <b>-40,003.2</b>           | -9,871.7                    | 48,119.7                       | -2,090.5                        | -76,160.6                  | <b>10,861.0</b>                        |
| 2022 | <b>-17,899.6</b>           | -18,910.6                   | 26,105.9                       | -6,818.7                        | -18,276.2                  | <b>-8,141.6</b>                        |
| 2023 | <b>76,529.8</b>            | -9,293.2                    | 150,238.4                      | -499.5                          | -63,916.0                  | <b>4,425.0</b>                         |
| 2024 | <b>161,224.1</b>           | -4,568.7                    | 185,662.7                      | 396.1                           | -20,266.0                  | <b>2,279.7</b>                         |

Notes:

1. All are net values.

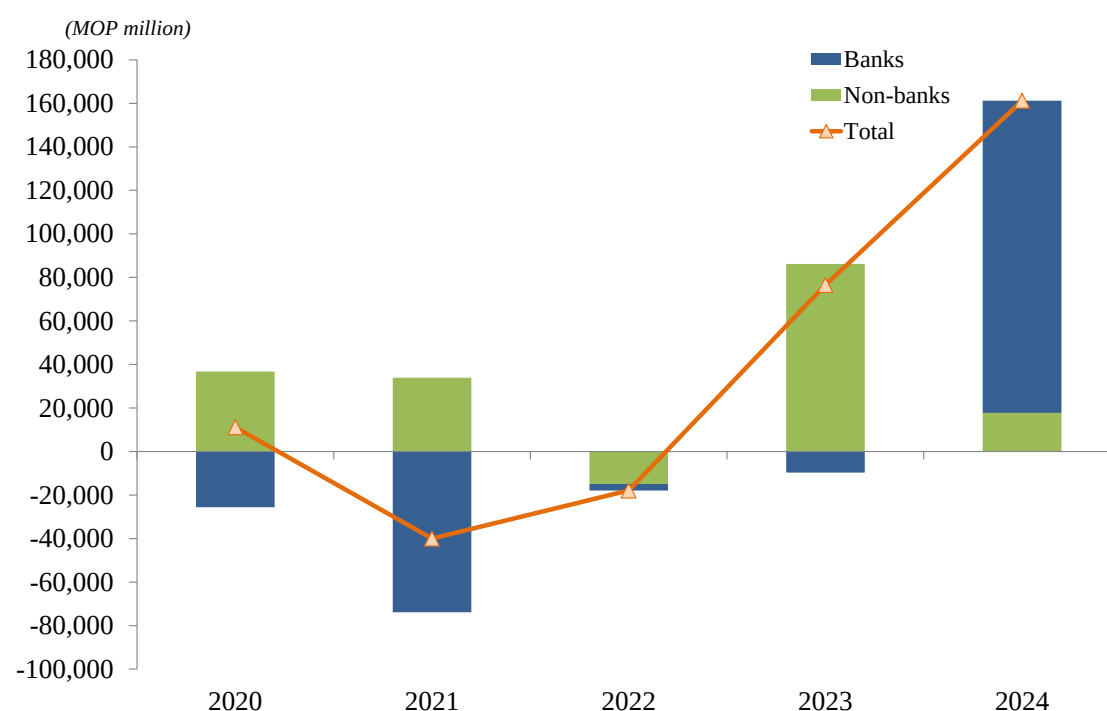
2. Outflow is of positive sign while inflow is of negative sign.

3. Data for 2024 are preliminary estimates and subject to revision.

Sources: Balance of Payments (BOP) Statistics, Monetary Authority of Macao (AMCM) and Statistics & Census Service (DSEC).

Official reserve assets held by the AMCM, a buffer tool for absorbing Macao's BOP surplus or deficit, totalled MOP235.0 billion at end-2024. An outflow of MOP2.3 billion was recorded in reserve assets in the year after excluding the effects of price and exchange rate changes and other adjustments, as against an outflow of MOP4.4 billion in 2023. Taking into account the capital flow of official reserve assets, the financial account of Macao's BOP registered a net capital outflow of MOP163.5 billion, equivalent to an increase of MOP82.5 billion when compared with the net outflow in 2023 (Table 1).

**Chart 1: Capital Flows of Banks and Non-banks**



*Notes:*

1. All are net values.
2. Outflow is of positive value while inflow is of negative value.
3. Data for 2024 are preliminary estimates and subject to revision.

Sources: BOP Statistics, AMCM and DSEC.

As against a net capital inflow in 2023, the banking system recorded a net capital outflow of MOP143.5 billion in 2024, of which portfolio investment registered a net outflow of MOP146.1 billion, offsetting the net inflows of MOP2.7 billion and MOP1.1 billion observed in direct investment and other investment respectively. On

the other hand, the non-bank sector continued to record a net outflow, which narrowed to MOP17.7 billion in 2024 (Chart 1).

Direct investment continued to register a net inflow of funds, although the amount decreased from MOP9.3 billion in 2023 to MOP4.6 billion in 2024 (Table 2). The decrement in net inflow of funds reflected a mixed result of accelerated expansion of outward direct investment assets held by Macao residents and narrower growth of foreign direct investment liabilities.

**Table 2: Direct Investment Flows**

(MOP million)

|      | <b>Direct investment<br/>(Net)</b> | Assets   | Liabilities |
|------|------------------------------------|----------|-------------|
| 2020 | <b>63,256.8</b>                    | 13,618.1 | -49,638.7   |
| 2021 | <b>-9,871.7</b>                    | 35,575.1 | 45,446.8    |
| 2022 | <b>-18,910.6</b>                   | 6,868.4  | 25,779.0    |
| 2023 | <b>-9,293.2</b>                    | 4,010.0  | 13,303.2    |
| 2024 | <b>-4,568.7</b>                    | ~        | ~           |

Notes:

1. For the net value, outflow is of positive sign while inflow is of negative sign.
2. Data for 2024 are preliminary estimates and subject to revision.
3. ~ No figure provided.

Sources: BOP Statistics, AMCM and DSEC.

**Table 3: Portfolio Investment Flows**

(MOP million)

|      | <b>Portfolio investment<br/>(Net)</b> | Assets    | Liabilities |
|------|---------------------------------------|-----------|-------------|
| 2020 | <b>46,677.4</b>                       | 76,877.1  | 30,199.7    |
| 2021 | <b>48,119.7</b>                       | 75,742.6  | 27,623.0    |
| 2022 | <b>26,105.9</b>                       | 34,993.2  | 8,887.3     |
| 2023 | <b>150,238.4</b>                      | 87,053.4  | -63,185.1   |
| 2024 | <b>185,662.7</b>                      | 147,159.1 | -38,503.7   |

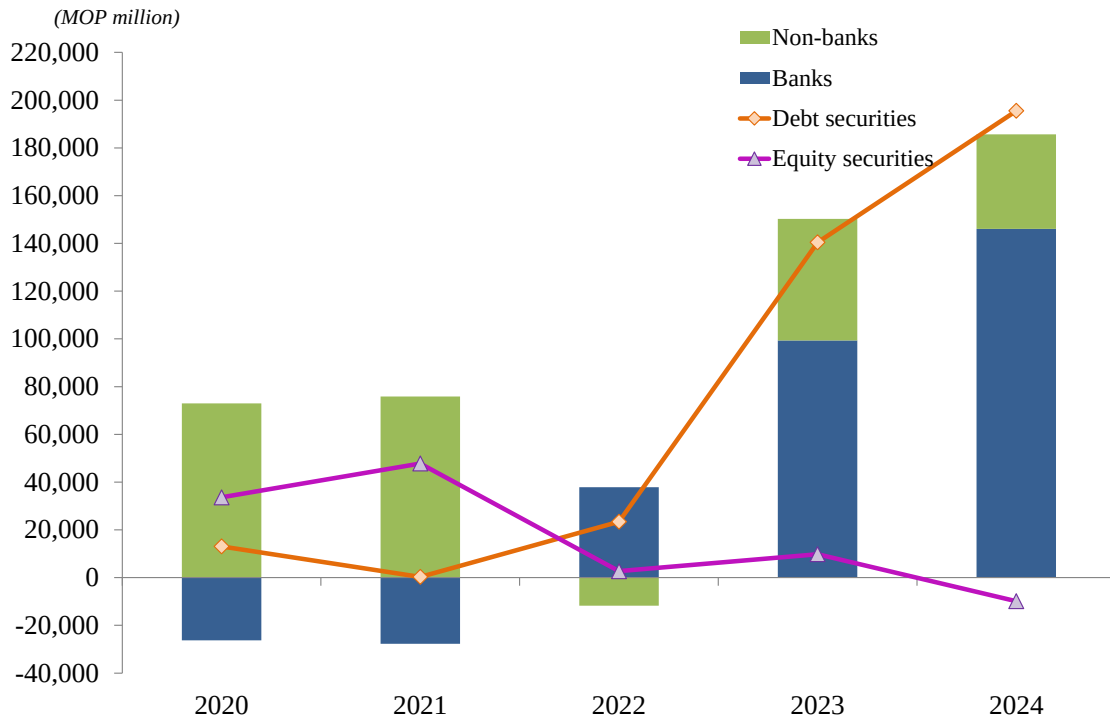
Notes:

1. For the net value, outflow is of positive sign while inflow is of negative sign.
2. Data for 2024 are preliminary estimates and subject to revision.

Sources: BOP Statistics, AMCM and DSEC.

Investment in external securities remained the main channel for Macao residents to allocate their surplus funds. External portfolio assets held by Macao residents leapt by MOP147.2 billion in 2024, up from the gross outflow of MOP87.1 billion in 2023. Such an increment was mainly attributable to the rise of investment in external short-term debt securities of the banking sector. Meanwhile, the fund outflow of portfolio investment liabilities persisted in 2024, primarily attributable to the maturity of debt securities issued by local financial institutions and held by non-residents. Nonetheless, the scale of the outflow moderated to MOP38.5 billion. As a result, the portfolio investment account registered a net outflow of MOP185.7 billion in 2024 (Table 3).

Analysed by instruments in the portfolio investment account, equity securities recorded a net inflow of MOP9.9 billion in 2024 whereas debt securities witnessed a net outflow of MOP195.5 billion. Concurrently, net external portfolio investment of the banking sector increased by MOP146.1 billion owing to the notable growth of its investment in external debt securities, while that of the non-bank sector increased by MOP39.5 billion (Chart 2).

**Chart 2: Portfolio Investment Flows**

Notes:

1. All are net values.
2. Outflow is of positive value while inflow is of negative value.
3. Data for 2024 are preliminary estimates and subject to revision.

Sources: BOP Statistics, AMCM and DSEC.

Other investment sustained a net inflow in 2024, although the amount narrowed to MOP20.3 billion (Table 4). Both assets and liabilities in other investment reduced in the year, amounting to MOP58.7 billion and MOP38.5 billion respectively.

**Table 4: Other Investment Flows**

(MOP million)

|      | Other investment (Net) | Assets     | Liabilities |
|------|------------------------|------------|-------------|
| 2020 | -96,022.1              | 2,730.2    | 98,752.3    |
| 2021 | -76,160.6              | 327,589.0  | 403,749.6   |
| 2022 | -18,276.2              | -191,144.8 | -172,868.6  |
| 2023 | -63,916.0              | -112,167.5 | -48,251.5   |
| 2024 | -20,266.0              | -58,721.9  | -38,455.9   |

Notes:

1. For the net value, outflow is of positive sign while inflow is of negative sign.
2. Data for 2024 are preliminary estimates and subject to revision.

Sources: BOP Statistics, AMCM and DSEC.

**Table 5: Components of Other Investment Flows (Net)***(MOP million)*

|      | Total            | Loans       |            | Currency and deposits |            | Others      |           |
|------|------------------|-------------|------------|-----------------------|------------|-------------|-----------|
|      |                  | All sectors | Banks      | All sectors           | Banks      | All sectors | Banks     |
| 2020 | <b>-96,022.1</b> | 57,483.2    | 70,245.2   | -177,963.0            | -78,152.4  | 24,457.7    | 16,693.4  |
| 2021 | <b>-76,160.6</b> | 39,582.7    | 45,878.8   | -143,896.2            | -105,006.0 | 28,152.8    | 17,789.2  |
| 2022 | <b>-18,276.2</b> | -53,868.9   | -51,803.9  | 47,789.9              | 40,852.1   | -12,197.2   | -10,365.5 |
| 2023 | <b>-63,916.0</b> | -140,826.3  | -146,582.7 | 79,133.1              | 31,986.2   | -2,222.8    | 4,528.6   |
| 2024 | <b>-20,266.0</b> | ~           | -41,191.5  | ~                     | 43,807.1   | ~           | -3,751.1  |

Notes:

1. All are net values.
2. Outflow is of positive sign while inflow is of negative sign.
3. Data for 2024 are preliminary estimates and subject to revision.
4. ~ No figure provided.

Sources: BOP Statistics, AMCM and DSEC.

Bank loans, a major component of other investment, recorded a net inflow of MOP41.2 billion in 2024 (Table 5). At the same time, the net outflow from currency and deposits of the banking sector expanded from MOP32.0 billion in 2023 to MOP43.8 billion in 2024, mainly due to a larger decrease in non-resident deposits. The remaining items of other investment for the banking sector witnessed a net inflow of MOP3.8 billion.

Driven by the advancement of inbound tourism and the increment of revenue from gaming concessionaries, the SAR Government's portfolio and other investment outside Macao continued to expand in 2024. External assets of the government sector, which mainly included securities and deposits, totalled MOP531.3 billion at end-2024, equivalent to a rise of MOP34.0 billion from a year ago.

Excluding the effects of price and exchange rate changes as well as other adjustments, official exchange reserve assets recorded an outflow of MOP2.3 billion in 2024. The outflow of official reserve assets represented an overall BOP surplus with the outflow in the non-reserve financial account inadequate to balance the current account surplus.<sup>1</sup>

<sup>1</sup> In theory, the BOP surplus or deficit should be equal to the change in official reserve assets. However, in practice, there unavoidably exists "errors and omissions" in BOP accounting in most economies.

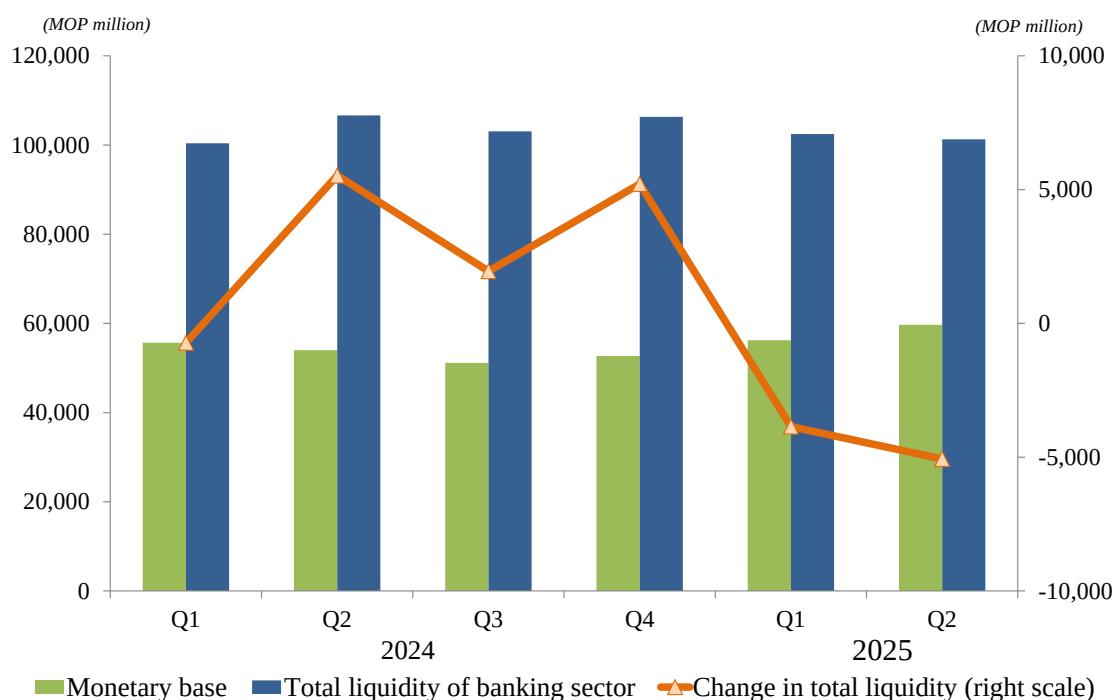
## 2. Capital Flows in 2025

As a full set of BOP or financial account statistics for 2025 is not yet available, relatively updated statistics of the local money market, the banking sector, and official reserve assets, which are major components of the financial account, provide more timely information for evaluating cross-border capital flows.

Chart 3 shows the movements of the monetary base (the sum of certificates of indebtedness, coins issued and the aggregate balance of banks' liquidity accounts with the AMCM) and the total MOP liquidity balance (the sum of banks' liquidity accounts and the outstanding balance of MOP-denominated monetary bills issued by the AMCM). The total liquidity balance is the primary position of Macao banks in the MOP while its change ultimately reflects funds flowing into or out from the domestic currency and potentially the Macao SAR, as capital inflows could raise the demand for the domestic currency whereas capital outflows could elevate the demand for foreign currencies.

In the first-half year of 2025, the monetary base increased by MOP7.0 billion from end-2024 to MOP59.7 billion at end-June 2025. On the other hand, the total MOP liquidity fell by MOP5.1 billion from end-2024 to MOP101.3 billion, implying that funds have been flowing out from the SAR.

Against the backdrop that foreign currencies, especially the Hong Kong dollar, are extensively used for economic transactions in the financially open Macao SAR, the conversion between the MOP and other currencies does not necessarily indicate cross-border capital flows. A more comprehensive overview of cross-border capital flows can be explained by changes in local banks' foreign assets and foreign liabilities. Correspondingly, the variation in net foreign assets of the banking sector represents the net amount of capital flows.

**Chart 3: Monetary Base and Total Liquidity**

*Note: The change in total liquidity for the quarter is the difference between the end-period value and the value at the end of the previous year.*

*Source: Monetary and Financial Statistics of the AMCM.*

As shown in Chart 1, capital flows can be segregated into flows of banks and non-banks. The monetary and financial statistics compiled by the AMCM provide the positions of local banks in foreign assets and liabilities for the current year, making timely surveillance of key capital flows of the banking sector feasible. Banks' net foreign assets, which are comprised of portfolio investment, loans, currency and deposits, interbank balances and others, suffice as the preliminary indicators for the direction and amount of capital flows before the annual BOP or financial account statistics are released.

In the first half of 2025, net foreign assets of the local banking sector expanded by MOP63.5 billion (Table 6). In other words, Macao banks recorded a net fund outflow of MOP63.5 billion during the period, compared with a net fund outflow of MOP49.4 billion in the first half of 2024. Analysed by component, portfolio investment increased by MOP46.3 billion at end-June 2025. On the other hand, loans, currency and deposits declined by MOP57.0 billion when the rise of MOP76.2 billion in non-

resident deposits outpaced the increment of MOP19.2 billion in non-resident loans within the local banking system. Net interbank assets witnessed an increase of MOP73.9 billion as interbank assets advanced by MOP31.1 billion and interbank liabilities shrank by MOP42.8 billion. The rest of Macao banks' net foreign assets rose by MOP0.2 billion.

**Table 6: Changes in Portfolio and Other Investment of Banks**

(MOP million)

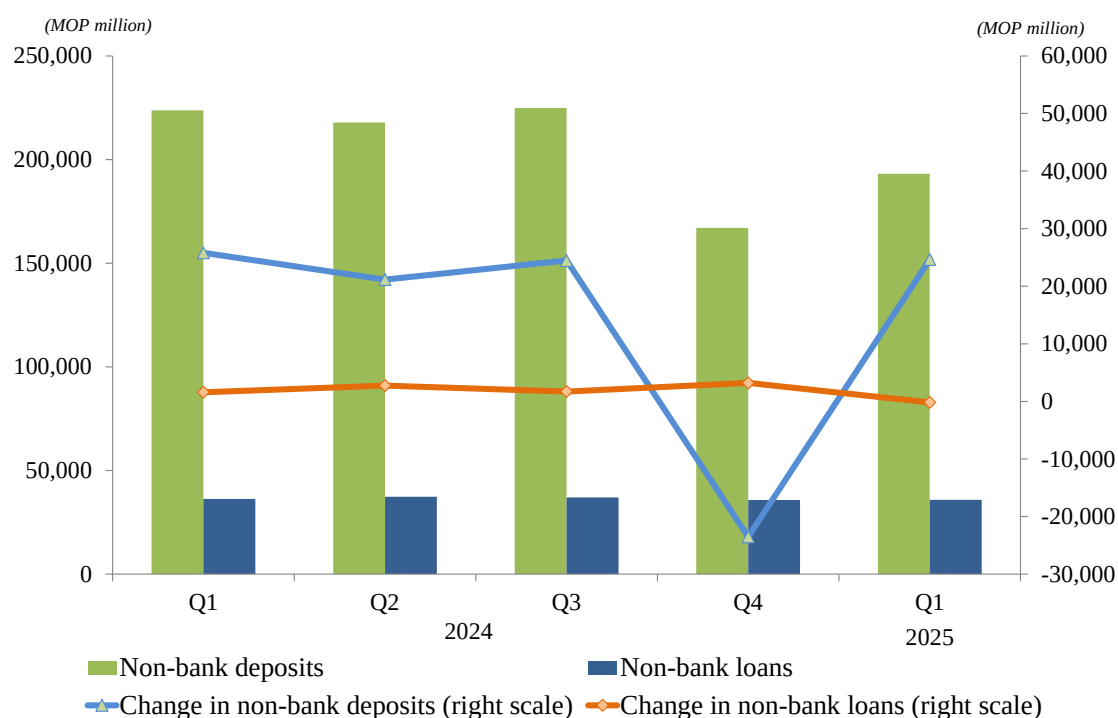
|      |    | Net Foreign Assets |                      |                              |                    |          |
|------|----|--------------------|----------------------|------------------------------|--------------------|----------|
|      |    | Total              | Portfolio investment | Loans, currency and deposits | Interbank balances | Others   |
| 2024 | Q1 | <b>16,217.8</b>    | 38,420.1             | -12,348.6                    | -9,581.7           | -271.9   |
|      | Q2 | <b>49,404.9</b>    | 57,044.2             | -23,670.6                    | 25,218.4           | -9,187.2 |
|      | Q3 | <b>86,709.4</b>    | 70,351.3             | -16,528.8                    | 24,603.9           | 8,283.0  |
|      | Q4 | <b>101,636.2</b>   | 64,112.4             | -27,660.7                    | 51,643.1           | 13,541.3 |
| 2025 | Q1 | <b>40,895.7</b>    | 34,849.8             | -51,861.7                    | 59,957.2           | -2,049.5 |
|      | Q2 | <b>63,523.6</b>    | 46,341.9             | -56,967.0                    | 73,934.5           | 207.5    |

Notes:

1. All are net values and are calculated as changes from the end of the preceding year in banks' balance sheets.
2. Outflow is of positive sign while inflow is of negative sign.
3. Loans, currency and deposits, interbank balances and others comprise other investment in the BOP framework.
4. Changes in net foreign assets in the current analysis would not be identical to comparable flows in the BOP (as shown in Table 5). The change in portfolio investment is derived from stock data in banks' balance sheets, which include price and exchange rate effects, when actual portfolio investment flow data from annual BOP statistics are not yet available. In addition, net foreign assets – interbank balances are combined into “loans” and “currency & deposits” in BOP accounting shown in Table 5. “Others” of other investment in the BOP includes banks' other claims on and other liabilities to their foreign direct investors and/or fellow enterprises, which are combined into net foreign assets – interbank balances in banks' balance sheets. Net foreign assets – others therefore include only other claims on and liabilities to unrelated non-bank entities.

Source: Monetary and Financial Statistics of the AMCM.

As regards Macao's non-bank sectors, the Bank for International Settlements (BIS) provides relatively updated statistics of external deposits and loans. In the first quarter of 2025, deposits of Macao's non-bank sectors with external banks rose by MOP24.7 billion, whereas their loans from external banks shrank by MOP0.2 billion. Thus, a net capital outflow of MOP24.8 billion was observed from Macao's non-bank sectors to external banks, compared to a net capital outflow of MOP24.2 billion in the same period of 2024.

**Chart 4: Loans and Deposits of Macao Residents with External Banks****Notes:**

1. Excluding Macao banks' transactions with external banks or Macao's cross-border interbank transactions.
2. The change in deposits (or loans) for the quarter is the accumulated quarterly changes for the year. For example, the change in Q3 is the summation of changes in Q1, Q2 and Q3.
3. Quarterly changes are adjusted to exclude exchange-rate effects.
4. An increase in deposits with external banks indicates an outflow of capital while an increase in loans from external banks indicates an inflow of capital.

Source: Underlying data from the BIS.

Cross-border capital flows in the Macao SAR are affected by non-residents' investment in the local real estate market, which is one component of inward direct investment. In the first half of 2025, the net amount of Macao properties disposed by non-residents was less than MOP0.1 billion, which remained virtually unchanged from the first half of 2024 (Table 7). Within this total, residential properties purchased by non-residents valued at MOP0.8 billion while those sold by non-residents recorded a larger amount of MOP1.0 billion, largely reflecting an outflow of external funds in the local real estate market.<sup>2</sup>

<sup>2</sup> In principle, only transactions between non-residents and residents should be used to capture capital flows. Data adopted in this estimation are subject to limitations as illustrated in Table 7. Nevertheless, the limitations were expected to be relatively small, which would not materially affect the direction of capital flows in this estimation.

**Table 7: Sales and Purchases of Macao Properties by Non-residents***(MOP million)*

|      |    | <b>Purchases</b> |                                     | <b>Sales</b> |                                     |
|------|----|------------------|-------------------------------------|--------------|-------------------------------------|
|      |    | <b>Total</b>     | Of which:<br>residential properties | <b>Total</b> | Of which:<br>residential properties |
| 2024 | Q1 | 204.0            | 115.3                               | 476.6        | 355.4                               |
|      | Q2 | 1,063.4          | 608.7                               | 859.6        | 662.7                               |
|      | Q3 | 436.8            | 283.2                               | 336.7        | 310.5                               |
|      | Q4 | 1,441.3          | 495.9                               | 835.4        | 697.6                               |
| 2025 | Q1 | 1,025.3          | 551.9                               | 648.7        | 389.4                               |
|      | Q2 | 307.7            | 201.0                               | 751.1        | 583.1                               |

Notes:

1. Including transactions between non-residents.

2. Excluding the units transacted jointly by residents and non-residents.

Source: DSEC.

Official foreign exchange reserve assets held by the AMCM increased by MOP1.1 billion at end-June 2025 from end-2024.<sup>3</sup> According to preliminary estimations, foreign assets held by the Macao SAR Government in the provisional account of the AMCM and the Fiscal Reserve registered an increase of MOP31.0 billion in six months to MOP562.3 billion at end-June 2025.

<sup>3</sup> Before adjustment for price and exchange rate changes.

### 3. Conclusion

Macao SAR's highly open economy features a competitive, export-oriented tourism services sector. Amid the persistent growth momentum of travel service exports, the current account of Macao's BOP continued to register a surplus in 2024, which was balanced by capital outflows in the financial account with the official reserve assets showing the net change in Macao's foreign exchange reserves held by the AMCM.<sup>4</sup>

During 2024, the capital flow patterns of the major financial account components largely mirrored the trends observed in 2023. While direct investment and other investment maintained net inflows, portfolio investment continued to register a net outflow of funds. On the other hand, the direction of fund flow in financial derivatives reversed to a net outflow during the year. As a result, the preliminary financial account observed an increased net outflow of MOP163.5 billion, mainly due to the enlarged net outflow of portfolio investment. Official foreign exchange reserves rose by MOP2.3 billion, compared with an increase of MOP4.4 billion in 2023.

In the first half-year of 2025, the demand for domestic currency softened relatively or the demand for external currencies strengthened comparatively as reflected by the decreased MOP liquidity of banks in the Macao SAR. Meanwhile, an increase of MOP63.5 billion in net foreign assets of the local banking sector, which was mainly attributable to the growth in portfolio investment and net interbank assets, represented a net capital outflow. In the same period of 2024, Macao banks recorded a net capital outflow of MOP49.4 billion.

In addition, as shown by the international banking statistics compiled by the BIS, deposits with external banks held by Macao's non-bank sectors continued to rise in the first quarter of 2025, extending the uptrend in 2024. On the contrary, a reversal of

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<sup>4</sup> A complete BOP also includes a small "capital" account, other than the current and financial accounts, by the International Monetary Fund-advocated BOP statistics compilation method. The "capital" account, which does not capture major capital flows, is only composed of some small values of "gross acquisitions/disposals of non-produced nonfinancial assets" and hence is of little relevance to this report.

capital flows was observed in loans granted by external banks to Macao's non-bank sectors in the first quarter of 2025. As external deposits grew whereas external loans declined, a net capital outflow to external banks from Macao's non-bank sectors was recorded in the first three months of 2025. Concurrently, the local real-estate market was estimated to witness net outflows of inward direct investment. Furthermore, General Government of the non-bank sector accumulated more foreign assets (that is, a net capital outflow) with increased external placement of the Fiscal Reserve.

Thanks to the sustained growth of inbound tourism, the overall trade-account surplus in the first half of 2025 amounted to MOP92.7 billion, equivalent to 46.3% of Gross Domestic Product (GDP), compared to MOP90.9 billion or 46.0% of GDP in the same period last year. All in all, relevant statistics exhibited that net capital outflows were recorded in Macao's banking sector, non-bank sectors as well as official exchange reserve assets held by the AMCM in the first two quarters of 2025.

Macao SAR's economy stayed well on track in the period under review with its trade or current account maintaining a surplus. The ample positions of net foreign assets held by Macao's private and public sectors would underpin the SAR's status as a net capital exporter to the rest of the world. Nevertheless, in the face of global economic uncertainty, observing meticulously trends or variations of cross-border capital flows in individual economic sectors is crucial. Beyond this, it is imperative to maintain close surveillance and exercise enhanced prudence in risk management to shield the economy from unexpected turbulences.

## **Annex: Glossary**

### **Balance of payments**

According to the IMF's *Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)*, the BOP is a statistical statement that summarises transactions between residents and non-residents during a period. It consists of the goods and services (trade) account, the primary income account, the secondary income account, the capital account, and the financial account.

### **Cross-border capital flow**

Cross-border capital flow involves the movement of assets across the border for the purpose of investment, trade or business production. This type of capital flows arises when ownership of assets is transferred from one economy to another economy. The assets involved are very often equities, debt instruments, loans, currency and deposits, and real estate. These transactions are recorded in the financial account in the BOP.

### **Financial account of the balance of payments**

The financial account records transactions of financial assets and liabilities which take place between residents and non-residents. The overall balance on the financial account is called net lending/net borrowing in the *BPM6*. Net lending means that, in net terms, funds are supplied to the rest of the world and net borrowing means the opposite. The financial account consists of direct investment, portfolio investment, financial derivatives, other investment and official reserve assets.

### **Foreign direct investment in the financial account**

Foreign direct investment is a cross-border investment of which a resident in one economy has control or a significant degree of influence on the management of an enterprise that is resident in another economy.

### **Portfolio investment in the financial account**

Portfolio investment refers to cross-border transactions and positions involving debt or equity securities, other than those included in direct investment.

**Financial derivatives in the financial account**

Financial derivatives are non-debt/equity financial instruments whose value is derived upon one or more underlying assets, and through which specific financial risks such as interest rate risk, foreign exchange risk, equity and commodity price risk can be traded in their own right in financial markets. Most common types of financial derivatives are futures contracts, forward contracts, options and swaps.

**Other investment in the financial account**

Other investment is a residual category that includes positions and transactions other than those included in direct investment, portfolio investment, financial derivatives and employee stock options. It includes: (i) other equity; (ii) currency, loans and deposits; (iii) non-life insurance technical reserves, life insurance and annuities entitlements; (iv) trade credit and advances; and (v) other accounts receivable/payable.

**Official reserve assets**

Official reserve assets, or international reserves, are external assets readily available in the most unconditional form to and controlled by monetary authorities for meeting BOP financing needs, for intervention in exchange markets to affect the currency exchange rate, and for other related purposes.

**Liquidity**

Liquidity refers to financial assets, usually traded in the money market that can be easily converted to money at a low transaction cost with little or no loss in value. Primary liquidity in Macao consists of monetary base and MOP-denominated monetary bills issued by the AMCM.

**Monetary base**

The monetary base, or high-powered money, is the sum of total currency (legal tender banknotes plus coins) issued and commercial banks' deposits with the AMCM.