Highlights of Policy Address for the Fiscal Year 2017 of the Macao Special Administrative Region (MSAR)

Development Plan in Progress for Building a Perfect Home

In 2016, the Government planned far ahead, on the basis of our solid foundation. After listening to and considering opinions collected from various sectors and all walks of life, we formulated the Five-year Development Plan of the Macao Special Administration Region (2016-2020). From now on, Macao will fully leverage its advantages in the national development strategy, with positive goals, direction and vision to foster the establishment of "One Centre, One Platform".

In the coming year, with strong support from the Central People's Government, the MSAR Government will confidently and courageously seize opportunities at the best of times, overcome challenges, and spare no effort in collaborating with the public to jointly build a perfect home for all of us.

All Macao residents

Individual accounts of the Central Provident Fund Start-up fund of 10,000 patacas (for eligible residents)

Additional fund injection of 7,000 patacas (for eligible residents)

Wealth Partaking Scheme

9,000 patacas (permanent residents) 5,400 patacas (non-permanent residents)

Healthcare voucher

600 patacas per person (permanent residents)

Bus fare concessions for the elderly, students, people with disabilities, and other members of the public

Ongoing

Electricity bill subsidy for residential units

200 patacas per month (each residential unit)

Tap water tariff subsidy for residential units Ongoing

Continuing Education Programme (Phase 3)

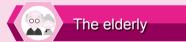
Maximum 6,000 patacas per person

Real estate tax

First 3,500 patacas tax waiver (Macao residents)

Waiver of real estate stamp duty

First three million patacas of a residential unit's value (Macao permanent residents purchasing residential properties for the first time)



Old age allowance

8,000 patacas per year

Pension

3,450 patacas per month

Benefits for the Elderly Additional fund injection to central savings account



Non-tertiary education: Textbook allowance

3,000 patacas per school year (each secondary school student) 2,600 patacas per school year (each primary school student) 2,000 patacas per school year (each kindergarten or pre-school pupil)

Students from families with financial difficulties Tuition fee subsidies.

4,000 patacas per school year (each kindergarten or pre-school pupil or primary school student) 6,000 patacas per school year (each junior secondary school student) 9,000 patacas per school year (each senior secondary school student) Meal allowance: 3,400 patacas per school year Stationery allowance: 2,200 patacas per school year (each kindergarten pupil or primary school student) 2,900 patacas per school year (each secondary school student) **Tertiary education: Study allowance**

3,000 patacas (Macao residents)

Tuition fee subsidies for Macao students studying in Guangdong

4,000 patacas per school year (each senior secondary school student) 6,000 patacas per school year (each kindergarten or

pre-school pupil) new (Coverage expanded to also include Shenzhen and Dongguan)



Minimum subsistence index

4,050 patacas per one-person household

Special subsidy and special living allowance for three categories of disadvantaged families

Ongoing

Short-term Food Assistance Programme

Ongoing

Financial assistance

Disburse an additional month of financial assistance to eligible families

Public housing tenants

Implement priority-based rent waiver and reduction

Temporary housing subsidies for eligible families on the waiting list for public housing Ongoing

Subsidy for low-income, full-time employees Up to 5,000 patacas per month

Positive Life Programme and the Community **Employment Assistance Scheme** Ongoing



People with disabilities

Disability gratuity

8,000 patacas per year (ordinary)

16,000 patacas per year (special)

Temporary disability allowance

3,450 patacas per month

Eligible employees with disabilities

Up to 5,000 patacas per month

Employers hiring people with disabilities

A tax deduction of up to 5,000 patacas on profit tax or personal income tax per person with disabilities

new



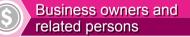
Employed citizens / middle-income class

Personal income tax

Continue with the 30 percent reduction in personal income tax, with the basic allowance set at 144,000 patacas

Extra tax rebate

An additional 60 percent rebate of the personal income tax paid by each tax-paying Macao resident, subject to a ceiling of 12,000 patacas (rebates to be received in 2018)



- Continue to provide waivers of all business taxes, hawker licence fees, wet market stall rents, inspection and quarantine fees for live food, and stamp duty on life insurance, other insurance and bank service charges;
- Provide waivers of signboard taxes for businesses, and exemption from tourism tax for restaurants;
- Profit tax allowance remains at 600,000 patacas per vear; and
- Provide waivers of stamp duty on entrance passes and tickets for cultural and arts performances, exhibitions and entertainment programmes.

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- Support the convention and exhibition industry with bidding for more influential international conventions and exhibitions to be held in Macao;
- Organise participation by original brands and cultural and creative products in international exhibitions and trade fairs;
- Increase resources investment in the Guangdong-Macao Traditional Chinese Medicine Technology Industrial Park in Hengqin, and help enterprises operating in the park and other related enterprises in Macao to promote their products in Portuguese-speaking countries;
- Consider developing specialised financial services; and
- Facilitate the establishment of a Renminbi settlement platform for trade between China and Portuguese-speaking countries.

• Formulate the Action Plan for Small and Medium-sized Enterprises;

- Promote collaboration between large-scale conventions, exhibitions and festivals and small and medium-sized enterprises;
- Facilitate development of online and e-commerce markets by small and medium-sized enterprises, and consider establishing an "Online Certified
- Actively promote collaboration between the "Young Entrepreneur Incubation Centre", and expand the coverage of the Young Entrepreneur Assistance Scheme.
- Amend the Labour Relations Law and tackle issues related to paid paternity leave and overlapping leave as the first priority;
- Continue facilitating the provision of paid training for local employees by gaming operators and large-scale enterprises;
- Facilitate an increase in proportion of local employees holding middle and senior management positions in gaming enterprises to 85 percent; and
- Follow up on enforcement of the law related to minimum wage for cleaning and security employees.

Building a happy and perfect home

- Formulate overall urban planning according to the urban development
- Facilitate urban renewal by providing temporary housing;
- Strive to complete the reclamation work for New Urban Zone Area A; and
- Complete the preliminary study of the Medium-to-long-term Plan for Usage and Development of the Waters of the Macao Special Administrative Region (2016-2036).
 - Complete the study report on Macao's public housing demand, and commence planning of long-term public housing development;
- Short-to-medium-term planning for building around 12,600 public housing units. Construction of the Avenida Wai Long public housing project is being planned, and is expected to provide more than 8,000 public housing unit; a further 4,600 public housing units are being planned for the short-to-medium term;
- Long-term planning for building around 28,000 public housing units in
- Complete the construction of the Seac Pai Van Public Housing Community Activity Centre; and
- Follow up on planning approval for private residential developments in a timely manner.

Family-friendly measures and measures to reduce impact of ageing population

Building a healthy Macao



- Education system and talent cultivation

bases of mainland China.

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· Forge ahead with performance assessments of department heads, and

implement and enhance the accountability system for government

officials

REVENUE ITEMS REVENUE ITEMS Proposed budget for 2017 Proposed budget for 2017 General integrated budget of public expenditure **RECURRING REVENUE** 91,903,905,200.00 **CAPITAL REVENUE** 1,640,984,500.00 Direct tax 80 074 297 400 00 253 720 900 00 Disposal of investment assets 3,530,465,200,00 Indirect tax Transfer 2,000,00 Fees, fine and othter monetary penalties 1 681 296 300 00 Financial assets 305 070 800 00 1,257,491,200.00 1,048,666,500.00 Asset revenue Other captial revenue Transfer 4,152,661,800.00 Refunds not deducted from payments 33,524,300.00 Sale of durable items 2,349,500,00 Sale of labour and non-durable items 1 093 337 000 00 General integrated budget of public revenue 93,544,889,700.00 112,006,800.00 Other recurring revenue **Revenue of special organisations** Statutory income and transfer from the MSAR budget 8,985,749,700,00 Total revenue of special organisations 13,512,948,800.00 Income from sales and provision of services 244 192 500 00 Income from financial investments 4,185,433,100.00 Adjustment 4,113,782,100.00 97,573,500.00 Grand total 102,944,056,400.00 Other income EXPENSES ITEMS Proposed budget for 2017 EXPENSES ITEMS Proposed budget for 2017 General integrated budget of public expenditure Macao SAR Government 20,044,900.00 Judiciary Police 923,707,400.00 Office of the Chief Executive 293 170 700 00 Environmental Protection Bureau 337 147 600 00 258,311,900.00 Exccutive Council 32,780,700.00 Legal Affairs Bureau Office of the Secretary for Administration and Justice 37,650,100.00 Lands, Public Works and Transport Bureau 466,703,300.00 191,465,300.00 Office of the Secretary for Economy and Finance 48,908,000,00 Sports Bureau Office of the Secretary for Security 37,211,200.00 Cultural Affairs Bureau 648,643,600.00 Office of the Secretary for Social Affairs and Culture 132 250 100 00 15,256,049,800.00 Investment projects Office of the Secretary for Transport and Public Works 28,747,600.00 Designated accounting items: designated 4,003,782,100.00 Macao Economic and Trade Office in Lisbon 13,211,300.00 appropriations, shared allocations and transfer budget Student Welfare Fund 394,658,800.00 Macao Economic and Trade Office to the European 4,910,300.00 Union in Brussels Housing Loan Fund 43,128,100.00 Office of the Macao SAR in Beijing 22,946,800.00 Industrial and Commercial Development Fund 784,478,800.00 711 735 400 00 Macao Economic and Trade Office to the World Trade Tourism Fund 13.379.100.00 Organization Social Welfare Bureau 3.108.568.600.00 Office for Personal Data Protection 64,749,700.00 Judiciary Police Welfare Association 7,518,300.00 68,007,500.00 Public Security Police Force Welfare Association 32,716,500.00 Infrastructure Development Office Office for Development of the Energy Sector 38,091,100.00 Coffer of Legal Affairs 217,811,800.00 Government Printing Bureau 87.543.400.00 The Supporting Office to the Permanent Secretariat to 100,140,700.00 the Forum for Economic and Trade Cooperation between Correctional Services Fund 6.443.300.00 China and Portuguese-speaking Countries Housing Bureau 478,145,100.00 Financial Intelligence Office 38,856,700.00 78,587,100.00 Civil Aviation Authority Transportation Infrastructure Office 81,988,200.00 Macao Trade and Investment Promotion Insititute 647,386,300.00 The Macao SAR Government Policy Research Office 50,681,200.00 358 639 800 00 Commission Against Corruption 16 290 000 00 7.241.279.700.00 Macao Economic and Cultural Office Health Bureau Protocol, Public Relations and External Affairs Office 90.584.300.00 University of Macau 2.208.432.400.00 12,915,900.00 Macao Polytechnic Institute 769,523,100.00 Talents Development Committee Public Adminstration and Civil Service Bureau 465.860.800.00 Sports Fund 788,596,500.00 Education and Youth Affairs Bureau 6,019,564,600.00 643,363,000.00 Culture Fund Statistics and Census Service 198.247.100.00 42 299 300 00 Consumer Council Bureau of Telecommunications Regulation 171.099.900.00 Institute for Tourism Studies 385.307.600.00 Finance Services Bureau 475,120,700.00 Macao Public Administration Welfare Fund 50,319,900.00 7,526,200.00 Pension and retirement compensation 8,458,600,00 Fire Services Welfare Association 21,748,689,000.00 212,236,100.00 General expenses Commission of Audit Tertiary Education Services Office 235 113 500 00 Public Prosecutions Office 435,126,100,00 Traffic Affairs Bureau 1 703 338 100 00 Office of the President of the Court of Final Appeal 595 337 600 00 Identification Bureau 276,898,000.00 Legislative Assembly 185,953,000.00 Macao Economic Services Bureau 212.851.600.00 Civic and Municipal Affairs Bureau 2.324.560.100.00 Correctional Services Bureau 579,278,200.00 Customs Welfare Association 3,599,700.00 Macao Customs Service 785,808,800,00 Science and Technology Development Fund 200.945.500.00 Meteorological and Geophysical Bureau 108 972 400 00 Welfare Committee of Marine and Water Bureau 2,731,400.00 Government Tourist Office 310,972,500.00 Fisheries Development and Support Fund 90,868,100.00 Property Maintenance Fund 73,886,200.00 Government Information Bureau 124.732.400.00 Unitary Police Service 41,192,600.00 Education Development Fund 823,865,300.00 Gaming Inspection and Coordination Bureau 274 446 300 00 Giant Panda Foundation 7 387 200 00 1.122.765.900.00 78 061 400 00 Marine and Water Bureau Environmental Protection and Energy Conservation Fund Public Security Forces Affairs Bureau 4,680,796,500.00 Cultural Industry Fund 242,748,400.00 Labour Affairs Bureau 457,166,600.00 Labour Creditor's Rights Protection Fund 183,422,500.00 Judicial Council 609.600.00 Cartography and Cadastre Bureau General integrated budget of public expenditur 87,169,300.00 87,977,217,700.00 **Expenditure of special organisations** Macao Post 361.910.000.00 Macao Foundation 2,924,995,100.00 43 861 900 00 Postal Savings Office Deposit Protection Fund 3 125 000 00 Macao Pension Fund 2,223,362,600.00 Social Security Fund 4,713,237,900.00 Total expenditure of special organisations 11,861,908,800.00 1,583,506,300.00 Monetary Authority of Macao 4.113.782.100.00 Adjustments Automobile and Maritime Security Fund 7,910,000.00 95,725,344,400.00 Grand total Budget balance & estimated surplus for this year Budget balance & estimated surplus of the year Central budget balance 5,567,672,000.00 7,218,712,000.00 Total expenditure, budget balance and estimated surplus of the year 1 651 040 000 00 102.944.056.400.00 Estimated surplus of special organisations

MACAO SAR BUDGET - REVENUE AND EXPENSES FOR 2017 OVERVIEW