

**The Macao Special Administrative Region of the People's
Republic of China**

Policy Address for the Fiscal Year 2010

Summary

Since Macao's reunification with the Motherland, with strong support from the central government and the sound leadership of Edmund Ho, the MSAR Government has joined hands with its people to cultivate and build a better Macao. We have laid milestones in realising the principles of "One country, two systems", "Macao people governing Macao" and a high degree of autonomy.

Building on the strong foundation laid over the past 10 years, the MSAR Government will plan for an even better future. With "Coordinated development in harmony" as our principle, we will continue to put people first in our governance by improving the people's well-being, paying heed to the people's opinions, and maintaining integrity and pragmatism in public administration. Bearing in mind the immediate interests of the population, we will promote the sustainable development of society, and the coordinated, harmonious development of the economy and society, public and private sectors, backbone and other industries, as well as people and nature, to foster the long-term stability and prosperity of the MSAR.

Coordinated Development in Harmony

I. Improving the people's well-being and fostering the building of a harmonious society

This year, the MSAR Government will continue to focus on the people's well-being. We aim to allow Macao people to more reasonably and continually share the fruits of economic development, in order to foster social harmony.

The MSAR Government will speed up the building of public housing. We will use

scientific means to estimate the actual demand for public housing units and the number of residents. The plan to build 19,000 public housing units will be gradually implemented. The public housing allocation system and the relevant rules and regulations will be improved. We will also formulate an allocation timetable, and regularly invite applications for public housing. Moreover, we will strive to first meet the housing needs of applicants who have long been in the queue.

The Government will enhance elderly services; the protection of the rights and interests of the disabled; the prevention of domestic violence and protection of the rights and interests of women and children; the promotion of drug control; and the prevention and tackling of problem-gambling. Also, we will enhance our employment assistance and job referral services, especially those targeting middle-aged persons who have a relatively low education level, and disabled persons. We will also improve the system for registering social workers, and raise their professional standards and benefits.

The MSAR Government has already launched a two-tier social security system, and will continue to conduct in-depth analyses of social security policy, to lay a solid foundation for Macao's sustainable development.

The Government is committed to building a green and environmentally friendly city that is a good place to live, and to improving our living environment. We will beautify our city, and scientifically map out our transportation network to realise green and efficient transportation. In particular, we will promote the use of environmentally friendly vehicles and products, implement energy-saving and emission-cutting policies, and improve urban air quality. The Government will also speed up legislation concerning the environment, ensure energy security, and raise energy efficiency. We will increase our investment in scientific and technological research, and promote the development of popular science.

The Government will devote more efforts to improving medicine and health services. Besides speeding up the development of both hardware and software, we will improve our primary health services, formulate a 10-year plan for Macao's primary healthcare network, and enhance our ability to prevent and cope with the outbreak of pandemics. The Government will complete construction of the new island hospital as soon as possible, strengthen our cooperation with private medical institutions, and improve our community

medical services network.

The MSAR Government will make a special effort to develop education – both non-tertiary and tertiary – and will advocate quality education. Professional qualification certification and a rank and grade system for teachers will be established, to raise teachers' professional standards and remuneration. The Government will continue to support educational institutions' administrative autonomy, to raise the quality of tertiary education, and academic standards.

We will strongly promote the all round development of young people, and strengthen their ability to resist negative influences. We will establish the core values of patriotism, love for Macao, and social responsibility. We will spare no effort in nurturing young talent, so that we can pass the torch to them. In this respect, we value the training functions of community organisations, and will emphasise leadership skills training. We will also provide young people with suitable environments and opportunities for demonstrating their potential, and develop diverse youth services.

The MSAR Government will be committed to improving the living and business environments of old districts. We will do our best to eliminate the problem of floods, pay high attention to building maintenance and management, and provide more community facilities and cultural and recreational facilities in old districts. We will also restructure and renovate old wet markets.

The Government will establish a centre for food safety under the supervision of the Civil and Municipal Affairs Bureau. The centre will be responsible for overall food supervision and related coordination work. It will also organise training and educational activities on food safety.

Last year, the State Council officially approved the MSAR's report on land reclamation, opening up more opportunities for Macao's sustainable development. The MSAR Government will expedite planning of new reclamations. We will reserve land for the development of industries conducive to economic diversification, other than the gaming industry. We will also reserve land for building public housing, public facilities, and green leisure areas, with a view to enhancing the skyline of Macao. The Government will strictly

abide by the principle of intensive land use, optimise zoning and development strategies, and press ahead with the revision of land laws. We will also improve our land concession system, increase transparency of the system's processes, and enhance the supervision following a land concession.

The Macanese and Portuguese living in Macao have made considerable contributions to Macao's development. We will carry on our excellent tradition of ethnic harmony, and work together towards progress in various aspects of society. The Government will initiate scientific studies of Macao population policy, and review its existing residency policy, with the aim of formulating a comprehensive strategy that can retain and attract professionals who can truly contribute to Macao's development and the evolution of local industries.

We will protect world heritage, strengthen cultural development, cultivate cultural brands, and enhance the city's cultural image. The Government will provide more cultural facilities, and support community cultural activities and promote them at grassroots levels. We also look forward to finalising the legislation on cultural heritage protection; and we will further strive to protect and promote Macao's world cultural heritage; draw attention to our special festive activities, which are amongst our advantages; and promote the integrated development of cultural tourism and leisure tourism, in order to build our image as a world-class leisure-tourism city.

Greater emphasis will be placed on physical fitness of young people, in promoting their overall healthy growth. We will identify and nurture talented local athletes, and continue implementing our sports policy of dual development of popular and competitive sports. We will further develop our network of sports facilities, with a view to meeting the people's needs for exercise, enhancing their overall health, and building and publicising our "Healthy City" image.

We are also committed to developing an excellent police force and sophisticated community police services. We aim to enhance cooperation between citizens and the police, strengthen cross-border police cooperation, and unceasingly combat all kinds of illegal activities.

The MSAR Government attaches considerable importance to preparations for

welcoming two giant pandas, which will be gifts to Macao from the central government. We have already established a task force for all the preparatory and follow-up work, which includes construction of a panda-themed park and all the pre-construction work.

II. Expediting Development of a Diversified Economy; Coordinating Development of all Industries

The MSAR Government is highly vigilant regarding international financial risks, with a view to safeguarding the people's well-being, employment, the interests of the disadvantaged groups, the stability of our financial system, and promoting economic recovery and stable growth. In addition to tracking and responding to potential issues following an economic recovery, we are promoting adequate diversification of the economy, and focusing our attention on realising coordinated economic development.

The Government will fine-tune the scale and speed of the gaming industry's development, increase its competitiveness, and tap into its positive driving forces. We will be committed to promoting responsible gaming. The Gaming Committee has been reformed, and will soon help to formulate relevant policies for the development of the gaming industry.

The Government has begun establishing the Cultural Industries Committee, and has established an additional department within the Cultural Affairs Bureau to coordinate the development of creative industries. We are also looking into establishing a creative industry fund, with a view to building Macao into a hub for creative industries. We will establish an Exhibition and Convention Industry Development Committee, which will help to formulate industry development strategies. Following studies on the integration of government functions, we will establish a specialised taskforce on the development of the exhibition and convention industry, to accelerate its growth, and foster the synergetic and complementary development between the convention and exhibition industries of Macao and those in neighbouring regions.

The MSAR Government's priorities include increasing assistance to small and medium-sized enterprises (SMEs) and raising their competitiveness. We will implement all tax reductions, tax waivers and enterprise financing plans that have been announced, and facilitate improvements to business operations and business transformations. We will assist

SMEs in easing the problem of labour shortages, help the manufacturing industry to grow, and make stronger efforts to publicise “Made in Macao” products and services to the mainland China market.

The MSAR Government is committed to safeguarding the principle of giving priority to employing local workers, improving training and promotion systems, and developing and nurturing all kinds of local economic and technical professionals. We will provide practical training and re-training opportunities to gaming professionals, preparing them for gradual promotion to higher management roles. Given the prerequisite of redressing the problem of insufficient human resources, we will import adequate foreign labour, including technical professionals. We will proceed to enhance management of foreign labour and strive to tackle the issue of illegal workers. We will make timely adjustments to the numbers of foreign workers, and develop a proper exit mechanism for foreign workers.

III. Complementary and Win-win Regional Cooperation; Normalising Macao-Taiwan Relations

The MSAR will deepen its external relations strategy of “Reaching out and inviting in”, make greater efforts to foster regional cooperation, and demonstrate Macao’s advantages as a services platform. We will also foster complementary and win-win relationships, identify new areas for development, and promote adequate economic diversification.

We will increase the abilities of all Government departments to proactively engage in and follow up on regional cooperation projects. The Government and the community will join forces to timely exploit the new regional cooperation opportunities arising from the Outline of the Plan for the Reform and Development of the Pearl River Delta and the Hengqin Island Overall Development Plan, closely aligning ourselves with the national 12th five-year plan.

The MSAR should emphasise regional cooperation, gradually expand the scope of cooperation, create innovative methods for cooperating, become involved in regional planning, and closely follow up on plans that have been implemented. Constant innovation is our means of promoting complementary and win-win relationships .

The MSAR will also enhance cooperation with Guangdong and Hong Kong – especially Guangdong-Macao and Zhuhai-Macao cooperation, and better exploit the policy of establishing trial locations for service industries in Guangdong, under the Closer Economic Partnership Arrangement (CEPA). We will strive to advance cooperation in tourism, economic and trade affairs, and the convention and exhibition and services industries. Joining hands with Guangdong and Hong Kong, we will build our Pearl River Delta brand in the international convention and exhibition industry. It is planned that the cultural industry, Chinese medicine, logistics industry and education sector will all become entry points for regional cooperation.

The MSAR Government will also enhance cooperation in cross-border clearance, education, public health, environmental protection, energy, and safety of food and water supplies. We attach great importance to the synchronised planning of regional development and cross-border transportation infrastructure, in order to provide favourable conditions for developing the Pearl River Delta Region into a green and quality living area.

We will accelerate Zhuhai-Macao urban integration, and press ahead with building the Hengqin campus of the University of Macau. We will also actively promote engagement with every social sector in the development of Hengqin, elevating the level of Zhuhai-Macao cooperation.

The MSAR Government will also continue to press forward with cooperation with other regions of mainland China, particularly for post-earthquake rebuilding in Sichuan. We will enhance interactions between local and mainland China SMEs, and broaden and deepen our cooperation with Portuguese-speaking, ASEAN and EU countries.

To further develop regional cooperation, the MSAR Government will perfect all relevant mechanisms and enhance coordination and follow-up efforts.

The MSAR will further tap into its advantages to promote Macao-Taiwan relations, playing an active, appropriate instrumental role in realising “peaceful reunification”.

The MSAR Government will press ahead with exchanges and cooperation between Macao and Taiwan in all areas, with a view to benefiting the communities of both Taiwan

and Macao, and providing services and convenience to Macao citizens working or pursuing academic studies in Taiwan. With trade and commerce, tourism, convention and exhibition, cultural and creative industries, and the education sector as entry points, we will actively harness the functions of the private sector, and foster economic diversification of the MSAR. By demonstrating Macao's functions as a services platform, we will provide specialised quality services to the SMEs and the general public in Taiwan, favouring the new development of both cross-strait and Macao-Taiwan relations.

While strictly abiding by the principle of "Once country, two systems", the MSAR Government will place Taiwan-related affairs on our administrative agenda and establish official communications channels, practically pressing ahead with Macao-Taiwan cooperation.

IV. Heeding Public Opinions and Building an Open Administration

The MSAR Government will thoroughly heed public opinions, reinforce integrity in the Government, increase transparency of administration, advocate scientific and democratic policy-making, and improve administrative skills to foster a clean and open administration.

We shall continue to reinforce the principles of clean government, and boost efforts to combat corruption. We shall take thorough advantage of the law on the prevention and suppression of bribery in the private sector to launch comprehensive publicity and educational programmes. The Commission Against Corruption (CCAC) will begin to review and amend the law on the declaration of incomes and properties, to introduce an appropriate mechanism for making public the information on assets of senior officials. We shall perfect the functions of the Disciplinary and Supervisory Panel for CCAC Staff, to facilitate its role, including monitoring functions. The CCAC will also strengthen the ombudsman's functions, to help public departments enhance transparency, and assist with establishing a clean and honest administrative culture.

We will further expand our work on Government accounts audits, and value-for-money and special audits; and will study the feasibility of conducting audits that track the progress of large public projects so that departments can receive timely advice and objective

recommendations to ensure best use of public resources.

The Government will establish an accountability system for officials. We will formulate codes regarding the accountability system, for the foundation of the existing legal framework and rules and regulations. We will clarify and rationalise the division of duties of different departments, and the political, administrative and legal accountabilities of officials of different grades.

To enhance transparency, the Government will establish a Government spokesperson system, coordinate various departments to explain Government policies, improve agility to handle emergencies, enable faster responses to the media, and maintain good communications with the public. The Government continues to uphold the principles of freedom of the press, which allow our policies to be soundly supervised by the public and the media. To further guarantee the freedom of publication and information transmission, the Government will start amending the Press Law and the Broadcasting Law within this year.

The Macao SAR Government will review the existing operation of advisory bodies, with a view to providing clearer frameworks and increasing their transparency. The aim is to establish a more effective system for public consultations.

The Government will establish a Policy Research Office, which will report directly to the Chief Executive. The new office will provide advice and assist in policy-making. It will help the Chief Executive to understand public opinion, and scientifically formulate policies. Furthermore, it will coordinate various departments in formulating policies, in order to develop more holistic and visionary policies. The office will extensively gather opinions and suggestions from all sides, use scientific methods for surveys, and solicit advice from experts and scholars, thus effectively interpreting public opinions.

The Macao SAR Government will establish a fiscal reserves system, tailored to Macao's situation. The allocation of our fiscal reserves will be required to pass examination through statutory proceedings of the Legislative Assembly.

The MSAR Government upholds the principles of government for the people, solidarity, efficiency and integrity. Against this backdrop, we will roll out systematic training for civil

servants and double our efforts in training concerning administrative ethics and professionalism. We shall also begin studying recommendations by civil servants organisations. Then, we shall extensively consult their opinions, to make the most appropriate decisions. Other initiatives to raise civil servants' morale include reforms of civil service laws, creation of platforms for communications, improvements to complaint channels, and a system of legal assistance for civil servants involved in work-related litigation.

The Macao SAR Government will review the Government's existing structure and organisation, consolidate departments' functions, rationalise relationships between different departments, improve administration of departments, streamline working processes, and simplify application procedures.

The Macao SAR Government will strengthen its response system, to make it faster and more flexible. Should there be emergencies and crises in society, we have the determination and capability to quickly respond and deploy necessary resources, with safeguarding residents' lives and health as the first priority. We are fully committed to maintaining the stability of society.

The Macao SAR Government will fully undertake the work of drafting laws and strengthen training of legal professionals. We shall observe the provisions of the Basic Law and the Reunification Law, in studying, analysing and completing work on adapting laws that were promulgated before reunification with the motherland, and remain in force, thereby delineating Macao's legal system.

The Basic Law of Macao has made relevant provisions regarding the Macao SAR's political system based on the principle of stable development in the Macao SAR and fairly balancing different interests in the community. Macao's successful development after reunification with the motherland has proved that the relevant provisions of the Basic Law meet the needs of Macao society. In the case of public aspirations concerning our political system, the Government will extensively listen to public opinions and work in strict abidance with the relevant provisions of the Basic Law.

V. Short-term Initiatives Concerning People's Well-being to Alleviate Aftermath of Economic Crisis

The Government will continue to implement effective initiatives and add some short-term livelihood initiatives:

The Government recommends adjusting real estate tax and waiving stamp duty on admission tickets for performances, exhibitions and entertainment programmes.

The Government will continue the Wealth Partaking Scheme, and launch another round of the Health Care Voucher Programme. The sum involved will be the same as that in 2009. We shall carefully study the effectiveness of these measures, and gradually transfer the short-term initiatives to the long-term Central Provident Fund, under the social security system.

We shall continue to disburse Old-age Allowances of 5,000 patacas.

We shall offer every household the same electricity fee subsidy as the previous year. We shall continue providing financial allowances to low-income, full-time employees. We shall also investigate the potential for granting more temporary housing subsidies to eligible families on the waiting list for public housing. We shall offer financial aid through the Social Welfare Bureau to families with difficulties, and will provide special subsidies and special living allowances to three categories of disadvantaged families. The Macao SAR Government will make more efforts to quickly formulate a long-term and holistic plan for ensuring society's well-being.

Society comprises people from different walks of life. They are confronted with different problems and pressures. The unreasonable gap between reality and expectations is one of the factors in social conflicts. Our overall objective is to nip problems in the bud, and dissolve conflicts at an early stage. We are already aware of the problems and demands of the middle-class. We shall take account of their demands in formulating our policies.

Conclusions

Standing at the starting point of a new historical course, the new term of the Macao SAR Government shall join hands with all the residents of Macao to march forward with a high sense of duty, steadfast commitment and proactive administrative skills. The Government will emphasise two tenets – “Clean and open administration” and “Scientific policy-making” – to guarantee sustainable development of the community.

In the new era, our primary policy objectives are to unite the public to accurately understand and implement the principles of “One country, two systems,” “Macao people governing Macao” and a high degree of autonomy, and fully implement the Basic Law. We shall strictly adhere to the rule of law.

In the new era, our direction of administration is to contribute to the continuous development of the great endeavours of “One country, two systems,” the holistic development of the motherland and regional economic cooperation, Macao's sustainable and coordinated development, upgrades to quality of life for the general public, and the continuous reinforcement of Macao's unique advantages.

In the new era, our administrative priority is to further improve people's well being, aiming to build a civilised and harmonious city.

In the new era, our new administrative strategies are to implement scientific policy-making and build a clean and open government. This year, we shall gradually and properly handle deep-rooted problems, by increasing investment in education, enhancing citizens' retirement security, and proactively assisting the public with resolving housing problems.

As the MSAR develops, we are not only confronted with old problems that have accumulated during our history, but also new challenges that have arisen during social development. It is evident that the negative and corroding factors resulting from social polarisations have already overwhelmed the counter-balancing positive factors. These will definitely affect the sustainable development of healthy society, and cause unfavourable

consequences. According to the prerequisite of placing stability of the whole community as the top priority, and taking action based on the order of importance and urgency, and evaluating our capabilities, the Government will actively consolidate social wisdom, unite with the whole community, and properly deploy limited resources to effectively handle and eventually resolve various problems.

We strongly believe that we can create a better home and a sustainable future with the advantages of significant backing from the motherland, the protection of the Basic Law, and concerted efforts by all Macao people.