

**Policy Address for the Fiscal Year 2010
of the Macao Special Administrative
Region (MSAR) of the People's
Republic of China**

Contents

Preface	1
Coordinated Development in Harmony --- Details of Policy Plan.....	5
I. Improving the People’s Well-being and Fostering the Building of a Harmonious Society	5
II. Expediting Development of a Diversified Economy; Coordinating Development of all Industries	13
III. Complementary and Win-win Regional Cooperation; Normalising Macao-Taiwan Relations	16
IV. Heeding Public Opinion and Building an Open Administration...	19
V. Short-term Initiatives Concerning People’s Well-being to Alleviate Aftermath of Economic Crisis	24
Conclusion	26

Policy Address for the Fiscal Year 2010 of the Macao Special Administrative Region (MSAR) of the People's Republic of China

Delivered by the Chief Executive, Fernando Chui Sai On

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Preface

Madam President, members of the Legislative Assembly,

Spring is in the air and on behalf of the Macao Special Administrative Region Government, I now present the Policy Address for the Fiscal Year 2010 to the Legislative Assembly. First of all, I'd like to give my best wishes to all members of the Legislative Assembly.

Since Macao's reunification with the Motherland, with staunch support from the central government, the MSAR Government and its people have joined hands to cultivate a better Macao and achieve great success in realising the principles of "One country, two systems", "Macao people governing Macao" and a high degree of autonomy.

Since the establishment of the Macao Special Administrative Region, the Government has fully implemented the Basic Law of the MSAR. We have adopted an executive-led system to effectively maintain public order, overcome various difficulties and major challenges, and facilitate the city's harmonious development. We are committed to protecting our people's basic rights and freedoms, and we have developed various forms of public consultations, which attract strong support and participation by people from different walks of life.

After the MSAR Government's liberalisation of the gaming industry, the pillar industry is rapidly developing to maintain strong economic growth, improve our overall strength, increase our public revenue, and create favourable conditions for enhancing people's livelihoods and developing social enterprises. We are committed to improving employment opportunities, relieving residents' economic hardships, supporting disadvantaged groups and perfecting the social security system. We shall continue to drive diversification of the economy, with focuses on emerging leisure tourism, building the platform for trade and commercial services, and expediting development of the convention and exhibition industry.

We shall further improve the investment and business environment by providing more support to small and medium-sized enterprises. While the Government launches a succession of new infrastructure projects, it will continuously raise the standard of environmental protection to ensure sustainable development of the MSAR. We shall actively participate in regional cooperation to expand our space for development, enhance complementary and win-win relationships, increase economic power, and foster social enterprises for the well-being of people in the whole region.

We are now implementing administrative and legal reforms, improving public services, raising administrative efficiency and strengthening integrity in the administration. The Government welcomes supervision by the Legislative Assembly, and will work closely with the Legislative Assembly to ensure that the judiciary conducts prosecutions and trials in an independent manner. We shall also impose stronger supervision and regulation of the gaming industry, to minimise related social costs.

We are committed to human development, to enhance Macao's cultural standing. We have implemented 15 years of free non-tertiary education, and achieved further breakthroughs in tertiary education. We have successfully held a number of large international sports events and been inscribed on the UNESCO World Heritage List. Both highbrow and popular culture are thriving in Macao and we see the emergence of a rich spirit of learning.

The Government strongly encourages exchanges of knowledge. We

have actively organised civic education programmes and China national study programmes, to advocate patriotic spirit, broaden international horizons, and foster talent, to pragmatically pass our achievements to the next generation.

With full support from the central government and the public, under the sound leadership of Mr Edmund Ho Hau Wah, the MSAR has proudly passed the test of the last 10 years by maintaining strong economic growth, improving people's livelihoods, ensuring social stability, fostering ethnic harmony, enhancing Macao's international reputation, and laying milestones in realising the great principles of "One country, two systems", "Macao people governing Macao" and a high degree of autonomy. We hereby pay tribute to Mr Edmund Ho Hau Wah, for his endeavours and contributions in leading the development of the Macao SAR over the past 10 years.

This year, the new term of the MSAR Government will build on past achievements and blaze new trails. Standing at the starting point of a new historical mission, the new administration carries with it the expectations of its people. It is a long way to the completion of the great mission. Building on the strong foundation laid over the past 10 years, the Government will actively plan for an even better future. We shall faithfully uphold the people-first approach and bear in mind the people's immediate interests, by improving the people's well-being, paying heed to the people's opinions, and maintaining integrity and pragmatism in public administration. We will promote the sustainable development of society, and the coordinated 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.

With "Coordinated development in harmony" as our principle, building on the foundation of combining public opinions and experts' views, we shall strongly advocate and implement scientific policy-making to reinforce integrity in the Government, facilitate access to information, and promote transparency of administration – building a clean and open administration

for a new age. We shall unceasingly sharpen our administrative skills and forge close and interactive partnerships with every sector of the community, to drive economic development, improve people's livelihoods, strengthen regional cooperation, create opportunities for innovation, develop democracy phase by phase, uphold social justice, and settle disagreements – to achieve the joint progress and coordinated development of the economy, society and people's quality of life.

We demand that officials and civil servants of all levels make better preparations for the challenges that will accompany the new phase of Macao's development, and devote their best efforts to improving administration. The civil service shall become a highly efficient team with vision, accountability and capability to implement the Government's policies.

Coordinated Development in Harmony --- Details of Policy Plan

I. Improving the People's Well-being and Fostering the Building of a Harmonious Society

Madam President, members of the Legislative Assembly,

I hereby introduce the Macao SAR's policy plan for this year to you.

Since the establishment of the Macao SAR, the Government has remained committed to its ideal of putting people first and focused on improving people's livelihoods. We shall continue to place the people's well-being on top of our agenda. We shall look into the needs of residents and employ scientific methods to help them overcome actual difficulties in housing, transport and medical services; we shall strive to serve Macao people and improve their well-being, to achieve the objective of peace and prosperity for the people. We aim to allow Macao people to more reasonably and continually share the fruits of economic development, to foster social harmony in the course of caring for and improving people's livelihoods.

Improving living conditions of low-income groups is an important bread-and-butter issue. Housing is not just a question of supply and demand in the market, but is also a basic form of security. We attach high importance to our residents' requests for improving the living environment and quality of life. This is our major obligation in solving housing problems of disadvantaged groups. Only with adequate housing and job opportunities can the general public really enjoy the fruits of development – and this is the priority of our agenda for constructing a harmonious society.

The MSAR Government will expedite construction of public housing. This is significant for improving people's livelihoods and enhancing harmony in society. The construction of more public housing estates is a priority of our administration this year, as well as in coming years.

According to the demand for housing, the land supply and changes to our population, we shall use scientific means to estimate the actual demand for public housing and the number of residents who need it. 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 shall first meet the housing needs of applicants who have long been in the queue. We are now formulating an allocation timetable and shall regularly invite applications for public housing, to fairly and reasonably distribute public housing units.

Protection of residents' living conditions is the bedrock of Macao's social harmony and development. We are very concerned about the pressures facing all walks of life, especially the disadvantaged and low-income groups. We also seriously take on the challenges due to an aging population. The MSAR Government will further improve community services, as follows:

a. Enhance elderly services – we plan to increase the numbers of homes for the elderly, provide home-based services to elderly people living at home, and support the “Aging in place” policy;

b. Care for the protection of the rights and interests of the disabled;

c. Prevent family violence and protect the rights and interests of women and children;

d. Increase anti-drug efforts and their effectiveness, and further prevent and tackle problem gambling;

e. Enhance our employment assistance and job referral services and follow-up initiatives, especially those targeting people with a relatively low education level or who are middle-aged or disabled.

Community services require the support of social workers. We will 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, comprising the Social Security Fund and the Central Provident Fund. Building a sound social security system and a retirement security system is a common objective of the public and the Government. Furthermore, we shall conduct in-depth analyses of social security public policy, to study how it can properly balance civil rights and duties, long-term benefits and short-term interests, and how it can be linked to market changes. This study will enable us to leverage our present economic success to accommodate our present and future needs, laying a solid foundation for Macao's sustainable development.

We share the same wish – to build Macao into a beautiful home. To achieve this objective, the Government is committed to building a green and environmentally friendly city that is a good place to live, and to formulating relevant policies and measures to improve our living environment and ease the pressure of development on the environment. We shall beautify our city, and scientifically map out our transportation network to construct a multilateral and integrated urban public transportation system, aiming to realise green and efficient transportation. We shall give full support to the Light Rapid Transit (LRT) System, and enhance the city transport network linking tourist sites. We shall further improve other ancillary services, such as links between public transports. In particular, we shall promote the use of environmentally friendly vehicles, encourage enterprises to use environmentally friendly products, implement energy-saving and emission-cutting policies, more strictly monitor vehicle exhaust emissions, and improve urban air quality.

The Government is very concerned regarding the balance of development and environmental protection. We shall strengthen protection of our natural environment, perfect the present legislation concerning environmental protection, and expedite introduction of an environmental protection law. We shall ensure energy security, use clean energy and raise energy efficiency. Science and technology are the major driving forces of productivity, which plays a significant role in promoting Macao's economic development. We will increase our investment in scientific and technological research, and promote development of popular science.

As the population grows in tandem with social development, Macao is confronted with increasing demands for medical services. With the objective of providing a comprehensive healthcare system, the Government will continue devoting more efforts to improving medical and health services. Besides accelerating development of both hardware and software in the healthcare system, we will improve our primary health services, formulate a 10-year plan for Macao's primary health services network, and enhance our ability to prevent and cope with pandemics.

Following rapid urban development, Macao is encountering certain pressures on its existing health facilities and medical services. The Government will complete construction of the new island hospital as soon as possible. At present, we have formulated a blueprint for hospital development on outlying islands, which includes a hospital to provide accident & emergency (A&E) services, and a hospital to provide general medical and health services. We shall transfer some of the non-core operations and upcoming developments at Conde S. Januario Hospital to the island hospital. Lastly, we shall strengthen our cooperation with private medical institutions, and improve our community medical services network to satisfy the public demands for medical services.

Education is the vital force and engine to propel the development of society, economy and culture. Education provides a highly intensive channel to transmit knowledge to the people. It further raises our moral standards and fosters humanistic qualities, to improve our level of development and competence. In fact, the development of society and education are closely related to each other: the development of human capital and technology relies heavily on education; the future of our society and our economic prospects are basically determined by the accumulated wealth of human capital. Therefore, the MSAR Government will make a special effort to develop education, to strengthen our competitiveness in the region.

Building on the solid foundation of the present education system, we should leverage its best elements and our past practical experience to

promote the development of both non-tertiary and tertiary education. We shall emphasise quality of education and further improve teaching quality. We shall increase funding for education, especially non-tertiary education. To uphold the professionalism and dignity of education workers, we shall establish a professional qualification certification and a rank and grade system for teachers, thus raising teachers' professional standards and remuneration. We shall uphold the principle of diversity in tertiary education, to continue supporting educational institutions' administrative autonomy, and coordinate the development of every institution to improve tertiary education, and academic standards.

Youth is the future of society. We shall tap into society, schools and families to foster the growth of young people. We shall strongly promote comprehensive personal 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 them the torches for the great endeavours of "One country, two systems", "Macao people governing Macao", and a high degree of autonomy. 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.

In the meantime, we need to understand the needs of young people. We are very concerned about their problems of employment, social skills, and career development. We shall develop diversified youth services and employ focused measures to prevent deviant behaviour.

Our old districts are the origins of Macao's urban development, and have preserved abundant historical and cultural heritage, accumulated over hundreds of years, with influences from eastern and western civilisations. The residents of old districts live with the growing city. They have witnessed the transformation of a tranquil fishing village into a bustling city. Over the years, they have contributed to the development of Macao's

society and economy. While practically improving municipal services, upgrading municipal facilities and striving to address the concerns of the general public, we shall be committed to improving the residential and business environments in old districts. We will do our best to eliminate the problem of floods in old districts, pay high attention to building maintenance and management, and provide more community facilities, and cultural and recreational facilities. In the meantime, we shall also incorporate residents' opinions and – based on our past experience – restructure and renovate old wet markets.

Food safety and people's well-being are closely related to each other. To introduce more effective monitoring, respond to and resolve various food safety problems, the Government will establish a centre for food safety under the Civil and Municipal Affairs Bureau. The centre will be responsible for overall food supervision and related coordination work. It will provide professionals and facilities to organise food safety training and educational activities for the public.

In November 2009, the State Council officially approved the MSAR's report on land reclamation, for an area of approximately 350 hectares, fully reflecting the central government's staunch support for the MSAR and its intense concern for Macao's sustainable development. This move opens up more opportunities for future population and economic growth, city planning and the transportation network, environmental protection and landscape design. Reclamation can alleviate serious land shortages in Macao, and provide space to build new districts as a significant means of improving Macao residents' quality of life.

The MSAR Government will firmly uphold the principles of scientific planning, reasonable layout and intensive land use, consulting every sector and experts to expedite planning of new reclamations. Overall, according to the direction of optimal economic diversification, in planning new reclamations we shall reserve land to develop industries conducive to economic diversification, other than the gaming industry. We shall also reserve land for building public housing and public facilities for culture,

recreation, community education, transportation and infrastructure. We shall increase green leisure areas, with a view to promoting environmental protection; enhance the skyline; expand space for urban living; and foster a better living environment, to improve overall quality of life for Macao residents.

Also, 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.

Macao has a long history of incorporating eastern and western cultures, cultivating Macao's unique advantages in exchanges and communications between China and western countries. The Macanese and Portuguese living in Macao have made considerable contributions to Macao's development. We shall value and carry on our excellent tradition of ethnic harmony, and work together towards progress in various aspects of society.

As a place with a long history, Macao has encountered several large waves of emigration. Following changes over time, Macao is currently confronted with an aging population and lack of professionals. To maintain the economic vigour, creativity and international competitiveness of our world famous and historical city, the MSAR Government will review the overall direction of Macao's future population policies, as a foundation for formulating the policies for tomorrow. To achieve this objective, the Government will initiate scientific studies of Macao's population policy, and review its existing residency policy, on the basis of benefiting Macao as a whole. The aim will be to formulate a comprehensive strategy that can retain and attract professionals who can truly contribute to Macao's development and the evolution of local industries. All in all, we are committed to bolstering the sustainable development of Macao society.

Culture is like the root of a city, and is a major constituent of social development. The inscription of the "Historic Centre of Macao" on the World Heritage List proves the universal value of Macao culture. With

Macao's abundant historical and cultural resources, we shall earnestly protect world heritage, strengthen cultural development, cultivate cultural brands, and enhance the city's cultural image. The Government will provide more cultural facilities, support and guide community cultural activities and community organisations' programmes, and promote them at grassroots levels. We also look forward to finalising the legislation on cultural heritage protection as early as possible, to form an all round and multilateral strategy of heritage protection, aiming to preserve Macao's unique city features.

On the basis of this strategy, we shall further strive to protect and promote Macao's world cultural heritage; and promote the integrated development of cultural tourism and leisure tourism. In addition to highlighting the advantage of the "Historic Centre of Macao" as a world heritage site, we shall draw attention to our special festive activities embracing our unique cultural characteristics, which have been rooted in Macao for hundreds of years, and originate from cultural exchanges between China and the West. These are favourable to cultivating the cultural tourism brand, and building our image as a world-class leisure-tourism city.

"Putting people first" means the Government makes unremitting efforts to meet reasonable needs of its people and foster their holistic development. Physical fitness and stamina are the bedrock of people's health. Physical education and sports cannot only train our bodies, but also strengthen our will power. Greater emphasis will be placed on physical training 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, helping them to foster strong and healthy bodies, enhancing overall public health, and building and publicising our "Healthy City" image.

To maintain the stability and peace of Macao society, 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, unceasingly combat all kinds of illegal activities, and prevent and battle against transnational and cross-border crimes.

During the 10th anniversary celebration of Macao's return to the motherland, President Hu Jintao announced that the central government had decided to give a pair of giant pandas to the MSAR. This shows the care and love of the central government for Macao, demonstrating the strong kinship between the motherland and Macao people. The MSAR Government attaches considerable importance to preparations for welcoming the two pandas. The Government has already established a task force for 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

In the coming year, as the world enters the fluctuating and restructuring post-financial crisis stage, the MSAR Government will remain highly vigilant regarding international financial risks, with a view to safeguarding the people's well-being, employment, the interests of disadvantaged groups and the stability of our financial system. To promote economic recovery and stable growth, we shall launch public construction works in a timely manner, properly increase investment in public services and facilities and encourage private investments. Meanwhile, taking account of the changes to the world economy, we shall look closely at and respond to potential issues following an economic recovery. The MSAR Government shall continue to promote adequate economic diversification, and focus our attention on realising coordinated economic development.

The Government will regulate the scale and speed of the gaming industry's development, increase its competitiveness, and tap into its

positive attributes as a driving force for developing other industries. Besides, the Government will make more effort to prevent and regulate pathological gambling and problem gambling. We are committed to promoting responsible gaming. Regarding the present stage: to reinforce the regulation and supervision of the gaming industry, the Government has adjusted the structure of the Gaming Committee, which is chaired by the Chief Executive. The committee will soon help to formulate policies for the development of the gaming industry, supervise its development and operation, enact the related provisions and regulations, and publish the guidelines.

The Government will endeavour to promote economic diversification that helps foster nascent industries, supporting SMEs and improving human resources. Cultural and creative industries are in fact essential components of Macao's economic plurality. We have begun establishing the Cultural Industries Committee, and have established an additional department within the Cultural Affairs Bureau to coordinate the development of creative industries. On the other hand, we are also looking into establishing a creative industry fund. This will support local arts creation and facilitate exchanges between local and overseas artists, with a view to enhancing Macao's reputation in creative industries. Lastly, we shall strengthen the nurturing of professionals in cultural and creative industries, with a view to building Macao into a hub for creative industries.

After a period of development, the exhibition and convention industry in Macao has accumulated certain experience. To further promote the industry's professionalism and international standards, and create branding for the industry, we shall establish an Exhibition and Convention Industry Development Committee. After soliciting the industry's views, we shall formulate industry development strategies based on real needs. 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. We are committed to

upgrading the overall standard of the convention and exhibition industry, and to cultivating and creating our own brands for convention and exhibition services.

Small and medium-sized enterprises (SMEs) have long made indispensable contributions to Macao's social and economic development, and are organic constituents of the economy. Following the continuous changes in the economic environment, the Government will uphold the combined approaches of "Support" and "Fostering", to increase assistance to SMEs in terms of capital, human resources, technology and information, and raising their competitiveness. We shall implement all tax reductions, tax waivers and enterprise financing plans that have been announced to support SMEs seeking technical improvements, with a view to facilitating improvements to business operations and business transformations. Our priorities include assistance to SMEs in easing the problem of labour shortages and shortening the processing and approval times of applications for foreign labour. On one hand, we are helping traditional industries to transform their businesses. On the other hand, we are assisting the manufacturing industry to grow, and making stronger efforts to publicise "Made in Macao" products and services to the mainland China market, with a view to supporting SMEs to develop the mainland China market.

The MSAR Government is committed to improving the quality of the local labour force and nurturing different types of skilled workers. We shall safeguard the principle of giving priority to employing local workers, improving training and promotion of local workers, and developing and nurturing all kinds of local economic and technical professionals. We attach high importance to providing practical training and re-training opportunities to gaming professionals. These opportunities are to improve the quality of local workers, preparing them for gradual promotion to higher management roles.

The importation of non-resident workers and technical professionals shall be in line with the actual needs of economic development, to redress local manpower shortage, and shall satisfy the prerequisite of effectively

utilising and developing local manpower. We shall proceed to enhance management of foreign labour and strive to tackle the issue of illegal workers. We shall formulate related provisions and regulations to strengthen management and regulation of non-resident workers in Macao, according to changes in supply and demand within the local labour market. We shall make timely adjustments to the numbers of foreign workers, and develop a proper exit mechanism for non-resident workers.

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

Driven by globalisation and regional economic cooperation, as a member of the global village and a special administrative region in mainland China, 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 for regional partners. We will also foster complementary and win-win relationships, overcome bottlenecks in our present development, identify new areas for development, and promote adequate economic diversification.

Currently the Macao SAR is presented with a golden opportunity of taking part in regional integration. The release and the launch of the Outline of the Plan for the Reform and Development of the Pearl River Delta and the Hengqin Island Overall Development Plan fully reflect the unique advantages and immense vitality of the “One country, two systems” principle. The cooperation between the Pearl River Delta region and the MSAR has been promoted to the level of national strategy, bringing us new development opportunities and momentum. 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 exploit the new regional cooperation opportunities in a timely manner, and closely align ourselves with the national 12th five-year plan.

Drawing on the practical experience of the past few years and based on

the trend of regional development and our own needs and capability, the MSAR Government believes that it should emphasise the priorities of 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 further enhance cooperation with Guangdong and Hong Kong – especially Guangdong-Macao and Zhuhai-Macao cooperation – and better publicise and exploit the policy of establishing trial locations for service industries in Guangdong, under the Closer Economic Partnership Arrangement (CEPA) and the promotion of regional cooperation for the MSAR's economic diversification. We will continuously strive to advance cooperation in well-developed services industries including tourism, economic and trade affairs, to cement Macao's position as a genuine world travel centre and leisure hub and regional trade and commercial service platform. We shall direct more efforts to promoting cooperation within the Pearl River Delta region in convention and exhibition services. 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.

We shall strengthen regional cooperation and improve people's livelihoods. The MSAR Government will also enhance cooperation in cross-border clearance, education, public health, environmental protection, energy, and safety of food and water supplies. To support overall regional scientific development, we attach great importance to the synchronised planning of regional development and cross-border transportation infrastructure – in particular the major infrastructure projects like Hong Kong-Zhuhai-Macao Bridge and Zhuhai Zhuyin Water Resources Project, in order to provide favourable conditions for developing the Pearl River Delta Region into a green and quality living area.

Cooperation between Zhuhai and Macao has switched to the fast lane. We shall actively realise the consensus reached by the two governments – “Infrastructure coordination, Streamlining cross-border clearance, Industry cooperation, and Services integration” – in a bid to accelerate Zhuhai-Macao urban integration. We shall also press ahead with building the Hengqin campus of the University of Macau. With the help of the project coordination committee, we guarantee to complete construction of the Hengqin campus in three years’ time. In the same period, we will also actively promote engagement with every social sector to support the development of Hengqin, elevating the level of Zhuhai-Macao cooperation.

The MSAR Government will also continue to press forward with cooperation with the Pan-Pearl River Delta region, Fujin province and other regions of mainland China. We shall provide quality support to post-earthquake reconstruction in Sichuan, in phases. We shall capitalise on our unique advantages to enhance interactions between local and mainland China SMEs, and broaden and deepen our cooperation with Portuguese-speaking, ASEAN and EU countries. In this way, we can facilitate the joint development of different regions and elevate our international reputation and competitiveness.

To accommodate the fast development of regional cooperation, we shall study and perfect all relevant mechanisms, and enhance coordination and follow-up efforts to further develop regional cooperation in a pragmatic manner.

The relationship between Macao and Taiwan has been developing steadily, with increasing interactions between the two communities. Though Macao’s significant role as a transit point for cross-strait flights is now history, the SAR is gradually becoming a platform for Taiwan to promote its local products and industries to the mainland China market. The MSAR deploys its unique functions in cross-strait relations, to benefit both communities. Accompanying progress with “One country, two systems”, the MSAR will further make use of its advantages regarding promotion of Macao-Taiwan relations and the well-being of the two communities, 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, and absorb Taiwan's experience with development, with a view of benefiting the communities of both Taiwan and Macao, and providing services and convenience to Macao citizens working or pursuing academic studies in Taiwan. We shall prioritise trade and commerce, tourism, convention and exhibition, cultural and creative industries, and the education sector as entry points to actively harness the functions of the private sector, strengthen the cooperative relationship between Macao and Taiwan, and foster economic diversification of the MSAR. By further demonstrating Macao's functions as a service platform, with the benefits from the opportunities arising from the integrated development of Guangdong-Hong Kong-Macao, and the cooperation with Portuguese-speaking countries, the European Union, and international Chinese trade organisations, we will provide specialised quality services to SMEs and the general public in Taiwan, favouring the new development of both cross-strait and Macao-Taiwan relations.

To promote the progressive and sustainable development of relations between Taiwan and Macao, the MSAR Government will strictly abide by the principle of "One country, two systems", to place Taiwan-related affairs on our administrative agenda and establish official communications channels, practically promoting Macao-Taiwan cooperation.

IV. Heeding Public Opinion and Building an Open Administration

With the development of and changes to Macao's society and economy, the increasingly complicated public affairs pose new challenges to the Government's administrative ability and skills. The new term of the Government will extensively heed and absorb public opinions and wisdom, to safeguard Macao's long-term and holistic interests. For the well being of Macao's residents, we shall further strengthen building of clean government

and extensively improve the transparency of the administration; adopt scientific and democratic public policy-making; improve administrative skills; increase public confidence in the Government; and fully commit to promoting the building of clean and open administration, with beneficial interactions and effective supervision.

The Government shall further strengthen the building of clean administration by fighting corruption and promoting integrity and fair play, to support the objective of establishing a clean and open administration. Following promulgation of the Law on the Prevention and Suppression of Bribery in the Private Sector, on 1 March, we have an additional means of building a clean administration. On the whole, the effectiveness of prevention and suppression of corruption hinges on public participation, support and supervision. The Government will launch comprehensive publicity and education programmes to enhance resident's understanding of the relevant laws.

The Commission Against Corruption (CCAC) will reinforce supervision of the integrity of public servants. On one hand, we are beginning to review and amend the law on the declaration of incomes and properties, which includes the introduction of a mechanism for making public the information on the assets of senior officials. This is already in progress. On the other hand, we shall set up a task force to conduct studies and consultations, in order to draft the bill for the legislative process.

We shall perfect the functions of the Disciplinary and Supervisory Panel for CCAC Staff, to clarify its scope of authority and responsibility. We shall provide the panel with a separate office venue and permanent reception facility, creating conditions that facilitate the panel's role, including monitoring functions. The CCAC will also strengthen the ombudsman's functions, to help public departments enhance transparency and assist the whole team of civil servants in establishing a clean and honest administrative culture.

The Commission of Audit is responsible for ensuring that public departments use funds in accordance with their authority. When we uphold

the tenet “Clean and open administration”, all departments should raise their awareness to accept monitoring through auditing. The future auditing work 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.

To help Government officials better understand and implement work related to their duties, carefully exercise public authority and seriously undertake their public responsibilities, the Government will abide by the principles of balanced authority and responsibility, correct legal procedures, democratic system, and objectiveness and impartiality, to 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, thus constructing a comprehensive chain of government duties.

Open government is an effective initiative for improving the administration, preventing corruption and promoting integrity, as well as the major path towards and guarantee of adopting the administration’s accountability. To enhance transparency of the whole Government, the Government will establish a Government spokesperson system. The Office of Government Spokespersons has been established, to coordinate various departments and explain every aspect of Government policies, improve agility for handling emergencies, enable faster responses to the media, and maintain good communications with the public, through a more effective and centralised system. The Government continues to uphold the principle of freedom of the press, which allows 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 this year begin amending the Press Law and the Broadcasting Law, which were promulgated 20 years ago.

To facilitate positive interactions and mutual understanding between the Government and the public, we will review the existing operation of advisory bodies, with a view to providing clearer frameworks and increasing their transparency. The aim is to clearly identify members' roles and responsibilities and establish a more effective system for public consultations. The Government can then truly absorb public opinions through the bilateral communication system.

Scientific policy-making is essential for enhancing governance. In the process of scientific policy-making, we should be open to community wisdom, broadly collect public opinions and listen to suggestions from all sides, to achieve democratic policy-making. For this reason, 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.

Through integrating various disciplines and fields, and embracing the entire community, the office will provide suggestions and solutions to help the Government develop more holistic and visionary policies. It will also establish regular liaison systems, to improve internal and external communications with Government departments, advisory bodies, research organisations in tertiary institutions, and community organisations. It will also leverage its coordinating function, to organise departments and non-government organisations to conduct research aimed at comparing and improving particular solutions, which will in turn contribute to policy-making. 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.

Healthy public finance is the cornerstone for ensuring social stability. To effectively utilise the fiscal surplus and prevent financial risks, the Government adheres to the principles of rule of law, transparency, and prudent management, to establish a fiscal reserve system that is tailored to

Macao's situation. The allocation of our fiscal reserves will be required to pass examination through statutory proceedings of the Legislative Assembly. A bill concerning proposals related to the fiscal reserve system will be introduced to the Legislative Assembly.

The success of the Macao SAR Government in the last decade hinged on the dignity of all civil servants, as they honoured their duties and united with the public to overcome various challenges. The MSAR Government shall uphold 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, in order to train outstanding officials with leadership and professional skills. We shall adopt an open attitude and facilitate our communications with different departments, individual civil servants, and their organisations. After the final round of gathering their opinions, we shall begin studying their recommendations and extensively consult them, to make the most appropriate decisions. We shall expedite the reforms of civil service laws, to build a fair and reasonable system that will raise civil servants' morale. Other initiatives include creation of platforms for communications between civil servants and the Government, improvements to complaint channels, and a system of legal assistance for civil servants involved in work-related litigation to protect their legal rights.

The effective operation of the Government hinges not only on the diligence and integrity of civil servants of every rank but also the construction of a sound system. We will review the Government's existing structure and organisation, consolidate departments' functions, rationalise overall relationships between different departments and improve administration of departments. Lastly, we will review some outdated procedures and processes, with the aim of optimising working processes and simplifying administrative procedures.

Taking account of the needs of social development and the increasingly complicated international environment, the Government will strengthen its

response system, to make it faster and more flexible, to ensure residents' safety and social stability in emergencies. After 10 years of development, we have accumulated rich experience and developed adequate abilities to handle any 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.

In the domain of legal work, we shall devote more efforts to meeting the community's needs. We shall fully undertake the work of drafting laws and strengthen training of legal professionals. The legal departments 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 the Handover, 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 Macao SAR Government remains keenly aware of the need to pay attention to and cope with the impacts of the global financial tsunami on people's well-being. While conducting a comprehensive review of all short-term initiatives for ensuring the people's well-being, the Government will continue to implement current initiatives that have proven effective and introduce some short-term livelihood initiatives.

To cultivate a more favourable investment environment, we recommend

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

After prudently evaluating current Government finances, we decided to 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. Upon the foundation of sufficient study of public opinions and critical thinking and debates regarding these initiatives, we shall gradually transfer the short-term initiatives to the long-term Central Provident Fund, under the social security system. We are striving to continuously improve our social security system.

This year, we shall continue to disburse Old-age Allowances of 5,000 patacas, to show our concern and respect for the elderly. This is also to recognise their contributions to Macao's development. We shall also conduct an integrated study on complementary arrangements for the Old-age Allowances disbursement scheme and other benefits for the elderly. The aim is to ensure they can spend their latter years in comfort and dignity.

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. Through the Social Welfare Bureau, we shall offer financial aid to families with difficulties. We will provide special subsidies and special living allowances to three categories of disadvantaged families. The Macao SAR Government shall never slacken the work on improving people's livelihoods, and shall always pay attention to people's needs. While working hard to help our residents resolve problems with various short-term but pragmatic initiatives, we shall 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. While formulating initiatives to assist and care for underprivileged groups, we are also aware of the problems and demands of the middle-class. The middle-class is an important component of society, playing a significant role in social and economic development. The Government will actively conduct scientific studies and take account of middle-class demands in formulating our policies.

Conclusion

Madam President, members of the Legislative Assembly,

The development of Macao society has entered a new era. 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.

In the new historical phase, the Government will especially emphasise two tenets – “Clean and open administration” and “Scientific policy-making” – to clearly list self-improvement as the first priority of the administrative agenda. We are actively pursuing true and pragmatic solutions, continuously improving our performance and faithfully serving the public, to guarantee sustainable development of the community.

We are determined to build a clean and open administration with adequate transparency. We must abide by the principles of putting people first and government for the people, to dedicate our efforts to the well-being of the community. We shall work together with one heart, unite as one, foster good relationships between each level of civil servants, and promote inter-departmental cooperation to optimise the productivity of service-oriented Government functions. All department heads and senior officials of all ranks shall lead by personal example of integrity and

impartiality, to motivate others, and spearhead the entire civil service in building a self-disciplined, fair, and impartial Government.

We are committed to implementing “Scientific policy-making”. By seamlessly combining democratic participation and scientific research, we will ensure that the decisions we make conform to the fundamental, sustainable interests of the MSAR and the pattern of development. This also demonstrates that our policy-making adheres to the principles of pursuing true and pragmatic solutions, and distinguishing right from wrong. We shall strongly implement highly effective administrative processes to ensure our policies are duly enforced.

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 constantly improve people’s well being, aiming to build a civilised and harmonious city. We shall extensively heed public opinion, and keep close to the community, to strive for society’s well-being. We shall improve the effectiveness of the short-term initiatives, and practically resolve pressing problems related to people’s well being; and actively plan mid-term and long-term livelihood and social welfare policies. From the standpoint of building a harmonious society and promoting the well-being of the next generation, we are committed to facilitate the coordinated development of society, accelerating proper diversification of the economy, safeguarding peaceful and stable lives for the people, bolstering environmental protection, building a

favourable city for living, promoting civic education, and cultivating human development to achieve sustainable development of the Macao SAR.

In the new era, our new administrative strategies are to implement scientific policy-making and build a clean and open government. We shall enhance efficiency, integrity and transparency. We shall further optimise the civil service, combat corruption, strengthen administrative skills and reinforce the accountability system. The consultation mechanism will also be improved, to encourage active public participation. Through collaboration between the Policy Research Office and other policy formulation branches, and tertiary institutions and academic bodies, we shall scientifically formulate, implement and perfect our policies. With strict observance of the Basic Law of Macao, we shall extensively heed public opinion, and carefully and progressively – based on Macao’s actual situation – develop democracy in Macao.

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.

With “Coordinated development in harmony” as our principle, we must tackle problems head on and resolve them properly. 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. This 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.

Madam President, members of the Legislative Assembly,

We are fully confident that the prospects of “One country, two systems” are very promising. Never will we forget the sacred duty that is entrusted to us; as we carefully look ahead, real challenges and deep-rooted problems will continue to emerge. We clearly understand that there is no gain without pain, and with rights comes responsibilities. We must pragmatically expand our horizons, improve services, conquer the challenges, carry on our legacy and introduce innovations to achieve common goals for the new developments of the Macao SAR. 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.

This is the end of my report. And I hereby submit the report to the Legislative Assembly. Thank you, Madam President and everyone.