

**GOVERNMENT POLICY PLAN FOR THE YEAR 2000
FINANCIAL YEAR OF THE MACAU SPECIAL
ADMINISTRATIVE REGION OF THE PEOPLE' S
REPUBLIC OF CHINA**

THE CHIEF EXECUTIVE, MR. EDMUND HO

29th March 2000

Madam President of the Legislative Assembly

Members of the Legislative Assembly

In the past I worked with you in this Legislative Assembly; today, I am returning with happy memories. I am particularly satisfied to meet with you once again, although now my responsibilities have changed in serving the people of Macau.

In accordance with the Basic Law, it is my duty to present the Government Policy Plan for the year 2000 financial year. I will then hand you over to my colleagues for them to present the guidelines for government action and the budget in the various areas, for you to discuss and evaluate

Introduction

This Government Policy Plan is the first document to be issued

concerning the general policies to be pursued by the Government of the Macau Special Administrative Region. Preparing and presenting it represent an important stage in applying the principle of “One Country, Two Systems”, at what is the start of the long-term undertaking to achieve a “Macau ruled by Macau people, with a high degree of autonomy”. This is our task, to be pursued in a spirit of pragmatism, with our eyes constantly on the future.

I should clarify that the budget proposal for the year 2000, and the relevant programme of activities were actually defined prior to the establishment of the Macau Special Administrative Region, after achieving consensus with the Governments of China and Portugal. This was intended to ensure a smooth handover for Macau with no disruptions. The Government of the MSAR decided therefore to draft the Government Policy Plan for this year basing it on an existing draft budget so as to ensure continuity and administrative stability. In fact, it is inadvisable, if not impossible, for a responsible government to present new concepts for government action just a few months after its establishment, before it has had time to consider its approach at length.

Any newly-established Government needs to go through a period of implementation and study –which obviously requires time and energy- in order to come to grips with the environment it is responsible for governing, and the advantages and disadvantages of the various measures in force, to study and research eventual opportunities and risks and, on the basis of this, to decide what should and should not be done.

In view of these very specific conditions, the Government Policy Plan for this year represents, on the one hand, the continuation of the part while also marking the preparations for the future. Most importantly, as these policies are implemented, we will build on our own experience which, in turn, will help to identify future development needs in Macau. This will lay a strong basis for the

next Government Policy Plan which will be more finely tuned in strategic terms and take a longer-term view.

I. The current development and implementation of government policies in the Macau Special Administrative Region

Madam President, Members of the Legislative Assembly,

Before planning the future, we must first take an objective look at the current situation in the Macau Special Administrative Region.

In economic terms, following several years of negative growth, some industries are now beginning to show signs of recovery. Due to the effects of Macau's return to the Motherland, tourism has shown a clear up-turn and various other activities have seen improvements. This would indicate that Macau's economy has now emerged from the most difficult period.

Most citizens are concerned with the issue of security. There has been a gradual improvement in law and order thanks to the determination and efforts of the local police forces, and also effective support lent by institutions on Mainland China. There has been a drop in violent crime accompanied by an increase in the number of cases solved by the police.

In terms of the public administration, there has basically been no change to the number of employees. A group of qualified, energetic civil servants has risen to take on positions of responsibility in the Civil Service. In turn, there is a deeper sense of responsibility towards citizens with a desire to improve the efficiency of public services. A series of beneficial measures geared towards the population in general have now begun to attract acknowledgement from the local society.

It should be pointed out that Macau's society remains stable and its

citizens are carrying on life as usual. The major activities commemorating Macau's return to the Motherland, which counted on heavy involvement by locals, resulted in heightening citizens' traditional sense of love for the Motherland and for Macau. Since the Handover, Macau's citizens have demonstrated great courage and confidence in the future, as masters of their own destiny, paying greater attention to civic causes. We are pleased to note a marked upsurge in contacts and relations between organisations, which is bolstering the sense of cohesion within our society.

However, we must be aware that the Administrative Region faces countless tests and internal challenges. Macau's economy is, in general, going through a period of adjustment. The commercial and industrial sectors are still facing various difficulties, unemployment levels have not seen any improvement, and domestic spending remains low. These facts affect people's standard of living and represent financial obstacles that impede development in the MSAR. In terms of security, the reorganisation of the police forces and enhancement of their quality, combined with work to curb criminal activities at their very heart, are still in the early stages. In the legal field, there is a huge amount of work to be done to meet social development in this new era, in terms of polishing, renewing, drafting, publishing and applying the Law. It is crucial to keep in mind that the principle of "One Country, Two Systems" is an original concept that represents a completely new experience. It involves changing ideas and roles and this requires time before it can begin to materialise.

As part of the Chinese nation and also the world economy, the Macau Special Administrative Region must obviously pay attention to changes abroad, and adapt to them. At the moment, the economies of the neighbouring Asian regions are on the road to recovery, investors are acting with renewed confidence boosting their investments and actively seeking out new opportunities abroad. At the same time, consumers are beginning to feel the urge to spend more. Against this backdrop, Macau could benefit from knock-on

effects. Similarly, China's increased reforms and openness, its possible entry into the World Trade Organisation quite soon, and production and development in the western part of the country which will take the first concrete steps this year, all reflect progress in the Motherland which can bring great opportunities for development in Macau. We should be aware that the intellectual economy, based on information technology, is experiencing rapid growth world-wide, creating heretofore unseen changes in the way we live and in management models. If we are able to keep up with these developments and share in the fruits of modern civilisation at the right time, there will be new opportunities for trade beyond geographical limits.

II. The Government Policy Plan: objective and reasons

Madam President, Members of the Legislative Assembly,

If we take into account Macau's history and the current situation in this first stage of the MSAR, the prime objective of the Government's policies should be to consolidate its foundations and achieve firm development. This year's Government Policy Plan was drafted with this in mind. Over coming years, this objective will remain the primary guideline for the Government of the MSAR and the general population.

The strategic value of this objective rests on creating the foundations for achieving firm development by consolidating the existing basis. These two factors are closely related. The foundations sustain development while development in turn bolsters the foundations. Consequently, sectors with a consolidated base will take the first steps towards development, gradually leading on the others to generalised progress.

Our objective rests on two aspects. Firstly the current financial capacity of the MSAR Government does not permit any major new capital

investment projects in the short term. Secondly, after having undergone major changes, Macau needs to take stock, restore its energy and redefine the starting point for the future. In doing so, we must improve less favourable conditions and provide our society with a solid base for balanced development and this calls for gradual, methodical strategies. Thirdly, Macau has recently entered into an era guided by the application of the principles of “One Country, Two Systems” and “Macau ruled by Macau’s people”. The mindset of the population, its political awareness and the concept of government have to adapt and make adjustments so as to harness everybody’s energies and desires together in creating a prosperous future for Macau.

III. General means for achieving the basic objective

After having outlined the basic objective of consolidating foundations and firm development, it is now important to define the direction in which we want to develop, according to the favourable conditions at our disposal. Achieving this basic objective involves the Administration carrying out specific tasks and searching for appropriate solutions, as well as co-operation and interaction between the Government and the civilian population.

I) RESPECT FOR ESTABLISHED ORDER; PRAGMATIC GOVERNMENT

1. IMPROVING THE INVESTMENT ENVIRONMENT; SPEEDING UP ECONOMIC RECOVERY

One area that merits greater attention from the Government is to promote economic recovery and reconstruction. This is an arduous, long-term task. If it is to be achieved gradually, the Government must improve the investment environment by enhancing infrastructure so as to consolidate Macau’s competitiveness internationally, and to create

favourable conditions for regional co-operation. It will also work to enhance the legal and political framework required for a free, open market in which fair competition is possible. Restructuring and maximising the market will also facilitate economic recovery. The Government will also direct its attention to improving labour relations so that all parties can work together in achieving economic and social development. Consequently, the Government will:

Bolster the responsibilities of the Macau Trade and Investment Institute, and encourage the development of offshore businesses, in order to attract a broader range of foreign capital;

Review and improve Macau's budget and fiscal regimes, step up the supervision of financial businesses so as to prevent emerging risks. Pursue the principle of balancing revenue and spending in order to ensure financial stability while also using financial instruments to stimulate economic recovery and development;

Encourage adopting appropriate advanced technology, support technological innovation and promote adjusting and raising the level of local industries so as to increase their competitiveness;

Strive to reduce the unemployment rate of local workers, fostering professional training and improving the local social security system, as well as working to fine tune the policy for importing non-resident labour;

Develop essential infrastructure and promote environmental protection so as to lay the basis for achieving sustained development;

Adjust the policy for land concessions in order to be able to control the amount of land being granted and therefore stimulate the real estate market. Maintain the scheme for subsidised interest rates of 4% for

purchasing housing. Satisfy citizens' need to find government housing and low cost social housing while seeking to avoid any eventual pressure that this could place on the real estate market, in other words to create a balance;

Improve traffic in the city through appropriate measures including carrying out feasibility studies relating to the construction of a third bridge between Macau and Taipa, and to reconstruct the Border Checkpoint at the Border Gates;

Consider drafting laws and mechanisms to regulate telecommunications services, with a broader view to the future; this would serve to stimulate development in the relevant sectors and also allow individuals and companies to gain access to quality services at a reasonable price;

Step up involvement in management of the gambling sector and also carry out general, in-depth objective studies and examinations which can be used in formulating a long term policy for gambling with a view to fostering its continued development, since this sector has attracted a lot of public attention;

To sum up, the Government will adopt an active, pragmatic approach to fostering economic recovery and reconstruction. It will place a greater emphasis on the role played by the committees of the Executive Council and respective institutions and organisations, allowing them to fulfill their consultative role in full in drafting short term measures and defining mid- and long-term objectives for economic development.

2. IMPROVING PUBLIC SECURITY; DEFENDING LEGALITY AND DISCIPLINE

The appropriate structural restructuring will be carried out in

maximising the responsibilities of the existing security system and this will gradually lead to an efficient system for managing public security. Consequently, there will be a gradual merger of the Judiciary Police and the Public Security Police, while the management of Macau's Prison will be bolstered. Similarly, the mechanisms for harmonising the public security system will be polished.

Steps will be taken to combat crime quickly, efficiently and strictly while there will be more campaigns and educational actions in the field of crime prevention. Links and dialogue with analogous services in the neighbouring regions will be bolstered while mechanisms for co-operation between citizens and police will be consolidated.

The staffing and material resources in the Security Forces will be maximised by means of strict discipline, improving the systems for internal promotion, stepping up professional training and making the entrance requirements more demanding.

3. COMBATING CORRUPTION; PROMOTING HONESTY

The Commissioner against Corruption will bolster actions aimed at preventing and combating corruption, and legislative and educational measures in order to establish a clean, law-abiding society. As a result, the Commissioner will propose amendments to the relevant legislation so as to be armed with the necessary powers to investigate. Similarly, there will be a move to acquire more manpower and financial resources to as to improve the ability to fight corruption. There will be a determined effort to speed up the examination of accumulated cases, to foster the correct attitude towards work in the Public Administration, to consolidate mechanisms to counter corruption and to take a pro-active approach to education and public awareness, promoting honesty within

society.

4. CONSOLIDATING THE LEGAL SYSTEM; BOLSTERING CO-OPERATION BETWEEN THE ADMINISTRATIVE AND LEGISLATIVE FIELDS

In order to consolidate the MSAR's legal system and ensure that the objectives of the "One Country, Two Systems" policy can be achieved, the Government will produce draft bills and essential regulations. It will also accompany the implementation of existing legislation and intensify work relating to the publication of legal information, particularly in terms of promoting the Basic Law. In accordance with the Basic Law, work should be stepped up in producing Chinese versions of the laws in force. There will be greater communication between the Administration and the Legislative Assembly by appointing employees who, as work requires, will be able to attend sessions of the Legislative Assembly and also respond to comments by Members.

5. DEFENDING JUDICIAL INDEPENDENCE

After implementing the "One Country, Two Systems" principle, Macau's legal system has undergone improvements. In accordance with the Basic Law, the MSAR established a Primary Court, a Court of Second Instance, and a Court of Final Appeal which enjoy judicial independence, including the power to hear final appeals. In accordance with the law, a Public Prosecutor's Office was established in the MSAR, which is structurally perfect and operates independently and autonomously. It answers to the law and the population and, under circumstances established by law, the Chief Executive. As the legal representative of the MSAR, its Treasury, Municipal Institutions and social and public interests, the Public Prosecutor's Office will also act as a legal advisor

and supervisor as to the implementation of the Law.

6. IMPROVING STRUCTURES; ENHANCING EFFICIENCY

The Basic Law stipulates that the MSAR is a separate customs territory and that the person in charge of the Customs Department holds one of the most important posts in the Government. Consequently, in response to the need to develop the MSAR, the Government will establish a Customs Department this year, and lay the basis for it to enter into operation quickly.

In order to better meet the need for social development, the Foundation for Development and Co-operation in Macau and the Macau Foundation will soon merge so as to rationalise their resources and operate with a simpler structure, as well as enhance their efficiency. Similarly, the way that the new foundation operates will become more transparent and it will be able to play its role better under in public eye.

In accordance with the Basic Law, the provisional municipal bodies will provide high quality services to the people. With time, in-depth studies will look at how the provisional municipal bodies with no political power can be restructured.

7. EMPHASISING RESPONSIBILITY TOWARDS SOCIETY; PROMOTING A MODERN ADMINISTRATION

Greater efforts will be made with regard to the Public Administration to effect its modernisation by assessing human resources, developing professional training for civil servants, restructuring departments and using resources and technology in a more rational way. A prime concern of the Government will be to introduce a new culture into the Public Administration with a new model for public service that meets

citizens' needs on time. There will be an emphasis on making civil servants answerable to society.

8. BOLSTERING AUDITING; RATIONALISING THE USE OF PUBLIC FUNDS

A new institution in the Administration, the Audit Commission, will soon come into operation. By fulfilling its role, it will gradually increase its activities in the field of auditing. It will work with public services, encouraging them to adopt cost-reducing measures, increase efficiency and efficacy, and rationalise public resources by promoting and publishing its activities and guidelines and carrying out specific work in the field of auditing.

9. IMPROVING THE HEALTH SYSTEM; PROTECTING PUBLIC HEALTH

In the field of health, co-operation between the various public and private institutions offering medical services will be promoted and bolstered with a view to maximising the use of resources. An international consultancy firm will be charged with assessing Macau's health system in the 21st century, and to study an emergency medical system.

10. TRAINING AN ELITE; BUILDING A BETTER FUTURE

The role played by tertiary educational institutions will be improved, and their standards improved with a view to making a greater contribution to Macau's economy, culture and social development.

The current education system will be retained for tertiary education as it is deemed to be fairly consolidated. The current schemes for training students, analysing and assessing study plans, improving

educational establishments and bolstering measures for the fields of special and adult education will be improved.

Now that Macau has returned to the Motherland, there should be a greater focus on patriotism and civic awareness and this should be implemented throughout the entire educational system.

The Government should support training for its young people by allocating enough resources so as to ensure a better future for Macau.

11.USING RESOURCES FOR SOCIAL BENEFITS IN FULL; ANSWERING CITIZENS' SPECIFIC NEEDS

Co-operation between the Government and private associations will be consolidated so as to achieve full utilisation of resources in developing social services that meet the needs of the people, placing a priority on developing a policy to support the elderly.

12.FINDING AN APPROPRIATE RESPONSE TO THE ISSUE OF ESTABLISHING RESIDENCE IN MACAU; ENSURING A GOOD STANDARD OF LIVING FOR THE POPULATION

Macau permanent residents who are currently in Mainland China will gradually settle in Macau, and the Government will adopt appropriate measures to allow them to integrate into the local community and thus contribute towards Macau' s development. In doing so, the Government will strive to maintain a good standard of living for Macau' s population.

13.EXPLOITING SPECIFIC ADVANTAGES; INCREASING THE BENEFITS OF TOURISM

Bolstering Macau' s identity, shaped through the meeting of eastern and

western cultures, will enhance its unique character and attract more tourists. Thus, a prime concern of the Government will be to ensure high quality services, diversified attractions, active participation in international tourism organisations, to foster strategic co-operation for regional tourism, diversify tourism promotion and also create the mechanisms for co-ordinating international cultural and sports events and activities. This is aimed at allowing tourism to play a fundamental role in stimulating the local economy and in projecting the MSAR's image effectively.

14.PROTECTING HISTORICAL UNIQUENESS; PROMOTING A CULTURAL SPIRIT

There will be more intense measures to enhance the community's cultural level as part of the requirements for sustained development. In order to maintain the principle of "One Country, Two Systems", greater attention will be paid to promoting Chinese culture, and to imbue Macau's citizens with a sense of love for the Motherland and for Macau. Macau's unique characteristics –reflected in its multicultural society- will be safeguarded and protected so as to maximise the interaction between culture and tourism.

15.MAKING SPORT WIDESPREAD; IMPROVING THE COMMUNITY'S FITNESS LEVELS

Activities will be boosted to make involvement in sport more widespread and improve Macau's competitiveness in this field. Top quality international competitions will be organised with a view to promoting tourism and Macau's image.

16.ENHANCING THE ROLE OF THE MEDIA; STIMULATING SOCIAL

PROGRESS

Co-operation between private media organisations (both in Chinese and Portuguese) will be promoted so as to gather timely criticisms and suggestions from the general public. In pursuing this aim, the Government will seek to make its policies more transparent, bolstering contacts and dialogue with media organisations in order to convey Government information to the public precisely and in time. On the other hand the Government will ensure diversified broadcasting methods without affecting freedom of the press, and it will lay the basis for supporting the development of media institutions and encouraging basic and further professional training for reporters. We hope that the media will play its supervisory role well, encouraging government action with a view to raising the standard of service to citizens.

II) STEPPING UP DIALOGUE AND CO-OPERATION

There can be no doubt as to the Government of the MSAR's dedication to pursuing the fundamental objective of consolidating foundations and firm development.

However, the Government is not solely responsible for achieving this goal. We are sure that the Government's policies have to be supported by the population in view of the following: firstly, the guideline of "Macau ruled by Macau people" concerns more than just the top levels of executive, legislative and judicial power; it reflects the true degree of involvement by the people of Macau. Consequently, there is inevitably a relation between the extent to which the basic objective is achieved, and the level of participation of the population. Secondly, there has always been a strong tradition of "Love for the Motherland and Love for Macau" in Macau's society. With Macau's return to the Motherland, this tradition

has become a dominant trend within the “One Country, Two Systems” principle and the dynamic construction of Macau. Three months of government show that the support and co-operation of the people are extremely important to the Government of the MSAR, and that the basic objective will only be achieved if there is dynamic co-operation between the two.

As a result, the Government of the MSAR intends bolstering communication with the civilian population, ensuring freedom of expression and the right to information. It will listen to the community's opinions and suggestions seriously, in the hope that this will help it to learn about their problems and, in time, to carry out any feasible, beneficial readjustments. We also hope that citizens will make a greater effort in their respective sectors, and contribute to the constant raising of standards within society at large by pursuing education, training and practice. We should acknowledge that Macau will not fully achieve economic recovery and prosperity in the short term. We must be sensible and patient in searching for the roots of various problems facing us, and only then consolidate the foundations. We are aware that the enterprising spirit and efforts of entrepreneurs and the population in general constitute the main driving force for developing society and a market economy.

The Government of the MSAR and the general population will strive their utmost to achieve the fundamental objective of consolidating foundations and firm development, contributing to Macau's stability and prosperity.

IV. Prospects

With the combined efforts of the Government of the Special Administrative

Region and the entire community, we will achieve the fundamental objective of consolidating foundations and firm development. Then Macau will reflect a new scenario: a healthy economy, dynamic developments in all activities; a gradual increase in foreign investment, and strengthening of regional co-operation; a marked improvement in security; resulting from a crack-down on criminal activity; social consensus in defending honesty and therefore controlling corruption; improvements in the standard of civil servants and enhanced awareness of their role in serving the public; greater administrative efficiency and rational allocation of resources; gradual improvements to laws and regulations and on-going consolidation of the legal system; respect for citizens' rights; harmony between different communities and social stability; stable development in the fields of education and health; a lively cultural sector; and the continued application of the principles of "One Country, Two Systems", "Macau ruled by Macau People" and a high degree of autonomy.

As we share in the fruits of our efforts, we will become more aware of the importance of consolidating foundations and firm development.

Conclusion

Madam President, Members of the Legislative Assembly,

At the dawn of a new era, the Government of the MSAR must explain the general principles behind its actions by publishing its overall policies. This is not simply an act to be recorded in history; rather the Government has the responsibility to convey the values underlying its plans. These values form the basis for the Government's credibility vis-à-vis its society and they are what make the Government worthy of support from its citizens.

We shall continue to adhere strictly to the Basic Law and to defend, with determination, the principles of "One Country, Two Systems", "Macau ruled by

Macau People” and a high degree of autonomy. In this context, we will attach great importance to the local community’s traditional sense of love for the Motherland and for Macau, as well as foster humanism and universalism. We shall take a pro-active approach to economic development and at the same time raise social and individual cultural standards. The Government will seek to enhance social solidarity and harmony, promote fair competition and diversified development, preserve stability and social order and, at the same time, stimulate innovation, initiative and a spirit of enterprise. It will respond to the needs of the general population, creating an environment in which the most talented can reach their true potential. It will improve the various schemes and mechanisms, ensuring fair allocation and use, it will reduce expenditure incurring out only costs which are rational. It will foster relations with foreign countries and territories while striving at all times to improve. By creating conditions and opportunities, it will foster community participation in public life, maintaining the good habits and customs of Macau’s society and enhancing the population’s ability to adapt and respond to change.

Achieving the objectives of government policy depends on the honesty of our civil servants as well as the quality of the services they provide. Macau is a small place where people know each other and can meet up easily. We encourage civil servants to serve our community with affection, working always within the parameters of honesty and justice.

Before closing the Report on the Government Policy Plan, I want to emphasise that the Government’s policies and strategies are open and may undergo the appropriate alterations during the period of implementation, according to the needs of the populations and our society. The real master of the Macau Special Administrative Region is its population whose support and participation is vital if the Government is to pursue its activities unhindered, and if Macau is to enjoy a successful future.

Madam President, Members of the Legislative Assembly,

Under the terms of the Basic Law, the executive power answers to the Legislative Assembly. As Chief Executive, during my mandate, under your supervision, I will do everything to bolster contact with this Assembly. I shall seek to stimulate the executive body and legislative body to fulfill their own roles, and to establish close relations between them, so they can thus jointly meet the community's expectations.

Thank you very much.