

**Policy Address**  
**for the Fiscal Year 2001 of the Government of the**  
**Macao Special Administrative Region (MSAR)**  
**of the People's Republic of China**

Delivered by the Chief Executive

Mr. Ho Hau Wah

9 November 2000

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#### Policy Address

For the Fiscal Year 2001 of the Government of the  
Macau Special Administrative Region (MSAR)

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Delivered by the Chief Executive

Mr. Ho Hau Wah

At the Legislative Assembly Meeting

9 November 2000

**Madam President,**

**Legislative Assembly Members,**

In accordance with the terms stipulated in the Basic Law, and on behalf of the MSAR Government, I now present the policy report for the fiscal year 2001 for your perusal and discussion.

#### Introduction

I am sure that we all remember that, when the MSAR was being inaugurated, there were only 11 days counting down to the year 2000. Owing to this very special time factor imposed on us by a unique history, we put forward our policy address for the fiscal year 2000 only in March earlier this year. The reading of the policy address for the financial year 2001 indicates that we can now afford to project our work to serve the people of Macau from the perspective of a more complete financial year. At the same time, we would like to emphasize that this report is the continuation and innovation of the previous one, signifying the coherence and continuity of government policies, as well as reasonable development guaranteed by these conditions.

It has been nearly eleven months since the Handover and the founding of the MSAR.

Therefore, the present report distinguishes itself from the last one by giving us an opportunity to look back, to review and assess what we have achieved, what needs to be improved, and from this point of departure, what are our general policy objectives for the year 2001. We will start from and emphasize the subject matters and concerns that are uppermost on people's minds, so that the people of Macau will give our work effective supervision and support, and eventually they will benefit from the government policies. To meet the needs and demands of the people and of social development, our priorities

vary at different stages. It is essential that the policy report focus on certain key areas. However, this does not mean that we ignore other areas. As a matter of fact, no area of work can be truly successful without the close coordination and support of all other areas. Moreover, as the most important document of government policy, the report must make explicit the rationale underlying the policy, but again this does not imply that we neglect the day-to-day work of the government. In Fact, without the smooth running and improving of daily operations, no policy, no matter how well intentioned, will contribute towards the well-being of the people. So we sincerely welcome any comments, questions and suggestions emerging from questions and discussions among the members of the Legislative Assembly and the citizens of Macau. Later my colleagues will respond to specific questions raised.

### **Part One**

## **Summary of Work Done by the MSAR Government Over the Past 11 Months Since the Establishment of the MSAR**

**Madam President,  
Legislative Assembly Members,**

Please allow me to review briefly the work and activities that we have carried out since the establishment of the MSAR Government.

### **Maintaining normal operations and functions and performing administrative responsibilities properly**

During the epoch-making transfer of administration is has indeed been an unprecedented challenge for the SAR Government, having little administrative experience and suffering from the worst economic difficulties unheard of for decades, to make adequate adjustment to the structure of the government, to guarantee the normal functioning of various services, and to ensure the well-being of the population. From the very beginning, the Central People's Government has been firmly implementing the principle of "One Country, Two Systems", and has been giving strong support to the development of Macau. And the people of Macau have been actively cooperating with the SAR Government. So, the SAR Government has been functioning normally and smoothly without a single disruption; our society is peaceful and stable; our economy is growing; the rule of law prevails; and there has been obvious improvement in public security. And the problem of unemployment, which once was very serious, has been relieved to a certain extent. All in all, the SAR Government, under difficult historical circumstances, has properly and pragmatically assumed and performed its administrative responsibilities.

### **Civil servant fulfilling their duties and providing improved public services**

An auspicious beginning of the SAR necessarily depends on a stable administrative force, which in turn depends on the high morale of its civil servants. After Macau's return to China, some new encouraging attitudes have been fostered in the culture of the public service.

First of all, contacts and communications between civil servants and the public have become closer and strengthened, thus enabling public servants to have a better understanding of the society and the needs of the people and enhance their sense of responsibility. When problems arise, rapid and satisfactory solutions can be found through dialogue and consultation, cooperation and follow-ups. Moreover, more and more government staff at various levels are directly or indirectly involved in the process of decision-making, thus enhancing their sense of participation and enthusiasm, and helping the leadership of the administration gain a better grasp of their areas of responsibility and avoid acting blindly.

We already bear in mind the just demand of the citizens for the improvement of the civil service. In fact, upgrading the quality of the civil service was put on our agenda as an item of top priority at the very moment when the MSAR Government was established. Following the order of importance and urgency, we set about improving the first-line public services, mainly in these three areas:

1. quick response and solution to complaints from the public;
2. simplify, whenever possible, administrative procedures to make life easier for citizens; and
3. open various channels of communication to make it easy and time-saving for citizens to access information and data relating to government services.

We maintain that only by making fundamental improvement in the public administrative system and by fostering a high-quality civil service force can we build up a modern progressive government, which can provide genuine quality services for its population. Of course, this ideal cannot be realized overnight. What is important is that we have made the first stride: we have made initial studies and evaluation of the administrative structure of the government and of the public service system, and we are to modify and improve them.

It is worth stressing that, unlike most other sectors, the construction of the public administrative system and the fostering of the civil service force are not confined to one or two individual departments. The Government, as a complete whole, from the centre to peripheries, from the Secretaries, through directors, all the way to heads of all departments and divisions, must be fully committed to these long and arduous tasks.

### **Public order & security getting better and ensuring social stability**

Before the handover, Macau experienced a period of difficulty in the area of public security. At one time the situation became so serious that some foreign and regional investors and

tourists hesitated to come to Macau, which produced negative effects not only on economic development but also on public confidence in the future of Macau. Therefore, right after its establishment, the MSAR Government took up the task of tackling the security problems as one of the top priorities. The public security departments have adopted a series of effective measures in collaboration with other departments, cracking down on crime and successfully maintaining public order. The organization structure of the public security departments is now being optimized step by step; intensive preparations are being made for the establishment of the Customs Services; and preparations for a unified police force have started with obviously enhanced coordination among various departments; the quality and efficiency of these departments have been elevated through higher entry qualifications and requirements, in-service training, tightened discipline, upgraded management skills and advanced modern facilities. The security forces are strengthening their ties with their counterparts in neighbouring regions for exchange of information and cooperation in their joint effort to crack down on grave cross-border criminal activities. It should be pointed out that the Government also pays great attention to the cooperation with the local residents of Macau. In addition to educating the population about the prevention of crimes, the security services also adopt measures convenient to people and improve the relationship between police and civilians so as to win sincere support from them. The strengthening of judiciary cooperation and initiatives has further contributed to the improvement of the legal environment of Macau.

Indeed, the relentless efforts made by the public security departments over the past eleven months have borne satisfactory results. The rate of serious crimes in the first three quarters of this year has witnessed an obvious fall in comparison with that of the corresponding period in 1999, which is contrasted by a rise in solved cases in the same period. An improved public security environment and continuing social stability provide the foundation and favourable conditions for the well-being of the people as well as for early economic recovery.

### **The rule of law prevailing and good social order secured**

Since its establishment, the SAR Government has been dedicated to the creation of a legal environment governed by the rule of law to lay a solid foundation for social stability and development. The Government has been actively implementing the Basic Law, making sure that Macau residents fully enjoy their freedoms and rights, such as the freedom of speech, of the press, of association, of religion, etc. Thanks to the fact that the rule of law is duly respected, the whole society has been progressing in good order.

To meet the needs of the changing society, the Government, in cooperation with the Legislative Assembly, has formulated some new laws, altered or revised some laws which had become outdated or which had negative effect on the economy or on the livelihood of the people. For example, the revision of the Commercial Code is a great success of the

joint efforts of the Legislative Assembly, the Government and of the people. The Government has also performed its duty of responding promptly in writing to the questions raised by Legislative Assembly members, and of sending representatives to attend Legislative Assembly meetings, explain the Government's position or answer questions. Through the practice of over ten months, a good working relationship based on mutual respect and active cooperation has begun to develop between the executive and legislative organs of Macau.

The promotion of the law and legal education is closely related with the formation of the spirit of the rule of law. Therefore various government departments have been actively promoting civic education, and in the process, have been doing their best to make the content and form easily acceptable to the residents of Macau. At the same time, we have been making great efforts to train civil servants in "The Basic Law of Macau" and provide other courses on Macau legislation to guarantee the implementation of administration by the rule of law.

### **Anti-corruption force intensified and auditing system taking off smoothly**

It is the earnest expectation of the people and a clear-cut objective of the MSAR Government to fight corruption and promote clean and upright administration. The Commission Against Corruption, since its revamping, has been taking active, positive and pragmatic measures to combat corruption and uphold justice, investigate administrative complaints, and it has achieved remarkable results, with impressive increase in the number of concluded cases. What is more encouraging is that the Commission maintains a very high and stringent standard on the entry requirements and training of its staff to ensure the quality and integrity of our anti-corruption fighters, thus laying a strong foundation for future challenges. At the same time, the Commission, through the media and other multiple means, is carrying out extensive educational programmes, promoting the concept of integrity, and instilling the concept into the minds of civil servants, associations or institutions, students, etc. And with the approval in August of the new Organic Law, the Commission Against Corruption is empowered with more human and financial resources, which will boost their work significantly.

The Commission of Audit, though a newly established department, has completed and submitted, with professionalism and expertise, the first report of audit on the General Account of the Government since the establishment of the MSAR, and the follow-up work has already begun. Moreover, an experiment with the "Money-for-Value" (performance auditing) auditing system, which has caught a lot of public attention, has already started. It can well be expected that with the audit work unfolding, public accounting will be further standardized and public resources will be used more efficiently.

### **Economy taking a turn for the better, with promising signs of recovery**

Over the past ten months or so, thanks to improvement of external economic environment,

the continuing rapid economic growth of the Chinese mainland, the improved conditions of Macau, and the concerted efforts of entrepreneurs and employees, the economy of Macau has emerged from its recession and begun to see the light at the end of the tunnel.

Since its return to China, the investment environment of Macau has been improving. To begin with, the formulation and revision of economic legislation has boosted the confidence of investors. In infrastructure, the Government has carried out some necessary project that bring better returns: the infrastructural project on Coloane-Taipa Island Land Reclamation (COTAI) has already begun and studies on the construction of the third Macau-Taipa link connecting the new border checkpoint at the Border Gate is in good progress. Regarding the protection of intellectual property rights, the economic departments and security forces have joined hands in their crack-down on pirated products, and have achieved some good results, thus providing strong support for getting Macau off the "Preferential Watch" List in the "Special 301" category. The Government has also made great efforts to facilitate investment on the part of entrepreneurs by accelerating administrative procedures and promoting EDI system, etc. To increase the openness of markets, the Government has gradually liberalized the markets of mobile phone and Internet, which has concurrently promoted healthy competition and made the local markets more attractive to investors from outside.

Facilitated by all these favourable factors, external market demand of Macau has been growing stronger, especially in the sectors of tourism, export and foreign trade. There has been obvious increase in the number of visitors and gambling revenue. The increase in export goods, in the number of air passengers and the amount of airfreight is also very encouraging. Overall, the downturn in GDP has been reversed, and for the first time in the past four years our GDP has witnessed a 4% growth. It is worth mentioning that as the local investment environment is looking up, some young entrepreneurs have begun to distinguish themselves with their brilliant talent and many foreign investors have expressed their desire to invest in Macau. The Eureka (meet) Asia 2000 and the 5th International Fair of Macau have achieved very positive results.

Though the economic recovery of Macau is only partial and at the initial stage, there are promising signs for future development. Recovery will be accelerated by a combination of both favourable external factors and our own efforts.

### **Overall achievements**

In summary, the achievement report that we submit to the people of Macau for the initial stage of the MSAR boils down to a realization of a set of ideals. In other words, the Government has drawn extensively on the wisdom of the Macau people, and at the same time put forward our views and visions. During the whole work process, while listening carefully to the pulse and consensus of the public, we also adopt a non-interference attitude so as not to upset the pattern of social potential and superiority. While some

problems resulting from history remain to be tackled, we have made important breakthroughs in certain areas. Though we cannot make comprehensive improvement in all services within a short period of time, we have made partial and initial progress. More importantly, the Government has begun to tackle the issue from the root and improve services in a planned way so that our policy will not only satisfy the immediate needs but is also directed towards a realistic goal. In other words the Government is imbued with sufficient social and political awareness and sensitivity, vision and farsightedness, alertness and quick response, and the ability to perfect itself. With these qualities, the Government can provide sufficient leadership to enable people from all walks of life and communities to bring into full play their potential and creativity in an ever-changing and increasingly complicated environment.

### **Shortcomings**

Looking back at the administration of the past ten-odd months, we are keenly aware of our insufficiencies and shortcomings. We must summarize these experiences, identify the causes and rectify them.

At the initial stage of the MSAR, as it was not appropriate to make major changes to the existing public administrative structure, the Government functioned on a model similar to the old one. In consequence, the mind-set of some civil servants, including those occupying leading positions, fail to adjust to or converge on the fundamental principle of "One Country, Two Systems", and of "Macau people administering Macau". Their concept of public servants serving the public has yet to be enhanced.

Among civil servants there are still some whose personal qualities, and integrity are not up to the required standards, and their performance is far from ideal. Some fail to perform their duties strictly in conformity with norms and regulations. In some departments there exists the mentality of "superficial fulfilment of their work", and consequently, they only want to get the job done but neglect the quality. There are still cases of inefficiency and carelessness. Some fail to give immediate response to changes and adopt a negative and passive attitude towards opinions and suggestions from the citizens. There is still room for improvement in the communication and coordination among various departments and team spirit has yet to be cultivated. There are still cases of bickering and of doing things in one's own way regardless of the overall interest. We have also noticed that quite a lot of laws and decree-laws have become obsolete and are no longer applicable to the present society. They are impeding social progress. However, owing to the shortage of human resources and expertise, we have not yet made comprehensive examination or revision. Also, at the present stage, civil servants have yet to enhance their ability to strike a balance between administration by law and a good understanding of the situation of the people.

Although these defects and shortcomings have accumulated over a long period of time, some of them being caused by objective circumstances, we, as a responsible Government,



will do our best to rectify them by listening to public opinions. Only by making continuous improvement can we realize our policy objectives.

## **Part Two**

### **General Policy Objectives for the Year 2001**

**Madam President,**

**Legislative Assembly Members,**

#### **I. Continue to carry out the strategic principle of "Consolidating the Foundations and Developing Steadily"**

In the Policy Address for the Fiscal Year 2000 of the MSAR Government, delivered in March 2000, I stated the strategic principle of "Consolidating the Foundations and Developing Steadily", which was the principal common goal of the MSAR Government and of the whole population of Macau, not only for year 2000 but also for the next few years. Today this general policy objective and conviction of the MSAR Government is not out of date, on the contrary, it must be further confirmed and strengthened.

First, in view of the general situation and circumstance, both at present and in the near future, it is necessary for us to be practical and adopt a realistic approach to policy making. After years of tribulation, the economy of Macau has taken a turn for the better and is beginning to show signs of recovery. However, like a patient recovering from a prolonged illness and still feeling weak, the economy of Macau is still vulnerable. Intermittent prosperity does not mean that a sustained and full-scale recovery will come instantly. While favourable factors have emerged in some sectors, other sectors are still experiencing a period of difficulty. It takes time and complementary conditions for these favourable factors to produce real effects. So what is important for us now is to consolidate and keep up the good trend and prevent it from sliding backward. Emerging from a prolonged economic downturn, we should act cautiously and should not behave like a hungry man who takes any food that comes his way. We should pay attention to the fact that neighbouring regions are enjoying an economic recovery, which may have positive effects on the economy of Macau, and which may also pose completely new challenges characterized by advanced science and technology. And China's entry into the WTO and the abolition in the year 2005 of the global export quota system will further intensify the challenges, which makes it necessary for Macau to keep on equipping itself, lay a solid foundation for economic development and boost its genuine competitiveness.

On the other hand, the foreign-oriented interactive mini-economy of Macau is vulnerable to changes in neighbouring regions and even changes in the global economy. These changes often impose various unpredictable problems on Macau and may prevent some blueprints

from being smoothly carried out. Therefore we must take precautions and give full consideration when planning for the future. Even in the future when Macau is well on its way to robust growth, we shall not relax our efforts to consolidate the foundations, nor shall we change the steady realistic attitude towards work.

With all the valuable experience gained in the first year of the administration, the MSAR Government is now better placed to attain our policy objectives. Of course, "Consolidating the foundations" does not mean that we are going to sit idle, or be passive or conservative. On the contrary, in the new financial year, the Government will adopt a more positive and more effective approach to improving itself and the society so that Macau can take the initiative and seize every opportunity for development. We should pay attention to both the consolidation of the foundations and gradual development. This is what people want and the Government is determined to move on, because we know too well that it is like "a boat sailing against the current: you either forge ahead or fall behind".

To achieve these objectives, the MSAR Government has decided to allocate some resources, in the new financial year, to work out a research system consisting mainly of local scholars who will carry out comprehensive, systematic and on-going studies of a strategic nature for the future development of Macau, and this will also give play to social wisdom and talents and boost social development.

Starting from the present conditions and for long-term stability and development of Macau, we must always follow the principle of safe and steady development and guard against any reckless idea of leaving things to chance or any illusion of success. Only by sticking to this principle, can we maximize our efforts to remove obstacles and create more and more favourable conditions for Macau to face up to various challenges and tests, smoothly follow our way of sustainable development, and ensure stability and prosperity and the eventual success of the ideal of "One Country, Two Systems".

## **II. Major Policy Orientations**

**Madam President,**

**Legislative Assembly Members,**

Now I would like to present to you the major policy guidelines for next year.

### **1. Improving market environment and promote economic development**

It is true that the economy of Macau is now on its way to recovery. However, it is a rather slow and partial recovery. Some industries are still faced with many difficulties. Besides, competition from outside and new challenges are getting tougher every day. Therefore, to speed up the economic recovery and lay good foundations for future development will be our policy focus for next year.

Ours is a mini-economy, with limited resources and internal potential, and a lot of

dependence on external factors. So, in addition to mobilizing the initiatives of local entrepreneurs and residents, we must also try our best to attract foreign investors and promote regional cooperation to expand our economic scale, intensify manufacturing structure and enhance technical and management quality. We should grasp every external opportunity and adopt positive measures to keep abreast of the developments in neighbouring regions, which will help us develop better and faster. And the prerequisite for achieving this objective is that we must make continuous efforts to improve and intensify our own quality and competitiveness. Therefore, in the days to come, the Government will first focus on improving the market environment of Macau. To start with, the Government will continue to carry out "hardware" projects in infrastructure and urban planning. Bidding and construction of the new checkpoint at the Border Gate will start later this year or at the beginning of next year; the infra-structural projects on COTAI are being accelerated; the feasibility study on the third Macau-Taipa link is to be completed shortly; priority will be given to the Southwest District of Macau, St. Lazarus District, the Northern district, Taipa and Coloane for renovation and revamping, so that each district of Macau will feature some unique advantages. For a small international city like Macau, improvement on the "software" environment of the market cannot be overemphasized. The Government will amend and formulate commercial laws and regulations corresponding to the needs of social development so as to ensure norm and regularity in the operations of enterprises and to promote development. It is an established policy of the MSAR Government to protect intellectual property rights, and the Government will take stringent measures to crack down on pirated goods and products. In order to encourage investment and make the procedures easier for investors, the Government will review our system of taxation, revise obsolete regulations, and simplify procedures. We shall work hard to enhance our public administrative efficiency to boost the improvement of our market environment. Here I would like to emphasize that the SAR Government will continue to stick to the fundamental principle of justice and impartiality, bring in effective mechanism of competition with open-minded attitude in order to make our market more attractive and boost our own competitiveness. Following the liberalization of the mobile phone and the Internet markets, the system of monopolistic gambling and casino businesses, which bears so vitally on the development of the economy of Macau, will also move towards new directions based on scientific analysis and explorations. At present, with the assistance of consultants, the MSAR Government is studying possible options and will decide on a solution most favourable to the liberalization of the gaming industry, as well as to the overall development of Macau.

In order to attract foreign investment and promote international trade, the Government will further streamline the procedures relating to investment; the Macau Trade & Investment Institute will further intensify its "one-stop" services and carry out more effective promotions

abroad. For this purpose, the Macau Trade & Investment Institute will no longer confine its focus on the last leg of the investment process; instead, it will take the initiative by sending highly efficient working groups to the targeted destinations and promote Macau to large enterprises there. At the same time, it will also serve local enterprises by providing information, helping them to identify and find buyers and partners and by promoting their products overseas. In order to bring into full play of our potential advantages, the Government will also study and adopt more effective measures to turn Macau into a genuine bridge for trade, economic cooperation and cultural exchanges between mainland China, the EU and Latin language countries, which will also benefit the economy of Macau. The Macau Trade & Investment Institute and the Monetary Authority of Macau will also strengthen their cooperation to boost the sound development of financial, including offshore, services. The Government knows very clearly that the small and medium-sized enterprises of Macau are the base of the economy of Macau. So the Government will continue to assist and boost their development with concrete plans including a financing and loan scheme, which is now under intensive study.

Thanks to our traditional heritage and constantly improved conditions, and favourable external factors, it is expected that the pace of development in the tourism industry will continue, and tourism will continue to play a dynamic role in the complete recovery of the economy of Macau. In order to seize the opportunity for robust development, tourism departments will continue to intensify and expand tourist products. In addition to promoting Macau as a city of culture, we should map and develop more diversified tour routes. We shall do our best to cooperate with neighbouring regions and develop more tourist products. We shall enhance communication and contacts with the Cultural Institute of Macau, the Institute of Sports, the Provisional Municipal Councils, and private or unofficial institutions, and strengthen cooperation with them in hosting or co-organizing influential events or promotional activities and creating more and richer tourism resources. Regarding promotional activities, the Government will join hands with local operators in the field of tourism and pool our resources for effective promotion initiatives targeted at our major markets. In order to ensure a sound and sustained development of tourism, the Government will continue its efforts to crack down on illegal businesses, protect tourists' legitimate rights, and improve the quality of services. In addition to efforts at increasing the number of visits, we shall also work relentlessly towards making visitors stay longer and spend more in Macau. The thriving of tourism will bring about booming business to other sectors, such as hotels, transports, restaurants, and retail sector. It can well be expected that with the concerted efforts of the Government and of the private sector, the next few years will witness a scene of prosperity in the tourism industry of Macau, which will greatly benefit related industries and create more employment opportunities.

In response to the trend of economic globalization, we shall give priority to strengthening

regional cooperation. We have always had the support of our Motherland, whose economy has been enjoying robust growth and has achieved basic prosperity. Indeed, the all-out support of the Central People's Government provides the strongest guarantee for our development. This unique regional advantage not only greatly expands our limited space for development but also enables us to make full use of the huge human and material resources of the mainland to boost our productivity and the range of products. Looking northwards to the vast land of our great country, we find the ambitious exploration and development of Western China already getting off to a booming start. And with China's forthcoming entry into the WTO, we can well expect that the development of our Motherland will be greatly accelerated. All these changes are bound to bring us more commercial opportunities, and possibly, new challenges. So, the SAR Government will make a careful study of this new situation to ensure that Macau will seize this opportunity to boost its economic development. We have noticed that some entrepreneurs in various sectors have expressed their desire to participate in the development of the great West of China, and the Government departments concerned will provide assistance and cooperation. In view of the geographical position of Macau, and of its actual needs, we shall, on the basis of mutual benefits, first strengthen our ties with neighbouring regions, especially the Eastern and Western regions of Guangdong Province, Zhuhai and Hong Kong, in the field of tourism, trade, and export and processing industries. At the same time, we shall also develop ties with other provinces and cities of the Chinese Mainland to open up more space for development and to look for more opportunities. Of course, it is an important component of our strategy to develop friendly relations with neighbouring countries and the traditional partnership with countries in Europe and America, to ensure the long-term steady development of Macau.

## **2. Reinforcing the concept of serving the public and enhance administrative efficiency**

"Serving the People" is a basic concept in international public administration. It is also the essence of traditional Chinese administrative culture. The nature of administration has changed with Macau's return to the Motherland, and the policy of "Macau people administering Macau" has been thoroughly implemented. It is doubtless that the administrative policy of the MSAR Government must fully reflect the overall interests of the people of Macau. It is the fundamental point of departure in the administrative reform of MSAR Government to enforce, among the civil service force, the concept of serving the MSAR, and of serving the public.

In order to reinforce the concept of serving the citizens and improving the quality and efficiency of public services, the MSAR Government will continue to make arrangements for the training & retraining of civil servants. In addition to upgrading existing training programmes, we shall also start the training programmes prepared in cooperation with

Singapore. At the same time, we shall learn and draw on the successful experience of other countries and regions. We believe that the top-down model of training is more realistic to the civil servants of Macau and is more responsive to the expectations of the community. Therefore, the Government will first focus on the training of middle-and-high ranking civil servants.

Objective and scientific assessment of civil servants' performance and the corresponding reward/punishment system will help boost the morale of the civil servants. In order to overcome the shortcomings and defects in the existing evaluation system, the Government will put forward a proposal for reform next year, and introduce quantitative criteria as soon as possible. Similarly, the Government will also conduct comprehensive and objective investigation into the issue of requiring civil servants to pay income tax.

To intensify administrative reform in scope and depth, the Government will make endeavours in the following aspects. First, the Government will set about doing renewed studies on the layout, structure, functions and classification of public servants under the existing administrative hierarchy so as to pave the way for the formulation of the overall plan for administrative reform. We shall make effort to set forward a proposal for streamlining and rationalizing administrative procedures next year. The Government will promote the programme of "Service Commitment" to enhance administrative accountability and service efficiency. The Government will draw on the experiences of contemporary international administrative reforms and try adopting advanced models of management, such as the quality management certification of ISO9000, in a few selected departments, and then gradually introduce them to other departments after accumulating sufficient experience. The Government will continue to listen to opinions from citizens, review and improve the mechanisms for administrative complaints so as to enhance communication, strengthen public supervision and improve administrative work. The Government will upgrade the level of management of human resources by means of centralized recruitment, entry examinations and probation terms and effective management measures. The Government will make a comprehensive review and examination of the legal system of public service and make corresponding revisions. And in the field of technical support, the Government will make extensive use of information technology products to speed up the modernization of administration. We wish to emphasize that the MSAR Government will continue to adopt an open and objective attitude in the administrative structural reform and in the preparations for fostering a new generation of civil servants.

Fighting corruption and advocating honesty and integrity constitutes a vital link in maintaining and improving the quality of public servants. Next year the Commission Against Corruption will continue to work on the general principle of "Fighting Corruption, Prevention, Legislation and Education", perfect and reinforce its overall performance by systematizing and modernizing its operations, and more effectively crack down on

corruption and process administrative appeals. The Commission Against Corruption will take the initiative to investigate into criminal activities of corruption and deal effectively with them. At the same time, the Commission Against Corruption will further simplify the procedures of administrative appeals, and eventually attain the goal of perfecting administrative operations.

Next year, the Commission of Audit will continue to exercise its power endowed by law and carry out its duties on all fronts. In addition to auditing accounts and specialized accounts, the Commission of Audit will adopt and promote the brand-new "Money-for-Value" (performance auditing) in the auditing system so as to achieve the objective of maximizing efficiency and minimizing cost and of making the best use of public resources.

Like all the people of Macau, I am keenly aware of the necessity and urgency to reform the public administration. However, we must also recognize the fact that in the early days of the MSAR, we need a relatively stable administrative framework and a stable civil service force, for the normal functioning of the Government, for the improvement of public order and security, for the recovery of our economy, etc. Besides, the success of public administrative reform of such profound and far-reaching significance depends on a gradual process of research studies, objective analysis, publicity and education, experiments with selected departments and general implementation. Here I wish to point out that we shall neither take reckless premature measures nor resign to conservatism. "Steady development" is what we strive for. In the coming year, following the successful structuring of the Legal Services Department, we shall restructure the municipal institutions, establish the Unified Police Command, carry out the reform of the healthcare system, complete the merging of the two existing Foundations, in accordance with the Basic Law and the proposals of the Preparatory Committee of the MSAR, as well as the real circumstances of Macau, and then we can move on to further administrative reforms. At the same time, on condition that a relatively stable civil service force is maintained, we shall set clearer, well-defined requirements for public servants and rigorously enforce strict discipline and management. I am confident that next year the public servants of the MSAR will respond to the expectations of the public with outstanding work performance.

### **3. Providing relief for the needy and create more jobs**

There is still a long way for Macau to achieve full economic recovery; the situation of unemployment is still grave; and residents are still quite hard up. The MSAR Government will adopt positive measures to create more jobs for local workers and relieve their hardship.

The Government will vigorously implement "The Employment Law" and adopt a multiple-approach to reduce unemployment rate. In tackling the general problems of unemployment, especially cases like "there is work without workers, and there are workers without work", the Government will make coordinating efforts to promote communication

between employers and workers, and intensify work in matching vacancies and job applicants or referring them to potential employers. We should adopt both pragmatic and forward-looking approaches to the problem of unemployment. So the Government will arrange effective training programmes relevant to the needs of the unemployed and improve the quality of comprehensive programmes. Moreover, the Government will pay more attention to providing practical courses directed to specific job markets, and at the same time expand programmes for professional qualification. In the coming year, the Government will increase appropriately the number of infrastructural projects to raise domestic demand and create more jobs. The reconstruction project at the Border Gate is expected to get off the ground next year; some new infrastructural projects to accommodate the East Asia Games 2005 will also unfold gradually. In addition, following the further liberalization and perfection of the local markets, more investment projects from the private sector will start one after another. All investment projects, be they from the public sector or the private sector, will strictly abide by the principle of giving priority to local workers and of promoting local employment together.

All the strategies and the corresponding incentives set by the Government for the coming year aim at promoting enterprise initiatives and employment of the local residents of Macau. Next year, with these major public projects unfolding and important investment projects by the private sector getting off the ground, it is expected that more than 6,000 jobs will be created, and so will more training opportunities for unemployed workers.

Imported labour is a rather complicated issue. Basically, it is complementary to the shortage of local labour. Now that we have the problem of unemployment of local workers, the Government will tighten up the procedure of application for importing labour from outside Macau, to ensure local employment. On condition that no negative effect will result on the economic recovery of Macau, the Government will continue to reduce the number of non-professional or non-technical imported labour. The Government will continue to crack down on the illegal employment of imported labour, to ensure the full implementation of our policy on imported labour.

It must be pointed out that, for the long-term development of Macau, the Government will adopt a flexible approach to the implementation of the policy on imported labour. After carefully reviewing the overall circumstances, especially the allocation of public resources and the quality of the population, the Government will not consider, in the foreseeable future, any large increase in the number of new immigrants, except those who have been arranged to come for family reunion or those who have gone through strict selection procedure under the professionals' scheme. The Government will adopt positive measures to help new immigrants to integrate into the local community as quickly as possible so that they can contribute to the construction and development of Macau.

The Government will reach out warmly to those who are out of work or those who for some



reason or another find themselves in hardships. The Government will also, through various improved means and methods, encourage voluntary institutions to render help and services so that social welfare service will be mobilized and their services will be improved both in quality and quantity. While maintaining their general services, the Government will give special attention to services for the aged, juvenile delinquents, the disabled, new immigrants, etc. We believe in encouraging the needy to make unremitting efforts and strive for self-reliance. To promote this concept, the Government will in the coming year absorb some physically handicapped people into the civil service, so that they can serve the public within their ability and give full play to their potential.

What we feel proud of is that Macau is a small city full of warmth and caring. The citizens care for and help one another. There are many social workers and volunteers who have been working dedicatedly and selflessly for our society while choosing to remain unknown. They deserve our deepest respect and set fine examples for us to learn from. The coming year is "The International Year of Volunteers", and the Government will, through coordination and support, encourage and promote various voluntary activities. We are confident that our social worker-friends and our volunteer-friends will, with their loving care and devotion, inspire those being helped to adopt a positive attitude and overcome their difficulties so that they will join hands with us and build up a progressive, harmonious and prosperous Macau together.

#### **4. Promoting the development of science and education to increase competitiveness**

In all our endeavours, it is necessary for us to keep a close eye on the international scene. To begin with, the new century is an era when a knowledge-based economy is developing in full swing, with increasingly rapid growth in knowledge, science and technology. The dynamically interactive integration of science and technology, information, innovation and management will greatly boost productivity. Besides, following the rapid development of information technology, the process of economic globalization will be further accelerated, so will national and regional economic integration, resulting in increasingly intensified competition. As Macau adopts a free and open economic model, it is inevitable that the international macroclimate has a direct impact on the development of Macau. Therefore, in order to realize full and quick economic recovery, and in order to gain an invincible position in the increasingly competitive world, we have no alternative but boost our own competitiveness, and the promotion of the development of science and education is an integral component of this strategy.

In the field of education, the Government encourages teachers to make continuous efforts to enhance their professionalism and teaching quality and also provides incentives to boost IT education in various educational institution. In the field of higher education, we encourage teachers to pay attention to the combination of teaching with research, motivate

their students to participate in academic research by arousing their interest in research activities. We shall also support the various institutes of higher learning to set up research centres or institutes, and expand cooperation with private institutions so as to make contributions to the development of Macau. In the field of basic education, the Government will help to create more secondary school places by means of subsidies, and achieve the objective of small classes in primary education. The Government will also adopt a series of coordinated measures to promote the complete realization of compulsory education. The Government will continue its efforts to create a comprehensive recurrent education system and promote continuing education. With the rapid increase and renewal of knowledge, the "spoon-feeding" teaching method can no longer prepare students for the challenges of our time. We sincerely hope that teachers and parents will pay attention to the cultivation of their interests, learning abilities and innovative thinking, in addition to the transmission of basic knowledge. And to attain this goal, the Government will create the necessary conditions.

In the field of science and technology, the Government will meticulously implement "The Framework Law of Science and Technology" and actively play the role of promoter, coordinator and supporter in order to enhance the technology standard of this region. In view of the actual conditions of Macau, we must consider the local conditions and potential as the point of departure for the development of science and technology and give priority to projects for the application and transfer of science and technology. The Government will, through the new Foundation resulting from a merger, finance the establishment of a research centre of science and technology. In order to give full play to the functions of this foundation, the Government will also study the feasibility of setting up a "Centre for Business Initiatives" and a "Business Initiative Fund". The Government will restructure "The Commission of Science, Technology and Innovation", and invite entrepreneurs, specialists and experts, mainly local residents of Macau, to study and jointly discuss the directions, policies and measures for the development of science and technology and to speed up the implementation of the policies concerning science and technology. The Government will adopt appropriate measures and principles to help small and medium-sized enterprises to carry out technological reforms and innovations and diversify their traditional industries so as to increase productivity and value-added products and to boost their competitiveness as a whole. All these measures, when fully implemented, will bring fresh dynamism and vigour into the economy of Macau.

Naturally, the enhancement of overall competitiveness involves a change of concept. With the change of times, what we have learned in the past, be it knowledge or experience, may not be applicable or suitable for the needs of the present or of the future. Therefore, the Government, entrepreneurs, and citizens should keep abreast of the development and face up to challenges bravely. In short, continuous self-enhancement is the right way to survive

and thrive.

## **5. Upgrading social quality and boost harmonious and balanced development**

Elevating the quality of civil society is essential to the successful development of Macau, or even a more important component in terms of strategic significance. In the traditional culture and customs of Macau, we find a lot of our historical heritage worth cherishing. However, we have to admit that as a community and society we are not yet ready or fully prepared, cognitively and psychologically, for the enormous challenges of the new era, nor for the various impacts coming from the formation of an open modern society. Therefore, we must reinforce the all-too-important construction of a quality society, which not only encourages positive enterprise and competition for social development but also ensures harmony and mutual understanding among various communities.

The experience of global development has long taught us that it is of vital importance to keep economic growth and social quality in equilibrium, and there have been countless examples of disasters caused by failures to do so. In the process of social development of Macau, especially after the economic recovery, with growing wealth and higher level of consumption, as well as sharply accelerated market competition under the free economic system, it is unavoidable that some frustrated individuals will shift their anger onto the Government or blame the society for their failures or bad fortune, and as a result, may become anti-social and cynical about the society and the world. Therefore, on the basis of law and order, we must work relentlessly towards upgrading the social quality of Macau. In particular, we shall give strong support to popular organizations and service institutions in various areas so that they will provide frontline services for those in need and in distress and give them timely encouragement and help.

We shall further develop civic education, especially education about the awareness of the state and nation, rights and obligations, freedom and responsibility. For the growth of our youth, it is more important to create opportunities for them to participate, and in the process, to prove their values and to be respected by others. At the same time, we should not ignore the promotion of artistic and creative activities, the promotion of Macau's image as a tourist destination and the propagation of our historic culture-rich city, the promotion of training programmes and seminars, the promotion of reading and writing activities and of other rich and diversified recreational activities. All these activities will not only help improve the quality of our society but also bring into full play the potential of our citizens, enrich their cultural life and inspire them with a sense of achievement. Once a healthy way of life is established and becomes the main trend, bad habits and attitudes will be discouraged and shunned. Colourful cultural life enriches the spiritual life of the people, helps the frustrated regain their confidence and start afresh and fills our society with more optimism and positive attitude, thus contributing to the stable development of Macau.

The quality of a society is also reflected in the improvement of the physical health of its

people and of its natural environment. The Government is firmly determined to carry out the healthcare reform of Macau and establish a modern responsibility-based, highly professionalized and rationalized healthcare system. We shall continue to encourage wide and active participation in sports so that more and more people will make it a part of their daily life to keep fit through physical exercises. Simultaneously, we shall make every effort to promote environmental protection and create a healthy society in which there is harmonious coexistence not only between man and man but also between man and nature.

### **III. Macau People Building Up the Future of Macau**

**Madam President**

**Legislative Assembly Members,**

In the process of attaining these fundamental objectives, the Government will definitely go all out to execute its functions by the force of law and make continuous efforts to elevate its administrative standard and efficiency. At the same time, it is important to note that the successful realization of the principle of "One Country, Two Systems" also depends on the full support and cooperation of the population. In the process of promoting the economic development of Macau, the MSAR Government, while dedicating itself to the improvement of the market environment, the creation of favourable conditions, and various support functions, will allow the market and its direct agents and participants to play their full roles. As a matter of fact, the entrepreneurs and citizens who always remain aware of the latest developments, take the initiative to break new grounds and make continuous efforts, are the genuine driving force of our economic development. Similarly, in the process of executing policies concerning other social matters, the Government will actively play its role of leadership, guidance, promotion and assistance, but we must maintain the clear attitude of "leaving some things undone in order to focus on the more urgent and more important matters". Therefore, the Government should not and cannot monopolize everything, and in particular, should not lose sight of the vitality of society itself. Since our return to the Motherland, the people of Macau have been working hard in their respective fields, paying attention to and taking an active part in public affairs, and have been making tremendous contributions, thus fully demonstrating the implementation of the principle of "Macau people administering Macau" and effectively ensuring the smooth administration of the MSAR Government.

Indeed, the various organizations and associations of Macau, as well as the people of Macau, have, as always, been actively participating in various fields of our society, with whole-hearted dedication, outstanding achievement and remarkable success. This is a distinguished advantage of Macau. Therefore, the MSAR Government will continue to provide them with financial and technical support to further promote the participation of the

population and boost their efficiency. The SAR Government will also strengthen communication with the people of Macau by increasing the degree of transparency and listening to their views and ideas, feel ready to accept the supervision of the media, pay attention to the scientific observations and suggestions of experts and scholars, and further enhance the consultative functions of various specialized commissions.

## **Conclusion**

**Madam President,  
Legislative Assembly Members,**

Naturally, a newly established government has to face a thousand and one problems. However, it has a clearly defined picture of what its most pressing tasks are, that is, to build up an accountable government; to maintain political stability and normalize social order; to guarantee people's rights and livelihood; and starting from this basis, to win confidence of the community and achieve social solidarity so as to consolidate the legitimacy of the new system and effectively shoulder the responsibility of administration. And throughout this process, the SAR Government has begun to allocate more time and energy on the work of economic recovery and employment, the two key areas whose improvement has been highly expected by the residents of Macau, and has achieved a certain degree of success. Generally speaking, this young Government, although we have not got much strong points to be proud of, we are confident that now the people of Macau can proudly demonstrate to our Motherland and the world: the principle of "One Country, Two Systems", "Macau people administering Macau" and of enjoying high degree of autonomy has smoothly passed the initial test; the Macau of the new age has made the first significant stride. And Macau will make more robust progress in the future and face up to more challenges. The MSAR Government and all its working staff must, at all times and in all circumstances, firmly hold themselves responsible to the Central People's Government, and to the people of Macau. In the future years of our administration, we shall continue to bear in mind the general interests of the whole of Macau and maintain a peaceful, harmonious and stable social environment. All the policies and reforms must be carried out step by step, with due consideration of the actual circumstances of Macau society and its acceptability, and to social stability and the interests of the residents of Macau.

It is worth noting that in our joint efforts between the Government and the people of Macau for the future of Macau, we are full of confidence that the people of Macau will carry on their patriotic tradition, keep their minds clear, and distinguish between right and wrong. We must get united and will not permit any acts or behaviour that run counter to public interests or social stability, and united as one we will work perseveringly to build a more beautiful future for Macau.

Madam President,  
Legislative Assembly Members,

The relation of equilibrium and cooperation between the executive and legislative organs is a crucial link in the operative mechanism of the political system of the MSAR. This mechanism is both practical and efficient, ensuring that the administration be accountable to the Legislative Assembly, and that administrative errors and mistakes be minimized and public interests maximized. For the Government, this relation has constituted not only the important political foundation of its successful administration of the past ten-odd months but also a reliable guarantee for future successes. Next year, we shall have the first Legislative Assembly election since the birth of the MSAR, with profound significance. In this election, the number of Legislative Assembly members returned through election will increase by four, which demonstrates that the MSAR, in conformity with the relevant provisions of the Basic Law of Macau Special Administrative Region, has been gradually promoting democratic progress. And the MSAR Government will do its best to coordinate preparations, mobilize citizens to participate and ensure that the election is open, fair and free from corruption.

Before I conclude, I wish to emphasize that over the past ten-odd months, all the Legislative Assembly members have performed their duties well, worked diligently, given full play to their wisdom and ability, effectively supervised and supported the administration and thus have made important contributions to the stable development of Macau after the handover. I would like to take this opportunity to express my heartfelt thanks to Madam President and all the members of the Legislative Assembly. At the same time, on behalf of the MSAR Government, I also extend my sincere thanks to the people of Macau. Without the full support and patience on the part of the citizens, and without their wisdom born of rich life experience and enterprise, the Government could never have carried out the work so smoothly.

The successful start of the Macau Special Administrative Region has convincingly demonstrated that under the principle of "One Country, Two Systems" the people of Macau are capable of administering Macau and developing Macau. The experience of the past year and all the things that the SAR Government has learned, including those learned from mistakes, are political wealth belonging entirely to the people of Macau. We are more confident than ever that with the support of the Central People's Government, and the concerted efforts of all residents of Macau, we can overcome all the difficulties and complete the tasks endowed on us by history.

And it is with this conviction that I conclude my report.

Thank you!