

**Review of the Government's Work in the Fiscal Year 2009  
and the Financial Budget for the Fiscal Year 2010  
of the Macao Special Administrative Region (MSAR)  
of the People's Republic of China  
(Summary)**

**Part I: Review of the MSAR Government's Work in 2009**

**1. Coping with the Global Financial Crisis**

During the past year, the MSAR Government placed major emphasis on handling the severe financial crisis and safeguarding the economy and the people's well-being.

**(1) Safeguarding the Economy**

To ensure the stability of our financial system, we reinforced our relations with mainland China and our neighbouring regions, raised our abilities to respond to changing situations and make decisions, enhanced financial supervision and regulation, provided assurance to bank clients, and combated money laundering and terrorism financing. We also launched an emergency response plan that supported the tourism industry as it coped with challenges, boosting consumption. Moreover, we provided stronger assistance to small-to-medium sized enterprises, helping them to improve quality, finance their businesses and resolve manpower issues.

**(2) Preserving Job Opportunities**

To preserve job opportunities for Macao citizens and to help the unemployed, we forged ahead with public works, created a significant number of jobs, encouraged enterprises to retain local employees, considerably reduced the number of non-resident workers, and combated illegal employment.

**(3) Ensuring the People's Well-being**

We increased the amounts granted under the Wealth Partaking Scheme, distributed health-care vouchers, increased education subsidies, issued special living allowances, and implemented a short-term food subsidy plan. In addition, we accelerated construction of public housing units. We also pressed forward with implementation of the new, two-tier social security system.

## **2. Fulfilling Major Political Tasks**

We continued to implement the Basic Law of the MSAR, fulfilled our constitutional responsibilities, and completed legislation on the National Security Law. Additionally, we held major elections in accordance with the rules of the Macao Basic Law, resulting in the smooth election of the third-term Chief Executive, and the election and appointment of the members of the fourth-term Legislative Assembly. All these served to maintain the stability and development of the MSAR, laying a strong foundation for its sustainable development.

## **3. Controlling Gaming Operations and Promoting Adequate Diversification of the Economy**

We implemented measures to control the scale and speed of the gaming industry's development, whilst minimising the negative effects. As we continued to promote the adequate diversification of the economy, we worked hard to maintain strong development of the exhibition and convention industry, and supported the development of other industries that have grown significantly recently, including logistics, animation and comics, Chinese medicine, and environmental industries. We also assisted moves to modernise traditional manufacturing industries. The SAR Government is committed to supporting the growth of the local cultural industry, and the By-law on the Consultative Committee on the Cultural Industry will soon be passed.

## **4. Deepening Regional Cooperation**

We increased our participation in regional cooperation, in line with implementation of the Outline of the Plan for the Reform and Development of the Pearl River Delta (PRD). In particular, with Guangdong and Hong Kong, we jointly announced the

results of the Planning Study on the Coordinated Development of the Greater Pearl River Delta Townships, in a bid to realise the commencement of the construction of the Hong Kong-Zhuhai-Macao bridge by the end of the year, in order to promote integration of regional transportation infrastructure. Grasping the opportunities arising from the Hengqin Island Overall Development Plan and the University of Macau project on Hengqin Island, we accelerated human resource training, deepened Guangdong-Macao and Zhuhai-Macao cooperation, and secured a consensus with Zhuhai on promoting the integration of Zhuhai and Macao. Moreover, we implemented CEPA and its supplementary agreements. No effort has been spared in promoting Pan –Pearl –River Delta regional cooperation, and Fujian-Macao and Hong Kong-Macao cooperation.

## **5. Promoting Administrative Reform and Improving Administrative Efficiency**

We strengthened our public services network, and enhanced the synergy between regional and centralised services, advancing the creation of a cross-departmental coordinated service system. We also interacted more closely with social communities and the public, as we fostered public consultation. We established the Environmental Protection Bureau, and reformed the organisational structures of the Commission Against Corruption and the Unitary Police Service. We continued to implement one-stop services, and raised our administrative efficiency. We also improved our civil servant management system, streamlining the ranks and grades system and improved training of civil servants.

## **6. Raising Our Administrative Performances in All Areas**

We accelerated drafting of laws, and work on promoting laws.

We strived to combat corruption and advocate integrity, to ensure the clean and fair election of the fourth-term Legislative Assembly. We expanded anti-corruption supervision to cover private organisations, implemented ombudsman systems, and advocated honesty.

We enhanced our value-for-money audits, accounts audits and special audits. We

also initiated our system audit pilot scheme, to further improve our audit performance.

We further strengthened our public order control system, streamlined crime reporting procedures and rigorously combated crime. We also enhanced our emergency rescue abilities.

We enhanced customs inspection and ensured protection of intellectual properties, thereby promoting smooth logistics flow and development of external trade.

We promoted the public-transport-first principle, and improved public transportation services. We also commenced construction of the Light Rapid Transit System.

We deepened our free education policy. At the same time, we were committed to raising the quality of tertiary and non-tertiary education, with a view to fostering a new generation of MSAR citizens with all-round abilities.

In response to the H1N1 pandemic, we carried out emergency response measures that included purchasing H1N1 vaccines without delay, as we joined hands with the people to combat the disease.

To improve our medical and health care services, we commenced construction of an emergency care hospital serving the islands. We also fostered cooperation between government and private medical organisations. Moreover, we made full preparations for passing and enacting laws to control smoking.

To continue building a diversified tourism industry, we consolidated our tourism strengths and expanded the sources of visitors.

Meanwhile, we promoted brand-building in our cultural industry. We encouraged arts creation and nurtured artistic talents. We also deepened our cultural heritage protection work. We forged ahead with planning and building the Macao Pavilion in the Shanghai Expo.

We promoted popular sports, and enhanced training of talented athletes. We also expanded external sporting exchanges.

We strongly promoted environmental protection and energy conservation. We spared no effort in coping with the threat of salt tides and building a water-saving society.

We strongly supported scientific research and strived to build a wireless broadband network. We also pressed forward with building the Macao Science Center

In the past ten years, the SAR has experienced economic slowdown, the SARS epidemic and influenza pandemic, rapid transformation of society, and a global financial crisis. With full support from the central government and close cooperation between the local government and the people, the SAR has been committed to self-strengthening, calmly facing challenges, overcoming difficulties through hard work, and making improvements where there are inadequacies, as we continued to stride ahead. The experiences gained through unstinting hard work and encountering ups and downs will prove invaluable as we continue to implement the “One country, two systems” policy and develop in a sustainable way.

## **Part II: Budget for the Financial Year of 2010**

To ensure the stable development of the SAR, maintain the normal operations of all public departments, and meet relevant legal requirements, the SAR Government has formulated the basic financial budget for the forthcoming year. The budget mainly covers the administrative expenditures required for normal operations of each public department, the expenditures undertaken by the Government and due to be paid by next year, and funds for construction projects for the first quarter of the coming year. The Government will also maintain all tax and fee reduction and social benefit schemes that have been implemented in recent years:

- We will continue with a 25 percent reduction in personal income tax of all employed citizens, with the basic allowance for personal income tax increased from 95,000 patacas to 120,000 patacas;
- We will continue to waive all business tax;
- We will continue to waive all hawker license fees and market stall rents;
- We will continue to waive all life and non-life insurance stamp duty;
- We will continue to waive all bank charge stamp duty;
- Advertisement licence tax will be waived for all business owners (not including tobacco advertisements);
- All Chinese and western restaurants will continue to be exempt from tourism tax;
- The 3,500-pataca waiver of real estate tax will be retained;
- Profit tax allowance will continue to be increased, from annual revenue of 32,000 patacas to 200,000 patacas;
- The waiver of stamp duty on the first three million patacas of property transactions by Macao permanent residents who have never owned any property will also be retained;
- We will continue with the fare discount schemes for the elderly, students and all citizens;
- Electricity fee subsidies for residential households will be retained;
- Financial subsidies will continue to be given to all low-income, full-time employed persons;
- We will continue to implement the ongoing 2009 medical voucher scheme.

We will fully implement the two-tier social security system. The SAR Government will first open individual central provident fund accounts for eligible Macao permanent residents in the first quarter of 2010. Considering that the financial surplus for the 2008 financial year was 25.1 billion patacas, the Government has decided to deposit 10,000 patacas to each of the eligible persons' accounts as initial capital, amounting to a total of 3.3 billion patacas.

The SAR Government expects that the 2009 financial surplus will exceed 10 billion patacas. Therefore, at the 10th anniversary of the establishment of the Macao SAR, the sum of accumulative financial surplus and the government reserve fund is expected to reach 100 billion patacas, after deducting the above mentioned 3.3 billion patacas for initiating the central provident fund accounts. This will surely provide the SAR with a strong financial base for its future development.