

**The Government of the Macao Special  
Administrative Region**

**Policy Address for the Fiscal Year 2021**

**Strengthening the foundation for consolidation  
Tackling challenges head on**

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**Policy Address for the Fiscal Year 2021**

Chief Executive Ho Iat Seng

16 November 2020

President, members of the Legislative Assembly,

On behalf of the Macao SAR Government, I now present to the Legislative Assembly the Policy Address for the Fiscal Year 2021 for its deliberation.

This year marked the full commencement of the fifth MSAR Government. It was a difficult and extraordinary year for us, facing the unprecedented challenges from the novel coronavirus (COVID-19) pandemic. Macao's economy has experienced a severe recession. Gaming and tourism revenues have suffered the most, and have fallen sharply. All sectors of society – ranging from small, medium-sized to large enterprises, have been greatly affected and encountered multiple difficulties and challenges, while

Government revenue has fallen sharply, imposing great pressure on employment and livelihoods.

With the full support of the Central People's Government, we comprehensively uphold the spirit of the instructions President Xi gave during his visit to Macao in December, effectively implement the overall direction of administrative policies - "Fighting the pandemic, safeguarding employment, stabilising the economy, caring for people's livelihoods, implementing reform, and facilitating development", as we join hands to overcome the difficult time. We are steadfast in prioritising protection of people's lives and health, and have promptly implemented a series of anti-epidemic measures to prevent and control the outbreak to the greatest extent possible. Our hard-earned achievements in anti-epidemic work have laid a solid foundation for restoring the economy and public order. We have also adopted pro-active, effective measures to strive to maintain socio-economic stability. The existing policy agenda has been rolled out as planned, with some new progress and achievements. People from all walks of life have demonstrated the fine traits of mutual aid and unity.

I would like to pay special tribute to the frontline medical staff, police officers, firemen and all other civil servants; and my sincere gratitude to various sectors and all Macao people, as well as the Central People's Government and all its representative offices for their care and support for Macao's development.

The world today is encountering profound changes unseen in a century. The global COVID-19 pandemic accelerated these changes. The global economic downturn and sharp drop in international trade and investment have

plunged the world into turbulence. The major strategic achievements in China's anti-pandemic work and the long-term upward trend in its economy have created a new development paradigm, with the country's overall economic cycle mutually enhanced by the dual domestic-international economic cycle. Next year will mark the commencement of the country's 14th Five Year Plan, bringing abundant opportunities for the development of Macao.

President Xi Jinping's speech at the Celebration of the 40th Anniversary of the Establishment of the Shenzhen Special Economic Zone summarised the valuable experience accumulated in the 40 years of reform, opening up and innovative development of Special Economic Zones (SEZs), and laid down strategies for further development and reform of SEZs. It also serves as an important guide for the development of the Macao SAR. We will conscientiously study and uphold the spirit of President Xi's instructions, further emancipate our minds with innovative thinking and exploration, to facilitate the implementation of "One country, two systems" with Macao characteristics.

In 2021, facing the new situation and tasks, we will strictly adhere to the principles of "One country, two systems", "Macao people governing Macao" and a high degree of autonomy, uphold the authority of the constitution and the Basic Law, and safeguard the comprehensive jurisdiction of the Central People's Government over Macao, to promote development of the Macao SAR.

On one hand, we will continue paying close attention to developments with the pandemic, and make unremitting efforts to prevent its recurrence and stay alert to all potential risks. On the other hand, we will converge strengths

from all walks of life, strengthen the foundation for consolidation, support merchants and improve people's well-being, tackle challenges head on, revitalise the economy, support small and medium-sized enterprises (SMEs), protect local residents' employment, stabilise people's livelihoods, expedite the recovery of economic and social development, promote adequate economic diversification, facilitate public administration reform, actively participate in the development of the Guangdong-Hong Kong-Macao Greater Bay Area, and participate in the overall national development, to strive to explore new horizons for the development of Macao SAR.

## **I. Review of the Government's Work in the Fiscal Year 2020**

In the following, I will briefly review the Government's work in 2020.

### **(1) Interim achievements in anti-pandemic work**

As the COVID-19 pandemic swept the world, the Government was steadfast in implementing the epidemic control policy of "strict infection prevention and control at all costs", and adopting an epidemic prevention strategy of "early detection, early reporting, early quarantine and early treatment". Soon after the pandemic began, a major public health prevention and control mechanism was promptly activated, and community health protection measures were implemented to effectively prevent the spread of COVID-19 in the local community, and expedite formulation of an infection prevention and control system.

With the kind guidance of the Central People's Government, full support from the provinces and autonomous regions of mainland China, and the joint efforts of all Macao residents, Macao has achieved relatively good results in maintaining a record of zero deaths, zero community and hospital

transmissions, low rates of severe cases and high cure rates. No new local cases and no new imported cases have been recorded since 29 March and 27 June, respectively. Of the total of 46 confirmed cases, 44 were imported, while two were connected to imported cases. All the 46 patients have been discharged. At present, Macao is a low-risk city for travellers. On 12 August, 26 August and 23 September, Zhuhai, Guangdong and all provinces and autonomous regions of mainland China resumed accepting travel permit applications for visiting Macao.

The Government and the National Health Commission have maintained close communication and coordination in pandemic prevention and control, effectively implemented the Guangdong-Macao COVID-19 prevention and control mechanism, and established a system for mutual recognition of health codes and nucleic acid test results.

## **(2) Adopted effective measures to stabilise the economy, safeguard employment and care for people's livelihoods**

The broad impacts and long duration of the COVID-19 pandemic have dealt a severe blow to Macao's highly export-oriented economy. The Government launched two rounds of financial assistance measures – totalling 42.6 billion patacas and 10 billion patacas – through the fiscal reserves and Macao Foundation, respectively. The financial resources committed during the pandemic were equivalent to 12 percent of the gross domestic product (GDP) in 2019. The Government has also launched a series of financial assistance measures, including a temporary SME assistance programme and interest subsidies, two rounds of consumption subsidies, tax waivers and deductions, water and electricity fee subsidies, a one-off cash allowance, waiver of



business licence fees and a three-month rent waiver of government-owned properties, electronic vouchers for tourism incentive schemes, and subsidised local tours. Through the Employee, Freelancer and Business Subsidy Scheme, 307,000 beneficiaries and businesses were issued cash subsidies totalling 6.38 billion patacas. The financial assistance measures played an active role in stabilising the economy, safeguarding employment and protecting people's livelihoods.

The overall market remained stable this year, while some sectors have achieved great momentum in innovative development. For example, the popularity of electronic payments has been growing rapidly. As of 30 September, the total volume of electronic transaction had surged to four billion patacas, six times the volume of the same period in the previous year.

To increase investments in infrastructure, we expedited various public infrastructure projects, especially transport infrastructure that is closely related to economic development and improvements in people's livelihoods, public facilities and public housing. We also expedited approval of private construction projects, to create job opportunities. As of 30 September, about 410 public infrastructure projects – each worth 100,000 patacas or more – had been launched, with a total value of about 14.2 billion patacas.

To foster employment, the Government introduced 60,000 paid training quotas to provide services including job matching, referral and skills assessment. The workplace experience programme provided 1,847 internships for graduates of higher education institutions. We also urged and encouraged large enterprises to assume social responsibilities, to ensure prioritised, continued employment of local workers. The exit mechanism for

non-local employees enabled the creation of job vacancies of interest to local job seekers.

To improve labour laws and regulations, the Law on Minimum Wage was passed, while the Labour Relations Law and the Law on Employment of Non-Resident Workers were amended. In the third quarter of the year, the overall unemployment rate was 2.9 percent, the unemployment rate among local residents was 4.1 percent and the underemployment rate was 4.7 percent. Employment issues began to emerge. Arrangements were made for some local employees to take unpaid leave or face salary and benefit reductions. As some workers became unemployed or semi-unemployed, their living burdens intensified.

Due to the significant decline in the gaming tourism industry, the GDP fell by 58.2 percent in real terms in the first half of this year. Service exports fell by 75.8 percent, with exports of gaming services and other tourism services falling by 78.9 percent and 78.4 percent, respectively, while commodity exports fell by 24.7 percent. Since the mainland's resumption of Macao travel permit applications in August, consumer demand in Macao has gradually been unleashed and the market atmosphere has improved. However, the economy still experienced significant negative growth throughout the year.

Affected by the economic downturn, the Government's recurring revenues in the first nine months of this year fell by 66 percent year-on-year, to 33.51 billion patacas. Due to the increases in welfare spending, public expenditure rose by 20 percent year-on-year to 50.85 billion patacas, leading to a relatively large deficit for the year. As of 30 September, Macao's basic reserves amounted to 164.467 billion patacas, while the excess reserves amounted to

440.283 billion patacas. After injecting into the excess reserves the total amount of the central balance in 2019 less the fund allocated to the Social Security Fund, the total reserves will reach approximately 654.61 billion patacas. Macao's financial status remains sound. As of 30 September, the foreign reserves amounted to 184.823 billion patacas. Also during the first nine months of the year, the capital adequacy ratio of the banking industry was 14.4 percent, far higher than the statutory minimum requirement of 8.0 percent. The cumulative profit of the banking industry rose slightly, by 0.1 percent year-on-year, to 12.9 billion patacas.

### **(3) Continued optimising work for people's well-being**

The Government is working towards the policy vision of “a five-rung housing ladder”. The new Legal System for Public Housing and its supplementary regulations came into effect in August, to establish the mechanism for applying for public housing on a regular basis. As of 31 August, about 2,200 eligible families were allocated public housing units. The new round of applications for the Home-Ownership Scheme Housing was completed. The amendment to the Home-Ownership Scheme Housing Law was passed by the Legislative Assembly, to enhance the application process and the mechanism for resale of Home-Ownership Scheme Housing. We continued expediting preparations for supplying housing for senior citizens and consulting different social sectors. A public consultation on the Housing Plan for the Sandwich Class has commenced. The final report will be announced shortly.

Tender procedures for the work on the pile foundations and basement for the 3,011 flats on plots “B4”, “B9” and “B10” in the New Urban Zone Area A were completed. The site formation work of the public housing projects on

Avenida Wai Long, Taipa was completed, and work has begun on planning the designs of the public facility building, the first phase of the public housing project and related infrastructure.

To effectively implement social security, elderly care and rehabilitation policies, the Government fully implemented the mid-term measures (2018-2020) for the Ten-year Action Plan for the Provision of Services for the Elderly and the Ten-year Development Plan for Rehabilitation Services. Two new elderly day-care centres were set up, and the construction of the multi-service centre for the elderly in Praia do Manduco was completed. The first multi-service centre for patients with dementia will be established. The Carers Allowance Pilot Scheme was launched in November. The pensions and disability allowances of the social security system were increased to 3,740 patacas per month from January 2020. Other benefits were also adjusted, according to a similar rate.

We continued facilitating and improving healthcare infrastructure and services. The Praia do Manduco Health Centre was inaugurated. We are expediting the construction of the Islands District Medical Complex and Public Health Specialist Building and have commenced feasibility studies regarding the operation mode of the Islands District Medical Complex. We expedited the launch of electronic healthcare-related services that increase public convenience, and strengthened all levels of healthcare services. To deepen regional healthcare cooperation, the coverage of the medical insurance programme was expanded to Zhuhai City. An additional 600-pataca healthcare voucher was distributed during the pandemic.

To strengthen market inspection and monitoring, we urged businesses to

enhance price transparency of basic commodities such as pork and gasoline, to secure market supplies and stabilise consumer prices on a level playing field.

#### **(4) Expedited reform of public administration and the legal system**

To pragmatically forge ahead with public administration reform, we have drafted the work schedules for public administration reform, and will commence a consultation. The first round of organisational restructuring will be finalised by the end of the year. We have also completed the review on the civil servant recruitment system, ranking system, and training system. The Electronic Governance Law and the By-law of Rules for the Implementation of the Electronic Governance Law came into force, to promote digitalisation of public services.

Government departments have implemented austerity measures. The non-labour expenses of various departments were reduced by more than 10 percent. The Administrative Regulations for Public Disclosure of Information by Public Corporations were promulgated and implemented, to strengthen social supervision. We also facilitated the restructuring and reorganisation of autonomous funds, and announced and optimised funding approval criteria.

To enhance the legislative coordination system, seven bills were submitted to the Legislative Assembly and over 40 by-laws were promulgated during the year. The system for recruiting, training and appointing judicial officers was enhanced. Examinations of participants in the new training session for judicial officers have commenced. To strengthen external reciprocal juridical assistance, we have signed the Amendment to the Arrangements for Mutual Entrustment in Civil and Commercial Matters for the Service of Judicial Documents and Investigation and Obtainment of Evidence

with the Supreme People's Court, to further enhance the efficiency of legal assistance between Macao and mainland China.

To strengthen anti-corruption and auditing, we have enhanced the organisation, operation and manpower of the Commission Against Corruption; and strengthened the commission's investigative capability and law enforcement capacity. We have also commenced an upgrade to and enhancement of the Auditor Office, and made preparations for establishing a related data platform, to continue improving auditing quality and efficiency.

#### **(5) Commenced further urban development**

The Government completed the public consultation on the draft Macao Urban Development Master Plan (2020-2040) and is proceeding with the related legislation. The study of the New Urban Zone Area A and the report on the consultation regarding the Legal System Governing Urban Renewal were completed.

In August, to accelerate construction of transport infrastructure facilities, work commenced on the pile foundations of the fourth Macao-Taipa cross-harbour bridge. The public consultation on the LRT East line will be completed by the end of the year. Construction of the Sai Van LRT Bridge, connecting to the LRT Taipa line and the Macao Peninsula, will commence by the end of the year. The preliminary design of the LRT Hengqin Line connecting with Taipa was completed. Construction of the LRT Seac Pai Van line was targeted to commence by the end of the year. Construction of A-Ma transport interchange was completed. The smart parking management system for public parking spaces was developed.

To strengthen environmental pollution control, we have commenced the

marine mud dumping and transport project at construction waste landfills, and the expansion and upgrade of the Macao Central Incineration Centre. The preliminary design of the centralised food waste processing facility will be completed by the end of the year. Macao's ambient air quality standards have been revised.

The old district enhancement and improvement works have commenced. Idle land was utilised to create more quality outdoor activity space. The construction of the green promenade along the southern shores of the Macao Peninsula commenced during 2020, and is being conducted in phases. A feasibility study regarding sluices for the Inner Harbour is underway, and is based on simulations. Work has begun on improving the Outer Harbour dykes. The Plan for Flood Prevention and Drainage at West Coloane was completed.

With regard to recovering annulled land, as of 31 August, land grants involving a total land area of 698,600 square metres were annulled in accordance with the law. A total of 44 plots of land were successfully recovered, involving a total area of 319,300 square metres – 25,600 square metres more than during the previous year.

#### **(6) Gradually strengthened education and youth affairs**

To enhance administrative systems, we have formulated laws and regulations on education, integrated education departments, optimised the allocation of educational resources and launched the Continuing Education Programme (Phase 4). The Seac Pai Van Public School and Vocational Education Centre has commenced operation. Smart campus construction has been implemented. The learning environments of schools operating on podiums have been improving.

To foster cooperation among the industrial, academic and research and development sectors, we have established a task force on industrialisation based on research results, to discuss measures for fostering science and technology research development in institutions; and established a demonstration base for science and technology research, to leverage education institutions' functions in promoting innovative development.

To strengthen patriotic education and foster a sense of recognition and pride regarding their nationality and ethnicity, the youth patriotic education base will be inaugurated by the end of this year. The Government supported the development of innovative business start-ups by young people in the Guangdong-Hong Kong-Macao Greater Bay Area, to help them integrate with national development.

#### **(7) Continued development of culture and sports**

The Government expedited the establishment of a multi-cultural exchange and cooperation base with an emphasis on Chinese culture. The Study on the Positioning of Macao's Cultural Industry (2020-2024) was completed, to comprehensively review the way ahead for Macao's cultural industry. The new Policy Framework for the Development of the Cultural Industry of Macao was also announced.

A series of events were held in celebration of the 15th anniversary of the Historic Centre of Macao's inclusion in the World Heritage List. We completed the drafting of by-laws for the Plan for Protection and Management of the Historic Centre of Macao, renovated several historic monuments, and added 55 items to the list of intangible cultural heritage.

While ensuring pandemic prevention work, various large-scale sports



events were organised. The Government maintained close cooperation with non-governmental organisations to organise these events. We continued enhancing the maintenance and management of sports facilities, improving the sports environment, and expanding sports facilities and space.

**(8) Continuously enhanced national security and urban safety**

In accordance with Macao's practical conditions, we expedited legislation supporting national security. We adjusted the functions of the Judicial Police by granting it exclusive responsibility for investigating crimes against national security, established a national security law enforcement institution, and continued promoting national security education, to implement measures safeguarding national security, guided by the holistic approach to national security.

In combating illegal activities, we maintained a low incidence rate of serious crimes and stable public order. The fourth phase of the city-wide electronic surveillance system was completed and commenced operation in August.

We have completed the legislative process for the Civil Protection Law, and enhanced and expanded the functions of the application platform enabling effective overall command during emergencies, to gradually realise smart management of civil protection and strengthen the capability of risk prevention, monitoring, crisis management and dissemination of information.

**(9) Advanced regional cooperation**

We followed the important guidelines that President Xi Jinping announced during the inauguration ceremony of the fifth MSAR Government, regarding the importance of the "Development of Hengqin through the joint efforts of Zhuhai and Macao", and promoted the establishment of the

Guangdong-Macao Intensive Cooperation Zone in Hengqin. With the support and guidance of the Central People's Government, the MSAR Government and the Guangdong Provincial Government discussed and formulated the proposal for development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin, which has been submitted to the Central People's Government for approval. The MSAR Government communicated with various national ministries on the policies regarding the Guangdong-Macao Intensive Cooperation Zone in Hengqin, and established a task force on establishing the Guangdong-Macao Intensive Cooperation Zone in Hengqin, to facilitate implementation of the plan.

The cooperation projects between Macao and Hengqin have been steadily implemented. Work has commenced on the project assessment and making recommendations regarding the Guangdong-Macao Cooperation Industrial Park. Macao and Zhuhai signed the Contract for Land Use Rights of the Macao New Neighbourhood project in Hengqin, which is now under construction. The new Hengqin Port became operational on 18 August. It employs an innovative clearance mechanism of "Joint Inspection and One-Time Release", to facilitate passenger clearance.

To enhance cooperation between Guangdong and Macao in various areas, the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area was progressively implemented, to launch project plans, policies and measures announced by the Central People's Government and strengthen cooperation with cities in the Greater Bay Area. We also expedited Macao's participation in the "Belt and Road" initiative.

In fostering cooperation with other Chinese provinces and regions, the

Government joined the 2020 Pan-Pearl River Delta Regional Cooperation Chief Executive Joint Conference, to continue strengthening communication and cooperation with the Pan Pearl River Delta provinces and regions; organised the Beijing Macao Week through the “Beijing-Macao Cooperative Partnership” platform; and effectively implemented cooperation projects on poverty alleviation for Guizhou Province, to combat poverty in Congjiang county.

Reviewing the Government’s work in the past year made us realise our shortcomings. Some tasks could not be effectively completed as planned. While some unfinished tasks were delayed due to the pandemic, some are yet to meet the conditions for implementation, and some are still in progress. Our overall performance still has room for improvement, to meet residents’ expectations. The outstanding issues include inactive planning and actions, conservative ideas, lack of innovative awareness, unwillingness to assume responsibilities and risks, passivity regarding seeking change, ignoring people’s and society’s demands, working in a perfunctory manner, working behind closed doors, empty talk, ineffective inter-departmental coordination and cooperation, and departmentalism still existing to a certain extent. There is still room for improvement in supervision of the use of public funds. Legal hysteresis is rather serious in some areas, affecting the development of nascent industries and the improvement of people’s livelihood. These problems and issues were accumulated over a long period of time, and could not be solved in the short term, but we shall not conceal the problems. We will persist in overcoming the shortcomings, and improve our governance to better serve the citizens.

## **II. Overall Direction of Administrative Policies for 2021**

### **(1) Situation and Major Issues in Macao in 2021**

In 2021, the pandemic will remain the biggest constraint to Macao's economic development. Some countries and regions continue implementing travel bans and immigration control measures in response to the pandemic, greatly restricting the flow of factors of production and movement of people, leading to considerable uncertainties in the pace of recovery of external demands. The limited industrial diversity remains a major issue that hinders Macao's development. The pandemic further hinders Macao's adequate economic diversification.

In every crisis there lies an opportunity. We shall anticipate the opportunities and aspirations that lie ahead. Global economic recovery and growth are expected in 2021. China ranks among the top in the world in terms of anti-pandemic work and economic recovery, and is expected to remain as the country with the best economic performance in the coming year. The country's dual economic cycle brings new historical opportunities for Macao to integrate into the overall national development. We will strive to prevent recurrence of and control the pandemic, and integrate into the country's overall economic cycle to further explore the vast market in mainland China. The country's 14th Five Year Plan, to be launched next year, will allow Macao to proactively align with the national major development strategy. The momentum and vitality of the Guangdong-Hong Kong-Macao Greater Bay Area development also provides Macao with greater scope for development opportunities. The Government's strong fiscal reserves provide a solid economic foundation and room for manoeuvre, to cope with the crisis and

expedite economic recovery. Having experienced the impact of the pandemic, SMEs will pay more attention to innovations in technology and management.

Looking to the year ahead, our economy is expected to show a positive trend, gradually achieving recovery and growth. The tourism and gaming industry is likely to gradually recover from the recession, while nascent industries are expected to continue developing, thus improving the employment rate and stabilising prices. Yet, the slow economic recovery will still pose difficulties to most of the industries and SMEs, imposing greater pressure regarding stabilising the economy, along with safeguarding employment and people's livelihoods.

The major issues in Macao in 2021 will still be the economic and livelihood issues affected by the pandemic. The long-standing structural and deep-rooted problems still exist and are intertwined, affecting Macao's socio-economic development.

The ongoing global pandemic has negatively impacted attempts to restore the economy and public order. Although mainland China has resumed the issuance of travel permits to Macao, the ongoing anti-epidemic measures dampen travel desire and suppress consumer demand. Travel restrictions of destinations other than mainland China remain strict. Thus, it will still take time for Macao's economy to recover. The increase in tourists may also increase risk of COVID-19 spreading, resulting in great pressure on prevention and control of the fluctuating pandemic.

The long road to economic recovery increases people's employment pressure and living burdens. Macao's economic recovery has begun, but is slow. Various industries face great economic pressure; employment pressure

and residents' living burdens are increasing over time; the deep-rooted problems and complex conflicts that have been obscured by strong growth in the past may further emerge, leading to more pressing demands for livelihood improvements that have accumulated over the years.

The vulnerability inherent in the over-reliance on gaming tourism in Macao's economy has become more prominent during the impact of the pandemic. We have recognised the huge risks of the dominance of the gaming industry, and the necessity of fostering adequate economic diversification for the future. The development of vertical diversification based on the tourism and gaming industry cannot fundamentally reduce the dominance of the gaming industry. We must unhesitatingly explore ways for adequate economic diversification.

The negative impacts of temporary economic stimulus policies and livelihood-related policies will gradually emerge. The Government launched economic stimulus policies and livelihood measures to assist enterprises and residents with relieving their hardships during the pandemic. Some special policies and measures launched during the pandemic were on a one-off basis, and may lead to negative impacts if further implemented over the long term.

Regarding organisational restructuring, policy implementation efficiency, and reasonable allocation of public resources, the outstanding issues include overlapping government departments, ambiguous roles, and room for improvement in policy implementation efficiency and effectiveness. In the context of the sharp decline in the Government's revenues, total public expenditure still remains relatively high, and there is still much room for improvement in the effective use of public resources.

## (2) Overall Direction and Major Tasks of the Government for 2021

Facing the complex and volatile development situation and major issues, we will take a pragmatic approach to coordinate anti-pandemic work and socio-economic development work. The overall directions of administrative policies for 2021 comprise: pandemic prevention and control; revitalising the economy; caring for people's livelihoods; promoting economic diversification; facilitating reform; and innovative development.

According to the overall direction of administrative policies, the Government's major tasks of 2021 are:

- **Effectively prevent and control the pandemic** - we will safeguard against and contain the pandemic, to ensure residents' health and safety, and create preconditions for restoring economic and social order and development;

- **Expedite economic recovery** - the Government will implement an aggressive fiscal policy, support SMEs, and launch policies and measures to revitalise the economy in accordance with the prevailing situation;

- **Continue optimising work for people's well-being** - improving people's livelihoods has always been the focus of the MSAR Government. The Government will expedite solving issues of public concern, such as employment, housing, transport, healthcare and education, and strive to provide a favourable and comfortable living environment to enhance people's sense of satisfaction and happiness;

- **Promote sustainable, adequate economic diversification** – we will maintain the balance between the recovery and stable development of mainstream industries and promotion of adequate economic diversification. The recovery of mainstream industries is an important task for Macao's

economic recovery, but we must not return to the old development path of over-reliance on gaming tourism while expediting economic recovery. We must promote adequate economic diversification and sustainability;

- **Expedite public administration reform** – public administration reform aims to build a modern, service-oriented Government, to strengthen the service consciousness of civil servants and enhance public administration quality and efficiency. We will strengthen civil servant training, nurture and select outstanding talents and provide civil servants with more opportunities for promotion and professional development;

- **Develop cultural education** – we will promote Macao’s multicultural character, and encourage the cultural industry to explore the positioning and development direction of establishing Macao as a base for international multi-cultural exchanges and cooperation. We will also raise the standards of education in Macao and cultivate a variety of talented people;

- **Safeguard national security and social stability** - the Government will reinforce patriotic education, strengthen national awareness and patriotism, maintain social unity, persist in our inclusiveness, and consolidate and pass on our core value of our love for the country and for Macao; and

- **Deepen regional cooperation** – we will proactively align with the country’s 14th Five Year Plan, actively participate in the development of the Guangdong-Hong Kong-Macao Greater Bay Area and the “Belt and Road” initiative, and facilitate the establishment of the Guangdong-Macao Intensive Cooperation Zone in Hengqin, to integrate into the overall national development plan.



### **III. Policy Highlights for 2021**

#### **(1) Normalise pandemic prevention and control**

The Government will persist with the pandemic prevention strategy of “preventing imported cases and a rebound of the pandemic in Macao”, and normalise pandemic prevention and control through health quarantine at border checkpoints, disease prevention and control, diagnoses and treatments, and community-based prevention. While consolidating the anti-pandemic achievements, we will further optimise the epidemic prevention and control mechanism and the major public health response mechanism; block any loopholes; avoid hidden risks; closely monitor the pandemic situation; make good use of digital epidemic prevention technology; continue improving capabilities for prevention, treatment, testing and coordination; ensure sufficient quarantine facilities, medicine and logistics resources; propose a plan for setting up a mobile modular hospital; strengthen the cultivation of healthcare professionals and structure of anti-epidemic teams; strengthen frontline work such as clinical work, healthcare and border checkpoints; learn from experiences of other countries; and establish a region- and risk-specific epidemic prevention management system, to continuously enhance the capabilities for epidemic prevention and control.

We will reinforce regional joint prevention and control, especially coordination and collaboration with Greater Bay Area cities and other mainland China regions; plan and construct a sanitation and quarantine station at the Qingmau checkpoint; enhance the entry-exit health quarantine mechanism; strengthen inspection of refrigerated and frozen food to help prevent the novel coronavirus from entering Macao; enhance food safety; prevent the spread of

infections; and facilitate vaccine procurement to expedite supplies once vaccines are available.

**(2) Expedite economic recovery and revitalisation**

With the new development paradigm, in which the country's overall economic cycle is mutually enhanced by the dual domestic-international economic cycle, Macao is situated at the intersection of the two domestic and international cycles, bringing us not only opportunities and advantages, but also missions and responsibilities. We will fully leverage Macao's roles, positioning and our unique advantages, to actively participate in the country's dual economic cycle. We will expedite connecting with markets in mainland China, facilitate convenient flows of people, goods and funds, integrate into the country's domestic cycle, and leverage Macao's functions as a bi-directional service platform in the international cycle. We will continue strengthening Macao's functions in the country's overall economic cycle and the dual domestic-international economic cycle, to contribute to the country's opening up and high-quality national development while promoting our own economic recovery.

We will utilise the leading role of the integrated tourism industry as the pillar for expediting the development of Macao as a world tourism and leisure centre. During the new normal with the pandemic, we will adjust the tourism master plan to strengthen Macao's positioning as a regional and international tourist city; extend the tourism industrial chain to boost the development of other industries including hotels, food and beverage, retail and entertainment; foster synergy between tourism and related industries and deepen crossover of the tourism industry with convention and exhibition, cultural and creative, and Chinese medicine industries; foster the development of smart tourism and

quality tourism; encourage the industry to launch more distinctive tourism products; emphasise the healthy image of Macao as a safe city for travel; and expedite the recovery of the tourism industry after the pandemic has stabilised, to boost Macao's overall economic recovery.

To adequately increase public investment, we will increase investments in infrastructure, to boost investment demand. Based on the aggregate opinions of public consultations, we will consider implementing the construction of the Light Rail Transit (LRT) East Line, focus on the implementation of transport infrastructure such as the LRT Hengqin Port Connection and the fourth Macao-Taipa cross-harbour route, implement the expansion of Macau International Airport, and remodel part of Taipa Ferry Terminal into the second airport passenger terminal; commence construction of roads and infrastructure in New Urban Zone Area A; and commence tender procedures for the Government archives project on lot O4 of Pac On Industrial Zone, and the Government offices on lots 12 and 25 of the Outer Harbour new reclamation area. We will expedite these construction projects, to solve the problem of the Government's long-term lease of commercial office buildings.

To improve the business environment, we will expedite the review and revision of outdated laws and regulations which hinder economic development. We will commence administration reform regarding the one-stop application for licences, and further optimise one-stop investment services. We will intensify solicitation of investments, broaden foreign investment channels to enhance its effectiveness, and introduce projects that facilitate Macao's adequate economic diversification.

To promote stable and healthy development of the gaming industry, we

will improve gaming legislation, commence preparatory and preliminary work for the new gaming concessions; urge gaming operators to operate in accordance with the law; and continue promoting responsible gaming, and combat illegal gaming.

**(3) Promote adequate economic diversification**

Based on Macao's development positioning of "One Centre, One Platform, One Base", we will fully leverage Macao's unique status and advantages. While strengthening and enhancing the traditional tourism and leisure industry, we will actively cultivate nascent industries, promote industrial upgrading and transformation, strive to establish a diverse and competitive industrial structure that dovetails with Macao's actual situation, strengthen the momentum for development and resilience of Macao's economy, enhance competitiveness, and achieve success in adequate economic diversification and sustainable development.

To facilitate repositioning of industrial development, we will help enterprises to improve the quality of goods and services, facilitate upgrading of traditional industries, encourage the development of "Made in Macao" products and services; promote industrial transformation and innovation to broaden the scope of development, effectively implement an incentive scheme to encourage business upgrading and development, encourage enterprises' investment projects through bank loans or financial leasing for upgrades and transformation, promote the development of enterprises to high-end and high value-added industries, and encourage Macao enterprises to develop Macao-branded products and services in Hengqin.

We will expedite the development of a modern financial services industry; review and perfect financial laws and regulations, strengthen development of

financial software and hardware infrastructure; expedite the establishment of a bond market, develop wealth management services, and expedite the construction of a stock market using Renminbi for settlement, to promote diverse financial services development.

To promote industrialisation of traditional Chinese medicine, we will expedite legislation regarding the registration and supervision system for Chinese patent medicine; and enable more Chinese medicine products to be registered in Macao, and processed in Macao and Hengqin, and offered for sale in the Greater Bay Area and, in time, other regions. We will leverage the functions of the State Key Laboratory for Quality Research in Chinese Medicine, to support branded pharmaceutical companies with establishing a Chinese medicine base in Macao; comprehensively reform and adjust the positioning and development model of Macau Investment and Development Limited, revitalise its investment projects to improve efficiency, and screen and merge its subsidiaries, to fully leverage the functions of the Traditional Chinese Medicine Science and Technology Industrial Park of Cooperation Between Guangdong and Macao (GMTCM Park) as a platform; promote the development and transformation of production based on the achievements in Chinese medical and scientific research in Macao and Hengqin; and explore international markets for Chinese medicine products and services.

To facilitate professional and market-oriented development of the convention and exhibition industry, we will attract more large-scale, high quality international conventions and exhibitions to Macao, arrange for enterprises to participate in online-to-offline overseas conventions and exhibitions, to promote the synergy between the convention and exhibition industry and other industries; and launch international exhibition certification

and vocational training courses, to enhance the competitiveness of the convention and exhibition industry.

To foster cross-border e-commerce businesses, we will introduce renowned overseas e-commerce operators; continue enhancing and implementing incentive measures; assist in enterprise transformation and upgrades; strengthen online marketing capabilities; support organisation of e-commerce, including cross-border e-commerce activities; facilitate Chinese-Portuguese e-commerce, to in turn facilitate trade development; and support young people with exploring the e-commerce market, and develop online products and business models, thus supporting youth entrepreneurship and innovation.

To promote cultural and sport industrialisation, we will foster economic development regarding cultural experiences, to facilitate the integration of cultural creativity and technological innovation; foster development of the film and television industry, to enhance the quality and quantity of local film and television productions; create branded cultural events to establish a promotion and marketing platform for the cultural creative industry; promote the diversified development of sports and tourism, while developing the sports industry, encourage organising international sports competitions and branded events, to gradually develop the sports industry chain; and encourage and support gaming operators to organise diverse cultural and sports activities.

To enhance support for SMEs, we will optimise services for SMEs; effectively implement various assistance schemes to support SMEs with solving human resources and financial problems; strive to reduce the financing costs SMEs incur from banks; promote innovative development of SMEs; raise

management standards and quality of services and products of Macao enterprises; support e-commerce development by micro, small and medium-sized enterprises; expedite popularising mobile payments; establish an SME risk fund to support the business sector; and develop a community-based economy, to create a favourable environment for SMEs.

We will actively participate in the establishment of an international innovation and technology hub in the Greater Bay Area; perfect technological innovation mechanisms and systems; facilitate integration of the industrial, academic and research and development sectors; strengthen the technological functions of the Economic Services Bureau, so it can assist in enterprise technological innovation; leverage the functions of the task force of the Tertiary Education Council on industrialisation based on research results, to integrate research strength in tertiary institutions and State Key Laboratories; introduce quality research resources; facilitate integration of the industrial, academic and research and development sectors and transformation of research results, to foster industrialisation based on the achievements in scientific research; make the best possible use of the State Key Laboratories in Macao, to develop applied hi-tech industries; promote integrated development of technological innovation with tourism, finance, conventions and exhibitions, and cultural and creative industries, to inject driving forces into development; develop a digital economy and a “Digital Macao”, deploy short-, medium- and long-term plans for establishing a smart community; and expedite 5G applications and promote digitisation of public services.

#### **(4) Continue optimising work for people's well-being**

We will continue optimising work to benefit people's well-being. The

Government's austerity measures will not affect welfare and livelihood expenditures, especially the basic livelihoods and welfare of disadvantaged groups. We will continue implementing existing basic beneficial measures, including the Wealth Partaking Scheme, personal income tax deduction, waiver of real estate stamp duty for residential properties owned by residents, water and electricity fee subsidies, health care vouchers and financial assistance to disadvantaged families registered with the Social Welfare Bureau. Based on the pandemic and economic situation, the Government will make adequate adjustments or suspend the temporary financial relief measures.

Employment is fundamental to maintaining basic livelihoods. We will safeguard prioritised employment for local citizens to maintain a low unemployment rate; continue monitoring the labour market, facilitate job matching; provide residents with more job and promotion opportunities; optimise the imported worker management mechanism; strictly implement the entry and exit mechanism for imported workers; adjust the number of non-local employees on a timely basis, according to the pandemic and economic situation; strengthen supervision of non-resident workers and combat illegal employment; based on the development direction of adequate economic diversification, strengthen occupational and vocational training, to improve workers' skills and qualities; assist residents affected by the pandemic with re-entering the job market; expand the target groups for on-the-job paid training programmes; provide retraining to workers affected by the pandemic to strengthen their capability to change jobs; and continue enhancing occupational health and safety.

To ensure the basic living conditions of local residents and orderly



implementation of the housing ladder policy, we will expedite construction of public housing; establish the mechanism for applying for public housing on a regular basis; amend the supplementary regulations of the Home-Ownership Scheme Housing Law; and commence the Home-Ownership Scheme housing projects in the New Urban Zone Area A. The tender process for the second round of Home-Ownership Scheme Housing will be conducted in 2021, with the number of housing units no less than the number of housing units that were under construction in 2020. We will commence the process for detailed assessment of the applications for the first batch of 3,011 Home Ownership Scheme housing units; commence drafting the law on the Housing Plan for the Sandwich Class based on a public consultation; expedite the design and construction of the housing project for senior citizens at Lot P of Areia Preta based on public opinion; and prepare a plan for the provision of smart elderly services; expedite the Venceslau de Moraes and Toi San public housing projects; and complete the Mong Ha public housing project.

We will improve medical and health care facilities and systems; enhance public healthcare standards; mitigate medical and healthcare issues; enhance community health care services and specialist medical services, catering for the needs of particular groups; facilitate smart healthcare development; strengthen cooperation with medical and health care services in mainland China, expedite cultivation of local healthcare workers; and facilitate the construction of the Islands District Medical Complex and the Public Health Specialist Building.

We will launch policies and measures in response to the ageing population; progressively implement measures in the Ten-year Action Plan for the Elderly Services; strengthen the timely support carers of elderly persons by

evaluating the effectiveness of respite services; continue reviewing and publicising the Carers Allowance Pilot Scheme; and expand outreach specialist medical services to more homes for the elderly, to provide strong protection for senior citizens' health.

We will strengthen labour rights protection, commence legislative procedures regarding the Union Law, and conduct a related public consultation; fully leverage the functions of the Standing Council on Social Concerted Action, to promote harmonious labour relations; progressively develop a sustainable social security system with comprehensive coverage, and encourage public participation in the Non-mandatory Central Provident Fund System.

We will protect the rights of women and children, facilitate the implementation of family-friendly policies, and fully realise the short-term measures regarding the development goals of women in Macao.

We will protect consumer rights, ensure stable supplies and pricing of basic commodities; proceed with legislation regarding the public wet market management system; strictly follow the Consumer Rights Protection Law; combat price hikes, maintain market order on a level playing field; and create a trustworthy market environment.

#### **(5) Press Ahead with public administration reform**

Based on our aim to build a modern, corruption-free, just and highly efficient service-oriented Government for the convenience of the public and businesses, we will continue expediting reform of public administration and the legal system, continue improving governance of the Macao SAR; promote e-governance as an entry point for public administration reform, facilitate development of digital government, to enhance administrative effectiveness;

continue to implement functional restructuring of public departments, review the functions and related legal system regulating public funds, and enhance the management system, to ensure effective use of public funds.

In 2021, we will amend the laws and regulations related to the mechanism for delegating authority; streamline administration and delegate power; review the current system for deploying civil servants; improve the ranking systems; facilitate internal transfers, and implement management of government human resources, to enhance governance capacity; enhance the mechanism for nurturing management talents in public administration; continue organising systematic civil servant training; and enhance the professional competence and management of civil servants, especially young counterparts, to cultivate talents who can become leaders and supervisors.

We will implement data governance and sharing, expand the scope and functions of the One-stop Public Services Account; optimise the official communication, document and file management systems; and digitise management and movement of documents, to enhance the standard of electronic public services.

We will strengthen legislation related to economic and social development and pressing issues regarding people's livelihoods; facilitate the legislative processes regarding the Trust Law and amendments to the Financial System Act; formulate the Legal System Governing Urban Renewal; amend the Gaming Industry Regulatory Framework; amend Decree-Law No. 122/84/M; improve the systems for public works expenditure, and goods and services procurement; and formulate the Legal System on Immigration Control, Authorisation to Stay and Residence Permits in the Macao SAR, and the

General System for Dangerous Goods Control and Supervision.

We will optimise the legal system for corporations with public capital; strengthen the restructuring and auditing work of public corporations in which the Government is the major shareholder; discover problems, take corrective actions and ensure accountability in accordance with the law; strengthen supervision of autonomous funds; and reform the funding approval systems and system for disclosure of information of Macao Foundation as well as other autonomous funds.

We will deepen legal and judicial cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area; jointly establish a mechanism for coordinating public legal services between mainland China, Hong Kong and Macao; and strengthen cooperation in notary services between Guangdong, Hong Kong and Macao, to realise electronic cross-border registration by trading companies in the Greater Bay Area.

We will respect and safeguard judicial independence, support the establishment of software and hardware of the judiciary, and align with the judiciary's electronic governance work.

We will continue reinforcing corruption-free governance; further enhance the mechanism for public monitoring of Government departments; facilitate cross-departmental collaboration in handling complaints to the ombudsman; combat corruption and bribery in the public and private sectors; persist in resolute investigations and demand for accountability, with zero tolerance of impropriety; strengthen auditing and supervision; expedite the implementation of existing policies; expand the breadth and depth of auditing and supervision; and encourage public departments to optimise the use of public funds, to avoid

wastage of public resources, improve performance and enhance transparency.

## **(6) Develop Macao through cultivating and importing talented people**

Talented people are our fundamental resources. While strengthening the cultivation of local talents, we will implement more open and scientific policies to attract talented people, and step up efforts to cultivate and import talents to meet the needs of Macao's adequate economic diversification and social development.

Adhering to the principles of “letting Macao thrive through education” and “building Macao with talented people”, we will promote talent cultivation and youth education; formulate the Medium-to-Long Term Plan for Non-tertiary Education (2021-2030) and the Macao Youth Policy (2021-2030); progressively facilitate related plans and policies; strengthen teacher training, and continue enhancing teaching quality. Apart from continuing to support the development of non-tertiary education, we will strengthen the management of public expenditure on education, to ensure rational and effective use of public funds.

To enhance the quality of tertiary education, we will implement the outline plan for medium-to-long-term development of tertiary education, and increase short- and medium-term enrolment of tertiary educational institutions, to promote sustainable development of tertiary education; support institutions with fostering scientific research and development through external cooperation; establish an innovative model for cooperation between the industrial, academic and research and development sectors; establish joint laboratories; and pragmatically facilitate industrialisation based on research results of tertiary institutions and establishment of the University Industrial

Park.

We will make use of tertiary institutions' experiences and advantages in tourism education and Portuguese language education; and further leverage Macao's functions as a Guangdong-Hong Kong-Macao Greater Bay Area tourism education and training base and a cradle for cultivating talented individuals who are bilingual in Chinese and Portuguese, to step up efforts in cultivating tourism professionals and professionals who are bilingual in Chinese and Portuguese.

To leverage Macao's function as a patriotic education base for young people, we will integrate resources of the community, history and patriotic education, further enhance patriotic education, and foster patriotism of students and young people, to boost their national pride and sense of responsibility.

We will develop an innovative mechanism and policies on talent development, to create a more attractive and open environment for talent development; formulate the overall strategy on talent development and the laws and regulations related to importing talented people; launch policies to attract overseas talents to return to Macao; commence a new round of talent importation; and establish an impartial and transparent grading system and mechanism for talent assessment.

To strengthen youth development, we will support youth entrepreneurship and innovative development, to create favourable conditions for the growth of young people. We will enable young people to learn, work, exchange ideas and knowledge, and live in mainland China, to participate in the overall national development.

**(7) Promote the development of a smart and liveable city**

We will make use of big data and cloud computing to foster smart city development, promote modernisation of the urban governance system and governance capacity; and expedite the development of technology infrastructure such as 5G network and big data centre, to create a favourable environment for developing a digital economy and realising smart governance, smart tourism, smart border crossing, smart transport and smart healthcare.

We will announce Macao's Urban Master Plan (2020-2040) in 2021, and commence detailed planning for all functional zones; draft planning condition drafts for land lots in New Urban Zone Area A; commence tender procedures for planning the designs and constructing Home-Ownership Scheme housing, public housing and infrastructure including roads; implement urban renewal work in an orderly manner, and expedite the legislative process for the Legal System Governing Urban Renewal.

We will implement a development strategy that integrates land, sea and air transport, and strengthen construction of transportation infrastructure facilities. To improve cross-harbour traffic between Macao and Taipa, we will commence construction of the road networks surrounding the fourth Macao-Taipa cross-harbour route in phases, as well as study the construction and follow up work of the fifth Macao-Taipa cross-harbour route.

We will commence the Macao Road Traffic and Transport Planning Study (2021-2030); monitor the two bus companies in accordance with the new bus concession contracts; optimise the bus network by reorganising and merging certain bus routes, and implement a “Public Transport First” policy. As a result of the pandemic, the 100 special taxis originally scheduled to commence service in 2020 will commence service in August 2021. We will strengthen

inspections and regulation of public car parks; and develop accessible and convenient walkways, to encourage green commuting.

We will summarise and review the operating experience and deficiencies of the LRT Taipa line, and optimise hardware and software facilities, to provide stable, reliable and safe light rail services. The plan for the LRT east line will be finalised in the second half of 2021.

We will establish a new system for the opening of Macao's air transportation market, and aim to commence the related legislative procedures in 2021.

We will continue studying marine zoning based on the functions and planning of maritime areas; facilitate the legislative process for enacting the Law on Use of Maritime Areas; amend the by-laws on maritime passenger transportation; and strengthen the administration and use of Macao waters, to expand the living space and scope of development for Macao residents.

To strengthen prevention of and responses to disasters, we will continue implementing a series of flood prevention and drainage plans, and improve flood control and resilience in the Inner Harbour. The flood prevention work along the coast from Fai Chi Kei to Ilha Verde will be completed in 2021. We aim to commence the construction of drainage infrastructure in Praca de Ponte e Horta in the coming year. The rainwater pumping station and box culvert in the northern Inner Harbour is expected to be completed and fully operational before the rainy season in 2021. We will complete the report on the simulation-based feasibility study regarding sluices in the Inner Harbour, and proceed with the follow-up work.

We will intensify environmental protection and waste reduction, and



strengthen conservation of the natural environment. We will complete drafting the Environmental Protection Plan of Macao (2010-2020) in 2021. The law on Macao Construction Waste Management System will come into effect in 2021, to regulate the use and charging of landfills, and strengthen the mechanisms for monitoring and penalising illegal disposal of construction waste. We will further strengthen plastic restrictions, formulate regulations restricting the import of styrofoam tableware; and facilitate kitchen waste reduction and recycling.

We will complete the improvement works for the Macao Peninsula Sewage Treatment Plant, and commence the upgrading of the Coloane Sewage Treatment Plant and preliminary construction works of the Sewage Treatment Plant at the Macao border crossing area of Hong Kong-Zhuhai-Macao Bridge. The first phase of the Canal dos Patos improvement works will be completed.

We will expedite equipment installation and trial operation of the Seac Pai Van Water Treatment Plant, construct the cross-harbour natural gas pipeline network which connects Taipa and the Macao peninsula, and complete construction of the substation for the third Guangdong-Macao high-voltage electric power transmission channel, which is targeted to commence operations in the first half of 2022.

We will make good use of idle land that is lawfully recovered, enhance land resources management and usage efficiency, align with local economic development, and expand open space for the public.

We will enhance municipal development, beautify urban areas; construct a round-the-island leisure walkway on Coloane island, in phases; and

construct new walking trails, to provide residents with a safe, comfortable and green walking route environment.

**(8) Establish a base for cultural exchanges and cooperation**

We will progressively foster the building of “one base”, set up the Committee for Establishment of a Base for Cultural Exchanges and Cooperation, and proceed with the related planning, arrangements, coordination and facilitation; fully leverage our advantage of multiculturalism, strengthen Macao’s cultural image, deepen the establishment of Macao as a centre for cultural exchanges between China and Portuguese-speaking countries, host “Art Macao: 2021 International Art Biennial of Macao”, and expand international cultural exchanges.

Cultural heritage shapes the cultural genome of the city. We will commence online promotion and education regarding the conservation of cultural heritage, including intangible cultural heritage; enhance the promotion of cultural heritage tourism; create high-end cultural tourism routes; enhance public awareness of protecting our cultural heritage; and facilitate legislation on protection and management of the Historic Centre of Macao.

We will make effective use of urban space resources to construct multi-functional cultural facilities; and enrich online resources to promote reading for all.

We will merge the Culture Fund and the Cultural Industry Fund, enhance the subsidy scheme, promote culture and creativity, develop exquisite art and cultural projects, support arts talents, facilitate the professional development of art groups; and implement the construction of the black box theatre in Macao Cultural Centre, to provide more activity space for the arts and culture industry.

We will support development of sports and emphasise both sport-for-all and competitive sports, nurture young sport talents, support Macao athletes to participate in international competitions; and revise the planning of and optimise selected sports facilities, to facilitate the building of Macao as a healthy city.

**(9) Safeguard national security and social stability**

To implement the constitutional responsibility in safeguarding national sovereignty, we will strive to perfect the legal system and law enforcement system for safeguarding national security, strengthen law enforcement; expedite the drafting of laws regarding the system on confidentiality of the Macao SAR; enhance promotion of national security education to strengthen public awareness of national security; strengthen political and social cooperation and coordination, and a solid patriotic social and political foundation; take every effective measure to prevent infiltration and interference by external forces; and coordinate and rationalise the relations between development and security, to safeguard the overall stability of the Macao SAR and national security.

We will continue promoting the Constitution and the Basic Law of the Macao SAR, make full use of modern media technology and online platforms to enhance legal awareness; and resolve various conflicts and disputes with a judicial mindset and legal means, to promote a rule-by-law administration.

We will boost public awareness of the electoral system and clean elections, to ensure a fair, impartial, open and clean election for the seventh Legislative Assembly of the Macao SAR.

We will enhance law enforcement capability and facilitate civil protection

innovation; strengthen the police force through technology and expedite the development of smart policing; implement a new shore patrol model with smart maritime surveillance, to strengthen maritime law enforcement; strengthen cybersecurity protection capability to effectively prevent cyber risks; reinforce regional joint prevention and control with mainland China and neighbouring regions, to strengthen the regional police collaboration mechanism; and combat cross-regional crimes through a Greater Bay Area police cooperation mechanism, to maintain law and order in the Macao SAR.

#### **(10) Proactively integrate into the overall national development plan**

The country's 14th Five Year Plan marks an important phase for Macao to integrate into the overall national development plan, for a new wave of development. We will seize the opportunities to proactively align with the country's 14th Five Year Plan.

The Government will promote the establishment of the Guangdong-Macao Intensive Cooperation Zone in Hengqin with Guangdong Province and Zhuhai City, to facilitate the development of Hengqin through the joint efforts of Zhuhai and Macao. Based on the planning by the Central People's Government, we will implement the proposal for development of the Guangdong-Macao Intensive Cooperation Zone. With an open and innovative mindset, we will create an innovative cooperation zone which combines the advantages of "two systems", strongly integrates with international standards, facilitates Macao's adequate economic diversification, and serves the country's opening-up.

We will deepen cooperation with Hengqin in various aspects including tourism, innovation and technology, and people's livelihoods; encourage the

tourism industry to develop more Macao-Hengqin tourism routes and explore tourism products with traditional Chinese medicine and healthcare services; gradually extend public services and social security to Hengqin; expedite the establishment of the Macao New Neighbourhood project in Hengqin, progressively implement arrangements for corresponding social services; and continue facilitating cooperation between Macao and Hengqin.

We will pragmatically promote the development of the Guangdong-Hong Kong-Macao Greater Bay Area, bridge economic regulations and mechanisms of the three places, accelerate flows of resources; support the customs clearance mechanism under the Single Window initiative for trade between mainland China and Macao, and implement the Single E-lock Scheme of Guangdong and Macao Customs, to enhance border-crossing efficiency.

We will enhance infrastructure interconnections, foster flows of people in the Guangdong-Hong Kong-Macao Greater Bay Area; gradually perfect the policy regarding motor vehicles with only Macao licences entering and exiting Hengqin; commence operations of the Macao border crossing area at the Hengqin Port and part of the phase-two adjoining areas, including the passage for van-type light goods vehicles and their drivers, by the end of 2021. The new Guangdong-Macao border crossing checkpoint (Qingmau Checkpoint) will be inaugurated in 2021. We will study allowing Macao vehicles to enter and travel in Guangdong via the Hong Kong–Zhuhai–Macao Bridge, to further facilitate Macao residents to enter and exit mainland China.

We will improve policies and measures enhancing the convenience of Macao residents wishing to work and reside in mainland China; facilitate the mechanism for mutual recognition of vocational qualifications among

Guangdong, Hong Kong and Macao; expand the scope of occupation skills under the “One Examination, Three Accreditations” programme, to increase employment choices of Macao residents in the Greater Bay Area; and strengthen cooperation on consumer rights protection in the Guangdong-Hong Kong-Macao Greater Bay Area and Pan-Pearl River Delta (PPRD) region.

We will implement the financial policies and measures of the Central People’s Government supporting the development of the Guangdong-Hong Kong-Macao Greater Bay Area, to facilitate development of a modern financial services industry; continue monitoring the operations of the Guangdong-Macao Cooperation and Development Fund; optimise Renminbi liquidity facilities in the local money market and support steady development of offshore Renminbi businesses; encourage financial and insurance institutions of mainland China to set up regional headquarters in Macao and explore markets in Portuguese-speaking countries; encourage enterprises in the Greater Bay Area to issue bonds in Macao; implement the cross-boundary Wealth Management Connect pilot scheme to facilitate cross-border investment; and realise interconnectivity of financial product markets between Macao and mainland China, to facilitate cross-border flows and use of Renminbi.

We will establish a technology and innovation cooperation mechanism, attract scientific research institutions and technology enterprises to establish their bases in Macao, work on tariff exemptions on equipment for scientific research institutions entering the nine mainland China cities of the Greater Bay Area; actively align with national science and technology programmes; and study enabling the national guide fund on the commercial application of technological achievements to set up a venture capital sub-fund in Macao.

We will participate in and support the development of the “Belt and Road” initiative, establish key platforms such as the International Infrastructure Investment and Construction Forum; continue implementing the Arrangements Between the National Development and Reform Commission and the Government of the Macao SAR for Advancing Macao’s Full Participation in and Contribution to the Belt and Road Initiative; actively participate in the country’s high-level events such as the “Belt and Road” Forum for International Cooperation and China International Import Expo; implement the investment of fiscal reserves with the joint investment platform of Silk Road Fund - Lotus Fund; leverage the bridging role of the returned overseas Chinese in Macao to promote cooperation among countries along the “Belt and Road”; sign taxation agreements with more Portuguese-speaking countries and countries along the “Belt and Road”, and properly manage the Belt and Road Initiative Tax Academy of Macao.

We will pragmatically facilitate the establishment of the China-Portuguese-speaking Countries Commercial and Trade Service Platform; spare no effort in assisting with organising the Sixth Ministerial Meeting of the Forum for Economic and Trade Co-operation between China and Portuguese-speaking Countries; optimise, enrich and leverage Macao’s functions as a platform between China and Portuguese-speaking countries; and foster economic, trade and cultural cooperation and exchanges between China and Portuguese-speaking countries, to support the country’s opening up in the new development paradigm.

We will pragmatically commence and steadily foster cooperation with other provinces in mainland China, Hong Kong SAR and Taiwan in culture, tourism, economy and trade, and finance; strengthen cooperation with the

PPRD provinces and regions in economy and trade, tourism, Chinese medicine, conventions and exhibitions, and jointly explore markets in Portuguese-speaking countries and the European Union.



## Conclusion

President, members of the Legislative Assembly,

During the COVID-19 pandemic, a grave challenge that will continue to test us in the foreseeable future, all people from Macao and mainland China have been sticking together through the storm. The profound economic and social disruption caused by the pandemic has stimulated us to demonstrate our fine traits of mutual aid and unity. The frontline staff have demonstrated tremendous courage, while residents have shown full support in fighting the virus.

The impact of the pandemic has posed great challenges to our governance system and governance capacity, as well as the professionalism, resilience and emergency responses of all our civil servants. The efforts of the civil servants have been highly recognised. We hope that all civil servants will continue to work pragmatically in fulfilling their duties, and further enhance their awareness of service, collaboration, integrity, responsibility and innovation, and contribute to the development of the Macao SAR. It is our duty to serve the public with dedication, and provide quality services.

Facing the volatile internal and external environment, the impact of the pandemic and our economic restructuring, we should join hands to optimise the construction and development of the Macao SAR.

Macao's way forward is inseparable from mainland China. Looking ahead, with the strong support from the Central People's Government and Chinese people, as well as the concerted efforts of Macao citizens, we have full confidence of overcoming the challenges and forging ahead, towards new

horizons for the implementation of "One country, two systems" with Macao characteristics.

Finally, I would like to express our sincere gratitude to the Legislative Assembly, all Macao residents, civil servants, the Liaison Office of the Central People's Government in the Macao Special Administrative Region and all its representative offices in Macao for their full support for Macao.

This is the end of my report. Thank you, President and members of the Legislative Assembly.