

# **Policy Address for the Fiscal Year 2023**

## **Making progress while ensuring stability**

**The Government of the Macao Special Administrative Region  
November 2022**

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Contents

Preface.....	2
I. Review and Summary of the Government's Work in the Fiscal Year 2022.....	5
1. Pragmatically expediting adequate economic diversification... ..	5
2. Continuous optimisation of social and livelihood-related work.....	7
3. Continuous deepening of public administration reform.....	9
4. Promoting the development of a liveable city.....	11
5. Proactively responding to the COVID-19 outbreak.....	11
6. Continuously easing livelihood hardships and effectively ensuring employment.....	12
7. Fully implementing the measures for safeguarding national security.....	13
8. Comprehensively expediting construction in the Cooperation Zone.....	14
II. Overall Direction and Highlights of Administrative Policies in 2023 .....	17
1. Situation in Macao, overall direction of policies and major targets for 2023 .....	17
2. Administrative priorities of the MSAR Government for 2023.....	18
(1) Expedite economic recovery and facilitate adequate economic diversification.....	18
(2) Enhance infrastructure construction and jointly build a liveable smart city.....	23
(3) Take multiple measures to benefit people's wellbeing .....	26
(4) Deepen public administration reform and continuously improve governance capacity.....	29
(5) Persistently safeguard national security and maintain social stability.....	31
(6) Steadily advance the construction of Hengqin, and better integration with national development.....	32
(7) Make unrelenting efforts to prevent and control COVID-19 and strengthen the anti-pandemic system.....	35
Conclusions .....	37

## **Preface**

# **The Government of the Macao Special Administrative Region Policy Address for the Fiscal Year 2023 Chief Executive Ho Iat Seng November 2022**

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 2023.

During the past three years, Macao's economy suffered heavy damage and all sectors of society faced unprecedented challenges and pressures in the face of the fluctuating COVID-19 pandemic and turbulent external environment. The MSAR Government united and led all sectors to make concerted efforts, tackled challenges head on, and jointly combated the pandemic. We took multiple measures to promote economic recovery, persisted in facilitating adequate economic diversification, continuously improved people's livelihoods, and maintained social stability in Macao. Despite delays in policy plans due to the pandemic, we spared no effort in implementing the policy agenda in each domain.

2022 was another challenging year since the outbreak of COVID-19. In particular, due to the severe local outbreak of COVID-19 cases since 18 June, most local industrial and commercial activities were temporarily suspended for some time, causing Macao's overall economy to face unprecedented downward pressure, with significant declines in major economic indicators.

In the first half of the year, Macao's Gross Domestic Product (GDP) fell by 24.5 percent in real terms year-on-year, showing negative growth for three consecutive quarters. As of September, the local unemployment rate reached a recent-year high of 5.2 percent. Facing a situation more complicated and critical than ever, the MSAR Government promptly activated its contingency mechanism to adopt proactive prevention and control measures, and mobilised all sectors of society to suppress any rebound of the pandemic. We launched fiscal and financial measures to ease downward economic pressure, relieved livelihood hardships and safeguarded people's well-being, protected public health and lives to the greatest extent possible, minimised the impact of COVID-19 on socio-economic development, and strived to maintain people's normal living standards.

With the strong support from the Central People's Government and mainland China provinces and cities, Macao's economy is gradually recovering. As overall development stabilises, the market situation is gradually improving, and the overall socio-economic situation remains stable. Meanwhile, the MSAR Government is pragmatically implementing various initiatives in accordance with Macao's second Five-Year Development Plan and the Policy

Address. We have achieved new progress in various undertakings, including pragmatic development of adequate economic diversification, continuous optimisation of social and livelihood-related work, gradual commencement of projects to build a liveable city, deepened public administration reform, orderly implementation of national security work, and the establishment of the Guangdong-Macao Intensive Cooperation Zone in Hengqin.

Over the past year, all sectors in Macao have worked hard and received strong support from various parties. I would like to express my heartfelt gratitude to all sectors of the community and the people of Macao for their generosity and tolerance, as well as to all the organisations and volunteers who have selflessly contributed to pandemic prevention and control. I would like to pay special tribute to the frontline medical and healthcare staff, police officers, firemen, and all civil servants; and my sincere gratitude to the Central People's Government and all its representative offices in Macao, and the governments of Guangdong Province and Zhuhai for their guidance, support and cooperation in pandemic prevention and control.

On 30 June this year, I had the honour to meet President Xi Jinping during an event to celebrate the 25th anniversary of the establishment of the Hong Kong Special Administrative Region. President Xi cared deeply about the well-being of Macao people and the development of Macao, and gave important instructions on the work of the MSAR. The "four musts" and "four aspirations" put forward by President Xi in his important speech on 1 July reflected the new expectations and requirements of the Central People's Government for the steady and lasting successful practice of "One country, two systems" in the new era, serving as an important guideline for the continuous development of the great cause of "One country, two systems" in Macao.

On 23 September, the Central People's Government held a special meeting to study and implement plans for supporting Macao's development, providing full support to Macao in infrastructure construction, major livelihood-related work, adequate economic diversification, the establishment of the Guangdong-Macao Intensive Cooperation Zone in Hengqin, and actively responding to the concerns of Macao people. The Central People's Government's high level of attention and care for Macao will certainly give a strong impetus to Macao's economic recovery, improvements in people's livelihoods and adequate diversified economic development.

In October, the 20th National Congress of the Chinese Communist Party summarised the major achievements and valuable experiences of China's development in the new era, together with the development of important strategies for building a modernised socialist country, and comprehensively facilitating national rejuvenation through modernisation with Chinese characteristics.

The important remarks on the work of Hong Kong and Macao in the Report to the 20th National Congress of the Chinese Communist Party have given important guidance and significant support to Macao's development. We shall diligently act in accordance with the decisions made by the Central

People's Government, focus on solving the deep-rooted conflicts and problems in economic and social development, facilitate all Macao's development projects, strive to create a new horizon for the practice of "One country, two systems" with Macao characteristics in the new era, and make new contributions to China's national rejuvenation through Chinese-style modernisation.

2023 marks the 30th anniversary of the promulgation of the Macao Basic Law and the fourth year of the current administration. At this new historical turning point, we must diligently uphold the spirit of the 20th National Congress and the spirit of President Xi's series of important speeches, by strictly adhering to the principles of "One country, two systems", "Macao people governing Macao" and a high degree of autonomy. We shall follow the overall policy direction of ensuring economic recovery, promoting diversification, relieving people's difficulties, preventing and controlling COVID-19, and steadily developing. We shall make good use of the Central People's Government's supportive policies and measures, to promote development, coordinate pandemic prevention and control, ensure economic recovery, improve people's livelihoods, expedite adequate economic diversification, pragmatically facilitate the construction of the Guangdong-Macao Intensive Cooperation Zone in Hengqin, safeguard national sovereignty, security and development interests, steadily deepen public administration reform, and proactively integrate into the overall national development plan.

The MSAR Government will unite all sectors of society, work together to overcome difficulties, make progress while ensuring stability, and facilitate ongoing, comprehensive development of the MSAR.

## **I. Review and Summary of the Government's Work in the Fiscal Year 2022**

Now, I will briefly review and summarise the Government's work in 2022.

### **1. Pragmatically expediting adequate economic diversification**

The Government made it a priority to expedite adequate economic diversification and has been unsparing in its efforts, even in the face of the pandemic. While facilitating recovery of the tourism and leisure industry, the Government also accelerated the establishment of Macao as a comprehensive tourism and leisure destination through the "Tourism Plus" development model, which includes the elements of gastronomy, vacations, sightseeing, shopping, entertainment, culture, healthcare and sports, thereby continuously enriched the content of Macao as a world tourism and leisure centre.

The Government organised a variety of tourism activities to promote Macao's image as a diverse tourism destination, such as the 10th Macao International Travel (Industry) Expo. It also collaborated with major online travelling platforms to launch multi-destination thematic tourism products, and build a tourism brand for the Guangdong-Hong Kong-Macao Greater Bay Area.

To promote lawful and sustainable development of the gaming industry, the Government has completed the amendments to the Gaming Industry Regulatory Framework and related regulations, in accordance with Macao's positioning as "One Centre, One Platform, One Base" and in favour of fostering healthy, lawful and orderly development of the gaming industry, and commenced the new public tender for gaming concessions, to ensure a smooth transition between the new and former concession contracts.

The amendments to the laws regulating the gaming industry and the public tender for the new gaming concessions aimed to achieve reform from the bottom up; promote long-term healthy, orderly, and sustainable development of Macao's gaming industry; explore new tourist sources worldwide; and gradually enrich non-gaming elements – including conventions and exhibitions, entertainment performances, sports events, culture and art, medical services and health maintenance, themed amusement facilities, city of gastronomy, community tourism and maritime tourism.

Regarding the stable development of the "Big Health" industry with Chinese traditional medicine research and development as the entry point, the Government unveiled the plaque of the Macau Institute for Translational Medicine and Innovation; established the Pharmaceutical Supervision and Administration Bureau; enforced the Law on Pharmaceutical Activities in the Field of Traditional Chinese Medicine and the Registration of Traditional Chinese Medicines; and perfected the procedures for approving industrial licenses for manufacturing "Big Health" products, Chinese medicine, and technology products.

The regulations on classifying plots of Concordia Industrial Park were amended, to encourage enterprises in the industrial park to increase investments and rebuild factories, and attract high value-added enterprises with high technology content to establish their bases in Macao. The Government leveraged the advantages of favourable policies, such as CEPA, to assist Macao's "Big Health" industry in exporting their products to mainland China and overseas countries.

During the year, the modern financial services industry was steadily developing, and the foundation for the development of bond market was well established. The Macao Central Securities Depository (CSD) commenced operation, and from January 2022, local bonds issued in Macao can be allocated and maintain their International Securities Identification Numbers (ISINs). The Government also launched the Guidelines on Management and Operation of Private Investment Funds, to lay a foundation for developing the introduction of various private investment funds.

To accelerate the fostering of high technology industry, the Government supported tertiary institutions and enterprises in many projects involving cooperation between the industrial, academic and research and development sectors – including integrated circuit design, cyber security and artificial intelligence; strengthened online matching for the industrial, academic and research sectors; and launched a funding scheme for industry-academia-research partnerships for enterprises. The Government also optimised the one-stop service workflows for investors, and actively attracted technology enterprises to establish their bases in Macao. The preparation work for accreditation of technology enterprises has commenced.

To support the exhibitions and conventions industry, and commerce and trade industries to seek new development models, the Government deepened its efforts to invite businesses, by organising conferences and exhibitions. From January to September 2022, the Government facilitated 49 events in the fields of medical and healthcare, information technology, commerce, trade and management to be held in Macao, with 204 business matching sessions arranged.

Regarding promotion of development of the cultural and sport industries, the Government conducted systematic analyses of and rationalised the direction and policies for the development of the cultural industry in Macao; proposed policies and key projects for developing the cultural industry; and optimised supervision of subsidies from the Cultural Development Fund.

To support cultural heritage conservation, the Government motivated enterprises to participate in revitalising, operating and managing historic buildings and sites. Large-scale sports events were held, including the Macau Grand Prix, Macao International Marathon, Macao Cup International Regatta, WTT Champions Macao and Macao International Dragon Boat Races, to leverage the "Sport+Tourism" crossover synergy.

## **2. Continuous optimisation of social and livelihood-related work**

The Government implemented the housing ladder policy, and has finished processing the applications by families on the 2017 waiting list for public housing, followed by commencing allocation of public housing for families making regular applications.

The construction of Toi Fai Public Housing has been completed, and the construction of the superstructures of the Venceslau de Moraes public housing project has commenced in phases. The Government commenced the tendering process for the design and construction of the public housing projects in four land lots in Zone A, as well as the construction of and preliminary work on the Home-Ownership Scheme housing projects in various land lots. The draft bill related to the Sandwich Class Housing Scheme was submitted to the Legislative Assembly for deliberation, and the land lot on Avenida Wai Long was selected as the site for constructing sandwich class housing.

The construction of senior citizen housing at Lot P of Areia Preta Reclamation Zone and the provisional housing projects for the redevelopment of old districts have commenced on schedule. A number of lots were allocated for public tendering for on-going development of private residential buildings. The Legal System on Urban Construction and the related rules for implementation have come into effect.

To facilitate the implementation of the two-tier social security system, the Government comprehensively implemented the mechanism for regular adjustments of social security benefits. We also implemented various measures for the mid-term plan for the Development Goals of Women in Macao, the Ten-year Action Plan for the Provision of Services for the Elderly, and the Ten-year Development Plan for Rehabilitation Services. The Government also launched the second phase of the Carers Allowance Pilot Scheme, and continued providing support for the development of child-care services.

Regarding improvement of medical and healthcare services, the Government enhanced the community healthcare services and facilities. The Seac Pai Van Health Centre commenced operation in June 2022, and the construction of the Islands District Medical Complex's main structure, which is composed of a general hospital, an auxiliary building, a general administration building, and a staff dormitory building, will be completed within this year. The Government continued collaborating with the Peking Union Medical College Hospital in preparation for commencing operation of the Islands District Medical Complex. Further regulation of training for medical specialists and nurses was introduced. The import and sale of e-cigarettes have been prohibited.

To enhance food safety, the Government continued adopting the three-tier anti-pandemic measures for cold chain food, environments and related workers. The Government also negotiated with the customs authorities in



mainland China to deepen the Cooperative Arrangement for Supervising the Safety of Macao Food Exported to Mainland China, and implemented prevention and control of food safety at source, and customs clearing and quarantine inspections at the borders.

Regarding optimising the allocation of educational resources, the Government amended the Law on the Tertiary Education System to create better conditions for the inter-year use of expenditure and subsidies for science research in local public tertiary institutions, and expanded the admissions of non-resident students, gradually achieving market-oriented development of higher education institutions. A pilot project on smart teaching was launched in relation to non-tertiary education, to support the popular science competitions in Macao and encourage participation in local and international competitions. The Base for Primary and Secondary Science and Technology Education was recognised as a national science education base, while the Macao Science Center was recognised as a national science education base and a national scientist spirit education base, enabling its functions to be further leveraged.

To strengthen patriotic education for young people, the Government launched the Social Survey on Macao Youth Indicators 2020; implemented the Macao Youth Policy (2021-2030); supported young people with starting up innovative businesses and working in the Greater Bay Area; and provided on-the-job training and professional practice opportunities for employed young people and tertiary graduates in Macao.

To enhance protection and utilisation of cultural heritage, in 2022 the Government commenced operation of the Macao World Heritage Monitoring Centre; introduced the “Guidelines for Intangible Cultural Heritage Management”; introduced the Historic Building Revitalisation Subsidy Scheme with Mong-Ha Villas as a pilot project; and facilitated the use of the former site of Iec Long Firecracker Factory and the Lai Chi Vun Shipyard area.

The three-dimensional reconstruction of the Ruins of St Paul’s has commenced, to provide more diverse cultural tourism experiences. The House of Macao Literature also commenced operation. The Maritime Silk Road International Cultural Forum was held, to leverage the advantages of Macao as a “One Base” platform.

Regarding promotion of sports development, while making an effort to prevent and control COVID-19, the Government held more than 1,600 sport-for-all activities in the year, with approximately 47,000 participants. We also conducted the Survey of Sports Venues in Macao 2022, and implemented the planning and reorganisation of various sport facilities. The Mong-Ha Sports Centre was fully opened, while the design stage of the project to reconstruct the original site of Macao (Yat Yuen) Canidrome Club as a public sports park has commenced.

The bill on the Legal System for Importing Talented People has been submitted to the Legislative Assembly for deliberation. The Government has

deployed and commenced research on the demand for talented professionals in the “Big Health”, modern financial, high technology and convention and exhibition industries, to align with the development of these four key industries, thereby optimising efforts to cultivate and import talent.

### **3. Continuous deepening of public administration reform**

The MSAR Government continued fostering the establishment of e-governance with the “Macao One Account” as the major goal; continued implementing functional and administrative structural reform; optimised civil servant management; and enhanced the building of a clean and efficient service-oriented government.

Regarding perfecting the authorisation and responsibility system, while better specifying the functions of administrative roles, the Government completed the amendments to the Macao Public Servants Statutes and Regulations and related by-laws; set up the Pharmaceutical Supervision and Administration Bureau and the Preparatory Office of the Peking Union College Hospital Macao Medical Centre/Macao Hospital; restructured the Land, Public Works and Transport Bureau into the Public Works Services Bureau; completed the functional and administrative structural reform of Macao Customs; combined three funds, including the Student Welfare Fund, into the Education Fund; optimised the functions of the Tourism Fund; and implemented structural reform of the Macao Foundation. During the year, two laws and 11 by-laws related to administrative reform were amended.

The 2.0 version of the “Macao One Account” was launched, focusing on livelihood-related services and further expanding its scope of application. As of 30 September 2022, over 400,000 people had registered for the “Macao One Account”, representing an increase of about 46 percent over the end of 2021. The app covers more than 150 livelihood-related services, including payment for utilities such as water, electricity and natural gas, as well as applications for old age allowances, pensions and proof of life certificates.

The Government also upgraded the cloud computing centre and facilitated data openness. As of 30 September 2022, the number of datasets opened by the platform increased to 598, which spanned 14 areas including public transportation and start-up and business operations.

To strengthen training for civil servants, the Government launched courses including the “National Constitution and the Basic Law of Macao” and “Law on Safeguarding National Security”, to continuously improve the overall capability of civil servants.

Regarding promotion of legal system establishment, the Government actively supported the Legislative Assembly with enhancing the efficiency of deliberating bills, regularly communicated with the Legislative Assembly on feedback regarding progress related to law making; and completed legislative procedures in accordance with the annual legislation plan. As of 30 October 2022, the Government completed draft bills and submitted 19 bills to the

Legislative Assembly, including 11 bills as planned and eight bills that were not included in the plan. A total of 46 by-laws were promulgated. All legislative work was completed as planned in the past three years.

The Government completed the legislation of the legal system for the “Legal System for Corporations with Public Capital” and the system of public financial assistance, and perfected the supervisory system for public assets, striving to achieve rational application of public financial resources.

The Commission Against Corruption (CAC) and the Commission of Audit (CA) diligently performed their duties to implement all anti-corruption and auditing projects, combat corruption and handle cases of administrative misconduct according to the law.

#### **4. Promoting the development of a liveable city**

Regarding progress with urban infrastructure development, construction of the reclamation work at Zone C was completed in 2022, and construction of the main bridge and the road networks surrounding the fourth Macao-Taipa cross-harbour route is proceeding; construction of the bridge connecting the Hengqin Checkpoint and the University of Macau has commenced this year; and the major public infrastructure projects including the LRT station in connection with three LRT routes, transport networks at Zone A and a common pipeline are being implemented on schedule. The Government has commenced the tendering process for the LRT east line and preliminary work on the airport expansion project. The public tendering for and evaluation of 5G licences has commenced, and the 5G licences will be issued within this year.

The total number of vehicles in Macao was 248,000 by September 2022, with the annual vehicle growth rate controlled within three percent. Regarding implementation of energy conservation, pollutant reduction and environmental protection, the Government has finished formulating the Electric Vehicle Promotion Scheme and launched a subsidy scheme to phase out highly polluting old motorcycles and diesel cars. Restrictions on plastic use were also boosted. The Government has completed the plans for construction of the water reclamation facilities and related pipe networks, and the tendering process for the construction of water drainage networks in Zone A has commenced. The preliminary study on constructing an ecological island has also commenced.

To enhance the effectiveness of urban planning and optimise land use, the Government published Macao's Urban Master Plan (2020-2040) in February 2022, after which work began on compiling the detailed plans for each district. The public consultation on the draft of detailed plans for Eastern District-2 has commenced. Part of the recovered lands was used for construction, such as public housing estates, government office buildings and the Macao Historical Archives.

Regarding optimisation of municipal facilities, the Guia Hill pedestrian tunnel has commenced operation, and the Reservoir Park Children's

Playground has opened following its expansion. The construction of the Flora Garden Children's Playground was expedited. Improvements to walking environments and leisure facilities in locations including Qingmao Checkpoint, Seac Pai Van and Coloane were carried out in phases.

## **5. Proactively responding to the COVID-19 outbreak**

The MSAR Government persisted with implementing the general strategy of “preventing imported cases and a rebound of the epidemic” in Macao, and the general principle of “dynamic zero-COVID-19”, and continued strengthening anti-pandemic measures in response to the outbreak.

On 18 June, facing the tough challenges posed by a COVID-19 outbreak, the Government promptly implemented a series of measures, including declaring that Macao had entered a state of immediate COVID-19 prevention; activating the civil protection mechanism; implementing 14 rounds of community-wide nucleic acid tests plus more rounds of nucleic acid tests for critical areas and target groups; building a rapid antigen test system; setting up 88 red code zones and 301 yellow code zones; and ensuring the basic daily necessities of the affected residents.

From 11 to 22 July, the “relatively static” control measure was adopted, and received active cooperation from all Macao residents. With the concerted efforts of all sectors and the general public in fighting the outbreak, the Government was capable of quickly realising “dynamic zero-COVID-19”, so that Macao could remain a healthy, safe and liveable city. Quarantine-free customs clearance operations were resumed at Zhuhai-Macao border on 3 August.

An important function of the regional prevention and control mechanism came into play during the pandemic. The Government closely liaised with Guangdong province and Zhuhai Municipality, continuously exchanged information regarding the pandemic, communicated regarding and discussed anti-pandemic work, and coordinated regular customs clearance arrangements for the live food imported into Macao, anti-pandemic supplies and essential personnel. The nucleic acid test sampling staff sent from mainland China also provided support to Macao for combating the pandemic and promptly restoring social order.

## **6. Continuously easing livelihood hardships and effectively ensuring employment**

Measures for easing livelihood hardships were implemented, to stabilise the economy, safeguard employment and care for people's livelihoods. The Government brought forward the Wealth Partaking Scheme and personal income tax rebates in the first half of 2022; introduced water and electricity bills subsidies for residential units and business enterprises in 2022; and launched the third round of the electronic consumer benefits plan to help ease the impacts of the pandemic. In June, in response to a COVID-19 outbreak, the Government launched two rounds of 10-billion-pataca community support measures based

on the financial assistance measures launched in the first half of 2022, striving to ease livelihood hardships, ensure employment and stabilise the economy.

The Government strengthened financial support for the real economy by relaxing the requirements for applying for the SME Assistance Programme; launching a scheme to subsidise interest on bank loans for SMEs, and a temporary measure to extend the repayment periods for various assistance schemes; motivating financial institutions to extend the transaction fee exemptions for Simple Pay; and encouraging banks to increase credit facilities and adjust repayment plans for SMEs, which effectively relieved the pressures on the liquidity of enterprises.

Various measures were implemented to ensure employment. The Government continued introducing and perfecting the subsidised training scheme, with a total of about 700 courses offered to date and 13,000 participants completing the programmes. The Government also strengthened employment referral and support for local residents, helping some 5,000 Macao people to secure employment during the first three quarters of 2022.

To encourage employers to recruit local employees, the Government granted a six-month temporary allowance to eligible employers who hired local employees. Regarding active support for local youth employment, we continued implementing the "Internship Plan to Create Better Job Prospects", which offered 1,780 internship vacancies. The Government also controlled the number of non-resident workers, to ensure employment priority for local employees. By the end of September 2022, the number of non-local workers was 40,000 fewer than the figure in January 2020.

To continue optimising the business environment, the Government completed the amendment to the Regulations on Tourism Tax, expedited the legislation process of the Tax Code, accelerated the implementation of various e-governance measures for the convenience of the public and business sectors, and continued optimising the one-stop service workflows for investors.

The Government continued expanding investment in public projects, with approximately 18.5 billion patacas allocated to the Investments and Development Expenses of the Administration (PIDDA) for the year. By September 2022, a wide range of public works projects of various sizes were launched on an ongoing basis, with 50 projects each exceeding 100 million patacas.

## **7. Fully implementing the measures for safeguarding national security**

To perfect the legal system for safeguarding national security, the Legal System for Interception and Protection of Communications came into effect, and the public consultation on the amendment to the Law on Safeguarding National Security was completed. During the consultation period, all sectors and the general public actively participated to achieve social consensus, establishing a solid patriotic socio-political foundation for Macao. The

amendments to the related laws will be submitted to the Legislative Assembly for deliberation within this year.

For the implementation of the law enforcement mechanism for safeguarding national security, the MSAR Government made full efforts in supporting the National Security Adviser and the National Security Technical Advisers to fulfil their duties; made use of multiple means to strengthen enforcement of the national security law; and comprehensively safeguarded the nation and Macao from infiltration and interference by external forces.

To strengthen and promote national security publicity and education, the Government held a series of events, including the National Security Education Exhibition and the National Security Education Day, to continue strengthening public awareness of national security.

Safety is the foundation of social stability. The MSAR Government actively expedited the establishment of the urban security system and refined the legal system for laws related to urban security – the Legal System for Fire Safety in Buildings and Premises and related regulations have come into effect, and the bill on the Legal System for the Control of Hazardous Substances passed its second reading in the Legislative Assembly.

The Government steadily fostered various construction projects on smart policing; launched the fifth phase of the “sky eye” project; implemented a modern civil protection model to further increase the performance of civil protection; and strengthened work on preventing and combating crime, to effectively fight against all types of crime.

## **8. Comprehensively expediting construction in the Cooperation Zone**

The Guangdong-Macao Intensive Cooperation Zone in Hengqin was established more than a year ago. With the strong support of the Central People’s Government and joint efforts of Guangdong province and the MSAR, the construction of the Cooperation Zone has been comprehensively facilitated around the “one axis” and key tasks such as industrial development, integration of people’s livelihoods and bridging regulations, and the system to integrate Hengqin and Macao has achieved significant interim results.

Regarding coordination and achieving all interim goals, the Government built a task force on researching policy and bridging regulations in the Cooperation Zone; maintained close communications with related departments in China; facilitated the implementation of the major supportive policies of the Master Plan for the Development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin; and implemented the “Double 15 percent” tax incentive policy and Macao’s personal income tax incentive policy. We also expedited the work related to the major supportive policies, such as by introducing a catalogue of encouraged industries, special measures for relaxing market entry requirements, a list of the first batch of authorised items, and obtaining opinions on financial support for the construction of the

Cooperation Zone. The Implementation Plan for the Construction of Cooperation Zone (2022-2024) was issued, with 88 initiatives proposed.

The Master Plan for the Development of the Cooperation Zone was revised, to connect in depth with Macao's urban planning. The major construction work of "first-tier" and "second-tier" zones proceeded steadily and will be eligible for closed-end operation by the end of the year.

The Government has established a mechanism for single applications for business registrations in the Cooperation Zone and Macao, and cross border services, allowing investors in mainland China and Macao to obtain business registrations without leaving their locations. The numbers of both Macao-owned enterprises in the Cooperation Zone and Macao citizens residing in the Cooperation Zone have increased.

The modern financial services industry continued developing. The financial services industry in the Cooperation Zone increased by 11 percent year-on-year in the first half of 2022. By the end of September 2022, the number of financial enterprises in the Cooperation Zone exceeded 700, and the number of enterprises eligible for the Qualified Foreign Limited Partnership (QFLP) pilot scheme reached 32, of which 15 were Macao invested enterprises. The Government expedited the finalisation of the funding for the construction of an electronic fence system.

The Cross-boundary Wealth Management Connect Scheme has been operating smoothly, with the number of participating banks in Macao increasing to nine. As at the end of September this year, the total amount of cross-border Renminbi settlement in the Cooperation Zone exceeded 221.6 billion yuan, representing a 29 percent year-on-year increase.

To foster the development of the science and technology industry, such as making integrated circuits, the Government implemented development strategies for the integrated circuit industry and introduced two major funds for companies in this industry from Guangdong, attracting over 40 integrated circuit and design enterprises to set up operations in the Cooperation Zone. We also motivated international innovative technology corporations to establish private equity funds in the Cooperation Zone; expedited the construction of a brain-inspired supercomputing centre; and actively developed the metaverse industry in order to build a super metaverse testing ground.

Regarding the stable development of Macao-branded industries, including Chinese medicine, the Government optimised the management of the Traditional Chinese Medicine Science and Technology Industrial Park of Cooperation Between Guangdong and Macao (GMTCM Park). By the end of September 2022, 229 enterprises had completed registration in the industrial park, of which 59 were Macao enterprises, demonstrating an initial agglomerative effect of the industrial park.

As the integration of people's livelihoods continued deepening, the Single Window for Guangdong-Macao Social Security integrated counter commenced operation, and the Guangdong-Macao professional skills "One Examination, Multiple Accreditations" patent collaboration project was implemented. The Macao Youth Internship Scheme 2022 was launched. The restriction on the total quota for Hengqin motor vehicles with single licences was removed. The Government also established a visa policy, to provide greater convenience for eligible foreigners in Macao to travel to the Cooperation Zone.

In addition, regarding the expedition of construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the Government has implemented developments including the Development Plan for Modern Industries of the Guangdong-Hong Kong-Macao Greater Bay Area (2021-2035) and the Major Projects and Relevant Requirements for Construction of the Guangdong-Hong Kong-Macao Greater Bay Area.

Policies concerning Macao residents' equal entitlement to pre-school education, compulsory education, senior secondary education and so forth in the Greater Bay Area were implemented. The social security services policy for the Greater Bay Area was implemented, allowing Macao residents to apply for benefits including pensions, unemployment compensation and work-related injury insurance in Guangdong. The measure to enable Macao registered drugs and medical devices that are used in Macao public hospitals to be also used in the Greater Bay Area has been implemented on a pilot basis.

Guangdong and Macao have signed the Agreement on Macao Motor Vehicles Entering and Exiting Guangdong Province, and its implementation will be announced to the public in due course.

Regarding pragmatic engagement in the development of the "Belt and Road" initiative, the Government established cooperative relationships with Agua Grande in Sao Tome and Principe, increasing the number of friendship cities or sister cities with Macao to 12. The Government facilitated exchanges and cooperation in commerce, trade, culture and education with countries and regions along the Belt and Road, and friendship cities or sister cities.

Over the past year, the MSAR Government has carried out its work in accordance with the established plans, and has basically achieved its expected goals. However, there is still room for further improvement in administration, with a need for continuous improvement in governance capabilities and standards. Some policies have fallen short of the expectations of citizens and the community, and the sense of responsibility and services of the civil service team require further strengthening.

In this regard, the MSAR Government will strive to change the governance concept; improve administrative operations; enhance governance capabilities; listen to opinions from all sectors of society and the public; be proactive and apply its best efforts in its work; improve people's well-being; and continue enhancing people's sense of satisfaction and happiness.





## **II. Overall Direction and Highlights of Administrative Policies in 2023**

### **1. Situation in Macao, overall direction of policies and major targets for 2023**

Looking ahead to 2023, the global landscape will remain turbulent, compounded by the far-reaching impact of a once-in-a-century pandemic, a sluggish recovery of the global economy and an uncertain development outlook. The tightening of monetary policies in major developed economies will bring certain adverse effects on financial markets and international capital flows. In this regard, Macao shall remain highly vigilant and raise its risk awareness.

The report of the 20th National Congress of the Communist Party of China specifies that quality development is the primary task of building a modern socialist country, with a series of new concepts, ideas, strategies and measures to advance the great national rejuvenation of China through modernisation with Chinese characteristics. The steady progress of China's reform, opening up and modernisation holds a promising prospect.

Macao will leverage its advantages of having the support from the motherland and global connectivity, to fully seize the opportunities of national development. We will follow the national development strategies; uphold our development positioning of "One Centre, One Platform, One Base"; enhance resources synergy of both domestic and international markets; open a new horizon to achieve new developments; and further support the great rejuvenation of the Chinese nation.

Looking at Macao itself, the new gaming concessions public tender was successfully completed, and Macao's integrated tourism and leisure industry has entered a new phase of development opportunities. The new development layout of non-gaming elements driven by the new investment plan of gaming operators will gradually unfold.

Second, with the effective prevention and control of COVID-19, restrictions on the flow of people will be gradually relaxed, and visitor flow will gradually recover, so the external environment for Macao's development is expected to improve.

Third, the Central People's Government attaches great importance to the development of Macao, and has clearly expressed its support for the economic development of Macao and the acceleration of infrastructure construction and major livelihood work. It also gives approval for the resumption of e-travel permits to Macao and tour groups from Shanghai and the four provinces of Guangdong,, Zhejiang, Jiangsu and Fujian to Macao.

Fourth, after more than a year of development and cooperation, the construction of the Guangdong-Macao Intensive Cooperation Zone in Hengqin

will be accelerated to facilitate integrated development with Macao.

Fifth, after decades of development, Macao's integrated tourism and leisure industry has built considerable competitive advantages, and Macao brand remain as a guarantee of reliability and authenticity. As a world tourism and leisure centre, Macao has maintained its attractiveness. The MSAR Government has been implementing a series of initiatives to boost the economy and expand visitor sources, thereby recovering the major industries with tourism as the core in an orderly manner, and driving the development of related industries.

Sixth, the MSAR Government will enhance investment in infrastructure, especially in transportation infrastructure, public facilities and public housing projects, that are in close relation to the economy and people's livelihood, to improve people's well-being, and facilitate economic recovery by creating more employment opportunities, as well as to offer a better living environment.

In summary, the MSAR Government remains confident in the future development of Macao, and in the principle of "One country, two systems" with Macao characteristics.

The process of economic recovery may be affected by unforeseen circumstances and unfavourable factors. We shall be proactive and cautious in coping with such circumstances and enhance our risk awareness. As the structural transformation of Macao's economy will not be accomplished in one step, we must persevere with innovations to overcome obstacles and persistently push forward.

The overall direction of administrative policies in 2023 is: boosting the economy; fostering diversification; relieving livelihood hardships; preventing and controlling COVID-19, and promoting stable and healthy development.

The major targets of Macao's development in 2023 are: gradual economic recovery for stable growth; acceleration of the cultivation and development of major nascent industries; recovery in employment; continuous improvement of the normalised anti-pandemic mechanism; optimisation in people's livelihoods; steady advancement of social security and services; prudent development of various industries in Macao; safeguarding national security and maintaining social stability; and new progress in the development of Guangdong-Macao Intensive Cooperation Zone in Hengqin.

## **2. Administrative priorities of the MSAR Government for 2023**

### **(1) Expedite economic recovery and facilitate adequate economic diversification**

At present, the two major and most pressing tasks for the economy are expediting economic recovery and promoting adequate economic diversification. Expediting economic recovery is the fundamental basis for improving people's livelihoods, while promoting adequate economic

diversification serves as the only way to solve the deep-rooted conflicts and issues in Macao's economic and social development.

In 2023, in order to accelerate economic recovery, the Government will firstly revitalise the development of the integrated tourism and leisure industry, which is one of Macao's major pillars and advantageous industries. In the short- and mid-term future, tourism will remain the foundation for overall economic recovery.

With proper pandemic prevention and control, to ensure that the risk of the pandemic is manageable, the Government will implement effective policies and measures – such as the resumption of e-travel permits to Macao for mainland residents and visits by tour groups to Macao – in order to gradually restore the vitality of tourism and the economy; enhance and optimise publicity programmes for promoting Macao as a safe tourism city, by enhancing the publicity model of online traffic stimulation and offline in-person experiences, leveraging big data technology to create new integrated community tourism products, thereby expanding domestic and overseas tourism markets.

The Government will organise large-scale tourism roadshows in major cities of mainland China, and launch various post-pandemic tourism product offers, to help the industry with expanding tourist sources. Meanwhile, we will further develop "Tourism +", to promote crossover integration of tourism with catering, big health, technology and events, and facilitate the development of education tourism.

We will adopt proactive fiscal policies to expand infrastructure investment. While practising frugality and stringent control of recurrent expenditures of public departments and institutions, the Government will maintain vigorous public investment. With a preliminary budget of 22.3 billion patacas allocated to the Investments and Development Expenses of the Administration (PIDDA) for 2023, the Government will launch various public infrastructure and public housing projects, to expand domestic demand, boost the economy and improve people's livelihoods.

The Government will support the development of small and medium-sized enterprises, and assist them in overcoming difficulties and enhancing their competitiveness. The Government will assist SMEs with seizing the opportunities arising from the development of non-gaming industries, and achieve interactive development with the integrated tourism and leisure industry; support digital transformation of traditional SMEs and encourage them to make good use of e-commerce and direct sales channels for market expansion; promote accredited shop brands and empower accredited neighbourhoods with technology to promote community consumption.

We will continue refining laws and regulations, and optimise investment and business procedures, to create a more convenient and business-friendly environment. While safeguarding prioritised employment for local citizens, the Government will secure the human resources necessary for economic recovery and sustainable development – and especially for SMEs.

We will effectively implement measures to stabilise the economy, promote economic recovery and safeguard employment in a timely manner, while expanding visitor sources, boosting consumption and reinforcing confidence, to revitalise the market and set the economy back on track.

While fostering economic recovery and boosting the overall economy, the MSAR Government will adhere to the "1+4" adequate economic diversification strategy, to optimise the industrial structure.

"1" refers to promoting a diverse tourism and leisure development in accordance with the objective of building a world tourism and leisure centre, and improving the integrated tourism and leisure industry.

"4" refers to continuously facilitating the development of the four major industries of big health, modern financial services, high technology, exhibitions and conventions, commerce and trade, and culture and sports. The Government will gradually elevate the proportion of the four major industries, and enhance the economic development momentum and comprehensive competitiveness, so as to build a sustainable industrial structure in line with Macao's actual development. In future, we will strive to achieve a contribution to gross domestic product (GDP) of approximately 60 percent by non-gaming industries.

The Government will expedite the establishment of "One Centre" and promote the quality development of the integrated tourism and leisure industry, while constantly enriching the content of Macao as a world tourism and leisure centre, and developing and fostering an integrated tourism and leisure industry with a wealth of non-gaming elements. In particular, the Government will fully leverage the benefits arising from world heritage in Macao, and strengthen the development of cultural tourism.

As preparation is the key to success, we will strive to prepare for the arrival of visitors, upgrade tourism services and facilities, and improve service quality, to promote the quality development of the integrated tourism and leisure industry. In addition, we will further expand high-end tourist source markets, and develop exhibitions and conventions, commerce and trade, and incentive tourism.

The Government will continue promoting the development of the non-gaming industries led by gaming operators, and strictly monitor the fulfilment of contractual commitments by new gaming concessionaires, with a focus on the development of non-gaming projects, to enrich non-gaming elements and further expand international tourist markets. We will effectively monitor and promote responsible gaming, to ensure healthy and orderly development of the gaming industry in compliance with relevant laws.

The Government will accelerate the development of the "Big Health" industry by strengthening cooperation with Peking Union Medical College Hospital and taking the establishment of a state-level regional medical centre as an opportunity, to develop regional tumour treatment, medical beauty and

other specialist treatment services for the Guangdong-Hong Kong-Macao Greater Bay Area and surrounding regions. In this regard, we will accelerate the construction of ancillary infrastructure; formulate regulatory standards for the medical industry; refine relevant laws and regulations; and establish and improve the regulatory system for medical instruments, cosmetics and pharmaceutical products.

The Government will import and cultivate major “Big Health” enterprises and recruit professional talents, while further promoting the development of traditional Chinese medicine industry and the establishment of a testing centre for Chinese medicines. We will effectively implement the Law on Pharmaceutical Activities in the Field of Traditional Chinese Medicine and the Registration of Traditional Chinese Medicines, to assist enterprises in registering traditional Chinese Medicines in Macao, and strive for the production of traditional Chinese medicines in the Intensive Cooperation Zone that are registered in Macao, and their entry into mainland China and international markets.

In addition, the Government will formulate the application process and management system for the “Products inspected by Macao”, “Production supervised by Macao” or “Designed by Macao” accreditation, and further leverage the functions of the Traditional Chinese Medicine Science and Technology Industrial Park of Cooperation Between Guangdong and Macao (GMTCM Park) as a platform, to promote the internationalisation of Chinese medicine with the use of the medical services and medications model.

We will expedite the development of a modern financial services industry. Taking advantage of Macao's special status and unique advantages, the Government will focus on the development of the bond market, wealth management, finance leasing, Renminbi clearing, private equities and green finance, to perfect the investment and financing ecosystem, improve the quality of modern financial services, and build an external financial service platform that bridges the world and serves the nation's domestic-international dual economic cycle, and especially a platform for financial services cooperation between China and Portuguese-speaking countries; develop Macao as a Renminbi clearing centre for Portuguese-speaking countries; continue optimising the software and hardware infrastructure of the bond market, initiate liaison with the International Central Securities Depository (ICSD), and launch debt securities-related products and value-added services on a timely basis, to expand the pool of international investors and expedite the introduction of policies for subsidy encouraging bond issuance in Macao; expedite the formulation of the Securities Law and related regulations; refine private equity-related laws and regulations, and promote the development of private equity businesses; strengthen financial infrastructure, and launch the second phase of the Faster Payment System, to strive to complete the establishment of a financial infrastructure data centre; and strengthen financial talent cultivation and import.

The Government will foster technological innovations and the development of the science and technology industry, and facilitate the

establishment of the Macao (sub) centre of the National Technology and Innovation Centre of the Guangdong-Hong Kong-Macao Greater Bay Area and the National Technology Transfer (Macao) Demonstration Institution. We will also promote the incorporation of the four State Key Laboratories into their restructured system, and take the initiative to undertake national strategic roles in science and technology.

The Government will leverage the advantages of "One country, two systems" and as a platform between China and Portuguese-speaking countries, to participate in the construction of the technological innovation corridor of the Guangdong-Hong Kong-Macao Greater Bay Area, and contribute to strengthening technological cooperation between China and Portuguese-speaking countries, while actively building the China-Portuguese-speaking Countries Technology Centre, and attracting projects from Portuguese-speaking countries to be implemented in Macao, the Guangdong-Macao Intensive Cooperation Zone in Hengqin and the Guangdong-Hong Kong-Macao Greater Bay Area.

We will perfect technological mechanisms and systems; facilitate integration of the industrial, academic and research and development sectors; and mobilise foundations, technology enterprises and tertiary education institutions in Macao and the Guangdong-Macao Intensive Cooperation Zone in Hengqin to establish an industry-academia-research alliance, so as to enhance the transformation of scientific research results. In addition, we will gradually cultivate high and new technology enterprises, and attract both local and foreign high technology enterprises and talents to settle in Macao, while implementing the certification system and supplementary measures for technology enterprises, thereby providing them with more support.

The Government will facilitate the development of the convention and exhibition, and commerce and trade industries. We will continue promoting the market-oriented and professional development of the convention and exhibition industry, with a focus on fostering the development of conventions and exhibitions covering the four major industries and the key industries in the Guangdong-Hong Kong-Macao Great Bay Area, while jointly introducing international, regional and professional conventions and exhibitions in the Guangdong-Hong Kong-Macao Great Bay Area with various organisations.

Leveraging branded conventions and exhibitions to facilitate the development of the major industries, the Government will fully leverage the functions of the convention and exhibition industry in promoting trade and soliciting foreign investments, and extend the convention and exhibition industry chain. We will also support more large-scale international exhibitions to take place in Macao; promote business and leisure tourism, and offer more leisure and tourism activities during conventions and exhibitions to prolong the stay of business visitors in Macao, thereby boosting commercial cooperation and tourist spending.

Regarding fostering the development of the cultural and sports industries, the Government will effectively implement major cultural industry projects and

support the development of cultural and creative enterprises, in order to promote the production and sale of cultural and creative products and services, while facilitating the synergistic development of the film and television industry, the film and television service industry and related industries.

To enhance the experience of visitors to Macao's world heritage sites, the Government will utilise the space of historical buildings such as the Mandarin's House, the Dom Pedro V Theatre and the Navy Yard, and introduce resident branded performances that reflect local characteristics.

The Government will also fully leverage the role of "Sports +", seizing the opportunity of hosting the 70th Macau Grand Prix and preparing for the 15th National Games, to incorporate a wider range of tourism and cultural elements into various events in order to create attractive branded sports events. We will urge the gaming operators to fulfil their commitments to non-gaming projects, and organise various international cultural and sports events.

To promote industrial transformation and diversification, the Government will support Macao's branded industries, develop high value-added industries, and assist the industries in promoting quality products made in Macao. We will also expand the diamond and gemstone trading and processing business, thereby enabling the jewellery industry chain to gradually take shape; and optimise services for applying for and approving industrial licences.

Talents are the key to adequate economic diversification. The MSAR Government will focus on both talent cultivation and import. We will expedite the cultivation of local talented people, and proactively promote the return of local talents who are currently abroad; encourage the design of tertiary education programmes in accordance with the development of industries, and the programmes for joint cultivation between tertiary education institutions and overseas renowned institutions, with a focus on cultivating talented people for industrial diversification; introduce professional qualification examinations to meet the needs of market development, and include vocational courses and certification examinations covered by subsidies provided through the Continuing Education Programme.

On the other hand, the Government will seek to recruit talented people with open and pragmatic attitudes, and strive to import talented people who can help facilitate adequate economic diversification in Macao. We will implement the Legal System for Importing Talented People, launch the electronic application platform for the Importing Talented People Programme, and expeditiously refine the talent demand list and the catalogue of talents in short supply, in order to actively recruit talented people.

## **(2) Enhance infrastructure construction and jointly build a liveable smart city**

Since Macao's return to the motherland, the MSAR Government has been optimising urban infrastructure, which is still unable to match the development needs of society and people's livelihoods as regards new infrastructure and



smart cities construction, and lags behind some neighbouring regions in certain areas. In 2023, the MSAR Government will further increase investment in infrastructure projects, to perfect urban features and enhance living standards. We will also make full use of modern technology and focus on improving urban management, to gradually achieve refined, intelligent and technological management.

The Government will proactively implement the detailed planning process. After the completion of the public consultation on the detailed planning draft for Eastern District-2, the plan will be expeditiously announced, while work will proceed on the detailed planning for Outer Harbour Area-1, Outer Harbour Area-2, and North Taipa-1.

To expedite major infrastructure projects in an orderly manner, the Government will further expedite the construction of the fourth Macao-Taipa cross-harbour bridge and the surrounding road networks, the New Urban Zone Area A road networks, and the common pipeline. The projects to construct the bridge linking Hengqin Port and the University of Macau and LRT Barra Station are expected to be completed by the second half of 2023.

We will also proceed with the construction of Seac Pai Van line, Hengqin line, and East line, complete the construction of the central laboratory building of the Islands District Medical Complex, and forge ahead with the construction of various public facilities and government office buildings.

Regarding the improvement of traffic management, the Government will initiate the revision to the Road Traffic Law and its supplementary regulations; improve the walking route network, and complete the designs of various pedestrian facilities, followed by the commencement of construction; continue monitoring the effectiveness of bus services operating under the new contracts, and strictly enforce the monitoring of the bus services quality assurance system; assess the demand for new taxi licenses; continue developing related ancillary facilities, to fully leverage the functions of the Hong Kong-Zhuhai-Macao Bridge; and strengthen inter-departmental coordination, to mitigate the impact of road construction on traffic and the lives of nearby residents.

To accelerate the establishment of smart cities and perfect new infrastructure, the Government will expand the coverage of free WiFi services; install fibre optic systems in all new public buildings; further promote the replacement of electric meters, water meters and natural gas meters with smart meters; build a traffic congestion alert system, and improve real-time traffic management capabilities; further optimise the Macao Smart Go application, to perfect various public transportation systems and travel information; and promote inter-departmental geographic data sharing, to gradually build a service system for spatial data creation, dissemination, and sharing.

Regarding the development of a green and liveable Macao, the Government will adopt a series of measures to control greenhouse gas

emissions in accordance with the national dual carbon goals, and actively implement the electric vehicle promotion plan, while boosting the penetration rate of electric vehicles even as overall vehicle growth is controlled. Bus companies will be required to phase out the public buses of Euro 4 emission standard, and the proportion of electric public buses will be increased to approximately 70 percent.

The Government will further implement the plastic restriction policy, and prohibit the import of non-degradable disposable plastic knives, forks and spoons during 2023; expedite construction projects including the expansion of the Macao Central Incineration Centre, the sewage treatment plant on the Zhuhai-Macao Port Artificial Island of Hong Kong-Zhuhai-Macao Bridge and the upgrading of the Coloane Sewage Treatment Plant; initiate discussions on the construction of an eco-island; resolve coastal sewage pollution in the Inner Harbour; and ensure progress with the construction of a recycling centre for organic resources, together with various plans and projects related to the “reclaimed water reuse” project.

Regarding strengthening disaster prevention and mitigation to enhance the city's resilience, the Government will effectively implement the ten-year plan for disaster prevention and mitigation, to protect residents' lives and property; ensure progress with the construction of the rainwater pumping station in the South Inner Harbour and the sewerage project; complete the preliminary design of the Flood Prevention and Drainage at West Coloane project; and initiate the public tender and construction of the dyke improvement works in Area A.

The Ka Ho Reservoir capacity expansion project (Phase Two) is expected to be completed by the end of 2023 or in early 2024. This will be in addition to completion of the Dateng Gorge Hydroelectric Project in Guangxi, thus significantly enhancing the security of Macao's water supplies. The Government will also fully implement the Legal System for the Control of Hazardous Substances, and begin construction of the permanent storage for hazardous substances.

To increase and optimise municipal leisure facilities, the Government will proceed with the construction of the second phase of the green promenade along the southern shores of the Macao Peninsula and the Hac Sa Youth Activity Experimental Camp, and finish planning the redevelopment of the former Macao (Yat Yuen) Canidrome Club and the lot of Lin Fong Sports Centre into sports parks for public use. We will also continue optimising open space for the community and children's play facilities, to provide the public with a variety of leisure spaces.

Regarding strengthening the management of maritime areas, we will strive to complete the drafting and the legislative process of the bill on marine zoning based on functions, the planning of maritime areas, and the Law on Use of Maritime Areas. The Government will also join hands with authorities in mainland China to develop a smart maritime system, in order to strengthen the supervision of maritime traffic and vessels.

### **(3) Take multiple measures to benefit people's wellbeing**

No livelihood issue is too trivial, and the Government shall serve its people. Improving people's livelihoods is the top priority of the Government's work. The MSAR Government will take concrete and effective measures to respond to residents' demands; actively solve problems with employment, housing, healthcare, livelihood services and education; and continue to improve people's wellbeing, so as to relieve people's hardships and address their concerns.

The Government will continue implementing various tax incentives and welfare measures. While upholding the principle of financial prudence, the Government will ensure that resources for education, healthcare, livelihoods and social welfare will not be reduced, and carry forward all welfare measures and temporary tax incentives that were implemented in 2022.

To effectively safeguard prioritised employment for local citizens, the Government will ensure steady employment for gaming staff after the new casino concessions are granted, and maintain the proportion of local employees working in the middle and senior management of integrated tourism and leisure enterprises at no less than 85 percent.

The Government will continue with the subsidised training scheme, to further assist people who are impacted by the pandemic by upgrading their vocational skills for entering the job market; continue offering online employment support services and launch online matching activities; integrate and enrich a variety of employment information; flexibly adjust the number of non-local workers according to the circumstances of the job market; enhance local people's competitiveness in employment; and initiate a variety of vocational training courses and subjects for vocational examinations, to help Macao residents with strengthening their upward or horizontal mobility in the workplace.

The Government will continue improving labour laws and regulations. The Union Law will be submitted to the Legislative Assembly for deliberation by the end of the year, and the measures regarding subsidies of remuneration for maternity leave and other laws will be reviewed. To facilitate the promulgation and implementation of the Law on Occupational Safety and Health in the Construction Sector in future, related supplementary laws and regulations will be formulated, to strengthen the creation of the occupational safety and health system.

The Government will maintain its level of investment in public housing, and implement the five-rung housing ladder policy, to help people from different walks of life to purchase their homes. Also in 2023, we will expedite the public housing construction project in Venceslau de Moraes and Area A; carry out the review and allocation of regular family application for public housing, accelerate the construction of Home-Ownership Scheme Housing units in Area A; and commence a new round of application procedures for Home-Ownership Scheme Housing.

In the first half of 2023, the study on the plan for Sandwich Class Housing on the site on Avenida Wai Long and the related legal system will be completed, and the corresponding construction and access system, plus conditions of use and sale of the housing units will be established. The Government will complete the construction of the housing project for senior citizens at Lot P of Areia Preta; and will plan and select suitable land for private housing for public tendering.

We will implement urban renewal work in accordance with the law; expedite the legislation of the Legal System Governing Urban Renewal; proceed with construction of interim housing; and create favourable conditions for urban renewal.

To improve healthcare services, the Government will uphold the principle of "putting prevention first and providing sound healthcare", and promote continuous development of Macao's healthcare system. We care for the physical and mental health of the residents, and will provide mental health-related services through the joint mechanism of "four-level joint prevention and four-service linking network" of the World Health Organization, and build a protective network for caring for people's lives. We will continue promoting the application of Chinese medicine in community healthcare services and enhance the professional standards of Chinese medicine services in Macao.

To strengthen social services, the Government closely monitors the aging population, and will strengthen elderly services and promote smart elderly services; complete the construction of senior citizen housing on schedule, and promptly formulate the scheme for moving in.

We will optimise the Carers Allowance Pilot Scheme to further expand the range of target beneficiaries. In 2023, about 300 new quotas for rehabilitation services will be added. An additional month of allowances will be disbursed to eligible families, in response to the pandemic.

The Government will actively support the development of women's and children's affairs, perfect and facilitate the implementation of family-friendly policies, continue supporting the development of family life education, and promote the development of child-care services; regulate the price marking methods of public wet markets to enhance price transparency; and implement the Registration System for Establishments of Takeaway Foods, to strengthen inspections and protect consumers' rights and interests.

The Government will improve the standard of education and steadily facilitate the market-oriented development of higher education; facilitate the orderly development of institutional quality audit in higher education institutions, to enhance quality and competitiveness; gradually expand the sources of international students, expand the scale of higher education, and speed up talent cultivation to assist the development of the MSAR.

We will also enhance the quality of non-tertiary education and support the diverse development of students; continue improving the teaching and learning environment for basic education by planning and constructing eight schools and one education centre on lots B1 and B2 of the New Urban Zone Area A; and enhance the professional competence of teachers and related teaching staff.

We will continue implementing the pilot project on Smart Teaching; launch a science popularisation and education scheme for students, to promote science and technology education in primary and secondary schools; and continue supporting local students with pursuing further studies in top universities around the world.

We will strengthen youth work and support youth development from a strategic perspective. The Government will publish the Social Survey on Macao Youth Indicators 2022, and implement a professional development programme for young people of Macao, to provide professional experience opportunities for Macao's working youth; and fully leverage the functions of youth organisations to enhance the political engagement ability of young people.

The Government will help young people and students to pursue employment, education, entrepreneurship and exchanges and cooperation in mainland China – especially in the Guangdong-Hong Kong-Macao Greater Bay Area, to help the new generation better integrate into the overall national development plan. Young people should continue increasing their self-worth, enhance their competitiveness and strengthen their diligence, to grow through practising and tempering.

We will expedite the construction of One Base; leverage Macao's unique advantages to conduct cultural exchanges and cooperation activities; and build platforms for these cultural exchanges and cooperation.

We will organise Art Macao: 2023 International Art Biennial of Macao; and support local arts organisations and workers with applying for the China National Arts Fund, to boost the popularity of Macao's creative works.

We will publish the Annals of Macao - Geography, and commence the compilation of the Annals of Macao - Law and Politics; promote digital upgrading and transformation of cultural and museum facilities; and upgrade the software and hardware facilities of the Museum of Macao and the Mandarin's House.

The Government will also launch two subsidy schemes for the revitalisation and maintenance of historic buildings; enforce the Cultural Heritage Protection Law; and properly protect and utilise our cultural heritage.

We will build a “city of reading”, and introduce reading space enhancement and incentive measures for children and teenagers, to cultivate a lifelong reading habit.

To support the development of sports, we will actively participate in the preparation of the 15th National Games; plan to hold a variety of competitive and public events; begin recruiting volunteers as required; and support the growth of sporting talents by perfecting athletic team building and training, to create a favourable environment for the development of elite athletes.

We will facilitate the planning and restructuring of various sports facilities, including through construction of an auxiliary building of the Athletes Training Centre and sports facilities in New Urban Zone Area A; support organising sport for all activities; and facilitate building Macao as a healthy city.

#### **(4) Deepen public administration reform and continuously improve governance capacity**

Based on its previous work, the MSAR Government will focus on creating a public service environment for the convenience of the public and businesses; continue promoting public administration reform, adhering to the rule of law; and continuously improve the overall quality and standard of governance.

The Government will properly define its rights and responsibilities and optimise the allocation of functions; continue reviewing the disciplinary system for department heads and supervisors of public departments, and introduce new mechanisms at both physical and procedural levels, to improve accountability; review the functions of project teams in the government structure and implement necessary restructuring; and continue optimising the internal division of labour and allocation of functions at the departmental level.

To deepen the development of e-governance, the Government will commence revising the laws and regulations related to e-governance; offer one-stop integrated services based on the “Macao One Account 2.0”; and expand, in phases, the cloud computing centre, to gradually improve the level of data development and utilisation.

The Government will start issuing the next-generation Macao identity cards in the fourth quarter of 2023; and will also optimise registration and notary procedures; strengthen data interconnection; and facilitate electronic registration for motor vehicles, civil registration and property and business registrations.

To improve the efficiency of internal management of public departments, the Government will re-establish a unified personnel management system for civil servants; centralise and integrate government human resources data; and effectively support the allocation of departmental functions and scientific management of human resources. We will also improve the horizontal mobility of civil servants, and optimise the overall allocation of human resources under the premise of controlling the total number of civil servants; and strengthen cross-departmental cooperation and facilitate coordinated and efficient operations by government agencies.

We strive to build an efficient civil servant team for the people. The civil servant entrance examination, and the comprehensive capability appraisals for senior secondary education and bachelor's degree levels, will be conducted in March and October 2023, respectively. To improve civil servant training, the Government will review the framework of compulsory training courses, improve the curriculum of the Civil Servant Leadership Skills Training Programme, and launch training tours adopting a problem-based approach.

The Government will organise exchange seminars for civil servants from Macao, Zhuhai and Hengqin; explore the establishment of a system for assigning civil servants to internship programmes in the Greater Bay Area and other parts of mainland China; and continuously strengthen civil servants' sense of responsibility, together with their awareness of serving the people, communication and collaboration, fairness and integrity, and innovation.

The Government will effectively implement the principle of "patriots governing Macao"; perfect the electoral system and carry out the work on amending the Electoral System for the Legislative Assembly; and strengthen education and training for civil servants on patriotism and their national security awareness. In conjunction with the 30th anniversary of the promulgation of the Basic Law, a series of commemorative and legal awareness activities will be held to promote a comprehensive and accurate understanding of the principle of "One country, two systems" in the community.

The Government will coordinate and expedite all legislative work, actively implement the projects scheduled in the legislative plan for the year, and prioritise the legislative amendments related to people's livelihoods and the economy, to provide legal support for promoting economic recovery, and protecting and improving people's livelihoods. We will also actively facilitate the optimisation of the legal system for monitoring public assets, to ensure rational use of public funds.

To facilitate regional and international legal cooperation, the Government will foster integration and development of legal services in the Guangdong-Hong Kong-Macao Greater Bay Area, and establish and improve diverse dispute resolution mechanisms, such as arbitration and mediation. In accordance with the requirements of the Master Plan for the Development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin, we will explore the matching of regulations and mechanisms of Guangdong and Macao, and facilitate the establishment of a legal system for the Cooperation Zone. We will also expedite the negotiations regarding and signing of judicial assistance protocols with Portugal, Brazil, the Philippines and Vietnam.

We will respect and uphold judicial independence, and actively support the construction of software and hardware for the judiciary.

The Commission Against Corruption (CCAC) will carry out its work related to anti-corruption, complaints to the Ombudsman and integrity education in accordance with the law, to prevent and combat corruption with determination. The Commission of Audit will make progress in building collaboration

mechanisms, managing audit projects, devising innovative methods for audit organisation and utilising audit data, to continuously improve the standard and effectiveness of audit.

## **(5) Persistently safeguard national security and maintain social stability**

Safeguarding national security and social stability is a matter of the basic interest of Macao people. In the face of the increasingly severe and complex security situation, the MSAR Government will further strengthen the overall national security concept; enhance the awareness of potential risks; adhere to bottom-line thinking; safeguard our country's sovereignty, security and development interests; resolutely prevent and suppress interferences in Macao affairs by external forces; and continuously enhance modernised public security governance, to ensure security and safety for Macao people to live and work, and for the prosperity and development of Macao.

To persistently safeguard national security, firstly, we will improve the legal system for safeguarding national security. The Government will make considerable efforts to push forward the second reading of the amendments to the Law on Safeguarding National Security, and make progress with the revision of supporting legislation in an orderly manner.

Second, the Government will implement enforcement mechanisms to safeguard national security, make every effort to facilitate the physical operations of the Office of the Committee for Safeguarding National Security of the Macao Special Administrative Region, and fully support the National Security Adviser and National Security Technical Advisers in fulfilling their duties according to the law.

Third, we will strengthen national security law enforcement; optimise intelligence and law enforcement; strengthen the ability to identify and respond to security risks and threats in various areas; and actively prevent, suppress and penalise according to law any activities that endanger the stability of the country and Macao.

Fourth, we will continue carrying out promotions and education on the National Constitution, the Basic Law of Macao, and the laws on safeguarding national security, to enhance Macao people's loyalty to the country and awareness of national security.

Fifth, we will strengthen our patriotism; advocate the core value of our love for the country and for Macao; fully leverage the functions of patriotic organisations as a bridge to build the broadest consensus for social development; and consolidate the socio-political foundation of love for the country and for Macao.

To maintain consistent alertness in the police force:

First, we will strengthen the police force through technology. We will comprehensively promote the development of smart policing; improve the



overall deployment of CCTV cameras; strengthen cyber security supervision; and enhance cyber security alertness and protection capabilities.

Second, we will promote civil protection reform. The Government will implement the new Civil Protection Master Plan, promote smart civil protection, and continue improving the functions of the application platform enabling effective overall command during emergencies.

Third, we will systematically prevent and strictly combat all kinds of illegal and criminal activities, proactively optimise law enforcement, deepen regional police collaboration, and combat cross-border crimes, to maintain overall social security and stability of Macao.

## **(6) Steadily advance the construction of Hengqin, and better integration with national development**

2023 will be a crucial year for deepening the development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin and achieving the goal for the first stage.

Together with Guangdong province, the MSAR Government will carry forward the spirit of “dare to venture and dare to pioneer”. While upholding the premise that the principle of “One country, two systems”, the zoning of administrative districts, and the judicial system remained unchanged, the Government will focus on the “four new strategic positionings” and the “four new key tasks” to open our minds with innovative thinking and exploration, and to raise the level of collaboration.

We will make good use of the advantages of “Two systems” to continuously improve the new system of “mutual discussions, joint construction, joint administration and shared benefits”; effectively implement the Master Plan for the Development of the Guangdong-Macao Intensive Cooperation Zone; better facilitate the matching of regulations and mechanisms between the Cooperation Zone and Macao; accelerate the development of major industries; deepen the integration of people's livelihoods; and continue improving the level of integrated development of Macao and Hengqin, to open new horizons for Macao residents to start businesses, seek employment and enjoy quality living.

The MSAR Government will work closely with Guangdong province to expedite, step by step, the legislation for the Cooperation Zone. We will continue communicating with the relevant national ministries; facilitate the implementation of hierarchical management supporting regulatory measures and tax policies; facilitate prompt implementation of major supportive measures, such as the special measures for relaxing market entry requirements of the Cooperation Zone, and the catalogue of encouraged industries; and explore the ways to establish an international Internet cross-border data management system, to facilitate efficient and convenient flows of information on essential resources.

The Government will accelerate the formulation of plans for the development and investment companies in the Cooperation Zone; and facilitate the launch and implementation of the list of the first batch of authorised items; take the lead in establishing a legal system and mechanism deeply integrated with Macao in civil and commercial areas, such as market supervision, commercial registration, intellectual property rights, cross-border practices, and commercial dispute resolution, providing legal protection for the development of the Cooperation Zone.

We will focus on industries with precise efforts; focus on facilitating Macao's industrial diversification; scientifically study and identify segmentation of the Cooperation Zone; expedite the introduction of a series of high-quality and precise industrial policies; leverage Macao's unique advantages arising from being a free port with international access to the world and the Cooperation Zone's advantages in space and talents, to facilitate efficient and convenient flows of people, goods, funds and information in Macao and Hengqin. We will also study ways of lowering enterprises' operating costs and people's cost of living in the Cooperation Zone; provide a hub platform for mainland China enterprises to go global, bring in international enterprises, and form a new model to promote the synergy between industries with "Macao platform + international resources + Hengqin space + shared results".

To promote high-quality development of modern financial services, we will accelerate the launch of policies on financial services industries, such as wealth management and green finance; support the development and public listing of micro-, small- and medium-sized enterprises; fully cooperate with the national financial authorities, to implement the plan for the establishment of an electronic fence system in the Cooperation Zone; build crucial financial infrastructure; explore the coordinated development of onshore and offshore businesses with the implementation of risk control; and promote the convenient flow of funds between Macao and Hengqin.

The Government will promote cross-border transfer of green finance assets, to further open up the capital connection channels with Macao; encourage quality business to establish lease finance companies in Macao, to operate collaborative cross-border businesses; support joint capital of Macao and Guangdong to strive for obtaining financial licences in the Cooperation Zone, such as bank finance subsidiaries and consumer finance companies.

With reference to the cross-border financial cooperation mechanism, the Government will explore ways to jointly establish a financial supervision committee in the Cooperation Zone, and establish a sound coordination and communication mechanism for tools to supervise innovative pilot financial services projects.

We will make great efforts in developing advanced technology. We will actively facilitate the implementation of semiconductor chip manufacturing projects; commence an exercise to invite investment in the Metaverse industry; expedite the establishment of industrial structure and agglomeration of enterprises; facilitate the construction of the Hengqin Advanced Intelligent

Computing Permanent Base; promote the computing platform as a project for creating scientific devices; cooperate with the Cooperation Zone to help Macao researchers to apply for national science and technology programmes; and support researchers working on projects in Macao to conduct joint research and development in the Cooperation Zone, and to transform their achievements.

The Government will facilitate the development of the “Big Health” industry, integrate the advantages of traditional Chinese medicine in Guangdong and Macao, and strengthen cooperation in traditional Chinese medicine between the two places.

We will optimise the development model of Traditional Chinese Medicine Science and Technology Industrial Park of Cooperation Between Guangdong and Macao (GMTCM Park); expedite the implementation of several healthcare projects; focus on the development of Chinese medicine using traditional and classical prescriptions, Chinese medicine, testing and certification, transformation of pilot testing, production and manufacturing and other business formats; and proceed with the construction of Hengqin Hospital of the First Affiliated Hospital of Guangzhou Medical University.

To strengthen the cultural tourism, convention and exhibition, and trade and commerce industries, the Government will promote in-depth cooperation between Macao and Hengqin in cultural innovation, convention and exhibition, consumption, Big Health and other industries; jointly build the brand of Macao-Hengqin tourism; expedite the construction of the crossing area and extension area for Macao’s cultural, tourism and exhibition industry; and organise the High-quality Consumption Exhibition and Hengqin Global Bay Area Forum.

To create a favourable environment for living and working akin to Macao, we will complete the establishment of Macao New Neighbourhood project, develop plans for allocation and sale of residential units, and simultaneously build livelihood facilities for the people.

We will accelerate the implementation of Macao standard public services and welfare systems in Hengqin; continue to deepen exchanges and cooperation between Macao and Hengqin in education, healthcare, culture and other social and livelihood areas; and assist Macao residents with seeking employment opportunities in the Cooperation Zone.

We will adopt targeted measures to attract Macao young people to pursue innovation, start up new businesses and work in the Cooperation Zone; launch special internship programmes on advanced technology for Macao young people; establish policies to facilitate cross-border practices so Macao medical workers can work in the Cooperation Zone; and strive to launch the policy that enables medicines and medical devices that are legally used in Macao to be also used in the Cooperation Zone.

To deepen regional cooperation, the Government will implement the

Arrangements of Key Projects for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area in 2023, implement various project plans, and actively participate in the formulation of various policies and plans; facilitate cooperation between Guangdong and Macao, and implement specialised cooperation tasks with Shenzhen and Foshan; study the establishment of specialised cooperation mechanisms with Hainan and Chongqing; actively participate in pan-Pearl River Delta cooperation, and encourage Pan-Pearl River Delta local governments and qualified enterprises to raise financing through Macao bond market, and strengthen cooperation with Pan-Pearl River Delta in tourism and exhibition, culture and education, scientific innovation, ecological and environmental protection, Chinese medicine and other industries; implement Beijing-Macao, Shanghai-Macao, and Sichuan-Macao cooperation; and participate in supporting Jiangxi's rural revitalisation work.

We will actively participate in the Belt and Road initiative, and pragmatically facilitate the establishment of One Platform; take the initiative to align with the country's development strategy and work arrangement; facilitate exchanges and cooperation with Portuguese-speaking countries and countries and regions along the Belt and Road in the areas of economics and trade, tourism and culture; and establish a closer liaison mechanism with cities with which Macao has signed friendship agreements, and pragmatically facilitate cooperation in various areas.

#### **(7) Make unrelenting efforts to prevent and control COVID-19 and strengthen the anti-pandemic system**

We are still facing uncertainties due to the global development of the pandemic. The MSAR Government will continue aligning with the national prevention and control policies; persist in normalising scientific and precise prevention and control, to safeguard the health and lives of Macao people, and create favourable conditions for normal operations of society and economic recovery.

We will continuously enhance our ability to prevent and control the pandemic. When the pandemic has been stabilised, the Government will continue to strengthen prevention and control at the community level, and improve the emergency response mechanisms, by conducting COVID-19 nucleic acid tests of targeted groups of workers; detect suspected cases at an early stage, continue with staff training, create reserves of anti-pandemic materials, and construct backup isolation facilities.

We will consolidate our experience of the "18 June" pandemic prevention and control, to enhance our pandemic prevention and control capability; optimise pandemic contingency plans; steadily improve regional joint prevention and control, and constantly improve the pandemic prevention system; and continue to promote COVID-19 vaccination, mainly targeting the elderly, children, and booster doses.

The Government will closely monitor the development of the pandemic, safeguard our border checkpoints, medical and healthcare institutions, and the community; strengthen the surveillance and screening of people at risk; take

joint prevention measures with people, objects and the environment; improve pandemic prevention guidelines and recommendations; strengthen coordination and collaboration on pandemic prevention and control; and make good use of information technology to constantly improve data connectivity, to enhance our pandemic prevention and control capability.

To improve infectious disease prevention and control facilities, the Public Health Specialist Building will commence operation in 2023. This meets World Health Organization standards, and will be equipped with 80 high-standard isolation wards to provide support in prevention and control of infectious disease outbreaks.

## Conclusions

President, members of the Legislative Assembly,

Macao has been experiencing considerable difficulties and challenges along its development path, with ups and downs, decline and recovery. Macao people have demonstrated their fine traits of mutual aid and unity, and achieved continuous development and progress in spite of the adverse circumstances.

Currently, we are facing a complex and ever-changing internal and external development environment, and dealing with the difficult tasks of economic restructuring and transformation. Today, however, the scale and level of Macao's overall economic development, the financial situation of the MSAR Government, and the strength and foundation of Macao industry or enterprises, are unparalleled in history.

We must move on with full confidence, join hands and unite to overcome difficulties and challenges, blaze a new trail of adequate economic diversification, and open new horizons for Macao's development.

Our nation always serves as the solid support for Macao. The Central People's Government's policies and measures to support the development of Macao are being gradually implemented. With the support of the motherland and our connection to the world, Macao's unique advantages for development remain unchanged. We must firmly believe that with the support of our great nation, the solid principle of "One country, two systems", and the joint efforts of all sectors of Macao and its residents, Macao's future will be even brighter and better!

The MSAR Government will seize the opportunities arising from national development; leverage Macao's unique positioning and advantages; unswervingly expedite Macao's adequate economic diversification; actively participate in the new national development plan; pragmatically promote the construction of the Cooperation Zone; and achieve better development of Macao on the broad stage of national development.

The MSAR Government will always persist in upholding the principle of serving the public; remain committed and actively strive to solve the deep-rooted conflicts and problems in economic and social development; actively respond to the concerns of the people with solid and effective work; and continuously perfect policy implementation and livelihood security, enabling Macao people to enjoy a better life and live up to their expectations.

We shall take into account the actual situation in Macao; thoroughly study and implement the report of the 20th National Congress and the spirit of President Xi's important speech; strengthen our confidence in the principle of "One country, two systems"; leverage the advantages of "One country, two systems"; adhere to a general approach of making progress while ensuring stability; and jointly promote the great cause of "One country, two systems" in

Macao in the new era, to break new ground and make new achievements!

Finally, I would like to express our sincere gratitude to the Legislative Assembly, all Macao residents, civil servants, the Central People's Government and all its representative offices in Macao, and to all local and overseas friends for their full support for Macao's development!

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