

Translated version

Review of the Government's Work in the Fiscal Year 2024

Overcome Challenges Through Collaboration to Achieve Stable Development

**Macao Special Administrative Region (MSAR)
of the People's Republic of China
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Preface

Review of the Government's Work in the Fiscal Year 2024 and the Financial Budget for the Fiscal Year 2025 of the Macao Special Administrative Region (MSAR) of the People's Republic of China

Chief Executive Ho Iat Seng

19 November 2024

President, members of the Legislative Assembly,

On behalf of the fifth-term Macao Special Administrative Region Government, I now present to the Legislative Assembly plenary meeting the Review of the Government's Work in the Fiscal Year 2024 and the Financial Budget for the Fiscal Year 2025 for its deliberation.

With strong support from the Central Government, the MSAR Government has united and led all sectors of society to persistently implement the spirit of the important speeches and instructions from President Xi Jinping and the Central Government's policies and arrangements related to Macao; unswervingly upheld the principles of "One country, two systems", "Macao people governing Macao" and a high degree of autonomy; followed the overall policy direction of "Strengthening Recovery, Fostering Diversification, Improving Livelihoods, and Enhancing Development" to make pragmatic and proactive efforts for healthy development, and focused on pushing forward appropriate economic diversification; exerted full efforts to promote the construction of the Guangdong-Macao Intensive Cooperation Zone in Hengqin, and continued improving people's livelihoods, thereby achieving fruitful development in various areas, to ultimately sustain overall prosperity and stability of Macao.

This year marks the 75th anniversary of the founding of the People's Republic of China and the 25th anniversary of Macao's return to the motherland. The Central Government has successively launched a series of policies and measures to benefit Macao and its residents, which inject new impetus for Macao to maintain long-term stability and prosperity, fully demonstrating the Central Government's care and love towards Macao.

In addition to implementing the beneficial policies from the Central Government, the MSAR Government has coordinated the preparation for

various celebratory events for the two anniversaries; strengthened security to create a safe and secure environment with beautified cityscape and festive ambience; joined hands with various sectors in organising commemorative activities for the two anniversaries, and launched a series of welfare measures, to enhance the sense of participation and satisfaction among the public, and create an interactive and harmonious festive environment for Macao and Hengqin.

Understanding, promoting and implementing the spirit of the third plenary session of the 20th CPC Central Committee is a major political task at present and in the coming period. The MSAR Government has taken the lead in implementing President Xi Jinping's important speeches and the spirit of the instructions on initiatives for Macao; transformed the understanding of the spirit of the third plenary session into a strong impetus for the continuous development of various undertakings in Macao based on the actual situation; actively seized the major opportunities brought by the national development; given full play to Macao's advantages and taken on a greater commitment; facilitated a high level of national opening up to the world, and promoted Macao's positioning as an international metropolis; continued implementing "One country, two systems" with Macao's characteristics, thereby achieving progress towards a new outlook.

Part I: Review of the Government's Work in the Financial Year 2024

President, members of the Legislative Assembly,

I now present a brief review of the Government's work in the past year.

(1) Safeguarding National Security and Maintaining Stability and Harmony in Macao

Perfecting the legal system in an orderly manner to safeguard national security

The MSAR Government has achieved further progress in legislation supportive work for safeguarding national security. The Law on Guarding State Secrets, the Legal System for the Control of Weapons and Related Items and its associate regulations, and the Law on Oath-taking upon Assumption of Office have come into effect, and the study on perfecting the legal system for anti-terrorism has largely completed.

Continuously perfecting the executive mechanism for safeguarding national security

The Government fully supported the National Security Adviser and the National Security Technical Advisers in fulfilling their duties; prepared for the worst scenarios by strengthening prevention, control, advanced warning and targeted deployment in accordance with the law; and effectively controlled various types of cybersecurity risks by pragmatically carrying out counter-intervention and anti-infiltration work.

Strengthening the social and political foundation of patriotism and love for Macao

Focusing on the Constitution, the Basic Law of Macao and the Law on Safeguarding National Security, the MSAR Government has introduced innovative public education and expanded relevant channels for promoting the laws; enhanced the production of teaching materials on patriotism and love for Macao by launching supplementary teaching aids on national security education from kindergarten level to tertiary education level; and organised a series of national security education exhibitions, to enhance residents' awareness of national security and cultivate the core value of patriotism and love for Macao.

Continuously perfecting the establishment of the urban security system

The MSAR Government has strengthened comprehensive public order control to ensure the safety of major events; launched the study and planning for the sixth phase of the "Sky Eye" camera surveillance project; continued pushing forward the construction of the maritime operations command centre and made efforts to safeguard marine safety; fully implemented a new civil protection model; and strengthened regional police collaboration, to effectively prevent and combat all kinds of illegal and criminal activities.

(2) Implementing the Central Government's Policies for Benefiting Macao and Achieving New Development in Appropriate Economic Diversification

Fully implementing a series of the Central Government's policies and measures for benefiting Macao to facilitate steady economic recovery

In 2024, the MSAR Government seized the opportunity of the new facilitated individual travel (FIT) scheme for mainland China residents to Hong Kong and Macao and the convenient and business-friendly boundary-crossing policies and measures, to disseminate information on Macao's tourism, and launch travel and consumer promotions through multiple channels, boosting continuous rebound of both mainland China and international visitor arrivals.

The Government has implemented the Development Plan for Appropriate Economic Diversification of the Macao Special Administrative Region (2024-

2028) in an orderly manner; pragmatically facilitated the development of the four key industries; and established a statistical framework for the "1+4" nascent industrial structure.

Promoting the high-quality development of integrated tourism and leisure industry.

The MSAR Government continued to deepen "Tourism +" and enrich non-gaming elements to demonstrate Macao's diversified cultural and tourism characteristics, and polished Macao's profile ("golden calling card") as an international metropolis; encouraged integrated tourism and leisure businesses to invest more resources for developing non-gaming elements, and promoted the revitalisation of historical and cultural areas, resulting in a significant increase in visitor footfall and cultural and tourism consumption in the old districts.

The MSAR Government carried forward the follow-up planning for historical and cultural areas in an orderly manner; and introduced a new funding scheme for revitalisation of historical areas, to support small and medium enterprises in operating commercial projects with distinctive features and a vibrant atmosphere in the areas.

Improving gaming supervision and regulation

Amendments to the Implementation of Responsible Gaming Measures were completed and promulgated to take effect. The Law to Combat Illegal Gaming Crimes passed its second reading in the Legislative Assembly. The formulation of Law No. 7/2024 on the Legal System on Regulating Credit Related to Gaming and Betting in Casinos or Other Gaming Venues was completed, and the Government continued to improve the supervision and regulation of the gaming industry.

Promoting agglomerated development and upgrade of the traditional Chinese medicine and the Big Health industries

The MSAR Government has been actively encouraging local businesses to design and develop tourism products with traditional Chinese medicine health food therapy and wellness as the theme. The Traditional Chinese Medicine Science and Technology Industrial Park of Cooperation between Guangdong and Macao (GMTCM Park) continued to attract key enterprises and projects, resulting in a noticeable clustering effect of the traditional Chinese medicine and the Big Health industry.

Macao Union Hospital, which officially commenced operation on 16 September 2024, has enhanced the attractiveness of Macao's specialist medical services with high-end services, attracted more tourists to Macao for medical, wellness and healthcare purposes, and promoted the development of

the Big Health industry by launching health-oriented service products in conjunction with integrated tourism and leisure enterprises.

Promoting sustainable and stable development of the modern financial industry

The MSAR Government continued perfecting the regulatory system related to the bond market, and facilitated the connection of domestic and overseas investment and financing. In April 2024, the first company recommended by the Guangdong-Macao Intensive Cooperation Zone in Hengqin was approved to operate specialised private equity fund management business in Macao; and in July 2024, the first public fund in Macao was formally set up.

The Investment Funds Law has been passed to the Legislative Assembly for deliberation. The Insurance Intermediary Activities Law was passed by the Legislative Assembly and will take effect from 1 August 2025. The revised implementation details for the pilot scheme of Cross-boundary Wealth Management Connect in Guangdong-Hong Kong-Macao Greater Bay Area have come into force to further optimise the pilot scheme.

After years of preparation and deployment, the project on research and development of digital pataca (e-MOP) has reached a substantive implementation stage, with a plan for public demonstration of the prototype system in 2024, and strive to enter the sandbox testing stage by the fourth quarter of 2025.

Promoting transformation and upgrade of high technology industries and traditional industries

The Work Plan for Restructuring of the State Key Laboratories in Macao has been endorsed by the Ministry of Science and Technology of the People's Republic of China (MOST) with the restructuring work in progress. By September 2024, 33 technology enterprises had been certified under the Technology Enterprises Certification Programme, employing 1,300 people and generating an annual revenue of over 3 billion patacas.

Promoting the development of the exhibition and trade industry

Macao's convention and exhibition industry has developed into an internationally recognised brand, as the Government continued optimising the "industry + convention" business environment and strengthening business attraction through exhibitions.

Enriching the "One Base" contents of Macao

In June 2024, Macao was selected as China's Culture City of East Asia

2025, bringing a distinctive golden calling card to Macao as an international metropolis. While the software and hardware facilities of Macao as the "City of Performing Arts" continued to improve, the image of Macao as a World Heritage City has further highlighted with a new batch of entries in the List of Macao Intangible Cultural Heritage, and the commencement of the first batch of the proposed movable heritage classification with significant cultural value of Macao.

Actively cultivating and reserving talents for diversified industries, and optimising the implementation of various talent introduction schemes

The Government encouraged tertiary institutions to offer several degree programmes related to the development of the "1+4" industries, and actively launched joint talent cultivation programmes with overseas tertiary institutions. The first phase of the programme for importing talented people concluded in the first quarter of 2024, with more than 450 people included in the list of recommended talented people for admission. A new phase of the programme was launched in May 2024.

Alleviating the pressure on small and medium-sized enterprises and promoting the development of community economy

The maximum loan repayment period of the assistance schemes for small and medium-sized enterprises (SMEs) and young entrepreneurs has been extended to 10 years. The Government strengthened online and offline publicity to drive residents and tourists into the community, boosting the community's consumption potential.

The 20-week "Weekend Consumer Rewards in Northern District" achieved positive results, with 1,255 participating merchants and more than 29.75 million patacas in e-commerce discounts reimbursed, boosting consumption in the Northern District by about 150 million patacas. To extend the success of the "Weekend Consumer Rewards in Northern District", the "Macao Spending Rewards" mega consumer promotion campaign was officially launched on 30 September 2024, to promote community economy.

(3) Vigorously Improving People's Wellbeing and Practically Addressing Livelihood Issues

Extending various tax incentives and welfare measures

The Wealth Partaking Scheme, health care vouchers, electricity bill subsidy, the Continuing Education Programme and other welfare measures in 2024 were budgeted at about 8.514 billion patacas, and the cash benefits under the Wealth Partaking Scheme for 2024 have been disbursed to 748,000 residents.

The budget for free education subsidies, tuition fee subsidies, textbooks and stationery allowances for tertiary students, textbook allowances, subsidies for private teaching staff and professional development, old age allowances, pensions, disability allowance, disability gratuities, special subsidy for three categories of disadvantaged families, and regular financial assistance were estimated at approximately 13.063 billion patacas.

In anticipation of recording surplus again in public finances and to realise a balanced budget, the MSAR Government continued to open non-Mandatory Central Provident Fund (CPF) individual accounts for eligible residents, and injected a special allocation of 7,000 patacas to each individual account from the budgeted surplus in accordance with the legal requirements of the Non-mandatory Central Provident Fund System, which benefited approximately 390,000 residents, involving an estimated amount of approximately 3.1 billion patacas.

The expenditure on the above measures totalled 24.677 billion patacas, accounting for 28.07 percent of the general consolidated expenditure budget after deduction of the Investment and Development Expenditure Plan (PIDDA) budget. In addition, the tax deduction and additional tax rebate for personal income tax amounted to 4.089 billion patacas in 2024.

Promoting employment for residents

The Government continued to facilitate employment matching between businesses and job seekers through multi-dimensional matching measures. As of late September 2024, there were 11,054 successful matches, representing an increase of 4.5 percent over the 10,581 matches made during the same period in 2023. Vocational training programmes were launched to assist residents in upgrading their vocational skills and competitiveness in employment.

The Government amended the Law on Minimum Wage for Employees to increase the minimum wage for employees; completed the statutory review on subsidies of remuneration for maternity leave; maintained the proportion of local employees in the middle and senior management of integrated tourism and leisure enterprises at over 85 percent.

Implementing housing policies

The Venceslau de Morais Housing Project and the superstructure of the Home-Ownership Scheme housing on plots B4, B9 and B10 were completed in 2024. The government senior citizen housing complex was completed with the first batch of senior residents moved into their units in 2024.

The Legal System for Housing for the Sandwich Class has come into effect. In order to carry out the Bairro Iao Hon urban renewal project, a pilot scheme

of constructing sandwich class housing on Rua Oito do Bairro lao Hon was implemented as a demo model for urban renewal projects within the district. The tendering process and construction for the first stage of foundation and basement has commenced in 2024, which will provide about 250 residential units upon completion. An owners' association have been established for lao Hon Estate.

The construction of provisional housing and replacement housing will resolve the long-standing problem caused by the failed residential project Pearl Horizon t, and meet the needs of Bairro lao Hon residents to live in the same neighbourhood during the urban renewal period. The project was completed at the end of 2024. The public tendering process for the BT9a private housing lot in Taipa was completed with contract granted.

Promoting social security systems

The Government continued to disburse pensions, disability allowance and other subsidies and benefits. In accordance with the mechanism for regular adjustments of social security benefits, the Government has commenced the assessment of the social security benefit rates for pensions, disability allowance and other benefits. From the latest pension adjustment in January 2020 to September 2024, the cumulative rate of change in the Composite Consumer Price Index (CCPI) was 2.47 percent. Since the three-percent condition for triggering an adjustment of the benefit rates was not met, the pension amount remains unchanged at this stage, which is in line with the basic pension protection level of pensions plus Old Age Allowances not lower than the Minimum Subsistence Index.

Optimising healthcare services

Macao Union Hospital has officially opened in September 2024, with the direction of developing into a "National Medical Centre" providing quality medical services. As the largest medical complex in Macao at present, Macao Union Hospital occupies an area of approximately 76,000 square metres, with a total gross floor area of approximately 430,000 square metres and 26 surgery rooms. Upon completion of the Islands District Rehabilitation Hospital, it is planned to provide more than 1,000 beds, and will adopt the advanced medical technology and international medical equipment of Peking Union Medical College Hospital for the provision of oncology radiotherapy and imaging services.

The Government has launched a subsidy programme for medically assisted reproduction treatment, to provide Macao residents with limited assisted reproductive services free of charge, and will start case evaluation and follow-up arrangements by the end of 2024. Macao Union Hospital will be qualified to provide such services from the second quarter of 2025.

The Government has formulated the Healthy Macao Blueprint to strengthen establishment of a quality evaluation system for managing chronic diseases, leading all sectors in society to build a "Healthy Macao". The Government also enhanced prevention and control of cyclical infectious diseases, and strengthened the development of a monitoring and early warning system to enhance emergency response capabilities.

Improving services for the underprivileged including women, children and the elderly

The dental prosthesis installation programme for the elderly now covers all eligible elders aged 65 or above. Outreach medical services have fully covered 14 government-subsidised elderly homes, and remote outpatient services have been extended to 13 government-subsidised elderly homes and one rehabilitation centre.

The Carers Allowance Pilot Scheme has covered bedridden persons who cannot sit or stand on their own, persons with severe or profound or non-graded intellectual, and autistic and physical disabilities. The number of day care places has been increased to 505, and a new one-stop aids resource centre has been set up.

The Government continued to promote family-friendly measures and foster a woman-friendly community culture; and ensured provision of child care places by increasing the proportion of child care places for the population aged under three from about 57 percent in 2019 to about 67 percent by September 2024.

Improving education and youth work

The Government completed the revision of the Framework of Formal Education Curriculum of the Local School System and the requirements for basic academic aptitude for seven subjects, and promulgated the legal frameworks for Macao Polytechnic University and Macao University of Tourism.

The design of the education facilities in Eastern District-2 was scheduled to be completed in an orderly manner, and tendering procedures for certain construction works were initiated in 2024. The new main building of the Macao Polytechnic University was completed in 2024.

The Government launched the Social Survey on Macao Youth Indicators 2024, and facilitated the implementation of the "Macao Youth Policy (2021-2030)".

Promoting the sports industry

The Government has set up the Macao Organising Committee and Preparatory Office for the 15th National Games, the 12th National Games for

Persons with Disabilities and the Ninth National Special Olympic Games; actively participated in the work of the National Organising Committee and prepared for the events hosted in Macao; and promoted the development of public sports through the regular organisation of diversified public sports activities.

Strengthening food safety

The Government strictly safeguarded the safety of imported food and strengthened the supervision of food establishments; and pushed forward the work related to the Agreement on Cooperation in Safety Control of Food Products Manufactured in Macao for Export to mainland China.

By September 2024, a total of 21 enterprises had applied for entry into the framework of the cooperation projects, of which eight have been confirmed by the General Administration of Customs, with a total of 48 food items pending approval. The Government also enhanced the transparency of retail prices through various channels to maintain price stability.

(4) Deepening Administration Reform and Continuously Enhancing Governance

Further implementing the principle of “patriots governing Macao”

The amendments to the Chief Executive Election Law and the Legislative Assembly Election Law have been completed. Candidates for membership of the Chief Executive Election Committee and nominees for the Chief Executive election are required to sign a declaration of allegiance and be subject to eligibility review. The sixth-term Chief Executive election was successfully completed in accordance with the newly revised Chief Executive Election Law.

The amendment to the Law on Oath-taking upon Assumption of Office was also completed in 2024. Draft bills for the Amendment to the Macao Public Servants Statutes and Regulations and Related Regulations, as well as the Amendment to the Basic Regulations on General Rules for Department Heads and Supervisors were finalised and submitted to the Legislative Assembly for deliberation, to enhance the oath-taking system upon assumption of office and ensure relevant officials uphold the Basic Law of Macao and bear allegiance to the Macao Special Administrative Region.

Launching the Business & Associations Platform and the Government Affairs Platform

As of 30 September 2024, the Business & Associations Platform offers over 90 services, with more than 15,000 physical accounts registered, of which more than 11,000 were companies. The Government Affairs Platform was

launched to enhance government personnel management and internal operational efficiency.

Issuing the new-generation Macao identity cards

An online service for permanent resident identity card renewal was launched to facilitate the replacement of identity card for Macao residents. As of 30 September 2024, 117,000 people had applied for the new-generation Macao identity cards. To further enhance self-service, seven government self-service centres have been introduced, enabling round-the-clock application and collection of documents.

Expanding cross-boundary electronic convenience services

The Macao One Account now has over 610,000 users and offers more than 430 services, including counter appointment services for 10 commonly used administrative services at the Government Services Self-service Centre in Hengqin. The “Easy Macao Identification Services” self-service kiosks and collection kiosks have also been installed at the Government Services Self-service Centre in Hengqin to promote integration of public services between Macao and Hengqin. The Mutual Use of QR Code between Hong Kong and Macao Clearance Service further facilitates travel between the two SARs.

Enhancing civil servant training system

To strengthen civil servants' national awareness, service consciousness, integrity and professional competence, the Government continued to promote patriotic education for civil servants through courses, workshops, seminars and visits, and enhance talent cultivation.

Implementing legislative procedures in key areas

The Union Law was enacted to promote harmonious labour relations and further protect and safeguard employees' rights. The bill regarding the amendment to eviction rules listed in the Civil Procedural Code was formulated to improve the legal framework for tenancy. The amendments to the Electronic Governance Law and its supplementary regulations were finalised. The Vehicle Registration System and amendments to the Civil Registration Code were formulated to enhance electronic registration and notary services. In line with the launch of the Business & Associations Platform, the Government has completed the amendment to the by-law on the Licensing Procedures for Food and Beverage Establishments. The one-stop licensing procedures were reformed with establishment of new electronic application and joint-approval services.

Expediting review of laws

The Government has completed drafting the bills for “Adaptation and Integration of Certain Laws and Decrees Promulgated from 1976 to 1993” as well as “Adaptation and Integration of Certain Laws and Decrees Promulgated from 1994 to 1999” and submitted to the Legislative Assembly for deliberation.

Advancing the legal system for the Guangdong-Macao Intensive Cooperation Zone

To promote the gradual alignment of the civil and commercial affairs regulatory system between the Guangdong-Macao Intensive Cooperation Zone and Macao, the MSAR Government has formulated various regulations to ensure that professionals from different fields can practise in the Cooperation Zone conveniently and in an orderly manner. In response to the development needs of the Cooperation Zone, the MSAR Government continuously reviews and streamlines the existing laws and regulations of Macao across different sectors.

Complying with human rights treaties

In January and July 2024, the MSAR Government attended the Working Group meeting and adoption meeting for the Fourth Universal Periodic Review by the United Nations Human Rights Council, to provide an objective overview of Macao’s human rights situation and latest progress, showcasing the successful implementation of “One country, two systems” with Macao characteristics on an international platform.

Accelerating negotiations on external judicial assistance arrangements

The MSAR Government continued advancing negotiations on judicial assistance agreements with various countries, including signing the Agreement between the Macao Special Administrative Region of the People’s Republic of China and Mongolia on Legal and Judicial Assistance in Civil and Commercial Matters, and conducted consultations with Kazakhstan on the Agreement of the Transfer of Sentenced Persons, the Agreement on the Surrender of Fugitive Offenders and the Agreement Concerning Mutual Legal Assistance in Criminal Matters.

Establishing the Public Assets Supervision and Administration Bureau

To strengthen supervision of corporations with public capital, the Government has conducted performance evaluations for corporations fully-owned by public capital and corporations majority-owned by public capital.

The Commission Against Corruption (CAC) and the Commission of Audit (CA) have diligently fulfilled their responsibilities, to implement all anti-

corruption and auditing projects in an orderly manner, contributing to the construction of an efficient and clean government.

(5) Strengthening Infrastructure Development to Build a Modern, Beautiful and Liveable Macao

Optimising detailed urban planning

The Government has progressively carried out detailed planning for various planning zones, including Eastern District-2, Outer Harbour District-1, Outer Harbour District-2, Northern District-1, and Taipa Central District-2. Among these, the Detailed Plan for Eastern District-2 has already been published.

The Marine Functional Zoning of the Macao Special Administrative Region and the Maritime Planning of the Macao Special Administrative Region came into effect in July 2024. The Government has also developed a geographic information sharing platform to upgrade geospatial data, and released the latest edition of “Atlas of Macao”.

Expediting major urban infrastructure projects

The Government has proceeded with the construction of the LRT East Line, completed the pre-reclamation flood control and regular environmental monitoring for the expansion of Macau International Airport, and initiated the tendering invitation procedures for the Reclamation and Apron Construction Works, with construction scheduled to commence in 2024.

The first phase of the Inner Harbour rainwater pumping station, the installation of electrical and water supply pipes for the surrounding roads, and the second phase of box culverts have been completed. The construction of the box culverts in the southern Inner Harbour (Phases 1, 2, and 3) covers a total length of 1,105 metres, of which 896 metres (81 percent) have already been completed. The remaining section is expected to be finished by March 2025.

The design for the Flood Prevention and Drainage at West Coloane (Two Lakes project) has been finalised, and construction has commenced. The first phase of the project to optimise the New Urban Zone Area A embankment has been completed. The reclamation project for New Urban Zone Area D has also commenced, utilising the large amount of sand generated from basement construction in Area A to reduce costs.

The construction of the new prison, the temporary venue for Macao’s outdoor performance, and the government office building that houses both the Public Security Police Force Headquarters and the Police Tactical Unit have been completed. The new Customs Service Headquarters Building has been

put into operation.

The current-term Government is also expediting ongoing infrastructure construction projects. In terms of government office facilities, the three levels of courts are under full construction. Superstructure construction for Blocks 1 and 2 of the Government Offices will begin in 2025. The foundation and basement construction for the public office building on Lot Q-1d in NAPE has commenced.

As for infrastructure, construction has commenced on all bridges connecting New Urban Zone Area A and the Macao peninsula, with completion expected by 2027. All bridges will include pedestrian walkways.

In terms of cultural, recreational and educational facilities, the demolition of the former Estoril site for the new Macao Central Library has been completed, and foundation works have begun. Public tendering is underway for the Recreation and Sports Facilities Complex on Lot A9 in New Urban Zone Area A. The Public Sports Park is currently in the design phase.

As for the school village in New Urban Zone Area A, the foundation and basement construction for Lot B1 are undergoing public tendering, while the design for Lot B2 is in progress. The orderly implementation of these infrastructure projects will promote Macao's social and economic development.

Optimising urban transportation

The Civil Aviation Activity Law and the Road Traffic Law have been submitted to the Legislative Assembly for deliberation. The annual vehicle growth rate has been kept below three percent. A total of 33 traffic improvement and efficiency enhancement projects have been completed. Five hundred new taxis with licenses valid for eight years have gradually been put into operation. Several elevated pedestrian corridors and footbridges have also been brought into use.

Promoting environmental protection and strengthening carbon emission management

The latest emission limits for motorcycles and diesel vehicles have been announced. Applications have been opened for the second phase of Subsidy Scheme for Replacing Old and Dilapidated Motorcycles with New Electric Motorcycles and the Subsidy Scheme for Phasing Out Dilapidated Diesel Vehicles. Solid waste management has been enhanced, with the expansion of the Macao Central Incineration Centre completed.

Advancing smart city development

The By-law on the Establishment and Operation of Data Centres has been announced. The bill for the Legal System Radio Communication System has

been submitted to the Legislative Assembly for deliberation.

Improving municipal facilities

The second phase of the green promenade along the southern shores of the Macao peninsula has commenced. Construction of the Coloane Round-the-island Leisure Walkway is progressing steadily. Enhancements to public wet markets are being implemented in an orderly manner, optimising their management and business operations to revitalise their image.

(6) Promoting Regional Cooperation to Better Integrate into National Development

In the first three quarters of 2024, the economy of Guangdong-Macao Intensive Cooperation Zone in Hengqin showed steady improvement, with most economic indicators maintaining rapid growth. The regional GDP reached 37.349 billion yuan, representing an increase of 7.1 percent year-on-year. General public budget revenue totalled 7.629 billion yuan, up by 10.5 percent year-on-year. The value-added output of established industrial enterprises was 817 million yuan, a year-on-year growth of 36.9 percent, while total retail sales of consumer goods reached 2.972 billion yuan, growing by 18.8 percent year-on-year. These growth rates exceeded the national, Guangdong Province, and Zhuhai Municipality averages.

Implementing the two-tier management system

On 1 March 2024, the Guangdong-Macao Intensive Cooperation Zone in Hengqin officially implemented the two-tier closed-loop customs arrangement, which was the first special customs supervision territory in mainland China to adopt this policy. Since the implementation of the policy, the “first-tier” ports have handled an average of 59,000 passengers and 6,400 vehicles per day, while the “second-tier” channels have seen an average of 51,300 vehicles daily.

The “Double 15 percent” business income tax and individual income tax incentive policy continue to be implemented. The opinions on special supportive measures to relax market access in the Cooperation Zone have been implemented, focusing on six domains and introducing a series of reform initiatives across 20 aspects.

Enhancing integration and synergy in the “four nascent industries”

The Government has clearly defined the development positioning and industrial structure of the Guangdong-Macao Traditional Chinese Medicine Technology Industrial Park, with nine renowned traditional Chinese medicine enterprises newly established in the park; announced guidelines for the management of the “Products inspected by Macao”, “Production supervised by

Macao” or “Designed by Macao” accreditation, and launched the “Products inspected by Macao” accreditation logo.

The Government also strengthened the cross-boundary cooperation mechanism between financial authorities in Macao and Hengqin, with the implementation of the Electronic Fence accounts (EF Accounts) in the Cooperation Zone, promoted the use of Macao’s Simple Pay integrated electronic payment platform in the Cooperation Zone, and actively facilitated collaboration between Macao’s insurance industry and the Hengqin Insurance Service Centre.

Under the strategy of “Macao for R&D, Hengqin Commercialisation”, several projects have been successfully implemented in Hengqin. The Government has launched the Macao-Hengqin Travel Stimulation Programme, implemented a policy allowing tour groups from mainland China taking multiple trips between Hengqin and Macao, and promoted the “Love for Macao and Hengqin Subsidy Scheme”, approving 46 applications from associations to organise visits for 134,520 Macao residents, with total subsidies amounting to approximately 44.3 million patacas.

Continuously improving people’s livelihoods in the Guangdong-Macao Intensive Cooperation Zone in Hengqin

The Macao New Neighbourhood has accelerated its move-in process, with the first school for Macao children in mainland China opening in the fall of 2024. Community service centres for families and elderly care centres have been gradually put into operation, while the health centres are managed and operated in line with the standard of Macao’s health centres.

The pilot programme for dual-currency payment collection was launched for merchants in the Macao New Neighbourhood, enabling convenient use of pataca e-wallets within the Cooperation Zone.

Macao’s healthcare subsidy scheme has been extended to the Cooperation Zone. The first batch of 296 Macao-registered medicines has been approved for use in designated medical institutions in the Cooperation Zone. Since the establishment of the Cooperation Zone, public medical institutions have provided over 25,000 medical consultations to Macao residents.

The Single Windows for Guangdong-Macao Social Security and Macao’s personal income tax incentive system were officially inaugurated. The assessment for Macao Youth Innovation Entrepreneurship Base has been completed, conferring plaques to the first six bases in the Cooperation Zone, and incubating 428 Macao projects. A total of 464 Macao teams have moved into the Hengqin-Macao Youth Entrepreneurship Valley.

The Hengqin-Macao Residents Recruitment Zone has been established,

with a total of 366 enterprises participating in online and offline recruitment activities over the past three years, providing more than 5,900 job opportunities for residents of Hengqin and Macao.

Actively participating in the development of the Guangdong-Hong Kong-Macao Greater Bay Area

To implement the 2024 Arrangements of Key Projects for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area, the MSAR Government collaborated with mainland China financial authorities to promote interconnectivity of livelihood-related financial services, including e-payments, cross-boundary insurance, and cross-boundary wealth management in the Greater Bay Area. Several Macao-funded banks have established branches in the Greater Bay Area.

The Government also assisted Macao training institutions to successfully register as social training and classification organisations recognised by mainland China for vocational skill level certification.

Continuously deepening regional exchange and cooperation

Through cooperation mechanisms between Macao and Guangdong, Fujian, Beijing, Shanghai, and Sichuan, as well as cooperative task forces with Hainan, Chongqing, Guangxi, Guangzhou, and Zhuhai, the MSAR Government focused on strengthening connections and deepening cooperation in key areas, including tourism, traditional Chinese medicine and Big Health, modern financial services, high technology, and exhibitions and conventions; and continued to support rural revitalisation in Xiushui county of Jiangxi province.

Continuously strengthening the economic and trading service platform between China and Portuguese-speaking countries

The sixth Ministerial Conference of the Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries was successfully held, during which the Strategic Plan for Economic and Trade Cooperation (2024-2027) was signed.

Assistance was provided for 13 products to obtain registration approval for herbal medicines in Mozambique, a Portuguese-speaking country, and seven products have officially entered the Brazilian market for sale.

Various initiatives of the centre for science and technology exchanges and cooperation between China and Portuguese-speaking countries have been advanced. The China-Portuguese-speaking Countries Technology Centre was officially established in both Macao and Hengqin, hosting a total of four projects to date.

Supporting the implementation of the Belt and Road initiative

Agreements for Elimination of Double Taxation and Prevention of Tax Evasion and Avoidance have been signed with eight Portuguese-speaking countries and countries and regions along the “Belt and Road”. Through the International Infrastructure Investment and Construction Forum and various large-scale conventions and exhibitions, cooperation with countries and regions along the “Belt and Road” has been strengthened, including the establishment of themed pavilions in these countries or regions.

The Government has enhanced the mechanism for communications between friendly cities, established a friendship city relationship with Timor-Leste and signed a memorandum on town twinning.

Part II: Review of the Fifth-term Government’s Work during the Past Five Years

President, members of the Legislative Assembly,

The following is a brief review of the fifth-term Government’s work during the past five years.

Over the past five years, under the strong leadership of the Central Government headed by President Xi Jinping, and with the strong support of all sectors and all residents of Macao, the fifth-term MSAR Government has been unswervingly, comprehensively and accurately adhering to the principle of “One country, two systems”; effectively upholding the constitutional order based on the Constitution and the Macao Basic Law; firmly safeguarding the overall jurisdiction of the Central Government; firmly implementing the principle of “patriots governing Macao”; safeguarding the sovereignty, security and development interests of the country; assuming its duties and obligations in accordance with the law with a high sense of mission and responsibility; continuously developing innovation and serving the residents of Macao wholeheartedly; and promoting the successful practice of “One country, two systems” with Macao's characteristics in the new era with new initiatives.

(1) Safeguarding National Security and Creating a New Horizon

Over the past five years, despite the complexity of the security environment, the fifth-term MSAR Government persisted in taking on a stronger sense of responsibility to effectively fortify the frontline of national security, which is highly aligned with the Central Government.

Constantly improving the capability and standard of safeguarding

national security

With the approval of the Central Government, the National Security Advisor System was established under the Committee for Safeguarding National Security of the Macao SAR. In 2022, the National Security Advisor and the National Security Technical Advisors officially assumed their duties in accordance with the law.

In 2023, the Government completed the amendment to the Law on Safeguarding National Security, and continued to expedite the related supporting legislations and legal amendments, thereby systematically perfecting the legal system for safeguarding national security, and continuously enhancing the organisational system and enforcement mechanism for safeguarding national security.

The construction of Macao's cybersecurity system has been completed, and cooperation in cybersecurity with mainland China and Hong Kong has been strengthened, with a view to continuously promoting the modernisation of the system and capability for safeguarding national security.

Firmly implementing the principle of “patriots governing Macao” and strengthening the socio-political foundation of “One country, two systems”

The fifth-term Government has always accurately seized the proper direction of “One country, two systems”, leading various sectors of society to conscientiously learn and uphold the spirit of decisions and major conferences of the Central Government, and implementing the principle of “patriots governing Macao” in all aspects.

The Government completed the amendment to the Chief Executive Election Law and the Legislative Assembly Election Law, in order to further strengthen the security of Macao's electoral legal system.

The amendments to the Law on the Use and Protection of the National Flag, National Emblem and National Anthem and the related regulations were completed, to ensure that national laws are correctly and effectively implemented in Macao.

The Government continued to deepen patriotic education and strengthen the training of public servants at all levels on the Constitution, the Macao Basic Law and the Law on Safeguarding National Security; to enhance young people's sense of recognition and their sentiment for our home and country; and to unite widely and bolster our loyalty to our country and to Macao, so as to ensure the passing on of the fine tradition of loving the motherland and loving Macao to the next generation.

Continuously improving the establishment of the urban security system

In line with the smart policing policy, the Government has completed the construction of the “smart surveillance system for waters”, the “crowd forecasting and early warning system”, the “inspection and evacuation systems for low-lying areas”, and the “Safe Macao Management System”, to effectively prevent and combat all kinds of crimes and maintain an overall stable public order, effectively enhancing the sense of safety among residents and tourists.

(2) Achieving New Success in Appropriate Economic Diversification

Promoting appropriate economic diversification is the only way for Macao to achieve long-term prosperity and sustainable development. The fifth-term Government has always been determined to take the promotion of appropriate economic diversification as the foremost task of its administration, and has spared no effort in promoting appropriate economic diversification, even in the face of the severe challenges posed by the COVID-19 pandemic.

The fifth-term Government innovatively introduced the “1+4” strategy for appropriate economic diversification, strengthened the top-down approach and coordinated planning, and compiled Macao's first systematic and comprehensive plan for appropriate economic diversification, outlining 107 major tasks and 215 key projects, which have been assigned to the officials-in-charge of secretariats and bureaux.

The Government has adopted a multi-pronged approach focusing on policy making, manpower and financial resources to firmly foster the four key industries. Overall speaking, the current administration has achieved progress in appropriate economic diversification during its term of office.

In 2023, the total added value of the four key industries, namely traditional Chinese medicine, modern financial services, convention and exhibition, and cultural industry, totalled 39.05 billion patacas, representing an increase of 6.9 percent as compared to that of 2019; the gaming industry accounted for 37.2 percent of GDP, representing a decrease of 14 percentage points as compared to that of 2019. The proportion of key industries in the overall economy has been gradually increasing.

At present, Macao's economy has been recovering, with key economic indicators steadily improving, some of which are even better than those in 2019. The preliminary estimate of GDP for the first three quarters of 2024 was 300.97 billion patacas, representing an increase of 11.5 percent in real terms year-on-year.

The current administration has adopted a proactive fiscal policy to increase infrastructure investment, to expand domestic demand and boost the economy

to resist the impact of COVID-19 pandemic. The total PIDDA expenditure for the period between 2020 and 2024 was 78.8 billion patacas, with an average budget execution rate of about 91 percent for the period between 2020 and 2023, which is a significant improvement compared to the past.

Fiscal reserves remained robust, despite a total of 160 billion patacas was used during the pandemic to supplement the four-year fiscal deficit, of which 130 billion patacas was used for introducing measures to boost the economy and support people's livelihoods.

In September 2024, the preliminary record of Macao's fiscal reserves was about 617 billion patacas, representing an increase of 43.5 billion patacas over the same period in 2019. Between 2020 and 2024, the compound annual investment return of the fiscal reserves was about 3.1 percent, and the estimated annualised rate of return for 2024 was about 6.5 percent up to the end of August.

In September 2024, the preliminary statistics of foreign exchange reserves stood at 230.6 billion patacas. With the gradual recovery of the economy, there has been a continuous improvement in employment. The unemployment rate of local residents from July to September 2024 was 2.3 percent, which was 3.2 percentage points lower than the 5.5 percent recorded at the peak of the pandemic, and was the best figure since the relevant statistics have been available.

Optimising and strengthening the integrated tourism and leisure industry

The current administration has been fostering joint development between tourism and other industries in a multi-dimensional way, to perfect the modern tourism system, and promote quality development of the tourism industry by cultivating more "Tourism+" new business structure.

The Government intensified tourism promotion, to explore and develop domestic and overseas tourist resources. In the first nine months of 2024, a total of 25.921 million visitor arrivals were recorded, which is 85.8 percent of the figure in the corresponding period in 2019, of which 1.678 million were international arrivals, representing a recovery of 70.7 percent over the same period in 2019.

Total visitor spending (excluding gaming) in the first three quarters of 2024 was 56.21 billion patacas, representing an increase of 17.5 percent over the same period in 2019.

Ensuring orderly, lawful and healthy development of the gaming industry

The Government has improved the legal system related to the gaming industry, strengthened supervision and law enforcement, and combated illegal online gambling, money laundering offences, illegal money exchanges and cross-boundary illegal capital flows, with a view to pragmatically regulate gaming industry development.

A new round of public tender for gaming concessions was completed in accordance with the law. An implementation mechanism for non-gaming elements was established, and the casino gaming concessionaires were strictly monitored to fulfil their commitments under the concession contract, with a view to injecting new impetus to the enrichment of the content of Macao as a world tourism and leisure centre, and facilitating the development of the integrated tourism and leisure industry.

Of the cumulative games of fortune gross revenue at the end of the third quarter of 2024, the gross revenues from mass gaming floors and VIP rooms accounted for 75.8 percent and 24.2 percent, respectively.

Accelerating the development of traditional Chinese medicine and Big Health industries

The Pharmaceutical Administration Bureau was established to optimise the system of approval, registration and management of traditional Chinese medicines. By September 2024, a total of 314 applications for registration of proprietary Chinese medicines have been received, among which 78 proprietary Chinese medicines were registered; 94 new medicines have been approved for registration and launching in Macao, among which 35 items were “first-of-its-kind”.

By September 2024, 237 enterprises (including 85 Macao enterprises) had registered in the Traditional Chinese Medicine Science and Technology Industrial Park of Cooperation Between Guangdong and Macao (GMTCM Park), and 127 enterprises (including 56 Macao enterprises) had signed contracts to establish offices in the park. With the promotion of registration and trading of traditional Chinese medicine products overseas, a total of 24 products have been registered/recorded in Portuguese-speaking countries, and the innovative progress of proprietary Chinese medicines in entering the international market has been noticeable.

Further enriching the modern financial sector

The Macao Central Securities Depository System (CSD) and the Monetary Bills and Notes Trading System (MTS) were established, and the registration system for public bond issuance was implemented. The Ministry of Finance of the People’s Republic of China has issued a total of RMB 10 billion of sovereign bonds in Macao. By September 2024, the cumulative scale of bonds issued or listed in Macao reached 740.2 billion patacas in equivalent value.

To create a favourable market environment for the development of modern finance services, the current administration has orderly fostered legal amendments to seven financial laws. As of September 2024, a total of 102 financial institutions were licenced to operate in Macao, an increase of 15 new institutions as compared to 2019. The development of inclusive financing has achieved significant results, and the usage rate of “Simple Pay” and “Easy Transfer” services has continued to rise.

Upgrading and developing high technology industries and traditional industries

Macao Science 1, the first space science satellite jointly developed by mainland China and Macao, launched successfully in 2023, and was granted a reply letter of encouragement from President Xi Jinping. The MSAR Government continued to provide funding for the research and development of Macao Science 2.

The industry-academia-research income and patent projects of Macao's tertiary institutions continued to increase. In 2023, the industry-academia-research income was approximately 475 million patacas.

From 2019 to September 2024, more than 340 patents were granted. Since the launch of the “M-Mark” Macao Product Quality Certification Scheme to September 2024, 157 applications had been received and 126 “M-Mark” product certificates had been issued.

Achieving new progress in the exhibition and convention, commerce and trade, and culture and sports industries.

In 2023 and 2024, Macao was named the "Best Convention City (Asia)" and "Best BT-MICE City" in 2023 and 2024 consecutively. More ICCA-accredited conventions were held in Macao, and more professional merchants and buyers came to Macao to participate in the exhibitions and launch their investment projects.

A total of 1,011 MICE events were held in Macao in the first three quarters of 2024, representing a year-on-year increase of 29.8 percent and a recovery to 94 percent of the same period in 2019. The Government expedited the establishment of Macao as a “City of Performing Arts” and a “City of Sports”. From 2020 to 2024, Macao had organised 60 large-scale sports events and 56 large-scale cultural and arts events, receiving more than 21 million participants.

Achieving steady progress in the construction of “One Base”

The Government completed the third and fourth phases of procedures for classification of immobile heritage; completed the construction of the Macao

World Heritage Monitoring Centre; established the Macao Centre for the Protection and Inheritance of Palace Museum Cultural Heritage; completed the first phase of the restoration and revitalisation of the Nossa Senhora Village of Ka Ho, the former Iec Long Firecracker Factory site and the Lai Chi Vun Shipyard; cooperated with integrated tourism and leisure enterprises to develop six historical and cultural areas; and actively encouraged international cultural and artistic events to take place in Macao.

(3) Taking the Development of Livelihood Related Industries to the Next Level

The fifth-term Government has always persisted in upholding the principle of serving the public and has implemented the administration philosophy of “comprehensively improving the general living standards of Macao residents”.

Despite the severe challenges posed by the pandemic to the Macao economy and government revenue and thus the deficit in the fiscal budget for four consecutive years, the MSAR Government ensured that people's livelihood was given top priority. Various measures have been introduced to enhance the people's livelihoods, to steadily increase livelihood expenditure. The proportion for education, healthcare, social welfare, housing, and social and community services in the general integrated budget rising from 39.2 percent in 2019 to 44.8 percent in 2024, with a view to continuously optimising the livelihood infrastructure in housing, healthcare, and elderly care, thereby practically safeguarding and improving the well-being of Macao residents.

Introducing the innovative "five-rung housing ladder" policy

The current administration has proposed and implemented the five-rung housing ladder policy to solve basic housing problems of residents, and has substantially increased its investment in public housing. A total of 15.88 billion patacas has been invested in public housing over a five-year period, which accounted for 20.2 percent of the expenditure on PIDDA during the term.

The initial budgeted expenditure for the housing sector in 2024 has increased by approximately 2.7 times compared to 2019, and its proportion of the general integrated budget has risen by 4.4 percentage points. The current administration completed six public housing projects during its term of office, increasing the number of completed public housing units across Macao to 57,117. More than 14,000 public housing units are currently under construction. Sandwich class housing and senior citizen housing were also introduced.

The Government has introduced regular applications for public housing. Over the past five years, 4,985 families have been allocated public housing units, with an overall average waiting time of about 13 months, and about 95 percent of public housing tenants have been granted rent waivers.

It has been established that Home-Ownership Scheme housing is not for investment. With the launch of two rounds of applications for Home-Ownership Scheme housing, in addition to the 2019 application for Home-Ownership Scheme housing, a total of 13,686 units were made available, and the demand for Home-Ownership Scheme housing has gradually stabilised.

With a balanced supply and demand for Home-Ownership Scheme housing, the MSAR Government has adjusted the construction schedule of Home-Ownership Scheme housing and Sandwich Class Housing Scheme housing, and has completed relevant planning and reserved land, so that the construction works can commence immediately upon demand rises to ensure supply. The Government has also adjusted the tax measures for managing private housing demand, which have been in place for many years, to promote healthy market development. Over the past five years, 5,984 residential units have been completed.

According to government statistics, the overall average price per square metre of saleable area of residential units for which the stamp duty payment process was completed in the third quarter of 2024 was 19.5 percent lower than for the whole year of 2019. Residential vacancy rates have remained relatively stable over the past five years, with the average rent for residential units across Macao declining by 16.2 percent in the third quarter of 2024 as compared to the full year of 2019.

Building a high-standard education system

The initial budgeted expenditure for education in 2024 was 14.13 billion patacas, which was higher than that of 2019. The Outline Plan for Medium-to-long-term Development of Tertiary Education (2021-2030), the Medium-to-long-term Plan for Non-tertiary Education (2021-2030), and the Macao Youth Policy (2021-2030) were implemented.

The pilot project on Smart Teaching and the Smart Campus service were launched. By September 2024, about 101 school divisions (87 percent) had adopted the Smart Campus platform. The Government has optimised various types of school space to improve learning environment. At present, Macao's basic education system is recognised by international organisations and research institutes as being of consistently high quality and equitable, and the international ranking of tertiary education institutions continues to improve.

Significantly improving the quality of healthcare services

The initial budgeted expenditure for the healthcare sector in 2024 was 12.04 billion patacas, an increase of 25.8 percent compared to 2019. The Government has completed the construction of healthcare infrastructure, such as the Macao Union Hospital and the Public Health Specialist Building, opening a new chapter in Macao's healthcare industry. The first batch of pre-

employment training for medical specialists was launched, and eligible residents were selected to receive professional training at the Peking Union Medical College Hospital, with the aim to reserve medical and administrative staff for the new hospital.

The construction of the Electronic Health Record Platform (eHR) has been completed. Between January and September 2024, the average waiting time for specialist first appointments was 3.4 weeks, a 40 percent decrease compared with that in 2019, and the average waiting time for specialist first appointments was 3.4 weeks.

The Conde S. Januário Hospital has once again passed the accreditation review by the Australian Council on Healthcare Standards (ACHS).

Continuously optimising community services and social security

The initial budgeted expenditure for the social security sector in 2024 was 10.56 billion patacas, an increase of about seven percent compared with 2019, and also an increase in its proportion in the general integrated budget. The Government continued to provide basic social security benefits, such as pension and disability allowance.

The number of social security beneficiaries exceeded 510,000 cumulatively. From 2019 to September 2024, the total amount of social security benefits distributed was more than 31.6 billion patacas, and in 2022, the “mechanism for regular adjustments of social security benefits” was introduced.

The Government also promoted the Non-mandatory Central Provident Fund System. By September 2024, the number of employers participating in the Non-Mandatory Central Provident Fund System was 320, and the total number of participants reached 106,000 people.

Further enhancing supportive measures for carers and rehabilitation

The Government had launched the “Carers Allowance Pilot Scheme”, which was turned into a regular measure by the end of 2023. Number of places for rehabilitation services and elderly services increased by about 1,010 and 810 respectively over the past five years, The Government has also implemented and completed 69 out of the 79 measures under the Macao Women's Development Goal Plan 2019-2025, and continuously improving the services for the disadvantaged groups, including women, children and the elderly.

(4) Achieving New Progress in Public Administration Reform

Over the past five years, the MSAR Government has vigorously advanced administrative reform with a focus on e-governance, which included enhancing and perfecting the system for administration in accordance with the law, striving to improve administration effectiveness and service quality, strengthening the rule of law, and committing to building a clean, efficient, and service-oriented government for the convenience of the public and the businesses.

Continuously promoting departmental restructuring

To enhance operational efficiency of public departments, and address issues such as structural overlap, functional crossovers, and insufficient inter-departmental coordination, the current administration has systematically promoted departmental restructuring based on past experiences, with “distinct functions and responsibilities, streamlined structure and high effectiveness” as basic guiding principles.

Currently, there are 71 public departments, including five independently operating funds, namely Social Security Fund, Macao Foundation, Pension Fund, Science and Technology Development Fund, and Cultural Development Fund, a reduction of four entities since the end of 2019.

By 30 September 2024, the Government has completed the restructuring of 47 public departments. Key changes include:

- merging the functions of the Office of the Government Spokesperson into the Government Information Bureau;
- integrating the functions of the Tourism Crisis Management Office into the Macao Government Tourism Office;
- consolidating the Office for the Development of the Energy Sector into the Environmental Protection Bureau;
- merging auxiliary departments of the Government Headquarters with the Protocol, Public Relations and External Affairs Office into a single Government Headquarters Affairs Bureau;
- combining the Higher Education Bureau with the Education and Youth Affairs Bureau to form the Education and Youth Development Bureau;
- abolishing the Macau Tourism Promotion and Information Center in Portugal and transferring its functions to the Macao Economic and Trade Office in Lisbon;
- incorporating the Financial Intelligence Office into the Unitary Police Service to strengthen related powers and structure;
- restructuring the Macao Trade and Investment Promotion Institute to form the Commerce and Investment Promotion Institute;
- integrating the Supporting Office to the Secretariat of China and Portuguese-speaking Countries Economic Cooperation Forum (Macao) into the Commerce and Investment Promotion Institute;
- establishing the Pharmaceutical Supervision and Administration

Bureau and the Islands District Medical Complex at the Peking Union Medical College Hospital Macao Medical Centre to optimise healthcare services; and

- restructuring the Science and Technology Development Fund and the Cultural Development Fund.

The current administration has completed the work of the review and restructuring project teams within its organisational structure, clarifying according to the law that the project teams are temporary and transitional in nature, without long-term status.

Accelerating reforms in administrative management systems

The Government has completed the amendments to by-law no. 6/1999 on the Organisation, Competences and Functioning of Public Services and Entities and the Macao Public Servants Statutes and Regulations and related regulations. These amendments clarify the supervisory authority of the Chief Executive and various Secretaries, as well as regulate personnel management authorities for officials at all levels.

Since implementing headcount management in 2020, the total number of civil servants has been reduced from 32,540 as of 30 April 2020 to 31,712 as of 30 September 2024 in spite of an increase in administration tasks.

Five sessions of leadership training courses for civil servants have been conducted to enhance talent echelons, simplify the ranking system, and establish a flexible personnel transfer system, with the aim to cultivate a loyal, responsible, efficient, and service-oriented civil service team.

Continuously improving the legal system for governing Macao

The Government has improved the coordination mechanism for legislation, strengthened the legislative efforts in the area of people's livelihoods, and completed a series of legislative works for promoting appropriate economic diversification.

From 2020 to 2024, all planned legislation items for each year were completed, opening a new page of positive interaction and cooperation between the executive and legislative systems.

From 20 December 2019 to 31 October 2024, a total of 110 laws were formulated in cooperation with the Legislative Assembly, along with the promulgation of 226 by-laws, totalling 336 pieces of laws and by-laws.

Optimising e-government services

The Government has successively launched three e-government service

platforms: the "Macao One Account" Version 2.0, the "Business & Associations Platform", and the "Government Affairs Platform". These platforms enhance governance efficiency through data interconnectivity and interdepartmental collaboration.

The functionality and applications of Macao One Account continue to expand. As of 30 September 2024, the number of users exceeded 610,000 (12 times the 49,000 users recorded at the end of 2019) covering most residents and service users. The services and functions provided by Macao One Account have increased from 42 at the time of enactment of the Electronic Governance Law in 2020 to more than 430.

Strengthening interaction and collaboration between the executive and the legislative systems

The Fifth-term Government has consistently maintained a close cooperative relationship with the Legislative Assembly, respected and upheld judicial authority while enhancing training of judicial officers, and supported optimisation of judicial hardware and software, to facilitate advancement of the rule of law in Macao.

Reforming the subsidy system for community organisations

The Macao Foundation has further standardised and optimised its funding operations through updating laws and regulations, implementing dedicated management for subsidised programmes, enhancing standardisation and transparency of approval procedures, introducing electronic services, and strengthening external supervision.

(5) New Achievements in Building a Liveable City

Creating a modern, beautiful and liveable Macao, and providing residents with a better living environment, are the key policy objectives of the Fifth-term Government. Over the past five years, the MSAR Government has centred its urban development strategy around establishing Macao as a world tourism and leisure centre and creating a beautiful home. This has led to the formulation of the Macao's Urban Development Master Plan (2020-2040) and the sequential development of detailed planning for various planning zones.

Accelerating infrastructure development

During the past five years, nearly 80 billion patacas have been invested in various public works projects of different sizes. As of September 2024, there were 110 projects, each with budget exceeding 100 million patacas, 62 of which have been completed, effectively addressing issues related to project overruns and delays.

During this administration, the LRT Taipa Line has been extended to Barra Station, and the construction of the LRT Seac Pai Van Line and Hengqin Line were completed. The LRT East Line construction project has commenced and is expected to be completed by 2029, connecting the Pac On area in Taipa, Zone A, and the Border Gate.

The MSAR Government has successfully acquired the Central Government's authorisation for the jurisdiction of the V-shaped plot east of Border Gate, creating appropriate condition for relocating the East Line station closer to Border Gate and future extension to Qingmao Checkpoint. Preliminary studies for extending the LRT line to Qingmao Checkpoint have already begun.

The Macao Bridge has opened for traffic smoothly, with four peripheral road network projects set for completion in 2024. The reclamation project for the expansion of Macau International Airport is also underway.

Efforts are being made to gradually improve the road network and utility pipelines in Zone A. Significant flood control measures have been implemented, including the completion of the rainwater pumping station box culvert in the northern Inner Harbour, as well as the flood prevention work along the waterfront from Fai Chi Kei to Ilha Verde.

Implementing rigorous land management

The MSAR Government is committed to implementing rigorous land management by recovering idle land in accordance with the Land Law. Since the Land Law came into effect, 88 land grants were annulled, involving a total area of over 1.086 million square metres. The recovered land will be appropriately used. Over 193,000 square metres of recovered land are planned for constructing public housing, senior citizen housing, government office buildings, and warehouses.

Advancing smart urban development

Macao's outdoor 5G network coverage has exceeded 90 percent, with the number of 5G users reaching 920,000. As of September 2024, there were 587 service points being provided under the "FreeWiFi.MO" programme.

The installation of smart water meters is being conducted in an orderly manner for gradual expansion of service coverage.

Building a green, low-carbon and beautiful Macao

The Macao International Carbon Emission Exchange has officially commenced operation. The Macao Environmental Protection Plan (2021-2025) and the Macao Long-Term Carbon Reduction Strategy have been established,

to promote widespread adoption of new energy vehicles. The number of electric vehicles in Macao has increased from 1,339 in 2020 to 10,978 by September 2024.

There are 2,273 charging points for light vehicles in public car parks and street parking meters across Macao, of which 1,333 are now operational. The newly planned public car parks and public buildings during the current administration have reserved charging capacity and infrastructure for all basement parking spaces. Additionally, measures to prevent fires involving electric vehicles in car parks are being studied to enhance safety guidelines.

The Government has implemented a phased policy to control disposable plastic utensils for four consecutive years. An organic resource recycling centre project has been initiated.

The fuel intermediate storage project on the Artificial Island of Hong Kong-Zhuhai-Macao Bridge was completed in late September 2024, and preparation for operation and relocation are underway. The land originally planned for constructing a hazardous materials storage facility in Ka Ho is situated in a relatively safe valley away from residential areas. However, the land assigned is currently subject to judicial appeal procedures and the construction plan will be implemented once the relevant facilities are recovered.

The expansion project for the Macao Central Incineration Centre has been completed, and work related to the construction of the ecological island is progressing in an orderly manner. A total of 20 recreational areas and playground facilities have been completed, with ongoing development of the round-the-island leisure walkway on Coloane island. Facilities such as the Skywalk at Avenida de Guimaraes on Taipa and the Pedestrian System Surrounding Guia Hill have been completed to optimise residents' recreational and commuting environments.

(6) Integrating into National Development to Present a New Outlook

Integrating into overall national development is an essential element of implementing the principle of "One country, two systems" in the new era, and is also key to Macao's future development, providing new directions, new horizons, and new momentum.

In 2021, the fifth-term MSAR Government established the Working Committee for Integrating into National Development, fully leveraging Macao's unique advantages, such as the principle of "One country, two systems", being an international free trade port, and being a separate customs territory. The Government has vigorously facilitated the development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin, actively participated in the development of the Guangdong-Hong Kong-Macao Greater Bay Area and the

"Belt and Road" initiative, consolidated and expanded cooperation with Portuguese-speaking countries, and presented a new outlook in all aspects of integrating into overall national development.

To proactively align with the country's 14th Five-Year Plan and promote high-quality economic and social development in Macao while integrating into overall national development, the MSAR Government formulated the Second Five-Year Plan for Economic and Social Development of the Macao Special Administrative Region (2021–2025) in 2021.

Since its implementation, key indicators of economic and social development have basically met anticipations, with most key projects either completed or in progress on schedule.

During the current administration, the Guangdong-Macao Intensive Cooperation Zone in Hengqin was officially established, pioneering a new model of "mutual discussion, joint construction, joint administration and shared benefits" under the principle of "One country, two systems", and marking a new chapter in Hengqin's development.

The MSAR Government has prioritised achieving quality completion of the first-phase development goals as an important political task. Collaborating closely with Guangdong province, efforts have been made to significantly increase the value of Macao invested operating entities and industries, continuously enhance the proportion of the four nascent industries, improve the standards of livelihood involving Macao residents, and accelerate integration between Macao and Hengqin.

Since the establishment of the Guangdong-Macao Intensive Cooperation Zone over three years ago, the total number of Macao enterprises set up in the Cooperation Zone has reached 6,461, representing a growth of 39.3 percent since its inception. In the first half of 2024, the value added by Macao invested industries reached 1.88 billion yuan, reflecting a year-on-year increase of 125.9 percent.

By September 2024, there were 16,539 Macao residents living in the Guangdong-Macao Intensive Cooperation Zone, marking a year-on-year increase of 19.1 percent, with employment numbers reaching 5,132, a year-on-year increase of 4.9 percent.

The number of cross-boundary professional practitioners in nine categories has risen to 1,378, while there are currently 17,074 enterprises in four nascent industries. In the first three quarters of 2024, the added value of the four nascent industries reached 18.31 billion yuan, accounting for 49 percent of the total regional GDP in the Guangdong-Macao Intensive Cooperation Zone.

The fifth-term MSAR Government has actively implemented the overall planning of the Guangdong-Hong Kong-Macao Greater Bay Area, strengthened close cooperation with the governments of Guangdong province and the Hong Kong SAR, and systematically advanced various key tasks.

The Government expedited industrial cooperation and development, and actively participated in the development of the "Guangzhou-Shenzhen-Hong Kong-Macao" technology innovation corridor.

Customs clearance conditions have been continuously optimised, with the checkpoints at Hengqin Port, Qingmao Port, and Hong Kong-Zhuhai-Macao Bridge implementing "Joint Inspection and One-Time Release", "North-bound Travel for Macao Vehicles", and mutual recognition of driving licenses. The "Guangdong-Macao Customs Cross-boundary One-Lock" and the "Hong Kong-Macao Cross-boundary One-Lock" schemes have also been launched.

In 2023, the Single Window for Guangdong-Macao Social Security dedicated service windows in Hengqin and Nansha commenced operation. By September 2024, these dedicated service windows had served 18,287 Macao residents, accelerating the formation of a quality living circle that is suitable for living, working and tourism in the Guangdong-Hong Kong-Macao Greater Bay Area.

Over the past five years, bilateral and multilateral cooperation between the Macao SAR and mainland China provinces, regions and cities has continued to deepen and expand. Macao's role in participating in and supporting the "Belt and Road" initiative has been continuously enhanced.

The signing of the Second Agreement Concerning Amendment to the Mainland China and Hong Kong Closer Economic Partnership Arrangement (CEPA) Agreement on Trade in Services has further enhanced the level of service trade openness between mainland China and Macao.

The Government has made big efforts on building a financial services platform between China and Portuguese-speaking countries, which has cumulatively issued 5.5 billion yuan in "Belt and Road" themed bonds and 250 million US dollars in "China and Portuguese-speaking Countries Co-operation Platform" themed bonds.

The functions of the China-Portuguese-speaking platform are continuously expanding, while external relations are continuously deepening. Collaboration with friendship cities in trade, culture and tourism is being strengthened, demonstrating Macao as an international metropolis to serve as a trade cooperation platform between China and Portuguese-speaking countries.

Part III: Financial Budget for the Fiscal Year 2025 of the MSAR Government

President, members of the Legislative Assembly,

I will now summarise the budget arrangements for fiscal year 2025.

After thorough discussions with the sixth-term Chief Executive-designate, Mr Sam Hou Fai, we have reached a consensus on the financial budget for the fiscal year 2025. Although the policy address for the fiscal year 2025 will be prepared by the next-term Government, to ensure the stability and development of Macao, to maintain the daily operations of government departments and to meet all requirements of the law, the current-term Government has formulated the fiscal budget for the coming year in accordance with the Basic Law of Macao and the Budget Framework Law.

The financial budget for the coming year mainly covers the administrative expenses required for daily operation of government departments, the expenses which the Government has promised to settle in the coming year, and the funds allocated for construction works that will commence in the first quarter of next year. Meanwhile, the Government will continue offering tax waivers and reductions.

The Government will continue implementing tax reduction measures as in 2024, including:

- 30 percent waiver on personal income tax with the basic allowance set at 144,000 patacas while the basic allowance is set at 198,000 patacas for elderly employees and employees with disabilities;
- 60 percent rebate of tax payable for 2023, subject to an increased ceiling of 14,000 patacas;
- Waivers of all business taxes, hawker licence fees, wet market stall rents, inspection and quarantine fees for live food and plants, stamp duty on life or non-life insurance, and bank service charges;
- Waivers of signboard taxes for businesses (excluding tobacco advertisements) and exemption from tourism tax for restaurants;
- Waiver of the first 3,500 patacas of real estate tax for Macao residents and a reduction of eight percent on the property tax rate for leased properties;
- Profit tax allowance will remain at 600,000 patacas, with extra reduction on joint venture research and development expenditure, and profit tax waiver for profits received in Portuguese-speaking countries;
- Waivers of stamp duty on entrance passes and tickets for cultural and arts performances, exhibitions and entertainment programmes;
- Waiver of stamp duty for auctions;
- Waiver of real estate stamp duty on the first three million patacas of a home's value for Macao permanent residents purchasing a residential

- property for the first time;
- Waiver of profit tax on investment income from local bonds issued by regional governments in mainland China and state-owned enterprises, and exemption of stamp duty for issuing and acquiring such bonds; and
- Waiver of investment fund monitoring charge.

After implementing the aforementioned tax cuts and waivers in 2025, it is expected to reduce Government tax revenues by 4.833 billion patacas.

The Government will continue offering bus fare concessions for the elderly, students and other members of the public; continue offering electricity bill subsidies for residential households; continue implementing support measures for the underprivileged; continue providing subsidies up to 14 days of basic salary to eligible employers who have offered payable maternity leaves to their local female employees; and continue providing corresponding subsidies to eligible public housing tenants and eligible families on the public housing waiting list; and continue implementing the healthcare voucher scheme.

The Government will continue opening a personal provident fund account for each eligible Macao resident, and injecting 10,000 patacas into each new eligible personal account as a one-off incentive allowance.

It is recommended that 7,000 patacas from the fiscal surplus shall be injected into each eligible personal provident fund account as a special allocation next year, provided that there is a budget surplus. The Government will reserve funding to continue the Wealth Partaking Scheme, and offer 10,000 patacas to each permanent resident and 6,000 patacas for non-permanent residents.

On behalf of the Government, the Secretary for Economy and Finance will submit and present the draft Budget for Fiscal Year 2025 to the Legislative Assembly.

Conclusions

President, members of the Legislative Assembly,

During the past five years, we have struggled through challenges and forged ahead with our plans. It is my honour to take up this important role as the fifth-term Chief Executive of the Macao Special Administrative Region of the People's Republic of China.

Over the five years, with the strong leadership of the Central Government, and the full support of all sectors and the public, our administrative team has been adhering to the principle of "Unity and Efforts, Change and Innovation", sparing no effort to realise quality governance, and bravely facing challenges to build a better Macao.

Through the five years of administration, we have experienced a three-year pandemic, which was the most severe impact since Macao's return to the motherland. We have finally overcome the pandemic and defeated the challenges from external situation, joined hands with the community and mutually supported each other, to lead Macao navigating through an arduous downturn. We fostered steady and healthy development of various undertakings of Macao to reach new heights.

I hereby express our sincere gratitude to the Central People's Government for her high degree of confidence, care and support; and to all sectors in society, all Macao residents, all civil servants, the Central People's Government and all its representative offices in Macao, and all local and overseas friends for their full support for Macao's development!

"One country, two systems" is an unprecedented innovation, which has been implemented for 25 outstanding years since Macao's return to the motherland. During the past quarter century, with the strong leadership of the Central Government and the support of our great nation, the MSAR Government and all walks of life in Macao have made joint efforts to accomplished world-stunning success in politics, economy, social development and livelihoods. The fact is: the principle of "One country, two systems" is workable, achievable, fully endorsed by Macao people, and highly recognised by the international community.

We must continue to persist in comprehensively and correctly implementing the principles of "One country, two systems", "Macao people governing Macao" and a high degree of autonomy, and continuously showcase successful practice of "One country, two systems" with Macao characteristics.

We firmly believe that with the strong support of the Central Government under the core leadership of President Xi Jinping, the next-term MSAR Government will continue unifying all sectors in society to make progress,

ensure justice, and implement reform, with the aim to maintain Macao's long-term stability and prosperity, facilitate the country's high-quality development and national rejuvenation.

Once again, I would like to express my gratitude to the Legislative Assembly, all Macao residents, all civil servants, the Central Government and all its representative offices in Macao!

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