

of the fifth MSAR Government. He was sworn in on 20 December 2019, for a five-year term.

On 10 September, Mr Ho Iat Seng and wife, Ms Cheng Soo Ching, went to Beijing to receive the Order of the State Council confirming the official appointment. On 11 September, they met with President Xi Jinping at the Great Hall of the People in Beijing. President Xi said that during the past 20 years, under the leadership of the two chief executives Edmund Ho Hau Wah and Fernando Chui Sai On, the Macao SAR has united people from all walks of life and demonstrated to the world a successful practice of the “One Country, Two Systems” with Macao characteristics. He hoped that Ho would show awareness of the overall development and great foresight, and accurately grasp Macao’s situation and the country’s strategic development needs, to continue the successful implementation of “One country, two systems”.

On the same day, Premier Li Keqiang handed Ho Iat Seng a decree for the appointment at Zi Guang Ge of Zhongnanhai in Beijing. Li said that the appointment represented the central government’s trust and concern regarding Ho and Macao residents’ great hope and expectations for him.

Ho Iat Seng thanked the central government for his appointment, and said he was honoured at his appointment to the position entailing great responsibility, and was unwaveringly committed to the implementation of the “One country, two systems” principle under the leadership of President Xi Jinping and the Central People’s Government.

## Consolidating the Foundation for Economic Development and Nurturing the Emergence of Various Industries



In 2019, Macao was faced with increasing uncertainties in the internal and external environments and downward pressure on the economy. Macao's gross domestic product (GDP) for the year was 434.7 billion patacas, representing a 4.7 percent contraction in real terms from the previous year. The GDP per capita was 645,438 patacas.

The Government persisted in focusing on economic development and people's livelihoods as our core administrative values in the area of economy and finance, along with improving our quality of development and strengthening regional cooperation as the core principles, striving to maintain Macao's sustainable economic development and social stability. With stable employment during the year, the unemployment rate remained low at 1.7 percent. The median monthly salary of the employed population was 17,000 patacas, up by 1,000 patacas year on year; while the median monthly salary of employed local residents was 20,000 patacas.

### **Maintaining healthy development of mainstream industries**

The Government strengthened the regulation and promoted healthy and orderly development of the gaming industry. We approved a two-year extension to the casino concession contracts and sub-concession contracts of two gaming enterprises, so that all gaming concessions will expire in 2022, creating a better situation for the next phase of work.

The Government improved legislation to strictly control the number of gaming tables and strengthen the supervision of gaming operators and promoters. In August 2019, regulations were introduced regarding the requirements for ensuring gaming promoters show their identification information on transaction receipts and in casinos. We also strived to promote responsible gaming. In addition, we urged gaming operators to fulfil their social responsibility, including by increasing the procurement of products and services that are designed and made in Macao, and injecting more non-gaming elements into the industry. We also promoted integrated development of the gaming and non-gaming industries.

The Government adopted a tourism development model which centres on tourism and leisure, making the best use of integrated resort facilities and international entertainment and festive events, and deepening the development of Macao as a Creative City of Gastronomy. We strived to promote the history and culture of Macao, and demonstrated our unique cultural tourism content, to guide tourists to engage in in-depth travel. We also made good use of pier facilities, explored new ferry routes, and launched the Macao Cruise route.

### **Nurturing the emergence of various industries**

In 2019, the Government continued implementing policies and investing resources to support the growth of industries such as conventions and exhibitions, cultural and creative industries, traditional Chinese medicine and specialised financial services. We promoted quality enhancement of the convention and exhibition industry, with conventions as the priority, and continued optimising the one-stop service for convention and exhibition bidding and support. We also leveraged "Convention Ambassadors" networks, to attract large-scale quality conventions to Macao, expanded the types of exhibitions and conventions, optimised supportive services, and encouraged merchants participating in conventions and exhibitions to shop and dine in local neighbourhoods, to enhance

the effectiveness of the events. To strengthen external exchanges, the Government also organised delegations to participate in international and regional conventions.

We pressed ahead with the development of the Guangdong-Macao Traditional Chinese Medicine Technology Industrial Park. The cooperation platform for the industrial, academic, and research and development sectors became fully operational. We have established bases for innovation incubation that integrate research and development, business headquarters and trade, with a total of 159 registered enterprises. A total of 76 enterprises have established offices in the park, including 39 Macao enterprises that were cultivated through the industrial park platform.

The key pilot projects of the healthcare sector that have been selected as “national incubators” are among the carriers that transform research results products, through cooperation between the industrial, academic, and research and development sectors. The construction and preparation work progressed smoothly, and was completed and available for inspection by the end of 2019.

The GMP Pilot Scale Production Line has passed China’s and the EU’s GMP accreditation standards. A technology research and development team and a scientific research service team were established in May, to help Macao enterprises develop new products and upgrade the quality of those that are already on the market. Building on the Guangzhou-Macao, Sichuan-Macao and Fujian-Macao Chinese medical cooperation, the Government continued exploring opportunities for further cooperation with other regions, such as Jilin and Guizhou.

We promoted international trade in Chinese medicine products and culture. With Portugal and Mozambique as entry points, we strived to establish an international exchange platform for young Chinese medicine practitioners. The first batch of two Chinese medicine products registered in Mozambique are already available for sale in the local market, while more products are now awaiting for approval for sale. With the experience gained in Mozambique, in 2019 the model for international promotion of medicines and talent cultivation through medical treatment services was extended to Portuguese-speaking countries in Africa, such as Cape Verde, for the first time.

In 2019, the Government continued fostering cultural and creative industries and launched various subsidy schemes. We provided support services for cultural and creative enterprises – such as work space, business training, organising exhibitors and networking – to foster incubation of the industry. The Cultural Industry Fund has approved a total of 147 million patacas for subsidising 82 projects. The total investment in these projects was 523 million patacas.

Moreover, the Specific Financial Support Programme for the Growth of Creative and Cultural Enterprises was launched in August, to assist micro-enterprises in acquiring business installations, manufacturing and production, launching promotional activities and registering intellectual property rights. In all, 49 projects have been selected to receive subsidies totalling 9.28 million patacas.

During the first phase of the Community Cultural and Creative Production Subsidy Scheme, exhibitors were assisted with participating in the Guangdong-Hong Kong-Macao Greater Bay Area Public Cultural and Tourism Products Sourcing Fair, and an exhibition on the fair’s achievements was held in the Macao Polytechnic Institute. In the second phase, subsidies totalling nearly 8.4 million patacas were provided to 28 projects.

Regarding specialised financial services, the Government refined the related laws and

regulations. The legislative procedures of the Legal System Governing Financial Leasing Business and the Tax Concession Incentive Scheme for Financial Leasing were completed. Studies were underway to amend the Interest Subsidy Scheme on Bank Loans to Enterprises. We also optimised the business environment, to attract large-scale lease finance companies to establish their bases in Macao, and facilitated the establishment of a Renminbi settlement platform for trade between China and Portuguese-speaking countries, to provide financial services for trade and investment enterprises and projects of Portuguese-speaking countries, and countries and regions along the “Belt and Road”.

In 2019, for the first time, the Central People’s Government issued sovereign bonds in Macao; and this was the first year the Meeting of the Central Banks and Financiers of China and Portuguese-speaking Countries was held in Macao. A cross-departmental working group was set up by the Monetary Authority of Macao to follow up on and coordinate research and related work on the establishment of a capital market in Macao. Moreover, Macao and other Greater Bay Area cities jointly signed the Framework Cooperation Agreement on Financial Conflict Resolution between Guangdong and Macao, to foster the co-ordination of soft financial infrastructure within the Greater Bay Area and promote the establishment of a financial services cooperation platform between China and Portuguese-speaking countries.

## **Supporting development of SMEs and encouraging innovation and entrepreneurship by young people**

The Government attached great importance to the sustainable development of SMEs, persisted with the principle of integrating support and cultivation, and continued optimising various financial and administrative support measures, to support their innovative development.

We promoted the application of information technology in SMEs, enhanced cooperation with e-commerce operators in mainland China, and developed and explored e-commerce markets in Portuguese-speaking countries. We continued fostering the “Scheme to Assist the Re-branding of Time-honoured Local Shops”, after the completion of the assessment of the first batch of 12 “Time-honoured Local Shops”, to strengthen the competitiveness of these local shops.

We have recently launched Catastrophe Insurance for Small and Medium Enterprises, the Catastrophe Insurance for Small and Medium Enterprises Funding Scheme, and the Import and Export Credit Insurance Scheme, to provide SMEs with a wider range of insurance protection. We also facilitated a new round of business invitation exercises for the Traditional Chinese Medicine Science and Technology Industrial Park of Cooperation Between Guangdong and Macao (GMTCM Park) in Hengqin, to explore greater scope for developing Macao enterprises.

We continued implementing the Young Entrepreneurs Aid Scheme and upgraded the functions of the Young Entrepreneur Incubation Centre. Study and exchange tours to the Greater Bay Area were organised for young people in Macao, to help them seize opportunities for employment and entrepreneurship. The requirements for participation in the China-Portuguese-speaking Countries Young Entrepreneur and Innovation Exchange Programme were broadened, to allow more young people to participate in study and exchange tours to Portuguese-speaking countries and develop their networks. In 2019, dialogue sessions between young people and the Secretary for Economy

and Finance or the directors of various bureaus were organised, in addition to participation in community activities for young people, to strengthen the mechanism for communications with young people.

## **Continuing deepening regional cooperation and actively participating in construction of the Greater Bay Area**

To further align with the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, the Government has formulated an annex to Macao's Five-year Development Plan, based on its initial plan, to deeply integrate the construction of the Greater Bay Area into our five-year development plan. This will align with the national master plan, whilst incorporating it within our annual policy administration.

In addition, the Symposium on the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area and the Symposium on the Guangdong-Hong Kong-Macao Greater Bay Area co-organised by the Hong Kong Special Administrative Region Government, the People's Government of Guangdong Province and the Macao Special Administrative Region Government were held in Macao, Hong Kong, and Japan.

We implemented a series of cooperative projects between Guangdong and Macao. Based on the project arrangements highlighted in the Framework Agreement on Cooperation between Guangdong and Macao, we strengthened cooperation in areas such as developing cross-border infrastructure and facilitating customs clearance, fostering cooperation in modern service industries, developing a quality living circle, and promoting education and youth exchanges.

We also facilitated the construction of the Guangdong-Macao Special Cooperation Zone in Hengqin, and continued fostering cooperation with Shenzhen, Guangzhou, Zhongshan and Jiangmen.

We supported active participation by businesses and the public in the development of the Guangdong-Hong Kong-Macao Greater Bay Area, and provided services to facilitate registration by trading companies in the nine cities of the Greater Bay Area. We also upgraded the functions of the representative office of the Macao Trade and Investment Promotion Institute in Guangzhou, arranged visits to organisations and enterprises in Greater Bay Area cities and launched related follow-up work, to foster connections and provide necessary assistance. We continued soliciting investments and working on promotion, to attract quality business operators to establish bases in Macao.

To promote cooperation with the Beijing-Tianjin-Hebei region, Changjiang economic belt and the Pan-Pearl River Delta (PPRD) region, in November 2019 we signed the Arrangements for Establishing the Mechanism of the Shanghai-Macao Cooperation Joint Conference to establish an official mechanism for cooperation with Shanghai, facilitated planning of the Jiangsu-Macao Cooperation Park, fostered cooperation on environmental protection and infrastructure industries between the PPRD provinces and regions and Portuguese-speaking and European Union countries, and cooperated with Jilin province in developing the Chinese medicine industry.