

Two rounds of financial relief swiftly launched to ensure people's well-being and economic stability



Struck by the COVID-19 pandemic in 2020, Macao experienced a serious economic recession. Gaming and tourism revenues suffered the most, with an earthward plummet. Macao's gross domestic product (GDP) for the year amounted to 194.4 billion patacas, shrinking by 56.3 percent in real terms. Enterprises of various sizes faced hardships and challenges, while Macao people suffered a great deal of pressure regarding employment and livelihoods.

Within a short period of time, the Government twice revised the budget for the financial year, to allocate 42.6 billion patacas from the fiscal reserve and 10 billion patacas from Macao Foundation in order to launch two rounds of anti-pandemic and financial relief measures, for safeguarding employment, stabilising economy and caring for people's livelihoods.

On 31 January, the Government announced a three-month rent waiver for commercial premises, such as shopping centres, service kiosks, restaurants and shops and stores in public housing estates leased by government departments. The Wealth Partaking Scheme was also implemented ahead of schedule, from April 2020. These measures involved 7.1 billion patacas.

On 13 February, the Government announced temporary financial relief measures in five areas, including cuts to and waivers of taxes and fees; allowance and interest subsidies for micro, small and medium-sized enterprises; an additional distribution of 600-pataca health care vouchers; a three-month water and electricity fee subsidy for residential households; and a 3,000-pataca electronic consumption card for each resident – amounting to a total budget of 27 billion patacas when taking into account the Wealth Partaking Scheme and other supportive measures.

The Government also introduced several special tax incentives:

- A six-month waiver of tourism tax on consumption at places related to tourism services;
- Up to 300,000 patacas of profit tax payable deduction for 2019, provided to businesses paying profit tax;
- An increase of personal income tax rebate for 2018 to 70 percent, with a ceiling of 20,000 patacas, and an upward adjustment of the fixed reduction rate of personal income tax to 30 percent;
- A waiver of real estate stamp duty payable in 2019 for residential properties and an additional 25 percent deduction of real estate stamp duty for hotels and similar activities, office premises, commercial and industrial properties;
- A stamp duty waiver on the issuance and renewal of licences and administrative permits;
- A waiver of vehicle licence tax for commercial vehicles in 2020; and
- All the cash and goods donated for combating the pandemic to be deemed as expenses or losses, and deductible from taxable revenue.

On 8 April, the Government announced the second round of financial relief measures to combat the pandemic. Through the 10 billion-pataca Community Support Fund, the Government extended the support to Macao residents, employees and enterprises as a supplement and extension to the first round of financial aid measures; including:

- One-off, three-round-financial aid totalling 15,000 patacas for eligible local employees;
- One-off financial assistance of 10,000 patacas for freelancers and interest subsidy on bank loans; financial support to businesses of 15,000 patacas to 200,000 patacas, according to number of employees;
- Scope of “paid training” extended from local unemployed to local working population; and
- An additional consumer subsidy of 5,000 patacas for all Macao residents from August to December.

Notably, the Government issued cash subsidies totalling over 6.4 billion patacas to 308,000 direct beneficiaries in various categories and shops through the Employee, Freelancer and Business Subsidy Scheme. The financial resources expended during the pandemic were equivalent to 12 percent of GDP in 2019.

Striving to secure local employment and enable large enterprises to shoulder their responsibilities

In the third quarter of 2020, Macao’s overall unemployment rate was 2.9 percent, and the unemployment rate among local residents was 4.1 percent, with an underemployment rate of 4.7 percent, leading to the emergence of problems related to employment. The Government stepped up its efforts to promote employment and ensure prioritised and continued employment of local employees, and incorporated these with the exit mechanism for non-local employees, to increase

the chances of local job seekers being successfully employed.

The Government launched paid skills upgrading and vocational training programmes, to provide 2,000 training places for the unemployed, tourist guides, taxi drivers, coach drivers, convention and exhibition workers and other specific professions. Paid employment-oriented and career-oriented training programmes were also launched, to provide 60,000 training places, with the scope expanded to also include fresh university graduates and employees.

With concerns regarding the employment of fresh university graduates, a career experience programme was launched in collaboration with Macao enterprises for the first time. A total of 1,847 internship places were offered by the participating enterprises, and 1,618 applications were received. In all, 720 graduates were accepted for internships through the programme, and 568 graduates took up the internships, 382 of whom were guaranteed job offers, with 199 interns accepting the offers.

In addition, the Government urged and encouraged large enterprises to shoulder their social responsibilities, to ensure prioritised and continued employment of local employees. Through many large-scale infrastructure projects and “welfare-to-work schemes”, the Government created more jobs and referred job seekers of suitable calibre to recruitment fairs for major infrastructure projects, in order to stabilise the employment of grassroots workers; expedited various public construction projects, particularly those involving transport infrastructure, public facilities and public housing that are closely related to economic development and livelihood improvements, and accelerated the approval of private construction work, to create job opportunities.

Implementing various measures to sustain vitality of SMEs



To help small and medium-sized enterprises (SMEs) survive the challenging time, the Government enhanced financial support for SMEs. The SME Assistance Programme was further revised in March 2020, to temporarily relax the application requirements, in order to accept applications from SMEs impacted by the pandemic, providing they had operated for at least one year and met the eligibility criteria. The programme with these temporary relaxation measures, implemented from 10 March to 10 September, received 1,204 applications. As of 31 December, 925 applications were approved, involving financial assistance amounting to 284 million patacas.

To enhance the cash flow of SMEs and effectively relieve their interest burdens, the Government launched a scheme to provide an interest subsidy for SMEs of up to four percent on bank loans of up to two million patacas. The interest subsidy period will last up to three years. The scheme, launched from 17 March to 17 September, received 4,997 applications. As of 31 December, 4,794 applications were approved, involving bank loan interest subsidies amounting to 6.081 billion patacas, and mainly benefiting retail, construction and public works, restaurant, and hotel businesses.

In addition, the Monetary Authority of Macao provided short-term “counter-cyclical” credit lines to banks with a large proportion of local businesses among their clients, increased allocation of reserves in Macao’s banking system, and prudently adjusted the banks’ mortgage loan asset requirements as a temporary measure, to enhance banking flexibility in response to lending needs.

To stimulate domestic consumption, the Government launched two rounds of the Consumption Subsidy Scheme, issuing consumer subsidies of 3,000 patacas and 5,000 patacas, respectively, to each eligible Macao resident through electronic consumption cards. The scheme concluded at the end of 2020, generating consumption of 5.16 billion patacas through 62 million transactions, benefiting many industries to varying degrees. In particular, the food and beverage and retail sectors accounted for approximately 25 percent and 69 percent of the total transactions, respectively. Over 63 percent of the consumer subsidies benefited SMEs. The figures showed that the scheme has helped to boost business operations and achieved the goal of increasing domestic demand and consumption, safeguarding enterprises and employment, and relieving livelihood hardships.

The Macao Government Tourist Office launched the “Macao Ready Go! Local Tours” local tour project and the “Macao Ready Go!” digital promotion platform, with the aim of resuming Macao tourism activities and promoting tourism-related products, in order to stimulate consumption throughout Macao, thereby benefitting SMEs.

From 17 June to 30 September, the “Macao Ready Go! Local Tour” project introduced 25 itineraries in total, with 13 routes for “Community-based Tours” and 12 for “Leisure Tours”. The Government provided a subsidy of 280 patacas per tour to each eligible Macao resident, subject to a ceiling of 560 patacas per person. Nearly 140,000 residents joined more than 4,300 tours in Macao. According to preliminary data, the “Macao Ready Go! Local Tours” project has brought over 56 million patacas of economic benefits to the local market, about 38 million patacas of which was granted for tour participation, and about 17 million patacas was spent by tour participants (including tour fees and additional spending). Approximately 4.98 million patacas of community consumption was generated, boosted by the 100-pataca consumption cards

issued for the “Community-based Tours”.

The “Macao Ready Go!” digital promotion platform is designed to provide residents and tourists with special offers and discounts from the participating merchants, covering themes of “Enjoyment, Dining, Accommodation and Transportation”. Multiple promotional channels are utilised to attract residents and tourists to browse the merchant offers, thereby boosting consumption. From the launch of the scheme on 5 June 2020, to 31 December 2020, the platform registered 671 merchants with 2,053 special offer items, 243,625 coupon downloads, and over 7,477,000 online platform visits.

Rapid popularisation of electronic payment and upgrades of micro, small and medium-sized enterprises

Financial relief measures played an active role in stabilising the economy and safeguarding people’s employment and livelihoods. Some innovative developments were also seen in certain areas, such as rapid popularisation of electronic payment. From January to the end of September 2020, the number of mobile payment devices and QR codes installed and deployed by local merchants increased by more than 22,900; and the number of devices that can accept mobile payments in Macao exceeded 63,000. The value of local mobile payment transactions reached four billion patacas in the first nine months, equivalent to 3.3 times the total value of 1.23 billion patacas in 2019.

To help SMEs to make good use of technology and strengthen their online application platforms, the Government launched a subsidy scheme at the end of the year, to financially support Macao SMEs to adopt electronic ordering operations; supported local chambers of commerce and associations with inviting key opinion leaders (KOL) to shoot promotional videos; published the Macao Gastronomy Map; supported online promotion of a Macao food festival featuring the best deal items; and supported production of variety shows and video clips to promote tourist attractions in various districts and SME shops on key social media platforms, thereby stimulating consumption in the community and revitalising the community economy.

In July 2020, the Government launched a programme for promoting accredited shops with local characteristics. This was a pioneering initiative in collaboration with local chambers of commerce, for supporting featured restaurants and retail businesses, aiming to enhance the attractiveness and visibility of shops and, in the long run, enhance enterprises’ overall service standards and branding.

The first phase of the programme was launched as a pilot scheme in the Rua de Cinco de Outubro neighbourhood, with 50 accredited outlets in the area. The second phase of the programme was launched in the Islands District, with 50 newly added accredited outlets. Of these 100 accredited shops, 71 were restaurants and 29 were retailers. At present, all the accredited shops are included in popular living guide e-commerce platforms in mainland China, thus expanding online and offline promotional channels.

To enhance “Made in Macao” brands, the Government and the Industrial Association of Macau jointly launched the Macao Product Quality Certification Scheme, to provide technical support services to potential applicants, and continued supporting the six main tourism and leisure enterprises in prioritising the procurement of local SMEs’ products and services.

Launching special offers to stimulate consumption and expedite economic recovery

The Central People's Government resumed the issuance of visitor permits to Macao in August 2020, thus helping to gradually boost Macao's consumption demand and improve the market atmosphere. However, the economy still experienced a significant downturn for the year. Given that the Government had ensured the safety of Macao's community, urban hygiene and public health, initiatives for boosting post-pandemic tourism were launched. Quality and preferential products were launched for tourists from targeted markets, to enhance Macao's post-pandemic tourism competitiveness.

The Macao Government Tourist Office also commissioned local production companies to produce tourism promotional videos and travel programmes. We cooperated with several local production companies, social media and TV stations, to produce some 60 themed video clips on Macao tourism, for promoting Macao tourism and SMEs via social media platforms and other media.

A scheme to expand visitor sources, boost the economy and safeguard employment was launched from 1 September, lasting till the end of the year. This utilised e-commerce to offer visitors to Macao discounts on transportation, accommodation, and shopping during their stay, to stimulate tourism spending, thereby boosting economic recovery and stabilising employment.

As of 31 December, 1,119,285 of the vouchers issued were for 50 percent off hotel rates, 85,424 of which had been reimbursed; 1,373,408 were offline vouchers, for which a value of 13,619,890 yuan was reimbursed. The scheme set a minimum spending of five times the value of the vouchers. Based on such data, 315 million yuan were spent by using the vouchers through the WeChat Pay platform, with effective gearing of 23 times. For flight tickets, 1,080,000 vouchers were issued and 17,514 sets were reimbursed.

To enhance the promotion of safe travel to Macao, the Macao Government Tourist Office launched a series of events for "Tour Macao Carnival" from October to November 2020, capitalising on the Macao Grand Prix, Macao Food Festival and other events.

During the Grand Prix, renowned mainland China sports commentators and travel experts were invited to Macao for multiple live broadcasts, and 160,000 promotional products were sent to mainland China visitors in collaboration with UnionPay. There was also collaboration with dianping.com, to arrange for mainland China travel experts to livestream and attend promotional activities in Macao.

In addition, "Beijing Macao Week" roadshows were held in Beijing during September, to introduce the latest developments in Macao tourism, culture, economy and trade to local residents, in the hope of attracting more visitors to Macao.

Bolstering intensive cooperation between Guangdong and Macao, for integration with national development