

Innovative Breakthrough in Guangdong-Macao Regional Cooperation on Hengqin Development



Regional cooperation serves as an important driver for Macao’s economic development, with a new breakthrough achieved in 2021.

“Four New” Layouts for Better Integration into Overall National Development

On 5 September 2021, the Central People’s Government announced the Master Plan for the Development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin (hereinafter referred to as the Master Plan), marking a new phase of the extensive Guangdong-Macao cooperation with mutual discussions, joint construction, joint administration and shared benefits for the development in Hengqin, and providing guidance for the construction of the Macao-Zhuhai Axis in the Greater Bay Area and the development of the Guangdong-Macao Intensive Cooperation Zone.

On 17 September, the plaque of the administrative body of the Guangdong-Macao Intensive Cooperation Zone in Hengqin was officially unveiled, marking a new stage of Hengqin development. The Vice Premier of the State Council, Han Zheng, extended his best wishes for the better development of the Guangdong-Macao Intensive Cooperation Zone, which will contribute to the steady implementation of “One country, two systems” with Macao characteristics.

The MSAR Government warmly welcomed and expressed its heartfelt gratitude for the

introduction of the Master Plan, and will actively seize the opportunities arising through the Master Plan, for Macao to inject new impetus into planning the long-term development of Macao.

The construction of the Guangdong-Hong Kong-Macao Greater Bay Area is a major national strategy under the planning, deployment and advancement of President Xi Jinping, who attaches great importance to the development of Hengqin, and has paid six visits to Macao and four visits to Hengqin within 10 years. President Xi stressed that the development of Hengqin through the joint efforts of Zhuhai and Macao helps to broaden the scope of and injects new impetus for Macao's long-term development.

The construction of the Guangdong-Macao Intensive Cooperation Zone in Hengqin is a major pioneering project to reinforce the implementation of "One country, two systems", which is conducive to advancing the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, serving as an important means of deepening reform and building a new, open economic system, thereby benefiting Macao's long-term development and integration into the overall national development.

The Master Plan contains 29 articles that cover a wealth of innovative policies and measures, closely following the main theme of "promoting adequate economic diversification in Macao" and establishing four strategic positions of a new platform for Macao's adequate economic diversification, a new space for Macao people to live and work, a new enriched demonstration of realising "One country, two systems", and new high ground for fostering the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

The Master Plan specifies the development of nascent industries that promote adequate economic diversification in Macao, including four major sectors – science and technology research and development and high-end manufacturing; traditional Chinese medicine and other Macao-branded industries; cultural tourism, conventions and exhibitions, commerce and trade; and modern financial services – in the hope of gradually solving the long-standing problem of Macao's uniform economic structure.

Regarding science and technology research and development and high-end manufacturing, the Government will develop industries such as integrated circuits, big data, artificial intelligence, Internet of Things (IoT) and biomedicine, and establish a technological innovation and transformation centre in the hope of achieving breakthroughs in such fields, and overcoming factors hampering the development of Macao's technological industries.

Regarding traditional Chinese medicine and other Macao-branded industries, the Master Plan proposes allowing the use of "Products inspected by Macao", "Production supervised by Macao" or "Designed by Macao" labels for traditional Chinese medicine products, and food and health products made in the intensive cooperation zone, with the approval and registration processes in Macao. It also proposes simplifying the approval process for listing Macao's traditional Chinese medicines for external use in the Guangdong-Hong Kong-Macao Bay Area, and prioritising the evaluation of licences for and approval of new pharmaceutical products that are produced in Macao and conform with relevant regulations.

In terms of the development of culture and tourism, conventions and exhibitions, and commercial and trade industries, the Government will develop tourism industries including leisure and vacation,

conventions and exhibitions, and sports event tourism, and supplementary health services industries such as leisure and nourishment, rehabilitation, and medical tourism in the intensive cooperation zone. It will also foster the development of the convention and exhibition industry, through providing convenient immigration measures for participants of cross-border conventions and exhibitions, thus creating an exhibition platform with international influence. As one of the pillar industries of Macao, tourism can complement and foster synergies with Hengqin's tourism industry, bringing new opportunities and creating a new platform for the integrated development of cultural and tourism industries in Guangdong and Macao.

The modern financial services industry is in its early stages in Macao. In addition to its strong supporting role in promoting adequate economic diversification, the industry is also highlighted in the Master Plan, which suggests leveraging Macao's role as a window to Portuguese-speaking countries and supporting the establishment of a Sino-Portuguese financial services platform in the intensive cooperation zone. The Master plan also proposes a series of financial support policies spanning capital application, cross-border Renminbi services, mutual establishment of institutions and cross-border insurance, to broaden the scope for the development of Macao's modern financial services industry.

To build a new home for Macao residents that is favourable for living and work, as one of the four major missions of the Master Plan, the Government will provide extensive support and increase convenience for Macao residents through tax incentives, construction of Macao New Neighbourhood project and a medical complex, and infrastructural interconnectivity, benefiting Macao residents in education, employment, entrepreneurship and living in the intensive cooperation zone, thus creating a favourable environment for living and working akin to Macao.

The Master Plan proposes: “encourage Macao residents to be employed or to start businesses”, “strengthen cooperation with Macao in social wellbeing and livelihoods” and “promote infrastructural interconnectivity” with multiple policies to assist Macao residents in various ways.

The Master Plan specifies the development of Macao New Neighbourhood – an important comprehensive livelihood project jointly undertaken by Zhuhai and Macao, integrating residential, educational and medical functions – to gradually match Macao's educational, medical and social services, realising the synergy in cross-border public services and social security between the two places, and creating a cross-border living environment with comprehensive support that is familiar to Macao residents.

Enriching the new showcase of realising “One country, two systems” means firmly adhering to the principle of “one country” and leveraging the advantages of “two systems”. Based on the special regulatory system and development of the intensive cooperation zone with separate management lines, original constraints and barriers will be broken, and full use will be made of Macao's positioning as a separate customs territory and an international free trade port with networks of external connections. Combining Hengqin's spatial and resource advantages, the Government will promote the connection of rules and mechanisms between Hengqin and Macao, and establish a system for highly convenient market access to achieve efficient and convenient flows of personnel, goods, capital and information, together with a higher level of market integration to realise a new leap forward.

Regarding the new high ground for fostering the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Master Plan clearly states that under the leadership of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area, Guangdong and Macao will jointly establish the Administrative Committee of the Intensive Cooperation Zone for constructing a sound new system of joint construction, mutual discussions, joint administration and shared benefits between Guangdong and Macao, which will coordinate and decide on major planning, policies and projects, and important personnel appointments and dismissals in the intensive cooperation zone within its terms of reference. The Administrative Committee of the Intensive Cooperation Zone will be co-led by the Governor of Guangdong Province and the Chief Executive of the Macao SAR.

The Master Plan sets out three development goals to be achieved in phases. By 2035, the mechanism for the integrated development of Macao and Hengqin will be improved, and the goal of promoting adequate economic diversification will be achieved.

In delivering the Policy Address for the Fiscal Year 2021, Chief Executive Ho Iat Seng stated that in accordance with the planning by the Central People's Government, the MSAR Government will implement the proposal for development of the Guangdong-Macao Intensive Cooperation Zone in a pragmatic manner. With an open and innovative mindset, an innovative cooperation zone combining the advantages of “two systems” will be created, which strongly integrates with international standards, facilitates Macao's adequate economic diversification, and serves the opening-up of the nation.

The establishment of the Guangdong-Macao Intensive Cooperation Zone in Hengqin is of great significance in promoting adequate economic diversification of Macao, benefiting the livelihoods and employment of Macao residents, facilitating the high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area, and enriching the implementation of “One country, two systems”.

The Government will work with all sectors of society, to accurately interpret and implement the Master Plan for the Development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin, and strive for the intensive cooperation zone to start well.

Establishment of the Working Committee for Integration into National Development

To coordinate the MSAR Government's engagement in the establishment of the country's “Belt and Road” initiative and the short-, medium- and long-term overall designs and work plans of the Guangdong-Hong Kong-Macao Greater Bay Area, the Chief Executive issued an order to establish the Working Committee for Integration into National Development.

The Committee's duties include:

- Coordinating the MSAR Government's engagement in constructing the country's “Belt and Road” initiative and the short-, medium- and long-term overall designs and work plans of Guangdong-Hong Kong-Macao Greater Bay Area, recommending the commencement of related research to support policymaking;
- Conducting research on the MSAR Government's promotion of One Centre (world tourism

and leisure centre), One Platform (commercial and trade services platform between China and Portuguese-speaking countries) and One Base (multi-cultural exchange and cooperation base with an emphasis on Chinese culture) with related policymaking and implementation of strategies and measures;

- Devising annual work schedules and supervising their implementation; and
- Setting out principles and guidelines for planned activities.

The Working Committee reports to and is chaired by the Chief Executive. The establishment of the Working Committee for Integration into National Development aims to strengthen the top-down approach and coordination, leveraging Macao's unique advantages on participating in and assisting the development of the "Belt and Road" initiative, while giving full play to the advantages of "One country, two systems", to pragmatically deepen and optimise cooperation with sister provinces and cities in mainland China.

Fully Commencing the Macao New Neighbourhood Project in Hengqin

The Macao New Neighbourhood project in Hengqin commenced construction in early 2021, which is a comprehensive livelihood project that integrates quality housing, education, health, and social services, creating a new space for the convenience of the livelihoods and employment of Macao residents.

The 19-storey to 26-storey residential buildings of the Macao New Neighbourhood project in Hengqin will provide approximately 4,000 residential units for sale, over 200 rental units for talented people, and about 60 commercial units. The project is progressing well and is expected to be completed by August 2023.

Expediting Infrastructure Development in the Guangdong-Macao Intensive Cooperation Zone in Hengqin

To improve the convenient linkage of Macao and mainland China cities with the high-speed railway system, and accelerate transport infrastructure interconnection, the construction of the LRT Hengqin Line commenced on 18 March 2021, which strives for completion within four years. The bridge connecting the University of Macau and Hengqin Port is now under design and preliminary preparation stage.

As a large-scale public transportation project, the LRT Hengqin Line is of great significance in strengthening cultural exchanges and economic ties between the two places. After completion, the LRT Hengqin Line will realise high-speed public transport connection in the Zhuhai-Macao region, which meets the growing demand of the Guangdong-Macao Intensive Cooperation Zone in Hengqin, improves commuting efficiency, and facilitates the intensive cooperation zone to integrate into the "one-hour living circle" of the Guangdong-Hong Kong-Macao Greater Bay Area.

To speed up the infrastructural interconnection of Guangdong and Macao, the new Guangdong-Macao border crossing (Qingmau Checkpoint) commenced operation on 8 September 2021, adopting the "joint inspections for one-stop border crossing" clearance mechanism, with a capacity of

handling 200,000 travellers per day, to facilitate more efficient and convenient passenger clearance and logistics between Guangdong and Macao.

The opening of Qingmau Port serves as another important link between Zhuhai and Macao, which relieves the pressure on Gongbei Port (Border Gate); improves the clearance efficiency of Zhuhai-Macao Port; facilitates the exchange and communication between Guangdong and Macao; and fosters Guangdong-Macao intensive cooperation.

Speaking at the opening ceremony of Qingmau Port, Chief Executive Ho Iat Seng stated that the opening of the port is of great significance to Macao's society, people's livelihoods, the economy and political environment. The Government will take the opening of Qingmau Port as an opportunity to cooperate with Guangdong Province in good faith to promote efficient, convenient and orderly cross-border flows, furthering the quality construction and development of the Guangdong-Hong Kong-Macao Greater Bay Area and Guangdong-Macao Intensive Cooperation Zone in Hengqin.

The Economy Recovers and Stabilises as Various Industries Gradually Move Forward



During 2021, due to the fluctuating COVID-19 pandemic, Macao's economic recovery faced uncertainties and repeated challenges. As all sectors and industries had been greatly affected since 2020, the public had to bear unprecedented pressure. Despite an increase in the unemployment rate and an ongoing deficit in the Government's finances, Macao's economy still showed signs of recovery through fluctuating challenges, readjusting its development trend from neutral to stable and maintaining social harmony and stability, compared to the situation in 2020. The annual GDP