

Pressing Ahead With Economic Diversification; Ushering in a New Phase in Leisure Tourism Development



Given the impact of the pandemic in neighbouring regions in 2022, as well as the local outbreak beginning on 18 June, Macao's macro economy faced unprecedented downward pressure, with major economic indicators showing a clear downturn. The annual gross domestic product (GDP) was 177.33 billion patacas, representing a contraction in real terms of 26.8 percent year on year, with a GDP per capita of 261,459 patacas. The local unemployment rate reached 4.8 percent, a new high in recent years.

Given the grim and complex situation, in addition to active prevention and control of Covid-19, the MSAR Government swiftly activated contingency plans and rolled out two rounds of "10-billion-pataca community support measures" building on the financial assistance measures launched in the first half of 2022, aiming to ease livelihood hardships, ensuring employment and stabilise the economy. Overall social development gradually stabilised, and the market atmosphere started improving.

10-billion-pataca financial relief to benefit the Macao community; multiple measures to ease livelihood hardships

The impact of the pandemic on Macao's economy has long been a major concern of the MSAR Government, which has implemented various measures in response. The financial relief measures

launched in the first half of 2022 included: early disbursement of the Wealth Partaking Scheme; refunding 60 percent of paid personal income tax for 2020 paid by Macao citizens, with a cap of 14,000 patacas; short-term food assistance for Macao citizens facing involuntary unemployment; the third round of the electronic consumer benefits plan; water and electricity fee subsidies for residential units and business enterprises in 2022; and a temporary allowance as an incentive to encourage employers to hire local job-seekers during the pandemic.

In response to the emergency arising from the Covid-19 outbreak beginning on 18 June, the MSAR Government swiftly launched a new round of financial assistance measures, budgeted at around 10 billion patacas. These included: property tax refunds for industrial or commercial activity venues; waiver of all tourism taxes; vehicle licence-plate tax refunds for commercial vehicles; waivers or refunds of permit and related fees; fuel subsidy for the taxi industry; launching a new round of the Employee, Freelancer and Business Subsidy Scheme; and launching a scheme to provide interest subsidies on bank loans for SMEs. Moreover, the measures allowing principal payment holidays for financial and commercial corporations were extended to 31 December, 2023.

On 15 July, the MSAR Government submitted a revised financial-year budget for the financial year to the Legislative Assembly for the second time, suggesting the use of an excess reserve of 35.157 billion patacas, which included an extra 10 billion patacas marked as expenses for anti-pandemic special plans, to cover various anti-pandemic expenses and provide public assistance to people stricken by the pandemic in Macao.

Stepping up support for businesses; optimising training to secure employment

The MSAR Government stepped up its financial support for the real economy, including by easing requirements for applying for the SME Assistance Programme, subsidising interest on bank loans for SMEs, extending the temporary measure to adjust the repayment periods for various assistance schemes, calling for financial institutions to extend the transaction fee exemptions for Simple Pay, and encouraging banks to increase credit facilities and adjust repayment plans for SMEs – effectively relieving the pressures on enterprises' liquidity.

The Government continued perfecting the subsidised training scheme, strengthening employment referrals and support for local residents. Throughout 2022, various online and offline job matching services helped 6,288 local citizens to secure jobs. The Government also encouraged employers to hire local employees by granting six-month temporary allowances to eligible employers that hired local employees. Regarding active support for local youth employment, the Government continued implementing the “Internship Plan to Create Better Job Prospects”, which offered 1,780 internship vacancies. By the end of 2022, a total of 342 people joined internships, 101 of whom were employed after completing their internships. The number of non-local workers was also controlled, to ensure employment priority for local employees. The Government continued expanding investment in public projects, with an annual investment and development budget of around 18.5 billion patacas to launch public works of various scales. Public projects totalled 50, costing over 100 million patacas.

Development of integrated tourism expedited; gaming industry fostered in accordance with the law

The adequate economic diversification of Macao is the top priority of the current Government administration. While fostering the recovery of the integrated tourism and leisure industry, we also accelerated the establishment of Macao as a comprehensive tourism and leisure destination through the “Tourism Plus” development model, which includes gastronomy, vacations, sightseeing, shopping, entertainment, culture, healthcare and sports, thereby enriching the content of Macao as a world tourism and leisure centre. During the year, the Government organised a variety of tourism activities to promote Macao’s image as a diverse tourism destination. It also collaborated with major online travel platforms to launch multi-destination thematic tourism products, and build a tourism brand for the Guangdong-Hong Kong-Macao Greater Bay Area.

In 2022, the MSAR Government completed the amendments to the Gaming Industry Regulatory Framework and related regulations, in accordance with Macao’s positioning as “One Centre, One Platform, One Base” and in favour of fostering healthy, lawful and orderly development of the gaming industry; and commenced a new public tender for gaming concessions, to ensure smooth transitions between the new and former concession contracts.

On 14 January, the MSAR Government announced the draft amendment to the Gaming Industry Regulatory Framework and related regulations, stipulating the maximum number of gaming concessions as six, prohibiting the transfer of concessions, and limiting each concession period to no longer than ten years. The draft bill also lays down the approval criteria for casinos, gaming machines and gaming tables; enhances the reviews of qualification and supervision of gaming operators and companies; increases the capital required by gaming concessionaires to five billion patacas; and sets a transition period of three years for casinos located in properties owned by non-concessionaires. On 13 May, a standing committee of the Legislative Assembly made significant revisions to the draft amendment, including removing the requirement that satellite casinos must be set up in properties owned by concessionaires. On 21 June, the new Gaming Law passed its second reading in the Legislative Assembly; it came into effect on 23 June.

On 29 July, the MSAR Government launched a new public tender for gaming concessions, which closed on 14 September, and received tenders from seven companies. On 16 September, the Committee for Public Tendering of Gaming Concessions carried out the opening of tenders, and all seven companies were accepted as bidders. On 26 November, the preliminary results were announced, with winning bids from MGM Grand Paradise, Galaxy Casino Company (Galaxy), Venetian Macau, S.A., Melco Resorts (Macau) S.A., Wynn Resorts (Macau), S.A., and SJM Resorts, S.A. On 16 December, the Macao SAR Gazette published an Executive Order announcing the final results of the public tender for gaming concessions. On behalf of the MSAR Government, Chief Executive Ho Iat Seng signed concession agreements with six concessionaires. The new concession agreements are valid for ten years, effective from 1 January, 2023. With the successful conclusion of the tender process, Macao’s gaming and tourism industries entered a new phase of development.

The amendments to the laws regulating the gaming industry and the public tender for the new gaming concessions aimed to achieve reform from the bottom up; promote long-term healthy, orderly,

and sustainable development of Macao's gaming industry; explore new tourist sources worldwide; and gradually enrich non-gaming elements – including conventions and exhibitions, entertainment performances, sports events, culture and art, healthcare and health maintenance, themed amusement facilities, city of gastronomy, community tourism and maritime tourism.

Fostering steady development of financial services and medical industries; accelerating development of the convention and exhibition industry



Regarding industrial diversification, the “Big Health” industry with Chinese traditional medicine research and development as the entry point saw steady development. After the plaque of the Macau Institute for Translational Medicine and Innovation was unveiled, translational medical science projects covering Chinese traditional medicine and biomedicine became the major focus in the initial stage, with key projects supporting the development of the Chinese traditional medicine industry – especially the practical application of the research results of the State Key Laboratory of Quality Research in Chinese Medicine, and relevant research results of other institutes of the University of Macau. The Pharmaceutical Supervision and Administration Bureau was established, and enforced the Law on Pharmaceutical Activities in the Field of Traditional Chinese Medicine and the Registration of Traditional Chinese Medicines, and perfected the procedures for approving industrial licences for manufacturing “Big Health” products, Chinese medicine, and technology products. The Government leveraged the advantages of favourable policies, such as CEPA, to assist Macao’s “Big Health” industry with exporting products to mainland China and overseas.

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

The Government accelerated the fostering of high technology industries, encouraging cooperation between tertiary institutions and enterprises in industrial, academic and research development – resulting in a number of collaborative projects on integrated circuit design, cyber security and artificial intelligence. To foster online matching in industrial, academic and research development, the Government launched a funding scheme for industry-academia-research partnerships for enterprises. The Government also optimised the one-stop service workflows for investors, and actively attracted technology enterprises to establish their bases in Macao. The preparations for accreditation of technology enterprises have commenced.

To support the exhibition, convention, commerce and trade industries to seek new development models, the Government deepened its efforts to invite businesses, by organising conferences and exhibitions. Utilising the principle of “pre-exhibition positioning, in-exhibition follow-up, and post-exhibition tracking”, the Government helps merchants participating in conventions and exhibitions to fully understand Macao’s business advantages, helps them set up their bases or expand businesses in Macao, and demonstrates the momentum of “Industry + Conventions”. Leveraging the convention and exhibition platforms offering meeting and negotiation opportunities for local SMEs, a host of activities were held in Macao during 2022, covering medicine and health, information technology, commerce, trade and management, and involving over 200 business matching sessions.

Extraordinary Ministerial Meeting of Forum Macao successfully held; China-Portuguese-speaking countries cooperation achieves positive results

The Extraordinary Ministerial Meeting of the Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries (the Forum) – hosted by the Ministry of Commerce of the People’s Republic of China, organised by the MSAR Government, and co-organised by the Permanent Secretariat to the Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries – was successfully held on 10 April, 2022. The meeting was held in online plus offline formats in both Beijing and Macao, with the main venue located at Macao’s Complex of the Commerce and Trade Co-operation Platform for China and Portuguese-speaking Countries.

At the opening ceremony, the Premier of the State Council, Li Keqiang, delivered a speech via video, in which he recognised the Forum’s significant results; gave recommendations on ways to deepen the relationship between China and Portuguese-speaking countries; and called for all countries to safeguard peace and stability, foster development and prosperity, reinforce solidarity and cooperation, achieve an early victory in the battle against the pandemic, commit to opening up to cooperation, and promote economic recovery. Eight senior officials of Portuguese-speaking countries fully recognised the Forum’s important functions and positive achievements, gave

valuable advice on the Forum's development, and expressed high hopes for further expansion and deepening of the cooperation between China and Portuguese-speaking countries under the Forum's framework.



Following the opening ceremony, the plaque-unveiling ceremony for the China-Portuguese-speaking Countries Epidemic Prevention Exchange Centre was held. The exchange centre was established to fully demonstrate the advantages of Macao's close relationships with Portuguese-speaking countries, and enhance cooperation between China and Portuguese-speaking countries in medicine and health via various forms of exchanges and training, with a view to raising mutual anti-pandemic capabilities, jointly promoting the development of global public health industry, and ultimately building a community aiming for health for all.

During the Extraordinary Ministerial Meeting, the Chinese Minister of Commerce, Wang Wentao, and ministers from Portuguese-speaking countries delivered speeches about stronger exchanges regarding pandemic prevention as well as mutual efforts to foster post-pandemic economic recovery among China and Portuguese-speaking countries. All parties agreed to enhance dialogue on anti-pandemic cooperation and post-pandemic economic recovery, help each other to win the battle against Covid-19, and promote mutual prosperity. All parties also hoped to strengthen Macao's important role as a platform for anti-pandemic cooperation between China and Portuguese-speaking countries. Following the conference, the attending ministers signed the joint declaration of the Special Ministerial Conference, and officially included the Republic of Equatorial Guinea as the tenth country participating in the Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries.