

**Policy Address for the Fiscal Year 2011
of the Macao Special Administrative
Region (MSAR)
of the People's Republic of China**

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**Policy Address for the Fiscal Year 2011
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Delivered by the Chief Executive, Chui Sai On

16 November 2010

President, members of the Legislative Assembly,

Today, I am attending the plenary session of the Legislative Assembly of the Macao Special Administrative Region Government. According to the Basic Law, on behalf of the Macao SAR Government, I now present the Policy Address for the Fiscal Year 2011 to the Legislative Assembly for debate and examination.

Preface

Over the past year, which is the first year of the third Macao SAR Government, Macao has continued to make strides on the solid foundation of the 10 years after the return to the motherland according to the fundamental principles of “One country, two systems”, “Macao people governing Macao” and a high degree of autonomy, with the full support of the central government and the concerted efforts of Macao people and the MSAR Government. Over the past year, with the joint efforts of the whole civil service, we have achieved social stability and continuous development of the economy. In the aspects of implementing scientific policy-making, strengthening the legal system, promoting regional cooperation and improving living conditions, we have carried on our legacy and introduced innovations as we launched a series of initiatives.

In the forthcoming year, the Government will continue to improve residents’ quality of life. Drawing a blueprint for future development, we will faithfully uphold the people-first approach in governance, to continue caring about the needs of the general public. We always bear in mind the people’s immediate interests, by improving policies, fostering a quality living environment and building a harmonious society. We treasure the universal value of our world cultural heritage, and aim to develop Macao into a world travel and leisure city. We will enhance regional cooperation between Guangdong, Hong Kong and Macao to pursue win-win situations that will provide more favourable conditions for adequate diversification of the economy, achieving the objective of sustainable development of Macao’s society and economy. The Government

demands that all ranks of the civil service adopt scientific and rational approaches, maintain proactive and pragmatic attitudes to pave the way for innovations, and improve administration capability, to lay a solid foundation for Macao's future prospects.

I. Review of the MSAR Government's Work in 2010

President, members of the Legislative Assembly,

I now report to the Legislative Assembly regarding the Government's work in 2010.

Over the past year, the Government has adhered to the ideal of "Sunshine Government and Scientific Policy-Making" to increase the transparency of administration, receive public supervision, respond to social concerns and strengthen the existing policies and measures, especially the key policies conducive to the long-term development of Macao and our people. The Government has also doubled its efforts in promoting social and economic development and people's livelihoods.

The Government has continued to strengthen overseas exchanges, participate in regional cooperation, develop Macao-Taiwan relations, support small and medium-sized enterprises, and improve the business environment. The Cultural Industry Committee, the Convention Industry Development Committee and the Organising Office for the Chinese Medicine Industrial Park have commenced

operation, to press ahead with adequate diversification. We have strived to improve local employment, extending the previous year's tax cuts and waivers measures, strengthening control over the gaming industry, and fostering gradual and healthy development of the gaming industry. We have further developed tourism by enriching and expanding its content, creating new travel interests, reinforcing the primary tourist sources, and opening the broader international market. We have strengthened the financial management principle of keeping expenditure within the limits of revenues, by providing regulations and guidelines to draw up Government budgets in terms of composition, content and allocation. We have commenced the preparatory work towards establishing a financial reserve system that meets Macao's actual needs.

To ensure appropriate allocation of land resources that aligns with development of future urban planning, the Government has continued pressing ahead with amendments to the Land Law that will increase the transparency of land grants and, strengthen supervision of land uses.

The Government has strived to assist families in real need with solving their housing problems. The initiatives include extension of the period for providing temporary housing subsidies to eligible families on the waiting list for public housing, and the construction of more public housing estates. Taking account of the long time some families have spent on the queue for public housing, we have introduced an interim measure under the principle of "More flexibility to existing applicants and tighter measures for sales of government-subsidised housing" to separately handle applications from families that have been waiting a long time.

This arrangement can ensure proper use of public resources.

The Government has launched a number of measures to facilitate the sustainable development of the local property market. In addition to the establishment of the Public Housing Committee and an inter-departmental taskforce on promoting sustainable development of the local property market, we have drafted the Public Housing Development Strategies 2010-2020 to study the future direction for and positioning of public housing. We have collected data on housing needs and heed the opinions of different parties, to strengthen the study of Macao's long-term strategy for housing development.

The Government has enhanced awareness of environmental protection as well as improved urban planning and the traffic network. We have ensured the best use of public resources to accommodate the needs of future social development, to drive the building of a modern city and facilitate the comprehensive development of Macao.

The Government has continued to conduct studies of population policy, to analyse the population's structure and characteristics for formulating social welfare policy, raising residents' living standards, improving the quality of the population, and resolving human resources problems.

The Government has steadfastly upheld the ideal of "Improving education to make Macao better", reviewing the related laws and regulations that focus on allocating more resources to continuously raise the standards of teaching and scientific research, advance lifelong learning and strengthen vocational training.

We have also improved youth services, strengthened civic education and supported young people's personal growth and career development, to enhance our humanistic qualities and overall competitiveness.

The Government has taken account of international standards and social development to improve the territory's healthcare system, in accordance with the Plan for Perfecting the Medical and Healthcare System. We will soon decide on the site for building the complex of medical services for residents of Taipa and Coloane, and have continued the Healthcare Voucher Scheme

This year, the Government will take appropriate measures to improve social services and allocate more resources to relieve the burden of inflation on disadvantaged communities. We will study the feasibility of a gradual transition from the interim initiatives that are presently in effect, to a long-term social welfare system, with the aim of perfecting our social security system.

We are grateful that President Hu Jintao announced the central government's decision to present a pair of pandas to the Macao SAR during the 10th anniversary celebration. We will further improve the auxiliary facilities of Seac Pai Van Panda Park, and expedite completion of the Giant Panda Habitat by the end of the year.

Regarding post-earthquake reconstruction in Sichuan, the Government has signed 105 agreements to support reconstruction. Their total value is 5.5 billion patacas, which meets the target for the entire project. Next year, the reconstruction will enter the final phase. The governments of Macao and Sichuan

will maintain close communications, to complete all the construction projects in compliance with standards stipulated by law.

The World Exposition 2010 Shanghai (Shanghai Expo) was a spectacular international event. The Government has presented Macao's unique culture, history and stages of development to the world through the Macao Pavilion, the Tak Seng On Pawnshop and other related activities. We have also actively supported and participated in the Asian Games in Guangzhou, through the promotion of recreational activities for the public, and professional training for athletes.

The Government has been committed to implementing the two tenets of "Sunshine Government" and "Scientific Administration". We have established a Government spokesperson system that helps coordinate various departments and enables faster responses to the media, and maintains bilateral communications between the authorities and the public. We have also set up a working group on establishing the Policy Research Office. The group has made good initial progress. It is expected the Policy Research Office will commence operations in January 2011.

In the meantime, we have started drafting the regulations and guidelines for policy-making and consultation mechanisms, aiming to advance the study of public administration and optimise policy implementation. Citizens have been given opportunities to participate in the policy formulation process, which is a pragmatic means of helping to resolve social problems. We have reinforced supervision of the integrity of public servants. On one hand, we are amending the

law on the Organisation of the Commission Against Corruption (CCAC) and the Declaration of Incomes and Properties for Civil Servants, which includes the introduction of a mechanism for making public information on the assets of senior officials. The reforms have furthered the public supervision of the integrity of public authorities and public servants, and promoted modernisation and scientific development of the administration.

On the other hand, we have stepped up the existing audit procedures and promoted integrity auditing to public departments, community organisations and schools. We have strengthened our regional and international networks, to exchange experience on auditing and provide more professional training in the sector.

The Macao SAR has been established for some years. Several existing laws will be amended to keep pace with the times, especially laws related to people's livelihoods. The Government has drafted and promulgated 11 laws and 20 by-laws, and has planned to carry out phased adaptation and systematic review of the existing laws within three years. We have also studied a central organising and coordination mechanism for revising and drafting laws.

Building on the last 10 years' foundation, the third MSAR Government will continue promoting Macao to new heights of development, through adequate allocation of resources on the basis of pragmatism, steadfast determination, and scientific policy-making. We will put people first, heed public opinion, and maintain clean administration as well as the rule of law, to promote adequate diversification of the economy and build an inclusive and harmonious society.

II. Adopting a Scientific Approach to Public Administration; Drawing a Blueprint for Future Development —— Major Policies of the MSAR Government in 2011

President, members of the Legislative Assembly,

The following is an overview of the policy plan for the MSAR Government in 2011:

The trend towards sustainable development of modern cities around the world has changed from focusing solely on economic development to pursuing coordinated development in economic, social, cultural and environmental aspects, so people find their lives, work and living environments satisfactory. With the objective of “Coordinated development in harmony”, the Government will heed public opinion and join hands with all Macao residents to scientifically and pragmatically plan the future of Macao.

1. Improving the People’s Livelihoods and Building a Better Home Together

The Government is dedicated to allocating public resources rationally. We will conduct relevant studies to gradually realise our policy objectives, which include improving laws and regulations that are beneficial to urban development, enhancing infrastructure, building a green and low carbon city, increasing resources allocated to education, formulating a long term welfare policy, and

strengthening the supply of professionals. We will continue to work with all Macao residents to improve our living environments, enrich human development, and together create a better future for all.

2. Improving the Urban Living Environment

“Putting people first” has always been the Government’s policy objective. With the combination of scientific planning of new reclaimed areas and improvement of legislation regarding land management systems, the Government endeavours to take care of the daily lives of all Macao residents, by improving facilities and environments of public spaces whilst promoting economic development.

After hearing and collating a range of views submitted by different sectors of the community in the first phase of the public consultation on use of reclaimed land, the Government has made it clear that the new reclaimed areas will not be used to develop gaming. We will uphold the principle of enhancing people’s quality of life and promoting sustainable development. We will reserve land for building public housing and public facilities, and develop industries beneficial to the diversification of Macao’s economy. We will commence urban planning for the five new reclaimed areas, and strive to produce a draft on the Master Plan for Macao’s New Districts next year.

The legislative process for the law on urban renewal will commence next year. Also, in accordance with the situation in Macao and with reference to foreign experiences, a modern and scientific system of urban planning will be established, and drafting of the Urban Planning Law and its supporting

regulations will also commence. We will seriously focus on current urban planning, to regenerate older districts, actively seek a social consensus on the balance between urban development and cultural heritage conservation, and encourage Macao residents to actively participate in community planning and public works related to people's wellbeing. We will also continue to conduct studies on the improvement of the islands and the related supplementary projects, according to the islands' characteristics and construction projects. To effectively manage Macao's land resources, the Government will continue to expedite revision of the Land Law next year, and supervise land use in an open and fair manner.

The Government is working on formulation of the General Road Traffic and Transport Policy of Macao (2010 - 2020), and will soon begin consulting public opinion. To match the holistic development of Macao and improve the traffic environment, we will continue to promote the policy of "public transport first", and increase construction of major road infrastructure and other people-oriented ancillary facilities. We will also increase the number of public parking spaces and continue to introduce the smart parking system, as well as expedite the construction of the Light Rapid Transit system.

We will solve the problem of competition between pedestrians and vehicles for road space in areas with frequent traffic jams, by relieving congestion through projects and management.

In August next year, bus services will start operating according to a new model, to further raise requirements for the overall quality of the bus fleet, as

well as provide more convenient and faster public transport services through measures such as increasing the frequency of buses, providing night services, adjusting routes, and establishing information platforms.

In view of global climate change, most countries and regions are introducing measures to save energy and reduce emissions. At the end of last year, Premier Wen Jiabao made a formal announcement during the Copenhagen Climate Summit: China's target is to reduce the intensity of carbon dioxide emissions per unit of GDP in 2020 by 40 to 45 percent compared with the level of 2005. To actively complement mainland China's emissions reduction policy, and undertake the responsibilities agreed in the Kyoto Protocol that became applicable to Macao in 2008, the MSAR Government will take measures for early and pilot implementation, set a good example and conduct related surveys and studies. Initiatives include gradual installation of emission reduction facilities in different Government departments and public facilities, research and development of applications of renewable energy, promotion of eco-friendly consumption, and improvements to our environmental protection infrastructure. We will also introduce amendments to the environmental protection laws and regulations, in line with the legislation of the Prevention and Control of Smoking Bill, to more effectively control air pollution sources, and gradually establish a smoke-free environment.

Tax exemptions for environmentally-friendly light vehicles will be provided; the proposed tax waiver is up to 60,000 patacas per vehicle. The Environmental Protection and Energy Conservation Fund will also be established, with a start-up fund of 100 million patacas, to sponsor efforts by small and medium-sized enterprises

and community groups to improve air quality and save energy and water. We hope to improve Macao's environment and contribute to alleviating climate change through joint efforts.

The Government will focus on launching projects that help to improve urban construction and raise the quality of life of Macao people, in accordance with development needs and social demands. We will enhance community and road facilities, to improve safety for pedestrians and drivers. We will continue to work on sewer projects, strengthen the weather and disaster alert system, and further improve drainage networks to relieve flooding in affected areas. We will reconstruct and renovate some wet markets, and strive harder to quickly build wet markets and integrated community facilities in districts needing them. We will also provide a permanent area for driving classes and driving tests, with more space and better facilities, east to Aeroporto Avenue and south to Macau International Airport, and strive to begin the initial stage of removal of the temporary driving learning centre by the middle of next year.

Food safety has a significant bearing on public health. The newly established food safety centre will conduct further risk assessments, establish a professional team and promote collaboration among industry communities, local residents and the Government, as well as enhance information exchanges and dissemination with nearby regions and other parts of the world. Additionally, the Government will step up precautionary measures against the spread of communicable diseases, by enhancing supervision of imported live food, and improving our ability to conduct animal inspections and quarantine.

In view of the rapid social development, the strengthened links with other regions, the strong growth of the gaming industry, and the prevailing crime trends, the Government will enhance human resources in the police force, introduce new police technologies, and increase abilities to respond to emergencies, in order to fully protect the life and property of local residents and tourists, and provide them with a safe and friendly environment.

3. Continuous Improvement in Quality of Life

To enhance harmonious development of Macao as a civilised society, the Government strives to raise residents' living standards and educational levels. We will further improve employment, housing, education, healthcare, support to the elderly and retirement protection, to enable the entire community to enjoy contented lives and good health. We are committed to facilitating sustainable development of the city, and sharing the fruits of economic development.

Next year, the Government will conduct a large-scale decennial population census, to carry out in-depth research on the latest population status. The results can provide more scientific, objective data for the Government to formulate policies on economic development, human resources, employment and retirement security. As the population changes in tandem with social development, the Government will adopt a forward-looking attitude to advance the study of population policies. We will scientifically estimate and adjust population size, quality and structure, to foster conditions for Macao's sustainable development.

The Government has established a human resources database for the tertiary

education sector. The database will be expanded to cover local people who have graduated from tertiary education institutions in mainland China and other countries, and so provide more effective analyses and estimates of the distribution of local talent. In the meantime, we will add other industries' manpower information to the database, and gradually establish a comprehensive human resources database. With the objective of prioritising use of local human resources, the Government will import non-resident workers and technical professionals based on actual economic development needs, to complement manpower shortages in particular industries.

In the coming year, the Government will actively improve employment and enhance residents' employability and competitiveness. We will provide more skills training courses for workers of different age groups, advance an accreditation framework for vocational skills, and strictly implement the Law on Employment of Non-Resident Workers and the related by-laws. We will redouble efforts to tackle illegal employment, and give solid protection to the employment rights of local workers.

Furthermore, the Government will review the Labour Relations Law, which has been enacted for two years. Provided that labour rights and interests are safeguarded, we will foster a more favourable environment for industrial and commercial sectors, especially small and medium-sized enterprises, by reconciling conflicts between employers and employees, and ultimately enhancing social harmony. The Framework Law on Employment Policy and Workers' Rights stipulates that a statutory minimum wage will be set and

regularly adjusted. The Government will arrange for representatives of employers and employees to discuss legislation on the minimum wage. We expect to initiate the related legislation process in 2011, through the efforts of every sector.

Given the needs of long-term development and current situations of the economy and society, the two-tier social security system has progressed from conceptual development to the implementation stage, and provides more secure preparation for retirement of Macao residents. In future, the Social Security Fund, the Central Provident Fund and individual savings will form triple safeguards in retirement security. Through these strategies, we are committed to establishing a system of increasingly sound social security and protection for the elderly, in accordance with Macao's actual situation.

The Government will introduce a plan to ensure adequate land supplies, and monitor market uncertainties, with the aim of realising "Homes for all in a contented society", according to residents' demands for public housing. We will leverage our forward-looking and scientific analyses to formulate the work schedule and supply plan for public housing. We propose to supply adequate land for planning public housing estates; provide financial guarantees; help families that cannot afford market rates for rented accommodation to apply for public housing units; and consider ways to help first-time homebuyers who can barely afford private property market prices yet do not qualify for government-subsidised housing. Meanwhile the requirements for buying government-subsidised housing will be amended. The changes include the introduction of a new income ceiling and floor, pricing system, entry

requirements, and extension of the non-transferable period.

The Government will also focus on improving inter-departmental communications and coordination, to spare no effort to meet the target of building 19,000 public housing units in phases by 2012. We will redevelop old public housing estates, improve property management, and strengthen maintenance and repair works. The Government's long-term housing policy is to seek equilibrium between public housing supply and the private property market; and enhance building management and maintenance. We aim to foster a harmonious, healthy, sustainable, quality living and business environment.

Our achievements in society today are the results of the hard work of the generations before us. Everyone will get old one day. We estimate the elderly population will increase from 7.7 percent of the population in 2009, to 12 percent in 2021. In the light of this, the Government will formulate long-term policies regarding the elderly, to support the "Aging in place" policy and provide sufficient care for the elderly. We will also comprehensively study and earmark resources to accommodate the housing needs of the elderly. The Government has a strong commitment to caring for the elderly. At present, public housing units designed for the elderly are all equipped with the Personal Emergency Alarm System, which is an integrated service we offer to the elderly in collaboration with a non profit-making organisation. We have earmarked resources to build more homes for the elderly, and expand the services of day care centres. We have also planned to establish an inter-departmental task force on geriatric medicine. This will help to develop inpatient geriatric psychiatry services and establish

geriatric departments in hospitals. We will organise specialised geriatric outpatient clinics, set up home support teams, and plan to build a Taipa rehabilitation centre. All new health centres will have an area reserved for offering elderly care and nursing services, and rehabilitation services for better care for elderly patients with chronic diseases. Respect for the elderly is a traditional virtue in Chinese society. We will promote this virtue with community and family care in families, society and schools.

Given the challenges arising from the growing population, aging population, new infectious diseases and chronic diseases, the Government must increase investment in the healthcare system, to expand healthcare and medical facilities. Based on factors such as Macao's actual situation, population structure, plans for constructing public housing and the operation of existing health centres, the Government has formulated the Plan for Perfecting the Medical and Healthcare System. The existing expansion plan, the improvements to the primary healthcare network and the construction of the islands' medical complex will help perfect Macao's medical system, raise the standard of healthcare services and provide residents with high quality medical protection and services. For primary healthcare services, the Government will build five new healthcare centres, in phases, by 2020. The work on expanding the Emergency Service Building of Conde S. Januario Hospital has commenced, and will be completed in two years. The accident and emergency department will be three times larger than at present, to meet our social development needs for the coming decade. We will plan construction of an islands' medical complex as well as collaborate with the University Hospital, to launch emergency and rehabilitation services on the

islands, relieving residents' demands for medical services on the outlying islands and making preparations for the opening of an emergency services hospital for the islands. We will continue the Healthcare Voucher Scheme by further strengthening the cooperation between the public authorities and private medical institutions, to improve community medical service networks and the quality of medical services. Furthermore, we will advance an auxiliary plan for human resources; this will include provision of more training programmes for medical staff of every speciality, and increased enrolment quotas for the two nursing colleges.

To ensure social stability and coordinated development, the Government will continue to ease inflationary pressure on residents' livelihoods, provide assistance to disadvantaged groups, and help people in need to overcome difficulties. After heeding widespread public opinion, the Government has decided to roll out a number of tax cuts and waivers, financial allowances and subsidies. We propose continuing the 25 percent reduction in personal income tax for all employed citizens, coupled with an increase in the basic allowance for personal income tax from 95,000 to 144,000 patacas; waivers of all business taxes, hawker licence fees, wet market stall rents, and stamp duties on life insurance, non life insurance and bank service charges; waivers of signboard taxes (excluding tobacco and cigarette signboards) for businesses; exemption from tourism tax for restaurants; waiver of the first 3,500 patacas of real estate tax; increase of the profit tax allowance from 32,000 patacas to 200,000 patacas; waiver of stamp duties on entrance passes and tickets for cultural and arts performances, exhibitions and entertainment programmes; and waiver of the real estate stamp duty on the first three million patacas of a home's value for Macao permanent residents purchasing residential properties for the first

time. Extending these initiatives will reduce the Government's tax income by 1.4 billion patacas.

The Government will also provide temporary housing subsidies to eligible families on the waiting list for public housing. One to two-member families will receive a monthly subsidy of 1,050 patacas; families of three members or above will receive a monthly subsidy of 1,600 patacas. It is estimated that the expenditure on these subsidies will be about 200 million patacas. We will also continue the textbook allowances of 1,500 patacas per school year to all Macao school students who hold valid resident identity cards, and are receiving formal education in schools registered with the Education and Youth Affairs Bureau. It is estimated that these allowances will cost nearly 100 million patacas of public revenue. Furthermore, the Government will provide financial assistance to families with difficulties, as well as special subsidies and special living allowances to three categories of disadvantaged families, and the old-age allowance of 5,000 patacas to elderly Macao permanent residents through the Social Welfare Bureau. The subsidies in these initiatives will total approximately 260 million patacas.

“Working and sharing together” is one of our principles for developing Macao. By consolidating the views of every sector of society on the Wealth Partaking Scheme and planning for long-term benefits of the general public, the Government will study the feasibility of a gradual transition from the interim scheme that is presently in effect, to a long-term social welfare system under the Central Provident Fund, so that Macao residents can further share in the fruits of Macao's economic development. To

further enhance the two-tier social security system, the Government will inject 6,000 patacas into each eligible account in the Central Provident Fund, which is based on the surplus for the fiscal year 2010, plus a cash handout of 4,000 patacas to every permanent resident and 2,400 patacas to every non-permanent resident in 2011, under the Wealth Partaking Scheme. The Healthcare Voucher Scheme will also continue to increase residents' awareness of healthcare; permanent residents will receive healthcare vouchers worth 500 patacas. Also, the Government will continue to give monthly electricity fee subsidies to residential households until 1 March 2012. Each residential household can receive 150 patacas per month towards electricity fees. Those with monthly electricity fees below 150 patacas do not need to pay electricity fees. Any unused subsidy in a month can be carried forward to offset payments of electricity fees until 1 March 2012. This measure will cost about 320 million patacas. We will also provide financial allowances to low-income, full-time employees. Under this measure, all local residents aged 40 or above who have full-time jobs, meet the requirements of average monthly working hours in a quarter and have contributed to the Social Security Fund as an employee can apply for the allowances. The applicant's average monthly income in a quarter (i.e. the total income from different employers) must not exceed 4,000 patacas. It is estimated these allowances and subsidies will cost the Government 4.7 billion patacas.

Finally, we propose to amend the Regulations on Urban Property Tax, to reduce the rate of property tax from 16 percent to 10 percent for urban properties with tenancy agreements, and from 10 percent to 6 percent for urban properties without tenancy agreements. This will relieve the tax burden on residents, and promote development of the residential leasing market.

4. Striving for Human Development

Long-term human development and talent cultivation are essential to modern city development. Macao's prosperity hinges on continuous, extensive and thorough implementation of the Basic Law. For such reasons, the Government will help officials of every rank to better understand the Basic Law and strengthen public education on the Basic Law. We encourage and support Macao people's participation in any publicity and promotional activities concerning the Basic Law.

With over 400 years of history as a cultural melting pot where China meets the West, the Historic Centre of Macao has been inscribed on the World Heritage List. It demonstrates the priceless universal values of human civilisation. We will expedite the legislative process for the Cultural Heritage Protection Law, to strengthen residents' awareness of cultural heritage protection.

The Macanese community and the Portuguese living in Macao are also integral to society, actively participating in society's development. We will continue the fine tradition of ethnic harmony and unite the whole community to make efforts and contributions to Macao's development.

The Government will constantly improve various recreational facilities, and increase space for cultural and artistic performances, to provide residents with better cultural, recreational and leisure facilities. We will organise various festive, cultural, artistic and exhibition events, to enliven the leisure of local citizens. To celebrate the 100th anniversary of the Revolution of 1911, we will organise a series of events to commemorate Dr Sun Yat Sen's major deeds in Macao. We will launch civic

education at the community level, to build a harmonious community together with citizens.

We will roll out an online reading programme for the whole population, and initiate development of the public library system. This is to enhance the residents' interest in reading and cultivate a love for reading in communities and schools. We will increase the support for academic research and publication, to strengthen local academic research teams; incentives will be given to promote local literary talent, to raise Macao's cultural profile.

Technological development is an important driving force in promoting Macao's economic development, productivity and the quality of life of Macao people. The Government will launch studies of technology strategies; promote popular science education; enhance regional technological cooperation; and cultivate local technological talent.

Education is the key to cultivating local talent, which is especially important for us to promote social progress and human development. Our objectives for promoting the long-term development of Macao are cultivating high quality talent, improving the overall quality of the population and building a learning society. We are drawing up a ten-year plan for non-tertiary education, which will be a blueprint for developing Macao's education in future. On the foundation of the 15-year free education scheme, we will gradually increase resources earmarked for the development of education, improve both teaching quality and facilities, and conduct studies on establishing a tertiary education fund to encourage young students to enrol in higher education programmes. The

professional status of teachers will be enhanced, and the all-round development of students will be boosted. We will give full play to the various roles of schools, families and society in building a healthy environment for the growth of young people. Specific services and support for special education students will be increased, and support for their parents will be strengthened.

The Government attaches high importance to the three functions of local tertiary educational institutions: teaching, scientific research and community services. We will conduct a study on introducing an assessment system that will invite overseas rating organisations to assess local tertiary educational institutions, and assist them with enhancing teaching quality; and continue to forge ahead with our target to construct the new campus of the University of Macau on Hengqin Island next year.

“Stronger support and more communications” is our strategy for youth development. We will build a bilateral communication channel, to cultivate the young generation of Macao with three pillars: knowledge, opportunities and government support. We attach high importance to fostering young people’s sense of belonging and responsibility to Macao. We encourage young students to develop a correct outlook on life and strengthen their patriotism. Next year, we will continue to invite relevant government officials to conduct exchanges with young people and listen to their thoughts and suggestions; encourage them to care for society and participate in voluntary services; and provide them with more opportunities to contribute to society.

The Government will further strengthen measures to prevent youth crimes

and consolidate community efforts to combat drugs problems. We will spearhead work to tackle domestic violence and carry out preventive measures to protect the victims in domestic violence, who are mostly women and children. We will further reduce the influence of problem gambling on ordinary residents, by improving existing social services. The newly-built public housing estates will also organise various family services and community activities for individuals, families and the community.

To advocate healthy lifestyles, the Government will continue promoting popular sports to the public. While we encourage the public to participate in popular sports, we will groom athletes who have potential, to raise their standards in competitive sports. We will improve the management of sports facilities, and provide more flexible arrangements to meet the needs of users who work shifts.

Society's rapid development accelerates growth of the economy. However, the spiralling prices of properties and commodities increase the financial burdens on the middle-class. We not only pay attention to the disadvantaged communities, but also to the problems faced by the middle-class. To understand the needs of residents at every level, we will formulate focused social policies, and conduct a study on the makeup of the local middle class and their social mobility. We will endeavour to create a fairer social environment by adjusting various policies, including through adjusting the upper and lower income limits for buying government-subsidised housing, to lessen pressures on ordinary residents.

Building a learning society is conducive to maintaining competitiveness. We will

increase our efforts to provide more focused professional training programmes. Also, to support residents' desire for continuing education, the Government will launch the Continuing Education Programme, in which local residents reaching 15 years old will receive a subsidy for a period of three years, subject to a maximum ceiling of 5,000 patacas per applicant. The estimated expenditure will total 500 million patacas.

II. Promoting Regional Cooperation and Development to Achieve Adequate Diversification of the Economy

At the end of 2008, the central government announced the Outline Plan for the Reform and Development of the Pearl River Delta. This was the first time that the central government clearly positioned the development of the Macao SAR towards being a world travel and leisure hub, according to the national development strategy. The Government will actively roll out the study of related areas, heed public opinion and the views of professional organisations, gradually formulate corresponding public policies and development plans, maintain momentum of the economic recovery, develop new tourism resources, improve the business environment, promote adequate diversification of the economy and strengthen regional cooperation. We will endeavour to develop Macao into a peaceful and hospitable city, featuring a unique blend of Chinese and western cultures, and attracting tourists from around the world.

Developing Local Tourism Resources

Macao is the only city in China featuring southern European style leisure and entertainment. It has a rich historical and cultural foundation and discrete local

customs, making it a spectacular tourist attraction in the region. Through regional cooperation, we will actively participate in international and regional conventions and promotion events, to bolster win-win tourism cooperation with multi-destination tours.

The Government will further develop Macao as a city of quality tourism by perfecting the tourism laws and regulations, and improving services in the tourism sector. We will strengthen the existing sources of tourists, and gradually diversify sources of visitors by developing potential markets and high-end tourism; actively increase the variety of integrated tourism projects; and develop products catering to sightseeing visits by families. We will also seek to extend the length of stay of tourists in Macao and boost their consumption. Regarding the development of tourism products, after heeding public opinion, and conducting analyses and assessments, the Government proposes an underground mall at Sai Van Lake Square as a trial location for developing a souvenir shopping complex and night market. This will showcase Macao cuisine and delicacies, and will become an integrated tourism project, after upgrading the relevant facilities through an open bidding process. Also, we will give more support to the tourism sector and encourage development of a variety of tourism events. Through creative and diverse promotions, we can attract more tourists from different markets. We will reinforce the brand image of “Certified Shops”, and implement the related laws to protect consumer’s rights and interests, thus boosting Macao’s image as a world travel and leisure hub.

To coordinate the positioning of Macao as a world travel city, the Government will upgrade border checkpoint facilities to simplify border controls for local residents

and visitors, and improve the connections between regional transport networks. For the port checkpoints, we will improve facilities at border checkpoints and ferry terminals, increase the number of self-service immigration clearance systems, and restructure and enhance peripheral road transport facilities. For the land border checkpoints, in addition to the transport network in connection with the future Hong Kong-Zhuhai-Macao Bridge, we will gradually work on linking with neighbouring regions via cross-border road connections.

As regards the development of Macao's aviation industry, it is necessary to develop a new plan that meets the actual long term needs, to further fine-tune Macau International Airport's market positioning. For this reason, we will study feasible investment plans.

At present, wireless network connectivity is in extensive use around the world. To effectively leverage the functions of commerce and trade service platforms, further align with international markets and publicise Macao's tourism service and business updates, the Government will establish more wifi hotspots connecting to free wireless networks throughout the territory. These will provide our residents and visitors with a more user-friendly and convenient tourism information service platform. We will also strengthen our cooperation and communications with international postal organisations, to provide faster and more convenient postal services and develop a broader range of services.

Strengthening Our Economic Advantages

The Government will not only strengthen development of the tourism sector, but also control the pace and scope of the gaming industry's development. We will

foster its proper, orderly and regulated development, accelerate perfection of the related laws and regulations, and effectively leverage the gaming industry's leading role, to promote the development of other industries. The nascent industries that we support as the new engines to boost the economy are the convention and exhibition industry, cultural and creative industries, traditional Chinese medicine, and commerce and trade services. We support transformations and upgrades of traditional industries, to increase technology and add value.

The Government will bolster support to the sustainable development of small and medium-sized enterprises in Macao, by offering financial assistance, improving business environments and streamlining the import of non-resident workers. In response to the changing economic environment, we will refine the SME Assistance Programme and the Loan Credit Assurance Scheme, and launch financial incentive plans to facilitate business for small and medium-sized enterprises. We will help ease operating pressures on small and medium-sized enterprises, and enhance their competitiveness, through the SME Assistance Programme, the Loan Credit Assurance Scheme, the SME Special Credit Assurance Programme, the Interest Subsidy Scheme on Bank Loans to Enterprises, and the Commercial Development Fund. We will also establish the Environmental Protection and Energy Conservation Fund, to help small and medium-sized restaurants improve their smoke exhaust systems. We will accelerate processing of applications for the import of non-resident workers by small and medium-sized enterprises. We will enable local tertiary institutions, public authorities and non-government organisations to provide programmes addressing the needs of different industries, ensuring adequate human resource training for these enterprises.

Local small and medium-sized restaurants have been contributing to the development of Macao's economy. For the continuity of our traditional and unique food culture, the Government is ready to launch the second-phase of the assistance scheme for long-established and unique small or medium-sized restaurants, further helping these restaurants to resolve problems with human resources and marketing. In particular, we will provide assistance for developing old restaurants with unique features.

Promotional events like Shopping in the Northern District and Happy Macao are supported, to stimulate consumption by residents and tourists, and create more opportunities for large, medium-sized and small enterprises. Regarding publicity and promotions in overseas markets: we will increase support for the Dynamic Macao Week activities, and fully utilise the Mainland and Macao Closer Economic Partnership Arrangement (CEPA), to help local enterprises with expanding their businesses and introducing their products into mainland China, through exhibitions and sales promotions.

Macao's convention and exhibition industry has entered a growth stage. Following the establishment of the Convention Industry Development Committee, the Government expects to promote the development of the convention and exhibition industry. Through open competition and introduction of large national and international conferences and exhibitions to Macao, we will facilitate regional exchanges, and raise the industry to international standards. We will actively establish and nurture exhibitions of local brands. The Government will fully support the convention and exhibition industry with policies on financial resources, logistic services, warehousing, and vocational training through the

Convention Business Department under the Economic Services Bureau.

In the process of promoting adequate diversification of the economy, the Government will earmark more resources to support the development of Macao's cultural and creative industries. We will support creative works of local culture. We will study ways to strengthen measures for preserving cultural works of outstanding artistic value that feature local customs and traditions, and can enrich our cultural heritage. The Department for the Promotion of Cultural and Creative Industries under the Cultural Affairs Bureau and the recently established Cultural Industry Committee will study the feasibility of establishing a cultural and creative industry fund, to practically boost the development of Macao's cultural and creative industries through a combination of new policies and material support.

Based on the synergy of our own advantages of traditional Chinese medical science and development of the Chinese medicine industry in Guangdong, Guangdong and Macao have agreed to build a Chinese medicine industrial park on Hengqin Island. The Government will strive to press ahead with the project, and develop a base for developing the Chinese medicine and pharmaceutical industry that meets international standards.

Promoting Regional Cooperation

The development of the motherland has resulted in ever more opportunities for the Macao SAR. The forthcoming national 12th Five-Year Plan is not only crucial to the future development of the nation, but also closely related to the positioning of Macao's development and its further regional collaboration and cooperation. Therefore, the Government will definitely strengthen Macao's future development in tandem with the national 12th Five-Year Plan.

For our own further development and collaboration with the state's regional coordinated development strategy, Macao will further expand the strategy of "Reaching out and inviting in", to improve regional cooperation. Our practice proves that the policy of pushing ahead with adequate diversification of the economy requires not only strong commitment from the administration, but also active participation in regional cooperation. By fostering synergetic and complementary development and collaboration, we can facilitate the diverse development of our existing industries.

The cooperation between the Pearl River Delta region and the MSAR has been promoted to the level of national strategy, bringing us new opportunities for development. The Outline Plan for the Reform and Development of the Pearl River Delta and the Hengqin Island Overall Development Plan, which were announced in succession, confirm the positioning of Macao as a world travel and leisure hub, set a new height for Macao's next phase of development, and result in a new driving force for Macao to participate in regional cooperation. In the coming year, the Government will strengthen close cooperation with Pan-Pearl River Delta regions, especially with Guangdong and Hong Kong, by broadening cooperation and highlighting the focuses of cooperation. We will take measures for early and pilot implementations, and facilitate win-win situations with mutual benefits.

As the Outline Plan comes into effect, cooperation between Guangdong and Macao has reached a historic milestone. According to the consensus at the Guangdong-Macao Cooperation Joint Conference, the Macao SAR Government will strive to enhance the economic and trade cooperation between Guangdong and Macao, strengthen mutual coordination with Guangdong on major planning, interconnections between major infrastructure, and promotion of mutual benefits in the social sphere. To give full play to our positioning for development, both governments will develop the Pearl River Delta Region into a major destination for international tourism in the Asia Pacific. We will further press ahead with multi-destination tours in regional tourism, and gradually implement the strategy of promoting regional tours to the international market. Making the best use of the Mainland and Macao Closer Economic Partnership Arrangement, we have

taken pilot measures in Guangdong, to deepen co-operation between Macao and Guangdong Province in service industries such as the convention and exhibition industry. We will fine-tune and implement special projects such as the building of a green and quality living area. We will press ahead with infrastructure projects for regional connections such as the Hong Kong-Zhuhai-Macao Bridge, railways and airports. We will also strengthen cooperation in mutual benefits in the social sphere, such as education, culture and healthcare services.

The collaboration between Zhuhai and Macao is integral to the cooperation between Guangdong and Macao. While continuing to promote full cooperation between Zhuhai and Macao, we push ahead with construction of the new campus of the University of Macau on Hengqin Island – which is scheduled for completing within three years; adopting creative ideas for participating in the other two projects on Hengqin Island; and actively fostering the transformation and upgrade of the cross-border industrial zone to a cross-border cooperation zone.

We are working with the Guangdong Provincial Government to push forward the study of intensive cooperation and to pursue new models to create conditions for adequate diversification of Macao. The Government will expedite the preparations, and actively cooperate with Guangdong to establish an industrial zone with unique advantages on Hengqin Island; promote the cooperation between Guangdong, Hong Kong and Macao to enhance the competitiveness of the regions; and jointly formulate an internationally vibrant and competitive metropolitan region in the Asia Pacific. We will also deepen cooperation between Fujian and Macao by facilitating multilateral exchanges and cooperation concerning people' s livelihoods, cultural exchanges and business development.

We will continue reinforcing Macao' s role as the service platform of China and Portuguese-speaking countries; promote economic and trade cooperation amongst mainland China, Portuguese-speaking countries and Macao; offer quality intermediary services for small and medium-sized enterprises in the areas of market development, mutual investment and joint ventures; further

strengthen cultural exchanges and cooperation with related Portuguese-speaking countries and regions through the Culture Week between China and Portuguese-speaking countries; facilitate economic and trade cooperation with European Union nations and support European enterprises to establish broader business relationship with local enterprises; and leverage the platform of the Pan-Pearl River Delta Regional Cooperation and Development Forum, to strengthen economic, trade and tourism cooperation with ASEAN countries. The Macao SAR has joined a number of international commerce and trade organisations, so we will pay more attention to progress with multilateral trade negotiations, and facilitate Macao's external economic and trade development.

Building on the foundation of healthy development of the relationship between Taiwan and Macao, the Government will fully leverage Macao's advantages to strive for new achievements in cooperation on economy and trade, tourism and culture, aiming to provide better services to small and medium-sized enterprises in Taiwan, Taiwan residents, and Macao citizens in Taiwan. The Government will continue to support Macao's tertiary education institutions with gaining recognition of academic qualifications in Taiwan. By strengthening the initiative of the private sector, we will encourage exchanges and mutual visits between Macao and Taiwan enterprises, community groups and individuals, to enhance communication and understanding between the two territories and create new opportunities for cooperation.

III. Implementing Scientific Policy-making and Fostering “Sunshine Government”

In the last ten years, the Macao SAR has encountered rapid economic development and social changes. Facing future opportunities and challenges, in addition to reinforcing the existing public administration system and expanding measures for reforming public administration, the Government will gradually establish a more scientific, open and democratic decision-making process, and

prioritise public interests to implement the administration tenet of “Sunshine Government”.

The civil service is a valuable asset of the MSAR Government. Civil servants’ efforts and wisdom fuel the development of Macao’s economy and society. The Government will strengthen the professionalism and integrity of the civil service, clean governance and supervisory functions. To reinforce the accountability system for officials and demonstrate the accountability of governance, the Government will introduce the following legislation by the end of this year: the Code of Conduct for the Principal Officials of the Government and its related regulations; and the Code of Conduct for Department Heads and Supervisors – Obligations and Consequences in Contravention of Duties. Meanwhile existing laws including the Organisational Framework of the Government, the Law on Oath of Office, the Law on the Declaration of Incomes and Properties, the Legal Framework of Stipulation of Internal Normative Rules, the Regulations on the Leaving of Office of the Chief Executive and the Principal Officials, the Basic Requirements of the Code of Conduct for Department Heads and Supervisors, and the by-laws on the Supplementary Requirements of Code of Conduct for Department Heads and Supervisors. In addition, officials of every rank should strictly abide by and enforce the Basic Law and set good examples of observing the related international conventions and laws applicable to the Macao SAR.

While demanding that officials of every rank undertake their obligations, the Government is committed to creating a fair and harmonious working environment. Next year, we will promote implementation of a central coordination and management system for civil servants, together with central recruitment and promotion mechanisms. The amendments to the Legal Assistance for Civil Servants Involved in Work-related Litigation are aimed at bolstering civil servants’ devotion to their duties, by improving the system of legal assistance for civil servants involved in work-related litigation, thus protecting their legal rights. Amendments to the System of Seniority Premiums, Housing Allowances and Family Allowances will also be introduced, to improve the civil service welfare

system that has been in effect for several years. Lastly, we propose to raise each point on the civil service salary scale to 62 patacas.

The Government will expedite the establishment of effective systems in various aspects. We will look into the feasibility of establishing an accreditation system for professionals, to ensure they have adequate professional knowledge, recognise their professional status, and regulate the related mechanisms for accreditation training and examination; improve communications with the Legislative Assembly; enhance the central coordination mechanism for drafting and revising laws, and draw up plans for legislative work; accelerate the formulation and implementation of laws and regulations concerning people's livelihoods, prioritising them according to importance and urgency, to realise the administrative priorities and policies of the SAR Government.

After 10 years of administration, the Government needs to merge and restructure some departments in due course. In January, we will merge the Legal Reform Office with the International Law Office to better coordinate work on legislation. We will also place the Social Security Fund within the social affairs and culture policy portfolio, and the Pension Fund Authority within the administration and justice policy portfolio.

To promote standardisation and modernisation of the Public Finance Management System and its operation, the Government will continue to review the Framework for the Government Budget to further improve the Public Finance Management System and safeguard the reasonable and effective use of public revenue. Also, we will establish a fiscal reserve system appropriate to Macao's actual situation. This will be primarily aimed at dividing the fiscal

reserve into the Base Reserve and the Surplus Reserve. The former is equivalent to 1.5 times the total expenditure of government departments and autonomous agencies, in the Government Budget that has been recently examined and passed by the Legislative Assembly. Any remaining money will be allocated to the Surplus Reserve. Funds in the fiscal reserve can only be appropriated through the annual Government budget and amendments to the annual budget that have been examined and passed by the Legislative Assembly. The fiscal reserve funds will come from the Government Reserve Fund, financial surpluses of previous years, the surplus of forthcoming annual budgets, and the annual return on reserve investment. The Monetary Authority is responsible for managing the total reserve fund, according to the principle of prudent investment, and will announce related information on a regular basis.

The Commission Against Corruption will strengthen its supervision of public authorities and private organisations, to combat illegal activities such as fraud and bribery. By increasing publicity and exchanges with every sector of society, the Government will promote the concept of law abidance, enhance awareness of maintaining integrity amongst civil servants and residents, and initiate enactment of amendments to the Law on the Declaration of Incomes and Properties for Civil Servants.

The Commission of Audit will begin promoting awareness of saving resources in the public sector and auditing related knowledge to the general public. The Government aims to promote the concept of valuing public revenue and efficient use of public resources, and knowledge of auditing work at different levels and from different perspectives. These initiatives can help the Government supervise the utilisation of public resources, as well as improve the quality and efficiency of all auditing.

Early this year, we established the Government spokesperson system, to increase transparency of administration. In addition to improving the speed of responding to requests for information on government work, the new system has built a mechanism for communications with the media. In the next stage, the Government will build on the existing foundation to enhance the spokesperson system; strengthen staff training; promptly respond to various social changes; and more proactively deliver to the public the latest information on policies or unexpected events through the media.

Progress is being made with work on amending the Press Law and the Broadcasting Law. After studying the paper on the amendments, we will conduct a survey of public opinion on the amendments to the two laws, prepare the first drafts of the amendments, and begin widespread public consultations.

To maximise the effectiveness of public consultations, in the coming years we will implement the Standard Guidelines on Public Policy Consultations, aiming to accurately meet the objectives of the consultations and improve communications between the authorities and residents. We will continue strengthening the roles of the government's consultative bodies, to absorb professional advice and public opinions for formulating and amending policies and measures that are suited to our society.

The establishment of the Policy Research Office will provide the Chief Executive with analytical references concerning structural problems and development trends in society, to fulfil the objectives of scientific policy-making. We will gradually improve research on many aspects of Macao society, to reinforce the scientific and theoretical foundation of government policies.

The establishment of the Macao Special Administrative Region and its robust development for 11 years have clearly proved the political system, as stipulated by the Basic Law, perfectly meets the needs of Macao society. The Government will continue to strictly implement the stipulations of the Basic Law, heed the opinion of every sector and individual residents, and take full account of the territory's overall interests and long-term development. On the foundation of broad social consensus, we will actively but prudently promote the future development of Macao's political system.

Looking Ahead Without Losing Track of the Present —

Conclusion

President, members of the Legislative Assembly,

Since the reunification with the motherland, the Macao SAR Government and our residents have strived to develop the economy and improve people's livelihoods, and have made significant achievements. These reflect the brilliant prospects of the practice of "One country, two systems". Owing to constant global changes, and continually varying modes of internal and external development, we must promptly and properly adjust our positioning and enhance our system. Building a world travel and leisure hub is already our blueprint for development, and can guarantee sustainable development together with ongoing improvements to our quality of life.

According to our development blueprint, the primary requirement for building a world travel and leisure hub is to continuously improve the environment. This means we must create a low carbon, convenient, comfortable and quality living space. We of course understand our own limitations, such as limited land resources, relatively little natural resources and certain limits to city development and human resources. Therefore, we shall find solutions to overcome these bottlenecks through regional cooperation, coordination and alliances with neighbouring cities.

To fulfil the aforesaid objectives, the Government will join hands with Macao people and strive to build a systematic, transparent and fair administrative

environment. We will heed opinion from every sector of society, to optimise existing mechanisms. Since the third Macao SAR Government took office, we have always kept in mind the missions entrusted to us, doing our very best in preserving our legacy and innovating to launch a series of projects. We will work together with the whole civil service and the general public to usher in a new era, and reach all policy objectives, by adopting a positive attitude, leveraging creative thinking, and gathering wisdom from society.

We are delighted to see the great achievements of our motherland. The nation's rapid development also boosts the growth of Macao's society and economy. History tells us the development of Macao is closely related to the motherland: whether in the past, at present or in future, we beat with one heart and share the same destiny. Our fruitful development after reunification is likewise dependent on the tremendous support from the central government. While enhancing the existing advantages, we will endeavour to foster new engines to boost our economy; while building a city with high quality of life, we will endeavour to strengthen regional cooperation and develop relationships delivering mutual-benefits and win-win situations.

Based on the foundation of the consensus between Guangdong, Hong Kong and Macao, resulting from extensive communications, we clearly understand the vision of development for building a quality living area. We will absorb experience from mainland China and overseas to plan our long-term development strategy.

We will build on our present foundation and join hands with the whole

community to cultivate Macao as a place integrating the characteristics of Chinese and Western cultures. We strongly believe that correct positioning and sustainable self-improvement can transform Macao into a city of pluralistic cultural heritage and sustainable development.

Macao people can then succeed and continue the fine traditions of honesty, kindness, diligence, eagerness to learn, respect for the elderly, generosity and ethnic harmony for generations young and old. This will result in more safeguards for social stability and public order, orderly development of society and the economy, and balanced development of various industries with adequate diversification. The social security and social welfare system will also be continuously improved, to provide job opportunities matching job seekers' expertise, give the elderly a sense of security, and provide homes for all Macao people. Residents will have different options for their career development prospects; medical and health services will be perfected so that residents' health is up to World Health Organisation standards; education quality will be enhanced; the conditions for the growth of young people will be more favourable, so that the young generation will have more freedom and space for development; and urban planning will be more scientific as well as humanistic, so the Historic Centre of Macao and modern urban districts can light up the city with splendour. The Government will create a clean and tidy Macao with pretty landscapes, convenient transport and adequate facilities for leisure, culture, sports and public services, where all residents can enjoy high quality material and cultural lives.

To realise this blueprint for development, we will not only improve material

conditions, but must also strive to promote human development and intensify society's cultural attributes. Our objectives are to make Macao a city of quality living, with a healthy social atmosphere, a contented society and, finally, a global travel and leisure hub for tourists from around the world.

Entering 2011, we shall seize the unprecedented opportunities to promote the development of a new age. The Government will play an active role in pragmatically promoting scientific policy-making, reinforce integrity in the administration, and increase transparency of administration to establish a "Sunshine government". We will endeavour to facilitate coordinated development of the economy and society, expedite adequate diversification, resolve pressing problems regarding people's livelihoods, strengthen environmental protection and promote civic education. We are committed to ensuring our residents' well-being, and a strong foundation of happiness for our future generations.

As the economy maintains growth and the people's livelihoods keep on improving, the Government will have the courage and commitment to face all problems in the course of social development, and respond to the views of and suggestions from all levels of the community. We shall strictly abide by the Basic Law, make steady headways and enhance our service culture to meet the forth-coming challenges. Based on public opinions and expectations, we are striving for continuity and innovations to implement scientific policy-making. We are working hard with all Macao residents with a common goal and purpose, to achieve sustainable development and the best quality of life.

Before concluding this address, I extend my heartfelt thanks to the

Legislative Assembly, and all the civil servants and citizens of Macao for supporting our work. I also wish to express our sincere gratitude to the central government and all its representative offices in Macao for their long-term full support for Macao's development.

This is the end of my report. And I hereby submit the report to the Legislative Assembly. Thank you, President and everyone.