

## Implementation of “One country, two systems”

The Macao Special Administrative Region (SAR) of the People’s Republic of China was established on 20 December 1999. The Basic Law of the Macao SAR also came into force on the same day. Throughout the past 20 years, the Macao SAR Government has upheld the principles of “One country, two systems”, “Macao people governing Macao” and a high degree of autonomy, strictly adhered to the Basic Law of Macao, and achieved a great leap of development in all aspects, including social harmony, safety and stability, sustainable rapid economic growth, decent housing and employment, continuous improvement in living standards and frequent external exchanges, enhancing its functions and image in the region and the world – demonstrating the enormous vitality and momentum of the Basic Law.



In accordance with the Basic Law, the Macao SAR is entitled to a high degree of autonomy in all areas, except defence and foreign affairs. It enjoys administrative autonomy, legislative autonomy, an independent judiciary and the right to final adjudication. The Macao SAR implements “One country, two systems”. While socialism and socialist policies are not applied in Macao, the city remains under its previous capitalist system and lifestyle for 50 years, embodying the great principle of “One country, two systems”.

Under the principles of “Macao people governing Macao” and a high degree of autonomy, permanent residents of the Macao SAR shall have the rights to vote and stand for election in accordance with the law. At the end of 2018, there were 314,000 registered voters in Macao. The Macao SAR Government is committed to expanding the practice of a democratic political system by continuously improving the relevant electoral system. In 2012, the Macao SAR Government completed amendment works relating to two election laws, marking a significant step in political development. Subsequently, two directly elected members and two indirectly elected members were added to the Legislative Assembly election in 2013. In 2014, the Chief Executive Election Committee also expanded, to increase the number of members from 300 to 400, to enhance political participation by Macao citizens. The Macao SAR Government held smoothly and in a lawful manner the Sixth Legislative Assembly Election and the Fifth Chief Executive Election respectively in 2017 and 2019. These elections were responded actively by residents and different sectors across the community, jointly pushing forward development of Macao.

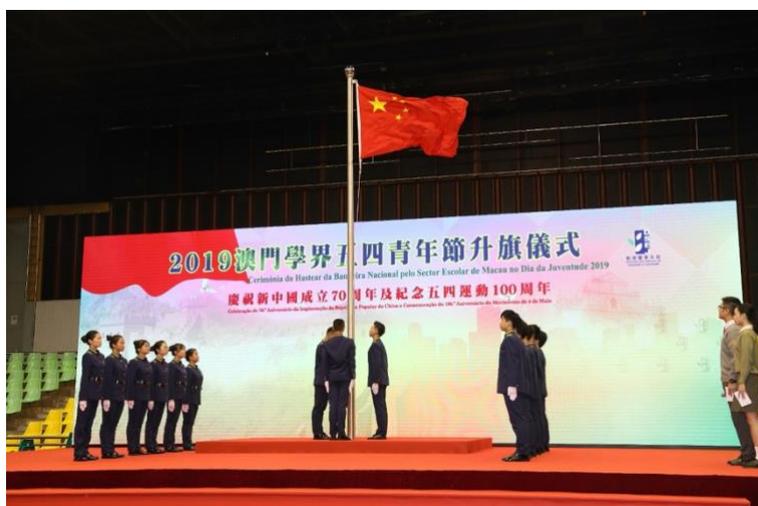


Security of the country safeguards Macao's prosperity and stability. The Law on Safeguarding State Security officially came into effect in Macao in 2009, fulfilling the constitutional responsibility under Article 23 of the Basic Law, and filling the gap in legislation regarding safeguarding security of the country.

In 2017, the National Anthem Law of the People's Republic of China was added to Annex III of the Basic Law of Macao, to safeguard the dignity of the national

anthem, regulate the playing and singing, the broadcast and the use of the national anthem, enhance public awareness of the People's Republic of China, and promote patriotism. To align with the local legislation of Annex III of the Basic Law, the Amendment to the Law of Use and Protection of the National Flag, National Emblem and National Anthem (Law No. 5/1999) came into effect in February 2019, making adjustments to the rules regarding the places where national and regional flags are displayed or hoisted, and requiring primary and secondary schools under the formal education curriculum, as well as public and private tertiary institutions, to display or hoist national flags during educational activities in schools.

Local legislation has been successfully completed for the implementation of the above two national laws in Macao. The Macao SAR has fulfilled the responsibility of safeguarding national dignity, and achieved organic integration of the absolute power of governance of the Central Government and the high degree of autonomy enjoyed by the Macao SAR, to ensure that “One country, two systems” will remain unshaken, intact and undistorted in Macao.



Over the past 20 years, Macao has made stunning economic, social and livelihood achievements, and has been developed into an international tourism city with gross domestic product (GDP) ranking among the top in the world.

In 2002, the Government opened the market of games of fortune by ending the franchise contract and introducing new investors, to motivate overall economic

development. In 2018, Macao's gaming tax revenue amounted to 106.78 billion patacas (around US\$13.34 billion), with GDP per capita of over 660,000 patacas (around US\$82,000) – six times greater than the figure of 110,000 patacas (around US\$14,000) in 1999.

The unemployment rate fell from 6.4 percent when the Macao SAR was first established to below two percent, and has been maintained at this level in recent years. Fiscal revenue increased from 16.9 billion patacas (around US\$2.1 billion) in 1999 to 134.2 billion patacas (around US\$16.7 billion) in 2018. The median monthly salary of the employed population increased from 5,000 patacas (around US\$625) when the Macao SAR was first established, to 16,000 patacas (around US\$2,000) in 2018.



Tourism is the backbone of Macao's economy. The 400-year history of Sino-Western cultural convergence has fostered the Historic Centre of Macao, which was inscribed on UNESCO's list of world heritage. The rich variety of gastronomic culture and festive events of Macao attracts Chinese and foreign tourists. The number of visitor arrivals to Macao steadily increases, with 35.8 million inbound tourists recorded in 2018. On the other hand, thanks to its historical engagement, Macao is widely and closely connected to Portuguese-speaking countries across four continents, with a total population over 260 million, playing the role of a commercial and trading service platform between China and Portuguese-speaking countries.

In consideration of the advantages of Macao, the Central Government fully

supports the city's development in the new era. The 12th and 13th Five-Year Plans clearly positioned Macao as a world tourism and leisure centre, and a commercial and trade cooperation service platform between China and Portuguese-speaking Countries ("One Centre and One Platform"). This aims to establish a unique position and function of the Macao SAR in the new era of national reform, economic development and opening to the world.

The promulgation of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area in 2019 further affirms the positioning of Macao in the development of the Guangdong-Hong Kong-Macao Greater Bay Area, and proposes the development of Macao as a multicultural communication and cooperation base with Chinese culture as the mainstream (One Base), in addition to "One Centre and One Platform".



The Macao SAR will persist with the foundation of "One country" and leverage the advantage of "Two systems", fully leverage the SAR's advantages in policies and positioning, seize the historical opportunities in the new era of national reform, take advantage of participating and engaging in the important national strategic platform, and constantly widen the scope for development of Macao. Macao will leverage its advantages according to the country's needs, integrate the positioning of "One Centre, One Platform, and One Base" into the overall national development plan. Macao will also participate in the development of the Greater Bay Area, support realisation of the "Belt and Road" initiative, advance the great cause of "One country, two systems", "Macao people governing Macao" and a high degree of autonomy in the new era.