

**ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC**

**69<sup>th</sup> SESSION**

**Opportunities to Build Resilience to Natural Disasters  
and Major Economic Crisis**

**Statement by the Secretary for Economy and Finance  
Government of Macao, China**

**H.E. MR. TAM PAK YUEN**

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*Mr. Chairperson,*

*Executive Secretary of UNESCAP, Madame Noeleen Heyzer,*

*Distinguished Delegates, Ladies and Gentlemen,*

On behalf of the delegation of Macao, China, I am honoured to participate in the 69<sup>th</sup> Session of the United Nations Economic and Social Commission for Asia and the Pacific. I would like to congratulate Your Excellency on your election as the Chairman. It is our pleasure of working with Your Excellency in this Commission Session. We would also like to express our appreciation to the ESCAP Secretariat for the hard work in preparing this meeting, and special thanks go to the Government of Thailand for the warm hospitality.

The theme topic for the 69<sup>th</sup> session of the Commission – “Building Resilience to Natural Disasters and Major Economic Crisis” – has certainly reflected the development challenges that the region faces. This topic is of utmost importance to the livelihood of people and the sustainable growth of the region. Macao, China is pleased to take this invaluable opportunity to learn from other Members and share the experiences of Macao, China in addressing these issues.

#### **Macao SAR on Addressing Natural Disasters Issues**

##### **♦ Geographical location**

Macao, as a Special Administrative Region (SAR) of China, is situated on the western side of the Pearl River Delta and bordering the Guangdong Province. It is a city with mild climate and limited natural resources.

##### **♦ Climate**

Situated in a subtropical zone, Macao has a marine monsoon climate with an annual mean temperature of 22.4°C. Macao's rainy season is from April to September, accounting for more than 85 per cent of its total annual precipitation. The annual average precipitation is 2,133.4 millimetres. The extreme weather and climate events that influence Macao include tropical cyclones and associated storm surges, strong monsoons, rainstorms and thunderstorms. About 5 to 6 tropical cyclones impact Macao on annual average, among

which 1 to 2 may bring high winds up to Force 8.

♦ **Institutional arrangements in preparation of natural disasters**

To deal with the extreme weather and climate events, the fundamental role of the government is to provide real-time weather conditions and issue timely warnings to the residents in adopting precautionary measures against adverse weather conditions. As some of the areas in Macao are easily affected by floods from tropical cyclones and rainstorms, the Macao Meteorological and Geophysical Bureau has introduced the Flooding Alert SMS Service. In cases of possible floods, a short message (SMS) will be sent directly to the neighbouring community in the lowland areas so that contingency measures can be adopted.

In the mean time, the gravity of the government puts on the handling of tropical cyclones and rainstorms. Since 2007, the Typhoon Committee (TC) secretariat was moved to Macao and since then, the cooperation between TC and Macao has been strengthened which has greatly improved the meteorological, hydrological, disaster prevention and preparedness in Macao. Lately, the MSAR Government has supported a project initiated by TC and organised workshop on storm surge and wave forecasting in Macao.

In addressing severe weather conditions or natural disasters, such as earthquakes or tsunamis, the Macao SAR Government has established a Civil Protection Structure System, which comprises of government departments and private agencies. The Civil Protection Operational Centre under this structure is activated under mandates and is administered by the Security Forces Coordination Office. The centre will also be automatically activated to coordinate necessary coping measures when typhoon signal number 8 is hoisted. Nonetheless, the MSAR Government has set up the "Emergency Response Committee" in November 2012. Chaired by the Chief Executive, the Committee is responsible for coordinating, commanding and monitoring different departments in dealing with emergencies, arising from accidental events, natural disasters, epidemics and so forth. Natural disasters could not be avoided, yet the MSAR Government will adopt all necessary measures to mitigate the negative impacts.



## Macao SAR on Addressing Economic Crisis Issues

As regards economic crisis, the impact of the global financial crisis (GFC) has been far-reaching. Macao, being a highly open economy, was inevitably affected. During the outburst of the GFC in 2008, Macao experienced negative economic growth of 8.6 per cent in the fourth quarter of 2008, and a continual drop of 7.1 and 9.9 per cent in the first two quarters of 2009. However, growth rebounded to 6.2 per cent in the third quarter of the year.

The MSAR Government responded to the GFC with counter-cyclical measures. First, in order to sustain the well-being of the society, the Government announced a series of tax exemptions and subsidies, as well as provided financial assistance to low-income families and the underprivileged. Nonetheless, the MSAR Government also refined some of the SME assistance schemes in supporting the operation and growth of SMEs, in response to the unfavourable macroeconomic environment.

Second, the MSAR Government responded to the GFC by strengthening financial supervision and ensuring a secure financial system. In particular, a deposit insurance scheme was introduced to provide full protection to customer deposits. The protection measures were extended on 1 January 2011 with the maximum protection adjusted to 500,000 patacas, and the MSAR Government established the "Deposit Protection Fund" in 2012 to make this into a long-term commitment. Also, despite all the turbulence in the global financial market, the MSAR Government continues to uphold the policy to peg Macao currency, patacas, to Hong Kong Dollar, which has indirectly established a link to US Dollar. This proved to be an effective means to maintain monetary and financial stability in Macao during the GFC.

Third, cooperation and synergy among the Government are vital to revive the sagging global economy. As such, the MSAR Government is endeavoured to foster cooperation with other countries, at both regional and international levels. In particular, the MSAR continues to seek closer and deeper economic cooperation with the fast growing Mainland China through the "Closer Economic Partnership Arrangement" (CEPA) that was signed in 2003, as well as

fosters its position as a World Tourism and Leisure Centre, and the development of emerging sectors.

### **Looking Ahead**

Despite that Macao has regained its strength in the aftermath of the GFC with GDP growth of 10 per cent in 2012, the MSAR Government remains prudent on the uncertainty of the global economic climate and the on-going adjustments in many economies. Against this stringent international economic situation, the primary economic goals of the MSAR Government focus on safeguarding economic risks, sustaining stable growth, strengthening regional cooperation, seeking economic diversification and maintaining social well-being of the people.

To this end, the MSAR Government will continue to foster cooperation with its regional counterparts in dealing with natural disasters and economic crisis. We believe that building regional resilience are essentials in migrating the negative effects of these shocks. Today, we are pleased to learn from the many invaluable experiences from Members during this Commission Session. Macao, China remains confident that the Commission will serve as an effective platform to seek development for all in the region.

Thank you.