

**ECONOMIC AND SOCIAL COMMISSION FOR  
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**70<sup>th</sup> SESSION (PHASE II)**

**Regional Connectivity for Shared Prosperity**

**Statement by the Director of Macao Economics Services  
Government of Macao, China**

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*Chairperson,*

*Under-Secretary-General of UNESCAP, Madame Shamshad Akhtar,*

*Distinguished Delegates, Ladies and Gentlemen,*

On behalf of the delegation of Macao, China, I am delighted to participate in the Second Phase of the 70<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 Chairperson. Also, we would like to express our appreciation to the ESCAP Secretariat in preparing this meeting, and the Government of Thailand for the warm hospitality provided for the participants.

#### **Macao SAR's Regional Connectivity**

To provide a healthy development for the future of Macao in terms of the well-being of people and opportunities for business, the MSAR Government aims to establish regional cooperation and expand Macao to be a gateway to other regions. In the last decade, the Government has promoted regional and international cooperation.

- **Closer Economic Partnership Arrangement (CEPA)**

Among the major regional cooperation actions that the MSAR Government has undertaken, pioneer was Closer Economic Partnership Arrangement (CEPA) that we signed with Mainland China in 2003. CEPA comprises preferential measures for Trade in Goods, Trade in Services, as well as Trade and Investment Facilitation.

Regarding Trade in Goods, from 1 January 2006, all goods of Macao origin enjoy duty free treatment when exporting to Mainland China, provided that the related Rules of Origins (RO) are complied with. On the Trade in Services front, the Mainland has progressively granted preferential treatment on market access to 50 service sectors, involving a total of 383 liberalized measures. As for Trade and Investment Facilitation, both sides agreed to enhance cooperation in 10 areas, including trade and investment promotion, customs clearance, industrial cooperation, and others, to improve the overall business environment.

In its ten years of implementation, CEPA has provided various opportunities for Macao enterprises to enter the Mainland market. For instance, with the duty free treatment of “Made in Macao” products, the export of goods from Macao to the Mainland has widened the spectrum from the traditional textiles and clothing industries to food, copper articles, plastic articles, stamps, among others.

Another contribution of CEPA to the development of Macao is the Individual Travel Scheme (ITS) that allows mainlanders to visit Macao individually for tourism purposes. In the first quarter of 2014, over 30 percent of inbound tourists came under the ITS, which has considerably promoted the growth of the ancillary services of tourism and gave impetus for the economy to pursue other objectives to improve the people’s livelihood.

- Guangdong Province-Macao Cooperation

The ‘Outline Plan for the Reform and Development of the Pearl River Delta (2008-2020) (the “Outline”)’ is another major regional cooperation that aims to boost the economic development of Macao and the Pearl River Delta Region. The main objectives of Guangdong Province-Macao cooperation are: to promote mutual development, to jointly develop Hengqin Island, and to search for a new path for economic diversification of Macao.

The scope of cooperation of the “Outline” is ambitious, ranging from tourism, conventions and exhibitions, Chinese medicine, cultural and creative activities to finance. For instance, under tourism cooperation, Guangdong Province and Macao intend to assimilate mutual tourism resources and promote integrated travel with the theme of culture, history and entertainment to support MSAR Government’s policy to develop as a “World Centre of Tourism and Leisure”.

The “Outline” also underscores the optimization of regional transport connectivity. This is primarily happening through the overall management of the transport network between the two sides, especially the construction of intercity rails, highways, port channels and the establishment of airports links in order to encourage greater cross-border movement of people, materialising the “One-hour Living Circle” in the Pearl River Delta Region.

To further strengthen cooperation synergies, the two sides have cited services liberalisation as a priority of this year, the goal of which is to increase the finance, tourism, cultural and creative industries exchanges as well as the development of traditional Chinese medicine.

- Development of Hengqin Island

The development of Hengqin Island is the core area of the “Outline” for promoting industrial upgrades in the Pearl River Delta. Under the development plan of Hengqin Island, a range of preferential policies over those granted to other special economic zones in China, covering policies from administrative management to taxation are conferred to businesses, thereby offering the Macao SAR good opportunity for economic diversification and regional cooperation.

Currently, the projects of Macao SAR on Hengqin Island are, namely, the new campus of the University of Macau and the Guangdong-Macao Cooperation Industrial Park. The University of Macau is now in operations, while 33 investment projects, involving a total amount exceeding MOP181.45 billion, have been recommended by the MSAR Government to the Zhuhai authorities in April this year to open businesses in the Guangdong-Macao Cooperation Industrial Park.

- The Hong Kong-Zhuhai-Macao Bridge and Other Transport Connections

Where transport infrastructure is concerned, the Hong Kong-Zhuhai-Macao Bridge, situated in the Pearl River Estuary, is a large sea crossing linking Hong Kong, Zhuhai and Macao. The purpose of the Bridge is to meet the rising demand for more efficient passenger and freight land transportation among the three places. It is expected that upon completion by 2016, the Bridge will be the key people-to-people and business-to-business connection linking Macao and Hong Kong and the extensive road network in the Mainland, generating important economic and social benefits through increased interaction among people and businesses.

Looking ahead, the MSAR Government is also in the process of constructing an integrated urban public transport system - the Light Rapid Transit (LRT), in order to provide a more efficient and environmentally-friendly means of travel for residents and visitors. The LRT

is envisaged to eventually link up with Hengqin Island, the Hong Kong-Zhuhai-Macao Bridge, and the Guangzhou-Zhuhai intercity rail system, thereby further integrating the Pearl River Delta region.

### **Economic Policy Developments**

In the first quarter this year, the economy of Macao expanded by 12.4% year-on-year, due to the increase of exports in gaming and tourism services. Solid employment conditions are reflected in an unemployment rate of 1.7% in the first quarter of 2014.

In addition to the policies that aimed to consolidate tourism growth, the MSAR Government is also focusing on strategies to help SMEs to upgrade, expand and develop their businesses. For instance, the Young Entrepreneur Assistance Scheme was set up last year to provide interest-free, start-up loans to unravel the potential of young entrepreneurs. Also, measures have been put in place to enhance local SMEs' ability to participate in the projects being undertaken in Hengqin Island as well as in the other designated areas in the Pearl River Delta Region.

Connectivity and regional cooperation are the key points set out for the modern economic development model. Our future lies in the opportunities derived from integrating the comparative advantages of the neighbouring regions to generate the driving-forces towards mutual development goals in a cooperative manner. In this respect, the MSAR Government highly appreciates the long standing endeavours of the ESCAP Secretariat in coordinating the region and providing Members and Associate Members with invaluable opportunities to share experiences and keep abreast of the latest global developments on issues that are vital in reaching the Millennium Development Goals.

Last but not least, we believe that the avenue of cooperation is not leading us to the final line, but to places further and wider than we expected.

Thank you.