

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

71st SESSION

**Balancing the Three Dimensions of Sustainable
Development: From Integration To Implementation**

**Statement by Director of the Macao Economic Services
Government of the Macao Special Administrative Region**

Mr. SOU Tim Peng

Bangkok, Thailand 25-29 May 2015

Chairperson,

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

Distinguished Delegates, Ladies and Gentlemen,

On behalf of the delegation of Macao, China, we are delighted to participate in the 71st Session of the United Nations Economic and Social Commission for Asia and the Pacific. We 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.

Three Dimensions of Sustainable Development

Sustainable Development is, perhaps, the most common policy vision pursued by today's political leaders. With the Millennium Development Goals (MDGs) reaching the target date this year, Members of UNESCAP have timely titled this Session "Balancing the Three Dimensions of Sustainable Development: From Integration To Implementation". To mainstream sustainable development at all levels by integrating economic, social and environmental aspects, is undeniably a high priority task for all governments, developed and developing economies alike.

The Macao SAR Government also places high priority on this agenda. The vision of the MSAR Government, as stated in the policy address of the Chief Executive in March this year is to undertake a coordinated planning to ensure stable development towards building Macao into a liveable city and a "World Centre of Tourism and Leisure". The components in our blueprint of liveability embrace the overarching economic and social objectives of maintaining the economic dynamism with appropriate support providing to small and medium-sized enterprises as well as new emerging industries; safeguarding career opportunities; strengthening economic integration with neighbouring region; improving the social security mechanism, protecting the environment and stabilizing the real estate market.

Economic Dimension

Being a small open economy located in the southern rim of the Pearl River Delta, Macao has its unique advantages and disadvantages. On the advantageous side, being adjacent to the Mainland, we are at the impeccable location of developing tourism industry and the service platform to the vast market of the Mainland. On the other hand, the geographical size of Macao has limited the development space of our enterprises. Therefore, the objective of the MSAR Government is to overcome the existing limitations through economic integration with the Mainland and providing assistance to the small and medium-sized enterprises (SMEs) as well as new emerging industries, such as exhibition, cultural and creative; Traditional Chinese medicine and environmental protection.

The cornerstone of achieving economic integration with the Mainland is the signing of the **“Mainland and Macao Closer Economic Partnership Arrangement (CEPA)”** in 2003. By the end of 2013, 10 supplements have been added to the Arrangement, which provide duty free access to the Mainland on all goods originating from Macao as well as 383 services liberalization measures to Macao enterprises. Nevertheless, a significant advancement to this Arrangement is the signing of **“CEPA Agreement between the Mainland and Macao on Achieving Basic Liberalization of Trade in Services in Guangdong”** in 2014. Under this Agreement, Mainland accords National Treatment to services and services suppliers of Macao for all services sectors. Together with the setting up of the Free Trade Zones in Hengqin, Qianhai and Nansha of Guangdong, the Agreement is expected to render prodigious business opportunities for Macao enterprises in the Mainland.

Another cooperation with the Mainland is **“The Framework Agreement on Cooperation between Guangdong and Macao”** signed in 2011. This framework agreement stipulates the will to broaden and deepen the social and economic integration between the two sides, including the joint development of Hengqin. Aside from relocating the University of Macau to Hengqin, 33 Macao enterprises, ranging from areas of tourism and leisure; business services; financial services; cultural and creative; Traditional Chinese medicines to science and innovation technology, have been recommended by Macao after a vetting process to open

their businesses in Hengqin. All in all, the ultimate goal of this plan is to forge a comprehensive cooperation that will mutually benefit the development of Hengqin and the Macao enterprises.

Following the announcement of the “One Belt, One Road” Initiative, Macao will also participate in this ambitious concept of regional integration, in particular, Macao wishes to strengthen the trade and cultural exchange with ASEAN countries and establish Macao as a multifaceted service platform.

Speaking on the support to the SMEs, the MSAR Government has rolled out several SME support schemes, which have successfully assisted SMEs to expand their businesses and improve their resilience to external shocks. To further support emerging enterprises and rake out the entrepreneurship of the younger generation, the MSAR Government has embarked on the “Young Entrepreneurs Aid Scheme” launched in 2013, which not only offers financial assistance to the young entrepreneurs, but also management courses that help equip them with the necessary business knowledge. The MSAR Government is now considering extending the applicable area of this Scheme to the designated zones in Guangdong to bring the Scheme and the regional integration between Mainland and Macao into full play.

On the employment level, the MSAR Government will effectively safeguard local residents’ employment and promote upward and horizontal mobility of local employees. More importantly, the Government shall orderly foster the application of minimum wages to all types of work, in the hope that the overall living standard could be raised.

Social Dimension

Understanding and caring about people’s needs is the foundation of creating the basic framework for a society and avail cohesion of community. The MSAR Government recognises that housing and social welfare are issues that brought to the fore alongside robust economic growth.

Among them, housing rose to the prominence as the price of real estate has escalated rapidly. The Government will expedite the mechanism in distributing public houses and contemplate the measures to cater the needs of those that are not qualified for the current housing schemes. The possible solutions to this include the introduction of a new category of public houses and the use of one of the new reclaimed land mainly for public housing purpose.

The holistic approach to community well-being cannot preclude an extensive social safety net and social security for the residents. The MSAR Government serves to strengthen social assistance and welfare measures to the less privileged by adjusting the Minimum Subsistence Index bi-annually, providing short-term food assistance on daily basis, distributing normal and special disability allowance, old age allowance, to name a few.

In addition to the aforementioned, the MSAR Government has established the double-tier Social Security System. The first tier, which comprises mandatory contribution from both employees and employers, aims to provide basic living allowance, especially old age pension, in order to improve the livelihood after retirement; while the second tier, which is the non-mandatory Central Provident Fund, seeks to provide more abundant living allowance for the affordable residents. The Government shall strive to accomplish the second tier Social Security System in the near future.

With the growing importance of women in the workforce and society, the "Development Plan of Women in Macao" will soon be drafted by the "Consultative Commission on Women's Affairs" to further promote gender equality and women's empowerment; while the mandate of the Commission will also be broadened to advance and ensure children's rights in Macao. Recognising the trend of an aging society in Macao, the MSAR Government shall expedite completion of the ten-year action plan for elderly services development and construction of homes for the elderly in cooperation with NGOs.

Environmental Dimension

Environmental protection is literally the most important component of sustainable development. The MSAR Government upholds the vision of “Building a Low Carbon Macao, Creating Green Living Together” and formulates the “Environmental Protection Planning of Macao (2010-2020)” so as to undertake environmental protection work in a forward-looking manner. The Planning is based on four core principals, namely, sustainable development, low carbon development, public participation and regional cooperation, with improving the living environment and ensuring residents’ health as the primary objective of Environmental Planning.

Up to the present moment, the MSAR Government has formulated rules and regulations in respect of pollution charges, sulphur content in marine light diesel; control and reduction of substances depleting the ozone layer; prevention and control of environment noise; emission standard of air pollutants for cement industry; prohibition of dumping hazardous substances to the sea; and the environmental emission standard of light duty vehicles. The Government will continue to formulate rules, regulations and technical standards to elevate the environmental management to a more advanced level.

To encourage more use of environmental and energy saving products, the MSAR Government has set up the “Environmental Protection and Energy Conservation Fund”. Enterprises and organizations that wish to purchase or replace environmental and energy saving equipment could apply for subsidies from the Fund. In addition, vehicles that meet the limits for emissions of pollutants are eligible to apply for tax preference treatment, which greatly promote the choosing of more environmental-friendly vehicles by consumers.

Above all, making our economy a better place to be is the mission of the MSAR Government. We are obliged to put sustainable development at the heart of our policies as it means not only the future for us, but also for our future generation.

Thank you.