Macao special administrative region SAR. 2nd annual report 2001

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PURPOSE : to present the first annual report from the Commission on the Macao special administrative region. CONTENT : to reflect its interest in Macao, the European Commission committed itself to drawing up an annual report on the development of the Macao SAR. This is the first such report. Since the creation of the Macao SAR on 20 December 1999, the "One Country, Two Systems" principle has been followed closely. Internally, the Macao SAR Government endeavours to maintain Macao's specific characteristics in the institutional, economic and social fields. The Macao SAR's own institutions were set up in conformity with the provisions of the Basic Law and the establishment of the Court of Final Appeal, in particular, underlined Macao's autonomy. From the economic point of view, Macao, as a free port, has maintained market economy principles, although the economy itself remains dominated by the tourism and gambling sectors. In the context of the "One Country, Two Systems" principle, and contrary to the continuing use of the death penalty in China, it is worth noting that Portugal was a pioneer in abolishing capital punishment, and, as a result, no capital punishment has been carried out in Macao since 1867. With regard to the establishment and adaptation of its institutions, the Macao SAR's first year has been primarily a year of adaptation and putting its institutions into place. In spite of the departure of many Portuguese officials and the lack of senior governmental experience of a large number of senior officials, the Macao SAR Government put the required institutions into place in an orderly way. The report concludes that the Macao SAR has, on the whole, got off to a good start. But thus far, political life continues to be led, as in the past, in a consensual way and the people of Macao are increasingly interested in the political and public management of the Special Administrative Region. Some slight progress had been made on the economic front, where the Government is fully aware of Macao's limited economic base and dependence on regional neighbours. In view of this and the requirement in the Basic Law to achieve fiscal balance, the Government has adopted policies of consolidation for the moment and gradual liberalisation when the circumstances are right. Macao's trade and investment regime remains among the most open in the world. The MSAR Government has succeeded in sharply reducing crime, which has had a beneficial knock-on effect by boosting tourism. Since Macao's return to China, the life-style that characterises Macao remains deeply rooted and diversified. It is clear that Macao is coming to terms with its new status in a calm and business-like way. However, as with the Hong Kong SAR, the foundation for Macao's secure development and future prosperity will be adherence to the "One Country, Two Systems" principle and to the tenets of the Basic Law. The Commission remains committed to assisting Macao wherever possible, and to helping Macao develop and realise its full potential. The Commission will continue to maintain a close watch on events in Macao, paying particular attention to the full implementation of the Joint Declaration and the principle of "one country, two systems".