Macao special administrative region SAR. 2nd annual report 2001

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PURPOSE : to present the second annual report from the Commission on the Macao Special Administrative Region (SAR). CONTENT : the Commission presents its second annual report on the implementation of the Macao SAR of China. Overall, the Commission is satisfied with the overall application of the principle and the development of the relations of this body with the European Union. The Macao SAR has pursued its good start in consolidating the institutions established since its creation. The free Legislative Assembly elections held in September showed the commitment of Macao citizens to the exercise of their basic political rights. The increased number of legislators elected through direct universal suffrage marked progress towards more democracy. The participation of the Portuguese community in the direct legislative elections reflected their confidence in the Macao SAR. Two years after the hand-over of Macao to China, it is reassuring to note that both the Central Government in Beijing and the Macao SAR Government continue to attach great importance to the "one country, two systems" principle. The Macao Government continues to administer the Special Administrative Region both on the internal and international levels in an autonomous way as prescribed by the Basic Law. Following a moderate recovery in 2000, Macao's economy recorded a slower pace in 2001 in tandem with the global downturn. Real GDP growth slowed to 2.1% for 2001 from 4.6% in the previous year. The slowdown was mainly caused by a contraction of external demand for merchandise exports in major overseas markets. Yet, thanks to a buoyant tourism sector, a record level of over 10 million visitors, the economy still managed to achieve a mild growth in 2001. But unemployment continued to be an issue of concern. The report concludes that after tow years after the hand-over, the Macao SAR is shaping up reasonably well for the future, despite the economic downturn. The Commission will endeavour to work and co-operate with the Macao authorities to help the SAR's stable development, in line with the 'one country, two systems' principle.