EU/SAR Macao relations: consolidation beyond 2000

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PURPOSE: presentation of the Commission's 2004 Annual Report on Macao Special Administrative Region.

CONTENT : In 2004, the political situation in Macao was marked by stability, with the territory continuing the process of consolidation as a special administrative region five years after its handover to the People's Republic of China (PRC). Its progressive political and constitutional development was carried out in line with the Basic Law.

In February, the Macao Government passed the draft Chief Executive Election bill after consultation of the PRC's Central Government and the territory's Executive Council. Mr Edmund Ho, the current Chief Executive, who was the only candidate for his own succession, was re-elected with an overwhelming majority of 98% of the votes cast in the electoral committee in August 2004. Chinese President, Mr Hu Jintao, reaffirmed the PRC's attachment to the tenets of the MSAR's Basic Law and especially to the territory's autonomous status based on the principle that "Macao people administer Macao".

The Commission welcomes the recent setting-up within the Macao Government of the Legal and Legislative Reform Office, which will coordinate among other things the implementation of measures to improve the operationality of the MSAR's legal system. The training of judges, magistrates and bilingual legal officials will thus be continued with a view to accelerating legal procedures, thereby making the administration of justice more equitable.

The Commission welcomes the Macao Government's intention to preserve the MSAR's international role by, in particular, strengthening its links with the European Union. The signing of the Regional Cooperation Agreement in the Pearl River Delta by the MSAR in June 2004 and the setting-up in Macao of the secretariat of the Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries are important steps in affirming Macao's role as a regional centre for the promotion of business and foreign investment in China, especially in Guangdong province.

In 2004 Macao underwent record economic development following the liberalisation of the gambling sector and the significant development of the tourist sector stimulated by the adoption of the system facilitating the entry of tourists from the PRC. After a 14% increase in 2003, GDP rose by 28% in 2004. Other economic sectors such as industry, property and aviation also developed robustly and the state of the labour market improved markedly. The tightening of economic links between Macao and China strengthened integration between the two economies, particularly following the setting up of the Macao-Zhuai cross-border industrial zone and the implementation of the CEPA agreement (Closer Economic Partnership Arrangement) on 1 January 2004.

The Commission welcomes the strength of Macao's economic performance and encourages the territory's authorities to continue the consolidation process while implementing measures to diversify MSAR's economic base.