

Analysis Report: 16 Years After Macao's Handover

- **Political operations are stable; demand for universal suffrage is growing.**
- **Economic performance is affected by falling gaming revenue; clarification on Macao's water area is beneficial to diverse development.**
- **The judiciary remains independent and actively promotes regional and international mutual legal assistance in criminal matters.**
- **Adjustments to the gaming industry threaten to affect law and order; transportation and housing problems are closely watched.**
- **Integration of the Mainland and Macao grows steadily deeper and more comprehensive; public concern grows over incidents related to anti-corruption efforts.**
- **Overall development in Macao is internationally affirmed, though concerns over civil rights remain.**
- **Taiwan and Macao maintain close exchanges and substantive relations continue to improve.**

Overall Evaluation

The political situation in Macao remained largely stable in the past year. The assessment of policies in the year since the new government came to power has been positive. Under the influence of the campaign in Hong Kong for a true general election of the Chief Executive, private organizations in Macao organized marches for democratic universal suffrage.

Macao's economic performance remained weak due to falling revenue in the gaming industry, with double-digit negative growth expected this year. The unemployment rate remained low and inflation eased slightly. The government of Macao is committed to diversifying the economy, but the effects remain to be seen. The Mainland's clarification that Macao can administer its own waters supports diversified development. There is concern that falling gaming revenue will affect law and order in Macao. Moreover, the public closely watched how the Macao government handles the transportation and housing problem.

Macao and Guangdong Province in the Mainland signed several agreements and memorandums of understanding (MOUs) in areas including meteorological science and technology cooperation. The Mainland and Macao signed the Closer Economic Partnership Arrangement (CEPA) on Trade in

Services in November this year, fundamentally opening up the trade in services between the Mainland and Macao. Cooperation between the two sides deepened and became more comprehensive.

The international community affirmed Macao's overall development last year, but continued to express concern over civil and political rights, human rights, and freedom of the press in Macao.

Civilian interaction and exchanges between Taiwan and Macao remained friendly and substantive relations between the two sides continued to improve. Following the Taiwan-Macao Air Transport Agreement, signed and brought into effect last year (2014), representatives of the respective official offices of the governments of Taiwan and Macao signed the Taiwan-Macao Double Taxation Avoidance Agreement on Aviation Businesses in Macao in December this year (2015).