

# Analysis Report: 17 Years After Macao's Handover

- **Political operations are normal; the government drafts the first official medium and long-term development blueprint.**
- **Gaming revenues rebound; economic growth turns positive.**
- **The judiciary remains independent; the development of mutual judicial assistance among the Mainland, Hong Kong, and Macao slows.**
- **Housing, transportation and security problems remain a focus of public concern.**
- **Mainland China announces several measures beneficial to Macao; integration of the Mainland and Macao continues to deepen.**
- **The international community affirms development in Macao, though remains concerned over civil and political rights and press and academic freedom.**
- **Taiwan-Macao maintain stable relations and close civilian exchanges.**

## Overall Evaluation

The administration of the Macao government over the past year has functioned normally and assessment of policies remains positive. The Macao government proposed the first "Five-Year Development Plan." This medium and long-term development strategy aims to actively develop economic livelihood in Macao and is supported by the majority public opinion. However, the Macao government stipulated in the Electoral Law for the Legislative Assembly that candidates for the Legislative Assembly must sign a letter of confirmation to uphold the Basic Law of Macao, raising suspicions over intention to suppress opposition.

The gaming industry recovered in the second half of this year (2016). In the third quarter of this year, the economy began to show positive growth. Macao's unemployment rate remained low and inflationary pressure eased. Last year, mainland China announced that Macao can self-administer its 85 square kilometers of surrounding waters. The Macao government has proceeded to formulate management regulations and plans to develop the marine economy. Improvement of the housing and transportation problem was a focus of young people in Macao. It remains to be seen if the improvement in the gambling industry will have an impact on law and order.

The integration of Macao and mainland China continued to deepen this year. The Closer Economic Partnership Arrangement (CEPA) on Trade in Services between the Mainland and Macao came into effect in June this year. The two sides have also successively signed a number of cooperation

agreements. Mainland Chinese "Premier" Li Keqiang visited Macao in October this year and announced 19 closely-watched "support measures for Macao," including "support for Macao to establish a renminbi clearing house for Portuguese-speaking countries and export credit insurance system," "a policy to allow Macao-registered vehicles enter Hengqin," and "free passage of yachts registered in Macao and Guangdong" between the mutual ports of the two sides.

The international community affirmed Macao's overall development last year, but remained concerned over civil and political rights, academic freedom and press freedom in Macao.

Taiwan-Macao relations steadily developed and the two sides maintained close exchanges in cultural, educational, tourism, and other fields. The government of the Republic of China amended the "Regulations Regarding Study and Counseling Assistance for Overseas Chinese Students in Taiwan" to grant Macao students with passports issued by Portugal and other foreign countries educational rights in Taiwan comparable to those granted to other students from Hong Kong and Macao.