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HIGH REPRESENTATIVE
OF THE UNION FOR
FOREIGN AFFAIRS AND
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JOINT REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

Macao Special Administrative Region

Annual Report for 2024

JOINT REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

MACAO SPECIAL ADMINISTRATIVE REGION:

ANNUAL REPORT FOR 2024

Summary

Since the handover of Macao to the People's Republic of China (PRC) in 1999, the European Union and its Member States have closely followed political and economic developments in the Macao Special Administrative Region (SAR) under the 'one country, two systems' principle. The EU supports this principle and its implementation, in accordance with the Basic Law, which is intended to ensure that the way of life, rule of law and protection of fundamental rights and freedoms in Macao remain unchanged until 2049.

In line with the commitment given to the European Parliament in 1999, the Commission and the High Representative/Vice-President issue an annual report on developments in Macao. Over the years, this has included a particular focus on the implementation of the 'one country, two systems' principle and on Macao's autonomy as stated in the Macao Basic Law.

This is the 25th report, covering 2024. Politically, the year saw a continued erosion of autonomy and fundamental freedoms and rights that are meant to be protected until at least 2049. The year was marked by: (i) two legislative amendments to implement the doctrine of 'patriots ruling Macao,' further limiting the space for pluralist voices in Macao, and (ii) the formation of the sixth-term Government of the SAR headed by Sam Hou Fai, the first mainland-born Chief Executive.

Macao's GDP grew by 8.8% in 2024. This was the second consecutive year of growth but the economy has yet to fully recover to pre-COVID-19 pandemic levels. The economic growth was supported by increases in the numbers of tourists travelling to Macao and related gaming revenues. In 2024, 34.9 million people visited Macao, a 24% increase year-on-year but less than the 39.4 million visitors in 2019. Visitors largely come from mainland China and Hong Kong.

The EU was Macao's second largest trading partner in goods during the year, accounting for 26.6% of Macao's total trade and with a trade surplus in favour of the EU. The EU was the SAR's fourth largest source of foreign direct investment (2023, latest available).

I. Political and social developments

The year marked the 25th anniversary of the handover of Macao from Portugal to the People's Republic of China. The Sino-Portuguese Joint Declaration signed in 1987 stipulates that the social and economic system as well as the way of life of Macao should remain unchanged for at least 50 years under the principle of 'one country, two systems'. The Declaration also features the principle of 'Macao people rule Macao' and that Macao would enjoy a 'high degree of autonomy' as a SAR.

Legislative amendments implementing the 'patriots ruling Macao' doctrine

Macao adopted new legislation to implement the political doctrine of ‘patriots ruling Macao’, namely the ‘Amendment to the Electoral Law for the Legislative Assembly of the Macao Special Administrative Region’ and ‘Amendment to Law No 4/1999 – Law on oaths upon taking office’. The new legislation further limits the space for pluralistic voices in both politics and society.

The amended electoral law, adopted on 11 April, introduced additional vetting mechanisms into the elections of the Legislative Assembly. Macao’s National Security Committee can now issue ‘legally binding opinions’ to the Electoral Affairs Commission determining if candidates uphold the Basic Law and pledge allegiance to the Macao SAR. The decision is not subject to judicial appeal.

The National Security Committee was set up in 2018 under the National Security Law. The Chief Executive serves as its chair, with the Director of Beijing’s Liaison Office in Macao as the National Security Affairs Adviser and two other members of the Liaison Office as National Security Technical Advisers. The new arrangement gives the Central Government direct influence over elections of Macao’s local legislature.

The bill on the Legislative Assembly electoral system sets out seven criteria for the National Security Committee to consider when examining a candidate’s eligibility to stand for election. A candidate found not to be upholding the Macao Basic Law or not pledging allegiance to the Macao SAR of the PRC will be banned from standing for election for five years. Inciting others not to vote, casting blank votes and spoiling one’s vote have become offences under this amendment, subject to a maximum punishment of three years in prison.

Meanwhile, the ‘Amendment to Law No 4/1999 – Law on oaths upon taking office’, adopted on 21 May, requires members of the Chief Executive Election Committee to take an oath, pledging allegiance to the Macao Basic Law and the Macao SAR. Meanwhile, it also stated that the oath-taking had to be ‘sincere’ and ‘solemn’.

In September, the Education and Youth Bureau put teaching materials on national security education into use, covering all education levels from preschool to higher education.

Formation of the sixth-term SAR government

In 2023, the Legislative Assembly adopted the ‘Amendment to Law No 3/2004 – Electoral Law for the Chief Executive’ which introduced, among other measures, a national security vetting procedure for candidates aimed at ensuring ‘patriots ruling Macao.’ Under the new rules, former President of the Court of Final Appeal Sam Hou Fai, who was the sole candidate, secured 394 votes from the 400-strong Election Committee on 13 October. Sam became the first mainland-born leader of the SAR¹, raising questions about the continued validity of the ‘Macao people ruling Macao’ principle.

The electoral process of the Chief Executive election started with the formation of a 400-strong Election Committee, of which 344 were elected indirectly by representatives of qualified businesses and social groups. Only 6 265 people out of a population of around 686 600 were eligible to cast their votes. In 2024, only two sub-sectors received more applications than seats

¹ Sam was born in 1962 in Zhongshan, People’s Republic of China. He moved to Macao in 1986. He was appointed as President of the Court of Final Appeal in 1999, a position he held until December 2024.

available. In the education subsector, there were 29 seats and 31 candidates, while in the labour subsector, there were 61 candidates for 59 seats. All candidates had to undergo a vetting process under the new electoral law.

On 11 August, the election for the Chief Executive Election Committee took place, with a turnout rate of 88%, similar to the 87.2% rate in 2019. Notably, in addition to the 5 347 valid votes, 18 were blank votes and 156 more were deemed invalid; one of the votes had ‘democracy is dead’ written on it.

On 21 August, the then incumbent Chief Executive Ho Iat Seng announced his decision not to seek re-election, citing health reasons. Ho became the first Macao leader not to seek re-election after the expiry of his first five-year term.

On 28 August, Sam Huo Fai, who had resigned from his post as President of the Court of Final Appeal on 26 August, announced his intention to run for Macao’s highest office. Although Sam was born in the neighbouring mainland city of Zhongshan, he highlighted his connection with Macao, where he has lived for almost 40 years.

On 29 August, the 15-day nomination period started. While 11 people requested nomination forms to run in the Chief Executive election, only Sam passed the threshold of 66 nominations. On 12 September, Sam obtained 386 nominations, cementing his role as the sole candidate in the election². On 18 September, the Electoral Affairs Commission confirmed that Sam passed national security vetting.

On 13 October, Sam secured 394 of 400 votes, the highest rate among past Macao Chief Executive elections.

On 25 October, the State Council in Beijing decided to appoint Sam as the sixth-term Chief Executive of the Macao SAR. Between 31 October and 2 November, Sam visited Beijing to receive his appointment from the Central Government. On 1 November, he met with Chinese President Xi Jinping and Premier Li Qiang.

On 30 November, following the nomination from the then-Chief Executive-designate, the Central Government appointed principal government officials. Among the top five Secretaries, two had served in the previous administration, namely the Secretary for Administration and Justice and the Secretary for Security.

On 13 December, the Chief Executive-designate announced the composition of his Executive Council, including a Macanese person with Portuguese heritage.

On 20 December, Chinese President Xi Jinping visited Macao to swear in the new Chief Executive and principal officials of the SAR, back-to-back with celebrations to mark the 25th anniversary of the handover of Macao from Portugal to the People’s Republic of China. The EU Head of Office, along with other EU Heads of Mission/ Consuls-General, was invited and attended this function. President Xi underlined the advantages of ‘one country, two systems’, the need for diversification of the economy, development of the Guangdong-Hong Kong-Macao Greater Bay Area (and the importance of the special economic district Hengqin) and

² There has been only one candidate for the Chief Executive election, except the first one in 1999.

emphasised Macao's unique role in advancing cooperation and exchanges between China and Portuguese-speaking countries and in the Belt and Road Initiative.

On 24 December, the newly sworn-in Chief Executive led a delegation of three officials for a same-day visit to Guangzhou to meet Guangdong provincial leaders, with the stated goal of strengthening cooperation between Macao and the neighbouring mainland province.

Rights, freedoms and equal opportunities

The meeting of the Universal Periodic Review Working Group of the United National Human Rights Council with regard to China, covering Macao, took place on 23 January. Ahead of the meeting, the USA and Russia made submissions related to Macao, inquiring about Macao's adoption of recommendations by UN mechanisms since the last UPR.

On 31 May, the Human Rights Council published China's views on conclusions and recommendations. While three countries made three human rights recommendations related to Macao, China accepted one from Eritrea that called for continuing to 'promote and safeguard the rights' of Macao residents in accordance with all relevant local laws. Beijing stated that the recommendation from Burundi about providing assistance to Macao to 'take more effective measures for the well-being of residents in the areas of housing, employment and health' is 'accepted and being implemented'. China 'rejected' the recommendation from the US to 'end repressive measures against women, LGBTIQ+ persons, labourers and migrant workers,' citing this as 'based on false information.'

On 5 August, the Legal Affairs Bureau called on 'all sectors of society and social organisations' to submit contributions as China prepared for the UN reporting process for the International Convention on the Elimination of All Forms of Racial Discrimination. The review will cover the period between 1 January 2017 and 31 December 2023. Local media noted that this is likely to be the first time the government has asked Macao society to contribute to any international treaty review process.

Regarding labour rights, the Legislative Assembly passed the government-proposed Trade Union Law on 12 April³. It is possible to submit applications to register unions under the law from 1 January 2025. Two lawmakers, who abstained in the vote, argued that the bill had failed to protect the rights of collective bargaining and did not fully reflect the rights as enshrined in Article 27 of Macao Basic Law⁴.

The Trade Union Law stipulates that groups seeking to participate in organisations outside of Macao have to receive approval from its members and the Chief Executive. The law also bars members of a foreign legislature or a foreign government or individuals that have been sentenced to prison terms of over three years for national security offences from taking up leadership positions in trade unions⁵.

³ Since the handover in 1999, the legislature voted down a lawmaker-proposed motion for a Trade Union Law a total of 12 times.

⁴ Article 27 of the Macao Basic Law states that Macao residents shall have freedom of speech, of the press and of publication; freedom of association, of assembly, of procession and of demonstration; and the right and freedom to form and join trade unions, and to strike.

⁵ Those convicted of relevant national security offences could have their right to assume such positions reinstated in accordance with the relevant provisions in the National Security Law.

Freedom of assembly continued to be under pressure. There was no public commemoration of the 35th anniversary of the Tiananmen crackdown in 1989, the fourth year in a row of no such commemoration. Meanwhile, one of the former organisers of the vigil, a former pro-democracy lawmaker, revealed on 29 June that Macao weekly *Jornal Son Pou* discontinued his column due to ‘special political reasons.’

Press freedom and freedom of expression remained under strain. On 7 November, the Macao Journalists Association issued a statement, calling on the government to withdraw unnecessary reporting restrictions. The statement pointed out that the government had ‘precluded the reporting rights of a host of media outlets’ by limiting invitations to selected media. The Association also reported that media outlets were ‘asked to withdraw their articles due to political pressure in several recent cases.’

The authorities continued to use immigration rules to bar individuals considered unfavourable from entering the territory. On 15 June, the Macao authorities denied the entry of a journalism educator invited by the Macao Journalists Association from entering the SAR for ‘public security reasons.’

Space for advocacy to advance the rights of LGBTIQ+ people remained limited. On 22 January, the Cultural Affairs Bureau shut down an interactive performance featuring drag queens at the 22nd Fringe Festival. Three days later, the Bureau explained that the decision to cancel the show was due to inconsistencies between the actual performance and the information received. The same show was performed as part of a theatre festival in the neighbouring mainland city of Shenzhen.

Two civil society groups managed to organise community activities during Pride Month in June.

On 7 July, a local research report revealed that members of the LGBTIQ+ community experienced discrimination when seeking medical help.

II. Economic developments

The **GDP of Macao increased** by 8.8% year-on-year in 2024, to MOP 384.1 billion (EUR 45.4 billion). This followed GDP growth of 75.1% in 2023, supported by the lifting of the strict COVID-19 pandemic restrictions and a recovery in tourism and gaming revenue. However, Macao’s economy had not yet fully recovered to pre-pandemic levels in 2024 and GDP (chained) was still 13.6% lower than in 2019.

In May 2024, the **International Monetary Fund (IMF)** released its Article IV Consultation report for Macao⁶. The IMF’s outlook for Macao was GDP growth of 13.9% in 2024, 9.6% in 2025, 4.4% in 2026 and 3% for the following three years. Risks to growth include lower-than-expected growth in mainland China, higher-for-longer interest rates in major economies and an increase in extreme climate events. On the other hand, integration with the Greater Bay Area and successful economic diversification would support the economy, according to the IMF.

⁶ International Monetary Fund, People’s Republic of China – Macao Special Administrative Region 2024 Article IV Consultation Discussions, Staff Report (May 2024): <https://www.imf.org/en/Publications/CR/Issues/2024/05/29/Peoples-Republic-of-China-Macao-Special-Administrative-Region-2024-Article-IV-Consultation-549654>.

The economic growth in 2024 was supported by an **increase in the number of tourists**. A total of 34.9 million people visited Macao during the year, with 70.1% coming from mainland China and 20.6% from Hong Kong. This is an increase of 23.8% year-on-year, but still 11.4% below 2019 levels (pre-COVID-19 pandemic) when 39.4 million people visited Macao. The average hotel occupancy rate was 86.5% in 2024, below 90.8% in 2019 but up from 81.2% in 2023 and 38.5% in 2022.

Gaming and related industries are the largest contributors to Macao's economy, due in large part to tourists. In 2024, gaming revenues continued to recover and reached MOP 227.4 billion (EUR 26.9 billion), a 23.8% increase year-on-year. However, they were still 22.5% lower than the MOP 293.3 billion (EUR 34.7 billion) generated before the pandemic (2019).

The **unemployment rate** decreased to 1.8% in 2024, from 2.7% in 2023 and 3.7% in 2022, and was back to pre-pandemic levels (1.7% in 2019).

Inflation remained low during the year, with an average composite consumer price index increase of 0.7%.

In 2024, the government recorded a **fiscal surplus** of MOP 31.0 billion (EUR 3.7 billion), having recorded a surplus of MOP 29.0 billion (EUR 3.4 billion) in 2023. Fiscal reserves amounted to MOP 616 billion (EUR 72.9 billion) at the end of December, an increase of 6.2% year-on-year and of 6.4% from before the pandemic (MOP 579 billion). Reserves are sufficient to cover 6.5 years of government expenditure.

In 2023 (Macao statistics, latest available), the stock of foreign direct investment (FDI) in Macao reached MOP 383 billion (EUR 45.3 billion), a 4.2% increase year-on-year. Hong Kong and mainland China were the largest sources of FDI.

Economic policy

Chief Executive Sam Hou Fai announced the new administration's **economic priorities**, namely advancing Macao's economic diversification, improving people's well-being (including social security, healthcare, elderly care and urban redevelopment), continuing to develop Macao as a connector between mainland China and Portuguese-speaking countries, further integrating with mainland China and participating in mainland China's economic development and improving governance.

In the **gaming sector**, casino concessionaires are required to invest in non-gaming-related activities, with the purpose of supporting Macao's economic diversification. Regulatory changes were conducted during the year in relation to gaming. In April, a new legal regime (Law No 7/2024)⁷ for granting credits for games of chance in casinos was adopted. It grants exclusive authority to casino concessionaires to extend credit directly to patrons. This results in the role and influence of gaming promoters being limited. These promoters had previously played an important role in engaging high-roller gamers and provided them with credits. Gaming promoters can now solely act as agents for concessionaires. In October, Law No 20/2024⁸ was introduced to combat illegal gambling crimes, increase fines and penalties

⁷ Official bulletin, Government of the Macao Special Administrative Region (MSAR) <https://bo.io.gov.mo/bo/i/2024/17/lei07.asp>.

⁸ Official bulletin, Government of the Macao Special Administrative Region (MSAR) <https://bo.io.gov.mo/bo/i/2024/44/lei20.asp>

for gaming-related offences and criminalise illegal loans and currency exchanges linked to gambling as well as the unauthorised operation of online gaming.

Macao's **economic diversification strategy** continued, with the aim of developing the so-called '1 + 4' industries. '1' stands for tourism and leisure and the '4' other industries are: healthcare with a focus on traditional Chinese medicine; financial services; new technologies; and convention and exhibition, trade, culture and sports. A main objective is to diversify the local economy by increasing the contribution of non-gaming industries to 60% of GDP. According to the IMF (Article IV report, May 2024), the dominance of the gaming sector generates vulnerabilities and underscores the need for economic diversification, including by improving efficiency and resource allocation, incentivising R&D and innovation, upskilling and reskilling the labour force and streamlining labour and business regulations. The IMF also called for the consideration of potential negative spillover effects, trade distortions, and governance risks that could result from diversification policies.

According to the industry, the **lack of a diversified talent pool** in Macao remains an obstacle to economic diversification. Only 470 individuals were added to the talent lists in 2024 under three recently launched talent recruitment programmes.

Initiatives to support **new technologies and innovation** include tax incentives, R&D funding and cooperation with Hengqin and the Greater Bay Area⁹. 33 enterprises have been certified under Macao's Technology Enterprises Certification Programme (as of October 2024), employing 1 300 people according to government sources. In March, a new regime for data centre installation and operation was adopted¹⁰.

With regard to **conventions and exhibitions**, 1 011 MICE ('meetings, incentives, conferences, and exhibitions') events were held in Macao in the first three quarters of 2024 (an increase of 29.8% year-on-year and roughly recovering to the 2019 level).

Concerning **health**, Macao Union Hospital commenced operation in September, supporting the development of medical, wellness and healthcare tourism to Macao. Promotion of Chinese medicine includes the Traditional Chinese Medicine Science and Technology Industrial Park of Cooperation Between Guangdong and Macao, in Hengqin. According to the government, 24 traditional Chinese medicine products were registered/recorded in Portuguese-speaking countries as of 2024.

Regarding **financial services**, the authorities aim to develop a local bond market (including green bonds and bond listings by mainland institutions and companies), wealth management and financial leasing activities, investment banking, and cross-border renminbi settlement schemes. Work to revise the financial sector regulatory framework continued during the year. In July, the Insurance Intermediary Activities Law was passed (takes effect from 1 August 2025), amending the licensing system, operational standards and oversight framework in the insurance industry. In November, a new Investment Fund Law was submitted to the Legislative Assembly to modernise the regulatory regime for funds and promote the funds management industry. The government also continued to explore the development of a digital Macao Pataca

⁹ Review of the Government's Work in the Fiscal Year 2024, Government of the Macao Special Administrative Region (MSAR), November 2024

<https://www.gov.mo/en/wp-content/uploads/sites/2/2024/12/2024Review.pdf>

¹⁰ Official bulletin, Government of the Macao Special Administrative Region (MSAR) <https://bo.io.gov.mo/bo/i/2024/13/regadm13.asp>.

(e-MOP). As of September 2024, the value of outstanding bonds issued or listed in Macao reached MOP 740 billion (EUR 87.5 billion) and a total of 102 financial institutions were licenced to operate in Macao.

According to the IMF (Article IV report, May 2024), initiatives to modernise and strengthen the financial system should go hand-in-hand with efforts to manage related risks. The IMF called for policies to strengthen the soundness of the financial system and manage risks (including higher provisioning of banks, collecting more granular data on non-performing loans and interbank credit, improving the insolvency, debt resolution and restructuring frameworks, monitoring mainland China borrowers risks, the liquidity position of banks with large foreign liabilities and the non-bank financial sector). The IMF noted that Macao has ample fiscal space and called for a slower pace of fiscal consolidation. It identified the main priorities for fiscal policy to include higher spending on human and physical capital, developing the non-gaming sector, enhancing growth sustainability and external rebalancing.

In terms of **environmental policies**, the number of electric vehicles in Macao increased to 10 978 by September (from 1 339 in 2020), an extension of Macao's central waste incineration centre was completed and work was conducted to reduce flooding. The 2024 Macao International Environmental Cooperation Forum & Exhibition (MIECF) was held in March.

The government continued to distribute **financial support to residents**, including cash benefits under the Wealth Partaking Scheme, healthcare vouchers, electricity bills and tuition fee subsidies and old age and disability allowances.

Infrastructure works were conducted during the year, including transport infrastructures, the ongoing expansion of the Macao International Airport and housing, government and education facilities.

Economic integration with mainland China

Macao is positioning itself as a platform and a connector between mainland China and Portuguese-speaking countries (including for tourism, business and financial services). In April, the sixth Ministerial Conference of the Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries was held in Macao (a 'strategic plan for economic and trade cooperation (2024-2027)' was signed). The China-Portuguese-speaking Countries Technology Centre was opened during the year.

Macao's economy has considerable exposure to mainland China visitors travelling to the SAR for tourism and gaming. Mainland China is also Macao's largest trading partner in goods, accounting for 28.3% of the total in 2024, and was its second largest source of foreign direct investment in 2023 (latest available).

Macao is pursuing further economic integration with the mainland, including through the Guangdong-Hong Kong-Macao Greater Bay Area and the Guangdong-Macao Intensive Cooperation Zone in Hengqin.

The **Guangdong-Macao Intensive Cooperation Zone** in Hengqin comprises about 100 square kilometres (about three times the size of Macao) adjacent to Macao in Guangdong province in mainland China and is jointly administered by Guangdong and Macao. It provides additional land for pursuing Macao's economic diversification and economic integration with

mainland China. Industries developed in the zone include innovation and technologies, healthcare and traditional Chinese medicine, financial services and MICE. According to the Macao government, Hengqin GDP amounted to CNY 37.3 billion (EUR 4.9 billion) and there was 16 539 Macao residents living in Hengqin and 6 461 Macao enterprises set up in the zone (as of September 2024).

In March, a new customs arrangement entered into force, whereby goods entering Hengqin Cooperation Zone from Macao are exempted from mainland Chinese tax¹¹. This provides preferential access to Hengqin for goods from the SAR (mainland China taxes would apply if the goods later exit Hengqin to enter other parts of mainland China). In December a Memorandum of Understanding was signed for the construction by Macao International Airport of an air cargo facility in Hengqin. Initiatives to further facilitate integration included encouraging the flows of people, streamlining customs clearance, facilitating electronic payment and dual-currency payment in Hengqin and supporting Macao residents to live and work in Hengqin (e.g. a residential project (2023) and a school for Macao children (2024) were opened in Hengqin and Macao healthcare vouchers have been extended to the zone).

The **Cross-boundary Wealth Management Connect Scheme** in the Guangdong-Hong Kong-Macao Greater Bay Area (launched in 2021 to allow eligible mainland Chinese, Hong Kong and Macao residents to invest in wealth management products distributed by banks in each other's market) was amended during the year. Changes include refining the eligibility criteria for mainland investors, expanding the scope of participating institutions (to include eligible securities firms) and eligible products, increasing the individual investor quota and improving the promotion and sales arrangements.

In October, the second agreement on amendments to the **Mainland and Macao Closer Economic Partnership Arrangement on Trade in Services** was signed. The agreement introduces additional liberalisation measures across several services sectors and aims to facilitate Macao service providers in establishing a presence and doing business in the mainland and the acquiring of professional qualifications to practices in the mainland. The agreement also relaxes the rules for foreign companies, including European Union companies, in Macao to qualify as service providers and benefit from CEPA.

III. Relations between Macao and mainland China

Chinese President Xi Jinping visited Macao between 18 and 20 December for the 25th anniversary of the handover. It was his first visit to Macao since 2019. Xi Jinping held the inaugural ceremony for the sixth-term government of Macao and swore in Chief Executive Sam Hou Fai.

On 20 December, Xi outlined four priorities for the new administration: working on appropriate and diversified economic development; improving governance ability; expanding international networks; and promoting social harmony and stability, including safeguarding national security.

In addition, Xi stated that projects in the Hengqin cooperation zone in Zhuhai must not be inconsistent with Beijing's policy goals. Xi highlighted that 'the Central Government decided

¹¹ Press release by the Government of Macao Special Administrative Region <https://www.gov.mo/en/news/321684/>.

to develop Hengqin in order to promote the appropriately diversified development of Macao's economy and bring convenience to the life and employment of Macao residents.'

Prior to Xi's visit and the anniversary, at least two Macao people residing abroad told the media that they were approached by mainland security officials via text messages. An activist from Macao now residing in the UK revealed that he had been urged 'not to publish inharmonious voices on media outlets and social media platforms.' A pro-democracy journalist now residing in Taiwan received a similar warning.

On 18 July, the Third Plenum of the 20th Central Committee of the Communist Party of China (CPC) which outlined the direction for economic development concluded. The 'pursuing high-standard opening up' section of the decision of the Third Plenum noted that 'harnessing the institutional strengths of the one country, two systems policy ... we (the Party) will support Hong Kong and Macao in building themselves into international hubs for high-calibre talent, and improve relevant mechanisms to see the two regions playing a greater role in China's opening to the outside world. We will encourage cooperation between Guangdong, Hong Kong, and Macao in the Greater Bay Area by promoting closer alignment of rules and mechanisms.'

At the request of the Macao government, Vice-Chairperson of the Constitution and Law Committee of the National People's Congress Shen Chunyao and Secretary of the CPC Leadership Group of the Ministry of Commerce and the Minister of Commerce Wang Wentao visited Macao between 27 and 28 August to explain the implications for the SAR of the Third Plenum's decision. Both officials held closed-door sessions with around 380 central government officials and leaders of state-owned enterprises based in the city. Another session with around 500 representatives from business, professional, education, media and youth sectors took place.

The Director of the Hong Kong and Macao Affairs Work Office Xia Baolong visited Macao between 13 and 19 May. During the seven-day visit, Xia attended more than 40 meetings and events. The audiences included government officials, members of the judiciary and the legislature, local members of the National People's Congress and the Chinese People's Political Consultative Conference. Xia focused on the medical, technology, education and youth sectors.

15 April marked the National Security Education Day and the 10th anniversary of the 'A Holistic Approach to National Security' concept, as proposed by President Xi Jinping. The Director of the Central Government's Liaison Office in Macao Zheng Xincong reiterated that in regard to safeguarding national security, 'there is only the responsibility of 'one country' and not the differences of 'two systems.'

On 25 December, members of the sixth-term Macao Special Administrative Region Basic Law Committee of the National People's Congress Standing Committee were appointed. Led by Director Shen Chunyao, the 10-member committee, consisting of 5 members from the mainland and 5 from Macao, will serve a five-year term.

IV. Macao bilateral relations and cooperation in 2024

The 1992 Agreement for Trade and Cooperation between the European Economic Community and Macao aimed to further strengthen the relationship between the EU and Macao. The agreement covers trading, economic, scientific and technological cooperation.

The EU-Macao Joint Committee is a platform through which Macao and the EU discuss matters in a number of areas. The last **Joint Committee meeting** took place in 2019.

The European Union Office organised a celebration marking Europe Day in 2024, the first since the lifting of COVID-19-related travel restrictions. The current Head of Office of the European Union Office to Hong Kong and Macao took up his position in September 2024 and met with Macao's officials (including the Chief Executive) and stakeholders from business and civil society.

In 2024, the **EU was Macao's second largest trading partner in goods**, accounting for 26.6% of Macao's total trade (vs 28.3% for mainland China, Macao's largest trading partner).

Based on Eurostat data, **EU bilateral trade in goods with Macao** in 2024 amounted to EUR 1 037 million and consisted mostly of EU exports to Macao (EUR 954 million). The EU's main exports to Macao included clothing and apparel, jewellery, leather articles and luxury goods.

The **EU was Macao's fourth largest source of foreign direct investment (FDI) in 2023** (excluding offshore centres), after Hong Kong, mainland China and the US. According to Macao's official statistics, the EU accounted for 5.5% of its total FDI stock in 2023 (excluding offshore centres). According to Eurostat, EU FDI in Macao accounted for EUR 1.46 billion at the end of 2023 (latest available), while FDI in the EU from Macao amounted to EUR 984 million.

The EU-Hong Kong and Macao Policy Dialogue Support Facility project provided a platform for discussions on topics such as sustainability during the early part of the year, until May 2024. In December 2024, the new Policy Dialogue and Public Diplomacy Facility for Hong Kong and Macao was launched. The 3-year project supports the EU Office's continuing engagement with key counterparts in Macao on strategic topics of mutual interest, primarily through joint events, preparation of studies, and production of visibility material.