



MACAU
INVESTMENT CLIMATE STATEMENT
2015

Table of Contents

Executive Summary

1. Openness To, and Restrictions Upon, Foreign Investment

- 1.1. *Attitude Toward FDI*
- 1.2. *Other Investment Policy Reviews*
- 1.3. *Laws/Regulations of FDI*
- 1.4. *Industrial Strategy*
- 1.5. *Limits on Foreign Control*
- 1.6. *Privatization Program*
- 1.7. *Screening of FDI*
- 1.8. *Competition Law*
- 1.9. *Investment Trends*
 - 1.9.1. *Tables 1 and if applicable, Table 1B*

2. Conversion and Transfer Policies

- 2.1. *Foreign Exchange*
 - 2.1.1. *Remittance Policies*

3. Expropriation and Compensation

4. Dispute Settlement

- 4.1. *Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts*
- 4.2. *Bankruptcy*
- 4.3. *Investment Disputes*
- 4.4. *International Arbitration*
 - 4.4.1. *ICSID Convention and New York Convention*
- 4.5. *Duration of Dispute Resolution*

5. Performance Requirements and Investment Incentives

- 5.1. *WTO/TRIMS*
- 5.2. *Investment Incentives*
 - 5.2.1. *Research and Development*
- 5.3. *5.3 Performance Requirements*
- 5.4. *Data Storage*

6. Right to Private Ownership and Establishment

7. Protection of Property Rights

7.1. Real Property

7.2. Intellectual Property Rights

8. Transparency of the Regulatory System

9. Efficient Capital Markets and Portfolio Investment

9.1. Money and Banking System, Hostile Takeovers

10. Competition from State-Owned Enterprises

10.1. OECD Guidelines on Corporate Governance of SOEs

10.2. Sovereign Wealth Funds

11. Corporate Social Responsibility

11.1. OECD Guidelines for Multinational Enterprises

12. Political Violence

13. Corruption

13.1. UN Anticorruption Convention, OECD Convention on Combatting Bribery

14. Bilateral Investment Agreements

14.1. Bilateral Taxation Treaties

15. OPIC and Other Investment Insurance Programs

16. Labor

17. Foreign Trade Zones/Free Ports/Trade Facilitation

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

19. Contact Point at Post for Public Inquiries

Executive Summary

Macau became a Special Administrative Region (SAR) of the People's Republic of China (PRC) on December 20, 1999. Macau's status since reverting to Chinese sovereignty is defined in the Sino-Portuguese Joint Declaration (1987) and the Basic Law. Under the concept of “one country, two systems” articulated in these documents, Macau enjoys a high degree of autonomy in economic matters, and its economic system is to remain unchanged for 50 years. The Government of Macau (GOM) maintains a transparent, non-discriminatory, and free-market economy. The GOM is committed to maintaining an investor-friendly environment.

In 2002, the GOM ended a long-standing gaming monopoly, awarding two gaming concessions to consortia with U.S. interests. This opening has encouraged substantial U.S. investment in casinos and hotels, and has spurred exceptionally rapid economic growth over the last few years.

Macau is today the undisputed gaming capital of the world, having surpassed Las Vegas in terms of gambling revenue. U.S. investment over the past decade is estimated to exceed USD 10 billion. In addition to gaming, Macau is positioning itself to be a regional center for incentive travel, conventions, and tourism. The American business community in Macau has continued to grow. In 2007, business leaders founded the American Chamber of Commerce of Macau.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

Macau became a Special Administrative Region (SAR) of the People's Republic of China (PRC) on December 20, 1999. Macau's status since reverting to Chinese sovereignty is defined in the Sino-Portuguese Joint Declaration (1987) and the Basic Law. Under the concept of “one country, two systems” articulated in these documents, Macau enjoys a high degree of autonomy in economic matters, and its economic system is to remain unchanged for at least fifty years. The GOM maintains a transparent, non-discriminatory, and free-market economy. Macau has separate membership in the World Trade Organization (WTO).

The GOM aims to diversify Macau's economy by attracting foreign investment and is committed to maintaining an investor-friendly environment. Corporate taxes are low with a tax rate of 12 percent for companies whose net profits exceed USD 37,500 (300,000 Patacas). For net profits less than USD 37,500, the tax ranges from three percent to 12 percent. The top personal tax rate is 12 percent; however, the tax rate of casino concessionaries is 35 percent on gross gaming revenue, plus a four percent contribution for culture, infrastructure, tourism, and a social security fund.

In 2002, the GOM ended a long-standing gaming monopoly, awarding two gaming concessions to consortia with U.S. interests. This opening has encouraged substantial U.S. investment in casinos and hotels, and has spurred exceptionally rapid economic growth over the last few years. Macau is positioning itself to be a regional center for gaming, incentive travel, conventions, and tourism.

In 2004, Macau and the PRC implemented a free trade agreement, the Closer Economic Partnership Arrangement (CEPA). The agreement is similar to the Hong Kong-PRC CEPA. Macau's CEPA currently provides tariff-free access to Mainland China for all Macau-origin products and preferential treatment for 48 service sectors. Since March 1, 2015, Macau and Guangdong have implemented an agreement which was signed in December 2014 on achieving basic liberalization of trade in services in Guangdong Province. The agreement has introduced for the first time under the CEPA framework the use of negative list that covers 134 service sectors for Macau and granted national treatment to Macau's 58 service industries. In addition, this agreement has offered Macau most-favored treatment -- any CEPA-plus liberalization measures included in the free trade agreements signed by the Mainland China with other countries will be automatically extended to Macau. The framework and content of the agreement has set a model for basic liberalization of trade in services between Macau and all of Mainland China by the end of 2015. With the PRC's launch of Guangdong Free Trade Zone in March 2015, industry observers expected that Macau will strengthen further its cross-border collaboration with Guangdong.

Macau is heavily dependent on the gaming sector and tourism industries. In addition, a single product category – textiles and apparel – accounts for approximately 7.6 percent of its goods exports. In 2014, Macau's textile and apparel exports decreased by 4.1 percent, the result of continued decline since the elimination of the textile quota system at the end of 2004.

Foreign firms and individuals are free to establish companies, branches, and representative offices without discrimination or undue regulation in Macau. There are no restrictions on the ownership of such establishments. Company directors are not required to be citizens of, or resident in, Macau.

Other Investment Policy Reviews

Macau conducted the Trade Policy Review in May 2013 through WTO.
https://www.wto.org/english/tratop_e/tpr_e/g281_e.pdf

Laws/Regulations of Foreign Direct Investment

Macau's legal system is based on the rule of law and the independence of the judiciary. Foreign and domestic companies register under the same rules and are subject to the same set of business regulations, i.e., the commercial and bankruptcy laws (Decree 40/99/M).

In December 2014, the Legislative Assembly passed a bill on preventing and curbing bribery in external trade. The bill, which is based on compliance with the United Nations Convention against Corruption, has come into effect since January 1, 2015. The law stipulates that anyone who offers a bribe to foreign public officials (including officials of the Chinese mainland, Hong Kong and Taiwan) and officials of public international organizations in exchange for a trade deal could receive a jail term up to three years or fines.

Industrial Promotion

Macau has determined to speed up its economic diversification to transform the city into a world center of tourism and leisure equipped with convention and exhibition facilities and a service platform for economic and trade co-operation between China and Portuguese-speaking countries. These policies are expected to create business opportunities for domestic and foreign investors.

Limits on Foreign Control

Since 2001, the GOM has been steadily liberalizing its telecommunications sector. The GOM has already liberalized the mobile phone and Internet service markets. In November 2011, Macau Chief Executive Fernando Chui announced plans to liberalize the fixed-line public telecommunications network, which is monopolized by Companhia de Telecomunicações de Macau (CTM) under a concessionary contract, which expired at the end of 2011. In June 2013, the GOM granted two licenses to CTM and to MTel Communications Co Ltd (MTel), ending Macau's 32-year-old fixed-line telephone monopoly. In March 2015, the GOM granted four 4G licenses after six companies submitted bids in November 2014. The licenses are valid for eight years.

Certain residency requirements are imposed on three professional services sectors as described below:

Education - an individual applying to establish a school must have a Macau Certificate of Identity or have the right to reside in Macau. The principal of a school must be a Macau resident.

Newspapers and magazines - applicants must first apply for business registration and register with the Government Information Bureau as an organization or an individual. The publisher of a newspaper or magazine must be a Macau resident or have the right to reside in Macau.

Legal services - lawyers from foreign jurisdictions who seek to practice Macau law must first obtain residency in Macau. Foreign lawyers must also pass an examination before they can register with the Lawyer's Association, a self-regulatory body. The examination is given in Chinese or Portuguese. After passing the examination, foreign lawyers are required to serve an 18-month internship before they are able to practice law in Macau.

Privatization Program

The GOM has not mentioned any considerations of privatization programs in recent years.

Screening of FDI

Apart from several economic sectors such as gaming, water supply, electricity supply, cable TV, and public bus services run by private companies under concession contracts from the GOM, Macau has no investment approval procedure for both domestic and foreign investors.

Competition Law

Macau has no agency that reviews transactions for competition-related concerns, nor a competition law. The Commercial Code (Law No. 16/2009) contains basic elements of a competition policy with regard to commercial practices that can distort the proper functioning of markets. The GOM states that the existing provisions are adequate and appropriate given the scale and scope of local economy.

Investment Trends

Promoting economic diversification and increasing regional cooperation remain the top priorities of the GOM. Following the strengthened implementation of CEPA as well as development in the Pearl River Delta regional co-operation, Macau will become an ideal choice for investors with development potential in the tourism and leisure, and MICE (meetings, incentives, conferences and exhibitions).

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	N/A	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	N/A	doingbusiness.org/rankings
Global Innovation Index	2014	N/A	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	N/A	data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

Profits and other funds associated with an investment, including investment capital, earnings, loan repayments, lease payments, and capital gains, can be freely converted and remitted. The domestic currency, Macau Official Pataca (MOP), is pegged to the Hong Kong Dollar at 1.03 and indirectly to the U.S. Dollar at an exchange rate of approximately MOP 7.99 = USD 1. The Monetary Authority of Macau, the de facto central bank, is committed to exchange rate stability through maintenance of the peg to the Hong Kong Dollar.

Although Macau imposes no restrictions on capital flows and foreign exchange operations, exporters are required to convert 40 percent of foreign currency earnings into MOP. This legal requirement is not applied to tourism services.

Remittance Policies

Macau does not restrict the remittance of profits and dividends derived from investment, nor does it require reporting on cross-border remittances. Foreign investors can bring capital into Macau and remit it freely.

Macau has anti-money laundering and counter-terrorist financing legislations in place. The Financial Action Task Force (FATF), however, has recommended that it continue making considerable efforts to develop an AML/CFT framework that meets international standards such as an effective cross-border cash declaration system.

3. Expropriation and Compensation

The U.S. Consulate General is not aware of any actions to expropriate. Legal expropriations of private property may occur if it is in the public interest. In such cases, the Macau SAR Government will exchange the private property with an equivalent public property based on the fair market value and conditions of the property. The exchange of property is in accordance with established principles of international law. There is no remunerative compensation.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Macau's legal system is based on the rule of law and the independence of the judiciary. Courts in Macau include the Court of Final Appeal, Intermediate Courts, and Primary Courts. There is also an Administrative Court, which has jurisdiction over administrative and tax cases. These provide an effective means for enforcing property and contractual rights. Macau's dramatic economic expansion in the last few years, combined with a shortage of qualified jurists, have put a strain on the operations of the judicial system, leading in some cases to delays in case resolution of over two years. In a 2011 speech, the President of the Court of Final Appeal observed that Macau required an additional 20 judges. In that same year, Secretary for Administration and Justice Florinda da Rosa Silva Chan stated that Macau lacked a total of 110 judicial clerks. In response, the GOM has increased the number of judge and judicial clerk training programs. In September 2013, the GOM appointed six new judges and six new prosecutors. At present, the Court of Final Appeal has three judges; the Intermediate Courts have 10 judges; and the Primary Courts have 29 judges. The Public Prosecutions Office has 40 prosecutors.

Bankruptcy

Commercial and bankruptcy laws are written under the Macau Commercial Code (Decree 40/99/M).

Investment Disputes

The U.S. Consulate General is aware of one investor-state dispute involving U.S. or other foreign investors or contractors and the Macau SAR Government. In March 2010, low cost airline

carrier was reportedly forced to cancel flight services related to an alleged credit dispute with its fuel provider, triggering events which led to the airline's de-licensing. Macau courts declared the airline bankrupt in September 2010. The airline's major shareholder, a U.S. private investment company, filed a case in the Macau courts seeking a judgment whether a GOM administrative act led to the airline's demise. The Court of Second Instance held hearings on May and June 2012. In November 2013, the Court of Second Instance rejected the appeal. Private investment disputes are normally handled in the courts or via private negotiation. Alternatively, disputes may be referred to the Hong Kong International Arbitration Center or the World Trade Center Macau Arbitration Center.

International Arbitration

Macau established the World Trade Center Macau Arbitration Center in June 1998. The objective of the Center is to promote the resolution of disputes through arbitration and conciliation, providing the disputes parties with alternative resolutions other than judicial litigation.

ICSID Convention and New York Convention

Macau has an arbitration law (Decree 55/98/M), which adopts the United Nations Commission on International Trade Law (UNCITRAL) model law for international commercial arbitration. The Macau SAR Government accepts international arbitration of investment disputes between itself and investors.

Duration of Dispute Resolution

The GOM does not publish the figures on duration of dispute resolution.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Macau has been a World Trade Organization (WTO) member since 1995 and a member of the General Agreement on Tariffs and Trade (GATT) since 1991. The U.S. Consulate General is not aware of any measures that are inconsistent with Trade Related Investment Measures (TRIMS) requirements.

Investment Incentives

To attract foreign investment, the Macau SAR Government offers investment incentives to investors on a national treatment basis. These incentives are contained in Decrees 23/98/M and 49/85/M and are provided so long as companies can prove they are doing one of the following: promoting economic diversification, contributing to promotion of exports to new unrestricted markets, promoting added value within their activity's value chain, or contributing to technical modernization. There is no requirement that nationals own shares. These incentives are categorized as fiscal incentives, financial incentives, and export diversification incentives.

Fiscal incentives include full or partial exemption from profit/corporate tax, industrial tax, property tax, stamp duty for transfer of properties, and consumption tax. The tax incentives are consistent with the WTO Agreement on Subsidies and Countervailing Measures as they are neither export subsidies nor import substitution subsidies as defined in the WTO Agreement. Financial incentives include government-funded interest subsidies. Export diversification incentives include subsidies given to companies and trade associations attending trade promotion activities organized by the Macau Trade and Investment Promotion Institute. Only companies registered with Macau Economic Services may receive subsidies for costs such as space rental or audio-visual material production. Macau also provides other subsidies for the installation of anti-pollution equipment.

Research and Development

The GOM has set up the Science and Technology Development Fund to provide funding for education, research and project development. The funding, which may be granted at more than USD 62,500, targets for 1) local universities, colleges and their research centers; 2) laboratories or entities engaging in research in Macau; 3) local private non-profit organizations; 4) commercial enterprises registered in Macau; 5) individuals engaging in research in Macau, including foreigners who own legal working documents.

Performance Requirements

Both local and foreign casino operators in Macau are required by law to employ only Macau residents as croupiers. There is no such restriction imposed on any other sector of the economy.

Data Storage

There are no requirements by the GOM for foreign IT providers to turn over source code and/or provide access to surveillance.

6. Right to Private Ownership and Establishment

Macau law and regulations provide for the right of foreign and domestic private entities to establish, acquire, and dispose of interests in business enterprises.

7. Protection of Property Rights

Real Property

Private ownership of property is enshrined in the Basic Law. There are no restrictions on foreign property ownership. Macau has a sound banking mortgage system, which is under supervision of the Macau Monetary Authority. There are only a small number of freehold property interests in the older part of Macau.

Intellectual Property Rights

Macau is a member of the World Intellectual Property Organization. Macau has acceded to the Bern Convention for the Protection of Literary and Artistic Works. Patents and trademarks are registered under Decree 97/99/M. Macau's copyright laws are compatible with the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and government offices are required to use only licensed software. The Macau SAR Government devotes considerable attention to intellectual property rights enforcement and coordinates with copyright holders. Source Identification Codes are stamped on all optical discs produced in Macau. Macau Economic Services uses an expedited prosecution arrangement to speed up punishment of accused retailers of pirated products.

Macau Customs has worked to combat optical disc piracy in recent years, resulting in the closure of all illicit optical disc production lines in Macau. Macau Customs also maintains an enforcement department to investigate incidents of intellectual property (IP) theft. In 2014, Macau had no case of optical disc piracy. Macau Customs works closely with Mainland Chinese authorities, foreign customs agencies, and the World Customs Organization to share best practices to address criminal organizations engaging in IP theft.

Since 2010, Macau has accelerated the registration processes for trademarks and patents by doubling the publication frequency of applications. In February 2012, the Legislative Assembly passed a bill to "Modify the Copyright System and Related Rights," which revised the existing copyright law by extending protections to Internet and digital technology. Today, copyright infringement for trade or business purposes is subject to a fine or a maximum imprisonment of four years. Since the enactment of the law, signal piracy (including U.S. origin program content) has been reduced.

Resources for Rights Holders

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For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.
Local lawyers list: http://hongkong.usconsulate.gov/acs_attorneys.html

8. Transparency of the Regulatory System

The GOM has transparent policies and laws that establish clear rules and do not unnecessarily impede investment. The basic elements of a competition policy are set out in Macau's 1999 Commercial Code.

9. Efficient Capital Markets and Portfolio Investment

Macau allows free flows of financial resources. Foreign investors can obtain credit in the local financial market.

In December 2009, the Macau Monetary Authority (MMA) signed a memorandum with the People's Bank of China to develop the Renminbi (RMB) settlement mechanism for cross-border trade. According to the memorandum, the quota on the value of RMB exchange for each individual transaction increased from RMB 6,000 (USD 878) to RMB 20,000 (USD 2,928). The list of designated merchants who are allowed to exchange RMB for Pataca from Macau banks was expanded to include institutions that provide telecommunications, education, and exhibition/convention services. In addition, Macau residents are allowed to use RMB checks to pay for consumer spending in Guangdong Province up to RMB 50,000 (USD 7,320) per account per day. Since 2010, the People's Bank of China has been providing the cross-border settlement of funds for Macau residents and institutions involved in transactions for RMB bonds issued in Hong Kong. Macau residents and institutions can purchase or sell, through Macau RMB participating banks, the RMB bonds issued in Hong Kong. In March 2012, in an effort to diversify its asset portfolio, the MMA signed an agreement with the People's Bank of China to acquire up to RMB 10 billion in RMB bonds. In December 2013, China doubled the quota for investment in the mainland bond market to RMB 20 billion.

Macau has no stock market, but companies can seek a listing in Hong Kong's stock market. Macau and Hong Kong financial regulatory authorities also cooperate on issues of mutual concern. Under the Macau Insurance Ordinance, the Monetary Authority authorizes and monitors insurance companies. There are 11 life insurance companies and 12 non-life insurance companies in Macau. Total gross premium income from insurance services amounted to USD 853 million in 2013.

Offshore finance businesses, including credit institutions, insurers, underwriters, and offshore trust management companies, are regulated and supervised by the Macau Monetary Authority. Profits derived from offshore activities are fully exempted from all form of taxes. In June 2012, the Legislative Assembly passed a draft bill for a deposit protection scheme. The new law (Law 9/2012), which has been in effect since October 2012, stipulates that banks compensate depositors up to a maximum of MOP 500,000 (USD 62,500) in case of a bank failure. To finance the deposit protection scheme, the GOM has injected MOP 150 million (USD 18.75 million) into the deposit protection fund, while banks need to pay an annual contribution of 0.05 percent of the amount of protected deposits held.

Money and Banking System, Hostile Takeovers

The Macau Monetary Authority (MMA) functions as a de facto central bank. It is responsible for maintaining the stability of the financial system and managing the currency reserves and foreign assets. At present, there are twenty-nine financial institutions in Macau, including 10 local banks and 19 branches of banks incorporated outside Macau. In addition, there are eleven moneychangers, two cash remittance companies, two financial intermediaries, six exchange counters and one representative office of a financial institution. These institutions provide a range of credit instruments. Banks with capital originally from Mainland China and Portugal had a combined market share of about 88.6 percent of total deposits in the banking system at the end of 2014. Total deposits amounted to USD 60.3 billion in January 2015. In December 2014, banks in Macau maintained a capital adequacy ratio of 14.23 percent, well above the minimum eight percent recommended by the Bank for International Settlements. Accounting systems in Macau are consistent with international norms.

The six gaming operators in Macau are listed on the Hong Kong Stock Exchange. These stocks are controlled by small groups of shareholders with controlling stakes which make them difficult for hostile bids to succeed.

10. Competition from State-Owned Enterprises

Macau's gaming sector accounts for over 70 percent of the local economy, though the GOM has no ownership in any gaming companies. Several economic sectors – including cable television, telecommunications, electricity, and airport/port management are run by private companies under concession contracts from the GOM. The GOM holds a small percentage of shares (ranging from one to ten percent) in these government-affiliated enterprises. The government set out in its 1999 Commercial Code the basic elements of a competition policy with regard to commercial practices that can distort the proper functioning of markets. Court cases related to anti-competitive behavior remain rare.

OECD Guidelines on Corporate Governance of SOEs

Macau is not a member of the Organization for Economic Cooperation and Development (OECD) and does not adhere to the Guidelines for Multinational Enterprises.

Sovereign Wealth Funds

The IMF suggested in July 2014 that the GOM invest its large fiscal reserves in setting up a sovereign wealth fund to protect the city's economy from future headwinds like slowing gaming revenues, increased social spending arising from the ageing population and structural reforms in mainland China. In response, Chief Executive Fernando Chui stated in his policy address in March 2015 that the GOM will study the establishment of Investment Development Fund within 2015.

11. Corporate Social Responsibility

The six gaming concessionaires that dominate Macau's economy pay four percent of gross gaming revenues to the government to fund cultural and social programs in the SAR. Several operators also directly fund gaming addiction rehabilitation programs. Some government-affiliated entities maintain active CSR programs. For example, Companhia de Electricidade de Macau, an electric utility, sponsored Macau's regional Special Olympics program in January 2010, and the company's volunteer programs include education programs and repair services provided free-of-charge to underprivileged residents. Since 2007, the Junior Chamber International Macau (JCIM) has held an annual Corporate Social Responsibility International Forum to promote CSR programs. At the 2014 forum, the JCIM Chairman said that his organization wanted to introduce to Macau companies and young people the concept of and case studies on corporate social responsibility so as to let the businesses and communities make win-win development.

OECD Guidelines for Multinational Enterprises

Macau is not a member of the OECD and hence the OECD Guidelines for Multinational Enterprises is not applicable to Macau companies.

The GOM will conduct an interim assessment of the gaming sector in 2015. One of the eight aspects that the GOM will consider for the renewal of gaming licenses, which will expires in 2020-2022, is casino operators' social responsibility. The industry observers expected the GOM will follow generally accepted CSR principles in the review.

12. Political Violence

Macau is politically stable. The U.S. Consulate General is not aware of any incidents in recent years involving politically motivated damage to projects or installations.

13. Corruption

Macau's anti-corruption agency is the Commission Against Corruption (known by its Portuguese acronym CCAC). The CCAC's highest profile case was Macau Transport and Public Works Secretary Ao Man Long's 27-year prison sentence in 2008. Ao was convicted of accepting bribes from real estate and construction companies in exchange for contract approvals in 20 public works projects. Until 2009, the CCAC's overall effectiveness remained constrained by legislation limiting the scope of its authority to government-sector corruption. In August 2009, the Legislative Assembly passed an amendment that empowered the CCAC to also investigate private-sector corruption.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Macau is not a party to the UN Anticorruption Convention, nor a party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Resources to Report Corruption

FONG Man-chong, Commissioner
Commission Against Corruption
105, Avenida Xian Xing Hai, 17/F, Centro Golden Dragon, Macau
+853- 2832-6300
ccac@ccac.org.mo

14. Bilateral Investment Agreements

Macau has signed investment protection agreements with Portugal and the Netherlands.

Bilateral Taxation Treaties

Macau does not have a bilateral taxation treaty with the United States.

15. OPIC and Other Investment Insurance Programs

Overseas Private Investment Corporation (OPIC) coverage is not available in Macau.

16. Labor

Macau's unemployment rate in January 2015 was 1.7 percent, down from a high of 6.1 percent in 2003, primarily due to the increase in gaming facilities, retail trade, construction, and hotels. Foreign businesses cite the constant shortage of skilled workers – a result of the past decade's boom in entertainment facilities – as a top constraint on their operations and future expansion. The government is studying proposals to resolve the human resources problem. For example, Macau has labor importation schemes for unskilled and skilled workers who cannot be recruited locally. In November 2012, Macau Chief Executive Fernando Chui announced that the Central Government has approved the importation of domestic helpers from Mainland China. As a pilot scheme, the GOM imported 86 and 17 domestic helpers from the provinces of Guangdong and Fujian in September 2014, respectively.

The GOM has also put measures in place to replace some foreign workers with Macau residents. In 2009, the Legislative Assembly passed a bill that established criminal penalties for employers of illegal migrants and prevented foreign workers from changing employers in Macau. The Government has used the proceeds of a tax on the import of temporary workers for retraining local unemployed people.

In June 2014, the GOM introduced to the Legislative Assembly a bill on setting Macau's first statutory minimum hourly wage at USD 3.8 for security guards and cleaners employed by the property management companies. The legislators are still debating the bill, which is expected to be passed in 2015.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

Macau is a free port; however, there are four types of dutiable commodities: liquors, tobacco, vehicles, and petrol. Licenses must be obtained from the Economic Service Bureau prior to importation.

There are a number of significant infrastructure projects in Macau, including:

-Light Rail Transit (LTR) System: In 2003, an in effort to relieve traffic congestion, the Macau Government proposed to build a 21-km LTR, which will connect Macau Peninsula, Taipa, and Cotai with 21 stations. After years of research, the GOM commenced the first phase in November 2011. The GOM expects to complete the LTR by 2018/19 and to increase the number of passengers from 8,000 in the early stage of operation to 14,200 by 2020.

-Hong Kong-Zhuhai-Macau Bridge: The construction of the Macau section of the 29-km bridge started in December 2009. The bridge is expected to better link Hong Kong, Zhuhai, and Macau with the less developed western part of the Pearl River Delta region. The bridge is scheduled for completion in 2017.

-Pac On Ferry Terminal: A new ferry terminal at Taipa is due for completion in 2015. It will become Macau's main maritime border crossing with a capacity for 15 million passengers a year.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2013	51,684	2013	51,750	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	2013	-91	2013	1,619	http://bea.gov/international/factsheet/factsheet.cfm?Area=616
Host country's FDI in the United States (\$M USD, stock positions)	2013	N.A.	2013	279	http://bea.gov/international/factsheet/factsheet.cfm?Area=616
Total inbound stock of FDI as % host GDP	2013	44.1	2013	46.0	

Source: Macau Statistics and Census Service

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data**From Top Five Sources/To Top Five Destinations (US Dollars, Millions)**

Inward Direct Investment			Outward Direct Investment		
Total Inward	23,604	100%	Total Outward	1,815	100%
Cayman Islands	8,267	35%	Virgin Islands, British	702	39%
China, P.R.: Hong Kong	5,943	25%	China, P.R.: Hong Kong	576	32%
Virgin Islands, British	5,207	22%	China, P.R.: Mainland	576	32%
China, P.R.: Mainland	2,676	11%			
Portugal	920	4%			

"0" reflects amounts rounded to +/- USD 500,000.

Source: IMF Coordinated Direct Investment Survey

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets**Top Five Partners (Millions, US Dollars)**

Total			Equity Securities			Total Debt Securities		
All Countries	48,958	100%	All Countries	21,486	100%	All Countries	27,472	100%
China, P.R.: Mainland	22,379	46%	China, P.R.: Hong Kong	12,675	59%	China, P.R.: Mainland	19,399	71%
China, P.R.: Hong Kong	14,588	30%	China, P.R.: Mainland	2,980	14%	China, P.R.: Hong Kong	1,913	7%
Cayman Islands	2,179	4%	Cayman Islands	1,616	8%	United States	869	3%
Luxembourg	1,701	3%	Luxembourg	1,412	7%	Singapore	619	2%
United States	1,184	2%	Bermuda	764	4%	Cayman Islands	563	2%

Source: IMF Coordinated Portfolio Investment Survey

19. Contact for More Information

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