

Summary of the 2018 Work Report of the Macao Trade and Investment Promotion Institute

In compliance with Administrative Regulation No. 26/2017 and Secretary for Economy and Finance Order No. 91/2017, the Macao Trade and Investment Promotion Institute (IPIM) conducted a reorganisation of its structure, effective from 1 January 2018. IPIM's original structure – five departments, three divisions and eight sectors – was modified to six departments and 16 divisions. The reconfiguration is aimed at enabling IPIM further to fulfil the overall goals and objectives set by the Government of the Macao Special Administrative Region (SAR). These include: optimising and rationalising the structure of public administration; further promoting the development of the local meetings, incentives, conventions and exhibitions (MICE) industry; and advancing the positioning of Macao as a Trade and Economic Co-operation Services Platform between China and Portuguese-speaking Countries ("Platform between China and PSCs").

Following its organisational restructuring, IPIM stepped up efforts to support and promote the development of Macao's MICE industry and the city's positioning as a Platform between China and PSCs. The restructuring process further clarified the direction for IPIM's work, providing IPIM with a sharpened focus on economic and trade promotion. The streamlining of IPIM's organisational structure allowed it to further expand the scope of its functions, as well as

enabling a greater clarification of its responsibilities. Positive results from the new organisational structure have been seen gradually.

Following its restructuring, IPIM continued in 2018 to pursue the policy objectives of the Macao SAR Government, including the policy priorities set by the Secretariat for Economy and Finance. Key tasks include: promotion of the development of the local MICE industry, namely pursuing a strategy of giving “priority to conventions” and attracting a greater number of international, high-profile exhibitions to Macao; advancing the development of the Platform between China and PSCs, and of Macao’s “Three Centres” strategy; active participation in regional co-operation, especially related to the development of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area), and the strengthening of trade and economic collaboration with Guangdong, Fujian, and the rest of the Pan-Pearl River Delta region; and making full use of the unique advantages provided by the Platform between China and PSCs to continue providing services to enterprises from Mainland China, in order for the latter to expand bilateral economic and trade co-operation and exchanges with counterparts from the Portuguese-speaking Countries, and countries and regions covered by China’s “Belt and Road Initiative”, thus facilitating the integration of the Platform between China and PSCs and the “Belt and Road Initiative” and promoting Macao’s moderate economic diversification and sustainability.

During 2018 IPIM also continued to provide its complete range of diversified services for enterprises and investors. These consist of a wide variety of long-term support services, including: an Investor's "One-stop Service", trade and economic promotion services, support to the offshore services sector, investment residency application services and trade and economic information consultation.

Highlights of IPIM's work in 2018:

- Attraction of Inward Investment

A routine task for IPIM over the years has been assisting local and overseas investors to invest or set up companies in Macao. In 2018, IPIM's Investor's "One-stop Service" received 1,533 enquiries, handled 1,550 enquiries, and received 223 new investment projects (excluding projects related to offshore service businesses). A total of 125 investment projects followed up by IPIM (including projects submitted to IPIM in 2018 and others submitted prior to that) were completed in 2018; while IPIM's notary service processed 174 company registration applications.

Regarding business-matching services, IPIM arranged 2,354 business-matching sessions during various trade events in Macao and elsewhere, and facilitated the signing of 168 co-operation agreements.

Concerning the offshore services sector, following adjustments made to Macao's offshore company regime in 2005, a total of 343 licensed offshore service institutions had been established as of 31 December 2018. (Following the promulgation of Law No. 15/2018 on 19 December 2018 repealing Macao's existing offshore regime, licensed offshore service institutions are still entitled to income tax exemption until 31 December 2020: some tax exemptions, namely related to intellectual property-linked profits, are no longer available.)

Regarding the number of investment residency applications in 2018, there was a total of 232 new applications under the "Management and/or Technical Personnel" category, of which 25 cases were approved. There were 11 applications made under the "Major Investment/Investment Plan" category, with two approved.

- Coordination and Acceleration of the Development of the MICE Industry under the 'priority to conventions' strategy

In 2018, IPIM continued to promote the development of the local MICE industry and the implementation of the "priority to conventions" strategy. Making use of its "Conference Ambassadors" scheme, IPIM further optimised its "One-stop Service" for MICE Bidding and Support in Macao and offered various support programmes for conferences and exhibitions, attracting a number of international events to Macao. In April 2018, IPIM merged the "Convention and Exhibition Stimulation Programme" and the "International Meeting and Trade Fair Support Programme" to form the "Convention and

Exhibition Financial Support Programme”, while continuing to offer a number of subsidies vis-à-vis transportation.

IPIM also continued to encourage exhibition organisers to provide event delegates with opportunities to visit local communities in Macao and to use services provided by businesses in local neighbourhoods. In this respect, the “Community Shopping Tips” route maps further helped IPIM to promote community tourism and information about local businesses. In 2018, IPIM organised guided tours of local communities for delegates from a number of large-scale conventions and exhibitions that took place in Macao. More than 35,000 MICE event participants benefited from the scheme, bringing added vitality to local neighbourhood’s economic development.

In 2018, via its “One-stop Service” for MICE Bidding and Support, IPIM did follow-up work on an aggregate of 239 MICE projects, representing a 23-percent year-on-year increase. The figure included 174 convention projects, 57 exhibition projects, and eight conventions-cum-exhibition projects. A total of 28 conventions with more than 1,000 attendees each were held in Macao via the “One-stop Service” for MICE Bidding and Support, representing an annual growth rate of nearly 50 percent.

As part of the work to foster the local development of branded exhibitions, a number of major international MICE events developed in Macao were held in the city in 2018, including the “2018 Macao International Environmental Co-operation Forum and Exhibition”, the “9th International Infrastructure Investment and Construction Forum”, and the “23rd Macao International Trade and Investment Fair”. The events further enhanced Macao’s global reputation as an international destination for MICE. IPIM also continued to organise local

delegations – featuring representatives from the city’s MICE and tourism industries – to participate in a number of business tourism trade shows in Mainland China and beyond. IPIM continued its work to promote Macao’s unique MICE-related strengths, and to deepen regional collaboration in MICE business, while promoting the image of Macao as a MICE destination internationally.

In order to intensify efforts to develop fresh talent for the local MICE industry and enhance the sector’s competitiveness and quality, IPIM continued to subsidise a number of professional training and internationally recognised certification courses, organised by the local MICE industry and reputable international organisations. Such courses included the “Certified in Exhibition Management (CEM) Learning Programme” and the “UFI-Exhibition Management Degree” (EMD). By the end of 2018, there was a total of 238 CEM-accredited professionals registered in Macao, and 88 individuals holding EMD certificates.

Some of the places on the CEM and EMD programmes held in Macao in 2018 were reserved for MICE-sector professionals coming either from other places in the Greater Bay Area, or from Portuguese-speaking Countries. It was the first time that this had happened. The aim was to foster mutual growth of the sector in all those locations.

In addition, IPIM continued in 2018 to recruit local young people to work at large-scale MICE activities as temporary staff members, allowing them to gain hands-on experience and cultivate their interest in the MICE industry. By identifying young people with high potential and helping to encourage them to possibly be either event organisers or event participants, IPIM was striving to promote the long-term development of Macao’s MICE industry.

It is important to highlight that the rapid development of the local MICE industry has promoted the moderate diversification and

sustainable development of Macao's economy. The positive impact of MICE business on a number of sectors – including tourism, retailing, the hotel trade, catering, logistics, advertising, entertainment and equipment for rental services – should not be underestimated.

- Strengthening Bilateral Trade and Economic Co-operation between China and Portuguese-speaking Countries by Highlighting Macao's Unique Advantages under its 'Platform' Role

IPIM continued in 2018 to place special focus on the promotion of economic and trade co-operation between China and Portuguese-speaking Countries. That was in order to promote further the implementation of the 18 measures announced by China at the 5th Ministerial Conference of the Forum for Economic and Trade Co-operation between China and Portuguese-speaking Countries and to advance the Strategic Plan for Economic and Trade Co-operation approved at the same Ministerial Conference; as well as to meet the goals set by Macao's Committee for Development of the Commercial and Trade Cooperation Service Platform between China and Portuguese-speaking Countries.

IPIM continued to foster the development of online and offline resources related to the establishment in Macao of the "Three Centres". They are: a commercial and trade service centre for small- and medium-sized enterprises in China and Portuguese-speaking

Countries; a food product distribution centre for Portuguese-speaking Countries; and a centre for conventions and exhibitions for economic and trade co-operation between China and Portuguese-speaking Countries.

Most notably, in the first half of 2018, IPIM organised visits to cities in the Greater Bay Area for representatives of Macao businesses and agencies distributing food products from Portuguese-speaking Countries. Such visits included special business-matching sessions focused on the promotion of food products from Portuguese-speaking Countries. The sessions were well received by the industry and by consumers in the cities visited. The overall aim was to promote the organic integration of the food product distribution centre for Portuguese-speaking Countries with the development of the Greater Bay Area.

To highlight Macao's unique advantages as a Platform between China and PSCs, IPIM continued its policy of featuring in its activities – either those hosted in Macao or in trade and economic exhibitions in which IPIM participated in Mainland China – elements related to Portuguese-speaking Countries. In addition, to promote further Macao as a Platform between China and PSCs, IPIM continued actively to co-operate with relevant public departments in Mainland China. This was in order to organise delegations – comprised of business people from Macao and Mainland China – for visits to

Portuguese-speaking Countries and for joint exploration of business opportunities in the latter.

In other developments, 2018 saw further progress regarding procedures for the establishment in Macao of the China-Portuguese-speaking Countries Federation of Entrepreneurs.

- Strengthening Regional Economic Co-operation and Contributing Actively to the Development of the Greater Bay Area

In 2018, IPIM continued to promote trade co-operation with other places and jurisdictions via: actively participating in the development of the Greater Bay Area and in the “Belt and Road Initiative”, making use of these two concepts as a way to promote regional co-operation; strengthening economic and trade ties respectively with the European Union and with Chinese entrepreneurs around the world; and by promoting the development of the Platform between China and PSCs. IPIM also continued to deepen Macao’s exchanges with provinces and cities in Mainland China, including Guangdong and Fujian provinces and other places in the Pan-Pearl River Delta region.

In 2018, IPIM signed a total of 24 agreements – or similar documents – on co-operation. The agreements were with trade promotion agencies/institutions and/or chambers of commerce namely from Mainland China and elsewhere, in order further to strengthen collaboration.

In line with the nation's overall development strategy, IPIM further enhanced the organic integration of the Platform between China and PSCs with the country's effort on the "Belt and Road Initiative". In that regard, the 9th International Infrastructure Investment and Construction Forum, held in Macao in 2018, focused on attracting as delegates government officials, representatives from the infrastructure investment and construction sectors, people from academia and those from relevant research sectors around the world. Attendees included: individuals from the Portuguese-speaking Countries, people from the countries and regions covered by the "Belt and Road Initiative", from the Pan-Pearl River Delta region and from the Greater Bay Area. The strategy regarding attendance aimed to position the Forum as a platform for co-operation exchanges within the "Belt and Road". The Forum achieved abundant results.

In November 2018, IPIM arranged for a delegation comprised of representatives from local food processing and manufacturing enterprises as well as from local agencies distributing food products from Portuguese-speaking Countries, to attend the first-ever "China International Import Expo", in Shanghai. Such participation underlined Macao's unique role as a food product distribution centre for Portuguese-speaking Countries, and its unique role as a Platform between China and the PSCs.

Regarding Guangdong-Macao co-operation, IPIM continued to work in 2018 with trade promotion authorities in Guangdong province,

in order jointly to organise large-sized exhibitions, including the “Guangdong & Macao Branded Products Fair 2018” and the “2018 Macao-Guangzhou Fine Products Fair”. The two places also continued to arrange reciprocal visits, and organise involvement in counterpart’s exhibitions, as well as working to reinforce existing co-operation mechanisms.

IPIM further pushed forward the development of the Guangdong-Macao Co-operation Industrial Park, a site located on Hengqin island. By 31 December 2018, 23 Macao projects there had already completed the land-acquisition stage. The tally included 20 projects that were among the 33 recommended by Macao for the park as part of an initial recruitment phase of investment projects; and three projects that were among a second batch of 50 Macao-recommended projects. The Macao projects cover a total area of 0.86 square kilometres. The projects are related to: tourism and leisure, cultural and creative industries, advanced technologies, scientific research and development and trade logistics.

In order to maximise the contribution of the park to Macao’s moderate economic diversification, IPIM and the Administrative Committee of Hengqin New Area initiated – starting on 31 December 2018 – a new phase of investment recruitment for the park under a new project assessment mechanism. The new phase of investment recruitment aims to attract projects for a further 2.57 square kilometres of available land.

Elsewhere, thanks to IPIM's "Door-to-Door Service", its six Representative Offices in Mainland China continued visiting companies, business associations and government agencies in those areas respectively covered by each Representative Office, as well as in general offering appropriate support to companies wanting to invest in Macao. In 2018, the six IPIM Representative Offices in Mainland China handled a total of 154 investment project enquiries relating to Macao by Mainland Chinese entities, resulting in 87 projects being implemented.

- Assistance to Local SMEs to Enhance their Competitiveness

Supporting local micro-, small- and medium-sized enterprises (SMEs) – either to explore new business opportunities, restructure and upgrade their structures, or expand and grow – are well-established policies of the Macao SAR Government. In 2018, IPIM continued to encourage SMEs to take part in exhibitions held either locally or elsewhere. In the latter scenario IPIM arranged for business delegations to participate in exhibitions and site visits outside of Macao. In addition to providing financial incentives to encourage SMEs to take part in exhibitions, IPIM also reserved exhibition space for local SMEs in major local MICE events.

IPIM additionally supported enterprises in their exploration of new business opportunities making use of E-commerce. It also organised workshops, and business-matching and networking

activities, to help SMEs enhance their competitiveness and explore business opportunities.

In 2018, IPIM organised – or co-organised – a total of 13 workshops and business-networking activities, attracting 1,316 participants. Such activities covered topics including catering, E-commerce, business expansion, the investment environment and business opportunities available in Portuguese-speaking Countries, and branding. In 2018, IPIM provided financial incentives to 806 local enterprises to participate in 62 conventions and exhibitions held either locally or further afield.

In order to support the development of local SMEs and encourage them to make full use of Macao's unique advantages as a Platform between China and PSCs, IPIM worked with local chambers of commerce to co-organise "Let's Hang Out – Lusophone and Macao Products Bazaar" events in March and October 2018. The aim was to attract a greater number of residents and tourists to visit the city's various neighbourhoods and make purchases at local businesses, while experiencing Macao's unique mix of Chinese and Portuguese customs and traditions. Such events additionally served as promotional channels for food products from Portuguese-speaking Countries.