

MACAU AND THE BELT AND ROAD INITIATIVE

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Executive Summary

1. Macau is not only the sole place in China where gambling industry is legal, but also the world's most prominent casino centre with its high concentration of casinos and gambling tables.
2. Due to the region's geographical proximity to China and its visa relaxation policy, the main customers of Macau's gambling sector are tourists from mainland China.
3. Based on overall per capita gambling spending, the anti-corruption campaign in mainland China has exerted a negative impact on the Macau gambling sector, with gross gambling revenue recording a sharp fall in 2014 and 2015, mainly due to the decrease in earned revenue from VIP Baccarat.
4. The most pressing issue faced by Macau today is its lack of a broad-based self-reliant economy. To sustain economic growth, as well as from political and social stability perspectives, it is vital for Macau to structurally shift from its dependence on the gambling industry towards a diversified and sustainable economy.
5. To address this issue, the Macau government has since 2002 identified various industries including conventions and exhibitions, culture and leisure, and food and beverages as priority industries in its strategy for diversifying its economic base.
6. To provide concrete support for economic diversification of Macau, the Chinese central government has adjoined part of Hengqin Island in Zhuhai, along with its jurisdiction, to the Macau Special Administrative Region since 2009.
7. The Macau government anticipates that participating in the Belt and Road Initiative (BRI), particularly in the Maritime Silk Road, will help Macau pursue economic diversification, industrial transition and societal development by reducing dependence on its gaming business.

8. The Macau government has now incorporated the BRI into its Five-Year Development Plan (2016-2020) and identifies this initiative as a priority for the government's strategy to develop Macau into a world tourism and leisure centre.
9. Based on its historical, cultural and economic links with Portugal, Macau is in a unique position to act as a bridge between China and Portuguese-speaking countries in Europe, Africa and Latin America.
10. The success of Macau's efforts to achieve sustained local economic growth through industrial diversification depends on the nurturing of its industrial development by attracting foreign investment, training a skilled labour force and investing more in education.