

Master Plan of the Development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin



Overview

Mutual Discussion, Joint Construction,
Joint Administration and Shared Benefits

President Xi Jinping visited Macao six times and Hengqin four times during the past ten years. He emphasised:

“What is particularly important is to ensure good collaboration between Zhuhai and Macao in developing Hengqin.”

“The original intention of developing the Hengqin New Area is to create a favourable environment for Macao’s industrial diversification.”

Make the best effort in the development and opening up of the Guangdong-Macao Intensive Cooperation Zone in Hengqin

- A significant layout for intensifying the **practice of “One country, two systems”**
- A great driving force for **Macao’s long term development**
- **Beneficial** to Macao for maintaining **long term prosperity and stability** and **integrating into the overall national development**

Area of Hengqin: **106** square kilometres

Area of Macao: **32.9** square kilometres



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Strategic Positioning:

1. A **new platform** for promoting Macao's adequate economic diversification
2. A **new space** for Macao residents to live and work
3. A **new enriched showcase** of implementation of "One country, two systems"
4. A **new high ground** for promoting development of the Guangdong-Hong Kong-Macao Greater Bay Area

Development Goal:

- By 2024, the mechanism of **mutual discussion, joint construction, joint administration and shared benefits** between Guangdong and Macao will run smoothly, and the supportive functions for promoting Macao's adequate economic diversification will initially be seen.
- By 2029, the Cooperation Zone will **highly synergise with Macao's economy**, the system for **in-depth cohesion of regulations** will be comprehensively established, and the results in promoting Macao's **adequate economic diversification will be obviously achieved**.
- By 2035, the **economic strength and technological competitiveness of the Cooperation Zone will be greatly enhanced**, and the goal of promoting Macao's adequate economic diversification **will basically be realised**.



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Innovative System

Guangdong and Macao will jointly form an administrative committee of the Cooperation Zone.

- The administrative committee is run under a **dual director** system, jointly led by the Governor of Guangdong Province and the Chief Executive of the Macao Special Administrative Region.

An executive committee will be set up under the administrative committee.

- The **person-in-charge** will be appointed by the MSAR Government.

Guangdong and Macao will establish a **proceeds sharing mechanism** for the Cooperation Zone.

Matching and docking of regulations and mechanisms.

- Civil and commercial affairs regulatory system **matches with those of Macao** and **aligns with international criteria**.

Construct a new high-standard and open system that **integrates with Macao**.

- Goods movements under the **“first-tier” relaxing administration and the “second-tier” strict customs control**.
- Facilitate convenient inbound and outbound travel for persons.
- Implement favourable income tax rates.
- Innovative cross-border monetary control.
- Establish a high-level market access facilitation system.
- Promote safe and orderly cross-border flows of worldwide Internet data.



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Innovative Financial and Taxation Policies

Goods:

- Except for the goods and articles clearly stipulated by the State as items not exempted from tax (not bonded), all other goods and articles can **enter the Cooperation Zone from Macao free from tax (bonded)**.
- **Tax will be exempted** for goods that are processed in the Cooperation Zone to achieve an **added value of up to or more than 30%** of the original value when they enter the mainland territory from the Cooperation Zone.

Businesses:

- Eligible industries and enterprises in the Cooperation Zone are subject to a tax rate of **15%** on **business income tax, benefiting all industries that facilitate Macao's adequate economic diversification**.
- The capital expenditure of businesses that meets the criteria will be allowed for a one-off deduction before tax for the taxation period in which the expenditure occurred, or accelerated depreciation and amortisation.
- The newly added earnings from foreign direct investment of the **tourism, modern services and high technology businesses** set up in the Cooperation Zone will be exempted from income tax.

Macao residents:

- **Subject to Macao's** personal income tax rate.

High-end talented people:

- Subject to a **maximum** personal income tax rate of **15%**.



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Livelihood

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Quality Living Environment:

- **Dock with Macao's** education, medical and healthcare, social services and other livelihood related **public services, as well as the social security system.**
- Expedite the development of the **Macao New Neighbourhood.**

Facilitate Border-Crossing Travel:

- “Joint Inspection and One-Time Release”.
- **Fully open** for Macao-licensed motor vehicles to travel inbound and outbound
- Macao's **Light Rail Transit System** to extend into the Cooperation Zone and connect with Zhuhai's Urban Rail Transit Network.

Facilitate Communication:

- Significantly reduce and **gradually waive the long-distance call and roaming charges for mobile phone communication** between Hengqin and Macao.
- Consider establishing a **green channel to connect fixed network with the worldwide Internet.**



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New Opportunities

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Four Nascent Industrial Sectors

1. Scientific and Technological Research and High-end Manufacturing Industries

- Establish an important pivot of the international science and technological innovation centre in the Greater Bay Area.
- Develop **integrated circuit, big data, artificial intelligence, Internet of Things (IoT), and biomedicine industries**.
- Establish high standard **industry-academia-research demonstration bases** and develop a **technological innovation and transformation centre**.
- Develop a synergetic innovation environment for **artificial intelligence**.

2. Traditional Chinese Medicine and Macao Branded Industries

- Permit the use of “**production supervised by Macao**”, “**produced by Macao**” or “**design by Macao**” signs on traditional Chinese medicine products, food products and health products approved and registered in Macao and produced in Hengqin.
- **Prioritise the licencing evaluation and approval** of new pharmaceutical products that are produced in Macao and conform to the relevant regulations.
- Develop **rough diamond processing** industry.



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Four Nascent Industrial Sectors

3. Cultural Tourism, Convention and Exhibition, and Commercial and Trade Industries

- Develop leisure and vacation, convention and exhibition, and sports event tourism.
- Develop leisure and nourishment, rehabilitation, and medical tourism.
- Establish
 - An international trading centre serving China and Portuguese-speaking countries.
 - An international hub port for digital trade.

4. Modern Financial Industry

- Establish a financial services platform between China and Portuguese-speaking countries.
- Develop
 - **Cross-border Renminbi settlement.**
 - **Bond market.**
 - **Wealth management.**
 - **Financial leasing.**
- **Lower the market access threshold** for Macao invested financial institutions to set up banking and insurance institutions.



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New Opportunities

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Create a Quality and Convenient Business Environment

Attract High-end Talented People from Around the World:

- High level of convenience to travel to and from the Cooperation Zone.
- Implement incentive measures.

Facilitate Goods Movements:

- **“First-tier” relaxing administration and the “second-tier” strict customs control.**
- Consider to adjust the policy to allow goods entering Hengqin free from tax (bonded).
- **Simplify the customs declaration procedures and elements** for goods movement.

Facilitate Capital Flows:

- Innovative cross-border monetary control.
- Financial market to take the lead in high-level opening up.

Facilitate Investment and Trade:

- A high-level **market access facilitation system.**
- **Relax the restrictions on investment and trade** in the Cooperation Zone.



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Encourage Macao Young People to Work and Set up Business

- Develop scientific and technological research, high-end manufacturing, traditional Chinese medicine, modern financial services, culture and tourism, convention and exhibition, and commercial and trade industries, to **facilitate employment of Macao young people**.
- Implement **policies to encourage** enterprises to employ Macao young people.
- **Subject to Macao's** personal income tax rate.
- Macao young people **enjoy both the supportive policies implemented in Guangdong and Macao**.
- Establish high standard makerspace, incubation centres, and scientific research and innovation carriers to support Macao young people's career development.



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Facilitate Aggregation of Talented People:

- High-end talented people will enjoy a **high level of convenience** to travel to and from the Cooperation Zone, and are subject to a **maximum personal income tax rate of 15%**.
- Support attracting **globally renowned universities**.
- Establish a national-level **off-shore innovation and venture hub** for overseas talented people.

Support for Professionals:

- Qualified Macao **financial, architectural, planning and design professionals** will be allowed to provide services in the Cooperation Zone, and their working experience abroad can be regarded the same as local working experience.
- Facilitate **medical and healthcare professionals** to obtain their qualification for practice in the Cooperation Zone.



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