In 2003, the Macau Special Administrative Region (SAR) signed the Closer Economic Partnership Arrangement (CEPA) with Hong Kong SAR and China, which took effect in January 2004. The CEPA was intended to increase cooperation between the mainland and the two SARs in investment, finance, services, manufacturing, trade and tourism. In the first half of 2004, when CEPA was in effect, trade between the parties did increase; trade between Guangdong, Hong Kong and Macau rose 24.5%. Macau, Hong Kong and China also began preparatory work for the proposed bridge linking Macau, Hong Kong and the mainland in Zhuhai to further facilitate regional connectivity.

On December 9, 2003 the Zhuhai-Macau cross-boundary industrial zone held its foundation laying ceremony, which will expand the cooperation envisioned in the CEPA. The industrial zone, which will provide tax exemptions and favorable policies for industries located there, was planned to prevent factories from leaving the SAR for mainland locations such as Guangzhou where they may find cheaper labor and other favorable conditions for industry (See Macau Country Report in AMY 2002-2003). The issue of laborers working in the zone was hotly debated, however, as local workers feared that factories would employ a majority of mainland migrant workers.

Macau’s economy and workforce will also be impacted by the termination of the Multi-Fiber Agreement in December 2004. Macau’s textile industry currently accounts for 79% of the region’s exports and employs a large portion of the workforce. If the industry moves its factories to the mainland as a result of the MFA phase-out, the government will face increased difficulties with unemployment. On the other hand, Macau’s booming gambling industry provides a large number of jobs in Macau, with casinos and related services employing over 15,000 people. The gambling
industry continued its spate of construction, taking advantage of the rising number of tourists, with Macau’s three licensed gambling operators to invest USD2.2 billion in the SAR.

Macau’s economy grew around 15.6% in 2003. This growth occurred in spite of the economic impact exacted by SARS, as Macau, whose GDP is heavily reliant on tourism and the gambling industry, experienced an upsurge in mainland tourists, which has soared in both Hong Kong and Macau after the mainland eased travel restrictions. Macau’s economy benefited from increased taxes on gambling profits, which generated as much as 70% of government revenue.4

Migration Update

According to official Macau government statistics, at the end of December 2002 there were 23,460 migrant workers in Macao, with a slight increase in the year to 24,970 migrant workers at the end of 2003. This number remained relatively stable; as of June 2004, there were a total of 24,961 documented migrant workers. The largest group was from mainland China, at 17,910. This was followed by Filipinos, at 3,682; then Hong Kong, with 846 workers; there were also 455 Thai migrants and 69 Malaysians. Migrant workers are generally employed in low-skilled manufacturing, particularly in toy and garment factories, and service sectors such as the hotel industry. In 2002, women constituted 71% of the total number of migrant workers in Macau, with 73% of these from China.5

There were also 2,451 legal immigrants from mainland China. 53.2% of the migrants were aged 30 years or less, and 65% were women. Figures from 2003 also indicate that 496 undocumented migrants from mainland China were deported back to China, 58.6% less than the number deported in 2002.6

Migrant workers continue to face many of the same issues and needs as previously reported in the Macau Country Report for AMY2002-2003. There remains a great deal of tension between local and migrant workers, as many local factory workers believe they are dismissed and replaced by cheaper migrant labor. Migrant workers are paid far less than their local counterparts. According to data from Macau’s Statistics and Census Service, in 2003, local workers in the manufacturing industry were paid an average monthly income of MOP4,644, while migrant workers were paid MOP2,996. This discrepancy is slightly less in the service industry, where the average monthly income for hotel in restaurant workers was MOP5,291 while migrants generally received MOP4,200.7

Local labor unions complain to the government about its labor import policies, although the official government stance is that migrant workers cannot replace local workers – stipulated by law in Chapter 9 of the Law on Guiding Principles of Employment Policies and Labour Rights (4/98/M). In 2003, labor unions and employers unions continued to engage with the government on the revision of the Labor Standards Law and the Management and Regulations
Law for Migrant Workers. Little if any progress has been made, however.

The government has said it was considering the adoption of a labor importation scheme for construction workers; this is intended to counteract cheap, undocumented workers from mainland China. According to news reports, Macau wants to import construction workers from Hong Kong at USD450/day, which is 3-4 times higher than local workers’ wage. As Macau emerges as the biggest casino/gambling centre in the world, the construction boom (including 30 construction sites and three new casinos), is expected to create a labor shortage in the years ahead.8

Migrant workers continue to face problems in regard to high agency fees and deposits, and often struggle to pay for room and board – particularly in the garment industry, where they are paid per piece, and may have to live from hand to mouth during slow times. They remain extremely vulnerable to abuses, particularly as under Macau law, migrant workers can not contract directly with their employers; instead, the employers contract with the labor recruitment agency.9 Under Macau’s labor import system, an employer has to register with the government in order to employ a migrant worker. Also, employers are allowed to transfer migrant workers within companies in the same business sector. As such, workers may be traded without their consent.10

Responses

There continues to be a major gap in responses to migrant workers issues, as Macau still lacks formal organizations dedicated to migrants’ issues. Some local organizations reported that they had been assisting migrant workers, particularly those from mainland China, but ceased after coming under pressure from the Macau government subsequent to the mass worker demonstrations in 2000. Also, some groups reported that it became very difficult to assist migrant workers from the mainland due to pressure from the Chinese government.

The Macau Laborer and People’s Spirit Association, however, have stated that they provide assistance to migrant workers. In addition, it was reported that some labor unions have planned or begun work with migrant workers towards common goals.

Endnotes

4CIA World Factbook, Macau Country Report

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