

## Importation of Non-Resident Labor



On 1 May 2007, six labor unions organized a strike and thousands of Macao citizens participated; one of their main slogans was to strike against the importation of non-resident labors. One of the organizers said that the economic development only benefited gaming and tourism industry and the local workers suffered unemployment and low pay. However, the government keeps importing non-resident labors, which makes their situation worsen. Finally there is a series conflict between the demonstrators and the police with one gunshot

fired, hurting one innocent by-stander<sup>1</sup>.

After that event, it is believed that Macao government would check and control the application for a working visa in Macao. It will become more difficult to apply the working permit.

Since the continuous economic development in Macao, Multi-National Corporations have rushed to establish in Macao, in particular those related to entertainment business, constructions groups and those which provide services to the big three gaming license holders in Macao. Unfortunately, the recent un-precedent economic growth of Macao (an astonishing 16%!!) created a shortage of labor in the market, both skilled and unskilled. According to an Employment Survey released by the Statistics and Census Service, the unemployment rate for March and May 2007 was 3.2% and 0.9% respectively. The importation of non-resident labor seems to be the most viable means to allow the enterprises to engage suitable qualified staff.

Non-Macao residents must obtain a working visa before they can legally work in Macao. Importation of non-resident labor in Macao is governed by the following decrees:

**Skilled Labor:** Decree 49/GM/88, May, 9 (B.) No. 20, May 16, 88)

**Unskilled Labor:** Decree 12/GM/88, January 26 (G.G. No. 5, Feb. 1, 1988)

Upon the consent of the Chief Executive of Macao, Mr. Edmund Ho Hau Wah, companies may be authorized to import non-resident labor when such labor cannot be recruited locally.

### Application Procedures

It is the employers' responsibility to secure working visas for their staff. The employer must prove that such labor cannot be recruited locally and importation of non-resident labor will not harm the benefits of local labors. The application should be submitted to several government departments, including the Labor and Employment Bureau, Economic Services and other Departments. The documents will then be forwarded to the Migration Services. The Service will decide whether the recruited non-resident workers are allowed to enter and stay in Macao and the Public Security Police will then issue the identification papers for the Non-resident workers.

<sup>1</sup> The bullet hit an innocent by-stander 5 miles away, as the police offer fire into the air to warn the demonstrators. It is not against rules in Macao for police to fire into the air.

## Some Warnings from Maninvest

Owning a company in Macao does not automatically grant the owner a right to work in Macao. In an extreme case, the sole owner of a Macao one-man-company, who is a foreigner, is considered to be illegally working in Macao since he has not employed any staff in Macao. The logic of the Macao government is, the owner must have been illegally working in Macao without a working permit.

Moreover, in view of the recent event (see box insert), the Macao government is somewhat reluctant in approving importation of unskilled labors.

**If you are interested in our professional advice about working permit application in Macao, please feel free to contact us.**

### Main Economic Indicators in Macao

	2003	2004	2005	2006
Population (thousands)	446.7	462.6	484.3	513.4
Nominal GDP (MOPmn)	63,566	82,966	92,951 <sup>(1)</sup>	114,364
GDP per capita (MOP)	142,825	181,580	195,214 <sup>(1)</sup>	227,508
GDP real growth	14.2	28.4	6.9 <sup>(1)</sup>	16.6
Consumer Price Index (%)	-1.56	0.98	4.4	5.15
Unemployment rate	6.0	4.8	4.1	3.2 <sup>(2)</sup>
Trade Balance (MOPmn)	-1,397.1	-5,342.9	-11,517.0	-1,151.3 <sup>(3)</sup>
Balance of Current Accounts (US\$m)	3,336.8	4,857.2	4,243.9	n.a.

Note:

(1) Rectified data;

(2) Jan 2007 – Mar 2007;

(3) Feb 2007;

n.a.: not available

Statistics source:

Statistic and Census Service (<http://www.dsec.gov.mo/>)

Macao Trade and Investment Promotion Institute (<http://www.ipim.gov.mo/>)

Macao SAR Government Portal (<http://www.gov.mo/egi/Portal/rkw/public/view/area.jsp?id=21>)

	Hong Kong Head Office	Macao Office	Shanghai Office
Address	511 Tower I, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong	Rua do Campo N° 202, Edf Associacao das Senhoras 7°, Andar D, Macau	Room 2205, Block A, Universal Mansion, 172 Yu Yuan Road, Jingan Dist, Shanghai 200040 China
Tel	(852) 2851 6752	(853) 2870 3810	(8621) 6249 0318-2205
Toll free*	00800 3838 3800		
Fax	(852) 2537 5218	(853) 2835 3358	(8621) 6249 5516
Email	Enquiry@ManinvestAsia.com	Macao@ManinvestAsia.com	Shanghai@ManinvestAsia.com.cn

\*Toll free from Taiwan and Mainland China