

How "Wealth Partaking Scheme" affect Macau economy?

Chan Sheung Hei | 155095275
Yu Chung Yuen | 155109414
Li Chak Sum | 155094288
Yam Ho Fung | 155118422

Background : Graphs :

-Evaluating the impact of "Wealth Partaking Scheme" to Macau's economy (GDP growth)

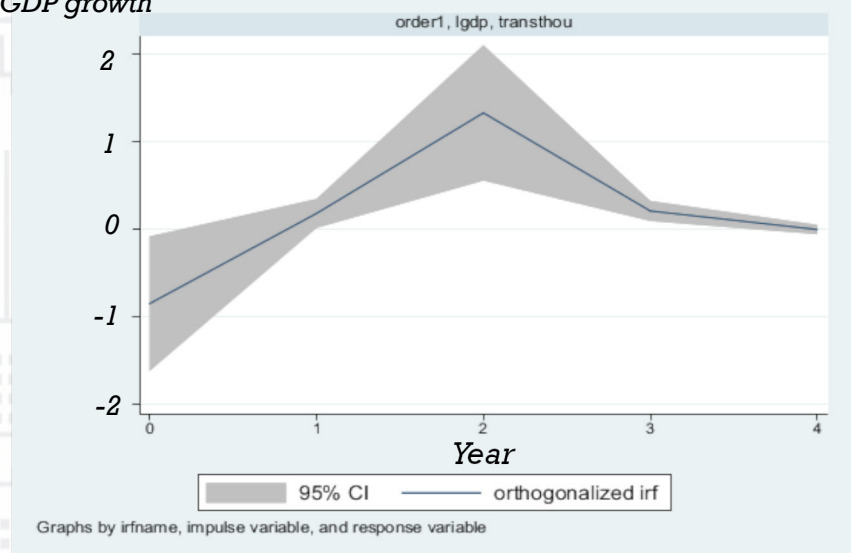
Methodology :

- Input data of GDP and cash transfer per year in Macau into the VAR regression model
- Regress data of cash transfer and GDP to estimate the causal relationship

Limitation:

- Model over-simplification
- Unique economic structure

GDP growth



- Increase in GDP growth rate
- > increases in transfer payment per thousand in the coming years

Economic Theories :

- Ricardian equivalence
- Timing of lump-sum transfer has a very small impact to GDP growth rate
- Marginal Propensity to Consume
- People prefer to save more than consume

Implication:

- The scheme has been successfully promoting Macau's economic growth
- An insignificant increase in the GDP growth rate
- The scheme has also promoted social harmony and equity

