

Tam stresses quality for leisure industry to stay competitive

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Monica Leong

Secretary for Economy and Finance Francis Tam Pak Yuen said yesterday that Macau needs to focus on raising the quality of its tourism and leisure industry, which includes the vitally important gaming sector in order to be able to remain competitive vis-à-vis nearby regions that are developing the industry as well.

Tam made the comments to reporters after attending the inauguration ceremony of the Macau Gaming Management Association (MGMA) held at the MGM Macau casino-hotel in Nape, stressing that Macau is striving to establish itself as an international tourism and leisure hub rather than only focusing on gaming, which is part of the development plans laid down by the central government for Macau.

“Macau has made great progress in improving gaming facilities in the past 10 years and we’re a step ahead of the others in this part of the world. The next step we need to take is to improve the quality of the leisure sector in order to guarantee Macau’s future economic development,” Tam said, in response to reporters’ questions about the impact of upcoming regional competition as



Secretary for Economy and Finance Francis Tam Pak Yuen speaks to reporters at MGM Macau yesterday.

Photo: Monica Leong

Taiwan and the Philippines plan to develop gaming businesses.

Tam said he was “confident” that even with the presence of gaming hubs elsewhere in the region, a steady growth in the local gaming revenue could still be maintained.

“It’s not about competing in bigger development projects or bigger growth. Being able to maintain the gaming revenue at the current level or a slight growth is really enough for Macau,” Tam stressed, adding, “We’re not go-

ing after exponential growth now but instead focusing on improving the leisure and tourism industry to upgrade our competitiveness instead of just being competitive purely in gaming.”

Meanwhile, Grant Bowie, chief executive officer and executive director of MGM China Holdings Limited, told reporters on the sidelines of the function that although his company was keen to invest on the Taiwan-administered Matsu (Mazu) Islands off Fujian province, its Cotai project remained a priority, adding he was confident that the government will approve its Cotai development proposal.

Bowie also said that the global economic situation was not a factor in the slowing growth rate of Macau’s gaming revenue and falling receipts from high-rolling gamblers.

“It’s just a natural phenomena happening in any marketplace where you see periods of significant growth. What we see is a controlled, appropriate and effective moderation in the growth rates [...] but it also means that we in the industry need to diversify and look towards the mass market and non-gaming operations of our businesses to increase the appeal of Macau,” Bowie said. ■

Francis Tam: Macau no longer competes with neighbors in gaming

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Sum Choi

THE Secretary for Economy and Finance Francis Tam Pak Yuen said Macau is no longer competing with its neighbors on the gaming front after a decade of rapid expansion, which would not have any significant impact on Macau economy should it slow down to a slim growth or stabilizes at its present level. He's confident the city can keep its current position as even more gaming hubs arise in the region.

Speaking on the sidelines of the inauguration ceremony and the first board of the Macau Gaming Management Association, Tam said Macau has already risen to a high position in global gaming industry ranking, "the direction of the next stage of development is very clear, whether in terms of the society's preference or the country's national policy, and that is to develop Macau into a world tourism and leisure hub".

"It doesn't mean we would forget about gaming," he stressed, "but that the gaming industry is just one component in our initiative towards a leisure hub. Although for a certain span of time in the future, this component will remain a more important one."

The legalization of gaming in Taiwan's Matsu and the development of casinos in Philippines and Singapore has drawn much public attention recently, but the Secretary brushed away worries over Macau's leading position as the world's number one gaming market: "Macau's no



longer competing with its neighbors and other regions as a bigger gaming hub, nor is it still focusing on expanding the gaming industry as its prime target because we've already entered a new stage of development as a quality leisure hub."

"In the past ten years or so Macau made a lot of achievements in the leisure industry, in terms of the quantity of hardware or facilities, such as hotels, beverages and entertainment. We have already secured the advantaged position in this field, and the next step for us is to optimize the leisure industry from the quality perspective."

"To a high extent, the long-

term success and leading role of Macau's economy depends on whether we can make use of this competitive advantage in quantity to bring about another competitive advantage in terms of quality. We're no longer competing with our neighbors on the gaming front, as you can see we've already set a growth limitation for the gaming industry."

Francis Tam also tried to expel concerns over the slow down of growth in gaming revenue over the past months, as well as the drop in visitors from the Mainland, who are the main source of clients for local casinos: "there won't be any influential impact on our economy even if there is no

bigger growth or expansion in this sector. It's quite good for Macau if the gaming industry keeps its scale or grows slightly."

As for gaming development by other places in the region, Tam said "we see there is further room for expansion in the gaming business in this region. The industry can accommodate more gaming hubs, but we're confident that even if there are new gaming hubs, Macau can keep its current level of gaming revenue or even a stable growth, but we're no longer pursuing a dramatic or rapid growth like we were in the past. Our focus now is on optimizing our leisure industry. Macau's future interna-

tional competitiveness lies in the leisure industry as a whole instead of the gaming industry as a sole player."

In response to Francis Tam's remarks, Davis Fong, President of the Macau Gaming

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Management Association, said although the government is shifting their focus to the "leisure" elements, the gaming component remains the most profitable part of it: "despite the fact we're turning more to the (development) of leisure, and adding more elements into it, it's to be noted that the core business is still gaming. It's true Macau's competitiveness will be reinforced if we dedicate more resources to optimizing non-gaming industries." He agreed that the gaming and non-gaming sectors are complementary of each other in upgrading the local economic structure.

Opportunity knocks thanks to casino managers' new association

A new body for casino managers will help local people to move up the career ladder into senior industry positions, said Davis Fong Ka Chio (centre), Director of the Institute for the Study of Commercial Gaming at the University of Macau. He was speaking yesterday as the inaugural president of the Macau Gaming Management Association at launch event held at MGM Macau. Guests included Francis Tam Pak Yuen, Macau's Secretary for Economy and Finance, and Chen Xiang, Vice Director-General of the Economic Affairs Department of the Liaison Office of the Central People's Government in the Macau SAR.

