

UNIVERSITY OF MACAU
FACULTY OF BUSINESS ADMINISTRATION

THE SERVICE SECTOR OF MACAU
ANALYSIS OF THREE MODELS FOR DEVELOPMENT

**THESIS PRESENTED TO THE
FACULTY OF BUSINESS
ADMINISTRATION,
UNIVERSITY OF MACAU, FOR
MASTER DEGREE IN
MARKETING AND STRATEGIC
MANAGEMENT**

CHAN KENG HONG

2000

TABLE OF CONTENT

Content	Page
Chapter 1 Introduction	1
1.1 Objective	1
1.2 Research Method	1
1.2.1 Choice of Interviewees	2
1.2.2 Interview Process	2
1.3 Organization of Study	3
Chapter 2 Economy of Macau	5
2.1 History of Macau	5
2.2 Development of the Economy of Macau	7
2.3 Major Industries of Macau	13
2.3.1 Banking and Insurance	13
2.3.1.1 The Banking Industry	14
2.3.1.2 The Insurance Industry	17
2.3.2 Manufacturing and Trading	18
2.3.2.1 Internal Problems	21
2.3.2.2 External Problems	22
2.3.3 Real Estate and Construction	24
2.3.4 Tourism and Gambling	27
Chapter 3 Proposal of Three Models	32
3.1 Integration with Zhuhai	32
3.2 Tourism/Gambling City	34
3.3 Regional Service Center	36

TABLE OF CONTENT

Content	Page
3.4 Summary	37
Chapter 4 The Service Sector of Macau	39
4.1 Definition of Service Sector of Macau	39
4.2 Factors for the Changes of Macau's Economic Structure	40
4.2.1 Demographic Changes	40
4.2.2 Social Changes	42
4.2.3 Economic Changes	43
4.2.4 Political and Legal Changes	44
4.3 SWOT Analysis of the Service Sector of Macau	45
4.3.1 Strengths	45
4.3.1.1 Unique Location	45
4.3.1.2 Special Status	46
4.3.1.3 Free Port and Low Taxation	47
4.3.1.4 Stable Environment	47
4.3.1.5 Comprehensive Legal System	49
4.3.1.6 Low Operating Cost	49
4.3.1.7 Base of Industries	52
4.3.2 Weaknesses	52
4.3.2.1 Lack of Human Resource	52
4.3.2.2 Infrastructure Problems	54
4.3.2.2.1 Power Supply	55
4.3.2.2.2 Water Supply	55
4.3.2.2.3 Transportation Network	56
4.3.2.2.4 Communication Cost	58
4.3.2.3 Small Demand by Small Companies	59
4.3.2.4 Lack of Administration/Management Skill	59
4.3.2.5 Small Consumer Market	60
4.3.2.6 Lack of Capital Arrangement	60
4.3.2.7 Crime	61

TABLE OF CONTENT

Content	Page
4.3.3 Opportunities	62
4.3.3.1 An Entreport	62
4.3.3.2 High Technology & Capital Intensive Product and Service Center	64
4.3.3.3 New Businesses with Airport	68
4.3.4 Threats	69
4.3.4.1 Dependence upon Tourism Industry	69
4.3.4.2 Challenges from Neighboring Regions	70
4.4 Facing the Competition	71
4.4.1 Foreign Investment	72
4.4.2 Technology	74
4.4.3 International Recognized Standards	76
4.4.4 Human Resource	79
4.4.5 Government Support	82
4.4.5.1 Simplification of Administrative Procedures	82
4.4.5.2 Fight Against Crime	83
Chapter 5 Research Findings & Conclusion	84
5.1 Research Findings	84
5.2 Conclusion	89
Bibliographies	91
