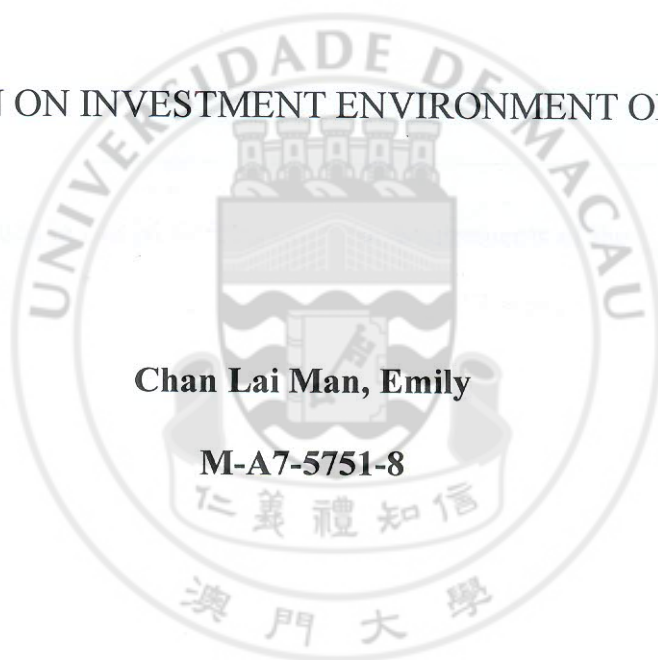


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DISCUSSION ON INVESTMENT ENVIRONMENT OF MACAO



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ABSTRACT

The objective of this study is to illustrate the investment environment of Macao in order to provide a comprehensive analysis for investors and policy makers. In the study, we consider the question of how the Macao market is attractive to foreign investors. We aim to identify the existing problems and provide recommendations on how policy makers can improve the attractiveness of Macao.

A major turning point for Macao came with the liberalization of gaming sector in 2002 that attracted abundant foreign capital inflow. Foreign investors were mostly from China, the United States and Hong Kong. Two years later, Mainland China implemented the Individual Traveler Scheme (ITS). This easing of travel restrictions resulted in a dramatic rise in Mainland visitor numbers that in turn boosted the economy (Chung & Tiaben, 2009).

It is important for the foreign investors, who are interested in entering into Macao market, to be well prepared with the updated information of the investment environment of Macao, as well as an understanding of the host city's culture and for the policy makers to implement appropriate strategies for continuous development of Macao economy. This qualitative study will analyze and discuss the problems that foreign companies have encountered in Macao.

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