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Feasibility Study of Developing a Financial Centre in Macau

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Abstract

Macau is a small-scale economy that is characterized by its openness and flexibility, makes it to enjoy a unique position in the regional economy. Over the past 10 years, after it was handed over to China in December 1999, the economy of Macau is gradually recovered and fully rebounded and entered into the best development cycle ever in history. The economic structure of Macau is highly concentrated in gaming and tourism industry which constitutes more than half of the GDP. Besides gaming and tourism industry, what industry should Macau diversify to, in order to have a more balance economic structure?

This study intends to find out the capabilities of Macau to develop a financial centre, discusses the essential and determining factors, such as human capital, regulatory framework, infrastructure, government responsiveness, business environment, and macroeconomic factors, for a financial centre, reviews if Macau has those factors for itself to develop a financial centre, and analyzes the strong sides of Macau in terms of the factors. Lastly, the study comments on the feasibility of Macau to develop its own financial centre and suggests the positioning of Macau's financial centre.

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