

# **COUNTRY/REGION REPORT (March 2020)**

## **Macau Meets Covid-19**

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In the first quarter of 2020, Covid-19 harshly hit the global tourism industries and economies. Macau was one of the destinations being largely affected in the early period of epidemic outbreak. Since the end of January 2020, Macau government has imposed multiple measures to minimize people flow, especially tourist arrivals. Compared with January 2019, tourist arrivals in January 2020 dropped by 16.8% (Macau Statistics and Census Bureau, 2020a). February 2020 recorded a significant year-over-year drop of 95.6% (Macau Statistics and Census Bureau, 2020a). The plummeting tourist arrivals exerted drastic adverse impacts on Macau economy, which was heavily reliant on the tourism industry. The destination experienced a quiet and inactive period which had been absent for two decades. Restaurants and shops which used to be crowded by tourists were empty for most of the time. To reduce the cost, their operation hours were shortened, while some of them have not been opened yet. The small and medium sized enterprises (SMEs) that were dependent on tourists kept urging bailout from the government. In response, the Macau government quickly developed schemes to help the SMEs out by offering loans and stimulating spending locally.

The most affected industry in Macau was casino as gaming revenue was the primary financial pillar of the government and the engine of economic growth of the city. While casinos earned most revenue from tourists, the concurrent drop of gaming revenue and tourist arrivals was unsurprising. More importantly, all casinos were closed for 15 days in February 2020. According to the Macau Gaming Inspection and Coordination Bureau (2020), February 2020 recorded a year-over-year drop of 87.8% in casino gaming revenue. Alongside the casino industry, hotel industry has also experienced an unprecedented dark period. Some hotels closed their operations to reduce loss aroused from the low occupancy rate. According to the Director of Macau Government Tourist Office, the hotel occupancy rate only recorded 11.8% in the week of late February 2020. This rate was far below the average of 90.8% in 2019 and even worse than that in the outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003 (Macauhub, 2020).

Among various stakeholders of the tourism industry, employees were a crucial group that the government prioritized. People working in casinos, hotels, and restaurants constituted over one-third of the labour force in Macau (Macau Statistics and Census Bureau, 2020b). Given the fully or partially closure of casinos and hotels, many employees were asked to consume their annual leave earlier or even to stay at home without pay. The government encouraged employers not to sack their employees. In addition to casino, hotel and restaurant, transportation industry experienced a dark period. Macau used to be congested by tourist coaches. During the epidemic outbreak, the parking venues were filled by coaches. Similarly, the fleet of planes of Air Macau were tidily parked at the airport. These unprecedented scenes were horrible from economic perspective.

The sky colour in the photos featuring Venetian Macau (see below), a very popular casino resort in the destination, reflected the status quo of Macau tourism industry. However, Macau residents were generally satisfied with the performance of their government in managing the epidemic outbreak and its impacts, which were paramount for recovery of economy, especially the tourism industry in the future.



Venetian Macau



Missing coaches and shuttle buses at Venetian Macau



The number of patrons at this sought-after bakery became countable

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