

The Tourism Reopening Strategy of Macao and Its Enlightenment to Other Tourism Destinations in Asia

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Abstract

The global pandemic of COVID-19 has hit the hotel and airline industry and other sectors of the economy hard. A number of world-renowned airlines and travel companies have closed and the tourism and hospitality industries are facing serious financial problems as demand has effectively fallen to an absolute minimum. How to reopen tourist destinations is one of the biggest concerns for the tourism industry after COVID-19. In the United States, the travel industry has urged President Biden to quickly reopen international tourism. However, Macao, China, is the first destination in Asia to reopen tourist visa services to visitors from mainland China, Hong Kong and Taiwan region from 23 September 2020, based on a resilience framework. In natural disasters and emergencies, resilience is considered a crisis management tool that ensures the stability and resilience of businesses to all types of risk. To this end, this study employs a qualitative research approach to sort out and summarise the preparatory and operational measures for the re-opening of Macao's tourism industry in China and their impacts through semi-structured in-depth interviews and focus group discussions with tourists visiting Macao after its re-opening. The main measures identified include: (1) epidemic prevention measures; (2) tourism bubbles; (3) tourism rules; and (4) preferential policies. In addition, due to the fluidity of the epidemic, the focus of management changes at any time. This study hopes to inform the reopening of other tourist destinations in Asia.

Keywords: COVID-19; Tourism Destination; Reopen; Resilience; Travel Bubble

1. Introduction

The outbreak of COVID-19 has brought severe health challenges to the world. This pandemic is one of the most contagious in human modern history (<https://www.worldometers.info/coronavirus/>). Given the rapid spread of the new coronavirus, governments around the world have no choice but to implement blockades to curb the spread of the epidemic. However, measures such as blockade pose a serious threat to the livelihood of the country or region (Sharma & Mahendru, 2020). Almost all industries and sectors in the world have received the economic impact of the epidemic. Although some industries can use online platforms to continue to struggle for survival, such as education, IT and shopping (Mehroliya, Alagarsamy and Solaikutty, 2021). However, due to the government's travel restrictions and isolation and social distancing policies, some industries have suffered unprecedented blows, making survival extremely difficult or even bankrupt. Tourism is an industry that cannot gain a foothold without the flow of tourists. COVID-19 has caused the global tourism industry to be paralyzed. Compared with 2019, the number of tourists in 2020 will drop by 60% to 80% (World Tourism Organization, 2020). Tourism is one of the most labor-intensive sectors. COVID-19 may put millions of jobs at risk of unemployment (World Tourism Organization, 2020).

For the city of Macao used in this study, tourism is its pillar industry. Macao's alternative industries other than tourism are very limited in resisting economic risks. According to the statistics of 73 cities around the world, 4.4% of GDP comes from travel and tourism (WTTC, 2020). Among them, Macao's tourism industry accounts for 50.3% of GDP, ranking first in the world, with international tourist spending of US\$36.1 billion, ranking second. How to reopen tourism destinations is one of the biggest concerns of the tourism industry after COVID-19 (Li, 2020). In USA, travel industry urges president Biden to quickly reopen international tourism (Wood, 2021).

Macao is an economy based on casinos. Of Macao's US\$14.4 billion in taxes in 2019, casino taxation provided US\$12.3 billion (85%). The government spends USD 12.4 billion (Macao Financial Services Authority, 2020). The annual surplus created a total fiscal reserves of more than 72.5 billion U.S. dollars (Asia Gaming Brief, 2020), and a per capita GDP (Gross Domestic Product) of 79,975 U.S. dollars (Census and Economic Information Center, 2020), one of the highest regions in the world. However, the International Monetary Fund (IMF) warned that, given that most tourists are from mainland China, Macao's economy is vulnerable to mainland China's policies and economic development (IMF, 2019). With the increase in COVID-19 virus cases worldwide, as of January 25, 2020, the Chinese authorities have stopped issuing group visas and independent visitor programs (IVS) to Macao. In 2019, Macao had more than 39 million tourists, including 27.9 million (71%) from China, 7.4 million (19%) from Hong Kong and 1.1 (3%) from Taiwan region (Macao Statistics and Census Bureau, 2020a). 13.1 million Mainland Chinese people visit Macao with IVS visas (Macao Statistics and Census Bureau, 2020a). The travel restriction policy has had a huge negative impact on tourism and gaming revenue. The number of visitors in February 2020 dropped by 95.6%. Compared with February 2019 to February 2020, the average daily visitor number dropped from 126,600 to only 5,580. The lowest day was 2,558 person-times (Figure 1). The total number of visitors to Macao in January and February 2020 was 3,006,859, a decrease of 56.9% year-on-year (Macao Statistics and Census

Bureau, 2020a). Casino revenues in February and March 2019 were US\$3.17 billion and US\$3.23 billion (Macao Gaming Inspection Bureau, 2020), while casino revenues in February and 2020 were US\$387 million and US\$658 million (GGRAsia, 2020) represents a monthly loss of 88% and 80%, respectively. The average occupancy rate dropped to 15% in February 2020 (10% for five-star properties) (Macao Statistics and Census Bureau, 2020). Macao was subsequently called a "ghost city" by the international media (Keegan, 2020). Therefore, the restart of tourism in Macao brooks no delay.

However, Macao reopened its tourist visa business on September 23, 2020 to tourists from Mainland China, Hong Kong and Taiwan region. This also means that Macao has become the first tourist destination in Asia to restart. Therefore, the research question in this research is set as follows: What preparation and operation measures guarantee the reopening of tourism in Macao, China?

2. Methodology

This study uses a qualitative approach to explore the strategies adopted for the reopen of tourism in Macao. While the survey method may be useful, it is too limited. When dealing with specific sensitive issues, the use of qualitative interview methods is appropriate (Kvale, 1996; Kitchin, 2000). In this paper, due to the unique and private nature of government officials, a convenience sample of tourists visiting Macao after the reopen of tourism in Macao will be used to obtain data through semi-structured interviews and finally a thematic analysis to summarise what aspects of the Macao tourism reopen strategy are included. During the period from 2022.08-2022.09, 7 interviewees are interviewed.

Furthermore, Convenience sampling, which is a non-probability form of sampling, was used in this study. The sampling used by the researcher does not provide every member of the target population to participate in the study, but rather the researcher selects the participants, they are recommended by the researcher or they choose to participate in the study themselves. This sampling technique is usually based around a location (e.g. a hospital) to select participants. Convenience sampling for qualitative research depends on the motivation of those taking part in the study. Motivation to participate may depend on a person's interest in the research topic, a desire to express an unsatisfactory viewpoint, or a desire to support a particular personal viewpoint (Stratton, 2021).

The analysis process of thematic analysis as a stand-alone qualitative descriptive method involves familiarising oneself with the data, generating initial codes, finding themes, reviewing themes, defining and naming themes, and producing reports. Thematic analysis provides the researcher with the core skills to conduct many other forms of qualitative analysis. In this regard, qualitative researchers should become more familiar with thematic analysis as a stand-alone, reliable method of qualitative analysis. Thematic analysis provides a purely qualitative, detailed and nuanced description of the data (Braun & Clarke, 2006).

Table 1. Demographic Information of The Interviewees

Name	Gender	Travel Time	Travel Type
R1	Female	2020.10.01	Alone
R2	Male	2020.10.04	Family
R3	Male	2020.12.29	Alone
R4	Female	2021.01.01	Family
R5	Female	2021.04.05	Family
R6	Female	2021.06.09	Family
R7	Male	2021.08.07	Family

3. Results and Discussion

The semi-structured interviews with seven respondents were thematically analysed and coded for relevant themes using Nvivo software, and four main themes emerged.

3.1. Epidemic Prevention Measures

This tourism reopen strategy for Macao is based on a resilience framework. The resilience framework defines the key variables that affect the ability of the system or any of its components to continue to operate effectively under different conditions. The variables identified are resilience factors. Resilience strategies require coordination, various crisis management techniques, good relationships (between all stakeholders), comprehensive networks, identification of risks and opportunities, and timely and scalable interventions (Alves, Lok, Luo and Hao, 2020 ; Fitriasari, 2020)). The literature on resilience points to proactive, absorptive/adaptive, reactive or dynamic properties of resilience (Supardi et al., 2020). Epidemic prevention measures are the most important factor in ensuring the reopen of tourism in Macao. Respondents mentioned that before being allowed to travel to Macao, there must be no confirmed cases in Macao or only confirmed cases on arrival. In addition, all travel records for the 14 days prior to travel to Macao must be from low-risk cities in mainland China. When entering Macao, hold a negative nucleic acid report within 7 days of validity. Travellers who meet these conditions do not need to be quarantined when travelling to Macao and back to mainland China, but must wear a mask and maintain a social distance throughout their trip to Macao.

3.2. Travel Bubble

The reopen strategy for Macao tourism does not apply to visitors from all over the world, but only from the low-risk area of mainland China, Hong Kong and Taiwan region in the past 14 days. The literature on travel bubbles is limited (Alampay & Rieder, 2008). Tourism bubbles are often referred to as travel bridges or corona corridors. They are defined as "all travel along a specific route" (Schiefelbusch et al., 2007), in which "a group of countries agree to open their borders to each other, but keep their borders to all other countries Are all closed" (Locker, 2020). Different

means of transportation (such as cars, planes, ships, or trains) can be used to connect the areas. A travel bubble is when two or more bordering or neighboring countries have successfully controlled the pandemic and agreed to allow their citizens to travel between each other without isolation. As an extension of the “safe” travel network, the travel bubble enables people to travel to single or multiple destinations (Jordan, 2020). Lohmann and Duval (2011) pointed out that multi-destination travel can be applied to “safe” travel areas containing multiple destinations (Parsons, 2021).

3.3. Tourist Rules

In addition to the new policy for COVID-19, Macao's tourism reopen still retains some of the previous policies, such as the requirement that visitors can only legally stay in Macao for 7 days per entry and that they must provide proof of funds of at least MOP5,000 per person.

3.4. Promotions

In order to facilitate the smooth implementation of the reopen of tourism in Macao, the Macao government has provided subsidies and tax exemptions to local tourism companies, which in turn allow them to promote special offers to eligible visitors. For example, Air Macao has launched a buy-one-get-one-free promotion to attract tourists to Macao after the reopen of Macao tourism.

4. Conclusion

A review of the relevant literature and qualitative analysis of the results, as well as an interpretation of the relevant government reports, reveals that Macao's tourism reopen strategy consists of four areas: anti-epidemic measures, tourism bubbles, tourism rules and incentives. In May 2021, Macao's gaming revenue rose 492 percent year-on-year to MOP10.445 billion, according to data released every Tuesday by the Macao Gaming Inspectorate. Compared to April, gaming revenue increased by 24 percent in May, but was still 60 percent lower than the level in May 2019. Macao's cumulative gaming revenue for the first five months of the year was MOP42.487 billion, up 29 percent year-on-year. The number of daily visitor arrivals continued to increase throughout May. According to the Macao Government Tourist Office (MGTO), some 167,000 tourists visited Macao during the May Day Golden Week, with over 93% of them coming from the mainland. During the May Day Golden Week, Macao's average daily visitor arrivals increased by 158% compared to the Lunar New Year period in February, and by 25% compared to the previous month. However, this figure is still only 21% of the figure for May 2019. This suggests that the reopen of Macao's tourism industry has had a positive effect on the city's local economy.

However, the tourism bubble created by this tourism reopen also has a special character due to the special nature of the one country, two systems of the Macao Special Administrative Region of China. This is because the main visitors to Macao are from Mainland China, Hong Kong and Taiwan region. But for some Asian destinations, such as Singapore, Bangkok and the Maldives, the main visitors are international tourists from Europe and the United States. The reopen of these destinations must then take into account additional factors such as the control of long-haul flights, airport traffic, and the travel rules and precautions of each country. This will require further research in the future.

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The authors declare no conflict of interest.

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