

A close-up photograph of a hand pouring tea from a blue and white ceramic teapot into a matching teacup. The teapot is tilted, and a stream of tea is visible falling into the cup. The teacup is on a tray, and another cup is partially visible in the background. The background is dark, and the lighting is focused on the teapot and cup.

BLING

## DYNASTY

FLUSH WITH CASH, CASINOS, AND DESIGNER HOTELS, MACAU—ONCE A GRITTY PORTUGUESE ENCLAVE OFF THE COAST OF HONG KONG—IS NOW THE WORLD'S THIRD-LARGEST GAMBLING-AND-GLAMOUR DESTINATION. WELCOME TO VEGAS ON THE SOUTH CHINA SEA.

BY BRONWEN HRUSKA

Photographs by Cedric Angeles



**ROYAL FLUSH**

Macau's sin-city style extends to its office towers: even the Bank of China building puts on the glitz. Opposite: the tea service, a traditional touch at the new Sands Macau.







**EAST MEETS WEST**

Above: Traces of Macau's Portuguese past turn up in casinos—and churches, like the 17th-century St. Dominic's. Opposite: the courtyard inside a Taipa temple.

MACAU HAS NEVER BEEN AN EARLY-TO-BED kind of town, and well past midnight things are just starting to get interesting at the Mandarin Oriental's Embassy Bar. The guest relations officers, as they're called here, have begun to press their Lycra-sculpted wares up against the foreigners unwinding after long hours in the casinos that are this small South China city's claim to fame. Gambling put Macau, which lies 40 miles across the Pearl River estuary from Hong Kong, on the map as a lawless, roughneck den of iniquity. Now it stands ready to completely reinvent this former Portuguese colony, the sole Chinese region where it's legal to make—or lose—a buck on the felt-covered tables.

The girls disappear throughout the night on the arms of paunchy men wearing loosened ties and fat, gold wedding bands. "At least you don't see hookers on the streets anymore," says Joe Pisano, observing the bar scene with a bemused shrug. He comes for business several times a year from Australia, where he works for IGT, the world's largest manufacturer of slot machines. "It's not exactly legal—it's tolerated. They're really tidying this place up a lot."

The Embassy Bar owes its booming commerce to the Sands, a megacasino sibling of the Las Vegas Venetian that opened in May four feet from the Mandarin Oriental's property line. You'd think that as the only Western-style five-star hotel in town, the Mandarin Oriental would benefit from the sheer volume of humanity streaming through the Sands, which doesn't rent rooms. But Pierre Barthes, the hotel's new general manager, a mild-mannered Frenchman who until last November ran the luxury chain's New York City property, shakes his head no: the Mandarin's palm-crammed pool patio goes largely unnoticed by the Sands' Chinese clientele, who tend to gamble straight through the night without coming up for air. "They don't care about all the frills," says Barthes. "They're not going to eat in my restaurants or go to my spa. They come here to gamble."

This is Macau 2004, lodged somewhere between a seedy past and a gold-encrusted future as the new Asian Las Vegas. Not surprisingly, this small city is experiencing a distinct variety of culture shock. If you're Chinese, gambling in Macau has always meant white-knuckled 24-hour binges. Soon it's going to mean world-class restaurants, floor shows, shopping, and spas.

BUT FOR ALL THE GLITZ ON THE HORIZON, this town still pretty much belongs to one man: the legendary Stanley Ho, who until three years ago held an ironclad 40-year monopoly on gambling here. That changed after the 1999 handover to China, when the government decided to clean up Macau's Wild West image, granting new gambling concessions—most notably, to Sheldon Adelson's Las Vegas Sands and Wynn Resorts, whose chairman, Steve Wynn, is the mastermind behind the Bellagio and the much-hyped Wynn Las Vegas.

At Ho's landmark '60s-style Lisboa, the hard-core Chinese gamblers couldn't care less about the \$705 million Wynn Macau going up across the street. The Lisboa has no flashing lights, magic shows, caged felines, dancing girls, or even booze, but gamblers in one of the many VIP rooms are three-deep at the baccarat tables and it's not even noon. "Forget sports, entertainment—no, these people are here to gamble," says Lindsay Stewart, an Aussie who works for one of Ho's American competitors as a slot manager for the Sands. "No one's ever bothered to entertain them before. We're trying to give them a show!" Ho's properties aren't known for their shows.

Not that Ho is sitting this one out. In fact, he's primed for a fight, with plans for a new, flashy, Vegas-style Lisboa addition; a partnership with the Australian billionaire Kerry Packer; and, especially, his soon-to-open \$116 million Fisherman's Wharf spectacle. In a very Vegas take on geography, the shops, restaurants, disco, and casino on the wharf will reside in replicas of Cape Town, New Orleans, Sydney, Miami, and other port cities around the world. In a blatant nod to the Strip, a volcano will erupt every 15 minutes.





**FULL HOUSE**  
The Macau Cultural Centre (top) and the Mandarin Oriental's Café Bela Vista offer better perks than Atlantic City.

AT THE FAR END OF THE TOWN'S MAIN DRAG, the Avenida de Amizade, faded gray mid-rises, laundry fluttering on their rusting balconies, sit unsuspectingly across the street from the shiny face of the city's future: the Sands Macau, a mammoth metal-and-glass box the size of several airplane hangars. Its wide, round towers conjure George Jetson's space garage. Its neon logo, familiar from years on the Strip, casts a blood-red glow eastward onto the brownish-gray waters of the Pearl River estuary. A stadium-size television screen mounted front and center facing the street flashes gargantuan images of the glistening oysters, juicy prime rib, and flexible Brazilian dancers that await gamblers inside.

A \$240 million experiment and the first Vegas-style casino to open here, analysts have speculated that the Sands recouped its entire investment in just eight months. That's a million dollars a day—a number even Vegas has trouble wrapping its mind around. Steve Wynn, the man who transformed Vegas into a sophisticated vacation spot, as well as the MGM, the Galaxy, and others, are scurrying to get their own casinos up and running in the next two years.

Past the airport-style metal detectors, up the long escalators, and beyond the four-story crystal chandelier lies the heart of the Sands: a cavernous 165,000-square-foot casino that roars with the white noise of slot machines, lounge ballads, and the cries and moans of victory and defeat. Everything here is oversize and American. The all-you-can-eat Las Vegas buffet offers 40 cuisines by 20 chefs for approximately \$22. The wide-open gaming floor is scattered with a mind-blowing 328 tables—almost three times as many as in the Vegas Venetian—all manned with fresh-faced dealers whose occasional smiles immediately differentiate them from the dour dealers everywhere else in town. But the biggest difference between the Sands and Ho's casinos is the breathable air. Approximately one out of every five players puffs away, but a giant ventilation system sucks the smoke up and off the floor.

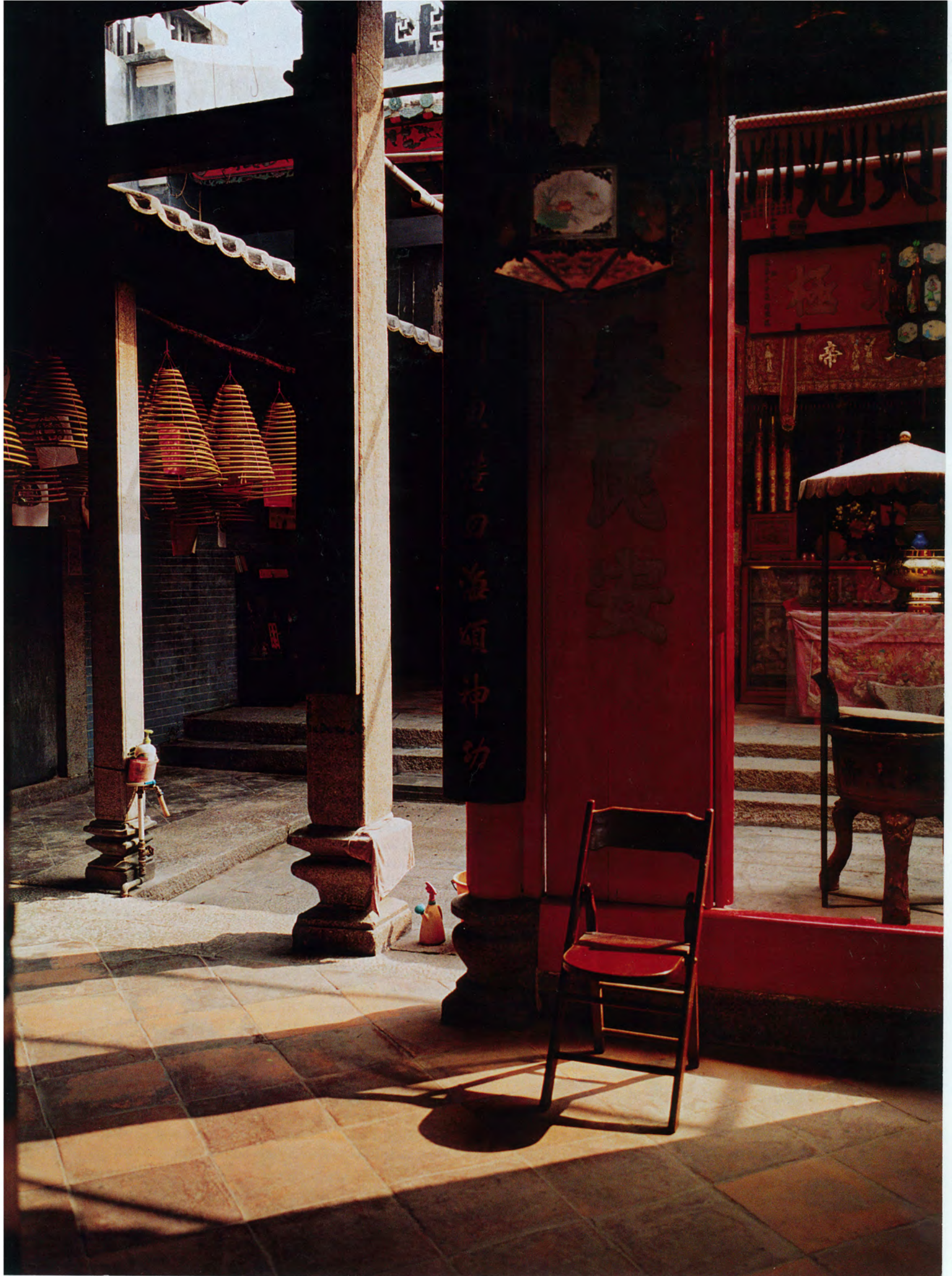
On the makeshift stage and granite bar, lean, athletic dancers in hot pants, go-go boots, and colorful Tina Turner wigs shimmy, gyrate, and hop around to Chinese pop. A throng of amazed gamblers stare slack-jawed at the spectacle; never in their lives have they imagined a casino could be so ... full of things that have nothing to do with gambling.

Sands management has learned some things the hard way. When the casino first opened, they pulled out all the Vegas-y tricks. They had girls in nurses' outfits dancing on the bar, "with syringes full of tequila," one insider remembers. "No one was interested. No one even looked up. The girls ended up drinking all the tequila, falling down, and passing out. We did away with that the next day."

The four gourmet restaurants at the Sands, with their handcrafted-wood detail, exquisite lighting, and rich upholstery, sit empty most days and nights. Only the quick, convenient noodle shop on the gaming floor is consistently packed with loners slurping down steaming bowls of soup. Hardly anyone takes advantage of the free alcohol. Instead, the Tea Guy, as they call him, wanders around the floor dressed like a field-worker in a Chinese straw hat, hauling a burlap backpack filled with tea. Employees in black-and-white silk give away more tea and coffee from bronze carts.

But no one is really worried that things can't change. One Vegas convention the Sands is pushing hard is VIP treatment for VIPs, the idea being, why should billionaires who are playing the \$100,000 max every hand have to mingle with the riffraff? Or, put another way, why should the serious money flooding in from mainland China go straight into Stanley Ho's pocket? At the Sands' Paiza Club, the cream of the crop are invited to hobnob high above the main floor in rooms where the felt on the tables exactly matches the hue of the handwoven carpets. Even though the Sands isn't a hotel, a player who spends really big can stay free of charge in one of the 51 designer suites that boast such attractions as panoramic views of the city, plasma TV sets, elaborate karaoke systems, and heated toilet seats that rise magically when you stand before them.







"We're offering people something they don't even know exists yet," says Alpha Padilla, a Sands spokesperson. "More VIPs will come when they realize what we're doing." In a culture where serious gamblers don't even take time out for a shower, will they really be tempted to book a full-body salt scrub at the state-of-the-art men-only VIP spa? The Sands is betting that they—or somebody—will. "No one's asked for it yet," the spa's director, Denise Stewart, admits. "But the idea is that whatever they could possibly ask for, it's there. We have it."

JUST A FEW YEARS DOWN THE LINE, Macau may well rival Vegas and Monte Carlo as a playground for the superrich. But what's attracting the high rollers at the moment isn't the vision of sophisticated fun. It's the rare investment opportunity.

A 10-minute taxi ride over one of the two (soon to be three) bridges leading from Macau brings you to the Cotai Strip, between the greener, less developed islands of Coloane and Taipa. The owners of the Sands shelled out \$12 billion to develop what was only recently a sliver of swampland connecting the two islands. Now industrial pumps work round-the-clock spewing brown liquid from the 120-acre site of the next and biggest phase of Macau's development. The strip is being reclaimed—or, more accurately, created—to house a flashy display of international wealth: a convention center, an arena, a Galaxy hotel and casino, and a replica of the Las Vegas Venetian, complete with canals and opera-singing gondoliers. To support all this expansion, the city is constructing a light-rail system, an airport addition, a new ferry terminal, and, in all likelihood, a 40-mile-long bridge to Hong Kong.

"Take a picture now," Padilla says. "You won't recognize this place in five years."

Amid the international invasion, the government is sticking to a strong quota system that ensures jobs for the 450,000 Macanese who live here. "The American casinos are bringing hope to Macau," says Walter Power, director of casino operations at the Sands, who received 43,000 applications last spring for the 4,500 jobs the Sands created when it opened. "We're giving people a chance for a future. A career." There will be many more jobs when Wynn and the others open their doors. The task is to turn Macau into a major tourist destination—and fast. Wynn, too, is promoting the benefits of the transformation, which, he says, will "improve the living standards and increase the opportunities for growth for Macau's citizens. We are delighted to be part of that process."

But not all the Macanese are as delighted. Simon Tse, sales manager for the Portuguese restaurant Vinha, is one of many concerned Macanese parents. "I had a fight with my daughter this year because she wanted to skip college and take a job with the Sands," he says. He told her absolutely not. "The jobs at the casinos pay very well. But working in a casino? That's not what I want for her future."

Others worry that the Macanese will be priced out of their own city. Speculators are already driving up real-estate prices, which spiked 50 percent last year alone. Hong Kong realtors have snapped up empty office buildings downtown. Anyone and everyone is trying to get in on the action. The prospects are so dire that the city's chief executive, Edmund Ho, has called for speculators to "restrain themselves" or risk government intervention.

But those in the know say chances are investors won't restrain themselves and Ho won't intervene. Macau just isn't that kind of place. And it's hard to come up with convincing reasons for pulling back now. Probably nowhere else in the world is the government so rich that it's actually *lowering* income taxes.

Hong Kong-based Paul Morton, the managing director of a private-client investment-management company, is about to jump on the bandwagon with high-end luxury apartments. "Since the Sands opened," he says, "it's gone mental in Macau. They'll sell within a weekend in Hong Kong for five, six, seven hundred thousand U.S. dollars. Everyone's going to want a flat in Macau—even if it's just to turn around in a few years. The profits will be huge." ■



**BLACKJACK BUDDHA**  
The Sands at night; the  
Kun Iam Temple by day.



*WE'RE OFFERING SOMETHING ]*

PEOPLE DON'T KNOW EXISTS," SAYS A SPOKESPERSON AT THE MACAU SANDS. BEFORE LONG, THE CITY WILL RIVAL VEGAS AND MONTE CARLO AS A PLAYGROUND FOR THE SUPERRICH. "TAKE A PICTURE NOW," SHE SAYS. "YOU WON'T RECOGNIZE THIS PLACE IN FIVE YEARS."

