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Casino competition heats up, can S'pore IRs take the heat?

By Clement Mesenas, TODAY | Posted: 16 April 2007 0942 hrs

With roulette wheels spinning and jackpot machines already whirring in casinos throughout a dozen Asian countries, the inevitable question that springs to mind is: Will there be enough well-heeled customers to feed the industry as more Las Vegas-style super casinos go up in new locations?

The question arises with the distinct possibility of luxury casino complexes coming up in Tokyo and the southern island region of Okinawa by 2012, as Japan moves closer to an overhaul of its strict gambling laws.

Taiwan is also considering lifting its ban on casinos, while Thailand is also seen as likely to relax its gaming laws in the coming years, an AFP report said on Sunday.

The number of countries already cashing in on the gaming industry is somewhat startling: There are the huge ones in Macau and Australia, and lots of smaller ones in countries from Vietnam, the Philippines, South Korea, Cambodia and Laos to Myanmar.

Closer to home, there's Genting in Malaysia and sister company's Star Cruises vessels with casinos on board which ply to Singapore. Goa, too, has a number of gambling ships.

The target of Japan's casinos, as in the case of Singapore's two integrated resorts (IR) at Marina Bay and on Sentosa, are rich Asian tourists, whose gaming instincts will help boost the economy of the casino-operating countries. So, will Singapore experience a dilution of its IR business once these newcomers are up and running?

Analysts do not think so. Singapore should be able to rake in a good share of the jackpot, they told TODAY.

Said Mr Sean Monaghan, a Merrill Lynch analyst who monitors the gaming industry: "The Japanese will most likely be basing their casino-cum-entertainment complexes on the Singapore IR model, but both countries will be catering to different markets which would not overlap much."

Singapore is in a dynamic part of the world as reflected by the success of Macau, said a Las Vegas operator.

"If you look at the numbers in Macau — 20 million visitors a year and growing - it reflects an untapped market. IRs in this part of the world are in their infancy. Singapore, with the appeal that the city already naturally has - we feel it's an ideal location," he said.



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In any case, there are millions of potential punters from China, enough to fill the casinos — those existing and those yet to begin operations in Asia — said analysts.

Singapore will also be in a position to attract wealthy Chinese Indonesian punters. There will always be Singaporeans too, who gamble an estimated \$900 million overseas a year, according to ABN Amro and US-based gambling consultancy, The Innovation Group.

Japan's lawmakers are already drawing up proposals to allow a handful of huge Vegas-style casinos, said Mr Toru Mihara, adviser to the Japanese ruling Liberal Democratic Party's casino study group.


American giants such as Las Vegas Sands, which have started work on Singapore's Marina Bay IR, and Harrah's Entertainment could team up with Japanese firms such as Sega Sammy, Konami or Aruze to build entertainment complexes including casinos, analysts told AFP.

Naturally, the Japanese government will be reluctant to hand over the entire lucrative business to foreign operators. The business of gaming, some experts say, is almost a licence to print money.

The Japanese' love for gambling can be drawn from the nation's multi-billion dollar pachinko (pinball) industry, which attracts some 17 million punters. But Japan, as in the case of Singapore, will look to overseas punters to boost its tourism earnings.

Japan managed to attract just over eight million tourists last year.

In contrast, Las Vegas attracted a record 38.9 million visitors. Singapore drew close to nine million tourists. The Singapore Tourism Board's plan is to double visitor arrivals to over 17 million by 2015. - [TODAY/ra](#)

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