

## Japan Casino Resort Hopeful Wakayama Makes Its Case

Written by Administrator  
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Tuna fileting demonstrations at Kuroshiro Market are a signature attraction of Marina City, proposed site of a Wakayama integrated resort. Muhammad Cohen

Integrated resorts in Japan's largest cities promise to be spectacular successes. But most action on the IR front right now is in the so-called regional sector, areas that have been losing population and relevance as economic power becomes more concentrated in major urban centers. Hokkaido, north of main island Honshu, held an IR showcase in January with seven IR operators participating. Last month, Wakayama, east of Osaka, hosted 300 people for an IR forum.

"Wakayama continues to be aggressive in letting everyone know that they desire to host one of Japan's three potential IRs," Global Marketing Advisors government affairs director Brendan Bussmann, who spoke at the event, says. Government plans call for Wakayama's IR to have 2,500 guest rooms plus convention and exhibition facilities and cost about US\$2.5 billion to develop.

"Attendees seemed pleased – this was, for most, the first time they were able to listen to and meet with IR operators," Hogo managing partner in Japan Chris Wieners says. The hospitality and entertainment marketing specialist organized the half-day event along with publisher Asia Gaming Brief, supported by the Wakayama Prefecture Government and Chamber of Commerce plus four IR operators, Manila's Solaire, France's Groupe Barriere, US tribal Mohegan Gaming and Entertainment and [Macau's Galaxy Entertainment](#) .

Wakayama Governor Yoshiniobu Nisaka provides strong support for the IR effort. Wakayama Prefecture Government

Wakayama may be the least risky regional IR location from numerous perspectives. Unabashedly pro-IR Governor Yoshinobu Nisaka was reelected to a fourth term last November by a four-to-one margin in a campaign that Nisaka's opponent declared a referendum on casinos.

Like Osaka, Wakayama has selected its IR site. Unlike elsewhere, "You can start construction

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right away,” Governor Nisaka says. Wakayama’s IR will occupy roughly half of Marina City, a 49 hectare (121 acre) artificial island in Osaka Bay that’s a short drive from downtown Wakayama City, the prefecture capital. The island currently houses tourist facilities including seafood and fruit markets: Wakayama is famed for oranges and plums.

Marina City also has a yacht harbor, hotel, *onsen* (hot spring) with sea views and fishing pier. There’s room for a ferry to connect to the airport and even cruise ship facilities. IR plans call for capitalizing on the seaside location with water sports and a leisure vibe. An amusement park now on the IR site would be easily demolished, and there are no chemical or archaeological surprises looming.

Seiganto-ji Temple is among the UNESCO World Heritage sites that attract more than 30 million visitors annually to Wakayama. Wakayama Prefecture Government

Wakayama Prefecture already annually attracts 33.4 million overwhelmingly domestic tourists, drawn mainly by UNESCO World Heritage Buddhist shrines, Waikiki sister beach Shirarahama and Adventure Land, a wildlife and amusement park featuring pandas. Wakayama City hosts Japan’s Olympic sailing training center and annual national scholastic sailing competition.

Wakayama’s top selling point: it’s in Kansai region, Japan’s second largest population center with more than 22 million people. Wakayama City is 40 minutes by car from Kansai International Airport, the region’s overseas gateway, marginally closer than Osaka and just over an over by train or car from Osaka city. Access to potential domestic and foreign customers boosts Wakayama’s case.

It’s widely assumed that Osaka will win an IR licenses, bolstered by its successful bid for the 2025 World Expo. With just three IR licenses on offer nationally, skeptics doubt Japan would award two to the same region. Many also suggest a Wakayama IR couldn’t compete with an Osaka IR expected to cost four times as much.

Wakayama City seen from Wakayama Palace. Proposed IR site Marina City is over the arch bridge in the left background. Wakayama Prefecture Government

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“One IR won’t for enough for Kansai,” Barriere Japan president Jonathan Strock says. “Osaka and Wakayama IRs are not competitors, they’re complementary,” Osaka as a primarily domestic destination with Wakayama targeting foreigners. Barriere, which runs more than two dozen casinos around France, has made Wakayama “the focus of our IR efforts.”

It will likely take about a year until the central government is ready to assess IR bids from localities to consider awarding licenses. If two or more of Japan’s largest cities use that time to follow Osaka’s lead and enter the IR fray, the central government must decide whether to issue a regional license or take a more lucrative urban opportunity – central and host governments split the 30% gaming tax and ¥6,000 (US\$54) casino entry fee for Japanese residents. That’s a political decision.

“The national government appears to be heading in the general direction to re-balance the focus and concentration of wealth, talent and population from Tokyo and other major prefectures, to these regional areas, lest the imbalance widen,” Vector Risk Management managing director Kenji Okamoto says. “Providing a regional license may also help garner support and interest for IRs, both of which are still lacking among the general populace.”

Those goals may or may not outweigh the political imperative that every IR be an overwhelming commercial success. As a regional location accessible to an urban population, Wakayama has a pair of aces in the hole.

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