

Three Lessons Japan And Macau Can Learn From Singapore's Casino Oversight

Written by Administrator
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Las Vegas Sands' Marina Bay Sands integrated resort and its counterpart, Genting's Resorts World Sentosa, have transformed Singapore on many levels.

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Singapore remains Asia's gold standard for integrated resort development. As [Japan fine tunes its approach to IR regulation](#) and Macau contemplates re-tendering casino concessions, Singapore illustrates what to do – and what to do differently.

Lesson 1: Know what you want—and be right. Singapore had clear objectives for its initial IR experiment. It wanted and got a world class theme park, Universal Studios at Genting's Resorts World Sentosa, and a global scale convention center at Las Vegas Sands' Marina Bay Sands. Now, as the price of increased hotel and casino capacity, Marina Bay Sands will construct a 15,000 seat arena, an alternative to aging Singapore Indoor Stadium, and RW Sentosa will expand Universal Studios and make its aquarium the world's largest. RW Sentosa will also revamp its waterfront into a “dining and lifestyle district” complimenting similar moves on the south end of Singapore island.

Macau authorities mandate becoming a “world center for tourism and leisure” but haven't produced useful guidance to make that slogan a reality. It's particularly unfortunate because Macau has fabulous raw material as the world's longest running living laboratory of East meets West and a treasury overflowing with tax revenue. So, casino operators build arenas, malls and attractions that meet the authorities' directives to invest in non-gaming infrastructure but don't meaningfully move the needle. A fraction of that investment strategically directed could have genuine impact.

In Japan, regulators are adopting a one-size-fits-all approach. Every integrated resort proposal must include sizable convention and exhibition facilities as well as more hotel rooms than any single property in Japan today. That formula may work for many locations, but others undoubtedly have unique attributes to showcase. Better to let a thousand flowers bloom than mandate the same crop, soil be damned.

In exchange for casino legalization, Singapore got Universal Studios, the world class theme park it long coveted, as part of Genting's Resorts World Sentosa.

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Lesson 2: Demand great. In exchange for casino gambling, Singapore got a top shelf theme park and an architectural marvel with the world's most envied swimming pool. IRs also introduced celebrity chefs that sparked a restaurant renaissance, adding a new dimension to Singapore's portfolio as a foodie destination. Marina Bay Sands museum curators mount best in class exhibitions.

Macau and Japan must also insist on great, absolutely must-see stuff. Macau already hits some high notes: Melco's House of Dancing Water, Galaxy's Grand Resort Deck, and, for sheer scale, Sands China's Venetian Macao that also single-handedly made the city a branded shopping destination. Re-tendering gives Macau a chance to compel every aspiring licensee to do world class.

Japan contenders must wow a sophisticated domestic audience. What plays there will probably thrill the rest of world, though it would help if the government – and license aspirants – focus on making their IRs uniquely Japanese.

Lesson 3: Take gambling disorders seriously. In tandem with casino legalization, Singapore created its National Council on Problem Gambling and established stringent regulation. Singapore initially set an entry fee for residents of S\$100 daily or S\$2,000 annually that was hiked recently to S\$150 per day and S\$3,000 annually, as part of an [agreement for IR expansion](#) that also increases the gaming tax rate by three percentage points. The city-state bans all forms of casino advertising and promotion in the domestic market and mandates training for gaming floor employees to identify problem gamblers. The NCPG estimates problem and pathological gambling rates of Singapore residents fell from 2.6% when the IRs opened in 2010 to 0.9% in 2017.

Singapore says its rate of problem gambling has fallen by nearly two-thirds since the year its integrated resorts opened.

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Kahlil Philander, an expert on gambling disorders, gives Singapore's measures mixed reviews. The Washington State University assistant professor of hospitality business management dislikes entry fees because they seem likely to deter more of the casual players rather than problem gamblers. He suggests a closer evaluation of why Singapore's problem gambling

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prevalence fell.

Macau saw its problem gambling rates rise during the early days of casino liberalization and fall since amid government and operator cooperative responsible gaming efforts. Problem gambling has been a major focus of Japan's casino legalization, with responsible programs mandated and entry fees set at ¥6,000 for residents with limits on visits.

Despite [pockets of IR enthusiasm such as Osaka](#) , national surveys show solidly negative sentiment, largely due to problem gambling concerns. A mooted public push to promote IRs, led by Prime Minister Shinzo Abe, never materialized. So it's up to aspiring IR operators to mount their own charm offensive, preferably a collective effort to be paid for by all, winners rebating losers. Public disapproval is currently costing operators shots at Yokohama and Tokyo—Japan's two biggest cities—and the chance for IRs to have the kind of transformational impact seen in Singapore.

Japan's integrated resort developers should have freedom to showcase uniquely Japanese attributes.

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