

Asian Casino Boom Aims to Lure Region's New Rich

Written by Administrator

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In the Philippines, a \$4-billion casino will soon rise from reclaimed land on Manila Bay. In South Korea, foreign investors are expected to break ground next year on a clutch of casino resorts offshore. And on the eastern edge of Russia, authorities plan a resort zone aimed at drawing Chinese high-rollers.

The projects are part of a casino building boom rolling across Asia, where governments are trying to develop their tourism markets to capture increasingly affluent Asians with a penchant for gambling. They're building glitzy, upscale Las Vegas-style resorts in a bid to copy the runaway success of Asian gambling hubs Macau, which rapidly became the world's biggest casino market after ending a monopoly, and Singapore, where the city-state's first two casinos raked in an estimated \$6 billion a year after their 2010 openings.

The casino boom highlights how the gambling industry is being propelled by the region's rapid economic growth, with millions entering the middle class thanks to rising incomes that allow them to spend more on travel and leisure pursuits. But it has also intensified debate over the social ills and perceived economic benefits of the gambling industry.

"Definitely, the success of Macau has set off a chain reaction in what is happening in the region," said Francis Lui, vice chairman of Macau casino operator Galaxy Entertainment Group. "After the success of Macau and Singapore, of course you see more countries now assessing the pros and cons of having gaming as a driving engine for bigger economic growth."

"In the future the region is going to have more casinos."

The fortunes to be made are immense. After Macau ended a four-decade monopoly and allowed in foreign operators such as Las Vegas Sands Corp., Wynn Resorts and MGM Resorts International, the former Portuguese colony on the southern edge of China quickly overtook the Las Vegas Strip as the world's biggest gambling market. The foreign operators helped supercharge growth in Macau — previously known for its aging, seedy, no-frills casinos — by building flashy gambling palaces drawing wealthy mainland Chinese. Last year the city of just 500,000 people raked in \$33.5 billion in gambling revenue.

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In Singapore, the Marina Bay Sands and Resorts World Sentosa, which together cost more than \$10 billion, have put the city on track to becoming the world's second-biggest gambling market.

By 2015, consultants PricewaterhouseCoopers predict the surge in Asian casino revenues will have "fundamentally reshaped the landscape of the global industry" and help Asia edge out the United States as the world's biggest regional market.

PWC forecasts that the Asia-Pacific gambling market will more than double from \$34.3 billion in 2010 to \$79.3 billion in 2015, surpassing the U.S., which is estimated to grow from \$57.5 billion to \$73.3 billion in the same period.

A number of projects planned or under way across the region are helping to fulfill that prediction.

Cambodian operator Nagacorp, which runs the only casino in the Southeast Asian city's capital, Phnom Penh, plans to open a \$369 million expansion including hotels and shopping later this year. The company operates buses equipped with massage chairs to pick up punters from neighboring Vietnam.

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