

Casino Companies Get Good News From Japan -- The Motley Fool

Written by Administrator
Thursday, 10 May 2018 22:08 -

Global casino operators had a run of good luck recently after the cabinet of Japanese Prime Minister Shinzo Abe passed a casino bill that would legalize casino gambling in the country. While many observers had been expecting two licenses to be initially approved, the cabinet has called for three, along with other measures that could help spawn a viable industry.

With a June 20 deadline before Japan's legislature adjourns, the prime minister is pushing for the Diet to take up and approve the bill.



Tokyo is a leading site candidate for a casino. Image source: Getty Images.

A big bet for Japan

Unlike in the U.S., important legislation in Japan typically emanates from the cabinet, and the legislature -- called the Diet -- then considers it. Cabinet members are also typically members of the Diet. According to *The Japan Times*, last year, the Cabinet proposed 75 laws, all but four of which were passed by the Diet while just 12 bills were approved from the 164 that were initiated from within the Diet.

Because the Abe administration is pushing hard for the casino legislation to be approved, there's a very good chance it will be. Among the bill's provisions are:

- A 30% tax on gross casino revenues.
- A \$55 casino entrance fee for Japanese citizens (tourists can enter free).
- Japanese citizens would be limited to three casino visits a week, or 10 per month (no limits on tourists).
- Casino space limited to just 3% of an integrated resort's total square footage.

Casino Companies Get Good News From Japan -- The Motley Fool

Written by Administrator
Thursday, 10 May 2018 22:08 -

Although estimates of just how lucrative the Japanese casino market could become have trended lower as the reality of legalization has moved steadily forward -- initially it was estimated to be worth some \$40 billion, but analysts now [peg it closer](#) to \$15 billion -- it would still be worthwhile for

La

s Vegas Sands

(
[NYSE:LVS](#)

)

MGM Resorts

(
[NYSE:MGM](#)

)

, and

Melco Resorts & Entertainment

(
[NASDAQ:MLCO](#)

)

to spend the \$10 billion or more they've pledged should they win one of the licenses.

Willing to go all-in

Sands is looking at Yokohama and Osaka as potential sites for a casino, though it would take any place it was given. MGM CEO Jim Murren is also excited about the developments and considers his resort to be one of the front-runners for a license, though he admits any decision is probably three or four years away. Meanwhile, Hong Kong-based Melco has developed security measures that will likely prove popular with gaming regulators because it can track the movements of Japanese citizens.

Any winning bid would likely have to contain proposals on how the casinos would help curb gambling addiction, a serious problem in Japan and one of the primary reasons public sentiment is negative toward legalization. Some estimates say gambling addiction is [five times higher](#) in Japan than in other developed economies with legalized gambling.

The economic benefits of casino gambling, though, have undoubtedly carried more weight in the cabinet, and now that the administrative body has approved its plan, all eyes turn to the legislature to see whether the coalition Prime Minister Abe has assembled can push the bill through to reality.

Casino Companies Get Good News From Japan -- The Motley Fool

Written by Administrator
Thursday, 10 May 2018 22:08 -

[Rich Duprey](#) has no position in any of the stocks mentioned. The Motley Fool has no position in any of the stocks mentioned. The Motley Fool has a [disclosure policy](#) .

Read more <http://news.google.com/news/url?sa=t&fd=R&ct2=us&usg=AFQjCNHSBUbBk1Roe8CI5rrRgez74kcg&clid=c3a7d30bb8a4878e06b80cf16b898331&cid=52779896134010&ei=QxX1WoipKZWGhQH7s5SQA&url=https://www.fool.com/investing/2018/05/10/casino-companies-get-good-news-from-japan.aspx>