

Macau sets first formal cap on casino tables, income amid bidding war

Written by Administrator

Friday, 26 August 2022 05:52 -

People wearing masks walk in front of Casino Lisboa, before its temporary closing, following the coronavirus outbreak in Macau, China February 4, 2020. REUTERS/Tyrone Siu/File Photo

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- Maximum number of tables set at 6,000, gaming machines at 12,000
- Gross income limit is \$866,122 a table; \$37,120 for a machine
- Casinos must pay the difference if they miss the limits
- Global operators can bid until Step 14 for Macau licenses

HONG KONG, Aug 26 (Reuters) - Macau has fixed a limit of 6,000 gaming tables and 12,000 gaming machines for new casino operators early next year, as well as minimum income levels for each operator, the government in the world's biggest gambling hub said on Friday.

It is the first time authorities have set a formal cap on the numbers of tables and a minimum income requirement, as the government looks to tighten control of casino operators who raked in \$36 billion in 2019, before COVID-19 disruptions.

With contracts set to expire at the end of the year, the territory's six licensed operators, Sands China ([1928.HK](#)), Wynn Macau ([1128.HK](#)), Galaxy Entertainment ([0027.HK](#)), MGM China ([2282.HK](#)), SJM Holdings ([0880.HK](#)), Melco Resorts have to rebid for their spots.

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The highly anticipated bidding process kicked off in July, when the government said global gaming operators could submit bids for new licenses from July 29 until September 14.

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"The new gaming operation from early next year will ... cap the total amount of all gaming tables and gaming machines to ensure orderly and healthy development," the government said in a statement on its website.

Minimum annual gross income from each gaming table is set at 7 million patacas (\$866,122) while the figure for each gaming machine is 300,000 patacas (\$37,120), the government said.

Such figures of minimum gross revenue guarantee a minimum level of tax for the government, with the operator having to make up the gap if revenues fall short.

The rules aim to spur licensed companies to make good use of approved tables and machines, the government said.

A nominal cap on table games set by the government in 2012 allowed for compound annual growth of 3% on the number of tables available for all casinos.

By the end of 2021, Macau had a total of 6,198 gaming tables and 11,758 machines in operation. That was down from a high of 6,739 tables in 2019, prior to the COVID-19 outbreak.

The rebidding takes place amid Macau's worst outbreak of COVID-19, which led to a 12-day closure of casinos in July. While they have re-opened, there is no business, as curbs are only being lifted slowly.

At a time when other gambling centres in the world are getting busy again, Macau's COVID-19 curbs are burning through about \$600 million a month. The casinos are expected to have little to no income for months, analysts say. [read more](#)

(\$1=8.0820 patacas)

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