

Singapore To Issue Sentosa Casino Tender Documents Friday

Singapore (Dow Jones) – Singapore will launch Friday the tender for its second casino resort, and will announce details such as the price for the 35.6 hectare site on Sentosa island and the criteria that will be used to select the winning bidder.

The Singapore Tourism Board, the agency tasked with handling the casino tender, will start offering tender documents from 0300 GMT (11 a.m.) Friday, and details of the tender should be available from around that time.

As with the city-state's first planned casino resort on Marina Bay, the winning bidder for the Sentosa casino will be selected based on the quality of its proposal, measured by several qualifying criteria.

Contending consortia for the Sentosa casino include Kerzner International Ltd. and CapitaLand Ltd.; Harrah's International and Keppel Land Ltd.; and a team led by Genting International PLC that includes Universal Studios, a unit of General Electric Co.'s NBC Universal.

The Harrah's and Genting-led groups will have to withdraw from the Sentosa bid, however, if either Harrah's or Genting succeeds in its Marina Bay bid since both casinos can't have the same main shareholder.

Singapore, which launched the tender for the Marina Bay casino in November last year, is expected to name the winner in late May or early June.

Other potential contenders for the casino resort at Sentosa,

which is about five minutes drive from the city-state's financial district, are a tie-up between U.S. companies Eighth Wonder and Starwood Hotels & Resorts Worldwide (HOT), and South Africa's Sun International Ltd..

Both groups earlier participated in a request for concepts called by Singapore last year, but have kept a low profile since. According to media reports, Sun plans to examine the tender details before deciding whether to proceed with a bid.

The tender for the Sentosa casino will close on Oct. 10, and the government is likely to announce the winner toward the end of the year, the tourism board said previously.

Singapore last year reversed its decades-old ban on casino gambling and said it would award two casino licenses to boost tourism and help the city-state shed its straight-laced image. According to the authorities, the two casino resorts could increase Singapore's annual gross domestic product by SGD 1.5 billion (USD 945 million) and create around 35,000 jobs.

Both casinos are expected to start operations in 2009 or 2010.

Merrill Lynch analyst Sean Monaghan said the government will likely set the price of the Sentosa site between SGD 500 million and SGD 800 million, or well below the SGD 1.2-billion price tag placed on the 20.6 hectare Marina Bay site.

„It's a large piece of land but far less prominent than Marina Bay," he said, adding that the authorities may settle for a relatively low price to encourage bidders to commit to building more facilities and attractions.

But while it will encompass a much larger land area, the Sentosa casino resort's permissible gross floor area is likely to similar to the Marina Bay casino's 570,000 square meters, analysts said.

Trade and Industry Minister Lim Hng Kiang said earlier this

week that proposals for the Sentosa casino resort will be assessed on the same four criteria used in the Marina Bay contest – tourism appeal, architectural concept and design, development investment, and strength of the consortium and partners.

But the weighting of each criteria would be different to reflect the different target markets.

„When you look at Marina Bay, we’re looking at business travelers, conventions, entertainment, attractions. So these are in an urban setting. When you look at Sentosa, you’re looking at a theme park, something with resort settings. (The) key factors are the same, but it’s in a different context,“ the minister was quoted by television station Channel NewsAsia as saying.

A spokeswoman at the Singapore Tourism Board said the consortia that have been invited to bid for the Sentosa project will have to pay SGD 1,000 for a set of tender documents, while analysts and other parties will have to pay SGD 10,000.