

Casinos to see a fall in income when smoking ban enforced

Casino operators are likely to see an 8.4% drop in income from table games and an even larger fall in gaming machine income once the English smoking ban comes into force in July, experts have warned.

A new report from Global Betting and Gaming Consultants (GBGC) says the Scottish experience since the March 2006 ban indicates that operators south of the border are set to suffer.

The Scottish ban resulted in a fall of 4.3% in admissions compared with 2% in England and Wales (excluding London); a reduction of 12.6% in the drop (the amount of cash exchanged for chips – England and Wales saw a fall of 8.5% in the same period); and house win down 16.7% (8.3% in England and Wales).

The large players in the casino market will be particularly hard hit, the report says, estimating that Rank's Grosvenor Casino Estate will face a fall in revenue of approximately £20m on 2005 income of GBP 207.9m.

Warwick Bartlett, lead partner at GBGC, said: „All the focus on the liberation of the casino industry and the award of new licences has obscured the very serious problem facing the existing casino industry as a result of the smoking ban.

“It is clear that there will be closures, and the challenge for operators is to maintain margins as far as they can – and to find ways to extend their client base into the non-smoking population.”