

# Hong Kong not to build casinos to compete with Macau

Hong Kong will not build casinos to compete with its booming neighbor Macau, which recently surpassed Las Vegas in gaming revenue, an official said. The remarks came as Singapore is also opening up to casinos. The city-state dropped a ban on casino gambling in 2005.

Speaking to reporters after a banquet held by the hotel industry late Friday, Hong Kong Secretary for Commerce and Economic Development Frederick Ma acknowledged the fast casino growth in Macau posed a challenge to Hong Kong. „It’s definitely somewhat of a challenge to the tourism industry,“ he told reporters in remarks released in a transcript Saturday.

But Ma added the Hong Kong government would not consider building casinos to compete with Macau. „The government doesn’t think it would help the tourism industry if Hong Kong built one or two casinos because Macau has many casinos like Las Vegas,“ he said. Ma also said that not considering casinos was a „matter of principle,“ but did not elaborate.

Hong Kong’s pro-government and pro-business Liberal Party proposed opening up to casinos several years ago, but then-Financial Secretary Henry Tang said in late 2004 the government was not convinced of the benefit. Tang acknowledged casinos would bring some economic gain, but said they may also lead to social ills, noting that locals had mixed views on the proposal.

Hong Kong currently only allows three forms of gambling – on horse races, soccer matches and a numbers game. In 2003, when the government legalized gambling on soccer, critics complained it would lure youngsters into betting on the hugely

popular sport.

Ma said Hong Kong will build more convention space – conventions are a major target of the recently opened Venetian Macao casino resort – invest in cruise ship terminals and expand Ocean Park, Hong Kong's leading theme park. Macau has enjoyed strong economic growth since ending a casino monopoly in 2002 and letting in Las Vegas operators like Steve Wynn and Sheldon Adelson.

Wynn has built the Wynn Macau while Adelson's Las Vegas Sands Corp. built the Sands Macao, and last month opened the massive Venetian Macao, which claims to be Asia's largest building housing the world's largest casino floor.

Adelson hopes to transform the reclaimed Cotai strip, which links two outlying islands in Macau, into a concentrated casino resort area.

Macau beat the Las Vegas Strip last year as the world's gambling center. The city raked in USD 6.95 billion in gambling revenue, while the Strip made USD 6.69 billion, regulators in both cities said.

Meanwhile, in Singapore, Adelson is now building a USD 4 billion casino resort scheduled to open in 2009. A second casino license was awarded to Genting International PLC, whose resort is expected to be ready in 2010.