

Galaxy reveals approval for Macau plans

Hong Kong casino operator Galaxy Entertainment Group announced this week that the company has received government approval to expand its planned development on Macau's Cotai strip, pitting it against the newly opened Venetian.

Galaxy currently runs five casinos in China's gambling enclave in Macau, including StarWorld, which opened last October. It is also building Galaxy World Resort on Cotai, a reclaimed strip linking two outlying islands that Las Vegas mogul Sheldon Adelson hopes to transform into a massive resort that rivals the Nevada gambling mecca.

Peter Caveny, Galaxy's investor relations principal, told The Associated Press Tuesday that Galaxy has received Macau government approval to expand its development on Cotai beyond GalaxyWorld.

GalaxyWorld is currently expected to comprise 2,500 hotel rooms in two towers and 28,800 sqm of gaming space. Its first hotel block and casino are expected to be completed the end of 2008, with the second hotel building to be finished in 2009.

Caveny said Tuesday Galaxy has received the go-ahead to add an additional nine hotels, 34,200 sqm of gaming space, 67,500 sqm of convention space and 126,000 sqm of retail and restaurant space.

Caveny declined to say when Galaxy will start work on the expansion or how much it will cost. „When we proceed is when the demand is there,“ he said.

Galaxy's announcement comes as Adelson's Las Vegas Sands Corp. seeks to build Cotai into a concentrated resort area. Las Vegas Sands, which already runs the Sands Macao, opened the

massive Venetian Macao last month.

The USD 2.4 billion Venetian boasts what it claims to be the world's largest gaming space of 50,000 sqm housing 3,400 slot machines – with room to expand to 6,000 – and more than 800 gambling tables. It has 3,000 rooms, a 15,000-seat sports arena, retail space for 350 stores, 108,000 sqm of convention space, fine restaurants and a Cirque du Soleil-produced show.

Adelson also plans to open more hotels under brands such as Four Seasons, Sheraton and St. Regis next door. In all, his Las Vegas Sands plans to invest up to USD 12 billion and build 20,000 hotel rooms on Cotai by 2010.

Macau, which is also spelled Macao, 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. Galaxy said Monday its first-half net loss narrowed as increased contributions from its casino operations offset costs associated with the amortization of its casino license.

Galaxy reported its net loss for the first six months was USD 34.4 million compared with a loss of USD 94.2 million a year earlier. The Hong Kong-listed company, controlled by the family of Hong Kong businessman Lui Che-woo, said it booked USD 63.5 million in amortization of its casino license in the first half.