

Macau's casinos draw away Hong Kong tourists

Hong Kong won't build casinos to compete with neighbouring Macau, despite the challenge posed by the gambling mecca's rapid transformation into a tourism and convention hub, Hong Kong's leader said on Thursday.

„The answer is no,“ said CEO Donald Tsang when asked whether the city might construct its own casinos after a major push by some tourism operators and the pro-business Liberal party to build a casino resort.

Macau's slew of new casinos, including the world's largest – „The Venetian“, which opened in August – have drawn tourists away from Hong Kong. The former Portuguese enclave's gaming revenues hit USD 7 billion in 2006, leapfrogging the Las Vegas strip.

Macau has also begun to eat away at Hong Kong's convention and exhibition business, which it has long dominated. Macau's „Venetian“ casino resort brought 110,000 sqm of new convention space to the market – almost twice the space of Hong Kong's flagship convention centre.

But Tsang said Hong Kong wouldn't follow Macau's lead, partly to avoid cutting off its neighbour's economic lifeblood. „With our managerial skill and administrative ability, I think we can easily set these (casinos) things up, but it would certainly be to the detriment of Macau's development,“ Tsang told a group of foreign reporters. „I don't believe we should engender stiff ... competition between the two,“ he said of Hong Kong and Macau.

Singapore, meanwhile, has ploughed ahead with plans for two multi-billion-dollar casinos, including one on Sentosa island.