

# Macau casinos face Olympic Games hurdle

Casino operators in Macau aren't expecting much of a revenue bump from the Beijing Summer Olympic Games, which will begin August 8. Wall Street thinks the numbers may even dip. Wynn Resorts Chairman, Steve Wynn, isn't banking on an Olympic boost for Wynn Macau. „It's going to be a great event for Beijing, but it's not going to mean much for Macau,“ he said.

Macau is almost 2,000 kilometers of Beijing, so a side trip by Olympic attendees is not practical. Deutsche Bank gaming analyst Bill Lerner, who was in Macau last week, said the country has caught Olympic fever. Banners proclaiming the Olympics are rampant throughout Hong Kong and other areas. People are going to stay home and watch the Olympics rather than travel,“ Lerner said. „The government wants everyone watching.“

In 1984, Las Vegas tourism officials funded an advertising campaign aimed at people attending the Summer Olympic Games in Los Angeles. A smaller effort took place in 2002 at the Winter Olympic Games in Salt Lake City. The efforts attracted a small spillover audience.

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Still, Macau is getting a taste of the Olympics. May's torch relay carried the Olympic flame past Macau landmarks. This week, the U.S. Olympic men's basketball team, led by NBA superstars Kobe Bryant and LeBron James, play a pair of tune-up games against Turkey and Lithuania inside the 15,000-seat Cotai Arena at The Venetian Macau.

Macau gaming revenue – USD 10.3 billion in 2007 – is still climbing. Through the first six months of 2008, gaming revenue is USD 7.4 billion, up 40 percent from a year ago.

The Chinese government has taken steps, however, to slow visitation. New travel policies and visa restrictions have been implemented to cut the number of visits to Macau from mainland Chinese citizens. The move has reduced mass-market casino visitors, but has not lowered high-end casino play. In April, the Macau government said it would halt awarding any new gaming licenses through 2009.

Macquarie Group analyst Gary Pinge, who is based in Hong Kong, thought the Chinese government was trying to stem the flow of illegal workers from mainland China into Macau. Investors may now be gun-shy because of political risk tied to gaming. „We are uncertain as to the exact level to which (China) wishes to slow down the gaming market,“ Pinge said.