

Relaxing Its Grip to Play for a Winning Hand

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SINGAPORE -- Casinos would be allowed in Singapore only "over my dead body," Lee Kuan Yew, the country's founder and a fierce opponent of gambling, once said.

The so-called minister mentor of a government led by his eldest son, Mr. Lee, 86, still casts a long shadow over this city-state. But two casinos, as grandiose and gaudy as anything in Las Vegas or Macao, have opened here recently -- with his blessing.

Through their sheer size and proximity to the city center, the casinos have already transformed Singapore's landscape. It is too early to tell, though, whether they will succeed, as Singapore hopes, in transforming its image, culture and mind-set.

The casinos are the most conspicuous symbols of the government's more ambitious goal of loosening up this tightly regulated society and positioning it against international hubs like Dubai or even New York. At the same time, forced to operate under some of the world's stiffest restrictions, they reflect Singapore's enduring fears of loosening up too much and too fast.

To discourage residents from gambling, the government collects casino entrance fees -- \$70 for a 24-hour period or \$1,400 for a full year -- from all Singaporeans and permanent residents. Almost 30,000 people, mostly recipients of public assistance or those who have filed for bankruptcy, are automatically barred from entering. While hoping to draw free-spending Chinese, Indonesians and other foreigners to the establishments, the government has imposed strict reporting regulations that make it difficult for the casinos to draw high rollers, who typically make up a disproportionate share of casino revenues.

"We do agree that some of the rules may be a little unfriendly to the casino business, but we understand where it's coming from and we understand why," said Robin Goh, a spokesman for Resorts World Sentosa, a \$4.7 billion, 121-acre retreat that opened in February. Mr. Goh added that there were "fears" that casino gambling "could bring about a lot of social ills to what has always been a kind of pristine, squeaky-clean image of Singapore."

Since its opening, the Malaysian-owned Resorts World Sentosa -- which includes a Universal Studios theme park and buildings designed by the architect Michael Graves -- has averaged an occupancy rate of 90 percent at its hotels on weekends and 80 percent on weekdays, Mr. Goh said. Tickets to Universal Studios have sold out on several weekends, he said. Mr. Goh declined to release details about the visitors to the casino itself.

In permitting casino gambling, the government mandated that the casinos make up only a small part of what it calls "integrated resorts," which also include conference centers, shops and cultural attractions. The floor space of the casinos at Sentosa and the other resort, Las Vegas Sands's \$5.5 billion Marina Bay Sands, make up only about 3 percent of the resorts' total floor space.

Gillian Koh, a researcher at the Lee Kuan Yew School of Public Policy at the National University of Singapore, said the resorts were part of a larger strategy to change Singapore from "a trading post or manufacturing hub" to a "services hub" with its attendant amenities.

"There were lots of arguments against it," Ms. Koh said of casino gambling. "The government was against it; now we're O.K. with it, because we know how to live with these things. It's a signal of being innovative socially as well as in the industry sense of it."

For decades, Singapore adamantly rejected casino gambling, fearing the emergence of money-laundering, addiction, prostitution and other problems associated with large-scale gambling. But with casinos opening elsewhere in Asia to cater to newly rich Asians, Singapore engaged in an intense debate over casino gambling in 2005.

Reversing himself, Mr. Lee strongly backed casino gambling, saying that it was critical to Singapore's future. Rejecting casino gambling, he said, would send the signal that "we want to stay put, to remain the same old Singapore, a neat place and tidy place with no chewing gum." His son, Prime Minister Lee Hsien Loong, said casinos would generate the kind of "buzz" found in London, Paris and New York.

"Their development is also part of our bigger plan to reinvent our city-state and turn it into an exciting, livable global city," the Singapore Tourism Board said in a written reply to a question about the resorts.

So far, the news media here have reported that locals have accounted for a greater share of gamblers than had been expected; Sands, which opened in late April, attracted bad press when participants in the first conference held there complained of power failures and other problems. Whether the resorts eventually attract the sought-after buzz and foreigners, especially when they are fully running later this year, remains to be seen.

"If I were to hazard a guess, I think that those who were banking on the holistic concept of integrated resorts to bring an increased and diverse number of tourists may be disappointed," Derek da Cunha, the author of "Singapore Places Its Bets," a book on the casinos' impact on Singapore, said in an e-mail message. "Insofar as tourism is concerned, what we largely have now is casino tourism."

Casino revenues, experts say, could also be crimped by Singapore's stringent restrictions.

In Asia, especially in Macao, high rollers are usually shuffled from one casino to another by tour operators who guarantee their privacy. But the government here requires tour operators to disclose gamblers' names and passport and tax identification numbers. The regulations have effectively forced the casinos to seek high rollers on their own by inviting big-betting guests from their casinos outside Singapore.

Gambling, by far, is expected to make up the bulk of the resorts' total revenues, as it does elsewhere in Asia. But casino gambling remains politically sensitive. The Tourism Board said that despite the restrictions, the resorts would compete against rivals elsewhere because of their "total attractiveness"; representatives of the resorts highlighted their nongambling operations.

"It is important; it is not the only thing," Tom Arasi, the chief executive of Marina Bay Sands, said about the significance of casino gambling for Singapore. "It's important because it serves the market that wants to gamble, and now Singapore can offer that in a competitive sense. It's done in a very uniquely Singapore way, but it's there."