

# Gaming at marina bay sands in singapore tourism essay



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## **Abstract**

**Purpose:** The purpose of this paper is to review on how casino gaming at Marina Bay Sands in Singapore can be used to maximize the benefits for tourism destinations, the country's economic growth and what the impacts on the society are.

**Findings:** If properly structured, casino gaming can provide benefits for tourism destinations hence improving on the economic growth. Impact on the society could be lessen if preventive measures are taken beforehand.

**Practical implications:** By having a casino in a country, there are many stakeholders involved in the process of doing so. Example of such stakeholders are the regulators, conditions of alcoholic beverages and suppliers, licensees, vendors, and other agencies will need to work closely together in order to make a success out of it.

**Overview:** Modest and little it might be, but Singapore took an even more surprising plunge into yet another tourist attractions; casino. Towering the world's most expensive standalone casino and resort, the most glamorous and integrated Marina Bay Sands cost a whopping £4 billion and was due to complete in year 2009. However owing to some financial setbacks and rising construction cost, it has but no choice to open it phase by phase and the grand opening was scheduled on the 27th April 2010. Marina Bay Sands is marked with three 55-storeys hotel towers which are connected by a one hectare sky terrace on the roof which is called the Sands Skypark. This incorporated resort is being developed by none other than the Las Vegas Sands.

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## Discussions

Right from the outset, each and every casino gaming in the world has different market segments- some might be targeting the young players but mostly is the middle-aged and elderly players. The same concept applied here at Marina Bay Sands as well with the enforcement of the levy entry rules for the Singapore citizens and the permanent residents of Singapore. An entry fee of SGD\$100 is charged for a 24 hour entry levy whereas for the annual entry levy cost SGD\$2000. Through this law, the Singapore Government aims to discourage locals from gambling too much but to attract foreign tourists instead. According to Ki-Joon Back and John Bowen (2009, pp. 392-395), they stated that, "Casinos designed to attract tourists or enhance tourist destinations provide a socially responsible form of gaming, if they are properly conceived and implemented." This means that casino must create positive value for their target market if they intend on segmenting their market people. In general, it appears that the entry levy implemented by the Singapore Government is the first attempt in restricting locals from entering the casinos. This clearly shows that the core purpose of building this casino resorts is to provide benefits for tourism destination, where in this case is to promote on Singapore itself to the foreign visitors.

Indirectly casino gambling also increases job employment and the standard of living in that very country. According to Walker, Douglas M. (2007, p. 7), "When a community is considering legalizing casino gambling, one of the major benefits expected is an increase in local employment and the average wage rate." Having this said, it means that the locals could benefit through the jobs offered to them by big corporate from established hoteliers,

restaurant proprietor, and many others. All this could be explain using the “Multiplier Effect” theory as this tourism not only create jobs in tertiary sector but promote on the growth of primary and secondary sectors as well. A very good example could be seen in the management of a hotel industry. In general, when a hotel is develop in a country, it creates job opportunity directly from the hotel. Consequently the hotel needs to buy food from the local farming industry, basic necessities and all sort of minor things too. Circuitously this increases the demand for local products such as handmade souvenirs from the indigenious tribes or any other Singapore-made goods, which in some way increases the secondary employment in the country.

Another effect of legalizing casino gambling in Singapore is the potential in flow of capital into the country. Building of the casino itself in Singapore is the first attempt of the capital inflow by the Sands Developer. Once the casino is established, many other big firms will try to enter the market as well. As forecasted by Singapore, following the completion of this casino, they intend on having six celebrity chef restaurants to be brought into the Marina Bay Sands. At present, The Marina Bay Sands Celebrity Chefs’ Press Conference had already showed a glimpse of the soon-to-be-open restaurants over there. One of it would be the renowned Waku Ghin which was first established in Australia.

Increased in tax revenues also plays an important part in the economic growth of Singapore. Generally, casino tax is computed based on the Gross Gaming Revenue (GGR) from the games conducted in the casino. There are two types of taxation executed in the casinos in Singapore which is divided into the premium players and the other players. The range of the casino tax <https://assignbuster.com/gaming-at-marina-bay-sands-in-singapore-tourism-essay/>

rate varies from 5% to 15%. All these contributes to the economics of Singapore vastly and it is forecasted that approximately 15% of rise in the first quarter of the Gross Domestic Profit (GDP) in year 2010 as a result of the development of Marina Bay Sands. Not forgetting is the entry levy charges impose on all Singaporeans. An article on AsiaOnE, reports that as of May 2010, \$70 million worth of entry levy has been collected. This was just three months after Singapore's first casino at Resorts World Sentosa opened in February 2010. Therefore, Marina Bay Sands is also predicted to have the almost, maybe similar results in the coming months. This totally proves that casino gaming does indeed help improves on the economic growth of Singapore on the whole.

It is a no denying that many countries that have legalized casino for the benefit of the state's economic can bring social cost to the said country. Some people even perceive the casino industry as an evil industry that brings crime, addiction to gambling and other social costs or negative externalities. Just like the case seen in Macao gaming industry, it is just a matter of time that Singapore will end up with the same fate and such if preventive measures are not taken seriously. According to the researched done by Rich Harrill, Muzaffer Uysal, Peter W. Cardon, Fanny Vong and Leonardo (Don) Dioko (2010, pp. 1-3), they mentioned that "...residents can be divided into two groups - gaming supporters and gaming opponents." Using this as a benchmark for Singapore's tourism, the Government should always be aware of the resident's feedback on the casino gaming industry. Recent studies over there also concluded that the residents at Macao mostly show mixed emotion towards the gaming industry. Most of the residents

perceived this industry in both positive benefits and negative impacts. The positive benefits would be because of the job employment whereas the negative impact would be the rising of the crime rate. Discrepancy of the results showed also mostly depended on the destination and the market positioning that the Government is trying to portray. Singapore which is promoting on the MICE (meeting, incentives, convention and exhibition) tourism is indeed trying to portray its country as a specialized area with its own trade shows (IMEX) and practices.

However it is important to note that opponents of casino gaming, on the other hand, claim that increased social costs, including crime and problem gambling, outweigh the economic benefits. Casino gaming which is often associated with problem gambler could result in a huge impact on the rate of divorce and child abuse in the country. Based on the work done by Goodman (1994, pp. 63-64), he mentioned that:

Impaired judgement and efficiency on the job, lost productivity of spouses, unrecovered loans to pathological gamblers, divorces caused by gambling behaviour, added administrative course in programs like unemployment compensation, the cost of depression and physical illnesses related to stress, lower quality of family life, and increase suicide attempts by gamblers.

This clearly indicates that casino gambling does impact immensely on the society. Actions should be taken beforehand by the Singapore Government to prevent such things from happening in the future.