

Why are integrated resorts important to singapore tourism essay



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In the current, the appearance of two integrated resorts acted the changing the economic structure in Singapore. It is a form of the government to make a growth of tourism receipts will be achieving to SG\$30 billion, compared to the year 2009 that was SG\$12.8 billion and twofold the amount of tourists to 17 million by 2015 (Montesano and Onn 2011a). According to the Singapore Tourism Board (STB), the total amount of receipts tourisms reached to SG\$18.8 billion in 2010, and confirmed the highest number in ten years. For the expanse of the economy in front, there is a requirement by creating 60,000 jobs in IRs, and contributed 1 to 1 1/2 per cent of Singapore's GDP (The Straits Times February 27 2012). According to the Ministry of Trade and Industry (MIT), by 2015, Resort World Sentosa and Marina Bay Sand would generate about 0.8% (about SG\$2.7 billion) for Singapore's GDP. Some examples, such as RWS's investment in IR in 2009, it invested SG\$826 million on construction task and other properties, plants, and equipment. It showed that the extra value to Singapore's GDP. Besides, IRs were awaited to lift tourist arrivals and the service industry. In 2010, within the first six months, the tourist arrivals have been increasing (Appendix 1). Especially, the highest amount of tourists was presented in July. The hotel occupancy rate was higher at 85% compared to 2009 was 72%. These figures were affected by a remarkable role of the two IRs. In the fourth quarter of the year 2012, Singapore's economy avoided recession at 1.8% rise, and overall GDP the year's growth at 1.2% (The Straits Times January 3 2013a). Additionally, the IRs generate economic spin-off what interest hotel, food and beverage industry, retail, and conventions and exhibitions as well (Montesano and Onn 2011b). For example, in 2009, MICE tourists receipts plunged to SG\$2.7 million and SG\$4.2 million in revenue, respectively. The Singapore Tourism <https://assignbuster.com/why-are-integrated-resorts-important-to-singapore-tourism-essay/>

Board (STB), the MICE receipts can contribute 35% of the total tourism receipts by 2015 (Yeoman 2012).

Society is impacted caused the development of IRs. The development of tourism in Singapore is a reason to emerge labour issues for the hotel, mostly migrant workers (Hitchcock 2009). However, Marina Bay Sands happening in Singapore has some plans to engage local people. There are about 10,000 job vacancies for elderly unemployed citizens, women and housewives. There are no migrant workers (Conrady 2010). In a research from BBC News (2012), the number of foreign workers was more than 30% of Singapore worker force of about 3 million people. In addition, citizens complain about many problems that are crowded public transportation, high cost of living, high cost of having a car, stressful life, poor customer services, and so on (Butcher and Velayutham 2009). Public transportation is overcrowding passengers on MRT is a serious concern for the Singapore government. The MRT has been extended and added more lines to resolve the current problem. The extension of the East West line is 57.2 km will begin by 2016 and will serve a large amount of the workplace is about 100,000 commuters. There are also two MRT lines are the Thomson Line and Eastern Region Line will begin by 2020 for commuters outside the city. These proposals will meet the leap from 1.4 million commuters to 4.6 million commuters a day in 2020 (Libguides 2011). Furthermore, Singaporeans have met with high housing purchases caused income replacement ratio (IRR). The IRR ratio fell between 17% and 18% for middle earning labours in the individual wage groups, at retirement age of 65. It affects the retirement income when purchasing homes is mortgage payment. Price's property rises

are a \$100,000 increase in HDB home price will get IRR by between 3.0% and 12.4% so in order to offset the impact of high housing purchases the earnings growth of 0.4% to 1.2% (Hoong et al. 2012). On the other hand, the prices of private homes in the fourth quarter of the year 2012 grew to 1.8% in Singapore, compared with 0.6% in the previous quarter. In 2012, general costs went up 2.8%, compared to the last year that was 5.8%. HDB resale prices increased to 2.5% in the fourth quarter of the year 2012, compared to the year 2011 (The Straits Times January 3 2013b). Littering issue is the considerable concern with the Singapore's government. Now, the population has been increasing, and the big inflow of foreign workers in Singapore, what are the main reasons make the city is not so clean. People use the window as a dustbin to throw a lot of stuff so the government has made a limitation of overseas labours, and created more attractive jobs for Singaporeans (Today November 12 2012).

The improvement of technology contributes the development of IRs. Changi International Airport is one of the world's best airport includes terminal 1, terminal 2 and terminal 3. In 2013, the plan for building terminal 4 to replace budget terminal will start and will complete in 2017 to provide better service to 16 million passengers compared with budget terminal was 7 million passengers (Channelnewsasia 2012). Moreover, internet technology has a vital role to promote the tourism industry around the world by creating good news about tourism of Singapore (Devanish 2011).

Monaco is a small independent country located in Western Europe on the Mediterranean Sea (Shei 2008). Monte-Carlo is the most prominent caused it is a joy as a tourist destination and casinos in Monaco (Singh 2008). There <https://assignbuster.com/why-are-integrated-resorts-important-to-singapore-tourism-essay/>

are four casinos in Monte-Carlo: Le Casino de Monte-Carlo, Le Café de Paris, Le Sporting Monte-Carlo and Le Sun Casino (Timothy and Teye 2009).

Monte-Carlo SBM is a group owns hotels and casinos, including Les Thermes Marins de is one of the best spa of the world (Gershman 2009).

In analytic PESTEL concerns, showing that PESTEL impacts and issues have affected future development of integrated resort development in Monaco.

The first is a detailed analysis of political impact. Monaco is a constitutional monarchy which is known as National Council since 2009. National Council has 24 members who are elected by locals every 5 years. The government combined of 5 ministers knows as Conseiller du Gouvernement with different responsibilities such as economy, culture, society, education, housing, environment, transportation, and public service for community, technology, health care and others. Monaco is handled and protected by France (King 2008). It receives many benefits like an EU membership, and the currency is Euro. In 1993, it attended the United Nations and the Council of Europe in 2004 (Rogers and Crimmins 2011). Current political issue is SBM employers feel dissatisfied the rights of workers. They need to have their own party to be elected to become a member of National Council in order to secure for SBM workers in the current and future in Monaco. In the case, if the party can get 12.5% of the vote, it will win. However, they will have a problem with Union Monegasque and Horizon Monaco. On 15 November 2012, there was a preparation for 24 members in trade unions for Renaissance's election campaign. On 10 January 2012, the official list members will notice (The Riviera Times November 15 2012a).

Secondly, following the Monaco Government Tourist and Convention Authority (2011), GDP reached to €4.37 billion. It rose by 6.6% compared to 2010. The Singapore economy has recovered since 2010 was 2.1% after there was a decrease by 11.5% in 2009. According to "2011 GDP Report", GDP per capita (PPP) was €51,556 that was an increase by 4%. In 2010, tourism industry achieved a significant amount. The act of selling hotel industry climbed to 8.4%, equivalent to €493,472,800 excluding VAT compared to 2009 was €455,421,462. These figures showing the tourism industry is going up. In 2010, leisure tourism made up 80% of hotel arrivals compared to business tourism was 20%. Monaco was 30 top of target arrivals. It achieved the figures of travellers from new markets are Mexico (+23%), Brazil (+24%), New Zealand (+24%), Australia (+32%), India (+41%). The government of Monaco expects the number of Indian tourists will increase to 25% caused from 2010 to 2012 the number of Indian travelled to Monaco grew from 1,200 people to 1,500 people (APN News November 21 2012). Monaco has no income tax on residents and low business taxes. However, casino revenue for the government achieves 75%. Business tax rate is 33.33%. In case, the company's turnover get more than 25% generates outside of Monaco (OECD 2010). The additional profit tax rates will be reducing for further incorporation within the first 5 years following in the first 2 years, the third year, the fourth year, the fifth year and the sixth year with the tax rate will be payable is 0%; 25%; 50%; 75%; 100%, respectively (Cambell 2008). Tax exile is a common issue of Monaco. An investigation represented more than 2,000 Britons live in Monaco made UK's economy lost tax revenue £1 billion. The issue is 533 directors of UK companies registered their business in Monaco. Tax exiles said that UK's

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economy receives many benefits from them by creating jobs, paying corporate tax and 19.6% VAT in Monaco (The Times November 20 2012).

Thirdly, in Monaco, cost of living is so expensive compared to other countries. It is excellent 13 of 198 countries that have a high standard of living. Education is free for students from 6 year-old to 16 year-old. There is no competition in education so it falls the opportunity to finish on quality provision. The crime rate is lower than other countries (King 2008).

According to the Economist (2008), real estate costs were at a high number that is €50,000/m², compared to London and New York was €28,000/m², €16,500/m² respectively caused the lack of space and low tax policy. On 26 September 2012, National Council decided to reform retirement in order to minimize Monegasque society despite the protests of Worker's Trade Union. Monthly, workers will pay more contributions to pension caused the government wants to raise capital by reducing labour cost. An increase of employees is 0.8% and 1.8% for employers (The Riviera Times September 9 2012b).

Fourthly, The Web 2.0 is a valuable tool for the Monaco Convention Bureau. The objective is to reach the target market by combining technology system what is called "email marketing strategy" and economic amenities to organizers of seminars, exhibition, congresses and trade shows. Within 1 month, it designed and sent the first email to about 6,000 receipts, including meeting, corporations (Dinnie 2011). On the other hand, Monaco has the highest broadband usage rate in the world was 47.4% in 2009 caused the Internet users got 75.2% of the population (Siaroff 2009). There is no

international airport in Monaco. However, the nearest airport is Nice that is <https://assignbuster.com/why-are-integrated-resorts-important-to-singapore-tourism-essay/>

only 22km from Monaco, and direct bus services from the Nice airport to Monaco within 45 minutes. Guests can have their journey by helicopter within 7 minutes (Jha 2011, p. 24).

Fifthly, in Monaco, there is sewage treatment for the city water then it is discharged into the sea by submarine outfalls. In addition, solid wastes are recycled but the weight drop at 70 percent before treatment. The most part of Monaco is an urbanized area (Allah et al. 2012). According the Monaco Government Tourist and Convention Authority (2012), it has a policy to protect and keep clean beaches caused cigarette butts of tourists and smokers grew in the sand on the beach. There are about 4000 ashtrays were giving out to locals and tourist from 1 July 2012 to 15 November 2012. It was remarkably successful in June 2012.

Lastly, in Monaco, citizens are not allowed to gamble in casino (Thompson 2012). Gambling is legal that provides government revenue through regulation and taxation between the government and gaming organizations (Strzalko et al. 2009).

The goal of integrated resorts is to make money and provide entertainment for guests (Congrave and Klassen 2009). Are balance between gaming operation and non-gaming operation in integrated resorts businesses? Casinos are in integrated resorts offer accommodation, restaurants, retail, spas, pools, conventions in order to attract customers to casinos. All of them are non-gaming activities. Despite strong investment for non-gaming activities, their revenues are not good, compared with revenues of gaming activities (Selin and Davey 2012). Furthermore, in Monaco, casinos provide

their revenues for urban development and to upgrade tourism facilities, infrastructure. Monte-Carlo Casino invests monies for security technology to keep safety for its customers. A Dallmeier video security system is used for monitoring and operating by the Monte Carlo Casino. There are approximately 400 cameras. It also use the Pixim-Powered Dallmeier system caused it provides high-quality pictures, and it is easy to use and fast for searching pictures in the system by using jog-shuttle tool. All movements in positioning and counting at gaming table, and operations within the casino are operated quickly by Pixim's DPS technology (Pixim 2007).

What are differences between traditional resorts and integrated resorts?

Traditional resort knows as a destination including hotel accommodations, restaurant facilities, swimming pools and other recreational amenities for visitors (Mill 2008). Integrated resort is a resort with mixed development of hotels, casinos, spas, sport facilities, attractions, shopping centres and convention centres (Mallin 2009). "Mixed-use" resort is a method for development of the tourism market. It combines the development of hotels, entertainments, leisure and sporting activities, retail outlets and attractions (Robinson 2012). The mixed used is hugely popular for developers to support the building's cost of traditional resort hotel facilities and gets benefits for owners of properties, control of food and beverage and recreational activities (HVS Global Hospitality Services 2011).

Sustainable development is an important concept for integrated resorts. The idea of all-inclusive means everything includes in one price. Different resorts have different all-inclusive packages offer to guests to increase the sales of products. For instance, some all-inclusive packages include
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accommodations, breakfasts and return airport transfers for 2 ways or room, lunch and dinner, and spa treatment with limited time and so on. This is a way to offer promotional packages to customers to change the ways to monitor and manage resorts (Luck 2008). Monte-Carlo Bay Hotel & Resort applies the all-inclusive strategy for durable development. Some promotional packages are offered by Monte-Carlo Bay Hotel & Resort such as Monte-Carlo Experience ' Festival Printemps Des Arts' package includes 1 night accommodation in a double room, buffet breakfast per person and 2 tickets to attend ' Printemps Des Arts Festival 2013, and Monte-Carlo Gourmet Experience package includes 2 night accommodation in a double room, buffet breast for per person per day, 1 Monte-Carlo invitation card valued 200 euros to be spent at 20 restaurants belong to Monte-Carlo SBM group (SBM 2011). In addition, most exciting international events are organized in Monaco. It is a destination for all types of events related to culture, sport and leisure. There is a full calendar of famous events through the year 2013 such as Monte-Carlo International Circus Festival, Monte-Carlo Automobile Rally, International Bouquet Competition, Monaco Grand Prix, Monte-Carlo Summer Sporting Festival, Monaco Red Cross Gala, Monaco Yatch Show, Monaco International Trade Fair (Husain 2011).

Specially, Monaco is a paradise for sport such as Monaco Formula 1 Grand Prix draws thousands of travellers around the world. The Master 1000 Tennis Tournament has the attendance of all top stars. The 150th anniversary Monte-Carlo SBM properties will be celebrated by the year 2013. Besides, the 25th anniversary of the Louis XV restaurant is the oldest restaurant in Monaco. The large participation of 200 chefs and 300 Michelin stars from all

over the world with a wine cellar has 400, 000 bottles. This celebration demonstrated 25 years of excellent service and position of Monaco in hospitality industry (Tourismmandlifestylenews 2012). Prince Albert II Monaco Foundation is a policy to protect “ green” environment in order to maintain Monaco, where is an attractive place for tourists and residents. Space is so limited so new development plans for hotels are unable to come to increase competition in Monaco. This is an opportunity for development of SBM. (Thompson 2012).