STRATEGIC MANAGEMENT OF INTEGRATED RESORT
WITH CASINO TO SUSTAIN COMPETITIVE ADVANTAGE
IN SINGAPORE

by

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2008

A Management project presented in part consideration for the degree of
Master of Business Administration
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ACKNOWLEDGEMENTS

This report would not have been completed without the assistance and support from many people. They have provided great feedback and guidance along the way and I would like to express my heartfelt gratitude to them.

First of all, I would like to take this opportunity to express my utmost appreciation and gratitude to my research advisor:

Dr Chengqi Wang

Who offered invaluable assistance, guidance and suggestions throughout the course of my Management Project.

I also wish to extend my sincere appreciation to all the respondents who had taken their time in assisting the completion of the questionnaires, which provided the valuable data and comments needed and led to the successful completion of this project.
ABSTRACT

The purpose of this study is to propose and evaluate the business strategies for the upcoming Integrated Resorts (IRs) with casinos in Singapore. Strategic advantages and how they can be sustained in a longer run are investigated. Strategic management tools are adopted to assess the internal and external factors that could influence the sustainability and its potential success.

Singapore has developed a strong foundation for attracting tourists and other potential operators, providing potential economic benefits through issuance of two casino licenses. However, the intense competition locally and in the region threatens the sustainability in the gambling industry in Singapore and hence the realisation of the long-run economic benefits. Other worrying social concerns should also be addressed to establish confidence in the Singapore government and the public.

The objectives are investigating the external environment that influence the operator’s strategies, determine the attractiveness and profitability of the IR industry, evaluate the fit into local environment, and proposing strategies to maximise revenues through competitive advantage and minimise negative implications to Singapore.

The methodology adopted was in the form of quantitative-driven through the use of surveys with random sampling. The method was mainly selected as the success and failures of many IR strategies would be linked very closely to perceptions of local residents as well as tourists visiting Singapore. Attitudes of locals and tourists towards having a casino in both the IRs were explored to ensure the eventual fit of the business strategies.
CHAPTER 1 - INTRODUCTION

1.1 Motivation

The motivation behind the project was triggered by the policy relaxation of the Singapore government in 2005, thereby allowing casinos to be operated in Singapore for the first time as part of the IR’s amenities. 150 foreigners’ responses and 150 locals’ responses were collected through questionnaire-based interviews and emails, asking them about their perceptions, expectations, and attitudes towards the IRs.

Studies have shown findings which showed that Asians have a stronger gambling culture, and men as compared to their female counterparts are more receptive towards the idea of the casinos. foreigners on the other hand welcomed the idea of the IR move, but yet stated that the appeal of the IRs will not induce them to spend a longer holiday in Singapore. The result is worth exploring and studied in future. A significant number of people opposed the setting up of the IRs and indicated that they would not visit the resorts because of the presence of casinos. This clearly showed the negative feeling towards gambling. This has implied a need to investigate on attitudes and perceptions of people towards the IR establishments, and develop strategies to attract them and improve the business performance of the IRs.

The areas of research on ‘strategic management of integrated resorts and casinos’ and ‘casinos in Singapore’ are relative new. The existing studies covered mainly on operational issues of casinos and hotels. Instead, this research aimed to explore into the strategic management of IRs in Singapore, with focus on their significance and contributions to the relative conservative society.

1.2 Background

Ever since the independence of Singapore in 1965, the issue on the establishment of casinos in Singapore has been brought up numerous times, but was strongly rejected by the government. However, with various debates in the recent years, the Singaporean government raised the possibility of developing a casino in Singapore to rejuvenate tourism sector and attract international talent, visitors, and investments. It would also help to maintain Singapore’s position among the top cities in the 21st century. Nevertheless, the
idea has sparked off a series of heated debates on whether casinos should be built in Singapore as it could involve great social repercussions, besides enormous economic benefits. Eventually, the Prime Minister of Singapore, Mr Lee Hsien Loong, announced the decision of developing two IRs, which would incorporate casinos, in Singapore at the Marina Bay site and Sentosa site. The two IRs are expected to be completed in years 2009 to 2010 and turn operational thereafter.

The development of the IRs presents new opportunities and challenges for the resort operators, which were selected as White Sands for the Marina Bay site, and Genting International for the Sentosa site. To initiate and sustain business feasibility in the new setup, comprehensive business strategies need to be devised and refined consistently through time.

The approach that was used to define strategies consists of primary and secondary data collection, and PESTL, Porter’s Five Forces, SWOT, and Cost-and-Benefit analysis. This is to create the better understanding of the external environment, the industry, the fit to the IR business and the implications of the IR with casino. Issues on the available casino models such as controls, modes of operation and marketing were also discussed to provide a further insight of the options and determine the most suitable model for IRs in Singapore. Towards the end, the conclusion on the enhancing business strategies for competitive advantage and its sustainability would be presented with supporting reasons.

1.3 Objectives

The objectives are:

1. Analyse the external environment for opportunities and threats created that influence the IR operators’ strategies;

2. Determine the attractiveness and profitability of the IR industry, and how to enhance it;

3. Evaluate the fit into Singapore’s environment; and

4. Evaluate business enhancement strategies and their implications to Singapore.
CHAPTER 2 - LITERATURE REVIEW

2.1 Integrated Resort in Singapore

In April 2005, the Singapore government announced the decision to legalise casino operations in Singapore. The decision was to facilitate further economic growth of Singapore through the shift of development from stagnant industries such as manufacturing and construction to the fast growing tourism industry. The goal was to give a comparative advantage to the tourism industry in Singapore. An IR was perceived to be the main attraction for tourists from the region.

The potential of IRs with casinos to Singapore’s tourism industry is extensive. One of the key benefits was the projected economic inflows, such as hotels and airlines. Protecting present outflows to nearby IRs and casinos, given Asia’s substantial growing gambling market and the significant amount that Singaporeans have spent on gambling abroad, was another beneficial factor.

On the other hand, there were lingering concerns over adverse impact that casinos would have on Singapore. The reputable image built over the years would be at risk as casinos could bring along potential social and legal problems that might subsequently affect Singapore’s economic progress. Nevertheless, with an efficient government, a National Council on gaming was proposed even before the IRs were established [Henderson, 2005]. These precautionary measures aimed to deal with addiction and educate the public on issues related to gambling.

Economic Benefits

The IR concept with casinos were predicted to result in $5 billion in investments, 35,000 new job opportunities, and a $1.5 billion boost to the economy, translating to additional annual growth of 0.3-1.3% from 2009 onwards [Lee, 2005]. Coupling that to the multiplier effects on key sectors such as retail, service apartments, rental properties, hotels, and airlines, the appeal of IRs with casinos would become more apparent.

Furthermore, the Far East Economic Review has reported that across Asia, a huge US$23 billion would be solely spent on gambling in 2010, increasing from US$8 billion in 2000.
Asia’s gambling market might also continue to grow further once casinos were legalised and available in more places, noted Harrah’s Jones [Poon, 2004; Sim, 2004].

Various data had also revealed that Singaporeans were already spending more than S$180 million a year in neighbouring Malaysian casinos. A few years ago, about S$140 million was spent by Singaporeans in Indonesia’s Batam Island and about S$400 million was spent on casino cruises [Kaur, 2004]. In total, Singaporeans have spent a significant amount on overseas gambling. Hence, having casinos in Singapore would probably limit outflows of money and channel these into revenues for the IRs, which would translate into more capital for investments and higher growth for the GDP.

**Social and Economic Problems**

The development of casinos might signify sins and vices, which would be associated with sex, lies, deceit, gambling, smoking, and other evils. It was therefore perceived to have an adverse impact on Singapore’s decent and corruption-free environment.

There were concerns that casinos would escalate gambling addiction of locals, which would create financial difficulties for families and hence affect the Singapore economy altogether. Family harmony would be affected, while the good Singapore work ethic would be compromised. Social ills would also resurface. Nevertheless, the government emphasised that the IRs would be much more than just a casino and the Atlantic in the Bahamas and Venetian in Las Vegas [Withiam, 1999] were quoted as illustrations.

**Maintaining Competitive Advantage**

Maintaining long term competitive edge of an IR would involve extensive management of strategies. As countries around the region are fast growing and promoting themselves as popular tourist spots, it is important to understand the Singapore environment via PESTL analysis, and focus on the industry environment via theoretical model like the Porter’s Five Forces. This is especially critical due to recent intentions of various East Asian countries to develop or integrate gambling facilities into large scale IRs. On the other hand, SWOT analysis was adopted to utilise the internal environment (Singapore) of the IRs to ensure continuous management of efficiency. The implications would be evaluated through Cost-and-Benefit analysis. Applying these models to the upcoming Singapore IRs would
effectively maintain their competitive edge and sustainability in the face of rising global business climate.

The topic on IR strategies or those related to casinos in Singapore is a relatively new area of research. Most articles searched were case studies of casino operations. Hence, the research conducted aimed to explore the possible strategies that IRs with casinos can adopt in Singapore. The IR concept is newly adopted in Asia, and this research could help operators to study into their strategies and consider alternative options for improvement.

2.2 Singapore

Singapore comprised of a land area of about 693.7 square kilometres and a population of nearly 4.5 million. With the absence of natural resources, the people have often been referred to as the sole “natural resource” of Singapore. Many were impressed with the success of Singapore since its independence, as it only took a short period of 30 years for Singapore to transform from a small fishing village to a world-class nation.

Nevertheless, in recent years, worries of how Singapore could sustain its edge over other countries surfaced. Although Singapore’s economic conditions has been generally good, the economy has not been able to recover convincingly to what it used to be in the golden age of 1990s. Despite not as severely affected by the Asian financial crisis in 1998, Singapore’s neighbouring countries in the region had their economies in doldrums and this had affected Singapore’s export-based economy. After the crisis, the region was in turmoil with racial persecutions in some neighbouring countries, hence affecting Singapore. Furthermore, the 911 event, SARS outbreak, and the recent bird flu epidemic have made it difficult for Singapore’s economy to recover substantially.

With uncertainties in mind, tourism has become an important engine for the economy as it creates jobs and possibly investments. However, with neighbouring countries also stepping up their tourism efforts, the threat to Singapore’s tourism industry has become more visible. To rejuvenate the tourism sector, suggestions for building the IRs with casinos in Singapore were forwarded.
2.3 Gaming Industry

The casino industry in Asia has been booming over the years, both legally and illegally. Despite moral, political, security, and religious barriers in legalising and operating gambling facilities for recreation, Asia still presents great potential for expansion of the gaming industry, partly due to Asians’ inherent wagering nature. China’s growth has attracted great interest from the casino operators in anticipation of the growing numbers of high rollers from China.

Asia and Middle East have accounted for 22.4% of the global gaming revenue, illustrating the growth of the region as a gaming industry. Singapore, Japan, Thailand, and Taiwan are all tending towards legalising casinos in the hope to partake in this growing industry.

2.4 Gaming Opportunities in Asia

Malaysia, Philippines, South Korea, and Macau have now possessed a highly lucrative 85% share of Asia’s legal casino industry. Although there are many illegal casinos in Thailand, Laos, and Vietnam, they are small sized and generally lack sophisticated facilities that could be of threat to major players. Of the leaders, Malaysia seems more of a concern as Malaysia’s IR complex is what interests Singapore. Potential new players such as Thailand are of a lesser concern, as they are more interested in operating a pure gaming casino instead of an IR.
CHAPTER 3 - RESEARCH METHODOLOGY

3.1 Problem Definition

The problem is the business improvement and sustainability of an IR in Singapore via strategic management. It is of particular importance as this venture involves enormous amount of capital from resort investors and tremendous effort from the Singapore government to carry out the venture. Should the venture fail, Singapore’s image of a cosmopolitan international city would be tarnished. Therefore, thorough analysis needs to be conducted before operating such a colossal recreation project.

There are a few research methods to perform this study. A qualitative, or quantitative, or case study can be selected for this approach. Studies based on research articles are not effective due to the limited publications available and they were not written for this project’s purpose, hence may be inaccurate and biased. Performing case studies would however gather information that skewed towards that particular IR’s business objectives and climate, hence producing limited credibility. For this case, majority of the primary data gathering was done via a questionnaire-based survey to evaluate on attitudes of foreigners and locals towards the establishment of IRs, while secondary data collection was done via other sources like newspapers and casino related websites. Strategies would then be developed based on theses expectations.

3.2 Aim of the Survey

The survey was conducted with a specific aim of evaluating the perceptions of people with regard to the economical and social impacts associated with the development of two IRs in Singapore. The survey would give a series of social problems, which were commonly perceived to be consequences of casino gaming, and served to discover the most concerned social issues in Singapore. The survey would also aim to evaluate to what extent that economic benefits could be reaped from developing a casino, how much support there was for the casino development, and the sentiments on whether it would do more good than harm.
3.3 Methodology

A random sample of 300 respondents was selected, with the idea that a mix of respondents with and without casino gaming experience could be gathered. Convenience sampling was adopted for this study, which had a pre-established criterion that the survey was to be addressed mainly to locals so as to adequately gather the sentiments of this core target group. The respondents were reached out via face-to-face surveys at shopping areas in the city area, but many of them declined to be surveyed. Nevertheless, the sufficient number of responses was obtained from emails and interviews to colleagues, friends, and neighbours with gaming experience.

The survey was done via two channels. One was respondents were either given hardcopies of the survey forms to fill in, or they were given the softcopies to complete via emails. In order to gather a spread of the respondents, respondents targeted were aged between 21 to above 60 years old. The surveys nevertheless were executed mostly through short informal interviews along streets.

The results were computed in percentages to evaluate the proportion of respondents with regard to the responses. Statistical methods were not applied in this case as it was not intended for the purpose of analysing relationships.

The survey process had limitations as follows:

1) The 300 responses collected might not be truly representative of the population.

2) Many respondents did the survey in the absence of the surveyor, hence they might have misinterpreted some questions.

3) Sampling bias could exist due to selection of only English educated respondents.

4) There might be a non-response error resulting from some non-respondents.
3.4 The Survey Questionnaire

The survey questionnaire consisted of six sections and was designed to ensure the anonymity of the respondents. The first section dealt with the demographic issues regarding the respondents, while the second and third sections were evaluating gambling behaviours. The fourth and fifth sections investigated the perceptions of economic and social impacts with the casinos in Singapore, while the final section worked on the general opinion towards the development of a casino within the IRs. The survey comprised of multiple choice questions as well as open-ended questions.
CHAPTER 4 - INDUSTRY ANALYSIS

4.1 PESTL Analysis

Political Factor

Singapore is very stable politically. Since its independence in 1965, the People’s Action Party (PAP) has been the sole ruling political party for the nation. Its political stability is set to prevail as shown by evidence of the relatively smooth general election in 2006. This is in contrast to other existing or potential casino operating regional countries. Southern Thailand is facing unrest with terrorist attacks on religious facilities by Muslims. South Korea is continually involved in an uneasy relationship with North Korea. Singapore’s political relationships with other countries are considered amiable though Singapore is divided with regard to the tense cross-straits situation between China and Taiwan.

The support from a stable government can ensure the easier smooth operation of the IRs. However, as the government has introduced a series of guidelines that governed the operations of the IRs, it may be tricky to conform perfectly within the requirements. In this case, the IRs have to develop strategies that are indicatively pro-government policies, which have primary concerns on social effects on the nation. Good public awareness and social responsibilities are necessary, and adjustments have to be made to enforce them. One example is to set up gambling counselling centres with the government.

Economic Factor

General

Singapore’s economy has recovered due to the strengthening global economy, supported by low interest rate, expanding international trade and investments, and surging domestic business confidence. The growth in GDP of 5.4% year-on-year in Q4/2007 and 9.5% year-on-year in Q3/2007 reflect this (refer to Appendix A, Figure 1). Economists and the ministry are expecting Singapore economy to post a sustainable annual growth rate of 4-6% in the next few years.

Comparing across the Asia Pacific, China posted the highest change in GDP, exceeding 11%. In the year to February, Industrial Production in China increased by 15.4% and the
consumer prices increased by 8.7%. China has also overtaken Japan to have the highest current account of $249.9 billion, partly due to the highest receipts for its net trade exports, which hit a whopping $250 billion in February. In general, Singapore is on an average standing among the Asia Pacific countries considered, except for its fast appreciating consumer prices. Singapore’s 4th quarter GDP growth of 5.4% is on par with Thailand’s (refer to Appendix A, Table 1 and Figure 2).

Although the Singapore economy is improving over the years, the government has concerns on its next major source of contribution to the GDP, as there are signs that Singapore is losing its cost competitiveness in the region and manufacturers are shifting their plants out of the country. Nevertheless, the service industry has been performing well recently and the IRs are expected to provide a major boost. Furthermore, the IRs should seek preference in business cooperation with local service providers and product suppliers, which would contribute further to the domestic growth of Singapore.

**Employment**

From 2003 to 2007, there is a decreasing trend in the unemployment rate due to the improving economic conditions over the past few years (refer to Appendix A, Figure 4 & 6 for more detailed information on the labour force participation rate for the different age groups). Also, the distributions for technical, professional and managerial occupations have increased, probably due to the increase in Singaporeans’ educational levels, equipped them with the required skills and expertise to take up middle to high-level positions (refer to Appendix A, Figure 7).

For the year 2007, the strong economic recovery has helped to ease the unemployment rate to less than 2%. Total employment increased by 9.6% in the 4th quarter, December 2007, growing for the fourth consecutive quarter and at an increasing pace due to contributions from the services sector. The underlying growth momentum in job creation has accelerated at the close of the 4th quarter, raising employment (refer to Appendix A, Figure 4).

The Singapore government’s primary concerns are still good employment of its residents and attraction of foreign talents to ensure social stability and growth sustainability. The local IR industry can easily create thirty to forty thousand job openings, which is definitely welcoming to Singapore. However, a good balance between employing locals and
foreigners has to be established. Understanding that there would be a lack of local talent in the IR industry, the IR should refrain from solely dependent on employing foreign talents to fill the talent gap. Instead, the IRs can set up training centres for employees’ training programmes to be conducted. This way would allow more locals to be employed, which would garner further support from the government and people.

**Tourism**

Singapore’s growth in tourism has shown a general rising trend since 2004, as shown by the increasing visitor arrivals and their total expenditures, with average expenditure per visitor remaining stable over the years (refer to Appendix A, Figure 10, 11 & 12). These were mainly due to the recovery of confidence of tourists after the 911 event and the SARS outbreak, as well as the increasing tourist numbers from Indonesia and China with their higher spending powers.

However, with the Singapore Tourism Board’s (STB) efforts in improving the tourism industry and the recovery of Singapore economy, Singapore has posted increasing tourism receipts for 1995 - 2005. In February 2008, there was a 7% growth in visitor arrivals over February 2007 with the highest registered in December 2007 (refer to Appendix A, Figure 12).

Indonesia, China and Australia were Singapore’s top three visitor-generating markets, accounting for more than 40% of the total number of visitors in February 2008. Comparing with February 2007, Australia, India, and South Korea were the top three markets with the highest year-on-year growth (refer to Appendix A, Figure 13).

Overall, the positive performance in February 2008 should not be seen as sustainable uptrend. Singapore will face stiffer competition in the tourism industry due to the liberalisation of the gaming industry in Asia. Plans of expanding existing casino operations in Macau, South Korea, Philippines and Vietnam, and the contemplation of legalising casinos in Japan, Taiwan, and Thailand pose great threats to Singapore’s tourism industry. Therefore, Singapore must be agile in adopting competitive strategies to increase and maintain its market share in the worldwide tourism industry.

The IRs have a major role to play in attracting tourism in Singapore. Instead of just attracting visitors to the IR facilities, the IR management should cooperate with other flight
and tour operators in packaging tours to other different places of attraction. The IRs could also promote itself as a preferred venue for MICE activities to foreign corporations, which would potentially bring in huge benefits with every major event organised locally.

**Socio-Culture Factor**

Singapore’s multicultural society of about four million is reflected in her four main ethnic groups (refer to Appendix B, Figure 1). The variety of religions is reflected by the diversity of races. Singapore’s principle religions are Buddhism, Islam, Hinduism, and Christianity.

Strong personal and religious beliefs would hinder the establishment of an IR with casino in a country as they view the casinos to be places of vices and very often, causing the break-up of families. In Singapore, various religious groups and individuals have also voiced their strong protests against the building of an IR with casinos. With most Singaporeans belonging to major religions, it is imperative for the government to consider the opinions of religious groups and individuals as serious repercussions may surface if they decide to develop the IRs with casinos against public opinion.

The bad opinions on the IR establishments in Singapore would stay for some time. The IR could reduce negative public emotions by branding itself as a retail place of interest instead of a casino. The IR should be committed in enforcing its regulations like restricting entry to its casino to address local gamble problems. Adopting charitable activities regularly may also induce public awareness on its social responsibilities. The IR should also work with the government on programmes to solve gambling addiction problems.

**Demographics Factor**

Singapore has a greying population (refer to Appendix B, Figure 1). Demographics play a big role in determining whether the casino would succeed in a country. A study done by the National Opinion Research Centre in the University of Chicago found that over the years, the amount of personal income spent on gambling rose from 0.30 to 0.74. More women were also starting to gamble, with a dramatic increase in the number of elderly gambling although the bulk of gamblers still belong to younger age groups. In Singapore, with limited entertainment, opening a casino would definitely attract the young and middle-aged working adults. Furthermore, the elderly who have retired with substantial amount of CPF funds would be tempted to gamble, hoping for a windfall.
Singapore’s living conditions are amongst the best in Asia. Mercer’s Cost of Living Survey 2007 (refer to Appendix B, Figure 2) listed Singapore in 14th position, a cheaper place to live in compared to South Korea, Hong Kong, and Japan. Cambodia, on the other hand, has generally poorer standards. Many are still trapped within the poverty cycle. This vast difference in standards of living affects the people’s propensity to visit casinos as it is more probable for Singaporeans with extra disposable money to visit a casino than Cambodians who have to worry about their basic necessities.

The IR could devise strategies to advertise their alternative entertainment activities to different age groups, even though the gambling business is the most lucrative to the operators. For example, online gaming facilities would be attractive to the younger generation, while artistic plays could cater to the older folks.

**Technological Factor**

Singapore, reputed as an “intelligent island”, has its telecommunications system completely digitalised and uses the most modern technology. Singapore boasts an extensive road network and a modern mass transit system that utilises buses, trains, and light rail systems to serve major business, shopping, and residential areas. Its seaports and airport are ranked among the world’s best facilities. Centrally located in Southeast Asia, Singapore provides a focal point for commerce, development, and communication activities among ASEAN countries. With the highly developed industrial capabilities of Singapore, the adaptation of various technologies for the establishment of an IR with casino would be much easier.

The regional countries are similarly catching up in terms of technological developments to remain competitive. The IR management in Singapore could employ more advanced knowledge-based technologies and modernised security systems. This advancement in application of high technologies would help Singapore maintain its technology edge and efficiency.

**Legal Factor**

Singapore’s legal environment is strongly pro-business. It makes foreign investments especially smooth compared to many regional countries. The Singapore Dollar is gradually internationalised with less stringent regulations regarding the possession of the domestic
currency. Vietnam, for instance, has been closed to foreign influence until recently. Therefore, its legal environment for foreign investments is very much still in its infancy stage. Myanmar is not able to provide much guarantee for foreign firms due to possible expropriation of assets and investments.

Singapore takes a serious stand on corruption, allowing it to be one of the most corruption-free countries in the world. The government will therefore view corruption cases arising from the casino seriously. Money laundering is also a very important issue in Singapore. For instance, a Cambodian casino interested in issuing an IPO in Singapore was rejected as the company was not able to show that its money laundering preventive measures were efficient.

Casino operators are concerned about the enforceability of gaming debts. Although there is no explicit law in Singapore regarding the enforceability of gaming debts, Singapore looks to be supportive of it. In 2002, the Court of Appeal ruled it would not help casinos recover Singaporeans’ gambling debts as gambling was against Singapore's public policy. The recent legislative scene also saw government bodies being set up to implement appropriate gambling laws to address potential concerns much before the opening of the IRs.

The IRs could take the opportunity to work out an officially legislation with the government on gambling issues in Singapore. This would show that the IR management is sincere about cooperating with authorities to curb illegal gambling-related crimes, which would be beneficial to both the government and IRs in the long run.
FIGURE 1: PORTER’S FIVE FORCES DIAGRAM

Threats of New Entrants

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<th>Barrier to Entry (Moderate)</th>
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Bargaining Power of Suppliers

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<td>Specialised Assets</td>
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<td>High Threat of Forward Integration</td>
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<td>No Substitute Available</td>
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<td>Low Buyers’ Switching Cost</td>
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<td>Skilled Employees (High)</td>
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Rivalry among Competing Firms

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Bargaining Power of Buyers

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Threat of Substitute Products

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<th>Internet Casinos (Low)</th>
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</thead>
<tbody>
<tr>
<td>Similar Price as Land Casinos</td>
</tr>
<tr>
<td>Low Relative Quality</td>
</tr>
<tr>
<td>Low Switching Cost to Buyer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Forms of Substitute Products (Low)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Price than Land Casinos</td>
</tr>
<tr>
<td>Very Low Relative Quality</td>
</tr>
<tr>
<td>Low Switching Cost to Buyer</td>
</tr>
</tbody>
</table>

Note that Competitors are: Las Vegas, Malaysia (Genting Berhad), Cambodia, Macau, Australia, Melbourne/Sydney, Casino Ships (Singapore)
4.2 Porter’s Five Forces Analysis

Threat of New Entrants

The threat of new entrants is defined via a function of two factors, the barriers of entry and the expected retaliation from current industry participants.

Barrier to Entry

There are some forms of differentiation in terms of services in the casino industry. However, in general, the services may not be perceived as value-added by the gamblers, as their basic desire is just to have a place to gamble. Thus, there is minimum differentiation. Moreover, there is low switching cost for travelling visitors when they visit overseas casinos. The introduction of budget airlines has further reduced these switching costs.

The high capital requirements to build a casino may deter new entrants. However, the high profit margin may still attract wealthy investors to invest. In addition, the general relaxation of the casino regulations regionally, as evident from the de-monopolisation Macau’s casino industry and Thailand’s contemplation of legalising casinos, may lead to a reduction in the barriers of entry. In the case of Singapore, the establishment of the IRs is expected to be highly regulated to minimise the social ills.

Overall, there is a moderate barrier to entry. The branding of the casino in the form of an IR provides a higher barrier to entry. The local government has further limited the issue of casino licences. This concept of an IR gives an edge over pure gambling casinos. The IR could collaborate with entertainment and tour operators to enhance competitiveness.

Expected Retaliation from Existing Incumbents

The growing gaming market for casino, to some extent, will reduce the expected retaliation from worldwide incumbents as they face less pressure to compete for visitors. However, the entrance of new competitors will pose a great threat to their closest geographical existing industry participants, as they are more likely to draw their visitors away.

Currently there are five potential entrants, Japan, China (Shanghai), Taiwan, Thailand, and Singapore, who are contemplating legalising casinos. The entrance of Japan is likely to pose a high threat to casino operators in South Korea. China and Taiwan are likely to
threaten Macau, Philippines, and South Korea. Thailand and Singapore are expected to face strong retaliation from nearby casino incumbents, mainly Cambodia, Vietnam, and Malaysia, or even Australia (Refer to Appendix C, Figure 1). In order to stay competitive and retain their customers, the incumbents will retaliate through aggressive marketing and infrastructure improvements. Thus, the expected retaliation from the affected existing incumbents is high.

Overall, the threat of new entrants is moderate to high. It is therefore beneficial to collaborate with other incumbents across different countries through organisation of joint activities. By joining forces, the IRs would be in a better position to fight off new entrants.

**Bargaining Power of Suppliers**

Three suppliers identified are the machine providers, the employees, and the government.

**Machine Providers**

The bargaining power of the machine providers is moderate. The presence of various suppliers for the casinos to choose from and the specialised nature of the machines reduce suppliers’ bargaining power. Suppliers may however pose a threat going forward through forming collaborations or alliances with the casino operators if mutual benefits exist. There is also low switching cost for casinos due to the availability of more than one supplier, providing similar goods.

**Employees**

The bargaining power of unskilled employees like waiters and waitresses is relatively low as supply is typically greater than demand due to the abundance of qualified people for these jobs. However, the bargaining power of skilled employees like floor managers and dealers is relatively high due to their specialised skills, which are normally scarce and critical to the success of the casino operations and management. Thus, they have a significant bargaining power in terms of compensation benefits and incentives.

**Singapore Government**

The liberalisation of the casino industry has led to a reduction in government’s bargaining power. However, in Singapore, tighter regulations would be expected for some reasons.
The IRs belong to a new and inexperienced industry, and there is a need to minimise potential social ills, and to provide a sense of security to Singaporeans’ concerns on the social weaknesses. Hence, Singapore government has a relatively high bargaining power in policies enactment.

Overall, the bargaining power of suppliers is considered to be moderate to high. To effectively reduce suppliers’ power, the IRs could firstly work with other overseas IRs or casinos to set up a supplier network, that is, the sharing of suppliers, which would bring costs down. The IRs could also organise training programmes for unskilled workers to convert them into skilled managers and dealers, which reduce employees’ compensation bargaining power. The IRs should cooperate closely with the government to have an influence on setting of policies, ensuring a win-win scenario whenever possible.

Bargaining Power of Buyers

*High Rollers*

Though small in numbers, high rollers are critical customers of a casino. Not only do they spend millions of dollars in each trip to a casino, their presences add prestige to the casino as they only patronise casinos of high standards. Therefore, incentives may be offered to attract high rollers as casinos attracting high rollers are perceived to have reached international standards. All these coupled with low switching costs contribute to high bargaining power of high rollers.

*Casual Customers*

These customers have low to moderate bargaining power. The stake amount of each casual customer is insignificant compared to the high rollers. However, they have low switching costs, as the casinos in their viewpoints are not really differentiated.

Overall, the bargaining power of customers is moderate to high. The IRs have to be creative in organising frequent events like competitions, retail promotions, exotic food festivals, and fashion shows to keep the high rollers continuously attached. For casual customers, the IRs could devise stay-in packages for special occasions like romantic getaways to keep the spending going.
Threat of Substitute Products

Internet Casinos

Due to the prevalence of internet, the internet casino is one main substitute. One attractive feature of internet casinos is its accessibility as there is no geographical barrier and customers can always gamble 24 hours a day, 7 days a week. Also, the stakes of internet casinos are comparable to that of land casinos.

However, customers need to possess a credit card as it is the mode of payment. This will restrict the customer base to white collar workers. Another significant disadvantage is that gambling in the cyberspace lacks the rush of adrenaline that can be experienced in land casinos, leading to relatively low quality compared to land casinos. Moreover, internet security has become a very important source of contention as credit cards details can be stolen by hackers. Therefore, the threat of internet casinos to land casinos is low.

Other Forms of Substitute Products

Other forms of substitute products such as TOTO, 4D, soccer gambling, and horse-betting are very poor substitutes, not possessing significant threat. Being passive forms of gambling and non-time consuming, they are unable to lure customers away from land casinos. Customers who engaged in these forms of gambling are still able to visit casinos due to lower stakes involvement and low switching cost.

Overall, the threat of substitutes to land casinos is insignificant. Nevertheless, instead of ignoring them, the IRs should incorporate internet gambling as part of its strategies. The IRs also should not treat the other forms of gambling as threats, but to ensure synergy by collaborating with the Singapore Pools to provide outlets at the IRs.

Intensity of Rivalry among Competitors

Competitors are divided into casino ships and land casinos to better analyse the industry.

Casino Ships

Firstly, the growth of casino ships industry is stagnant and with the establishment of a land casino, it will cause market share held previously to decrease. Secondly, low service differentiation and switching cost mean that services are similar and customers can easily
switch over to casino ships or land casinos. Furthermore, with high strategic stakes and exit barriers, it is imperative that investors be successful to recover the high capital outlays. Lastly, existence of stipulated timings for boarding and alighting the ships are troublesome for customers and more aggressive marketing tactics may be deployed. Competition is intensified to retain market share, ensure survival, and enhance attractiveness.

**Land Casinos**

Firstly, numerous and equally-balanced competitors are present in the industry. Usually, competitors are aware of competitors’ actions and choose to respond to them. Each will have adequate resources to compete too. Secondly, services are characterised by low differentiation and switching cost, and high strategic stakes and exit barriers, similar to casino ships. Thirdly, even though this is a growing industry, it is being served by numerous established casinos. Hence, a new player in the region may mean a reduction in market share for them. Also, the advancement in technology has increase accessibility and with Singapore’s geographically accessible location, the establishment of a casino in Singapore poses quite a prominent threat to these established players.

Moreover, the increasing competition in the airlines industry has made travelling to Singapore easier and cheaper. Furthermore, travelling times to and fro Singapore and the various countries are relatively short. This shows that neighbouring patrons may choose to gamble in Singapore rather than travelling to, for example, Las Vegas, causing more aggressive competition to maintain business and customers.

From the other four factors, the high threat of new entrants will increase the number of competitors. Moderate to high bargaining power of suppliers and buyers lower the industry profit potential, thus leading to competitors competing more aggressively to be more profitable. Coupled with the analysis on the rivalry within competitors and the other four forces, competitive battles are probable, exemplifying rivalry between relatively equivalent competitors. Thus, it can be concluded that the intensity of rivalry between competitors is high.

However, the IRs in Singapore could serve to be a regional entertainment hub due to its centralised location in the Southeast Asia region. With carefully developed service practices and standards, the IRs could reach out to the well-heeled across borders. Together
with collaborations with other service providers like airlines, entertainment and tour operators, and foreign IRs, the local IRs would produce an edge in the midst of the rivalry.

Attractiveness of the Industry

The moderate to high threat of new entrants; moderate bargaining power of suppliers and buyers; low threat of substitute products and high rivalry among competing firms, have constituted to a moderately unattractive casino industry in Singapore. Nevertheless, analysis has found that by operating the casino in the form of an IR with appropriate strategic management, the casino industry in Singapore is still viable in the longer run, providing benefits for IR operators, local supporting businesses, government, and the Singapore economy per se.
4.3 SWOT Analysis

1) Good Regulatory System

With good regulatory system, the opportunity of being able to attract reputable investors and operators arises. However, Singapore’s regulatory system is usually too bureaucratic, leading to the threat that there would be a lack of interest to invest in Singapore due to interference of rules and regulations on casino’s operations. High rollers also dislike regulations that restrict their gaming activities.

2) Strong, Efficient and Corrupt-Free Government

With a strong and efficient government, it provides assurance to customers on the security of their winnings and investors need not fear disruption of their operations due to criminal activities associated with operations of casinos. This makes Singapore a more attractive place to do both business and relaxation gaming.

3) Political and Economic Stability

The high stability in Singapore means that businesses can be assured that expropriation will not occur. Therefore, with assets’ security, investors will be more interested and inclined to invest in Singapore.

4) Good Communication, Technology and Transportation Infrastructure

Equipped with good infrastructure, Singapore is able to withstand global gaming competitions. The adoption of high standards of communication and technology facilitate international communication and prevent cheating through the use of technology.

5) Mandarin Speaking Environment

Chinese customers from China will be more likely to be attracted to Singapore rather than Thailand due to the ease of communication with the generally good fluency of Mandarin among many Singaporeans. This will allow Singapore to take advantage of the rising middle-income population in China.
6) Good Banking System

Singapore’s financial centre and well-established banking system facilitate international money transactions. Hence, remittance by high rollers and investors are easily facilitated. This ease of money transactions acts as a source of attraction for high rollers and investors.

7) Geographic Location, Size and Transport System

Singapore’s central geographical location has made it easily accessible, providing Singapore with a comparative advantage. Moreover, its small size and efficient transport system provide ease of travelling around the island. Thus, these enhance Singapore’s potential opportunity and position to attract visitors, and facilitate hosting of global gaming competitions.

8) Convention Hub

Having an excellent infrastructure of conventions and an efficient Singapore Exhibition and Convention Bureau may attract foreign hosts to hold global meetings, incentives, conventions, and exhibitions (MICE) in Singapore. Therefore, Singapore’s designation as a convention hub may attract MICE visitors to Singapore, increasing the number of high-end visitors to casino, who are able to game with high stakes.

9) Lack of Experts in the Gaming Management and Low Service Standards

The lack of gaming and hospitality management experts poses a threat of over-reliance on imported foreign talents and hence, insufficient controls over the management by the government. Moreover, low standard of services in Singapore may lead to inability to attract high rollers to the IRs. However, proactive in training, Singapore welcomes training and courses for service workers in this gaming sector to attain world-class standards. One present example is the University of Nevada from Las Vegas, which has established a campus in Singapore to offer bachelor’s degree programs in gaming management and hospitality (The Straits Times, Monday, November 29, 2004). Thus, it can be deduced that Singapore can overcome these weaknesses and minimise the vulnerabilities to the threats.
10) Over-Analytical and Inertia to Change

Singaporeans’ over-analytical nature and resistant to changes may lead to opportunity loss as they may be too slow to act on apparent opportunities and unable to gain first-mover advantage. Conversely, being over-analytical would cover all aspects completely, thus enabling to be more prepared to deal with uncertainties and potential future opportunities.

11) Resort and Entertainment Potential

The opening of the IR may bring in entertainment, conventions, and exhibitions, hospitality and retail outlets, thus it would add more vibrance to Singapore. Therefore, the potential resort and entertainment opportunities in Singapore would help to boost the entertainment industry.

12) Growing Gaming Industry

By tapping into this growing gaming industry, Singapore can garner a share of this profitable market. Moreover, Singapore can also stem the outflows of gambling expenditures and thus, generating more revenue to further develop the country and improve the social well-being.

13) Growth of Low Budget Airlines

With the entrance of low budget airlines, commuters can now travel at a cheaper rate to Singapore. Thus, it acts as a catalyst to provide a gateway for Singapore to capitalise on the leisure market in Southeast Asia.

14) Inexperience in the Gaming Industry

Despite probable implementation of inappropriate regulations due to inexperience in the gambling industry, Singapore’s proactive learning attitude helps to counter this. Furthermore, being inexperienced will inspire Singapore to learn through the experiences of others and hence, improving its expertise in this industry.
15) Competition from Potential Entrants

The threat of new entrants, such as Thailand and China, increases the intensity of rivalry in the global market, which in turn undermines Singapore’s attractiveness to the visitors and tourists.

16) Increase in Social Problems and Opposition from Religious Groups

The threat of the exacerbation of social problems and the existence of religious groups’ opposition may induce strong government intervention in casino operations to minimise the concerns of the religious groups and seriousness of the social ills. However, this in turn will reduce the operators’ interests in investing in Singapore.

17) Inevitable Economic Crisis

The inevitable outbreak of an economic downturn may lead to a decrease in the affluence of people who may become thriftier. This may cause a reduction in the casino business and hence, decreasing the profitability.

18) Usage of Advance Technology for Cheating

The evolution of advance technology is an enabler for those IT-savvy gamers to cheat in the IR casinos, threatening the amount of revenue flow to the casino operation. Therefore, it may motivate efforts towards improving Singapore’s casino technology and security systems, to counteract cheating activities.

4.4 Cost-and-Benefit Analysis

To determine the strategic advantage an IR has in Singapore, the economic benefits can be determined if it outweighs the social costs. A cost-benefit analysis was adopted in the analysis.

Economic Benefits

There are three main economic benefits that an IR investment can bring to Singapore.
1) Contribution to Tax Revenue

In the year 2006, Singaporeans spent more than S$6 billion on lotteries, horse betting, and other types of officially sanctioned gambling. Taxes on bets totalled about S$1.3 billion in 2006, according to the Inland Revenue Authority of Singapore’s 2007 annual report. The opening of the casino is expected to further raise Singapore’s betting duties. Moreover, the gaming revenue generated might be greater if the casino is able to capture the S$2 billion, which was wagered in underground gambling and betting (The Business Times, 29th September 2004).

Singaporeans visit overseas for casino gaming. The IRs can attract these Singaporeans to gamble locally and stem this expenditure outflow. Assuming that it has the potential to stem the “leakage” of estimated $2 billion that Singaporean gamblers lose annually at casinos overseas, this implies that more tax revenue collection, which can be used to improve the well-being of Singaporeans.

2) Boost for Singapore’s Economy and Tourism Industry

The IR would bring in entertainment and conventions, hospitality and retail outlets, which will help to increase the demand for hotel services, greater patronage at restaurants and heightened convention and exhibition activities, hence, providing a tremendous economic boost. The IRs may boost Singapore’s Gross Domestic Product (GDP) by at least 1 to 2 percent, which could add $500 million to the nation’s GDP.

Studies and surveys have shown that, tourism numbers and spending increase with the development of IR. Supporters of IR have claimed that tourists’ duration and repeated visits would also increase. STB also supports the project, as it believes that the IRs will help to boost the tourism industry and enhance Singapore’s attractiveness as a tourism destination. Being among the top-three visitor-generating markets, China (with increasing number of middle-class), and Japan (with existence of high rollers), serve as attractive target segments for Singapore.

However, stiff competition resulting from the expansion plans and the potential entrance of various countries may dampen the prospects of tourism industry. Furthermore, Singapore may suffer erosion in tourist arrivals if the IRs are not well prepared. Therefore, the
The magnitude of the tourism boost would depend on how Singapore markets and positions as a tourism destination.

Another concern is the cannibalisation effect. Tourists may spend more time and money in the IRs, at the expense of other forms of activities such as shopping and entertainment. For instance, prices of casino hotels are often marked down heavily and this may affect other hotels. However, if the proposed IRs can attract high-rolling tourists as well as a larger slice of the convention business, the net impact should be positive.

3) Increase Employment Opportunities

Singapore can benefit from both direct and indirect employment. Jobs created through direct employment in the IRs can help to improve momentum of labour market. Therefore, the creation of IRs will bring about an abundant of employment opportunities to Singapore, indirectly helping to catalyse the growth of the labour market, improving the unemployment rate and projecting a much favourable economic growth.

However, the initial impact on employment might be small as certain types of casino jobs such as card dealers and gaming operators require specific skills, requiring importation of foreign employees. Therefore, increase in employment opportunities will only surface in the long run, as the nation becomes adept in this area.

Social Costs

Eight main social costs that would be brought about by the opening of casino in Singapore are discussed in the following.

1) Compulsive Gambling

People are in danger of falling prey to compulsive gambling once they are addicted, often leading to bankruptcy or family problems. The mistaken mentality that by continuing to gamble despite suffering a loss would enable gamblers to recoup their losses often proves to be their demise.

A 1998 study found that the number of people seeking help for gambling addiction increased after the two casinos opened. However, it was added that part of this rise could be due to increased publicity in problem gambling and support services. Therefore, it is
expected that a similar upsurge in the number of gamblers seeking help can be expected if an IR opens here. Nevertheless, it is dependent on whether the casino enlarges the pool of gamblers or draws largely on the existing pool of gamblers.

2) Appearance of Vices and Increase in Crime Rate

Often, troublemakers or lawbreakers tend to choose places like casinos to hold their under-the-table dealings. With the appearance of such characters, it is only a matter of time before prostitution, gangsterism or peddling of drugs occurs. Gambling addicts may resort to theft and robbery to satisfy their gambling urges.

3) Increase of Child Abuse or Neglect Cases

With the absence of guidance from the parents addicted to gambling, the child may end up being led astray by bad company or worse, pick up gambling habits from their parents. Parents who lose money at the gambling table often vent their frustrations on the children and abused them physically. Such emotional trauma would scar them for life, making them emotionally unstable and may result in delinquency problems.

4) Escalating Problems of Poverty

A study by American’s National Institute of Justice noted that personal bankruptcies went up significantly in five of the seven casino communities when compared to the control groups. A possibility exists that the casino may increase the bankruptcy rate in Singapore.

While many Singaporeans are not considered poor by international standards, the costs of living are high, causing a strain on the breadwinner of the family. Although many gamble in the hope to get rich, most may end up poorer through their indulgence in gambling.

5) Increasing Borrowings from Loan Sharks and Number of Loan Sharks

Problems of borrowing from loan sharks can be seen in Singapore. Most of the borrowing occurs due to the addiction to gambling. With the introduction of the IRs, more people are likely to borrow from loan sharks in order to satisfy their gambling indulgence, which may also lead to an increase in the number of loan sharks.
6) Plagued by Financial Problems Affecting Work Performance

Plagued by financial problems, the working performance of people indulging in gambling may deteriorate. This may have a spill over effect on the job performances of the gamblers’ immediate family members, as they are troubled by family problems. These would threaten the prospects of Singapore whose critical assets lie in its human capital.

7) Morality and Social Order Values

The Singapore model is that of morality and social order. Play, escapism, and individualism have been disparaged as antithetical to the discipline and self-sacrifice that have underpinned Singapore’s success. By having IRs, the belief that Singapore’s rational and socially puritan model delivers results may be disowned, as an element of conflict exists.

8) Tarnishes Singapore’s Good Reputation and Image

The opening of the IRs may tarnish Singapore’s good reputation and image built up over the years. As a casino is always associated with vices and social ills, these negativities may erode Singapore years’ of reputation as a moral and socially puritan country. Money laundering activities may be involved and this may jeopardise Singapore’s reputation as a financial hub.
CHAPTER 5 – SURVEY RESULTS

4.1 Characteristics of Respondents and Results

Out of the 300 respondents, 55.3% were males and 44.7% were females. 94.7% were Singaporeans (including Permanent Residents), while the rest were foreigners. The age groups of the respondents are categorised below in Table 1.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage of Age Group out of 300 Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 to 30 years old</td>
<td>53.3%</td>
</tr>
<tr>
<td>31 to 40 years old</td>
<td>26.7%</td>
</tr>
<tr>
<td>41 to 50 years old</td>
<td>13.3%</td>
</tr>
<tr>
<td>51 to 60 years old</td>
<td>5.3%</td>
</tr>
<tr>
<td>Above 60 years old</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

The following observations were made while trying to ascertain the profile of the respondents who visit casinos and their gambling expenditures overseas. 83.3% of the respondents have visited a casino before and among them 81.6% have gambled in the casinos. This presented a good majority of respondents who knew casino gaming and understand the atmosphere of casinos, which made them a better representation to assess the addictive nature of gambling. Out of this 81.6%, 35.3% spent an average of less than 2 hours in the casino, 51.5% spent between 2 to 5 hours, while the remaining minority stayed beyond 5 hours. Among those who have gambled at casinos, 65.2% are prepared to stake less than $500 on gambling, while 3.9% of this portion of respondents will part with more than $2,000. Hence, a substantial amount of the respondents are low-stake gamers.

Of the casinos visited by the respondents, the most frequented is the Genting Highlands casino, followed by Las Vegas. This showed that IRs were more popular as casinos at both Genting and Las Vegas were established with the IR concept. The less frequented casinos are the ones at Macau, Hong Kong, Batam, Korea, and on-board cruises. It can be seen from Table 2 below that only a small proportion of respondents are frequent casino gamers.
TABLE 2: FREQUENCY OF GAMBLING IN CASINOS

<table>
<thead>
<tr>
<th>Frequency of Gambling in Casinos</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once in a year</td>
<td>46.6%</td>
</tr>
<tr>
<td>Once in 6 months</td>
<td>17.2%</td>
</tr>
<tr>
<td>Once in a month</td>
<td>15.2%</td>
</tr>
<tr>
<td>Once in a week</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

4.2 Survey Findings

The perception of the respondents with regard to the social demerits of legalising a casino in Singapore and casino gaming is given in Table 3 and 4 respectively.

TABLE 3: RESPONDENTS’ PERCEPTIONS OF THE SOCIAL IMPACT OF CASINOS IN SINGAPORE

(All responses are shown in percentage)

<table>
<thead>
<tr>
<th>A casino in Singapore will…</th>
<th>Absolutely Disagree</th>
<th>Moderately Disagree</th>
<th>Neutral</th>
<th>Moderately Agree</th>
<th>Absolutely Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Increase degree of gambling addiction</td>
<td>5.0</td>
<td>5.3</td>
<td>20.0</td>
<td>43.7</td>
<td>26.0</td>
</tr>
<tr>
<td>2) Increase the rate of bankruptcy</td>
<td>4.0</td>
<td>10.3</td>
<td>26.7</td>
<td>42.0</td>
<td>17.0</td>
</tr>
<tr>
<td>3) Increase the likelihood of family problems</td>
<td>5.0</td>
<td>11.3</td>
<td>27.3</td>
<td>44.7</td>
<td>11.7</td>
</tr>
<tr>
<td>4) Increase the rate of crime</td>
<td>3.3</td>
<td>14.3</td>
<td>36.7</td>
<td>30.0</td>
<td>15.3</td>
</tr>
<tr>
<td>5) Increase the rate of suicidal attempts</td>
<td>4.7</td>
<td>15.3</td>
<td>43.3</td>
<td>27.7</td>
<td>9.0</td>
</tr>
<tr>
<td>6) Increase the rate of divorce</td>
<td>8.3</td>
<td>17.0</td>
<td>38.7</td>
<td>27.3</td>
<td>8.7</td>
</tr>
</tbody>
</table>

There is a general consensus that casino spurs gambling addiction and gambling problems, with more than half of respondents agreeing that social repercussions would manifest through more family problems, bankruptcies and the degree of gambling addiction. Among
these, respondents are most concerned with the casino’s impact on gambling addiction. Hence, measures to curb the prevalence of problem gambling should be the chief concern when drawing up social safeguards.

Conversely, respondents generally do not perceive the adverse impact of a casino to be so devastating that it drives people to end their lives or marriages, or to turn criminal. Less than half agree that a casino will heighten crime, divorce, and suicide rates and many are neutral towards the casino’s impact on these social disorders.

TABLE 4: RESPONDENTS’ PERCEPTION TOWARDS CASINO GAMING

(All responses are shown in percentage)

<table>
<thead>
<tr>
<th></th>
<th>Absolutely Disagree</th>
<th>Moderately Disagree</th>
<th>Neutral</th>
<th>Moderately Agree</th>
<th>Absolutely Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Casino gaming is a social vice</td>
<td>4.7</td>
<td>7.0</td>
<td>36.7</td>
<td>39.0</td>
<td>12.7</td>
</tr>
<tr>
<td>2) Casino gaming is against the moral standards of Singaporeans</td>
<td>13.7</td>
<td>23.3</td>
<td>46.0</td>
<td>11.7</td>
<td>5.3</td>
</tr>
<tr>
<td>3) Casino gaming will have adverse effects on Singapore socially</td>
<td>7.7</td>
<td>15.3</td>
<td>34.0</td>
<td>32.7</td>
<td>10.3</td>
</tr>
</tbody>
</table>

Looking at Table 4, only 13.7% of respondents felt that casino gaming is against the moral standards of Singapore. Nonetheless, slightly more than half of the respondents agree that casino gaming is a social vice and is detrimental to Singapore.

The respondents’ perceptions of casino’s economic impact can be seen from Table 5.
## TABLE 5: RESPONDENTS’ PERCEPTIONS OF THE ECONOMIC IMPACT OF CASINO IN SINGAPORE

(All responses are shown in percentage)

<table>
<thead>
<tr>
<th>A Casino in Singapore will…</th>
<th>Absolutely Disagree</th>
<th>Moderately Disagree</th>
<th>Neutral</th>
<th>Moderately Agree</th>
<th>Absolutely Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Increase local government revenue</td>
<td>0.0</td>
<td>0.7</td>
<td>9.7</td>
<td>38.0</td>
<td>51.6</td>
</tr>
<tr>
<td>2) Boost the tourism industry</td>
<td>1.3</td>
<td>3.3</td>
<td>13.3</td>
<td>42.6</td>
<td>39.3</td>
</tr>
<tr>
<td>3) Boost the number of visitors</td>
<td>2.0</td>
<td>9.3</td>
<td>11.3</td>
<td>46.0</td>
<td>31.4</td>
</tr>
<tr>
<td>4) Result in an improvement to Singapore’s GDP per capita</td>
<td>1.3</td>
<td>2.7</td>
<td>28.7</td>
<td>37.3</td>
<td>30.0</td>
</tr>
<tr>
<td>5) Increase employment rate</td>
<td>2.6</td>
<td>7.0</td>
<td>20.3</td>
<td>47.0</td>
<td>23.0</td>
</tr>
<tr>
<td>6) Have an adverse effect on Singapore economically</td>
<td>14.3</td>
<td>24.6</td>
<td>34.3</td>
<td>18.0</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Many Singaporeans feel that IRs with casinos in Singapore will serve as a form of economic development tool. Almost all the respondents felt that a casino would have a positive impact due to the ability to boost the tourism industry and increase the local government revenue via tax receipts. They believed that IRs will have positive effects on the tourism industry, leading to a higher influx of tourists, which is in line with the STB’s aim of turning Singapore into a tourist hub. Employment opportunities are also believed to increase and therefore, there is a general consensus that development of IRs in Singapore will eventually lead to a better standard of living for Singaporeans.
From the survey, a casino in an IR is perceived to bring both social repercussions and economic benefits to Singapore. In the assessment on whether the benefits will outweigh the cost, respondents are quite divided in their opinions. 56% of the respondents felt that benefits will outweigh the cost, while 44% felt the opposite.

In conclusion, a slight majority of Singaporeans are supportive of the launch of the IRs. Although the respondents are divided over the idea of the casino, a noteworthy 75% responded that they would visit the IRs, while 25% said that they would not. Gambling is not a driving force behind visiting the IRs, because among those who would visit, many expressed that they are there out of curiosity and to enjoy the other entertainment and facilities there.
CHAPTER 6 – FINDINGS AND DISCUSSIONS

6.1 Overall Findings

Overall Strengths

1) Good Political Stability of Singapore

Compared to competitors in the region, Singapore’s political scene has been very stable as PAP has been the main party in power for over 30 years. Therefore, businesses are unlikely to be affected by frequent policy changes and the operations would not be disrupted by instability in the country should another inefficient political body govern the country.

2) Improved Worldwide Economy

As the world’s economy improves, people are more willing to spend on leisure and luxury. This will directly increase the profitability of the entertainment and gambling industries.

3) Bilingualism of Singaporeans

Bilingualism of Singaporeans makes Singapore an attractive place to visit compared to other countries in the region such as Thailand. Moreover, as the Chinese become more affluent and with the rising middle income class, the Chinese market is becoming one of the most targeted groups of casino customers. Singaporeans’ ability to communicate with the Chinese in their language is an advantage over other competing countries such as Philippines.

4) Small Size of Singapore

The small size of Singapore allows high accessibility within itself. Hence, high rollers will find that they are able to reach the IRs very soon after they arrive at the airport, eliminating any frustration they may feel in bigger countries due to the travelling time spent on the road. It also means that control of the country is much easier. Compared to the much larger Vietnam, any social ill effects of the operations of the casino in Singapore will be much easier to monitor and manage.
5) Strong and Corrupt-Free Government

Singapore’s upright and effective government is able to exercise strong enforcement and pre-empt any illegal activities that will adversely affect the IR operations. Hence, minimising such potential costs of the operators in trying to prevent such activities enhances Singapore’s chance of attaining the reputation as a world-class casino operating country. Therefore, Singapore is able to attract reputable global investors to invest.

6) Strong Infrastructure and Banking System

Singapore’s excellent banking system and its good technology and communication infrastructure help to support the various areas of operations of the IRs. With good technology, the IR casinos will find it easier to detect any cheating activities. The banking system facilitates the money transactions of the high rollers from other countries.

Overall Weaknesses

1) Singaporeans are not Mature Enough for a Casino

From findings, there are various reasons for the unsupportive response for the development of an IR with casino in Singapore. The first reason, though may be controversial, is that Singaporeans are yet to be mature enough to handle the changes that would brought about by the opening of casino and be socially responsible for their gambling habits. Though the government can set up strong controls to minimise the potential social problems, this immaturity may place on a great doubt on the effectiveness of the controls to curb them.

2) Very Competitive Industry

As evident from the industry analysis, the intense competition in the casino industry implies that only the strong and powerful players can survive. Moreover, with the lack of expertise and experience in this industry, Singapore may not have the capability to compete competitively and its ability to gain the world-class casino reputation may wane. However, this weakness can be countered by importing the foreign talents. One immediate concern is the expected strong regulation, which may hamper Singapore’s attractiveness to both the operators and high rollers.
3) No One Consensus

There is yet to be one common consensus. A Straits Times survey found out that 53% are in favour of having a casino here, while 47% oppose it (The Straits Times, 25th September 2004). Thus, Singaporeans are almost divided evenly on the IR concept. The strong opposition by the various religious groups and the social group poses a great threat to the success of the local casino industry. If the IR with casino is developed despite the lack of consensus, it may result in people, who are against the idea, to lose confidence in the government, and perceive this decision as a form of economic selfishness. Thus, social unrest may occur, which will derail the well-established reputation of Singapore. To be successful in both the short and long run, support is needed from all people to unite and work hard together towards achieving goals – maximising the economic benefits and minimising the social costs, and maintaining a clean and upright reputation.

4) Low Service Level

The current service level is still a long way from achieving world-class standards. This may threaten the ability to attract and retain high rollers and reputable visitors to the casino, hence obstructing the IRs’ route to success. However, with Singapore’s proactive attitude towards training and learning, it is confident that service levels can be improved to attain world-class standards in the near future.

6.2 Casino Issues

After analysing the internal environment, casino analysis will be performed, discussing the types of models, operations, government, and casino controls that Singapore may undertake for its own IR plan.

Types of Models

There are two models of casinos: Pure gambling casino or IR. Singapore has stated its interest in developing two IRs.
TABLE 6: INTEGRATED VS PURE GAMBLING

<table>
<thead>
<tr>
<th></th>
<th>Integrated Resort (IR)</th>
<th>Pure Gambling</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Image</strong></td>
<td>Positive</td>
<td>Negative</td>
</tr>
<tr>
<td><strong>Impact on Singapore Entertainment Sector</strong></td>
<td>Able to boost entertainment sector with leisure facilities</td>
<td>Unable to boost entertainment sector with casino only</td>
</tr>
<tr>
<td><strong>Public Opinion</strong></td>
<td>More supportive – Includes entertainment</td>
<td>Not supportive – Detriment to society; Does not help the entertainment sector</td>
</tr>
<tr>
<td><strong>Complexity of Operations</strong></td>
<td>More complex</td>
<td>Less complex</td>
</tr>
<tr>
<td><strong>Sequence of Building Models</strong></td>
<td>Casino + Entertainment Resort -&gt; Integrated Resort</td>
<td>Casino -&gt; Casino + Entertainment Resort -&gt; Integrated Resort</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td>US$1 – 2 billion</td>
<td>US$20 million &amp; above</td>
</tr>
<tr>
<td><strong>Suitability of Models</strong></td>
<td>More suitable</td>
<td>Less suitable</td>
</tr>
</tbody>
</table>

Considering the more negative image attached to a pure gambling casino compared to an IR, the support given by the Singapore public, and the impression that Singapore is relying solely on the casino to gain revenue and the many benefits attached, the IR concept is a more appropriate option, despite the higher costs and difficulties in management.

Modes of Operation

The following section will be discussing about the number of operators involved in the management of the casino. This is differentiated into the single-operator model and the multi-operators model.

For the case of Singapore, the single operator model is a better choice as this can decrease the complexity of the operations as well as provide a more conservative and safer approach. Having multi-operators can become a management disaster as each operator runs their game in a different and occasionally conflicting manner. Furthermore, it is difficult to attract investors who only wish to control a single table, especially in an IR with casino as
inexperienced as the Singaporean ones. Refinements will have to be made along the way as the IRs grow in operations and reputation. By starting simple, it would be easier for Singapore to have a better understanding of the management of the IRs and to expand its base of operations.

Government Control

In order to reap the maximum benefits of the IRs and to reduce the negative impacts, government control is of great importance. The Singapore government is so concerned with the control of the casinos in the IRs that it has already defined some initial guidelines for the IR casino operations even before the construction of the IRs begins. Singapore is most likely to base its regulations on those set by the Nevada Gaming Control Board, which is one of the most stringent in the world. However, there is likely to be some modifications to adapt to Singapore’s situation such as more restrictions on the accessibility of locals as well as on money transactions to minimise the possibility of money laundering.

Not allowing Singaporeans to enter the casino, as proposed in the early stages of the concept, is not the best way to rid Singapore of the social ills due to gambling addiction. There are many easily accessible casinos in the region, with the Genting casino being the most prominent destination for local gamblers, among other illegal gambling dens. With the IRs, it will be easier to detect and monitor gamblers with addiction problems. In addition, the sentiment that arose when the government initially suggested that locals be banned from the casino is an indication of the resentment that could arise. Nothing will be solved and the problem of the outflow of gambling revenue still remains. Investors have also indicated that locals are a major part of their plans for the IR casinos and if locals are banned from entering, investors may withdraw their plans to invest.

The $100 fee per visit is an obstacle, which usually only the rich will be willing to pay although the fee is meant to be a reminder that the casino should be taken as a form of entertainment and not a way to make a living. Resentment of the lower income group towards the rich might rise as it seems that the rich are monopolising the casino.

However, this will inevitably affect the profitability of the IRs with casinos as many casinos depend on the income of small stake players, as high rollers may not be easy to
attract. The casino will have to depend on tourists and high rollers, whose turnout can be very unstable due to seasonal effects as well as unforeseen events such as SARS.

**Casino Controls**

Controls for casino operation must be in place to effectively manage the operations and minimise the aftermath effects of the IR casinos. Some of the pertinent casino controls are discussed below.

**Control on Internal Factors**

Strong organisation architecture and effective internal controls are necessary to minimise agency problems and social ills brought about by the casinos. To ensure the competence and integrity of the employees, background checks on candidates are carried out before recruitment, as practised in Nevada. Moreover, enforcement has to be implemented to ensure strict adherence to the regulations and controls.

Casino management system has to be set up to monitor activity on gaming machines, manage daily activities and enhance book-keeping accuracy. Security surveillance systems can be installed to prevent and detect any frauds.

**Controls on External Factors**

To ensure that only the “right” people are allowed entry, operators have to set up admission controls such as admission by membership. Also, stake restriction may be set up to ensure over excessive gambling by gamblers especially the casual ones. Controls to manage gambling addiction such as staff to be able to identify gambling addicts and disorders must be present.
Marketing

TABLE 7: SEGMENTATION, TARGETING, AND POSITIONING

| Segmentation   | High Rollers                                                                 | Tourists                                     | Local                                                        |
|               | • Geographical: Local and Foreign                                            | • Geographical: Foreign                      | • Geographical: Local                                       |
|               | • Focus: Mainly to gamble                                                    | • Focus: Entertainment                       | • Focus: Gamble or Entertainment                           |
|               | • Stakes: High                                                               | • Stakes: Low                                | • Stakes: Low                                               |

<table>
<thead>
<tr>
<th>Targeting</th>
<th>Casino</th>
<th>Entertainment Hub</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria</td>
<td>Primary Focus: Tourists</td>
<td>Secondary Focus: High Rollers</td>
</tr>
<tr>
<td>1. Size</td>
<td>Large</td>
<td>Small</td>
</tr>
<tr>
<td>2. Expected Growth</td>
<td>Significant</td>
<td>Negligible</td>
</tr>
<tr>
<td>3. Market Competitiveness</td>
<td>High</td>
<td>Very High</td>
</tr>
<tr>
<td>4. Cost of Reaching the Market</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>5. Compatibility with Singapore’s Objectives</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Positioning

- Product Positioning
  - To be the leading regional Entertainment Hub and a World Class Tourist Destination
- Promotional Efforts

Segmentation

The market is segmented mainly by the geographical location, purpose for visit and stakes involved.

Targeting

Tourists are the primary focus for the casino. Though this segment is very competitive, its expected significant growth due to the increased affluence and the low cost of reaching it,
in terms of the promotional efforts, makes it well to be targeted. In line with Singapore’s objective, it can help to rejuvenate Singapore as a tourist destination.

High rollers are the secondary focus compared to the tourists. Though the size is relatively small, but its high profit margin makes it worthwhile to attract. Moreover, their presence helps Singapore’s casino to position as a well-established and reputable attraction, gaining worldwide recognition, which is in tandem with Singapore’s goal of becoming a world-class tourist destination.

As for the entertainment sector, both tourists and locals should be targeted due to their enormous market sizes, the expected significant growth and the low cost of reaching them. This helps to boost Singapore’s tourism and entertainment industries, and promote family cohesiveness within Singaporeans during their leisure time.

**Positioning (Promotional Efforts)**

The main direction of the IRs’ promotion would be family cohesiveness. The IR functions as an entertainment world where the whole family can visit and be entertained according to their needs. Occasional special perks can be given to visiting families and on special occasions like Family-Day events.

To boost the reputation of the casinos, prestigious events such as the World Poker Competition can be hosted. Conventions for casino operators can also be organised in Singapore. All these enhance the recognition of local casinos in the international arena.

To gain worldwide awareness for the entertainment hub, advertisements can be used to promote the entertainment hub without any mention of the casino. This is to comply with the government’s rules and regulations with regards to the advertisement ban for the casinos. Facilities and venues for organising MICE events can be advertised instead. Furthermore, the IR can form alliance with tour agencies to list it as one of the main attractions in their itineraries.

To further enhance the attractiveness of the IR, free shuttle services can be provided, with pick up points at popular tourist spots such as the Orchard Road shopping belt to increase accessibility and convenience to visitors. Moreover, complementary discounts or benefits can be given to customers of the IRs.
CHAPTER 7 – STRATEGIES OF INTEGRATED RESORT WITH CASINO

7.1 Government Regulation of Casinos in Singapore

Casinos can boost any country’s economy to a great extent and many governments have leveraged on this fact, legalising gambling and integrating them into large scale resorts. However, if gambling is left unregulated and subjected only to market forces, it will create negative impact on the society. Most casinos are divided between the desire to maximise profits and being accepted by the community [Pitcher, 1999]. Even though they may assume some responsibilities for the development of pathological gambling, there should be some form of regulation from an external source such as the government.

As private operators will own the proposed IRs, they should constantly work with the government as the authorities must be proactive in ensuring proper regulation on casinos. The social safeguards proposed by MTI, the concept of ‘responsible gambling’, restrictions on advertising and gambling inducements, employee training, and regulation to prevent organised crime and money laundering, which prevail in casinos, could be clearly communicated and implemented between the IRs and government.

7.2 Social Safeguards in Regulation of Casinos

Besides crime control, the government has to curb the social problems of gambling, such as the development of pathological gambling, and the IRs should help to coordinate with these efforts. MTI has proposed social safeguards that will be put into place for casino gambling. Two main aspects namely access restrictions and financial controls are discussed as follows.

7.2.1 Access Restrictions

MTI had proposed on setting up entry barriers such a restriction on visitors aged 21 years-old and below to patronise or work in the casinos. This restriction was to prevent adolescent gambling as adolescents and young adults are among the most vulnerable in developing into pathological gamblers [Shaffer et al., 1998]. However, it was suggested that the age limit be raised to 25 years-old as most 21 year-olds are either just starting to
earn a living or still engaged in their studies. They might have the maturity to control themselves from spending away their income or allowance on gambling.

Another restriction is a $100 government levy for a single-day membership or $2,000 for an annual membership applying to Singapore citizens and permanent residents. Some locals have expressed concern about the high day entrance fee of $100, criticising it as discrimination against the lower income group. Others have commented that the amount is almost equivalent to the cost of a round trip bus ticket to Genting, hence not serving its purpose of a deterrent or re-directing locals’ gambling expenditure abroad back to Singapore. From the survey conducted, 60.7% of the respondents who have gambled in casinos before are willing to stake less than $500 on each visit. The $100 entrance fee may deter a part of the lower and middle income class from patronising the casino. However, it may have an adverse effect if those who cannot afford it choose to borrow from other sources such as loan sharks or placing larger bets in order to recoup these expenses.

A better suggestion is to change the criteria of annual membership to a starting membership fee of at least $5,000 plus subsequent monthly subscription fees of at least $500. This is because an annual fee of $2,000 translates into an estimated daily fee of a mere $5.50, which is a much cheaper option than paying a $100 daily entrance fee and relatively affordable for many locals. Thus, locals may choose an annual membership over a single-day one, resulting in them gambling more. As a starting membership fee, $5,000 may be more effective an amount in deterring locals from application. In addition, monthly subscription fees of $500 will make members reconsider their memberships on a monthly basis and decide if they want to continue paying this substantial fee just to gamble in a casino. This will be a stronger deterrent in preventing the development of long-term gambling. Minimum income requirements should also be set as criteria for membership to ensure that the jobless will not attempt to make their living via gambling. Furthermore, the vulnerable groups at risk of developing pathological gambling are adolescents, housewives, and pensioners who do not earn their own income [Shaffer et al., 1998].

MTI had also proposed having a self exclusion program, which was designed to assist problem gamblers, giving them the option to limit their access to casinos. This is a form of proactive risk minimisation measure to reduce the extent of problem gambling. Most problem gamblers may not utilise this option because of their addiction to gambling. Encouragement from their families and friends is necessary in order for self exclusion
programs to be effective. Thus, MTI took a further step by proposing exclusion by close family members, which can help the casino in identifying and barring problem gamblers more effectively. A useful self exclusion model provided by the Australia Gaming Council uses a qualified trained ‘educator’ system and focuses on enhancing internal controls of the individual to combat gambling behaviour.

In addition, the use of identification cards (IC) for Singaporeans and permanent residents and passports of foreigners for identification of patrons can be proposed. These will be scanned at the entrance of casinos and all related information such as a photograph, exclusion reasons and other important background information of patrons will be shown. In addition, the government should provide records on individuals who have committed crimes such as robbery, theft and abuse, and those blacklisted by other casinos. This is to highlight such individuals to the casino staff, enabling close monitoring for any suspicious behaviour. Local practitioners working with addicted gamblers should also provide the casino with information that can help to identify patrons with gambling problems. This allows the staff to monitor their actions in case they develop signs of excessive gambling. A registry of the above individuals can then be set up and stored into the casinos’ database.

Exclusion of local residents from casinos varies across countries. For example, London practices total exclusion while in South Korea, the Kangwon casino allows entry of local residents only on Tuesdays. The casino in Genting Highlands prohibits Malaysian citizens who embrace the religion of Islam. The Singapore government should consider such exclusion practices and decide if similar casinos or IRs be established here in order to control the level of gambling among local residents.

7.2.2 Financial Controls

MTI proposed a criterion whereby credit is not extendable to Singapore residents except for premium players who would have to make a deposit of $100,000. This is to prevent local patrons from getting loans or seeking credit to recoup their losses and end up gambling beyond their means. This was an extension from Singapore’s current policy of disallowing existing gambling operators (Singapore Pools and Singapore Turf Club) to issue credit.
MTI also proposed using smart card technology, like those implemented in Australia’s Crown Casino and South Africa’s Sun International Casino, for ‘cashless gambling’. This allows patrons to transfer via a smart card, which uses a personal identification number (PIN) for user authentication. This technology is targeted at slot machines that are linked to the central network of casinos, providing information on every transaction. In Sun International Casino, the smart card system is integrated with the casino’s management software to provide better monitoring of its operations.

One criticism of this technology was the convenience created may induce more excessive gambling as patrons incur less ‘lost time’ in waiting to exchange for extra chips. To control this, patrons should be required to voluntarily set their loss limits for their smart cards upon entrance into the casino and their cards will be locked automatically when the limits are reached. This will disallow patrons to gamble further and force them into settling their losses or winnings.

Patrons can re-value their smart card by either using cash or direct transfer from their bank accounts. Thus, automated teller machines (ATMs) should be prohibited from the casinos’ vicinity to prevent vulnerable patrons from having easy access to cash. To extend this technology to other casino games such as roulette, the casino can install card readers at each table for the patrons to insert their smart cards. All players at the table will have their cards linked to the dealer’s system. The debiting and crediting of winnings and losses respectively for each player will be conducted after every game.

### 7.3 Responsible Gambling

The Australian Casino Association has a firm view that regulations should emphasise on responsible gambling, which is an approach that encourages casino patrons to make informed and educated choices when gambling. This includes giving the patrons the freedom of choice regarding their gambling options. For example, voluntary loss limits focus on responsible gambling by giving patrons the flexibility to set their own limits as necessary. However, patrons may overstate or increase their limit each time they gamble. Hence, it is necessary for the enforcement of public awareness on the effects of the casino and gambling.
Research shows that education on gambling and its associated risks may hamper the development of pathological gambling [Quinn, 2001]. The local IRs should thus cooperate with the Singapore government to place major focus on educating the public about the dangers of gambling. The casino should put up information and tips on responsible gambling around its facilities by using posters. It can also consider measures adopted in Saskatchewan, Canada, where enhanced banner displays in the casino’s video lottery terminals allows a variety of responsible gambling messages to raise patrons’ awareness of options such as help lines for problem gambling. Another feature is a pop up reminder appearing every 30 minutes, stating the amount of time the machine has been played since the last cash out or zero balance and requiring a response in order to continue playing.

7.4 Restrictions on Advertising and Gambling Inducements

Research found that in U.S., the increase in advertisements that encourages gambling and recruits new gamblers is related to the recent increase in gambling [Shaffer et al., 1998]. To prevent this, restrictions should be placed on advertising the casino or promoting gambling directly. Warning signs and posters on gambling addiction and other social costs should be put up. Furthermore, any inducements to gamble such as free drinks, food or other perks entitled to patrons should be prohibited. The IRs could also ban alcohol and smoking in the casino and within its vicinity. The consumption of alcohol or smoking has been shown to impair clear decision-making, judgment of time, emotional control, and even mathematical calculations; and these functions are associated with pathological gambling [Giacopass et al., 1998]. In a survey conducted by Pike & Quinn [Pike C, 1997], 46.9% of video poker players stated that having alcohol on site encouraged them to play longer and more often. Hence, such bans can impede the developments of both the recreational and pathological gambler.

7.5 Employee Training

The IRs should make it compulsory to conduct extensive training for their employees to recognise the signs of pathological gambling and also cheating. Employees should be given the right to intervene on floor when such signs are spotted. There should be counselling services provided in-house by professional psychologists to help problem gamblers curb their addiction. In addition, the casinos could also share the knowledge they acquire on problem gambling with other psychologists or treatment professional in the
society, like the Institute of Mental Health in Singapore. This will ensure a collaborative effort to help pathological gamblers stay abstinent.

7.6 Regulation to Prevent Organised Crime and Money Laundering

The threat of organised crime and money laundering prevails in every casino industry. Organised crime groups target casinos due to the high volume of daily cash transactions involved in casino gambling. Jeffrey Robinson (well-known in money laundering in the UK) commented that casinos in the US are viewed by organised crime groups as ‘giant laundromats’ [Herald, 2004]. The Commercial Affairs Department of Singapore has also stated that laundering money through casinos is an effective way of placing and layering illicit funds.

Money laundering is a transnational activity, thus to strengthen the fight against global money laundering, Singapore enacted the Singapore Corruption, Drug Trafficking and Serious Offences Act in 1999. This is similar to the US federal government enacting the Racketeering Influenced and Corrupt Organisations statutes in 1971. This was targeted to combat ‘the infiltration of organised crime and racketeering into legitimate organisations operating in interstate commerce’, including gambling [Senate, 1969]. The IRs should assist the government to further intensify this fight by introducing new statutes or amending existing ones to prevent money laundering in the casino. For instance, the Bank Secrecy Act in the U.S. was amended in 1985 to include casinos in the list of financial institutions subject to special requirements designed to prevent money laundering. In Canada, it is demanded by law that casinos report electronic or international transfers of more than $10,000. Similarly, the US Treasury Department demands documents of any suspicious transactions at casinos involving more than $3,000.

The smart card technology discussed previously eliminates the use of chips in casinos, hence preventing the opportunity for money laundering through the ‘laundromat’ method. It allows the casino to record information on all patrons and their transactions, providing a means of tracking for any large amounts of cash transacted. Organised crime and money laundering cases have often involved corruption of employees. Thus, it is crucial for the casino to implement strict regulation in the employment of their staff. For example in New Jersey, all potential employees are subject to extensive background investigations by the
New Jersey State Police. Also, immediate family members of any employees with responsibility for matters affecting casino activity are restricted from working for a casino.

7.7 Management Styles and Employee Turnover

Supervisors tended to perceive themselves and their managerial styles at a much higher level than did their employees. Issues on employee retention in the casino industry should be continuously addressed and strategies that can retain valuable employees have to be adopted, while reducing employee turnover costs. Human resource development processes should support managerial styles that facilitate collaborative decision making and participative learning opportunities throughout the organisation. With less employee turnover, the cost of training new employees is lower and thus has a direct positive impact on the casino's bottom line [Agrusa & Lema, 2007].

Casino organisations that perpetuate traditional procedures without critical analysis may find their enterprise resembling a system that fails to initiate rapid change. As competition in the hospitality industry continues to challenge organisations to compete effectively, problem solving processes and critical analysis will need to be strategically developed. Frequent external (peer evaluation) and internal (self-evaluation) assessments of performance among supervisors and non-supervisors may help to benchmark where gaps exist between perceptions and reality. Continual issues may be more easily identified by examining areas of significant differences between the actual performance of supervisors and the perception of the employees who are being supervised. Identifying areas where significant gaps exist allows the casino organisation an opportunity to fix issues before employees exit the company and consequently reduce employee turnover.

Literature such as those from Senge (1990) indicates that shared visions bring employees together to create a learning organisation. Effective learning organisations are created with shared perceptions and visions through interactions among employees rather than simply created by supervisors. Developing shared understanding of expectations helps to overcome areas of personal indifference between non-supervisors and supervisors and encourages employee retention with reduced employee turnover. Developing human resource development processes that focus on shared visions among supervisors and non-supervisors will lead to increased participation in decision making and personal responsibility for performance outcomes. Providing employees opportunities to actively
participate in decision making processes may motivate employee learning and problem solving capabilities. With increased access to problem solving processes, learning to develop critical thinking skills may motivate employees to look for underlying organisational issues that may affect both employees and customer issues. Opportunities for increased dialogue among supervisors and non-supervisors may also help to overcome misperceptions of expectations. For hospitality organisations that may be implementing new forms of technology, which may greatly shift employee responsibilities, problem solving capabilities will need to be emphasised on an individual basis.

The concept of shared perceptions is also supported by Kirton (1994) who asserted that individual learning may be maximised when problem solving techniques are perceived to be created through collaboration and understanding among supervisors and non-supervisors. Rather than overly structured guidelines created by supervisors, employee's motivation to pursue productive opportunities are created through common visions. As employees in the hospitality industry are engaged in organisational problem solving, they develop a greater sense of commitment to the company that results in achieving the organisational goals through individual commitment. With a greater sense of personal investment and purpose, increased opportunities for commitment and employee retention will result. Ross (2003) also proposed that shared perceptions of management styles leads to mutual ownership of responsibilities that is most often successfully achieved in smaller hospitality organisations. However, Ross also argued that within larger hospitality organisations, an entrepreneurial spirit may be more easily obtained when shared visions of management styles are part of the organisation rather than a process that separates and only imposes the supervisors' perceptions on non-supervisory employees.

The focus should be on developing processes to positively facilitate the dynamic supervisor and non-supervisor relationship. Considering the significant relationships between supervisors and non-supervisors on employee retention, effective strategies may not only help to benefit casino operations, but other hospitality organisations as well. Human resource development strategies that support organisational learning and participative employee processes should be further examined, as identified by Ross (2003) and Senge (1990). Employee turnover should continue to be examined to identify progressive strategies to understand the underlying issues associated with reasons why employees leave a particular organisation for another one. Human resource development
strategies must look beyond short term incentives and promotions that may lure employees into their organisation and focus on underlying processes that work to successfully retain these employees.

7.8 Security

Data security and customer privacy are layers of overall security. The casino should work hand in hand with the security department and there should be plenty of cooperation between the departments and department heads. The casino operation can collect enormous amounts of data from its customers, like names, addresses, emails and such, in order to provide further tracking for security. The way to do can come in the form of joining Player’s Club affinity-and-rewards program, in which credits and debits of customers can be tracked via Player’s Club membership cards.

Though the organic relationship between the physical and data security is critical to the casino’s operations, the focus should be increasingly on technologies and processes that can safeguard information from purely technological threats. Appropriate IT budgets are hence necessary to ensure essential pace of modernisation. It is important to ensure customers feel protected, and that includes their confidential information.

Businesses are spending more time thinking about the physical control of information and about the way information moves in and out of their organisations.

A high-tech surveillance network is a key element of a security strategy in a casino. In Mohegan Sun, there is a network of 3,000 digital cameras covering Mohegan Sun’s public areas, including the gaming floor, lobbies and elevators. Beyond basic security, Mohegan's surveillance network is used to help keep players and dealers honest. Monitors watch to detect card-counting schemes and even high-tech devices used to cheat the house. However, there is also training on ethics and privacy issues in operating these surveillance devices as the integrity of the operators is very important [Cone, 2006].

7.9 Collaborations for Promotion of Integrated Resort

To be successful as a popular IR, promoting the venue as a tourist site is important. Management of communications in the IRs can work on setting up holiday packages for
visitors who wish to mix gambling with other activities, like MICE, city tours, or even spa and massage services.

Airline companies can be crucial collaboration partners. The IRs can work with the airlines to package flights to activities linked to the IRs. The collaboration can work on flight packages with discounted rates, which will be an additional incentive for tourists deciding on a short trip on vacation.

The resorts can also work with the local and foreign tour agencies to develop tour packages which include the visit to the IR facilities as part of tour itineraries. This will effectively draw majority of the Singapore-bound tourists to the IRs, bringing up the reputation of the resort as a major attraction in Singapore.

The IRs can also attempt to work with the Singapore Pools to provide alternative gambling services like horse-betting, 4-Digit betting, as well as soccer-betting, which are already legalised in Singapore. The resort can also work with the Singapore Turf Club to organise tourist visits to the local horse racing events every weekend.

7.10 Expansion for Boost in Tourists

In the anticipation for big boost in tourist numbers, the IR can enhance its facilities by seeking alternative venues for acquiring or building another five-star hotel, with meeting facilities and theatres adjacent to it. This would ensure sufficient resources to cope with whenever a large scale MICE event is organised by the IRs.

7.11 Conversion into a Management Trust

Part of the IR business could eventually be converted to a trust, which allows local and selective foreign investors to invest into its high growth potential. The IR would, for at least the next 18 to 24 months, continue to be a high-growth company, with additional properties coming onstream and more slot machines installed in existing facilities. These would ensure healthy income streams to reward loyal investors in a long run.

7.12 Facilities Layout of Integrated Resort

The layout of the facilities in an IR can be a critical issue. As tourists visit the resort for different reasons like conferences, retail shopping, or gambling, it is important to make
directions in the resort clear to all. Management of human traffic is essential as the expected huge surge in visitors during weekends can create a disaster for everyone, tarnishing the resort’s reputation overnight.

It is sometimes important to consider layout with respect to the sensitivity of visitors. Many individuals and corporations have sensitivity to gaming properties. In Mohegan Sun, the management also took pains to provide some separation between its gaming and meeting operations [Curley, 2003], so that visitors can arrive at the hotel, check in, and go to spas, retail stores and the convention centre without ever stepping onto the casino floor.

7.13 Use of Technological Advances

Radio-frequency identification technology can be introduced in the casino, like those used in casinos in Las Vegas. Casino chips embedded with RFID tags, each of which will ultimately be given a unique player code to track behaviour and generate more revenue out of high rollers, can be used extensively [Jarvis, 2005].

RFID-tagged chips can also keep track of bets and prevent patrons from cheating. Antennas embedded in the table receive signals from the RFID chips. An optical shoe reads cards as they're dealt, so the system knows which hands prompted the highest bets. A central computer system tracks each patron's behaviour, including the total amount gambled and how each hand was played [Jarvis, 2005].

7.14 Casino Atmospherics

There is considerable research in recent years that examined the influence of physical atmosphere in a variety of service settings, including leisure services. The area of atmosphere has however not been fully covered in a casino gaming setting. Customers defined casino atmosphere in five key elements: theme, floor layout, ceiling height, employee uniforms, and noise level. Regression analysis has shown that three of the five elements contributed positively to a player's satisfaction with the gaming experience. This reinforces previous indications of the need for casino management to create an inviting atmosphere that will maximise customer satisfaction, with specific attention to those aspects that players appear to value most highly [Johnson et al, 2004].
Presently, atmospherics is thought of as the effort to design retail environments to produce emotional effects in a customer that enhance purchase probability. Thus, in both goods and services settings, atmospherics is thought to have an influence on customers' purchasing behaviour.

The longer one stays in the facility, the greater the chance that the servicescape will play a vital role in determining satisfaction with the service. Management, therefore, should continually evaluate the quality of the physical evidence through visual inspections, customer comments and surveys, and comparison with competitors.

The ten elements of casino atmosphere are defined as follows:

### TABLE 8: CASINO ATMOSPHERE ELEMENTS

<table>
<thead>
<tr>
<th>Atmospheric Element</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Ceiling Height</td>
<td>The height of the casino from floor to ceiling</td>
</tr>
<tr>
<td>2 Color</td>
<td>The colors that are part of the built environment in the casino, which are visible to a casino guest</td>
</tr>
<tr>
<td>3 Decor</td>
<td>The furnishings and fixtures that are part of the built environment in the casino</td>
</tr>
<tr>
<td>4 Employee Uniform</td>
<td>The costumes that are worn by employees in the casino</td>
</tr>
<tr>
<td>5 Floor Layout</td>
<td>The design of the casino floor space, including aisles and walkways, pit areas and locations, and slot machine areas</td>
</tr>
<tr>
<td>6 Light</td>
<td>The lighting effects that are part of the built environment in the casino, which are visible to a casino guest</td>
</tr>
<tr>
<td>7 Noise Level</td>
<td>The amount and type of sound that is audible to a guest on the casino floor</td>
</tr>
<tr>
<td>8 Smell</td>
<td>The ambient odors and aromas that are present in the casino, which can be detected by a casino guest's olfactory senses</td>
</tr>
<tr>
<td>9 Temperature</td>
<td>The ambient temperature level in a casino, as perceived by a casino guest</td>
</tr>
<tr>
<td>10 Theme</td>
<td>A unifying concept that conveys a sense of space, place, or time in the mind of a casino guest</td>
</tr>
</tbody>
</table>

(Source: Johnson et al, 2004)

Further support is needed for casinos as the industry's emphasis on certain aspects of casino design, which include theme/decor, floor layout, noise level, employee uniforms and ceiling height. Slot players' awareness of these dimensions of atmosphere makes it necessary for the casinos to be vigilant about these aspects of casino design. It is hence apparent that casino industry managers must not overlook the importance of creating the "right" kind of atmosphere in the casino to enhance player satisfaction.
CHAPTER 8 – CONCLUSION AND RECOMMENDATIONS

8.1 Conclusion

Singapore has decided to develop two IRs, one at Marina Bay area and the other on Sentosa Island, in 2004 to boost tourism and contribute positively towards the long term growth of the Singapore economy. However, in order not to primarily promote gambling, the IRs are designed in a way to bring other activities under one roof, like those of MICE and retail shopping. As the IRs involved huge investments of funds by the operators, it is important that strategic management of the IRs to be performed at all times to adjust according to the change in development climate in the East Asian region, hence maintaining competitive advantage.

Based on the industry study carried out, it is believed that building an IR with casino in Singapore can be a lucrative venture, and yet align with the government’s objectives and minimise potential problems like social ills. Due to the government’s strict guidelines, it is important to work very closely with the government and maintaining good relations with the relevant authorities.

There are social consequences when the IR concept comprises of a casino. With the establishment of a casino, more people may become addicted to gambling, increasing the number of compulsive gamblers and bankruptcies. Furthermore, the social impact of gambling is not confined to the problematic gamblers. Immediate family members or even close friends will also be affected by their gambling addiction. From news and experiences, many have seen how gambling has resulted in break-ups, family violence or even suicide as a last resort to end all miseries. Besides, crime rates may increase as compulsive gamblers may commit crimes to satisfy their gambling urges. The casino presence also provides a good breeding ground for gangsterism, prostitution, and money laundering.

The social consequences will also erode our social fabric and hence, tainting Singapore’s reputation and image as an orderly, clean living, and vibrant society, which has been built up over the years. This in turn may deter investors and tourists from coming. One of the casino benefits raised is the increase in tourists. However, it was pointed out that how a
casino in operation could make this benefit unrealisable and instead, harms our tourism industry in the long run.

The working performance of residents indulged in gambling may deteriorate as financial difficulties affect them. This problem has a spill-over effect on the job performances of the gamblers’ immediate family members, as they are plagued by family problems. This are indeed threatening to the prospects of Singapore whose critical assets lie in its sole resource – people.

Furthermore, having a casino in Singapore will send a mixed message to Singaporeans that may result in unintended consequences. They are striving to be a civil society, caring and inclusive. But at the same time, gambling is promoted through the building of the IRs. Hence, to an extent, an element of conflict between their beliefs over the years exists. The opening of a casino may therefore result in a deterioration of the moral and family values inculcated in us over the years.

In addition, Singaporeans may yet be matured enough to handle the concept of a local IR with a casino. Instead, it may be seen as a way to earn fast cash rather than a means of entertainment. It was argued that if Singaporeans are not mature enough to handle their own CPF funds, and how they are matured enough to handle a casino.

Developing an IR in Singapore could be highly rewarding. The PESTL analysis showed that the development of the IRs with casinos in Singapore faced challenges but their business could be partly protected by the stable economy, pro-business government, and clean political climate. The IRs could devise strategies that improve the economic growth, employment, tourism, socio-cultural, technological, and legal aspects of Singapore. The operating environment was hence evaluated to be attractive for the development of the IRs in Singapore. With appropriate management, the IRs could reap multiple sources of revenue from its various facilities and operations. Coupled with the high tourist traffic from the region, the business provides earnings sustainability.

The Porter’s Five Forces model defined various challenges to the IR industry in Singapore due to the emergence of IRs and casinos in the Asia Pacific region. Competition in the gambling industry is already very intense and it will be further exacerbated by these potential new entrants. Thus, the local IRs will face tough competition from established
casinos in Macau and Australia and new casinos contemplated in countries such as Thailand and Philippines. The moderate to high threat of new entrants; moderate bargaining power of suppliers and buyers; low threat of substitute products and high rivalry among competing firms, have constituted to a moderately unattractive casino industry in Singapore. However, the analysis has showed that by operating the casino in the form of an IR with appropriate strategic management, the gaming industry in Singapore is still highly attractive and profitable in the long run, providing benefits for IR operators, local supporting businesses, government, and the Singapore economy. Strategies could also be formulated to reduce the threats from the Forces and take advantage of situations whenever possible.

The cost-benefit analysis showed the uncertainty of the future lying in the way of quantifying the various economic and social benefits and costs. People differ in their ability and propensity to gamble, thus restrictions on the casino are not infallible measures to contain pathological gambling and its social demerits. There is room for additional measures, for example, the IR could set aside 10-20% of its profits beyond a certain level to be used for funding social projects such as setting up of help centres for problem gamblers. This would ensure that sufficient resources are allocated on curbing the development of gambling problems.

Next, the attractiveness and benefits of the IRs can be analysed. The nature of the IR business showed a good fit in the Singapore environment.

The proposed sites for both the IRs in Singapore are in close proximity to mainland Singapore. The Marina Bay site is in the central business district and near to prominent retail malls, while the Sentosa site is near to recreation facilities like golf courses and beaches. This creates easy accessibility for business and recreation visitors.

Another factor supporting the IR development is the economic benefits to be reaped. Casino legalisation is seen as enhancing the local economy through bringing in more investments, creating more job opportunities and boosting the tourism industry. However, a possibility of cannibalisation effect on the other industries may result in some industries to suffer a cut in their business or even pull of their industries. There is a potential increase in crime rates and social problems, and deterioration of Singapore’s image and reputation, which may deter tourists from visiting and make Singapore to be unattractive for
investments. Nevertheless, with the support of a supportive government and efficient civil service, the IRs could easily sustain their benefits with appropriate collaborations.

A strong and efficient government can assure that effective controls will be implemented to regulate the casino operations, manage, and minimise social ills. However, since the effectiveness of the controls to minimise the social ills is of great uncertainty, the IRs have to work closely with the government authorities to formulate a proper framework and plan even before its launch of operations in 2009, in anticipation of such consequences.

Based on the above-mentioned reasoning, it is evident that while the economic potential is great, social costs may remain a long term concern. Moreover, intensive competition in the casino industry has cast a great deal of doubts on the IRs’ success. Thus, it may be better for the IRs to explore other strategies to ensure business sustainability. Possible effective strategies proposed ranged from implementing controls, restrictions, and social safeguards, to employment training, managing the organisation and employee turnover, enhancing security framework, seeking collaborations, improving facilities layout, adopting technological advances, and analysing of casino atmospheric elements.

Some fundamental problems might surface, like most locals not having the skills to work in the IR facilities. The IRs should seriously consider employing unskilled locals, with the objective of training them via a comprehensive training programme developed for new employees. This could be done by setting up training centres and collaboration with local institutes to provide related courses.

While the potential economic benefits were the prime motive, the possible negative spillover effects were also taken into consideration. Precautionary measures that can be implemented include the minimum entry fee for each Singaporean, minimum cash quota as credit term for each individual patron, the engagement of foreign security experts, the setting up of a special police task force to deal with gambling-related crimes. Although in some ways, controls and curbs constitute drawbacks for the IR management, these measures would help to appease those who are against the casino idea. However, the adequacy and effectiveness of these measures would be defined until the IRs are well into operation after 2009.
With proper regulatory measures set by the government and tailored strategies developed by the IRs, Singapore is unlikely to experience social chaos with the emergence of the IRs. However, the IR operators must be ready to cooperate with the authorities to mitigate the potential social problems, and accept the tradeoffs between economic benefits and possible demerits to the society, which might be existent for a very long time.

8.2 Limitations of the Study

As each country’s characteristics differ, it cannot be assumed that what happened in other countries such as Macau or America will also happen in Singapore. Hence, the judgement has to be used to modify the data accordingly.

Another limitation is while assessing the strategies and their impact, a reasonable evaluation of the future, based on current expectations, can only be provided as the future comprises of unexpected events. Bearing in mind that this is a survey-related study, more in-depth studies, requiring more time, should be done to thoroughly assess the situation.

8.3 Avenues for Further Research

The research on IR strategies could be very extensive if not for the limited length of this study and duration of the research. The casino industry was old, but the IR concept was relatively recent and would likely be the next attraction.

It could be suggested to follow up the present research on IR business strategies with various case studies targeted at well-known IRs like those in Las Vegas and the new Venetian IR in Macau. Only an in-depth analysis into their business direction and operational efficiency would generate a good set of material to compensate for the lack of depth in this area of research. Exceptional service levels in those IRs should also be investigated and studied as the fundamental attraction of these entertainment venues essentially rely on the good service per se.
QUESTIONNAIRE

Survey On Perception Of Singaporeans Towards A Casino In Singapore

Date:

Dear Respondent,

I am a Master of Business Administration postgraduate student of Nottingham Business School, University of Nottingham, who is currently conducting a research on strategic management of an upcoming Integrated Resort with casino. The aim of the survey is to define the motivators for gambling in casinos, and perception with regard to social and economic impact. As such, I would like to invite you to participate in my research by filling this questionnaire.

Please be assured that the information you have provided will be kept confidential. Your time and assistance are greatly appreciated.

Please complete each question.

Section A (Please tick the appropriate answer)

1. Nationality: [ ] Singaporean (excluding PRs) [ ] Others
2. Gender: [ ] Male [ ] Female
3. Age [ ] 21 – 30 yrs old [ ] 31 – 40 yrs old [ ] 41 – 50 yrs old [ ] 51 – 60 yrs old [ ] Above 60 yrs old
5. Highest Education Level: [ ] No formal education [ ] Primary level [ ] Secondary level / ITE level [ ] Junior college / Pre-U / Diploma level [ ] Tertiary (University level) and higher
6. Current Employment Status: [ ] Full-time employment [ ] Part-time employment [ ] Unemployed [ ] Housewife [ ] Retired [ ] Student
7. Annual Income: 
[ ] less than $30,000
[ ] between $30,001 and $50,000
[ ] between $50,001 and $80,000
[ ] between $80,001 and $120,000
[ ] more than $120,000

8. Religion: 
[ ] Buddhist
[ ] Catholic
[ ] Christian
[ ] Hindu
[ ] Muslim
[ ] Taoist
[ ] Others

Section B (Please tick the appropriate answer)

Gambling Behaviour

1. Have you visited a casino before?

[ ] Yes
(Please tick more than one where necessary)
[ ] Australia  [ ] Batam  [ ] Cruise
[ ] Genting  [ ] Hong Kong  [ ] Korea
[ ] Las Vegas  [ ] Macau  [ ] Others

If Yes, did you gamble there?

[ ] Yes (Please proceed to Section C)
[ ] No
Please state why: ________________________________

2. Would you visit one if there is a casino in Singapore?  [ ] Yes  [ ] No

If No, please state why: ________________________________

(Please proceed to Section D)

Section C (Please tick the appropriate answer)

1. How often do you gamble at a casino?

[ ] Almost daily
[ ] At least once a week
[ ] At least once a month
[ ] At least once in 6 months
[ ] At least once a year
2. What is the average time per day you that you spend gambling at a casino?

[ ] Less than 2 hours
[ ] 2 hours to 5 hours
[ ] 6 hours to 12 hours
[ ] More than 12 hours

3. What is the average amount of money that you are prepared to stake in gambling at a casino per day?

[ ] Less than $500
[ ] Between $501 and $1,000
[ ] Between $1,001 and $2,000
[ ] More than $2,000

Section D (Please circle the most appropriate answer)

**Perception of the Social Impact of Having a Casino in Singapore**

(1-absolutely disagree, 2-moderately disagree, 3-neutral, 4-moderately agree, 5-absolutely agree)

1. A casino in Singapore will increase the rate of crime

1 2 3 4 5

2. A casino in Singapore will increase the rate of divorce

1 2 3 4 5

3. A casino in Singapore will increase the likelihood of family problems
   (Example: Child neglect, child/spouse abuse)

1 2 3 4 5

4. A casino in Singapore will increase the rate of bankruptcy

1 2 3 4 5

5. A casino in Singapore will increase the rate of suicidal attempts

1 2 3 4 5

6. A casino in Singapore will increase the degree of gambling addiction

1 2 3 4 5

7. Casino gaming is a social vice

1 2 3 4 5
8. Casino gaming is against moral standards of Singaporeans

   1  2  3  4  5

9. In general, casino gaming will have an adverse effect on Singapore socially

   1  2  3  4  5

Section E (Please circle the most appropriate answer)

Perception of the Economic Impact of having a Casino in Singapore
(1-absolutely disagree, 2-moderately disagree, 3-neutral, 4-moderately agree, 5-absolutely agree)

1. A casino in Singapore will increase the employment rate in Singapore.

   1  2  3  4  5

2. A casino in Singapore will boost the tourism industry in Singapore.

   1  2  3  4  5

3. A casino in Singapore will increase the number of visitors to Singapore.

   1  2  3  4  5

4. A casino in Singapore will increase local government revenue.

   1  2  3  4  5

5. A casino in Singapore will result in an improvement to Singapore’s GDP per capita.

   1  2  3  4  5

6. A casino in Singapore will have an adverse effect on Singapore economically.

   1  2  3  4  5

Section F (Please tick the appropriate answer)

1. Do you think the benefits of legalising a casino in Singapore to outweigh its costs?

   [ ] Yes   [ ] No

Please state why: ________________________________________________________________

______________________________________________________________
Thank you for your kind participation.
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44. Las Vegas Sands casino to be ‘the biggest seen in Macau’ from Hong Kong. *The Straits Times* (26th November 2004).


APPENDIX A

FIGURE 1: GDP GROWTH FOR SINGAPORE, Q1 2003 - Q4 2007

The Singapore economy expanded by 5.4% in 4Q07, after a 9.5% growth in the previous quarter. The growth momentum on a seasonally adjusted quarter-on-quarter annualised basis fell by 4.8%, compared with a 5.1% increase a quarter earlier. For the whole year, the economy grew by 7.7%, a moderation from the 8.2% gain in 2006.

TABLE 1: ASIA PACIFIC ECONOMIC INDICATORS

<table>
<thead>
<tr>
<th>Country</th>
<th>% change on years ago</th>
<th>Last 12 months ($bn)</th>
<th>Foreign Reserves (Latest, $bn)*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GDP</td>
<td>Industrial Production</td>
<td>Consumer Prices</td>
</tr>
<tr>
<td>Australia</td>
<td>+3.9 Q4</td>
<td>+1.6 Q3</td>
<td>+3.0 Q4</td>
</tr>
<tr>
<td>China</td>
<td>+11.2 Q4</td>
<td>+15.4 Feb</td>
<td>+8.7 Feb</td>
</tr>
<tr>
<td>Colombia</td>
<td>+6.6 Q3</td>
<td>+5.7 Jan</td>
<td>+5.9 Mar</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>+6.7 Q4</td>
<td>-0.3 Q4</td>
<td>+6.3 Feb</td>
</tr>
<tr>
<td>Japan</td>
<td>+2.0 Q4</td>
<td>+4.2 Feb</td>
<td>+1.0 Feb</td>
</tr>
<tr>
<td>Malaysia</td>
<td>+7.3 Q4</td>
<td>+7.0 Jan</td>
<td>+2.7 Feb</td>
</tr>
<tr>
<td>Philippines</td>
<td>+7.3 Q4</td>
<td>-1.8 Dec</td>
<td>+5.4 Feb</td>
</tr>
<tr>
<td>Singapore</td>
<td>+5.4 Q4</td>
<td>+10.0 Feb</td>
<td>+6.5 Feb</td>
</tr>
<tr>
<td>South Korea</td>
<td>+5.5 Q4</td>
<td>+10.1 Feb</td>
<td>+3.9 Mar</td>
</tr>
<tr>
<td>Taiwan</td>
<td>+6.4 Q4</td>
<td>+15.2 Feb</td>
<td>+3.9 Feb</td>
</tr>
<tr>
<td>Thailand</td>
<td>+5.7 Q4</td>
<td>+14.7 Feb</td>
<td>+5.3 Mar</td>
</tr>
</tbody>
</table>

*Merchandise trade only

^Excluding gold, except Singapore and China; IMF definition

Source: The Economist Online: www.economist.com – Weekly Indicators
FIGURE 2: PERCENTAGE CHANGE IN ASIA PACIFIC GDP FROM 2006-2007

% Change of GDP from 2006 to 2007

<table>
<thead>
<tr>
<th>Country</th>
<th>% Change in GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2.4%</td>
</tr>
<tr>
<td>China</td>
<td>12.5%</td>
</tr>
<tr>
<td>Colombia</td>
<td>5.8%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2.2%</td>
</tr>
<tr>
<td>Japan</td>
<td>0.8%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3.4%</td>
</tr>
<tr>
<td>Philippines</td>
<td>2.7%</td>
</tr>
<tr>
<td>Singapore</td>
<td>4.1%</td>
</tr>
<tr>
<td>South Korea</td>
<td>5.6%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2.0%</td>
</tr>
<tr>
<td>Thailand</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

FIGURE 3: THE HOTELS AND RESTAURANTS SECTOR VS VISITOR ARRIVALS

The hotels and restaurants sector rose by 2.5% in 4Q07, after a 4.9% increase in the previous quarter. Visitor arrivals increased 5.5% in 4Q07, similar to the 5.4% growth seen in the previous quarter. However, the average occupancy rate of hotels dropped from 88.1% in 4Q06 to 86.2% in 4Q07. For the whole year, the sector slowed to 4.4% from 4.8% in 2006. Visitor arrivals rose 5.4% to reach a record high of 10.3 million in 2007.
Total employment rose 64,200 in 4Q07, higher than the gains of 58,600 in the previous quarter. The services sector continued to lead in job creation with an increase of 39,500 jobs while the manufacturing and construction sector posted increases of 11,000 and 13,200 jobs respectively. Over the year, total employment creation reached a record high of 236,600, surpassing the 176,000 jobs created in 2006.

Overall labour productivity fell by 3.7% in 4Q07, after a 0.4% increase a quarter earlier. At the sectoral level, manufacturing (-8.7%) saw the largest decline in productivity, followed by hotels & restaurants (-8.5%), business services (-4.9%), information & communications (-3.0%) and financial services (-1.4%). In contrast, construction (7.8%), transport & storage (3.0%) and wholesale & retail trade (0.4%) continued to experience gains in labour productivity. On an annual basis, overall labour productivity fell
FIGURE 6: RESIDENT LABOUR FORCE PARTICIPATION IN SINGAPORE

![Graph showing resident labour force participation rate over age groups from 1990 to 2007.]

FIGURE 7: OCCUPATIONAL DISTRIBUTION OF SINGAPORE

4.5 EMPLOYED RESIDENTS AGED 15 YEARS AND OVER BY OCCUPATION
(As of June)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,564.8</td>
<td>1,582.5</td>
<td>1,573.7</td>
<td>1,605.4</td>
<td>1,632.1</td>
<td>1,647.3</td>
<td>1,706.7</td>
</tr>
<tr>
<td>Legislators, Senior Officials &amp; Managers</td>
<td>184.1</td>
<td>224.0</td>
<td>224.6</td>
<td>230.0</td>
<td>229.8</td>
<td>216.4</td>
<td>200.9</td>
</tr>
<tr>
<td>Professionals</td>
<td>122.5</td>
<td>195.9</td>
<td>193.3</td>
<td>210.6</td>
<td>213.9</td>
<td>206.6</td>
<td>256.2</td>
</tr>
<tr>
<td>Technicians &amp; Associate Professionals</td>
<td>257.3</td>
<td>281.2</td>
<td>284.5</td>
<td>288.7</td>
<td>300.4</td>
<td>317.7</td>
<td>310.8</td>
</tr>
<tr>
<td>Clerical Workers</td>
<td>227.7</td>
<td>231.3</td>
<td>228.5</td>
<td>231.5</td>
<td>233.5</td>
<td>232.5</td>
<td>251.0</td>
</tr>
<tr>
<td>Service &amp; Sales Workers</td>
<td>202.5</td>
<td>101.2</td>
<td>110.2</td>
<td>105.4</td>
<td>100.7</td>
<td>239.4</td>
<td>215.7</td>
</tr>
<tr>
<td>Production Craftsmen &amp; Related Workers</td>
<td>125.5</td>
<td>101.5</td>
<td>104.2</td>
<td>97.2</td>
<td>96.9</td>
<td>110.6</td>
<td>95.0</td>
</tr>
<tr>
<td>Plant &amp; Machine Operation &amp; Assemblers</td>
<td>284.5</td>
<td>176.7</td>
<td>171.4</td>
<td>166.8</td>
<td>165.4</td>
<td>175.6</td>
<td>173.3</td>
</tr>
<tr>
<td>Cleaners, Labourers &amp; Related Workers</td>
<td>86.6</td>
<td>115.6</td>
<td>116.1</td>
<td>125.2</td>
<td>125.2</td>
<td>96.7</td>
<td>149.3</td>
</tr>
<tr>
<td>Others</td>
<td>54.1</td>
<td>649.0</td>
<td>61.0</td>
<td>69.8</td>
<td>73.1</td>
<td>55.9</td>
<td>66.9</td>
</tr>
</tbody>
</table>

Source: Labour Force Survey (LFS), Singapore, Ministry of Manpower
General Household Survey (GHS) 2009, Singapore Department of Statistics
Notes: Residents comprise Singapore citizens and permanent residents.
Data for 2000-2004 are classified according to the Singapore Standard Occupational Classification (SSOC) 2000.
Data for 2005 & 2006 are classified according to the Singapore Standard Occupational Classification (SSOC) 2009.
Data from the LFS are not comparable with those from GHS 2009 due to differences in coverage and methodology.
1 Includes Agricultural & Fishery Workers and Workers Not Classifiable by Occupation.
FIGURE 8: EMPLOYED RESIDENTS BY INDUSTRY

4.6 EMPLOYED RESIDENTS AGED 15 YEARS AND OVER BY INDUSTRY

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,482.6</td>
<td>1,582.5</td>
<td>1,573.7</td>
<td>1,605.4</td>
<td>1,632.1</td>
<td>1,647.5</td>
<td>1,796.7</td>
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<tr>
<td>Manufacturing</td>
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<td>397.8</td>
<td>299.0</td>
<td>308.6</td>
<td>298.3</td>
<td>275.2</td>
<td>301.7</td>
</tr>
<tr>
<td>Construction</td>
<td>90.0</td>
<td>100.0</td>
<td>96.5</td>
<td>97.7</td>
<td>92.6</td>
<td>81.6</td>
<td>75.9</td>
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<tr>
<td>Services</td>
<td>1,089.4</td>
<td>1,186.6</td>
<td>1,164.8</td>
<td>1,190.3</td>
<td>1,227.5</td>
<td>1,272.7</td>
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<td>Wholesale &amp; Retail Trade</td>
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<td>253.8</td>
<td>256.4</td>
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<td>301.1</td>
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<td>Transport &amp; Storage 1</td>
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<td>Hotels &amp; Restaurants</td>
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<td>107.9</td>
<td>103.2</td>
<td>128.8</td>
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<td>Information &amp; Communications</td>
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<td>-</td>
<td>-</td>
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<td>-</td>
<td>64.5</td>
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<td>Financial Services</td>
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<td>88.6</td>
<td>91.9</td>
<td>102.1</td>
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<td>Business Services</td>
<td>167.6</td>
<td>199.7</td>
<td>198.0</td>
<td>206.8</td>
<td>216.2</td>
<td>207.0</td>
<td>217.3</td>
</tr>
<tr>
<td>Community, Social &amp;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Personal Services</td>
<td></td>
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<tr>
<td>Others 2</td>
<td>13.3</td>
<td>14.1</td>
<td>13.3</td>
<td>13.8</td>
<td>13.7</td>
<td>17.8</td>
<td>22.5</td>
</tr>
</tbody>
</table>

Source: Ministry of Manpower
Notes: 1 Residents comprise Singapore citizens and permanent residents.
2 Data are based on mid-year labour force surveys except Census 2000 and General Household Survey 2005.
3 Data for 2004-2006 are classified according to SSIC 2000.
4 Data for 2001 and 2005 onwards are classified according to SSIC 2005.
5 Data for 2004-2006 refer to transport, storage & communications.
6 Includes employment in agriculture, forestry, fishing, mining & quarrying, military & activities not adequately defined.

FIGURE 9: EMPLOYMENT SERVICES FOR SINGAPORE, 4Q 2007 & 1Q 2008

3.1 EMPLOYMENT SERVICES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Job Seekers Attended to at</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Comlink Centres</td>
<td>75,755</td>
<td>59,406</td>
<td>4,592</td>
<td>4,806</td>
<td>4,761</td>
<td>4,177</td>
<td>4,942</td>
<td>4,371</td>
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<tr>
<td>Males</td>
<td>30,716</td>
<td>28,806</td>
<td>2,279</td>
<td>2,344</td>
<td>2,299</td>
<td>1,907</td>
<td>2,196</td>
<td>2,015</td>
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<tr>
<td>Females</td>
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<td>30,600</td>
<td>2,313</td>
<td>2,462</td>
<td>2,462</td>
<td>3,270</td>
<td>2,746</td>
<td>2,356</td>
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<td>Job Seekers Given</td>
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<tr>
<td>Comlink Centres</td>
<td>46,004</td>
<td>31,409</td>
<td>2,617</td>
<td>2,462</td>
<td>2,283</td>
<td>1,837</td>
<td>2,465</td>
<td>2,047</td>
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<tr>
<td>Males</td>
<td>22,256</td>
<td>15,635</td>
<td>1,634</td>
<td>1,266</td>
<td>1,047</td>
<td>855</td>
<td>1,194</td>
<td>648</td>
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<tr>
<td>Females</td>
<td>23,748</td>
<td>15,776</td>
<td>983</td>
<td>1,206</td>
<td>1,180</td>
<td>982</td>
<td>1,239</td>
<td>1,382</td>
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<td>Job Seekers Placed</td>
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<td></td>
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<tr>
<td>in Employment</td>
<td>22,146</td>
<td>16,726</td>
<td>1,394</td>
<td>1,258</td>
<td>1,228</td>
<td>1,047</td>
<td>1,257</td>
<td>1,031</td>
</tr>
<tr>
<td>Males</td>
<td>11,911</td>
<td>8,212</td>
<td>705</td>
<td>649</td>
<td>607</td>
<td>547</td>
<td>631</td>
<td>511</td>
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<tr>
<td>Females</td>
<td>10,235</td>
<td>8,514</td>
<td>689</td>
<td>621</td>
<td>621</td>
<td>500</td>
<td>626</td>
<td>520</td>
</tr>
</tbody>
</table>

Source: Singapore Workforce Development Agency (WDA)
Note: WDA, which was set up in September 2005, has taken over from Ministry of Manpower (MOM) on the provision of employment services. Benefits like job search assistance are provided by WDA and its distributed Comlink centers (DCM) partners, comprising the Community Development Councils (CDCs), National Trades Unions Congress, Singapore National Employment Federation (SNEF), Singapore Professional and Executive Congregation (SPCEC) and other self-help groups (SHGs). SNEF, SPCEC and SHGs have ceased participation in the DCM programme with effect from January 1999 and December 1998 respectively.
The figures on employment services provided are those submitted by WDA to its DCN partners.
FIGURE 10: VISITOR ARRIVALS IN SINGAPORE, 1997 - 2007

Visitor Arrivals

FIGURE 11: AVERAGE EXPENDITURE PER VISITOR PER DAY

15.5 AVERAGE EXPENDITURE PER VISITOR PER DAY BY REGION/COUNTRY OF RESIDENCE

<table>
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<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total</td>
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<td>250</td>
<td>255</td>
<td>265</td>
<td>281</td>
<td>285</td>
<td>295</td>
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<tr>
<td>ASEAN</td>
<td>277</td>
<td>264</td>
<td>232</td>
<td>281</td>
<td>254</td>
<td>248</td>
<td>239</td>
</tr>
<tr>
<td>Australia</td>
<td>204</td>
<td>202</td>
<td>213</td>
<td>226</td>
<td>245</td>
<td>244</td>
<td>252</td>
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<tr>
<td>Canada</td>
<td>211</td>
<td>214</td>
<td>195</td>
<td>193</td>
<td>174</td>
<td>175</td>
<td>162</td>
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<tr>
<td>China</td>
<td>146</td>
<td>195</td>
<td>177</td>
<td>167</td>
<td>264</td>
<td>213</td>
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<tr>
<td>France</td>
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<td>170</td>
<td>205</td>
<td>203</td>
<td>173</td>
<td>203</td>
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<td>Germany</td>
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<td>165</td>
<td>202</td>
<td>181</td>
<td>207</td>
<td>241</td>
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<td>Hong Kong</td>
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<td>213</td>
<td>220</td>
<td>222</td>
<td>234</td>
<td>237</td>
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<td>India</td>
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<td>413</td>
<td>279</td>
<td>272</td>
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<td>Italy</td>
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<td>231</td>
<td>282</td>
<td>276</td>
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<td>284</td>
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<td>Japan</td>
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<td>324</td>
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<td>145</td>
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<td>241</td>
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<td>177</td>
<td>236</td>
<td>221</td>
<td>208</td>
<td>270</td>
<td>276</td>
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<td>168</td>
<td>245</td>
<td>224</td>
<td>199</td>
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<td>277</td>
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<td>235</td>
<td>221</td>
<td>280</td>
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<td>236</td>
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<td>231</td>
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<tr>
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<td>237</td>
<td>281</td>
<td>223</td>
<td>239</td>
<td>280</td>
</tr>
</tbody>
</table>

Source: Singapore Tourism Board
Note: For the period 1997-2002, expenditure includes prepaid expenses such as accommodation and sightseeing tours before arrival.

**FIGURE 12: VISITOR ARRIVALS, FEB 2007 – FEB 2008**

*Source: Disembarkation/Embarkation cards*

**FIGURE 13: TOP 15 MARKETS FOR VISITOR ARRIVALS, FEB 2008**

*Source: Disembarkation/Embarkation Cards*

*Visitor Arrivals for the Top 15 countries are arranged in descending order for February 2008 and represent over 86% of total arrivals*
### APPENDIX B

**FIGURE 1: SINGAPORE RESIDENTS BY AGE, ETHNIC, SEX, END JUN 2007**

2.2 SINGAPORE RESIDENTS BY AGE GROUP, ETHNIC GROUP AND SEX, END JUNE 2007

<table>
<thead>
<tr>
<th>Ethnic Group / Sex</th>
<th>Total</th>
<th>0 - 4</th>
<th>5 - 9</th>
<th>10 - 14</th>
<th>15 - 19</th>
<th>20 - 24</th>
<th>25 - 29</th>
<th>30 - 34</th>
<th>35 - 39</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>3,583.1</td>
<td>103.6</td>
<td>295.5</td>
<td>255.0</td>
<td>257.3</td>
<td>208.5</td>
<td>254.5</td>
<td>254.5</td>
<td>320.0</td>
</tr>
<tr>
<td><strong>Males</strong></td>
<td>1,775.5</td>
<td>91.1</td>
<td>118.4</td>
<td>131.4</td>
<td>131.6</td>
<td>110.6</td>
<td>122.0</td>
<td>141.5</td>
<td>147.4</td>
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<tr>
<td><strong>Females</strong></td>
<td>1,807.6</td>
<td>112.5</td>
<td>177.1</td>
<td>123.9</td>
<td>125.7</td>
<td>120.9</td>
<td>152.5</td>
<td>153.0</td>
<td>146.6</td>
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<td>2,687.0</td>
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<td>179.1</td>
<td>183.0</td>
<td>155.6</td>
<td>211.9</td>
<td>225.3</td>
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<tr>
<td><strong>Males</strong></td>
<td>1,324.7</td>
<td>65.5</td>
<td>90.2</td>
<td>92.4</td>
<td>94.0</td>
<td>76.3</td>
<td>92.8</td>
<td>105.8</td>
<td>107.8</td>
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<td>89.0</td>
<td>78.2</td>
<td>94.3</td>
<td>116.1</td>
<td>117.4</td>
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<tr>
<td><strong>Malays</strong></td>
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<td>41.7</td>
<td>46.9</td>
<td>48.0</td>
<td>30.3</td>
<td>32.1</td>
<td>30.9</td>
<td>34.4</td>
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<td><strong>Males</strong></td>
<td>245.0</td>
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<td>21.6</td>
<td>24.3</td>
<td>24.6</td>
<td>20.9</td>
<td>15.9</td>
<td>15.1</td>
<td>16.7</td>
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<tr>
<td><strong>Females</strong></td>
<td>246.5</td>
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<td>20.1</td>
<td>22.6</td>
<td>24.4</td>
<td>15.3</td>
<td>16.2</td>
<td>15.8</td>
<td>17.7</td>
</tr>
<tr>
<td><strong>Indians</strong></td>
<td>313.4</td>
<td>24.1</td>
<td>24.5</td>
<td>23.2</td>
<td>21.6</td>
<td>15.4</td>
<td>24.6</td>
<td>30.7</td>
<td>30.3</td>
</tr>
<tr>
<td><strong>Males</strong></td>
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<td>12.2</td>
<td>12.5</td>
<td>11.7</td>
<td>10.8</td>
<td>9.5</td>
<td>10.8</td>
<td>16.6</td>
<td>17.3</td>
</tr>
<tr>
<td><strong>Females</strong></td>
<td>152.1</td>
<td>11.9</td>
<td>12.0</td>
<td>11.4</td>
<td>10.8</td>
<td>5.9</td>
<td>14.7</td>
<td>13.7</td>
<td>12.9</td>
</tr>
<tr>
<td><strong>Others</strong></td>
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<td>8.2</td>
<td>6.1</td>
<td>4.7</td>
<td>4.2</td>
<td>6.3</td>
<td>1.0</td>
<td>12.1</td>
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<td>4.6</td>
<td>3.0</td>
<td>2.2</td>
<td>1.8</td>
<td>2.5</td>
<td>4.7</td>
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<td>3.1</td>
<td>2.5</td>
<td>2.4</td>
<td>3.8</td>
<td>6.3</td>
<td>6.5</td>
</tr>
</tbody>
</table>

Note: Singapore resident population comprises Singapore citizens and permanent residents.

Data has been revised with effect from February 2008.

2.2 SINGAPORE RESIDENTS BY AGE GROUP, ETHNIC GROUP AND SEX, END JUNE 2007 (continued)

<table>
<thead>
<tr>
<th>Ethnic Group / Sex</th>
<th>90 - 94</th>
<th>95 - 99</th>
<th>100 - 104</th>
<th>105 &amp; over</th>
</tr>
</thead>
<tbody>
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<td><strong>Total</strong></td>
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<td>315.6</td>
<td>279.2</td>
<td>271.0</td>
</tr>
<tr>
<td><strong>Males</strong></td>
<td>161.2</td>
<td>159.6</td>
<td>140.8</td>
<td>141.3</td>
</tr>
<tr>
<td><strong>Females</strong></td>
<td>159.8</td>
<td>156.0</td>
<td>139.4</td>
<td>139.7</td>
</tr>
<tr>
<td><strong>Chinese</strong></td>
<td>238.2</td>
<td>241.0</td>
<td>222.2</td>
<td>217.0</td>
</tr>
<tr>
<td><strong>Males</strong></td>
<td>118.5</td>
<td>121.2</td>
<td>111.8</td>
<td>107.2</td>
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<tr>
<td><strong>Females</strong></td>
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<td>119.8</td>
<td>110.3</td>
<td>113.9</td>
</tr>
<tr>
<td><strong>Malays</strong></td>
<td>44.3</td>
<td>42.0</td>
<td>52.6</td>
<td>52.2</td>
</tr>
<tr>
<td><strong>Males</strong></td>
<td>21.8</td>
<td>21.3</td>
<td>16.2</td>
<td>16.2</td>
</tr>
<tr>
<td><strong>Females</strong></td>
<td>22.4</td>
<td>20.9</td>
<td>16.4</td>
<td>16.6</td>
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<tr>
<td><strong>Indians</strong></td>
<td>28.5</td>
<td>25.3</td>
<td>19.5</td>
<td>18.2</td>
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<td><strong>Males</strong></td>
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<td>15.3</td>
<td>10.1</td>
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<tr>
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<td>12.8</td>
<td>12.7</td>
<td>9.4</td>
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<tr>
<td><strong>Others</strong></td>
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Note: Singapore resident population comprises Singapore citizens and permanent residents.

Data has been revised with effect from February 2008.

Source: Singapore Statistics (Monthly Digest of Statistics Singapore, Apr 2008)
FIGURE 2: MERCER COST OF LIVING SURVEY 2007

Mercer Human Resource Consulting
Cost of Living Survey - Worldwide Ranking 2007
(including housing)

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Source: Mercer Human Resource Consulting (Cost of Living Survey 2007)
APPENDIX C

FIGURE 1: EXISTING INCUMBENTS AND POTENTIAL ENTRANTS IN EAST ASIA

Legend:
- Potential Entrants
- Existing Incumbents