

# A new casino heats up Macau gaming industry

Competition in Macau's burgeoning gaming sector is expected to heat up with the opening of the new casino StarWorld Hotel, held yesterday in the Chinese territory that could soon overtake Las Vegas as the world's gaming capital.

The USD 385 million StarWorld, owned by Hong Kong's Galaxy Entertainment Group Ltd., features a 34-story hotel offering 500 rooms. It also boasts an outdoor pool, a modern exterior with a huge LED wall that lights up the whole building's exterior at night, and a casino with 300 gaming tables and 371 slot machines.

StarWorld's opening follows hot on the heels of two casino openings in Macau last month. The Grand Waldo Casino and Hotel – also owned by Galaxy – debuted September 29, weeks after Las Vegas gambling tycoon Stephen Wynn threw open the doors to his Wynn Macau, a lavish us\$ 1.2 billion resort.

StarWorld is Galaxy's fifth casino in Macau, marking the group's increasing presence in the territory's crowded gaming sector. The current gaming market is dominated by tycoon Stanley Ho's gambling flagship, followed by Las Vegas magnate Sheldon Adelson's Sands Macau casino.

„It is expected that Galaxy's market share may reach 25 percent by the end of the year,“ Galaxy chairman and Hong Kong construction tycoon Lui Che-woo said in a statement. Currently, they claim to have 20 percent of the market.

The tiny territory of Macau, less than one-sixth the size of Washington, D.C., was a Portuguese enclave until it was handed back to China in 1999. Many believe that Macau will soon overtake the Las Vegas Strip as the world's casino capital. Last year, Macau was about even with the Las Vegas Strip,

which had income of USD 5.3 billion.

Lui said Galaxy stands out from rival U.S. casino operators in Macau because it's more familiar with local gamblers' sensibilities. „Statistics show that over 95 percent of tourist arrivals in Macau are from Asia. As a company owned and operated by Chinese, Galaxy understands the specific tastes of Asians for hotel, entertainment and dining,“ he said.

But Morgan Stanley research analyst Rob Hart said StarWorld's impact on its US rivals will only be „marginal.“ StarWorld will be more of a threat to Stanley Ho's gaming flagship Sociedad de Jogos de Macau, or SJM, he said. „StarWorld will do very well. It'll be able to fill itself up basically at the expense of SJM,“ he said.

Galaxy is planning to invest a total of USD 1.02 billion in Macau by 2008, the group said. It is building the Galaxy Mega Resort, slated to open early 2008.