

Taiwan nearing approval for casinos

Taiwanese parliament is set to legalize gambling on a group of offshore islands as soon as year end, legislative sources said this week, as local officials eye permits for three resort casinos to shore up their economy.

The passage of a bill authorizing gaming in the Penghu archipelago would bring Taiwan into competition with other East Asia gaming hotspots such as Macau and South Korea, and upcoming casinos in Singapore, even as the global credit crisis make it harder for developers to raise funds for new projects.

Penghu, a summer destination in the Taiwan Strait which lies largely dormant during the winter months, wants to issue three casino permits, most likely to resorts, after passage of the legislation, local officials told reporters over the weekend.

Legislation for gambling has been talked about for years, but received a boost with support from the administration of President Ma Ying-jeou, which took office in May. „We don't want to exceed three licences. We're not going to be the same as Macau,“ said Su Kun-hsiung, mayor of Penghu's main city Makung, citing concerns about theft and prostitution. Macau, East Asia's major gaming city, has 28 casinos.

Since opening up to outside operators in 2002, Macau has seen its economy boom as global giants such as MGM Mirage, Las Vegas Sands and Wynn Resorts set up casinos there.

Even after a recent downturn, the former Portugese colony is on track to record USD 14 billion in casino revenue this year, but construction of new casinos and plush hotels in Macau and elsewhere in Asia is slowing as the global financial crisis leaves developers short of funds and reduces gaming revenues.

In a closed-door meeting last week, Taiwan legislators agreed to put their gaming bill to a formal vote, with a majority indicating support, a senior legislative aide said, speaking on condition of anonymity while the legislation was still pending. Penghu's legislator Peter Lin expects the bill to pass by the end of the year.

British AMZ Holdings is one of three operators looking at sites, with plans to build as many as 500 rooms on a now barren 11-hectare coastal tract, spending USD 200 million on construction and partnering with one of the world's top five casinos, the firm's Taiwan president Ashley Hines said.

Penghu, which has a population of 90,000, has passed two referenda in support of gaming as economic boosters edged out religious groups and citizens fearful of increased crime. But opposition persists despite an overall air of enthusiasm.

„This is good only for major hotels,“ said Chen Chen-hsiu, who has owned a souvenir shop for 19 years. „The overall economy here won't see that much impact.“