

# Genting Singapore spreads bets, targets Osaka IR bid

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S'pore-listed operator among seven major players that registered for request-for-concept

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Genting Singapore has joined the race to secure a hotly contested gaming licence at the proposed Osaka Integrated Resort (IR), as part of its diversification strategy for long-term growth.

The Singapore-listed operator of Resorts World Sentosa is among seven major players that registered for the request-for-concept (RFC) at what could potentially be Japan's first IR. The others are said to be MGM Resorts, Melco Resorts, Wynn Resorts and Las Vegas Sands, according to gaming magazine Inside Asian Gaming.

A Genting Singapore spokesman told The Straits Times yesterday that the operator has "successfully completed the Osaka Integrated Resort request-for-concept registration.

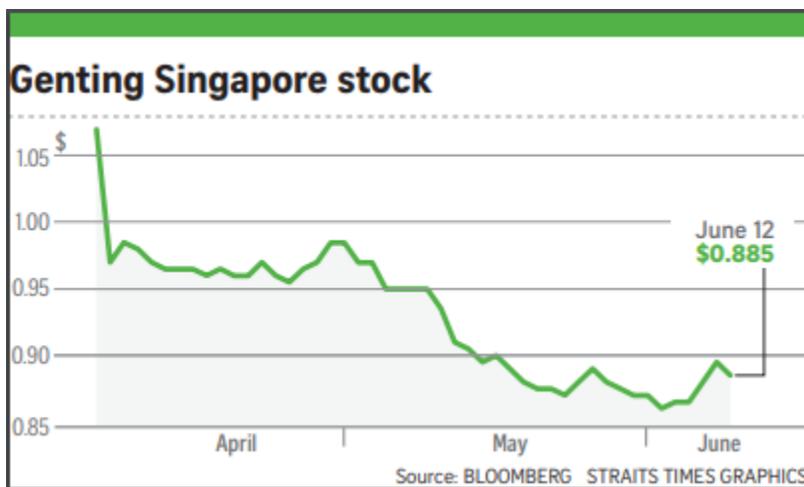
"The IR opportunity in Japan is part of our diversification strategy for long-term growth. We will continue to monitor and await release of the national guidelines and detailed regulations by the Japanese government for the formal request-for-proposal process," she said.

A Las Vegas Sands spokesman also confirmed its participation in the RFC. But Las Vegas Sands could not comment by press time yesterday on other ST queries.

Osaka is the current front runner for one of three coveted licences that will eventually be made available by the Japanese government.

According to Las Vegas gaming and hospitality consultancy Global Market Advisors (GMA), at least eight viable areas in Japan are available for development, and nearly two dozen operators and consortiums have expressed interest in the overall market - which has the potential to become the second-biggest in the world after Macau.

"Japan's three IR licences will be the most competitive process since Singapore initiated its IR race nearly 15 years ago," said Mr Brendan Bussmann, director of government affairs at GMA. "Genting offers a compelling storyline from their development in Singapore. Its development currently under construction in Las Vegas is another talking point on the scale of projects they are able to develop."



Resorts World Las Vegas is set to open in 2020. The first phase of the US\$4 billion (S\$5.5 billion) Chinese-themed project will have 3,500 hotel rooms with restaurants, casino, retail and meeting spaces.

"It is known that Genting has an interest in the Osaka licence, but they would also be well suited for some of the other major sites being considered in both large cities and regional areas," Mr Bussmann said.

Osaka has set the submission deadline for concepts for August, and will discuss their viability with the operators up until October. The city has

stated that it remains committed to opening an IR in 2024 - before the 2025 World Expo, according to Inside Asian Gaming.

However, the first Japanese casino resorts are unlikely to open their doors until 2026 due to legislative delays and construction challenges, according to GMA. It cited reports stating that the Japan IR process would be delayed by a year with the regulator, Casino Control Commission, yet to be appointed.

"GMA believes the licences will not be decided under the current timeframe until mid-2022," said Mr Bussmann. If there is no process in place by the second quarter of next year, it is unlikely an IR would be open in time to meet the desires of Osaka for the 2025 World Expo, he added.

Union Gaming analyst Grant Govertsen believes the first Japanese IRs may not open until 2026 or 2027, based on the current timeline.

"The casino development process always takes longer than even the operators themselves wish. We are already seeing significant delays to the regulator process, and given that the Japan IRs will be the most complicated and iconic ever built, the construction period could easily become five years," he said.

Shares of Genting Singapore have taken a beating since the announcement of a \$9 billion expansion of Resorts World Sentosa and Marina Bay Sands on April 3. Fears of a rights issue, given the capital expenditure required, and the impact of higher casino entry levies on local mass market gamblers sent the stock slipping from \$1.07 on April 3 to an eight-month low of 86 cents on June 4. But its management recently clarified that it had no intention to conduct a rights issue.