

MNA **Sheyla Zandonai** 24 Sep 2018

## Macau | Cotai continues to expand, Peninsula casinos post revenue growth

Cotai will continue its facilities and revenue expansion but casinos on the Macau Peninsula will not stop attracting clients



Macau (MNA) – Cotai will continue its facilities and revenue expansion but casinos on the Macau Peninsula will not stop attracting clients, of a different taste, to its old-style venues.

Although revenue from integrated resort operations on the Strip currently account for some 60 per cent of the total gross gaming revenue (GGR) of the city, casinos on the Peninsula, both from an old and new gaming era, are not lagging behind.

“The reality is that while the Macau Peninsula has seen its share of GGR decline relative to Cotai, it is experiencing growth in revenues,” Grant Govertsen, Managing Director, Head of Asia Equity Research,

Macau at Union Gaming, told Macau News Agency (MNA).

To Mr. Grovertsen, it is unlikely that the properties on the Peninsula will see “any revenue declines in any sort of material way.”

Unless, he added, “there is a broader economic or political issue that causes both the Macau Peninsula and Cotai to decline similar to the anti-corruption drive from 2014 onwards.”

Patrons’ choices are diverse and both casino districts have attractions that cater to clientele with different tastes and personal preference, said Ben Lee, Managing Partner at iGamix.

“The Peninsula attracts the hard core, old fashion, value – conscious gamblers who prefer the proximity to the range of dining, shopping and entertainment amenities. Cotai attracts more status conscious and family oriented clients,” Mr. Lee told MNA.

The diversity of facilities and services offered remain, nevertheless, a key factor to sustained growth.

Govertsen noted that gaming revenues generated on Cotai are “likely to reach 70 per cent over the next few years” because customers will tend to seek a destination in Macau “based on what it offers beyond the casino floor”.

Cotai’s development and competition for customers will also eventually lead to changes in the gaming offer on the Peninsula.

“As the Peninsula properties get older, remembering they were the first generation casinos, the operators will have to rejuvenate their ageing properties,” said Mr. Lee, with the risk of continuing to lose business to new properties in Cotai if they do not .

To Union Gaming Managing Partner, the landscape in the Peninsula may also undergo changes, with some of the older properties possibly “torn down and rebuilt with more hotel rooms and amenities.”

“Of course, space is a limiting factor, as would be the status of licences. We would not expect material capital to be expended prior to the operators having a high level of comfort that they will be able to remain in Macau,” he noted.