



## Silver Heritage's Tiger Palace to open in March, second Nepal IR on the cards

Australian-listed Silver Heritage has announced that the hotel, gaming and hospitality facilities at Tiger Palace Resort Bhairahawa will become fully operational in March, while the property's VIP rooms will launch in Q4 2018.

In a regulatory filing on 10 January, the company further stated that it has a "five-year plan" that involves "multiple world-class casinos", while a filing from Silver Heritage in late September suggested it was looking to develop a second casino resort in the country, near Nepal's border with the Indian states of Bihar and Sikkim.

Located near two UNESCO world heritage sites, Tiger Palace has 100 rooms and suites, in addition to two two-bedroom villas, while the property's casino currently has 44 gaming tables and 216 electronic gaming machines.

Silver Heritage initially planned to open Tiger Palace in February 2017 but a series of delays saw the hotel portion of the resort open in September, while further construction delays forced the company to push back the filing of its gaming licence



### Tiger Palace Resort Bhairahawa

is finally set to open its doors in March, but opinions remain divided over how lucrative Nepal's India-facing market will be.

application.

In January the company announced that its subsidiary, SHL Management Services, had finally secured a casino operations licence from Nepal's Ministry of Culture, Tourism and Civil Aviation.

While many casino firms and investors have focused on Asian projects that appeal to Chinese gamblers, Silver Heritage's strategy instead seeks to focus on the Indian consumer market.

Casino gambling by the growing middle class of Indian nationals has the potential to generate nearly \$10.2bn annually by the year 2025 provided there is the right product close to home,

said a report from Global Market Advisors in April last year.

"Indian gaming operators like Delta Corp and Pride Group, and non-Indian gaming operators like Silver Heritage already realise the potential value of the Indian gaming market. As such, they are currently positioning themselves to capitalise on the underserved market's potential promise," stated the paper, prepared by Kit Szybala, GMA's director of research and analysis.

In a similar vein, Silver Heritage - citing research from Brookings Institution - has stated that India will have the world's largest middle-class consumption on an annual basis by 2030, hitting \$12.8tn and surpassing China's \$10tn, while the Indian government has reportedly estimated that the country's untapped gambling market could be worth \$60bn a year.

However, this positive assessment of India's prospects is not universally accepted, with some gaming industry commentators suggesting that the track record for the Indian market does not support such optimistic forecasts.



"There are already several gaming spots in and around India, Goa, Daman, Sikkim and even Sri Lanka, however they have all remained spectacularly unspectacular," contends Ben Lee, managing partner at Macau-based IGamiX Management and Consulting.

"There is very scant evidence from any of the casino operators within the region with established pipelines of Indian visitations that support the 'Indian gaming market is huge' contention.

"Believe it or not, even the Australian casinos have tried to tap into the so-called Indian market in the past, with nothing to show for their investments," he added.

Tiger Palace is Silver Heritage's second gaming venue in Nepal, joining the Millionaire's Club and Casino in the capital Kathmandu.