Has Singapore's bet on integrated resorts paid off?

Since 2010, Marina Bay Sands (above) and Resorts World Sentosa have transformed Singapore's tourism and lifestyle sectors, elevating standards and setting new benchmarks for hospitality, entertainment, as well as food and beverage. They have also consolidated Singapore's position as a vibrant global city. ST FILE PHOTO

A focus on future-proofing jobs, strengthening inclusivity and updating social safeguards will enable the IRs to continue making net contributions to Singapore

Terence Ho

New integrated resorts (IRs) set to be built in Japan and possibly Thailand will pose fresh competition for Singapore's IRs just as the latter are poised to expand.

Marina Bay Sands (MBS) and Resorts World Sentosa (RWS) have pledged to invest $9 billion in non-gaming attractions under an agreement to have their exclusive casino licences extended to 2030. MBS plans to add a fourth tower with 1,000 hotel rooms, along with a 15,000-seat arena for live entertainment events, while RWS will expand Universal Studios Singapore and upgrade the existing S.E.A. Aquarium to a larger oceanarium.

These plans are a vote of confidence by the Government as well as the IR operators in the future of Singapore's IRs, notwithstanding intensifying global competition from new developments such as the resort planned for Osaka.

Today, MBS and RWS are among the world's most profitable gaming resorts. However, the IRs should be evaluated not simply in commercial terms, but also against their strategic economic objectives and social considerations.

WHY SINGAPORE DECIDED TO BRING IN IRS

Some 13 years after MBS and RWS opened their doors to the public, it is worth reflecting on whether the IRs have met their socio-economic aims while containing the risks associated with casino gambling. This was not a decision taken lightly. Cabinet ministers were divided on the issue, while faith groups and many members of the public expressed concerns and objections.

The motivation for the IRs, as Prime Minister Lee Hsien Loong explained in Parliament in 2005, was twofold: to boost tourism and thereby create jobs for Singaporeans in a diversified service-based economy; and to position Singapore as an exciting global city to attract global talent, again with a view to enhancing economic vibrancy and creating good jobs.

While PM Lee acknowledged concerns about the possible rise in problem gambling and the potential impact on Singapore's brand name and social values, he and his team felt that these could be managed with appropriate safeguards. Measures subsequently put in place include casino levies, credit restrictions for local patrons and exclusions or visit limits which can be imposed by patrons or their family members or the National Council on Problem Gambling.

PM Lee emphasised that the IRs were but one part of a broader strategy to remake Singapore, albeit an important one: "We need to do many things to become a global city... An IR is one significant idea we must consider, that will help us reinvent Singapore."

ROLE IN A DIVERSIFIED ECONOMY AND WORKFORCE

By the early 2000s, Singapore had already achieved success as a manufacturing hub for global exports. Beginning with electronics, Singapore had diversified into precision engineering and petrochemicals, with biomedical manufacturing also beginning to take off.

But the manufacturing sector was moving up the value chain to become more capital- rather than labour-intensive – meaning fewer jobs in manufacturing would be created going forward.

Meanwhile, services were taking on an increasingly important role as a source of value-add and jobs, as was the case in most mature economies. The IRs were assessed to have the potential to be a game changer for tourism and hospitality, attracting both business and leisure travellers, with attendant benefits to retail, food and beverage, entertainment and related services. This was expected to generate more jobs for locals in services.

Indeed, international visitor arrivals shot up by 20 per cent in 2010, the year the IRs opened, and grew by 13 per cent and 10 per cent in the next two years respectively. Today, some 20,000 people are employed by the IRs, of whom about 65 per cent are locals. The IRs' recently announced expansion is expected to create a further 5,000 jobs.

Beyond the jobs directly offered by the IRs, many more employment opportunities have been created in companies supporting activities sustained by the IRs, such as the meetings, incentives, conferences and exhibitions (Mice) industry, as well as the arts and entertainment.

Going forward, the focus must remain on creating quality jobs that will remain relevant amid the rise of disruptive technologies such as artificial intelligence.

The Hotel Industry Transformation Map 2025, unveiled by the Singapore Tourism Board last year, aims to prepare workers for higher-value roles within the industry. This could include learning to use new technology to improve productivity and guest experience, or to implement new hospitality concepts. Developing rewarding job roles for a diversified and inclusive workforce should also be a priority.

ROLE WITHIN SINGAPORE'S SUITE OF ATTRACTIONS AND AS PART OF VIBRANT PRECINCTS CATERING TO LOCALS AND FOREIGNERS ALIKE

Singapore's tourism strategy is not pinned on the IRs alone. The Bird Paradise, a major new attraction within the Mandai Wildlife Reserve, is set to open in May while Singapore is also positioning itself as a haven for urban wellness and sustainable tourism.

The IRs as crown jewels of Singapore's diversified tourism landscape must reinvent themselves to offer fresh and exciting experiences to new and returning visitors alike. The upgrading and expansion plans are also timely, given the increasing competition for mindshare among Asia's leading cities.

It is not just tourists that the IRs cater to, but also those working and living in Singapore. The IRs are vital parts of Marina Bay and Sentosa, which contribute to Singapore's distinctiveness and liveability. It is important that these precincts appeal not only to "crazy rich Asians" and other well-heeled foreigners, but also to Singaporeans from all walks of life.

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In this, Gardens by the Bay – which is also part of Marina Bay precinct – has succeeded: Most of the park is accessible without charge, including sculpture gardens, children's playgrounds and fitness corners. The Marina Bay promenade is frequented by locals and foreigners at all times of the day and late into the night: youth, couples, families, groups of friends as well as colleagues can be seen strolling, jogging, cycling or stretched out on deck chairs along the waterfront.

And Sentosa, with its beaches and family-oriented attractions, remains a popular leisure spot for both locals and visitors.

As the IRs plan for new facilities and offerings, they would do well to consider how to broaden their appeal as places endearing to Singaporeans, just as Mount Faber, the Botanic Gardens and the former national library have been etched on the national consciousness.

UPDATING SOCIAL SAFEGUARDS

Thus far, the IRs do not appear to have precipitated a significant uptick in problem gambling, organised crime or money laundering. In fact, surveys by the National Council on Problem Gambling found that the probable problem and pathological gambling rate fell from 2.6 per cent in 2010 to 1.2 per cent in 2020.

Casino gambling remains far less prevalent among Singaporeans compared with other forms of gambling such as 4D, Toto and social gambling. Singaporeans had also frequented casinos in Genting Highlands and cruise ships long before the arrival of the IRs.

However, it is necessary to stay vigilant and regularly update social safeguards. The IRs' contract renewal will see daily and annual casino levies rise by 50 per cent. The Ministry of Social and Family Development will partner with IR operators to study how to help patrons make more informed decisions on how much to gamble, while employees on the casino floor will look out for compulsive gamblers and refer them to help.

To complement these efforts, it may be useful to leverage analytics to identify patterns of behaviour likely to worsen into gambling disorders, and to make available a range of resources and early interventions to help those at risk. This could include counselling, behavioural nudges and practical tips for self-help, tailored to different age groups and profiles.

Singapore can continue to update its approach by learning from global best practices in the management of problem gambling, informed by research, to update its approach, notwithstanding the efficacy of existing safeguards.

Since 2010, Singapore's IRs have transformed the local tourism and lifestyle sectors, elevating standards and setting new benchmarks for hospitality, entertainment, as well as food and beverage. They have also consolidated Singapore's position as a vibrant global city.

Competition from the likes of Japan and Thailand will spur Singapore's IRs to reinvent themselves in the years ahead. A focus on future-proofing jobs, strengthening inclusivity and updating social safeguards will enable the IRs to continue making valuable net contributions to the country.

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