

Goa's CM pushes forward with new casino policy



Indian Defense Minister Manohar Parrikar makes remarks during a joint press conference with Secretary of Defense Ash Carter in New Dehli, India, April 12, 2016. Carter is visiting India to solidify the rebalance to the Asia-Pacific region. (Photo by Senior Master Sgt. Adrian Cadiz)(Released)

Goa's chief minister Manohar Parrikar has confirmed that the government will go forward with plans to move the state's floating casinos to a new designated gaming zone and appoint a regulator for the sector.

Goa's chief minister **Manohar Parrikar** has announced that six offshore casinos on the river Mandovi will be shifted to a designated gaming zone within four years. Addressing Goa's legislative assembly, the Vidhan Sabha, on 3 August, Parrikar stated that a formal Casino Policy setting out the road-map for moving the offshore casinos ashore, along with a new regulatory framework for the state's gaming industry would be ready by the end of August.

"Taking into account the huge investment involved in such projects, licenses for casino operations in designated zones could be consider for a tenure of 10 to 15 years," Parrikar clarified.

The floating casinos have generated a significant amount of controversy in Goa, with the state's ruling Bharatiya Janata Party (BJP) coalition making repeated assurances that it would move to resolve the situation.

Plans for a gaming regulator in the state were first announced six years ago, but successive governments have failed to make headway on the issue. However, Parrikar confirmed that a Gaming Commissioner would be appointed to regulate and oversee casino activities in the state.

Replying to a private member's resolution introduced by Congress MLA Aleixo Reginaldo Lourenco calling for the appointment of a regulator, Parrikar assured the legislature that rules to appoint a Gaming Commissioner in the state would be drafted by December 2018.

"As a policy, Goans will not be permitted to enter the playing areas. A mechanism in this regard will be put in place once the gaming commissioner is appointed and appropriate rules for regulation formulated," Parrikar added.

This ban, to be introduced in 2019, would apply to Goa's six offshore floating casinos although there are conflicting reports regarding whether locals will be allowed to enter the dozen onshore casinos located inside five-star hotels.

A recent academic study, published in the International Journal of Hospitality and Tourism Systems, underlined the importance of Goa's casino industry for the state's economy and supported the creation of an independent regulatory body, along the lines of the Nevada Gaming Commission.

"Casinos have been promoted in tourism areas due to their assumed capability of being the largest employers and their potential to attract a huge number of tourists who otherwise might not have considered visiting the said destination," wrote Dr. Afonso Botelho, associate professor of Sociology at the Rosary College of Commerce and Arts in South Goa.

"[However] the establishment of a casino controlling regulatory authority or gaming commissioner is absolutely necessary."

Brokerage Union Gaming Securities Asia stated that the policy announcement could be "transformational" for Delta Corp – India's only listed gaming operator – which holds three offshore licences.

"We believe the introduction of high-quality integrated resort (IR) supply will firmly put India on the gaming map and (eventually) become one of the crown jewels of Asia," said Union Gaming analyst Grant Govertsen said in a note on 5 August. "Importantly, the government intends to issue IR licences only to those holding existing offshore licences."

In its Q2 2018 results released in July, Delta Corp reported INR416.6m (\$6.05m) net profit on revenue of INR1.96bn, a 92.51 percent rise year of year.

"In terms of developing its first IR, not only has Delta purchased a large site near the already-under-construction new airport, they're also well under way in terms of master-planning the site with a world-renown gaming architect," Govertsen added.

Speaking to Casino Review in June, Ranjana Adhikari of Nishith Desai Associates highlighted that there are still a number of details surrounding the plans which remain to be defined.

"Back in July last year, the government announced that the six offshore casinos would be closed down by 2020 and moved to "a land-based designated entertainment zone", which it's thought will be situated near the new airport in Mopa on Goa's northern border," she explained.

“However, there are a number of issues surrounding this, for example at present, only offshore casinos are permitted to offer live gaming (table games). To enable casinos in the new zone to offer live gaming there would need to be an amendment to the current Goa Public Gambling Act.

“It’s also unclear whether the existing land-based casinos would also be required to move to the new zone,”

Adhikari added.