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Focus on Asia: Thailand's proposed casino locations explained

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Thailand's nascent casino industry is beginning to take shape. In June, a committee from the Thai House of Representatives announced that it had developed a plan to allow up to five casino-resorts across a number of provinces with the primary goals of creating jobs, attracting foreign visitors, and generating additional tax revenues. The committee also recommended a headline tax rate of 30 percent of gaming revenue.

Five general locations were recommended. In addition to proposing one casino in Greater Bangkok, the committee proposed that one casino-resort be developed in the north, either in Chiang Rai or Chiang Mai; Ubon Ratchathani, Udon Thani or Khon Kaen in the northeast; Phuket, Phang Nga or Krabi in the south; and Pattaya City in the east.

Each of these regions is unique, and while some already have well-established and successful tourism economies, others are only now emerging as tourist destinations. Integrated casino resorts could serve not only as a catalyst to tourism growth, but also as a tactic to prevent Thais from playing in underground casinos or crossing nearby borders to play in neighboring nations' casinos.

Bangkok

Bangkok is the Kingdom's capital. It is an expansive metropolitan area, spanning over 600 square miles with 15 million residents. It is served by two international airports that together handled over 100 million passengers a year in 2019.

While the city contains a well-developed highway network and multiple mass transit options, these transport systems are easily overwhelmed during peak travel periods. A 35-minute daytime commute from Suvarnabhumi Airport to the central city can take over two hours on a Friday evening. Likewise, the city's three mass transit rail lines are routinely overwhelmed by commuters and tourists. Highway exits deposit vehicles into congested boulevards and narrow streets. Getting around can be difficult, making site selection for an integrated resort a challenge for any developer.

Bangkok is one of the world's great cities. Earning the right to develop an integrated casino resort will be a prize sought by the world's pre-eminent casino developers. One can expect to see development proposals that will exceed what the world's greatest integrated resorts offer today.

While Bangkok will be the most coveted location, other markets offer their own unique attributes.

The East: Pattaya

Pattaya City sits on the Gulf of Thailand, approximately 75 miles east of Bangkok. It is the center of the Pattaya-Chonburi Metropolitan Area, a region with a population of over one million. A modern highway system connects the metroplex to Bangkok's Suvarnabhumi Airport. That proximity, along with its expansive seaside resorts, makes Pattaya the second most popular destination in the Kingdom, having attracted 30 million visitors prior to the pandemic. Dozens of hotels line the city's two-mile-long beach, and the region boasts over 100,000 lodging keys.

Pattaya is also a popular destination for medical tourism, with approximately a dozen hospitals and medical facilities serving this segment of the tourism population. Pattaya's medical tourism industry is expected to grow, given Thailand's outstanding medical care coupled with the city's seaside location.

Pattaya is a popular retirement community for foreigners. Thailand offers a unique visa program for foreigners over the age of 50. Attracted to the city because of climate, lifestyle, and low cost of living, thousands of expatriates now reside in the metroplex.

A combination of a large local population, massive tourism visitation, a population of expatriate retirees, and close proximity to Bangkok makes for a very compelling market for an integrated casino resort.

The South: Phuket, Krabi, and Phang Nga

The South region is comprised of three provinces: Phuket, Krabi, and Phang Nga. All are located on a narrow land mass that connects the Kingdom to Malaysia, and is bordered by the Gulf of Thailand to the east and the Andaman Sea to the west. They are collectively seaside resort communities that are favored beach destinations for visitors from Europe and Asia.

Phuket province is comprised of a main island along with 32 smaller islands, and has a population of approximately 600,000. The province is adjacent to Krabi, with a population of 475,000, and Phang Nga with 270,000. All have robust tourism economies, with Phuket serving as the center of international tourism. The region's primary airport is Phuket International

Airport, although Krabi is served by its own regional airport. Phuket International is the Kingdom's third busiest airport, recording over 18 million arrivals prior to the pandemic.

The Northern Provinces: Chiang Rai and Chiang Mai

Chiang Rai and Chiang Mai are Thailand's two most northernmost provinces. Of the two, Chiang Mai is the larger tourist destination. With a population of 1.8 million, the province is served by Chiang Mai International Airport. In 2018, 31 airlines handled over 11 million passengers.

Chiang Rai province is the Kingdom's northernmost province and borders Laos and Myanmar. While it attracts fewer tourists than its sister province, it is a very attractive tourism destination that would benefit from the economic advantages that an integrated casino resort could provide. A casino in this province would also limit Thai players from visiting casinos across the border.

Northeast: Udon Thani, Khon Kaen and Ubon Ratchathani

Udon Thani, Khon Kaen and Ubon Ratchathani are three cities in northeast Thailand in the Isan region, near the border of Laos. Udon Thani is 350 miles north of Bangkok, and the greater area has population of approximately 450,000. A regional airport offers connectivity to a number of domestic destinations, including Bangkok. A casino in this city would intercept players going to Laos, while serving a reasonably sized local population.

Khon Kaen province has a population of 1.9 million people, while Khon Kaen city has 150,000 residents. Ubon Ratchathani is located near the borders of Cambodia and Laos, and has a population of 1.9 million. These sites were probably proposed as candidates for an integrated casino resort because of the economic benefits that such a development could have on the local economy.

Summary

The House committee exploring the feasibility of casino gaming was astute in its recommendations. The proposed sites represent a mix of both tourism destinations and those that will draw Thai gamers that currently go over nearby borders to play. They also can draw players away from the underground casinos that serve as the current alternative.

The Committee took a very pragmatic approach in proposing these sites. They did their homework, established sound goals, and set the foundation for a process that leads to the development of a new form of tourism that will enhance the Kingdom's other attributes.

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