

CASINOS TO PAY THE PRICE FOR THE CRISIS



It has been the focus of many conversations for some time now: the effects of the world economy crisis. Almost everybody agrees that the crisis has a negative influence on the luxury goods market. This ultimately refers to, amongst other things, tourism and branches of tourism. Although the tourism industry as a whole is not necessarily a luxury item, the casino business and gambling certainly are. This is why the hotel casino business is set to decline by 2.9% by December this year.

Some may argue that difficult financial conditions encourage people to throw their money into slot machines and on wild card horses. They are in fact correct, as more and more coins are expected to drop into slot machines all over the planet in 2009 than ever before. The fact that gambling seems to be popular amongst the poorer classes is undeniable.

However, there is a catch. The big money emanates not from slot machines, yet from roulette and black jack tables in casinos of big hotels. It is very good for the casino providers that coins drop into one-armed bandits, yet the wads of cash from the bankrupt businessmen are going missing this year.

The state lottery is set to feel the heat of the crisis too. It is, after all, a luxury item. Some of the world's most famous gambling cities are in danger of losing their reputation. One example is Macau, where \$3 billion has been missing from the regular revenue column of the accounting books. On a similar note, Nevada lost \$12.85 billion in revenue last year due to the lack of big gamblers putting big money on the green cloth. This amounted to a 3.2% drop, similar to that expected this year on a global scale.

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