

## Gaming - Asia-Pacific

# China-SG visa free from Feb 9; Incrementally positive to SG casinos

Industry Overview

## China-SG open visa-free travel from 9 Feb

China and Singapore recently announced that it will allow 30-day visa-free entry for their citizens starting from 9 February 2024. The bilateral visa-free entry policy extends to both leisure and business travelers. The policy follows the agreement at the 19<sup>th</sup> Joint Council for Bilateral Cooperation meeting on 7 December, but no exact dates were announced at that time. In our view, the policy would facilitate inbound Chinese travels to Singapore. It would be incrementally positive to SG casino operators, but we do not expect significant revenue impact due to the following reasons: i) The high-end Chinese gaming patrons are likely to have visited Singapore during the early stage of reopening even with visas requirements. ii) The high air tickets and hotel prices at Singapore could deter some more price-sensitive Chinese customers. iii) Macau operators have stepped up their non-gaming offerings, which we believe are competitive compared to Singapore's.

## Chinese visitations to SG recovered to 37% in 11M 2023

Chinese visitations to US reached 1.2mn in 11M 2023, recovering to 37% vs. 2019 level. It represents only 10% of total visitations in 11M2023 compared to 19% in 2019. The recovery rate vs. 2019 was at 9% in Jan and reached the peak at 59% in July during the summer season before decelerating to 42% in Nov. (Exhibit 1). In our view, the visa relaxation could drive further improvement in the Chinese visitation recovery to Singapore.

## Tailored marketing could drive GGR

In our view, the gaming market recovery in the region has been driven more by premium mass and VIP so far. The mid to low-end recovery has been slower than expected due partly to capacity constraints in hotels and transportation. As such, we believe regional gaming operators could continue to drive higher average spend per customer through new types of games (e.g. insurance bet, new electronic games) and tailored marketing programs using player analytics derived from RFID chips. Yet, successful implementation of insurance bet without jeopardizing the speed of play would depend on availability of trained dealers and digitalized tables (e.g. RFID chips) given the complexity of odds (Exhibit 2)

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SG: Singapore

RFID: Radio Frequency Identification  
Technology

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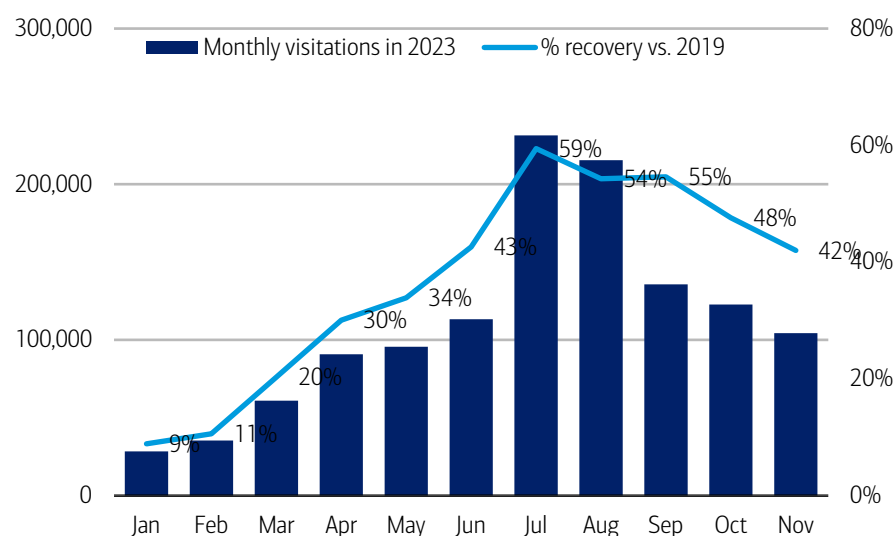
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**Exhibit 1: Chinese visitations to Singapore**

The recovery rate was at 9% in Jan and reached the peak at 59% in July during the summer season before decelerating to 42% in Nov



Source: Singapore Tourism Board, BofA Global Research

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**Exhibit 2: Summary of payout for insurance bet for Baccarat games**

Insurance bet odds and payout is complex

**Insurance (Original Bet on Banker is Required)**

Betting Window	Banker points	Player points	Result	Payout
After the Reveal of The Initial Four Card	4	0 - 3	Player Wins	1.5 : 1
	5	0 - 4		2.0 : 1
	6	0 - 5		2.5 : 1
	7	0 - 5		4.5 : 1
After the Reveal of the Player's 3rd Card	1 - 6	0	Tie	10.0 : 1
	2 - 6	1	Player Wins	10.0 : 1
	3 - 6	2		4.5 : 1
	4	3		2.5 : 1

**Insurance (Original Bet on Player is Required)**

Betting Window	Player points	Banker points	Result	Payout
After the Reveal of The Initial Four Card	5	0 - 4	Banker Wins	1.0 : 1
	6	0 - 5		2.5 : 1
	7	0 - 5		4.5 : 1
After the Reveal of the Player's 3rd Card	5	0 - 4	Banker Wins	1.5 : 1
	6	0 - 5		2.5 : 1
	7	0 - 6		4.5 : 1
	8	0 - 6		10.0 : 1
	9	0 - 6	Tie	10.0 : 1

Source: Company data

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