**Eulogio “Amang” Rodriguez Institute of Science and Technology  
College of Hospitality Management  
Nagtahan, Manila**

**IMPACT**

**OF**

**TOURISM TO THE GAMING INDUSTRY**

Members:

1. Raden Nathaniel Llmas
2. John Kenneth Reyes
3. Lester C. Manabat Jr.
4. Joseph D. Bustillo
5. Robert Glenn Q. Navales
6. Keith Louise Evangelista

**Eulogio “Amang” Rodriguez Institute of Science and Technology  
College of Hospitality Management  
Nagtahan, Manila**

**Chapter 1**

**BACKGROUND OF THE STUDY:**

Tourism is travel for recreation, leisure, religious, family or business purposes, usually for a limited duration. Tourism is commonly associated with international travel, but may also refer to travel to another place within the same country. The World Tourism Organization defines tourists as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes."

Tourism has become a popular global leisure activity. Tourism can be domestic or international, and international tourism has both incoming and outgoing implications on a country's balance of payments. Today, tourism is a major source of income for many countries, and affects the economy of both the source and host countries, in some cases being of vital importance.

Gambling has been part of human civilization for thousands of years, and continues to thrive in the vast majority of countries worldwide. Asians are perceived to be among the world’s most avid gamblers, an image supported by the explosive growth of gaming in Macau and other Asian economies over the last 15 years.

Gaming Industry is a sector exchange traded fund that invests solely on gaming companies, so as to generate investment returns that correspond to those of an underlying gaming index.

In casinos, the term “table game” is used to distinguish games such as blackjack, craps, roulette and baccarat that are played on a table and offered by one or more live dealers like a poker dealer from games played in a mechanical device like a video slot machine.

The study will be beneficial to the Department of Tourism, Department of Labor and Employment, Gaming companies, tourism students and future researchers.

The purpose of the study is to determine the impact of tourism to the Gaming Industry. The data will be gathered through the survey questionnaire, interview guide and documentary analysis.

**Eulogio “Amang” Rodriguez Institute of Science and Technology  
College of Hospitality Management  
Nagtahan, Manila**

**CONCEPTUAL FRAMEWORK:**

**Tourism**

**Improved Gaming Industry**

**Current Gaming Industry**

The Conceptual Framework

The figure above illustrates the current Gaming Industry, Tourism, and the Outcome when Tourism in the city is developed, sustained and generated.

**Eulogio “Amang” Rodriguez Institute of Science and Technology  
College of Hospitality Management  
Nagtahan, Manila**

**STATEMENT OF THE PROBLEM:**

Social costs in gambling that relate to social impacts: treatment costs, prevention costs, family/friends physical and psychological costs, legal costs, rent-seeking costs, regulatory expenses, and the public costs of training, promotion and research. In addition, these researchers suggested that these social costs have paid for the liberalization of casino gambling in Macau. Studies concerning the social impacts of casino gambling suggest that this industry has distinctively yielded both positive and negative effects toward local communities and the lives of local residents. When discussing the economic impacts of tourism, the multiplier process should be the most well-known and frequently applied approach to measure the economic contributions of tourism industry extensively on macroeconomic fields, involving investment (including the flows of income and the numbers of jobs), export, governmental expenditure (such as, constructing public infrastructures and facilities) and taxation revenue, tourist consumption, and so forth. However, the greatest challenge associated with calculating the multiplier process originates from the complexities of collecting the necessary data and defining acceptable numbers of parameters. Therefore, different approaches for measuring the economic impacts of tourism have been developed: the use of an input–output measure, tourism expenditure modeling, the development of satellite accounts, and local impact studies direct effect (taking place only in the industry that is immediately affected), indirect effect (concerning inter-industry interaction), and induced effect (relating to changes in household income). Because casino gambling (or the gaming industry itself) belongs to a segment of the tourism industry, the examinations of the economic impacts of casino gambling could be definitely applied in studies related to the economic impacts of tourism. Regarding the negative environmental impacts of casino gambling, the following aspects are usually mentioned by researchers: traffic jams, parking difficulty, escalation of trash, soil erosion, poor air quality, decline of scenic beaut. despite the fact that casinos have had notable impacts on tourism, the tourism sector has not been spared of numerous setbacks. This is mainly because the tourism sector has greatly suffered the blunt of existence of casino industry falters. The global tourism sector and its consequent growth have been greatly disadvantage by the existence of these falters as they act in bad faith as far as tourists. This is mainly in the international tourism domain whereby tourists from other countries may be prevented from engaging in casino games based on gaming policies in the visiting country.  This is quite disadvantageous in that it locks such tourists from being able to participate in casino games.y, demolition of public infrastructure, and large tourist gatherings. Globally, the legalization of casinos and casino games has had massive effects on tourism especially bearing in mind that the availability of these games serves as a crucial marketing factor for the tourism sector. The availability of these games has not only made it quite easy for the tourism sector to grow and expand at very incredible rates but also that it has greatly favored the gaming industry. As such, there exists a unique mutual interdependence between these two sectors with each of the sectors benefitting greatly from the interdependence. Casino games service provides (both online and offline) have benefitted greatly from the provision of casino games in the gaming industry. What’s more important about this independence is the fact that growth in either sector leads to an equal growth and increase in the other sector.

Generally, casino games have stirred great life in tourism in that they have not only made it quite easy for tourists to enjoy their vacations but also that they have made it quite easy for tourists to rake in high amounts of money. This is specifically the case when tourists play for real cash games with actual winnings and losses. Therefore, casino games have also impacted tourism positively in that the games have provided an alternative source of income when tourists are enjoying their vacations. The tourism sector has never got any better than it is with the onset of casino games in the sector.

**Eulogio “Amang” Rodriguez Institute of Science and Technology  
College of Hospitality Management  
Nagtahan, Manila**

**HYPOTHESIS:**

**Source:** [**http://www.psychguides.com/guides/compulsive-gambling-symptoms-causes-and-effects/**](http://www.psychguides.com/guides/compulsive-gambling-symptoms-causes-and-effects/)

**How to Help Someone with a Gambling Problem**

Many people can enjoy gambling without it becoming a problem, but over time, some people develop a gambling addiction that can ruin their lives. [Compulsive gambling](http://www.psychguides.com/guides/compulsive-gambling-symptoms-causes-and-effects/) is a progressive illness, so even if you’ve gambled before and been okay, a problem could develop later on. The urge to gamble can be overwhelming, leading someone to lie, steal, blow through their savings and miss out on the rest of their lives. Several signs indicate when normal enjoyment of gambling transitions into a problem. The earlier the process is identified, the better the chances for a successful recovery. Although compulsive gambling is hard to overcome, many people are able to manage their illness with professional help.

**Talking to Someone with Gambling Problems**

Although it can be challenging to confront someone about a gambling problem, the best thing you can do is to start by asking someone if the problem exists, according to the Victoria State Government. Although you might not get a straight answer and you won’t know how someone will react, if you approach someone in a non-confrontational way, you might get some useful information.

When talking to someone with a gambling problem, remember that if you want someone to be honest with you, be honest yourself. Letting someone know you suspect a problem and are worried, in a supportive and concerned manner, is more likely to work than being deceptive, judgmental or aggressive. Talk about how you’re feeling and what you’ve observed as these things are less likely to trigger an argument. Some people with gambling problems will be relieved and grateful the subject was broached, as they want to talk about it. Other people might not want to talk because they’re ashamed and could become defensive. If a person lies about having a problem, you can still say you care about your loved one and give them information on where to get help.

If a discussion about gambling becomes circular or confrontational, take a break and pick up the subject later. Always keep the lines of communication open.

**Eulogio “Amang” Rodriguez Institute of Science and Technology  
College of Hospitality Management  
Nagtahan, Manila**

**SIGNIFICANCE OF THE STUDY:**

**SOURCE**: <https://www.library.ca.gov/crb/97/03/Chapt9.html>.

According to one report, there is little reliable information on the social and economic impacts of gambling. A great deal of research does exist, but often it is prepared by groups advocating one position or another and is biased or suffers from such basic flaws as to render it virtually unusable. In short, much of what has been done is not sound.

There is a Debate over Whether or Not Gambling can be good For an Economy. Proponents of the view that gambling is harmful use a quote of Nobel Laureate Paul Samuelson.

"(Gambling) involves simply sterile transfers of money or goods between individuals, creating no new money or goods. Although it creates no output, gambling does nevertheless absorb time and resources. When pursued beyond the limits of recreation, where the main purpose after all is to kill time, gambling subtracts from the national income."

**The Basic Criteria for Economic Development Success is For a Project to Increase a Region's Net Exports.**

-Specifically, the amount of goods or services that are exported needs to be increased or the amount that are imported decreased. This is the only way that income can increase. Projects can certainly be an overall economic success in terms of profit without doing either of these, but those profits come at the expense of other businesses.

**Various Factors Come to Play in Determining if Gaming Has a Positive or Negative Economic Impact.**

-A full accounting of all costs must be done and it is difficult. The economic impacts of legalized gambling are tangible and quantifiable. The basic economic impacts include the construction of a casino which leads to many jobs for construction employees and suppliers, employees to staff the casino, and the suppliers for an ongoing casino. Multiplier effects then ripple throughout the overall economy. But just because a gambling project creates a lot of jobs and a large facility is built doesn't mean the economic impacts are positive. Non-economic impacts such as social costs are usually intangible, difficult to measure, and on balance negative.

Building a casino creates new jobs, such as a card dealer, in the sense that they did not exist before. But they may not be new jobs for the economy. Money spent on a gambling facility is money that already existed but was spent on other things. That is probably an obvious point, but one that needs to be made. Building and running a gambling facility doesn't create wealth, it merely transfers it. The benefit for a region is if the transfers are from outside of the region. In contrast, there is not a stimulus or net benefit if development of the casino leads to more money being spent outside of the region.

**This stimulus or beneficial impact could happen two main ways:**  
- Tourists from abroad spend more time and money within the region. For example, if foreign tourists changed their travel patterns so that rather than coming to both California and Las Vegas, they only go to California.  
- Local residents who used to travel outside of the region and gamble now stay within the region.

**There are also ways that building a casino could result in no increased benefits for the region:**  
- Local residents who used to go to restaurants now spend their money in the casino. Then the casino has no net economic benefit.  
- Tourists who used to spend money on other activities within the region now go to a gambling facility within the region.

**Constructing a casino could hurt a region if either of the following occurred:**  
- Locally-owned businesses go bankrupt because consumers have changed their expenditures to casinos that happen to be owned by out-of-state interests.  
- Casinos buy more products from out of state than the businesses they replace.  
- Casinos result in increased social costs including police and other public services as well as the costs of pathological and problem gamblers. These issues will be addressed shortly.

**Economic Development and Impact on Communities**  
there is debate about whether or not gambling is an appropriate economic development tool. The argument against using it is that although the number of jobs associated with new gambling facilities is significant it is not a compelling reason to be legalized. For example, one commentator wrote after the Mayor of Chicago proposed a gaming project: **5**

"Ten thousand construction jobs are supposed to be created by this project. This may very well be true. However, we could create plenty of construction jobs by building brothels and opium dens.

**Eulogio “Amang” Rodriguez Institute of Science and Technology  
College of Hospitality Management  
Nagtahan, Manila**

**DEFINITION OF TERMS:**

**SOURCE: http://www.sciencedirect.com/science/article/pii/S0261517714002441**

Macau, which is known as the “the Monte Carlo of the Orient”, is the leader of the gaming industry in Asia. In 1847, after Portugal legalized the gaming industry, Macau became the first casino industry in Asia, and this legalization was accompanied by strict laws that painstakingly specified business management and practical operations of the gaming industry, which subsequently played a central role in Asian economies. After Macau was handed over to China in 1999, the gaming and tourism industry was positioned as Macau's core industry. A statistical summary from the [UNLV Center for Gaming Research (2014a)](http://www.sciencedirect.com/science/article/pii/S0261517714002441#bib88) showed that the total casino revenues in Macau were 83 billion MOP dollars ($10.4 billion U.S. dollars) in 2007 and reached a historical high in 2013 of 360 billion MOP dollars ($45.1 billion U.S. dollars). The fact that approximately 22 million people visit Macau annually makes it the largest development center of tourism-oriented casinos in the world. There are five reasons for why Macau concentrates on casino development: (a) to develop tourism, (b) to create job opportunities, (c) to utilize its advantages in regard to Macau's close proximity to mainland China, (d) to benefit from market competitions and developments, and (e) to leverage its status as the only center for legal casino gambling in China. Therefore, newcomers in the gaming industry strategically employ innovative models that integrate entertainment activities and mainly focus on tourist consumption rather than the revenue that is provided by casino gamblers. Because the gross profit margins of casinos are markedly lower than those of hotels, restaurants, shops, and exhibitions, it would be unwise to attempt to create lucrative business opportunities by simply relying on casino operations ([Tseng, 2007](http://www.sciencedirect.com/science/article/pii/S0261517714002441#bib86)).

Although Singapore is known for its strict laws and regulations, its development of tourism industries has attempted to incorporate environmental concerns and social patterns of globalization. To decrease the impacts of global economic crises (such as the serious economic depression in 1985), the Singaporean government formulated a new economic strategy and proposed the legalization of casino industries for the first time in 2002. However, the Prime Minister at that time, Lee Hsien Loong, responded that Singapore must construct casinos because of economic considerations, but that people should not neglect the negative social impacts of casinos ([Hung, Yang, & Lee, 2010](http://www.sciencedirect.com/science/article/pii/S0261517714002441#bib34)). However, “by 2005, Lee painfully confronted three major international trends: the Singapore travel industry gradually losing its competitiveness, the repositioning of major cities around the globe, and the fact that the global entertainment economies were becoming multi-dimensional (including casinos). Consequently, Lee was compelled to re-examine his early anti-gambling attitude because ‘Singapore cannot afford to lose its national competitiveness’” ([Hung et al., 2010](http://www.sciencedirect.com/science/article/pii/S0261517714002441#bib34), p. 5). After the opening of two integrated resort casinos in Singapore, the total annual revenues of casino gambling were USD$2.8 billion in 2010 and USD$4.1 billion in 2013 ([UNLV Center for Gaming Research, 2014b](http://www.sciencedirect.com/science/article/pii/S0261517714002441#bib89)).