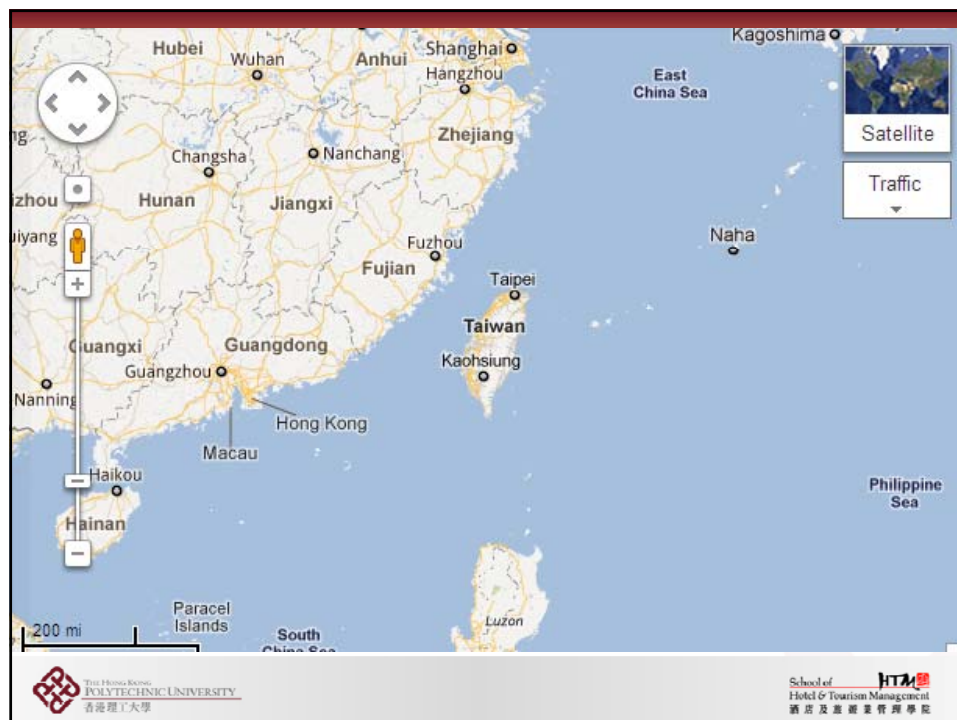
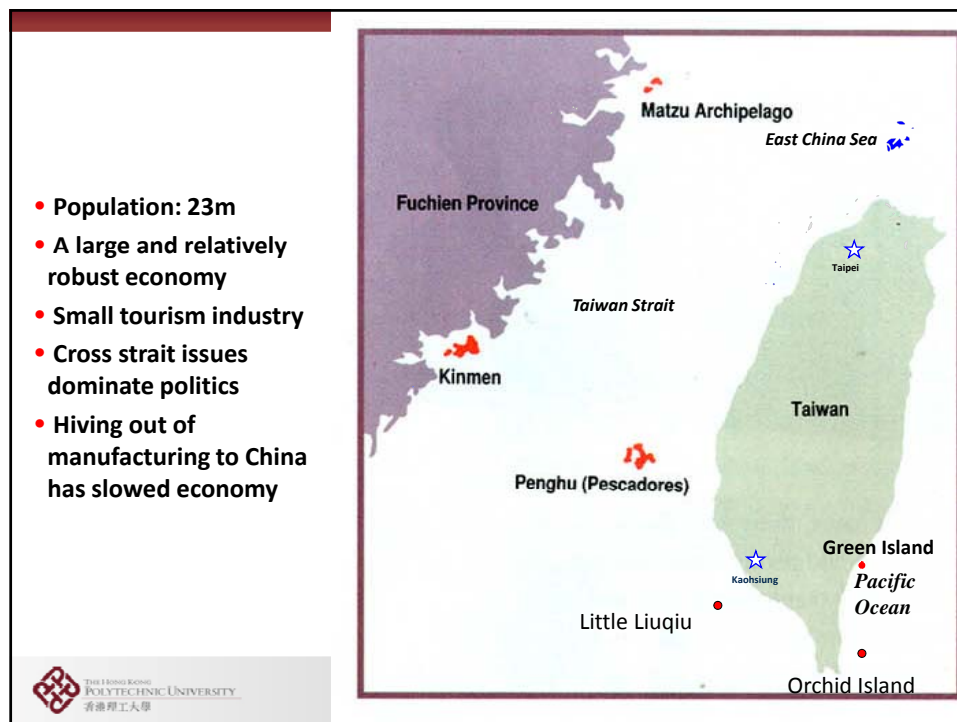


Gaming Development in Taiwan

Cathy Hsu





Popularity of Gaming

- Mahjong games are played in homes
- Online and illegal gaming dens
- Lottery is a national pastime
 - Ever since the launch of the computerized lottery (early 2000), Taiwan's media have given a back seat to tabloid news and sex scandals in favor of all manner of stories about lottery madness.
 - Day after day, newspapers are filled with reports about the many weird, wonderful methods of finding lucky lotto numbers

[Taiwan Lottery Receipt Lottery Winning Numbers](#)
[www.tealit.com/article_categories.php?section=living&article=lottery](#) ▼
 Taiwan Receipt Lottery Most Recent Winning Numbers. Hi. Well, so...you've been walking out of stores in Taiwan trying to leave behind your receipt when the ...

[Taiwan Lottery Breaks Record for Transactions - RGT Online](#)
[www.rgtonline.com](#) > Gaming%20Life ▼
 11, 2002 - As reported by the Taipei Times: "A total of 12 lucky winners hit the jackpot in the latest draw for Taiwan's computerized public-welfare lottery to ...

[Taiwan Lottery Success Story: Data Warehousing, Financial ...](#)
[www.sybase.com](#) > Company > Customer Case Studies > Success Stories ▼
 Taiwan's lottery has aroused a lotto fever across the island since the lottery was started three years ago. The lottery products, including computerized tickets, ...

[Foreigners gambling on new sports lotto in Taiwan - The China Post](#)
[www.chinapost.com.tw/taiwan/2002/01/28/.../Foreigners-gambling.htm](#) ▼
 Jan 28, 2002 - TAIPEI, Taiwan -- The successful launch of the computerized lottery and frenzied gambling phenomena in Taiwan are luring foreign investors ...

[Lotto craze shows how sick society has become - Taipei Times](#)
[www.taipetimes.com/News/editorials/archives/2002/02/.../0000122609](#) ▼
 Feb 3, 2002 - Ever since the launch of the computerized lottery, Taiwan's media have given a back seat to tabloid news and sex scandals in favor of all ...

[Lottery fever sweeps over Taiwan - Taiwan Today](#)
[taiwantoday.tw](#) > Home > Current Issue ▼
 Feb 1, 2002 - No one in Taiwan wanted to miss striking it rich with the debut of the ... The computerized lottery--the first of its kind on the island--is based on ...

[Lottery Quick Picks Random Number Generator \(RNG\) | Lottery Post](#)
[www.lotterypost.com/quickpicks](#) ▼
 The Lottery Post computer system knows the rules for every lottery game, and will ensure that the proper quantity and range of numbers is used for each Quick ...

[Asia Times: Taiwan in throes of lotto fever](#)
[www.atimes.com/china/DB15Ad02.html](#) ▼
 Feb 15, 2002 - TAIPEI - The Taiwan government is adopting a "cautious" attitude ... But since mid-January, when the computerized lottery system began, the ...

[Taiwan Panorama: A Dream of Riches-- The National Lottery](#)
[www.taiwan-panorama.com](#) > Taiwan Panorama > Editors' Choices ▼

Lotto Craze

- **Disgraced Taiwan politician sparks lottery frenzy:**
 Lin's NT\$83m demand came from his wife TV anchor Peng Ai-Chia's birth date of 30th August and her car plate number 8300. Those digits, along with Lin's detention number 2559, have become the most popular lottery numbers in Taiwan.
- Some skip meals and sleep in a restless search for the numbers. The birthdays of celebrities, the death dates of relatives and the scenes of car accidents have all been treated as clues.

Lotto Craze

- Lucky places to purchase lottery tickets have become the center of the public frenzy. The areas flooded during Typhoon Nari have become popular sites for such purchases because "water brings fortune"
- "Godsends" numbers are popular movie and TV plots

Casino Gaming

- Discussed casino legalization on both Taiwan proper as well as remote islands in the past 20 years
- 3 steps
 - De-criminalization of gaming
 - Regulation (resort management and gaming)
 - Local referendum

De-criminalization of Gaming

- Amendment to the Offshore Islands Development Act: permitted the establishment of casinos on Taiwan's offshore islands as part of integrated resort development
- The amendment stipulated: casinos must be located within international resorts that included an international hotel, tourism facilities, international conference facilities and shopping malls. The overall objective was to develop tourism as well as infrastructure on the offshore islands
- Taiwan's six offshore islands with tourism potential: Penghu (96,600), Kinmen (99,700), Matsu (10,000), Green Island (3,000), Orchid Island (4,000) and Little Liuqiu (13,000)



THE HONG KONG
POLYTECHNIC UNIVERSITY
香港理工大學

School of HTM
Hotel & Tourism Management
酒店及旅遊管理學院



Green Island



Orchid Island (Lanyu)



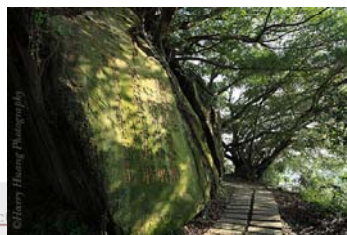
Little Liuqiu Island



Wetland Park

Ocean Farming

Kinmen



Matsu Island



澎湖縣政府

澎湖縣政府

Local Referendum

- Penghu County Business Council president announced that referendum initiators had collected 3,853 signatures in support of the casino referendum
- Referendum could only be held with the signatures of 5% or more of the voters who cast ballots in the last county commissioner election ($70,427 \times 5\% = 3,522$)
- County government had to hold a referendum within two months of the signatures being validated (Sept 26, 2009)
- Of the 70,000+ eligible voters, 30,000 voted (17,359 against, 13,397 for)



Possible Reasons for the Outcome

- Full economic and social impacts not assessed/made public
- A CFP of study was issued, but not tendered in time
- Regulatory framework had not been drafted (tender was confirmed in April 2010)
- Citizens voted on approving casinos without an understanding of what that would mean
- Government assumed the referendum was a sure bet

Possible Reasons for the Outcome

- Gaming opponents campaigned aggressively—even bringing in international anti-gaming experts to speak out
- Typhoon Morakot devastated southern Taiwan 7-8 weeks before the referendum, media criticized the handling by government
- Perceived lack of transparency or assurances of ECFA initiated by the government
- Reported lack of trust in government
- Wait for 3 years (Sept 2012)

Local Referendum

- [Matsu](#) passed the referendum in July 2012
- Penghu may try again in early 2014
- Signatures have been collected to put a referendum up for vote
- Kinmen has not tried

Regulation

- Ministry of Transportation and Communication
- Draft Gaming Act (Tourism Casino Administration Act)
- Three public hearings on the act at the end of April and early May, 2011, in Penghu, Kinmen and Matsu
- Executive Yuan (the cabinet) completed its review of the Act in May 2013
- The legislative branch was scheduled to begin reviewing the draft gaming law in the session started in September 2013

Potential Challenges

- Strategy to adequately engage the public on the issue of casinos?
- The public's concerns over the social and economic impact of permitting casinos
- The confidence that China will allow gaming tourism to Taiwan
- The risk that China could stop the flow of tourists at any time

Potential Challenges

- The existing infrastructure and tourism superstructure on the islands need upgrading and improving
- Transportation links need to be expanded and improved
- Ability of a single authority to effectively regulate the casinos
- A more complete Act and regulations not finished at this stage

Thank you.