

Focus on Asia: Will the pandemic change how Asian countries regulate smoking in casinos?

By Andrew Klebanow, Principal, Klebanow Consulting

October 6, 2020 at 2:00 pm

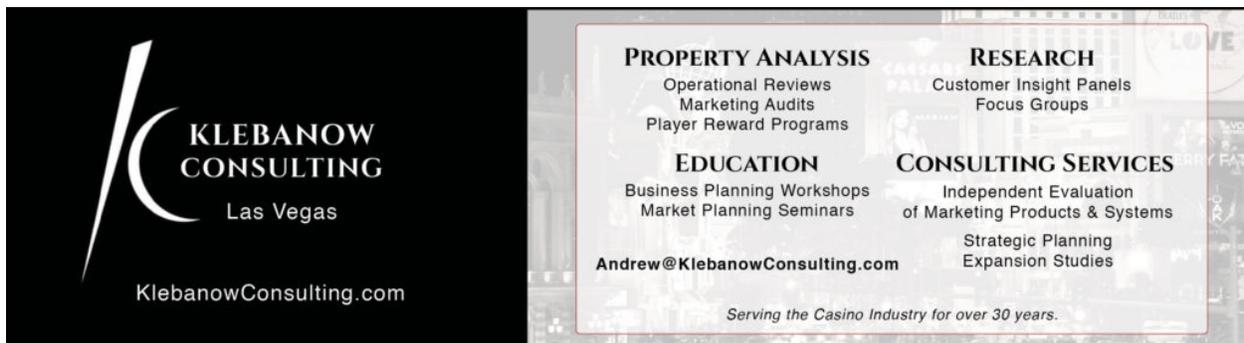
When COVID-19 first emerged as a global threat in February, Asian nations quickly responded by shutting down cross-border traffic and most commerce. Casinos across the region, along with other industries, were ordered to close. They have now begun to re-open, with a host of health and safety protocols in place to protect customers and employees. Cigarette smoking in casinos, long an accepted practice for customers on Asian gaming floors, has come under scrutiny as a weak link in preventing the spread of the virus.

Smoking would logically appear to be an obvious source of virus transmission. In order to smoke a cigarette, it is necessary to remove one's facemask. Removing the facemask defeats its primary purpose. Furthermore, the act of smoking a cigarette requires that smokers bring their fingers to their lips repeatedly during the time it takes to smoke a cigarette. During that period, those fingers touch chips, cash, cards, machines, seating surfaces and whatever else is in reach. A smoker who is infected and is asymptomatic or whose only symptom is a dry cough provides the virus with an ideal accomplice to help in its further transmission.

Despite this logic, not all nations with casinos have approached smoking bans in their casinos uniformly. Channel checks with local operators revealed a wide disparity in smoking policies during the pandemic.

Macau

Macau was one of the first gaming jurisdictions to order the closure of the Special Administrative Zone's casinos in February of 2020. Casinos remained closed for two weeks as the government developed health and safety measures to prevent the spread of the virus, and to tamp down the virus among the resident population. In addition, Macau closed its borders to prevent possible new outbreaks and only recently reopened its borders to visitors from adjacent Guangdong province.



KLEBANOW CONSULTING
Las Vegas
KlebanowConsulting.com

PROPERTY ANALYSIS Operational Reviews Marketing Audits Player Reward Programs	RESEARCH Customer Insight Panels Focus Groups
EDUCATION Business Planning Workshops Market Planning Seminars	CONSULTING SERVICES Independent Evaluation of Marketing Products & Systems Strategic Planning Expansion Studies

Andrew@KlebanowConsulting.com
Serving the Casino Industry for over 30 years.

Macau has been at the forefront of governments that restricted the use of tobacco products in casinos. In October of 2014, the local government implemented a policy that restricted smoking to indoor smoking lounges. Casino operators had to construct enclosed smoking lounges on their public gaming floors, equipped with separate ventilation systems, and confined patron smoking to those areas. In 2019, this smoking policy was extended to VIP gaming rooms, again requiring the construction of separate smoking lounges. As customers return to the city's 41 casinos, they will see reconfigured gaming floors and partitions at gaming tables along with previously implemented restrictions on smoking. No further changes to smoking policy is anticipated.

Cambodia

In early April, the Kingdom of Cambodia ordered the closure of the nation's casinos. On July 8, NagaWorld, the nation's largest casino-resort, resumed limited operations with a wealth of health and safety measures designed in concert with the government. Masks were required for all patrons and smoking in the casino was prohibited. These protocols were subsequently adopted at other properties by government edict as they re-opened. It remains to be seen if the smoking ban on casino floors becomes permanent once the pandemic abates.

Singapore

Despite aggressive measures taken by the Singaporean government to limit the spread of the virus, the government has taken a hands-off approach to prohibiting smoking in the nation-state's two integrated resorts. Each operator was essentially allowed to set their own standards with government approval. Masks are now mandated for both customers and employees. Smoking is generally permitted in the casinos but is restricted to certain areas. A person playing at a slot machine may smoke since machines have been properly spaced to allow for safe, social distancing. Smoking at table games in the main casino is prohibited. These policies may evolve once foreign visitors return.

Philippines

The Philippines was struck hard by COVID-19 and endured some of the highest infection rates in Asia. Casinos were ordered to close during the height of the pandemic and some were allowed to re-open in late August, albeit with significant reductions in occupancy.

In 2016, President Duterte issued Executive Order #26, limiting indoor smoking to special designated areas. That policy also applied to the nation's casinos. Patrons were no longer allowed to smoke while playing slot machines or table games. As casinos re-opened, PAGCOR, the nation's gaming regulator, did not issue any further restrictions on indoor smoking in casinos. Smoking remains limited to those designated smoking areas.

Korea

With one notable exception, all of Korea's casinos are designated as foreigner-only facilities. They primarily serve visitors from China, Taiwan, and Japan. They had long been exempted from the country's restrictions on indoor smoking. All of the nation's casinos were ordered to close in mid-March. As the country brought the virus under control, properties were allowed to re-open in late April and early May.

The government did not impose any new mandates on smoking as casinos re-opened and left the decision to individual operators to develop their own policies. Channel checks with local operators reveal that many operators chose to ban cigarette smoking temporarily. At first, smoking was restricted to smoking lounges; some operators chose to go further and prohibit all indoor smoking until the pandemic runs its course.

Vietnam

No nation in Asia took as an aggressive stance in limiting the threat of the virus than Vietnam. The country not only closed its borders and shut down commerce, but restricted the movement of its citizens traveling from one province to another. The result was a very successful effort at tamping down the spread of the virus.

The vast majority of Vietnam's casinos and slot halls can only be accessed by foreigners, expatriates residing in Vietnam, and dual passport holders, referred to as Viet Kiêu. Prior to the lockdown, smoking in casinos was permitted in all gaming areas. As casinos re-opened, prior policies remain unchanged. One can find people smoking in slot halls, mass market gaming areas and VIP rooms. This seems incongruous, given how diligent the government has been in controlling the spread of the virus through strict regulations.

Japan

On April 1, 2020, an amended section of the Health Protection Law was implemented. This required the establishment of special smoking lounges. The revised law prohibits smoking indoors unless confined to a lounge built to strict government specifications. The law now applies to pachinko parlors. The law does provide an exception for vaping. A pachinko parlor may permit vaping if it is confined to a special section of the gaming floor. As such, some operators reconfigured their floors to accommodate vaping zones.

While it is premature to speculate what the smoking policy might be in future integrated resorts, it may be reasonable to assume that future regulations would allow for Macaustyle smoking lounges.

Cigarette smoking remains part of the gaming experience in Asia but it is slowly being moved off the gaming floor into airport-style smoking lounges. Even the pandemic and the subsequent health and safety protocols have not fully eliminated the practice from Asian casinos. It remains to be seen if confining people to smoking lounges where they can remove their masks to smoke sparks future hot spots. Like everything else about dealing with this pandemic, smoking policies are evolving.