

The government moves forward “Integrated Resort” development in Japan

“Integrated Resort” is defined as tourism and commercial complex with combined facilities such as casino, international convention center/exhibition hall, hotel, amusement facilities and shopping mall. It is often referred to as IR which is an abbreviation of “Integrated Resort”. Currently in Japan, approval of “Integrated Resort” related bill presented to the Diet is drawing attention, as increase in number of foreign visitors to Japan (both tourists and business visitors) and earnings expansion of related companies are expected, once construction and operation of “Integrated Resort” start.

Point 1

Enactment of the bill is expected during the extraordinary Diet session ending on 14th December 2016

The bill passed full Lower House on 6th December and will be tabled to Upper House

- On 2nd December 2016, “Integrated Resort” promotion bill was approved in the lower house committee with majority vote from Liberal Democratic Party, Komeito and Nippon Ishin no Kai. Possibility of the bill’s approval during extraordinary Diet session which has been extended until 14th December has become higher, as it passed Lower House plenary session and will be tabled to Upper House. However, start of debate on the bill may face difficulty as Chairman of Upper House’s Cabinet Committee is from Democratic Party (opposition party).

Point 2

Expectation on attraction of foreign tourists and expansion of corporate earnings

Possible increase in gambling addiction is a concern

- “Integrated Resort” is defined as tourism and commercial complex with combined facilities such as casino, international convention center/exhibition hall, hotel, amusement facilities and shopping mall, at one place. Legalization of casino appears to be effective in further attraction of foreign tourists which Abe administration is promoting. In addition, earnings expansion of “Integrated Resort” related corporations are expected, supported by such deregulation.
- With regard to casino, a part of “Integrated Resort”, adequate measures are required as there is concern over (i) increase in gambling addiction, (ii) involvement of antisocial forces and (iii) money laundering.

Future Outlook

The first “Integrated Resort” is expected to start operation after 2020 Tokyo Olympic Games as a new tourist attraction

- Finally, taking a step closer to development of “Integrated Resort” in Japan. However, the bill this time is focusing only on removing bans on building and operating “Integrated Resort”. The first “Integrated Resort” is expected to start operation after 2020 Tokyo Olympic Games as (i) specific deliberation on construction of “Integrated Resort” is yet to be started and (ii) approval and enactment of implementation bill is required within a year after enactment of current bill. Meaningful ripple effect is expected on Japanese employment and consumption due to an expansion of economic and consumption activities by foreign visitors to Japan, as “Integrated Resort” with packaged multiple facilities becomes a new Japanese tourist attraction.

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