

ADELSON: THE MAN WITH THE PLAN IN MACAU AND BEYOND

By Marcus Prater



Sheldon Adelson accepts the G2E Asia Visionary Award from AGA President and CEO Frank Fahrenkopf at G2E Asia in June.

MACAU — Interrupted as he spoke by a loud, jarring sound, presumably caused by a sound engineer hitting the wrong button, Sheldon Adelson started with a joke—“Was it something I said?”—but then, with a sly chuckle, got more to the point: “Listen, I have some influence around here. Don’t do that again.”

To say that Sheldon Adelson has influence at The Venetian Macao resort is like saying Neil Armstrong took a casual stroll.

If the original Yankee Stadium was “the house that Ruth built,” then The Venetian Macao, purportedly the third largest building in the world, is the “the gigantic, sprawling casino, hotel, retail, convention, resort built on former swampland that is now a money-printing machine that Sheldon Adelson built.”

Making a rare appearance in a gaming trade show environment, Adelson was in a Venetian ballroom on this particular day to accept the G2E Asia Visionary Award. The crowd sat in raptured silence as American Gaming Association President and CEO Frank Fahrenkopf interviewed Adelson about a variety of topics in a Q&A format unique to this type of event.

Adelson spent a good deal of time talking about the inspiration for the Coati Strip, which was to recreate a mini-Las Vegas on reclaimed land from the South China Sea in a decade’s time. What is especially interesting about returning to Macau in 12-month increments for the annual G2E Asia trade show is to see the remarkable pace of development here. The latest massive development to open is Galaxy Macau, within walking distance of The Venetian and open for less than a month as G2E Asia visitors arrived. Across the street from The Venetian in

the other direction are multiple towers are in various states of construction.

If Adelson has his way, he'll build mini-Las Vegases all over Asia and the world. He said Asia could support another five and maybe 10 of what Macau is becoming. He has plans for a "Euro Vegas" in Spain with 10 3,000-room hotel towers. Adelson certainly has his detractors—it's safe to say Steven Jacobs is no longer on his holiday card list—but the man dreams big and has delivered the goods. The excellent cover story in the June issue of this magazine detailed his rise from selling newspapers on the street corner at age 12 to being the fifth wealthiest American at age 77 with a fortune worth north of \$20 billion.

He's certainly not an imposing man in person, standing maybe 5-foot-7-inches and needing a cane or a motorized scooter to get around. The highlight of a reception the night before that featured a who's who of gaming power brokers was the first meeting between Adelson and last year's G2E Asia Visionary Award recipient, slot machine patriarch Len Ainsworth. If Adelson is 5-7, then Ainsworth is maybe 5-5—small men, but true giants of the gaming industry and business in general.

If one particular activity made Adelson and his company, Las Vegas Sands, financially successful, it's the game of baccarat. Macau continues to set revenue records month after month, thanks to the obsession Chinese men have for baccarat. Based on first-quarter numbers, even before Galaxy Macau opened, baccarat is on a run rate in Macau to generate \$26 billion in revenue this year, 19 times more than the projected revenue for slots, which last year surpassed \$1 billion in annual revenue for the first time. Slot revenue in Macau has doubled since 2008, but it's still only about 5 percent of the total casino revenue in gaming's biggest market.

I remember playing baccarat more than 10 years ago at Binion's in downtown Las Vegas when Binion's was actually fun, but I don't believe I had played it since before sitting down amid the masses at the Sands Macao—another house that Adelson built—on a Thursday night. I had played blackjack in Macau on several occasions just to get a flavor of the action and was amazed by what horrible players the Chinese are from a basic strategy standpoint. In baccarat, there is no strategy—just selecting whether to bet on the player or the banker and then hoping for a total of nine or something close.

I searched for the lowest table minimum I could find, 200 Hong Kong dollars or roughly \$25 (US), and sat my intimidated American butt down. Drawing both stares and clouds of cigarette smoke, I threw my money down and stared back. I live in Vegas, baby, and these fast-talking, chain-smoking gambling fiends were not going to scare me.

Over the course of the next 30 minutes or so, only one thing was consistent—and it wasn't me winning. No, when I would be the first to put my chips on either player or banker, the rest of the table placed their money on the opposite—every time. And to their credit, they won more doing that than they lost. In a culture where luck and superstitions are drivers of daily behavior, my presence was clearly not welcome. That's OK; I didn't take it personally. Baccarat is fun to play as something different, but I certainly didn't experience the crazy internal zeal players in Macau have for the game. But like so many others before me, my buy-in ultimately went to the house. You're welcome, Mr. Adelson.



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