

Casinos in Border Towns in the Mekong Sub-Region

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The Mekong sub-region covers 2.6 million square km, and has a combined population of around 326 million. It covers Thailand, Laos, Cambodia, Vietnam, Myanmar and southern China (Yunnan and Quang si). The region is rich with natural resources, such as timber, minerals, coal, oil and gas and abundant water resources support agriculture and fisheries providing energy in the form of hydropower. These resources remain relatively underused.

In the early of 1990's, no one envisaged that connectivity within the Mekong sub-region would become a reality. Yet, it did so after politic turbulence in Cambodia subsided with subsequent elections held in 1993. In no less than 10 years after the election, investment in infrastructure took place; roads, and in particular bridges, were gradually upgraded or built, leading to the realization of regional connectivity.

While connectivity means connecting one area or one country to another by mean of infrastructure (roads, bridges, transportation), it also means connecting economically, through trade, tourism and investment. It also means people in one area or country become linked to other areas in the Mekong sub-region, including those outside of it. This has led to a substantial cultural exchange among people within and outside the sub-region.

Infrastructure development is a key element in the overall development in the region and it has gradually seen improvement and expansion. In particular, it has been the transport corridors which have operated as the chief means of achieving connectivity. The overall objective of infrastructure development has been to transform these transport corridors into fully fledged economic corridors that invigorate trade, investment, tourism, etc. This brings about multiple benefits of improved transport linkages which are expected to reach remote, land-locked areas in the sub-region.

What is clear is that this infrastructure development has facilitated cross border trade, investment and tourism along the economic corridors. This has also spread along smaller routes in the sub-region, facilitating the development of border towns and other economic zones as well as encouraging the increasing mobility of people, as well as outward movement.

However, at the same time, infrastructure development has facilitated illicit or unethical activities in the sub-region, such as drugs trafficking, human trafficking, labor migration (illegal), the smuggling of goods, and prostitution along these newly opening roads. And some of these border towns have been witness to the rise of a new economic phenomenon: casinos. Though not illegal in some countries, they do pose a kind of threat to human security and safety as will be discussed shortly. Parallel to roads and transport development, border towns in some countries, such as Vietnam, Cambodia, and Laos, have undergone intense

development. Border towns in these countries (excluding Phnom Penh) such as Poipet, Banteay Meanchey, Pailin, Osmach, Chrey Thum, Koh Kong, etc. have been selected as prime sites for the construction of casinos. In this article, I focus only on casinos located in some towns in Cambodia bordering with Vietnam.

In Cambodia, casinos have become one of the largest industries the country and are increasingly being seen as potential revenue generators for the State. The chief of casino management at the Ministry of Economy and Finance said that casinos in border towns located in Poipet, Banteay Meanchey Province near Thailand, and in Bavet near Vietnam had long proved profitable for Cambodia.¹ In 2008, Cambodia earned US\$19 million in tax from casinos yet there was a decline in 2009 and 2010 from US\$17 million and US\$16 million due to a drop in tourist arrivals and a border dispute with Thailand. Only Poipet border town, home to a number of casinos, located next to Aranyaprathet of Thailand, has a combined tax income of over US\$7.5 to US\$12.5 million (300 – 500 million baht) every year. This town is believed to be the largest gaming center in Asia.

Travelling from Phnom Penh through the Southern corridor² (Road no. 1) to Cambodia-Vietnam border, there are 32 casinos in the whole country. Interestingly, 9-10 small to large scale casinos are located in Bavet on this corridor. Bavet used to be one of the poorest provinces of Cambodia but casinos now form one of the most important sources of income for the town. This has seen Bavet transform into a fast growing entertainment centre, and is now the second largest casino center after Poipet.

Bavet is fast becoming the home of casinos in the region for the following reasons. First, Bavet, is around 90 km from Ho Chi Minh City, and located in the Southern Corridor (connecting Phnom Penh and Ho Chi Minh City) where the movement of people, including tourists and gamblers is high. Its location as a border town makes it easy for Vietnamese to access, crossing the border with facilities offered by the casinos, such as comfortable vans. Secondly, the "Moc Bai Economic Zone," an area just across



Southern Corridor [Source: ADB]

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the border to Vietnam from Bavet, has also been developed. A huge duty free hypermarket has sprung up with a variety of goods from many countries, such as the US, Thailand, Malaysia, Japan, etc., and it attracts a large number of Vietnamese from Ho Chi Minh City and other provinces in the Mekong Delta. Some gamblers can combine the trip to the casino and hypermarket at the same time, and tourists who mainly came for shopping, can try their luck in the casino as well. Finally, the casinos in Bavet and in other town bordering Vietnam attract Vietnamese gamblers who are prohibited from entering local casinos in their country as Vietnamese casinos are only open to foreigners and overseas Vietnamese. The Cambodian government has seen a great opportunity to attract Vietnamese gamblers whose economy is growing fast; these new consumers are ready to take risks to lose their money in gambling through their desire to win.

Kith Thieng, the owner of the US\$100 million Titan King Casino in Bavet said Vietnamese gamblers are their prime targets. The Titan King Casino, one of the largest casinos, opened in February 2010 and is less than 1 km from the Bavet border gate. Facilities offered by casinos are very attractive to the gamblers. Regular gamblers from Vietnam (mostly the Vietnamese) especially in Bavet area will get free pickups and VIP cards coming with free meals and, in some cases, gamblers will receive free accommodation. Moreover, in general, most casinos in Bavet as well as Cambodia offer private tables and VIP rooms for those wishing to bet large amounts of money.

Through observing some casinos in Bavet, I found out that almost all gamblers were Vietnamese and interestingly the majority of them women. Most of them come from Ho Chi Minh City, some from the province in Mekong Delta, such as Tay Ninh (a province sharing border with Cambodia), Can Tho which is located in the centre of the delta, and other provinces. In particular, Ho Chi Minh City and Can Tho are the provinces where the economy is growing the fastest.

The Vietnam-Cambodia border in the extreme south-west of Vietnam, also hosts the "Ha Tien Vegas Casino" which is Kampot's first casino with an impressive nine storeys. Opened in September 2010, it is now becoming increasingly popular, as more and more tourists use the Preak Chak-Xa Xia border gates to enter and exit Cambodia. It is conveniently located not far from Preak Chak border gate in Kampot province which is opposite the Xa Xia border gate in Ha Tien, Kien Giang province. These border gates are not far from the Vietnamese Phu Quoc Island, situated in the Gulf of Thailand, which has also become increasingly popular as the Vietnamese government tries to promote it as the most attractive tourist spot in the Gulf. A number of tourists who visit the island can cross the border to visit or participate in gambling at Ha Tien Vegas Casino.

The first US\$2 million casino, Top Diamond Casino, was also opened on 21 January 2010 in a special economic zone (SEZ)³ which lies on the border between Cambodia and Vietnam, in Phnom Den, Takeo province in Cambodia. This area is bordering An Giang province of Vietnam. The casino has been constructed about 1 km from the international border check point of Vietnam 'Tinh Bien'. There is also a plan to build a new US\$4.5 million three-star hotel soon in Phnom Den SEZ. These facilities aim to increasingly attract potential Vietnamese gamblers.

An Giang, a populated province, connects to Can Tho which is considered as a centre of Mekong Delta where the economy



Duty free hypermarket at Moc Bai border gate, Tay Ninh province in Vietnam
Photo by Thanyathip Sripana

is well developed. The chief of police at the Phnom Den International checkpoint, has said that the number of tourists who entered Cambodia through this crossing have remained stable despite the world financial crisis. Around 80 to 100 tourists (officially) crossed the border every day in 2010, a figure that remains unchanged from 2009. He hopes that it will increase due to the new casino that will open.

Another spot lying on the Cambodia-Vietnam border where we can find at least 2 casinos, is in Chrey Thum village in Koh Thum district in Kandal province, 80 km from Phnom Penh and 160 km from Ho Chi Minh City. This area is situated not far from Chrey Thum-Khanh Binh border gates⁴ which is separated by a small Binh Di waterway and can be reached by road no. 21 in Cambodia. Opposite to the casino complex, Long Binh big market is situated in Vietnam. This market is in a village of the An Phu district of An Giang province and supplies goods and commodities to both Vietnamese and Cambodian local people, as well as goods and agricultural products to casinos. Situated in this area, the casino can attract Vietnamese traders and businessmen from Vietnam who form the majority of gamblers. As this area is only 80 km from Phnom Penh, gamblers from the capital can visit easily, mostly on weekends and holidays. The casinos are only a few hundred meters from the Khanh Binh border gate. More than 100 Vietnamese arrive there every day, according to the employee in Crown Casino (Chrey Thum).

Impact on Human Security and Safety

However, one of the unfortunate side effects of gambling is that an uncountable number of gamblers have lost money and fallen into debt. This may include the forfeiture of properties, cars, homes and land leading to conflict within the family and divorce. The conflict has cost lives in some cases where a wife tried to kill her husband who refused to pay her debts brought about by the gambling. This is the case in Long An, southern Vietnam. Tran Thuy Lieu lost over 1 billion dong (US\$47,000) during 22 gambling trips to Cambodia at the end of December 2010. She urged Le Hoang Hung, her husband, to sell their house to pay her gambling debts, but he refused. So she set him on fire while he was asleep in his bed leading to his death 10 days later.⁵



Goods traveling from Vietnam to Cambodia. This is in the neutral zone between Bavet and Moc Bai border gates. Photo by Thanyathip Sripana

Gamblers who lose may be accompanied by staff of the casino to their residence in order to claim the debt from the gamblers' family. Some anecdotal stories say state that some Vietnamese who lost in a casino in Bavet were asked to give one kidney when they did not have money to pay back debts.⁶ This information has yet to be verified. There is also information saying that the winners with a big sum of money face the risk of being murdered when they have already left casino. This has happened in the case of some casinos in Poipet in Cambodia,⁷ Savannakhet⁸ and Luangnamtha in the north of Laos.

While infrastructure development facilitates connectivity in the sub-region, improved transportation facilitates the mobility of gamblers as well. A long bridge connecting road no. 1 in Neak Luong is being built (funded by Japan) in 2012 and is projected to be completed by 2015. It is supposed to be the longest bridge in Cambodia and will certainly facilitate the mobility of people and goods, as well as investment and tourism. Furthermore, it will facilitate the travel of tourists who want to cross the border to Ho Chi Minh City and vice versa. Some of them may stop at casinos in Bavet and enjoy gambling. Moreover, it would certainly facilitate the trip of the gamblers from Phnom Penh or elsewhere to Bavet.

Infrastructure development, in particular that of roads and bridges, is one of the major factors that facilitates the movement of tourists and gamblers. In another part of the sub-region, another bridge is currently scheduled to open in November 2011 and will stretch across the Mekong River between Nakhon Phanom (Thailand) and Tha Khek (Laos) and a casino is supposed to open afterward in Tha Khek. It aims to attract Thai gamblers from many provinces in Thailand as in the case of Savan Vegas Casino in Savannakhet in Laos which was opened in 2008 after the opening of the bridge across Mekong river.

Though infrastructure development is not the prime cause of the spread of casino operations, it does facilitate easy access to these complexes. At the same time, this leads to attendant issues such as the mobility of various illicit activities, which can be considered a threat to human security and the livelihood of people in the areas. This requires further research to see how casinos

transform border zones in what is a rapidly transforming area.

Notes

¹ Bavet is the name of an international border gate and a border town in Svay Rieng province, Cambodia. Moc Bai Bavet is the name of an international border gate and a border town in Tay Ninh province, Vietnam.

² The Southern Corridor runs from Dawei on the Myanmar coast, then through Bangkok, then through the Thailand-Cambodia border at Aranyaprathet-Poipet. From this point, it separates into two routes. The first one goes eastward through Siem Reap, Stung Treng and then through the border with Viet Nam and onward to Quy Nhon. The second route is from Aranyaprathet-Poipet to Phnom Penh, to Ho Chi Minh City, and extends to Vung Tau.

³ Construction in the Phnom Den SEZ is expected to finish in 2015.

⁴ Khanh Binh border gate is in An Giang Province, Vietnam.

⁵ Discussion with people from Ho Chi Minh City; and see, "Vietnam: wife set journalist husband on fire," *China Daily*, February 22, 2011, (Accessed 1 August, 2011), http://www.chinadaily.com.cn/world/2011-02/23/content_12066912.htm; "Detention extended for journalist-torching wife," *Tuoi Tre News*, June 30, 2011, (Accessed 1 August, 2011) <http://tuoitrenews.vn/cmmlink/tuoitrenews/society/detention-extended-for-journalist-torching-wife-1.35639>.

⁶ Discussion with people from Ho Chi Minh City; and see, Quoc Quang and Minh Dung, "Ladies and gambling tragedies," July 4, 2011, (Accessed 20 July, 2011) <http://english.vietnamnet.vn/en/special-report/5168/ladies-and-gambling-tragedies.html>.

⁷ According to some people in Aranyaprathet district, Sakaeo province.

⁸ According to some people in Mukdahan, Nakhon Phanom.