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Resorts World Sentosa laying off 400; analysts cite bad debt problem



RWS will offer a severance payment of half a month's salary for every year of service. Among those retrenched are 150 croupiers, 200 pit supervisors and 25 pit managers. Asked if more layoffs are planned, RWS declined comment. ST FILE PHOTO

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Operator Genting Singapore 'hit by regional slowdown and slower high-roller traffic'



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About 400 staff are being retrenched at Resorts World Sentosa (RWS) amid tough times, The Straits Times understands.

More layoffs may be on the cards if operator Genting Singapore does not manage its serious bad debt problem and wrest more mass market share, observers say. If the regional slowdown persists, things could get worse.

RWS, which has 12,000 workers, is "reviewing operational resources". In a retrenchment letter seen by The Straits Times, RWS said: "In anticipation (that) the business situation is unlikely to improve any time soon, we have made a very difficult decision to reduce manpower."

It will offer a severance payment of half a month's salary for every year of service. The paper understands that 150 croupiers, 200 pit supervisors and 25 pit managers were among those retrenched.

RWS said in a joint statement with Attractions, Resorts and Entertainment Union (Areu) that it is necessary to review gaming business headcount to "achieve the right size to meet its business needs".

As early as 2014, Genting felt the chill of China's slower growth coupled with Beijing's graft crackdown on its VIP gaming revenue.

For the first quarter, Genting's earnings came in below forecasts due to unexpectedly big bad debt provisions, which swelled 21 per cent to \$92.4 million year on year.

Rival Marina Bay Sands has no plans to retrench workers, a spokesman said. The Straits Times understands that MBS, which has 9,600 workers, is still hiring for the property, including its casino. It is trying to fill 350 positions, including dealers, at the ST Jobs Career Fair to be held on July 2 and 3.

CIMB economist Song Seng Wun said the layoffs are a result of the service sector growing more slowly. "Much will depend on how Genting manages the bad debt problem and how they can make their mass market share grow."

"It's a war for mass market share. MBS has a slight headstart there... But mass market may not be strong enough yet to offset the slowdown in high roller traffic."

Mr Terence Wong, chief executive of investment firm Azure Capital, said: "I won't be surprised if this is the start of more layoffs to come, if things don't improve for RWS. Since the casino is the breadwinner for the IR (integrated resort), it will feel the brunt of the layoffs".

Speculation within Genting suggests cuts may not just come from the casino, but also its attractions.

A pit supervisor, who asked to be known as Mr Tan, said he was notified of his retrenchment on Wednesday when he got to work.