

## Nepal's casino industry faces uncertain future

Nepal's casino industry, a major draw for Indian tourists, faces an uncertain future with the threat of closure hanging over two gaming centres.

Despite its small size, the Himalayan kingdom is South Asia's gambling capital, with Kathmandu itself boasting of seven casinos and an eighth scheduled to open in Pokhara city.

However, the casinos, which give the government an annual royalty of Nepali Rs.14.5 million each, now find themselves at the receiving end of cutthroat competition, political turmoil and its owner's drive for enormous profit.

The first casino, Casino Nepal, was opened in 1968 by an uncle of the present King Gyanendra.

Then about three decades ago, an American, Richard D. Tuttle, came to Kathmandu and decided to set up a casino empire. Tuttle heads Nepal Recreation Centre, the organisation that today enjoys a monopoly in the gaming industry, running all the seven casinos.

Tuttle, according to Nepal's media, has close links with the royal family, who are thought to have shares in the casinos.

Last year, Tuttle ordered two of the casinos to shut down at 24 hours' notice.

Casino Royale, named after Ian Fleming's popular thriller featuring dashing British spy James Bond, and Casino Everest, both of them run by Indian businessman Rakesh Wadhwa, received a letter on June 18 with instructions to shut down from the next day.

'It was an impossible and unfair order,' says a senior casino employee, declining to be named.

'Each casino employs around 800 people. How could we tell them to quit overnight?'

Tuttle reportedly sent a letter to associate Wadhwa last week relieving him of his responsibilities.

According to the labour unions in the casinos, Wadhwa fell out with Tuttle over payments.

Due to the turmoil and violence in Nepal in the recent past, when curfew and shoot at sight orders were common, the industry was badly hit.

The casinos, struggling to pay the government royalty and rent to the five star hotels whose premises they rent, fell behind in paying employees' salaries and provident fund dues.

However, when King Gyanendra's regime fell last year and the Maoists signed a peace agreement with the new government, the rebel trade union began pressuring the casinos to clear employees' dues.

Casino Royale and Everest tried to do so at the cost of cutting down on the money they were handing over to Tuttle.

According to media reports, Tuttle was paying the lion's share of the money to the palace and when the royal share fell, the enraged palace began pressuring the American.

Casino sources said Tuttle first tried to raise quick cash by imposing a Rs.300 entry fee at the casinos but had to abandon the move soon when the government began to ask for VAT. Next, he asked the two casinos to pay him Rs.100,000 per day.

After the two casinos expressed their inability to do so, last week, Casino Royale was attacked by a group of people who tried to intimidate the staff.

However, the Maoist trade union says they will not allow the two casinos to close.

'The disputing sides are negotiating at present,' said Raj Bhatt, leader of the Maoist trade union. 'If the talks fail and the casinos are closed, we will take it to the highest level in the government. The fate of hundreds of workers can't be jeopardised.'

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