

A BORDERLINE CHOICE FOR RAY

Finnish Slot Machine Association, RAY, names Vaalimaa as the location of the country's second ever casino

Finland's Slot Machine Association (RAY) has now confirmed the location of its new casino, the second licence to be launched in Finland, with the future Vaalimaa Shopping Center in the border village of Vaalimaa being selected as the site to be developed.

The new shopping centre that is currently being built in the municipality of Virolahti, in the southeastern corner of the country, is being developed, just like the casino, to serve the growing number of Russians crossing the border each year. The annual number of Russians passing through this border point alone is more than one million, but that number is expected to double in the next few years.

The addition of the casino is expected to see that number increase with gambling in Russia ostracised to four, as yet undeveloped, remote gambling zones.

RAY has been considering 30 different sites with the Holiday Club Saimaa at Rauha in Lappeenranta, the Spa Hotel Rantasipi Imatran Valtionhotelli in Imatra, as well as the city authorities of Hamina, Kotka, Lappeenranta, Imatra, Kuopio, Joensuu, Kouvola, and Lahti, all being analysed.

However, with Vaalimaa experiencing the greatest footfall of any border-crossing station on the eastern border, with more than three million people crossing the border every year, it became the natural choice. RAY Executive Vice President and COO Janne Peräkylä said the decision was all about 'location, location, location.'

"Before you make decisions on anything else, you decide on the location," he explained. "The development of tourist figures in Vaalimaa has been enormous, and the forecasts are even more so. It is nice to get involved in a visionary project."

In 2011, the number of Russian visitors to Finland increased by 27 per cent from the year before, reaching a total of 3.26m visits. According to the Finnish Tourist Board, Russian visitors to Finland spend on average €111 per day.

Mr. Peräkylä added: "The Finnish State now believes that one of the businesses that would benefit most from this Russian tourism is the casino business, which of course is forbidden in Russia apart from in the four gambling zones. The state also feels that the image of casino gaming is now really poor in Russia with people thinking that 'casino' translates to mafia involvement. We believe that the Finnish reputation can be trusted and can change that opinion and attract Russian customers to come and gamble in Finland. There are 7m people living around the St Petersburg area with no legal gambling. Russians have always gambled. It is just a question of them knowing where to gamble and which operators they can trust."

Indeed the shopping centre itself is being built with Russian money. Russian entrepreneurs Denis Kirillov and Jaroslav Gerasimov will begin work on the first phase of the project in spring 2013. The 35,000 sq. m. shopping centre is expected to be completed in 2016 and will employ about 400 people. The shopping centre will be built on the side of Vaalimaantie road in the immediate proximity of the busy Vaalimaa border crossing, where it will offer around 40 stores.

The whole process of a new casino in Finland was made possible a year ago, when the country's gambling legislation was amended.

The government has already issued a permit to develop the Vaalimaa licence. The casino will be designed to accommodate tourists with a hotel and a

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THE VAALIMAA REGION RECENTLY SHOT TO THE TOP OF RAY'S LEAGUE TABLE OF TOP EARNING SLOT LOCALITIES.

spa all part of the concept. Building work on the shopping centre is expected to begin in spring next year with the gaming floor expected to be fully operational and open to the public sometime in 2015.

Mr. Peräkylä confirmed that similarly to RAY's casino in Helsinki, the new project will be developed to international standards with a strong focus on non-gaming amenities, such as entertainment and food and beverage, but that it wouldn't be a direct copy. It will accommodate 1,000 people, employ 90 and stretch over 2,000sq.m. It will be roughly half the size of the Helsinki casino, which boasts 300 slots and 20 table games.

Mr Peräkylä explained: "We have the option of placing up to 500 slots in the new casino along with 90 table games, but before we decide we will listen carefully to our target market."

The mayor of Virolahti Osmo Havuaho

was delighted with the decision. He said: "With the casino's customers set to be to a large extent Russian, you could not imagine a better location than Vaalimaa. Many Finnish cities from Tornio up north to the towns in the south-east were angling for the new casino. It is for us a very big positive decision. The casino will bring new jobs to the municipality, but its promotional effect is infinitely large."

The region recently shot to the top of RAY's league table of top earning slot localities. The state-owned operator is allowed to operate slots in hotels, restaurants, pubs, cafés, service stations, supermarkets, kiosks and arcades. According to RAY's region-specific data, most slot machine games were played in Vironlahti, the county in which Vaalimaa is located, during the first half of the year. An average of €155 was spent on slot machines per head of the population, due primarily to the heavy traffic generated by the Vaalimaa border crossing to Russia.

Jari Kivelä, RAY's Business Locations Director, said: "Slot machine games are a part of dropping in somewhere to do some shopping. When people visit a service station, they don't necessarily come in to play. They use the slot machines, for example, after filling up on petrol or buying ice cream."

The new casino will be 203km from St. Petersburg and 803 km to Moscow. With the onset of an international casino, tourists could now be travelling to the region for a very defined reason.