

Israel Opens New Casino Inquiry With Netanyahu Backing

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An inquiry by Prime Minister Benjamin Netanyahu's government will assess the feasibility of allowing Israel's first legal casino, a cabinet minister has confirmed.

Tourism minister Yariv Levin said he would lead the probe into the possibility of licensing a casino in the city of Eilat as the Prime Minister pushes ahead with the gambling project.

Experts said the project had a "higher probability" of success than previous attempts to open casinos in the country, but that opposition meant it was likely to be 2020 before an operator could open the doors to the public.

Speaking on Israeli radio on Friday, Yariv said a casino would be a way of increasing tourism to the area, including attracting gamblers from Europe.

He said: "As tourism minister, I support this fully. I have no doubt that the way to help Eilat economically and to increase the number of tourists is by means of a casino.

"There is no doubt that a casino also has very serious social potential and if we go ahead with this, we have to make sure that this is done with restrictions and supervision to prevent the casino from becoming an incubator for crime.

"I am coordinating a detailed inquiry into this matter and when it is concluded, I will present the conclusions to the Prime Minister and based on that, we will make decisions."

Netanyahu has strongly supported the idea of licensing operators in the past and is understood to have told Yariv and transport minister Yisrael Katz to assess the ramifications of operating a casino in Eilat.

Casinos are illegal under the [Penal Law 5737 – 1977](#) so new legislation would be required.

The inquiry will also fulfil a campaign promise by Netanyahu to look into the possible socio-economic effects of legalising a casino in Israel.

The southern tourist city of Eilat already runs controversial gambling cruises that take punters out of Israeli waters to gamble and has been **mooted as a possible site for a land casino in the past**.

Proposals to legalise casino gambling have historically met strong resistance, including from religious leaders and security authorities concerned about the involvement of organised crime.

Dotan Baruch, a partner of Barnea and Co, said there were reasons to believe a new move to legalise casino gambling could be accepted.

"I think there is a higher probability for this to succeed this time," he said. "The reason for that being that due to the economic situation in Israel (and generally in the world), the government is seeking additional sources of income, which a casino could bring."

He added that negative sentiment towards casinos, if properly regulated, has "substantially decreased" compared with previous years.

However, anti-gambling forces will oppose the project not just at primary legislation, but are also likely to demand additional regulations such as on anti-money laundering, tenders, problem gambling matters, planning and zoning, he said.

"This is a matter of several years, so I would not be surprised at all if the casino doors at all will not open prior to 2020 — this depends pretty much on the drive behind this initiative," he said.

Eli Gonen, president of the Israel Hotels Association, said: "Yes to a casino, but only if it is based on a large and special conference centre that would change the tourist map of Eilat.

"In practice, it has to be a package deal: a conference centre combined with a casino, not an independent casino. Only in that way will Eilat and the state of Israel benefit from the increased tourism."

In the 1990s, Netanyahu's long-time backer, casino magnate Sheldon Adelson, was blocked after expressing an interest in opening a casino in Israel.

In 1998, a casino was opened in the city of Jericho as it was in Palestinian Authority-controlled territory. The casino closed in 2004.

Geography: ISRAEL

Sectors: CASINO

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