

November 2020

iGB®

# Market Monitor

**Sweden, Denmark and Portugal**

written by Clear Concise Media for iGB



**Panicked response in Sweden • Levelling out in Denmark • Players split in Portugal**



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**Sweden, Denmark and Portugal**  
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**Questions? Comments?**  
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## Editor's Letter

### Continental shift

When Sweden announced it was regulating the market starting from January 2019, it was clear to the big operators that moving into the white market would be less profitable than remaining outside of it. But many assumed there would be a trade-off in terms of legitimacy and that ultimately it was the only choice in an environment where the government had made clear a high channelisation rate was a key priority.

However, even before Covid-19 struck, there were signs the market wasn't working as it should and the knee-jerk political reaction to the pandemic has made things worse.

Given the addition of deposit limits and the misguided idea of a central state-run portal to enforce these, it's unsurprising that all evidence points to a growing shift of players from the regulated market to the unregulated market.

The end result is that smaller operators are increasingly choosing to target Swedish players without gaining a licence, while bigger operators are questioning whether they've made the right choice in opting for the licensed regime. Analysts suggest this could lead to a sizeable shift away from the regulated market in the next five years, which if true, would represent a massive failure for Sweden's licensing system.

Further south in Europe, similar debates are taking place in Portugal, where the latest data suggests more and more players are also moving outside the licensed system. Here, as with Sweden, politicians seem intent on using assumptions about a rise in igaming due to the pandemic to justify further clampdowns on operators, despite contradictory evidence.

There is more optimistic news from Denmark, however, where an analysis of the data from the beginning of the regulated market in 2012 until last year clearly demonstrates that the addition of online can add to a market's overall size rather than simply shifting play between channels.

**Stephen Carter**  
Editorial director, iGB

**“Even before Covid-19 struck, there were signs the market wasn't working as it should and the knee-jerk political reaction to the pandemic has made things worse”**







# Executive summary

## A PANICKED RESPONSE IN SWEDEN

If the Swedish government's response to the Covid-19 pandemic might be said to have been liberal, that certainly cannot be said of the same government's attitude towards online gambling.

At the start of the crisis, gambling minister Ardalan Shekarabi was quick to propose measures to constrain the regulated gaming sector with deposit and bonus limits. These were due to expire at the end of the year, but the latest news is that they will now run until at least June next year.

The effect of the measures is already apparent going by the figures both from the ex-monopolies and the listed private operators. Recent figures from both suggest there was some evidence of a substitution between sports betting and online casino as sporting fixtures globally were cancelled and land-based gaming largely shuttered.

But as with the UK and other markets, any evidence of increased problem gambling is thin on the ground.

This has resulted in commentary that the politicians have panicked over their online gaming pandemic response, much to the detriment of the overarching channelisation aims of the regulated market.

More fuel was added to the fire when the regulator stepped in over the summer to say that the plans for a central system of monitoring player deposits would represent a huge step up in government oversight of consumer behaviour. As has been argued elsewhere, notably in Germany, any move

along these lines will cut across various laws regarding privacy and data protection.

The evidence from late last year with regard to the increase in Google search terms by Swedes looking for unlicensed casinos or casinos without Spelpaus (the Swedish self-exclusion scheme) suggests the continued drift of players to the black market will only be increased by the extra measures.

But whether the authorities are listening is, as it stands, doubtful. And while the bigger names in the Swedish market continue in the regulated space, the evidence is stacking up that others are filling the gap in the unregulated sphere and benefiting from the not-insignificant move offshore.

## LEVELLING OUT IN DENMARK

In gaming, as with the virus response, neighbouring Denmark appears to be following a different path to Sweden. A recent report from the Danish gambling regulator not only sheds light on how the Danish market is performing, but also has lessons for those looking at other jurisdictions.

The data from 2019 (i.e. before the pandemic struck) shows the

extent and potentially the limits of the shifts from land-based to online and also from desktop to mobile.

The regulation of online certainly grew the total regulated Danish gaming market and led to a reasonably decisive shift from both land-based betting and gaming to the regulated online arena. In 2019 online was worth 54% or DKK5.2bn (£633.5m/€698.5m) of the total market's GGR of DKK9.7bn. Land-based gaming, which includes gaming machines and casinos as well as betting outlets, fell to DKK4.5bn.

It is notable, though, that until this year the percentages of total GGR represented by each of land-based, desktop and mobile had stabilised at 34%, 50% and 17%, respectively. It is a levelling out

that might provide some comfort to those involved in retail gaming both in Denmark and elsewhere, suggesting that it can still compete against a fairly liberalised online sector.

This year will, of course, provide a very different set of data. In the first half, land-based gaming was shuttered in Denmark, as was the case elsewhere, leading to a consequent rise in online, with casino gaming being the most obvious beneficiary. All eyes will now turn to the data for the second half and into next year to see if the pandemic and its attendant lockdowns have permanently changed the balance between online and land-based.

## PLAYERS SPLIT IN PORTUGAL

The final contribution to the

debate on channelisation in this issue of Market Monitor comes with a report from the Portuguese market. A report commissioned by the Portuguese online operator association Associação Portuguesa de Apostas e Jogos Online (APAJO) from Aximage found that almost half of Portuguese gaming consumers were prepared to play with both offshore and onshore operators.

The evidence – the reasons cited by users for playing with either licensed or unlicensed operators – suggests the regulated sector has to work on persuading consumers that it can match the offshore sector on bonuses and odds. Where it has a distinct advantage though is in terms of security, which also suggests the message on regulating online does resonate with consumers.







# Sweden: getting tougher all the time

- Criticism from many corners • No need to panic • Channelisation debate
- Diverging paths • Changing dynamics

Sweden has gained attention this year for the position taken by its public health authorities on how to deal with Covid-19 and its relatively lax policy on lockdowns. But when it comes to the gambling sector, the Swedish regulator has taken the opposite tack and led the way in tightening restrictions and threatening an advertising crackdown.

The measures as proposed by the government – in particular the increasingly vocal and active gambling minister Ardalan Shekarabi – haven't been without their controversies.

The across-the-board deposit limit of SEK5,000 (£430/€482) threatened at the height of concerns over the impact of the virus in the spring gave way in the summer to limits only on online casino. It eventually came into force in July and the latest word from the regulator in early November was that the measures will remain in place well into next year, as will the SEK100 limit on one-time bonuses.

When it comes to sports betting, the only change so far related to the pandemic is that all betting on Swedish lower leagues – any football below division two – is now banned. The authorities have also banned betting on yellow and red cards, as well as the number of penalty kicks.

In announcing the proposed extension of the emergency measures, Shekarabi said: "In the wake of the pandemic, we see continued risks in the field of gambling, which means that we need to act to reduce the risks for vulnerable consumers."

Yet while the deposit limits are supposedly temporary, the damage done to the sector is arguably already apparent. "The current situation with the pandemic is of course something out of the ordinary but the temporary regulation regarding limits on deposits and bonuses could be counterproductive measures," says Josef Rotter, associate with Nordic Gaming, who suggests there is an increasing divergence between how the industry believes the sector should be regulated and how the government believes it should.

"In the event players move from licensed operators to unlicensed operators, the whole idea with the new regulation implemented in 2019 is at risk."

Indeed, the likelihood is that

long-term trends towards less channelisation in Sweden might well have been accelerated by the recent moves. A knee-jerk political reaction to the pandemic is therefore likely to be much more long-lasting on the health of the regulated sector.

## CRITICISM FROM MANY CORNERS

The most damning verdict on the measures as introduced by the government came from the regulator, the Swedish Gambling Authority (SGA, or Spelinspektionen), which said the measures would be unenforceable.

An obvious issue was that of players with multiple accounts, who will have the ability to circumvent restrictions imposed on any single account. While the Swedish Equality Commission proposed a state-run central portal through which all account information could be correlated, the idea was dismissed by the SGA on the grounds that this would represent a huge escalation of government monitoring that many might find uncomfortable.

Moreover, it pointed out that such a move might contravene both Swedish and European data protection laws and that any central database would be a public document and therefore all information would potentially be obtainable through freedom of information requests.







The key difference between any proposed central registry and the Spelpaus self-exclusion register is that the latter is voluntary for the 54,000 people who have so far signed up.

Meanwhile, the data from various operators on activity in the Swedish market during the spring and summer when the first wave of Covid-19 was at its height hardly backs up the government's assertions as to the need for the extra level of restrictions.

### NO NEED TO PANIC

A study completed on behalf of Svenska Spel's Independent Research Council on gambling consumer behaviour during the summer showed that overall spend fell during the early months of the pandemic

While this was largely due to the lack of sporting events taking place at the time, the research also found that though there was some substitution into online casino, there was no indication of increased problem gambling rates.

The only evidence that pointed in that direction was limited to the data showing that those who had previously shown signs of problem gambling did gamble more during the period.

The survey results chimed with the data presented in July from Svenska Spel itself, which showed revenue in the first half declining 9.6% year-on-year to SEK3.7bn,

with declines particularly evident in the sports betting and online casino segment of the business, where revenues fell by more than 17% year-on-year to SEK829m.

As for the effect of the new deposit limits on activity, Svenska Spel's main ex-monopoly rival AB Trav och Galopp (AG) showed that online casino revenue fell 6% year-on-year to SEK78m. The company said there had been a "clear slowdown" in online casino activity over the period due to the measures, which it had previously gone on record as supporting. This isn't surprising given ATG's

skew towards horse racing and sports betting.

Meanwhile, the results from the private operators for the third quarter tell a similar story of declines in revenue from Sweden. LeoVegas, in particular, was vocal in its complaints about the nature of the changes in Sweden.

"In Sweden we are seeing a troubling development in which the unlicensed market continues to grow unhindered," the company said in its third-quarter results statement.

"A growing number of operators without licences are



**“The current situation with the pandemic is of course something out of the ordinary but the temporary regulation regarding limits on deposits and bonuses could be counterproductive measures”**

JOSEF ROTTER, NORDIC GAMING

actively targeting Swedish players, including those who have been barred by the self-exclusion tool Spelpaus. This has been confirmed by, among others, several organisations that provide help to people with a gambling problem. These organisations have noted that the majority of those seeking help are playing with the unlicensed operators.

"The problem is big and is shaking the foundation of the entire Swedish licence system. Quick and strong measures are now needed by Swedish politicians and authorities to ensure a well-functioning Swedish gaming market."

Kindred, while saying that in the third quarter its results "held up well" despite the deposit limits, had previously said in the summer that the new restrictions were a "populist initiative" which "makes one wonder if Sweden aims for reversed channelling".

It added: "The Gambling Act is built up as a framework, delegating powers to government and SGA. Kindred and other operators warned already in 2017 that the delegated mandate was too wide and vaguely phrased.

"It could also be used by the government to deviate from the overall purpose of the reform. Warnings were not listened to and now we see our suspicions come true."

### CHANNELISATION DEBATE

Earlier this year, Swedish bookmakers association BOS released a report undertaken on its behalf by Copenhagen Economics on channelisation in Sweden. This revealed the extent to which the government was already missing its targets on the conversion of black market play into the regulated arena.

Gustaf Hoffstedt, secretary general of BOS, says that having "lost the argument" on online during the spring and summer, the politicians now appear to be ignoring reality.

"Politicians do understand the importance of a high channelisation, but from a political and a somewhat cynical point of view, that knowledge may be given lower priority compared to measures that are popular among the crowds although they damage channelisation," he says.

"A related aspect is that politicians always tend to overestimate the impact of repressive measures to protect channelisation, e.g. payment blockings. And they always tend to underestimate the importance of letting licensed operators offer a gambling experience within the licensing system that the punters find attractive."

### DIVERGING PATHS

"The government is aware of the issue of channelisation and the issues that arise from a low rate of channelisation but does not seem to have learned its lesson from before the new Gambling Act and licensing regime entered into force in Sweden," says Nordic Gaming's Rotter.

"Unfortunately, we are increasingly seeing a situation that is becoming more and more similar to the grey market we saw prior to 1 January 2019."

Rotter suggests that part of the problem is that it is not illegal to accept Swedish players so long as the operator does not target the Swedish market by offering its services in the Swedish language and accepting Swedish krona.



"In turn, this means that it is all the more important for licensed operators to be able to offer attractive products and incentives (such as bonuses) in the market. This aspect is something that the government may not have fully realised yet."

The issue of the attractiveness of offshore or unlicensed offerings was highlighted earlier this year by the evidence from a survey conducted by affiliate BonusFinder of the popularity of key Swedish consumer search terms such as 'casinos without Spelpaus' and 'unlicensed casinos' (see Chart 1).

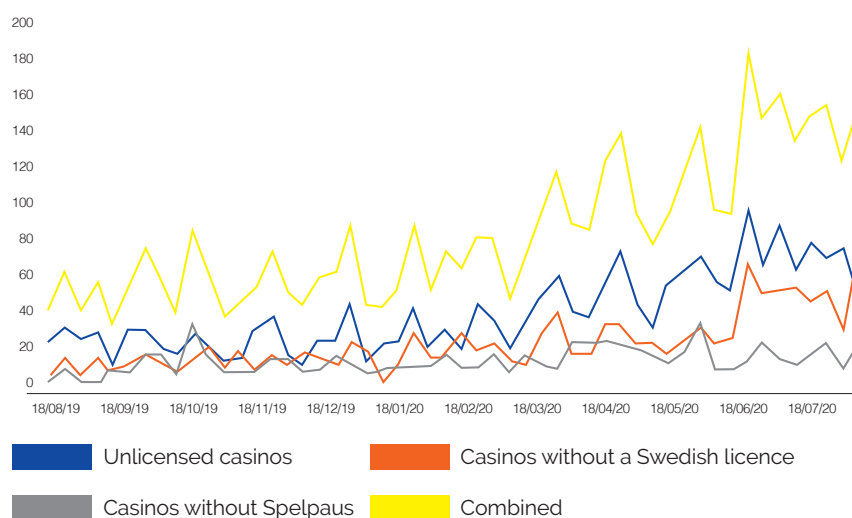
Fintan Costello, chief executive of BonusFinder, says the increasing propensity for Swedish consumers to use such search terms was "super clear". He adds: "We see users doing these searches as the most vulnerable."

Hoffstedt says this data shows that punters are abandoning the licensed market at an increasing speed, some innocently but others with clearly worrying motives regarding self-exclusion.

"We have seen examples of search words such as 'best bonuses', and in those cases I believe that many punters are not aware that unlicensed operators will always offer better bonuses, since bonuses are very limited within the licensing system," he adds.

"These punters probably abandon the licensing system

**Chart 1: Black market searches**



Source: BonusFinder

without knowing that. And in the worst cases people, probably in search of help with their addiction, search for 'Spelpaus' and receive Google suggestions to gamble with unlicensed operators that don't comply with Spelpaus."

Rotter says that evidence of searches taking place for operators without a licence inevitably makes life harder for licensed operators to compete. "Players expect and are used to an attractive offer and will find alternatives which do not restrict them the same way the Swedish regulations currently do," he says.

### CHANGING DYNAMICS

Clive Hawkswood, chief executive of trade body Responsible Affiliates in Gambling (RAiG), says that both governments and the sector are still in an ongoing process of

learning about the dynamics of regulated markets versus grey or black markets.

"What we do know is that online consumers have relatively little brand loyalty and a mentality of seeking out the best value and choice," he says. "It follows that the main drivers for successful channelisation are being able to offer customers the products they want at a competitive price. When regulations and/or tax reduce the ability of licensed operators to do that, then the attraction of unlicensed operators increases and channelisation becomes harder."

He adds that the problem often arises as different stakeholders make different interpretations of the available data. "However, there should surely be a common interest in maximising channelisation," he says.

"I think it has been common for regulators and governments to say they look closely at the experience of other jurisdictions, but then pretty much go ahead and do their own thing because local political and cultural factors are more important in determining what they implement locally."

Understandably, such situations leave operators frustrated and in many cases questioning the sense of applying for a licence in the first place.

"When licensed operators are noticing that unlicensed operators are still competing for the same customers but on different ground rules it is possible that it is deemed to be less profitable to hold a licence than what was initial planned," says Rotter.

Nordic Gaming, he points out, has noticed clients either giving up their licences or keeping them inactive for as long as possible as they wait on regulatory developments.

"Above all, while the most common question we used to receive from operators new in the market was how to obtain a licence, the question is now how they can accept Swedish customers without getting into trouble," he adds.

"Most of them are not interested in doing anything illegal but rather want to accept Swedish players without targeting the Swedish market, and thereby falling outside the



**"Online consumers have relatively little brand loyalty and a mentality of seeking out the best value and choice. It follows that the main drivers for successful channelisation are being able to offer customers the products they want at a competitive price"**

CLIVE HAWKSWOOD, RESPONSIBLE AFFILIATES IN GAMBLING



Swedish Gambling Act and the supervision from the Swedish Gambling Authority."

This is something that Paul Leyland, partner at gambling consultancy Regulus Partners says has been clear for a while now.

"While the big brands have

clearly transitioned more or less successfully into a regulated environment, many smaller operators which would typically have been bonus driven were left unlicensed," he says.

"These operators are ready-made vehicles for taking share from the brands given the bonus and SR restrictions in place and the recent additional casino restriction will undoubtedly be accelerating this."

Yet, such a scenario is, as Leyland says, "far from the exodus thesis" proposed in some quarters and thus presents the operators and their trade body representatives with a lobbying problem. "It is more a trickle turning into a stream," he says. "But a stream is all that is needed for a large cumulative impact over time."

He does the maths: if 5% of the existing regulated market operators move back to the black market every year, then in five years' time a black market of circa 30% will exist with a CAGR of circa 30% of the overall market net gaming revenue, versus about 10% now. It would be, he points out, a "catastrophic cumulative failure in channelling".

That paints a grim future for Sweden and arguably for other regulated markets in Europe should the pendulum swing of harsher regulation continue to be pressurised towards further restrictions.



PART TWO

# Denmark: an example to guide others

• Going online • Channel shift in betting • Moving to mobile • Lesson for other markets • The elephant in the room • Eyes turn to November

Recent data from the Danish gambling regulator Spillemyndigheden casts an interesting light on some of the debates surrounding the regulation of online gambling around the globe.

In particular, the data presented for gaming in 2019 – i.e. before the effect of the pandemic on the gaming scene – sheds light on the extent that channel shift has occurred, not only between land-based and online but also from desktop to mobile.

It might even be possible to draw some insights into the debate on channelisation occurring in various markets right now, including neighbour Sweden.

**GOING ONLINE**

The most striking aspect of the data from Denmark is the extent to which adding online options to the country's gaming mix increased the total GGR take.

Total market GGR has grown from DKK7.8bn (£932m/€1.04bn) to DKK9.7bn.

In this period, online has grown as a percentage and land-based gaming GGR has fallen. From being worth 31% of the market in 2012, online (both gaming and betting) has grown to 54% of the total.

In actual revenue terms, online has gone from being worth DKK2.4bn to DKK5.2bn, while land-based has fallen from DKK5.4bn to DKK4.5bn. This represents a 16.7% decline. Online has more than doubled over the period, growing by 116%.

Data from Spillemyndigheden shows how much the land-based casino and land-based gaming machine sectors have been hit.

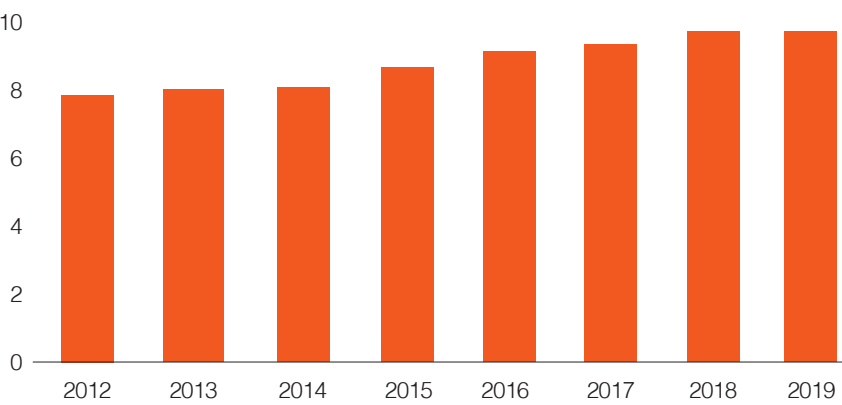
Between 2012 and 2019, GGR from gaming machines fell from DKK1.77bn to DKK1.39bn, or by 21.4%. Meanwhile, in casino gaming total GGR effectively stood still – DKK344m in 2012 against DKK349 in 2019.

**CHANNEL SHIFT IN BETTING**

Historical data from Spillemyndigheden also offers an insight into what has happened in the betting market over the period and shows how channel shift has been in effect in that vertical.

Unsurprisingly, the data shows

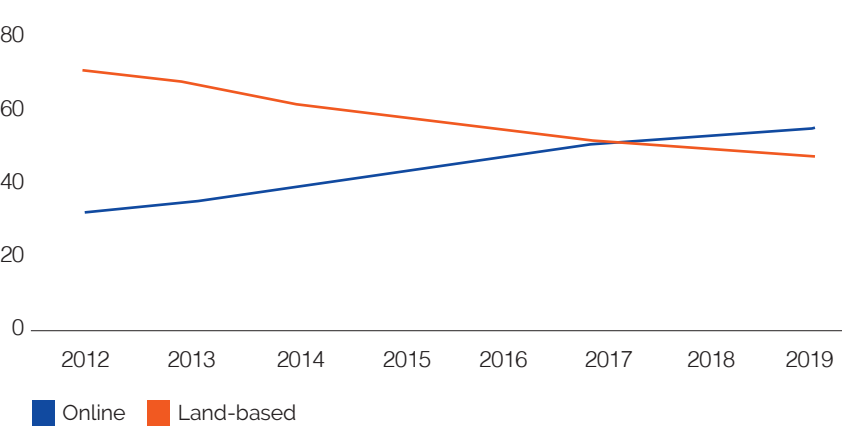
**Chart 1: Total GGR 2012-2019 (DKKbn)**



**Chart 2: Land-based and online gaming GGR 2012-2019 (DKKbn)**



**Chart 3: Online and land-based as a percentage of total market 2012-2019**



Source: Spillemyndigheden

how consumers quickly cottoned on to the potential for mobile over both land-based betting and desktop.

Yet what is perhaps most interesting is that after four years of quick decline, the percentage of land-based betting stabilised at 34%, while the split between mobile and desktop has also levelled out in the past three years at about 50% and 17%, respectively.

This levelling out provides some comfort for anyone involved in retail betting that even in a fully optimised mobile betting market such as Denmark, there will always be a place for retail betting, albeit at lower levels. However, as is discussed below, the structure of the market cautions against drawing too many comparisons with other markets.

**MOVING TO MOBILE**

The data also shows that mobile is likely to be the dominant form of betting in any mature regulated market. It is a trend that has become evident in other regulated markets and in the financial results from the listed operators. As the report from Spillemyndigheden suggests, this shows "a clear tendency for more and more Danes to choose mobile phones or tablets when they gamble online".

Unlike in other markets, however, the beneficiary of this move in Denmark is the national lottery organisation, which through





Chart 4: Betting channel shift 2012-19 (%)

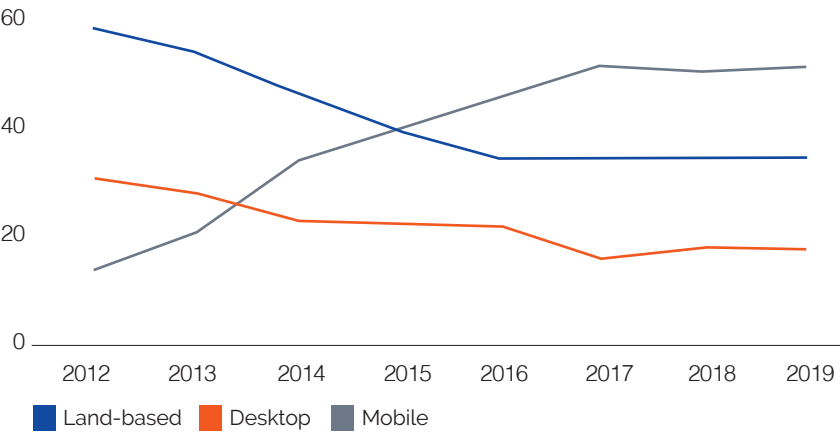
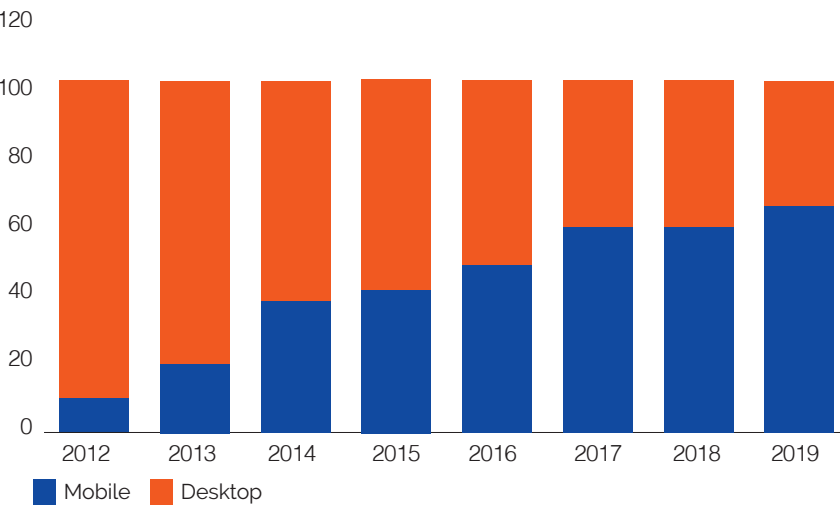


Chart 5: Mobile and desktop as a percentage of online 2012-19



Source: Spillemyndigheden

its Danske Licens Spil betting and online gaming business controls a large percentage of the market. Indeed, if the betting channel evidence suggests a market that is now a fully formed omnichannel environment when it comes to sports betting, then Danske Licens Spil, with its circa 4,000 betting outlets and shops, will be the big winner.

In 2019, according to its annual report, Danske Licens Spil saw

revenues again top DKK2bn, which was slightly up on the previous year.

LESSON FOR OTHER MARKETS

Every regulated market has its nuances and it is somewhat dangerous to draw too many direct comparisons. The acting director of the Danish Gambling Authority, Jan Madsen, pointed out that the data from 2018 and



2019 shows that the trend for ever greater spending on gambling has been broken. In 2018 the average spend on gambling was DKK40.7, while in 2019 that fell marginally to DKK40.4.

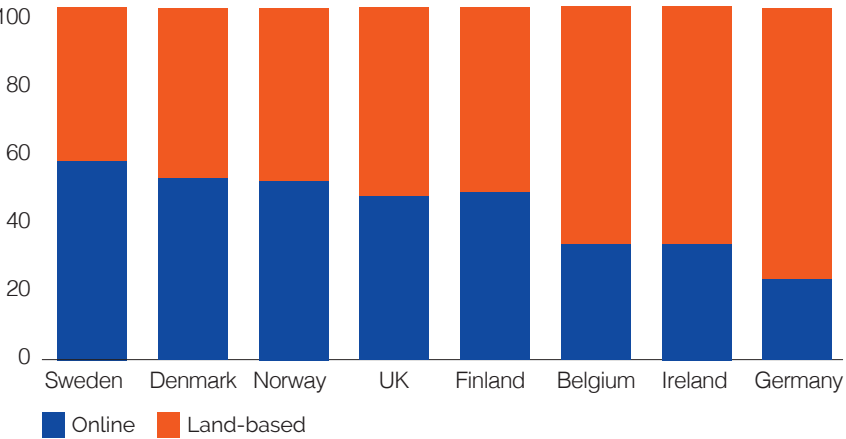
"It is interesting that we see a decline in the average spending on gambling products in Denmark for the first time in six years," says Madsen. "However, it is still too soon to tell whether it is a long-term development."

The Spillemyndigheden report draws some comparisons with other markets across Europe and shows that Denmark is among the markets with the highest proportion of the regulated market online at 54%, just behind Sweden at 59% and ahead of Norway at 52% and the UK at 45%.

As the report makes clear, this is only regulated GGR – it makes no attempt to look at unregulated revenues.



Chart 6: Selected European markets online/land-based split 2019 (%)



Source: Spillemyndigheden, Danske Spil, H2 Gambling Capital

The fact it is comparing fully regulated markets with a number of grey/black markets means that many of the comparisons are somewhat meaningless. Certainly, when it comes to its Scandinavian neighbours, only the Swedish market truly bears comparison and even here it is too early in that market's evolution to be able to draw too many conclusions.

"The large share of online gambling in Denmark must be considered in the light of a high degree of digitalisation and the relatively many operators with a licence to provide online gambling products," the Spillemyndigheden report suggests. "In several other countries, many online games are illegal or subject to monopoly."

THE ELEPHANT IN THE ROOM

The other factor that arguably makes comparisons difficult is the status of lottery operator Danske

Spil in the market. As has been discussed, the online gaming and sports betting entity Danske Licens Spil is the market leader across both products. Its revenues of DKK2.06bn account for 21% of the total gaming market.

That comes via betting – both land-based and online – and online gaming. In the case of the first, the huge dominance of the Oddset brand in land-based betting – it has more than 4,000 outlets – means that any lessons on omnichannel here are only truly relevant to Denmark.

Meanwhile, the huge brand benefits gained from the association with the lottery also mean Danske Licens Spil has an advantage in gaming.

EYES TURN TO NOVEMBER

All of this data is, of course, pre-Covid-19. The data for 2020 will be necessarily messier. Looking





at the first two quarters shows the impact of the pandemic and its attendant lockdown on the Danish gaming market.

The impact on land-based betting and gaming is stark, as is the 21% rise in online casino revenue between the first and second quarters. It would seem fair to assume elements of substitution here; first, from land-based gaming machine players to online, and second, from betting punters (both land-based and online) into online gaming.

The authority was keen to say in its press release announcing the second-quarter figures that online gambling in the second quarter “has not increased significantly”.

**Chart 7: First and second quarter 2020 online GGR by product (DKKm)**

Product	1Q20	2Q20
Betting	635	373
Gaming machines	283	99
Land-based casinos	66	16
Online casinos	555	673
Total	1,539	1,161
Change (DKKm)	-77	-77
Change %	-4.8	-24.6

Source: Spillemyndigheden, Danske Spil, H2 Gambling Capital

But it will be interesting to see what the figure for online gaming is in the third quarter figures, due to be released later in November.

Long-term trends in the future will always have an asterisk to

denote the pandemic year of 2020. The question that will only emerge over time will be whether 2020 causes a long-term change in the pattern in Denmark or whether it will be considered a blip.



PART THREE

# Portugal: small and imperfectly formed

## • The channelisation debate

Portugal is an oft-overlooked regulated market due to both its relatively small scale and the restricted nature of the regulated market, particularly when it comes to the effective tax rate.

The latest data from the regulator Serviço de Regulação e Inspeção de Jogos (SRIJ) shows that in the second quarter, gross gaming revenue came in at €69.1m, less than €1m off the figure from the previous quarter. Sports betting fell to €20.7m from €34.5m, reflecting the loss of sporting fixtures during the period, but this decline was compensated for by an almost equal rise in gaming GGR, from €35.3m to €48.4m.

Year-on-year the second quarter represented a rise on the same period last year, up 43% from €48.3m.

All this came against the backdrop of ultimately unsuccessful parliamentary moves to shut down the online market during the period of the pandemic lockdown.

The market might be small but it is still evidently of interest to the larger European betting and gaming concerns. In October, GVC announced it had snapped up the operator Bet.pt for an undisclosed sum.

“The acquisition of Bet.pt that we are announcing today is consistent with our strategy of expanding into new markets that are either regulated or regulating, in

**“Given that the vast majority recognise the licensed offer as being safer, we have to work, on the one hand, to strengthen inspection and, on the other hand, to improve products”**

GABINO OLIVEIRA, APAJO



order to support our international growth ambitions," chief executive Shay Segev said at the time of the announcement.

The company added that it expected the Portuguese market to reach €450m a year in GGR by 2023.

THE CHANNELISATION DEBATE

Moreover, the market could be worth more. As with Sweden, the debate over channelisation in Portugal is also well advanced and the latest contribution comes from a report commissioned by the Portuguese online operator association Associação Portuguesa de Apostas e Jogos Online (APAJO).

The report, carried out by Aximage, studied how Portuguese consumers were betting and gaming online this year and follows on from a similar study that took place last year.

The survey found a 10.7% drop in the number of players that preferred playing with licensed operators (82.9%, compared with 93.6% in 2019). The nuanced picture of play across both licensed and unlicensed was also apparent once again.

By digging down into consumer responses on both licensed and unlicensed offers, the survey also showed the reasons why consumers chose the differing options.

The survey also found that

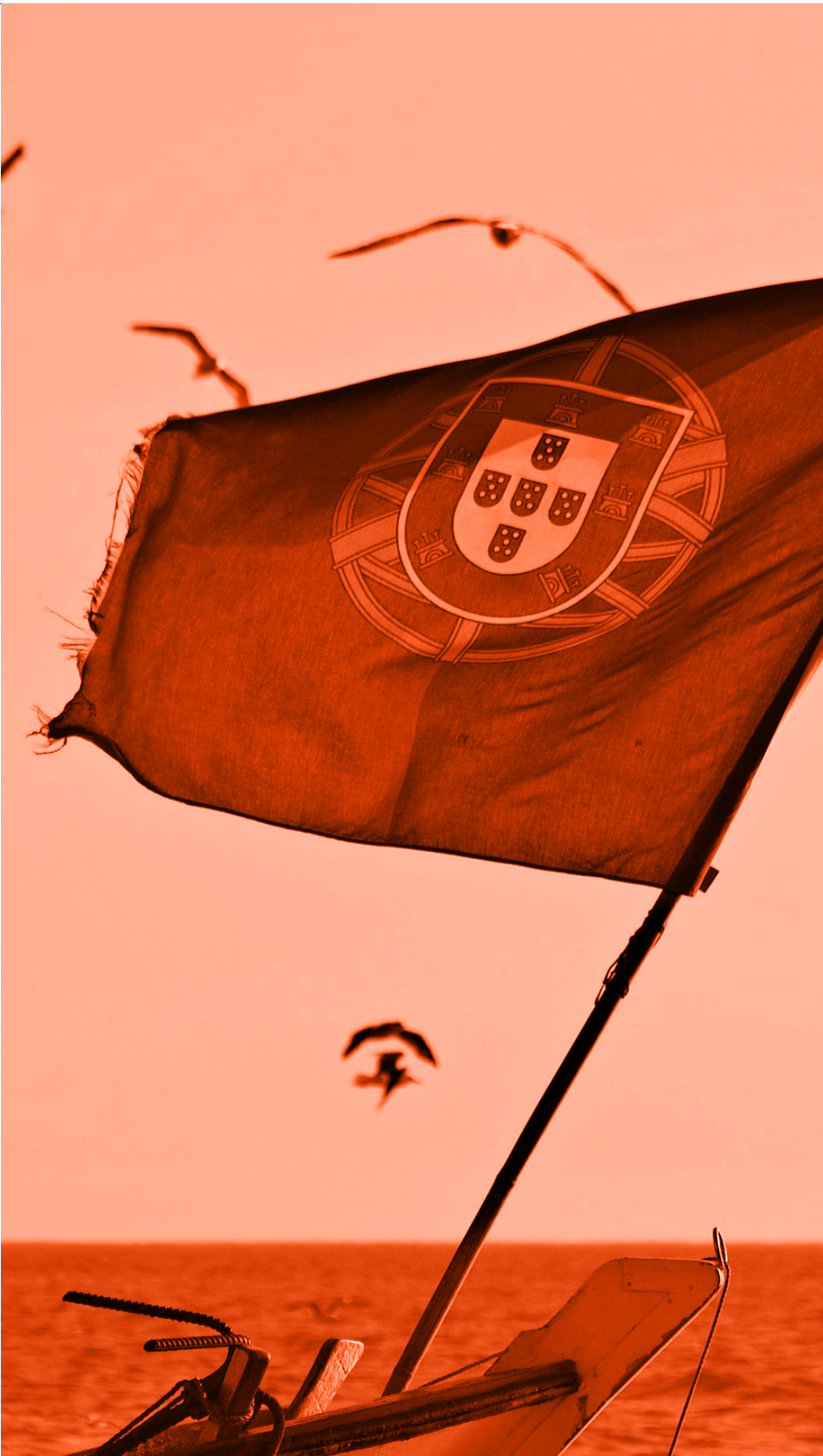
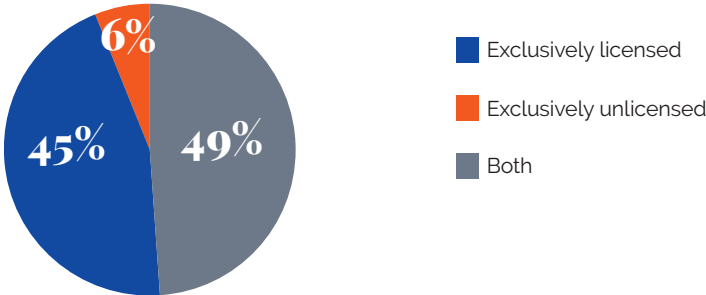
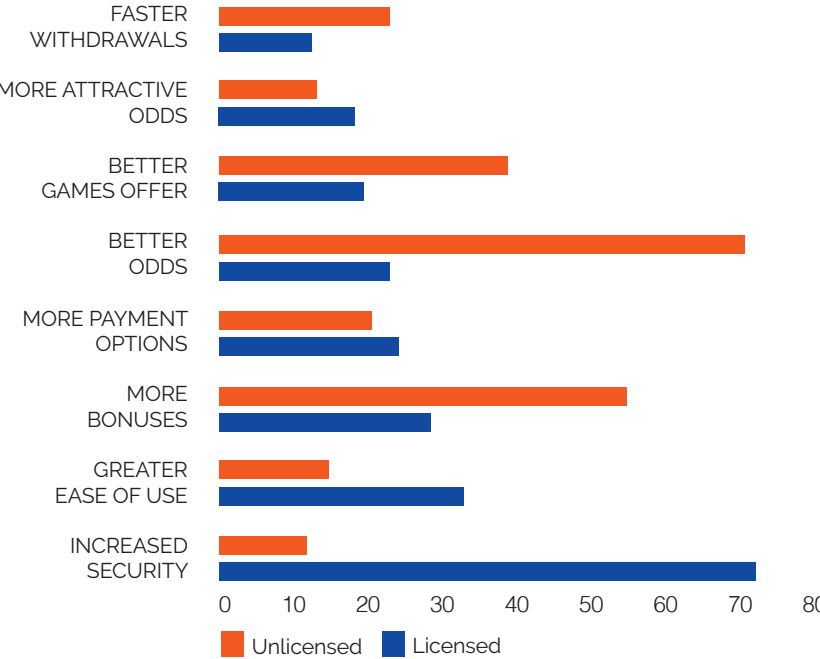


Chart 1: Regulated and unregulated play 2020



Source: Associação Portuguesa de Apostas e Jogos Online (APAJO)/Aximage

Chart 2: Reasons to play on licensed versus non-licensed platforms



Source: Associação Portuguesa de Apostas e Jogos Online (APAJO)/Aximage

during lockdown, players did not change their playing habits. Of those surveyed, just under half said they had spent the usual amount of money, while just over 10% said they spent more. Fewer than 14% sought out other gambling alternatives, while slightly shy of 4% played less than normal.

One thing worthy of note is

the factors that led players to choose either the licensed or unlicensed markets. The survey would suggest that the message has got through to those interested in channelling their money offshore that they will find better odds and more bonuses with those operators. Meanwhile, for the regulated sector it is clear that the

10.7%  
Drop in  
number  
of players  
that prefer  
playing with  
licensed  
operators  
(just 82.9%  
compared  
with 93.6%  
in 2019)

security offered is a clear winner for many players.

Gabino Oliveira, president of APAJO, says the second edition of the survey confirms the "responsible behaviour" of the Portuguese players generally, but also shows that the issue of illegal gambling persists.

"Given that the vast majority recognise the licensed offer as being safer, we have to work, on the one hand, to strengthen inspection and, on the other hand, to improve products."

A wider question is whether such surveys will have any impact on the politicians who, as with elsewhere across Europe, were clearly ready to pre-judge the effect of lockdowns on their national gambling markets and are yet to reassess in light of the later evidence. &





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