

November 2020

Increase in gambling on horse races after liberalisation

The liberalisation of betting on horse racing in 2018 has increased interest in betting on horse racing to some extent. The progress benefits the horse racing sport as 8 percent of stakes on bets on horse racing in Denmark goes to the sport for the common benefit of the sport and the gambling operators.

Since the liberalisation of betting on horse racing came into force on 1 January 2018, gambling operators with a licence from the Danish Gambling Authority have paid 8 percent of the stakes gambled on horse races on Danish racecourses in a special contribution to equestrian sports.

The liberalisation of betting on horse racing was adopted in a political agreement in 2017 between the then government (the Liberals, Liberal Alliance, the Conservative People's Party) and the Social Democratic Party, the Danish People's Party, the Danish Social-Liberal Party and Socialist People's Party. The liberalisation was adopted after several years of declining betting on horses with the aim of increasing interest in the sport. In connection with the liberalisation, a special contribution of 8 percent to the sport was introduced when it was decided at the same time to phase out the horse racing sport as a recipient of funds from the Danish Allocation of Funds Act, and people politically still wanted to support the sport.

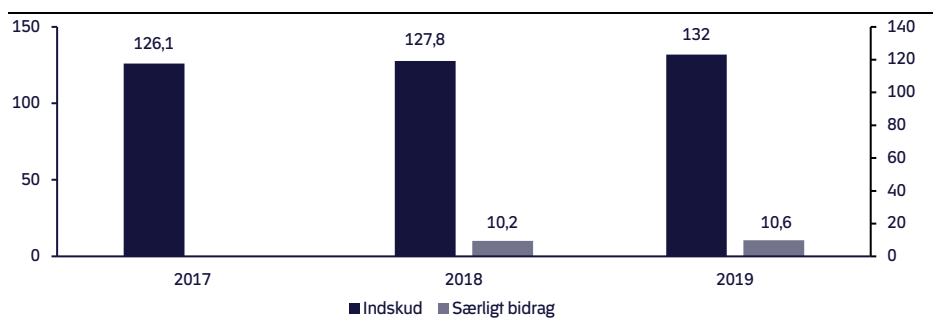
In 2017, the year prior to the liberalisation, the total stakes in the races in Denmark amounted to DKK 126.1 million. After the liberalisation came into force in 2018, stakes increased to a total of DKK 127.8 million. This resulted in a special contribution for the horse racing sport of DKK 10.2 million in 2018. From 2018 to 2019 the stakes increased once more to DKK 132 million and the special contribution came to DKK 10.6 million, *cf. figure 1*. This equals an increase of 3.3 percent from 2018 to 2019.

8%

The special contribution to the horse racing sport

Gambling operators with a licence from the Danish Gambling Authority pay 8 percent of the players' stakes on Danish horse races to the horse racing sport.

Figure 1. Development in stakes and special contribution to the horse racing sport in Denmark, million DKK, 2017 - 2019



Source: the Danish Gambling Authority

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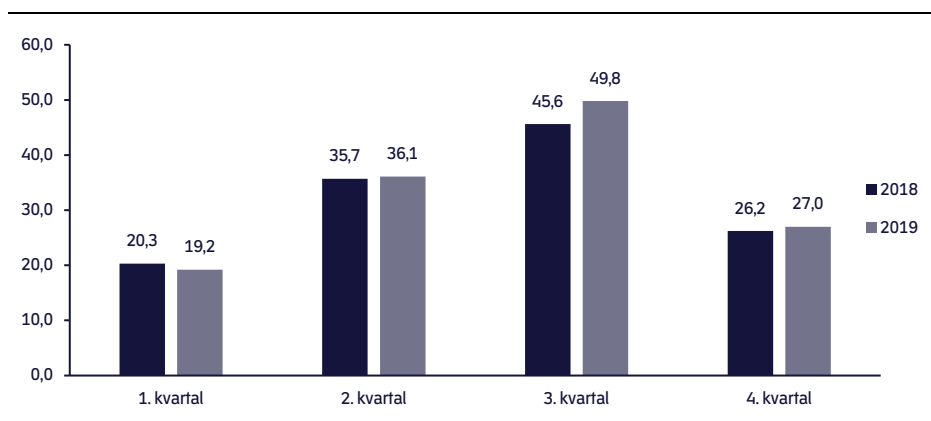
The funds from the special contribution are used for expenses of common interest for the horse racing sport and the gambling operators as for example prizes, transmission of races, combat of doping and match-fixing, operation of the racecourses or education of trainers. The Danish Gambling Authority monitors the licence holders' statements and payments of the special contribution and the horse racing sports' use of the funds.

Summer is the racing season

The distribution of the stakes over the year clearly shows that the summer is the primary season for betting on horse racing. Not surprisingly, the third quarter, which covers most of the summer, is the quarter when most money is gambled on horse racing in both 2018 and 2019. In contrast, in the first quarter of the year, which covers most of winter, is when betting on horse racing is at its lowest, *cf. figure 2*.

In 2019, stakes in the first quarter totalled DKK 19.2 million, while it was DKK 20.3 million in 2018, which equals a fall of 5.3 percent. In the additional three quarters of 2019, stakes were a little higher than in the same quarters of 2018. The greatest increase was from the third quarter of 2018 with DKK 45.6 million to DKK 49.8 million in the same quarter of 2019. This equals an increase of 9.1 percent, *cf. figure 2*.

Figure 2. Distribution and development om stakes on horse racing in Denmark per quarter, million DKK, 2018 and 2019



Source: the Danish Gambling Authority