

September 2022

10 years with a liberalised market: Danes' gambling spend has increased

Danes' average gambling spend has increased by about 7 per cent since the liberalisation of the gambling market in 2012. The increase is especially due to the higher spending on betting and online casino. Since 2012, the Danes have become wealthier and thus, their gambling spend account for about the same share of the Danish economy as before the liberalisation.

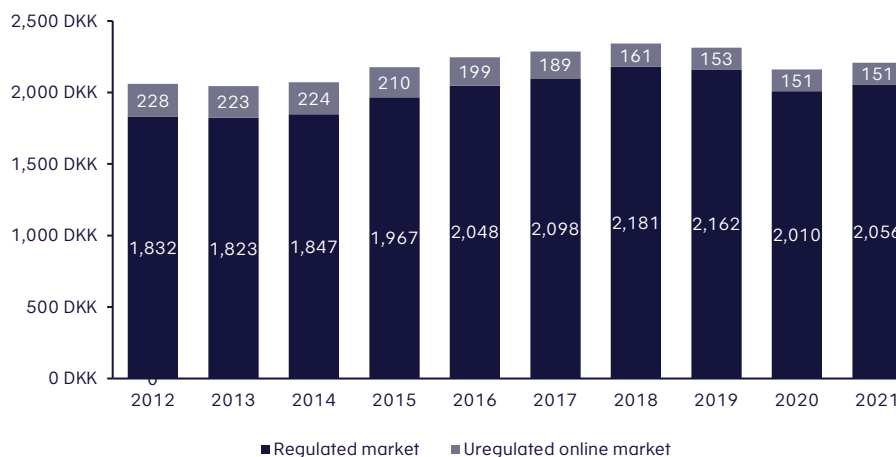
In 2012, betting and online casino went from being subject to a state monopoly to being liberalised. With a licence from the Danish Gambling Authority, it now became legal for private businesses to offer betting and online casino on the Danish gambling market.

The purpose of the liberalisation was to support a regulated and responsible gambling market with, among other things, better consumer protection for the players.

Danes' gambling spend is increased

Since the liberalisation of the gambling market, the adult Danes' annual average gambling spend has risen from DKK 2,060 in 2012 to just under DKK 2,210 in 2021, *cf. figure 1*. This equals an increase of just over 7 percent.

Figure 1. Annual gambling spend per Dane over 18 years old, 2012-2021



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Source: Data on duties submitted by licence holders to the Danish Tax Agency, Danske Spil A/S, Klasselotteriet, Varelotteriet, Landbrugslotteriet, Statistics Denmark and H2 Gambling Capital. The data from H2 Gambling Capital is drawn on 24 August 2022.

Note: 2021-prices. The gambling spend is measured as gross gaming revenue (GGR).

The average gambling spend was generally increasing up until 2018. In the following years, there was a slight fall in the average gambling spend, which can be attributed to Covid-19 measures which affected the markets for betting, gaming machines and land-based casinos.

In 2021, Danes spent, on average, DKK 2,056 on the regulated market, where gambling operators with a Danish licence offer gambling activities. In the same year, Danes gambled DKK 151 on the unregulated online market, i.e., on websites without a Danish licence. The spending on the unregulated market has been decreasing for a number of years.

Seen in isolation, Danes gamble more today than ten years ago, but in the same period, Danes have also become wealthier. This means that the share that the gambling spend make up of the total Danish economy has been relatively stable. In 2012 and 2019, the gambling spend accounted for 0.44 percent and 0.45 percent of the GDP, respectively. 10 years after the liberalisation of betting and online casino, the total gambling spend on betting and online casino made up 0.42 percent of the GDP in 2021. The decrease was, among other things, caused by the measures taken as a consequence of Covid-19.

How the gambling spend is calculated

The Danish Gambling Authority measures the gambling spend as the gambling operators' gross gaming revenue (GGR). The GGR is calculated based on the players' stakes (including bonuses) minus winnings, plus the commission players pay to participate in games. Thereby, GGR is a measure for how much players have lost on gambling in total.

H2 Gambling Capital's estimate for online gambling taking place on websites without a licence is made based on more data sources, among other things, information about gambling operators with a licence in other countries than Denmark and measurements of Danish visits to gambling websites without a Danish licence.

The spending increases on online casino and betting - and decreases on gaming machines

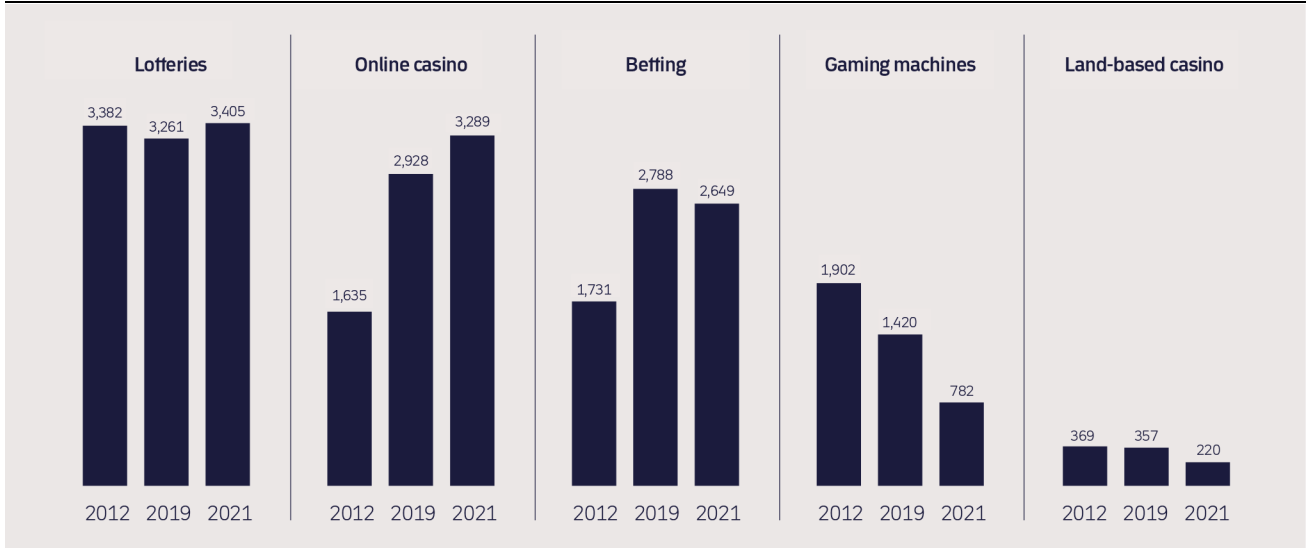
The total increase in the Danes' average gambling spend is especially driven by an increase in the spending on betting and online casino, *cf. figure 2*.

From 2012 to 2021, the total annual gambling spend in Denmark on online casino has doubled from DKK 1.6 billion to DKK 3.3 billion. In the same period, the gambling spend on betting has increased from DKK 1.7 billion in 2012 to DKK 2.6 billion in 2021, equalling 53 percent.

The spending on lotteries has been relatively stable the last 10 years, while the spending on gaming machines and land-based casinos has been decreasing since 2012. Both areas have been affected by Covid-19 measures. In this way, the spending on land-based casinos was relatively constant up until 2019, after which the spending fell. On the other hand, the spending on gaming machines has been constantly falling since 2012, which was only enhanced by the Covid-19 measures in 2020 and 2021.

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Figure 2. Development of spending on the individual gambling sectors from 2012 to 2021, million DKK



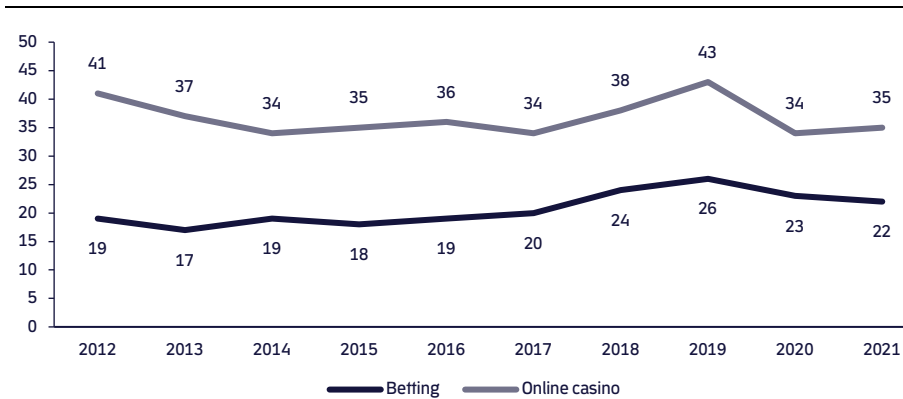
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Stable number of gambling operators of betting and online casino

After the liberalisation in 2012, Danes have had the option of betting and gambling on online casinos with several gambling operators who have varied a great deal in size. In the first years of the liberalisation of the gambling market, there were 60 licences for betting and online casino. Since 2012, the number has been relatively constant, cf. figure 3.

Figure 3. Number of licences to offer betting and online casino in Denmark, 2012-2021



Source: The Danish Gambling Authority. Revenue-restricted licences are included. Licence holders who have not offered gambling products are not included.

However, the development in the number of licences for betting and online casino covers new licences that have been issued over the years and the expiration of other licences when gambling operators have chosen to leave the Danish market. This testifies to the constant interest in offering gambling on the Danish market, but also to the competitiveness of the market, where gambling operators compete for the players.

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The Danish Gambling Authority closely monitors the development

The Danish Gambling Authority analyse the development in the Danes' gambling spend on an ongoing basis. This is done to ensure that the Danish Gambling Authority is up to date on the latest developments and can target its supervision of the gambling operators. This is to promote that gambling in Denmark takes place in a fair and responsible manner. On the Danish Gambling Authority's website, you can find more statistics on the Danes' gambling spend.

Liberalisation of the gambling market

In 2012, a partial liberalisation of the Danish gambling market was implemented. This changed the framework for two of biggest gambling areas on the market: online casino and betting. This meant that everyone can now legally offer these types of gambling products if they obtain a licence from the Danish Gambling Authority.

Before 2012, betting and online casino was subject to a monopoly so that only the state-owned Danske Spil were licenced to offer these types of gambling products. However, the monopoly was under pressure from foreign online providers of betting and online casino, who increasingly offered gambling activities in Denmark without a licence. Thus, the purpose of the liberalisation was to ensure that gambling is safe and regulated.

