

Internet Gambling Will Continue to Grow in Eastern Europe Regardless of Recession Says GBGC

Analyst
2008-09-30

Gambling revenues throughout the world are expected to decline in the coming months as the global recession finally takes hold. Already the numbers coming from Las Vegas and the UK are down on the previous year as are most of the land based gambling industries. However GBGC has spotted that Internet gambling in Eastern Europe helped by the roll out of broadband, changes in law and a propensity to gamble is likely to cause a move against trend.

Tihana Jurican, an analyst with Isle of Man-based Global Betting and Gaming Consultants (GBGC) says that Eastern European Internet gambling will continue to grow in spite of the global economic downturn.

At the EIG conference in Barcelona she focussed on four markets, Croatia, Poland, Slovakia and Czech Republic.

Although each country has less spend per capita than Western Europe she maintained that the three factors of EU membership, expansion of broadband services, and changes to law will propel Internet gambling forward.

The land based industry in the three of the four markets is highly competitive, with the higher share in GDP and higher density per capita than most countries when compared to the United Kingdom, where there is a longer tradition of legalised gambling. The only country lagging significantly behind is Poland, where there are still opportunities for growth in the land based sector.

Broadband penetration although behind the EU 25, is expected to grow faster than in Western Europe. GBGC estimate that broadband penetration will reach between 40% in Croatia and 65% in Poland by 2010 compared to the EU 25 penetration of 70%. The broadband penetration's importance was highlighted by using the example of the United Kingdom, with a strong positive correlation between broadband penetration and online gross gambling revenues in the past few years.

GBGC estimate the online gross gambling revenues were in 2007 between US\$ 4 million in Croatia and US\$ 13 million in Poland. Strong growth is expected in the online sector in the following five years at an average rate of more than 25% in Croatia, more than 40% in Slovak and Czech Republic and more than 60% in Poland. GBGC forecast that the Polish online gross gambling revenues will reach more than US\$ 120 million in 2012, followed by Slovak and Czech Republic at more than US\$ 35 million and Croatia at one the third of Slovak online gambling revenues (US\$ 13 million).

GBGC is the number one consultancy specialising only in services to the global gambling industry.

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