

Economic and social leaders in Germany meet with the national press to discuss the problems facing the German street gaming industry.

GERMANY DE-PRESSED

When the going gets tough, the tough gets going. This was demonstrated on 22nd November in Berlin. The German AWP associations pulled together to organise a press conference, inviting important German society figures to give their points of view.

The press conference was moderated by Prof. Georg-Berndt Oschatz – the former Culture Minister of the state of Lower Saxony. He introduced four speakers – Prof. Dr. Christoph Hermann (an expert in EU law), Prof. Dr. Friedhelm Hufen, Dr. Dirk Uwer (both legal experts) and the Member of Parliament Mr. Siegfried Kauder.

Proposed legislation could close many of the approx. 10,000 arcades and see the removal of up to 100,000 AWP. In particular the state heads wish to ban multi-concession halls with a planned five year operating time for such existing halls if the regulation is approved. The industry estimates the loss of 100,000 of the current 150,000 gaming machines sited in arcades from the market if this were to happen. Furthermore, draconian measures have been made concerning the approx. 50,000 AWP operated in the foods and drink sector, ranging from a complete ban to limiting the number of AWP per location from three to two. The current AWP regulations are in hot dispute by the state heads who have no direct control on this industry. The German AWP industry is federal-based, whereas casino and lotto is state-based.

A consensus of opinion

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The Interstate Gambling Treaty was said to be incoherent as the state plans to keep lottery within its monopoly and at the same time bring in drastic new controls to AWP gaming. Ever since the

Interstate Gambling Treaty came into power in 2006, the state has been earning less and less from lotto / toto – over fourteen billion euros less today compared to before it came into being.

The confusion around the proposed changes was heavily criticised. Since the German state federalism reform in 2006, arcade / AWP rights passed from the federal to state level. It is said the states, however, are misinterpreting their scope of responsibilities. The can decide on issues like opening times and distances between arcades. However, aspects on the AWP themselves - such as maximum loss / win per hour, maximum single win – are covered in the federal (thus nationwide) Technical Directive. This, too, is under scrutiny and is set to be changed (for example it is said that the maximum win could be halved from 1,000 euros to 500 euros).

To date two German states have introduced a State Arcade Law. In both Berlin and Bremen a ban of multi-



concession arcades will come into place after five years. This factor goes against the right to own property. Furthermore, no one could explain where the number five has been taken. There seems to be no clear undertaking by the states to explain that five years gives operators enough time to amortise their investments. Thus, politicians are said to be acting in an unclear way and breaking both national and European laws in the meantime.

An interesting point made was that the state of Schleswig Holstein has long since criticised the Interstate Gambling Treaty and the politicians there were coerced to draw the line to continue to secure their interstate payments. (The Länderfinanzausgleich – state compensation – sees richer states financially supporting the poorer German states and Schleswig Holstein is one of the poorer ones). Such is the dismay of politicians of this Interstate Gambling Treaty that they are no longer willing to accept such pressure and passed their own treaty that should come into force in March 2012.

Siegfried Kauder (MP) made it clear that in his opinion the drastic changes ahead for the AWP industry are being made to benefit the casino industry in Germany. The real reason is money and not responsible gaming as is often quoted. An EMNID survey found out that players are 2.8 more times likely to become compulsive gamblers of casino slots than AWP's.

The legal press conference shows that

UNDER SCRUTINY, THE TECHNICAL DIRECTIVE WOULD SEE THE MAXIMUM MACHINE WIN HALVED FROM €1,000 TO €500.

the AWP industry is strongly fighting its corner. It is said that if these drastic changes do become law and if law courts prove that the German state has been wrong here – that the German state will have to pay the AWP industry up to four billion euros.

Clearly, a lot of money is at stake here. The AWP industry fears losses of many thousands of jobs and 100,000 AWP's less. A strong, well defined industry feels it will be decimated.

