



The Astra team pictured at the FER Madrid show with the new WinWall.

## Spain: fighting back from the ropes

Crippled by the financial crisis, Spain's enormous appetite for gaming has certainly been affected, but the market is buoyant in comparison to other sectors and opportunities remain

Despite the fact that Spain is in the throes of the worst economic crisis in its recent history, it still remains one of the most lucrative gaming markets in Europe.

Spain is reeling from the collapse of the debt-driven construction boom and has posted seven consecutive quarters of negative growth. Spanish GDP fell by 3.6 per cent last year and there is no positive GDP growth expected until at least 2011.

At the moment it seems to be the slowest European country to drag itself out of the recession. It has the highest unemployment rate in the EU with 20 per cent unemployment whilst the country's high deficit is continually raising concerns over the sustainability of Spain's finances.

Until recently Prime Minister Zapatero had refused to even use the word 'crisis' and now merely blames the outside world for Spain's economic problems.

The country has been struggling to keep its head above water for the last couple of years and all sectors have been affected. The gaming and amusement industry is still seeing tough times with reports of at least 30 to 40 per cent drops in income this year.

The private gaming sector in Spain

accounts for 60 per cent of the total gambling market in the country, whilst the lottery industries comprise the other 40 per cent. AWP's take the lion's share with 44 per cent followed by bingo's, which take almost 10 per cent and casinos with just over six per cent.

The total amount spent on gambling in 2009 was just over €30bn, a slight drop from 2008 figures. Of this €18.2bn was spent on private gaming divided between €1.9bn spent in casinos, €2.9bn in bingo's and €13.3bn on AWP's.

The casino market has seen a drop of around 12 per cent in incomes from the previous year whilst the AWP sector has also seen a drop of around seven per cent.

Generally spending per person has dropped in most sectors particularly in the AWP industry which sees on average €285 spent per year per person compared to €314 the previous year. However spending in casinos has risen slightly with each person spending on average €50 per year compared to €42 in 2008

There are 44 casinos in Spain and in 2009 the amount gambled in casinos of €1.9bn is divided between €1.3bn drop and €657m on slots. There are 2,379 slots in





Daniel Lindsay of Aristocrat Technologies Europe.

casinos, whilst the number of visitors rose by eight per cent on 2008 figures to 4.1 million, the highest figure on record since 1991.

Gran Canaria has the most casinos with seven operations followed by the region of Andalusia with five.

Meanwhile there were 246,651 AWP's in the Spanish market in 2009 a decline of more than five per cent from 2008 figures. There are 2,559 gaming halls.

Andalusia has the most significant number with just over 40,000 AWP's followed by Cataluña and Valencia and Madrid. During last year some 39 operators and 14 manufacturing companies closed down.

The number of amusement products continues to decline with just over 77,000 amusement machines in the market in 2009 compared to almost 82,000 the previous year with 523 amusement arcades.

Urban Thewissen of Seeben said: "The crisis is very hard in Spain. It is recovering a little bit but to recover fully will take some time. The last quarter of 2008 and 2009 was very difficult and the first signs of recovery are coming up now in 2010.

"The years between 2005 and 2008 were the golden years in Spain. Today there are probably one hundred different models available to the market but only 10 or so are selling."

Seeben and Cocomatic recently launched their new joint venture company Covimatic at the recent FER-Interazar exhibition in Madrid. The company has been set up to concentrate on B type gaming products leaving Cocomatic to deal with amusement products.

At the moment Covimatic represents Electrocoin and Odrex multiplayer roulettes although has another four new products due to come on board in the near future.

Stella's Klaus Schwerbrock had similar sentiments on the Spanish market. Sente was at the show presenting two new gaming products from the German company. These were single video gaming products – Ultimus Cash and Spacemen.

Klaus said: "Income has dropped significantly in the bars. Now everyone is trying to get a slice of market share by lowering the price of their products. Even with a weak market operators are still keen for new products."

It seems that despite the lure of traditional reel products in the past, since all regions in Spain now permit videos the attraction for video games is growing.

In addition the bar games are becoming more entertainment focused, and as such those games offering more features and 'skill' type applications are the ones proving most popular.

WinWall is one such popular game developed by Astra. This is a bar machine



Andrew Davies with JPM International's Max Power, which has already proven a hit in the Czech Republic street market.



### SPANISH MARKET AT A GLANCE

Sector	Total gambled 2009	Total gambled 2008	Total taxes 2009	Number of operations
Casinos	€1.9bn	€2.2bn	€93m	39 + 4 casinos
Bingo	€2.9bn	€3.4bn	€677m	401 bingo halls
AWPs	€13.3bn	€14.4bn	€887m	2,559 gaming halls
TOTAL	€18.2bn	€20.2bn	€1.6bn	

with a game show theme and has game features which enable the player to have some level of entertainment via the game.

Astra's Zane Mersich said: "It has taken a while to find the formula of a Spanish game. They like to be involved in the game with lots of features. The Spanish market is becoming more demanding in terms of features and products. We were worried initially that the players would be too conservative but it is testing extremely well."

Astra also presented the three player B2 machine Going Loco via distributors Videmur and a B3 bingo style AWP called Bingo King.

Meanwhile, JPM has taken a unique approach and presented the popular Czech product Max Power to the Spanish market with a linked jackpot, whilst also launching two other AWP's, Royal Roulette and Ladron de Caja Fuertes, two dual video screen products.

The Spanish market is still one of the biggest AWP markets in Europe and as such has a glut of products from various corners of the world.

Traditionally, Cirsa Unidesa and R. Franco have always controlled the largest share of the market, but in recent years both companies appear to have lost their domestic 'hold' over the sector.

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**Zane Mersich, Astra Games.**

R. Franco has always remained very traditional, while new companies entering the market in recent years such as Novomatic and Aristocrat are now creating a wave of uncertainty in Spanish camps.

It seems there is some shift in the Spanish market in terms of acceptance now for new technology and it could be a chance for the right developer to produce the right machine, which will set the benchmark for the next few years.

R.Franco has begun to respond to the market after a lull over the last few years and after two or three years of a joint venture development with Ortiz in producing bingo (B4) products for the national and international markets, is now developing its own bingo games for both the arcade and casino markets.

The move comes as R.Franco's Jesus Franco tries to steer the company in a



new direction and move forward. There are three bingo games in the casino bingo game and six games for BingoRama (for arcades). These B4 products which basically turn the traditional game of bingo into an electronic format are becoming more popular in bingo arcades and there were several presented throughout the exhibition.

In addition R.Franco has also launched a new hybrid AWP, Jazz & Blues and developed a new casino cabinet (Box Passion) and new casino game, Nautilus.

Novomatic was again present with its new B Category machines via Astra and Impera plus their own Novoline Salon AWP and multiplayer games. Meanwhile, Aristocrat currently has around 500 machines in the Spanish AWP market after launching themselves a couple of years ago. Aristocrat's Daniel Lindsay commented at the exhibition: "Sales are increasing year on year. It's all about

**(Top right) Merkur Gaming's Klaus Schwerbrock pictured on the Sente stand, the company's Spanish distributor, with the new Spacemen.**

**(Right) Urbain Thewissen of Seeben and Javier Gutierrez of Covimatic pictured at the FER Madrid gaming show.**

delivering an exciting product the players want to play."

Meanwhile, Atronic has arrived in the Spanish street market this year after developing Doctor Cash for the AWP sector. The development is part of a strategy to move the company into different sectors. The company already has casino products in Spain and also introduced its new multi game casino product 'diversity' and is represented by Logical Games 46, which also distributes for ICIT, ShuffleMaster, StylGame and Signs4U. Atronic International's Stuart German commented: "We have the

content and what we are concentrating upon right now is how we can leverage that content across into other market sectors."

Despite the difficulties in the Spanish market this year's exhibition in Madrid proved a sell-out in terms of exhibitors. The organisers were waiting to see what response they had from the show before determining the location of the March exhibition next year. The success of Madrid as opposed to Malaga, which saw a significant drop in the number of exhibitors this year, means that the show will return to the capital in March.