

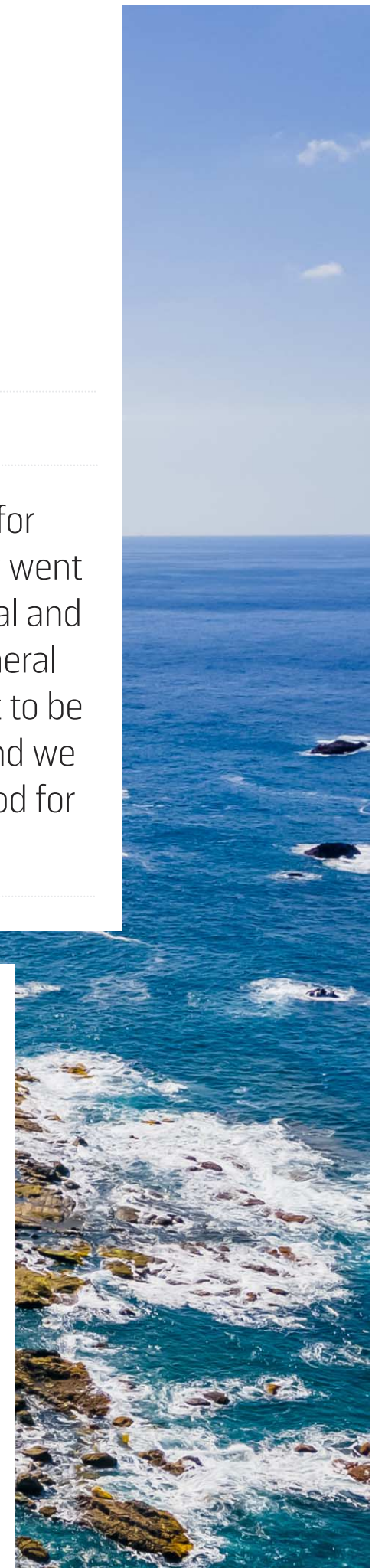


# A Chunk of Change

## Spain

This year is a bumper year for politics in Spain as the country went to the polls in May for municipal and regional elections, with a general election for a new government to be held by the end of the year. And we know that change is rarely good for the gaming industry...

*Spain is one of the most visited countries in the world and income from tourism brings in 12 per cent of GDP on average and employs around 12 per cent of the population. Spain saw more than 71.6m international tourists in 2022, which was 14 per cent less than pre-Covid levels in 2019 (but a 129 per cent increase on 2021), whilst this year is anticipated to bring a record number of visitors to the country.*



The Spanish Socialist Workers Party (PSOE) took power in 2018 after winning a no-confidence motion against the conservative Popular Party (PP). They failed to secure a majority in elections a year later and formed Spain's first coalition government since the 1930s with far-left party Unidas Podemos (UP).

The country has dragged itself out of various difficulties since 2008 when the economy was among the worst hit during the global recession. By 2013 the unemployment rate peaked at more than 25 per cent. Conflict in Cataluña is ongoing over independence issues, whilst Covid has had a devastating effect on Spain in particular damaging the country's lucrative tourism industry.

And although the Spanish economy grew by around 4.6 per cent last year it is facing a troubled 2023 with sluggish economic growth, high unemployment, soaring electricity prices

and food costs, plus drought issues.

Consumer prices rose by 5.8 per cent in January this year compared to the year before and Spain is witnessing its highest inflation in 40 years whilst GDP has not yet reached the level of 2019.

The European Commission predicts a one per cent growth this year whilst economic output is not expected to recover from its pre-Covid 2019 levels until the latter half of the year.

The government has introduced a series of steps to help companies and households cope with the rising costs. They introduced a cap on regulated gas prices which runs until end of this year, petrol rebates, mortgage relief measures and a reduction in VAT on electricity bills from 21 per cent to five per cent.

On the plus side, the all-important tourism industry is recovering. Arrivals in July last year

reached 9.1 million almost equalling those in July 2019 and the country is slowly seeing its tourist resorts back to 'normal' capacity.

Spain is one of the most visited countries in the world and income from the tourism sector brings in 12 per cent of GDP on average and employs around 12 per cent of the population.

Spain saw more than 71.6 million international tourists in 2022 which was 14 per cent less than pre-Covid levels in 2019 (but a 129 per cent increase on a sluggish 2021) whilst this year is anticipated to bring a record number of visitors to the country.

Expenditure from tourism last year amounted to €87bn compared to a low of €19.7bn in 2020 at the peak of Covid which rose to €35bn by 2021.

Andalucia is the principal regional destination that sees over 20 per cent of the tourists to





Online gambling on a national level was first regulated in Spain in 2011 and functions with a strict licensing regime at a national level. Landbased gaming is regulated regionally with each of the 17 autonomous regions having their own specific requirements for casinos, bingo halls, arcades and betting shops.

Spain followed by Valencia and Cataluña. Some 73 per cent of the tourists stay in hotels.

In 2019 83.5 million visitors came to Spain of which 87 per cent came for holiday and leisure reasons with the Brits being the highest number (18 million) followed by the French and Germans. This is compared to tourism figure lows of 19 million in 2020 and 31 million in 2021.

Expenditure in 2019 was around €92bn which was around €1,102 per tourist or a daily spend of €154 with an average stay of 7.2 days.

There were 16,000 accommodation establishments open in the summer of 2022 of which around 360 are five-star hotels.

At the end of last year the government approved 196 sustainable tourism projects whilst over €1.8bn in European funding has been allocated to modernise national tourism in Spain.

However, there are concerns over the new European Union tourist tax which will charge the main visitors to Spain – the Brits.

The EU is due to apply this rate from November under the name of the European Travel Information and Authorisation System (ETIAS)

which is a payment of €7 per non-EU tourist affecting visitors from 63 countries in total. Brits make up around 20 per cent of the international tourists visiting Spain.

The ETIAS will allow people visa-free entry for up to 90 days in a 180-day period. The €7 payment is for those aged 18-70 years and applications will be completed online. Visas are then valid for three years.

#### GAMBLING MARKET

The Spanish gambling market was decriminalised back in 1977 following the end of the Franco regime which saw most gambling activities prohibited at the time.

After Franco's death in 1975 gambling was legalised and bingo, casinos and slots all entered the market place joining the National Lottery, sweepstakes, and sports pools. Gambling activities in Spain are divided into two main categories:

Public gaming – which is a state monopoly activity entrusted to the Sociedad Estatal Loterías y Apuestas del Estado (SELAE) and Organización Nacional de Ciegos Españolas (ONCE) which run lottery games, sports and

charity pool betting. Private gaming – this is made up of private operators who are licensed for land-based gambling such as casinos, bingo, slots and betting and online gambling sectors.

The sector is regulated by the General Directorate for the Regulation of Gaming Activities (DGO) which operates under the Ministry of Consumer Affairs whilst the Law no. 13/2011 on gambling regulates the sector nationwide.

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Each region has its own catalogue of games which are authorised with varying stakes and prizes and requirements for each venue. Most gaming arcades can offer type A and B slots and there are some 182,000 slots across the market in total operated not only in gaming halls but bars, restaurants and bingo halls.

Total gambling GGR for the year 2021 amounted to €9.13bn of which the lotteries have the



AMATIC



Betting is big business in Spain and growing. The number of betting locations has doubled over the last few years from 475 in 2019 to just over 800 in 2021. Landbased betting saw a GGR of almost €300m in 2021 whilst online betting saw €28.4m. At the end of last year Stanley Bet obtained a licence to open operations in Andalucia, its first entry into the Spanish market. The company began the licensing procedure in 2019, but Covid caused delays.

biggest share with €4.4bn, other landbased gambling with €3.9bn and online gambling was responsible for €825m of this.

Total sales amounted to €10.9bn for the lotteries, €12.6bn for landbased gambling and just over €3bn for the online sector.

The pandemic saw revenues in 2020 slump with an overall 33 per cent drop that year, however although the landbased sector saw a drop of 37 per cent in revenues the online sector increased by more than 13 per cent during 2020.

The largest chunk of revenue within the landbased gaming sector comes from slots in the hospitality sector followed by slots in gaming arcades.

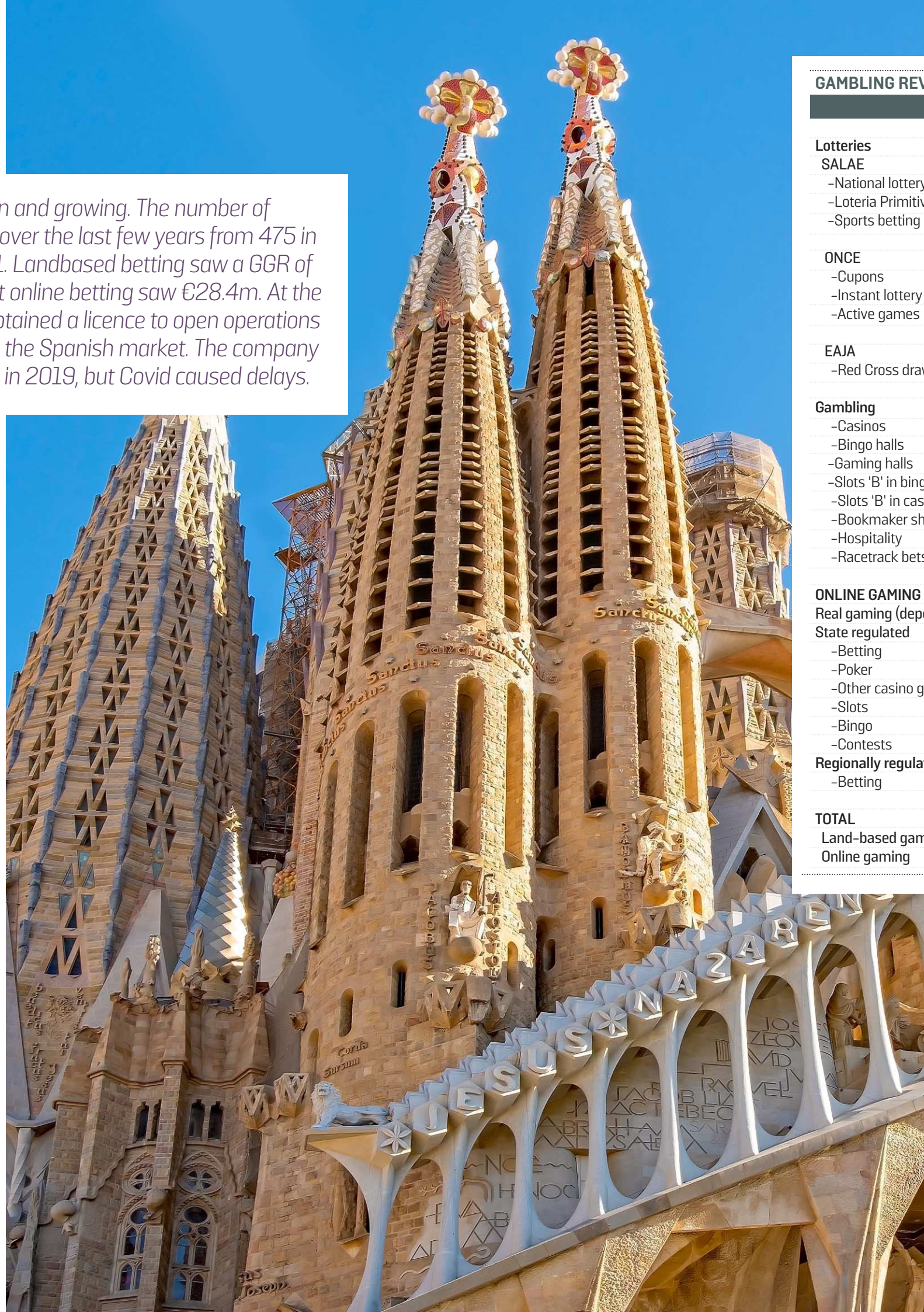
There are around 182,000 slots (type B) in the market in total of which 140,000 (77 per cent) approximately are located in more than 103,000 'hosteleria' locations (bars, cafes and restaurants), around 38,000 in 3,800 gaming halls, 2,290 across the 322 bingo halls and 350 in 800 betting shops.

Gaming halls saw a total GGR in 2021 of €802m and more than €2.67bn gambled. The hospitality sector saw a GGR of €2.25bn.

The slot hall sector has been struggling since Covid restrictions caused venues to close. Now with the rise in electricity and fuel prices, sites are feeling the financial pressure with many closing down across the country.

ANESAR, the Spanish Association of Gaming Halls, claimed the turnover in 2021 was 18 per cent below pre-pandemic levels. Almost 40 gaming halls and betting shops have closed in the Balearic Islands whilst the private landbased sector in the region of Navarra saw €120m less spent on gambling in 2021 than in 2019.

On the plus side the gaming hall sector is seeing some changes resulting in small victories. In March this year the Superior Court of Justice of Andalucia (TSJA) ruled in favour of gaming operators in Cadiz and annulled a modification the city council had approved in 2020 prohibiting venues from being less than 500 metres from schools, sports centres or socio-cultural centres.



## GAMBLING REVENUES ALL SECTORS 2019

	2019	2020	2021
<b>Lotteries</b>	<b>€4.65bn</b>	<b>€3.41bn</b>	<b>€4.33bn</b>
<b>SALAE</b>	<b>€3.52bn</b>	<b>€2.67bn</b>	<b>€3.29bn</b>
-National lottery	€1.71bn	€1.23bn	€1.65bn
-Loteria Primitivas	€1.71bn	€1.38bn	€1.56bn
-Sports betting	€95m	€68m	€77m
<b>ONCE</b>	<b>€1.06bn</b>	<b>€684m</b>	<b>€1.01bn</b>
-Cupons	€713m	€417m	€633
-Instant lottery	€242m	€183m	€258m
-Active games	€180m	€83m	€124m
<b>EAJA</b>	<b>€35m</b>	<b>€28m</b>	
-Red Cross draw	€33m	€26m	€32m
<b>Gambling</b>	<b>€4.82bn</b>	<b>€2.59bn</b>	<b>€3.97bn</b>
-Casinos	€373m	€147m	€211m
-Bingo halls	€565m	€299m	€336m
-Gaming halls	€943m	€525m	€802m
-Slots 'B' in bingos	€101m	€51m	€62m
-Slots 'B' in casino/betting	€7m	€5m	€7m
-Bookmaker shops	€360m	€292m	€300m
-Hospitality	€2.47bn	€1.28bn	€2.25bn
-Racetrack bets	€2m	€1m	€1m
<b>ONLINE GAMING</b>	<b>€740m</b>	<b>€846m</b>	<b>€825m</b>
<b>Real gaming (deposits)</b>	<b>€712m</b>	<b>€815m</b>	<b>€797m</b>
<b>State regulated</b>	<b>€748m</b>	<b>€850m</b>	<b>€815m</b>
-Betting	€378m	€365m	€305m
-Poker	€81m	€110m	€85m
-Other casino games	€116m	€155m	€166m
-Slots	€157m	€196m	€241m
-Bingo	€13m	€17m	€14m
-Contests	€3	€8m	€2m
<b>Regionally regulated</b>	<b>€28m</b>	<b>€31m</b>	<b>€28m</b>
-Betting	€28m	€31m	€28m
<b>TOTAL</b>	<b>€10.22bn</b>	<b>€6.85bn</b>	<b>€9.13bn</b>
<b>Land-based gaming</b>	<b>€9.48bn</b>	<b>€6.01bn</b>	<b>€8.30bn</b>
<b>Online gaming</b>	<b>€740m</b>	<b>€846m</b>	<b>€825m</b>

The TSJA accepted an appeal from gaming operators and the Regional Government of Andalucia filed against the city council and the rules were modified to enable newly opening gaming halls to be at least 150m from educational centres.

The court considered the council's measure as 'excessive'. Just a few months earlier the Superior Court of Justice in Castilla y Leon issued a similar ruling against Burgos City Council.

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began the licensing procedure in 2019, but Covid caused delays.

The retail licence for sports betting means the brand will be unveiled in Malaga initially with plans for further city openings and will include betting shops and gaming halls.

### THE CASINO SECTOR

Casinos have been legal in Spain since 1977 and are regulated and licensed regionally. There are 47 casinos in Spain (data 2021) with five satellite casinos and the main operators include Grupo Comar, Grupo Madrid, Grupo Orenes, Grupo Peralada, Grupo Cirsa, Luckia, Admiral, and Casinos Tenerife.

Casino licences are issued for 10 to 15 years renewable and are taxed on a sliding scale of GGR for table games of 15 to 58 per cent whilst casino slots are taxed at an annual rate of €5,300 per position.



## Essential information and facts about Spain:

<b>Capital</b>	Madrid
<b>Total Area</b>	505,370sq.km
<b>Population</b>	47.1 million
<b>Median age</b>	43.9 years
<b>Religion</b>	Roman Catholic 58 per cent, other
<b>Ethnic Groups</b>	Spanish 85 per cent, Moroccan, other
<b>Languages</b>	Castilian Spanish 74 per cent, Catalan, other
<b>Currency</b>	Euro
<b>Government type</b>	Parliamentary Constitutional Monarchy
<b>Chief of State</b>	King Felipe VI (since 2014)
<b>Head of Government</b>	Prime Minister Pedro Sanchez (since 2018)
<b>Elections</b>	Monarch is hereditary. Following elections the leader of the party with the largest number of seats is elected. Next elections are due November 2023.
<b>Unemployment</b>	12.8 per cent (end 2022)
<b>Tourism</b>	71.6 million (2022)



Casinos saw a GGR of €123m in 2021 of which slots were responsible for around 57 per cent (€70.5m) and table games 43 per cent (€52.3m). This is compared to a GGR in 2020 of €146m and in 2019 pre-Covid of €355m.

There are more than 1,000 slots and 223 table games in the casinos in total and 2021 saw 1.7 million visitors compared to 4.8 million in 2019. Casinos make up about 2.3 per cent of the total amount of gambling revenues in Spain.

At the end of last year, a new gaming bill was passed in the region of Galicia which will see a limit on the number of gaming venues and gaming machines with a minimum distance from new venues and educational and rehabilitation centres.

Currently there are 40 betting shops, two casinos and an additional satellite casino, 11 bingo halls and 115 gaming halls in the region. The regulation establishes a maximum of two casinos with two satellite casinos, 12 bingos, 118 gaming halls, 41 betting shops and a 15-year duration for all authorisations both new and existing with a public tender system for new authorisations.

A new casino hall is now due to open in the regional capital, Santiago de Compostela, by Grupo Comar which is looking at the Hotel Araganey as a venue. The reform for the hotel has already been approved by the city council and if the casino is accepted it will be linked as an annex to the casino in La Coruña.

As a satellite casino there are certain limitations – the casino must only be open when the parent casino is open, the satellite cannot be larger than 80 per cent of the surface of the parent casino or located less than 150m from educational locations.

At the moment Galicia's two casinos are Casino de la Toja in Pontevedra operated by Cirsa and Casino Atlantico in La Coruña operated by Grupo Comar.

Meanwhile in the last few years Madrid and Cataluña have been the subject of discussions over the licensing of integrated resort casinos to be operated in their region.

Barcelona World, the multi-billion dollar resort complex backed by Hard Rock International, is still moving ahead despite years of problems. Construction is now due to start during the first half of this year if the master plan is approved.

The 1,000-room guitar-shaped hotel will feature a swimming pool, retail outlets and a Hard Rock mega casino with 100 tables and 1,200 slots making it one of the largest casinos in Europe. It will be located in a rural area of Cataluña known as Campo de Tarragona.

The project dates back 10 years and has run into a multitude of issues and opposition from environmentalist groups and parties within the government whilst an opposition group called Aturem BCN World has been spearheading campaigns to halt the development.

Over in Madrid, six years after its previous plan was rejected, US property developer Cordish Companies has been refused permission again for its plans to develop a mega casino.

In the middle of last year the developer presented a revised proposal for the €20m IR entertainment complex to include casino, restaurants and hotels on the 134-hectare site in Torres de la Alameda it already owns.

The previous proposal for Live! Resorts Madrid was rejected in 2017 saying plans did not comply



with the requirements for such infrastructure with concerns over the casino and the impact it would have on traffic.

The second plan was altered and saw a reduced gaming floor which covered no more than 10 per cent of the property plus other environmental concessions, but the plans were knocked back again by the Community of Madrid who says the project does not have a "relevant, effective and lasting impact on the economic, social and cultural development of the region."

The company said the resort would create an economic impact of more than €9.3bn, generate 55,600 jobs and for the wider economy have the potential to bring in around €3.2bn for the government coffers.

This is the third time Madrid has said no to a large integrated resort after Sheldon Adelson also tried more than 10 years ago with a EuroVegas style scheme.

Meanwhile in the region of Extremadura the government has recently given the green light to the Elysium City project next to the Garcia de Sola reservoir in Badajoz.

The project is to create a 12 million sq.m futuristic smart city to house 13 luxury hotels and aparthotels, two residential areas, educational centres, a theme park, marina, waterpark, retail outlets, esports centre and gaming centre. This is the first large scale project for the region and will cost around €8bn and construction is due to begin in July and should

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be finished in five years.

The project has been brewing for the last five years and is backed by Seville businessman Francisco Nuchera who runs Castilblanco Elysium Corporation. The unique city will be divided into nine districts and will include a hospital and services district; financial hub; educational zone; leisure area; residential and hotel and glamping sectors.

Although at the moment the project does not include casinos apparently the operator can apply for a licence for up to 33 casino licences which are linked to the hotels depending on the interest of the operator behind the initiative. The key 'anchor' for the attraction however will be the theme park.





There are 14 regulated types of online gaming options for licences which include: bingo, blackjack, roulette, baccarat, slots, poker, complementary games, fixed odds betting, fixed odds sports betting, sports pool betting, fixed odds horse betting, horse pool betting, exchange betting and contests.

#### ONLINE GAMBLING

The gambling landscape changed dramatically in May 2011 when the Spanish Gambling Act (Law 13/2011) was introduced which regulated online gambling in Spain.

Licences were issued in June 2012 and by the end of that year there were 32 operators offering online gaming in Spain. Today there are almost 80 operators with gambling licences.

Operators were required to pay back tax on their business when the sector was unregulated whilst databases were wiped clean and a new start began with an .es domain. Despite the legalisation, exchange betting and online slots were prohibited until July 2014.

Online gambling offered by Spanish licensed operators can only be offered to Spanish residents. To obtain a remote gambling licence operators must be EU-based companies and equivalent to a limited liability company with a

There are currently four types of general licences for betting; games (such as casino/slots/bingo/poker); raffles and contests.

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A minimum share capital of €100,000 is required to request a licence for betting and other games or €60,000 for a general licence for contests. A bank guarantee is required of at least €2m for general betting and other games and €500,000 for contest games.

All general licences are valid for 10 years and single licences for three or five years depending on the licence.

Taxes are paid quarterly and are set at 20 per

.es website. Their main servers must also be located in Spain so the DGOJ has access for monitoring purposes.

Those wishing to enter the Spanish online market can only do so when the DGOJ calls for tender. To date there have been three of these issued in 2011, 2014 and 2017. During the call for tenders, operators can apply for a general licence which covers the general category of online games.

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## NUMBER OF SLOTS AND ARCADES PER REGION

REGION	NO. OF OPERATORS	NO. OF SLOTS TOTAL (TYPE B)	NO. OF SLOTS IN GAMING HALLS	NO. OF GAMING HALLS
Andalucía	861	30,500	10,367	944
Asturias	81	4,634	196	31
Aragón	239	6,267	820	119
Baleares				139
Canarias	441	5,134	1,624	300
Cantabria	56	2,500	565	41
Castilla la Mancha	227	6,586	1,000	173
Castilla y León	407	11,369	2,600	126
Cataluña	524	34,688	1,574	127
Ceuta	8	182	64	6
Extremadura	111	4,000	652	100
Galicia	195	7,671	1,088	110
La Rioja	86	1,300	431	35
Madrid	923	13,765	3,791	520
Murcia	160	3,225	3,342	365
Melilla	23	404	188	14
Navarra	101	1,400	3,360	59
Pais Vasco	336	8,400	3,000	209
Valencia	674	20,195	4,940	513
<b>TOTAL</b>	<b>5,500</b>	<b>182,000</b>	<b>38,300</b>	<b>3,890</b>

As from May 2021 the law restricting promotions to new players came into force whilst in August that year the law restrictions on audio-visual advertising and sponsorship came into force. Operators can now only offer promotions to those players who have had a gaming account open for at least 30 days and have been verified by documentation.

many were surprised by the intensity of these rulings.

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open for at least 30 days and have been verified by documentation.

Audio-visual advertising, including TV, radio and YouTube, can only be broadcast between 1am and 5am, whilst social media channels can only share advertisements with followers.

In terms of sponsorship gambling brand images cannot be used in any events or services designed for minors. This includes banning the use of sponsorship on sports t-shirts or kits which saw the likes of Betway, Bwin and Betfred all removed from the sponsorship market.

Betway for example sponsored three football clubs (Alavés, Levante and Real Betis) whilst others included Dafabet (Cadiz); Winamax (Granada); Marathon Bet (Seville) and Bwin (Valencia).

Marketing revenues for the online sector have of course declined. Advertising has dropped from around €183m in 2019 to €134m in 2022 whilst

cent on the net income for betting, raffles, contests and other games. Ceuta and Melilla have a 50 per cent reduction. Gambling duty is also payable via six taxable rates.

The online sector has been in the headlines recently regarding player protection issues and has seen two reforms led by the Ministry of Consumer Affairs.

The first was presented in November 2020 as Spain's law on the Commercial Communications of the Gambling industry came into effect via the Royal Decree 958/2020.

Minister Alberto Garzón was behind these changes. Gambling is a public policy issue in Spain and causes a lot of controversy. Garzón is a member of Unidas Podemos, the alliance formed by left-wing parties in the government coalition.

There have been several attempts over the years since 2015 to change the advertising laws and

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**SPANISH CASINO DATA PER REGION**

REGION	NO. OF CASINOS	NO. OF SLOTS	NO. OF TABLES	GGR 2019	GGR 2020	GGR 2021
Andalucía	6	102		€46.5m	€15.2m	€3m
Aragón	1	19		€2.6m	€1.2m	0
Asturias	1	17		€2.5m	€1.9m	€1.3m
Balearics	3	80		n/a		
Canarias	9	175		€34.5m	€14.3m	€3.5m
Cantabria	1	23		€2.7m	€1m	€1.3m
Castilla y León	3	10		€4.5m	€1.8m	€1.7m
Castilla la Mancha	9			€8.9m	€7.7m	€10.7m
Cataluña	4	142		€99.2m	€33m	€43.8m
Ceuta	1	12		€6.4m	€0.5m	€0.3m
Extremadura	2	38		€5.9m	€3.6m	€4.1m
Galicia	2	9		€3.5m	€2.3m	€3.2m
La Rioja	0	0		€1.1m	€0.2m	
Madrid	2	101		€86.4m	€36.6m	€43.8m
Melilla	1	31		€0.5m	€0.1m	
Murcia	1	29		€2.1m	€2.5m	€3.9m
Pais Vasco	2	123		€10.8m	€4.3m	€5.1m
Valencia	3			€36.8m	€20.1m	€23.9m
<b>TOTAL</b>	<b>53</b>	<b>1,079</b>	<b>223</b>	<b>€355m</b>	<b>€146m</b>	<b>€123m</b>



*The casino sector has seen a growth of 22 per cent year over year and this is mainly down to the slots offer. Slots were launched online in 2015 and in 2022 slots had a 60 per cent share of the online casino revenue followed by live roulette with 30 per cent. The growth rate over the last couple of years has been around 24 per cent.*

share with €498.3m followed by almost €360m in betting (37 per cent), €90m in poker (nine per cent) and €14.25m in bingo.

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A second regulatory reform led by the Ministry of Consumer Affairs aims to introduce further restrictive measures via the 'Royal Decree on Safer Gambling Environment.'

This project was launched in July 2021 to develop an 'optimal framework' of consumer protections for gambling to be launched nationally which will see loss limits for online casino sessions and new rules for high-spend players. It will focus on young people aged between 18 and 25 years.

The decree 176/2023 has been approved by Spain's Council of Ministers and will bring 30 odd new responsible gaming measures into law. Most will come into effect by mid-September although some changes will not happen until March 2024.

There will be a definition of a high-risk player based on consumer spending. So a player will be

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sponsorship has seen a huge decline from €26.8m in 2020 to just €2.9m last year. Between 2021 and 2022 the sponsorship revenues fell by 85 per cent.

Digital. Spain's digital gaming association and media association AMI have both appealed against the strict rules claiming the industry is being negatively affected by the policies.

The changes may have had some effect on the online revenues which dropped slightly in 2021. The GGR for the online sector in 2021 was €815.30m, down by just over four per cent on the year before whilst the number of active gamblers was down slightly to 1.47 million. However, 2022 revenues were up to €962.9m, an 18 per cent increase on the year before.

The €962.9m revenue is distributed between casino games with just over half the revenue



# Reports

## SPAIN MARKET REPORT

*A survey in 2019 estimated 670,000 Spanish between the ages of 15 and 64 have, or are at risk of, gambling problems whilst 6.7 per cent of the population between 15 and 64 had gambled online which had doubled since the previous survey in 2017 when the figure was 3.5 per cent.*

considered an intensive gambler if they accumulate a net loss of €600 over three consecutive weeks or €200 for those under aged 25 years.

High-risk players will be banned from using credit cards to gamble whilst operators will have to send a message of warning to at-risk players and a monthly summary of their gaming activity.

Operators cannot send out promotional material to players in this category or be able to include such players in VIP programmes. Promotional material cannot be sent to those aged 18 to 25 if they have not previously interacted with gambling sites.

Websites must have a 'Safer Game' visible link on the home page and details about the prohibition of play for minors, power of self-exclusion, deposit limit information, etc.

Additional rules include:

- Configurations of time and net spend limits must be entered by players before they begin to play and cannot be altered.
- Players must input the limits each time they play. It also gives players the opportunity to temporarily restrict access to future sessions if the upcoming session ends as a result of reaching either of the determined limits.
- Any back-to-back session which is started within 60 minutes of closing the previous session must be accompanied by a different message from the operator to explain the short amount of time lapse between the last session.
- Casino players must also receive at least one message every 30 minutes containing objective information regarding their playing behaviour such as time played, amount wagered or net loss.
- There is also a ban on 'losses disguised as wins' and messages such as "you were close" are prohibited.
- Customers must set a maximum loss limit for the following 24 hours of betting activity before placing a wager.
- Once the maximum loss limit has been

reached players cannot modify their limit until 24 hours have gone by.

- Operators must provide a monthly summary of play available to each customer such as the number of times they visited the site, deposits made, account history and balance history.
- Players will be considered 'intensive players' if they reach at least 50 per cent of the maximum daily or weekly loss limits in three consecutive time periods. Players under 25 will be considered intensive if they reach 25 per cent of the maximum limits in two consecutive time periods.

### OTHER CHANGES

Meanwhile the online lottery sector hasn't escaped the restrictions and the DGOJ published a draft resolution targeting the sector looking to introduce age verification procedures via a national database to confirm that players are of legal age (18) whilst also advising those on exclusion lists that they cannot buy lottery tickets.

Lottery websites will require an official seal to prove the site is authentic and third-party marketing partners will need to follow the same rules.

The new regulations are designed to safeguard players and protect the young and vulnerable from potential problem gambling issues. The DGOJ ran a consultation period for feedback until March.

The lottery is big business in Spain and is responsible for about half of the gambling market revenues. The two primary lottery operators SELAE and ONCE saw a total of €4.3bn in GGR last year with around €11bn in sales.

A survey in 2019 estimated 670,000 Spanish between the ages of 15 and 64 have, or are at risk of, gambling problems whilst 6.7 per cent of the population between 15 and 64 had gambled online which had doubled since the previous survey in 2017 when the figure was 3.5 per cent.

A study on youngsters gambling online, Jovenes a Jugar, conducted in 2019 by the Centro Reina Sofia showed one in four adolescents said they had gambled in a year whilst 13 per cent of these had spent more than €30 in that year.







The Balearic Islands have also approved a bill limiting the granting of new authorisations for gaming halls across the islands and widening the distance between gaming halls and educational centres. The ratio of gambling establishments in the Balearics is high with around 108 landbased gaming venues for every million inhabitant and makes it the third region in Spain with the highest density of gaming supply.

The land-based sector has also seen some regional changes mainly looking at advertising regulations, gambling venue locations and higher penalties for infringements. The Ministry of Consumer Affairs is keen to clamp down on certain aspects such as advertising and restricting new venue openings.

The country has seen pressure from anti-gambling groups to introduce more restrictive gambling policies and following the regional and national elections this could see further changes depending on the outcome.

The Spanish gambling market continues to evolve and many autonomous communities have been suspending or prohibiting the granting of new licences for gambling or betting halls in their territory.

Andalucía, Madrid, Cataluña and Valencia for example all introduced new gambling laws this year and most recently Galicia approved a new restrictive bill to limit the number of betting establishments and machines per location.

For example, in Cataluña the regulations ensure a maximum number of bingo halls will remain at 75 with only four casinos permitted. Additional gaming facilities may be permitted in popular tourist destinations Vila-Seca and Salou. Meanwhile gaming arcades will be limited to 127.

Madrid's new regulations establish a minimum distance of 300 metres between gaming halls and educational centres. Plus there is a prohibition of betting terminals in catering establishments.

Galicia will limit its gaming establishments to 175 in total including two casinos (plus two satellite casinos), 12 bingo, 118 gaming arcades and 41 betting shops.

The legislation prohibits granting loans or credit to gamblers whilst the use of bonuses, free games or anything that can be exchanged for money is not permitted.

Galicia has set a maximum of 3,600 authorisations for betting machines in

## TURNOVER AND GGR PER ONLINE SECTOR

	TURNOVER 2022	GGR 2022	GGR SHARE
<b>BETTING</b>	<b>€10.74bn</b>	<b>€360m</b>	
-Pre-match sport betting	€4.2bn	€166.1m	46.17%
-Live sport betting	€6.1bn	€180.2m	50%
-Parimutuel sport betting	€2,726	-€47,096	-
-Horse betting	€101.6m	€4.1m	1.15%
-Pari-mutuel horse betting	€3.1m	€450,344	0.13%
-Other Bets	€215.4m	€8.3m	2.31%
-Betting Exchange	€54.2m	€622,682	0.17%
<b>CASINO</b>	<b>€16bn</b>	<b>€498m</b>	
-Baccarat	-	-	-
-Blackjack	€945.6m	€21.7m	4.37%
-Complementary Games	€138	-€37	-
-Live Roulette	€6bn	€150.3m	30.18%
-Roulette	€1bn	€26m	5.23%
-Slots	€7.9bn	€300.1m	60.23%
<b>POKER</b>	<b>€2.4bn</b>	<b>€90m</b>	
-Cash games	€1.19bn	€28.4m	31.5%
-Tournaments	€1.21bn	€61.6m	68.43%

hospitality locations and 12,000 for Type B slots with a maximum of two slot machines permitted per bar, restaurant or leisure venue.

The Canary Islands will also impose greater advertising restrictions and player protection measures after seeking to modify its gambling laws. The region suspended the opening of new gaming and gambling premises in 2020 with the aim of safeguarding minors and other vulnerable groups.

The Balearic Islands have also approved a bill limiting the granting of new authorisations for gaming halls across the islands and widening the distance between gaming halls and educational centres. The ratio of gambling establishments in the Balearics is high with around 108 landbased gaming venues for every million inhabitant and makes it the third region in Spain with the highest density of gaming supply.

### GROWTH OF ESPORTS

With leading esports teams such as G2 Esports and MAD Lions hailing from Spain, plus with the main football league (La Liga), the country has a significant impact on the esports scene.

According to the Spanish video game association (AEVI) Spain ranks ninth in terms of turnover in the global ranking of the video game industry with around €1.79bn in 2021 (€1.74bn in 2020 and €1.47bn in 2019).

The growth is driven mostly by the development of new technologies such as cloud gaming and instant games or related activities such as

esports. Physical video game sales amounted to €882m and online sales of €913m whilst the video games sector employs 9,000 people.

In 2021 there were 18.1 million total video game players of which 52.5 per cent were male and the other 47.5 per cent female. Spaniards spend on average 8.1 hours per week playing video games.

During 2021 some 6.9 million video games, one million video consoles and 3.4 million accessories were sold.

Top professional teams include Vodafone Giants, Movistar Riders, Mad Lions EC, Team Heretics, Team Cream and S2V Esports. They are represented by the association ACE.

The main online content distribution platforms to broadcast video game competitions include Twitch and YouTube whilst the most popular selling video games in 2021 were FIFA 22, Grand Theft Auto V and Super Mario 3D World + Bowser's Fury.

In terms of players, more than 76 per cent of Spanish aged between six and 10 years consider themselves gamers followed by 78 per cent aged 11-14 years.

Around \$51m is spent on games annually. Google Play lists more than 5,659 games by Spanish game publishers and the most downloadable mobile games by Spanish publishers include Zen match, Word Life, Mundo Slots, Dragon City Mobile, Pinturillo 2 and Soccer Star 22.



The main challenges facing the Spanish video games sector according to AEVI include low knowledge and social stigma attached to video gaming; a danger that misunderstanding the sector may lead to over-regulation of the sector, whilst the growth of the market highlights concerns over broadband access and technology development. The sector does not have a specific regulation and AEVI is working on identifying self-regulation measures with the aim of building a benchmark ecosystem for esports in Europe.

Meanwhile the esports market in Spain is growing at the second fastest rate in Europe with a turnover of €34m in 2021 compared to around €14.5m in 2016 – Spain is responsible for about four per cent of the world esports market.

The level of total penetration of esports in Spain is about 49 per cent placing it within the top three European countries with the highest penetration in this sector. The League of Legends Super League, the largest esports competition in Spain, grew by 37 per cent in audience, 39 per cent in consumption with up to 5.5 million hours watched.

The majority of esports revenues comes from advertising and sponsorship and according to the Internet Advertising Bureau (IAB) advertising investment in Spain in 2019 was €22.5m.

There are four professional leagues for eSports currently – Superliga Orange League of Legends; Superliga Orange CSGO; Superliga Orange Clash Royale and Rainbow Six Siege R6 Spain Nationals plus another four or five top tier international tournaments such as those held at Dreamhack Valencia. There are hundreds of amateur competitions held for fun such as PS4 tournaments.

The sector currently employs around 820 people including around 240 professional players whilst digital channels and streaming services are the fastest growing revenue sources in esports. There are some 2.9 million esports enthusiasts.

The sector has seen several investments over the last few years including Grupo MediaPro which increased its stake in Liga Videojuegos Profesional (LVP) from 50 to 100 per cent whilst

Canadian multinational OverActive Media acquired the Spanish team MAD Lions EC.

LVP (MediaPro Group), one of the world's largest video gaming competition operators, is the largest Spanish language esports organisation and in 2021 saw 69.8 million cumulative viewers worldwide – an increase of 24 per cent compared to 2020.

LVP reached an agreement that year with Riot Games to continue organising the official League of Legends leagues in Spain and Latin America for the next three years. Last year the league expanded into Central America and the Caribbean.

LVP with Riot Games also launched the new Valorant national league and the second professional division of the Super League, the silver category of the League of Legends.

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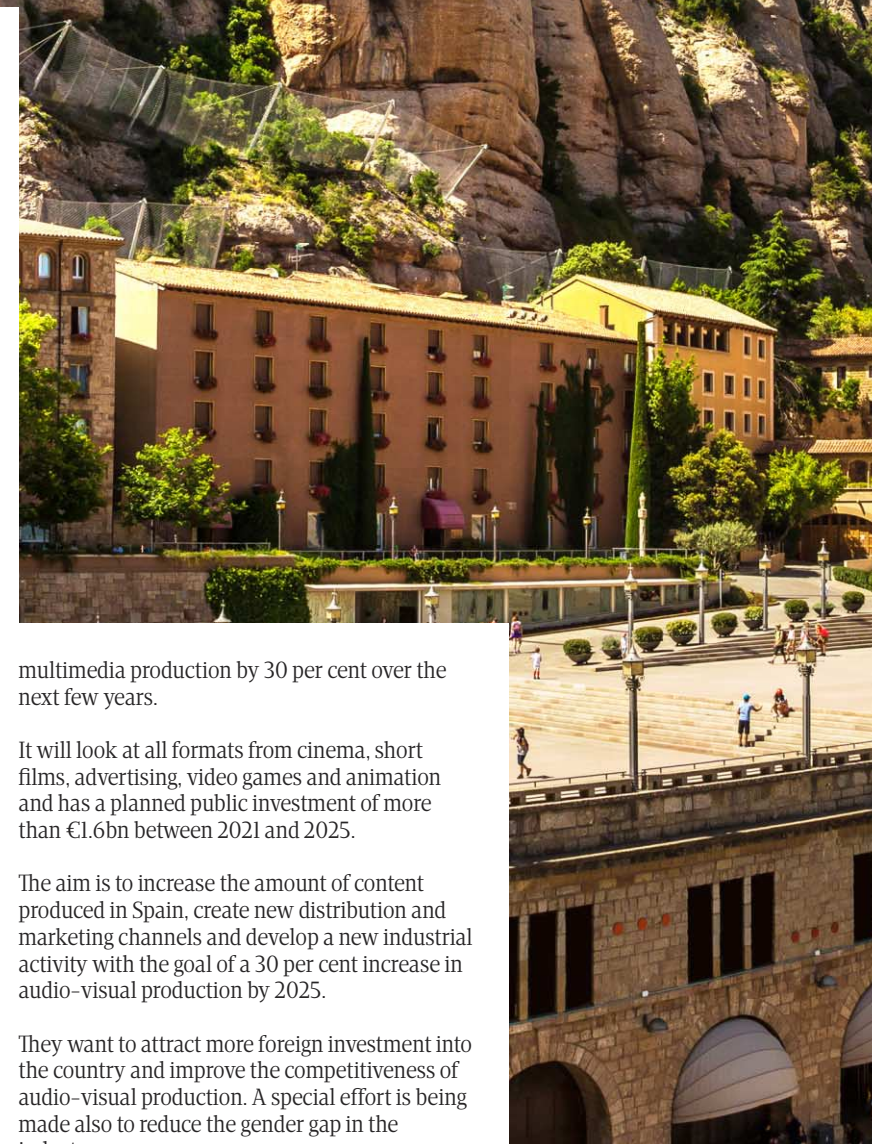
With that in mind, the Spanish government included esports in an audio-visual industry development project called Spain Audio-visual Hub, which was launched in 2021 and has been set up to collect relevant information on all sectors with the aim of turning Spain into the main audio-visual hub in Europe and boosting

multimedia production by 30 per cent over the next few years.

It will look at all formats from cinema, short films, advertising, video games and animation and has a planned public investment of more than €1.6bn between 2021 and 2025.

The aim is to increase the amount of content produced in Spain, create new distribution and marketing channels and develop a new industrial activity with the goal of a 30 per cent increase in audio-visual production by 2025.

They want to attract more foreign investment into the country and improve the competitiveness of audio-visual production. A special effort is being made also to reduce the gender gap in the industry.



## ONLINE GAMBLING DATA

SECTOR	TURNOVER	GGR	GGR YOY	GGR MARKET SHARE	ACTIVE PLAYERS
<b>TOTAL 2022</b>	<b>€29.4m</b>	<b>€963m</b>	<b>+18%</b>		<b>1,593,846</b>
Betting	€10.7bn	€359.9m	+17.6%	37.3%	
Bingo	€101.1m	€14.2m	-1.57%	1.4%	
Casino	€16m	€498.3m	+22.4%	51.75%	
Contests	€642,884	€324,767	-86%	0.03%	
Poker	€2.4bn	€90.1m	+5.51%	0.36%	
<b>TOTAL 2021</b>	<b>€27bn</b>	<b>€815m</b>	<b>-4%</b>		<b>1,470,303</b>
Betting	€11bn	€305.8m	-16.23%	37.52%	
Bingo	€106.2m	€14.4m	-12.41%	1.78%	
Casino	€13.5bn	€407.1m	+16.07%	49.94%	
Contests	€3.4m	€2.38m	-70.19%	0.29%	
Poker	€2.4bn	€85.4m	-22.56%	10.48%	
<b>TOTAL 2020</b>	<b>€21.4bn</b>	<b>€850m</b>	<b>+14%</b>		<b>1,481,727</b>
Betting	€7.03bn	€365.1m	-3.48%	42.92%	
Bingo	€114.3m	€16.5m	+30.16%	1.94%	
Casino	€11.62bn	€350.8m	+28.3%	41.23%	
Contests	€10.2m	€8.01m	+191.8%	0.94%	
Poker	€2.81bn	€110.3m	+35.72%	12.9%	
<b>TOTAL 2019</b>	<b>€18.6bn</b>	<b>€748m</b>	<b>+7%</b>		<b>1,367,444</b>
Betting	€7.07bn	€378.2m	+3.64%	50.56%	
Bingo	€96.1bn	€12.6m	-5.6%	1.7%	
Casino	€9.40bn	€273.2m	+14.9%	36.52%	
Contests	€3.5m	€2.74m	+166.2%	0.37%	
Poker	€2.19bn	€81.2m	-0.68%	10.86%	