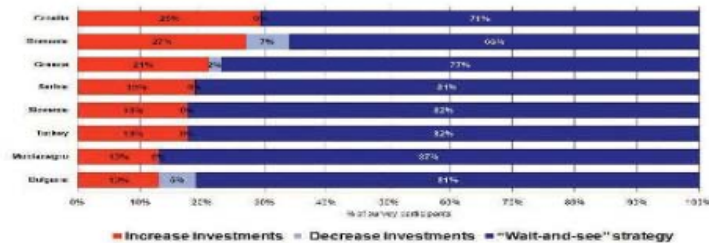




Most operators are pursuing a "wait-and-see" strategy in regards to the Balkans

What will you most likely do in the future regarding each Balkan market?
Results of MECN survey



While Greece and Turkey continue to account for more than 50 per cent of gross gaming revenue in the sprawling Balkans peninsular and surrounding area, new research suggests that operators should think twice before limiting their operations in the region to these two countries. **James Walker** reports from the European Gambling Briefing.

The Balkan gambling market is often overlooked in favour of more lucrative regions towards western Europe. However, expanding upon data released earlier this year, Martin Oelbermann, a partner at Media and Entertainment Consulting Network, drew attention to the area's high-growth potential.



Martin Oelbermann: big growth in Balkans

The Balkans - defined by MECN as including Romania, Turkey, Greece, Serbia, Bulgaria, Croatia, Slovenia and Montene-

gro - consists of 130m people and achieved total gambling revenues of E1.45bn in 2008.

However, while this figure is still just around one-third of that in the UK or Spain alone, Oelbermann said it was not the size of the industry that counts, but the fact that people in the region have a high propensity to gamble.

He noted that the GDP was well within the range of mature markets in Europe, and indeed that per capita gaming spend in Greece was higher than most other countries in the world.

Using SportingBet as an example, Oelbermann pointed to the impressive growth currently taking place in the region. For the second quarter of 2009, for example, the Greek market accounted for 20.1 per cent of the company's business, compared to 11.9 per cent in the prior-year period. Indeed, Greece, Turkey and Bulgaria now account for nearly 40 per cent of the group's overall top line.

Analysing the results of a MECN's recent survey, Oelbermann assessed the perceived

growth potential across all sections of the Balkans gambling market, noting that while just three per cent of respondents said they expected a 'small amount' of growth in the coming years, 36 per cent expected 'moderate' growth, 54 per cent expected 'great growth' and seven per cent anticipated 'very great' growth in the region.

Interestingly, while Greece and Turkey were listed as the most attractive markets in the Balkans, it was noted that they had the toughest legal barriers. Oelbermann drew two conclusions from this

data, the first of which was that legislative hurdles were not always seen as market entry barriers to the bigger gaming operators.

Looking in more detail at the results of the survey, however, the MECN data illuminated the unlikely market of Croatia as one of the most promising markets for operators, due to the fact that although it comes third in terms of perceived attraction, there are far less legal barriers preventing entry to the market. This, according to Oelbermann, makes the country a prime target.