

**The funding of sports in the EU by  
private sector gambling operators**

**A report for the  
Remote Gambling Association**

**Europe Economics  
Chancery House  
53-64 Chancery Lane  
London WC2A 1QU  
Tel: (+44) (0) 20 7831 4717  
Fax: (+44) (0) 20 7831 4515  
[www.europe-economics.com](http://www.europe-economics.com)**

## EXECUTIVE SUMMARY

### *Headline findings*

We estimate that approximately €3.4 billion per annum is contributed annually to EU sport by public and private sector gambling operators combined. Of this total we estimate that some €2.1 billion, or 62 per cent, is contributed by private sector organisations.

Statutory levy schemes, which raise funds from a mix of private and public sector operators, contribute just over €1.6 billion per annum, or 47 per cent of all contributions. Most funds under this heading go to horseracing, and France is by far the leading contributor.

The next largest source of contribution comes from lotteries, which raise just under €1.6 billion or 45 per cent of the total. In general, the distribution of funds from lotteries, regardless of whether the lotteries are privately or publicly owned, is laid down by national or regional governments.

Commercial payments (mainly sponsorship) made entirely by private sector operators account for €234 million, or 7 per cent of the total.

### *Categories and numbers of contributor*

Gambling operators contribute to the funding of EU sport in three principal ways:

by making commercial and/or charitable payments to third parties active in sport;

by making payments to designated sporting bodies under statutory schemes; and

where they operate lotteries, by making payments to sports bodies in accordance with the terms of their lottery licences.

Commercial and charitable payments – category (a) above – originate entirely with the private sector. Some operators in categories (b) and (c) are in the private sector, while others are wholly owned or majority-owned by a national or regional government.

There are estimated to be several thousands of gambling operators registered in the EU, some of them publicly quoted multi-national companies with large numbers of retail outlets, some very small operators operating from a single location. Some large operators offer both on-line and traditional (“bricks-and-mortar”) gambling.

Because of widely differing laws about the forms and ownership of gambling permitted in each Member State, the distribution of operators across the EU27 is not proportional to population or GDP. Member States with relatively large populations but monopolised structures characteristically have a small number of operators, while Member States with small populations but liberalised gambling regimes have many more operators. Where each

gambling location (e.g. a single betting shop) is individually licensed, the number of gambling licences issued can be very much greater than the number of gambling companies.<sup>1</sup>

By contrast, the number of lotteries is relatively small. We have identified just under 70 principal permanent lotteries across the EU27. The number of statutory schemes is even smaller: we have identified eight principal schemes across six Member States.

### *Methods of estimating contributions*

Where contributions are not made public, we make reasoned estimates, and state our estimating method.

Operators have different financial year-ends so our analysis is broadly representative of the years 2007 and 2008. We do have to caution that contributions can fluctuate markedly from year to year.

Contributions made under statutory levy schemes and under lottery rules are for the most part a matter of public record, so we have found relatively little difficulty in researching them. The only slight difficulty we have found in this area was in identifying whether each operator was wholly public, wholly private, or a mix of both.

The amount of gambling support to Olympic sports (which comes almost exclusively from lottery operators) fluctuates so widely from year to year that we concluded that it could be misleading to include them. We have therefore excluded them from this report.

Partly because operators face no statutory obligation to declare payments made for commercial or charitable purposes, and partly because some operators (and possibly some recipients) regard the amounts as confidential, some of these payments are difficult to quantify precisely.

To overcome this problem we first used figures given to us *in confidence* by a small sample of operators (and we anonymised any such information). These figures served both to establish a minimum known contribution and to provide a basis for estimating typical expenditure that might be incurred by other operators offering comparable forms of support.

We then went on to the websites of a large number of gambling operators in order to identify the types and number of sporting events, teams, or personalities that they support. Using the typical expenditures described in paragraph 1.11 we then calculated the approximate contributions that we think these other operators made.

### *Amounts contributed by main category of contributor*

We first summarise, in Table 1.1, the total estimated contributions to sport from all three sources listed above.

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<sup>1</sup> Thus, Italy issued over 14,000 licences in 2007; Ireland has issued nearly 9,000 licences; and Great Britain has over 8,000 betting shops, together with some 1,000 remote gambling licences and some 3,000 non-remote licences.

**Table 1.1: Estimated contributions to sport by category of contributor**

Category	Value €million	Percentage
(a) commercial and charitable	234	7
(b) statutory levy schemes	1,626	47
(c) lotteries	1,552	45
<b>Total</b>	<b>3,412</b>	<b>100</b>

Table 1.1 presents a total contributed by private and public sectors combined. In Table 1.2 we estimate the total contributions to sport from the private sector alone.

**Table 1.2: Estimated contributions to sport by private sector gambling**

Source	Value €million	Percentage
(a) commercial and charitable	234	11
(b) statutory levy schemes	1,015 <sup>1</sup>	48
(c) lotteries	848 <sup>2</sup>	40
<b>Total</b>	<b>2,097</b>	<b>100</b>

*Note 1: Total of contributions from France, Ireland, the Netherlands and the UK. See Section 4 and Appendix 3.*

*Note 2: Excluding any share of the €134 million contributed by mixed-ownership lotteries. €848 million is thus a minimum.*

Table 1.2 breaks out private sector contributions, and shows that contributions to EU sport by private sector EU gambling operators comes to 61 per cent of the total.

### *Contributions by Member State*

The sources of funding for sport are unevenly distributed by Member State. Largely because of their statutory schemes for the financing of horseracing, France and Italy are by far the largest contributors to sport overall. The UK is the largest contributor in respect of funds to sport from lotteries and of commercial and charitable contributions.

### *Distribution by recipient sports*

It has not proved possible to break down the entire contribution from gambling operators by recipient sport because few lotteries reveal, at least publicly, such detail. However, we have estimated in Table 1.3 a breakdown by recipient sport of non-lottery contributions.

The contributions shown in Table 1.3 come from both public and private sector sources.

**Table 1.3: Commercial, charitable and statutory contributions from private and public sector sources combined**

<b>Source</b>	<b>Value €million</b>	<b>Percentage</b>
Horseracing <sup>1</sup>	1,489	80
Football	161	9
Greyhound racing	42	2
Others <sup>2</sup>	168	9
<b>Total<sup>3</sup></b>	<b>1,860</b>	<b>100</b>

*Note 1: Amounts contributed to horseracing are dominated by statutory payments in France and Italy.*

*Note 2: These include rugby, darts, snooker, tennis, golf, motor-sport, skiing, handball, boxing, grassroots sport, sponsorship of individuals, and sports-related charities.*

*Note 3: The total of €1,860 million corresponds to €234 million plus €1,626 million shown in rows (a) and (b) respectively in Table 1.1.*

### *Forms of contribution*

Contributions to sport from statutory levy schemes are distributed almost in their entirety as grants to specialist bodies connected with the recipient sport (which is for the most part horseracing). Contributions from lotteries present a more mixed picture, with some payments going to specialist bodies and others to end-users, such as (in the case of the UK) a local sports club. For commercial payments by private sector gambling operators, the dominant form of contribution, measured by amounts paid, is sponsorship, whether of a team, a league or equivalent, an event, or an individual sportsman or sportswoman. Other forms of contribution take the form of advertising on perimeter boards at sports venues and/or appointment as “betting partner”.