

Overview of Gaming Worldwide

Overview

As you survey the world, you will find forms of legal gambling almost everywhere. Legalized gambling has become the norm over the past 25 years as more and more jurisdictions have tapped the tremendous revenue source provided by the taxation and regulation of gambling. Currently, many governments are increasing their efforts to either expand legal gambling or further regulate existing gambling. In the few places left where gambling is still illegal due to religious or ideological reasons there are proponents who are making a strong case for its introduction. As the tide has turned, the holdouts have seen residents travel from their countries and states to gamble in neighboring jurisdictions, leaving their money and potential tax revenue behind. Today, over 180 countries participate in some kind of legal gambling. With the proliferation of the use of the Internet and online gambling, plus the still significant amount of illegal gambling around the world, we can safely say that most people will find an outlet for their gambling needs.

Gaming Machine Summary

| | | |
|----------------------------------|-----------|--------|
| Gaming Machines | | |
| Slots | 1,227,747 | 45.9% |
| Video Gaming Machines | 113,682 | 4.2% |
| Amusements with Prizes | 848,205 | 31.7% |
| Video Lottery Terminals | 126,507 | 4.7% |
| Electronic Gaming Machines | 351,169 | 13.1% |
| Electronic Bingo | 9,821 | 0.4% |
| Total | 2,677,131 | 100.0% |

Gaming Profile by Type of Location

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|------------------------------|---------|--------|
| Locations | | |
| Bingo Halls | 2,367 | 1.0% |
| Card Rooms | 465 | 0.2% |
| Casinos | 3,691 | 1.6% |
| Gaming Machine Outlets | 216,939 | 96.2% |
| Jai Alai Frontons | 6 | 0.0% |
| Racinos | 100 | 0.0% |
| Ships with Casinos | 214 | 0.1% |
| Tracks | 1,713 | 0.8% |
| Total | 225,495 | 100.0% |

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|------------------------------|-----------|--------|
| All Gaming Machines | | |
| Bingo Halls | 21,059 | 0.8% |
| Card Rooms | 54 | 0.0% |
| Casinos | 977,501 | 36.5% |
| Gaming Machine Outlets | 1,558,622 | 58.2% |
| Racinos | 97,932 | 3.7% |
| Ships with Casinos | 21,728 | 0.8% |
| Tracks | 235 | 0.0% |
| Total | 2,677,131 | 100.0% |

| | | |
|------------------------------|-----------|--------|
| Slots | | |
| Card Rooms | 54 | 0.0% |
| Casinos | 889,248 | 72.4% |
| Gaming Machine Outlets | 259,466 | 21.1% |
| Racinos | 57,261 | 4.7% |
| Ships with Casinos | 21,718 | 1.8% |
| Total | 1,227,747 | 100.0% |

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|------------------------------|--------|-------|
| Video Gaming Machines | | |
| Casinos | 66,445 | 58.4% |
| Gaming Machine Outlets | 40,741 | 35.8% |
| Racinos | 6,281 | 5.5% |

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|--------------------------|---------|--------|
| Ships with Casinos | 10 | 0.0% |
| Tracks | 205 | 0.2% |
| Total | 113,682 | 100.0% |

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|------------------------------|---------|--------|
| Video Lottery Terminals | | |
| Casinos | 3,430 | 2.7% |
| Gaming Machine Outlets | 89,807 | 71.0% |
| Racinos | 33,240 | 26.3% |
| Tracks | 30 | 0.0% |
| Total | 126,507 | 100.0% |

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|-------------------|-------|--------|
| Electronic Bingo | | |
| Bingo Halls | 3,277 | 33.4% |
| Casinos | 5,644 | 57.5% |
| Racinos | 900 | 9.2% |
| Total | 9,821 | 100.0% |

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|------------------------------|---------|--------|
| Amusements with Prizes | | |
| Gaming Machine Outlets | 848,205 | 100.0% |

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|------------------------------|---------|--------|
| Electronic Gaming Machines | | |
| Bingo Halls | 17,782 | 5.1% |
| Casinos | 12,734 | 3.6% |
| Gaming Machine Outlets | 320,403 | 91.2% |
| Racinos | 250 | 0.1% |
| Total | 351,169 | 100.0% |

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|-----------------------------|--------|--------|
| Table Games Including Poker | | |
| Card Rooms | 3,380 | 5.9% |
| Casinos | 50,268 | 87.1% |
| Jai Alai Frontons | 114 | 0.2% |
| Racinos | 2,031 | 3.5% |
| Ships with Casinos | 1,771 | 3.1% |
| Tracks | 182 | 0.3% |
| Total | 57,746 | 100.0% |

| | | |
|--------------------------|--------|--------|
| Poker Tables | | |
| Card Rooms | 1,635 | 15.9% |
| Casinos | 7,291 | 71.1% |
| Jai Alai Frontons | 114 | 1.1% |
| Racinos | 974 | 9.5% |
| Ships with Casinos | 83 | 0.8% |
| Tracks | 155 | 1.5% |
| Total | 10,252 | 100.0% |

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|-----------------------------|--------|--------|
| Table Games Excluding Poker | | |
| Card Rooms | 1,745 | 3.7% |
| Casinos | 42,977 | 90.5% |
| Racinos | 1,057 | 2.2% |
| Ships with Casinos | 1,688 | 3.6% |
| Tracks | 27 | 0.1% |
| Total | 47,494 | 100.0% |

Gaming Profile by Geographic Location

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|-------------------------------|---------|--------|
| Locations | | |
| Africa | 1,130 | 0.5% |
| Asia & Middle East | 556 | 0.2% |
| Caribbean | 1,371 | 0.6% |
| Central & South America | 3,383 | 1.5% |
| Europe | 190,936 | 84.7% |
| North America | 20,263 | 9.0% |
| Oceania | 7,692 | 3.4% |
| Cruise Ships | 164 | 0.1% |
| Total | 225,495 | 100.0% |

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|--------------------------|--------|------|
| All Gaming Machines | | |
| Africa | 32,472 | 1.2% |
| Asia & Middle East | 33,888 | 1.3% |

World

| | | |
|------------------------------------|-----------|--------|
| Caribbean..... | 32,375 | 1.2% |
| Central & South America..... | 58,637 | 2.2% |
| Europe..... | 1,319,685 | 49.3% |
| North America..... | 958,024 | 35.8% |
| Oceania..... | 222,698 | 8.3% |
| Cruise Ships..... | 19,352 | 0.7% |
| Total..... | 2,677,131 | 100.0% |
| Slots | | |
| Africa..... | 30,094 | 2.5% |
| Asia & Middle East..... | 33,676 | 2.7% |
| Caribbean..... | 23,350 | 1.9% |
| Central & South America..... | 58,136 | 4.7% |
| Europe..... | 302,385 | 24.6% |
| North America..... | 738,635 | 60.2% |
| Oceania..... | 22,129 | 1.8% |
| Cruise Ships..... | 19,342 | 1.6% |
| Total..... | 1,227,747 | 100.0% |
| Video Gaming Machines | | |
| Africa..... | 2,378 | 2.1% |
| Asia & Middle East..... | 212 | 0.2% |
| Caribbean..... | 25 | 0.0% |
| Central & South America..... | 500 | 0.4% |
| Europe..... | 2,495 | 2.2% |
| North America..... | 108,042 | 95.0% |
| Oceania..... | 20 | 0.0% |
| Cruise Ships..... | 10 | 0.0% |
| Total..... | 113,682 | 100.0% |
| Video Lottery Terminals | | |
| Caribbean..... | 9,000 | 7.1% |
| Europe..... | 16,150 | 12.8% |
| North America..... | 101,357 | 80.1% |
| Total..... | 126,507 | 100.0% |
| Electronic Bingo | | |
| Central & South America..... | 1 | 0.0% |
| North America..... | 9,740 | 99.2% |
| Oceania..... | 80 | 0.8% |
| Total..... | 9,821 | 100.0% |
| Amusements with Prizes | | |
| Europe..... | 848,205 | 100.0% |
| Electronic Gaming Machines | | |
| Europe..... | 150,450 | 42.8% |
| North America..... | 250 | 0.1% |
| Oceania..... | 200,469 | 57.1% |
| Total..... | 351,169 | 100.0% |
| Table Games Including Poker | | |
| Africa..... | 1,797 | 3.1% |
| Asia & Middle East..... | 7,945 | 13.8% |
| Caribbean..... | 1,569 | 2.7% |
| Central & South America..... | 3,654 | 6.3% |
| Europe..... | 10,917 | 18.9% |
| North America..... | 28,549 | 49.4% |
| Oceania..... | 1,742 | 3.0% |
| Cruise Ships..... | 1,573 | 2.7% |
| Total..... | 57,746 | 100.0% |
| Poker Tables | | |
| Africa..... | 144 | 1.4% |
| Asia & Middle East..... | 154 | 1.5% |
| Caribbean..... | 190 | 1.9% |
| Central & South America..... | 284 | 2.8% |
| Europe..... | 2,219 | 21.6% |
| North America..... | 7,089 | 69.1% |
| Oceania..... | 116 | 1.1% |
| Cruise Ships..... | 56 | 0.5% |
| Total..... | 10,252 | 100.0% |

| | | |
|------------------------------------|--------|--------|
| Table Games Excluding Poker | | |
| Africa..... | 1,653 | 3.5% |
| Asia & Middle East..... | 7,791 | 16.4% |
| Caribbean..... | 1,379 | 2.9% |
| Central & South America..... | 3,370 | 7.1% |
| Europe..... | 8,698 | 18.3% |
| North America..... | 21,460 | 45.2% |
| Oceania..... | 1,626 | 3.4% |
| Cruise Ships..... | 1,517 | 3.2% |
| Total..... | 47,494 | 100.0% |

Casino and Card Room Gaming

Our research shows that over 100 countries around the world participate in legalized casino and card room gambling. We consider casinos to be properties that offer gaming machines and table games or properties that offer house-banked table games. Properties that offer poker exclusively or a combination of poker and player-banked games are classified as card rooms. Gaming machine outlets include locations that offer gaming machine products exclusively, from slot halls to limited payout machine locations such as pubs, restaurants and grocery stores.

Trends for the casino segment include increased slot machine revenue share of total casino revenue and the expansion of additional food, beverage and entertainment options as part of the casino experience. With new regulatory schemes in existing markets, for example in the United Kingdom and Macao, casino gambling is set to include larger, more resort-style properties.

As a note, although they represent one of the most vigorous gaming markets, we have decided against adding Pachinko machines and their locations to the statistical summaries that follow.

Lotteries

Lotteries are as widespread as casino and card room gambling with over 100 countries offering some kind of lottery product. For the most part, lotteries are controlled by the government and contribute to the public good.

Race Wagering

Horse and dog tracks have felt increasing financial pressure from the proliferation of casinos and lotteries over the past decade. A large number of tracks had to introduce casinos, card rooms, slot machines and VLTs at tracks in order to subsidize the racing operations. Fortunately in jurisdictions where the racing industry has suffered from competition, legislators have been sympathetic to their plight and in many cases passed legislation allowing the tracks to expand their operations. Other strategies include a global circuit of premier races and using tax revenue from land based facilities to subsidize tracks. Over 90 nations participate in the race betting industry.

Sports Betting

Sports betting is widespread throughout the world. Almost all the major countries in the world offer some type of sports betting. Countries with less developed gambling industries tend to allow large international gaming companies to offer sports betting services on their behalf in exchange for licensing fees and taxes.

Online Gaming

As the online gaming industry matures, so do the approaches to regulating it. In Europe, the single market approach, where online

gaming licenses from one country or jurisdiction are recognized by other countries, is quickly giving way to a country-by-country licensing approach. In this model, individual jurisdictions license and tax online gaming operators, and create different sets of regulations and tax rules for operators to follow. Regulatory models range from highly restrictive – just a few licenses granted – to wide open (no cap on licenses). And tax models vary widely, from taxes on turnover to taxes on profits or revenue. Additionally, many of the European regulations prevent players from playing with people in other countries. In Canada, online gambling is being regulated at the provincial level, with different rules and laws in each province. And in the United States, the Department of Justice has stepped up enforcement activities against online gambling operators while lobbying to license and regulate online gaming at both the state and federal levels has increased dramatically.

Charitable Gaming

Charitable gaming traditionally is allowed in jurisdictions as a way for small local charities to generate revenues for their causes. Raffles, bingo, poker, twenty-one, paddlewheels, pull tabs, and other low technology games are the usual methods for this type of gambling. An exception to this rule is the large charitable casinos in Canada.

Commercial Bingo

Bingo is a popular form of entertainment, available in some form in every part of the world. There are many variations to the rules and the ways it can be played. Traditional paper bingo is still very common, but electronic bingo is also popular. Some electronic bingo machines are virtually indistinguishable from traditional slot machines. In some jurisdictions bingo is offered in lottery form. It is not unusual for bingo halls to also operate slot machines or VLTs on the same premises.