



Per Jaldung address for the International Casino Conference

I'd first like to say how happy I am to be meeting in London once again. ICE has always been one of the most important events in the annual calendar of the European land-based casino industry, but this year is especially significant. Gathering in London after two years apart, is extra special.

Acknowledging this, the ECA congratulates Clarion Gaming for its courage and determination in presenting this year's event in the face of extreme uncertainty and obvious challenges. We understand that this is not 'business as usual' for the exhibition this year, as the industry continues to rebuild and restructure in response to the pandemic. However, it is vitally important for a sector that prides itself upon exemplary customer service and socially connected gaming, that we meet, as we have always done, in-person at ICE London. We are, after all, very much in the face-to-face people business.

I believe this is the dawn of a new era for the European casinos. For this, events such as ICE are vital in that they illuminate the path ahead, driving innovation, presenting new technologies to ensure that the land-based casinos continue to be engaging, exciting and relevant to the casino-going audience both now and in the future.

Following one of the most difficult periods ever faced by the casinos in Europe, the challenge of stabilising and rebuilding the business falls not only upon the members of the European Casino Association, but on all of us in this room today. Never has the unified voice been more important and relevant than at this moment right now.

The support and assistance provided by the European Casino Association to our members has been crucial to the effective pandemic response of the European casino sector as a whole. The licensed casino industry has gone through a valley of tears in the last two years. The ECA's Economic Impact studies in 2020 and 2021 highlighted the fact that land-based casinos were hardest hit among all the gaming sectors as national governments responded with drastic measures to curb the spread of Covid-19. Closures, restrictions, and reductions to the gaming offer halved member revenues in 2020 and continued into 2021 with the average European casino closed for over 150 days last year. The resilience of the industry was tested to the extreme.

Let me give you some examples: traditional land-based casino gaming revenue in 2020 was down 47.7% compared to the 2019 pre-pandemic levels. Almost half.

While it is true that members experienced the economic effects of the pandemic to differing degrees, with Luxembourg, for example, reporting a negative impact of 5.2 per cent, such a result has proved to be an outlier compared to the much more significant impacts witnessed

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in Austria, France, Greece, Latvia, Sweden and many other countries, in which revenues fell by over 50 per cent.

2021 was a mixed year compared to 2020, but it is very clear that the pandemic impact continued to cut deeply into the land-based casino sector; across 10 countries, casino gaming revenue increased an average of just 2.9% in 2021, compared to 2020, which was already one of the weakest years in the history of European casinos. In other words, there was very little by way of recovery for the sector as a whole, although significant variation between countries could be observed.

Some countries reported improvement in revenues in 2021 compared with the prior year, but Austria, France, Latvia and Switzerland reported lower revenues against 2020 figures. Compare this to the United States for a moment, where land-based commercial casinos reported annual record revenues from traditional slot machines and table games in 2021; an increase of 67.7% compared to 2020, according to the American Gaming Association.

On average, land-based casinos in Europe received 55% less visits in 2021 compared to 2019. Austria, France, Greece and Sweden all reported a decline of more than 60% in total visits compared to pre-pandemic figures.

The impact of the pandemic on the land-based casino industry is in stark contrast to the nationally regulated online casino or online gaming sector in Europe. According to data aggregated by VIXIO GamblingCompliance, online casino gaming revenue across 13 regulated markets in Europe grew at an average of 52.5% in 2020 compared with 2019, and then a further 54.1% in 2021 vs. 2020.

VIXIO's data looked solely at the regulated online gambling industry, and I make this distinction to highlight the devastating Tsunami that illegal, not duly licensed operators, have created in Europe. Illegal online operators exploit players without regulation or control as part of what we, the ECA, consider to be a successful scam perpetrated by so-called European licence holders operating from both within and outside the EU. There is no such thing as a Pan-European gaming license. All rulings of the European Court of Justice have repeatedly clarified that these licences are, at most, sufficient to offer gaming within their issuing countries. This is a state of affairs that is no longer sustainable or bearable. The regulators of our industry perform their roles with the utmost rigor and dedicated scrutiny aimed at duly licensed operators but seem to have no effective tools to stop this 'snatch and grab' of those operating in the illegal online gambling space. The exposure of these practices is at the very top of the agenda of the regulated industry.

The members of the ECA call for an efficient fight against unlicensed online gambling offers, as is already implemented today by the financial, gaming and police authorities of the

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individual European countries, with regard to fighting land-based unlicensed casinos and VLT providers.

Having said this, I want to emphasise the point that the ECA is not against online gambling – just the unlicensed and illegal online gambling as it exists today. In fact, a recent member survey revealed that more than 60 per cent of our members are already directly or indirectly involved in the operation of duly licensed online casinos in accordance with national regulations. Switzerland's restricted model, in which only licensed land-based casinos are allowed an online offering, is one that is strongly endorsed by the ECA as a way forward for EU Member states. The ECA member casinos guarantee to carry forward the high standards in gaming, entertainment, compliance, and reliability towards all stakeholders also to the online gaming sector. Which for us, is just another distribution channel and NOT another sector.

It is the conviction of the ECA that land-based casinos must be allowed free access to the online sector. A newly convened working group consisting of ECA Board members is working to bring this to fruition. ECA members' access to online distribution channels for casino games is a necessity for an industry that guarantees more than 50,000 jobs in Europe.

The ECA continues to be a voice for change in the industry, calling out illegal operators and challenging inequitable regulation – but we also champion and encourage the promotion of best practices. I am especially proud that during the pandemic, the ECA continued with its EDP education initiative to promote diversity and inclusion within the land-based sector; and we continued to adopt best practices and to encourage and promote responsible gambling. The Spielbanken Niedersachsen Group in Germany and the JOA Group in France, are the latest members to achieve the ECA responsible gaming certification and we congratulate both members for their dedication and hard work.

Casinos are part of the entertainment and tourism industry across the myriad of environments and locations in which we operate. As an integral part of the service sector, we train and employ thousands and thousands of people across all the various aspects of our casinos, be it gaming, gastronomy, hotels, or events. The value chain of casinos is strongly locally oriented, and we continue to make a significant contribution to the physical and cultural enrichment of our locations. Integral to this, responsible gaming is not a PR message. It is front and centre and guides everything that we do.

On a final important note, I would like to emphasise the work of our colleagues across Europe in support of the people of Ukraine. We have not only shown our solidarity but raised funds and dedicated staff hours to support initiatives that make a real difference. For example, we have in my casino Company in Sweden just hired 6 trained dealers who have fled the war in Ukraine. Our unity is our strength and being together again at ICE London is

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the manifestation of the positive spirit that exists within the European land-based casino industry. On behalf of all our members, we look forward to a great ICE London 2022.

Thank you!

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