

EU warns Denmark, Hungary, Finland to permit gaming competition – extended

EU regulators threatened to sue Denmark, Finland and Hungary for blocking foreign sports-betting companies, saying the countries are protecting domestic companies from competition.

The European Commission in Brussels gave the countries two months to change their laws or they may be hauled to the EU's highest court, according to a statement today. The agency also repeated lower-level warnings to Germany and the Netherlands. The commission efforts add to pressure from EU courts on countries seeking to protect lotteries and state-run gaming monopolies from foreign competitors such as Stanley Leisure Plc and Ladbrokes Plc of the UK and Vienna-based Bwin Interactive Entertainment AG. Shares of several betting companies rose after the EU statement. „We hope these moves by the commission in response to our complaints will open up these markets to licensed and regulated competition, providing better value and choice for the consumer,” Ladbrokes spokesman Ciaran O'Brien said in a statement. „We will continue to campaign for similar measures in other markets.”

Germany and the Netherlands today received milder cautions, rather than a final notice issued to the three other countries, so the EU agency can consider recent changes to the law in those countries. The commission has also issued initial warnings in the past year to France, Italy, Austria and Sweden. Shares of Bwin rose €2.98, or 9.5%, to €34.50 in Vienna. Ladbrokes, the world's biggest publicly traded bookmaker, gained 3.5 pence, or 0.9%, to 408.5 pence in London. PartyGaming Plc, the world's largest Internet poker operator, rose 2 pence, or 4.7%, to 45 pence.

Earlier this month, the European Court of Justice in Luxembourg ruled that Italy can't apply criminal law to restrict the local operations of gaming companies based in the EU. The commission said EU countries aren't required to allow gambling, they just can't restrict others from the region while permitting local lotteries or franchises. Domestic operators can't be considered nonprofit since they raise revenue for the state and sell tickets through stores, the agency said today. Bwin and Stanley also issued statements praising the action. „Once member states engage in activities in this area, then they have to respect basic rules like nondiscrimination and proportionality,” Oliver Drewes, a spokesman for Internal Market Commissioner Charlie McCreevy, said to reporters today.