

Ladbrokes calls off casino plans

British bookmaker Ladbrokes has ditched plans to break into the UK casino market in a blow for government plans to issue 16 new casino licenses to local authorities.

The firm has called off plans to enter the UK casino market citing current economic conditions. James Purnell, the UK's culture minister, is expected to announce in the next few weeks the formal burial of the proposed super-casino in Manchester, north-west England. But he will give the go-ahead for the eight large and eight small casinos that remain from the wreckage of the government's much-derided casino expansion policy.

Ladbrokes, however, will not be among the bidders to run them. Its decision raises doubts about whether any of the other leading gaming operators will bid for the new casinos. Its decision to abandon the strategy in effect kills off talk of Ladbrokes as a suitor for Rank Group, the embattled casino and bingo operator, which has seen revenues plunge and which is attracting gaming groups.

A statement from the betting firm said that the length of time required to generate sufficient return on the capital spend would be too long, necessitating the move. The Financial Times reported that culture secretary James Purnell's expected announcement, to scrap plans for 16 smaller casino licences, was a factor in the decision.