

Hungarian Privatization

Article by Rob van der Gaast

The Hungarian Privatization and State Holding Company (ÁPV Rt.), which task is to push the sale and market based management of state assets determined by law as well as rendering accounts and the controlling of earlier privatization transactions, did not (yet) list the state owned National Lottery, Szerencsejáték Zrt.

However the subject is discussed continuously in Budapest. The liberal junior governing SZDSZ party is a warm promoter of Privatizations in general and particularly in the privatization of the national lottery company Szerencsejáték Zrt. "In 2008", said the chairman Janos Koka of the SZDSZ party, "we have to privatize all companies which could be better run by private owners, such as the national lottery company Szerencsejáték Zrt. Liberals want more jobs, faster growth and a better business climate".

GamblingAnalysts contacted the Head of Communications and Spokes person of ÁPV Rt., Száraz Gábor, and he said: "Although there were some discussions on the privatization of Szerencsejáték Zrt., the attachment of the so-called 'State Asset Law' (2007. évi CVI tv. – No 106 law in 2007) lists the Company as 100% state owned entity."

Also politicians are still debating on the management of Szerencsejáték following the introduction of a Hungarian parliamentary bill that seeks to regulate the management of state assets. The bill proposes that Szerencsejáték, "which has enjoyed a 70 percent increase in revenues over the past two years", will be taken into a merged National Asset Manager company formed with stake holders from three government bodies.

Some gambling analysts remark that a 70 percent increase in

revenues does not automatically stands for a great result. It can also mean that for years and years the National Lottery was underperforming!

Revenues Szerencsejáték Zrt			
	2004	2005	2006
Net domestic sales revenues	453.4	526.1	561.6
of which: games revenues	450.0	521.6	560.5
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Combined sale of the National Horseracing & Betting

On 23 August 2007 the Hungarian Privatization and State Holding Company (ÁPV Rt.) issued a one-round public tender for the combined sale of the state-owned business share of Nemzeti Lóverseny Kft. (National Horseracing Limited Liability Company) having a nominal value of HUF 1,448,000 thousand and representing 100% of the issued capital and the state-owned business share of Magyar Lóversenyfogadást Szervező Kft. (Hungarian Horserace Betting Limited Liability Company) having a nominal value of HUF 1,000,000 thousand and representing 100% of the issued capital.

The submission date for the applications for the privatization of the two above mentioned Ltd's was November 30, 2007. The evaluation of the applications is under way and will hopefully be published soon.