

French gambling plan seeks to stem illegal betting

Paris: France will open its gambling market to competition and begin to grant online betting licenses in 2010 as it seeks to stem illegal gambling and safeguard the billions of euros in tax revenue provided by the industry each year, the country's budget minister said Thursday.

The minister, Eric Woerth, said the gambling market in France would be expanded to adapt „to Internet reality“ and help France „get out of an unsustainable situation in which the state is losing a growing part of the betting market.“

The plan comes in response to a 2007 European Union demand, which included the threat of a lawsuit, of an end to state gambling monopolies to comply with EU competition laws.

France takes in about EUR 5 billion, or USD 6.3 billion, a year from the gambling industry, which includes Internet gambling, casinos, horse racing and lotteries.

As part of the plan, which will be presented to the cabinet at the end of the month, the government will introduce a levy of about 7.5 percent on Internet wagers on sports events and horse races, and of 2 percent on online poker wagers, according to the draft legislation.

Internet gambling is legal to varying degrees in several European countries, including Britain and Ireland, but laws regulating the industry throughout the EU are far from uniform.

The European Gaming and Betting Association, an industry group for online bookmakers and casinos, pushed the European Commission, the EU's executive arm, to pressure France to open its market.

Pari Mutuel Urbain, widely known as PMU, which has the monopoly on horse-racing bets, had annual revenue of EUR 9.3 billion last year. La Française des Jeux, the state-owned monopoly that operates lotteries and sports betting, had revenue of EUR 9.3 billion in 2007.

Woerth has said that illegal gambling generates EUR 7 billion a year, and said Thursday that there were 25,000 illegal gambling Web sites in France, representing 75 percent of the market.

„Rather than banning 25,000 Web sites, we'd rather give licenses to those who will respect public and social order,“ he said.