

Country Report 2006: LITHUANIA

Since no fundamental legislative changes on gambling and gaming took place in 2006 in Lithuania, attention should be drawn to the current state of the market. In other words, why are operators in the gambling market walking on a knife-edge?

In 2006, like in previous years, the sector of gambling houses (casinos) continued to decrease - in 2006 year in one casino there were on the average 8 gaming tables and 39 slots, while in 2005 year there were on the average 8 gaming tables and 44 slots¹. The majority of gambling houses (casinos) are concentrated in Vilnius city. Not all of them will have positive accounts at the end of this year.

Practically no new gambling operators have entered the gambling halls segment in 2006. However existing operators successfully expanded their activities, as a result, the number of AWP's in the market increased by 438 gaming machines, and so in the end of 2006 year there were 1326 gaming machines of category B in the market. In 2006 year there were on the average 18 AWP's in one gaming hall, while in 2005 year there were on the average 15 AWP's².

With reference to the decree No. 260 of the Prime Minister of the Government of the Republic of Lithuania of October 26, 2005, a working group was established and empowered to draft a new edition of the Gaming Law until 28 April 2006 and also to improve other law acts related to the new draft Gaming Law.

Changes in the draft Gaming Law are not intended to distinguish between hard and soft forms of gambling, the general wish is get the same level of regulation for hard and soft forms of gambling.

The draft Gaming Law simplifies the juridical requirements of activity for most gambling houses and casinos operators, but also introduces more complicated requirements for operators of other gambling sectors. It also ignores the particularity of gambling market segments and does not clearly determine the position of state institutions on gambling issues, and or define clearly the principles of gambling market regulation.

The prepared draft Gaming Law shall not be seen as a model of reasonable market regulations. It is possible then to assume that problems will not be solved radically.

¹ Casino sector

	Number of companies	Number of casinos	Number of gaming tables in casinos	Number of slots in casinos	Result from activity, LTL ³ (EUR)	State budget revenue, LTL ³ (EUR)
2005 year	9	19	152	836	100.434.144,- (~29.087.739,-)	12.096.600,- (~3.503.418,-)
2006 year	9	24	192	956	141.012.243,- (~40.839.968,-)	15.183.600,- (~4.397.475,-)

² Gambling halls sector

	Number of companies	Number of gambling halls	Number of AWP's in gambling halls	Result from activity, LTL ³ (EUR)	State budget revenue, LTL ³ (EUR)
2005 year	4	56	888	19.926.485,- (~5.771.109,-)	1.767.000,- (~511.759,-)
2006 year	4	71	1326	35.372.444,- (~10.244.568,-)	2.820.600,- (~816.902,-)

³ 1 EUR= 3.4528 LTL