

# Germany Has to Revamp Betting Monopoly, Highest Court Rules

March 28 (Bloomberg) – Germany's state monopoly on sport betting must be altered to ensure a protection against gambling addiction, the country's highest court ruled.

The law is unconstitutional in its current form and must be changed by the end of 2007, the Federal Constitutional Court said in an e-mailed statement.

The decision could delay plans by companies such as BetandWin.com Interactive AG, an Austrian-based online betting operator, to expand in Germany, analysts said. William Hill Plc, the U.K.'s second-largest bookmaker, and Ladbrokes, the world's largest publicly traded betting company, have also said they're planning to expand.

„It's a rather unsatisfying solution,“ said Stefan Steib, an analyst at Landesbank Rheinland-Pfalz in Mainz. „The status quo will be frozen in time and liberalization will be delayed.“

With the World Cup soccer tournament set to start in Germany on June 9, a complete liberalization of the German market could have doubled sports-betting revenue in Germany to 4 billion euros (USD 4.8 billion) by 2007, Steib said. The U.K. has almost 18,000 betting shops, while Germany has 2,600.

BetandWin.com greeted the decision, saying that it lays the groundwork for „a situation of regulated competition“ in Germany, according to a statement on the OTS newswire.

The new law must regulate state-controlled betting so that it „truly serves a fight against addiction“ and guarantees „a standardized and controlled admission of professional events through private betting companies,“ the court said today.

While state monopoly is in the public interest as a curb against gambling addiction and fraud, state domination is not a goal in itself, according to the ruling.

The German government generates 4.5 billion euros (USD 5.4 billion) in tax revenue from betting annually, according to Steib.

The case stems from a constitutional complaint filed by a horse-betting bookmaker who was denied a private license for fixed-odds betting by the Munich city government in 1997.

The case number is 1 BvR 1054/01.