

This factsheet was prepared by the Research Chair on Gambling Studies and the HERMES team at Concordia University (Quebec) in collaboration with the Université de Sherbrooke (Quebec), the Universität Hamburg (Germany), and the Observatoire des Jeux (France).

ELECTRONIC GAMBLING MACHINES

COMPARING QUEBEC, FRANCE AND GERMANY

Historical Context of Electronic Gambling Machines

Quebec

Historically, approximately 40,000 illegal electronic gambling machines¹ (EGMs) were located in restaurants, convenience stores, arcades across the province of Quebec, Canada. In 1993 a provincial law² was adopted to curb the illegal market, mandating the state operator, Loto-Québec, to oversee EGMs in casinos and gambling halls while requiring the regulator to grant EGM licences to bars and pubs. The number of EGMs peaked in 2001 at 20,490 and decreased to 17,500 machines in 2017 with a maximum of 10,000 EGMs currently permitted outside of casinos. Changes to the law imposed more restrictive licensing criteria such as limits to the number of licences based on the population density and level of socioeconomic deprivation of neighborhoods.

France

During the 19th century, the first casinos in France were opened as a result of an 1806 decree that authorized the chief of police to issue permits. The operation of casinos was limited to seaside resorts, spas, and tourist cities of more than 500,000 residents. This economic sector is under the control of the Ministry of the Interior and the Ministry responsible for the Budget. Beginning in 1988, EGMs were gradually introduced exclusively to casinos. The number of machines has been growing significantly since then. In 2017, France was home to nearly 23,000 EGMs which generated 1.95 billion euros in gross revenue, whereas France's 199 gambling establishments generated a total gross revenue of 2.29 billion euros.

Germany

Recognized as a form of entertainment, EGMs are regulated federally in Germany. EGMs are permitted within casinos, bars, and slot machine halls (*spielhallen*). With increasingly attractive features, EGMs have become more widely available, turning what once was a small niche into the largest portion of the German gambling market. A total of 264,000 machines generated 5.6 billion euros of revenue in 2016. New laws were introduced by the regulator in 2006 to minimize the addictive potential of EGMs outside of casinos, but the market continued to expand with faster playing speeds on machines. Recent measures aiming to close loopholes in the 2006 law came into effect in November 2018, but their success remains to be confirmed.

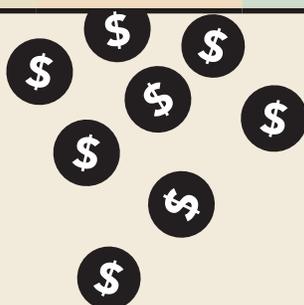
1. Within this document the term Electronic Gambling Machines is used as a catchall for location-specific terms such as slot machines (i.e., machines within Quebec casinos), video lottery terminals (VLTs; i.e., machines outside Quebec casinos) and *machines à sous* (i.e., French translation), and *spielautomat* or *geldspielgerät* (i.e., German translations).

2. Act respecting the Régie des alcools, des courses et des jeux (RACJ).

Availability and Characteristics of EGMs



	INSIDE CASINOS			OUTSIDE CASINOS	
	QUEBEC	FRANCE	GERMANY	QUEBEC	GERMANY
TYPE OF OPERATORS					
Operators	State-owned	Private	State-owned and private	State-owned	Private
AVAILABILITY					
Number of EGMs per 1,000 adults (18+)	0.98	0.44	0.12	1.6	3.82
Maximum number of EGMs allowed per venue	No limit by law Gambling halls: Québec City: 335 Trois-Rivières: 200	Limited by the ratio of table games to EGMs within each casino	No limit by law	5 EGMs/licence 1 licence/venue 2 licences per venue were allowed prior to 2008	Halls: 12 EGMs/licence 4 licences/venue Bars: 2 EGMs/licence 1 licence/venue
Biggest number of EGMs in a venue in 2018	3,234	500	250	5 10 for licences granted before 2008	Halls: 48 Bars: 2
Share of the gambling market attributed to EGMs Excluding unregulated markets	20.7%	29.1%	3.9%	33.9%	51.6%
CHARACTERISTICS OF MACHINES					
Minimum time per game	No limit	No limit	3 seconds	5 seconds	5 seconds
Minimum bet	1 cent (CAD)	1 cent (EUR)	No limit	1 cent (CAD)	No limit
Maximum bet	No limit	1,500 Euro	No limit	\$2.50 (CAD)	0.2 Euro by law No limit in reality: betting point system used with no points limit
Maximum win	No limit	No limit	No limit	\$1,000 (CAD)	2,000 Euro
Return rate					
Legal minimum	83%	85%	No limit	83%	No limit
Effective rate	92%		95%	92%	85%



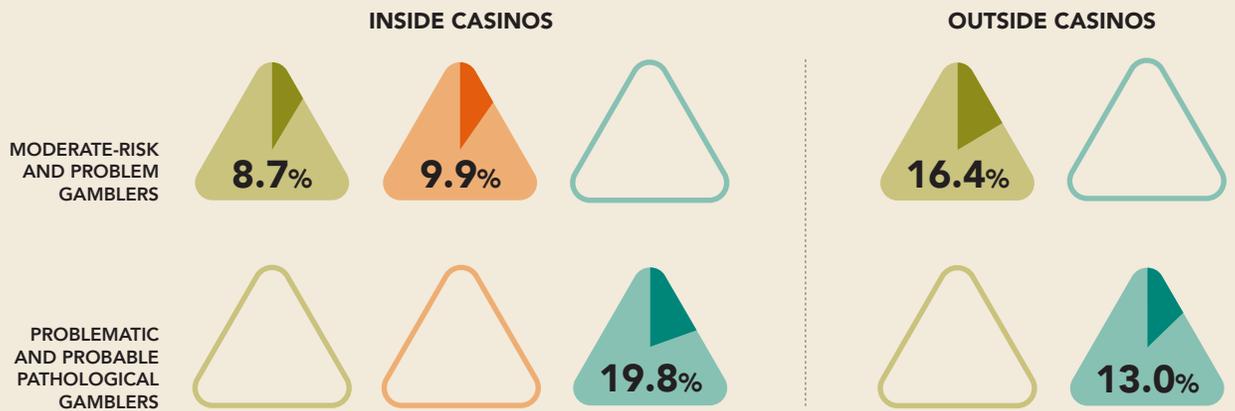
Behavioral Characteristics of EGM Gamblers

- QUEBEC
- FRANCE
- GERMANY

PARTICIPATION

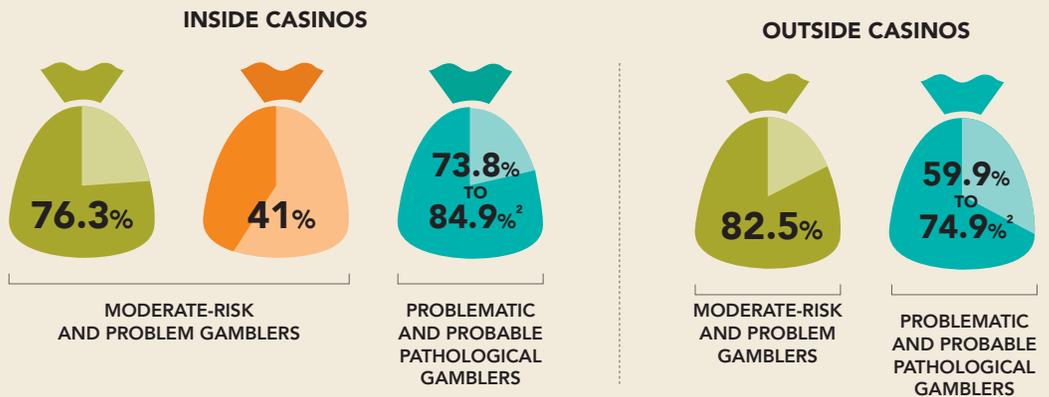


PROPORTION OF PROBLEMATIC GAMBLING¹



1. For Quebec and France, problem gambling was measured using the Problem Gambling Severity Index (PGSI). In Germany, problem gambling was measured using the South Oaks Gambling Screen (SOGS). The PGSI and SOGS are not equivalent and thus cannot be directly compared.

PROPORTION OF TOTAL REPORTED SPENDING ON EGMS



2. This range is based on information from published reports.

Behavioral Characteristics of EGM Gamblers (cont'd)

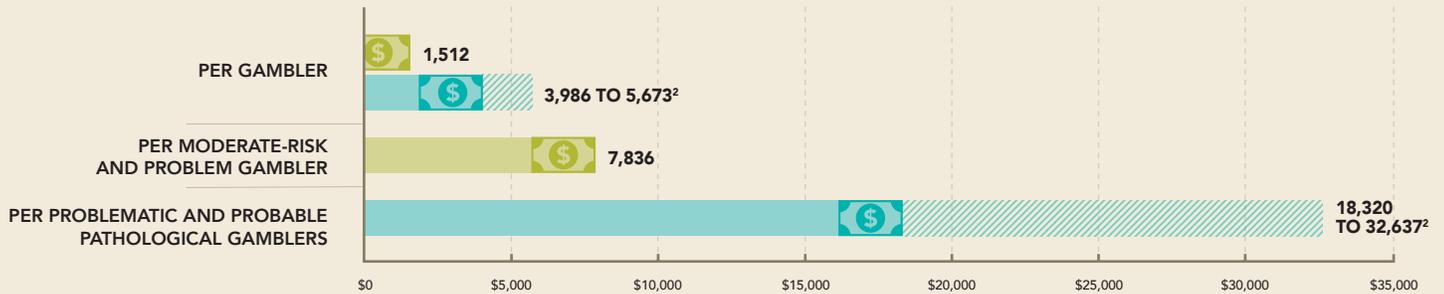
- QUEBEC
- FRANCE
- GERMANY

ANNUAL SPENDING ON EGMS (AVERAGE IN \$ CAD)

INSIDE CASINOS



OUTSIDE CASINOS



2. This range is based on information from published reports.

SOURCES

Quebec

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