



PERU

Emerging LatAm Series

in collaboration with
BtoBet

CONTENT INDEX

01.

INTRODUCTION

02.

**LEGISLATIVE OVERVIEW
AND MARKET GROWTH**

2.1 ONLINE GAMBLING AND BETTING

2.2 LAND-BASED GAMING

2.3 LOTTERIES

03.

**INTERNET AND MOBILE
INFRASTRUCTURE**

04.

**PLAYER GAMBLING
AND BETTING BEHAVIOUR**

2

Fo

Peru has been a relatively small player in the online gambling market, with limited options for local players. However, the launch of the regulated online betting market is expected to attract international operators to the country, which should increase competition and improve the quality of offerings available to Peruvian bettors.

The online gambling market in Peru is projected to experience strong growth, with a forecasted GGR well exceeding \$200m by its third year of operation. This growth is driven by several factors, including the increasing popularity of online gambling in the region, the expanding middle class, and the widespread adoption of mobile devices.

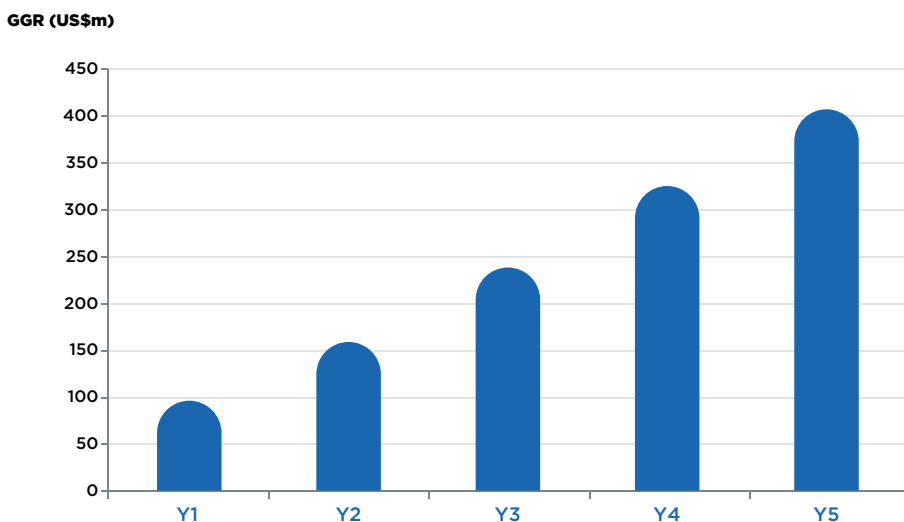
This report will review the legislative updates and the impact these will reflect in terms of market growth, whilst analysing the local players' behaviour in relation to gambling and betting, and how they perceive the industry.

Sector	Status
Online Gambling	Regulated. Local licensing. Online gambling is legal but not yet operational. Regulations are forthcoming.
Casinos	Regulated. Subject to local licensing regime. Casino licences are available to operators on demand.
Gaming Machines	Regulated. Local licensing. The operation of gaming machines is permitted inside and outside casino operations.
(Sports) Betting	Regulated. Local licensing. Land-based and on-line sports betting is legal but not yet operational. Regulations are forthcoming.
Supplier Licensing	Unregulated. Legislation explicitly mentions the status of affiliates and payment providers, but does not require gambling manufacturers and equipment suppliers to obtain a gambling license.
Racing	Regulated. Local licensing. Only civil organisations can organise betting on the result of horseracing events.
Fantasy Sports	Unregulated. Fantasy sports services have not been regulated in Peru.
Lottery Games	Regulated. However, lottery games can only be organised by charitable entities.

2.1 ONLINE GAMBLING AND BETTING

In 2022, the President of the Republic of Peru signed Law 31557 to regulate online gambling and sports betting in the country, marking approximately five years since the initial development of a legislative proposal aimed at regulating the online sector.

Peru: projected regulated online GGR (US\$m) - Year 1 to Year 5



The bill aims to establish a regulatory framework for both online casino gambling and sports betting, encompassing both remote and land-based operations. The draft regulations state that approved gambling sites would be required to operate through locally-registered dot.pe domains and maintain a legal representative within Peru.

Once the regulations are fully operational, it has been forecasted by VIXIO – the leading provider of regulatory intelligence to gambling and payments industries – that Peru’s online gambling revenue would reach US\$409 million within the fifth year of regulation. This projection assumes the legalization of both online betting and casino games under an open licensing system.

In a presentation released by the General Directorate of Casino Games and Slot Machines (Dirección General de Juegos de Casinos y Máquinas Tragamonedas (DGCJMT)) in September 2018, it was mentioned that the licensing of online gambling would be backed by measures such as ISP blocking and advertising restrictions imposed on unlicensed operators. This approach, often referred to as a “European-style” approach, had been previously implemented in the emerging Colombian online gambling market back in 2017.

Currently, the only operators with official authorization to provide online gambling services in Peru are Intralot de Peru SAC, Corporación Galena SAC, and Monterrico Racetrack. These operators are permitted to offer online lottery games, with Intralot de Peru also providing sports betting services under the Te Apuesto brand. Monterrico Racetrack allows online betting on events held at their venue. These permissions are granted based on the provisions outlined in their existing licenses.

2.2 LAND-BASED GAMING

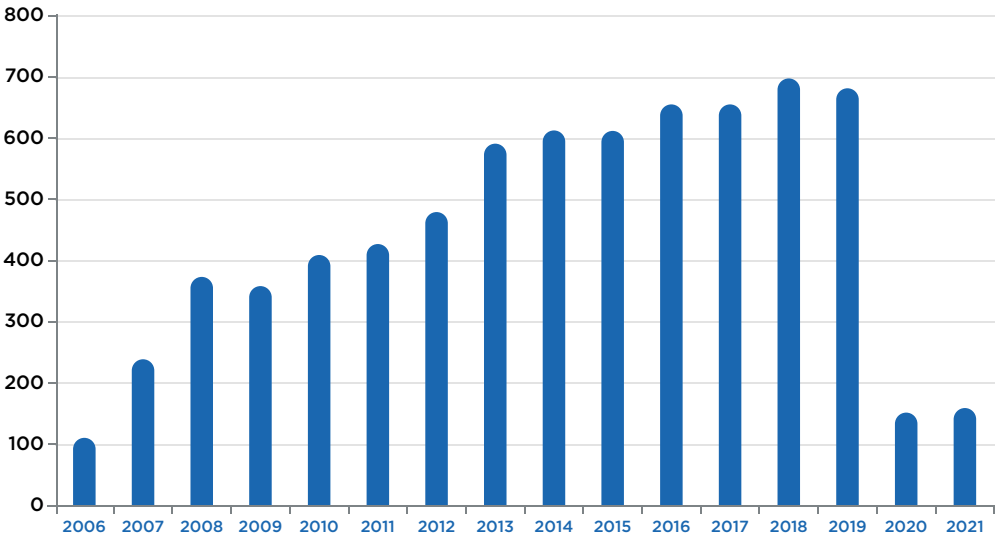


The regulation and oversight of land-based casinos in Peru are managed by the Direccion General de Juegos de Casino y Maquinas Tragamonedas (DGJCMT). All casino licenses granted have a duration of five years.

Based on information provided by the DGJCMT, Peru had a total of 17 authorized casinos as of July 2021. Among these, 15 casinos were situated in the capital city of Lima, while one casino was located in each of the cities Lambayeque and Tacna.

Forecasts by VIXIO which were based on gaming tax data released by the DGJCMT, indicate that the overall gross gaming revenue (GGR) generated from land-based gaming in Peru reached PEN611 million (US\$161 million) in 2021. This represents a modest increase of 5.8% compared to the previous year, reflecting the persistent challenges posed by the COVID-19 pandemic and its ongoing disruptions.

est. GGR (US\$m) **Peru: Est. Casino & Gaming Hall GGR (US\$m) 2006 to 2021**



After reaching its peak at PEN2.65 billion (US\$700 million) in 2018, gaming revenue in the land-based sector experienced a significant decline of 77.6 percent year-on-year in 2020. This sharp decrease was primarily attributed to the temporary closures of land-based gambling facilities as a result of the COVID-19 pandemic.

In April 2020, Peru's casinos and gaming halls were initially closed in response to the COVID-19 pandemic. However, in August, the Ministry of Tourism approved reopening protocols that included measures such as a maximum capacity limit of 50 percent and the enforcement of social distancing measures. These steps were implemented to ensure the safe operation of the establishments.

Nonetheless, due to a resurgence in COVID-19 cases, casinos and gaming halls in Peru faced further closures after initially reopening. As a result, they could only operate intermittently during the latter part of 2020. However, in March 2021, land-based gambling facilities were granted permission to reopen once again, marking the fourth reopening phase.



In the years leading up to 2020, the total gross gaming revenue (GGR) in Peru witnessed a robust compound annual growth rate of 10.3 percent between 2007 and 2018. However, there was a slight decline of 2.6 percent in 2019, with the GGR reaching PEN2.58 billion (US\$682 million).



In recent years, gaming halls in Peru have experienced substantial growth. As per the data released by the DGJCMT, there were a total of 713 authorized gaming halls spread across the country as of July 2021. This indicates a significant presence of gaming halls throughout Peru.

Since the initiation of the formalization process in 2007, the number of gaming halls in Peru has witnessed a slight but consistent increase. Between 2010 and 2017, there was an average annual growth rate of 0.9 percent. However, since 2018, the number of gaming halls has remained relatively stable, reaching a plateau in terms of growth.

A significant concentration of gaming halls in Peru can be found in Lima and its neighboring city, Callao. As of July 2021, this particular market accounted for 397 gaming halls. The remaining 316 gaming halls are fairly evenly distributed across the country, showcasing a more balanced presence of gaming establishments throughout different regions of Peru.

In September 2018, the government of Peru introduced a new tax for casinos and slot halls. Starting from January 2019, operators were required to pay a monthly consumption tax based on the number of machines and gaming tables they offered. This tax was implemented as an additional financial obligation for the operators in the industry.

2.3 LOTTERIES

The regulation of land-based lotteries in Peru falls under the jurisdiction of the National Comprehensive Programme for Family Welfare. These lotteries are exclusively operated by charitable organizations. Currently, there are five organizations authorized to conduct lottery games in Peru. These organizations play a crucial role in managing and overseeing land-based lottery activities in the country.



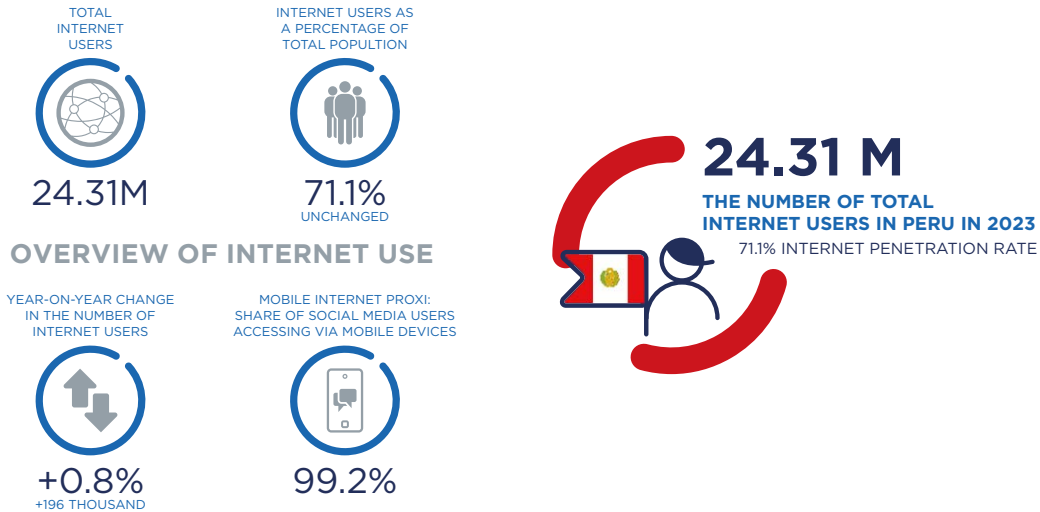
La Tinka, a prominent lottery operator in Peru, was previously a wholly-owned subsidiary of the Greek multinational corporation, Intralot. La Tinka has played a significant role in the lottery industry within the country, contributing to its growth and operations.

Data provided by the World Lottery Association (WLA), indicated that La Tinka, despite the challenges posed by the pandemic in 2020, generated total sales amounting to US\$256.7 million. This represented a decline of 18.3 percent compared to the record sales of PEN1.05 billion (US\$314 million) achieved in 2019. Prior to the events of 2020, La Tinka had been experiencing strong double-digit growth momentum, particularly bolstered by a 57 percent increase in fixed-odds betting turnover to PEN631 million (US\$167 million) in 2018. This surge in betting activity was likely propelled by Peru's participation in the 2018 FIFA World Cup, which ignited heightened interest and engagement among the public.

INTERNET AND MOBILE INFRASTRUCTURE

03.

- As of the beginning of 2023, Peru had a total of **24.31 million** internet users, representing a 71.1 percent internet penetration rate.
- Additionally, there were 25.05 million social media users in the country, accounting for 73.3 percent of the total population.
- In terms of cellular mobile connections, Peru had 40.03 million active connections, surpassing the population figure with a rate of 117.1 percent



INTERNET IN PERU

The number of internet users in Peru was 24.31 million, with the penetration rate reaching 71.1 percent of the total population.

According to an analysis conducted by Kepios, there was an increase of 196,000 internet users (+0.8 percent) from 2022 to 2023.

Approximately 9.88 million people in Peru remained offline at the beginning of 2023, indicating that around 28.9 percent of the population did not use the internet.

Peru's total population was 34.19 million in January 2023, with data indicating that Peru's population increased by 276,000 (+0.8 percent) between 2022 and 2023.

At the start of the year, 78.8 percent of Peru's population lived in urban centres, while 21.2 percent lived in rural areas.



8

3.1 INTERNET CONNECTION SPEEDS



The median mobile internet connection speed via cellular networks was **16.62 Mbps**.



The median fixed internet connection speed was **65.73 Mbps**.

Furthermore, Ookla's data indicates that in the 12 months leading up to the start of 2023:

- The median mobile internet connection speed in Peru increased by 1.99 Mbps (+13.6 percent).
- Fixed internet connection speeds in Peru saw a significant increase of 23.47 Mbps (+55.5 percent).

These improvements highlight the growth and advancement of internet connectivity in Peru during that period.

MEDIAN DOWNLOAD SPEED OF CELLULAR MOBILE INTERNET CONNECTION



16.62
MBPS

YEAR-ON-YEAR CHANGE IN MEDIAN CELLULAR MOBILE INTERNET CONNECTION SPEED



+13.6%

MOBILE PHONES



0.03%
YEAR-ON-YEAR CHANGE
+22.8% (+912 BPS)

LAPTOP AND DESKTOP COMPUTERS



50.05%
YEAR-ON-YEAR CHANGE
-15.3% (-902 BPS)

INTERNET CONNECTION SPEEDS

MEDIAN DOWNLOAD SPEED OF FIXED INTERNET CONNECTION



65.73
MBPS

YEAR-ON-YEAR CHANGE IN MEDIAN FIXED INTERNET CONNECTION SPEED



+55.5%

SHARE OF WEB TRAFFIC BY DEVICE

TABLET DEVICES



0.78%
YEAR-ON-YEAR CHANGE
-13.3% (-12 BPS)

OTHER DEVICES



0.03%
YEAR-ON-YEAR CHANGE
+50.0% (+1 BP)



Betting and gambling have seen a significant increase in popularity over the past few years in Peru, with factors such as the country’s economic growth, the enactment of a legal framework, cultural tradition, sports enthusiasm and technological advancements resulting in a key element to this popularity growth.

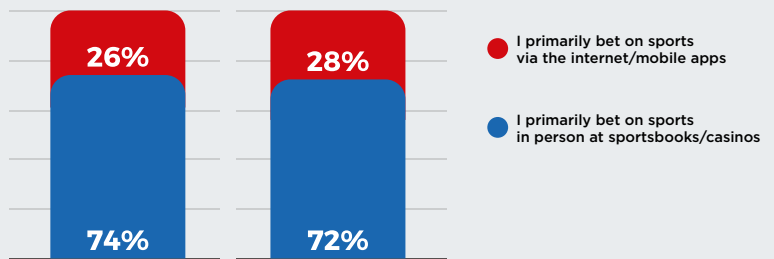
This popularity was also highlighted in a research which has been recently conducted by data and research company TGM Research with the research also providing an in-depth analysis of local player behaviour.

The implementation of Peru’s regulatory framework for sports betting has resulted in a notable surge in its popularity. Recent research conducted by TGM Research, a data and research company, has provided insightful analysis into the preferences and behaviors of local sports bettors.

According to the survey conducted by TGM in Peru, a significant majority of respondents (72%) indicated a preference for online sports betting over in-person betting. This demonstrates a strong inclination towards using internet platforms and mobile apps to place bets on sports events, as opposed to visiting physical retail sportsbooks.

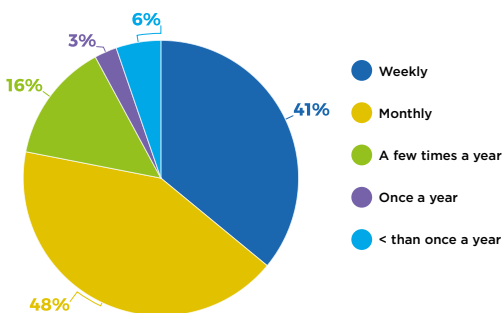
Betting channels Regional focus: Latin America

Which statement best describes your betting activities?



Betting frequency Country focus: Peru

Frequency of sports betting; (country total, %):



The survey delved deeper into the frequency of betting among respondents, revealing diverse patterns. Approximately 5% of the participants reported placing bets on sports every day, indicating a more avid engagement with betting. On the other hand, 22% stated that they wagered a few times a week, while 14% placed bets once a week. A considerable portion of respondents (23%) reported betting a few times a month, and 11% mentioned betting once a month. Less frequent bettors comprised 16% (a few times a year) and 3% (once a year), while only 6% indicated betting less than once a year.

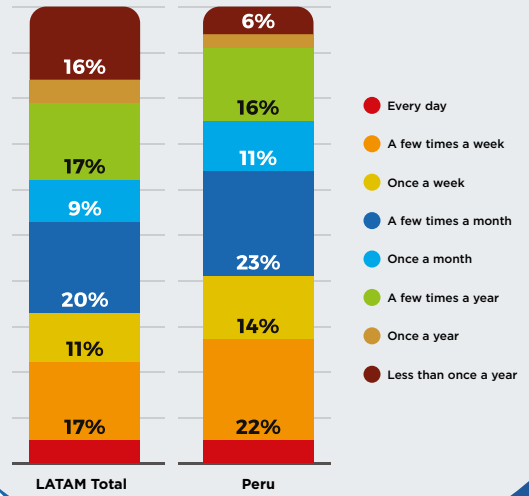
Frequency of sports betting; (country age and gender, %):

	Total	Male	Female	18-24 yo	25-34 yo	35-44 yo	45-54 yo	55-64 yo
Every day	5%	6%	3%	3%	5%	7%	2%	0%
A few times a week	22%	28%	15%	15%	27%	25%	15%	0%
Once a week	14%	18%	10%	9%	14%	17%	15%	0%
A few times a month	23%	20%	26%	27%	21%	23%	22%	0%
Once a month	11%	7%	15%	9%	12%	9%	12%	0%
A few times a year	16%	15%	19%	22%	13%	12%	24%	0%
Once a year	3%	2%	5%	5%	2%	3%	4%	0%
Less than once a year	6%	5%	7%	10%	6%	4%	6%	0%

The research also shed light on changes in betting behavior over time. Among male respondents, 43% reported an increase in sports betting activity over the past 12 months compared to the previous year. Notably, 34% of female respondents stated that they had recently engaged in sports betting for the first time within the past year.

Frequency of betting: Regional focus: Latin America

'How often do you typically bet on sports?'



Betting motivations: Country focus: Peru

Reasons to bet on sports (country TOTAL):



When examining the motivations behind sports betting, the survey uncovered that the majority of participants (54%) were primarily driven by the desire to win money. Additionally, 47% stated that the excitement derived from the betting experience was a significant factor influencing their participation.

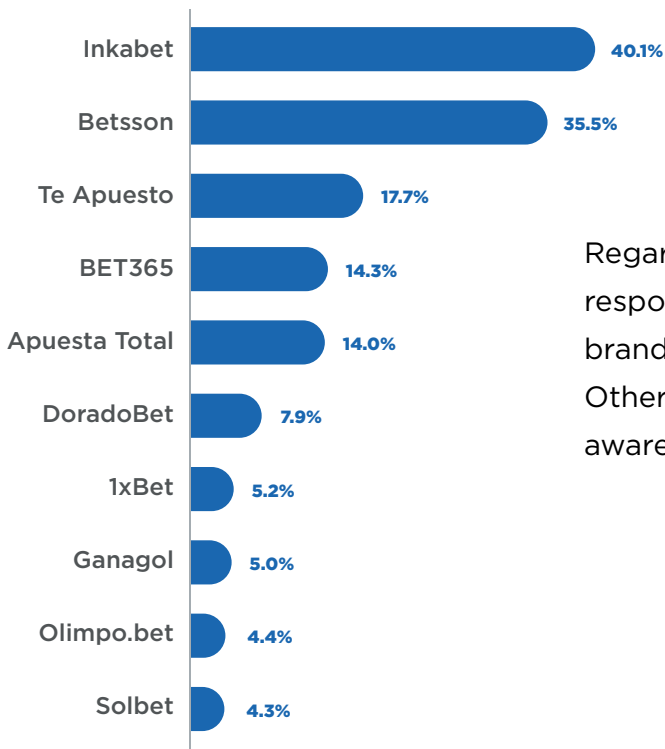
Which of the following are reasons you would bet on sports?

	Male	Female	18-24 yo	25-34 yo	35-44 yo	45-54 yo	55-64 yo
I want to win money	55%	53%	46%	56%	56%	51%	0%
I like the excitement/experience	47%	48%	45%	51%	47%	43%	0%
It makes watching/following a game more interesting	36%	34%	35%	41%	28%	33%	0%
I like the competition	36%	32%	32%	38%	41%	22%	0%
I enjoy the atmosphere (eg in a casino, at a racetrack)	17%	13%	14%	17%	13%	14%	0%
I want to try something new	24%	24%	17%	24%	26%	24%	0%
I have extra money to spend	27%	13%	20%	26%	20%	16%	0%
It's a hobby	20%	10%	12%	14%	20%	13%	0%
Someone I know encouraged me to try	19%	21%	26%	18%	18%	20%	0%
None of these	3%	2%	3%	2%	0%	5%	0%



PERU

What is the brand awareness of the betting platforms? Top10:



Regarding brand awareness, over 40% of respondents were familiar with the Inkabet brand, indicating high recognition in the market. Other local brands also demonstrated substantial awareness among the survey participants.



Contacts

Fernando Saffores

Headquarters

3191 Coral Way, Suite
404-A, Miami, 33145,
Florida, USA

Website

<https://focusgn.com>

E-mail

info@focusgn.com

Skype

fsaffores