

THERE was much to digest at the Asian Racing Conference in Japan, which began last week with a sobering assessment of the state of racing internationally, succinctly described as being at a "critical juncture" by Hong Kong Jockey Club chief executive Winfried Engelbrecht-Bresges.

Against a backdrop of alarming trends including declining betting turnover, a shrinking market share alongside other sports, an ageing audience and falling attendances – to name but a few – almost every keynote speech and panel attempted to highlight the importance of collaboration.

With that in mind, there was unsurprisingly a lot of airtime devoted to the World Pool, with the most effusive praise coming from Racing New South Wales chief executive Peter V'landys, who said the global commingling of pari-mutuel pools may have the "potential to save world racing".

However, the most entertaining contribution came from the HKJC's executive director of wagering products Michael Fitzsimons, who compared the timeline of the sport to the story of Cinderella, with Engelbrecht-Bresges positioned as the fairy godmother for pioneering the World Pool.

After a period of growth, Fitzsimons suggested that much like the Disney princess being unceremoniously thrust back into her old life when the clock struck midnight, racing was similarly in the doldrums but could achieve its own fairytale ending by "coming together to create a world event".

It was an interesting take on a common theme, namely that the expansion of the World Pool, which hopes to package the world's top 100 races for an international audience, would play an integral role in not only helping the sport to compete with black market operators but to remain viable.

So where does Britain fit in? At a time when betting turnover is being squeezed due to regulatory pressures, the additional revenue received by the likes of Ascot and

Can the World Pool give global racing's Cinderella story a fairytale ending?

On The Money



Jonathan Harding's take on the past week's key stories from the worlds of racing and betting

Date for the diary

Monday

Grainne Hurst is set to take over as the new chief executive of the Betting and Gaming Council. Her predecessor Michael Dugher will become chairman

York, which is at least £500,000 per World Pool fixture, has helped them to boost prize-money and will only become more vital.

That said, while countries with more established pool betting cultures have provided huge liquidity, turnover on British and Irish races has levelled out in the last two years, reflecting the fact that even the World Pool is not immune to the wider trends affecting sports betting more broadly.

In addition to being flexible with moving races on World Pool days and ensuring there are eight runners, there are a few levers that could be pulled to generate more interest in Britain, the most obvious of which is to try to add more World Pool fixtures, with 23 run in Britain

and Ireland this year.

Domestically, Britain could still do more to shape days in the calendar specifically for punters in Hong Kong, prioritising handicaps, or even link together two meetings, one with an earlier start time to provide 12 races for an international audience, provided it does not impact the Pattern.

There is also clearly untapped potential in mixing races from meetings in different jurisdictions and time zones to create a hybrid offering, such as when four races on Sun Chariot Day at Newmarket in 2023 were added to the World Pool alongside Romantic Warrior's first start in Australia.

By its very nature, the World Pool primarily provides exposure for the major meetings and should not be viewed as a silver bullet for all of British racing's problems but it does remain an important revenue stream and there is definitely scope to do more to cater to the global audience.

On an international scale, with racing struggling to compete with other sports, fight for its social licence and reverse the trend of declining betting turnover, the World Pool is likely to play a big role in determining whether the sport's Cinderella story has a fairytale ending in Britain and abroad.

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Advances in technology helping to 'turbocharge' the black market

THE threat of the black market, discussed in last week's column, was one of the key themes of the conference and alongside calls for racing to belatedly embrace technology to engage the next generation of fans came an alarming realisation that many illegal operators already have.

In Asia, technological advancements have meant it has never been easier to create a black market platform. Potential customers no longer need to know someone on their street to place a bet and are instead often spammed by illegal operators, who have become much more sophisticated,

recruiting customers, particularly young people, through WhatsApp, hiring influencers on Instagram and engaging on platforms such as TikTok.

Summarising this trend, James Porteous, senior manager of due diligence and research at the Hong Kong Jockey Club, said: "The illegals have zero regulatory overhead and zero concerns about reputational or ethical considerations about how they deploy technology to markets and consumers to attract customers and to boost their turnover. The theme over the last two years has been that technology has turbocharged illegal betting."

It is clearly a lucrative business,

primarily because unlicensed operators have an unfair competitive advantage in that they do not have to adhere to the same rules as the regulated industry, or any rules for that matter. That also means that when they attract customers, often in highly unethical ways, they are able to sign them up in a matter of seconds, while they also facilitate the use of cryptocurrency, without any protection for punters.

An interesting parallel is the music industry. As people moved away from buying and listening to CDs, many gravitated towards streaming and downloading their favourite artists illegally because it was easy to do. However, the landscape changed

dramatically when Apple launched the iPod in 2001 which, combined with the launch of iTunes, gave customers a legitimate and equally frictionless, simple place to access music.

It mirrors the challenge facing the regulated markets in Asia and around the globe. There is the obvious fight to convince governments and regulators to take the threat of the black market seriously and to do more to clamp down on it but there is also a need for the licensed firms to evolve their own offering and, much like the way Apple tackled illegal streaming, to make the experience as convenient as possible for users.

Betting bullets

•Tote association calls for lower tax rate

The World Tote Association published a report last week to highlight to policy makers the role pool betting plays in sustaining racing globally. It was authored by Martin Purbrick, chairman of the Asian Racing Federation's (ARF) council on anti-illegal betting and related financial crime.

The report concludes: "If horseracing is to survive as a sport, it is essential that tote betting be differentiated from other forms of gambling in national policies. The main recommendation from this report is that different forms of gambling should be taxed at different rates. In the case of tote betting, the tax rate should be lower to reflect lower harm levels and the sector's contribution to horseracing and society as a whole."

•Arc in move to increase international opportunities

Arena Racing Company (Arc) and 1/ST, which operates a number of tracks in the US, announced last week that they will offer the winners of two races at the Doncaster St Leger festival free entry to contests at Santa Anita on September 28 and on the Pegasus World Cup card at Gulfstream Park on January 25.

The winner of the May Hill Stakes will be invited to run in the Grade 2 Pegasus World Cup Invitation Filly & Mare Turf, while the winner of the Flying Childers will qualify for the Grade 2 Eddie D Turf Sprint. Some US races will also be qualifiers for All-Weather Championships finals day at Newcastle.

•Inflation and interest rates lead to Tabcorp losses

Australian gambling giant Tabcorp last week reported a A\$1.36 billion net loss (after tax) for the 2023-24 financial year, ending June 30. The company said the results reflect "softer wagering market conditions" due to pressures caused by current high inflation and interest rates.

The company recorded A\$2.3bn in revenue, down 3.9 per cent on the previous year, prompting chief executive Gillon McLachlan, who took over the role this month, to say the "foundations" of a turnaround were in place, but that Tabcorp would not meet targets put in place by his predecessor.

STOCK EXCHANGE PRICECHECK

Value of bookmaking sector firms (GBP)

COMPANY	CLOSING PRICE	% CHANGE	52-WEEK HIGH	52-WEEK LOW
Entain	638.80p	-0.31	1,189.00p	498.50p
Evolve	65.30p	-5.63	133.90p	49.18p
Flutter	16,340p	+2.47	17,980p	12,020p
Playtech	640p	-1.84	660p	365.40p

US STOCK EXCHANGE PRICECHECK

Value of US bookmaking sector firms (USD)

COMPANY	CLOSING PRICE	% CHANGE	52-WEEK HIGH	52-WEEK LOW
DraftKings	34.50	+0.61	49.57	25.73
Flutter	212.41	+1.03	226.40	148.00
MGM Resorts	37.59	+0.18	48.25	33.44

*US prices taken at 5pm London time