

УДК 338.46:336:005.21(477)
DOI: <https://doi.org/10.30838/EP.204.54-58>

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TRANSACTION FLOWS OF UKRAINE'S GAMBLING INDUSTRY AND STRATEGIC PROSPECTS

The gambling industry in Ukraine is undergoing significant structural and financial transformations following recent legislative changes and market consolidation. This article provides an approximate assessment of transaction flows in the gambling sector based on aggregated financial turnover data for 2023–2024. Using scenario modeling with different average order values (AOV), the study estimates the number of financial transactions, their monthly and daily distribution, and the operational load on payment infrastructure. The findings reveal a year-on-year decline of approximately 23% in both turnover and transaction volumes, highlighting the impact of macroeconomic factors, regulatory conditions, and consumer behavior. The analysis also emphasizes the importance of payment gateway uptime, antifraud systems, and capacity planning in periods of peak demand. In addition, the article explores the implications for unit economics, customer lifetime value (LTV), and the strategic need for more granular monitoring of market segments (slots, sports betting, online/mobile, retail). The results serve as a basis for forecasting transaction volumes for 2025 and for outlining strategic prospects for industry stakeholders, with a focus on financial stability, regulatory adaptation, and sustainable growth.

Keywords: gambling industry; transaction flows; Ukraine; financial turnover; strategic prospects.

JEL classification: Z32.

ТРАНЗАКЦІЙНІ ПОТОКИ ГРАЛЬНОГО БІЗНЕСУ УКРАЇНИ ТА СТРАТЕГІЧНІ ОРІЄНТИРИ

Гральна індустрія України перебуває у стані глибоких структурних та фінансових трансформацій, зумовлених нещодавніми законодавчими реформами, посиленням регуляторного нагляду та процесами ринкової консолідації. У цьому контексті стаття пропонує приблизну оцінку транзакційних потоків у вітчизняному гральному секторі на основі агрегованих даних про фінансовий оборот за 2023–2024 рр. Використовуючи сценарне моделювання із різними середніми чеками (AOV), дослідження не лише оцінює загальні обсяги фінансових транзакцій, але й деталізує їх за місячними, денними та навіть хвилинними інтервалами, що дозволяє більш точно відобразити операційне навантаження індустрії.

Результати свідчать про скорочення як обороту, так і кількості транзакцій приблизно на 23% у річному вимірі, що підкреслює вплив макроекономічних факторів, змін регуляторних умов та динаміки споживчої поведінки. Додатково акцентується увага на ключових операційних аспектах, зокрема на стійкості платіжних шлюзів, ефективності антифрод-систем та необхідності стратегічного планування пропускну здатності під час пікових навантажень (наприклад, спортивні події, промоакції, святкові періоди).

Окреме місце у дослідженні посідає аналіз у площині юніт-економіки та показника життєвої цінності клієнта (LTV), що дозволяє простежити, як коливання середнього чека можуть одночасно зменшувати змінні витрати на обробку операцій та підвищувати ризики комплаєнсу і моніторингу відмивання коштів (AML). Також наголошено на потребі більш детальної сегментації транзакційних потоків за продуктовими вертикалями (слоти, ставки на спорт, онлайн/мобільні платформи, роздрібні точки), що має підвищити точність фінансового прогнозування та ефективність регуляторного контролю.

Стаття завершується представленням попереднього прогнозу обсягів транзакцій на 2025 р. із можливими сценаріями розвитку та визначенням стратегічних орієнтирів для стейкхолдерів галузі. Особлива увага приділяється забезпеченню фінансової стабільності, адаптації до нових регуляторних вимог та пошуку шляхів сталою розвитку на основі дата-орієнтованого моніторингу та технологічної стійкості.

Ключові слова: гральна індустрія; транзакційні потоки; Україна; фінансовий оборот; стратегічні перспективи.

Problem Statement. The gambling industry in Ukraine is undergoing profound changes driven by regulatory reforms, market consolidation, and macroeconomic volatility. Despite the legalization of gambling and the gradual development of online and retail segments, the sector continues to face structural challenges related to transparency, financial stability, and sustainable growth. One of the least studied areas within this field concerns the dynamics of transaction flows, which directly reflect consumer behavior, the efficiency of payment infrastructure, and the resilience of operational systems under conditions of increasing digitalization.

The lack of systematic monitoring of transaction volumes—disaggregated by average order value, time distribution, and product segments—creates significant obstacles for both regulators and industry stakeholders. Without such data, it becomes difficult to evaluate the financial health of operators, anticipate risks associated with payment bottlenecks, and ensure compliance with anti-fraud and anti-money laundering (AML) requirements. Furthermore, the observed year-on-year decline in financial turnover and transaction numbers (approximately –23% in 2023–2024) raises critical questions regarding the sustainability of the sector, its strategic adaptation to market pressures, and the adequacy of existing regulatory mechanisms.

Analysis of Recent Research and Publications. The issue of gambling market regulation and financial performance has attracted considerable attention from both Ukrainian and international scholars. A broad spectrum of studies highlights the economic, legal, and social implications of gambling, with researchers emphasizing its dual role as a source of fiscal revenues and as a sector requiring strict regulatory oversight. Among Ukrainian academics, significant contributions have been made by N.A. Sperkach, A.P. Kytun, and Z.M. Toporetska [1], who examined the institutional foundations of the gambling business, as well as by D.O. Hetmantsev and P.M. Chernikov [2], who investigated the legal aspects of taxation and licensing. On the international level, notable works by J. Rands, M. Hooper, and J. Rosekrans [4] have addressed comparative models of gambling regulation and the technological transformation of the industry under digitalization. Their findings complement Ukrainian scholarship by demonstrating the importance of cross-jurisdictional learning in shaping sustainable gambling policies. In addition, studies by M. Williams, R. Volberg [4,6], and J. Reith [5] emphasize the behavioral and socio-economic dimensions of gambling, including problem gambling prevention and consumer protection mechanisms, which are increasingly relevant in the Ukrainian context.

The unresolved problem lies in the absence of an integrated forecasting methodology that accounts for regulatory uncertainty, unlicensed transactions, and socio-economic determinants of gambling behavior, limiting the

ability to predict long-term transaction flows in Ukraine's gambling industry.

Formulation of the Goals of the Article. The primary goal of this article is to provide a comprehensive assessment of transaction flows within Ukraine's gambling industry over the period 2023–2024 and to formulate projections for 2025. Specifically, the study aims to:

1. Estimate the approximate number of financial transactions across different average order value (AOV) scenarios, based on aggregated turnover data.
2. Analyze the monthly, daily, and minute-level distribution of transactions in order to evaluate operational load and the efficiency requirements for payment infrastructures.

By addressing these objectives, the article seeks to bridge the gap between empirical financial data and strategic decision-making, offering both academic insight and practical guidance for industry participants and policymakers.

Presentation of the main research results. Following its legalization in 2020, the gambling industry in Ukraine has gradually evolved into a significant segment of the national economy, generating substantial tax revenues and fostering new business models within the financial technology sector. At the same time, understanding its dynamics requires not only an analysis of revenue volumes and market structure but also an evaluation of transactional activity, which serves as a fundamental indicator of the load on payment infrastructure and of players' behavioral patterns.

Assessing the number of transactions in the gambling sector allows for a deeper understanding of the scale of operational flows, the identification of trends in average bet size and payment frequency, and the detection of potential risks in areas such as antifraud control and the planning of payment capacity. The period 2023–2024 is particularly noteworthy, as it witnessed a significant reduction in both market turnover and the number of transactions, potentially driven by regulatory changes as well as macroeconomic challenges (Table 1).

This article presents an approximate estimation of the number of transactions in Ukraine's gambling industry based on aggregate market turnover data and scenario-based assumptions regarding average bet size. This approach provides an analytical foundation for forecasting payment infrastructure load, assessing the effectiveness of marketing strategies, and developing sustainable industry growth models in the medium term.

Since data on the actual number of bets or transactions in Ukraine is not publicly available, a logical approach is to divide total turnover by assumed average bet sizes. Specifically:

$$\text{Number of Transactions} = \text{Turnover} / \text{Average Bet}.$$

This scenario-based approach provides an order-of-magnitude estimate of real market operations.

Table 1

Approximate Estimation of Gambling Transactions in Ukraine for 2023–2024

Year	Turnover (all types of gambling)	Average Bet	Approximate Number of Transactions
2023	~UAH 207 bn	UAH 500	~414 mn
		UAH 1,000	~207 mn
		UAH 2,000	~103 mn
2024	~UAH 159 bn	UAH 500	~318 mn
		UAH 1,000	~159 mn
		UAH 2,000	~80 mn

Sources: [7,8,9,10]

Due to the linear relationship, the number of transactions declined by the same percentage:

- 500 UAH: 414 → 318 million (–96 million; –23.2%)
- 1,000 UAH: 207 → 159 million (–48 million; –23.2%)
- 2,000 UAH: 103.5 → 79.5 million (–24 million; –23.2%)

Analysis of transactional dynamics in Ukraine's gambling industry during 2023–2024 reveals a substantial reduction in both total market turnover and the number of transactions. Overall financial flows decreased by 23.19%, from UAH 207 billion in 2023 to UAH 159 billion in 2024. Given the linear relationship between turnover and transactional activity, the estimated number of transactions fell proportionally, with reductions of approximately 96 million, 48 million, and 24 million for scenarios with average bets of UAH 500, UAH 1,000, and UAH 2,000, respectively.

Despite the market contraction, transaction volumes in 2024 remained significant. For instance, in the scenario with an average bet of UAH 1,000, over 13 million transactions occurred monthly, approximately 436 thousand daily, and around 303 per minute. In the scenario with an average bet of UAH 500, daily transactions approached 871 thousand, or over 600 per minute, while even under the most conservative scenario (UAH 2,000), the payment infrastructure was required to handle over 217 thousand daily transactions (Fig. 1).

These findings confirm that the gambling industry is a highly transactional sector, generating considerable operational demands on financial systems. The decline in transaction volumes in 2024 highlights the need for more detailed analysis of seasonal fluctuations, regulatory impacts, and player behavior. Furthermore, it underscores the importance of forecasting transactional flows for 2025 and developing adaptive market strategies to accommodate evolving economic and technological conditions.

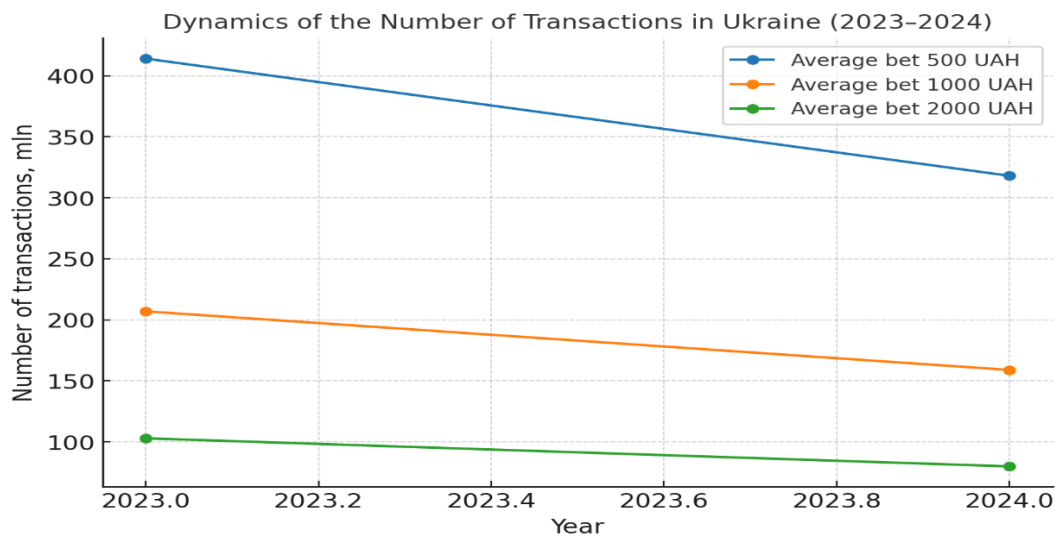


Fig. 1. Dynamics of Transaction Volumes in Ukraine's Gambling Market (2023–2024)

Sources: developed by the author

The Fig. 1 illustrates the observed decline in the number of transactions across different average bet categories (UAH 500, 1,000, and 2,000) between 2023 and 2024. Transaction volumes decreased proportionally with higher average bet sizes, reflecting both a reduction in market turnover and a shift in player behavior.

Assuming continuation of current market trends and stable macroeconomic conditions, the number of

transactions is projected to further decline at an approximate annual rate of 10–12% for the mass-market segment (AOV UAH 500), resulting in an estimated 287–290 million transactions by 2025. For the AOV UAH 1,000 and 2,000 segments, transaction volumes are expected to decrease to around 142–145 million and 72–74 million, respectively, by 2025. These projections highlight the ongoing need for adaptive capacity planning, enhanced payment

infrastructure, and regulatory monitoring to accommodate declining yet still substantial transactional flows in the Ukrainian gambling sector.

In 2024, the Ukrainian gambling market experienced a substantial decline in both turnover and transaction volumes, approximately 23% compared to 2023, with the mass-market segment (AOV UAH 500) being the most affected. Even under a conservative scenario with an AOV of UAH 2,000, the market still generated around 80 million transactions annually, highlighting the considerable operational burden on payment infrastructure. Such volumes necessitate high uptime stability of payment gateways, robust antifraud systems, and strategic capacity planning during peak periods, including sporting events, marketing campaigns, and holidays.

Changes in average bet size significantly influence both transaction frequency and operational risk. While higher AOVs reduce total transaction counts—lowering variable processing costs—they simultaneously increase the risk per transaction, placing greater demands on AML/CTF monitoring and compliance procedures. Even $\pm 10\text{--}20\%$ fluctuations in AOV can substantially alter overall transaction volumes, requiring marketing and analytics teams to model deposit frequency separately from bet size to accurately forecast user lifetime value (LTV) and optimize promotional budgets.

Quarterly monitoring is essential to distinguish structural declines—such as changes in player behavior or legislative restrictions—from temporary seasonal fluctuations. Market structure remains relatively stable, with the distribution of transactions across different bet categories changing proportionally. Future dynamics will depend on household purchasing power recovery, operator adaptation to new tax conditions, and competition from offshore platforms.

Regulatory developments are also critical. As of January 24, 2025, the government is to designate the responsible ministry for gambling policy, KRAIL is to be liquidated by February 10 and replaced with a new authority, and implementing regulations must be ready by February 28. By April 1, all KRAIL powers will transfer to the new body, including new player protection requirements. The most significant milestone is the introduction of the State Online Monitoring System (DSOM) for gambling operators by September 30 [7].

Overall, the 2024 market contraction underscores the need for precise modeling of transactional flows, proactive infrastructure planning, and regulatory compliance to ensure operational stability and maintain user trust.

The analysis of transaction flows in Ukraine's gambling industry highlights the sector's critical role in the national economy, as well as the operational and strategic challenges that arise from its high-volume, highly dynamic nature. Following legalization in 2020, the industry has rapidly evolved into a significant source of tax revenue, while also fostering innovative business models in financial technology. However, the market's operational complexity demands careful attention to infrastructure capacity, regulatory compliance, and consumer behavior patterns.

Firstly, the scale of transactional activity underscores the substantial operational burden on payment infrastructure. Even under conservative scenarios with average bets of UAH 2,000, approximately 80 million transactions are processed annually. Such high transaction volumes place stringent requirements on the uptime of payment gateways, antifraud systems, and capacity planning, particularly during peak periods associated with sporting events, marketing campaigns, or holidays. Minor technical disruptions under these conditions could lead to both financial losses and erosion of consumer trust, emphasizing the importance of resilient technological and operational frameworks.

Secondly, shifts in average bet size and transaction frequency carry significant strategic implications. Increases in average transaction amounts reduce total transaction counts, lowering variable processing costs, but simultaneously increase the risk exposure per transaction. This dynamic necessitates enhanced AML/CTF oversight and compliance monitoring, as larger transaction values require more rigorous verification. Small fluctuations in average bet size ($\pm 10\text{--}20\%$) can markedly influence overall transaction volumes, impacting marketing strategies, lifetime value (LTV) forecasts, promotional planning, and bonus program design.

On March 11, 2023, the National Security and Defense Council of Ukraine adopted a decision to impose sanctions on numerous bookmakers, lottery organizers, and casinos. Why this decision was made in the second year of the war remains unclear, but it is no longer so important. Interestingly, the sanctions list included not only Russian, but also Ukrainian companies, including Parimatch and others. This is due to the attempts of some companies to operate simultaneously in two markets, which ultimately led to negative consequences. However, not all companies have been sanctioned, at least for now [9].

Thirdly, the decline in turnover and transaction volume in 2024 (approximately -23%) highlights both structural and temporary market factors. The mass-market segment (AOV UAH 500) experienced the most pronounced contraction, suggesting a potential decrease in accessibility or engagement among casual players. Distinguishing structural drivers—such as changes in player behavior, regulatory adjustments, and taxation—from seasonal or event-driven variations is critical for accurate forecasting and strategic decision-making. The relative stability of market structure, with proportional changes across bet categories, indicates that the industry retains its foundational transactional patterns despite overall contraction.

Conclusions. Furthermore, regulatory developments in early 2025 signal a critical transition in governance and oversight. The dissolution of KRAIL, the establishment of a new regulatory authority, and the phased introduction of the State Online Monitoring System (DSOM) are expected to enhance transparency, player protection, and operational monitoring. These measures, combined with adaptive strategies by operators in response to new tax policies and competitive pressures from offshore platforms, will shape the medium-term trajectory of the industry.

Finally, the strategic prospects of the Ukrainian gambling market depend on a multifaceted approach that

integrates transactional flow analysis, operational resilience, regulatory compliance, and consumer behavior insights. Forecasting transaction volumes and patterns, modeling capacity under peak conditions, and proactively managing compliance risk are essential for sustainable industry growth. The 2024 experience demonstrates that, despite temporary downturns, the sector remains highly

transactional, resilient, and strategically significant. Effective adaptation to evolving economic conditions, technological advances, and regulatory frameworks will determine the industry's capacity to maintain operational stability, secure consumer trust, and contribute to national economic development in the coming years.

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