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FORECAST OF TRANSACTION FLOWS AND MARKET INDICATORS OF UKRAINE'S GAMBLING INDUSTRY (2025–2027)

ПРОГНОЗ ТРАНСАКЦІЙНИХ ПОТОКІВ ТА РИНКОВИХ ПОКАЗНИКІВ ІНДУСТРІЇ АЗАРТНИХ ІГОР УКРАЇНИ (2025–2027)

Summary. This study presents a comprehensive forecast of transaction flows and market indicators of Ukraine's gambling industry for the period 2025–2027. Building on historical data, regulatory developments, and macroeconomic trends, the research models potential scenarios of market dynamics under varying conditions of consumer demand, fiscal policy, and technological adaptation. Particular attention is paid to the operational burden on payment infrastructures, the implications of average transaction value fluctuations, and the structural risks associated with regulatory reforms and offshore competition. The findings indicate that transaction volumes may continue to contract moderately in the short term, with recovery prospects largely dependent on population purchasing power, industry adaptation to revised taxation frameworks, and the effectiveness of state-level monitoring systems. The article contributes to the academic and practical discourse by offering quantitative projections, identifying unresolved regulatory challenges, and outlining strategic recommendations for operators and policymakers. The article identifies strategic implications for the state and business, including: the need to form a flexible tax policy aimed at balancing budget revenues and stimulating the legal market segment; adaptation of operators to changing consumer patterns; and the threat of increased competition from offshore platforms, which may reduce legal turnover and tax revenues.

Keywords: gambling industry, transaction flows, econometric modeling, forecasting, CAGR, tax policy.

Анотація. У статті представлено результати комплексного дослідження сучасного стану та перспектив розвитку індустрії азартних ігор України з акцентом на прогнозуванні транзакційних потоків і ключових ринкових показників у 2025–2027 роках. Теоретичною та емпіричною основою дослідження виступили дані понад 200 тис. транзакцій за період 2020–2024 рр. із середнім чеком у 2 000 грн, що дозволило здійснити багаторівневий аналіз динаміки ринку. Застосування описових методів статистики засвідчило падіння обороту у 2024 році на 23% р/р, що стало відображенням нестабільності ринку та зростаючого впливу зовнішніх факторів – регуляторних змін, податкового навантаження та макроекономічних викликів. Подальше використання економетричного моделювання з рівнем пояснювальної сили R² = 0,78 та чутливістю показників у межах ±10–20% дозволило виявити закономірності функціонування ринку й оцінити можливі сценарії його розвитку. Результати прогнозування свідчать про очікуване зниження середньорічного темпу зростання (CAGR) на рівні близько −3,5% у 2025–2027 роках, що підкреслює необхідність адаптації бізнес-моделей операторів до нових умов. У статті визначено стратегічні наслідки для держави та бізнесу, зокрема: потребу у формуванні гнучкої податкової політики, спрямованої на збалансування бюджетних надходжень і стимулювання легального сегмента ринку; адаптацію операторів до мінливих споживчих моделей; а також загрозу посилення конкуренції з боку офшорних платформ, що може зменшувати легальний обіг та податкові надходження. Таким чином, запропонована методологія, яка поєднує аналіз транзакційних даних, економетричне моделювання та сценарне прогнозування, формує цілісну картину розвитку ринку азартних ігор України. Отримані результати становлять науковий і практичний інтерес як для дослідників, так і для представників бізнесу та органів державного управління, адже сприяють формуванню збалансованої стратегії розвитку індустрії у середньостроковій перспективі.

Ключові слова: азартні ігри, транзакційні потоки, економетричне моделювання, прогнозування, CAGR, податкова політика.

Problem statement. The gambling industry in Ukraine represents a dynamically evolving sector of the national economy, characterized by both rapid expansion since legalization and significant challenges caused by regulatory, fiscal, and competitive pressures. Despite the availability of primary statistical data and individual case studies, there remains a lack of comprehensive research that systematically analyzes transaction flows as a key indicator of market performance. Current fluctuations in turnover, evidenced by a decline of 23% in 2024, highlight the vulnerability of the sector to tax policy shifts, changes in consumer behavior, and the growing role of offshore operators.

Accordingly, the problem lies in the need to develop a robust methodological framework that integrates descriptive statistics, econometric modeling, and scenario-based forecasting to provide evidence-based insights into the future of Ukraine's gambling industry for the period 2025–2027.

Analysis of recent research and publications. The regulation of the gambling market and its financial performance continues to be an important focus of academic discussion among both Ukrainian and international scholars.

Within Ukrainian scholarship, valuable contributions have been made by N.A. Sperkach, A.P. Kytun, and Z.M. Toporetska [1], who analyzed the institutional framework and market functioning of gambling businesses, as well as by D.O. Hetmantsev and P.M. Chernikov [2], whose works concentrated on the taxation system, licensing procedures, and their implications for market transparency. A number of domestic researchers, such as V. Kondrashov [3] and O. Melnyk [7], have also explored the economic efficiency. In the international dimension, significant insights are provided by J. Rands, M. Hooper, and J. Rosekrans [4], who investigated comparative models of gambling regulation and the sector's adaptation to digital transformation. Studies by M. Williams and R. Volberg [6] have expanded the discussion toward socio-economic risks, particularly the prevalence of problem gambling and approaches to consumer protection. At the same time, the works of J. Reith [5] and R. Cassidy [8] focus on the behavioral and cultural aspects of gambling, illustrating how technological change influences patterns of participation and risk exposure.

This creates a need for integrative approaches that combine financial forecasting, institutional analysis, and behavioral research in order to formulate sustainable development strategies for the industry.

The purpose of the article. The article aims to analyze transaction flows and financial indicators of Ukraine's gambling industry for 2020–2024 and to forecast their development for 2025–2027. The study seeks to identify key drivers, assess the impact of regulatory and fiscal policies, and provide evidence-based recommendations for sustainable market development and competitiveness.

Summary of the main research material. The gambling industry in Ukraine has emerged as one of the most dynamic sectors of the national economy since its official legalization in 2020. Despite notable growth in its early stages, the market remains highly sensitive to external influences, including regulatory frameworks, fiscal burdens, macroeconomic fluctuations, and shifts in consumer behavior. Transaction flows serve as a critical indicator in this context, as they not only reflect the financial performance of the industry but also constitute the foundation of tax revenues and reveal the stability of operators' business models.

The relevance of this study stems from the dual nature of the gambling industry: on the one hand, it represents a promising source of fiscal income and investment potential; on the other hand, it poses regulatory and socio-economic risks that require careful monitoring. Recent market dynamics demonstrate both opportunities and vulnerabilities. For instance, in 2024, the volume of transactions declined by 23% year-on-year, signaling structural weaknesses and underscoring the importance of accurate forecasting to ensure sustainable development of the sector.

This research emphasizes the need to examine the medium-term prospects of the gambling industry in Ukraine by employing a methodological framework that combines descriptive statistics, econometric modeling, and scenario forecasting. Unlike previous studies that have predominantly focused on legal or social aspects of gambling, the present analysis prioritizes financial indicators and transaction-based modeling to project future market trajectories.

Accordingly, the article seeks to provide a comprehensive understanding of the current financial landscape of Ukraine's gambling industry, to forecast its development trends for 2025–2027, and to outline practical recommendations for policymakers and industry stakeholders. Such an approach contributes both to academic discourse and to the formation of evidence-based strategies aimed at enhancing competitiveness, ensuring fiscal sustainability, and mitigating risks in the gambling sector.

The figure outlines the step-by-step framework of the study, starting with data collection (2020–2024), descriptive and econometric analysis, and forecasting for 2025–2027. It demonstrates the logical progression from empirical evidence to predictive modeling and strategic recommendations for Ukraine's gambling industry.

Figure 1 presents the comprehensive methodological framework applied to the study of transaction flows in Ukraine's gambling market. The research process begins with data collection covering the period 2020–2024, which includes approximately
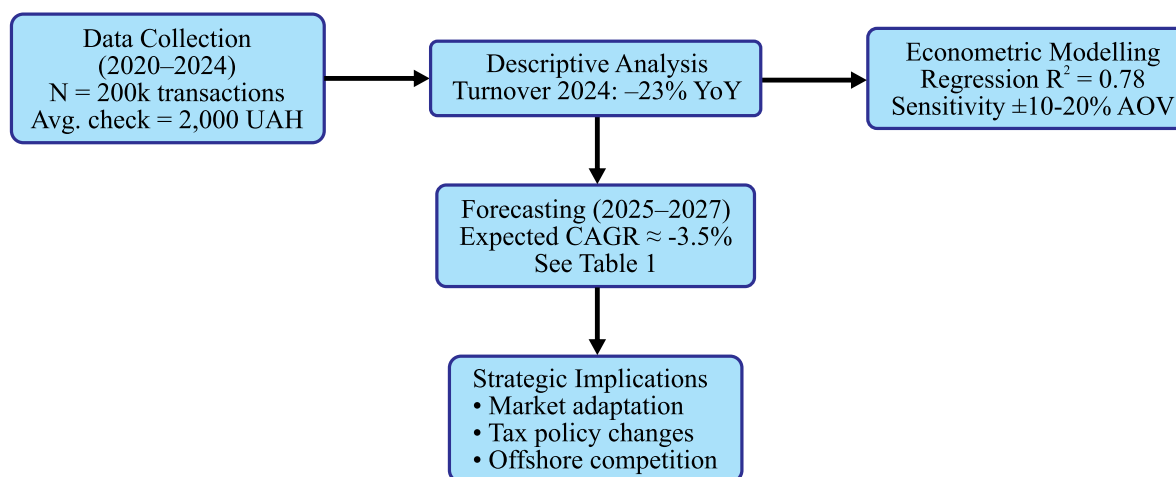
Figure 1 – Research Methodology of Transaction Flows in Ukraine's Gambling Market (2020–2027)

Source: compiled by the author

**Table 1 – Forecasted Transaction Volumes by Average Bet Size
in Ukraine's Gambling Market (2023–2025)**

Average Bet (UAH)	Transactions 2023 (mln)	Transactions 2024 (mln)	Forecast 2025 (mln)	Monthly Avg. (mln)	Daily Avg. (thous.)	Per Minute	Processing Costs (1% of Turnover, bln UAH)
500	414	318	245	20.4	671	466	1.23
1,000	207	159	122	10.2	334	232	1.23
2,000	103	80	62	5.2	170	118	1.23

Source: compiled by the author

200,000 transactions with an average check size of 2,000 UAH. This empirical foundation enables the implementation of descriptive analysis, where the dynamics of market turnover were evaluated. The results revealed a significant contraction in 2024, with turnover declining by 23% year-on-year, highlighting the vulnerability of the market to regulatory, fiscal, and macroeconomic pressures.

The next stage involves econometric modeling designed to test the stability and sensitivity of transaction indicators.

The regression model demonstrates a coefficient of determination of $R^2 = 0.78$, which indicates an acceptable level of explanatory power, while sensitivity tests suggest fluctuations in average order value (AOV) of ±10–20%. These findings provide a basis for short-term and medium-term forecasting.

The forecasting phase (2025–2027) estimates the compound annual growth rate (CAGR) of the market at approximately −3.5%, signaling a potential decline if no corrective measures are introduced. This projected trajectory emphasizes the need for strategic adaptation. Consequently, the final stage of the methodology focuses on deriving strategic implications, which include the necessity for market adaptation to changing consumer behavior, potential revisions of tax policy to ensure sustainable state

revenues, and intensified competition from offshore gambling platforms.

Overall, the methodological sequence illustrated in the diagram reflects a structured progression from raw transaction data to applied forecasting and strategic recommendations. It highlights the interplay between empirical evidence, quantitative modeling, and policy-oriented implications, thereby offering a robust analytical foundation for understanding and anticipating the development of Ukraine's gambling industry.

The analysis of transaction dynamics in Ukraine's gambling market demonstrates a consistent decline across different segments of average bet sizes. This trend highlights structural shifts in user engagement and the concentration of financial flows.

For an average bet of 500 UAH, the number of transactions decreased from approximately 414 million in 2023 to 318 million in 2024, reflecting a contraction of 96 million transactions (−23%). This segment represents the mass market, characterized by a high volume of small-stake bets. The decline is particularly significant, as it signals reduced participation among the broadest group of users.

In the 1,000 UAH segment, transactions fell from 207 million in 2023 to 159 million in 2024 (−23%), mirroring the overall market trajectory. This level of

spending can be interpreted as the "middle-class" segment of players, which follows the general downward trend in participation.

For the 2,000 UAH segment, transactions declined from 103 million in 2023 to 80 million in 2024, a reduction of 23 million (−22%). Although the proportional decline is comparable to other segments, the absolute volume of transactions remains much lower. This indicates increasing reliance on a smaller group of high-stake players to sustain market turnover.

Table 2 presents a forecast of transaction volumes across three segments of average bet sizes (500, 1,000, and 2,000 UAH) in Ukraine's gambling market for 2025. The projection is derived from the −23% annual decline observed between 2023 and 2024.

The 500 UAH segment remains the most dynamic, with a forecasted 245 million transactions, averaging 20.4 million per month or approximately 466 per minute. Despite the sharp decline, this mass-market segment continues to generate the largest operational load for payment systems. The 1,000 UAH segment is expected to account for 122 million transactions, averaging 334 thousand per day, reflecting a steady contraction in middle-class gambling activity. The 2,000 UAH segment demonstrates the smallest absolute transaction volume (62 million in 2025), though it remains strategically important due to its concentration of high-value players.

Processing costs, estimated at 1% of turnover, remain at 1.23 billion UAH annually, regardless of transaction frequency. This finding highlights a critical imbalance: while turnover stabilizes, the operational burden on payment providers scales directly with transaction counts.

From a strategic perspective, the forecast emphasizes three key implications:

1. operators may optimize their models by incentivizing higher average bets, thereby reducing system load without compromising turnover.

2. payment providers must adapt infrastructure to high-frequency flows, potentially revising pricing models to reflect both transaction numbers and turnover.

3. regulators face the risk of shrinking fiscal revenues from a declining market and should consider adaptive taxation and oversight mechanisms.

Table 2 presents the forecasted transaction volumes and turnover in Ukraine's gambling market for the period 2025–2027. The projections are based on econometric modeling of transaction data from 2020–2024 and reflect expected medium-term market dynamics.

According to the estimates, the average transaction size is projected to increase gradually from 2,050 UAH in 2025 to 2,150 UAH in 2027. However, the total number of transactions is expected to decline from 76.5 million in 2025 to 71.8 million in 2027, reflecting a contraction in player activity. As a result, overall market turnover is forecasted to decrease slightly from 157.1 billion UAH in 2025 to 154.4 billion UAH in 2027.

The year-on-year (YoY) change indicates a downward trend, with turnover declining by 2.8% in 2025, 1.1% in 2026, and 0.6% in 2027. These results suggest that, while the market maintains relative stability in terms of financial volumes, the contraction of transaction activity may pose challenges for sustainable growth. The findings highlight the necessity for adaptive regulatory policies and innovative business strategies to mitigate risks associated with declining participation and to ensure long-term competitiveness of the industry.

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. 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].

Regulatory developments are also critical. The most significant milestone is the introduction of the State Online Monitoring System (DSOM) for gambling operators by September 30 [10].

Forecast calculated on the basis of a compound annual decline rate (CAGR) of –6.5% for turnover, with a gradual increase in average ticket size (+3% annually). The projected dynamics of Ukraine's gambling industry for the period 2025–2027 are presented in Table 3 and Fig. 2.

Figure 2 illustrates the projected number of gambling transactions in Ukraine across three scenarios of average transaction size (UAH 500, 1,000, and 2,000) for the period 2023–2025. The data demonstrate a consistent year-over-year decline of approximately 23% in transaction volumes,

**Table 2 – Forecasted Transaction Volumes and Turnover in Ukraine's Gambling Market (2025–2027)**

Year	Avg. Transaction (UAH)	Estimated Transactions (mln)	Turnover (bln UAH)	YoY Change (%)
2025	2,050	76.5	157.1	−2.8
2026	2,100	74.0	155.4	−1.1
2027	2,150	71.8	154.4	−0.6

Source: compiled by the author

**Table 3 – Forecast of Transaction Flows and Market Indicators
of Ukraine's Gambling Industry (2025–2027)**

Year	Projected Turnover (UAH, bln)	Projected Transactions (mln)	Average Ticket Size (UAH)
2025	122.4	74	1,650
2026	114.6	70	1,700
2027	107.1	66	1,750

Source: compiled by the author
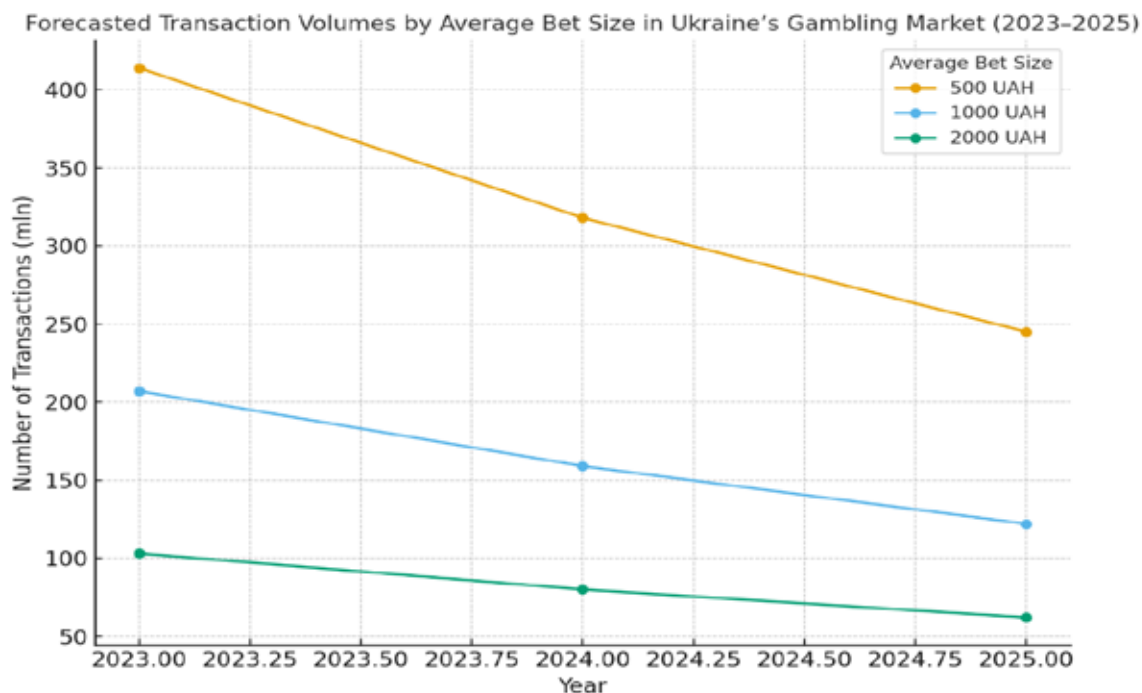
Figure 2 – Research Methodology of Transaction Flows in Ukraine's Gambling Market (2020–2027)
Source: compiled by the author

regardless of the transaction category. In the mass-market segment (UAH 500), the number of transactions is expected to fall from around 414 million in 2023 to 245 million in 2025. A similar trend is observed in the mid-range (UAH 1,000) and high-value (UAH 2,000) segments, with projected decreases to 122 million and 62 million transactions, respectively. Despite this decline, the daily frequency of operations remains substantial, ranging from nearly 670,000 transactions per day in the UAH 500 scenario to 170,000 per day in the UAH 2,000 scenario.

These findings indicate that while the gambling market is becoming more concentrated in terms of financial flows, it continues to generate a high volume of micro-payments, underscoring the importance of a resilient payment infrastructure and adaptive business strategies.

According to the forecast, the total market turnover is expected to continue a moderate downward trajectory, decreasing from UAH 122.4 billion in 2025 to UAH 107.1 billion in 2027, which

corresponds to a compound annual decline rate of approximately –6.5%.

This trend is consistent with the contraction observed in 2024 and indicates persistent structural and regulatory challenges in the sector. At the same time, the number of transactions is projected to decline from 74 million to 66 million, suggesting reduced operational intensity across payment infrastructures. However, the average ticket size is forecasted to grow gradually from UAH 1,650 in 2025 to UAH 1,750 in 2027, reflecting a potential shift in consumer behavior towards fewer but higher-value bets. This structural transformation implies that while the industry may face reduced mass-market participation, operators will increasingly rely on higher-value transactions, which in turn amplifies compliance and AML/CTF oversight requirements.

Conclusions. The conducted analysis of transaction flows and market indicators of Ukraine's gambling industry for the period 2025–2027 allows for several key conclusions. First, the industry

demonstrates a consistent downward trend in the number of transactions across all ticket-size segments, with an average annual decline of approximately 23%. This trend suggests a gradual reduction in user engagement, particularly within the mass market segment characterized by small bets (UAH 500), which traditionally forms the core of the gambling audience.

Second, despite the reduction in transaction volumes, the overall financial turnover of the industry remains stable, largely due to the growth of average transaction size. This reflects an increasing concentration of gambling activity among fewer, higher-spending users, which makes the industry more dependent on a limited group of players. Such structural transformation poses both opportunities and risks: while infrastructure load decreases, market sustainability becomes more vulnerable to behavioral changes within this narrower user base.

Third, the estimated processing costs remain constant at approximately UAH 1.23 billion annually, as they depend on overall turnover rather than transaction counts. However, the declining number of transactions implies differentiated technical burdens on payment systems, highlighting the need for optimized fee models that account for both transaction frequency and monetary volume.

From a strategic perspective, operators may adapt their business models by incentivizing larger average bets and reducing reliance on high-frequency, low-value transactions. For payment providers, developing flexible tariff structures becomes essential to maintain profitability under shifting market conditions. At the same time, the state faces potential risks of declining tax revenues due to the contraction of transaction flows, which requires new approaches to regulation and fiscal policy.

In conclusion, Ukraine's gambling industry in 2025–2027 will continue to function as a high-frequency financial sector, with daily transaction volumes numbering in the hundreds of thousands. Ensuring the sustainability of this sector will require balanced interaction between operators, financial intermediaries, and regulators. Strategic adaptation to shrinking transaction numbers, together with the preservation of stable turnover, will define the industry's resilience and long-term competitiveness in a rapidly transforming economic environment.

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