

Unveiling the Brazilian Real-Money Gaming Market

May 29, 2023 // Svilen Madjov



*Brazil is often seen as a **dormant powerhouse** in the iGaming market. In the past few years, industry experts have pointed to signs of unlocking said potential, with changing **attitudes** and new **regulations** in sight.*

*While **sports betting** has already been (formally) legalized, further legislation is **still debated** upon. Authorities are considering **opening up** to most other forms of real-money gaming, including **online** and **land-based casinos**, as well as gaming cruise ships.*

*Demand for **original content**, **localized platforms** and dedicated customer service continues to rise. We already noted a **similar** macro trend in other big **emerging gaming** markets like [India](#). Offshore companies are eager to get a chance to openly deliver more **focused service** to a user pool everyone strongly believes in.*

Why We Chose Brazil

Our team has a true passion for online gambling. Yet, despite our extensive professional experience, there is always a lot to **learn** and **grow** – by staying up to date with **industry data**, **market trends**, **news** and **regulations**.

We also have a commitment to industry **transparency** and **fairness** – the **Brazilian** market was chosen because of its **marked advantages**:

1. **Demographics:** Brazil has a young, digitally savvy population interested in online gaming.
2. **Growth Potential:** There's significant untapped potential in the Brazilian iGaming market.
3. **Evolving Regulations:** Brazil's iGaming regulations are changing, opening new opportunities.
4. **Gaming Culture:** Brazil has a strong historical and cultural affinity for gaming.
5. **Economic Benefits:** A well-regulated iGaming industry could boost Brazil's economy and all stakeholders working in the vertical.

This report aims to present a clear **overview** of the **Brazilian real-money iGaming** market – its current **size** and **state**, as well as its upcoming **prospects**.

An Overview – Size, Potential and Macro Trends

As the industry strives for legitimacy – meaning **proper regulation**, **transparent funding** and **taxation**, clear **rules** and **incentives** for gaming companies based in Brazil – **market forces** wait for no one. The country's **young** and **digitally savvy** population has caused unprecedented growth in real-money gaming consumption.

Based on a study conducted in **2016–2017**, it is estimated that Brazil annually spends approximately **BRL 2 billion** on **online casinos** and **bookmakers** based abroad, potentially reaching **BRL 10 billion**. [Academic sources](#) translate that in BRL 3 billion in missed social **contributions** and **taxes**, potentially benefiting both the state and industry workers. In current figures, this amounts to a total market value of **USD 2 billion**, with a third of that contributing directly to the nation's fiscal revenues.

Around that time, according to [KPMG](#) data in **2017**, the Brazilian iGaming market was estimated at around **USD 2.2 billion**, with approximately **60%** (USD 1.3 billion) attributed to **sports betting** and **40%** (USD 0.9 billion) to **online casino**, including popular games like **poker** and **bingo**. Notably, these figures **excluded** state **lotteries** and **informal betting** options, above all the national favorite “**jogo do bicho**.”

Four years later (in 2021), a [survey by Globo](#) became widely cited as a prominent insight into the Brazilian gambling market. Despite (or because of) the pandemic's impact, **sports betting** alone had already reached **BRL 7 billion** (USD 1.25 billion) the year before, marking significant growth from BRL 2 billion in only a **couple of years**.

If the **proportions** between gaming genres referenced by KPMG are correct, the **total market** size at the time should be 3 to 4 times bigger – **BRL 21-25 billion** – when we include online casinos, lotteries and all other popular real-money games.

Local industry figures **disagree** with such estimates. The [Brazilian Legal Gaming Institute](#) (IJL) suggests that the numbers are even **higher**. In part, that is because prior to the **legalization** of sportsbooks, many survey participants were **hesitant** to disclose their gambling habits. The IJL reports that for every **three** gamblers in Brazil today, **only one**

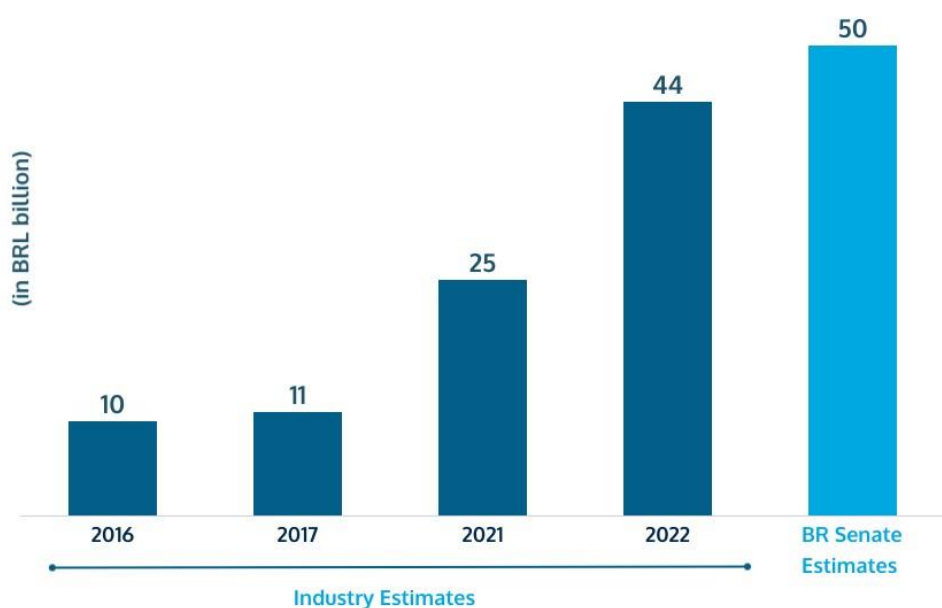
engages through **legal channels**. “**Clandestine**” gambling accounts for a staggering **BRL 20 billion** annually, compared to the **official** market’s **BRL 14 billion**.

Although these figures might have **shifted** in favor of legal online betting outlets **since 2018**, this would still amount to a market size of **BRL 34 billion** (back in 2017, according to the IJL).

Brazilian MPs spoke in the Chamber of Deputies (in 2021-2022) of roughly BRL 27 billion in **illegal** gambling and BRL 17 billion of **legal** gambling outlet turnover. This would make the market worth **BRL 44 billion** not so long ago.

And finally, there was a public **Senate Bill No. 186/14** that addressed the **legalization** of various gambling channels, including “jogo do bicho,” video lottery, bingo, videobingo, casino, sports betting, and iGaming. Legislators cited **studies** that prove how, if not legalized, Brazil would potentially miss out on **tax revenue** of approximately **BRL 15 billion**.

To put this into perspective, the Senator that proposed the bill pointed out that the amount is **five times greater** than all revenues generated from **taxing drinks, tobacco, cars, and fuels combined!** More importantly, these figures value the total real-money gaming market at **BRL 50 billion** (or approximately **USD 10 billion**).



Brazilian real-money gaming industry size estimates and growth over time.

Although the above market **estimates vary significantly** – from **BRL 10 to 50 billion (USD 2 to 10 billion)** – it is likely that the actual market size falls towards the **higher end** of this range. Brazilian state **lotteries alone** reached a **reported** revenue of **BRL 18.1 billion** (almost USD 4 billion) in **2021**, demonstrating steady **growth** of **8.2%** even during the challenging years marked by the pandemic.

Furthermore, these figures may even **underestimate** the true market potential, particularly in the post-COVID era. The **rapid digitization** of society has **transformed consumption** patterns, resulting in a shift towards more **virtual** and **mobile services**, diversifying **entertainment** above all. Such trends have offset (and **surpassed**) any low-key expectations since the economic downturn of the mid-2010s. Predictably, a significant portion of the real-

money gaming market is steadily **transitioning** to **online platforms**, and these are expected to become the **dominant** form in a few years' time.

The Brazilian media and entertainment market also follows these macro trends. The national **economy** is the **largest in South America** and consistently ranked in the **top 10 globally**. It is also expected to prolong its current "**vigorous employment growth**", with resulting positive impacts on **disposable income** and closely related **demand** for real-money online entertainment.

This enables the iGaming sector to **invest** in Brazil and become increasingly competitive. Its growing visibility is also the result of more and better **online advertising** and improved **brand positioning**.

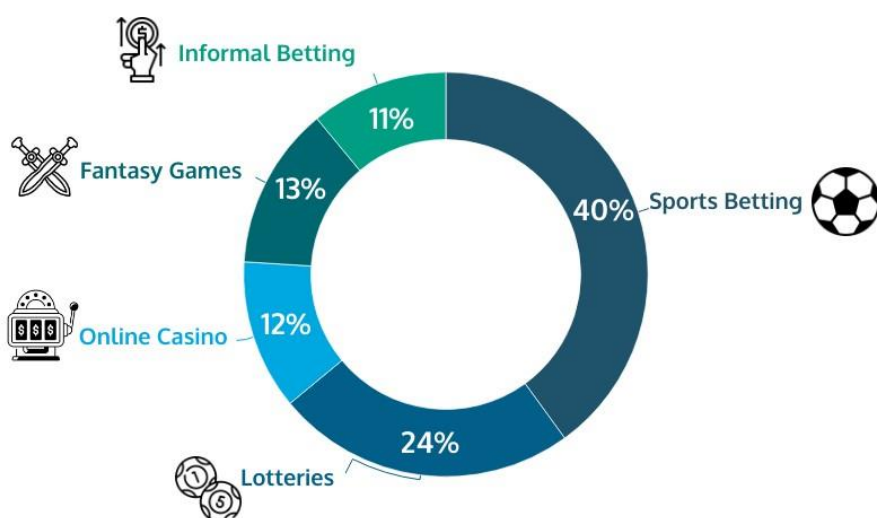
A large chunk of the promotional push goes towards **sports betting**, inevitably. However, a significant portion of Brazilians play the **lottery** (with some draws also available online), followed by **fantasy games** (free and paid) and **online casino** and **online bingo**. See more on these shares further down.

According to the Globo survey quoted above, online casinos are already **half** as popular as state lotteries. What is concerning, however, is that **informal** and **unregulated** gambling is practiced by nearly the same number of Brazilians as **licensed** online casinos. The so-called "**low channelization**" is a sign of a market that has **not yet** reached **maturity** and needs further attention by authorities and industry experts.

Brazilian Real-Money Player Pool and Basic Game Preferences

Recent industry **surveys reveal** that as much as **2/3** of **Brazilian adults** participated in real-money games at some point last year. That means approximately **106 million** people (out of 160 million adults in the country) have a favorite paid game of chance or skill.

As for game preferences, an estimated **74 million** engage in **sports betting**, while **46 million** choose **lottery** or **bingo**. Even by conservative estimates (e.g., half of lottery players) there are still **23 million** fans of **online casino**.



Proportional weight of most popular real-money gaming genres in Brazil.

Clearly, the above user shares **overlap** as players are active across various game categories. More importantly, the gross figure is largely **confirmed** by other [industry reports](#), placing Brazilian gamers at just under **103 million**.

In line with earlier mentioned trends, real-money games have been increasingly **internet-based**. The same national surveys found that the overwhelming majority (**86.43%**) of **sports bettors** play **online** (through both websites and apps).

There are many types of sports bets – depending on athletic **discipline** above all but featuring numerous **betting markets, systems** and so much more. That brings them closer to **skill gaming** as well as to **fantasy league** competitions.

Lotteries are simpler and are defined by state and national guidelines and rules. Yet they are all about guessing a sequence of numbers.

The real-money gaming category that is the most **diverse** is (online) **casino**, without any doubt. Its fans are also among the most **loyal** – over three quarters play **regularly (78%)**.

However, they are split between casino classics like **roulette (78%)**, **blackjack (66%)** and video **poker (61%)**; other **table games (64%**, e.g., baccarat); and **quick-play** genres like **slots (63%)** and **crash games**. Reportedly **half** of all players prefer **live-dealer** casino settings.

You can read more about game preferences in our comprehensive [user profile study](#) for the Brazilian market.

A Brief Recent Chronicle of Gambling in Brazil

The history of real-money gaming in Brazil has been tumultuous, with various laws impacting its development. **Lotteries** and **horse race** betting have been the only consistently legal forms for decades.

Underground gambling emerged after near total bans of other forms in the 1940s. The **Zico Act** of 1993 partially liberalized **bingo halls** and **slots** but authorities backtracked a decade later.

Finally, in **2018**, Federal Law [13.756](#) allowed **sports** and **fixed-odds betting**. Nevertheless, there is still **no specific regulation** for locally operating bookmakers and there are not even framework laws for other real-money games like casinos.

This compels reputable online gaming companies to operate under **foreign licenses**. In fact, among **G20** countries, Brazil, Saudi Arabia, and Indonesia are the **only three** where gambling remains **unregulated** or **prohibited**.

Gaming Culture Boosts Industry Prospects

The gambling landscape in Brazil has gradually and inevitably evolved. In the imperial period, **casinos** served as [meeting places](#) for the aristocracy and the well-to-do. Games like roulette were **true entertainment**.

Brazil's own "jogo do bicho", the most popular betting game, has been played for over a **century** (since 1892 at least), becoming a misdemeanor only in 1941. To this day, more than **20 million** Brazilians engage with it **daily**.

The **state** itself, through [Caixa Econômica Federal](#), exploits numerous **lotteries** – Mega-sena, Lotofácil, Quina, Lotomania, Timemania, Dupla Sena, Loteca, Dia de Sorte Super Sete and others. All of these generate **substantial revenues** and have become a **social custom** for millions. **Local authorities** have also recognized the segment's profitability and have shown increasing [interest](#) in launching their own real-money games.

The reality of Brazil's solid gaming culture offers a long list of reasons to adopt a **broad regulatory framework**. It would set industry **standards** (for public and private actors), **protect consumers**, and allow only **licensed operators** to play a role in the market.

Since sports betting was formally legalized in 2018, the industry has experienced a **boom** in player interest and turnovers. Despite little [further developments](#) in terms of precise rules and **licensing** or **incentives** for gaming tech startups, sports betting has surfaced massively in popular culture and mass media.

In the Série A (the top-level **football** league), **19** out of **20** teams have sports betting houses as main sponsors. In total, there are **over 400** betting websites operating in Brazil. Unfortunately for the nation's treasury, both online casinos and sportsbooks, are based **offshore**, as we have seen above.

In the meantime, jogo do bicho bookies (known as "**bicheiros**") have also started [accepting bets](#) on **football matches**. The Getulio Vargas Foundation (FGV) estimated **losses** of around **BRL 30 billion** in taxes alone. The **risks** that **players** take by trusting unlicensed operators are not even considered in most cases.

Given the evolving societal attitudes, market experts were hopeful that the [upcoming government](#) (now current) would introduce the much-awaited legislation. The Chamber of Deputies has [confirmed the intent](#) to regulate the entire real-money gaming industry, approving a law legalizing **online gambling**, **horse racing**, land-based **casinos**, **bingo**, and even "jogo do bicho." It included:

- A **regulatory body** for oversight, licensing, and taxation
- Only **licensed** operators allowed to operate **online**
- **Safe gaming** measures such as age restrictions and bet limits
- **Blacklists** for illegal operators and abusive players
- Companies being required to fund **Responsible Gambling** campaigns and **treatment** programs
- iGaming revenues going to support **social programs**, education and healthcare.

Unfortunately, the **Senate blocked** the law but indicated the subject as needing further work.

Ultimately, regulating gambling is crucial to prevent revenue loss and control harmful aspects. A [Portuguese study](#) highlights the role of regulations in overseeing **legitimate demand** (known as “**channelization**” towards legal platforms), controlling illicit practices, and maximizing fiscal effects for the **public good**. Examples from the European Union illustrate how **liberal regimes** keep private operators in check and **boost foreign investment**.

What Drives Real-Money Gamers

According to the Globo survey, the majority of Brazilians (**67%**) see online gambling and betting as **entertainment**. It is a **business opportunity** for **43%** and a **sport** in its own right for **38%**.

The main **drivers** for sports betting are **fun, income, and social connection**. However, only 13% engage in it in order to interact with friends, and only 12% rely on it as a primary source of revenue.

Trust and positive experiences (54.2%) play a significant role in attracting new players. **Recommendations of friends** provide the necessary sense of security for 78%.

Next in importance are secure connection **certificates** (54%), positive **reviews** from specialized sites (49%), prominent **partnerships** (41%) and **licensed** operations (41%), showing that Brazilian players often dig into **technical** and **legal** aspects.

Surprisingly, **media coverage** and public visibility count somewhat less but are still **key** to new players. Whether a platform is **supported** by given **clubs** or **athletes** (36%), gets exposure on **TV** (28%), **sports websites** (27%), or **outside mainstream** media (21%) is convincing to quite a lot of Brazilians.

Recent industry surveys [also confirm](#) the primary drivers for real-money gaming in Brazil – the **monetary** factor on top with 54%, followed by **excitement** with 42%. More than a third (36%) agree that placing a **wager enhances** the **event** itself. As much as 41% of Brazilian adults perceive real-money gaming as a **competition**, while for 25% it is a **hobby**.

Among **information sources** related to sports betting (in particular), 56% of respondents rely on **sports TV** shows, 40% use **social media** groups, and 36% follow **industry experts**. About a third (32%) make use of **specialized data** and reports for their betting strategy, while 32% listen to **friends** and family, and 30% trust **influencers**.

Naturally, there are some aspects that dissuade people from wagering money on games of any kind. The **biggest turnoff** (47%) is the fear of **losing money**. With 25%, Brazilians have the **highest** levels of **awareness** and concern among all LATAM countries that gambling and sports betting might get **addictive**. Other reasons to avoid real-money games include the **lack of game knowledge** (18%) and the **uncertainty** of the potential winnings (15%).

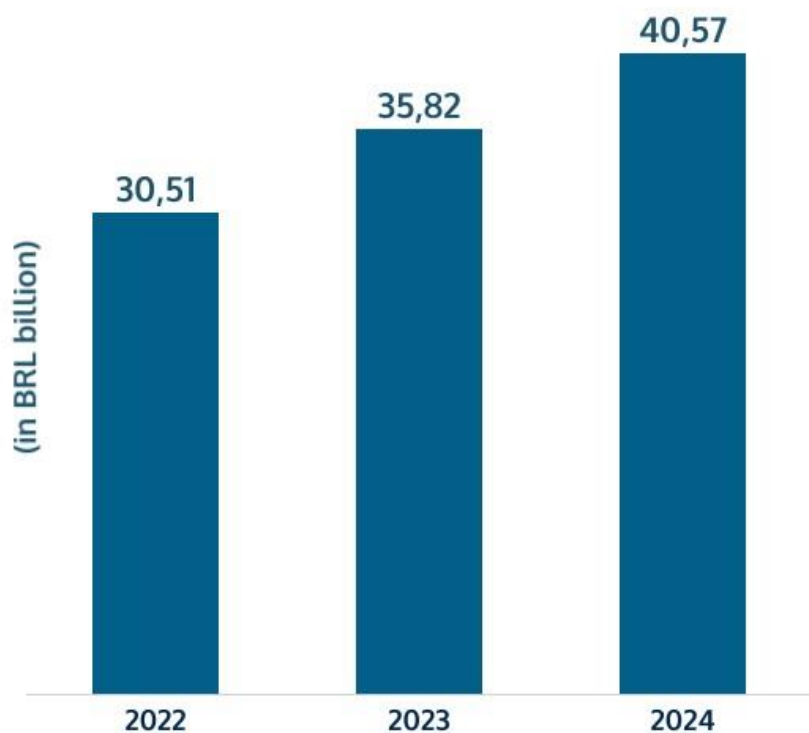
App-Based Games vs Mobile Sites

Sports betting easily ranks above all other real-money games, partially because of the Brazilians' **love for football**. Yet they also follow (and bet on) volleyball, basketball and American football, to name a few.

Sports betting is roughly **twice** as popular as online casinos. Lotteries come close second but they are often distributed offline and count little in terms of **online traction**.

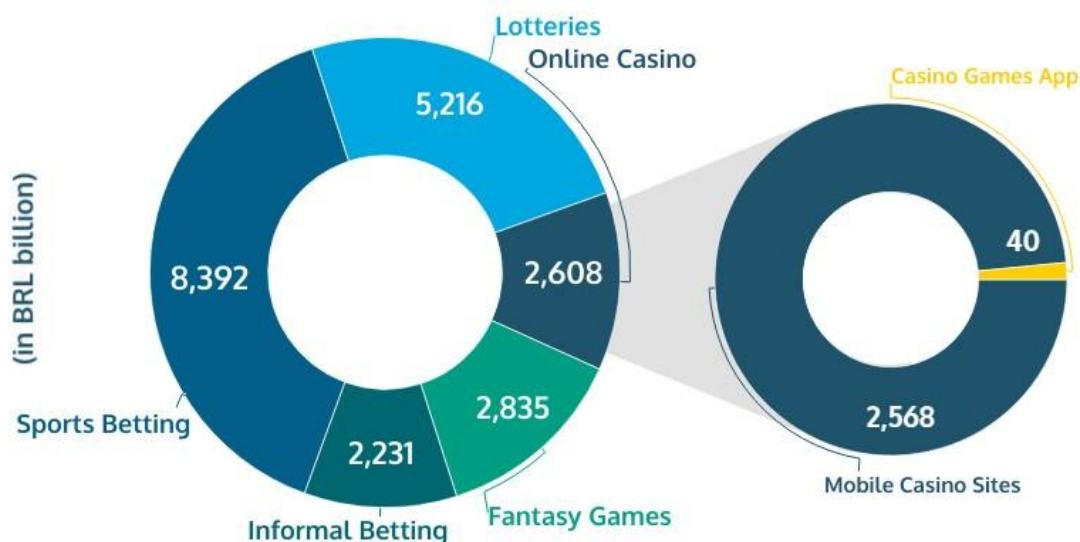
Many iGaming operators offer **downloadable apps** but with the evolution of light and responsive platforms many players simply log onto the **mobile site** from their smartphone. This is particularly common among **online casinos**.

If we only look at online **revenues** generated by online **casino game apps**, these are infinitely less compared to the total market niche:



Revenues of online casino game apps in Brazil. Source: Statista

Statista [values](#) the **mobile app** market size for **casino** games at anywhere between USD 35 and **40 million** at present. What is more, roughly **half** of the casino app revenues come from **advertising**, the rest is **in-app spending**. In total, this amounts to barely **1.53%** of the online casino market value in Brazil, even by moderate industry and political estimates.



These figures are low exactly because of the nature of the mobile gaming platforms, with **limited availability** of app-based **casino games** (both classic and new-age). The only ones included are **poker** (34%), **bingo** (16%) and some stand-alone **slot** apps (10%).

Online casinos have largely **shifted away** from **app-based** distribution models. Multi-game apps are less frequent in the niche, unlike sports betting apps. Mobile-site based casinos are prevalent especially in unstructured markets (e.g., emerging and **unregulated** like Brazil or India). They fill the gap between the **high churn rates** and the sheer **volume of demand** for real-money games.

Put simply, users visit casino sites, play and move on. If they are satisfied, they come back but rarely seek to download multiple apps.

A Broader Digital Landscape

The growth of online entertainment in Brazil is driven mostly by the nation's **young** and **tech-savvy** population. Only 10.3% of the population is aged 65 and above, while **82.3%** is between 13 and 64 years, considered **digitally active** individuals interested in **gaming** and **sports**.

Moreover, Brazil has an **81% internet penetration** rate, totaling **173 million** users, and ranks **5th** globally in total mobile connections with 206 million. This indicates a **well-developed** digital infrastructure and widespread access to **digital services** and communication.

In major **metropolitan** areas like São Paulo, Porto Alegre, Curitiba, Rio de Janeiro, and Belo Horizonte, **5G** connectivity has seen **full rollout**. Higher average **speeds** in densely populated zones coincide with the residence of most mobile users – over **87%** of Brazil's population lives in **urban areas**.

Recent **surveys** indicate that **37%** of Brazilian consumers use the **internet** for **online gaming**, while **25%** prefer **downloading** games. Other **sources** suggest that up to **45%** of online users engage in **gaming** activities **regularly**.

Industry studies targeting gaming fans [found](#) that up to **three quarters** (74.5%) confirm they play “**frequently**” and, as we saw above, mostly online.

Mobile industry reports focusing on Latin America [emphasize](#) the **growth** of **in-app** spending in **Brazil** (by 20% in 2022). It also tops the regional market with **10.6 billion** app downloads and comes **4th** **globally** in overall **app adoption**, behind China, India and the USA.

In such a dynamic tech-driven context, it is important to emphasize the enormous **demand** for **native** and [original content](#) that emerging economies generate. The gaming industry is wise to the fact that content which resonates well – **culturally, generationally** and **socially** – can unlock the market’s potential.

Development Prospects of the Brazilian iGaming Tech Industry

“Niche” competences like content localization, sound design, monetization, and gamification play key roles in creating **engaging game-related content** that attracts millions daily. New-age phenomena such as Virtual and Augmented Reality (**VR/AR**), open-source broadcasting and **live game streaming** are now commonplace **entertainment**.

To succeed in **highly competitive** globalized markets, the entire gaming **vertical** – developers, providers, operators, tech and marketing support – need to have **favorable business** conditions in Brazil.

The national game industry is indeed experiencing constant growth, with [over 1,000](#) active studios (triple the amount in 2018) and more than **12,000** workers. In 2021, these surpassed USD 2.3 billion in revenues, with **57%** coming from **abroad**. Success stories include the likes of Wildlife Studios, becoming the first Brazilian gaming **unicorn** (valued at USD 3 billion in 2020).

Inevitably, the industry faces **challenges** as well. Small **independent** companies struggle to emerge, relying mostly on internet stores such as Steam, Apple Store and Google Play for survival. **Bureaucratic** obstacles are also not uncommon.

Collaboration within **industry bodies** is one way to foster **local growth** and [export opportunities](#). Most market experts agree, however, that Brazil’s gaming industry would benefit, above all, from a **clearer legal framework** and development **incentives**.

Well-defined **long-term perspectives** will attract investments and help establish iGaming as an important economic sector. While Brazil has [made progress](#) in legitimizing sports betting, the lack of laws covering online casinos and other online real-money games leaves an immense market **unregulated** and **untapped**.

Enhancing the Gambling Experience

Operators in Brazil need to look into improving the real-money iGaming experience in terms of platform **transparency** and content **localization**, as well as by ensuring better overall **user awareness**.

Across the studies cited above we see the desire of players for **faster payouts** (53%) and updated **game statistics** (43%). Nearly half (44%) ask for **more live games** while those betting on sports believe that offering some **technical analysis** and post-event commentary would improve their experience (35%).

Localization remains a key factor – lower English proficiency compared to other globalized markets stresses the importance of **native support** and **local context**. Brazilians appreciate references to their **culture**, such as including Brazilian **football** teams and **Carnival** outfits in games.

Responsible Gaming to Safeguard Players and Industry Growth

Responsible Gaming (RG, also known as **Safe Gambling**) is a pillar of any **enjoyable** real-money gaming experience. Ever since the sector's regulation entered the public discourse, RG has been considered the key to meaningful legislation.

Earlier [academic research](#) (2010) indicates **low** rates of **problem gambling** among Brazilians (**1.3%**) and even lower for pathological gambling (**1.0%**). **Risk factors** include being young, male, unemployed or not pursuing further education, especially in metropolitan areas which have increased exposure to gambling opportunities. On the other hand, being **active** and feeling **socially connected** helps avoid problem gaming.

This is where authorities, operators and providers come into play – full **industry transparency** matters the most, as well as **collaborations** with RG advocates, support groups and treatment programs. Helping **player awareness** through an **RG policy** is just as important as **integrity agreements** with athletes, teams and consumer associations working to prevent match-fixing and game fraud.

A safe gaming environment protects players and promotes industry sustainability. A **national RG strategy** must underpin essential market dynamics and public priorities:

- Protect **minors** and **vulnerable** users
- Establish RG tools that **empower** players and ensure **safe** gaming
- Enhance industry **transparency** through verified providers (e.g., game mechanics, payments), **licenses** and audits by authorities and consumer groups.

We will dedicate a separate case study on the importance of Responsible Gaming policies and tools.

Conclusive Remarks

Our report establishes the **significant potential** and **continuous growth** of real-money gaming in Brazil. Driven by a young and digitally engaged population, the iGaming market simply exploded after the legalization of sports betting. Mobile platforms are highly popular among local gamers, with **sports bets** standing out, followed by **online casinos** and lotteries.

At this point, a **comprehensive regulatory framework** is crucial to ensure consumer protection, prevent revenue loss and promote responsible gambling practices. Secure and licensed operations can provide a **safe and enjoyable gaming** experience and help the industry attract and retain players.

This will also boost Brazil's **digital economy**, creating employment opportunities and allowing game tech companies to exploit the local market before measuring up to global competition.