

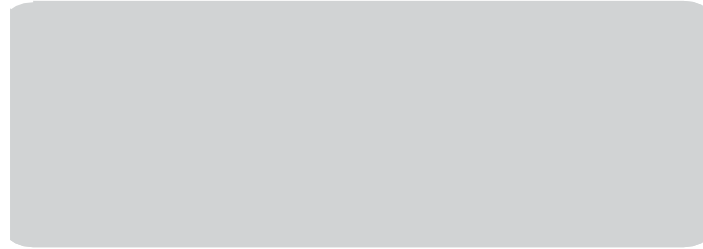


National Gambling Board
South Africa
a member of **the dtic** group

South Africa as an established gambling market in Africa

Date: 14 March 2023

Mr Nkoatse Mashamaite



INTRODUCTION

South Africa regulates four modes of gambling:

- Casino - 38 casinos throughout the country
- Bingo - 67 bingo outlets
- Betting - 264 operational bookmakers
- Limited Payout Machines - 2 474 LPM sites

Direct employment of 31 216 people nationwide.

SOUTH AFRICAN GAMBLING ENVIRONMENT



EXTERNAL SUPPORT STRUCTURES

- **South African Responsible Gambling Foundation (SARGF)**– A public-private initiative between the government gambling regulators and the gambling industry in South Africa, and as such is funded by voluntary contributions from the South African gambling industry – which includes the casino, sports betting, bingo and limited pay-out machine (LPM) industries. SARGF provides gambling addiction treatment programmes, prevention and mentorship and industry support programmes. Gambling licence holders contribute 0.1% of their GGR to fund the SARGF.
- **NRCS** administers compulsory specifications for the control of gaming devices and related apparatus. The compulsory specification sets compulsory requirements for safety, fairness, security and reliability of gaming and bookmaking apparatus. NRCS is appointed to perform these functions in terms of the NGA. They are responsible for:
 - The evaluation of test reports from recognised test laboratories to determine compliance with the requirements of the compulsory specification;
 - issuing Letters of Certification (LOCs) for gaming & gambling equipment to the manufacturer or supplier; and
 - providing general assistance to the NGB, PLAs and the gaming industry.



EXTERNAL SUPPORT STRUCTURES

- **South African Bureau of Standards (SABS)** is the entity responsible for developing, promoting and maintaining South African National Standards (SANS).
- **South African National Accreditation System (SANAS)** is the national body responsible for carrying out accreditation of, among other bodies, the testing laboratories.
- **Independent testing laboratories** are responsible for certifying that the gaming equipment and systems complies and meet the technical and regulatory standards/requirements of the country. They test server-based gaming systems, casino equipment, limited pay-out gaming equipment, monitoring & control systems for gaming equipment, wagering and record-keeping systems, local area and wide area jackpot and progressive jackpot equipment, roulette wheels, central monitoring system for limited pay-out machines for compliance with the South African National Standards (SANS) 1718. Test laboratories receive their accreditation as test laboratories from the SANAS.



STATE OF INDUSTRY POST COVID-19

- The four modes of gambling were negatively affected by the Covid-19 lockdowns which brought the whole country to a standstill. When the lockdowns were uplifted the different modes performed differently with the Wagering and Betting industry overtaking the casino industry in terms of GGR. The lockdown also made it worse for the horse racing industry which was already struggling.
- The growth of technological advances and ease of access or better communications system has led to an increase in the uptake of online betting at a faster pace post covid-19 lockdown. The exponential growth of smartphones usage from 23 Million in 2019 to 26 Million in 2023, with broadband internet subscribers being 2,9 for every 100 people, has also played a significant role in the growth of online sports betting aided by the popularity of international sports like the English Premier League, the Spanish La Liga, and the T20 cricket to name a few

STATE OF INDUSTRY POST COVID-19

- The NGB has observed the growth in the LPM industry with some provinces planning to move to phase 2 of the LPM rollout as they are on the verge of exhausting their phase 1 allocation.
- This has prompted the NGB to undertake a socio-economic impact study of gambling in the relevant provinces.
- This affirms the NGB's observation that there has been significant growth in GGR and the number of installed LPMs in the republic.

CHALLENGES

- The industry is also faced with the growth of illegal online gambling which affects revenues for our licensed and law-abiding gambling operators.
- The NGB continues working with law enforcement agencies and PLAs to combat the growth of illegal gambling activities.
- The challenges faced by South Africa in respect of illegal online gambling is not unique but is prevalent in other jurisdictions battling off-shore illegal operators in the respective jurisdictions.
- Punter protection while ensuring further industry growth thereby ensuring survival of the industry.

FUTURE EXPECTATIONS FOR THE INDUSTRY

- A transformed gambling industry with economic participation reflective of the demographics of the republic.
- Impactful corporate social investment projects (responsible citizen)
- An informed and empowered punter (public education)
- Responsible advertising of gambling activities (punter protection)
- A robust and well-regulated gambling industry (protection of licensed operators)
- Locally manufactured gambling products (industrialisation and localisation of the industry)

CONCLUSION

- The gambling industry positively contributed to the Gross Domestic Product of the country with R3,4 billion paid in gambling taxes.

as such

- The gambling market is on an expansion path, currently driven by the sports betting industry and will continue to be an important entertainment sector in the country.