



NATIONAL SOCIO-ECONOMIC IMPACT OF GAMBLING IN SOUTH AFRICA

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INTRODUCTION

- The National Gambling Board (NGB) embarked on a research project to determine the socio-economic impact of gambling in South Africa during FY2023/24 .
- The study was aimed at:
 - Understanding how gambling has evolved since the 2017 national study
 - Delving deeper into the impact of COVID-19 on gambling
 - Analysing online gambling and its proliferation in South Africa
- The study enables the NGB to advise government on policy matters relating to the socio-economic patterns, causes and consequences of gambling activity within the republic as well as compulsive and addictive gambling and advance the mandate of punter protection whilst balancing the economic impact of gambling against its negative social consequences.
- The research was concluded in January 2025.
- This presentation summarizes the main findings and recommendations.

BACKGROUND AND METHODOLOGY

- **A survey was the primary driver of data collection** in this study to determine the socio-economic impact of gambling in South Africa as well to assess the impact of problem gambling.
- The survey was constructed to cover a representative group of participants in the economy. **Specific attention was paid to ensuring a representative sample of participants from townships, peri-urban and rural areas.**
- The study was on a **sample of 4407**, with 3286 (75%) online and 1 121 (25%) face to face. The construction of the sample size and methodology of the survey was determined by statistical significance and other sampling techniques and is in line with other international surveys of a similar nature.
- A two-stage proportionate probability random sampling method was undertaken as a hybrid methodology for data collection – namely CAWI (Computer Assisted Web Interviews) and CAPI (Computer Assisted Personal Interviews). In the first stage an online survey was conducted, and a rebalancing exercise was conducted to ensure representativeness. The results of the assessment were used to inform the face-to-face top-up sample.
- Modelling the national economy was undertaken through the use of a Social Accounting Matrix and other economic indicators.



KEY FINDINGS



ECONOMIC ROLE OF GAMBLING



31183

Direct Jobs in Gambling Industry
driven by Casino and Betting
sectors

144 619

Total direct, indirect and induced
jobs in Gambling FY2023/24



0.83%

Contribution to
GDP in
FY2023/24

The Gambling Industry contributed 0.83% to the South African economy with R54.41 billion in Gross Value Added (captures supply-chain spending and household consumption supported by the industry).

Gambling has a high output multiplier (each R1 in gambling output further generates R4,64 in total economic activity) meaning that it has a strong influence on the economic activity of South Africa and stimulates demand in other sectors

South Africa has 31183 direct gambling sector jobs (excluding the national Lottery) which further support 144 619 jobs across the economy through indirect and induced jobs.

ECONOMIC ROLE OF GAMBLING

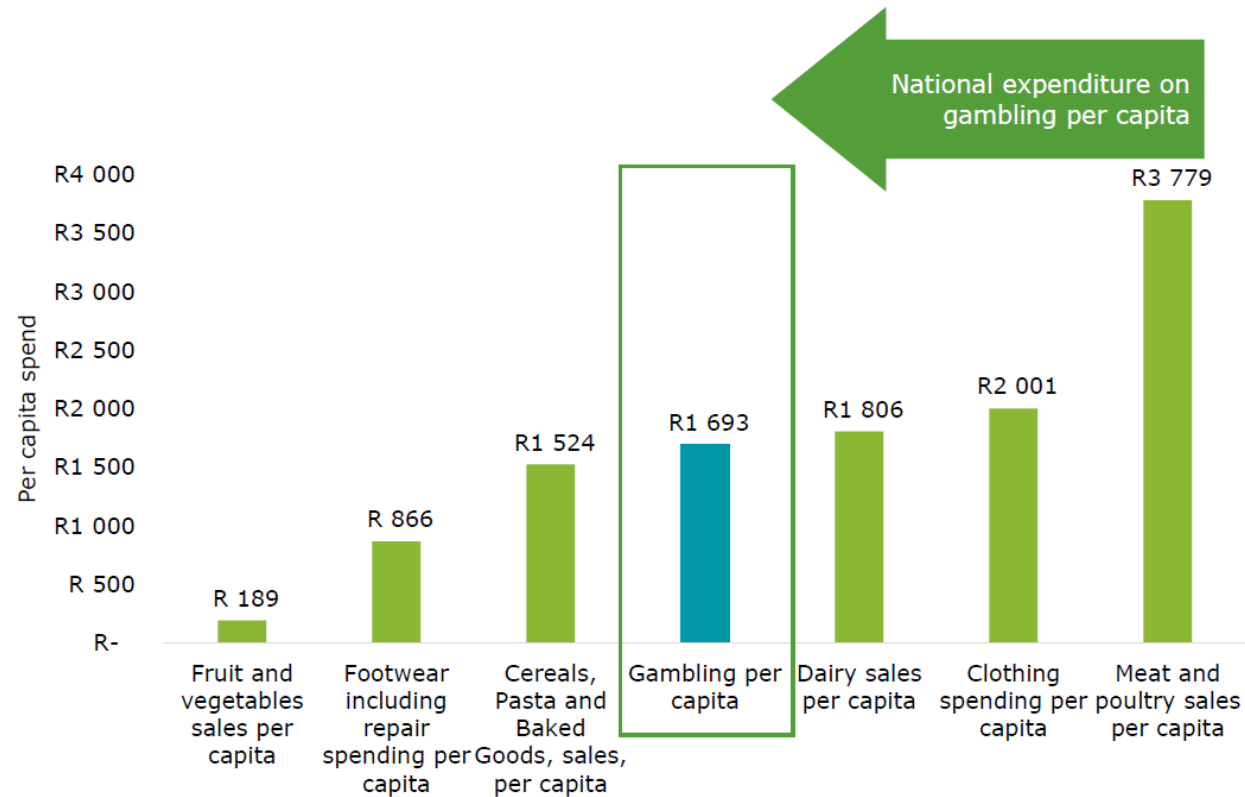
Province	Contribution of the gambling industry to the provincial economy	Total GVA of gambling industry (direct, indirect and induced)	Output multiplier	Number of direct jobs in the gambling industry	Total direct, indirect and induced jobs of the gambling industry
Gauteng	0.89%	R14.99 billion	4.87	8 768	42 700
Western Cape	2.59%	R15.67 billion	5.28	4 262	22 516
KZN	0.93%	R7.61 billion	4.90	9482	46495
Mpumalanga	2.51%	R9.57 billion	4.50	1684	7580
North-West	0.44%	R1.55 billion	4.83	1645	7 950
Limpopo	0.75%	R2.86 billion	4.46	2125	9482
Free State	0.24%	R0.69 billion	5.24	863	4 525
Northern Cape	0.30%	R0.32 billion	4.55	365	1 662
Eastern Cape	0.65%	R2.89 billion	5.13	1 989	10 209

The provinces that benefitted the most from gambling revenue were the Western Cape and Mpumalanga, contributing 2.59% and 2.51% respectively. This was followed by KZN and Gauteng at 0.93% and 0.89% respectively.

Whilst the Western Cape and Mpumalanga had the highest economic contributions by the gambling industry- KZN and Gauteng had the most jobs not only directly but economy wide

ECONOMIC ROLE OF GAMBLING

Contextualisation of Gambling spend per Capita



Gambling spend per capita- the average amount of money each person (adult) spends on gambling per year.

On average, people from South Africa spend more on gambling than they do on footwear or baked goods.

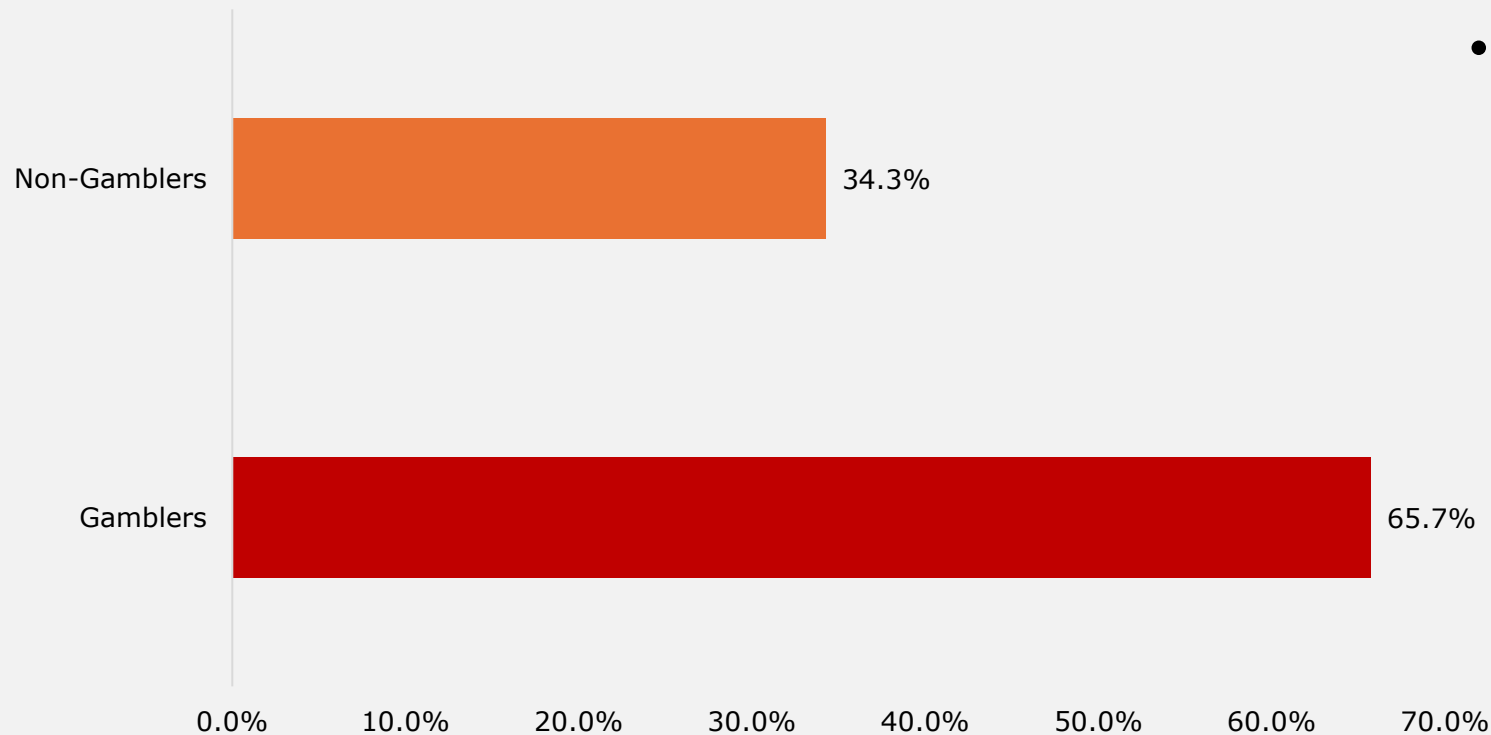
ECONOMIC ROLE OF GAMBLING

Mode	2017 South Africa (%)	2023 South Africa (%)	2023 Eastern Cape (%)	2023 Free State (%)	2023 North West (%)	2023 Northern Cape (%)	2023 Gauteng (%)	2023 KwaZulu-Natal (%)	2023 Limpopo (%)	2023 Mpumalanga (%)	2023 Western-Cape (%)
Casinos	0.61	0.41	0.34	0.15	0.27	0.2	0.54	0.21	0.6		
Horse/sports betting	0.15	0.56	0.08	0.04	0.06	0.08	0.06	0.14	0.1	0.1	0.18
LPMs	0.09	0.04	0.16	0.07	0.08	0.06	0.04	0.05	0.04	0.05	-
Bingo	0.04	0.1	0.14	-	0.04	-	-	-	-	-	-
National Lottery	0.08	0.02									
Total	0.97	1.15	0.72	0.26	0.87	0.34	0.89	0.94	0.87	2.76	2.15

Percentage of household income that is allocated to gambling, on average

- Approximately R1.15 out of every R100 is spent on gambling by households.
- Largest increase in propensity to gamble is in betting from 0.15% to 0.56%
- Casino, LPM and bingo modes declined in propensity to gamble

Participation of South African population in gambling



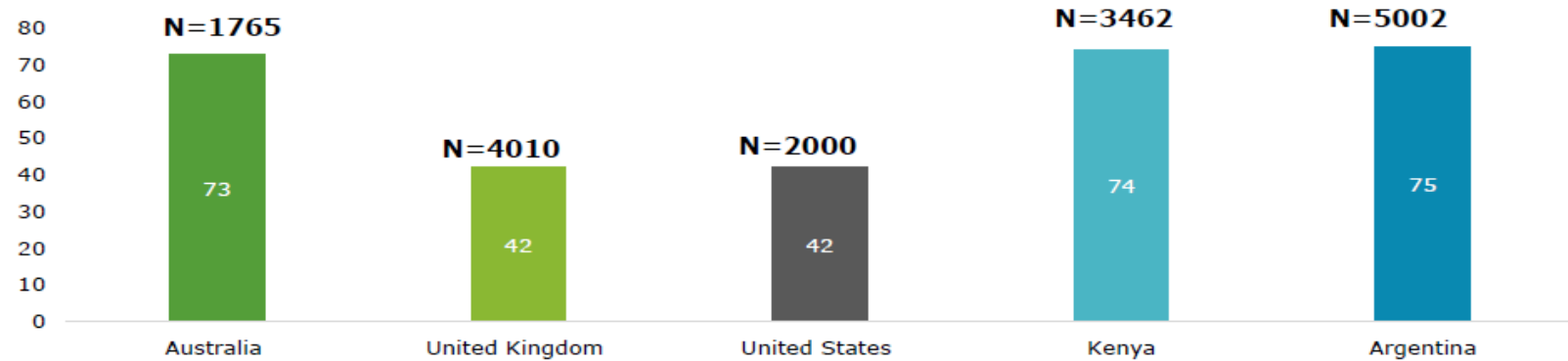
- The survey revealed that **65.7%** of the respondents had engaged in gambling activities in the 12 months before taking the survey, which is a substantial increase from 30.6% in the 2017 national study (illustrative purposes)

SOCIAL IMPACT OF GAMBLING

International gambling prevalence

- Internet gambling has experienced rapid expansion since its introduction over 25 years ago
- A sustained rise in prevalence observed across multiple regions

International gambling incidence (%)



Australia

In 2022, the Australian Gambling Research Centre (AGRC 2023) reported that 73% Australians aged 18 and over reported spending money on one or more gambling products in the past 12 months

Survey conducted online

Great Britain

Online gambling currently constitutes ~40% of the overall gambling market

Kenya

Recorded the highest level of youth engagement in gambling among African nations

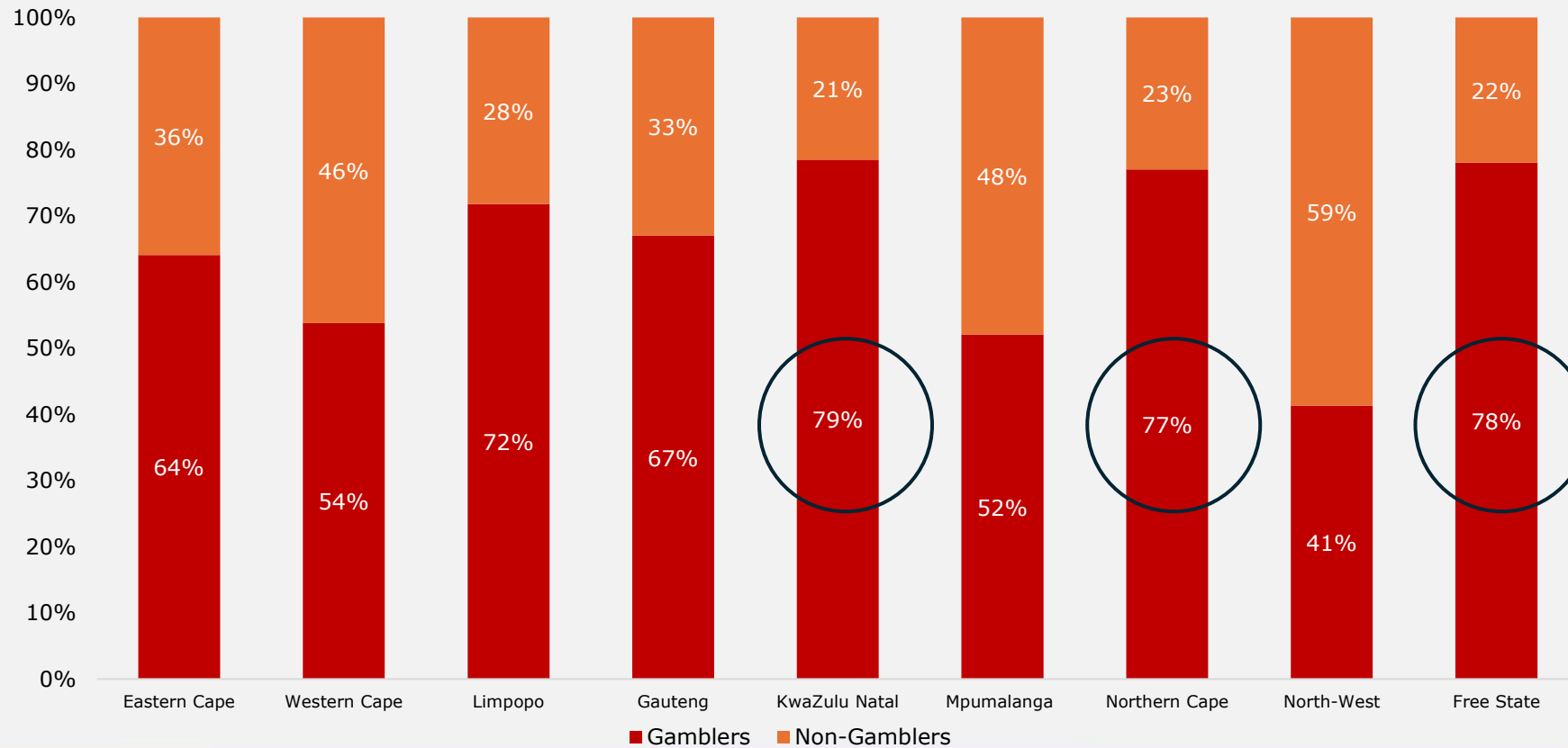
In a 2021 survey, more than 80% of respondents affirmed their involvement in gambling

Argentina

When delving into the more specific subcategories outlined by the Argentina study, personal engagement in sports or physical activity emerged as the most favoured, with 69.5% of participants citing it as a particular area of interest

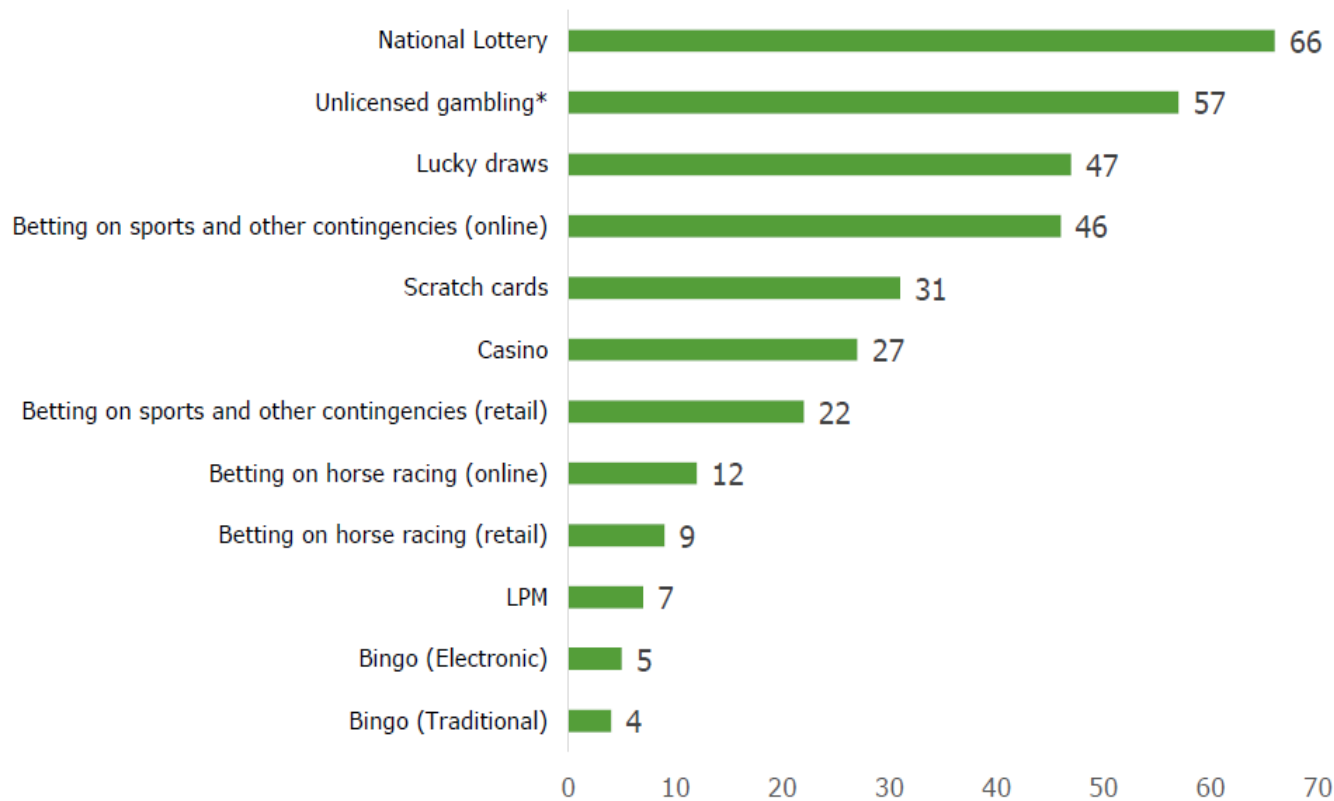
SOCIAL IMPACT OF GAMBLING

Gambling Prevalence by province



Proportion of gambling across different modes

Incidence of Gambling Across Different Modes (%)



Gambling participation in the 12 months prior to answering the survey

Top gambling modes

1. National Lottery
2. Lucky draws
3. Betting on sports and other contingencies (online)

Unlicensed gambling was also prominent

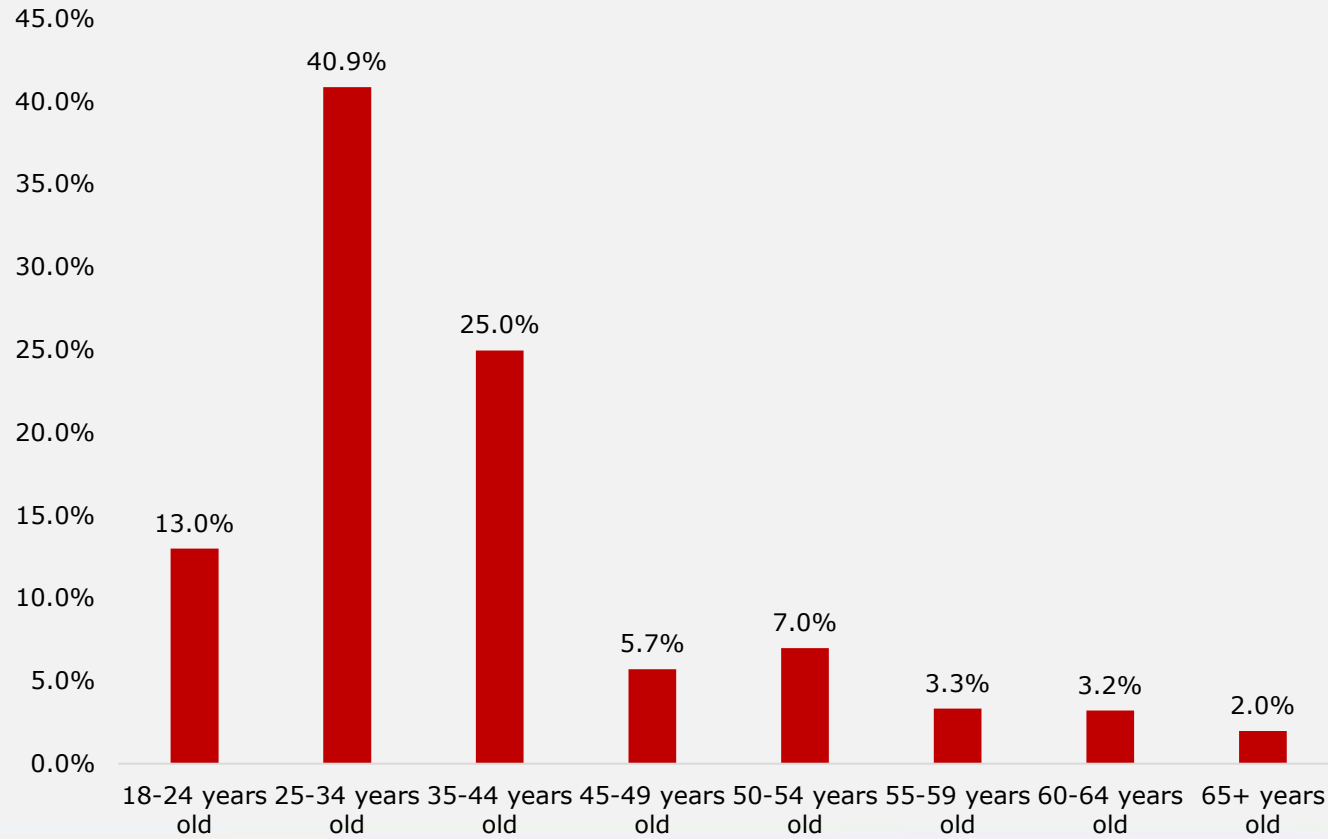
Traditionally, the National Lottery and Lucky draws have been the highest incident modes of gambling in South Africa

The current study has highlighted Betting on sports which has increased in popularity significantly since the last study in 2017

SOCIAL IMPACT OF GAMBLING

Demographic splits

Gambling incidence by Age Category



•The survey revealed that the highest gambling participation was among the **25-34 years** old age group, the **full-time employed**, the **tertiary educated**, **males**, and the middle-income households. The 25-34 age group also shows the highest participation across various gambling modes, including Bingo, Casino, and sports betting.

This phenomenon may be driven by risk appetites changing as individuals age

- Younger individuals are significantly more likely to take risks than older individuals
- This shift in risk aversion can be directly transposed onto the gambling industry

On aggregate, incidence peaks in 25-34 years old age category

- At this age, individuals have higher risk tolerance due to their youth and more disposable income (compared to 18 – 24 years old) to fund gambling

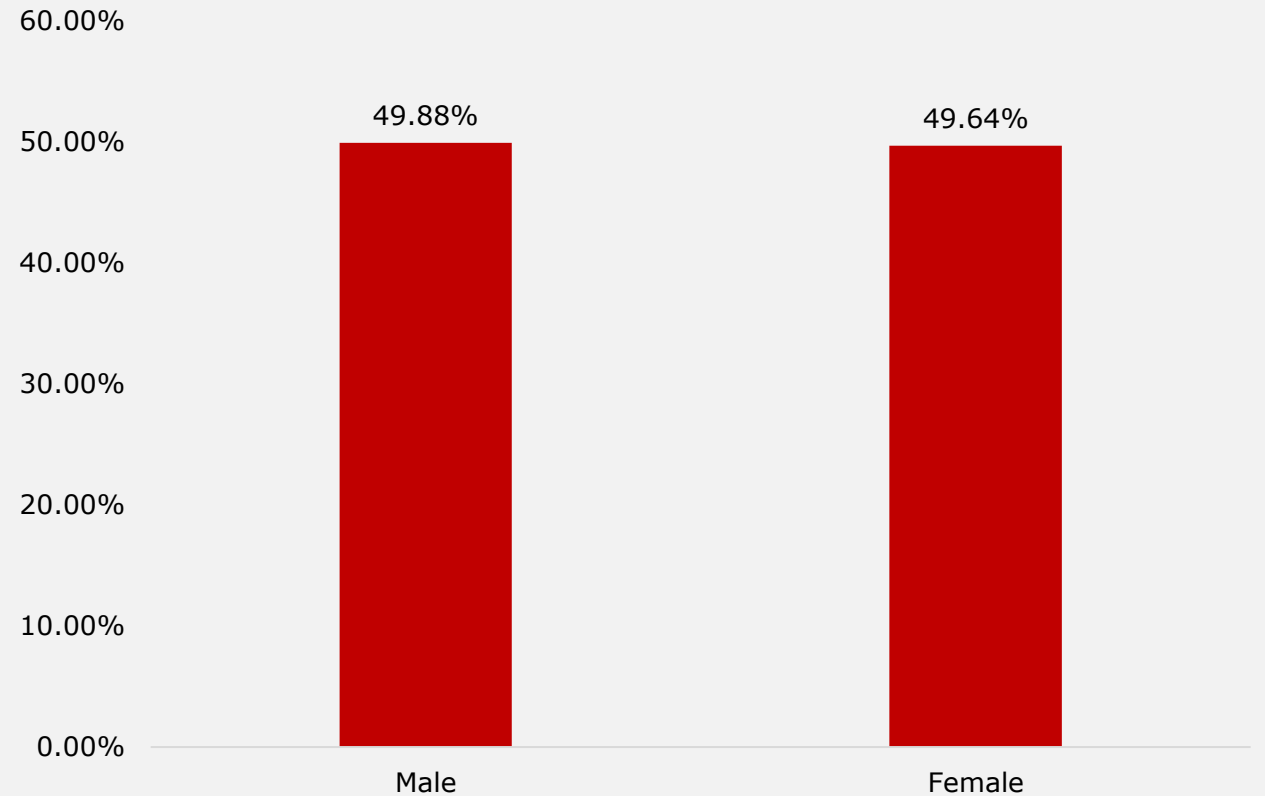


Proportion of gambling population in each gender group

Gender was equally split in the gambling population , however as a percentage of their respective gender groups, men tended to gamble more.

This difference is tied to societal norms where men are seen as more risk-friendly.

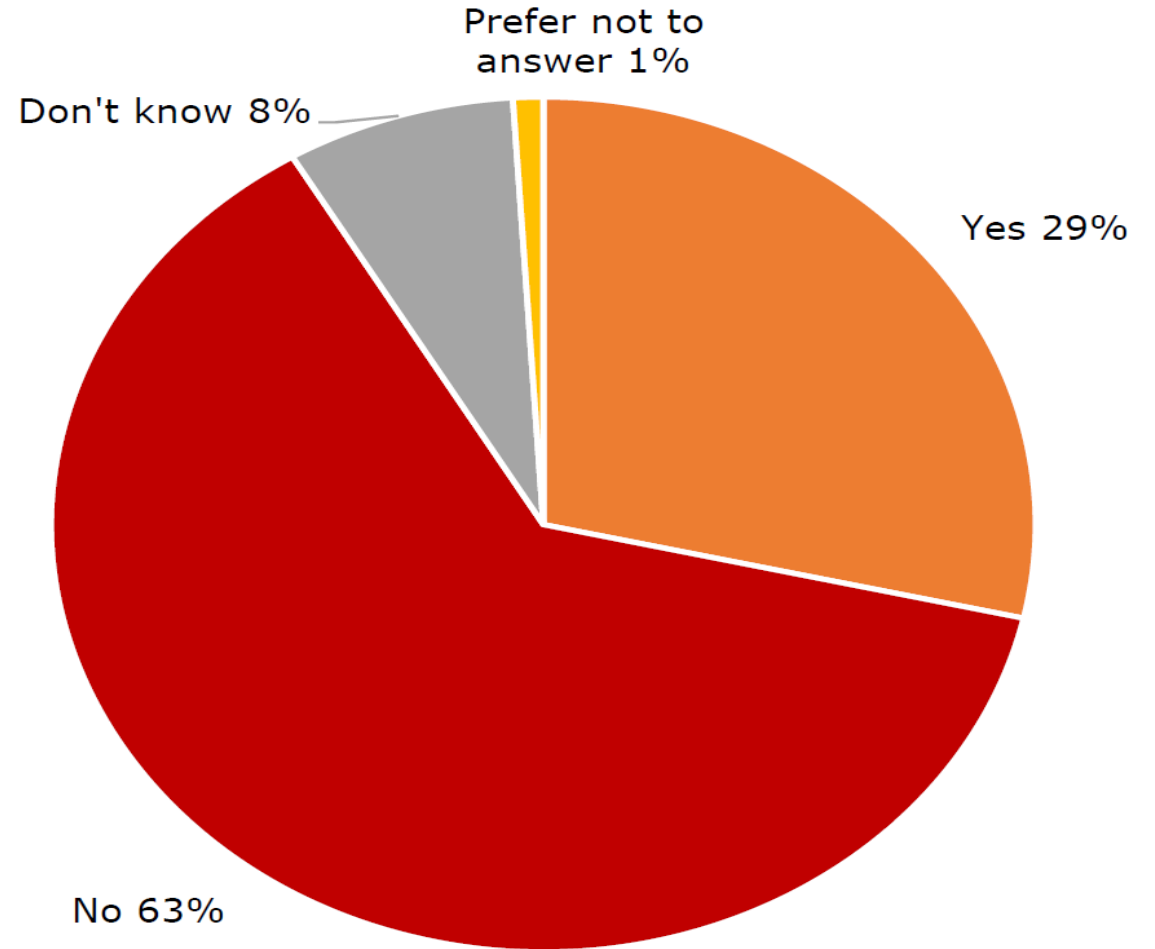
Additionally, recent research suggests that Female participation in gambling is on the rise globally, as women have more equitable access to disposable income



Under-age gambling

- Due to the illegality of underage gambling, this age group did not form part of the scope of this survey. However, adult respondents to the survey indicated that 29% were aware of underage gambling within their close social circles

Awareness of underage gambling



PROBLEM GAMBLING

Problem Gambling is gambling behaviour that disrupts or damages personal, family, or vocational pursuits.

Problem gambling was determined through a screening tool known as the PGSI (Problem Gambling Severity Index) which employs validated questionnaires to identify problem gambling tendencies, in population surveys and scores gambling risk as non-problem, low-risk, moderate-risk, or problem gambler.

PROBLEM GAMBLING



31%
Problem Gambling
Prevalence
in FY2023/24

- The following questions received the highest number of “Always” responses
- This suggests that problem gambling is primarily driven by financial motives and self-generated excitement.

PGSI statements
4. Still thinking about the last 12 months, have you needed to gamble with larger amounts of money to get the same feeling of excitement?
2. When you gambled, did you go back another day to try to win back the money you lost?
1. Have you borrowed money or sold anything to get money to gamble?
<input type="checkbox"/> Have you felt that you might have a problem with gambling?
<input type="checkbox"/> Has gambling caused you any health problems, including stress or anxiety?
<input type="checkbox"/> Have people criticized your betting or told you that you had a gambling problem, regardless of whether or not you thought it was true?
<input type="checkbox"/> Has your gambling caused any financial problems for you or your household?
<input type="checkbox"/> Have you felt guilty about the way you gamble or what happens when you gamble?
3. Have you lied to family members or others to hide your gambling?

SOCIAL IMPACT OF GAMBLING – PROFILE OF PROBLEM GAMBLING

Younger than 18 years	18-24 years	25-34 years	35-44 years	45-49 years	50-54 years	55-59 years	60-64 years	65+ years			Total
0%	13%	55%	22%	3%	4%	1%	1%	0	-	-	100
Employed full time	Employed part time	Self employed	Unemployed	Retired	Student	Housewife / husband					Total
52%	11%	9%	21%	2%	5%	0%	-	-	-	-	100
No income	Up to R2 999	R3 000-R3 699	R3 700-R4 499	R4 500-R5 599	R5 600-R8 999	R9 000-R14 499	R14 500-R17 999	R18 000-R27 499	R27 500-R39 999	More than R40 000	Total
19%	12%	6%	7%	9%	14%	17%	10	0	5	0	100
Male	Female										Total
50	50	-	-	-	-	-	-	-	-	-	100

Problem gamblers can be characterised as follows:

- **55%** of problem gamblers were aged between 25-34 years.
- **52%** are employed full time.
- **50%** are female.
- **67%** reported having an income below R 9 000, of these 19% of problem gamblers had no household income at all.

Mode	Percent (%)
Lucky draws	56
Scratch cards	39
National Lottery	55
Bingo (Traditional)	9
Bingo (Electronic)	10
Casino	37
LPM	10
Betting on sports and other contingencies (retail)	32
Betting on sports and other contingencies (online)	50
Betting on horse racing (retail)	14
Betting on horse racing (online)	18
Unlicensed/ illegal gambling	70

Lucky draws (56%), National Lottery (55%), and Betting on sports and other contingencies (online) (50%) were the most popular gambling modes for problem gamblers



Problem gambling as a public health issue

13 November 2025 — 14 November 2025

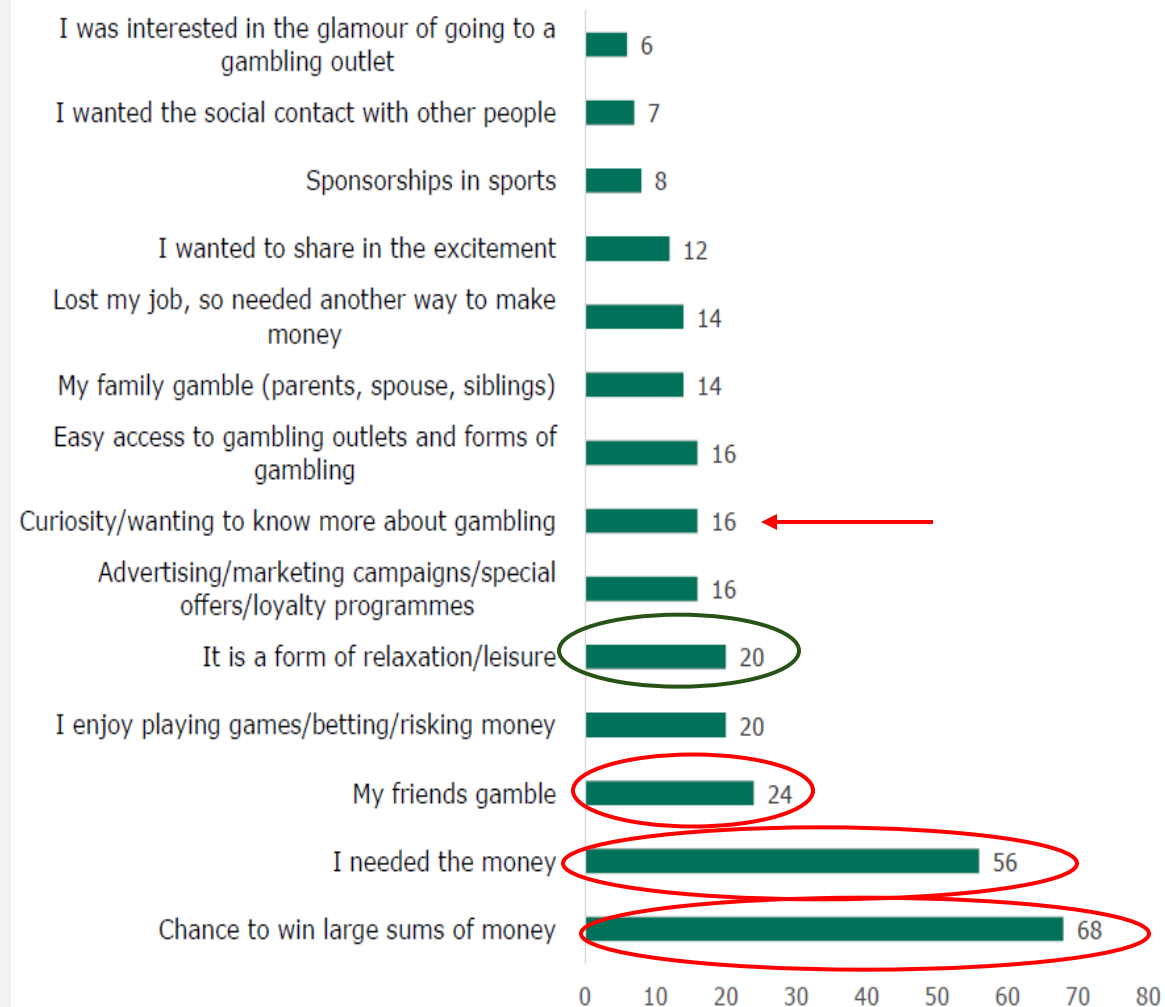
- In the field of gambling research there is growing consensus that gambling is a public health issue requiring a broad response beyond the licensing roles of licensing authorities to include other services such as health services, mental health, homelessness and housing and financial inclusion support.
- Scholars proposed a framework for the evaluation of gambling policy in its ability to address the harms of gambling and to provide adequate protections under a range of global best practice criterion. South Africa's National Gambling Act was evaluated under the same framework in the table.
- The results indicate that **South Africa's legislative framework is individual centric** (scoring 5/8 under the individual frame) and lacks key foundations of best practice from a **system-based approach** (scoring 8/18 for the systematic frame) to the issues causing problem gambling.
- **Systematic approaches** acknowledge that problem gambling is not a failure of personal responsibility, but rather that there are several environmental and personal factors which lead to it.
- The adoption of a public health approach to gambling is important because of the following factors:
 - **Destigmatization:** shifts responsibility of preventing and reducing gambling harms from solely the individual and their behaviours
 - **Population health:** public health approach focuses on reducing gambling harm across the entire population- i.e. low- to moderate-risk behaviours and not just on the high-risk gambling population
 - **Comorbidities:** public health principles have been applied to other issues such as mental health disorders and substance misuse and have achieved improved outcomes for health issues that share upstream and over-arching contributors. (*Gambling Research Exchange Ontario (GREO)*)

Prognosis measures	Type of change in legal gambling provision	Compliant
Individual frame	Self-exclusion	√
	Informed choice	√
	Information on treatment	√
	Staff training	√
	Voluntary limits	x
	Proactive interventions with at-risk players	x
	Funding for treatment	√
	Treatment programmes and education for medical staff	x
System Frame	Ban on underage gambling	√
	Restricting advertisement and other forms of marketing	√
	Mandatory player identification	x
	No credit or bonuses	√
	Restricting location of venues (and gambling outside of venue)	√
	Restricting product design	x
	Funding for prevention	√
	Restricting the number of venues	√
	Restrictions on ATMs	√
	Data sharing for research	x
	Restricting the number of EGMs	√
	Mandatory limits	x
	Product risk analysis	x
	Restricting smoking and alcohol	x
	Restricting gambling venue hours	x
	Ban on turnover-based pay for staff	x
Restricting venue access to higher socioeconomic classes only	x	
Non-resident gambling only	x	
Ambivalent	Reporting on harm prevention	√
	Funding research	√

Reasons for gambling

- The survey revealed that the main triggers for gambling were the **opportunity to win a large amount of money**, the necessity for more money and the influence of friends and family.

Reasons for gambling (%)



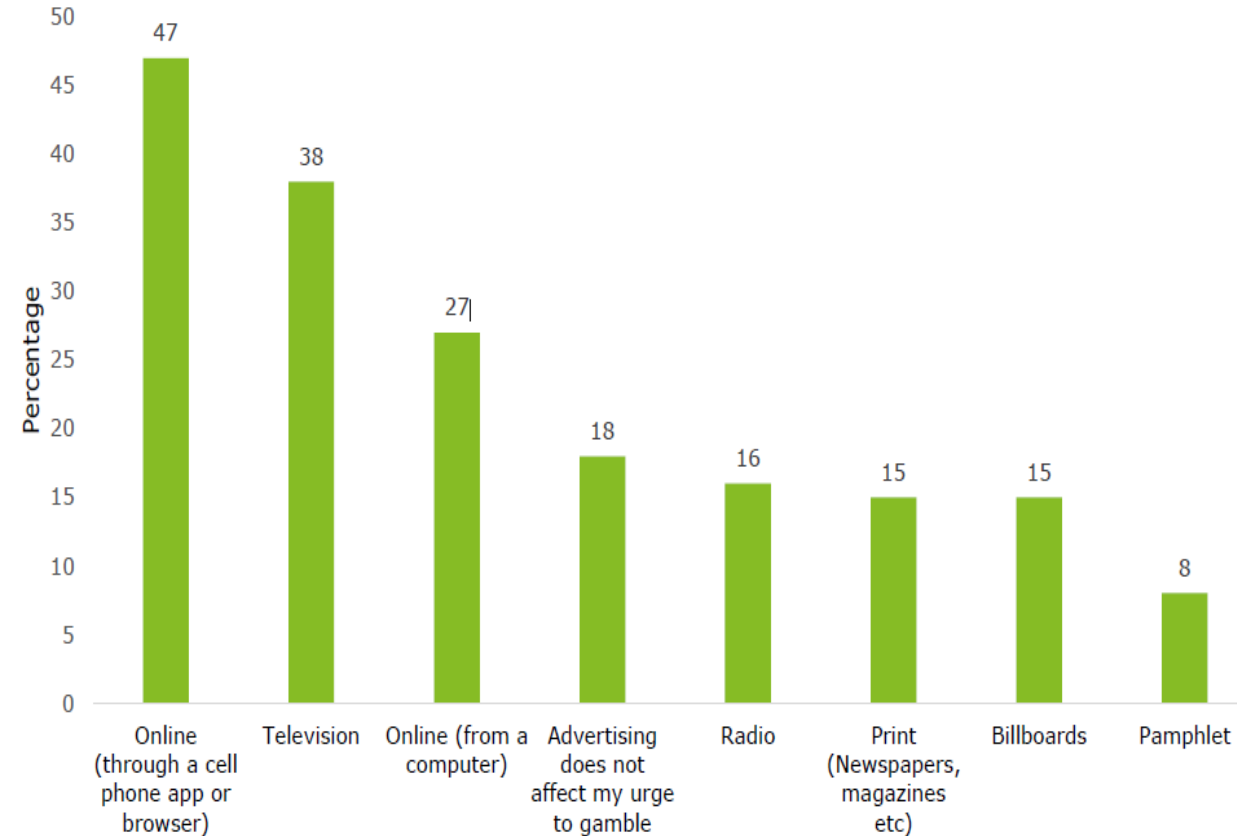
SOCIAL IMPACT OF GAMBLING



Television and Online (through a cell phone app or browser) are the most popular types of advertising across national

- The normalisation of gambling through direct online advertising and in mobile apps and games may be viewed as a significant trigger for high levels of gambling
- Focus groups found punters have developed social media communities where betters share game tips, wagering advice, and codes. Posts featuring big wins can increase the urge to gamble, promoting reckless habits
- Operators also have a large social media presence and often post about the winnings of punters, this encourages taking larger risks under the belief that "hot" games pay out more, allowing less time for careful consideration

Which types of advertising most strongly triggers your urge to gamble? (%)



Gambling and advertising related triggers and brand association

- A common theme identified in public focus groups was the idea of targeted direct advertising offering punters credit on bets. Participants indicated that such marketing induced them to gamble more frequently and for longer periods of time and to wage higher bets. This type of marketing is particularly worrying in the case of problem gamblers, where research suggests they may have impaired of risk/reward perception and cognitive control. Examples of such include SMS's and emails:
- ***“HAPPY BIRTHDAY! From [Operator]. Your account has been credited with R50. Deposit R100 or more before [expiry date]. Call in to claim your once-off voucher [contact details of operator].”***
- In a complaint lodged about practices of advertisers, an advertiser approached three prominent celebrities to post on X (formerly Twitter), where the content of the advertisement was intended to promote the operator- ***each R5 spent on buying a [mode] contributes towards winning pay outs, covers the commission to retailers who sell the tickets, funds the [operators] operational costs, and supports various causes and organisations in South Africa*** - but the problem was that the posts did not include a disclaimer that this was sponsored advertising.
- In the case of children and youth who rely on role-models to develop their own personal independence and identity, such celebrity endorsements may encourage the normalisation of gambling among youth and may influence the behaviours of minors.
- Section 15 of the National Gambling Act outlines the laws with regards to advertising– “Restrictions on advertising and promotion of gambling activities and granting of discounts”.
- Advertising significantly impacts perceptions of gambling, making it appear normal and harmless. Focus group discussions show that online gambling ads lead to shifts from land-based to online gambling, extend gambling duration in problem gamblers, and trigger gambling impulses, contributing to problem gambling.

SOCIAL IMPACT OF GAMBLING

QUALITATIVE PERSPECTIVE

Systemic safeguards for gamblers must be strengthened



TRIGGERS

Several gamblers acknowledged they spent too much time or lingered longer than intended on online betting platforms, cited the following reasons:

- A desire to win additional funds or win back lost funds
- Advertising and Targeted Offers
- Offers of credits on accounts tempt gamblers to gamble more



SOCIAL MEDIA

Betting on sports and other contingencies in popularity significantly since the last study in 2017. The expansion of online gambling has spurred the creation of social media groups, where punter's exchange information about gambling games, betting tips, and betting codes. Social media posts about large winnings increased their desire to gamble and may have led to irresponsible gambling practice.

Gambling community groups influenced punters to take bigger risks.

- Less time to reflect and think before acting.
- Beliefs that some games would have higher pay-outs at certain times



ACCESS TO CASH FOR ONLINE GAMBLING

Banking applications allow for instant deposit and withdrawal of money for online gambling

- Participants find it easy to deposit money and place bets using their bank app
- ATMs are conveniently located near gambling facilities
- Easy access to funds makes it tempting to gamble more



ADVERTISEMENT

- Corporate sponsorships and help establish good will with the public.
- Celebrity endorsements create brand recognition and positive feelings surrounding gambling.
- Sports betting has become a normal part of the sporting experience
- Responsible gambling messaging may give the impression that gambling is risk-free in moderation without consideration for psychosocial factors.



SELF-EXCLUSIONS

- Most participants were unaware of self-exclusion programs on online betting sites
- Punters stated that self-management tools to set limits on money and time spent on betting sites would be useful, these tools are often not prominently displayed on websites



RECOMMENDATIONS



Restrictions on gambling advertising during sporting events

- Gambling regulation should consider viewing all sports events or scheduled sports broadcasts (not rated as PG18+) as potential viewing content for children.
- As a result, restrictions on gambling advertisements during such programming could be considered.
- This recommendation is supported by the finding that children can identify brands associated with gambling and betting and can recount details of the gambling advertisements they have encountered through various media channels, including sports sponsorships, influencer endorsements, online platforms, and social networks.
- There is evidence that children can access registered online betting sites.

Restrictions on sponsorships

- Regulations may consider adopting a complete or partial ban on the endorsement of gambling activities and operators by celebrities and influencers.
- This includes restricting endorsements or advertisements that feature individuals under the age of 35 and requiring that endorsements and advertisements be officially disclosed. To ensure uniformity the NGB should establish guidelines for PLAs to implement.
- This recommendation is supported by findings that show young men's identities are targeted by sports betting ads, which normalize participation in gambling activities.
- Additionally, children can identify brands associated with gambling and betting, and celebrity endorsements foster brand awareness and favourable attitudes towards advertised products, particularly among children and youth. Gamblers and non-gamblers alike agree that measures like regulating advertisements and promoting treatment on national TV are acceptable.

Restrictions on directed advertising

- Gambling regulations should consider restrictions on directed advertising, which provides punters with the impression that they are eligible for complimentary bets, account credits, matched stakes or any messaging aimed at attracting customers to place bets.
- This recommendation is supported by the findings that a common theme identified in public focus groups was the idea of targeted direct advertising offering punters credit on bets. Participants indicated that such marketing induced them to gamble more frequently and for longer periods of time and to wage higher bets. Advertising, especially customized offers of credits on accounts, enticed them to gamble when they did not intend to do so on a specific day or contrary to their own planned behaviour and budget for the week.
- This type of marketing is particularly worrying in the case of problem gamblers, where research suggests that such gamblers may have impaired risk/reward perception and cognitive control issues. Advertising, especially targeted offers of credits on accounts, tempted them to gamble when they did not plan to do so on a specific day or against their own intended behaviour and budget.

Online self-exclusion registry

- The NGB should consider creating an extensive national online self-exclusion registry, where individuals are able to apply for self-exclusion both independently and through operators.
- Every operator must be granted access to this self-exclusion database, and all operators are obligated to incorporate this system to facilitate the enforcement of exclusions.
- Options for self-exclusion should be prominently displayed on the homepage of an operator's website, especially for first-time users.
- This recommendation is supported by the findings that there is currently no system to implement a nationwide exclusion. Punters indicated that operators have attempted to persuade them not to deactivate their account, but rather informed them about self-management tools, and most punters stated that they did not know about self-management tools being offered on online betting sites. However, there was a consensus on its possible usefulness.

Guidelines for social media advertising

- The NGB should consider formulating a detailed guide on ads via social media, mobile apps, and websites.

Broadening the tax base for sin taxes to include gambling

- It is advised that the dtic and National Treasury consider the impact of broadening the base for sin taxes by imposing a tax on sales of bets, tickets, tokens, and chips.
- The proposed sin taxes should be implemented alongside an extensive community education initiative (preferably on the same scale as operator advertisements) and an improvement in the monitoring of unlawful gambling activities.
- Ideally, these taxes would raise the cost of gambling and potentially reduce its prevalence, particularly amongst low-income earners.

CONCLUSION



The gambling industry has a significant impact on the economy, contributing to the GDP with a Gross Gambling Revenue (GGR) of R48 million. In 2022, provincial tax revenue from casinos alone reached up to R4 billion.



Philanthropy: The gambling industry has made significant philanthropic contributions by supporting job creation, rural development, agricultural projects, sports, and social cohesion.

Private Sponsorships: The industry has also shown its commitment to inclusivity by sponsoring sporting leagues specifically designed for individuals with disabilities.



Current Challenges: With the rise of online gambling, the gambling prevalence rate has increased, leading to higher rates of problem gambling compared to 2017.

Unfortunately, existing legislation has struggled to keep pace with the evolving industry, failing to provide adequate consumer protections.



Problem gambling is a complex health and social issue that requires a multi-faceted approach. Current legislative measures, which primarily focus on individual responsibility, are insufficient.

It is recommended that local regulations be aligned with global standards to provide better protections for consumers. Addressing problem gambling effectively necessitates considering both personal and systemic factors, and involves collaboration among stakeholders in education, gambling operators, and regulators.

- ❑ The gambling industry is a catalyst for **economic growth**, BUT without systematic **protections for punters**- we are unable to enjoy these benefits completely.