

# Surge in sports betting sparks alarm

**CEOs and politicians raise red flags about gambling in SA as battle for market share heats up**

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Sports betting in SA has shot from 10% of the total gambling market in 2010 to over 60% — and while offshore and domestic players are already in the scrum for market share, a number of voices are filled with concern.

"I refuse to stand idly by while South Africans, particularly vulnerable groups, spend R1-trillion on gambling in a single year, regardless of the blockages that come my way in the pursuit of gambling reforms," said Makashule Gana, Rise Mzansi's National Assembly caucus whip. Rise Mzansi has taken up the issue of gambling in SA, describing it as a crisis. Gana said last week he wrote to the National Gambling Board requesting a meeting, but had no joy. He also wrote to National Assembly speaker Thoko Didiza and trade, industry & competition minister Parks Tau asking them to compel the gambling board to meet him.

Capitec CEO Gerrie Fourie, too, is concerned, saying last year the surge in sports betting was some-

thing SA has to have a conversation about. Fourie said based on their data, sports betting had taken root in SA, with more people looking to lay their hands on extra money.

The country's high smartphone penetration rate of over 70% and the expansion of digital platforms have played pivotal roles in the exponential growth, according to a report by international technology company Softswiss projects.

Max Trafimovich, chief commercial officer at Softswiss, said football was the biggest pull factor behind the surge in sports betting.

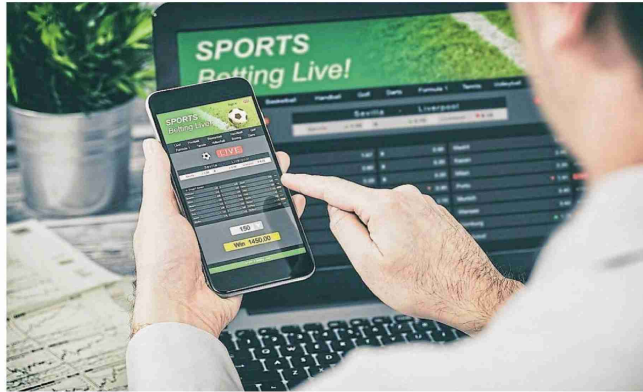
"SA is emerging as a key player in the iGaming sector, driven by strong digital adoption and a thriving sports culture.

"With increasing mobile penetration and a growing middle class, the market offers significant potential for expansion, making it a welcoming sign for operators and investors alike," Trafimovich said.

"While the market demonstrates growth potential, it also faces challenges. Fragmented provincial regulations and a 15% VAT on betting transactions present operational complexities for businesses.

"However, these challenges have not deterred both global and local investors from contributing."

Some of the big players in the



**BETTING BOOM:** A high smartphone penetration rate of over 70% in South Africa and an explosion of digital platforms have played pivotal roles in the exponential growth of online sports betting, says a new report by global firm Softswiss. Picture: 123RF

sector include Betway, which last year took over from DSTV as the title sponsor of SA's premier football professional league.

Other players include Holly-

woodbets and newcomer SuperSportBet, a partnership between Nigerian betting company King-Makers and MultiChoice. According to Statista, revenue from SA's

online sports betting hit \$394.8m (R7.4bn) last year and is likely to top \$518.2m (R9.7bn) by 2029.

Statista said the phenomenal growth in the market recently is

driven by customer preferences and "local special circumstances".

Also, SA "has a relatively high unemployment rate, and many individuals are looking for alternative sources of income", it said.

"Online sports betting provides an opportunity for individuals to earn money through their knowledge and understanding of sports.

"Additionally, the increasing internet penetration rate in SA has also contributed to the growth of the online sports betting market," Statista said.

"As more people gain access to the internet, the potential customer base for online sports betting platforms expands, driving market growth.

"The online sports betting market in SA is experiencing growth due to changing customer preferences, such as the shift towards online and mobile betting, as well as the popularity of live betting.

"The country's strong sports culture and favourable regulatory environment also contribute to the market's development.

"Underlying macroeconomic factors, such as high unemployment rates and increasing internet penetration, further drive the growth of the market," Statista said.