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## The evolution of the gambling industry in South Africa explored

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There is a long history of gambling and allied restrictions in South Africa. The revenue is projected to reach **US\$694.20m** for sports betting alone this year. Despite not being fully legalized, online casinos have a projected compound annual growth rate (CAGR) of 9% between 2024 and 2030. The revenue is expected to reach **\$563.4 million**.

### Early history of gambling in South Africa

There have been times of strict regulations, illegal betting, and now, legalization. Before any formal regulations were introduced, there was plenty of gambling going on. This was informal and on local, traditional games or horse races. Things changed in the 20th century, though, when the country faced huge restrictions on gambling (horse racing aside).

The Gambling Act of 1965 was responsible for banning all gambling except betting on horse racing. Horse racing was instead considered a recognized sporting event, regulated and taxed accordingly. This act was part of a wider ruling to put strict controls on the population during apartheid.

The ban led to a lot of underground gambling and illegal casinos. This was prevalent in the Bantustans – the so-called “homelands” that weren’t fully recognized internationally but had some autonomy. Places like Ciskei and Bophuthatswana ran legal casinos. These attracted South Africans from all over. Resorts like Sun City in Bophuthatswana became famous gambling destinations.

South Africa began its move towards democracy in the 1990s. During this time, the government began to reconsider gambling. Discussions centred on the benefits of legal gambling for the economy.

### Legalization and the rise of regulated casinos

The National Gambling Act was introduced in 1996. After this, casinos, sports betting and lotteries became legal. The National Gambling Board (NGB) was brought into being. To this day, the organization is responsible for licensing and enforcing regulations. It also monitors gambling activities across the country.

Since 1996, each South African province has been granted a specific number of licenses. Places

like Montecasino in Johannesburg, Sun City and Grand West Casino in Cape Town were developed. These venues created jobs and brought in tourists and, importantly, tax revenue.

Sports betting also saw rapid growth following the National Gambling Act.

## Online gambling and sports betting after 1996

1996 saw many forms of gambling being legalized. Sports betting through licensed operators became legal. Online casinos with slots and table games, however, are still prohibited in the country. Many players access online [casino mobile](#) sites based offshore.

This means that officially, South Africans can't legally play at online casinos based in the country. The loophole exists, though, so players can access offshore casino sites. Many online casinos are designed for South Africans and use the South African rand. These platforms are based outside of the country and operate with international licenses.

While the previous Act of 1996 didn't recognize online sports betting, as the internet was in its infancy, the National Gambling Act of 2004 officially legalized it. Since then, this sector has seen huge growth. This is also largely because of the rise of smartphones. Another factor contributing to the boom in digital payment, especially more recently with the introduction of cryptocurrencies. Digital currencies are popular among South Africans seeking more privacy when they use offshore online casinos.

## The gambling industry in South Africa in the current day

There is a huge demand for iGaming in South Africa. New technologies have fueled interest. Some of the biggest advances that have led to the demand include:

- **Live dealer games.** Real-time live casino experiences mean players can enjoy the social aspect of a casino without going to a brick-and-mortar site.
- **AI and data analytics.** Personalized recommendations and smarter risk management tools are starting to be introduced. These will create tailored experiences to increase enjoyment.
- **Cryptocurrencies and blockchain.** Some platforms allow players to make deposits and withdrawals in cryptocurrencies like Bitcoin and [Ethereum](#). This means more protection and security. Those using offshore online casinos welcome this.

There is increased pressure on lawmakers to revisit regulations. If the online gambling market were fully legalized and regulated, there would be significant tax revenue. The job market would also benefit, and consumers would be better protected.

Online sports betting is already thriving, and with technology advancing all of the time, South Africa will likely move toward officially legalizing domestic online casinos. The question is when and how these changes will occur.

## Conclusion: will domestic online casinos be legalized in South Africa?

South Africa's gambling industry has changed significantly. What was once completely outlawed is now a multibillion-rand market. Legalization is at the center of growth, but other aspects, such as digital gaming and new technologies, have helped it become the popular pastime it is today. Will South Africa introduce legislation to legalize online casinos? There is certainly a high demand for

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it. With many people already accessing offshore casinos, it would make sense. The country could then benefit from the revenue they would provide and the increase in opportunities for job seekers.

*Photo at top: Pixabay via Pexels*

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