

African states hike gambling taxes as addiction soars, an industry fights back

As a boom in online gambling across Africa gathers pace, governments are hiking taxes to contain addiction risks and fill depleted state coffers. In by far the biggest market of South Africa, the industry is pushing back.



Source: Reuters.

Once a niche activity, gambling has exploded across the continent as a result of easily available online betting accounts.

South Africa's gambling industry regulator, the National Gambling Board, estimates that two-thirds of adults engage in online gambling, a sharp rise from 30% in 2017.

The government has proposed a national 20% tax on online gambling profits, which it says would more than double revenues from the sector to R10bn (\$607m) annually from 4.8 billion currently.

The draft bill will be presented to lawmakers this year and the final tax proposal introduced in February 2021 according to the National Treasury. Several political parties represented in parliament have expressed support for the tax.

Betting firms are lobbying hard against it, arguing that the tax would not curb problem gambling but instead push it to underground sites which they say would proliferate without the extra burden of the levies.

Local gambling firm Hollywood Bets, one of the largest in the country, has not publicly commented on the proposal, while NYSE-listed Betway said it would speak through the industry body, the South African Bookmakers' Association.

'Trying to gamble ourselves to prosperity'

Distress calls to a national helpline for gambling addicts have surged by more than two thirds over the past year, Sibongile Simelane-Quntana, executive director of the South African Responsible Gambling

Foundation, said.

The foundation acts as a national crisis centre for problem gamblers and treated more than 4,600 people with gambling addiction last year, up from 2,600 in 2024.

Simelane-Quntana says most South Africans play out of desperation more than entertainment.

"We're trying to gamble ourselves to prosperity," she said.

Two self-confessed gambling addicts in South Africa, who did not want to be named because of the stigma attached to the issue, said economic hardship had pushed them to gambling.

Southern African nations Malawi and Zimbabwe introduced similar tax hikes on gambling profits this year.

In Senegal, a gambler who identified himself by his initials, I.A., said he relapsed into gambling after a five-year hiatus.



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"When people ask me where my money goes, I can't explain and I have to lie," he said. "It hurts me. How can I not ... tell the truth?"

The 37-year-old Senegalese man living in the capital Dakar started playing in 2017, initially betting 300 CFA francs (\$0.5343) a week on sports bets while working as a cashier at a gambling company.

When he started working as a manager, he said he began stealing from the cash register, losing thousands of francs in bets. He lost his job, but says he headed off legal action by returning the money.

Three months ago, I.A. started playing again after hearing his neighbour mention a new app for instant betting. In the familiar yo-yo of the struggling addict, he's been downloading and deleting apps again and again.

Gambling industry pushing back

South African punters wagered a record R1.5tn (\$93.18bn) in the 2024/25 financial year, statistics from the National Gambling Board show.

The South African government in a November 2025 paper argued that the proposed tax would reduce the proliferation of online gambling activity and disincentivise problem gambling.

But in a formal submission to the treasury, the South African Bookmakers' Association, which represents about a quarter of the country's 400 bookmakers, said it would be more effective to crack down on illegal gambling sites.

Currently gambling taxes are set by provincial authorities and average between 6-9%. The new national tax would increase total tax rates to up to 29%, the Treasury said.

Sean Coleman, chief executive officer of the South African Bookmakers' Association, argues the total tax from a mix of provincial, value-added and national taxes and the new levy would be 38.5% of profits.

The association is presenting a case to the government that its proposal would drive players to illegal sites as legally registered companies could become more expensive and the winnings less attractive to players

"That's going to be a counter proposal from us, is to go and address the illegal market ... and we all reap the benefits," Coleman said.

Meanwhile, debt-ridden Senegal announced additional gambling taxation in its economic recovery plan last year.

Seydina Mohamed Moustapha Gueye, head of a Senegalese association that organises support-group meetings with betting addicts, doubted tax would help if "there is no policy in place to support these players who suffer from addiction".

Lonase, the authority that regulates gambling, did not respond to a request for comment.

(\$1 = 16.4834 rand)

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