

# Gambling in Africa

By  Danette Breitenbach

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PricewaterhouseCooper's presented its fourth annual edition on the gaming industry, *Taking the odds: Gambling Outlook for 2015 - 2019 (South Africa - Nigeria - Kenya)*, recently at 54 on Bath in Rosebank Johannesburg.



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Pietro Calicchio, hospitality and gambling leader: PricewaterhouseCoopers (PwC) Africa - South market, who explained that the report only covers the casino segment in Nigeria and Kenya.

"To date there is not sufficient data in Nigeria and Kenya to expand the report into other areas," he says, adding that PwC would like to expand the report to include other countries on the continent.

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Nigeria's casino market is very limited - there are only three licensed casinos in the country - and this is because of the high cost of licenses and the high number of unlicensed casinos.

The market relies mainly on business travellers and upmarket domestic players.

"The positive and significant growth of this market has continued unabated by lower oil prices and other negative economic

factors. "While the projected growth going forward will be substantially lower than during the past five years, we expect Nigeria to continue to expand at a faster rate than either Kenya or South Africa. The Gross Gambling Revenue (GGR)\* is expected to increase from just under US\$46m in 2014 by 8.5% to just under \$69m in 2019.

Unlike Nigeria, all forms of gambling are allowed in Kenya. The country's casino market is still quite small and its 13 casinos are mostly located in hotel resorts. In 2013, the first online gambling site was launched. In 2014 a number of new sites were added.

"Online gambling is allowed in Kenya, (both Nigeria and South Africa do not permit online gambling.) In Kenya there are SMS lotteries and, more recently, in February 2014, SportPesa was launched. The online/mobile platform cost \$4.6m to set up," explains Calicchio.

Currently, the platform only allows betting on football but more sports will be integrated in the future. Participants place bets via SMS or online. Bets are placed before the matches start via mobiles, tablets or PCs. There is no set cost for the consumer. The winnings are instant after final whistle of the referee at 90 minutes and if they are under a million bob, the winnings are paid directly into your SportPesa account. Thereafter the consumers can transfer it to their mobile money account. For a winning amount above a million shillings the consumer has to go to the SportPesa offices.

PwC expects Kenya's GGR to increase by 7.5% to almost \$29m in 2019 from just over \$20m in 2014.

Kenya has a well regulated industry with gambling laws in place. The activity is very much viewed as one of leisure. In Nigeria the regulations are fairly recent and there are still many unlicensed casinos.

*\*Gross Gambling Revenue (GGR) is the amount wagered less winnings paid to players, that is the profit that the betting concern keeps at the end of the day.*

## ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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