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NATIONAL LOTTERIES COMMISSION
a member of **the dti** group

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Media Statement

NLC Completes Study into the Impact of Illegal Lotteries in South Africa

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The National Lotteries Commission (NLC) has published a study into the impact of illegal lotteries in South Africa.

As a regulator of lotteries, the NLC is mandated with protecting the public from illegal lotteries (lotteries not in compliance with the Lotteries Act).

As per the Act, the South African lottery system is an avenue to generate revenue to fund organisations working in the public good to uplift society, while offering participants an opportunity to win life-changing jackpots.

Speaking on the reasons for the research into illegal lotteries, NLC Commissioner Thabang Mampane said: “Our risk assessment process revealed that illegal lotteries remain the main threat to the creation of revenue for the national lottery, which is directed toward the social upliftment of communities in need. It is with this background and more that the NLC commissioned this research to establish the extent of illegal lotteries in the country and quantify their impact”.

The research has enabled the NLC to assess the different schemes, outline their modus operandi, and determine the extent to which they contravene the Lotteries Act, and impact on the National Lottery.

The study has shown that the wider economic implications of illegal lotteries include:

- Loss of intermediate production in the national economy of R2.5 billion
- Loss of value-addition in the national economy of R1 billion
- Loss of 5,384 employment opportunities nationally
- Loss of R504 million in wages and salaries to workers

Said Mampane, “Some outcomes of the study revealed an overlap in lotteries and gambling legislation. More importantly, it will enable us to reposition its regulatory

strategies, strengthen regulatory compliance initiatives and serve as a baseline to inform and initiate policy changes for increased protection of the public and to the benefit of social development”.

The research report is available on the NLC website: <http://www.nlcsa.org.za/wp-content/uploads/2019/01/Impact-of-Illegal-Lotteries-Research-Report-FINAL.pdf>

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