# 6

Communications

The Department of Communications is the centre of policy-making and policy review for the postal, telecommunications and broadcasting sectors in the country. This includes policy-making that affects State-Owned Enterprises (SOEs) such as Telkom SA Ltd, the South African Post Office (SAPO) (Pty) Ltd, Sentech, the South African Broadcasting Corporation (SABC), National Electronic Media Institute of South Africa (NEMISA), as well as the regulators – the Independent Communications Authority of South Africa (ICASA) and the Universal Service Agency (USA).

In recent years, the Department has set the policy and regulatory frameworks to create a sound and enabling environment that promotes business and the sharing of information.

The Department's focus has shifted to extend access to all forms of communications services, and improve the quality of services provided.

Policy

The Department's policy-making objectives ensure that the development of the information and communications sectors is well-regulated, and that the services provided are accessible to all. In addition, policy development since 1998/99 has sought to restructure SOEs, introduce competition, accelerate the penetration of services into underserviced communities, and streamline the regulatory framework.
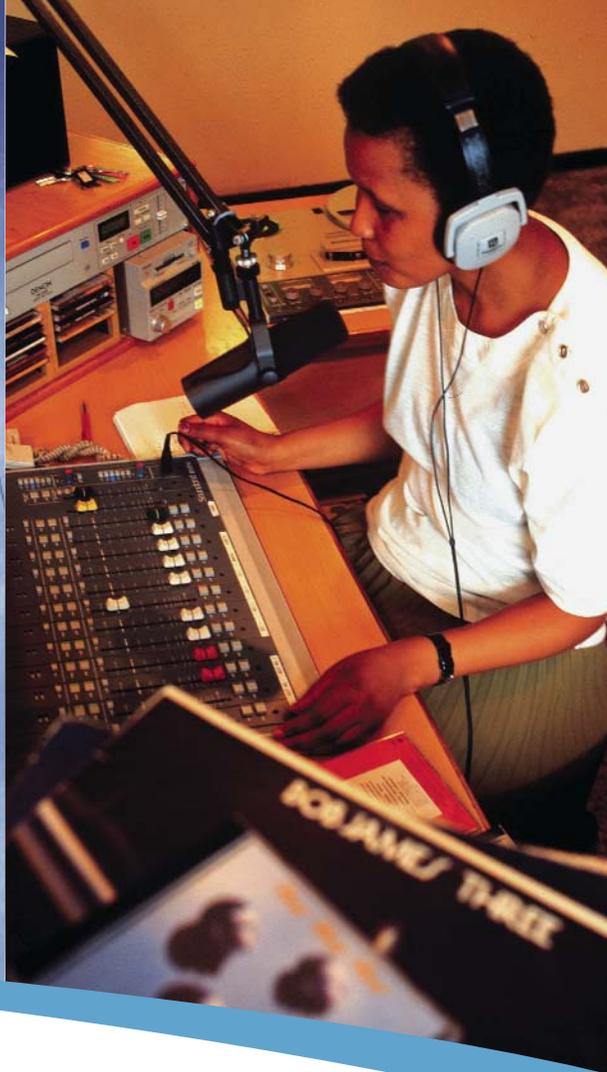
Developing a stable and predictable regulatory regime on e-commerce is central to the Department's vision of moving South Africa into the knowledge economy.

The Electronic Communications and Transactions Act, 2002 (Act 25 of 2002), paves the way for a secure environment for e-commerce transactions. The DOT ZA Domain Name Authority was established and incorporated as a Section 21 company in accordance with the Act. A representative board was appointed, reflecting cultural and linguistic diversity.

The Draft Convergence Bill was published for public comment in December 2003. The redrafted Bill was expected to be submitted to the Cabinet in 2004. The Bill is likely to unleash further economic growth, reduce the cost of doing business, and enhance price competition.

The Telecommunications Amendment Act, 2001 (Act 64 of 2001), was passed in November 2001 to give effect to the policy of managed liberalisation of the South African telecommunications market.

It also provides for the licensing of operators in underserviced areas with a teledensity of less than 5%. The majority of these are situated in the Integrated Sustainable Rural Development Programme's (ISRDP) nodal points. This process will bring about the most significant ownership and involvement in the communications sector by Black people and women in South Africa. The amend-

ments provide for a new public emergency tele-phone service and an emergency number, 112. A pilot project has been established in the Western Cape to test the technology to be rolled out through-out the country.

To promote investment in the development of telecommunications infrastructure in underserviced areas, the USA will subsidise licences for R5 million each, per annum, over a three-year period, provided that service-providers meet their community-serv-ice obligations as set out by ICASA.

By mid-2004, the USA, working with the Department of Public Service and Administration, was deploying Information Communications Tech-nology (ICT) to the first 10 Multi-Purpose Com-munity Centres (MPCCs) that were part of the first phase of the *Batho Pele* Gateway portal. The hard-ware, software and satellite connectivity roll-out provide streamlined government services online.

In March 2004, the Minister of Communications, Dr Ivy Matsepe-Casaburri, accompanied by the chief executive officer (CEO) of the USA, Dr Sam Gulube, launched 35 ICT facilities in the form of telecentres, e-school cyberlabs, and a multimedia resource centre in the rural nodal points of South Africa.

These facilities, which use ICT to support their development objectives, and which are managed at community level, have emerged as a central attrib-ute of national strategies for rural development. They are becoming a crucial feature for identifying supportive interventions on fronts such as policy, technology and applications.

To further ensure that modern ICTs are intro-duced as quickly as possible in the 21 urban and rural nodes identified in terms of the ISRDP, the USA was expected to deploy an additional 50 e-school cyberlabs before the end of 2004/05.

The Minister of Communications granted Under-Services Area Licences to four successful compa-nies on 3 June 2004.

The areas to benefit are the Capricorn district in Limpopo, the Zululand and Ugu districts in KwaZulu-Natal, and the O.R. Tambo Municipality in the Eastern Cape. Until then, these areas shared less than 5% connection of telecommunications to homes.

The four companies are expected to provide value-added telecommunications services to these areas, such as local voice telephone services, fixed mobile data services, emergency services, directory services, voice-over Internet protocol, public pay-phones and operator-assisted services.

On 17 September 2004, a licence to provide Public Switched Telecommunications Services in South Africa was granted to the Second National Operator (SNO) comprising Nexus Connexion (Pty), Transtel, Esitel, WIP Investments Nine (Pty) Ltd trad-ing as CommuniTel, Two Telecom Consortium (Pty) Ltd, and a remaining unallocated equity sharehold-er. The licence was subject to the following condi-tions:

• acceptance of the shareholding and control structure of the SNO
• finalisation of and agreement on the business plan
• finalisation of the shareholders' and subscription agreements.

According to the structure of the SNO:
• a new company, SepCo, will be incorporated, and will hold 51% of the equity share capital of the SNO
• control of SepCo will be held by a new financial investor, which will have a 51% shareholding in SepCo, while CommuniTel and Two Telecom Con-sortium (Pty) Ltd will each hold 24,5% of SepCo
• Transtel and Esitel will together hold 30% of the equity share capital of the SNO
• Nexus will hold 19% of the equity share capital of the SNO
• a new financial investor will control the board of SepCo.
• SepCo will, in turn, control the board of the SNO.

ICASA will manage the integration of the SNO com-pany and the finalisation of the licensing process.

Telecommunications

By October 2003, South Africa's ICT industry was the 20th-largest in the world, contributing 0,5% to worldwide ICT revenue.

In the last 10 years, investment in the telecom-munications sector has exceeded R60 billion.

The telecommunications sector has witnessed an accelerated growth of data communications. The rate of connections of mobile subscribers, in particular, has surpassed that of fixed line services.

The growth of South Africa's ICT sector depends on infrastructure development, coupled with progressive policy, legislation and regulation, as well as political commitment.

Regulators and licensing

Independent Communications Authority of South Africa

ICASA was established in terms of the ICASA Act, 2000 (Act 13 of 2000). Before ICASA was established, two separate authorities regulated broadcasting and telecommunications. These were the Independent Broadcasting Authority (IBA) and the South African Telecommunications Regulatory Authority.

The merger of the two previous regulators was in recognition of the rapid changes and developments in technology, which are blurring the traditional distinctions between the broadcasting and telecommunications sectors.

ICASA's tasks include:
- licensing broadcasters and telecommunications operators
- formulating rules, policies and regulations that govern the two sectors
- monitoring the activities of the licensees and enforcing compliance
- planning the broadcast frequency spectrum
- receiving, hearing and adjudicating complaints
- regulating the broadcasting and telecommunications industry as a whole.

ICASA's vision is to be a strong, service-orientated and responsive communications regulator in South Africa.

Its mission is to increase access to communications services, through the promotion of a competitive and socially responsive communications industry.

Universal Service Agency

The USA was launched in May 1997. It is a statutory body created in terms of the Telecommunications Act, 1996 (Act 103 of 1996), and its objectives include advising the Minister on ways to bring about universal access and service, and co-ordinating initiatives by service-providers such as Telkom, Vodacom, Mobile Telephone Network (MTN) and Cell C.

It extends access to telecommunications by working with community-based organisations (CBOs), non-governmental organisations (NGOs), donor organisations and businesses. The Universal Service Fund is used to reinforce the development of infrastructure in underserviced communities. In addition, support is given to schools procuring Information Technology (IT) equipment to access the Internet.

Information Technology

Knowledge Management Unit

The Knowledge Management Unit of the Department of Communications promotes awareness of knowledge management among stakeholders, particularly within government, focusing on local government.

The Unit aims to:
- take advantage of the convergence of communications technologies in the areas of telecommunications, broadcasting, IT and multimedia
- increase the human resource capability of the communications sector
- make South Africa globally competitive by becoming a hub of multimedia development, particularly through the opening up of opportunities for historically disadvantaged communities
- contribute towards an African communications strategy that will help build an information backbone to ensure the success of Africa's renewal.

By mid-2004, the Advanced Institute for Information and Communications Technology (AIICT) was being established, based on Cabinet's acceptance of the concept and the governance structure.

The AIICT will be a collaborative effort with industry, institutions of higher education, and the research community. It will include components of the Council for Scientific and Industrial Research and the Institute for Satellite and Software Applications.

State Information Technology Agency (SITA)

On 29 January 1999, SITA was incorporated as a private company, with the State as sole shareholder, to provide IT-related services exclusively to the Public Service. (See chapter 12: *Government system*.)

arivia.kom

arivia.kom is a leading South African IT solutions company and service-provider. The group has offices in Nigeria, Ghana and Botswana.

Its shareholders are Denel (22,98%), Transnet Ltd (31,96%), and Eskom Enterprises (45,06%).

It is rated one of the four-largest IT professional service-providers in South Africa, with an estimated 7,8% share of the local market, about 1 450 permanent employees, 17 service centres across the country, and a R1,51-billion turnover, recorded in 2002/03.

The group focuses on high-end business technology solutions that support the public sector and large private-sector corporates, primarily within the Africa client base.

arivia.kom supports Black Economic Empowerment (BEE) through shareholder equity, employment equity, procurement and corporate social investment.

In March 2003, the group's employee base consisted of 50% historically disadvantaged individuals (African, Coloured and Indian) and 30% women. In 2002/03, about R48 million (72%) of its assignable business was allocated to BEE companies.

(i)

The departments of Communications and of Education, in conjunction with Telkom, have introduced an e-rate for all public schools.

From January 2005, public schools will be charged only 50% of the normal rate for their Internet calls. This will facilitate the adoption and use of Internet and other forms of Information and Communications Technology to access educational material in South Africa's public schools.

Presidential International Advisory Council on Information Society and Development

The aim of the Presidential International Advisory Council on Information Society and Development is to assist government in narrowing the digital divide between South Africa and the rest of the world. The Council consists of CEOs from major international ICT corporations, and industry experts. The Council meets once a year to exchange ideas.

Presidential National Commission on Information Society and Development

The Presidential National Commission on Information Society and Development mobilises national knowledge and builds common approaches. The Commission recommends strategies to bridge the digital divide, and helps to develop an ICT policy framework.

Institute for Satellite and Software Applications (ISSA)

ISSA was established by the Department of Communications in 1997. It targets mainly women from historically disadvantaged rural backgrounds, and contributes towards human resource development.

Since its first intake of students in 1998, ISSA has produced graduates at Master's level in areas such as Software Engineering and Satellite Engineering.

Internet

A World Wide Worx survey, entitled *The Goldstuck Report: Internet Access in South Africa 2004*, showed that an estimated 3,28 million South Africans had access to the Internet at the end of 2003.

The Telecommunications Business Unit in the Department of Communications has established a specialist unit to develop a national strategy and to focus on the development and expansion of the Internet. The Unit is required to fulfil the following obligations under the Electronic Communications and Transactions Act, 2002:

• develop the National E-Strategy for submission to the Cabinet

- co-ordinate and monitor the implementation of the National E-Strategy
- conduct research into and keep abreast of developments relevant to electronic communications and transactions.

The Unit is responsible for establishing the foundations for the requisite technical regulatory structures, including the:

- Domain Name Authority
- authentication of service-providers
- cryptography-providers
- accreditation authority
- listing of critical databases
- establishment of the Cyber Inspectorate
- alternative dispute-resolution regulations.

The Unit has, in collaboration with the Department of Education, implemented a programme of connectivity in schools across the country, providing access to the Internet and e-mail.

International co-operation

The Department of Communications has contributed significantly to the process that led to the establishment of the New Partnership for Africa's Development (NEPAD) ICT Task Force, the e-Africa Commission, which is housed at the Council for Scientific and Industrial Research (CSIR).

The e-Africa Commission has prioritised two projects. The first, the East Africa Submarine Cable System, will complete the submarine cable loop around the African continent and provide links to landlocked countries. This project is expected to be completed within three years. Several South African companies are involved.

The second project is the NEPAD e-Schools Project, whose main objective is to ensure that all African children leaving the school system have the skills to function and participate in the information society. Six South African schools were to be identified to join 94 schools from the 15 other African countries to be part of the NEPAD e-Schools Project, which was expected to be launched before the end of 2004.

South Africa played an important role in the first phase of the World Summit of the Information Society (WSIS) that took place in December 2003, and adopted a comprehensive plan of action.

Preparations are underway for the final leg of the WSIS to be held in Tunisia in 2005.

South Africa has been active in the reform of the International Telecommunications Union (ITU), chairing its Restructuring Committee and sitting on the Council. The country also chaired the Ministerial Oversight Committee of the African Telecoms Union (ATU) for four years.

The Department of Communications and Development Bank of Southern Africa also hosted the African Connection Strategic Centre, which developed a rural telephony toolkit, and helped shape policy and regulation development.

The ATU and the Centre also helped shape Africa's common positions on standards-setting, coordinated spectrum management and frequency planning, harmonising regulation, as well as coordinating African positions for the WSIS.

The African Network Information Service, which is responsible for the management and allocation of Internet addresses, has started its technical operations in South Africa with the assistance of the Department of Communications and the CSIR.

South Africa is also the vice-chair of the Regional Planning Group for co-ordinating African positions and preparations for Digital Migration, which will be discussed at the next ITU Regional Radio Communications Conference.

Telkom

On 7 May 2002, the South African telecommunications landscape faced the end of Telkom's period of exclusivity, which opened the door to competition. During this time, Telkom transformed itself into a competitive player, providing total communications solutions in the ICT sector.

During its five-year period of exclusivity, the company was required to comply with a number of conditions and obligations relating to milestone targets, as set out in its licence.

The Public Switched Telecommunications Services licence included service and fixed-line roll-out targets. Telkom substantially met all of these targets, with the exception of the residential fault-rate target, targets relating to service provision in under-serviced villages, and the replacement of analogue

lines with digital ones. The company narrowly missed the aggregate fixed-line roll-out target as it decided to refrain from rolling out lines in areas that were not economically viable.

In 1997, Telkom embarked on an extensive five-year capital-investment programme in the fixed-line business. The fixed-line capital investment for the five years ended 31 March 2002 was R41,7 billion, of which R27,9 billion was to be used for network modernisation and line roll-out in order to comply with licence obligations and prepare for competition.

On 4 March 2003, Telkom listed on the JSE Securities Exchange (JSE) and the New York Stock Exchange.

As at 31 March 2004, the South African Government owned 38,3% of Telkom's issued share-capital, Thintana Communications LLC – a beneficiary owned by SBC Communications and Telekom Malaysia – owned 30%, and the public owned 31,7%.

Telkom's listing created meaningful value for BEE shareholders. Over 100 000 South African retail investors subscribed during Telkom's Initial Public Offering, specifically targeted at historically disadvantaged individuals. In its first year as a listed company, the estimated value created for retail shareholders amounted to about R560 million.

Telkom maintained market leadership in the mobile sector through its 50% ownership of the Vodacom Group. The Group's operating revenue grew by 8,8% during 2003/04, reaching R40,8 billion.

Other highlights included:
- fixed-line data revenue growth of 13,5%
- the launch of several new data products

In April 2004, the Minister of Labour, Mr Membathisi Mdladlana, launched a multimillion Rand learnership programme in the Information and Telecommunications sector that will benefit 264 previously unemployed young adults.

The project is a joint venture between the Information Systems Electronic and Telecom Technologies Sector Education and Training Authority (ISSET-SETA) and Telkom.

The ISETT-SETA has invested about R10,7 million in the placement of learners in the areas of call-centre technology and project management.

- Asymetric Digital Subsciber Line customers grew to 20 313 at 31 March 2004, compared with 2 669 at 31 March 2003
- the Integrated Services Digital Network grew by 16,5% to 655 994
- a 17,3% growth in leased lines
- a 17,2% growth in managed network sites
- a 44,1% growth in Internet customers.

Telkom invested in the SAT-3/WASC/SAFE submarine cable system, which provides increased fibre-optics transmission capability between South Africa and international destinations.

During 2003/04, Telkom's fixed-line employees, excluding subsidiaries, were reduced by 8,5% through a controlled and socially responsible retrenchment programme, underpinned by reskilling and other relevant support services. As at 31 March 2004, Telkom had 32 358 employees, with 3,6% of job losses being involuntary reductions.

Telkom has a socially responsible retrenchment programme, the efficiency of which has been greatly assisted by the Agency for Career Opportunities. This is an initiative to help employees, often through reskilling, to become re-employed either internally or externally.

Increased employee productivity was reflected in the growth from 137 to 149 lines per employee.

Telkom Foundation

The Telkom Foundation, founded in 1998, enables Telkom to play an active role in South Africa's socio-economic development.

On 1 July 2002, the Foundation became an autonomous legal entity of Telkom SA Ltd and a non-profit organisation. It is now registered as a trust, with a Board of Trustees and its own CEO. Despite its autonomy, the Foundation remains Telkom's sole corporate social-investment arm tasked with co-ordinating the company's social-investment activities.

The Foundation continues to pursue a philosophy of empowerment and sustainable development through its focus on:
- Mathematics, Science and Technology
- the empowerment of women, children and people with disabilities
- education and training.

During 2003/04, the Foundation's expenditure amounted to R40,5 million. Some 56% was allocated to science and technology, 17% to empowerment projects, and 15% to education and training. A further 12% was spent on general projects.

Establishing partnerships with national and provincial role-players in government and NGOs, ensuring full community involvement, and building relationships with stakeholders and structures in historically disadvantaged communities, lie at the core of its philosophy.

Economic empowerment

Between 1 April 1997 and 31 March 2004, Telkom spent close to R24 billion to meet its empowerment objectives, constantly refining its focus to meet the changing needs of the empowerment process.

Centres of Excellence (CoEs)

This is a collaborative programme between Telkom, the telecommunications industry and the Department of Trade and Industry, to promote postgraduate research in ICT and allied social sciences. It also provides facilities that encourage young scientists and engineers to pursue their interests in South Africa.

Since the inception of the postgraduate research programme, about R175 million has been realised for telecommunications research in South Africa.

Launched in 1997, the programme has already improved local telecommunications and IT skills, yielding substantial benefits for the academic institutions involved. It has helped Telkom and its local technology partners to solve technical problems and cut costs. Telkom's corporate partners are also reaping rewards, as the work undertaken at the CoEs is relevant to their areas of business.

By mid-2004, there were 15 Centres located at tertiary institutions around the country. About 350 students conducted postgraduate telecommunications research through the CoE programme. Seventy-three of these received support from Telkom to conduct full-time research.

Sponsorships

Telkom has a clear sponsorship strategy, centred on a programme of national events designed to enable, encourage and support talented South Africans, while positively promoting the Telkom brand. Telkom has committed R8,25 million over three years to Proudly South African, an organisation established to create jobs, increase the demand for South African products and services, and encourage companies to improve their quality and competitiveness.

Proudly South African's membership criteria are based on the principles of sound environmental policies, fair labour practice, unwavering commitment to quality, and meaningful local production value.

Mobile communications

In the last 10 years, mobile communications has grown by 19 million subscribers, and continues to grow. The world's fastest growing cellular market is Africa.

South Africa has three operators, namely Vodacom, MTN and Cell C.

The country's third cellular licence was granted to Cell C in June 2001. It started operating on 17 November 2001. Cell C (Pty) Ltd is wholly owned by 3C Telecommunications (Pty) Ltd, which in turn is 60% owned by Oger; Telecom South Africa, a division of Saudi Oger; and 40% by Cell SAF. It also brought in Verizon Communications, the biggest cellular operator in the United States of America, as its operating partner.

Cell C started operating on an 084-prefix number range. Three service-providers, namely Cell C, Nashua Mobile and Autopage Cellular, have been working together to connect South Africans to the 084 network. Cell C signed a 15-year roaming agreement with Vodacom in July 2001.

By the end of 2003, Cell C had more than three million subscribers. Some 1,6 million or 84% of its subscribers were prepaid users. Cell C aims to achieve 20% of the market-share by 2007.

Cell C has six active roaming agreements, in Namibia, Mozambique, Spain, the Ivory Coast, Mauritius and Swaziland, and has entered into roaming agreements with an additional 49 international operators.

Vodacom is a Pan-African cellular communications company and provides a service to millions of

customers in South Africa, Tanzania, Lesotho, the Democratic Republic of Congo, Mozambique and Nigeria.

It is the market leader in South Africa, with more than 95% of South Africans within the coverage area of its more than 5 000 base stations.

Vodacom's commitment to rolling out subsidised community telephones in South Africa's underserviced areas has significantly boosted the company's coverage in rural areas.

Vodacom's shareholders include Telkom SA (Ltd) (50%), Venfin Ltd (15%), and Vodafone Group plc (35%).

MTN is a growing, multinational company that seeks to expand its African market by moving into the Middle East. The company already operates Global System for Mobile Communications networks in six African countries.

MTN South Africa has four million subscribers. MTN International offers cellular network access and associated services through its subsidiaries and joint ventures in Nigeria, Cameroon, Uganda, Rwanda and Swaziland.

The Telecommunications Act, 1996 provides for 1 800 MHz spectrum (as well as 2,4 GHz – 3G

In September 2004, the Minister of Communications, Dr Ivy Matsepe-Casaburri, announced amendments to the telecommmunications policy as part of government's aim to reduce costs, stimulate competition and growth, and expand the availability of services.

The amendments, which were expected to come into effect on 1 February 2005, include the following:
• cellphone companies may use any supplier's fixed lines
• the provision of payphone facilities and equipment will be expanded to allow any person or organisation to apply for a licence in any area
• any value-adding service-provider will be able to provide voice transmission over any medium, including the Internet
• any business may offer value-adding services
• private telecommunications services and equipment may be traded
• companies with private internal network services will be able to sell, rent out or transfer the rights for excess facility and capacity.

spectrum) to be issued to existing operators, the SNO and underserviced area operators. A key element in this process is the determination of access fees and universal service obligations (USOs) for the allocation of the frequency spectrum.

The Department of Communications negotiated these issues, including new service fees and additional USOs, with the industry. The proposed obligations will include:
• the supply of 250 000 free phones and numbers to public emergency services over a period of five years
• the provision of Internet, phone links and computers in schools
• public payphones in accessible places in rural areas and MPCCs
• the issue of some four million free SIM cards over a period of five years.

The postal sector

Policy and legislation

The cornerstone of national policy for the postal sector is the provision of a universal service at an affordable price and acceptable standard of service for all citizens. To ensure this, a USO is placed on SAPO. To offset the cost of providing a basic service in low-density, rural or uneconomical areas, it has also been common practice to confer exclusive rights and privileges, i.e. a monopoly on the provision of the basic letter service.

A USO is an obligation to provide specified services to the whole community, even though these services may not be commercially viable in their own right. The universal postal service implies that all citizens have equal access to a basic letter service:
• that is reasonably accessible to all people
• at a single uniform rate of postage
• at the lowest price consistent with meeting all its obligations, financial and otherwise
• to places outside the country
• at a standard of performance which reasonably meets the needs of the population.

In terms of the Post Office Act, 1958 (Act 4 of 1958), SAPO enjoyed exclusive rights and privi-

leges, including a monopoly on letter mail up to 2 kg. According to the Postal Services Act, 1998 (Act 124 of 1998), SAPO continues to enjoy certain exclusive rights and privileges. The monopoly is now on letter mail up to 1 kg.

In addition, SAPO is obliged to operate under a 25-year licence, with explicit universal service targets and other terms and conditions. The monopoly and compliance with the terms and conditions of the licence will be reviewed and monitored by the Regulator.

New projects of the postal policy section include the establishment of a Postal Training Institute for the postal industry, and postal-security improvements, both local and regional.

Postal services regulatory framework

The Postal Regulator, established in terms of the Postal Services Act, 1998, is responsible for exercising regulatory functions in relation to reserved and unreserved postal services. The Regulator encourages the expansion of postal services, and promotes the interests of postal-service users in terms of the cost of reserved services. The Regulator is also responsible for issuing postal licences and monitoring compliance with licence conditions by the operators.

South African Post Office

SAPO has achieved the stringent financial targets it set for itself. From an operating loss of R170 million in March 2003, a target of an operating profit of R1,8 million was set for March 2004. An actual operating profit of R35,5 million was achieved.

These results were achieved through growing the revenue by 6%, maintaining increases in costs at 1%, aggressively managing costs, decreasing staff numbers by 1 042 (through voluntary packages and in consultation with labour unions), reducing the transport fleet by 350, reducing Post Office debtor days from 30 to 20 days, and generating R270 million in cash from operations.

Retail outlets

The SAPO outlet network has grown to more than 2 500 outlets, comprising:
- 1 102 conventional post offices
- 197 postpoints
- 1 451 agents
- 6 585 counter points
- 11 500 personnel.

The network is responsible for:
- cash collection comprising about 4,3 million transactions per year to the value of R12 billion, on behalf of beneficiaries such as municipalities, Telkom, Eskom and major retail chains
- cash pay-outs of 500 000 pensions per month
- lottery services on behalf of Uthingo
- money-transfer services (postal and money orders)
- electronic filing on behalf of government and the private sector that involves the data capturing of licences for SABC-TV, motor vehicles and fishing.

Bridging the digital divide

The partnership between the Department of Communications and SAPO in addressing ICT disparities has provided a solid base for eventually bridging the digital divide. A number of projects have been earmarked in this regard, including Public Internet Terminals (PITs) and Citizens Post Offices (CPOs).

Public Internet Terminals

The main objective of the PIT project is to create a communications infrastructure through which the public will have access to information from government/business/SAPO, as well as to empower citizens to communicate via e-mail or the Internet.

There are five basic categories of services offered by the PITs. These are government information and forms, an e-mail service, Internet browsing, a business section, and educational services.

The projected number of mailboxes after the deployment and commissioning of the additional 600 terminals is 250 000.

Additional developments on the PIT project include:
- government job-application forms
- games

- a free SMS service
- links to bursaries available for students
- links to the *Batho Pele* E-gateway.

A PIT-customised truck houses computer terminals, which have access to Internet and all the back-end services available to other PIT terminals currently at the Post Offices. This is made possible by the satellite link between the truck and the servers. The satellite-link technology is provided by Sentech. This has helped to broaden the PIT project's services to any place in the country.

It was announced in May 2004 that the Post Office will complete its roll-out of 600 PITs over the Medium Term Expenditure Framework period.

Citizens Post Offices

This project provides electronic-based services as a one-stop shop in the Internet café mode. By July 2004, 17 CPOs had been launched. A further roll-out of 200 sites is planned for 2005.

The main target market for the CPOs is small, medium and micro-enterpises (SMMEs). The services on offer include: Internet browsing and e-mail; government services and information; Microsoft Office products like Word, Excel and PowerPoint; faxing; photocopying; binding; and all related stationery.

Mail delivery

The delivery point roll-out is aimed at ensuring that every household in the country has access to mail delivery. The project is also aimed at ensuring that every citizen in the country has a physical address. SAPO has been providing addresses through boxes and street addresses. The target, as set out and confirmed in the license agreement is 4 018 100.

By July 2004, some 3 641 540 new addresses had been rolled out.

National Address Database

The development of the National Address Database has been initiated. SAPO, together with the Department of Communications, has piloted an addressing system at Ga-Rasai, Brits, in the North West.

Postbank

The Postbank is responsible for:

- providing banking services to lower-income groups and rural areas underserved by financial institutions
- fulfilling the need for a countrywide network of financial services
- mobilising savings and therefore contributing to domestic investment
- developing values of thrift and savings
- treasury and investment (potential to be the empowerment vehicle for SMMEs)
- being a deposit facility for welfare and maintenance payments.

Some of the key achievements of the Postbank are the following:

- the deposit base grew from R1,19 billion (March 2003) to R1,75 billion (March 2004)
- the account base grew from 2,2 million to 2,8 million
- the introduction of new saving products.

The Postbank also joined forces with Safrican Insurance to provide various insurance products.

Social investment

This includes:

- supporting the fight against HIV, AIDS and cancer
- awarding scholarships and bursaries
- supporting choral development
- contributing towards the alleviation of poverty

Despite the slow-down in growth of online retail in South Africa, the number of retail websites increased from 215 at the end of 2001, to 719 at the end of 2003.

According to the *Goldstuck Report: Online Retail in South Africa 2004,* the market is dominated by the top eight online retailers, who between them account for about 80% of all online retail sales in South Africa.

The survey found that online sales by retailers – which excludes the sale of property, cars and travel – increased by 35% in 2003, but was expected to grow by only 25% in 2004. A total of R341 million in online retail sales was achieved in 2003 – a mere 0,14% of the overall retail market in South Africa.

Of this, around R66 million in sales, or 20% of online retail, was recorded over the November-December holiday shopping season.

- promoting the recognition of South Africa's legends through philately
- promoting the culture of writing, through letter-writing contests
- promoting the documentation of the country's history through the History Project – where ordinary South Africans share their experiences of contributing towards democracy.

International and regional co-operation

South Africa is a member of the Universal Postal Union (UPU). The country participates in technical assistance programmes within the UPU, and uses its international accounting facility. It also participates in other international bodies such as the Pan-African Postal Union, Council of Commonwealth Postal Administrations, and the Southern African Transport and Communications Commission.

South Africa, through the Department of Communications, is a signatory to international treaties, conventions and agreements. It co-operates and works in partnership with other postal administrations through either bilateral or multilateral agreements relating to letters, parcels and financial postal services.

The media

Media freedom

According to the Bill of Rights, as contained in South Africa's Constitution, 1996 (Act 108 of 1996), everyone has the right to freedom of expression, which includes:

- freedom of the press and other media
- freedom to receive or impart information or ideas
- freedom of artistic creativity
- academic freedom and freedom of scientific research.

Several laws, policies and organisations act to protect and promote press freedom in South Africa.

The second Press Freedom Index by Reporters Without Barriers, released late in 2003, ranked press freedom in South Africa as 21st in the world. This was an improvement from 26th position in 2002.

Finland, Iceland, Norway and the Netherlands share first place on the Index. South Africa shares 21st place with Hungary and Jamaica.

Broadcasting

South Africa has an extremely diverse broadcast media sector catering for the unique demands of the local market.

Policy and legislation

The Broadcasting Act, 1999 (Act 4 of 1999), and the IBA Act, 1993 (Act 153 of 1993), are aimed at establishing and developing a broadcasting policy to regulate and control all broadcasting, to:

- contribute to democracy, nation-building, the provision of education, and strengthening the moral fibre of society
- encourage ownership and control of broadcasting services by people from historically disadvantaged communities
- ensure fair competition in the sector
- provide for a three-tier system of public, commercial and community broadcasting services
- establish a strong and committed public broadcaster to service the needs of all South Africans.

The Broadcasting Act, 1999 defines the objectives of the South African broadcasting system, the structure of the SABC, and the role of the various sectors in meeting these objectives. It also guarantees the independence of the SABC as public broadcaster. Section 8 of the Act sets out the objectives of the SABC. The SABC is being corporatised and restructured to better fulfil its mandate of meeting the needs of its audiences.

These include broadcasting accurate and credible news and current affairs programmes; South African content programming in languages reflecting the country's cultural diversity; educational programming to advance lifelong learning; and programming targeted at children, women and people with disabilities.

The Act deals with the restructuring of the SABC to fit into the changing broadcasting environment. It requires that the SABC Board establishes two management boards to focus on the public and commercial services. Under the new dispensation, the

public broadcasting wing will execute and meet its public-service mandate free from commercial interests. The commercial wing will be allowed to generate profit to be self-sustainable.

The Broadcasting Amendment Act, 2002 (Act 64 of 2002), brings into effect, among other things, the new Code of Conduct for Broadcasters. Implementation of the Act will result in a better definition of public and commercial broadcasting services.

The SABC has developed, for the first time, editorial policies for news and other programming that cover current affairs, including content accuracy and impartiality. These policies are open to public comment. The Broadcasting Amendment Act, 2002 provides for the establishment of two regional television licences: the first for the northern region, to cater for those speaking Sesotho, Xitsonga, Tshivenda and Sepedi languages; and the second for the southern region, to cater for those speaking the isiXhosa, Siswati, isiZulu and isiNdebele languages.

Cross-media control and South African content

The schedule to the Broadcasting Act, 1999 provides for certain amendments to Section 50 of the IBA Act, 1993. It states the specific parameters for cross-media ownership, pending the investigation called for in the White Paper to review the limitations on cross-media control.

ICASA also has to investigate the level of foreign ownership. Early in 2003, the level of ownership of private radio and television stations permitted for a foreigner was 20%.

The Government believed that this should be raised to increase investment. In May 2004, ICASA released its final recommendations on amendments to important broadcast ownership laws. These recommendations represent the culmination of a comprehensive policy process, involving extensive public and industry consultation. The recommendations set out proposed amendments to provisions in the IBA Act, 1993 that deal with limitations on:

• ownership of commercial broadcasting licences
• foreign control of broadcasting services
• cross-media control of commercial broadcasting services.

ICASA released a position paper requiring local radio and television stations to increase their quotas of locally produced content as of August 2003. New quotas for public and community radio stations were doubled to 40%, while quotas for private and public commercial stations were raised to 25%. New quotas for television were increased to 55% for public broadcasters, 30% for commercial private and public free-to-air stations, and 8% for pay stations.

Broadcasting role-players

Radio

The first radio broadcasts in South Africa took place under the auspices of a broadcasting committee of the South African Railways. The first experimental broadcast was undertaken in Johannesburg on 18 December 1923 by the Western Electric Company.

During 1924, the Associated Scientific and Technical Association of South Africa began regular broadcasts in Johannesburg. The Cape Peninsula Publicity Broadcasting Association began a similar service, and the Durban Municipality followed suit with its own regular broadcasts.

The first radio station, JB Calling, went on air in July 1924.

By 1926, legislation had become necessary. Under the Radio Act, 1926 (Act 20 of 1926), all radio transmission and reception was placed under the control of the Postmaster-General.

Following the contribution made by Sir John Reith, the then Director-General of the British Broadcasting Corporation, the SABC was established on 1 August 1936.

The SABC is the country's public broadcaster. It introduced its own national news service on 17 July 1950, with daily news bulletins on the English service, the Afrikaans service and Springbok Radio.

Radio Zulu, Radio Xhosa and Radio Sesotho were established on 1 June 1960.

In July 2004, the SABC's national radio network comprised 18 stations broadcasting in 13 languages, which, combined, reached an average daily adult audience of 19 million.

For its internal coverage, Radio News uses about 13 editorial offices, a countrywide network of 1 300

correspondents, and more than 2 000 news contacts.

World news is provided by international news agencies and strategically situated foreign correspondents.

Copy supplied to Radio News from various sources amounts to almost a million words a day, and is compiled around the clock into 300 news bulletins and 27 current affairs programmes broadcast daily on the SABC's radio services. There is a public broadcasting service radio station for each language group.

At the end of March 2004, the Cabinet approved the corporatisation of Channel Africa Radio as a subsidiary company of the SABC. Known as Channel Africa Network, the new company will have its own board of directors, with four non-executive directors.

Channel Africa Network comprises four language services, reaching millions of listeners throughout Africa. Broadcasts are in English, French, Kiswahili and Portuguese. It is targeted at audiences in Africa and the Indian Ocean islands, and concentrates on providing programmes with a specific African content.

Private radio stations

The following private radio stations have been granted licences by ICASA:
- Radio Algoa (Eastern Cape)
- Classic FM (Gauteng)
- Kaya FM (Gauteng)
- YFM (Gauteng)
- Highveld Stereo (Gauteng)
- Radio 702 (Gauteng, Limpopo, North West and Mpumalanga)
- Radio Jacaranda (Gauteng, Limpopo, North West and Mpumalanga)
- Radio Oranje (Free State, Northern Cape and North West)
- East Coast Radio (KwaZulu-Natal)
- P4 Durban (KwaZulu-Natal)
- Cape Talk MW (Western Cape)
- Radio KFM (Western Cape)
- P4 Cape Town (Western Cape).

Stations such as Radio Jacaranda, Highveld Stereo, Radio Oranje, Radio Algoa and East Coast Radio were initially SABC stations, but were sold to private owners to diversify radio ownership in South Africa as part of the transformation of the public broadcaster.

In August 2002, ICASA revoked the licences of Punt Geselsradio in Johannesburg and Cape Town, after having considered and applied a recommendation by the Broadcasting Monitoring Complaints Committee (BMCC). On 13 January 2004, ICASA released the *Position Paper on the Ownership and Control of Broadcasting Services and Existing Commercial Sound Broadcasting Licences*. According to the Position Paper, at least seven new commercial sound broadcasters will be licensed over the next two years. At least four of these licences will be granted in secondary markets, and at least three will be granted in primary markets. By March 2006, this should increase the current number of commercial sound broadcasting licensees from 13 to 23, taking into account the sale and licensing of Capital Radio in the short-term, as well as the re-licensing of the medium wave (MW) frequencies forfeited by Punt Geselsradio.

Community radio stations

In 1997, ICASA commenced with phasing out one-year community radio licences. There were more than 70 one-year licences in 1997.

The finalisation of the four-year licensing process in Gauteng will complete the folding of the one-year temporary licensing regime.

As at 13 July 2004, the Authority licensed 101 community radio stations. The breakdown is as follows: Mpumalanga (10), Northern Cape (three), Free State (nine), Limpopo (eight), Eastern Cape (11), North West (five), KwaZulu-Natal (11), Western Cape (15) and Gauteng (19).

Satellite Communications Network

By mid-2004, the establishment of the Satellite Communications Network had begun. The Department of Communications was working together with Parliament, the community radio sector and Government Communications for the launch of the Network. The Network will make it possible for grassroots communities, through their community

radio stations, to access parliamentary proceedings, general news, and government information and services.

The process was expected to be completed before the end of 2005.

Television

SABC

A one-channel television service was introduced on 5 January 1976.

Today, the SABC's national television network comprises four full-spectrum free-to-air channels and two satellite pay-TV channels aimed at audiences in Africa. Combined, the free-to-air channels broadcast in 11 languages and reach a daily adult audience of almost 18 million people via the terrestrial signal distribution network and a satellite signal.

There are more than four million licensed television households in South Africa. South Africa has the largest television audience in Africa.

About 50% of all programmes transmitted are produced in South Africa. Locally produced television programmes are augmented by programmes purchased abroad, and by co-productions undertaken with other television programming organisations. Television news is fed by SABC news teams reporting from all parts of the country, using modern portable electronic cameras and line-feed equipment via more than 220 television transmitters. *Ad hoc* satellite feeds are arranged from wherever news events occur.

News bulletins are broadcast in all 11 official languages.

The SABC's online news service, *SABCnews.com*, which attracts an average of 600 000 site visits a month, is gaining popularity and raising the profile of SABC News internationally.

Sharp increases in visits coincided with major breaking news and special features on international events.

Live streaming of national events such as the annual Budget Speech and the State of the Nation Address has proved popular.

The SABC's terrestrial television channels devote about 17% of their airtime during prime time to news and news-related programmes.

NewsBreak 802 152, a news-by-telephone service, is one of the country's most popular audio news/information lines.

This joint venture with Vodacom and Marketel gives the latest news in English and isiZulu, with regular sports and weather updates.

M-Net

M-Net, South Africa's first private subscription television service, was launched in 1986. Today, it has over 1,23 million subscribers in 49 countries across the African continent.

M-Net, which is listed on the JSE, features broad-ranging programme scheduling on its two terrestrial channels in South Africa.

In November 1999, it also made its debut on the Nigerian Stock Exchange, making it the first South African company to list in Nigeria.

The main M-Net channel focuses on movies and sport, but also offers a general entertainment line-up of children's programmes, series and magazine programmes.

It has a daily two-hour 'open window' when unencoded programmes (available to viewers without decoders), including the country's longest-running local soap opera, *Egoli – Place of Gold*, are screened.

The second channel, Community Services Network, offers niche sports programming and specialised community channels for the local Indian, Portuguese, Italian, Jewish, and Christian communities.

Development of the local film and television industries is a priority, and is supported by the New Directions project, which identifies and mentors emerging film-makers; and the M-Net All Africa Awards, which recognise excellence in films made across the African continent. These projects, which play a dynamic role in nurturing and investing in the film and television industry, are among a number of initiatives and co-productions funded by M-Net's commissioning and productions department, MagicWorks.

M-Net's licence has been renewed until 2010.

Satellite broadcasting

MultiChoice Africa (MCA), was formed in 1995 to manage the subscriber services of its sister company, M-Net. It became the first African company on the continent to offer digital satellite broadcasting

MCA provides television entertainment through its DStv, Indian, Portuguese and Arabic bouquets, to some 638 000 subscribers in South Africa and a total of 860 000 subscribers across 50 countries on the African continent and adjacent Indian Ocean islands. This is done through franchises and joint ventures. Operations include subscriber-management services and digital satellite television platforms broadcasting 55 video and 48 audio channels, 24 hours a day. Included are six data channels which were the first interactive television offerings on the continent. In addition, interactive services like TV-Mail and TV-Shopping are also available in South Africa.

MCA is 100% owned by the MIH Group, which is listed on the JSE, NASDAQ in New York, and AEX in Amsterdam.

Free-to-air television

The *White Paper on Broadcasting Policy*, released in June 1998, provided for the extension of free-to-air, pay and regional television services. On 30 March 1998, the consortium Midi Television was awarded the first privately owned free-to-air television licence.

The station they operate, e.tv, is a commercial service dependent on advertising. It does not charge subscription fees. The e.tv channel started broadcasting on 1 October 1998. News broadcasts and a 24-hour service were introduced early in 1999.

Signal distribution

Sentech began operating in 1992 under the auspices of the SABC as a signal distributor for all transmissions related to the public broadcaster. This mandate included services provided to M-Net, Radio 702, Radio Ciskei, Radio Transkei and the Bophuthatswana Broadcasting Corporation.

After an inquiry was launched and the subsequent report approved by Parliament in March 1996, Sentech started operating as a commercial SOE with its own board of directors.

Sentech owns and operates about 210 terrestrial transmitter sites where short-wave, MW, Frequency Modulation (FM), television and Multichannel Multipoint Distribution Service transmitters (more than 1 200) are accommodated to serve the various broadcasters in the country.

In May 2002, Sentech was granted two telecommunications licences, allowing the company to move into international telephony and multimedia communications. The International Telecommunications Gateway licence allows Sentech to carry international traffic on behalf of other licensed operators. The multimedia services licence enables the company to deliver e-commerce, Internet, broadband and value-added telecommunications services directly to consumers and businesses.

Print

Technical handling of the print media in South Africa rates among the best in the world. On the editorial side, concerns have been raised about the general quality of content from a journalistic point of view. Research has shown that journalists lack certain basic skills, and the juniorisation of newsrooms has impacted negatively on most of the major publications.

Over the last two years, the industry has held strategic planning sessions and implemented special training programmes in an attempt to improve the quality of newspapers' editorial content.

The roots of the print media in South Africa can be traced back to the 19th century, when the first issue of a government newspaper, the *Cape Town Gazette and African Advertiser/Kaapsche Stads Courant and Afrikaansche Berigter*, was published in 1800.

The first independent publication, *The South African Commercial Advertiser*, was published in 1824 by Thomas Pringle and John Fairbairn. Eighteen issues later it was banned, and reappeared only after various representations had been made to the authorities in London.

South African newspapers and magazines are mainly organised into press groups, which have burgeoned over the years as a result of take-overs.

The major press groups are Independent Newspapers (Pty) Ltd, Media24 Ltd, CTP/Caxton Publishers and Printers Ltd, and Johnnic Publishing Ltd.

Other important media players include Primedia; M&G Media; Associated Magazines; Ramsay, Son & Parker; NAIL (New Africa Investments Limited); and Kagiso Media. NAIL has unbundled into a commercial company (New Africa Capital) and a media company (New Africa Media).

Johnnic Communications clinched a deal with NAIL in which it acquired NAIL's shares in New Africa Publications, the owners of *Sowetan* and *Soweto Sunday World*.

Since 1994, the major press groups have embarked on programmes to boost Black empowerment in media ownerships.

Newspapers

Most South African newspapers are based on the British model. Management and editorial departments are controlled separately.

The size of the country – 1 400 km separating the main centres of Cape Town and Johannesburg – still precludes national dailies in the true sense of the word.

A new daily, *ThisDay*, started publishing in the big centres in 2003 and was the closest to a national daily. It must be taken into account that, except for *ThisDay*, all dailies belong to the bigger press groups, and sister papers will therefore carry quite a broad variety of news from all over the country in their regional issues.

ThisDay reached an averaged and audited circulation of 32 401 copies per day over the first three months of its publication. It ceased trading in the second half of 2004.

Some of the bigger titles and specialist newspapers like *Business Day* are distributed in metropolitan areas. The only truly national newspapers are the four Sunday newspapers, *Sunday Times, Rapport, Sunday Independent* and *Sunday Sun*, and the weekly newspaper *City Press*.

All are published simultaneously in various cities, using the printing facilities of related dailies. A number of newspapers have introduced separate weekend editions of their daily newspapers, e.g. *Saturday Dispatch* and *Weekend Witness*. *The Post Weekend* and the Saturday edition of the *Herald* in Port Elizabeth have ceased trading.

Sunday World, launched in March 1999, soon lost its initial popularity. It was relaunched in 2000 as *Sowetan Sunday World* and almost doubled its circulation. The continuous biggest success story of the South African newspaper scene belongs to *Daily Sun*. This Gauteng newspaper, launched by Media-24 in July 2002, has become the biggest daily in South Africa. Imitating the tabloid format and the

Winners of major annual press trophies					
	Frewin*	**McCall****	**Cronwright*****	**Hultzer******	**Joel Mervis********
2000	Beeld	Business Day	Record District Mail	Vaal Weekly	Naweek-Beeld
2001	The Star	The Mercury	Sandton Chronicle	Potchefstroom Herald	Rapport
2002	Beeld	Natal Witness	Paarl Post	Potchefstroom Herald	Rapport
2003	Beeld	Business Day	South Coast Herald	Springs and Brakpan Advertiser	Mail & Guardian
2004	Beeld	Witness	Paarl Post	Eikestadnuus	Naweek-Beeld

*	Best urban daily newspaper with a circulation exceeding 50 000
**	Best daily with a circulation under 50 000
***	Best community newspaper with a circulation exceeding 10 000
****	Best community newspaper with a circulation below 10 000
*****	Best urban weekly

Source: Print Media South Africa

controversial content line that appears in its British namesake, *The Sun*, it took the South African daily market by storm. An Afrikaans version, *Die Son*, launched on 28 March 2003, initially focused its distribution within the Western Cape, but has extended its circulation to Gauteng with the launch of its North edition in November 2003.

By mid-2004 there were 18 dailies and eight Sunday papers in South Africa. Almost 120 regional or country newspapers, most of which are weekly tabloids, serve particular towns or districts in the country, by covering local affairs and carrying local advertising. Most are published in English and Afrikaans. The most popular publication day is Thursday.

Newspapers appearing only in certain neighbourhoods are also part of this section. They are known as knock-and-drops or freebies, as they are distributed free of charge. They have a guaranteed readership with advertising being their only source of income. More than 4,5 million newspapers in this sector are distributed weekly.

In 2003, there were more than 178 such papers listed. They are distributed mainly in urban areas, and number in the hundreds when unlisted ones are considered. Press groups such as Media24 and CTP/Caxton are major players in this field.

Since 1996, local newspapers, freebies and corporate newspapers have ventured into reporting in indigenous languages as well. In Durban, Independent Newspapers started the isiZulu newspaper *Isolezwe*, which is holding its own.

With 11 official languages, it can be expected that more home-language publications will emerge. Separate newspapers for different cultural groups are still preferred, with English the popular language of choice.

Circulation

Newspapers

In general, circulation has remained static for the traditional titles, while the one-year old entrant in the market, *Daily Sun*, has been a remarkable success story for the daily tabloid market. The July to December 2003 circulation figures revealed that *Daily Sun* was the biggest South African daily newspaper with a circulation of 235 386, followed by *The Star* with a circulation of 165 948.

Daily Sun's success can be attributed to its strategy of focusing directly on the new mass reader and appealing specifically to their areas of interest i.e lifestyle aspirations, sports, entertainment, etc. *Daily Sun* has shifted readers away from traditional titles such as *Sowetan,* which saw a drastic decline in circulation from 154 747 in 2002, to 123 590 in 2003.

Weekly newspapers remained static, with *Sunday Times* still the dominant Sunday read in South Africa. *Rapport* and *City Press* showed a slight decrease in circulation, while *Soccer Laduma* and *Sunday Sun* (the weekend edition of *Daily Sun*) showed an increase.

According to the All Media Products Survey (AMPS) 2003B (January to December 2003) readership survey, compiled by the South African Advertising Research Foundation:

- Daily newspaper readership at any daily level increased due to a growth in readership, mainly in Gauteng in the 35 to 49 age group.
- *Daily Sun* is the only title in this group to show a significant growth in readership. With a penetration of 5,5% (1,755 million readers), it was close to *Sowetan*, which was the daily with the largest readership at 6,2% (1,853 million readers). *Daily Sun* was, however, the largest daily in Gauteng.
- Total readership of daily newspapers increased by 24,3% or 1,9 million readers compared with AMPS 2002B (January to December 2002) data.
- Weekly newspaper readership remained stable overall, but readership of weeklies increased significantly in the Western Cape and particularly in Cape Town.
- The Western Cape was by far the leader, with 62,3% of the adults in this province reading at least one or more newspapers a day, as opposed to Gauteng (Johannesburg) which has 58,2% of the population reading one or more newspapers per day.
- Total readership of weekly newspapers increased by 6,8% or 1,2 million readers compared with AMPS 2002B data.
- Basic literacy (can read and understand at least one language) remained static at 92,6%, while

functional literacy (primary school completed) increased from 79,5% in 2002 to 81% in 2003.

Magazines

Overall, the circulation performance of magazines during the last six months of 2003 remained static, with the exception of a few special interest niche titles. Measured against the same period in 2002, net sales increased by 6% in 2003.

The business-to-business magazine market is currently larger than the consumer market, but only by a small margin. Most titles have low circulation and are highly niched. The custom or contract magazine market continues to show significant growth in the number of titles. However, it is seldom recognised as a distinct category in South Africa and very little research into this market has been done.

In terms of magazine sectors, the men's magazine sector showed an increase in circulation across all three titles, and the women's magazine market remained highly competitive. The year 2003 saw the launch of two more titles into these specific markets – *Razor* for men and *Glamour* for women.

There are currently more than 1 100 magazine titles published monthly across an ever-broadening range of topics. The first quarter of 2004 saw the launch of four new titles: *Heat* (UpperCase Media), *Glamour* (*Condé Nast* Independent Magazines), *SoccerLife* (Johnnic Communications) and *Webreek* (Media 24).

The major publishers in the magazine industry are Media24, Caxton, Johnnic, Associated Magazines, and Ramsay Son & Parker.

Magazine readership

South Africa has a magazine readership of almost 12 milion and the average number of titles per reader is 3,45.

At national level, the number of people who read at least one magazine has not changed. However, the number of people reading a subscriber magazine (including a television magazine) increased in 2003.

Despite the fact that magazine readership reflects a very stable picture, the readership of one or more women's interest, men's interest, sport and home/garden magazine is still growing.

With the exception of weekly newspapers and subscriber magazines, there are slight increases in the average number of titles being read.

Weekly magazines

Drum showed a small decrease in readership from 1,8 million in the AMPS 2002B survey to 1,6 million in AMPS 2003B. *Finance Week* showed an increase from 91 000 readers to 115 000, *Huisgenoot* from two million to 2,1 million, and *Vrouekeur* from 330 000 to 454 000.

Monthly magazines

Car magazine saw an increase from 824 000 readers to one million, *Fair Lady* from 767 000 to one million, *FHM* from 438 000 to 552 000 readers, *Sarie* from 716 000 to 916 000, and *True Love* from 2,1 million to 2,2 million readers in 2003.

Distribution

In cities, newspapers rely heavily on street sales and door-to-door delivery. Cafés, spaza shops and general stores provide additional selling points. In rural areas, newspapers are distributed mainly by special truck deliveries, often covering hundreds of kilometres in a single run. The cost of bulk transport by air is very high.

Newspaper Circulation Services and Magazine Circulation Services handle all Johnnic Publish-ing's circulation. The Afrikaans press group, Media24 (*Nasionale Nuusdistribueerders*), handles most of its distribution itself. Allied Publishing handles Independent Newspapers and RNA Distrib-utors Caxton/CTP.

Online media

Most of the bigger publications have websites on the Internet. There are more than 600 'netzines' listed as online publications in South Africa, with at least 16 of them specialising in daily news. *Mail and Guardian* has received worldwide acclaim as the best online publication in Africa.

Media organisations and role-players

Several organisations and associations play an important role in the media field.

Print Media South Africa (PMSA), formed in 1996, is an umbrella organisation administering individual bodies, namely the Newspaper Association of South Africa (the oldest communication organisation, established in 1882), Magazine Publishers Association of SA, and the Community Press Association of Southern Africa.

The purpose of PMSA is to represent, promote, interact and intervene in all matters concerning the collective industry and matters of common interest. It represents some 530 newspaper and magazine titles in South Africa. PMSA is a member of a number of international bodies such as the World Association of Newspapers, and Federation of Periodical Press. Allied to PMSA, but not a constituent member, is the Audit Bureau of Circulation, responsible for auditing and verifying print-media circulation and cinema attendance figures.

The South African National Editors' Forum (SANEF) was conceived at a meeting of the Black Editors' Forum, the Conference of Editors, and senior journalism educators and trainers in October 1996.

SANEF's membership includes editors and senior journalists from the print, broadcast and online/Internet media, as well as journalism educators from all the major training institutions in South Africa.

SANEF has facilitated the mobilisation of the media in the *Partnership Against AIDS* Campaign, and in campaigns to end violence against women and children.

Various seminars and debates are held on media freedom and transformation, especially in relation to gender and technology. SANEF is involved in training initiatives and in setting practical standards in journalism education.

Against the backdrop of positive political developments on the African continent, SANEF spearheaded the formation of the All Africa Editor's Conference.

President Thabo Mbeki gave the keynote address to delegates from 32 other African countries. The Southern African Editors' Forum was subsequently formed in late 2003. South Africa is its first chairperson, while the secretariat is held by Swaziland. The Central, Eastern, Western and Northern African Forum bodies are in various stages of being formed.

In 2004, SANEF was involved in the SANEF-Multichoice 10-year media reviews, a series of national debates which are to be published.

The Forum of Black Journalists, consisting only of Black journalists, tackles issues which directly affect its members.

Members of the public who have complaints or concerns about reports in newspapers and magazines can submit their grievances to the Office of the Independent Press Ombudsman.

Sold magazines with the largest circulation, July – December 2003			
Name	**Frequency**	**Language**	**Audited circulation**
Huisgenoot	W	A	342 130
You	W	E	225 454
Sarie	M	A	146 257
People	W	E	140 133
True Love	M	E	128 708
Rooi Rose	M	A	127 271
Cosmopolitan	M	E	119 562
Reader's Digest	M	E	112 304
Car	M	E	108 693
TV Plus	F	B	105 899

The abbreviations used are the following: W (weekly), F (fortnightly), E (English), M (monthly), Q (quarterly), A (Afrikaans), B (bilingual)

Source: Audit Bureau of Circulation

Daily and weekly papers					
Name	Publisher	Contact information	Frequency	Language	Audited circulation Jul – Dec 2003
Beeld (Daily)	Media 24	PO Box 333, Auckland Park, 2006 T. 011 713-9000 / F. 011 713-9960 E-mail: beeld@beeld.com	MD, M-F	A	101 367
Beeld (Saturday)	Media 24	PO Box 333, Auckland Park, 2006	W, Sat	A	83 718
Burger, Die (Daily)	Media 24	PO Box 692, Cape Town, 8000	MD, M-F	A	102 902
Burger, Die (Saturday)	Media 24	PO Box 692, Cape Town, 8000 T. 021 406-2214 / F. 021 406-3211	W, Sat	A	114 587
Business Day	BDFM Publishers (Pty) Ltd	PO Box 1742, Saxonwold, 2132 T. 011 280-3000 / F. 011 280-5505 E-mail: bday@tml.co.za	MD, M-F	E	42 057
Cape Argus, The	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4911 / F. 021 488-4173 E-mail: josepha@ctn.independent.co.za	AD, M-F	E	73 206
Cape Times	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4911 / F. 021 488-4173 E-mail: chriswh@independent.co.za	MD, M-F	E	48 812
Citizen, The (Daily)	Caxton Publishers & Printers Ltd	PO Box 43069, Industria, 2042 T. 011 248 6000 / F. 011 248 6222 E-mail: news@citizen.co.za	MD, M-F	E	98 228
Citizen, The (Saturday)	Caxton Publishers & Printers Ltd	PO Box 43069, Industria, 2042	W, Sat	E	77 107
City Press	RCP Media Bpk	PO Box 3413, Johannesburg, 2000 T. 011 713-9002 / F. 011 713-9977 E-mail: news@citypress.co.za	W, Sun	E	167 885
Daily Dispatch	Dispatch Media (Pty) Ltd	PO Box 131, East London, 5200 T. 043 702 2000 / F. 011 702 2968	AD, M-F	E	32 770
Daily News	Independent Newspapers KZN	PO Box 47397, Greyville, 4023 T. 031 308-2472 / F. 013 308-2662 E-mail: tbruce@nn.independent.co.za	AD, M-F	E	51 131
Daily Sun	Media 24	PO Box 333, Auckland Park, 2006 T. 011 713 9000 / F 011 713 9960	MD, M-F	E	235 386
Diamond Fields Advertiser	Independent Newspapers Gauteng Ltd	PO Box 610, Kimberley, 8300 T. 053 832-6261 / F. 053 832-8902 E-mail: pbe@independent.co.za	MD, M-F	E	8 775
Herald (Daily)	Johnnic Pub. Eastern Cape	PO Box 1117, Port Elizabeth, 6000 T. 041 504-7911 / F. 041 585 3947 E-mail: epherald@tmecl.co.za	MD, M-F	E	30 050
Ilanga	Mandla Matla Publishing Co (Pty) Ltd	PO Box 2159, Durban, 4000 T. 031 309-4350 / F. 031 309-3489	BW, Th Mo	Z	98 492
Isolezwe	Independent Newspapers KZN	PO Box 47549, Greyville, 4023 T. 031 308 2878 / F. 031 308 2885	MD, M-F	Z	55 195
Independent on Saturday, The	Independent Newspapers KZN	PO Box 47397, Greyville, 4023 T. 031 308-2472 / F. 013 308-2662	W, Sat	E	56 116
Mail and Guardian	M&G Media (Pty) Ltd	PO Box 91667, Aucklandpark, 2006 T. 011 727-7000 / F. 011 727-7110 E-mail: newsroom@mg.co.za	W, Fr	E	37 689
Mercury, The	Independent Newspapers KZN	PO Box 47397, Greyville, 4023 T 031 308 2472 / F 031 308 2662	MD, M-F	E	39 235
Witness	Natal Witness Pr & Pub Co (Pty) Ltd	PO Box 362, Pietermaritzburg, 3200 T. 033 355-1111 / F. 033 355-1377 E-mail: news@witness.co.za	MD, M-S	E	23 408
Post	Independent Newspapers KZN	PO Box 47397, Greyville, 4023 T. 031 308-2472 / F. 031 308-2662 E-mail: khalil@independent.co.za	W, Wed	E	38 545

Daily and weekly papers

Name	Publisher	Contact information	Frequency	Language	Audited circulation Jul – Dec 2003
Pretoria News (Daily)	Independent Newspapers Gauteng Ltd	PO Box 439, Pretoria, 0001 T. 012 300-200 / F. 012 325 7300 E-mail: tle@pretorianews.co.za	AD, M-F	E	27 164
Pretoria News (Saturday)	Independent Newspapers Gauteng Ltd	PO Box 439, Pretoria, 0001 T. 012 300-200 / F. 012 325 7300	W, Sat	E	16 477
Rapport	RCP Media	PO Box 333, Auckland Park, 2006 T. 011 713-9002 / F. 012 713 9977 E-mail: aleroux@rapport.co.za	W, Sun	A	324 882
Saturday Dispatch	Dispatch Media (Pty) Ltd	PO Box 131, East London, 5200 T. 043 702 2000 / F. 043 743 2968	W, Sat	E	27 816
Saturday Star, The	Independent Newspapers Gauteng Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 834-3918 E-mail: starnews@star.co.za	W, Sat	E	136 345
Soccer-Laduma	CT Media Proprietor	PO Box 787, Sea Point, 8060 T. 021 439 8080 / F. 021 439 7434	W, Thu	E	217 594
Son, Die	Media 24	PO Box 692, Cape Town, 8000 T. 021 406 2075 / F. 021 406 3221	W, Fri	A	90 015
Southern Cross, The	Catholic News-papers & Pub Co Ltd	PO Box 2372, Cape Town, 8000 T. 021 465 5007 / F. 021 465 3850	W, Sun	E	10 082
Sowetan	New Africa Publications (NAP) Ltd	PO Box 6663, Johannesburg, 2000 T. 011 471-4000 / F. 011 474-2074 E-mail: editor@sowetan.co.za	MD, M-F	E	123 590
Sowetan Sunday World	NAP Ltd	PO Box 6663, Johannesburg, 2000 T. 011 471-4200 / F. 011 471-4163 E-mail: newsed@sundayworld.co.za	W, Sun	E	141 634
Star, The	Independent Newspapers Gauteng Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 834-3918 E-mail: starnews@star.co.za	MD, M-F	E	165 948
Sunday Independent, The	Independent Newspapers Gauteng, Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 834-7520 E-mail: newstips@independent.co.za	W, Sun	E	41 037
Sunday Sun	RCP Media Ltd	PO Box 8422, Johannesburg, 2000 T. 011 713-9465 / F. 011 713-9731	W, Sun	E	164 374
Sunday Times	Johnnic Pub.	PO Box 1742, Saxonwold, 2132 T. 011 280-5101 / F. 011 280-5111 E-mail: suntimes@tml.co.za	W, Sun	E	505 717
Sunday Tribune	Independent Newspapers KZN	PO Box 47549, Greyville, 4023 T. 031 308-2911 / F. 011 308-2662 E-mail: clarke@independent.co.za	W, Sun	E	109 576
Volksblad, Die (Daily)	Media24	PO Box 267, Bloemfontein, 9300 T. 051 404-7600 / F. 051 447-7034 E-mail: mvanrooyen@volksblad.com	MD, M-F	A	27 179
Volksblad, Die (Saturday)	Media24	PO Box 267, Bloemfontein, 9300 T. 051 404-7600 / F. 051 430-7034	W, Sat	A	23 021
Weekend Argus	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4528 / F. 021 488-4229	W, Sat & Sun	E	103 938
ThisDay	ThisDay Media	PO Box 78262, Sandton, 2147 T. 011 217-2000 / F. 011 217-2356	MD, M-F	E	32 401
Weekend Post	Johnnic Pub. Eastern Cape	PO Box 1121, Port Elizabeth, 6000 T. 041 504-7911 / F. 041 585-3947	Sat	E	35 212
Weekend Witness	Natal Witness Pr & Pub Co Pty Ltd	PO Box 362, Pietermaritzburg, 3200 T. 033 355-1377 / F. 033 355-1377	W, Sat	E	27 309

The abbreviations used are the following: MD (morning daily), AD (afternoon daily), BW (bi-weekly), M-F (Monday to Friday), Mo (Monday), Tu (Tuesday), W (Wednesday), Th (Thursday), Fri (Friday), Sat (Saturday), Sun (Sunday), A (Afrikaans), E (English), Z (Zulu), n/a (not available)

Source: Audit Bureau of Circulation

Should they not be satisfied with the resultant ruling, they can lodge an appeal with an independent appeal panel. The office of the Press Ombudsman was set up by the PMSA, SANEF, the Media Workers' Association of South Africa, and the South African Union of Journalists (SAUJ).

As self-regulating mechanisms of the media industry, the Press Ombudsman and the appeal panel act in accordance with the South African Constitution, 1996, and embrace the spirit of transformation in South Africa.

The Freedom of Expression Institute (FXI) was established in 1994 to protect and foster the rights to freedom of expression and access to information, and to oppose censorship.

The FXI undertakes a wide range of activities in support of its objectives, including lobbying, educa-ting, monitoring, research, publicity, litigation and the funding of legal cases that advance these rights.

In the process, it networks and collaborates with a wide range of local and international organisations.

Another body that protects freedom of speech is the Freedom of Commercial Speech Trust. Backed by the marketing communication industry and supported by organised business and consumer organisations, the Trust focuses on transparent negotiations with legislators.

The SAUJ has fought consistently and primarily for a free and independent media, and acceptable working conditions for its members. To this end, the SAUJ has signed formal agreements with most employer groupings, and participates in structures aimed at fostering and enhancing media freedom.

The Broadcasting Complaints Commission of South Africa is an independent self-regulatory body which serves as a voluntary watchdog to adjudicate complaints from the public about programmes flighted by members subscribing to its code of conduct. It is empowered by its members, which include, among others, the SABC, M-Net, Radio 702, and Trinity Broadcasting Network. However, the Commission does not deal with X-rated material which, under criminal law, is prohibited.

The BMCC was established under sections 21 and 22 of the IBA Act, 1993.

It monitors broadcasting licensees for their compliance with, or adherence to, the terms, conditions and obligations of:
• their broadcasting licences
• the Code of Conduct for Broadcasting Services
• the Code of Advertising Practice.
The BMCC receives and adjudicates complaints from the public with regard to licence conditions, and is also entitled to initiate its own investigations into suspected non-compliance by a broadcaster.

If a member of the public is concerned that a broadcaster is not observing its licence conditions, that person may lodge a complaint with ICASA. If a broadcaster is found to be guilty of contravening its licence conditions, the BMCC makes recommendations to ICASA about action that should be taken.

Material that could be considered X-rated must be submitted to the Film and Publication Board prior to being shown. (See chapter 5: *Arts and culture*.)

The mission of the National Association of Broadcasters is to protect the interests of broadcasting as a whole, at the same time interfacing with ICASA on matters such as freedom of speech.

Other press organisations operating in the country are the Foreign Correspondents' Association of South Africa, the Printing Industries Federation of South Africa, the South African Typographical Union, the Specialist Press Association, the South African Guild of Motoring Journalists, Professional Photographers of South Africa, the Media Institute of Southern Africa, and press clubs in major centres.

In 2003, the Online Publishers' Association (OPA) was established. Its mission is to provide a non-profit forum in which South African online publishers can address issues of common interest, and which can represent these publishers before advertising agencies and the advertising community, the press, government and the public.

News agencies
The South African Press Association (SAPA), which is a national news agency, is a co-operative, non-profit news-gathering and distribution organisation operating in the interests of its members and the public.

SAPA's foreign news is received from Associated Press (AP) and its representatives in London.

The main foreign news agencies operating in South Africa are *Agence France-Presse*, AP, *Deutsche Presse Agentur*, Reuters and United Press International.

Other agencies are the Eastern Cape News Agency, African Eye News Service in Mpumalanga, and Network Radio News.

Training centres

Over 40 institutions offer media training in South Africa.

Tertiary institutions include various universities of technology (technikons) and universities such as Tshwane University of Technology, and Rhodes, Potchefstroom, Stellenbosch and Witwatersrand universities; and organisations such as the Cape Town Film and Television School; the SABC's Television Training Centre; the Radio Freedom Institute; the Institute for the Advancement of Journalism; Cross Media Training Centre; and NEMISA, a government-funded training institute specialising in broadcasting, news media and multimedia skills.

In 2003/04, NEMISA provided a three-month training course in radio and television broadcasting for 26 students from Nigeria.

NEMISA also launched a language portal in all indigenous languages at *www.sedibafountain. org.za* with the focus on the history, culture and languages of indigenous people.

The Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority (MAPPP-SETA) was gazetted on 15 March 2000.

It has six advisory committees, comprising representatives from labour, business and government, which advise on:
• print media
• advertising
• publishing
• printing
• packaging
• film and electronic media.
The MAPPP-SETA is responsible for co-ordinating a sector training plan across the media industry, and assesses the quality of training courses that are run by the industry.

Parallel with this, the South African Qualifications Authority has approved the establishment of several standards-generating bodies for the media industry.

Similar bodies were implemented for journalism training and communication studies. These bodies are substructures of the National Standards Body 04 (language and communication), which co-ordinates standard-setting in the communication and language sectors.

Journalism awards

The most important awards include the:
• Mondi Paper Magazine and Newspaper Awards
• Nat Nakasa Award for Courageous Journalism
• SAPPI Magazine Publishers Association of South Africa PICA Awards
• Sanlam Community Press Awards
• Vodacom Awards for Journalism Across All Mediums
• South African Breweries (SAB) Journalism Awards.
The winner of the 2004 Nat Nakasa Award for Courageous Journalism was Buks Viljoen from *The Lowvelder* in Nelspruit, Mpumalanga.

In the 2004 Media24 Excellence Awards, *Men's Health* magazine claimed prizes for Best Speciality Editor and Magazine Innovation.

In 2004, the Sanlam Community Press Journalist of the Year was Malané Bosman from *Paarl Post*.

Media diversity

Media diversity in any country is regarded as a sign of the status of its democracy. South Africa is on its way to achieving wide diversity.

Media Development and Diversity Agency (MDDA)

The MDDA Act, 2002 (Act 14 of 2002), provides for the establishment of an independent, statutory body, which is jointly funded by government, the media industry and other donors, and which must act in terms of the Public Finance Manage-ment Act, 1999 (Act 1 of 1999).

The Agency is also enabled by the Act to approach donor organisations to mobilise further

funding. Although jointly funded, the MDDA functions independently and at arm's length from all funding sectors.

This arrangement enables government, the media industry and donors to work together towards addressing the legacy of imbalances in access to the media.

The MDDA awarded its first two rounds of grants in January and May 2004 when 20 different projects were provided with support. During the third round in September 2004, support for a further 15 projects was approved.

Support ranges from a once-off injection of funds to acquire equipment such as printers and scanners, to broader support over a one-year period.

The Agency disburses grants to community, small commercial, and media-research projects in four cycles each year.

At least 60% of the funding has been set aside for community media projects, about 25% for small commercial projects and 5% for research into media development and diversity. The remaining 10% will be allocated according to need.

The Agency is developing strategies aimed at creating an enabling environment for media development and diversity, including dealing with the problems of distribution, circulation, audience research and advertising.

Advertising

In 2004, two publications recognised excellence and achievement in South African advertising, namely *AdFocus* and *AdReview*.

Some of the awards made by *AdFocus*, supplement to *Financial Mail* of 14 May 2004, were:
- Agency of the Year and Large Agency of the Year: Ogilvy & Mather, Johannesburg
- Mid-sized Agency of the Year: Net#work BBDO
- Small Agency of the Year: King James
- Brand Agency of the Year: Harwood Kirsten Leigh McCoy (HKLM)
- Media Agency of the Year: Nota Bene
- Marketing Agency of the Year: Instant Grass
- Agency Leader of the Year: Nunu Ntshingila, Ogilvy, Johannesburg
- Media Owner of the Year: *Daily Sun*

- *Financial Mail's* New Broom Award: Instant Grass
- The Tony Koenderman Lifetime Achievement Award: Robyn Putter
- Advertiser of the Year: Exclusive Books
- The SABC People's Choice Award: Tastic Rice.

Some of the top advertising agencies, as recognised in the *AdReview* supplement in *Finance Week* of April 2004, were:
- Net#work BBDO: Oracle Agency of the Year Award
- Large Agency of the Year: (joint winners) TBWA South Africa and Ogilvy
- Mid-sized Agency of the Year: Net#work BBDO
- Small Agency of the Year: King James
- Newcomer of the Year: Open Communication
- Media Agency of the Year: OMD
- Broadcast Marketing Award: YFM
- Campaign of the Year: Exclusive Books; agency Ogilvy
- Advertising Personality of the Year: Mpho Makwana, CEO, Marketing Federation of South Africa
- Lifetime Achievement Award: Nkwenkwe Nkomo, deputy chairman, FCB.

A process to transform the advertising and marketing industry has been initiated by the Portfolio Committee on Communications in collaboration with the industry and relevant government departments.

Advertising awards

The Loerie Design, Integrated and Sponsorship Awards are the best-known South African awards that recognise excellence in advertising. The Association of Marketers established these Awards in 1978 to coincide with the advent of commercial television in South Africa. The first ceremony took place in 1979.

These Awards cover several mutually exclusive media awards. They are: television, international television, cinema, radio, newspaper, magazine, international print and poster, outdoor advertising (above-the-line) and design (below-the-line) campaigns, graphic design, promotional marketing, audio-visual, corporate events, digital interactive media and a student award. In 2004, a sponsorship category was added to the Awards.

In 2004, 34 gold Loeries, 57 silver Loeries and 35 bronze Loeries were awarded.

The Pendoring Awards reward excellence in Afrikaans advertising, both verbal and non-verbal. Categories include radio, television, magazines, newspapers, outdoor advertising and campaigns. The 2004 winners were spread across five advertising agencies but, as in 2003, FCB (Cape Town and Johannesburg) walked away with the most gold Pendorings. Net#work BBDO, Ogilvy SA and Grey Worldwide each received one gold Pendoring, and FCB Cape Town and Net#work BBDO also received a silver Pendoring each.

Other marketing communication awards

Advertising is, in academic circles, regarded as one of the core elements of any marketing communication strategy. Marketers are increasingly integrating other core marketing communication elements, such as direct marketing and sponsorship – two of the fastest-growing areas in marketing communication – into their overall campaigns.

The Assegai Awards originated in 1998 to honour excellence in direct marketing strategic prowess and innovation, with an emphasis on results. These Awards are acclaimed as the only South African marketing communication awards that recognise 'Return on Investment' – talking directly to targeted prospects and existing customers by way of various integrated and actionable media. The Awards are recognised as the industry benchmark – with a mandate to promote growth, and recognise and reward excellence in the direct marketing arena.

International exposure

The South African advertising industry is truly world-class. In international award events, South Africa regularly rates in the top five or six.

South African agencies are very visible at international events such as the Cannes International Advertising Festival. This Festival is widely accepted as the leading global advertising event. Thousands of delegates, representing the global advertising fraternity, spend days and nights viewing and screening more than 10 000 entries.

In 2003, Lowe Bull (Gauteng) won two Golden Lions at Cannes, while TBWA Hunt Lascaris (Gauteng, Cape and Durban) won two bronze awards.

Local creatives did South Africa proud by winning a slew of awards during the 2004 Clio Awards. Net#work BBDO was awarded one gold, two silver and three bronze Clios across the categories of innovative media print and poster, television and integrated campaigns.

Also scoring gold for South Africa were Herdbuoys McCann-Erickson, Johannesburg, in the print category; and Saatchi & Saatchi, Cape Town, in the design category.

South African agencies are also active elsewhere in Africa. The top three are: McCann-Erickson Africa (in 40 countries), Ogilvy Africa (39), and FCB Africa (32).

Online and offline advertising

Online advertising and sponsorship spend increased by 17% during the third quarter of 2003, to a total of over R20 million for the quarter. The quarter-on-quarter growth seen in the third quarter contributed to a total online adspend of R70 million per year for OPA members in the South African online marketplace.

According to AMPS 2003B, Internet usage grew significantly at both the four-week and seven-day levels. This growth included a wide range of demographic and geographic subpopulations.

Most access took place at home, and was still growing. Access elsewhere (excluding home and work) was declining. Sending and receiving e-mails was the most important Internet activity in a four-week period (1,347 million or 4,5%), followed by obtaining information (1,085 million or 3,6%).

Advertising Standards Authority (ASA)

The ASA is the protector of the ethical standards of advertising in South Africa and protects consumers against manipulative advertising and unfair claims.

Acknowledgements

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