

# COMMUNICATIONS



## Pocket Guide to South Africa 2010/11

# COMMUNICATIONS

With a network that is 99% digital and includes the latest in fixed-line, wireless and satellite communications, South Africa has the most developed telecommunications network in Africa.

The country harnessed all its resources to ensure the successful hosting of the world's biggest sport event, the 2010 FIFA World Cup™. Over R1,5 billion was spent on event broadcasting and telecommunications.

### Access

The Department of Communications' mandate is to create a favourable information and communications technology (ICT) environment, ensuring that South Africa has the capacity to advance its socio-economic development goals and support the renewal of Africa and the building of a better world.

In March 2010, the Radio Frequency Spectrum Policy was approved. The policy seeks, among other things, to:

- ensure the efficient use and management of the radio frequency spectrum
- facilitate the achievement of key socio-economic objectives, such as increasing access to ICT
- create an information society via wireless technologies
- ensure access to broadband services and public service broadcasting content.

The National Broadband Policy for South Africa was gazetted in July 2010.


The policy seeks to address the availability, accessibility and affordability of broadband, build an information society and promote the uptake and usage of broadband.

In May 2010, the Department of Communications hosted a community television policy workshop to develop a broad framework to enable the successful launch of community TV in South Africa.

The Broadcasting Digital Migration (BDM) Policy for South Africa was approved in July 2008 and on 30 October 2008, the digital signal was switched on. The official switch-over to digital is expected to take place in 2013.

One of the major impacts of the BDM Policy is its contribution to industrial growth in South Africa. The implementation of the Set Top Boxes (STBs) Manufacturing Sector Development Strategy was finalised in 2010.

The focus will be on providing subsidies to poor TV-owning households to enable them to buy STBs.



The Department of Communications participates in the New Partnership for Africa's Development Information and Communications Technology Broadband Infrastructure Network for Africa, which includes the Eastern Africa Submarine Cable System (EASSy) Project.

The 9 900-km long EASSy cable links South Africa to Sudan and provides for landing stations in countries along the coast of eastern Africa. The cable is connected to adjacent landlocked countries and will have a lifespan of 25 years.

In August 2010, with upgraded design, the cable entered commercial operation ahead of schedule and about 10% below its budgeted \$300 million cost. The EASSy cable landing in South Africa is at Mtunzini, in KwaZulu-Natal.

## Mobile communications

In recent years, South Africa has witnessed tremendous growth in the cellphone industry. South Africa has five operators, namely Vodacom, MTN, Cell C, Virgin Mobile and Telkom.

## Internet

In 2010, the number of South African Internet users passed the five-million mark for the first time, finally breaking through the 10% mark in Internet penetration for the country. This was the key finding of the *Internet Access in South Africa 2010* study conducted by World Wide Worx released in January 2010.

## Telkom

Telkom has been operating as a commercial company since October 1991 and is the largest provider of communications services in Africa, according to operating revenue and assets.

## Neotel

Neotel is South Africa's first converged telecommunications network operator. This means that voice, data and Internet is offered over a single connection.

## Postal sector

The Government-subsidised South African Post Office (Sapo) is required to provide a basic letter service that is reasonably accessible to all.

Sapo delivers almost six million letters per day to 11 million addresses in South Africa. It has more than 2 500 outlets covering the length and breadth of South Africa.

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In March 2010, 77% of South Africans with Internet access were shopping online, according to a survey released by Mastercard Worldwide.

Music and movies topped the list of purchases, followed by airline tickets, home appliances and electronics.



### The media

South Africa's Bill of Rights guarantees the freedom of the press and other media.

### Broadcasting

The independence of the public broadcaster, the South African Broadcasting Corporation (SABC), is guaranteed by legislation. The SABC is being corporatised and restructured to better fulfil its mandate.

### Radio

The SABC's national radio network comprises 18 radio stations. Fifteen of these are dedicated specifically to public-service broadcasting and include 11 full spectrum stations, one in each of the official languages of South Africa, a cultural service for the Indian community broadcasting in English, a regional community station broadcasting in isiXhosa and English and a community station broadcasting in the !Xu and Khwe languages of the Khoisan people of the Northern Cape. The SABC boasts three stations in its commercial portfolio. They are 5fm, MetroFM and Good Hope FM.

SABC News provides news and current affairs services to both SABC radio and television. For its domestic coverage, SABC News has 13 editorial offices, while world news is provided by strategically placed news bureaus, foreign correspondents and international news agencies.

Channel Africa Network comprises four language services, reaching millions of listeners throughout Africa. Broadcasts are in English, French, Kiswahili, Portuguese, Chinyanja and Silozi. The network targets audiences in Africa and the Indian Ocean islands, and concentrates on providing programmes with African content.

The Independent Communications Authority of South Africa has granted licences to the following private radio stations:

- Radio Algoa
- Classic FM

- Kaya FM
- YFM
- Highveld Stereo
- Radio 702
- Radio Jacaranda
- Radio Oranje
- East Coast Radio
- P4
- Cape Talk MW
- Radio KFM

Community radio stations have a huge potential for supporting, among other things, cultural and educational information exchanges. These radio stations use all indigenous languages, ensuring that people receive information in languages they understand.

## Television

The SABC's television network comprises three television channels – all free-to-air. SABC Television reaches a weekly audience of 26,6 million adults aged 15 years and more. South African television is broadcast in all 11 official languages and in Sign Language.

In October 1998, the country's first privately owned free-to-air television channel, e.tv, started operations.

M-Net became South Africa's first private subscription television service when it launched in 1986. Today, it broadcasts its array of general entertainment and niche channels to subscribers in more than 50 countries across the African continent and adjacent Indian Ocean islands.

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. In July 2008, Multichoice launched high-definition television, the first in Africa. MultiChoice provides digital media entertainment, content and services to multiple devices, which include pay TV subscriber services to more than 1,5 million customers.

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

The pay television provider Top TV was launched in 2010.

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### Print

Technically, the local print media rate among the best in the world. This is one reason why newspapers and magazines have held their own in a volatile information era, identified by the vast development of various new forms of media-delivery platforms via the Internet.

South African newspapers and magazines are mainly organised into several major publishing houses: Media24 (part of Naspers, the largest media group in Africa), the Irish-based Independent News & Media (Pty) Ltd group, Caxton Publishers & Printers Ltd, and Avusa Ltd. Other important media players include M&G Media Ltd; the Natal Witness Printing & Publishing Company (Pty) Ltd; Primedia Publishing Ltd; Ramsay, Son and Parker (Pty) Ltd; and Kagiso Media.

Since 1994, the major press groups have embarked on programmes to boost Black Economic Empowerment in media ownership.

### Newspapers

In August 2010, the Audit Bureau Circulations (ABC) of South Africa reported that total newspaper performance declined by 163 000 copies between March and June 2010 when compared to the previous corresponding period.

Daily newspapers reflected a decline of 6,6% or 106 000 copies. Digital circulation, albeit off a small base, grew five-fold. In general, English titles declined more sharply than Afrikaans or vernacular titles.

Weekly newspapers declined by 6,6%, although the decline seemed to be slowing.

Weekend newspapers declined by 2,7%.

Community newspapers reflected a solid and stable performance, with growth mainly the result of new entrants. Free newspapers remained static.

### Magazines

Between March and June 2010, despite the uncertain economic climate, the number of new entrants was significant. Total ABC membership grew from 759 titles at 31 March 2010

In 2010, the Nat Nakasa Award for Courageous Journalism was awarded to Terry Bell.



to 794 at 30 June 2010, with 40 titles joining and five closures or resignations.

Total magazine circulation showed considerable growth, mainly the result of two significant Custom TV titles reporting.

## News agencies

The national news agency, the South African Press Association, is a cooperative, non-profit organisation.

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

## Media diversity

The independent Media Development and Diversity Agency (MDDA) is jointly funded by government, the media and other donors.

Headed by a nine-member board, the MDDA works to foster diversity, particularly in community and small commercial media, and to redress imbalances in the industry.

### Biggest weekly and daily newspapers

January to June 2010

#### Weekly papers

Sunday Times	461 433
Soccer Laduma	245 704
Rapport	260 897
Mail & Guardian	47 156
Sunday Sun	233 162

#### Daily papers

Daily Sun	484 588
City Press	176 025
The Times	124 541
Sowetan	125 902
Beeld	91 772

Source: Audit Bureau of Circulations

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**Above-the-line adspend in R millions**


Category	1999 R'm	%	2008 R'm	%	2009 R'm	%
Daily newspapers	1 241,5	15,6	3 348,4	14,2	3 266,8	13,4
Weekend newspapers	505,5	6,3	1 555,6	6,3	1 573,2	6,4
Black/coloured/Asian papers	164,6	2,1				included in other categories
Community newspapers	453,3	5,7	1 520,7	6,2	1 536,3	6,3
Consumer magazines	780,2	9,8	2 206,7	9,0	2 041,9	8,4
Trade, technical, financial	337,0	4,2	531,4	2,2	484,6	2,0
Total print	3 482,2	43,7	9 301,8	37,9	8 902,8	36,4
<b>TV</b>	<b>3 236,6</b>	<b>40,7</b>	<b>9 964,7</b>	<b>40,5</b>	<b>10 487,6</b>	<b>42,9</b>
Radio	925,7	11,6	3 344,8	13,6	3 041,0	12,4
Cinema	66,1	0,8	357,5	1,5	299,4	1,2
Outdoor	250,5	3,1	1 079,9	4,4	1 075,1	4,4
Direct mail (unaddressed)		not monitored	150,5	0,6	151,2	0,6
Internet		not monitored	375,9	1,5	468,9	1,9
<b>Total</b>	<b>7 961,0</b>	<b>100</b>	<b>24 575,0</b>	<b>100</b>	<b>24 426,1</b>	<b>100</b>

Rounding off occurs. **Important note:** 2008 revised upward from original data published in 2009 Media Facts. Excludes self-promotion by media.

**This table reads:** According to Multimedia, TV accounted for R3 236,6 million (40,7%) of the R7 961,0 million spent on the media in 1999. This rose to R9 964,7 million (40,5%) in 2008 and R10 487,6 (42,9%) in 2009.

Source: Nielsen Media Research's Multimedia





Former South African editor Laurence Gandar was in May 2010 declared a World Press Freedom Hero by the International Press Institute (IPI). He was posthumously honoured at a ceremony in September 2010 for his long years of dedication to the press in South Africa and his profoundly transformative effect on the political landscape of the country.

Gandar was editor of the Johannesburg-based *Rand Daily Mail* from 1957 to 1969.

Gandar is the second South African journalist to be selected as an IPI World Press Freedom Hero. In 2000, South African newspaper editor Percy Qoboza was honoured with the award.

The MDDA awarded its first grants to community and small commercial media projects in January 2004.

By mid-2010, the MDDA had funded 273 projects, amounting to R77 million worth of grant support. These included supporting community radio stations, community newspapers and other community initiatives with skills, seed funding, capacity-building and media diversity and literacy, among other things. The MDDA aims to expand its focus on rural and poor communities that have limited or no access to information.

## Advertising

Several South African agencies are active in Africa. They often receive significant international accolades for their work. The industry is self-regulated through the Advertising Standards Authority.

