Chapter 6

Communications

The Department of Communications is the centre of policy-making and policy review for the posts, telecommunications and broadcasting sectors in the country. This includes policy-making that affects State-owned enterprises such as Telkom SA Ltd, the South African Post Office (Pty) Ltd, Sentech and the South African Broadcasting Corporation (SABC), as well as the regulators – the Independent Communications Authority of South Africa (ICASA) and the Universal Services Agency (USA). All these, including the Department, fall under the Cabinet portfolio of the Ministry of Communications.

The Department aims to enable ordinary people to have access to Information and Communication Technologies (ICTs). This includes the following services that will create a flourishing information society:
- telemedicine – enabling rural clinics to get diagnoses from specialists at urban medical centres
- tele-education – enabling the country to cope with reversing the illiteracy rate through distance education
- convenience measures, which improve the way people work, live and play such as teleshopping and telebanking.

◀ South Africa is the fourth-fastest-growing GSM (Global Systems for Mobile Communications) market in the world. By December 2000, there were 7,7 million cellular users in the country. A study recently completed by the University of Stellenbosch and sponsored by Vodacom, suggests that there may be as many as 21 million cellular phones in South Africa by the year 2006.

The development of policies includes, among other things, the following domains:
- assessment of technological changes and trends, and their business and public impacts
- research, development and dissemination of specific policies, including the extension of services
- research and development of telecommunications, postal and broadcasting legislation required by the Ministry, regulatory authorities and State-owned enterprises
- high-level skills development through the Institute for Satellite and Software Applications
- analysis and development of competition policies and encouraging business development
- analysis of tariffs, licence fees and other sources of funding
- encouragement of local content and the local manufacturing industry.

Other role-players in these fields include the Government Communication and Information System (GCIS) and the Department of Arts, Culture, Science and Technology.

Policy

Developing a stable and predictable regulatory regime on e-commerce is central to the Department's vision of catapulting South Africa into the knowledge economy.

Since 1998, the Department of Communications has been working together with other government departments, industry and civil society to develop e-commerce policy and law.

In 1999, the *Discussion Paper on E-com-merce Policy* was published for public discussion. Emanating from the input received from the public and the outcome of the working groups, the *Green Paper on Electronic Commerce* was published for public comment in November 2000.

Subsequent to the launch of the Green Paper in April 2001, the Department hosted an e-law conference to develop National Electronic Communications and Transactions Law which will go into new policy. Broader understanding was reached on key policy and legislative issues, which include the:

- role of the Department as co-ordinator of government involvement in policy development, administration and implementation
- need to prioritise universal access to e-commerce
- need to bridge the digital and knowledge divide
- need to position government as a role-model user of electronic communications, including areas of procurement
- need to set up a National Public Key Infra-structure that will ensure security, confidence, validity and reliability of online transactions
- need to develop an institutional framework for the governance of e-communications including:
  - a country code top-level domain name registry in the form of a Section 21 company with all role-players, i.e. business, academia, the Internet community and users, included in the board
  - a root certification authority
  - digital signature

Information

In December 2000, ICASA and the South African Bureau of Standards (SABS) signed a Memorandum of Under-standing (MoU) on the generation and adoption of telecommunications and broadcasting standards in the country. It is believed that the MoU will herald a more efficient utilisation of taxpayers' funds by facilitating the collaboration of two public bodies in the area of common interest. The MoU encompasses the establish-ment of an ICASA/SABS Telecommunications Standards Subcommittee, to be chaired by ICASA, while the SABS will provide secretarial and other functions.

– cyber inspection.

The Department is in the process of finalising the Electronic Communications and Trans-actions Bill.

To ensure effective stakeholder participation, the Department hosted a policy colloquium in February 2001, which deliberated on a number of policy issues contained in the *White Paper on Telecommunications*. Informed by the outcome of this colloquium, Cabinet took decisions, which formed the basis of the draft policy directions, gazetted for public comment. The policy focuses on bridging the digital divide, lowering input costs, increasing universal service and access, human resource development, black economic empowerment and a stable regulatory regime.

In August 2001, Ministers of the Government's economic and investment cluster announced that the following policies will be reflected in coming legislation:

- Up to 30% ownership of major new operators will be reserved for empowerment purposes.
- Small, medium and macro-enterprises (SMMEs), including co-operatives, are to be licensed to provide telecommunications services including Voice-over Internet Protocol in areas with teledensity of up to 5%.
- The USA is to be restructured and the Universal Service Fund to be increased through a collection of not more than 0,5% of total revenue from each operator for the purposes of providing telecommunications services for the rural poor.
- Sentech will be licensed to provide international gateway telecommunications and multi-media services. For these purposes, Sentech will operate as a carrier of carriers and will not provide international services directly to consumers or end users. Like other licensees, Sentech will be given universal service obligations.
- All public schools will be entitled to a 50% discount for Internet connections. A private network will be established to link public schools.

- A private network will also be established to provide maritime services for the safety of life at sea.

Cabinet approved the following changes:

- A Second National Operator (SNO) will be licensed in 2002 and the decision on which State-owned enterprise is to be included in the SNO is to be determined. Depending on the outcome of a feasibility study, a Third National Operator (TNO) may be introduced in 2005. The Bill will provide for the conduct of a feasibility study prior to the licensing of a TNO.
- There will be no broadband licensing. Broadband services will be available through the licensed telecommunications companies.
- Carrier pre-selection and number portability will begin in 2005.
- There will be no legislative restriction of foreign ownership.

Departmental projects

Youth and information communication technologies

This national project is designed to provide career exposure in the telecommunications, broadcasting and postal fields for the youth who are completing or have completed matric. This programme will also target youths with disabilities.

Programming for this project has been aired on SABC 1 as well as on the 10 SABC radio stations.

Dedicated education service

The objectives of this project are to

- explore the feasibility and viability of a dedicated educational channel/service not only to address the broader educational needs

of South Africa but also to complement the existing system by providing a support service for distance education, teacher-training and curriculum development, health education, agricultural education, environmental education and early childhood development
- promote new strategies that can use the available resources with greater efficiency, effectiveness and equity through technology
- promote improved reception and extended television coverage to rural areas.

This is a joint project between the departments of Communications and Education, and seeks to enhance the usage of ICT for educational purposes.

This project also seeks to provide computers to schools; layout the backbone infrastructure for Internet access to schools; train the educators; establish an educational intranet; develop and acquire relevant educational content; and use ICT for school administration.

Java Planet

The Java Planet Programme is an Information Technology (IT) skills development programme and a joint project between the Department of Communications, Telkom Foundation and Sun Microsystems.

It trains unemployed graduates in Java Programming skills.

The Department manages the project and pays for equipment and learning material. Telkom Foundation pays for Internet connectivity and salaries for tutors. Sun Microsystems provides the training material and trains the tutors.

The Programme runs for nine months. Trainees are introduced to computers, web page designing, programming and Java programming.

Satellite-based distance learning

This is a pilot project that investigates the feasibility (effectiveness and affordability) of using satellite technology to deliver learning material to various points of learning. The idea is to establish an effective learning platform

Information

The Ministry of Communications hosted the International Telecommunications Union (ITU) Telecom Africa 2001 in November 2001. The event, with a specific focus on the continent, was attended by local and international private sector players and government institutions involved in the ICT industry.

through which training could be conducted nationally from all Internet-based sites of the Department.

A production studio has been established at Houwteq. A pilot project is under way where a satellite company will give the Department access to its channel through which learning material will be delivered from Houwteq to various Department of Communications' Web Internet Laboratories (DoC-Wils).

Videos and CDs have been developed with lectures from a programming expert from India. The lectures are an introduction to programming. These will also be broadcast via the satellite.

In 2000, the distance learning programme produced about 80 qualified A+ technicians and MCSE graduants.

By September 2001, 94 DoC-Wils had been established in schools and universities.

Support for Wits LLM Programme

This is a Masters Programme in Space Law that was developed by the Department and the University of the Witwatersrand. The Programme introduces students to telecommunications, space, media and broadcasting law.

The Department pays bursaries for 10 students per term. It also finances the operating costs for the project. It offers support for acquisition of learning material, overseas-based lecturers and site visits.

Telecommunications

South Africa ranks 23rd in telecommunications development and 17th in Internet use in the world.

Information

According to a survey conducted during the first half of January 2001, South African consumers spent R20 million on Internet retail sites during the 2000 holiday season. Online retail spending for the year came to more than R80 million. The top 10 individual sites in the holiday season sales were African cellular, Cybercellar, Digital Planet, Incredible Connection, Kalahari.net, Megashopper, Netflorist, Shoppingmatrix.com, StopQ and Streetcar.com. The survey excluded auction sites.

The country has approximately 5,5 million installed telephones and 4,3 million installed exchange lines. This represents more than 30% of the total lines installed in Africa. Telkom has met and exceeded its roll-out targets – over 1,6 million lines, 175 488 more than the cumulative target.

South Africa has a large transmission infrastructure, necessitated by the country's vast geographical area of 1,2 million km^2.

Covering about 156 million circuit-kilometres, the transmission network constitutes the backbone of all telecommunications services.

The network is almost wholly digital. Digital microwave and optical fibre serve as the main transmission media for the inter-primary network interconnecting all major centres.

The African Telecommunications Union has launched the African Connection Project, which provides for sector restructuring through new policy and regulatory frameworks that will facilitate much-needed investment.

The plan has the backing of 44 member states of the Pan African Telecommunications Union. The World Bank and other institutions are funding the projects. Six key African telecommunications projects have been prioritised: telemedicine, telehealth, tele-education, tele-agriculture, infrastructure development, telecentre/Internet access, and centres of excellence. South Africa chairs the Ministerial Oversight Committee.

The Ministry of Communications remains dedicated to the advancement of telecommunications in Africa. The majority of the continent's 53 Communications Ministers have committed themselves to this.

Over the next few years, modern policy and legislative frameworks will have to be considered by the participating governments, regulatory systems established, and a pool of African expertise harnessed for coordinated spectrum management and frequency planning.

The plan will require the setting of priorities that will include developing the industry to advance the objective of universal access and

service. This entails the development of tele-centres (or common-use public access terminals) in rural areas to ensure that larger numbers of people have access to telephones.

The first telecentre in South Africa was opened in March 1998 at Ga-Seleka, near Ellisras in the Northern Province.

Regulators and licencing

Independent Communications Authority of South Africa (ICASA)

The proclamation of the Independent Communications Authority Act, 2000 (Act 13 of 2000), in May 2000, paved the way for the merger of the South African Telecommunications Regulatory Authority (SATRA) and the Independent Broadcasting Authority (IBA) into ICASA. The President, on the recommendation of Parliament, appointed seven councillors to preside over the Authority.

The core responsibilities of ICASA include the regulation of South Africa's communications industry as stipulated in the telecommunication and broadcasting laws. ICASA's main goal is to create regulatory certainty in an environment where technological developments are growing at a rapid pace. ICASA promotes
- growth in telecommunications and broadcasting
- economic growth and development of society
- national and international investment
- universal service and access
- participation of previously disadvantaged groups
- leveling the playing fields by ensuring fair competition
- protecting public interest and consumer rights.

Radio and television broadcasters are licensed by ICASA, as well as all telecommunications service-providers, the frequency spectrum and telecommunications equipment.

Policies and regulations are developed for, among other things, interconnection, licence fees and tariffs. Monitoring is an integral part of the Authority's regulatory function. ICASA monitors the use of numbering, frequency spectrum, use of equipment, consumer monitoring and broadcaster's compliance with their licence conditions.

To ensure that the Authority remains accountable, a number of provisions have been amended by the Parliamentary Portfolio Committee on Communications to ensure that it functions in line with the provisions of the Public Finance Management Act, 1999 (Act 1 of 1999).

This entails the chief executive officer (CEO) being designated as the accounting officer, taking responsibility for money appropriated by Parliament to finance the Authority.

Universal Service Agency (USA)

The USA was launched in May 1997. It is a statutory body created in terms of the Telecommunications Act, 1996, and its objectives include advising the Minister on ways to bring about universal access and service, co-ordinating initiatives by service-providers such as Telkom, Vodacom and Mobile Tele-phone Network (MTN). It extends access to telecommunications by working with community-based organisations (CBOs), non-governmental organisations (NGOs), donor organisations and businesses.

The Agency manages the Universal Service Fund. The Fund, which holds a percentage of funds allocated from the licences of all telecommunications suppliers, supports projects that increase universal access to telecommunications service.

Information technology

State Information Technology Agency (SITA)

On 29 January 1999, SITA was incorporated as a private company with the State as sole shareholder to provide information technology-related services exclusively for the Public Service. It officially opened its doors on 1 April 1999.

arivia.kom

A new State-owned IT company came into being in January 2001. arivia.kom, which became fully operational on 8 January 2001,

is a product of a merger between ITS (the IT division of Eskom), Datavia (the IT division of Transnet) and Ariel Technologies (the IT division of Denel). The sum of the values of the three entities is estimated at R644 million, whereas the value of the merged model for the three entities is about R846 million with Eskom, Transnet and Denel having direct shareholding.

arivia.kom will be amongst the leading local IT companies, and will be an end-to-end business solutions-provider. Its key focus is to deliver IT infrastructure solutions, focused business solutions and to engage further into e-ventures to exploit opportunities in e-commerce.

Presidential International Advisory Council on Information Society and Development
In February 2001 in his State of the Nation address, President Thabo Mbeki announced the establishment of the Presidential International Advisory Council on Information Society and Development to assist government in narrowing the digital divide with the rest of the world. The Council consists of CEOs from major international ICT corporations and industry experts.

Information

Cabinet has accepted the establishment of a co-ordinated public emergency communications service. The Department will establish a three digit (112) emergency number operated through nation-wide accessible call centres and a national trunk radio network that will provide infrastructure to health, police, fire and traffic police emergency services. Sentech has been mandated to lead the process of re-engineering the provision of a national radio trunking network.

Early in May 2001, the Department in conjunction with Sentech hosted a workshop which included municipalities and State agencies involved in the provision of public emergency communication services. Given the urgent need for a modern digital network, the process of defining user requirements for technical specification development and network design is being accelerated. Such a radio network will benefit emergency agencies, especially rural municipalities that lack the resources to establish such infrastructure.

Some R4,3 million has already been allocated to Sentech for the establishment of public emergency call centres. Some R80 million will be made available over three years.

In addition to the Task Force, government will appointment members of the Presidential National Commission on Information Society and Development, which will deal with skills development issues in the ICT sector.

The first meeting of the Advisory Council was held in October 2001 at Lake Pleasant in George. The Council will meet once a year to further exchange ideas.

Internet

According to figures released by the Audit Bureau of Internet Standards (ABIS) in November 2000, growing numbers of South Africans are using the Internet.

The most popular website in South Africa was mtnsms.com, which boasted an international audience of more than 3,1 million subscribers and recorded more than 61,4 million impressions in the third quarter of 2000.

Africam was second on the ABIS rankings with 34,9 million impressions of wildlife scenes from various South African parks and reserves. ABIS-audited sites recorded an average of close to 200 million page impressions per month from July to September.

Among those taking on the challenge of providing high quality content was M-Web's network of sites, which was the big winner in the competitive portal sector, growing 28% to record close to 30 million impressions. M-Web, which includes the highly regarded *Daily Mail & Guardian* news site, recorded 11 million impressions more than rival iafrica.com.

Among the smaller portals, Woza showed a 24% growth in the third quarter for 7,4 million page impressions, three million more than the Independent Group's portal offering. News24.co.za increased by 45% in this quarter.

The biggest growth in the third quarter came from PSG Online, which grew by 65% to record 2,1 million impressions.

Junk Mail boosted its traffic more than 63% over the previous quarter, while Johnnic e-Ventures' search engine, Ananzi, started paying back an aggressive investment in its

image and infrastructure revamp with a massive 58% increase in traffic.

Focused industry sites also exhibited growth. Aucor (online auctions), Careerjunction (recruitment), Webmail (free web-based e-mail), CapeAds Online (classifieds) and Classic FM (radio and current affairs) all grew by more than 35%.

South African Internet Exchange (SAIX)

Telkom has established an Internet transport network, consisting of a centrally managed national backbone, linking points of presence throughout the country, as well as extensive international links.

SAIX has reduced the capital barrier for entry to the market, allowing more than 70 small Internet service-providers to open up.

Public information Terminals (PiTs)

In order to facilitate the development of e-government, the Department of Communications is engaged in a process of rolling-out PiTs that will provide electronic addresses to citizens.

PiTs entail the installation of Internet kiosks in post offices around the country. Access to the public terminals is through smart-card technology.

The PiT project received an award from the World Information Technology Services Association as the best technology for providing access to the Internet and e-mail by ordinary people. It also provides a platform for e-commerce to empower the growth of SMMEs.

By September 2001, 100 PiTs had been installed in post offices country-wide of which 91 were online.

Internet Directorate

In order to ensure that electronic transactions are conducted in a secure manner, and to

Information

In January 2001, Telkom signed a R60-million deal to upgrade the transmission link between South Africa and Zimbabwe. Zimbabwe is Telkom's second-largest connectivity partner for outgoing traffic in the world.

prevent pornography and child and women abuse via the Net, the Department is establishing an Internet Directorate.

The Directorate will co-operate with other government departments, the criminal justice system, the private sector, international institutions and the Internet community in ensuring that negative aspects of cyberspace are addressed.

The Directorate will also assist in the development of Internet usage amongst previously disadvantaged schools and clinics.

International co-operation

South Africa is a member of the Council of the ITU, an arm of the United Nations. Several governments, international organisations and donor agencies have pledged financial and technical support to help strengthen the South African IT industry.

The money will mainly fund research projects to identify sustainable ways of enlarging the industry. This could include seed capital to fund research or manufacturing projects, and assessing how rural hospitals could benefit from telemedicine or how effective computer-based education is for schools.

Telkom

Telkom South Africa Limited officially came into being on 1 October 1991 when it was incorporated as a company with the State as sole shareholder.

In May 1997, 30% of Telkom was sold to a strategic equity partner, Thintana Communications, a consortium comprising United States (US)-based SBC Communications and Telekom Malaysia Berhad. Some R4,4 billion of the R5,6 billion equity sale proceeds was injected into Telkom to help fund its network expansion and modernisation programme.

In terms of this programme, Telkom is required to install 2,8 million new lines, including 120 000 payphones, in the five years to March 2002.

Over the same period, it must provide first-time telephone services for over 3 000 vil-

lages, install more than 20 000 new lines for priority customers such as schools and hospitals, and replace around 1,2 million analogue lines with digital technology.

By March 2000, Telkom had installed 1,2 million new lines, of which almost two-thirds were provided in under-serviced parts of the country. This has brought the total number of lines in operation to approximately 5,5 million, representing well over 30% of all lines installed in Africa.

During the same period, the company brought telephones to over 2 000 villages which previously had no service, added almost 86 000 new payphones, and installed just over 14 000 lines for schools, hospitals and municipalities.

In the last six months of 2000, Telkom invested R3,7 billion in growth. Among others, this investment was made in connecting 482 new villages and 3 500 priority customers. During this period, 59 000 non-digital lines were replaced, 300 000 new access lines were built, and 1 661 798 new ports were installed.

At the end of October 2000, the Minister of Public Enterprises announced the names of the five consortiums short-listed for global coordinator of the initial public office (IPO) of shares in Telkom. The Government holds 70% of Telkom and of this portion between 20% and 30% was expected to be offered to staff, the National Empowerment Fund and the public. The consortiums on the short-list were:
• Deutsche Bank/African Harvest Capital (Pty) Ltd
• Goldman Sachs/ING Barings/Nedcor and Nedcor Investment Bank/Gobodo Corporate Finance/Edward Nathan and Friedland
• HSBC/Sanco/Mongmotse Capital
• JP Morgan/Standard Corporate Merchant Bank/Legae Securities/CKM/Wipcapital/ Fleming Martin/White & Case
• UBS Warburg/African Merchant Bank/Krem Investment Holdings.
The listing was scheduled for the 2001/02 financial year.

Centralised network management

The National Network Operations Centre (NNOC) near Pretoria became operational early in 2000.

Equipped with a 120-m wide video wall that gives Telkom an up-to-the-second, real-time visual summary of the status of its network, the NNOC allows Telkom to manage its entire network from this single, central point.

The neighbouring Information Technology Services Centre enables Telkom to be pro-active in localising and isolating technical problems such as cable breaks and exchange malfunctions, which can be rectified with far greater efficiency and cost-effectiveness.

The Centre is in direct and real-time contact with all Telkom's exchanges and other network elements such as its critical ATM (asynchronous transfer mode) and SDH (synchronous digital hierarchy) transport networks, resulting in reduced response times, more up-time and improved overall network reliability.

Global connectivity for Africa

Telkom is a key player in a US$630-million optical fibre undersea cable project that will cater for Africa's growing telecommunications needs for the next 25 years.

About 40 nations and several international telecommunications operators have joined Telkom in the initiative, known as SAT-3/ WASC/SAFE, which will link African nations with Asia and Europe. The cable will be capable of transmitting 80 gigabits per second between two points.

It was due to be commissioned in 2001 along with a regional African satellite communications system that involves the construction of 2 000 earth stations across Africa with the potential to cover 70% of the continent's population

The SAT3/WASC (Southern Africa/Western Africa Submarine Cable) component is a 15 000 km high-performance fibre optic cable linking Europe with southern Africa and a number of countries on the western African coastline.

SAFE (South Africa-Far East) continues the connection of another 13 800 km to Malaysia via Réunion and Mauritius, with a landing that brings India into the system. On-ramps and off-ramps will be established to allow these countries to take advantage of the information superhighway and to complement current and future satellite facilities.

Land-locked countries and neighbouring states in Africa will be able to link into the cable system via satellite and terrestrial connections, resulting in this project benefiting the continent as a whole.

Telkom is also working with other countries towards the concept of a regional network infrastructure for South Africa which will support reliable, effective, affordable and advanced telecommunications services among Southern African Development Community (SADC) members.

The intention is to achieve this network through bilateral and multilateral co-operation within the SADC Regional Infrastructure Initiative.

Counting the capital cost

The total five-year cost of Telkom's network building and modernisation programme is estimated at R47 billion, approximately R30 billion of which has been spent.

The programme is funded by Telkom itself, through a combination of internally-generated revenue and foreign and local borrowings. The company receives no State funding, and contributes to the State's resources through tax and dividend payments.

These amounted to approximately R2,5 billion in the 1997/98 and 1998/99 financial years alone.

Information

In August 2000, Telkom signed an historic agreement with the Lesotho Telecommunications Corporation to install a digital telecommunications system in Lesotho. The Martis DXX system will cost Lesotho some R2,5 million. Telkom will also train Lesotho technicians as part of the deal.

Focusing on core communications

In early 2000, in line with global trends, Telkom outsourced five non-core entities – fleet management, light engineering, electronic repairs, restaurants and security services.

These businesses have been sold to professional organisations that specialise in these areas and have the expertise and economies of scale to run them efficiently and cost-effectively.

At the end of July 2000, Telkom announced that it had entered into a R1,5-billion a year deal with Telecommunications Facility Management Company to outsource its property management and infrastructure operations.

Earlier in the year, Telkom outsourced its security division, Telesafe, to Praysa, a consortium led by the Communications Workers Investment Company and Protea Security.

The bulk of Telkom's restaurant operations were taken over by Fedics (Pty) Ltd, the largest black-owned company in South Africa's corporate catering market. From 1 April 2000, Fedics took over 21 catering sites that collectively service about 11 000 Telkom staff.

It followed earlier agreements with Molapo Technology on the electronic repairs division and management of the 19 000-vehicle fleet.

Social investment

Telkom's social investment arm, the Telkom Foundation, has committed R100 million over five years to projects aimed at promoting science and technology education, job creation and child care.

Telkom's commitment to social upliftment was recognised in December 2000 when the publication *Professional Management Review* awarded the company the Empower Award for Social Upliftment as well as the Renaissance Award for Empowerment.

Education

The Telkom Internet 1 000 schools campaign was launched in 1998 when Telkom adopted 1 000 schools, supplying each with a computer, free Internet access and telephone rebate packages. Telkom also appointed Schoolnet SA to

train teachers on computer and Internet usage. The project is being expanded with the establishment of Super Centres at 100 schools. These Centres will be equipped with 21 computers and a network server.

The train-the-trainers programmes for maths and science encourage exceptional teachers to become mentors to their peers. The project forms part of the Maths and Science Teacher of the Year Award that recognises teaching excellence on a provincial and national level.

Telkom's Department of Communications' Web Internet Laboratories programme addresses technology education needs at tertiary level. The aim is to equip technikons, technical colleges and university students with IT-based skills.

The project includes Internet-based training for 40 students at each of the 10 institutions taking part.

The Foundation also supports ThinkQuest, an international website development competition involving teams of school students between the ages of nine and 12.

Job creation

Telkom is involved in numerous projects aimed at business development:
- The EnterPrize business plan competition is aimed at creating new businesses and growing existing ones.
- The Copper Cable project aims to develop a market in copper-based crafts by donating scrap copper to craftsmen and women. The National Arts Council provides a mentoring and training service.

Social investment

Telkom is involved in a number of projects aimed at promoting self-reliance among children by
- providing extensive support for the National Plan of Action for Children programme, especially in the field of communications
- supporting Childline, a national toll-free number that provides a lifeline for children suffering from sexual, physical and emotional abuse.

Mobile communications

South Africa, with the operators Vodacom, MTN and Cell C, is the fourth-fastest-growing GSM (Global Systems for Mobile Communications) market in the world and is growing at a rate of 50% per annum. By December 2000, there were 7,7 million cellular users in the country.

The country's third cellular licence was granted to Cell C in June 2001. Cell C is backed by Saudi Oger. It also brings in Verizon Communications, the biggest cellular operator in the US as operating partner.

The issue of the licence will enable Cell C to start operating and to implement a roll-out of its cellular network. Cell C will start operating on an 084 prefix number range. It signed a 15-year roaming agreement with Vodacom in July 2001.

Vodacom is South Africa's leading cellular network with a 60% share of the market, and more than 90% of all new connections are prepaid customers. Telkom is the majority shareholder of Vodacom, with a 50% interest. Other stakeholders are Vodafone (31,5%), Rembrandt Group Ltd (13,5%) and Hosken's Consolidated Investments (5%).

Vodacom Group (Pty) Ltd's estimated value is between R50 billion and R70 billion. Vodacom customers make more than 1,3 billion calls every month and sent almost five million SMS messages from their cellphones on New Year's Day alone.

MTN's network coverage in South Africa is one of the most extensive in the world, embracing almost 880 000 km^2 (including sea) and providing telecommunications access to 92% of the population. MTN's other African operations include Uganda, Swaziland, Rwanda, Cameroon and Nigeria.

MTN was the first African network to be awarded the international quality certifications ISO 9001 for its Network and IS divisions, ISO 9002 for its Customer Services Department and ISO 14001 for its Environmental Management System.

A study recently completed by the University of Stellenbosch and sponsored by

Vodacom suggests that there may be as many as 21 million cellular phones in South Africa by the year 2006.

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. In order to ensure this, a universal service obligation (USO) is placed on the South African Post Office.

In order 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 will 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 of the country
- at a standard of performance which reasonably meets the needs of the population.

The adoption of the *White Paper on Postal Policy* in May 1998 paved the way for legislative reform, which resulted in the enactment of the Postal Services Act, 1998 (Act 124 of 1998), which repealed certain sections of the Post Office Act, 1958 (Act 44 of 1958). The Postal Services Act, 1998 came into operation in January 1999.

Information

South Africa's annual postal trade with SADC countries amounts to more than R42 million. It dispatches some 975 000 kg of letter mail to SADC countries and receives about 194 000 kg of letter mail annually.

On the international front, the South African Post Office exchanges surface and airmail dispatches with more than 90 countries.

In terms of the Post Office Act, 1958, the Post Office enjoyed exclusive rights and privileges, including a monopoly on letter mail up to 2 kg. According to the Postal Services Act, 1998, the Post Office continues to enjoy certain exclusive rights and privileges. However, the monopoly has been reduced to 1 kg.

In addition, the Post Office 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 locally and regionally.

Postal services regulatory framework

The Directorate: Postal Regulation was established within the Department of Communications to
- ensure that the provisions of the Act and the terms and conditions contained in the licence are complied with
- promote the interests of users of postal services in respect of the cost of reserved services, the continuity of postal services and the quality thereof
- ensure that all reasonable requests for postal services are satisfied
- promote and encourage the expansion of postal services
- promote universal postal service provision
- regulate the issue of postage stamps.

South African Post Office

The principal function of the Post Office is to supply postal services within and outside of South Africa. The Post Office may also conduct subsidiary and incidental businesses and activities relating to postal services. The Minister of Communications announced in September 2000 that the Post Office had invested nearly R300 million in upgrading its infrastructure. This included major changes to the mail process and distribution network.

Principal activities

Capital expenditure of the Post Office group totalled R315,6 million in 1999/01, while total expenditure amounted to some R3,8 billion.

The group's total income, including subsidy, was approximately R3,7 billion and its fixed assets R1 040 million. By March 2001, the group employed a total of 26 575 staff, excluding part-time employees and contract workers.

The Post Office's core business is postal services, which account for 70% of its total revenue. Responsibilities include the provision of a postal distribution network with postal addresses as end nodes.

The main areas of business are the delivery of domestic and international letters, and courier and parcel services.

Products and services

The Post Office handles an average of eight million letters a day, 70% of which are pre-paid mass-mailed letters sent out by companies using franking machines. All franking machine systems in operation in South Africa operate on remote meter-settings. The system enables the user to frank, date and seal an article, print a return address and count the items in the same time as it takes to have a stamp affixed, thus saving time and money. The exact postage due can be franked onto an envelope or label, as opposed to affixing a number of postage stamps to make up the postage due. Machine inspections are done on the clients' premises.

Counter service

In addition to letter mail and parcel services, the Post Office offers a range of other mail services, such as courier services, agency services such as pension payments, and the collection of third-party payments on behalf of organisations like Telkom, the SABC and local governments. It also offers savings and money transfer services through the Postbank.

Securemail

Securemail is a business unit aimed at hand-ling security-sensitive items such as credit cards. It handles more than 2,5 million credit cards a year.

It was established with the full co-operation of major financial institutions to minimise postal theft and fraud. Since its inception, there has been a significant decrease in credit card theft. Over 99% of cards handled are now successfully delivered.

Freight and courier services

The Courier and Freight Group (CFG) (Pty) Limited of the South African Post Office became the biggest distribution company in southern Africa when it took over the customer base of Fast Forward. Various services are available:

• parcel distribution, express and courier services
• mini-container services
• parcel and mini-container services to neighbouring countries
• the document exchange
• Speed Services Couriers.

Philatelic services

The sale of postage stamps is traditionally associated with the Post Office. Annually, the Post Office prints more than 384 million of these tiny works of art. Stamps do not only play an important role in the daily postal delivery system, but also serve the interests of a great many stamp collectors and philatelists by keeping pace with historic events and parading the countrys' rich culture and diverse artistic splendour.

The Post Office Division: Philatelic Services serves stamp collectors and dealers throughout the world. Apart from counter sales at all the Post Office's points of sale and mail orders, the Division operates a deposit account system whereby new issues are automatically mailed to stamp collectors anywhere in the world.

In September 2000, a set of three postage stamps was issued to celebrate the listing of Robben Island, the Greater St Lucia Wetlands Park and the fossil-hominid complex at

Sterkfontein as heritage sites. The launch coincided with World Heritage Day.

The Post Office released a new postage stamp series of birds, flowers, butterflies, fish and flowers entitled *Colourful South Africa* in November 2000.

The issuing programme for 2001 included:
• South African myths and legends
• South African bats
• Hong Kong Stamp Exhibition – Year of the Snake
• Anglo-Boer/South African War
• South African sports heroes
• a celebration of music in South Africa
• tourism/natural wonders of South Africa
• Nelson Mandela souvenir booklet
• Coat of Arms/President Thabo Mbeki
• Big Five souvenir booklet
• joint issue with Botswana
• round-the-world yacht race
• child abuse
• 25 years commemoration of Soweto uprising
• Christmas
• cricket sheet.

In August 2001, a special stamp commemorating the World Conference Against Racism (WCAR) was launched. The stamp features the WCAR logo, with the theme *Tolerance and Diversity*. It is available in all the country's 11 official languages. The WCAR was held in Durban from 31 August to 7 September 2001.

Mail volumes

The Post Office services over 40 million South Africans and numerous public and private

Information

In September 2000, the Minister of Communications launched the first Citizens Post Office (CPO) in Soshanguve, Gauteng – the first of 20 to be rolled out at a cost of R10 million. One of the key objectives of these CPOs is to enable previously disadvantaged communities to have access to digital infrastructure as part of the Government's objectives of bridging the digital divide. CPOs are different to traditional post offices in that they have such facilities as PiTs, fax and photocopying machines, and Internet access.

institutions. In 2000/01, it processed 1 772 million mail items for delivery to over 6,78 million delivery points. Volumes of core postal products of the Post Office have been in decline since 1995, dropping by 22% over the period 1995 to 2001.

Postal network

By March 2001, the Post Office had 2 762 postal outlets country-wide and 30 mail processing centres. The management of the post offices, agencies, local hubs and delivery depots in the provinces is done through nine postal regions. The network is currently being rebalanced for access and more equitable services, especially in historically disadvantaged areas where the network increased by 19 in 1995 to 181 by March 2001, giving the Post Office a total of 1 352 outlets in the under-serviced areas. South Africa has a network of postal routes across which mail is conveyed to and from cities, towns, villages and hamlets.

The Post Office uses road transport on most of the major routes in the country for the dispatch of domestic surface mail. Sea mail is carried to all parts of the world as and when ships are available. Closed surface mail dispatches are forwarded to more than 90 countries and received from more than 75, while closed airmail dispatches are forwarded to more than 65 and received from more than 100 countries. Some 45 airlines transport mail to South Africa and about 33 from the country. The international air and surface parcel service of the Post Office is available to some 220 countries.

Delivery standards and service performance

National delivery performance has been improving over the years. By December 2000, the Post Office claimed to consistently deliver 91% of mail on time. This equals western Europe standards and is above the Universal Postal Union's (UPU) standard of 90%.

However, constant process changes to improve service delivery have enabled the Post Office to reduce the delivery standards

from April 2000 from three days to two days across town, and from four to three days across the same region.

Against the new standards, an average of 89,5% was achieved for the period 1 April to 30 September 2000. Measured against the old standards this would have been 93,5%.

The Post Office uses various systems to measure service performance. Each of the systems is in operation nationally and provides the operational and management information that is also monitored weekly at the video conference at the National Control Centre. To ensure quick and accurate mail delivery, the use of correct postal codes is essential. The postal codes may be obtained from the Internet at http:www.sapo.co.za, or through the PostCoder software package (toll-free number 0800 110 980).

Address provision
The Post Office is committed to provide every household in South Africa with a postal address. By September 2000, mail was delivered to 8,3 million postal addresses. This included delivery to more than 4,2 million street addresses, more than 4,1 million post-box addresses and some 17 000 private bags. It was envisaged that more than 1,3 million postal addresses would be installed in the 2000/01 financial year and more than 1,7 million in the following year.

Postbank
Postbank is aiming at remaining a profitable entity within the South African Post Office infrastructure. It services its defined target market through a carefully defined and expanded mix of innovative and traditional products, using cost-effective distribution channels, including the Post Office network.

Postbank Flexi Card
The Postbank Flexi Card, formerly known as telebank account, is a card-based transaction account.

It can be used as a convenient medium to receive and withdraw salaries and other payments. Postbank Flexi Card transactions are made over Post Office counter terminals and at over 7 200 automatic teller machines of other banks. The minimum amount to open an account is R10.

Postbank Smart Save
The minimum balance to open and maintain an account is R50. Postbank Smart Save offers the opportunity to deposit and to withdraw money in every Post Office country-wide, regardless of where the account was opened. Differentiated interest rates are applicable, depending on the balance.

Maxi Save
Postbank Maxi Save caters for customers who are looking for an investment with a maximum yield. The minimum deposit is R1 000, and funds are available on contract maturity. The minimum deposit period is six months. Interest rates are subject to regular review, depending on the general level of market-related interest rates.

New products and services
Postbank is in the process of refining and expanding its product range to cater for the needs of the 'unbanked' part of the South African population. This will include loan facilities and other basic banking products.

International and regional co-operation
South Africa is a member of the UPU. The country participates in the 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 postal financial 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.

Press Freedom Day is celebrated annually on October 19.

Broadcasting

Policy and legislation

The Broadcasting Act, 1999 (Act 4 of 1999), is aimed at establishing and developing a broadcasting policy to regulate and control all broadcasting, among other things 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.

Information

The National Programme of Action for Children, located in the Presidency, launched the South African Children's Media Council at the end of October 2000. The Council's aim is to ensure that the media are able to influence children in a positive way. The Council will spearhead meaningful dialogue between children, programme-makers, broadcasters, parents, service-providers and advertisers who target children and other stakeholders.

The Act defines the objectives of the South African broadcasting system, the structure of the SABC and the roles of the various sectors in meeting these objectives. It also guarantees the independence of the SABC as public broadcaster. Section 8 of the Broadcasting Act, 1999, sets out the objectives of the SABC. In terms of the Act, the Government will hold 100% of the shares in the SABC as a limited liability company. In terms of the Act, a new SABC Board was appointed, which comprised a new CEO, Chief Financial Officer and Chief Operating Officer. The Memorandum and Articles of Association were drafted, and Articles were lodged with the Registrar of Companies for the registration of SABC Ltd. All SABC assets will be transferred to the new SABC Ltd which will submit an application to ICASA for the transfer of licences.

The White Paper on Broadcasting provided for the establishment of the Digital Broadcasting Advisory Body. Early in 2001, the Minister jointly launched the Digital Advisory Body and the Broadcast Production Advisory Body, consisting of representatives from all broadcasting stakeholders, to promote the production of local content, the production of materials that will meet the needs of the community sector, and the foreign sale of local products. The Digital Broadcast Advisory Body will work very closely with the Department of Communications on technology issues. The Body will advise the Minister on technology issues with particular reference to digital broadcasting and the economic and other implications of converting from analogue to digital transmission techniques.

Children and broadcasting policy

Currently, South Africa has no legislation on children broadcasting services. However, sections in the Green Paper, the White Paper and the Broadcasting Act, 1999 refer to such services.

The Department of Communications is embarking on a policy process for children broadcasting services in South Africa. It was envisaged that the process would commence

in the middle of 2001 and be completed in 2002.

A National Steering Committee has been established as a managing structure for the policy process, consisting of the Department of Communications, the National Programme of Action for Children in South Africa, and the Children's Broadcasting Foundation for Africa.

A report on the status quo of policy and regulatory issues as well as programming regarding children and broadcasting was compiled.

A report on national and provincial workshops conducted with children and adults by the Steering Committee was completed for the 3rd World Summit for Children and Media in Greece in March 2001.

The goal of the Summit was to promote policies that encourage media literacy and awareness, and to encourage the emerging relationship between children's television and new media.

Cross-media control

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. The level of ownership of private radio and television stations permitted for a foreigner is currently 20%.

The Government believes that this should be raised in order to increase investment.

ICASA

In May 2000, the Independent Communications Authority Act, 2000, was proclaimed, paving the way for the merger of SATRA and the IBA and the establishment of ICASA.

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 became necessary. Under the Radio Act, 1926 (Act 20 of 1926), all radio transmission and reception were 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 (BBC), 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.

The SABC has 19 radio stations under its control, attracting some 20 million listeners daily. Two of these stations, Radio Bop and CKI FM, were inherited from the former homelands of Bophuthatswana and Ciskei respectively.

The SABC introduced a radio service targeting the San community in August 2000. The station, which broadcasts in both the !Xu and Khwe San dialects as well as Afrikaans, is based in Schmidtsdrif outside Kimberley. It can be heard over a radius of 50 km.

The SABC Radio News staff generate some 2 000 news programmes per week with a combined airtime of almost 300 hours. For its coverage, Radio News has editorial offices in all major cities of South Africa, a wide network of local and international correspondents, and access to Reuters, *Agence France*

Presse (AFP) and the South African Press Association (SAPA).

The SABC also started an external service along the lines of the BBC World Service and the Voice of America in 1966. Called Radio South Africa, the channel was funded by the Department of Foreign Affairs.

In the early nineties, the name was changed to Channel Africa as part of the transformation of the image and the role of the public broadcaster. It is targeted at audiences in Africa and the Indian Ocean islands, and offers an all-African radio service. As a broadcaster from Africa to Africa, it concentrates on providing programmes with a specifically African content.

Channel Africa comprises four language services reaching millions of listeners throughout Africa. Broadcasts are in English, French, Kiswahili and Portuguese. A process of commercialising Channel Africa and extending its services and programming has started.

The station will be restructured and turned into a viable commercial enterprise. The process is ongoing.

Private radio stations

The following private radio stations have been granted licences by ICASA: Classic FM in Gauteng; *Punt Geselsradio*, an Afrikaans MW talk-radio station operating in Gauteng and the Western Cape; Cape Talk MW in the Western Cape; P4, a smooth jazz station in Cape Town with a sister station in Durban; Kaya FM in Gauteng, a multilingual youth radio station; Y-FM, broadcasting in Johannesburg in isiZulu, Sesotho and English; Radio KFM; Radio Algoa; *Radio Oranje*; Highveld Stereo; Radio 702 in Gauteng; East Coast Radio, and Radio Jacaranda. Stations such as Jacaranda, Highveld, *Radio Oranje*, Algoa and East Coast Radio were initially

Information

The SABC's Afrikaans radio channel *radiosondergrense* launched a world first in October 2000 when it started broadcasting simultaneously on radio, television and the Internet. It is also available on cellphones employing wireless application protocol technology.

Radio SABC stations, but were sold to private owners to diversify radio ownership in South Africa as part of the transformation of the public broadcaster.

Community radio stations

Roll-out of community radio stations is determined by the four-year licensing process of ICASA. More than 80 community stations have been licensed since 1995. The first four of these stations were launched in Botshabelo, Ficksburg, Senekal and QwaQwa on the same day in January 2000 via satellite. By the end of the 2000/01 financial year, 36 community radio stations had been established country-wide. The Ministry of Communications is contributing by providing infrastructure in needy areas. Some R6,5 million was allocated for this programme in the 2000/01 financial year. Priority was given to the Northern Province, KwaZulu-Natal and the Eastern Cape.

Television

The SABC

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

Today, the SABC offers six television channels in 11 languages. Four are free-to-air, namely SABC1, SABC2 , SABC3 and Bop-TV, while Africa2Africa and SABC Africa are pay-television channels, broadcasting into Africa by satellite.

There are more than four million licensed television households in South Africa. About 14 million adults watch SABC television daily, making South Africa the country with by far the largest television audience in Africa. Eight per cent of broadcast time on all services is allocated to advertising.

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

Communications

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.

Some 98 news bulletins are broadcast in all 11 official languages weekly.

The SABC follows a staggered licence year procedure, which means that the licence year is split over 12 months, instead of the annual administrative peak, which occurred in the past when viewers had to renew their licences at the end of October.

A reward club for television licence-holders was launched in 1998.

In a bid to encourage licence payment, holders of the credit card-sized plastic licences have access to benefits ranging from preferential insurance rates to discounts at several retailers.

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 41 countries across the African continent.

M-Net, which is listed on the JSE Securities Exchange, 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 that country.

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

Information

In October 2000, Justin Arenstein and Sharon Hammond from the African Eye News Service (AENS) in Mpumalanga received the prestigious Knight International Press Fellowship Award from the International Centre for Journalists for their contribution to journalism.

They launched the AENS in 1995 with one computer, and today supply eight southern African countries and Britain with news and features.

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.

Satellite broadcasting

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

This innovation has been the hallmark of MultiChoice, culminating in its presence in over 50 countries throughout Africa and a subscriber base of more than 1,4 million. This is done through franchises and joint ventures. MCA has introduced new technologies, offering over 54 video and 48 music channels.

MCA's technological roll-out has included the launch of data channels and the launch of the W4 satellite over West Africa, which has made digital satellite television acquisition cheaper. An added benefit has been the Africanisation of channels where local stations and languages are accommodated in the countries where Multichoice is broadcasting.

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 tel-evision 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.

According to the latest AMPS (All Media and Product Survey), e.tv is the third biggest television channel in South Africa.

This translates to 6 707 000 'yesterday' viewers. Its viewership has grown by 31% over a six-month period from AMPS A (January-June) to AMPS B (August-December 2000). It was also the only station that showed significant growth in the AMPS B survey.

Signal distribution

The signal distributor Sentech was converted into a public company with the State as the sole shareholder.

This restructuring was taken a step further through a strategic and resource review, which is aimed at introducing a strategic equity partner in the near future. While being involved in the extension of signals to unserved communities, Sentech is aggressively pursuing clients in other parts of Africa, using the opportunity for maintenance of and running infrastructure in Swaziland, Ghana and Kenya.

Sentech's licence is being extended to include the provision of the international gateway telecommunications and multimedia services.

Sentech, in partnership with the Development Bank of Southern Africa, produced the *Glossary of ICT terms* in English and Zulu.

Print

Technical and editorial handling of the print media in South Africa rate among the best in the world.

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 en 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 (most newspaper titles), Media 24, CTP/Caxton and Johnnic Publishing.

Other important media players are Primedia, 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). The flagship of New Africa Media is the biggest daily in South Africa, *Sowetan*.

Newspapers

South African newspapers are based mainly on the British model. The management and edtorial departments are controlled separately.

The size of the country – 1 500 km separating the main centres of Cape Town and Johannesburg – still precludes national dailies in the true sense of the word. The only truly national newspapers are the three Sunday newspapers, *Sunday Times*, *Rapport* and *The Sunday Independent* and the weekly newspaper *City Press*. All three are published simultaneously in various cities, using the printing facilities of related dailies.

The *Sunday World*, launched in March 1999, soon lost its initial popularity and was relaunched in 2000 as the *Sowetan Sunday World*. It is distributed in Gauteng, Mpumalanga, Northern Province and North-West.

There are 16 dailies and 11 weeklies in South Africa. Almost 147 Print Media SA (PMSA) community press members 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 Friday.

Newspapers appearing only in certain neighbourhoods, known as 'knock-and-drops' or 'freebies' are distributed free of charge. They have a guaranteed readership with advertising being their only source of income.

In 2000, the Audit Bureau of Circulation (ABC) listed more than 90 such papers. They are distributed mainly in urban areas, and number in the hundreds when unlisted ones are considered. Press groups such as Media 24 and CTP/Caxton are major players in this field.

More than 3,6 million newspapers of this sector are distributed weekly.

Since 1996, local newspapers, freebies and corporate newspapers have ventured into reporting in indigenous languages as well. 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 as the popular language of choice.

Circulation

Newspaper circulation for urban daily and weekly newspapers displayed a decrease in circulation of 35 316 during the second half of 2000. Circulation for knock-and-drop newspapers showed a significant increase of 639 783 over the same period.

Circulation for paid regional newspapers decreased by 1 109 over the July to December 2000 period.

Although the literacy of the South African population increased by more that 20% from 1991 to 1995, this has not been reflected in the circulation figures for traditional 'white' English newspapers.

This is attributed to aliteracy among South Africans (aliteracy refers to people who can read, but choose not to).

In the light of this problem, PMSA through Print Media in Education has embarked on a programme to spread awareness of how aliteracy impacts on the competitiveness of the country. *Sowetan* (203 352) is the largest English daily, *Die Burger Saterdag* (Cape Town) is the largest Afrikaans daily (109 728), and the *Sunday*

Sold magazines with the largest circulation, July – December 2000			
Name	Frequency	Language	Audited circulation July – December 2000
Huisgenoot	W	A	369 969
You	W	E	235 244
Reader's Digest (SA edition)	M	E	184 289
Rooi Rose	M	A	152 409
Bona	M	E, X, S and Z	148 873
Woman's Value	M	E	144 298
Sarie	F/N	A	143 958
TV Plus	M	A and E	125 753
True Love	M	E	116 487
Drum	W	Z and E	114 500

The abbreviations used are the following: W (weekly), M (monthly), E (English), A (Afrikaans), X (Xhosa), S (Sotho) and Z (Zulu)
Source: ABC

Times (506 474) is the pub-lication with the biggest circulation of all publications sold on Sundays.

Distribution

In cities, newspapers rely heavily on street sales and door-to-door delivery. Cafés and general stores provide additional selling points. Postal delivery, however, is declining in importance. 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 Publications' circulation. The Afrikaans press group, Media 24 (*Nasionale Nuusdistribueerders*), handles most of its distribution itself.

Magazines

Magazines have seen a significant increase of 2 835 071 in the second half of 2000. There were circulation gains in the niche titles, especially in the magazines for men, where competition increased, with titles like *FHM* and *GQ* making an impression. According to the *Media Yearbook of South African Rates and Data*, there are about 300 consumer magazines and more than 500 trade, technical and professional publications. *Radio & TV Talk* has a circulation of 1,3 million, while *Magic* (the M-Net TV Guide) circulates to almost 763 966 viewers, making these television magazines the largest-circulation magazines in South Africa.

Online media

Most of the bigger publications have web-sites 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. *The Mail and Guardian* has received world-wide praise as the best in Africa.

Media organisations and role-players

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

PMSA, formed in 1995, is an umbrella organisation administering individual bodies, namely the Newspaper Publishers Association of Southern Africa (the oldest communications organisation which was established in 1882), Magazine SA, Community Press Association and Print Media in Education. Allied to PMSA, but not a constituent member, is the ABC, responsible for auditing and verifying print media circulation figures.

PMSA has established an interim Print Development Unit (PDU) to facilitate the growth of economically sustainable emerging print media enterprises.

The PDU will identify appropriate print media projects and assist in their development to full viability by establishing support mechanisms, training and development of working relationships in the areas of media management, funding, advertising, printing and distribution.

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 both the print and broadcast media as well as journalism educators from all the major training institutions in South Africa.

It 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 have been held on media freedom and transformation, especially in relation to gender and tech-

Information

In November 2000, *Business Report* writer Nathi Sukazi won the first annual Telkom Communications and Technology Journalist of the Year Award, walking off with R25 000 and an all-inclusive trip to Telkom's strategic equity partners in Malaysia and the US.

Marina Bidoli of *Financial Mail* and *Business Day*'s Lesley Stones were nominated overall runners-up for their informed and balanced coverage of the communications and technology sectors.

Communications

Urban daily and weekly papers					
Name	Publisher	City of publication & address	Frequency	Language	Audited circulation Jul – Dec 2000
Beeld (Daily)	Media 24	PO Box 333, Auckland Park, 2006	MD, M-F	A	98 912
Beeld (Saturday)	Media 24	PO Box 333, Auckland Park, 2006	W, Sat	A	85 075
Burger, Die (Daily)	Media 24	PO Box 692, Cape Town, 8000	MD, M-F	A	109 728
Burger, Die (Saturday)	Media 24	PO Box 692, Cape Town, 8000	W, Sat	A	120 222
Business Day	BDFM Publishers (Pty) Ltd	PO Box 1742 , Saxonwold, 2132	MD, M-F	E	43 686
Cape Argus, The	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000	AD, M-F	E	77 418
Cape Times (Daily)	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000	MD, M-F	E	48 690
Citizen, The (Daily)	Caxton Publishers & Printers Ltd	PO Box 43069, Industria, 2042	MD, M-F	E	106 120
Citizen, The (Saturday)	Caxton Publishers & Printers Ltd	PO Box 43069, Industria, 2042	W, Sat	E	88 962
City Press	RCP Media Bpk	PO Box 3413, Johannesburg, 2000	W, Sun	E	220 559
Daily Dispatch	Dispatch Media (Pty) Ltd	PO Box 131, East London, 5200	AD, M-F	E	36 233
Daily News	Independent Newspapers KZN	PO Box 47549, Greyville, 4023	AD, M-F	E	65 476
Diamond Fields Advertiser	Independent Newspapers, Gauteng Ltd	PO Box 610, Kimberley, 8300	MD, M-F	E	8 256
East Cape Weekend	Times Media Eastern Cape	PO Box 1121, Port Elizabeth, 6000	W, Sat	E	35 212
Eastern Province Herald (Daily)	Times Media Eastern Cape	PO Box 1117, Port Elizabeth, 6000	MD, M-F	E	33 422
Eastern Province Herald (Saturday)	Times Media Eastern Cape	PO Box 1117, Port Elizabeth, 6000	W, Sat	E	26 647
Ilanga	Mandla Matla Publishing Co. (Pty) Ltd	PO Box 2159, Durban, 4000	BW, Th and Mo	Z	111 252
Independent on Saturday, The	Independent Newspapers KZN	PO Box 47549, Greyville, 4023	W, Sat	E	73 668
Mail and Guardian	M & G Media (Pty) Ltd	PO Box 32362, Braamfontein, 2017	W, Fr	E	37 456
Mercury, The	Independent Newspapers KZN	PO Box 47549, Greyville, 4023	MD, M-F	E	38 832
Natal Witness	Natal Witness Pr & Pub Co (Pty) Ltd	PO Box 362, Pietermaritzburg, 3200	MD, M-S	E	25 987
Post	Independent Newspapers KZN	PO Box 733, Durban, 4000	W, Wed	E	44 752
Pretoria News (Daily)	Independent Newspapers Gauteng Ltd	PO Box 439, Pretoria, 0001	MD, M-F	E	25 240
Pretoria News (Saturday)	Independent Newspapers Gauteng Ltd	PO Box 439, Pretoria, 0001	W, Sat	E	14 399
Rapport	RCP Media	PO Box 333, Auckland Park, 2006	W, Sun	A	332 138

Name	Publisher	City of publication & address	Frequency	Language	Audited circulation Jul-Dec 2000
Saturday Dispatch	Dispatch Media (Pty) Ltd	PO Box 131, East London, 5200	W, Sat	E	29 675
Saturday Star, The	Independent Newspapers Gauteng Ltd	PO Box 1014, Johannesburg, 2000	W, Sat	E	135 936
Soccer-Laduma	CT Media (Proprietor: Prospur Media)	PO Box 787, Sea Point, 8060	W, Thu	E	172 989
Southern Cross, The	Catholic Newspapers & Pub Co Ltd	PO Box 2372, Cape Town, 8000	W, Sun	E	10 362
Sowetan	New Africa Publications Ltd	PO Box 6663, Johannesburg, 2000	MD, M-F	E	203 352
Sowetan Sunday World	Times Media Limited & NAP	PO Box 6663, Johannesburg, 2000	W, Sun	E	65 391
Star, The	Independent Newspapers Gauteng Ltd	PO Box 1014, Johannesburg, 2000	MD, M-F	E	163 746
Sunday Independent, The	Independent Newspapers Gauteng, Ltd	PO Box 1014, Johannesburg, 2000	W, Sun	E	40 875
Sunday Times	Times Media Ltd	PO Box 1742, Saxonwold, 2132	W, Sun	E	506 474
Sunday Tribune	Independent Newspapers KZN	PO Box 47549, Greyville, 4023	W, Sun	E	108 339
Umafrika	Mariannhill Mission Institute	PO Box 11002, Mariannhill, 3601			
Volksblad, Die (Daily)	Media 24	PO Box 267, Bloemfontein, 9300	MD, M-F	A	32 788
Volksblad, Die (Saturday)	Media 24	PO Box 267, Bloemfontein, 9300	W, Sat	A	29 311
Weekend Argus	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000	W, Sat and Sun	E	108 474

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

nology. It is involved in training initiatives and in setting practical standards in journalism education.

A workshop of the President, Deputy President, Cabinet Ministers, government officials and members of SANEF was held at Sun City at the end of June 2001.

The workshop followed a meeting between government and SANEF members in March 2001, which agreed that thorough discussion and analysis were needed to improve relations and reach mutual understanding of the roles and functions of the media and government in a changing society.

In January 1997, the Forum of Black Journalists (FBJ), consisting only of black journalists, was launched to tackle issues which directly affect black journalists.

On 1 July 1997, the office of the independent Press Ombudsman was opened in Johannesburg.

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

Should they not be satisfied with the 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).

Communications

As self-regulating mechanisms of the media industry, the Press Ombudsman and the appeal panel are in step with the Constitution, 1996 and the spirit of trans-fomation in South Africa.

The National Community Media Forum is a network that coordinates and represents the interests of community media initiatives from marginalised communities.

It is made up of four networks that specialise in a specific field, i.e. Open Window Network, which deals with community television, Community Media Network of South Africa, which deals with community print, the National Community Radio Forum, which deals with community radio, and the South African Students' Press Union, which deals with student media.

The Freedom of Expression Institute (FXI) was formed in January 1994 following the merger of two organisations involved in campaigning for freedom of expression during the apartheid years, namely the Campaign for Open Media and the Anti-Censorship Action Group.

The FXI also established the Media Defence Fund to sponsor freedom of expression court cases on behalf of media representatives who are not able to afford the legal costs.

This work is a continuation of work conducted by the now-defunct Media Defence Trust.

Another body which protects freedom of speech is the Freedom of Commercial Speech Trust, which was instituted in 1997.

Backed by the marketing communications industry and supported by organised business and consumer organisations, the Trust focuses on transparent negotiation 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 SAUJ furthermore strives to enhance the quality of journalism in South Africa by offering training programmes for members, and networking with educational institutions and journalists from other countries.

The Broadcasting Monitoring and Complaints Committee (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.

Winners of major annual press trophies					
	Frewin*	Mccall**	Cronwright***	Hultzer ****	Joel Mervis*****
1997	Beeld	The Mercury	Western Transvaal Record	Streeknuus	Naweek-Beeld
1998	Beeld	The Mercury	Western Transvaal Record	Streeknuus	Naweek- Beeld
1999	Beeld	The Mercury	Western Transvaal Record	Vaal Weekly	Naweek-Beeld
2000	Beeld	Business Day	District Mail	Vaal Weekly	Naweek-Beeld

*   Best urban daily newspaper with a circulation exceeding 50 000
**   Best daily with circulation under 50 000
***   Best community newspaper with a circulation exceeding 8 000
****   Best community newspaper with circulation below 8 000
***** Best urban weekly

Source: PMSA

The BMCC receives and adjudicates complaints from the public with regard to licence conditions, and is also entitled to initiate its own investigation 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.

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 association members subscribing to its code of conduct. It is empowered by its members, which amongst others include 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 for cinema, video and broadcasting.

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

News agencies

SAPA, which is a national news agency, is a co-operative, non-profit news-gathering and distribution organisation operating in the interests of the public and its members.

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

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

Other agencies are Eastern Cape News Agency, AENS in Mpumalanga and Network Radio News.

Training centres

Over 40 institutions offer media training in South Africa.

Tertiary insitutions include various technikons and universities such as Pretoria Technikon, Rhodes, Potchefstroom and Stellenbosch 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, the University of the WItwatersrand, and the National Electronic Media Institute of South Africa (NEMISA). NEMISA, a government-funded training institute specialising in broadcasting, news media and multimedia skills was officially launched on 26 October 2001. The launch was also used as a graduation ceremony for the first group of trainees who had obtained a professional diploma in radio/television production studies.

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

It has six advisory committees, with representatives from labour, business and government, namely:
• 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 to 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 communications studies. These bodies are substructures of the National Standards Body 04 (language and communication), which coordinates standard-setting in the communications and language sectors.

Journalism awards

The Magazines SA SAPPI Pica Awards is an annual event, open to all Magazine SA members' publications that hold current ABC certificates. The Awards acknowledge standards of excellence and professionalism in South African publishing. Editorial and presentation quality of publications in selected categories is recognised.

The Mondi Paper Magazine Awards encourage and recognise work by individuals in the various disciplines of magazine journalism and related fields.

The Nat Nakasa Award is open to any media practitioner (journalist, editor, manager or owner) who has
- shown integrity and reported fearlessly
- displayed a commitment to serve South Africans
- tenaciously striven to maintain a publication or other medium despite insurmountable obstacles
- resisted any censorship
- shown courage in making information available to the public
- any combination of the above.

The sponsors of the Award are PMSA, SANEF and the Nieman Society of southern Africa.

The Newspaper Association of South Africa, an associate member of PMSA, in collaboration with Mondi Paper, has announced the launch of a new award to give recognition to newspaper journalism. The first Mondi Paper Newspaper Journalism Awards will honour outstanding newspaper writing published during 2001.

The Sanlam Community Press Awards is aimed at encouraging excellence and reward-ing meritorious work. Full-time editors, journalists, photographers and advertising representatives from all southern African community newspapers which do not appear more than twice a week qualify for the Awards.

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 as much diversity as possible.

The deregulation of the airwaves has resulted in 68 community radio stations, 16 private radio stations and two private television stations by February 2001. The print media still has a long way to go, as the monopolistic trend in the ownership of publications in the industry continues.

Private and independent publications struggle to survive economically and if they do, they are soon bought out by one of the country's major publishing houses.

Media Development and Diversity Agency (MDDA)

The *Draft Position Paper on the MDDA* was launched in November 2000. The Position Paper explores how freedom of expression and access to information can be extended. It underlines the need to overcome historical imbalances so that the full diversity of South Africa's voices can be heard and all citizens can be fully informed.

The Paper proposes an independent statutory agency that will act as a catalyst towards broader changes in the media landscape, through its funding, facilitation, advocacy and research functions.

Key elements include support for community and other non-profit media, as well as small commercial media enterprises, and ongoing media research and advocacy around various aspects of media development and diversity. The Paper proposes that funding for the first five years be sourced

equally from government, the media industry and donors.

Thereafter the funding needs will be much reduced as the major backlog of past imbalances is overcome.

The main beneficiaries of direct and indirect support will be community and other non-profit media, as well as small commercial media, including radio, television, print and new media.

There will be particular emphasis on projects that bring disadvantaged communities and sectors, particularly women, rural people, the disabled, illiterate people, working class and poor people, into the information and communications loop. Support will be of a funding and non-funding nature, and will include:
- direct and indirect subsidies
- emergency funding
- capacity development
- encouraging social responsibility support in the broadcast, print and new media sectors
- training
- project evaluation and monitoring
- media research.

It will also make recommendations in support of media-seeking loan finance, on the basis of its evaluation procedures.

The MDDA was proposed by the Communication Task Team (Comtask) report of 1996. Cabinet adopted the proposal for an agency to assist the development of community media and to promote media diversity.

The Paper is the result of extensive research and consultation with a range of stakeholders.

The deadline for response to the Paper was

28 February 2001. A wide range of submissions were considered by government, and further research and consultations undertaken towards the finalisation of the Position Paper and accompanying draft legislation.

It is expected that the MDDA will become operational during the first half of 2002.

Advertising

The seven top advertising agencies in South Africa in 2000 were: Ogilvy & Mather Rightford, TWBA Hunt Lascaris, Jupiter Drawing Room, Net#work BBDO, TWBA Gavin Reddy, VWV, FCB South Africa and Lowe Lintas.

Advertising awards
The Loerie Awards are the best known advertising awards that celebrate advertising excellence in South Africa. The Awards cover both above- and below-the-line advertising categories.

The Vuka Awards were created to reward excellence in public service announcements, where budgets are much tighter than product, service or image advertising.

The annual Pendoring Awards reward excellence in Afrikaans advertising in both verbal and non-verbal form. Categories consist of radio, television, magazines, newspapers, outdoor advertisements and campaigns.

The Cannes International Advertising Festival is widely accepted as the world's leading event of its kind. Some 8 000 delegates, from all over the world spend days mingling and viewing more than 12 000 entries.

The Jupiter Drawing Room, a wholly South African advertising agency, topped the list of winners at the press and poster awards at the 2001 Cannes Advertising Festival.

Jupiter won five Lion Awards and two gold, one silver and two bronze for the work produced for Nike. Other South African gold winners were Ogilvy & Mather Cape Town (one gold) and Lowe Lintas Bull Calvert Pace (one gold). These, added to Jupiter's two gold, put South Africa in third place in the world in terms of gold won. The US and Brazil topped the list of gold with five each.

Communications

The creative dominance of TBWA Hunt Lascaris was greater in 2000 than it has ever been, according to a table prepared by the Creative Directors' Forum (CDF).

At creative festivals around the world certified by the CDF, the group won three times as many awards as second-placed Jupiter Drawing Room, and 40% of all awards won by South African advertising agencies. The ranking is based on a points scale drawn up by the CDF for seven approved awards events. A Gold Lion at Cannes is worth 450 points, a D&AD Silver Pencil is worth 500 and a Loerie Grand Prix 350.

The events endorsed in South Africa by the CDF are the Loeries, the Ad of the Year and the Eagles. Abroad there are Cannes, the D&AD, the Art Directors' Club and the One Show. On a group basis, the top performers in South Africa in 2000 were Hunt Lascaris (Johannesburg, Cape Town and Durban offices and Tequila), the Jupiter Group (The Jupiter Drawing Room and Hercules), O&M Rightford (Cape Town and Johannesburg, Ogilvy Interactive and Orange Juice Design), Lowe Lintas Bull Calvert Pace and FCB SA (FCB and FCB Impact).

Two small agencies that made it into the top 10 are Bester Burke D'Arcy and HarrisonHuman. On a points to billings ratio, HarrisonHuman is the top agency and Bester Burke second.

Advertising and the Internet

The Internet has created new threats to opportunities for traditional media. It is becoming a significant advertising medium. It is envisaged that Internet applications will grow selectively among certain consumer mindsets, such as those requiring general information, self-help, amusement and ways of compressing time (through online shopping and banking).

Even bigger than online adspend is offline marketing of online companies. Creativity is also on the increase with regard to advertising on the Internet. There were Loerie winners in the following digital and interactive media categories: corporate website, self-promotion, publishing, non-profit organisations, digital interactive design, banners, rich media banners, e-mail, CD Rom/DVD and kiosks.

Electric Ocean, the first specialist Internet communications company in South Africa, won the first Loerie awarded for wired interactive media in 1996 for its Rothmans Cape to Rio website.

Advertising ethics and the 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. Of significance with regard to advertising and communication ethics in 2000 was the law against smoking in public places, which has had a notable impact on cigarette advertising and sponsorships of large events (for example the absence in 2000 of Rothmans from the Rothmans July horse race for the very first time).

Acknowledgements

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Communications