Communications

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

• telemedicine – enabling rural clinics to get diagnoses from specialists at urban medical centres
• tele-education – enabling the country to

reverse the illiteracy rate through distance education
• convenience measures such as teleshopping and telebanking.

The development of policies includes the following domains:

• Assessment of technological changes and trends, and their business- and public-impact.
• 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 SOEs.
• High-level skills development through the Institute for Satellite and Software Applications (ISSA), situated in Grabouw in the Western Cape. It is a partnership programme on virtual-reality research with Miralab at the University of Geneva. The research focuses on the development of different scientific tools for diagnostic and educational purposes.
• Analysis and development of competition policies and encouragement of 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 Government Communications (GCIS) and the Department of Science and Technology.

The Department of Communications is developing strategies to improve the services delivered by community telecentres and e-schools cyber labs to insure the delivery of multimedia services such as e-education, e-health, e-business development of small, medium and macro enterprises, as well as co-operatives, e-government services and other socio-economic development programmes.

Policy

The Department's policy-making objectives ensure that the development of the information and communication sectors is well-regulated, and that the services provided are accessible to all. In addition, policy development since 1998/99 has sought to restructure SOEs, introduce competition, accelerate the penetration of services into underserviced communities, and streamline the regulatory framework.

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

The Electronic Communications and Transactions Act, 2002 (Act 25 of 2002), will pave the way for a secure environment for e-commerce transactions. It provides for the:
- facilitation and regulation of electronic communications and transactions
- development of a national e-strategy
- promotion of universal access to electronic commerce, and the use of e-commerce by small, medium and micro enterprises (SMMEs)
- human resource development in electronic transactions
- prevention of the abuse of information systems, and encourages the use of e-government services.

The legislation also provides for the appointment of a panel to facilitate the establishment of the board of the Section 21 Domain Name Authority, cyber-inspectors. In July 2003, the Minister of Communications, Dr Ivy Matsepe-Casaburri, announced the names of the nine-member board of the .za Domain Name Authority.

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

The amendments also paved the way for the awarding of an international and multimedia licence to Sentech, the largest signal distributor for broadcasting in Africa.

It also provides for the licensing of operators in underserviced areas with a teledensity of less than 5%. The majority of these are in the Integrated Sustainable Rural Development Programme (ISRDP) nodal points. The Department held provincial workshops on opportunities for telecommunications licences in these areas to raise awareness among the relevant communities. This process will bring about the most significant ownership and involvement in the communications sector by black people and women in South Africa. The amendments provide for a new public emergency telephone service and an emergency number, 112. A pilot project has been established in Klerksdorp, North West.

In May 2002, the Minister of Communications issued an invitation to apply for a 51% stake in the Second National Operator (SNO). Applications were received from two consortiums, but ICASA recommended that neither of the applicants was in a position to take up the 51% equity stake. The Minister concurred with the recommendation and set about preparing an alternative process that would facilitate the way forward. The Minister subsequently applied Section 35(A) of the Telecommunications Act of 1996, (Act 103 of 1996), as amended, which provides for the Minister, in specific instances, to determine the manner in which applications may be made, and the licensing process and conditions that will apply.

The Department of Communications has embarked on a process to develop a policy framework to facilitate the convergence of technologies in the information and communication technologies environment.

A feasibility study has been conducted in this regard and a national Colloquium was convened in July 2003 with stakeholders and interest groups to share ideas and experiences that will inform policy options.

On 31 March 2003, the Minister issued an invitation to express interest to apply for a 51%-stake. Two submissions were received by ICASA.

In August 2003, ICASA announced that, notwithstanding the applicants' individual strengths with regard to the evaluation criteria, they still fell short of the envisaged rival to Telkom owning a 25-year licence and controlling a 51% equity stake.

THe process to appoint a SNO continues.

Telecommunications

Telecommunications is the fastest-growing industry in South Africa. Government recognises the centrality of the telecommunications and information technology (IT) sectors in economic development and its telecommunications policy has played a cardinal role in revolutionising the industry.

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

Regulators and licensing

Independent Communications Authority of South Africa

The proclamation of the ICASA 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 core responsibilities of ICASA include the regulation of South Africa's communications industry as stipulated in the telecommunications 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
- levelling the playing-fields by ensuring fair competition
- protecting public interest and consumer rights.

Radio and television broadcasters, as well as all telecommunications service-providers, are licensed by ICASA. In addition, ICASA plans frequency spectrum and type, and approves telecommunications equipment.

Policies and regulations are developed for 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 broadcasters' compliance with their licence conditions.

Universal Service Agency

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, and co-ordinating initiatives by service providers such as Telkom, Vodacom, Mobile Telephone Network (MTN) and Cell C. It extends access to telecommunications by working

With the financial aid of the Prince of Wales' International Business Leaders Forum, the New Digital Partnership for South Africa was launched in 2003.

The Partnership acquires used computers from multinational organisations, refurbishes them, and deploys them in schools across the country. In the course of 2003, the Partnership was expected to receive 67 000 computers. A roll-out plan was finalised in conjunction with the Department of Education.

The factory for the refurbishment of the computers is located at the Institute for Satellite and Software Applications.

with community-based organisations (CBOs), non-governmental organisations (NGOs), donor organisations and businesses.

The Telecommunications Amendment Act, 2001 also provides for increasing the mandate of the USA through its management of the Universal Service Fund. The Fund is used to reinforce the development of infrastructure in underserviced communities. In addition, support is given to schools procuring IT equipment to access the Internet.

Information technology

Knowledge Management Unit

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

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

By July 2003, the Knowledge Management Unit had:
• chaired the Executive Committee of the Knowledge Management Society of southern Africa
• chaired the inaugural meeting of the South African Bureau of Standards (SABS) Technical Committee on Knowledge Management Standards, which was held in March 2003
• overseen the completion of the analysis for

a User Requirement Service for the implementation of knowledge management, done at ISSA.

State Information Technology Agency (SITA)

On 29 January 1999, SITA was incorporated as a private company, with the State as sole shareholder, to provide IT-related services exclusively for the Public Service. It officially opened its doors on 1 April 1999. (See Chapter 12: *Government system*.)

arivia.kom

The State-owned IT company, arivia.kom, which became fully operational on 8 January 2001, is the 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 combined value 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 as direct shareholders.

Its key focus is to deliver IT infrastructure solutions and focused business solutions, and to engage further in e-ventures to exploit opportunities in e-commerce.

Presidential International Advisory Council on Information Society and Development

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

Presidential National Commission on Information Society and Development

President Thabo Mbeki also established

the Presidential National Commission on Information Society and Development to mobilise national knowledge and build common approaches. This body recommends strategies to bridge the digital divide and helping to develop an ICT policy framework.

Institute for Satellite and Software Applications

ISSA continues its work in satellite development and remote sensing, telecommunications, and software and network engineering. The Institute has changed from a primary academic training institute to become a product developer. Some of the projects developed by the Institute include a satellite development group that is building a micro-satellite able to scan water- and electricity-meter readings from above – saving municipalities millions of Rands and providing ratepayers with more reliable accounts; a computer-virus monitoring centre; and an electronic testing facility that enables the industry to test products locally instead of in foreign laboratories.

ISSA's collaboration with the Carnegie Mellon University (CMU) in the United States of America (USA) in 2002 saw nine females complete their studies for a master's Degree in IT (software engineering). Some of the graduates

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In March 2003, the Minister of Trade and Industry, Mr Alec Erwin, officially launched the country's first information communications technology (ICT) and electronics marketing and promotion campaign at a cost of R1,8 million.

Savant is a public-private partnership between the Government and industry, designed to be the vanguard of the South African ICT and electronics sector.

The campaign will focus on promoting areas in which South Africa holds a competitive advantage – IT training and certification, call centres, wireless development, niche software and infrastructure development.

Savant will make use of extensive promotional material, advertisements and marketing exercises, both locally and abroad.

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of the programme have returned to establish the Software Evaluation Centre (SEC), which was chartered to stop the acquisition of inferior software that does not meet the requirements specified; provide support for software evaluation; and provide recommendations for the acquisition of software. In 2003, the SEC worked on software standards and the validation and evaluation of software for the Department, SAPO and other parastatals. Meanwhile, 11 others have commenced their training in the same course.

ISSA has successfully facilitated the conclusion of an agreement between the University of Stellenbosch and CMU for the introduction of an honours Degree in software engineering during the 2003 academic year, presented jointly by the computer science faculties of the University of Stellenbosch and CMU. Fourteen students were selected by ISSA to commence their studies during the 2003 academic year.

Through collaboration between the Department of Communications, Microsoft and Netscope training-solutions providers, 2002 saw the commencement of a Microsoft Certified Solutions Developer training programme at ISSA. Sixteen science graduates registered for this course in 2002.

ISSA also presents training towards specialised high-level qualifications in Cisco, Microsoft, Oracle and Unix Networking. In 2002, 50 students were registered for these courses. These formed the core of the personnel constituting the backbone infrastructure for authentication in the electronic communications and transactions regime. These students were instrumental in maintaining ISSA's website and Intranet, as well as in developing websites of their own.

ISSA graduates are assisted in forming their own IT networks and software-engineering companies.

Internet

According to a study by World Wide Worx,

some 2,89 million South Africans (one out of every 15) had access to the Internet by the end of 2001. The number was expected to grow to around 3,1 million by the end of 2002. This makes South Africa the largest Internet consumer in Africa.

The primary role of the Directorate: Internet, established by the Department of Communications, is to increase access and use of the Internet by all South Africans. Specific focus is given to historically disadvantaged communities and the youth.

The Directorate aims to realise the social and economic benefits of the Internet by expanding participation and facilitating access.

Public Internet Terminals (PITs), Multi-Purpose Community Centres (MPCCs) and Citizen Post Offices (CPOs)

To roll out and implement the sustainable plan of communications infrastructure and related services to rural communities and those from historically disadvantaged areas, the Department of Communications is collaborating with GCIS to establish MPCCs. This is in line with the objectives of the ISRDP/Urban Rural Strategy initiatives. By November 2003, 48 MPCCs had been launched. The Department's role in this strategic project is to provide communications infrastructure in the form of computer terminals connected to the Internet, telephony as well as PITs.

CPOs provide a dedicated, specially designed space inside existing post offices, especially in the rural areas, where communities have access to both traditional communications services, and new and emerging electronic communications services.

A phased approach has been adopted in the roll-out of the CPOs. Seven pilot sites were earmarked for roll-out before the end of the 2003/04 financial year. The roll-out of the remaining 11 sites will take place in 2004/05.

Another joint venture between the Department of Communications and SAPO is the establishment of PITs. These are located in post offices and other access sites around the country, and are intended to bring electronic communications services and Internet facilities to the public. Through PITs, the public has access to government forms and information, e-mail facilities, the Internet and education services.

In the 2001/02 financial year, 100 PITs were established countrywide.

International co-operation

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

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

The African Telecommunications Union (ATU), which succeeded the Pan-African Telecommunications Union (PATU) in December 1999, has launched the African Connection Project. The Project provides for sector restructuring through new policy and regulatory frameworks that will facilitate much-needed investment.

The ATU provides a forum for African governments, as well as public, private and social-sector organisations involved in ICT, to formulate policies and strategies aimed at improving access to information infrastructure, and promoting its use as a tool for stimulating economic development and enhancing poverty reduction.

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 (MOC).

The MOC was established by the then PATU at its Sixth Ordinary Session Conference of Plenipotentiaries in 1998.

The Minister of Communications, in her capacity as the chairperson of the MOC, hosted the MOC meeting in Magaliesburg, in May 2003. The meeting, which was attended by Africa's Ministers of ICT, deliberated on key issues on the continent affecting the sector.

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

The Minister attended the 29th Session of the Board of the Regional Commonwealth in the Field of Communications (RCC) from 29 to 30 June 2003 in St Petersburg, Russia. 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 co-ordinated spectrum management and frequency planning.

The Minister stressed the importance of the World Summit on the Information Society (WSIS). The WSIS will be held in two phases. The first phase of the WSIS took place in Geneva, Switzerland, from 10 to 12 December 2003. The second phase will take place in Tunis, Tunisia, from 16 to 18 November 2005.

The Summit will bring together Heads of State, Executive Heads of UN agencies, industry leaders, NGOs, media representatives and civil society. The roles of the various partners in ensuring smooth co-ordination of the practical establishment of the information society around the globe will also be discussed.

Telkom

The social and political transformation in South Africa in 1994, not only marked the beginning of a new economy, but also set the platform for an era of telecommunications transformation.

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

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

The Public Switched Telecommunications Services licence included service and fixed-line roll-out targets. Telkom substantially met all of these targets with the exception of the residential fault-rate target, targets relating to service provision in underserviced villages, and the replacement of analogue lines with digital lines. The company narrowly missed the aggregate fixed-line roll-out target as it decided to refrain from rolling out lines in areas that were not economically viable.

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

The state-of-the-art National Network Operations Centre enables Telkom to be more proactive in anticipating, localising and isolating problems like congestion and cable breaks so that they can be corrected promptly. During 2002, further developments were made to the fixed and mobile networks, and operational systems, which further enhanced Telkom's network capability.

Telkom invested in the SAT-3/WASC/SAFE submarine cable system, which provides increased fibre-optics-transmission capability

between South Africa and international destinations.

On 5 March 2003, Telkom successfully listed on the JSE Securities Exchange (JSE) and the New York Stock Exchange.

After the Initial Public Offering (IPO), the South African Government owns 39,3% of Telkom's issued share-capital, Thintana Communications LLC – a beneficiary owned by SBC Communications and Telekom Malaysia – owns 30%, Ucingo Investments owns 3%, and the public owns 27,7%.

Telkom maintained market leadership in the mobile sector through its 50% ownership of the Vodacom Group. Group revenue grew 10% during 2002/03, reaching R37,6 billion. The 10% growth was primarily due to a fixed-line tariff increase, the growth in fixed-line data services, and Vodacom's growth in mobile customers.

Other highlights included:
- consumer packages being introduced, such as the discounted package on pre-selected numbers, a free basic voice-mail service, and value-added services from the TalkPlus range
- strong growth (15,4%) in prepaid lines and supporting products
- a huge increase in network usage as a result of 101% growth in Internet users
- the introduction of Assymetric Digital Subscriber Lines which helped data-revenue grow by 15,2%
- the introduction of CyberTrade Xchange, an e-commerce B2B platform
- the launch of a range of information-security products
- voice-over Internet Protocol developments

The initial public offering (IPO) of Telkom on the JSE Securities Exchange and the New York Stock Exchange on 5 March 2003 was positively received. Some R3,9 billion was realised on the first day of the IPO, making it the biggest initiative so far in government's programme to restructure State-owned enterprises and the second-largest global IPO in 2003.

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connecting international carriers in Europe, the USA and Africa
- corporate voice service installation improving by 87% to 0,4 days
- business voice service installation improving by 60% to two days
- ISDN service installation improving by 52% to 15 days
- faults per 1 000 business lines improving from 265 to 242.

During 2002/03, Telkom took some major steps to manage the impact of reducing staff numbers. Alternative strategies to avoid job losses were introduced, including establishing Telkom's Agency for Career Opportunities.

The Agency creates new opportunities for its employees whose jobs may have been affected by the changing nature of the communications industry.

Sixty-two per cent of the 37 employees at management level who entered the Agency in November 2002 have been appointed internally.

Telkom Foundation

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

Telkom founded the Foundation in 1998. With a budget of R100 million over a period of five years, its principal objective was to contribute to the transformation of disadvantaged communities through sustainable development programmes.

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

The Foundation continues to pursue a philosophy of empowerment and sustainable development through its focus on:

- mathematics, science and technology
- the empowerment of women, children and people with disabilities
- education and training.

During 2002/03, the Foundation's expenditure amounted to R39 million. Some 42% was allocated to mathematics, science and technology, 32% to empowerment projects, and 11% to education and training. A further 15% was spent on general projects.

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

Economic empowerment

Empowerment spending

Since 1997, Telkom has spent close to R14 billion to meet its empowerment objectives, constantly refining its focus to meet the changing needs of the empowerment process.

Centres of Excellence (CoEs)

This is a collaborative programme between Telkom, the telecommunications industry and government to promote postgraduate research in communications technology and allied social sciences, and to provide facilities that encourage young scientists and engineers to pursue their interests in South Africa.

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

Since the inception of the postgraduate research programme, approximately R150 million has been realised for telecommunications research in South Africa.

There are currently 14 Centres located at tertiary institutions around the country. Approximately 350 students conduct post graduate telecommunications research through the CoE programme. Seventy of these receive support from Telkom to conduct full-time research.

In addition to developing skills in science, engineering and technology, the Centres aim at creating partnerships between historically disadvantaged and advantaged institutions, to jointly focus on a specific aspect of telecommunications research. This approach provides for the transfer of skills to, and the upliftment of, previously disadvantaged institutions.

Sponsorships

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

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

Mobile communications

South Africa, with the operators Vodacom, MTN and Cell C, is the fourth-fastest growing mobile-communications market in the world. By October 2003, there were 15 million cellular users in the country and the figure is expected to grow to 21 million by 2006.

The country's third cellular licence was granted to Cell C in June 2001. It started operating on 17 November 2001. Cell C (Pty) Ltd is wholly owned by 3C Telecommunications (Pty) Ltd, which in turn is 60% owned by Oger Telecom South Africa, a division of Saudi Oger,

and 40% by Cell SAF. It also brought in Verizon Communications, the biggest cellular operator in the USA, as its operating partner. Cell C started operating on an 084 prefix number range. Three service-providers, namely Cell C, Nashua Mobile and Autopage Cellular, have been working together to connect South Africans to the 084 network. Cell C signed a 15-year roaming agreement with Vodacom in July 2001.

By August 2003, Cell C had more than 1,5 million subscribers. Cell C's business plan envisages creating 2 500 direct and 15 000 indirect jobs within four to five years, encompassing individuals from all previously disadvantaged sectors. Women account for more than 40% of the total staff complement, which by August 2003 was over 1 200.

The company is making extensive use of local organisations and contractors to ensure that funds are injected into the South African economy. It has invested more than R2,5 billion in goods and services since its launch, with more than R990 million of this benefiting historically disadvantaged individuals.

Cell C aims to achieve 20% of the market-share by 2007.

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

Vodacom is South Africa's leading cellular network with a 61% share of the market. More than 95% 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%).

By July 2003, Vodacom was providing a service to almost seven million customers in South Africa, Tanzania, Lesotho and the Democratic Republic of the Congo.

More than 5 000 Vodacom base stations provide coverage to 93% of the South African population.

MTN was the first cellular provider in the world to have mobile coverage of 60 000 km^2, obtain a cellular licence in Africa, and launch prepaid cellular packages in South Africa, as well as a special package for the deaf community.

MTN's network coverage in South Africa embraces almost 900 000 km^2 (including sea) and provides telecommunications access to 94,5% of the population. MTN's other African operations include Uganda, Swaziland, Rwanda, Cameroon and Nigeria. MTN has close to five million subscribers.

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

The Telecommunications Act, 1996 provides for 1 800 MHz spectrum (as well as 2,4 GHz – 3G spectrum), to be issued to existing operators, the SNO and underserviced area operators. A key element in this process is the determination of access fees and universal service obligations (USOs) for the allocation of the frequency spectrum.

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

The postal sector

Policy and legislation

The cornerstone of national policy for the postal sector is the provision of a universal

service at an affordable price and acceptable standard of service for all citizens. In order to ensure this, a USO is placed on the SAPO. 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 the country
• at a standard of performance which reason-ably 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 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.

In terms of the Post Office Act, 1958, SAPO enjoyed exclusive rights and privileges, including a monopoly on letter mail up to 2 kg.

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The South African Post Office (SAPO) has developed an educational tool in collaboration with READ Educational Trust. The project focuses on:

• establishing links between SAPO and com-munities
• increasing awareness, knowledge and com-munity perception of SAPO
• positioning the company positively in the communities it serves
• promoting the use of SAPO's products and services
• building the image of SAPO.

By February 2003, 900 schools had been visited and 4 000 books distributed.

According to the Postal Services Act, 1998, SAPO continues to enjoy certain exclusive rights and privileges. The monopoly is now on letter mail up to 1 kg.

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

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

Postal services regulatory framework

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

South African Post Office

SAPO Ltd was established in terms of Section 3 of the Post Office Act, 1958 as a government business enterprise to provide postal and rela-ted services to the South African public. SAPO reports to the Minister of Communica-tions. The Government subsidy to SAPO was terminated on 31 March 2000. This was in anticipation of SAPO becoming a viable profit-making business. However, the turnaround strategy did not succeed and the organisation sustained further losses in 2000/01 and 2001/02. To help improve the finances of SAPO, to enable it to continue rolling out postal infrastructure, the subsidy was re-introduced in 2001/02 with an initial alloca-

tion of R600 million. A further R300 million a year has also been allocated for the medium term.

The principal function of SAPO is to supply postal services within and outside of South Africa. SAPO may also conduct subsidiary and incidental businesses and activities relating to postal services.

Principal activities

SAPO is expected to break even at the end of the 2003/04 financial year, for the first time in the many years of its existence.

The improved state of affairs is partly due to the following undertakings and achievements:

- in the financial year ending March 2003, SAPO managed to cut down its operating losses to R154 million, down 50% from a R351 million-loss in 2001/02 and a R580 million-loss in 2000/01
- in line with SAPO's commitment to social and economic transformation, in the last three years, its Black Economic Empowerment spend increased from 6% to 35,4%, representing R321 million being spent on previously disadvantaged companies.

Business re-engineering

In the ensuing years, SAPO will concentrate on financial services (15% at present) and courier business (18% at present), and develop expertise in these areas. SAPO intends to grow its financial services and courier business to 20% each. The decline in mail volumes and the emergence of ICTs, which have brought about new realities, have necessitated this business re-engineering process.

This transformation has put SAPO among the top 15 post offices in the world that have transformed their revenue streams.

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

Products and services

SAPO handles an average of six million letters a day, 70% of which are prepaid mass-mailed letters sent 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, SAPO offers a range of other mail services, including courier services; agency services such as pension payments; and the collection of third-party payments on behalf of organisations such as Telkom, the SABC and local government. It also offers savings and money-transfer services through the Postbank.

Securemail

Securemail is a business unit aimed at handling 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,

The South African Post Office (SAPO) has adopted an attitude of zero tolerance towards crime. Corrupt employees are dealt with severely, irrespective of their position in the company. From April 2002 to December 2002, 277 employees were dismissed for postal crimes, 13 of whom were in management positions. Since April 2002, 59 persons (including members of the public) were arrested for postal crime.

In May 2003, SAPO was nominated into the Top Five post offices in the world for the most secure mail services, during the International Mail Awards held in Rome, Italy.

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 (Pty) Ltd of SAPO became the biggest distribution company in southern Africa when it took over the customer base of Fast Forward. Services available are:

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

Philatelic services

The sale of postage stamps is traditionally associated with SAPO. Annually, SAPO prints more than 384 million of these tiny works of art. Stamps 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 country's rich culture and diverse artistic splendour. SAPO's Philatelic Division serves stamp collectors and dealers throughout the world. Apart from counter sales and mail orders, the Division operates a deposit account system whereby new issues are automatically mailed to stamp collectors all over the world.

Stamps for 2003 included issues to celebrate the Cricket World Cup, the 175th Anniversary of King Shaka's assassination, 100 years of flight (aviation), Africa Day and a collection on life in informal settlements.

Mail volumes

SAPO services over 40 million South Africans and numerous public and private institutions. It delivers mail items to over 7,5 million delivery points.

Postal network

SAPO has some 2 760 postal outlets countrywide and 30 mail processing centres. The management of the post offices, agencies, local hubs and delivery depots in the provinces is done through postal regions. The network is being rebalanced for access and more equitable services, especially in historically disadvantaged areas. South Africa has a network of postal routes across which mail is conveyed to and from cities, towns, villages and hamlets.

SAPO 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 airlines transport mail from the country. The international air and surface parcel service of SAPO is available to some 220 countries.

Delivery standards and service performance

SAPO uses various systems to measure service performance. Each of the systems is in operation nationally and provides operational and management information which is monitored weekly at a video conference at the National Control Centre.

To ensure quick and accurate mail delivery, the use of correct postal codes is essential. Postal codes may be obtained from the Internet at *www.sapo.co.za* or through the PostCoder software package (toll-free number 0800 110 980).

Address provision

The provision of addresses to previously underserviced areas continues. This project aims to ensure that every citizen of South Africa, irrespective of location in the country or

economic status, has an address. SAPO delivers mail to 6,5 million addresses. Of these, 3,4 million are street addresses and three million are post boxes. The aim is to install five million additional address boxes within the next few years.

Postbank

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

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 providing loan facilities and other basic banking products.

As part of the restructuring process, Postbank is being corporatised to ensure that it plays a greater role in development activities. These include addressing the financial-service needs of low-income communities and improving access to credit for small businesses. The Department is currently investigating an appropriate governance and regulatory framework for Postbank. Its aim is to ensure adequate protection of public deposits and the associated contingent liability to government, while also ensuring the bank's ability to meet its mandate.

International and regional co-operation

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

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

The first Press Freedom Index by Reporters Without Barriers, released late in 2002, ranked press freedom in South Africa as 26th in the world.

Finland, Iceland, Norway and the Netherlands share first place on the Index. South Africa shares its place with Austria and Japan.

Broadcasting

Policy and legislation

The Broadcasting Act, 1999 (Act 4 of 1999), and the IBA Act, 1993 (Act 153 of 1993), are aimed at establishing and developing a broadcasting policy to regulate and control all broadcasting to:
• contribute to democracy, nation-building, the provision of education, and strengthening the moral fibre of society
• encourage ownership and control of broadcasting services by people from historically disadvantaged communities

- ensure fair competition in the sector
- provide for a three-tier system of public, commercial and community broadcasting services
- establish a strong and committed public broadcaster to service the needs of all South Africans.

The 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.

The SABC is being corporatised and restructured in order to better fulfil its mandate of meeting the needs of its audiences. These include accurate and credible news and current affairs programmes; local content programming in languages reflecting the country's cultural diversity; educational programming to advance lifelong learning; and programming targeted at children, women and people with disabilities.

The Act deals with the restructuring of the SABC to fit into the changing broadcasting environment. The Act requires that the SABC board establishes two management boards to focus on the public and commercial services. Under the new dispensation, the public broadcasting wing will execute and meet its public-service mandate free from commercial interests. The commercial wing will be allowed to generate profit to be self-sustainable.

The Broadcasting Amendment Act, 2002 (Act 64 of 2002), was proclaimed on 7 March 2003. It brings into effect, among others, the new Code of Conduct for Broadcasters.

Implementation of the Act will result in a better definition of public and commercial broadcasting services.

The SABC has developed, for the first time, editorial policies for news and other programming that covers issues including content accuracy and impartiality. The policies are open to public comment.

The Broadcasting Amendment Act, 2002 provides for the establishment of two regional television licences: the first for the northern region, to cater for the Sesotho, Xitsonga, Tshivenda and Sepedi languages; and the second for the southern region, to cater for the Nguni languages.

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 material that will meet the needs of the community sector, and the foreign sale of local products. The Digital Broadcast Advisory Body works very closely with the Department of Communications. The Body advises 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.

Cross-media control and local content

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

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

The Government believed that this should be raised to increase investment.

ICASA released a position paper requiring local radio and television stations to increase their quotas of locally produced content as of August 2003. New quotas for public and

community radio stations were doubled to 40%, while qoutas for private and public commercial stations were raised to 25%. New quotas for television were increased to 55% for public broadcasters, 30% for commercial private and public free-to-air stations, and 8% for pay stations.

Independent Communications Authority of South Africa

In May 2000, the ICASA 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 had become necessary. Under the Radio Act, 1926 (Act 20 of 1926), all radio transmission and reception was placed under the control of the Postmaster-General.

Following the contribution made by Sir John Reith, the then Director-General of the British Broadcasting Corporation (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's national radio network comprises 20 stations which, combined, reach an average daily adult audience of 20 million.

For its internal coverage, Radio News uses about 13 editorial offices, a countrywide network of about 1 300 correspondents, and more than 2 000 news contacts.

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

Copy supplied to Radio News from various sources amounts to almost a million words a day, and is compiled round the clock into 300 news bulletins and 22 current affairs programmes broadcast daily on the SABC's radio services. There is a public broadcasting service radio station for each language group.

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 1990s, the channel's 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 specific African content.

Channel Africa is part of the State-owned portfolio which is being administered by the SABC on behalf of government.

Channel Africa comprises four language services, reaching millions of listeners throughout Africa. Broadcasts are in English, French, Kiswahili and Portuguese.

Private radio stations

The following private radio stations have been granted licences by ICASA: Classic FM in Gauteng; Cape Talk MW in the Western Cape; P4, a jazz station in Cape Town with a sister

station in Durban; Kaya FM, a multilingual youth radio station in Gauteng; 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 Radio Jacaranda, Highveld Stereo, Radio Oranje, Radio Algoa and East Coast Radio were initially SABC stations, but were sold to private owners to diversify radio ownership in South Africa as part of the transformation of the public broadcaster.

In August 2002, ICASA revoked the licences of Punt Geselsradio in Johannesburg and Cape Town, after having considered and applied a recommendation by the Broadcasting Monitoring Complaints Committee (BMCC).

Community radio stations
Over the past 10 years, 94 community radio broadcasting and 10 commercial licences were awarded. The Multimedia Unit of the Department of Communications instituted both infrastructure, and support and programme-production support, through the provision of 42 community radio station licences to communities, and 50 000 minutes of programming produced to cover disability, children, women, HIV/AIDS, and crime. NEMISA, established in 1998, was set up to offer all-round, integrated training in broadcasting and multimedia transformational needs.

It is estimated that 88% of the rural population listens to the radio in a seven-day period, compared to 79% in 1994.

Television

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

Today, the SABC's national television network comprises four full-spectrum free-to-air channels, two satellite pay-TV channels aimed at audiences in Africa, and Bop-TV, which the SABC runs on behalf of the State. Combined, the free-to-air channels broadcast in 11 languages and reach a daily adult audience of almost 17 million people via the terrestrial signal distribution network and a satellite signal.

There are more than four million licensed television households in South Africa. South Africa is the country with by far the largest television audience in Africa.

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

News bulletins are broadcast in all 11 official languages.

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

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

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

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

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

The second channel, Community Services Network, offers niche sports programming and specialised community channels for the

local Indian, Portuguese, Italian, Jewish, and Christian communities.

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

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

Satellite broadcasting

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

This innovation has been the hallmark of MCA, culminating in its presence in over 50 countries throughout Africa. MCA provides television entertainment through its DStv, Indian, Portuguese and Arabic bouquets, to 638 000 subscribers in South Africa and a total of 860 000 subscribers across 50 countries on the African continent and adjacent Indian Ocean islands. This is done through franchises and joint ventures. Operations include subscriber-management services and

digital satellite television platforms broadcasting 55 video and 48 audio channels 24 hours a day. Included are six data channels which were the first interactive television offerings on the continent. In addition, interactive services like TV-Mail and TV-Shopping are also available in South Africa.

MCA's technological roll-out has included the launch of data channels and 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 MCA 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 television services. On 30 March 1998, the consortium Midi Television was awarded the first privately owned free-to-air television licence.

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

Signal distribution

The signal distributor Sentech will be developed into a multimedia company, which will provide infrastructure for digital broadcasting in South Africa as well as international gateway telecommunications.

Sentech, the official signal carrier of the SABC, launched its new business initiatives in June 2002. Until then, Sentech's mandate entailed the provision of its network for use by other operators, and the provision of telecommunications services direct to customers or end-users.

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In July 2003, the Independent Communications Authority of South Africa (ICASA) released a *Position Paper and Regulations on Sports Broadcasting*, that allows the majority of South Africans to enjoy their favourite sport of rugby, cricket, soccer and the Olympic Games on free-to-air TV channels.

ICASA listed the Summer Olympic Games, All Africa Games, FIFA Soccer World Cup, the Rugby Super 12 (only if a South African team is competing) and the Confederation of African Football's Champions League as events of national interest.

As part of its new business initiatives, Sentech will add to the launch of the submarine cable, which links Africa with Europe and the Far East, by entering the international telecommunications market and providing the necessary infrastructure for African inter-connectivity.

Sentech has started the phased roll-out of its Multimedia Network. The Multimedia Business was expected to be launched before the end of 2003. Sentech's International Gateway is operational and the company has signed its first customer, namely one of the South African mobile operators. Commercial agreements with other operators are to be concluded in due course. The international gateway infrastructure is being expanded in anticipation of increased voice traffic.

Sentech is also a co-sponsor of the Information Systems Electronics and Telecommunications Technologies Sector Education and Training Authority (SETA), with the expressed aim of introducing technology to people in the rural areas around the country.

Print

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

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

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

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

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

Other important media players include Primedia, 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).

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

Newspapers

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

The size of the country – 1 500 km separating the main centres of Cape Town and Johannesburg – still precludes national dailies in the true sense of the word. Some of the bigger titles and specialist newspapers like *Business Day* are distributed in metropolitan areas. The only truly national newspapers are the four Sunday newspapers, *Sunday Times*, *Rapport*, *Sunday Independent* and *Sunday Sun*, and the weekly newspaper *City Press*. All are published simultaneously in various cities, using the printing facilities of related dailies. A number of newspapers have introduced separate weekend editions of their daily newspapers, e.g. *Saturday Star, Saturday Dispatch* and *Post Weekend*.

The *Sunday World*, launched in March 1999, soon lost its initial popularity. It was relaunched in 2000 as the *Sowetan Sunday World* and almost doubled its circulation. But the biggest success story of 2002 belongs to the *Daily Sun*. This Gauteng newspaper launched by Media24 in July 2002, has become the biggest daily in South Africa. Imitating the tabloid format and the controver-

sial content line that appears in its British namesake, *The Sun,* it took the South African daily market by storm. An Afrikaans version, *Son,* has been launched in the Western Cape and Gauteng and all indications are that it will be successful.

There are 17 dailies, seven Sunday papers and 24 weeklies in South Africa. Almost 161 Community Press Association 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 are also part of this section. They are known as 'knock-and-drops' or 'free-bies' as they are distributed free of charge. They have a guaranteed readership with advertising being their only source of income. More than 3,5 million newspapers in this sector are distributed weekly.

In 2002, 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 Media24 and CTP/Caxton are major players in this field.

Since 1996, local newspapers, freebies and corporate newspapers have ventured into reporting in indigenous languages as well. 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

Newspapers

Most of the dailies showed a slight decrease in circulation during the period July to December 2002, owing to the decline in sales during the festive season. Weekly newspapers saw more

impressive growth of 8,2% for 2002, compared with 2001 figures. This growth is attributed to increased black readership of English news-papers.

According to the All Media Products Survey (AMPS) 2002B readership survey compiled by the South African Advertising Research Foundation (SAARF):

• The total newspaper readership increased slightly to 45% or 13,324 million readers.
• Daily readership also increased significantly to 17,1% or 5,045 million as opposed to 16% in the past. A significant increase in readers between the ages of 16 and 24 was also noted. The average number of papers per reader also showed an average increase at 1,27 papers per reader, which was up from 1,25 in AMPS 2002A.
• Daily newspapers showed remarkable stabil-ity on a paper-by-paper basis, supporting the theory that the introduction of the newspa-pers *Daily Sun* and *Isolezwe* (Independent Newspapers' isiZulu newspaper in KwaZulu-Natal) brought real growth to the sector, attracting new readers to the mix.
• Weekly papers had a 39,6% or 11,72 million readership.
• Weekly newspapers maintained their previ-ous levels with market penetration at 30,8%. The average number of weekly newspapers per reader was 1,89 as opposed to 1,91 in the AMPS 2002A survey.
• Readership of community papers remained stable, with total penetration at 21,9%. The only province to register a readership change was the Northern Cape, which saw its readership falling from 29,8% to 20%.

The growth in the Sunday market is an indi-cation that black readership is picking up. These papers showed healthy figures while dailies traditionally read by black people, namely the *Sowetan, Star* and *Citizen*, did not show any increase in circulation. The *Sowetan* saw a disappointing drop from more than 200 000 readers in 2001 to less than 160 000 in 2002.

Although the literacy of the South African population increased by more than 20% from 1991 to 1995, this has not been reflected in the circulation figures of traditional English newspapers. This is attributed to aliteracy among South Africans (aliteracy refers to people who can read, but choose not to).

The battle for the top position in the Sunday market continued throughout 2002. *Sunday Times* did not experience a decrease in circulation, but *City Press* and the *Sowetan Sunday World* received stiff competition from the *Sunday Sun.*

The soccer newspaper*, Laduma,* steadily drew more and more readers during 2002 and its circulation topped 200 000.

The Cape Town newspapers did especially well with their weekend editions. *Die Burger* and especially the *Weekend Argus* outsold their daily editions.

Magazines

The ABC figures for the period July to December 2002 indicated a relatively static overall magazine market with circulation down an overall 2% in comparison with the ABC figures for the same period in 2001, which is echoed by the AMPS figures. Considering the explosion of titles in the market over the last few years, magazine sales have remained constant and the focus for publishers remains on retail sales.

The business-to-business magazine market was larger than the consumer market, but only by a small margin. Most titles were highly niched with small circulations.

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

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

Distribution

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

Sold magazines with the largest circulation, July – December 2002			
Name	**Frequency**	**Language**	**Audited circulation**
Huisgenoot	W	A	347 519
You	W	E	231 648
Sarie	M	A	162 642
Rooi Rose	M	A	141 155
True Love	M	E	134 098
Reader's Digest	M	E	119 373
TV Plus	M	B	118 015
People	F	E	113 285
The Motorist	Q	B	110 348
Cosmopolitan	M	E	102 984

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

Source: Audit Bureau of Circulation

Daily and weekly papers					
Name	Publisher	Contact information	Frequency	Language	Audited circulation Jul – Dec 2002
Beeld (Daily)	Media 24	PO Box 333, Auckland Park, 2006 T. 011 713-9000 / F. 011 713-9956 E-mail: beeld@beeld.com	MD, M-F	A	101 212
Beeld (Saturday)	Media 24	PO Box 333, Auckland Park, 2006	W, Sat	A	85 039
Burger, Die (Daily)	Media 24	PO Box 692, Cape Town, 8000	MD, M-F	A	106 499
Burger, Die (Saturday)	Media 24	PO Box 692, Cape Town, 8000 T. 021 406-2121 / F. 021 406-2911	W, Sat	A	116 370
Business Day	BDFM Publishers (Pty) Ltd	PO Box 1742, Saxonwold, 2132 T. 011 280-3000 / F. 011 280-5600 E-mail: bday@tml.co.za	MD, M-F	E	41 653
Cape Argus, The	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4911 / F. 021 488-4075 E-mail: josepha@ctn.independent.co.za	AD, M-F	E	78 423
Cape Times (Daily)	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4911 / F. 021 488-4762 E-mail: chriswh@independent.co.za	MD, M-F	E	48 774
Citizen, The (Daily)	Caxton Publishers & Printers Ltd	PO Box 7712, Johannesburg, 2000 T. 011 713-2901 / F. 011 713-9985 E-mail: news@citizen.co.za	MD, M-F	E	80 886
Citizen, The (Saturday)	Caxton Publishers & Printers Ltd	PO Box 7712, Johannesburg, 2000	W, Sat	E	
City Press	RCP Media Bpk	PO Box 3413, Johannesburg, 2000 T. 011 713-9001 / F. 011 713-9985 E-mail: news@citypress.co.za	W, Sun	E	188 546
Daily Dispatch	Dispatch Media (Pty) Ltd	PO Box 131, East London, 5200 T. 031 308-2381 / F. 011 308-2111	AD, M-F	E	32 806
Daily News	Independent Newspapers KZN	PO Box 47549, Greyville, 4023 T. 031 308-2911 / F. 013 308-2111 E-mail: tbruce@nn.independent.co.za	AD, M-F	E	51 091
Daily Sun	Media 24	PO Box 333, Auckland Park, 2006 T. 011 877 6000	MD, M-F	E	71 742
Diamond Fields Advertiser	Independent Newspapers Gauteng Ltd	PO Box 610, Kimberley, 8300 T. 053 832-6261 / F. 053 832-1141 E-mail: pbe@independent.co.za	MD, M-F	E	8 432
East Cape Weekend	Times Media Eastern Cape	PO Box 1121, Port Elizabeth, 6000 T. 041 504 7911	W, Sat	E	32 399
Herald (Daily)	Times Media Eastern Cape	PO Box 1117, Port Elizabeth, 6000 T. 041 504-7911 / F. 041 554-966 E-mail: epherald@tmecl.co.za	MD, M-F	E	31 689
Herald (Saturday)	Times Media	PO Box 1117, Port Elizabeth, 6000 T. 041 504-7911 / F. 041 554-966 E-mail: epherald@tmecl.co.za	W, Sat	E	23 775
Ilanga	Mandla Matla Publishing Co (Pty) Ltd	PO Box 2159, Durban, 4000 T. 031 309-4350 / F. 031 309-3489	BW, Th Mo	Z	92 143
Isolezwe	Independent Newspapers KZN	PO Box 47549, Greyville, 4023	MD, M-F	Z	34 057
Independent on Saturday, The	Independent Newspapers KZN	PO Box 47549, Greyville, 4023 T. 031 308-2500 / F. 013 308-2111	W, Sat	E	61 331
Mail and Guardian	M&G Media (Pty) Ltd	PO Box 32362, Braamfontein, 2017 T. 011 727-7000 / F. 011 727-7111 E-mail: newsroom@mg.co.za	W, Fr	E	37 057
Mercury, The	Independent Newspapers KZN	PO Box 47549, Greyville, 4023	MD, M-F	E	39 053

Name	Publisher	Contact information	Frequency	Language	Audited circulation Jul – Dec 2002
Natal Witness	Natal Witness Pr & Pub Co (Pty) Ltd	PO Box 362, Pietermaritzburg, 3200 T. 033 355-2127 / F. 033 355-1122 E-mail:news@witness.co.za	MD, M-S	E	23 477
Post	Independent Newspapers KZN	PO Box 47549, Greyville, 4023 T. 031 308-2424 / F. 031 308-2427 E-mail: khalil@independent.co.za	W, Wed	E	37 592
Pretoria News (Daily)	Independent Newspapers Gauteng Ltd	PO Box 439, Pretoria, 0001 T. 012 300-200 E-mail: tle@pretorianews.co.za	AD, M-F	E	28 038
Pretoria News (Saturday)	Independent Newspapers Gauteng Ltd	PO Box 439, Pretoria, 0001 T. 012 300-200	W, Sat	E	15 904
Rapport	RCP Media	PO Box 333, Auckland Park, 2006 T. 011 713-9002 E-mail:aleroux@rapport.co.za	W, Sun	A	338 702
Saturday Dispatch	Dispatch Media (Pty) Ltd	PO Box 131, East London, 5200 T. 031 308-2381 / F. 011 308-2111	W, Sat	E	28 278
Saturday Star, The	Independent Newspapers Gauteng Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 834-7520 E-mail: starnews@star.co.za	W, Sat	E	136 191
Soccer-Laduma	CT Media (Proprietor)	PO Box 787, Sea Point, 8060 T. 021 685-3838 / F. 021 685-3852	W, Thu	E	200 645
Southern Cross, The	Catholic News-papers & Pub Co Ltd	PO Box 2372, Cape Town, 8000 T. 021 465 5007	W, Sun	E	10 186
Sowetan	New Africa Publications (NAP) Ltd	PO Box 6663, Johannesburg, 2000 T. 011 471-4000 / F. 011 474-8834 E-mail: editor@sowetan.co.za	MD, M-F	E	154 747
Sowetan Sunday World	Times Media Ltd & NAP	PO Box 6663, Johannesburg, 2000 T. 011 471-4200 / F. 011 471-4164 E-mail:newsed@sundayworld.co.za	W, Sun	E	130 603
Star, The	Independent Newspapers Gauteng Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 836-6186 E-mail:starnews@star.co.za	MD, M-F	E	164 364
Sunday Independent, The	Independent Newspapers Gauteng, Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 834-7520 E-mail:newstips@independent.co.za	W, Sun	E	40 151
Sunday Sun	RCP Media Ltd	PO Box 8422, Johannesburg, 2000 T. 011 713-9001 / F. 011 713-9956	W, Sun	E	137 544
Sunday Times	Times Media Ltd	PO Box 1742, Saxonwold, 2132 T. 011 280-3000 / F. 011 280-5150 E-mail: suntimes@tml.co.za	W, Sun	E	504 295
Sunday Tribune	Independent Newspapers KZN	PO Box 47549, Greyville, 4023 T. 031 308-2911 / F. 011 308-2715 E-mail: clarke@independent.co.za	W, Sun	E	109 500
Volksblad, Die (Daily)	Media24	PO Box 267, Bloemfontein, 9300 T. 051 404-7600 / F. 051 430-6949 E-mail: mvanrooyen@volksblad.com	MD, M-F	A	28 207
Volksblad, Die (Saturday)	Media24	PO Box 267, Bloemfontein, 9300 T. 051 404-7600 / F. 051 430-6949	W, Sat	A	24 464
Weekend Argus	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4528	W, Sat & Sun	E	103 901

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

Source: Audit Bureau of Circulation

Newspaper Circulation Services and Magazine Circulation Services handle all Johnnic Publishing's circulation. The Afrikaans press group, Media24 (*Nasionale Nuusdis-tribueerders*), handles most of its distribution itself.

Online media

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

Media organisations and role-players

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

Print Media South Africa (PMSA), formed in 1996, is an umbrella organisation administering individual bodies, namely the Newspaper Association of Southern Africa (the oldest communication organisation, established in 1882), Magazine Publishers Association SA, and the Community Press Association of Southern Africa. Allied to PMSA, but not a constituent member, is the ABC, responsible for auditing and verifying print-media circulation figures.

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

In April 2003, the Presidential Press Corps was launched by President Thabo Mbeki and the South African National Editors' Forum (SANEF).

The move followed the Sun City talks, in 2001, between government and SANEF, where SANEF undertook to bring together a team of journalists in a bid to improve information-sharing between journalists and The Presidency.

President Mbeki said the move would pave the way for a better understanding between journalists and government.

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

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

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

In January 1997, the Forum of Black Journalists, 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 resultant ruling, they can lodge an appeal with an independent appeal panel. The office of the Press Ombudsman was set up by the PMSA, SANEF, the Media Workers' Association of South Africa, and the South African Union of Journalists (SAUJ).

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

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.

Another body that protects freedom of speech is the Freedom of Commercial Speech Trust, which was instituted in 1997. Backed by the marketing communication 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 Broadcasting Complaints Commission of South Africa is an independent self-regulatory body which serves as a voluntary watchdog to adjudicate complaints from the public about programmes flighted by members subscribing to its code of conduct. It is empowered by its members, which include the SABC, M-Net, Radio 702 and Trinity Broadcasting Network. However, the Commission does not deal with X-rated material which, under criminal law, is prohibited.

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

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

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

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

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

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

News agencies

The South African Press Association (SAPA), which is a national news agency, is a co-operative, non-profit news-gathering and distribution organisation operating in the interests of its members and the public. SAPA's foreign news is received from Associated Press (AP) and its representatives in London.

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

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

Training centres

Over 40 institutions offer media training in South Africa.

Tertiary institutions include various universities of technology (technikons) and universities such as Pretoria Technikon, Rhodes, Potchefstroom, Stellenbosch and Witwatersrand Universities; and organisations such as the

Cape Town Film and Television School; the SABC's Television Training Centre; the Radio Freedom Institute; the Institute for the Advancement of Journalism; and NEMISA, a government-funded training institute specialising in broadcasting, news media and multimedia skills.

During 2002/03, about 45 producers from more than 30 community radio stations were trained in production skills by NEMISA. Onsite training was conducted in five provinces and producers were trained in the art of making programmes relating to women, children, HIV/AIDS, and the disabled.

NEMISA also conducted targeted training programmes in the form of two-week long courses for the community radio sector. Some 35 radio stations benefited from this intervention.

Towards the latter part of 2002, NEMISA conducted a three-month intensive course for a group of 26 Nigerian radio and television broadcasters. The course was the first of its kind delivered by a South African institution to a delegation of experienced broadcasters on the African continent. In 2003/04, the Institute aims to increase products and services on offer to broadcasters across the continent.

By February 2003, there were 50 learners studying towards this qualification at the Institute. Thirty learners were expected to complete this programme in May 2003. The electives on this course, leading to specialisation, were in the areas of animation, information design, and advertising. The qualification enjoys joint-accreditation status by both the South African Council on Higher Education and the Malaysia Multimedia University.

During 2002/03, the language portals project was undertaken by NEMISA, with 26 individuals from across South Africa assigned the task of producing content in indigenous languages. This was the first project of its nature in South Africa. It will have a fundamental effect on the manner in which media is consumed in the country.

The second graduation ceremony for the Institute was held on 4 July 2003. During 2003, NEMISA administered the Khuluma Radio Project, a three-year skills-development programme for community media.

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

It has six advisory committees, with representatives from labour, business and government, which advise on:
• print media
• advertising
• publishing
• printing
• packaging
• film and electronic media.

The MAPPP SETA is responsible for co-ordinating a sector training plan across the media industry, and assesses the quality of training courses that are run by the industry.

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

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

Journalism awards

The most important awards include the:
• Mondi Paper Magazine and Newspaper Awards
• Nat Nakasa Award for Courageous Journalism
• SAPPI Magazine Publishers Association of South Africa PICA Awards
• Sanlam Community Press Awards
• Vodacom awards for journalism across all mediums
• South African Breweries (SAB) Journalism Awards.

Winners of major annual press trophies					
	Frewin*	**McCall****	**Cronwright*****	**Hultzer******	**Joel Mervis********
1999	Beeld	The Mercury	Western Transvaal Record	Vaal Weekly	Naweek-Beeld
2000	Beeld	Business Day	Record District Mail	Vaal Weekly	Naweek-Beeld
2001	The Star	The Mercury	Sandton Chronicle	Potchefstroom Herald	Rapport
2002	Beeld	Natal Witness	Paarl Post	Potchefstroom Herald	Rapport

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

Source: PMSA

The Nat Nakasa Award for Courageous Journalism was won by chief photographer of the *Star*, Debbie Yazbek, in 2003. Yazbek made history by being the first photographer to walk away with this prestigious Award, which recognises integrity, fearlessness, courage and determination in journalism.

Anne-Marie Lombard and Alpheus Sibane of the TV programme *Special Assignment* walked away with the Vodacom Journalist of the Year Award for 2003.

Kim Cloete, also from the SABC, won a Cable News Network Award for Best Report on an ongoing issue.

The Fuji Photographer of the Year was Halden Krog of *Beeld*.

Robyn Chalmers from *Business Day* was the Sanlam Financial Journalist of the Year.

The Sanlam Community Press Journalist of the Year was Samantha Wade of the *Newcastle Advertiser*.

Johan Esterhuizen of *Rapport* was the SAB Sports Writer of the Year.

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.

Media Development and Diversity Agency (MDDA)

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

President Mbeki has appointed a nine-member board which will govern the MDDA, ushering in a new dawn for media development and diversity initiatives in South Africa, especially for the community and small commercial-media sector.

In terms of the financing of the MDDA, the Act provides for the Agency to be an independent and statutory body, jointly funded by government and the media industry. The Agency is also enabled by the Act to approach donor organisations to mobilise further funding. Although jointly funded, the MDDA will function independently and at arm's length from all funding sectors.

This arrangement represents the building of an unprecedented partnership that will enable government, the media industry and donors to work together towards addressing the legacy of imbalances in access to the media.

The MDDA published draft regulations outlining its plans for supporting community and small media in July 2003.

The draft regulations set out which media organisations qualify for financial assistance, what kind of assistance these media organisations can expect from the MDDA, and how to apply.

The public had until 1 September 2003 to comment on the draft regulations. According to the regulations, about 60% of grant money available would go towards community media projects, 25% to small commercial-media and 5% to research projects.

GCIS committed R3 million to the MDDA for 2002/03 and an additional R7 million for 2003/04.

Advertising

The top advertising agencies in 2003, as recognised in the *AdFocus* supplement in *Financial Mail* were kulula.com for Advertiser of the Year, Net#work BBDO (Agency of the Year), morrisjones&co (Small Agency of the Year) and CIA Nota Bene (Media Agency of the Year). Colin Ramparsadh and Grant Willemse of Saatchi and Saatchi South Africa won the Roger Garlick Youth Award for innovative media strategies, for their Osram Light Bulbs *Studio Lights* campaign.

South African agencies are also active in Africa. The top three are: McCann-Erickson Africa, Ogilvy Africa and FCB Africa.

Advertising awards

The Loerie Awards are the best-known South African awards that recognise excellence in advertising. These Awards, established by the Association of Marketers in 1978, cover 16 mutually exclusive media categories: television, international television, cinema, radio, newspaper, magazine, international print and poster, outdoor advertising (above-the-line) and design (below-the-line) campaigns, graphic design, promotional marketing, audiovisual, corporate events, digital interactive, and student.

Excess monies are ploughed directly back into the industry, in the form of bursaries for underprivileged advertising and marketing students via the Loerie Education Trust Fund and as a donation to the Advertising Benevolent Fund.

The 2003 Loerie winners included TBWA Hunt Lascaris, which won six awards in the television category, one in the cinema category and five awards in the radio category.

Other winners included Net#work BBDO, HarrisonHuman Bates, Ogilvy & Mather RS-TM and the Association of Advertising Agencies.

The MultiChoice VUKA! Awards encourage the making of Public Service Announcements (PSAs) in southern Africa, and are open to both newcomer and professional film-makers. A PSA is a commercial produced for a registered charity, NGO or a worthy cause. These worthy causes need media exposure in order to generate awareness and raise funds for social, economic or environmental issues.

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The Consumer Magazine Awards were divided into 13 categories. The overall winner was *Y - Yired*, which also won the Youth Category.

Other winners in the respective categories included:

- *Shape*, published by Touchline Media, under both the Women's Magazines and Health and Spirituality categories.
- *House and Leisure*, (Associated Magazines), under Home and Garden.
- *Visi*, (New Media Publishing), under Design and Decor. It also won the Award for Excellence in Magazine Design.
- *Men's Health* (Touchline Media), under Men's Health.
- *You* and *Huisgenoot* (Media 24) were joint winners under Family Magazines.
- *Golf Digest* (Touchline Media), under Sport.
- *Getaway* (Ramsay, Son and Parker), under Travel, Wildlife and Conservation.
- *Baby and Me* (Associated Magazines), under Parenting.
- *Landbouweekblad* (Media 24), under Business.
- *Car* (Ramsay, Son and Parker), under Motoring.
- *Insig* (New Media Publishing), under Entertainment and Leisure.

The annual Pendoring Awards reward excellence in Afrikaans advertising and have developed into an awareness-builder of the importance of advertising in Afrikaans. Above-the-line categories consist of radio, television, cinema, magazines, newspapers, outdoor advertising and campaigns. Other categories are below-the-line, new media and student.

Pendoring received a total of 303 entries in 2003 from 50 advertising agencies, internal marketing departments and training institutions. FCB Cape Town collected the biggest bundle of Pendoring Awards in 2003. They won five categories while the company's Johannesburg branch scooped winner status in three categories.

Deon Wiggett of TBWA/Gavin Reddy walked away with the sought-after Prestige Prize.

A number of agencies were awarded golden trophies for the first time since the inception of the Pendorings, namely BesterBurke, HarrisonHumanBates, KingJames, TBWA/Gavin Reddy and Grey Worldwide.

Net#work BBDO received three Pendorings (two silver and one gold).

Other marketing communication awards

Two of the fastest growing areas in marketing communication are direct marketing and sponsorship.

The Assegai Awards were established in 1998 to honour excellence in direct marketing strategic-prowess and innovation, with an emphasis on results. The Association of Marketers established the Raptor Awards in 1999. These Awards recognise excellence in different South African sponsorship categories, namely sport, arts, environment and broadcast. In sponsorship campaigns, various advertising and promotional activities are integrated to leverage the overall effectiveness of the campaign.

During 2002, more than R1,4 billion and R1,2 billion was spent on sport sponsorships and the leveraging of sport sponsorships, respectively.

International exposure

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

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

At global advertising events certified by the CDF, TBWA Hunt Lascaris (Gauteng) broke away from the rest of the field and achieved 12 710 points through their performance in the Loerie, Cannes, Clios, The One Show and Eagles events.

Online and offline advertising

The collapse of the dot-com world in 2000 led to a substantial slump in online advertising.

The Internet is still used as an entertainment medium and information source, but the biggest growth in Internet usage seems to be in business-to-business communication.

According to AMPS figures, adspend on the Internet between December 2001 and November 2002 was R45,5 million. This amounted to a mere 0,4% of total adspend.

Search-engine marketing is one of the fastest-growing types of online advertising in South Africa.

In South Africa, Internet usage remained stable at 4,6% of the population in 2002 compared with 2001, according to the SAARF.

Advertising ethics and the Advertising Standards Authority (ASA)

The ASA is an independent body set up and paid for by the marketing communication industry to regulate advertising in the public interest through a system of self-regulation. The ASA works closely with government, statutory bodies, consumer organisations

and the industry to ensure that the content of advertising meets the requirements of the Code of Advertising Practice, the guiding document of the ASA. The Code is based on the International Code of Advertising Practice, prepared by the International Chamber of Commerce. This is internationally accepted as the basis for domestic systems of self-regulation. The Code is drawn up by the ASA in collaboration with representatives of the marketing communication industry, and is amended from time to time to meet the changing needs of both the industry and society.

This Code is supplemented by individual codes, which are determined by the various member organisations or negotiated with government institutions.

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

Acknowledgements

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