



South Africa has an extremely well-developed communications sector, including telecommunications, post, media and information technology (IT).

The Department of Communications is the centre of policy-making and policy review for the posts, telecommunications and broadcasting sectors in the country.

The Department aims to enable ordinary people to have access to information and communication technologies (ICTs) including:

- 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 learning
- convenience measures such as teleshopping and telebanking.

While restructuring State-owned enterprises and introducing competition to this sector, a key priority has been improving access to communications.

A stable regulatory regime for e-commerce is a central objective. On 31 July 2002, President Thabo Mbeki electronically signed the Electronic Communications and

Transactions Bill. The Act will pave the way for a secure environment for e-commerce transactions.

Telecommunications

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

Government recognises the centrality of the telecommunications and IT sectors in economic development. The sector contributes about 4% to 5% of gross domestic product and is estimated to generate about R4 billion in annual turnover. It remains the fastest-growing industry.

Legislation passed in 2001 gave effect to the policy of the managed liberalisation of the South African telecommunications market. The amendments paved the way for the introduction of the Second National Operator (SNO), in which a 30% stake is reserved for Esi-tel and Transtel and a 19% stake has been awarded to black economic empowerment entity NEXUS Connection.

Shortlisted bids for the 51% strategic stake in the SNO were, after an exhaustive vetting process, eventually rejected, meaning that the search for the second operator had to be renewed.

Legislative amendments also provide 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 nodal points. This process will bring about significant ownership and involvement in the communication sector by black people and women in South Africa.

Independent Communications Authority of South Africa (ICASA)

The core responsibilities of ICASA include the regulation of South Africa's communications industry.

ICASA's main goal is to create regulatory certainty in

an environment where technology is evolving rapidly. ICASA promotes growth in telecommunications and broadcasting, economic growth and investment, access, and service and fair competition. Its mandate includes fostering the participation of previously disadvantaged groups and protecting public and consumer rights.

Radio and television broadcasters are licensed by ICASA, as are all telecommunications service-providers.

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

Information technology

The State-owned IT company, arivia.com, 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 Group's focus is high-end business technology solutions that support public sector and the large private-sector corporates, primarily within the South African and African markets. The business is characterised by large, end-to-end IT outsource agreements, the deployment of turnkey business solutions and the provision of niche solutions. The R1,51-billion revenue group has proved its commitment to employment equity initiatives by reaching an employment equity target of 50,6%.

Government policy is informed by some of the world's leading IT experts and multinational chief executive officers who formed a council to advise on narrowing the digital divide with the rest of the world.

The Institute for Satellite and Software Applications is involved in producing top-class postgraduates in science and space technology. It is also involved in presenting specialised hi-tech qualifications for South Africans.



Internet

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 Directorate: Internet aims to increase access to the Internet, specifically among historically disadvantaged communities and the youth.

The Department of Communications is rolling out Public Internet Terminals (PITs) in post offices around the country to give the public access using smart-card technology. By September 2001, 100 PITs had been installed in post offices. A further 200 were planned for 2002/03.

Internationally, South Africa is a member of the International Telecommunications Union. Several governments and organisations have pledged financial and technical support to help strengthen the local IT industry. South Africa is an enthusiastic supporter of the African Connection Project.

South Africa Internet traffic for the 2nd quarter, 2002

Site	Impressions		Users
News24.com	14,698,874	10%	537,839
IOL	10,793,891	6%	333,672
Ananzi	8,183,031	-13%	480,151
Moneymax	2,192,763	6%	66,286
CareerJunction	1,862,913	-7%	135,541
Sunday Times	1,731,458	1%	146,242
Business Day	1,622,890	21%	130,803
MoneyWeb	1,554,173	7%	167,173
Job Navigator	1,515,020	0%	16,113
IT Web	1,306,282	5%	71,867
CARToday.com	684,641	8%	25,394
Financial Mail	225,789	57%	15,911
GetawaytoAfrica.com	154,286	-19%	17,178
PSG-Online	Outstanding		
MTN E-Business	Outstanding		
SA Active	Outstanding		

Source: ABC

Telkom

In May 1997, 30% of Telkom was sold to a strategic equity partner, Thintana Communications, a consortium comprising United States-based SBC Communications Inc. and Telekom Malaysia Berhad.

Twenty-five percent of Telkom was sold to public investors when the company was listed on the JSE Securities Exchange and New York Stock Exchange in March 2003.

Government also set aside a 3% holding in Telkom for a qualified black empowerment group. Ucingo Investments became the new shareholder. It is a broad-based investment company representing more than 20 empowerment groups nationwide.

Telkom's fixed-line exclusivity period came to an end in May 2002, paving the way for the introduction of competition in the fixed-line environment, and allowing the company to shift its focus from fulfilling licence obligations to strategic and operational initiatives based on margin improvement and earnings growth.

Telkom now has a world-class network capable of supporting the latest technologies, and customer service has been greatly improved. By the end of March 2002,

DID YOU KNOW?

The official South African portal (www.safrika.info) was launched in September 2002. The site forms part of the International Marketing Council's campaign to change perceptions about the country. The site is the first of its kind in the world.

Telkom had installed 2,8 million lines over the previous five years, bringing the total number of lines to 4,92 million. It had 195 399 pay-phones (a 10% increase), 707 881 fixed-line prepaid lines (a 47% increase), 467 518 ISDN lines (up 25%) and had digitised 653 switches.

In five years, Telkom's capital investment has amounted to R48 billion. In 2002, Telkom invested R9 billion, primarily in its fixed and mobile networks and operational support systems, which resulted in further enhancing network capability.



DID YOU KNOW? The Post Office 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 eventually install five million additional address boxes within the next few years.

Broadband services, including teleconferencing, now compare with the best in the world.

While streamlining its workforce, Telkom has been careful not to lose vital technical skills. The lines-per-employee ratio has improved from 82:1 in 1998 to 113:1 in 2001 and 125:1 in 2002.

In the business fixed-line market, the average installation time has been reduced from 11 days in 2001 to five days in 2002. The average installation time for residential lines was slashed from 18 days in 2001 to eight days in 2002. An average 91% of faults are cleared within 48 hours, compared to 65% in 1998.

Mobile communications

South Africa, with the operators Vodacom, MTN and Cell C, is the fourth-fastest-growing GSM market in the world.

By January 2002, there were 11,2 million cellular users in the country and the figure was 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. After only six months of operations, Cell C broke the 500 000-subscriber mark in May 2002. Cell C aims to achieve 20% market share by 2007.

Vodacom is South Africa's leading cellular network with a 60% share of the market. More than 90% of all new connections are prepaid customers. Telkom is the majority shareholder of Vodacom, with a 50% interest. Vodacom is valued at R50 billion to R70 billion.

MTN was the first cellular provider in the world to have GSM coverage of 60 000 km², obtain a cellular licence in Africa and to launch prepaid cellular packages in South Africa, as well as a special package for the deaf community.

Both MTN and Vodacom have successfully expanded into several African states.

The postal sector

The Post Office's core business is postal services, which account for 70% of its total revenue. Its main areas of business are the delivery of domestic and international letters, and courier and parcel services.

The Post Office handles an average of eight million letters a day, 70% of which are prepaid mass-mailed letters sent out by companies using franking machines. It delivers mail items to over 6,5 million delivery points. In March 2001, the Post Office had 2 762 postal outlets countrywide and 30 mail processing centres.

By December 2000, the Post Office claimed to consistently deliver 91% of mail on time, equal to western European standards.

The Post Office's monopoly on post over 1kg was ended in 1998. Legislation enacted then obliged the Post Office to operate under a 25-year licence with explicit service targets.

While the Post Office undergoes restructuring, it will receive an interim subsidy but, contrary to the historical practice of making up for operational losses, the new subsidy is targeted towards the Post Office meeting its social responsibilities. These include expanding the postal outlet network, particularly in underserved areas, refurbishing outlets and bridging the digital divide with the roll-out plan of Citizens' Post Offices and PITs to previously disadvantaged communities.

In 2002, the group's total income, including the subsidy, was approximately R3,7 billion and its fixed assets worth R1 040 million. By July 2002, the Post Office employed a total of 20 247 full-time staff.

The media

South Africa has a vibrant and diverse media, the freedom of which is guaranteed by the Bill of Rights.

Broadcast media

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

The South African Broadcasting Corporation (SABC) is the country's public broadcaster.

Its national radio network comprises 20 stations which, combined, reach an average daily adult audience of 20 834 billion.

SABC Radio News' staff generate some 2 000 news programmes per week with combined airtime of almost 300 hours. An external service, called Channel Africa, targets audiences in Africa and the Indian Ocean islands, and offers an all-African radio service.

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 in Gauteng, a multilingual youth radio station; Y-FM, broadcasting in Johannesburg in isiZulu, Sesotho and English; Radio KFM; Radio Algoa; Radio Oranje; Highveld Stereo; Radio 702 in Gauteng; East Coast Radio, and Radio Jacaranda.

Legislation governing a restructured SABC specifies that 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 Bill also provides for the establishment of two regional television services – one for inland and the other to cover the coastal part of the country. While government will initiate these services, there is no intention to establish State broadcasters. The level of foreign ownership of private radio and television stations is currently pegged at 20% but the Government believes this should be raised.

The SABC's national television network comprises six television channels (four free-to-air, including Bop TV which has been integrated with the SABC) and two satellite pay-TV channels. Combined, the free-to-air

DID YOU KNOW?

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, the biggest initiative so far in government's programme to restructure State assets and the second largest global IPO in 2003.

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.

M-Net

M-Net, South Africa's first private subscription television service, was launched in 1986. Today, it has over 1,23 million subscribers in 41 countries across the African continent.

The main M-Net channel focuses on films 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 are available to viewers without decoders.

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

e.tv

The consortium Midi Television was awarded the first privately owned, free-to-air television licence. The station it operates, e.tv, is a commercial service dependent on advertising. It does not charge subscription fees. The e.tv channel started broadcasting in October 1998.

Satellite television

MultiChoice Africa (MCA), formed in 1995, was the first African company on the continent to offer digital satellite broadcasting. MCA today has a presence in over 50 countries throughout Africa and a subscriber base of more than 1,4 million. MCA has introduced new technologies, offering over 54 video and 48 music channels.







Print media

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

The major press groups are Independent Newspapers (most newspaper titles), Media24, CTP/Caxton and Johnnic Publishing. 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). The flagship of New Africa Media, *Sowetan*, is the biggest daily in South Africa.

South African newspapers are based mainly on the British model. The 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 truest sense.

Some of the bigger titles and specialist newspapers, like *Business Day*, are distributed in all major 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.



Sold magazines with the largest circulation, July – December 2001

Name	Frequency	Language	Audited circulation
Huisgenoot	W	A	366 063
You	W	E	239 108
Reader's Digest	M	E	124 437
Rooi Rose	M	A	161 402
Bona	M	E,X,S,Z	126 745
Woman's Value	M	E	127 897
Sarie	M	A	132 534
TV Plus	M	B	115 284
True Love & Family	M	E	136 450
Drum	W	Z,E	107 139

The abbreviations used are the following: W (Weekly), A (Afrikaans), X (isiXhosa), S (Sesotho), Z (isiZulu) and B (Bilingual)
Source: ABC

DID YOU KNOW?

telkom had installed 132 990 new payphones by 31 March 2002. The prepaid network, established towards the end of 1999, had connected 707 881 customers up to 31 March 2002. It was one of the world's first wire line prepaid systems.

Sunday World, launched in March 1999, soon lost its initial popularity and was relaunched in 2000 as *Sowetan Sunday World*. The relaunched version is now the success story of the South African newspaper world as it has almost doubled its circulation over the previous year.

There are 17 dailies, seven Sunday papers and 21 weeklies in South Africa. Almost 158 community press members or country newspapers, most of

which are weekly tabloids, serve particular towns or districts by covering local affairs and carrying local advertising. Most are published in English and Afrikaans. Newspapers appearing only in certain neighbourhoods are also part of this section. More than 3,2 million copies of 92 such publications are distributed weekly.

Sowetan (193 358) is the largest English daily. *Sunday Times* (506 474) is the biggest circulating newspaper.

There are some 480 consumer magazines and more than 580 trade, technical and professional publications in South Africa. In 2000, magazines' advertising income was R1,3 billion, that of newspapers R2,4 billion, while R4,8 billion was spent on radio and television. Outdoor advertising increased its revenue from just R66 million in 1991 to R327 million in 2000.

Online media

Most of the bigger publications have websites. There are more than 600 'netzines' listed as online publications in South Africa, with at least 16 of them specialising in daily news.