



## Communications

South Africa boasts an outstanding telecommunications infrastructure and a diversity of print and broadcast media. Telecommunications is the fastest growing industry in South Africa.

### Access

The Department of Communications aims to give ordinary South Africans access to information and infrastructure. This includes:

- telemedicine
- tele-education
- convenience measures such as teleshopping and tele-banking.

The Telecommunications Amendment Act, 2001 provides for operators, especially black- and women-owned operators, to be licensed in areas with teledensities of less than 5%.

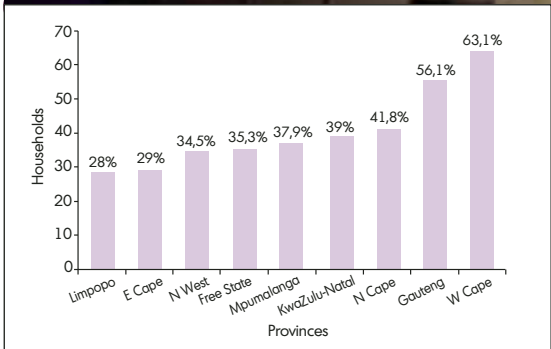
The process to appoint a Second National Operator continues.

### Mobile communications

South Africa is the world's fourth fastest growing cellular communications market. By October 2003, there were 15 million cellular users, a number expected to grow to 21 million by 2006.

The country has three mobile operators: Vodacom, MTN and Cell C.

Percentage of households in each province with a telephone in the dwelling or a cellular phone



Source: Census 2001

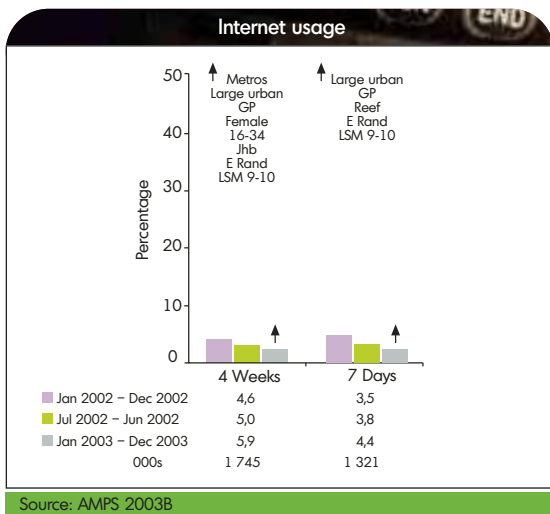
Vodacom, which is 50% owned by Telkom, has 61% of the cellular market, with seven million customers.

MTN has almost five million subscribers and coverage of 900 000 km<sup>2</sup> (including sea), giving access to 94,5% of the population.

The country's third cellular operator, Cell C, began operations in November 2001. By August 2003, Cell C had 1,5 million subscribers.

## 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.



## Bringing communications and services to all the people

In the 2001/02 financial year, 100 Public Internet Terminals (PITs) were established countrywide.

By April 2004, 55 Multi-Purpose Community Centres, at which rural and historically disadvantaged communities can access communications and government services, had been established.

Inside these Centres, telephony and PITs are available. By the end of 2004/05, 18 Citizens' Post Offices will have been established. These Post Offices, mostly in rural areas, will have space dedicated to both traditional and new electronic communications.



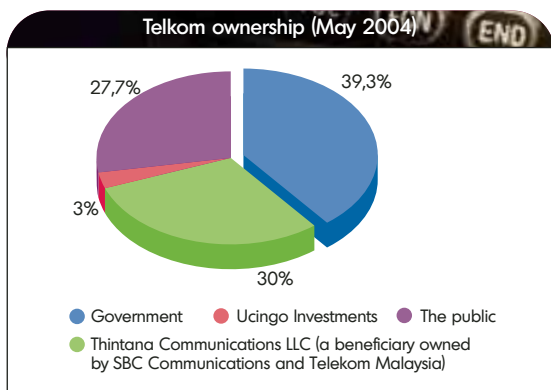
FACT

In 2002/03, the Telkom Foundation's expenditure amounted to R39 million. Some 42% went to Mathematics and Science and Technology education, 32% to empowerment projects, and 11% to other education and training.

## Telkom

On 7 May 2002, Telkom's five years of exclusivity ended, opening the door to competition. During those five years, Telkom transformed itself into a competitive player, providing total communications solutions in the information and communications technology sector.

In 1997, Telkom embarked on an extensive five-year capital-investment programme in the fixed-line business. In the five years up to March 2002, investment in this area was R41,7 billion, of which R27,9 billion was used for network modernisation and line roll-out. Specific targets for extending services were set and mostly exceeded. Since 1997, Telkom has spent R14 billion on meeting empowerment objectives alone.



Source: South Africa Yearbook 2003/04

On 5 March 2003, Telkom listed on the JSE Securities Exchange (JSE) and the New York Stock Exchange. The first day of the listing raised R3,9 billion, making it the biggest initiative so far on government's programme to restructure State-Owned Enterprises, and the second biggest global initial public offering in 2003.

Group revenue grew 10% during 2002/03, reaching R37,6 billion, largely due to a fixed-line tariff increase, but also boosted by growth in Vodacom's mobile customers.

## Postal sector

The Government-subsidised SA Post Office (SAPO) is required to provide a basic letter service that is reasonably accessible to all. The SAPO:

- delivers to an area of more than 1,2 million m<sup>2</sup>
  - uses 2 760 postal outlets and 30 mail processing centres.
- SAPO delivers mail to 6,5 million addresses of which 3,4 million are street addresses.

Since 1999, the SAPO only enjoys a monopoly on letter mail up to 1 kg. In terms of its 25-year licence, SAPO is expected to meet explicit service targets and is monitored by a regulator.

Annually, the SAPO prints more than 384 million stamps and serves stamp collectors and dealers throughout the world.

## The media

The freedom of the press and other media is guaranteed by South Africa's Bill of Rights.

### Broadcasting

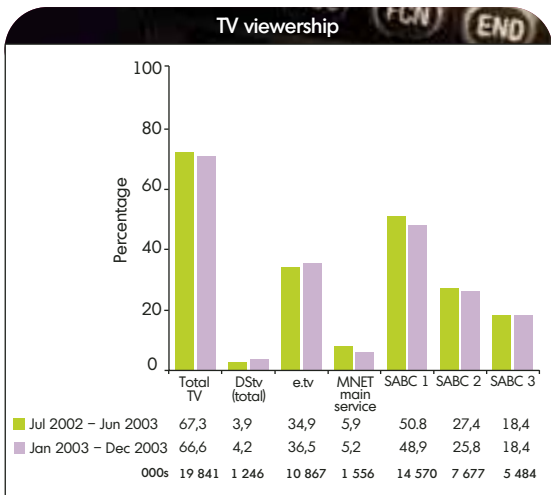
The independence of the public broadcaster, the South African Broadcasting Corporation (SABC), is guaranteed by legislation. The SABC is being corporatised and restructured to better fulfil its mandate.

## Radio

The SABC's national radio network comprises 20 stations with a combined daily audience of 20 million. Radio News has 13 editorial offices and 1 300 correspondents. Targeting the rest of Africa and the Indian Ocean islands, Channel Africa broadcasts in English, French, Kiswahili and Portuguese.

In addition to the SABC, private radio stations licensed by the regulator, the Independent Communications Authority of South Africa, are: Classic FM in Gauteng; Cape Talk MW in the Western Cape; P4, a jazz station in Cape Town; 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.

In the past 10 years, 94 community radio broadcasting licences and 10 commercial licences have been awarded.



Source: AMPS 2003B

Eighty-eight percent of the rural population listens to the radio in a seven-day period, compared with 79% in 1994.

## Television

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

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. News bulletins are broadcast in all 11 official languages.

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

M-Net became South Africa's first private subscription television service when it launched in 1986.

Today, it has over 1,2 million subscribers in 49 countries across Africa. It features broad-ranging programming on its two terrestrial channels in South Africa. The main channel focuses on films, sport and general entertainment. The second channel offers sports programming and specialised community channels for specific communities.

Formed in 1995, MultiChoice Africa became the first African company on the continent to offer digital satellite broadcasting. Services include 55 video and 48 audio channels operating 24 hours a day.

## Print

Technically, the local print media rate among the best in the world. However, the recent juniorisation of the newsroom has impacted negatively on most major publications.



**FACT**

The Institute for Satellite and Software Applications is building a micro-satellite that will be able to scan water and electricity meters from space – saving municipalities millions and giving consumers more accurate accounts.

## Biggest weekly and daily newspapers

Paper	Audited circulation Jul – Dec 2002
<b>Weekly papers</b>	
Sunday Times	504 295
Rapport	338 702
Soccer-Laduma	200 645
City Press	188 546
Die Burger	116 370
<b>Daily papers</b>	
The Star	164 364
Sowetan	154 747
Beeld	101 212
The Citizen	80 886
The Cape Argus	78 423

Source: Audit Bureau of Circulation

South African newspapers and magazines are mainly organised into press groups, which have burgeoned as a result of take-overs. The major press groups are Independent Newspapers, Media24, CTP/Caxton Publishers and Printers, 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).

### Newspapers

In 2003, the newspaper market consisted of:

- 17 dailies
  - seven Sunday newspapers and 24 weeklies
  - 161 local or country newspapers, most of them weeklies.
- The only truly national newspapers are the Sunday newspapers, *Sunday Times*, *Rapport*, *Sunday Independent*, *Sunday Sun* and *City Press*.

### Magazines

Magazine circulations declined by 2% in the second half of 2002 compared with the same period in 2001. There has,



however, been an explosion in the number of titles in recent years, with the business-to-business magazine sector remaining larger than the consumer market.

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

### Online media

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

### News agencies

The national news agency, the South African Press Association (SAPA), is a co-operative, non-profit organisation.

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

Above the line adspend				
Category	2002 R millions	%	2003 R millions	%
Daily newspapers	1 694,7	16,8	1 859,9	15,7
Weekend newspapers	795,2	7,9	968,3	8,2
Community newspapers	531,0	5,3	661,4	5,6
Consumer magazines	1 033,7	10,3	1 123,5	9,5
Trade, technical, financial	372,6	3,7	364,8	3,1
Total print	4 427,2	43,9	4 977,9	41,9
TV	3 591,2	35,6	4 401,9	37,1
Radio	1 415,9	14,0	1 716	14,5
Cinema	78,1	0,8	87,4	0,7
Outdoor	427,6	4,2	518,3	4,4
Knock & drop	92,4	0,9	117,1	1
Internet	45,7	0,5	49,4	0,4
<b>Total</b>	<b>10 078,1</b>	<b>100</b>	<b>11 867,9</b>	<b>100</b>

Rounding off occurs. Important note: excludes self promotion by TV stations on TV. According to AdEx, TV accounted for R3 591,2 million (35,6%) of the R10 078,1 million spent on media in 2002, compared with R857,6 million in 1991.

Source: AC Nielsen's Ad Ex

**Media diversity**

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

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

**Advertising**

Several South African agencies are active in Africa. Among the top three are McCann-Erickson Africa, Ogilvy Africa and FCB Africa.

The industry is self-regulated by the Advertising Standards Authority.