



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

In recent years, the Department of Communications has established policy and regulatory frameworks to create a sound and enabling environment that promotes business and the sharing of information.

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%.

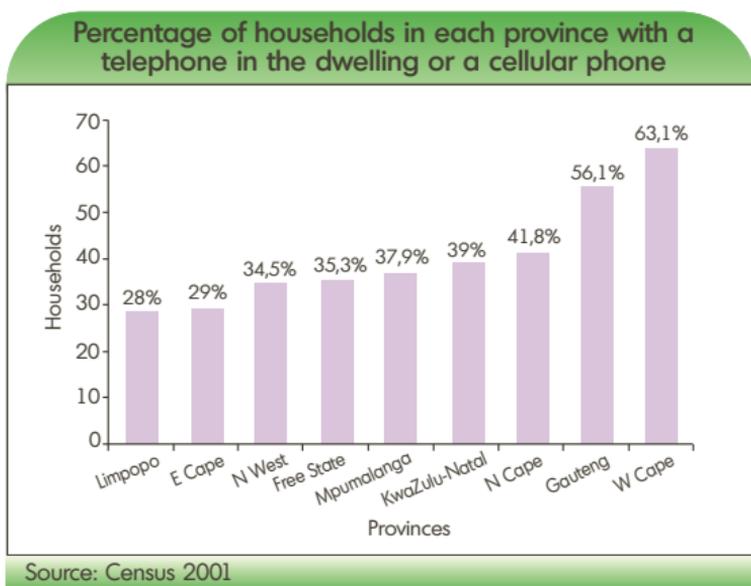
A second national operator was licensed in December 2005, to operate a publicly switched telephone network..

Mobile communications

Over the past years, South Africa has witnessed tremendous growth in the cellular phone industry, with over 20 million subscribers. South Africa has three operators, namely Vodacom, MTN and Cell C.

Internet

A World Wide Worx survey, entitled *The Goldstuck Report: Internet Access in South Africa 2005*, showed that an



estimated 3,6 million South Africans had access to the Internet at the end of 2005.

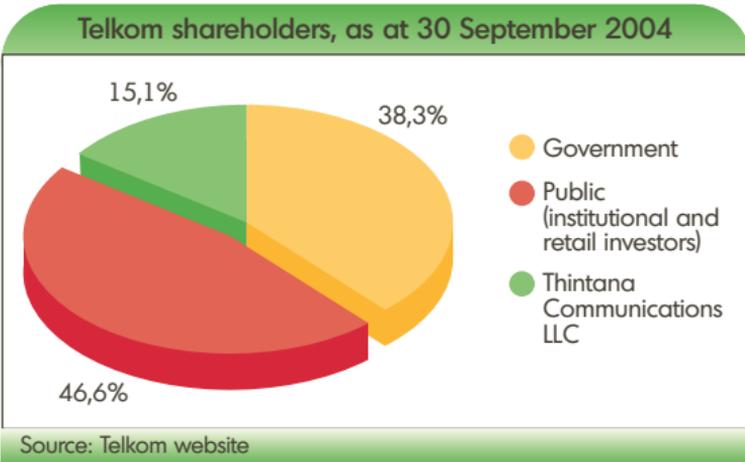
The Telecommunications Business Unit in the Department of Communications has established a specialist unit to develop a national strategy and to focus on the development and expansion of the Internet.

Bringing communications and services to all the people

During 2004, 600 public information terminals (PITs) were installed throughout the country. This brought the total number of PITs rolled out to 700. Some 575 of the newly installed PITs were operational by mid-2005.

By September 2005, there were 66 multi-purpose community centres in operation, and an approved strategy for setting up a centre in each of the country's 284 municipalities by 2014.

These centres offer one-stop government services, as well as telephony and PITs.



Telkom

Telkom provides total communications solutions in the Information and Communications Technology (ICT) sector.

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 that far on government's programme to restructure state-owned enterprises, and the second-biggest global initial public offering in 2003.

Group financial highlights for 2005 included:

- 6,5% growth in operating revenue to R43,117 million (2004: R40,484 million)
- 21,4% growth in operating profit to R11,222 million (2004: R9,245 million)
- basic earnings per share up 52,9% to 1 241,8 cents per share.

South Africa ranks 34th out of 104 countries surveyed in the World Economic Forum's *Global Information Technology Report 2004/05* – up from 37th place overall in 2003/04, and ahead of China, Greece, Hungary, Italy and India.

The report, in its fourth year, assessed countries' readiness to participate in and benefit from global developments in Information and Communications Technology.



Postal sector

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

With more than 2 000 outlets and 5 500 service points, the Post Office is one of the largest business undertakings in the country. It delivers some eight million mail items to almost 6,5 million addresses. Of these, 3,4 million are street addresses and three million are postboxes.

Speed Services Couriers moves 37 tons of mail each night.

To distribute mail in South Africa, about 70 50-ton container vehicles ply the nation's major routes. Between them they cover 19 million kilometres each year.

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

In 2005, the SABC's national radio network comprised 15



The South African web attracted a combined local and overseas audience of 4,38 million readers or unique browsers in April 2005, generating 111,6 million page impressions.

In May 2005, the Meraka Institute, also known as the African Advanced Institute for Information and Communications Technology (AIICT), was launched in Pretoria.

The institute will contribute towards stimulating the development of the local ICT industry through the provision of intellectual human capital.

Meraka is a Sesotho word meaning 'common grazing' denoting sharing, mutual benefit and the potential for prosperity.

The institute will encourage the use of technology in communications and various other activities.

stations broadcasting in 11 languages, which, collectively, reached an average daily adult audience of 19 million.

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

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

The following private radio stations have been granted licences by the Independent Communications Authority of South Africa (ICASA):

- Radio Algoa (ex-SABC)
- Classic FM (greenfield)
- Kaya FM (greenfield)
- YFM (greenfield)
- Highveld Stereo (ex-SABC)
- Radio 702
- Radio Jacaranda (ex-SABC)
- Radio Oranje (ex-SABC)
- East Coast Radio (ex-SABC)
- P4 (greenfield)
- Cape Talk MW (greenfield)
- Radio KFM (ex-SABC).

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

By February 2005, 92 licences had been issued. ICASA has called for applications for a further 18 in the nodal points.

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 three full-spectrum free-to-air channels and one satellite pay-TV channel aimed at audiences in Africa. Combined, the free-to-air sound broadcasting stations broadcast in 11 languages and reach a daily adult audience of almost 18 million people via the terrestrial signal distribution network and a satellite signal.

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

M-Net became South Africa's first private subscription television service when it launched in 1986. Today, it broadcasts its array of general entertainment and niche channels to more than 1,3 million subscribers in more than 50 countries across the African continent and adjacent Indian Ocean islands.

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

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.

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

Print

Technically, the local print media rate among the best in the world. However, the recent juniorisation of the newsroom has had a negative effect on most major publications.

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 (Pty) Ltd, Media24 Ltd, CTP/Caxton Publishers and Printers Ltd, and Johnnic Communications.

Other important media players include Primedia, New Africa Investments Limited (Nail) 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 ownership.

Biggest weekly and daily newspapers

Paper	Audited circulation: Jul – Dec 2004
Weekly papers	
<i>Sunday Times</i>	505 402
<i>Rapport</i>	322 731
<i>Soccer-Laduma</i>	244 509
<i>City Press</i>	173 992
<i>Die Son</i>	199 959
Daily papers	
<i>Daily Sun</i>	364 356
<i>The Star</i>	166 461
<i>Sowetan</i>	122 825
<i>Beeld</i>	102 070
<i>The Citizen</i>	76 183

Source: Audit Bureau of Circulation

Newspapers

By mid-2005, the newspaper market consisted of:

- 21 dailies
 - eight Sunday newspapers
 - 150 local or country newspapers, most of them weeklies.
- Daily newspapers showed an upward trend in readership from 20,2% in 2003 to 21% in 2004 with 6,357 million readers. Weekly newspapers remained stable at 31,2% or 9,422 million readers. In general, newspapers saw a decline in readership among 16- to 24-year-olds.

The only truly national newspapers are the *Sunday Times*, *Rapport*, *Sunday Independent*, *Sunday Sun* and *City Press*, and *Sowetan Sunday World*.

Magazines

The magazine industry in South Africa is fiercely competitive with new titles appearing all the time, despite the worldwide challenge from electronic and interactive media. Judging from the proliferation of titles on the shelves in supermarkets and bookstores, it seems that many readers are still attracted to print. However, there is evidence to suggest the overall magazine reading population in South Africa is shrinking, which is a concern for the industry.

A positive development has been the segmentation of the market into niche publications that provide opportunities for advertisers to reach target markets.

Weeklies *Huisgenoot* and *You* are the two biggest money-making magazines in South Africa, and gossip and celebrity titles are the biggest over-the-counter sellers. *FHM* and *Heat* are in the top five.

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

The *Daily Sun* remains the biggest selling daily newspaper in South Africa and showed an increase in circulation from 235 386 (July to December) in 2003 to 364 356 for the same period in 2004.



News agencies

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

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

Media diversity

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

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

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

By the end of March 2005, the MDDA had provided support to close to 60 different media and research projects around South Africa.

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 through the Advertising Standards Authority.



Total advertising spend on all media (print, TV, cinema, radio, outdoor, direct mail and Internet) increased to an estimated R9 billion between July and December 2004.

This is compared with R7 billion for the previous six-month period. The total advertising expenditure across all media for 2004 was an estimated R16 billion.