

African audio-visual and broadcast sectors in 2014

 By [Sylvain Bélette](#)

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2013 saw continuous growth in the African audio-visual and broadcast sectors, especially in terms of sophisticated multi-device equipped households - new TV sets, DTT (digital terrestrial TV) box sales, new free-to-air channels and PayTV networks, and the launch of new VoD/OTT services. I had a look back at 2013 and asked some industry figures to give their predictions for 2014.



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Officially, 10 countries have so far launched DTT; Namibia is the latest one and GOtv (DStv's DTT arm) has been active in more countries launching private DTT services. StarTimes continues its DTT expansion and is now approaching francophone territories. Today, close to 3 million households in Africa have access to DTT bouquets. But only a few DTT services offer free access to free to air channels; Most DTT services are Pay TV bouquets.

DTT requires major technical investments and African governments have quoted budgets ranging from USD 39 million (Namibia) to USD 426 million (Nigeria). In April 2013 for example, it was claimed that the Namibian Broadcasting Corporation (NBC) would receive N\$411 million (US\$39 m) to finance the country's migration from analogue to digital broadcasting from the Ministry of Information and Communication Technology (MICT). We have identified DTT planned investment figures for 10 African countries as part of our latest [DTT report update](#).

2014 predictions:

It is now time for industry players to peer deep into their market data and crystal balls to say what 2014 will bring.

Here are their our views and their reactions:

- Digital technology sets a new economic trajectory for the African audio-visual sector: There will be more technology investments, more DTT (digital terrestrial TV migration) tests and roll-out will occur in 2014. We will witness a growth

in STBs, HDTV and DTT integrated TV sets' sales. In addition, we have identified 10 Africa-based companies that are producing affordable smartphones and tablets « made in Africa » (the detailed list is in our latest "[VoD and Africa](#)" market report).

- With DTT, the potential creation of TV channels' aggregators serving African DTT bouquets exists; new TV and radio channels' bouquets will be born out of Africa. In Tanzania, there is a 'new kid in town', AzamTV's pay TV network. But African governments are currently scratching their heads to find ways to finance DTT roll out.
- Existing African broadcasters, whether in the Pay TV or FTA segments, welcome the arrival of DTT in Africa with mixed feelings: audience fragmentation and more competition, low cost bouquets, further investments in digital equipment and training, etc. but also new opportunities to distribute their channels in new territories. TV broadcasters have no choice but to increase advertising revenues. To do so, they need to purchase digital equipments and get proper training in order to improve content quality, increase their audience and make DTT a success.
- A few African broadcasters and telcos are setting up digital communication strategies incl. IPTV, WebTV, catch up TV, OTT, or smart TV apps.
- Financial issues: several broadcast players need to find private investors to improve their programme standards and expand to other markets, with potential M&As and market consolidation (eg. StarSat, ex-top TV).
- More local content, co-production, content exchanges, innovative ideas, programme translation and new content distribution channels are about to take place.
- More broadband access connectivity enabling viewers to watch live TV and VoD in large cities.
- VoD usage growth - more mobile video streaming in large urban areas (impact of Wi-Fi, LTE/4G), VoD apps on mobile devices.
- Improved regulations towards more competition/licences, PPPs', more foreign investments, digital dividend, increase TV licence revenues through DTT switch, set up rules for better programmes' quality standards.
- There are opportunities for alliances in Africa's sub-regions to share expertise, norms and best practices and facilitate DTT implementation and local content creation.

Experts' survey

We conducted a small experts' survey within our network. Here are the most interesting wrap-ups and predictions we got:

Simbarashe Mabasha, CEO of Wabona and expert in Africa related VoD: "As we see more and more players entering the African VoD space, one has to wonder if there is risk of a bubble. Is there enough content to service all these platforms? Only time will tell and it could turn into a platform bubble that will fragment the market. VoD services that have the best content, payment options and user experiences will survive and help consolidate the market."

Kevin Kriedemann, a South African film expert: "For the first time in a few years, I'm feeling positive about the TV sector in South Africa. Despite being in the golden age of TV internationally, the South African industry has yet to completely recover from the protracted crisis at both the South African Broadcasting Corporation, the country's public broadcaster, and the Department of Communications, which has only just set a new digital migration switch on date of 1 April 2014 - six years behind original schedule. But this is all changing with digital migration expected to lead to more channels, and therefore less reliance on the SABC for work.

"Already, 2013's seen the launch of OpenView, a new, pay-once, HD satellite platform; new channels include Mzansi Bioskop, Telemundo, True Movies1 and SABC's 24-hour news channel on DSTV; and four new e.tv channels: eKasi+, eAfrica+, eMovies+, and eToonz. Africa News Network 7 also launched, although the less said about that, the better.

"Digital migration should also create bandwidth space for mobile broadband innovations, which could also create more online distribution possibilities.

"Perhaps most promisingly, international broadcasters are increasingly focusing on Africa. For example, Al Jazeera launched 'South2North', a weekly talk show with Redi Tlhabi; BBC launched 'Africa Business Report' with Lerato Mbele; and CNN is hosting 'Inside Africa'.

"All this means we're seeing people taking risks and making longer-term investments in the TV sector for the first time in a while. For instance, Okuhle Media has invested in Cape Town's first full HD live studio facility, with a 270m² stage area in a 700m² studio complex in Observatory.

"I also expect South Africa to continue to emerge as a service destination of international TV series, especially if 'Black Sails' is as big a hit as people expected when it premieres on Starz in January. If even half the rumours I'm hearing are true, it's going to be an exceptionally busy year for South African service companies."

Serge Noukoue, organiser of the NollywoodWeek Paris event: "In France, whether it's online, on TV, on the radio or in the press, Nollywood had never been mentioned as much as it has been in 2013. The launch of NollywoodWeek Paris in 2013 has been instrumental in this new found interest for Nollywood in Francophone markets. As the year comes to an end, I believe we are one step closer to achieving our objective of making quality Nollywood content available in territories that are off the beaten path for Nollywood filmmakers. Year 2014 will be the year of expansion for us as the NollywoodWeek Film Festival will open in Eastern Europe in addition to our Paris edition."

Sarah Kiefer, senior marketing manager at Ooyala: "In Africa, for 2014, we would predict:

- Further launches of VOD services in all African markets
- Launch of these services forcing broadcasters and operators to up their game with regard OTT/catch-up and VOD services
- Increased live-streaming in Africa, accelerated by the soccer World Cup games in Brazil
- Double or triple digit increases in mobile video viewing figures
- Increased interest from advertisers in using online video to target African consumers"

David Hochner, CEO at SatLink Communications: "We really believe that the biggest growth in the African market in 2014 is the PayTV market. This is due to the openness the government has shown for awarding licences, and the great demand for content. A report published by Digital TV Research in January 2013 stated that Pay TV subscribers will grow from 9.26 million at the end of 2012 to 20.39 million by 2018. South Africa will have a particularly high share of the PayTV market, rising from 4 million in 2011 to 5.1 million in 2017. We believe these advances will have large economic benefits in the region.

"As well as Pay TV, Africa is showing great interest in OTT services such as viewing content on mobiles. We feel that TV content via mobile is the future and in the next two years we will see more African countries making these services available and using them. At present, it's at its beginning stages, but we strongly believe it will soon be implemented."

Morihiko Saito, NHK WORLD TV distribution manager EMEA who attended Discop and AfricaCast 2013:

- "Legacy broadcasting industry is booming in some African countries. I don't think all (Pay TV) newcomers can survive since MultiChoice is always so tough.
- OTT sector (mobile TV, web TV, VoD, Catch-up, multi screen and etc.) is too early to discuss in African market except for a few developing countries.
- Digitisation of terrestrial broadcasting should be bigger topics but it seems that many countries are not taking the migration seriously.
- Local content is important but not as important as a year ago. I presume this is because new players demand any contents at least for now."

Source: [Balancing Act](#)

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