Entertainment and media outlook: 2018 – 2022

An African perspective

An in-depth analysis of the trends shaping the entertainment and media industry in South Africa, Nigeria, Kenya, Ghana and Tanzania

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Editor's letter

About this report

Welcome to this year's special report on the findings of our ***Entertainment and media Outlook: 2018–2022, An African perspective (Outlook).*** *Every year we take a deep dive into the data and analysis that our team of researchers and industry specialists have unearthed – with the aim of providing fresh perspectives and actionable insights.*

Our comprehensive data and projections on the 14 defined segments across five territories are just the start in creating these insights. As in previous years, our authors have blended the data with their own observations, experiences and examples to turn raw information into true intelligence.

What's trending now? It's clear we're in a rapidly evolving media ecosystem that's experiencing Convergence 3.0 – a new and different wave of convergence driven by different capabilities and higher expectations, and manifesting itself simultaneously in multiple dimensions.

In Convergence 3.0, the dynamics of competition are evolving while a cohort of ever-expanding supercompetitors and more focussed players strive to build relevance at the right scale. And business models are being reinvented so all players can tap into new revenue streams, by, for example, targeting fans and connecting more effectively with customers to develop a membership mind-set.

The pace of change isn't going to let up anytime soon. New and emerging technologies such as artificial intelligence and augmented reality will continue to redefine the battleground. In an era when faith in many industries is at an historically low ebb and regulators are targeting media businesses' use of data, the ability to build and sustain consumer trust is becoming a vital differentiator.

The result? To succeed in the future that's taking shape, companies must re-envision every aspect of what they do and how they do it. It's about having, or having access to, the right technology and excellent content, which is delivered in a cost-effective manner to an engaged audience that trusts the brand. For those able to execute successfully, the opportunities are legion.

Writing this report was an exciting and energising experience – and we hope these qualities shine through. To learn more about how our findings and perspectives apply to your business, please contact your local PwC team (see page 186) or reach out to me. I look forward to hearing from you.

Best regards,

Vicki Myburgh
Entertainment and Media Leader
PwC Southern Africa

Acknowledgements

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Many other professionals from the PwC entertainment and media practice, across five territories, reviewed and added local expertise to this publication. In addition, we wish to thank the industry experts who have added their insights.

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Material in this publication is drawn from data in the *Entertainment and media Outlook: 2018–2022, An African perspective (Outlook)*, a comprehensive source of consumer and advertising spend data available via free subscription at www.pwc.co.za/outlook. PwC continually seeks to update the online Outlook data; therefore, please note that the data in this publication may not be aligned with the data found online. The Outlook is the most up-to-date source of consumer and advertising spending data.

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Supplier to the Outlook

Ovum, a provider of business intelligence and strategic services to the global telecoms and media markets (which is a trading division of Informa Telecoms and Media Ltd.), www.ovum.com

Methodology and definitions

Historical data collection

All forecasts have been built starting with the collection of historical data from a variety of sources. A baseline of accurate and comprehensive historical data is collected in the first instance from publicly available information, including from trade associations and government agencies. When this data is used directly, these sources are cited accordingly. In addition, interviews with relevant associations, regulators and leading players have been conducted to gather insights and estimates not available in the public domain. When this information is collected, it is used as part of calculations, and the sources are proprietary.

Forecasting methods

All forecasts are prepared as part of a collaborative, integrated process involving both quantitative and qualitative analysis. The forecasts are the result of a rigorous process of scoping, market mapping, data collection, statistical modelling and validation.

Note: All data, charts and graphs (unless stated otherwise) in this publication are taken from the *Entertainment and media Outlook: 2018–2022, An African perspective (Outlook)*.

Definitions

Do you want access to consumer and advertising spending data at the click of a button? The *Entertainment and media Outlook: 2018–2022, An African perspective (Outlook)* is a comprehensive source of analyses and five-year forecasts of consumer and advertising spending across five territories for 14 segments:

To access the full segment definitions for the Outlook, please visit www.pwc.co.za/outlook

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Snapshot

South Africa, 2017 (US$ millions)

	2017
Total E&M revenue	9 799
Digital E&M revenue	4 358
Nondigital E&M revenue	5 441
Consumer revenue	7 123
Internet access revenue	3 534
Advertising revenue	2 676
Largest advertising segment: TV and video	567
Largest consumer segment (excluding Internet access): TV and video	1 876

Nigeria, 2017 (US$ millions)

	2017
Total E&M revenue	3 761
Digital E&M revenue	2 541
Nondigital E&M revenue	1 219
Consumer revenue	3 335
Internet access revenue	2 373
Advertising revenue	425
Largest advertising segment: TV and video	156
Largest consumer segment (excluding Internet access): TV and video	645

Kenya, 2017 (US$ millions)

	2017
Total E&M revenue	1 655
Digital E&M revenue	1 063
Non-digital E&M revenue	592
Consumer revenue	1 379
Internet access revenue	938
Advertising revenue	276
Largest advertising segment: TV and video	88
Largest consumer segment (excluding Internet access): TV and video	198

Ghana, 2017 (US$ millions)

	2017
Total E&M revenue	752
Digital E&M revenue	527
Nondigital E&M revenue	225
Consumer revenue	586
Internet access revenue	479
Advertising revenue	166
Largest advertising segment: TV and video	73
Largest consumer segment (excluding Internet access): TV and video	50

Tanzania, 2017 (US$ millions)

	2017
Total E&M revenue	496
Digital E&M revenue	290
Nondigital E&M revenue	206
Consumer revenue	404
Internet access revenue	256
Advertising revenue	91
Largest advertising segment: Radio	32
Largest consumer segment (excluding Internet access): TV and video	101

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Introduction

For the consumers of the countries covered in this Outlook, countless new entertainment and media (E&M) options are becoming available thanks, in major part, to the unstoppable rise of mobile Internet. As the mobile device cements itself as the pre-eminent source of the E&M experience, the most disruptive, forward-thinking companies are striving to create an integrated ecosystem suited to this consumer-driven dynamic – one in which social media and e-commerce are interlinked with the entertainment experience itself.

This is a model, pioneered by Chinese companies, that could be replicated anywhere in the world. Meanwhile, as big tech compete ever more fiercely in the entertainment and media spaces that have the most promising digital revenue prospects, such as OTT video and music streaming, new fronts continue to appear – from artificial intelligence to smart home services to virtual assistants.

There is growing convergence across the entertainment and media industry, and boundaries between previously distinct sectors are now blurring in the battle for the attention of the consumer in a world which is rapidly digitising. Globally, the past 12 months have been marked by a number of significant developments.

Firstly, streaming services, TV companies and social networks competing simultaneously over both conventional sports and e-sports rights and TV companies, telcos, tech companies, OTT operators and movie studios competing to provide TV content. Secondly, radio stations, podcast companies and streaming services competing to provide radio and podcast content and Google, Clear Channel and ad tech companies competing to provide digital OOH services. Thirdly, news publishers transforming into media companies by hiring VR teams and video experts; and even automobile manufacturers and radio providers working hand in hand.

The ever-increasing use of mobile phones also requires companies to angle services and products towards E&M, a trend which demands industry-wide cooperation. Now that the most prized assets in the digital age have been determined, competition for those assets is coming from every conceivable direction.

There is an increasing pressure on key players in the entertainment and media market to diversify their offerings and develop new revenue streams in order to keep subscriber figures, print sales, admission numbers and advertising investment buoyant; driving this convergence across the industry. To meet these growth targets, companies are also converging geographically, often targeting global markets, rather than regional ones.

An already complicated E&M world is growing ever more so. Decision-makers need data of unprecedented detail and granularity to navigate this world and inform their business plans. Within these pages are some of our many findings from such data – the *Entertainment and media Outlook 2018-2022 – an African perspective*.

South Africa

South Africa faced an eventful year at the political and macroeconomic level in 2017, but emerged early in 2018 with a new president viewed as market-friendly and vowing to overhaul the economy. The entertainment and media (E&M) world does not however operate in a vacuum, and with advertiser confidence particularly hit in 2017, total E&M revenue rose at a comparatively low rate of 6.8% year-on-year to R129.2 billion.

By comparison, in 2015 and 2016, rates of 12.8% and 9.2% respectively were seen, although they were in large part driven by rapid Internet access growth. However, there are better prospects ahead. A bounce-back in 2018 sees an anticipated 7.6% year-on-year growth, while the CAGR to 2022 is forecast at 6.5%, leaving total E&M revenue at R177.2 billion in that year.

Entertainment and media by segment

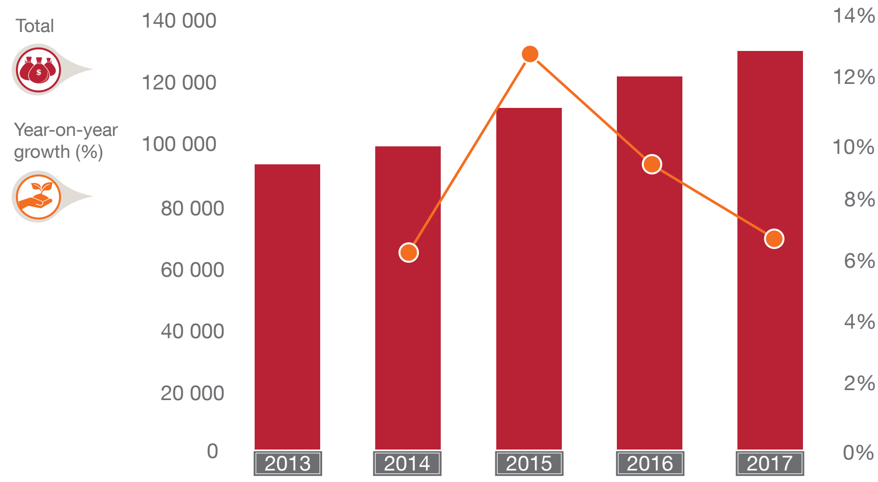
“Improved medium-term prospects after a slow 2017”

South Africa: Entertainment and media spending by segment, 2013–2022 (R millions)

South Africa	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Books	3 832	3 828	3 812	3 818	3 828	3 849	3 871	3 880	3 882	3 886	
YOY growth (%)		*-0.1%*	*-0.4%*	*0.2%*	*0.3%*	*0.6%*	*0.5%*	*0.2%*	*0.0%*	*0.1%*	*0.3%*
Business-to-business	8 451	8 968	9 330	9 686	10 032	10 359	10 669	10 950	11 202	11 431	
YOY growth (%)		*6.1%*	*4.0%*	*3.8%*	*3.6%*	*3.3%*	*3.0%*	*2.6%*	*2.3%*	*2.0%*	*2.6%*
Cinema	1 468	1 502	1 714	1 782	1 752	1 824	1 901	1 977	2 051	2 125	
YOY growth (%)		*2.4%*	*14.1%*	*4.0%*	*-1.7%*	*4.1%*	*4.2%*	*4.0%*	*3.8%*	*3.6%*	*3.9%*
Internet	26 357	29 923	38 987	46 314	53 457	60 751	68 338	76 076	83 801	91 230	
YOY growth (%)		*13.5%*	*30.3%*	*18.8%*	*15.4%*	*13.6%*	*12.5%*	*11.3%*	*10.2%*	*8.9%*	*11.3%*
Magazines	8 691	9 212	9 509	9 060	8 788	8 583	8 436	8 308	8 201	8 128	
YOY growth (%)		*6.0%*	*3.2%*	*-4.7%*	*-3.0%*	*-2.3%*	*-1.7%*	*-1.5%*	*-1.3%*	*-0.9%*	*-1.5%*
Music and podcasts	1 968	2 085	2 110	2 176	2 253	2 404	2 606	2 832	3 053	3 272	
YOY growth (%)		*6.0%*	*1.2%*	*3.1%*	*3.5%*	*6.7%*	*8.4%*	*8.7%*	*7.8%*	*7.2%*	*7.7%*
Newspapers	9 288	9 075	9 026	8 893	8 633	8 407	8 090	7 766	7 381	7 032	
YOY growth (%)		*-2.3%*	*-0.5%*	*-1.5%*	*-2.9%*	*-2.6%*	*-3.8%*	*-4.0%*	*-5.0%*	*-4.7%*	*-4.0%*
Out-of-home	4 105	4 125	4 202	4 359	4 408	4 509	4 605	4 709	4 808	4 904	
YOY growth (%)		*0.5%*	*1.9%*	*3.7%*	*1.1%*	*2.3%*	*2.1%*	*2.3%*	*2.1%*	*2.0%*	*2.2%*
Radio	3 755	3 972	4 177	4 172	4 264	4 439	4 617	4 796	4 974	5 151	
YOY growth (%)		*5.8%*	*5.2%*	*-0.1%*	*2.2%*	*4.1%*	*4.0%*	*3.9%*	*3.7%*	*3.6%*	*3.9%*
TV and video	24 478	25 615	28 153	31 087	32 205	34 379	36 296	38 048	39 487	40 759	
YOY growth (%)		*4.6%*	*9.9%*	*10.4%*	*3.6%*	*6.7%*	*5.6%*	*4.8%*	*3.8%*	*3.2%*	*4.8%*
Video games	1 691	1 986	2 291	2 619	3 060	3 555	4 098	4 699	5 386	6 157	
YOY growth (%)		*17.4%*	*15.4%*	*14.3%*	*16.8%*	*16.2%*	*15.3%*	*14.7%*	*14.6%*	*14.3%*	*15.0%*
E-sports	3	5	9	16	29	41	56	71	88	104	
YOY growth (%)		*76.7%*	*71.7%*	*76.9%*	*80.7%*	*41.6%*	*36.9%*	*26.6%*	*23.2%*	*18.3%*	*29.0%*
VR	0	0	0	28	75	174	305	419	549	671	
YOY growth (%)		*-*	*-*	*-*	*168.2%*	*132.1%*	*74.9%*	*37.4%*	*31.2%*	*22.1%*	*55.0%*
Total	**92 425**	**98 289**	**110 863**	**121 035**	**129 207**	**139 021**	**148 893**	**158 733**	**168 199**	**177 245**	
YOY growth (%)		***6.3%***	***12.8%***	***9.2%***	***6.8%***	***7.6%***	***7.1%***	***6.6%***	***6.0%***	***5.4%***	***6.5%***

Notes: 2013–2017 figures have been updated to reflect the most recently available financial information.
Newspaper, directory, consumer magazine, trade magazine, e-sports streaming advertising, podcast advertising and online TV advertising are included in their respective segments and also in Internet advertising, but only once in the overall total.
Professional books is counted in business-to-business and book publishing, but only once in the overall total.
Trade magazines is counted in business-to-business and magazine publishing, but only once in the overall total.
E-sports consumer contribution is counted in e-sports and video games online/microtransaction revenue, but only once in the overall total.
App-based social/casual gaming revenue is counted in video games and end-user app spend, but only once in the overall total.
Music streaming advertising revenue is counted in music and Internet advertising, but only once in the overall total.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 1: South Africa: E&M revenue (R millions) and year-on-year growth (%), 2013–2017

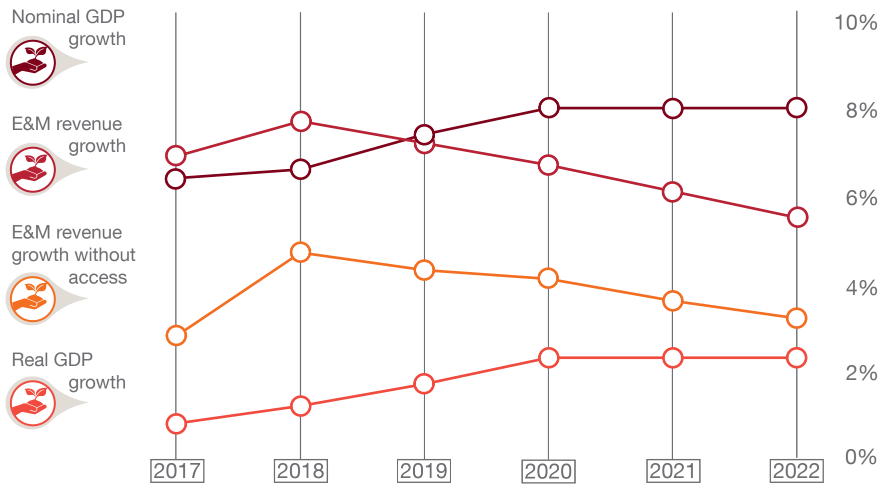


Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Subtracting Internet access revenue from the equation demonstrates just how difficult true E&M growth was in 2017, with a year-on-year rise of just 2.7%. With organic growth opportunities in Internet connections starting to fade towards the end of the forecast period, it appears overall E&M revenue growth will be less reliant on Internet access revenue, but by then the latter will have done its work – with robust digital networks in place, digital E&M spend becomes increasingly feasible for large swathes of the population.

“Respectable growth forecast even without Internet access”

Figure 2: South Africa: E&M revenue growth (with and without Internet access), real and nominal GDP growth (%), 2017–2022

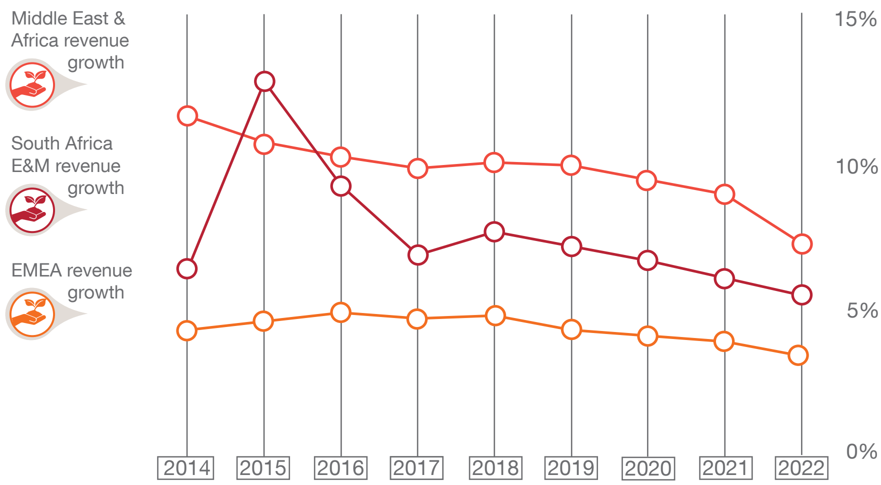


Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

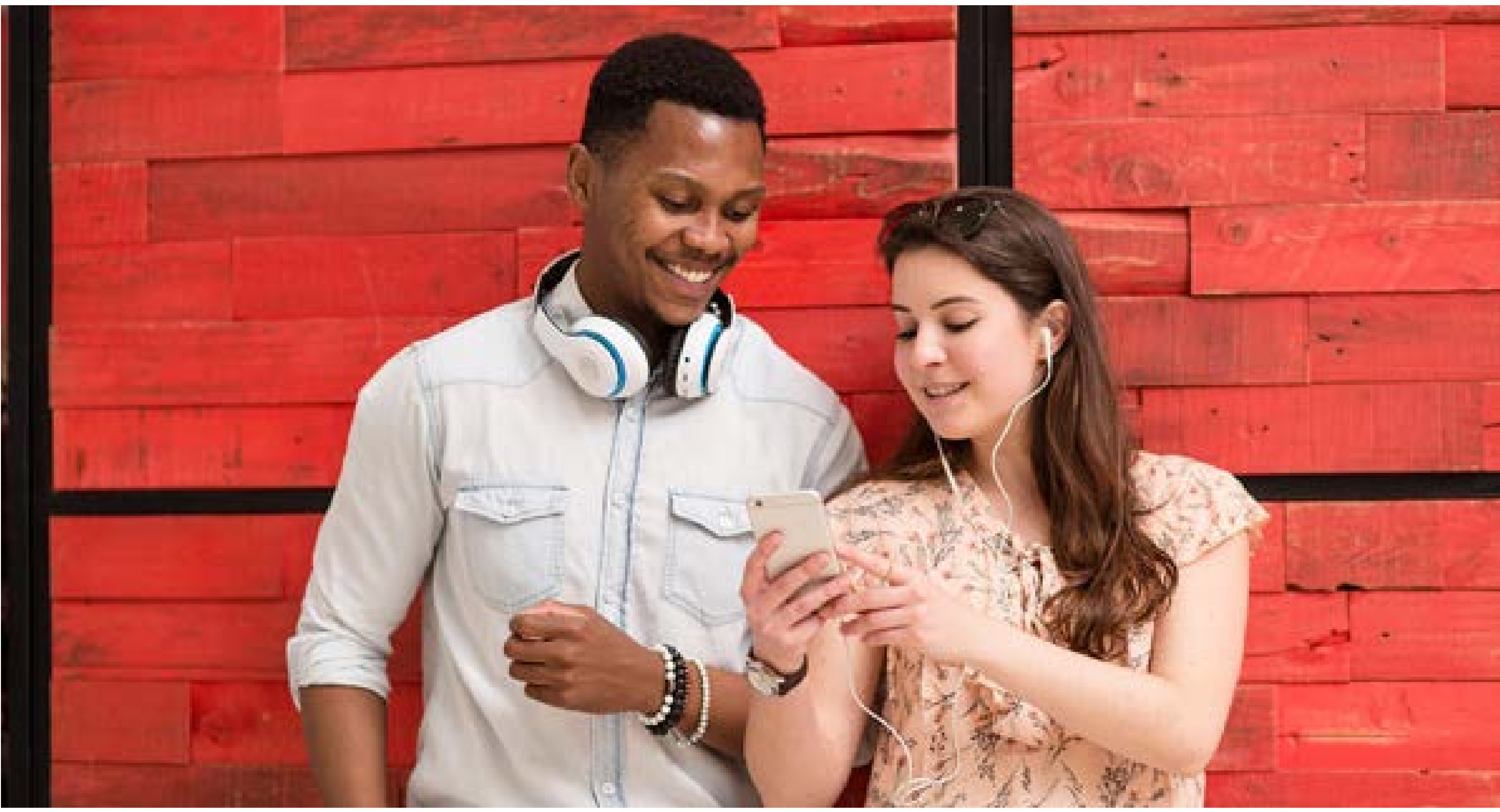
Once again South Africa lags the Middle East and Africa (MEA) grouping in terms of growth rates, but as one of its most mature members, this is to be expected. But equally, South Africa exceeds the growth rate of the EMEA area, with Western Europe's struggle for expansion bringing the grouping down.

"South Africa bisects EMEA and MEA"

Figure 3: South Africa: E&M revenue growth (with and without Internet access), real and nominal GDP growth (%), 2017–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

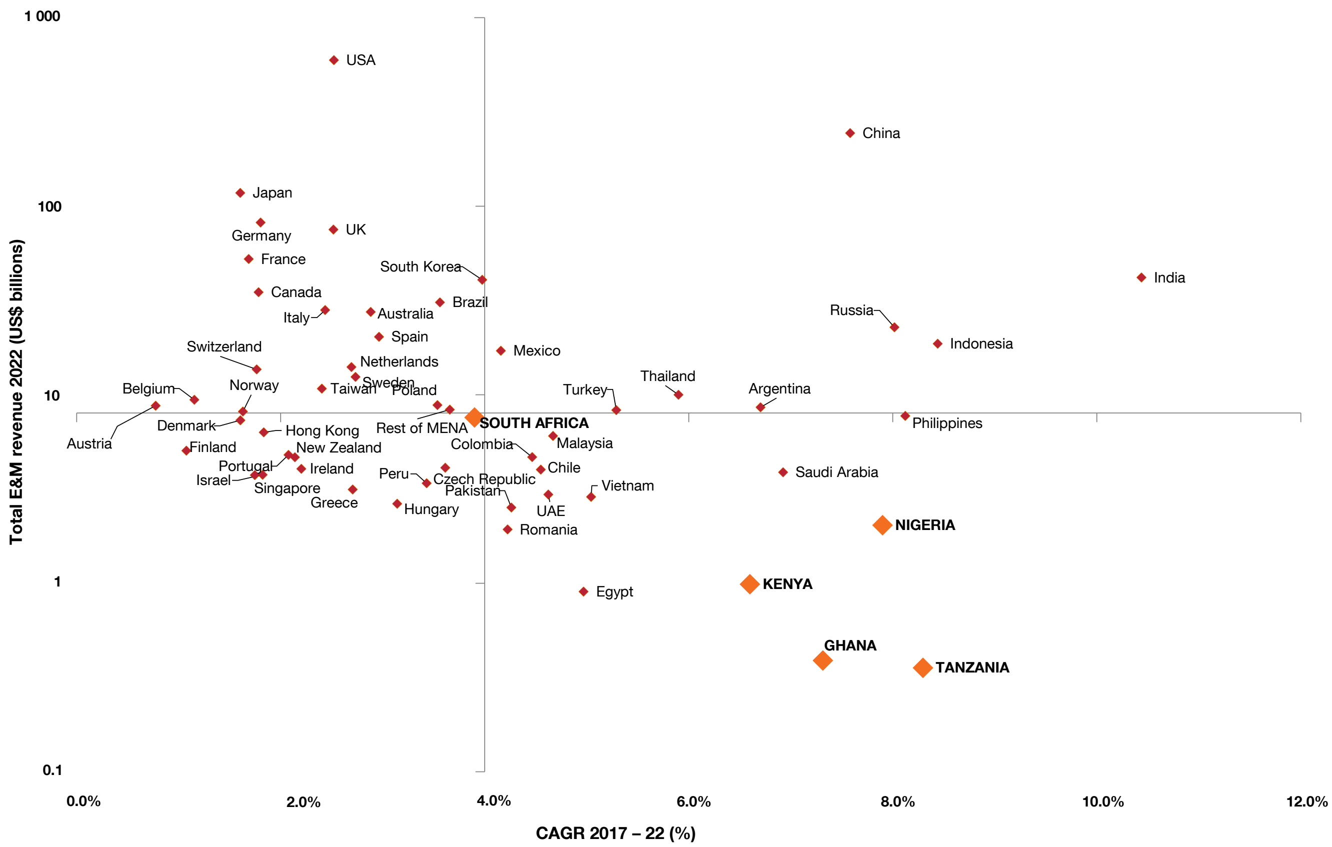


South Africa's ranking in the global E&M market

This year's global quadrant considers countries with Internet access revenue excluded, since its inclusion was leading to some countries wildly skewing the scale. On this rebalanced quadrant, South Africa falls just short of being positioned in the desirable top-right sector, as gains in digital revenue are not quite doing enough to circumvent the lag caused by declining print segments.

> *"South African growth without Internet access revenue falls just short of the top parameters"*

Figure 4: Total E&M revenue without Internet access (US$ billions) in 2022 vs 2017–2022 CAGR



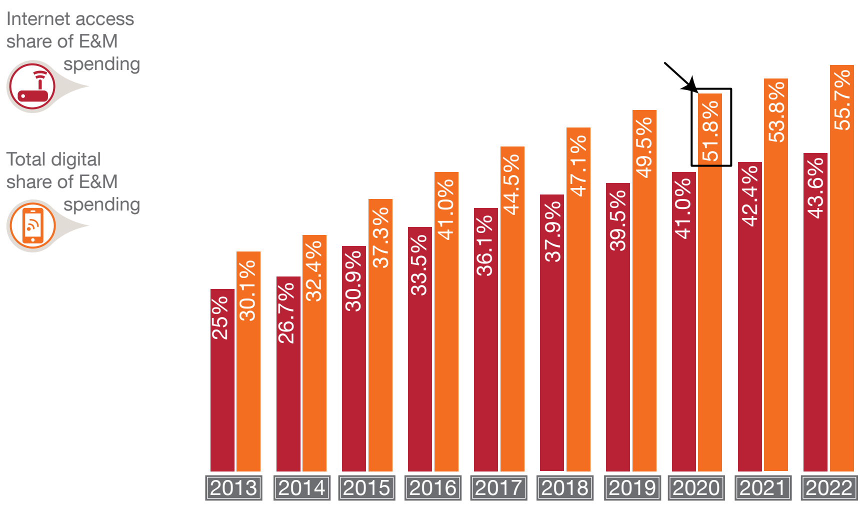
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet access revenue as a proportion of total E&M revenue is now set to make more modest gains over the forecast period. Between 2014 and 2015 it jumped as much as 4.2 percentage points, but in 2022 this will have slowed to a 1.3 percentage-point yearly gain. This is to be expected in a year when mobile Internet penetration will have reached 75.3%, comparable to the present position of Canada, for example.

However, one meaningful tipping point will be reached in 2020. Thanks in part to the addition of consumer spend on apps, the total digital share of E&M spending will exceed 50% in 2020, transforming 'digital-first' from standard business strategy to lived reality.

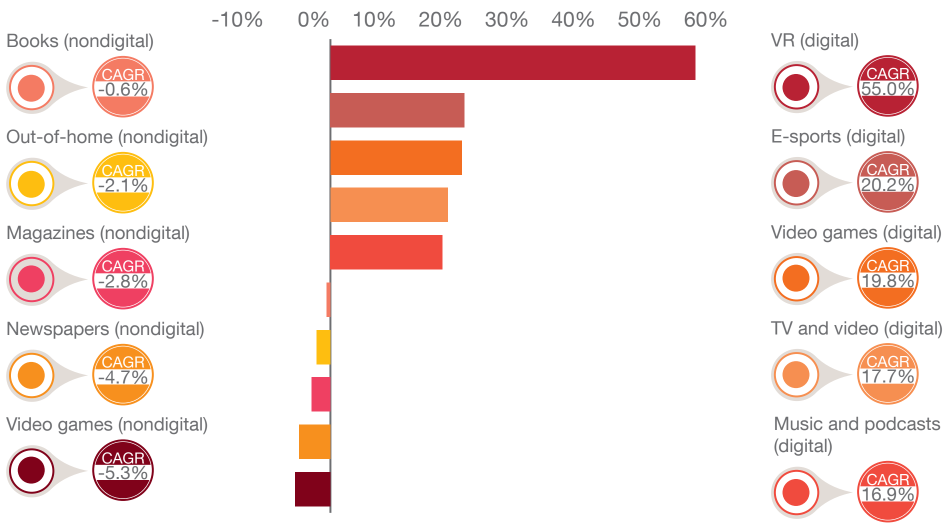
> *"Digital tipping point to hit by 2020"*

Figure 5: South Africa: Internet access share and total digital share of E&M spending, 2013–2022 (%)



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 6: South Africa: Fastest- and slowest-growing digital and nondigital categories, 2017–2022 CAGR (%)



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

There is a striking difference in growth between digital and nondigital revenue, which have CAGRs of 11.4% and 1.8% respectively. Put another way, digital revenue will add R41.3 billion and nondigital revenue R6.7 billion in absolute terms to 2022. The nondigital elements of five different segments – books, magazines, newspapers, OOH and video games – will all decline to 2022.

By contrast, the digital elements of nine different segments will see double-digit CAGRs, topped by the 55.0% CAGR seen in the VR market. The digital elements of video games, one of the biggest success stories, will add R3.3 billion in absolute growth over the next five years, thanks especially to the runaway performance of app-based social/casual revenue.

Consumer spending

South Africa will see a strong CAGR of 7.6% for consumer revenue to 2022, moving from R93.9 billion in 2017 to R135.7 billion in 2022.

Beyond revenue from the Internet segment (buoyed by apps revenue) there are many success stories, most notably that of video games, which will surpass books, magazines and B2B to become the third-highest contributing consumer segment. The streaming revolution has had positive implications for TV and video, and more strikingly, music, which is up for a healthy future after several years of depressed growth. Magazines and newspapers, the latter of which was overtaken by video games in 2017, will see falls to 2022, however.

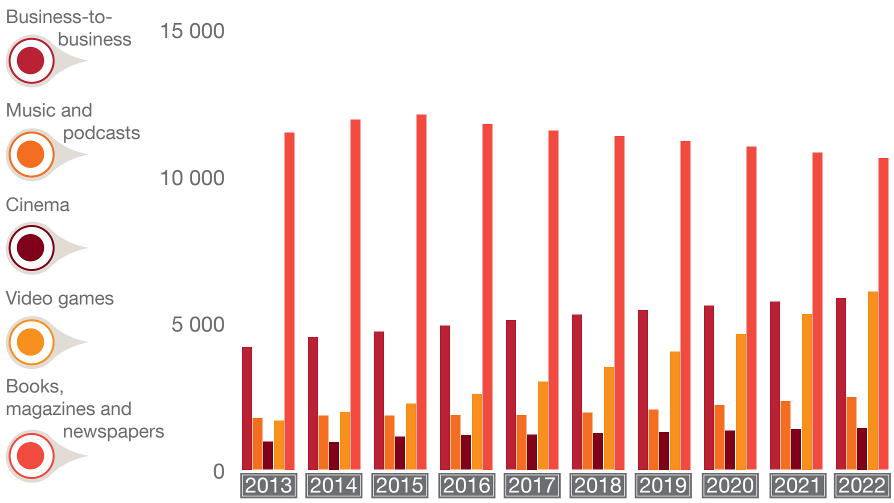
> *"Video games and music are two key success stories"*

South Africa: Consumer E&M spending, 2013–2022 (R millions)

South Africa	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Books	3 832	3 828	3 812	3 818	3 828	3 849	3 871	3 880	3 882	3 886	
YOY growth (%)		*-0.1%*	*-0.4%*	*0.2%*	*0.3%*	*0.6%*	*0.5%*	*0.2%*	*0.0%*	*0.1%*	*0.3%*
Business-to-business	4 174	4 515	4 697	4 907	5 090	5271	5 438	5 587	5 719	5 833	
YOY growth (%)		*8.2%*	*4.0%*	*4.5%*	*3.7%*	*3.6%*	*3.2%*	*2.8%*	*2.4%*	*2.0%*	*2.8%*
Cinema	945	941	1 113	1 171	1 193	1235	1 282	1 328	1 373	1 417	
YOY growth (%)		*-0.4%*	*18.3%*	*5.2%*	*1.8%*	*3.6%*	*3.8%*	*3.6%*	*3.3%*	*3.2%*	*3.5%*
Internet	23 882	26 868	35 203	41 907	48 321	54 830	61 576	68 407	75 233	81 786	
YOY growth (%)		*12.5%*	*31.0%*	*19.0%*	*15.3%*	*13.5%*	*12.3%*	*11.1%*	*10.0%*	*8.7%*	*11.1%*
Magazines	5 007	5 423	5 609	5 310	5 113	4 959	4 833	4 709	4 596	4 500	
YOY growth (%)		*8.3%*	*3.4%*	*-5.3%*	*-3.7%*	*-3.0%*	*-2.5%*	*-2.6%*	*-2.4%*	*-2.1%*	*-2.5%*
Music and podcasts	1 743	1 837	1 830	1 846	1 858	1 930	2 049	2 189	2 322	2 458	
YOY growth (%)		*5.4%*	*-0.4%*	*0.9%*	*0.6%*	*3.9%*	*6.2%*	*6.9%*	*6.1%*	*5.8%*	*5.8%*
Newspapers	2 644	2 667	2 665	2 644	2 606	2 554	2 488	2 408	2 317	2217	
YOY growth (%)		*0.9%*	*-0.1%*	*-0.8%*	*-1.4%*	*-2.0%*	*-2.6%*	*-3.2%*	*-3.8%*	*-4.3%*	*-3.2%*
TV and video	18 210	19 177	21 068	23 700	24 733	26 488	28 130	29 618	30 752	31 761	
YOY growth (%)		*5.3%*	*9.9%*	*12.5%*	*4.4%*	*7.1%*	*6.2%*	*5.3%*	*3.8%*	*3.3%*	*5.1%*
Video games	1 658	1 948	2 247	2 563	2 997	3 485	4 022	4 617	5 299	6 066	
YOY growth (%)		*17.5%*	*15.4%*	*14.1%*	*16.9%*	*16.3%*	*15.4%*	*14.8%*	*14.8%*	*14.5%*	*15.1%*
E-sports	1	2	2	3	6	7	10	13	17	20	
YOY growth (%)		*-*	*60.0%*	*37.5%*	*66.7%*	*34.5%*	*36.5%*	*30.7%*	*25.8%*	*21.1%*	*29.6%*
VR	0	0	0	28	75	174	305	419	549	671	
YOY growth (%)		*-*	*-*	*-*	*-*	*132.1%*	*74.9%*	*37.4%*	*31.2%*	*22.1%*	*55.0%*
Total consumer	**61 444**	**66 354**	**77 116**	**86 404**	**93 923**	**102 423**	**111 122**	**119 707**	**127 923**	**135 736**	
YOY growth (%)		***8.0%***	***16.2%***	***12.0%***	***8.7%***	***9.0%***	***8.5%***	***7.7%***	***6.9%***	***6.1%***	***7.6%***

Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

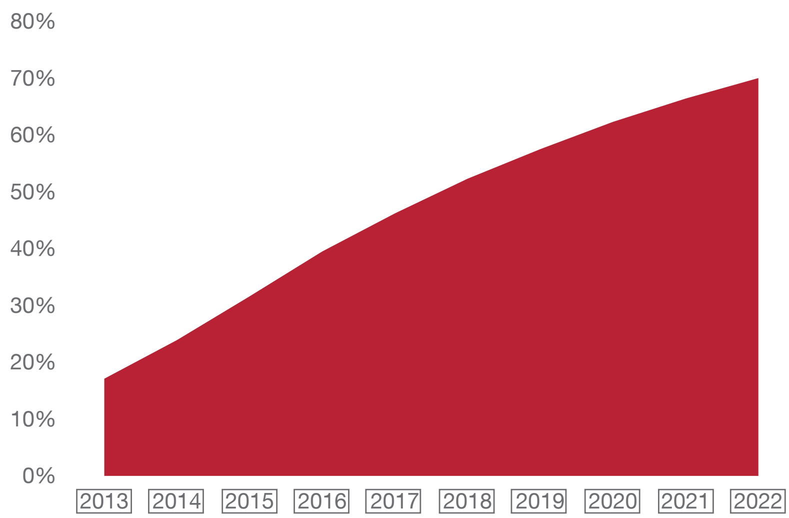
Figure 7: South Africa: Selected consumer revenue lines, 2013–2022 (R millions)



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

The dizzying rise of video games merits further attention. App-based social/casual revenue has exploded – in 2013 it accounted for 17% of total video games revenue, and 46% in 2017, with the forecast for 2022 being 70%. This has been driven by the increasing proliferation of smartphones, providing an accessible and affordable route into the gaming market for millions of consumers.

Figure 8: South Africa: App-based social/casual share of video games (%)

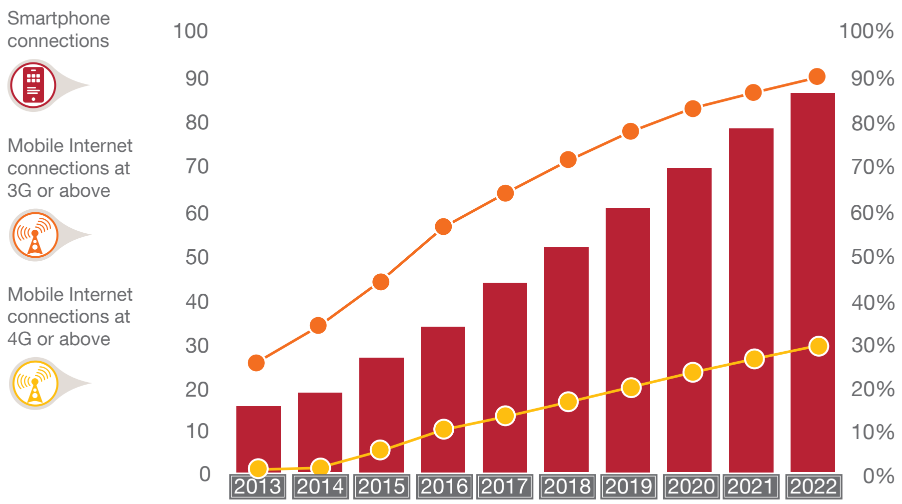


Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“Smartphone surge and rise in speeds turns South Africans into gamers”

Developers too have become more skilled at implementing ‘freemium’ mechanics offering a zero-cost point of entry, but luring regular microtransactions from an increasing proportion of their users. With the boost further given by the wildly popular ‘battle royale’-type games reaching mobiles – *Fortnite Battle Royale* has already launched on iOS, and soon Android will follow suit – and the increased graphical capabilities afforded by ever more sophisticated phones and faster broadband speeds, this transformation of millions of consumers into ‘gamers’ is set to deliver growth far above the consumer average.

Figure 9: South Africa: Smartphone connections (millions) and proportion of mobile Internet connections at 3G, 4G and above (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

The related area of virtual reality (VR) is also providing a boost: VR gaming revenue, alongside VR video revenue, will help add nearly R600 million to consumer revenue over the forecast period. Although, with the install base of VR headsets currently still low, VR companies are focussing on services for businesses to forge a profit. As developers gradually master the medium’s potential, its revenue is likely to rapidly start building critical mass. The exceptional CAGR of 55.0% currently comes off a low base, but reflects the excitement in this space.

As expected, TV and video will also be significant drivers of consumer revenue. Internet video’s success continues to grab the headlines here but, in the short term at least, the likes of Netflix and Amazon Prime will likely be taken as a complementary service due to their dearth of premium entertainment content in the South African market.

Pay-TV revenues will add R6 billion in absolute terms to 2022 at a 5.0% CAGR, even though by 2022 year-on-year growth will have slowed to 2.6%. Indeed, with a cultural shift towards viewing content when and where audiences desire, aided by ubiquitous fast Internet services, in the longer term some households might look to supplement their digital terrestrial channels with SVOD platforms rather than traditional pay-TV packages.

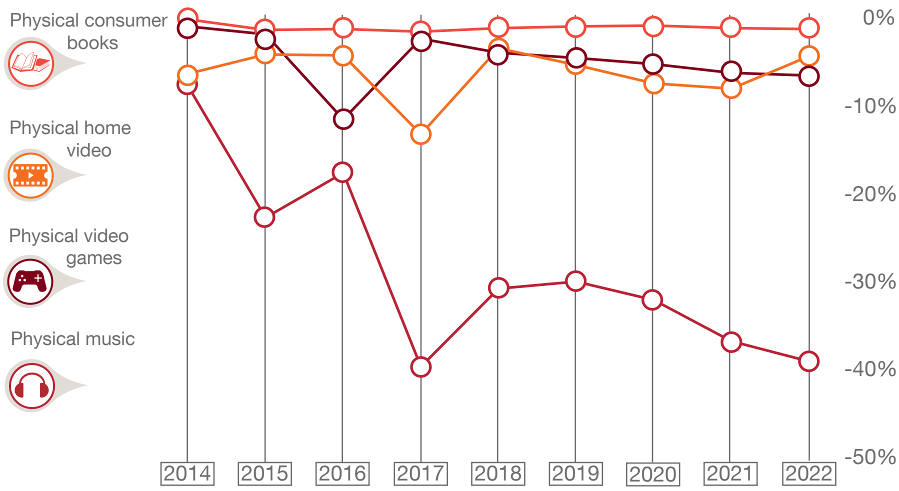
Consumers value physical formats in different ways – but ultimately hunt for value

The shift from physical to digital media has been one of the core drivers of the global E&M market for many years. But different media segments have experienced strongly contrasting patterns of digitisation. In some cases, consumers have been quick to drop physical formats and embrace digital alternatives at the first opportunity. Print newspapers and magazines began losing revenue almost as soon as online alternatives appeared, but the music and home video industries were hit even harder when CD and DVD sales collapsed.

Conversely, physical book sales have more or less stabilised, holding off what looked to be a transformative e-book surge. In the video game market, boxed console game sales are only being replaced by digital formats at a proportional rate that publishers and platform holders regard as undesirably slow.

“Physical books are performing far better than other physical media”

Figure 10: South Africa: Year-on-year growth in physical music, physical home video, physical video games and physical books revenue, 2014–2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Why are consumers so quick to embrace some digital formats but reluctant to adopt others? Permanency and collectability are significant factors. In this respect, newspapers are uniquely vulnerable due to their inherent disposability. Books, by contrast, are collectibles, often owned and displayed for many years, making the loss of their physical presence more significant.

On the other hand, CDs and DVDs were until recently often collected in a similar way, but consumers have nonetheless been quick to abandon them. It is sometimes suggested that these formats lack the tangibility of books and they are just other types of digital formats, whereas a book is a collectable that does not require an intermediary device to access.

While there may be some truth to this line of thought, it also comes down to business models. CDs and DVDs have almost disappeared because content providers such as Spotify and Netflix offer such compelling advantages in convenience and value. E-books, by contrast, are only a little cheaper than their physical equivalents, and more limited in their convenience advantages.

The experience of the video game market provides more evidence that digitisation is driven by these factors. Console gamers have been slow to abandon physical formats because, thanks to retailer discounts, they are still cheaper than digital games in many cases, and the second-hand market allows some of the relatively high cost of games to be recouped. PC gamers, conversely, have been quick to embrace digital formats because they offer major cost and convenience advantages.

The lesson is that there is nothing unique about books: consumers go digital when the proposition is sufficiently compelling, and don't when it isn't. Indeed, while books currently seem to have the best prospects of any physical media format, they are, like every other media segment, just one disruptive digital competitor away from major upheaval.

The appeal of live experiences endures

Despite 24/7 access to media and entertainment, ranging from content on OTT platforms like Amazon Prime and Netflix to on-demand streaming music through services like Spotify, the appeal of shared, live experiences endures.

Box office revenue from the live experiences sector, for instance, will grow at a 3.5% CAGR through 2022, even with some stutters due to years with unappealing film slates and competition from a growing abundance of high-quality video content available elsewhere. The draw of the content is wedded to the quality of the experience itself to create a compelling proposition.

Major exhibitors like Ster-Kinekor and Nu Metro are opening new venues with enhanced facilities, like the 4DX cinemas which offer 3D, surround sound, wind and water effects, moving seats, lighting effects and an overall experience closer to that in a fairground than to a traditional cinema. The exhibitors aim to provide 'hyper-realistic immersive entertainment' rather than just simple film shows, tying in to the concept of visiting the cinema becoming an unmissable event.

Music events still draw huge crowds, with ticket sales revenue set to see an 8.0% CAGR to 2022, helped by major tours from popular crowd-pulling acts in 2018. Veteran artists in particular have large, established and mature fan bases, which allow them to charge more for tickets.

In the US, music streaming platforms like Spotify and Apple Music have also hosted live events, with the former turning its popular *RapCaviar* playlist into six rap concerts. These events, staged by key market players, highlight the appeal of live music. The close relationship between streaming and live music offers a win-win situation for both streaming companies and artists, as each boosts the profile of the other. The communality of live experiences is attractive to the consumer, and the most successful companies are alert to this.

Chat apps extend their role beyond person-to-person communication

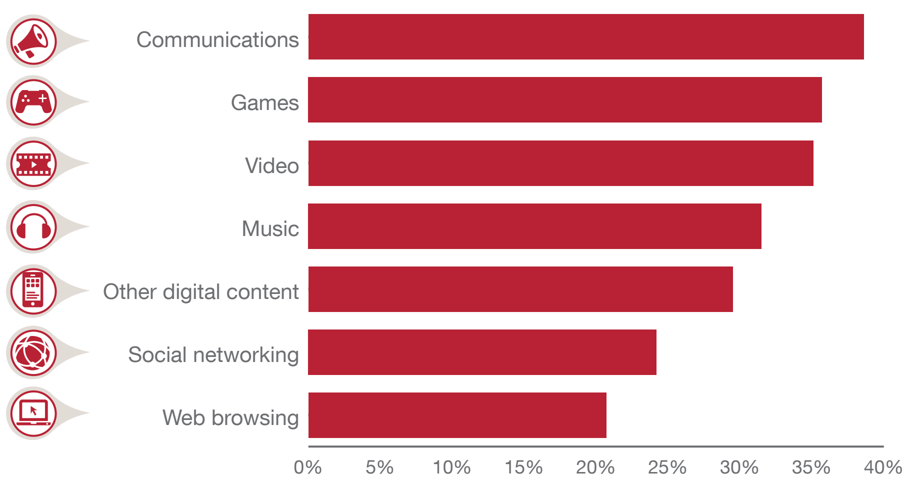
Chat apps and social platforms have become an increasingly important part of day-to-day life for consumers, both in South Africa and worldwide. Younger users are particularly engaged, often checking social platforms several times an hour for new content. As usage and engagement rise, key players from across the E&M industry have teamed up with these platforms, growing them into 'one-stop shops' for consumer needs. Whether they feature music, gaming or e-commerce, the partnerships offer companies the chance to target a wide and often international audience with products or services.

For instance, Facebook Messenger and streaming company Spotify are working together to offer Group Playlists for Messenger, a feature that lets users create playlists with friends on Facebook Messenger through the Spotify Chat extension. Further afield, Japanese streaming service Line Music (the most popular music subscription service in Japan), is linked to the Line messaging platform, offering users the ability to share music and playlists with friends as well as stream music simultaneously with others on the app.

The same convergence can also be seen in gaming. Facebook Messenger launched Instant Games in late 2016, enabling instant gameplay in both Messenger and on the Facebook News Feed. At around the same time, Snapchat's introduction of the *Santa's Helper* game marked the launch of a new native gaming feature. As social platforms increasingly converge with E&M sectors, all players involved benefit. Of the data consumption metrics measured in South Africa, Web browsing will see the lowest CAGR to 2022, at 20.7%.

"Interlinking of content types has benefits for all"

Figure 11: South Africa: Data consumption by content type, 2017–2022 CAGR (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Advertising

Advertising was most affected in 2017 by South Africa's economic environment, with cautious growth of just 2.1% year on year. An improvement is expected to 2022, with a 3.3% CAGR bringing total advertising revenue to R41.5 billion, from R35.3 billion in 2017.

"Advertising growth is hard to come by"

South Africa: Advertising E&M spending, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Business-to-business	4 277	4 453	4 633	4 779	4 942	5 088	5 231	5 363	5 483	5 598	
YOY growth (%)		*4.1%*	*4.0%*	*3.2%*	*3.4%*	*3.0%*	*2.8%*	*2.5%*	*2.2%*	*2.1%*	*2.5%*
Cinema	522	561	601	611	560	589	618	649	679	708	
YOY growth (%)		*7.5%*	*7.1%*	*1.7%*	*-8.4%*	*5.2%*	*5.0%*	*4.9%*	*4.6%*	*4.3%*	*4.8%*
Internet	2 474	3 055	3 784	4 407	5 136	5 920	6 762	7 670	8 568	9 444	
YOY growth (%)		*23.4%*	*23.9%*	*16.5%*	*16.5%*	*15.3%*	*14.2%*	*13.4%*	*11.7%*	*10.2%*	*13.0%*
Magazines	3 685	3 789	3 900	3 750	3 675	3 624	3 603	3 599	3 605	3 628	
YOY growth (%)		*2.8%*	*2.9%*	*-3.8%*	*-2.0%*	*-1.4%*	*-0.6%*	*-0.1%*	*0.2%*	*0.6%*	*-0.3%*
Music and podcasts	226	248	280	330	396	474	557	643	731	814	
YOY growth (%)		*10.2%*	*12.8%*	*17.6%*	*20.0%*	*19.9%*	*17.5%*	*15.5%*	*13.6%*	*11.5%*	*15.5%*
Newspapers	6 644	6 408	6 361	6 249	6 027	5 853	5 602	5 358	5 064	4 815	
YOY growth (%)		*-3.6%*	*-0.7%*	*-1.8%*	*-3.6%*	*-2.9%*	*-4.3%*	*-4.4%*	*-5.5%*	*-4.9%*	*-4.4%*
Out-of-home	4 105	4 125	4 202	4 359	4 408	4 509	4 605	4 709	4 808	4 904	
YOY growth (%)		*0.5%*	*1.9%*	*3.7%*	*1.1%*	*2.3%*	*2.1%*	*2.3%*	*2.1%*	*2.0%*	*2.2%*
Radio	3 755	3 972	4 177	4 172	4 264	4 439	4 617	4 796	4 974	5 151	
YOY growth (%)		*5.8%*	*5.2%*	*-0.1%*	*2.2%*	*4.1%*	*4.0%*	*3.9%*	*3.7%*	*3.6%*	*3.9%*
TV and video	6 269	6 438	7 085	7 387	7 472	7 891	8 166	8 430	8 736	8 998	
YOY growth (%)		*2.7%*	*10.1%*	*4.3%*	*1.1%*	*5.6%*	*3.5%*	*3.2%*	*3.6%*	*3.0%*	*3.8%*
Video games	33	38	43	56	63	70	76	82	87	91	
YOY growth (%)		*15.1%*	*13.9%*	*28.6%*	*12.4%*	*11.0%*	*9.3%*	*7.5%*	*6.5%*	*4.8%*	*7.8%*
E-sports	2	4	7	13	24	34	46	58	71	84	
YOY growth (%)		*58.3%*	*76.3%*	*91.0%*	*84.4%*	*43.2%*	*37.0%*	*25.7%*	*22.7%*	*17.6%*	*28.9%*
Total advertising	**30 981**	**31 935**	**33 748**	**34 631**	**35 284**	**36 598**	**37 771**	**39 027**	**40 276**	**41 508**	
YOY growth (%)		***3.1%***	***5.7%***	***2.6%***	***1.9%***	***3.7%***	***3.2%***	***3.3%***	***3.2%***	***3.1%***	***3.3%***

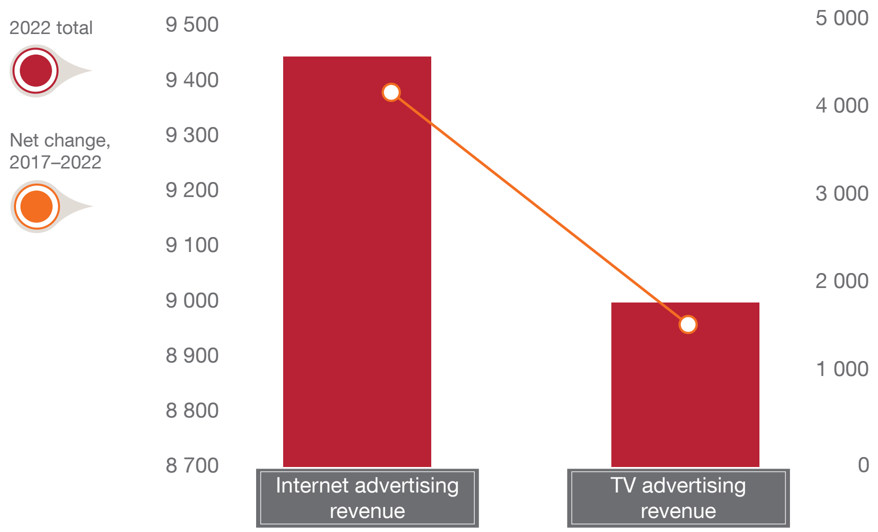
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

In terms of growth drivers, Internet advertising leads the way, with a 13.0% CAGR to 2022. By contrast, TV advertising, once comfortably the largest segment, will see a 3.8% CAGR – meaning that Internet advertising will greatly exceed TV advertising in terms of absolute growth over the forecast period – R4.3 billion against R1.5 billion.

In turn, this will lead to a momentous shift in 2022, when Internet advertising is set to surpass TV advertising for the first time. No other segment will see absolute growth exceeding R1 billion between 2017 and 2022, while newspapers will lose more than R1 billion.

"TV remains the largest advertiser segment, but Internet will see more growth"

Figure 12: South Africa: Internet advertising and TV advertising ranked by net change in revenues, 2017–2022 (R millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Increasingly the worlds of TV and Internet advertising are becoming interlinked. Even if TV advertisers can find events with guaranteed high audiences, the number of people with smartphones and tablets means the advertisers are still vying for attention during commercial breaks. While this places additional emphasis on creating relevant, engaging adverts, it also provides new opportunities.

These include boosting brand discussion on social media and driving viewers to the point-of-sale for additional information and timely promotions. In the longer term, addressable advertising is likely to gain importance in South Africa as advertisers seek the most-relevant audience possible for their brand. Multiplatform campaigns with effective digital media presence will be vital as the broadband infrastructure improves.

New tech presents new opportunities for advertisers

New technologies and devices – like artificial intelligence (AI), virtual and augmented reality (VR and AR), voice-based smart home devices and virtual assistants – look set to drive innovation in online advertising on a global scale in the coming years. Within the changing contexts created by novel technologies and devices, stakeholders will aim to devise and deliver new ad formats that can drive revenue and return on investment for advertisers.

The growth of podcasts, covered for the first time in this year's Outlook, is introducing a range of new business models to the audio entertainment market. At the moment, podcasts remain inefficiently monetised relative to the amount of time they consume. Costs per mille (CPMs) are respectable, but this is largely a function of the low density of advertising in podcasts.

Nonetheless, revenue-per-hour-listened does appear to be increasing. This should be no surprise given the increasing sophistication of podcast advertising. Podcasts traditionally have relied on direct-response ads. By linking the fee paid to the take-up of a discount code, these ads are designed to counter the main perceived weakness of podcast advertising, namely lack of measurability.

The impetus to better monetise is intensifying thanks to the growing presence of major media organisations in the podcast industry, together with the growth of large-scale podcast networks such as public radio station WNYC and podcast network Gimlet Media, both in the US. These companies are leading the way with innovations such as dynamic ad insertion, where ads are inserted at the point of download rather than being 'baked in' during production. This allows producers to offer advertisers coverage across their entire catalogue rather than just future episodes.

More importantly, it allows truly targeted advertising, which is possible as podcast producers get their hands on better listener data.

Brand safety and data protection head the list of advertiser priorities

In March 2017, YouTube ads were found alongside questionable content, leading many blue-chip advertisers to suspend their YouTube ad spending. This will undoubtedly have a profound effect on the broader industry's ongoing digital ad strategy.

Some have suggested that events like these may eventually tip the balance back in favour of traditional media, as TV switches to streaming and starts to offer the kind of options available with digital advertising, and advances in addressable TV advertising continue. But for the time being, Internet advertising will continue to increase its share of the ad market.

To pacify advertisers, YouTube has introduced an extra vetting process for its Google Preferred list of YouTubers, which it markets to its advertisers as brand-safe content. Facebook has also provided advertisers with a list of sites that may host their campaigns.

In addition, YouTube has tried to bolster its appeal to premium advertisers by commissioning several original, brand-safe, ad-supported series. Some of these feature prominent TV stars, with a reported production budget of between US$0.5m and US$1.0m per episode, and are of 'network quality'. YouTube offers sponsorship and brand integration opportunities around these shows to advertisers.

But it is not just the concerns of advertisers that need to be accounted for if digital advertising is to remain on a rapid growth trajectory. The consumer experience is also an extremely important consideration that needs to be addressed, with consumer-privacy of paramount concern for ad-tech vendors, advertisers and platform owners. Regulators have already made moves, like the European Union's (EU) General Data Protection Regulation (GDPR), to protect the interests of consumers and their data, which means that mistakes in this area will not just be damaging to consumer trust, but also highly costly in monetary terms.

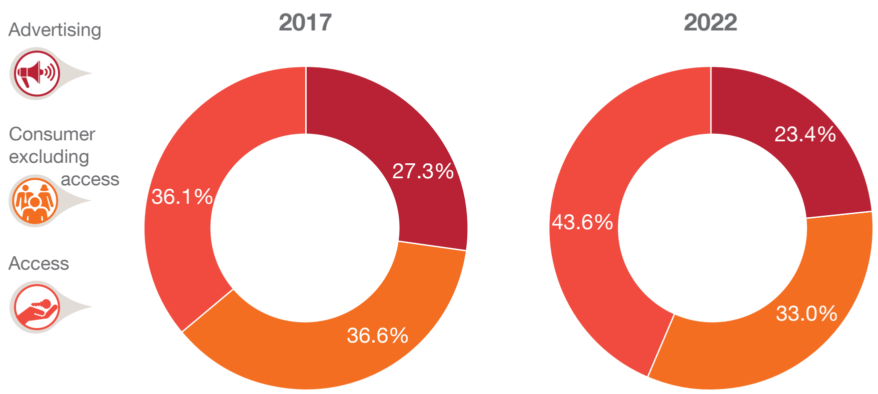
Though GDPR originates from within the EU, the impact will be global in scope, as countries outside the EU's 28-country bloc seek legislative parity and multinational companies based outside of the region are forced to either comply or cease operations in the region. This is especially challenging for multinational ad-tech vendors. Many of them do not have the consumer-facing platforms necessary to obtain the individual consent required by GDPR to access consumers' data and provide services, such as targeted advertising, based on that data. Internet advertising retains its status as a major growth story, but the past 18 months have made it a far more complex place in which to operate.

Advertising vs consumer vs access

Internet access revenue continues to increase its share of overall E&M revenue in South Africa. For many consumers, gaining access to the Internet effectively provides access to an E&M experience – social media, news sites, video, games – that they deem satisfactory. Internet access will represent nearly 44% of the market in 2022, with advertising's share dropping to below 25%.

> *"Access to increase by more than seven percentage points in five years"*

Figure 13: South Africa: Consumer vs advertising vs access, 2017 vs 2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This may seem a dispiriting trend for content producers, but there is much to be positive about. The surge in Internet access revenue is driven by an increasing number of South Africans coming online – nearly 11 million new unique subscribers between 2017 and 2022. This means more than three-quarters of the population will be targetable by the end of the forecast period. What's more, the rate of E&M movement towards Internet access revenue is slowing.

Compelling content, especially when it is exclusive or unique, and delivered regardless of time or location, will still draw consumers, and therefore the advertisers looking to target them. The building blocks are increasingly coming into place – it is now up to innovative and creative companies to make the best use of them and seize the nearly R50 billion set to be added in South Africa's entertainment and media market over the next five years.

Nigeria

The continuing depreciation of the naira against the dollar in 2017 sees Nigerian E&M revenue come in significantly below the early part of the previous year's figures. Conversely, renewed optimism about the scale of the mobile Internet access opportunity puts forecast revenue well above last year's table. Nigeria saw a huge 25.5% rise in E&M revenue in 2017 to US$3.8 billion, although US$605 million of this US$764 million rise was attributable to Internet access. A 21.5% CAGR is anticipated to 2022, with revenue reaching US$9.9 billion in that year. Again, Internet access revenue will account for 89.6% of this absolute growth.

"Internet access dominates Nigerian E&M revenue"

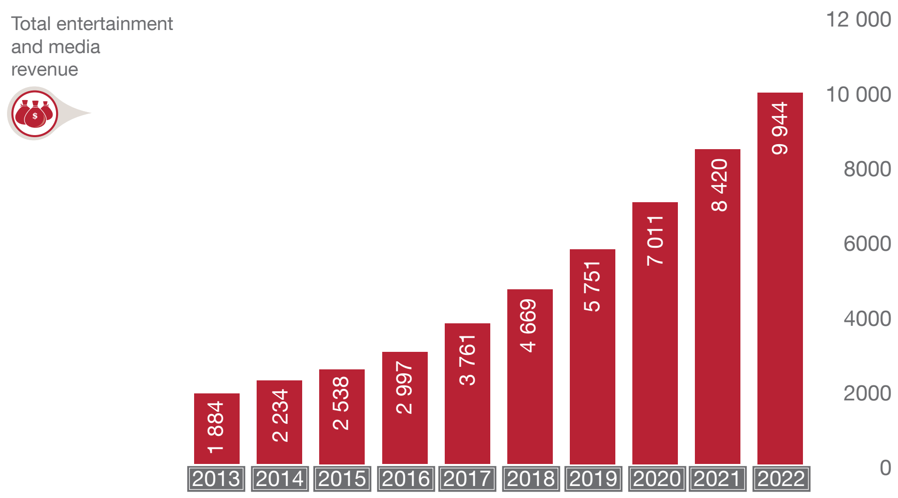
Nigeria: Total entertainment and media spending by segment, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Books	24	26	27	28	30	31	33	34	36	37	
YOY growth (%)		*6.3%*	*4.7%*	*6.0%*	*5.3%*	*4.7%*	*4.8%*	*4.6%*	*4.1%*	*3.9%*	*4.4%*
Business-to-business	10	12	13	14	15	16	17	19	20	21	
YOY growth (%)		*13.5%*	*7.6%*	*11.0%*	*9.2%*	*5.8%*	*6.7%*	*6.9%*	*5.4%*	*5.6%*	*6.1%*
Cinema	7	7	8	11	13	14	15	16	18	19	
YOY growth (%)		*7.4%*	*11.0%*	*40.7%*	*10.5%*	*8.7%*	*9.5%*	*8.0%*	*8.0%*	*8.6%*	*8.6%*
Internet	907	1 196	1 451	1 845	2 472	3 250	4 221	5 381	6 707	8 163	
YOY growth (%)		*31.9%*	*21.4%*	*27.1%*	*34.0%*	*31.5%*	*29.9%*	*27.5%*	*24.7%*	*21.7%*	*27.0%*
Magazines	109	112	114	117	119	122	124	127	129	131	
YOY growth (%)		*3.3%*	*1.8%*	*2.5%*	*2.0%*	*2.0%*	*1.8%*	*2.1%*	*1.7%*	*1.9%*	*1.9%*
Music	26	27	29	31	35	41	46	53	59	65	
YOY growth (%)		*3.9%*	*6.3%*	*8.7%*	*12.5%*	*16.0%*	*13.3%*	*14.8%*	*11.2%*	*10.1%*	*13.0%*
Newspapers	102	102	101	100	100	100	101	101	101	101	
YOY growth (%)		*-0.5%*	*-0.9%*	*-0.5%*	*0.0%*	*0.2%*	*0.1%*	*0.2%*	*0.2%*	*0.4%*	*0.2%*
Out-of-home	97	104	111	117	125	132	140	147	155	162	
YOY growth (%)		*7.9%*	*6.4%*	*5.0%*	*7.1%*	*5.8%*	*5.7%*	*5.0%*	*5.2%*	*4.8%*	*5.3%*
Radio	45	47	49	43	44	45	47	49	51	54	
YOY growth (%)		*4.5%*	*6.0%*	*-13.8%*	*2.6%*	*3.4%*	*4.0%*	*4.5%*	*4.7%*	*4.9%*	*4.3%*
TV and video	555	599	632	683	800	910	1 001	1 079	1 140	1 187	
YOY growth (%)		*8.0%*	*5.5%*	*8.1%*	*17.1%*	*13.7%*	*10.0%*	*7.8%*	*5.7%*	*4.1%*	*8.2%*
Video games	17	21	25	33	38	44	51	60	69	80	
YOY growth (%)		*20.8%*	*17.2%*	*34.3%*	*15.8%*	*16.5%*	*15.5%*	*16.0%*	*16.0%*	*15.7%*	*15.9%*
Total	**1 884**	**2 234**	**2 538**	**2 997**	**3 761**	**4 669**	**5 751**	**7 011**	**8 420**	**9 944**	
YOY growth (%)		***18.6%***	***13.6%***	***18.1%***	***25.5%***	***24.2%***	***23.2%***	***21.9%***	***20.1%***	***18.1%***	***21.5%***

Notes: 2013–2017 figures have been updated to reflect most recently available financial information.
Newspaper, directory, consumer magazine, trade magazine and online TV advertising are included in their respective segments and also in Internet advertising, but only once in the overall total.
Professional books is counted in business-to-business and book publishing, but only once in the overall total.
Trade magazines is counted in business-to-business and magazine publishing, but only once in the overall total.
App-based social/casual gaming revenue is counted in video games and end-user app spend, but only once in the overall total.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> “Steady annual growth projected”

Figure 14: Nigeria: Total entertainment and media revenue, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Non-access revenue growth is harder to come by

Nowhere is the distortive effect of Internet access revenue more apparent than in Nigeria, the fastest-growing E&M market among those considered in the global rankings. This country of almost 200 million people is seeing a strong surge in mobile Internet access revenue, with its own domestically produced low-cost smartphones contributing to the rapid take-up of mobile Internet services. Tie-ups between mobile operators and OTT companies that give customers inclusive or reduced-cost access to services and apps also contribute to this growth.

But subtract Internet access revenue and a very different picture emerges. Nigeria sees a vastly reduced CAGR of 7.9%, as the great strides in Internet accessibility are counteracted by deficiencies in the disposable income necessary for consumer (and therefore advertiser) spend, as well as the continuing issues with piracy.

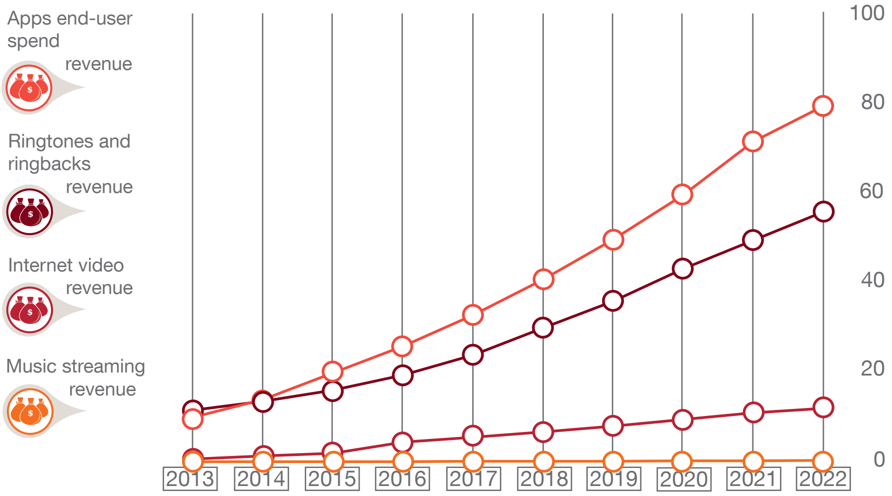
Outside of Internet access, then, a little over US$650 million will be added to 2022. Around 60% of this figure will come from TV and video growth. Nigeria’s pay-TV market has exhibited extremely high growth in recent years, with both StarTimes and MultiChoice offering low-cost entry-level packages to entice new households into the market. Curiously, despite the addition of around 600 000 new households over the forecast period, faster population, and therefore overall household growth, will see pay-TV penetration fall to 2022, but the country’s vast population will provide strong long-term opportunities for operators if high levels of economic development can be sustained.

Inhibitors including slow Internet speeds and low disposable income mean that revenues from streaming will struggle to make an impact. Internet video revenue will only total US$12 million by 2022, with music streaming revenue below US$0.5 million. But this does not indicate a lack of appetite for music; ringtones and ringbacks, which are relatively piracy-proof, will account for 87% of total music revenue in 2022. Likewise, apps end-user spend revenue is showing enough promise to prove that Nigeria’s online consumers can be converted into paying consumers.

"Nigeria's mobile consumers prepared to pay, but streaming revenue isn't making an impact"

"Internet drives 8.3% CAGR for advertising"

Figure 15: Nigeria: Selected consumer revenue lines, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria : Advertising E&M spending, 2013–2022 (US$ millions)

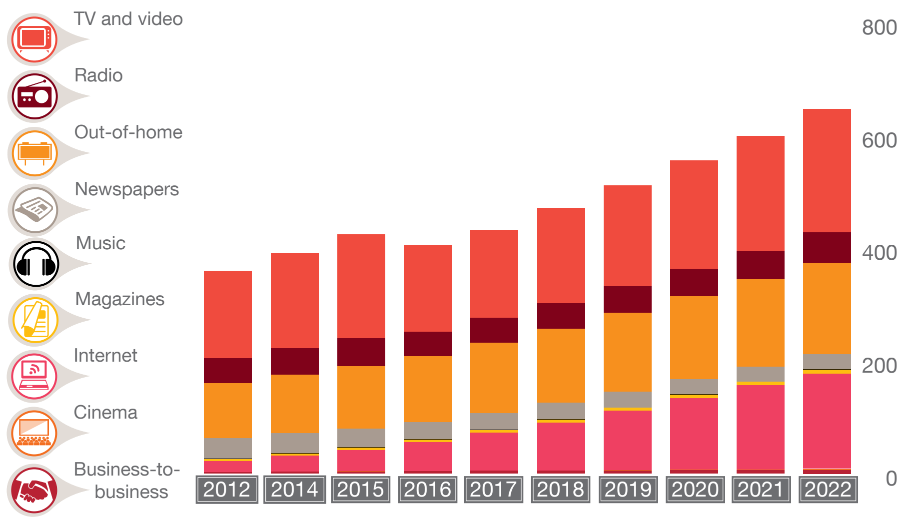
Nigeria	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Business-to-business	2.3	3.0	3.4	4.0	4.6	4.9	5.3	5.7	5.9	6.3	
YOY growth (%)		*30.4%*	*13.3%*	*17.6%*	*15.0%*	*6.5%*	*8.2%*	*7.5%*	*3.5%*	*6.8%*	*6.5%*
Cinema	0.5	0.5	0.6	0.6	0.7	0.8	1.0	1.1	1.3	1.5	
YOY growth (%)		*0.0%*	*20.0%*	*0.0%*	*16.7%*	*14.3%*	*25.0%*	*10.0%*	*18.2%*	*15.4%*	*16.5%*
Internet	20	28	39	51	66	85	105	127	149	168	
YOY growth (%)		*43.1%*	*38.0%*	*32.5%*	*30.2%*	*27.7%*	*24.2%*	*20.6%*	*17.0%*	*13.3%*	*20.5%*
Magazines	3.8	4.3	4.3	4.7	4.9	5.2	5.5	6.2	6.7	7.6	
YOY growth (%)		*13.2%*	*0.0%*	*9.3%*	*4.3%*	*6.1%*	*5.8%*	*12.7%*	*8.1%*	*13.4%*	*9.2%*
Music	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	
YOY growth (%)		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*20.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*3.7%*
Newspapers	37	35	33	31	30	29	28	27	26	26	
YOY growth (%)		*-4.9%*	*-5.7%*	*-5.2%*	*-4.5%*	*-3.7%*	*-3.5%*	*-2.5%*	*-1.9%*	*-1.1%*	*-2.6%*
Out-of-home	97	104	111	117	125	132	140	147	155	162	
YOY growth (%)		*7.9%*	*6.4%*	*5.0%*	*7.1%*	*5.8%*	*5.7%*	*5.0%*	*5.2%*	*4.8%*	*5.3%*
Radio	45	47	49	43	44	45	47	49	51	54	
YOY growth (%)		*4.5%*	*6.0%*	*-13.8%*	*2.6%*	*3.4%*	*4.0%*	*4.5%*	*4.7%*	*4.9%*	*4.3%*
TV and video	155	170	185	154	156	169	179	192	204	219	
YOY growth (%)		*9.8%*	*8.7%*	*-16.4%*	*0.9%*	*8.2%*	*5.9%*	*7.5%*	*6.6%*	*7.0%*	*7.0%*
Total advertising	**356**	**387**	**420**	**400**	**425**	**465**	**504**	**547**	**591**	**635**	
YOY growth (%)		***8.9%***	***8.5%***	***-4.8%***	***6.3%***	***9.2%***	***8.4%***	***8.6%***	***8.0%***	***7.5%***	***8.3%***

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Although TV will retain its position as the top advertising medium to 2022, the gap is closing. Internet advertising's anticipated 20.5% CAGR will see it overtake OOH to become the second-largest contributor. Google reports that Nigerian consumers spend the longest time on the search engine, in Africa. Display advertising is also becoming more sophisticated with advertisers utilising artificial intelligence and deploying digital concierges – for example, the Eat.Drink.Bot platform providing restaurant recommendations in Lagos.

"TV and video will continue to dominate advertising revenues in Nigeria"

Figure 16: Nigeria: Advertising revenue split by subcategory, 2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

In TV, there has been an emphasis on terrestrial channels as advertisers seek to reach the largest possible audience. With the digital transition not complete and the majority of households not taking pay-TV services, TV advertising still takes a mass-market approach. The development of the sector and the digital transition will provide more thematic channels and opportunities for targeted advertising.

OOH is another bright spot, with state governments beginning to introduce rules to professionalise the industry. Harmonising standards and creating a clear framework for media owners and advertisers should be welcome, although one criticism is that site owners are charging unnecessarily high levies on infrastructure, which may stifle growth. On a more positive note, the run-up to the 2019 presidential elections ought to provide a boost to OOH, and the country's advertising industry more generally. Nigeria is a country of boundless E&M opportunity, and that opportunity is gradually being taken.

Kenya

Kenya's E&M industry saw 17.0% year-on-year growth in 2017, again propelled by growth in the Internet sector. An 11.6% CAGR will take the country to US$2.9 billion in 2022, from US$1.7 billion in 2017.

"US$1.2 billion in E&M growth for Kenyan market"

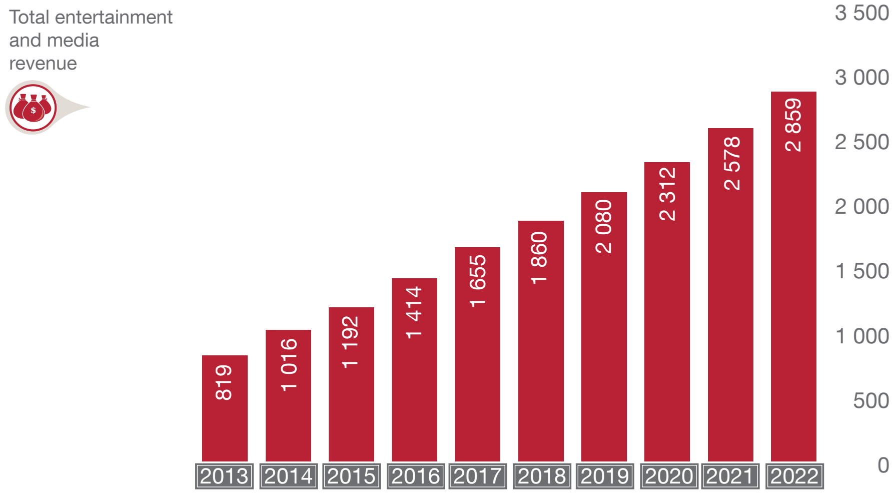
Kenya: Total entertainment and media spending by segment, 2013–2022 (US$ millions)

Kenya	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Books	34	36	38	39	40	41	42	43	44	45	
YOY growth (%)		*6.4%*	*3.0%*	*2.7%*	*2.6%*	*2.8%*	*2.5%*	*2.4%*	*2.3%*	*2.8%*	*2.6%*
Business-to-business	9	11	12	13	15	16	18	19	21	23	
YOY growth (%)		*24.1%*	*12.0%*	*9.9%*	*11.3%*	*9.5%*	*9.9%*	*9.0%*	*10.3%*	*8.9%*	*9.5%*
Cinema	4	5	5	5	6	6	7	7	7	8	
YOY growth (%)		*7.1%*	*8.9%*	*6.1%*	*7.7%*	*8.9%*	*8.2%*	*6.1%*	*5.7%*	*6.8%*	*7.1%*
Internet	322	459	585	782	984	1 144	1 319	1 506	1 727	1 960	
YOY growth (%)		*42.7%*	*27.3%*	*33.8%*	*25.8%*	*16.3%*	*15.2%*	*14.2%*	*14.7%*	*13.5%*	*14.8%*
Magazines	59	66	69	71	73	76	79	83	89	97	
YOY growth (%)		*11.8%*	*3.5%*	*3.5%*	*3.1%*	*3.1%*	*4.6%*	*5.4%*	*7.0%*	*8.6%*	*5.7%*
Music	17	18	19	20	22	24	27	30	32	35	
YOY growth (%)		*2.9%*	*5.6%*	*6.4%*	*9.0%*	*11.0%*	*9.9%*	*10.9%*	*9.2%*	*8.1%*	*9.8%*
Newspapers	75	79	81	79	81	82	84	86	87	88	
YOY growth (%)		*5.2%*	*2.9%*	*-2.5%*	*1.6%*	*1.9%*	*1.9%*	*2.0%*	*1.3%*	*1.2%*	*1.7%*
Out-of-home	20	22	24	25	27	28	30	32	34	35	
YOY growth (%)		*10.8%*	*9.3%*	*5.5%*	*7.6%*	*6.0%*	*6.3%*	*5.3%*	*5.3%*	*4.5%*	*5.5%*
Radio	69	76	83	79	85	91	97	104	111	119	
YOY growth (%)		*8.9%*	*9.4%*	*-4.1%*	*6.7%*	*7.1%*	*7.1%*	*7.1%*	*6.8%*	*6.8%*	*7.0%*
TV and video	191	221	250	267	286	309	330	349	367	385	
YOY growth (%)		*16.0%*	*13.3%*	*6.7%*	*6.9%*	*8.0%*	*6.8%*	*5.9%*	*5.0%*	*5.0%*	*6.1%*
Video games	29	38	45	54	63	73	83	94	106	118	
YOY growth (%)		*31.9%*	*17.9%*	*21.2%*	*16.8%*	*15.6%*	*13.6%*	*13.1%*	*12.3%*	*11.6%*	*13.2%*
Total	**819**	**1 016**	**1 192**	**1 414**	**1 655**	**1 860**	**2 080**	**2 312**	**2 578**	**2 859**	
YOY growth (%)		***24.1%***	***17.3%***	***18.6%***	***17.0%***	***12.4%***	***11.8%***	***11.2%***	***11.5%***	***10.9%***	***11.6%***

Notes: 2013–2017 figures have been updated to reflect most recently available financial information.
Newspaper, directory, consumer magazine, trade magazine and online TV advertising are included in their respective segments and also in Internet advertising, but only once in the overall total.
Professional books is counted in business-to-business and book publishing, but only once in the overall total.
Trade magazines is counted in business-to-business and magazine publishing, but only once in the overall total.
App-based social/casual gaming revenue is counted in video games and end-user app spend, but only once in the overall total.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Kenyan E&M market to hit US$2.9 billion in 2022"

Figure 17: Kenya: Total entertainment and media revenue, 2013–2022 (US$ millions)



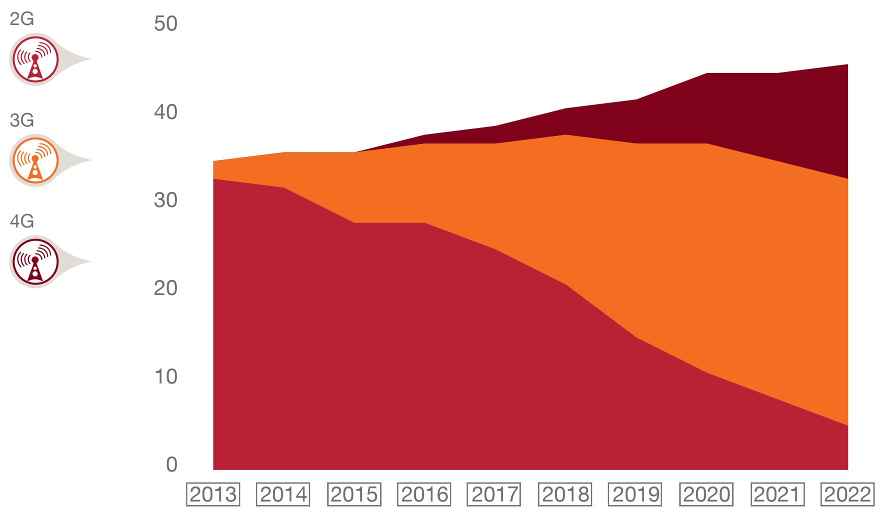
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Once again, Internet access monopolises both growth and overall revenue. While investment in, and take-up of, fixed broadband infrastructure remains less of a priority, the increase in Kenyans with mobile Internet has been steep. Nearly 15 million new unique users are forecast to come online during the next five years, and there is also a pronounced move towards higher-speed services.

More than 90% of mobile Internet subscriptions were for 2G services in 2013, which reduced to 64% in 2017 and will shrink further to 11% in 2022. The 2G subscriptions will be replaced by 3G subscriptions, which will become the pre-eminent format, while 4G services will progress from 2.2 million in 2017 to 12.7 million in 2022. It is these two drivers that are having such a positive effect on mobile Internet revenue.

“Rise of high-speed services makes more E&M experiences possible”

Figure 18: Kenya: Mobile Internet connections by generation, 2013–2022 (millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya’s well-advanced mobile payments technology, M-Pesa, is normalising the idea of paying for goods or services via a phone, which makes the increasing access to mobile Internet positive news for the E&M industry. For example, the uptake of SVOD services as yet has been low as upon launch they only allowed the use of credit cards and PayPal for payment, hence limiting uptake to high-end subscribers. Service providers are keen to develop advanced mobile payment solutions like near-field communication to enable international remittances and payments for goods and services. As disposable incomes improve, the digital E&M industry will also experience an uptick.

Outside the Internet space, TV and video revenue dwarfs the other segments. Kenya is among the few markets on the continent that have successfully completed the digital switch over, which has opened up new opportunities, resulting in the launch of new free-to-air community TV channels and the emergence of new local and international digital content providers. In terms of market dynamics, MultiChoice has continued to lose market share due to increased competition from new entrants in the pay-TV segment who offer slightly lower prices for their subscription packages.

In addition, MultiChoice is competing on premium sports content broadcasting with new entrants such as Kwese TV and StarTimes which offer slightly lower monthly subscription packages. Though relatively nascent for now, the inevitable growth in OTT means that traditional TV service providers will have to adopt new models to deliver TV content to their customers in order to counter the increased competition.

“TV and radio the twin bright spots”

Kenya: Advertising E&M spending, 2013–2022 (US$ millions)

Kenya	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Business-to-business	3	4	4	4	5	5	5	6	7	7	
YOY growth (%)		*34.6%*	*11.4%*	*5.1%*	*12.2%*	*4.3%*	*10.4%*	*9.4%*	*13.8%*	*12.1%*	*10.0%*
Cinema	1	1	1	1	1	1	2	2	2	2	
YOY growth (%)		*14.3%*	*12.5%*	*11.1%*	*10.0%*	*18.2%*	*15.4%*	*13.3%*	*5.9%*	*11.1%*	*12.7%*
Internet	13	18	24	29	33	38	43	48	52	57	
YOY growth (%)		*42.5%*	*32.6%*	*18.8%*	*17.2%*	*14.4%*	*13.1%*	*10.9%*	*9.2%*	*8.0%*	*11.1%*
Magazines	9	10	11	11	11	11	12	12	12	12	
YOY growth (%)		*8.5%*	*3.9%*	*3.8%*	*2.7%*	*0.9%*	*1.8%*	*0.9%*	*0.9%*	*0.0%*	*0.9%*
Music	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
YOY growth (%)		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Newspapers	34	36	38	35	35	36	36	37	37	37	
YOY growth (%)		*7.1%*	*4.7%*	*-7.4%*	*0.9%*	*1.4%*	*1.1%*	*0.8%*	*0.3%*	*0.5%*	*0.8%*
Out-of-home	20	22	24	25	27	28	30	32	34	35	
YOY growth (%)		*10.8%*	*9.3%*	*5.5%*	*7.6%*	*6.0%*	*6.3%*	*5.3%*	*5.3%*	*4.5%*	*5.5%*
Radio	69	76	83	79	85	91	97	104	111	119	
YOY growth (%)		*8.9%*	*9.4%*	*-4.1%*	*6.7%*	*7.1%*	*7.1%*	*7.1%*	*6.8%*	*6.8%*	*7.0%*
TV and video	62	74	83	80	88	97	107	117	125	134	
YOY growth (%)		*19.0%*	*12.2%*	*-2.9%*	*9.6%*	*10.3%*	*10.4%*	*8.6%*	*7.1%*	*7.4%*	*8.7%*
Video games	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	
YOY growth (%)			-	-	-	-	*0.0%*	*0.0%*	*0.0%*	*0.0%*	-
Total advertising	**205**	**233**	**259**	**256**	**276**	**298**	**321**	**343**	**365**	**387**	
YOY growth (%)		***13.6%***	***11.0%***	***-1.2%***	***7.7%***	***7.9%***	***7.9%***	***7.0%***	***6.3%***	***6.2%***	***7.0%***

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.com/outlook

Kenyan advertising revenue has been restated in the Outlook following discussions regarding the scale of discounts given in the market. But TV and, notably, radio advertising revenue remain the leading lights, accounting for US$173 million of the US$276 million total revenue in 2017. This overall advertising market will rise to US$387 million at a 7.0% CAGR to 2022.

Although the pay-TV market has continued to expand rapidly, advertisers have continued to favour the terrestrial channels because of the guaranteed larger audiences. Although this share will fall back to 2022, due to growth in multichannel services, it will remain extremely dominant. Longer-term, as disposable incomes grow and broadband coverage improves, advertisers will look to more multiplatform campaigns to drive online traffic, but addressable advertising is some way off.

In radio, Radio Africa Group launched its Market Plus 2018 radio advertising package in April 2018. The package offers multi-platform advertising across the group’s stations, which include Kiss FM, Radio Jambo and Relax FM. It also offers advertising online and in The Star newspaper, which is owned by the group. This hybrid advertising package demonstrates that businesses are increasingly looking to invest in advertising campaigns that stretch across multiple media formats, targeting consumers wherever they are and whatever they are doing. A healthy advertising market is a leading indicator of a promising E&M industry; Kenya’s advertisers will be keen to target the growing number of consumers with increased disposable income over the next five years as the country develops its growth story.

Ghana

Ghana's E&M industry has more than tripled in value since 2013, with the total revenue reaching US$752 million in 2017. It should breach US$1 billion in 2019 to total US$1.5 billion in 2022, increasing at a 14.2% CAGR.

"Revenue to nearly double again to 2022"

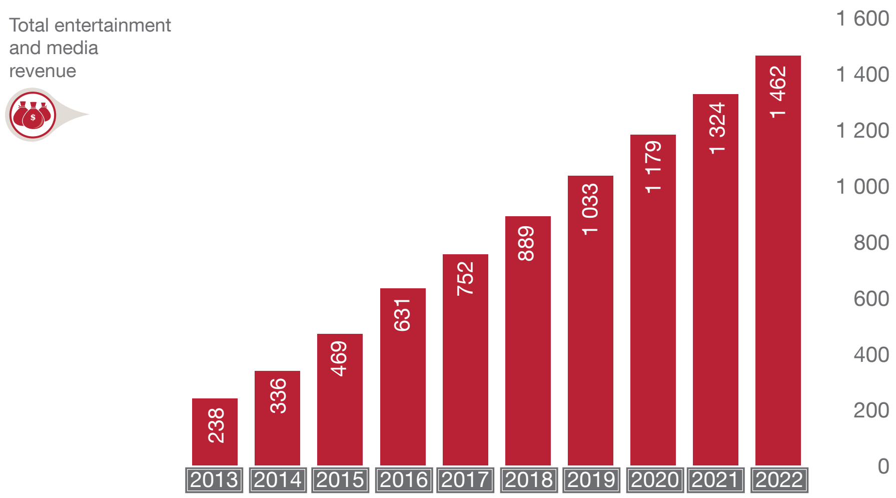
Ghana: Total entertainment and media spending by segment, 2013–2022 (US$ millions)

Ghana	Historic data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Books	18	18	18	19	19	20	20	21	22	22	
YOY growth (%)		*0.6%*	*0.6%*	*4.5%*	*3.2%*	*3.1%*	*3.0%*	*2.5%*	*3.4%*	*2.8%*	*3.0%*
Business-to-business	3.4	3.9	4.4	4.9	5.5	6.0	6.6	7.0	7.9	8.5	
YOY growth (%)		*14.7%*	*12.8%*	*11.4%*	*12.2%*	*9.1%*	*10.0%*	*6.1%*	*12.9%*	*7.6%*	*9.1%*
Cinema	1.2	1.2	1.4	1.6	1.6	1.8	1.9	1.9	2.1	2.1	
YOY growth (%)		*0.0%*	*16.7%*	*14.3%*	*0.0%*	*12.5%*	*5.6%*	*0.0%*	*10.5%*	*0.0%*	*5.6%*
Internet	82	142	249	394	498	612	735	862	988	1 109	
YOY growth (%)		*74.1%*	*74.9%*	*58.2%*	*26.5%*	*22.8%*	*20.1%*	*17.4%*	*14.6%*	*12.3%*	*17.4%*
Magazines	8.5	8.5	8.8	9.4	9.8	10	11	11	11	11	
YOY growth (%)		*0.0%*	*3.5%*	*6.8%*	*4.3%*	*6.1%*	*2.9%*	*0.9%*	*0.9%*	*0.0%*	*2.2%*
Music	3.9	4.1	4.6	5.2	6.3	7.4	8.3	9.2	9.7	10	
YOY growth (%)		*5.1%*	*12.2%*	*13.0%*	*21.2%*	*17.5%*	*12.2%*	*10.8%*	*5.4%*	*6.2%*	*10.3%*
Newspapers	9	13	13	13	15	17	18	20	21	22	
YOY growth (%)		*40.2%*	*0.8%*	*1.5%*	*13.6%*	*10.0%*	*9.1%*	*8.3%*	*7.7%*	*4.8%*	*8.0%*
Out-of-home	16	18	20	22	24	25	27	29	31	32	
YOY growth (%)		*13.3%*	*10.1%*	*9.1%*	*9.3%*	*8.1%*	*6.7%*	*6.3%*	*6.3%*	*5.2%*	*6.5%*
Radio	25	28	32	35	39	42	46	50	55	59	
YOY growth (%)		*11.0%*	*12.8%*	*10.1%*	*10.3%*	*9.8%*	*9.2%*	*8.6%*	*8.3%*	*8.3%*	*8.9%*
TV and video	65	92	110	118	123	135	145	153	161	167	
YOY growth (%)		*41.0%*	*19.7%*	*7.0%*	*4.8%*	*9.3%*	*7.6%*	*5.4%*	*5.3%*	*3.8%*	*6.3%*
Video games	8.6	11	13	16	18	21	23	26	29	33	
YOY growth (%)		*29.1%*	*19.8%*	*21.8%*	*13.6%*	*14.1%*	*11.4%*	*11.5%*	*11.9%*	*11.3%*	*12.1%*
Total	**238**	**336**	**469**	**631**	**752**	**889**	**1 033**	**1 179**	**1 324**	**1 462**	
YOY growth (%)		***41.3%***	***39.7%***	***34.7%***	***19.2%***	***18.2%***	***16.2%***	***14.1%***	***12.3%***	***10.4%***	***14.2%***

Notes: Newspaper, directory, consumer magazine, trade magazine and online TV advertising are included in their respective segments and also in Internet advertising, but only once in the overall total.
Professional books is counted in business-to-business and book publishing, but only once in the overall total.
Trade magazines is counted in business-to-business and magazine publishing, but only once in the overall total.
App-based social/casual gaming revenue is counted in video games and end-user app spend, but only once in the overall total.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“Revenue to near US$1.5 billion in 2022”

Figure 19: Ghana: Entertainment & media revenue, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

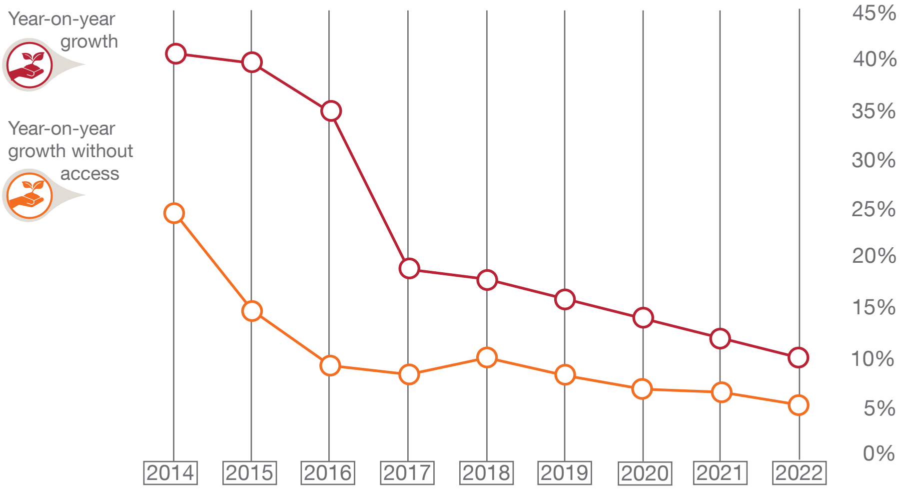
As with Nigeria and Kenya, Internet access spend in Ghana accounts for much of this revenue, and growth. The country’s telecom market in general is projected to maintain high growth over the next five years to 2022. The digital services segment, comprising mobile data, mobile financial services, e-commerce and ICT enterprise, among others, will remain a key revenue driver for service providers. As such, competition will shift from voice to mobile financial services and broadband segments in future.

Ghana has also commenced the rollout of the 4G spectrum in the 800MHz band through public auction. MTN Ghana was the first operator to be granted a licence, and has since launched a commercial 4G LTE network, with other operators later following suit. Mobile Internet access revenue alone will exceed US$1 billion in 2022, growing at an 18.1% CAGR.

TV and video revenue was the only other segment to have exceeded US$100 million in 2017, but within this number, pay-TV is struggling for growth, with subscriptions relatively flat and additions primarily focussed on entry-level low ARPU packages. This leaves the Ghanaian market relying on consistent economic growth and strong business confidence for advertising to thrive, but with GDP growth on a strong path to 2022, TV advertising revenue will rise from US$73 million in 2017 to US$112 million in 2022, an 8.9% CAGR. With overall double-digit growth seen in video games and music, and continued momentum to the radio market, growth to 2022 without Internet access will still be robust.

“Internet access uptake is catalyst for growth in other segments”

Figure 20: Ghana: Year-on-year growth, with and without Internet access, 2014–2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

With more than 15 million mobile Internet subscribers forecast for 2022, equivalent to 50% of the population, this leaves a very promising base for digital revenue from consumers with gradually increasing purchasing power. In video games, for instance, app-based social/casual revenue is set to move from US$0.5 million in 2013 to US$7.0 million in 2022 as mobile payments become normalised. Meanwhile, online/microtransaction PC games revenue will approach US$13 million in the same year, thanks to growing numbers of players who access gaming hardware through work or Internet cafés and make smaller, more-occasional purchases in ‘freemium’ games.

Elsewhere, it may be too early for Internet video platforms to focus more attention on Ghana and begin to offer local original productions, but Netflix and Amazon Prime have both been present since 2016, which is indicative of the country’s potential. This market is set to double over five years to reach US$5.9 million.

"TV the major contributor to Ghana advertising"

Ghana: Advertising E&M spending, 2013–2022 (US$ millions)

Ghana	Historic data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Business-to-business	0.9	1.1	1.3	1.4	1.5	1.6	1.8	1.8	2.2	2.4	
YOY growth (%)		*22.2%*	*18.2%*	*7.7%*	*7.1%*	*6.7%*	*12.5%*	*0.0%*	*22.2%*	*9.1%*	*9.9%*
Cinema	0.2	0.2	0.3	0.4	0.4	0.5	0.5	0.5	0.6	0.6	
YOY growth (%)		*0.0%*	*50.0%*	*33.3%*	*0.0%*	*25.0%*	*0.0%*	*0.0%*	*20.0%*	*0.0%*	*8.4%*
Internet	4.6	6.3	8.7	11	15	18	20	23	25	26	
YOY growth (%)		*37.0%*	*38.1%*	*29.9%*	*29.2%*	*22.6%*	*13.4%*	*11.3%*	*8.4%*	*5.7%*	*12.1%*
Magazines	5.8	5.4	5.4	5.7	5.8	6.0	5.9	5.7	5.3	5.0	
YOY growth (%)		*-6.9%*	*0.0%*	*5.6%*	*1.8%*	*3.4%*	*-1.7%*	*-3.4%*	*-7.0%*	*-5.7%*	*-2.9%*
Newspapers	6.7	9.4	10	9	11	12	13	14	15	16	
YOY growth (%)		*40.3%*	*1.1%*	*-2.1%*	*14.0%*	*10.4%*	*9.4%*	*8.6%*	*7.2%*	*5.4%*	*8.2%*
Out-of-home	16	18	20	22	24	25	27	29	31	32	
YOY growth (%)		*13.3%*	*10.1%*	*9.1%*	*9.3%*	*8.1%*	*6.7%*	*6.3%*	*6.3%*	*5.2%*	*6.5%*
Radio	25	28	32	35	39	42	46	50	55	59	
YOY growth (%)		*11.0%*	*12.8%*	*10.1%*	*10.3%*	*9.8%*	*9.2%*	*8.6%*	*8.3%*	*8.3%*	*8.9%*
TV and video	32	53	64	67	73	83	93	100	107	112	
YOY growth (%)		*67.1%*	*20.6%*	*3.4%*	*10.2%*	*13.0%*	*12.1%*	*7.9%*	*7.0%*	*4.9%*	*8.9%*
Total advertising	**90**	**120**	**139**	**149**	**166**	**186**	**205**	**221**	**236**	**250**	
YOY growth (%)		***33.3%***	***15.9%***	***7.2%***	***11.3%***	***11.8%***	***10.2%***	***7.8%***	***7.1%***	***5.6%***	***8.5%***

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Outside TV, radio and OOH are strong advertising contributors. With diverse content across 392 radio stations, and good coverage across the country, radio forms a reliable advertising source to reach large numbers of Ghanaians.

A significant development in OOH, meanwhile, was a ban on all OOH advertising in October 2017 by the Accra Metropolitan Assembly (AMA) due to the practice of mounting billboards without permit at unauthorised locations in the city. The ban was removed in early 2018, opening the space for possible growth. Ghana in general is now in a strong position for further E&M growth as revenue gains critical mass over the next five years.

Tanzania

Total E&M revenue in Tanzania stood at US$496 million in 2017, having risen 28.2% year on year. Continued momentum at an 18.3% CAGR will see revenue reach US$1.1 billion in 2022, 2.3 times the size of the 2017 figure.

"Only Nigeria's growth outstrips Tanzania"

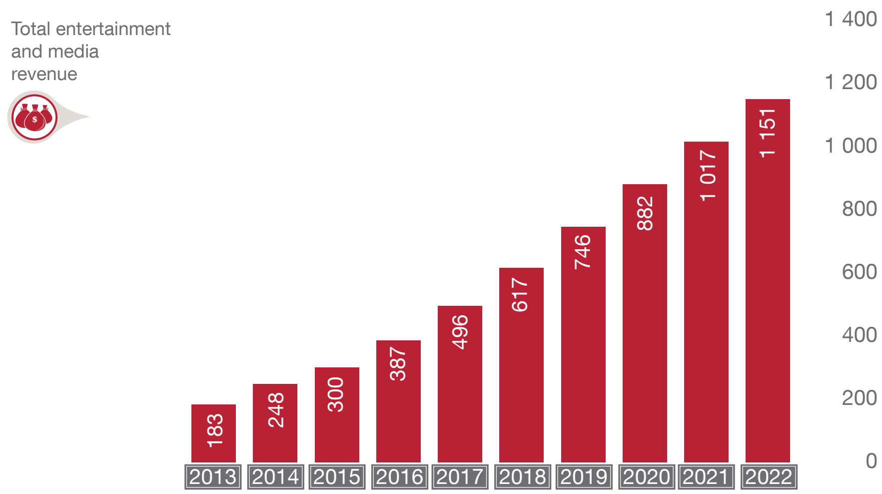
Tanzania: Total entertainment and media spending by segment, 2013–2022 (US$ millions)

Tanzania	Historic data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Books	13	13	14	14	15	16	17	18	18	19	
YOY growth (%)		*2.3%*	*4.5%*	*2.2%*	*8.5%*	*4.5%*	*5.6%*	*2.9%*	*4.0%*	*3.3%*	*4.1%*
Business-to-business	5.7	6.3	7.1	7.8	8.8	9.5	10	11	12	13	
YOY growth (%)		*10.5%*	*12.7%*	*9.9%*	*12.8%*	*8.0%*	*9.5%*	*9.6%*	*6.1%*	*6.6%*	*7.9%*
Cinema	0.7	0.7	0.9	0.9	1.1	1.1	1.2	1.4	1.4	1.5	
YOY growth (%)		*0.0%*	*28.6%*	*0.0%*	*22.2%*	*0.0%*	*9.1%*	*16.7%*	*0.0%*	*7.1%*	*6.4%*
Internet	52	88	122	184	271	373	481	595	710	823	
YOY growth (%)		*67.2%*	*38.9%*	*51.1%*	*47.5%*	*37.5%*	*29.1%*	*23.6%*	*19.3%*	*15.9%*	*24.9%*
Magazines	12	12	13	14	15	16	17	17	17	18	
YOY growth (%)		*2.5%*	*5.7%*	*6.2%*	*8.0%*	*6.0%*	*5.7%*	*2.4%*	*1.2%*	*1.2%*	*3.3%*
Music	3.4	3.4	3.5	3.7	4.0	4.4	4.9	5.5	6.1	6.5	
YOY growth (%)		*0.0%*	*2.9%*	*5.7%*	*8.1%*	*10.0%*	*11.4%*	*12.2%*	*10.9%*	*6.6%*	*10.2%*
Newspapers	9	12	14	16	18	19	20	22	23	24	
YOY growth (%)		*36.3%*	*15.3%*	*11.2%*	*10.1%*	*6.9%*	*7.0%*	*7.5%*	*5.1%*	*4.9%*	*6.3%*
Out-of-home	6.5	7.6	8.9	10	12	13	15	16	18	19	
YOY growth (%)		*16.9%*	*17.1%*	*13.5%*	*13.9%*	*13.0%*	*11.5%*	*11.0%*	*9.3%*	*8.5%*	*10.7%*
Radio	23	25	28	30	32	34	36	38	40	42	
YOY growth (%)		*10.0%*	*10.6%*	*6.4%*	*7.7%*	*6.5%*	*5.5%*	*5.5%*	*5.8%*	*3.7%*	*5.4%*
TV and video	56	78	87	105	117	129	142	156	169	183	
YOY growth (%)		*38.4%*	*11.4%*	*20.9%*	*11.4%*	*10.3%*	*10.2%*	*9.8%*	*8.6%*	*8.3%*	*9.4%*
Video games	4.8	6.3	8.4	9.9	12	14	16	18	20	23	
YOY growth (%)		*31.3%*	*33.3%*	*17.9%*	*22.2%*	*15.7%*	*12.9%*	*14.6%*	*11.6%*	*12.4%*	*13.4%*
Total	**183**	**248**	**300**	**387**	**496**	**617**	**746**	**882**	**1 017**	**1 151**	
YOY growth (%)		***35.7%***	***21.0%***	***29.0%***	***28.2%***	***24.5%***	***20.9%***	***18.1%***	***15.4%***	***13.1%***	***18.3%***

Notes: Newspaper, directory, consumer magazine, trade magazine and online TV advertising are included in their respective segments and also in Internet advertising, but only once in the overall total.
Professional books is counted in business-to-business and book publishing, but only once in the overall total.
Trade magazines is counted in business-to-business and magazine publishing, but only once in the overall total.
App-based social/casual gaming revenue is counted in video games and end-user app spend, but only once in the overall total.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“Revenue to increase by US$655 million over the next five years”

Figure 21: Tanzania: Total entertainment and media revenue, 2013–2022 (US$ millions)

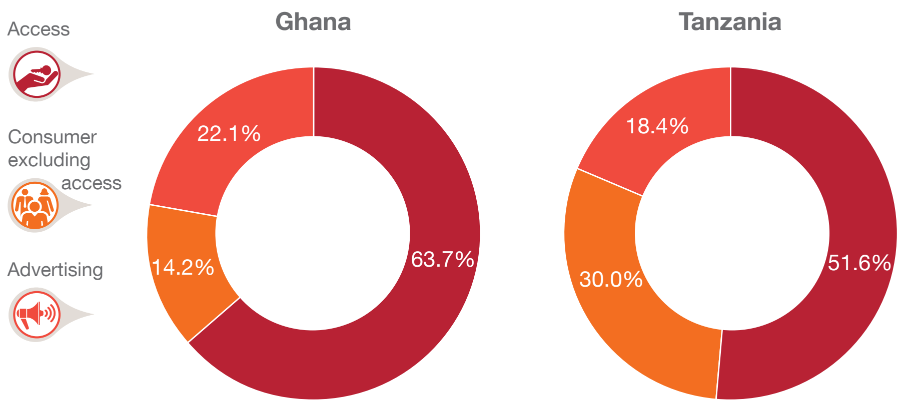


Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania’s E&M revenue make-up is ostensibly similar to that of Ghana, although here Internet revenue takes a slightly less dominant position. There are differences too within TV and video, where pay-TV accounts for the bulk of the US$117 million revenue of 2017. This means that consumer revenue is a greater contributor in Tanzania than in Ghana.

“Tanzanian revenue more dependent on consumers than Ghana”

Figure 22: Tanzania vs Ghana: Access vs consumer vs advertising, 2017 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Increasing demand from users, better data network coverage and capacity, and high smartphone penetration are the key drivers of mobile Internet access revenue in Tanzania. Significantly more 4G users are predicted than in Ghana: Vodacom and Zantel launched 4G LTE networks in the second quarter of 2016, while in 2017 Tigo Tanzania announced a US$70 million investment to expand its network and prepare for 5G. Smile Tanzania also launched 4G in Arusha in May 2018. By 2022 3G will still be dominant with around 70% of subscriptions, but the infrastructure is in place for faster and higher-ARPU services.

One possible restraint on the appeal of the Internet in Tanzania is a set of rules compelling online content providers to pay a US$900 fee, as well as a requirement to submit documents to acquire operating licences.

Pay-TV households, meanwhile, will rise from just 200 000 in 2013 to over 900 000 in 2022. The majority of pay-TV households take services from MultiChoice or StarTimes. MultiChoice dominates pay-TV across the continent and offers both satellite and pay-DTT services in Tanzania. Pay-DTT is expected to reach nearly 360 000 households by end-2022, meaning that it will overtake satellite as the most-popular platform. Conversely, the overall lack of TV households – paying or otherwise – stunts TV advertising. Despite rising at an 11.1% CAGR, this will only reach US$27 million in 2022. Until disposable incomes rise, through consistent economic development, revenue will be hampered by the relatively small number of households able to view TV content.

While Internet penetration gains critical mass, there is room for growth in newspapers. The Tanzanian newspaper market is diverse, with both English and Swahili-language titles such as The Citizen and Mwananchi publishing across the country. But newspapers are preparing smartly for further digital disruption. Vodacom Tanzania's free M-Paper app allows users to browse the front pages of leading newspapers and magazines via a smartphone. Should the user wish to read more, they can purchase and download a digital version of the publication online, or subscribe to a newspaper bundle.

“Ad market lags consumer growth”

Tanzania: Advertising E&M spending, 2013–2022 (US$ millions)

Tanzania	Historic data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Business-to-business	1.2	1.3	1.7	1.7	2.0	2.1	2.2	2.5	2.6	2.8	
YOY growth (%)		*8.3%*	*30.8%*	*0.0%*	*17.6%*	*5.0%*	*4.8%*	*13.6%*	*4.0%*	*7.7%*	*7.0%*
Cinema	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.6	
YOY growth (%)		*0.0%*	*50.0%*	*0.0%*	*33.3%*	*0.0%*	*25.0%*	*20.0%*	*0.0%*	*0.0%*	*8.4%*
Internet	4.0	5.7	7.1	8.5	11	13	14	15	17	18	
YOY growth (%)		*42.5%*	*24.6%*	*19.7%*	*24.7%*	*18.9%*	*11.9%*	*8.5%*	*8.5%*	*5.4%*	*10.5%*
Magazines	8.6	8.6	9.0	9.3	9.9	11	11	11	11	11	
YOY growth (%)		*0.0%*	*4.7%*	*3.3%*	*6.5%*	*7.1%*	*2.8%*	*-0.9%*	*-1.9%*	*-0.9%*	*1.2%*
Newspapers	6.6	9.0	10	12	13	14	14	15	16	17	
YOY growth (%)		*36.4%*	*15.6%*	*11.5%*	*10.3%*	*6.3%*	*5.9%*	*6.3%*	*4.6%*	*4.4%*	*5.5%*
Out-of-home	6.5	7.6	8.9	10	12	13	15	16	18	19	
YOY growth (%)		*16.9%*	*17.1%*	*13.5%*	*13.9%*	*13.0%*	*11.5%*	*11.0%*	*9.3%*	*8.5%*	*10.7%*
Radio	23	25	28	30	32	34	36	38	40	42	
YOY growth (%)		*10.0%*	*10.6%*	*6.4%*	*7.7%*	*6.5%*	*5.5%*	*5.5%*	*5.8%*	*3.7%*	*5.4%*
TV and video	9.9	10	11	15	16	18	20	22	24	27	
YOY growth (%)		*2.0%*	*7.9%*	*33.0%*	*9.0%*	*12.0%*	*10.7%*	*11.7%*	*10.0%*	*10.8%*	*11.1%*
Total advertising	**59**	**66**	**74**	**83**	**91**	**100**	**107**	**114**	**121**	**128**	
YOY growth (%)		***12.3%***	***11.9%***	***12.2%***	***10.5%***	***9.0%***	***7.3%***	***6.9%***	***6.1%***	***5.6%***	***7.0%***

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

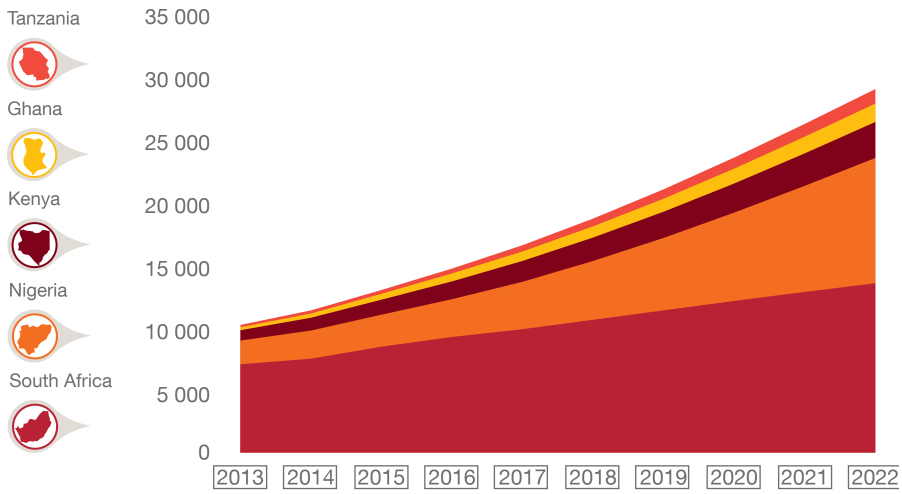
With total advertising revenue hitting US$91 million in 2017, and forecast to reach US$128 million in 2022, it is clear that much potential remains. Radio is the pre-eminent form of advertising, favoured for its reach, particularly given the relative paucity of TV household coverage. Listener figures to the top stations are solid across the day, but peak during the middle of the day and rush hour, making these time slots particularly lucrative for advertisers as they can target the largest possible pool of consumers with their spots.

TV, Internet, newspapers and OOH are the only other segments to see more than US$10 million in revenue in 2017. OOH will see exceptional growth to 2022 for that segment, with JCDecaux having a presence in the country, as well as pan-African operators such as Alliance Media and A1 Outdoor, and domestic names like Ashton Media. Tanzania has a population roughly double the size of Ghana’s and yet its OOH market is half the size. This leaves ample headroom for further expansion of both traditional and digital billboards. ‘Ample headroom’ is in fact a good summary of Tanzania’s entire market, which, alongside Ghana, retains huge potential over the next five years.

“US$12.4 billion added from 2017 to 2022”

Conclusion

Figure 23: South Africa, Nigeria, Kenya, Ghana and Tanzania: Total E&M revenue, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Between them, the five countries considered in this Outlook will add US$12.4 billion in revenue from 2017 to 2022, at a combined CAGR of 11.9%. Though much of this will fall into the hands of telcos, there are significant opportunities for content providers too. The engine of growth here will be organic, with increased populations and gradually increasing disposable income swelling the ranks of potential E&M consumers – and ever-increasing Internet access greatly expanding the range of E&M opportunities available. Generating revenue from these consumers will, as ever, be a conundrum, but agile companies providing compelling content will be able to solve it.

The next 14 chapters contain numerous illustrations of the opportunities and challenges faced in the E&M world – a dizzying array of different trends at the country and segment levels that build up to the African perspective on the overall E&M picture.

Internet

2

Africa at a glance

Fixed broadband households (millions)

Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Africa	1.2	1.3	1.3	1.7	1.9	2.1	2.4	2.6	2.8	2.9
Nigeria	0.4	0.6	0.8	1.2	1.6	1.9	2.3	2.6	2.8	3.1
Kenya	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3
Ghana	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5
Tanzania	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Fixed broadband penetration (%)

Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Africa	9%	10%	10%	13%	14%	16%	18%	20%	21%	22%
Nigeria	1%	2%	2%	3%	4%	5%	5%	6%	7%	7%
Kenya	1%	2%	2%	1%	2%	2%	2%	2%	2%	3%
Ghana	1%	2%	3%	4%	4%	4%	5%	6%	6%	7%
Tanzania	1%	1%	1%	1%	1%	1%	1%	1%	1%	2%

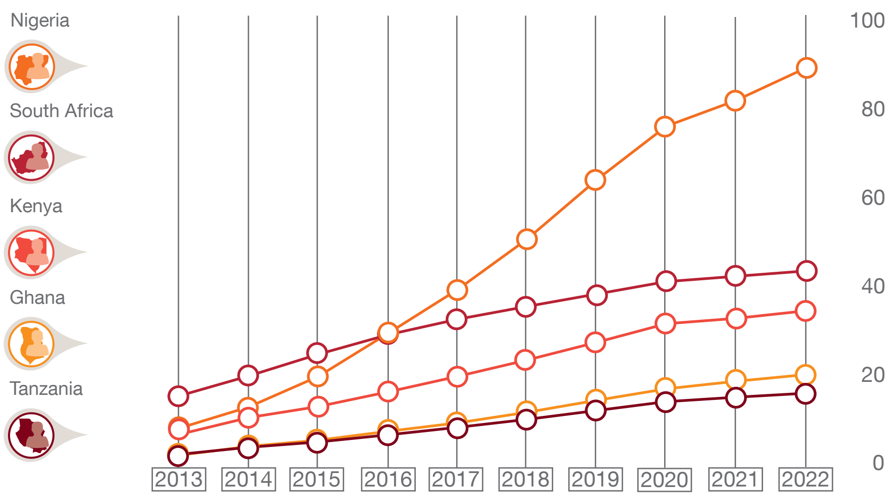
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Mobile Internet subscribers (millions)

Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Africa	15.0	19.5	24.4	28.8	32.3	35.2	38.0	40.8	42.0	43.2
Nigeria	7.7	12.5	19.4	29.1	39.0	50.4	63.8	75.9	81.7	89.0
Kenya	6.3	10.1	12.6	15.9	19.4	23.1	27.1	31.3	32.5	34.2
Ghana	1.8	3.4	4.6	6.2	7.9	9.7	11.7	13.7	14.7	15.6
Tanzania	1.6	3.6	5.0	7.0	8.9	11.3	14.0	16.6	18.3	19.8

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 1: South Africa, Nigeria, Kenya, Ghana and Tanzania: Mobile Internet subscribers, 2013–2022 (millions)



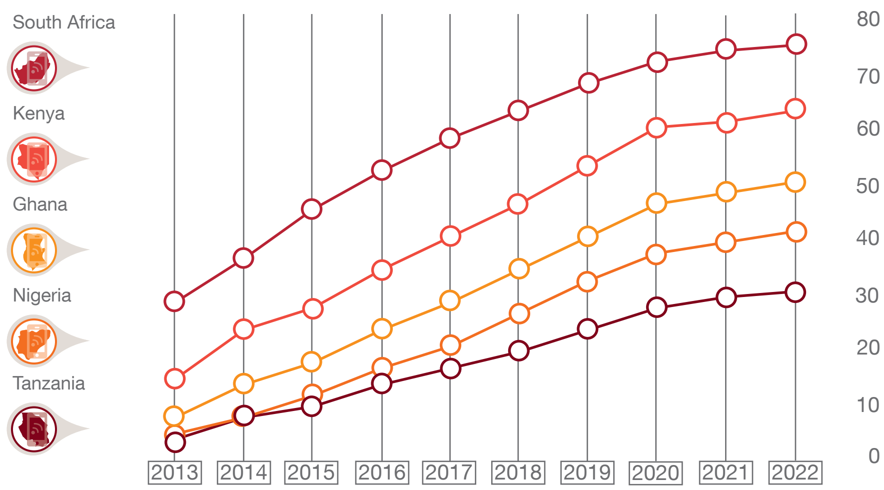
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Mobile Internet penetration (%)

Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Africa	28%	36%	45%	52%	58%	63%	68%	72%	74%	75%
Nigeria	4%	7%	11%	16%	20%	26%	32%	37%	39%	41%
Kenya	14%	23%	27%	34%	40%	46%	53%	60%	61%	63%
Ghana	7%	13%	17%	23%	28%	34%	40%	46%	48%	50%
Tanzania	3%	7%	9%	13%	16%	19%	23%	27%	29%	30%

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 2: South Africa, Nigeria, Kenya, Ghana and Tanzania: Mobile Internet penetration, 2013–2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Mobile Internet connections (millions)

Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Africa	70.1	77.8	85.9	83.4	87.7	89.7	91.4	92.7	93.8	94.6
Nigeria	19.2	24.9	35.0	51.3	68.8	89.4	113.5	140.7	165.9	185.7
Kenya	5.6	7.1	8.5	9.3	14.0	20.2	27.0	32.7	36.9	39.8
Ghana	4.2	6.8	11.3	14.9	18.2	22.1	26.3	30.8	34.9	39.1
Tanzania	4.1	7.6	11.9	14.0	18.1	23.7	30.6	38.6	47.7	54.0

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet: a snapshot of the segment by territory (2017)

2017	South Africa	Nigeria	Kenya	Ghana	Tanzania
Total Internet access market (US$ millions)	3 534	2 373	938	479	256
Mobile revenue as % of total revenue	88%	94%	95%	93%	90%
Mobile ARPU (US$)	8.4	5.4	4.2	5.3	2.4
Total Internet advertising market (US$ millions)	390	66	33	15	11
Internet advertising as % of total advertising	14.5%	15.6%	12.1%	8.7%	11.2%
Search revenue as % of Internet advertising	66.3%	17.5%	19.5%	20.5%	24.4%

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet: a snapshot of the segment by territory (2022)

2022	South Africa	Nigeria	Kenya	Ghana	Tanzania
Total Internet access market (US$ millions)	5 866	7 914	1 872	1 073	793
Mobile revenue as % of total revenue	91%	96%	97%	95%	96%
Mobile ARPU (US$)	10.4	7.4	4.5	5.6	3.3
Total Internet advertising market (US$ millions)	716	168	57	26	18
Internet advertising as % of total advertising	22.7%	26.5%	14.6%	10.2%	12.9%
Search revenue as % of Internet advertising	75.2%	10.9%	19.3%	24.3%	33.7%

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

Internet access

- **The mobile Internet sector dominates South Africa's broadband market.** Mobile Internet revenue is forecast to increase at an 11.5% CAGR to R70.3 billion and account for 90.9% of total Internet access revenue by end-2022, compared with 87.6% in 2017.
- **A revised draft of the Electronic Communications Amendment (ECA) Bill is expected to be published in August 2018.** The bill includes proposals for existing mobile network operators to hand back their high-demand spectrum to create a wireless open-access network (WOAN). Operators have suggested that a hybrid WOAN model would enable them to retain some of their spectrum while creating a more-competitive marketplace.
- **A new regulation to make mobile tariffs (especially data) cheaper and less opaque came into force in June and should bolster the existing growth trend for mobile Internet traffic and usage.** Operators are increasingly looking to segmented offers and streaming services to attract and retain customers.
- **Fibre-to-the-home/building (FTTH/B), fibre-to-the-curb/VDSL (FTTC/VDSL) and long-term evolution (LTE)-based fixed wireless services are driving the fixed broadband sector, with asymmetric digital subscriber line (ADSL) in decline.** Although higher-speed fixed broadband take-up is increasing, limited network coverage and high overall tariffs in relation to mobile will ensure that flexibly-priced mobile Internet services remain far more significant than fixed.

Internet advertising

- **Top-line numbers reflect a market in very good health, with revenue forecast to increase at a 13% CAGR.**
- **An increasing number of South Africans are accessing the Internet and spending many hours utilising it, especially social media platforms.** But the advertising opportunities this presents will be hindered if costly data prices mean consumers don't have much patience for irrelevant video adverts eating into their data plans.
- **High data prices have affected the development of mobile video advertising.**
- **Advertisers and agencies will utilise increasingly sophisticated tools to target smaller segments and ensure that adverts are being placed alongside appropriate content.**

South Africa

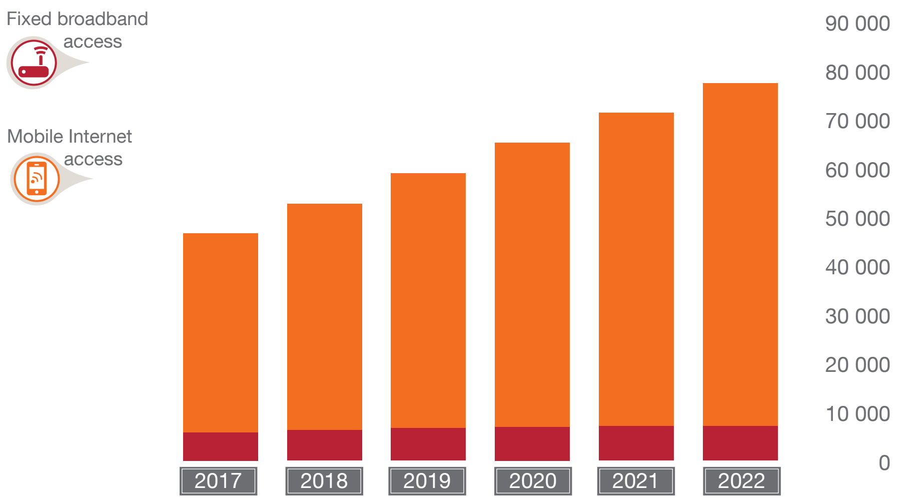
South Africa's economy has witnessed several difficult years; consumer spending remains cautious and business confidence remains low. The broadband sector is typified by limited fixed infrastructure, slow speeds and high prices for fixed and mobile Internet services, although mobile data costs have begun to fall.

Nearly nine out of ten households are mobile-only. Rising smartphone adoption (ownership will more than double in the forecast period) will help to drive mobile Internet access revenue to increase at an 11.5% CAGR to R70.3 billion in 2022. Fixed broadband penetration of households will also increase to around 22% of households in 2022, most in the 10-30Mbps bracket. Provided data tariffs and bundles are not overpriced, mobile traffic will grow healthily as phones and networks improve.

South Africa's Internet advertising revenue will continue to increase rapidly to reach R9.4 billion in 2022. The online advertising market benefits from greater numbers of individuals gaining access to the Internet – according to Global Web Index, South Africans spend over eight and a half hours online each day. With mobile, social and video becoming intertwined, the Internet advertising market provides big opportunities and challenges (especially relating to data collection, science and management) for advertisers and agencies.

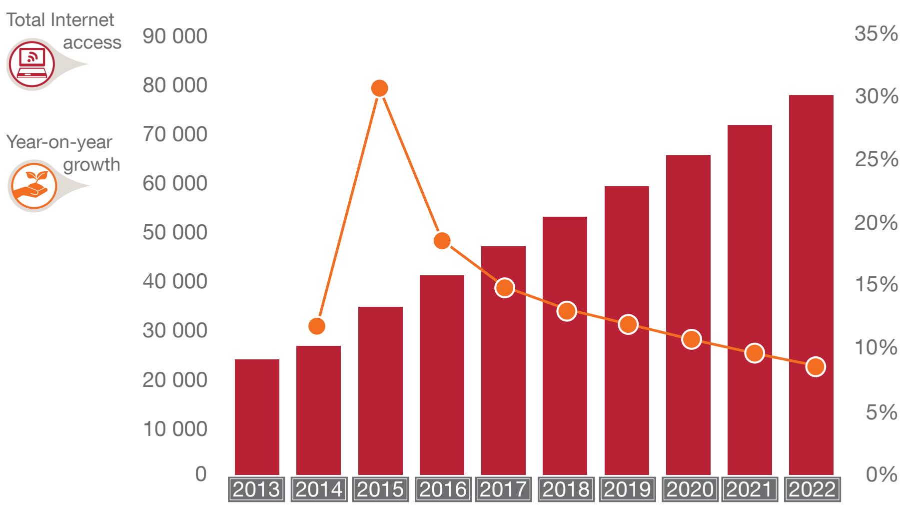
Advertisers want to be confident that their content is not shown beside unsavoury material or fake news. Also, the use of ad-blocking software by consumers annoyed with ads that are not relevant to them means that smarter campaigns and tools are vital. Agencies are now specialising in connecting brands with 'influencers' to get their messages across to particular audiences, especially through the creation of compelling video content for phones. The opportunity for brands to 'tell their story' is driving the growth of video advertising in South Africa, with advertisers forecast to spend R467 million in 2022, up from R77 million in 2013.

Figure 3: South Africa: Fixed and mobile Internet access revenue, 2017–2022 (R millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 4: South Africa: Total Internet access revenue (R millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> *South African Internet market to grow by a combined 11.3% CAGR*

South Africa: Revenues from Internet access and Internet advertising, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Fixed broadband access	3 845	4 243	4 646	5 169	5 779	6 203	6 615	6 896	7 023	7 018	4.0%
YOY growth (%)		*10.4%*	*9.5%*	*11.3%*	*11.8%*	*7.3%*	*6.6%*	*4.3%*	*1.8%*	*-0.1%*	
Mobile Internet access	19 634	21 978	29 610	35 431	40 818	46 432	52 240	58 212	64 267	70 329	11.5%
YOY growth (%)		*11.9%*	*34.7%*	*19.7%*	*15.2%*	*13.8%*	*12.5%*	*11.4%*	*10.4%*	*9.4%*	
Total Internet access	**23 479**	**26 221**	**34 255**	**40 599**	**46 597**	**52 635**	**58 855**	**65 108**	**71 290**	**77 347**	**10.7%**
YOY growth (%)		*11.7%*	*30.6%*	*18.5%*	*14.8%*	*13.0%*	*11.8%*	*10.6%*	*9.5%*	*8.5%*	
Wired Internet advertising	2 432	3 014	3 746	4 370	5 101	5 887	6 730	7 640	8 540	9 417	13.0%
YOY growth (%)		*23.9%*	*24.3%*	*16.7%*	*16.7%*	*15.4%*	*14.3%*	*13.5%*	*11.8%*	*10.3%*	
Mobile Internet advertising	42	40	39	37	35	33	32	30	28	27	-5.0%
YOY growth (%)		*-4.0%*	*-4.5%*	*-4.4%*	*-4.9%*	*-4.8%*	*-5.4%*	*-5.4%*	*-5.7%*	*-3.5%*	
Total Internet advertising	**2 474**	**3 055**	**3 784**	**4 407**	**5 136**	**5 920**	**6 762**	**7 670**	**8 568**	**9 444**	**13.0%**
YOY growth (%)		*23.4%*	*23.9%*	*16.5%*	*16.5%*	*15.3%*	*14.2%*	*13.4%*	*11.7%*	*10.2%*	
Apps end-user spend revenue	403	647	948	1308	1724	2196	2721	3299	3943	4439	20.8%
YOY growth (%)		*60.5%*	*46.5%*	*37.9%*	*31.9%*	*27.3%*	*23.9%*	*21.2%*	*19.5%*	*12.6%*	
Total Internet market	**26 357**	**29 923**	**38 987**	**46 314**	**53 457**	**60 751**	**68 338**	**76 076**	**83 801**	**91 230**	**11.3%**
YOY growth (%)		***13.5%***	***30.3%***	***18.8%***	***15.4%***	***13.6%***	***12.5%***	***11.3%***	***10.2%***	***8.9%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Internet advertising revenue to surpass R9.4 billion as the Internet becomes an essential part of consumers' everyday lives"

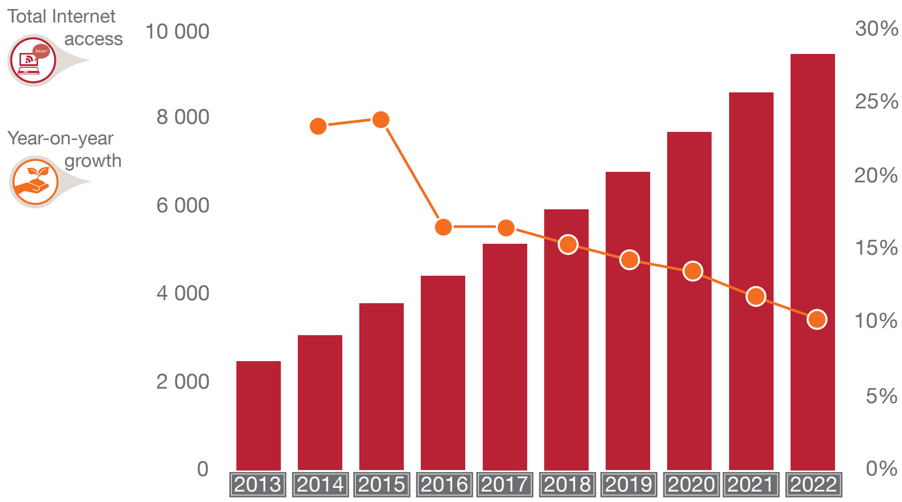
South Africa: Total Internet advertising revenue, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Search	1 612	1 936	2 350	2 827	3 404	4 043	4 755	5 530	6 315	7 105	15.9%
YOY growth (%)		*20.1%*	*21.4%*	*20.3%*	*20.4%*	*18.8%*	*17.6%*	*16.3%*	*14.2%*	*12.5%*	
Classified	129	147	164	181	197	211	222	231	238	243	4.3%
YOY growth (%)		*13.6%*	*11.9%*	*10.3%*	*8.7%*	*7.0%*	*5.5%*	*4.1%*	*3.0%*	*1.9%*	
Display	692	931	1 232	1 363	1 501	1 634	1 754	1 879	1 987	2 070	6.6%
YOY growth (%)		*34.7%*	*32.3%*	*10.6%*	*10.1%*	*8.9%*	*7.3%*	*7.1%*	*5.8%*	*4.2%*	
Other display	615	826	1 084	1 188	1 277	1 362	1 432	1 502	1 560	1 603	4.6%
YOY growth (%)		*34.3%*	*31.2%*	*9.6%*	*7.5%*	*6.6%*	*5.1%*	*4.9%*	*3.8%*	*2.8%*	
Video	77	105	148	175	223	272	322	377	427	467	15.9%
YOY growth (%)		*37.3%*	*40.8%*	*17.9%*	*27.8%*	*22.0%*	*18.3%*	*16.9%*	*13.5%*	*9.2%*	
Total wired Internet advertising revenue	**2 432**	**3 014**	**3 746**	**4 370**	**5 101**	**5 887**	**6 730**	**7 640**	**8 540**	**9 417**	**13.0%**
YOY growth (%)		*23.9%*	*24.3%*	*16.7%*	*16.7%*	*15.4%*	*14.3%*	*13.5%*	*11.8%*	*10.3%*	
Mobile Internet advertising	42	40	39	37	35	33	32	30	28	27	-5.0%
YOY growth (%)		*-4.0%*	*-4.5%*	*-4.4%*	*-4.9%*	*-4.8%*	*-5.4%*	*-5.4%*	*-5.7%*	*-3.5%*	
Total Internet advertising	**2 474**	**3 055**	**3 784**	**4 407**	**5 136**	**5 920**	**6 762**	**7 670**	**8 568**	**9 444**	**13.0%**
YOY growth (%)		***23.4%***	***23.9%***	***16.5%***	***16.5%***	***15.3%***	***14.2%***	***13.4%***	***11.7%***	***10.2%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Revenue for total Internet advertising is forecast to grow at a 13.0% CAGR"

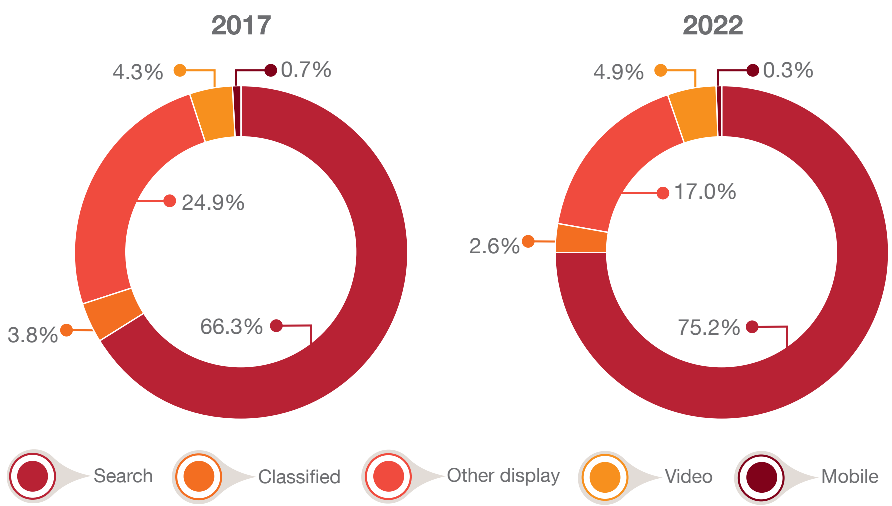
Figure 5: South Africa: Internet advertising revenue (R millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Search advertising to increase its share"

Figure 6: South Africa: Internet advertising by subsegment (%), 2017 vs 2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **A spike in mobile growth will push Internet access revenue to US$7.9 billion.** New users and the migration to higher-speed services are behind the strong growth.
- **MTN will launch on the Nigerian Stock Exchange in 2018.** The move is part of a deal struck with the Nigerian Communications Commission.
- **Emirati telecommunications company Etisalat pulled out of the market in 2017.** Etisalat Nigeria was renamed 9mobile and bought by Teleology Holdings in March 2018.
- **Strong Internet advertising growth from small beginnings.** Nigerian total Internet advertising revenue will more than double between 2017 and 2022.
- **In March 2017 Facebook began accepting local payments for advertising space.** Businesses can now pay for Facebook's ad space using local Naira debit cards, improving access to the social network for advertisers and local companies across Nigeria.

Nigeria

Nigeria remains a challenging economic environment, albeit an attractive one considering the magnitude of the population and potential. For investors, the telecoms market is still growing, but it is a tough, competitive market requiring large and constant investment. Total Internet access revenue is now forecast to reach US$7.9 billion in 2022, after increasing at a 27.2% CAGR from US$2.4 billion in 2017, with a much-improved outlook for mobile Internet access revenue.

Mobile's growth is predicated on large numbers of new users over the next five years and the quality of their mobile Internet connections. Fixed broadband access revenue will also increase at a 13.4% CAGR, but from a relatively small base of US$154 million in 2017, rising to US$288 million in 2022. Meanwhile, consumer spend on apps will rise at a 19.7% CAGR from US$33 million in 2017 to US$80 million in 2022.

Internet advertising is a tantalising prospect for trying to reach a population that is forecast to exceed 200 million by 2022. The market is forecast to increase at a 20.5% CAGR to revenue of US$168 million in 2022. Attempts by the likes of the Google-Freetel partnership to increase the installed base of mobile handsets will lead advertisers to commit more to mobile Internet advertising, which will account for 56% of total Internet advertising revenue in 2022.

Both paid search revenue and display Internet revenue will grow steadily. Google reports that Nigerian consumers lead the way in terms of time spent on the search engine. Display advertising is becoming more sophisticated, with advertisers utilising artificial intelligence.

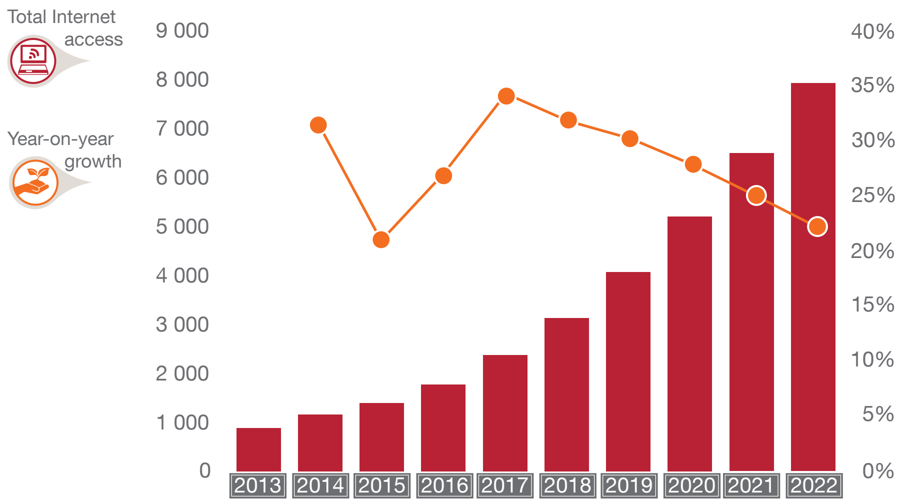
"Mobile dominates Nigeria's Internet market"

Nigeria: Revenues from Internet access and Internet advertising, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Fixed broadband access	51	70	85	111	154	186	215	243	267	288	13.4%
YOY growth (%)		*36.7%*	*21.6%*	*31.1%*	*38.7%*	*21.2%*	*15.2%*	*13.0%*	*10.1%*	*7.8%*	
Mobile Internet access	827	1 084	1 309	1 657	2 219	2 939	3 851	4 951	6 220	7 626	28.0%
YOY growth (%)		*31.1%*	*20.7%*	*26.6%*	*33.9%*	*32.4%*	*31.1%*	*28.6%*	*25.6%*	*22.6%*	
Total Internet access	**878**	**1 154**	**1 393**	**1 768**	**2 373**	**3 125**	**4 066**	**5 194**	**6 487**	**7 914**	**27.2%**
YOY growth (%)		*31.4%*	*20.8%*	*26.9%*	*34.2%*	*31.7%*	*30.1%*	*27.7%*	*24.9%*	*22.0%*	
Wired Internet advertising	17	22	28	33	39	46	53	60	68	75	13.6%
YOY growth (%)		*30.2%*	*25.0%*	*19.3%*	*18.0%*	*16.8%*	*15.2%*	*13.8%*	*11.9%*	*10.5%*	
Mobile Internet advertising	2.3	5.5	11	18	27	39	52	67	81	94	28.3%
YOY growth (%)		*139.1%*	*90.9%*	*67.6%*	*53.4%*	*43.7%*	*34.8%*	*27.5%*	*21.6%*	*15.7%*	
Total Internet advertising	**20**	**28**	**39**	**51**	**66**	**85**	**105**	**127**	**149**	**168**	**20.5%**
YOY growth (%)		*43.1%*	*38.0%*	*32.5%*	*30.2%*	*27.7%*	*24.2%*	*20.6%*	*17.0%*	*13.3%*	
Apps end-user spend revenue	10	14	20	26	33	41	50	60	72	80	19.7%
YOY growth (%)		*48.4%*	*38.3%*	*31.8%*	*26.8%*	*24.2%*	*22.2%*	*21.0%*	*19.7%*	*11.6%*	
Total Internet market	**907**	**1 196**	**1 451**	**1 845**	**2 472**	**3 250**	**4 221**	**5 381**	**6 707**	**8 163**	**27.0%**
YOY growth (%)		***31.9%***	***21.4%***	***27.1%***	***34.0%***	***31.5%***	***29.9%***	***27.5%***	***24.7%***	***21.7%***	

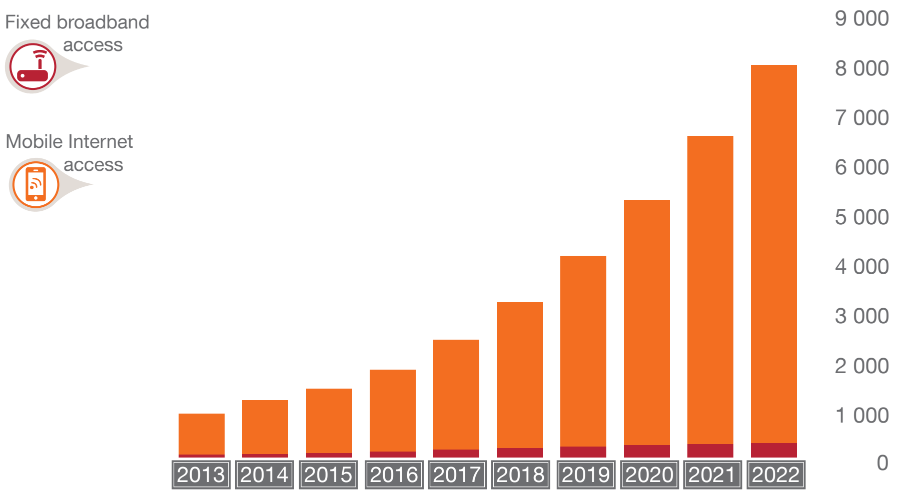
Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 7: Nigeria: Internet access revenue (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 8: Nigeria: Fixed and mobile Internet access revenue, 2017–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

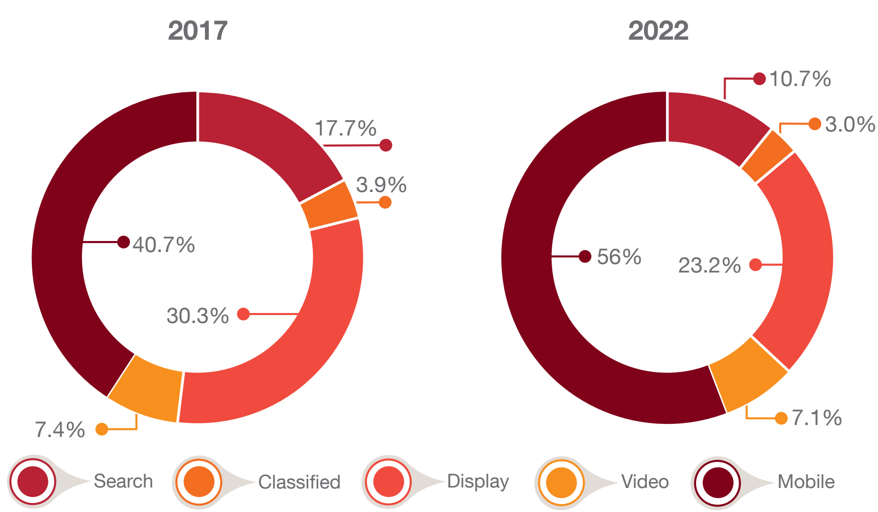
> *Double-digit growth year-on-year expected*

Nigeria: Internet advertising revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Search	6.2	8.0	9	10	12	13	14	16	17	18	9.5%
YOY growth (%)		*29.0%*	*15.0%*	*13.0%*	*11.5%*	*12.1%*	*10.0%*	*9.8%*	*8.3%*	*7.6%*	
Display	8.8	11	14	17	20	24	28	32	35	39	13.9%
YOY growth (%)		*28.4%*	*23.9%*	*20.7%*	*20.1%*	*17.7%*	*16.3%*	*14.0%*	*11.7%*	*9.9%*	
Classified	1.2	1.5	1.9	2.2	2.6	3.1	3.6	4.1	4.6	5.1	14.4%
YOY growth (%)		*25.0%*	*26.7%*	*15.8%*	*18.2%*	*19.2%*	*16.1%*	*13.9%*	*12.2%*	*10.9%*	
Video	1.0	1.6	2.9	3.9	4.9	6.0	7.3	8.8	11	12	20.2%
YOY growth (%)		*60.0%*	*81.3%*	*34.5%*	*25.6%*	*22.4%*	*21.7%*	*20.5%*	*19.3%*	*17.1%*	
Total wired Internet advertising	**17**	**22**	**28**	**33**	**39**	**46**	**53**	**60**	**68**	**75**	**13.6%**
YOY growth (%)		*30.2%*	*25.0%*	*19.3%*	*18.0%*	*16.8%*	*15.2%*	*13.8%*	*11.9%*	*10.5%*	
Mobile Internet advertising	2.3	5.5	11	18	27	39	52	67	81	94	28.3%
YOY growth (%)		*139.1%*	*90.9%*	*67.6%*	*53.4%*	*43.7%*	*34.8%*	*27.5%*	*21.6%*	*15.7%*	
Total Internet advertising	**20**	**28**	**39**	**51**	**66**	**85**	**105**	**127**	**149**	**168**	**20.5%**
YOY growth (%)		***43.1%***	***38.0%***	***32.5%***	***30.2%***	***27.7%***	***24.2%***	***20.6%***	***17.0%***	***13.3%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 9: Nigeria: Internet advertising by subsegment, 2017 vs 2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Mobile revenue growth will dominate an Internet access market forecast to reach nearly US$2.0 billion in 2022.** New users at faster speeds, driven by the adoption of long-term evolution (LTE), will be the catalyst for the growth.
- **Mobile financial services have proved a great success**. Future telco strategy will hinge on the introduction and evolution of more developed services.
- **Safaricom maintains its market lead.** The company has introduced voice prompts to its M-Pesa service and invested in e-commerce in 2017.
- **Total Internet advertising revenue will almost double.** Robust growth in Internet advertising is forecasted, with total revenue reaching US$57 million in 2022, at an 11.2% CAGR.
- **Social media platforms are driving display advertising.** With around seven million Kenyans on Facebook and an estimated 12 million on WhatsApp, the base for advertisers is clear.

Kenya

Total Internet access revenue in Kenya is set to increase at a 14.8% CAGR to over US$1.9 billion in 2022. The number of fixed broadband households will reach just 263 000. The increase in Kenyans with mobile Internet has been steep; nearly 15 million new users are forecast in the next five years, and there is also a pronounced move towards higher-speed services, with medium-speed mobile Internet connections set to become the pre-eminent format. High-speed services will progress from 0.8 million in 2017 to 11.4 million in 2022.

Mobile financial services (MFS) have dominated the list of new product launches in Kenya in recent years. In MFS, the focus was on interoperability to promote remittances and on advanced payment solutions like near-field communication (NFC)-based cards to promote convenience for consumers. In addition, the ride-hailing business is proving a great opportunity for many telcos in a bid to compete with Uber by leveraging their connectivity and mobile money platforms.

Internet advertising, in particular mobile advertising, will become an integral part of advertisers' campaigns. The main growth driver will be mobile video, with advertisers conscious of the country's seven million Facebook users. An important driver of growth will be the ability to display location-specific adverts, to which end digital performance marketing agency iProspect has been installing beacons across the country.

Rather than the offerings of multinationals, local knowledge and tailored services might turn out to be particularly important in markets like Kenya. For example, local company My Biz Marketer offers SMEs the whole gambit of digital advertising solutions, like pay-per-click (PPC), social advertising, search engine optimisation (SEO) plus analytics.

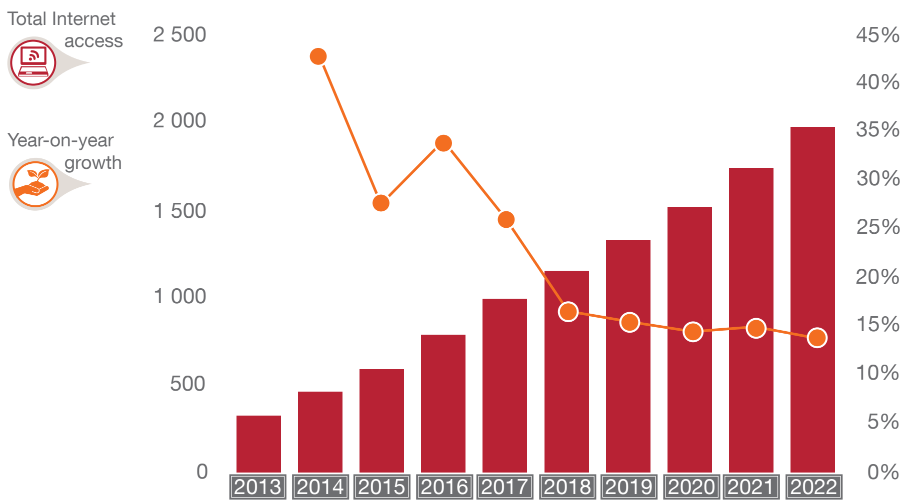
"Combined market to near US$2.0 billion by 2022"

Kenya: Revenues from Internet access and Internet advertising, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Fixed broadband access	32	34	39	44	44	43	47	50	53	55	4.9%
YOY growth (%)		*8.2%*	*12.9%*	*14.8%*	*-1.8%*	*-1.1%*	*8.8%*	*7.7%*	*5.4%*	*4.0%*	
Mobile Internet access	275	403	515	700	895	1 048	1 210	1 384	1 594	1 817	15.2%
YOY growth (%)		*46.5%*	*28.0%*	*35.9%*	*27.8%*	*17.1%*	*15.5%*	*14.4%*	*15.1%*	*14.0%*	
Total Internet access	**306**	**437**	**554**	**744**	**938**	**1 091**	**1 256**	**1 435**	**1 647**	**1 872**	**14.8%**
YOY growth (%)		*42.5%*	*26.8%*	*34.4%*	*26.1%*	*16.2%*	*15.2%*	*14.2%*	*14.8%*	*13.7%*	
Wired Internet advertising	8.1	12	15	18	21	23	26	28	30	32	9.3%
YOY growth (%)		*42.0%*	*29.6%*	*19.5%*	*16.3%*	*12.6%*	*11.2%*	*8.9%*	*7.4%*	*6.6%*	
Mobile Internet advertising	4.6	6.6	9.1	11	13	15	17	20	22	24	13.8%
YOY growth (%)		*43.5%*	*37.9%*	*17.6%*	*18.7%*	*17.3%*	*16.1%*	*13.9%*	*11.7%*	*10.0%*	
Total Internet advertising	**13**	**18**	**24**	**29**	**33**	**38**	**43**	**48**	**52**	**57**	**11.2%**
YOY growth (%)		*42.5%*	*32.6%*	*18.8%*	*17.2%*	*14.4%*	*13.1%*	*10.9%*	*9.2%*	*8.0%*	
Apps end-user spend revenue	2.9	4.6	6.8	9.3	12	16	19	23	28	32	20.8%
YOY growth (%)		*58.6%*	*47.8%*	*36.8%*	*32.3%*	*26.8%*	*23.7%*	*21.2%*	*19.7%*	*12.9%*	
Total Internet market	**322**	**459**	**585**	**782**	**984**	**1 144**	**1 319**	**1 506**	**1 727**	**1 960**	**14.8%**
YOY growth (%)		***42.7%***	***27.3%***	***33.8%***	***25.8%***	***16.3%***	***15.2%***	***14.2%***	***14.7%***	***13.5%***	

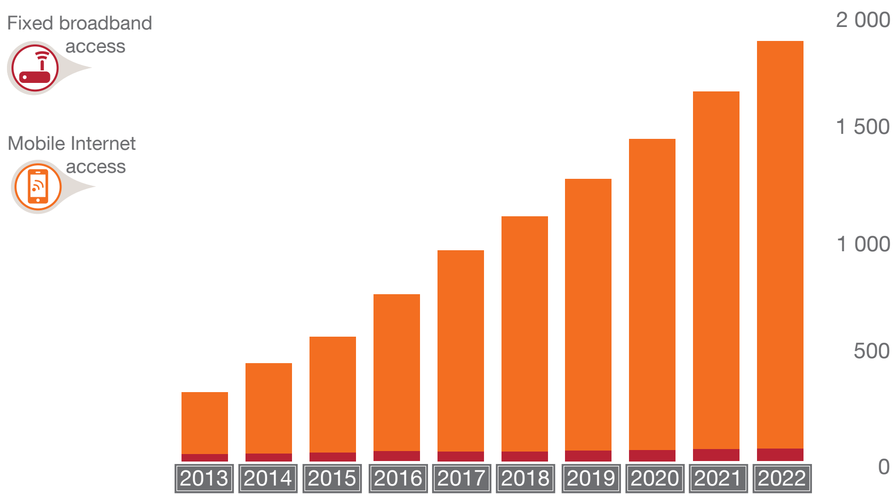
Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 10: Kenya: Total Internet market revenue (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 11: Kenya: Fixed broadband vs mobile Internet access, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

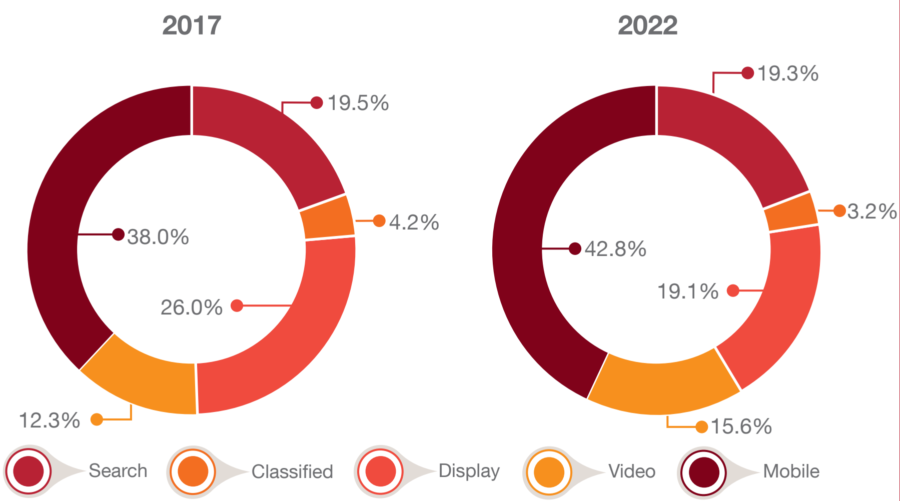
"Mobile, video and search to drive advertising market"

Kenya: Internet advertising revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Search	2.9	3.8	4.8	5.6	6.5	7.4	8.4	9.3	10	11	10.9%
YOY growth (%)		*31.0%*	*26.3%*	*16.7%*	*16.1%*	*13.8%*	*13.5%*	*10.7%*	*8.6%*	*7.9%*	
Display	3.7	5.6	7.2	8.1	8.7	9.1	9.6	10	10	11	4.4%
YOY growth (%)		*51.4%*	*28.6%*	*12.5%*	*7.4%*	*4.6%*	*5.5%*	*4.2%*	*4.0%*	*3.8%*	
Classified	0.7	0.9	1.1	1.2	1.4	1.5	1.6	1.7	1.8	1.8	5.2%
YOY growth (%)		*28.6%*	*22.2%*	*9.1%*	*16.7%*	*7.1%*	*6.7%*	*6.3%*	*5.9%*	*0.0%*	
Video	0.8	1.2	1.8	2.9	4.1	5.3	6.3	7.2	8.0	8.8	16.5%
YOY growth (%)		*50.0%*	*50.0%*	*61.1%*	*41.4%*	*29.3%*	*18.9%*	*14.3%*	*11.1%*	*10.0%*	
Total wired Internet advertising	**8.1**	**12**	**15**	**18**	**21**	**23**	**26**	**28**	**30**	**32**	**9.3%**
YOY growth (%)		*42.0%*	*29.6%*	*19.5%*	*16.3%*	*12.6%*	*11.2%*	*8.9%*	*7.4%*	*6.6%*	
Mobile Internet advertising	4.6	6.6	9.1	11	13	15	17	20	22	24	13.8%
YOY growth (%)		*43.5%*	*37.9%*	*17.6%*	*18.7%*	*17.3%*	*16.1%*	*13.9%*	*11.7%*	*10.0%*	
Total Internet advertising	**13**	**18**	**24**	**29**	**33**	**38**	**43**	**48**	**52**	**57**	**11.2%**
YOY growth (%)		***42.5%***	***32.6%***	***18.8%***	***17.2%***	***14.4%***	***13.1%***	***10.9%***	***9.2%***	***8.0%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 12: Kenya: Internet advertising by subsegment, 2017 vs 2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Mobile continues to form the vast majority of access spend.** Mobile Internet access revenue alone will surpass US$1.0 billion by 2022, while fixed broadband access revenue will only just have eclipsed US$50 million in that year.
- **4G developments are being made.** MTN Ghana was the first operator to be granted a licence, while AirtelTigo Ghana has partnered with Ericsson in order to upgrade its network infrastructure. Further, Vodafone Ghana is in negotiations to purchase the other 4G lot currently unassigned at a lower fee than previously auctioned.
- **Ghana's Internet advertising industry will be worth nearly US$26 million in 2022.** It will increase at a 12.0% CAGR over the next five years.
- **Rapid increase in the use of smartphones.** This will see mobile Internet advertising revenue account for close to half of the market by 2022.

Ghana

Total Internet access revenue in Ghana will reach US$1.1 billion in 2022, with just 4.9% of this revenue coming from fixed broadband. Mobile Internet access revenue will account for US$1.0 billion in 2022.

Competition in the Ghanaian mobile market has shifted from voice to data and other digital services segments, which are now the main revenue drivers for operators. New product launches have continued – and will continue – to revolve around mobile financial services (MFS) and other digital services that ride on broadband connectivity. In the future, other services that will be launched will revolve around machine-to-machine (M2M)/IoT, e-health, cloud computing and managed services, and big data analytics.

The Internet advertising market continues to advance, with total revenue forecast to reach US$26 million in 2022. The market will be characterised by nearly half of the revenue going to mobile advertising. Boosting awareness of the potential for digital technologies is that the Ghanaian economy overall is becoming increasingly digitised and the Internet is becoming part of the lifestyle of many people. Major digital interventions initiated in 2017 have been the Ports digitisation project, Digital Property addressing system, National Identification System and the Mobile Payment Interoperability System.

Although the country already has some impressive locally owned digital agencies, the digitisation process has led to a skills shortage and initiatives are underway to train budding digital marketers. In the next decade Ghana has the potential to become a hub for creating digital campaigns across the African continent.

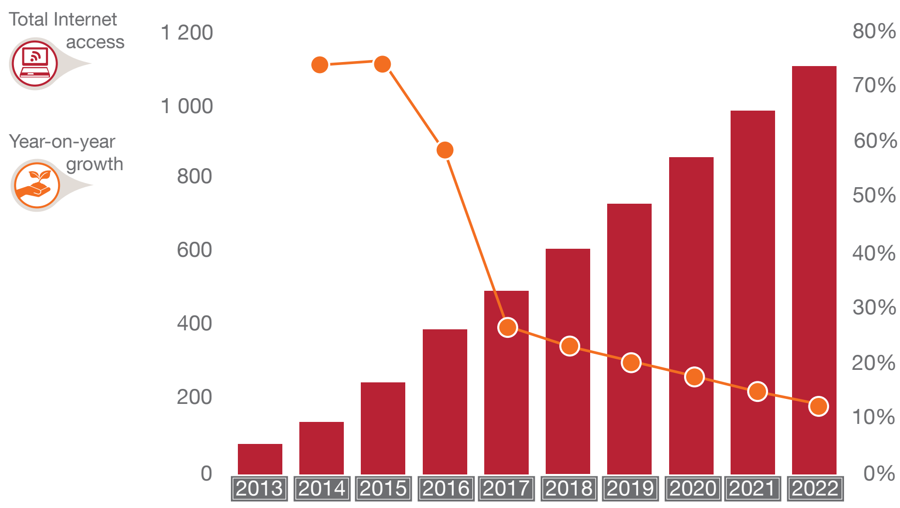
"Mobile Internet access to break US$1.0 billion by 2022"

Ghana: Revenues from Internet access and Internet advertising, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Fixed broadband access	23	25	25	29	34	37	41	46	49	53	9.0%
YOY growth (%)		*8.8%*	*2.4%*	*15.9%*	*17.1%*	*6.7%*	*11.8%*	*12.0%*	*7.4%*	*7.1%*	
Mobile Internet access	53	110	213	350	445	552	667	786	904	1 020	18.1%
YOY growth (%)		*105.4%*	*93.8%*	*64.6%*	*27.2%*	*24.0%*	*20.8%*	*17.8%*	*15.1%*	*12.8%*	
Total Internet access	**76**	**134**	**238**	**379**	**479**	**588**	**708**	**831**	**954**	**1 073**	**17.5%**
YOY growth (%)		*76.7%*	*77.1%*	*59.4%*	*26.4%*	*22.8%*	*20.3%*	*17.5%*	*14.7%*	*12.5%*	
Wired Internet advertising	2.7	3.7	4.9	6.1	7.7	9.3	11	12	13	14	12.5%
YOY growth (%)		*37.0%*	*32.4%*	*22.4%*	*26.7%*	*22.4%*	*14.0%*	*11.3%*	*9.3%*	*6.2%*	
Mobile Internet advertising	1.9	2.6	3.8	5.3	7.0	8.6	9.7	11	12	12	11.8%
YOY growth (%)		*36.8%*	*46.2%*	*39.5%*	*32.1%*	*22.9%*	*12.8%*	*11.3%*	*7.4%*	*5.2%*	
Total Internet advertising	**4.6**	**6.3**	**8.7**	**11**	**15**	**18**	**20**	**23**	**25**	**26**	**12.0%**
YOY growth (%)		*37.0%*	*38.1%*	*29.9%*	*22.6%*	*13.4%*	*11.3%*	*11.3%*	*8.4%*	*5.7%*	
Apps end-user spend revenue	1.2	1.8	2.5	3.4	4.4	5.5	6.7	8.1	9.7	11	19.7%
YOY growth (%)		*50.0%*	*38.9%*	*36.0%*	*29.4%*	*25.0%*	*21.8%*	*20.9%*	*19.8%*	*11.3%*	
Total Internet market	**82**	**142**	**249**	**394**	**498**	**612**	**735**	**862**	**988**	**1 109**	**17.4%**
YOY growth (%)		***74.1%***	***74.9%***	***58.2%***	***26.5%***	***22.8%***	***20.1%***	***17.4%***	***14.6%***	***12.3%***	

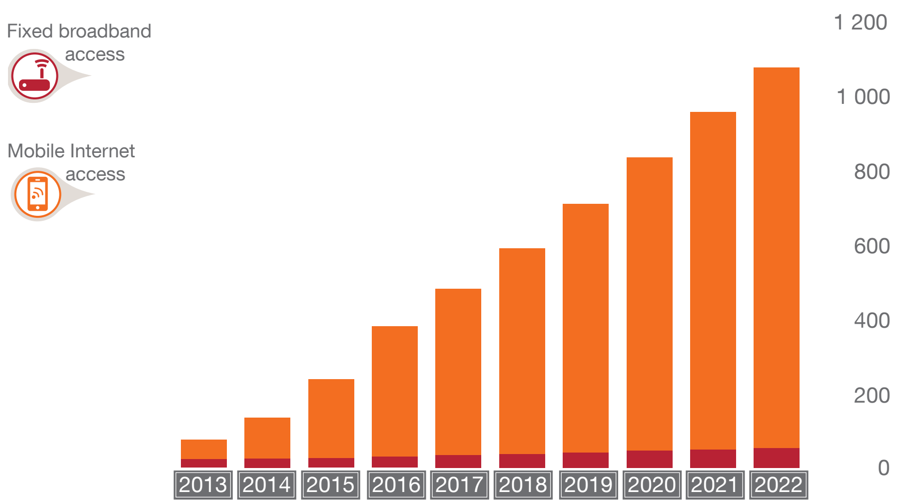
Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 13: Ghana: Total Internet market revenue (US$ millions) and year-on-year growth (%), 2013–2022



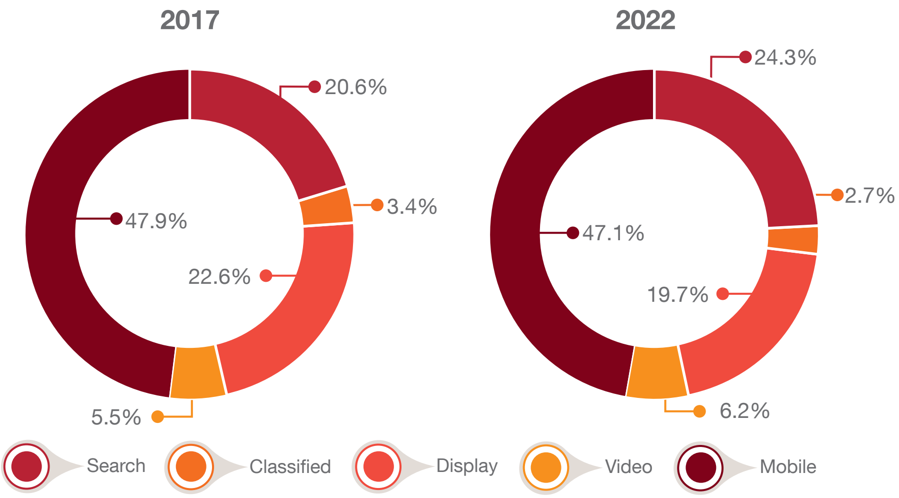
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 14: Ghana: Fixed broadband access vs mobile Internet access, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 15: Ghana: Internet advertising by subsegment, 2017 vs 2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> *Wired and mobile almost evenly matched*

Ghana: Internet advertising revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Paid search	1.1	1.4	1.8	2.3	3.0	3.8	4.4	5.1	5.8	6.3	16.0%
YOY growth (%)		*27.3%*	*28.6%*	*27.8%*	*30.4%*	*26.7%*	*15.8%*	*15.9%*	*13.7%*	*8.6%*	
Other display	1.0	1.7	2.2	2.6	3.3	3.9	4.3	4.6	4.9	5.1	9.1%
YOY growth (%)		*70.0%*	*29.4%*	*18.2%*	*26.9%*	*18.2%*	*10.3%*	*7.0%*	*6.5%*	*4.1%*	
Classified	0.3	0.3	0.4	0.5	0.5	0.6	0.7	0.7	0.7	0.7	7.0%
YOY growth (%)		*0.0%*	*33.3%*	*25.0%*	*0.0%*	*20.0%*	*16.7%*	*0.0%*	*0.0%*	*0.0%*	
Video	0.3	0.3	0.5	0.6	0.8	1.0	1.2	1.4	1.5	1.6	14.9%
YOY growth (%)		*0.0%*	*66.7%*	*20.0%*	*33.3%*	*25.0%*	*20.0%*	*16.7%*	*7.1%*	*6.7%*	
Total wired Internet advertising	**2.7**	**3.7**	**4.9**	**6.0**	**7.6**	**9.3**	**11**	**12**	**13**	**14**	**12.5%**
YOY growth (%)		*37.0%*	*32.4%*	*22.4%*	*26.7%*	*22.4%*	*14.0%*	*11.3%*	*9.3%*	*6.2%*	
Mobile Internet advertising	1.9	2.6	3.8	5.3	7.0	8.6	9.7	11	12	12	11.8%
YOY growth (%)		*36.8%*	*46.2%*	*39.5%*	*32.1%*	*22.9%*	*12.8%*	*11.3%*	*7.4%*	*5.2%*	
Total Internet advertising	**4.6**	**6.3**	**8.7**	**11**	**15**	**18**	**20**	**23**	**25**	**26**	**12.0%**
YOY growth (%)		***37.0%***	***38.1%***	***29.9%***	***29.2%***	***22.6%***	***13.4%***	***11.3%***	***8.4%***	***5.7%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Internet access revenue will see a 25.4% CAGR to reach a total of US$793 million in 2022.** Mobile will account for the vast majority of revenue.
- **LTE service adoption has been rising significantly.** By 2022 12.8 million high-speed mobile Internet connections are anticipated.
- **Internet advertising revenue in Tanzania is forecast to deliver double-digit growth between 2017 and 2022**. An increase at a 10.5% CAGR is expected, bringing total Internet advertising revenue to US$18 million in 2022.
- **Paid search is expected to grow faster than other categories.** An increase at a 17.8% CAGR over the forecast period shows the attraction of search as a measurable advertising metric.

Tanzania

Tanzania's total Internet access revenue will rise to US$793 million in 2022, which will be more than treble the 2017 total of US$256 million. The total is skewed towards mobile revenue even more markedly than in Ghana, with just 4.4% of revenue attributable to fixed broadband in 2022.

The mobile market in Tanzania is largely driven by increasing demand from users, better data network coverage and capacity, and high smartphone penetration. By 2022, medium-speed mobile Internet will account for 61% of connections.

New product launches in Tanzania will continue to revolve around mobile financial services (MFS) and other digital services that rely on broadband connectivity. In January 2017 telecommunication company Tigo Tanzania launched a taxi-hailing app that is integrated with its mobile money platform to make payment for services more convenient. Tanzania also has a burgeoning start-up scene, and an effort is being made to train people with digital skills.

The fixed broadband market is less developed, but steps are being taken to increase the quality of its offerings. Although the number of fixed broadband households is set to double by 2022, that will only amount to 183,000 households.

The market for Internet advertising in Tanzania will remain embryonic. It is expected to increase over the forecast period at a 10.5% CAGR and be worth US$18 million in 2022. Mobile Internet revenue will be the largest segment of the market, but paid search and display advertising will grow faster.

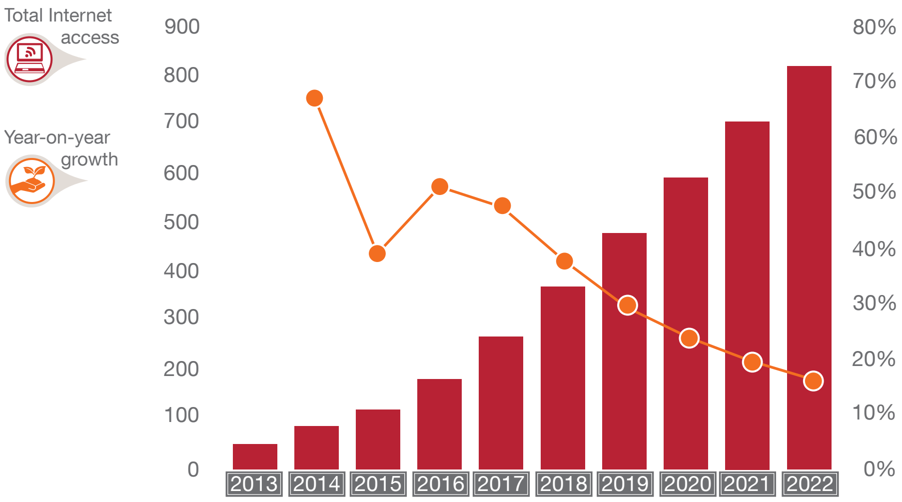
"Growth nears 25% CAGR for the Tanzanian Internet market"

Tanzania: Revenues from Internet access and Internet advertising, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Fixed broadband access	21	22	22	23	25	28	30	33	34	35	7.4%
YOY growth (%)		*7.3%*	*0.9%*	*2.3%*	*8.4%*	*12.6%*	*9.7%*	*7.2%*	*4.9%*	*2.9%*	
Mobile Internet access	27	58	90	149	231	327	429	538	648	758	26.8%
YOY growth (%)		*116.8%*	*54.4%*	*66.1%*	*55.1%*	*41.3%*	*31.5%*	*25.2%*	*20.5%*	*16.9%*	
Total Internet access	**47**	**80**	**112**	**172**	**256**	**354**	**460**	**570**	**682**	**793**	**25.4%**
YOY growth (%)		*69.3%*	*39.7%*	*53.4%*	*48.9%*	*38.6%*	*29.8%*	*24.0%*	*19.6%*	*16.2%*	
Wired Internet advertising	2.5	3.4	4.2	5.1	6.4	7.5	8.5	9.6	11	11	12.0%
YOY growth (%)		*36.0%*	*23.5%*	*21.4%*	*25.5%*	*17.2%*	*13.3%*	*12.9%*	*9.4%*	*7.6%*	
Mobile Internet advertising	1.5	2.3	2.9	3.4	4.3	5.0	5.5	5.8	6.0	6.2	7.6%
YOY growth (%)		*53.3%*	*26.1%*	*17.2%*	*26.5%*	*16.3%*	*10.0%*	*5.5%*	*3.4%*	*3.3%*	
Total Internet advertising	**4.0**	**5.7**	**7.1**	**8.5**	**11**	**13**	**14**	**15**	**17**	**18**	**10.5%**
YOY growth (%)		*42.5%*	*24.6%*	*19.7%*	*24.7%*	*18.9%*	*11.9%*	*8.5%*	*8.5%*	*5.4%*	
Apps end-user spend revenue	1.1	1.8	2.7	3.7	4.8	6.2	7.6	9.3	11	13	21.1%
YOY growth (%)		*63.6%*	*50.0%*	*37.0%*	*29.7%*	*29.2%*	*22.6%*	*22.4%*	*19.4%*	*12.6%*	
Total Internet market	**52**	**88**	**122**	**184**	**271**	**373**	**482**	**595**	**710**	**823**	**24.9%**
YOY growth (%)		***67.2%***	***38.9%***	***51.1%***	***47.4%***	***37.6%***	***29.1%***	***23.6%***	***19.3%***	***15.9%***	

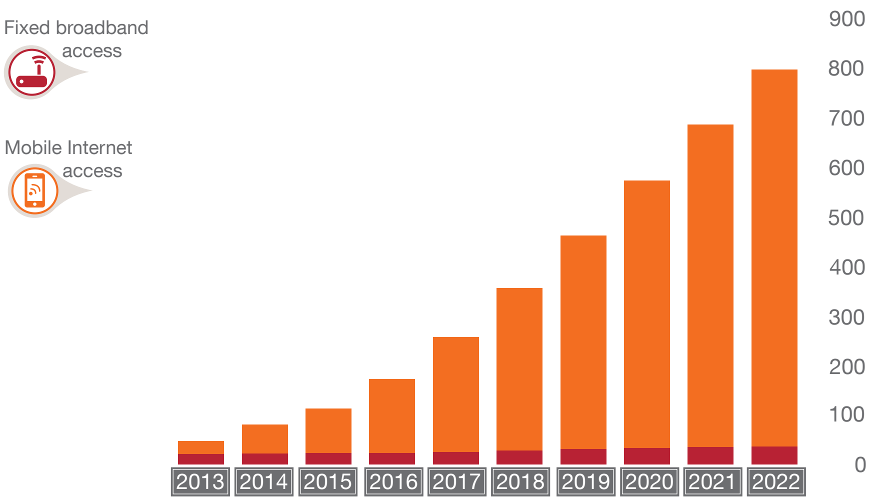
Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 16: Tanzania: Total Internet market revenue (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 17: Tanzania: Fixed broadband access vs mobile Internet access, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

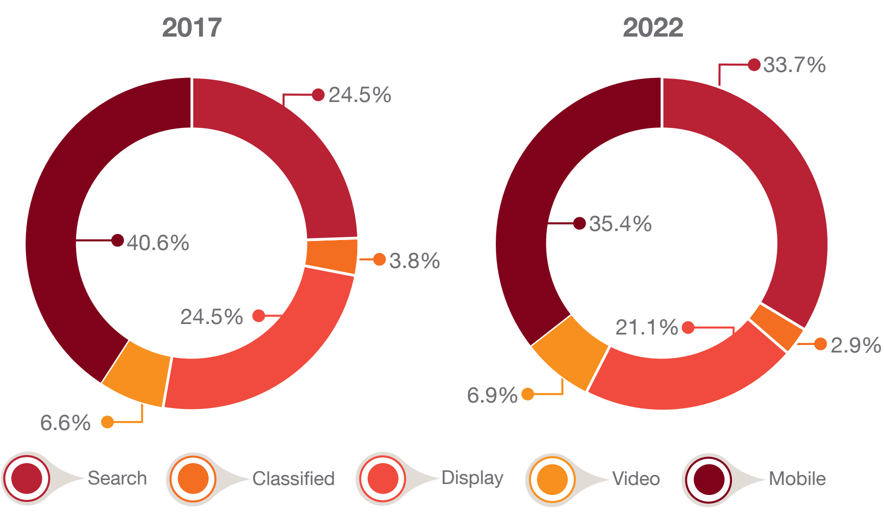
“Advertising market begins to take shape”

Tanzania, Internet advertising revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Paid search	1.1	1.3	1.6	2.0	2.6	3.2	3.8	4.4	5.2	5.9	17.8%
YOY growth (%)		*18.2%*	*23.1%*	*25.0%*	*30.0%*	*23.1%*	*18.8%*	*15.8%*	*18.2%*	*13.5%*	
Other display	1.0	1.6	1.9	2.2	2.6	3.1	3.3	3.5	3.7	3.7	7.3%
YOY growth (%)		*60.0%*	*18.8%*	*15.8%*	*18.2%*	*19.2%*	*6.5%*	*6.1%*	*5.7%*	*0.0%*	
Classified	0.2	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.5	4.6%
YOY growth (%)		*50.0%*	*0.0%*	*33.3%*	*0.0%*	*0.0%*	*25.0%*	*0.0%*	*0.0%*	*0.0%*	
Video	0.2	0.2	0.4	0.5	0.7	0.9	1.0	1.1	1.2	1.2	11.4%
YOY growth (%)		*0.0%*	*100.0%*	*25.0%*	*40.0%*	*28.6%*	*11.1%*	*10.0%*	*9.1%*	*0.0%*	
Total wired Internet advertising	**2.5**	**3.4**	**4.2**	**5.1**	**6.4**	**7.5**	**8.5**	**9.6**	**11**	**11**	**12.0%**
YOY growth (%)		*36.0%*	*23.5%*	*21.4%*	*25.5%*	*17.2%*	*13.3%*	*12.9%*	*9.4%*	*7.6%*	
Mobile Internet advertising	1.5	2.3	2.9	3.4	4.3	5.0	5.5	5.8	6.0	6.2	7.6%
YOY growth (%)		*53.3%*	*26.1%*	*17.2%*	*26.5%*	*16.3%*	*10.0%*	*5.5%*	*3.4%*	*3.3%*	
Total Internet advertising	**4.0**	**5.7**	**7.1**	**8.5**	**11**	**13**	**14**	**15**	**17**	**18**	**10.5%**
YOY growth (%)		***42.5%***	***24.6%***	***19.7%***	***24.7%***	***18.9%***	***11.9%***	***8.5%***	***8.5%***	***5.4%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 18: Tanzania: Internet advertising by subsegment, 2017 vs 2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Data consumption

3

This segment at a glance

- **Data traffic will surpass 7.9 billion GB in 2022.** This will be fuelled by the increasing affordability of smartphones and the popularity of tablets as second screens.
- **Telecom firms are vying with one another to deliver cost-effective connectivity to townships.**
- **The government is prioritising improved connectivity for citizens, with the Competition Commission pressuring suppliers to keep data charges low.**
- **The video-streaming market will soar.** It will be characterised by numerous different ways to connect and providers differentiating themselves by offering unique international content.
- **Music streaming will be characterised by intense competition following the launch of Spotify in the country.**

South Africa

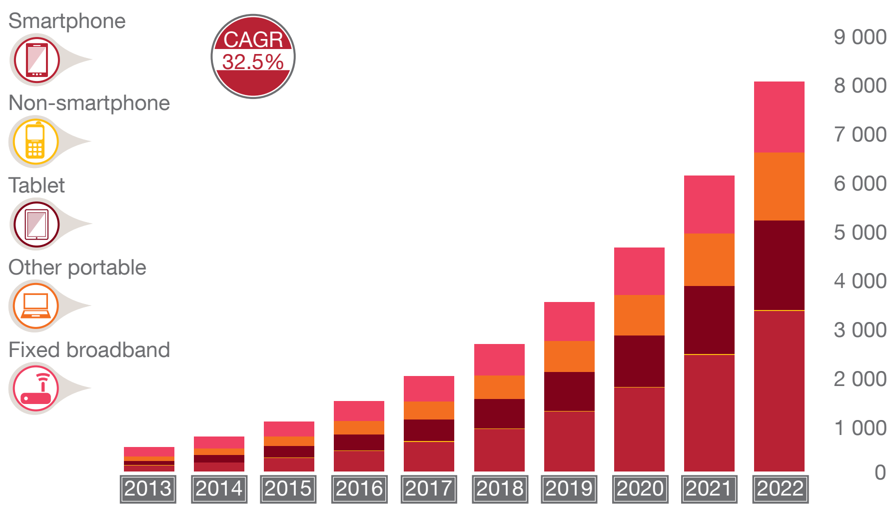
Total data consumption in South Africa is forecast to reach almost 8.0 billion GB in 2022, fuelled by the rapid increases in data traffic through smartphones and tablets.

Music streaming giants like Apple and Google, as well as SVOD industry-leaders like Netflix and Amazon, as well as local provider ShowMax, will continue to make an impression on the South African market, driving data consumption through smartphone usage in particular.

Investment in networks, both state and private, will drive further growth in data consumption. The increasing number of South Africans gaining access to the Internet is leading to current penetration levels approaching two-thirds. Data consumption will rise each year of the forecast period, increasing at a 32.5% CAGR.

> *"Data traffic will exceed 7.9 billion GB in 2022"*

Figure 1: South Africa: Data consumption, 2013–2022 (GB millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Smartphones set to extend their dominance as main data consumption device"

South Africa: Data consumption, 2013–2022 (GB millions)

Category	Historical data					Forecast data					CAGR %
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Smartphone	121	175	273	412	602	864	1 224	1 714	2 382	3 283	40.4%
Non-smartphone	7	9	10	11	11	11	11	11	11	11	-1.1%
Tablet	80	148	229	331	448	598	795	1 054	1 392	1 835	32.6%
Other portable	97	136	195	273	365	482	632	825	1 074	1 397	30.8%
Fixed broadband	190	240	315	414	524	651	801	978	1 189	1 443	22.5%
Total (GB millions)	**495**	**708**	**1 022**	**1 441**	**1 950**	**2 606**	**3 463**	**4 582**	**6 048**	**7 969**	**32.5%**
YOY growth (%)		***43.2%***	***44.4%***	***41.0%***	***35.3%***	***33.6%***	***32.9%***	***32.3%***	***32.0%***	***31.8%***	

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Video content accounts for the largest share of consumption"

South Africa: Consumption by content type, 2013–2022 (GB millions)

Content total	Historical data					Forecast data					CAGR %
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Video	247	370	545	775	1 056	1 426	1 921	2 592	3 505	4 741	35.1%
Games	6	9	13	20	29	41	57	77	103	135	35.7%
Music	25	38	59	87	123	168	224	293	376	484	31.5%
Web browsing	58	75	101	132	166	204	249	299	354	425	20.7%
Social networking	24	29	37	48	60	75	94	117	144	178	24.2%
Communications	18	26	39	59	84	119	166	230	315	431	38.6%
Other digital content	117	161	228	320	432	573	752	974	1 251	1 575	29.5%
Total (GB millions)	**495**	**708**	**1 022**	**1 441**	**1 950**	**2 606**	**3 463**	**4 582**	**6 048**	**7 969**	**32.5%**

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Data consumption in Nigeria is set to rise at a 56% CAGR to 2022.** Smartphones will be the most important devices thanks to promotions by mobile carriers. But carriers will be forging partnerships with music- and video-streaming services because of the loss of voice revenue caused by customers abandoning carriers to use free services like WhatsApp.
- **Data traffic through fixed broadband connections will continue to be adversely affected by the right of way charges paid to private landowners.**

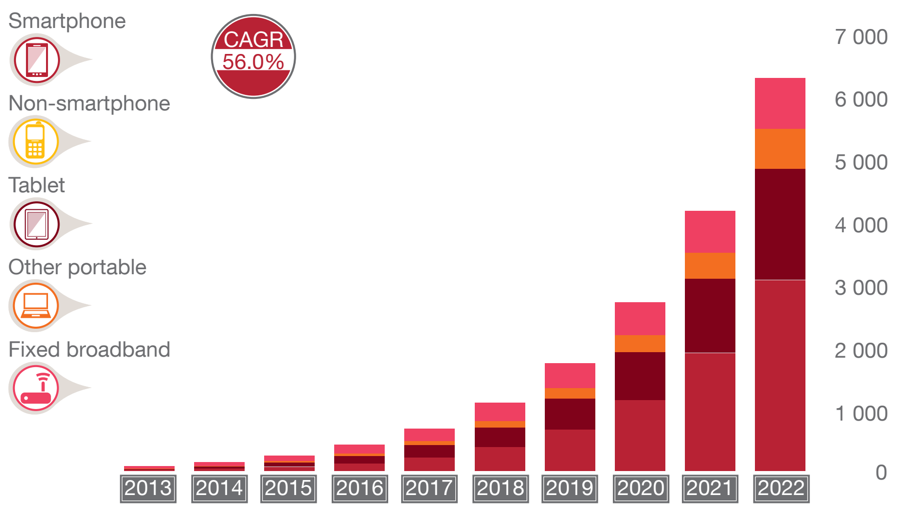
Nigeria

Data consumption in Nigeria will reach more than 6.2 billion GB in 2022. Total data consumption in 2013 was just 76 million GB. The rapid rise will be driven by Nigeria having some of the lowest prices for data in Africa, helping to fuel the 70.7% CAGR rise in smartphone data traffic, the 55.5% CAGR increase through tablets and a 57.8% CAGR for data consumed by other portables.

Connectivity in Nigeria will be transformed over the coming years. During 2019 4G LTE networks will become operational, and in preparation for developing a 5G network both Ericsson and Qualcomm are developing Gigabit-Class LTE in Nigeria using licensed spectrum.

> *“Data consumption is set to increase across all categories”*

Figure 2: Nigeria: Data consumption by device type, 2013–2022 (GB millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Smartphones rise to dominate data consumption"

Nigeria: Data consumption, 2013–2022 (GB millions)

Category	Historical data					Forecast data					CAGR %
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Smartphone	19	34	62	114	209	375	656	1 122	1 874	3 034	70.7%
Non-smartphone	1	1	2	3	4	5	6	7	9	10	21.7%
Tablet	11	33	68	121	194	310	489	763	1 173	1 768	55.5%
Other portable	7	13	23	39	65	105	168	266	415	634	57.8%
Fixed broadband	38	60	94	141	205	291	399	529	674	817	31.8%
Total (GB millions)	**76**	**141**	**249**	**417**	**677**	**1 086**	**1 718**	**2 687**	**4 145**	**6 263**	**56.0%**
YOY growth (%)		***85.4%***	***77.1%***	***67.1%***	***62.5%***	***60.3%***	***58.2%***	***56.4%***	***54.2%***	***51.1%***	

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Consumption of video content to hit 2.8 billion GB in 2022"

Nigeria: Data consumption by content type, 2013–2022 (GB millions)

Content total	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Video	35	68	121	202	316	490	753	1 166	1 813	2 782	54.5%
Games	1	2	4	7	13	24	44	75	124	199	72.1%
Music	3	5	10	19	35	64	115	197	323	518	71.4%
Web browsing	11	19	32	52	87	143	229	352	518	746	53.7%
Social networking	5	9	15	24	40	66	107	169	260	392	58.0%
Communications	5	10	18	33	60	107	188	322	536	877	71.1%
Other digital content	16	28	49	80	126	192	282	406	571	749	42.7%
Total (GB millions)	**76**	**141**	**249**	**417**	**677**	**1 086**	**1 718**	**2 687**	**4 145**	**6 263**	**56.0%**

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Data consumption in Kenya is set to hit 984 million GB in 2022.** Over the next five years, data consumption will grow at a 41.1% CAGR.
- **Increased investment in infrastructure will support growth.** The likes of Safaricom's expansion of its fixed-data network will increase smartphone traffic.
- **The popularity of social media networks and messaging apps is driving data usage.** WhatsApp has 12 million users in Kenya.

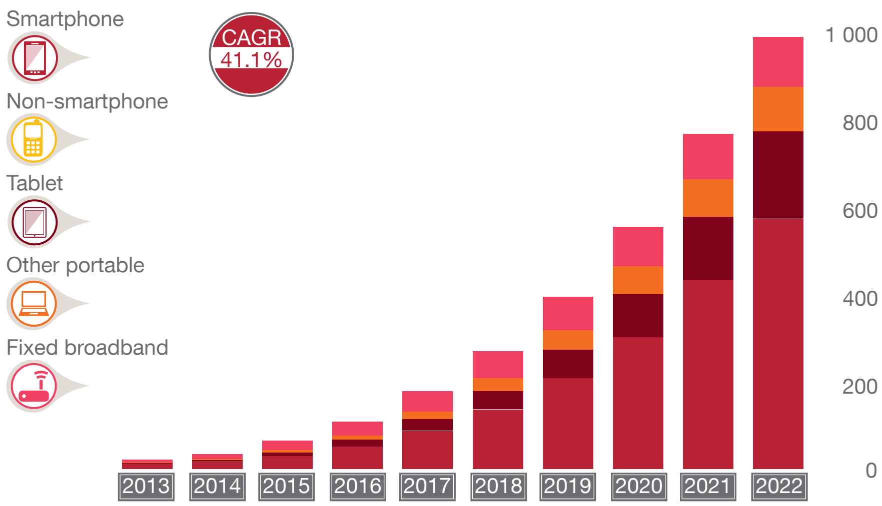
Kenya

Data consumption in Kenya is forecast to continue its rapid rise over the forecast period (increasing at a 41.1% CAGR) and will reach 984 million GB in 2022.

The main growth drivers will be consumption through mobile devices, especially smartphones (at a 46% CAGR). Smartphone traffic will benefit from the introduction of mobile data services from the likes of Safaricom. Social media networking will be an important communication channel too: Kenya is home to over 7 million users of Facebook, the main platform, while there are around 12 million users of WhatsApp and 4 million users of Instagram. Across Kenya, Express Wi-Fi services are available at over 1 000 hotspots.

> *"Smartphone data begins to dominate"*

Figure 3: Kenya: Data consumption by device type, 2013–2022 (GB millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Kenyan data usage to approach 1 billion GB by 2022"

Kenya: Data consumption, 2013–2022 (GB millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Smartphone	11	18	28	52	85	136	205	298	429	571	46.0%
Non-smartphone	0	0	0	0	1	1	1	1	1	1	8.3%
Tablet	1	3	8	15	26	41	64	97	143	197	50.5%
Other portable	2	3	6	10	18	29	45	64	85	101	41.1%
Fixed broadband	6	11	21	32	46	62	76	90	103	114	20.0%
Total	**20**	**35**	**63**	**109**	**176**	**269**	**391**	**550**	**761**	**984**	**41.1%**
YOY growth (%)		***73.0%***	***83.0%***	***72.0%***	***61.0%***	***52.7%***	***45.4%***	***40.9%***	***38.4%***	***29.2%***	

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"All content types to see double-digit growth in consumption to 2022"

Kenya: Data consumption by content type, 2013–2022 (GB millions)

Content total	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Video	9	17	31	53	88	137	201	285	402	527	43.0%
Games	0	0	1	2	3	5	8	12	17	23	50.8%
Music	1	2	3	6	10	16	25	37	52	69	46.8%
Web browsing	3	4	7	12	17	25	33	44	56	70	32.1%
Social networking	1	2	3	6	9	14	20	28	38	48	39.5%
Communications	1	2	4	7	13	20	30	45	65	87	47.2%
Other digital content	5	8	14	23	36	52	74	99	131	160	35.0%
Total (GB millions)	**20**	**35**	**63**	**109**	**176**	**269**	**391**	**550**	**761**	**984**	**41.1%**

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

4 Television

This segment at a glance

- **South Africa is the largest TV market on the continent.** Despite being by far the largest TV market on the continent, the country continues to exhibit reasonably strong growth, with total TV market revenue expanding at a 4.8% CAGR over the next five years to reach R40.8 billion in 2022.
- **Pay-TV sector to add 1.5 million households over the forecast period.** Despite its size, the pay-TV market continues to grow. This has been aided by a lack of digital terrestrial coverage and MultiChoice pushing entry-level satellite packages.
- **The country sets a new date for its analogue switch-off.** Having missed the International Telecommunication Union's (ITU) original June 2015 deadline for digital transition, South Africa has experienced further setbacks and delays. However, it was announced in July 2018 that the switch-off would not take place until at least 2019.
- **Proposed bills raise questions over the security of intellectual property rights.** The International Intellectual Property Alliance (IIPA) returned South Africa to its watch list in 2018, citing three problematic bills in recent years that have had a detrimental impact on copyrights and moved the country further away from international norms.
- **Satellite continues to dominate pay-TV subscriptions but no longer has a monopoly.** Although 98% of pay-TV subscriptions were with satellite in 2017, this is set to fall to 92% in 2022 as pay-DTT (digital terrestrial television) and IPTV (Internet protocol television) establish a presence.
- **MultiChoice continues to attract subscribers.** MultiChoice continues to add subscribers (mainly to its lower-end bouquets) and boost revenues, primarily due to its dominant content. It extended deals for the UEFA Champions League in late-2017 and the English Premier League in April 2018.
- **Internet video overtook physical home video in 2017.** Despite the limitations of the country's broadband infrastructure, Internet video has made sufficient inroads to overtake the terminally declining market for DVDs and blu-rays.
- **Entrance of international SVOD platforms brought new competition to the Internet video segment.** Both Netflix and Amazon Prime Video launched in South Africa in 2016 as part of wider global launches. MultiChoice has expanded access to its ShowMax OTT platforms but looks set to launch a streaming version of DStv in 2019.
- **TV advertising remains a vital part of the market, but accounts for a smaller proportion of revenue.** While advertising continues to play an important role, accounting for 23.2% of total TV market revenue in 2017, this has declined in recent years and is set to fall further over the forecast period, with more emphasis on pay-TV.
- **Public broadcaster SABC is struggling financially.** Despite continuing to dominate the prime time and all-day ratings, the SABC saw losses increase substantially in 2017. This is partly due to a challenging economic environment and loss of business confidence hitting the advertising sector on which the broadcaster relies.
- **Just 12% of the SABC's income comes from licence fees.** Although licence fee income is set to grow at a 2.0% CAGR and be worth over R1.0 billion in 2022, it remains a small part of the SABC's funding.

South Africa

South Africa remains by far the largest TV market in Africa, with total revenue of R32.2 billion in 2017. Following growth at a 4.8% CAGR over the forecast period, the total TV market will be worth R40.8 billion by 2022, when end-user spending (pay-TV subscriptions, physical home video, Internet video and public licence fees) will account for 77.9% of the total TV market, remaining very comparable to the 76.8% share in 2017.

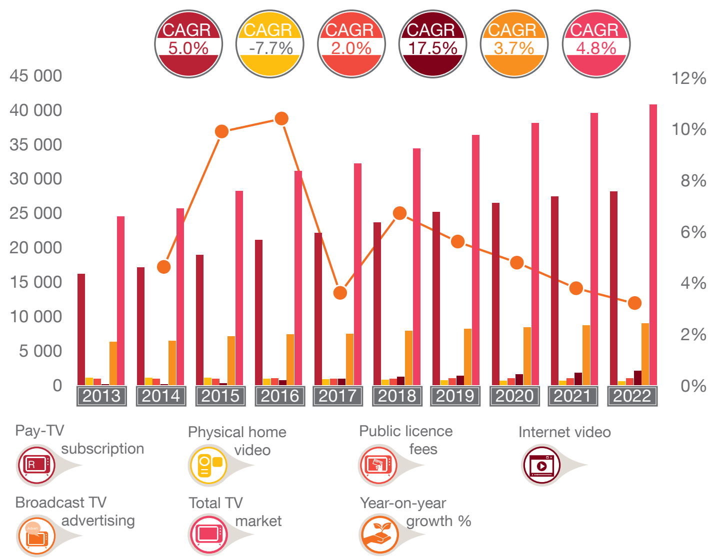
Despite being a mature market and having a challenging macroeconomic environment that has also experienced domestic political turmoil, South Africa has a burgeoning middle class that continues to demonstrate the potential of the TV market by providing long-term opportunities for broadcasters, pay-TV operators and over-the-top (OTT) platforms. Delays to digital transition have undoubtedly held back the market (especially for the public broadcaster, the SABC), but improvements to broadband infrastructure will also be necessary to boost premium revenues and enable subscribers to access content on-demand across a range of devices.

The arrival of OTT platforms like Netflix and Amazon Prime Video provides Naspers' MultiChoice with competition, but the latter's access to premium sporting rights and major entertainment content means that in the short term the newcomers will most likely be taken as a complementary service, which will leave the pay-TV market little changed.

But, with a cultural shift towards viewing content when and where audiences desire and often on ad-free platforms, there are concerns for advertisers. Digitisation will provide more opportunity for targeting niche consumer groups, while live content and sport will continue to draw in the largest linear audiences and therefore the largest advertising budgets. In the longer term, after the analogue switch-off, some households might look to supplement their digital terrestrial channels with subscription video on demand (SVOD) platforms rather than traditional pay-TV packages.

"Total TV revenue set to grow year-on-year"

Figure 1: South Africa: TV revenue by segment (R millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

South Africa: TV revenue, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Pay-TV subscription	16 174	17 085	18 870	21 077	22 068	23 645	25 127	26 439	27 403	28 118	5.0%
YOY growth (%)		5.6%	10.4%	11.7%	4.7%	7.1%	6.3%	5.2%	3.6%	2.6%	
Physical home video	1 061	1 057	1 023	912	819	747	694	649	599	548	-7.7%
YOY growth (%)		-0.4%	-3.2%	-10.9%	-10.2%	-8.7%	-7.1%	-6.5%	-7.6%	-8.5%	
Public licence fees	887	928	913	986	915	933	963	988	1 003	1 008	2.0%
YOY growth (%)		4.7%	-1.6%	8.0%	-7.2%	1.9%	3.2%	2.7%	1.5%	0.5%	
Internet video	89	108	262	725	932	1 163	1 347	1 542	1 747	2 087	17.5%
YOY growth (%)		21.2%	143.3%	177.1%	28.5%	24.8%	15.8%	14.5%	13.3%	19.5%	
End user spending	18 210	19 177	21 068	23 700	24 733	26 488	28 130	29 618	30 752	31 761	5.1%
YOY growth (%)		5.3%	9.9%	12.5%	4.4%	7.1%	6.2%	5.3%	3.8%	3.3%	
% of total TV market	74.4%	74.9%	74.8%	76.2%	76.8%	77.0%	77.5%	77.8%	77.9%	77.9%	
Broadcast TV advertising	6 268	6 433	7 076	7 374	7 454	7 866	8 134	8 390	8 685	8 936	3.7%
YOY growth (%)		2.6%	10.0%	4.2%	1.1%	5.5%	3.4%	3.1%	3.5%	2.9%	
Online TV advertising	0.8	5.0	8.7	13	18	25	32	41	51	62	27.4%
YOY growth (%)		525.0%	74.0%	50.6%	39.7%	33.9%	30.6%	27.2%	24.3%	21.5%	
Total TV advertising	6 269	6 438	7 085	7 387	7 472	7 891	8 166	8 430	8 736	8 998	3.8%
YOY growth (%)		***2.7%***	***10.1%***	***4.3%***	***1.1%***	***5.6%***	***3.5%***	***3.2%***	***3.6%***	***3.0%***	
% of total TV market	25.6%	25.1%	25.2%	23.8%	23.2%	23.0%	22.5%	22.2%	22.1%	22.1%	
Total TV market	**24 478**	**25 615**	**28 153**	**31 087**	**32 205**	**34 379**	**36 296**	**38 048**	**39 487**	**40 759**	**4.8%**
YOY growth (%)		***4.6%***	***9.9%***	***10.4%***	***3.6%***	***6.7%***	***5.6%***	***4.8%***	***3.8%***	***3.2%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This segment at a glance

- **Nigeria's total TV market increased by 17.1% year-on-year** to US$800 million in 2017 despite a challenging macroeconomic environment. Pay-TV revenue dominates, with 75.9% of market revenue, followed by TV advertising at 19.5%.
- **The recession had a detrimental impact on the TV advertising market.** Nigeria's 2016 recession saw TV advertising revenue plummet -16.4%, and although a slight recovery of 0.9% growth was evident in 2017, the market remains vulnerable to a decline in oil prices.
- **Poor broadband infrastructure has hurt the Internet video segment.** With just 2.0% of households having broadband in 2017, there has been little take-up of Internet video platforms. This has seen the physical home video segment retain a presence because people rely on DVDs and Blu-rays.

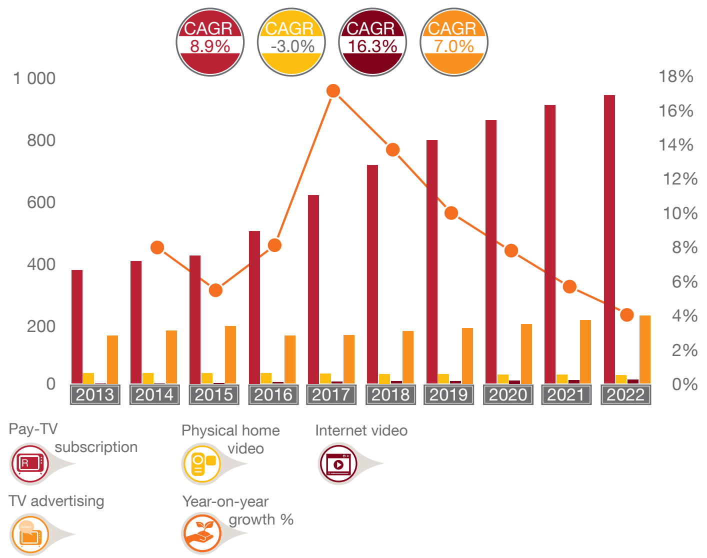
"The Nigerian TV market will see healthy growth to 2022"

The TV market in Nigeria produced total revenue of US$800 million in 2017, following real GDP growth of 0.8%. This spike represented a return to economic growth, following a recession in 2016 when GDP contracted -1.6%. However, the TV market continued to grow impressively in any case; 8.1% year-on-year in 2016 and 17.1% year-on-year in 2017. As the national economy stabilises, the TV market growth will expand at an 8.2% CAGR to US$1.2 billion in 2022. Although pay-TV was resilient in the face of recession, TV advertising was hit hard and declined -16.4% year-on-year in 2016. Pay-TV subscription revenue accounted for over three-quarters of the total market in 2017, and will increase its share slightly to 78.3% by 2022.

Advertising accounts for nearly one-fifth of total TV revenue in Nigeria, which retains its attractiveness as a market because of its huge and growing population. Although online TV advertising remains in its infancy, with the country yet to complete its digital switchover, the high penetration rate of smartphones means that there are opportunities for cross-platform campaigns, with digitisation boosting opportunities for advertisers.

The rate of DVD and Blu-ray sales decline is slower than elsewhere globally. Poor broadband infrastructure and a large number of low-income households mean that uptake in Internet video remains limited, although it has significant long-term potential. Despite the presence of SVOD giants Netflix and Amazon Prime Video, Internet video revenue will increase at a healthy 16.3% CAGR but will reach only US$12 million in 2022.

Figure 2: Nigeria: TV revenue by segment (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

> *"Total TV market growth of an 8.2% CAGR will push revenue to US$1.2 billion in 2022"*

Nigeria: TV revenue (US$ millions) and pay–TV households (millions) 2013–2022

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Pay-TV subscription	365	394	413	492	608	704	784	849	897	930	8.9%
YOY growth (%)		8.0%	4.6%	19.3%	23.5%	15.9%	11.4%	8.2%	5.7%	3.6%	
% of total TV market	65.8%	65.8%	65.2%	72.0%	75.9%	77.3%	78.4%	78.6%	78.7%	78.3%	
Physical home video	34	34	33	33	32	31	30	29	28	27	-3.0%
YOY growth (%)		-2.0%	-1.8%	-1.8%	-2.8%	-2.2%	-2.6%	-3.0%	-3.4%	-3.5%	
% of total TV market	6.2%	5.6%	5.2%	4.8%	3.9%	3.4%	3.0%	2.7%	2.5%	2.3%	
Internet video	0.6	1.3	1.9	4.4	5.5	6.7	8.0	9.5	11	12	16.3%
YOY growth (%)		116.7%	46.2%	131.6%	25.0%	21.8%	19.4%	18.8%	12.6%	9.3%	
% of total TV market		0.2%	0.3%	0.6%	0.7%	0.7%	0.8%	0.9%	0.9%	1.0%	
TV advertising	155	170	185	154	156	169	179	192	204	219	7.0%
YOY growth (%)		9.8%	8.7%	-16.4%	0.9%	8.2%	5.9%	7.5%	6.6%	7.0%	
% of total TV market	27.9%	28.4%	29.2%	22.6%	19.5%	18.5%	17.8%	17.8%	17.9%	18.4%	
Total TV market	555	599	632	683	800	910	1 001	1 079	1 140	1 187	8.2%
YOY growth (%)		**8.0%**	**5.5%**	**8.1%**	**17.1%**	**13.7%**	**10.0%**	**7.8%**	**5.7%**	**4.1%**	
Pay-TV households (million)	2.8	3.5	3.7	5.5	6.1	6.4	6.5	6.6	6.7	6.7	1.9%
YOY growth (%)		25.0%	5.7%	48.6%	10.9%	4.9%	1.6%	1.5%	1.5%	0.0%	
Average monthly spending (US$)	10.90	9.40	9.30	7.50	8.30	8.50	8.60	8.70	8.70	8.70	0.9%
YOY growth (%)		-13.8%	-1.1%	-19.4%	10.7%	2.4%	1.2%	1.2%	0.0%	0.0%	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Kenya's TV market will grow at a 6.1% CAGR to reach US$385 million in 2022.** Year-on-year growth of 6.9% in 2017 saw total revenue reach US$286 million.
- **The market is supported by solid growth in advertising revenue, which accounted for 30.8% of the total in 2017.** This effect is set to grow, with 34.8% of total TV market revenue attributable to advertising in 2022.
- **Lack of broadband infrastructure has supported physical home video.** In Kenya, unlike more-developed markets, Internet video is in its infancy and people still rely on DVDs and Blu-ray discs for home entertainment.

"Kenya's TV market to total US$385 million in 2022"

Kenya

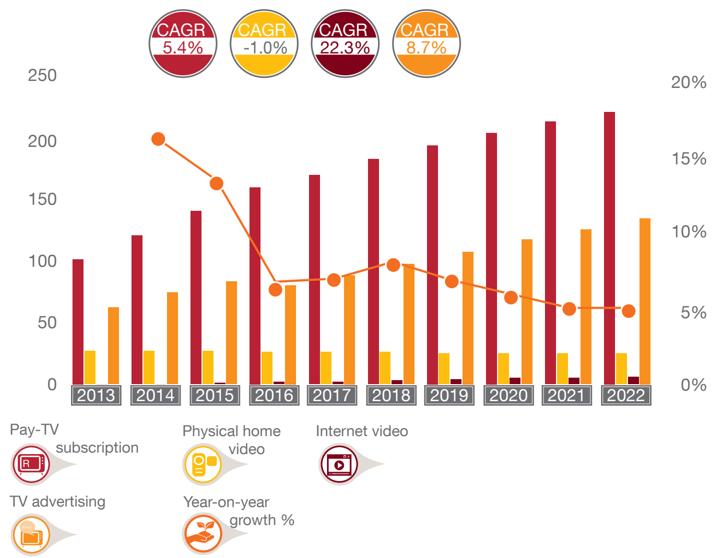
Backed by a strong and consistent economy, the Kenyan TV market has grown rapidly in recent years, producing total market revenue of US$286 million in 2017, compared with just US$191 million in 2013. Total revenue will rise at a 6.1% CAGR over the forecast period to reach US$385 million in 2022.

Continued growth of the pay-TV industry means subscription revenue is due to increase at a 5.4% CAGR from US$169 million in 2017 to US$220 million in 2022. Advertising revenue, meanwhile, is derived overwhelmingly from terrestrial broadcasts, with ad opportunities determined largely by the guaranteed large audiences that only terrestrial can deliver.

Digitisation has taken place and the range of thematic channels is rising, which gives advertisers new opportunities to target more niche segments. However, broadband coverage has not improved and catch-up services still need to be used more widely, meaning that the take off point has yet to be reached for multiplatform campaigns and online advertising.

Internet video revenue will experience the fastest growth to 2022, but will account for just 4.7% of the market – by which point, even with investment in infrastructure, broadband penetration is expected to reach only 3.0% of households. Both Netflix and Amazon Prime Video SVOD services are available but the impending overregulation of OTT operations threatens to stifle the sector.

Figure 3: Kenya: Total TV revenue by segment (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

"Kenya's TV industry is dominated by pay-TV revenue"

Kenya: TV revenue (US$ millions) and pay-TV households (millions) 2013–2022

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Pay-TV subscription	**101**	**120**	**140**	**159**	**169**	**182**	**193**	**203**	**212**	**220**	**5.4%**
YOY growth (%)		*18.6%*	*16.8%*	*13.2%*	*6.7%*	*7.7%*	*5.9%*	*5.0%*	*4.3%*	*4.0%*	
% of total TV market	*53.1%*	*54.3%*	*56.0%*	*59.4%*	*59.3%*	*59.1%*	*58.6%*	*58.1%*	*57.7%*	*57.1%*	
Physical home video	**27**	**27**	**27**	**26**	**26**	**26**	**25**	**25**	**25**	**25**	**-1.0%**
YOY growth (%)		*-0.4%*	*-0.7%*	*-1.9%*	*-1.5%*	*-0.8%*	*-1.6%*	*-0.8%*	*-0.8%*	*-1.2%*	
% of total TV market	*14.3%*	*12.3%*	*10.7%*	*9.9%*	*9.1%*	*8.4%*	*7.7%*	*7.2%*	*6.8%*	*6.4%*	
Internet video	**0.1**	**0.1**	**0.5**	**1.8**	**2.3**	**3.1**	**3.8**	**4.7**	**5.4**	**6.3**	**22.3%**
YOY growth (%)		*0.0%*	*400.0%*	*260.0%*	*27.8%*	*34.8%*	*22.6%*	*23.7%*	*14.9%*	*16.7%*	
% of total TV market	*0.2%*	*0.1%*	*0.6%*	*2.2%*	*2.6%*	*3.2%*	*3.5%*	*4.0%*	*4.3%*	*4.7%*	
TV advertising	**62**	**74**	**83**	**80**	**88**	**97**	**107**	**117**	**125**	**134**	**8.7%**
YOY growth (%)		*19.0%*	*12.2%*	*-2.9%*	*9.6%*	*10.3%*	*10.4%*	*8.6%*	*7.1%*	*7.4%*	
% of total TV market	*32.5%*	*33.4%*	*33.1%*	*30.1%*	*30.8%*	*31.5%*	*32.6%*	*33.4%*	*34.0%*	*34.8%*	
Total TV market	**191**	**221**	**250**	**267**	**286**	**309**	**330**	**349**	**367**	**385**	**6.1%**
YOY growth (%)		***16.0%***	***13.3%***	***6.7%***	***6.9%***	***8.0%***	***6.8%***	***5.9%***	***5.0%***	***5.0%***	
Pay-TV households (million)	**0.6**	**0.8**	**1.1**	**1.2**	**1.3**	**1.4**	**1.5**	**1.6**	**1.6**	**1.7**	**5.5%**
YOY growth (%)		*33.3%*	*37.5%*	*9.1%*	*8.3%*	*7.7%*	*7.1%*	*6.7%*	*0.0%*	*6.3%*	
Average monthly spending (US$)	**14.1**	**12.5**	**10.6**	**11.0**	**10.9**	**10.9**	**10.7**	**10.6**	**11.0**	**10.8**	**-0.2%**
YOY growth (%)		*-11.3%*	*-15.2%*	*3.8%*	*-0.9%*	*0.0%*	*-1.8%*	*-0.9%*	*3.8%*	*-1.8%*	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Total market revenue will grow at a 6.3% CAGR to reach US$167 million in 2022.** The Ghanaian market will be supported by increases in advertising revenue at an 8.9% CAGR, with the advertising segment set to account for over 67% of the market in 2022.
- **The pay-TV market is struggling for growth.** Growth at a 1.5% CAGR over the forecast period will produce subscription revenue of US$42 million, with around 100 000 additional households entering the market.
- **Internet video is set to be worth more than physical home video by 2021.** Despite the lack of broadband coverage for many households, online video platforms will produce more revenue than the sale of DVDs and blu-rays over the forecast period.

Ghana

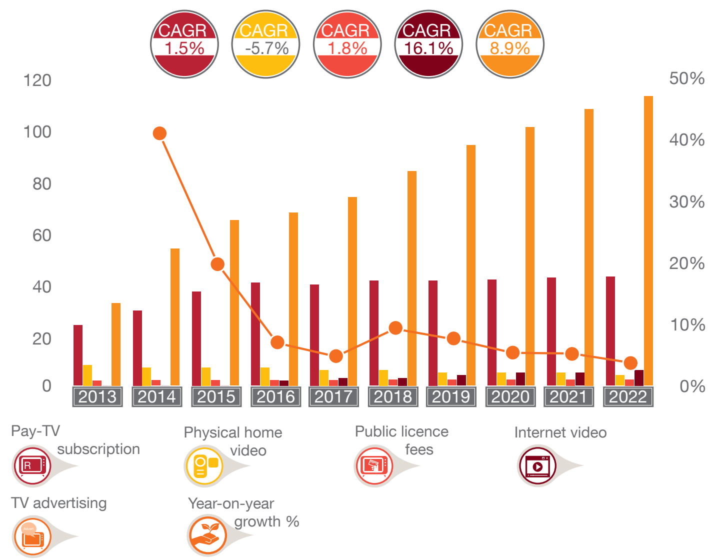
Ghana's pay-TV revenue reached US$39 million in 2017, down -1.8% on 2016. Over the next five years, Ghana will struggle to grow the number of pay-TV households, with subscriptions staying flat at around 600 000 and only rising to 700 000 by 2022 mainly due to entry-level packages. Growth in pay-TV revenue will therefore be modest, reaching US$42 million in 2022 after increasing at a 1.5% CAGR.

The TV industry in Ghana relies on TV advertising, which accounted for 59.4% of total TV revenue in 2017, and this will rise at an 8.9% CAGR, meaning it will account for 67.2% of the total in 2022. This leaves the Ghanaian market relying on consistent economic growth and strong business confidence. Online TV advertising is yet to emerge in Ghana, while around 90% of advertising spend goes towards terrestrial channels.

Internet video will grow strongly and increase its share of the market to 3.5% in 2022, causing a decline in the physical home video segment. The launch of SVOD services will contribute to the double-digit growth driving Internet video to 2022, when revenue will total nearly US$6.0 million.

> *"The Ghanaian TV market will grow year-on-year to total US$167 million in 2022"*

Figure 4: Ghana: TV revenue by segment (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

"Advertising revenue is playing an increasingly important role as pay-TV growth stalls"

Ghana: TV revenue (US$ millions) and pay-TV households (millions) 2013–2022

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Pay-TV subscription	**23**	**29**	**36**	**40**	**39**	**41**	**41**	**41**	**42**	**42**	**1.5%**
YOY growth (%)		*24.4%*	*25.1%*	*9.3%*	*-1.8%*	*3.8%*	*0.2%*	*0.7%*	*1.7%*	*1.0%*	
% of total TV market	*35.9%*	*31.7%*	*33.1%*	*33.8%*	*31.7%*	*30.1%*	*28.0%*	*26.8%*	*25.9%*	*25.2%*	
Public licence fee	**2.0**	**2.1**	**2.2**	**2.2**	**2.2**	**2.3**	**2.3**	**2.3**	**2.4**	**2.4**	**1.8%**
YOY growth (%)		5.0%	4.8%	0.0%	0.0%	4.5%	0.0%	0.0%	4.3%	0.0%	
% of total TV market	*3.1%*	*2.3%*	*2.0%*	*1.9%*	*1.8%*	*1.7%*	*1.6%*	*1.5%*	*1.5%*	*1.4%*	
Physical home video	**7.9**	**7.4**	**7.1**	**6.8**	**5.9**	**5.7**	**5.4**	**5.0**	**4.6**	**4.4**	**-5.7%**
YOY growth (%)		*-6.3%*	*-4.1%*	*-4.2%*	*-13.2%*	*-3.4%*	*-5.3%*	*-7.4%*	*-8.0%*	*-4.3%*	
% of total TV market	*12.1%*	*8.1%*	*6.5%*	*5.8%*	*4.8%*	*4.2%*	*3.7%*	*3.3%*	*2.9%*	*2.6%*	
Internet video	**0.0**	**0.0**	**0.0**	**2.4**	**2.8**	**3.4**	**3.9**	**4.5**	**5.2**	**5.9**	**16.1%**
YOY growth (%)		-	-	-	*16.7%*	*21.4%*	*14.7%*	*15.4%*	*15.6%*	*13.5%*	
% of total TV market	*0.0%*	*0.0%*	*0.0%*	*2.0%*	*2.3%*	*2.5%*	*2.7%*	*2.9%*	*3.2%*	*3.5%*	
TV advertising	**32**	**53**	**64**	**67**	**73**	**83**	**93**	**100**	**107**	**112**	**8.9%**
YOY growth (%)		*67.1%*	*20.6%*	*3.4%*	*10.2%*	*13.0%*	*12.1%*	*7.9%*	*7.0%*	*4.9%*	
% of total TV market	*48.9%*	*58.0%*	*58.5%*	*56.5%*	*59.4%*	*61.4%*	*64.0%*	*65.5%*	*66.5%*	*67.2%*	
Total TV market	**65**	**92**	**110**	**118**	**123**	**135**	**145**	**153**	**161**	**167**	**6.3%**
YOY growth (%)		***41.0%***	***19.7%***	***7.0%***	***4.8%***	***9.3%***	***7.6%***	***5.4%***	***5.3%***	***3.8%***	
Pay-TV households (million)	**0.2**	**0.3**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.7**	**0.7**	**3.1%**
YOY growth (%)		*50.0%*	*100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*16.7%*	*0.0%*	
Average monthly spending (US$)	**9.80**	**8.10**	**5.10**	**5.50**	**5.40**	**5.60**	**5.70**	**5.70**	**5.00**	**5.00**	**-1.5%**
YOY growth (%)		*-17.3%*	*-37.0%*	*7.8%*	*-1.8%*	*3.7%*	*1.8%*	*0.0%*	*-12.3%*	*0.0%*	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. - = revenue less than US$ 50 000
Sources: Entertainment and media outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Total TV market revenue will reach US$183 million by 2022.** Total revenue reached US$117 million in 2017 and will continue to grow at an impressive 9.4% CAGR.
- **Pay-TV expansion is driving the market forward.** With an additional 300 000 households over the forecast period, pay-TV revenue will grow at a 9.3% CAGR to reach US$147 million in 2022 and account for 80.4% of the total market.
- **Internet video is about to overtake physical home video.** The market for DVDs and Blu-rays is in terminal decline and although broadband penetration is low, Internet video will fare well enough to overtake the segment in 2019.

Tanzania

The total TV market in Tanzania is forecast to grow strongly, rising from US$117 million in 2017 to US$183 million in 2022 after increasing at a 9.4% CAGR. The figure was just US$56 million in 2013.

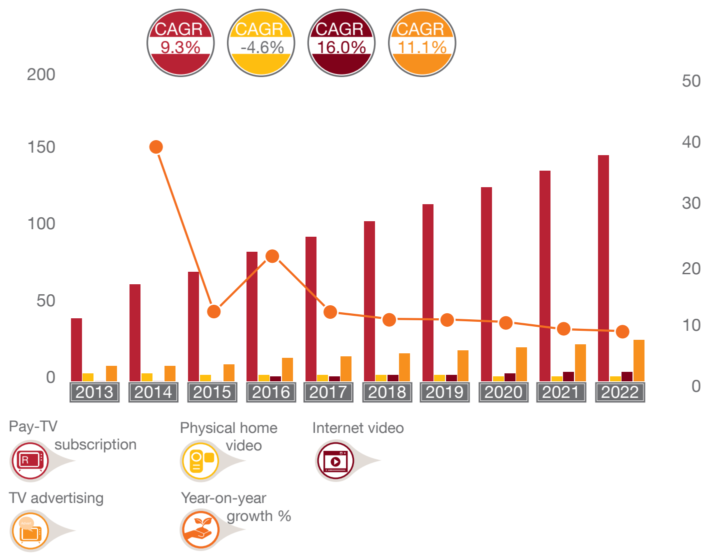
Pay-TV subscription in particular will increase by more than half, from US$94 million to US$147 million over the forecast period, with the number of households accessing services expanding from just 200 000 in 2013 to over 900 000 in 2022. Pay-TV subscription revenue will account for over 80% of the total Tanzanian TV market throughout the forecast period.

Netflix and Amazon Prime Video launched in early 2016. Internet video revenue is expected to account for 3.4% of the market in 2022, generating revenue of US$6.3 million. As in many other places worldwide, the rise of online viewing – and a preference for instantaneous downloads and accessible content – is causing a decline in the physical home video market.

Advertising revenue will grow year-on-year to account for 14.6% of the total market in 2022. This comparatively small proportion reflects the fact that in 2017 only about 15% of households in Tanzania have a TV – and most of those only have access to free-to-air digital terrestrial channels, which means that multichannel TV advertising is a very small part of the market in Tanzania.

> *"Total TV revenue in Tanzania to reach US$183 million in 2022"*

Figure 5: Tanzania: Total TV revenue by segment (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

“Multichannel is struggling to make inroads as terrestrial channels dominate”

Tanzania: TV revenue (US$ millions) and pay-TV households (millions) 2013–2022

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Pay-TV subscription	**41**	**63**	**71**	**84**	**94**	**104**	**115**	**126**	**137**	**147**	**9.3%**
YOY growth (%)		*52.2%*	*13.0%*	*17.7%*	*12.5%*	*10.1%*	*10.5%*	*9.9%*	*8.3%*	*8.0%*	
% of total TV market	*73.5%*	*80.9%*	*82.0%*	*79.9%*	*80.7%*	*80.5%*	*80.8%*	*80.8%*	*80.6%*	*80.4%*	
Physical home video	**4.9**	**4.7**	**4.4**	**4.1**	**3.8**	**3.8**	**3.5**	**3.2**	**3.2**	**3.0**	**-4.6%**
YOY growth (%)		*-4.1%*	*-6.4%*	*-6.8%*	*-7.3%*	*0.0%*	*-7.9%*	*-8.6%*	*0.0%*	*-6.3%*	
% of total TV market	*8.7%*	*6.0%*	*5.1%*	*3.9%*	*3.3%*	*2.9%*	*2.5%*	*2.1%*	*1.9%*	*1.6%*	
Internet video	**0.1**	**0.1**	**0.3**	**2.5**	**3.0**	**3.6**	**4.2**	**4.8**	**5.5**	**6.3**	**16.0%**
YOY growth (%)		*0.0%*	*200.0%*	*733.3%*	*20.0%*	*20.0%*	*16.7%*	*14.3%*	*14.6%*	*14.5%*	
% of total TV market		*0.1%*	*0.3%*	*2.4%*	*2.6%*	*2.8%*	*3.0%*	*3.1%*	*3.2%*	*3.4%*	
TV advertising	**10**	**10**	**11**	**15**	**16**	**18**	**20**	**22**	**24**	**27**	**11.1%**
YOY growth (%)		*2.0%*	*7.9%*	*33.0%*	*9.0%*	*12.0%*	*10.7%*	*11.7%*	*10.0%*	*10.8%*	
% of total TV market	*17.6%*	*13.0%*	*12.6%*	*13.8%*	*13.5%*	*13.7%*	*13.8%*	*14.0%*	*14.2%*	*14.6%*	
Total TV market	**56**	**78**	**87**	**105**	**117**	**129**	**142**	**156**	**169**	**183**	**9.4%**
YOY growth (%)		***38.4%***	***11.4%***	***20.9%***	***11.4%***	***10.3%***	***10.2%***	***9.8%***	***8.6%***	***8.3%***	
Pay-TV households (millions)	**0.2**	**0.4**	**0.4**	**0.5**	**0.6**	**0.6**	**0.7**	**0.8**	**0.8**	**0.9**	**8.4%**
YOY growth (%)		**100.0%**	**0.0%**	**25.0%**	**20.0%**	**0.0%**	**16.7%**	**14.3%**	**0.0%**	**12.5%**	
Average monthly spending (US$)	**17.30**	**13.10**	**14.80**	**14.00**	**13.10**	**14.40**	**13.70**	**13.10**	**14.20**	**13.60**	**0.8%**
YOY growth (%)		*-24.3%*	*13.0%*	*-5.4%*	*-6.4%*	*9.9%*	*-4.9%*	*-4.4%*	*8.4%*	*-4.2%*	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Cinema

5

This segment at a glance

- **Box office was up in 2017.** Box office revenue rose 1.8% year-on-year in 2017 reaching R1.2 billion. Box office revenue is expected to reach R1.4 billion by 2022.
- **Cinema advertising rises.** Cinema advertising will account for 33% of total cinema revenue by 2022, when it will be worth R708 million, up from R560 million in 2017.
- **Admissions steady.** In spite of short-term dips, admissions are expected to edge up slowly. After a drop from 20.8 million in 2016 to 19.9 million in 2017, they will increase to just over 21 million by 2022.
- **Cinema improvements enable continued ticket price increases.** Blockbusters reign at the South African box office and more of the US 'tent-pole' movies are being seen on 3D, 4DX, D-Box or IMAX formats, which collectively accounted for a sizeable 65% of the overall gross in 2017.
- **The film industry dividend.** Between 2016 and 2017 the film industry pumped an estimated R5.4 billion (approximately US$464 million) into the South African economy through employment, tax, inwards investment and so on.
- **A strong showing abroad.** In spite of the modest showing for domestic films in the home market, South African arthouse titles have been doing well on the international festival circuit. The gay-themed drama *Inxeba (The Wound)* became the country's foreign-language Oscar candidate.
- **The Black Panther effect.** Marvel's *Black Panther* may not have been shot extensively in South Africa but this superhero movie, which showcased footage of South African landscapes, was one of the biggest global box office hits of 2018, grossing just over US$1.3 billion. Its enormous success is bound to spark further Hollywood stories about and set in Africa.

South Africa

The film sector in South Africa is experiencing modest growth. Total revenue, including box office and cinema advertising, is forecast to reach R2.1 billion in 2022, up from R1.8 billion in 2017, at a 3.9% CAGR.

Although the weakness of the rand had a negative effect on local production – with only 25 films released in 2017 out of an overall total of 225 titles and not a single local film in the top 20, although comedy *Keeping Up with the Kandasamys* reached number 24 – it helped to make South Africa attractive for foreign film production. Some notable Hollywood projects were filmed in the country in 2017, including *Tomb Raider* and *Maze Runner*: *The Death Cure*.

Another pull factor was government's Foreign Film and Television Production and Post-Production Incentive Programme. This is a tax rebate system worth 20%–25% on South African spend. It is a system of incentives put in place by the Department of Trade and Industry (DTI) to support the South African film industry, providing assistance to both domestic and foreign productions. The incentives not only encourage filming on location in the country but also offer additional rebates for post-production work done in the country. This helps to create employment in the sector, and further develop the skills base of the local filming industry.

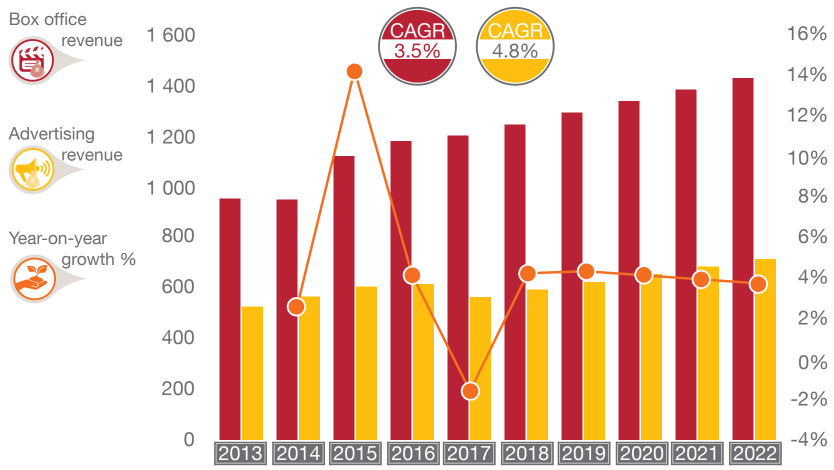
South Africa is also notably successful in the locations and services business. A film-friendly climate, improving studio facilities and growing technical expertise mean that the country continues to attract its share of high-end TV drama and big-budget international feature films. Recent research by the NFVF has underlined the economic impact of the film industry on the South African economy: driving employment, stimulating multiple sectors, growing tax revenues, boosting tourism and contributing to GDP.

South Africa is clearly a market with the capacity to grow, both on the production side and on the exhibition side, where there have been calls for audience-development programmes. Once these audience-development issues are addressed, revenues in the sector should show a sharp increase.

Box office revenue of R1.2 billion in 2017 represented a 1.8% increase on the 2016 figure. And the number of cinema screens is increasing: in 2017 there were 782 screens servicing a population of 55 million, and by 2022 there will be 831 screens, all digital. In addition, South African audiences have shown that they are prepared to pay a premium to watch big-budget films with surround sound, vibrating seats, temperature change, strobe lights and so on. The boom in box office for special-format screenings also ensures that revenue will continue to rise despite relatively modest gains in admissions.

"South Africa's cinema market will grow annually to 2022"

Figure 1: South Africa: Cinema revenue by segment, 2013–2022 (R millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Cinema to experience modest growth"

South Africa cinema revenue, 2013–2022, (R millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Box office revenue	945	941	1 113	1 171	1 193	1 235	1 282	1 328	1 373	1 417	3.5%
Advertising revenue	522	561	601	611	560	589	618	649	679	708	4.8%
Total	**1 468**	**1 502**	**1 714**	**1 782**	**1 752**	**1 824**	**1 901**	**1 977**	**2 051**	**2 125**	**3.9%**
YOY growth (%)		***2.4%***	***14.1%***	***4.0%***	***-1.7%***	***4.1%***	***4.2%***	***4.0%***	***3.8%***	***3.6%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **A lack of cinemas is hampering growth.** Nigeria's 114 cinema screens service a population estimated, in 2018, at 198 million. With such a small number of venues, the sector will struggle to grow. Although 2017 was considered a strong year, thanks to the runaway success of the rom-com *The Wedding Party*, released in late-December 2016, and continued to show well into the New Year, overall box office revenue from the industry was only US$12 million. This is a small figure given that Nigeria is Africa's second-largest economy behind South Africa.
- **Films made in Nollywood at a crossroads.** Nollywood remains hugely prolific, producing over 2 000 films a year, but these are generally straight-to-DVD affairs, which get minimal play in the cinemas. Local producers are trying to push more of their films into mainstream theatrical distribution. In 2017, 50 Nigerian features were released, a record number, as Nollywood looks to move beyond its low-budget roots.
- **A young market with obvious growth potential.** More than 60% of Nigeria's population is under the age of 25. The challenge for local producers is to make films that capture the imagination of this demographic.
- **Box office revenue is increasing.** Box office revenue is expected to rise to US$18 million by 2022, representing an increase at a 8.0% CAGR. There is obvious scope for further growth.

Nigeria

Box office revenue in Nigeria will reach US$18 million by 2022, up from US$12 million in 2017 and representing an increase at a 8.0% CAGR.

Nigeria's domestic film industry, known as 'Nollywood', has obvious capacity for faster growth. Production continues to boom and the industry produces around 2 000 features a year, which makes it second only to Bollywood in terms of production.

But the exhibition sector remains tiny. Although the number of digital cinema screens will double to 152 by 2022, that is to cater to a country with a population close to 200 million and where there is a strong appetite for locally produced films.

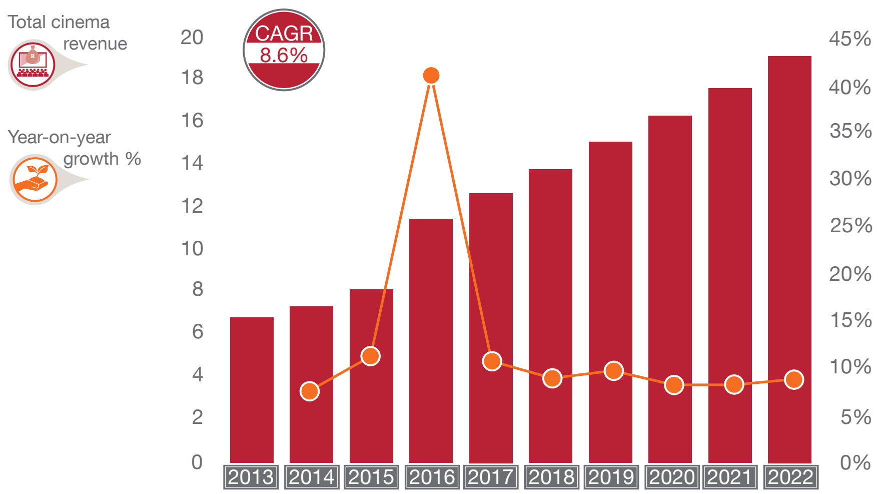
With so few screens, it is only a handful of local films that can generate the box office profits to justify higher budgets. Steps are being taken to push Nollywood fare in cinemas as well as on DVD/home video.

One challenge is that Nollywood titles, with their low budgets and production values, do not translate well onto the big screen. But budgets are rising and more attention is being paid to both script development and technical standards.

As more local films target cinema releases, the pressure for screen space is bound to intensify. Lagos-based Silverbird Cinemas is a major player. The company controls around 70 screens across the West Africa region and, in April 2018, it announced plans to open the country's first 4DX theatres to enhance the traditional film-going experience.

“Cinema revenue will grow year-on-year”

Figure 2: Nigeria: Total cinema revenue (US$ millions) vs year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“Box office revenue will reach US$18 million by 2022”

Nigeria: Cinema revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Box office	6.3	6.8	7.5	11	12	13	14	15	16	18	8.0%
Advertising	0.5	0.5	0.6	0.6	0.7	0.8	1.0	1.1	1.3	1.5	16.5%
Total	**6.8**	**7.3**	**8.1**	**11**	**13**	**14**	**15**	**16**	**18**	**19**	**8.6%**
YOY growth (%)		***7.4%***	***11.0%***	***40.7%***	***10.5%***	***8.7%***	***9.5%***	***8.0%***	***8.0%***	***8.6%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Steady growth in both box office and cinema advertising**. Kenya's film sector will show steady growth over the next five years, albeit from a relatively low starting point. Box office revenue will reach US$5.9 million by 2022, up from US$4.5 million in 2017, increasing at a 5.6% CAGR. Cinema advertising revenue will almost double in the same period, from US$1.1 million to US$2.0 million.
- **Incentives are on the horizon.** In late-2017 the KFC revealed plans to develop an incentive system of tax credits and rebates to stimulate film production in the country.

"Box office and advertising chart similar paths"

Kenya

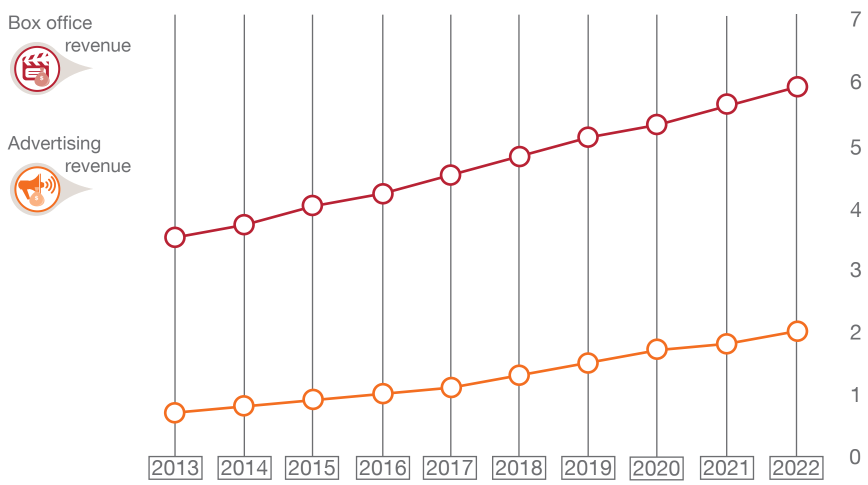
Kenya's cinema sector will continue to experience steady growth over the forecast period, albeit from a base that is still low. Total cinema revenue will reach US$7.9million in 2022, up from US$5.6 million in 2017. Admissions will increase from 3.1 million in 2017 to 3.8 million in 2022, alongside an increase in the total number of screens from 87 in 2017 to 104 in 2022.

The Kenya Film Commission (KFC) argues that a vibrant film industry has the potential to shape Kenya's image internationally, to stimulate tourism and to increase employment opportunities. It also wants Kenya's broadcasters to increase local content to ensure that local technicians get trained. But there has been no sign of significant public investment in the film industry to date.

But Kenyan films are gaining greater international exposure and the industry is attracting international filmmakers. The Oscar-nominated film *Watu Wote: All of Us* gave the domestic industry a boost. The launch of the Nairobi Film Festival in 2017 has provided a platform for showcasing the best in Kenyan and African cinema.

The setting up by the African Union in 2016 of the African Audio-visual and Cinema Commission (AACC) was meant to boost filmmaking in Kenya and across other member states, including Ghana, Nigeria, South Africa and Zimbabwe. In late-2017, it was reported that US$410 million was being mobilised through the AACC to promote the industry over the next five years.

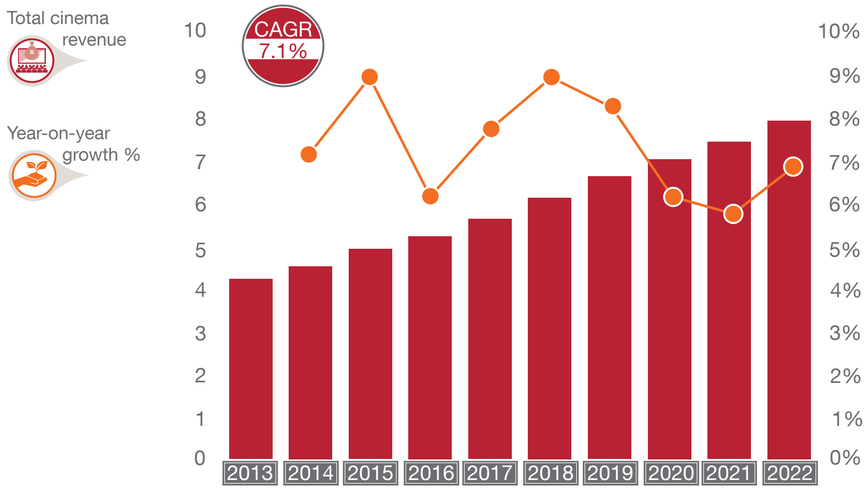
Figure 3: Kenya: Cinema revenues by segment, 2013–2022, (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Cinema revenue will see healthy year-on-year growth to 2022"

Figure 4: Kenya: Total cinema revenue (US$ millions) vs year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Cinema sector will continue to experience steady growth"

Kenya: Cinema revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Box office revenue	3.5	3.7	4.0	4.2	4.5	4.8	5.1	5.3	5.6	5.9	5.6%
Cinema advertising revenue	0.7	0.8	0.9	1.0	1.1	1.3	1.5	1.7	1.8	2.0	12.7%
Total	**4.2**	**4.5**	**4.9**	**5.2**	**5.6**	**6.1**	**6.6**	**7.0**	**7.4**	**7.9**	**7.1%**
YOY growth (%)		***7.1%***	***8.9%***	***6.1%***	***7.7%***	***8.9%***	***8.2%***	***6.1%***	***5.7%***	***6.8%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Total cinema revenue is expected to increase.** Ghana's total cinema revenue will increase at a 5.6% CAGR to 2022. It will reach US$2.1 million in 2022, up from US$1.6 million in 2017.
- **Trade bodies unite to push the sector forward.** The Film Producers Association of Ghana (FIPAG), the Ghana Actors Guild (GAG), the Film Distributors Association of Ghana (FIDAG) and the Ghana Film Crew Association (GHAFCA) have pulled together to look at ways of 'rebranding the Ghana film industry'.
- **Producers fight back against telenovelas.** Producers have made strong arguments to government that the dominance of foreign soaps on TV is destroying their businesses.
- **Ghana looks to strengthen ties with Nigeria.** Representatives from Nollywood were invited to the second annual 60 Years On film summit organised by industry stakeholders, as Ghana looks to work with, and learn from, its neighbours.
- **Better data-gathering. Government intervention in the film industry has been hampered by a lack of information about the sector.** In early 2018 the Tourism, Arts and Culture ministry appointed a new head of the Film Directors Guild of Ghana (FDDG), to conduct extensive research into the real state of the industry.

Ghana

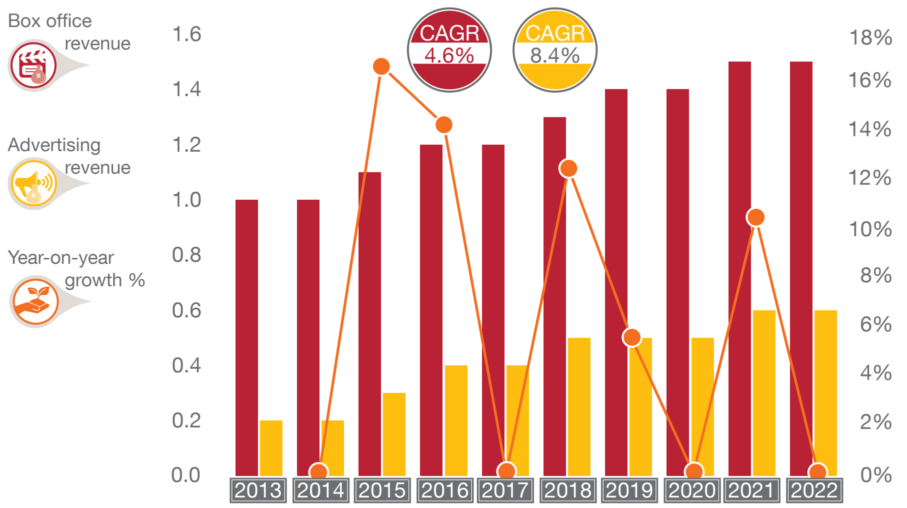
Ghana's film industry will grow over the forecast period. Total cinema revenue will rise to US$2.1 million in 2022. Box office revenue will account for US$1.5 million and cinema advertising will provide the rest.

Cinema-going in the country received a huge boost with the release of Marvel's superhero feature *Black Panther*, set in Africa, which broke box office records across West Africa. But, as with other markets in the region, Hollywood blockbusters dominate in Ghana and very few local films are released. However, the success of *Black Panther* underlined the potential for growth in the region.

The Ghanaian government has announced plans to set up a Creative Arts Fund in 2018 that is expected to benefit cinema. Local producers have already been fighting back strongly against the dominance of dubbed foreign telenovelas on Ghana's TV stations, arguing that the shows are taking business from the industry and stifling Ghanaian filmmaking in the process. The producers believe that the industry needs government support and protection against unfair foreign competition for it to be revived. Like Kenya, Ghana is expected to get a boost in the coming years from the AACC.

> *"The cinema market in Ghana will see strong growth to 2022"*

Figure 5: Ghana: Cinema revenues (US$ millions) vs year-on-year growth (%) by segment, 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“Good growth in Ghana”

Ghana: Cinema revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Box office	1.0	1.0	1.1	1.2	1.2	1.3	1.4	1.4	1.5	1.5	4.6%
Advertising	0.2	0.2	0.3	0.4	0.4	0.5	0.5	0.5	0.6	0.6	8.4%
Total	**1.2**	**1.2**	**1.4**	**1.6**	**1.6**	**1.8**	**1.9**	**1.9**	**2.1**	**2.1**	**5.6%**
YOY growth (%)		***0.0%***	***16.7%***	***14.3%***	***0.0%***	***12.5%***	***5.6%***	***0.0%***	***10.5%***	***0.0%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

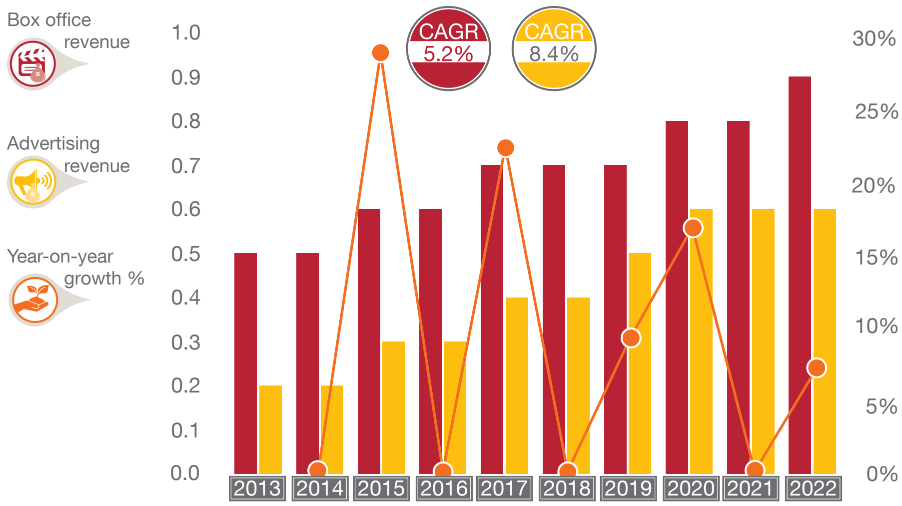
- **Solid growth in total cinema revenue.** An increase at a 6.4% CAGR is expected over the forecast period as Tanzania's cinema sector flickers into life. Overall cinema revenue will reach US$1.5 million by 2022, up from only US$710 000 in 2013.
- **Cinema advertising is strong.** This will be worth 41.4% of overall revenue by 2022.

Tanzania

Tanzania's modern-day cinema industry – 'Swahiliwood' – is still in its infancy. Production is currently dominated by low-budget, straight-to-video fare but the country offers spectacular locations, especially in its national parks. The Tanzania Film Federation (TAFF) was established in 2009 as part of the National Arts Council and brings together the various stakeholders (directors, producers and distributors) to help develop Tanzania's film industry. The Zanzibar International Film Festival provides an annual focus for the industry, attracting thousands of Western tourists and a share of high-profile guests. As the industry seeks to attract foreign production, the country's national parks should prove a major attraction.

> *"The cinema market in Tanzania will see healthy growth to 2022"*

Figure 6: Tanzania: Cinema revenues (US$ millions) vs year-on-year growth (%) by segment, 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Good growth from small beginnings in Tanzania"

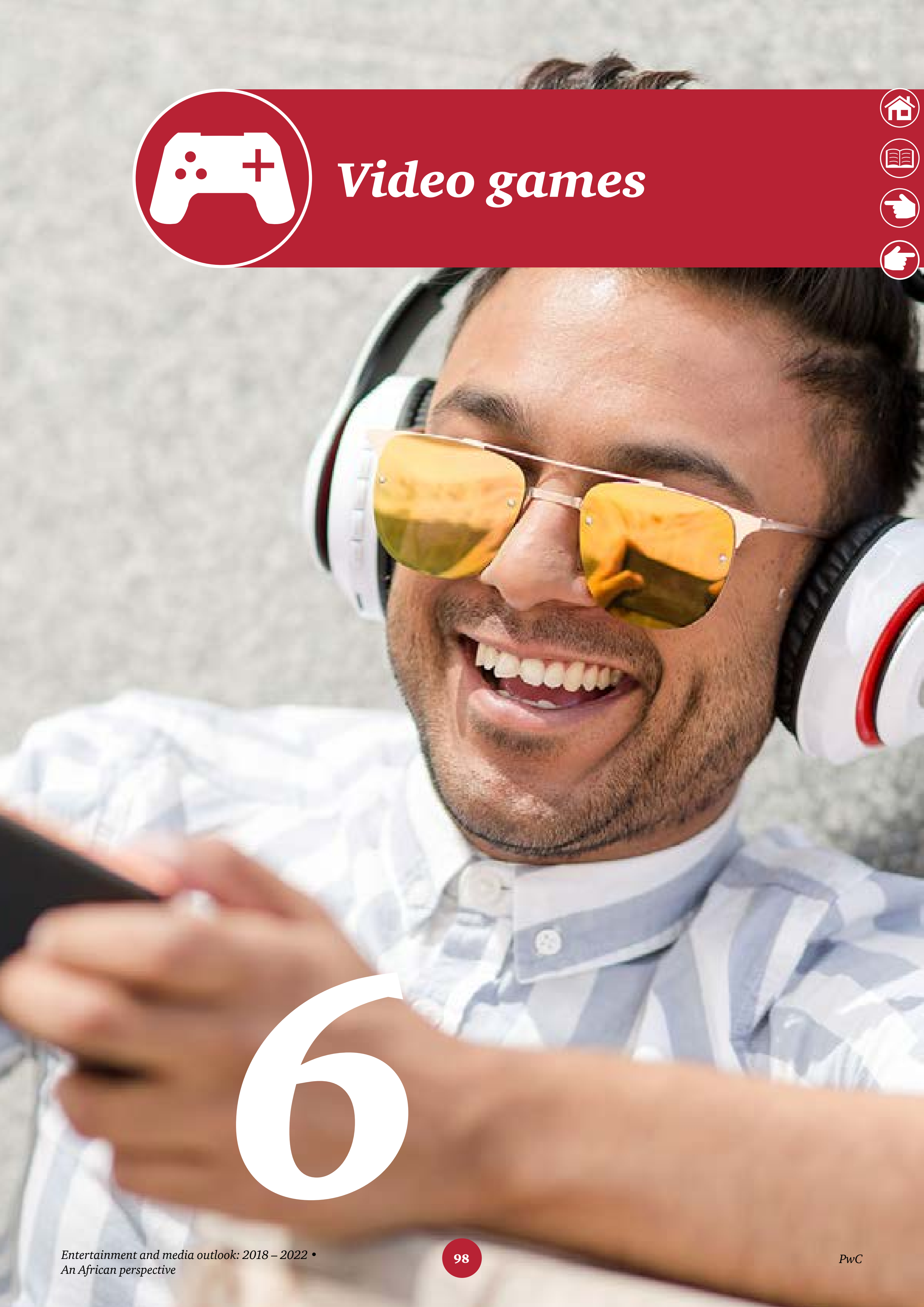
Tanzania: Cinema revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Box office	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.9	5.2%
Advertising	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.6	8.4%
Total	**0.7**	**0.7**	**0.9**	**0.9**	**1.1**	**1.1**	**1.2**	**1.4**	**1.4**	**1.5**	**6.4%**
YOY growth (%)		***0.0%***	***28.6%***	***0.0%***	***22.2%***	***0.0%***	***9.1%***	***16.7%***	***0.0%***	***7.1%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Video games

6



This segment at a glance

- **South Africa's video games market continues its recent trend of strong growth.** Total revenue in 2017 was over R3.0 billion, which will grow at a 15.0% CAGR to reach R6.2 billion by 2022.
- **More-accessible social gaming has overtaken the PC and console sector.** In 2017, for the first time, social/casual gaming revenue (R1.6 billion) overtook traditional revenue (R1.4 billion) and will continue to grow at a faster rate.
- **South Africa's traditional games market also continues to grow at a more modest rate.** Revenue from the PC and console sector will reach R1.6 billion in 2022 at a 2.8% CAGR.
- Physical sales of both PC and console games continue to fall, as digital and online revenues rise.

South Africa

The global video games market had a watershed year in 2017 as revenue from the still-booming social/casual gaming sector overtook revenue from the traditional sector (in the form of specialised consoles and PC hardware) for the first time. South Africa replicated this trend, with the growth in smartphone ownership providing millions of consumers with an accessible and affordable route into the gaming market.

Traditional gaming revenue in South Africa will continue to be the largest in Africa, but growth will be limited because of the cost of hardware and software, and a comparatively poorly developed connectivity infrastructure. Games playable on smartphones typically offer a zero-cost point of entry, which means that most consumers have little difficulty taking part in the social/casual gaming market. As a bonus, the strong growth of social/casual gaming in the South African market is happening without any apparent cannibalisation of the traditional sector.

Many established traditional gamers are generally considered core gamers who prefer the more immersive experience that PC and console games provide. By contrast, as more consumers who have not previously been customers of this sector move to smartphones and the social/gaming offering increases, the market will experience a natural expansion as a result of new consumers.

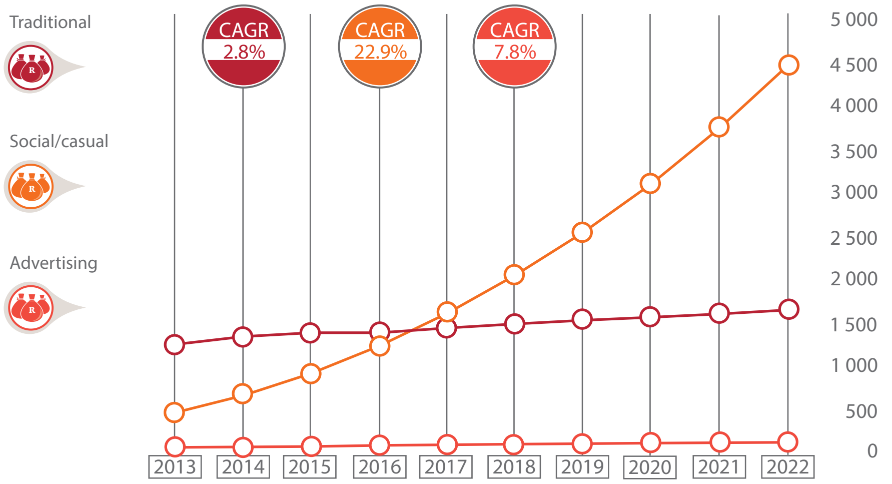
Although South Africa's smartphone market will approach saturation point in 2022, revenue per smartphone connection will continue to rise. In 2017 the country's social/casual gaming market was dominated by well-established, simple and compelling games like strategy title *Clash of Clans* and the ubiquitous puzzle game *Candy Crush Saga*. This line-up is being challenged in 2018 by the extraordinarily popular (having built huge player bases on PC and console) range of 'battle royale' games, which are predominantly shooters in which players land on a shared map with several enemy players and must fight until only one player or group remains.

Traditional console gaming is holding steady. Sony's PS4 and Microsoft's Xbox One continue to offer a premium gaming experience, while Nintendo's semi-portable Switch device which launched in March 2017 won an audience through its ability to be played at home like a traditional console or while travelling like a handheld.

The console enclave is moving more slowly towards digital revenues because its consumer base is wary of microtransactions after controversies with in-game purchases such as loot boxes and to a lesser extent DLC. With lower barriers to entry and a wider range of accessible games and affordable entry points, PC games and especially social/casual games are poised for significant expansion in the near future.

> *Smartphone-driven social/casual growth is not coming at the expense of revenue from traditional gaming hardware*

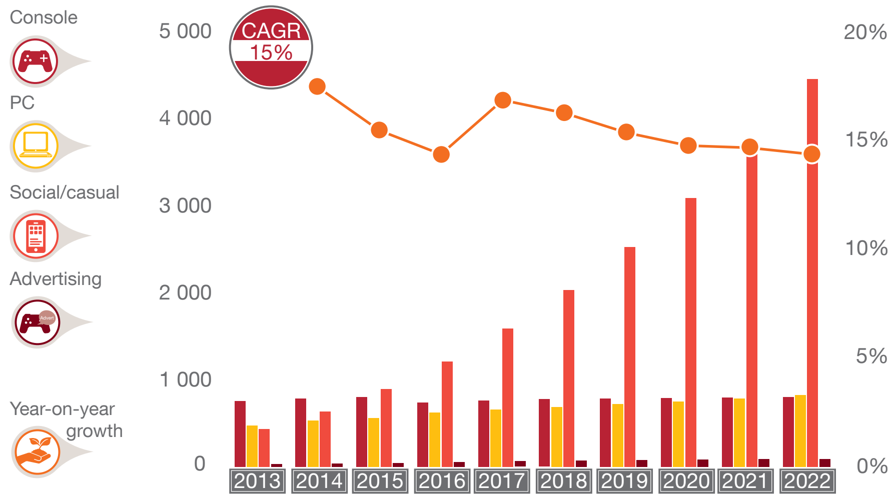
Figure 1: **South Africa: Traditional gaming, social/casual gaming and video games advertising revenue, 2013–2022, (R millions)**



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> *Double-digit growth rates will continue over the next five years*

Figure 2: **South Africa: Video games revenue (R millions) by segment and year-on-year growth (%), 2013–2022**



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

South Africa: Video games market, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Traditional gaming revenue	**1 223**	**1 314**	**1 358**	**1 358**	**1 413**	**1 460**	**1 502**	**1 537**	**1 575**	**1 621**	**2.8%**
Total console games revenue	752	785	800	738	759	774	785	790	794	799	1.0%
Physical console games revenue	701	702	695	597	590	576	561	544	527	510	-2.9%
Digital console games revenue	31	43	56	73	89	105	120	131	144	158	12.0%
Online/ microtransaction console games revenue	20	40	49	67	80	92	104	114	124	131	10.5%
Total PC games revenue	471	530	558	620	654	686	718	747	781	822	4.7%
Physical PC games revenue	268	258	248	237	224	207	187	165	138	112	-13.0%
Digital PC games revenue	55	90	102	124	137	154	171	190	214	241	12.0%
Online/ microtransaction PC games revenue	148	181	209	260	293	326	360	392	429	469	9.9%
Social/casual gaming revenue	**435**	**633**	**889**	**1 206**	**1 584**	**2 025**	**2 520**	**3 081**	**3 724**	**4 446**	**22.9%**
App-based social/ casual revenue	289	474	723	1 035	1 412	1 854	2 353	2 920	3 570	4 299	24.9%
Browser-based social/casual revenue	146	160	166	171	172	171	167	160	154	147	-3.2%
Video games advertising revenue	**33**	**38**	**43**	**56**	**63**	**70**	**76**	**82**	**87**	**91**	**7.8%**
Total video games revenue	**1 691**	**1 986**	**2 291**	**2 619**	**3 060**	**3 555**	**4 098**	**4 699**	**5 386**	**6 157**	**15.0%**
YOY growth (%)		***17.4%***	***15.4%***	***14.3%***	***16.8%***	***16.2%***	***15.3%***	***14.7%***	***14.6%***	***14.3%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Nigeria's video games market is growing quickly and will reach a value of US$80 million in 2022.** Both traditional and social/casual sectors of the market are expanding, at an overall 15.9% CAGR, with the bulk of growth driven by the rise of social/casual.
- **Social/casual gaming is now bigger than traditional gaming, and growing much faster.** While revenue per user remains low, social/casual gaming is still growing at a 22.5% CAGR compared with traditional gaming's 5.5%.
- **Growth of the traditional sector is driven by online revenue.** Online payments already account for 90% of PC revenue and 45% of console revenue, and will continue to grow.

"Nigeria's video games market is showing rapid growth"

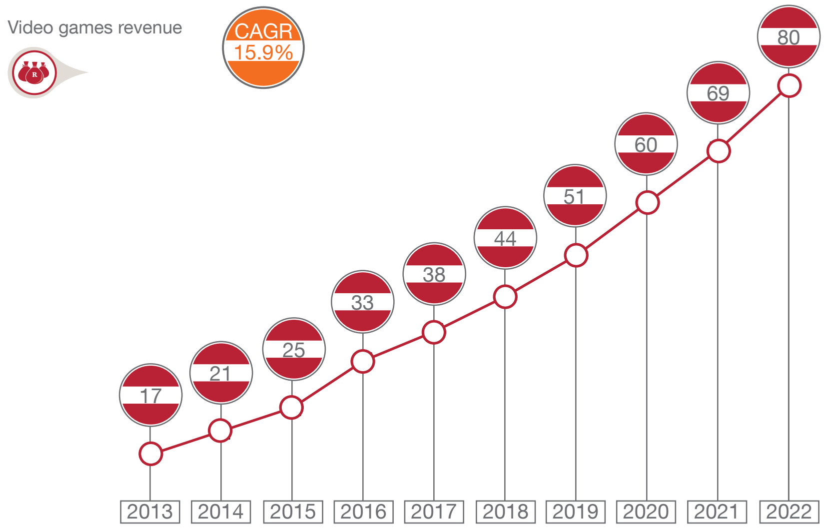
Nigeria

Nigeria has a relatively small video games market, but it is growing strongly. The market follows the trend seen in other markets, both regionally and globally: growth in the traditional gaming sector is slow, whereas in the social/casual gaming sector it is rapid. In fact, in Nigeria social/casual revenue has overtaken traditional and the gap will continue to grow.

One notable feature of Nigeria's traditional games market is the domination of PC games. PC and console ownership is low, so access to PCs through Internet cafés offer an inexpensive entry point to the gaming market. Nigeria is following – but to an even greater extent – the general shift towards digital revenues. Physical sell-through is a negligible factor and shrinking, suggesting that those able to access the more expensive traditional market are buying their games online. Although there is steady growth in digital sell-through revenue, the biggest portion of this sector's revenues comes from online/microtransactions.

Smartphone ownership is growing in Nigeria at a faster rate than anywhere else in the world. Nigeria's own games developers describe the country as 'mobile first', acknowledging the role of smartphones in driving the country's rapidly expanding social/casual market. Local games developers focus on this social/casual space, and for the most part consumers are drawn to familiar 'freemium' titles. App-based revenue is rising slightly faster than smartphone ownership, and there is still room for growth of the phone market itself.

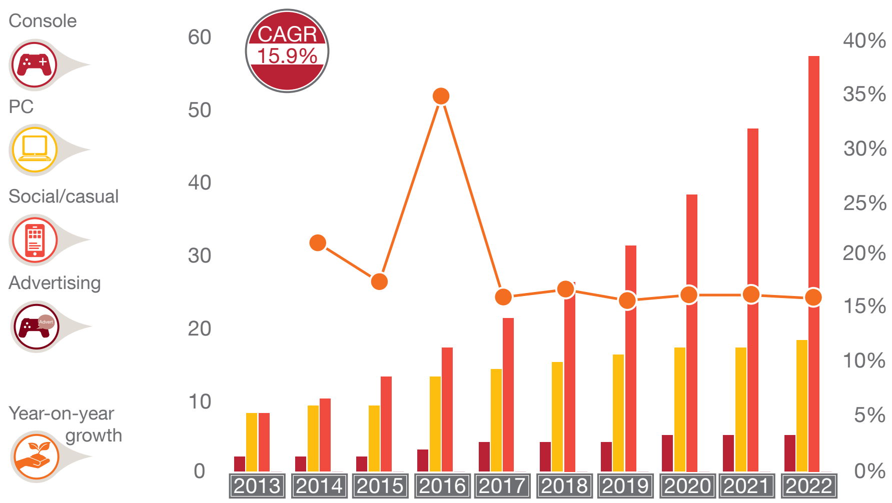
Figure 3: Nigeria: Video games revenue 2013–2022, (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum
www.pwc.co.za/outlook

“Social/casual gaming is now bigger than traditional gaming, and growing much faster”

Figure 4: Nigeria: Video games revenue (US$ millions) by segment and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria: Video games market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Traditional gaming revenue	**9**	**11**	**12**	**16**	**18**	**19**	**20**	**21**	**22**	**23**	**5.5%**
Total console games revenue	1.5	2.0	2.2	3.2	3.5	3.9	4.3	4.6	5.0	5.3	8.7%
Physical console games revenue	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	-5.6%
Digital console games revenue	0.7	0.8	0.9	1.4	1.5	1.7	1.9	2.1	2.3	2.5	10.8%
Online/ microtransaction console games revenue	0.4	0.8	0.9	1.4	1.6	1.8	2.0	2.1	2.3	2.5	9.3%
Total PC games revenue	7.8	9	9	13	14	15	16	17	17	18	4.7%
Physical PC games revenue	-	-	-	-	-	-	-	-	-	-	
Digital PC games revenue	0.4	0.7	0.8	1.2	1.3	1.4	1.4	1.5	1.5	1.5	2.9%
Online/ microtransaction PC games revenue	7.4	8.0	9	12	13	14	14	15	16	16	4.9%
Social/casual gaming revenue	**8.0**	**10**	**13**	**17**	**21**	**26**	**31**	**38**	**47**	**57**	**22.5%**
App-based social/ casual revenue	4.0	6.1	8.8	12	16	21	27	34	43	53	26.5%
Browser-based social/casual revenue	4.0	4.1	4.1	4.3	4.3	4.2	4.1	4.0	4.0	4.1	-0.9%
Video games advertising revenue	-	-	-	-	-	-	-	-	-	-	
Total video games revenue	**17**	**21**	**25**	**33**	**38**	**44**	**51**	**60**	**69**	**80**	**15.9%**
YOY growth (%)		***20.8%***	***17.2%***	***34.3%***	***15.8%***	***16.5%***	***15.5%***	***16.0%***	***16.0%***	***15.7%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. – = revenue less than US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **The market was worth US$63 million in 2017, and will grow at a 13.2% CAGR to US$118 million in 2022.** Social/casual gaming is the fastest-growing segment of the Kenyan market and will grow at a 21.2% CAGR over the forecast period.
- **Traditional gaming accounts for the bulk of total video games revenue, and is growing healthily.** Console and PC games contributed 81% of total revenue in 2017, and the traditional gaming sector is still growing at an 11.1% CAGR, in contrast to most of the region.
- **Console is still reliant on sell-through sales, while PC revenue is increasingly dominated by online.** Direct game sales made up 60% of console revenue in 2017, while 88% of PC revenue came from online/microtransactions.
- **Social/casual gaming will expand with smartphone ownership and a mobile payments infrastructure.** Social/casual gaming will increase its share of the market from 18.7% in 2017 to 26.3% in 2022.

Kenya

Kenya's video games market remains reliant on traditional gaming, in contrast to global market movements and its regional neighbours South Africa and Nigeria. The traditional gaming sector is more established in Kenya, and will enjoy greater year-on-year gains in absolute terms for the foreseeable future, in part due to the strong Internet café culture as a result of reliable access to fixed broadband. However, this does not mean that the social/casual market is performing badly – in fact, it is set to grow even faster. The country reflects the same general trends found elsewhere when it comes to online and digital revenues.

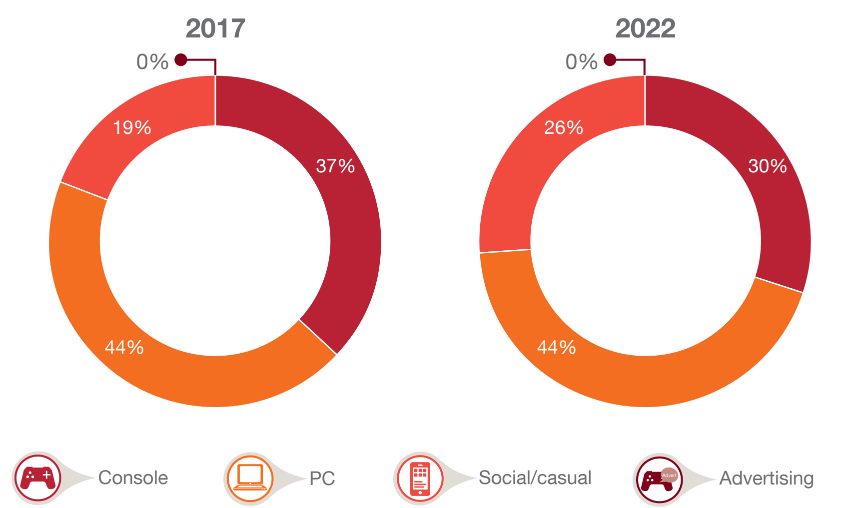
The profile of the Kenyan social/casual sector is similar to that of Nigeria in terms of both the split between browser-based and app-based revenues and the relative growth of both sectors.

This suggests that the presence of an established traditional gaming market in Kenya is not hindering the growth of social/casual revenue.

As in other countries, Kenya's social/casual market is being boosted primarily by growth in smartphone ownership. At the beginning of 2018, Google decided to accept payments through Safaricom's mobile phone M-Pesa service on its Google Play apps and games store. This was particularly significant because Android leads Apple devices in Kenya, as it does in other emerging markets across Africa. Indeed, M-Pesa, which has 27.8 million users in Kenya from a total population of around 45 million, has boosted confidence for online transactions in a country that has been historically underbanked, particularly in rural and low-income areas. This development will only provide a further boost to Kenya's smartphone-based gaming market.

> *"Kenya's video games market remains reliant on traditional gaming"*

Figure 5: Kenya: Video games revenue by segment (%), 2017 v 2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya: Video games market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Traditional gaming revenue	**25**	**32**	**37**	**45**	**52**	**59**	**65**	**72**	**80**	**87**	**11.1%**
Total console games revenue	9.8	15	17	20	23	26	29	31	33	35	8.6%
Physical console games revenue	2.6	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	0.0%
Digital console games revenue	4.3	6.0	7.4	8.9	10.3	12	13	13	14	15	8.1%
Online/ microtransaction console games revenue	2.9	4.9	6.0	7.6	9.4	11.0	12.5	14	15	16	11.8%
Total PC games revenue	15	18	20	25	28	32	36	42	47	52	13.0%
Physical PC games revenue	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.7	0.6	0.5	-9.0%
Digital PC games revenue	2.3	2.4	2.4	2.5	2.6	2.7	2.8	2.9	3.0	3.1	3.6%
Online/ microtransaction PC games revenue	11.6	14	17	21	25	29	33	38	43	48	14.3%
Social/casual gaming revenue	**4.2**	**5.7**	**7.4**	**9.5**	**11.8**	**15**	**18**	**22**	**26**	**31**	**21.2%**
App-based social/ casual revenue	1.9	3.2	4.9	6.9	9.3	12.2	16	19	24	28	25.0%
Browser-based social/casual revenue	2.3	2.5	2.5	2.6	2.5	2.5	2.5	2.5	2.4	2.4	-0.8%
Video games advertising revenue	**-**	**-**	**-**	**-**	**-**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	
Total video games revenue	**29**	**38**	**45**	**54**	**63**	**73**	**83**	**94**	**106**	**118**	**13.2%**
YOY growth (%)		***31.9%***	***17.9%***	***21.2%***	***16.8%***	***15.6%***	***13.6%***	***13.1%***	***12.3%***	***11.6%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. – = revenue less than US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **The Ghanaian market remains small but is growing rapidly.** With revenue of US$18 million in 2017, Ghana's market is smaller than those of Nigeria and Kenya, but is set to grow at a 12.1% CAGR.
- **Traditional gaming accounts for the vast majority of video games revenue.** Console and PC games contributed about 82% of total revenue in 2017, with PC in particular dominated by online/ microtransactions.

Ghana

Ghana represents a relatively small video games market compared with similar countries in the region – for example, Nigeria's market is double its size, with Kenya's more than three times larger.

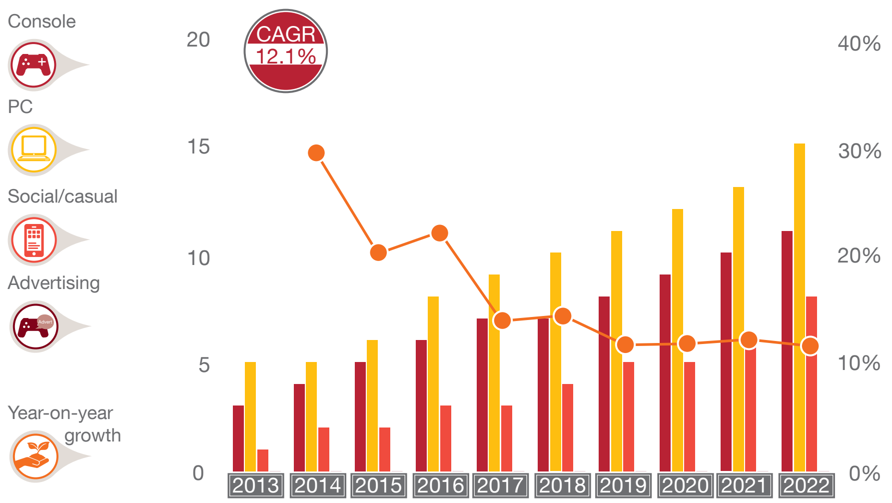
Traditional gaming is still Ghana's largest sector, but it is the more-accessible online/microtransaction part of this market that is providing the largest revenue and the most impressive growth. However, this does not necessarily mean that this section of the market is the most popular, but rather that it is the most effectively monetised.

Like Kenya, the fastest-growing sector overall is social/casual gaming. The gaming culture in Ghana is split between a small number of affluent consumers who own consoles and can afford to purchase new games directly, and other players who access gaming hardware through work or Internet cafés and make smaller, more occasional purchases in 'freemium' games.

Ghana's social/casual market is growing fast but is projected to remain relatively small in absolute terms for the foreseeable future. Regulatory changes are making a greater range of financial services possible through mobile payments. DusuPay, Africa's largest payment service provider, has begun operating in Ghana and if take-up is extensive it could boost what is already Ghana's fastest-growing gaming sector.

> *"The Ghanaian market remains small but is growing rapidly"*

Figure 6: Ghana: Video games revenue (US$ millions) by segment and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum www.pwc.co.za/outlook

"Social/casual gaming is smaller than in comparable markets, but growing quickly"

Ghana: Video games market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Traditional gaming revenue	**7.3**	**9.5**	**11**	**14**	**15**	**17**	**19**	**21**	**23**	**25**	**10.3%**
Total console games revenue	2.8	4.2	5.1	6.0	6.7	7.4	8.1	8.9	9.7	11	9.4%
Physical console games revenue	0.8	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.0%
Digital console games revenue	1.2	1.7	2.2	2.6	2.9	3.2	3.5	3.9	4.3	4.7	10.1%
Online/ microtransaction console games revenue	0.8	1.4	1.8	2.2	2.6	3.0	3.4	3.8	4.2	4.6	12.1%
Total PC games revenue	4.5	5.3	6.1	7.5	8.6	9.8	11	12	13	15	11.0%
Physical PC games revenue	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	-7.8%
Digital PC games revenue	0.7	0.7	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.5	10.8%
Online/ microtransaction PC games revenue	3.5	4.3	5.1	6.4	7.4	8.5	9.5	11	12	13	11.6%
Social/casual gaming revenue	**1.3**	**1.6**	**2.1**	**2.7**	**3.1**	**3.8**	**4.5**	**5.3**	**6.3**	**7.5**	**19.3%**
App-based social/ casual revenue	0.5	0.8	1.3	1.8	2.3	3.0	3.8	4.7	5.7	7.0	24.9%
Browser-based social/casual revenue	0.8	0.8	0.8	0.9	0.8	0.8	0.7	0.6	0.6	0.5	-9.0%
Video games advertising revenue	-	-	-	-	-	-	-	-	-	-	
Total video games revenue	**8.6**	**11**	**13**	**16**	**18**	**21**	**23**	**26**	**29**	**33**	**12.1%**
YOY growth (%)		***29.1%***	***19.8%***	***21.8%***	***13.6%***	***14.1%***	***11.4%***	***11.5%***	***11.9%***	***11.3%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. – = revenue less than US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Strong growth will see Tanzania's market grow from US$12 million in 2017 to US$23 million in 2022.** An increase at a 13.4% CAGR is comparable with other emerging markets in the region.
- **The traditional market continues to dominate, but is split internally.** Console games revenue still comes largely from direct sales, while PC games revenue has moved almost entirely to digital sales and online purchases.
- Mobile payments infrastructure is laying the groundwork for a rapidly growing social/casual market.

Tanzania

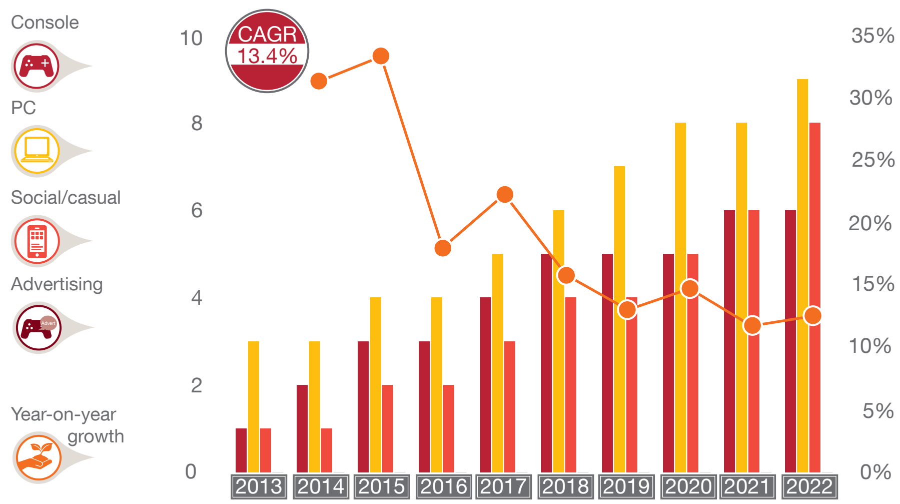
Traditional gaming is the main contributor to total revenue, which was worth US$12 million in 2017. Matching trends seen globally, physical games sales are declining in both PC and console sectors while digital sales are up.

The social/casual gaming market is expected to grow rapidly because the smartphone market is growing and the uptake of mobile payments – so important to the emerging economies of the region – is also on the rise. In 2014 Tanzania became the first country in Africa to introduce interoperability between mobile payment services. By 2022 the social/casual gaming market will account for around one-third of the country's total video games revenue.

Tanzania is a good example of how smartphone penetration, and a games software range offering high-profile, low-cost points of entry, are powering substantial growth throughout the region.

> *"Robust growth will see Tanzania's market rise strongly to 2022"*

Figure 7: Tanzania: Video games revenue (US$ millions) by segment and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum
www.pwc.co.za/outlook

Tanzania: Video games market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Traditional gaming revenue	**3.9**	**5.1**	**6.7**	**7.7**	**9.3**	**10**	**12**	**13**	**14**	**15**	**10.3%**
Total console games revenue	1.2	2.0	3.0	3.4	4.0	4.5	4.9	5.3	5.8	6.3	9.5%
Physical console games revenue	0.4	0.6	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	-2.6%
Digital console games revenue	0.5	0.8	1.2	1.4	1.7	1.9	2.1	2.4	2.6	2.8	10.5%
Online/ microtransaction console games revenue	0.3	0.6	1.0	1.2	1.5	1.8	2.0	2.2	2.5	2.8	13.3%
Total PC games revenue	2.7	3.1	3.7	4.3	5.3	5.9	6.6	7.5	8.1	8.9	10.9%
Physical PC games revenue	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	-12.9%
Digital PC games revenue	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.7	3.1%
Online/ microtransaction PC games revenue	1.9	2.4	3.0	3.6	4.5	5.1	5.8	6.6	7.3	8.1	12.5%
Social/casual gaming revenue	**0.9**	**1.2**	**1.7**	**2.2**	**2.8**	**3.6**	**4.3**	**5.3**	**6.3**	**7.5**	**21.8%**
App-based social/ casual revenue	0.3	0.6	1.0	1.5	2.1	2.9	3.7	4.7	5.8	7.1	27.6%
Browser-based social/casual revenue	0.6	0.6	0.7	0.7	0.7	0.7	0.6	0.6	0.5	0.4	-10.6%
Video games advertising revenue	-	-	-	-	-	-	-	-	-	-	
Total video games revenue	**4.8**	**6.3**	**8.4**	**9.9**	**12**	**14**	**16**	**18**	**20**	**23**	**13.4%**
YOY growth (%)		***31.3%***	***33.3%***	***17.9%***	***22.2%***	***15.7%***	***12.9%***	***14.6%***	***11.6%***	***12.4%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. – revenue less than US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

E-sports

7

This segment at a glance

- **2017 was a breakthrough year for e-sports.** Revenue increased year-on-year by 80.7%, after a string of tournaments with high prize money stoked national interest.
- **Media rights is a competitive sphere contested by streamers and broadcasters.** E-sports media rights are fiercely fought for, with broadcasters playing catch-up to the streamers in a bid to attract a key demographic.
- **Challenges inhibiting South Africa from reaching its full potential remain**. Games companies' unwillingness to invest in game-specific servers means that gamers are not offered a level playing-field, which hinders South Africa's chances of hosting international tournaments.

South Africa

After a breakthrough year, South Africa's total e-sports revenue will rise from R29 million in 2017 to R104 million in 2022, a CAGR of 29%.

A host of high-profile 2017 events helped to propel e-sports further towards the mainstream in South Africa, including the Telkom Masters and Mettlestate's Counter-Strike: Global Offensive tournament, both with prize pots of R1 million or more. This helped boost ticket sales and sponsorship in particular, meaning 2017 saw year-on-year growth of 80.7%, higher even than the growth seen in the previous three years.

The pipeline for 2018 events seems to have carried on the momentum of the prior year, from the smaller tournaments such as the African Cyber Gaming League to more big-ticket events such as Rush 2018, which took place at the Sandton Convention Centre in June 2018. Another notable event was the FIFA eWorld Cup qualifier hosted by VS Gaming, a subsidiary of Telkom. With a prize pool of over R1.5 million, the VS Gaming Cup also offered the winners a chance to enter into the Global Series Play-offs. Making sure that South Africa features permanently in the international e-sports scene must be a key goal to ensure the sustainability and development of the local scene.

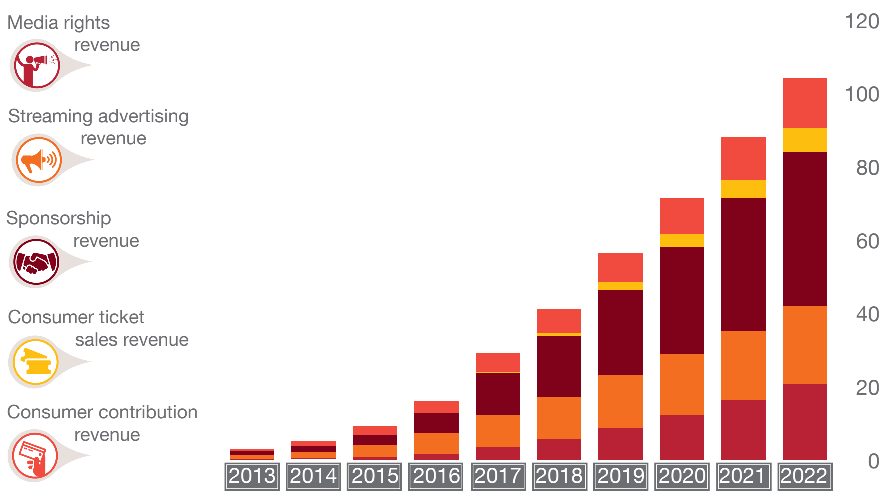
Despite the growth witnessed in recent years, there are still issues that need to be addressed before South Africa can occupy a significant place in the global e-sports scene. The key issue is largely out of the country's hands, however: as yet, there are no game-specific servers in Africa from the largest game publishers (Valve being perhaps the only exception), meaning the latency and its variation (known as jitter) experienced by players prevents them from competing on an equal footing with players from larger territories such as Europe, Asia and North America. Therefor the local gaming community needs to grow to such an extent that the business case for the servers becomes compelling.

Another problem is the availability of a requisite number of players to make use of the servers. Because e-sports matchmaking requires a large number of active users to ensure equal skill levels and produce the highest quality of gamers, until South Africa (or indeed Africa) gains a critical mass of players, the quality of the experience and players will lag that of the larger territories.

This increase in popularity will take time, making long-term support from the likes of Telkom to build the local infrastructure for e-sports vital. Nevertheless, with 2017 proving a breakthrough year, e-sports in South Africa is making good steps towards attaining critical mass.

"R100 million barrier to be breached in 2022"

Figure 1: South Africa: E-sports revenue, 2013–2022 (R millions)



Sources: Entertainment and media outlook: 2018 -2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"E-sports gains critical mass after a strong 2017"

South Africa: E-sports market, 2013-2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
E-sports media rights revenue	0.2	0.4	0.7	1.5	3.4	5.8	8.7	12	16	21	43.4%
E-sports streaming advertising revenue	1.1	1.7	3.3	5.7	8.8	11	14	17	19	21	19.5%
E-sports sponsorship revenue	1.1	1.7	2.7	5.6	11	17	23	29	36	42	29.8%
E-sports consumer ticket sales revenue	0.0	0.0	0.0	0.1	0.4	0.9	2.1	3.4	5.0	6.6	75.2%
E-sports consumer contribution revenue	0.6	1.5	2.4	3.2	5.1	6.5	8.0	9.8	12	14	21.5%
Total	**3.0**	**5.3**	**9.1**	**16**	**29**	**41**	**56**	**71**	**88**	**104**	**29.0%**
YOY growth (%)		***76.7%***	***71.7%***	***76.9%***	***80.7%***	***41.6%***	***36.9%***	***26.6%***	***23.2%***	***18.3%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

8 Virtual reality

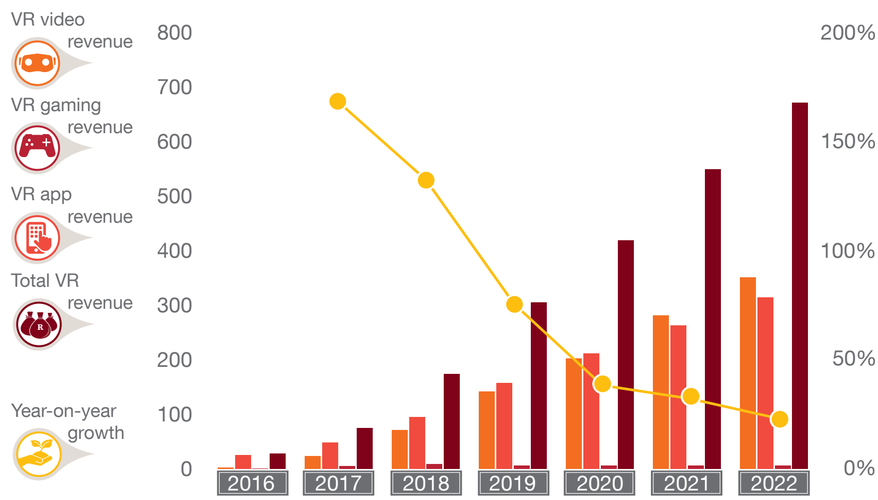
This segment at a glance

- The virtual reality (VR) market in South Africa saw revenue grow by 168% in 2017 in the technology's first full year of availability. VR devices and experiences are in the early stages of being accepted by the mainstream, as VR now emerges as a viable long-term platform for unique, immersive experiences, attracting serious investment from major media and technology companies eager to seize a share of this fast-growing market.
- Video and gaming will lead the way in terms of content revenue as developers gradually master the medium's potential, while home VR units will ultimately become the leading type of platform.
- With the install base currently still low, VR companies are focussing on services for businesses to forge a profit, with many South African VR firms active in this space. Venue-based VR is beginning to take off too.
- The related field of augmented reality (AR) is seeing increased attention, with the success of *Pokémon GO* cementing the technology's awareness among the public, and 'immersive AR' may well take off over the forecast period.

South Africa

> *"VR revenue to pick up strongly over next five years from a low base"*

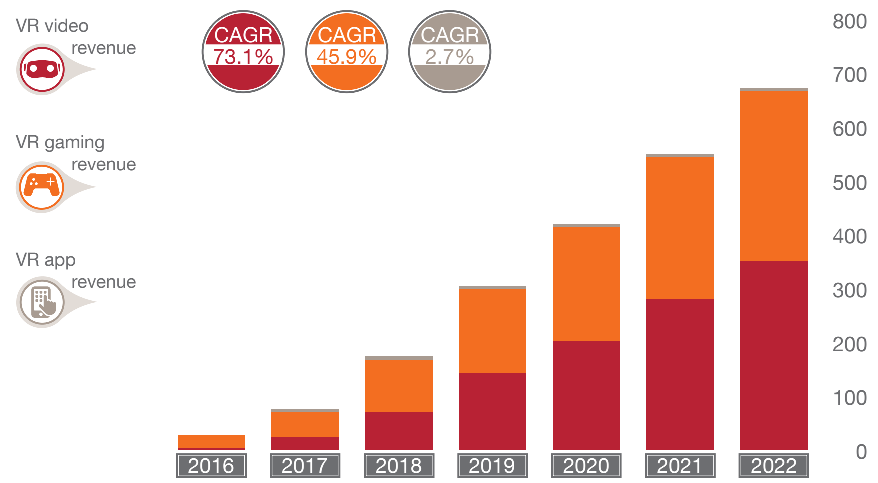
Figure 1: VR revenue (R millions) and year-on-year growth (%), 2016–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> *"Growth continues after first full year of availability"*

Figure 2: Total VR revenue by segment, 2016–2022 (R millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"VR revenue to pick up strongly over next five years from a low base"

South Africa: VR content market, 2016–2022 (R millions)

	Historical data		Forecast data					CAGR
Category	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–2022**
VR video revenue	2.1	23	71	142	202	281	351	73.1%
VR gaming revenue	25	48	95	157	211	263	314	45.9%
VR app revenue	0.7	5.0	8.4	6.2	5.8	5.7	5.7	2.7%
Total VR revenue	**28**	**75**	**174**	**305**	**419**	**549**	**671**	**55.0%**
YOY growth (%)	**-**	***168.2%***	***132.1%***	***74.9%***	***37.4%***	***31.2%***	***22.1%***	

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

9 Newspaper publishing

This segment at a glance

- **By 2022, the newspaper market in South Africa is expected to be R1.6 billion smaller than it was in 2017.** In 2017, total newspaper revenue was worth R8.6 billion, but this figure will drop to R7.0 billion in 2022.
- **Circulation revenue decline will accelerate as consumers disconnect from newspapers.** The decline began in 2015 and digital payment measures will not sufficiently stem growing shrinkage.
- **Digital advertising revenues are expected to grow by a CAGR of 6.7% to reach R509 million in 2022**. However, they will not be able to offset accelerating declines from print advertising revenue.

South Africa

In South Africa's news publishing market, total newspaper revenue is expected to decline annually over the next five years.

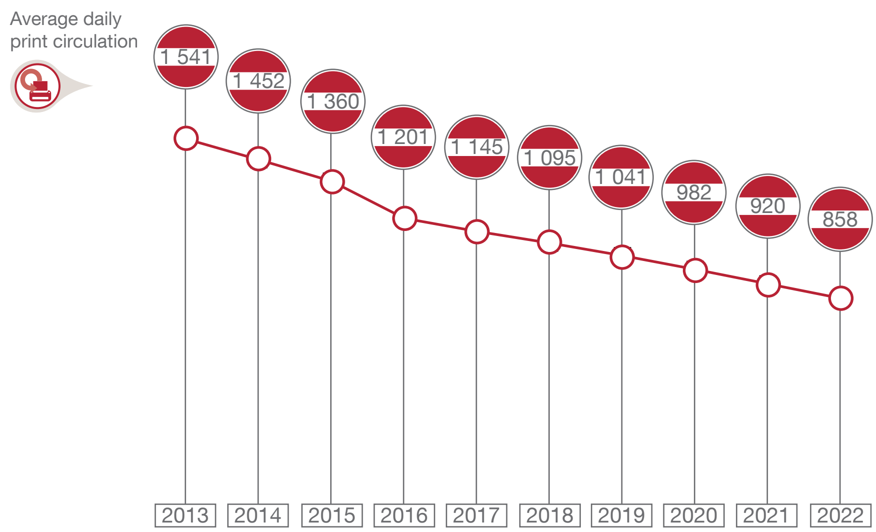
Decline set in during 2013 after the country's economy began shrinking and the compound effect of shifting consumer and advertiser behaviour now makes ongoing decline a reality.

In 2017, total newspaper revenue fell by -2.9% to R8.6 billion, declining proportionally more than the previous year. The forecast for the years ahead is for decline at a -4.0% CAGR. By 2022, South Africa's total newspaper revenue is expected to reach R7.0 billion.

Several opportunities exist to replace departing readers with new and untapped audiences, but publishers will be challenged to monetise them at historical rates.

"Newspaper circulation will continue falling"

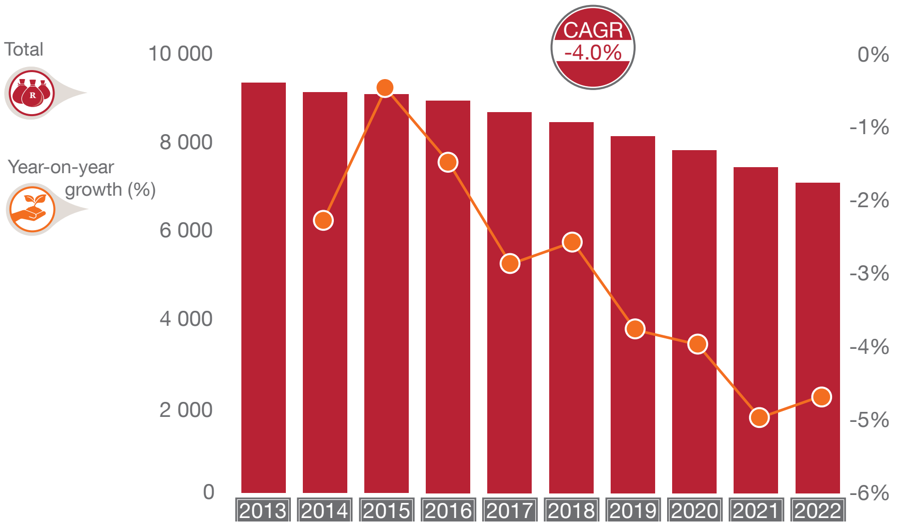
Figure 1: South Africa: Average daily print circulation, 2013–2022 ('000 copies)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, ABC, PwC, Ovum, www.pwc.co.za/outlook

“By 2022, the newspaper market in South Africa is expected to be R1.6 billion smaller than in 2017”

Figure 2: South Africa: Newspaper publishing revenues (R millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“Market decline will accelerate despite digital growth”

South Africa: Newspaper publishing market, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Advertising	**6 644**	**6 408**	**6 361**	**6 249**	**6 027**	**5 853**	**5 602**	**5 358**	**5 064**	**4 815**	**-4.4%**
Print	6 450	6 162	6 073	5 917	5 660	5 451	5 171	4 897	4 578	4 306	-5.3%
Digital	194	246	288	332	367	402	431	461	486	509	6.7%
Circulation	**2 644**	**2 667**	**2 665**	**2 644**	**2 606**	**2 554**	**2 488**	**2 408**	**2 317**	**2 217**	**-3.2%**
Print	2 628	2 646	2 638	2 611	2 567	2 510	2 438	2 353	2 257	2 152	-3.5%
Digital	16	21	27	33	39	44	50	55	60	65	11.1%
Total	**9 288**	**9 075**	**9 026**	**8 893**	**8 633**	**8 407**	**8 090**	**7 766**	**7 381**	**7 032**	**-4.0%**
YOY growth (%)		***-2.3%***	***-0.5%***	***-1.5%***	***-2.9%***	***-2.6%***	***-3.8%***	***-4.0%***	***-5.0%***	***-4.7%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Stable times ahead.** Marginal growth in total newspaper revenue will maintain Nigeria at a US$101 million market by 2022.
- **Proprietors face a quandary.** Proprietors must now begin to serve two different kinds of audiences – the growing mass of newsprint consumers and tech-savvy young urbanites who represent the next wave of readers.

Nigeria

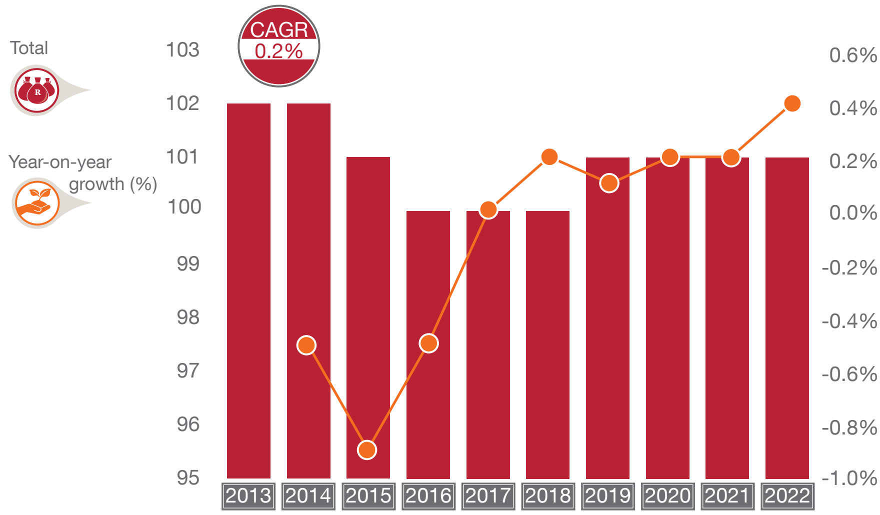
Over the last couple of decades, total newspaper revenue in Nigeria has shrunk. But, between 2013 and 2022, the industry is forecast to enjoy a period of stability. Total newspaper revenue of US$101 million in 2022 is forecast to be only marginally less than that a decade earlier, with the industry expected to grow at 0.2% CAGR to 2022.

The future for Nigerian newspapers looks modestly positive. Growing consumption of newspapers, coupled with an easing of advertising shrinkage, helped halt decline in 2017, and now marginal growth is forecast.

Nigerian publishers have recovered from earlier economic difficulties. If the country's economy can remain stable, they have headroom for certainty in the years to 2022.

> *"Modest growth is expected to 2022"*

Figure 3: Nigeria: Newspaper publishing revenues (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“Stable outlook for Nigerian newspapers”

Nigeria: Newspaper publishing market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Advertising	**37**	**35**	**33**	**31**	**29**	**28**	**28**	**27**	**26**	**26**	**-2.6%**
Print	36	34	32	30	28	27	26	25	24	24	-3.5%
Digital	0.9	1.0	1.1	1.2	1.3	1.5	1.6	1.8	2.1	2.3	12.1%
Circulation	**65**	**67**	**68**	**69**	**71**	**72**	**73**	**74**	**75**	**75**	**1.3%**
Print	65	66	66	67	67	67	67	67	67	66	-0.2%
Digital	0.3	1.0	1.7	2.5	3.6	4.7	5.7	6.8	7.8	8.9	19.8%
Total	**102**	**102**	**101**	**100**	**100**	**100**	**101**	**101**	**101**	**101**	**0.2%**
YOY growth (%)		***-0.5%***	***-0.9%***	***-0.5%***	***0.0%***	***0.2%***	***0.1%***	***0.2%***	***0.2%***	***0.4%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Titles adapt to hold on to readers.** Some of Kenya's largest newspapers have reported falling readership and profits, leading publishers to rebrand print titles and invest in digital.
- **Kenya's government reduces its newspaper advertising budget.** In order to cut costs, the Kenyan government has decreased its advertising spend in newspapers.

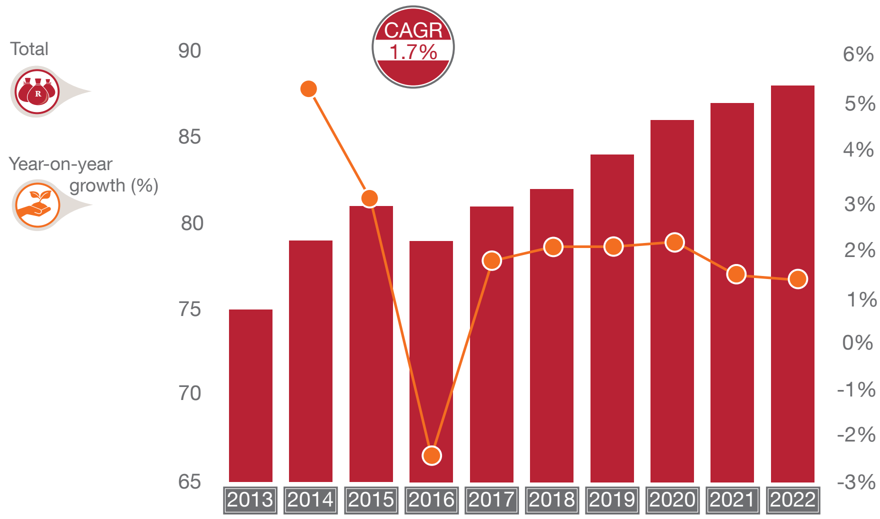
Kenya

The Kenyan newspaper market grew by 1.6% in 2017, with total revenues rising to US$81 million. Both circulation and advertising revenues are holding up, despite both print sectors declining year-on-year to 2022.

Digital newspaper revenue accounted for 12.3% of the Kenyan market in 2017, taking a larger share than in regional counterparts South Africa and Nigeria, where it commands shares of 4.7% and 4.9% respectively. Over the forecast period, digital will grow its presence in the market, accounting for 22.8% in 2022 as publishers like NMG invest further in making newspapers compatible with the digital demands of consumers.

> *"Total newspaper revenue set to grow at a 1.7% CAGR"*

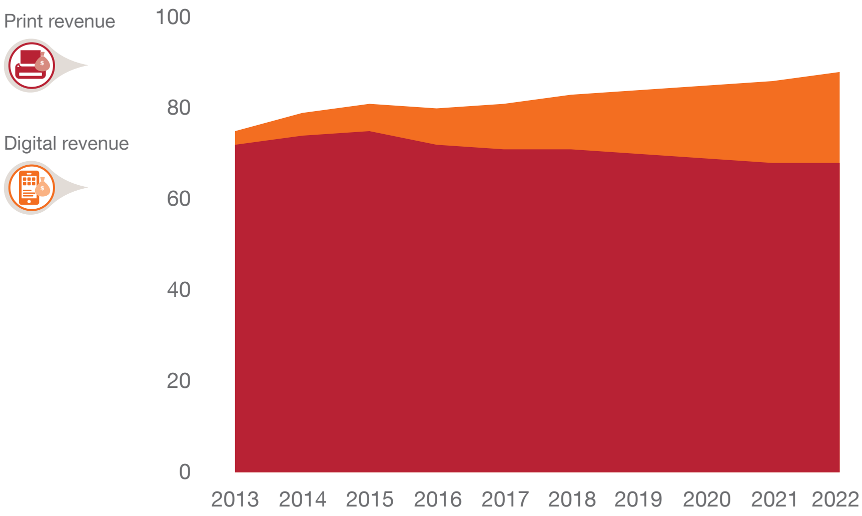
Figure 4: Kenya: Newspaper publishing revenue (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Digital to increase its share"

Figure 5: Kenya: Newspaper market, print vs digital, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Kenya's publishing market to hit US$88 million in 2022"

Kenya: Newspaper publishing market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Advertising	**34**	**36**	**38**	**35**	**36**	**36**	**36**	**37**	**37**	**37**	**0.8%**
Print	31	33	34	30	30	30	29	29	28	28	-1.4%
Digital	2.7	3.4	4.0	4.7	5.5	6.1	6.8	7.5	8.2	9.0	10.4%
Circulation	**41**	**43**	**43**	**44**	**45**	**46**	**48**	**49**	**50**	**51**	**2.3%**
Print	41	42	41	41	41	41	41	40	40	40	-0.6%
Digital	0.2	1.3	2.2	3.2	4.4	5.6	7.1	8.7	10	11	20.1%
Total	**75**	**79**	**81**	**79**	**81**	**82**	**84**	**86**	**87**	**88**	**1.7%**
YOY growth (%)		***5.2%***	***2.9%***	***-2.5%***	***1.6%***	***1.9%***	***1.9%***	***2.0%***	***1.3%***	***1.2%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

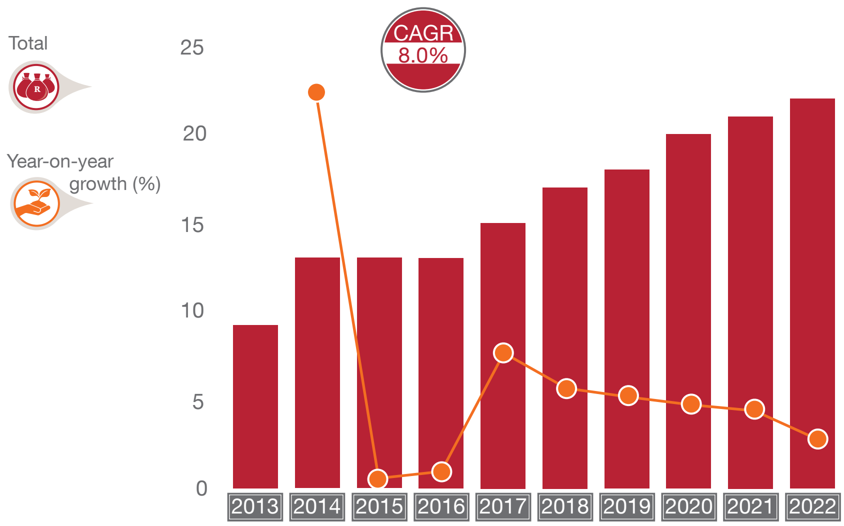
- **Top newspapers focus on content and innovation.** Leading publishers have acknowledged the pressures of digital media and rebranded titles.
- **Digital to grow its share.** Access to broadband will improve, causing advertisers to follow readers online.

Ghana

The Ghanaian newspaper market totalled US$15 million in 2017, up a healthy 13.6% on the previous year. Over the next five years, Ghana's market will grow at an 8.0% CAGR, driven by steady growth in the country's small, but solid print newspaper market, and double-digit gains in digital titles, albeit that these are from a very low base. In 2022, Ghana's newspaper market will total US$22 million.

> *"Total newspaper revenue to reach US$22 million in 2022"*

Figure 6: Ghana: Newspaper publishing revenue (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> *"Ghana's publishing market set to rise at an 8.0% CAGR"*

Ghana: Newspaper publishing market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Advertising	**6.7**	**9.4**	**9.5**	**9.3**	**11**	**12**	**13**	**14**	**15**	**16**	**8.2%**
Print	6.5	9.1	9.2	9.0	10	11	12	13	14	15	7.5%
Digital	0.2	0.3	0.3	0.3	0.5	0.6	0.7	0.9	1.1	1.2	19.1%
Circulation	**2.5**	**3.5**	**3.5**	**3.9**	**4.4**	**4.8**	**5.2**	**5.6**	**6.1**	**6.3**	**7.4%**
Print	2.5	3.4	3.3	3.6	3.9	4.1	4.3	4.4	4.6	4.7	3.8%
Digital	0.0	0.1	0.2	0.3	0.5	0.7	0.9	1.2	1.5	1.6	26.2%
Total	**9.2**	**13**	**13**	**13**	**15**	**17**	**18**	**20**	**21**	**22**	**8.0%**
YOY growth (%)		***40.2%***	***0.8%***	***1.5%***	***13.6%***	***10.0%***	***9.1%***	***8.3%***	***7.7%***	***4.8%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. -/0.0 = revenue below US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania

This segment at a glance

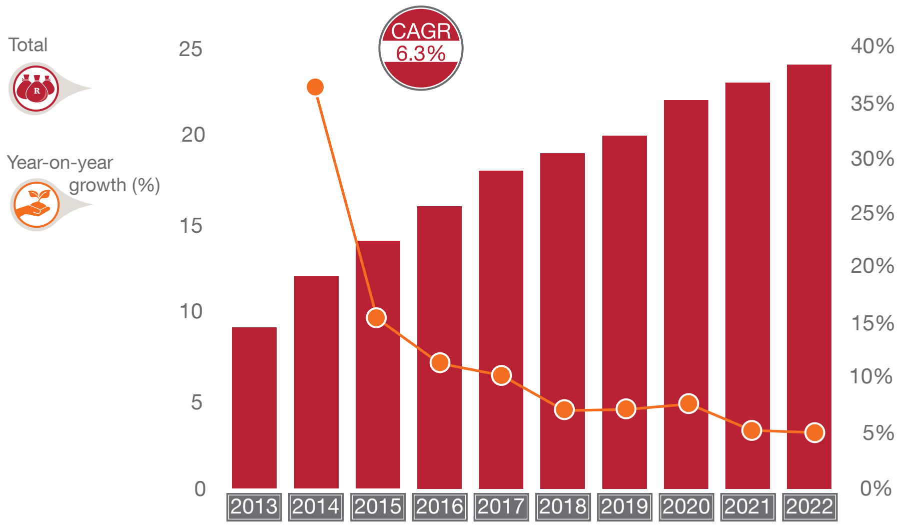
- **Total revenue to reach US$24 million in 2022.** Tanzania's diverse newspaper market will rise year-on-year over the forecast period.
- **Digital set to make gains.** New technology like Vodacom's M-Paper app will help to drive online newspaper consumption.

Total newspaper revenue in Tanzania reached US$18 million in 2017, up a healthy 10.1% on the previous year. Over the forecast period, revenues will grow year-on-year at a 6.3% CAGR to reach US$24 million in 2022.

The Tanzanian newspaper market is diverse, with both English and Swahili-language titles such as *The Citizen* and *Mwananchi* publishing across the country. The new Media Services Act, passed in November 2016, established a statutory media council to oversee all publishers, from major news outlets to bloggers' sites. Since then, a number of titles, including weekly newspapers *MwanaHalisi* and *Mawio*, received bans from the government. However, such developments are unlikely to slow the pace of advertising and circulation growth across the industry, as it is isolated to a select number of titles.

"Total revenue to rise at a 6.3% CAGR"

Figure 7: Tanzania: Newspaper publishing revenue (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Tanzania's newspaper market set for year-on-year growth to 2022"

Tanzania: Newspaper publishing market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Advertising	**6.6**	**9.0**	**10**	**12**	**13**	**14**	**14**	**15**	**16**	**17**	**5.5%**
Print	6.2	8.3	9.4	10	11	12	12	12	12	13	2.9%
Digital	0.4	0.7	1.0	1.3	1.7	2.1	2.5	3.1	3.6	3.9	18.1%
Circulation	**2.5**	**3.4**	**3.9**	**4.3**	**4.7**	**5.1**	**5.6**	**6.2**	**6.6**	**7.0**	**8.3%**
Print	2.5	3.3	3.7	4.0	4.2	4.4	4.6	4.9	5.0	5.2	4.4%
Digital	0.0	0.1	0.2	0.3	0.5	0.7	1.0	1.3	1.6	1.8	29.2%
Total	**9.1**	**12**	**14**	**16**	**18**	**19**	**20**	**22**	**23**	**24**	**6.3%**
YOY growth (%)		***36.3%***	***15.3%***	***11.2%***	***10.1%***	***6.9%***	***7.0%***	***7.5%***	***5.1%***	***4.9%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. -/0.0 = revenue below US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Magazine publishing

10

This segment at a glance

- **Consumer magazine revenue is on a downwards trend**. The market for South African consumer magazines will shrink over the next five years from R8.1 billion in 2017 to R7.3 billion in 2022, declining at a -1.9% CAGR over the forecast period.
- **Consumer magazine circulations continue to decline.** Overall magazine circulation fell from 4.4 million in the first quarter of 2016 to 3.6 million in the fourth quarter of 2017, a decline of -16.6%. This figure includes trade and consumer magazines, but it is a significant indicator of the state of the consumer magazine market in South Africa.
- **Digital revenues stay stubbornly low.** Digital revenues have remained elusive for South African publishers and digital circulation revenues are still small, with just 4.6% of consumer circulation revenue coming from digital formats in 2017. This will increase only marginally to 7.1% by 2022, when digital consumer magazine circulation revenue will stand at just R294 million.
- **Publishers need to make better use of social media and messaging platforms.** Messaging apps are becoming increasingly popular with consumers and publishers wanting to increase the number of people viewing their content need to follow their potential readers.
- **Digital will account for 45% of trade magazine advertising revenue in 2022**. It is forecast that in 2022, 45% of trade magazine advertising revenue will be digital, compared with just 13% for consumer magazine advertising revenue.

South Africa

The South African magazine market, which consists of consumer and trade magazine revenues, reached R8.8 billion in 2017, having shrunk by -3.0% year-on-year from R9.1 billion in 2016. The market is in large part driven by consumer magazines, which accounted for almost 92% of total magazine revenue in 2017.

The market for South African consumer magazines will decline over the next five years from R8.1 billion in 2017 to R7.3 billion in 2022, shrinking at a -1.9% CAGR over the forecast period. The rate of decline will slow towards 2022.

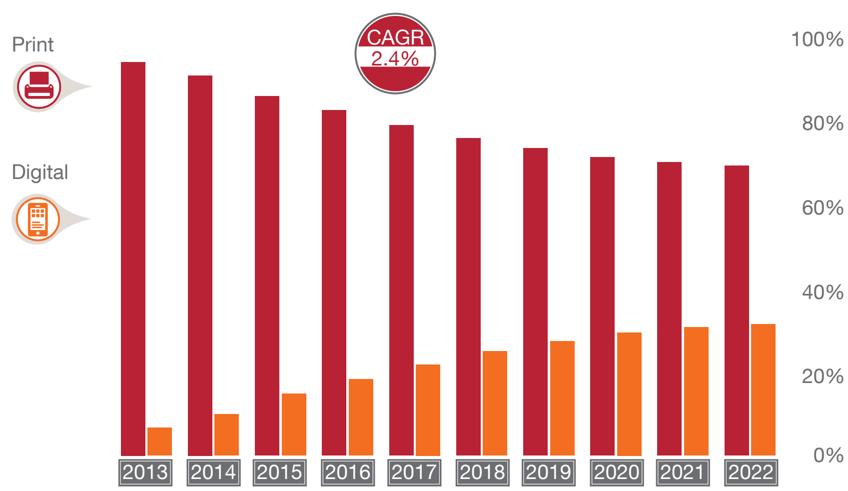
Consumer circulation revenue is the main cause of the decline, having fallen -4.3% year-on-year in 2017. This will be followed by further negative growth over each of the next five years, with an overall CAGR of -3.0% for the forecast period.

Print consumer magazine circulation revenue fell in 2017 by -5.2% from the previous year. Increases in cover prices have historically been able to protect revenue from decline, but this no longer seems to be the case. Instead, South African consumer magazine publishers must continue to look to advertising revenue to stem losses. Total consumer magazine advertising revenue will not see as large a drop as consumer magazine circulation revenue – primarily because digital advertising will, comparatively speaking, gain more traction than attempts to convert customers to paid-for digital products – and will bounce back towards the end of the forecast period.

South African advertisers still see magazines as a reliable advertising medium and will not abandon the platform quickly. A steady growth in digital consumer magazine advertising revenue, which will increase at a 24.2% CAGR to 2022, will help to maintain total consumer magazine advertising revenue but will not be sufficient to offset the overall decline in revenue at a -0.4% CAGR. The ratio of magazine advertising revenue versus that from circulation revenue will continue to rise, from 41.8% of total revenue in 2017 to 44.6% in 2022.

> *"Digital will account for 31% of trade magazine revenues in 2022"*

Figure 1: South Africa: Trade magazine revenues, print vs digital, 2013–2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"The market for South African consumer magazines will continue to decline over the next five years"

South Africa: Magazine revenue, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Consumer magazines	**8 065**	**8 602**	**8 860**	**8 379**	**8 080**	**7 853**	**7 677**	**7 527**	**7 408**	**7 330**	**-1.9%**
Consumer circulation	**4 823**	**5 229**	**5 390**	**5 045**	**4 828**	**4 655**	**4 512**	**4 371**	**4 245**	**4 139**	**-3.0%**
Print	4 755	5 118	5 242	4 858	4 605	4 402	4 236	4 085	3 954	3 845	-3.5%
Digital	69	110	149	187	223	253	276	286	291	294	5.7%
Consumer advertising	**3 242**	**3 374**	**3 469**	**3 334**	**3 252**	**3 198**	**3 166**	**3 156**	**3 163**	**3 191**	**-0.4%**
Print	3 194	3 300	3 374	3 223	3 110	3 016	2 938	2 873	2 816	2 771	-2.3%
Digital	48	74	95	111	142	181	228	282	347	420	24.2%
Trade magazines	**626**	**609**	**650**	**682**	**708**	**731**	**759**	**781**	**793**	**798**	**2.4%**
Trade circulation	**183**	**194**	**219**	**265**	**285**	**304**	**322**	**338**	**351**	**361**	**4.9%**
Print	183	194	204	244	257	270	282	293	303	311	3.9%
Digital	0	0	15	21	28	35	40	45	48	51	12.5%
Trade advertising	**443**	**415**	**431**	**416**	**423**	**427**	**437**	**443**	**442**	**437**	**0.6%**
Print	401	356	351	314	298	281	271	260	249	239	-4.4%
Digital	42	60	80	102	125	146	166	183	193	198	9.7%
Total	**8 691**	**9 212**	**9 509**	**9 060**	**8 788**	**8 583**	**8 436**	**8 308**	**8 201**	**8 128**	**-1.5%**
YOY growth (%)		***6.0%***	***3.2%***	***-4.7%***	***-3.0%***	***-2.3%***	***-1.7%***	***-1.5%***	***-1.3%***	***-0.9%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. –/0.0 = revenue below R50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Nigeria's magazine market nears stagnation as digital revenue remains low**. Smartphone ownership is rising fast in Nigeria. In 2017 the number of smartphone connections stood at 54.8 million and will rise at a 24.3% CAGR to 162.8 million by 2022, which is the fastest rate in the region. This growth, as well as publisher improvements in distributing content on mobile social media and messaging platforms, will drive digital revenues, but given their current small size this will not amount to total digital revenues reaching much more than US$7.4 million in 2022.

Nigeria

Total magazine revenue in Nigeria, comprising consumer magazine revenue and trade magazine revenue, reached US$119 million in 2017. The market will increase at a 1.9% CAGR over the forecast period, with total magazine revenue rising to US$131 million in 2022.

The majority of magazine revenue comes from consumer magazines, either through direct sales or advertising. Consumer magazine revenue stood at US$111 million in 2017 and will rise at a 1.6% CAGR to US$120 million in 2022. Of this, consumer magazine circulation revenue accounts for the overwhelming majority, standing at US$108 million in 2017 and rising to US$114 million in 2021, at a 1.2% CAGR.

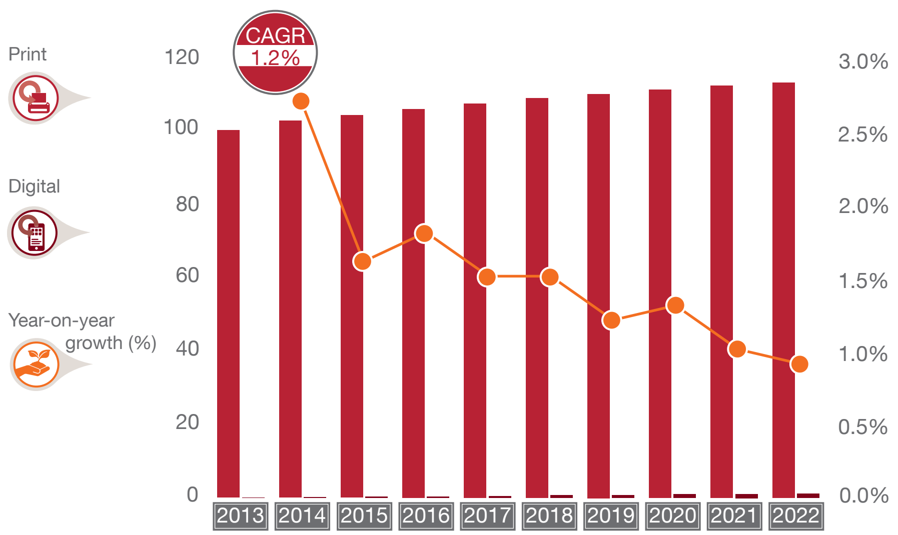
There is no regulated body in Nigeria that reports magazine circulation figures. This has a negative effect on publishers' advertising revenues because marketers lack trustworthy data on readership and magazine engagement. The range of different languages spoken in different parts of the country also presents a challenge for publishers and advertisers.

Advertising revenue is small, with consumer magazine advertising revenue standing at just US$3.2 million in 2017 and rising to US$6.2 million in 2022, at a 14.1% CAGR. This is despite a decline at a -12.9% CAGR in print consumer magazine advertising revenue and low readership levels of digital magazine editions.

But smartphone ownership is rising fast. In 2017, the number of smartphone connections stood at 54.8 million, which will rise to 162.8 million by 2022, at a 24.3% CAGR – the fastest in the region. Meanwhile, the number of mobile Internet subscribers will reach 89 million, a penetration rate of 41%.

"Circulation revenue will increase across both print and digital formats"

Figure 2: Nigeria: Consumer magazine circulation revenue, print vs digital (US$ millions) and revenue growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"The total magazine market will increase at a 1.9% CAGR over the forecast period"

Nigeria: Total magazine revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Consumer magazines	**102**	**105**	**107**	**109**	**111**	**113**	**115**	**117**	**119**	**120**	**1.6%**
Consumer circulation	**100**	**103**	**104**	**106**	**108**	**109**	**111**	**112**	**113**	**114**	**1.2%**
Print	100	103	104	106	107	109	110	111	112	113	1.0%
Digital	0.1	0.2	0.3	0.4	0.5	0.7	0.8	1.0	1.1	1.2	19.1%
Consumer advertising	**2.3**	**2.5**	**2.6**	**2.9**	**3.2**	**3.6**	**4.0**	**4.7**	**5.3**	**6.2**	**14.1%**
Print	1.2	1.2	1.1	1.1	1.0	0.9	0.7	0.6	0.5	0.5	-12.9%
Digital	1.1	1.3	1.5	1.8	2.2	2.7	3.3	4.1	4.8	5.7	21.0%
Trade magazines	**6.3**	**7.0**	**7.3**	**7.9**	**8.3**	**8.7**	**9.2**	**9.7**	**10.2**	**10.7**	**5.2%**
Trade circulation	**4.8**	**5.2**	**5.6**	**6.1**	**6.6**	**7.1**	**7.7**	**8.2**	**8.8**	**9.3**	**7.1%**
Print	4.8	5.2	5.6	6.1	6.6	7.1	7.7	8.2	8.8	9.3	7.1%
Digital	-	-	-	-	-	-	-	-	-	-	-
Trade advertising	**1.5**	**1.8**	**1.7**	**1.8**	**1.7**	**1.6**	**1.5**	**1.5**	**1.4**	**1.4**	**-3.8%**
Print	1.5	1.5	1.4	1.4	1.3	1.2	1.1	1.0	0.9	0.9	-7.1%
Digital	-	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	4.6%
Total	**109**	**112**	**114**	**117**	**119**	**122**	**124**	**127**	**129**	**131**	**1.9%**
YOY growth (%)		***3.3%***	***1.8%***	***2.5%***	***2.0%***	***2.0%***	***1.8%***	***2.1%***	***1.7%***	***1.9%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. –/0.0 = revenue below US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Consumer magazines remain the mainstay of the Kenyan magazine market.** Total consumer magazine revenue will rise from US$67 million in 2017 to US$87 million in 2022, increasing at a 5.5% CAGR, with further room for circulation growth available.

"Circulation growth to continue"

Kenya

Kenya's total magazine revenue, comprising total consumer magazine revenue and total trade magazine revenue, will rise from US$73 million in 2017 to US$97 million in 2022, increasing at a 5.7% CAGR. Just as in Nigeria, most of this revenue will come from consumer magazines, specifically circulation. Total consumer magazine revenue was US$67 million in 2017 and will grow to US$87 million in 2022 at a 5.5% CAGR.

Circulation revenue accounted for US$57 million of total consumer magazine revenue in 2017. This total will rise to US$77 million in 2022, increasing at a 6.1% CAGR. Throughout the forecast period print will be responsible for around 97% of the total.

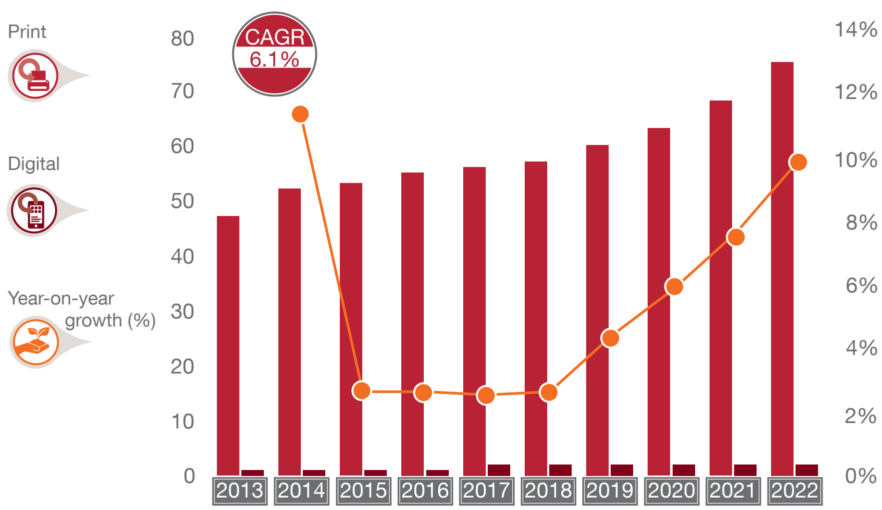
Kenya's economy has witnessed strong growth in recent years, boosting both consumer and advertising spend. Economic growth slowed in 2017, but the market for magazines will continue to benefit from rising disposable incomes, a burgeoning middle class and advertising spend. Consumer income growth will also help to grow the ownership of devices.

Smartphone use in Kenya will rise significantly over the next five years, from 20.1 million connections in 2017 to 36.4 million in 2022, increasing at a 12.6% CAGR. The number of tablets will also increase, from 1.2 million in 2017 to 3.9 million in 2022, rising at a 25.9% CAGR.

As smartphone use increases, Kenyans are turning to social media in growing numbers. In 2017 14% of the population (6.7 million) were active users, which was up 31% year-on-year.

These factors will help to drive digital revenue, particularly advertising revenue, but overall digital revenue will remain minimal, due to its small base.

Figure 3: Kenya: Consumer magazine circulation revenue, print vs digital (US$ millions) and revenue growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Total consumer magazine revenue will grow to US$87 million in 2022 at a 5.5% CAGR"

Kenya: Total magazine revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Consumer magazines	**56**	**62**	**63**	**65**	**67**	**69**	**71**	**75**	**80**	**87**	**5.5%**
Consumer circulation	**48**	**53**	**55**	**56**	**57**	**59**	**62**	**65**	**70**	**77**	**6.1%**
Print	47	52	53	55	56	57	60	63	68	75	6.0%
Digital	0.8	1.0	1.2	1.4	1.6	1.8	2.0	2.2	2.2	2.3	7.5%
Consumer advertising	**8.2**	**8.5**	**8.8**	**9.2**	**9.4**	**9.6**	**9.8**	**9.9**	**10**	**10**	**1.4%**
Print	7.7	7.9	8.1	8.3	8.4	8.4	8.3	8.1	7.9	7.6	-2.0%
Digital	0.5	0.6	0.7	0.9	1.0	1.2	1.5	1.8	2.1	2.5	20.1%
Trade magazines	**3.5**	**4.7**	**5.3**	**5.9**	**6.5**	**7.1**	**7.8**	**8.4**	**9.1**	**9.7**	**8.3%**
Trade circulation	**2.3**	**3.0**	**3.5**	**4.1**	**4.6**	**5.3**	**6.0**	**6.6**	**7.3**	**8.0**	**11.7%**
Print	2.3	2.5	2.8	3.2	3.5	4.0	4.5	5.0	5.5	6.1	11.8%
Digital	-	0.5	0.7	0.9	1.1	1.3	1.5	1.6	1.8	1.9	11.6%
Trade advertising	**1.2**	**1.7**	**1.8**	**1.8**	**1.9**	**1.8**	**1.8**	**1.8**	**1.8**	**1.7**	**-2.2%**
Print	1.2	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.0	0.9	-7.1%
Digital	-	0.4	0.5	0.5	0.6	0.6	0.7	0.7	0.8	0.8	5.9%
Total	**59**	**66**	**69**	**71**	**73**	**76**	**79**	**83**	**89**	**97**	**5.7%**
YOY growth (%)		***11.8%***	***3.5%***	***3.5%***	***3.1%***	***3.1%***	***4.6%***	***5.4%***	***7.0%***	***8.6%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. –/0.0 = revenue below US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- Ghana's total magazine market will increase at a 2.2% CAGR, reaching US$10.9 million in 2022. A growing economy and a high literacy rate makes Ghana attractive to publishers.

Ghana

Ghana's magazine market will increase at a 2.2% CAGR over the next five years, reaching US$10.9 million in 2022, up from US$9.8 million in 2017. Revenue from consumer magazines will end 2022 at the same level as 2017: US$7.7 million. Revenue from trade magazines will rise from US$2.1 million in 2017 to US$3.2 million in 2022.

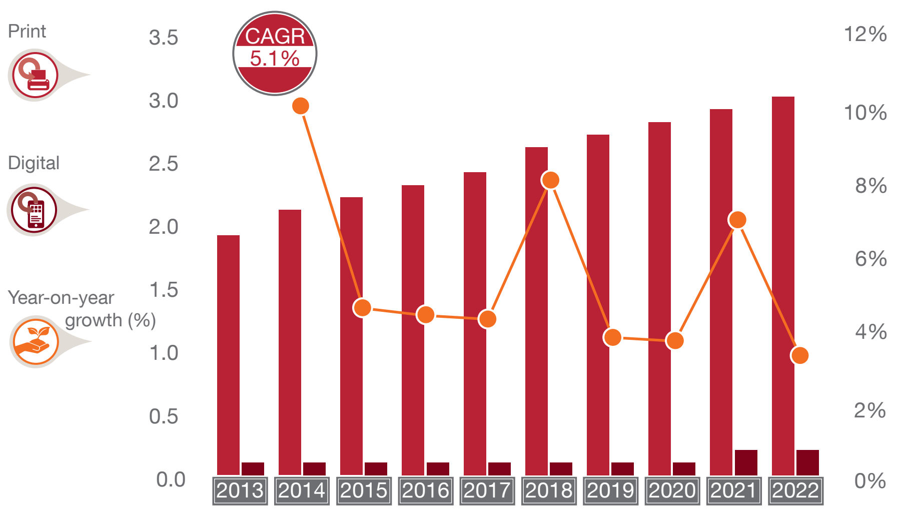
Trade magazines make up a minor part of the magazine market in Ghana, with consumer magazines dominating total revenue. This will change a little over the coming years because trade magazines are growing faster than consumer magazines, driven by growth in digital access and by the attractiveness of the country's stable, growing economy.

Many publishers operate in a number of African countries, so the magazine market in Ghana overlaps with that of Nigeria, Senegal, Tanzania and Uganda. There are challenges to operating over a number of countries: content may not be in the same language, nor may it be relevant to readers in all countries. Although English is Ghana's official language, around 80 languages are spoken in the country, of which 11 are government-sponsored through the Bureau of Ghana Languages, an organisation that translates government publications and conducts research into local languages.

Moreover, the production and distribution costs of print magazines are high, with paper prices rising and a postal service that is not set up to deliver magazines directly to consumers because few homes have a numbered address. Instead, post is delivered to post office boxes. The postal service is slow and unreliable, which hampers publishers' attempts to build a culture of magazine subscription. This situation is unlikely to improve in the short term as Ghana Post, the country's postal service, struggles in the face of declining usage of its services.

> *"Consumer magazine circulation revenue will grow year-on-year to 2022"*

Figure 4: Ghana: Consumer magazine circulation revenue, print vs digital (US$ millions) and revenue growth, 2013–2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“Ghana’s magazine market will increase at a 2.2% CAGR over the next five years”

Ghana: Total magazine revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Consumer magazines	**7.4**	**7.0**	**7.1**	**7.5**	**7.7**	**8.1**	**8.1**	**8.1**	**7.9**	**7.7**	**0.0%**
Consumer circulation	**2.0**	**2.2**	**2.3**	**2.4**	**2.5**	**2.7**	**2.8**	**2.9**	**3.1**	**3.2**	**5.1%**
Print	1.9	2.1	2.2	2.3	2.4	2.6	2.7	2.8	2.9	3.0	4.6%
Digital	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	14.9%
Consumer advertising	**5.4**	**4.8**	**4.8**	**5.1**	**5.2**	**5.4**	**5.3**	**5.2**	**4.8**	**4.5**	**-2.9%**
Print	5.0	4.4	4.4	4.6	4.6	4.6	4.4	4.2	3.7	3.3	-6.4%
Digital	0.4	0.4	0.4	0.5	0.6	0.8	0.9	1.0	1.1	1.2	14.9%
Trade magazines	**1.1**	**1.5**	**1.7**	**1.9**	**2.1**	**2.3**	**2.6**	**2.7**	**3.0**	**3.2**	**8.8%**
Trade circulation	**0.7**	**0.9**	**1.1**	**1.3**	**1.5**	**1.7**	**2.0**	**2.2**	**2.5**	**2.7**	**12.5%**
Print	0.7	0.7	0.8	1.0	1.1	1.2	1.4	1.5	1.7	1.8	10.4%
Digital	-	0.2	0.3	0.3	0.4	0.5	0.6	0.7	0.8	0.9	17.6%
Trade advertising	**0.4**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.5**	**0.5**	**0.5**	**-3.6%**
Print	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	-7.8%
Digital	-	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.0%
Total	**8.5**	**8.5**	**8.8**	**9.4**	**9.8**	**10**	**11**	**11**	**11**	**11**	**2.2%**
YOY growth (%)		***0.0%***	***3.5%***	***6.8%***	***4.3%***	***6.1%***	***2.9%***	***0.9%***	***0.9%***	***0.0%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. –/0.0 = revenue below US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Tanzania's magazine market will increase at a 3.3% CAGR over the next five years**. The market will total US$17.5 million in 2022.
- **Although Tanzania has a literate population**, this does not translate into magazine leisure reading.

Tanzania

Revenue for the magazine market in Tanzania is predicted to grow from US$14.9 million in 2017 to US$17.5 million in 2022, increasing at a 3.3% CAGR over the forecast period. Consumer magazine revenue will rise from US$12.6 million in 2017 to US$14.0 million in 2022. Revenue from trade magazines will grow from US$2.3 million in 2017 to US$3.5 million in 2022.

Despite Tanzania's high (80%) rate of literacy, people are not especially interested in leisure reading, which is reflected in the low consumption of consumer magazines for a country of its size. Low disposable incomes also restrict magazine sales as few people can afford to purchase magazines regularly.

Over the last decade, the country has seen average economic growth of 6.0–7.0% a year. Nonetheless, according to the World Bank, more than 13 million people out of a population of 55 million remain below the poverty line, with huge disparities between those living in rural and urban areas. In 2016, the government made secondary school education free for all in an attempt to reduce this gap.

As in other African countries, language differences present difficulties for the publishing industry. More than 100 languages are spoken, with Swahili and English the official languages. But for many, Swahili and English are a second language, meaning that English-language publications may be of limited appeal. This is a significant issue for pan-African publishers wanting to operate in Tanzania.

"Yearly growth for consumer magazine circulation revenue"

Figure 5: Tanzania: Consumer magazine circulation revenue, print vs digital (US$ millions) and revenue growth (%), 2013–2022

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

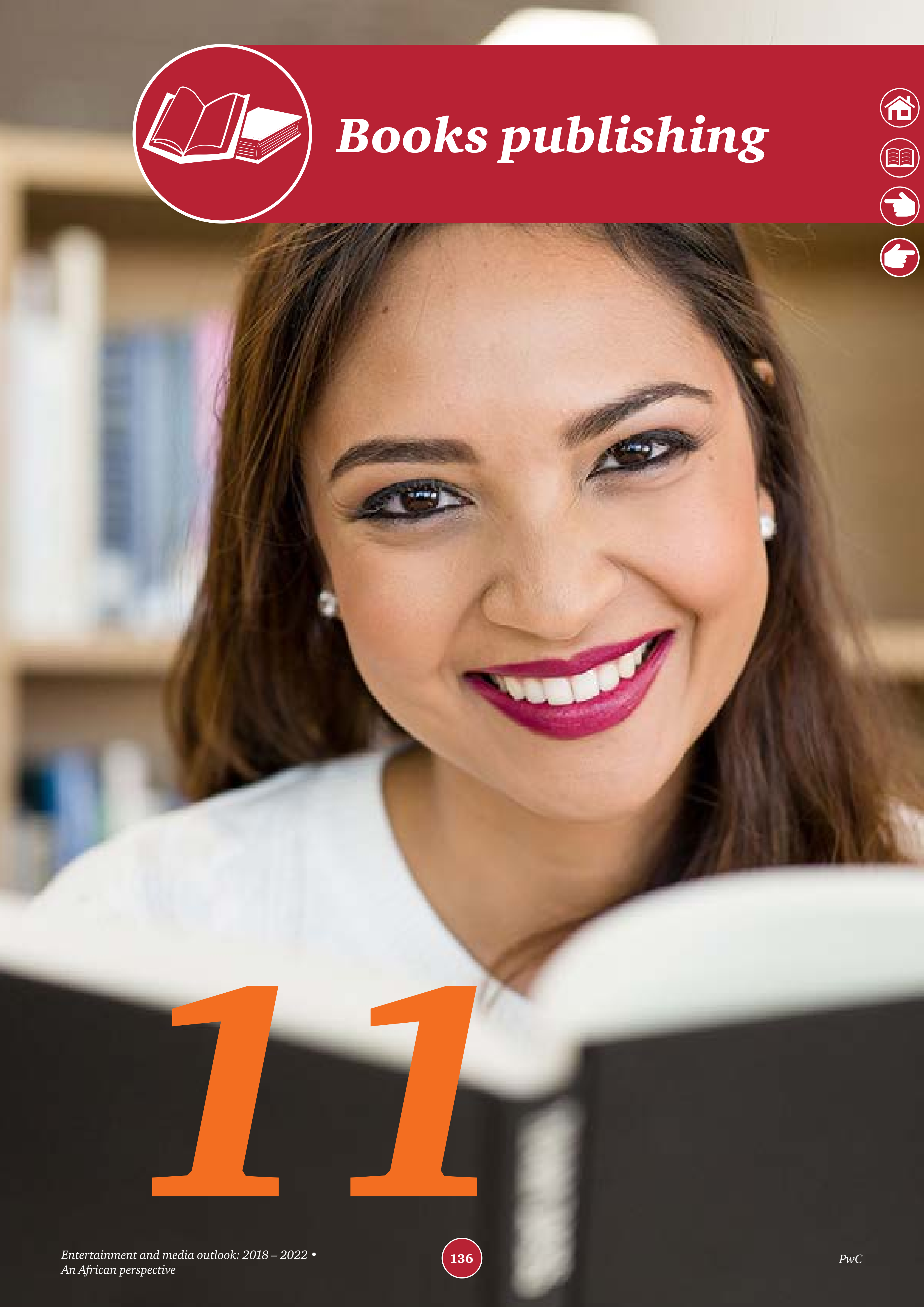
"Tanzania's magazine market will increase at a 3.3% CAGR over the next five years"

Tanzania: Total magazine revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Consumer magazines	**11**	**11**	**11**	**12**	**13**	**13**	**14**	**14**	**14**	**14**	**2.1%**
Consumer circulation	**2.6**	**2.7**	**2.9**	**3.1**	**3.3**	**3.4**	**3.7**	**3.8**	**4.0**	**4.1**	**4.4%**
Print	2.5	2.6	2.8	2.9	3.1	3.2	3.4	3.5	3.7	3.8	4.2%
Digital	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	8.4%
Consumer advertising	**8.2**	**8.1**	**8.4**	**8.7**	**9.3**	**10.0**	**10.3**	**10.1**	**10.0**	**9.9**	**1.3%**
Print	7.7	7.5	7.7	7.8	8.2	8.6	8.6	8.1	7.8	7.5	-1.8%
Digital	0.5	0.6	0.7	0.9	1.1	1.4	1.7	2.0	2.2	2.4	16.9%
Trade magazines	**1.2**	**1.5**	**1.7**	**2.0**	**2.3**	**2.4**	**2.7**	**3.2**	**3.3**	**3.5**	**8.8%**
Trade circulation	**0.8**	**1.0**	**1.1**	**1.4**	**1.7**	**1.8**	**2.1**	**2.5**	**2.7**	**2.9**	**11.3%**
Print	0.8	0.8	0.9	1.1	1.3	1.4	1.6	1.9	2.1	2.2	11.1%
Digital	-	0.2	0.2	0.3	0.4	0.4	0.5	0.6	0.6	0.7	11.8%
Trade advertising	**0.4**	**0.5**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.7**	**0.6**	**0.6**	**0.0%**
Print	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	-5.6%
Digital	-	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	8.4%
Total	**12**	**12**	**13**	**14**	**15**	**16**	**17**	**17**	**17**	**18**	**3.3%**
YOY growth (%)		***2.5%***	***5.7%***	***6.2%***	***8.0%***	***6.0%***	***5.7%***	***2.4%***	***1.2%***	***1.2%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. –/0.0 = revenue below US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Books publishing



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This segment at a glance

- **South Africa's book publishing industry will experience nominal growth in the next few years.** The five-year forecast shows that total book revenues will rise at a subdued 0.3% CAGR, increasing from R3.8 billion in 2017 to R3.9 billion in 2022.
- **Educational books is set to retain its majority share of the market, despite falls in sales revenue.** Total revenue is predicted to decrease at a -0.2% CAGR, cushioned by the steadily expanding educational e-books subsector.
- **The industry faces the dual challenges of low literacy rates coupled with delayed copyright reform.** A recent comparative study places South Africa at the bottom of the international league table in literacy. Meanwhile, publishers have rejected the 2017 Copyright Amendment Bill, fearing it could lead to revenue losses, job cuts and closures.
- **The professional books sector promises the strongest sustained growth.** Revenue from professional books is forecast to increase at a 1.1% CAGR over the period to reach R205 million by 2022.
- **Print holds on to its majority stake in the market**. Although the proportion of e-book sales is set to all but double over the next five years, growing from 5.2% to 9.4%, print and audio formats will retain more than 90% of the South Africa books market by 2022.

South Africa

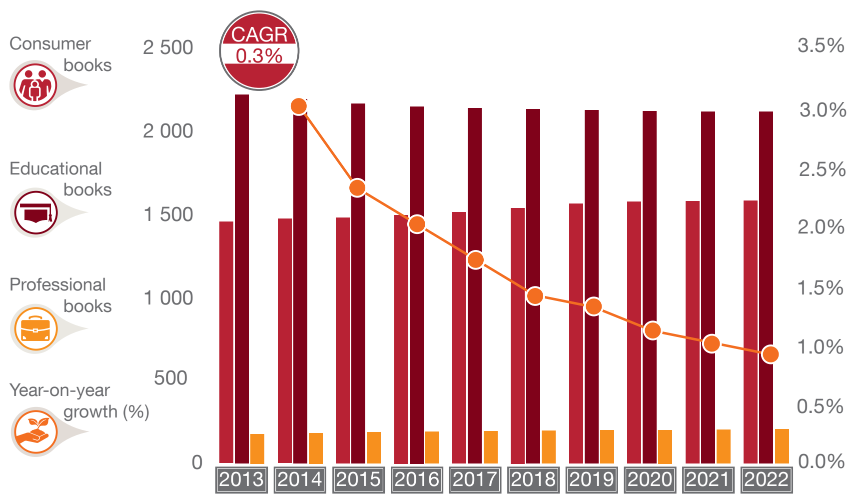
The South African book market is experiencing minimal growth. The market turned around in 2016 after a couple of years in decline and by 2017 had returned to the 2013 total of R3.8 billion. The five-year forecast across the industry promises a subdued increase at a 0.3% CAGR, helped by moderate growth in the consumer and professional sectors. This will feel like a decline in real terms. The outlook for the educational sector is even less promising. Print revenue is contracting gradually and the rapid increases seen in educational e-book sales are beginning to slow down.

E-books will double their market share in the next five years and account for 9.4% of total books revenue by 2022. Improved access to technology should boost the popularity of digital titles, as well as change the way that students buy their books. Print and audio, although decreasing in popularity, will remain the most prominent formats.

It is unlikely that there will be any dramatic shifts in market shares in the near future. Educational books currently claims more than half the market and will continue to dominate, while consumer books can expect only a slight increase with professional books retaining its approximately 5.0% share thanks to growth that is edging ahead of both consumer and educational books.

"Five-year forecast predicts minimal growth for publishing"

Figure 1: South Africa: Consumer, educational and professional book revenues, (R millions) and total year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

South Africa: Book publishing market, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Consumer	**1 446**	**1 463**	**1 471**	**1 489**	**1 506**	**1 531**	**1 556**	**1 568**	**1 571**	**1 574**	**0.9%**
Print	1 412	1 411	1 393	1 377	1 356	1 341	1 329	1 318	1 303	1 288	-1.0%
Digital	34	52	78	112	150	190	227	250	268	286	13.8%
Educational	**2 209**	**2 182**	**2 155**	**2 139**	**2 129**	**2 122**	**2 116**	**2 111**	**2 108**	**2 107**	**-0.2%**
Print	2 199	2 169	2 137	2 116	2 101	2 090	2 079	2 071	2 065	2 061	-0.4%
Digital	10	13	18	23	28	33	37	40	43	45	10.2%
Professional	**177**	**183**	**187**	**191**	**194**	**197**	**199**	**201**	**203**	**205**	**1.1%**
Print	164	167	169	170	171	172	173	173	173	173	0.2%
Digital	13	16	18	20	23	25	27	29	31	32	7.5%
Total	**3 832**	**3 828**	**3 812**	**3 818**	**3 828**	**3 849**	**3 871**	**3 880**	**3 882**	**3 886**	**0.3%**
YOY growth (%)		***-0.1%***	***-0.4%***	***0.2%***	***0.3%***	***0.6%***	***0.5%***	***0.2%***	***0.0%***	***0.1%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Total book revenues in Nigeria will increase each year of the forecast period, but the industry continues to face challenges.** High print costs and distribution problems, together with a lack of a leisure reading culture, present challenges to publishers.
- **Sales of e-books are increasing, albeit from a low base.** Smartphone use is set to treble over the forecast period.
- **The Nigerian book market totalled US$30 million in 2017, up 5.3% year-on-year.** Total book revenues in Nigeria, comprising consumer, educational and professional book revenues, will grow at a 4.4% CAGR over the next five years to US$37 million in 2022.
- **Educational titles accounted for 61.1% of the market in 2017.** Over the forecast period, revenue will rise to US$24 million, at a 5.9% CAGR, making it the fastest-growing subsector of the book market in Nigeria.

Nigeria

Total books revenue in Nigeria will grow from US$30 million in 2017 to US$37 million in 2022. Educational titles accounted for 61.1% of the market in 2017 and will be the fastest-growing subsector of the books market in Nigeria over the forecast period, despite the challenges posed by poor print production infrastructure and piracy. Educational e-books revenue will rise at an 18.5% CAGR to 2022, but the revenue will remain small, at just US$1.4 million in that year.

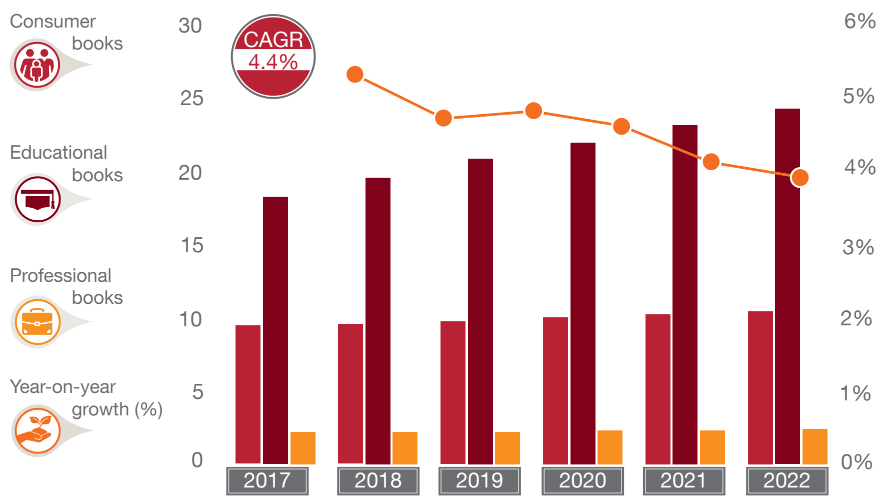
Book digitisation is thought to be a vital means of promoting a leisure reading culture by capitalising on young people's adoption of technology: smartphone connections will treble and tablet use will double by 2022. The consumer market's marginal growth will be boosted only by improvements in the sales of digital books, which will increase at a 16.9% CAGR.

Although revenue remains low, the share of the market taken by e-books will continue to grow. Opportunities exist for publishers to adopt innovative approaches to e-books and reach a new generation of potential consumers.

By 2022, total consumer books revenue will reach US$10 million. Professional books is the smallest sector, with revenue due to reach just US$2.4 million in 2022. As improving literacy levels and reading initiatives begin to take hold, the market will be boosted and total revenue will grow.

> *"Nigeria's book market will continue to see growth over the forecast period"*

Figure 2: Nigeria: Consumer, educational and professional book revenues (US$ millions) and year-on-year growth (%), 2017–2022



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria: Book publishing market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Consumer	**8.7**	**8.8**	**8.9**	**9.1**	**9.4**	**9.5**	**9.7**	**10**	**10**	**10**	**2.0%**
Print	8.6	8.5	8.4	8.3	8.3	8.2	8.1	8.1	8.1	8.0	-0.7%
Digital	0.1	0.3	0.5	0.8	1.1	1.3	1.6	1.9	2.1	2.4	16.9%
Educational	**14**	**15**	**16**	**17**	**18**	**20**	**21**	**22**	**23**	**24**	**5.9%**
Print	14	15	16	17	18	19	20	21	22	23	5.3%
Digital	-	0.2	0.3	0.5	0.6	0.8	1.0	1.1	1.3	1.4	18.5%
Professional	**1.8**	**2.0**	**2.0**	**2.1**	**2.2**	**2.2**	**2.2**	**2.3**	**2.3**	**2.4**	**1.8%**
Print	1.	1.8	1.8	1.9	1.9	1.9	1.9	2.0	2.0	2.0	1.0%
Digital	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	5.9%
Total	**24**	**26**	**27**	**28**	**30**	**31**	**33**	**34**	**36**	**37**	**4.4%**
YOY growth (%)		***6.3%***	***4.7%***	***6.0%***	***5.3%***	***4.7%***	***4.8%***	***4.6%***	***4.1%***	***3.9%***	

Notes: 2013–2017 figures have been updated to reflect most recently available financial information. – or 0.0 denotes revenue below US$50 000
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

This segment at a glance

- **Educational titles dominate Kenya's book industry, but piracy and a high VAT rate inhibit the market.** Educational books revenue accounts for almost 90% of Kenya's total book revenues.
- **The Kenyan book market turned over US$40 million in 2017, up 2.6% on 2016.** Over the next five years, revenue will grow at a 2.6% CAGR to reach US$45 million in 2022.

Kenya's total books market will grow at a 2.6% CAGR over the next five years to reach US$45 million in 2022. Nearly 90% of this is accounted for by the educational books market, which will experience the slowest growth. Consumer titles will enjoy the fastest growth and although consumer revenue will increase its market share, by 2022 this will only be 8.3%.

Success in expanding literacy and promoting a leisure reading culture would boost the consumer books market significantly. The Kenyan Publishers Association (KPA) is encouraging measures to get young Kenyans to read more widely and to discourage piracy, which not only undermines the publishing industry, but often results in schools offering their students cheaper, inferior resources that could impair educational development.

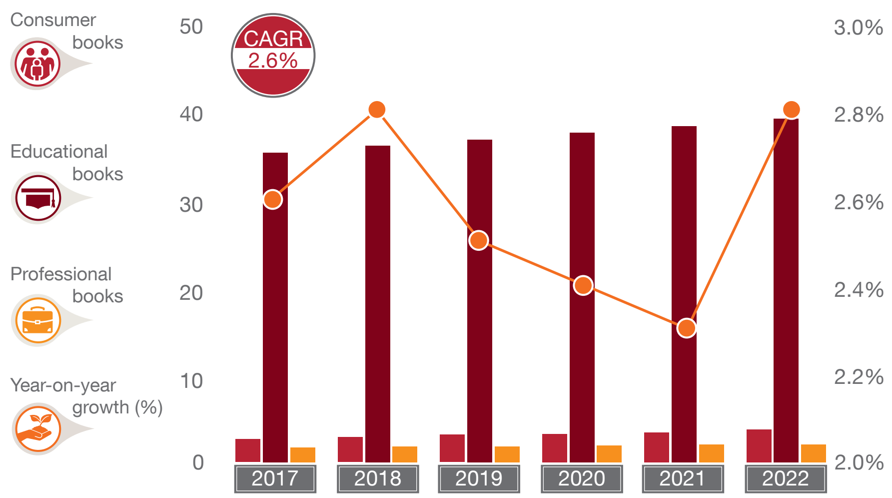
Although professional books is the smallest sector of Kenya's books industry, it is developing e-book services that will help electronic professional books revenue to increase at a 14.9% CAGR over the next five years.

Kenyans are eagerly embracing new digital technology. Smartphone use in Kenya will rise significantly over the next five years; the number of active tablet devices will also increase; Internet penetration is relatively high; and broadband speeds are faster than in most of Africa.

Digital penetration of the books market is expected to rise from 4.8% in 2017 to 8.6% in 2022, but the revenue will remain minute because growth starts from a low base.

"Educational titles will continue to dominate Kenya's book market"

Figure 3: Kenya: Consumer, educational and professional book revenues (US$ millions) and year-on-year growth (%), 2017–2022



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya: Book publishing market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Consumer	**1.8**	**1.9**	**2.1**	**2.4**	**2.6**	**2.8**	**3.1**	**3.2**	**3.4**	**3.7**	**7.3%**
Print	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	-1.4%
Digital	0.2	0.4	0.6	0.9	1.1	1.3	1.6	1.8	2.0	2.3	15.9%
Educational	**31**	**33**	**34**	**35**	**35**	**36**	**37**	**38**	**38**	**39**	**2.1%**
Print	31	33	33	34	35	35	36	37	37	38	1.8%
Digital	0.4	0.4	0.5	0.6	0.6	0.7	0.8	0.9	1.0	1.2	14.9%
Professional	**1.4**	**1.5**	**1.6**	**1.6**	**1.7**	**1.8**	**1.8**	**1.9**	**2.0**	**2.0**	**3.3%**
Print	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.3%
Digital	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	14.9%
Total	**34**	**36**	**38**	**39**	**40**	**41**	**42**	**43**	**44**	**45**	**2.6%**
YOY growth (%)		***6.4%***	***3.0%***	***2.7%***	***2.6%***	***2.8%***	***2.5%***	***2.4%***	***2.3%***	***2.8%***	

Notes: 2013–2017 figures have been updated to reflect most recently available financial information. – or 0.0 denotes revenue below US$50 000
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Total revenue in Ghana's publishing industry is predicted to grow modestly.** During the next five years, an increase at a 3.0% CAGR is expected. Despite literacy rates of 76.6%, the country lacks a culture of reading for pleasure.
- **Educational book revenues account for more than 90% of the market.** But they will only grow at a 2.7% CAGR between 2017 and 2022.

Ghana

Ghana's book industry will grow modestly during the next five years. As in other African markets, educational titles generate most of the revenue. Consumer books and professional books represent only small parts of the market, and with the dynamics in Ghana's book industry showing little sign of shifting, the educational books sector is forecast to account for 90.4% of total revenue by 2022.

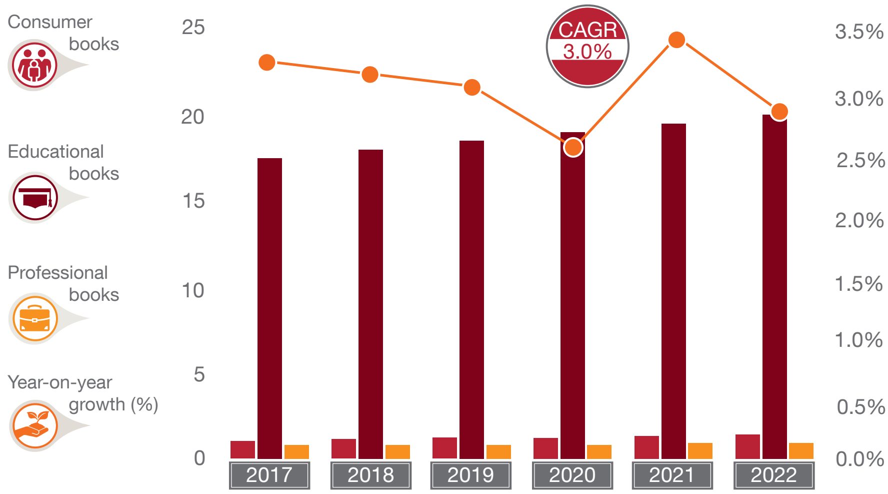
The government has taken measures to stimulate the local printing industry in response to reports that educational publishers were producing textbooks overseas to protect margins, and it has prioritised improvements in literacy and building a book-reading culture (in multiple local languages). These factors offer the book market in Ghana an encouraging outlook for the future.

Revenues from consumer books and professional books are growing at a healthy pace, but both segments need substantially higher growth and investment if they are to reach the same level as educational book revenues. Current legislation is not strong enough to protect copyright and rights management, which is a further obstacle to growth in the consumer and professional sectors.

Although Ghanaians are eager adopters of new technologies – approximately one-third of the population actively uses the Internet – digital revenue is negligible in Ghana's book market, but is set to grow rapidly. E-book consumption may rise as mobile phone ownership increases.

> *"Educational titles will continue to dominate"*

Figure 4: Ghana: Consumer, educational and professional book revenues (US$ millions) and year-on-year growth (%), 2017–2022



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum www.pwc.co.za/outlook

Ghana: Book publishing market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Consumer	**0.7**	**0.8**	**0.8**	**0.9**	**1.0**	**1.1**	**1.2**	**1.2**	**1.3**	**1.4**	**7.0%**
Print	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.0%
Digital	0.1	0.2	0.2	0.3	0.4	0.5	0.6	0.6	0.7	0.8	14.9%
Educational	**16**	**16**	**16**	**17**	**17**	**18**	**18**	**19**	**19**	**20**	**2.7%**
Print	16	16	16	17	17	18	18	18	19	19	2.5%
Digital	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.5	0.5	0.6	14.9%
Professional	**0.7**	**0.7**	**0.7**	**0.7**	**0.8**	**0.8**	**0.8**	**0.8**	**0.9**	**0.9**	**2.4%**
Print	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.0%
Digital	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	8.4%
Total	**18**	**18**	**18**	**19**	**19**	**20**	**20**	**21**	**22**	**22**	**3.0%**
YOY growth (%)		***0.6%***	***0.6%***	***4.5%***	***3.2%***	***3.1%***	***3.0%***	***2.5%***	***3.4%***	***2.8%***	

Notes: 2013–2017 figures have been updated to reflect most recently available financial information. – or 0.0 denotes revenue below US$50 000
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> **This segment at a glance**
>
> - **Tanzania's books industry is forecast to increase at a 4.1% CAGR between 2017 and 2022.**
> - **Revenue from educational books accounts for 80% of total industry revenue**, but it is the small consumer books segment that is growing the fastest.

Tanzania

Tanzania's books market is dominated by the educational sector, which has accounted for about 80% of total revenue for the past five years and is set to continue this pattern over the next five.

The government has begun to get more involved in the production of school textbooks and the effect of this on educational publishers remains to be seen. Much higher growth rates, from much lower bases, are expected from both the consumer books and professional books sectors.

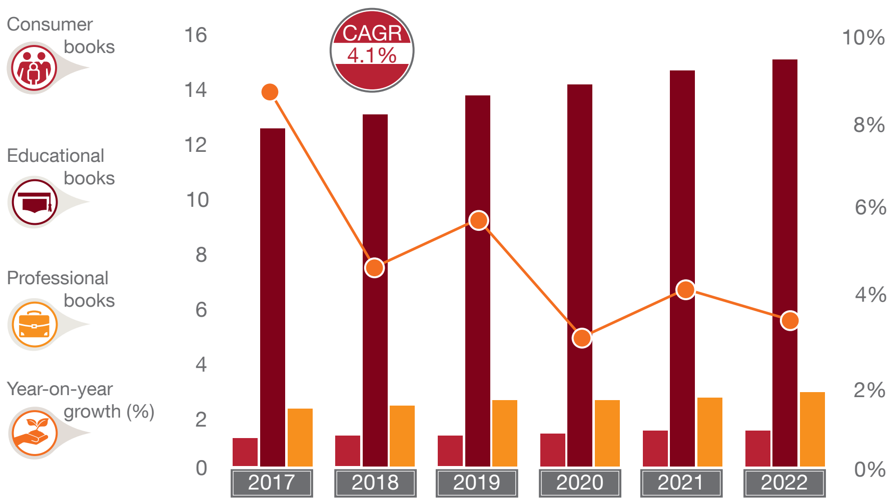
Although the market overall is positive, broader factors inhibit greater growth. Tanzania suffers from piracy, a limited interest among the public in reading for pleasure and poor distribution infrastructure.

Many government and NGO initiatives exist to support ICT skills and e-learning. Cheaper smartphones and data services have helped mobile phone use to surge in Tanzania, which has increased the number of Internet users substantially.

Despite the adverse factors, Tanzania's books industry will grow year-on-year for the duration of the forecast period, although the dominant education sector will do so at a significantly slower rate by 2022. E-book revenues are forecast to experience the highest growth to 2022, with consumer, educational and professional electronic book revenues all rising.

> *"Educational titles will dominate, as in the rest of Africa"*

Figure 5: Tanzania: Consumer, educational and professional book revenues (US$ millions) and year-on-year growth (%), 2017–2022



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania: Book publishing market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Consumer	**0.8**	**0.8**	**0.9**	**0.8**	**1.0**	**1.1**	**1.1**	**1.2**	**1.3**	**1.3**	**5.4%**
Print	0.7	0.7	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.0%
Digital	0.1	0.1	0.2	0.2	0.3	0.4	0.4	0.5	0.6	0.6	14.9%
Educational	**10**	**11**	**11**	**11**	**12**	**13**	**14**	**14**	**14**	**15**	**3.8%**
Print	10	11	11	11	12	12	13	13	14	14	3.5%
Digital	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.7	11.8%
Professional	**1.8**	**1.8**	**1.9**	**2.0**	**2.1**	**2.2**	**2.4**	**2.4**	**2.5**	**2.7**	**5.2%**
Print	1.7	1.7	1.7	1.8	1.8	1.9	2.0	2.0	2.0	2.1	3.1%
Digital	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.6	14.9%
Total	**13**	**13**	**14**	**14**	**15**	**16**	**17**	**18**	**18**	**19**	**4.1%**
YOY growth (%)		***2.3%***	***4.5%***	***2.2%***	***8.5%***	***4.5%***	***5.6%***	***2.9%***	***4.0%***	***3.3%***	

Notes: 2013–2017 figures have been updated to reflect most recently available financial information. – or 0.0 denotes revenue below US$50 000
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Business-to-business

12

This segment at a glance

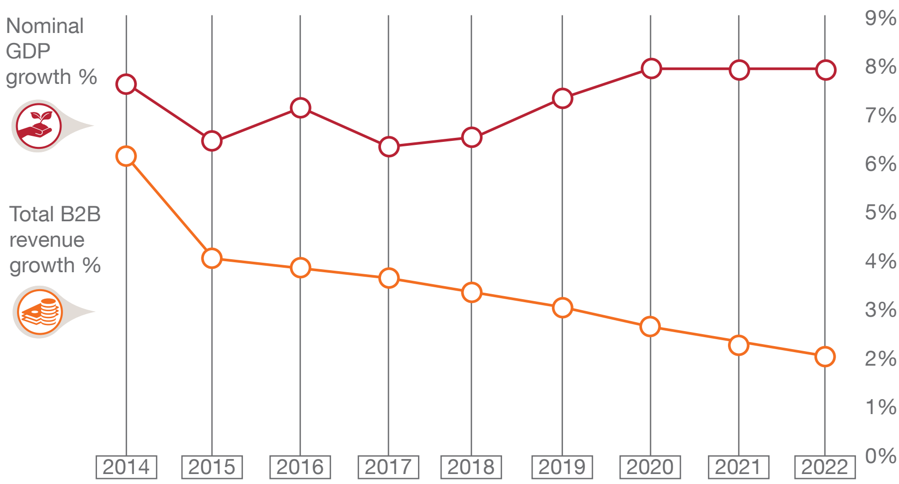
- **The B2B market in South Africa is trending downward**. Despite recent positive political developments and a tentative macroeconomic recovery, B2B growth is trending downwards. Growth at a 2.6% CAGR will push total revenue to R11.4 billion by 2022, but with annual growth weakening each year.
- **Business information is the largest B2B sector, accounting for 46% of all B2B revenue**. The segment will continue to attract expenditure as South Africans rapidly migrate from basic mobile phones to entry-level smartphones, creating growing data footprints. As the economy recovers, businesses will seek to capture cautious consumers' disposable income
- **Trade shows will be the only segment to gain market share**. By 2022 the B2B events industry will claim 35% of total B2B revenues, up from 32.5% in 2017, as exhibitors are attracted to the country's strategic location in a high-growth continent.
- **Trade magazine revenue growth will decelerate in 2021**. Forecast growth at a 2.4% CAGR puts the segment just behind the 2.6% CAGR expected for the country's B2B market as a whole, but the gradual erosion of advertising revenue in three years' time will weigh on the magazine subsector.
- **Trade directory advertising will enter negative growth territory for the first time in 2019**. As recently as 2017 the market was growing by 1.4%, but by 2022 at an annual rate of 2.0%, directory revenue will total R1.1 billion.

South Africa

South Africa's economy has continued to struggle to gain meaningful momentum and real GDP growth is not expected to surpass 1.1% in 2018. The country faces significant challenges, but forecasts suggest the economy will gain impetus in the coming years. There is, however, a notable disconnect expected between the country's accelerating GDP growth over the next five years compared with its decelerating business-to-business (B2B) revenue growth. In 2017, total revenue grew by 3.6% to R10.0 billion and in 2022 this will rise to R11.4 billion, but at a year-on-year growth rate of just 2.0%.

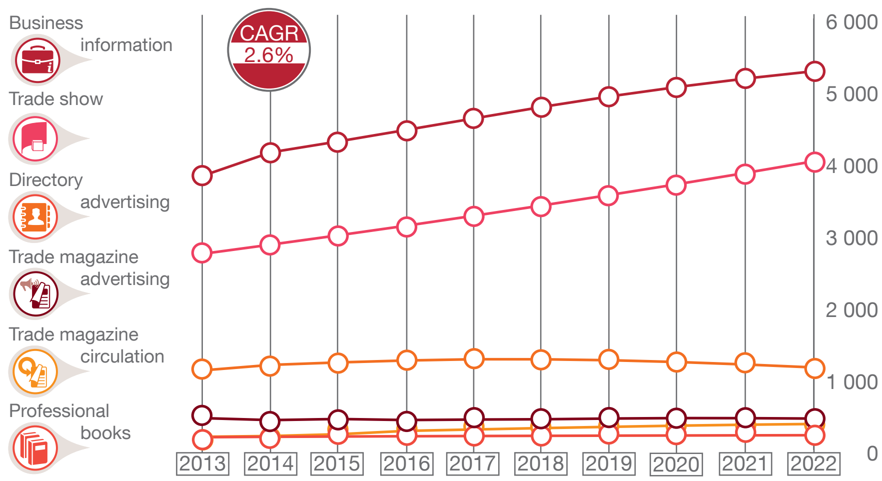
> *"B2B revenue growth decelerating in contrast to accelerating GDP growth"*

Figure 1: South Africa: Nominal GDP and B2B total revenue growth, 2014–2022 (%)



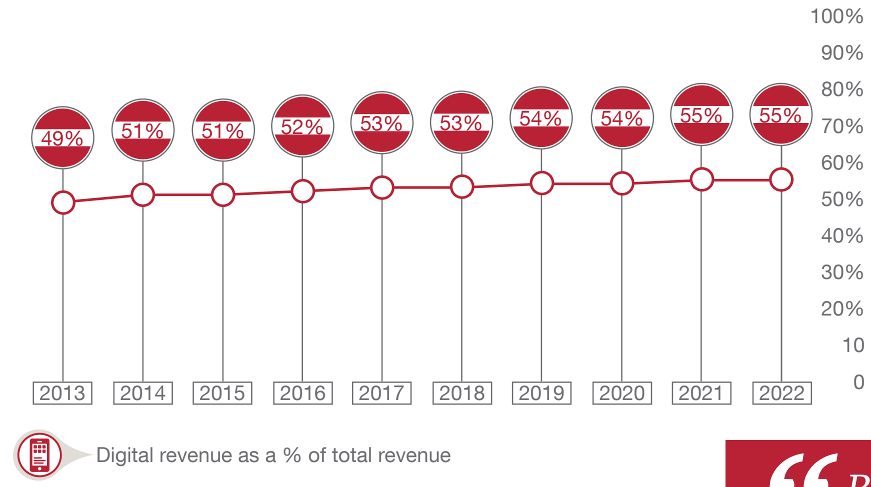
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 2: South Africa: B2B revenues, 2013–2022 (R millions)



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 3: South Africa: B2B digital revenue as a % of total B2B revenue, 2013–2022



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> *"B2B revenue growth trending downwards year-on-year"*

South Africa: Business-to-business revenue, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Business information	**3 813**	**4 138**	**4 291**	**4 451**	**4 611**	**4 770**	**4 917**	**5 048**	**5 165**	**5 267**	**2.7%**
Financial	1 206	1 303	1 322	1 350	1 388	1 427	1 464	1 500	1 535	1 569	2.5%
Marketing	1 220	1 337	1 380	1 439	1 485	1 539	1 592	1 640	1 687	1 730	3.1%
Industry	1 385	1 498	1 589	1 662	1 738	1 804	1 861	1 908	1 943	1 968	2.5%
Directory advertising	**1 107**	**1 183**	**1 217**	**1 244**	**1 261**	**1 261**	**1 248**	**1 223**	**1 188**	**1 148**	**-1.9%**
Print	831	842	824	799	760	705	643	573	501	432	-10.7%
Digital	276	341	393	445	501	556	605	650	687	716	7.4%
Professional books	**177**	**183**	**187**	**191**	**194**	**197**	**199**	**201**	**203**	**205**	**1.1%**
Print	164	167	169	171	171	172	172	172	172	173	0.2%
Digital	13	16	18	20	23	25	27	29	31	32	7.5%
Trade magazine advertising	**443**	**415**	**431**	**416**	**423**	**427**	**437**	**443**	**442**	**437**	**0.6%**
Print	401	355	351	314	298	281	271	260	249	239	-4.4%
Digital	42	60	80	102	125	146	166	183	193	198	9.7%
Trade magazine circulation	**183**	**194**	**219**	**265**	**285**	**304**	**322**	**338**	**351**	**361**	**4.9%**
Print	183	194	204	244	257	270	282	293	303	311	3.9%
Digital	-	-	15	21	28	34	40	45	48	50	12.5%
Trade shows	**2 728**	**2 855**	**2 985**	**3 119**	**3 258**	**3 400**	**3 547**	**3 697**	**3 853**	**4 014**	**4.3%**
Consumer spend	4 173	4 515	4 697	4 907	5 090	5 271	5 438	5 587	5 719	5 833	2.8%
YOY growth (%)		*8.2%*	*4.0%*	*4.5%*	*3.7%*	*3.6%*	*3.2%*	*2.8%*	*2.4%*	*2.0%*	
Advertising spend	4 278	4 453	4 633	4 779	4 942	5 088	5 232	5 363	5 483	5 599	2.5%
YOY growth (%)		*4.1%*	*4.0%*	*3.2%*	*3.4%*	*3.0%*	*2.8%*	*2.5%*	*2.2%*	*2.1%*	
Total	**8 451**	**8 968**	**9 330**	**9 686**	**10 032**	**10 359**	**10 669**	**10 950**	**11 202**	**11 432**	**2.6%**
YOY growth (%)		***6.1%***	***4.0%***	***3.8%***	***3.6%***	***3.3%***	***3.0%***	***2.6%***	***2.3%***	***2.0%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Nigeria's B2B market was valued at US$15.4 million in 2017**. The market is forecast to grow at a 6.1% CAGR, which will mean Kenya overtakes the country in 2019 to become the second-largest B2B market in sub-Saharan Africa.

"Nigeria will slip behind Kenya next year"

Nigeria

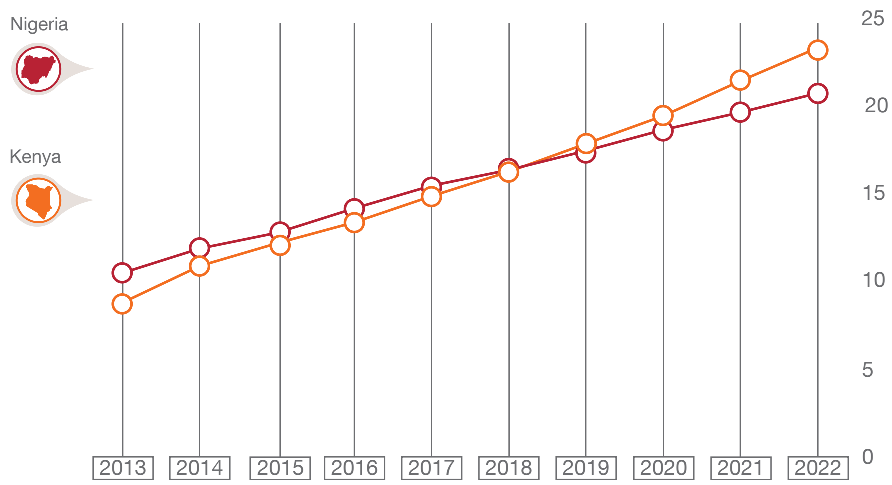
Despite the country's recent economic troubles, Nigeria's B2B industry has grown throughout the recession. In 2017, total B2B revenue reached a new high of US$15.4 million and a forecast 6.1% CAGR will bring this to US$20.7 million in 2022. This will mean, that Nigeria, the largest economy in Africa, will slip behind Kenya next year to become only the third-biggest B2B market on the continent.

Nigeria has the greatest weighting towards trade magazines of any territory in the world, and growing at a healthy 5.2% CAGR. These magazines give readers insights into business- and finance-related issues and therefore straddle the trade publishing and business information segments. Demand for such insights is supported by the fact that Nigeria is Africa's largest economy and therefore represents a significant investment opportunity. By 2050 it is set to become the third-most-populous nation in the world.

Total B2B revenue growth will remain strong at a 6.1% CAGR, since the market is growing from a low base, but in the same period nominal GDP is forecast to grow by a 10.0% CAGR. Tepid medium-term economic performance should not deter investors. Much of the country's potential lies in the headroom for gains in energy delivery and infrastructure, which are expected to create one of the largest consumer markets in the world.

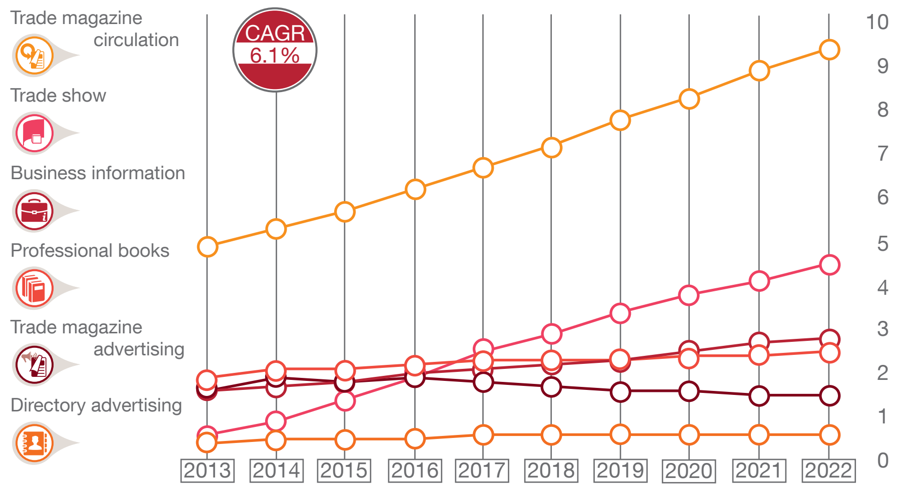
Exploiting this growth and rising disposable incomes will fuel demand for trade shows, which is the fastest-growing segment at a 12.9% CAGR. Ongoing efforts by the government to diversify the economy away from oil should help to support economic growth and rising B2B revenue.

Figure 4: Nigeria vs Kenya: Total B2B revenue, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 5: Nigeria: B2B revenues, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> *"Nigeria's B2B market growing robustly despite economic challenges"*

Nigeria: Business-to-business revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Business information	**1.5**	**1.6**	**1.7**	**1.9**	**2.0**	**2.1**	**2.2**	**2.4**	**2.6**	**2.7**	**6.2%**
Directory advertising	**0.3**	**0.4**	**0.4**	**0.4**	**0.5**	**0.5**	**0.5**	**0.5**	**0.5**	**0.5**	**0.0%**
Print	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	-7.8%
Digital	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	8.4%
Professional books	**1.8**	**2.0**	**2.0**	**2.1**	**2.2**	**2.2**	**2.2**	**2.3**	**2.3**	**2.4**	**1.8%**
Print	1.7	1.8	1.8	1.9	1.9	1.9	1.9	2.0	2.0	2.0	1.0%
Digital	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	5.9%
Trade magazine advertising	**1.5**	**1.8**	**1.7**	**1.8**	**1.7**	**1.6**	**1.5**	**1.5**	**1.4**	**1.4**	**-3.8%**
Print	1.5	1.5	1.4	1.4	1.3	1.2	1.1	1.0	0.9	0.9	-7.1%
Digital	0.0	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	4.6%
Trade magazine circulation	**4.8**	**5.2**	**5.6**	**6.1**	**6.6**	**7.1**	**7.7**	**8.2**	**8.8**	**9.3**	**7.1%**
Print	4.8	5.2	5.6	6.1	6.6	7.1	7.7	8.2	8.8	9.3	7.1%
Digital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Trade shows	**0.5**	**0.8**	**1.3**	**1.8**	**2.4**	**2.8**	**3.3**	**3.7**	**4.0**	**4.4**	**12.9%**
Consumer spend	8.1	8.8	9.3	10	11	11	12	13	14	14	5.9%
YOY growth (%)		*8.6%*	*5.7%*	*8.6%*	*6.9%*	*5.6%*	*6.1%*	*6.6%*	*6.2%*	*5.1%*	
Advertising spend	2.3	3.0	3.4	4.0	4.6	4.9	5.3	5.7	5.9	6.3	6.5%
YOY growth (%)		*30.4%*	*13.3%*	*17.6%*	*15.0%*	*6.5%*	*8.2%*	*7.5%*	*3.5%*	*6.8%*	
Total	**10**	**12**	**13**	**14**	**15**	**16**	**17**	**19**	**20**	**21**	**6.1%**
YOY growth (%)		***13.5%***	***7.6%***	***11.0%***	***9.2%***	***5.8%***	***6.7%***	***6.9%***	***5.4%***	***5.6%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information. -/0.0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Kenya's B2B market produced revenue of US$14.8 million in 2017**. An increase at a 9.5% CAGR will push total revenue to US$23.3 million in 2022, making it the fastest-growing B2B market in the world alongside Ghana.

Kenya

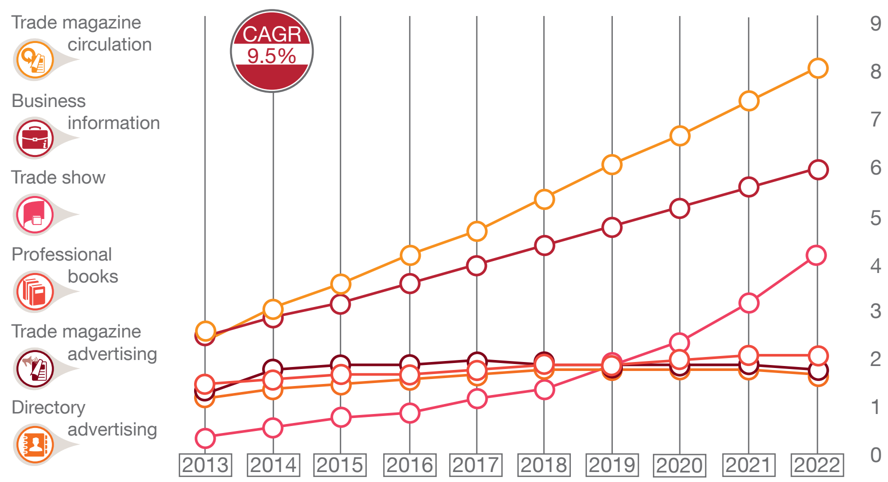
Kenya has the third-least-developed B2B market in the world, ahead of only Tanzania and Ghana, and is therefore showing rapid growth in most segments. Total B2B revenue was valued at US$14.8 million in 2017 and by 2022 this will have increased by around 50% to US$23.3 million (at a 9.5% CAGR).

In 2017, total B2B revenue grew by 11.3% year on year, a higher rate than any other country except for Ghana. B2B revenue growth continues to outpace Kenya's wider economy.

The country is spearheading efforts to boost trade. In March 2018, the African Continental Free Trade Area (AfCFTA) was established with 44 African countries signing up to create one of the world's largest free-trade blocs. Kenya was one of the first to ratify the framework in parliament, showing its commitment to establishing a single market. Current tariffs make it more onerous for African countries to trade with each other than with the rest of the world.

Once the AfCFTA has been formally established, many African economies are expected to benefit, including Kenya, which is the continent's ninth-largest economy. This should also be positive for Kenya's trade shows segment, the only source of B2B revenue in the country where growth will gather pace over the next five years.

Figure 6: Kenya: B2B revenues, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> *“Kenya is outpacing every other B2B market in the world”*

Kenya: Business-to-business revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Business information	**2.4**	**2.8**	**3.1**	**3.5**	**3.9**	**4.3**	**4.7**	**5.1**	**5.5**	**5.9**	**8.6%**
Directory advertising	**1.1**	**1.3**	**1.4**	**1.5**	**1.6**	**1.7**	**1.7**	**1.7**	**1.7**	**1.6**	**0.0%**
Print	0.8	0.9	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.8	-4.4%
Digital	0.3	0.4	0.4	0.5	0.6	0.7	0.7	0.8	0.8	0.8	5.9%
Professional books	**1.4**	**1.5**	**1.6**	**1.6**	**1.7**	**1.8**	**1.8**	**1.9**	**2.0**	**2.0**	**3.3%**
Print	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.3%
Digital	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	14.9%
Trade magazine advertising	**1.2**	**1.7**	**1.8**	**1.8**	**1.9**	**1.8**	**1.8**	**1.8**	**1.8**	**1.7**	**-2.2%**
Print	1.2	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.0	0.9	-7.1%
Digital	0.0	0.4	0.5	0.5	0.6	0.6	0.7	0.7	0.8	0.8	5.9%
Trade magazine circulation	**2.3**	**3.0**	**3.5**	**4.1**	**4.6**	**5.3**	**6.0**	**6.6**	**7.3**	**8.0**	**11.7%**
Print	2.3	2.5	2.8	3.2	3.5	4.0	4.5	5.0	5.5	6.1	11.8%
Digital	0.0	0.5	0.7	0.9	1.1	1.3	1.5	1.6	1.8	1.9	11.6%
Trade shows	**0.3**	**0.5**	**0.7**	**0.8**	**1.1**	**1.3**	**1.8**	**2.3**	**3.1**	**4.1**	**30.1%**
Consumer spend	6.1	7.3	8.2	9.2	10	11	13	14	15	16	9.3%
YOY growth (%)		*19.7%*	*12.3%*	*12.2%*	*10.9%*	*11.8%*	*9.6%*	*8.8%*	*8.8%*	*7.4%*	
Advertising spend	2.6	3.5	3.9	4.1	4.6	4.8	5.3	5.8	6.6	7.4	10.0%
YOY growth (%)		*34.6%*	*11.4%*	*5.1%*	*12.2%*	*4.3%*	*10.4%*	*9.4%*	*13.8%*	*12.1%*	
Total	**8.7**	**11**	**12**	**13**	**15**	**16**	**18**	**19**	**21**	**23**	**9.5%**
YOY growth (%)		***24.1%***	***12.0%***	***9.9%***	***11.3%***	***9.5%***	***9.9%***	***9.0%***	***10.3%***	***8.9%***	

-/0.0 = revenue less than US$50 000
Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Ghana's B2B market was** valued at US$5.5 million in 2017, and is set to be worth US$8.5 million by 2022. Ghana's total B2B sector is forecast to grow at a 9.1% CAGR between 2017 and 2022.
- **Business model disruption remains a challenge**. Although the industry is healthy, publishers are still grappling with disruption to their business models due to digitisation, as is the case elsewhere in the world.

Ghana

Ghana has a small B2B market valued at US$5.5 million in 2017, and set to be worth US$8.5 million by 2022. From a growth perspective (at a 9.1% CAGR) this puts Ghana on a roughly even footing with Kenya as the fastest-growing B2B market in the world.

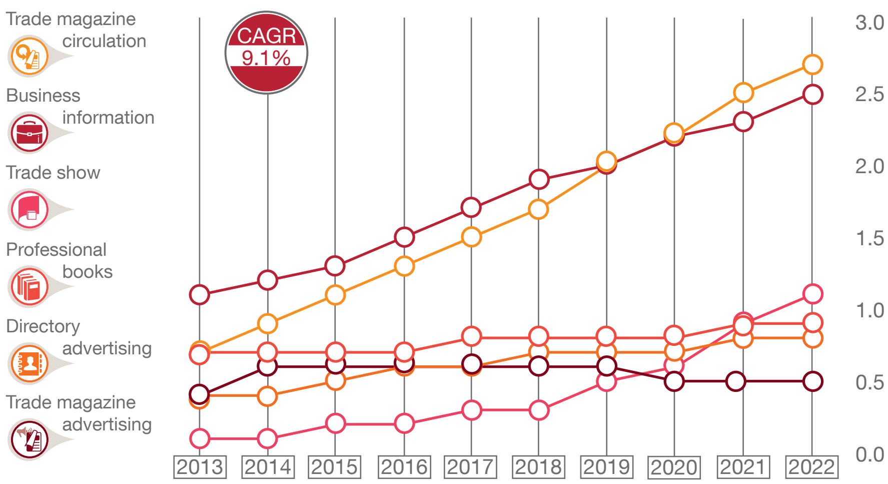
The country is experiencing an economic boom. Nominal GDP growth is forecast at 9.8% in 2018, which is one of the highest gains expected of any country in the world. Ghana discovered large offshore oil deposits ten years ago and is due to benefit from an oil boom just as the price of the commodity recovers. This should help to increase tax revenue, employment and consumption, all of which will indirectly support the B2B market. It will also create demand for what is an underdeveloped business information segment.

Like Kenya and Nigeria, the largest source of B2B revenue in Ghana is trade magazines. Four years ago, the country's B2B magazines registered no digital ad spend, but in 2018 there is an even split between print and online ad spend. Growth in digital is however not sufficient to make up for print losses, which will mean that total trade magazine advertising revenue will slip over the next five years. This will be counteracted by growth in both print and online circulation. The challenge for all publishers is to balance their revenue streams between advertising, cover and subscription fees.

Trade shows is the fastest-growing B2B segment in Ghana and one of the most lucrative, yet as recently as six years ago there was no registered revenue from the industry. By 2022 exhibitions are expected to be valued at US$1.1 million, increasing at a 29.7% CAGR. There are plans to revitalise the Ghana Trade Fair Centre (GTFC) facility, beginning in 2018, which means it may attract trade events in future.

> *"Trade shows is the fastest-growing B2B segment and one of the most lucrative"*

Figure 7: Ghana: B2B total revenue by segment, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"The Ghanaian B2B market will grow strongly year-on-year to 2022"

Ghana: Business-to-business revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Business information	**1.1**	**1.2**	**1.3**	**1.5**	**1.7**	**1.9**	**2.0**	**2.2**	**2.3**	**2.5**	**8.0%**
Directory advertising	**0.4**	**0.4**	**0.5**	**0.6**	**0.6**	**0.7**	**0.7**	**0.7**	**0.8**	**0.8**	**5.9%**
Print	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.0%
Digital	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	14.9%
Professional books	**0.7**	**0.7**	**0.7**	**0.7**	**0.8**	**0.8**	**0.8**	**0.8**	**0.9**	**0.9**	**2.4%**
Print	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.0%
Digital	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	8.4%
Trade magazine advertising	**0.4**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.5**	**0.5**	**0.5**	**-3.6%**
Print	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	-7.8%
Digital	0.0	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.0%
Trade magazine circulation	**0.7**	**0.9**	**1.1**	**1.3**	**1.5**	**1.7**	**2.0**	**2.2**	**2.5**	**2.7**	**12.5%**
Print	0.7	0.7	0.8	1.0	1.1	1.2	1.4	1.5	1.7	1.8	10.4%
Digital	0.0	0.2	0.3	0.3	0.4	0.5	0.6	0.7	0.8	0.9	17.6%
Trade shows	**0.1**	**0.1**	**0.2**	**0.2**	**0.3**	**0.3**	**0.5**	**0.6**	**0.9**	**1.1**	**29.7%**
Consumer spend	2.5	2.8	3.1	3.5	4.0	4.4	4.8	5.2	5.7	6.1	8.8%
YOY growth (%)		*12.0%*	*10.7%*	*12.9%*	*14.3%*	*10.0%*	*9.1%*	*8.3%*	*9.6%*	*7.0%*	
Advertising spend	0.9	1.1	1.3	1.4	1.5	1.6	1.8	1.8	2.2	2.4	9.9%
YOY growth (%)		*22.2%*	*18.2%*	*7.7%*	*7.1%*	*6.7%*	*12.5%*	*0.0%*	*22.2%*	*9.1%*	
Total	**3.4**	**3.9**	**4.4**	**4.9**	**5.5**	**6.0**	**6.6**	**7.0**	**7.9**	**8.5**	**9.1%**
YOY growth (%)		***14.7%***	***12.8%***	***11.4%***	***12.2%***	***9.1%***	***10.0%***	***6.1%***	***12.9%***	***7.6%***	

-/0.0 = revenue less than US$50 000
Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Tanzania's B2B market had total revenue of US$8.8 million in 2017**. Total B2B revenue is expected to rise at a 7.9% CAGR between 2017 and 2022.
- **Trade shows show strong growth off a low base**. A strong performance from trade shows will help offset declining growth in directory advertising and trade magazine revenues.

Tanzania

Tanzania's B2B market had total revenue of US$8.8 million in 2017, larger than only Ghana's and growing at a similarly high rate (at a 7.9% CAGR). By 2022 Tanzania's total B2B market will be valued at US$12.9 million. This will in large part be driven by the country's impressive output, as it is forecast to be the fastest-growing country in East Africa and one of the fastest on the continent.

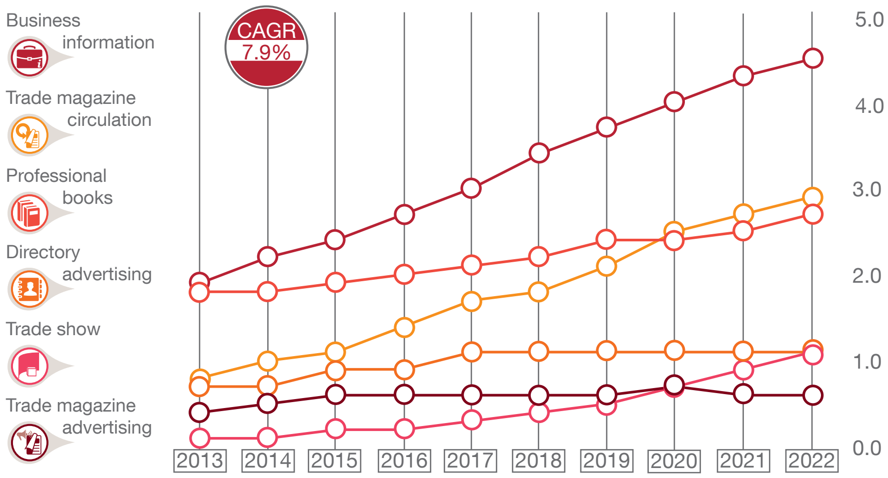
Where Tanzania differs from its emerging African counterparts is that its business information rather than trade magazine segment accounts for the majority of revenue. Financial and industrial information are of roughly equal size and growing at similar rates, whereas marketing information is growing at nearly three times the pace. Broad access to digital – and even print – products is made challenging in Tanzania because the country has a lower Internet penetration rate than both Nigeria and Kenya, and more than two-thirds of Tanzania's population is based in rural areas.

Meanwhile, there will be sustained demand for marketing information to understand the characteristics of the Tanzanian consumer. While the country's economic growth is strong, spending power remains low because 47% of the population lives in poverty. Understanding how to capture limited, yet growing disposable income will be a focus of businesses entering the market, which have so far found it a challenge.

The country's industrial policy is to deepen private-sector-led industrial growth as a means of transforming the economy away from its over-reliance on agriculture. According to the United Nations, Tanzania is ahead of Kenya in terms of foreign direct investment despite its economy being two-thirds of the size. These factors will help to push Tanzania's total trade shows revenue to US$1.1 million by 2022.

"*Total B2B revenue to grow at a strong CAGR of 7.9% by 2022*"

Figure 8: Tanzania: B2B total revenue by subsegment, 2013–2022 (US$ millions))



Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“Print revenue is starting to decline, but overall growth will continue”

Tanzania: B2B revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Business information	**1.9**	**2.2**	**2.4**	**2.7**	**3.0**	**3.4**	**3.7**	**4.0**	**4.3**	**4.5**	**8.4%**
Directory advertising	**0.7**	**0.7**	**0.9**	**0.9**	**1.1**	**1.1**	**1.1**	**1.1**	**1.1**	**1.1**	**0.0%**
Print	0.5	0.5	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.5	-6.5%
Digital	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.6	8.4%
Professional books	**1.8**	**1.8**	**1.9**	**2.0**	**2.1**	**2.2**	**2.4**	**2.4**	**2.5**	**2.7**	**5.2%**
Print	1.7	1.7	1.7	1.8	1.8	1.9	2.0	2.0	2.0	2.1	3.1%
Digital	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.6	14.9%
Trade magazine advertising	**0.4**	**0.5**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.7**	**0.6**	**0.6**	**0.0%**
Print	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	-5.6%
Digital	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	8.4%
Trade magazine circulation	**0.8**	**1.0**	**1.1**	**1.4**	**1.7**	**1.8**	**2.1**	**2.5**	**2.7**	**2.9**	**11.3%**
Print	0.8	0.8	0.9	1.1	1.3	1.4	1.6	1.9	2.1	2.2	11.1%
Digital	0.0	0.2	0.2	0.3	0.4	0.4	0.5	0.6	0.6	0.7	11.8%
Trade shows	**0.1**	**0.1**	**0.2**	**0.2**	**0.3**	**0.4**	**0.5**	**0.7**	**0.9**	**1.1**	**29.7%**
Consumer spend	4.5	5.0	5.4	6.1	6.8	7.4	8.2	8.9	9.5	10	8.2%
YOY growth (%)		*11.1%*	*8.0%*	*13.0%*	*11.5%*	*8.8%*	*10.8%*	*8.5%*	*6.7%*	*6.3%*	
Advertising spend	1.2	1.3	1.7	1.7	2.0	2.1	2.2	2.5	2.6	2.8	7.0%
YOY growth (%)		*8.3%*	*30.8%*	*0.0%*	*17.6%*	*5.0%*	*4.8%*	*13.6%*	*4.0%*	*7.7%*	
Total	**5.7**	**6.3**	**7.1**	**7.8**	**8.8**	**9.5**	**10**	**11**	**12**	**13**	**7.9%**
YOY growth (%)		***10.5%***	***12.7%***	***9.9%***	***12.8%***	***8.0%***	***9.5%***	***9.6%***	***6.1%***	***6.6%***	

-/0.0 = revenue less than US$50 000
Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018-2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Music

13

This segment at a glance

- **South Africa's physical recorded music sales decline rapidly**. Total recorded music revenue was R915 million in 2017, down -4.8% on the previous year's total as physical recorded music sales declined rapidly year-on-year. While digital recorded music revenue increased from 2016, growth was not sufficient to offset the steep 39.7% decline in physical format sales over the period.
- **Demand strengthens for streamed music**. As in the world's developed markets, demand for digital music-streaming subscription services is strong, with revenue from the segment in 2017 up by 76.3% on the previous year. Leading provider Spotify has now entered an already competitive market, a move that will likely whet the appetite of South African consumers for on-demand music further still.
- **Digital downloading posts a farewell performance**. The digital music download market continues to demonstrate signs of life, in contrast to a general format decline in many developed countries, although South Africa is set for a slowdown too. Revenue rose just 2.9% last year to R170 million and is forecast to fall to R151 million in 2018, and further to a mere R64 million in 2022.
- **More life left in live**. South Africans continue to flock to live music performances across a whole raft of domestic, international and hybrid genres. Demand for concerts and festivals will remain strong, with live music revenue forecast to rise at an 8.1% CAGR from 2017 to 2022.
- **Podcasting is growing strongly**. Strong sales of smartphones are helping to lift the podcast market in South Africa. Audiophiles are turning to the format for content they can't find elsewhere and the medium has already spawned hits. The market had 5.1 million monthly podcast listeners in 2017, with the audience set to grow at a 23.7% CAGR to total 14.8 million in 2022.

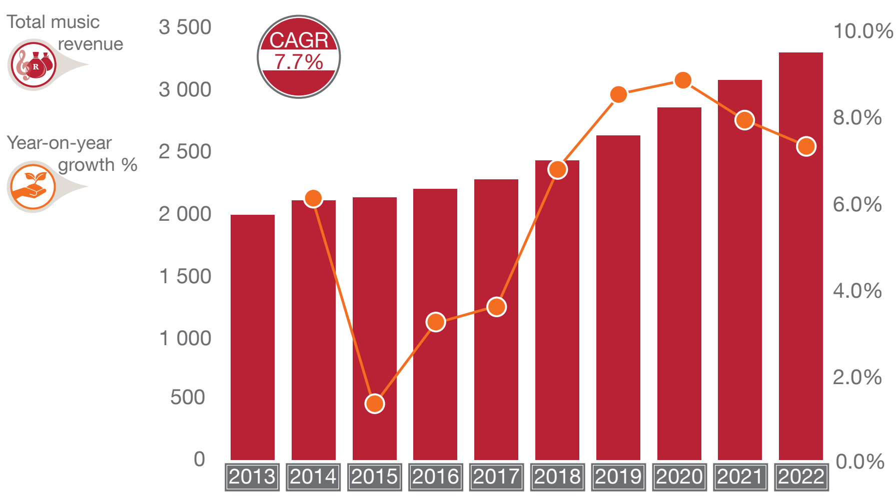
South Africa

The meteoric rise of streaming services, spurred on by the entry of Spotify, points to a bright future for the South African recorded music market. Although 2017 saw a fall in recorded music revenue due to a precipitous drop in physical sales, future drops in this metric will not drag the sector down as before, with the streaming model being mostly paid for by consumers rather than being free and ad-funded.

This trend is predominantly the case in established markets, whereas consumers in other countries benefit from the free, ad-funded service. Many labels have complained that this access model offers them very little remuneration for providing their content to the streaming platforms.

Podcasts are also gaining in popularity, with the growth rate to 2022 for podcast advertising revenue nearing 50%. Podcasts such as Alibi have been hits in the market and podcast producers have begun to attract venture capital funding, as South Africa's music and podcasts market seems more healthy and vibrant than in previous years.

Figure 1: South Africa: Total music revenue (R millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An Afrcan perspective, PwC, Ovum, www.pwc.co.za/outlook

Although year-on-year growth rates will slow slightly towards the end of the forecast period, a live music market that is in good shape and vibrant growth in revenue from both streaming and podcasting ensure that the music segment in South Africa has a positive outlook over the next five years.

Royalty disputes by collective management organisations the South African Music Performance Rights Association (SAMPRA) and the Association of Independent Record Companies of South Africa (AIRCO) dominated news headlines in June 2018. The impasse over the collection of needletime rights by the South African Broadcasting Corporation (SABC) ended when the SABC paid 75% of a R22 million sum to a smaller collecting society, the Independent Music Performance Rights Association (IMPRA), despite SAMPRA having over 90% of recording rights owners as members.

The payment is a fraction of the reported R52 million that has been owed by the SABC since 2014. The SABC paid the lion's share of the payout for reasons of 'local investment' as opposed to logged usage. Needletime rights royalties are paid for use of content on radio or TV stations, making sure that use of intellectual property from musicians is properly paid for.

Ringtones and ringback tones music revenue is set to account for just over 1% of digital recorded music revenues in South Africa in 2022, down from 38% in 2013 as streaming revenues take centre stage. By contrast, ringtones and ringback tones revenue will still account for over 99% of digital revenues in both Nigeria and Kenya as both countries are underserved by major streaming platforms, and low fixed broadband penetration has historically prevented the development of the digital download industry.

South Africa: Music revenue, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Physical	**788**	**728**	**562**	**463**	**280**	**193**	**135**	**92**	**58**	**35**	**-33.9%**
Digital	**119**	**214**	**279**	**351**	**425**	**511**	**602**	**682**	**746**	**783**	**13.0%**
Downloads	55	136	153	165	170	151	130	108	86	64	-17.8%
Mobile	45	43	59	68	47	40	31	23	16	10	-26.5%
Streaming	19	35	67	118	208	321	441	551	644	709	27.9%
Streaming subscription	14	26	49	79	144	228	325	418	499	557	31.1%
Streaming advertising	5	9	18	39	64	92	116	133	145	152	19.0%
Performance rights	68	72	110	115	195	208	229	251	275	299	8.9%
Synchronisation	14	21	32	32	15	16	17	17	17	17	2.1%
Total recorded music	**989**	**1 035**	**983**	**961**	**915**	**929**	**983**	**1 042**	**1 096**	**1 134**	**4.4%**
Live music ticket sales	758	811	865	924	1 006	1 093	1 182	1 280	1 372	1 476	8.0%
Live music sponsorship	219	235	253	273	300	328	358	390	425	450	8.4%
Total live music	**977**	**1 046**	**1 118**	**1 198**	**1 306**	**1 421**	**1 540**	**1 670**	**1 797**	**1 926**	**8.1%**
Podcast advertising revenues	2	4	9	18	32	54	83	120	160	212	46.4%
Total music revenues	**1 968**	**2 085**	**2 110**	**2 176**	**2 253**	**2 404**	**2 606**	**2 832**	**3 053**	**3 272**	**7.7%**
YOY growth (%)		***6.0%***	***1.2%***	***3.1%***	***3.5%***	***6.7%***	***8.4%***	***8.7%***	***7.8%***	***7.2%***	

Note: Figures for 2013–2017 have been updated to reflect more recently available information
Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

This segment at a glance

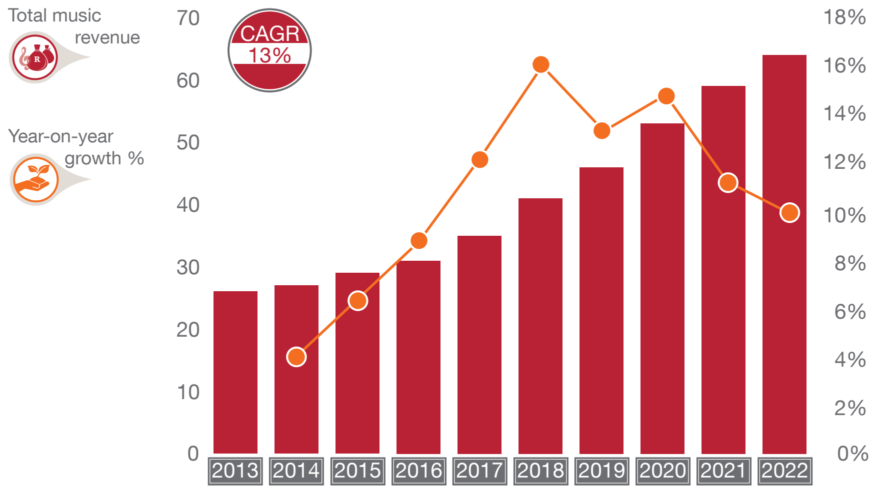
- **Music revenue in Nigeria continues on an upwards trajectory**. Total music revenue has been climbing since 2013 and will carry on doing so over the next five years at a 13% CAGR to increase from US$35 million in 2017 to US$65 million in 2022.
- **Mobile dominates digital revenue.** Digital music revenue overtook physical music revenue as far back as 2013, but mobile formats – essentially, caller ringback tones (RBTs) – account for virtually all of digital revenue. It is therefore a music industry dominated by mobile telecom operators, which also own some of the biggest streaming and downloading full-track services. And because RBTs are confined to the controlled environment of mobile operators, they are not exposed to the ravages of piracy that affect other music sectors.

"Mobile music's piracy-proof nature sees it rise steeply"

Nigeria

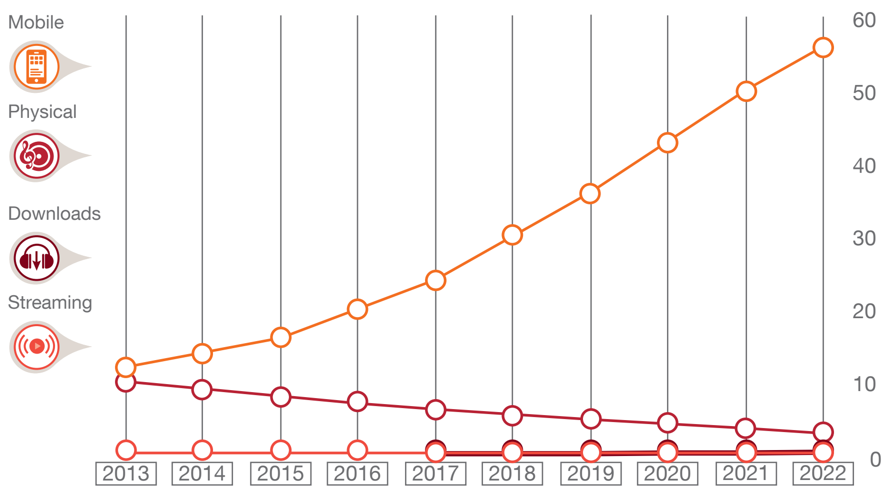
Despite the barriers to growth represented by music piracy and high mobile data transmission costs, as well as low fixed-line broadband and smartphone penetration, Nigeria's music scene is vibrant and generating healthy revenue growth. Streaming accounts for a negligible share of music revenue in Nigeria, but it is a sector that is growing strongly and the country has several homegrown all-you-can-listen-to music services, which compete with the big overseas brands like *Apple Music* and *Deezer*.

Figure 2: Nigeria: Total music revenue (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

Figure 3: Nigeria: Recorded music revenue by type, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

Nigeria: Music revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Physical	**9.9**	**8.8**	**7.9**	**7.0**	**6.2**	**5.5**	**4.8**	**4.2**	**3.6**	**2.9**	**-14.1%**
Digital	**12**	**14**	**16**	**20**	**24**	**30**	**36**	**44**	**50**	**57**	**18.5%**
Downloads	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0%
Mobile	12	14	16	20	24	30	36	43	50	56	18.6%
Streaming	-	-	-	-	0.1	0.1	0.1	0.2	0.2	0.3	24.6%
Total recorded music	**22**	**23**	**24**	**27**	**31**	**36**	**41**	**48**	**54**	**60**	**14.3%**
Live music ticket sales	3.7	3.8	3.9	3.9	4.0	4.1	4.2	4.2	4.3	4.4	1.9%
Live music sponsorship	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	3.7%
Total live music	**4.2**	**4.3**	**4.4**	**4.4**	**4.5**	**4.7**	**4.8**	**4.8**	**4.9**	**5.0**	**2.1%**
Total music revenues	**26**	**27**	**29**	**31**	**35**	**41**	**46**	**53**	**59**	**65**	**13.0%**
YOY growth (%)		***3.9%***	***6.3%***	***8.7%***	***12.5%***	***16.0%***	***13.3%***	***14.8%***	***11.2%***	***10.1%***	

Note: Figures for 2013–2017 have been updated to reflect more recently available information. – or 0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

This segment at a glance

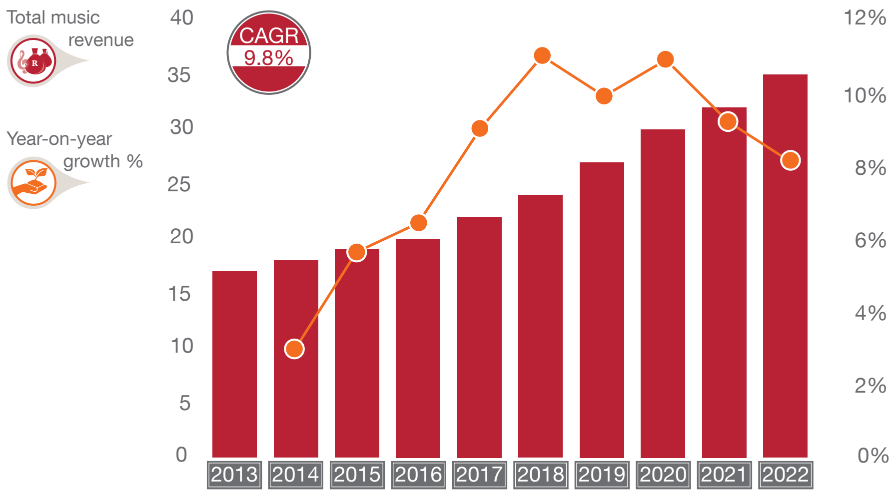
- **Good times continue for music in Kenya**. Both live and recorded music will continue to grow, but the bulk of revenue and growth will come from recorded music. Overall, the market is forecast to reach US$35 million in 2022, at a 9.8% CAGR.
- **Mobile will increasingly dominate digital.** By 2022 digital recorded music revenue will be almost quadruple what it was in 2013, practically all of which is derived from mobile – primarily from RBTs.

Kenya

Kenya's music revenue will continue to grow over the next five years, with the bulk of growth coming from recorded music revenue – the vast majority of which is derived from mobile RBTs. Ongoing legal action by artists and publishers has resulted in the launch, under the guidance of the Kenya Copyright Board, of an online joint-licence system to simplify and speed up the process of licensing music from rights holders. Safaricom, which has about 25 million users, has gradually upped its payouts to rights holders to a 30% share of revenue and claims to have paid Sh1.4 billion in royalties to artists.

International music labels are increasingly involved in the Kenyan market. Safaricom has a licensing agreement with Sony Music Entertainment for its Songa app and Mdundo is doing the same with Warner Music Group to add an international repertoire to its offering, which revolves around a catalogue of 40 000 artists from 37 African countries.

Figure 4: Kenya: Total music revenue (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

Kenya: Music revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Physical	**8.4**	**7.9**	**7.4**	**6.9**	**6.4**	**5.9**	**5.5**	**5.0**	**4.7**	**4.2**	**-8.1%**
Digital	**7.1**	**8.0**	**9.1**	**11**	**13**	**16**	**18**	**22**	**25**	**27**	**16.3%**
Downloads	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	-12.9%
Mobile	6.9	7.8	8.9	11	13	15	18	21	24	27	16.7%
Streaming	-	-	-	0.1	0.2	0.2	0.2	0.3	0.3	0.3	8.4%
Performance rights	0.4	0.4	0.7	0.7	0.8	0.9	1.0	1.0	1.1	1.2	8.4%
Synchronisation	-	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	14.9%
Total recorded music	**16**	**16**	**17**	**19**	**20**	**23**	**25**	**28**	**31**	**33**	**10.3%**
Live music ticket sales	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.7	2.5%
Live music sponsorship	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Total live music	**1.4**	**1.4**	**1.5**	**1.5**	**1.6**	**1.6**	**1.6**	**1.7**	**1.7**	**1.8**	**2.4%**
Total music revenue	**17**	**18**	**19**	**20**	**22**	**24**	**27**	**30**	**32**	**35**	**9.8%**
YOY growth (%)		***2.9%***	***5.6%***	***6.4%***	***9.0%***	***11.0%***	***9.9%***	***10.9%***	***9.2%***	***8.1%***	

Note: Figures for 2013–2017 have been updated to reflect more recently available information. – or 0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

Ghana

This segment at a glance

- **Ghana's music revenue growth is fast accelerating.** The growth rate in total music revenue has picked up a lot of pace over the past three to four few years, although it has already peaked. Revenue will nevertheless continue to grow in the coming years. Total music revenue will rise from US$6.3 million in 2017 to US$10.3 million in 2022, at a 10.3% CAGR.
- **Digital revenue is largely mobile.** Digital overtook physical music revenue in 2014, overwhelmingly propelled by mobile or, to be more precise, RBTs – which will account for nearly all digital revenue over the next five years.

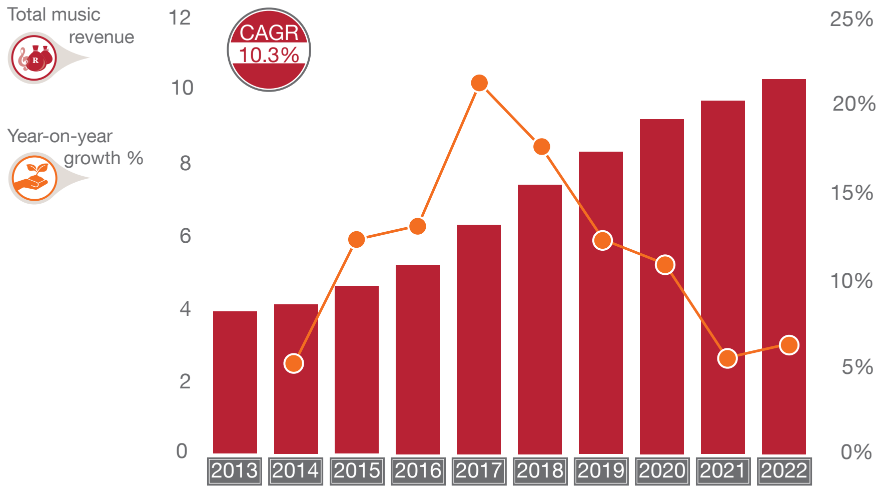
Like neighbouring Nigeria, Ghana has a vibrant music scene, but it is only comparatively recently that efforts have been made to formalise music licensing and address piracy. Total music revenue has been growing at an increasingly fast pace, largely driven by recorded music. Live music revenue is also growing, but at a much slower rate.

Legal music-streaming services have a limited presence in Ghana and struggle to generate much revenue.

Not only is people's willingness to pay for music over the Internet limited, but so too is their ability because credit and debit card penetration is very low.

Consumers are also used to downloading songs for free or purchasing pirated playlists available on bootleg CDs. The usual business model for artists in Ghana is to give away their music as free downloads in the hope of gaining fame and driving revenue through gigs, sponsorship deals and other means.

Figure 5: Ghana: Total music revenue (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

Ghana: Music revenue, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017-22**
Physical	**1.9**	**1.7**	**1.6**	**1.4**	**1.2**	**1.0**	**0.9**	**0.8**	**0.6**	**0.5**	**-16.1%**
Digital	**1.6**	**2.0**	**2.6**	**3.4**	**4.7**	**5.9**	**6.9**	**7.8**	**8.5**	**9.2**	**14.4%**
Downloads	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Mobile	1.6	2.0	2.6	3.3	4.6	5.8	6.7	7.6	8.3	9.0	14.4%
Streaming	-	-	-	-	-	-	0.1	0.1	0.1	0.1	-
Performance rights	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Synchronisation	-	-	-	-	-	-	-	0.1	0.1	0.1	-
Total recorded music	**3.6**	**3.8**	**4.3**	**4.9**	**6.0**	**7.0**	**7.9**	**8.8**	**9.3**	**9.9**	**10.5%**
Live music ticket sales	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	5.9%
Live music sponsorship	-	-	-	-	-	-	-	-	-	-	-
Total live music	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**5.9%**
Total music revenues	**3.9**	**4.1**	**4.6**	**5.2**	**6.3**	**7.4**	**8.3**	**9.2**	**9.7**	**10**	**10.3%**
YOY growth (%)		***5.1%***	***12.2%***	***13.0%***	***21.2%***	***17.5%***	***12.2%***	***10.8%***	***5.4%***	***6.2%***	

Note: Figures for 2013–2017 have been updated to reflect more recently available information. – or 0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

Tanzania

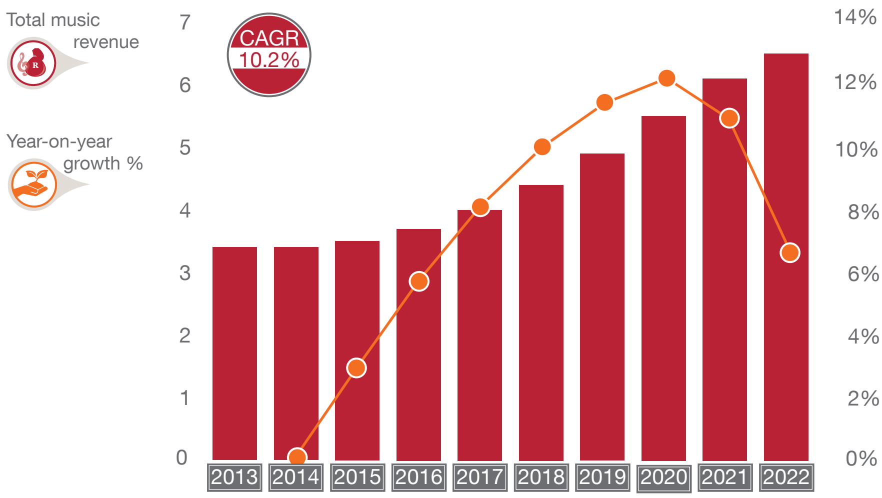
This segment at a glance

- **Tanzania's small music market yields little revenue, but its growth is accelerating.** The relatively underdeveloped nature of Tanzania's music sector means that revenue will be well below the U$10 million mark in 2022, but year-on-year growth will reach double-digit figures over the next four years. Total music revenue will amount to US$6.5 million in 2022, having increased from US$4.0 million in 2017.
- **Growth is led by RBTs.** Mobile revenue, overwhelmingly derived from RBTs, has rescued Tanzania's legal music sector from decimation as physical sales decline, fast dwindling to a projected US$0.7 million in 2022.

Tanzania's music industry shares many of the challenges faced by other sub-Saharan African countries: piracy, limited and expensive broadband, a reluctance or inability to pay for digital music, and an informal and inadequate content-licensing system. But in Tanzania these challenges are made worse than in many other major markets by the relatively underdeveloped nature of the country's music industry infrastructure. As a result, some Tanzanian artists choose to launch their music in neighbouring Kenya, but progress is being made to improve Tanzania's music-licensing system.

Revenue from mobile RBTs represents nearly 99% of digital revenue, and digital revenue represents an ever-larger share of total music revenue. Mobile will remain the dominant channel in Tanzania over the next five years.

Figure 6: Tanzania: Total music revenue (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

Tanzania music revenue, 2013–2022, (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017-22
Physical	**1.7**	**1.5**	**1.4**	**1.3**	**1.1**	**1.0**	**0.9**	**0.9**	**0.8**	**0.7**	**-8.6%**
Digital	**1.4**	**1.6**	**1.8**	**2.1**	**2.5**	**3.0**	**3.6**	**4.2**	**4.9**	**5.4**	**16.7%**
Downloads	-	-	-	-	-	-	-	-	-	-	-
Mobile	1.4	1.6	1.8	2.1	2.5	3.0	3.6	4.2	4.8	5.3	16.2%
Streaming	-	-	-	-	-	-	-	-	0.1	0.1	-
Performance rights	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Synchronisation	-	-	-	-	-	-	-	-	-	-	-
Total recorded music	**3.2**	**3.2**	**3.3**	**3.5**	**3.7**	**4.1**	**4.6**	**5.2**	**5.8**	**6.2**	**10.9%**
Live music ticket sales	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.0%
Live music sponsorship	-	-	-	-	-	-	-	-	-	-	-
Total live music	**0.2**	**0.2**	**0.2**	**0.2**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.0%**
Total music revenues	**3.4**	**3.4**	**3.5**	**3.7**	**4.0**	**4.4**	**4.9**	**5.5**	**6.1**	**6.5**	**10.2%**
YOY growth (%)		***0.0%***	***2.9%***	***5.7%***	***8.1%***	***10.0%***	***11.4%***	***12.2%***	***10.9%***	***6.6%***	

Note: Figures for 2013–2017 have been updated to reflect more recently available information. – or 0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

14 Out-of-home advertising

This segment at a glance

- **South Africa's OOH market was valued at R4.4 billion in 2017, making it larger than all other African markets combined**. Growth at a 2.2% CAGR is forecast for the next five years, in part a function of modest economic growth prospects.
- **Nearly one-third of South Africa's OOH revenue will be accounted for by digital formats in 2018, rising to more than 43% by 2022.** This is a sign of the maturity of the industry and makes South Africa a regional frontrunner.
- **Programmatic buying has now been launched in the South African market.** The country is also well-positioned to incorporate mobile into ad strategies given the rapid uptake of smartphones among South Africans.
- **The country's Protection of Personal Information (POPI) Act has implications for the industry.** While passed into law, it has yet to be brought into effect. Once live, the legislation may act as a dampener on the way that South Africans' data is harnessed in the DOOH market.

"Revenue growth to level out over the next five years"

South Africa

South Africa's out-of-home (OOH) advertising market was valued at R4.4 billion in 2017, having increased by only 1.1% on the previous year. This can be attributed to a gradually declining physical OOH market, as well as the country's challenging economic situation. OOH revenue growth correlates with GDP expansion as advertising budgets are determined by the aggregate cash businesses have at their disposal to spend on adverts. In 2017, South Africa's economy emerged from a modest recession.

Current political changes are viewed positively and are expected to contribute to the country's future growth by augmenting the integrity of public institutions and improving business confidence. South Africa's OOH market is anticipated to increase by 2.3% in 2018 and average at CAGR 2.2% over the forecast period.

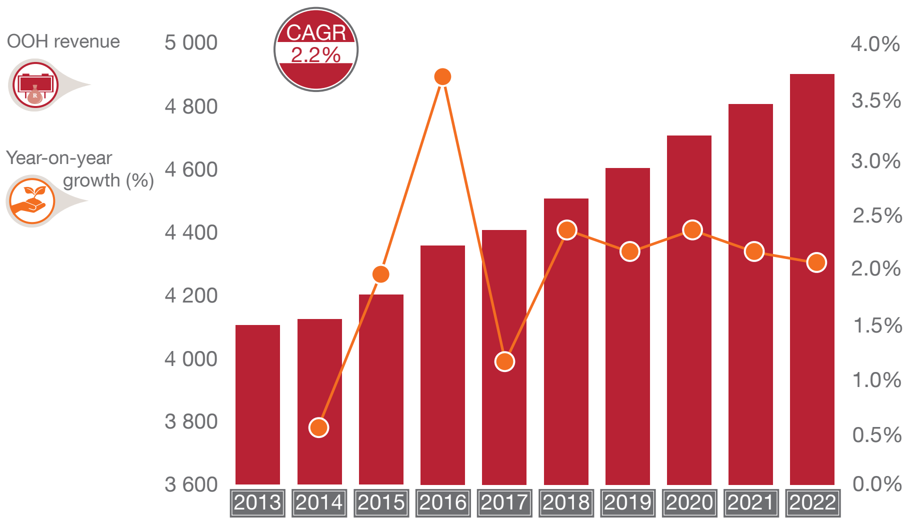
The majority of expenditure will be with the largest players, the market leader being French multinational JCDecaux. Another major operator was formed in February 2018 with the acquisition of African OOH company Global Outdoor Systems by Provantage Media Group (PMG). The merger created Provantage Global and extends PMG's reach into a number of African markets.

Growth in the OOH market will be driven by a maturing digital (DOOH) segment, which will benefit from improvements in targeting afforded by the introduction of programmatic ad buying, which can be seen among South Africa's largest OOH operators.

Another contributor to the growth of OOH in South Africa is the launch of the Out of Home Measurement Council's (OMC) ROAD data, which provides monthly insights into the reach, frequency and impact of campaigns. The availability of this data reinforces the affordability and value of the medium and has driven investment.

In addition to this, a number of metropolitan councils have or are about to amend and issue new OOH advertising bylaws including the City of Johannesburg, Tshwane and Mbombela Municipality. The new bylaws aim to strengthen the regulatory framework and curb the large number of illegal billboards.

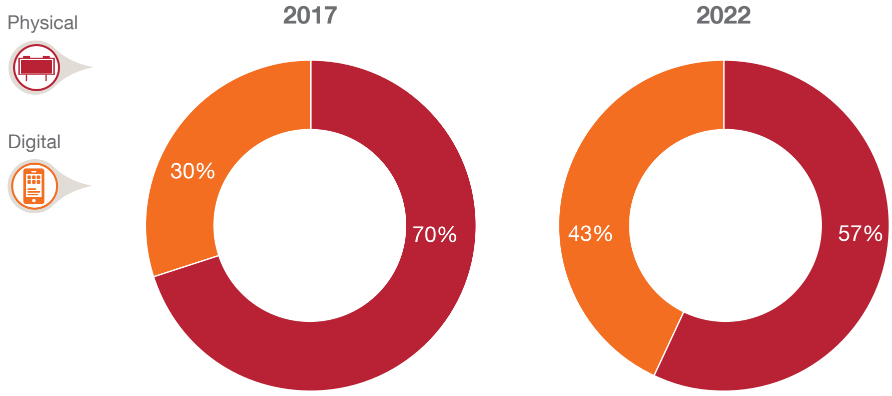
Figure 1: South Africa: Total OOH revenue (R millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Nearly one-third of South Africa's OOH revenue now comes from digital OOH formats"

Figure 2: South Africa: Digital and physical OOH revenue share, 2017 vs 2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"South Africa's OOH market growing as digital matures"

South Africa: OOH advertising market, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Physical OOH	3 439	3 324	3 257	3 220	3 093	3 031	2 960	2 900	2 837	2 780	-2.1%
Digital OOH	666	801	945	1 139	1 315	1 478	1 646	1 809	1 971	2 124	10.1%
Total OOH	**4 105**	**4 125**	**4 202**	**4 359**	**4 408**	**4 509**	**4 605**	**4 709**	**4 808**	**4 904**	**2.2%**
YOY growth (%)		***0.5%***	***1.9%***	***3.7%***	***1.1%***	***2.3%***	***2.1%***	***2.3%***	***2.1%***	***2.0%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Nigeria's OOH market was valued at US$125 million in 2017, which makes it the second-largest regionally after South Africa.** By 2022 total revenues will be worth US$162 million, representing growth at a CAGR of 5.3%.
- **The DOOH market in Nigeria grew by 44.6% in 2017.** Digital will continue to grow rapidly from a low base, making Nigeria the third most rapidly expanding DOOH market globally over the next five years.
- **Regulation to professionalise the OOH market.** In an effort to professionalise the OOH market, state governments are introducing rules, although work remains to draw the industry closer to regulators and ensure that standards and levies are not excessively onerous for operators.

Nigeria

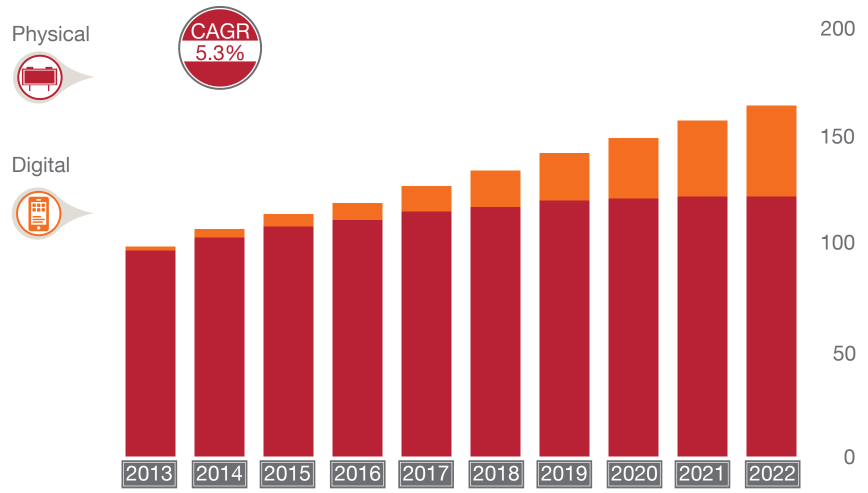
Nigeria's OOH advertising market was valued at US$125 million in 2017, having grown by 7.1% year-on-year. As should be expected given the size of the country's economy, it is the second-largest OOH market on the continent after South Africa and, given its growth profile, will remain so for the foreseeable future.

The country has faced oil-related fiscal challenges recently, which are reflected in economic forecasts. However, there is significant headroom for the OOH market, which is around one-third the size of South Africa's despite the countries having similar-sized economies. Moreover, Nigeria has 195 million inhabitants, more than 21 million of whom live in Lagos. This makes Nigeria the most populous country and Lagos the most populous city in Africa and hence the country is a prime advertising market. These positive factors will ensure that, in spite of economic headwinds, a CAGR of 5.3% over the next five years will push total OOH revenues to US$162 million by 2022.

Furthermore, a number of large scale infrastructure projects are currently being rolled out, including a new rapid bus transport system (Lagbus), several new airport terminals in Abuja, Lagos and Port Harcourt, as well as a new rapid rail transport link in Lagos. These will create new and desirable environments for OOH investment and will further contribute to the growth of the OOH market.

> *"The Nigerian OOH market has the lowest share of digital in Africa"*

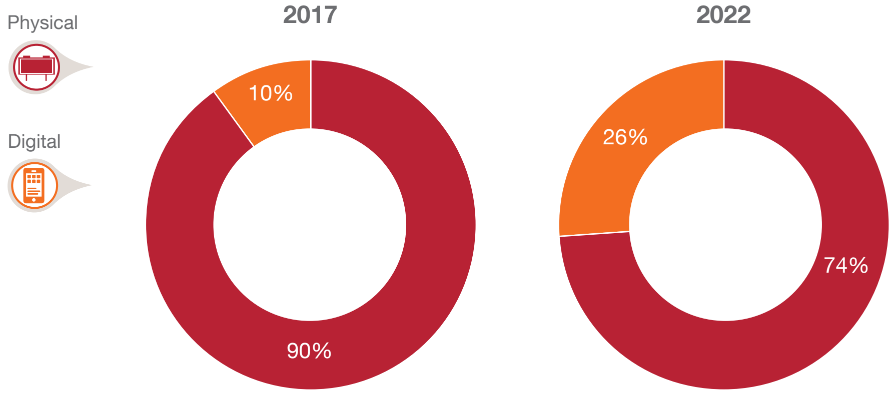
Figure 3: Nigeria: Physical and digital OOH revenue, 2013– 2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“DOOH revenues to more than triple over next five years”

Figure 4: Nigeria: Digital and physical OOH revenue share, 2017 vs 2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

“Nigeria showing growth in both physical and digital formats”

Nigeria: OOH advertising market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Physical OOH	95	101	106	109	113	115	118	119	120	120	1.2%
Digital OOH	2.2	3.4	5.4	8.2	12	17	22	28	35	42	28.5%
Total OOH	**97**	**104**	**111**	**117**	**125**	**132**	**140**	**147**	**155**	**162**	**5.3%**
YOY growth (%)		***7.9%***	***6.4%***	***5.0%***	***7.1%***	***5.8%***	***5.7%***	***5.0%***	***5.2%***	***4.8%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **The Kenyan OOH market reached US$27 million in revenues in 2017.** This is forecast to rise to US$35 million over the next five years, at a 5.5% CAGR, driven by the country's fast-growing and already well-established digital market.
- **Kenya currently has the highest smartphone penetration in Africa, making it an ideal market for advances in DOOH advertising that converges with mobile.** South Africa will overtake the country in the coming years, however four out of every five mobile connections in Kenya will be smart by 2022.

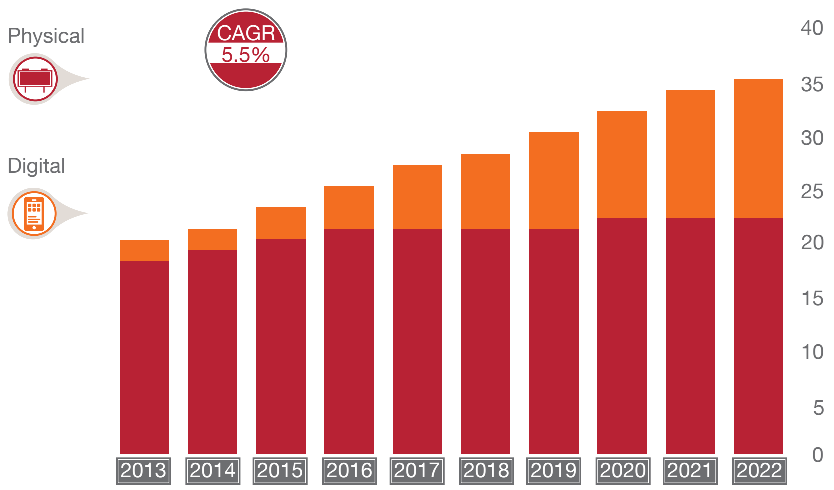
Kenya

Kenya's OOH market reached US$27 million in total revenues in 2017 after growing by 7.6%. Growth of CAGR 5.5% over the forecast period is supported by the country's relatively stable economy and Nairobi's growing middle class, and this will see total revenues climb to US$35 million by 2022.

The World Bank expects Kenya's GDP to improve on the previous year's performance, which was the weakest seen in the previous five years. This was linked to a severe drought in the first quarter, sluggish private sector credit growth and, importantly, political uncertainties. Conversely, growth in the OOH market in 2017 (7.6%) was helped rather than hindered by these political developments, as election campaigning ran for close to half the year, boosting OOH spend.

> *"Physical revenues to flatline as digital establishes itself"*

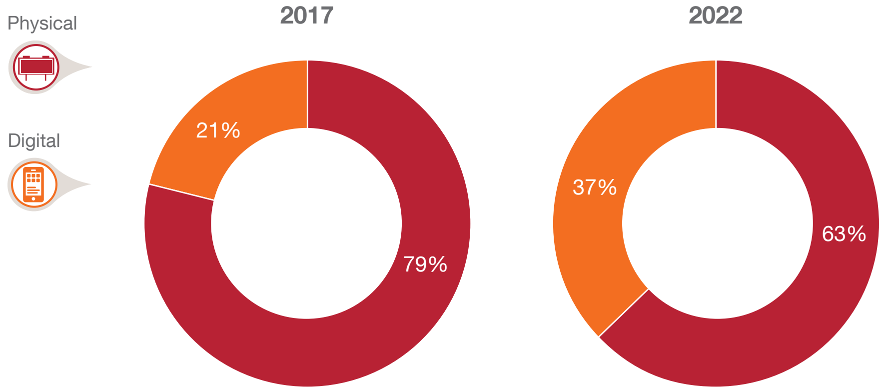
Figure 5: Kenya: Physical and digital OOH revenue, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Digital revenues to take market share over the forecast period"

Figure 6: Kenya: Digital and physical OOH revenue share, 2017 vs 2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Digital revenues drive growth as physical revenues plateau"

Kenya: OOH advertising market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Physical OOH	18	19	20	21	21	21	21	22	22	22	0.7%
Digital OOH	1.6	2.5	3.5	4.2	5.6	7.4	9.0	10	12	13	18.5%
Total OOH	**20**	**22**	**24**	**25**	**27**	**28**	**30**	**32**	**34**	**35**	**5.5%**
YOY growth (%)		***10.8%***	***9.3%***	***5.5%***	***7.6%***	***6.0%***	***6.3%***	***5.3%***	***5.3%***	***4.5%***	

Note: 2013–2017 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Ghana's OOH revenue was valued at US$24 million in 2017 and is forecast to expand at a CAGR of 6.5% over the next five years.** Digital will be the primary source of this growth, as physical expands by no more than 1.6% in any year after 2018.
- **DOOH revenue already accounts for more than one-fifth of total OOH revenues.** This is expected to rise to around 38% by 2022, spurred by growth at a CAGR of 19.8%.

Ghana

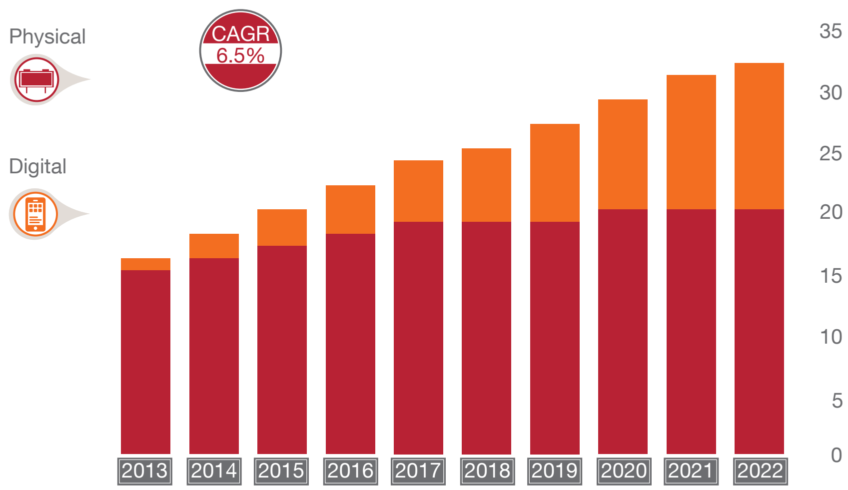
Annual growth of 9.3% pushed Ghana's total OOH revenues to US$24 million in 2017, making it the second-fastest growing market in Africa after Tanzania. The country will maintain this position, although growth will lose some momentum over the next five years resulting in a CAGR of 6.5%. This growth will see revenues reach US$32 million by 2022. This should be expected as the industry matures.

At the beginning of 2018 a moratorium on billboard advertising in the capital, Accra, was lifted. The Accra Metropolitan Assembly (AMA) issued a ban on all OOH advertising in October 2017 due to the practice of mounting billboards without permits at unauthorised locations in the city, which the AMA said created a safety risk as boards collapsed.

The 'Smart Procedures and Standards for Out of Home Advertisement' regime was introduced to outline the policies advertisers need to abide by. All stakeholders in the OOH industry were required to re-apply for permits to prevent their advertising infrastructure and signage becoming unauthorised.

> *"Ghana's physical OOH revenue continues to grow but most future growth will be digital"*

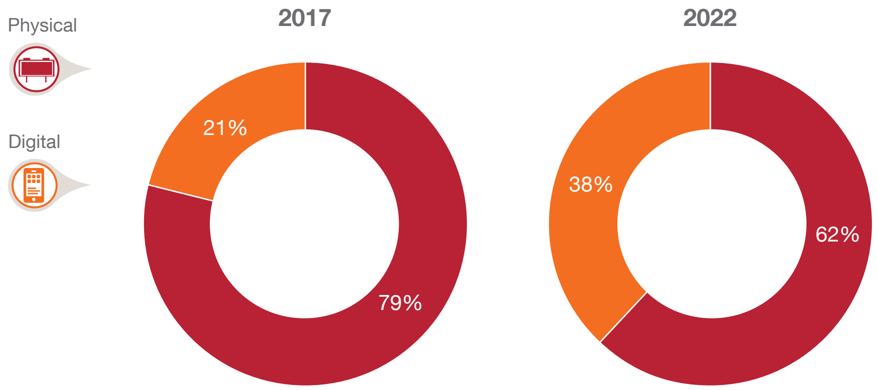
Figure 7: Ghana: Physical and digital OOH revenue, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"DOOH playing an increasingly crucial role in Ghanaian market"

Figure 8: Ghana: Digital and physical OOH revenue share, 2017 vs 2022 (%)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Ghanaian OOH market to show continued growth"

Ghana: OOH advertising market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Physical OOH	15	16	17	18	19	19	19	20	20	20	1.6%
Digital OOH	1.3	1.9	2.7	3.6	4.9	6.3	7.8	9.2	11	12	19.8%
Total OOH	**16**	**18**	**20**	**22**	**24**	**25**	**27**	**29**	**31**	**32**	**6.5%**
YOY growth (%)		***13.3%***	***10.1%***	***9.1%***	***9.3%***	***8.1%***	***6.7%***	***6.3%***	***6.3%***	***5.2%***	

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Tanzania will be the world's fastest-growing OOH market.** A CAGR of 10.7% will drive revenues from US$12 million in 2017 to more than US$19 million by 2022, led by substantial gains in both physical and digital advertising.
- **Physical OOH will expand at a CAGR of 7.9%, topping every other country.** The overall market is relatively immature, even by regional standards, leaving room for traditional formats and DOOH to expand.

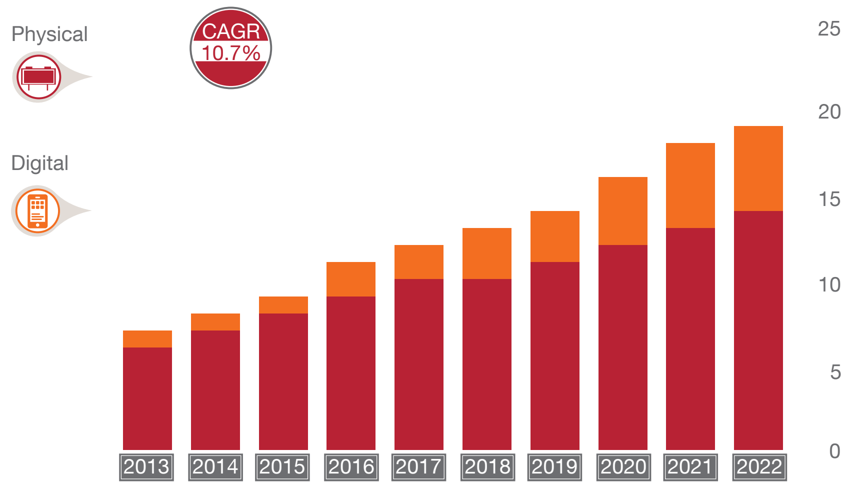
Tanzania

Tanzania is the most rapidly growing OOH market in the world. In 2017 the industry expanded by 13.9% to reach US$12 million and will maintain considerable momentum over the next five years. By 2022 the market will be worth more than US$19 million, with expected growth of CAGR 10.7%.

Like other countries in the region, broadcast media is fragmented with around one-third of radio comprising local stations with content presented in local languages. This dispersion works in favour of outdoor advertising, with marketing directors allocating significant proportions of their budgets to OOH.

"Tanzania's OOH market expanding in both traditional and digital formats"

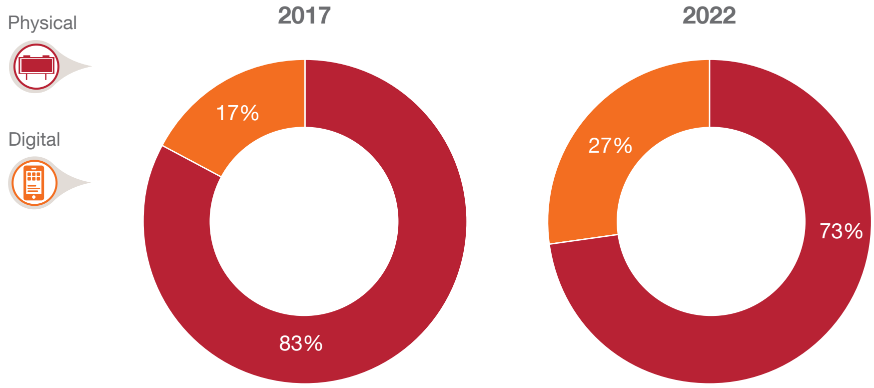
Figure 9: Tanzania: Physical and digital OOH revenue, 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"DOOH revenue will grow strongly over the next five years"

Figure 10: Tanzania: Digital and physical OOH revenue share, 2017 vs 2022 (%)



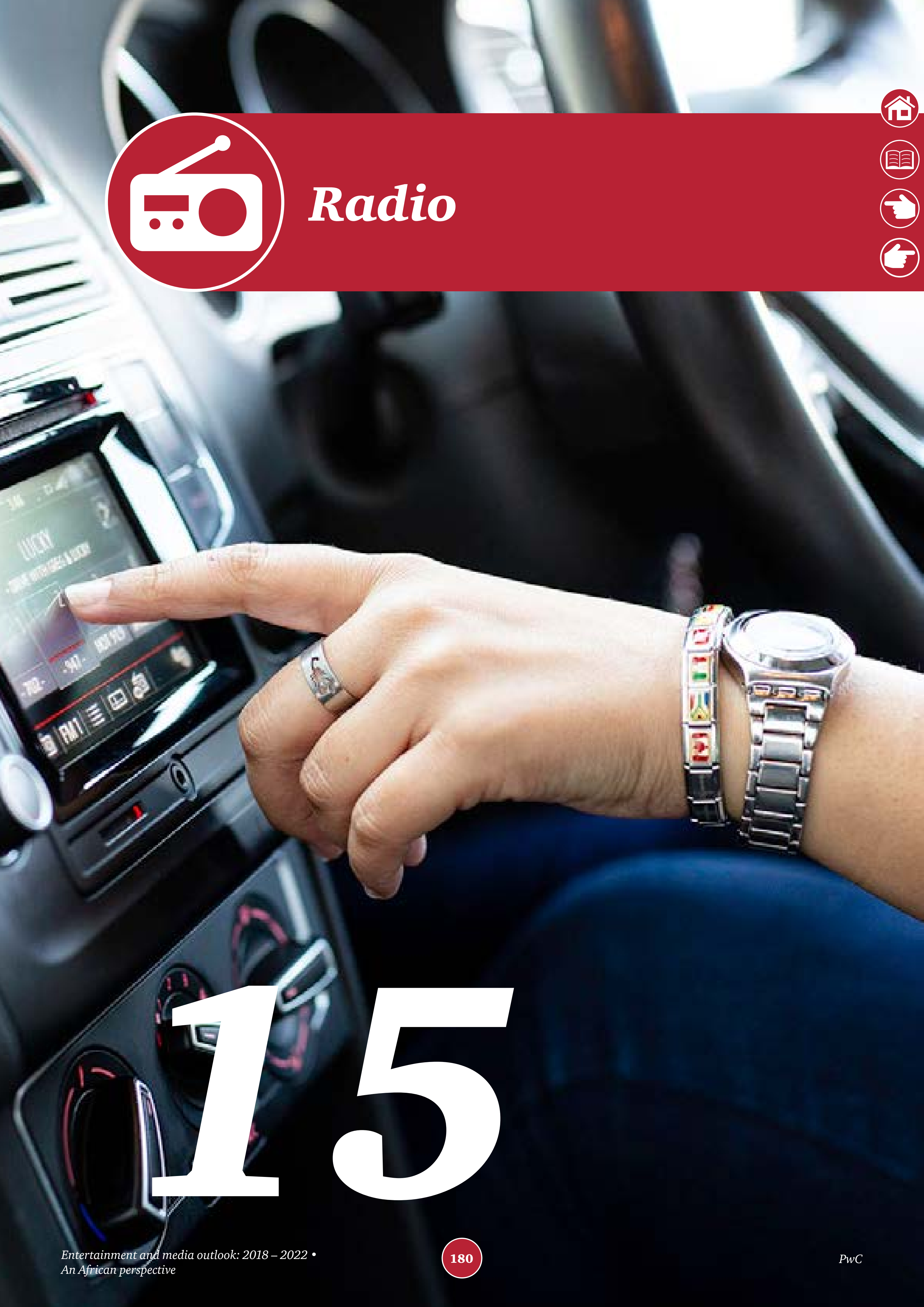
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Tanzania expected to be fastest-growing OOH market globally"

Tanzania: OOH advertising market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Physical OOH	6.0	6.9	7.8	8.6	9.5	10	11	12	13	14	7.9%
Digital OOH	0.5	0.7	1.1	1.5	2.0	2.7	3.5	4.0	4.6	5.2	21.1%
Total OOH	**7**	**8**	**9**	**10**	**12**	**13**	**15**	**16**	**18**	**19**	**10.7%**
YOY growth (%)		***16.9%***	***17.1%***	***13.5%***	***13.9%***	***13.0%***	***11.5%***	***11.0%***	***9.3%***	***8.5%***	

Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook



Radio

15

This segment at a glance

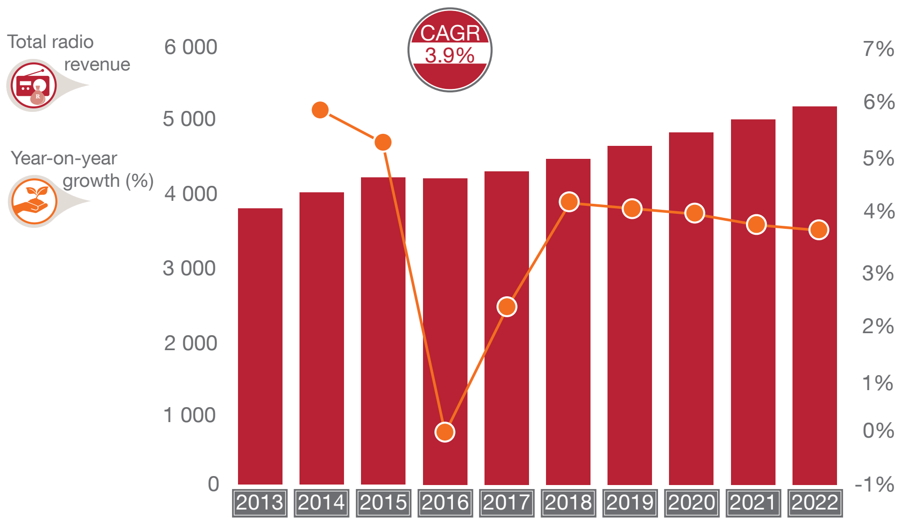
- **The South African radio market will total R5.2 billion in 2022.** Radio revenue will rise at a 3.9% CAGR over the forecast period to surpass the R5.0 billion mark in 2022.
- **South African Broadcasting Corporation (SABC) stations account for nine of the top ten most popular stations in terms of daily listenership.** Durban-based *Ukhozi FM* has the largest following.
- **The most popular way of tuning in to the radio in South Africa continues to be a standalone radio set.** However, usage has fallen slightly compared to a year ago as listening on the go, via mobile grows in popularity.
- **High quality and varied content is key to keeping listeners engaged.** For the first time, coverage of the FIFA World Cup was broadcasted in the !Xun and Khwe dialects.
- **The Independent Communications Authority of South Africa (ICASA) released a discussion paper on digital radio.** But TV remains the priority for digital migration and timelines for rollout of DAB+ or DRM are as yet unclear.

South Africa

The South African radio market grew by 2.2% in 2017 to R4.3 billion. Radio has a solid listener base in South Africa, and a weekly reach of 91%. According to the Broadcast Research Council of South Africa (BRC), 28.6 million people tuned in to radio stations on an average weekday from October 2017 to March 2018 in South Africa, up 300 000 on the July to December 2017 time period. Strong listenership figures attract advertisers and the total radio market in South Africa, comprised entirely of advertising revenue, is set to rise at a 3.9% CAGR over the next five years to reach R5.2 billion in 2022.

> *"South Africa's radio market to rise at a 3.9% CAGR"*

Figure 1: South Africa: Radio market (R millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Total revenues to hit R5.2 billion in 2022"

South Africa: Radio market, 2013–2022 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Radio advertising revenue	3 755	3 972	4 177	4 172	4 264	4 439	4 617	4 796	4 974	5 151	3.9%
Total radio revenue	**3 755**	**3 972**	**4 177**	**4 172**	**4 264**	**4 439**	**4 617**	**4 796**	**4 974**	**5 151**	**3.9%**
YOY growth (%)		***5.8%***	***5.2%***	***-0.1%***	***2.2%***	***4.1%***	***4.0%***	***3.9%***	***3.7%***	***3.6%***	

Note: Figures for 2013–2017 have been updated to reflect more recently available information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Radio revenue to hit US$54 million in 2022.** The Nigerian radio market will be boosted by stations launching new content and expanding their reach geographically.

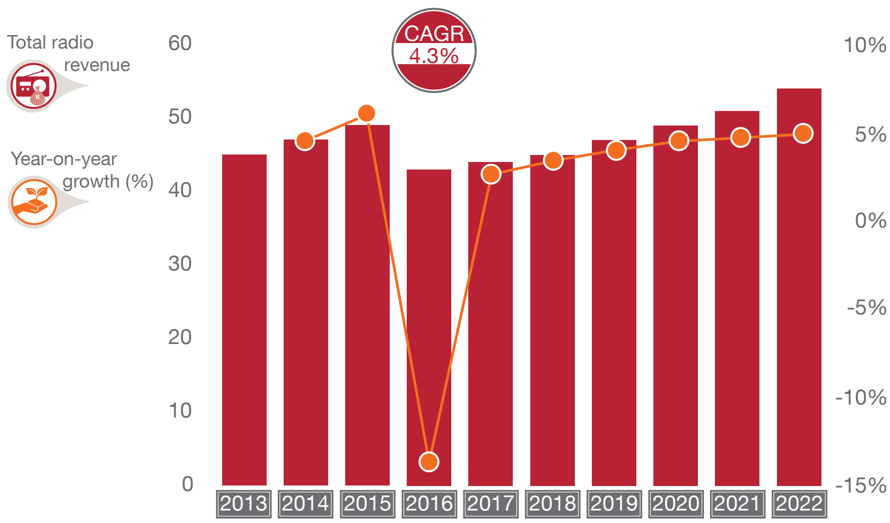
Nigeria

Nigeria's radio market returned to growth in 2017, up 2.6% on the previous year after the market recovered following cutbacks to advertising spend in 2016. Total radio revenue totalled US$44 million in 2017 and is expected to see annual growth throughout the forecast period, reaching US$54 million in 2022.

According to research services firm GeoPoll, Abuja-based commercial station *Ray Power FM* took the largest share of the total radio audience in Nigeria, accounting for 8% of listenership in the country in the first quarter of 2018. Alongside *Ray Power FM, Wazobia FM* and music station *Cool FM* both account for 7% of listenership each, and the top five is finished off by *Splash FM* and *Adaba FM*, which both took a 3% share of listenership in the first quarter of 2018.

> *"Total radio revenue to surpass the US$50 million mark in 2021"*

Figure 2: Nigeria, radio market (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> *"Nigeria's radio market to see annual growth to 2022"*

Nigeria: Radio market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2017–22**
Radio advertising revenue	45	47	49	43	44	45	47	49	51	54	4.3%
Total radio revenue	**45**	**47**	**49**	**43**	**44**	**45**	**47**	**49**	**51**	**54**	**4.3%**
YOY growth (%)		***4.5%***	***6.0%***	***-13.8%***	***2.6%***	***3.4%***	***4.0%***	***4.5%***	***4.7%***	***4.9%***	

Note: Figures for 2013–2017 have been updated to reflect more recently available information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **The Kenyan radio market will total US$119 million in 2022.** Kenya's varied radio industry will attract growing interest from advertisers, as listeners remain engaged with the medium.

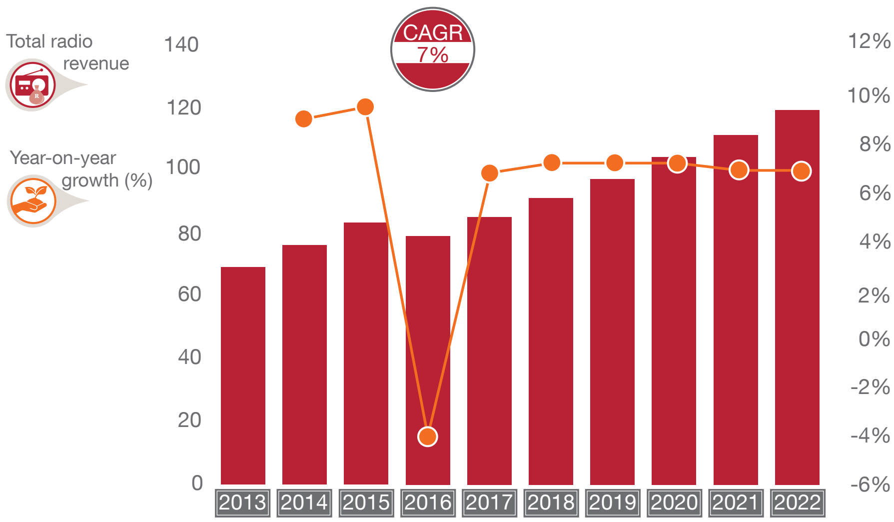
> *Solid growth predicted to 2022*

Kenya

Kenya's radio market grew by 6.7% in 2017 to reach revenues of US$85 million. Over the next five years, advertising revenues, of which the market is entirely comprised, will see healthy growth of a 7.0% CAGR, leading the market to total US$119 million in 2022.

Radio Citizen continues to take the largest share of Kenya's radio listenership, accounting for 15% of the market in the fourth quarter of 2017, according to reports by GeoPoll. The station is the largest in Kenya and broadcasts in Swahili, describing itself as "appealing to the masses". However, the station does not lead in all parts of Kenya, for example, in the North-Eastern region, *Radio Citizen* is the third-most popular station in terms of listener share, behind *Star FM* and British station *BBC* World.

Figure 3: Kenya: Radio market and year-on-year growth (%), 2013–2022 (US$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

> *Advertising drives growth of a 7.0% CAGR*

Kenya: Radio market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Radio advertising revenue	69	76	83	79	85	91	97	104	111	119	7.0%
Total radio revenue	**69**	**76**	**83**	**79**	**85**	**91**	**97**	**104**	**111**	**119**	**7.0%**
YOY growth (%)		***8.9%***	***9.4%***	***-4.1%***	***6.7%***	***7.1%***	***7.1%***	***7.1%***	***6.8%***	***6.8%***	

Note: Figures for 2013–2017 have been updated to reflect more recently available information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Total radio revenue to reach US$59 million in Ghana in 2022.** Advertisers will increase their spend as varied content from sports to drama attracts a wide audience.

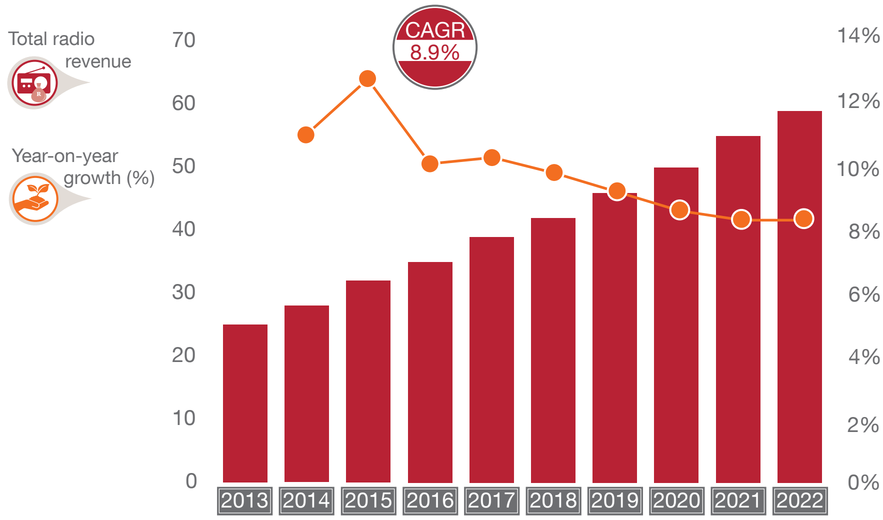
Ghana

Total radio revenue in Ghana hit US$39 million in 2017, up 10.3% on the previous year. Revenues will experience strong annual growth to 2022, when the market will total US$59 million.

According to the 2017 second quarter radio stations report by Ghana's National Communications Authority (NCA), the country is home to 392 operating radio stations, of which the majority are commercial. In addition to these, the state-owned Ghana Broadcasting Corporation (GBC) owns and runs 31 stations across the country, and there are also 22 campus and five public (foreign) stations in operation.

"Total radio revenue to rise at an 8.9% CAGR"

Figure 4: Ghana: Radio market (US$ millions) and year-on-year growth (%), 2013–2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Continued growth for Ghana's radio market"

Ghana: Radio market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Radio advertising revenue	25	28	32	35	39	42	46	50	55	59	8.9%
Total radio revenue	**25**	**28**	**32**	**35**	**39**	**42**	**46**	**50**	**55**	**59**	**8.9%**
YOY growth (%)		***11.0%***	***12.8%***	***10.1%***	***10.3%***	***9.8%***	***9.2%***	***8.6%***	***8.3%***	***8.3%***	

Note: Figures for 2013–2017 have been updated to reflect more recently available information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

This segment at a glance

- **Tanzania's radio market will total US$42 million in 2022.** The industry will be supported by popular music and local community radio projects.

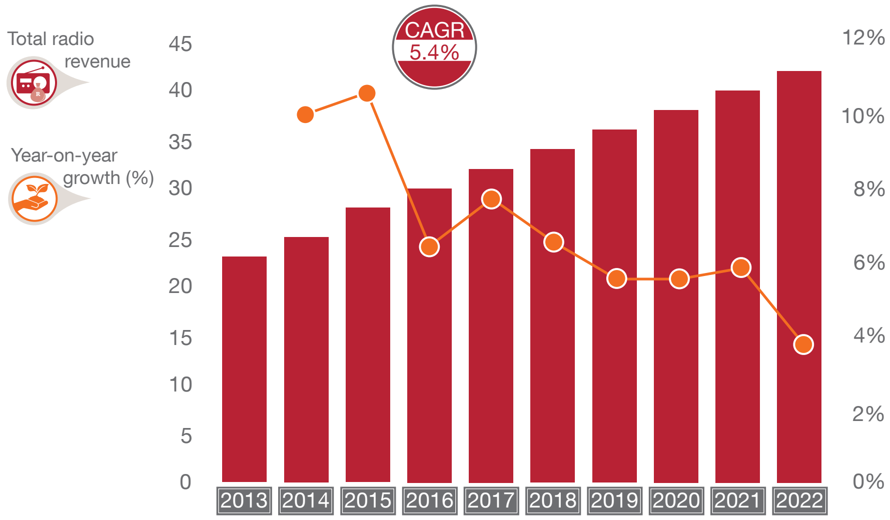
"Year-on-year growth expected for Tanzania's radio market"

Tanzania

Total radio revenue in Tanzania hit US$32 million in 2017, up 7.7% on the previous year. Over the course of the forecast period, revenue will rise annually at a 5.4% CAGR to total US$42 million in 2022.

According to research by GeoPoll, Swahili-language station *Clouds FM* is the most popular radio station in Tanzania, accounting for nearly a quarter of radio listenership. *Clouds FM* is owned by Clouds Media Group, which also runs English-speaking station *Choice FM*, and *Zanzibar-based Coconut FM* which broadcasts local Zanzibari news and music.

Figure 5: Tanzania: Radio market (US$ millions) and year-on-year growth (%), 2013—2022



Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

"Total radio revenue to surpass US$40 million over the forecast period"

Tanzania: Radio market, 2013–2022 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017–22
Radio advertising revenue	23	25	28	30	32	34	36	38	40	42	5.4%
Total radio revenue	**23**	**25**	**28**	**30**	**32**	**34**	**36**	**38**	**40**	**42**	**5.4%**
YOY growth (%)		***10.0%***	***10.6%***	***6.4%***	***7.7%***	***6.5%***	***5.5%***	***5.5%***	***5.8%***	***3.7%***	

Note: Figures for 2013–2017 have been updated to reflect more recently available information.
Sources: Entertainment and media outlook: 2018–2022, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

New technologies

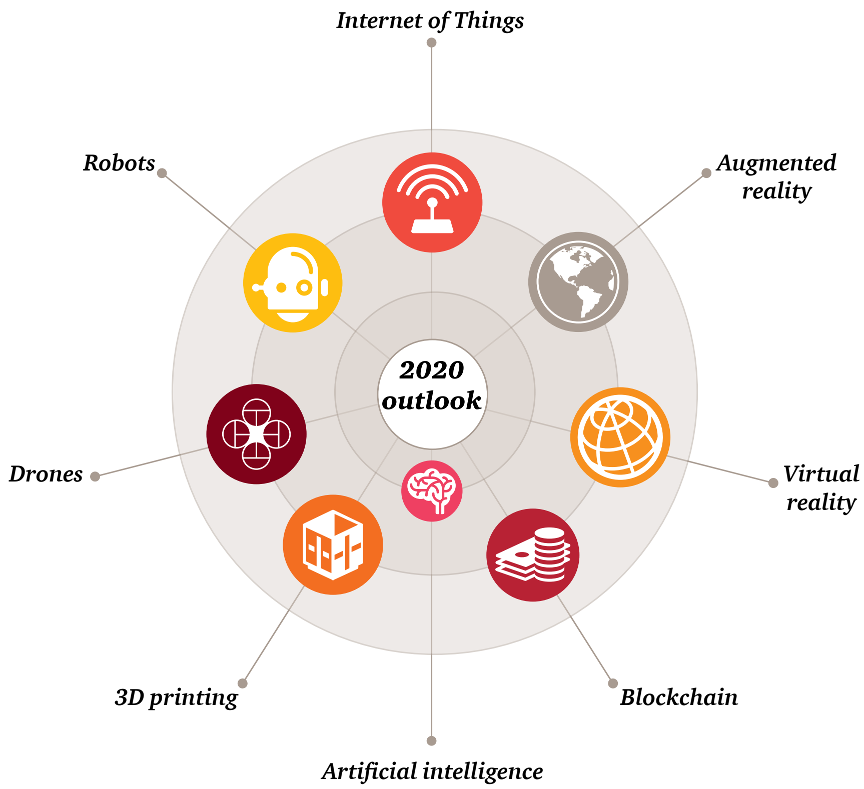
Across all segments of entertainment and media (E&M), technology is enabling cheaper and more personalised content delivery. The use of technology in E&M has the effect of squeezing out less efficient players, intensifying pressure on all links in the value chain and opening the way to the creation of new formats, such as e-sports.

For all participants in the E&M ecosystem, cost efficiency is an important element of future viability. More traditional conglomerates, many of which have legacy cost structures in place, find themselves competing against challengers with different cost structures. This only heightens the sense of urgency with respect to investing in new technologies that can help companies compete more effectively.

Given the sheer pace and acceleration of technological advances in recent years, business leaders can be forgiven for feeling dazed and perhaps a little frustrated. When we talked to CEOs participating in our annual Global CEO Survey, 61% said they were concerned about the speed of technological change in their industries. Sure, an increasing number of C-suite executives are genuinely tech-savvy – effective champions for their companies' IT vision – and most of them know that digital disruption can be a friend as well as an enemy. But it's fair to say that a large number of them struggle to find the time and energy necessary to keep up with the technologies driving transformation across every industry and in every part of the world.

PwC's 'essential eight'

PwC analysed more than 150 emerging technologies to pinpoint the 'essential eight': a set of technologies that every organisation, within E&M and beyond, must consider in formulating its tech strategy.



Although each will play a significant role in E&M, it's clear that artificial intelligence (AI) will dominate, with augmented reality (AR) and virtual reality (VR) beginning to play supporting roles, and blockchain also likely to come into the mix.

AI will have a pervasive impact on all types of companies involved in E&M and will become the industry's new battleground.

The impacts will be diverse. Netflix's recommendation algorithm is one prominent example of how AI builds consumer engagement and satisfaction. But in the next few years, an increasing number of telecommunications companies will launch voice-controlled AI assistant interfaces for their pay-TV and smart home products and services. This widespread adoption of AI will not only enhance the customer experience that companies provide, but will also allow them to protect their relationships with consumers.

To date, Amazon's Alexa and Google Assistant have been prevalent in the market for AI-enabled virtual assistants. But fierce competition is coming, in the shape of the next generation of AI-powered 'smarter phones,' which will combine voice interfaces with the use of algorithms to anticipate and infer users' intent.

AI will also continue to advance on other fronts:

- American media company NBC Universal, which is reducing the number of ads in its prime-time shows, said it would use a new AI-driven targeting tool to make its ads more relevant for audiences.
- Mimicking techniques have been perfected by the airline industry to maximise ticket revenue from seat sales.
- Game publishers are using data to adjust prices dynamically for microtransaction items based on user demand. They also analyse player context to determine where, when and how to best merchandise and promote items to users in-game.
- Like companies in most other industries, media firms have started experimenting with AI in areas such as voice control and chatbots (i.e. a computer programme or an artificial intelligence that conducts a conversation via auditory or textual methods.). As experimentation starts to turn into real products, 2018 is seeing the emergence of production-grade tools from firms, including Amazon Web Services, IBM and Google, that can help E&M providers build more engaging services, delight customers more effectively and drive additional revenues.
- Factmata, a start-up that uses AI to spot fake news, hate speech, abusive content and extreme clickbait (i.e. links that entice users to click on them), has raised funds from investors, including Internet entrepreneur Mark Cuban.

The 'essential eight' emerging technologies reflect the development of increasingly autonomous, intelligent and connected devices, and the blurring of the physical and virtual worlds. Given their potential, we believe all organisations should begin to explore what the essential eight can do for their business, both as individual technologies and, critically, in combination.

See beyond the obvious

We have to reimagine the possible to stay ahead, but to survive and thrive in the digital revolution, we must balance business understanding with technological innovation and human insight.

Whoever you are, whatever your business, it's time to see beyond the obvious. To imagine your tomorrow and make it happen. By solving problems, meeting human needs and making a difference to society.

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