Entertainment and media outlook: 2017 – 2021

An African perspective



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

8th annual edition
September 2017



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About this report



I am delighted to announce the launch of this year's expanded Entertainment and media Outlook: 2017–2021, An African perspective (Outlook).

This year's *Outlook* is newly expanded and enhanced from the previous year's 3-country, 11-segment format.

Two additional countries have been added to this edition: Ghana and Tanzania. The *Outlook* now covers five countries across the African continent, the other three being South Africa, Nigeria and Kenya.

In addition, three new areas have been introduced. The first of these areas is data consumption, exploring the dominance of video and the rise of the smartphone. The second of these is virtual reality, with forecasts for both revenues and headset take-up. The third area, E-sports, covers data and forecasts across the consumer and advertising aspects of this exciting growth area.

Companies that wish to capture value amid shifting consumer preferences and business model disruptions must focus on an increasingly prominent source of competitive advantage: the user experience. They must harness technology and data to attract, retain and engage users—and convert them into devoted fans.

These imperatives assume a larger importance because, as we document in the *Outlook*, the entertainment and media industry (E&M) is confronting several challenges to continued top-line growth.

As you read through this report, I am confident you will come away with actionable business insights based on the trends we are identifying and charting across the 14 defined segments and five countries that our research covers.

This publication gives you an 'at a glance' summary of the key highlights and trends of this year's *Outlook*. In addition to this, I encourage you to visit our online *Outlook* at **www.pwc.co.za/outlook** to explore further trends and insights. A detailed tour of the online *Outlook* is included on page 159.

Regardless of how you influence your business, our analysis can help you connect the dots between the business challenges that you are facing today, whether they are coping with value-chain disruption or mapping an M&A strategy, and the highly detailed segment and country data that emerges from our research.

I hope you enjoy this edition of the *Outlook*. To learn more about how the findings in this report can apply to your business, please connect directly with your local PwC contact or any of the contacts listed in this publication. We'd love to hear from you and look forward to working with you.

Vicki Myburgh
Entertainment and Media Leader
PwC Southern Africa
September 2017

Editor's letter



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

Supplier to the Outlook:

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Acknowledgements

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Historic data collection

All the forecasts have been built by starting with the collection of historical data from a variety of sources. A baseline of accurate and comprehensive historic data is collected in the first instance from publicly-available information such as from trade associations and government agencies. When this data is used directly, these sources are cited accordingly.

In addition to this, 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 the calculations and the sources are proprietary.

Where historic data for Ghana and Tanzania was not available, the figures were modelled.

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.

Definitions

The *Outlook* is a comprehensive source of analyses and five-year forecasts of consumer and advertising spending across five countries and 14 segments:

- Internet
- Data consumption
- Television
- Cinema
- Video games
- E-sports
- Virtual reality
- Newspaper publishing
- Magazine publishing
- Book publishing
- Business-to-business publishing
- Music
- Out-of-home advertising
- Radio

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

Methodology and definitions



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Overview

Some of the trends highlighted in this summary are not necessarily new. These include the continued shift of revenue from nondigital to digital media, the growth of mobile media and importance of user experience in determining the scope and success of content and services. But this year we are perhaps starting to see more clearly how these trends are converging in ways that provide a glimpse of the longer-term future of the market.

The growth of mobile Internet access via smartphone ownership, and of mobile media consumption, is yet to be fully reflected in the revenue generated by mobile advertising or consumer spend on mobile-only content.

Huge industry challenges remain around the effective measurement of consumer engagement, not just on mobile and digital platforms, but across all touchpoints. Without a full picture of how and when a consumer is accessing specific content, the potential for monetisation through advertising will remain unfulfilled.

Arguably the real promise of mobile media is not specifically about the format of the device or the content consumed, but the fact that it is personal. A smartphone user in Durban or Dodoma can now access the content they want at a time and a place of their choosing. And crucially, it is accessed in a context that also encourages communication and, increasingly, commerce.

All of the countries covered in the Outlook also have the advantage of natural growth potential, as increasing numbers of consumers join the middle class each year and find themselves with disposable income to spend on entertainment experiences.

*The challenge, as ever, for E&M companies is to make **their** video game, **their** newspaper, **their** radio station or **their** film the most desirable, convenient and enjoyable experience for a consumer faced with more leisure-time choices than ever before.*

South Africa

In 2016, year-on-year growth hit 10.7% in South Africa, with total entertainment and media revenue rising to reach R132.7 billion. With much of Internet access revenue's fastest growth behind it—mobile Internet penetration having surpassed 50% in 2016—and with two segments, in the shape of newspapers and magazines, now forecast to decline, a 6.0% CAGR is expected to 2021.

By 2021, total E&M revenue should reach R177.9 billion, adding R45.2 billion over five years. Internet access will account for R27.0 billion, or 60% of this increase, while the new additions of virtual reality (VR) and e-sports will see by far the highest growth rates, at 72.6% and 39.6% CAGR respectively.

Entertainment and media by segment

Growth holds up, but will slow at end of forecast period

South Africa: Total entertainment and media spending by segment, 2012-2021 (R millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Books	3 807	3 832	3 828	3 813	3 821	3 842	3 863	3 881	3 886	3 891	
YOY growth (%)		*0.6%*	*-0.1%*	*-0.4%*	*0.2%*	*0.5%*	*0.6%*	*0.5%*	*0.1%*	*0.2%*	*0.4%*
Business-to-business	7 989	8 449	8 969	9 328	9 685	10 020	10 311	10 587	10 824	11 035	
YOY growth (%)		*5.8%*	*6.1%*	*4.0%*	*3.8%*	*3.5%*	*2.9%*	*2.7%*	*2.2%*	*2.0%*	*2.6%*
Cinema	1 437	1 539	1 580	1 797	1 865	1 875	1 961	2 054	2 144	2 234	
YOY growth (%)		*7.1%*	*2.6%*	*13.7%*	*3.8%*	*0.6%*	*4.6%*	*4.7%*	*4.4%*	*4.2%*	*3.7%*
Internet	19 328	25 953	29 276	38 040	46 706	54 822	62 023	68 180	73 304	77 407	
YOY growth (%)		*34.3%*	*12.8%*	*29.9%*	*22.8%*	*17.4%*	*13.1%*	*9.9%*	*7.5%*	*5.6%*	*10.6%*
Magazines	8 272	8 691	9 212	9 509	9 060	8 931	8 718	8 592	8 478	8 391	
YOY growth (%)		*5.1%*	*6.0%*	*3.2%*	*-4.7%*	*-1.4%*	*-2.4%*	*-1.4%*	*-1.3%*	*-1.0%*	*-1.5%*
Music	2 052	1 966	2 081	2 100	2 158	2 238	2 352	2 481	2 625	2 759	
YOY growth (%)		*-4.2%*	*5.8%*	*1.0%*	*2.7%*	*3.7%*	*5.1%*	*5.5%*	*5.8%*	*5.1%*	*5.0%*
Newspapers	9 139	9 287	9 075	9 026	8 893	8 651	8 375	8 066	7 726	7 363	
YOY growth (%)		*1.6%*	*-2.3%*	*-0.5%*	*-1.5%*	*-2.7%*	*-3.2%*	*-3.7%*	*-4.2%*	*-4.7%*	*-3.7%*
Out-of-home	3 736	4 105	4 125	4 202	4 371	4 522	4 662	4 784	4 896	4 997	
YOY growth (%)		*9.9%*	*0.5%*	*1.9%*	*4.0%*	*3.5%*	*3.1%*	*2.6%*	*2.3%*	*2.1%*	*2.7%*
Radio	3 612	4 170	4 320	4 344	4 447	4 599	4 792	4 984	5 179	5 377	
YOY growth (%)		*15.4%*	*3.6%*	*0.6%*	*2.4%*	*3.4%*	*4.2%*	*4.0%*	*3.9%*	*3.8%*	*3.9%*
TV and video	29 118	31 160	33 447	37 137	40 865	41 954	45 358	47 475	49 392	51 152	
YOY growth (%)		*7.0%*	*7.3%*	*11.0%*	*10.0%*	*2.7%*	*8.1%*	*4.7%*	*4.0%*	*3.6%*	*4.6%*
Video games	1 380	1 691	1 986	2 291	2 637	3 072	3 569	4 115	4 716	5 404	
YOY growth (%)		*22.6%*	*17.4%*	*15.4%*	*15.1%*	*16.6%*	*16.2%*	*15.3%*	*14.6%*	*14.6%*	*15.4%*
E-sports	1	2	4	7	11	20	29	39	49	56	
YOY growth (%)		*214.0%*	*102.4%*	*65.7%*	*52.3%*	*86.8%*	*46.0%*	*36.0%*	*23.3%*	*16.0%*	*39.6%*
VR	0	0	0	0	30	84	212	305	367	455	
YOY growth (%)		*-*	*-*	*-*	*-*	*182.8%*	*152.3%*	*43.8%*	*20.4%*	*23.9%*	*72.6%*
Total	**88 652**	**99 481**	**106 381**	**119 890**	**132 666**	**142 588**	**154 012**	**163 176**	**171 080**	**177 884**	
YOY growth (%)		***12.2%***	***6.9%***	***12.7%***	***10.7%***	***7.5%***	***8.0%***	***6.0%***	***4.8%***	***4.0%***	***6.0%***

Notes: 2012–2016 figures have been updated to reflect the most recently available financial information.

Totals may not equal the sum of their parts due to rounding and the matters outlined below.

Newspaper, directory, consumer magazine, trade magazine, e-sports streaming 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, but only once in the overall total.

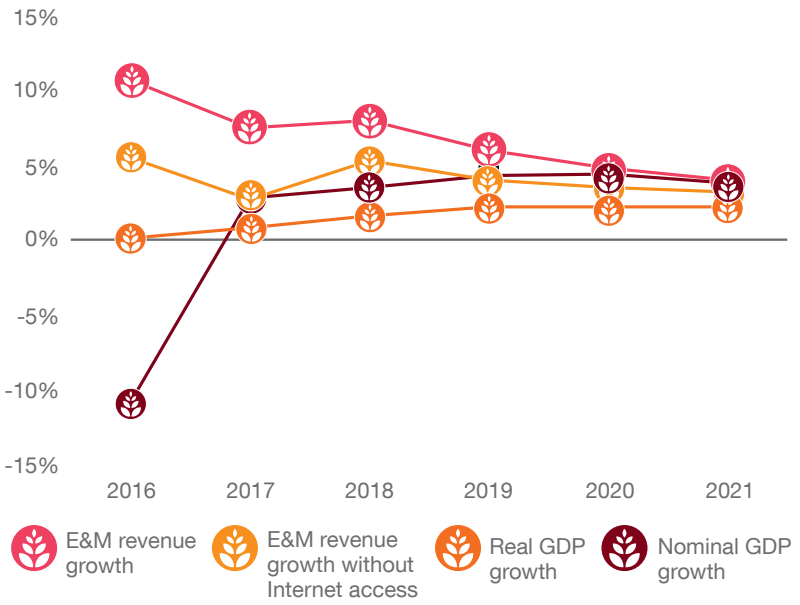
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

With nominal GDP taking a knock due to South Africa's continued economic uncertainty, E&M growth exceeds this growth (and the far lower real GDP growth) in the short term, before moving back down towards near parity in the long term.

Much of this is down to the still-high growth rates in Internet access, as still reasonable organic growth potential for mobile Internet access in particular swells revenues. Indeed, with this revenue removed from the E&M figures, growth would sit between the real and nominal growth rates.

Internet access revenue takes E&M growth above economic indicators

Figure1 South Africa: E&M with and without Internet access, real and nominal GDP growth, 2016–2021 (%)

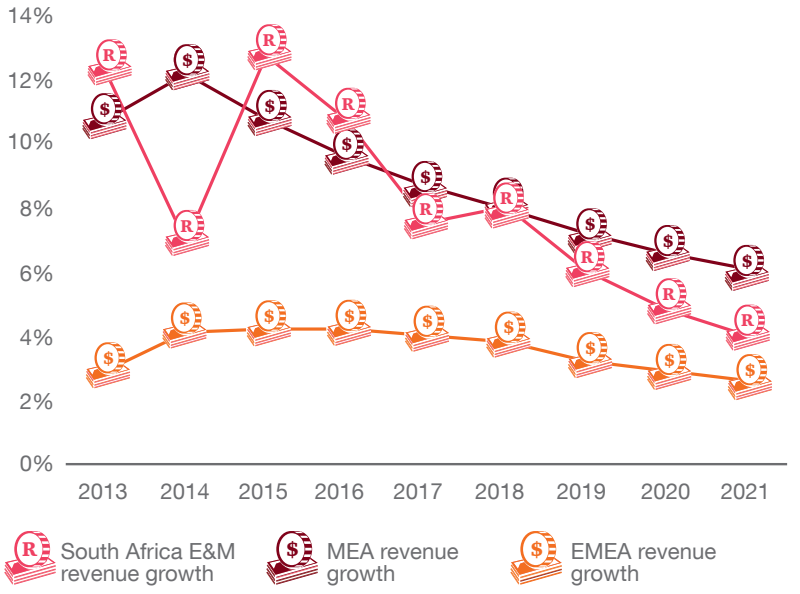


Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum, IMF

As a developed member of the Middle East and Africa (MEA) grouping, South Africa's growth will fall off more quickly than the region as a whole. However, its remaining capacity for organic growth, rather than Western Europe's typical predicament of gaining higher ARPUs from a saturated base of consumers, means it comfortably exceeds the growth rate of the Europe, Middle East and Africa (EMEA) classification.

South Africa's growth exceeds EMEA but lags MEA

Figure 2 South Africa: E&M revenue growth vs EMEA and MEA, 2013–2021 (%)



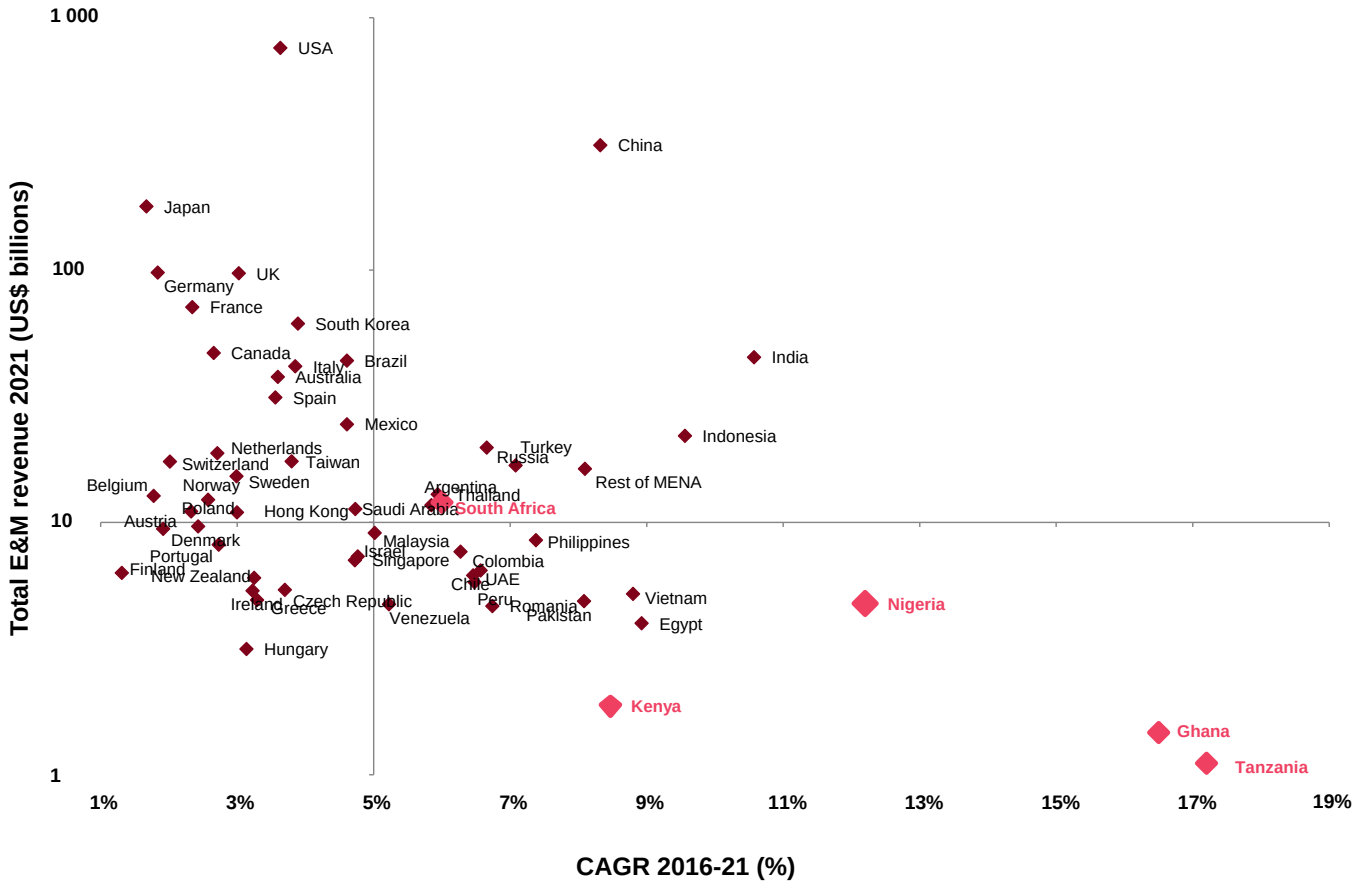
Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Turning to South Africa's position within the wider global E&M ecosystem, the country remains in the desirable top-right section of the quadrant, denoting both above-average revenue and growth.

However, with the reduced CAGR from last year's predictions, it only makes this grouping by a slim margin on both fronts, with a very similar overall outlook to Thailand and Argentina.

South Africa retains its place as a high-revenue, fast-growth country in global terms

Figure 3 Global: Total E&M revenue (US$ billions) in 2021 vs 2016-2021 CAGR growth (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

As mobile Internet penetration of 52.3% in 2016 moves to 77.8% in 2021, growth in Internet access revenue will naturally slow somewhat, meaning that the segment's share of overall spending only ticks up by a percentage point a year from 2018 onwards.

Nevertheless, nearly 40% of total E&M spend will derive from Internet access revenue in 2021.

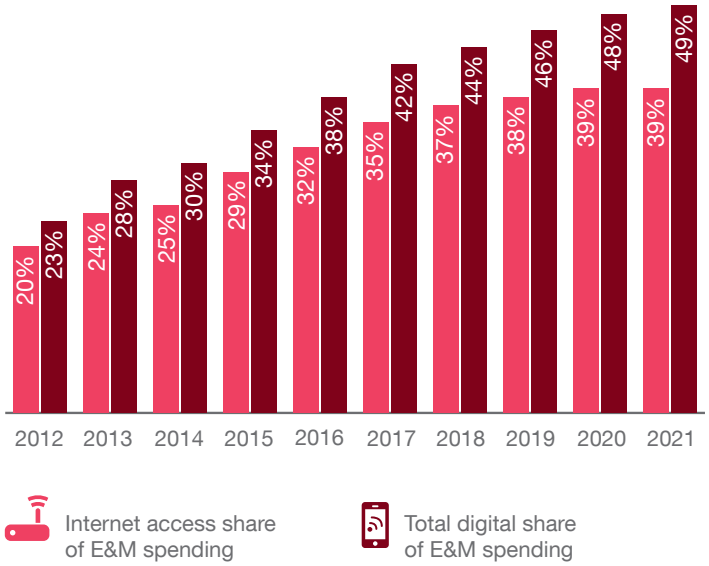
Overall digital revenue's share of E&M spend is already 38%, and will rise to 49% in 2021—still short of the symbolic tipping point.

Mobile Internet penetration of 52.3% in 2016 moves to 77.8% in 2021



Internet access to near 40% of E&M revenue by 2021

Figure 4 South Africa: Internet access share and total digital share of E&M spending, 2012-2021 (%)



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Consumer spending

Nevertheless, digital revenue is the source of the large majority of growth, rising at a combined CAGR of 11.3% to 2021.

Nondigital revenue, by contrast, will rise at a 2.2% CAGR, contributing just R9.2 billion of the R45.2 billion additional revenue in the next five years. Indeed, nondigital elements in five segments will decline to 2021. These include various types of print publishing, OOH and physical copies of video games.

The lowest CAGR expected for the digital elements of a segment will be the 8.6% for combined digital newspaper circulation and advertising revenue. Any E&M company looking for expansion will by now know where to channel its investment.

South Africa will see a CAGR of 7.2% for consumer revenue over the forecast period, rising from R87.4 billion in 2016 to R123.7 billion in 2021. Unsurprisingly, the largest contributor will be Internet access, with a 48% share in 2016 rising to 56% in 2021.

But although there are continued and justifiable concerns among E&M companies that the Internet has created an expectation of free content for consumers, there are pockets of extremely successful consumer revenue opportunities enabled by its proliferation—from SVOD and music streaming to the swiftly expanding social/casual gaming environment and new virtual reality (VR) market.

Among the largely or wholly nondigital segments, magazines and newspapers are set to decline, books are holding their own—just—and cinema continues to represent an attractive evening's entertainment, with a steady stream of alluring Hollywood fare helping box office revenue to respectable yearly gains. Live music, too, will see ticket sales revenue rising at a 7.1% CAGR.

Internet the key contributor to, and enabler of, consumer revenue

South Africa: Consumer E&M spending, 2012-2021 (R millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Books	3 807	3 832	3 828	3 813	3 821	3 842	3 863	3 881	3 886	3 891	
YOY growth (%)		*0.6%*	*-0.1%*	*-0.4%*	*0.2%*	*0.5%*	*0.6%*	*0.5%*	*0.1%*	*0.2%*	*0.4%*
Business-to-business	3 946	4 172	4 515	4 696	4 905	5 094	5 252	5 396	5 517	5 611	
YOY growth (%)		*5.8%*	*8.2%*	*4.0%*	*4.5%*	*3.8%*	*3.1%*	*2.7%*	*2.2%*	*1.7%*	*2.7%*
Cinema	885	945	941	1 113	1 169	1 133	1 172	1 215	1 256	1 296	
YOY growth (%)		*6.8%*	*-0.4%*	*18.3%*	*5.0%*	*-3.0%*	*3.4%*	*3.7%*	*3.4%*	*3.2%*	*2.1%*
Internet	17 443	23 479	26 221	34 255	42 298	49 744	56 219	61 595	65 915	69 319	
YOY growth (%)		*37.6%*	*44.2%*	*29.3%*	*21.1%*	*14.2%*	*12.7%*	*11.5%*	*10.5%*	*9.5%*	*10.4%*
Magazines	4 724	5 007	5 422	5 610	5 310	5 118	4 970	4 845	4 721	4 608	
YOY growth (%)		*6.0%*	*8.3%*	*3.4%*	*-5.3%*	*-3.6%*	*-2.9%*	*-2.5%*	*-2.6%*	*-2.4%*	*-2.8%*
Music	1 848	1 747	1 846	1 847	1 885	1 942	2 031	2 134	2 251	2 355	
YOY growth (%)		*-5.5%*	*5.6%*	*0.1%*	*2.0%*	*3.0%*	*4.6%*	*5.1%*	*5.4%*	*4.7%*	*4.6%*
Newspapers	2 635	2 644	2 667	2 665	2 643	2 606	2 553	2 486	2 406	2 315	
YOY growth (%)		*0.3%*	*0.9%*	*-0.1%*	*-0.8%*	*-1.4%*	*-2.0%*	*-2.6%*	*-3.2%*	*-3.8%*	*-2.6%*
TV and video	17 080	18 218	19 195	20 982	23 194	24 365	25 942	27 092	28 109	29 022	
YOY growth (%)		*6.7%*	*5.4%*	*9.3%*	*10.5%*	*5.1%*	*6.5%*	*4.4%*	*3.8%*	*3.2%*	*4.6%*
Video games	1 355	1 658	1 948	2 248	2 581	3 009	3 499	4 039	4 634	5 317	
YOY growth (%)		*22.4%*	*17.5%*	*15.4%*	*14.8%*	*16.7%*	*16.3%*	*15.4%*	*14.8%*	*14.7%*	*15.6%*
E-sports	0	1	2	2	3	5	7	9	11	14	
YOY growth (%)		*-*	*138.7%*	*58.5%*	*35.1%*	*44.5%*	*39.0%*	*36.6%*	*25.2%*	*18.9%*	*32.5%*
VR	0	0	0	0	30	84	212	305	367	455	
YOY growth (%)		*-*	*-*	*-*	*-*	*182.8%*	*152.3%*	*43.8%*	*20.4%*	*23.9%*	*72.6%*
Total consumer	**53 386**	**61 340**	**66 207**	**76 824**	**87 383**	**96 468**	**105 231**	**112 498**	**118 564**	**123 690**	
YOY growth (%)		***14.9%***	***7.9%***	***16.0%***	***13.7%***	***10.4%***	***9.1%***	***6.9%***	***5.4%***	***4.3%***	***7.2%***

Notes: 2012-2016 figures have been updated to reflect the most recently available financial information.
Totals may not equal the sum of their parts due to rounding and the matters outlined below.
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.
Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Live music will see ticket sales revenue rising at a 7.1% CAGR



Another key consumer driver, TV and video, will see respectable overall growth with a 4.6% CAGR. Physical home video will continue to sink and public licence fees will tick up steadily, but continued strong growth in pay-TV subscription will see R5.6 billion added from this subsegment in the next five years, while Internet video will see rapid rises at a 22.3% CAGR.

A steady stream of households entering the middle class is providing long-term opportunities for video providers, on both broadcast and OTT platforms. The entrance of Netflix and Amazon Prime Video in 2016 brought competition to the market, and signals a consumer TV and video market in good health.

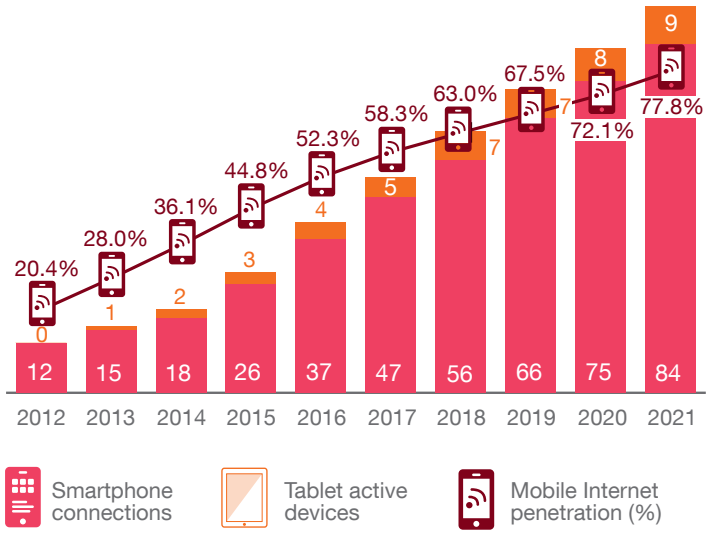
Improving Internet infrastructure will also be vital in boosting premium revenues, allowing subscribers to access content on demand across a range of devices. To this end, the rise in smartphones, tablets and mobile Internet subscribers in general will be key growth drivers over the forecast period.

Consumer spend on video games is also benefitting strongly from the growth in mobile. Social/casual gaming is attracting new gamers and, together with online/microtransactions, is driving the 15.6% CAGR forecast through to 2021.

This increasing interest in gaming is also helping to fuel the rapid growth in the related segments of VR and e-sports. Combined, the gaming segments will add R3.2 billion in consumer spend over the forecast period.

Smartphone connections continue to soar

Figure 5 South Africa: Smartphone connections (millions), active tablet devices (millions) and mobile Internet penetration (%), 2012–2021



Sources: Entertainment and media outlook: 2017 -2021, An African perspective, PwC, Ovum

Downloading's decline highlights the importance of the user experience

The tale of digital music downloading revenue is an instructive one in terms of what it tells us about the modern digital consumer. We are accustomed to hearing that content is the crucial factor that determines the success or failure of any venture in the digital world, but the reality is far more complex.

Indeed, user experience can be so important that it can even subvert commonly held expectations that digital revenue lines will always show growth. Only one digital subcomponent is seeing precipitous falls in the entire *South African E&M Outlook*—digital music downloading revenue, which is forecast to see a -15.7% CAGR.

Such revenue, derived from recorded music downloaded via app stores or licensed services such as iTunes, reached its peak in 2016, as up until that point consumers bought into the idea of having a nearly unlimited array of tracks available to purchase and listen to for a small fee.

What has changed? A form of listening that offers a vastly improved user experience has come along. Music streaming, with companies such as Spotify at its vanguard, utilises a stickier subscription model, or indeed a free tier in return for listening to ads, removing the requirement for multiple small transactions.

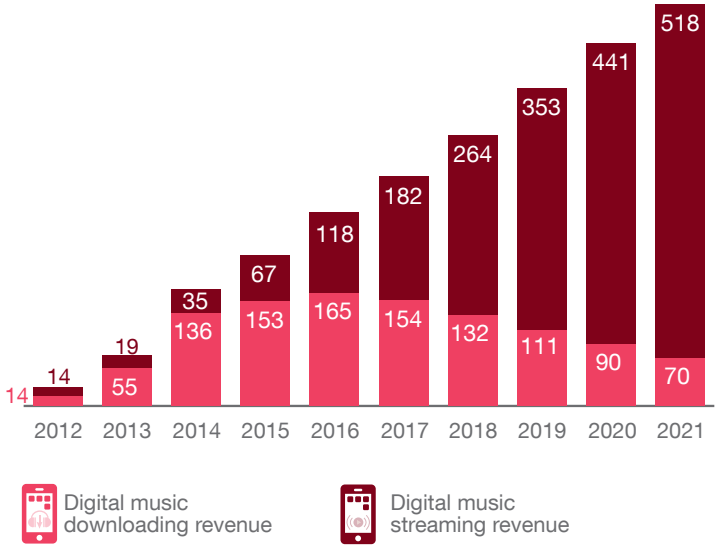
Streamers also offer greater suitability for listening on home music systems, and have introduced algorithms suggesting music that consumers might like based on their previous choices—a form of curation greatly needed when considering that Spotify and Apple Music host well over 30 million songs each.

Such is the convenience of music streaming services that they are thought to be luring in consumers used to free or even pirated music, with the net result being that digital music streaming revenue is set to rise at a CAGR of 34.5% to 2021, reaching R518 million in that year.

This growth rate is only beaten by very new revenue lines from VR and e-sports. But this stellar performance comes at the expense of digital music downloading revenue, which now seems an outdated model. Downloading sites may have a wealth of content, but that isn't enough—they will be undone by innovators offering consumers a vastly improved experience.

Music streaming makes massive gains as its convenience supersedes downloading

Figure 6 South Africa: Digital music streaming revenue vs digital music downloading revenue, 2012–2021 (R millions)



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Another example of brands showing an enhanced focus on user experience is very recent—the Nintendo Switch, released in March 2017. Nintendo, renowned for its innovation, has created a console that can be played on both a TV screen or on the go—the latter achieved by attaching a portable tablet element to the console.

It remains to be seen whether the offer of console-quality games playable anywhere at any time will be a hit among consumers. Much will depend on the quality and range of that games content, but early signs worldwide have been positive.

Ad-free subscription models leave content producers in a quandary

Entirely ad-free business models are now a major growth area within E&M. Netflix and Apple Music are good examples—following rapid growth in recent years these are now the leading firms in their respective industries. They have set the dominant business models for two of the fastest-growing areas of E&M over the next five years: Internet video and music streaming.

The volume and quality of content and industry-leading user experiences offered by these services would certainly be sufficient to attract significant advertising revenue, but in both cases they have opted instead to maximise their direct-to-consumer (D2C) revenue streams.

Instead of competing for advertising rands, they have determined that it is more profitable to use the absence of advertising on their premium services as a differentiator versus competing alternatives like YouTube, or TV and radio station online players.

Advertisers are still willing to spend, of course, but they are changing where they place their ads. Advertising growth is now overwhelmingly driven by Internet advertising, with the South African advertising market forecast to grow at just a 2.4% CAGR without this revenue line.

It is by no means the case that online content is always low-quality, but the struggles of digital newspapers and magazines to generate stellar revenue growth suggest that much of the increase in Internet advertising revenue, aside from Google and *Facebook*, is coming from low-quality, 'clickbait' content. The vast number of quick impressions generated by this content is, with current business models, much more effective at generating advertising revenue than expensive, high-quality content.

Content producers, then, face a choice between finding new revenue streams in order to support the continuing production of expensive high-quality content, or chasing the advertising revenue flowing into lower-quality content by churning out more clickbait themselves.

The latter strategy, while initially successful in some cases, is increasingly running into difficulties due to revenue loss to social networks, and loss of prestige and reputation due to association of brands with lower-quality content.

In the long run, new business models and revenue streams are likely to be the only way for high-quality content to survive. The increasing use of paywalls is helping the likes of Media24's *Netwerk24*. Tiso Blackstar Group's *BusinessLIVE* launched its BL Premium subscription plan in February 2017, banking on the site having sufficiently high-quality content to offset the loss of advertising revenue.

We are increasingly seeing the emergence of a bifurcated digital economy, with high-quality content paywalled to pay for its high production costs, and advertising-only business models only able to support cheaper content.

Media's new guard invests heavily in AI

Affordable artificial intelligence (AI) tools have the potential to transform the media industry. Their embrace of all things digital—such as content mastering, distribution, and advertising—should create lots of opportunities to apply AI to remove friction in commerce, delight consumers, and make smarter investment decisions.

Netflix, for example, has long made claims about the depth of its consumer data, which combined with its extensive content meta-tagging enables it to be smarter at rights negotiation and content commissioning. Famously, its series *House of Cards* was allegedly greenlit via data analysis. More recently, many such efforts have switched from traditional data mining to AI-driven insights, along with using its recommendation engine to reduce consumer churn.

Likewise, Google's acquisition of UK firm DeepMind in January 2014 has given it access to one of the most powerful AI platforms around. Seemingly every month or so we see new, fascinating applications for this platform, in areas as varied as music composition and beating world champions at the board game *Go*.

The potential upside in AI investment: creating abstract models to recognise media and behaviour from millions of examples; analysing and processing volumes of media that simply cannot be handled via traditional methods; presenting new features to consumers to keep them on a site or bring them back for more; and using AI tools to support internal business decision-making means that more and more firms around the world are preparing to take the plunge with AI.

Media firms shouldn't feel too pressured to invest yet, but building deep data resources for AI training purposes and watching for cloud service markets to evolve will stand them in good stead for the future.

Advertising

South Africa's total advertising revenue saw a 5.1% rise in 2016. The R45.3 billion figure of 2016 is forecast to rise to R54.2 billion in 2021, representing a 3.7% CAGR. TV advertising is dominant here, but in terms of absolute growth it is Internet advertising that will provide the largest contribution, helped by a sizeable 12.9% CAGR.



Globally, revenue from Internet advertising exceeded that from TV advertising for the first time in 2016

Internet advertising is the largest absolute growth contributor

South Africa: Advertising E&M spending, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Business-to-business	4 043	4 277	4 454	4 633	4 780	4 926	5 059	5 191	5 307	5 424	
YOY growth (%)		*5.8%*	*4.1%*	*4.0%*	*3.2%*	*3.1%*	*2.7%*	*2.6%*	*2.2%*	*2.2%*	*2.6%*
Cinema	552	594	639	684	696	742	789	839	888	938	
YOY growth (%)		*7.7%*	*7.5%*	*7.1%*	*1.7%*	*6.7%*	*6.4%*	*6.3%*	*5.9%*	*5.6%*	*6.2%*
Internet	1 885	2 474	3 055	3 784	4 407	5 079	5 804	6 585	7 389	8 088	
YOY growth (%)		*31.3%*	*23.5%*	*23.9%*	*16.5%*	*15.2%*	*14.3%*	*13.5%*	*12.2%*	*9.5%*	*12.9%*
Magazines	3 548	3 684	3 790	3 899	3 750	3 813	3 748	3 747	3 757	3 783	
YOY growth (%)		*3.9%*	*2.8%*	*2.9%*	*-3.8%*	*1.7%*	*-1.7%*	*0.0%*	*0.3%*	*0.7%*	*0.2%*
Music	204	219	235	253	273	296	321	347	374	404	
YOY growth (%)		*7.2%*	*7.5%*	*7.7%*	*7.9%*	*8.3%*	*8.5%*	*8.0%*	*7.9%*	*7.8%*	*8.1%*
Newspapers	6 504	6 644	6 408	6 361	6 250	6 045	5 822	5 580	5 320	5 048	
YOY growth (%)		*2.1%*	*-3.6%*	*-0.7%*	*-1.7%*	*-3.3%*	*-3.7%*	*-4.2%*	*-4.7%*	*-5.1%*	*-4.2%*
Out-of-home	3 736	4 105	4 125	4 202	4 371	4 522	4 662	4 784	4 896	4 997	
YOY growth (%)		*9.9%*	*0.5%*	*1.9%*	*4.0%*	*3.5%*	*3.1%*	*2.6%*	*2.3%*	*2.1%*	*2.7%*
Radio	3 612	4 170	4 320	4 344	4 447	4 599	4 792	4 984	5 179	5 377	
YOY growth (%)		*15.4%*	*3.6%*	*0.6%*	*2.4%*	*3.4%*	*4.2%*	*4.0%*	*3.9%*	*3.8%*	*3.9%*
TV and video	12 038	12 942	14 252	16 155	17 671	17 589	19 416	20 383	21 283	22 130	
YOY growth (%)		*7.5%*	*10.1%*	*13.4%*	*9.4%*	*-0.5%*	*10.4%*	*5.0%*	*4.4%*	*4.0%*	*4.6%*
Video games	25	33	38	43	56	63	70	76	82	87	
YOY growth (%)		*34.3%*	*15.1%*	*13.9%*	*28.7%*	*12.3%*	*11.1%*	*9.4%*	*7.4%*	*6.5%*	*9.3%*
E-sports	1	1	3	5	7	15	22	30	37	43	
YOY growth (%)		*115.4%*	*85.7%*	*70.0%*	*61.8%*	*106.3%*	*48.2%*	*35.8%*	*22.8%*	*15.2%*	*42.5%*
Total advertising	**35 267**	**38 141**	**40 175**	**43 067**	**45 283**	**46 120**	**48 781**	**50 679**	**52 515**	**54 194**	
YOY growth (%)		***8.1%***	***5.3%***	***7.2%***	***5.1%***	***1.8%***	***5.8%***	***3.9%***	***3.6%***	***3.2%***	***3.7%***

Notes: 2012-2016 figures have been updated to reflect the most recently available financial information.

Totals may not equal the sum of their parts due to rounding and the matters outlined below.

Newspaper, directory, consumer magazine, trade magazine, e-sports streaming and online TV advertising are included in their respective segments and also in Internet advertising, but only once in the overall total.

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Internet advertising is exhibiting by far the strongest growth, at 16.5% year-on-year in 2016, adding more than R2.5 billion since 2012. The clear driver of this is the continued movement of consumer eyeballs online—increasingly via a smartphone screen.

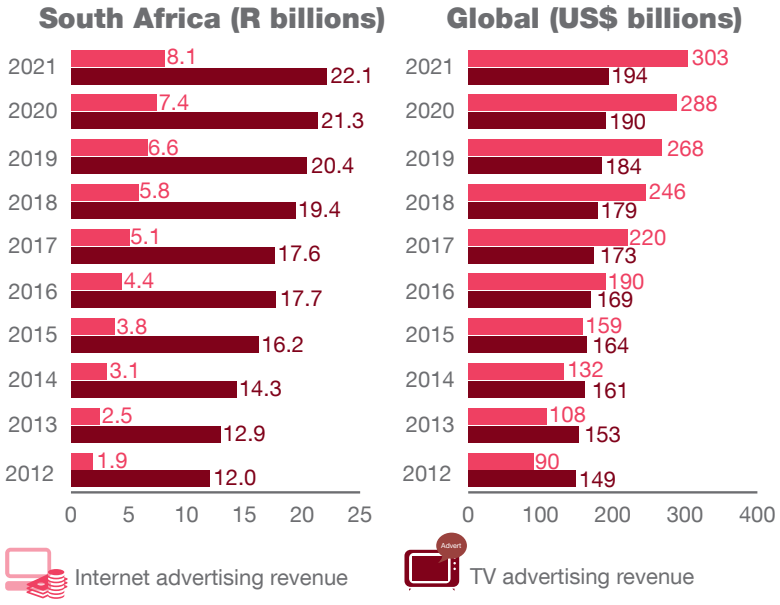
This is not all new money, however, as illustrated in the downturn in both newspaper and magazine advertising seen in 2016. Furthermore, this is by no means necessarily a success story for local industry—the likes of Google, and international social media giants led by *Facebook*, which has 14 million South African users, account for the large majority of revenue.

Globally, revenue from Internet advertising exceeded that from TV advertising for the first time in 2016. However, in South Africa this is nowhere near the case, as advertisers still deem the mass-market potential of TV a far more effective option, and as questions around effectiveness and measurement remain around (especially mobile) Internet advertising.

Advertisers complain that the likes of *Facebook*, for example, in supplying their own metrics about audience engagement on the platform, are 'marking their own homework'. Until they fully trust the metrics available, brands in South Africa will continue to use traditional media they understand, even if consumers are now spending less time watching TV and more time on their mobile devices.

Move to Internet from TV lags global pace of change

Figure 7 Global and South Africa: Internet advertising vs TV advertising, 2012–2021 (US$ billions and R billions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

In terms of cinema advertising, South Africa is something of an outlier, with 37% of total cinema revenue derived from advertising in 2016 against a global average of 3.7%.

The country's diverse demographic mix is an important factor accounting for its high rates—advertising on the big screen guarantees a campaign that exclusively reaches people with provably high disposable incomes. In fact, South Africa's cinema advertisers have arguably got it right and the rest of the world is underutilising the medium. The cinema commands consumers' absolute attention—indeed, engagement with a second screen is frowned upon, a facet that is increasingly something of a holy grail due to the inherent distractibility of smartphones. The focus on advertising, then, should be concomitantly high, but in the likes of the US, just 7.5% of box office revenue comes from this source.

Radio, OOH and B2B all provide solid, but unspectacular growth, in keeping with the overall economy. Within B2B, trade shows are delivering the best returns, expanding above 4% per year due to South Africa's attraction as a staging post for pan-African expansion, and the first stop for many international and national corporations looking to crack the African market. Sectors such as this will continue to grow steadily over the coming years.

Facebook aims to corner even more of the ad market

Facebook's status as one of the giants of the digital world is unquestioned, and its dominance of Internet ad revenues well documented, but now the firm is targeting e-commerce too.

Facebook Collection—an ad format enabling brands to combine a video, slideshow, or banner image with product images—enables businesses not only to advertise, but also drive sales across all of *Facebook's* relevant properties, such as *Instagram*.

Facebook Collection allows brands to partner an image or video with a collection of product images within a newsfeed-like layout. If users tap on the ad they will see a catalogue of up to 50 other products, which are selected by *Facebook's* ad-targeting platform. Selecting a product will take the user to the brand's website to complete the transaction.

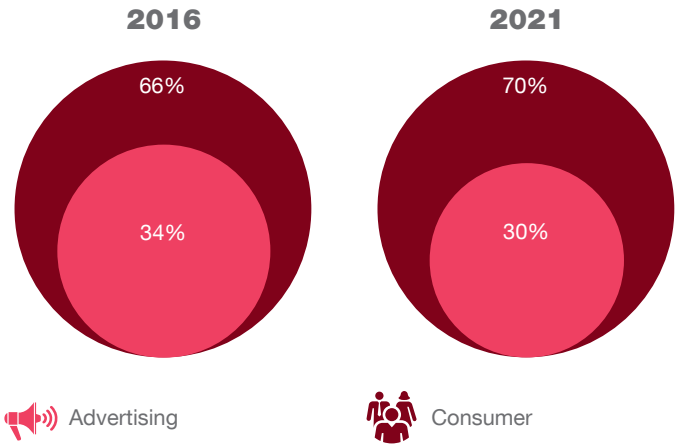
Facebook's vast array of consumer data will help brands generate customer lifetime value by targeting an audience that *Facebook* can predict—with a high level of certainty—will install a brand's app and use it to make purchases. But the concern for E&M companies already finding tough competition to host advertising, is that *Facebook* will become a "one-stop shop" for advertisers—using its enviable data to monopolise the digital space. This in turn could mean that although Internet advertising will continue to see great growth, the benefit being seen in the South African market may be much less pronounced.

Advertising vs consumer vs access

Advertising's share of overall E&M revenue will move to 30.5% in 2021, down from 34.1% in 2016 as a result of the ever-increasing role played by Internet access revenue.

Advertising to drop to 30.5% in 2021

Figure 8 South Africa: Consumer vs advertising, 2016 vs 2021 (%)



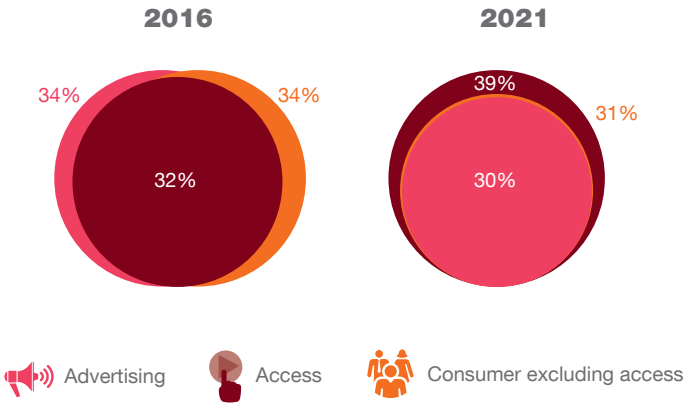
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Consumer revenue independent of Internet access is also in decline, and will in fact be very similar to overall advertising revenue in 2021, at R54.4 billion against R54.2 billion for advertising.

As of 2016, Internet access revenue alone lags both consumer (excluding access) and advertising revenue, but will surpass both to 2021.

Internet access moves from third to first place

Figure 9 South Africa: Consumer vs advertising vs access, 2016 vs 2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Content producers and advertisers must ensure that the potential of an increasingly Internet-connected populace is realised by delivering compelling content, wedded to a great user experience, to ensure they successfully monetise the digital consumer.

Nigeria

The depreciation of the naira means that Nigerian E&M revenue expressed in US dollars is somewhat depressed compared with last year's figures. Nonetheless, the market rose year on year to US$3.6 billion in 2016, and will increase at a 12.2% CAGR to 2021, reaching US$6.4 billion in that year.

A 12.2% CAGR expected to 2021

Nigeria: Total entertainment and media market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Books	29	30	32	34	35	37	38	40	42	43	
YOY growth (%)		*4.6%*	*5.9%*	*5.4%*	*4.9%*	*4.7%*	*4.4%*	*4.1%*	*3.8%*	*3.6%*	*4.1%*
Business-to-business	12	13	15	16	18	19	21	22	23	24	
YOY growth (%)		*10.5%*	*12.0%*	*9.5%*	*10.6%*	*8.5%*	*7.0%*	*6.2%*	*5.2%*	*5.1%*	*6.4%*
Cinema	10	11	12	13	14	16	17	19	20	22	
YOY growth (%)		*7.0%*	*7.9%*	*9.5%*	*10.6%*	*9.2%*	*8.9%*	*8.7%*	*8.3%*	*7.9%*	*8.6%*
Internet	640	1 122	1 477	1 790	2 143	2 537	2 975	3 458	3 990	4 568	
YOY growth (%)		*75.3%*	*31.7%*	*21.2%*	*19.7%*	*18.4%*	*17.2%*	*16.3%*	*15.4%*	*14.5%*	*16.3%*
Magazines	130	136	140	143	172	174	176	177	178	178	
YOY growth (%)		*4.5%*	*3.2%*	*2.0%*	*20.5%*	*1.2%*	*1.0%*	*0.7%*	*0.4%*	*0.4%*	*0.7%*
Music	32	32	34	36	39	44	51	57	66	73	
YOY growth (%)		*1.6%*	*3.8%*	*6.3%*	*9.0%*	*12.1%*	*15.6%*	*13.5%*	*14.6%*	*11.5%*	*13.4%*
Newspapers	127	127	126	126	125	125	125	125	126	127	
YOY growth (%)		*0.1%*	*-0.4%*	*-1.0%*	*-0.7%*	*-0.1%*	*0.0%*	*0.3%*	*0.5%*	*0.5%*	*0.2%*
Out-of-home	111	121	130	139	148	157	166	175	184	193	
YOY growth (%)		*8.9%*	*7.9%*	*6.3%*	*6.8%*	*6.0%*	*5.6%*	*5.4%*	*5.2%*	*5.0%*	*5.4%*
Radio	53	56	58	62	58	62	66	70	73	76	
YOY growth (%)		*4.0%*	*4.5%*	*6.1%*	*-5.2%*	*6.7%*	*6.0%*	*5.3%*	*5.0%*	*4.7%*	*5.5%*
TV and video	637	694	749	791	810	855	904	944	976	1 003	
YOY growth (%)		*9.0%*	*8.0%*	*5.5%*	*2.3%*	*5.6%*	*5.8%*	*4.3%*	*3.4%*	*2.9%*	*4.4%*
Video games	18	22	26	31	41	48	55	64	74	86	
YOY growth (%)		*20.6%*	*19.8%*	*17.3%*	*34.1%*	*16.1%*	*15.8%*	*15.5%*	*15.7%*	*15.8%*	*15.8%*
Total	**1 788**	**2 352**	**2 787**	**3 164**	**3 589**	**4 057**	**4 575**	**5 131**	**5 729**	**6 373**	
YOY growth (%)		***31.5%***	***18.5%***	***13.5%***	***13.4%***	***13.1%***	***12.8%***	***12.1%***	***11.7%***	***11.2%***	***12.2%***

Notes: 2012-2016 figures have been updated to reflect most recently available financial information.

Totals may not equal the sum of their parts due to rounding and the matters outlined below.

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.

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Nigeria is one of the fastest-growing countries in the world, but appearances can be deceiving

Internet access revenue can be considered the gateway to classic E&M spend, but in some extreme cases it can distort a country's growth story. In terms of total E&M revenue, Nigeria is one of the fastest-growing countries of those considered, but this figure must be treated with caution, as a huge proportion of that growth comes from Internet access revenue alone—specifically mobile Internet access revenue. This in itself is an interesting side point, with Nigerians embracing dual-SIM phones in order to circumvent issues with network coverage.

Of the US$2.8 billion that the Nigerian market will add between 2016 and 2021, all but US$452 million will come from Internet access revenue, dampening what seems like an optimistic picture for consumer and advertiser revenue growth.

Industries such as the world-renowned Nollywood, for instance, don't generate that much measurable revenue for Nigerian E&M due to issues such as piracy hampering official cinema owners and film vendors.

With Internet access revenue excluded from the figures, Nigeria's CAGR falls to a less stellar 5.4%; that's behind the 7.7% seen in Kenya.

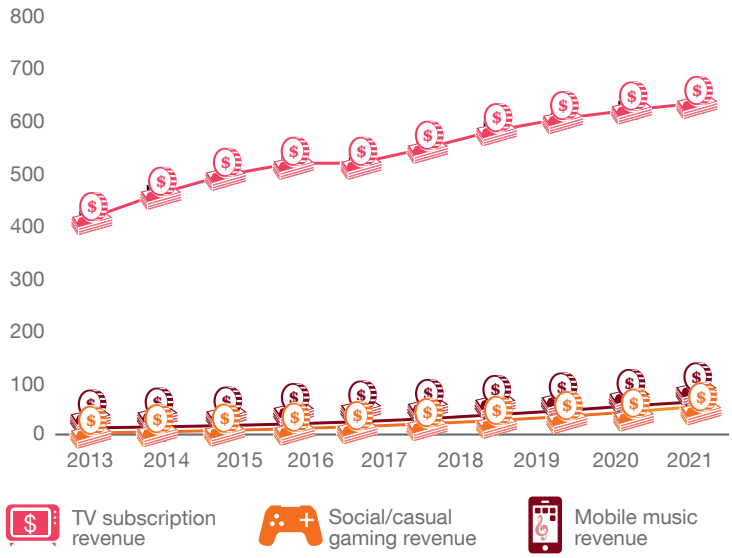
But there is still much to be positive about in the Nigerian market. The combined elements of TV and video will add nearly US$200 million to 2021. Although the breadth of Internet coverage and speed of service is not yet sufficient to support meaningful Internet video revenue, pay-TV will do well over the forecast period. Growth was low in 2016 as providers focussed on low-cost entry-level packages designed to entice new customers. This has helped pay-TV households to rocket from 1.9 million in 2012 to 4.0 million in 2016.

Once the emphasis shifts towards upselling households to more premium packages with wider ranges of content, HD channels and TV everywhere services, a 4.1% CAGR can be expected.

In music, ringtones and ringbacks continue to make good running, thanks largely to their piracy-proof nature. And in video games, similarly, the social/casual model is making gamers of anybody with a smartphone, explaining rapid rises in this metric as smartphone connections rise exponentially.

Growth areas cover a range of segments

Figure 10 Nigeria: Key consumer revenue lines, 2012–2021 (US$ millions)



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Only TV, OOH, Internet and radio have strong advertising revenue

Nigeria: Total advertising revenue, split by subcategory, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Business-to-business	3	3	4	4	5	6	6	7	7	7	
YOY growth (%)		*16.7%*	*29.7%*	*16.6%*	*18.7%*	*12.2%*	*8.3%*	*6.3%*	*4.0%*	*4.2%*	*7.0%*
Cinema	1	1	1	1	1	1	1	2	2	2	
YOY growth (%)		*-7.5%*	*-8.6%*	*2.3%*	*3.4%*	*7.6%*	*10.9%*	*13.5%*	*15.8%*	*18.2%*	*15.2%*
Internet	15	24	35	48	65	82	101	120	139	157	
YOY growth (%)		*58.2%*	*43.8%*	*38.0%*	*34.4%*	*27.1%*	*22.7%*	*19.1%*	*16.3%*	*12.8%*	*19.5%*
Magazines	5	5	5	5	6	7	7	8	8	7	
YOY growth (%)		*1.0%*	*9.8%*	*4.7%*	*24.5%*	*4.1%*	*4.2%*	*1.0%*	*-3.2%*	*-2.0%*	*0.8%*
Music	1	1	1	1	1	1	1	1	1	1	
YOY growth (%)		*1.5%*	*-2.5%*	*0.1%*	*0.2%*	*0.5%*	*1.0%*	*1.8%*	*4.0%*	*3.8%*	*3.8%*
Newspapers	48	46	43	41	39	37	35	34	33	33	
YOY growth (%)		*-6.8%*	*-7.0%*	*-5.4%*	*-4.8%*	*-4.4%*	*-4.2%*	*-3.4%*	*-3.4%*	*-3.5%*	*-3.4%*
Out-of-home	111	121	130	139	148	157	166	175	184	193	
YOY growth (%)		*8.9%*	*7.9%*	*6.3%*	*6.8%*	*6.0%*	*5.6%*	*5.4%*	*5.2%*	*5.0%*	*5.4%*
Radio	53	56	58	62	58	62	66	70	73	76	
YOY growth (%)		*4.0%*	*4.5%*	*6.1%*	*-5.2%*	*6.7%*	*6.0%*	*5.3%*	*5.0%*	*4.7%*	*5.5%*
TV and video	182	194	212	231	249	266	282	298	313	327	
YOY growth (%)		*6.2%*	*9.8%*	*8.7%*	*7.7%*	*6.9%*	*6.1%*	*5.5%*	*5.0%*	*4.6%*	*5.6%*
Total advertising	**415**	**445**	**484**	**526**	**565**	**611**	**656**	**703**	**749**	**793**	
YOY growth (%)		***7.2%***	***8.9%***	***8.6%***	***7.4%***	***8.1%***	***7.5%***	***7.0%***	***6.6%***	***5.9%***	***7.0%***

Notes: 2012–2016 figures have been updated to reflect most recently available financial information.

Totals may not equal the sum of their parts due to rounding and the matters outlined below.

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.

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

TV is Nigeria's largest advertising segment, with terrestrial dominant, but with multichannel rising at a double-digit CAGR to 2021 as advertisers chase the country's increasingly large pay-TV base.

Local content remains important and MultiChoice continues to add programming to its DStv and GOtv services. MultiChoice's dedicated sports channel, *SuperSport*, has invested significantly in Nigerian content, particularly in football and basketball.

A healthy proliferation of radio stations—Lagos State alone has 23—will also take radio advertising revenue to just shy of US$80 million in 2021, while the country's rapid rate of urbanisation in particular spells good news for OOH.

Internet advertising, though, is the most exciting growth area, with a CAGR of 19.5% expected to propel the segment to US$157 million in 2021. Mobile Internet is seeing especially strong growth, and will overtake wired advertising by the end of the forecast period.

In March 2017, *Facebook* began accepting payments for advertising space in naira. Previously, prices were displayed in naira, but payments were not accepted in the currency, meaning that extra currency conversion fees and blocked transactions were commonplace.

Businesses can now pay for *Facebook's* ad space using local debit cards, improving access to the social network for advertisers and local companies across Nigeria. This will only improve the transition of advertiser dollars to the segment, even if it may not spell ad revenue for the country's content producers.

Kenya

The Kenyan entertainment and media market was worth US$2.1 billion in 2016, up 13.6% on 2015. Revenue will grow at an 8.5% CAGR over the next five years, hitting the US$3.0 billion mark in 2020, and totalling US$3.2 billion in 2021.

Total revenue will hit US$3.0 billion in 2020

Kenya: Total entertainment and media market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Books	32	34	37	38	39	40	41	42	43	43	
YOY growth (%)		*8.6%*	*6.7%*	*2.6%*	*2.6%*	*2.6%*	*2.5%*	*2.5%*	*2.4%*	*2.2%*	*2.4%*
Business-to-business	8	9	11	12	14	15	16	18	20	22	
YOY growth (%)		*16.9%*	*21.7%*	*11.7%*	*12.7%*	*10.2%*	*9.8%*	*9.9%*	*9.5%*	*9.5%*	*9.7%*
Cinema	4	4	5	5	5	6	6	7	7	8	
YOY growth (%)		*6.5%*	*7.2%*	*8.5%*	*8.3%*	*8.1%*	*8.0%*	*7.9%*	*7.2%*	*6.4%*	*7.5%*
Internet	397	358	511	655	791	922	1 041	1 147	1 239	1 318	
YOY growth (%)		*-9.7%*	*42.6%*	*28.2%*	*20.8%*	*16.5%*	*12.9%*	*10.2%*	*8.0%*	*6.4%*	*10.7%*
Magazines	54	60	67	69	72	74	76	80	85	91	
YOY growth (%)		*11.1%*	*11.8%*	*3.5%*	*3.8%*	*3.4%*	*3.3%*	*4.7%*	*5.9%*	*7.3%*	*4.9%*
Music	17	17	18	19	20	22	24	26	29	32	
YOY growth (%)		*1.0%*	*2.9%*	*5.9%*	*5.8%*	*8.2%*	*11.1%*	*10.0%*	*11.2%*	*9.3%*	*10.0%*
Newspapers	142	153	161	167	172	177	182	185	190	192	
YOY growth (%)		*7.7%*	*5.6%*	*3.5%*	*3.0%*	*2.9%*	*2.6%*	*2.3%*	*2.0%*	*1.5%*	*2.2%*
Out-of-home	73	79	87	95	103	115	122	130	137	145	
YOY growth (%)		*8.3%*	*11.2%*	*8.8%*	*7.9%*	*11.3%*	*6.1%*	*6.6%*	*6.1%*	*5.7%*	*7.1%*
Radio	232	263	287	313	342	372	402	433	465	497	
YOY growth (%)		*13.4%*	*9.0%*	*9.4%*	*9.2%*	*8.7%*	*8.2%*	*7.7%*	*7.2%*	*6.9%*	*7.7%*
TV and video	310	352	414	467	532	582	630	680	726	772	
YOY growth (%)		*13.6%*	*17.5%*	*12.7%*	*13.5%*	*9.6%*	*8.4%*	*7.7%*	*7.0%*	*6.3%*	*7.8%*
Video games	21	29	38	45	55	63	72	81	92	104	
YOY growth (%)		*37.1%*	*31.7%*	*18.2%*	*21.2%*	*15.1%*	*14.2%*	*13.5%*	*13.3%*	*12.4%*	*13.7%*
Total	**1 283**	**1 351**	**1 625**	**1 874**	**2 129**	**2 370**	**2 594**	**2 808**	**3 010**	**3 199**	
YOY growth (%)		***5.3%***	***20.3%***	***15.3%***	***13.6%***	***11.3%***	***9.5%***	***8.3%***	***7.2%***	***6.3%***	***8.5%***

Notes: 2012-2016 figures have been updated to reflect most recently available financial information.

Totals may not equal the sum of their parts due to rounding and the matters outlined below.

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.

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Internet access is the most established industry within the Kenyan market, boasting the largest revenues and one of the highest growth rates to 2021. It will also be the first subsegment in which revenues hit US$1.0 billion, which it will reach in 2020.

Mobile Internet access is the main revenue driver, as smartphone adoption increases in popularity. Over the forecast period, high-speed mobile Internet connections will rise at an impressive 84.9% CAGR, while the number of mobile Internet subscribers is set to more than double over the next five years, reaching 33 million in 2021.

In response to increased mobile Internet access, Malaysian video streaming service iFlix announced in June 2017 its plans to enter the Kenyan market. Following the lead of SVOD giants like Netflix and Amazon, iFlix hopes to capture a slice of the market, offering both local and international content to the Kenyan audience, at a significantly lower price than other subscription-based services. iFlix will cost between US$2-US$4 a month and allow consumers to download content in low, medium or HD format.

The rise of the smartphone in Kenya will also contribute to growth across other media sectors, with newspaper provider Nation Media Group developing a mobile-friendly app to encourage digital readership of its news content and the social/casual gaming market expected to rise at a 22.4% CAGR to 2021, as Kenyans gain access to mobile app stores and mobile data costs fall.

Advertising revenues will increase at an 8.0% CAGR

Kenya: Advertising expenditure by entertainment & media segment, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Business-to-business	2	3	4	4	4	5	5	5	6	7	
YOY growth (%)		*20.4%*	*30.1%*	*10.1%*	*9.6%*	*7.8%*	*6.9%*	*7.9%*	*9.6%*	*11.8%*	*8.8%*
Cinema	1	1	1	1	1	1	1	2	2	2	
YOY growth (%)		*10.0%*	*11.5%*	*13.9%*	*14.2%*	*14.7%*	*15.3%*	*15.7%*	*13.3%*	*11.0%*	*14.0%*
Internet	31	51	73	100	120	141	162	184	205	227	
YOY growth (%)		*66.1%*	*43.0%*	*36.7%*	*19.9%*	*17.7%*	*14.9%*	*13.3%*	*11.7%*	*10.5%*	*13.6%*
Magazines	9	9	10	11	11	11	12	12	12	12	
YOY growth (%)		*8.2%*	*8.7%*	*4.0%*	*4.2%*	*2.7%*	*1.4%*	*1.2%*	*0.9%*	*0.4%*	*1.3%*
Music	0	0	0	0	0	0	0	0	0	0	
YOY growth (%)		*0.0%*	*0.8%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Newspapers	102	112	118	123	127	130	132	134	137	137	
YOY growth (%)		*9.2%*	*6.2%*	*3.8%*	*3.0%*	*2.6%*	*2.1%*	*1.7%*	*1.2%*	*0.6%*	*1.6%*
Out-of-home	73	79	87	95	103	115	122	130	137	145	
YOY growth (%)		*8.3%*	*11.2%*	*8.8%*	*7.9%*	*11.3%*	*6.1%*	*6.6%*	*6.1%*	*5.7%*	*7.1%*
Radio	232	263	287	313	342	372	402	433	465	497	
YOY growth (%)		*13.4%*	*9.0%*	*9.4%*	*9.2%*	*8.7%*	*8.2%*	*7.7%*	*7.2%*	*6.9%*	*7.7%*
TV and video	200	224	267	300	342	380	414	449	484	519	
YOY growth (%)		*11.9%*	*19.2%*	*12.2%*	*14.1%*	*11.1%*	*9.1%*	*8.4%*	*7.9%*	*7.1%*	*8.7%*
Video games	0	0	0	0	0	0	0	0	0	0	
YOY growth (%)			*14.8%*	*16.1%*	*13.9%*	*12.2%*	*13.0%*	*9.6%*	*7.0%*	*8.2%*	*10.0%*
Total advertising	**646**	**737**	**841**	**940**	**1 041**	**1 145**	**1 240**	**1 337**	**1 434**	**1 530**	
YOY growth (%)		***14.0%***	***14.1%***	***11.7%***	***10.8%***	***9.9%***	***8.3%***	***7.8%***	***7.3%***	***6.7%***	***8.0%***

Notes: 2012–2016 figures have been updated to reflect most recently available financial information.

Totals may not equal the sum of their parts due to rounding and the matters outlined below.

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.

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

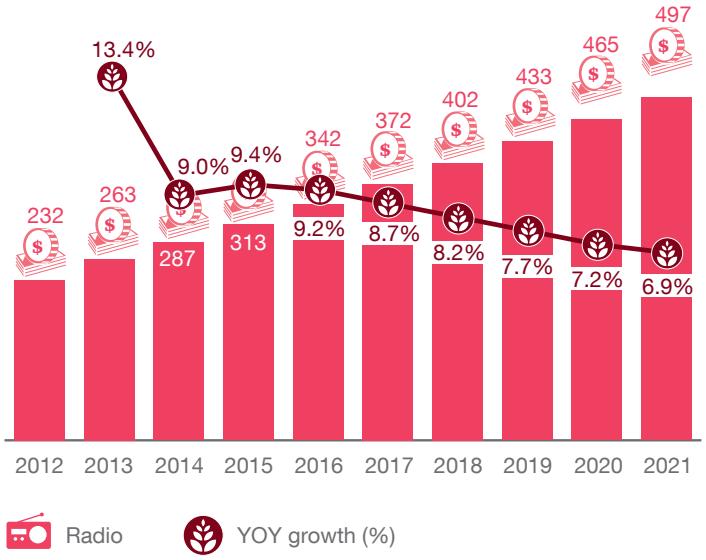
Total advertising revenue reached US$1.0 billion in 2016 and is set to grow at an 8.0% CAGR over the next five years, fuelled by Internet advertising's CAGR of 13.6% over the forecast period.

Prior to 2016, Kenya's largest advertising market was radio. Considering its small economy, Kenya has the largest radio advertising market in the Middle East and Africa region, and the 14th-largest in the world. By 2021, it will generate more radio advertising revenue than Italy, a country with a bigger population and an economy more than 20 times larger.

According to analysts at Bizna Kenya, low costs and robust listenership are key pull factors to businesses looking to advertise on Kenyan stations. Due to the range of radio stations in the country, advertisers can reach key demographics, meaning targeted and more effective ad campaigns.

Radio advertising revenue will grow year on year to 2021

Figure 11 Kenya: Radio advertising revenue (US$ millions) vs year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Internet advertising is one of the fastest-growing sectors of the market. By 2021, revenue will hit US$227 million, making it the third-largest advertising category in Kenya. International players have begun to rear their heads, with Swedish phone-call filtering firm Truecaller announcing in May 2017 that it would begin offering ad opportunities to local Kenyan companies on its mobile app.

Despite year-on-year growth beginning to slow by 2021, advertising revenue is set to increase as Kenya's media industry continues to expand. There remain several small, but growing untapped areas, such as the cinema market, which will rise quickly, while the emergence of global corporations in the country will help to propel revenues higher still.

Ghana

Ghana's E&M industry is beginning to gear up. In 2012, total revenue was at just US$214 million, but four consecutive years of year-on-year growth above 25% have led it to estimated revenue of US$685 million in 2016. This is forecast to more than double over the next five years, with US$1 billion being surpassed in 2019 and a total of US$1.5 billion forecast for 2021, thanks to a 16.5% CAGR.

Ghana's 16.5% CAGR takes E&M revenue close to US$1.5 billion

Ghana: Total entertainment and media market, 2012–2021 (US$ millions)

	Historic data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Books	18	19	20	20	21	21	22	22	23	24	
YOY growth (%)		*4.1%*	*1.3%*	*1.3%*	*4.1%*	*3.0%*	*3.0%*	*2.9%*	*3.0%*	*3.1%*	*3.0%*
Business-to-business	3	4	4	5	6	6	7	7	8	8	
YOY growth (%)		*16.1%*	*22.7%*	*11.6%*	*12.6%*	*10.4%*	*9.4%*	*9.9%*	*9.3%*	*8.5%*	*9.5%*
Cinema	1	1	1	2	2	2	2	2	2	2	
YOY growth (%)		*8.6%*	*7.7%*	*13.7%*	*7.3%*	*4.9%*	*5.9%*	*5.2%*	*7.3%*	*5.5%*	*5.7%*
Internet	54	89	156	273	391	501	615	742	882	1 024	
YOY growth (%)		*66.2%*	*74.6%*	*75.2%*	*43.2%*	*28.1%*	*22.8%*	*20.8%*	*18.8%*	*16.0%*	*21.2%*
Magazines	9	10	9	10	10	11	11	12	12	12	
YOY growth (%)		*4.2%*	*-1.8%*	*4.4%*	*7.2%*	*5.3%*	*4.4%*	*3.4%*	*1.9%*	*0.4%*	*3.1%*
Music	4	4	5	5	6	7	8	9	10	10	
YOY growth (%)		*1.1%*	*7.0%*	*11.2%*	*13.9%*	*17.0%*	*19.2%*	*10.2%*	*8.3%*	*4.8%*	*11.7%*
Newspapers	7	10	14	14	15	16	17	19	20	21	
YOY growth (%)		*48.8%*	*39.8%*	*0.9%*	*1.8%*	*8.8%*	*7.9%*	*8.0%*	*7.0%*	*7.9%*	*7.9%*
Out-of-home	29	37	47	51	58	62	66	71	76	81	
YOY growth (%)		*28.5%*	*28.7%*	*9.9%*	*11.6%*	*7.4%*	*7.7%*	*7.6%*	*6.9%*	*6.2%*	*7.1%*
Radio	26	28	31	35	39	43	47	51	56	60	
YOY growth (%)		8.5%	11.0%	12.6%	10.1%	10.4%	9.8%	9.3%	8.7%	8.2%	*9.3%*
TV and video	58	66	93	111	126	135	151	171	187	202	
YOY growth (%)		*12.5%*	*41.3%*	*19.8%*	*13.0%*	*7.6%*	*11.7%*	*13.2%*	*9.6%*	*8.3%*	*10.0%*
Video games	7	10	13	15	18	21	24	27	30	34	
YOY growth (%)		*35.7%*	*30.8%*	*17.5%*	*21.1%*	*15.7%*	*14.5%*	*13.2%*	*12.7%*	*12.0%*	*13.6%*
Total	**214**	**275**	**389**	**537**	**685**	**819**	**964**	**1 128**	**1 300**	**1 473**	
YOY growth (%)		***28.1%***	***41.8%***	***38.0%***	***27.5%***	***19.6%***	***17.8%***	***16.9%***	***15.3%***	***13.3%***	***16.5%***

Totals may not equal the sum of their parts due to rounding and the matters outlined below.

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.

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

This points to a very healthy environment, but a note of caution must first be given. Much of this market remains dominated by spend on Internet access—fixed broadband and, predominantly, mobile.

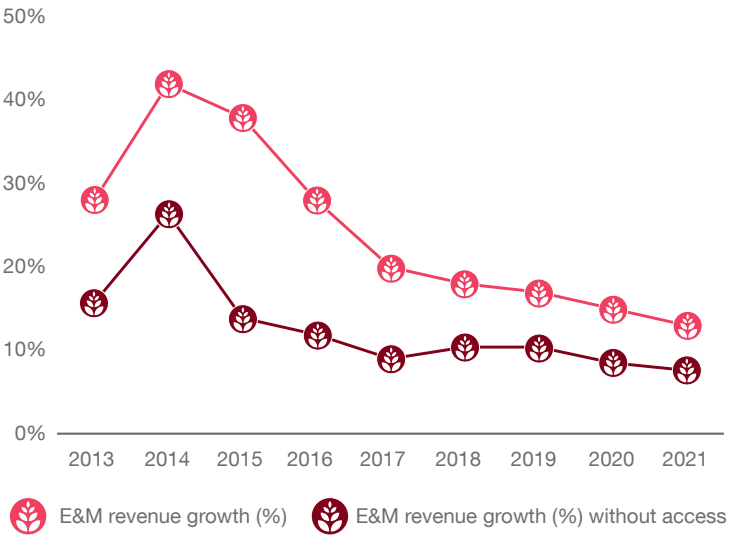
In 2012, 23% of overall E&M revenue was derived from spending on access, but by 2016 this had risen to 55%. This remains a market where entertainment and media spend is largely derived from access to that entertainment and media, with consumers not yet prepared, or able, to spend discretionary income on further digital entertainment options.

Matters are slowly changing, however. Internet access will continue to take an enlarged share of overall revenue (68%) in 2021, but this will be an increase of 1.7% on 2020. Last year, Internet access's share of total E&M revenue rose by more than 6.2 percentage points.

While access revenue will dominate, it will increasingly act as an enabler for further spend. With Internet access revenue removed, combined consumer and advertising E&M revenue will still rise by a healthy US$169 million between 2016 and 2021.

A strong picture with, and without, access revenue

Figure 12 Ghana: Year-on-year growth, with and without Internet access, 2013–2021 (%)



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Increased Internet access is steadily acting as an enabler for E&M revenue. The adoption of OTT and triple-play services in Ghana is supported by increased mobile and fixed broadband connectivity, as well as demand for VOD services by consumers.

Netflix and ShowMax have already launched services in the country. Ericsson has also unveiled NuVu, an SVOD service in partnership with broadband operators. SVOD revenue in Ghana is forecast to reach US$8.5 million in 2021, rising at a 22.4% CAGR.

Music streaming is having less success, with revenue at trivial levels, but increasing mobile Internet connections mean the sale of ringtones and ringbacks is in a healthy state, at US$3.7 million in 2016.

Television, too, is a major contributor to E&M revenue, with advertising revenue unusually exceeding pay-TV subscription revenue. Ghana's total TV households are comfortably above three million, while pay-TV households stood at 585 000 in 2016.

This is forecast to accelerate very strongly thanks to pay DTT, which became the leading pay-TV platform in 2015, though its low-ARPU model means it will not overtake satellite in revenue terms until 2019.

Pay-TV households of 1.3 million in 2021 will provide a very firm platform for increases in both consumer and advertising revenue.

Advertising to add nearly US$100 million to 2021

Ghana: Advertising expenditure by entertainment & media segment, 2012–2021 (US$ millions)

	Historic data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Business-to-business	1	1	1	1	2	2	2	2	2	2	
YOY growth (%)		*22.1%*	*37.5%*	*11.9%*	*11.4%*	*10.5%*	*7.1%*	*10.0%*	*10.7%*	*9.8%*	*9.6%*
Cinema	0	0	0	0	0	1	1	1	1	1	
YOY growth (%)		*27.3%*	*16.5%*	*43.3%*	*10.2%*	*9.5%*	*10.0%*	*7.1%*	*13.9%*	*8.1%*	*9.7%*
Internet	4	5	7	10	13	16	19	22	24	27	
YOY growth (%)		*31.1%*	*41.4%*	*35.4%*	*29.6%*	*26.9%*	*20.6%*	*14.4%*	*10.9%*	*9.0%*	*16.2%*
Magazines	6	6	6	6	6	7	7	7	6	6	
YOY growth (%)		*1.9%*	*-8.7%*	*1.8%*	*5.2%*	*3.3%*	*1.6%*	*-0.3%*	*-2.7%*	*-5.7%*	*-0.8%*
Music	0	0	0	0	0	0	0	0	0	0	
YOY growth (%)		*0.0%*	*0.0%*	*2.9%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Newspapers	5	7	10	10	10	11	12	13	14	15	
YOY growth (%)		*51.1%*	*40.4%*	*1.0%*	*-1.5%*	*8.6%*	*8.2%*	*7.4%*	*7.8%*	*7.8%*	*8.0%*
Out-of-home	29	37	47	51	58	62	66	71	76	81	
YOY growth (%)		*28.5%*	*28.7%*	*9.9%*	*11.6%*	*7.4%*	*7.7%*	*7.6%*	*6.9%*	*6.2%*	*7.1%*
Radio	26	28	31	35	39	43	47	51	56	60	
YOY growth (%)		*8.5%*	*11.0%*	*12.6%*	*10.1%*	*10.4%*	*9.8%*	*9.3%*	*8.7%*	*8.2%*	*9.3%*
TV and video	28	32	53	64	69	71	77	85	93	101	
YOY growth (%)		*3.8%*	*6.2%*	*9.8%*	*5.7%*	*5.7%*	*6.6%*	*9.1%*	*6.6%*	*9.0%*	*8.0%*
Video games	0	0	0	0	0	0	0	0	0	0	
YOY growth (%)		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Total advertising	**99**	**117**	**156**	**179**	**196**	**212**	**231**	**252**	**273**	**294**	
YOY growth (%)		***18.3%***	***34.1%***	***14.5%***	***9.7%***	***7.7%***	***9.0%***	***9.2%***	***8.3%***	***7.8%***	***8.4%***

Totals may not equal the sum of their parts due to rounding and the matters outlined below.

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.

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

TV advertising is the largest contributor to overall Ghanaian advertising revenue, accounting for 35% of the total in 2016, and forecast to be the first advertising segment to exceed US$100 million in 2021.

As in many markets, sporting content is a major draw for advertisers (as well as subscribers), with MultiChoice's *SuperSport* holding important football rights such as for the UEFA Champions League.

For OOH, years of effort to regulate a previously informal market are bearing fruit with strong revenue, both in growth and absolute terms. The Advertising Association of Ghana has seen success in reducing illegal signage, which has facilitated the growth of the legal industry, while the burgeoning growth of DOOH, fuelled by operators Alliance Media and Global Outdoor Systems, means a 24.4% DOOH revenue CAGR is expected to 2021.

Radio, too, will weigh in with notable growth, thanks to a healthy network of more than 350 radio stations. Meanwhile, Internet advertising will see the strongest growth from small beginnings as advertisers nationwide increasingly follow their targets online.

Tanzania

Tanzania's total E&M revenue stood at US$504 million in 2016, but is set to more than double to US$1.1 billion in 2021, a 17.2% CAGR over the coming five years.

The symbolic crossing of the US$1 billion mark is set to occur in 2021—impressive growth from a country that stood at just US$175 million in 2012.

Tanzania to become a US$1 billion E&M market

Tanzania: Total entertainment and media market, 2012–2021 (US$ millions)

	Historic data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Books	13	13	14	14	15	16	16	17	18	19	
YOY growth (%)		*5.1%*	*3.2%*	*3.0%*	*3.1%*	*7.3%*	*5.1%*	*5.1%*	*3.3%*	*4.6%*	*5.1%*
Business-to-business	5	6	7	7	8	9	10	11	11	12	
YOY growth (%)		*15.1%*	*15.7%*	*10.7%*	*10.9%*	*9.4%*	*9.2%*	*9.0%*	*8.0%*	*7.9%*	*8.7%*
Cinema	1	1	1	1	1	1	1	1	1	1	
YOY growth (%)		*13.3%*	*8.5%*	*15.0%*	*7.7%*	*6.8%*	*7.9%*	*9.2%*	*9.9%*	*3.8%*	*7.5%*
Internet	35	53	88	149	222	297	381	468	563	661	
YOY growth (%)		*50.6%*	*67.4%*	*68.9%*	*49.1%*	*34.2%*	*28.2%*	*22.8%*	*20.3%*	*17.3%*	*24.4%*
Magazines	12	12	13	13	14	16	16	17	17	17	
YOY growth (%)		*4.4%*	*4.0%*	*5.2%*	*5.9%*	*9.3%*	*5.7%*	*4.0%*	*0.8%*	*0.0%*	*3.9%*
Music	4	4	4	4	4	4	5	5	6	6	
YOY growth (%)		*1.1%*	*2.2%*	*3.6%*	*4.6%*	*7.9%*	*10.5%*	*11.6%*	*10.9%*	*9.4%*	*10.1%*
Newspapers	13	9	13	15	16	18	19	20	22	23	
YOY growth (%)		*-29.8%*	*37.8%*	*13.7%*	*12.5%*	*9.6%*	*5.9%*	*6.9%*	*8.9%*	*4.2%*	*7.1%*
Out-of-home	18	21	26	30	33	37	40	45	49	53	
YOY growth (%)		*15.3%*	*26.4%*	*12.9%*	*14.7%*	*9.9%*	*9.8%*	*9.7%*	*9.0%*	*8.3%*	*9.3%*
Radio	21	24	26	29	31	33	35	37	39	41	
YOY growth (%)		*15.5%*	*9.9%*	*10.3%*	*6.7%*	*6.5%*	*6.2%*	*5.8%*	*5.5%*	*5.1%*	*5.8%*
TV and video	54	67	89	123	155	177	198	221	245	271	
YOY growth (%)		*23.7%*	*33.5%*	*38.0%*	*26.3%*	*14.4%*	*12.1%*	*11.3%*	*11.1%*	*10.4%*	*11.8%*
Video games	5	6	9	10	12	15	17	19	22	25	
YOY growth (%)		*36.3%*	*31.5%*	*18.8%*	*23.5%*	*17.3%*	*16.1%*	*14.8%*	*14.2%*	*13.5%*	*15.2%*
Total	**175**	**210**	**282**	**387**	**504**	**614**	**730**	**850**	**981**	**1 115**	
YOY growth (%)		***20.2%***	***34.1%***	***37.2%***	***30.2%***	***21.7%***	***18.9%***	***16.5%***	***15.4%***	***13.6%***	***17.2%***

Totals may not equal the sum of their parts due to rounding and the matters outlined below.

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.

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

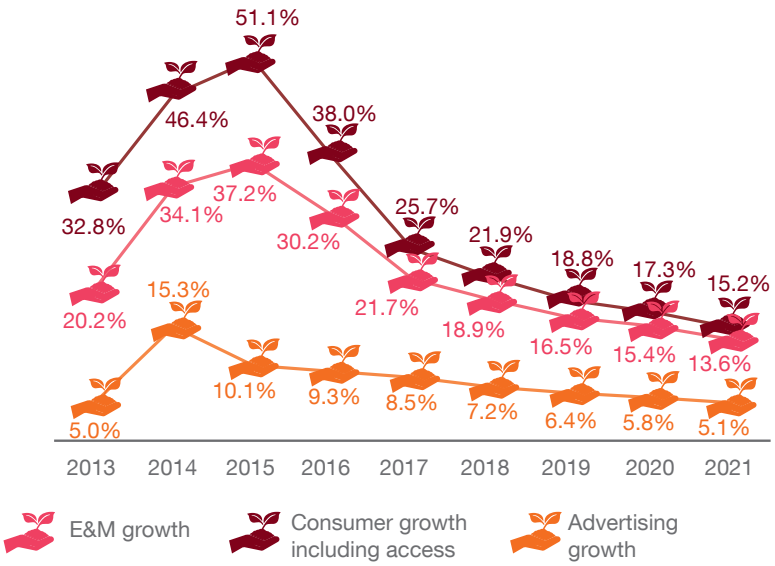
Consumer growth leads the way

The Internet market is extremely healthy in Tanzania, overwhelmingly led by mobile, where operators have accelerated their investments in data network expansion to meet user demand. WCDMA and LTE will be the leading technologies by 2020, having overtaken GSM in 2017.

Pay-TV revenues are particularly strong, with pay-TV households increasing 20% in 2016 to reach 603 000, and forecast to hit 1.1 million in 2021. This will, in turn, account for a rise from US$125 million to US$234 million in pay-TV revenues.

There is also high demand for OTT video services in Tanzania following the launch of Netflix and ShowMax. Mobile and fixed 4G LTE broadband networks are used to support these services as optical fibre networks remain largely underdeveloped.

Figure 13 Tanzania: Year-on-year growth, consumer, advertising, total, 2013–2021 (%)



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Elsewhere, meaningful revenue is hard to come by, with seven segments standing at US$16 million or below in 2016.

Video games are seeing some of the fastest growth, aided in no small part by the transformative effect of app-based social/casual revenue and the online/microtransaction model on PCs.

Smartphone uptake is increasing rapidly and there are even the beginnings of a domestic game development scene, with Germany-based Cultural Games creating *Kawaida's Journey*, funded by NGOs with the aim of educating and addressing themes such as deforestation and environmental protection.



Pay-TV revenues are particularly strong, with pay-TV households increasing 20% in 2016

Steady development for advertising market

Tanzania: Advertising expenditure by entertainment & media segment, 2012–2021 (US$ millions)

	Historic data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Business-to-business	1	1	1	2	2	2	2	2	3	3	
YOY growth (%)		*22.6%*	*28.6%*	*11.7%*	*10.8%*	*9.2%*	*6.5%*	*7.3%*	*8.0%*	*8.5%*	*7.9%*
Cinema	0	0	0	0	0	0	0	1	1	1	
YOY growth (%)		*39.0%*	*13.8%*	*33.3%*	*9.1%*	*12.2%*	*13.0%*	*16.2%*	*16.6%*	*2.1%*	*11.9%*
Internet	3	4	6	7	9	11	13	14	15	17	
YOY growth (%)		*45.8%*	*45.9%*	*22.5%*	*20.4%*	*24.0%*	*17.5%*	*10.9%*	*9.6%*	*8.6%*	*14.0%*
Magazines	9	9	9	9	10	10	11	11	11	11	
YOY growth (%)		*2.6%*	*0.7%*	*3.7%*	*4.0%*	*9.8%*	*4.5%*	*2.0%*	*-2.7%*	*-4.0%*	*1.8%*
Music	0	0	0	0	0	0	0	0	0	0	
YOY growth (%)		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Newspapers	11	7	9	11	12	13	14	15	16	16	
YOY growth (%)		*-38.3%*	*38.0%*	*14.0%*	*12.2%*	*8.9%*	*5.6%*	*5.9%*	*7.9%*	*4.0%*	*6.5%*
Out-of-home	18	21	26	30	33	37	40	45	49	53	
YOY growth (%)		*15.3%*	*26.4%*	*12.9%*	*14.7%*	*9.9%*	*9.8%*	*9.7%*	*9.0%*	*8.3%*	*9.3%*
Radio	21	24	26	29	31	33	35	37	39	41	
YOY growth (%)		*15.5%*	*9.9%*	*10.3%*	*6.7%*	*6.5%*	*6.2%*	*5.8%*	*5.5%*	*5.1%*	*5.8%*
TV and video	18	19	20	21	22	23	24	25	26	27	
YOY growth (%)		*5.4%*	*5.2%*	*4.9%*	*4.7%*	*4.5%*	*4.3%*	*4.1%*	*3.9%*	*3.8%*	*4.1%*
Video games	0	0	0	0	0	0	0	0	0	0	
YOY growth (%)		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Total advertising	**79**	**83**	**96**	**106**	**115**	**125**	**134**	**143**	**151**	**159**	
YOY growth (%)		***5.0%***	***15.3%***	***10.1%***	***9.3%***	***8.5%***	***7.2%***	***6.4%***	***5.8%***	***5.1%***	***6.6%***

Totals may not equal the sum of their parts due to rounding and the matters outlined below.

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.

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Total advertising revenue is forecast to rise from US$115 million in 2016 to US$159 million in 2021 at a 6.6% CAGR.

Radio is one advertising success story. Radio in Tanzania has many of the advantages of neighbouring Kenya—the accessibility of radio is hugely important in a country where relatively few have access to the Internet and even television is far from universally available. Advertisers can also benefit from targeting by locality or language, a good way of reaching the 80% of Tanzanians who live in rural areas. Commercial station Clouds FM, which broadcasts in Swahili, sees 7.8 million listeners tune in at peak times.

Literacy is relatively high in Tanzania, and thus newspapers and magazines draw in advertisers. Relatively insulated from digital competition due to low Internet penetration, their forecast CAGRs would be the envy of much of the rest of the world, even if they begin from low bases.

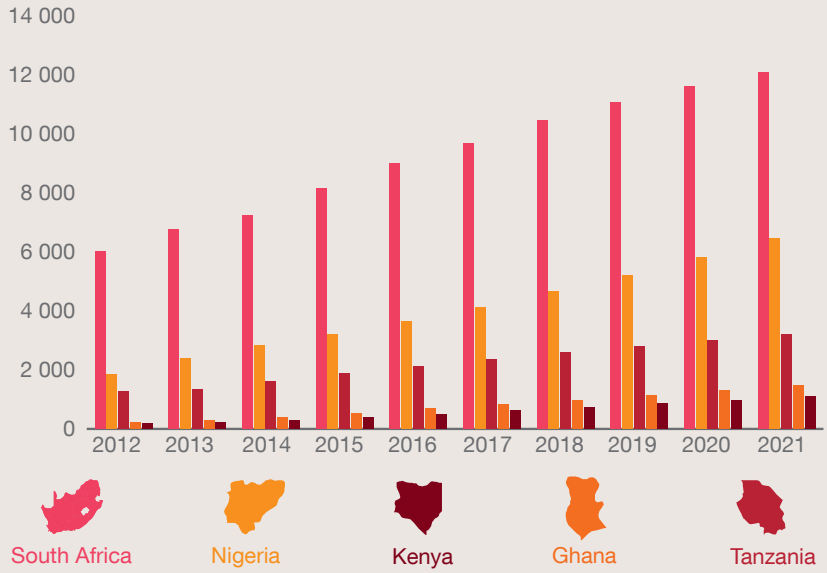
OOH, meanwhile, benefits from the relative underdevelopment of the advertising ecosystem, as expanding GDP, higher disposable incomes and increasing urbanisation make the medium a highly attractive prospect.

Finally, TV takes a sizeable chunk of overall revenue—though concentrated on terrestrial TV at present, rising numbers of pay-TV households are leading to a spike in multichannel ad revenue.

Conclusion

Ghana and Tanzania make great strides

Figure 14 South Africa, Nigeria, Kenya, Ghana and Tanzania: Total E&M revenue, 2012–2021 (US$ millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

It is clear that something fundamental has changed in the entertainment and media industry. E&M companies that have become accustomed to competing and creating differentiation, based primarily on content and distribution, need to focus more intensely on the user experience.

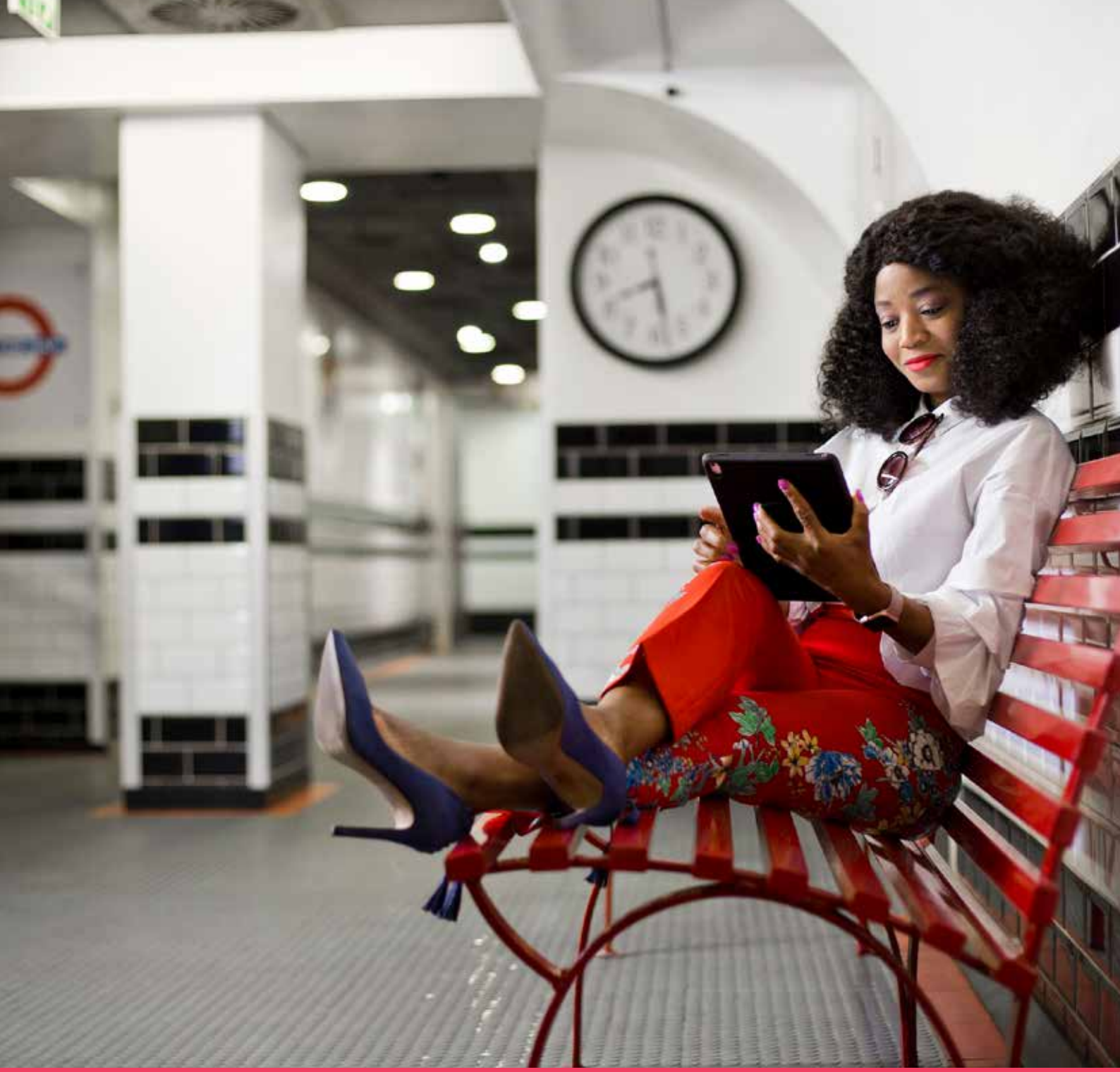
The marketplace has increasingly become more competitive, slower-growing and dependent on personal recommendations. Companies therefore need to develop strategies to engage, grow and monetise their most valuable customers: their fans.

Thriving in this new world of intense competition for attention and continual disruption will be challenging. The opportunities are, however, immense. Across the industry, the resulting quest to create the most compelling, engaging and intuitive user experiences is now the primary objective for growth and investment strategies, with technology and data at the centre. Pursuing these strategies will help companies thrive in this new era.

The chapters that follow take you deeper into the analysis and their insights into industry trends and challenges across business models, value chains, technological change, content strategy, deals and regulation.

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Internet

Africa at a glance

Fixed broadband households (thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
South Africa	1 105	1 203	1 302	1 342	1 687	1 837	1 999	2 203	2 455	2 757
Nigeria	432	389	734	703	829	942	1 083	1 217	1 334	1 435
Kenya	147	141	16	179	216	251	277	296	311	323
Ghana	73	76	78	88	116	134	146	155	162	168
Tanzania	67	70	74	78	84	96	114	133	153	174

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Fixed broadband penetration (%)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
South Africa	9%	9%	10%	10%	13%	14%	15%	17%	19%	21%
Nigeria	1%	1%	2%	2%	2%	2%	3%	3%	3%	3%
Kenya	2%	1%	2%	2%	2%	2%	3%	3%	3%	3%
Ghana	1%	1%	1%	1%	2%	2%	2%	2%	2%	2%
Tanzania	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

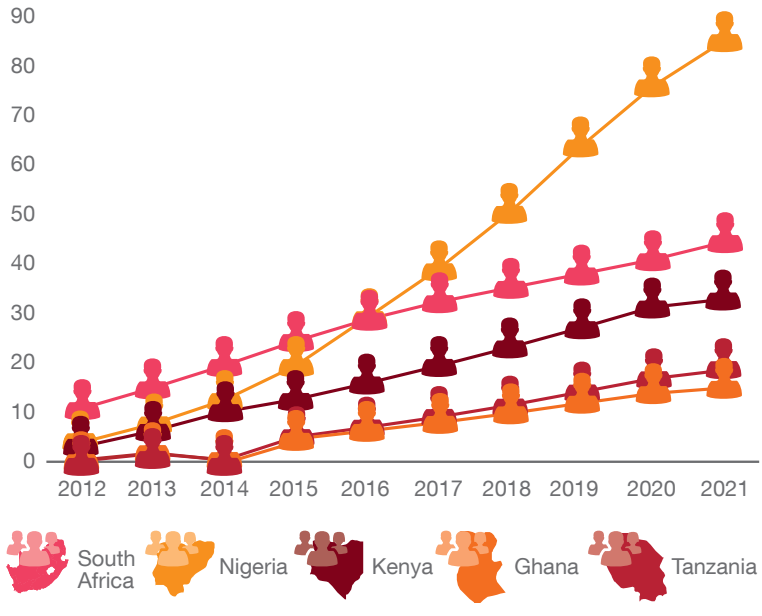
Mobile Internet subscribers (millions)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
South Africa	10.783	14.967	19.498	24.415	28.769	32.306	35.173	37.991	40.842	44.388
Nigeria	3.918	7.657	12.494	19.444	29.138	38.993	50.434	63.783	75.86	85.065
Kenya	3.073	6.262	10.117	12.631	15.869	19.371	23.107	27.074	31.262	32.854
Ghana	0.366	1.774	0.342	4.627	6.237	7.918	9.774	11.837	13.818	14.920
Tanzania	0.183	1.637	0.364	5.042	6.962	9.046	11.415	14.110	16.811	18.525

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Mobile Internet subscribers will grow across all territories

Figure 1 Mobile Internet subscribers (millions), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

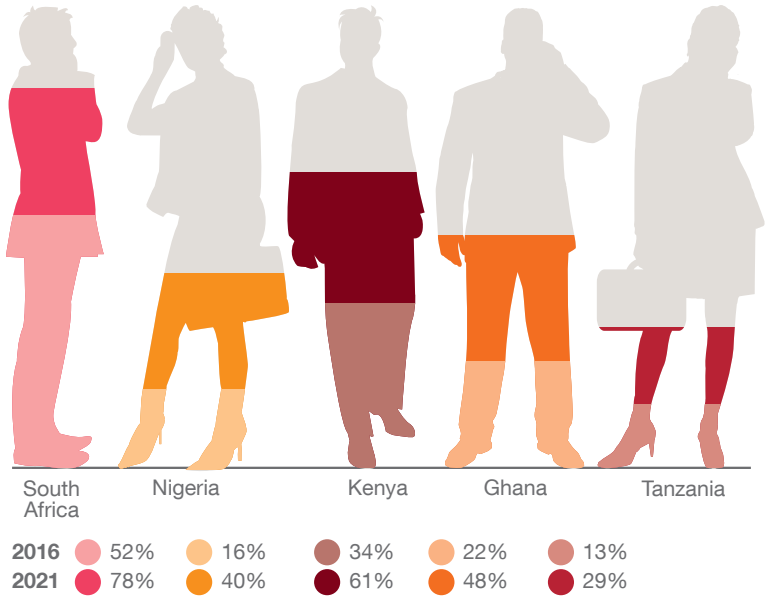
Mobile Internet penetration (%)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
South Africa	20%	28%	36%	45%	52%	58%	63%	68%	72%	78%
Nigeria	2%	4%	7%	11%	16%	20%	26%	32%	37%	40%
Kenya	7%	14%	23%	27%	34%	40%	46%	53%	60%	61%
Ghana	3%	7%	13%	17%	22%	28%	33%	40%	45%	48%
Tanzania	1%	4%	7%	9%	13%	16%	19%	23%	27%	29%

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Mobile Internet penetration to reach 78% by 2021 in South Africa

Figure 2 Mobile Internet penetration (%), 2016 vs 2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Mobile Internet connections (millions)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
South Africa	41.41	52.33	62.34	73.06	82.57	89.61	94.14	97.77	100.77	103.72
Nigeria	13.73	20.25	28.65	39.40	57.08	80.72	108.42	143.61	183.13	232.11
Kenya	5.17	6.58	10.62	13.46	17.46	21.58	25.72	28.66	32.70	36.43
Ghana	2.83	4.22	6.82	11.35	14.86	18.21	22.06	26.34	30.75	34.93
Tanzania	3.24	4.13	7.61	11.94	14.02	18.06	23.69	30.63	38.61	47.69

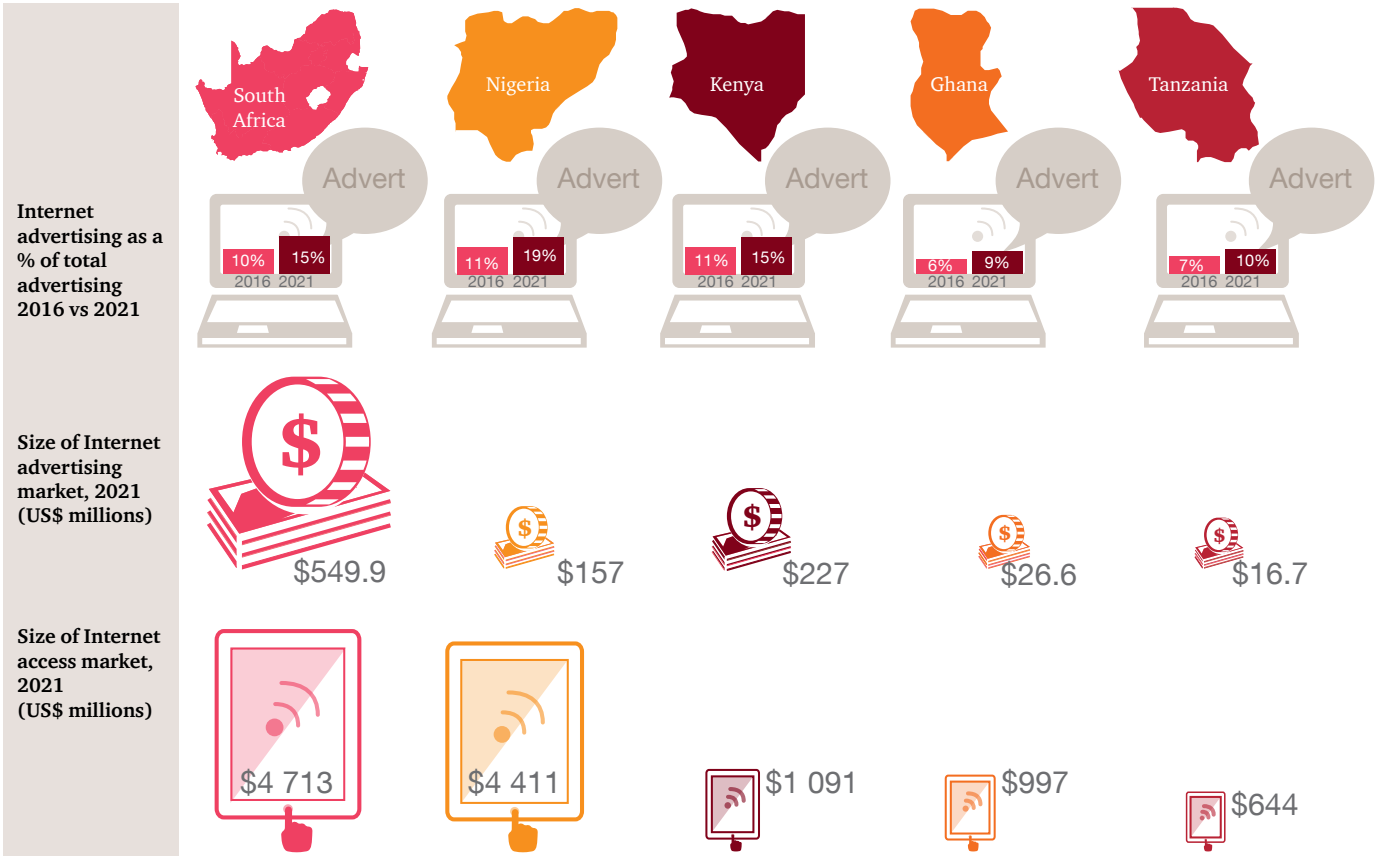
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Internet access and Internet advertising territory comparison, 2016 vs 2021

	South Africa	Nigeria	Kenya	Ghana	Tanzania
2016					
Total Internet access market (US$ millions)	2 876	2 079	671	378	213
Mobile revenue as % of total Internet access revenue	88.0%	94.2%	93.7%	91.5%	89.1%
Mobile Internet ARPU (US$)	7.9	6.7	3.7	5.3	2.6
Total Internet advertising market (US$ millions)	299.6	65	120	12.6	8.7
Internet advertising as % of total advertising revenue	10%	11%	11%	6%	7%
Search revenue as % of internet advertising revenue	64.1%	20.1%	20.7%	20.3%	22.9%

	South Africa	Nigeria	Kenya	Ghana	Tanzania
2021					
Total Internet access market (US$ millions)	4 713	4 411	1 091	997	644
Mobile Revenue as % of total Internet access revenue	89.4%	96.6%	95.2%	96.1%	94.4%
Mobile Internet ARPU (US$)	8.2	4.4	2.7	5.6	2.9
Total Internet advertising market (US$ millions)	549.9	157	227	26.6	16.7
Internet advertising as % of total advertising revenue	15%	19%	15%	9%	10%
Search revenue as % of internet advertising revenue	73.7%	12.7%	29.3%	23.5%	31.7%

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



South Africa

South Africa is relatively underserved by fixed broadband networks. By the end of 2021, fixed broadband access revenues will account for 10.6% of South Africa's R69.3 billion total Internet access revenue, down from 12% in 2016.

Fixed broadband access will grow by a CAGR of 7.7% over the forecast period, while mobile Internet revenues will grow by a CAGR of 10.7% to nearly R62 billion. The proportion of fixed to mobile revenue will be stable towards the end of the forecast period, following several years in which mobile increases its share.

South Africa is experiencing a data boom, where despite the spectrum squeeze, all operators reported significant growth in smartphone and mobile data revenue and usage in 2016 and in the first quarter of 2017.

Mobile Internet ARPU will rise by a CAGR of just 0.8% to R121.2 over the forecast period as the growth in data usage will be offset by falling tariffs.

South Africa's Internet advertising revenue will continue to grow rapidly to reach R8.1 billion in 2021, despite having already grown exponentially since 2012, when revenues were just R1.9 billion.

The online advertising market is benefiting from greater numbers of individuals gaining access to the Internet, increasing connection speeds which enable sites to support video content, and the continued increase in the smartphone installed base.

The growth in the Internet advertising market provides a tantalising opportunity for advertisers and agencies, but the operating model still requires some tweaks. Programmatic buying and the lack of controls in place on social media platforms place an element of risk into advertising campaigns for companies.

Advertisers will look for their agencies to regain control of the distribution process and also create campaigns in formats that will be welcomed by audiences rather than getting in their way.

This segment at a glance

Internet access

- **Government proposals for the creation of a wireless open access network (WOAN), which involves the return of already assigned high-demand spectrum, caused months of uncertainty for South Africa's mobile operators and potential inward investors**. A series of consultations appears to have led to a workable way forward but the government will need to publish its final implementation plan to provide a clear path forward.
- **Mobile operators report strong growth in data services and a rapid increase in smartphone customers**. Mobile Internet penetration is forecast to rise to 77.8% by the end of 2021 from 52.3% in 2016, and mobile Internet access revenues will grow by a CAGR of 10.7% to nearly R62 billion.
- **Fixed broadband penetration and revenues will remain far lower than for the mobile Internet sector but a forecast CAGR of 10.3% for the number of fixed broadband households is the third-highest among all global markets surveyed**. Subscriber growth will be driven by LTE-based fixed wireless access and fibre-to-the-home/building (FTTH/B), and fixed broadband access revenues will grow by a robust CAGR of 7.7%.
- **The trend for consolidation among wholesale fibre network operators is expected to continue**. This will create stronger players, which will present a greater challenge to the dominant fixed broadband provider, Telkom.

Internet advertising

- **Internet advertising in South Africa continues to grow rapidly**. Total online advertising spend grew 16.5% in 2016, reaching R4.4 billion. By 2021 this figure will rise to R8.1 billion, a CAGR of 12.9%.
- **Mobile Internet advertising revenue will account for just 0.3% of the market in 2021**. Mobile-based advertising will total R28 million, having fallen by a CAGR of -5.2% over the forecast period.
- **Publications need to reassure advertisers they are beyond reproach**. In order to reinforce a reputation for quality and accuracy, publications are investing resources in verifying their output. While video has many advantages for advertisers, publications need to support video formats that entertain rather than annoy their audiences.

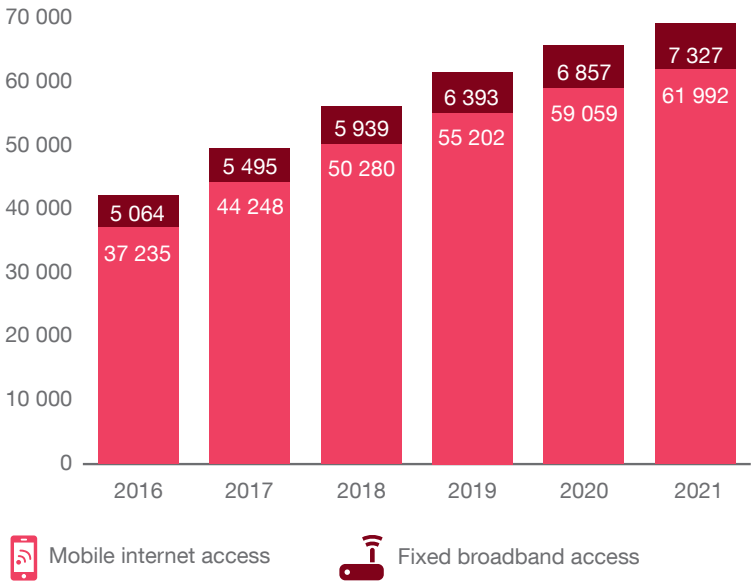
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Mobile Internet drives revenue growth

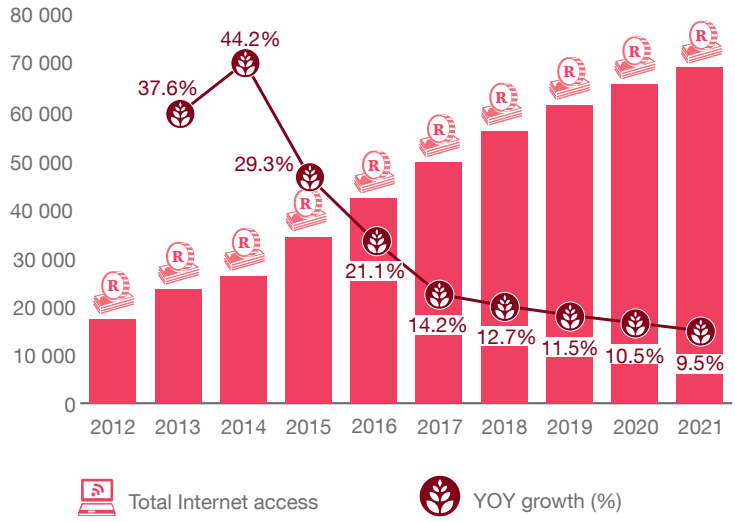
Figure 3 South Africa: Fixed and mobile Internet access revenue, 2016–2021 (R millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Continued growth in Internet access, at a slower pace

Figure 4 South Africa: Internet access revenue (R millions) and year-on-year growth (%), 2012-2021



Sources: Entertainment and media outlook: 2017- 2021, An African perspective, PwC, Ovum

South African Internet market to grow by a combined 10.6% CAGR

South Africa: Revenues from Internet access and Internet advertising, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Fixed broadband access	3 593	3 845	4 243	4 646	5 064	5 495	5 939	6 393	6 857	7 327	7.7%
YOY growth (%)		*7.0%*	*10.3%*	*9.5%*	*9.0%*	*8.5%*	*8.1%*	*7.7%*	*7.2%*	*6.9%*	
Mobile Internet access	13 850	19 634	21 978	29 610	37 235	44 248	50 280	55 202	59 059	61 992	10.7%
YOY growth (%)		*41.8%*	*11.9%*	*34.7%*	*25.8%*	*18.8%*	*13.6%*	*9.8%*	*7.0%*	*5.0%*	
Total Internet access	**17 443**	**23 479**	**26 221**	**34 255**	**42 298**	**49 744**	**56 219**	**61 595**	**65 915**	**69 319**	**10.4%**
YOY growth (%)		*37.6%*	*44.2%*	*29.3%*	*21.1%*	*14.2%*	*12.7%*	*11.5%*	*10.5%*	*9.5%*	
Wired Internet advertising	1 844	2 432	3 014	3 746	4 370	5 043	5 770	6 554	7 359	8 060	13.0%
YOY growth (%)		*31.9%*	*23.9%*	*24.3%*	*16.7%*	*15.4%*	*14.4%*	*13.6%*	*12.3%*	*9.5%*	
Mobile Internet advertising	41	42	40	39	37	35	33	32	30	28	-5.2%
YOY growth (%)		*2.5%*	*-4.1%*	*-4.3%*	*-4.5%*	*-4.7%*	*-5.0%*	*-5.2%*	*-5.5%*	*-5.7%*	
Total Internet advertising	**1 885**	**2 474**	**3 055**	**3 784**	**4 407**	**5 079**	**5 804**	**6 585**	**7 389**	**8 088**	**12.9%**
YOY growth (%)		*31.3%*	*23.5%*	*23.9%*	*16.5%*	*15.2%*	*14.3%*	*13.5%*	*12.2%*	*9.5%*	
Total Internet market	**19 328**	**25 953**	**29 276**	**38 040**	**46 706**	**54 822**	**62 023**	**68 180**	**73 304**	**77 407**	**10.6%**
YOY growth (%)		***34.3%***	***12.8%***	***29.9%***	***22.8%***	***17.4%***	***13.1%***	***9.9%***	***7.5%***	***5.6%***	

Note: 2012–2016 figures have been updated to reflect most recently available financial information.
Note: Totals may not equal the sum of their parts due to rounding.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Internet advertising revenue to push past R8 billion

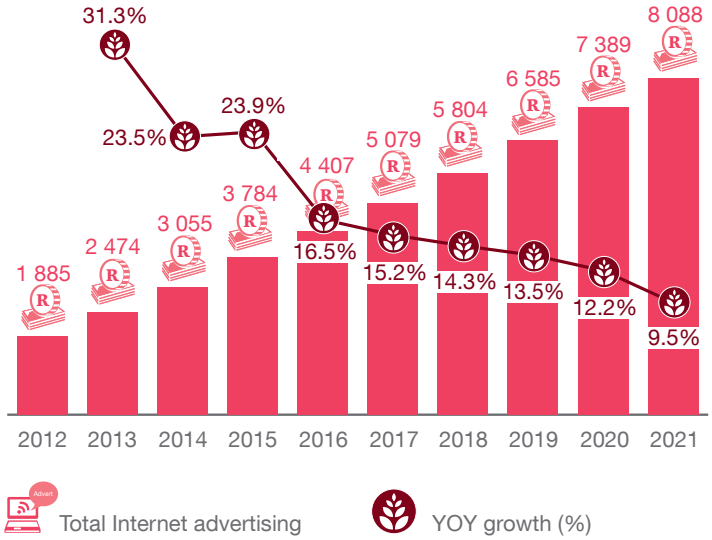
South Africa: Total Internet advertising revenue, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Search	1 228	1 612	1 936	2 350	2 827	3 375	3 986	4 655	5 363	5 964	16.1%
YOY growth (%)		*31.2%*	*20.1%*	*21.4%*	*20.3%*	*19.4%*	*18.1%*	*16.8%*	*15.2%*	*11.2%*	
Classified	112	129	147	164	181	197	210	222	231	238	5.6%
YOY growth (%)		*15.3%*	*13.7%*	*11.9%*	*10.2%*	*8.6%*	*6.9%*	*5.5%*	*4.0%*	*3.0%*	
Display	504	691	931	1 232	1 363	1 472	1 574	1 677	1 766	1 858	6.4%
YOY growth (%)		*37.3%*	*34.7%*	*32.3%*	*10.6%*	*8.0%*	*7.0%*	*6.5%*	*5.3%*	*5.3%*	
Other display	458	615	826	1 084	1 188	1 268	1 339	1 405	1 454	1 504	4.8%
YOY growth (%)		*34.3%*	*34.3%*	*31.2%*	*9.6%*	*6.8%*	*5.5%*	*5.0%*	*3.5%*	*3.4%*	
Video	46	77	105	148	175	204	236	272	312	355	15.2%
YOY growth (%)		*67.8%*	*37.4%*	*40.7%*	*17.9%*	*16.6%*	*15.8%*	*15.3%*	*14.8%*	*13.7%*	
Total wired Internet advertising	1 844	2 432	3 014	3 746	4 370	5 043	5 770	6 554	7 359	8 060	13.0%
YOY growth (%)		*31.9%*	*23.9%*	*24.3%*	*16.7%*	*15.4%*	*14.4%*	*13.6%*	*12.3%*	*9.5%*	
Mobile Internet advertising	41	42	40	39	37	35	33	32	30	28	-5.2%
YOY growth (%)		*2.5%*	*-4.1%*	*-4.3%*	*-4.5%*	*-4.7%*	*-5.0%*	*-5.2%*	*-5.5%*	*-5.7%*	
Total Internet advertising	**1 885**	**2 474**	**3 055**	**3 784**	**4 407**	**5 079**	**5 804**	**6 585**	**7 389**	**8 088**	**12.9%**
YOY growth (%)		***31.3%***	***23.5%***	***23.9%***	***16.5%***	***15.2%***	***14.3%***	***13.5%***	***12.2%***	***9.5%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Note: Totals may not equal the sum of their parts due to rounding.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Internet advertising continues to show healthy growth

Figure 5 South Africa: Internet advertising revenue (R millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



Mobile operators report strong growth in data services and a rapid increase in smartphone customers

Nigeria

Nigeria's total Internet access revenue is forecast to grow by double digits over the forecast period, with mobile Internet access revenues in particular showing very robust growth, accounting for 96.6% of total Internet access revenues by the end of 2021, up from 94.2% at the end of 2016.

The rise will be driven by a huge increase in the number of high-speed mobile Internet connections, which will grow by a CAGR of 93% to 81.1 million and account for 35% of all mobile Internet connections by the end of 2021.

Domestically-produced and own-branded low-cost smartphones are contributing to the rapid take-up of mobile Internet services, as are tie-ups between mobile operators and OTT companies, which give customers inclusive or reduced-cost access to services and apps.

Fixed broadband networks are not widely available and services are expensive, but the CAGR of 11.6% for the number of fixed broadband households will be among the world's highest over the five-year period to 2021, albeit from a low base. The global rate of expansion is forecast to be just a 4.0% CAGR.

Social media will be a key driver for the growth in Internet advertising over the forecast period, as more Nigerians turn to social networks like *Facebook* on a daily basis and advertisers look to utilise these platforms. According to figures from *Facebook*, Nigeria has the largest *Facebook* market in Africa and boasts 8.6 million daily users.

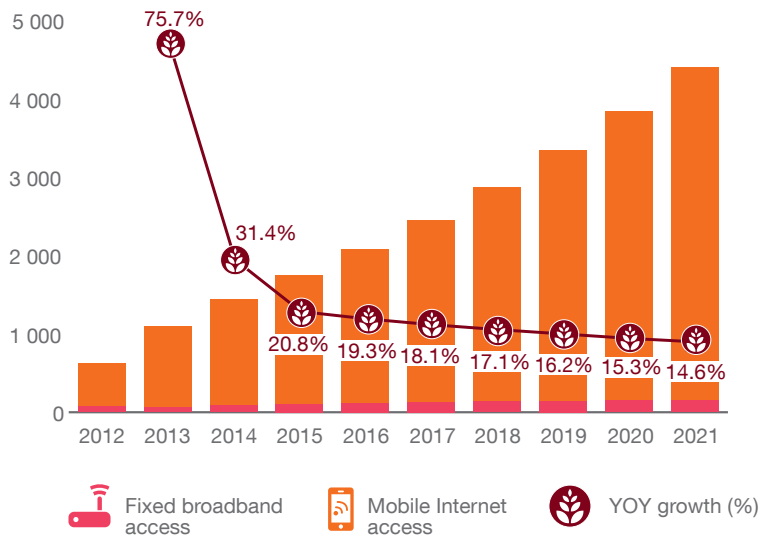
As more Nigerians move online and as it is mainly a mobile market, mobile Web traffic is increasing with approximately four-out-of-five Web pages accessed in Nigeria being through a mobile device, making mobile a popular target for digital advertisers.

This segment at a glance

- **Growth in Nigeria's Internet sector will be almost entirely driven by the mobile market**. This will account for nearly 97% of total Internet access revenues by the end of 2021.
- **The launch of LTE services by the majority of Nigeria's major operators in 2016 will accelerate mobile Internet take-up**. This will help push mobile Internet penetration to over 40% by the end of 2021, from just 16% in 2016.
- **Vietnam-based Viettel plans to enter the Nigerian market to take advantage of the burgeoning mobile data sector**. The company already has operations in four African markets.
- **Strong Internet advertising growth from small beginnings**. Nigeria's total Internet advertising revenue will more than double between 2016 and 2021, rising at a faster rate than Internet access revenue.
- **In March 2017, *Facebook* began accepting payments for advertising space in naira**. Businesses can now pay for *Facebook's* ad space using local debit cards, improving access to the social network for advertisers and local companies across Nigeria.

Total Internet access revenue is forecast to rise by a CAGR of 16.2%

Figure 6 Nigeria: Internet access revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Combined revenues to rise by a strong 16.3% CAGR

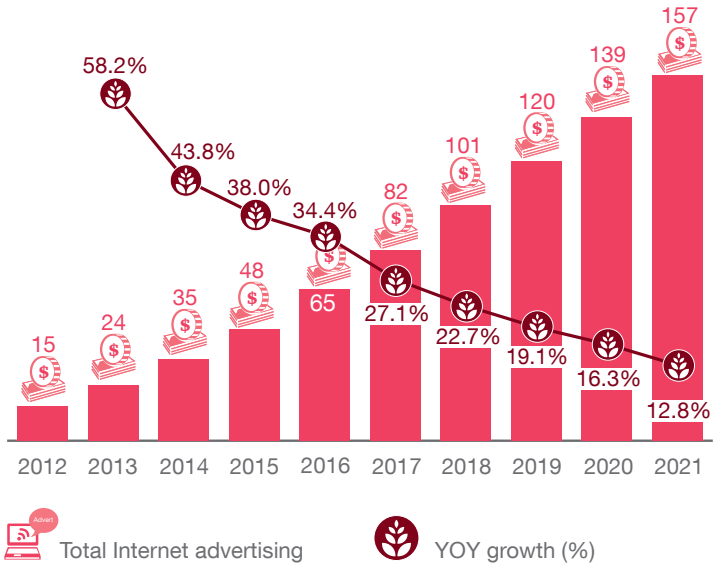
Nigeria: Revenues from Internet access and Internet advertising, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Fixed broadband access	71	64	87	106	121	132	139	144	147	150	4.4%
YOY growth (%)		*-10.0%*	*36.7%*	*21.5%*	*14.0%*	*9.0%*	*5.8%*	*3.6%*	*2.3%*	*1.4%*	
Mobile Internet access	554	1 034	1 356	1 636	1 958	2 324	2 735	3 194	3 703	4 261	16.8%
YOY growth (%)		*86.7%*	*31.1%*	*20.7%*	*19.7%*	*18.7%*	*17.7%*	*16.8%*	*15.9%*	*15.1%*	
Total Internet access	**625**	**1 098**	**1 443**	**1 742**	**2 079**	**2 455**	**2 874**	**3 338**	**3 850**	**4 411**	**16.2%**
YOY growth (%)		*75.7%*	*31.4%*	*20.8%*	*19.3%*	*18.1%*	*17.1%*	*16.2%*	*15.3%*	*14.6%*	
Wired Internet advertising	15	21	28	35	42	48	56	63	70	77	12.9%
YOY growth (%)		*41.9%*	*30.8%*	*24.9%*	*19.7%*	*15.9%*	*14.7%*	*12.9%*	*11.3%*	*9.7%*	
Mobile Internet advertising	0	3	7	13	23	34	45	57	70	81	28.8%
YOY growth (%)		*1 160.7%*	*142.8%*	*91.3%*	*73.3%*	*47.9%*	*34.3%*	*26.8%*	*21.7%*	*15.9%*	
Total Internet advertising	**15**	**24**	**35**	**48**	**65**	**82**	**101**	**120**	**139**	**157**	**19.5%**
YOY growth (%)		*58.2%*	*43.8%*	*38.0%*	*34.4%*	*27.1%*	*22.7%*	*19.1%*	*16.3%*	*12.8%*	
Total Internet market	**640**	**1 122**	**1 477**	**1 790**	**2 143**	**2 537**	**2 975**	**3 458**	**3 990**	**4 568**	**16.3%**
YOY growth (%)		***75.3%***	***31.7%***	***21.2%***	***19.7%***	***18.4%***	***17.2%***	***16.3%***	***15.4%***	***14.5%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Note: Totals may not equal the sum of their parts due to rounding.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Internet advertising revenues will more than double over the forecast period

Figure 7 Nigeria: Internet advertising revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Double-digit year-on-year growth expected

Nigeria: Internet advertising revenue, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Search	5.9	7.8	10	11	13	14	16	17	19	20	9.1%
YOY growth (%)		*31.5%*	*28.6%*	*15.0%*	*13.0%*	*11.4%*	*10.0%*	*9.0%*	*8.0%*	*7.0%*	
Display	8.1	12	16	21	26	31	36	41	46	51	14.6%
YOY growth (%)		*50.5%*	*32.4%*	*31.0%*	*23.4%*	*17.9%*	*16.8%*	*14.7%*	*12.7%*	*10.9%*	
Classified	1.1	1.4	1.9	2.3	2.8	3.3	3.7	4.2	4.7	5.2	13.2%
YOY growth (%)		*33.6%*	*29.0%*	*24.7%*	*20.0%*	*17.0%*	*15.0%*	*13.0%*	*11.2%*	*9.7%*	
Video	0.6	1.2	2.0	3.6	4.9	5.8	7.1	8.6	10	12	19.9%
YOY growth (%)		*98.0%*	*68.3%*	*79.0%*	*34.6%*	*17.7%*	*22.4%*	*21.6%*	*19.6%*	*18.3%*	
Total wired Internet advertising	15	21	28	35	42	48	56	63	70	77	12.9%
YOY growth (%)		*41.9%*	*30.8%*	*24.9%*	*19.7%*	*15.9%*	*14.7%*	*12.9%*	*11.3%*	*9.7%*	
Mobile Internet advertising	0.2	2.8	6.9	13	23	34	45	57	70	81	28.8%
YOY growth (%)		*1 160.7%*	*142.8%*	*91.3%*	*73.3%*	*47.9%*	*34.3%*	*26.8%*	*21.7%*	*15.9%*	
Total Internet advertising	**15**	**24**	**35**	**48**	**65**	**82**	**101**	**120**	**139**	**157**	**19.5%**
YOY growth (%)		***58.2%***	***43.8%***	***38.0%***	***34.4%***	***27.1%***	***22.7%***	***19.1%***	***16.3%***	***12.8%***	

Note: 2012–2016 figures have been updated to reflect most recently available financial information.
Note: Totals may not equal the sum of their parts due to rounding.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Growth in Nigeria's Internet sector will be almost entirely driven by the mobile market



Kenya

The Kenyan market is overwhelmingly dominated by the mobile Internet access sector, which already accounted for 93.7% of total Internet revenues at the end of 2016 and is expected to rise to 95.2% by the end of 2021.

There were 17.5 million mobile Internet connections at the end of 2016 and the number is forecast to rise by a CAGR of 15.8% to 36.4 million. Kenya's mobile Internet prospects look positive, and the anticipated competition in the LTE sector should reduce tariffs and increase the range of services available.

The fixed broadband sector is forecast to remain small, with household penetration reaching just 2.8% at the end of 2021. Though the fixed broadband sector will remain small, the growth of fibre-based services will enable a limited segment of the population to enjoy a range of fully converged offers.

The Internet advertising market has benefitted from the growing economy coupled with improvements in the technological infrastructure of the country. Kenya is reported to boast some of the highest mobile connection speeds in the continent with speeds reaching 13.7Mbps.

Rapid connection speeds have fuelled the adoption of paid search advertising, with revenues forecast to grow by a CAGR of 21.8% to 2021 and the segment's share of the market rising from 20.7% to 29.3%.

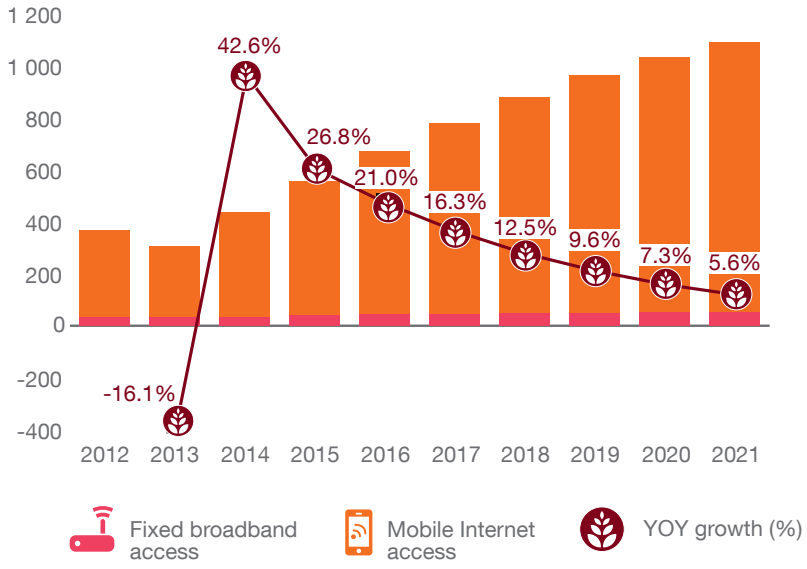
The adoption of video formats and the success of social media will be the key revenue drivers for both mobile and display advertising.

This segment at a glance

- **Revenues from mobile Internet services are forecast to rise by a CAGR of 10.5% to US$1.0 billion at the end of 2021**. This will account for more than 95% of the country's US$1.09 billion total income from Internet access services. The LTE market will become more competitive in 2017 and this will help boost subscriber and revenue growth.
- **Fibre-to-the-home/building (FTTH/B) is driving the fixed broadband market**. Fixed broadband penetration will remain low throughout the forecast period but FTTH/B will account for over 89% of all fixed broadband subscribers at the end of 2021.
- **Vodafone is to transfer its 35% indirect shareholding in Kenya's leading mobile operator Safaricom to its sub-Saharan African subsidiary Vodacom**. The deal is seen as a precursor to Safaricom extending its lucrative M-Pesa mobile money service outside Kenya, though not into Vodacom markets.
- **Total Internet advertising revenue will almost double**. Robust growth in Internet advertising is forecast, with the total revenues reaching US$227 million in 2021, a CAGR of 13.6%.
- **Social media platforms are driving display advertising**. With more than six million Kenyans on *Facebook* and an estimated 10 million on *WhatsApp*, the base for advertisers is clear.

Mobile internet access revenues will drive growth

Figure 8 Kenya: Fixed and mobile Internet access revenue (US$ millions) and year-on-year growth (%), 2016–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Revenues from mobile Internet access are forecast to rise by a CAGR of 10.5%

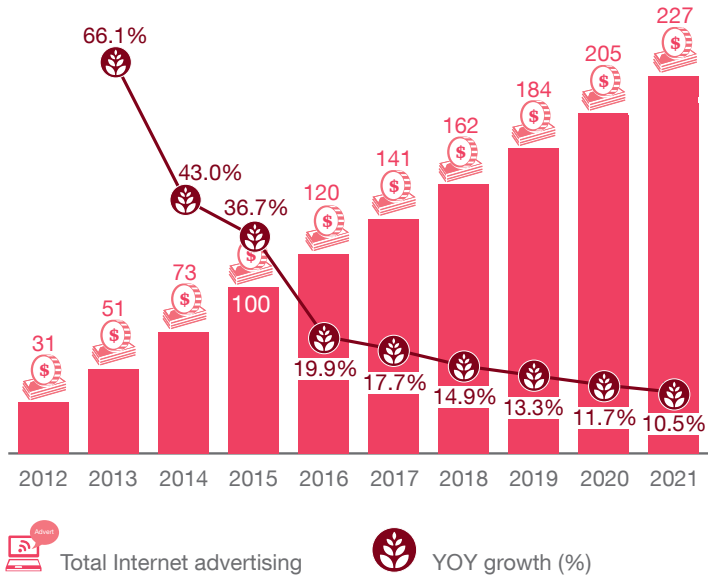
Kenya: Revenues from Internet access and Internet advertising, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Fixed broadband access	33	32	34	39	42	45	48	50	51	52	4.2%
YOY growth (%)		*-4.1%*	*8.4%*	*12.8%*	*9.6%*	*7.1%*	*5.3%*	*3.9%*	*2.9%*	*2.1%*	
Mobile Internet access	333	275	403	516	629	735	831	913	982	1 039	10.5%
YOY growth (%)		*-17.3%*	*46.5%*	*28.0%*	*21.8%*	*16.9%*	*13.0%*	*9.9%*	*7.6%*	*5.7%*	
Total Internet access	**366**	**307**	**438**	**555**	**671**	**781**	**878**	**963**	**1 033**	**1 091**	**10.2%**
YOY growth (%)		*-16.1%*	*42.6%*	*26.8%*	*21.0%*	*16.3%*	*12.5%*	*9.6%*	*7.3%*	*5.6%*	
Wired Internet advertising	19	33	46	63	76	89	101	113	126	139	12.7%
YOY growth (%)		*75.5%*	*42.9%*	*36.1%*	*20.9%*	*16.5%*	*13.7%*	*12.1%*	*11.0%*	*10.2%*	
Mobile Internet advertising	12	19	27	37	44	52	61	70	79	88	15.1%
YOY growth (%)		*51.9%*	*43.1%*	*37.9%*	*18.3%*	*19.6%*	*17.1%*	*15.2%*	*12.7%*	*11.0%*	
Total Internet advertising	**31**	**51**	**73**	**100**	**120**	**141**	**162**	**184**	**205**	**227**	**13.6%**
YOY growth (%)		*66.1%*	*43.0%*	*36.7%*	*19.9%*	*17.7%*	*14.9%*	*13.3%*	*11.7%*	*10.5%*	
Total Internet market	**397**	**358**	**511**	**655**	**791**	**922**	**1 041**	**1 147**	**1 239**	**1 318**	**10.7%**
YOY growth (%)		***-9.7%***	***42.6%***	***28.2%***	***20.8%***	***16.5%***	***12.9%***	***10.2%***	***8.0%***	***6.4%***	

Note: 2012–2016 figures have been updated to reflect most recently available financial information.
Note: Totals may not equal the sum of their parts due to rounding.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Internet advertising to grow at double digits year-on-year

Figure 9 Kenya: Internet advertising revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Mobile and search to drive advertising market

Kenya: Internet advertising revenue, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Search	7.9	12	15	20	25	31	38	47	56	67	21.8%
YOY growth (%)		*47.9%*	*30.0%*	*28.4%*	*26.8%*	*25.1%*	*23.5%*	*21.9%*	*20.2%*	*18.6%*	
Display	8.4	18	28	39	47	52	57	61	64	66	7.3%
YOY growth (%)		*112.9%*	*54.1%*	*42.5%*	*18.7%*	*12.7%*	*8.8%*	*6.5%*	*4.9%*	*3.7%*	
Classified	2.2	2.9	3.7	4.4	5.0	5.5	5.8	6.0	6.1	6.1	4.0%
YOY growth (%)		*32.2%*	*26.3%*	*20.2%*	*14.3%*	*9.5%*	*5.5%*	*3.0%*	*1.5%*	*0.8%*	
Video	1.6	3.0	4.7	8.2	13	17	19	20	22	23	12.5%
YOY growth (%)		*85.8%*	*56.0%*	*74.2%*	*56.5%*	*29.9%*	*10.4%*	*8.3%*	*8.1%*	*7.5%*	
Total wired Internet advertising	19	33	46	63	76	89	101	113	126	139	12.7%
YOY growth (%)		*75.5%*	*42.9%*	*36.1%*	*20.9%*	*16.5%*	*13.7%*	*12.1%*	*11.0%*	*10.2%*	
Mobile Internet advertising	12	19	27	37	44	52	61	70	79	88	15.1%
YOY growth (%)		*51.9%*	*43.1%*	*37.9%*	*18.3%*	*19.6%*	*17.1%*	*15.2%*	*12.7%*	*11.0%*	
Total Internet advertising	**31**	**51**	**73**	**100**	**120**	**141**	**162**	**184**	**205**	**227**	**13.6%**
YOY growth (%)		***66.1%***	***43.0%***	***36.7%***	***19.9%***	***17.7%***	***14.9%***	***13.3%***	***11.7%***	***10.5%***	

Note: 2012–2016 figures have been updated to reflect most recently available financial information.
Note: Totals may not equal the sum of their parts due to rounding.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Fibre-to-the-home/building (FTTH/B) is driving the fixed broadband market in Kenya



Ghana

Mobile Internet currently accounts for 92% of the total Internet access market, and this will increase to 96% by 2021. Interestingly, fixed broadband access revenue is forecast to decline from 2020 onwards as broadband household growth slows to a trickle and ARPU decreases.

Although Ghana is making progress in LTE, with three commercial deployments by the end of 2015, as well as high demand for high-speed mobile broadband services from customers who desire to access rich-content digital services via smartphones and other smart devices, service uptake has remained relatively low due to lack of affordable LTE-capable devices and expensive data bundles.

Competition in the mobile Internet access market is shifting toward mobile financial services (MFS) as the key revenue driver for operators in the future. Service interoperability of mobile money platforms will prove to be very popular as operators seek to promote service usage through cross-network and cross-border transfers, and also international remittances.

A key factor shaping the online Internet advertising market in Ghana is the significant increase in access to mobile phones. This has meant that many consumers are using mobile phones to access content for the first time, bypassing traditional media like print and television altogether.

In developed markets, traditional, well-established media with loyal audiences have slowed the rate at which consumers move to new technologies. Ghana's traditional media industries, by contrast, are less entrenched and consumers have leaped ahead to mobile directly.

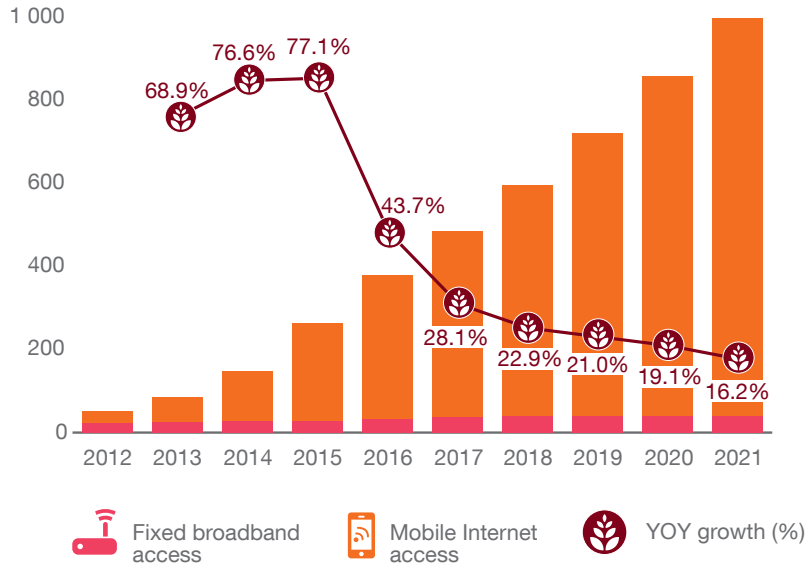
Companies, many of them multinationals looking to expand across Africa, have noted the rising use of mobile phones in Ghana and identified Internet advertising on mobile platforms as one of the best routes to reach consumers.

This segment at a glance

- **Mobile revenues will dominate Ghanaian access spend**. They will account for US$958 million of the US$997 million total Internet access revenue in 2021.
- **Mobile financial services are a key draw**. MTN Mobile Money, for example, helped MTN Ghana's number of active subscribers to rise 79% at end-2016.
- **Ghana's Internet advertising industry will be worth US$27 million in 2021**. It will grow at a CAGR of 16.2% 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 2021.

Internet access revenues will reach $1 billion by 2021

Figure 10 Ghana: Internet access revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Mobile Internet access to overwhelmingly propel revenue

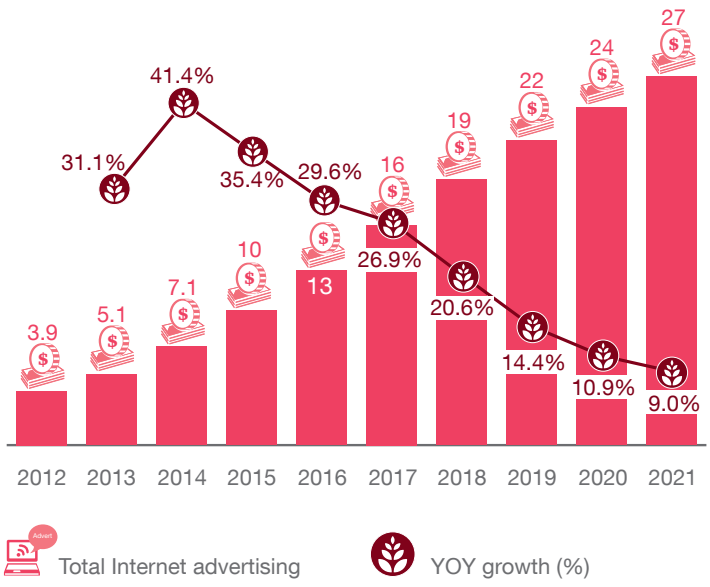
Ghana: Revenues from Internet access and Internet advertising, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Fixed broadband access	23	25	27	28	32	37	39	40	40	39	3.8%
YOY growth (%)		*7.4%*	*8.7%*	*2.5%*	*15.8%*	*15.5%*	*5.7%*	*1.5%*	*-0.7%*	*-2.1%*	
Mobile Internet access	27	59	121	235	346	447	556	680	818	958	22.6%
YOY growth (%)		*123.0%*	*105.4%*	*93.8%*	*47.0%*	*29.3%*	*24.3%*	*22.4%*	*20.2%*	*17.1%*	
Total Internet access	**50**	**84**	**149**	**263**	**378**	**485**	**596**	**720**	**858**	**997**	**21.4%**
YOY growth (%)		*68.9%*	*76.6%*	*77.1%*	*43.7%*	*28.1%*	*22.9%*	*21.0%*	*19.1%*	*16.2%*	
Wired Internet advertising	2.4	3.0	4.2	5.5	6.7	8.3	10	11	13	14	15.6%
YOY growth (%)		*24.8%*	*40.5%*	*29.5%*	*22.6%*	*23.2%*	*20.4%*	*15.1%*	*10.6%*	*9.6%*	
Mobile Internet advertising	1.5	2.1	2.9	4.2	5.8	7.7	9.3	11	12	13	16.8%
YOY growth (%)		*41.4%*	*42.6%*	*43.9%*	*38.8%*	*31.2%*	*20.8%*	*13.7%*	*11.2%*	*8.4%*	
Total Internet advertising	**3.9**	**5.1**	**7.1**	**10**	**13**	**16**	**19**	**22**	**24**	**27**	**16.2%**
YOY growth (%)		*31.1%*	*41.4%*	*35.4%*	*29.6%*	*26.9%*	*20.6%*	*14.4%*	*10.9%*	*9.0%*	
Total Internet market	**54**	**89**	**156**	**273**	**391**	**501**	**615**	**742**	**882**	**1 024**	21.2%
YOY growth (%)		***66.2%***	***74.6%***	***75.2%***	***43.2%***	***28.1%***	***22.8%***	***20.8%***	***18.8%***	***16.0%***	

Note: Totals may not equal the sum of their parts due to rounding.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Internet advertising revenues will double over the forecast period

Figure 11 Ghana: Total Internet advertising revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Wired and mobile to be evenly matched in 2021

Ghana: Internet advertising revenue, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Search	1.0	1.2	1.5	2.0	2.5	3.2	4.0	4.8	5.5	6.2	19.6%
YOY growth (%)		*20.0%*	*25.0%*	*31.5%*	*25.6%*	*26.4%*	*25.5%*	*19.7%*	*13.9%*	*13.2%*	
Display	1.1	1.4	2.3	3.0	3.6	4.5	5.3	5.9	6.4	6.9	13.5%
YOY growth (%)		*34.3%*	*59.5%*	*30.5%*	*21.8%*	*22.2%*	*17.9%*	*12.3%*	*8.5%*	*7.3%*	
Classified	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.7	0.7	0.8	8.2%
YOY growth (%)		*8.0%*	*15.7%*	*15.7%*	*14.2%*	*13.8%*	*11.6%*	*9.2%*	*5.3%*	*1.5%*	
Video	0.2	0.3	0.4	0.5	0.7	0.9	1.1	1.3	1.4	1.6	17.3%
YOY growth (%)		*22.3%*	*31.6%*	*42.2%*	*37.6%*	*27.8%*	*19.9%*	*16.2%*	*13.3%*	*9.8%*	
Total wired Internet advertising	2.4	3.0	4.2	5.5	6.7	8.3	10	11	13	14	15.6%
YOY growth (%)		*24.8%*	*40.5%*	*29.5%*	*22.6%*	*23.2%*	*20.4%*	*15.1%*	*10.6%*	*9.6%*	
Mobile Internet advertising	1.5	2.1	2.9	4.2	5.8	7.7	9.3	11	12	13	16.8%
YOY growth (%)		*41.4%*	*42.6%*	*43.9%*	*38.8%*	*31.2%*	*20.8%*	*13.7%*	*11.2%*	*8.4%*	
Total Internet advertising	**3.9**	**5.1**	**7.1**	**10**	**13**	**16**	**19**	**22**	**24**	**27**	**16.2%**
YOY growth (%)		***31.1%***	***41.4%***	***35.4%***	***29.6%***	***26.9%***	***20.6%***	***14.4%***	***10.9%***	***9.0%***	

Note: Totals may not equal the sum of their parts due to rounding.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

A key factor shaping the online Internet advertising market in Ghana is the significant increase in access to mobile phones



Tanzania

As with Ghana and other African territories, the vast majority of both revenue and growth will come from mobile Internet access, accounting for revenues of US$608 million in 2021.

Fixed broadband access will rise at a still strong 9.2% CAGR, but from a low base of US$23 million in 2016. Competition in the Tanzanian telecoms market has shifted to the data sector following increased demand from consumer and business segments. High demand coupled with increased market volatility is likely to see a sharp reduction in data tariffs by operators.

The Internet advertising market will show promising growth over the forecast period. Paid search Internet advertising is expected to be the fastest-growing category, with revenues set to more than double from US$2.0 million in 2016 to US$5.3 million in 2021. Display Internet advertising revenue is forecast to grow strongly too, at CAGR of 12.0%.

Growth in Internet advertising has been supported by significant progress in the provision of Internet access in Tanzania. Fixed broadband households have climbed to 84 000 in 2016 from 67 000 in 2012, with 174 000 households forecast for 2021.

Mobile Internet connections, meanwhile, are set to rise from 14 million in 2016 to 48 million in 2021. Advertisers in Tanzania have found Internet advertising to be both cheaper to produce and more effective at hitting a target market than traditional media.

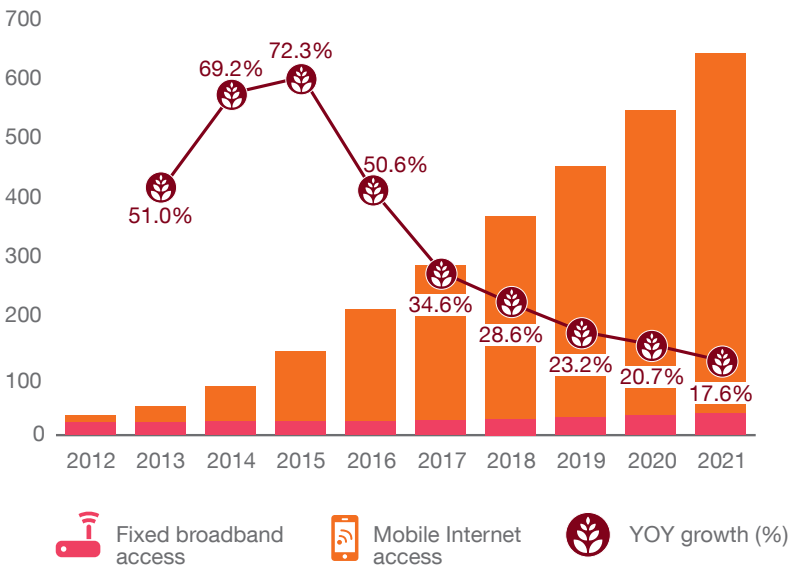
Converting the viewers of an advert into customers through the use of online payment technology has attracted advertisers too, while combining digital advertising with traditional media has also proven popular.

This segment at a glance

- **Internet access revenues will triple over the forecast period**. Tanzania's total Internet access revenue will rise at a sizeable CAGR of 24.8% over the next five years, from US$213 million in 2016 to US$644 million in 2021.
- **As with the rest of Africa, the vast majority of both revenue and growth will come from mobile Internet access**. Mobile internet access accounts for 89% of the market in 2016 and this will increase to 94% in 2021.
- **Internet advertising revenue in Tanzania is forecast to deliver double-digit growth between 2016 and 2021**. A CAGR of 14.0% is expected, bringing total Internet advertising revenue to US$17 million in 2021.
- **Paid search is expected to grow faster than other categories**. A CAGR of 21.1% over the forecast period shows the attraction of search as a measurable advertising metric.

Mobile internet access revenues will surpass $600 million in 2021

Figure 12 Tanzania: Internet access revenue (US$ millions) and year-on-year growth (%), 2012-2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Mobile makes pace in Tanzanian Internet market

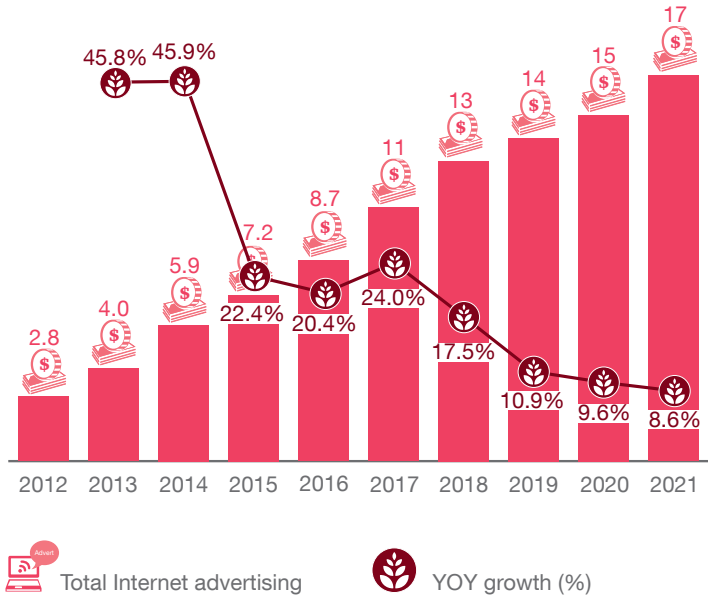
Tanzania: Revenues from Internet access and Internet advertising, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Fixed broadband access	21	21	23	23	23	25	27	30	33	36	9.2%
YOY growth (%)		*2.8%*	*7.0%*	*1.1%*	*1.9%*	*6.1%*	*10.7%*	*11.6%*	*9.7%*	*7.9%*	
Mobile Internet access	12	27	60	119	190	262	341	424	515	608	26.2%
YOY growth (%)		*136.0%*	*117.0%*	*99.2%*	*59.9%*	*38.1%*	*30.3%*	*24.1%*	*21.4%*	*18.2%*	
Total Internet access	**32**	**49**	**82**	**141**	**213**	**287**	**369**	**454**	**548**	**644**	**24.8%**
YOY growth (%)		*51.0%*	*69.2%*	*72.3%*	*50.6%*	*34.6%*	*28.6%*	*23.2%*	*20.7%*	*17.6%*	
Wired Internet advertising	1.8	2.5	3.5	4.3	5.2	6.4	7.6	8.6	10	11	15.6%
YOY growth (%)		*41.9%*	*38.1%*	*21.6%*	*21.2%*	*24.4%*	*17.7%*	*13.4%*	*12.1%*	*11.0%*	
Mobile Internet advertising	1.0	1.5	2.4	2.9	3.5	4.3	5.1	5.4	5.7	6.0	11.3%
YOY growth (%)		*52.9%*	*59.1%*	*23.7%*	*19.2%*	*23.5%*	*17.3%*	*7.1%*	*5.5%*	*4.5%*	
Total Internet advertising	**2.8**	**4.0**	**5.9**	**7.2**	**8.7**	**11**	**13**	**14**	**15**	**17**	**14.0%**
YOY growth (%)		*45.8%*	*45.9%*	*22.4%*	*20.4%*	*24.0%*	*17.5%*	*10.9%*	*9.6%*	*8.6%*	
Total Internet market	**35**	**53**	**88**	**149**	**222**	**297**	**381**	**468**	**563**	**661**	**24.4%**
YOY growth (%)		***50.6%***	***67.4%***	***68.9%***	***49.1%***	***34.2%***	***28.2%***	***22.8%***	***20.3%***	***17.3%***	

Note: Totals may not equal the sum of their parts due to rounding.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Search will show the fastest growth and increase its share of total internet advertising revenues

Figure 13 Tanzania: Internet advertising revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Advertising market begins to take shape

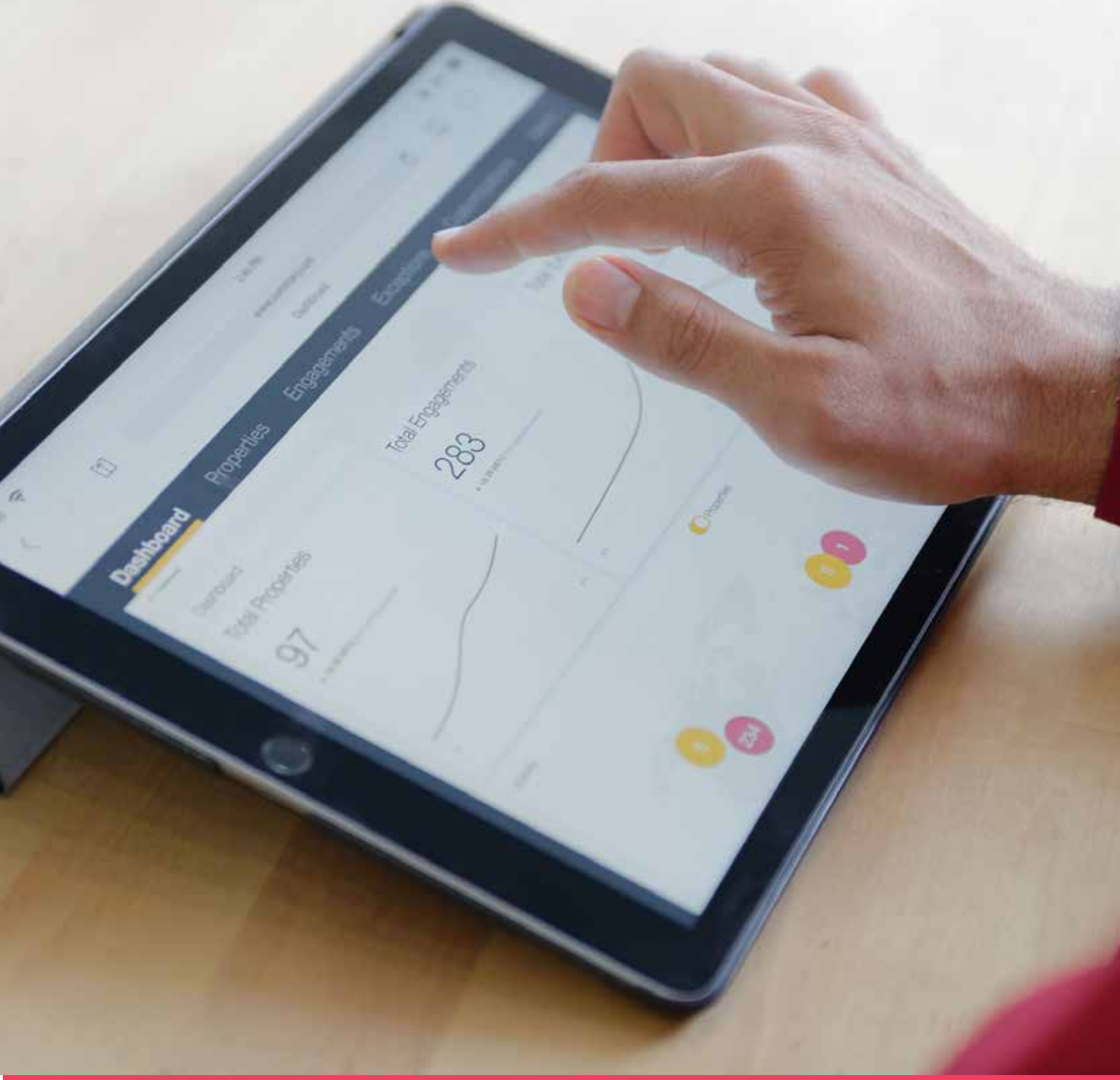
Tanzania: Internet advertising revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Search	0.8	1.1	1.4	1.6	2.0	2.6	3.1	3.8	4.5	5.3	21.1%
YOY growth (%)		*31.5%*	*23.5%*	*18.2%*	*26.8%*	*28.7%*	*20.1%*	*21.9%*	*16.8%*	*18.6%*	
Display	0.7	1.2	1.8	2.3	2.8	3.4	4.0	4.3	4.7	4.9	12.0%
YOY growth (%)		*34.3%*	*59.5%*	*30.5%*	*21.8%*	*22.2%*	*17.9%*	*12.3%*	*8.5%*	*7.3%*	
Classified	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	6.7%
YOY growth (%)		*8.0%*	*15.7%*	*15.7%*	*14.2%*	*13.8%*	*11.6%*	*9.2%*	*5.3%*	*1.5%*	
Video	0.1	0.2	0.2	0.4	0.5	0.7	0.9	1.0	1.1	1.2	17.1%
YOY growth (%)		*22.3%*	*31.6%*	*42.2%*	*37.6%*	*27.8%*	*19.9%*	*16.2%*	*13.3%*	*9.8%*	
Total wired Internet advertising	1.8	2.5	3.5	4.3	5.2	6.4	7.6	8.6	10	11	15.6%
YOY growth (%)		*41.9%*	*38.1%*	*21.6%*	*21.2%*	*24.4%*	*17.7%*	*13.4%*	*12.1%*	*11.0%*	
Mobile Internet advertising	1.0	1.5	2.4	2.9	3.5	4.3	5.1	5.4	5.7	6.0	11.3%
YOY growth (%)		*52.9%*	*59.1%*	*23.7%*	*19.2%*	*23.5%*	*17.3%*	*7.1%*	*5.5%*	*4.5%*	
Total Internet advertising	**2.8**	**4.0**	**5.9**	**7.2**	**8.7**	**11**	**13**	**14**	**15**	**17**	**14.0%**
YOY growth (%)		***45.8%***	***45.9%***	***22.4%***	***20.4%***	***24.0%***	***17.5%***	***10.9%***	***9.6%***	***8.6%***	

Note: Totals may not equal the sum of their parts due to rounding.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Growth in Internet advertising has been supported by significant progress in the provision of Internet access in Tanzania





Data consumption



South Africa

The total data consumed in South Africa is forecast to reach 5.1 trillion MB in 2021, fuelled by the rapid increases in data traffic via smartphones and tablets.

Music streaming giants like Apple and Google, as well as SVOD (Subscription video-on-demand) industry-leaders like Netflix and Amazon Prime 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, and South Africa may see the emergence of 5G within the forecast period. Developments such as these will enable data consumption to rise each year of the forecast period, growing at a 28.9% CAGR.

Tablet and smartphone use will be the main drivers of growth to 2021, as competitive pricing means more people can afford devices, and music and video streaming services become more mobile friendly.

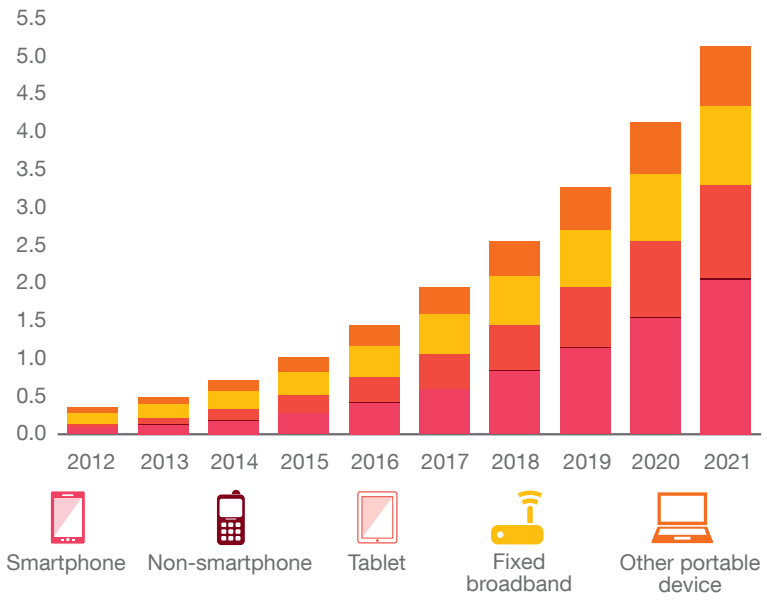
Despite government broadband initiatives stalling, private investment will help to boost the market, adding to already growing data consumption rates, with traffic reaching over five trillion MB in 2021.

This segment at a glance

- **Data traffic will surpass five trillion MB in 2021**. This will be thanks to rapid growth in traffic via tablets and smartphones.
- **Delays in the rollout of fixed broadband connections in rural areas will contribute to traffic via tablets and smartphones overtaking fixed broadband connections**. LTE is a viable alternative to FTTH in many areas.
- **The video streaming market will soar**. It will be characterised by global platforms, subscription services that look to provide more localised content and mobile operators launching video platforms on which their streaming content is not included in customers' data plans.
- **Music streaming will remain popular with South African consumers, especially as vendors promote local music**. Total data traffic for music will rise at a CAGR of 30.0%.

Data traffic will surge over the forecast period

Figure 1 South Africa: Data consumption by device type, 2012–2021 (MB trillions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Smartphones to take over as main data consumption device

South Africa: Data consumed, 2012–2021 (MB trillions)

	Historical data					Forecast data					CAGR %
Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Smartphone	0.09	0.12	0.18	0.27	0.41	0.59	0.83	1.14	1.53	2.04	37.7%
Non-smartphone	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	7.6%
Tablet	0.04	0.08	0.15	0.23	0.33	0.46	0.61	0.79	1.00	1.24	30.2%
Other portable	0.07	0.10	0.14	0.19	0.27	0.36	0.46	0.57	0.68	0.80	23.8%
Fixed broadband	0.15	0.19	0.24	0.32	0.41	0.52	0.64	0.76	0.90	1.04	20.2%
Total	**0.35**	**0.50**	**0.72**	**1.02**	**1.43**	**1.94**	**2.55**	**3.27**	**4.13**	**5.14**	**28.9%**
YOY growth %		***41.3%***	***43.2%***	***44.4%***	***41.0%***	***35.1%***	***31.1%***	***28.2%***	***26.2%***	***24.3%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Nigeria

Data consumption in Nigeria will grow by a CAGR of 50.8% over the forecast period and reach 3.2 trillion MB in 2021. The total data consumed in 2012 was just 39 billion MB.

The rapid rise will be driven by Nigeria having some of the lowest data prices in Africa, which will fuel a 66.9% CAGR in smartphone traffic, a 52.2% CAGR in tablet traffic and a 49.3% CAGR for data consumed by other portables.

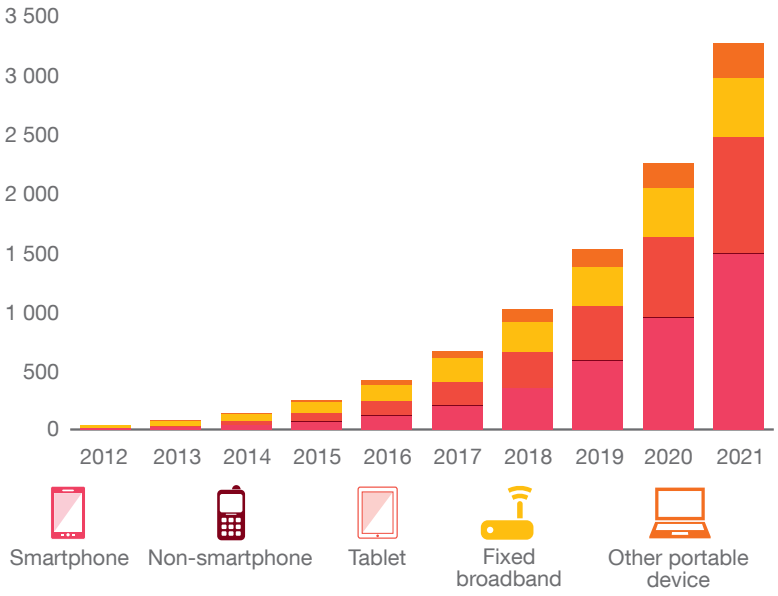
Connectivity in Nigeria will be transformed over the coming years. Currently, consumers are accessing the Internet at best via 3G networks, but by 2019 4G LTE networks will be commonplace as mobile network operators will have completed their rollout across the country. In addition, both Ericsson and Qualcomm have demonstrated Gigabit-Class LTE in Nigeria using licensed spectrum, in preparation for developing a 5G network.

This segment at a glance

- **Data consumption in Nigeria is set to rise at a 50.8% CAGR to 2021**. Smartphones and tablets will be the main drivers of this growth.
- **Low data costs and increased infrastructure will boost data consumption**. Total data consumption in Nigeria will see high double-digit growth year-on-year.
- **Government initiatives help to develop and promote fixed broadband across Nigeria**. But fixed broadband's share of total traffic will fall to just 15.2% in 2021.

Data consumption is set to increase across all categories

Figure 2 Nigeria: Data consumption by device type, 2012–2021 (MB billions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Smartphones rise to dominate data consumption

Nigeria: Data consumed, 2012–2021 (MB billions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Smartphone	10.6	18.9	34.3	62.4	113.8	201.7	345.6	578.1	937.3	1 475.5	66.9%
Non-smartphone	0.7	1.0	1.5	2.1	3.0	3.9	5.0	6.0	7.1	8.4	23.2%
Tablet	2.6	10.7	32.0	67.9	119.9	193.8	299.4	455.9	677.3	980.1	52.2%
Other portable	4.2	7.4	13.0	22.9	39.5	65.7	104.2	155.4	218.0	293.1	49.3%
Fixed broadband	21.3	37.9	60.1	94.1	140.6	195.2	257.1	325.7	404.6	493.5	28.5%
Total	**39.4**	**75.9**	**140.9**	**249.4**	**416.8**	**660.3**	**1 011.3**	**1 521.1**	**2 244.3**	**3 250.6**	**50.8%**
YOY growth %		***93.2%***	***85.4%***	***77.1%***	***67.1%***	***58.4%***	***53.2%***	***50.4%***	***47.5%***	***44.8%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Kenya

Kenyan data consumption is set to continue to expand rapidly. In 2012 only 12 billion MB of data was consumed over all devices. In 2016 the amount of data consumed reached 109 billion MB and it will grow by a CAGR of 48.9% in the remaining years of the forecast period to reach 800 billion MB in 2021.

Consumption via smartphones and tablets will continue to be the key driver. Smartphones will increase their share of data from 47.1% in 2016 to 53.8% in 2021

Data traffic on smartphones will grow by a CAGR of 52.9% and reach 430 billion MB in 2021.

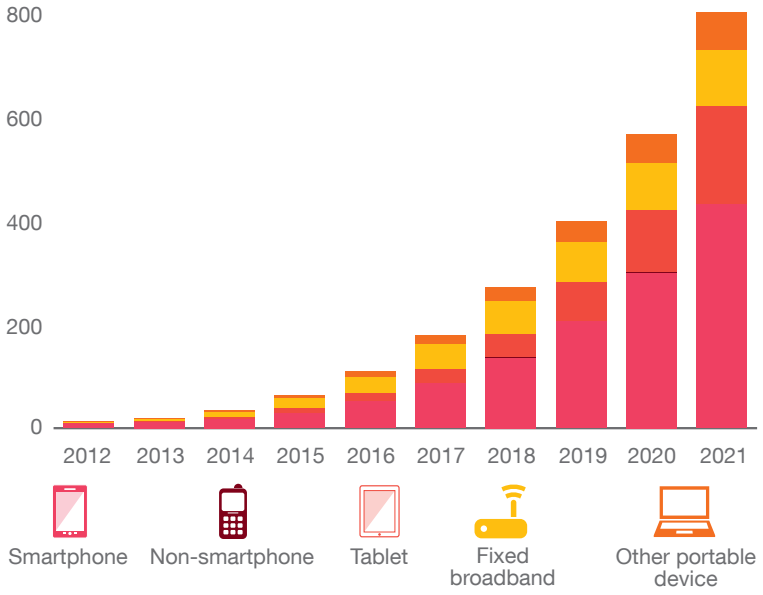
Tablet traffic will also grow exponentially (accounting for 23.4% of traffic in 2021, up from 14% in 2016) with a CAGR of 65.2% and reach 187 billion MB in 2021.

This segment at a glance

- **Data consumption in Kenya is set to hit 800 billion MB in 2021**. Over the next five years, data consumption will grow at a 48.9% CAGR.
- **Affordable smartphone and tablet brands as well as increased investment in infrastructure will support growth**. Safaricom announced network expansion in January 2017.
- **The popularity of social networks and messaging apps is driving data usage**. *WhatsApp* has 10 million users in Kenya.

Tablet data will experience the strongest growth rates to 2021

Figure 3 Kenya: Data consumption by device type, 2012–2021 (MB billions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Kenyan data usage to rise at near 50% CAGR

Kenya: Data consumed, 2012–2021 (MB billions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Smartphone	8.5	11.7	17.4	28.7	51.5	85.8	135.3	205.5	298.8	430.3	52.9%
Non-smartphone	0.2	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.8	1.0	14.7%
Tablet	0.1	1.0	3.2	8.0	15.2	26.7	45.2	74.8	119.5	187.3	65.2%
Other portable	0.8	1.6	3.0	5.7	10.3	17.8	27.9	40.7	55.0	72.1	47.5%
Fixed broadband	2.9	5.5	10.8	20.7	31.7	48.3	62.1	76.1	91.7	109.0	28.1%
Total	**12.5**	**20.0**	**34.7**	**63.5**	**109.2**	**179.2**	**271.2**	**397.9**	**565.8**	**799.7**	**48.9%**
YOY growth %		***61.8%***	***73.0%***	***83.0%***	***72.0%***	***64.1%***	***51.4%***	***46.7%***	***42.2%***	***41.3%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum


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Television

South Africa

South Africa remains by far the largest TV market on the African continent, with total revenues of R40.9 billion in 2016 (defined as revenues from pay-TV subscriptions, physical home video, Internet video, public licence fees, and advertising). Following a CAGR of 4.6% over the forecast period, the total TV market in South Africa will be worth R51.2 billion by 2021. At this time, end-user spending (pay-TV subscriptions, physical and Internet home video and licence fees) will account for 56.7% of the total TV market, which is comparable to the 56.8% share in 2016.

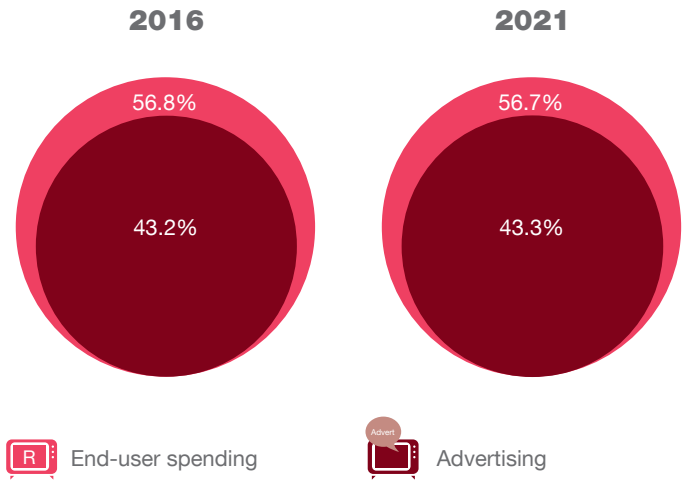
Despite being a mature market, the growing number of middle-class households provide long term opportunities for broadcasters, pay-TV operators and OTT platforms. Continued delays in digital transition have held the market back and a completed analogue switch-off is the priority in the short term.

Improving broadband infrastructure will also be vital in boosting premium revenues, allowing subscribers to access content on demand across a range of devices. The entrance of Netflix and Amazon Prime Video in 2016 brought new competition to MultiChoice, although the latter retains the majority of key sporting rights. With OTT platforms often taken as a complementary service to access a wider range of premium content, there do not appear to be any imminent changes to the pay-TV market on the horizon.

With a long term shift towards viewing content when and where audiences desire and often on ad-free platforms, there are concerns for advertisers. However, 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 subsequently, the largest advertising budgets.

Little change in market share between 2016 and 2021

Figure 1 South Africa, TV market, end-user spending vs advertising, 2016 vs 2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

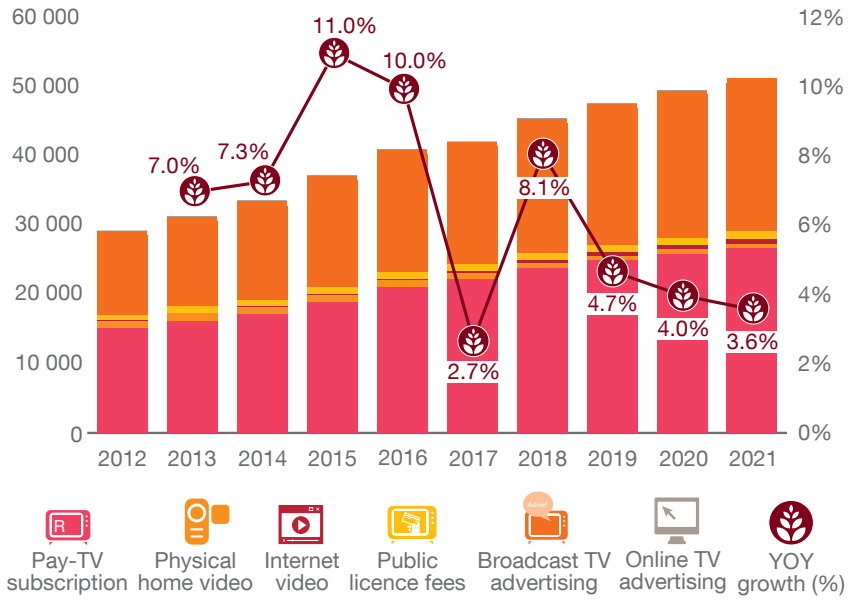
This segment at a glance

- **South Africa remains the largest TV market on the continent**. Despite being by far the largest TV market on the continent, South Africa continues to exhibit strong growth, with total market revenues expanding at a 4.6% CAGR over the next five years to reach R51.2 billion in 2021.
- **South Africa missed the International Telecommunications Union's (ITU's) June 2015 deadline for digital transition and delays have continued**. Analogue switch-off began in late 2016 and transition is scheduled to be complete by end-2018.
- **The pay-TV sector continues to add households and will reach nearly seven million subscriptions by the end of 2021**. This will result in pay-TV penetration of 59.9%, up from 57.5% in 2016.
- **Satellite has had a monopoly on pay-TV subscriptions, but IPTV and pay-DTT established a minor presence in 2016**. By 2021 satellite's dominance will have been squeezed but the sector will still account for 93.6% of subscriptions.
- **Naspers' MultiChoice continues to dominate the satellite market and much of the country's premium entertainment content and sporting rights**. MultiChoice added a further 626 000 satellite households to its South African base in the 2016-17 financial year, bringing subscriber numbers to 6.4 million, although profits have been hit by local currency pressures.

- **MultiChoice has had success with its GOtv pay-DTT service across sub-Saharan Africa and launched in South Africa in early 2016**. The operator has pushed low-cost packages to entice the many low-income households across the region.
- **The arrival of SVOD platforms in the South African market brings new competition**. Netflix and Amazon Prime Video launched in the South African market in 2016 and have brought competition to the industry in terms of exclusive access to original programming.
- **Internet video has long-term potential**. However, it continues to be limited by poor broadband infrastructure and cost, with unreliable connectivity and insufficient speeds for streaming video outside the largest cities.
- **TV advertising remains a vital part of the market, accounting for 43.2% of total TV revenue in 2016**. Advertising continues to be dominated by terrestrial channels, although the pay-TV sector is boosting its share. Online TV advertising revenues remain in their infancy and will account for just 0.1% of TV advertising revenues in 2021.
- **Public broadcaster SABC continues to lead the ratings**. Financial pressure is, however, mounting after increasing losses in recent years. It is heavily reliant on advertising revenues, which accounted for 74% of total income in 2016, compared to just 12% for public licence fees.

South Africa continues to exhibit strong growth, with total market revenues expanding at a 4.6% CAGR

Figure 2 South Africa: TV revenues by segment (R millions) and year-on-year growth (%), 2012-2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



The pay-TV sector continues to add households and will reach nearly seven million subscriptions by the end of 2021

The total TV market in South Africa will be worth R51.2 billion by 2021

South Africa: TV revenues (R millions) and pay-TV households (millions), 2012-2021

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Pay-TV subscription	15 115	16 174	17 085	18 870	21 077	22 216	23 753	24 863	25 826	26 688	4.8%
YOY growth (%)		*7.0%*	*5.6%*	*10.4%*	*11.7%*	*5.4%*	*6.9%*	*4.7%*	*3.9%*	*3.3%*	
Physical home video	1 054	1 061	1 057	1 023	912	824	751	687	634	584	-8.5%
YOY growth (%)		*0.6%*	*-0.4%*	*-3.2%*	*-10.9%*	*-9.6%*	*-8.9%*	*-8.5%*	*-7.7%*	*-7.9%*	
Internet video	65	96	125	176	270	372	468	556	650	739	22.3%
YOY growth (%)		*46.5%*	*31.2%*	*40.5%*	*53.6%*	*37.6%*	*25.7%*	*18.9%*	*16.9%*	*13.7%*	
Public licence fees	846	887	928	913	935	953	970	986	999	1 011	1.6%
YOY growth (%)		*4.8%*	*4.7%*	*-1.6%*	*2.4%*	*2.0%*	*1.7%*	*1.7%*	*1.3%*	*1.2%*	
End user spending	**17 080**	**18 218**	**19 195**	**20 982**	**23 194**	**24 365**	**25 942**	**27 092**	**28 109**	**29 022**	**4.6%**
YOY growth (%)		*6.7%*	*5.4%*	*9.3%*	*10.5%*	*5.1%*	*6.5%*	*4.4%*	*3.8%*	*3.2%*	
% of total TV market	*58.7%*	*58.5%*	*57.4%*	*56.5%*	*56.8%*	*58.1%*	*57.2%*	*57.1%*	*56.9%*	*56.7%*	
Broadcast TV advertising	12 038	12 941	14 247	16 146	17 658	17 573	19 398	20 364	21 262	22 108	4.6%
YOY growth (%)		*7.5%*	*10.1%*	*13.3%*	*9.4%*	*-0.5%*	*10.4%*	*5.0%*	*4.4%*	*4.0%*	
Online TV advertising	0	1	5	9	13	16	18	19	21	22	11.1%
YOY growth (%)		*143.8%*	*505.1%*	*73.8%*	*51.4%*	*21.5%*	*10.6%*	*9.2%*	*7.9%*	*6.8%*	
Total TV advertising	**12 038**	**12 942**	**14 252**	**16 155**	**17 671**	**17 589**	**19 416**	**20 383**	**21 283**	**22 130**	**4.6%**
YOY growth (%)		*7.5%*	*10.1%*	*13.4%*	*9.4%*	*-0.5%*	*10.4%*	*5.0%*	*4.4%*	*4.0%*	
% of total TV market	*41.3%*	*41.5%*	*42.6%*	*43.5%*	*43.2%*	*41.9%*	*42.8%*	*42.9%*	*43.1%*	*43.3%*	
Total TV market	**29 118**	**31 160**	**33 447**	**37 137**	**40 865**	**41 954**	**45 358**	**47 475**	**49 392**	**51 152**	**4.6%**
YOY growth (%)		***7.0%***	***7.3%***	***11.0%***	***10.0%***	***2.7%***	***8.1%***	***4.7%***	***4.0%***	***3.6%***	
Pay-TV households (millions)	3.8	4.3	4.8	5.8	5.8	6.2	6.4	6.7	6.8	7.0	3.9%
YOY growth (%)		*13.3%*	*13.0%*	*20.0%*	*0.0%*	*7.0%*	*3.8%*	*3.5%*	*2.9%*	*2.2%*	
Average monthly spending (ZAR)	334.46	335.53	313.26	296.42	303.44	308.91	313.47	316.62	318.74	321.25	1.1%
YOY growth (%)		*0.3%*	*-6.6%*	*-5.4%*	*2.4%*	*1.8%*	*1.5%*	*1.0%*	*0.7%*	*0.8%*	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

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Nigeria

The TV market in Nigeria produced revenues of US$810 million in 2016, following growth of 2.3%. This was considerably slower than recent years due to a challenging macroeconomic environment, with the country falling into recession as GDP contracted -1.7%.

As the economy stabilises, TV market growth will be more consistent over the next five years, expanding at a 4.4% CAGR to pass the US$1 billion mark in 2021. The market is driven by pay-TV subscription revenue, which accounted for 63.8% of the total in 2016. This will fall back slightly to 62.8% by 2021 due to stronger growth rates in the TV advertising sector.

Advertising accounts for nearly a third of total TV revenue in Nigeria, but so far, none of this revenue is derived from online TV advertising. Terrestrial advertising makes up over 90% of the market, as Nigeria has yet to complete its digital switchover.

DVD and Blu-ray sales are beginning to decline, but poor access to broadband has meant that uptake of Internet video is still in its early stages, with revenue taking just 0.4% of the market in 2016.

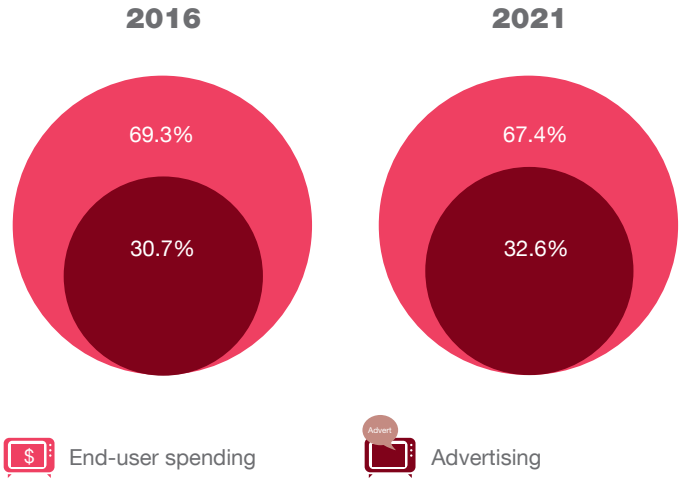
SVOD giants Netflix and Amazon entered the Nigerian market in early 2016, and Internet video revenue will rise at a healthy 20.5% CAGR to 2021, albeit from a low base.

This segment at a glance

- **Nigeria's TV market grew 2.3% to reach US$810 million in 2016, despite the country's macroeconomic problems throughout the year**. Pay-TV revenues dominate the market with TV advertising accounting for 30.7%.
- **Broadband penetration is extremely low in Nigeria, limiting development in the Internet video market**. In spite of this, both Netflix and Amazon Prime Video have launched in Nigeria.
- **Advertising is focussed on the very largest cities where middle classes have more disposable income, with Lagos regularly taking up to 60% of advertising budgets**. Terrestrial channels continue to attract the majority of budgets due to large audiences.

Advertising will account for 32.6% of the market in 2021

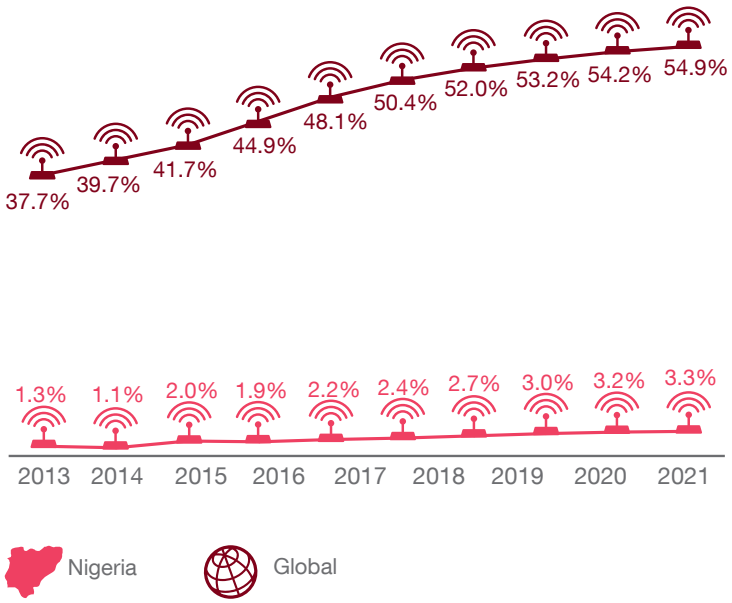
Figure 3 Nigeria: TV end-user spending vs advertising revenue, 2016 vs 2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Just 3.3% of Nigerian households will have fixed broadband in 2021

Figure 4 Nigeria vs Global: Broadband penetration, 2012–2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Strong growth in advertising and pay-TV will see Nigeria's TV market surpass US$1 billion in 2021

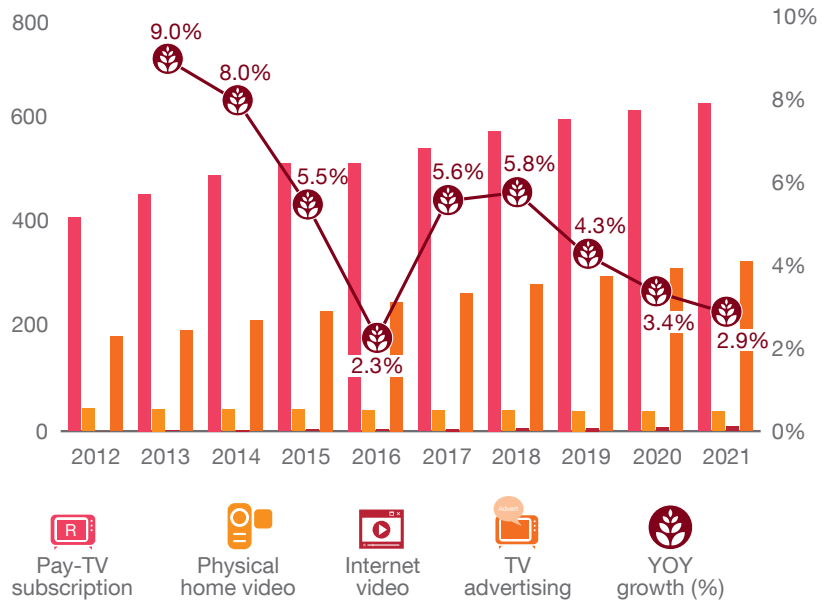
Nigeria: TV revenues (US$ millions) and pay-TV households (millions), 2012–2021

	Historical data				Forecast data						CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Pay-TV subscription	411	456	493	516	516	545	578	601	617	630	4.1%
YOY growth (%)		*11.1%*	*8.0%*	*4.6%*	*0.1%*	*5.5%*	*6.1%*	*4.0%*	*2.7%*	*2.2%*	
% of total TV market	*64.5%*	*65.8%*	*65.8%*	*65.2%*	*63.8%*	*63.7%*	*63.9%*	*63.7%*	*63.3%*	*62.8%*	
Physical home video	44	43	42	41	41	40	39	39	38	37	-1.6%
YOY growth (%)		*-2.1%*	*-2.0%*	*-1.9%*	*-1.8%*	*-1.8%*	*-1.7%*	*-1.6%*	*-1.6%*	*-1.5%*	
% of total TV market	*6.9%*	*6.2%*	*5.6%*	*5.2%*	*5.0%*	*4.7%*	*4.3%*	*4.1%*	*3.9%*	*3.7%*	
Internet video	0	1	2	3	4	4	5	6	8	9	20.5%
YOY growth (%)			*91.4%*	*33.9%*	*30.5%*	*25.5%*	*21.3%*	*20.1%*	*18.4%*	*17.3%*	
% of total TV market		*0.2%*	*0.3%*	*0.3%*	*0.4%*	*0.5%*	*0.6%*	*0.7%*	*0.8%*	*0.9%*	
TV advertising	182	194	212	231	249	266	282	298	313	327	5.6%
YOY growth (%)		*6.2%*	*9.8%*	*8.7%*	*7.7%*	*6.9%*	*6.1%*	*5.5%*	*5.0%*	*4.6%*	
% of total TV market	*28.6%*	*27.9%*	*28.3%*	*29.2%*	*30.7%*	*31.1%*	*31.2%*	*31.6%*	*32.1%*	*32.6%*	
Total TV market	**637**	**694**	**749**	**791**	**810**	**855**	**904**	**944**	**976**	**1 003**	**4.4%**
YOY growth (%)		***9.0%***	***8.0%***	***5.5%***	***2.3%***	***5.6%***	***5.8%***	***4.3%***	***3.4%***	***2.9%***	
Pay-TV households (millions)	1.9	2.8	3.5	3.7	4.0	4.3	4.5	4.7	4.8	4.9	4.0%
YOY growth (%)		*42.8%*	*26.0%*	*7.8%*	*7.0%*	*7.8%*	*5.2%*	*3.2%*	*2.0%*	*1.9%*	
Average monthly spending (US$)	17.77	13.83	11.85	11.50	10.76	10.53	10.61	10.70	10.77	10.80	0.1%
YOY growth (%)		*-22.2%*	*-14.3%*	*-3.0%*	*-6.5%*	*-2.1%*	*0.8%*	*0.8%*	*0.7%*	*0.3%*	

Note: 2012–2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Nigeria's TV market grew 2.3% in 2016 despite the country's macroeconomic problems

Figure 5 Nigeria: TV revenues by segment (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Kenya

Backed by strong economic growth, the Kenyan TV market has grown rapidly in recent years, producing total market revenues of US$532 million in 2016, compared to just US$310 million in 2012.

Year-on-year growth rates will slow but remain strong, and revenue will rise at a 7.8% CAGR over the forecast period, producing revenues of US$772 million in 2021.

With no public licence fee in Kenya, the TV market is increasingly reliant on advertising revenues, which will account for 67.2% of the total in 2021, up from 64.4% in 2016. This is despite continued growth in the pay-TV industry, with subscription revenues having nearly doubled in the past five years. From US$162 million in 2016, pay-TV revenues will grow at 6.7% CAGR to reach US$224 million in 2021.

Advertising revenues are derived solely from broadcast revenues, with ad opportunities driven by strong economic growth. Kenyan authorities have tightened rules regarding ad content in recent years, with some restrictions in place during prime time.

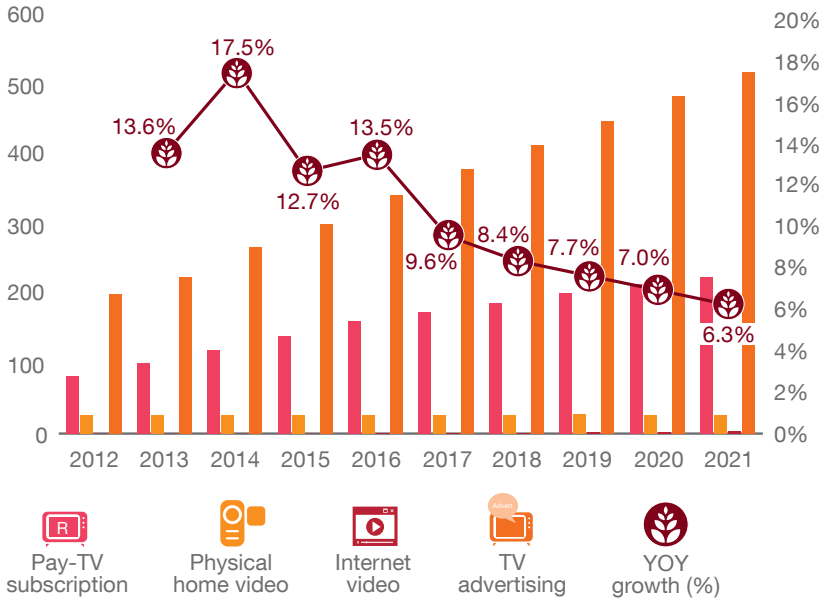
Internet video revenue will experience the fastest growth during the forecast period, but will account for just 0.4% of the market in 2021. Both Netflix and Amazon launched in Kenya in 2016, but debate about regulation and licence fees has surrounded the market entry of SVOD services.

This segment at a glance

- **The Kenyan TV market will grow year on year to total US$772 million in 2021**, with TV advertising contributing heavily.
- **TV advertising will grow to take a 67.2% share of the total TV market in 2021,** as multichannel advertising makes gains.

Advertising revenue continues to drive growth in the Kenyan TV market

Figure 6 Kenya: TV revenues by segment (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Advertising revenue continues to drive growth in the Kenyan TV market

Kenya: TV revenues (US$ millions) and pay-TV households (millions), 2012–2021

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Pay-TV subscription	83	101	120	140	162	174	188	202	214	224	6.7%
YOY growth (%)		21.9%	18.6%	16.8%	15.0%	7.9%	8.1%	7.0%	5.8%	4.8%	
% of total TV market	*26.7%*	*28.7%*	*29.0%*	*30.0%*	*30.4%*	*30.0%*	*29.9%*	*29.7%*	*29.4%*	*29.0%*	
Physical home video	27	27	27	27	27	27	27	27	26	26	-0.3%
YOY growth (%)		21.9%	18.6%	16.8%	15.0%	7.9%	8.1%	7.0%	5.8%	4.8%	
% of total TV market	*8.8%*	*7.7%*	*6.5%*	*5.8%*	*5.1%*	*4.6%*	*4.2%*	*3.9%*	*3.6%*	*3.4%*	
Internet video	0	0	0	0	1	1	1	2	2	3	37.2%
YOY growth (%)		303.0%	33.7%	34.6%	35.6%	36.3%	36.9%	37.2%	37.7%	37.9%	
% of total TV market	*0.0%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.2%*	*0.2%*	*0.2%*	*0.3%*	*0.4%*	
TV advertising	200	224	267	300	342	380	414	449	484	519	8.7%
YOY growth (%)		11.9%	19.2%	12.2%	14.1%	11.1%	9.1%	8.4%	7.9%	7.1%	
% of total TV market	*64.4%*	*63.5%*	*64.4%*	*64.1%*	*64.4%*	*65.3%*	*65.7%*	*66.1%*	*66.7%*	*67.2%*	
Total TV market	**310**	**352**	**414**	**467**	**532**	**582**	**630**	**680**	**726**	**772**	**7.8%**
YOY growth (%)		***13.6%***	***17.5%***	***12.7%***	***13.5%***	***9.6%***	***8.4%***	***7.7%***	***7.0%***	***6.3%***	
Pay-TV households (millions)	0.3	0.6	0.8	1.1	1.2	1.4	1.5	1.6	1.6	1.7	6.8%
YOY growth (%)		*21.9%*	*18.6%*	*16.8%*	*15.0%*	*7.9%*	*8.1%*	*7.0%*	*5.8%*	*4.8%*	
Average monthly spending (US$)	27.06	13.45	12.95	10.36	10.86	10.73	10.76	10.80	10.82	10.84	0.0%
YOY growth (%)		*-50.3%*	*-3.8%*	*-20.0%*	*4.8%*	*-1.1%*	*0.3%*	*0.3%*	*0.2%*	*0.2%*	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



TV advertising will grow to take a 67.2% share of the total TV market in 2021

Ghana

Ghana's pay-TV revenues reached US$43 million in 2016, up 18.7% on 2016. Over the next five years, Ghana will more than double its pay-TV households, with numbers hitting the 1 million mark in 2019, rising to 1.3 million in 2021. A 13.9% CAGR is expected for the burgeoning Pay-TV market, meaning revenue should reach US$83 million in 2021.

TV advertising takes the largest share of the Ghanaian market, accounting for 55% of TV revenues in 2016. Online TV advertising is yet to emerge in Ghana, with most advertising spend going towards terrestrial channels.

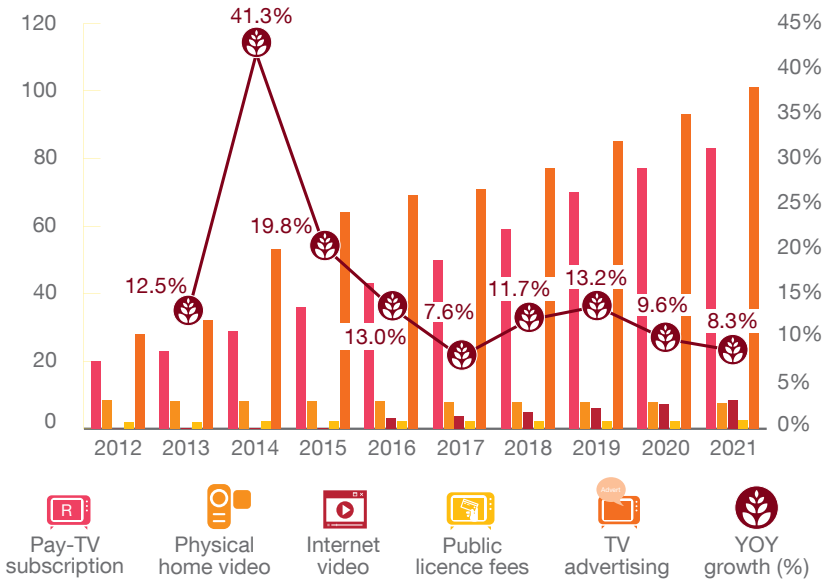
Internet video will increase its share, taking 4.2% of the market in 2021. The launch of SVOD services like Netflix in 2016, will contribute to the double-digit growth driving Internet video to 2021, when revenue will total US$8.5 million.

This segment at a glance

- **Pay-TV household subscriptions are set to comfortably exceed one million by 2021**. The Ghanaian television market will grow at a 10% CAGR over the next five years, as pay-TV household subscriptions are set to comfortably exceed one million by 2021 and SVOD growth contributes to increased revenue.
- **Strong advances in multichannel TV advertising in Ghana will drive TV advertising revenue to reach US$101 million in 2021**.

Strong advances in multichannel TV advertising will drive TV advertising revenue

Figure 7 Ghana: TV revenues by segment (US$ millions) and year-on-year growth (%), 2012-2021



Sources: Entertainment and media outlook: 2017-2020, An African perspective, PwC, Ovum

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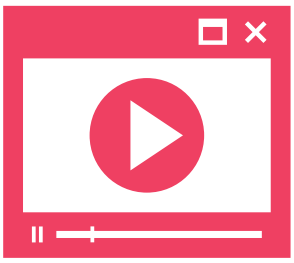
Strong growth expected for healthy Ghanaian market

Ghana: TV revenues (US$ millions) and pay-TV households (millions), 2012–2021

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-2021
Pay-TV subscription	19.8	23.4	29.1	36.4	43.2	49.8	59.0	70.0	77.1	82.6	13.9%
YOY growth (%)		*17.8%*	*24.6%*	*25.0%*	*18.7%*	*15.3%*	*18.5%*	*18.7%*	*10.2%*	*7.1%*	
% of total TV market	*34.0%*	*35.6%*	*31.4%*	*32.8%*	*34.4%*	*36.9%*	*39.1%*	*41.0%*	*41.3%*	*40.8%*	
Physical home video	8.3	8.2	8.1	8.1	8.0	7.9	7.8	7.7	7.7	7.6	-0.8%
YOY growth (%)		*-0.7%*	*-0.9%*	*-0.5%*	*-1.4%*	*-0.7%*	*-1.3%*	*-1.6%*	*-0.3%*	*-0.2%*	
% of total TV market	*14.2%*	*12.5%*	*8.8%*	*7.3%*	*6.3%*	*5.9%*	*5.2%*	*4.5%*	*4.1%*	*3.8%*	
Internet video	0.0	0.1	0.1	0.1	3.1	3.8	4.9	6.0	7.2	8.5	22.4%
YOY growth (%)		*8.3%*	*5.8%*	*5.5%*	*5263.8%*	*22.5%*	*28.4%*	*21.9%*	*21.4%*	*17.9%*	
% of total TV market	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*2.5%*	*2.8%*	*3.2%*	*3.5%*	*3.9%*	*4.2%*	
Public licence fees	1.9	2.0	2.1	2.2	2.2	2.2	2.3	2.3	2.3	2.4	1.3%
YOY growth (%)		*5.3%*	*2.0%*	*4.2%*	*1.9%*	*1.6%*	*1.4%*	*1.5%*	*1.2%*	*1.1%*	
% of total TV market	*3.3%*	*3.1%*	*2.2%*	*2.0%*	*1.8%*	*1.7%*	*1.5%*	*1.4%*	*1.2%*	*1.2%*	
TV advertising	28.2	31.9	53.3	64.3	69.0	71.2	76.8	84.6	92.6	101.2	8.0%
YOY growth (%)		*3.8%*	*6.2%*	*9.8%*	*5.7%*	*5.7%*	*6.6%*	*9.1%*	*6.6%*	*9.0%*	
% of total TV market	*48.4%*	*48.7%*	*57.5%*	*58.0%*	*55.0%*	*52.8%*	*50.9%*	*49.6%*	*49.5%*	*50.0%*	
Total TV market	**58.2**	**65.6**	**92.7**	**111.1**	**125.5**	**134.9**	**150.8**	**170.6**	**186.9**	**202.3**	**10.0%**
YOY growth (%)		***12.5%***	***41.3%***	***19.8%***	***13.0%***	***7.6%***	***11.7%***	***13.2%***	***9.6%***	***8.3%***	
Pay-TV households (millions)	0.2	0.2	0.3	0.5	0.6	0.7	0.9	1.1	1.2	1.3	17.6%
YOY growth (%)		*30.7%*	*40.8%*	*60.0%*	*21.9%*	*20.7%*	*28.9%*	*21.4%*	*6.9%*	*11.5%*	
Average monthly spending (US$)	10.14	9.14	8.09	6.32	6.15	5.88	5.40	5.28	5.44	5.23	-3.2%
YOY growth (%)		*-9.9%*	*-11.5%*	*-21.9%*	*-2.6%*	*-4.4%*	*-8.1%*	*-2.3%*	*3.1%*	*-3.9%*	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Internet video will increase its share, taking 4.2% of the market in 2021



Tanzania

The total TV market in Tanzania is forecast to grow from US$155 million in 2016 to US$271 million in 2021, a strong CAGR of 11.8%. The figure was just US$54 million in 2012.

Pay-TV subscription in particular will nearly double from US$125 million to US$234 million over the forecast period. This growth will be supported by increased service uptake resulting from more affordable package options. In 2021, pay-TV subscription revenue will account for 86.2% of the total Tanzanian TV market.

Netflix launched in Tanzania in early 2016, and is partly responsible for Internet video revenue growing 636.9% on 2015, albeit from a very low base. Internet video revenue will more than double over the forecast period, but will still be limited by the lack of fixed broadband across the country.

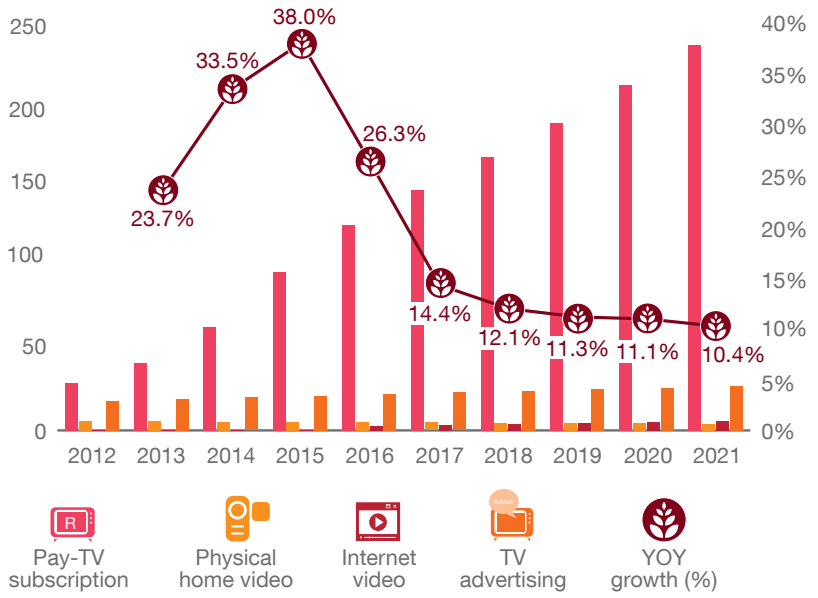
Advertising revenue will grow year on year, accounting for 10.1% of the market in 2021. Online TV advertising is yet to emerge in Tanzania, and so terrestrial channels attract the most attention from advertisers.

This segment at a glance

- **Pay-TV subscription revenue will nearly double over the forecast period**. The Tanzanian TV market will total US$271 million in 2021, growing at a 11.8% CAGR.
- **Physical home video will not fare as well**. Physical home video revenue in Tanzania will take a hit and decline at a -3.5% CAGR to 2021, as Internet video begins to take off.

Pay-TV subscription revenue will nearly double over the forecast period

Figure 8 Tanzania: TV revenues by segment (US$ millions) and year-on-year growth (%), 2012-2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Double-digit TV growth for Tanzania

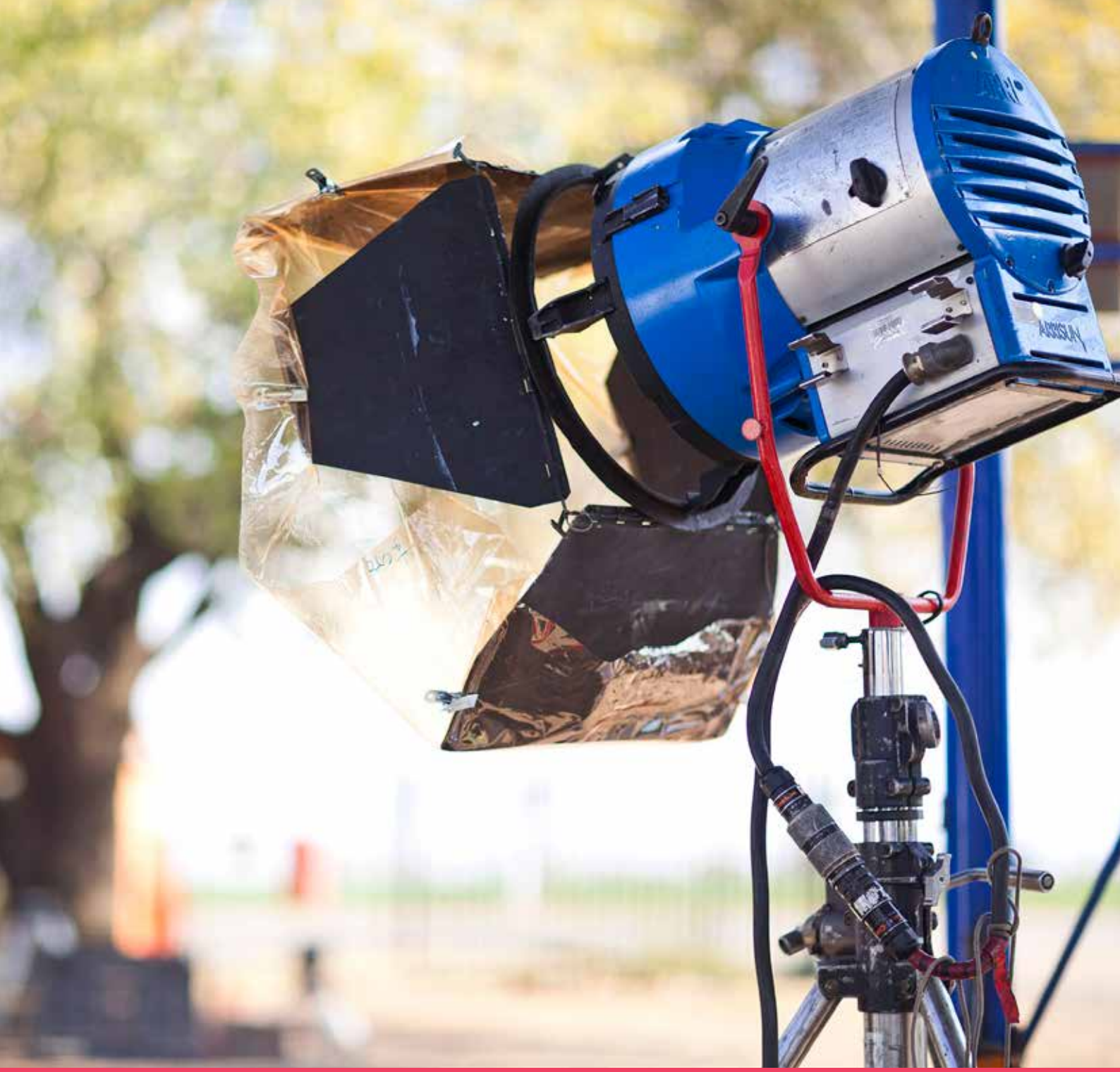
Tanzania: TV revenues (US$ millions) and pay-TV households (millions), 2012–2021

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-2021
Pay-TV subscription	29.3	41.4	63.0	95.6	124.8	145.8	165.7	186.6	209.6	233.6	13.4%
YOY growth (%)		*41.1%*	*52.1%*	*51.8%*	*30.5%*	*16.8%*	*13.7%*	*12.7%*	*12.3%*	*11.4%*	
% of total TV market	*54.6%*	*62.3%*	*71.0%*	*78.1%*	*80.6%*	*82.3%*	*83.5%*	*84.5%*	*85.5%*	*86.2%*	
Physical home video	5.9	5.6	5.3	5.1	4.9	4.8	4.6	4.5	4.3	4.1	-3.5%
YOY growth (%)		*-5.5%*	*-5.6%*	*-3.1%*	*-3.2%*	*-3.7%*	*-3.3%*	*-3.4%*	*-3.5%*	*-3.6%*	
% of total TV market	*11.0%*	*8.4%*	*5.9%*	*4.2%*	*3.2%*	*2.7%*	*2.3%*	*2.0%*	*1.8%*	*1.5%*	
Internet video	0.1	0.1	0.1	0.4	2.6	3.1	3.7	4.3	4.9	5.7	16.9%
YOY growth (%)		*7.1%*	*11.0%*	*251.5%*	*636.9%*	*17.9%*	*20.6%*	*15.7%*	*14.7%*	*15.8%*	
% of total TV market	*0.2%*	*0.1%*	*0.1%*	*0.3%*	*1.7%*	*1.7%*	*1.9%*	*1.9%*	*2.0%*	*2.1%*	
TV advertising	18.4	19.4	20.4	21.4	22.4	23.4	24.4	25.4	26.4	27.4	4.1%
YOY growth (%)		*5.4%*	*5.2%*	*4.9%*	*4.7%*	*4.5%*	*4.3%*	*4.1%*	*3.9%*	*3.8%*	
% of total TV market	*34.2%*	*29.2%*	*23.0%*	*17.5%*	*14.5%*	*13.2%*	*12.3%*	*11.5%*	*10.8%*	*10.1%*	
Total TV market	**53.7**	**66.5**	**88.8**	**122.5**	**154.7**	**177.1**	**198.4**	**220.8**	**245.2**	**270.8**	**11.8%**
YOY growth (%)		***23.7%***	***33.5%***	***38.0%***	***26.3%***	***14.4%***	***12.1%***	***11.3%***	***11.1%***	***10.4%***	
Pay-TV households (millions)	0.2	0.2	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	12.1%
YOY growth (%)		*29.0%*	*46.2%*	*37.9%*	*20.1%*	*14.6%*	*12.9%*	*12.3%*	*11.9%*	*9.0%*	
Average monthly spending (US$)	12.67	13.86	14.42	15.87	17.24	17.58	17.70	17.76	17.83	18.22	1.1%
YOY growth (%)		*9.4%*	*4.0%*	*10.1%*	*8.6%*	*1.9%*	*0.7%*	*0.3%*	*0.4%*	*2.2%*	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Physical home video revenue in Tanzania will take a hit and decline





Cinema

South Africa

The South African film sector currently presents a mixed picture. Overall revenue, including box office and cinema advertising, will continue to rise and is forecast to reach R2.2 billion in 2021, up from R1.9 billion in 2016, a CAGR of 3.7%.

Trends are predominantly upward despite a forecast decline in box office in 2017, down from a record high of R1.2 billion in 2016 to R1.1 billion in 2017. One of the reasons for the slight dip was a reduction in the number of films released. Local films releases were down by nearly a third in the first half of 2017 compared to the same period of 2016.

The South African film sector, however, risks being undermined by the political and economic issues in the country as a whole. The travails of the national broadcaster and the problems reported by some producers in securing prompt payment of DTI incentives have created uncertainty.

Nonetheless, in the long term, the sector will continue to expand. With its mix of soft currency, incentives, studio facilities and diverse locations, South Africa has a chance to establish itself as a leading destination for international production.

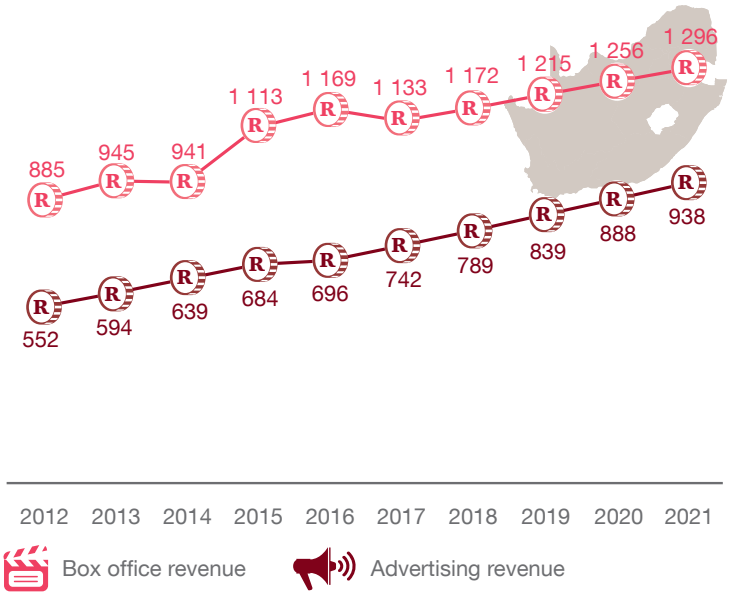
Furthermore, it has been calculated that the black middle class has more than trebled in size over the last decade. As affluence, access to credit and education levels have risen over this period, so has disposable income. With more screens opening to cater for this demand, cinema-going will continue to grow.

This segment at a glance

- **Continued growth in 2016.** Total cinema revenue in South Africa continued to grow in 2016 even after a stellar 2015 at the box office. It is, expected to reach R2.2 billion in 2021, up from R1.9 billion in 2016, a CAGR of 3.7%.
- **Admissions growth after 2016 drop**. There was a fall in admissions in 2016 to 20.8 million, from 21.8 million in 2015. Cinema attendance is expected to reach 21.6 million by 2021, representing a CAGR of 0.8%.
- **Cinema improvements enable ticket price rises**. The average admission price will rise at a CAGR of 1.3% to R60.0 by 2021, up from R56.20 in 2016.
- **Inward investment**. South Africa is an attractive destination for international filmmakers. It offers incentives for filming in the country, has a vast range of locations, state-of-the-art studios and a burgeoning post-production sector. The weakness of the rand adds to its allure.
- **Economic squeeze**. Short-term economic issues are beginning to affect the film industry. The SABC, the national broadcaster, is currently experiencing great financial difficulties. It is important that the filmmaking infrastructure isn't compromised as all the elements are in place for the sector to grow.
- **Animation boom**. Largely thanks to Triggerfish, the 'Pixar of South Africa', South Africa's film animation sector is blossoming.

Box office falls from historic 2015 high, but regains momentum

Figure 1 South Africa: Cinema revenues by segment, 2012–2021 (R millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

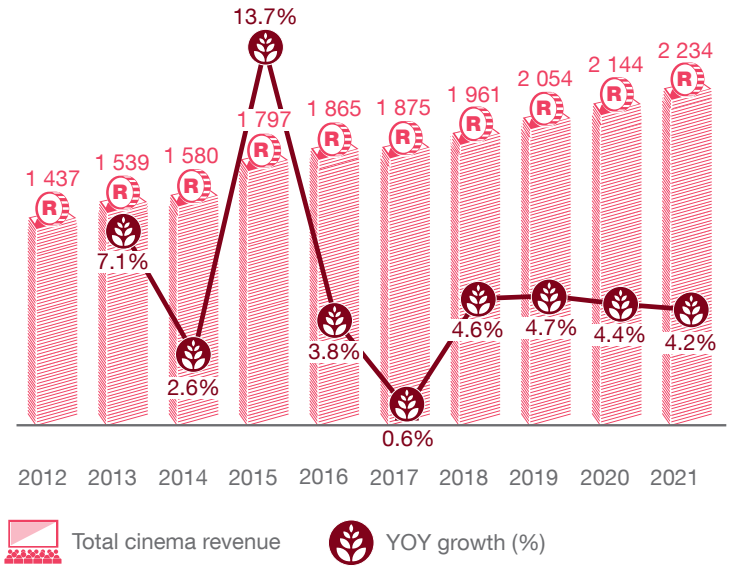
South Africa: Cinema revenue, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Box office	885	945	941	1 113	1 169	1 133	1 172	1 215	1 256	1 296	2.1%
Advertising	552	594	639	684	696	742	789	839	888	938	6.2%
Total	**1 437**	**1 539**	**1 580**	**1 797**	**1 865**	**1 875**	**1 961**	**2 054**	**2 144**	**2 234**	**3.7%**
YOY growth (%)		***7.1%***	***2.6%***	***13.7%***	***3.8%***	***0.6%***	***4.6%***	***4.7%***	***4.4%***	***4.2%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Cinema revenue will continue to grow steadily

Figure 2 South Africa: Total cinema revenue (R millions) vs year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



South Africa remains an attractive destination for international filmmakers.

Nigeria

The Nigerian film industry continues to grow at a rapid pace. The country produces around 2 500 films a year, a huge figure that makes it the second-biggest global production hub behind India.

The local industry, nicknamed Nollywood, is estimated to employ more than one million people and to generate more than US$7 billion for the national economy. According to an IMF report in the summer of 2016, the industry now accounts for 1.4% of GDP.

Nollywood films have gained popularity, with a large following both within Nigeria and across Africa. Like India, this is a country in which local movies dominate the market.

Total cinema revenue is set to reach US$22 million in 2021, rising at a 8.6% CAGR over the forecast period as Nigerian films gain international recognition and investment increases.

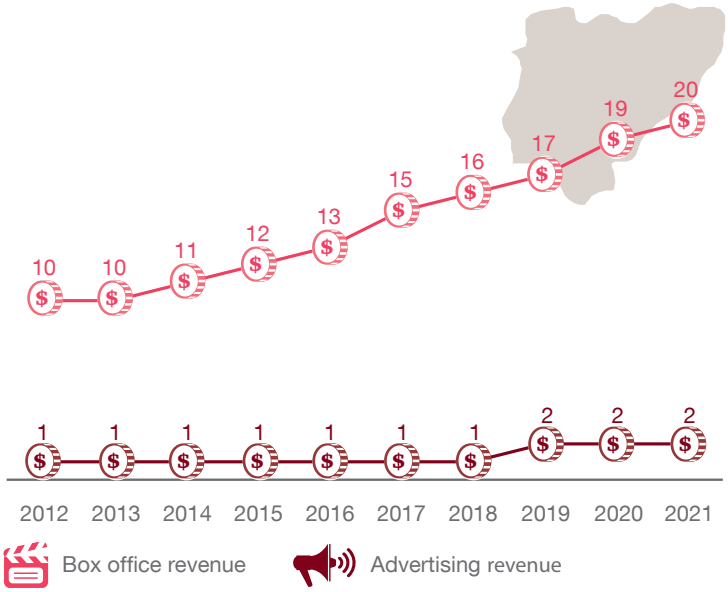
The wide availability of pirated films has traditionally limited cinema visits in Nigeria, but admissions are on the rise and the number of screens is set to increase to 2021, enabling more communities across the country to visit the cinema.

This segment at a glance

- **Revenue fails to show the vibrancy of Nigerian cinema**. Box office revenue in Nigeria will reach US$20 million by 2021, a healthy increase on the US$13 million achieved in 2016, but still relatively modest given the size of the country and the immense number of films it produces, which in 2015 was up to 50 a week.
- **More films are made in Nigeria than in any country other than India**. The country produces around 2 500 films a year, a huge figure that makes it the second-biggest global production hub behind India. Although the industry has volume, production value is poor. Most films are very low budget, financed privately and shot and edited in a matter of weeks.
- **Nigerian growth as cinema sees greater success in luring audiences**. The local film *The Wedding Party* became Nigeria's highest-grossing in 2016.

Strong growth anticipated to 2021

Figure 3 Nigeria: Cinema revenues by segment, 2012–2021 (US$ millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

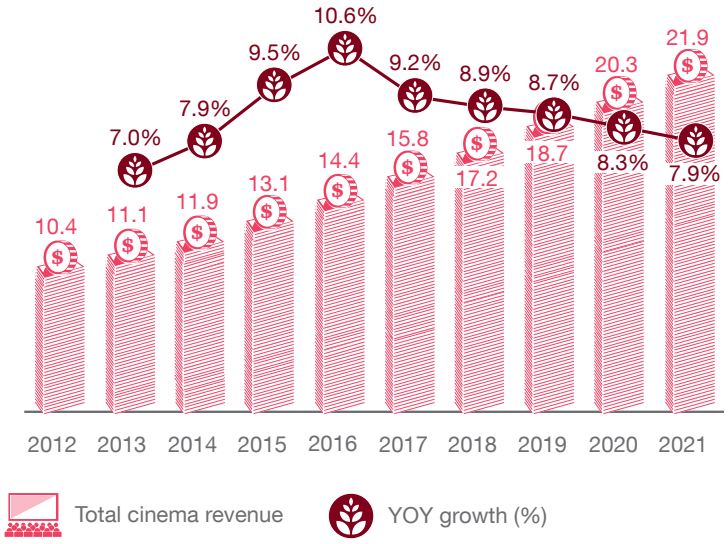
Nigeria: Cinema revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Box office	9.6	10.3	11.1	12.2	13.4	14.7	15.9	17.2	18.5	19.9	8.0%
Advertising	0.8	0.8	0.8	0.9	1.0	1.1	1.3	1.5	1.8	2.0	15.2%
Total	**10.4**	**11.1**	**11.9**	**13.1**	**14.4**	**15.8**	**17.2**	**18.7**	**20.3**	**21.9**	**8.6%**
YOY growth (%)		***7.0%***	***7.9%***	***9.5%***	***10.6%***	***9.2%***	***8.9%***	***8.7%***	***8.3%***	***7.9%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Cinema revenue will grow year-on-year to 2021

Figure 4 Nigeria: Total cinema revenue (US$ millions) vs year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

The country produces around 2 500 films a year, a huge figure that makes it the second-biggest global production hub behind India

Kenya

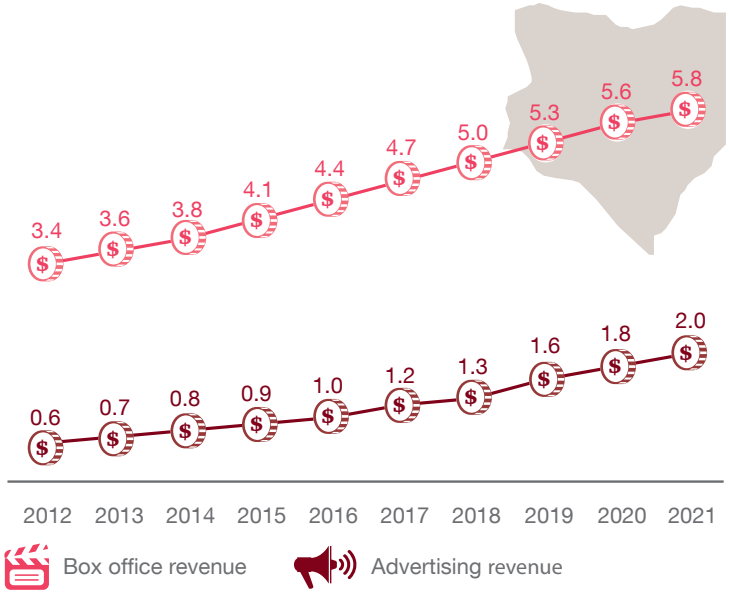
Kenya's cinema sector, though small, will experience steady growth over the forecast period.

This segment at a glance

- **A 7.5% CAGR expected from a small base**. Kenya's total cinema revenue will see a 7.5% CAGR to 2021. Total cinema revenue will be at US$7.8 million in 2021, up from US$5.4 million in 2016.
- **Netflix and ShowMax launched in 2016**. Both VOD giants ShowMax and Netflix are now active in Kenya.
- **Local quotas should help Kenyan film**. One of the goals of Kenya's 2015 National Film Policy statement was to establish local content quotas. The goal of the quotas, introduced in the summer of 2016, is to improve the public's knowledge of local cinema, to boost production and employment rates, while generating inward investment and promoting diversity. It appears the measures are working.

Box office and advertising chart similar paths

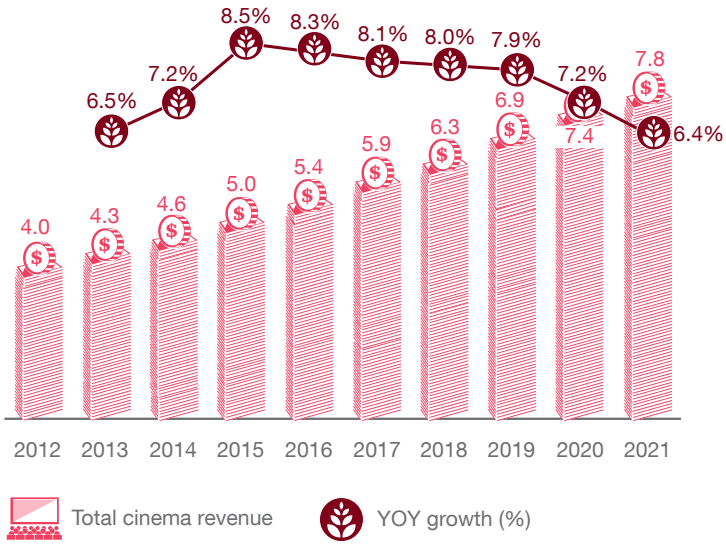
Figure 5 Kenya: Cinema revenues by segment, 2012–2021 (US$ millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective PwC, Ovum

Cinema revenues will see healthy year-on-year growth to 2021

Figure 6 Kenya: Total cinema revenue (US$ millions) vs year-on-year growth (%), 2012-2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective PwC, Ovum

Kenya: Cinema revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Box office	3.4	3.6	3.8	4.1	4.4	4.7	5.0	5.3	5.6	5.8	5.8%
Advertising	0.6	0.7	0.8	0.9	1.0	1.2	1.3	1.6	1.8	2.0	14.0%
Total	**4.0**	**4.3**	**4.6**	**5.0**	**5.4**	**5.9**	**6.3**	**6.9**	**7.4**	**7.8**	**7.5%**
YOY growth (%)		***6.5%***	***7.2%***	***8.5%***	***8.3%***	***8.1%***	***8.0%***	***7.9%***	***7.2%***	***6.4%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Ghana

Ghana's small cinema industry will show moderate growth over the forecast period, rising from total cinema revenues of US$1.7 million in 2016 to US$2.3 million in 2021 at a CAGR of 5.7%.

Although Ghana's cinema industry is expected to grow, it is only a fraction of the size of the market in nearby Nigeria, which is almost than ten times bigger and expanding at a CAGR of 8.6%.

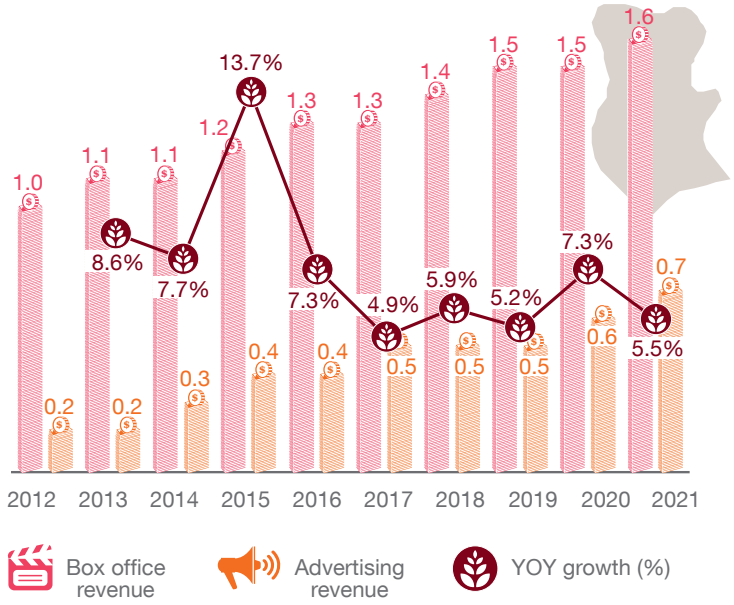
Many talented Ghanaian performers and filmmakers have left the country to pursue their careers in Nigeria's huge Nollywood market, where popular local productions have given box office and advertising revenues a boost.

This segment at a glance

- **Ghana's cinema industry is set to grow moderately at a CAGR of 5.7% between 2016 and 2021**. Cinema advertising revenue, which totalled less than US$200 000 in 2012, is set to drive growth in the industry and expand at a faster rate than box office revenue.
- **The industry is taking steps to reduce piracy and increase screen numbers**. The forecast increase in the number of digital screens, from 15 in 2016 to 43 in 2021, should support box office growth and advertising as digital formats enable cinemas to show a wider variety of films and adverts without having to transport, store and load expensive physical film reels.

Year-on-year growth across the Ghanaian cinema market

Figure 7 Ghana: Cinema revenues by segment (US$ millions) vs year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Ghana: Cinema revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Box office	1.0	1.1	1.1	1.2	1.3	1.3	1.4	1.5	1.5	1.6	4.4%
Advertising	0.2	0.2	0.3	0.4	0.4	0.5	0.5	0.5	0.6	0.7	9.7%
Total	**1.2**	**1.3**	**1.4**	**1.6**	**1.7**	**1.8**	**1.9**	**2.0**	**2.1**	**2.3**	**5.7%**
YOY growth (%)		***8.6%***	***7.7%***	***13.7%***	***7.3%***	***4.9%***	***5.9%***	***5.2%***	***7.3%***	***5.5%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Tanzania

Tanzania's emerging cinema sector is expected to show steady growth over the next five years, with revenues set to increase from US$1.0 million in 2016 to US$1.4 million in 2021 at a 7.5% CAGR.

Modest disposable income and a lack of cinema screens has inhibited the development of Tanzania's cinema industry. But the construction of more screens over the forecast period will help to drive admissions, as more people will have access to a local cinema.

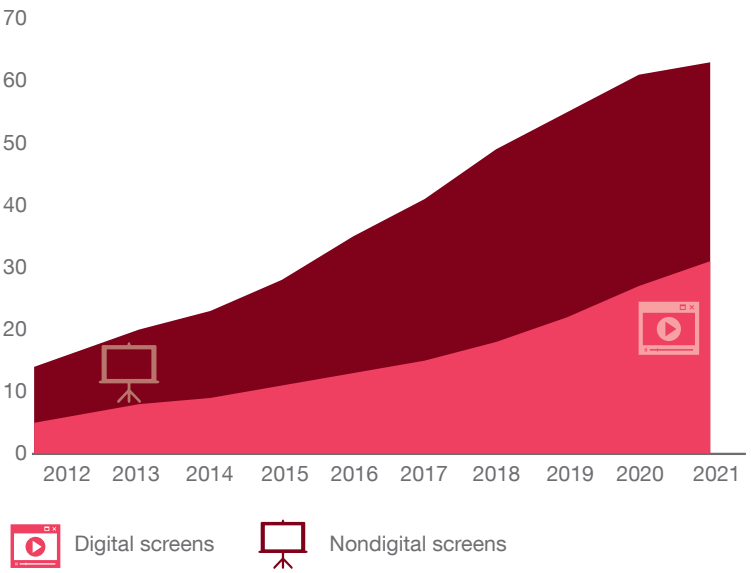
Total revenues will be bolstered by the emerging advertising sector, which is set to experience healthy growth and total US$600 000 in 2021.

This segment at a glance

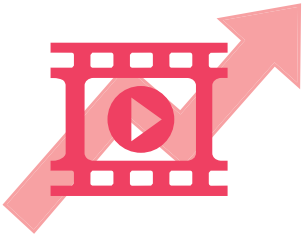
- **Tanzania's cinema industry is to expand steadily between 2016 and 2021, with advertising the primary driver of revenue growth**. Tanzania's emerging cinema sector is expected to show steady growth over the next five years, with revenues set to increase from US$1.0 million in 2016 to US$1.4 million in 2021 at a 7.5% CAGR
- **The development of Tanzania's cinema industry has been limited by a lack of infrastructure**. There were an estimated five digital screens in Tanzania in 2012. In 2016, however, there were 13 digital screens in operation. Better-quality technology has improved the viewer experience and advertisers have been drawn to the medium as it can offer an immersive experience, with limited distraction, to a captive and auditable audience.

Digital, nondigital screens to be neck and neck in 2021

Figure 8 Tanzania: Total digital and nondigital screens, 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



Tanzania's emerging cinema sector is expected to show steady growth over the next five years

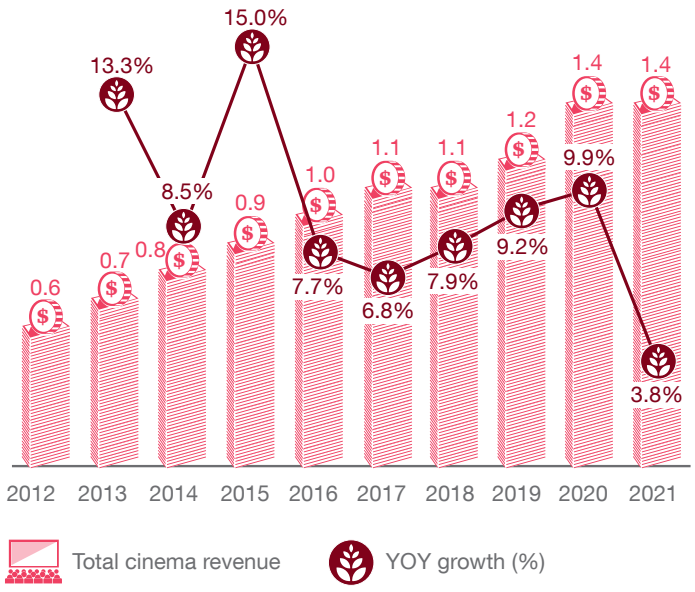
Tanzania: Cinema revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Box office	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8	4.9%
Advertising	0.1	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.6	0.6	11.9%
Total	**0.6**	**0.7**	**0.8**	**0.9**	**1.0**	**1.1**	**1.1**	**1.2**	**1.4**	**1.4**	**7.5%**
YOY growth (%)		***13.3%***	***8.5%***	***15.0%***	***7.7%***	***6.8%***	***7.9%***	***9.2%***	***9.9%***	***3.8%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Despite growth to 2021, cinema revenue in Tanzania will remain low

Figure 9 Tanzania: Total cinema revenue (US$ millions) vs year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

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Video games

South Africa

The global video games market is undergoing a seismic shift as the rapidly-growing social/casual gaming market (primarily in the form of smartphone-based mobile games) eclipses revenue from traditional PC and games console video gaming formats.

South Africa is no exception. Social/casual gaming revenue more than quadrupled between 2012 and 2016 and will overtake traditional gaming revenue in 2017. This closely reflects the worldwide trend, with social/casual revenue also set to become the largest revenue stream globally in 2017.

South Africa has a relatively mature traditional gaming sector for an emerging market. Although the high cost of PC and console games and hardware have restricted the market, video games are popular among more affluent consumers in South Africa.

Total traditional gaming revenue of R1.4 billion in 2016 is by far the largest in Africa. But the dramatic acceleration in the South African video games market in recent years is a result of the emergence of more affordable and accessible games that can reach a much wider market.

Increasing smartphone ownership has made social/casual games available to millions of South Africans who previously had no access to video games. The mobile games market is dominated by low-cost games with simple and accessible mechanics, which are perfectly suited to reaching consumers with little previous experience of, or interest in, video games.

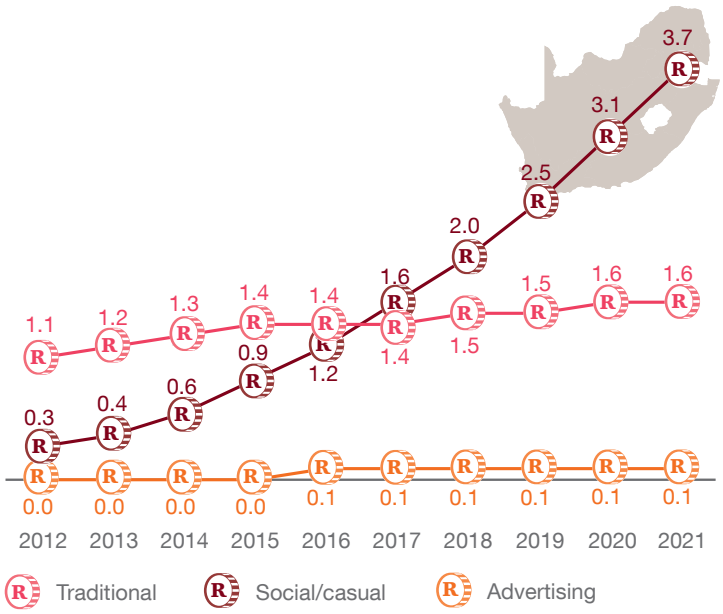
A similar dynamic is driving another fast-growing area of the video games market: online/microtransaction PC games. While these games are typically more involved and targeted at a more dedicated demographic than social/casual games, they are benefitting from a similar widening of the market thanks to lower and more flexible pricing.

This segment at a glance

- **South Africa continues to have a rapidly expanding video games market**. The market reached a value of R2.6 billion in 2016 and will grow at a CAGR of 15.4% to R5.4 billion by 2021.
- **Social/casual gaming is set to overtake traditional gaming revenue in 2017**. The primary growth driver in the video games market is social/casual gaming revenue, which will be worth R3.7 billion by 2021.
- **The traditional gaming market is also growing, albeit far less dramatically**. Revenue from traditional formats will increase at a 3.0% CAGR to R1.6 billion by 2021.
- **The console and PC markets are experiencing a major shift towards digital and online/microtransaction revenue, which will exceed physical sales for the first time in 2020**.

Social/casual growth is not coming at the expense of traditional gaming revenue

Figure 1 South Africa: Traditional gaming, social/casual gaming and video games advertising revenue, 2012–2021 (R billions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

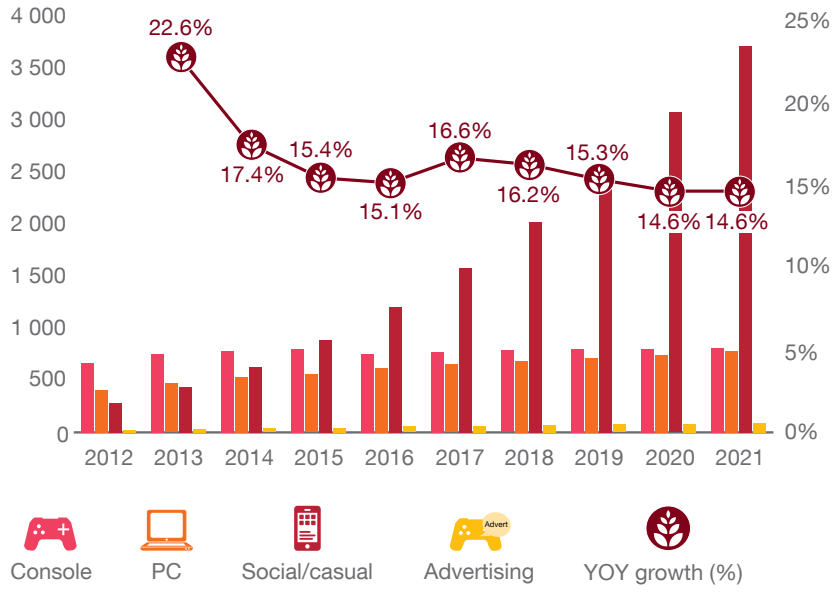
South Africa: Video games market, 2012-2021 (R millions)

	Historical data					Forecast data					CAGR
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Traditional gaming revenue	**1 075**	**1 223**	**1 314**	**1 359**	**1 375**	**1 425**	**1 474**	**1 519**	**1 554**	**1 593**	**3.0%**
Total console games revenue	668	752	785	800	754	772	788	800	807	812	1.5%
Physical console games	640	701	702	695	614	604	593	580	566	551	-2.2%
Digital console games	17	31	43	56	73	89	104	118	129	140	14.0%
Online/ microtransaction console games	11	20	40	49	67	79	91	102	112	121	12.5%
Total PC games revenue	407	471	529	559	621	653	686	719	747	781	4.7%
Physical PC games	274	268	258	248	237	224	211	198	184	169	-6.5%
Digital PC games	19	55	90	102	124	137	149	161	171	183	8.2%
Online/ microtransaction PC games	114	148	181	209	260	292	326	360	392	429	10.6%
Social/casual gaming revenue	**280**	**435**	**634**	**889**	**1 206**	**1 584**	**2 025**	**2 520**	**3 080**	**3 724**	**25.3%**
App-based social/ casual	147	289	474	723	1 035	1 412	1 854	2 353	2 920	3 570	28.1%
Browser-based social/ casual	133	146	160	166	171	172	171	167	160	154	-2.1%
Video games advertising revenue	**25**	**33**	**38**	**43**	**56**	**63**	**70**	**76**	**82**	**87**	**9.3%**
Total video games revenue	**1 380**	**1 691**	**1 986**	**2 291**	**2 637**	**3 072**	**3 569**	**4 115**	**4 716**	**5 404**	**15.4%**
YOY growth (%)		***22.6%***	***17.4%***	***15.4%***	***15.1%***	***16.6%***	***16.2%***	***15.3%***	***14.6%***	***14.6%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Social/casual revenues will triple over the next five years

Figure 2 South Africa: Video games revenue (R millions) by segment and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Nigeria

Nigeria has a relatively small video games market, valued at just US$41 million in 2016. Video games make up just 1.2% of Nigeria's total E&M spending, compared to above 2% in both South Africa and Kenya.

Even more so than in South Africa, traditional gaming is unaffordable for most Nigerians. This restricted the console games market to revenues of just US$4.0 million in 2016. Few current generation consoles have been sold in Nigeria, with older consoles such as the Xbox 360 and even PlayStation 2 (first launched in 2000) still dominating the market. As many of the games sold for these consoles are pirated, relatively little space is left for the legitimate market, especially for physical games (although there is a modest digital console games market).

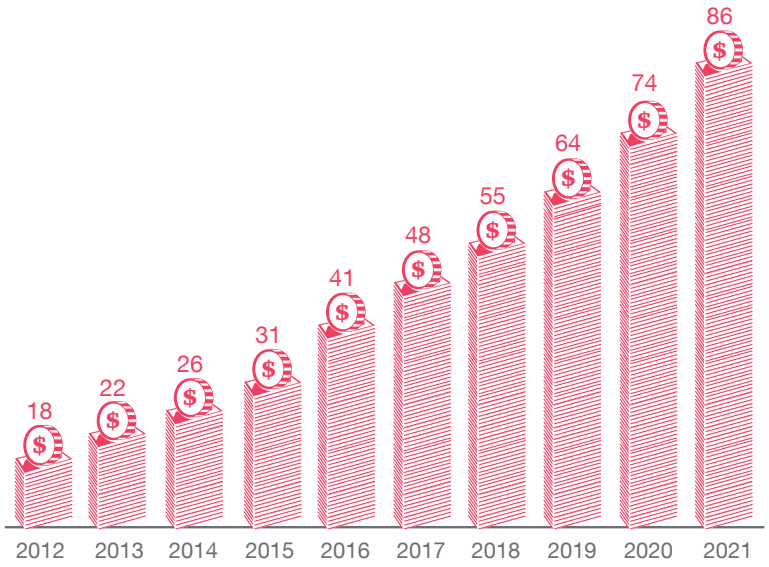
Social/casual gaming will show significant growth and account for more than two-thirds of the market by 2021. Due to the significant number of mobile Internet users, the sheer size of the addressable market for mobile games all but guarantees significant growth for social/casual gaming revenue in Nigeria. But revenue per user is low and is expected to remain so, in contrast to most other markets. The number of users is growing fast, but getting them to spend more money is proving difficult.

This segment at a glance

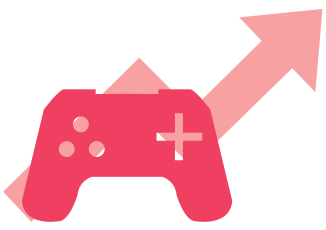
- **Growth in the video games market is driven by social/casual revenue**. Nigeria's video games market is set to expand at a similar CAGR of 15.8% over the next five years, largely driven by social/casual revenue which overtook traditional gaming revenue in 2016. Total video games revenue will reach US$86 million in 2021.
- **Social/casual gaming will account for more than two-thirds of the market by 2021**. Although there is a significant market for mobile games, revenue per user remains low and is expected to remain so, in contrast to most other markets.
- **Over 90% of PC games revenue is derived from online/ microtransactions**. Micropayments offer a low barrier to entry and, crucially, are relatively immune from piracy.

Video games revenue will grow by a CAGR of 15.8%

Figure 3 Nigeria: Video games revenue (US$ millions), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



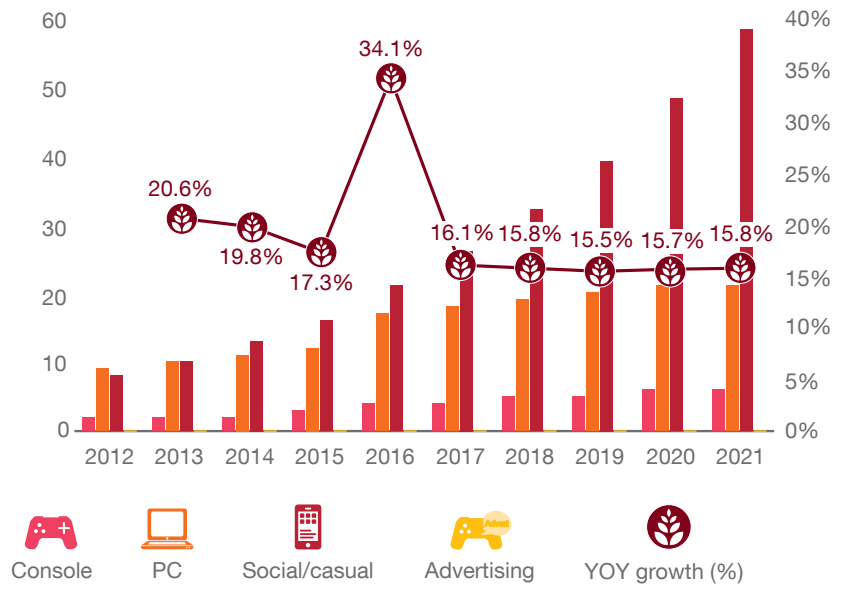
Growth in the video games market is driven by social/casual revenue

Nigeria: Video games market, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Traditional gaming revenue	**10 .3**	**11.6**	**13.3**	**14.6**	**20.5**	**22.0**	**23.4**	**24.8**	**26.1**	**27.4**	**6.0%**
Total console games	1.5	1.8	2.5	2.9	4.0	4.4	4.8	5.2	5.6	6.1	8.9%
Physical console games	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	-2.7%
Digital console games	0.7	0.8	1.0	1.2	1.7	1.9	2.1	2.3	2.5	2.8	10.8%
Online/ microtransaction console games	0.4	0.5	1.0	1.2	1.8	2.0	2.2	2.4	2.6	2.8	9.9%
Total PC games	8.8	9.8	10.8	11.7	16.5	17.6	18.6	19.6	20.5	21.3	5.2%
Physical PC games	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-9.9%
Digital PC games	0.1	0.5	0.8	1.0	1.5	1.7	1.7	1.8	1.8	1.8	3.8%
Online/ microtransaction PC games revenue	8.6	9.3	10.0	10.7	15.0	15.9	16.9	17.8	18.7	19.5	5.4%
Social/casual gaming	**7.9**	**10 .0**	**12.8**	**16.1**	**20.6**	**25.7**	**31.8**	**39.0**	**47.7**	**58.2**	**23.0%**
App-based social/ casual	2.9	5.0	7.7	11.0	15 .2	20.3	26.5	33.9	42.7	53.2	28.4%
Browser-based social/ casual	5.0	5.0	5.1	5.1	5.4	5.4	5.3	5.1	5.0	5.0	-1.6%
Video games advertising	-	-	-	-	-	-	-	-	-	-	
Total video games revenue	**18.2**	**21.6**	**26.1**	**30.7**	**41.1**	**47.7**	**55.2**	**63.8**	**73.8**	**85.6**	**15.8%**
YOY growth (%)		***20.6%***	***19.8%***	***17.3%***	***34.1%***	***16.1%***	***15.8%***	***15.5%***	***15.7%***	***15.8%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Figure 4 Nigeria: Video games revenue (US$ millions) by segment and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Kenya

In contrast to South Africa and Nigeria, traditional gaming formats generate far more revenue than social/casual gaming in Kenya. This situation shows no sign of changing soon, with traditional gaming revenue still forecast to account for close to three-quarters of Kenyan video games revenue in 2021.

While 'traditional' in the sense of being played on games consoles or PCs rather than mobile devices, little of Kenya's traditional games revenue comes from old-fashioned sales of boxed games. Combined revenue from physical sell-through of PC and console games accounted for just 8.5% of Kenyan total video games revenue in 2016, a proportion that will fall to 4.4% by 2021.

The physical games market suffers from the same problems of unaffordable hardware and software, and piracy, in Kenya as elsewhere in the region. For a variety of reasons, however, digital games sales and, especially, online/microtransaction revenue are substantially higher in Kenya.

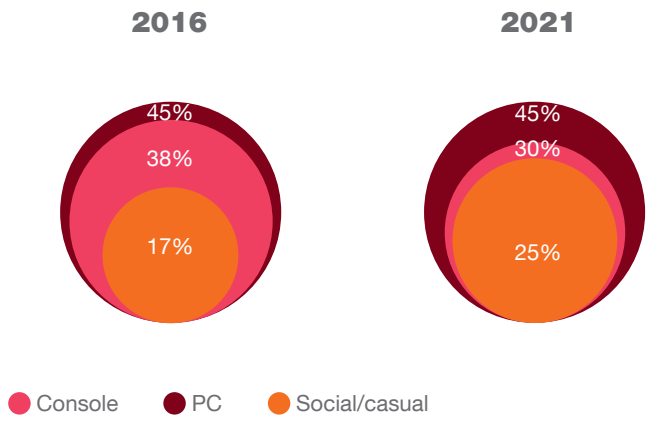
But while traditional gaming remains the mainstay of the Kenyan market, social/casual gaming is also growing fast as smartphone penetration soars. Social/casual gaming is the fastest-growing segment of the Kenyan market and will play an important long-term role in the opening up of the video games market to a wider audience.

This segment at a glance

- **The total video games market will grow at a very rapid 13.7% CAGR to US$104 million by 2021**. Social/casual gaming is the fastest-growing segment of the Kenyan market and will grow at 22.4% CAGR over the forecast period.
- **In Kenya, in contrast to other African territories, PC online/microtransaction revenue is the dominant revenue stream**. This is in large part down to the country's region-leading mobile payments infrastructure, which makes it far easier for Kenyans to complete online payments than in many other markets.
- **Kenya is considered a regional hub for games development**. Kenya, together with South Africa are among the few African countries with a large enough domestic video games market to support such projects.
- **Social/casual gaming will grow off the back of increased smartphone penetration**. Social/casual gaming will increase its share of the market from 17% in 2016 to 25% in 2021.

Social/casual gaming to continue increasing its share

Figure 5 Kenya: Video games revenue by segment (%), 2016 v 2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Kenya is considered a regional hub for games development

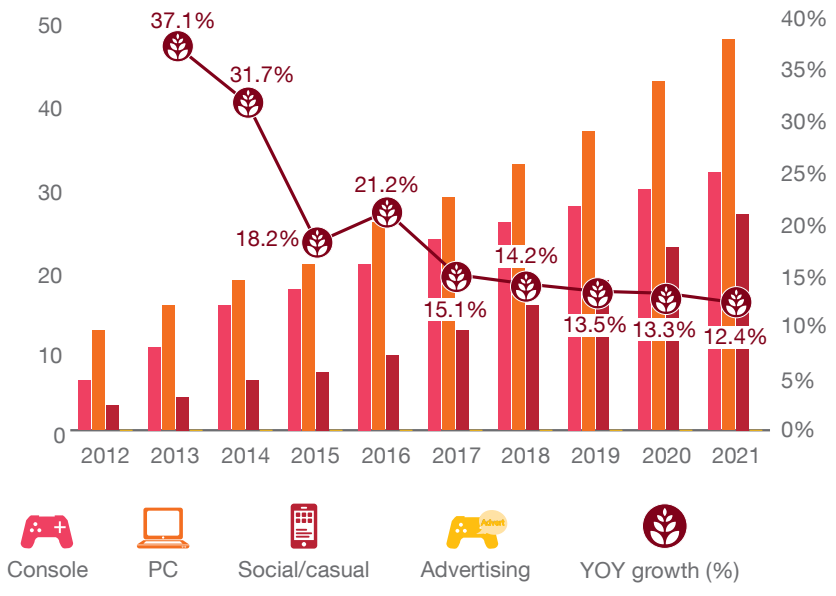
Kenya: Video games market, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Traditional gaming revenue	**17.9**	**24.7**	**32.4**	**37.5**	**45.0**	**50.8**	**56.9**	**63.3**	**70.5**	**77.5**	11.5%
Total console games	5.8	9.8	14.7	17.1	20.3	22.5	24.7	26.8	29.0	31.1	8.9%
Physical console games	1.8	2.6	3.7	3.7	3.8	3.8	3.8	3.8	3.9	3.9	0.4%
Digital console games	2.4	4.3	6.0	7.4	8.9	10.2	11.4	12.4	13.2	14 .0	9.5%
Online/ microtransaction console games	1.6	2.9	5.0	6.0	7.6	8.5	9.5	10.6	11.9	13.2	11.7%
Total PC games	12.1	14.9	17.7	20.4	24.7	28.3	32.2	36.5	41.5	46.5	13.5%
Physical PC games	1.0	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.7	0.7	-3.1%
Digital PC games	2.2	2.3	2.4	2.4	2.5	2.6	2.7	2.7	2.8	2.9	2.5%
Online/ microtransaction PC games	8.9	11.7	14.4	17.2	21.4	24.9	28.7	33.0	38.0	42.9	15.0%
Social/casual gaming	**3.1**	**4.2**	**5.7**	**7.4**	**9.5**	**11.8**	**14.7**	**18.0**	**21.8**	**26.0**	**22.4%**
App-based social/ casual	1.0	1.9	3.2	4.9	6.9	9.3	12.2	15.5	19.3	23.6	27.8%
Browser-based social/ casual	2.1	2.3	2.5	2.5	2.6	2.5	2.5	2.5	2.5	2.4	-0.9%
Video games advertising	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**	**10.0%**
Total video games revenue	**21.0**	**28.9**	**38.1**	**44.9**	**54.5**	**62.6**	**71.7**	**81.4**	**92.4**	**103.6**	**13.7%**
YOY growth (%)		***37.1%***	***31.7%***	***18.2%***	***21.2%***	***15.1%***	***14.2%***	***13.5%***	***13.3%***	***12.4%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

PC online/microtransaction revenue is the dominant revenue stream

Figure 6 Kenya: Video games revenue (US$ millions) by segment and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Ghana

Ghana's video games market has expanded briskly in recent years, albeit from a low base, and is now one of the faster-growing video games markets in the world. Total video games revenue is forecast to almost double to US$34 million by 2021, representing a CAGR of 13.6%.

The traditional gaming market, worth US$15 million in 2016, accounts for the bulk of video game revenues in Ghana and is expected to remain the largest source of earnings for the sector during the next five years.

Social and casual gaming is, however, where the biggest growth is anticipated. Social and casual gaming revenue is forecast to climb from US$3.0 million in 2016 to US$7.9 million in 2021 at a CAGR of 22%. Social and casual gaming's market share of total video game revenue in Ghana is expected to increase from 16% in 2016 to more than 23% in 2021.

But even though Ghana's market is growing, it is still only a fraction of the size of other emerging video game markets in countries like Nigeria and Kenya, which are currently twice and three times larger respectively and growing at similar CAGRs.

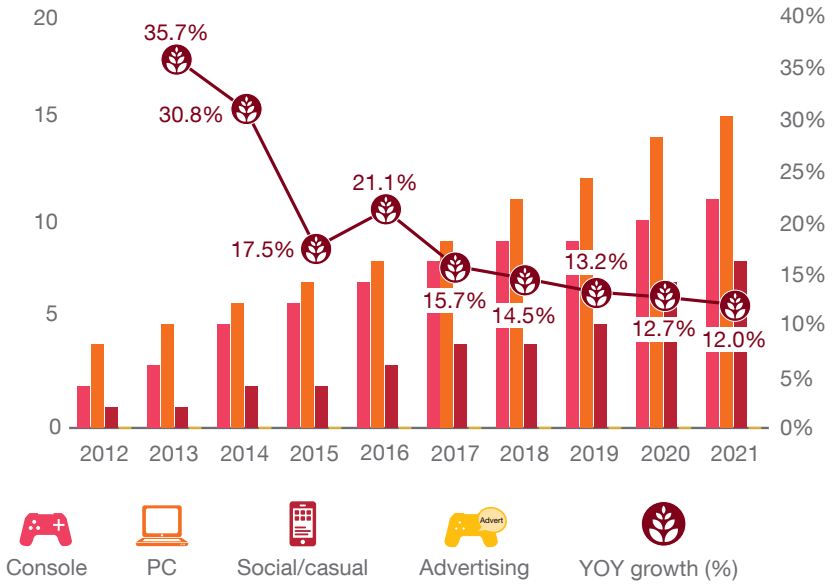
An underbanked population relative to the likes of South Africa and Kenya, together with poor Internet access has hindered the market's development.

This segment at a glance

- **Video games revenue will nearly double to US$34 million over the forecast period**. The market is, however, still only a fraction of the size of other emerging video games markets like South Africa and Kenya.
- **Growth in smartphone ownership in Ghana is driving considerable growth in social/casual gaming**. Social and casual gaming's market share of total video game revenue in Ghana is expected to increase from 16% in 2016 to more than 23% in 2021.
- **The traditional gaming market accounts for the bulk of video games revenue**.

Traditional gaming will continue to account for the majority of revenues

Figure 7 Ghana: Video games revenue (US$ millions) by segment and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Social and casual gaming revenue is forecast to climb



Ghana: Video games market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Traditional gaming revenue	**5.9**	**8.3**	**10.7**	**12.4**	**15.0**	**17.0**	**19.2**	**21.3**	**23.7**	**25.9**	**11.6%**
Total console games revenue	1.9	3.2	4.8	5.6	6.7	7.6	8.5	9.3	10.0	10.6	9.9%
Physical console games revenue	0.6	0.9	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	0.1%
Digital console games revenue	0.8	1.4	1.9	2.4	2.9	3.3	3.7	4.0	4.3	4.5	9.5%
Online/ microtransaction console games revenue	0.5	0.9	1.6	1.9	2.5	3.0	3.5	4.0	4.4	4.8	14.2%
Total PC games revenue	4.0	5.1	5.9	6.8	8.3	9.4	10.7	12.0	13.7	15.3	13.0%
Physical PC games revenue	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-3.4%
Digital PC games revenue	0.7	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.0	2.6%
Online/ microtransaction PC games revenue	2.9	3.9	4.8	5.7	7.1	8.2	9.5	10.8	12.4	14.0	14.6%
Social/casual gaming revenue	**1.1**	**1.5**	**1.8**	**2.3**	**3.0**	**3.7**	**4.5**	**5.4**	**6.6**	**7.9**	**22.0%**
App-based social/ casual revenue	0.3	0.6	0.9	1.4	2.0	2.7	3.5	4.5	5.7	7.0	29.0%
Browser-based social/ casual revenue	0.8	0.9	0.9	0.9	1.0	1.0	1.0	0.9	0.9	0.9	-1.1%
Video games advertising revenue	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	
Total video games revenue	**7.0**	**9.8**	**12.5**	**14.7**	**18.0**	**20.7**	**23.7**	**26.7**	**30.3**	**33.8**	**13.6%**
YOY growth (%)		***35.7%***	***30.8%***	***17.5%***	***21.1%***	***15.7%***	***14.5%***	***13.2%***	***12.7%***	***12.0%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Tanzania

Traditional gaming in Tanzania accounts for the largest share of industry takings with revenues of US$9.5 million in 2016. This is in contrast to mature video games markets, where traditional gaming growth is expected to tail off.

The growth in social/casual gaming revenue is forecast to significantly outstrip the performance of all segments of traditional gaming during the next five years with a CAGR of 25.1%. Limited Internet access and low smartphone penetration have hindered social/casual gaming growth in Tanzania, with revenues sitting at less than a third of those recorded in neighbouring Kenya.

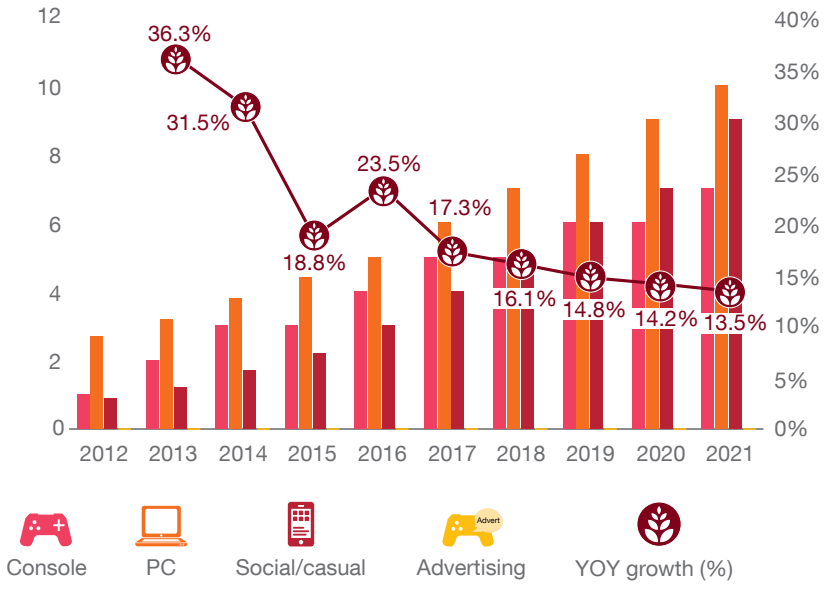
Revenues for console and PC games will lose market share to social/casual gaming over the forecast period.

This segment at a glance

- **Tanzania's video games revenue is forecast to more than double from US$12 million in 2016 to US$25 million in 2021**. Tanzania is set to be one of the fastest-growing video games markets in Africa over the next five years.
- **As in neighbouring Kenya, online/microtransaction PC revenue accounts for the lion's share of the video games market in Tanzania**. Even though it will lose some market share to social/casual gaming, it will remain a significant segment of the video games market over the forecast period.
- **Game development in Tanzania has lagged the flourishing start-up communities in Ghana and Kenya, but is starting to take hold**.

Video games revenue is forecast to reach US$25 million in 2021

Figure 8 Tanzania: Video games revenue (US$ millions) by segment and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Tanzania: Video games market (US$ millions), 2012-2021

	Historical data					Forecast data					CAGR
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Traditional gaming revenue	**3.9**	**5.2**	**6.8**	**7.9**	**9.5**	**10.8**	**12.2**	**13.4**	**14.8**	**16.3**	**11.3%**
Total console games	1.2	2.0	3.0	3.5	4.1	4.7	5.3	5.7	6.1	6.5	9.8%
Physical console games	0.4	0.6	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.0%
Digital console games	0.5	0.8	1.2	1.5	1.8	2.0	2.3	2.5	2.6	2.8	9.5%
Online/ microtransaction console games	0.3	0.6	1.0	1.2	1.5	1.9	2.2	2.4	2.7	2.9	14.1%
Total PC games revenue	2.7	3.2	3.8	4.4	5.4	6.1	6.9	7.7	8.7	9.8	12.4%
Physical PC games	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-3.5%
Digital PC games	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	2.7%
Online/ microtransaction PC games	1.9	2.5	3.1	3.7	4.6	5.3	6.1	6.9	7.9	8.9	14.0%
Social/casual gaming	**0.9**	**1.2**	**1.7**	**2.2**	**2.9**	**3.7**	**4.8**	**5.9**	**7.3**	**9.0**	**25.1%**
App-based social/ casual	0.3	0.6	1.0	1.5	2.2	3.0	4.1	5.2	6.6	8.3	30.4%
Browser-based social/ casual	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	-1.3%
Video games advertising	-	-	-	-	-	-	-	-	-	-	
Total video games revenue	**4.8**	**6.4**	**8.5**	**10.1**	**12.4**	**14.5**	**17.0**	**19.3**	**22.1**	**25.3**	**15.2%**
YOY growth (%)		***36.3%***	***31.5%***	***18.8%***	***23.5%***	***17.3%***	***16.1%***	***14.8%***	***14.2%***	***13.5%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



Revenues for console and PC games will lose market share to social/casual gaming over the forecast period

E-sports



South Africa

This segment at a glance

- **E-sports growth started out slow, but is picking up momentum**. From cautious beginnings, e-sports revenue in South Africa will see a 39.6% CAGR to reach R56 million by 2021.
- **Multiple tournaments are now offering R1 million plus prize money**. Following mounting interest in the past few years, 2017 is set to be a breakthrough year, resulting in significant prize money for multiple tournaments.
- **South Africa to follow the worldwide trend**. The worldwide trend for mainstream sports teams to invest in e-sports is on its way to being echoed in South Africa.

Total e-sports revenue has seen strong growth over the past few years as interest has risen worldwide, tournaments and leagues become more sophisticated, and sponsorship and other development money pours into the discipline.

Indeed, the data points here cover only the traditional focus of the *Outlook* —advertising and direct consumer spending. Adding in the likes of merchandise spend, media rights revenue and even betting revenue would better reflect the full economic impact of the segment.

In the past few years, younger South Africans may have been engaging with e-sports in reasonable numbers, but any identifiable revenue from this was insignificant. Much was still to be done in terms of putting together the infrastructure to allow large tournaments to be held in the country.

However, 2017 has seen a real surge in interest, organisation and revenue, with multiple tournaments each offering R1 million or more in prize money, and thus appreciable revenue can be expected to spring up going forward.

From an estimated base of R20 million by the end of 2017—already nearly double the 2016 figure—e-sports revenue will more than double again to R56 million by the end of the forecast period in 2021.

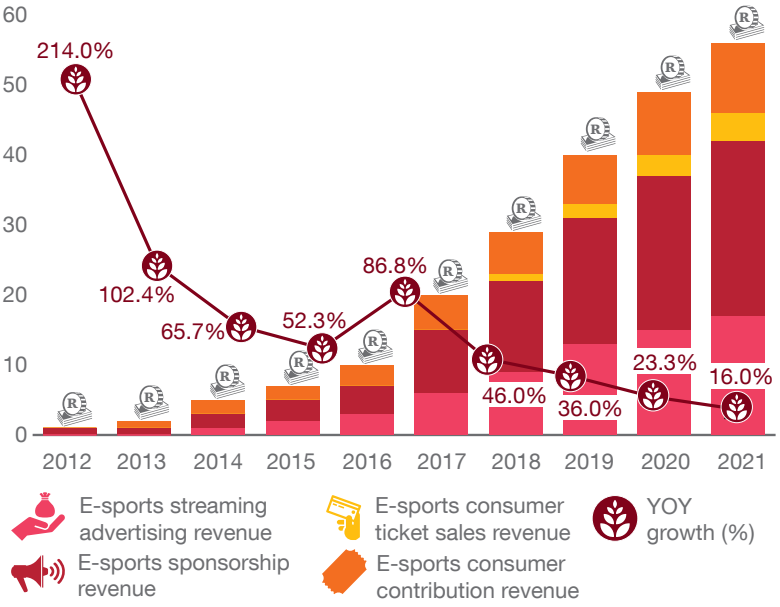
The fastest growth is expected in ticket sales as the surging popularity of e-sports brings more in-person events to South Africa. Sponsorship and streaming advertising will remain the biggest revenue generators, however, with viewership of major e-sports events online continuing to grow as e-sports emerges as a significant content category for South African consumers.



Multiple tournaments are now offering R1 million plus prize money

E-sports revenue to expand more than fivefold by 2021

Figure 1 South Africa: E-sports revenue (R millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Breakthrough begins in 2017 for South African e-sports

South Africa: E-sports market, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
E-sports streaming advertising revenue	0.1	0.3	1.0	1.8	2.9	5.7	9.0	12.5	14.9	17.3	42.9%
E-sports sponsorship revenue	0.5	1.1	1.7	2.7	4.4	9.3	13.3	17.7	22.2	25.4	42.2%
E-sports consumer ticket sales revenue	0.0	0.0	0.0	0.0	0.1	0.3	0.8	1.8	2.8	3.7	104.3%
E-sports consumer contribution revenue	0.0	0.6	1.5	2.4	3.2	4.6	5.9	7.4	8.7	10.0	25.2%
Total	**0.6**	**2.0**	**4.2**	**6.9**	**10.6**	**19.9**	**29.0**	**39.4**	**48.6**	**56.4**	**39.6%**
YOY growth (%)		***214.0%***	***102.4%***	***65.7%***	***52.3%***	***86.8%***	***46.0%***	***36.0%***	***23.3%***	***16.0%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

E-sports revenue will be five times larger at R56 million by the end of the forecast period in 2021



Virtual reality

South Africa

This segment at a glance

- **As a segment that only reached consumers in 2016, almost the entire VR market is new**. That means we have no legacy issues, 'problem children' or false starts to look back on, but on the downside this makes for an immature market with few users, underdeveloped business models, flaky hardware and lots of experimental or subpar content. This is especially true in markets like South Africa, which has a small gaming market and a less competitive telco and pay-TV environment than many more mature countries.
- **The consumer VR content market will be worth R455 million by 2021**, a CAGR of 72.6% over the forecast period. Of this, R282 million will be spending on VR video, at a CAGR of 161.7%, representing 61.8% of overall content spending in 2021.
- **Few firms will get rich (or even turn a profit) from VR in the next two to three years**. This is particularly true of regional or local developers or telcos, as the market and installed base is simply too immature. Many developers—like Cape Town-based Virtual Reality Marketing—are looking to business clients to pay the bills, developing VR and ultimately Augmented Reality (AR) applications for specific verticals like retail, automotive and healthcare.

By 2021, the South Africa VR content market will be worth R455 million

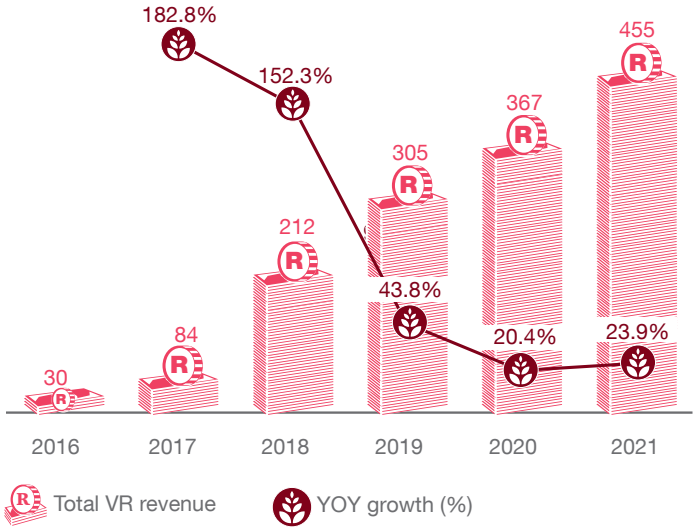
South Africa: VR content market 2016–2021, (R millions)

	2016	2017	2018	2019	2020	2021	CAGR
VR video revenue	2.3	26.1	75.9	142.2	199.8	281.5	161.7%
VR gaming revenue	26.7	52.9	127.7	157.3	163.4	170.6	44.9%
VR app revenue	0.8	5.2	8.8	5.8	4.2	3.2	33.2%
Total VR revenue	**29.8**	**84.2**	**212.4**	**305.3**	**367.4**	**455.3**	**72.6%**
YOY growth (%)		***182.8%***	***152.3%***	***43.8%***	***20.4%***	***23.9%***	

Sources: Entertainment and media outlook: 2017 – 2021, An African perspective, PwC, Ovum

Strong growth from a standing start

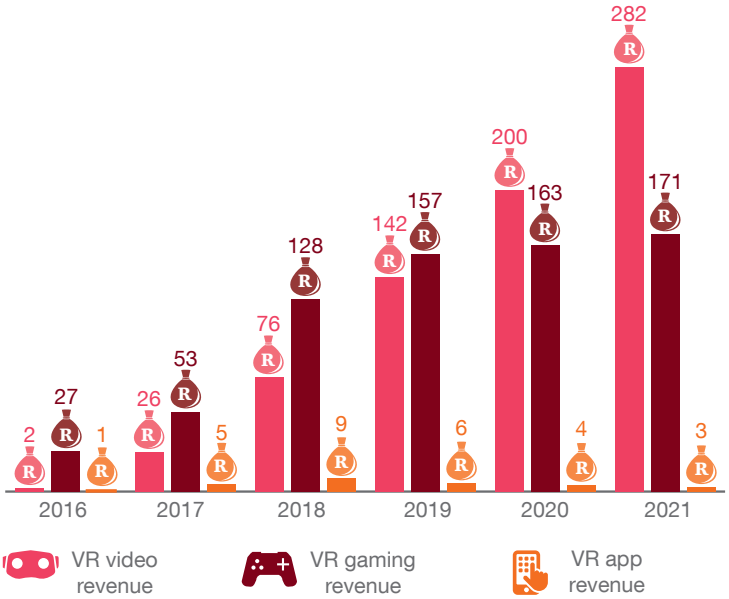
Figure 1 VR revenue (R millions) and year-on-year growth (%), 2016–2021



Sources: Entertainment and media outlook: 2017 – 2021, An African perspective, PwC, Ovum

Video to account for bulk of revenue

Figure 2 Total VR revenue by segment 2016–2021, (R millions)



Sources: Entertainment and media outlook: 2017 – 2021, An African perspective, PwC, Ovum



Newspaper publishing

South Africa

In recent years, total newspaper revenue in the South African newspaper market has been unpredictable. The market showed growth in 2013, declined in 2014 and bounced back marginally in 2015, contracting at a slower rate.

Given this pattern, 2013 seems to have been a peak. In 2016, the market continued to decline, as total newspaper revenue fell -1.5% to R8.9 billion, from R9.0 billion a year earlier. No rebound is expected and a persistent annual decline is predicted. The rate of this decline is forecast to accelerate in each of the years ahead, meaning the industry will continue to shrink.

Newspaper circulation revenue is forecast to decline by a -2.6% CAGR, and newspaper advertising revenue is also set to fall at a -4.2% CAGR. The industry is being affected by a combination of broader economic challenges and consumer migration to digital channels, but several opportunities continue to present themselves for publishers to tap new audiences in new ways.

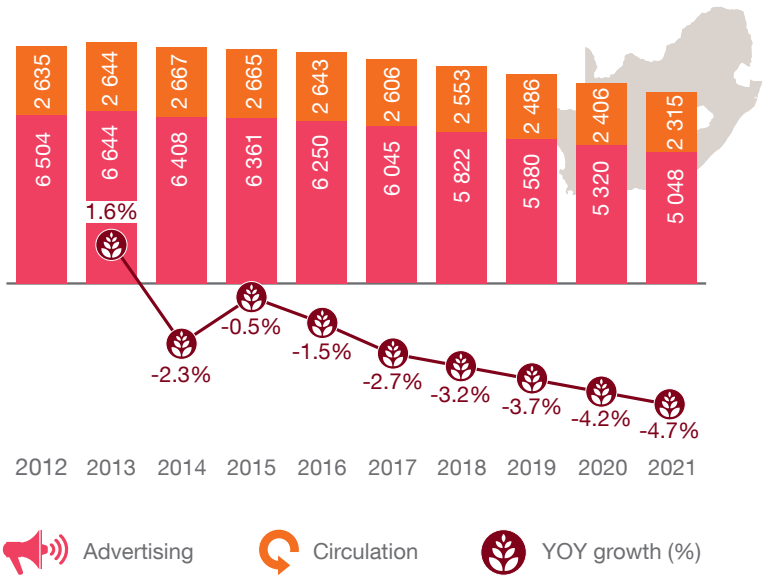
The outlook for South Africa's newspaper market is a tale of targeted opportunity, buried in a worsening climate.

The larger titles, which make up the bulk of the industry, have now begun to see the commercial impact of audience migration to digital platforms that has been happening for some time — and this is expected to become ever more pronounced.

On top of these trends, which media proprietors the world over are experiencing, South Africa's economic situation is exacerbating matters. If politicians cannot restore confidence and economic growth quickly, publishers will continue to see an exit of advertisers to alternate platforms. The lesson from other markets is that ad spend lost to big online platforms rarely, if ever, comes back to print.

Newspaper revenue will decline year on year

Figure 1 South Africa: Newspaper publishing revenue (R millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Those publishers that manage to hold on to their own advertisers, in their own digital brands, may nevertheless find ad revenue declining from what are, after all, lower inventory prices in a hyper-competitive digital market.

But this challenging headline story masks a more promising tale that lies beneath, and what may be a latent opportunity.

While the big publishers grapple with revolution and rightsizing themselves for a diminishing outlook, small and grassroots publications have blossomed onto the scene. Many new titles, online and off, which serve targeted groups, like regional languages and newly affluent local consumers, may find they boast a customer connection that larger providers have now lost.

A key question, then, becomes the extent to which the industry can capitalise on these early, promising signs. Do hundreds of titles with growing but tiny circulations add up to scale sufficient for an industry facing big challenges? Or will this grassroots momentum prove too disjointed, and the market too crowded, for it to return the industry to overall growth?

The extent to which the new-look South African newspaper market can coalesce into a cohesive whole may hold the answer.

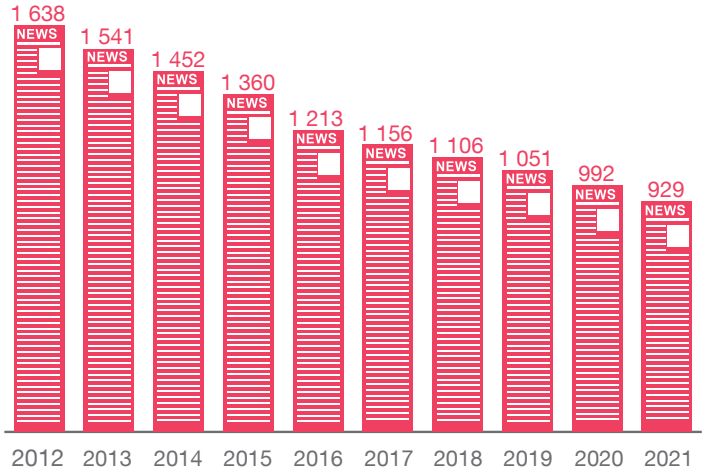
The outlook is a tale of targeted opportunity buried in a worsening climate

This segment at a glance

- **In 2021, the newspaper market in South Africa is expected to be R1.5 billion smaller than in 2016**. In 2016, total newspaper revenue was worth R8.9 billion, but this figure will drop to R7.4 billion in 2021.
- **Digital advertising revenues are expected to grow by a CAGR of 8.2% to reach R493 million in 2021**. However, they will not be able to offset accelerating declines from print advertising revenue.
- **The decline in circulation revenue, which began in 2015, is forecast to continue**. Cover-price rises and new digital products are no longer able to compensate for diminishing print custom.

Circulation numbers continue their decline

Figure 2 South Africa: Average daily print circulation, 2012–2021 (Thousand copies)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum, Audit Bureau of Circulations of South Africa (ABC)

The decline in circulation revenue, which began in 2015, is forecast to continue



Market decline is set to accelerate

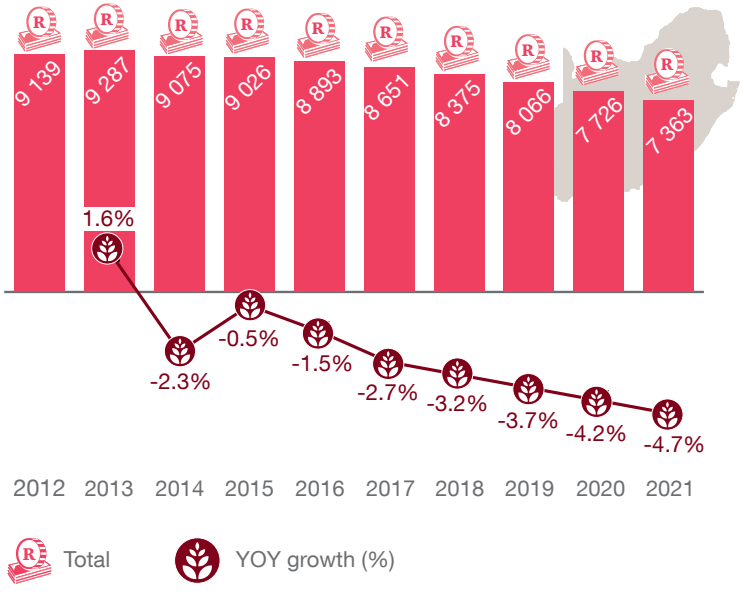
South Africa: Newspaper publishing market, 2012-2021 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Advertising	**6 504**	**6 644**	**6 408**	**6 361**	**6 250**	**6 045**	**5 822**	**5 580**	**5 320**	**5 048**	**-4.2%**
Print	6 350	6 450	6 162	6 073	5 918	5 670	5 408	5 132	4 847	4 555	-5.1%
Digital	154	194	246	288	332	375	414	448	473	493	8.2%
Circulation	**2 635**	**2 644**	**2 667**	**2 665**	**2 643**	**2 606**	**2 553**	**2 486**	**2 406**	**2 315**	**-2.6%**
Print	2 622	2 628	2 646	2 638	2 611	2 568	2 510	2 438	2 354	2 258	-2.9%
Digital	13	16	21	27	32	38	43	48	52	57	11.9%
Total	**9 139**	**9 287**	**9 075**	**9 026**	**8 893**	**8 651**	**8 375**	**8 066**	**7 726**	**7 363**	**-3.7%**
YOY growth (%)		***1.6%***	***-2.3%***	***-0.5%***	***-1.5%***	***-2.7%***	***-3.2%***	***-3.7%***	***-4.2%***	***-4.7%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

In 2021, the newspaper market in South Africa is expected to be R1.5 billion smaller than in 2016

Figure 3 South Africa: Newspaper publishing revenues (R millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Access additional individual country (South Africa, Nigeria and Kenya) commentary.

Visit the online Outlook at www.pwc.co.za/outlook

Nigeria

The outlook for the Nigerian newspaper market remains relatively stable, as growing print popularity and improving advertising declines combine to herald a move from marginal overall shrinkage to small-scale growth.

Against a backdrop of growing national consumption, wider economic circumstances may be one of the main drivers shaping the industry.

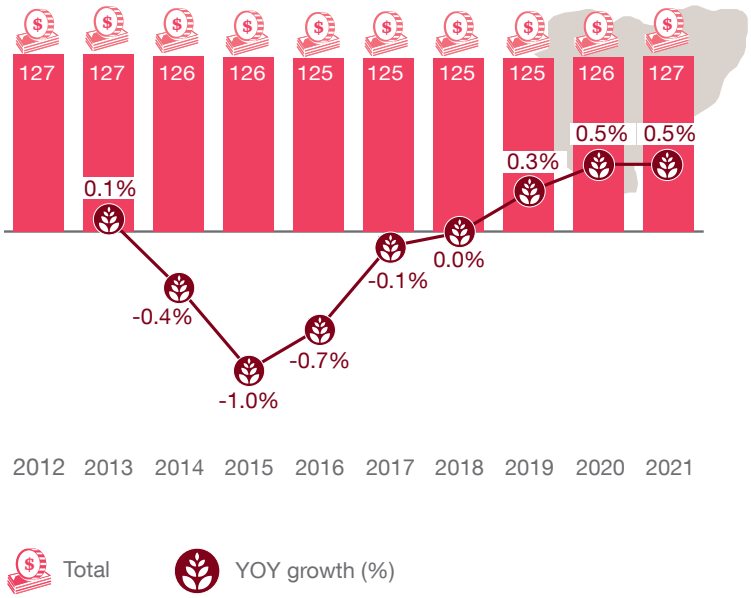
Nigerian publishers have headroom to develop consumer-derived income in the years ahead, with government literacy initiatives likely to lead to increased demand. The industry remains sheltered from traditional digital disruption by low levels of broadband penetration. But mobile adoption is likely to mean both competition for audience attention, and an opportunity to build new consumer connections in the years ahead.

This segment at a glance

- **Stable outlook for Nigeria**. Small rises are expected to 2021 with total newspaper revenue reaching US$127 million.
- **Inflation has inhibited advertising growth**. High inflation rates have dampened the level of investment in advertising.

Some growth is expected to 2021

Figure 4 Nigeria: Newspaper publishing revenues (US$ millions) and year on year growth (%), 2012-2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Return to growth for Nigerian market

Nigeria: Newspaper publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Advertising	**48**	**46**	**43**	**41**	**39**	**37**	**35**	**34**	**33**	**33**	**-3.4%**
Print	47	45	42	40	37	35	33	32	31	30	-4.2%
Digital	1	1	1	1	2	2	2	2	2	3	11.7%
Circulation	**79**	**81**	**83**	**85**	**86**	**88**	**90**	**91**	**93**	**94**	**1.7%**
Print	79	81	82	83	83	83	84	84	84	83	0.0%
Digital	0	0	1	2	3	5	6	7	9	11	27.3%
Total	**127**	**127**	**126**	**126**	**125**	**125**	**125**	**125**	**126**	**127**	**0.2%**
YOY growth (%)		***0.1%***	***-0.4%***	***-1.0%***	***-0.7%***	***-0.1%***	***0.0%***	***0.3%***	***0.5%***	***0.5%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Kenya

The Kenyan newspaper market was worth US$172 million in 2016, up 3.0% on 2015. Over the next five years, revenue will grow at a 2.2% CAGR, totalling US$192 million in 2021.

Advertising accounted for 73.8% of total newspaper revenue in 2016, with revenue reaching US$126 million. Print newspaper advertising revenue continues to dominate the Kenyan market, despite growth in digital over recent years.

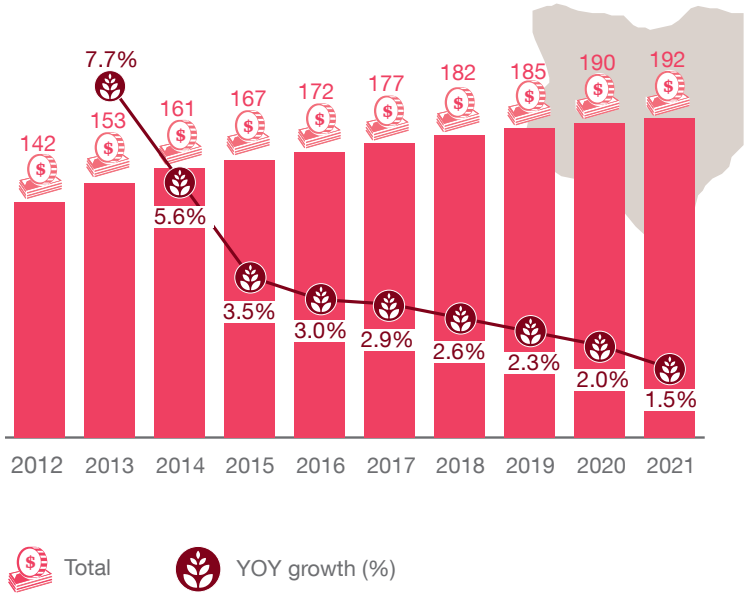
Digital newspaper advertising revenue will reach US$10 million in 2021. Standard Group, owner of daily publication *The Standard* and weekly newspaper *The Nairobian*, among others, offers a range of online ad packages, which can include banner ads on both homepages and mobile sites, along with social media mentions. Standard Group offers 'sponsored article' adverts, which includes four social media posts promoting the brand or product.

This segment at a glance

- **Revenue ticking up**. A 2.2% CAGR is forecast over the next five years, with circulation particularly strong.
- **Consumers move online**. Newspapers make content mobile and tablet friendly, boosting digital circulation revenue.

Kenya newspaper revenue ticking up

Figure 5 Kenya: Newspaper publishing revenues (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017 –2021, An African perspective, PwC, Ovum

The Kenyan newspaper market will grow year on year to 2021

Kenya: Newspaper publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Advertising	**102**	**112**	**118**	**123**	**127**	**130**	**132**	**134**	**137**	**137**	**1.6%**
Print	100	109	115	119	122	124	126	127	128	127	0.9%
Digital	2	3	3	4	5	6	6	7	9	10	15.9%
Circulation	**40**	**41**	**43**	**44**	**45**	**47**	**50**	**51**	**53**	**55**	**3.8%**
Print	40	41	42	42	42	42	43	43	42	42	-0.1%
Digital	0	0	1	2	3	5	7	8	11	13	30.6%
Total	**142**	**153**	**161**	**167**	**172**	**177**	**182**	**185**	**190**	**192**	**2.2%**
YOY growth (%)		***7.7%***	***5.6%***	***3.5%***	***3.0%***	***2.9%***	***2.6%***	***2.3%***	***2.0%***	***1.5%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Ghana

The Ghanaian newspaper market totalled US$15 million in 2016, up 1.8% on 2015. Over the next five years, newspaper revenue will increase at a 7.9% CAGR, from US$15 million in 2016, to US$21 million in 2021.

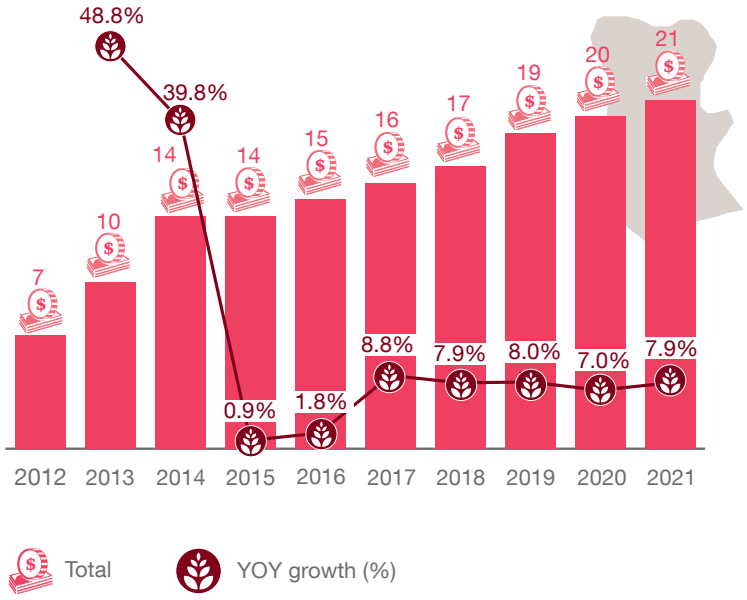
Advertising dominates the market, accounting for 71.2% of total revenue in 2016, despite a slowdown in growth as a result of falling GDP per capita. As the economy recovers, advertising revenue will rise year on year for the rest of the forecast period.

This segment at a glance

- **The Ghanaian market will continue to grow**. Revenue will reach US$21 million in 2021 as digital makes gains and print endures.
- **Digital advertising revenue will nearly triple to 2021**. High website traffic and healthy subscriber bases attract advertising investment.

The Ghanaian market will continue to grow

Figure 6 Ghana: Newspaper publishing revenues (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Newspaper revenue will continue to grow year on year to 2021

Ghana: Newspaper publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Advertising	**4.9**	**7.4**	**10.4**	**10.4**	**10.4**	**11.2**	**12.2**	**13.0**	**14.1**	**15.2**	**8.0%**
Print	4.8	7.2	10.1	10.1	10.0	10.7	11.6	12.3	13.2	14.1	7.2%
Digital	0.1	0.2	0.3	0.3	0.4	0.5	0.6	0.7	0.9	1.1	23.1%
Circulation	**1.9**	**2.8**	**3.8**	**3.9**	**4.2**	**4.7**	**5.0**	**5.5**	**5.8**	**6.2**	**7.8%**
Print	1.9	2.8	3.7	3.7	3.9	4.2	4.3	4.6	4.6	4.7	3.8%
Digital	0.0	0.0	0.1	0.2	0.3	0.5	0.7	0.9	1.2	1.5	35.7%
Total	**6.8**	**10.2**	**14.2**	**14.3**	**14.6**	**15.9**	**17.2**	**18.5**	**19.9**	**21.4**	**7.9%**
YOY growth (%)		***48.8%***	***39.8%***	***0.9%***	***1.8%***	***8.8%***	***7.9%***	***8.0%***	***7.0%***	***7.9%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Tanzania

Newspaper revenue in Tanzania appears to be largely healthy. Aside from a dip in advertising revenue in 2013, both circulation and advertising have been on an upward curve, albeit beginning from a very low base for a nation of more than 50 million.

Total newspaper revenue in 2016 was US$16 million, with a large majority being from advertising. This is forecast to grow at a 7.1% CAGR to 2021 to reach US$23 million.

Circulation revenue will rise fastest, but from a lower base, seeing an 8.5% CAGR to 2021, while advertising revenue will increase from US$12 million in 2016 to US$16 million in 2021.

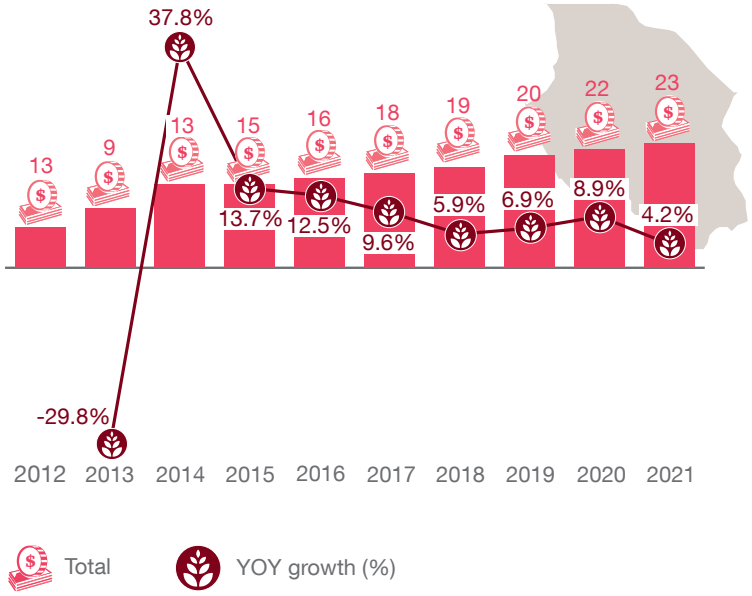
The newspaper industry in the country is as yet insulated from trends affecting the wider world. Digital disruption is at a minimum because fixed broadband and mobile Internet penetration is so low, meaning that print is the only possibility for large swathes of the population.

This segment at a glance

- **Tanzanian newspapers are yet to be fully affected by digital disruption**. This is ensuring positive growth across print formats, aiding an overall 7.1% CAGR to 2021.
- **Language diversity provides opportunity for growth**. The wide range of languages spoken in Tanzania means many markets remain untapped.

Tanzanian newspapers are yet to be fully affected by digital disruption

Figure 7 Tanzania: Newspaper publishing revenues (R millions) and year-on-year growth (%), 2012-2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Promising outlook for Tanzanian market

Tanzania: Newspaper publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Advertising	**10.9**	**6.7**	**9.3**	**10.6**	**11.9**	**13.0**	**13.7**	**14.5**	**15.6**	**16.3**	**6.5%**
Print	10.5	6.3	8.6	9.6	10.6	11.3	11.7	12.0	12.6	12.7	3.7%
Digital	0.4	0.4	0.7	1.0	1.3	1.7	2.0	2.5	3.0	3.6	22.4%
Circulation	**2.3**	**2.5**	**3.5**	**4.0**	**4.5**	**5.0**	**5.3**	**5.8**	**6.5**	**6.7**	**8.5%**
Print	2.3	2.5	3.4	3.8	4.2	4.5	4.6	4.8	5.2	5.2	4.5%
Digital	0.0	0.0	0.1	0.2	0.3	0.5	0.7	1.0	1.3	1.6	36.5%
Total	**13.2**	**9.2**	**12.8**	**14.6**	**16.4**	**18.0**	**19.0**	**20.3**	**22.1**	**23.0**	**7.1%**
YOY growth (%)		***-29.8%***	***37.8%***	***13.7%***	***12.5%***	***9.6%***	***5.9%***	***6.9%***	***8.9%***	***4.2%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



Magazine publishing

South Africa

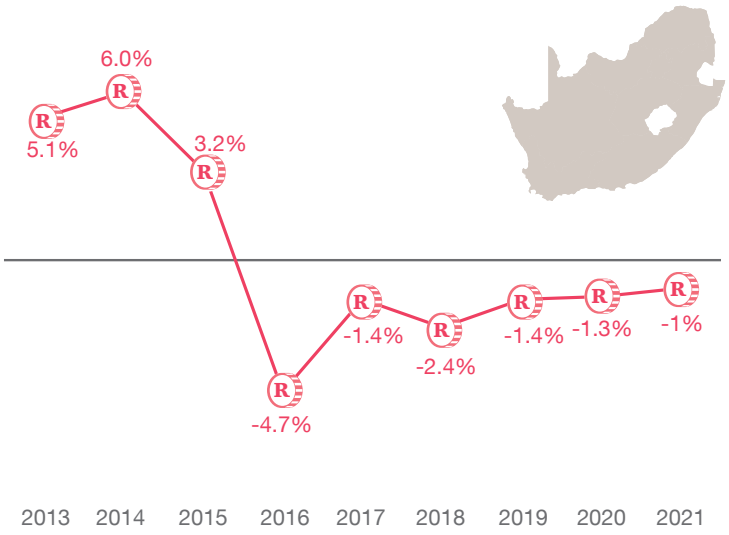
The South African magazine market, which consists of consumer and trade magazine revenues, reached R9.1 billion in 2016, having shrunk by -4.7% over 2015 revenues of R9.5 billion. The decline in 2016 will be the largest seen in the next five years with declines slowing towards 2021. Consumer circulation revenue is the cause of the drop with a -6% decline in 2016 and falls of over -3% per year over each of the next five years.

A drop in consumer print circulation of -7% in 2016 was caused by continuing declines in print magazine readerships and magazine circulation. While increases in cover-prices have historically been able to protect revenue from decline, this no longer seems to be the case.

Instead, South African consumer magazine publishers must look to advertising revenue to stem losses. Consumer magazine advertising revenues will not see as large a drop as consumer magazine circulation revenues and will bounce back more quickly.

South African advertisers still see magazines as a reliable advertising medium and will not abandon the platform quickly. Growth in digital advertising revenues will also help to buoy consumer magazine advertising revenues.

Figure 1 South Africa: Magazine revenue growth, 2013–2021 (%)



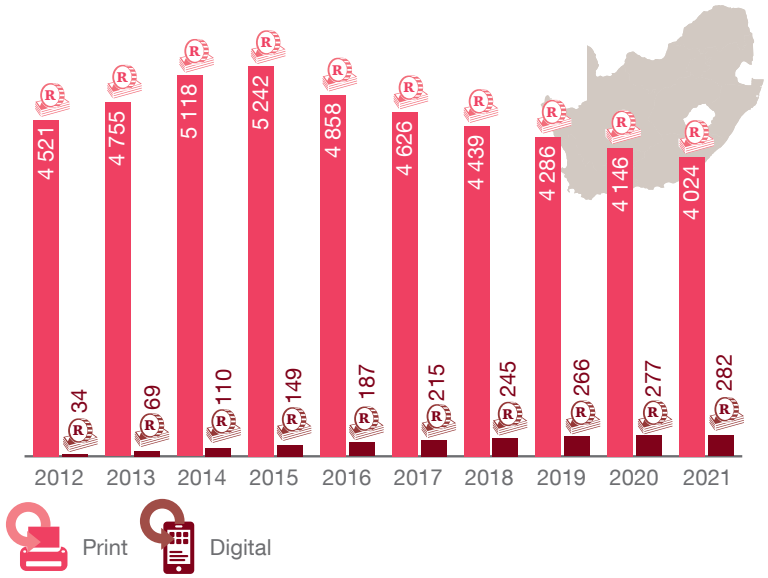
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

This segment at a glance

- **Consumer magazine revenue is on a downward trend**. The market for South African consumer magazines will decline over the next five years from R8.4 billion in 2016 to R7.7 billion in 2021, a CAGR decline of -1.7% over the forecast period.
- **Consumer magazine circulations continue to decline**. Overall magazine circulation fell from 5.1 million units in the first quarter of 2015 to 4.4 million units in the fourth quarter of 2016, a decline of 14%. This figure includes trade and consumer magazines, but is a significant indicator of the state of the consumer magazine market in South Africa, given the much smaller circulations in the trade magazine sector.
- **Digital revenues stay stubbornly low**. Digital revenues have remained elusive for South African publishers and digital circulation revenues are still small with just 3.7% of consumer magazines being purchased digitally in 2016. This will increase only marginally to 6.5% by 2021 when consumer magazine digital circulation revenue will stand at just R282 million.
- **Publishers need to make better use of social and messaging platforms**. Messaging apps are also becoming increasingly popular with consumers and publishers looking to increase the number of people viewing their content and satisfying the need to follow their potential readers. For today's consumer, video content is a must-have on digital channels and publishers need to find the right people to produce such content.
- **Nearly one-third of trade magazine revenue will come from digital in 2021**. In 2021 nearly one-third of trade magazine revenue is forecast to be digital, compared to just 8% for consumer magazines. Trade magazines are also sold to workplaces and offices, where broadband access is ahead of the typical household. In 2016, digital revenues accounted for 18% of total trade magazine revenues and will be 31% by 2021.

Consumer magazine circulation revenue will fall to R4.3 billion in 2021

Figure 2 South Africa: Consumer magazine circulation revenue, print vs digital, 2012–2021 (R millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

South Africa: Magazine publishing market, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Consumer magazines	**7 650**	**8 066**	**8 602**	**8 860**	**8 379**	**8 244**	**8 030**	**7 898**	**7 787**	**7 702**	**-1.7%**
Consumer circulation	**4 555**	**4 824**	**5 228**	**5 391**	**5 045**	**4 841**	**4 684**	**4 552**	**4 423**	**4 306**	**-3.1%**
Print	4 521	4 755	5 118	5 242	4 858	4 626	4 439	4 286	4 146	4 024	-3.7%
Digital	34	69	110	149	187	215	245	266	277	282	8.5%
Consumer advertising	**3 095**	**3 242**	**3 374**	**3 469**	**3 334**	**3 403**	**3 346**	**3 346**	**3 364**	**3 396**	**0.4%**
Print	3 064	3 194	3 300	3 374	3 223	3 261	3 164	3 117	3 078	3 043	-1.1%
Digital	31	48	74	95	111	142	182	229	286	353	25.9%
Trade magazines	**622**	**625**	**610**	**649**	**681**	**687**	**688**	**694**	**691**	**689**	**0.2%**
Trade circulation	**169**	**183**	**194**	**219**	**265**	**277**	**286**	**293**	**298**	**302**	**2.6%**
Print	169	183	194	204	244	251	256	259	260	261	1.4%
Digital	0	0	0	15	21	26	30	34	38	41	14.0%
Trade advertising	**453**	**442**	**416**	**430**	**416**	**410**	**402**	**401**	**393**	**387**	**-1.5%**
Print	425	401	356	350	314	289	262	246	230	215	-7.3%
Digital	28	41	60	80	102	121	140	155	163	172	11.0%
Total	**8 272**	**8 691**	**9 212**	**9 509**	**9 060**	**8 931**	**8 718**	**8 592**	**8 478**	**8 391**	**-1.5%**
YOY growth (%)		***5.1%***	***6.0%***	***3.2%***	***-4.7%***	***-1.4%***	***-2.4%***	***-1.4%***	***-1.3%***	***-1.0%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Nigeria

Total magazine revenue in Nigeria, comprising consumer magazine revenue and trade magazine revenue, reached US$172 million in 2016. The market will see growth of 0.7% CAGR over the forecast period, with total magazine revenues rising to US$178 million in 2021.

The majority of magazine revenues come from the sale of consumer magazines, either through direct sales or advertising. Consumer magazine revenues stood at US$162 million in 2016 and will rise to US$166 million in 2021, a CAGR of 0.4%. Of this, consumer magazine circulation revenue makes up 97%, standing at US$158 million in 2016 and rising to US$160 million in 2021, a CAGR of 0.2%.

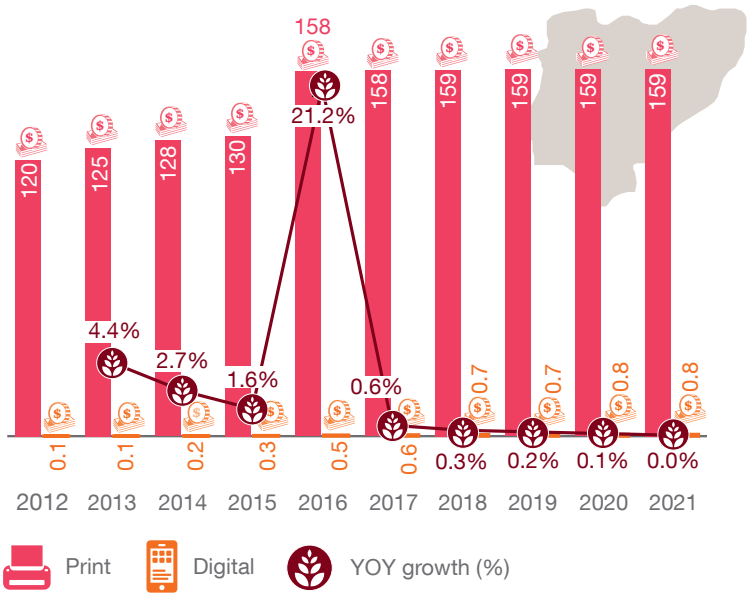
There is no regulated body in Nigeria that reports magazine circulation figures. This has a negative effect on publishers' advertising revenues as marketers lack trustworthy data on readership and magazine engagement. Advertising revenue is small, with consumer magazine advertising revenue standing at just US$4.2 million in 2016 and rising to US$5.7 million in 2021, a CAGR of 6.5%. This is despite a decline of -11.8% CAGR in consumer magazines print advertising revenue and low readership of digital magazine editions.

This segment at a glance

- **Nigeria's magazine market nears stagnation as digital revenues remain low**. Smartphone ownership is on the rise in Nigeria and by 2021, smartphones will have a penetration rate of 65%, up from 25% in 2016. This growth, as well as publisher improvements in distributing content on mobile, social and messaging platforms, will drive digital revenues, but given their current size, this growth will not amount to digital revenues reaching more than US$7 million in 2021.

Circulation revenue will increase across both print and digital formats

Figure 4 Nigeria: Consumer magazine circulation revenue, print vs digital (US$ millions) and revenue growth (%), 2012–2021



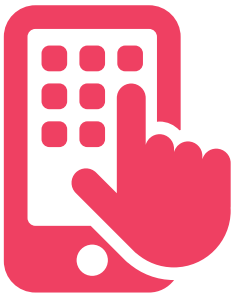
Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Nigeria: Magazine publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Consumer magazines	**122.4**	**128.0**	**131.5**	**133.7**	**162.2**	**163.6**	**164.6**	**165.4**	**165.5**	**165.6**	**0.4%**
Consumer circulation	**119.7**	**125.0**	**128.4**	**130.4**	**158.0**	**158.9**	**159.4**	**159.7**	**159.8**	**159.9**	**0.2%**
Print	119.6	124.9	128.2	130.1	157.5	158.3	158.7	159.0	159.0	159.1	0.2%
Digital	0.1	0.1	0.2	0.3	0.5	0.6	0.7	0.7	0.8	0.8	7.9%
Consumer advertising	**2.7**	**3.0**	**3.1**	**3.3**	**4.2**	**4.7**	**5.2**	**5.7**	**5.7**	**5.7**	**6.5%**
Print	1.6	1.6	1.5	1.4	1.4	1.3	1.1	1.0	0.8	0.7	-11.8%
Digital	1.1	1.4	1.6	1.9	2.8	3.4	4.1	4.7	4.9	5.0	12.2%
Trade magazines	**7.6**	**7.9**	**8.7**	**9.1**	**10.0**	**10.6**	**11.2**	**11.7**	**12.2**	**12.7**	**5.0%**
Trade circulation	**5.6**	**6.0**	**6.5**	**7.0**	**7.7**	**8.4**	**9.0**	**9.7**	**10.4**	**11.1**	**7.5%**
Print	5.6	6.0	6.5	7.0	7.7	8.4	9.0	9.7	10.4	11.1	7.5%
Digital	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.0%
Trade advertising	**2.0**	**1.9**	**2.2**	**2.1**	**2.3**	**2.2**	**2.2**	**2.0**	**1.8**	**1.6**	**-6.4%**
Print	2.0	1.9	1.8	1.7	1.7	1.6	1.5	1.3	1.0	0.8	-13.2%
Digital	-	-	0.4	0.4	0.6	0.6	0.7	0.7	0.8	0.8	6.9%
Total	**130.0**	**135.9**	**140.2**	**142.8**	**172.2**	**174.2**	**175.8**	**177.1**	**177.7**	**178.3**	**0.7%**
YOY growth (%)		***4.5%***	***3.2%***	***2.0%***	***20.5%***	***1.2%***	***1.0%***	***0.7%***	***0.4%***	***0.4%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Smartphone ownership is on the rise in Nigeria and by 2021, smartphones will have a penetration rate of 65%, up from 25% in 2016, driving digital revenues



Kenya

Kenya's total magazine revenue, comprising total consumer magazine revenue and total trade magazine revenue, will increase from US$72 million in 2016 to US$91 million in 2021, at a CAGR of 4.9%. Like Nigeria, most of this revenue will come from consumer magazines, specifically circulation. Total consumer magazine revenue was US$65 million in 2016 and will grow to US$81 million in 2021 at a CAGR of 4.4%.

Consumer magazine circulation revenue made up 86% of consumer magazine revenue in 2016. This will rise to 88% in 2021 as circulation revenue grows more quickly than advertising revenue. Consumer magazine circulation revenue was US$56 million in 2016 and will grow at a CAGR of 4.9% over the next five years to reach US$71 million in 2021.

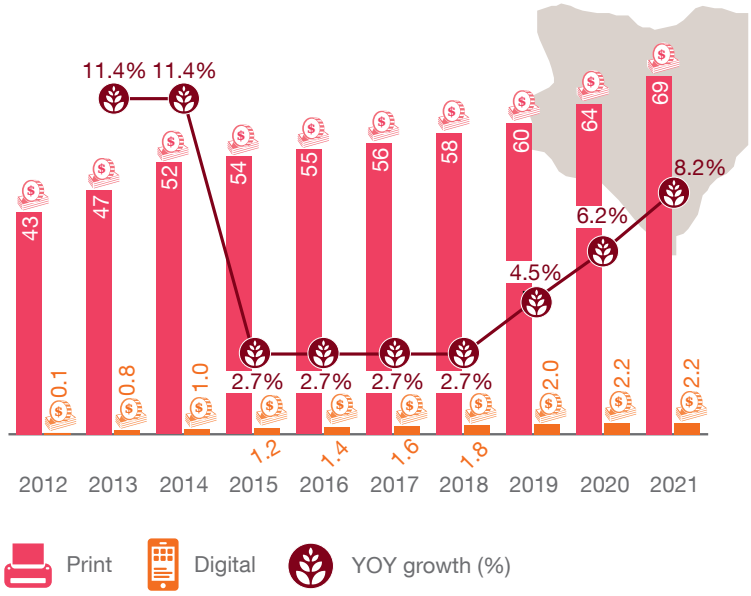
Kenya's economy has witnessed strong growth in recent years, boosting both consumer and advertising spend. Economic growth in Kenya is slowing but the market for magazines will continue to benefit from rises in disposable income and advertising spend. Consumer income growth will also help device ownership to grow, which will benefit digital uptake.

This segment at a glance

- **Consumer magazines remain the mainstay of the Kenyan magazine market**. Total consumer magazine revenue will rise from US$65 million in 2016 to US$81 million in 2021, a CAGR of 4.4%, with further room for circulation growth available.

Digital circulation revenues will rise at a 9.8% CAGR

Figure 5 Kenya: Consumer magazine circulation revenue, print vs digital (US$ millions) and revenue growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Kenya: Magazine publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Consumer magazines	**50.5**	**56.0**	**61.8**	**63.6**	**65.4**	**67.2**	**69.0**	**71.9**	**75.8**	**81.4**	**4.4%**
Consumer circulation	**42.9**	**47.8**	**53.3**	**54.7**	**56.2**	**57.7**	**59.3**	**62.0**	**65.8**	**71.2**	**4.9%**
Print	42.8	47.0	52.3	53.5	54.8	56.1	57.5	60.0	63.6	69.0	4.7%
Digital	0.1	0.8	1.0	1.2	1.4	1.6	1.8	2.0	2.2	2.2	9.8%
Consumer advertising	**7.6**	**8.2**	**8.5**	**8.9**	**9.2**	**9.5**	**9.7**	**9.9**	**10.0**	**10.2**	**1.8%**
Print	7.5	7.7	7.9	8.2	8.3	8.4	8.4	8.3	8.1	7.9	-1.1%
Digital	0.1	0.5	0.6	0.7	0.9	1.1	1.3	1.6	1.9	2.3	19.0%
Trade magazines	**3.2**	**3.5**	**4.7**	**5.3**	**6.2**	**6.8**	**7.3**	**8.1**	**8.7**	**9.7**	**9.6%**
Trade circulation	**2.0**	**2.3**	**3.0**	**3.5**	**4.3**	**4.9**	**5.5**	**6.3**	**7.0**	**7.9**	13.3%
Print	2.0	2.3	2.5	2.8	3.4	3.8	4.3	4.9	5.4	6.1	12.6%
Digital	-	-	0.5	0.7	0.9	1.1	1.2	1.4	1.6	1.8	15.6%
Trade advertising	**1.2**	**1.2**	**1.7**	**1.8**	**1.9**	**1.9**	**1.8**	**1.8**	**1.7**	**1.8**	**-1.2%**
Print	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.1	1.0	1.0	-5.9%
Digital	-	-	0.4	0.5	0.6	0.6	0.6	0.7	0.7	0.8	7.3%
Total	**53.7**	**59.5**	**66.5**	**68.9**	**71.6**	**74.0**	**76.3**	**80.0**	**84.5**	**91.1**	**4.9%**
YOY growth (%)		***11.1%***	***11.8%***	***3.5%***	***3.8%***	***3.4%***	***3.3%***	***4.7%***	***5.9%***	***7.3%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum



Consumer magazine circulation revenue made up 86% of consumer magazine revenue in 2016

Ghana

Ghana's magazine market will see growth CAGR of 3.1% over the next five years, reaching US$12 million in 2021 up from US$10 million in 2016. Consumer magazines will see CAGR growth of 1.2% from US$8.2 million in 2016 to US$8.8 million in 2021. Trade magazines will see higher growth with a 9.4% CAGR over the forecast period, rising from US$2.2 million in 2016 to US$3.2 million in 2021.

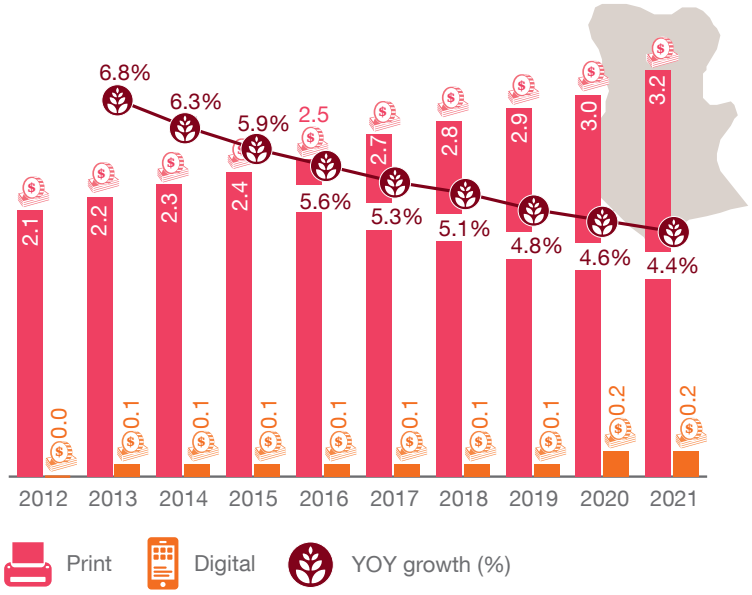
Trade magazines make up little of the magazine market in Ghana, with consumer magazines dominating revenues. This will change a little over the coming years as trade magazines grow faster than consumer magazines. This will be driven by growth in digital access and by the attractiveness of the country's economic outlook.

This segment at a glance

- **Ghana's magazine market will see growth of 3.1% CAGR, reaching US$12 million**. A literate population and positive economic outlook makes Ghana attractive to publishers. Ghana has a literacy rate of 77%. This is significantly higher than most other African countries.

Consumer magazine circulation revenue will grow year-on-year to 2021

Figure 6 Ghana: Consumer magazine circulation revenue, print vs digital (US$ millions) and revenue growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Ghana: Magazine publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Consumer magazines	**8.0**	**8.3**	**7.7**	**7.8**	**8.2**	**8.6**	**8.8**	**9.0**	**8.9**	**8.8**	**1.2%**
Consumer circulation	**2.1**	**2.3**	**2.4**	**2.5**	**2.6**	**2.8**	**2.9**	**3.0**	**3.2**	**3.4**	**4.8%**
Print	2.1	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.0	3.2	4.6%
Digital	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	9.7%
Consumer advertising	**5.9**	**6.0**	**5.3**	**5.3**	**5.6**	**5.8**	**5.9**	**6.0**	**5.7**	**5.4**	**-0.7%**
Print	5.8	5.6	4.9	4.9	5.0	5.1	5.1	5.0	4.6	4.2	-3.5%
Digital	0.1	0.4	0.4	0.4	0.6	0.7	0.8	1.0	1.1	1.2	16.1%
Trade magazines	**1.1**	**1.2**	**1.6**	**1.8**	**2.2**	**2.4**	**2.5**	**2.8**	**3.1**	**3.2**	**9.4%**
Trade circulation	**0.7**	**0.8**	**1.0**	**1.2**	**1.5**	**1.7**	**1.9**	**2.2**	**2.4**	**2.6**	**13.3%**
Print	0.7	0.8	0.8	0.9	1.1	1.2	1.3	1.5	1.6	1.8	11.7%
Digital	-	-	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.8	17.3%
Trade advertising	**0.4**	**0.4**	**0.6**	**0.6**	**0.7**	**0.7**	**0.6**	**0.6**	**0.7**	**0.6**	**-1.8%**
Print	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2	-10.5%
Digital	-	-	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	7.2%
Total	**9.1**	**9.5**	**9.3**	**9.6**	**10.4**	**11.0**	**11.3**	**11.8**	**12.0**	**12.0**	**3.1%**
YOY growth (%)		***4.2%***	***-1.8%***	***4.4%***	***7.2%***	***5.3%***	***4.4%***	***3.4%***	***1.9%***	***0.4%***	

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Ghana's magazine market will see growth of 3.1% CAGR, reaching US$12 million

Tanzania

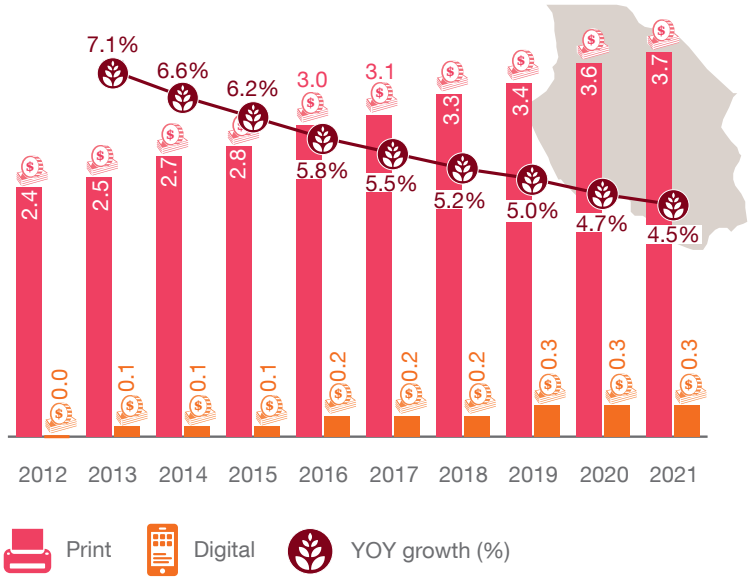
The magazine market in Tanzania will see revenue growth from US$14 million in 2016 to US$17 million in 2021, with a 3.9% CAGR predicted over the forecast period. Consumer magazines will see revenues rise from US$12 million in 2016 to US$14 million in 2021 at a CAGR of 2.8%. Trade magazines will see growth of a 9.6% CAGR, rising to US$3.3 million in 2021 from US$2.0 million in 2016.

This segment at a glance

- **Tanzania's magazine market will see growth at a 3.9% CAGR over the next five years**. The market will grow to US$17 million in 2021.
- **Although Tanzania has a literate population, this does not translate to magazine reading**. A literacy rate of 80% doesn't necessarily translate to magazine reading. Tanzania rather has a culture of verbal storytelling.

Yearly growth for the consumer magazine circulation revenue

Figure 7 Tanzania: Consumer magazine circulation revenue, print vs digital (US$ millions) and revenue growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

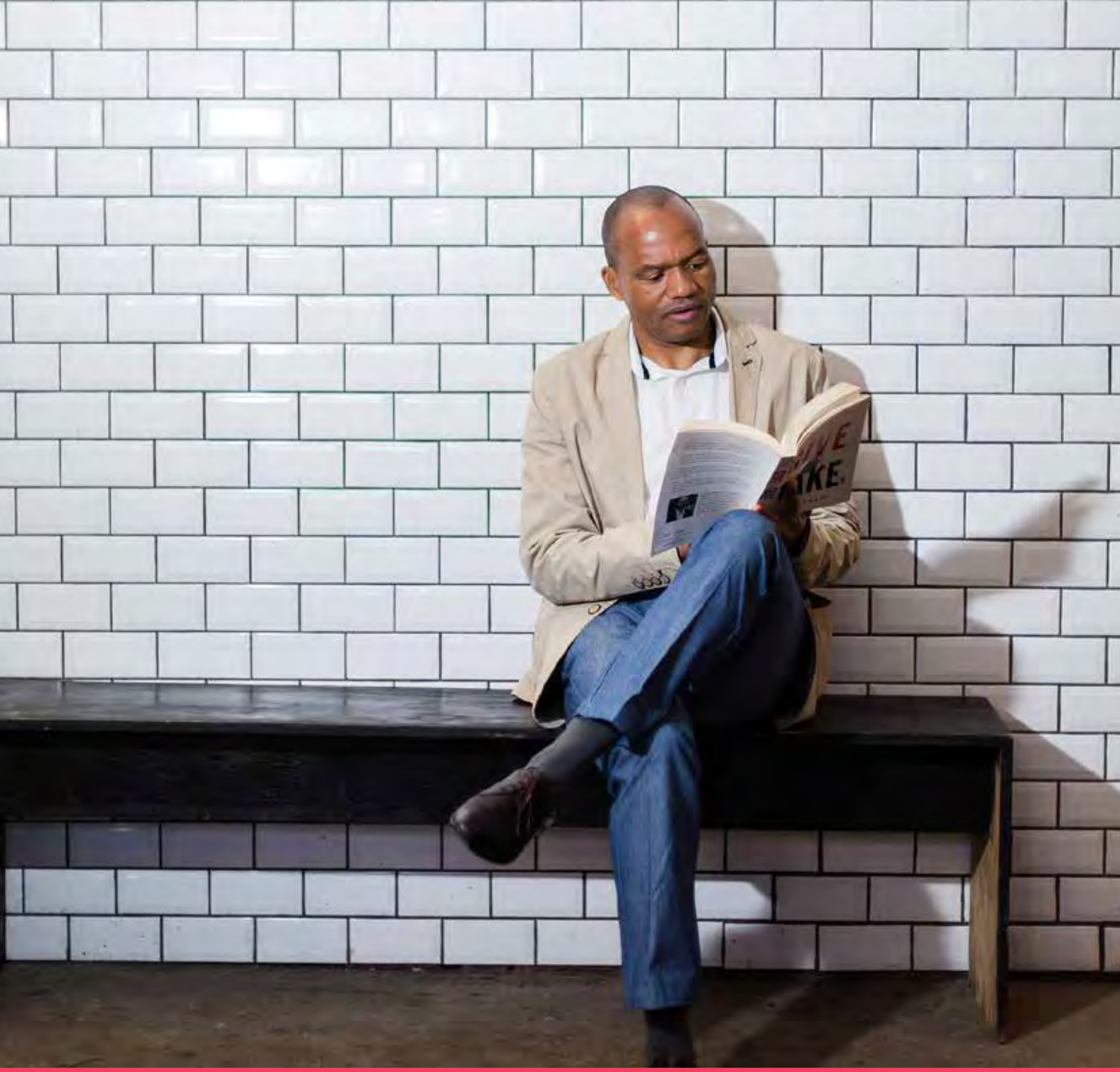
Tanzania: Magazine publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Consumer magazines	**10.6**	**11.1**	**11.1**	**11.5**	**12.1**	**13.2**	**13.8**	**14.3**	**14.2**	**13.9**	**2.8%**
Consumer circulation	**2.4**	**2.6**	**2.8**	**2.9**	**3.2**	**3.3**	**3.5**	**3.7**	**3.9**	**4.0**	**5.0%**
Print	2.4	2.5	2.7	2.8	3.0	3.1	3.3	3.4	3.6	3.7	4.6%
Digital	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	11.2%
Consumer advertising	**8.2**	**8.5**	**8.3**	**8.6**	**8.9**	**9.9**	**10.3**	**10.6**	**10.3**	**9.9**	**2.0%**
Print	8.1	7.9	7.7	7.9	8.0	8.7	8.9	8.9	8.3	7.7	-0.9%
Digital	0.1	0.6	0.6	0.7	0.9	1.2	1.4	1.7	2.0	2.2	19.3%
Trade magazines	**1.1**	**1.2**	**1.7**	**1.8**	**2.0**	**2.3**	**2.4**	**2.7**	**3.1**	**3.3**	**9.6%**
Trade circulation	**0.7**	**0.8**	**1.1**	**1.2**	**1.4**	**1.7**	**1.8**	**2.1**	**2.4**	**2.7**	**13.2%**
Print	0.7	0.8	0.9	1.0	1.1	1.3	1.4	1.6	1.8	2.1	12.6%
Digital	-	-	0.2	0.2	0.3	0.4	0.4	0.5	0.6	0.6	15.6%
Trade advertising	**0.4**	**0.4**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.7**	**0.6**	**-1.2%**
Print	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	-5.9%
Digital	-	-	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	7.3%
Total	**11.7**	**12.3**	**12.8**	**13.3**	**14.1**	**15.5**	**16.2**	**17.0**	**17.3**	**17.2**	**3.9%**
YOY growth %		***4.4%***	***4.0%***	***5.2%***	***5.9%***	***9.3%***	***5.7%***	***4.0%***	***0.8%***	***0.0%***	

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum



Although Tanzania has a literate population, this does not translate to magazine reading



Book publishing

South Africa

After returning to growth in 2016 with total revenues of R3.8 billion, the South African book market will experience small but steady year-on-year growth for the rest of the forecast period. Professional books, the sector with the highest growth rate, will see its revenue rise by R12 million, while educational book revenues, which will contract over the next five years, will lose R12 million, showing the broadly stable state of the market.

Educational revenues will continue to contract year-on-year as print sales fall. There will be little change in market share over the forecast period, with educational books taking more than 50% of total book revenues each year. Professional titles will remain almost static, increasing their share by just 0.2% to 2021.

Digital revenues will do well, as publishers shift online and technology allows for maximum access to titles across digital formats. Print and audio titles may recover somewhat as time goes by, as more communities take up reading for work, education and leisure, and publishers offer more titles in local languages.

This segment at a glance

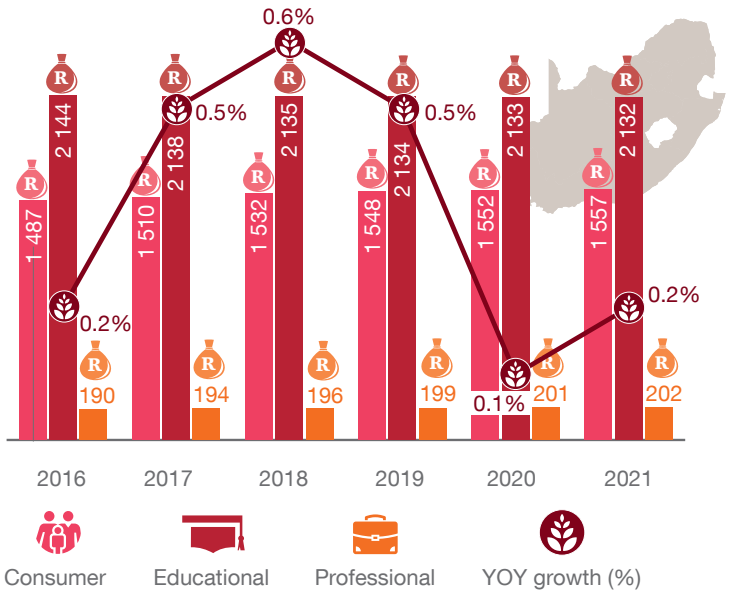
- **Marginal growth is expected for the publishing industry in South Africa over the next five years**. Total book revenues in South Africa will grow at a 0.4% CAGR over the next five years, with revenue rising from R3.8 billion in 2016 to R3.9 billion in 2021.
- **Despite being the cornerstone of the publishing industry, the educational book market will be the only subsector to decline over the forecast period**. Educational revenues will contract by a -0.1% CAGR as the second-hand book market expands and uncertainty remains over potential changes to government policy.
- **Low literacy levels, a lack of a reading culture and a diverse population are just some of the challenges responsible for struggling consumer print revenues**. In spite of various ongoing literacy programmes and initiatives to encourage leisure reading, and UNESCO reporting a national literacy rate of 94.6%, South Africa still has progress to make in some provinces. As South Africa has 11 official languages, publishers find it tricky to provide books to the diverse consumer base.
- **Professional titles will get a boost as e-book revenues continue to grow and print endures**. Professional book revenues will see a 1.2% CAGR over the forecast period.
- **Print will remain dominant**. Electronic book revenue will more than double its share from 4.0% to 8.2% over the next five years as e-book sales pick up. However, print and audio will remain the dominant format in the South African book market, taking over 90% of revenue in 2021.



Professional titles will get a boost as e-book revenues continue to grow and print endures

Marginal growth expected over the forecast period

Figure 1 South Africa: Consumer, educational and professional book revenues (R millions) and year-on-year growth (%), 2016–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

South Africa: Book publishing market, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Consumer	**1 410**	**1 446**	**1 463**	**1 471**	**1 487**	**1 510**	**1 532**	**1 548**	**1 552**	**1 557**	**0.9%**
Print	1 389	1 412	1 411	1 393	1 376	1 360	1 344	1 328	1 314	1 301	-1.1%
Digital	21	34	52	78	111	150	188	220	238	256	18.2%
Educational	**2 229**	**2 209**	**2 182**	**2 155**	**2 144**	**2 138**	**2 135**	**2 134**	**2 133**	**2 132**	**-0.1%**
Print	2 222	2 199	2 169	2 137	2 122	2 113	2 107	2 103	2 100	2 097	-0.2%
Digital	7	10	13	18	22	25	28	31	33	35	9.8%
Professional	**168**	**177**	**183**	**187**	**190**	**194**	**196**	**199**	**201**	**202**	**1.2%**
Print	158	164	167	169	170	172	172	173	173	173	0.3%
Digital	10	13	16	18	20	22	24	26	28	29	7.8%
Total	**3 807**	**3 832**	**3 828**	**3 813**	**3 821**	**3 842**	**3 863**	**3 881**	**3 886**	**3 891**	**0.4%**
YOY growth (%)		***0.6%***	***-0.1%***	***-0.4%***	***0.2%***	***0.5%***	***0.6%***	***0.5%***	***0.1%***	***0.2%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Nigeria

Educational books account for the lion's share of revenues in the Nigerian book publishing market and despite production problems and the prevalence of piracy, educational book revenues will continue to dominate the industry over the forecast period.

Educational titles accounted for 60.3% of the total market in 2016, with revenue totalling US$21 million. Over the forecast period, revenue will rise to US$28 million, at a 5.7% CAGR, making it the fastest-growing subsector in the Nigerian book market.

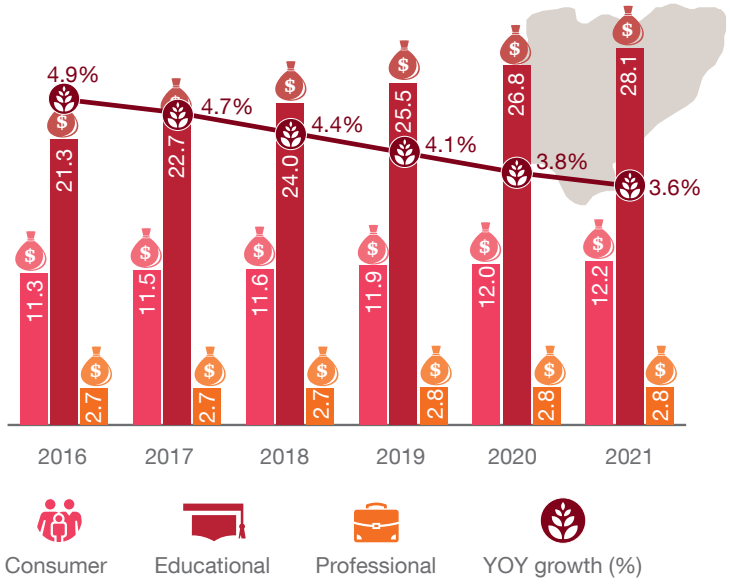
Total book publishing revenues will grow year-on-year, as improving literacy levels and reading initiatives begin to take hold, boosting the market. Growth in e-books across the other sectors will help to drive the digital market, albeit from a low base.

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 low tablet and smartphone ownership present challenges to publishers.
- **The Nigerian book market totalled US$35 million in 2016 up 4.9% from the prior year**. Total book revenues in Nigeria, comprising consumer, educational and professional book revenues, will grow at a 4.1% CAGR over the next five years to US$43 million in 2021.
- **Educational titles accounted for 60.3% of the market in 2016**. Over the forecast period, revenue will rise to US$28 million, at a 5.7% CAGR, making it the fastest-growing subsector of the Nigerian book market.

Nigerian book market will continue to see growth over forecast period

Figure 2 Nigeria: Consumer, educational and professional book revenues (US$ millions) and year-on-year growth (%), 2016–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Nigeria: Book publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Consumer	**11.1**	**10.9**	**11.0**	**11.2**	**11.3**	**11.5**	**11.6**	**11.9**	**12.0**	**12.2**	**1.5%**
Print	11.1	10.8	10.6	10.5	10.4	10.3	10.2	10.2	10.1	10.1	-0.6%
Digital	0.0	0.1	0.4	0.7	0.9	1.2	1.4	1.7	1.9	2.1	18.0%
Educational	**15.5**	**16.8**	**18.4**	**19.8**	**21.3**	**22.7**	**24.0**	**25.5**	**26.8**	**28.1**	**5.7%**
Print	15.5	16.8	18.2	19.4	20.7	21.9	23.1	24.4	25.6	26.7	5.3%
Digital	0.0	0.0	0.2	0.4	0.6	0.8	0.9	1.1	1.2	1.4	18.6%
Professional	**2.1**	**2.3**	**2.4**	**2.5**	**2.7**	**2.7**	**2.7**	**2.8**	**2.8**	**2.8**	**1.3%**
Print	2.0	2.1	2.2	2.3	2.4	2.4	2.4	2.4	2.4	2.4	0.4%
Digital	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	7.6%
Total	**28.7**	**30.0**	**31.8**	**33.5**	**35.3**	**36.9**	**38.3**	**40.2**	**41.6**	**43.1**	**4.1%**
YOY growth (%)		***4.6%***	***5.9%***	***5.4%***	***4.9%***	***4.7%***	***4.4%***	***4.1%***	***3.8%***	***3.6%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum



Educational books account for the lion's share of revenues in the Nigerian book publishing market



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Kenya

The Kenyan book market totalled US$39 million in 2016, up 2.6% on 2015. Over the next five years, revenue will grow at a 2.4% CAGR, reaching US$43 million in 2021.

Despite a lack of reading culture and high VAT, total book revenues in Kenya will rise year on year. Educational books will continue to take the largest share, even as piracy undermines growth.

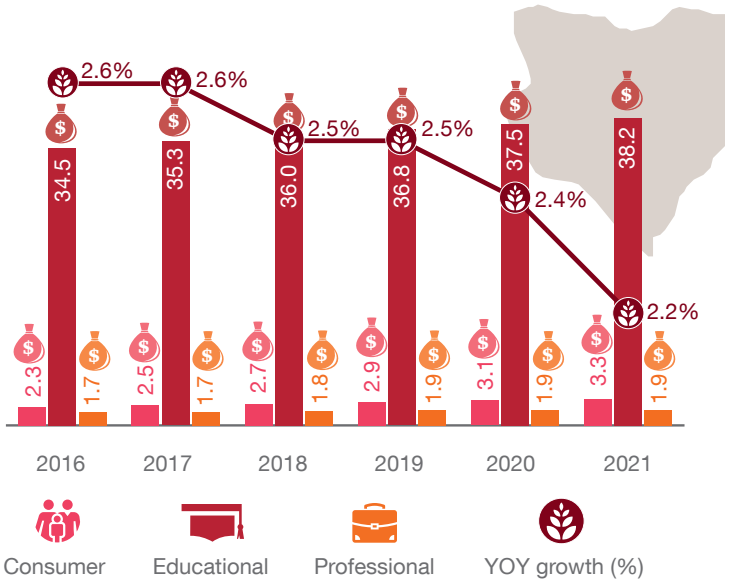
Consumer titles, however, will experience the fastest growth over the next five years, rising at a 6.9% CAGR. Despite this, consumer revenue accounted for only 6% of the market in 2016 and this share will increase to just 7.6% in 2021. While digital will make some gains, revenue itself will remain tiny, as growth starts from a low base.

This segment at a glance

- **Educational titles dominate the Kenyan book industry, but piracy inhibits the market from reaching its full potential**. Educational book revenues account for more than 85% of total book revenues throughout the forecast period.
- **The Kenyan book market totalled US$39 million in 2016, up 2.6% on 2015**. Over the next five years, revenue will grow at a 2.4% CAGR, reaching US$43 million in 2021.

Educational titles will continue to dominate

Figure 3 Kenya: Consumer, educational and professional book revenues (US$ millions) and year-on-year growth (%), 2016–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Kenya: Book publishing market, 2012–2021 (US$ millions)

Kenya	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Consumer	**1.6**	**1.8**	**1.9**	**2.1**	**2.3**	**2.5**	**2.7**	**2.9**	**3.1**	**3.3**	**6.9%**
Print	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	-0.5%
Digital	-	0.2	0.4	0.6	0.8	1.0	1.2	1.4	1.6	1.8	16.5%
Educational	**28.6**	**31.1**	**33.1**	**33.8**	**34.5**	**35.3**	**36.0**	**36.8**	**37.5**	**38.2**	**2.1%**
Print	28.3	30.7	32.7	33.3	34.0	34.7	35.3	36.0	36.6	37.2	1.8%
Digital	0.3	0.4	0.4	0.5	0.5	0.6	0.7	0.8	0.9	1.0	13.2%
Professional	**1.4**	**1.4**	**1.5**	**1.6**	**1.7**	**1.7**	**1.8**	**1.9**	**1.9**	**1.9**	**3.2%**
Print	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.9%
Digital	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	11.0%
Total	**31.6**	**34.3**	**36.5**	**37.5**	**38.5**	**39.5**	**40.5**	**41.6**	**42.5**	**43.4**	**2.4%**
YOY growth (%)		***8.6%***	***6.7%***	***2.6%***	***2.6%***	***2.6%***	***2.5%***	***2.5%***	***2.4%***	***2.2%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Ghana

The Ghanaian book market will see year-on-year growth for the duration of the forecast period. Educational books dominate the industry, but consumer titles will experience the strongest growth, as literacy levels improve and new government initiatives hope to boost readership.

As is the case in other African book markets, educational books generate almost all book revenues in Ghana, accounting for 91% of total industry takings in 2016, with revenues coming in at US$19 million.

Consumer book revenues made up only 5% of the market in 2016, with revenues of US$1.0 million. Professional book revenues came in at just US$0.8 million in 2016, representing a market share of 4%.

Market dynamics in the book industry show little sign of shifting greatly, with educational book revenues forecast to account for 90% of revenues by 2021.

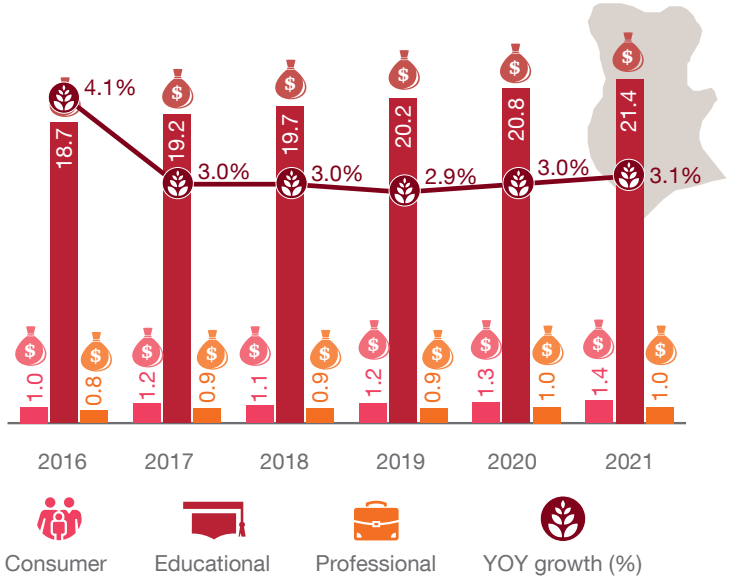
Digital revenues will increase rapidly, but will remain negligible as e-books have yet to enter the mass market.

This segment at a glance

- **Revenues in Ghana's book industry are expected to grow modestly**. During the next five years, a CAGR of 3.0% is expected.
- **Educational book revenues account for more than 90% of the market**. However, they will only grow at a CAGR of 2.8% between 2016 and 2021.

Educational titles will continue to dominate

Figure 4 Ghana: Consumer, educational and professional book revenues (US$ millions) and year-on-year growth (%), 2016–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Ghana: Book publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Consumer	**0.7**	**0.8**	**0.9**	**1.0**	**1.0**	**1.2**	**1.1**	**1.2**	**1.3**	**1.4**	**6.9%**
Print	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	-0.5%
Digital	0.0	0.1	0.2	0.3	0.3	0.5	0.5	0.6	0.7	0.8	16.5%
Educational	**17.2**	**17.8**	**17.8**	**18.1**	**18.7**	**19.2**	**19.7**	**20.2**	**20.8**	**21.4**	**2.8%**
Print	17.0	17.6	17.6	17.8	18.4	18.9	19.3	19.8	20.3	20.8	2.5%
Digital	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.6	14.0%
Professional	**0.6**	**0.7**	**0.8**	**0.8**	**0.8**	**0.9**	**0.9**	**0.9**	**1.0**	**1.0**	**3.5%**
Print	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	2.2%
Digital	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	11.3%
Total	**18.5**	**19.3**	**19.5**	**19.8**	**20.6**	**21.2**	**21.8**	**22.5**	**23.1**	**23.8**	**3.0%**
YOY growth (%)		***4.1%***	***1.3%***	***1.3%***	***4.1%***	***3.0%***	***3.0%***	***2.9%***	***3.0%***	***3.1%***	

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Tanzania

Despite piracy and limited government expenditure inhibiting the market from reaching its full potential, the Tanzanian book industry will grow year-on-year for the duration of the forecast period.

Tanzania's book market is dominated by educational book publishing, which in every year since 2012 has never accounted for less than 80% of the industry's total revenues.

Revenues from educational books are expected to continue making the largest contribution to overall book earnings during the next five years, with revenues forecast to grow from US$12 million in 2016 to US$15 million in 2021 at a CAGR of 4.9%.

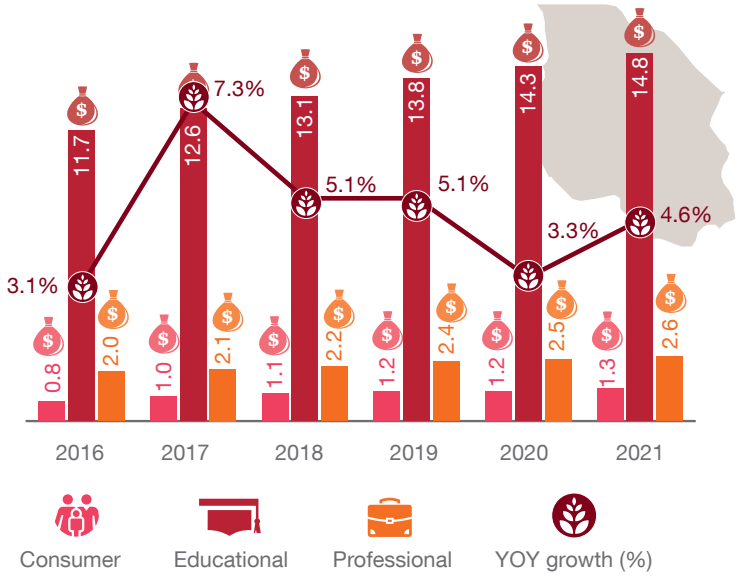
E-books are forecast to experience the highest growth to 2021, with consumer, educational and professional electronic book revenues all rising by double-digit CAGRs, albeit from a low base.

This segment at a glance

- **Tanzania's book industry is forecast to grow at a CAGR of 5.1% between 2016 and 2021**.
- **Revenues from educational books will account for more than 79% of total industry revenues in 2021**, but the small consumer books segment is growing the fastest.

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 (%), 2016–2021

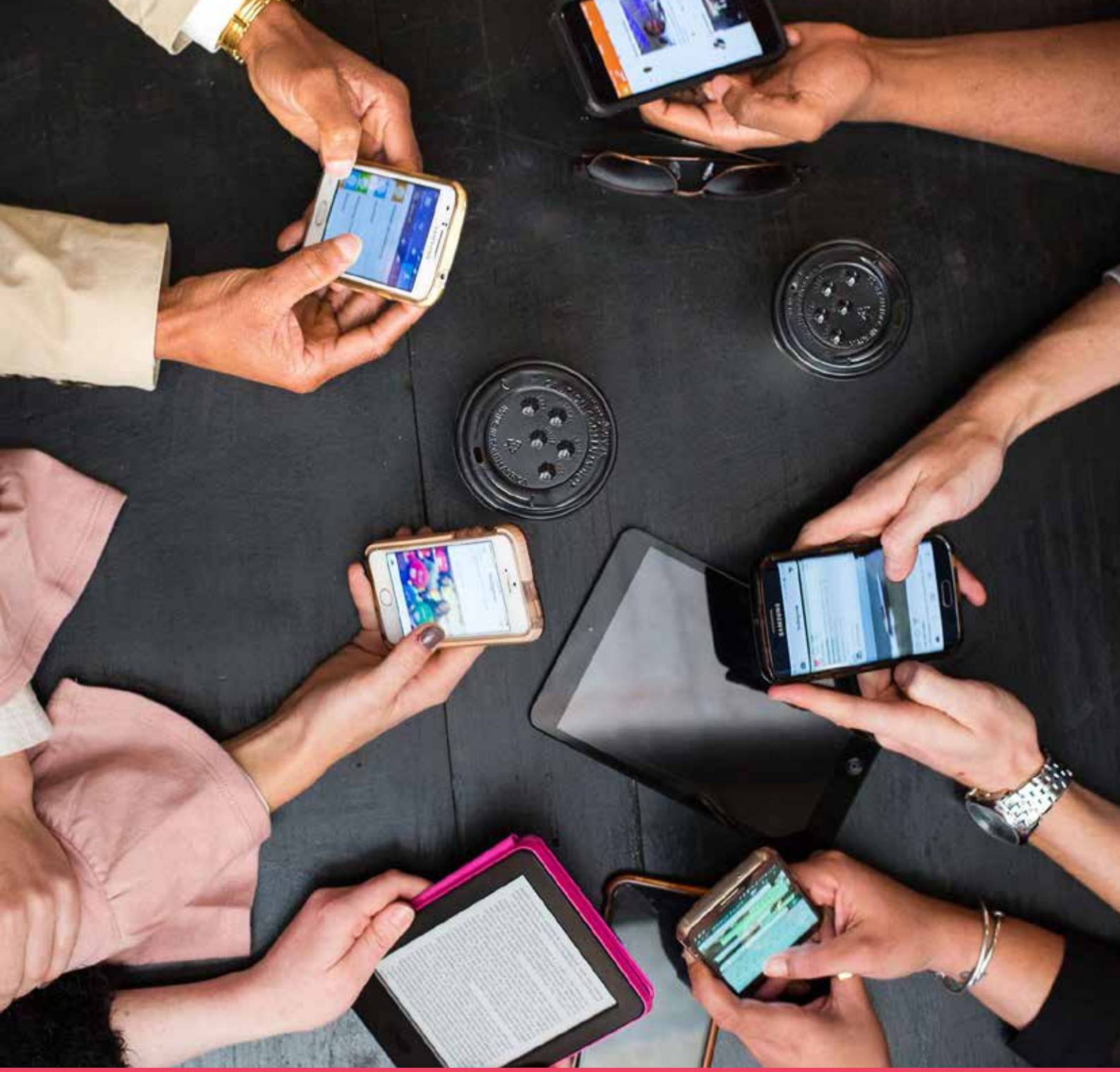


Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Tanzania: Book publishing market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Consumer	**0.7**	**0.8**	**0.8**	**0.9**	**0.8**	**1.0**	**1.1**	**1.2**	**1.2**	**1.3**	**7.7%**
Print	0.7	0.7	0.7	0.7	0.6	0.7	0.7	0.7	0.7	0.7	1.8%
Digital	0.0	0.1	0.1	0.2	0.2	0.3	0.4	0.5	0.5	0.6	19.3%
Educational	**10.2**	**10.7**	**11.0**	**11.4**	**11.7**	**12.6**	**13.1**	**13.8**	**14.3**	**14.8**	**4.9%**
Print	10.1	10.5	10.8	11.1	11.4	12.2	12.7	13.3	13.7	14.2	4.5%
Digital	0.1	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.6	0.6	16.2%
Professional	**1.7**	**1.8**	**1.9**	**2.0**	**2.0**	**2.1**	**2.2**	**2.4**	**2.5**	**2.6**	**5.0%**
Print	1.6	1.7	1.7	1.8	1.8	1.8	1.9	2.0	2.1	2.1	3.6%
Digital	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5	13.8%
Total	**12.6**	**13.3**	**13.7**	**14.3**	**14.5**	**15.7**	**16.4**	**17.4**	**18.0**	**18.7**	**5.1%**
YOY growth (%)		***5.1%***	***3.2%***	***3.0%***	***3.1%***	***7.3%***	***5.1%***	***5.1%***	***3.3%***	***4.6%***	

Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum



Business-to-business publishing

South Africa

The South African business-to-business (B2B) market is showing continued, if slowing, growth. In 2016 revenues grew by 3.8% to R9.7 billion and by 2021 this will rise to R11.0 billion, a CAGR of 2.6%.

Notably, each year of growth will be lower than the next for the duration of the forecast period and in five years' time annual growth will have fallen to just 2.0%.

South Africa's B2B growth has been revised downward as the country faces ongoing macroeconomic challenges. Uncertainty surrounding future growth and government policy is likely to weigh on B2B revenues, but some areas of growth remain.

Business information will show robust growth and rising demand for big data insights will support this segment over the long term.

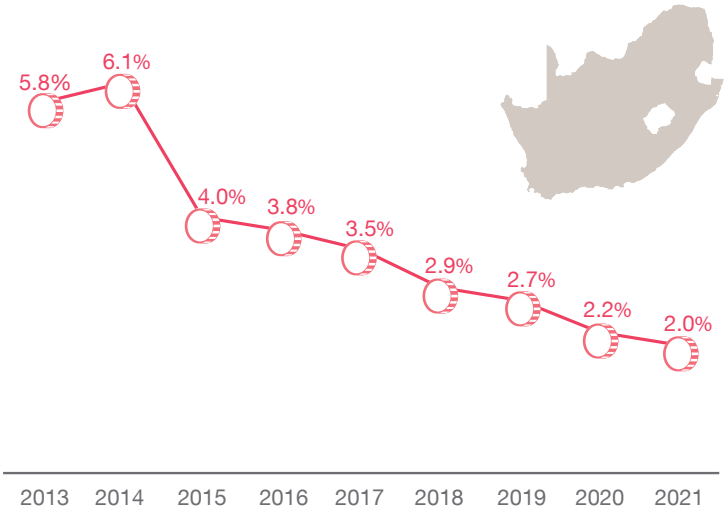
The trade shows segment will expand strongly owing to interest from inbound investors and businesses looking to crack South Africa and the continent more generally.

This segment at a glance

- **The B2B market in South Africa generated revenues of R9.7 billion in 2016.** The forecast has worsened amid the country's persistent macroeconomic challenges, with the market expected to grow at a modest 2.6% CAGR to reach just over R11 billion in 2021.
- **Business information will remain the largest B2B sector.** The segment will continue to account for close to half of all B2B revenues for the foreseeable future. Demand will be propelled by a number of factors, including rising smartphone adoption and growing volumes of big data, improving big data literacy and a greater willingness by South African businesses to employ big data applications.

Annual B2B revenue growth trending down

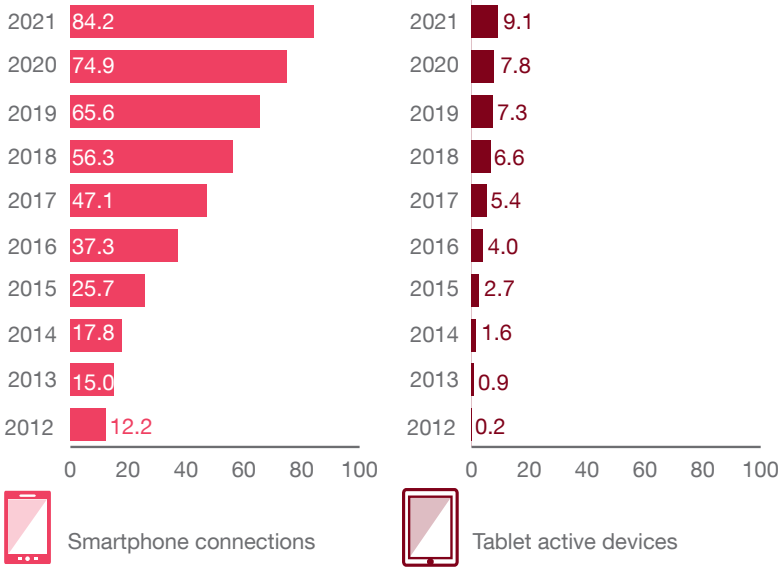
Figure 1 South Africa: Annual B2B total revenue growth, 2013–2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African Perspective, PwC, Ovum

Mobile connections will grow steadily to 2021

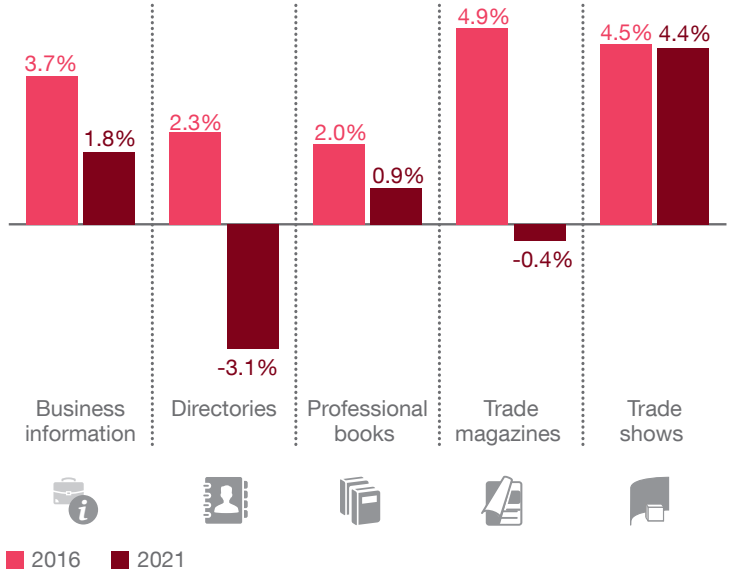
Figure 2 South Africa: Smartphone connections and tablet active devices, 2012–2021 (millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Trade shows will grow faster than rest of B2B segments combined

Figure 3 South Africa: B2B revenue growth by segment, 2016 vs 2021 (YOY %)

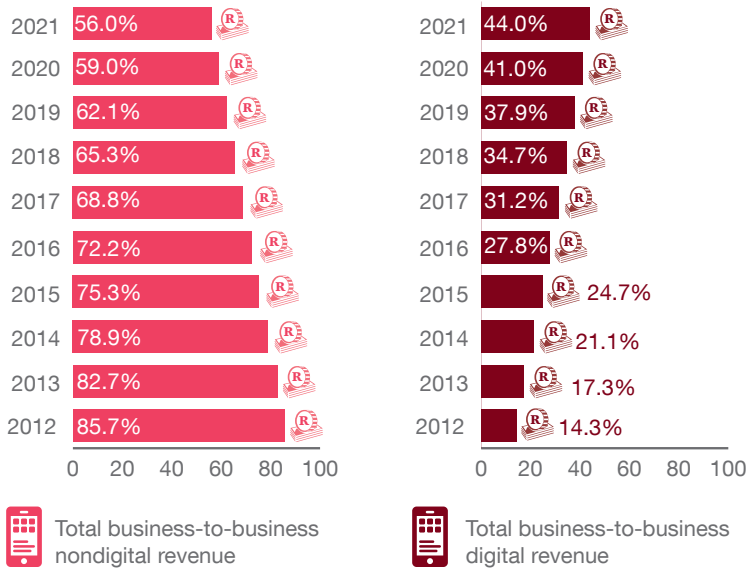


Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

- **Trade shows will be the fastest-growing segment**. The attraction of the country as a staging post for pan-African expansion and the professionalisation of sector networks will ensure growth remains above 4% over the forecast period.
- **Directory advertising set to decline**. The segment will finally succumb to falling print revenues, with total directory advertising slipping into the red in 2018 for the first time, and a -1.0% CAGR forecast for the period.
- **Trade magazine revenue will stagnate**. Growth will be flat, but a closer look shows negative growth towards the end of the forecast period as falling advertising revenues, led by print, offset rising circulation revenues.

Digital makes gains as print begins to falter

Figure 4 South Africa: B2B revenues print vs digital share, 2012–2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

B2B revenue growth impacted by macro challenges

South Africa: Business-to-business market, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Business information	**3 609**	**3 812**	**4 138**	**4 290**	**4 450**	**4 623**	**4 770**	**4 904**	**5 018**	**5 107**	**2.8%**
Financial	1 155	1 207	1 302	1 322	1 350	1 387	1 427	1 460	1 493	1 524	2.4%
Industry	1 144	1 220	1 338	1 380	1 438	1 504	1 547	1 596	1 633	1 659	2.9%
Marketing	1 310	1 385	1 498	1 588	1 662	1 732	1 796	1 848	1 892	1 924	3.0%
Directories	**979**	**1 107**	**1 183**	**1 217**	**1 245**	**1 259**	**1 258**	**1 246**	**1 220**	**1 183**	**-1.0%**
Print	764	831	842	824	799	761	709	650	584	514	-8.4%
Digital	215	276	341	393	446	498	549	596	636	669	8.5%
Professional books	**168**	**177**	**183**	**187**	**190**	**194**	**196**	**199**	**201**	**202**	**1.2%**
Print	158	164	167	169	170	172	172	173	173	173	0.3%
Digital	10	13	16	18	20	22	24	26	28	29	7.8%
Trade magazine advertising	**453**	**442**	**416**	**430**	**416**	**410**	**402**	**401**	**393**	**387**	**-1.5%**
Print	425	401	356	350	314	289	262	246	230	215	-7.3%
Digital	28	41	60	80	102	121	140	155	163	172	11.0%
Trade magazine circulation	**169**	**183**	**194**	**219**	**265**	**277**	**286**	**293**	**298**	**302**	**2.6%**
Print	169	183	194	204	244	251	256	259	260	261	1.4%
Digital	0	0	0	15	21	26	30	34	38	41	14.0%
Trade shows	**2 611**	**2 728**	**2 855**	**2 985**	**3 119**	**3 257**	**3 399**	**3 544**	**3 694**	**3 854**	**4.3%**
Consumer spend	3 946	4 172	4 515	4 696	4 905	5 094	5 252	5 396	5 517	5 611	2.7%
YOY growth (%)		*5.8%*	*8.2%*	*4.0%*	*4.5%*	*3.8%*	*3.1%*	*2.7%*	*2.2%*	*1.7%*	
Advertising spend	4 043	4 277	4 454	4 632	4 780	4 926	5 059	5 191	5 307	5 424	2.6%
YOY growth (%)		*5.8%*	*4.1%*	*4.0%*	*3.2%*	*3.1%*	*2.7%*	*2.6%*	*2.2%*	*2.2%*	
Total	**7 989**	**8 449**	**8 969**	**9 328**	**9 685**	**10 020**	**10 311**	**10 587**	**10 824**	**11 035**	**2.6%**
YOY growth (%)		***5.8%***	***6.1%***	***4.0%***	***3.8%***	***3.5%***	***2.9%***	***2.7%***	***2.2%***	***2.0%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

The B2B market in South Africa generated revenues of R9.7 billion in 2016



Nigeria

B2B revenues totalled US$18 million in 2016. Annual growth across all B2B segments was a sizeable 10.6%. This will grow at a CAGR of 6.4% over the forecast period to reach US$24 million in 2021.

GDP growth of CAGR 4% is expected over the forecast period. Achieving this will partly depend on the government's ability to diversify the economy, the health of which is overly reliant on crude oil export revenues.

There is a huge consumer opportunity in Nigeria. The country has a large, increasingly urbanised population of 189 million and is in the top-quartile of the fastest-growing populations in the world.

This will benefit the trade shows segment as foreign companies look to tap the growing disposable income of such a large population, in addition to the cost benefits that will come from modernising Nigeria's severely inadequate energy and transport infrastructure.

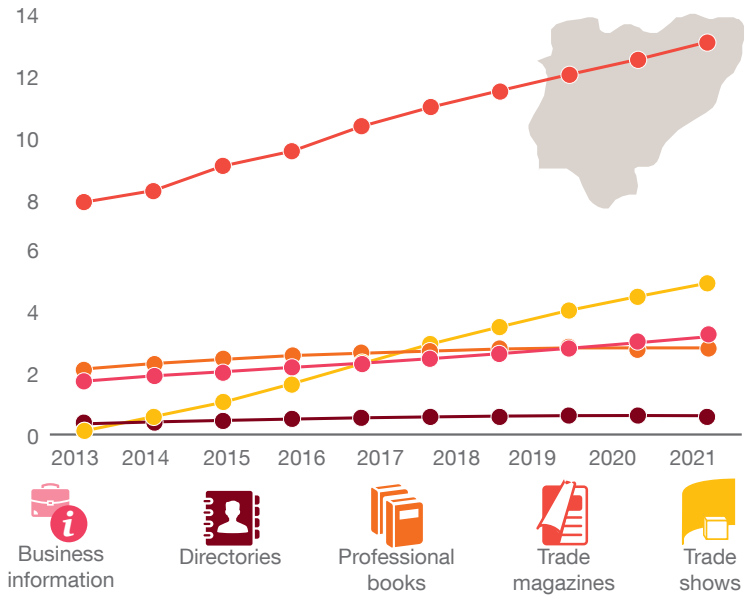
In spite of Nigeria's recent economic and monetary issues, the country is on a long-term growth path. Massive consumer demand and the headroom for infrastructure advances combined with a recovering oil price will help to lift all B2B segments, with trade shows in particular benefitting from the potential of Africa's largest economy.

This segment at a glance

- **Nigeria's B2B market produced revenues of US$18 million in 2016**. The market is forecast to grow at a CAGR of 6.4% in spite of the country's current economic and monetary challenges.

B2B revenues will continue to show strong growth

Figure 5 Nigeria: B2B revenue by segment, 2013–2021 (US$ millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Nigeria's B2B market produced revenues of US$18 million in 2016

Strong and steady growth for Nigeria

Nigeria: Business-to-business revenues, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Business information	**1.7**	**1.9**	**2.0**	**2.2**	**2.2**	**2.5**	**2.6**	**2.8**	**3.0**	**3.1**	**6.5%**
Financial	0.6	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1.0	1.1	7.7%
Industry	0.5	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	0.9	4.8%
Marketing	0.6	0.7	0.7	0.8	0.8	0.9	0.9	1.0	1.1	1.1	6.9%
Directories	**0.4**	**0.4**	**0.4**	**0.5**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**2.4%**
Print	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	-5.7%
Digital	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	13.2%
Professional books	**2.1**	**2.3**	**2.4**	**2.5**	**2.7**	**2.7**	**2.7**	**2.8**	**2.8**	**2.8**	**1.3%**
Print	2.0	2.1	2.2	2.3	2.4	2.4	2.4	2.4	2.4	2.4	0.4%
Digital	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	7.6%
Trade magazine advertising	**2.0**	**1.9**	**2.2**	**2.1**	**2.3**	**2.2**	**2.2**	**2.0**	**1.8**	**1.6**	**-6.4%**
Print	2.0	1.9	1.8	1.7	1.7	1.6	1.5	1.3	1.0	0.8	-13.2%
Digital	0.0	0.0	0.4	0.4	0.6	0.6	0.7	0.7	0.8	0.8	6.9%
Trade magazine circulation	**5.6**	**6.0**	**6.5**	**7.0**	**7.7**	**8.4**	**9.0**	**9.7**	**10.4**	**11.1**	**7.5%**
Print	5.6	6.0	6.5	7.0	7.7	8.4	9.0	9.7	10.4	11.1	7.5%
Digital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.0%
Trade shows	**0.1**	**0.6**	**1.0**	**1.6**	**2.3**	**2.9**	**3.5**	**4.0**	**4.5**	**4.9**	**16.4%**
Consumer spend	9.4	10.2	10.9	11.7	12.6	13.6	14.3	15.3	16.2	17	6.2%
YOY growth (%)		*8.9%*	*7.1%*	*7.1%*	*7.6%*	*7.0%*	*6.4%*	*6.2%*	*5.7%*	*5.5%*	
Advertising spend	2.5	2.9	3.6	4.2	5.2	5.7	6.3	6.6	6.9	7.1	7.0%
YOY growth (%)		*16.7%*	*29.7%*	*16.6%*	*18.7%*	*12.2%*	*8.3%*	*6.3%*	*4.0%*	*4.2%*	
Total	**11.9**	**13.1**	**14.5**	**15.9**	**17.8**	**19.3**	**20.6**	**21.9**	**23.1**	**24.1**	**6.4%**
YOY growth (%)		***10.5%***	***12.0%***	***9.5%***	***10.6%***	***8.5%***	***7.0%***	***6.2%***	***5.2%***	***5.1%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017 – 2021, An African perspective, PwC, Ovum

Kenya

Kenya continues to be one of the fastest-growing B2B markets. Total B2B revenue was valued at US$14 million in 2016 and will grow at a CAGR of 9.7% to US$22 million in 2021. B2B revenue grew by 12.7% in 2016, one percentage point higher than in 2015.

This will be spurred by the country's rapidly expanding economy, which is estimated to grow at a CAGR of 8.4% over the same period. The World Bank has revised Kenya's growth for 2017 down by half a percentage point, citing muted growth in private-sector credit and the rising oil price.

The cap of 4% over the base rate in commercial lending rates imposed by the government will dampen borrowing, although the impact is largely expected to be felt by higher-risk SMEs rather than larger companies.

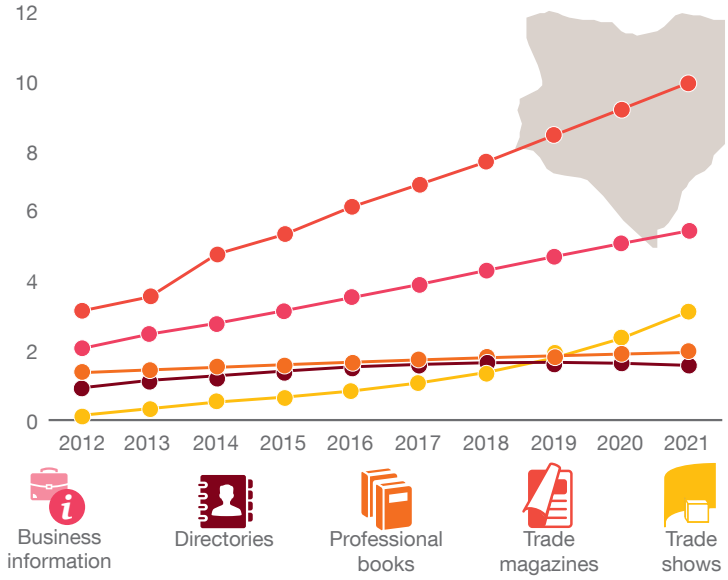
Kenya's B2B market is most notable for its small size and high growth and draws many parallels with Nigeria, with both markets being weighted towards trade magazine revenues and rapidly-ascending trade shows segments.

Although demand for business information is relatively low, unlike Western markets where the segment dominates, it will grow as Kenyans increasingly adopt smartphones and big data proliferates.

This segment at a glance

- **Kenya continues to be a small, but high-growth B2B market.** A CAGR of 9.7% will push revenues from US$14 million in 2016 to US$22 million in 2021.

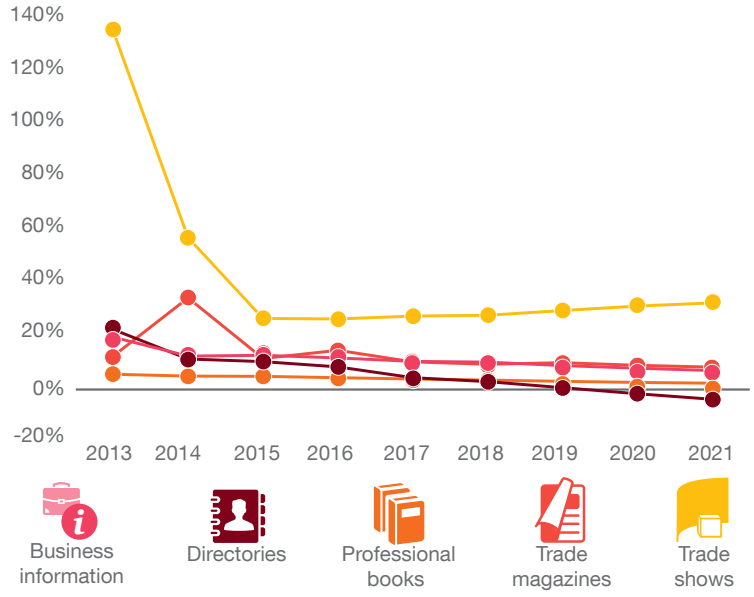
Figure 7 Kenya: B2B revenues by segment, 2012–2021 (US$ millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Trade shows to grow faster than any other segment

Figure 8 Kenya: B2B revenue growth by segment, 2013–2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Strong CAGR growth expected for Kenya

Kenya: Business-to-business revenues, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Business information	**2.0**	**2.5**	**2.8**	**3.1**	**3.5**	**3.9**	**4.3**	**4.7**	**5.1**	**5.4**	**9.1%**
Financial	0.7	0.8	0.9	0.9	1.0	1.1	1.2	1.2	1.3	1.3	4.7%
Industry	0.6	0.8	0.9	1.0	1.1	1.1	1.2	1.3	1.3	1.3	4.8%
Marketing	0.7	0.9	1.0	1.2	1.4	1.7	1.9	2.2	2.5	2.8	14.3%
Directories	**0.9**	**1.2**	**1.3**	**1.4**	**1.5**	**1.6**	**1.6**	**1.7**	**1.6**	**1.6**	**0.5%**
Print	0.7	0.9	0.9	1.0	1.0	1.0	1.0	1.0	0.9	0.8	-4.9%
Digital	0.2	0.3	0.4	0.4	0.5	0.6	0.6	0.7	0.7	0.8	8.8%
Professional books	**1.4**	**1.4**	**1.5**	**1.6**	**1.7**	**1.7**	**1.8**	**1.9**	**1.9**	**1.9**	**3.2%**
Print	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.9%
Digital	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	11.0%
Trade magazine advertising	**1.2**	**1.2**	**1.7**	**1.8**	**1.9**	**1.9**	**1.8**	**1.8**	**1.7**	**1.8**	**-1.2%**
Print	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.1	1.0	1.0	-5.9%
Digital	0.0	0.0	0.4	0.5	0.6	0.6	0.6	0.7	0.7	0.8	7.3%
Trade magazine circulation	**2.0**	**2.3**	**3.0**	**3.5**	**4.3**	**4.9**	**5.5**	**6.3**	**7.0**	**7.9**	**13.3%**
Print	2.0	2.3	2.5	2.8	3.4	3.8	4.3	4.9	5.4	6.1	12.6%
Digital	0.0	0.0	0.5	0.7	0.9	1.1	1.2	1.4	1.6	1.8	15.6%
Trade shows	**0.1**	**0.3**	**0.5**	**0.7**	**0.8**	**1.1**	**1.4**	**1.8**	**2.3**	**3.1**	**30.1%**
Consumer spend	5.4	6.2	7.3	8.2	9.5	10.5	11.6	12.9	14.0	15.2	10.2%
YOY growth (%)		*15.5%*	*18.1%*	*12.5%*	*14.1%*	*11.2%*	*11.0%*	*10.7%*	*9.4%*	*8.5%*	
Advertising spend	2.2	2.7	3.5	3.9	4.2	4.6	4.8	5.3	5.6	6.5	8.8%
YOY growth (%)		*20.4%*	*30.1%*	*10.1%*	*9.6%*	*7.8%*	*6.9%*	*7.9%*	*9.6%*	*11.8%*	
Total	**7.6**	**8.9**	**10.8**	**12.1**	**13.7**	**15.1**	**16.4**	**18.2**	**19.6**	**21.7**	**9.7%**
YOY growth (%)		***16.9%***	***21.7%***	***11.7%***	***12.7%***	***10.2%***	***9.8%***	***9.9%***	***9.5%***	***9.5%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



B2B revenue grew by 12.7% in 2016, one percentage point higher than in 2015

Ghana

Ghana's modest B2B industry is expected to almost double in size over the forecast period, with revenues rising from US$5.5 million in 2016 to US$8.4 million in 2021, at a CAGR of 9.5%. Year-on-year B2B revenues will rise by 10.4% in 2017, and by 2021 the sector is still expected to show annual growth of 8.5%.

B2B publishers in Ghana, however, are facing the same challenges as their counterparts in other markets. Digitisation has disrupted business models and some traditional revenue streams are in decline.

Total directory advertising revenue, is forecast to shrink year-on-year by 2021 as increasing numbers turn to the Internet for directory-type information. Trade magazine print advertising revenue, meanwhile, will post a CAGR of -10.5%, bringing overall trade magazine advertising into decline.

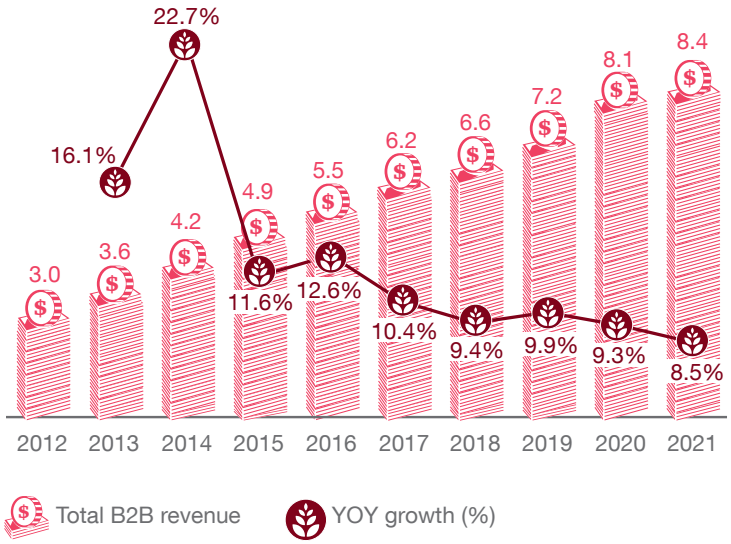
B2B publishers are responding, yet, the transition from print to digital remains challenging.

This segment at a glance

- **The Ghanaian B2B market will grow strongly year on year**. Ghana's B2B sector is forecast to grow at a CAGR of 9.5% between 2016 and 2021.
- **Business model disruption remains a challenge**. Although the industry is healthy, publishers are still grappling with disruption to business models due to digitisation, as with elsewhere in the world.

B2B revenue rises, but year-on-year growth slows

Figure 9 Ghana: Total B2B revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Business model disruption remains a challenge

The Ghanaian B2B market will grow strongly year-on-year to 2021

Ghana: Business-to-business revenues, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Business information	**1.0**	**1.2**	**1.3**	**1.5**	**1.7**	**1.8**	**2.0**	**2.2**	**2.4**	**2.5**	**8.7%**
Financial	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	4.4%
Industry	0.3	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	4.5%
Marketing	0.4	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.2	1.3	13.9%
Directories	**0.3**	**0.4**	**0.4**	**0.6**	**0.6**	**0.8**	**0.8**	**0.8**	**0.9**	**0.8**	**6.0%**
Print	0.2	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.5%
Digital	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.3	0.4	0.4	14.3%
Professional books	**0.6**	**0.7**	**0.8**	**0.8**	**0.8**	**0.9**	**0.9**	**0.9**	**1.0**	**1.0**	**3.5%**
Print	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	2.2%
Digital	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	11.3%
Trade magazine advertising	**0.4**	**0.4**	**0.6**	**0.6**	**0.7**	**0.7**	**0.6**	**0.6**	**0.7**	**0.6**	**-1.7%**
Print	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2	-10.5%
Digital	0.0	0.0	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	7.2%
Trade magazine circulation	**0.7**	**0.8**	**1.0**	**1.2**	**1.5**	**1.7**	**1.9**	**2.2**	**2.4**	**2.6**	**13.3%**
Print	0.7	0.8	0.8	0.9	1.1	1.2	1.3	1.5	1.6	1.8	11.7%
Digital	0.0	0.0	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.8	17.3%
Trade shows	**0.0**	**0.1**	**0.1**	**0.2**	**0.2**	**0.3**	**0.4**	**0.5**	**0.7**	**0.9**	**34.1%**
Consumer spend	2.3	2.7	3.1	3.5	4.0	4.4	4.8	5.3	5.8	6.1	9.5%
YOY growth (%)		14.2%	17.9%	11.4%	13.1%	10.3%	10.2%	9.9%	8.8%	8.1%	
Advertising spend	0.7	0.9	1.1	1.4	1.5	1.8	1.8	1.9	2.3	2.3	9.6%
YOY growth (%)		22.1%	37.5%	11.9%	11.4%	10.5%	7.1%	10.0%	10.7%	9.8%	
Total	**3.0**	**3.6**	**4.2**	**4.9**	**5.5**	**6.2**	**6.6**	**7.2**	**8.1**	**8.4**	**9.5%**
YOY growth (%)		***16.1%***	***22.7%***	***11.6%***	***12.6%***	***10.4%***	***9.4%***	***9.9%***	***9.3%***	***8.5%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Tanzania

Tanzania's B2B publishing industry is forecast to grow at a 8.7% CAGR over the next five years, with revenues climbing from US$8.0 million in 2016, to US$12.4 million in 2021.

As is the case in other African markets, Tanzania's B2B publishers are facing a period of uncertainty, as growth in print advertising, magazine subscriptions and directory advertising declines and new digital business models emerge.

The slowdown in growth from traditional revenue sources will be challenging for B2B publishers in the country, who have been print-orientated and found the transition to digital difficult.

B2B publishing in Tanzania has long faced demographic obstacles, with more than two-thirds of its population rural. These challenges are exacerbated by digital disruption in the industry, with levels of Internet access remaining low.

Although the outlook is challenging for the sector, government initiatives to support the development of the domestic publishing industry will help.

As is the case in similar markets such as Kenya and Ghana, it is trade show revenues that will be the major driver of revenue growth in B2B publishing in Tanzania for the coming years. Trade show revenue will rise from around US$0.2 million in 2016 to US$1.0 million in 2021, at a CAGR of 32.6%.

Tanzania has emerged as one of the preferred locations for foreign direct investment in Africa, and is the third-largest recipient of outside investment on the continent, according to the World Bank.

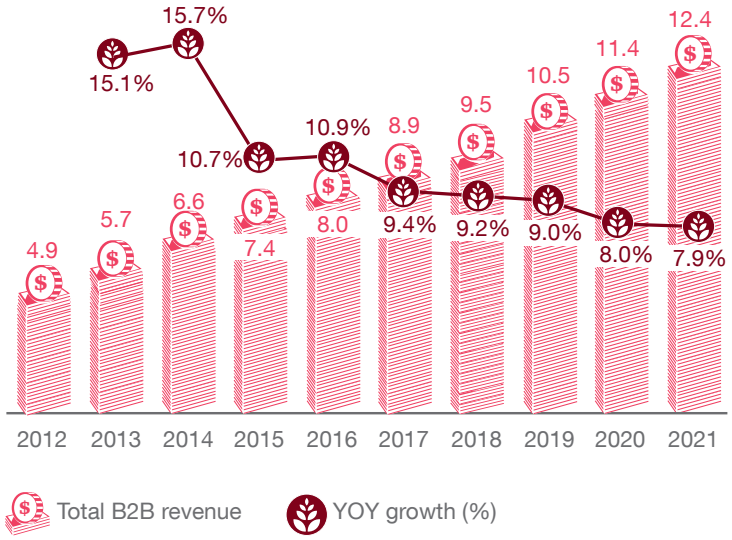
Rich natural resources, a government privatisation programme and a series of large infrastructure projects have drawn interest from foreign investors, and trade shows have served as an important platform for the facilitation of business introductions and partnerships.

This segment at a glance

- **Print revenues will start to decline, but overall growth will continue**. B2B publishing revenues in Tanzania are expected to rise at a CAGR of 8.7% between 2016 and 2021.
- **Trade shows will continue to show strong growth**. A strong performance from trade shows will help offset declining growth in print advertising from directories and trade magazine revenues.

Total B2B revenue will grow year-on-year to 2021

Figure 10 Tanzania: Total B2B revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

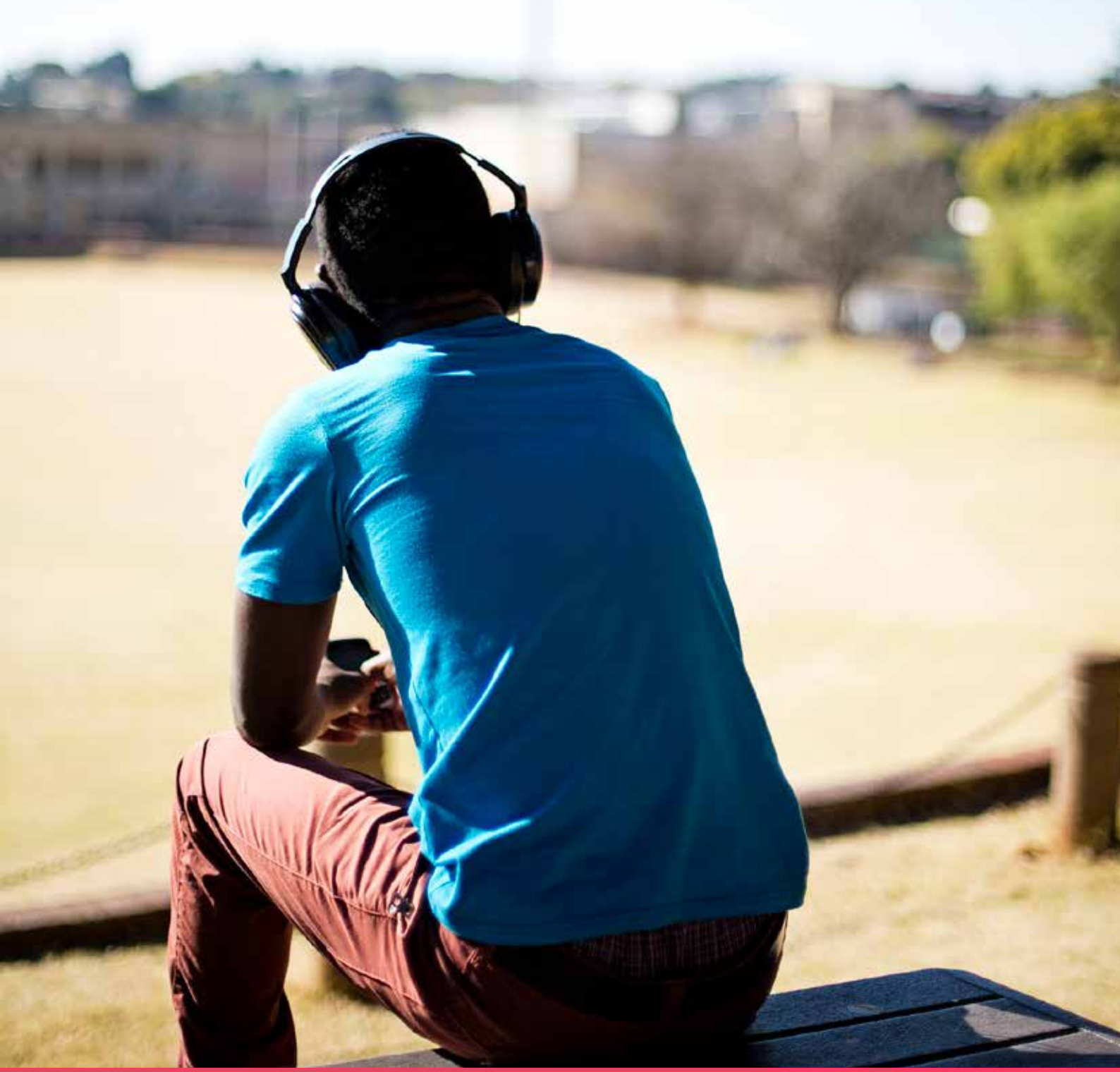
Print revenues will start to decline, but overall growth will continue

Print revenues start their decline, but overall growth will continue

Tanzania: Business-to-business revenues, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Business information	**1.6**	**1.9**	**2.2**	**2.5**	**2.8**	**3.1**	**3.4**	**3.7**	**4.0**	**4.3**	**9.1%**
Financial	0.5	0.6	0.7	0.7	0.8	0.9	0.9	1.0	1.0	1.0	4.7%
Industry	0.5	0.6	0.7	0.8	0.9	0.9	1.0	1.0	1.0	1.1	4.8%
Marketing	0.6	0.7	0.8	1.0	1.1	1.3	1.5	1.7	2.0	2.2	14.3%
Directories	**0.5**	**0.7**	**0.7**	**0.9**	**1.0**	**1.1**	**1.1**	**1.2**	**1.1**	**1.2**	**3.2%**
Print	0.4	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.6	0.6	-2.4%
Digital	0.1	0.2	0.2	0.3	0.4	0.4	0.4	0.5	0.5	0.6	11.8%
Professional books	**1.7**	**1.8**	**1.9**	**2.0**	**2.0**	**2.1**	**2.2**	**2.4**	**2.5**	**2.6**	**5.0%**
Print	1.6	1.7	1.7	1.8	1.8	1.8	1.9	2.0	2.1	2.1	3.6%
Digital	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5	13.8%
Trade magazine advertising	**0.4**	**0.4**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.7**	**0.6**	**-1.2%**
Print	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	-5.9%
Digital	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	7.3%
Trade magazine circulation	**0.7**	**0.8**	**1.1**	**1.2**	**1.4**	**1.7**	**1.8**	**2.1**	**2.4**	**2.7**	**13.2%**
Print	0.7	0.8	0.9	1.0	1.1	1.3	1.4	1.6	1.8	2.1	12.6%
Digital	0.0	0.0	0.2	0.2	0.3	0.4	0.4	0.5	0.6	0.6	15.6%
Trade shows	**0.0**	**0.1**	**0.1**	**0.2**	**0.2**	**0.3**	**0.4**	**0.5**	**0.7**	**1.0**	**32.6%**
Consumer spend	4.0	4.5	5.2	5.7	6.2	6.9	7.4	8.2	8.9	9.6	8.9%
YOY growth (%)		*13.4%*	*12.5%*	*10.4%*	*11.0%*	*9.5%*	*9.9%*	*9.4%*	*7.9%*	*7.7%*	
Advertising spend	0.9	1.2	1.4	1.7	1.8	2.0	2.1	2.3	2.5	2.8	7.9%
YOY growth (%)		*22.6%*	*28.6%*	*11.7%*	*10.8%*	*9.2%*	*6.5%*	*7.3%*	*8.0%*	*8.5%*	
Total	**4.9**	**5.7**	**6.6**	**7.4**	**8.0**	**8.9**	**9.5**	**10.5**	**11.4**	**12.4**	**8.7%**
YOY growth (%)		***15.1%***	***15.7%***	***10.7%***	***10.9%***	***9.4%***	***9.2%***	***9.0%***	***8.0%***	***7.9%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



Music

South Africa

The headline change in the music industry has to be the marked consumer shift away from purchasing and owning recorded music to showing an increasing preference for subscription-based, music-rental services. A similar trend is being experienced across the globe in the consumer music-streaming spending figures and forecasts, with the rate of change the only significant differentiator.

As with other markets, that shift to subscription-based streaming looks to have come at a cost to the music industry, with a sharp decline in digital music downloads, a format that is losing favour in most countries. Music-streaming platforms will continue to grow, with much of that activity driven by the region's younger demographics.

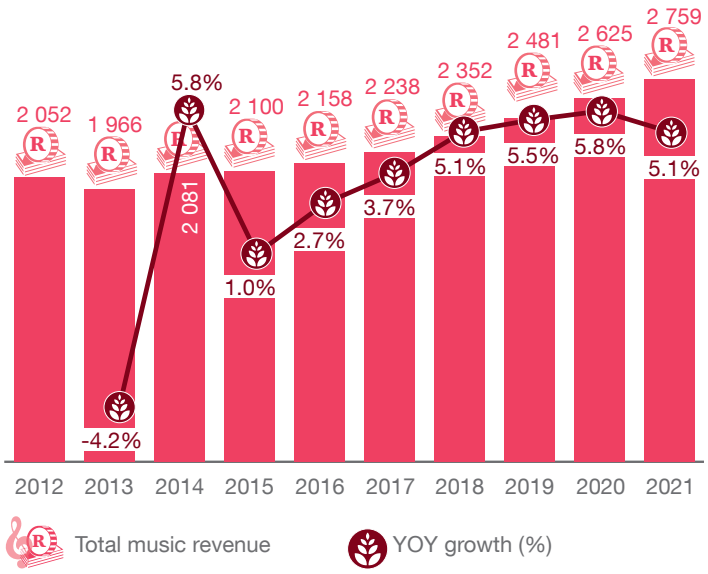
As in many developed markets, streaming has proved the saviour of the recorded music industry in South Africa. A healthy mix of local and international players have combined to create a compelling service for consumers, and uptake is easily enough to offset the fast-declining physical and downloads market. Coupled with a live music market in good shape, the music segment has a positive outlook over the next five years.

This segment at a glance

- **South Africa's music revenue is on a growth curve**. Total music revenue was R2.2 billion in 2016, up 2.7% on the previous year. The live music sector continues to be the growth driver as recorded music sales decline. However, while the live segment is set to maintain its momentum, recorded music revenue will begin to revive as South African consumers increasingly sign up to the market's digital services. Total music revenue is forecast to rise at a CAGR of 5.0% to reach R2.8 billion in 2021.

South Africa's music revenue is on a growth curve

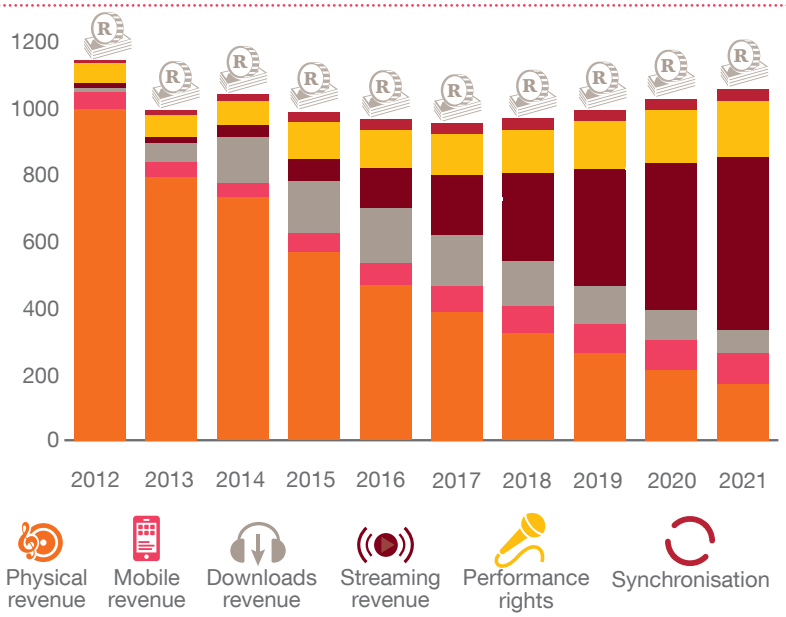
Figure 1 South Africa: Total music revenue (R millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

- **Recorded music set to rise on the back of healthy streaming growth**. As in many markets, audiences are not only turning away from owning physical music product, but they are also set to reduce their consumption of digital downloads, with downloading revenue forecast to decline for the first time in 2017 by 7%. South Africa is able to boast a wide range of music streaming services, with newcomers still coming to market with differentiated, competitive offers, further boosting consumer demand for subscription-based listening.
- **Physical recorded music is in steep decline**. Sales totalled just R463 million in 2016, down from R562 million in the previous year, and from R992 million in 2012. Physical recorded music revenue is forecast to decrease at a CAGR of -18.4% over the next five years to be worth only R168 million in 2021.
- **Live music plays a key, and growing, role**. Ticket sales and sponsorship revenue will continue to rise at a pace that will see live music take an increasing share of total music revenue, increasing from 55% in 2016 to 62% in 2021. Live music revenue will rise from R1.2 billion in 2016 to total R1.7 billion in 2021, a CAGR of 7.4% over the forecast period.

Figure 2 South Africa: Recorded music revenue by type 2012–2021, (R millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Streaming and live music will drive South Africa to a 5.0% CAGR

South Africa: Music revenue, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Physical	992	788	727	562	463	384	320	261	210	168	-18.4%
Digital	76	119	215	279	350	412	478	551	620	679	14.2%
Downloads	14	55	136	153	165	154	132	111	90	70	-15.7%
Mobile	48	45	44	59	67	76	82	87	89	91	6.1%
Streaming	14	19	35	67	118	182	264	353	441	518	34.5%
Performance rights	62	68	72	110	116	121	131	142	156	169	8.0%
Synchronisation	6	14	21	31	32	33	33	34	35	35	1.9%
Total recorded music	**1 136**	**989**	**1 035**	**982**	**961**	**950**	**962**	**988**	**1 021**	**1 051**	**1.8%**
Live music ticket sales	712	758	811	865	924	992	1 069	1 146	1 230	1 304	7.1%
Live music sponsorship	204	219	235	253	273	296	321	347	374	404	8.1%
Total live music	**916**	**977**	**1 046**	**1 118**	**1 197**	**1 288**	**1 390**	**1 493**	**1 604**	**1 708**	**7.4%**
Total music revenues	**2 052**	**1 966**	**2 081**	**2 100**	**2 158**	**2 238**	**2 352**	**2 481**	**2 625**	**2 759**	**5.0%**
YOY growth (%)		***-4.2%***	***5.8%***	***1.0%***	***2.7%***	***3.7%***	***5.1%***	***5.5%***	***5.8%***	***5.1%***	

Note: Figures for 2012–2016 have been updated to reflect more recently available information.
Performance rights and synchronisation are new additions for this year.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Nigeria

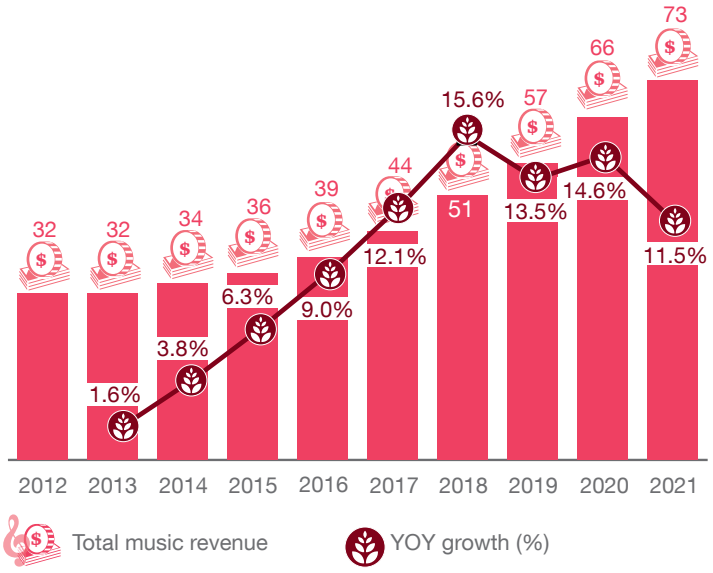
Despite a number of challenges, including piracy and the difficulty in monetising services, a lot of music is created in Nigeria, with new artists emerging all the time. Hundreds of albums are produced annually covering a wide range of genres, and some local artists manage to clinch deals with major labels after achieving international prominence.

This segment at a glance

- **Music revenue in Nigeria continues to see healthy growth.** Total music revenue in Nigeria rose 9.0% in 2016 to reach US$39 million, and is set to rise at a 13.4% CAGR to US$73 million in 2021.
- **Although Nigeria has one of Africa's most vibrant music scenes, it struggles greatly with piracy**. By comparison to its population, Nigeria's legal music sector is small, and although digital music revenue overtook physical music revenue as far back as 2013, and is forecast to grow at a healthy pace, it is overwhelmingly derived from mobile – mostly from ringback tones, which have become a big social phenomenon among Nigerians. In fact, mobile made up nearly 99% of digital revenue in 2016 and that share will actually increase slightly over the next five years to 2021. By contrast, downloading revenue will dwindle and streaming revenue will remain at trivial levels.

Music revenue in Nigeria continues to see healthy growth

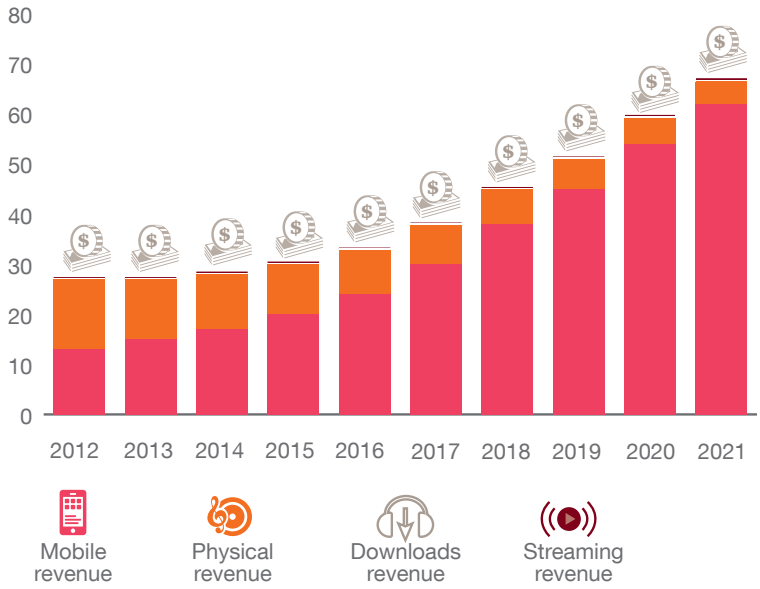
Figure 3 Nigeria: Total music revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Mobile music's piracy-proof nature sees it rise steeply

Figure 4 Nigeria: Recorded music revenue by type 2012–2021, (US$ millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Nigeria: Music revenue, 2012–2021, (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Physical	13.9	12.4	11.0	9.9	8.8	7.8	6.9	6.0	5.2	4.5	-12.4%
Digital	12.8	14.7	17.2	20.4	24.6	30.2	37.9	45.4	54.6	62.7	20.5%
Downloads	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-2.2%
Mobile	12.6	14.5	16.9	20.1	24.3	29.9	37.6	45.1	54 .2	62.3	20.6%
Streaming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	36.2%
Total recorded music	**26.7**	**27.1**	**28.2**	**30.3**	**33.4**	**38.0**	**44.8**	**51.4**	**59.8**	**67.2**	**15.0%**
Live music ticket sales	4.6	4.6	4.8	4.8	4.9	5.0	5.1	5.2	5.3	5.4	1.8%
Live music sponsorship	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	3.8%
Total live music	**5.3**	**5.3**	**5.5**	**5.5**	**5.6**	**5.7**	**5.8**	**5.9**	**6.1**	**6.2**	**2.1%**
Total music revenues	**32.0**	**32.4**	**33.7**	**35.8**	**39.0**	**43.7**	**50.6**	**57.3**	**65.9**	**73.4**	**13.4%**
YOY growth (%)		***1.6%***	***3.8%***	***6.3%***	***9.0%***	***12.1%***	***15.6%***	***13.5%***	***14.6%***	***11.5%***	

Note: Figures for 2012–2016 have been updated to reflect more recently available information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Music revenue in Nigeria continues to see healthy growth



Kenya

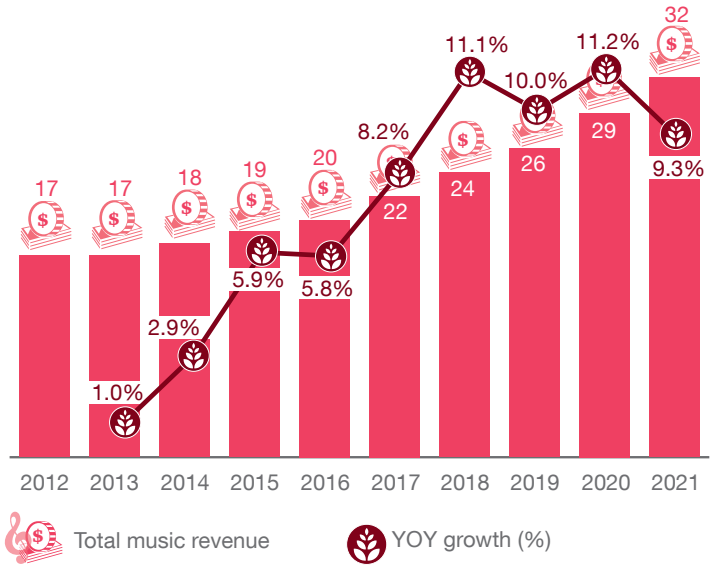
Like Nigeria, Kenya derives much of its music revenue through ringbacks and ring tones, with streaming yet to make a ripple and downloads on the slide from a low base. Piracy-proof mobile music revenue will thus help total music revenue to a 10.0% CAGR to 2021.

This segment at a glance

- **Moderate growth in music revenue in 2016 but better times ahead**. Total music revenue in Kenya saw a moderate rise of 5.8% in 2016 to reach US$20 million. This figure is forecast to reach US$32 million in 2021, at a CAGR of 10.0%.
- **Mobile's stranglehold over digital will only increase over time**. Recorded music revenue – which accounts for over 90% of total revenue – will be 80% digital by 2021, with digital revenue overtaking physical revenue in 2014. Virtually all of this digital revenue is derived from mobile – primarily from ringback tones. The country's royalty-collection system is not yet fully formalised, with artists and publishers persistently short-changed.

Moderate growth in music revenue in 2016 but better times ahead

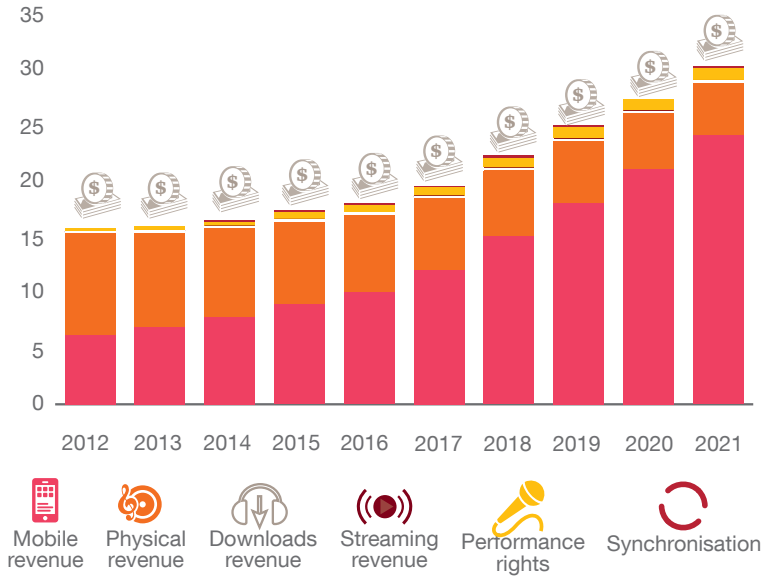
Figure 5 Kenya: Total music revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Mobile soars as physical music declines

Figure 6 Kenya: Recorded music revenue by type, 2012–2021 (US$ millions)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Kenya: Music revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Physical	9.1	8.4	7.9	7.4	6.9	6.4	5.9	5.5	5.0	4.7	-7.3%
Digital	6.3	7.1	7.9	9.1	10.7	12.6	15.4	18.1	21.3	24.2	17.8%
Downloads	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-2.9%
Mobile	6.2	6.9	7.7	8.9	10.5	12.4	15.2	17.9	21.1	24.0	18.1%
Streaming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.7%
Performance rights	0.3	0.4	0.4	0.7	0.7	0.8	0.9	1.0	1.0	1.1	9.7%
Synchronisation	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	10.5%
Total recorded music	**15.7**	**15.9**	**16.3**	**17.3**	**18.4**	**19.9**	**22.4**	**24.8**	**27.5**	**30.2**	**10.5%**
Live music ticket sales	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	2.8%
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**	**1.4**	**1.5**	**1.5**	**1.6**	**1.6**	**1.6**	**1.7**	**1.7**	**2.6%**
Total music revenues	**17.1**	**17.3**	**17.7**	**18.8**	**19.9**	**21.5**	**24.0**	**26.4**	**29.2**	**31.9**	**10.0%**
YOY growth (%)		***1.0%***	***2.9%***	***5.9%***	***5.8%***	***8.2%***	***11.1%***	***10.0%***	***11.2%***	***9.3%***	

Note: Figures for 2012–2016 have been updated to reflect more recently available information.
Performance rights and synchronisation are new additions for this year.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Mobile's stranglehold over digital will only increase over time



Ghana

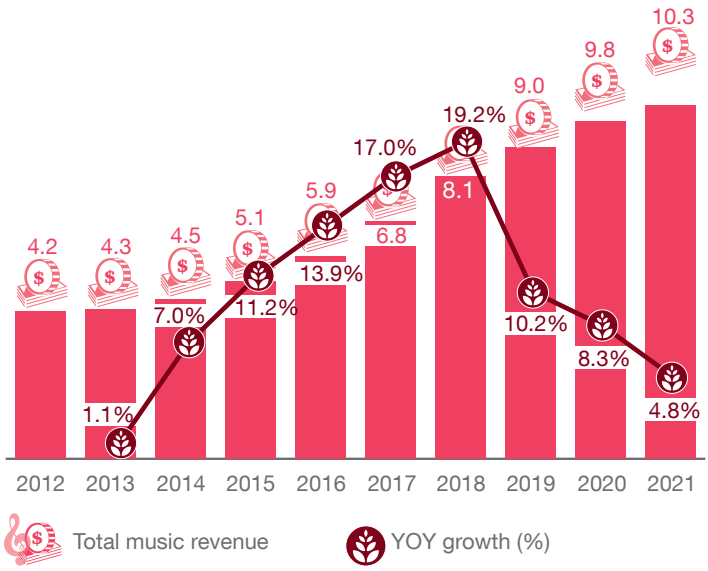
Mobile music leads when it comes to music consumption in Ghana. Ringback tones are highly popular, driving mobile music revenue to US$3.7 million in 2016, equivalent to 97% of Ghanaian digital recorded music revenue, and 67% of the value of total recorded music revenue in the market. Mobile music revenue is forecast to increase to US$8.8 million in 2021, contributing 90% of Ghanaian recorded music revenue. Music streaming services are yet to gain traction.

This segment at a glance

- **Ghana's music market will rise to above US$10 million in 2021**. The market will rise at an 11.7% CAGR.
- **Mobile music leads when it comes to music consumption**. Mobile music will contribute approximately 90% of Ghanaian recorded music revenue.

Strong revenue growth in coming years

Figure 7 Ghana: Total music revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Mobile music is driving growth



Ghana: Music revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Physical	2.2	2.1	1.9	1.8	1.6	1.4	1.2	1.0	0.9	0.7	-14.3%
Digital	1.6	1.8	2.2	2.9	3.8	4.9	6.4	7.4	8.3	8.9	18.6%
Downloads	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.6%
Mobile	1.6	1.8	2.2	2.8	3.7	4.8	6.3	7.3	8.2	8.8	18.8%
Streaming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.0%
Performance rights	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	5.4%
Synchronisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	13.3%
Total recorded music	**3.9**	**4.0**	**4.2**	**4.8**	**5.5**	**6.4**	**7.7**	**8.6**	**9.4**	**9.8**	**12.3%**
Live music ticket sales	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	3.4%
Live music sponsorship	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total live music	**0.3**	**0.3**	**0.3**	**0.3**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.5**	**3.1%**
Total music revenues	**4.2**	**4.3**	**4.5**	**5.1**	**5.9**	**6.8**	**8.1**	**9.0**	**9.8**	**10.3**	**11.7%**
YOY growth (%)		***1.1%***	***7.0%***	***11.2%***	***13.9%***	***17.0%***	***19.2%***	***10.2%***	***8.3%***	***4.8%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

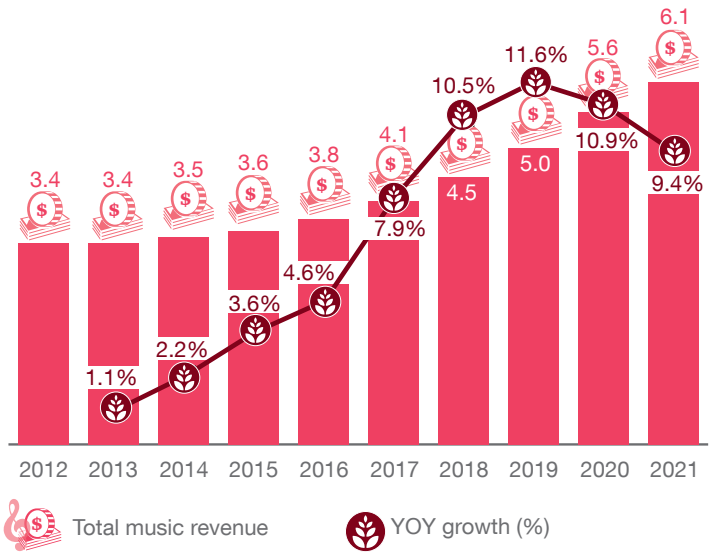
Tanzania

With a value of US$3.5 million, recorded music revenue accounted for close to 92% of total Tanzanian music revenue in 2016, a proportion that is set to rise to nearly 95% in 2021. Recorded music revenue is forecast to increase at a CAGR of 10.5% to be worth US$5.8 million in 2021. The segment is dominated by mobile consumption, with mobile device usage totalling US$2.1 million in 2016, in large part due to the popularity of ringback tones, though sales primarily benefit the market's leading artists. Mobile will remain the dominant channel in Tanzania over the next five years, with mobile music revenue rising to US$4.9 million in 2021.

This segment at a glance

- **Tanzania's small music market should see double-digit growth over the next five years**. Again, mobile music is key to the 10.1% CAGR.
- **Mobile music leads when it comes to music consumption**. Mobile music revenue will rise to US$4.9 million by 2021.

Figure 8 Tanzania: Total music revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Recorded music revenue dominates the market

Tanzania music revenue, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Physical	1.8	1.7	1.6	1.5	1.3	1.2	1.1	1.0	0.9	0.8	-8.5%
Digital	1.3	1.4	1.6	1.8	2.1	2.5	3.0	3.6	4.3	4.9	17.9%
Downloads	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.9%
Mobile	1.3	1.4	1.6	1.8	2.1	2.5	3.0	3.6	4.3	4.9	18.1%
Streaming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.5%
Performance rights	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	8.4%
Synchronisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.8%
Total recorded music	**3.2**	**3.2**	**3.3**	**3.4**	**3.5**	**3.8**	**4.2**	**4.7**	**5.3**	**5.8**	**10.5%**
Live music ticket sales	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	3.6%
Live music sponsorship	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total live music	**0.2**	**0.2**	**0.2**	**0.2**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**3.2%**
Total music revenues	**3.4**	**3.4**	**3.5**	**3.6**	**3.8**	**4.1**	**4.5**	**5.0**	**5.6**	**6.1**	**10.1%**
YOY growth (%)		***1.1%***	***2.2%***	***3.6%***	***4.6%***	***7.9%***	***10.5%***	***11.6%***	***10.9%***	***9.4%***	

Source: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



Out-of-home advertising

South Africa

South Africa's OOH advertising market was valued at R4.4 billion in 2016, an increase of 4.0% on the previous year. Continued modest but steady growth is expected over the next five years, although the OOH industry's fortunes will be intertwined with those of the wider South African economy.

Pricing in the OOH industry, is largely determined by demand, which in turn is driven in large part by macroeconomic conditions.

OOH revenue will continue tending to track GDP growth over the forecast period, although increasing digital OOH (DOOH) revenue and associated improvements in measurement and targeting will allow the OOH market—unlike print media—to hold its own in the face of the dramatic growth of Internet advertising.

Measurement and regulatory issues continue to be a drag on the South African OOH market. OOH is an inherently difficult medium to measure, but this issue is particularly acute in South Africa due to lack of agreed national measurement standards. Ineffective regulation has also allowed illegal and unlicensed operators to proliferate at the expense of legitimate competitors. Happily, in both cases the situation is improving.

Measurement standards are improving thanks to new standards and research from the Outdor Measurement Council (OMC) while the wealth of data produced by new DOOH technologies provides advertisers with greater visibility than ever before. Meanwhile, crackdowns on unlicensed OOH advertising in Johannesburg and Cape Town are helping to broaden the market for legitimate operators.

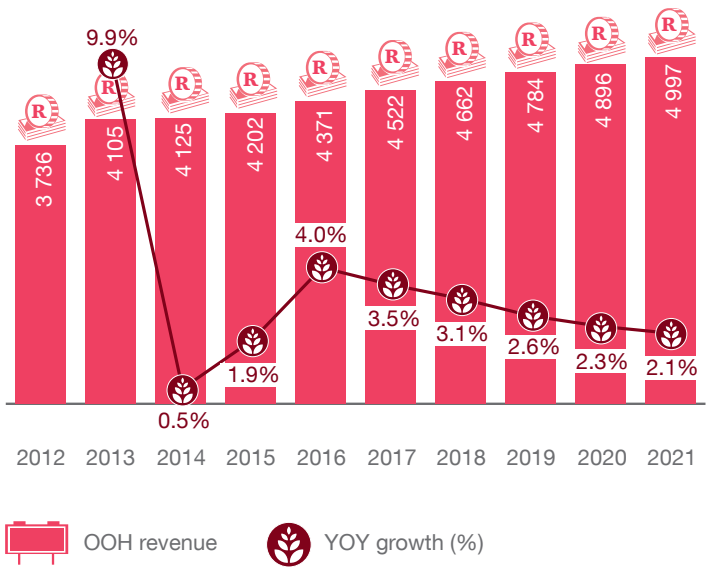
Better measurement and the improving regulatory environment will be key growth drivers for South African OOH over the next five years.

This segment at a glance

- **South Africa is the largest OOH market in Africa, valued at R4.4 billion in 2016**. It is forecast to grow at a CAGR of 2.7% over the next five years, although the growth will be dependent on the performance of the wider South African economy.
- **Over a quarter of South Africa's OOH revenue now comes from DOOH formats**. This proportion is set rise to over 40% by 2021 as DOOH becomes ever more prominent in South Africa, generating revenue of R2.0 billion.
- **A variety of new technologies are opening up new possibilities for the OOH industry**. Improved measurement and targeting, programmatic sales and mobile payments will all become increasingly important in South African OOH.
- **Regulation remains a difficulty in South Africa**. However, recent government efforts to crack down on illegal and unlicensed OOH advertising have been a positive development.
- **Infrastructure projects are driving growth**. South Africa continues to invest heavily in transport infrastructure, including bus rapid transit (BRT) networks in many cities and expansion of the Gautrain rail network in Gauteng. Combined with a large number of new shopping malls, this will create numerous opportunities for OOH.

Continued modest but steady growth is expected over the next five years

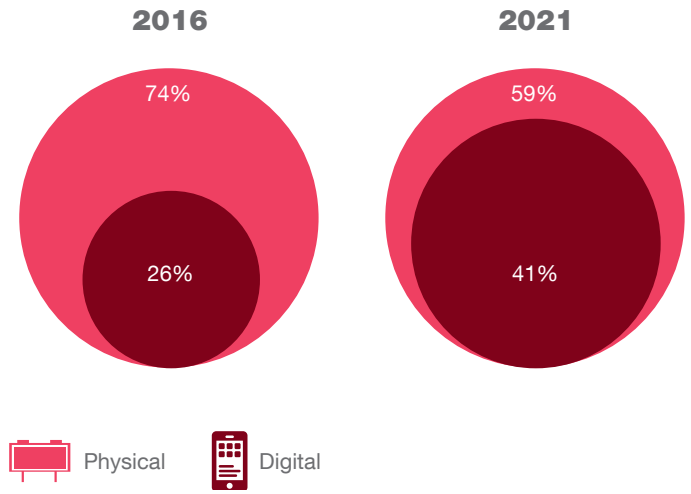
Figure 1 South Africa: Total OOH revenue (R millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Over a quarter of South Africa's OOH revenue now comes from DOOH formats

Figure 2 South Africa: Digital and physical OOH revenue share, 2016 vs 2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

South Africa's OOH market is set for continued modest but steady growth

South Africa: OOH advertising market, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR
Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Physical OOH	3 705	3 439	3 324	3 257	3 232	3 195	3 149	3 093	3 032	2 965	-1.7%
Digital OOH	31	666	801	945	1 139	1 327	1 513	1 691	1 864	2 032	12.3%
Total OOH	**3 736**	**4 105**	**4 125**	**4 202**	**4 371**	**4 522**	**4 662**	**4 784**	**4 896**	**4 997**	**2.7%**
YOY growth (%)		***9.9%***	***0.5%***	***1.9%***	***4.0%***	***3.5%***	***3.1%***	***2.6%***	***2.3%***	***2.1%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Regulation remains a difficulty in South Africa



Nigeria

Nigeria's OOH advertising market grew 6.8% in 2016 to reach a value of US$148 million. It is the second-largest OOH advertising market in Africa, behind South Africa. The market is expected to expand strongly over the forecast period, growing at a CAGR of 5.4% to US$193 million by 2021.

Nigeria's expanding GDP, population and urbanisation rate create a positive dynamic for OOH, which is one of the most effective forms of advertising in Nigeria's fast-growing cities.

Most OOH advertising in Nigeria makes use of traditional formats, with billboards mounted beside roads or on buildings by far the most common format. Unreliable electricity supplies present a problem in many areas. Many billboards consequently incorporate solar panels in order to provide a back-up power source for night-time lighting.

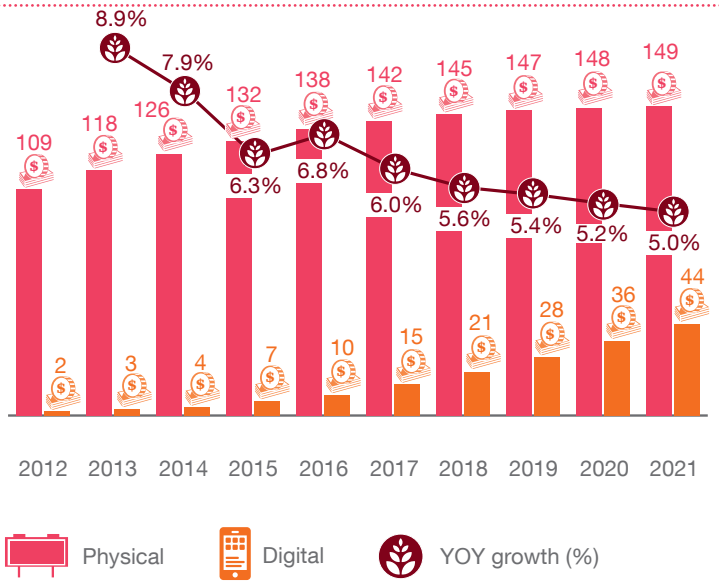
Unlike many more mature markets, including South Africa, physical OOH revenue is continuing to grow in Nigeria in the absence of stronger competition from digital formats. Physical OOH is forecast to increase at a CAGR of 1.6% over the forecast period. DOOH revenue is forecast to grow to US$44 million by 2021, expanding at a CAGR of 33.7%. However, this will still represent just 22.7% of total OOH revenue, a low proportion even by regional standards.

This segment at a glance

- **Nigeria is Africa's second-largest OOH market and is seeing faster growth in DOOH than any other, with a CAGR of 33.7%.** The total market is set to grow to US$193 million by 2021.
- **Unlicensed and illegal OOH advertising is a particularly severe problem in Nigeria.** Regulation is close to non-existent in much of the country. The Outdoor Advertising Association of Nigeria, which encompasses all of the country's major providers, has worked in recent years to introduce common standards and encourage compliance with regulations and industry guidelines. But much of the OOH market exists outside the formal economy, with many displays controlled individually by small business and property owners, meaning that stronger government action will be required in order to properly regulate the industry.

The Nigerian OOH market is growing strongly, but DOOH still plays a minor role

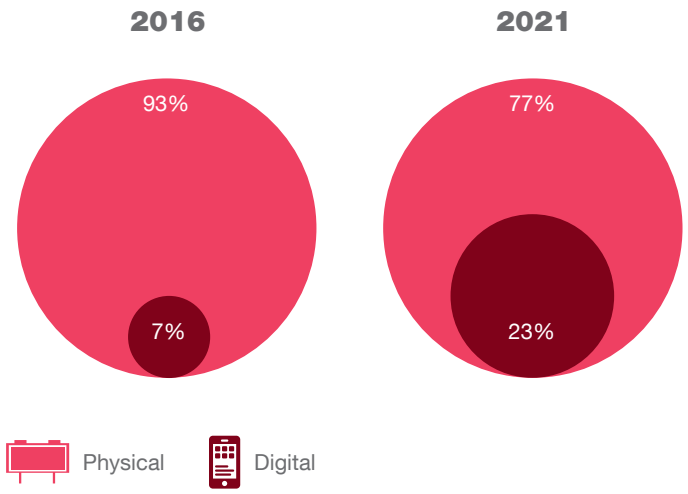
Figure 3 Nigeria: Physical and digital OOH revenue, (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Nigeria is seeing fast growth in DOOH

Figure 4 Nigeria: Digital and physical OOH revenue share, 2016 vs 2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Africa's second-largest OOH market continues to grow

Nigeria: OOH advertising market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Physical OOH	109	118	126	132	138	142	145	147	148	149	1.6%
Digital OOH	2	3	4	7	10	15	21	28	36	44	33.7%
Total OOH	**111**	**121**	**130**	**139**	**148**	**157**	**166**	**175**	**184**	**193**	**5.4%**
YOY growth (%)		***8.9%***	***7.9%***	***6.3%***	***6.8%***	***6.0%***	***5.6%***	***5.4%***	***5.2%***	***5.0%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017– 2021, An African perspective, PwC, Ovum



Nigeria's expanding GDP, population and urbanisation rate create a positive dynamic for OOH

Kenya

Kenya's OOH market has performed very well in recent years, reflecting the country's relative political stability, healthy economic growth, growing population and increasing urbanisation.

Total OOH revenue exceeded US$100 million for the first time in 2016 as it increased 7.9% over the previous year to reach US$103 million. Similar growth rates are expected over the next few years, with total Kenyan OOH revenue forecast to grow at a CAGR of 7.1% over the forecast period to US$145 million in 2021.

Kenya's OOH market is quite digitised by African standards with 16.5% of total revenue, US$17 million, coming from DOOH in 2016. While only a small proportion of Kenya's OOH displays have so far been digitised, OOH providers have been aggressive in installing digital panels in high-value locations such as shopping malls and airports.

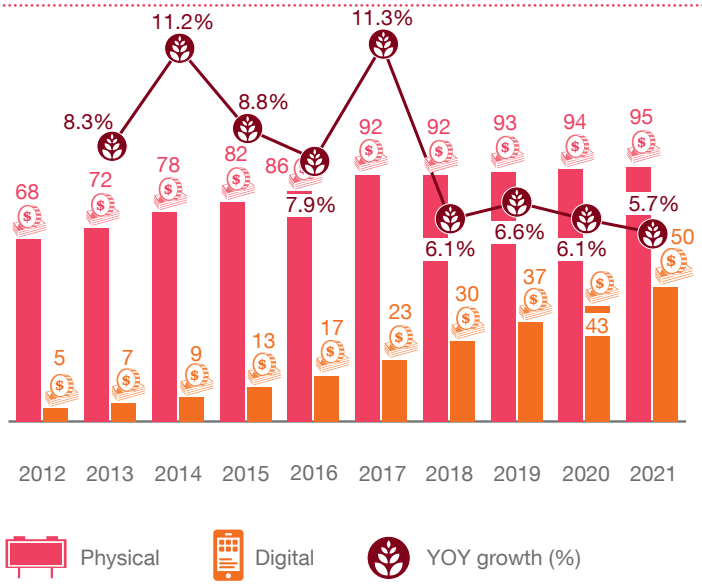
A large proportion of Kenya's advertising spending is directed at its growing middle class, especially in Nairobi, and DOOH is very much directed at this demographic.

This segment at a glance

- **The Kenyan OOH market is valued at US$103 million and is enjoying strong growth as the country's economy expands and DOOH gains traction**. Revenue is forecast to grow at 7.1% CAGR to US$145 million over the next five years.
- **Kenya's rapidly growing smartphone penetration and highly developed mobile payments infrastructure is particularly interesting to OOH providers**. It opens the door to a range of point-of-sale marketing opportunities. There is perhaps no other market in the world where consumers are as accustomed to paying via mobile devices as in Kenya.

DOOH is the primary driver of strong growth in the Kenyan OOH market

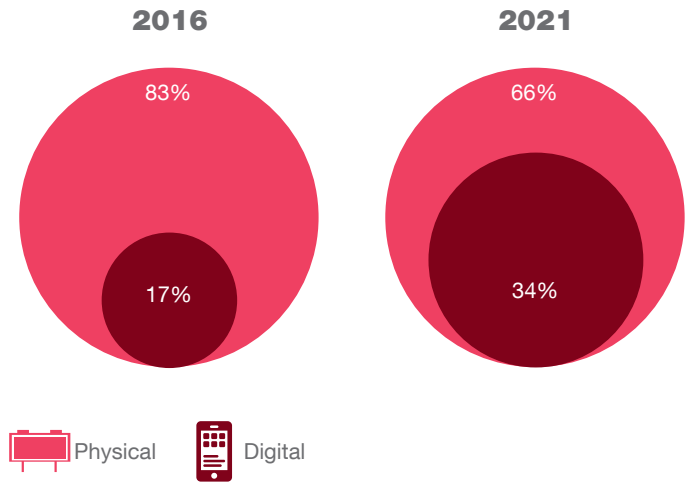
Figure 5 Kenya: Physical and digital OOH revenue, (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

DOOH gains traction as the country's economy expands

Figure 6 Kenya: Digital and physical OOH revenue share, 2016 vs 2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Rapidly increasing digital revenue drives strong growth

Kenya: OOH advertising market, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Physical OOH	68	72	78	82	86	92	92	93	94	95	2.1%
Digital OOH	5	7	9	13	17	23	30	37	43	50	24.0%
Total OOH	**73**	**79**	**87**	**95**	**103**	**115**	**122**	**130**	**137**	**145**	**7.1%**
YOY growth (%)		***8.3%***	***11.2%***	***8.8%***	***7.9%***	***11.3%***	***6.1%***	***6.6%***	***6.1%***	***5.7%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



Kenya's highly developed mobile payments infrastructure is particularly interesting to OOH providers

Ghana

Ghana's OOH market grew by 11.6% in 2016 to US$58 million. It is one of the fastest-growing OOH markets in the world, having doubled in size since 2012. While this extremely fast rate of expansion won't quite be sustained, the Ghanaian OOH market will continue to perform strongly over the forecast period with a CAGR of 7.1%. By 2021, total OOH revenue will have reached US$81 million, an increase of 40% on 2016.

Much of the rapid growth of Ghana's OOH market in recent years has been due to efforts to regulate the previously highly informal market. There has been considerable success in reducing haphazard and illegal signage, which has facilitated the growth of the legal market.

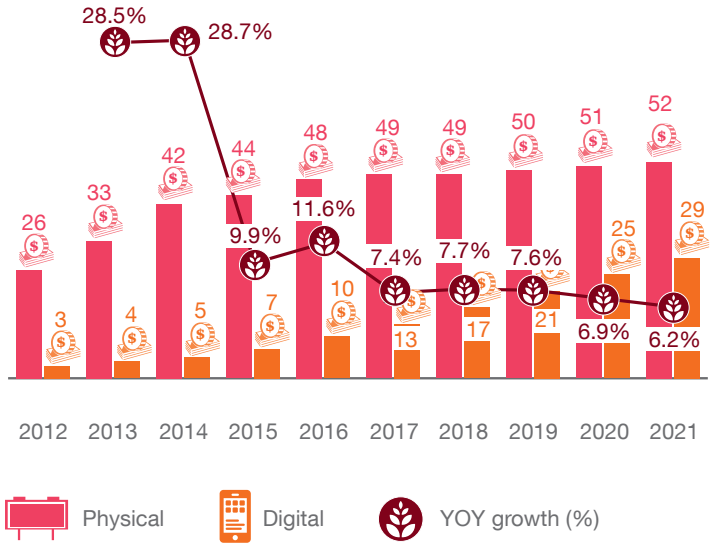
The Accra Metropolitan Assembly imposed taxes on billboards in the city for the first time in 2011, but costs have proved bearable to an increasingly professionalised OOH industry.

This segment at a glance

- **Ghana's OOH revenue is forecast to expand at a 7.1% CAGR over the next five years.** This will be driven primarily by rapidly expanding DOOH, which will make up 35.8% of total OOH revenue by 2021.
- **DOOH revenue is expected to reach US$29 million by 2021—equivalent to the entire OOH market in 2012.** By then, 35.8% of Ghana's OOH revenue is expected to come from digital formats, the second-highest rate in Africa after South Africa.

Ghana's physical OOH revenue has grown strongly but most future growth will be digital

Figure 7 Ghana: Physical and digital OOH revenue, (US$ millions) and year-on-year growth (%), 2012–2021



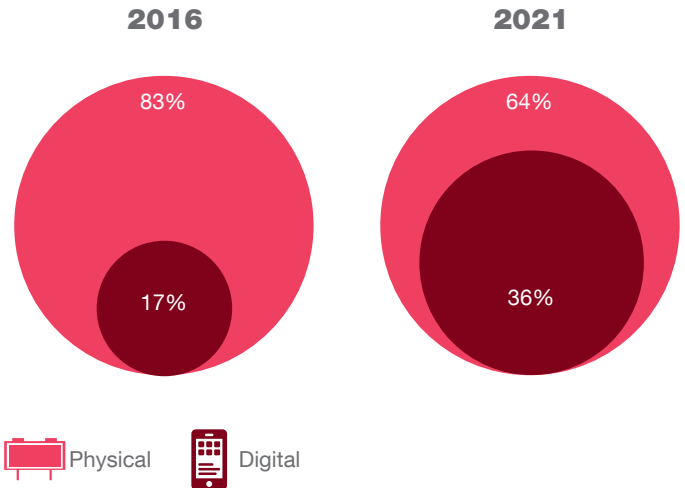
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



Ghana's OOH market grew by 11.6% in 2016 to US$58 million

Rapidly expanding DOOH will make up 35.8% of total OOH revenue by 2021.

Figure 8 Ghana: Digital and physical OOH revenue share, 2016 vs 2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Strong growth set to continue for Ghanaian OOH

Ghana: OOH advertising market, 2012-2021 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Physical OOH	26	33	42	44	48	49	49	50	51	52	1.7%
Digital OOH	3	4	5	7	10	13	17	21	25	29	24.4%
Total OOH	**29**	**37**	**47**	**51**	**58**	**62**	**66**	**71**	**76**	**81**	**7.1%**
YOY growth (%)		***28.5%***	***28.7%***	***9.9%***	***11.6%***	***7.4%***	***7.7%***	***7.6%***	***6.9%***	***6.2%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Tanzania

Tanzania's OOH advertising market reached a value of US$33 million in 2016, after an expansion of 14.7% in that year, the highest rate in Africa and one of the highest in the world. It will be the fastest-growing OOH market in Africa over the next five years with a forecast CAGR of 9.3%. This will see total OOH revenue grow to US$53 million by 2021.

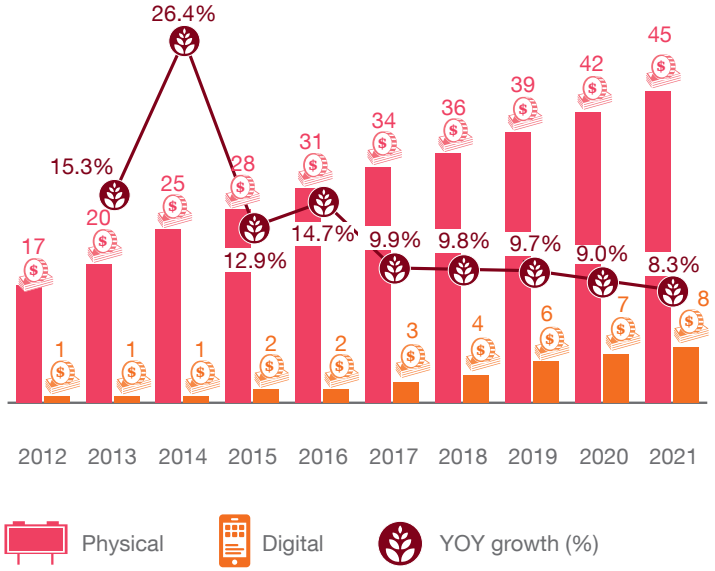
As in many regional markets, the strong performance of Tanzania's OOH market is fundamentally a product of expanding GDP, disposable incomes and rapidly increasing urbanisation. These market forces combine to produce a highly buoyant advertising market and OOH is one of the most cost-effective ways for advertisers to reach large numbers of consumers in a market where other advertising channels are relatively underdeveloped.

This segment at a glance

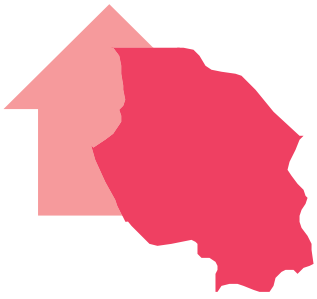
- **Tanzania will be the fastest-growing OOH market in the region at a CAGR of 9.3% over the forecast period to reach revenues of US$53 million in 2021**. This is despite a low digitisation rate of just 6.1% in 2016.
- **DOOH revenue will grow strongly over the next five years at a CAGR of 27.0% and is expected to reach a value of US$8 million by 2021**. A relative lack of DOOH-friendly environments such as shopping malls and major transit hubs will prevent DOOH from reaching the levels seen in neighbouring Kenya for the foreseeable future. This will allow physical OOH formats to continue to fill the gap, growing at a CAGR of 7.4%—one of the fastest such growth rates in the world.

Both physical and digital OOH revenue are expanding rapidly

Figure 9 Tanzania: Physical and digital OOH revenue, (US$ millions) and year-on-year growth (%), 2012–2021



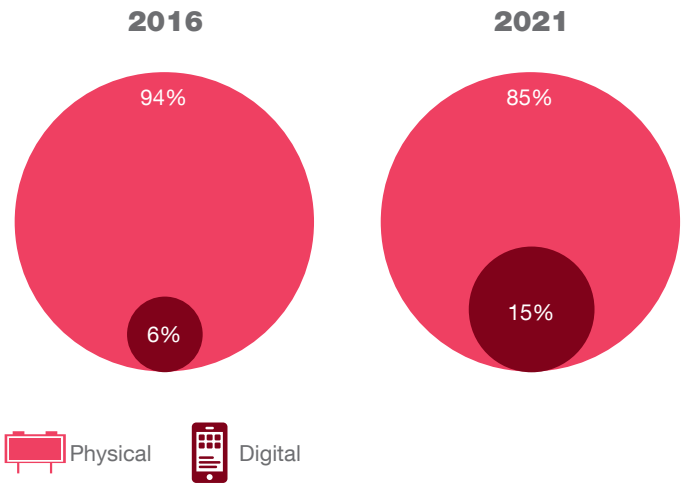
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



Tanzania will be the fastest-growing OOH market in Africa over the next five years

DOOH revenue will grow strongly over the next five years

Figure 10 Tanzania: Digital and physical OOH revenue share, 2016 vs 2021 (%)



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Tanzania set to be Africa's fastest-growing OOH market

Tanzania: OOH advertising market, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Physical OOH	17	20	25	28	31	34	36	39	42	45	7.4%
Digital OOH	1	1	1	2	2	3	4	6	7	8	27.0%
Total OOH	**18**	**21**	**26**	**30**	**33**	**37**	**40**	**45**	**49**	**53**	**9.3%**
YOY growth (%)		***15.3%***	***26.4%***	***12.9%***	***14.7%***	***9.9%***	***9.8%***	***9.7%***	***9.0%***	***8.3%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum



Radio

South Africa

The South African radio market will continue to grow each year. Advertising revenue, which makes up the entirety of total revenue, will pass the R5 billion mark in 2020 as advertising agencies capitalise on South Africa's loyal radio listenership.

The South African radio market totalled R4.4 billion in 2016, up 2.4% on the previous year. Over the next five years, total radio revenue will grow at a 3.9% CAGR, hitting R5.4 billion in 2021.

Radio advertising revenue is projected to increase each year of the forecast period and opportunities for further advertising growth lie in the rise of smartphone usage, access to affordable data and data-driven campaigns.

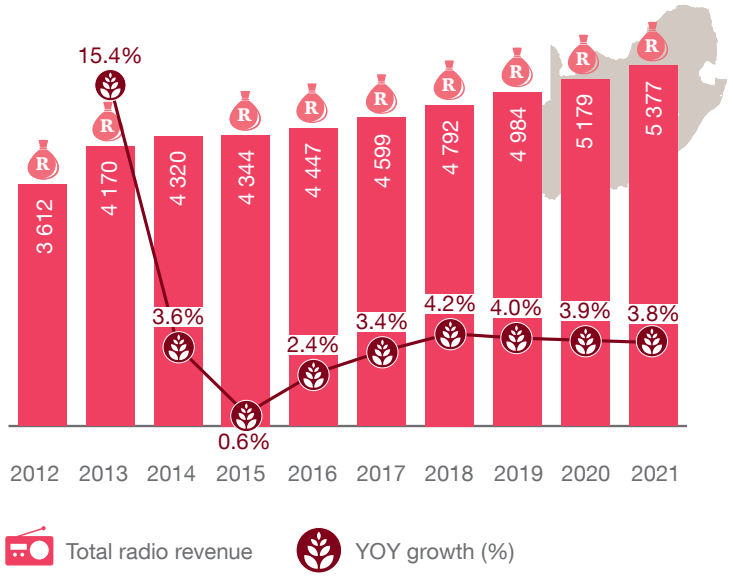
As the number of mobile phones increases, more consumers can access radio content as and when they like, widening the potential for advertising investment as listenership grows across community, public broadcaster and commercial stations.

This segment at a glance

- **Total radio revenue in South Africa will continue to grow**. Radio revenue will increase at a 3.9% CAGR over the next five years, with revenue rising to R5.4 billion in 2021.
- **Advertising revenue is on the rise**. Ad revenue will increase as stations enjoy an enduring base of loyal listeners, enabling agencies to improve targeted ad campaigns. Connected listeners, fuelling data-driven campaigns, will be the enablers of—still nascent—programmatic advertising opportunities.
- **The portable radio remains the device of choice**. Portable radios are popular, but a rise in mobile Internet subscribers should help mobile listening make gains.
- **DAB+ and DRM trials continue**. These trials will continue across South Africa throughout 2017, with all three tiers of radio broadcasters participating.
- **Radio apps grow in popularity**. The rise in radio apps like Radio South Africa and the release of smartphones that enable DAB+ offer consumers further opportunities to listen on the go.
- **Local content policy impacts listenership**. Listenership has faced a period of uncertainty after the implementation of a 90% local content policy on radio stations by the SABC in 2016.

Radio revenue will rise at a 3.9% CAGR, reaching R5.4 billion in 2021

Figure 1 South Africa: Radio revenue (R millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Radio revenue will continue to grow year on year for the next five years

South Africa: Radio revenue, 2012–2021 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Radio advertising revenue	3 612	4 170	4 320	4 344	4 447	4 599	4 792	4 984	5 179	5 377	3.9%
Total radio revenue	**3 612**	**4 170**	**4 320**	**4 344**	**4 447**	**4 599**	**4 792**	**4 984**	**5 179**	**5 377**	**3.9%**
YOY growth %		***15.4%***	***3.6%***	***0.6%***	***2.4%***	***3.4%***	***4.2%***	***4.0%***	***3.9%***	***3.8%***	

Note: 2012-2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

Nigeria

Total radio revenue in Nigeria fell to US$58 million in 2016, down -5.2% on 2015, after some cutbacks in advertising spend. However, over the next five years, the industry will return to growth, rising year on year at a 5.5% CAGR, with revenue reaching US$76 million in 2021.

The Nigerian radio market is comprised entirely of advertising revenue. Advertising slots are relatively affordable, with networks like popular *Wazobia FM* providing the option to buy 15-, 30-, 45- or 60-second slots during commercial breaks across the week.

Family station *Inspiration FM* also offers sponsorship deals to both businesses and religious bodies, allowing them to pay to sponsor a specific radio show on the network in exchange for radio coverage.

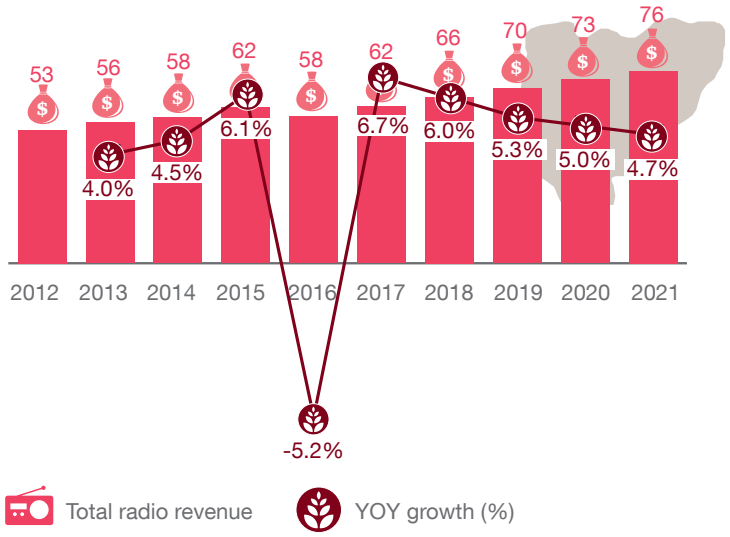
Despite a downturn in 2016, the Nigerian economy is set to grow at a 4.0% CAGR over the next five years, and advertisers will respond positively to this improving economic backdrop.

This segment at a glance

- **Radio revenue grows in Nigeria**. Total radio revenue in Nigeria will increase at a 5.5% CAGR, as advertisers invest in the country's extensive range of radio stations.

Radio revenue in Nigeria to return to growth over the forecast period

Figure 2 Nigeria: Radio revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

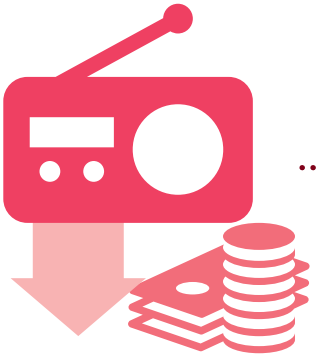
The Nigerian radio market will grow by US$18 million from 2016 to 2021

Nigeria: Radio revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Radio advertising revenue	53	56	58	62	58	62	66	70	73	76	5.5%
Total radio revenue	**53**	**56**	**58**	**62**	**58**	**62**	**66**	**70**	**73**	**76**	**5.5%**
YOY growth (%)		***4.0%***	***4.5%***	***6.1%***	***-5.2%***	***6.7%***	***6.0%***	***5.3%***	***5.0%***	***4.7%***	

Note: 2012–2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Total radio revenue in Nigeria fell to US$58 million in 2016



Kenya

Total radio revenue in Kenya was US$342 million in 2016, up 9.2% on 2015, and will continue to grow at a 7.7% CAGR over the next five years. Radio accounted for 16.1% of Kenya's total entertainment and media expenditure in 2016, putting the Kenyan radio market well ahead of the global average of 2.4%.

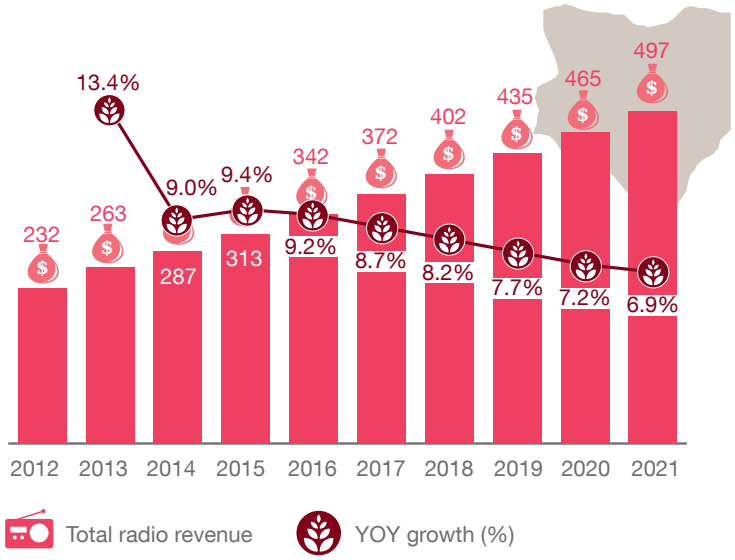
Advertising is the sole growth driver for the Kenyan radio industry. By 2021, revenue will have risen to US$497 million, after five years of consistent growth. Low costs and robust listenership are key pull factors to businesses looking to advertise on Kenyan stations.

This segment at a glance

- **Smartphones drive growth in Kenya's market**. Kenya's radio market will total US$497 million in 2021, as smartphones offer more opportunity for flexible listening.

Healthy growth expected over the forecast period

Figure 3 Kenya: Radio revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017-2021, An African perspective, PwC, Ovum

The Kenyan radio market will rise at a 7.7% CAGR from 2016–2021

Kenya: Radio revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Radio advertising revenue	232	263	287	313	342	372	402	433	465	497	7.7%
Total radio revenue	**232**	**263**	**287**	**313**	**342**	**372**	**402**	**433**	**465**	**497**	**7.7%**
YOY growth (%)		***13.4%***	***9.0%***	***9.4%***	***9.2%***	***8.7%***	***8.2%***	***7.7%***	***7.2%***	***6.9%***	

Note: 2012–2016 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Ghana

The Ghanaian radio market totalled US$39 million in 2016, up a healthy 10.1% on 2015. Over the next five years, total radio revenue will grow steadily, reaching US$60 million in 2021.

Ghana's radio market comprises entirely advertising revenue, which is set to increase year on year over the forecast period. Ghana has one public broadcaster, The Ghana Broadcasting Corporation (GBC), which operates ten regional and five district radio stations across the country.

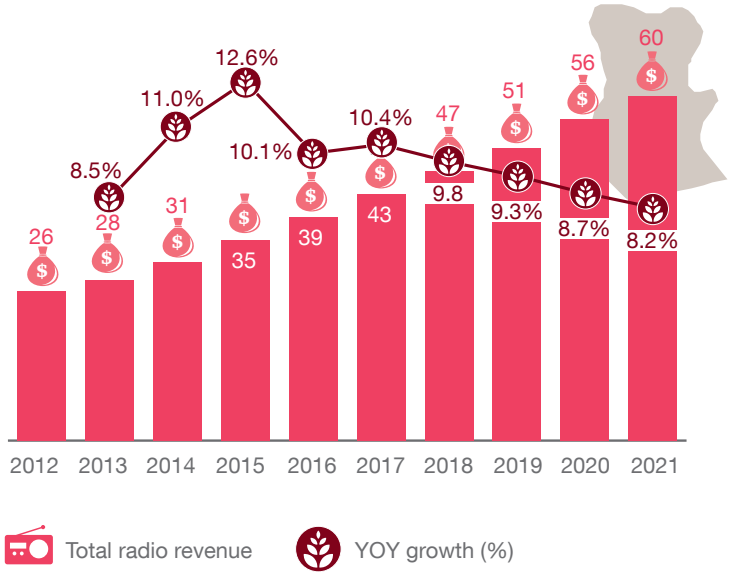
In the third quarter of 2016, the National Communications Authority (NCA) reported a total of 354 stations in operation across the country. Aside from stations run by the GBC, Ghana boasts commercial and community networks, as well as campus and foreign radio stations.

This segment at a glance

- **The Ghanaian radio market will grow at a 9.3% CAGR**. Total radio revenue in Ghana will grow as listeners remain dedicated to community stations and commercial networks build online profiles.

Ghanaian radio revenue to reach US$ 60 million by 2021

Figure 4 Ghana: Radio revenue (US$ millions) and year-on-year growth (%), 2012–2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Advertising will drive growth at a 9.3% CAGR over the forecast period

Ghana: Radio revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Radio advertising revenue	26	28	31	35	39	43	47	51	56	60	9.3%
Total radio revenue	**26**	**28**	**31**	**35**	**39**	**43**	**47**	**51**	**56**	**60**	**9.3%**
YOY growth (%)		***8.5%***	***11.0%***	***12.6%***	***10.1%***	***10.4%***	***9.8%***	***9.3%***	***8.7%***	***8.2%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Tanzania

The Tanzanian radio market grew by 6.7% in 2016, with total radio revenue amounting to US$31 million. Over the next five years, revenue will grow by US$10 million, reaching US$41 million in 2021.

Commercial station *Clouds FM* is the most popular station in Tanzania, taking nearly a quarter of radio listenership. The station broadcasts in Swahili and has 7.8 million people tuning in at its peak time of 14:00- 16:00.

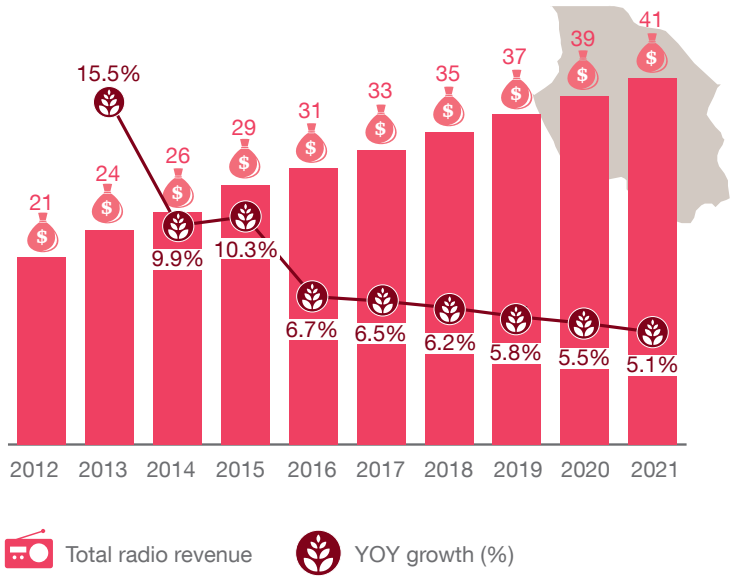
Clouds FM cites its early backing of Tanzanian hip hop genre bongo flava as a significant driver of its success since launching 16 years ago, as well as broadcasting via low FM frequencies, which are common in Tanzanian cars.

This segment at a glance

- **Total radio revenues to grow at a CAGR of 5.8%**. Total radio revenues will grow at a CAGR of 5.8%, increasing from US$31 million in 2016 to reach US$ 41 million in 2021.
- **Radio apps on the rise in Tanzania**. Mobile radio apps offer another listening option, capitalising on the rise in mobile Internet subscriptions.

The Tanzanian radio market grew 6.7% in 2016

Figure 5 Tanzania: Radio revenue (US$ millions) and year-on-year growth (%), 2016-2021



Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

The Tanzanian radio market will grow by US$10 million to 2021

Tanzania: Radio revenue, 2012–2021 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-21**
Radio advertising revenue	21	24	26	29	31	33	35	37	39	41	5.8%
Total radio revenue	**21**	**24**	**26**	**29**	**31**	**33**	**35**	**37**	**39**	**41**	**5.8%**
YOY growth (%)		***15.5%***	***9.9%***	***10.3%***	***6.7%***	***6.5%***	***6.2%***	***5.8%***	***5.5%***	***5.1%***	

Sources: Entertainment and media outlook: 2017–2021, An African perspective, PwC, Ovum

Radio apps on the rise in Tanzania



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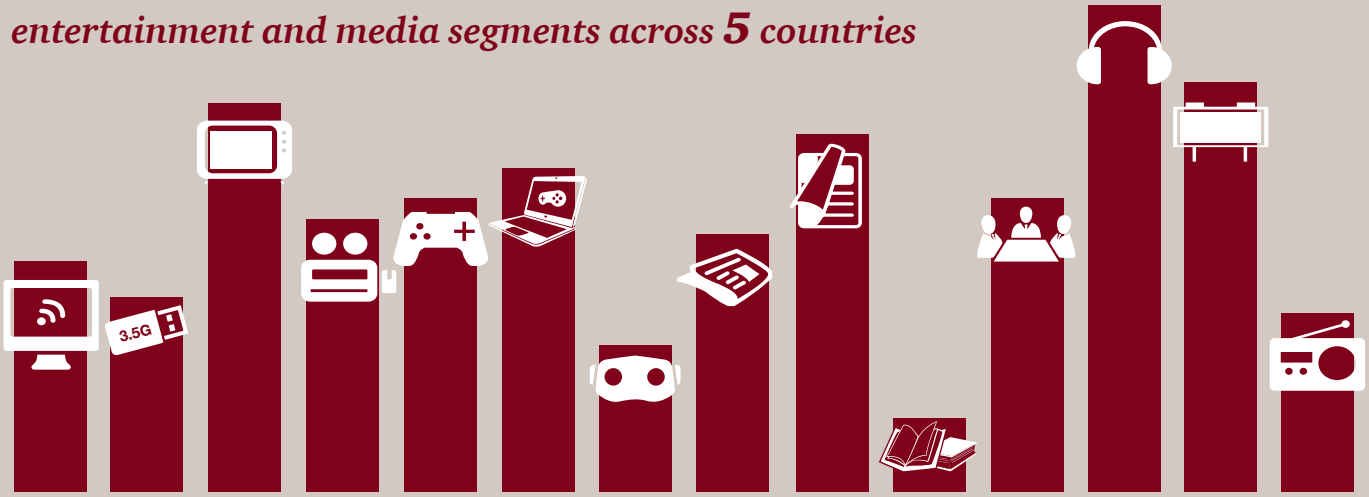
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