Insights from the Entertainment & Media Outlook: 2019–2023 An African perspective

Getting personal: Putting the me in entertainment & media

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

10th annual edition

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Editor's letter

About this report

Vicki Myburgh

Charles Stuart

We're delighted to welcome you to our special report on this year's ***Entertainment & Media Outlook: 2019–2023, An African perspective (Outlook)***. Now in its 10th year, the ***Outlook*** has been charting the ongoing revolution in these dynamic sectors for a tumultuous and fascinating decade. As in previous years, we've taken a deep dive into our wealth of detailed data, forecasts and analyses, and generated new perspectives and insights to help you shape your strategies for the year ahead.

The starting point for these insights is our data and projections on 14 defined segments across five territories – South Africa, Nigeria, Kenya, Ghana and Tanzania. Our industry experts have overlaid this raw research data with their own experiences and observations to tease out the overarching themes — thus creating actionable intelligence for companies across the global entertainment & media (E&M) sector.

What are the highlights in the new ***Outlook***? This year, we're looking at the industry through the lens of the consumer. We focus on the rise of increasingly personal and personalised media interactions, as today's consumers – eager, highly selective and voracious – seize the opportunity to enjoy media experiences tailored to their own preferences, contexts and schedules.

In a word, the theme is personalisation. Consumers are using an expanding array of connected devices to organise, curate and discover their own unique worlds of media. In response, companies are designing their offerings to revolve around personal preferences, using data and usage patterns to pitch their products not at audiences of billions, but separately at billions of individuals.

As this report explains, this increasingly tailored world has major implications for every E&M business across every segment. Whether the subject is business and revenue models, emerging technologies, or regulation and trust, companies must keep on top of current and future developments – and be sufficiently agile, ready to respond proactively and at pace.

Take the roll-out of next-generation 5G networks. This tech breakthrough is seemingly outside E&M. But the launch of 5G networks will create new use cases, enhance the customer experience and accelerate growth for many subsectors within the E&M industry, from video games to high-definition video streaming of sporting events. For companies that respond to such disruptions effectively, the opportunities are immense.

Every year, all of us on the PwC E&M industry team look forward to writing this report. It provides us with a unique opportunity to cross-fertilise ideas and make connections among segments and territories. We hope it helps you do the same. To learn more about how our findings and thinking apply to your business, please contact your local PwC team (see page 187) or reach out to either of us. We look forward to hearing from you.

Best regards

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Acknowledgements

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

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Material in this publication is drawn from data in the ***Entertainment & Media Outlook: 2019–2023, An African perspective (Outlook)***, a comprehensive source of consumer and advertising spend data available via free subscription at www.pwc.co.za/outlook. PwC continually seeks to update the online Outlook data; therefore, please note that the data in this publication may not be aligned with the data found online. The ***Outlook*** is the most up-to-date source of consumer and advertising spending data.

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About PwC

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Supplier to the Outlook

Ovum, part of the Informa Tech group of businesses, is a provider of business intelligence and strategic services to the global telecoms and media markets, www.ovum.com

Methodology and definitions

Historical data collection

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

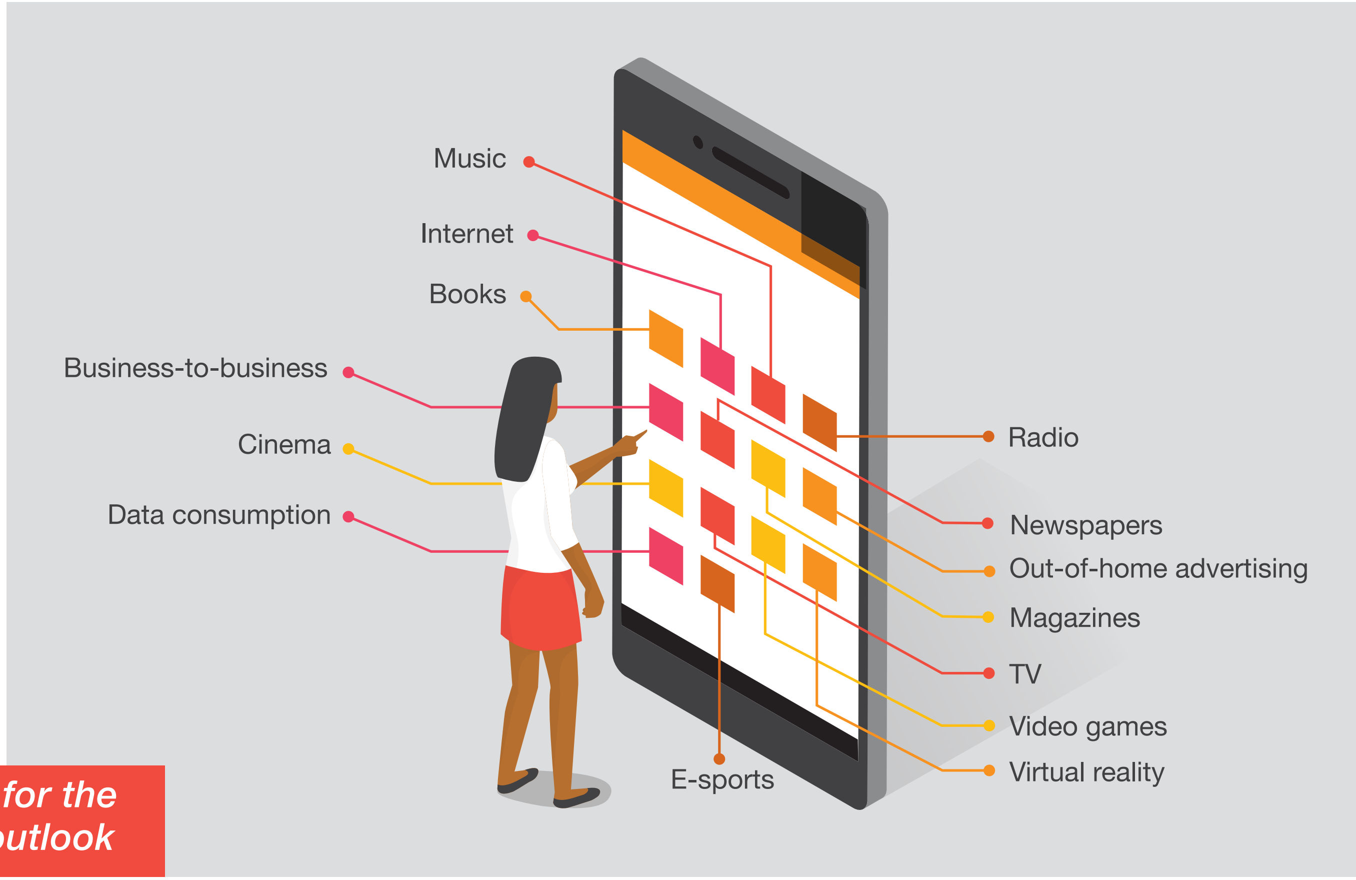
Forecasting methods

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

Note: All data, charts and graphs (unless stated otherwise) in this publication are taken from the Entertainment & Media Outlook: An African Perspective.

Definitions

Do you want access to consumer and advertising spending data at the click of a button? The Outlook is a comprehensive source of global analyses and five-year forecasts of consumer and advertising spending across 14 segments in five territories for:



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

1 Overview

Snapshot

South Africa, 2018 (US$ millions)

	2018
Total E&M revenue	9 172
Digital E&M revenue	4 509
Nondigital E&M revenue	4 662
Consumer revenue	7 072
Internet access revenue	3 723
Advertising revenue	2 100
Largest advertising segment — TV and video	515
Largest consumer segment —TV and video (excluding Internet access)	1 866

Nigeria, 2018 (US$ millions)

	2018
Total E&M revenue	4 467
Digital E&M revenue	3 355
Nondigital E&M revenue	1 111
Consumer revenue	4 048
Internet access revenue	3 083
Advertising revenue	419
Largest advertising segment – TV and video	156
Largest consumer segment – TV and video (excluding Internet access)	576

Kenya, 2018 (US$ millions)

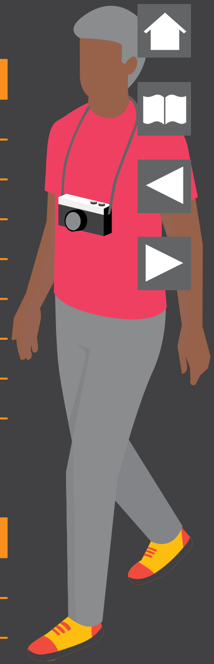
	2018
Total E&M revenue	1 815
Digital E&M revenue	1 186
Nondigital E&M revenue	629
Consumer revenue	1 511
Internet access revenue	1 025
Advertising revenue	304
Largest advertising segment – TV and video	99
Largest consumer segment – TV and video (excluding Internet access)	216

Ghana, 2018 (US$ millions)

	2018
Total E&M revenue	1 206
Digital E&M revenue	987
Nondigital E&M revenue	219
Consumer revenue	1 032
Internet access revenue	942
Advertising revenue	174
Largest advertising segment – TV and video	89
Largest consumer segment – TV and video (excluding Internet access)	41

Tanzania, 2018 (US$ millions)

	2018
Total E&M revenue	598
Digital E&M revenue	360
Nondigital E&M revenue	238
Consumer revenue	504
Internet access revenue	326
Advertising revenue	94
Largest advertising segment – Radio	32
Largest consumer segment – TV and video (excluding Internet access)	132



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Introduction

The first edition of PwC's Global Entertainment & Media Outlook, from which the *Entertainment & Media Outlook 2019–2023, An African Perspective* derives, was published in 1999.

Back then, Amazon was less than five years old, Netflix less than two and Google less than one. Tencent was younger still. Facemash, the prototype for Facebook, was four years away from conception. These are many of the companies who have moulded the current global entertainment landscape into their own image – the pace of change has been astonishing.

At a global level, even over the past five years there has been rapid development, with new and significant tipping points occurring. In 2016, more than half of global households had fixed broadband for the first time. The following year more than half of the global population became mobile Internet subscribers.

Over the next five years, just short of one billion extra consumers will take mobile Internet for the first time. In this Outlook, countries such as Ghana and Tanzania trail these global averages, but trends at a wider level are instructional for local entertainment & media (E&M) providers to understand how their own markets can and will be changed and disrupted in the coming years.

It would be a brave analyst prepared to predict the world in 2039 — even the next 12 months will herald the beginning of significant change as 5G launches commercially. Fully immersive virtual reality (VR) and 'everywhere commerce' may eventually become mainstays, as might artificial intelligence (AI)-driven use cases that both have and haven't been conceived yet.

Perhaps the only guarantee is that companies will still need data — to interpret and navigate their way through the entertainment & media landscape, and to drive their decision-making. Below are some of the trends revealed in our *Entertainment & Media Outlook* that will aid that process.

South Africa

In 2018, South Africa's E&M market, comprising consumer and advertiser spend, rose 7.1% year-on-year, from R120.4 billion to R128.9 billion. By the end of the five-year forecast period in 2023, this figure will have increased at a 5.8% CAGR to R170.5 billion.

E&M by segment

Growth outside Internet access proves harder to find

South Africa: E&M spending by segment, 2014–2023 (R millions)

Total E&M (R millions)											
South Africa	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Books	3 828	3 812	3 818	3 834	3 853	3 872	3 890	3 904	3 912	3 914	
YOY growth (%)		*-0.4%*	*0.2%*	*0.4%*	*0.5%*	*0.5%*	*0.5%*	*0.4%*	*0.2%*	*0.1%*	*0.3%*
Business-to-business	8 968	9 330	9 686	10 024	10 340	10 641	10 912	11 149	11 354	11 525	
YOY growth (%)		*4.0%*	*3.8%*	*3.5%*	*3.2%*	*2.9%*	*2.6%*	*2.2%*	*1.8%*	*1.5%*	*2.2%*
Cinema	1 347	1 548	1 613	1 598	1 758	1 742	1 801	1 869	1 937	2 004	
YOY growth (%)		*14.9%*	*4.2%*	*-1.0%*	*10.0%*	*-0.9%*	*3.4%*	*3.8%*	*3.7%*	*3.4%*	*2.7%*
Internet	28 652	37 439	44 686	52 467	59 37	66 374	73 488	80 053	86 076	91 415	
YOY growth (%)		*30.7%*	*19.4%*	*17.4%*	*13.1%*	*11.9%*	*10.7%*	*8.9%*	*7.5%*	*6.2%*	*9.0%*
Magazines	4 510	4 697	4 548	4 484	4 455	4 464	4 507	4 558	4 621	4 701	
YOY growth (%)		*4.2%*	*-3.2%*	*-1.4%*	*-0.6%*	*0.2%*	*1.0%*	*1.1%*	*1.4%*	*1.7%*	*1.1%*
Music and podcasts	2 085	2 110	2 177	2 259	2 440	2 656	2 899	3 149	3 397	3 638	
YOY growth (%)		*1.2%*	*3.2%*	*3.8%*	*8.0%*	*8.8%*	*9.1%*	*8.6%*	*7.9%*	*7.1%*	*8.3%*
Newspapers	7 185	7 163	7 078	6 897	6 734	6 585	6 446	6 302	6 154	6 001	
YOY growth (%)		*-0.3%*	*-1.2%*	*-2.5%*	*-2.4%*	*-2.2%*	*-2.1%*	*-2.2%*	*-2.4%*	*-2.5%*	*-2.3%*
Out-of-home	2 514	2 561	2 657	2 687	2 735	2 787	2 844	2 902	2 961	3 019	
YOY growth (%)		*1.9%*	*3.7%*	*1.1%*	*1.8%*	*1.9%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*

Total E&M (R millions)											
South Africa	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Radio	3 972	4 177	4 172	4 248	4 368	4 482	4 587	4 681	4 768	4 844	
YOY growth (%)		*5.2%*	*-0.1%*	*1.8%*	*2.8%*	*2.6%*	*2.3%*	*2.1%*	*1.8%*	*1.6%*	*2.1%*
TV and video	25 652	28 227	31 202	32 332	33 453	34 845	36 502	37 963	39 386	40 547	
YOY growth (%)		*10.0%*	*10.5%*	*3.6%*	*3.5%*	*4.2%*	*4.8%*	*4.0%*	*3.7%*	*2.9%*	*3.9%*
Video games	1 986	2 291	2 619	3 060	3 503	4 075	4 613	4 944	5 200	5 440	
YOY growth (%)		*15.4%*	*14.3%*	*16.8%*	*14.5%*	*16.3%*	*13.2%*	*7.2%*	*5.2%*	*4.6%*	*9.2%*
E-sports	5.3	9.1	16	31	46	63	80	99	118	138	
YOY growth (%)		*71.7%*	*76.9%*	*91.9%*	*47.6%*	*37.7%*	*26.9%*	*24.5%*	*19.0%*	*16.6%*	*24.7%*
VR	0	0	28	40	75	146	226	307	392	462	
YOY growth (%)		-	-	-	*84.9%*	*95.3%*	*55.0%*	*35.6%*	*27.8%*	*18.0%*	*44.0%*
Total	**88 678**	**100 885**	**111 320**	**120 397**	**128 887**	**137 774**	**147 089**	**155 644**	**163 586**	**170 525**	
YOY growth (%)		***13.8%***	***10.3%***	***8.2%***	***7.1%***	***6.9%***	***6.8%***	***5.8%***	***5.1%***	***4.2%***	***5.8%***

Notes:
2014–2018 figures have been updated to reflect the most recently available financial information.

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

Professional books are counted in business-to-business and books, but only once in the overall total.

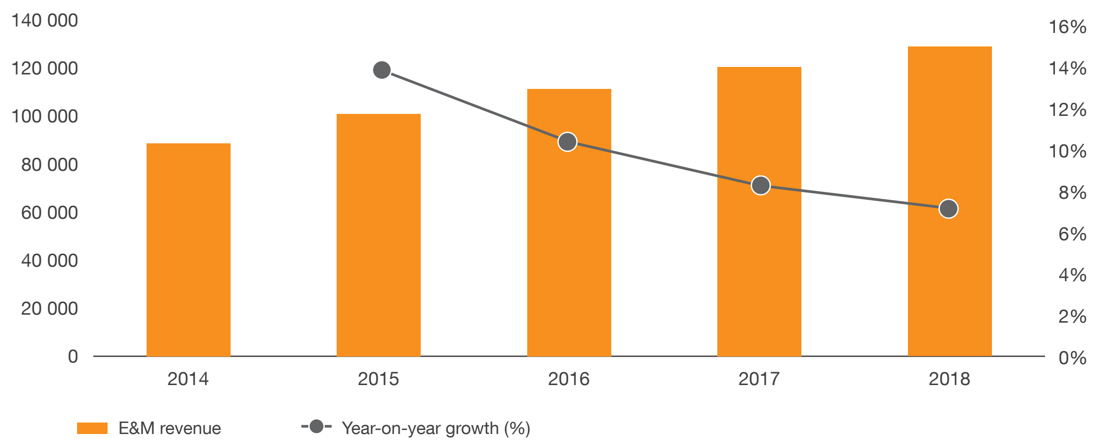
Trade magazines are counted in business-to-business and magazines, but only once in the overall total.

E-sports consumer contribution is counted in e-sports and video games online/microtransaction revenue, but only once in the overall total.

App-based social/casual gaming revenue is counted in video games and end-user app spend, but only once in the overall total.

Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

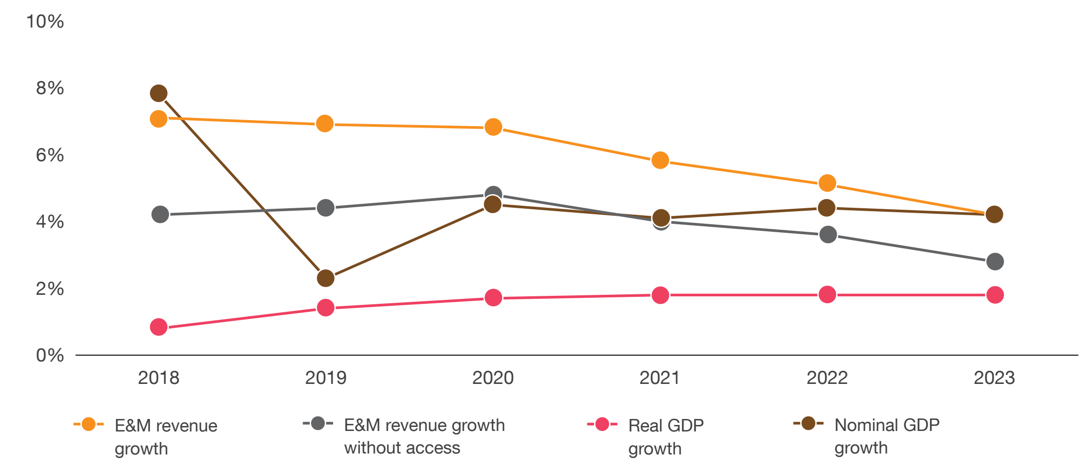
Figure 1: South Africa: E&M revenue (R millions) and year-on-year growth (%), 2014–2018



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

E&M growth to hit 4.2% year-on-year in 2023

Figure 2: South Africa: E&M revenue growth (with and without Internet access), real and nominal GDP growth, 2018–2023 (%)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, IMF, www.pwc.co.za/outlook

As ever, consumer spend on Internet access has proved a major contributor to growth. There was a net rise of R5.4 billion to this metric in 2018, accounting for 64% of the overall rise in E&M revenue. But the double-digit increases in mobile Internet access revenue are starting to see their end in sight, With mobile Internet penetration nudging past 80% in 2023, from the present rate of 63.2%, its high organic growth potential is reaching an end, and this weighs down overall E&M growth towards the end of the forecast period.

The 7.1% rise in 2018 represents smaller growth than in any of the preceding years in the historic period, but can be put within the wider macroeconomic context. The State of the Nation Address (SONA) in June 2019 described South Africa as being confronted by severe challenges.

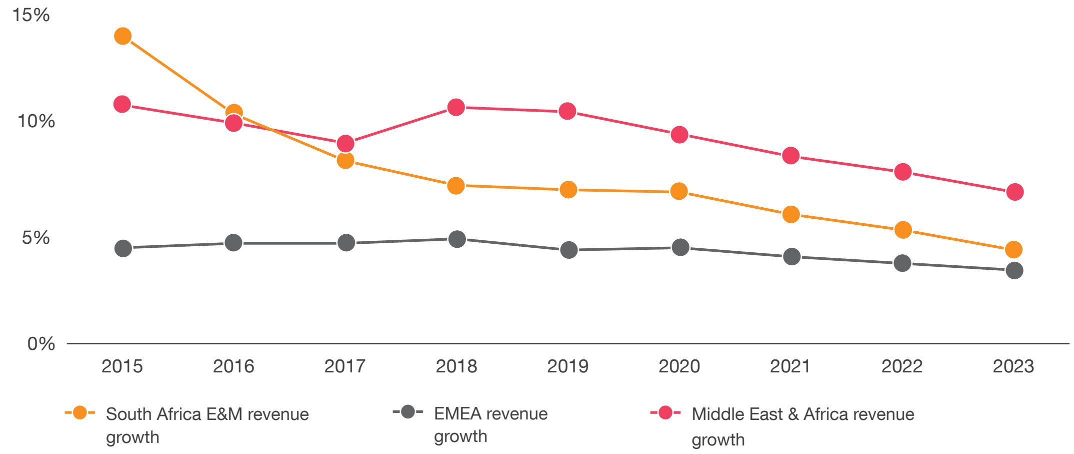
Such challenges affect advertiser confidence in particular, and although events like the 2018 FIFA World Cup did boost the overall advertising market, the 2.8% rate of annual growth in overall advertising remains well down on the 6.1% rise seen as recently as 2015. Meanwhile, some of the measures proposed in the SONA — such as the licensing of radio spectrum to telecoms operators and a nationwide initiative to improve child literacy — may provide tangible benefits to E&M revenue in the years to come.

Perhaps unsurprisingly, the rate of overall growth for South Africa once again bisects that of EMEA and the Middle East and Africa. The former grouping includes highly mature countries in Western Europe where E&M growth is slow but steady, from high absolute bases. The latter contains, in the shape of Nigeria and Kenya, some of the fastest-rising markets.

Notably, in 2023 the margin between the growth rates of South Africa and EMEA will have reduced to one percentage point, from 2.4 percentage points in 2018. This will come as South Africa increasingly attains the characteristics of an average EMEA market, with consumer growth typically coming from migration to more expensive services rather than large numbers of people newly possessing the disposable income to enjoy E&M experiences.

South Africa will increasingly come to resemble the EMEA average

Figure 3: South Africa: E&M revenue growth vs EMEA and Middle East & Africa, 2015–2023 (%)



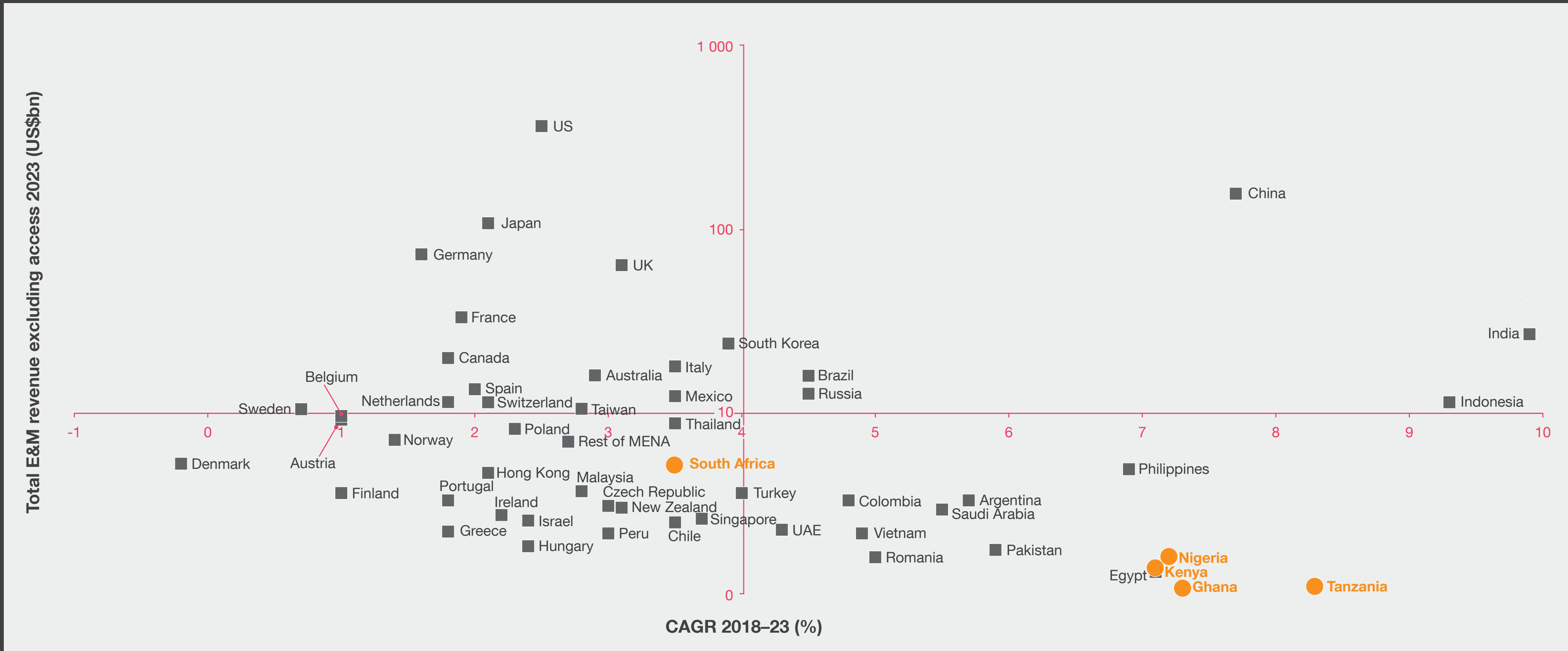
Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

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

With Internet access removed from consideration, South Africa comes close to the centre of the global grouping of countries. With the axes once again set at 4.0% CAGR growth and US$10 billion in 2023 revenue, South Africa falls narrowly into the bottom-left quarter of countries considered low growth and low revenue. Bearing in mind the macroeconomic environment in which local E&M operates, there is evident potential for future reclassification.

South Africa trends towards the global average for revenue and growth

Figure 4: Total E&M revenue without Internet access in 2023 vs 2018–2023 CAGR

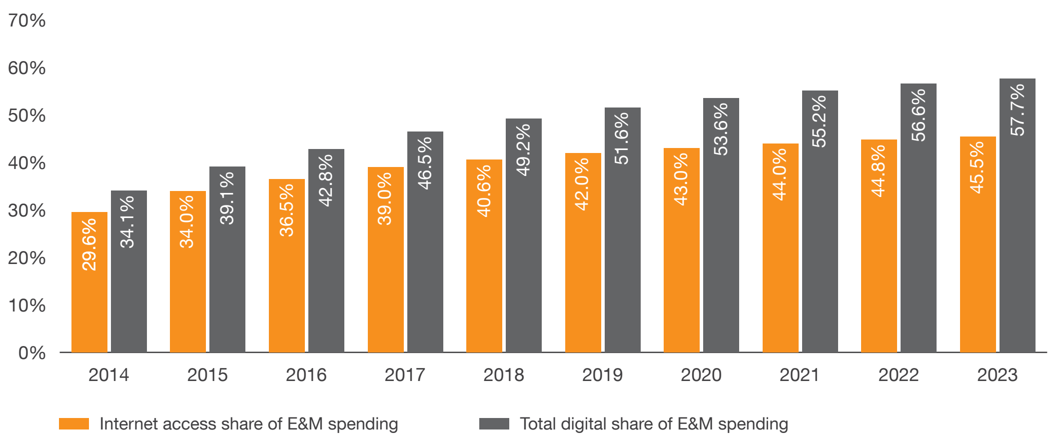


Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

The country remains on track for a 2019 tipping point of digital revenue outweighing nondigital revenue, with the former adding R7.3 billion in absolute terms in 2018 compared with the latter's R1.1 billion. There is still plenty of digital growth to come, with 2023 forecast to see an absolute year-on-year rise of R5.9 billion as nondigital growth records R1.1 billion.

Internet access' share of spending exceeds the global average

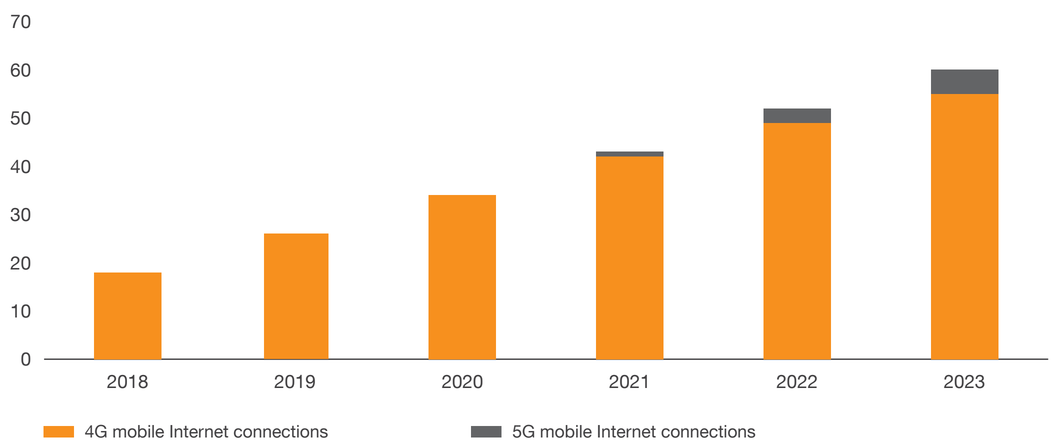
Figure 5: South Africa: Internet access share and total digital share of E&M spending, 2014–2023 (%)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

5G to eventually transform the market

Figure 6: South Africa: 4G and 5G mobile Internet connections (millions), 2018–2023



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Meanwhile, although Internet access' growth in share of overall E&M revenue will reduce by 2023, its 46% share of the total in that year will well exceed the global average of 33%, indicating that many South African consumers find access alone provides sufficiently compelling (free) entertainment experiences. E&M providers will have to find ways to convert this new online cohort into paying customers.

It is to nobody's surprise that this is, increasingly, a mobile world. Internet access revenue skews 88% to 12% in mobile's favour, moving to 90%/10% in 2023. But this is perhaps surprising given the relative penetration levels of each technology — fixed broadband penetration will only move past 15% in South Africa in 2023. High costs and long timeframes will increasingly deter operators from deploying fixed broadband widely, especially in poorer areas not covered by traditional fixed telephony networks.

And if the smartphone hadn't already cemented its position as the world's most popular way to access the Internet, the advent of 5G will provide another boost as consumers begin to see Internet speeds comparable to the fastest fixed broadband. The impact will be felt across the entire value chain for the next decade and will fundamentally change the way people access and interact with content.

Operators will initially promote mobile 5G services alongside existing applications that promise to work better over the technology's faster, more responsive connections, such as live sports video, online gaming and augmented reality.

Equally, an array of telecoms, media and technology companies will capitalise on 5G's launch to reinvent their roles. When subscriptions reach the kind of critical mass required by developers in the early- to mid-2020s, newer applications that are more reliant on 5G will emerge and gain in popularity.

Consumer spending

Following an 8.4% year-on-year rise in 2018, South African consumer revenue is set for a 6.4% CAGR between 2018 and 2023, increasing from R99.4 billion to R135.6 billion. Although print-exposed segments are proving a drag on growth, there are many pockets of positivity here, with gaming, video and music revenue all performing strongly.

Print the only trouble spot in a strong consumer market

South Africa: Consumer E&M spending, 2014–2023 (R millions)

Total consumer market (R millions)											
South Africa	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Books	3 828	3 812	3 818	3 834	3 853	3 872	3 890	3 904	3 912	3 914	
YOY growth (%)		*-0.4%*	*0.2%*	*0.4%*	*0.5%*	*0.5%*	*0.5%*	*0.4%*	*0.2%*	*0.1%*	*0.3%*
Business-to-business	4 515	4 697	4 907	5 096	5 282	5 449	5 598	5 726	5 834	5 919	
YOY growth (%)		*4.0%*	*4.5%*	*3.9%*	*3.6%*	*3.2%*	*2.7%*	*2.3%*	*1.9%*	*1.4%*	*2.3%*
Cinema	941	1 113	1 171	1 193	1 330	1 292	1328	1 373	1 417	1 461	
YOY growth (%)		*18.3%*	*5.2%*	*1.8%*	*11.5%*	*-2.8%*	*2.8%*	*3.3%*	*3.2%*	*3.1%*	*1.9%*
Internet	26 611	34 872	41 554	48 543	54 444	60 706	67 003	72 748	77 942	82 669	
YOY growth (%)		*31.0%*	*19.2%*	*16.8%*	*12.2%*	*11.5%*	*10.4%*	*8.6%*	*7.1%*	*6.1%*	*8.7%*
Magazines	2 564	2 682	2 597	2 549	2 519	2 505	2 510	2 505	2 497	2 488	
YOY growth (%)		*4.6%*	*-3.2%*	*-1.9%*	*-1.2%*	*-0.6%*	*0.2%*	*-0.2%*	*-0.3%*	*-0.4%*	*-0.3%*
Music and podcasts	1 817	1 808	1 843	1884	2 003	2 154	2 323	2 491	2 652	2 796	
YOY growth (%)		*-0.5%*	*2.0%*	*2.2%*	*6.3%*	*7.6%*	*7.8%*	*7.3%*	*6.5%*	*5.4%*	*6.9%*
Newspapers	2 667	2 665	2 644	2 606	2 555	2 491	2 415	2 328	2 232	2 128	
YOY growth (%)		*-0.1%*	*-0.8%*	*-1.4%*	*-2.0%*	*-2.5%*	*-3.1%*	*-3.6%*	*-4.1%*	*-4.6%*	*-3.6%*
TV and video	19 214	21 142	23 815	24 860	26 221	27 714	29 216	30 488	31 706	32 644	
YOY growth (%)		*10.0%*	*12.6%*	*4.4%*	*5.5%*	*5.7%*	*5.4%*	*4.4%*	*4.0%*	*3.0%*	*4.5%*
Video games	1948	2 247	2 563	2 997	3 433	3 998	4 530	4 855	5 107	5 344	
YOY growth (%)		*15.4%*	*14.1%*	*16.9%*	*14.5%*	*16.5%*	*13.3%*	*7.2%*	*5.2%*	*4.7%*	*9.3%*
E-sports	1.5	2.4	3.3	5.5	7.4	10	13	17	20	24	
YOY growth (%)		-	*37.5%*	*66.7%*	*34.5%*	*36.5%*	*30.7%*	*25.8%*	*20.5%*	*17.5%*	*26.0%*
VR	0	0	28	40	75	146	226	307	392	462	
YOY growth (%)		-	-	*42.3%*	*84.9%*	*95.3%*	*55.0%*	*35.6%*	*27.8%*	*18.0%*	*44.0%*
Total consumer	**63 255**	**73 909**	**83 450**	**91 698**	**99 378**	**10 7427**	**115 604**	**122 976**	**129 709**	**135 636**	
YOY growth (%)		***16.8%***	***12.9%***	***9.9%***	***8.4%***	***8.1%***	***7.6%***	***6.4%***	***5.5%***	***4.6%***	***6.4%***

Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Although, unsurprisingly, Internet (including apps) revenue takes a major proportion of overall revenue, it is promising that three other sectors – video games, e-sports and VR – have stronger CAGRs than Internet to 2023. In all of these cases it is gaming that has proved the catalyst.

While VR is at present a niche category, the industry is slowly overcoming important challenges such as content availability, comfort, compatibility and affordability. It also continues to attract serious investment from major media and technology companies eager to seize a share of this fast-growing market, with Oculus, owned by Facebook, releasing its Quest headset in South Africa this year priced from R10 000.

In video games, meanwhile, social/casual gaming, which surpassed traditional gaming as the main revenue sector in 2017, is set to increase its dominance. The proliferation of smartphones has provided an accessible and affordable route into the gaming market for millions of South Africans. Games playable on smartphones are typically more accessible to wider audiences, with many featuring free-to-play or 'freemium' mechanics that offer a zero-cost point of entry while encouraging in-game transactions.

Music and podcasts are other good sources for consumer revenue; a fact all the more remarkable given the anaemic growth between 2014 and 2017. Here it is the quickfire emergence of streaming services that has transformed the sector's prospects, assisted by the worst absolute falls in physical and downloads now being over.

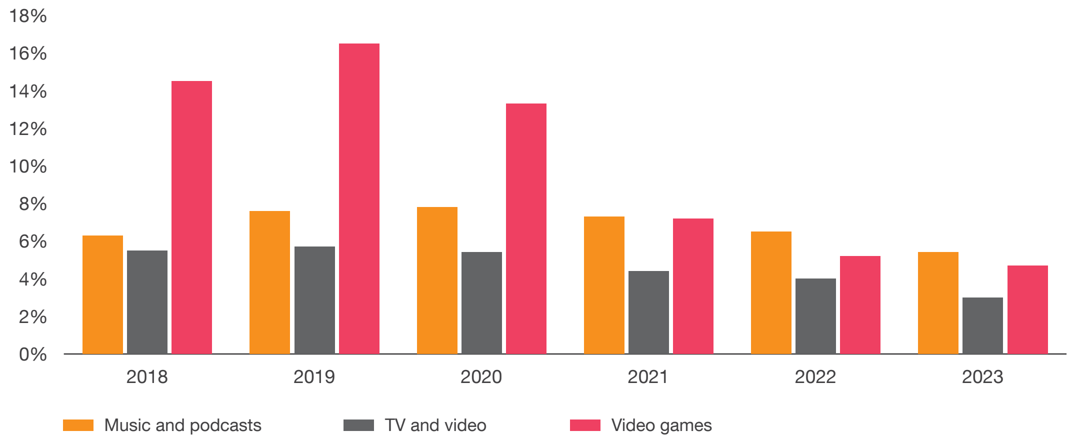
The newest South African streaming entrant — pitching itself against established players such as Spotify, Apple Music, Deezer, Joox and Simfy — is Google's YouTube Music service, which launched in March 2019. Live music ticket sales continue to perform well too.

TV and video are also major contributors to consumer revenue, adding more than R6 billion in absolute terms to 2023. MultiChoice mantains the number one position within the pay-TV segment and its strong position in securing important premium entertainment and sports rights, as well as a push of entry-level satellite packages, has helped to drive organic growth.

Meanwhile, MultiChoice has responded to the potential disruption of global OTT services by bundling local OTT platform and sister company Showmax to its bouquet and investing in local content, with 52 local movies and 29 dramas planned over the next financial year. OTT video represented 5% of pay-TV subscription revenue in 2018, but this will rise to 8% in 2023.

Video, music and gaming power consumer growth

Figure 7: South Africa: Selected consumer revenue types, year-on-year growth (%), 2018–2023



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Fragmentation of OTT video services brings threats and opportunities

Despite the innovations that the likes of Netflix and Amazon have brought to the TV market, they have also created a fundamental problem that consumers desperately want solved: there's no single place to find something to watch. "So much fun to watch all of these exclusive streaming platforms slowly invent cable television," read one pithy tweet. The 'streaming service bloat' will be further exacerbated by more exclusivity deals and focus on producing original content, in addition to the launch of two new major streaming services from Disney and Warner Media.

One of the consequences of this growing fragmentation problem has been the resurgence in pirated content. Following a number of years of decreasing pirated traffic, networking companies are reporting an upward trend in filesharing services, noting spikes around the release of latest seasons of popular TV shows. Many consumers are finding themselves in a similar situation which they ran away from by cord-cutting: a ballooning cost associated with having access to a small number of the most popular TV shows and films.

Traditional pay-TV operators have a window of opportunity to address this growing fragmentation – before the likes of Amazon, Apple and Google inevitably bring their own solutions to market. Those that provide the best single platform where consumers can access all these apps and more in one place will benefit, through consumer subscription charges, revenue shares from app providers, and advertising fees.

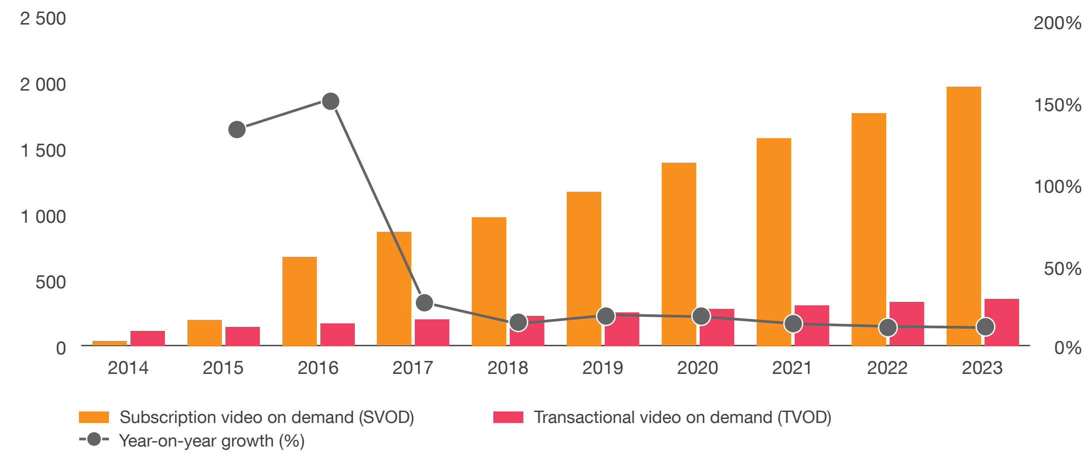
A major part of each strategy will be the delivery of more content direct to consumers via own-brand apps, in order to counter the scale and global reach of the likes of Netflix and YouTube. However, the newly minted media giants are likely to be reluctant to distribute their most valuable shows and movies via third parties and will keep more to themselves.

Many smaller telecoms and media companies won't be swept up by this wave of consolidation and will seek to access scale via other means. National TV broadcasters will form and launch joint ventures aimed at offering more viable OTT video alternatives to Netflix, Amazon, YouTube and Facebook.

Telcos and sub-scale pay-TV providers will go beyond partnering with Netflix to integrate a growing number of third-party OTT video apps into their bundles, platforms and billing capabilities. Meanwhile, various operators, media companies and OTT platforms will seek to harness the massive momentum behind the smartphone market by launching mobile-centric bundles and services. The most compelling and disruptive opportunities will emerge at the intersections of these technologies.

Sharp rise in OTT revenue brings threats and opportunities

Figure 8: South Africa: OTT revenue by subsegment (R millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Cloud gaming is experiencing a renaissance, spurred by 5G

At the beginning of this decade, there was a spike in interest in cloud gaming. Most notably, OnLive offered instant access to popular game titles via an affordable set-top box or a desktop app. Its cloud gaming concept was, however, ahead of its time, and the hype surrounding it short-lived. Most users, even those with a very fast Internet connection, experienced a choppy gaming experience caused by high or unstable connection latency.

OnLive's assets were ultimately acquired by Sony, which went on to offer an improved cloud gaming experience as part of its PlayStation Now subscription service platform. Other competing streaming services have since emerged, most notably GeForce Now and PlayGiga's services. However, given their inherent dependence on superior connection, adoption has remained limited.

With 5G rollout imminent, promising high speeds and sub-ten-millisecond latency, there has been a clear resurgence in cloud gaming in 2019 and it's becoming increasingly clear that it will become the key new battleground for network, hardware, technology and content providers. Technology companies such as Intel, Microsoft and Nvidia have ramped up investments in this space, leading to a significantly refined cloud architecture to support cloud gaming.

Telcos, eager to expand their service offerings and reach out to a younger audience, have already started to sign partnerships with cloud gaming providers such as AT&T, SK Telecom, Verizon and Vodafone. Game publishers are also active, with Electronic Arts (EA) in particular already working on its own 'Project Atlas' cloud gaming service and Bethesda announcing its own Orion system.

In March 2019, Google unveiled its Stadia cloud gaming platform at the annual Game Developers Conference (GDC). This announcement was a landmark moment for cloud gaming, setting in motion a trend which will have a lasting effect on all players in the technology, media and telecom (TMT) sector. Questions remain around its business model and the selection of games – however, Google's immense network infrastructure and consumer offerings such as YouTube and Google Play store could see it succeed where others have fallen short.

Music, radio and podcast platforms broaden their content offering

Propelled by rising usage in smart speakers and the emergence of the connected car, audio consumption will become an increasingly important part of the media and entertainment landscape. To capitalise on this growing market, key players will redefine themselves as 'audio' providers – becoming one-stop shops for consumers browsing music, radio and podcast content.

Globally, digital music streaming revenue is rising rapidly, accounting for 50% of recorded music revenue in 2018. Key players, like YouTube Music and Spotify, have continued to expand their services worldwide.

Spotify is also broadening its focus away from solely music content. In early 2019 it announced the acquisition of two podcast companies: Anchor, which provides a distribution and monetisation tool for podcast creators, and Gimlet Media, a start-up podcast producer. While Spotify, which is now the second-largest podcasting platform in the world, already supports podcasts produced by Gimlet, such as StartUp and Reply All, the deal will bolster its capabilities for developing its own original content portfolio.

Moves such as this reinforce the growing shift by key players towards providing 'audio' content. As the number of services offering music, radio and podcasts content increases and consumer audio consumption continues to rise, any platform serving as a one-stop shop will become increasingly appealing for listeners.

Advertising

Advertising revenue in South Africa rose by 2.8% year-on-year in 2018, reaching a total of R29.5 billion. Further reasonably consistent rises at a CAGR of 3.4% will see the total reach R34.9 billion in 2023.

South Africa: Advertising E&M spending, 2014–2023 (R millions)

Yearly growth to tick on at 3.4% CAGR

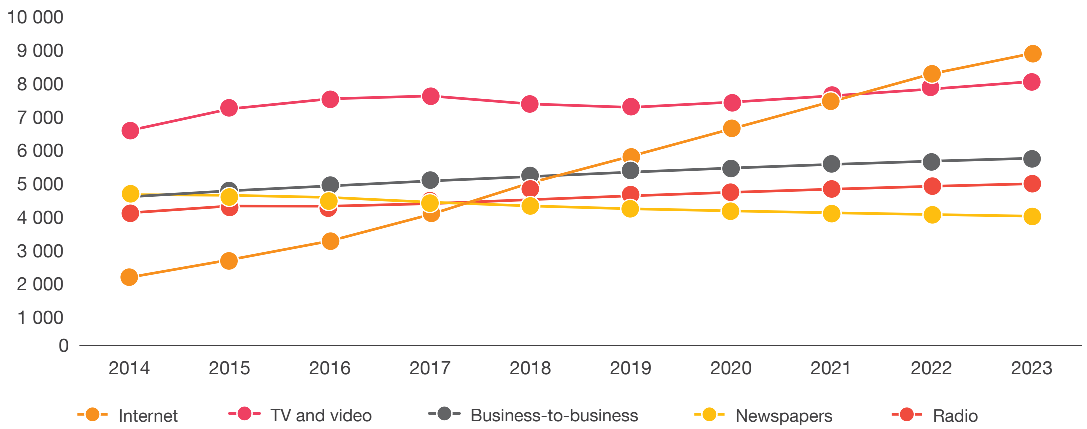
Total advertising market (R millions)											
South Africa	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Business-to-business	4 453	4 633	4 779	4 928	5 059	5 192	5 314	5 423	5 520	5 607	
YOY growth (%)		*4.0%*	*3.2%*	*3.1%*	*2.7%*	*2.6%*	*2.4%*	*2.0%*	*1.8%*	*1.6%*	*2.1%*
Cinema	406	435	442	405	428	450	473	497	520	543	
YOY growth (%)		*7.0%*	*1.7%*	*-8.4%*	*5.7%*	*5.2%*	*5.1%*	*5.0%*	*4.8%*	*4.4%*	*4.9%*
Internet	2 041	2 567	3 132	3 924	4 873	5 669	6 485	7 304	8 135	8 746	
YOY growth (%)		*25.7%*	*22.0%*	*25.3%*	*24.2%*	*16.3%*	*14.4%*	*12.6%*	*11.4%*	*7.5%*	*12.4%*
Magazines	1 946	2 015	1 950	1 935	1 936	1 959	1 997	2 053	2 123	2 213	
YOY growth (%)		*3.6%*	*-3.2%*	*-0.8%*	*0.1%*	*1.2%*	*2.0%*	*2.8%*	*3.4%*	*4.2%*	*2.7%*
Music and podcasts	269	302	334	375	437	502	576	658	745	842	
YOY growth (%)		*12.5%*	*10.5%*	*12.2%*	*16.7%*	*14.7%*	*14.8%*	*14.2%*	*13.2%*	*13.0%*	*14.0%*
Newspapers	4 518	4 498	4 434	4 291	4 179	4 094	4 031	3 974	3 922	3 873	
YOY growth (%)		*-0.4%*	*-1.4%*	*-3.2%*	*-2.6%*	*-2.0%*	*-1.5%*	*-1.4%*	*-1.3%*	*-1.2%*	*-1.5%*
Out-of-home	2 514	2 561	2 657	2 687	2 735	2 787	2 844	2 902	2 961	3 019	
YOY growth (%)		*1.9%*	*3.7%*	*1.1%*	*1.8%*	*1.9%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Radio	3 972	4177	4 172	4 248	4 368	4 482	4 587	4 681	4 768	4 844	
YOY growth (%)		*5.2%*	*-0.1%*	*1.8%*	*2.8%*	*2.6%*	*2.3%*	*2.1%*	*1.8%*	*1.6%*	*2.1%*
TV and video	6 438	7 085	7 387	7 472	7 232	7 131	7 286	7 475	7 680	7 903	
YOY growth (%)		*10.1%*	*4.3%*	*1.2%*	*-3.2%*	*-1.4%*	*2.2%*	*2.6%*	*2.8%*	*2.9%*	*1.8%*
Video games	38	43	56	63	70	77	83	89	93	95	
YOY growth (%)		*13.9%*	*28.6%*	*12.4%*	*11.5%*	*9.6%*	*8.1%*	*7.0%*	*4.7%*	*2.6%*	*6.4%*
E-sports	3.8	6.7	13	25	38	53	67	83	98	114	
YOY growth (%)		*76.3%*	*91.0%*	*98.4%*	*50.4%*	*38.0%*	*26.2%*	*24.2%*	*18.6%*	*16.4%*	*24.5%*
Total advertising	**25 423**	**26 976**	**27 870**	**28 699**	**29 509**	**30 346**	**31 485**	**32 667**	**33 877**	**34 890**	
YOY growth (%)		***6.1%***	***3.3%***	***3.0%***	***2.8%***	***2.8%***	***3.8%***	***3.8%***	***3.7%***	***3.0%***	***3.4%***

Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet advertising is further cementing its status as the key growth story in South Africa, rising 24.2% in 2018 to surpass newspapers and radio and become the third-largest advertising segment after TV and B2B. In 2022 TV's long-time lead will be over, with Internet replacing it as the key advertising contributor. In 2014 newspapers was second only to TV as the highest-value advertising media. But in 2023 newspaper advertising will be placed fifth, following consistent year-on-year falls.

Seismic ad changes over ten-year period

Figure 9: South Africa: Selected advertising revenue lines, 2014–2023 (R millions)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

In its May 2019 update, the Broadcast Research Council of South Africa (BRCSA) announced it would evaluate the future of TV measurement requirements to include OTT and other services in the second half of the year.

As broadband penetration increases and more people switch to time-shifted viewing, OTT video and streaming services, it is more difficult to accurately gauge viewing figures using traditional methods. Advertisers will demand data that can reflect the evolving TV landscape across all devices and time periods, with stronger potential for targeted campaigns and even addressable advertising.

Mega platforms drive Internet advertising to new heights

Media owners are facing up to the opportunity, and challenge, of monetising more content through digital ads, all while assessing the threat of 'frenemy' global mega platforms Google, Facebook and Amazon.

Social media platforms — most notably Facebook — remain a significant driving force in Internet advertising due to their scale and ability to target users on a highly granular basis, using the same integrated advertising platform. Most major social media platforms continue to place greater focus on video, which commands higher prices than standard display inventory, in a bid to drive up the value of social media advertising as user and ad inventory growth slow.

For example, Facebook launched Facebook Watch internationally in August 2018, two months after launching IGTV, a dedicated video section of its Instagram service. New technologies such as AI and personalisation tech will also present opportunities for new formats and more effective, targeted and measurable Internet advertising.

The ease of voice search, coupled with increased penetration of smart speakers, will also drive voice search ad activity significantly over the next five years. But delivering paid search ads to screenless devices such as smart speakers will remain a major challenge. For this reason, Google and Amazon will prioritise devices with screens, such as the Echo Show.

Over the forecast period, advertising will become more 'shoppable' in new and compelling ways as a growing number turn to YouTube and Instagram to window-shop while they watch tech enthusiasts unbox the latest gadgets, beauty vloggers show off their latest 'hauls', and celebrities walk the red carpet. Making it easier for viewers to buy those items will be the logical next step.

The opaque nature of some parts of the value chain, concerns over the accuracy and transparency of measurement, and repeated high-profile controversies over consumer privacy and brand safety still inhibit Internet advertising growth.

However, new interactive, dynamic, and actionable formats and contexts, such as location-specific mobile search ads in map apps, and interactive and dynamic personalisation, will continue to improve the appeal and value of Internet advertising to both consumers and advertisers.

Free-to-play video games are exploring alternative payments models

In January 2019, Netflix said that Fortnite was a bigger competitor for attention than the likes of HBO or Hulu. The astonishing success of the 'battle royale' genre in 2018, spearheaded by Fortnite, has reshaped the strategies of leading video game companies.

While the base game remains free, Fortnite provides a stream of fresh content for all players, while encouraging purchase of a 'Battle Pass' that unlocks additional content. This has resulted in a highly engaged and loyal community of players who, crucially in light of recent controversies, are comfortable with this proposition's transparency and value.

However, the in-app purchase revenue model also presents challenges, as game publishers are reliant on a small percentage of paying users. As the total number of free-to-play game players expands, game companies are increasingly looking at diversifying revenue sources to include advertising. Recent consumer surveys indicate that advertising has now become an accepted part of the mobile gaming experience, with gamers suggesting that they are happy with the ad-funded model's trade-off.

Many popular simple tile-matching mobile games such as Candy Crush already give full access to their content in exchange for displaying ads. However, advertising on more advanced mobile games, such as Fortnite, remains a much bigger challenge. Game makers acknowledge that advertising needs to be integrated creatively so that the gaming experience is not negatively impacted. One of the most promising methods of achieving this is through native in-game advertising.

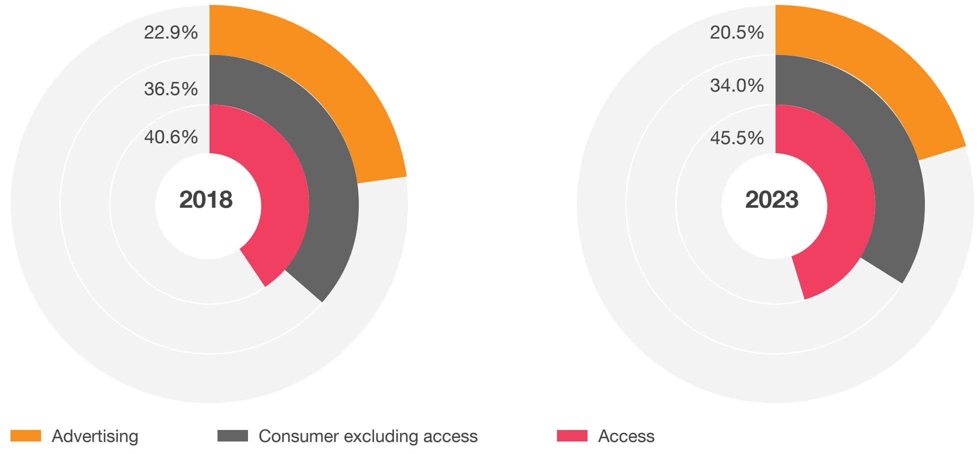
Product placement and the use of banner ads is already utilised heavily in sports games, but it's yet to be used by popular free-to-play titles. Static image or video ad unit displays can be seamlessly assimilated into the game world, providing unobtrusive means of advertising. Furthermore, the ads on in-game displays and banners will eventually be tailored to each individual player, making that advertising more effective, and thus more attractive, to advertisers.

Advertising vs consumer vs access

Internet access revenue is the chief E&M contributor, and it will extend its lead to 2023. Advertising revenue, meanwhile, was under a quarter of the mix in 2018, and will fall to nearly 20% by 2023.

Access to extend its lead

Figure 10: South Africa: Consumer vs advertising vs access, 2018 vs 2023 (%)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

This is a market driven — some would say dominated — by mobile Internet but, although access is having an increasingly distortive effect on E&M revenue, its refinement and enhancement will help to drive consumer and advertising revenue to 2023 and beyond. The coming wave of 5G, first launched in South Africa by Rain in February 2019, and active in parts of Johannesburg and Tshwane by September 2019, will have a transformative effect.

For most consumers, 5G's most immediate benefit will be faster mobile broadband, but the technology will drive much wider change across markets and over time. As subscriptions reach critical mass, 5G's lower-latency, network-slicing, and edge-computing capabilities will provide the foundation for an array of more immersive consumer experiences.

5G networks will enable mobile devices to become central, rather than supplementary, devices in the viewing ecosystem. The growth in mobile video viewing will also drive global growth in mobile video advertising revenue, as platforms and publishers are able to serve more ads to more people at more times during the day.

The growing segments of VR, AR, and mixed reality (MR) will also accelerate thanks to the proliferation of 5G devices and the improving capabilities of 5G networks. Faster data speeds, lower latency, improved handsets and better VR and AR content from fast-learning content providers will potentially scale these technologies to the mass market, with consumer spending on 5G AR and VR set to follow.

The potential use cases from this mobile revolution will be seized upon by the most agile and innovative E&M companies to create new revenue streams stretching into, and fundamentally changing, the future.

Nigeria

Nigeria's E&M market is dominated by Internet revenue, and therefore shows a similar growth path to that metric. Having reached US$4.5 billion in 2018, E&M revenue will rise at a 19.3% CAGR to reach US$10.8 billion in 2023.

Nigeria to become US$10 billion market by 2023

Nigeria: Total E&M market, 2014–2023 (US$ millions)

Total E&M (US$ millions)											
Nigeria	**Historical data**					**Forecast data**					**CAGR %**
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Books	23	24	25	27	28	29	30	31	33	34	
YOY growth (%)		*5.7%*	*5.0%*	*4.7%*	*4.5%*	*4.7%*	*4.1%*	*4.0%*	*3.5%*	*3.1%*	*3.9%*
Business-to-business	11	12	13	14	15	16	17	18	19	19	
YOY growth (%)		*9.5%*	*10.4%*	*7.1%*	*8.1%*	*6.8%*	*5.7%*	*6.6%*	*4.5%*	*4.9%*	*5.7%*
Cinema	6.6	7.2	10	11	12	14	15	16	17	18	
YOY growth (%)		*9.1%*	*43.1%*	*9.7%*	*8.8%*	*9.8%*	*7.4%*	*7.6%*	*8.3%*	*6.5%*	*7.9%*
Internet	1 073	1 306	1 656	2 403	3 272	4 300	5 434	6 686	8 045	9 349	
YOY growth (%)		*21.7%*	*26.8%*	*45.1%*	*36.1%*	*31.4%*	*26.4%*	*23.0%*	*20.3%*	*16.2%*	*23.4%*
Magazines	100	102	105	107	109	111	113	115	117	119	
YOY growth (%)		*1.9%*	*2.3%*	*2.2%*	*2.1%*	*1.7%*	*1.7%*	*1.7%*	*1.6%*	*1.6%*	*1.7%*
Music	26	27	30	32	34	36	38	40	42	44	
YOY growth (%)		*5.9%*	*11.4%*	*6.3%*	*6.9%*	*5.5%*	*5.2%*	*5.5%*	*5.2%*	*4.3%*	*5.2%*
Newspapers	91	90	90	90	90	91	91	90	90	89	
YOY growth (%)		*-0.9%*	*-0.6%*	*0.2%*	*0.3%*	*0.6%*	*-0.2%*	*-0.7%*	*-0.4%*	*-0.5%*	*-0.3%*
Out-of-home	93	99	104	112	118	125	131	137	142	147	
YOY growth (%)		*6.3%*	*5.1%*	*7.4%*	*5.6%*	*5.3%*	*4.9%*	*4.5%*	*4.1%*	*3.5%*	*4.5%*

Total E&M (US$ millions)											
Nigeria	**Historical data**					**Forecast data**					**CAGR %**
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Radio	42	44	38	40	42	44	47	49	51	54	
YOY growth (%)		*6.0%*	*-13.6%*	*4.2%*	*5.5%*	*5.7%*	*5.2%*	*5.4%*	*4.7%*	*4.7%*	*5.1%*
TV and video	538	568	619	681	732	771	806	838	871	904	
YOY growth (%)		*5.6%*	*8.9%*	*10.1%*	*7.5%*	*5.4%*	*4.5%*	*4.0%*	*3.9%*	*3.8%*	*4.3%*
Video games	19	22	39	51	67	85	104	126	150	176	
YOY growth (%)		*17.1%*	*75.8%*	*31.2%*	*31.7%*	*27.4%*	*22.9%*	*21.4%*	*18.6%*	*17.1%*	*21.4%*
Total	**2 005**	**2 283**	**2 700**	**3 528**	**4 467**	**5 553**	**6 739**	**8 041**	**9 448**	**10 801**	
YOY growth (%)		***13.8%***	***18.3%***	***30.7%***	***26.6%***	***24.3%***	***21.3%***	***19.3%***	***17.5%***	***14.3%***	***19.3%***

Notes:
2014–2018 figures have been updated to reflect most recently available financial information.

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

Professional books are counted in business-to-business and books, but only once in the overall total.

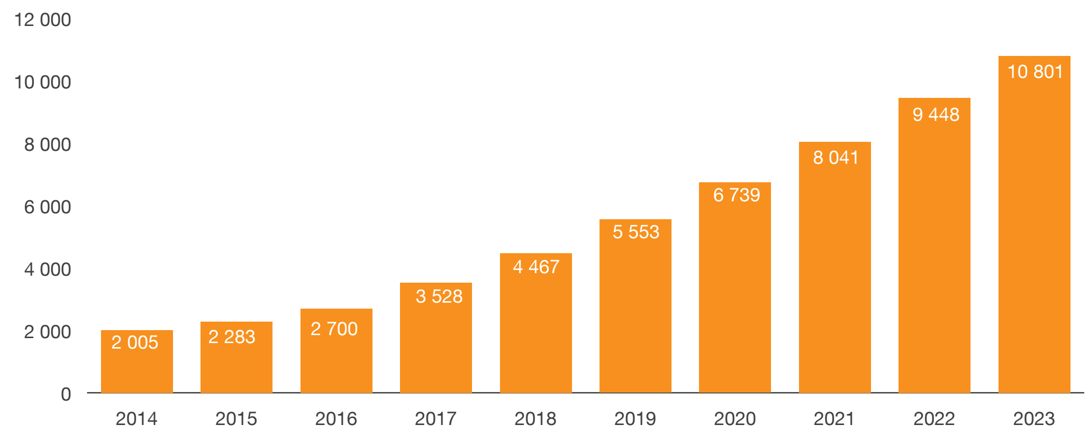
Trade magazines are counted in business-to-business and magazines, but only once in the overall total.

App-based social/casual gaming revenue is counted in video games and end-user app spend, but only once in the overall total.

Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

2023 revenue to be nearly 2.5 times 2018's

Figure 11: Nigeria: Total E&M revenue, 2014–2023 (US$ millions)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet dominates revenue, but much room for improvement in service

The ostensibly excellent growth rate must be put in the context of how much of this figure comes from Internet access revenue. This figure stood at US$3.1 billion in 2018, and will rise to US$8.7 billion in 2023. In other words, 69% of Nigeria's E&M revenue came from Internet access in 2018, and the figure will rise to 81% in five years' time. Taking these figures out sees the CAGR fall steeply to around 7%, though such a rate is still impressive.

But while mobile Internet access is now theoretically nearly ubiquitous in Nigeria, in practice the quality and reliability of service is highly variable. There are only 1.3 million high-speed mobile Internet connections, compared with 65 million low-speed connections.

All of the major telcos have offered 4G service since late 2016, but it remains limited to certain areas of the country, although the network is steadily expanding: in May 2019 Airtel announced the extension of its 4G network to the cities of Enugu and Uyo.

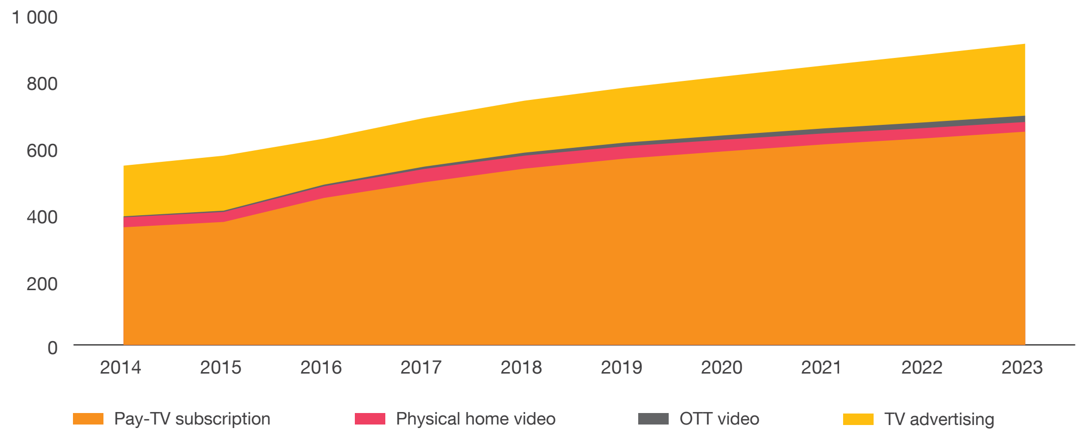
The 4G rollout has proved challenging for telcos as well and the commercial viability of the service in Nigeria is yet to be demonstrated. Smartphone usage has soared in recent years, with some 72 million active connections recorded by 2018, but most consumers use very low-cost devices like the 13 000-naira (US$36) smartphone rolled out by Google and Japanese manufacturer Freetel in 2017. Many of these handsets lack 4G connectivity, and as a result telcos will have to wait for a new generation of devices to be adopted before they can reach a wider audience.

Outside of Internet access, TV and video will push towards US$1 billion in revenue by 2023 after adding US$172 million in five years. The main contributor here is pay-TV subscription revenue, which surpassed US$500 million in 2018. StarTimes, is the subscription TV market leader in the pay-TV segment, but many subscribers take only entry-level packages, meaning MultiChoice continues to produce the highest ARPU because of the important sports content on its SuperSport channels.

There is huge long-term potential for OTT video once significant investment in infrastructure is made, but current Internet limitations will see it struggle to make an impact over the forecast period. For example, iROKOtv, which was launched in late 2011 primarily to showcase Nollywood movies, stopped its streaming service in 2016 and relaunched as a download service, with most of its activity now coming through Wi-Fi rather than over cellular networks. Meanwhile, the presence of the Nigerian national team in the 2018 FIFA World Cup boosted viewing figures and opportunities for advertisers.

TV and video is a key contributor to true E&M revenue

Figure 12: Nigeria: TV and video by subsegment, 2014–2023 (US$ millions)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Advertising revenue to move past US$500 million

Nigeria: Total advertising revenue, split by category, 2014–2023 (US$ millions)

Total advertising (US$ millions)											
Nigeria	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Business-to-business	2.6	3.0	3.6	4.0	4.5	4.9	5.3	5.8	6.1	6.4	
YOY growth (%)		*15.4%*	*20.0%*	*11.1%*	*12.5%*	*8.9%*	*8.2%*	*9.4%*	*5.2%*	*4.9%*	*7.3%*
Cinema	0.5	0.5	0.6	0.6	0.7	0.9	1.0	1.1	1.3	1.4	
YOY growth (%)		*0.0%*	*20.0%*	*0.0%*	*16.7%*	*28.6%*	*11.1%*	*10.0%*	*18.2%*	*7.7%*	*14.9%*
Internet	25	34	46	58	73	86	99	111	122	133	
YOY growth (%)		*38.7%*	*32.8%*	*26.7%*	*25.2%*	*18.6%*	*14.9%*	*11.9%*	*9.9%*	*9.6%*	*12.9%*
Magazines	3.7	3.9	4.1	4.3	4.8	5.1	5.7	6.3	7.0	7.9	
YOY growth (%)		*5.4%*	*5.1%*	*4.9%*	*11.6%*	*6.3%*	*11.8%*	*10.5%*	*11.1%*	*12.9%*	*10.5%*
Music	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	
YOY growth (%)		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*20.0%*	*0.0%*	*3.7%*
Newspapers	31	29	28	27	26	25	24	24	23	22	
YOY growth (%)		*-5.8%*	*-5.4%*	*-3.6%*	*-3.4%*	*-3.1%*	*-3.2%*	*-3.3%*	*-3.4%*	*-3.1%*	*-3.2%*
Out-of-home	93	99	104	112	118	125	131	137	142	147	
YOY growth (%)		*6.3%*	*5.1%*	*7.4%*	*5.6%*	*5.3%*	*4.9%*	*4.5%*	*4.1%*	*3.5%*	*4.5%*
Radio	42	44	38	40	42	44	47	49	51	54	
YOY growth (%)		6.0%	-13.6%	4.2%	5.5%	5.7%	5.2%	5.4%	4.7%	4.7%	5.1%
TV and video	152	165	138	146	156	165	177	189	203	216	
YOY growth (%)		*8.7%*	*-16.4%*	*5.5%*	*6.8%*	*5.9%*	*7.6%*	*6.5%*	*7.4%*	*6.5%*	*6.8%*
Total advertising	**346**	**376**	**358**	**387**	**419**	**450**	**483**	**513**	**544**	**574**	
YOY growth (%)		***8.6%***	***-4.7%***	***7.9%***	***8.4%***	***7.4%***	***7.3%***	***6.3%***	***6.0%***	***5.5%***	***6.5%***

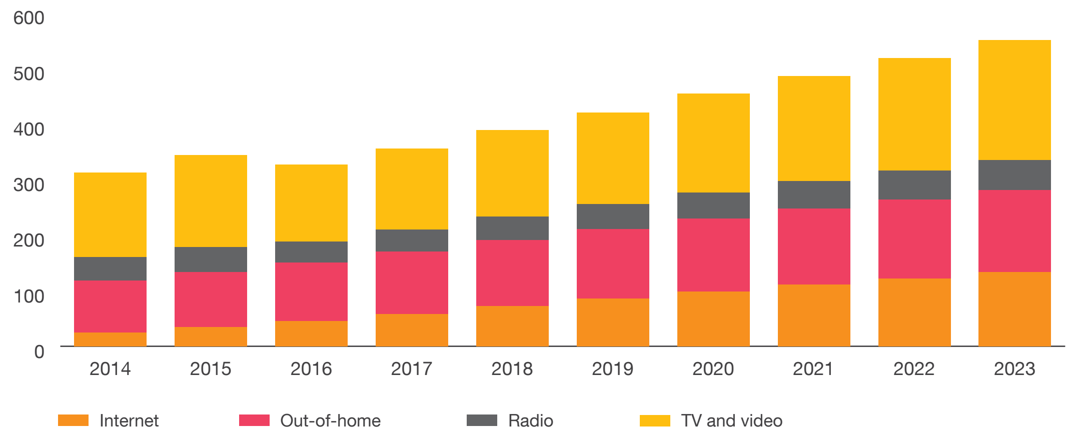
Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet, OOH, radio, TV and video are the four ad segments with revenue above US$30 million in Nigeria, with TV accounting for 37% of the total in 2018 – US$156 million of the total advertising revenue of US$419 million. That proportion will edge upwards to 38% in 2023, helped by newspapers in particular continuing its long-term decline.

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

Internet advertising begins to make its presence felt

Figure 13: Nigeria: Advertising revenue, selected segments, 2014–2023 (US$ millions)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Although TV will remain the ad leader to 2023, in terms of net additions to revenue it will be slightly outperformed by Internet advertising. The latter will add US$60.7 million in absolute terms to 2023 as opposed to the former's US$60.2 million. Google launched its Google Partners programme in Nigeria in September 2018, which aims to develop awareness and expertise in Internet advertising among businesses.

Initiatives like these are important in encouraging Nigerian businesses, which still tend to look first to more-familiar advertising formats like TV and out-of-home, but which are increasingly beginning to transition to Internet advertising as it emerges as one of the main ways to reach consumers in an increasingly connected country.

OOH, the second-largest segment in 2018, has plenty of headway for future growth. The Nigerian OOH industry is highly fragmented, typical of the pattern in less mature markets, with a very wide range of operators in all niches of the market. There are signs of consolidation, however. The entry of JCDecaux, the world's largest outdoor advertising company, into the market in 2017 is a particularly notable development, signalling international confidence in growth prospects, while also bringing in much-needed innovation and investment to the market.

While JCDecaux is the first of the major global operators to invest in Nigeria, a number of South African-based regional players are also present, notably Provantage Global and Primedia Outdoor, and they too are important sources of capital investment and expertise. They are also indicative of Nigeria's progress, and continued promise, as an E&M market.

Kenya

Kenya's E&M market is set to see growth at a 10.3% CAGR over the next five years, reaching nearly US$3.0 billion in 2023. In 2018 the market rose by 13.0% year-on-year to make US$1.8 billion.

Double-digit growth anticipated for Kenya

Kenya: Total E&M market, 2014–2023 (US$ millions)

Total E&M (US$ millions)											
Kenya	**Historical data**					**Forecast data**					**CAGR %**
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Books	37	38	36	36	36	37	38	39	40	41	
YOY growth (%)		*2.2%*	*-5.0%*	*-0.3%*	*0.3%*	*2.5%*	*2.7%*	*2.4%*	*2.3%*	*1.8%*	*2.3%*
Business-to-business	11	12	14	15	17	18	20	22	24	27	
YOY growth (%)		*11.8%*	*9.8%*	*10.4%*	*10.7%*	*9.1%*	*9.4%*	*10.7%*	*9.2%*	*11.8%*	*10.0%*
Cinema	4.6	5.0	5.2	5.8	6.2	6.7	7.2	7.6	8.1	8.6	
YOY growth (%)		*8.7%*	*4.0%*	*11.5%*	*6.9%*	*8.1%*	*7.5%*	*5.6%*	*6.6%*	*6.2%*	*6.8%*
Internet	467	594	795	925	1 091	1 261	1 443	1 630	1 828	2 031	
YOY growth (%)		*27.3%*	*33.8%*	*16.3%*	*18.0%*	*15.6%*	*14.4%*	*13.0%*	*12.1%*	*11.1%*	*13.2%*
Magazines	68	70	72	75	77	80	83	86	88	91	
YOY growth (%)		*3.5%*	*3.1%*	*3.7%*	*2.9%*	*3.0%*	*3.9%*	*3.5%*	*3.0%*	*3.2%*	*3.3%*
Music	18	19	21	23	25	25	25	24	24	24	
YOY growth (%)		*7.2%*	*6.2%*	*10.7%*	*8.8%*	*0.0%*	*-0.8%*	*-1.2%*	*-0.4%*	*-2.1%*	*-0.9%*
Newspapers	81	83	81	82	84	86	88	90	91	92	
YOY growth (%)		*2.9%*	*-2.5%*	*1.6%*	*2.1%*	*2.4%*	*2.2%*	*1.9%*	*1.8%*	*1.2%*	*1.9%*
Out-of-home	22	24	25	27	29	30	32	33	35	36	
YOY growth (%)		*10.0%*	*5.4%*	*7.1%*	*5.5%*	*5.2%*	*5.0%*	*4.7%*	*3.9%*	*3.5%*	*4.5%*
Radio	77	84	81	86	92	99	106	113	121	128	
YOY growth (%)		*9.4%*	*-4.0%*	*6.7%*	*7.1%*	*7.0%*	*7.1%*	*6.9%*	*6.7%*	*6.2%*	*6.8%*

Total E&M (US$ millions)											
Kenya	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
TV and video	225	255	271	292	315	339	360	379	398	416	
YOY growth (%)		*13.1%*	*6.6%*	*7.7%*	*7.8%*	*7.4%*	*6.2%*	*5.3%*	*5.2%*	*4.5%*	*5.7%*
Video games	39	46	55	64	83	100	114	126	139	153	
YOY growth (%)		*18.4%*	*19.5%*	*16.8%*	*29.6%*	*21.0%*	*13.7%*	*10.5%*	*10.7%*	*9.6%*	*13.0%*
Total	**1 034**	**1 213**	**1 434**	**1 605**	**1 815**	**2 029**	**2 252**	**2 480**	**2 719**	**2 961**	
YOY growth (%)		***17.3%***	***18.2%***	***11.9%***	***13.0%***	***11.8%***	***11.0%***	***10.1%***	***9.6%***	***8.9%***	***10.3%***

Notes:
2014–2018 figures have been updated to reflect most recently available financial information.

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

Professional books are counted in business-to-business and books, but only once in the overall total.

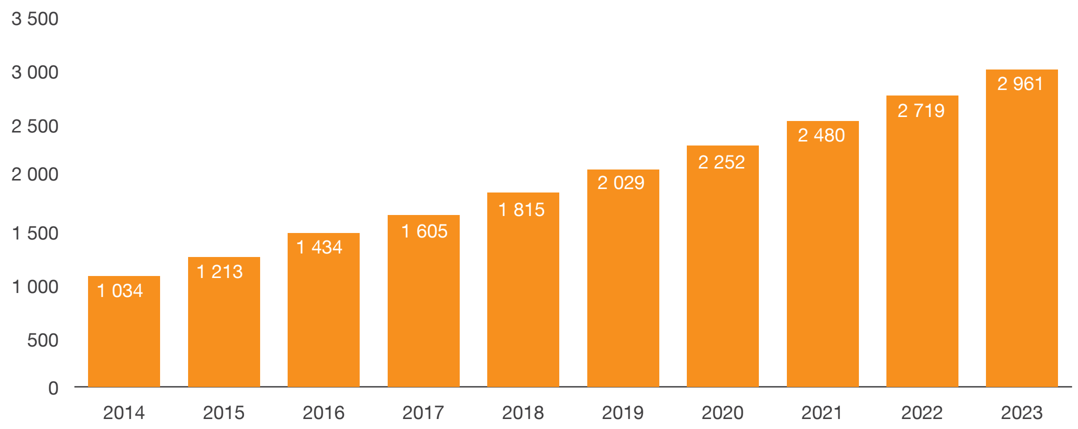
Trade magazines are counted in business-to-business and magazines, but only once in the overall total.

App-based social/casual gaming revenue is counted in video games and end-user app spend, but only once in the overall total.

Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

US$3 billion mark almost reached by 2023

Figure 14: Kenya: Total E&M revenue, 2014–2023 (US$ millions)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

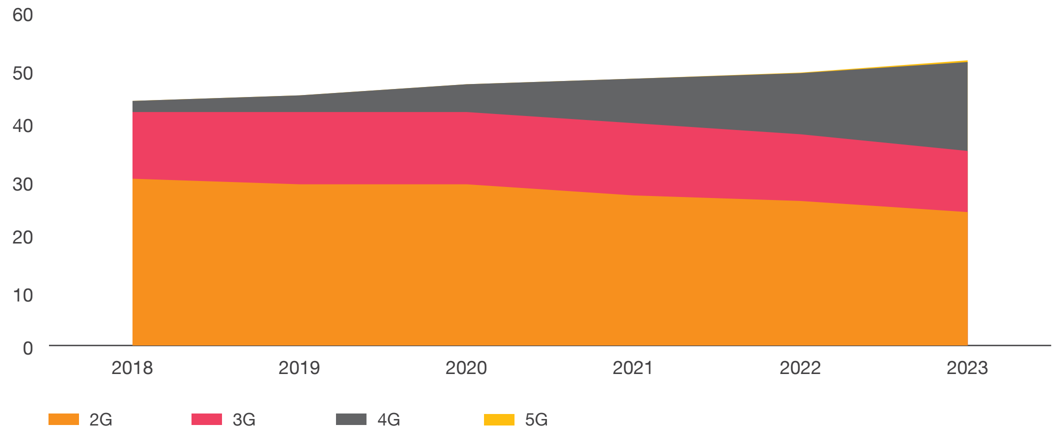
Internet access is integral to this revenue, and growth, but not quite to the extent that it is in Nigeria. In 2018, 56% of Kenya's E&M total was down to this source, and the proportion will rise to 64% in 2023. The equivalent figures for Nigeria are 69% and 81%.

Kenya enjoys an impressive standard of Internet connectivity compared with most of its regional peers. Continuing investment by government, telcos and tech companies will sustain this growth trend for the foreseeable future as Internet services are extended to an increasing number of Kenyans, while the standard of service available to existing subscribers improves too.

The vast distances involved in reaching Kenya's most remote rural areas makes building physical infrastructure impractical, so since 2018 Google-owned Loon has partnered with Telkom Kenya to provide an Internet signal through high-altitude balloons; a scheme that may eventually bring Internet connectivity to virtually all of Kenya's population. There are no immediate plans to roll out 5G infrastructure in Kenya, but it is one of the best-placed countries in the region to take advantage of the technology and pressure is beginning to grow from businesses to start laying the groundwork.

5G not yet viable, but service is improving

Figure 15: Mobile Internet connections by generation, 2018–2023 (millions)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

TV and video is another weighty contributor to overall revenue, responsible for 17% of Kenya's total in 2018. MultiChoice continues to lead the pay-TV market across the region, maintaining important content rights, including key sports content. The company has exclusive rights to both the English Premier League and UEFA Champions League football until at least the end of the 2021/2022 season and will be well placed to extend the rights in the next round of bidding.

MultiChoice is focussed mostly on pay-DTT services in Kenya and has reduced prices to its DStv Access and DStv Compact packages several times. This has spurred competition with StarTimes, with the Chinese-backed satellite provider reducing its subscription fees by 50% in April 2019. As well as English-language content, in recent times Swahili telenovelas such as Pete and Selina have found an audience.

OTT video has been growing rapidly from a low base, but is still held back by low broadband penetration and poor infrastructure outside the largest cities, limiting opportunities for international SVOD players like Netflix and Amazon. There may be more potential for the streaming market through mobile Internet take-up.

In May 2019 low-cost Internet provider Poa! announced the completion of its wireless Internet network in Nairobi and Kiambu, with over 3 000 Wi-Fi hotspots installed. Low-cost Internet access on the street for those who cannot afford a connection at home could be vital in bringing a more substantial proportion of the population online.

A further bright spot is video games, where revenue will rise from US$83 million in 2018 to US$153 million in 2023. In particular, social/casual gaming is set for an 18.6% CAGR to 2023, aided by healthy growth in smartphone ownership. A number of national games developers are starting to emerge, most of whom primarily focussed on mobile gaming. Based in Nairobi, Weza Interactive Entertainment and Ludique Works are two such developers creating interactive content for and about Africa.

These developers are optimistic that video games development will reach a point where local firms are able to break even and offer people full-time employment. Google's decision in June 2018 to allow games developers from African countries including Kenya to make money from their apps sold on its Google Play Store could provide these developers with a much-needed helping hand in achieving their goals.

Kenya: Advertising expenditure by E&M segment, 2014–2023 (US$ millions)

7.0% CAGR expected to 2023

Total advertising market (US$ millions)											
Kenya	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Business-to-business	3.6	3.9	4.2	4.6	5.1	5.4	5.9	6.7	7.7	9.2	
YOY growth (%)		*8.3%*	*7.7%*	*9.5%*	*10.9%*	*5.9%*	*9.3%*	*13.6%*	*14.9%*	*19.5%*	*12.5%*
Cinema	0.8	0.9	1.0	1.2	1.3	1.5	1.7	1.8	2.0	2.2	
YOY growth (%)		*12.5%*	*11.1%*	*20.0%*	*8.3%*	*15.4%*	*13.3%*	*5.9%*	*11.1%*	*10.0%*	*11.1%*
Internet	18	24	29	34	40	47	53	59	67	73	
YOY growth (%)		*33.3%*	*19.3%*	*16.2%*	*17.8%*	*16.8%*	*13.8%*	*12.3%*	*12.8%*	*9.3%*	*13.0%*
Magazines	11	11	11	12	12	12	12	12	13	13	
YOY growth (%)		*3.8%*	*3.7%*	*2.7%*	*3.4%*	*0.0%*	*1.7%*	*1.6%*	*1.6%*	*1.6%*	*1.3%*
Music	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
YOY growth (%)		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Newspapers	37	39	36	36	37	38	38	39	40	41	
YOY growth (%)		*4.6%*	*-7.5%*	*1.1%*	*2.2%*	*2.2%*	*2.1%*	*2.1%*	*2.3%*	*2.5%*	*2.2%*
Out-of-home	22	24	25	27	29	30	32	33	35	36	
YOY growth (%)		*10.0%*	*5.4%*	*7.1%*	*5.5%*	*5.2%*	*5.0%*	*4.7%*	*3.9%*	*3.5%*	*4.5%*
Radio	77	84	81	86	92	99	106	113	121	128	
YOY growth (%)		*9.4%*	*-4.0%*	*6.7%*	*7.1%*	*7.0%*	*7.1%*	*6.9%*	*6.7%*	*6.2%*	*6.8%*
TV and video	75	84	82	90	99	109	119	127	136	144	
YOY growth (%)		*12.1%*	*-2.9%*	*9.7%*	*10.3%*	*10.4%*	*8.5%*	*7.2%*	*7.4%*	*5.9%*	*7.9%*
Video games	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	
YOY growth (%)			-	-	-	-	*0.0%*	*0.0%*	*0.0%*	*0.0%*	-
Total advertising	**237**	**264**	**261**	**280**	**304**	**329**	**353**	**377**	**403**	**427**	
YOY growth (%)		***11.1%***	***-1.1%***	***7.6%***	***8.3%***	***8.3%***	***7.4%***	***6.7%***	***7.0%***	***5.9%***	***7.0%***

Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.com/outlook

Total Kenyan advertising revenue is forecast to reach US$427 million in 2023, rising at a 7.0% CAGR. TV, radio and increasingly the Internet are key contributors. One potential inhibitor comes at the legislative level: in June 2019 it was announced that the Kenyan National Assembly was proposing new rules to restrict the advertisement of gambling on TV and radio, unless it was during live sports broadcasts.

The new regulations would require radio and TV stations to dedicate a minimum of 10% of their advertising air time to responsible gambling messages, as well as limiting the hours during which gambling adverts can be played.

Radio is a vibrant industry in Kenya, with Nairobi alone having 29 stations. Kiswahili-speaking stations are the most popular across all age groups, accounting for 44% of radio listenership across the total population — reflective of radio's capacity to reach a wide range of communities. A 6.8% CAGR to 2023 will push radio advertising, which currently stands at US$92 million, well above US$100 million by the end of the forecast period.

TV advertising is another segment to be fractionally off the US$100 million mark in 2018, and will push on to US$144 million by 2023. The state-run Kenya Broadcasting Corporation (KBC) tends to lead the ratings and is funded from advertising revenue as well as a government-provided budget. With digitisation having taken place on schedule in 2015, the range of thematic channels is rising, giving advertisers new opportunities to target more niche segments.

Kenya has very high rates of advertising agency commission: a TV ad reportedly costs more than twice the Nigerian price for the same airtime, which perhaps goes some way to explaining why Nigeria's TV advertising industry is only 1.5 times the size of Kenya's even though its population is nearly four times larger.

The advertising skill-set in Kenya is perceived to be slightly higher than in Nigeria, thanks to better exposure to global trends, technology and training. Commissions are expected to reduce as the market matures, encouraging further spend. As part of this growth trend the wider advertising industry is set to expand, with more agencies launching.

Internet advertising will see the fastest ad growth to 2023, at a CAGR of 13.0%. So far, advertisers have struggled to monetise the burgeoning online population beyond the relatively small section with access to fixed broadband. Advertisers and ad agencies also need time to catch up with the rapid growth in mobile Internet use and develop the necessary expertise to make effective use of the new possibilities.

But these hurdles are quickly being overcome. Network speeds are forecast to increase rapidly over the next few years and corresponding drops in unit data costs are almost certain to follow. Simultaneously, Kenya's Internet advertising industry is becoming more sophisticated as new technology and business practices are imported – the April 2018 collaboration between Google and ad agency ScanGroup (which is based locally, but owned by international ad major WPP) is a good example of this positive trend.

Ghana

Ghana's E&M industry is set for the fastest growth of any of the countries considered in this overview, forecast to rise at a 19.8% CAGR to reach nearly US$3 billion by 2023. This comes after the country's E&M market rose 36.3% year-on-year in 2018, from US$885 million to US$1.2 billion.

Internet uptake drives Ghana to new heights

Ghana: Total E&M market, 2014–2023 (US$ millions)

Total E&M (US$ millions)											
Ghana	**Historical data**					**Forecast data**					**CAGR %**
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Books	15	15	15.3	16	16	17	17	17	18	18	
YOY growth (%)		*1.4%*	*4.1%*	*3.3%*	*3.2%*	*2.5%*	*1.8%*	*2.4%*	*1.7%*	*1.7%*	*2.0%*
Business-to-business	3.3	3.5	4.2	4.4	4.9	5.5	6.1	6.5	7.0	7.3	
YOY growth (%)		*6.1%*	*20.0%*	*4.8%*	*11.4%*	*12.2%*	*10.9%*	*6.6%*	*7.7%*	*4.3%*	*8.3%*
Cinema	1.0	1.2	1.3	1.3	1.4	1.5	1.5	1.6	1.6	1.6	
YOY growth (%)		*20.0%*	*8.3%*	*0.0%*	*7.7%*	*7.1%*	*0.0%*	*6.7%*	*0.0%*	*0.0%*	*2.7%*
Internet	159	268	427	656	957	1 278	1 632	1 986	2 324	2 613	
YOY growth (%)		*68.8%*	*59.4%*	*53.8%*	*45.8%*	*33.5%*	*27.7%*	*21.7%*	*17.0%*	*12.4%*	*22.2%*
Magazines	7.0	7.2	7.8	8.1	8.6	8.7	9.2	9.7	10	10	
YOY growth (%)		*2.9%*	*8.3%*	*3.8%*	*6.2%*	*1.2%*	*5.7%*	*5.4%*	*4.1%*	*3.0%*	*3.9%*
Music	3.3	3.8	4.4	5.3	6.4	7.4	8.1	8.8	9.4	9.8	
YOY growth (%)		*15.2%*	*15.8%*	*20.5%*	*20.8%*	*15.6%*	*9.5%*	*8.6%*	*6.8%*	*4.3%*	*8.9%*
Newspapers	11	11	11	12	14	15	16	17	19	19	
YOY growth (%)		*0.9%*	*0.9%*	*13.9%*	*10.6%*	*9.6%*	*8.7%*	*7.4%*	*6.3%*	*4.3%*	*7.3%*
Out-of-home	15	16	18	19	21	23	24	25	27	28	
YOY growth (%)		*9.5%*	*8.6%*	*10.2%*	*8.2%*	*7.6%*	*6.2%*	*5.8%*	*5.5%*	*4.5%*	*5.9%*
Radio	23	26	29	32	35	38	42	45	48	52	
YOY growth (%)		*12.9%*	*9.9%*	*10.4%*	*9.7%*	*9.5%*	*8.6%*	*8.0%*	*7.8%*	*7.5%*	*8.3%*

Total E&M (US$ millions)											
Ghana	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
TV and video	79	100	109	119	130	141	151	162	175	191	
YOY growth (%)		*25.6%*	*9.8%*	*9.1%*	*9.0%*	*8.2%*	*7.3%*	*7.4%*	*8.1%*	*9.0%*	*8.0%*
Video games	9.3	11	14	16	18	21	24	27	30	33	
YOY growth (%)		*18.3%*	*27.3%*	*14.3%*	*13.8%*	*12.6%*	*14.6%*	*12.8%*	*11.7%*	*11.1%*	*12.6%*
Total	**322**	**458**	**636**	**885**	**1 206**	**1 547**	**1 921**	**2 296**	**2 657**	**2 970**	
YOY growth (%)		***42.4%***	***38.8%***	***39.2%***	***36.3%***	***28.3%***	***24.1%***	***19.5%***	***15.7%***	***11.8%***	***19.8%***

Notes:
Newspaper, directory, consumer magazines, trade magazines and online TV advertising are included in their respective segments and also in Internet advertising, but only once in the overall total.

Professional books are counted in business-to-business and books, but only once in the overall total.

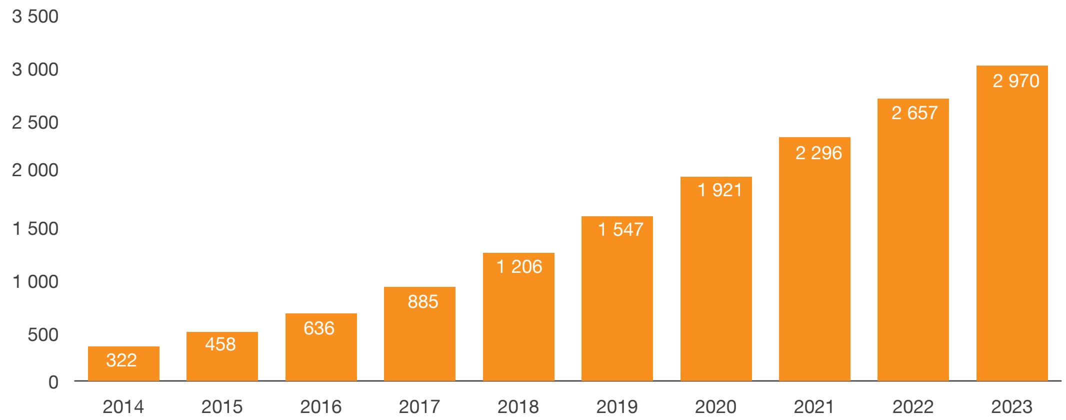
Trade magazines are counted in business-to-business and magazines, but only once in the overall total.

App-based social/casual gaming revenue is counted in video games and end-user app spend, but only once in the overall total.

Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Revenue pushing US$3 billion by 2023

Figure 16: Ghana: E&M revenue, 2014–2023 (US$ millions)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

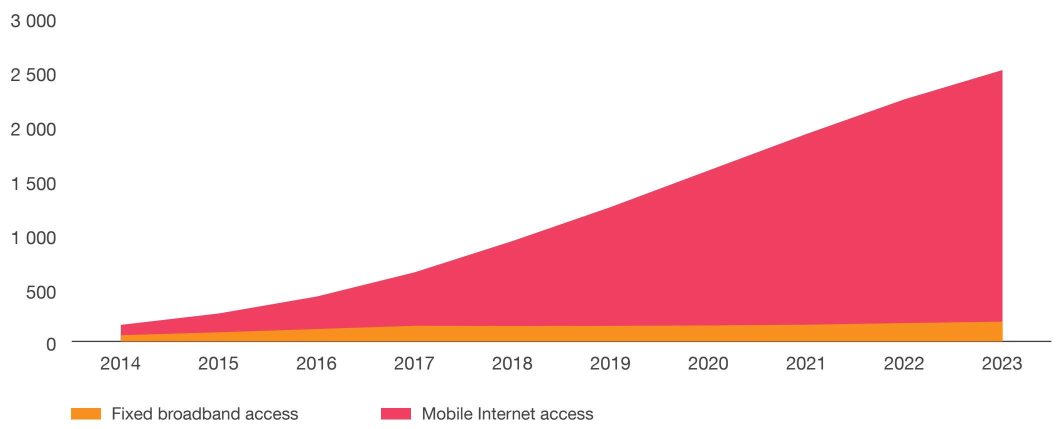
As is becoming a familiar story, the actual rates are misleading, predicated as they are on the still large room for organic growth in the Internet access market. Mobile Internet subscriptions are projected to record substantial growth in 2019, supported by the launch of 4G services by Vodafone Ghana and increased expansion of the network by MTN Ghana using the additional spectrum acquired from Goldkey Telecoms.

In April 2019, MTN announced plans to invest US$160 million towards network and IT systems expansion and modernisation to support the growing demand for data services. Meanwhile, Telesol 4G, a locally based fixed broadband provider, is the latest entrant in the country's fixed LTE market, having partnered with Parallel Wireless to deploy a low-cost, virtualised, multi-technology LTE service.

Fixed broadband itself is far less developed, although in February 2019, Vodafone Ghana launched the Express Wi-Fi service in partnership with Facebook to provide affordable broadband services in residential areas across the country.

Ghana E&M revenue is dominated by mobile Internet

Figure 17: Ghana: Fixed broadband vs mobile Internet revenue, 2014–2023 (US$ millions)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

TV and video are the largest contributors in terms of non-access revenue. Over two-thirds of Ghana's TV industry is attributable to advertising revenue, with the subscription TV market extremely limited and struggling for growth. The government stated in December 2018 that the digital transition process would begin in the first quarter of 2019, but no new deadline for completing the analogue switch-off has been announced.

The delays to digital switchover have not helped the fight against piracy, with revenue being limited by the illegal distribution of premium TV content that is taken from the signal of legitimate TV operators.

In terms of OTT video, with gradually increasing Internet penetration, there has been rising interest in the segment, with both Netflix and Amazon Prime arriving in 2016 as part of their wider global expansion. Kwese Iflix and Showmax are also popular, while other services are available from Ericsson's NuVu and Zip TV from the Ghanaian Internet company Broadband Home.

Another segment benefitting from the groundwork laid by mobile Internet expansion is video games, which will see the second-highest growth to 2023 of any segment at a 12.6% CAGR. PC games online/microtransaction revenue is a major contributor here, fitting the profile of a gaming culture split where players access gaming hardware through work or Internet cafés and make smaller, more-occasional purchases in 'freemium' games.

But social/casual gaming is the fastest-growing sector of the market, from a fairly small base. This is perhaps not surprising given the fact that Ghana has lagged behind other East African countries in the take-up of smartphones and mobile payments.

Recent regulatory changes make a greater range of financial services possible through mobile payments, and subsequently DusuPay, Africa's largest payment service provider, began operating in the country. Other notable initiatives include Ecobank Ghana's launch of EcobankPay Zone and ExpressPay launching Visa mobile solution. If these solutions gain extensive take-up, it could boost what is already Ghana's fastest-growing gaming sector.

TV continues to dominate advertising in Ghana

Ghana: Advertising expenditure by E&M segment, 2014–2023 (US$ millions)

Total advertising market (US$ millions)											
Ghana	Historic data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Business-to-business	0.9	1.0	1.2	1.2	1.3	1.5	1.7	1.9	2.1	2.3	
YOY growth (%)		*11.1%*	*20.0%*	*0.0%*	*8.3%*	*15.4%*	*13.3%*	*11.8%*	*10.5%*	*9.5%*	*12.1%*
Cinema	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	
YOY growth (%)		*50.0%*	*0.0%*	*0.0%*	*33.3%*	*0.0%*	*0.0%*	*25.0%*	*0.0%*	*0.0%*	*4.6%*
Internet	5.3	7.1	9.4	12	15	18	22	25	27	29	
YOY growth (%)		*34.0%*	*32.4%*	*29.8%*	*24.6%*	*20.4%*	*17.5%*	*14.4%*	*10.2%*	*7.4%*	*13.9%*
Magazines	4.4	4.4	4.7	4.8	5.0	4.9	5.1	5.3	5.4	5.5	
YOY growth (%)		*0.0%*	*6.8%*	*2.1%*	*4.2%*	*-2.0%*	*4.1%*	*3.9%*	*1.9%*	*1.9%*	*1.9%*
Newspapers	7.7	7.9	7.7	8.7	9.6	11	11	12	13	13	
YOY growth (%)		*2.6%*	*-2.5%*	*13.0%*	*10.3%*	*9.4%*	*8.6%*	*7.0%*	*5.7%*	*3.9%*	*6.9%*
Out-of-home	15	16	18	19	21	23	24	25	27	28	
YOY growth (%)		*9.5%*	*8.6%*	*10.2%*	*8.2%*	*7.6%*	*6.2%*	*5.8%*	*5.5%*	*4.5%*	*5.9%*
Radio	23	26	29	32	35	38	42	45	48	52	
YOY growth (%)		*12.9%*	*9.9%*	*10.4%*	*9.7%*	*9.5%*	*8.6%*	*8.0%*	*7.8%*	*7.5%*	*8.3%*
TV and video	58	70	72	80	89	97	105	114	125	139	
YOY growth (%)		*20.8%*	*3.4%*	*11.1%*	*10.9%*	*9.7%*	*8.1%*	*8.5%*	*8.9%*	*11.2%*	*9.3%*
Total advertising	**113**	**131**	**140**	**157**	**174**	**192**	**208**	**226**	**245**	**266**	
YOY growth (%)		***16.4%***	***6.7%***	***11.8%***	***11.1%***	***10.1%***	***8.7%***	***8.5%***	***8.1%***	***8.8%***	***8.8%***

Sources: Entertainment & Media Outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana's advertising sector accounted for just 14% of E&M revenue in 2018, at US$174 million. An 8.8% CAGR will see it reach US$266 million in 2023. More than half of all advertising revenue is derived from television, with terrestrial TV the clear leader. The country's public broadcaster, the Ghana Broadcasting Corporation, operates one TV channel, Ghana Television (GTV) and is funded through advertising, government subsidies and a GHS3 licence fee levied on all owners of TV sets in the country.

Over 80% of GTV programming consists of original productions, but the network also airs imports and foreign films. GBC has agreements with CNN, CFI, Voice of America and Deutsche Welle (DW) to receive and re-transmit programming. Other terrestrial TV channels include TV3, TV Africa, Crystal TV, Metro TV, Viasat 1, Net-2 TV, e.tv Ghana, Coastal TV, GhOne and Top TV. Additional competition comes from free-to-air satellite service Multi TV.

Ghana's Internet advertising segment will develop quickly, but its 2023 revenue will still trail radio's figure from 2018. Radio's reach and locality makes it an inviting option for advertisers – the country has nearly 400 operational radio stations. The Multimedia Group, which is the country's largest commercial media company, secured the sought-after rights to the African Cup of Nations in 2019, broadcasting the tournament across its stations, which include Joy FM, Luv FM and Nhyira FM.

Live content of this type is particularly valuable to media companies, giving them the monopoly on any listeners wishing to listen to specific matches, while also providing opportunities to charge higher rates to advertisers. However advertisers naturally follow audiences, so the gradual move towards Internet will see this format enjoy the fastest growth to 2023.

Tanzania

Tanzania's total E&M revenue rose 17.2% year-on-year in 2018, reaching US$598 million. A CAGR of 18.3% will mean revenue will stand at US$1.4 billion by 2023.

Tanzania's E&M revenue to more than double in next five years

Tanzania: Total E&M market, 2014–2023 (US$ millions)

Total E&M (US$ millions)											
Tanzania	**Historical data**					**Forecast data**					**CAGR %**
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Books	13	13	14	14	15	16	17	17	18	18	
YOY growth (%)		*4.8%*	*3.1%*	*5.9%*	*7.7%*	*3.2%*	*5.0%*	*2.4%*	*3.5%*	*1.7%*	*3.2%*
Business-to-business	6.0	6.7	7.4	8.1	9.0	9.7	10	11	12	13	
YOY growth (%)		*11.7%*	*10.4%*	*9.5%*	*11.1%*	*7.8%*	*7.2%*	*7.7%*	*7.1%*	*5.8%*	*7.1%*
Cinema	0.7	0.9	0.9	0.9	1.1	1.1	1.2	1.3	1.3	1.4	
YOY growth (%)		*28.6%*	*0.0%*	*0.0%*	*22.2%*	*0.0%*	*9.1%*	*8.3%*	*0.0%*	*7.7%*	*4.9%*
Internet	132	173	221	274	338	420	531	669	830	1 001	
YOY growth (%)		*31.6%*	*27.5%*	*24.2%*	*23.2%*	*24.2%*	*26.5%*	*25.9%*	*24.1%*	*20.6%*	*24.3%*
Magazines	12	12	13	14	15	16	17	18	18	19	
YOY growth (%)		*6.0%*	*4.0%*	*7.8%*	*5.8%*	*8.2%*	*4.4%*	*5.4%*	*4.0%*	*3.3%*	*5.0%*
Music	3.3	3.3	3.4	3.8	4.3	4.7	5.1	5.4	5.8	6.0	
YOY growth (%)		*0.0%*	*3.0%*	*11.8%*	*13.2%*	*9.3%*	*8.5%*	*5.9%*	*7.4%*	*3.4%*	*6.9%*
Newspapers	12	13	15	17	18	19	21	22	24	25	
YOY growth (%)		*13.6%*	*11.9%*	*10.0%*	*7.3%*	*8.5%*	*7.8%*	*6.8%*	*6.3%*	*5.5%*	*7.0%*

Total E&M (US$ millions)											
Tanzania	**Historical data**					**Forecast data**					**CAGR %**
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Out-of-home	7.2	8.4	9.5	11	12	14	15	16	18	19	
YOY growth (%)		*16.7%*	*13.1%*	*14.7%*	*12.8%*	*11.4%*	*9.5%*	*9.3%*	*8.5%*	*7.9%*	*9.3%*
Radio	24	26	28	30	32	34	37	39	40	42	
YOY growth (%)		*10.5%*	*6.8%*	*7.4%*	*6.9%*	*6.2%*	*6.1%*	*5.5%*	*4.9%*	*4.7%*	*5.5%*
TV and video	78	96	114	133	149	164	182	199	217	235	
YOY growth (%)		*22.8%*	*17.9%*	*17.0%*	*11.8%*	*10.7%*	*10.6%*	*9.6%*	*9.0%*	*8.1%*	*9.6%*
Video games	7.7	9.2	12	14	16	19	21	24	28	31	
YOY growth (%)		*19.5%*	*29.3%*	*17.6%*	*15.7%*	*16.0%*	*13.8%*	*14.0%*	*12.7%*	*12.0%*	*13.7%*
Total	**289**	**357**	**429**	**510**	**598**	**704**	**840**	**1 004**	**1 190**	**1 387**	
YOY growth (%)		***23.3%***	***20.3%***	***18.9%***	***17.2%***	***17.7%***	***19.4%***	***19.4%***	***18.6%***	***16.5%***	***18.3%***

Notes:
Newspaper, directory, consumer magazines, trade magazines and online TV advertising are included in their respective segments and also in Internet advertising, but only once in the overall total.

Professional books are counted in business-to-business and books, but only once in the overall total.

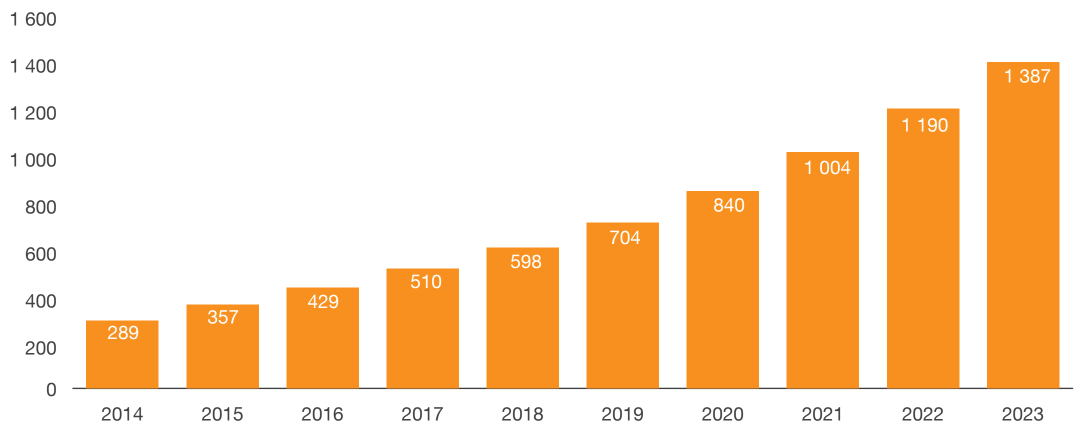
Trade magazines are counted in business-to-business and magazines, but only once in the overall total.

App-based social/casual gaming revenue is counted in video games and end-user app spend, but only once in the overall total.

Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Strong growth in mobile for Tanzania

Figure 18: Tanzania: Total E&M revenue, 2014–2023 (US$ millions)



Sources: Entertainment & Media Outlook: 2018–2022, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet access is certainly a major contributor to this total, but to a lesser extent than other countries featured in this overview, indicating that there is a reasonably diverse E&M market in Tanzania. Only South Africa had a lower proportion of E&M revenue coming from Internet access in 2018, and although the share in Tanzania will increase sharply to 2023, it will still be far from the amount seen in Nigeria and Ghana.

Non-access E&M sources fare relatively strongly in Tanzania

Proportion of E&M revenue derived from Internet access by country, 2014 vs 2018 vs 2023 (%)

	Proportion of E&M revenue derived from Internet access		
	2014	2018	2023
South Africa	29.6%	40.4%	45.5%
Nigeria	51.5%	69.0%	80.8%
Kenya	40.8%	52.8%	59.0%
Ghana	47.1%	76.6%	84.1%
Tanzania	43.1%	51.5%	64.6%

Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Nonetheless, Internet development is a crucial factor in a modern E&M environment. Tanzania has made solid progress in 4G network deployment and has begun the auction of 4G spectrum that will be used for expansion of the networks for improved coverage and capacity. In addition, there has been an increase in fibre network deployment across the country to provide high-bandwidth transmission backhaul for mobile networks as well as to support FTTx applications.

Tanzania also continues to record an increase in the adoption of digital services such as Internet of Things, cloud, big data, e-commerce, content, mobile financial services (MFS) and other enterprise services. As the country transitions into the digital transformation era, new product launches will mainly consist of a range of digital services with MFS being used as the key platform to support the monetisation of other digital offerings by service providers.

OTT video is one such offering. Tanzania is home to leading OTT video service providers such as Netflix, Kwesé Free Sports and Showmax that are leveraging the improved broadband connectivity in the country. The demand for OTT video services continues to grow, albeit from a low base, due to better affordability of subscription packages and increased smart device penetration.

But the subscription TV market is also exhibiting strong growth rates as more affluent households in the largest cities seek access to premium content. The vast majority take packages from MultiChoice or StarTimes. MultiChoice offers both satellite and DTT packages across the continent and continues to dominate the important content rights in entertainment and sport.

The company's SuperSport channels broadcast popular football leagues from around the world, including the vital English Premier League rights for sub-Saharan Africa. Both the Premier League and UEFA Champions League rights will be with MultiChoice until at least the end of the 2021/2022 season. Pay-TV subscription revenue was a US$126 million market in Tanzania in 2018, and will surpass US$200 million by 2023.

Video games will also see an eye-catching growth rate in Tanzania, as smartphone ownership permits a great democratisation of gaming experiences. Social/casual gaming revenue is anticipated to increase at an impressive 20.9% CAGR to 2023, at which point it will account for over a third of the country's total video games revenue.

Although low disposable incomes and access to gaming technology will continue to be challenges, Tanzania is a good example of how smartphone penetration and a games software range that offers high-profile, low-cost points of entry are powering substantial growth throughout the region.

Ad market has significant scope for development

Tanzania: Advertising expenditure by E&M segment, 2014–2023 (US$ millions)

Total advertising market (US$ millions)											
Tanzania	Historic data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Business-to-business	1.3	1.5	1.7	1.9	2.0	2.2	2.2	2.4	2.6	2.7	
YOY growth (%)		*15.4%*	*13.3%*	*11.8%*	*5.3%*	*10.0%*	*0.0%*	*9.1%*	*8.3%*	*3.8%*	*6.2%*
Cinema	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.6	
YOY growth (%)		*50.0%*	*0.0%*	*0.0%*	*33.3%*	*0.0%*	*25.0%*	*0.0%*	*0.0%*	*20.0%*	*8.4%*
Internet	5.3	6.6	8.0	10	12	14	16	18	19	20	
YOY growth (%)		*24.5%*	*21.2%*	*26.3%*	*19.8%*	*17.4%*	*13.4%*	*8.7%*	*6.3%*	*4.8%*	*10.0%*
Magazines	8.2	8.6	8.7	9.3	9.8	10	11	11	12	12	
YOY growth (%)		*4.9%*	*1.2%*	*6.9%*	*5.4%*	*6.1%*	*3.8%*	*4.6%*	*3.5%*	*1.7%*	*4.0%*
Newspapers	8.6	9.7	11	12	13	14	15	16	17	17	
YOY growth (%)		*12.8%*	*12.4%*	*10.1%*	*7.5%*	*7.8%*	*6.5%*	*6.1%*	*5.1%*	*4.2%*	*5.9%*
Out-of-home	7.2	8.4	9.5	11	12	14	15	16	18	19	
YOY growth (%)		*16.7%*	*13.1%*	*14.7%*	*12.8%*	*11.4%*	*9.5%*	*9.3%*	*8.5%*	*7.9%*	*9.3%*
Radio	24	26	28	30	32	34	37	39	40	42	
YOY growth (%)		*10.5%*	*6.8%*	*7.4%*	*6.9%*	*6.2%*	*6.1%*	*5.5%*	*4.9%*	*4.7%*	*5.5%*
TV and video	9.6	10	14	15	16	18	20	21	23	25	
YOY growth (%)		*7.3%*	*33.0%*	*9.5%*	*8.7%*	*9.2%*	*9.6%*	*8.2%*	*10.4%*	*7.7%*	
Total advertising	**62**	**69**	**78**	**86**	**94**	**102**	**110**	**117**	**124**	**131**	
YOY growth (%)		***11.3%***	***12.6%***	***10.4%***	***9.1%***	***8.5%***	***7.6%***	***6.6%***	***6.2%***	***5.3%***	***6.8%***

Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania's 2018 total advertising revenue was US$94 million, only around half that of Ghana's US$174 million. A 6.8% CAGR will see revenue reach US$131 million to 2023. Radio is the current segment leader, at US$32 million in 2018. Commercial stations attract the largest listener bases and pull in the most advertising revenue. Popular stations include Kiswahili-language Clouds FM, which broadcasts across Tanzania.

In addition to traditional methods, listeners can tune in to the station online via its website, or via radio aggregator apps like TuneIn. As mobile Internet access improves, trends in radio listenership are likely to change alongside. As seen in other markets, as the cost of mobile data comes down and the number of smartphone connections increases, on-the-go listening via mobile apps and radio aggregators will increase.

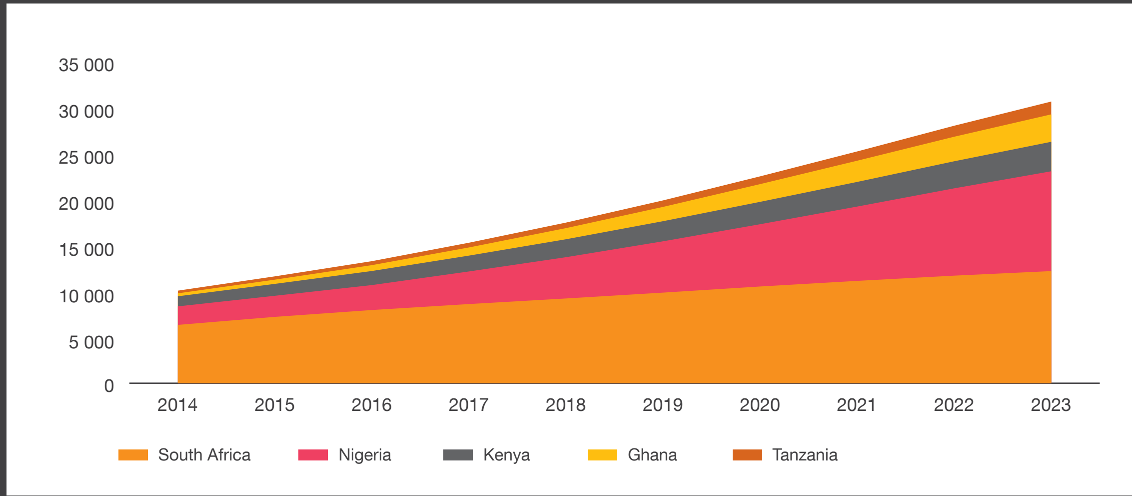
Internet advertising will see the fastest growth, at a 10.0% CAGR. This market is dominated by paid search and other display (largely banner ads), which makes sense in the context of a market where the Internet infrastructure cannot reliably support video streaming. Search and other display are also easy for advertisers to access through Google's AdWords platform.

Social media sites, with their built-in suite of tools and analytics, are attractive for a similar reason, although social media usage is still fairly low in Tanzania – Facebook, which is by far the most-popular social network in the country, has an estimated 4.4 million users.

Search, forecast to be the fastest-growing element of Internet ad spend over the next few years, increasing at a 15.6% CAGR and reflecting advertisers' desire to tap into Tanzania's rapidly growing online population in a way that is easily facilitated by the country's still-limited connectivity.

Nigeria takes a growing share of combined revenue

Figure 19: South Africa, Nigeria, Kenya, Ghana and Tanzania: Total E&M revenue, 2014–2023 (US$ millions)



Sources: Entertainment & Media Outlook: 2019–2023, An African Perspective, PwC, Ovum, www.pwc.co.za/outlook

A total US$13.1 billion in revenue will be added over the next five years by the countries in this study combined, a CAGR of 11.9%. This is reflective of the still-strong capacity for organic growth across the countries, with many millions of consumers seeing improvements in their discretionary incomes over the next five years that will enable them to enjoy E&M experiences.

The breakneck pace of technological progress is the catalyst for growth, as Internet access revenue rises drive overall revenue forward. But away from this, trends vary greatly by territory, with markets firmly resisting easy characterisation.

Business strategies cannot get away with sweeping generalisations – they need granular assessments and tailored approaches that take into account ever more varied country-specific factors. At a time when companies are seeking out ever-greater breadth through mergers, they must also seek unparalleled depth.

2 Internet

South Africa

This sector at a glance

Internet access

- **Total spend by South Africans to enable them to get online will reach R77.7 billion in 2023.** While competition in the market is intense, the government needs to provide regulatory clarity and release more radio spectrum so that suppliers can lower the costs of data and invest in 5G networks.
- **Broadband speeds will improve and more consumers will access through high-speed connections.** Projects to improve speeds and connectivity across rural areas are widening access.

Internet advertising

- **South Africa enjoyed 24.2% year-on-year growth in 2018 in total Internet advertising revenue.** There was double-digit growth in every single revenue category.
- **Wired Internet advertising revenue continues to dominate.** Wired will remain larger than mobile for nearly all of the forecast period – until mobile achieves a majority (50.2%) of the total market in 2023.

Total Internet access revenue is forecast to increase at an 8.2% CAGR over the forecast period and reach R77.7 billion in 2023.

The growth in mobile connectivity will continue unabated as competition among carriers intensifies and regulatory pressure to reduce the cost of data takes effect.

Revenue for mobile Internet access is expected to reach R69.6 billion in 2023, up from R22.0 billion in 2014. Fixed broadband revenue will increase healthily at a 4.9% CAGR and be worth R8.0 billion in 2023.

Despite solid growth, both the operating environment and the economic landscape remains challenging for operators and consumers. The South African economy is volatile and the weakening currency increases import prices (reducing the affordability of smartphones and tablets).

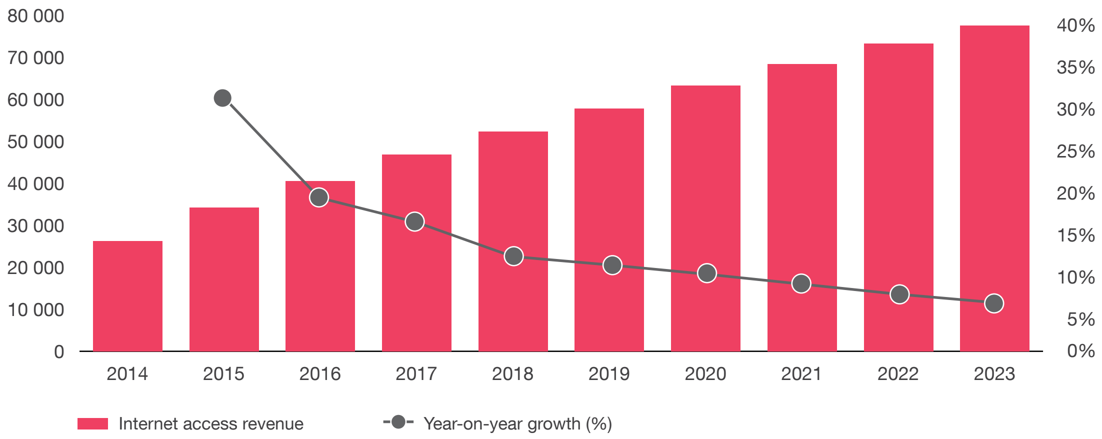
South Africa's Internet advertising market continued to grow at an impressive pace in 2018 as revenue increased by almost one-quarter to R4.9 billion. Every single category of Internet advertising revenue increased by double-digit percentages (with the exception of the minuscule mobile SMS+MMS category, included here for completeness).

This is a very different story to that seen in many other markets where wired Internet advertising revenue growth has slowed or even reversed. Unlike more-mature advertising media, the Internet advertising business does not rely on overall advertising budgets increasing in order to generate growth; instead, most growth is cannibalised from other advertising media.

Although concerns are rising internationally about the sustainability of continued rapid growth in the Internet advertising market, in South Africa the boom looks likely to continue for some time. Whereas globally Internet advertising has already become the biggest advertising medium by revenue, in South Africa it still trails behind TV advertising.

But international evidence suggests that Internet advertising will continue to catch up rapidly. Over the forecast period, its revenue will increase at a 12.4% CAGR, doubling to R8.7 billion by 2023. This fast growth will see Internet advertising overtake TV advertising in 2022.

Figure 1: South Africa: Internet access revenue (R millions) and year-on-year growth (%), 2014–2023

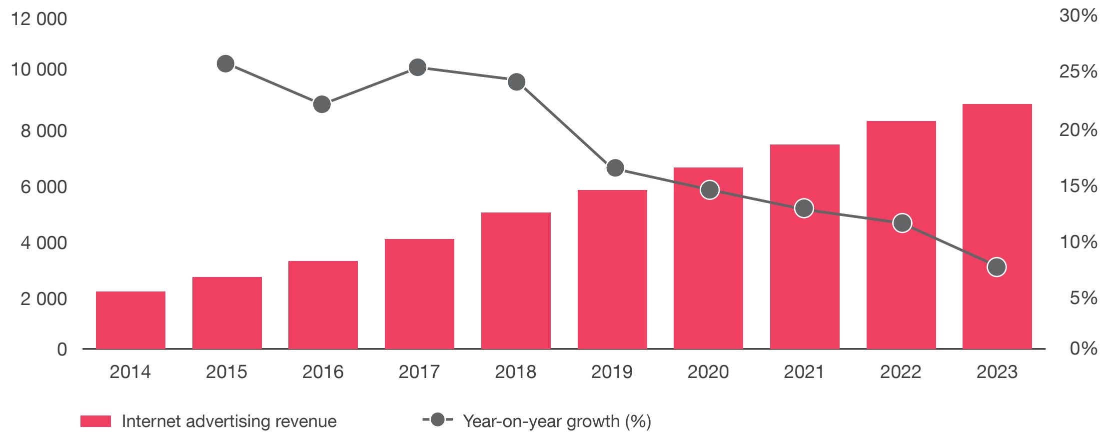


Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet access revenue to increase at an 8.2% CAGR

Rapid growth in Internet advertising revenue is set to continue

Figure 2: South Africa: Internet advertising revenue (R millions) and year-on-year growth (%), 2014-2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

South Africa's Internet market to be worth R91.4 billion in 2023

South Africa: Internet access, Internet advertising and Apps end-user spend revenues, 2014–2023(R 'millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Fixed broadband access	4 243	4 646	5 169	5 779	6 313	6 836	7 365	7 755	7 941	8 037	4.9%
YOY growth (%)		*9.5%*	*11.3%*	*11.8%*	*9.2%*	*8.3%*	*7.7%*	*5.3%*	*2.4%*	*1.2%*	
Mobile Internet access	21 978	29 610	35 431	41 141	46 004	50 975	55 894	60 712	65 346	69 618	8.6%
YOY growth (%)		*34.7%*	*19.7%*	*16.1%*	*11.8%*	*10.8%*	*9.6%*	*8.6%*	*7.6%*	*6.5%*	
Total Internet access	**26 221**	**34 255**	**40 599**	**46 920**	**52 317**	**57 811**	**63 259**	**68 467**	**73 287**	**77 655**	**8.2%**
YOY growth (%)		***30.6%***	***18.5%***	***15.6%***	***11.5%***	***10.5%***	***9.4%***	***8.2%***	***7.0%***	***6.0%***	
Wired Internet advertising	1 553	1 862	2 141	2 434	2 882	3 213	3 535	3 837	4 139	4 342	8.5%
YOY growth (%)		*19.9%*	*15.0%*	*13.7%*	*18.4%*	*11.5%*	*10.0%*	*8.5%*	*7.9%*	*4.9%*	
Mobile Internet advertising	448	666	954	1 455	1 957	2 425	2 921	3 439	3 969	4 379	17.5%
YOY growth (%)		*48.8%*	*43.2%*	*52.5%*	*34.5%*	*23.9%*	*20.5%*	*17.8%*	*15.4%*	*10.3%*	
Mobile SMS+MMS advertising	40	39	37	35	33	31	30	28	27	26	-5.0%
YOY growth (%)		*-4.5%*	*-4.4%*	*-4.9%*	*-5.1%*	*-5.7%*	*-5.4%*	*-5.1%*	*-4.6%*	*-4.1%*	
Total Internet advertising	**2 041**	**2 567**	**3 132**	**3 924**	**4 873**	**5 669**	**6 485**	**7 304**	**8 135**	**8 746**	**12.4%**
YOY growth (%)		***25.7%***	***22.0%***	***25.3%***	***24.2%***	***16.3%***	***14.4%***	***12.6%***	***11.4%***	***7.5%***	
Apps end-user spend revenue	390	616	955	1 623	2 127	2 895	3 745	4 282	4 655	5 014	18.7%
YOY growth (%)		*58.2%*	*54.9%*	*69.9%*	*31.1%*	*36.1%*	*29.4%*	*14.3%*	*8.7%*	*7.7%*	
Total Internet market	**28 652**	**37 439**	**44 686**	**52 467**	**59 317**	**66 374**	**73 488**	**80 053**	**86 076**	**91 415**	**9.0%**
YOY growth (%)		***30.7%***	***19.4%***	***17.4%***	***13.1%***	***11.9%***	***10.7%***	***8.9%***	***7.5%***	***6.2%***	

Note: 2014-2018 figures have been updated to reflect most recently available financial information.
Further Mobile Internet advertising was previously included in Wired Internet advertising and has been split out separately in the current year.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

South Africa's Internet advertising market to total R8.7 billion in 2023

South Africa: Internet advertising revenue by segment, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Paid search Internet advertising revenue	811	973	1 158	1 369	1 604	1 772	1 930	2 077	2 222	2 315	7.6%
YOY growth (%)		*20.0%*	*19.0%*	*18.2%*	*17.2%*	*10.5%*	*8.9%*	*7.6%*	*6.9%*	*4.2%*	
Classified Internet advertising revenue	147	164	181	197	230	253	275	294	313	325	7.2%
YOY growth (%)		*11.9%*	*10.2%*	*8.7%*	*16.9%*	*10.1%*	*8.5%*	*7.2%*	*6.5%*	*3.8%*	
Display Internet advertising revenue	**596**	**725**	**802**	**869**	**1 048**	**1 188**	**1 330**	**1 465**	**1 604**	**1 701**	**10.2%**
YOY growth (%)		***21.7%***	***10.7%***	***8.3%***	***20.6%***	***13.3%***	***12.0%***	***10.2%***	***9.5%***	***6.0%***	
Other display Internet advertising revenue	*517*	*631*	*692*	*740*	*897*	*1 015*	*1 134*	*1 244*	*1 357*	*1 427*	*9.7%*
YOY growth (%)		*22.1%*	*9.6%*	*6.9%*	*21.3%*	*13.1%*	*11.7%*	*9.7%*	*9.0%*	*5.2%*	
Video Internet advertising revenue	*79*	*94*	*111*	*129*	*151*	*173*	*196*	*221*	*247*	*274*	*12.7%*
YOY growth (%)		*18.8%*	*17.9%*	*16.9%*	*16.6%*	*14.5%*	*13.6%*	*12.8%*	*11.8%*	*10.8%*	
Total wired Internet advertising revenue	**1 553**	**1 862**	**2 141**	**2 434**	**2 882**	**3 213**	**3 535**	**3 837**	**4 139**	**4 342**	**8.5%**
YOY growth (%)		***19.9%***	***15.0%***	***13.7%***	***18.4%***	***11.5%***	***10.0%***	***8.5%***	***7.9%***	***4.9%***	
Mobile Internet advertising revenue	448	666	954	1 455	1 957	2 425	2 921	3 439	3 969	4 379	17.5%
YOY growth (%)		*48.8%*	*43.2%*	*52.5%*	*34.5%*	*23.9%*	*20.5%*	*17.8%*	*15.4%*	*10.3%*	
Mobile SMS+MMS advertising	40	39	37	35	33	31	30	28	27	26	-5.0%
YOY growth (%)		*-4.5%*	*-4.4%*	*-4.9%*	*-5.1%*	*-5.7%*	*-5.4%*	*-5.1%*	*-4.6%*	*-4.1%*	
Total Internet advertising revenue	**2 041**	**2 567**	**3 132**	**3 924**	**4 873**	**5 669**	**6 485**	**7 304**	**8 135**	**8 746**	**12.4%**
YOY growth (%)		***25.7%***	***22.0%***	***25.3%***	***24.2%***	***16.3%***	***14.4%***	***12.6%***	***11.4%***	***7.5%***	

Note: 2014-2018 figures have been updated to reflect most recently available financial information.
Further Mobile Internet advertising was previously included in Wired Internet advertising and has been split out separately in the current year.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This sector at a glance

Internet access

- **Mobile technology is the motor behind growth in Nigeria's total Internet access revenue.** Mobile Internet access revenue will increase at a 23.7% CAGR over the forecast period.
- **Mobile Internet access is now theoretically nearly ubiquitous in Nigeria.** However, in practice the quality and reliability of service is highly variable.

Internet advertising

- **Smartphone connections are increasing at a 17.6% CAGR.** As mobile telephony expands, total mobile Internet advertising revenue will increase at an 18.5% CAGR in the forecast period.
- **The fastest growing subsegments of the Internet advertising market will all be in the mobile sector.** Mobile Internet advertising revenue will expand at a 18.5% CAGR.

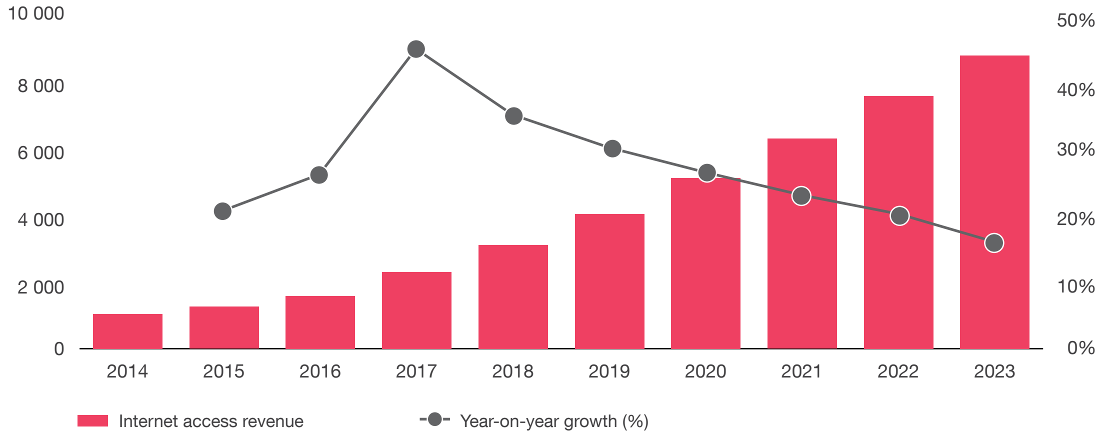
Nigeria has one of the world's most rapidly growing Internet access markets.

In 2018 revenue increased by 35.1% to US$3.1 billion. The value of the market has trebled since 2014, and it will almost treble again over the next five years to US$8.7 billion, increasing at a 23.1% CAGR. This is the second-highest forecast growth rate of any country in the world (behind only Pakistan, which is growing from a much smaller base).

Nigeria is one of the world's fastest-growing Internet advertising markets. Revenue increased by 25.2% in 2018 to reach US$73 million. The market will continue to expand rapidly over the forecast period at a 12.9% CAGR to US$133 million by 2023. But this growth is coming from a very low base - the country's Internet advertising market is remarkably small in relation to its huge population of almost 200 million people.

Nigeria's economy is relatively underdeveloped, but even taking this into account, its Internet advertising revenue is strikingly low – for example, South Africa has slightly lower total GDP than Nigeria but generates nearly five times as much Internet advertising revenue.

Figure 3: Nigeria: Internet access revenue (US$ millions) and year-on-year growth (%), 2014–2023

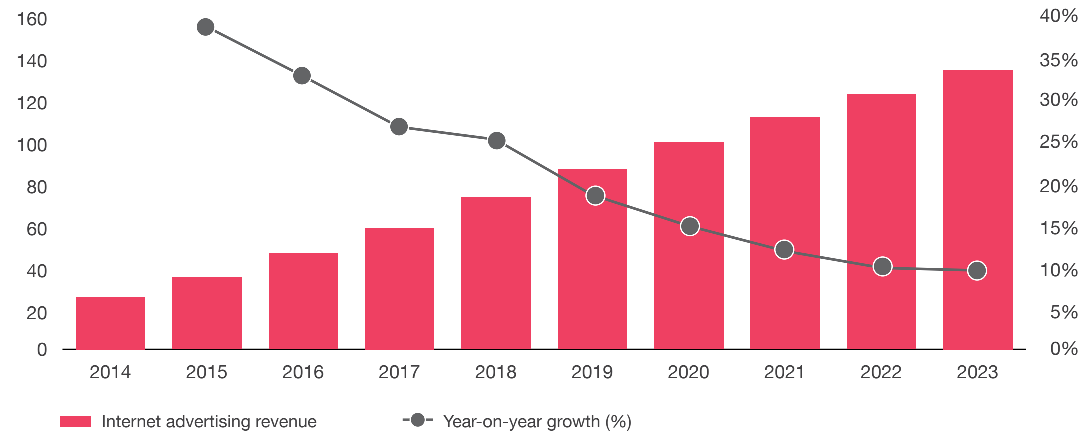


Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet access revenue to increase at a 23.1% CAGR

Internet advertising revenue to increase at a 12.9% CAGR

Figure 4: Nigeria: Internet advertising revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria's Internet market to be worth US$9.3 billion in 2023

Nigeria: Internet access and Internet advertising revenues, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Fixed broadband access	62	76	91	126	153	176	199	219	236	248	10.2%
YOY growth (%)		*21.5%*	*19.8%*	*38.7%*	*21.2%*	*15.1%*	*13.0%*	*10.1%*	*7.8%*	*5.4%*	
Mobile Internet access	971	1 172	1 484	2 155	2 930	3 840	4 879	6 033	7 288	8 484	23.7%
YOY growth (%)		*20.7%*	*26.6%*	*45.3%*	*36.0%*	*31.0%*	*27.1%*	*23.6%*	*20.8%*	*16.4%*	
Total Internet access	**1 033**	**1 247**	**1 574**	**2 281**	**3 083**	**4 015**	**5 078**	**6 252**	**7 524**	**8 732**	**23.1%**
YOY growth (%)		***20.8%***	***26.2%***	***44.9%***	***35.1%***	***30.2%***	***26.5%***	***23.1%***	***20.3%***	***16.1%***	
Wired Internet advertising	20	25	30	36	41	46	51	54	57	61	7.9%
YOY growth (%)		*25.0%*	*19.6%*	*18.7%*	*16.6%*	*12.1%*	*9.3%*	*7.3%*	*5.3%*	*5.6%*	
Mobile Internet advertising	4.8	9.4	16	22	31	40	48	56	64	73	18.5%
YOY growth (%)		*95.8%*	*68.1%*	*41.8%*	*38.8%*	*27.3%*	*21.5%*	*16.8%*	*14.2%*	*13.2%*	
Total Internet advertising	**25**	**34**	**46**	**58**	**73**	**86**	**99**	**111**	**122**	**133**	**12.9%**
YOY growth (%)		***38.7%***	***32.8%***	***26.7%***	***25.2%***	***18.6%***	***14.9%***	***11.9%***	***9.9%***	***9.6%***	
Apps end-user spend revenue	16	25	36	64	116	199	258	324	399	484	33.0%
YOY growth (%)		*59.4%*	*46.6%*	*76.8%*	*81.4%*	*71.6%*	*29.3%*	*25.7%*	*23.3%*	*21.2%*	
Total Internet market	**1 073**	**1 306**	**1 656**	**2 403**	**3 272**	**4 300**	**5 434**	**6 686**	**8 045**	**9 349**	**23.4%**
YOY growth (%)		***21.7%***	***26.8%***	***45.1%***	***36.1%***	***31.4%***	***26.4%***	***23.0%***	***20.3%***	***16.2%***	

Note: 2014-2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Solid annual growth predicted

Nigeria: Internet advertising revenue by segment, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Paid search Internet advertising revenue	7.1	8.2	9.3	11	14	16	18	19	21	22	10.0%
YOY growth (%)		*15.5%*	*13.4%*	*22.6%*	*21.1%*	*15.2%*	*11.3%*	*9.0%*	*7.3%*	*7.2%*	
Classified Internet advertising revenue	1.3	1.7	2.0	2.4	2.8	3.2	3.5	3.8	4.0	4.2	8.4%
YOY growth (%)		*30.8%*	*17.6%*	*20.0%*	*16.7%*	*14.3%*	*9.4%*	*8.6%*	*5.3%*	*5.0%*	
Display Internet advertising revenue	**12**	**15**	**19**	**22**	**25**	**27**	**30**	**31**	**33**	**34**	**6.6%**
YOY growth (%)		***30.2%***	***23.2%***	***16.7%***	***14.3%***	***10.1%***	***8.1%***	***6.1%***	***4.2%***	***4.6%***	
Other display Internet advertising revenue	*10*	*13*	*15*	*18*	*20*	*22*	*23*	*24*	*24*	*25*	*4.8%*
YOY growth (%)		*23.8%*	*20.8%*	*15.9%*	*13.7%*	*8.5%*	*6.5%*	*3.9%*	*2.1%*	*2.9%*	
Video Internet advertising revenue	*1.5*	*2.6*	*3.5*	*4.2*	*4.9*	*5.7*	*6.5*	*7.4*	*8.2*	*9.0*	*12.9%*
YOY growth (%)		*73.3%*	*34.6%*	*20.0%*	*16.7%*	*16.3%*	*14.0%*	*13.8%*	*10.8%*	*9.8%*	
Total wired Internet advertising revenue	**20**	**25**	**30**	**36**	**41**	**46**	**51**	**54**	**57**	**61**	**7.9%**
YOY growth (%)		***25.0%***	***19.6%***	***18.7%***	***16.6%***	***12.1%***	***9.3%***	***7.3%***	***5.3%***	***5.6%***	
Mobile Internet advertising revenue	4.8	9.4	16	22	31	40	48	56	64	73	18.5%
YOY growth (%)		*95.8%*	*68.1%*	*41.8%*	*38.8%*	*27.3%*	*21.5%*	*16.8%*	*14.2%*	*13.2%*	
Total Internet advertising revenue	**25**	**34**	**46**	**58**	**73**	**86**	**99**	**111**	**122**	**133**	**12.9%**
YOY growth (%)		***38.7%***	***32.8%***	***26.7%***	***25.2%***	***18.6%***	***14.9%***	***11.9%***	***9.9%***	***9.6%***	

Note: 2014-2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

This sector at a glance

Internet access

- **The advanced development of mobile broadband infrastructure in Kenya makes it one of the leading countries regionally.** The Kenya Communications Authority estimates that 90% of the population now has access to the Internet.
- **Mobile Internet access revenue will increase at a 13.4% CAGR over the forecast period.** Revenue will rise from US$959 million in 2018 to US$1.8 billion in 2023.

Internet advertising

- **Mobile Internet advertising revenue will more than double over the forecast period from US$16 million in 2018 to US$36 million.** Total mobile revenue will increase at a 17.2% CAGR.

Kenya enjoys an impressive standard of Internet connectivity compared to most of its regional peers.

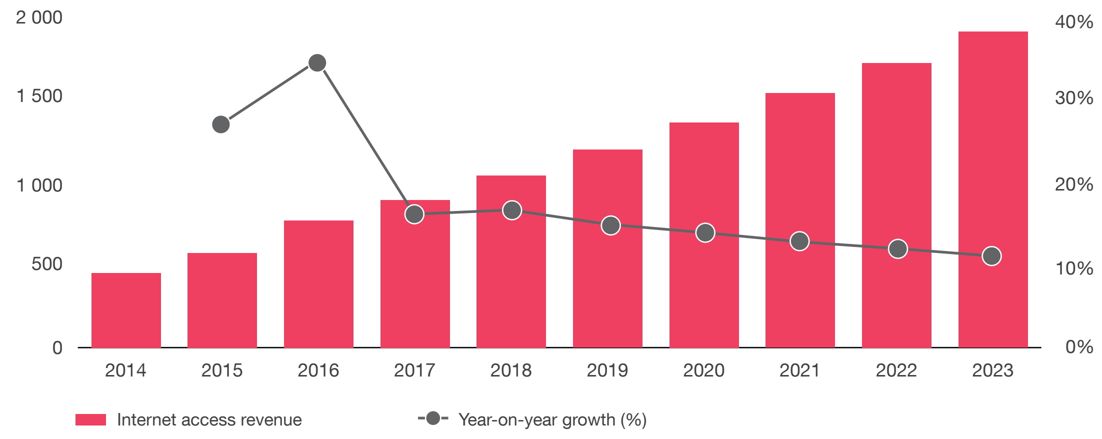
Since 2014 the number of mobile Internet subscriptions has doubled to more than 20 million, and mobile Internet access revenue has increased at an even faster rate to US$959 million in 2018.

Continuing investment by the government, telcos and tech companies will sustain this growth trend for the foreseeable future as Internet services are extended to an increasing number of Kenyans while the standard of service available to existing subscribers improves as well. By 2023 Kenya is forecast to have 33.2 million mobile Internet subscribers generating revenue of US$1.8 billion out of total revenue of US$1.9 billion.

Kenya's Internet connectivity is better than most regional markets and Internet advertisers are reaping the benefits. The Internet advertising market generated revenue of US$40 million in 2018. Typically for the region, fixed broadband access is very limited: just 235 000 Kenyan homes had a fixed broadband connection in 2018. But the country has long been a leader for the adoption of mobile technology in Africa, beginning with mobile phones and mobile payments and continuing more recently to mobile Internet.

In 2018, Kenya had 23 million unique smartphone connections among its population of nearly 50 million. So, while smartphones have not reached the level of ubiquity seen in developed markets, smartphone ownership – and consequently Internet access – has become quite widespread, particularly among the urban population.

Figure 5: Kenya: Internet access revenue (US$ millions) and year-on-year growth (%), 2014–2023

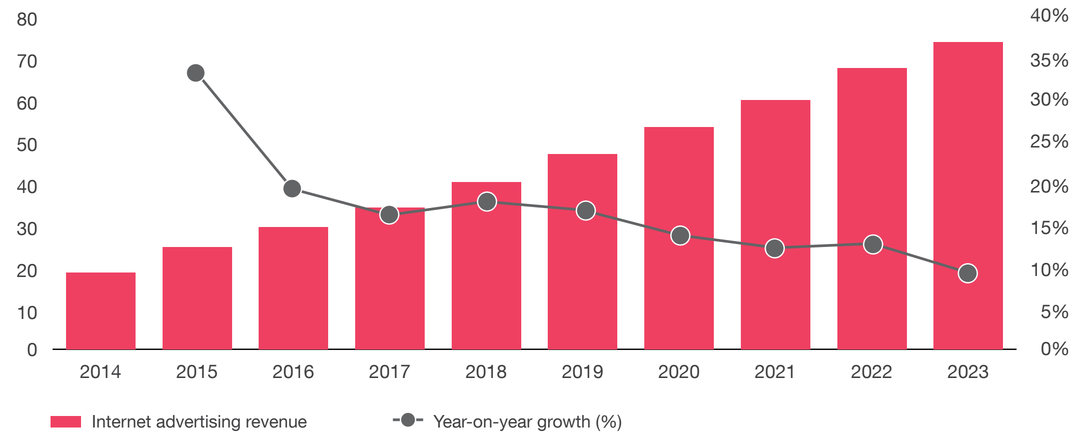


Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet access revenue to increase at a 12.9% CAGR

Internet advertising revenue to increase at a 13.0% CAGR

Figure 6: Kenya: Internet advertising revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya's Internet market to be worth R2.0 billion in 2023

Kenya: Internet access and Internet advertising revenues, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Fixed broadband access	35	39	45	55	67	73	79	83	85	87	5.4%
YOY growth (%)		*12.9%*	*14.5%*	*21.1%*	*22.0%*	*9.9%*	*8.3%*	*4.7%*	*2.1%*	*2.2%*	
Mobile Internet access	410	524	712	825	959	1 105	1 262	1 431	1 610	1 796	13.4%
YOY growth (%)		*28.0%*	*35.9%*	*15.8%*	*16.3%*	*15.2%*	*14.3%*	*13.4%*	*12.5%*	*11.5%*	
Total Internet access	**444**	**564**	**757**	**879**	**1 025**	**1 178**	**1 341**	**1 514**	**1 695**	**1 882**	**12.9%**
YOY growth (%)		***26.8%***	***34.4%***	***16.1%***	***16.6%***	***14.9%***	***13.9%***	***12.8%***	***12.0%***	***11.1%***	
Wired Internet advertising	12	15	18	21	24	27	29	32	35	37	9.6%
YOY growth (%)		*30.2%*	*20.5%*	*14.8%*	*12.9%*	*12.3%*	*10.2%*	*8.9%*	*10.1%*	*6.9%*	
Mobile Internet advertising	6.7	9.3	11	13	16	20	24	28	32	36	17.2%
YOY growth (%)		*38.8%*	*17.2%*	*18.3%*	*25.6%*	*23.5%*	*18.5%*	*16.5%*	*15.9%*	*11.9%*	
Total Internet advertising	**18**	**24**	**29**	**34**	**40**	**47**	**53**	**59**	**67**	**73**	**13.0%**
YOY growth (%)		***33.3%***	***19.3%***	***16.2%***	***17.8%***	***16.8%***	***13.8%***	***12.3%***	***12.8%***	***9.3%***	
Apps end-user spend revenue	4.2	6.3	8.7	12	26	37	49	57	66	76	23.8%
YOY growth (%)		*50.0%*	*38.1%*	*37.9%*	*118.3%*	*42.4%*	*30.3%*	*17.7%*	*15.9%*	*14.8%*	
Total Internet market	**467**	**594**	**795**	**925**	**1 091**	**1 261**	**1 443**	**1 630**	**1 828**	**2 031**	**13.2%**
YOY growth (%)		***27.3%***	***33.8%***	***16.3%***	***18.0%***	***15.6%***	***14.4%***	***13.0%***	***12.1%***	***11.1%***	

Note: 2014-2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet advertising revenue to total US$73 million in 2023

Kenya: Internet advertising revenue by segment, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Paid search Internet advertising revenue	3.8	4.9	5.7	6.6	7.5	8.5	9.4	10	11	12	10.4%
YOY growth (%)		*28.9%*	*16.3%*	*15.8%*	*13.6%*	*13.3%*	*10.6%*	*9.6%*	*10.7%*	*7.9%*	
Classified Internet advertising revenue	0.9	1.1	1.3	1.4	1.6	1.7	1.9	2.0	2.2	2.3	7.5%
YOY growth (%)		*22.2%*	*18.2%*	*7.7%*	*14.3%*	*6.3%*	*11.8%*	*5.3%*	*10.0%*	*4.5%*	
Display Internet advertising revenue	**6.9**	**9.1**	**11**	**13**	**15**	**16**	**18**	**20**	**21**	**23**	**9.5%**
YOY growth (%)		***31.9%***	***23.1%***	***15.2%***	***12.4%***	***12.4%***	***9.8%***	***8.9%***	***9.7%***	***6.5%***	
Other display Internet advertising revenue	*5.7*	*7.3*	*8.2*	*8.8*	*9.2*	*9.6*	*9.9*	*10*	*11*	*11*	*3.6%*
YOY growth (%)		*28.1%*	*12.3%*	*7.3%*	*4.5%*	*4.3%*	*3.1%*	*2.0%*	*5.0%*	*3.8%*	
Video Internet advertising revenue	*1.2*	*1.8*	*3.0*	*4.1*	*5.3*	*6.7*	*8.0*	*9.4*	*11*	*12*	*17.4%*
YOY growth (%)		*50.0%*	*66.7%*	*36.7%*	*29.3%*	*26.4%*	*19.4%*	*17.5%*	*14.9%*	*9.3%*	
Total wired Internet advertising revenue	**12**	**15**	**18**	**21**	**24**	**27**	**29**	**32**	**35**	**37**	**9.6%**
YOY growth (%)		***30.2%***	***20.5%***	***14.8%***	***12.9%***	***12.3%***	***10.2%***	***8.9%***	***10.1%***	***6.9%***	
Mobile Internet advertising revenue	6.7	9.3	11	13	16	20	24	28	32	36	17.2%
YOY growth (%)		*38.8%*	*17.2%*	*18.3%*	*25.6%*	*23.5%*	*18.5%*	*16.5%*	*15.9%*	*11.9%*	
Total Internet advertising revenue	**18**	**24**	**29**	**34**	**40**	**47**	**53**	**59**	**67**	**73**	**13.0%**
YOY growth (%)		***33.3%***	***19.3%***	***16.2%***	***17.8%***	***16.8%***	***13.8%***	***12.3%***	***12.8%***	***9.3%***	

Note: 2014-2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana

This sector at a glance

Internet access

- **Total Internet access revenue will increase at a 22.0% CAGR over the forecast period.** Revenue will rise from US$924 million in 2018 to US$2.5 billion in 2023.
- **Although Ghana has regionally good consumer fixed broadband infrastructure, mobile Internet access revenue dominates total Internet access revenue.** Mobile revenue accounted for 84.6% in 2018 and will take a 92.7% share in 2023.

Internet advertising

- **Mobile will become more dominant than wired over the forecast period.** Internet advertising revenue in Ghana in 2018 is split equally between wired and mobile, but by 2023 mobile will account for 56%.
- **Mobile video will be the fastest-growing sector of the market.** Mobile video Internet advertising revenue in Ghana will increase from US$2.1 million in 2018 to US$7.9 million in 2023 at a 30.3% CAGR.

Ghana's Internet access market has been one of the fastest growing in the world in recent years.

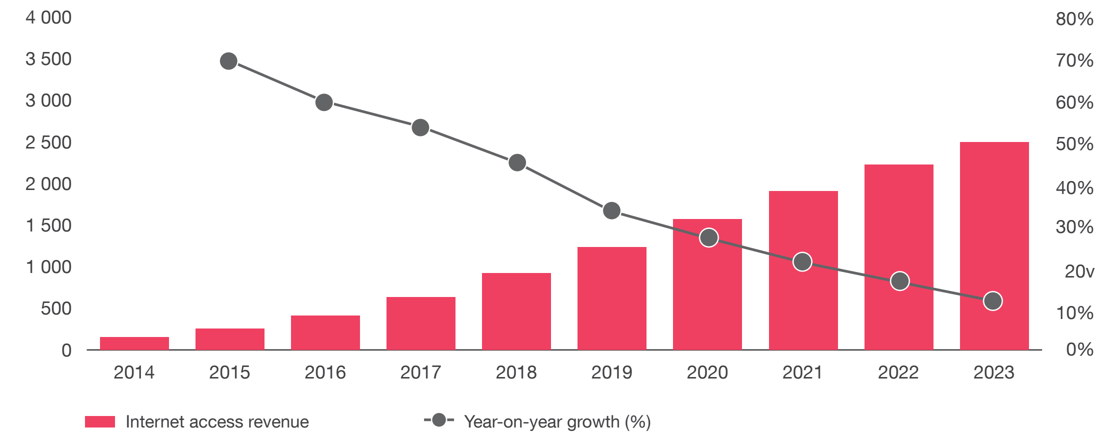
The number of mobile Internet connections has more than trebled since 2014, reaching 20.5 million in 2018, while the number of fixed broadband households more than doubled over the same period, albeit from a far lower base.

The extremely rapid parallel growth in both markets has produced a substantial increase in Internet access revenue in the space of just four years, from US$152 million in 2014 to US$924 million in 2018.

Ghana's Internet advertising market is small and immature but expanding rapidly. In 2018 total Internet advertising revenue grew to US$15 million, almost three times higher than the figure for 2014. Over the forecast period, the market is expected to virtually double in size again to US$29 million.

The Internet advertising business in Ghana faces a set of challenges and opportunities that will be familiar to observers of African markets. Limited fixed broadband connectivity meant that, until the last couple of years, few Ghanaians had access to the Internet, and advertisers saw little point in investing heavily in digital campaigns, but the proliferation of smartphones and mobile Internet has suddenly opened up a vast but – as yet – largely untapped audience.

Figure 7: Ghana: Internet access revenue (US$ millions) and year-on-year growth (%), 2014–2023

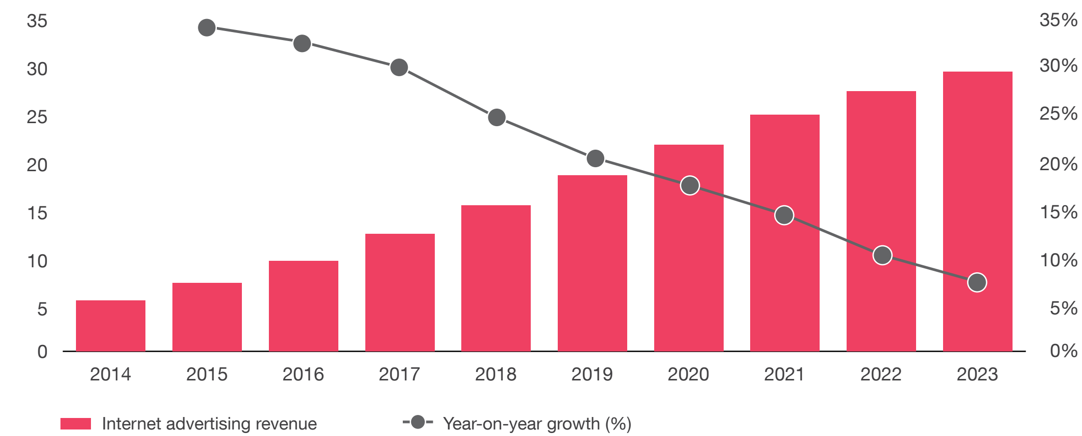


Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet access revenue to increase at a 22.0% CAGR

Internet advertising revenue to increase at a 13.9% CAGR

Figure 8: Ghana: Internet advertising revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana's Internet market to be worth R2.6 billion in 2023

Ghana: Internet access and Internet advertising revenues, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Fixed broadband access	57	84	114	144	142	143	147	154	169	182	5.1%
YOY growth (%)		*47.7%*	*34.8%*	*26.4%*	*-1.0%*	*0.6%*	*2.7%*	*4.8%*	*9.6%*	*8.2%*	
Mobile Internet access	95	173	299	492	782	1 093	1 426	1 755	2 059	2 315	24.2%
YOY growth (%)		*83.5%*	*72.3%*	*64.6%*	*59.0%*	*39.7%*	*30.5%*	*23.1%*	*17.3%*	*12.4%*	
Total Internet access	**152**	**258**	**412**	**635**	**924**	**1 235**	**1 572**	**1 909**	**2 228**	**2 497**	**22.0%**
YOY growth (%)		***70.0%***	***60.1%***	***54.1%***	***45.5%***	***33.7%***	***27.3%***	***21.4%***	***16.7%***	***12.1%***	
Wired Internet advertising	3.1	4.0	5.0	6.3	7.6	8.8	10	11	12	13	11.0%
YOY growth (%)		*29.0%*	*25.0%*	*26.0%*	*20.6%*	*15.8%*	*13.6%*	*11.0%*	*8.1%*	*6.7%*	
Mobile Internet advertising	2.2	3.1	4.4	5.9	7.6	10	12	14	15	16	16.5%
YOY growth (%)		*40.9%*	*41.9%*	*34.1%*	*28.8%*	*25.0%*	*21.1%*	*17.4%*	*11.9%*	*7.9%*	
Total Internet advertising	**5.3**	**7.1**	**9.4**	**12**	**15**	**18**	**22**	**25**	**27**	**29**	**13.9%**
YOY growth (%)		***34.0%***	***32.4%***	***29.8%***	***24.6%***	***20.4%***	***17.5%***	***14.4%***	***10.2%***	***7.4%***	
Apps end-user spend revenue	1.9	3.2	5.2	9.0	18	24	38	53	70	87	36.8%
YOY growth (%)		*68.4%*	*62.5%*	*73.1%*	*101.1%*	*34.8%*	*55.3%*	*40.1%*	*31.3%*	*24.5%*	
Total Internet market	**159**	**268**	**427**	**656**	**957**	**1 278**	**1 632**	**1 986**	**2 324**	**2 613**	**22.2%**
YOY growth (%)		***68.8%***	***59.4%***	***53.8%***	***45.8%***	***33.5%***	***27.7%***	***21.7%***	***17.0%***	***12.4%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet advertising revenue to total US$29 million in 2023

Ghana: Internet advertising revenue by segment, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Paid search Internet advertising revenue	1.1	1.5	1.9	2.5	3.1	3.7	4.3	4.9	5.4	5.9	13.7%
YOY growth (%)		*36.4%*	*26.7%*	*31.6%*	*24.0%*	*19.4%*	*16.2%*	*14.0%*	*10.2%*	*9.3%*	
Classified Internet advertising revenue	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.0%
YOY growth (%)		*0.0%*	*33.3%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	
Display Internet advertising revenue	**1.7**	**2.2**	**2.7**	**3.4**	**4.1**	**4.7**	**5.3**	**5.8**	**6.2**	**6.5**	**9.7%**
YOY growth (%)		***29.4%***	***22.7%***	***25.9%***	***20.6%***	***14.6%***	***12.8%***	***9.4%***	***6.9%***	***4.8%***	
Other display Internet advertising revenue	*1.4*	*1.8*	*2.2*	*2.7*	*3.2*	*3.6*	*4.0*	*4.3*	*4.6*	*4.8*	*8.4%*
YOY growth (%)		*28.6%*	*22.2%*	*22.7%*	*18.5%*	*12.5%*	*11.1%*	*7.5%*	*7.0%*	*4.3%*	
Video Internet advertising revenue	*0.3*	*0.4*	*0.5*	*0.7*	*0.9*	*1.1*	*1.3*	*1.5*	*1.6*	*1.7*	*13.6%*
YOY growth (%)		*33.3%*	*25.0%*	*40.0%*	*28.6%*	*22.2%*	*18.2%*	*15.4%*	*6.7%*	*6.3%*	
Total wired Internet advertising revenue	**3.1**	**4.0**	**5.0**	**6.3**	**7.6**	**8.8**	**10**	**11**	**12**	**13**	**11.0%**
YOY growth (%)		***29.0%***	***25.0%***	***26.0%***	***20.6%***	***15.8%***	***13.6%***	***11.0%***	***8.1%***	***6.7%***	
Mobile Internet advertising revenue	2.2	3.1	4.4	5.9	7.6	10	12	14	15	16	16.5%
YOY growth (%)		*40.9%*	*41.9%*	*34.1%*	*28.8%*	*25.0%*	*21.1%*	*17.4%*	*11.9%*	*7.9%*	
Total Internet advertising revenue	**5.3**	**7.1**	**9.4**	**12**	**15**	**18**	**22**	**25**	**27**	**29**	**13.9%**
YOY growth (%)		***34.0%***	***32.4%***	***29.8%***	***24.6%***	***20.4%***	***17.5%***	***14.4%***	***10.2%***	***7.4%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania

This sector at a glance

Internet access

- **Total Internet access revenue will increase at a 23.8% CAGR over the forecast period.** Revenue will rise from US$308 million in 2018 to US$895 million in 2023.
- **Mobile Internet access revenue dominates total Internet access revenue.** Mobile revenue accounted for 77% in 2018 and will grow its share to 89.1% in 2023.

Internet advertising

- **Wired will remain more dominant than mobile over the forecast period.** Wired Internet advertising revenue in Tanzania accounted for 61.2% of the total in 2018 and will account for 64.1% in 2023.
- **Paid search will be one of the fastest-growing sectors of the market.** Paid search Internet advertising revenue in Tanzania will increase from US$3.2 million in 2018 to US$6.6 million in 2023 at a 15.6% CAGR.

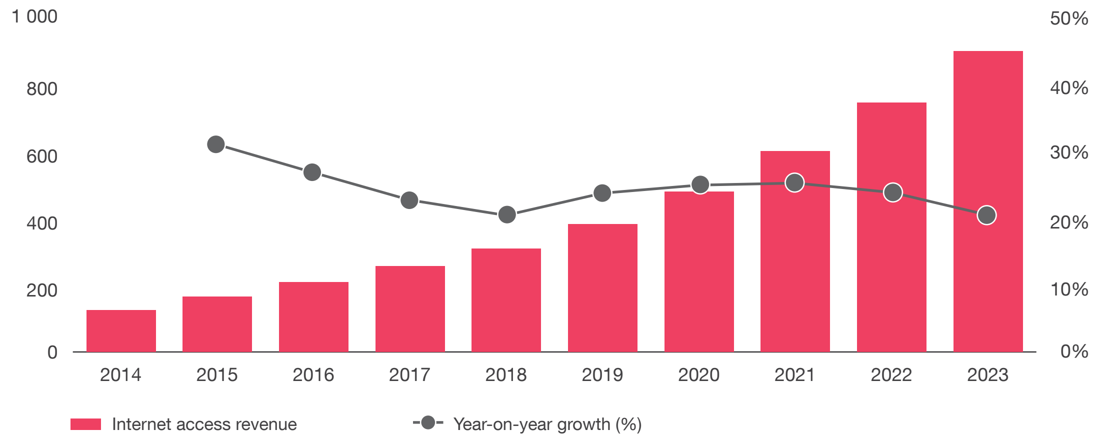
Tanzania is seeing very rapid growth in its Internet access market, mirroring a story seen right across Africa.

Although Tanzania is not as advanced as regional leaders like neighbouring Kenya, the Internet access market is fast-moving and the country is no more than two to three years behind the continent’s leading markets.

Internet access revenue grew by 20.6% in 2018 to US$308 million, almost two and a half times more than that generated in 2014. Further rapid growth is expected to continue throughout the forecast period and by 2023 Tanzania’s Internet access market will be rapidly approaching the billion-dollar mark, with revenue of US$895 million.

Tanzania has the least-developed Internet advertising market out of any of the five markets covered in this report, with revenue of just US$12 million in 2018, from a population of almost 60 million. Although, as in virtually all African markets, the country has seen large increases in Internet connectivity, smartphone usage, and consequently the number of people with access to the Internet, this process has been somewhat less marked than in some of the other more rapidly developing markets across the continent.

Figure 9: Tanzania: Internet access revenue (US$ millions) and year-on-year growth (%), 2014–2023

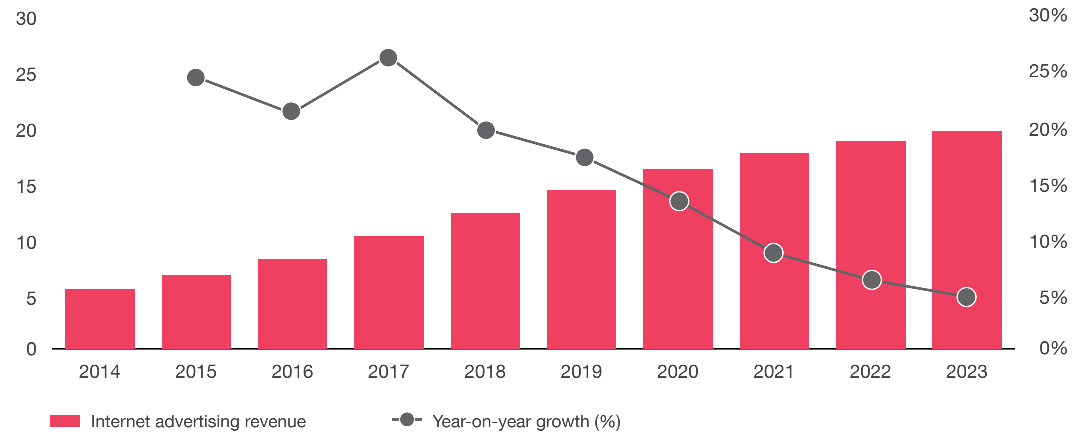


Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet access revenue to increase at a 23.8% CAGR

Internet advertising revenue to increase at a 10.0% CAGR

Figure 10: Tanzania: Internet advertising revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania's Internet market to hit the US$1.0 billion mark in 2023

Tanzania: Internet access and Internet advertising revenues, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Fixed broadband access	36	45	55	65	71	76	82	87	93	98	6.7%
YOY growth (%)		*25.0%*	*22.5%*	*19.3%*	*8.8%*	*7.8%*	*7.1%*	*6.6%*	*6.4%*	*5.4%*	
Mobile Internet access	89	119	153	190	237	305	396	511	649	798	27.4%
YOY growth (%)		*33.7%*	*28.7%*	*24.2%*	*24.6%*	*28.7%*	*29.6%*	*29.3%*	*27.0%*	*22.8%*	
Total Internet access	**125**	**164**	**208**	**255**	**308**	**381**	**477**	**598**	**742**	**895**	**23.8%**
YOY growth (%)		***31.2%***	***27.0%***	***22.9%***	***20.6%***	***23.9%***	***25.1%***	***25.4%***	***24.0%***	***20.6%***	
Wired Internet advertising	3.2	4.0	4.8	6.1	7.4	8.8	10	11	12	13	11.1%
YOY growth (%)		*25.0%*	*20.0%*	*27.1%*	*21.3%*	*18.9%*	*13.6%*	*10.0%*	*7.3%*	*5.9%*	
Mobile Internet advertising	2.1	2.6	3.2	4.0	4.7	5.4	6.1	6.5	6.8	7.0	8.3%
YOY growth (%)		*23.8%*	*23.1%*	*25.0%*	*17.5%*	*14.9%*	*13.0%*	*6.6%*	*4.6%*	*2.9%*	
Total Internet advertising	**5.3**	**6.6**	**8.0**	**10**	**12**	**14**	**16**	**18**	**19**	**20**	**10.0%**
YOY growth (%)		***24.5%***	***21.2%***	***26.3%***	***19.8%***	***17.4%***	***13.4%***	***8.7%***	***6.3%***	***4.8%***	
Apps end-user spend revenue	1.8	3.2	5.2	9.0	18	24	38	53	69	87	36.9%
YOY growth (%)		*77.8%*	*62.5%*	*73.1%*	*100.0%*	*35.0%*	*55.6%*	*39.9%*	*31.2%*	*24.6%*	
Total Internet market	**132**	**173**	**221**	**274**	**338**	**420**	**531**	**669**	**830**	**1 001**	**24.3%**
YOY growth (%)		***31.6%***	***27.5%***	***24.2%***	***23.2%***	***24.2%***	***26.5%***	***25.9%***	***24.1%***	***20.6%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Internet advertising revenue to total US$20 million in 2023

Tanzania: Internet advertising revenue by segment, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Paid search Internet advertising revenue	1.2	1.5	1.9	2.5	3.2	4.0	4.7	5.4	6.0	6.6	15.6%
YOY growth (%)		*25.0%*	*26.7%*	*31.6%*	*28.0%*	*25.0%*	*17.5%*	*14.9%*	*11.1%*	*10.0%*	
Classified Internet advertising revenue	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.0%
YOY growth (%)		*0.0%*	*0.0%*	*33.3%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	
Display Internet advertising revenue	**1.7**	**2.2**	**2.6**	**3.2**	**3.8**	**4.4**	**4.9**	**5.2**	**5.4**	**5.5**	**7.7%**
YOY growth (%)		***29.4%***	***18.2%***	***23.1%***	***18.8%***	***15.8%***	***11.4%***	***6.1%***	***3.8%***	***1.9%***	
Other display Internet advertising revenue	*1.5*	*1.8*	*2.1*	*2.5*	*2.9*	*3.3*	*3.6*	*3.8*	*3.9*	*4.0*	*6.6%*
YOY growth (%)		*20.0%*	*16.7%*	*19.0%*	*16.0%*	*13.8%*	*9.1%*	*5.6%*	*2.6%*	*2.6%*	
Video Internet advertising revenue	*0.2*	*0.4*	*0.5*	*0.7*	*0.9*	*1.1*	*1.3*	*1.4*	*1.5*	*1.5*	*10.8%*
YOY growth (%)		*100.0%*	*25.0%*	*40.0%*	*28.6%*	*22.2%*	*18.2%*	*7.7%*	*7.1%*	*0.0%*	
Total wired Internet advertising revenue	**3.2**	**4**	**4.8**	**6.1**	**7.4**	**8.8**	**10**	**11**	**11.8**	**12.5**	**11.1%**
YOY growth (%)		***25.0%***	***20.0%***	***27.1%***	***21.3%***	***18.9%***	***13.6%***	***10.0%***	***7.3%***	***5.9%***	
Mobile Internet advertising revenue	2.1	2.6	3.2	4.0	4.7	5.4	6.1	6.5	6.8	7.0	8.3%
YOY growth (%)		*23.8%*	*23.1%*	*25.0%*	*17.5%*	*14.9%*	*13.0%*	*6.6%*	*4.6%*	*2.9%*	
Total Internet advertising revenue	**5.3**	**6.6**	**8.0**	**10**	**12**	**14**	**16**	**18**	**19**	**20**	**10.0%**
YOY growth (%)		***24.5%***	***21.2%***	***26.3%***	***19.8%***	***17.4%***	***13.4%***	***8.7%***	***6.3%***	***4.8%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

3

Data consumption

South Africa

This segment at a glance

- **Data traffic will near 18.7 billion GB in 2023.** This is primarily down to organic growth in smartphones married with ever faster data speeds and falling data package costs.
- **Video drives the vast majority of data consumption.** Video took more than 4.0 billion GB in 2018 (84.2% of total data traffic) and will grow to 15.7 billion GB by 2023.
- **Competition Commission inquiry shapes data's future.** South Africa's Competition Commission has been investigating how to reduce data prices in order to ensure more favourable conditions for consumers, and published its provisional report in April 2019.
- **Mobile operators look to provide faster services.** Telkom claims that it is already capable of delivering speeds comparable to 5G through its Massive Multiple Input Multiple Output (MIMO) network, while Vodacom has established a formal agreement with equipment provider Nokia to trial 5G, and MTN has partnered with Ericsson for similar purposes.

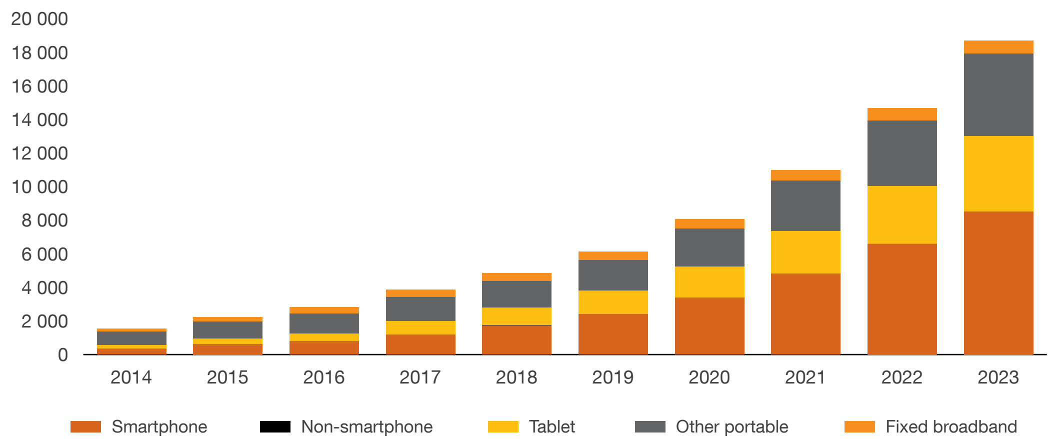
Data consumption in South Africa will increase at an impressive CAGR of 30.9% across the forecast period, and near 18.7 billion GB in 2023, from 1.6 billion GB in 2014. In 2018, total data consumption reached 4.9 billion GB, meaning that it is predicted to nearly quadruple in the next five years.

This growth is being driven by increasing access to the Internet in South Africa. The government's commitment to expanding connectivity, accompanied by initiatives from private companies, brought fixed broadband households to the 1.7 million mark in 2018, a predicted CAGR of 13.5% will take that to 3.2 million by 2023. Actual data consumed through fixed broadband will experience a CAGR of 10.0%, demonstrating that demand per user will increase alongside the level of access.

However, the most important area of growth will be seen in smartphones. In 2018, data consumption through smartphones became the single largest segment in the South African data market, as it took 35.5% of the overall market, overtaking the 'other portable' category. Thanks to their increasing affordability, there were 53.1 million smartphone connections in 2018. In 2023, this figure will be 93.5 million.

Data consumption soars at a 30.9% CAGR

Figure 1: South Africa: Data consumption by device type, 2014–2023 (GB millions)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Smartphone usage pushes data consumption to a 30.9% CAGR

South Africa: Data consumption by device type, 2014–2023, (GB millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Smartphone	349	569	742	1 170	1 726	2 401	3 380	4 816	6 589	8 517	37.6%
Non-smartphone	16	21	25	27	28	28	25	16	3	1	-51.2%
Tablet	205	367	478	776	1 035	1 378	1 834	2 507	3 428	4 476	34.0%
Other portable	788	993	1 210	1 443	1 600	1 823	2 267	3 013	3 918	4 928	25.2%
Fixed broadband	201	283	380	455	476	507	560	646	727	768	10.0%
Total (GB millions)	**1 560**	**2 234**	**2 835**	**3 871**	**4 866**	**6 136**	**8 066**	**10 997**	**14 665**	**18 691**	**30.9%**
YOY growth (%)		***43.2%***	***26.9%***	***36.5%***	***25.7%***	***26.1%***	***31.4%***	***36.3%***	***33.4%***	***27.4%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Video is the overwhelming contributor to data consumption

South Africa: Data consumption by content type, 2014–2023 (GB millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Video	1 304	1 877	2 378	3 309	4 095	5 128	6 747	9 256	12 385	15 742	30.9%
Games	21	29	35	41	49	58	69	82	98	117	18.9%
Music	15	27	44	67	98	142	205	293	406	546	40.9%
Web browsing	28	30	32	33	70	101	143	202	277	367	39.2%
Social networking	17	25	32	40	50	62	76	95	116	143	23.6%
Communications	156	222	284	352	439	552	690	876	1 114	1 412	26.3%
Other digital content	19	23	30	30	64	93	135	193	269	363	41.3%
Total (GB millions)	**1 560**	**2 234**	**2 835**	**3 871**	**4 866**	**6 136**	**8 066**	**10 997**	**14 665**	**18 691**	**30.9%**

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This segment at a glance

- **Data consumption in Nigeria will move towards 12.0 billion GB by 2023.** Huge increases in mobile Internet subscribers and smartphone connections in particular will help present consumption levels to increase more than sixfold by the end of the forecast period.
- **4G LTE networks are being implemented across Nigeria.** Lagos-headquartered operator Airtel is undertaking a series of staged regional roll-outs in 2019 following earlier launches by Glo, MTN and Etisalat (now 9Mobile).

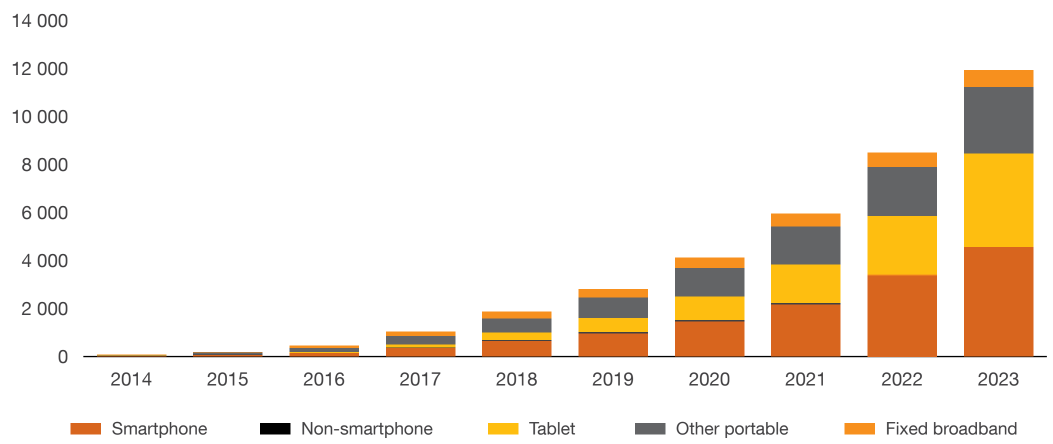
Data consumption in Nigeria will experience rapid growth over the forecast period, with a CAGR of 44.9% to 2023, when traffic will reach 11.9 billion GB from a 2018 level of 1.9 billion GB.

Although video will be the major component of data consumption, there will be very significant growth in the smaller sectors of music and Web browsing, which are each expecting CAGRs above 70%.

As elsewhere, the most important means of data consumption in Nigeria is smartphones, which overtook other portables in terms of market share in 2018, attaining 34.3% of overall traffic. Smartphones will continue to expand their proportion of the market to 2023, when they will account for 38.2% of all data consumed in Nigeria.

Smartphones to take an ever-increasing share

Figure 2: Nigeria: Data consumption by device type, 2014–2023 (GB millions)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Year-on-year growth to exceed 40% all the way to 2023

Nigeria: Data consumption by device type, 2014–2023, (GB millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Smartphone	20	62	137	338	640	957	1 451	2 168	3 381	4 559	48.1%
Non-smartphone	4	10	20	34	51	64	71	57	26	16	-21.1%
Tablet	4	15	40	129	306	584	980	1 622	2 440	3 889	66.2%
Other portable	30	70	158	345	592	846	1 186	1 581	2 050	2 765	36.1%
Fixed broadband	16	30	102	188	278	356	441	530	613	715	20.8%
Total	**75**	**187**	**458**	**1 036**	**1 868**	**2 806**	**4 129**	**5 957**	**8 511**	**11 943**	**44.9%**
YOY growth (%)		***150.6%***	***145.3%***	***126.1%***	***80.4%***	***50.2%***	***47.2%***	***44.3%***	***42.9%***	***40.3%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Content mix provides a more even picture

Nigeria: Data consumption by content type, 2014–2023 (GB millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Video	3	36	113	508	1 125	1 724	2 506	3 449	4 593	6 068	40.1%
Games	11	21	46	53	61	72	86	105	128	156	20.7%
Music	2	6	22	50	107	216	403	720	1 238	1 850	76.9%
Web browsing	2	6	16	30	58	106	190	330	566	902	73.4%
Social networking	6	13	29	35	43	53	66	79	94	113	21.3%
Communications	49	101	222	338	435	556	728	999	1 426	2 054	36.4%
Other digital content	2	4	10	21	40	79	151	275	467	800	82.2%
Total (GB millions)	**75**	**187**	**458**	**1 036**	**1 868**	**2 806**	**4 129**	**5 957**	**8 511**	**11 943**	**44.9%**

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

This segment at a glance

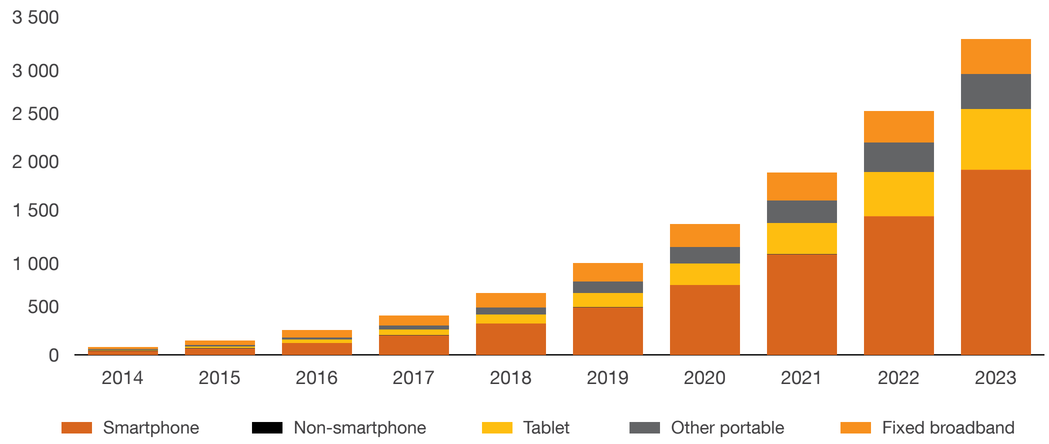
- **Data consumption in Kenya will surpass the 1.0 billion GB mark in 2020.** Smartphones remain the clear leader, but tablets will see the fastest growth.
- **New initiatives are being put in place to resolve the connectivity divide between rural and urban areas.** These include the Kenyan Government's Digital Economy Blueprint, which prioritises connectivity.

Data consumption in Kenya will surpass the 1.0 billion GB mark in 2020 and grow to 3.3 billion GB in 2023.

From a 2018 level of 637 million GB, this amounts to a CAGR of 38.7%. Smartphones will be the most significant component of overall traffic, as they have been since 2014. However, the sector expected to experience the fastest growth in data use will be tablets, with a rate of a 45.4% CAGR predicted across the forecast period.

Smartphones the clear leader

Figure 3: Kenya: Data consumption by device type, 2014–2023 (GB millions)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenyan data consumption to power past 3 billion GB

Kenya: Data consumption by device type, 2014–2023, (GB millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Smartphone	41	67	120	200	321	491	721	1038	1433	1913	42.9%
Non-smartphone	1	1	1	1	2	2	2	2	2	2	3.9%
Tablet	8	19	36	59	96	148	222	323	458	627	45.4%
Other portable	7	13	24	42	71	115	170	235	303	365	38.6%
Fixed broadband	25	48	74	107	147	193	241	288	330	362	19.8%
Total	**81**	**148**	**255**	**410**	**637**	**950**	**1 356**	**1 886**	**2 526**	**3 269**	**38.7%**
YOY growth (%)		***83.0%***	***72.0%***	***61.0%***	***55.4%***	***49.2%***	***42.7%***	***39.1%***	***33.9%***	***29.4%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Games will be the fastest-rising content type

Kenya: Data consumption by content type, 2014–2023 (GB millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Video	39	72	126	205	324	489	706	998	1 354	1 774	40.5%
Games	1	2	4	7	12	19	29	42	58	80	47.3%
Music	4	7	14	24	39	61	90	129	177	238	43.9%
Web browsing	10	17	27	41	59	81	108	140	180	210	28.8%
Social networking	4	8	13	21	33	48	68	93	124	158	37.1%
Communications	5	9	17	29	47	74	111	160	222	300	44.7%
Other digital content	19	33	54	83	124	179	243	325	411	508	32.6%
Total (GB millions)	**81**	**148**	**255**	**410**	**637**	**950**	**1 356**	**1 886**	**2 526**	**3 269**	**38.7%**

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

4

Television

South Africa

This sector at a glance

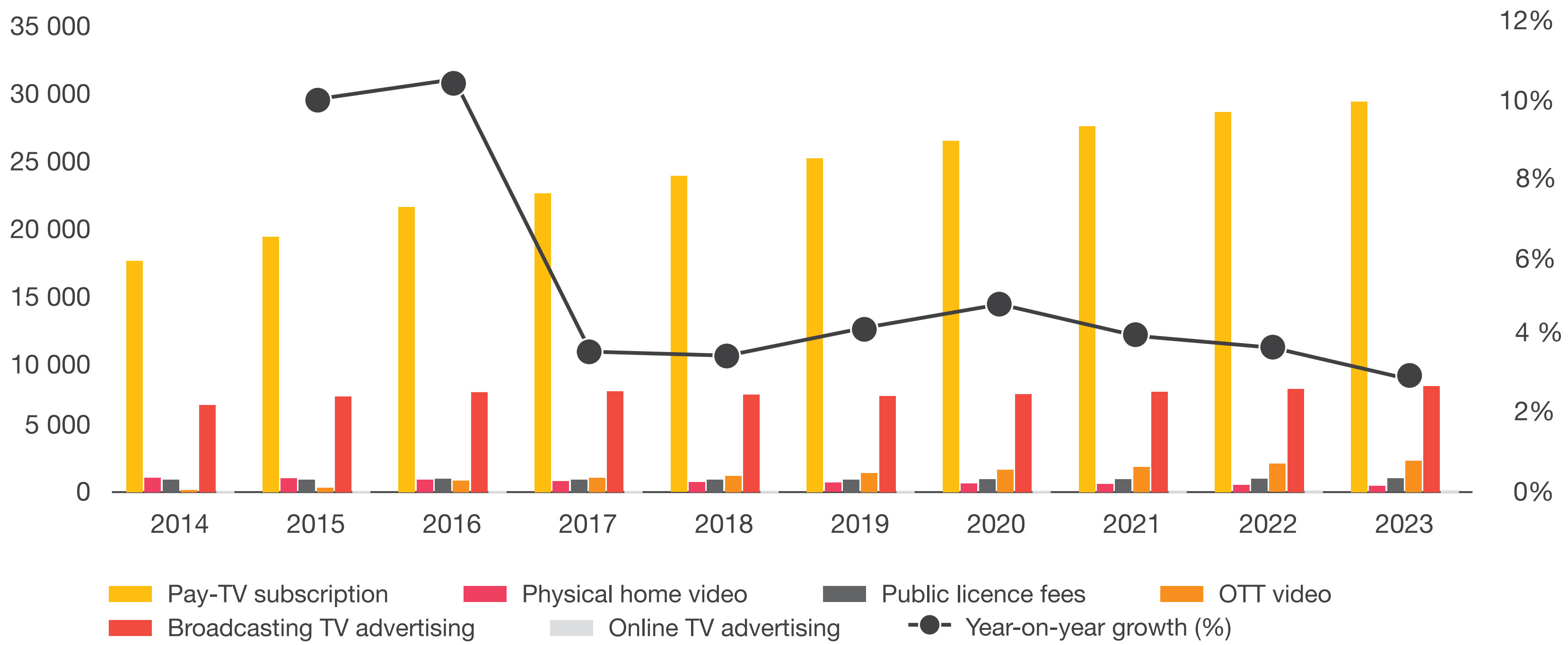
- **South Africa is by far the largest TV market on the continent.** Despite a challenging macroeconomic environment and political instability in recent years, South Africa's TV industry has demonstrated growth and will expand at 3.9% CAGR to R40.5 billion in 2023.
- **Pay-TV sector to add 1.3 million households over the forecast period**. Despite its size, the pay-TV market continues to grow. This has been aided by a lack of digital terrestrial coverage and MultiChoice promoting entry-level satellite packages.
- **Analogue switch-off postponed until July 2020.** Having missed the International Telecommunications Union's (ITU) original June 2015 deadline for digital transition, South Africa has experienced further setbacks and delays. The deadline of June 2019 was delayed in late-2018, with the government now working towards a deadline of July 2020. Several regions have already begun to turn off analogue signals.
- **Piracy remains a big issue for the South African market.** The delayed digital transition has not helped the fight against piracy. The International Intellectual Property Alliance (IIPA) added South Africa to its priority watch list in 2019.
- **Pay-TV provider MultiChoice leads with regional content rights.** MultiChoice continues to add subscribers and boost revenues, primarily due to its strong position in securing important premium entertainment and sports rights.
- **Regulator ICASA is seeking to promote competition in the pay-TV sector.** Beginning an investigation into the subscription TV market in May 2018, the regulator published its draft findings in April 2019, with further regulations likely to be enforced to promote competition in the pay-TV sector.
- **MultiChoice was unbundled from Naspers in February 2019.** MultiChoice and its wider sub-Saharan Africa pay-TV business was unbundled from previous owner Naspers in early 2019 and listed on the Johannesburg Stock Exchange as a separate entity.
- **International SVOD launches have brought new competition to the OTT video segment.** Both Netflix and Amazon launched in South Africa in 2016 as part of wider global launches. MultiChoice has expanded access to its Showmax OTT platform but looks set to launch a streaming version of DStv in 2019.
- **TV advertising will grow at a 1.8% CAGR, but will account for a smaller proportion of the market in 2023.** While advertising continues to play an important role, subscription revenue and OTT video are growing at faster rates. TV advertising is set to account for 19.5% of TV market revenue in 2023, compared to 21.6% in 2018.
- **Public broadcaster the SABC reduced losses in 2018 but is still struggling financially.** Despite continuing to dominate the prime time and all-day ratings, the SABC is making losses and trying to reduce its cost base through streamlining. This is partly due to a challenging economic environment and loss of business confidence hitting the advertising sector on which the broadcaster relies.
- **Just 14% of the SABC's income comes from licence fees.** Although licence fee income is set to grow at a 1.8% CAGR and be worth over R1.0 billion in 2023, it remains a small part of the SABC's funding.

South Africa's total TV market revenue (defined as revenues from pay-TV subscriptions, physical home video, public licence fees, OTT video and TV advertising) grew 3.5% year-on-year to R33.5 billion in 2018, making the country by far the largest television market on the African continent.

This followed similar growth in 2017 with the TV industry adjusting to a difficult macroeconomic environment. While still vulnerable to political and economic instability, TV market will grow at a 3.9% CAGR over the next five years, producing total revenue of R40.5 billion in 2023.

The total TV market will grow at a 3.9% CAGR to 2023

Figure 1: South Africa: TV revenue by segment (R millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Total TV revenue will total R40.5 billion in 2023

South Africa: TV revenues (R millions), ARPU (R) and pay-TV households (millions), 2014–2023

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Pay-TV subscription	**17 085**	**18 870**	**21 077**	**22 068**	**23 354**	**24 667**	**25 952**	**27 042**	**28 077**	**28 846**	**4.3%**
YOY growth (%)		*10.4%*	*11.7%*	*4.7%*	*5.8%*	*5.6%*	*5.2%*	*4.2%*	*3.8%*	*2.7%*	
Physical home video	**1 057**	**1 023**	**912**	**819**	**747**	**694**	**649**	**599**	**548**	**474**	**-8.7%**
YOY growth (%)		*-3.2%*	*-10.9%*	*-10.2%*	*-8.7%*	*-7.1%*	*-6.5%*	*-7.6%*	*-8.5%*	*-13.5%*	
Public licence fees	**928**	**913**	**986**	**915**	**924**	**936**	**953**	**971**	**990**	**1 010**	**1.8%**
YOY growth (%)		*-1.6%*	*8.0%*	*-7.2%*	*0.9%*	*1.3%*	*1.8%*	*1.9%*	*1.9%*	*2.0%*	
OTT video	**145**	**336**	**840**	**1 059**	**1 196**	**1 417**	**1 662**	**1 876**	**2 090**	**2 314**	**14.1%**
YOY growth (%)		*132.0%*	*150.3%*	*26.0%*	*13.0%*	*18.5%*	*17.3%*	*12.9%*	*11.4%*	*10.7%*	
End user spending	**19 214**	**21 142**	**23 815**	**24 860**	**26 221**	**27 714**	**29 216**	**30 488**	**31 706**	**32 644**	**4.5%**
YOY growth (%)		*10.0%*	*12.6%*	*4.4%*	*5.5%*	*5.7%*	*5.4%*	*4.4%*	*4.0%*	*3.0%*	
% of total TV market	*74.9%*	*74.9%*	*76.3%*	*76.9%*	*78.4%*	*79.5%*	*80.0%*	*80.3%*	*80.5%*	*80.5%*	
Broadcast TV advertising	**6 433**	**7 076**	**7 374**	**7 454**	**7 208**	**7 100**	**7 247**	**7 426**	**7 622**	**7 835**	**1.7%**
YOY growth (%)		*10.0%*	*4.2%*	*1.1%*	*-3.3%*	*-1.5%*	*2.1%*	*2.5%*	*2.6%*	*2.8%*	
Online TV advertising	**5.0**	**8.7**	**13**	**18**	**24**	**31**	**39**	**49**	**58**	**68**	**22.7%**
YOY growth (%)		*74.0%*	*50.6%*	*39.7%*	*33.3%*	*28.7%*	*25.5%*	*23.1%*	*19.6%*	*17.1%*	
Total TV advertising	**6 438**	**7 085**	**7 387**	**7 472**	**7 232**	**7 131**	**7 286**	**7 475**	**7 680**	**7 903**	**1.8%**
YOY growth (%)		*10.1%*	*4.3%*	*1.2%*	*-3.2%*	*-1.4%*	*2.2%*	*2.6%*	*2.8%*	*2.9%*	
% of total TV market	*25.1%*	*25.1%*	*23.7%*	*23.1%*	*21.6%*	*20.5%*	*20.0%*	*19.7%*	*19.5%*	*19.5%*	
Total TV market	**25 652**	**28 227**	**31 202**	**32 332**	**33 453**	**34 845**	**36 502**	**37 963**	**39 386**	**40 547**	**3.9%**
YOY growth (%)		*10.0%*	*10.5%*	*3.6%*	*3.5%*	*4.2%*	*4.8%*	*4.0%*	*3.7%*	*2.9%*	
Pay-TV households (millions)	**4.8**	**5.8**	**5.8**	**6.1**	**6.5**	**6.9**	**7.2**	**7.4**	**7.6**	**7.8**	**3.6%**
YOY growth (%)		*20.0%*	*0.0%*	*5.7%*	*6.4%*	*5.7%*	*4.5%*	*3.0%*	*2.5%*	*2.3%*	
Average monthly spending (R)	**295**	**272**	**303**	**301**	**299**	**299**	**301**	**304**	**308**	**310**	**0.7%**
YOY growth (%)		*-8.0%*	*11.7%*	*-0.9%*	*-0.6%*	*-0.1%*	*0.7%*	*1.1%*	*1.3%*	*0.5%*	

Note: 2014–2018 figures have been updated to recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This sector at a glance

- **Nigeria's total TV market has continued to expand rapidly despite a challenging macroeconomic environment.** Total TV market revenue grew 7.5% to US$732 million in 2018 and will expand at a 4.3% CAGR towards US$904 million in 2023. At this time, pay-TV subscription revenue will continue to dominate nearly 71% of total revenue.
- **The advertising sector is recovering from the impact of recession**. Nigeria's 2016 recession saw TV advertising revenue fall by -16.4%. Growth to US$156 million in 2018 was not sufficient to exceed pre-crash levels, although expansion at a 6.8% CAGR will produce a new peak over the forecast period.
- **Poor broadband infrastructure has limited the OTT video segment.** The physical home video segment for DVDs and Blu-rays continues to be worth far more than OTT video and this will still be the case in 2023, with low broadband penetration limiting the opportunities for downloads and streaming.

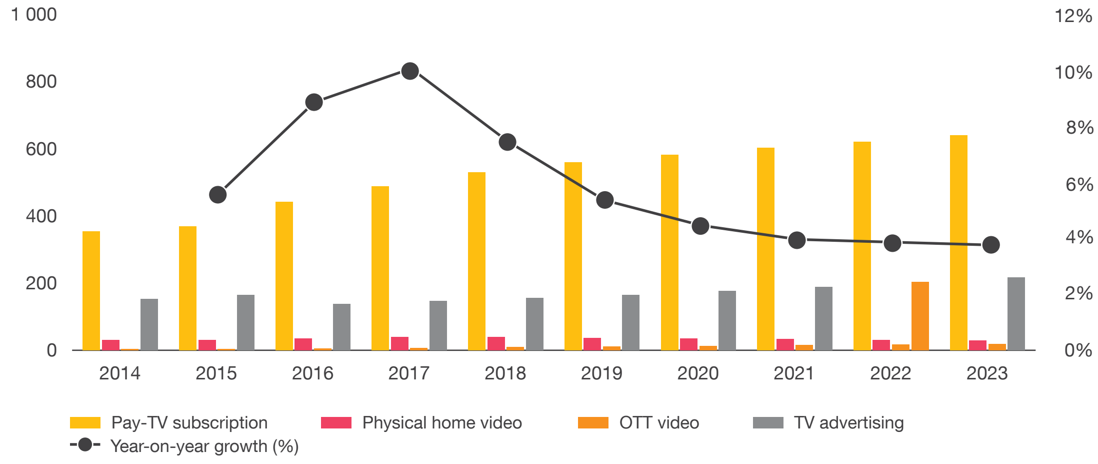
Nigeria's total TV market produced revenue of US$732 million in 2018, up 7.5%.

Despite the country's challenging macroeconomic performance, the TV industry has proved resilient and continued to expand.

As Africa's largest producer of crude oil, the Nigerian economy is closely tied to oil prices and vulnerable to external shocks. This hit the advertising sector in 2016 during the recession but the TV market is proving robust because 72.3% of revenue is attributable to subscription fees. The economy expanded modestly at a real GDP rate of 0.8% in 2017 before stronger growth of 1.9% in 2018.

> ***A rebounding advertising sector will support TV industry growth***

Figure 2: Nigeria: TV revenue by segment (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Total TV market growth at a 4.3% CAGR will push total revenue to US$904 million in 2023

Nigeria: TV revenue by segment (US$ millions), ARPU (US$) and pay-TV households (millions), 2014–2023

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Pay-TV subscription	**353**	**369**	**441**	**488**	**529**	**559**	**581**	**602**	**620**	**640**	**3.9%**
YOY growth (%)		*4.6%*	*19.3%*	*10.9%*	*8.3%*	*5.7%*	*3.9%*	*3.6%*	*3.1%*	*3.2%*	
% of total TV market	*65.6%*	*65.0%*	*71.2%*	*71.7%*	*72.3%*	*72.5%*	*72.1%*	*71.8%*	*71.2%*	*70.8%*	
Physical home video	**30**	**30**	**35**	**40**	**39**	**37**	**35**	**33**	**31**	**29**	**-5.9%**
YOY growth (%)		*-2.0%*	*16.9%*	*15.0%*	*-2.5%*	*-5.2%*	*-5.7%*	*-5.8%*	*-6.4%*	*-6.5%*	
% of total TV market	*5.6%*	*5.2%*	*5.6%*	*5.8%*	*5.3%*	*4.8%*	*4.3%*	*3.9%*	*3.5%*	*3.2%*	
OTT video	**2.5**	**3.6**	**5.2**	**6.8**	**8.5**	**11**	**13**	**15**	**17**	**19**	**17.9%**
YOY growth (%)		*44.0%*	*44.4%*	*30.8%*	*25.0%*	*23.5%*	*22.9%*	*17.8%*	*11.8%*	*14.1%*	
% of total TV market		*0.6%*	*0.8%*	*1.0%*	*1.2%*	*1.4%*	*1.6%*	*1.8%*	*2.0%*	*2.1%*	
TV advertising	**152**	**165**	**138**	**146**	**156**	**165**	**177**	**189**	**203**	**216**	**6.8%**
YOY growth (%)		*8.7%*	*-16.4%*	*5.5%*	*6.8%*	*5.9%*	*7.6%*	*6.5%*	*7.4%*	*6.5%*	
% of total TV market	*28.3%*	*29.1%*	*22.3%*	*21.4%*	*21.3%*	*21.4%*	*22.0%*	*22.5%*	*23.3%*	*23.9%*	
Total TV market	**538**	**568**	**619**	**681**	**732**	**771**	**806**	**838**	**871**	**904**	**4.3%**
YOY growth (%)		*5.6%*	*8.9%*	*10.1%*	*7.5%*	*5.4%*	*4.5%*	*4.0%*	*3.9%*	*3.8%*	
Pay-TV households (millions)	**3.9**	**4.9**	**5.5**	**6.0**	**6.5**	**6.7**	**6.8**	**6.9**	**7.0**	**7.4**	**2.6%**
YOY growth (%)		*24.1%*	*12.2%*	*9.8%*	*8.5%*	*1.9%*	*2.4%*	*1.4%*	*1.4%*	*5.7%*	
Average monthly spending (US$)	**7.5**	**6.3**	**6.7**	**6.8**	**6.7**	**7.0**	**7.1**	**7.2**	**7.4**	**7.2**	**1.3%**
YOY growth (%)		***-15.7%***	***6.3%***	***0.9%***	***-0.2%***	***3.7%***	***1.4%***	***2.2%***	***1.7%***	***-2.4%***	

Note: 2014–2018 figures have been updated to recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

This sector at a glance

- **Kenya's TV market will grow at a 5.7% CAGR to reach US$416 million in 2023.** Market revenue reached US$315 million in 2018, with 59.8% of the total attributable to the pay-TV subscription sector.
- **The market is supported by solid growth in advertising revenue, which accounted for 31.4% of the total market in 2018.** Advertising will grow at a faster rate than pay-TV subscriptions over the forecast period, expanding at a 7.9% CAGR to reach US$144 million in 2023.
- **Growth in OTT video will not be enough to overtake physical home video.** In Kenya, unlike more-developed markets, many people still rely on DVDs and Blu-ray discs for home entertainment. Physical home video, despite being in long-term decline, will still be much larger than the OTT video segment in 2023.

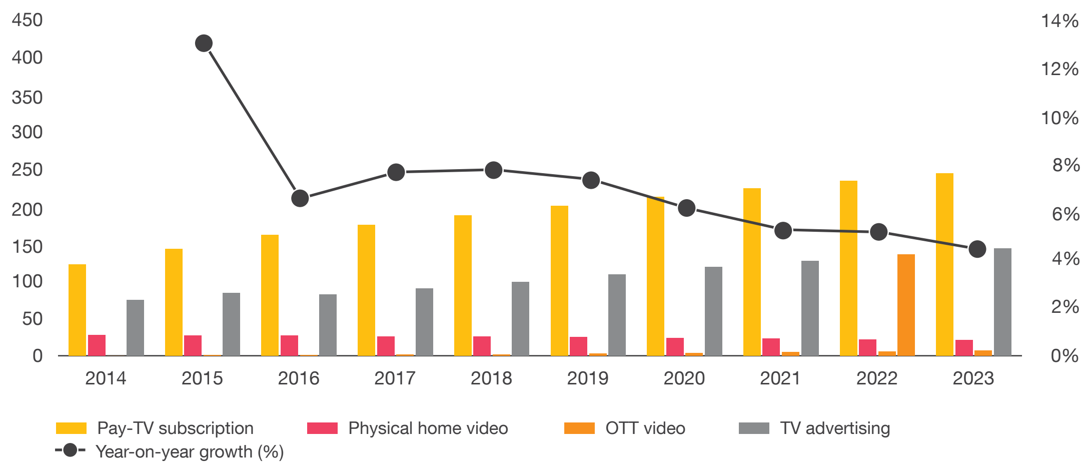
The Kenyan TV industry has been supported by strong economic development in recent years, with real GDP expanding by 6.0% in 2018 and forecast to exhibit similar growth rates in 2019.

The subscription pay-TV market contributed 59.8% of total market revenue in 2018 and is still set to account for 58.6% of the total in 2023.

Although pay-TV penetration will fall back slightly to 32.1% by this time (from 33.7% in 2018), the high levels of population growth means an additional 412 000 households will join the subscription market over the forecast period.

Total TV revenue will increase annually to 2023

Figure 3: Kenya: TV revenue by segment (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Over half of Kenya's TV industry revenue comes from subscriptions

Kenya: TV revenue by segment (US$ millions), ARPU (US$) and pay-TV households (millions) 2014–2023

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Pay-TV subscription	**122**	**143**	**162**	**175**	**188**	**201**	**213**	**224**	**234**	**244**	**5.3%**
YOY growth (%)		*16.8%*	*13.3%*	*8.2%*	*7.8%*	*6.9%*	*5.9%*	*5.0%*	*4.6%*	*4.2%*	
% of total TV market	*54.2%*	*56.0%*	*59.5%*	*59.7%*	*59.8%*	*59.5%*	*59.3%*	*59.1%*	*58.8%*	*58.6%*	
Physical home video	**28**	**27**	**27**	**26**	**26**	**25**	**24**	**23**	**22**	**21**	**-4.1%**
YOY growth (%)		*-0.7%*	*-1.8%*	*-1.9%*	*-3.0%*	*-3.5%*	*-4.0%*	*-4.2%*	*-4.4%*	*-4.1%*	
% of total TV market	*12.3%*	*10.8%*	*9.9%*	*9.0%*	*8.1%*	*7.3%*	*6.6%*	*6.0%*	*5.5%*	*5.0%*	
OTT video	**0.3**	**0.5**	**1.2**	**1.6**	**2.3**	**3.2**	**4.1**	**5.0**	**6.0**	**7.1**	**25.3%**
YOY growth (%)		*66.7%*	*140.0%*	*33.3%*	*43.8%*	*39.1%*	*28.1%*	*22.0%*	*20.0%*	*18.3%*	
% of total TV market	*0.1%*	*0.2%*	*0.4%*	*0.5%*	*0.7%*	*0.9%*	*1.1%*	*1.3%*	*1.5%*	*1.7%*	
TV advertising	**75**	**84**	**82**	**90**	**99**	**109**	**119**	**127**	**136**	**144**	**7.9%**
YOY growth (%)		*12.1%*	*-2.9%*	*9.7%*	*10.3%*	*10.4%*	*8.5%*	*7.2%*	*7.4%*	*5.9%*	
% of total TV market	*33.4%*	*33.1%*	*30.1%*	*30.7%*	*31.4%*	*32.3%*	*33.0%*	*33.6%*	*34.3%*	*34.7%*	
Total TV market	**225**	**255**	**271**	**292**	**315**	**339**	**360**	**379**	**398**	**416**	**5.7%**
YOY growth (%)		***13.1%***	***6.6%***	***7.7%***	***7.8%***	***7.4%***	***6.2%***	***5.3%***	***5.2%***	***4.5%***	
Pay-TV households (millions)	**0.8**	**1.1**	**1.2**	**1.3**	**1.4**	**1.5**	**1.6**	**1.7**	**1.7**	**1.8**	**5.3%**
YOY growth (%)		*46.0%*	*6.5%*	*9.1%*	*7.7%*	*6.8%*	*5.6%*	*4.8%*	*4.5%*	*4.5%*	
Average monthly spending (US$)	**13**	**11**	**11**	**11**	**11**	**11**	**11**	**11**	**11**	**11**	**0.0%**
YOY growth (%)		***-20.0%***	***6.4%***	***-0.8%***	***0.1%***	***0.1%***	***0.2%***	***0.1%***	***0.0%***	***-0.2%***	

Note: 2014–2018 figures have been updated to recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana

This sector at a glance

- **An increase at 8.0% CAGR will see total TV market revenue reach US$191 million in 2023.** The Ghanaian market will be supported by increases in advertising revenue at a 9.3% CAGR, with the advertising segment set to account for nearly 73% of the market in 2023.
- **Subscription revenue will reach US$37 million in 2023 – an increase at just a 3.1% CAGR.** Only around 100 000 additional households are expected to enter the pay-TV market by 2023, with the reliance on terrestrial channels limiting the expansion in subscription revenue.
- **The OTT video segment will become bigger than physical home video in 2019.** Despite the lack of broadband coverage for many households, online video platforms are set to produce higher revenue than the terminally declining market for DVDs and Blu-rays.

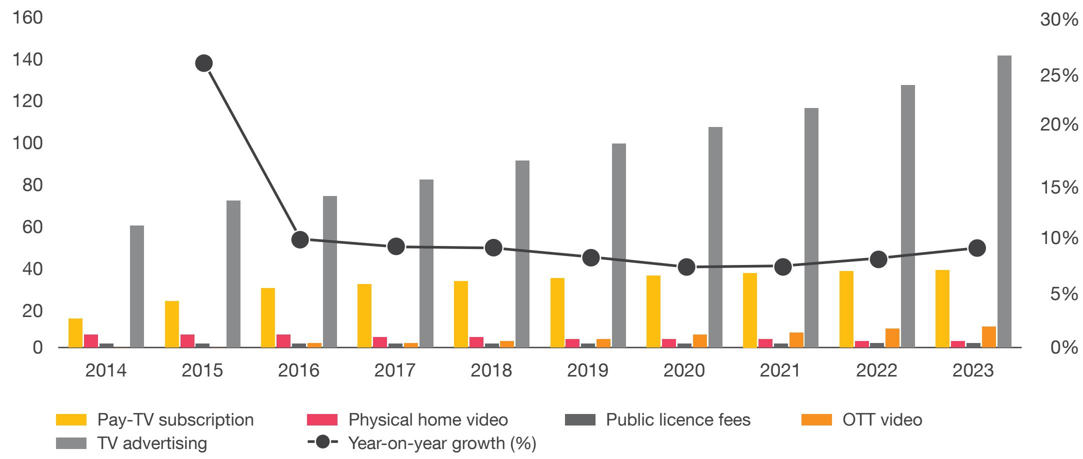
Over two-thirds of Ghana's TV industry is attributable to advertising revenue, with the subscription TV market extremely limited and struggling for growth.

Around 600 000 households paid for TV packages in 2018, and this is only set to reach roughly 700 000 by 2023. This will limit the growth in subscription revenue to 3.1% CAGR, producing revenue of US$37 million in 2023, up from US$32 million in 2018.

With the market focussed on low- average revenue per user (ARPU) packages to attract new households with low prices, it could take time before stronger growth rates are realised. This leaves the Ghanaian market set to be even-more reliant on advertising revenue in 2023, when it will be 72.6% of the total TV market.

Ghana's TV market will increase at 8.0% CAGR

Figure 4: Ghana: TV revenue by segment (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

A strong advertising sector continues to underpin Ghana's TV market

Ghana: TV revenue by segment (US$ millions), ARPU (US$) and pay-TV households (millions) 2014–2023

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Pay-TV subscription	**14**	**22**	**28**	**30**	**32**	**33**	**34**	**36**	**36**	**37**	**3.1%**
YOY growth (%)		*61.8%*	*28.2%*	*7.1%*	*4.6%*	*4.4%*	*3.9%*	*3.5%*	*2.3%*	*1.4%*	
% of total TV market	*17.2%*	*22.1%*	*25.8%*	*25.3%*	*24.3%*	*23.5%*	*22.7%*	*21.9%*	*20.7%*	*19.3%*	
Public licence fee	**1.7**	**1.8**	**1.8**	**1.8**	**1.9**	**1.9**	**1.9**	**1.9**	**2.0**	**2.0**	**1.0%**
YOY growth (%)		*5.9%*	*0.0%*	*0.0%*	*5.6%*	*0.0%*	*0.0%*	*0.0%*	*5.3%*	*0.0%*	
% of total TV market	*2.1%*	*1.8%*	*1.6%*	*1.5%*	*1.5%*	*1.4%*	*1.3%*	*1.2%*	*1.1%*	*1.0%*	
Physical home video	**6.1**	**5.9**	**5.6**	**4.9**	**4.5**	**4.1**	**3.8**	**3.6**	**3.4**	**3.2**	**-6.6%**
YOY growth (%)		*-3.3%*	*-5.1%*	*-12.5%*	*-8.2%*	*-8.9%*	*-7.3%*	*-5.3%*	*-5.6%*	*-5.9%*	
% of total TV market	*7.7%*	*5.9%*	*5.1%*	*4.1%*	*3.5%*	*2.9%*	*2.5%*	*2.2%*	*1.9%*	*1.7%*	
OTT video	**0.1**	**0.1**	**1.6**	**2.3**	**3.2**	**4.3**	**5.7**	**6.8**	**9.0**	**10**	**26.6%**
YOY growth (%)		*0.0%*	*1500.0%*	*43.8%*	*39.1%*	*34.4%*	*32.6%*	*19.3%*	*32.4%*	*15.6%*	
% of total TV market	*0.1%*	*0.1%*	*1.5%*	*1.9%*	*2.5%*	*3.1%*	*3.8%*	*4.2%*	*5.1%*	*5.4%*	
TV advertising	**58**	**70**	**72**	**80**	**89**	**97**	**105**	**114**	**125**	**139**	**9.3%**
YOY growth (%)		*20.8%*	*3.4%*	*11.1%*	*10.9%*	*9.7%*	*8.1%*	*8.5%*	*8.9%*	*11.2%*	
% of total TV market	*72.9%*	*70.1%*	*66.0%*	*67.1%*	*68.3%*	*69.2%*	*69.7%*	*70.5%*	*71.1%*	*72.6%*	
Total TV market	**79**	**100**	**109**	**119**	**130**	**141**	**151**	**162**	**175**	**191**	**8.0%**
YOY growth (%)		*25.6%*	*9.8%*	*9.1%*	*9.0%*	*8.2%*	*7.3%*	*7.4%*	*8.1%*	*9.0%*	
Pay-TV households (millions)	**0.2**	**0.5**	**0.6**	**0.6**	**0.6**	**0.6**	**0.7**	**0.7**	**0.7**	**0.7**	**3.1%**
YOY growth (%)		*150.0%*	*20.0%*	*0.0%*	*0.0%*	*0.0%*	*16.7%*	*0.0%*	*0.0%*	*0.0%*	
Average monthly spending (US$)	**5.7**	**3.7**	**3.9**	**4.2**	**4.4**	**4.6**	**4.1**	**4.2**	**4.3**	**4.4**	**0.0%**
YOY growth (%)		***-35.3%***	***6.8%***	***7.1%***	***4.6%***	***4.4%***	***-10.9%***	***3.5%***	***2.3%***	***1.4%***	

Note: 2014–2018 figures have been updated to recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania

This sector at a glance

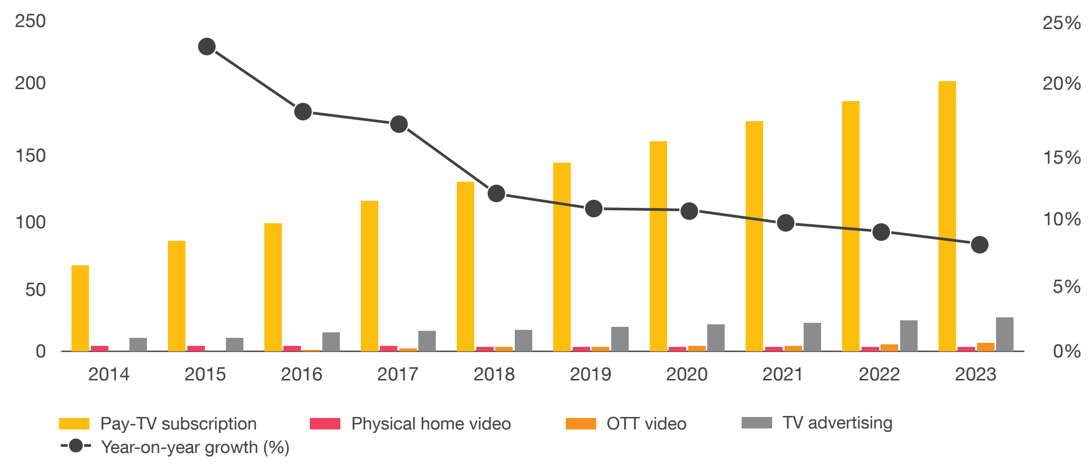
- **Total TV market revenue will reach US$235 million by 2023.** Total revenue reached US$149 million in 2018 and will continue to grow at an impressive 9.6% CAGR.
- **Pay-TV expansion is driving the market forwards.** With nearly 400 000 additional households added over the forecast period, pay-TV subscription revenue will increase at a 9.8% CAGR to pass the US$200 million mark in 2023 and account for 85.7% of the total market.
- **OTT video will overtake physical home video.** The market for DVDs and Blu-rays is in terminal decline and although broadband penetration is low, OTT video will fare well enough to be worth nearly double the market for physical home video in 2023.

The impressive growth rates demonstrated by Tanzania's TV industry in recent years are set to slow over the forecast period, but remain high at a 9.6% CAGR.

This expansion will produce revenue of US$235 million in 2023, up from US$149 million in 2018. Growth has been supported by economic development in recent years, as the number of TV households expands and provides new opportunities for the industry.

Total TV revenue in Tanzania to reach US$235 million in 2023

Figure 5: Tanzania: TV revenue by segment (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

The rapidly expanding subscription market is driving growth

Tanzania: TV revenue by segment (US$ millions), ARPU (US$) and pay-TV households (millions) 2014–2023

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Pay-TV subscription	**64**	**82**	**95**	**112**	**126**	**140**	**156**	**171**	**186**	**201**	**9.8%**
YOY growth (%)		*27.1%*	*15.7%*	*18.8%*	*12.5%*	*11.1%*	*10.8%*	*10.0%*	*8.7%*	*8.2%*	
% of total TV market	*82.0%*	*84.8%*	*83.3%*	*84.6%*	*85.1%*	*85.3%*	*85.5%*	*85.9%*	*85.6%*	*85.7%*	
Physical home video	**4.4**	**4.1**	**3.9**	**3.6**	**3.4**	**3.3**	**3.2**	**3.1**	**3.0**	**3.0**	**-2.5%**
YOY growth (%)		*-6.8%*	*-4.9%*	*-7.7%*	*-5.6%*	*-2.9%*	*-3.0%*	*-3.1%*	*-3.2%*	*0.0%*	
% of total TV market	*5.6%*	*4.3%*	*3.4%*	*2.7%*	*2.3%*	*2.0%*	*1.8%*	*1.6%*	*1.4%*	*1.3%*	
OTT video	**0.1**	**0.2**	**1.4**	**1.9**	**2.5**	**3.0**	**3.6**	**4.0**	**4.9**	**5.6**	**17.5%**
YOY growth (%)		*100.0%*	*600.0%*	*35.7%*	*31.6%*	*20.0%*	*20.0%*	*11.1%*	*22.5%*	*14.3%*	
% of total TV market		*0.2%*	*1.2%*	*1.4%*	*1.7%*	*1.8%*	*2.0%*	*2.0%*	*2.3%*	*2.4%*	
TV advertising	**10**	**10**	**14**	**15**	**16**	**18**	**20**	**21**	**23**	**25**	**9.0%**
YOY growth (%)		*7.3%*	*33.0%*	*9.5%*	*8.7%*	*9.2%*	*9.6%*	*8.2%*	*10.4%*	*7.7%*	
% of total TV market	*12.2%*	*10.7%*	*12.1%*	*11.3%*	*11.0%*	*10.8%*	*10.7%*	*10.6%*	*10.7%*	*10.7%*	
Total TV market	**78**	**96**	**114**	**133**	**149**	**164**	**182**	**199**	**217**	**235**	**9.6%**
YOY growth (%)		*22.8%*	*17.9%*	*17.0%*	*11.8%*	*10.7%*	*10.6%*	*9.6%*	*9.0%*	*8.1%*	
Pay-TV households (millions)	**0.4**	**0.4**	**0.6**	**0.6**	**0.7**	**0.8**	**0.9**	**0.9**	**1.0**	**1.1**	**8.9%**
YOY growth (%)		*12.5%*	*25.4%*	*13.4%*	*12.1%*	*11.0%*	*11.6%*	*7.8%*	*7.4%*	*7.0%*	
Average monthly spending (US$)	**14**	**15**	**14**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**0.8%**
YOY growth (%)		***13.0%***	***-7.7%***	***4.8%***	***0.3%***	***0.1%***	***-0.6%***	***2.1%***	***1.2%***	***1.1%***	

Note: 2014–2018 figures have been updated to recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

5 Cinema

South Africa

This sector at a glance

- **Box office was up in 2018.** Box office revenue rose 11.5% year-on-year in 2018 to R1.3 billion, and is expected to reach R1.5 billion by 2023.
- **Cinema advertising revenue will increase at a slightly higher rate than box office.** It was R428 million in 2018 and is forecast to rise to R543 million by 2023 – when it will account for over 27% of overall revenue.
- **Ticket prices will nudge slowly upwards.** The average admission price was R67.80 in 2018 and is predicted to be R76.40 by 2023.

South Africa's cinema sector is showing steady growth. Total revenue, including box office and cinema advertising, was R1.8 billion in 2018.

That figure is forecast to rise at a 2.7% CAGR to R2.0 billion by 2023. Admissions, which were at 19.6 million in 2018, will, however fall to 19.1 million in the same period. Ticket prices will rise to ensure that box office revenues continue to rise.

To some observers, this rate of growth seems stubbornly slow. As pointed out in an influential report, *Framing the Shot: Key Trends in African Film* (published by 234 Media in late 2018), Africa will have 4 billion people by 2100, more than one-third of the world's population, and will have the world's largest population of young adults.

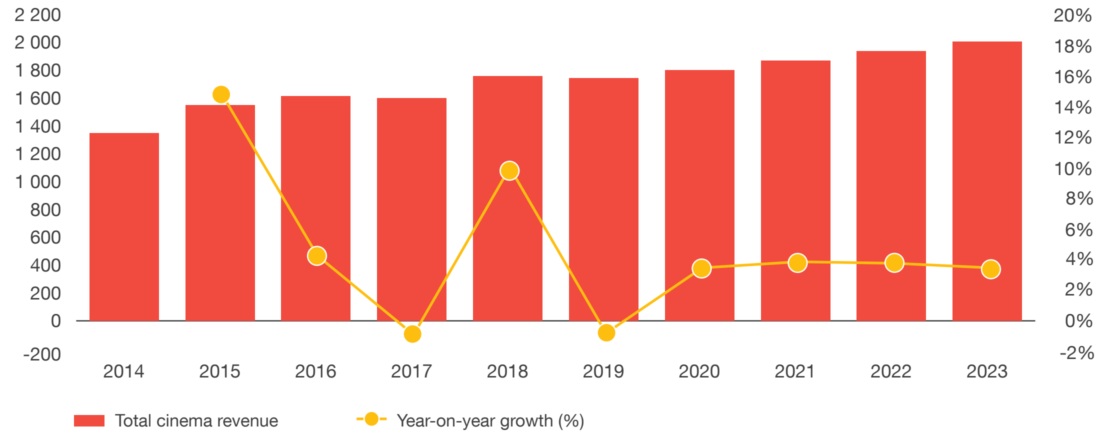
As the biggest cinema market in the region, South Africa should be in a position to benefit from the surge in population. However, in 2018 the country had 765 screens serving a population of 56 million, which is less than 14 screens per million inhabitants. This compares unfavourably with the 124 screens per million inhabitants in the US.

Screen numbers are predicted to rise only very modestly over the next five years. By 2023 the country will have 785 screens. Poorer townships and rural areas remain especially poorly served by cinema exhibitors, but the high capital costs and lower ticket prices (versus international markets) make expansion into these geographies economically unviable.

Another growth inhibitor comes in the form of content. For many South Africans, the international blockbusters that reach our shores do not always appeal to our broader audience demographic and the need to develop or acquire locally relevant titles represents a potential boost for the industry if this can be done successfully. There is a significant opportunity in procuring more content to service the rapidly growing audience for both the distribution side of the industry and cinema exhibitors.

Revenues will rise at a 2.7% CAGR

Figure 1: South Africa: Total cinema revenue (R millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, www.pwc.co.za/outlook

Total revenues to reach R2.0 billion in 2023

South Africa: Cinema revenue, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Box office revenue	941	1 113	1 171	1 193	1 330	1 292	1 328	1 373	1 417	1 461	1.9%
Advertising revenue	406	435	442	405	428	450	473	497	520	543	4.9%
Total cinema revenue	**1 347**	**1 548**	**1 613**	**1 598**	**1 758**	**1 742**	**1 801**	**1 869**	**1 937**	**2 004**	**2.7%**
Yoy growth (%)		***14.9%***	***4.2%***	***-1.0%***	***10.0%***	***-0.9%***	***3.4%***	***3.8%***	***3.7%***	***3.4%***	

Note: 2014–2018 figures have been updated to reflect most recently available Nielsen financial information and have been downwardly revised to better account for discounts.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, www.pwc.co.za/outlook

Nigeria

This sector at a glance

- **Box office revenue will dominate.** Over 90% of total revenue throughout the forecast period will come from box office, which will total US$16.6 million in 2023, with the remainder generated through cinema advertising (US$1.4 million in 2023).
- **The local share of the market is increasing.** Around 80 local films now get a theatrical release each year and the local market share of 40%-plus is matched by few countries worldwide.

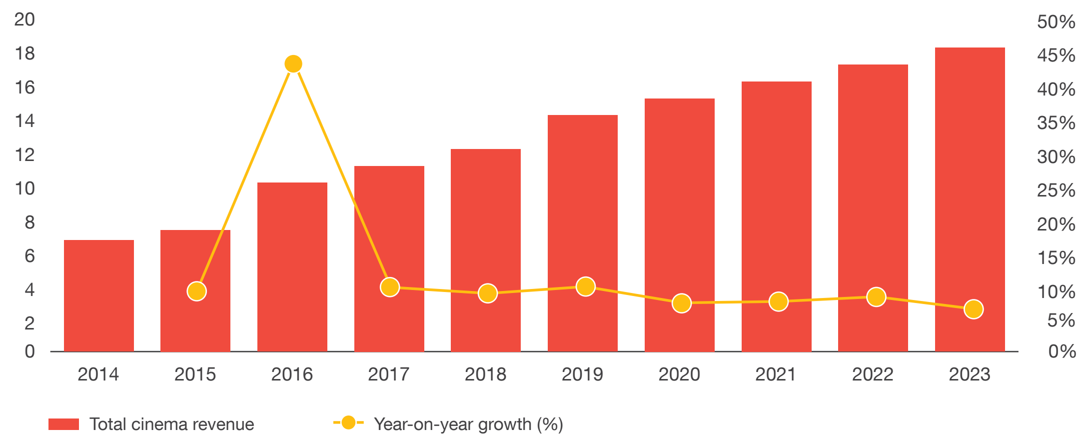
The industry in Nigeria is currently in the midst of a boom.

Total cinema revenue will increase at a 7.9% CAGR over the next five years, reaching US$18 million by 2023, up from US$12 million in 2018. Locals are talking in terms of 'a second coming of Nigerian cinema'. As Variety reported in late 2018, investors are 'pouring money into new theatres' and at last beginning to exploit Nigeria's obvious potential as a cinema market.

The country is the home of 'Nollywood' and has one of the most prolific industries in the world, with thousands of films produced each year. However, the marketing and distribution of these films has previously been on a haphazard basis and piracy is an ongoing issue. Most of the work has traditionally gone straight to video, bypassing the theatrical market altogether.

Revenues will rise at a 7.9% CAGR

Figure 2: Nigeria: Total cinema revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, www.pwc.co.za/outlook

Advertising revenue will see the fastest growth, albeit from a low base

Nigeria: Cinema revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Box office revenue	6.1	6.7	10	11	12	13	14	15	16	17	7.4%
Advertising revenue	0.5	0.5	0.6	0.6	0.7	0.9	1.0	1.1	1.3	1.4	14.9%
Total cinema revenue	**6.6**	**7.2**	**10**	**11**	**12**	**14**	**15**	**16**	**17**	**18**	**7.9%**
YOY growth (%)		***9.1%***	***43.1%***	***9.7%***	***8.8%***	***9.8%***	***7.4%***	***7.6%***	***8.3%***	***6.5%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, www.pwc.co.za/outlook

Kenya

This sector at a glance

- **Cinema advertising revenue will increase at more than double the rate of box office.** It was US$1.3 million in 2018 and is forecast to rise at an 11.1% CAGR to US$2.2 million by 2023.
- **Ticket prices will rise steadily from a low base.** The average admission price was US$1.50 in 2018 and is predicted to be US$1.60 in 2023, increasing at a 1.3% CAGR.
- **The number of screens will increase.** The total number of screens in Kenya will reach 100 in 2021, 86% of them digital, and by 2023 there will be 108, having expanded at a 3.9% CAGR.

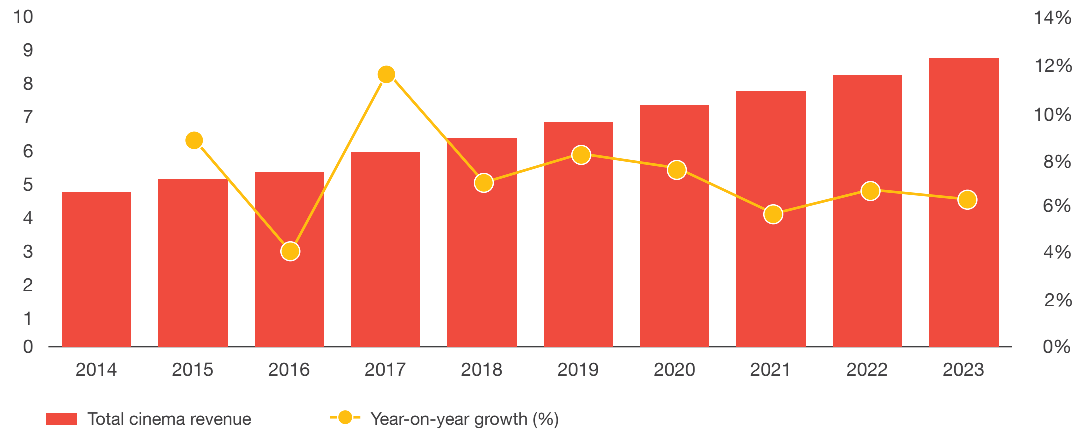
Total cinema revenue in Kenya is set to reach US$8.6 million by 2023, up from US$6.2 million in 2018 and representing an increase at a 6.8% CAGR.

This is steady growth. Cinema advertising revenue has a reasonable proportion of total cinema revenue and is expected to account for 25.6% of the total figure by 2023.

Production activity has been picking up for both feature films and TV drama. During 2018 the crime series Nganya was released on Kwesé iflix, the new pan-African entertainment platform.

Revenues will rise at a 6.8% CAGR

Figure 3: Kenya: Total cinema revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, www.pwc.co.za/outlook

Total cinema revenue will total US$8.6 million in 2023

Kenya: Cinema revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Box office revenue	3.8	4.1	4.2	4.6	4.9	5.2	5.5	5.8	6.1	6.4	5.5%
Advertising revenue	0.8	0.9	1.0	1.2	1.3	1.5	1.7	1.8	2.0	2.2	11.1%
Total cinema revenue	**4.6**	**5.0**	**5.2**	**5.8**	**6.2**	**6.7**	**7.2**	**7.6**	**8.1**	**8.6**	**6.8%**
YOY growth (%)		***8.7%***	***4.0%***	***11.5%***	***6.9%***	***8.1%***	***7.5%***	***5.6%***	***6.6%***	***6.2%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, www.pwc.co.za/outlook

Ghana

This sector at a glance

- **The number of screens is low but increasing.** The total number of screens in Ghana will reach 59 in 2019, 44% of them digital, and by 2023 there will be 77 screens.
- **Advertising will contribute a solid percentage to total cinema revenue.** Cinema advertising revenue in Ghana will reach US$0.5 million by the end of the forecast period, accounting for little under a third of the overall cinema total.

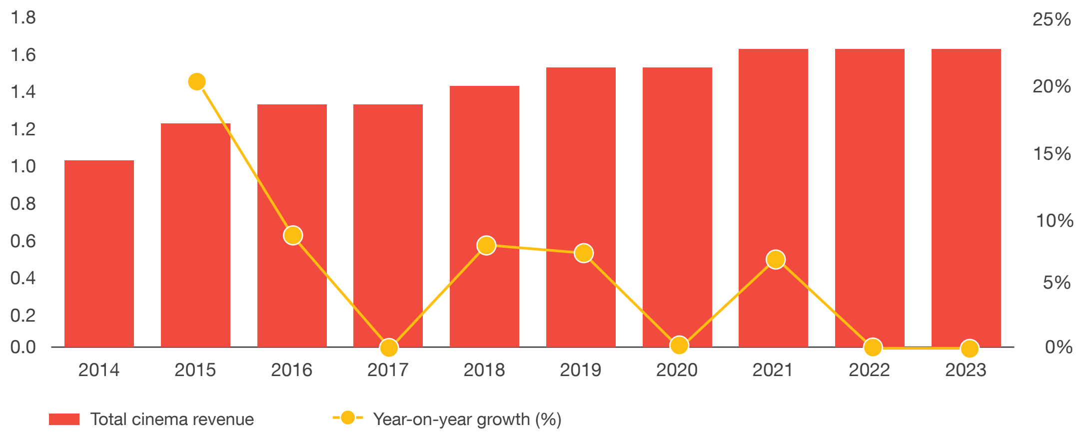
Total cinema revenue in Ghana is expected to increase over the forecast period at a 2.7% CAGR.

Box office generated US$1.0 million in 2018. That figure is expected to rise to US$1.1 million by 2023. This is a market with obvious capacity for further growth.

The runaway success of superhero films like Black Panther and Avengers: Endgame underlines the continuing popularity of cinema-going in the country. Local newspapers had reports of overcrowding and chaos at the Avengers: Endgame premiere at Silverbird Cinema in Accra mall at the end of April 2019.

Revenues will rise at a 2.7% CAGR

Figure 4: Ghana: Total cinema revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, www.pwc.co.za/outlook

Box office revenue will continue to take the largest share of the market

Ghana: Cinema revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Box office revenue	0.8	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.9%
Advertising revenue	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	4.6%
Total cinema revenue	**1.0**	**1.2**	**1.3**	**1.3**	**1.4**	**1.5**	**1.5**	**1.6**	**1.6**	**1.6**	**2.7%**
YOY growth (%)		***20.0%***	***8.3%***	***0.0%***	***7.7%***	***7.1%***	***0.0%***	***6.7%***	***0.0%***	***0.0%***	

-/0.0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2019–2023, an African perspective, www.pwc.co.za/outlook

Tanzania

This sector at a glance

- **Cinema advertising revenue will increase at more than the rate of box office.** It was US$0.4 million in 2018 and is forecast to rise at an 8.4% CAGR to US$0.6 million by 2023.
- **The number of screens will increase.** The total number of screens in Tanzania will reach 55 in 2019, only 40% of them digital, and by 2023 there will be 66 screens, with just over half of them (55%) digital.

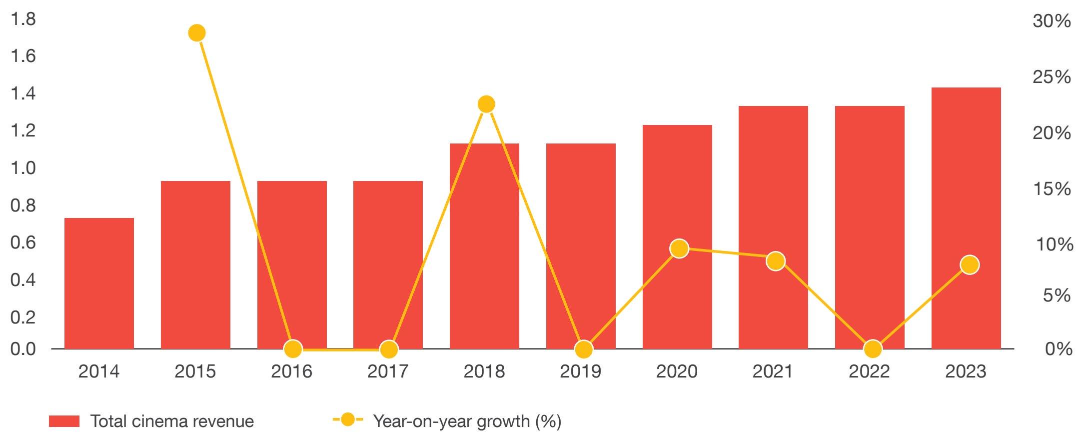
Tanzania's cinema sector will continue to show modest growth.

Overall revenue from box office and cinema advertising passed US$1.0 million in 2018 (reaching US$1.1 million) and the total is forecast to reach US$1.4 million by 2023.

Box office revenue will account for US$0.8 million of this total, with advertising accounting for the remaining US$0.6 million. Given a population in 2019 of 60.5 million, these are small numbers and the market has obvious capacity for further growth.

Revenues will rise at a 4.9% CAGR

Figure 5: Tanzania: Total cinema revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, an African perspective, www.pwc.co.za/outlook

Cinema revenue will total US$1.4 million in 2023

Tanzania: Cinema revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Box office revenue	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.8	2.7%
Advertising revenue	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.6	8.4%
Total cinema revenue	**0.7**	**0.9**	**0.9**	**0.9**	**1.1**	**1.1**	**1.2**	**1.3**	**1.3**	**1.4**	**4.9%**
YOY growth (%)		***28.6%***	***0.0%***	***0.0%***	***22.2%***	***0.0%***	***9.1%***	***8.3%***	***0.0%***	***7.7%***	

-/0.0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2019–2023, an African perspective, www.pwc.co.za/outlook

6

Video games

South Africa

This sector at a glance

- **Social/casual gaming, which surpassed traditional gaming as the main revenue segment in 2017, is set to increase its dominance.** The segment represented 56.6% of total video games revenue in 2018, a share that will increase significantly to 68.4% in 2023.
- **The dominance of big games companies poses a significant challenge for homegrown games developers wanting to break into this increasingly competitive sector.** Research has found that more than half of South African gaming companies remain 'very small', with annual turnover of less than R2.0 million.
- **The wave of new games hitting the app stores combined with consumers' desire to see fewer ads in the games has resulted in a heightened demand for game subscription services.** Like the popular music- and video-streaming services, game subscription services offer ad-free, unlimited access to a curated library of games for a monthly fee.
- Combined revenue from physical console and PC games is expected to fall from R789 million in 2018 to R608 million in 2023. However, this is happening gradually at a -5.1% CAGR – nowhere near as fast as the collapse seen in other physical media like CDs or DVDs.
- **Growth in the PC segment has been hampered by many data servers being located far away from South Africa.** A connection to such servers is required for playing online – therefore, relying on servers from further afield usually results in high latency and a poor online gaming experience – however, this is changing.

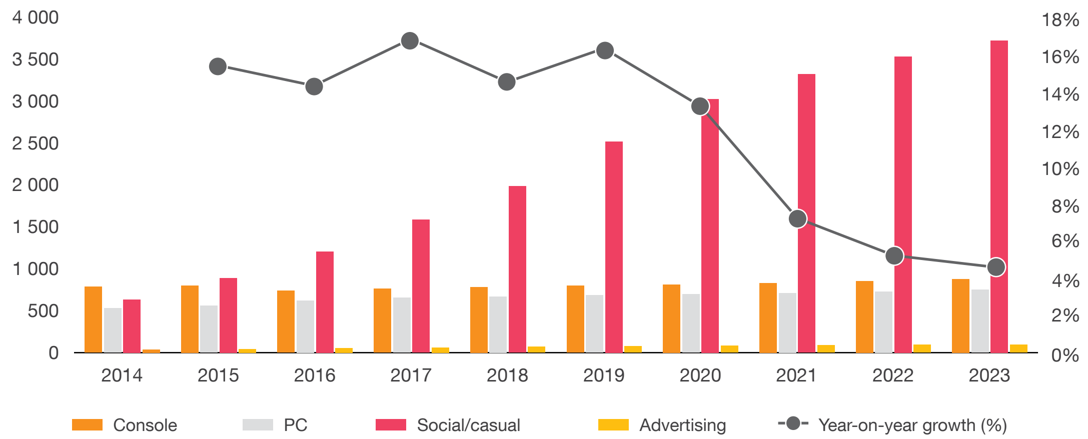
All segments of the video games market in South Africa will continue to see growth over the next five years, with mobile gaming emerging as one of the biggest success stories.

A positive feature of South Africa's gaming market is that the rapid growth of social/casual gaming is not significantly cannibalising the traditional sector – thus providing an overall picture of strong growth.

South Africa's total video games revenue, which was worth just R2.0 billion in 2014, rose to R3.5 billion in 2018 and will further increase at a 9.2% CAGR to R5.4 billion in 2023.

Video games revenue will increase at a 9.2% CAGR

Figure 1: South Africa: Video games revenue by segment (R millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

A booming social/casual segment is driving growth

South Africa: Video games market, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Traditional gaming revenue	**1 315**	**1 358**	**1 358**	**1 413**	**1 451**	**1 482**	**1 507**	**1 540**	**1 579**	**1 624**	**2.3%**
Total console games revenue	**785**	**800**	**738**	**760**	**781**	**798**	**812**	**831**	**852**	**876**	**2.3%**
Physical console games revenue	702	695	597	590	581	568	553	537	521	506	-2.7%
Digital console games revenue	43	56	73	89	106	124	142	162	185	210	14.6%
Online/microtransaction console games revenue	40	49	67	80	94	106	118	132	146	160	11.2%
Total PC games revenue	**530**	**558**	**620**	**654**	**670**	**684**	**695**	**709**	**727**	**749**	**2.3%**
Physical PC games revenue	258	248	237	224	208	188	164	141	120	102	-13.3%
Digital PC games revenue	90	102	124	137	147	158	169	182	196	210	7.4%
Online/microtransaction PC games revenue	181	209	260	293	315	338	362	386	412	437	6.8%
Social/casual gaming revenue	**633**	**889**	**1 206**	**1 584**	**1 982**	**2 517**	**3 023**	**3 316**	**3 528**	**3 720**	**13.4%**
App-based social/casual revenue	474	723	1 035	1 412	1 811	2 348	2 858	3 156	3 375	3 576	14.6%
Browser-based social/casual revenue	160	166	171	172	171	169	165	159	152	145	-3.3%
Video games advertising revenue	38	43	56	63	70	77	83	89	93	95	6.4%
Total video games revenue	**1 986**	**2 291**	**2 619**	**3 060**	**3 503**	**4 075**	**4 613**	**4 944**	**5 200**	**5 440**	**9.2%**
YOY growth (%)		***15.4%***	***14.3%***	***16.8%***	***14.5%***	***16.3%***	***13.2%***	***7.2%***	***5.2%***	***4.6%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This sector at a glance

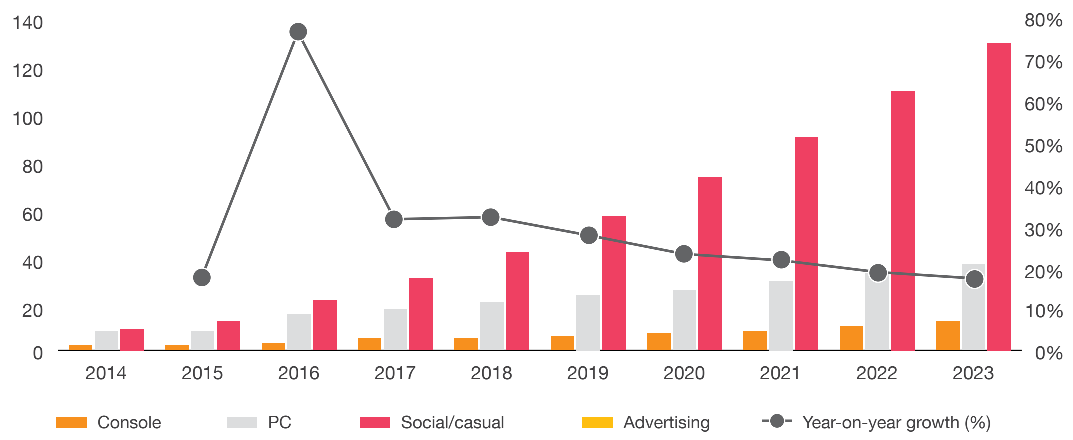
- **Social/casual gaming has overtaken traditional gaming as the main revenue segment.** The gap between the two will continue to grow larger through to the end of the forecast period in 2023, when the split will be 73% to 27%.

Nigeria has a sizeable games market, which continues to grow strongly.

Total video games revenue in 2018 was US$67 million and it will grow at a healthy 21.4% CAGR to reach US$176 million in 2023. The Nigerian market follows the wider trend seen both globally and in South Africa where the traditional gaming sector is growing more slowly (at a 13.7% CAGR) than the booming social/casual gaming segment, which is seeing rapid growth at a CAGR of 25.3%.

Video games revenue will increase at a 24.1% CAGR

Figure 2: Nigeria: Video games revenue by segment (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria's video games market shows impressive growth

Nigeria: Video games market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Traditional gaming revenue	**9.6**	**10**	**18**	**21**	**25**	**29**	**33**	**37**	**42**	**48**	**13.7%**
Total console games revenue	**1.8**	**2.0**	**3.4**	**4.5**	**5.3**	**6.2**	**7.1**	**8.4**	**9.9**	**12**	**17.2%**
Physical console games revenue	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	-4.4%
Digital console games revenue	0.7	0.8	1.4	1.9	2.2	2.5	2.9	3.5	4.2	5.2	18.8%
Online/microtransaction console games revenue	0.7	0.8	1.5	2.1	2.6	3.2	3.8	4.5	5.3	6.1	18.6%
Total PC games revenue	**7.8**	**8.4**	**15**	**17**	**20**	**23**	**25**	**29**	**32**	**36**	**12.7%**
Physical PC games revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Digital PC games revenue	0.6	0.7	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	6.7%
Online/microtransaction PC games revenue	7.2	7.7	13	15	19	21	24	27	30	34	13.0%
Social/casual gaming revenue	**9.1**	**12**	**21**	**30**	**41**	**56**	**72**	**89**	**108**	**128**	**25.3%**
App-based social/casual revenue	5.5	7.9	16	25	38	53	69	87	106	126	27.3%
Browser-based social/casual revenue	3.6	3.6	4.5	4.1	3.7	3.3	3.0	2.7	2.4	2.1	-10.7%
Video games advertising revenue	-	-	-	-	-	-	-	-	-	-	
Total video games revenue	**19**	**22**	**39**	**51**	**67**	**85**	**104**	**126**	**150**	**176**	**21.4%**
YOY growth (%)		*17.1%*	*75.8%*	*31.2%*	*31.7%*	*27.4%*	*22.9%*	*21.4%*	*18.6%*	*17.1%*	

-/0.0 = revenue less than US$50 000
Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

This segment at a glance

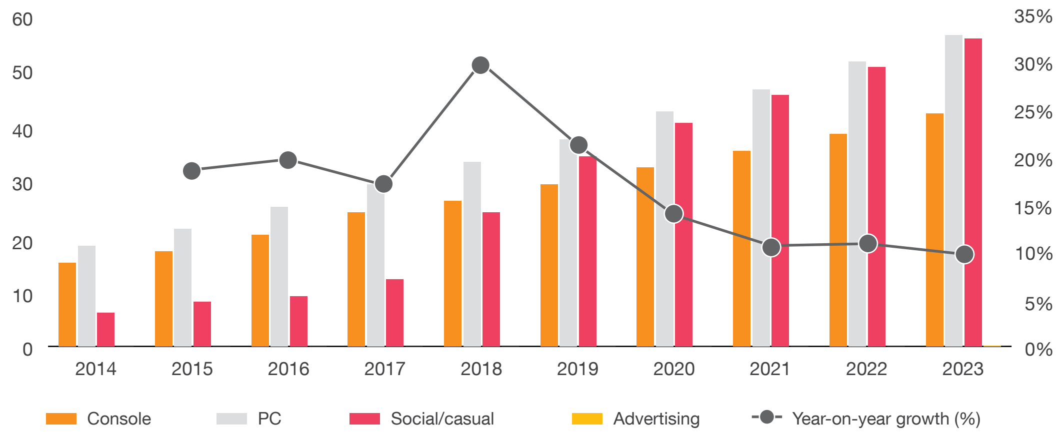
- **While Kenya's social/casual segment is small in comparison with its traditional segment, it is still growing as quickly as other markets in the region.** An increase at a 18.6% CAGR will see this slice of the market rise to US$55 million in 2023, by which time it will account for 36% of total Kenyan video gaming revenue.

In contrast to global market movements and its regional neighbours in South Africa and Nigeria, Kenya's video games market is still very reliant on traditional gaming, which made up 71% of the market in 2018.

The traditional sector is showing much healthier growth than in other regions; despite that, the social/casual market is seeing even bigger growth, at a 18.6% CAGR, although the traditional gaming sector will still be dominant for the foreseeable future. The whole market was worth US$83 million in 2018, which will grow at a healthy 13.0% CAGR to US$153 million in 2023.

Video games revenue will increase at a 13.0% CAGR

Figure 3: Kenya: Video games revenue by segment (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Traditional gaming still accounts for the bulk of the Kenyan market

Kenya: Video games market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Traditional gaming revenue	**33**	**38**	**45**	**52**	**59**	**67**	**74**	**81**	**89**	**97**	**10.5%**
Total console games revenue	**15**	**17**	**20**	**24**	**26**	**29**	**32**	**35**	**38**	**42**	**9.7%**
Physical console games revenue	3.7	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.8	-0.5%
Digital console games revenue	6.1	7.5	8.9	10	11	13	14	15	17	19	10.3%
Online/microtransaction console games revenue	5.0	6.1	7.6	9.3	11	13	14	16	18	19	11.9%
Total PC games revenue	**18**	**21**	**25**	**29**	**33**	**37**	**42**	**46**	**51**	**56**	**11.2%**
Physical PC games revenue	0.9	0.9	0.8	0.8	0.7	0.7	0.6	0.5	0.5	0.4	-10.6%
Digital PC games revenue	2.4	2.5	2.6	2.9	3.3	3.6	4.0	4.4	4.9	5.4	10.4%
Online/microtransaction PC games revenue	15	17	22	25	29	33	37	41	46	50	11.6%
Social/casual gaming revenue	**5.8**	**7.5**	**9.4**	**12**	**24**	**34**	**40**	**45**	**50**	**55**	**18.6%**
App-based social/casual revenue	3.3	5.0	7.1	9.4	22	32	38	43	48	54	20.1%
Browser-based social/casual revenue	2.5	2.5	2.3	2.2	2.0	1.9	1.7	1.6	1.5	1.3	-8.3%
Video games advertising revenue	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Total video games revenue	**39**	**46**	**55**	**64**	**83**	**100**	**114**	**126**	**139**	**153**	**13.0%**
YOY growth (%)		***18.4%***	***19.5%***	***16.8%***	***29.6%***	***21.0%***	***13.7%***	***10.5%***	***10.7%***	***9.6%***	

-/0.0 = revenue less than US$50 000
Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana

This sector at a glance

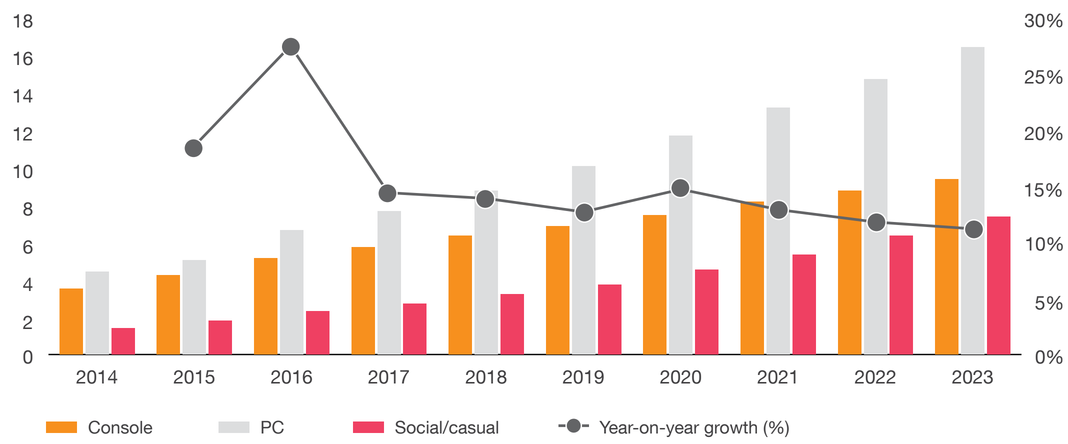
- **Social/casual gaming is Ghana's fastest-growing segment overall.** This segment will more than double, rising from US$3.2 million in 2018 to US$7.3 million in 2023 at a 17.9% CAGR.

Ghana represents a relatively small video games market compared with similar countries in the region – a total of US$18 million in 2018, alongside Kenya at US$83 million and Nigeria at US$67 million.

Traditional gaming represents most of the total revenue, at US$15 million, a figure that is set to grow healthily at an 11.3% CAGR to US$26 million in 2023.

Video games revenue will increase at a 12.6% CAGR

Figure 4: Ghana: Video games revenue by segment (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

The Ghanaian video games market will total US$33 million in 2023

Ghana: Video games market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Traditional gaming revenue	**7.9**	**9.2**	**12**	**13**	**15**	**17**	**19**	**21**	**23**	**26**	**11.3%**
Total console games revenue	**3.5**	**4.2**	**5.1**	**5.7**	**6.3**	**6.8**	**7.4**	**8.1**	**8.7**	**9.3**	**8.1%**
Physical console games revenue	0.9	0.9	1.2	1.2	1.2	1.1	1.1	1.1	1.0	1.0	-3.6%
Digital console games revenue	1.4	1.8	2.1	2.4	2.6	2.9	3.2	3.5	3.8	4.1	9.5%
Online/microtransaction console games revenue	1.2	1.5	1.8	2.1	2.5	2.8	3.1	3.5	3.9	4.2	10.9%
Total PC games revenue	**4.4**	**5.0**	**7**	**8**	**9**	**10**	**12**	**13**	**15**	**16**	**13.4%**
Physical PC games revenue	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	-19.7%
Digital PC games revenue	0.6	0.6	1.0	1.2	1.5	2.0	2.6	3.2	3.9	4.7	25.7%
Online/microtransaction PC games revenue	3.5	4.2	5.3	6	7	8	9	10	11	12	10.8%
Social/casual gaming revenue	**1.4**	**1.8**	**2.3**	**2.7**	**3.2**	**3.7**	**4.5**	**5.3**	**6.3**	**7.3**	**17.9%**
App-based social/casual revenue	0.7	1.1	1.5	1.9	2.5	3.1	3.9	4.8	5.8	6.9	22.5%
Browser-based social/casual revenue	0.7	0.7	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.4	-10.6%
Video games advertising revenue	-	-	-	-	-	-	-	-	-	-	
Total video games revenue	**9.3**	**11**	**14**	**16**	**18**	**21**	**24**	**27**	**30**	**33**	**12.6%**
YOY growth (%)		*18.3%*	*27.3%*	*14.3%*	*13.8%*	*12.6%*	*14.6%*	*12.8%*	*11.7%*	*11.1%*	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania

This sector at a glance

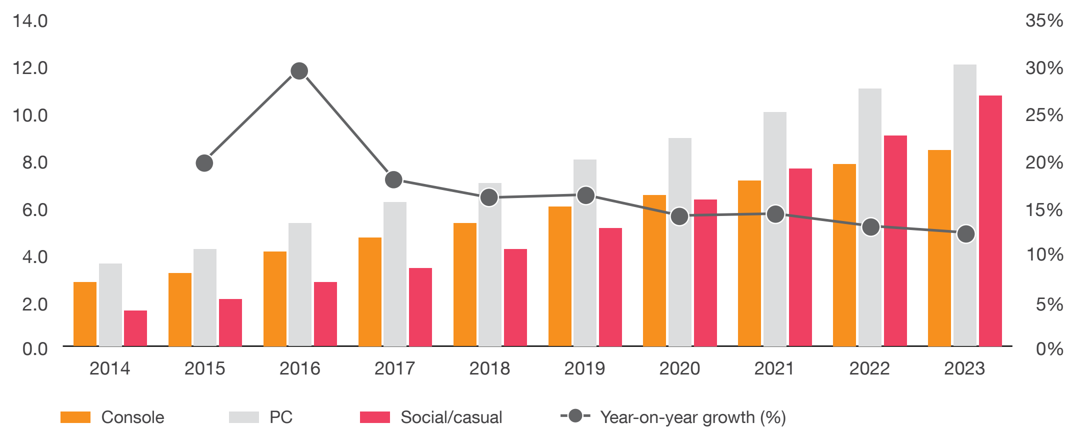
- **Increased smartphone penetration will fuel social/casual gaming.** The segment is expected to grow by 2.5 times between 2018 and 2023.

With total revenue of US$16 million in 2018, Tanzania's video games market is the smallest featured in this report; considerably smaller, for instance, than that of neighbouring Kenya, despite Tanzania's slightly larger population.

But its gaming market is growing very quickly at a 13.7% CAGR led by growth in social/casual gaming. In 2023 Tanzania's video games market will be worth US$31 million.

Social/casual gaming to grow by CAGR of 20.9%

Figure 5: Tanzania: Video games revenue by segment (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

The social/casual segment will drive the Tanzanian video games market

Tanzania: Video games market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Traditional gaming revenue	**6.2**	**7.2**	**9.2**	**11**	**12**	**14**	**15**	**17**	**19**	**20**	**10.8%**
Total console games revenue	**2.7**	**3.1**	**4.0**	**4.6**	**5.2**	**5.9**	**6.4**	**7.0**	**7.7**	**8.3**	**9.8%**
Physical console games revenue	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	2.4%
Digital console games revenue	1.1	1.3	1.7	2.0	2.2	2.5	2.7	3.0	3.3	3.6	10.4%
Online/microtransaction console games revenue	0.9	1.1	1.5	1.8	2.2	2.5	2.8	3.1	3.5	3.8	11.6%
Total PC games revenue	**3.5**	**4.1**	**5.2**	**6.1**	**6.9**	**7.9**	**8.8**	**9.9**	**11**	**12**	**11.5%**
Physical PC games revenue	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	-12.9%
Digital PC games revenue	0.5	0.5	0.5	0.6	0.6	0.7	0.7	0.8	0.9	0.9	8.4%
Online/microtransaction PC games revenue	2.8	3.4	4.5	5.3	6.1	7.0	7.9	8.9	9.9	11	12.3%
Social/casual gaming revenue	**1.5**	**2.0**	**2.7**	**3.3**	**4.1**	**5.0**	**6.2**	**7.5**	**8.9**	**11**	**20.9%**
App-based social/casual revenue	0.9	1.4	2.0	2.7	3.5	4.5	5.7	7.0	8.5	10	23.9%
Browser-based social/casual revenue	0.6	0.6	0.7	0.6	0.6	0.5	0.5	0.5	0.4	0.4	-7.8%
Video games advertising revenue	-	-	-	-	-	-	-	-	-	-	
Total video games revenue	**7.7**	**9.2**	**12**	**14**	**16**	**19**	**21**	**24**	**28**	**31**	**13.7%**
YOY growth (%)		*19.5%*	*29.3%*	*17.6%*	*15.7%*	*16.0%*	*13.8%*	*14.0%*	*12.7%*	*12.0%*	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

7
E-sports

South Africa

This sector at a glance

- **Total e-sports revenue rose nearly 50% in 2018.** Revenue reached R46 million, helped by a strong pipeline of events, while South African gamers are establishing themselves on the global scene.
- **Smartcall's R10 million investment in Mettlestate will provide a boost.** The stability that comes from a regular source of funding will mean that tournament organiser Mettlestate can create a steady stream of events.
- **Mobile e-sports is gaining critical mass.** The advent of 5G will accelerate the uptake of mobile gaming, and by extension mobile e-sports, and major companies are investing in tournaments.

Total e-sports revenue in South Africa is forecast to reach R138 million in 2023, a 24.7% CAGR rise from the R46 million recorded in 2018.

This is extremely strong growth, albeit from a low base. Indeed, after increasing 91.9% year-on-year in 2017, total e-sports revenue recorded a still impressive 47.6% growth in 2018.

Sponsorship is now the largest contributor, taking a clear lead over streaming advertising, and this lead will be extended to 2023. Ticket sales are set to see the fastest growth, although this comes from a low base of R0.9 million in 2018. A strong pipeline of 2019 events includes Rush and the Telkom VS Gaming League.

E-sports' popularity in South Africa is indisputable. The top ten highest-earning South African players earned a reported R2.6 million in 2018. One of the most popular South African teams, multi-game competitor Bravado Gaming, won more than 100 events and secured a notable second place in the Dreamhack Winter 2018 tournament in Sweden.

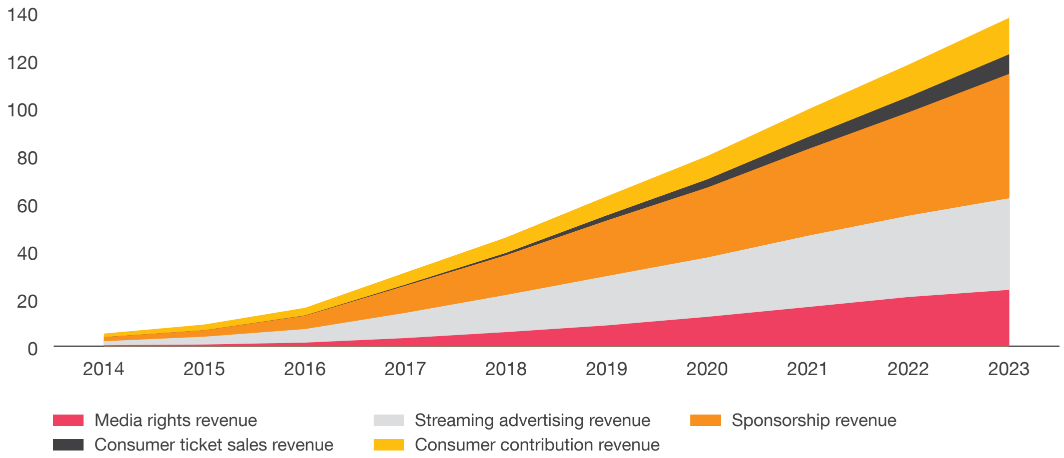
But the story of Bravado Gaming also provides insight into the wider issues inhibiting South Africa from becoming a more prominent fixture in the e-sports industry. In early 2018, Bravado chose to move to the US to be closer to the largest tournaments. Despite their evident success, the team struggled for funding and in early 2019 nearly the entire squad was poached by a rival, Denial E-sports. This points to the two key areas that South African e-sports needs to address – providing for a self-sustaining local scene and gaining the stability that comes from secured funding sources.

To this end, a positive development came in November 2018 with the news that cellular services company Smartcall had invested R10 million into Mettlestate, which organises leagues and tournaments in the country. The sizeable funding will ensure Mettelstate is able to implement a consistent programme of e-sports leagues and tournaments over the coming years, as well as expand beyond professional-level tournaments to encourage more amateur play.

Another positive comes in the shape of prominent tech companies making investments in improving the quality of Internet connection in Africa, and by extension, gaming experience. In May 2019 Microsoft became the first major cloud provider to open a data centre in South Africa – with its Azure facilities in Cape Town and Johannesburg. Huawei and Amazon are following suit in late 2019 and 2020 respectively. The lower latency that this will bring should mean local gamers will no longer suffer disadvantages when competing.

Sponsorship to become the clear revenue leader

Figure 1: South Africa: E-sports revenue, 2014–2023 (R millions)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

E-sports to power past R100 million in 2022

South Africa: E-sports market, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
E-sports media rights revenue	0.4	0.7	1.5	3.4	5.9	8.7	12.3	16	21	24	32.0%
E-sports streaming advertising revenue	1.7	3.3	5.7	11	16	21	25	30	34	38	19.7%
E-sports sponsorship revenue	1.7	2.7	5.6	11	17	23	29	36	43	52	25.6%
E-sports consumer ticket sales revenue	0.0	0.0	0.1	0.4	0.9	2.1	3.4	5.0	6.5	8.2	55.6%
E-sports consumer contribution revenue	1.5	2.4	3.2	5.1	6.5	8.0	9.8	12	14	15	18.7%
Total	**5.3**	**9.1**	**16**	**31**	**46**	**63**	**80**	**99**	**118**	**138**	**24.7%**
YOY growth (%)		***71.7%***	***76.9%***	***91.9%***	***47.6%***	***37.7%***	***26.9%***	***24.5%***	***19.0%***	***16.6%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

8

Virtual reality

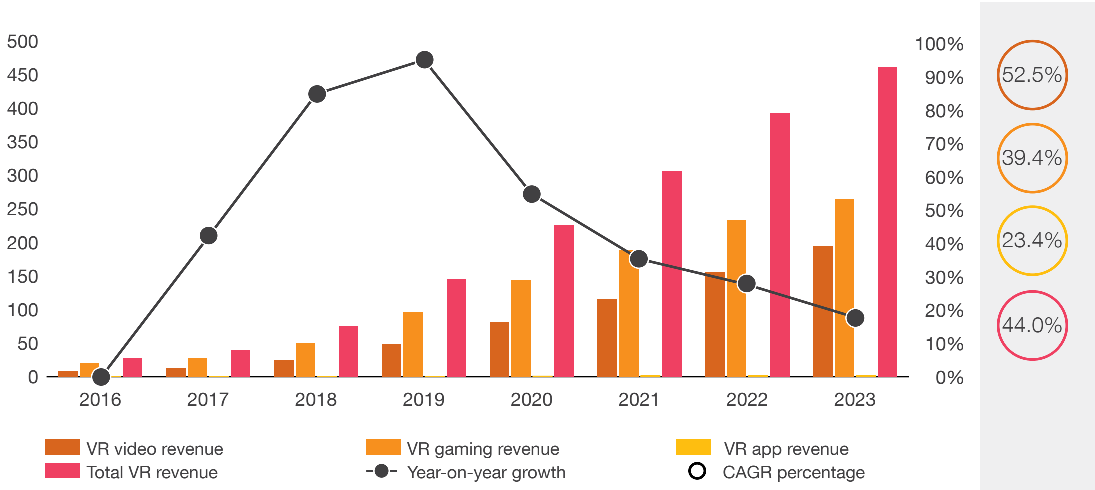
South Africa

This segment at a glance

- In the technology's second full year of commercial availability, South Africa's VR revenue rose by 85% in 2018 to R75 million.
- VR remains a niche category, but the industry is slowly overcoming important challenges such as content availability, comfort, compatibility and affordability. It also continues to attract serious investment from major media and technology companies eager to seize a share of this fast-growing market.
- Gaming will remain the low-hanging fruit for the technology in terms of content revenue, but video is not far behind.
- The installed base at present is led by portable VR units powered by smartphones. The high prices and low availability of portable dedicated (standalone) and home VR headsets in South Africa means that adoption of such headsets will remain significantly behind the leading VR markets.
- 5G has the potential to deliver a more engaging VR experience. There are a few early examples of this in the country, but further improvements to the technology are needed to progress it from an impressive demo to a mass-market product.
- Due to the low installed base, content makers are increasingly looking to enterprise and venue-based VR for revenue growth. South African manufacturing companies in particular are increasingly utilising VR to train their employees. More companies offering venue-based VR are also emerging.

Growth will continue, but at a slower pace

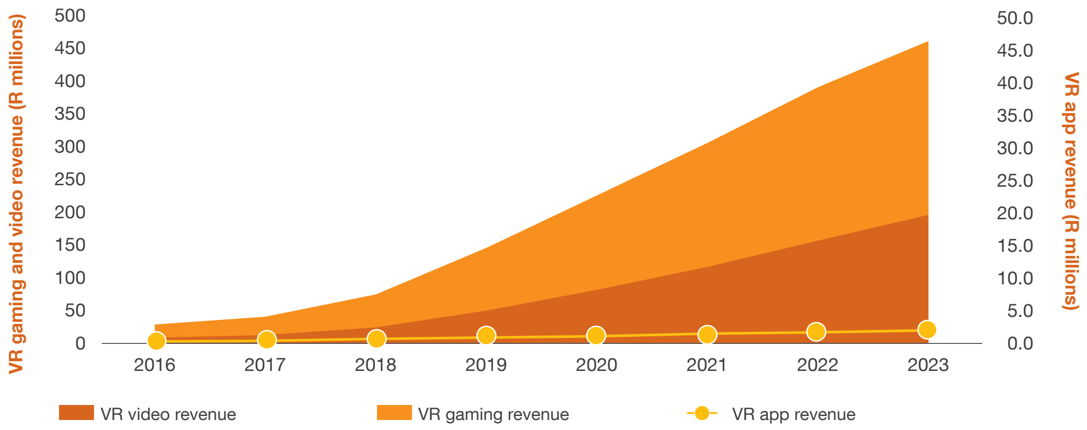
Figure 1: South Africa: Total VR revenue (R millions) and year-on-year growth (%), 2016–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

South Africa's VR market to grow to R462 million by 2023

Figure 2: South Africa: Total VR revenue by segment 2016–2023, (R millions)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

From a low base, VR revenue is set to pick up significantly over the next five years

South Africa: VR content market, 2016–2023 (R millions)

	Historical data			Forecast data					CAGR %
Category	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–2023**
VR video revenue	7.9	12	24	49	81	116	156	195	52.5%
VR gaming revenue	20	28	50	96	144	189	234	265	39.4%
VR app revenue	0.3	0.4	0.7	0.9	1.1	1.5	1.7	2.0	23.4%
Total VR revenue	**28**	**40**	**75**	**146**	**226**	**307**	**392**	**462**	**44.0%**
YOY growth (%)	-	*42.3%*	*84.9%*	*95.3%*	*55.0%*	*35.6%*	*27.8%*	*18.0%*	

Note: Slow uptake of VR caused a restatement of data and revision of forecasts.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

9
Newspaper publishing

South Africa

This sector at a glance

- **South Africa is expected to be the worst-performing territory in the Middle East & Africa for the number of daily print units distributed across the country over the next five years.** The country will see units contracting at a -8.7% CAGR.
- **Some of the big daily publications which have historically provided a drumbeat of regular news are amongst those seeing the most pronounced reader decline**. Popular titles such as Daily Sun, Daily Nation and Isolezwe are posting some of the largest declines in readership.
- **Publishers are challenged to maintain advertiser interest as readers disconnect from news products.** Amid these challenges, publishers are responding by raising the rates asked of advertisers.
- **Companies must make strategic decisions to tilt their portfolios toward growth opportunities.** More South African news publishers have adopted charging models, while others are focusing on the local news sector.

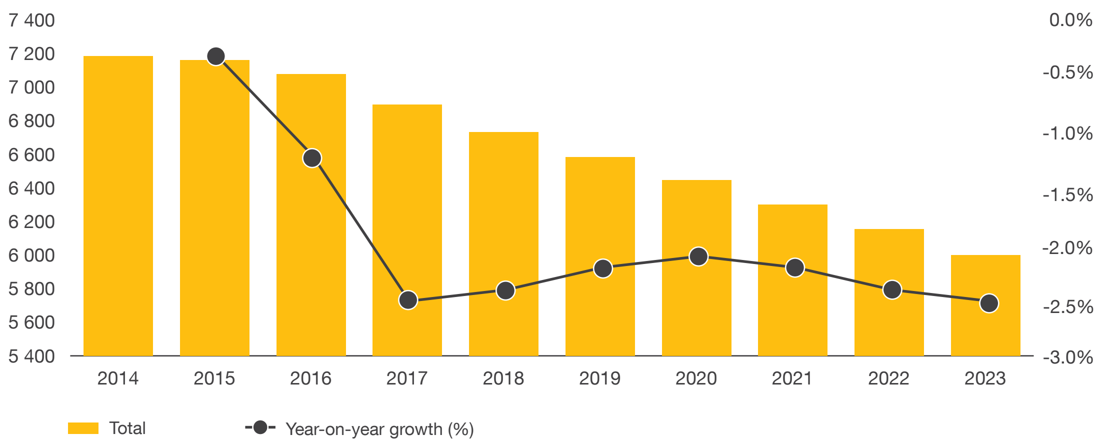
In South Africa's news publishing market, total newspaper revenue is expected to decline at a consistent annual rate over the next five years.

In 2018, total newspaper revenue fell by -2.4% to R6.7 billion. Decline is anticipated at similar rates for the next five years, with revenues contracting at a -2.3% CAGR up to 2023, when total newspaper revenue is expected to be R6.0 billion.

Many publishers are proving to be successful at creating new audiences from previously-unserved communities – but monetising them at rates sufficient to offset lost traditional business will prove challenging.

Market to contract at a -2.3% CAGR

Figure 1: South Africa: Newspaper revenue (R millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Total revenues to decline by R733 million

South Africa: Newspaper publishing market, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Advertising	**4 518**	**4 498**	**4 434**	**4 291**	**4 179**	**4 094**	**4 031**	**3 974**	**3 922**	**3 873**	**-1.5%**
Print	*4 272*	*4 210*	*4 103*	*3 924*	*3 778*	*3 661*	*3 570*	*3 488*	*3 413*	*3 345*	*-2.4%*
Digital	*246*	*288*	*332*	*367*	*401*	*433*	*461*	*487*	*509*	*528*	*5.7%*
Circulation	**2 667**	**2 665**	**2 644**	**2 606**	**2 555**	**2 491**	**2 415**	**2 328**	**2 232**	**2 128**	**-3.6%**
Print	*2 646*	*2 638*	*2 611*	*2 568*	*2 511*	*2 441*	*2 360*	*2 269*	*2 168*	*2 059*	*-3.9%*
Digital	*21*	*27*	*33*	*39*	*44*	*50*	*54*	*59*	*64*	*69*	*9.1%*
Total	**7 185**	**7 163**	**7 078**	**6 897**	**6 734**	**6 585**	**6 446**	**6 302**	**6 154**	**6 001**	**-2.3%**
YOY growth (%)		***-0.3%***	***-1.2%***	***-2.5%***	***-2.4%***	***-2.2%***	***-2.1%***	***-2.2%***	***-2.4%***	***-2.5%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This sector at a glance

- **Newspapers are becoming more popular.** Print circulation has grown from daily units of 481 000 in 2014 to 497 000 in 2018, this is forecast to go on to break through the 500 000 barrier in 2020.
- **Advertising decline continues.** Nigerian news publishers will need to work hard to continue serving and monetising urban consumers who are rapidly taking to the Web.

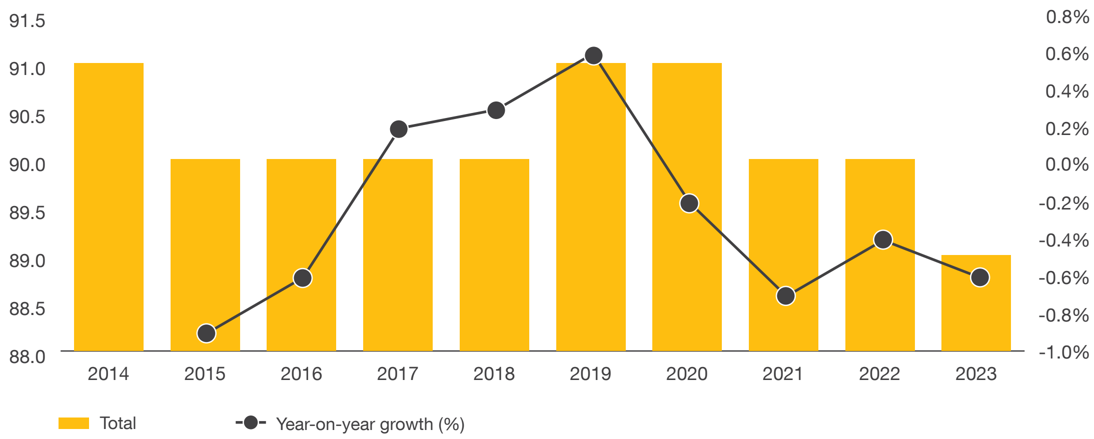
In 2017 Nigeria's newspaper industry recovered to marginal positive momentum following a period of overall newspaper revenue decline.

However, this is expected to turn negative again from 2020.

Total newspaper revenue will reach US$89 million in 2023 down from the US$90 million seen in 2018 and the US$91 million recorded in 2014, representing a -0.3% CAGR decline over the next five years.

Total revenue to contract at a -0.3% CAGR to 2023

Figure 2: Nigeria: Newspaper revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Market will tip negative again in 2020

Nigeria: Newspaper publishing market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Advertising	**31**	**29**	**28**	**27**	**26**	**25**	**24**	**24**	**23**	**22**	**-3.2%**
Print	*30*	*28*	*27*	*26*	*25*	*24*	*23*	*22*	*21*	*20*	*-4.4%*
Digital	*0.9*	*1.0*	*1.1*	*1.2*	*1.3*	*1.5*	*1.7*	*1.9*	*2.1*	*2.4*	*13.0%*
Circulation	**60**	**61**	**62**	**63**	**64**	**66**	**66**	**66**	**67**	**67**	**0.8%**
Print	*59*	*59*	*60*	*60*	*60*	*60*	*60*	*59*	*59*	*58*	*-0.7%*
Digital	*0.9*	*1.5*	*2.3*	*3.2*	*4.2*	*5.2*	*6.2*	*7.1*	*8.1*	*9.1*	*16.7%*
Total	**91**	**90**	**90**	**90**	**90**	**91**	**91**	**90**	**90**	**89**	**-0.3%**
YOY growth (%)		***-0.9%***	***-0.6%***	***0.2%***	***0.3%***	***0.6%***	***-0.2%***	***-0.7%***	***-0.4%***	***-0.6%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

This sector at a glance

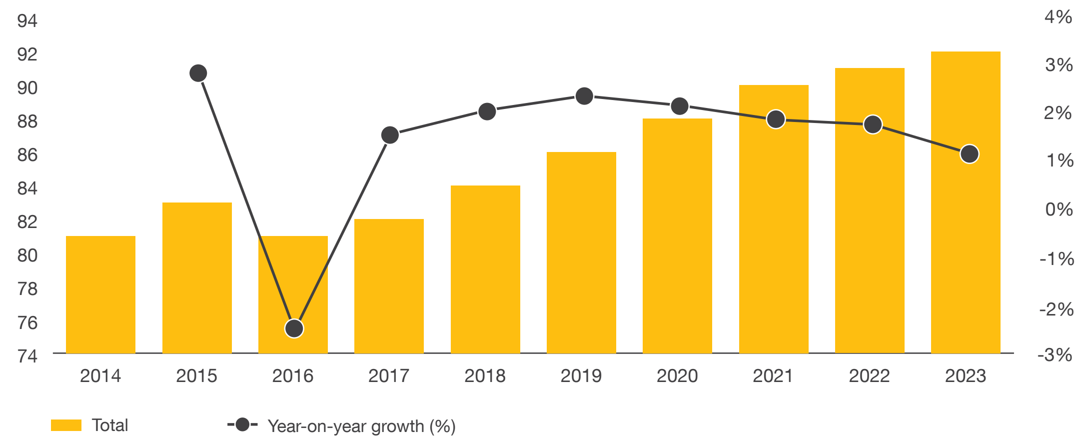
- **Kenyan news publishers are successfully stewarding their migration to a more digital world.** Kenya-based cross-media proprietor Nation Media Group has roughly trebled its digital revenue in the last five years.
- **Industry has weathered major advertising changes.** Kenya's government pulled all public ad spending from newspapers in 2017, but total newspaper advertising revenue goes on growing.

The Kenyan newspaper market is going through continued growth, with optimistic indicators on several fronts meaning Kenya is one of only four territories in the world where total newspaper revenue is expected to grow over the next five years.

Total newspaper revenue grew by 2.1% in 2018 and is expected to grow at a 1.9% CAGR between 2019 and 2023, buoyed by similar healthy growth from both main revenue channels – advertising and circulation.

Annual growth driven by digital

Figure 3: Kenya: Newspaper revenue (US$ millions) and year-on-year growth (%), 2014– 2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya's publishing market to surpass US$90 million in 2022

Kenya: Newspaper publishing market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Advertising	**37**	**39**	**36**	**36**	**37**	**38**	**38**	**39**	**40**	**41**	**2.2%**
Print	*33*	*34*	*31*	*30*	*30*	*30*	*30*	*29*	*28*	*28*	*-1.8%*
Digital	*3.5*	*4.1*	*4.8*	*5.7*	*6.6*	*7.7*	*8.9*	*10*	*12*	*14*	*15.4%*
Circulation	**44**	**45**	**45**	**46**	**47**	**48**	**49**	**50**	**51**	**51**	**1.6%**
Print	*43*	*42*	*42*	*42*	*41*	*41*	*41*	*40*	*40*	*39*	*-1.2%*
Digital	*1.4*	*2.3*	*3.3*	*4.5*	*5.7*	*7.3*	*8.9*	*10*	*12*	*12*	*16.2%*
Total	**81**	**83**	**81**	**82**	**84**	**86**	**88**	**90**	**91**	**92**	**1.9%**
YOY growth (%)		***2.9%***	***-2.5%***	***1.6%***	***2.1%***	***2.4%***	***2.2%***	***1.9%***	***1.8%***	***1.2%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana

This sector at a glance

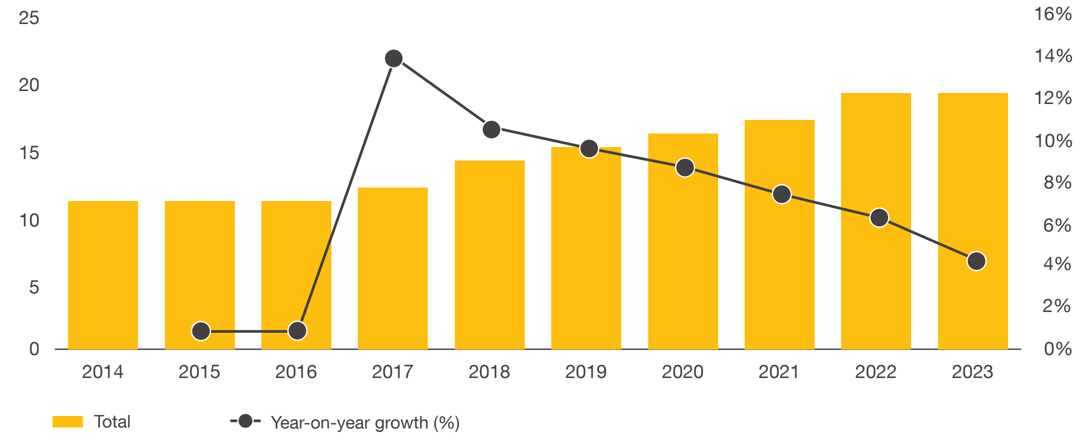
- **Urban readers are going online.** In cities, printed circulation is coming under pressure, as consumers embrace digital media.
- **Competition for new revenue.** Publishers are facing a challenge for traditional classified ad revenue from digital-only tech rivals.

The Ghanaian newspaper market totalled US$14 million in 2018, up a healthy 10.6% on the previous year.

Over the next five years, Ghana's market will grow at a 7.3% CAGR, driven by steady growth in the country's small, but solid print newspaper market, and double-digit gains in digital titles, albeit coming from a very low base. In 2023, Ghana's newspaper market will total US$19 million.

Total newspaper revenue to total US$19 million in 2023

Figure 4: Ghana: Newspaper revenue (US$ millions) and year-on-year growth (%), 2014– 2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana's newspaper market to see growth across all segments

Ghana: Newspaper publishing market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Advertising	**7.7**	**7.9**	**7.7**	**8.7**	**10**	**11**	**11**	**12**	**13**	**13**	**6.9%**
Print	*7.5*	*7.6*	*7.4*	*8.3*	*9.1*	*10*	*11*	*11*	*12*	*13*	*6.6%*
Digital	*0.2*	*0.3*	*0.3*	*0.4*	*0.5*	*0.6*	*0.7*	*0.8*	*0.9*	*0.9*	*12.5%*
Circulation	**2.9**	**2.8**	**3.1**	**3.6**	**4.0**	**4.4**	**4.8**	**5.2**	**5.6**	**5.9**	**8.1%**
Print	*2.8*	*2.7*	*2.9*	*3.2*	*3.4*	*3.6*	*3.8*	*3.9*	*4.1*	*4.2*	*4.3%*
Digital	*0.1*	*0.1*	*0.2*	*0.4*	*0.6*	*0.8*	*1.0*	*1.3*	*1.5*	*1.7*	*23.2%*
Total	**11**	**11**	**11**	**12**	**14**	**15**	**16**	**17**	**19**	**19**	**7.3%**
YOY growth (%)		***0.9%***	***0.9%***	***13.9%***	***10.6%***	***9.6%***	***8.7%***	***7.4%***	***6.3%***	***4.3%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania

This sector at a glance

- **Total revenue to reach US$25 million in 2023.** Tanzania's diverse newspaper market will rise year-on-year over the forecast period.
- **Government restrictions may limit the market.** Suspension of several titles' permit to publish may hamper business growth whilst publications remain unavailable.

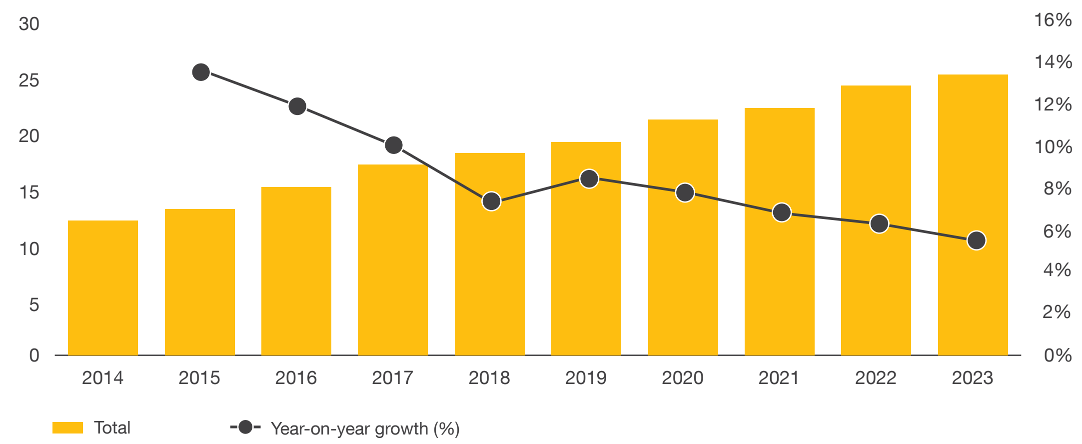
Total newspaper revenue in Tanzania reached US$18 million in 2018, up 7.3% on the previous year.

Over the forecast period, revenues will grow year-on-year at a 7.0% CAGR to reach US$25 million in 2023.

Newspaper consumption in Tanzania is growing healthily – print circulation is up from an average 890 000 copies in 2014 to 1.3 million in 2018, and is expected to reach 1.4 million in 2023.

Total revenue to rise at a 7.0% CAGR

Figure 5: Tanzania: Newspaper revenue (US$ millions) and year-on-year growth (%), 2014– 2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Market growth supported by both print and digital

Tanzania: Newspaper publishing market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Advertising	**8.6**	**9.7**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**17**	**5.9%**
Print	*7.9*	*8.8*	*9.7*	*10*	*11*	*12*	*12*	*12*	*13*	*13*	*3.7%*
Digital	*0.7*	*0.9*	*1.2*	*1.6*	*2.0*	*2.4*	*2.9*	*3.3*	*3.7*	*4.1*	*15.4%*
Circulation	**3.2**	**3.7**	**4.1**	**4.5**	**4.8**	**5.3**	**5.9**	**6.4**	**7.0**	**7.6**	**9.6%**
Print	*3.1*	*3.5*	*3.8*	*4.0*	*4.1*	*4.3*	*4.5*	*4.6*	*4.8*	*4.9*	*3.6%*
Digital	*0.1*	*0.2*	*0.3*	*0.5*	*0.7*	*1.0*	*1.4*	*1.8*	*2.2*	*2.7*	*31.0%*
Total	**12**	**13**	**15**	**17**	**18**	**19**	**21**	**22**	**24**	**25**	**7.0%**
YOY growth (%)		***13.6%***	***11.9%***	***10.0%***	***7.3%***	***8.5%***	***7.8%***	***6.8%***	***6.3%***	***5.5%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

10 Magazine publishing

South Africa

This sector at a glance

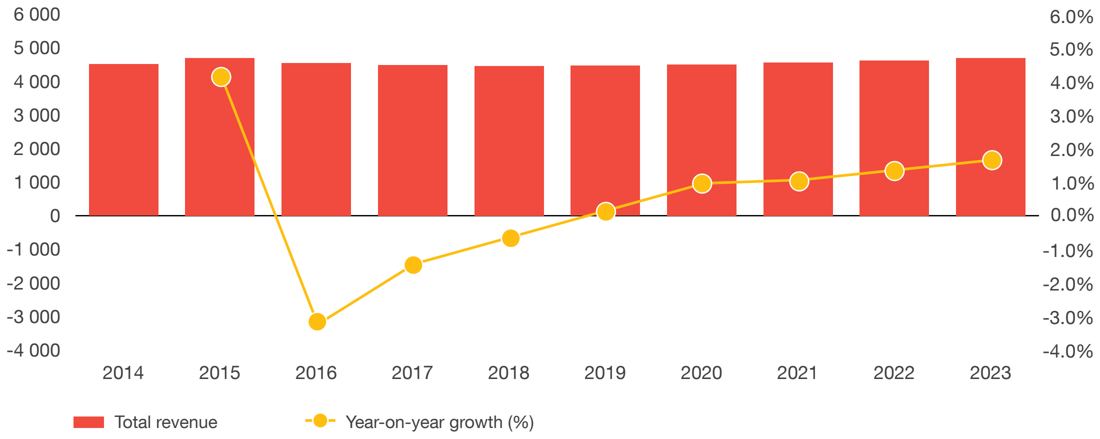
- **Total magazine revenue will return to growth in 2019.** The continued steady decline in revenue from print consumer magazine circulation will be offset by growth in revenue from digital advertising. As a result, revenue from the South African magazine market, both consumer and trade, is forecast to return to growth in 2019, albeit by a small margin, and rise annually to reach just over R4.7 billion in 2023.
- **Digital consumer magazine advertising revenue will almost triple over the next five years.** Revenue from digital advertising in the consumer magazine segment will increase from R181 million in 2018 to R542 million in 2023 at a 24.6% CAGR. However, revenue from this source will still only account for just 30.7% of total consumer magazine ad spend in 2023.
- **The decline in print consumer magazine revenue is taking its toll on publishers.** A decrease in print sales has led to a number of publishers closing down titles, surrendering international licences or focussing entirely on digital. Some publishers have partnered with brands, running sponsored events as a way of developing new revenue streams.
- **Leading magazine publishers are becoming more savvy about digital.** Some innovative strategies have demonstrated how magazine content can be leveraged for the digital market place. Other publishers are offering cross-platform advertising capabilities which include alternative media formats like TV.
- **Trade magazine circulation revenue will increase across both print and digital.** Due to a loyal, specialised customer base, trade magazine publishers will be able to retain print subscribers while at the same time upselling their digital offerings. As a result, total trade magazine circulation revenue will increase from R317 million in 2018 to R386 million in 2023 at a 4.0% CAGR.

The South African magazine market, which consists of both consumer and trade magazine revenue, was worth R4.5 billion in 2018, down -0.6% on the previous year.

Digital advertising will continue to increase its contribution to publishers' revenue streams and as a result will stem the losses caused by the decline of print magazine circulation and advertising in the consumer segment, with the market returning to growth in 2019. Total revenue from the South African magazine market is therefore forecast to rise to R4.7 billion in 2023, at a 1.1% CAGR.

Total revenues will increase at a 1.1% CAGR

Figure 1: South Africa: Magazine revenue (R millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Consumer titles account for the largest share of total revenues

South Africa: Magazine revenue, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Consumer magazines	**3 901**	**4 048**	**3 866**	**3 771**	**3 714**	**3 692**	**3 710**	**3 741**	**3 793**	**3 870**	**0.8%**
Consumer circulation	2 370	2 463	2 332	2 256	2 202	2 167	2 154	2 136	2 117	2 102	-0.9%
Print	2 260	2 314	2 145	2 033	1 949	1 890	1 860	1 833	1 805	1 784	-1.8%
Digital	110	149	187	223	253	277	294	303	312	318	4.7%
Consumer advertising	1 531	1 585	1 534	1 516	1 512	1 525	1 556	1 606	1 676	1 768	3.2%
Print	1 457	1 490	1 423	1 373	1 331	1 297	1 270	1 249	1 235	1 226	-1.6%
Digital	74	95	111	143	181	228	286	357	441	542	24.6%
Trade magazines	**609**	**650**	**682**	**712**	**741**	**772**	**797**	**817**	**828**	**831**	**2.3%**
Trade circulation	194	219	265	293	317	338	356	370	380	386	4.0%
Print	194	204	244	264	282	297	309	319	327	330	3.2%
Digital	0.0	15	21	29	36	42	47	50	54	55	9.2%
Trade advertising	415	431	416	420	424	433	441	447	448	445	1.0%
Print	356	351	314	295	277	265	254	245	236	228	-3.8%
Digital	60	80	102	125	147	168	187	202	212	218	8.1%
Total	**4 510**	**4 697**	**4 548**	**4 484**	**4 455**	**4 464**	**4 507**	**4 558**	**4 621**	**4 701**	**1.1%**
YOY growth (%)		***4.2%***	***-3.2%***	***-1.4%***	***-0.6%***	***0.2%***	***1.0%***	***1.1%***	***1.4%***	***1.7%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

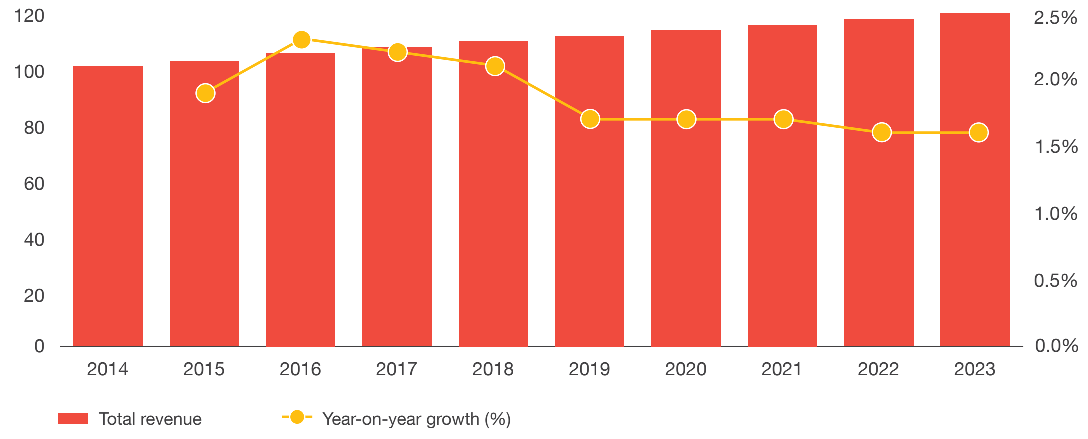
Nigeria

This sector at a glance

- Total revenue from Nigeria's magazine market, comprising both the consumer and trade sectors, was worth US$109 million in 2018, up 2.1% from the previous year. The market is forecast to increase to US$119 million in 2023 at a 1.7% CAGR.

Total revenue will rise at a 1.7% CAGR

Figure 2: Nigeria: Magazine revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria's magazine market will total US$119 million in 2023

Nigeria: Magazine revenue, 2014–2023 (US$ millions)

	Historical Data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–2023**
Consumer magazines	**94**	**96**	**98**	**100**	**101**	**103**	**104**	**106**	**107**	**109**	**1.5%**
Consumer circulation	92	93	95	97	98	99	100	101	102	102	0.9%
Print	92	93	95	96	97	98	99	100	101	101	0.7%
Digital	0.2	0.2	0.3	0.5	0.6	0.8	0.9	1.0	1.1	1.2	14.9%
Consumer advertising	2.1	2.4	2.6	2.9	3.3	3.7	4.4	5.0	5.8	6.7	15.2%
Print	1.0	1.0	1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.6	-5.6%
Digital	1.1	1.4	1.6	2.0	2.5	3.0	3.7	4.4	5.2	6.1	19.5%
Trade magazines	**6.3**	**6.5**	**7.0**	**7.3**	**7.9**	**8.2**	**8.5**	**8.9**	**9.2**	**9.6**	**4.0%**
Trade circulation	4.7	5.0	5.5	5.9	6.4	6.8	7.2	7.6	8.0	8.4	5.6%
Print	4.7	5.0	5.5	5.9	6.4	6.8	7.2	7.6	8.0	8.4	5.6%
Digital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Trade advertising	1.6	1.5	1.5	1.4	1.5	1.4	1.3	1.3	1.2	1.2	-4.4%
Print	1.3	1.2	1.2	1.1	1.1	1.0	0.9	0.8	0.7	0.7	-8.6%
Digital	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	4.6%
Total	**100**	**102**	**105**	**107**	**109**	**111**	**113**	**115**	**117**	**119**	**1.7%**
YOY growth (%)		***1.9%***	***2.3%***	***2.2%***	***2.1%***	***1.7%***	***1.7%***	***1.7%***	***1.6%***	***1.6%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

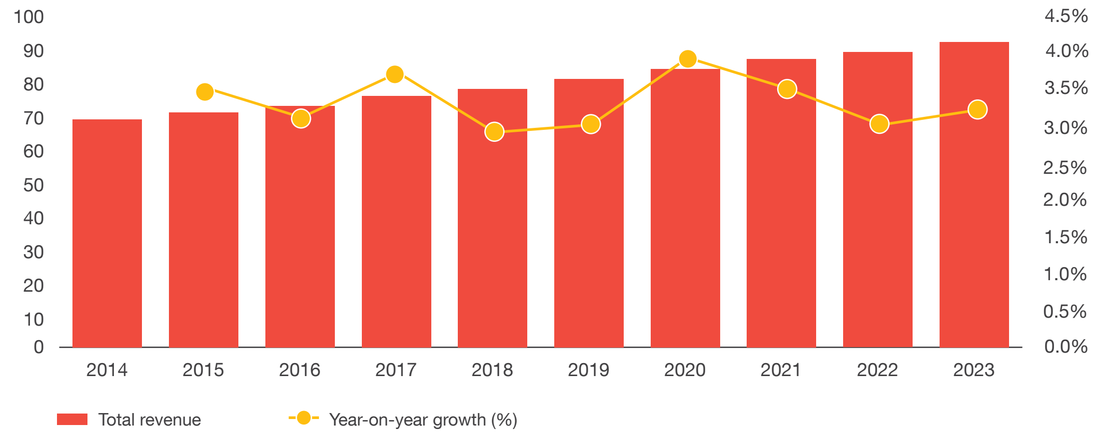
Kenya

This sector at a glance

- **Despite growth in digital, print will continue to command the majority of magazine revenues.** Total revenue from Kenya's magazine market, comprising both the consumer and trade segments, reached US$77.2 million in 2018, up 2.9% from the previous year, and is expected to increase steadily to US$90.9 million in 2023 at a 3.3% CAGR. Revenue from print magazines made up the bulk of the total (93%) in 2018 and that trend is expected to continue over the forecast period.

Total revenue will rise at a 3.3% CAGR

Figure 3: Kenya: Magazine revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Consumer magazines are the mainstay of the Kenyan magazine market

Kenya: Magazine revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Consumer magazines	**63**	**65**	**66**	**68**	**70**	**72**	**74**	**76**	**78**	**80**	**2.7%**
Consumer circulation	54	56	57	59	60	62	64	66	67	69	2.8%
Print	53	54	56	57	58	59	61	63	65	66	2.7%
Digital	1.0	1.2	1.4	1.6	1.9	2.1	2.3	2.4	2.4	2.5	5.6%
Consumer advertising	8.7	9.1	9.4	9.7	10	10	10	11	11	11	1.7%
Print	8.1	8.3	8.5	8.6	8.7	8.6	8.5	8.3	8.1	7.9	-1.9%
Digital	0.6	0.8	0.9	1.1	1.3	1.5	1.8	2.2	2.6	3.0	18.2%
Trade magazines	**4.9**	**5.4**	**6.0**	**6.6**	**7.3**	**7.9**	**8.7**	**9.5**	**10**	**11**	**8.7%**
Trade circulation	3.1	3.6	4.1	4.7	5.3	6.0	6.8	7.6	8.3	9.2	11.7%
Print	2.6	2.9	3.2	3.6	4.0	4.5	5.1	5.7	6.3	7.0	11.8%
Digital	0.5	0.7	0.9	1.1	1.3	1.5	1.7	1.9	2.0	2.2	11.1%
Trade advertising	1.8	1.8	1.9	1.9	2.0	1.9	1.9	1.9	1.9	1.9	-1.0%
Print	1.3	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.0	1.0	-5.1%
Digital	0.5	0.5	0.6	0.6	0.7	0.7	0.8	0.8	0.9	0.9	5.2%
Total	**68**	**70**	**72**	**75**	**77**	**80**	**83**	**86**	**88**	**91**	**3.3%**
YOY growth (%)		***3.5%***	***3.1%***	***3.7%***	***2.9%***	***3.0%***	***3.9%***	***3.5%***	***3.0%***	***3.2%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

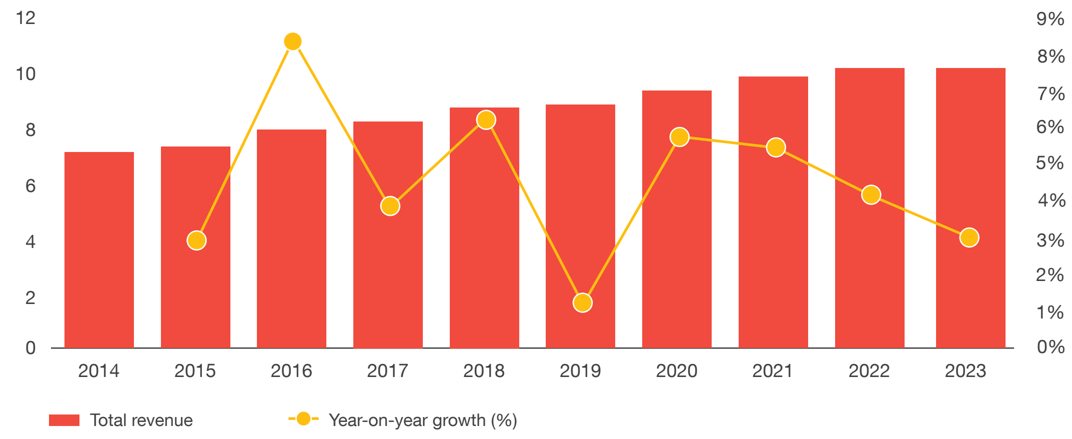
Ghana

This sector at a glance

- **Total revenue from the Ghanaian magazine market, comprising both the consumer and trade sectors, is forecast to increase from US$8.6 million in 2018 to US$10.4 million in 2023 at a 3.9% CAGR.** A new national address database combined with an improved e-banking system will contribute to increased revenue from both circulation and advertising in consumer magazines, whether in print or digital format.

Total revenue will rise at a 3.9% CAGR

Figure 4: Ghana: Magazine revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Magazine revenue will see steady growth in Ghana

Ghana: Magazine revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Consumer magazines	**5.7**	**5.8**	**6.2**	**6.4**	**6.7**	**6.7**	**6.9**	**7.3**	**7.5**	**7.7**	**2.8%**
Consumer circulation	1.8	1.9	2.0	2.1	2.2	2.2	2.3	2.5	2.6	2.7	4.2%
Print	1.7	1.8	1.9	2.0	2.1	2.1	2.2	2.3	2.4	2.5	3.5%
Digital	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	14.9%
Consumer advertising	3.9	3.9	4.2	4.3	4.5	4.5	4.6	4.8	4.9	5.0	2.1%
Print	3.6	3.6	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	0.0%
Digital	0.3	0.3	0.4	0.5	0.7	0.7	0.8	1.0	1.1	1.2	11.4%
Trade magazines	**1.3**	**1.4**	**1.6**	**1.7**	**1.9**	**2.0**	**2.3**	**2.4**	**2.6**	**2.7**	**7.3%**
Trade circulation	0.8	0.9	1.1	1.2	1.4	1.6	1.8	1.9	2.1	2.2	9.5%
Print	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	8.4%
Digital	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.6	0.7	0.7	11.8%
Trade advertising	0.5	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.0%
Print	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	-7.8%
Digital	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	8.4%
Total	**7.0**	**7.2**	**7.8**	**8.1**	**8.6**	**8.7**	**9.2**	**9.7**	**10**	**10**	**3.9%**
YOY growth (%)		***2.9%***	***8.3%***	***3.8%***	***6.2%***	***1.2%***	***5.7%***	***5.4%***	***4.1%***	***3.0%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information. –/0.0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2019–2023, an African perspective, PwC, Ovum, www.pwc.co.za/outlook

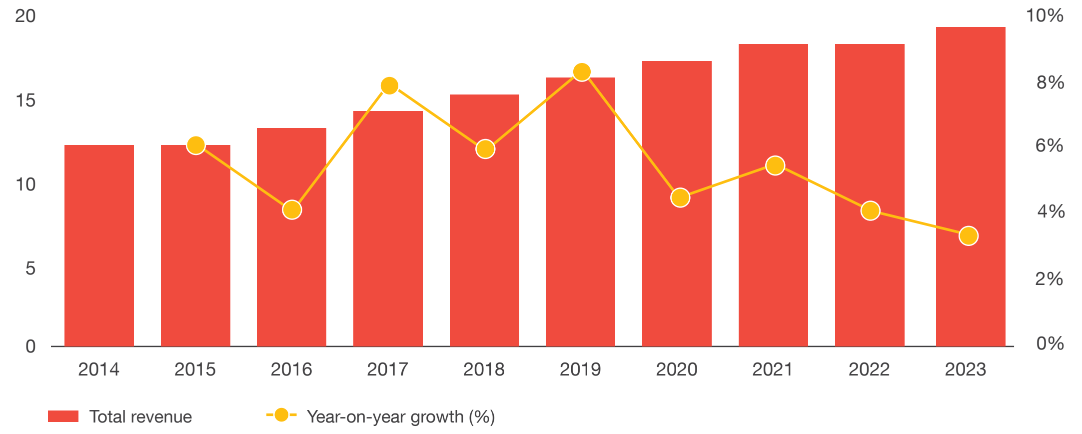
Tanzania

This sector at a glance

- **The trade segment will see the fastest growth to 2023, albeit from a low base.** Revenue will be supported by rising Internet access and specialist industry publications.
- **The consumer segment dominates the Tanzanian magazine landscape.** Popular publications include Femina Hip's magazine Fema.

Total revenue will rise at a 5.0% CAGR

Figure 5: Tanzania: Magazine revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, an African perspective, PwC, Ovum, www.pwc.co.za/outlook

Trade magazines will see the fastest growth to 2023

Tanzania: Magazine revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Consumer magazines	**10**	**11**	**11**	**12**	**12**	**13**	**14**	**15**	**15**	**15**	**4.3%**
Consumer circulation	2.5	2.7	2.9	3.1	3.2	3.5	3.6	3.8	3.9	4.0	4.6%
Print	2.4	2.6	2.7	2.9	3.0	3.2	3.3	3.5	3.6	3.7	4.3%
Digital	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	8.4%
Consumer advertising	**7.7**	**8.0**	**8.1**	**8.7**	**9.2**	**9.8**	**10**	**11**	**11**	**11**	**4.2%**
Print	7.1	7.3	7.3	7.7	8.0	8.3	8.5	8.7	8.8	8.9	2.2%
Digital	0.6	0.7	0.8	1.0	1.2	1.5	1.8	2.0	2.3	2.4	14.9%
Trade magazines	**1.5**	**1.7**	**1.9**	**2.1**	**2.3**	**2.6**	**2.7**	**3.0**	**3.2**	**3.5**	**8.8%**
Trade circulation	1.0	1.1	1.3	1.5	1.7	2.0	2.2	2.4	2.6	2.9	11.3%
Print	0.8	0.9	1.0	1.2	1.3	1.5	1.7	1.8	2.0	2.2	11.1%
Digital	0.2	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.7	11.8%
Trade advertising	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.0%
Print	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	-5.6%
Digital	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	8.4%
Total	**12**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**18**	**19**	**5.0%**
YOY growth (%)		***6.0%***	***4.0%***	***7.8%***	***5.8%***	***8.2%***	***4.4%***	***5.4%***	***4.0%***	***3.3%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information. -/0.0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2019–2023, an African perspective, PwC, Ovum www.pwc.co.za/outlook

11 Book publishing

South Africa

This segment at a glance

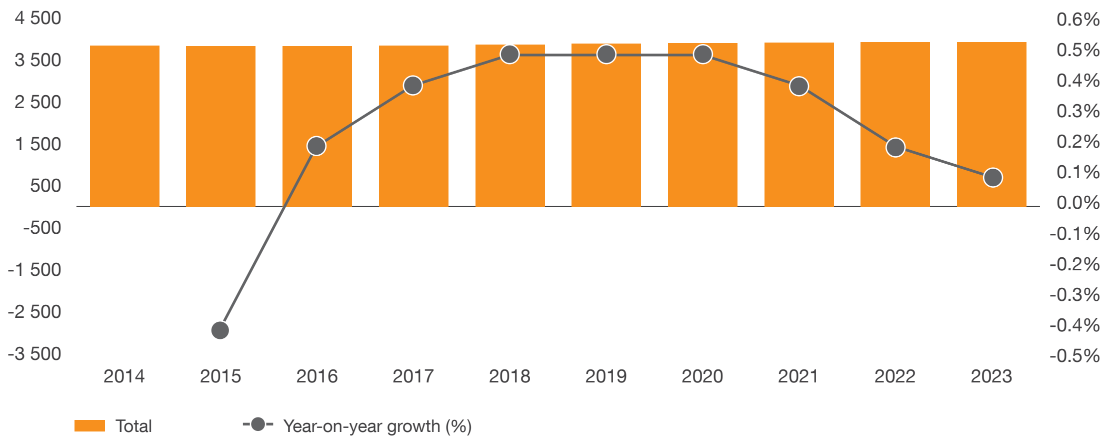
- **Digital piracy remains a considerable issue in the South African market.** In April 2019, Penguin Random House announced that it would take legal action over the distribution of pirated e-books.
- **Reading remains a minority pursuit.** According to the South African Book Development Council (SABDC), only 14% of South Africans are committed readers, and those that do read spend just four hours a week on the pastime.
- **Most book sales in South Africa are through bricks-and-mortar shops, despite the growth of online shopping.** The location of bookshops within predominantly wealthy areas means access to wider markets (including potential indigenous-language readers) is constrained.
- **The professional segment has the brightest forecast for the next five years, with a predicted CAGR of 2.4% to 2023.** However, as professional books are a niche market, revenue will represent just 6% of the overall market in 2023.
- **Educational books are the largest component of the South African publishing market, totalling R2.1 billion in 2018, which accounts for 55% of the market overall.** However, educational funding issues can have a direct impact on the segment.

The South African book market, comprising total consumer, educational and professional book revenues, is experiencing minimal growth. Following a slight contraction of -0.4% in 2015, the market has grown at a rate of 0.5% or lower over the past three years. That rate is predicted to slow to 0.1% in 2023. This conforms to overall projections of low growth in the South African economy.

In 2018, the book publishing market was worth R3.9 billion, and is forecast to increase at a 0.3% CAGR over the next five years. The most significant growth will take place in the digital segment. Improved access to technology has supported the expansion of digital's market share, from 2.1% in 2014 to 6.5% in 2018, and the trend is forecast to continue, with digital accounting for 11.9% of the overall market in 2023.

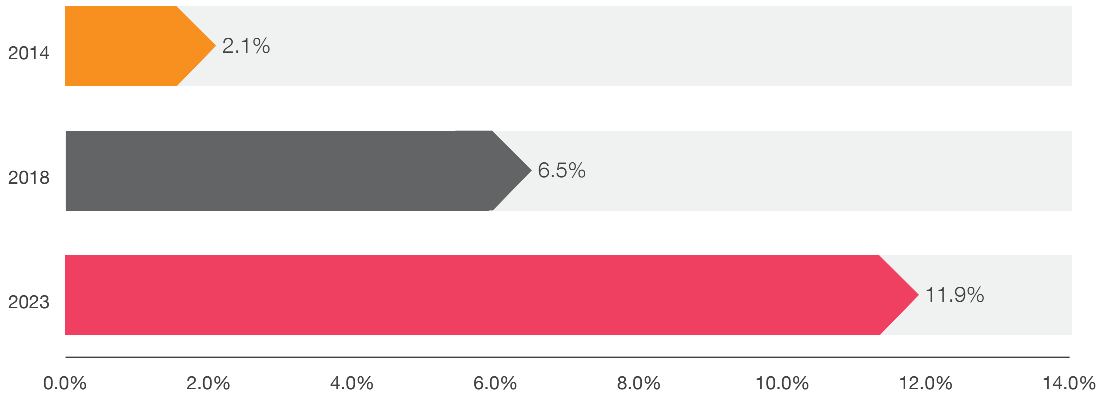
Total book revenue to increase at a 0.3% CAGR

Figure 1: South Africa: Total book publishing revenue (R millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 2: South Africa: Digital share of book publishing revenue, 2014 vs 2018 vs 2023 (%)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

The South African book publishing market will total R3.9 billion in 2023

South Africa: Book publishing market, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Consumer	**1 463**	**1 471**	**1 489**	**1 506**	**1 525**	**1 544**	**1 561**	**1 576**	**1 585**	**1 587**	**0.8%**
Print	1 411	1 393	1 377	1 356	1 334	1 312	1 290	1 266	1 240	1 213	-1.9%
Digital	52	78	112	150	191	231	271	310	345	373	14.3%
Educational	**2 182**	**2 155**	**2 139**	**2 129**	**2 119**	**2 112**	**2 106**	**2 100**	**2 095**	**2 092**	**-0.3%**
Print	2 169	2 137	2 116	2 101	2 086	2 073	2 062	2 051	2 041	2 034	-0.5%
Digital	13	18	23	28	33	38	44	49	54	59	12.2%
Professional	**183**	**187**	**191**	**200**	**209**	**216**	**223**	**228**	**232**	**235**	**2.4%**
Print	167	169	170	176	182	187	192	196	199	202	2.1%
Digital	16	18	20	24	27	30	31	33	33	34	4.5%
Total books	**3 828**	**3 812**	**3 818**	**3 834**	**3 853**	**3 872**	**3 890**	**3 904**	**3 912**	**3 914**	**0.3%**
YOY growth (%)		***-0.4%***	***0.2%***	***0.4%***	***0.5%***	***0.5%***	***0.5%***	***0.4%***	***0.2%***	***0.1%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This segment at a glance

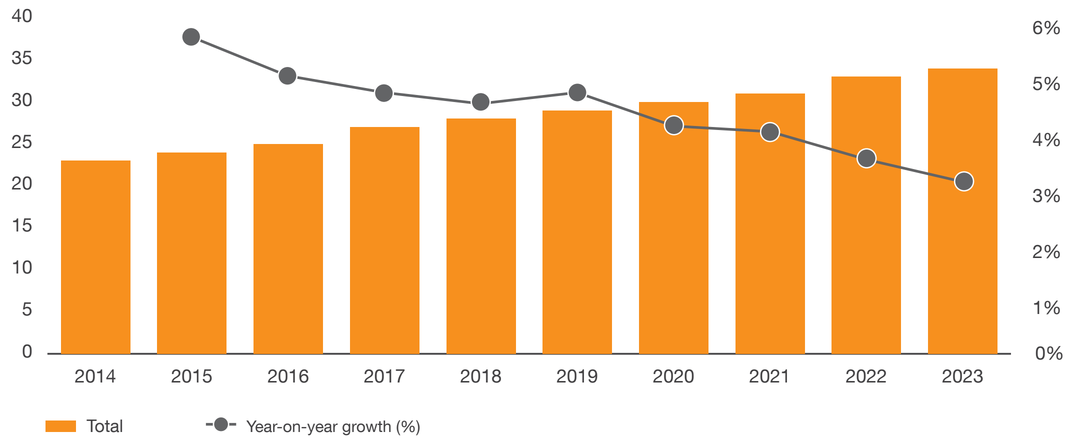
- **Total book revenue in Nigeria will grow at a 3.9% CAGR over the next five years, from US$28 million in 2018 to US$34 million in 2023.** Growth will be strongest in the educational segment, which will see a CAGR of 5.1% over the forecast period.
- **The effect of the transition to e-books is uncertain.** It remains to be seen how effective digital formats will be at insulating the market from piracy.

Total book revenue in Nigeria, comprising consumer, educational and professional book revenues, will grow at a 3.9% CAGR over the next five years, from US$28 million in 2018 to US$34 million in 2023.

Growth will be strongest in the educational segment, which will see a CAGR of 5.1% over the forecast period. This is also the largest segment of the Nigerian book publishing market, accounting for 62.5% of total revenue in 2018, with revenue of US$17 million. By 2023, revenue will have risen to US$22 million, accounting for 66.3% of the overall market.

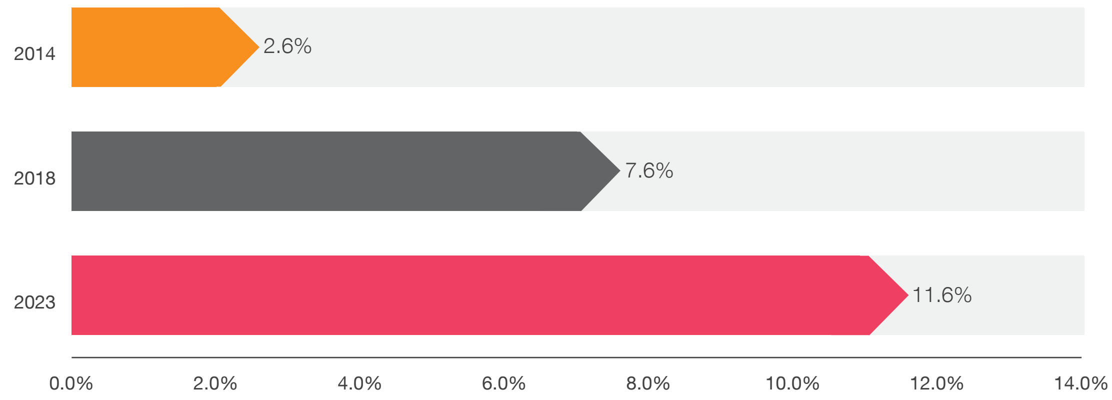
Total book publishing revenue to increase at a 3.9% CAGR

Figure 3: Nigeria: Total book publishing revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 4: Nigeria: Digital share of book publishing revenue, 2014 vs 2018 vs 2023 (%)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Digital's share of book publishing revenue is set to increase to 11.6% in 2023

Nigeria: Book publishing market, 2014–2023 (US$ millions)

The educational segment will drive the Nigerian book publishing market

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Consumer	**7.9**	**8.0**	**8.2**	**8.3**	**8.5**	**8.6**	**8.8**	**9.1**	**9.2**	**9.3**	**1.8%**
Print	7.6	7.5	7.5	7.4	7.3	7.2	7.2	7.2	7.1	7.1	-0.6%
Digital	0.3	0.5	0.7	0.9	1.2	1.4	1.6	1.9	2.1	2.2	12.9%
Educational	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**5.1%**
Print	13	14	15	16	17	18	18	19	20	21	4.6%
Digital	0.2	0.3	0.4	0.6	0.7	0.9	1.0	1.1	1.3	1.4	14.9%
Professional	**1.7**	**1.9**	**1.9**	**1.9**	**1.9**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**1.0%**
Print	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	0.0%
Digital	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	8.4%
Total books	**23**	**24**	**25**	**27**	**28**	**29**	**30**	**31**	**33**	**34**	**3.9%**
YOY growth (%)		***5.7%***	***5.0%***	***4.7%***	***4.5%***	***4.7%***	***4.1%***	***4.0%***	***3.5%***	***3.1%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

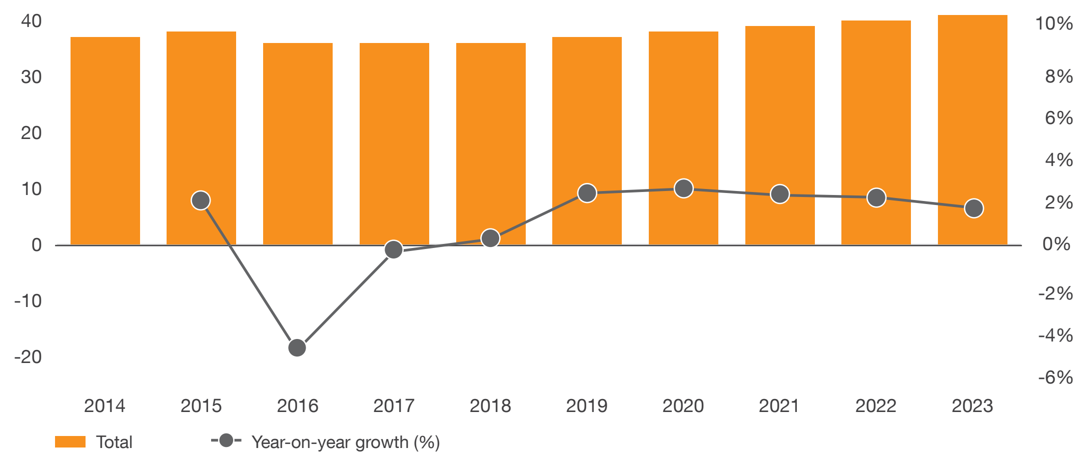
This segment at a glance

- **Educational books are by far the largest component of the Kenyan publishing market, accounting for 87% of total revenue in 2018 with a value of US$32 million.** While education's dominance will be unchallenged to the end of the forecast period, it will be the slowest growing of publishing's three segments.
- **The nation lacks a leisure reading culture, and it is considered unusual to see Kenyans reading.** To encourage young Kenyans to read more widely, the Kenyan Publishers Association has called on counties to buy books that are outside the school curriculum.

Kenya's book publishing market totalled US$36 million in 2018, up 0.3% on 2017 – a return to health after year-on-year losses in 2016 and 2017. Over the next five years, revenue will grow at a 2.3% CAGR to reach US$41 million in 2023. Growth will rise in 2019, with a forecast year-on-year rate of 2.5%, but the market will show signs of a slowdown towards the end of the period, with annual growth predicted to be 1.8% in 2023.

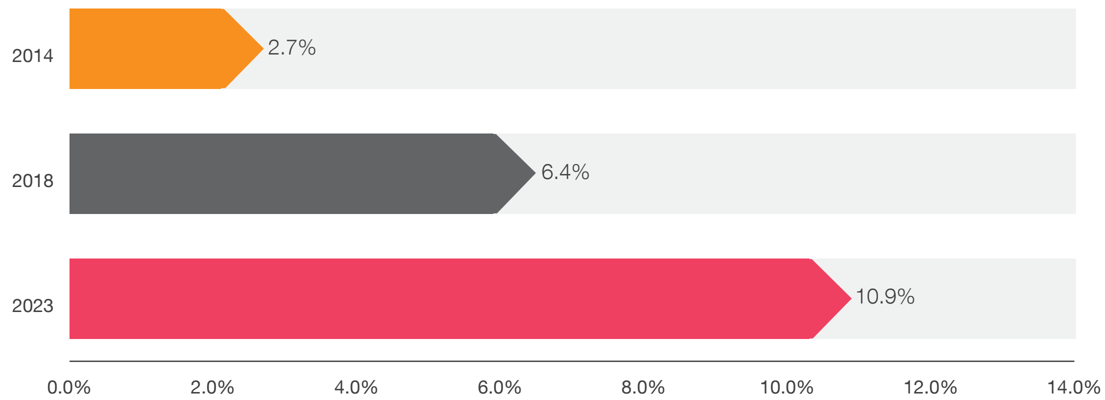
Total book publishing revenue in Kenya to increase at a 2.3% CAGR

Figure 5: Kenya: Total book publishing revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 6: Kenya: Digital share of book publishing revenue, 2014 vs 2018 vs 2023 (%)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Digital's share of book publishing revenue is set to increase to 10.9% in 2023

Kenya: Book publishing market, 2014–2023 (US$ millions)

The consumer segment will see the fastest growth, albeit from a low base

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Consumer	**2.0**	**2.1**	**2.4**	**2.6**	**2.8**	**3.1**	**3.3**	**3.4**	**3.7**	**3.9**	**6.9%**
Print	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	-1.4%
Digital	0.4	0.6	0.9	1.1	1.3	1.6	1.8	2.0	2.3	2.5	14.0%
Educational	**34**	**34**	**32**	**32**	**32**	**32**	**33**	**34**	**34**	**35**	**1.9%**
Print	33	34	32	31	31	31	32	32	33	33	1.5%
Digital	0.5	0.5	0.5	0.6	0.7	0.7	0.9	1.1	1.3	1.5	16.5%
Professional	**1.5**	**1.6**	**1.7**	**1.7**	**1.8**	**1.9**	**1.9**	**2.0**	**2.0**	**2.0**	**2.1%**
Print	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.3%
Digital	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	5.9%
Total books	**37**	**38**	**36**	**36**	**36**	**37**	**38**	**39**	**40**	**41**	**2.3%**
YOY growth (%)		***2.2%***	***-5.0%***	***-0.3%***	***0.3%***	***2.5%***	***2.7%***	***2.4%***	***2.3%***	***1.8%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana

This segment at a glance

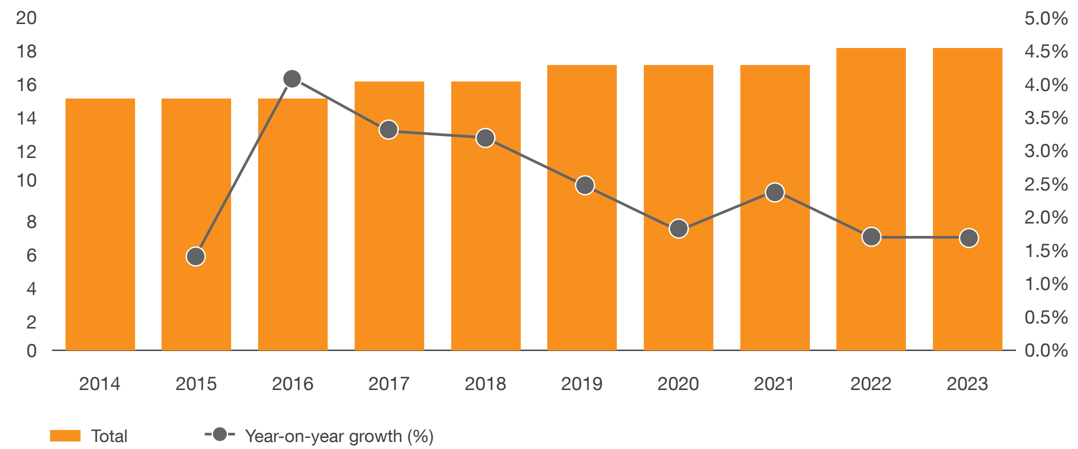
- **Ghana's publishing industry is dominated by educational titles.** However, the consumer market will see the fastest growth to 2023, bolstered by growth in digital and market exposure via events like the Ghana International Book Fair.

Total revenue from Ghana's book industry reached US$16 million in 2018. The trend over the next five years will be for low but consistent year-on-year growth, with the total market reaching US$18 million in 2023, representing a 2.0% CAGR.

In common with other African markets, Ghana's publishing industry is dominated by educational titles, which drew revenue of US$15 million in 2018 – over 90% of the market as a whole. This share will remain effectively constant over the forecast period, at the end of which educational revenue will account for US$16 million. Consumer books achieved revenue of US$0.9 million in 2018, but will enjoy the highest growth, increasing at a 4.1% CAGR to reach US$1.1 million in 2023. Professional books will be the smallest segment across the forecast period and will experience flat growth, accounting for US$0.7 million in 2023 as in 2018.

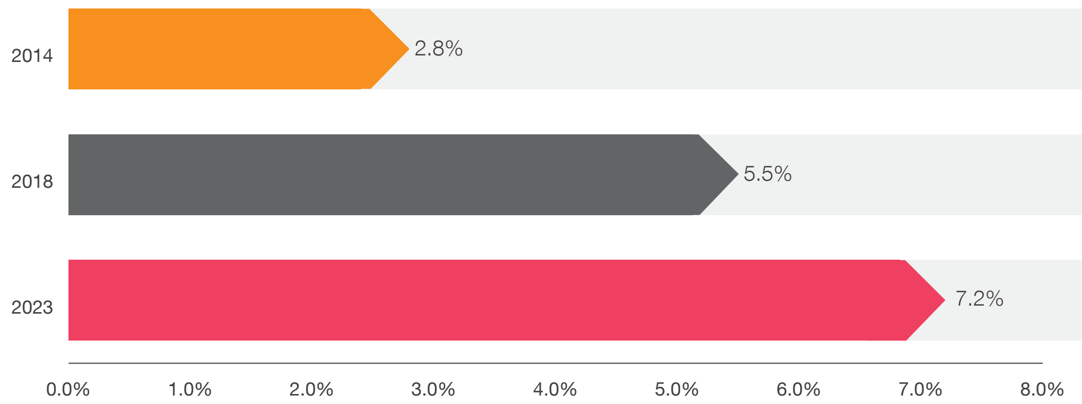
Total book publishing revenue in Ghana to increase at a 2.0% CAGR

Figure 7: Ghana: Total book publishing revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 8: Ghana: Digital share of book publishing revenue, 2014 vs 2018 vs 2023 (%)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Digital's share of book publishing revenue is set to increase to 7.2% in 2023

Ghana: Book publishing market, 2014–2023 (US$ millions)

The Ghanaian book publishing market will total US$18 million in 2023

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Consumer	**0.6**	**0.7**	**0.8**	**0.8**	**0.9**	**1.0**	**1.0**	**1.1**	**1.1**	**1.1**	**4.1%**
Print	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	-4.4%
Digital	0.1	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.7	11.8%
Educational	**13**	**13**	**14**	**14**	**15**	**15**	**15**	**16**	**16**	**16**	**2.0%**
Print	13	13	14	14	14	15	15	15	16	16	1.9%
Digital	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	5.9%
Professional	**0.6**	**0.6**	**0.6**	**0.6**	**0.7**	**0.7**	**0.7**	**0.7**	**0.7**	**0.7**	**0.0%**
Print	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0%
Digital	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.0%
Total books	**15**	**15**	**15**	**16**	**16**	**17**	**17**	**17**	**18**	**18**	**2.0%**
YOY growth (%)		***1.4%***	***4.1%***	***3.3%***	***3.2%***	***2.5%***	***1.8%***	***2.4%***	***1.7%***	***1.7%***	

-/0.0 = revenue less than US$50 000

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania

This segment at a glance

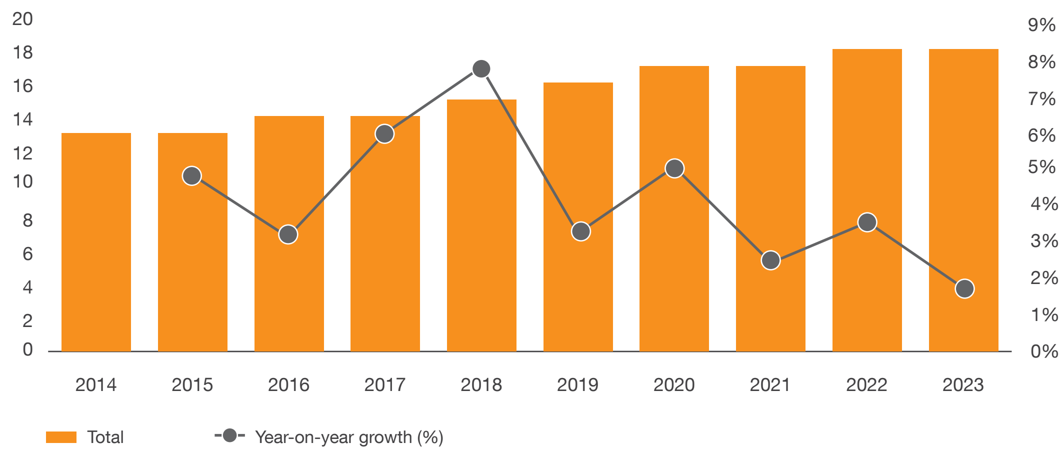
- **Total book revenue in Tanzania will increase at a 3.2% CAGR to total US$18 million in 2023.** Digital makes a minimal contribution to the Tanzanian market, but this will grow over the next five years to account for 10% of revenues by 2023.

Tanzania's book publishing market is dominated by the educational segment, which has accounted for around 80% of total revenue every year since 2014.

There will be minimal change in the relative size of the segments to 2023, when educational books is forecast to comprise 78.9% of the market, consumer 7.2% and professional 13.9%. The market will grow from US$15 million in 2018 to US$18 million in 2023, representing a CAGR of 3.2%. Within this, the forecast for year-on-year growth suggests a slowdown: While 2018 enjoyed year-on-year growth of 7.7%, by 2023 the rate is forecast to be just 1.7%.

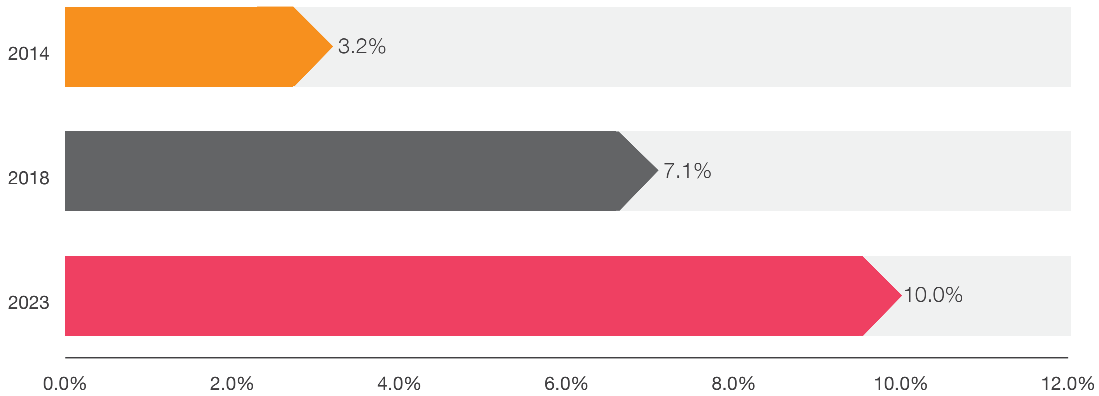
Total book revenue to increase at a 3.2% CAGR

Figure 9: Tanzania: Total book publishing revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Figure 10: Tanzania: Digital share of book publishing revenue, 2014 vs 2018 vs 2023 (%)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Digital's share of book publishing revenue is set to increase to 10.0% in 2023

Tanzania: Book publishing market, 2014–2023 (US$ millions)

Educational books take the largest market share

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Consumer	**0.7**	**0.8**	**0.8**	**0.9**	**1.1**	**1.1**	**1.2**	**1.2**	**1.3**	**1.3**	**3.4%**
Print	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.0%
Digital	0.1	0.2	0.2	0.3	0.4	0.4	0.5	0.5	0.6	0.6	8.4%
Educational	**10**	**11**	**11**	**12**	**12**	**13**	**13**	**14**	**14**	**14**	**3.1%**
Print	9.9	10	11	11	12	12	13	13	13	14	2.7%
Digital	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.7	11.8%
Professional	**1.7**	**1.8**	**1.9**	**1.9**	**2.1**	**2.1**	**2.3**	**2.3**	**2.5**	**2.5**	**3.5%**
Print	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.0	2.1%
Digital	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.5	10.8%
Total books	**13**	**13**	**14**	**14**	**15**	**16**	**17**	**17**	**18**	**18**	**3.2%**
YOY growth (%)		***4.8%***	***3.1%***	***5.9%***	***7.7%***	***3.2%***	***5.0%***	***2.4%***	***3.5%***	***1.7%***	

-/0.0 = revenue less than US$50 000

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

12

Business-to-business

South Africa

This segment at a glance

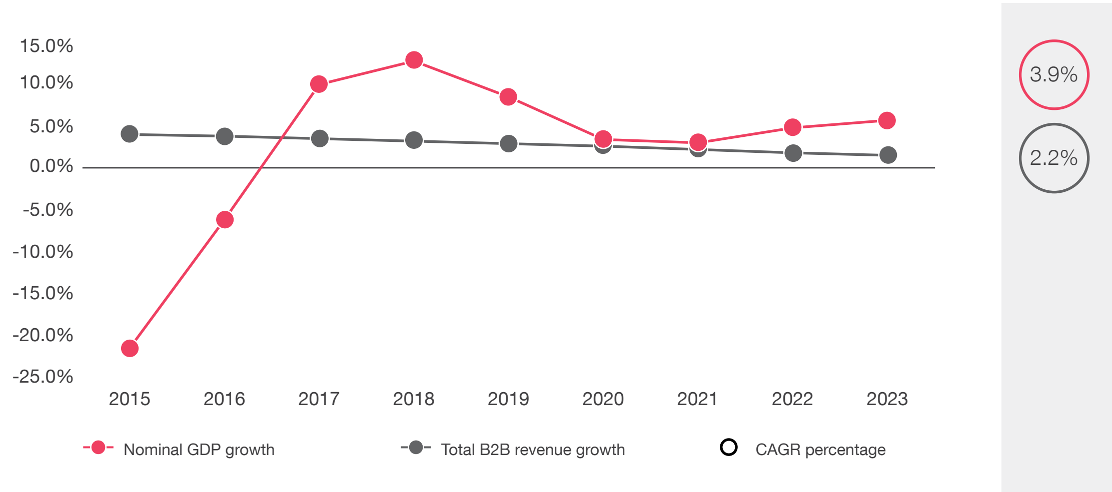
- **The B2B market in South Africa was valued at R10.3 billion in 2018.** Revenues will rise at a 2.2% CAGR to R11.5 billion in 2023, at which point annual growth will have approximately halved amid what continues to be a relatively challenging economic environment.
- **Business information, the largest B2B subsector, will maintain its 46% market share for the foreseeable future.** While the South African consumer is more price-conscious, businesses will continue to demand insights in to how best to capture restricted disposable incomes.
- **With revenues set to rise at a 3.8% CAGR, trade shows will exhibit a higher rate of growth than any other subsector.** This will ensure that this category takes market share away from other B2B products and services as exhibitors continue to be attracted to South Africa's developed venue infrastructure and busy events roster.
- **Trade magazines revenue is showing resilience, but advertising will enter negative territory in 2023.** Forecast growth of a 2.3% CAGR is robust and both circulations and advertising are expanding. However, in 2023 advertising revenues will contract, signalling the start of a secular decline that will place greater importance on subscriptions and cover prices.
- **Trade directory advertising has now begun to fall.** Following a trend observed in more advanced markets, the category will accelerate its revenue losses beyond the forecast period, as print directories fall out of favour and companies rush to reposition themselves as SME online search providers. A CAGR of -3.0% is expected over the period, a decline that will be led entirely by print.

South Africa is in a state of low growth characterised by high unemployment and rising consumer prices, with real GDP rising by just 0.8% in 2018. However, the economy is expected to grow marginally over the coming years, resulting in real GDP growth at a 1.7% CAGR over the forecast period.

This low rate of expansion will be reflected in the country's business-to-business (B2B) market, which will expand at a modest nominal 2.2% CAGR over the next five years, although this reflects the relative maturity of the South African economy and its B2B market, rather than a weakness in demand. This will take total B2B revenue from R10.3 billion in 2018 to R11.5 billion in 2023.

B2B revenue growth to lag nominal GDP growth over forecast period

Figure 1: South Africa: Business-to-business revenue, 2015–2023 (%)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Annual B2B revenue growth will begin to slow

South Africa: Business-to-business revenue, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Business information	**4 138**	**4 291**	**4 451**	**4 604**	**4 755**	**4 895**	**5 019**	**5 128**	**5 222**	**5 298**	**2.2%**
Financial	1 303	1 322	1 351	1 386	1 423	1 458	1 492	1 524	1 554	1 583	2.2%
Marketing	1 338	1 380	1 439	1 482	1 533	1 582	1 627	1 672	1 713	1 752	2.7%
Industry	1 498	1 589	1 662	1 736	1 800	1 854	1 901	1 933	1 955	1 964	1.8%
Directory advertising	**1 183**	**1 217**	**1 244**	**1 253**	**1 239**	**1 222**	**1 193**	**1 155**	**1 113**	**1 064**	**-3.0%**
Print	842	824	799	757	695	631	560	488	420	354	-12.6%
Digital	341	393	446	496	545	591	633	667	693	710	5.5%
Professional books	**183**	**187**	**191**	**200**	**209**	**216**	**223**	**228**	**232**	**235**	**2.4%**
Print	167	169	170	176	182	187	192	196	199	202	2.1%
Digital	16	18	20	24	27	30	31	33	33	34	4.5%
Trade magazine advertising	**415**	**431**	**416**	**420**	**424**	**433**	**441**	**447**	**448**	**445**	**1.0%**
Print	356	351	314	295	277	265	254	245	236	228	-3.8%
Digital	60	80	102	125	147	168	187	202	212	218	8.1%
Trade magazine circulation	**194**	**219**	**265**	**293**	**317**	**338**	**356**	**370**	**380**	**386**	**4.0%**
Print	194	204	244	264	282	297	309	319	327	330	3.2%
Digital	-	15	21	29	36	42	47	50	54	55	9.2%
Trade shows	**2 855**	**2 985**	**3 119**	**3 256**	**3 396**	**3 536**	**3 680**	**3 821**	**3 959**	**4 097**	**3.8%**
Consumer spend	4 515	4 697	4 907	5 096	5 282	5 449	5 598	5 726	5 834	5 919	2.3%
YOY growth (%)	-	*4.0%*	*4.5%*	*3.9%*	*3.6%*	*3.2%*	*2.7%*	*2.3%*	*1.9%*	*1.4%*	
Advertising spend	4 453	4 633	4 779	4 928	5 059	5 192	5 314	5 423	5 520	5 607	2.1%
YOY growth (%)	-	*4.0%*	*3.2%*	*3.1%*	*2.7%*	*2.6%*	*2.4%*	*2.0%*	*1.8%*	*1.6%*	
Total	**8 968**	**9 330**	**9 686**	**10 024**	**10 340**	**10 641**	**10 912**	**11 149**	**11 354**	**11 525**	**2.2%**
YOY growth (%)	**-**	***4.0%***	***3.8%***	***3.5%***	***3.2%***	***2.9%***	***2.6%***	***2.2%***	***1.8%***	***1.5%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This segment at a glance

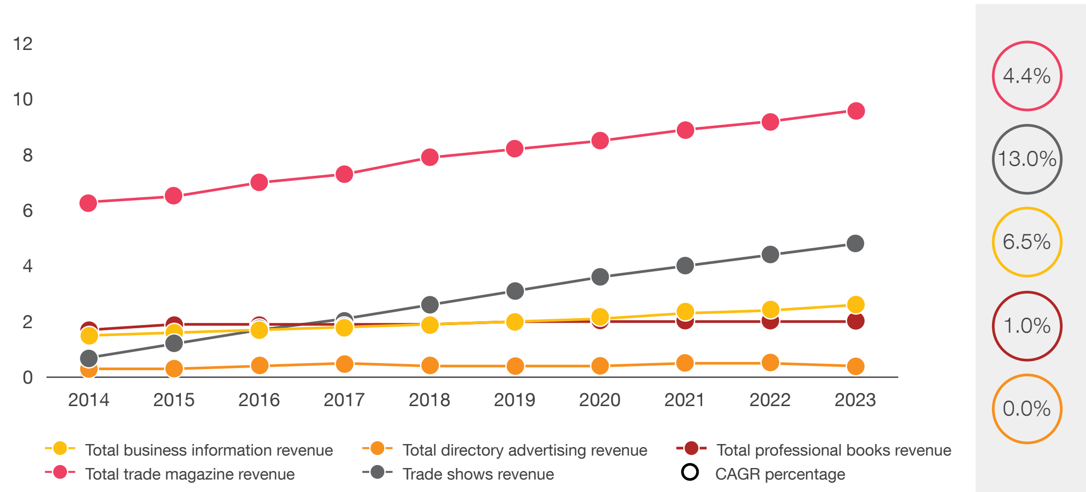
- **Nigeria's B2B market was valued at US$14.7 million in 2018.** The market is forecast to grow at a 5.7% CAGR over the next five years, which means that the country will remain behind South Africa and Kenya but ahead of Ghana and Tanzania in terms of market size in 2023.

Nigeria continued its economic recovery in 2018, with real GDP expanding by 1.9%, more than double the growth rate experienced in the prior year. This momentum, while positive for the country, remains significantly below rates of output prior to the oil price crash that has weighed heavily on Africa's largest economy and the outlook is for Nigeria to grow by a moderate 2.4% CAGR in real GDP terms over the next five years.

However, the B2B market has largely withstood the weakened economy and lower fiscal income from oil proceeds, because of the immaturity of the market. Total B2B revenues amounted to US$15 million in 2018 and a 5.7% CAGR will take this to US$19 million over the forecast period.

Trade magazines are the dominant source of revenue

Figure 2: Nigeria: B2B revenue by subsegment, 2014–2023 (US$ millions)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria's B2B market is withstanding a weakened economy

Nigeria: Business-to-business revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Business information	**1.5**	**1.6**	**1.7**	**1.8**	**1.9**	**2.0**	**2.1**	**2.3**	**2.4**	**2.6**	**6.5%**
Directory advertising	**0.3**	**0.3**	**0.4**	**0.5**	**0.4**	**0.4**	**0.4**	**0.5**	**0.5**	**0.4**	**0.0%**
Print	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1	-12.9%
Digital	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	8.4%
Professional books	**1.7**	**1.9**	**1.9**	**1.9**	**1.9**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**1.0%**
Print	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	0.0%
Digital	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	8.4%
Trade magazine advertising	**1.6**	**1.5**	**1.5**	**1.4**	**1.5**	**1.4**	**1.3**	**1.3**	**1.2**	**1.2**	**-4.4%**
Print	1.3	1.2	1.2	1.1	1.1	1.0	0.9	0.8	0.7	0.7	-8.6%
Digital	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	4.6%
Trade magazine circulation	**4.7**	**5.0**	**5.5**	**5.9**	**6.4**	**6.8**	**7.2**	**7.6**	**8.0**	**8.4**	**5.6%**
Print	4.7	5.0	5.5	5.9	6.4	6.8	7.2	7.6	8.0	8.4	5.6%
Digital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Trade shows	**0.7**	**1.2**	**1.7**	**2.1**	**2.6**	**3.1**	**3.6**	**4.0**	**4.4**	**4.8**	**13.0%**
Consumer spend	7.9	8.5	9.1	9.6	10	11	11	12	12	13	5.0%
YOY growth (%)	-	*7.6%*	*7.1%*	*5.5%*	*6.2%*	*5.9%*	*4.6%*	*5.3%*	*4.2%*	*4.8%*	
Advertising spend	2.6	3.0	3.6	4.0	4.5	4.9	5.3	5.8	6.1	6.4	7.3%
YOY growth (%)	-	*15.4%*	*20.0%*	*11.1%*	*12.5%*	*8.9%*	*8.2%*	*9.4%*	*5.2%*	*4.9%*	
Total	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**19**	**5.7%**
YOY growth (%)	**-**	***9.5%***	***10.4%***	***7.1%***	***8.1%***	***6.8%***	***5.7%***	***6.6%***	***4.5%***	***4.9%***	

Note: 2014-2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

This segment at a glance

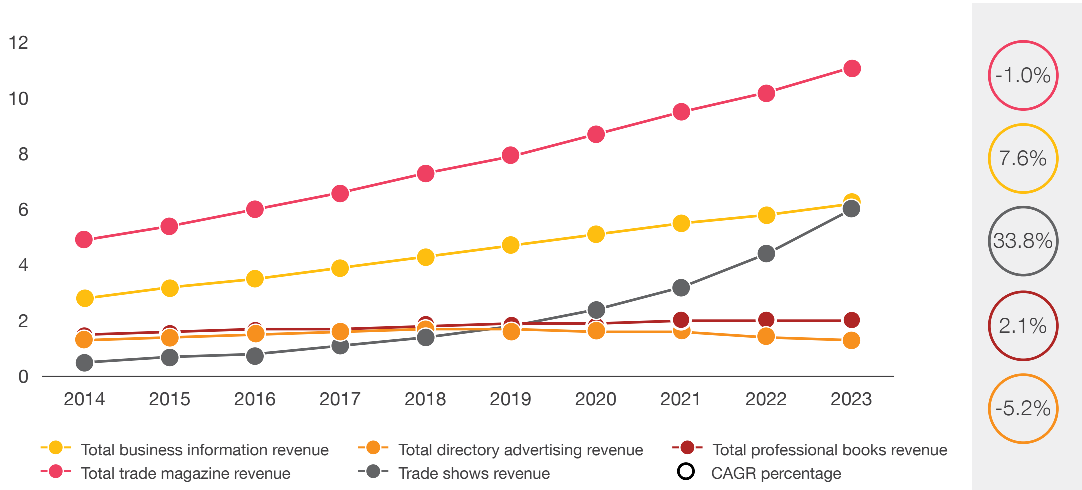
- **B2B revenues in Kenya totalled US$16.5 million in 2018.** The market is forecast to grow at a 10.0% CAGR to 2023, driven by rapid growth in trade show revenues.

Kenya's B2B market is comparable in size to Nigeria's but is showing higher rates of growth, owing to the relative health of the economy. In 2018, real GDP rose by 6.0% as sufficient rainfall helped to drive a resurgence in agricultural production, following a drought in the previous year.

Against this positive backdrop, total B2B revenue grew by 10.7% in 2018 and will expand at a 10.0% CAGR over the next five years, the fastest rate among the global economies we measure. By far the largest source of revenue is the trade magazines segment, which accounted for 44.2% of total B2B revenues versus a global average of just 8.3%. This will lose some market share going forward, giving way to rapid growth in the trade shows segment (33.8% CAGR).

> ***The trade shows subsegment will grow its share of the market***

Figure 3: Kenya: B2B revenue by subsegment, 2014–2023 (US$ millions)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya's B2B market will grow rapidly to 2023

Kenya: Business-to-business revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Business information	**2.8**	**3.2**	**3.5**	**3.9**	**4.3**	**4.7**	**5.1**	**5.5**	**5.8**	**6.2**	**7.6%**
Directory advertising	**1.3**	**1.4**	**1.5**	**1.6**	**1.7**	**1.7**	**1.6**	**1.6**	**1.4**	**1.3**	**-5.2%**
Print	0.9	1.0	1.0	1.0	1.0	1.0	0.9	0.8	0.6	0.5	-12.9%
Digital	0.4	0.4	0.5	0.6	0.7	0.7	0.7	0.8	0.8	0.8	2.7%
Professional books	**1.5**	**1.6**	**1.7**	**1.7**	**1.8**	**1.9**	**1.9**	**2.0**	**2.0**	**2.0**	**2.1%**
Print	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.3%
Digital	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	5.9%
Trade magazine advertising	**1.8**	**1.8**	**1.9**	**1.9**	**2.0**	**1.9**	**1.9**	**1.9**	**1.9**	**1.9**	**-1.0%**
Print	1.3	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.0	1.0	-5.1%
Digital	0.5	0.5	0.6	0.6	0.7	0.7	0.8	0.8	0.9	0.9	5.2%
Trade magazine circulation	**3.1**	**3.6**	**4.1**	**4.7**	**5.3**	**6.0**	**6.8**	**7.6**	**8.3**	**9.2**	**11.7%**
Print	2.6	2.9	3.2	3.6	4.0	4.5	5.1	5.7	6.3	7.0	11.8%
Digital	0.5	0.7	0.9	1.1	1.3	1.5	1.7	1.9	2.0	2.2	11.1%
Trade shows	**0.5**	**0.7**	**0.8**	**1.1**	**1.4**	**1.8**	**2.4**	**3.2**	**4.4**	**6.0**	**33.8%**
Consumer spend	7.4	8.4	9.3	10	11	13	14	15	16	17	8.8%
YOY growth (%)	-	*13.5%*	*10.7%*	*10.8%*	*10.7%*	*10.5%*	*9.5%*	*9.4%*	*6.6%*	*8.1%*	
Advertising spend	3.6	3.9	4.2	4.6	5.1	5.4	5.9	6.7	7.7	9.2	12.5%
YOY growth (%)	-	*8.3%*	*7.7%*	*9.5%*	*10.9%*	*5.9%*	*9.3%*	*13.6%*	*14.9%*	*19.5%*	
Total	**11**	**12**	**14**	**15**	**17**	**18**	**20**	**22**	**24**	**27**	**10.0%**
YOY growth (%)	**-**	***11.8%***	***9.8%***	***10.4%***	***10.7%***	***9.1%***	***9.4%***	***10.7%***	***9.2%***	***11.8%***	

Note: 2014-2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana

This segment at a glance

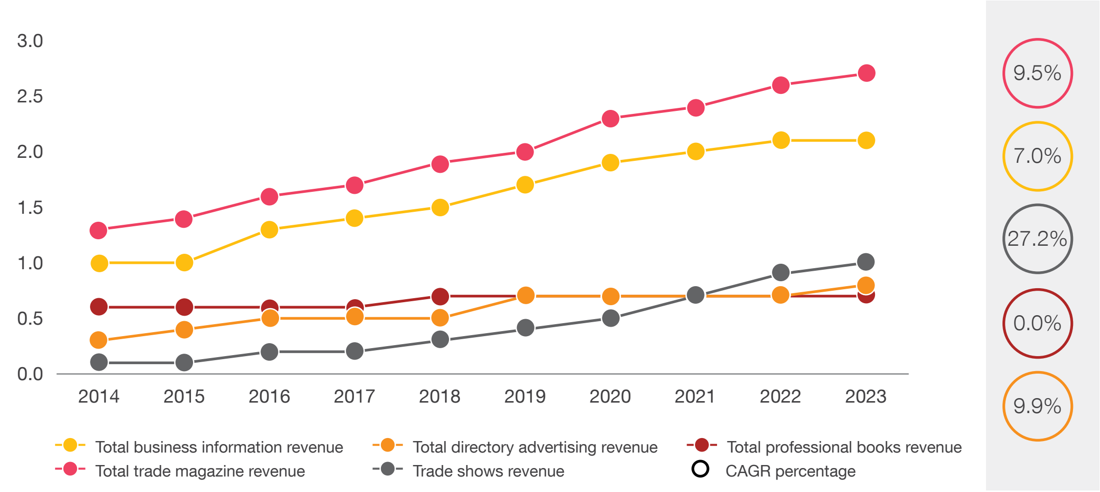
- **Total B2B revenues in Ghana equalled US$4.9 million in 2018.** A CAGR of 8.3% makes the country not only Africa's but the world's second-fastest growing B2B market among the countries we measure.

Ghana represents the smallest B2B market of those measured in Africa. Total revenues were valued at US$4.9 million in 2018, rising to just US$7.3 million in 2023, equating to a CAGR of 8.3%.

Demand for B2B products and services correlates with economic performance and so Ghana's B2B market will benefit from increased output and demand in other sectors of the economy, in the short term at least. The country is enjoying significant economic tailwinds, with real GDP seeing strong growth in 2018. The major drivers of the economic fortunes recorded in 2018 were a flourishing oil sector, a revived agricultural sector, and fast-growing ICT sector.

Trade shows revenue growth will push the subsegment past directories and professional books

Figure 4: Ghana: B2B revenue by subsegment, 2014–2023 (US$ millions)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Total B2B revenues in Ghana to increase by US$2.4 million to 2023

Ghana: Business-to-business revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Business information	**1.0**	**1.0**	**1.3**	**1.4**	**1.5**	**1.7**	**1.9**	**2.0**	**2.1**	**2.1**	**7.0%**
Directory advertising	**0.3**	**0.4**	**0.5**	**0.5**	**0.5**	**0.7**	**0.7**	**0.7**	**0.7**	**0.8**	**9.9%**
Print	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	5.9%
Digital	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	14.9%
Professional books	**0.6**	**0.6**	**0.6**	**0.6**	**0.7**	**0.7**	**0.7**	**0.7**	**0.7**	**0.7**	**0.0%**
Print	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0%
Digital	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.0%
Trade magazine advertising	**0.5**	**0.5**	**0.5**	**0.5**	**0.5**	**0.4**	**0.5**	**0.5**	**0.5**	**0.5**	**0.0%**
Print	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	-7.8%
Digital	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	8.4%
Trade magazine circulation	**0.8**	**0.9**	**1.1**	**1.2**	**1.4**	**1.6**	**1.8**	**1.9**	**2.1**	**2.2**	**9.5%**
Print	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	8.4%
Digital	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.6	0.7	0.7	11.8%
Trade shows	**0.1**	**0.1**	**0.2**	**0.2**	**0.3**	**0.4**	**0.5**	**0.7**	**0.9**	**1.0**	**27.2%**
Consumer spend	2.4	2.5	3.0	3.2	3.6	4.0	4.4	4.6	4.9	5.0	6.8%
YOY growth (%)	*-*	*4.2%*	*20.0%*	*6.7%*	*12.5%*	*11.1%*	*10.0%*	*4.5%*	*6.5%*	*2.0%*	
Advertising spend	0.9	1.0	1.2	1.2	1.3	1.5	1.7	1.9	2.1	2.3	12.1%
YOY growth (%)	*-*	*11.1%*	*20.0%*	*0.0%*	*8.3%*	*15.4%*	*13.3%*	*11.8%*	*10.5%*	*9.5%*	
Total	**3.3**	**3.5**	**4.2**	**4.4**	**4.9**	**5.5**	**6.1**	**6.5**	**7.0**	**7.3**	**8.3%**
YOY growth (%)	***-***	***6.1%***	***20.0%***	***4.8%***	***11.4%***	***12.2%***	***10.9%***	***6.6%***	***7.7%***	***4.3%***	

-/0.0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania

This segment at a glance

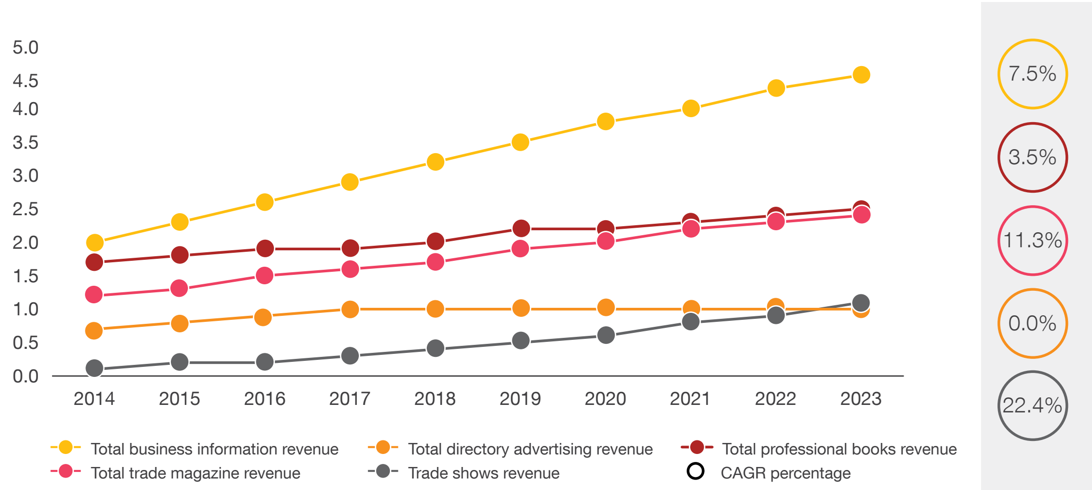
- **Tanzania's B2B market was valued at US$9.0 million in 2018.** Revenues will rise at a 7.1% CAGR to reach US$12.7 million in 2023.

Tanzania's B2B market is nearly twice the size of Ghana's, but revenue will still only surpass US$10.0 million for the first time in 2020. In 2018, total B2B revenues were valued at US$9.0 million.

The Tanzanian Government is focusing on developing local industries and making large investments in infrastructure and energy sector development. However, there was a -35% fall in foreign direct investment (FDI) during the first half of 2018, suggesting that the country still has work to do in terms of attracting overseas investors.

Business information will increase its lead over other B2B segments

Figure 5: Tanzania: B2B revenue by subsegment, 2014–2023 (US$ millions)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

B2B revenue will surpass the US$10.0 million mark in 2020

Tanzania: Business-to-business revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Business information	**2.0**	**2.3**	**2.5**	**2.8**	**3.2**	**3.4**	**3.7**	**4.1**	**4.3**	**4.6**	**7.5%**
Directory advertising	**0.7**	**0.7**	**0.9**	**1.0**	**1.0**	**1.1**	**1.1**	**1.0**	**1.1**	**1.0**	**0.0%**
Print	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.4	-7.8%
Digital	0.2	0.2	0.3	0.4	0.4	0.5	0.5	0.5	0.6	0.6	8.4%
Professional books	**1.7**	**1.8**	**1.9**	**1.9**	**2.1**	**2.1**	**2.3**	**2.3**	**2.5**	**2.5**	**3.5%**
Print	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.0	2.1%
Digital	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.5	10.8%
Trade magazine advertising	**0.5**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.5**	**0.6**	**0.6**	**0.6**	**0.0%**
Print	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	-5.6%
Digital	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	8.4%
Trade magazine circulation	**1.0**	**1.1**	**1.3**	**1.5**	**1.7**	**2.0**	**2.2**	**2.4**	**2.6**	**2.9**	**11.3%**
Print	0.8	0.9	1.0	1.2	1.3	1.5	1.7	1.8	2.0	2.2	11.1%
Digital	0.2	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.7	11.8%
Trade shows	**0.1**	**0.2**	**0.2**	**0.3**	**0.4**	**0.5**	**0.6**	**0.8**	**0.9**	**1.1**	**22.4%**
Consumer spend	4.7	5.2	5.7	6.2	7.0	7.5	8.2	8.8	9.4	10.0	7.4%
YOY growth (%)	-	*10.6%*	*9.6%*	*8.8%*	*12.9%*	*7.1%*	*9.3%*	*7.3%*	*6.8%*	*6.4%*	
Advertising spend	1.3	1.5	1.7	1.9	2.0	2.2	2.2	2.4	2.6	2.7	6.2%
YOY growth (%)	-	*15.4%*	*13.3%*	*11.8%*	*5.3%*	*10.0%*	*0.0%*	*9.1%*	*8.3%*	*3.8%*	
Total	**6.0**	**6.7**	**7.4**	**8.1**	**9.0**	**9.7**	**10**	**11**	**12**	**13**	**7.1%**
YOY growth (%)	**-**	***11.7%***	***10.4%***	***9.5%***	***11.1%***	***7.8%***	***7.2%***	***7.7%***	***7.1%***	***5.8%***	

-/0.0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

13 Music

South Africa

This segment at a glance

- **South Africa's physical recorded music segment remains in decline.** Revenue was just R192 million in 2018, a decline of more than -31% on the 2017 total as customers continued to turn away from physical formats. However, the recorded music segment in general continues to increase in value because the rise in digital revenue more than offsets the decrease in physical sales.
- **Digital downloads are falling out of favour with consumers.** Download sales look to have peaked in 2017 at revenue of R170 million, with the 2018 total falling back -11.3% to R151 million. The segment is forecast to decline at a -21.8% CAGR over the forecast period to be worth just R44 million in 2023.
- **Music-streaming is on an upwards curve.** South African consumers now have an array of music-streaming providers to choose from and there is certainly an appetite for subscription-based offerings. Digital music-streaming revenue reached R325 million in 2018, up almost 57% year on year. Streaming revenue is set to increase at a 20.1% CAGR to total R815 million in 2023.
- **Live music stays vibrant.** One major success in early 2019 was Ed Sheeran's four-date engagement that broke the South African ticket sales record. Live music will add the largest amount of revenue through to 2023.
- **Podcast listeners are highly engaged.** South African consumers find podcasts a fairly 'sticky' media format, with 80% of the audience listening to content through to the end. A majority also listen to a podcast within 24 hours of its initial download.

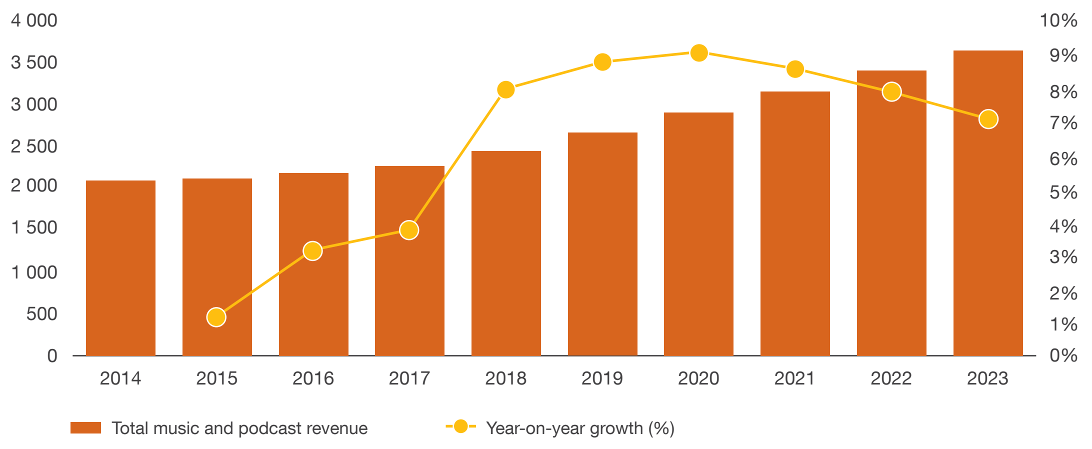
Digital music-streaming providers continue to gain traction among South African consumers, with local services competing well against powerful international players like Spotify and Apple Music.

Streaming's popularity is set to bolster recorded music revenue in the market as the rising take-up of streaming music subscriptions will more than offset the ongoing decline in physical recorded music sales going forward.

The podcast market is going from strength to strength as the audience sees value in engaging with long-form audio content. Podcasts are particularly popular among affluent segments of South African society, something that augurs well for advertising revenue. As listener numbers grow apace, the podcast advertising revenue segment is expected to be worth R302 million by 2023.

Revenues will surpass R3.0 billion in 2021

Figure 1: South Africa: Recorded and live music and podcast revenue (R millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Total revenues to rise at an 8.3% CAGR to 2023

South Africa: Recorded and live music and podcast revenue, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Physical	**728**	**562**	**463**	**280**	**192**	**128**	**84**	**53**	**32**	**19**	**-37.2%**
Digital	**214**	**279**	**350**	**425**	**514**	**614**	**704**	**781**	**838**	**867**	**11.0%**
Downloads	136	153	165	170	151	128	106	84	62	44	-21.8%
Mobile	44	59	68	48	38	30	23	17	12	8.4	-26.1%
Streaming	35	67	118	208	325	456	575	680	764	815	20.1%
Streaming subscription	5.9	27	76	171	283	411	528	630	709	756	21.7%
Streaming advertising	29	40	42	37	42	45	47	50	55	59	6.7%
Performance rights	72	110	115	195	228	254	281	309	337	365	9.8%
Synchronisation	21	31	32	16	17	18	19	19	20	20	3.3%
Total recorded music	**1 035**	**983**	**961**	**915**	**951**	**1 014**	**1 088**	**1 162**	**1 227**	**1 270**	**6.0%**
Live music ticket sales	811	865	924	1 006	1 094	1 185	1 282	1 379	1 481	1 584	7.7%
Live music sponsorship	235	253	273	300	329	359	391	426	453	482	7.9%
Total live music	**1 046**	**1 118**	**1 198**	**1 306**	**1 423**	**1 544**	**1 673**	**1 806**	**1 934**	**2 066**	**7.7%**
Podcast advertising revenue	4.7	9.4	19	38	66	98	138	181	237	302	35.5%
Total music and podcast revenue	**2 085**	**2 110**	**2 177**	**2 259**	**2 440**	**2 656**	**2 899**	**3 149**	**3 397**	**3 638**	**8.3%**
YOY growth (%)		***1.2%***	***3.2%***	***3.8%***	***8.0%***	***8.8%***	***9.1%***	***8.6%***	***7.9%***	***7.1%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This segment at a glance

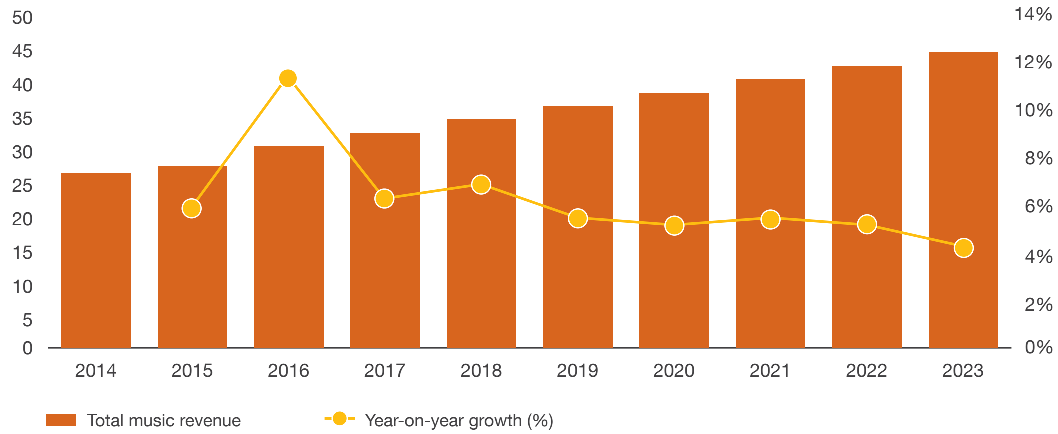
- **Music-streaming services are beginning to attract the attention of Nigerian consumers.** Digital music-streaming revenue was worth just US$3.3 million in 2018, but that total was up 83% on the previous year's US$1.8 million. Revenue is forecast to rise at a 39.6% CAGR over the next five years to reach US$17.5 million in 2023.

Recorded and live music revenue in Nigeria was worth US$34 million in 2018, up 6.9% from US$32 million in the previous year, and from US$26 million in 2014. The total music market is expected to increase at a 5.2% CAGR over the next five years and is forecast to total US$44 million in 2023.

At US$30 million, recorded music revenue accounted for more than 80% of total music revenue in 2018. Recorded music is set to grow further to be worth US$40 million in 2023, equivalent to an increase at a 5.6% CAGR over the forecast period. Mobile ringtone and ringback sales account for a large proportion of recorded music revenue, with the segment worth US$22 million in 2018. However, ringtone and ringback revenue is set to peak at US$23 million in 2019, and is forecast to fall to US$19 million in 2023 as Nigeria catches up with the global trend of abandoning that revenue stream now that numerous free and paid-for music streaming services are available and mobile Internet penetration grows.

Revenues will rise at a 5.2% CAGR

Figure 2: Nigeria: Total music revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Mobile music revenue accounts for over 60% of the Nigerian music market in 2018, but will fall to under 50% by 2023 as streaming continues to grow

Nigeria: Recorded and live music revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Physical	**7.9**	**7.1**	**6.3**	**4.0**	**2.9**	**2.2**	**1.7**	**1.3**	**1.1**	**0.9**	**-20.9%**
Digital	**13**	**15**	**19**	**23**	**26**	**28**	**30**	**33**	**35**	**36**	**7.1%**
Downloads	0.2	0.2	0.2	0.3	0.2	0.2	0.1	0.1	0.1	0.0	-
Mobile	12	14	18	21	22	23	22	21	20	19	-3.4%
Streaming	0.3	0.5	1.0	1.8	3.3	5.4	8.3	11	15	18	39.6%
Performance rights	0.5	0.7	1.1	1.3	1.4	1.6	1.7	1.9	2.1	2.2	9.5%
Synchronisation	0.6	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	14.9%
Total recorded music	**22**	**23**	**26**	**28**	**30**	**32**	**34**	**36**	**38**	**40**	**5.6%**
Live music ticket sales	3.4	3.5	3.5	3.6	3.7	3.7	3.8	3.9	3.9	4.0	1.6%
Live music sponsorship	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	3.7%
Total live music	**3.9**	**4.0**	**4.0**	**4.1**	**4.2**	**4.2**	**4.3**	**4.4**	**4.5**	**4.6**	**1.8%**
Total music revenue	**26**	**27**	**30**	**32**	**34**	**36**	**38**	**40**	**42**	**44**	**5.2%**
YOY growth (%)		***5.9%***	***11.4%***	***6.3%***	***6.9%***	***5.5%***	***5.2%***	***5.5%***	***5.2%***	***4.3%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

This segment at a glance

- **Ringtone and ringback music revenue has peaked.** As in other East African markets, Kenyan digital recorded music continues to be dominated by mobile, with ringtone and ringback sales accounting for a huge 91.4% of digital revenue. However, 2018 was the peak year for this revenue at US$17.1 million, with the total falling back to US$16.9 million in 2019. Revenue is set to total just US$13.6 million at the end of the forecast period in 2023, when it will represent 72.3% of total digital recorded music revenue.
- **Digital music-streaming subscription services are beginning to gain traction among Kenyan consumers.** Streaming revenue amounted to US$1.4 million in 2018, which was 75% up on the previous year's US$0.8 million. The streaming segment is forecast to increase at a 30.0% CAGR, with revenue totalling US$5.2 million in 2023.

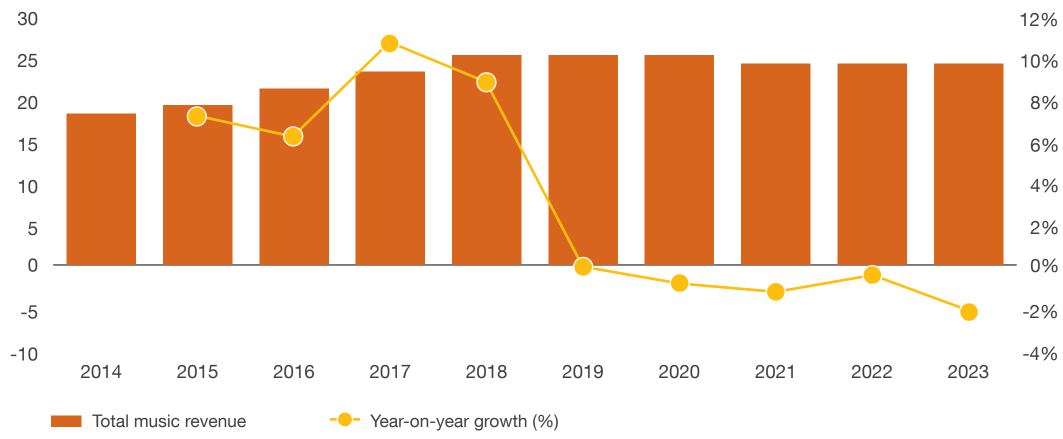
Kenya had total recorded and live music revenue of US$24.8 million in 2018, up 8.8% from US$22.8 million in the previous year, and from US$18.1 million in 2014. This music market is expected to decline at a -0.9% CAGR over the next five years and is forecast to be worth just US$23.7 million in 2023.

With a value of US$23.2 million, total recorded music revenue accounted for close to 94% of total Kenyan music revenue in 2018. However, recorded music revenue is forecast to decline at a -1.1% CAGR to be worth US$21.9 million in 2023. The contraction will be due in part to the ongoing drop in physical music sales.

Physical recorded music revenue amounted to US$8.0 million in 2014 but slipped to US$3.4 million in 2018. The segment is set to fall sharply at a -20.2% CAGR over the forecast period to be worth a mere US$1.1 million in 2023. The decline is primarily the result of a downturn in mobile music revenue, comprising ringtones and ringbacks, as streaming services gradually make their presence felt, enabled by stronger Internet penetration.

The market will decline at a -0.9% CAGR

Figure 3: Kenya: Total music revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Total music revenue will total US$24 million in 2023

Kenya: Recorded and live music revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Physical	**8.0**	**7.5**	**7.0**	**4.6**	**3.4**	**2.6**	**2.0**	**1.6**	**1.4**	**1.1**	**-20.2%**
Digital	**8.2**	**9.6**	**11**	**16**	**19**	**19**	**19**	**19**	**19**	**19**	**0.1%**
Downloads	0.2	0.2	0.2	0.3	0.2	0.2	0.1	0.1	0.1	0.0	-
Mobile	7.9	9.1	11	15	17	17	16	15	15	14	-4.5%
Streaming	0.1	0.3	0.5	0.8	1.4	2.2	3.0	3.9	4.6	5.2	30.0%
Performance rights	0.4	0.7	0.7	0.9	1.0	1.1	1.3	1.4	1.6	1.8	12.5%
Synchronisation	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	14.9%
Total recorded music	**17**	**18**	**19**	**21**	**23**	**23**	**23**	**23**	**22**	**21.9**	**-1.1%**
Live music ticket sales	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.6	1.7	1.7	2.5%
Live music sponsorship	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Total live music	**1.4**	**1.5**	**1.5**	**1.6**	**1.6**	**1.7**	**1.7**	**1.7**	**1.8**	**1.8**	**2.4%**
Total music revenue	**18**	**19**	**21**	**23**	**25**	**25**	**25**	**24**	**24**	**24**	**-0.9%**
YOY growth (%)		***7.2%***	***6.2%***	***10.7%***	***8.8%***	***0.0%***	***-0.8%***	***-1.2%***	***-0.4%***	***-2.1%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana

This segment at a glance

- **Ghana's total music revenue was worth US$6.4 million in 2018, up almost 21% from US$5.3 million in the previous year.** The music market is expected to increase at an 8.9% CAGR over the next five years and is forecast to total US$9.8 million in 2023.
- **Recorded music revenue accounted for over 95% of total music revenue in 2018.** Recorded music is set to grow further to be worth US$9.4 million in 2023, equivalent to a 9.0% CAGR over the forecast period. As in many other African markets, mobile ringtone and ringback sales account for the bulk of recorded music revenue.

Music-streaming services are beginning to attract the attention of Ghanaian consumers.

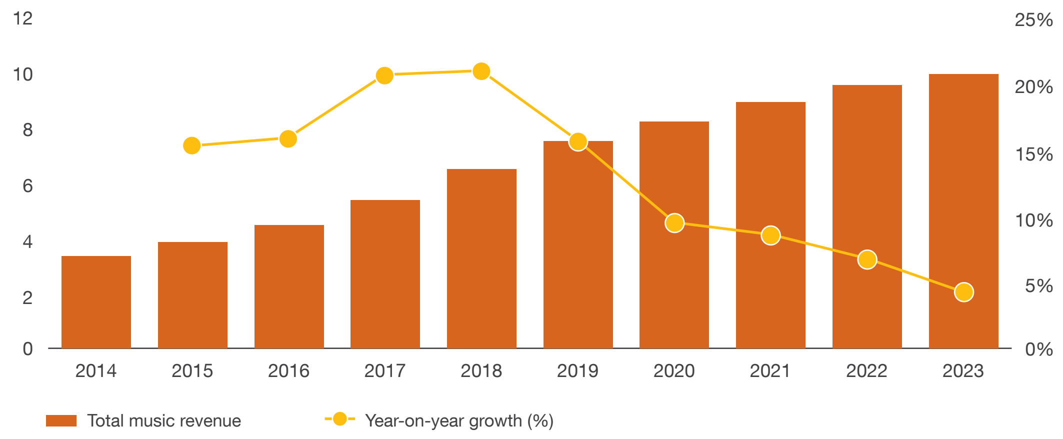
The market boasts fledgling local digital music platforms, including Aftown Experience Africa, which offers both music-streaming and downloading services. Aftown had around 50 000 subscribers in early 2019, with users paying to listen primarily to Ghanaian and African tracks across three subscription products: a service costing GHS0.20 (US$0.04) a day, one for GHS0.70 (US$0.15) a week and a monthly offering that comes in at GHS2.50 (US$0.52).

Artists working with the application are entitled to 70% of all payments made, while Aftown is entitled to the remaining 30%.

Aside from indigenous digital music platforms, Ghanaian music has a growing presence on international platforms. Ghanaian musicians have their audio and video content on digital distribution platforms such as Apple Music, Deezer, Spotify, SoundCloud, Amazon Music and YouTube.

The market will grow at an 8.9% CAGR

Figure 4: Ghana: Total music revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Total music revenue will nudge the US$10 million mark in 2023

Ghana: Recorded and live music revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Physical	**1.4**	**1.3**	**1.2**	**1.0**	**0.9**	**0.8**	**0.7**	**0.6**	**0.5**	**0.4**	**-15.0%**
Digital	1.6	2.1	2.8	3.9	5.1	6.2	7.0	7.7	8.3	8.8	11.5%
Downloads	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Mobile	1.6	2.1	2.8	3.8	4.9	6.0	6.8	7.5	8.1	8.6	11.9%
Streaming	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Performance rights	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Synchronisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	-
Total recorded music	**3.1**	**3.5**	**4.1**	**5.0**	**6.1**	**7.1**	**7.8**	**8.5**	**9.0**	**9.4**	**9.0%**
Live music ticket sales	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	5.9%
Live music sponsorship	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**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.4**	**0.4**	**5.9%**
Total music revenue	**3.3**	**3.8**	**4.4**	**5.3**	**6.4**	**7.4**	**8.1**	**8.8**	**9.4**	**9.8**	**8.9%**
YOY growth (%)		***15.2%***	***15.8%***	***20.5%***	***20.8%***	***15.6%***	***9.5%***	***8.6%***	***6.8%***	***4.3%***	

-/0.0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania

This segment at a glance

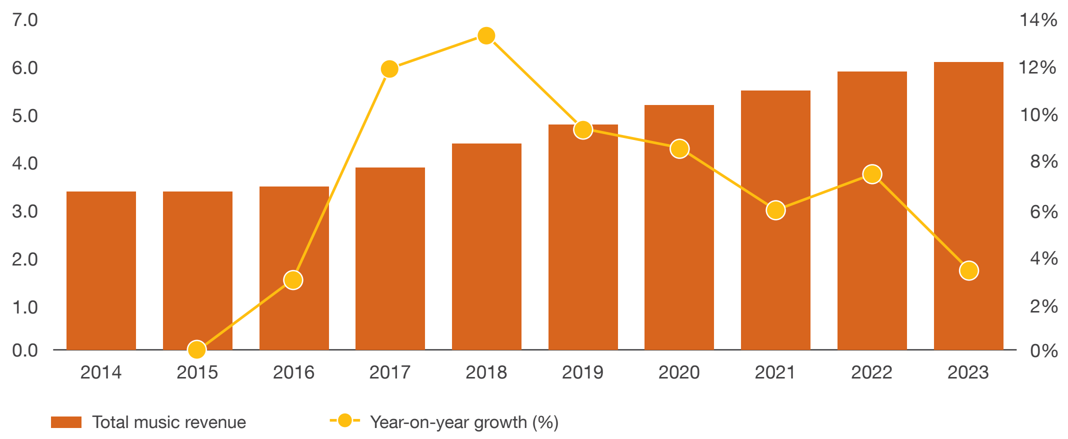
- **Tanzania's total music revenue in 2018 was US$4.3 million, up from US$3.3 million in 2014.** The music market is expected to increase at a 6.9% CAGR over the next five years and is forecast to be worth US$6.0 million in 2023.
- **The recorded music segment is dominated by mobile consumption, in large part due to the popularity of ringback tones.** Consumer appetite for such mobile formats will continue, with mobile revenues totalling US$5.0 million in 2023.

Tanzania's live music revenue totalled US$0.3 million in 2018, up from US$0.2 million in 2014.

The market has a number of popular festivals, including the Karibu Music Festival held in the coastal town of Bagamoyo. The latest edition of the three-day event, which took place in November 2018, attracted 10 000 festival-goers daily and performances covered a wide range of local and international genres. The line-up included Morocco's Africa United, Isaiah Destiny from Uganda, The Duke of New York from the US, and Tanzania's own Chikaya Buruya, Irie Sound and Moses Zamangwa.

Music revenue will total US$6.0 million in Tanzania in 2023

Figure 5: Tanzania: Total music revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Total revenues to rise at a 6.9% CAGR

Tanzania: Recorded and live music revenue, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018–23
Physical	**1.5**	**1.3**	**1.2**	**1.1**	**0.9**	**0.8**	**0.7**	**0.6**	**0.6**	**0.5**	**-11.1%**
Digital	**1.5**	**1.7**	**1.9**	**2.4**	**3.0**	**3.5**	**4.0**	**4.4**	**4.8**	**5.1**	**11.2%**
Downloads	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Mobile	1.5	1.7	1.9	2.4	2.9	3.4	3.9	4.3	4.7	5.0	11.5%
Streaming	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Performance rights	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Synchronisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Total recorded music	**3.1**	**3.1**	**3.2**	**3.6**	**4.0**	**4.4**	**4.8**	**5.1**	**5.5**	**5.7**	**7.3%**
Live music ticket sales	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.0%
Live music sponsorship	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**	**0.0%**
Total music revenue	**3.3**	**3.3**	**3.4**	**3.8**	**4.3**	**4.7**	**5.1**	**5.4**	**5.8**	**6.0**	**6.9%**
YOY growth (%)		***0.0%***	***3.0%***	***11.8%***	***13.2%***	***9.3%***	***8.5%***	***5.9%***	***7.4%***	***3.4%***	

-/0.0 = revenue less than US$50 000
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

14

Out-of-home advertising

South Africa

This sector at a glance

- **The South African OOH market is increasingly taking advantage of the growth of digital formats.** The country is now home to around 200 digital roadside billboards, a figure which increases nearly every month.
- **The process of buying OOH advertising in South Africa remains complicated, but the growth of digital out-of-home (DOOH) is opening up the prospect of a radical overhaul in the near future.** The advantages of programmatic advertising are considerable and include differential pricing based on real time audience data and dynamic selling options.
- **Regulation of outdoor advertising in South Africa largely falls to local authorities.** This can mean large variations in how different regions regulate the OOH market, and how effectively those regulations are enforced.
- **A tipping point is nearing.** The increased usage of higher-value digital billboards and move away from physical formats means that by 2023, more than 45% of revenue will derive from DOOH.

The South African out-of-home (OOH) advertising market expanded 1.8% in 2018 to a value of R2.7 billion.

The market is experiencing relatively sluggish growth although 2018's performance was an improvement on 2017's disappointing 1.1% revenue growth.

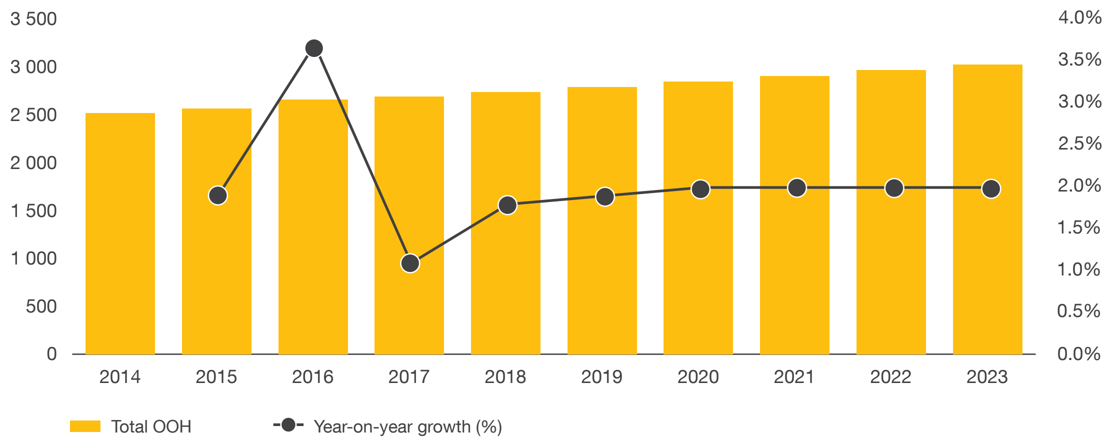
As in most markets, the ability of OOH providers to generate revenue is closely tied to the overall availability of advertising budgets and hence to the performance of the wider economy. There is little prospect of rapid growth in OOH revenue as long as the South African economy continues to experience slow growth.

That said, the OOH market has shown an ability to deliver positive growth, even though its physical component continues to decline. Positive growth is expected to continue throughout the forecast period, during which year-on-year growth will average around 2%.

This can be considered a success for OOH, particularly in light of the broader upheavals in the advertising market brought about by the rise of Internet advertising and associated changes in media consumption patterns. OOH has proven itself resilient in the face of these challenges. The medium's fundamental ability to reliably reach consumers is valued by advertisers faced with a rapidly changing media landscape.

OOH revenues will grow annually

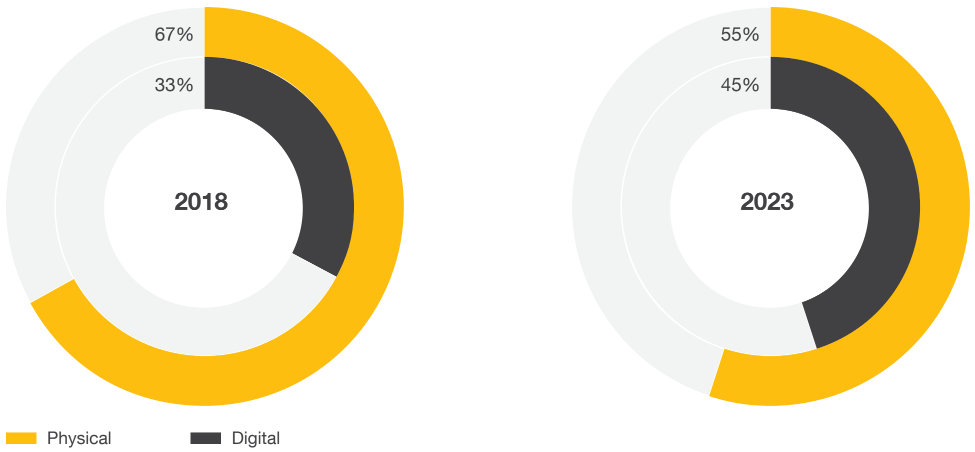
Figure 1: South Africa: Total OOH revenue (R millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

The digital tipping point nears in South Africa's OOH market

Figure 2: South Africa: Physical and digital OOH revenue share, 2018 vs 2023 (%)



Sources: Entertainment and media outlook: 2019-2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Growth in South Africa's OOH market will be driven by digital

South Africa: OOH advertising market, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR 2018–23
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	
Physical OOH	2 026	1 985	1 963	1 885	1 844	1 800	1 759	1 721	1 686	1 652	-2.2%
Digital OOH	488	576	694	801	891	987	1085	1 181	1 275	1 367	8.9%
Total OOH	**2 514**	**2 561**	**2 657**	**2 687**	**2 735**	**2 787**	**2 844**	**2 902**	**2 961**	**3 019**	**2.0%**
YOY growth (%)		***1.9%***	***3.7%***	***1.1%***	***1.8%***	***1.9%***	***2.0%***	***2.0%***	***2.0%***	***2.0%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This sector at a glance

- **DOOH will be the principal driver of revenue growth over the forecast period.** While physical OOH revenue will slow, DOOH revenue is forecast to grow at a CAGR of 20.7% to US$38 million in 2023.
- **JCDecaux's entry into the market in 2017 has had an immediate impact with the company backing some of the most sophisticated digital OOH projects in Nigeria.** The company announced plans in November 2018 to expand its real-time traffic information system via its digital displays in Lagos.
- **Inconsistency of electricity supply remains a major hindrance.** Gradual improvement of infrastructure is therefore key to the future development of the market.

Nigeria's OOH advertising market has been enjoying a period of strong growth, and in 2018 reached a value of US$118 million.

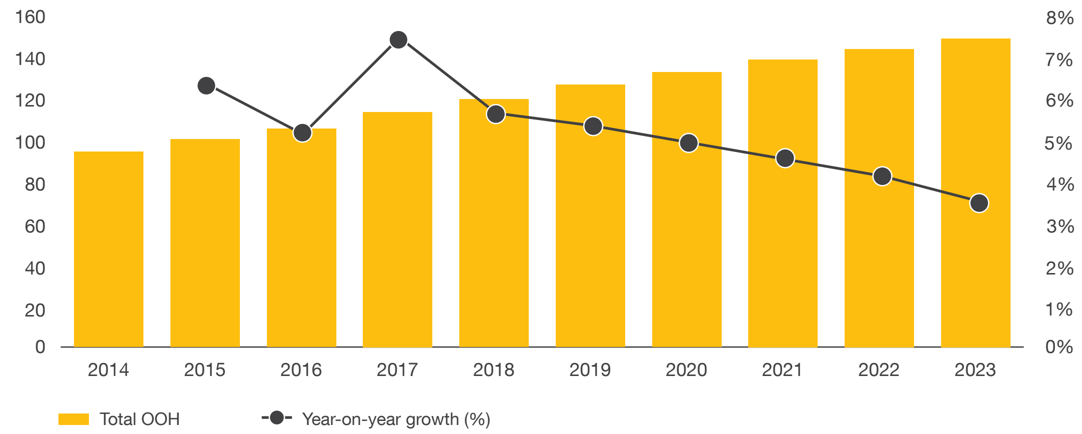
Year-on-year growth dropped in 2018, however, reflecting the impact of low global oil prices on the country's economy. In less developed markets like Nigeria, OOH is one of the most stable and reliable forms of advertising, and thus is quite sensitive to changes in the wider advertising market and economy.

Nigeria's national spend on advertising in general and OOH in particular is low compared to the size of the economy—OOH advertising revenue is much smaller than what is generated in South Africa, even though the Nigerian economy overall is slightly larger.

This is typical for an underdeveloped economy such as Nigeria's where there is a smaller middle class and less demand for discretionary goods and services, but also indicates that there is a great deal of long-term headroom in the market. This is the fundamental dynamic that will allow the Nigerian OOH market to grow at CAGR of 4.5% over the next five years despite a challenging economic climate.

Nigeria's OOH market to grow at a 4.5% CAGR

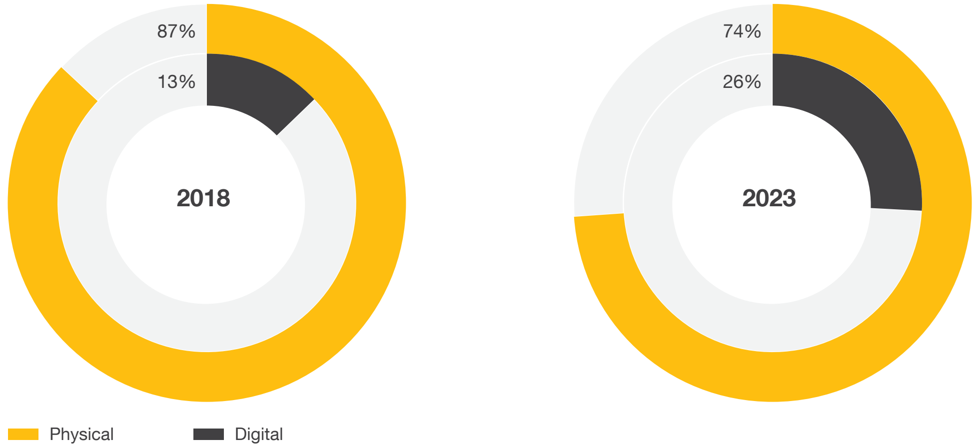
Figure 3: Nigeria: Total OOH revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Digital OOH to double its share of the market

Figure 4: Nigeria: Physical and digital OOH revenue share, 2018 vs 2023 (%)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Double-digit growth expected in digital OOH

Nigeria: OOH advertising market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Physical OOH	90	94	97	101	104	105	107	108	109	109	1.1%
Digital OOH	3.1	4.9	7.4	11	15	20	24	29	34	38	20.7%
Total OOH	**93**	**99**	**104**	**112**	**118**	**125**	**131**	**137**	**142**	**147**	**4.5%**
YOY growth (%)		***6.3%***	***5.1%***	***7.4%***	***5.6%***	***5.3%***	***4.9%***	***4.5%***	***4.1%***	***3.5%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

This sector at a glance

- **Kenya has been increasing its investments in transport infrastructure.** Roads provide attractive locations for billboards and bus and train stations offer valuable opportunities to reach urban consumers at high densities.
- **Digital billboards remain the minority in Kenya, with providers continuing to rely on traditional infrastructure.** Revenue from digital formats now accounts for around a fifth of all OOH revenue, a proportion set to rise to 32% by 2023.

Kenya's OOH advertising market is the third-largest in Africa after South Africa and Nigeria, but it nonetheless remains underdeveloped, with just US$29 million in revenue in 2018 from a population of almost 50 million.

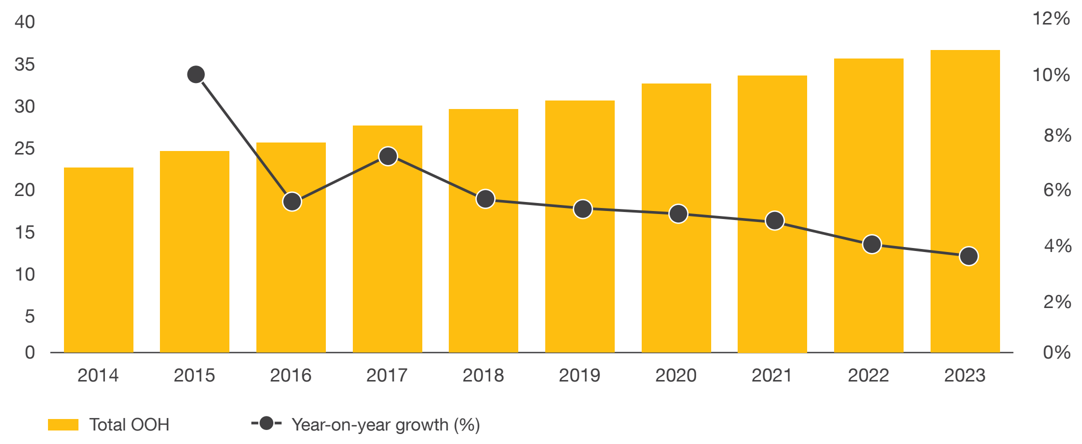
Kenya's economy at present lacks the capacity to support a large-scale OOH industry for a number of reasons.

The World Bank estimates that just 26.6% of the country's population lives in cities, meaning that close to three-quarters of the population is largely inaccessible to OOH advertisers. This is because rural areas and small towns can rarely provide either the economies of scale or the infrastructure to make OOH advertising viable in financially significant volumes. Even in cities the majority of the population lacks the disposable income to be attractive to advertisers.

But while Kenya has no realistic prospects of generating OOH revenue at the levels seen in more developed economies, the market has been expanding steadily from its current low base. OOH revenue grew by 5.5% in 2018 and will continue to increase at a healthy rate over the forecast period; total OOH revenue is expected to grow at a CAGR of 4.5% to US$36 million in 2023.

Annual growth will be driven by digital OOH

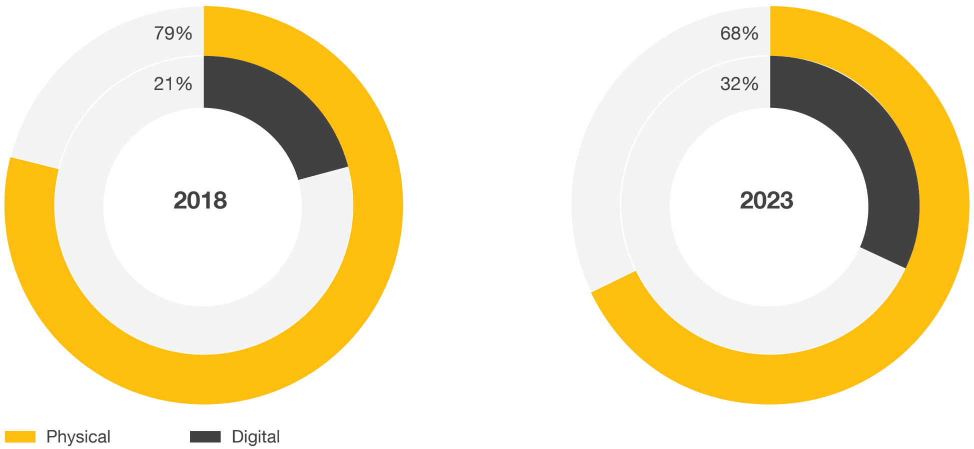
Figure 5: Kenya: Total OOH revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Physical OOH will lose market share to digital

Figure 6: Kenya: Physical and digital OOH revenue share, 2018 vs 2023 (%)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya's OOH market will total US$36 million in 2023

Kenya: OOH advertising market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Physical OOH	20	21	21	22	23	23	23	24	24	24	1.4%
Digital OOH	2.3	3.3	4.3	5.1	6.1	7.2	8.3	9.5	11	12	13.5%
Total OOH	**22**	**24**	**25**	**27**	**29**	**30**	**32**	**33**	**35**	**36**	**4.5%**
YOY growth (%)		***10.0%***	***5.4%***	***7.1%***	***5.5%***	***5.2%***	***5.0%***	***4.7%***	***3.9%***	***3.5%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana

This sector at a glance

- **The OOH industry in Ghana is largely based on billboards, as is typical in less developed markets.** Roadside sites in locations with heavy traffic are particularly prized and the capital Accra has large-scale displays on many of its primary arterial routes.
- **The development of digital OOH in Ghana is still at a fairly early stage.** DOOH revenue stood at US$5.1 million in 2018, just under a quarter of the total spend.

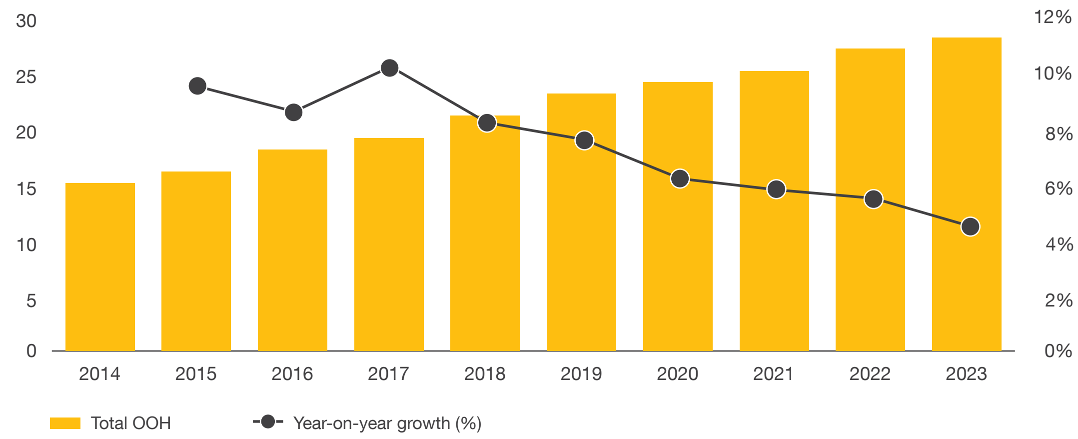
Ghana's OOH advertising market has grown strongly over the last few years thanks in large part to the strong performance of the country's economy.

While TV advertising remains by far the largest advertising medium in Ghana in terms of revenue, OOH ranks as the next most important way for advertisers to reach Ghanaian consumers with spending reaching US$21 million in 2018, an 8.2% increase on the previous year.

Ghana is one of the most urbanised economies in Africa with 55.4% of the population living in cities, according to World Bank data. This significantly increases the addressable market for OOH advertisers who are able to reach large numbers of consumers more easily than in more rural countries which present fewer opportunities for economically viable OOH displays on a large scale. It's notable, for instance, that Ghana has a larger urban population than Kenya despite having a far lower total population.

Ghana's OOH market to increase at a 5.9% CAGR

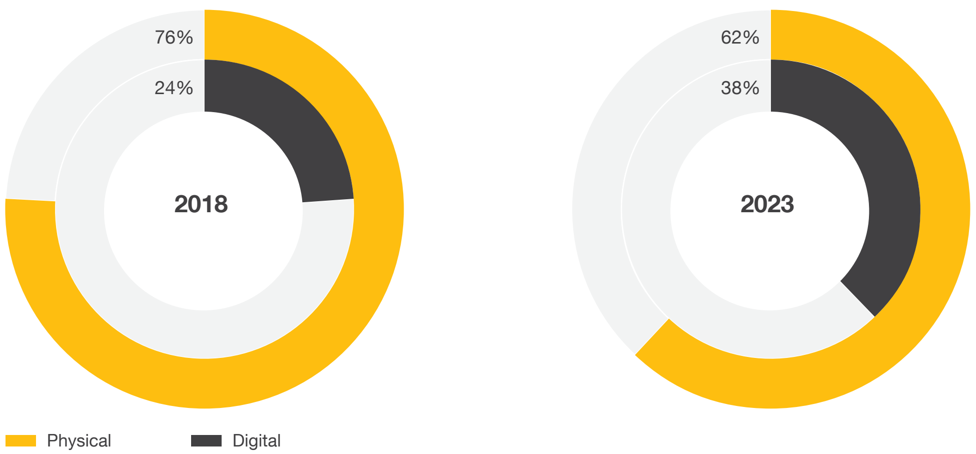
Figure 7: Ghana: Total OOH revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Physical OOH will still account for nearly two-thirds of revenue in 2023

Figure 8: Ghana: Physical and digital OOH revenue share, 2018 vs 2023 (%)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Expansion in digital OOH will drive market growth

Ghana: OOH advertising market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Physical OOH	13	14	15	15	16	16	17	17	17	17	1.8%
Digital OOH	1.6	2.2	2.9	4.0	5.1	6.3	7.4	8.5	9.6	11	15.8%
Total OOH	**15**	**16**	**18**	**19**	**21**	**23**	**24**	**25**	**27**	**28**	**5.9%**
YOY growth (%)		***9.5%***	***8.6%***	***10.2%***	***8.2%***	***7.6%***	***6.2%***	***5.8%***	***5.5%***	***4.5%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania

This segment at a glance

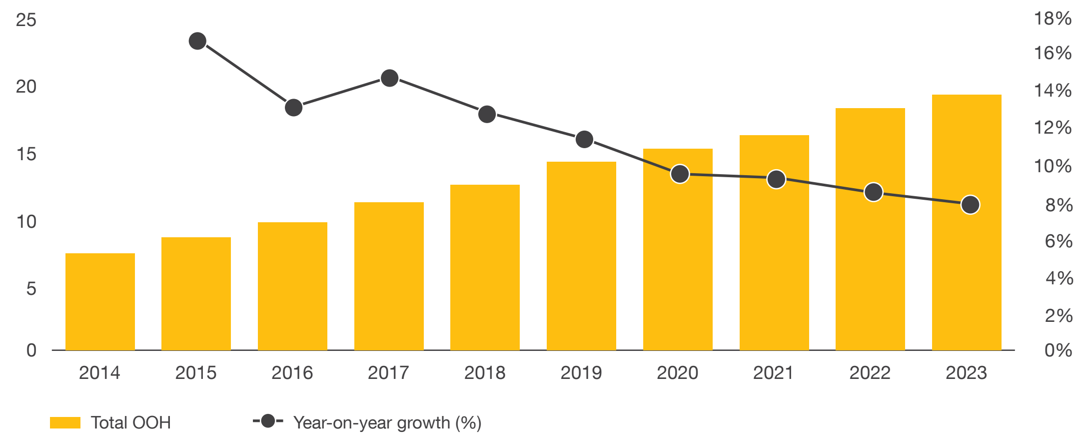
- **Tanzania is notable for very strong rates of growth in physical OOH revenue.** While in many other countries physical OOH growth has slowed (or in many cases even gone into decline), in Tanzania physical OOH revenue rose by 8.9% in 2018.
- **The high cost of installing and maintaining digital ad displays is a significant barrier in a market such as Tanzania with relatively little capital available for investment.** However, high growth rates in digital OOH revenue are anticipated over the forecast period, with a CAGR of 15.3% expected to 2023.

Tanzania's OOH advertising market is modestly-sized but is one of the fastest-growing in the world.

Total OOH advertising revenue in Tanzania for 2018 stood at US$12 million, up from US$11 million the year before, an increase of 12.8%. OOH advertising is well-placed to take advantage of the growth of the Tanzanian middle class and consequent greater availability of discretionary spending for advertisers to target. By 2023, the market is forecast to have grown by 56.1% from its 2018 level to a value of US$19 million.

Strong growth expected in the Tanzanian OOH market

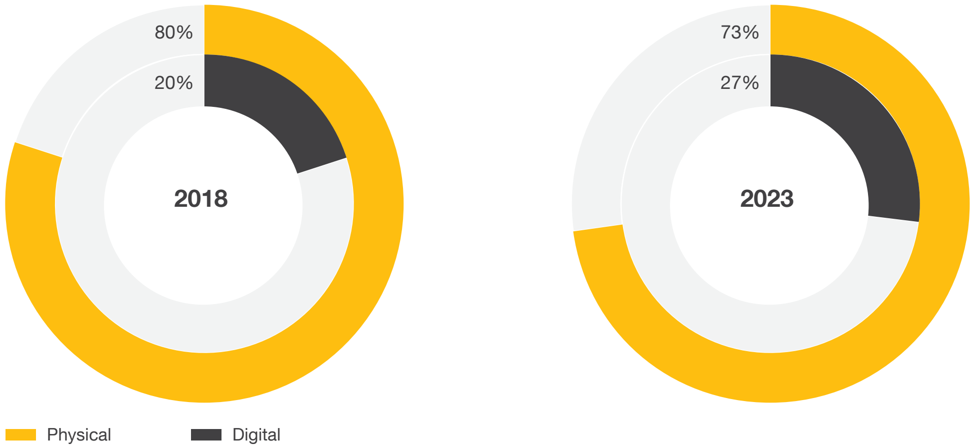
Figure 9: Tanzania: Total OOH revenue (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Physical OOH will remain the dominant revenue stream

Figure 10: Tanzania: Physical and digital OOH revenue share, 2018 vs 2023 (%)



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Both physical and digital sub-segments to rise steadily to 2023

Tanzania: OOH advertising market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Physical OOH	6.5	7.4	8.1	9.0	9.8	11	11	12	13	14	7.5%
Digital OOH	0.7	1.0	1.4	1.9	2.5	3.1	3.6	4.1	4.6	5.1	15.3%
Total OOH	**7.2**	**8.4**	**9.5**	**11**	**12**	**14**	**15**	**16**	**18**	**19**	**9.3%**
YOY growth (%)		***16.7%***	***13.1%***	***14.7%***	***12.8%***	***11.4%***	***9.5%***	***9.3%***	***8.5%***	***7.9%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

15 Radio

South Africa

This sector at a glance

- **Listeners are highly engaged with radio, with 47% tuning in for more than 20 hours in a given week.** There is no part of the country in which listeners tune in for less than three hours a day, although this has reduced from the highs of previous years.
- **Music is the most popular form of radio content.** Other popular programming includes news and phone-in style shows, which often see increases in listenership during election campaigns.
- **Increasing financial pressures have raised concerns about the future of the South African Broadcasting Corporation (SABC).** In late 2018, the SABC announced to the South African Government that it would need R3.2 billion in funding to continue operating.
- **Innovation will remain key to capitalising on growing advertising trends.** There is a continuing trend within radio advertisers towards lessening reliance on 30-second spots in favour of integrated campaigns which can be combined with on-air promotions, stations' digital platforms, events and activations.
- **In April 2019, the Independent Communications Authority of South Africa (ICASA) announced the results of its inquiry into digital radio services in the country.** South Africa is undergoing digital radio trials across areas spanning Pretoria, Johannesburg and Cape Town, with licences valid until late 2019. However, crucial policy direction from government has been slow in the making and as a result, adoption of DAB+ (Digital Audio Broadcasting) and other technologies is still a long way off.

South Africa's radio market, comprising entirely advertising revenue, was worth R4.4 billion in 2018, up 2.8% on the previous year.

The radio market, depending as it does on advertiser support, is likely to continue to enjoy a healthy share of spend due to its large and loyal listener base.

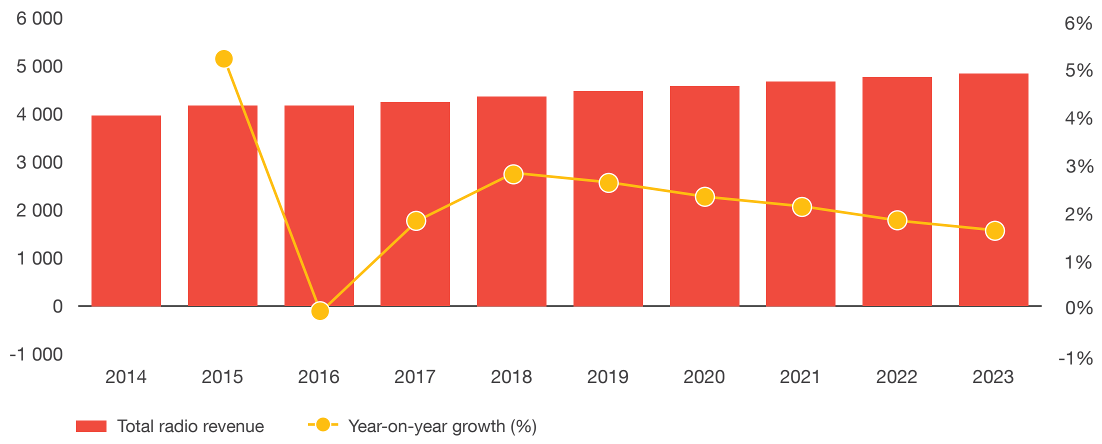
However, its growth fortunes are linked to the macroeconomic growth of the economy, and to advertiser and consumer sentiment. Currently both are at a low ebb, meaning that strong growth will be difficult to accomplish. All being well, over the next five years, total radio revenue has the potential to edge towards the R5.0 billion mark, totalling R4.8 billion in 2023.

Radio is a widely accessible entertainment format in the country, with live radio boasting a weekly reach of 91%, according to the Broadcast Research Council of South Africa (BRC) RAM™ May 2019 release.

Not only is it easily accessed, but it is also free, meaning communities across the economic and geographical divide can enjoy the same content. The same cannot be said for other forms of audio entertainment like music streaming platforms, which require subscription packages and data that are costly to consumers with low disposable income.

South Africa's radio market to rise at a 2.1% CAGR

Figure 1: South Africa: Radio market (R millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Total revenue to reach R4.8 billion in 2023

South Africa: Radio market, 2014–2023 (R millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Radio advertising revenue	3972	4177	4172	4248	4368	4482	4587	4681	4768	4844	2.1%
Total radio revenue	**3972**	**4177**	**4172**	**4248**	**4368**	**4482**	**4587**	**4681**	**4768**	**4844**	**2.1%**
YOY growth (%)		***5.2%***	***-0.1%***	***1.8%***	***2.8%***	***2.6%***	***2.3%***	***2.1%***	***1.8%***	***1.6%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Nigeria

This sector at a glance

- **Nigeria's radio market is expanding rapidly.** In late 2018, the National Broadcasting Commission (NBC) revealed that it had been granted permission to issue 147 new FM radio licences.
- **Advertising is closely linked with the performance of the wider economy.** Nominal GDP is expected to grow annually to 2023, at a 13.1% CAGR.

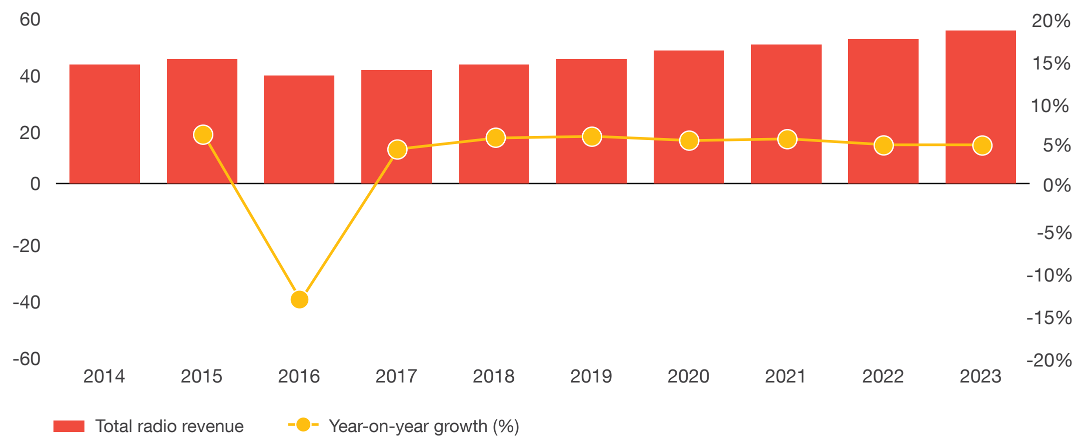
Total radio revenue in Nigeria increased by 5.5% in 2018 to total US$42 million.

Advertising is the only contributor to the market, which will grow at a 5.1% CAGR to reach US$54 million in 2023.

Nigeria's radio market is expanding rapidly and in late 2018 the National Broadcasting Commission (NBC) revealed that it had been granted permission to issue 147 new FM radio licences. Additionally, a further 24 community broadcasters and 16 campus radio stations were approved.

Nigeria's radio market to increase at a 5.1% CAGR

Figure 2: Nigeria: Radio market (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Advertising drives steady annual growth

Nigeria: Radio market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Radio advertising revenue	42	44	38	40	42	44	47	49	51	54	5.1%
Total radio revenue	**42**	**44**	**38**	**40**	**42**	**44**	**47**	**49**	**51**	**54**	**5.1%**
YOY growth (%)		***6.0%***	***-13.6%***	***4.2%***	***5.5%***	***5.7%***	***5.2%***	***5.4%***	***4.7%***	***4.7%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Kenya

This sector at a glance

- **There have been several new stations launched in 2019, including Vibez FM and Smooth FM, highlighting the buoyancy of the market.** Kiswahili-speaking stations are the most popular across all age groups.
- **In June 2019 government proposed new rules to restrict the advertisement of gambling on TV and radio.** In addition to limiting times during which gambling advertisements could be aired, the new regulations would require gambling brands to dedicate a minimum of 10% of their advertising air time to responsible gaming messages.

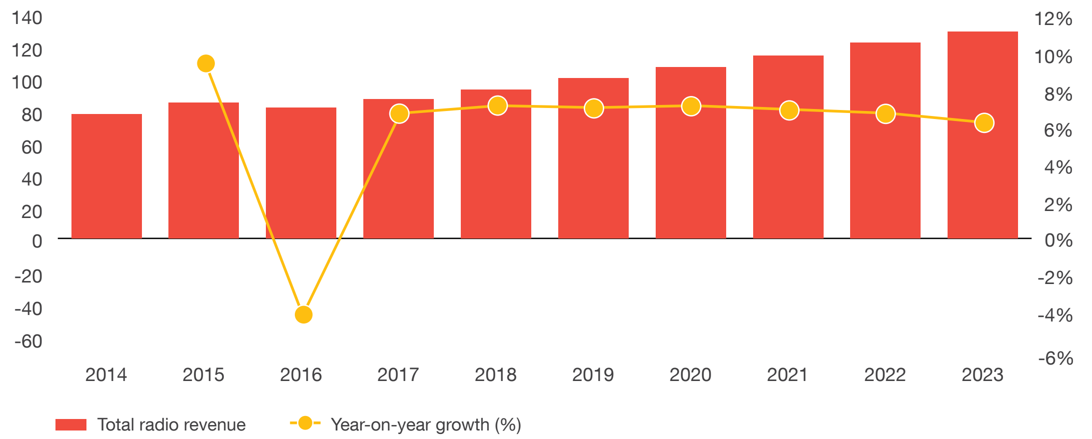
The Kenyan radio market saw strong growth of 7.1% in 2018, as revenues grew to US$92 million.

Kenya's market, which is supported entirely by advertisers, is more than double the size of Nigeria's, despite Nigeria being a larger and more highly populated country. Over the next five years, revenue will rise at a solid 6.8% CAGR, bringing the total market value to US$128 million in 2023.

Radio is a highly popular entertainment medium in Kenya and according to data from Trends and Insights for Africa (TIFA), Nairobi alone boasts 29 radio stations. The market is fragmented, with a host of stations taking very small shares of weekly listenership.

Solid growth predicted to 2023

Figure 3: Kenya: Radio market (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Revenue will surpass the US$100 million mark in 2020

Kenya: Radio market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Radio advertising revenue	77	84	81	86	92	99	106	113	121	128	6.8%
Total radio revenue	**77**	**84**	**81**	**86**	**92**	**99**	**106**	**113**	**121**	**128**	**6.8%**
YOY growth (%)		***9.4%***	***-4.0%***	***6.7%***	***7.1%***	***7.0%***	***7.1%***	***6.9%***	***6.7%***	***6.2%***	

Note: 2014–2018 figures have been updated to reflect most recently available financial information.
Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Ghana

This sector at a glance

- **The Multimedia Group secured the sought-after rights to the TOTAL African Cup of Nations in 2019.** Exclusive, live content, of this kind is particularly valuable as it provides opportunities for stations to charge higher rates to advertisers.
- **Regulation may be a factor in the market in the future.** In early 2019, the Ghana Non-Communicable Disease Alliance lobbied the government to reduce the hours during which adverts promoting alcohol are permitted on the radio.

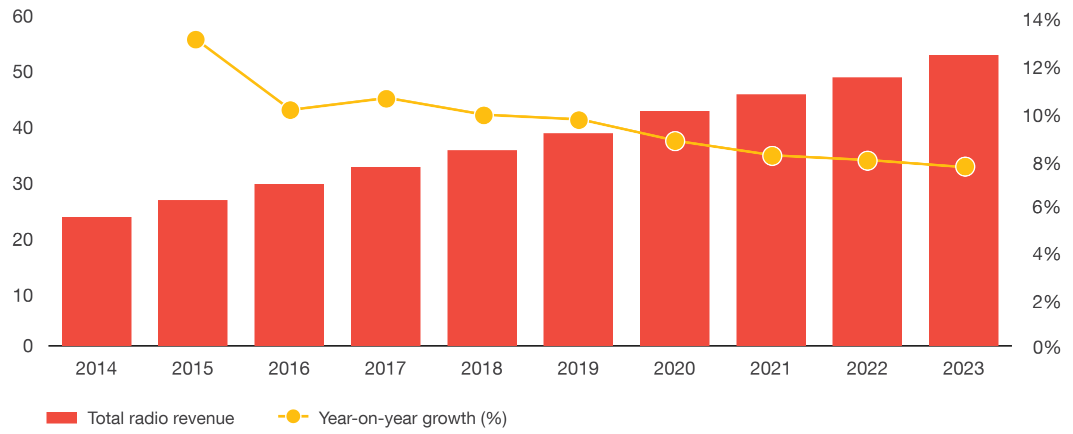
The Ghanaian radio market saw rapid growth of 9.7% in 2018, with total revenues rising to US$35 million.

Advertising is the sole component of the Ghanaian market and will support growth of an 8.3% CAGR to 2023, when revenues will total US$52 million.

According to a report by the National Communications Authority in the fourth quarter of 2018, Ghana was home to 487 authorised radio stations across the country. However, only around 398 of these are currently operational.

Healthy market growth will be driven by advertising

Figure 4: Ghana: Radio market (US$ millions) and year-on-year growth (%), 2014–2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Radio revenue to reach US$52 million in 2023

Ghana: Radio market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Radio advertising revenue	23	26	29	32	35	38	42	45	48	52	8.3%
Total radio revenue	**23**	**26**	**29**	**32**	**35**	**38**	**42**	**45**	**48**	**52**	**8.3%**
YOY growth (%)		***12.9%***	***9.9%***	***10.4%***	***9.7%***	***9.5%***	***8.6%***	***8.0%***	***7.8%***	***7.5%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Tanzania

This sector at a glance

- **Community stations look to charities and NGOs for funding.** These organisations can pay for ad slots on community stations, financing the station while sending out positive messages to listeners.
- **Most stations in the country are ad-supported, including those operated by the state-funded Tanzania Broadcasting Corporation (TBC).** Radio advertising revenue will increase at a 5.5% CAGR to 2023.

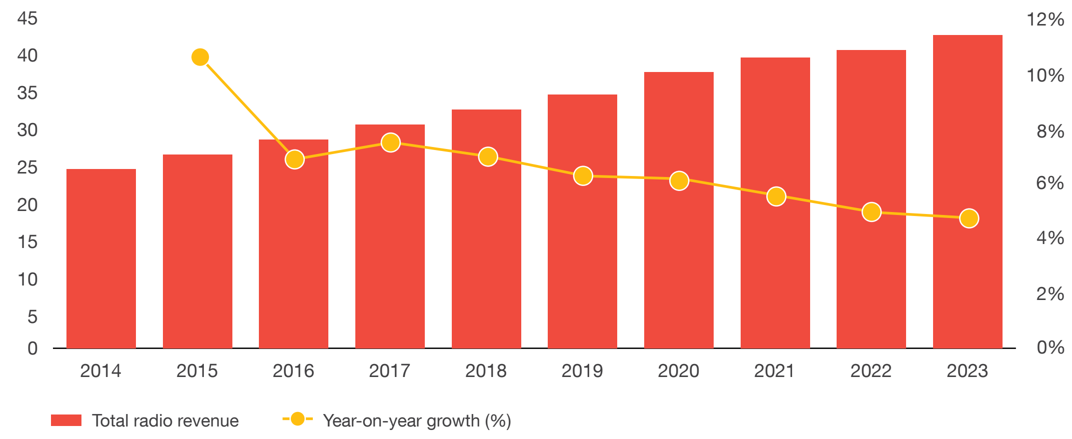
The Tanzanian radio market is the smallest of those covered in this report, with revenues of US$32 million in 2018.

Radio revenue is wholly derived from advertising revenue, which will increase at a 5.5% CAGR to 2023, when the market will total US$42 million.

Community radio is a key sector of the Tanzanian market, broadcasting to regions which can be isolated from other radio frequencies and mainstream media outlets. Stations of this kind often focus on niche issues, relevant to small villages or districts, such as water supply and infrastructure, and offer advice on topics like farming.

Total radio revenue to increase at a 5.5% CAGR

Figure 5: Tanzania: Radio market (US$ millions) and year-on-year growth (%), 2014 –2023



Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

Total radio revenue to reach US$42 million in 2023

Tanzania: Radio market, 2014–2023 (US$ millions)

	Historical data					Forecast data					CAGR %
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2018–23**
Radio advertising revenue	24	26	28	30	32	34	37	39	40	42	5.5%
Total radio revenue	**24**	**26**	**28**	**30**	**32**	**34**	**37**	**39**	**40**	**42**	**5.5%**
YOY growth (%)		***10.5%***	***6.8%***	***7.4%***	***6.9%***	***6.2%***	***6.1%***	***5.5%***	***4.9%***	***4.7%***	

Sources: Entertainment and media outlook: 2019–2023, An African perspective, PwC, Ovum, www.pwc.co.za/outlook

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