

# Internet may boost SA entertainment and media market

By [Thabiso Mochiko](#)

20 Sep 2013

SA's entertainment and media market is expected to grow at a compound annual growth rate of 10.9% in the next five years as a result of increased Internet access.



According to an entertainment and media outlook report released by consultancy PwC on Thursday (19 September), increased Internet access will be a significant reason for major growth in the domestic entertainment and media industry, reflecting expanded broadband devices and more use of smart devices.

The report finds that the country's media and entertainment market is expected to generate overall annual revenues of R175bn by 2017.

The Internet has widened access to entertainment and media products and services, and created opportunities for companies. Amid growing penetration of mobile phones - including smart devices - connected consumers are driving companies to become more innovation and agile.

Vicki Myburgh, entertainment and media industries leader for PwC Southern Africa, said in SA, as in other markets worldwide, consumers' access to entertainment and media content and experiences was being democratised by the expansion of web access and growth in smart devices.

## Non-digital media continues to dominate

"Even though traditional, non-digital media will continue to dominate overall entertainment and media spending in SA over the next five years, much of the growth will come from digital," she said.

The slowest-growing segment in the entertainment and media sector will be consumer and educational books with a 0.4% compound annual growth the next five years. Myburgh said that in South Africa books carried 14% value-added tax (VAT), unlike in many other countries, which could help explain low growth in that segment.

"Comparatively low literacy levels in the country (although they are rising) and the fact that books don't cater for multiple languages in SA continue to act as a barrier to growth in this segment," she added.

The addition of VAT means retail prices of books remain too high for most South Africans. "Magazines and newspapers sell at a much lower cost and are therefore more likely to be read by South Africans than books," said Myburgh.

"The music segment will also continue to struggle, with sales dropping quickly but not yet being replaced by digital sales, despite the emergence of a number of new digital music services," Myburgh said.

Myburgh said live music revenues were growing strongly. Overall music revenues are expected to increase marginally from R2.15bn in 2012 to R2.20bn in 2017.

For more, visit: <https://www.bizcommunity.com>