

PRESS RELEASE

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Digital TV penetration accelerates in Sub-Saharan Africa

About 35.3% of TV homes (14.0 million) in Sub-Saharan Africa took digital signals by end-2012, according to a new report from Digital TV Research. The **Digital TV Sub-Saharan Africa** report forecasts that digital TV penetration will rocket to 95.5% by 2018 – with household numbers quadrupling to 49.0 million. Full digital transition will have been completed in Kenya, Tanzania, Uganda and Zambia by end-2015.

Report author Simon Murray said: “Even we have been surprised by the pace of change and progress in the region’s television market in the year since the last edition of this report. These are exciting times for Sub-Saharan Africa.”

Two-thirds of the region’s TV households still received analog terrestrial signals by end-2012, though this proportion will drop to 4.5% in 2018. Two-thirds of television homes will take DTT (pay and free-to-air combined) in 2018, up from only 11.7% at end-2012. Sub-Saharan Africa will have 33.8 million DTT homes by 2018 – 25.7 million FTA and 8.0 million pay – up from 4.6 million in total at end-2012.

The most prominent DTT players are China-based StarTimes (active in 10 countries with about 1.5 million Sub-Saharan Africa subs) and Multichoice’s GOtv (operational in five countries).

South Africa’s Multichoice also owns DStv, its long-established pay DTH platform that controls valuable exclusive rights deals (such as live English Premier League soccer). Greater competition (especially from cheaper DTT players) led to DStv lowering prices to some of its packages. However, the launch of sister service GOtv gives Multichoice the ability to target all demographics in the pay TV market.

France's CanalSat/Canal Plus Afrique is the other major regional pay DTH player, although it does not compete too much with DStv as they separately target countries with their respective languages.

However, DStv faces more direct rivalry in East Africa from Kenya-based Wananchi Group. Wananchi is targeting the 15 million TV households that it forecasts for East Africa by 2015. With cable operations established in Kenya, Wananchi launched its Zuku DTH platform in 10 East African countries in July 2011.

Only a small proportion of African homes can afford premium DTH packages. There were 7.36 million pay DTH subscribers by end-2012, with the total expected to rise to 11.27 million in 2018. Excluding South Africa, the number of pay DTH households will double between 2012 and 2018 to 6 million.

Of the 9.26 million pay TV subscribers at end-2012, 79% were for pay DTH. The pay total will double to 20.39 million by 2018. Pay TV penetration of television households will grow from 23.3% in 2012 to 39.8% in 2018.

Sub-Saharan pay TV revenues will reach \$4.62 billion in 2018, up from \$2.88 billion in 2012. DTH accounted for nearly all of the 2012 total, though pay DTT will make inroads (contributing \$744 million in 2018).

South Africa will remain the dominant pay TV revenue generator. However, its share of the total will fall from 61% in 2012 to 47% in 2018. Excluding South Africa, pay TV revenues will rocket from \$1.12 billion in 2012 to \$2.46 billion in 2018.

This 136-page report gives top-line forecasts for 42 countries as well as detailed forecasts for nine territories. Furthermore there are regional summaries from 2008 to 2018 by platform, by household penetration, by pay TV subscribers and by pay TV revenues.

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