



Challenges and Opportunities for media in East Africa.

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East Africa

- ▶ By East Africa, we are looking at Kenya , Uganda , Tanzania Rwanda and Burundi.
- ▶ Together ,it's a region having approx. 150 million people and are brought together by the East Africa community...A body formed along similar lines to the EEU and offering broadly a free trade area.
- ▶ Greater East Africa would draw in Ethiopia (80 million people) and Democratic republic of Congo and South Sudan.
- ▶ English is the official language across the patch except Burundi (French).The most spoken language however is Kiswahililargely understood by most people in the region.
- ▶ +Literacy levels have improved in the last couple of years and would be 60% plus.

East Africa

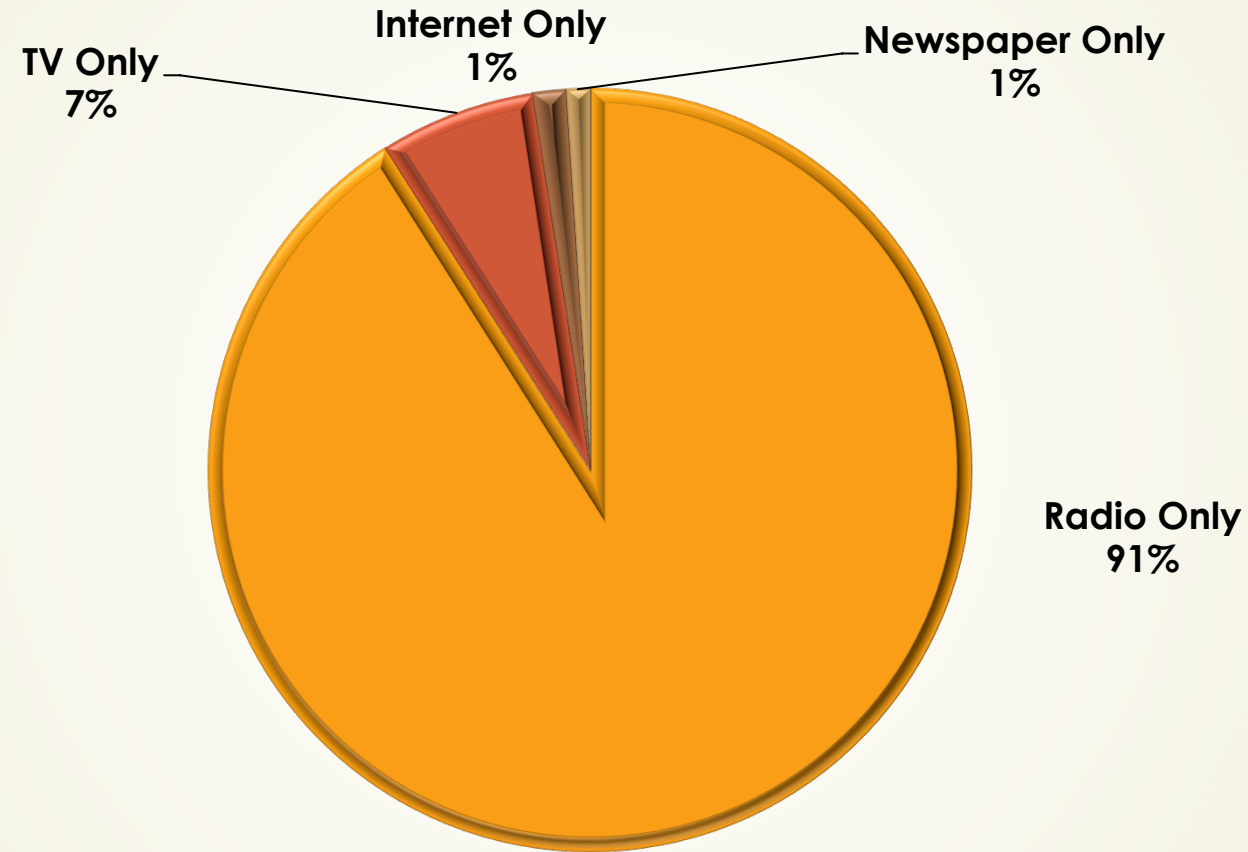
- ▶ Only 20 years ago, the dominant media in each of the Eastern Africa countries was the state radio and television.
- ▶ Other than bbc radio and in some cases German and USA public stations, there was virtually nothing else.
- ▶ 20 years later, the state broadcaster isn't in the top 5 for Tv , radio or Print
- ▶ More importantly, in each category, there are dozens of players .e.g over 100 radio stations in each of the countries.
- ▶ The media with the highest reach remains radio but Television is probably the fastest growing.

Frequency of Media Consumption

	Yesterday	Past 7 days	Past 4 Weeks	Past 3 months	More than 3 months	Never
Radio	61%	15%	5%	3%	11%	4%
Television	17%	7%	15%	12%	29%	16%
Internet	10%	3%	2%	1%	7%	71%
Newspaper	8%	9%	5%	4%	21%	45%
Magazine	1%	2%	2%	2%	19%	66%

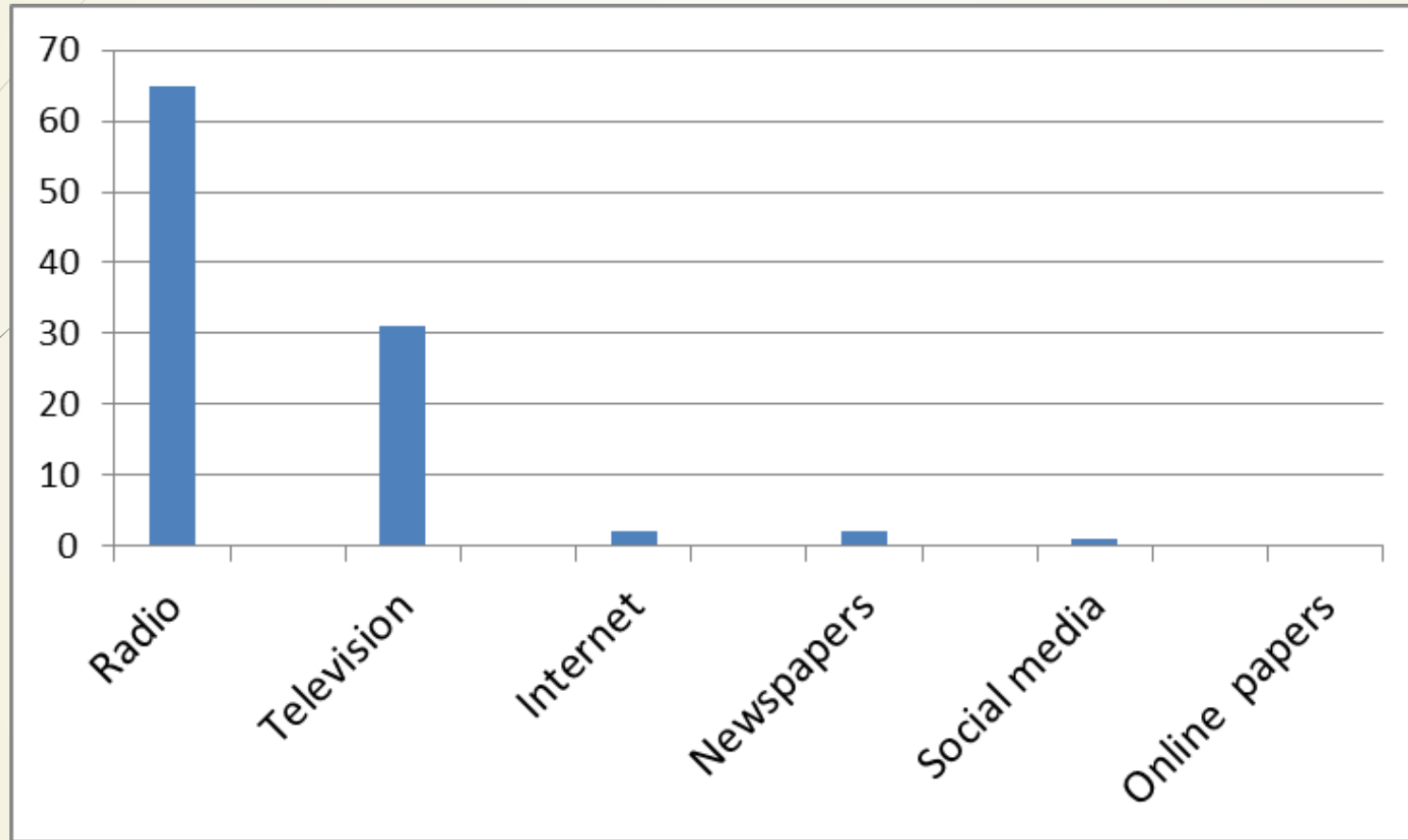
24,981,000 Kenyans 12+

Media: Daily Share



11, 807,000 Consume At least One Media Platform Daily

Preferred Source of News



24,981,000 Kenyans 12+



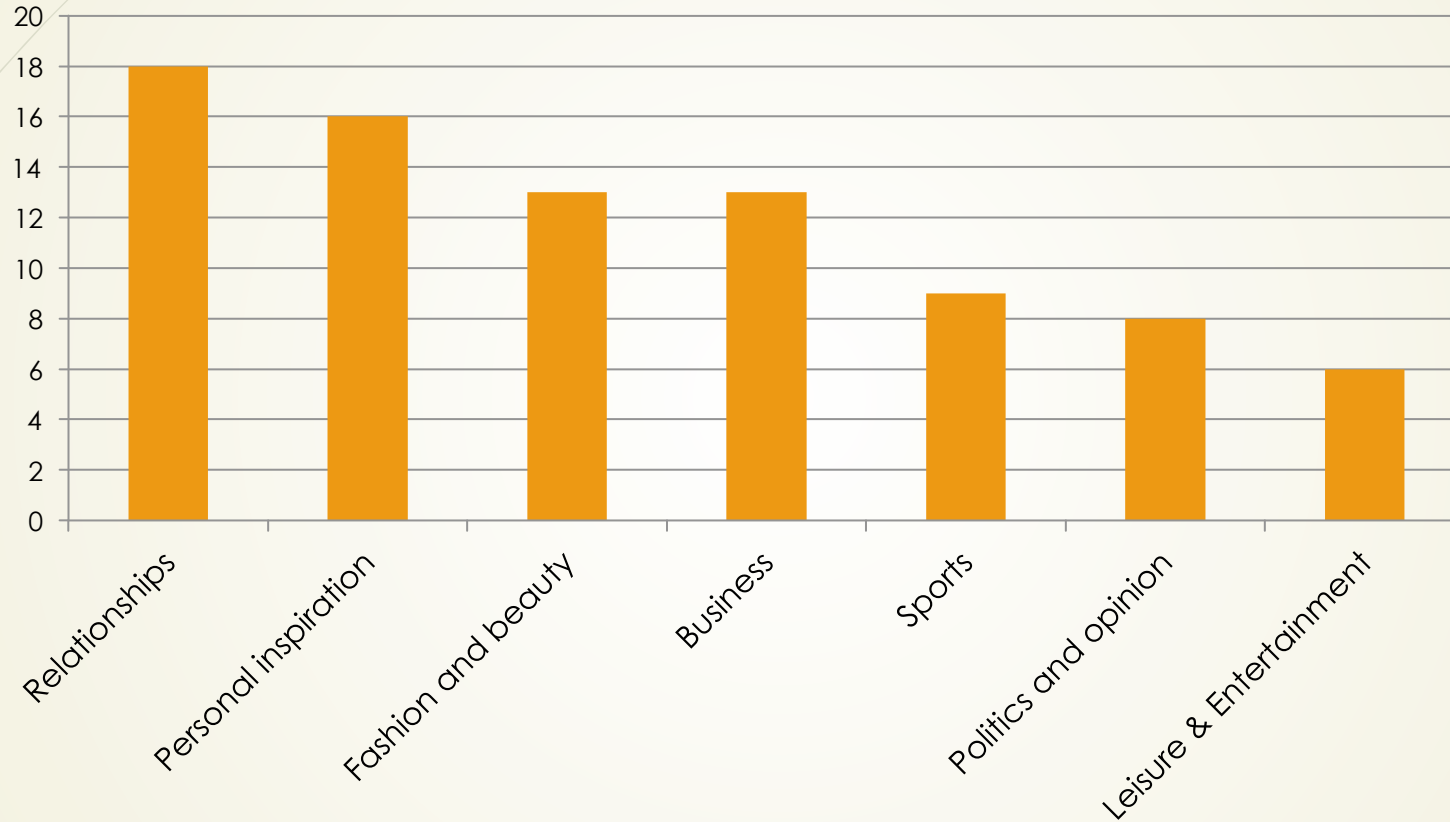
Activities On Internet

Total Past 4 Weeks Internet Users	3,843,000
Used social media	72%
Searched for information online	39%
Communicated via email	26%
Used chat rooms or instant messaging service	25%
Make phone calls	17%
Listened to music online	11%
Downloaded music onto a computer	11%

Activities On The Internet

Total Past 4 Weeks Internet Users	3,843,000
Watched television or videos online	7%
Searched for a job	6%
Played games online	5%
None of these	5%
Taken part in an online education course	5%
Listened to radio online	4%
Banked online	4%

Magazines Preferred Content

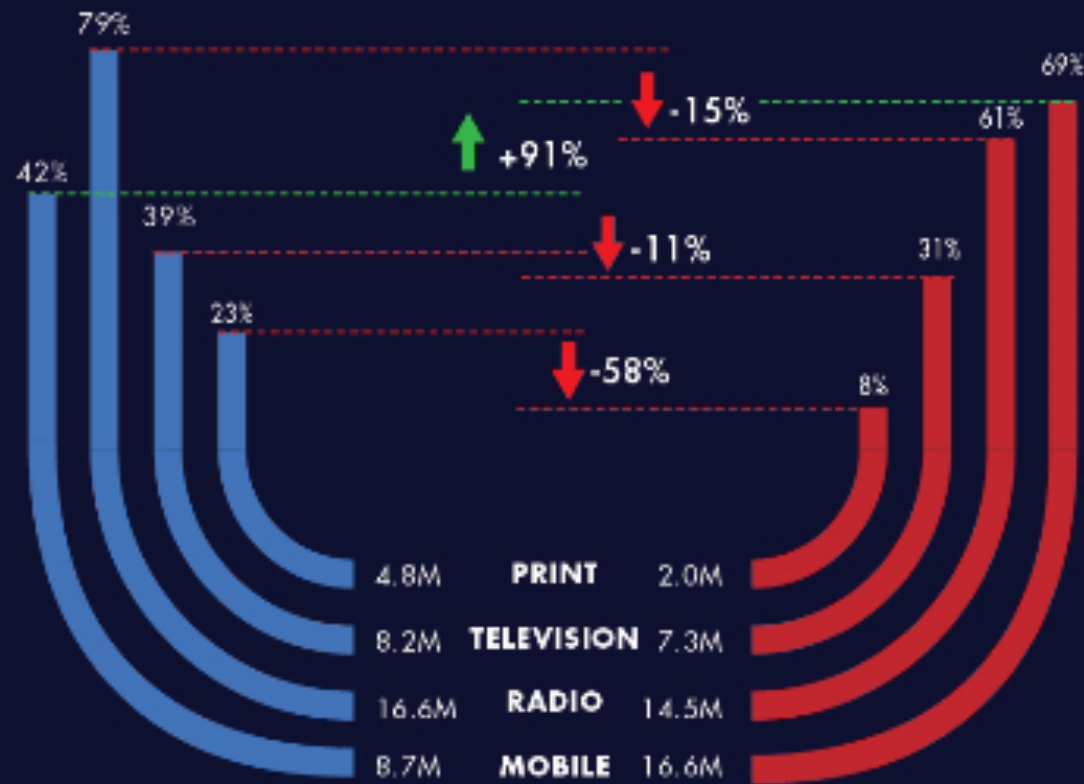


1,740,000 Have read a magazine in the Last 3 Months

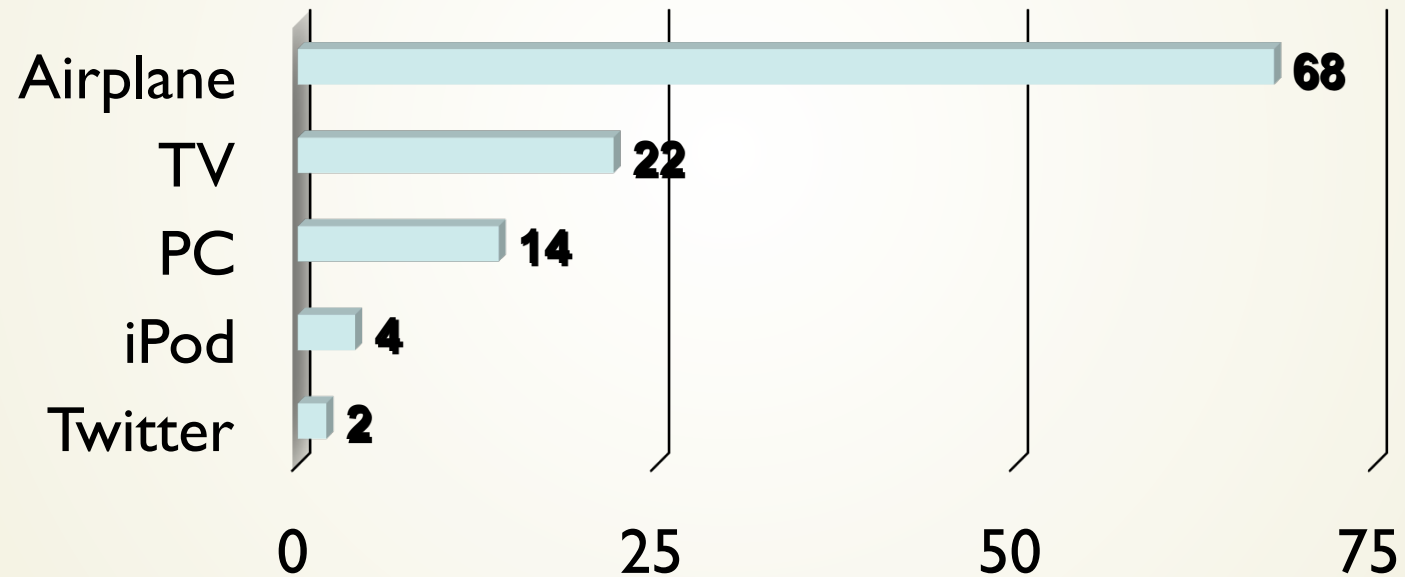
DAILY REACH

2007

2015



Years To 50 Million Users



Median ages:

Europe 41

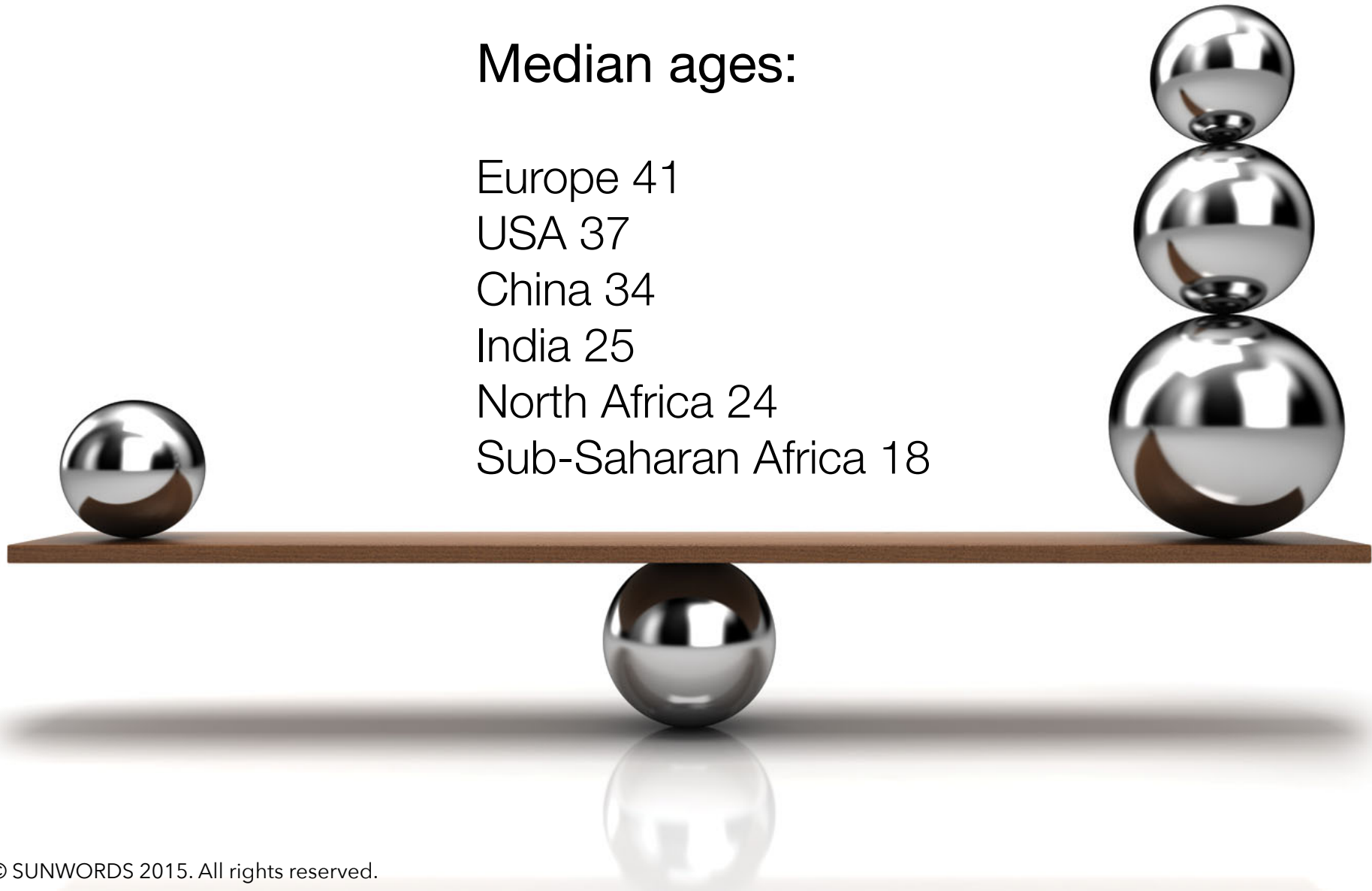
USA 37

China 34

India 25

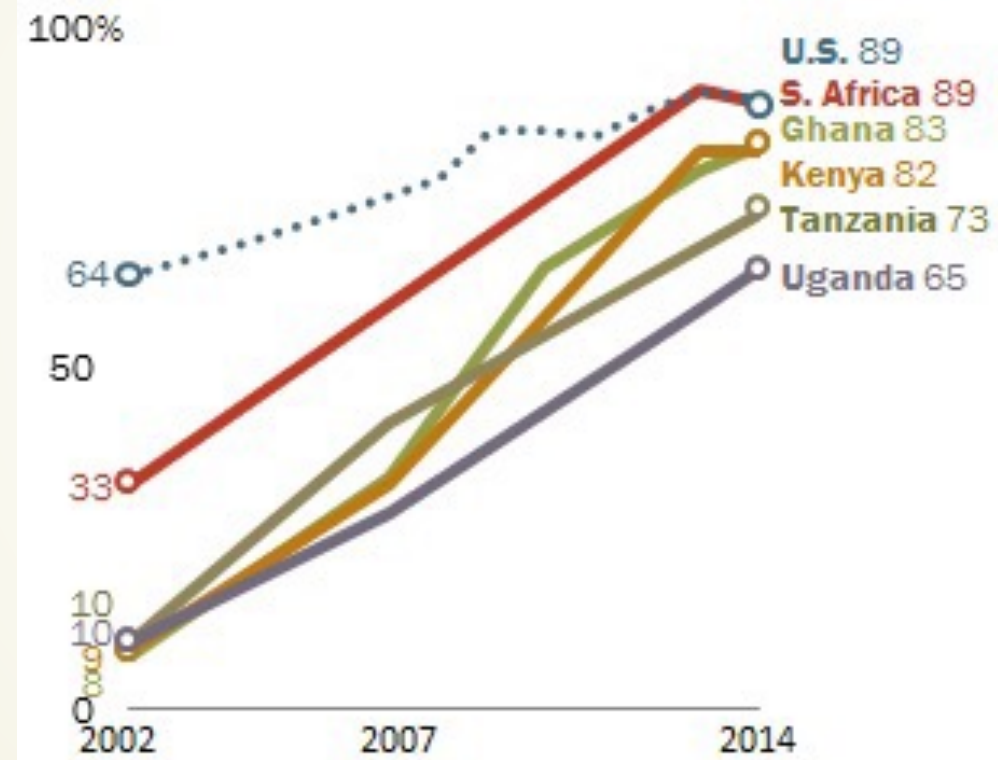
North Africa 24

Sub-Saharan Africa 18



Cell Phone Ownership Surges in Africa

Adults who own a cell phone





KENYA

has

35 million

mobile subscribers

86%

internet penetration

6.5 million

Facebook & Twitter users



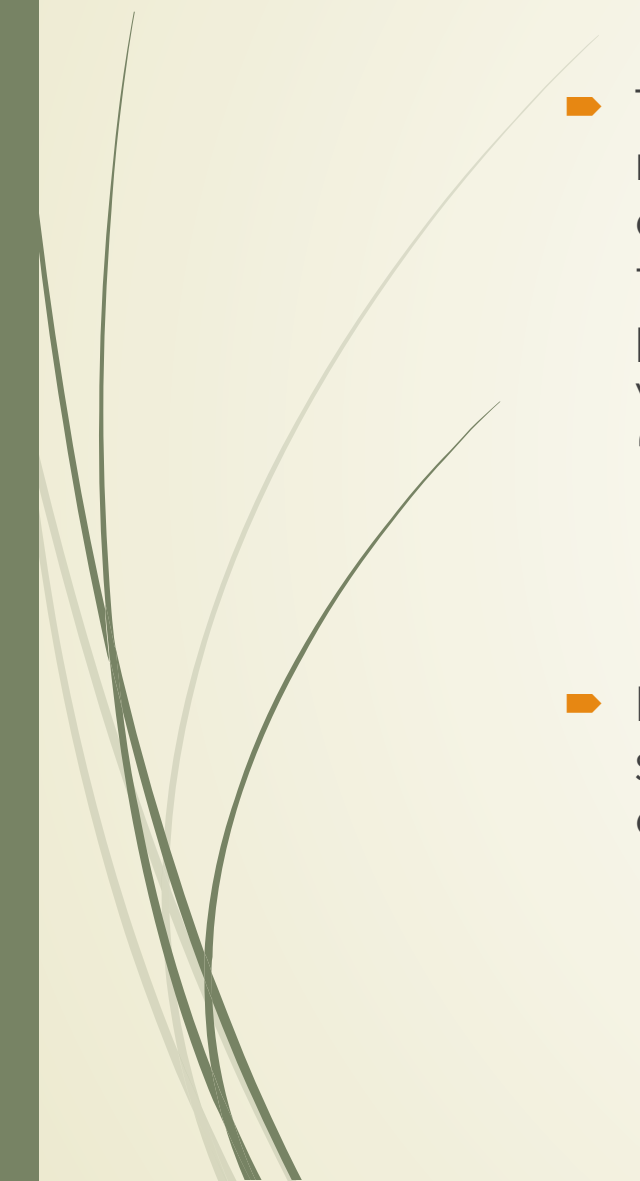
Some Challenges

The radio challenge...Radio in East Africa offers both a challenge and an opportunity. The opportunity is that it's the medium with the highest reach of over 90%.The challenge though is that its local and with the many dialects spoken across the land, one would have to produce communication in many different 'Languages' to have impact. From a social cultural perspective, radio offers the biggest threat to nationhood by its often unregulated sectarian interest that it often serves.

- ▶ This radio challenge also arises because the radio journalist by and large are the least trained and a good voice is often a ticket to stardom.

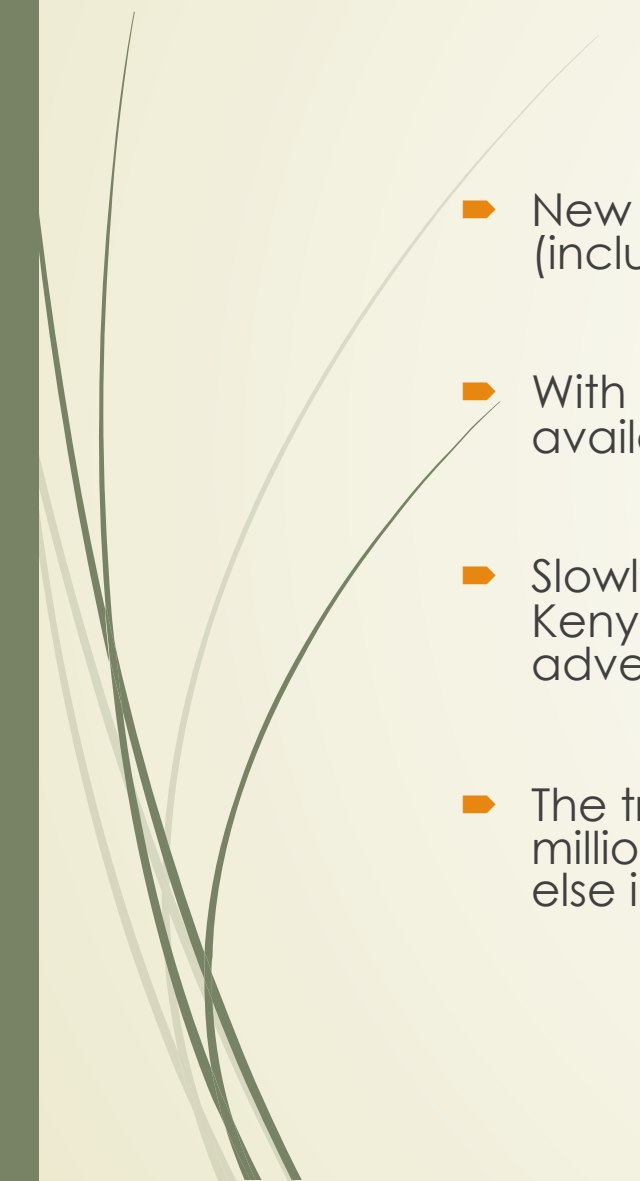


Regulatory Landscape

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- ▶ This is at different stages in the different countries. Kenya is probably the most advanced with the regulator not interfering with the normal operations of a business. However, in Uganda ,Tanzania and Rwanda , there has been cases where licenses are withdrawn by the regulator for pretty flimsy reasons .Nation media group's East African was banned for a year when the regulator discovered after 20 years that it was not "registered"
 - ▶ However media that steers clear of contentious issues particularly surrounding the head of state would be generally free across all the countries.

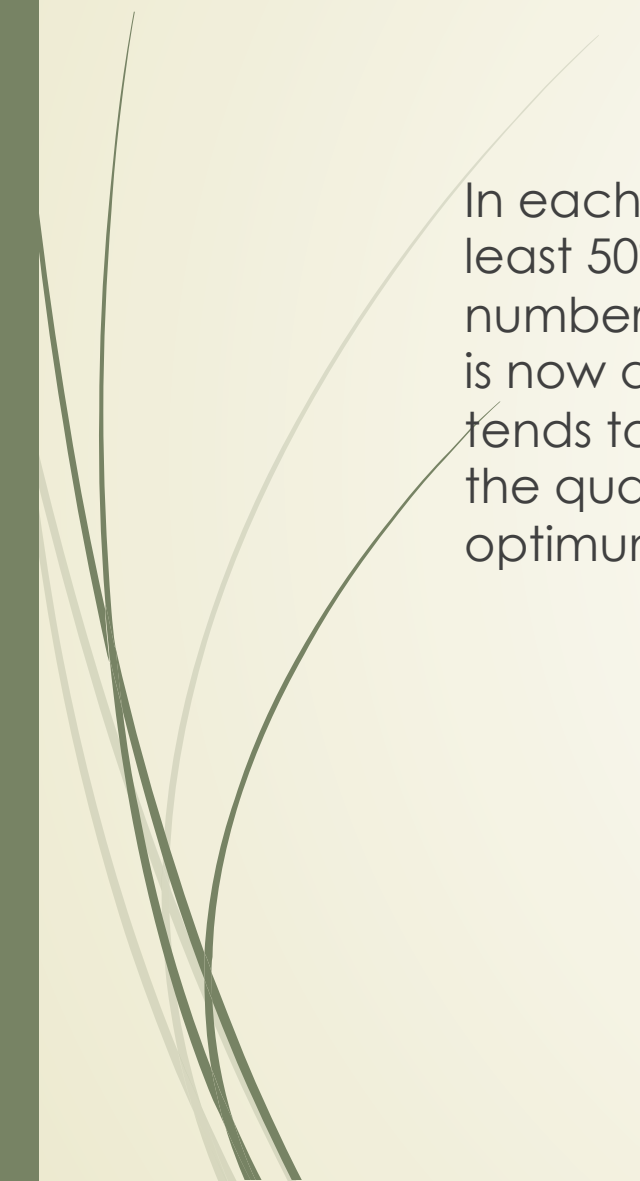


The new media /Print challenge

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- ▶ New media has been embraced by East Africans with internet penetration (including on mobile phones) going above 30%.
 - ▶ With new media, both information and entertainment are now quite freely available.
 - ▶ Slowly and surely, the first casualties are going to be print. The government of Kenya has from 2016, directed that all its ADS for tenders ,a multi million shillings advertising business go exclusively to its tenders portal
 - ▶ The traditional media has embraced this and Nation for instance has over 50 million hits per month on its portalbut how to make money, like everywhere else in the world remains a key challenge.



The challenge of fragmentation




In each of the 5 countries, there are over 100 licensed radio stations with at least 50% actively operating. With the recent digital migration for TV , the number of television stations is already on the up and licensed in each country is now above 50 with over half operating .While its good because competition tends to bring down the costs for the consumer ,it also runs the risk of reducing the quality. In the long run however, the market forces will settle to the optimum number.



Opportunity for consolidation

- ▶ With proliferation of media on both TV and Radio , there is huge opportunity for consolidation as one builds new media on the back of that.




Opportunity to create Pan African media

- ▶ Where is the CNN of Africa ? Is it needed ? You only need to see the amount of advertising that goes into CNN itself on Pan African brands...




The opportunity of Partnerships

- ▶ There is lots of funds available from the local people for investments.
 - ▶ Most companies that have issued IPO have always been heavily oversubscribed meaning there is lots of cash looking for a good home.
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The challenge of bandwidth

- ▶ Band width particularly in the rural areas is a challenge but the good news is that its getting better every day . Finally there is competition amongst local companies to the last mile.
 - ▶ This will shortly drive costs down and make internet even more affordable.
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In Conclusion.....

- ▶ The challenges in East Africa pale in comparison to the opportunity
 - ▶ East Africa is the next frontier on account of a young population ,a rapidly growing middle class and an increasingly stable political environment.
 - ▶ The Governments are really keen on improving the doing business index in their countries.
 - ▶ While Somalia poses a challenge to the region, the war on terror is really global and at least that should not be a reason not to investwhich region in the world is safe ?
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