Communications

The vision of the Department of Communications (DoC) of building a South Africa in which all South Africans have access to information and communications technology (ICT) skills is essential to the goal of building a prosperous nation.

In May 2013, a combined new institution, bringing together the Institute for Satellite and Software applications, the former eSkills Institute and the National Electronic Media Institute of South Africa (Nemisa) as one body was launched.

Over the short to medium term, the Single Integrated Entity for e-Skills will focus on the development of the National e-Skills Plan and will implement a range of e-skills initiatives aimed at increasing the e-skills capacity across government, business, education, civil society and organised labour.

The department is fully focused on consolidating the transformation of the ICT sector, while extending ICT services to all South Africans.

The National ICT Forum will be launched in early 2014.

It is estimated that the ICT industry in South Africa contributes close to 7% to the national gross domestic product (GDP).

The department's mandate is to create a favourable ICT environment, ensuring that South Africa has the capacity to advance its socio-economic development goals and support development in Africa.

This mandate puts the department at the forefront of government initiatives to bridge the digital divide and provide universal access to ICTs for all South Africans.

South Africa's ICT industry is ranked 20th in the world, accounting for 0,5% of worldwide ICT revenue.

The department has prioritised three flagship programmes that are at the core of building a digital information and knowledge society.

These include accelerating the building of a modern digital infrastructure, as well as policy reforms that will position the country for an advanced knowledge economy in 2030.

These programmes entail:
• developing a national integrated ICT policy
• rolling out a national broadband network
• implementing the digital broadcasting migration policy.

The DoC held a workshop during the last week of October 2013 and presented the draft Spectrum Policy for more input from industry.

The department also held its first National Preparatory Working Group meeting in September 2013, in anticipation of the World Radio Conference (WRC) to be held in November 2015.

The working group's main task is to advise government on how it should approach the agenda items, which could have far-reaching implications for the future of telecommunications.

Legislation

The legislative framework for the work of the DoC is contained mainly in the:
• Broadcasting Act, 1999 (Act 4 of 1999)
• Electronic Communications and Transactions Act, 2002 (Act 25 of 2002)
• Electronic Communications Act, 2005 (Act 36 of 2005)
• Independent Communications Authority of South Africa (Icasa) Act, 2000 (Act 13 of 2000)
• Sentech Act, 1996 (Act 63 of 1996)
• Postal Services Act, 1998 (Act 124 of 1998)
• South African Post Office (Sapo) Ltd. Act, 2011 (Act 22 of 2011)
• South African Postbank Limited Act, 2010 (Act 9 of 2010).

The department is also guided by the:
• Constitution of the Republic of South Africa, 1996
• Public Service Act, 1994 (Act 103 of 1994), as amended
• Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), as amended.

In the course of 2013, the department introduced four legislative amendments, namely the Icasa Amendment Bill, which deals with the definition of broadband, empowers Icasa to enforce compliance, and monitor radio frequency spectrum resources, and postal regulation; the Electronic Communications Amendment Bill, which seeks to enhance competition and private investment in the sector and ensure that there is effective regulation where market failure is apparent; the Sapo Amendment Bill; and the The Postbank Bill, to align it to the Banks Act.

The Protection of Personal Information Act, 2013 (Act 4 of 2013) (Popi) was signed into law in November 2013. It comes at a time when marketing has just started with customer profiling, behavioural advertising, big data and multiple marketing channels.

Funding and expenditure

In 2013, the department transferred 76% of its budget to state-owned companies (SOCs) in its portfolio.

Additional funding of R283 million was made available to Sentech in 2013/14, R171 million of which was for the roll-out of digital terrestrial television (DTT) infrastructure in time for the commercial launch of digital terrestrial television, R106 million.

For dual illumination and R6 million for ICT infrastructure for the 2014 Orange African Nations Championship.

The SABC's spending focus over the medium term was on rebuilding the corporation's financial position, adopting good governance and realigning the organisation's operating model with the requirements of digital broadcasting.

The latter explains why operational expenditure related to digital terrestrial television is projected to increase to R2,4 billion by 2015/16.

Other public entities' and agencies' budget allocations for 2013/14 were:
• Icasa – R390,7 million
• Nemisa – R 35,8 million
• The Universal Service and Access Agency of South Africa (Usaasa) – R60,1 million
• The Universal Service and Access Fund (Usaf) – R285 million.

Policy and strategies

The department's Strategic Plan prioritises the ICT Policy Review, broadband and digital migration.

In line with the National Development Plan (NDP), the department will overhaul existing policies. It planned to deliver the *White Paper on ICT Policy* in 2014. In April 2013, the department launched the ICT Policy Framing Paper.

In 2013, the department made progress with the Broadband Policy, Strategy and Plan, which were submitted to Cabinet by December 2013.

The policy and its associated strategy and plan have been collectively dubbed, "South Africa Connect".

They outline a number of activities to improve broadband in South Africa such as:
• giving every South African access to a broadband connection at a cost of 2,5% or less of the average monthly income
• revising how it defines the speed of broadband, opting to use targets that are reviewed annually rather than a fixed speed
• supplementing these targets by specifying quality of service standards, download and upload speeds, latency, waiting time for installation and fault clearance.

The initial target is to offer 90% of South Africans a minimum speed of five megabits per second (Mbps) by 2020. However, 50% of the population should also have access to 100Mbps broadband by 2020, according to these targets.

In October 2013, government joined the country's media industry in commemorating Media Freedom Day, which resulted in legislative guarantees of press freedom and editorial independence. The media industry has played a crucial role in transforming South Africa into a democratic State, and is currently at the forefront in shaping the public discourse.

Role players
The South African Post Office

Sapo was established as a government business enterprise to provide postal and related services to the public.

It was granted an exclusive mandate to conduct postal services in the country by the Postal Services Act of 1998.

This Act provides for the regulation of postal services and the operational functions of the postal company, including universal service obligations and the financial services activities of Postbank.

In the 12 months to March 2013, the Sapo opened 50 new post offices.

Most of these are in rural areas such as Kayedwa in Bushbuckridge in Mpumalanga, Nywarha in Idutywa in the Eastern Cape, Emoyeni in Dannhauser in KwaZulu-Natal, Spoegsrivier in Kammiesberg in the Northern Cape, Vahlavi in the Greater Giyani region in Limpopo and Ruitersbos in Mossel Bay in the Western Cape.

These new postal branches have been complemented by rolling out mobile branches to ensure that many more South Africans have access to these essential services.

Post offices have become important service-delivery centres, offering South Africans a convenient place to accept and deliver cash-on-delivery items, which is a very important service in rural communities where some people shop from catalogues.

In addition, more than a million South Africans walk through the doors of post offices near where they live to access their social grants.

Post offices also offer services that include enabling South Africans to renew their vehicle registration, and pay their municipal accounts and television licences.

In 2012/13 the Sapo allocated 1,2 million addresses, mainly to those in rural areas.

The Sapo licensed a digital mail offering, RiposteTrEx, from Escher Group in December 2013.

Through the platform, the Sapo will be able to provide e-registered mail services to the country's more than 51 million citizens, delivered directly to digital devices.

The platform's services allow for e-registered mail to be sent parallel to physical registered mail ("hybrid" mail), as well as for digital transactions and payments to take place.

RiposteTrEx will allow South African users including, citizens, government, business and SMEs to send e-registered and confidential mail to secure digital mailboxes, or as registered hybrid letters.

South African Broadcasting Corporation

The SABC is listed as a schedule 2 public entity ,in terms of the PFMA of 1999. Its mandate is set out in its charter and in the Broadcasting Act of 1999, which requires it to provide radio and television broadcasting services to South Africa.

The corporation's strategic goals over the medium term are to:
· ensure access of its services to all citizens throughout the country
· inform, educate, entertain and provide services in all official languages
· reflect both the unity and diverse cultural and multilingual nature of South Africa, and all of its cultures and regions, to audiences
· provide programming for children, women, youth and people with disabilities, and broadcast national, developmental and minority sports
· develop talent and showcase South African content
· provide independent news of a high standard
· ensure the financial sustainability of the corporation through the cost-effective use of budgets and resources
· implement the digital content strategy
· conclude the government guarantee deliverable
· complete the digital migration and multichannel offering.

Revenue is generated mainly from television licences, advertising and sponsorships, and allocations from the department.

Revenue was expected to increase to R7,2 billion over the medium term, due to an increase in advertising revenue, in line with the new multichannel environment created by the expected roll-out of DTT.

Over the past four years, the SABC has installed 104 low-power transmitters, reaching 1,5 million more people.

Of these transmitters, 18 were rolled out in the 2012/13 financial year. By May 2013, the SABC reached 94% of South Africans.

Sentech

Sentech Limited is a state-owned enterprise, established in terms of the Sentech Act of 1996 and is listed as a schedule 3B public entity in terms of the PFMA of 1999. Its mandate is to provide broadcasting signal distribution for broadcasting licensees.

The entity's strategic goals over the medium term were to:
· align its strategic roadmap with shareholder programmes to enable the development of open access government participation in the

communications industry through infrastructure-based investment
- continue working to support and realise government's ICT vision and goals, including innovation in broadcasting and media services, and content management and distribution
- create solutions that enhance the customer experience and are in line with government's mandate of access to communication services for all citizens
- repackage social responsibility interventions and create community social investment ICT programmes that improve lives, create value and are sustainable.

Sentech derives commercial revenue from terrestrial television services, terrestrial FM and AM radio services, satellite linking, facility rentals and the sale of satellite decoders.

The entity also receives transfers from the department for DTT and to provide for the dual illumination period.

The spending focus over the medium term was on investing in capital assets to expand the network to new sites in areas that were previously not covered and preparing for the launch of the commercial DTT.

National Electronic Media Institute of South Africa

Nemisa is a non-profit institute of education formed as part of a government initiative in 1998, in response to the *White Paper on Broadcasting Policy*. The institute's main purpose is to train previously disadvantaged individuals, particularly women, to equip them with the necessary skills to play significant roles in the constantly; changing broadcasting environment.

The institute offers hands-on training in electronic media, namely national certificates in Radio Production L5; 2D and 3D Animation L5 and Further Education and Training (FET) Level 4 in Film and Television Production and Design Foundation.

The Media Information and Communication Technologies Sector and Training Authority Seta accredit all courses.

By October 2013, Nemisa produced 13 documentaries, each 48 minutes long, as part of the National Digital Repository Project in partnership with the then DoC.

Nemisa alumni constituted 60% of the crew, thereby contributing to industry development and job creation.

Universal Service and Access Agency of South Africa

Usaasa's sole mandate is to promote universal service and access to electronic communica-tions services, electronic communications network services and broadcasting services.

The agency is responsible for managing the Usaf.

The Usaf receives contributions from licensed telecommunications providers and broadcasters, which are used to fulfil universal access obligations in underserviced areas.

The agency plays a key role in facilitating the achievement of 100% ICT penetration by 2020.

Over the medium term, Usaf expects to deploy 600 cyberlabs to under serviced areas by 2014/15.

.za Domain Name Authority (ZADNA)

The ZADNA celebrated 10 years since its establishment in 2003. A legal framework to support the establishment of the ZA Central Registry – which is intended to uplift the operational standards in .ZA – is being finalised.

The ZA Central Registry, through ZADNA's guidance and the African Union (AU) Commission, has made significant progress in its application for the right to establish and operate an Africa Internet namespace for the benefit of Africa.

ZADNA has also ensured that Cape Town, Durban and Johannesburg are not left behind in the Internet revolution, which will bring about new website addresses such as *hotels. capetown, tourism.durban and business.johannesburg*.

Independent Communications Authority of South Africa

Icasa is the regulator for the South African communications, broadcasting and postal services sector. Its mandate is spelt out in the Electronic Communications Act of 2005, for the licensing and regulation of electronic communications and broadcasting services, and in the Postal Services Act of 1998, for the regulation of the postal sector.

Enabling legislation also empowers Icasa to monitor licensees' compliance with licence terms and conditions, develop regulations for the three sectors, plan and manage the radio frequency spectrum, and protect consumers of these services.

Icasa's functions include:
- licensing broadcasters, signal distributors and providers of telecommunications and postal services
- making regulations
- imposing licence conditions
- planning, assigning, controlling, enforcing and managing the frequency spectrum
- ensuring international and regional cooperation

- ensuring the efficient allocation of numbers
- ensuring interoperability of networks
- receiving and resolving complaints.

In June 2013, Icasa released details of its Cost to Communicate Programme, which seeks to review regulations that affect the cost of communications in South Africa, such as the call termination regulations and the local loop unbundling framework.

The goals of the programme are to:
- stimulate public debate about the cost to communicate in South Africa
- establish regulatory needs to address concerns regarding the cost to communicate in South Africa
- stimulate and enhance competition in the telecommunications sector.

The programme started on 14 June 2013 with a request for information, and was followed by a series of consultations, which led to the release of draft regulations for public comment in December 2013.

Icasa was expected to publish the final regulations by April 2014.

South African Accreditation Authority

The South African Accreditation Authority is responsible for the accreditation of authentication and certification products and services used in support of electronic signatures. It is also concerned with monitoring the activities of authentication and certification service providers whose products or services have been accredited.

Presidential National Commission (PNC) on Information Society and Development (ISAD)

The PNC on ISAD advises the President on matters related to the development of an inclusive information society; and facilitates the coordinated development of an inclusive information society, and the achievement of the country's information society vision.

The commission comprises leaders in government, industry and civil society. A corresponding body is the Presidential International Advisory Council on ISAD.

A study commissioned by Informa Telecoms & Media in July 2013, found that smartphone users in South Africa spend on average US$31 (R321) per month on their mobile phone bills. According to the S*ub-Saharan Africa Mobile Economy 2013 Report* by the Groupe Speciale Mobile Association, South Africa's average revenue per subscriber is recorded at US$25,4 (R264) – above the global average of US$25 (R260) and a Sub-Saharan Africa average of US$13,6 (R141).

Programmes and initiatives
Broadband infrastructure development

Broadband is an essential digital resource for accessing basic services, products, commerce and job creation. It has the potential to create job opportunities and open new markets that will allow businesses, particularly small, medium and micro-enterprises (SMMEs), to grow.

Given the strategic importance of broadband, the department, together with the ICT industry, has committed to delivering 100% broadband penetration and creating a million jobs by 2020.

The department is aware of the inter-connectedness of broadband and the licensing of radio frequency spectrum, which is a scarce natural resource.

The Broadband Strategy and Implementation Plan, outlining fibre connectivity across the country to district level, was finalised by late 2013.

Broadband Infraco

Broadband Infraco sells high-capacity long-distance transmission services to licensed fixed and mobile network operators, internet service providers and other value-added network service providers. It has a 13 600-km network of long-distance fibre and five open-access points of presence in key metropolitan areas – with an additional seven open-access points of presence expected over the next few years.

To enhance South Africa's international connectivity and the speed of broadband, Broadband Infraco has co-invested with the private sector in the deployment of the West African Cable System (WACS).

The WACS is the fifth submarine cable system linking South Africa to the world. Broadband Infraco's investment in the WACS entitled it to 11,4% of the system's total capacity, which would help South Africa meet its target of providing broadband connectivity to all who need it by 2020.

The cable system has 15 established terminal stations en route, and will reduce the cost to connect Africa's west coast with the high-speed global telecommunications network for years to come.

Sentech and Broadband Infraco have also commenced with the broadband plan for the KwaZulu-Natal province pilot project. Site surveys in three districts are complete.

Broadcasting digital migration

The digital broadcasting network reaches more than 80% of the population.

The DoC finalised the subsidy plan for poor households complying with the qualifying criteria and is ready to implement the Set-Top Box (STB) Manufacturing Strategy, which requires

30% local content as part of the plan to develop the electronic industry.

Icasa has finalised the broadcasting regulations. In June 2013, the department launched the STB compliance lab, in partnership with the Department of Trade and Industry and the South African Bureau of Standards. The department decided to review the policy on the STB control system as one way of fast-tracking the roll-out of DTT to make this system non-mandatory.

In addition to the DTT transmission network roll-out target of 84% population coverage via terrestrial transmitters by December 2013, Sentech was expected to launch a Direct-to-Home satellite broadcasting service. This service will provide TV and radio coverage to the Square Kilometre Array (SKA) and all other areas where there is no DTT signal.

Rural Development Strategy

ICTs play a significant role in speeding up the integration of services for the development of rural areas and ensuring that rural communities, including those in remote areas, are not left out of the knowledge economy.

The main goal of the department's Rural Development Strategy is, therefore, to address the vacuum in rural ICT and empower rural communities by promoting sustainable job creation and eradicating poverty in rural areas. The strategy includes programmes that will encourage civil society to promote the use of ICT services and provide the necessary infrastructure.

Job creation

In line with government's New Growth Path (NGP), the department, together with the ICT sector, aims to facilitate the creation of over 150 000 direct and indirect jobs by 2020.

An industry-wide committee will be established to identify opportunities, using a collective database to ensure effective monitoring and evaluation.

Jobs will be created across various subsectors of the industry through:
• providing broadband infrastructure
• establishing content hubs for radio and television
• animation
• e-co-operatives
• using ICTs in FET colleges
• tailor-made solutions for SMMEs
• digital broadcasting and distributing STBs
• rolling out PostBank.

In June 2013, Microsoft launched a campaign aimed at helping 3 000 graduates find information technology (IT) jobs in South Africa, where one in four workers is officially unemployed.

The software giant will partner with the South African Government's job creation fund to train the youths and place them in permanent employment. The company will act as a link between universities and IT companies that it will approach to determine needed skills. For the 3 000 jobs it is targeting, Microsoft is investing R146 million as part of its US$75 million pan-African initiative.

Internet

In June 2013, Akamai Technologies released its *Fourth Quarter, 2012 State of the Internet Report*, showing that South Africa has achieved good improvements in terms of average Internet access speeds. Based on data gathered from the Akamai Intelligent Platform, the report provides insight into key global statistics, including connection speeds, attack traffic, and network connectivity and availability.

South Africa's average Internet connection speed in the fourth quarter of 2012 was 2 132 kbps – up from 1 515 kbps the previous year.

South Africa's average peak Internet connection speed in the fourth quarter of 2012 was 7 143 kbps – up from 5 250 kbps the previous year.

According to a new report by global management consulting firm McKinsey & Company entitled: *Lions go digital: The Internet's transformative potential in Africa*, South Africa's iGDP – which measures the Internet's contribution to overall GDP – is at 1,4%, putting it fourth in Africa.

McKinsey said it developed the concept of iGDP to measure the Internet's contribution to the overall economy as a share of total GDP by adding up all the activities linked to the creation and use of Internet networks and services in four major categories: private consumption, public expenditure, private investment and trade balance. For Africa, the group assessed 14 countries that together account for 90% of Africa's GDP and found significant variation among them.

This suggests that there are major untapped opportunities to harness the power of the Internet to drive growth and development. In dollar terms, the consulting firm estimates that Africa's iGDP currently totals some US$18 billion.

According to McKinsey, private consumption of Internet-related services and equipment, including smartphones, accounts for two-thirds of this total. Public expenditure on the Internet, including digitisation of education and health services, contributes only $2 billion.

e-Commerce will open up a new shopping experience for Africa's growing middle class.

By 2025, it could account for 10% of retail sales in the continent's largest economies,

which will translate into some US$75 billion in annual revenue. South Africa ranks highly on Internet affordability in Africa, according to the first annual *Affordability Report*, compiled by the Alliance for Affordable Internet (A4AI).

In the report, A4AI indexes 46 emerging and developing countries across the world in terms of communication infrastructure and Internet access and affordability (equally weighted). Out of the 46 countries, South Africa is ranked as the 12th most affordable country for Internet access – third in Africa.

Broadband access

The DoC developed the National Broadband Policy as part of its move to transform the country's ICT policies to fast-track South Africa's broadband backbone and access infrastructure, particularly within rural and underserved areas, and meet the country's vision of broadband for all by 2020.

In November 2013, the Minister of Communications introduced the revised broadband policy, which deals with the complete value chain of broadband roll-out, including attracting related investment in broadband infrastructure; enterprise development; local end-user equipment manufacturing; research and development; and reducing the cost of broadband roll-out by creating a single point of entry for regulatory approvals.

The department was expected to finalise, by March 2014, the long-awaited spectrum policy, which would enable Icasa to license the much sought-after 2.6 GHz and 800 MHz band spectrum, which would, in turn, increase network capacity, improve coverage and promote competition.

Social media

The emergence of social media as a social and business communication tool in the last few years, has been dramatic.

In South Africa, a country where first and third-world conditions are often separated by just a few kilometres, social media has levelled the playing field and created a platform that is affordable for everyone, easy to use and highly effective as a communication tool.

The top social media sites in South Africa (by number of users) in 2013 include:
• Facebook: 9,6 million users – ranked third
• Mxit: 7,4 million users – mobi-site not ranked
• Twitter: 5,5 million users – ranked 13th
• YouTube: 4,7 million users – ranked fourth
• LinkedIn: 2,7 million users – ranked fifth
• Pinterest: 930 000 users-ranked 14th
• Google Plus: 460 000 users.

Cybercrime and cybersecurity

The National Cybersecurity Policy Framework focuses on building the institutional framework and capacity necessary for mitigating any threats to the ICT environment. South Africa is one of the few countries in Africa with such a policy document.

Cybercrime has become an inevitable reality that confronts all online communities across the world. Identity fraud, stalking, online child pornography and terrorism have become daily occurrences that threaten communities' ability to enjoy the benefits of new technologies.

Expanding access to the Internet must be accompanied by strong measures to ensure basic trust and security to the public as the users.

This requires collaboration between departments, civil society and business to build institutional mechanisms to investigate cybercrimes and anticipate threats.

The Cybersecurity Hub, pooling public and private sector threat information is responsible for processing and disseminating information to relevant stakeholders in the industry and civil society.

All computer users have a role in securing cyberspace and ensuring that the digital environment is secure and used reasonably to profit the socio-economic well-being of the nation.

Mobile communications

South Africa has one of the largest telecommunications markets on the continent: it has five mobile operators, namely Cell C, MTN, Vodacom, Telkom Mobile and virtual network operator Virgin Mobile.

Mobile phones are the dominant technology for voice and data communication among base of pyramid (BoP) users and for informal businesses. People in this group access the Internet mostly via their mobile phones and smartphones have taken over functions that used to be performed by computers.

Users are also finding innovative ways to bypass expensive cellphone SMS rates by using Facebook Zero or other instant message services such as WhatsApp.

Although half of the 50 million people in South Africa live below the poverty line, more than 75% among those in low-income groups who are 15 years or older own a mobile phone.

Mobile ownership at the BoP – households with an income of less than R432 per month, per household member – is relatively high, compared to other African countries. This is according to research commissioned by infoDev, a global partnership programme within the World Bank Group, about the use of mobile phones among BoP users.

Some of 98,5% low-income groups who own mobile phones in South Africa, have a prepaid SIM card, but there is a small percentage (1,5%) of BoP mobile owners who have post-paid contracts.

The Research, however, that even though three-quarters of people in the BoP group own mobile phones, the usage of data applications is fairly low. The one exception here is the MXit social networking platform and there is growing use of other social media, notably Facebook Zero. The lowering of the Mobile Termination Rates from R1,25 a minute in 2010 to R0,40 from March 2013 represents a significant milestone in reducing the cost of communicating.

Telkom

Telkom is Africa's largest integrated communications company, providing integrated communications solutions to a range of customers. The company operates in nine countries across Africa; however, its core market is South Africa, contributing 98,9% in revenue.

It is listed on the Johannesburg Stock Exchange Ltd and majority-owned by the DoC. Telkom was the country's only fixed-line operator until 2006, when the country's second fixed-line operator, Neotel, began its operations.

The organisational structure comprises three major business units: Telkom South Africa, Telkom International and Telkom Data Centre Operations.

Postal sector

The cornerstone of national policy for the postal sector is the provision of a universal service at an affordable price and an acceptable standard for all citizens. To ensure this, a universal service obligation has been placed on Sapo.

To offset the cost of providing a basic service in low-density, rural or unviable areas, it has also been common practice to confer exclusive rights and privileges, i.e. a monopoly on the provision of the basic letter service.

Mail Business has 26 mail-sorting centres for domestic mail and parcels, and three international sorting centres for international mail and parcels. Between these centres, some six million mail items are handled daily and 50 tons of parcels are processed a year.

Mail is transported to and from these sorting centres domestically to 7 188 delivery offices (delivery depot centres, lobby boxes and 2 443 post office branches).

In 2013/14, Sapo committed to building 20 new branches and 25 retail postal agencies and deploying five mobile post offices to serve rural and remote locations.

Specialised Sapo products include:
- Securemail
- Speed Services Couriers
- Parcelplus
- insurance and cash-on-delivery
- Postbank
- a courier freight group made up of XPS and PX
- Docex.

Philatelic Services

Sapo's Philatelic Services is responsible for producing South Africa's postage stamps and other stamp-related products.

Sapo prints more than 380 million postage stamps a year. They not only reach every corner of South Africa, but also the rest of the world. Although stamps are produced mainly to serve as prepayment for postage, their beauty and historical significance have inspired people to collect them since the first postage stamps were produced in England in 1840.

Over the years, many of them have become valuable collector's items. For example, the first triangular postage stamp was issued on 1 September 1853 in the Cape of Good Hope, which was a British colony at the time. The triangular-shaped stamp, which became known as the Cape Triangular, was the first stamp to be issued in Africa and has become a sought-after collector's item worldwide.

Stamp issues are divided into two main categories:
- Definitive stamps are issued every five to seven years and comprise a set of designs in a full range of face values to provide for the country's postal needs. They usually reflect a particular theme.
- Commemorative stamps are issued according to an annual commemorative stamp-issuing programme. Between 12 and 15 commemorative issues are produced per year. They often commemorate significant historical events or people, or coincide with important days.

Postbank

The Postbank Limited allows Sapo to prioritise the banking needs of the unbanked majority, thus facilitating their inclusion into the economic mainstream. The Postbank Limited Act of 2010 established the Postbank division of Sapo as a separate legal entity, with the principal aim of expanding the existing range of banking services to, among others:
- improve access to affordable services, including loans, especially in rural and lower-income communities
- promote a culture of saving.

In doing so, the Postbank will use the existing Sapo infrastructure, but it is not bound by the Act to do so exclusively.

PostNet
PostNet is South Africa's largest privately owned counter network in the document and parcel industry, trading across more than 250 owner-managed retail stores.

It serves in excess of 55 000 walk-in customers per day, countrywide.

There are five product types within PostNet, namely courier, copy and print, digital, stationery and mailboxes.

The media
South Africa is fortunate to have vibrant and independent media.

According to the Bill of Rights, as contained in the Constitution, everyone has the right to freedom of expression, which includes:
• freedom of the press and other media
• freedom to receive or impart information or ideas
• freedom of artistic creativity
• academic freedom and freedom of scientific research.
Several laws, policies and organisations act to protect and promote press freedom in South Africa.

Media Development and Diversity Agency (MDDA)
The MDDA is a statutory development agency for promoting and ensuring media development and diversity, established as a partnership between the South African government and major print and broadcasting companies to assist in, among others, developing community and small commercial media in South Africa. It was established in terms of the MDDA Act, 2002 (Act 14 of 2002).

The agency functions independently from and at arm's length of its funders, and political-party and commercial interests. This arrangement enables government, the media industry and donors to work together to address the legacy of imbalances in media access.

Radio
Radio is a great communications medium and still enjoys the broadest reach of any media category in South Africa. The diversity of stations, formats, voices and offerings ensures that most of the public's needs are catered for.

It also fulfils a vital need for information and entertainment, with relatively low costs to the distributors and the listeners.

As a communication medium, radio has very few barriers to access. SABC Radio has more than 25 million listeners weekly in South Africa.

The fact that radio cuts across boundaries of illiteracy strengthens the importance of the medium to the consumer and the advertiser.

The SABC's national radio network comprises 18 radio stations, of which 15 are dedicated specifically to public-service broadcasting.

These include 11 full-spectrum stations, one in each of the official languages of South Africa; a cultural service for the Indian community broadcasting in English; a regional community station broadcasting in isiXhosa and English; and a community station broadcasting in the !Xu and Khwe languages of the Khoisan people of the Northern Cape.

The SABC has three stations in its commercial portfolio. These are 5FM, Metro FM and Good Hope FM. Channel Africa broadcasts live on three platforms: shortwave, satellite and the Internet. Its broadcasts are in Chinyanja, Silozi, Kiswahili, English, French and Portuguese.

Commercial radio stations
Commercial radio stations in South Africa include:
• Algoa FM
• Classic FM
• Kaya FM
• YFM
• 94.7 Highveld Stereo
• 702 Talk Radio
• Metro FM
• 5FM
• Good Hope FM
• Jacaranda 94.2
• OFM
• East Coast Radio
• 567 Cape Talk
• Radio 2000
• Radio KFM
• Power 98.7.
Stations such as Jacaranda 94.2, Highveld Stereo, Radio Oranje, Radio Algoa and East Coast Radio were initially SABC stations, but were sold to private owners to diversify radio ownership in South Africa as part of the transformation of the public broadcaster.

Many of South Africa's radio stations are also available online.

Community radio
Community broadcasting remains an important project for the DoC. In the midst of redefining the country's broadcasting landscape, 2013 marked the 20th anniversary of community broadcasting.

Television

The SABC's television network comprises three television channels – all free-to-air. South African television is broadcast in all 11 official languages and in Sign Language.

Community television

In 2007, Soweto TV was the first community television station to obtain a seven-year broadcasting licence from Icasa.

Since then, five more seven-year licences have been issued to five stations operating in Soweto, Cape Town, Tshwane, Empangeni and Nelson Mandela Bay. The issuing of new community television licences is on hold until the migration from analogue to digital broadcasting is complete.

Free-to-air television

e.tv is South Africa's first private free-to-air television channel, launched in 1998. It is the largest English-medium channel in the country and the second largest overall. e.tv also has a pan-African presence through e.tv Africa, which is distributed on the DStv Africa bouquet and by local affiliates in African countries.

The independent broadcaster announced in September 2013 that it would launch four new channels on Platco Digital's OpenView HD Platform, in October 2013. Platco is e-tv's sister company, which was set to launch as a free-to-air satellite TV broadcaster, in October 2013.

It aims to be the first multi channel platform in South Africa to offer high definition (HD) channels without charging a subscription fee.

Satellite broadcasting

MultiChoice started as the subscriber management arm of M-Net. It is the leading multichannel digital satellite television operator across the African continent. MultiChoice provides its DStv services to different market segments. The DStv bouquets cater for different lifestyles and pockets, from entry level to premium.

Top-TV offers five bouquet options, arranged in seven package options.

e.sat tv supplies television, mobile and online news to various channels in South Africa, across the African continent and in the United Kingdom (UK), under the brand name eNews Channel Africa (eNCA). Growing out of the success of eNews Prime Time, eNCA is South Africa's first and most watched independent 24-hour television news channel on the DStv Platform (Channel 403).

In October 2013, e.tv launched its multichannel offering on the direct-to-home satellite platform, OpenView HD.

The new channels include a pan-African channel (eAfrica+), a movie channel (eMovies+), a local content channel (eKasi+) and a children's channel (eToonz+).

Print

Technical handling of the print media in South Africa rates among the best in the world. This is one reason why newspapers and magazines have held their own in a volatile information era, characterised by the vast development of various new forms of media-delivery platforms via the Internet.

Most South African newspapers and magazines are organised into several major publishing houses: Media24 (part of Naspers, the largest media group in Africa), the Irish-based Independent News & Media (Pty) Ltd group, Caxton Publishers & Printers Ltd and Avusa Ltd. Other important media players include M&G Media Ltd; the Natal Witness Printing & Publishing Company (Pty) Ltd; Primedia Publishing Ltd; Ramsay, Son and Parker (Pty) Ltd; and Kagiso Media.

In November 2013, RamsayMedia, one of South Africa's top publishers of such titles as *Getaway*, *Car* and *Popular Mechanics* was reported to have confirmed it would be selling its remaining 70% stake to Caxton for an undisclosed amount.

Newspapers

According to the Audit Bureau of Circulations (ABC) 2013 *Second Quarter Report*, total newspapers declined slightly, compared to the previous quarter. The weekday daily newspapers declined by 0,7% in 2013; Sunday circulation was down by 1,4%.

Motorsport World and *Auto Week* showed the largest growth in weekly newspapers. Of the weekend newspapers, *Isolezwe ngoMgqibelo* showed the largest growth.

Local newspapers, *Stellalander*, *Klerksdorp Rekord*, *Polokwane Observer* and the *Hermanus Times* showed the largest growth of all local newspapers.

Of the free newspapers, *Alex Pioneer*, *Threewaterkloof Gazette*, *Zululand Eyethu* and the *Precinct Community News* were the titles that showed the largest growth.

Magazines

The *ABC 2013 Second Quarter Report* showed that overall consumer-magazine circulation declined by 13%. *Kuier Combo* (Annual), *The Expatriate SA* (Annual), *SA Career Focus* (six-monthly) and *HQ Pony*, showed the largest growth.

Business-to-business magazines that showed the largest growth were *To Build* (Annual), *Business Brief* (six-monthly), *Vee-plaas*, *African Mines Handbook* (Annual) and the *South African Business Annual*.

TAXtalk, *Foschini Balanced Life*, *on Route* and *Foschini Soccer Club* were the custom magazines that showed the largest growth.

Online media

The August 2013 Digital Media and Marketing Association (DMMA)/Effective Measure website statistics revealed that South Africa produced 23 183 796 unique browsers registering 633 589 222 page views.

Unique browsers from mobile devices accessed 11 559 199 sites registering 250 566 538 page views.

Media organisations and role players

Print Media South Africa (PMSA), established in 1996, administers individual bodies, namely the Newspaper Association of South Africa (the oldest communication organisation in South Africa, established in 1882), the Magazine Publishers' Association of South Africa and the Association of Independent Publishers (AIP).

The purpose of the PMSA is to represent, promote, interact with and intervene in all matters concerning the collective industry and of common interest. It represents more than 700 newspaper and magazine titles in South Africa.

The PMSA is a member of a number of international bodies, such as the World Association of Newspapers and the Federation of Periodical Press. Allied to the PMSA, but not a constituent member, is the ABC, responsible for auditing and verifying print-media circulation figures.

The AIP represents the interests of more than 250 independent publishers in southern Africa.

The South African National Editors' Forum (Sanef) was formed at a meeting of the Black Editors' Forum, the Conference of Editors and senior journalism educators and trainers, in October 1996.

Sanef membership includes editors and senior journalists from the print, broadcast and online/Internet media, as well as journalism educators from all the major training institutions in South Africa.

The Forum of Black Journalists addresses issues that directly affect its members.

Members of the public who have complaints or concerns about reports in newspapers and magazines can submit their grievances to the Office of the Press Ombudsman. Should they not be satisfied with the resultant ruling, they can lodge an appeal with an independent appeal panel. The Office of the Press Ombudsman was set up by the PMSA, Sanef, the Media Workers' Association of South Africa and the South African Union of Journalists.

The Freedom of Expression Institute was established in 1994 to protect and foster the rights to freedom of expression and access to information, and to oppose censorship.

The Freedom of Commercial Speech Trust protects freedom of speech. It is backed by the marketing communication industry and supported by organised business and consumer organisations. The trust focuses on transparent negotiations with legislators.

The Forum of Community Journalists is an independent body that represents, promotes and serves the interests of all community-newspaper journalists in southern Africa. The decision to become an independent body followed the restructuring of the Community Press Association into the AIP.

The Broadcasting Complaints Commission of South Africa is an independent self-regulatory body that serves as a voluntary watchdog, to adjudicate complaints from the public about programmes flighted by members who subscribe to its code of conduct. Members include the SABC, M-Net, Radio 702 and the Trinity Broadcasting Network. However, the commission does not deal with X-rated material, the broadcast of which is prohibited under criminal law.

The Broadcasting Monitoring Complaints Committee (BMCC) was established under sections 21 and 22 of the Independent Broadcasting Authority Act, 1993 (Act 153 of 1993).

It monitors broadcasting licensees for their compliance with, or adherence to, the terms, conditions and obligations of:
• their broadcasting licences
• the Code of Conduct for Broadcasting Services
• the Code of Advertising Practice.
The BMCC receives and adjudicates complaints from the public regarding licence conditions, and is also entitled to initiate its own investigations into suspected non-compliance by a broadcaster.

The mission of the National Association of Broadcasters is to protect the interests of broadcasting as a whole, and to liaise with Icasa on matters such as freedom of speech.

The mission of the DMMA is to provide a forum in which South African online publishers can address issues of common interest, and

For 167 years, *The Witness* has served the interests of the inland KwaZulu-Natal community. Now what is one of the oldest newspapers in South Africa, which started life as *The Natal Witness* in 1846, is printing a Durban and coastal edition and has a new editor to guide it in its latest incarnation.

which can represent these publishers to advertising agencies and the advertising community, the press, government and the public.

The National Community Radio Forum (NCRF) lobbies for the airwaves in South Africa to be diversified, and for a dynamic broadcasting environment through the establishment of community radio stations.

The NCRF is a national, member-driven association of community-owned and run radio stations and support-service organisations. Radio-station members are independent, non-profit community-based organisations.

The Professional Journalists' Association's mission is to give a voice to working journalists and represent their interests in newsrooms across the country.

Other press organisations operating in the country are the:
• Foreign Correspondents' Association of South Africa
• Printing Industries Federation of South Africa, the South African Typographical Union
• Specialist Press Association
• South African Guild of Motoring Journalists
• Professional Photographers of South Africa
• Media Institute of Southern Africa
• Publishers' Association of South Africa
• press clubs in major centres.

News agencies
The national news agency, the South African Press Association, is a cooperative, non-profit organisation.

The main foreign news agencies operating in South Africa are:
• Reuters
• Agence France-Presse
• Associated Press
• Deutsche Presse Agentur
• United Press International.

Journalism awards
South Africa's most important awards include the:
• Mondi Shanduka Newspaper Awards
• Sappi Magazine Publishers' Association of South Africa Pica Awards
• Sanlam Community Press Awards
• Vodacom Awards for Journalism Across All Mediums
• South African Breweries Journalism Awards
• Sanlam's Financial Journalist of the Year Award
• CNN MultiChoice Africa Awards
• Discovery Health Journalism Awards
• Sanef's Nat Nakasa Award for media integrity.

South Africans, Msindisi Fengu and Yandisa Monakali from *The Daily Dispatch*, were named overall winners of the CNN MultiChoice African Journalist Awards 2013 in October 2013 at the Cape Town International Convention Centre.

Media awards
In October 2013, the MDDA and Sanlam, co-sponsors and organisers of the MDDA-Sanlam Local Media Awards, announced that they would invest more in the awards by introducing new categories for the competition.

The 2013 awards, which were presented in May 2014, covered the period from 1 January 2013 to 31 December 2013.

Advertising
South Africa has a vibrant and dynamic advertising industry. Local advertising agencies are often recognised internationally for their excellence.

Advertising Standards Authority (ASA)
The ASA is the protector of the ethical standards of advertising in South Africa, and protects consumers against manipulative advertising and unfair claims.

It is an independent body established and funded by the marketing-communication industry to manage advertising in the public interest by means of self-regulation.

The ASA co-operates with government, statutory bodies, consumer organisations and industry to ensure that advertising content complies with the Code of Advertising Practice.

The code is the ASA's guiding document based on the International Code of Advertising Practice, prepared by the International Chamber of Commerce.

Drawn up by the ASA with the participation of representatives of the marketing-communication industry, the code is amended from time to time to meet the changing needs of the industry and of South African society.

In May 2013, the ASA applied to be recognised as an ombud for the industry.

This would make it a recognised statutory body, in terms of the Consumer Protection Act 2008, (Act 68 of 2008).

City Press scooped the South African Editor of the Year, Story of the Year, Journalist of the Year, Investigative Journalism, Feature Writing and Joel Mervis Awards at the Standard Bank Sikuvile Journalism Awards. The newspaper also took home top honours in the Digital Category Award at the African CNN Journalist Awards raked for "Faces of Marikana." The Sunday title was voted into second place in the weekly newspaper category at the *Sunday Times* Top Brands Awards.

Advertising awards

The Loerie Awards are the best-known South African awards recognising distinction in advertising. In September 2013, a total of 238 Loeries were awarded, four of which were Grands Prix – to Draftfcb Cape Town, Ogilvy & Mather Cape Town, and FoxP2, respectively.

In the Tactical Use of Newspaper category, a Loeries Bronze was awarded to King James for Santam's Halloween advertisement. In the Newspaper Advertising category, Ogilvy & Mather (Jhb), FoxP2, Volcano and Ireland Davenport claimed Bronze awards. Silver Loeries went to Ogilvy & Mather (CT) for Volkswagen, TBWA Hunt Lascaris (Jhb) for Twinsaver, and NetworkBBDO for Mercedes-Benz.

Gold Loeries were awarded to DDBSA for McDonalds, TBWA Hunt Lascaris (Jhb) for Flight Centre, and Lowe & Partners (CT) for *The Cape Times*.

The Grand Prix winner was FoxP2 for a radio advertisement, entitled "Death Doesn't Have To Try Very Hard" on behalf of Frank.net Life Insurance.

A special Loeries Hall of Fame award was bestowed on Graham Warsop, CEO and founder of The Jupiter Drawing Room.

Other important annual media awards are the Eagles, the Pendoring and the AdReview Awards.

International relations

The international branch of the DoC continues to be the primary vehicle through which the department pursues government's priority of contributing to a better South Africa and contributing to a better and safer Africa in a better world.

In 2013, South Africa was elected to the Council of Administration of the Universal Postal Union (UPU) for the first time.

South Africa chairs its Future Strategy Committee.

The department was also re-elected to the Postal Operations Council that deals with the operational, economic and commercial aspects of the postal business.

South Africa also made an important contribution to addressing the world ministerial debate.

This led to ministers adopting the White Paper in support of the UPU's global declaration to prioritise the development of infrastructure for allocating addresses.

South Africa has contributed significantly to the UPU's work in developing National Address Systems. The country's use of Global Positioning Systems to allocate addresses to people in rural and undeveloped areas has proved critical.