



SOUTH
AFRICA

Factsheet

2020

Investing in South Africa's Film, TV, Animation and Documentary Sector

An established and competitive production destination



the dti

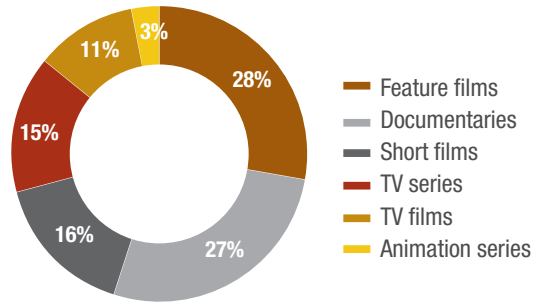
Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

investSA

Film, TV & Documentaries in South Africa

- > Due to excellent film infrastructure, world-class studios and hard-working crews, South Africa has established itself as a credible and competitive film and TV production destination.
- > To date the industry has recorded an average annual growth of 15% as of 2013, reflecting its vibrancy and expanding investment opportunities.
- > A range of award-winning movies and TV series have been filmed and/or produced in the country.
- > Over 150 production companies are active in South Africa.

Segments of industry by share of production volume



Total economic impact of the film industry: R12.2bn



15% Average annual growth since 2013

150+ Active production companies

Why invest?

Choice of diverse locations

With its unique locations, diverse topography and cosmopolitan cities South Africa is able to double for almost every part of the world.



#1

most diverse film location in Africa

World-class facilities

South Africa has world-class film production facilities in Johannesburg and Cape Town. The *Cape Town Film Studios*, which is Africa's first custom-built high-tech studio complex, is regarded as one of the top 10 studios globally by international production executives.



Among the **Top 10** film studio complexes globally

Cost competitiveness

It is up to 40% cheaper to make films in the Western Cape than it is in Europe and the US, and up to 20% cheaper than in Australia. The Foreign Film and Television Post Production Incentive make South Africa's offering cost effective.

Up to **40%** lower costs

Optimal climatic conditions

South Africa's pleasant climate offers filmmakers an attractive and predictable working environment with optimal light conditions and manageable rain risk. Dry winters in the interior reduce production disruptions due to rain.



300 hours of sunshine per month (October - March)

Competitive animation capabilities

South Africa's competitive overhead costs, highly capable talent pool, comparable internet speeds and growing number of domestic distribution platforms position the country well in the global US\$270bn animations industry.

#1 animation studios in Africa



Where to invest?

- > Gauteng, KwaZulu-Natal and the Western Cape are the key hubs of the film and TV industry in South Africa, accounting for about 90% of all productions and film business locations.
- > These hubs have led to the development of conducive film ecosystems around Cape Town, Johannesburg and Durban, with emerging locations in the Eastern Cape and Limpopo.



GAUTENG

- **Sunshine:** 230-300hours/month
- **Rainfall:** 30-70mm/month
- **Airports:** OR Tambo International Airport, Lanseria Airport
- **Movies filmed:** Hotel Rwanda (2004), Tsotsi (2005), District 9 (2009), Bang Bang Club (2010), Avengers: Age of Ultron (2015)
- **Type of locations:** Agricultural farmlands, nature reserves, Art Deco, Victorian and Edwardian architecture, gold mines, green suburbs, gritty streets, townships, alleys, industrial landscapes, modernist and urban looks

WESTERN CAPE

- **Sunshine:** 200-300hours/month
- **Rainfall:** 20-80mm/month
- **Airports:** Cape Town International Airport, George Airport
- **Movies/TV series filmed:** Blood Diamond (2006), Safe House (2012), Outlander (2014-), Black Sails (2014-17), Mad Max (2015), Tomb Raider (2018), Troy (2018), Warrior (2019-)
- **Type of locations:** Blue flag beaches, Cape Dutch mansions, cottages, wildflowers, deserts, sand dunes, markets, alleys, modern architecture, urban looks, national parks, game reserves, rugged mountains and dense forests

KWAZULU-NATAL

- **Sunshine:** 170-230 hours/month
- **Rainfall:** 50-100mm/month
- **Airports:** King Shaka International Airport
- **Movies filmed:** Blood Diamond (2006), Mowgli: Legend of the Jungle (2018)
- **Type of locations:** Art Deco and Neo-classic architecture, battlefields, museums, old fortifications, blue flag beaches, Cape Dutch and French Provincial architecture, Indian architecture, jungle, forests, lagoons, rivers, lakes, waterfalls, national parks, game reserves

● Established film/TV hubs ● Emerging film/TV hubs

Indicative weekly costs of select crew

	LOW	HIGH
Line producer	R21 000	R35 000
Production manager	R14 000	R18 000
1 st assistant director	R20 000	R26 000
Location manager	R16 000	R18 500
Director of photography	R35 000	R45 000
Camera operator	R24 000	R28 000
Production designer	R25 000	R35 000
Art director	R18 000	R25 000
Make-up & hair	R14 000	R16 000

Notable productions



What support exists?

- South Africa offers a fully integrated value chain from pre-production, production, post-production to distribution. Filmmakers have access to a range of high-end equipment through a number of gear rental companies.
- South Africa provides a favourable enabling environment, with various incentive programmes and support for the industry:



National-Level Incentive Programmes

- The South African Film and Television Production and Co-Production Incentive
- The Foreign Film and Television Production and Post-Production Incentive
- The South African Emerging Black Filmmakers Incentive.



Financial Support

- The National Film & Video Foundation (NFVF) provides film- and video-related funding for Education and Training, Development (of feature films, documentaries and TV concepts), Production (of feature films and documentaries) and Marketing and Distribution.
- The Industrial Development Corporation's Media and Motion strategic business unit offers up to R1bn to new or existing companies in the media and motion picture industry. Funding can be structured through a wide range of instruments including, debt/equity, quasi-equity, bridging finance and venture capital.



Skills Development Support

There are a number of programmes offering financial support in the industry:

- National Bursaries
- International Bursaries
- Funding for Training Providers
- Sediba Programme (script writing and producing).



Co-Production Treaties

Co-production treaties with other key film producing countries:

Australia, Canada, France, Germany, Italy, Ireland, the Netherlands, New Zealand, and the UK.

What are the opportunities?

- The development of a multi-billion rand state-of-the-art studio complex in Durban will further add to South Africa's film production capacity, strongly positioning the country as a favourable destination for international filmmakers.

Investment opportunities include:

- Development of **feature films** and **documentaries** (with these being the largest segments of local film industry)
- Although **animation** is the smallest segment in the industry (around 3%), the proliferation of **new technology and skills** can unlock significant growth
- **Consultancy** and **training services** provision for business and skills development programmes to support emerging filmmakers and fast-track transformation in the industry
- Opportunities across the value chain, including **film concept development, film product packaging** and **distribution, private equity financing, pre- and post-production management companies** and **marketing services**
 - **Post-production** and **visual effects** studios to enable end-to-end production in South Africa
 - Investing in new **specialised studio space**
 - **Skills development** and **training** across the industry



How to invest?

Opportunity identification

- 1 Conduct feasibility study
- 2 Evaluate outcome of feasibility study
- 3 Take investment decision
- 4 Decide on investment strategy in order to best align to the market opportunity

Go ahead



Location identification



Resourcing requirements (HR, capital, finance, IT)



Compliance and legal affairs

Investment preparation

- ✓ • Decide on geographic location most suitable for shooting, production or investment
- ✓ • Consult location scouts, property specialists, real estate agents to identify suitable sites for operations
- ✓ • Conduct site visits of suitable locations

- Consult with HR/recruitment agencies about staff requirements
- Contact casting agencies to secure cast
- Determine immigration requirements
- Determine funding model (e.g. self-funding, debt, equity)
- Consult with IT systems providers

- ✓ • Determine corporate structure
- Determine licensing and permit requirements
- Consult with labour lawyers
- ✓ • Consult with InvestSA and NFVF to identify eligibility for incentives, skills and other support initiatives

Investment execution

- Acquire/lease site, rent office space
- Apply for municipal services (e.g. water, electricity)
- Conduct interviews, hire staff
- ✓ • Apply for work permits for expatriate staff and crew members
- Open a bank account
- Apply for finance
- Set-up IT infrastructure/systems
- ✓ • Register company
- ✓ • Apply for licenses and permits
- ✓ • Apply for filming permits
- ✓ • Apply for National Level Incentives Schemes, Skills and Other Support Programmes

✓ InvestSA ready to assist

Key contacts for more information

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Information sources

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Research partner | **Deloitte.**



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