The global creative industry, which encompasses films, TV, literature and a host of other activities is enormous and growing larger. Even when the global economy contracted, the creative industry continued to grow, especially in China and other Asian countries. Africa's contribution to this vast industry, unfortunately, is negligible. While the continent has a deep pool of talent, it lacks the infrastructure and capacity to commercialise its creative talent and reap the vast fortunes that are lying in wait.

African Creative Industries

The Sleeping Giant

By **Mike van Graan***

Above: South African dancers have found a place on the international ballet scene.

In recent times, there has been much talk about the potential of the creative and cultural industries to contribute to Africa's economic growth and thus to the realisation of the Millennium Development Goals which resonate loudly with the African region.

Numerous studies in the global north have affirmed the design, music, craft, film and television, fashion, publishing, heritage, cultural festivals and related components of the creative and cultural industries as key drivers of job creation, foreign exchange earnings, income generators and catalysts and supporters of other industries such as leisure, printing, tourism and transport.

The United Nations Conference on Trade and Development (UNCTAD) undertook global studies and issued two definitive reports in 2008 and 2010 highlighting the contribution of the creative industries across the globe, revealing too the resilience of the sector in the face of the economic downturn.

The 2010 report states: "In 2008, the eruption of the world financial and economic crisis provoked a sharp drop in global demand and a contraction of 12% in international trade. However, world export of creative goods and services continued to grow, reaching $592bn in 2008 – more than double the 2002 level – indicating an annual growth rate of 14% over six consecutive years.

The reports also reveal, however, that Africa's share of the global creative economy stands at less than 1%, with the key contributors to this 1% being North African countries and South Africa. These findings point both to underinvestment in the creative and cultural industries on the continent, as well as to its potential for growth. As the 2010 UNCTAD report states: "The growth is a confirmation that the creative industries hold great potential for developing countries that seek to diversify their economies and leapfrog into one of the most dynamic sectors of the world economy."

Rich in talent but no infrastructure

Various international conferences have advocated "culture as a vector of development" and in 2008, AU ministers responsible for culture adopted the African Union Plan of Action on Cultural and Creative Industries, an ambitious commitment to kick-start the coherent development of the sector in the region.

UNESCO adopted the Convention on the Protection and Promotion of the Diversity of Cultural Expressions in 2005 and two thirds of African countries have signed this Convention, which calls for greater investment in the creative and cultural industries of the global south and for creative products from the global south to have preferential access to global north markets. In many ways, the theoretical stage is set for the rapid expansion of African creative and cultural industries, and yet, there are many challenges to overcome in order to realise this potential.

As with minerals and other commodities, Africa is rich in talent and creativity. But, as with minerals, most countries lack the infrastructure and expertise to beneficiate this talent and creativity into sustainable, let alone, profitable enterprises. As a consequence, the talent drain – like the brain drain – from Africa means that many countries in Europe and North America benefit more economically from African artists than do these artists' countries of origin.

Of course, there are significant exceptions with Nigeria's film industry one of the most notable. Nollywood, as it is referred to, is the second-largest movie industry in the world – after India - in terms of the number of films produced annually.

It is also the second-largest provider of work in Nigeria (after agriculture) and produces about 50 movies per week with an average of 130 people employed per movie. Much of the investment in the industry is by private individuals and those active within the industry itself rather than government.

The Nollywood model of rapid production and home consumption is also being exported across the African continent so that Ghana, Kenya, Cameroon and other countries are adopting this model rather than the American and European models evidenced in South Africa and North African countries.

Bearers of cultural traditions

The importance of creative and cultural industries is not limited to their economic value however, as they are also key bearers of cultural traditions, moral values, worldviews, ideological assumptions and ideas.

For this reason, when discussions at the World Trade Organisation addressed the unrestricted opening of markets to creative goods and services in the 1990s, a number of countries objected as they feared being swamped by films and television products from Hollywood, for example, that would then obliterate their own audio-visual industries, but, more importantly, spread American worldviews, values and ideas to consumers.

It was in this context that the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions was adopted as a legal instrument granting governments the right to invest in, and protect their creative and cultural industries, without this being considered as an unfair intervention in free trade.

By virtue of its underinvestment in the creative and cultural industries, Africa is largely absent in the global market of ideas, values and aesthetics as conveyed by music, theatre, literature, film and television and through the gross imbalance of trade with African countries importing overwhelmingly more creative goods than they export, African consumers tend to imbibe the ideas, values and perspectives embedded in creative goods from Europe, North America, India, Brazil and China.

For Africa to stake its place in the global arena of ideas and aesthetics, and to increase its market share in the world's creative economy, there will need to be greater vision and political will on the part of both government and the private sector to invest in all aspects of the value chain: education, creation, production, distribution and consumption. The creative and cultural industries sector is characterised by micro and medium enterprises, by risk-taking and passionate entrepreneurs. What they most require is access to capital and business expertise.

Business and Arts South Africa (BASA) is a network of private sector companies that support the arts in South Africa through sponsorship, but also through mentoring cultural entrepreneurs and through in-kind support. A similar network of companies throughout the continent could partner with Arterial Network – a pan-African civil society network of creative practitioners and entrepreneurs – to nurture Africa's extensive raw materials of talent, and to translate it into profitable income and global influence.

**Mike van Graan (right) is the Executive Director, African Arts Institute and Programme Director of the Arterial Network African Creative Economy Conference 2013.*

Left: An Angolan artist performs in traditional costume. Above: New technology is driving the film and video markets.

What is the Creative Economy?

Creativity can be defined as the process by which ideas are generated, connected and transformed into things that are valued.

The scope of the creative economy is determined by the extent of the creative industries. Sometimes a distinction is made between the creative and cultural industries. They too require some creative input but they have a cultural value in addition to whatever commercial value they possess and this cultural value is not measurable in commercial terms.

This may complement or transcend a purely economic valuation. Defined in this way, they can be seen as a subset of the wider category of creative goods and services. Creative extends beyond cultural to include fashion and software, which are commercial products that involve creativity.

UNESCO defines the cultural industries as those industries that combine the creation, production and commercialisation of contents which are intangible and cultural in nature. These contents are typically protected by copyright and they can take the form of goods or services. They are central in promoting and maintaining cultural diversity and in ensuring democratic access to culture.

This two-fold nature – combining the cultural and the economic – gives the cultural industries a distinctive profile.

Cultural economics is the application of economic analysis to all of the creative and performing arts, the heritage and cultural industries, whether publicly or privately owned. It is concerned with the economic organisation of the cultural sector and with the behaviour of producers, consumers and governments in this sector.

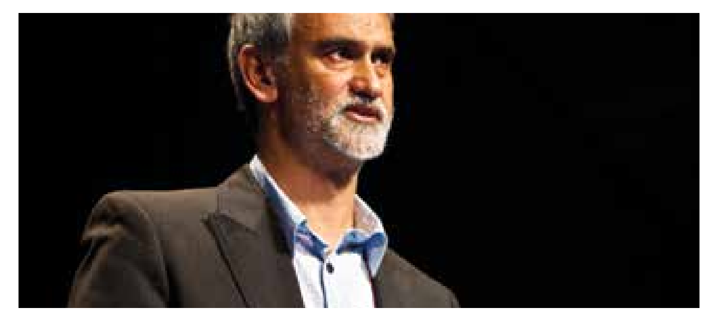
UNCTAD classifies creative industries into four broad groups: heritage, arts, media and functional creations. These are divided into nine sub-groups:

Traditional cultural expressions – arts and crafts, festivals and celebrations
Cultural sites – archaeological sites, museums, libraries, exhibitions, etc
Visual arts – paintings, sculptures, photography and antiques
Publishing and printed media – books, press and other publications
Design – Interior, graphic, fashion, jewellery and toys
Performing arts – live music, theatre, dance, opera, circus, puppetry
Audiovisual – film, television, radio and other broadcasting
New media – software, video games, digitalised creative content
Creative services – architectural, advertising, creative R & D, cultural and recreational

Creative industries are increasingly acknowledged worldwide for having enormous potential as engines driving economic and social development.

To give an idea of the magnitude of the creative economy and its overall economic impact, a recent study forecast that the global entertainment and media industry alone injected around $2.2 trillion in the world economy in 2012. In 2008, the world's exports of creative goods and services generated $592bn in revenue. The creative industries sector accounts for 7% of the world's GDP, growing at an annual rate of 8.7%.

Since 2000, there has been a significant increase in world trade in cultural products, which supports the argument that cultural industries could open the door for African economies to participate effectively in the world market. The industry's growth was unaffected by the global financial crisis, another rationale for its push towards Africa. Yet developing countries accounted for only 1% of total exports.



AFRICAN CREATIVE INDUSTRIES

Is Africa ignoring the Golden Goose?

African Business editor **Anver Versi** participated in the third African Creative Conference held in Cape Town. Here is his report.

Until I was invited to speak at the 3rd African Creative Conference late last year in Cape Town, I must confess I had not consciously thought of creativity as an economic factor. Of course like most people, I watch films and TV, listen to music and read books and magazines, and I have been aware of the revenues generated and the costs involved but the concept of a creative economy per se had not taken root.

The conference, organised by Arterial Network – the largest intercultural network in Africa – and the Cape Craft and Design institute, opened my eyes to the enormous possibilities that creativity has to offer both for national and social development as well as generating considerable wealth.

Globally, the creative industries generate trillions of dollars and seem immune to the vagaries of economic ups and downs. Film, TV and literature in particular allow societies to make sense of the world around them, to identify and project their values, to create role models and to interpret the events that have shaped their societies. Everyone loves a good story and a good deal of creativity centres around the telling of stories in a variety of forms and in as entertaining a manner as possible. Finely tuned creative products travel well – witness the dominance of Hollywood and Bollywood around the globe – and the rise of Chinese cinema. A similar case can be made for literature and music. Interestingly, while Hollywood is at the heart of the largest and most-advanced economy in the world, Bollywood has thrived despite the relative poverty of India. Both reach billions of people in far-flung parts of the world and both have succeeded despite language and cultural barriers. The creative economy is also excellent at generating jobs and developing new skills. In the US, it contributes 11% to the GDP and provides work for over 30m people. It has a similar impact on the Indian economy. In Nigeria, said Dojoma Ochai, assistant country director of the British Council in Nigeria, the movie industry generates about $500m per year in revenue, making up 5% of the country's GDP and 11% of its non-oil exports. This is despite the fact that most Nigerian films are low-budget and are made straight to DVD. In addition, nine out of 10 copies available are pirated. (See page 22.) But despite this enormous market, Africa's contribution to the creative economy globally is barely 1%.

Why is this so? Dr Mustapha Sidiki Kaloko, the Commissioner for Social Affairs at the AU Commission, believes that most African states and economic planners have paid only the barest of lip service to the creative economy. They tend to see it in 'cultural' terms and only in relation to its revenue-generating capacity as part of an overall tourism package. Ministers in charge of culture, which often also lumps in sports and sometimes, 'women's affairs' into the same portfolio, tend to occupy the lowest rung of the ministerial pecking order.

Apart from some countries in North Africa and South Africa,

Left: Encouraging an early interest in the arts. Below: A Somali artist – until 2011, artists had to work in secret.

governments seem almost unaware of the massive potential that African creativity possesses both in terms of social cohesion and revenue generation. There have been some positive developments – Nigeria has made funding available for the arts, particularly for films and has worked with UNCTAD to explore ways of mainstreaming creativity into the national economic blueprint.

But by and large, the African official attitude to the creative economy has been half-hearted at best. Countries like Burkina Faso, Senegal and Mali which had a tradition of making and exhibiting films depended heavily on funding from France or the EU.

But you can never keep a good showman down. African filmmakers and music producers are now exploring fresh avenues to reach audiences that the new media provides. As internet access and broadband width increases and pay-per-view systems become entrenched, producers will come up with content and style that could give the global giants a run for their money in Africa. But that day is still far off.

"Despite the abundance of creative talents and rich cultural assets in the East African Community," said Bernard Bakaye Lubega, the Principal Culture and Sports Officer of the body, "the region is yet to benefit from this huge volume of international trade in culture and creative industries. The total share of East African countries in the global market of creative goods and services remains insignificant although Uganda is in the process of developing a creative economy strategy.

"The problem is attributed to the fact that creative industries in EAC countries are still grossly fragmented. As a consequence, the cycle of production, marketing and distribution is not complete. Hence, the commercialisation of the cultural and artistic creations in both domestic and foreign markets remains low."

More hopefully, Marina Guo, the Shanghai-based Vice-director of the John Howkins Research Centre on Creative Economy, suggests that Africa has a rich and unique culture that can be marketed abroad: "The continent is already achieving world recognition for its music, film, performing arts and craft."

She said China's enormous middle class has an ever-increasing appetite for creative and cultural products which African entrepreneurs can tap into. "There is an enormous demand for creative digital content, and high-definition programmes are desired from ever-increasing numbers of new media operational platforms and independent production studios," she says. Setting up joint ventures with Chinese partners or production companies could be a provide access to this market.

'The arts are also a valuable tool through which to pursue socially good end and also a means of economic growth and of employment creation, but this is not their primary worth'

Pursuing social goods

Mike van Graan, the Executive Director of the African Arts Institute and Programme Director of the Arterial Network African Creative Economy Conference 2013, moved the discussion away from the emphasis on culture solely as an economic factor.

"Given the conditions on our continent," he said, "the arts are also a valuable tool through which to pursue socially good ends: educating people to change behaviour to improve their lives, building social cohesion, affirming women, etc. And they are also a means of economic growth and of employment creation, but this is not their primary worth. The debates about the instrumentalisation of the arts versus art for its own sake versus art for economic growth are meaningless on a continent where conditions are such that all three are valid, and appropriate – it is simply a question of creating and applying policies that take cognisance of the prevailing conditions."

The creative industries, he said, "are not a silo, nor an island within any society. They are impacted upon by a range of issues, and they in turn impact on other aspects of societies."

My own contribution was to argue that Africa's greatest competitive edge over the coming two decades will be its demographic advantage when it will have the world's largest young labour force. But for this force to assert itself globally, African youth will need a constant steam of narratives of their own making, rather than those imported from other geographies. Film, TV and literature have been the traditional sources of this narrative and therefore, developing a viable creative industry cannot be regarded as a luxury, or irrelevant to present conditions, but as a essential factor of social development and economic growth. The sooner African governments woke up to this necessity, the sooner the infrastructure could be put in place to make the creative economy a pillar of national development.

I believe that the very fact that a major conference on the creative economy is now in its third edition is proof that this industry has lost its Cinderella status and beginning to take its rightful place on the African development landscape. I look forward to the fourth edition.

Left: Television and videos are the most common means of viewing films.

Film – Nollywood is king but where are the princes?

A vibrant film industry can contribute significantly to a country's national prosperity and create huge opportunities for employment. Yet in most African countries, with a few exceptions, there is limited state support available for filmmaking and few opportunities for training filmmakers. **Alexa Dalby** reports.

Film and video productions are shining examples of how cultural industries can open the door to dialogue and understanding between people, but also to economic growth and development, says UNESCO.

Indeed, part of Africa's projected 5.2% GDP growth rate in 2013 was attributed just to the popularity of Nollywood, Nigeria's prolific film industry. It's the country's second- or third-largest employer and the third-largest film industry by value in the world after Hollywood and Bollywood, generating an estimated $500-$800m annually. It creates over 1m jobs in a Nigerian population of 168.8m; at 6%, this is almost the same percentage as the industry does in the US.

Filmmaking can be a very lucrative activity. As well as direct income from the box office, co-productions and overseas sales, there is a multipler effect that increases income indirectly, estimated in South Africa as 2.89 times. It is also a good source of tax revenues: for example, in 2012 the South African government received $63m in tax revenue generated directly and indirectly by the South African film industry. The world's leading film industry, Hollywood, is based in California, which has a GDP of nearly $41.3 trillion, more than all Africa's 54 countries –$3.266 trillion in 2013.

There is also potential for job creation at each stage of filmmaking and its value chain with its need for many kinds of technical and creative personnel; in development; production; creating local jobs at film locations; marketing; sales; distribution; and exhibition

Globally, the film market generated nearly $100bn in 2012 and more than 75% of that was from movie theatres. Though the African film industry is growing fast, there are few cinemas in most of sub-Saharan Africa, so for the market to exploit its potential, it's estimated Africa would need to develop 1,000 cinemas a year. In comparison, in US there are 40,000 cinemas – about 120 per 1m people; India has 20,000; China 13,000; but the whole of Africa has less than 1,000 – less than 1 cinema per million people.

New ways to reach global audiences

Apart from the lack of opportunities for exhibiting films, there are two main obstacles to the growth of the film industry in Africa.

A basic lack of funding, either public or private, results in few, or low-budget productions. There few intra-Africa co-productions. Most filmmakers seek their funding from grants or co-production funding from the rest of the world.

The nonexistent or poor distribution system in Africa for those films that do get made restricts their earning potential.

Without meaningful cinema distribution, directors are dependent on secondary income from pay TV and DVDs. An increasing number of upcoming producers are partnering with cinemas to ensure that they make more money from their movies.

With new technology, the growth of alternative distribution channels, Pay-TV platforms like DSTV have become popular avenues to get paid through royalties. A huge library of African films past and present is available online through South African subscription TV channel M-Net's African Film Library.

Another distribution channel has become available with the increased internet access, and the future holds a lot of promise for independent filmmakers. As digital video technologies become more affordable, anyone can shoot and edit a film and publish it on YouTube. Internet movie distribution enables independent filmmakers who cannot enter the traditional distribution networks to reach global audiences.

The opportunities are there for smart entrepreneurs who can find solutions to all the problems and challenges. Demand is increasing and the potential is lucrative.

Yet another huge generator of revenue that is vastly unexploited as yet is intellectual property. The lack of enforceable structures to protect filmmakers' copyright allows potential revenue to be lost to corruption, piracy and counterfeiting. Piracy is believed to account for more than 80% of distributed movies and be worth nearly $200m a year. South Africa estimates that it loses 44% of DVD revenues and 15% online.

$63m

South African government received $63m in tax revenue generated directly and indirectly by the South African film industry

Online distribution holds the key to breaking the stranglehold of pirates and will replace DVD as internet penetration increases and bandwidth becomes cheaper.

Unsurprisingly, the two countries with the two biggest economies dominate film production in Africa. Nollywood is famous around the world for its prolific low-budget output, and has a fan base covering Africa and the worldwide diaspora. Since re-entering the international community, South Africa has taken off as a base for production and location for international filmmakers.

South Africa

South Africa is a compelling example of the benefits in having both a national film policy and financial incentives for filmmaking. The industry has internationally recognised films to its credit and an annual turnover of $300m.

The government identified the film industry as a sector with excellent potential for growth and a catalyst for direct and indirect employment of people from different sectors of the economy. It brings in foreign exchange: South Africa has signed co-production deals with eight countries and such co-productions with international companies result in the direct investment of millions of rands into the economy.

Last year, Mandela: Long Walk to Freedom was the biggest South African production ever with a budget of $35m, compared to the $1.7m average for local films. It was the highest grossing movie in South Africa and has sold widely around the world.

In line with government policy, funding was contributed by a National Empowerment Fund (NEF) loan of $4.8m and the Department of Trade and Industry (DTI), which backed the film to about $5.8m through a tax rebate system. It's claimed it created 12,000 jobs though these may only have been short term.

The state, via the National Film and Video Foundation (NFVF), the Industrial Development Corporation (IDC) and the DTI is the chief investor in the local film production industry. The DTI offers tax-rebate incentives to producers, which include reductions from 20-25% for foreign films made in South Africa to 20-35% for co-productions.

The Media and Motion Pictures Strategic Business Unit of the IDC, a state-owned development financing institution, funds film and broadcasting projects in the form of loan finance up to 49% of the total. There are four regional film commissions. The Department of Arts and Culture funds production, especially documentaries.

Going to the movies

There are 700 cinema screens with a cinema-going population of 5.5m people, who go, on average 4.5 times a year. In the first six months of 2013, 95 films were released (60 of these from the US) and 10 were local films. However, there was a 50% decline in revenue year on year generated by films to $2.2m. Local films secured only 6% of the total box office revenue compared to 11% in 2012.

Box office competition from Hollywood blockbusters and the re-

Above: An iconic scene from South Africa's biggest-budget production to date, 2013's *Mandela: Long Walk to Freedom*.

strictions to finding a wide audience in a country with 11 indigenous languages make it tougher to achieve success with local films and harder to export them. It is difficult to recoup costs in South Africa from ticket sales alone, though after the DTI rebate, most films only need to recoup 65% of their budgets.

Low-budget films targeting the broader demographic are on the increase. The legitimate market for these low-budget films in South Africa is estimated at a maximum of $18.8m including distribution. Many are funded by broadcasters in return for TV rights with producers earning income from DVD rights.

A multimillion, Hollywood-style film studio has been built on the outskirts of Cape Town through a public-private partnership to attract revenue from international filmmakers and producers.

Nigeria

The success of Nollywood illustrates how culture can help to diversify an economy. Ecobank research found the market potential of the movie industry in Nigeria could be at least $3.2bn a year, according to estimates.

Currently around 50 films are made a week; a typical Nollywood film has a budget of $20,000-$40,000; the largest producers make 20 to 40 titles a year; and an average film sells 50,000 DVD copies, according to iROKO Partners, which distributes and streams films online. But although the films are watched around the world, the World Bank estimates that nine pirated copies are sold for every legitimate copy. So it's hard for producers to recoup their costs on higher budget films and, though popular, Nollywood productions have not so far been serious contenders in the international marketplace.

The success of Nollywood illustrates how culture can help to diversify an economy. The Nigerian government has been quick to recognise its importance by giving it support

However, that may be about to change as the Nigerian government has been quick to recognise Nollywood's importance. As part of its commitment to SMEs, it has made a $500m loan facility available for the entertainment industries under the Nigerian Creative and Entertainment Industry Stimulation Loan Scheme (NCEILS), released by the African Development Bank (AfDB).

Of this overall fund, $200m is allocated to the film industry, and is packaged and distributed by the Bank of Industry (BOI) and Nexim Bank. Senior Manager, Entertainment, at the Bank of Industry, Mallam Ahmed Kagara, said that the role the entertainment industry is playing in the country's economic development prompted the bank to be supporting the film industry. The money is intended to raise standards in film production, distribution, marketing and exhibition, which will place Nollywood in the international marketplace and create sustainable growth.

One successful filmmaker who has benefited from the policy so far is Michelle Bello of BluStar Entertainment for her award-winning romantic comedy Flower Girl. It had a $300,000 budget, partly financed by a film-fund low-interest loan from the BOI. She described the approval process as "rigorous".

A BOI loan will also enable Chief Gabriel Okoye (Gabosky) to launch a mega film distribution company, G-Media, which is hailed by many for creating a structure to improve producers' profitability and control the market. He said the structure being built by G-Media would encourage producers to earn money through chains, that include the cinema, rentals, pay-per-view, video on demand, premiere and sales.

Ecobank has also become involved in films, allocating a rolling budget of $622,000 to Project Nollywood for filmmakers to produce quality films, which was said to have generated 2,000 jobs to date in marketing and distribution.

For the first time, financial experts are getting involved. Yewande Sadiku, an investment banker with over 17 years experience, executive produced the highest-budget film to come out of Nigeria – the $8m Half of a Yellow Sun. In doing so, she created a new model of production, using her banking expertise to exploit both public and private sectors in Nigeria and overseas.

Half of a Yellow Sun is a Nigerian/British co-production. Its cast includes leading international stars Chiwetel Ejiofor (star of the multi-award-winning *12 Years a Slave*) and Thandie Newton, Nigerian stars Onyeka Onwenu and Genevieve Nnaji, and is directed by Nigerian UK-based theatre director and author Biyi Bandele.

It was 'made in Nigeria' – most of the filming, 29 days out of 33, was at the modern Tinapa Studios with a 60% Nigerian world-class crew and in locations in and around Calabar, the capital of Cross River State.

Sadiku argues that the business of filmmaking can be taken to a higher level if its creative and commercial aspects were kept distinct, if Nollywood filmmakers left film financing to the experts: "I believe it is possible to raise equity funding for film production in Nigeria. If a filmmaker needs to raise decent money, I suggest they talk to financiers who understand financial structures."

The film was funded by more than 30 Nigerian individual and institutional investors who provided over 70% of the $8m budget, with foreign funder, the British Film Institute (BFI), the second-largest investor after the Nigerian group. The rest of the $8m budget came from Nigerian bank debt from BOI. Sadiku applied conventional fund management principles to film financing – a first – and created an investment fund for potential investors, with a completion bond. The challenge now is to recoup that budget and earn revenue through sales. The film has to get international distribution to recoup costs, as adequate returns are not obtainable from the African continent or consumers of Hollywood films. "Because of my day job, I understand what investors would like to see. The word 'investment' means you put money in something and you expect to get it back."

Adequate funding is the key to the development of the industry by making its culture accessible to the rest of the world. "One of the reasons the Nigerian film industry hasn't developed as it could is that it hasn't had access to formal financing. You can make an authentic Nigerian film without money, but if you want to tell a film to people who have no relation to that culture, to tell a story you want them to listen to, you have to tell it in a way they can access it. I think to make that leap, Nollywood needs access to formal financing. Until you really charge a Nigerian producer with the kind of budget to make a high-production-quality film, you really don't know the fullness of Nollywood's potential."

The Nigerian film industry got where it is today without government support, and a little lift could take it to greater heights, says Chioma Nwagboso, a World Bank finance and private sector specialist.

West and Central Africa

In Ghana, cooperation between the Global Media Alliance and the Silverbird chain of cinemas may revive Ghana's fading film industry. Global's group CEO Edward Boateng says, "Our governments do not regard investment in the arts as meaningful because they do not see it as a revenue generating source. Ghana's film, music and creative industries have the potential to generate more than $500m in revenue by 2016 if harnessed correctly." He believes Ghana could learn from Nollywood and prosper. "We have the talent but it needs to be nurtured and government has to set the right creative strategies. This would result in more revenue for the country – the film industry could even surpass Ghana's earnings from natural resources such as cocoa over time."

Francophone West Africa, once internationally famous for its ground-breaking and iconic directors such as Mali's Suleymane Cisse and Burkina Faso's Idrissa Ouedrago, is now making little headway, due to the reduction in French government funding for its film industries.

Burkina Faso, known for its FESPACO film festival, still has policies for training and production support. However, Hema Djakaria, general director of the Burkina Faso National Cinematography, said, "We cannot speak of a film industry that produces only three or four movies a year, which only has 10 rooms and a small portion of production companies who rely on EU subsidies."

Mali has a National Film Centre that supports productions but there is only limited access to finance and only one cinema. "Our policy is to encourage private players to come and invest in movies," Moussa Diabate, head of film registry at the National Centre of Cinematography (CNCM), said.

In DR Congo, despite having no film industry, director Djo Zongo won awards and achieved international distribution for his modest-budget international coproduction Viva Riva!, shot in Kinshasa. A considerable part of its costs were covered by the European Union. Nearly $550,000 of the $2.5m of total production costs came from the ACP Films Programme. Funded through the European Development Fund (EDF). The film grossed over $160,000.

Cameroon has talented directors, but no industry to support them, so they, like most others, seek their finance and work in Europe and the US.

East Africa

Though there are internationally recognised directors such as Wanuri Kahiu, Caroline Kamya and David 'Tosh' Gitonga who have made it onto the international scene, there is no real film industry yet, but future regional unification may lead to the creation of an East African Film Commission. "Films in particular and arts in general can be a solid social and cultural tool for creating unity among the East African member states," Eric Kabera, the founder of the Rwandan film industry, says.

With Nollywood as a model, the markets in Rwanda, Kenya, Tanzania and Uganda are being Hillywood, for Rwanda; Riverwood, referring to River Road in Nairobi; Darwood, relating to Dar es Salaam; and Ugawood for Uganda. Production companies are spread over all three countries and there are distribution centres especially in the main cities that sell locally produced video films.

One of the biggest hindrances for the industry is a poor distribution network, with no developed mechanism to deliver the movies from the production houses to the market.

In Kenya, though cinema chains are opening up, and the picture is brightening, local video films are distributed on DVD. "Besides the perennial problem of the distribution network in Kenya, formulating a new price per disc without a DVD company in the country is very hard," Alex Konstantaras, director, of Nairobi-based Jitu Productions says, "The government should strengthen the distribution infrastructure by reducing taxation on items and processes relating to the movie making industry and helping in the fight against piracy."

However, the cinema business is big in other parts of the world that also face the challenges of piracy and new technology. Kenya has a growing middle class, which presents a market that can be targeted by various cinema products. While they may afford pay television or rent movies, the cinema culture has potential for growth.

Kenya has not promoted itself as a location in the same way as, for example, Rwanda, as the problem of expensive levies and licences puts off international and local crews and international productions tend to choose locations in South Africa and Nigeria, which have good local facilities

In Rwanda, Eric Kabera was the first Rwandan to locally produce a feature film, 100 Days, and he founded Rwanda Cinema Academy, first of its kind in the region, which identifies and trains talented young people in film production. There are no cinemas, yet Kabera organises the Hillywood film festival around the country using inflatable screens. Many international productions have been filmed here including *Hotel Rwanda*, *Africa United*.

Right: ***Half of a Yellow Sun*, the first Nigerian-British co-production, is Nollywood's biggest-budget film to date. Below: *Hotel Rwanda*.**

Adequate funding is the key to the development of the film industry by making its culture accessible to the rest of the world. A little lift could take it to greater heights

African art coming in out of the cold

African art has never been in greater demand, both from domestic buyers as well as international collectors and institutions. **Alexa Dalby** reports.

Clockwise: *A Young Girl with a Toy* by Mario Macilau; Kenyan painter Paul Oditi with his work at the Nairobi auction; South Africa's award-winning Ardmore Ceramic Studios' piece *A fish vase* painted by Zodwa.

African art expert Ed Cross, of www.edcrossfineart.com and www.auctionroom.com, comments on the rise of interest in African contemporary art, "While it's still a 'young' market we have seen a sea change over the last few years and 2013 was, without doubt, a breakthrough year. With a large number of major firsts including the Tate Modern's first shows for two contemporary African artists, the first London Art Fair for African contemporary art 1:54 which was hugely successful, the first online auctions for African Contemporary Art from The Auction Room and Artnet.

"Other firsts for African art include: the first time an African country, Angola has won the Golden Lion award for its Pavillion at the Venice Biennale: the founding of GAFRA Cork Street's first gallery devoted to Contemporary African Art and finally the announcement in December 2013 that for the first time, the Venice Biennale 2015 will have an African as its chief curator – Nigerian Okwui Enwezor.

"Enwezor's appointment shows just how far things have changed – it is ironic but no coincidence that he wrote about the phenomenon of globalisation in his 2009 book *Contemporary African Art Since 1980*: 'Every indication we have of the current situation of global contemporary art reconfirms the important impact of geopolitical reorganisation of the global order.' The growth that we are seeing now in the African art market is very much a consequence of these factors – which have both affected the global 'gaze' but also lead to the energising and self empowerment of artists from areas hitherto largely ignored."

The market is driven by demand from the private sector for individual artists rather than any particular category. In global terms the African market is still very small – the global value of the market is put at $56bn – and there are few statistics available nationally. With a few exceptions for the most well-known artists, individual prices are still quite low compared to global prices but growing popularity has driven up prices significantly. Bonhams, the internationally known London-based auctioneers, has been key in developing contemporary African art for the international market, having started its auctions five years ago and is now reaping the benefits of the effort put in.

In 2013, its annual Africa Now auction included over 200 works by 66 artists, mostly from Nigeria, Ghana and Benin, raised $2.1m and set 21 world records for prices achieved. However, auction prices and indexes present the success of a particular section of the market and the 'unsolds''are not taken into consideration.

African art fairs are springing up. Art Basel – the Olympics of the art world – has an African section. Frieze London, the international contemporary art fair, consisted last year of 152 contemporary art galleries, two hailing from Africa, double the number of participating African galleries from last year, when none attended.

1:54, a smaller fair with 17 participating galleries, is the first contemporary African Art Fair founded by market developer Touria El Glaoui and was also held in 2013. Designed by architect David Adjaye, participating galleries included Jack Bell Gallery, ARTLabAfrica, and Galleria Continua. The first East African art auction held by Circle Art Agency in Nairobi featured 47 works from 43 artists from six countries: 90% of the works sold for total of $216,000 against an estimate of $201,000. Over half sold to Kenyans.

Auctions are online too. Ed Cross comments, "One of the gratifying aspects of curating The African Art Auction last year was witnessing the emergence of Far Eastern buyers for key lots including El Anatsui's *Coins on Grandma's Cloth* (which sold for $50,000) – we also saw European buyers buying works previously mostly associated with Nigerian collectors. It was good to see collectors acquiring works across the price ranges and mediums and a number of artists, among them, Mozambican Mario Macilau, Nathalie Bikoro from Gabon and Mamady Seydi from Senegal selling for the first time at auction.

"I expect to see a lot more African investors/collectors along with others from all over the world, getting in to the business of creating meaningful collections of African contemporary works – with prices still very low in comparison to other areas of the art market and with the projected growth in African economies. It is in my view a no-brainer that the value of art and culture from Africa will appreciate substantially – as it should. It's long overdue!"

However, across Africa, as yet there is little or no government support for art, still only a few local art galleries and little art education. Governments have other priorities and it is left to the private sector.

Private sector drives market

Sponsored by Nigeria's GT Bank, London's Tate Modern gallery has initiated a curatorial post, the funding of acquisitions and an annual project. As a result, Elvira Dayangani Ose was appointed as Curator of International Art to head an African Art Acquisitions committee, co-chaired by art collector, Robert Devereux, a former partner in the Virgin empire and Richard Branson's brother-in-law.

Devereux sold some of his collection of British contemporary art at Sotheby's for £4.7m to fund his African Arts Trust, an educational charity, which acts as a catalyst for growth of arts organisations.

Its focus so far is on Southern and Eastern African, and it has funded initiatives such as the Kuona Trust in Nairobi, and supported the creation of 320 East in Kampala and NAFASI in Tanzania.

The Nairobi Arts Trust /Centre for Contemporary Art of East Africa (CCAEA) is an organisation that is set to serve as an advocate for contemporary art and as a catalyst for the creation of significant art projects.

The main driver of interest and prices to date has been South Africa, which is more engaged with the international community, where prices have increased hugely and some very high prices have been achieved for major artists. The South African market is worth $300m a year and has been reaching record prices with a 300% increase over the last year, though it may be stabilising now, according to the South Africa's Citadel Art Price Index. According to the index, the art market is off its peak of three years ago though it is 18% higher than it was a year ago. A new Cape Town museum, Zeitz Museum of Contemporary Art Africa, has opened.

West Africa has a vibrant arts scene and the gallery scene is on the up. In Lagos, Nigeria, among others it includes the Omenka Gallery and the Centre for Contemporary Art in Lagos (CCA Lagos) is a non-profit, independently financed space.

The Pendulum Art Gallery is setting up a forum that will allow banks to trade in art; others are Arthouse Contemporary and Nimbus Art Centre. Arthouse Lagos holds successful auctions twice a year.

There are a number of commercial galleries in the region, including the Galérie Cécile Fakhoury in Abidjan, Côte d'Ivoire, Loom in Ghana and the state-supervised Dak'Art exhibition in Senegal. ■

Range of prices achieved at auction
Nigeria
Nnenna Okore – her works can fetch $33,000
Sculpture by Ben Enwonwu – sold for $204,000
Bonhams
El Anatsui's *New World Map* tapestry sold for a record-breaking $890,000 in 2013
Victor Ekpuk – *Adorable Maiden* – $7,500
Chidi Kwubiri – *Talking* – $12,500
Nairobi
Paul Onditi – *Half Life* $8,200
Wadu – six panel – $17,000, twice the estimate
Person Kamwathi – woodblock – $4,400
Joseph Bertiers – *The World's Craziest Bar* – $9,600
South Africa
Record prices are achieved for country's acknowledged masters – Irma Stern, Waler Battiss, JH Pierneef, Alexis Peller and Gerard Sekoto
Irma Stern – $1.6m – second highest price ever achieved by a painting in SA, record being $2m
Gerard Sekoto – $246,900
Ephraim Mojaleft Ngatane – *Figures Around the Fire, Orlando* – reserve price $37,000
Colbert Masile – *Sacrificial Lamb* – $2,800
Billie Zangewa – stitch silk on silk – $7,000
Record price set at Bonhams – Irma Stern – *Arab Priest* – $5m
Alfred Thoba – $84,000
Online
Estimates range from £1,000 to £75,000
New York
In 2012 in New York a work by El Anatsui sold for $722,500 and a ceramic pot by Kenyan born Magdalene Odundo for $134,000