



FY 2017/18 Quarter 1
(July –September 2017)
Broadcasting Report

FY 2017/18 QUARTER 1 (JULY – SEPTEMBER 2017) BROADCASTING REPORT

I. INTRODUCTION

The ICT sector law mandates the Communications Authority of Kenya (the Authority) with promoting and facilitating the development of a diverse range of broadcasting services in Kenya. This mandate includes issuing licenses for various broadcasting services, facilitating the development of Kenyan programmes, administering the broadcasting content aspects of the ICT Law, developing media standards, and regulating and monitoring compliance with these standards. In addition, the Authority promotes the observance of public interest in broadcasting services and ensures that broadcasters provide internal mechanism for disposing of complaints related to broadcasting services.

This report is an overview of the performance of broadcasting services during the 1st Quarter 2017/2018 Financial Year (July-September 2017).

II. STRATEGIC IMPLICATIONS

In the Corporate strategic plan, the Authority has identified compliance to regulatory requirements as one of the strategic objectives. In an effort to ensure compliance, the Authority monitors broadcasters compliance with license requirements as per the ICT Law.

III. OVERVIEW OF THE BROADCASTING MARKET

1. The chart below gives an overview of the number of various broadcasters on air as at the end of Q1, of Fiscal year 2017/18.
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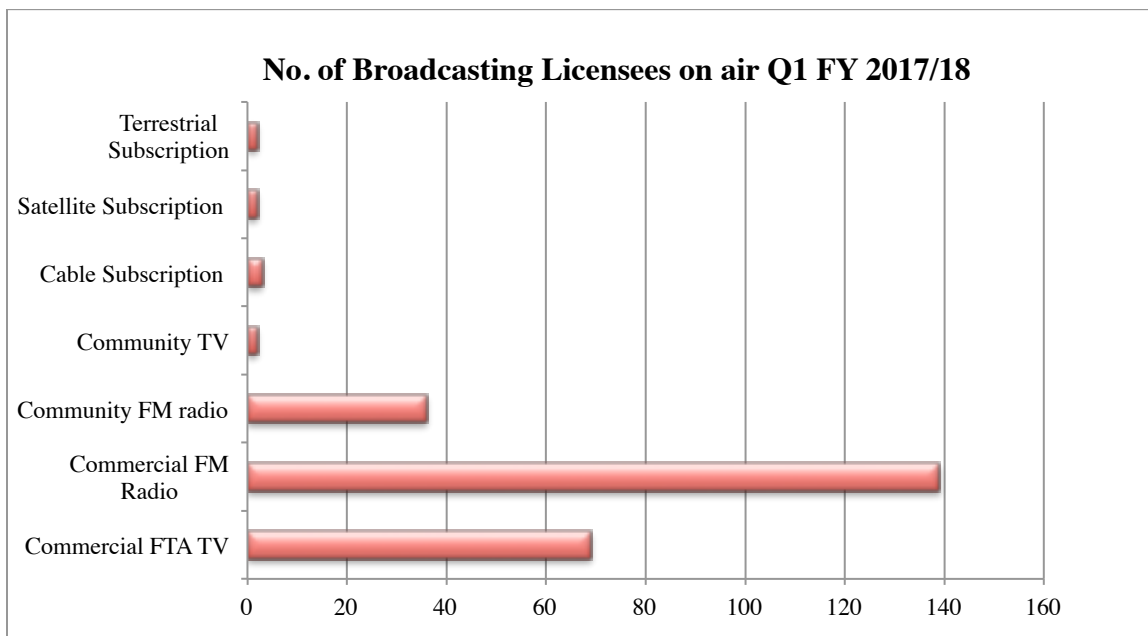


Figure 1: Number of broadcasting service providers per license category that were on air during the period July - September 2017

Commercial FTA Radio had the greatest reach with 139 radio stations on air, followed by Commercial FTA TV with 66 stations and Community FTA Radio with 36.

2. Subscription Broadcasting Performance during the Quarter

The chart below shows the subscription base for the various subscription-broadcasting licensees currently operational during the first quarter:

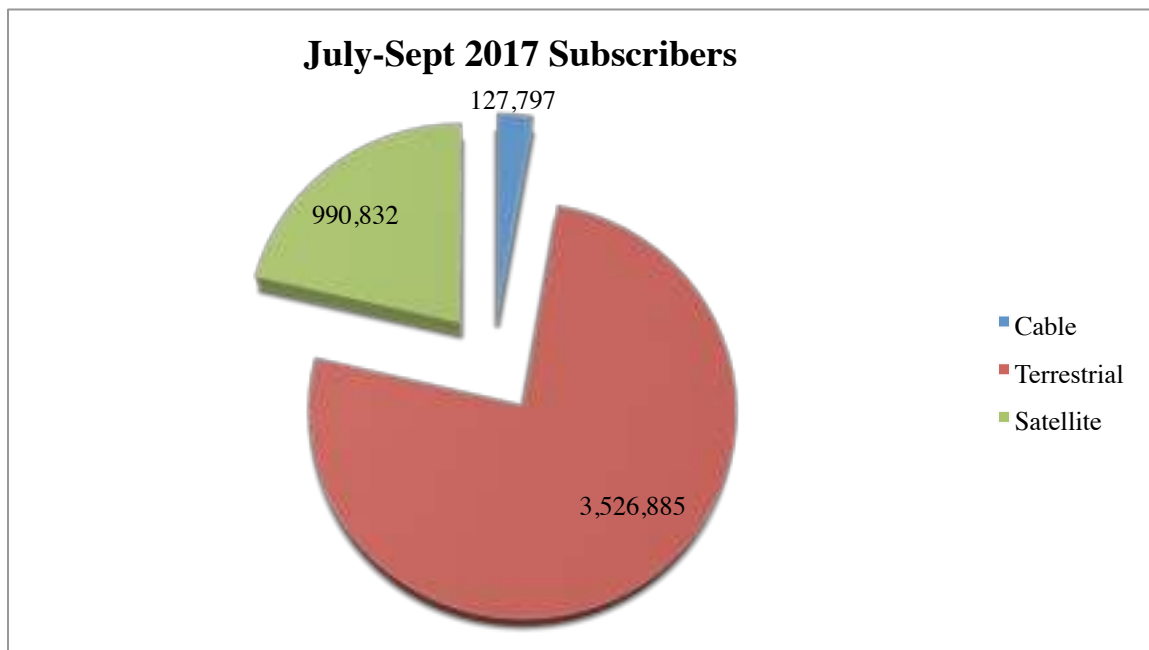


Figure 2: Subscription numbers for the various subscription broadcasting services currently operational.

Terrestrial subscription broadcasting services had the highest subscriber base with 3,526,885 subscribers, followed by satellite at 990,832, and cable at 127,797 subscribers.

The above observation is attributable to the affordability of Terrestrial subscription broadcasting services whose prices range from KES 200.00 to KES 1,499.00, compared to Cable subscription prices from KES 1,000.00 to KES 2,000.00 and Satellite from KES 399.00 to KES 8,180.00.

The graph below shows a comparison the growth of subscription services for the various subscription-broadcasting licensees during the last quarter of 2016/17 and first quarter of 2017/18:

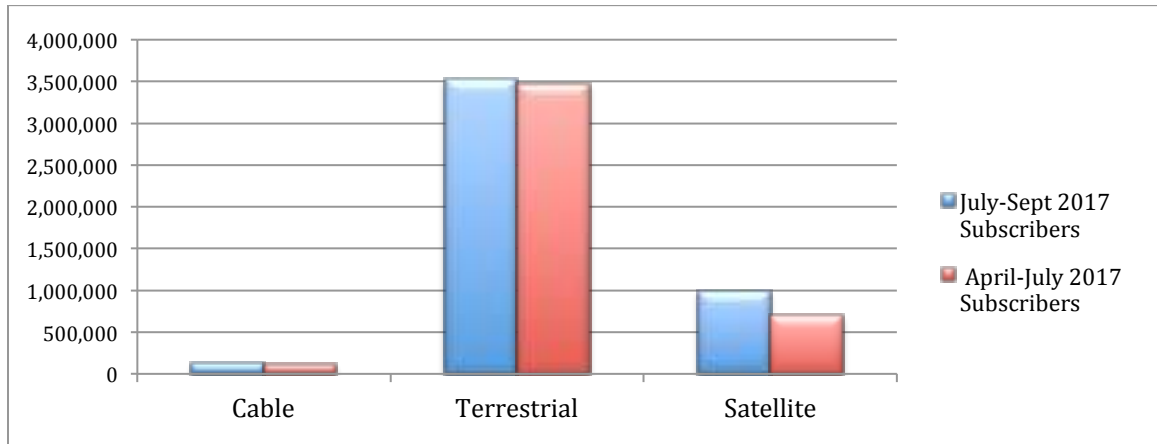


Figure 3: Comparison of subscription growth for the various subscription broadcasting services during Q4 FY 2016/17 vs Q1 FY 2017/18

From the graph, it worthy noting that the subscriber base for the various subscription broadcasting services increased slightly during the quarter.

3. Broadcasting Signal Distribution Services

The Digital Terrestrial Television (DTT) population coverage stood at 78% by the end of the first Quarter.

IV. BROADCAST CONTENT MONITORING PERFORMANCE

The following is an analysis of broadcast content monitoring performance during the period July-September 2017:

1. Overall Compliance

The table below shows a summary of the levels of compliance with the various monitored parameters during the quarter.

This performance is based on an analysis of 51 out of 66 FTA TV.

Requirement	2017/2018			2016/2017	
	No. of Compliant Broadcasters	No. of Non-Compliant Broadcasters	% Compliance Quarter 1	% Compliance Quarter 4	% Compliance Quarter 3
Local content quota requirement of 40%	42	9	82.4	66.7	64.6
PWDs sign language insert requirement	23	2	92	92	77.3
Advertisement (maximum limit of 10 minutes in every 30 minutes of TV programming)	51	0	100	100	100
Advertisements (40% local) requirement	51	0	100	100	100
Children's programs requirement of at least 5hrs per week	4	47	7.8	10.4	4.2
Appropriate content requirement during the watershed period	49	2	96	97.9	83.3

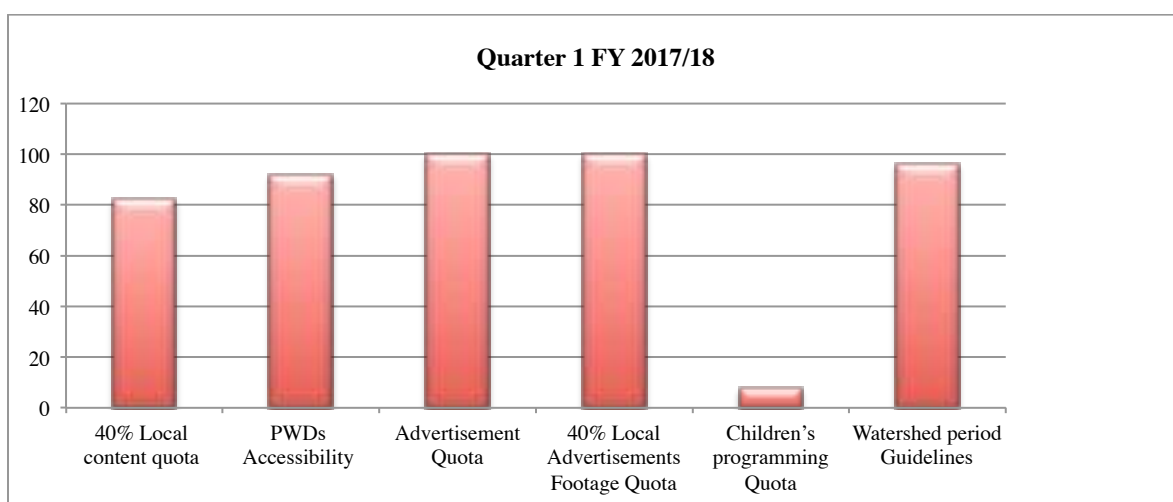


Figure 4: Summary of broadcasters performance on various monitored parameters during the quarter.

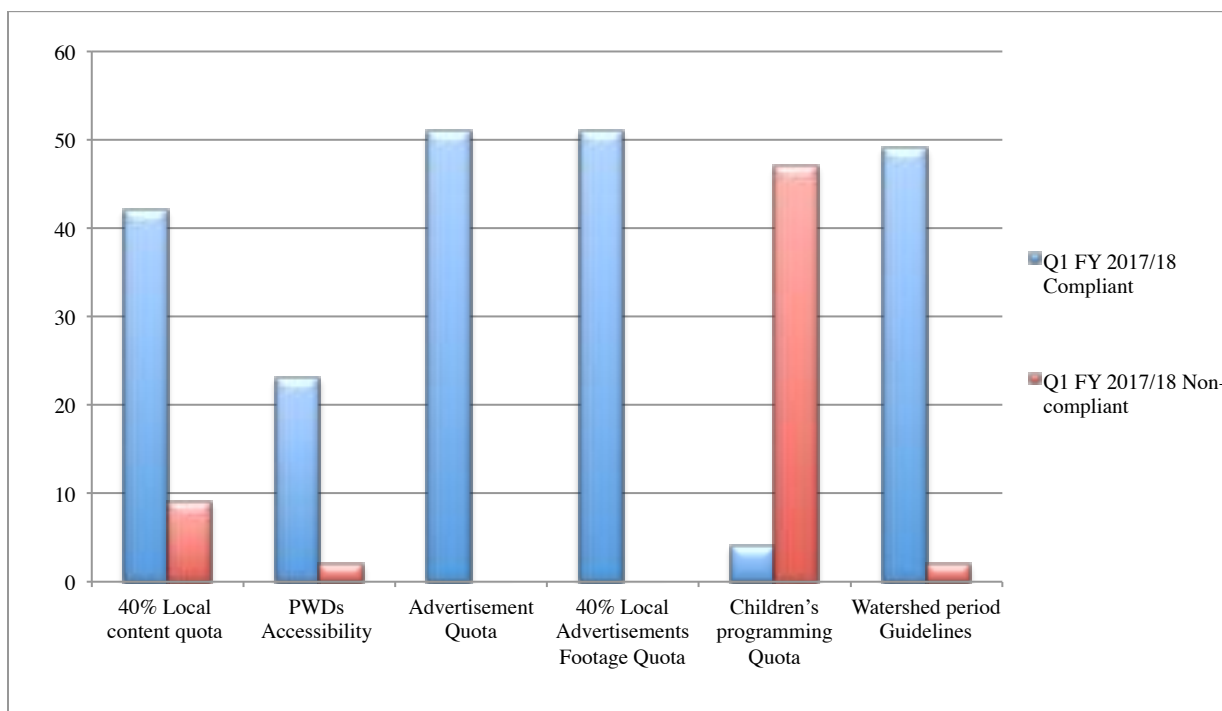


Figure 5: Comparison of the number of broadcasters who were compliant vs non-compliant in the various monitored parameters during the quarter.

From the monitoring of FTA TV broadcasters compliance during the 1st Quarter of the FY 2017/18 as reflected in the above tables and graphs, the following can be deduced:

- i. Forty two (42) stations out of fifty-one (51) that were monitored (which is equivalent to 82.4%) complied with the local content quarter threshold of 40%.
- ii. Twenty-three (23) out of twenty-five TV stations that broadcast news as part of their programming implemented the Persons with Disabilities (PWD) accessibility requirement.
- iii. Forty-nine (49) out of the fifty-one (51) stations monitored complied with airing of appropriate content during watershed requirement.
- iv. All of the monitored broadcasters complied with the requirement for 10 minutes of advertising in 30 minutes of programming, as well as the requirement for 40% local advertisement footage.
- v. The children programming quota requirement registered the highest non-compliance levels of all monitored parameters.

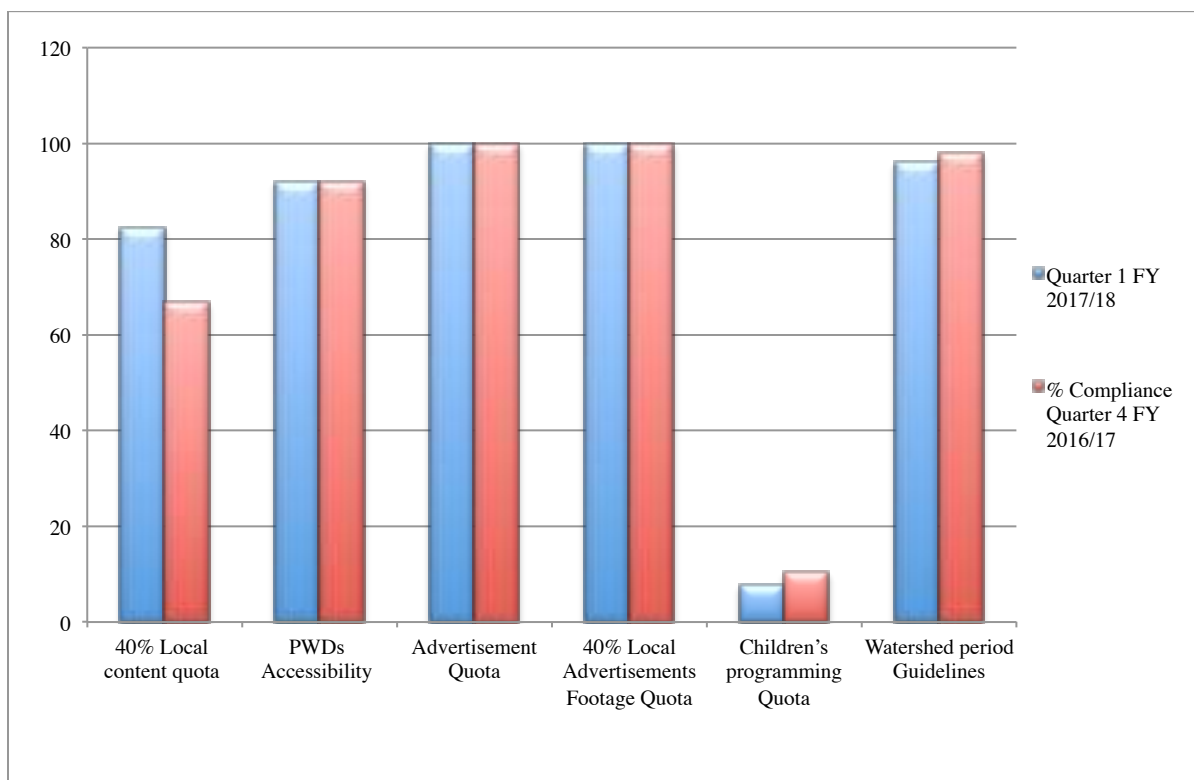


Figure 6: Comparison of compliance levels between Q1 FY 2017/18 vs Q4 FY 2016/17

- i. The compliance levels for PWD accessibility and Advertisement requirements remained unchanged from the last quarter of the FY 2016/17.
- ii. There was a marked improvement in Local content quota compliance in Q1 FY 2017/18 compared to Q4 FY 2016/17. This can be attributed to the ongoing enforcement action by the Authority on non-compliance as well as initiatives such as the recognition awards and the Local Content Workshops.
- iii. There was decreased compliance in Children's programming quota and watershed period guidelines during the period July-September 2017 as compared to April-June 2017. This can be attributed to the election period effect, where majority of stations shifted from their normal programming lineup to include more current affairs and election analysis programming, which resulted in lower airtime allocated to children programming.

2. Local Content Quota Compliance

The chart below shows the levels of local content quota compliance (%) of the monitored broadcasters during the period July-September 2017.

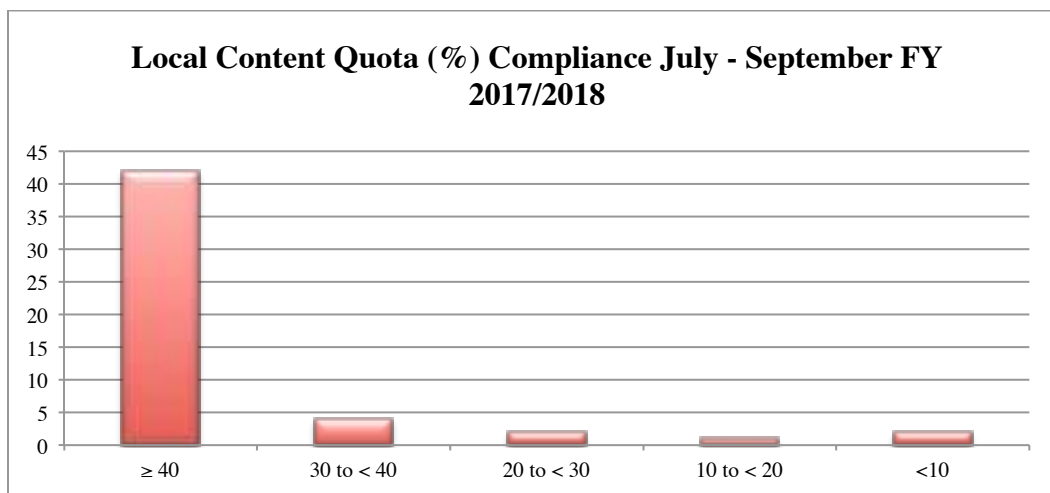


Figure 7: Analysis of the number of FTA TV stations that met the local content quota (%) threshold during the period July-Sept 2017

In summary:

- i. Forty-two (42) of the fifty-one (51) FTA TV stations monitored met the 40% local content quota threshold. This is an improvement from the previous quarter where only 32 stations had complied. This is attributed to the ongoing enforcement action.
- ii. The Authority has consequently, instituted enforcement action on the non-complaint stations.

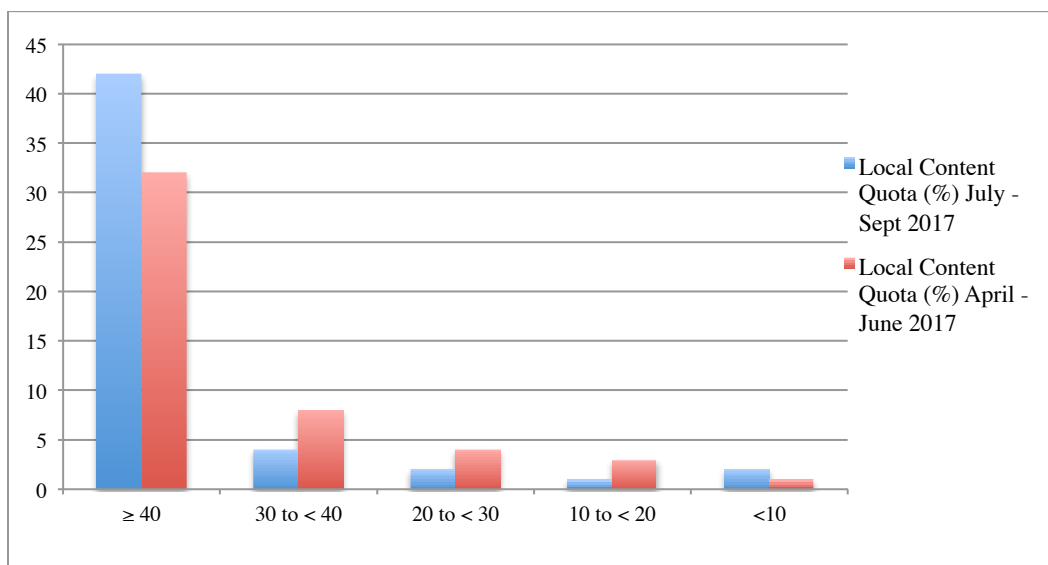


Figure 8: Comparison of the compliance levels of the local content quota (%) requirement amongst FTA TV stations for the period July-Sept 2017 vs April-June 2017

From the above graph we conclude that:

- i. There was a significant increase in compliance levels from last quarter’s performance with more stations registering compliance in Q1 FY 2017/18 as compared to Q4 FY 2016/17.
- ii. This improvement is attributed to the Authority’s engagement with non-compliant stations through notification letters, as well as the elections period effect, which saw majority of broadcasters introducing new current affairs programs to their programming.

3. Accessibility to Broadcasting Services by Persons with Disabilities

The compliance levels for this parameter remain unchanged from the previous quarter. Twenty-three (23) out of twenty-five (25) FTA TV stations that aired News as part of their regular programming complied with this requirement by providing *Sign Language Inserts* in their News.

The Authority has instituted enforcement action on broadcasters that were non-compliant with this requirement during the quarter.

4. Watershed Period Guidelines: Good Taste and Decency

There was non-compliance incidents registered during the quarter on the following standards:

- a. Protection of children
- b. Religious programming guidelines

The Authority instituted enforcement action on the offending broadcasters.

5. Children Programming Quota

The table below shows the level of compliance with the Children programming quota requirement (5 hours of children programming per week) during the period July-September 2017.

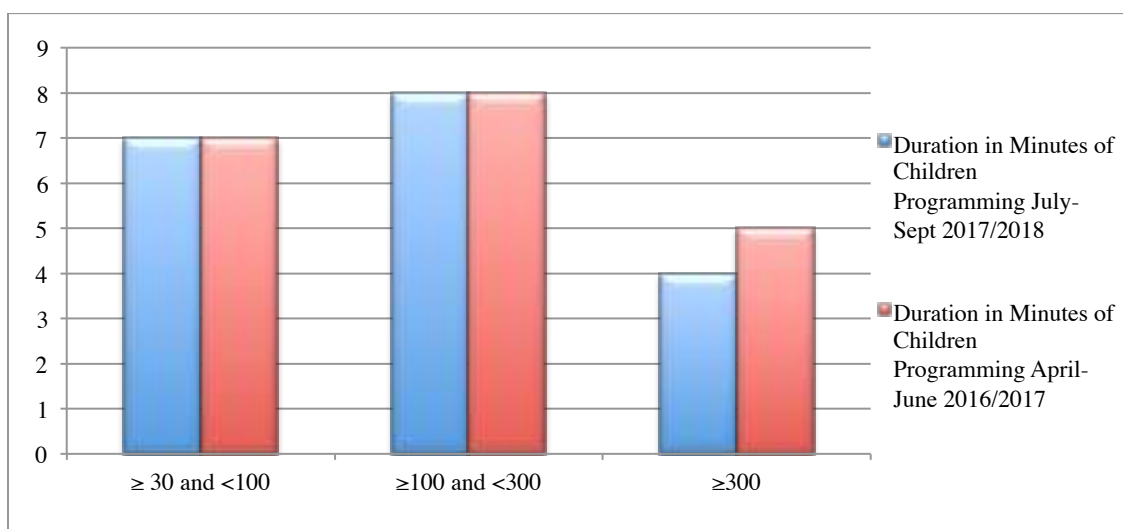


Figure 9: Analysis in minutes of the duration dedicated to Children's programming by FTA TV stations that were monitored during the period July-September 2017

From the graphs, we note that:

- i. Only five (5) out of the fifty-one (51) FTA TV stations monitored complied with the five hours children's programming quota requirement. This performance remains unchanged from the previous quarter.
- ii. The poor performance on this requirement can be attributed to the cost implication associated with complying with this standard. Additionally, the trend for broadcasters to move from general programming to niche programming poses an additional challenge as programming for such niche stations may not be children oriented.
- iii. The Authority will use incentive regulation such as the *CA Kuza Broadcasting Recognition Awards* to improve broadcasters' compliance on this parameter.

6. Genre Performance

The chart below shows the distribution by genre of local programmes aired by FTA TV stations during the period July – September 2017.

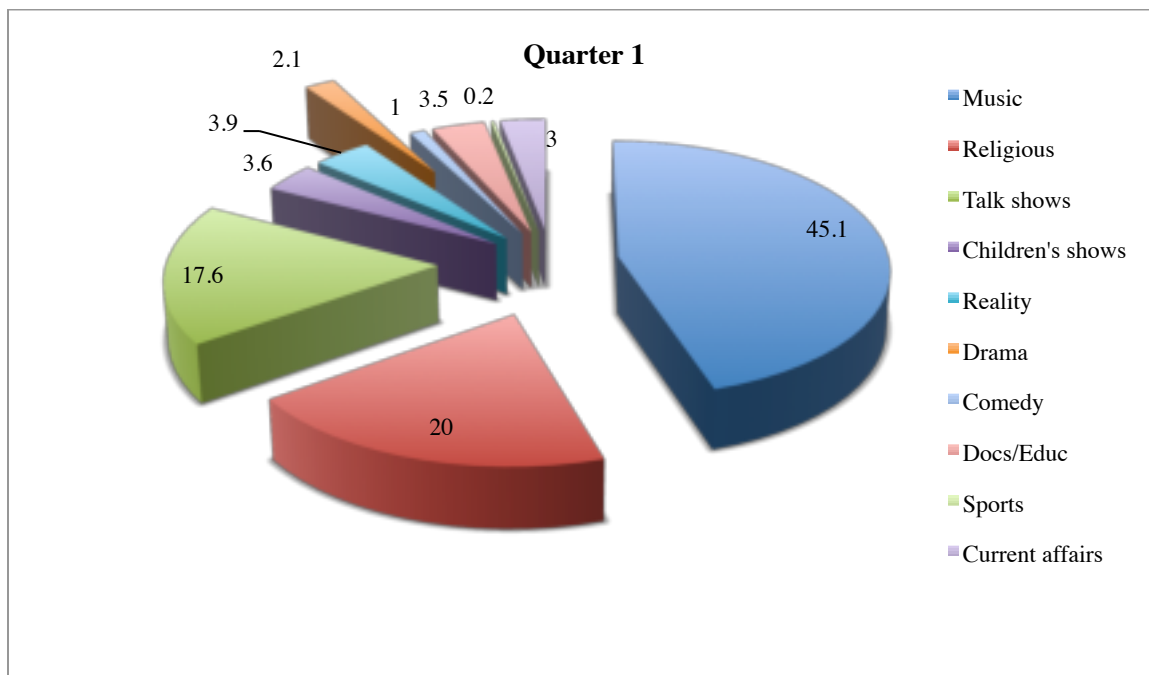


Figure 10: Distribution, per genre, of the various local programming aired by FTA TV stations during the period July-September 2017

From the above data, Music had the highest weekly average at 45.1% with Religious content coming in second with a weekly average of 20% of the local programming aired. Talk shows came in third 17.6%, while Reality, Children, Documentaries, Current affairs, Drama, Comedy and sports genres had the lowest share of local programming across the stations monitored with 3.9%, 3.6%, 3.5%, 3%, 2.1%, 1% and 0.2% respectively.

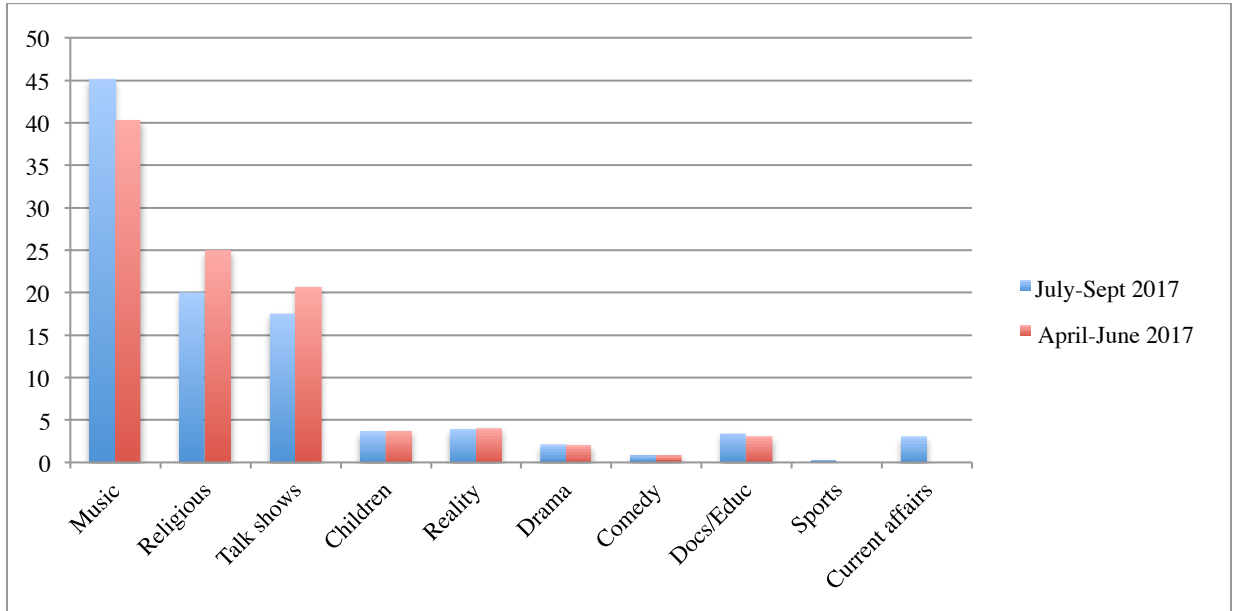


Figure 11: Comparison of the distribution, per genre, of the local programming aired by FTA TV stations in the period July-September 2017 compared to April-June 2017

7. Prime Time Genre Performance

Below is a snapshot from the Kenya Audience Research Foundation (KARF) demonstrating audience trends throughout a programming day. The peaks show the time when majority of audiences are tuned in to either television or radio stations their choice.

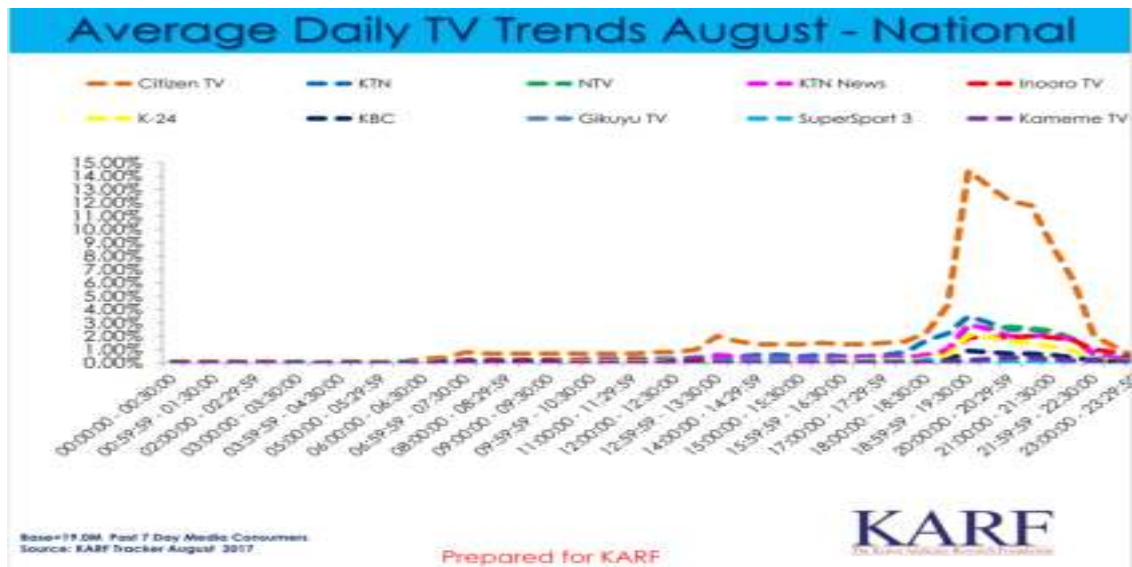


Figure 12: Average daily national TV trends (Source: KARF 2017)

Of the sampled stations, audience trends indicate that majority of the TV audiences tuned in between 6-10pm across all stations. This period, 6pm – 10pm can be referred to as the prime time for Kenyan audiences.

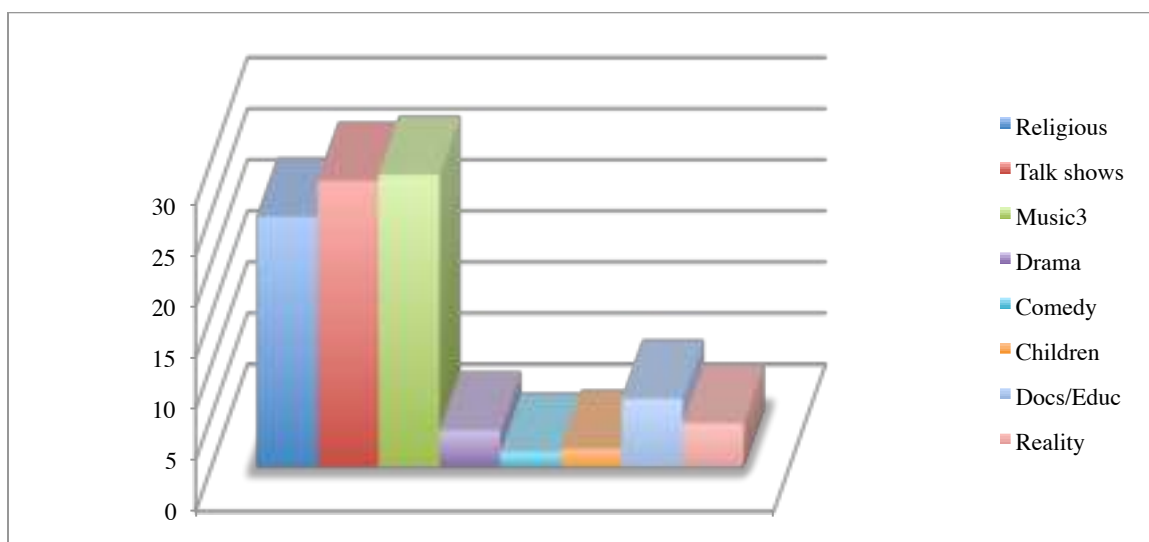


Figure 13: Analysis of genre performance during prime time

Music as a genre had the highest weekly average of 45.1% while Religious content was rated second with a weekly average of 20% of local programming. Talk shows as a genre came in third at 17.6 %. Reality, Children, Documentaries, current affairs, drama, Comedy and sports genres had the lowest local content across most of the stations monitored registering 3.6%, 3.5%, 3%, 2.1%, 1% and 0.2% respectively.

V. BROADCAST COMPLAINTS HANDLING

The ICT sector law mandates the Authority with ensuring that broadcasters establish and maintain appropriate complaints handling mechanisms for use by persons aggrieved by a broadcast or those who may wish to report a violation of law. Additionally, the Authority is the second point of redress for persons aggrieved by a broadcast, with the broadcaster being the first point of redress.

Below is an analysis of the complaints received during the quarter and the action taken.

Nature Of Complaint	Brief Description	Action Taken
Inciting comments	The complaint regarded alleged inciting comments regarding terrorism made by a guest on the FTA station.	<p>The Authority notified the broadcaster to exercise caution in airing sensitive discussions so as to avoid a breach of broadcasting content standards. In addition, the station was required to submit corrective measures in order to avoid future recurrence of such breaches.</p> <p>The broadcaster submitted the following measures, that were satisfactory to the Authority, to mitigate future recurrence of the violation:</p> <ul style="list-style-type: none"> • Review of broadcasting content guidelines and training of their staff. • Pre-broadcast briefings for the panelists on their editorial policy and industry standards. • Disciplinary action.
Defamation	<p>A FTA Radio station was found to have aired false information that was deemed damaging to the reputation of the complainant.</p> <p>Further, the complainant claimed that station failed to adequately resolve the complaint.</p>	<p>The Authority established that the complaint was not valid. Analysis of the said broadcast clip showed that the broadcast station had not aired the alleged damaging information.</p>
Inappropriate content for children	<p>It was brought to the attention of the Authority that there were allegedly gay programmes targeting children that were aired by Pay TV stations.</p>	<p>The Authority established that the broadcaster had not aired any program that promotes homosexuality, or any content that violates the broadcasting content standards.</p> <p>The Authority however sought commitment from the broadcaster on the following measures to address the concerns that had been raised:</p> <ul style="list-style-type: none"> • The Pay TV broadcaster to take up the concerns raised about the shows with their respective content providers, and suspend the said shows in Kenya. • The Pay TV broadcaster to reaffirm their commitment to maintaining age appropriate content and together with its content providers, they will proactively monitor all content that is aired on their platform in line with the license conditions. • The Pay TV broadcaster to make provisions for

Nature Of Complaint	Brief Description	Action Taken
		<p>parental control measures via a PIN code on their decoders to prevent children from accessing content that is deemed inappropriate.</p>
<p>Offensive political content</p>	<p>The FTA TV station in their analysis made remarks regarding one presidential candidate that vilified him as a person, and which were deemed derogatory and depicted him in an offensive manner.</p>	<p>The Authority engaged the broadcaster and requested them to moderate the strong language in the aforementioned content, so as to make this content suitable for TV audiences. In addition, the station was required to submit corrective measures to mitigate against future recurrence of such a violation.</p> <p>The broadcaster submitted the following measures to mitigate against recurrence of the violation:</p> <ul style="list-style-type: none"> • The editorial team would review the show prior to its broadcast to ensure derogatory remarks and offensive language is not broadcast. • The editorial team would review and ensure that news and information are broadcast and presented in a balanced manner. <p>The Authority also brought to the attention of the NCIC the aforementioned broadcasts for their further action.</p>
<p>Airing of live broadcasts of political rallies and press conferences.</p>	<p>The Authority received several complaints concerning the live coverage of various political rallies and press conferences by FTA TV stations. The complainants were concerned that this could lead to incitement to violence and hatred.</p>	<p>The Authority established that the broadcasters were not in violation of the broadcasting content standards. In order to mitigate any unintended transmission, the Authority requires broadcasters to implement a ‘7 seconds Profanity Delay System’ for live broadcasts.</p>
<p>Incitement of audiences</p>	<p>The Complaint was regarding alleged inciting remarks by a radio presenter in their mother tongue.</p>	<p>The Authority established that the complaint was not valid. Analysis of the broadcast showed that the broadcaster did not air any hate speech or incitement, hence did not contravene any broadcast content standards.</p>

Nature Of Complaint	Brief Description	Action Taken
Airing inciting comments	The complainant alleged that a FTA TV station aired inciting statements made by a member of parliament.	The Authority established that the complaint was not valid. Analysis of the content aired showed that the broadcaster did not contravene any broadcast content standards.
The Authority noted comments made during an interview aired on a FTA TV station	This was regarding a live interview aired by a FTA TV station where they hosted a guest who made comments that were deemed reckless and likely to incite violence, especially in light of the political atmosphere at the time.	<p>The Authority noted that the host did not moderate the comments of the guest and reminded the offending broadcaster of their responsibility towards broadcasts aired on their station regardless of the source.</p> <p>The broadcaster submitted the following measures to mitigate against recurrence of the violation:</p> <ul style="list-style-type: none"> • Pre-broadcast briefings for the panelists on their editorial policy and industry standards. • Review of broadcasting content guidelines and training of their staff. • Disciplinary action. <p>The Authority notes improvement by the said station that was demonstrated when the station evicted one of their guests when the guest was unable to substantiate some allegations.</p> <p>The video clip of the said interview was also brought to the attention of NCIC for their further action.</p>
Vilification and defamation	The complaint regarded a FTA TV station that aired a program that made remarks regarding a presidential candidate that allegedly vilified him as a person, were derogatory and depicted him in an offensive manner.	The complainant was informed that the Authority had already engaged the offending broadcaster to institute corrective measures.
Inflammatory comments against a person	<p>The complaint regarded a FTA Radio presenter who allegedly made inflammatory comments against a senior Government official.</p> <p>The said comments were made during the station's Breakfast show, and were based on the presenters opinion on allegations made</p>	<p>The broadcaster was issued with a notice to carry out regulatory action for violation of broadcast content standards and was given corrective actions to institute.</p> <p>The broadcaster thereafter submitted the following measures to mitigate against recurrence of the violation:</p> <ul style="list-style-type: none"> • Implemented a broadcast delay mechanism

Nature Of Complaint	Brief Description	Action Taken
	<p>by the Government official who purportedly said that the presidential candidate was organizing chaos or a coup to stop the presidential elections of October.</p>	<p>that allows 10 seconds transmission delay that would enable self-regulation of live content.</p> <ul style="list-style-type: none"> • Scheduled refresher training for all the programming staff on the requirements of the Act, Broadcasting Regulations and Programming code. • Submitted a completed complaints handling procedure for the Authority’s approval. <p>The Audio clip of the content was also brought to the attention of MCK and NCIC for their action.</p>

VI. OTHER REGULATORY ACTIVITIES

The following other regulatory activities were carried out during the quarter:

Item	Objective	Activities
<p>CA-KFC Local Capacity Building forums</p>	<p>Local content development</p>	<p>The Authority in liaison with Kenya Film Commission carried out local content capacity building activities for content producers in Kilifi. The forum enabled fifty (50) participants to develop Film Production skills in all areas such as Directing and Production, Screen-script writing, Acting, Editing and Cinematography, informed the participants on the latest trends in the local film industry, widened the skills pool in the local film industry to support the local creative industry, and provided an opportunity for participants to gain practical experience in aspects of film production and network with fellow film professionals from the local film industry.</p>

Item	Objective	Activities
Responsible Broadcasting in View of 2017 General Elections	Election period preparedness	The Authority reminded broadcasters of their obligations towards responsible broadcasting during the electioneering period through a communiqué to all broadcasters on 28 th July 2017, a Public Notice, and a Meeting on 2 nd August 2017. The Authority also contributed to fostering peace and national cohesion by collaborating with various government agencies on various aspects, such as providing law enforcement agencies with broadcast clips to assist in the prosecution of hate speech and incitement to violence offenders.

VII. INDUSTRY TRENDS

The following highlights broadcasting industry development during the quarter under review:

1. The PWC E&M Outlook Report 2017

The PWC E&M Outlook Report 2017 analyses consumer and advertising spending across five countries: Kenya, Nigeria, South Africa, Ghana and Tanzania. According to the report, the Kenyan Entertainment and Media Industry (E&M) was worth Sh216.9 billion in 2016, up from 13.6% in 2015. The report forecasts revenue to grow at 8.5% Compound Annual Growth Rate over the next five years, hitting the Sh309.9 billion in 2020 and Sh330.5 billion in 2021.

The report noted that shifting consumer preferences, rapid advances in technology and on-going disruption to business models calls for Media players to create compelling, engaging and intuitive user experiences and content.

The report noted that in order for media players to thrive in the increasingly competitive and crowded marketplace, they need to focus on implementing strategies and building capacities to engage with consumers through engaging content.

2. KARF Audience Information

According to the Kenya Audience Research Foundation (KARF), Radio and TV remained the preferred source of information for Kenyans during the quarter under review, with Online, Newspaper and Magazines following as shown below:

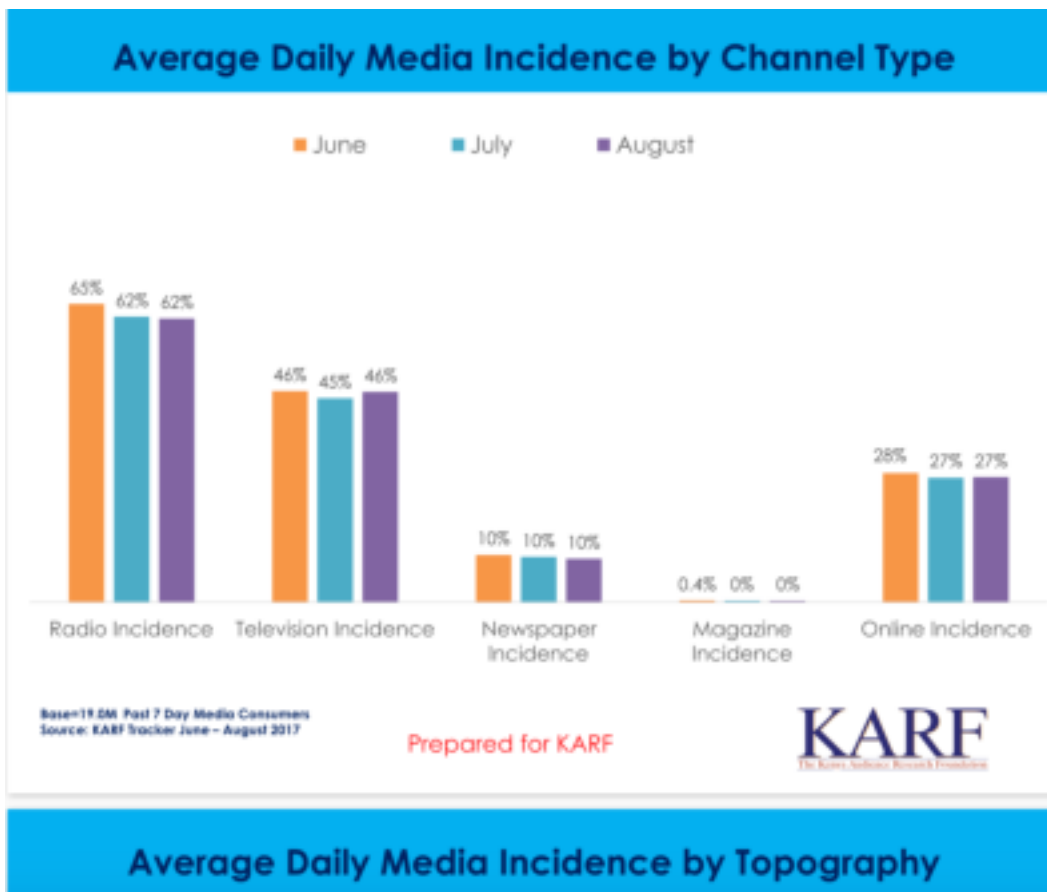


Figure 14: Daily media incidence by channel type (Source: KARF 2017)

According to KARF, Radio was the preferred medium followed by TV, Online, Newspaper and magazine.

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