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SINCE 1947

current overview of film and television financing in nigeria

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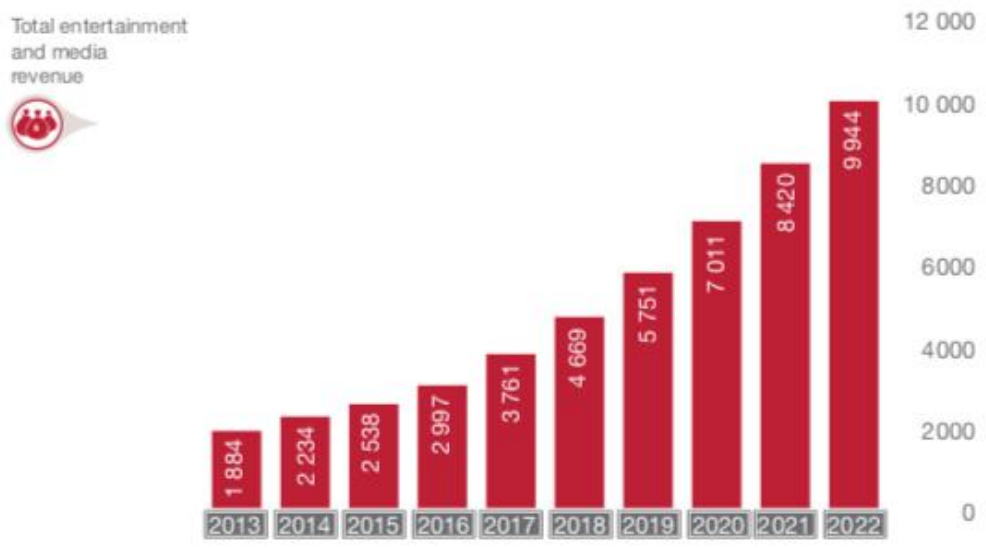
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1. Sector Overview/Industry opportunity

2. SWOT analysis

3. Some recent examples of film investments

Figure 14: Nigeria: Total entertainment and media revenue, 2013–2022 (US\$ millions)



Sources: Entertainment and media outlook: 2018–2022, An African perspective, Ovum, www.pwc.co.za/outlook

Industry opportunity

- The Entertainment industry in Nigeria, in the last ten years has witnessed great growth nollywood. A 21.5% CAGR is anticipated for the industry in 2022, with revenues in the industry reaching US\$9.9 billion in that year. The music sector is estimated to contribute a whopping \$65 million to that. This growth can be attributed to three factors: demographics, internet penetration, and streaming according to Data from PricewaterhouseCooper’s (PwC) Entertainment and Media Outlook 2016–2020.
- In the 2016 report PwC suggests that E&M spending in the 10 youngest markets worldwide is growing three times as rapidly as in the 10 oldest (see graph in slide below showing Nigeria’s positioning). Whilst their Global Media & Entertainment outlook report 2018-2022 show that Nigeria saw a huge 25.5% rise in Media & Entertainment industry revenue in 2017 to US\$3.8 billion, with US\$605 million of this US\$764 million rise being attributable to the increase in Internet access.

Sector Overview
 Entertainment and Media
 Nigeria: Total entertainment and media spending by segment, 2013-2022 (US\$ millions)

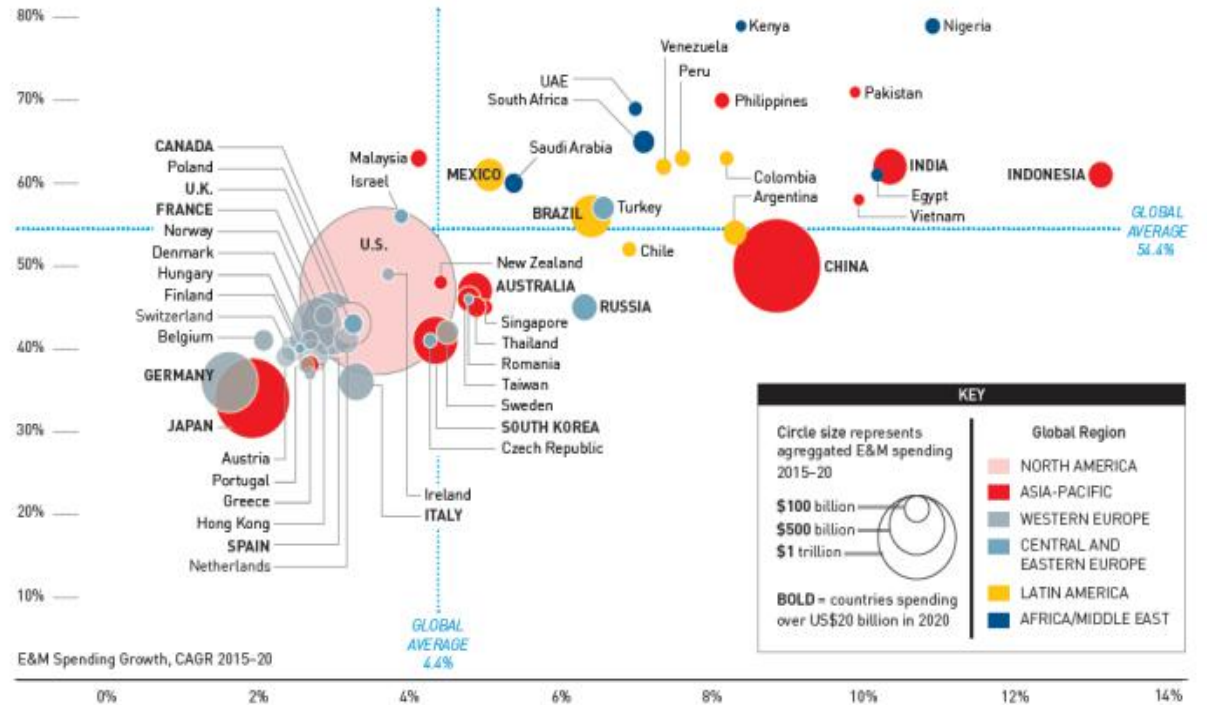
Nigeria: Total entertainment and media spending by segment, 2013-2022 (US\$ millions)

Category	Historical data					Forecast data					CAGR %
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Books	24	26	27	28	30	31	33	34	36	37	
YOY growth (%)		6.3%	4.7%	6.0%	5.3%	4.7%	4.8%	4.6%	4.1%	3.9%	4.4%
Business-to-business	10	12	13	14	15	16	17	19	20	21	
YOY growth (%)		13.5%	7.6%	11.0%	9.2%	5.8%	6.7%	6.9%	5.4%	5.6%	6.1%
Cinema	7	7	8	11	13	14	15	16	18	19	
YOY growth (%)		7.4%	11.0%	40.7%	10.5%	8.7%	9.5%	8.0%	8.0%	8.6%	8.6%
Internet	907	1 196	1 451	1 845	2 472	3 250	4 221	5 381	6 707	8 163	
YOY growth (%)		31.9%	21.4%	27.1%	34.0%	31.5%	29.9%	27.5%	24.7%	21.7%	27.0%
Magazines	109	112	114	117	119	122	124	127	129	131	
YOY growth (%)		3.3%	1.8%	2.5%	2.0%	2.0%	1.8%	2.1%	1.7%	1.9%	1.9%
Music	26	27	29	31	35	41	46	53	59	65	
YOY growth (%)		3.9%	6.3%	8.7%	12.5%	16.0%	13.3%	14.8%	11.2%	10.1%	13.0%
Newspapers	102	102	101	100	100	100	101	101	101	101	
YOY growth (%)		-0.5%	-0.9%	-0.5%	0.0%	0.2%	0.1%	0.2%	0.2%	0.4%	0.2%
Out-of-home	97	104	111	117	125	132	140	147	155	162	
YOY growth (%)		7.9%	6.4%	5.0%	7.1%	5.8%	5.7%	5.0%	5.2%	4.8%	5.3%
Radio	45	47	49	43	44	45	47	49	51	54	
YOY growth (%)		4.5%	6.0%	-13.8%	2.6%	3.4%	4.0%	4.5%	4.7%	4.9%	4.3%
TV and video	555	599	632	683	800	910	1 001	1 079	1 140	1 187	
YOY growth (%)		8.0%	5.5%	8.1%	17.1%	13.7%	10.0%	7.8%	5.7%	4.1%	8.2%
Video games	17	21	25	33	38	44	51	60	69	80	
YOY growth (%)		20.8%	17.2%	34.3%	15.8%	16.5%	15.5%	16.0%	16.0%	15.7%	15.9%
Total	1 884	2 234	2 538	2 997	3 761	4 669	5 751	7 011	8 420	9 944	
YOY growth (%)		18.6%	13.6%	18.1%	25.5%	24.2%	23.2%	21.9%	20.1%	18.1%	21.5%

Exhibit 4: Youth Movement

Across countries, there is a strong correlation between the relative size of the under-35 population and growth in E&M spending.

Percentage of Population below Age 35



Source: Entertainment and media outlook: 2018-2022, An African perspective, Ovum, www.pwc.co.za/outlook

SWOT ANALYSIS

STRENGTHS;

- Brand value
- Innovative culture
- International reach

WEAKNESSES;

- Limited distribution outlets
- Limited know how
-

OPPORTUNITIES;

- Large Young Population
- Increased popularity of Nigerian films abroad
- Increased access to the Internet driving increase of streaming and other digital offerings which inadvertently mitigates against the weak IP protection infrastructure that breeds the scourge of Piracy.
- Increasing numbers of cinemas
- Availability of low interest loans

THREATS;

- Weak intellectual property (IP) protection infrastructure- rampant piracy
- Developing film industry structure

Some of our film investments

HALF OF A YELLOW SUN

WEDDING PARTY 1 & 2 - THE COLLECTIVE

KING OF BOYS - HOW HOLDINGS & OTHERS

GOD CALLING - HOW HOLDINGS

ALL THE BOY FUNDED FILMS

HAVE THEY ALL BEEN SUCCESSFUL?



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