

Nigerian investor to speak at Kenyan film conference

By <u>Carole Kimutai</u> 22 Jun 2011

The upcoming Broadcast and Film Africa Conference in Nairobi will feature a speaker from Cinemart, the Nigerian cinema chain, which is to open 25 cinemas in Kenya over the next year, with the first 12 screens opening in September 2011.

Following the shock announcement last week that the previously largest cinema chain in Kenya, Silverbird, had closed its last cinema, with the Village Market cinema being put up for auction, many commentators cited the closure as the end of the cinema model in the country - despite decades where it was the entertainment of choice for dating couples and family outings.

Broadcast and Film Africa 2011, to be held 6-7 July 2011, has brought together key industry stakeholders from around the globe to present on "New film and media finance models". The conference will also hear from Nigerian cinema chain, Cinemart which is now positioning itself to rejuvenate this important entertainment sector and aspires to become a pancontinental player by offering a different business model.

Lack of innovation

Cinemart's Dayo Ogunyeni will present to the conference the remedies as achieved by Cinemart in addressing film distribution in an era of illegal movie pirating and rising home entertainment. According to Ogunyeni, the major problem facing the mainstream cinema industry in Africa has been the lack of innovation.

"The mainstream cinema model in Africa has largely consisted of transplanting an American formula of Hollywood movies at New York prices to the affluent, who make up a very tiny slice of the population," he said.

This leads to very low occupancy rates and correspondingly low economic returns. "This model has simply has not been able to scale-up successfully even in relatively affluent South Africa and has struggled as a niche offering in Kenya, Nigeria and Ghana," he said.

However, the success of mobile phones - moving from a couple of hundred thousand phones to tens of millions of lines in less than a decade - demonstrates that the common person in Kenya have the purchasing power to support compelling value propositions beyond the basic necessities of food and housing.

"With the right policy support from government and financial support from institutional investors and financial institutions, the entertainment sector can achieve the same type of success," he said.

Aiming for change across the continent

Cinemart has plans across Africa aims to bring great change to the continent's cinema industry. Today, with the exception of South Africa, sub-Saharan African countries have screen to population ratios that are extremely low. The US has one screen for every 8,000 Americans, India has roughly one screen for every 100,000 Indians, but Kenya has roughly one screen for every two million Kenyans, and Nigeria has one screen for every five million citizens.

"It's the equivalent of having only 50 petrol stations in the whole of Kenya to meet the energy needs of 40 million citizens," said Ogunyeni.

By the end of the first full year of operation in July 2011, Cinemart intends to have 100 cinemas across Africa, and sees a minimum scale of 25-30 cinemas per country in Africa with 50 screens in Nigeria and 25 apiece in Kenya and South Africa.

"The bottom 80% of audiences in South Africa has the same purchasing power as their equivalents in Kenya and Nigeria," he said.

Supported by The Kenya Film Commission, the conference will also address all other pertinent issues in the film industry, including its contribution to the Kenyan economy and culture, drawing more than 40 speakers and presentations from film makers and animators for the two-day event.

ABOUT CAROLE KIMUTAI

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