

South Africa's Box Office Report



(January – December 2017)



national film and video foundation
SOUTH AFRICA
an agency of the Department of Arts and Culture

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1. EXECUTIVE SUMMARY

South Africa's box office report provides an analysis of the performance of domestic films in comparison to international films. The report looks into the earnings of each film (the top grossing films), market share, percentage share by distributors, top earning genre and comparison between classic 2D (standard format) and classic 3D format.

Key Points:

- Overall, theatrical box office revenues grew by 5% in 2017;
- A total of R 1 193 billion box office gross was recorded;
- Domestic gross box office declined by 35%, recording only R45,2 million earnings;
- There were 222 titles shown at cinemas across the country, a drop from 248 titles released in 2016;
- 23 South Africa films were released in 2017;
- The market share for domestic films is 4%;
- South African box office charts were dominated by big-budget Hollywood movies led by *Fate of the Furious*, *Jumanji: Welcome to the Jungle*, *Despicable Me 3*, and *Beauty and the Beast*;
- Growth in films released in digital 3D screens in 2017 continue to rise, 45 films were released on 3D/4DX/IMAX & D.BOX format claiming 65% of the total gross, while standard format (classic 2D) accounted for 35%;
- Action/Adventure movies were the highest grossing genre which took 19% of the gross box office.

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3. LIST OF ABBREVIATIONS

AUS	Australia
AU	Austria
BEL	Belgium
BO	Box Office
CAN	Canada
CBD	Crystal Brook Distribution
DRC	Democratic Republic of Congo
ESP	Spain
EE	Empire Entertainment
FRA	France
GER	Germany
GBO	Gross Box Office
HUN	Hungary
IFD	Indigenous Films Distribution
IND	India
ISR	Israel
ITA	Italy
MEX	Mexico
NFVF	National Film and Video Foundation
NZ	New Zealand
POL	Poland

ROMCOM	Romantic Comedy
SA	South Africa
SCI-FI	Science Fiction
SKE	Ster-Kinekor Entertainment
UAE	United Arab Emirates
UIP	United International Pictures
UK	United Kingdom
USA	Unites States America

4. DEFINITION OF KEY TERMS

Gross Box Office: Consists of the revenues (ticket sales) generated from consumer spending at the box office for theatrical motion pictures.

Market Share: It is the percentage of an industry or market's total sales that is earned over a specified time period. It is calculated by adding domestic gross and divide by the total gross box office.

Domestic/local: it means, films that are produced within the country (South Africa) or relating to the country of origin.

Foreign/international: it means, films that are produced outside of South Africa

Movie: a cinema film

Note: In order to provide a fair comparison between movies released, all rankings are based on ticket sales.

5. INTRODUCTION

The annual box office report is a consolidation of the Southern African Top 25 reports which look at the performance of films released at South African cinemas for the year. The report is compiled on a half yearly basis with the first being for the January to June period, followed by a yearly box office overview report from January to December. The data is sourced from Ster Kinekor and the Box Office Mojo website.

One of the limitations is that films cannot be tracked further once they are out of the top 25 and all the figures quoted in this report are for the period while the film is still competing in the top 25. This therefore might not reflect the exact revenue the film has accrued once it falls from the top 25 bracket.

The report will analyse the performance of local films and highlight some of highest earning titles for the period, January to December 2017 Information on gross revenue, types of genres distributed, number of domestic films released and an indication of the market share for South Africa will also be reported on to give an indication of what drives audience consumption of films in South Africa.

For the various films that were on circuit the following indicators are analysed:

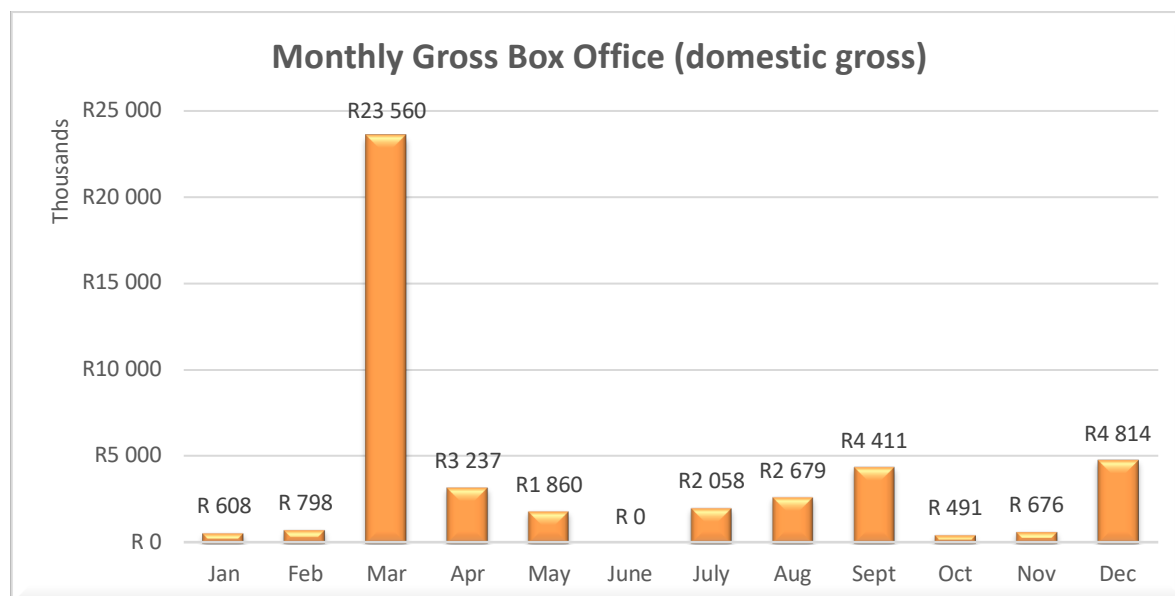
- Gross box office
- Market Share
- Distributors
- Genre Classification
- Country of origin
- Language
- Market share per distributor, and
- Market share per genre

6. BOX OFFICE INDICATORS

6.1 MONTHLY GROSS BOX OFFICE

The month to month earnings of all local titles are shown in Figure 1 below. The first 2 months of 2017 (January and February) were very low, grossing only R608k and R798k respectively. In March 2017, a notable increase of R23,6 million was recorded. This is mainly due to the release of *Keeping up with the Kandasamy's* which was shown theatrically for 12 weeks and accumulated an impressive R16,3 million at the box office. Other notable up-swings were in the month of September 2017, earning R4,4 million in revenue, and December 2017, earning R4.8 million. Based on the findings below, it appears that the popular months to release a film theatrically is during March, September and December as those months attracted more revenues compared to other months.

Figure 1: Monthly Gross Box Office

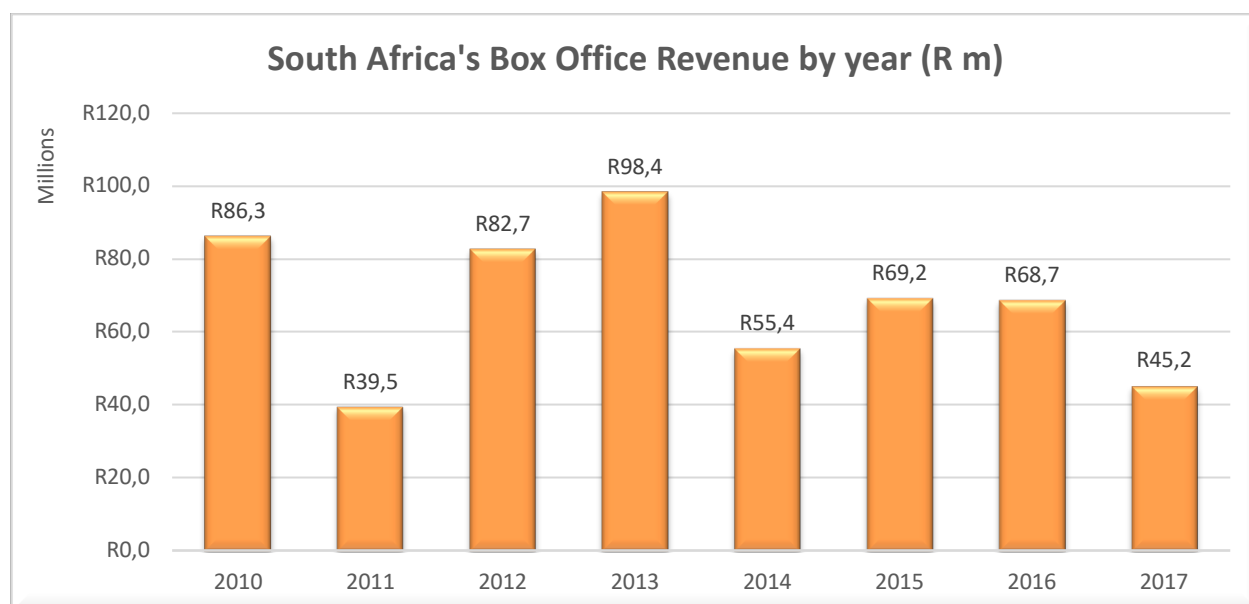


Source: NVFV Database

6.2 ANNUAL GROSS BOX OFFICE

Figure 2 shows the fluctuating patterns of South Africa's gross box office from the year 2010 to 2017. There has been good up-turns and bad down-turns, and 2017 was one of those underperforming years. South African productions recorded a striking R45,2 million at box office, a 35% decline compared to the previous year. Locally produced films have been struggling to compete with the increased inflow of foreign film releases as foreign films are better received by the South African audience. The box office revenue performance of domestic films is worrying as the loss of revenue deprives filmmakers of the opportunity to break even and make profit, however, there are exceptions of a few films. Lack of support for locally produced films is a serious concern.

Figure 2: South Africa's Gross Box Office by year



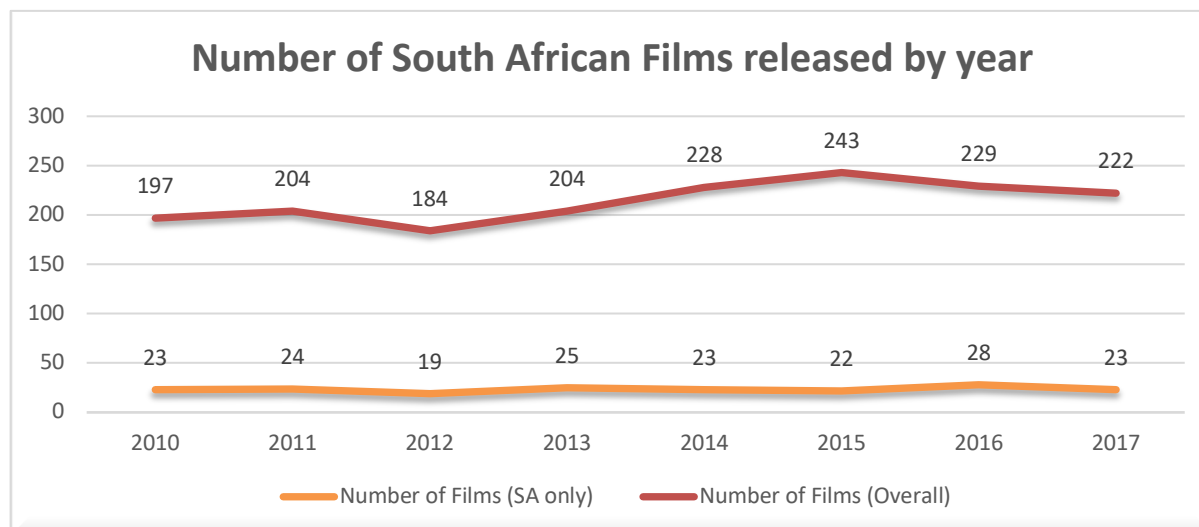
Source: NFVF Database

6.3 NUMBER OF FILMS RELEASED

A total of 222 films were released in the year under review, of which 23 of those films originated from South Africa. Out of the 23 local titles released, 2 of those were official co-productions, namely, *Love by chance*, a SA/USA production and *Accident* a SA/FRA

production. Officially Co-produced films are treated as national films in both co-producing countries provided that there is an existing co-production treaty between the countries.

Figure 3: Number of films released by year

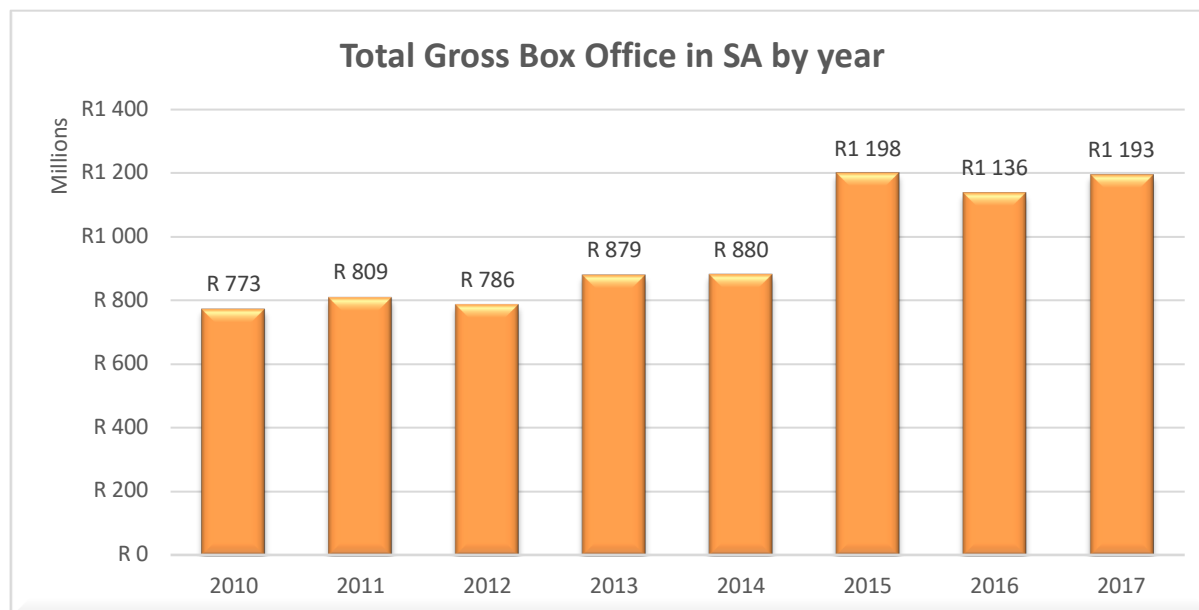


Source: NFVF Database

6.4 TOTAL GROSS BOX OFFICE (REVENUES OF ALL FILM RELEASED IN SA)

For the past seven years the South African film industry has experienced growth in total box office revenues. The release of 222 films at box office in 2017 has resulted in a cumulative box office gross of R1 193 million, a 5% increase from the previous year as reflected in Figure 4 below.

Figure 4: Total Gross Box Office by year

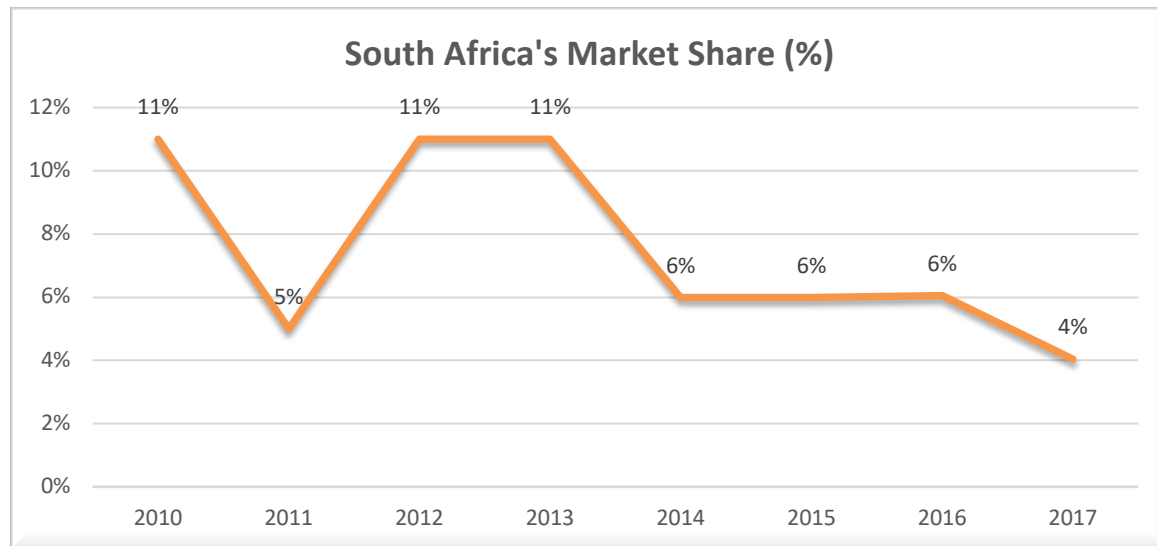


Source: NFVF Database

6.5 SOUTH AFRICA'S MARKET SHARE

With a release of 23 South African produced films, the gross box office added up to R45,2 million. The market share therefore dropped significantly from 6% in the previous year (2016) to 4% in the year under review. This is due to the poor performance of domestic films at cinema. It is clear that the film industry has not been able to attract more audience for local content. This therefore means that, unless the audience development strategy is developed the figures are likely to remain the same. The market share has remained constant at 6% for the past three years (2014-2016).

Figure 5: Market Share



Source: NFVF Database

6.6 MARKET SHARE BY DISTRIBUTOR

6.6.1 Percentage share of SA produced films

As depicted in Table 6 below, the biggest portion of market share was taken by Ster Kinekor Distribution (SK) claiming 70% of domestic revenues. Empire Entertainment (EE) and Indigenous Film Distributors (IFD) took only 15% and 14% respectively. United International Pictures (UIP) took only 1% market share.

Table 1: Market Share by distributor (SA produced films)

Market Share by Distributor			
Distributor	Count of Movie Title	Cumulative GBO	Market Share
Indigenous Film Distr.	5	R6 342 813	14%
Ster Kinekor	11	R31 5 32 913	70%
Empire Entertainment	5	R6 9 96 757	15%
UIP	2	R3 20 113	1%
Total	23	R45 192 596	

Source: NFVF Database

Note: Times Media Films has re-branded to Empire Entertainment a division of the Tiso Blackstar Group

6.6.2 Percentage share for total films

The report further reveals that, when it comes to the overall performance at box office, there has been no changes in the distribution part of the value chain. Both SK (41%), EE (31%) continue to dominate the distribution space as they held the highest share of revenue in the market. UIP (23%) took the third spot. Indigenous and Black Sheep claimed a market share of 2% each, while Crystal Brook and Forefront Media were the lowest.

Table 2: Market Share by distributor (overall)

Market Share by Distributor			
Distributor	Count Of Movie Title	Cumulative GBO	Market Share
Ster Kinekor	88	R487 919 295	41%
Empire Entertainment	80	R368 239 918	31%
UIP	35	R274 590 593	23%
Indigenous Film Distr.	7	R29 315 707	2%
Black Sheep Films	7	R22 580 200	2%
Crystal Brook	4	R10 323 694	1%
Forefront Media Group	1	R216 266	0,02%
Total	222	R1 193 185 673	

Source: NFVF Database

Note: Times Media Films has re-branded to Empire Entertainment a division of the Tiso Blackstar Group

6.7 TOP FILMS RELEASED IN 2017

6.7.1 Top 10, South African Produced Films

Table 3 below show the top earning films from SA in 2017. The highest grossing title produced in SA was *Keeping up with the Kandasamy's* which earned over R16.3 million. The comedy film was sold out during its opening weekend, and earned R1,6 million from 26 screens. This was followed by *Vuil Wasgoed* which eared R3,8 million. The film won five awards at the kykNET Silwerskerm Festival in Camps Bay. *Vaselinetjie* came third grossing R3.7 million, and *Kalushi* took R3.0 million at box office.

Table 3: Top 10, South African Produced Films

Top 10, SA Produced Films				
Movie Title	No# of Weeks	No# of Screens	GBO at Release	Cumulative GBO
Keeping up with the Kandasamy's	12	26	R1 597 416	R16 348 848
Vuil Wasgoed	6	51	R816 403	R3 776 306
Vaselinetjie	7	38	R711 529	R3 746 716
Kalushi	9	32	R520 145	R3 077 947
Beyond the River	9	54	R674 751	R2 719 583
Krotoa	5	25	R458 171	R2 565 966
Kampterein	9	44	R480 602	R2 134 304
Jagveld	3	39	R526 253	R1 999 001
Nul is Nie Niks Nie	6	43	R488 843	R1 459 789
Love by Chance	8	39	R365 586	R1 321 231

Source: Sker Kinekor, Box Office Mojo

Box Office Gross: cumulative gross up to 05 February 2018

*Films still being exhibited on 05 February 2018

6.7.2 Top 20 films released in SA (overall)

Table 4 gives an overall analysis of the top earning titles released in South Africa at box office. The highest grossing film in 2017 was *The Fate of the Furious* which earned over R72.9 million, the film earned slightly below the previous instalment (*Fast & Furious 7*) which took R89.9 million in 2015. The second highest grossing film was *Jumanji: Welcome to the Jungle*, earning R55,0 million. *Despicable Me 3* took the third spot earning R45,8 million. None of the local films made it to the overall Top 20 list.

Table 4: Top 20 films released in SA

Top 20 films released in SA			
Movie Title	Country of Origin	Cumulative GBO	Distributor
The Fate of the Furious (Incl. IMAX & 4DX)	USA	R72 885 515	Ster Kinekor
Jumanji: Welcome to the Jungle (Incl. 3D, 4DX, IMAX & D.BOX)*	USA	R55 019 276	Ster Kinekor
Despicable Me 3 (Incl. 3D)	USA	R45 820 444	UIP
Beauty and the Beast (incl. 3D, IMAX & 4DX)	USA	R37 864 712	UIP
Fifty Shades Darker	USA	R32 978 908	UIP
Star Wars: The Last Jedi (Incl. 3D, 4DX, IMAX & D.BOX)	UK/USA	R31 829 434	Ster Kinekor
Thor: Ragnarok (Incl. 3D, IMAX & 4DX)	USA	R31 697 866	Ster Kinekor
Spider-man: Homecoming (Incl. 3D, 4DX & IMAX)	USA	R31 302 606	Ster Kinekor
Justice League (Incl. 3D, IMAX & 4DX)	UK/USA	R30 799 844	Empire Enter.
The Boss Baby (incl. 3D)	USA	R26 825 281	Empire Enter.
Pitch Perfect 3*	USA	R23 118 512	UIP
XXX: The Return of Xander Cage (Incl. 3D, Imax & 4DX)	USA	R22 953 642	Indigenous
Girls Trip	USA	R21 900 311	UIP
Wonder Woman (incl. 3D, IMAX & 4DX)	USA	R20 583 491	Empire Enter.
Transformers: The Last Knight (incl. 3D & IMAX)	CHINA/UK/USA	R20 581 669	UIP
Baywatch	USA	R20 419 284	UIP
Guardians of the Galaxy (incl. 3D, IMAX & 4DX)	USA	R20 230 142	Ster Kinekor
IT (incl. IMAX & 4DX)	USA	R19 921 229	Empire Enter.
Kong: Skull Island (incl. 3D & IMAX)	USA	R19 635 780	Empire Enter.
The Emoji Movie (Incl. 3D)	USA	R18 596 304	Ster Kinekor

Source: Sker Kinekor, Box Office Mojo

Box Office Gross: cumulative gross up to 05 February 2018

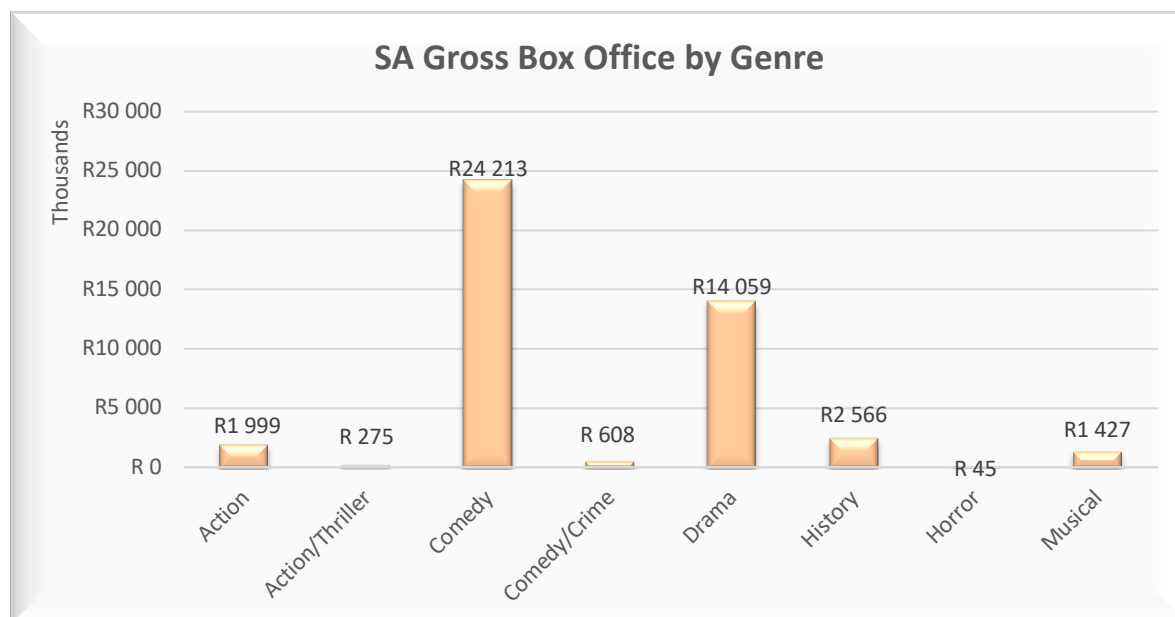
*Films still being exhibited on 05 February 2018

6.8 GROSS BOX OFFICE BY GENRE

6.8.1 SA produced films by genre

For all the South African produced films, the highest earning genre was comedy taking R24.2 million at box office. This was followed drama earning R14,1 million. The history genre took the third spot grossing only R2,6 million. The rest of the genres did not perform well.

Figure 6: SA Gross Box Office by Genre



Source: NFVF Database

6.8.2 Top 20 films released by genre (overall)

The most popular genres based on gross box office revenue for 2017 was the action/adventure genre, earning R221 million, and the biggest earning title in that genre was *Thor: Ragnarok*. Animation was the second earning genre, earning more than R218 million, *Despicable Me 3* was the leading title in that genre. Action and comedy were the next popular genres with each grossing R186 million and R121 million respectively.

Table 5: Top 20 films released by genre

Top 20 Films Released in SA by Genre			
Genre	Count of titles	Cumulative BO	Top Performing Title
Action/Adventure	13	R220 951 006	Thor: Ragnarok
Animation	20	R218 021 938	Despicable Me 3
Action	11	R186 140 701	The Fate of the Furious
Comedy	26	R121 244 609	Pitch Perfect 3*
Drama	59	R74 349 666	Lion
Adventure	6	R63 268 065	Beauty and the Beast
Sci-fi	3	R42 305 288	Star Wars: The Last Jedi
Action/Comedy	6	R35 904 695	Kingsman 2: The Golden Circle
Romance	2	R33 404 540	Fifty Shades Darker
Action/Sci-fi	4	R33 316 008	Transformers: The Last Knight
Horror	11	R31 709 036	IT
Musical	4	R18 459 743	The Greatest Showman*

Crime/Drama	8	R14 621 964	Murder on the Orient Express
Action/Thriller	6	R13 778 315	The Foreigner
War	1	R10 958 139	Dunkirk
Action/Crime	2	R10 203 571	Baby Driver
Thriller	4	R9 375 572	Atomic Blonde
Animation/Adventure	1	R7 648 179	Paddington 2
Fantasy	1	R7 153 462	The Dark Tower
Romantic Comedy	3	R6 741 554	Home Again

Source: Sker Kinekor, Box Office Mojo

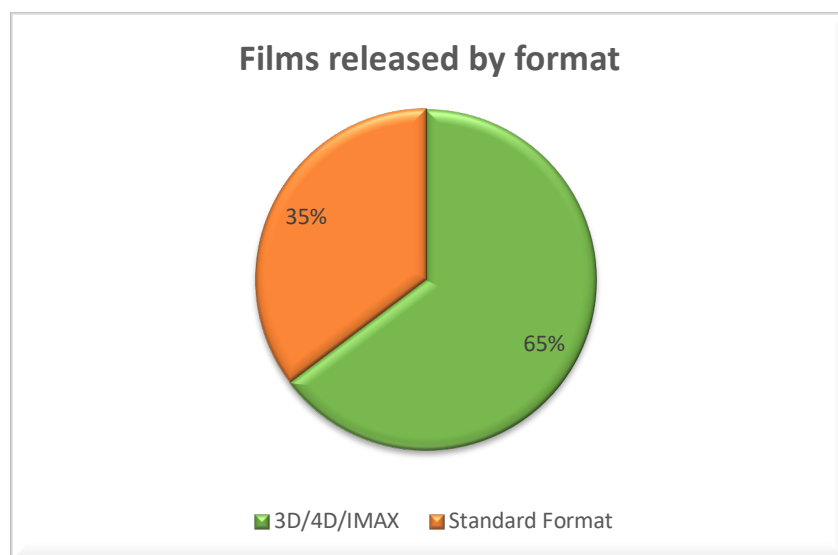
Box Office Gross: cumulative gross up to 05 February 2018

*Films still being exhibited on 05 February 2018

6.8.3 Films released by format

Growth in digital 3D/4DX/IMAX/D.BOX screens continues to attract more revenues at box office. From the 222 titles released, 45 of those were a combination of 3D/4DX/IMAX & D.BOX accumulating R772 million, and claiming 65% of box office gross. The standard format (usually called classic 2D) earned only R421 million accounting for 35% of gross box office.

Figure 7: Films released by format

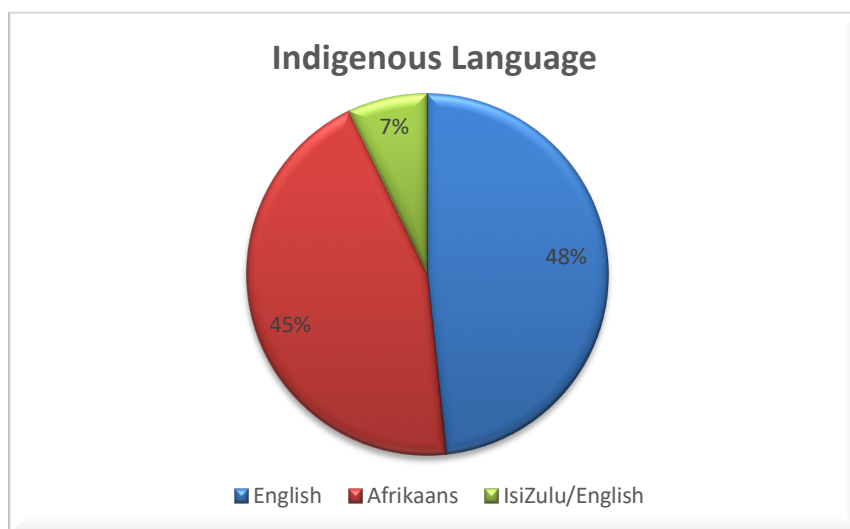


Source: NFVF Database

6.9 INDIGENOUS LANGUAGE

Out of the 23 titles released in SA, 13 of those were Afrikaans, confirming the continued domination of Afrikaans language films. As depicted in Figure 8 below, Afrikaans only films captured 45% of the gross box office. English only films took 48% of the revenues. The other 7% of the market was captured by English/Afrikaans films.

Figure 8: Indigenous Language



Source: NFVF Database

6.10 GROSS BOX OFFICE BY COUNTRY OF ORIGIN

The South African box office continues to be dominated by films from the United States of America (USA) based on revenue (R878 million) and a number of imported films (130), followed closely by United Kingdom/USA co-production (unofficial) taking R126 million. SA was the third highest grossing country showing that South African audiences are still loyal to their product with about R45,2 million box office revenue.

Table 6: Country of Origin

Country of Origin		
Country	Count Of Movie Title	Sum Of Cumulative GBO
USA	130	R878 494 399
UK/USA	16	R126 145 489
SA	23	R45 192 596
CHINA/UK/USA	3	R26 444 012
CHINA/USA	2	R15 176 809
FRA/NETH/UK/USA	1	R10 958 139
FRA	2	R10 952 878
BEL/FRA	1	R10 163 277
DEN/USA	1	R8 453 718
FRA/UK	1	R7 648 179
CAN/FRA	1	R7 356 729
AUS/UK/USA	1	R7 094 244
UK	7	R6 255 222
USA/DEN	1	R6 077 082
AUS/CAN/FRA/GER	1	R3 255 006
SPAIN/CAN	1	R3 230 812
BEL/FRA/USA	1	R2 823 931
NOR/SWED/UK	1	R2 541 111
CAN/USA	4	R2 527 725
GER/USA	2	R2 499 579

Source: NFVF Database

7. SUMMARY AND CONCLUSIONS

The South African audience was not very responsive to the release of local films as the performance was very poor at box office with revenues declining by 35%. Locally produced films have been struggling to compete with the influx of foreign film, where we have seen foreign films doing fairly well and domestic films failing to perform at box office with the exception of few. The industry should be concerned if the revenues fall again in 2018. Unless movie theatres find new ways to attract more audiences, or use other platforms to distribute movies. The domestic figures are going to continue to drop until audience development strategies are developed and implemented. Lack of support for locally produced films is a serious concern as this deprives or takes away revenue from producers.

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