

Swedish firm exits Africa pay TV market

 By [Walter Wafula](#)

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Next Generation Broadcasting (NGB), a Swedish digital terrestrial pay TV operator has sold its ownership in its local subsidiary to Digital Broadcasting Uganda, to pursue other markets.

"The Sixth Swedish Pension Fund (AP6), investors in NGB Africa have decided to refocus their Digital Terrestrial Television (DTT) investment plan from Africa," NGB said in a statement on Friday, 5 August 2011.

The two firms have been operating Smart Television, one of the six local pay television companies in Uganda under NGB Uganda Limited. The firm's exit means that Digital Broadcasting which is partly owned by Kwame Rugunda, a local businessman now owns 100% stake in Smart TV.

NGB Africa had similar joint ventures in Ghana, and Kenya where it launched the services in 2010 before starting the Uganda operations. But NGB pulled out of Kenya last month citing a frustrating business environment, leaving the business to Transmex Kenya, according to the *Daily Nation*.

Focus on other markets

"The Swedish investors left to concentrate in other markets such as China and South America," Daniel Kagwe NGB Kenya Limited's chief executive officer told *Daily Nation*. In Ghana, the company has been operating Smart Tv in partnership with Amadeus Communication Limited.

NGB Africa becomes the second European pay television operator to exit the African market after the defunct Gateway Broadcasting Services. The British broadcaster collapsed in January 2009 after it was hit by the last global financial crisis which curtailed its funding and expansion programmes.

An opportunity to improve

Chief executive officer of Smart TV Uganda, Martin Abuya said the transfer of NGB's shares to Digital Broadcasting is good news because it will give the local company a chance to improve what has already been accomplished.

"This is good for Ugandan producers because on top of what we already have, we now have enough space for local content and are reaching new areas," Abuya said.

Better viewing quality

NGB's exit from Uganda came hardly a week after NGB Uganda commissioned two 2 kilowatt transmitters to boost Smart TV's signal. "Our signal can now be accessed within a radius of over 80km." The transmitters are also designed to improve the station's quality of pictures and carry more channels besides the increase on the area of coverage. One of the two transmitters is dedicated to carry all free to air stations in Uganda while the second will deliver international channels, according to Abuya.

The exit of NGB in Uganda closely follows the launch of Zuku Television by the Wananchi Group of Kenya through a distribution deal with Simba Telecom, a local mobile telecommunications products provider.

The launch of Zuku increased the number of active pay television operators in Uganda to six including; MultiChoice Uganda (DStv), Star DTV (StarTimes), Pearl Digital Tv, MoTv, and Kampala Siti Cable. The market like elsewhere in Africa is dominated by DStv, a service of the MultiChoice Group in South Africa.

ABOUT WALTER WAFULA

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