

September 5, 2014 5:49 pm

## Booming film industry boosts South Africa's economy

By Andrew England in Cape Town Author alerts

Sacha Baron Cohen's latest movie project, *Grimsby*, is being filmed in South Africa

Three gun-toting men leap over obstacles and dash behind houses along a Soweto street that Nelson Mandela once called home. Robben Island's notorious prison, where Mandela was incarcerated for 18 years, lies nearby and dominating the skyline is the hulking frame of an 18th-century Spanish man-of-war ship.

Welcome to the world of fantasy at Cape Town Film Studios (CTFS), a four-year-old, R380m (\$35m) state-of-the-art complex that is part of South Africa's own version of Hollywood as the country becomes a destination of choice for many of the world's top filmmakers.

A rash of Hollywood blockbusters – from *Safe House*, starring Denzel Washington, to *Mandela: Long Walk to Freedom* – have been made in South Africa. Three features, including *Grimsby*, Sacha Baron Cohen's latest project; *The Last Face*, directed by Sean Penn; and *Eye in the Sky*, directed by Oscar winner Gavin Hood – are currently filming in the country.

For the latter, the model of Robben Island's prison and the Soweto street will be transformed into a hospital and a slum in Nairobi. The warship is part of the set for *Black Sails*, an American series.

The film industry is a rare bright spot in South Africa's economic gloom. It has created more than 35,000 jobs, up from 4,000 in 1995, and contributes R3.5bn to gross domestic product, according to government figures.

Such is the rush to South Africa, that Nico Dekker, CTFS's chief executive, says he has had to turn away 32 projects since November, including the fourth season of *Homeland*, the US television series.

"Some of those are some of the biggest of the world," he says. "Sony's head was here; Paramount, Disney, Warner, they beg me to build more studios."

South Africa has multiple attractions for the film world: the rand is weak, it has a diverse range of locations and a strong local skills base. But support from the government – often the focus of private sector criticism – has been critical and the growth of the industry can be traced to the introduction of improved incentives in 2008. These are the norm for the sector and are crucial to countries' ability to lure the big filmmakers.

At present, foreign films made in South Africa receive a 20-25 per cent rebate on the production costs spent in the country. Local productions receive rebates of 25-35 per cent and Rob Davies, trade minister, last month announced that to boost domestic productions, the government would reduce the threshold for local documentaries to qualify for incentives from a minimum budget of R2.5m to R500,000.

Officials say the sector has scope to grow further if the government incentives are kept competitive and the infrastructure is expanded.

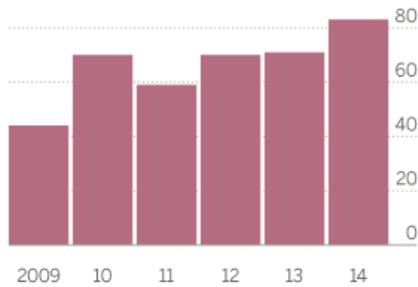
"It's taken a while for the local industry to come to its maturity. It is getting there now . . . It's also taken a while to develop stars and I think that is essential," says Genevieve Hofmeyr, producer and founder of

Moonlighting Films, which is working on five projects, including *Homeland*. “If we had a few more film studios, which is on the cards, then I think we cannot just sustain the industry, we can increase.”

There is also a growing focus on fostering local productions and filmmakers, and making the sector less dependent on the whims of foreign projects in a highly competitive environment.

### South African film industry

Total projects per year



Source: Independent Producers Organisation

But achieving domestic success is daunting. Of the 397 films made in the country since 2008, 257 were South African. But even the best local films struggle at the box office. The country has just 780 cinema screens – the equivalent of 1.47 per 100,000 people. This is partly a legacy of apartheid, when cinemas only served the white minority. Even today, the most successful local films are Afrikaans productions.

Domestic productions are also hampered by the difficulty of raising finance, although efforts are being made to help domestic filmmakers bridge the funding gap. The SA Film Fund, a newly formed initiative supported by the government, is hoping to produce international films and use the proceeds to help fund local productions.

**FT** Meshack Molopa, who started out as a trainee technician 19 years ago, this year produced his first film, *Momentum*, a \$7m production due for release in 2014 and starring Bond girl Olga Kurylenko, with the help of finance from the fund.

He says it is crucial to produce local films that can compete on the international stage. “[The initiative] is a fresh thing, so everybody is focused on it,” he says. “If you give it five years you will see the fruit.”

For now, however, the industry is dependent on the influx of foreign filmmakers and stars – from Helen Mirren to Penélope Cruz.

“It’s on a world scale now. And is it sustainable? Yes,” says Rudi van As, chief financial officer at Film Afrika, which has worked on features from *Mandela: Long Walk to Freedom* to *Gettysburg*. “It’s important people’s perceptions change of the film industry – of us being a bunch of disorganised hippies, because only half of us are. It’s a hugely structured, organised industry that contributes quite a lot to the country.”

Printed from: <http://www.ft.com/cms/s/0/6cce315e-3420-11e4-b81c-00144feabdc0.html>

Print a single copy of this article for personal use. Contact us if you wish to print more to distribute to others.

© THE FINANCIAL TIMES LTD 2014 FT and 'Financial Times' are trademarks of The Financial Times Ltd.