



“Buyers of animation products abroad are interested in sourcing distinctive stories from foreign countries in the hopes of finding ideas with universal appeal from a novel point of view.”

-Nick CLOETE

Image Source: Presentation of the Bali Metaverse project by Bali Twin Metaverse in September 2022, marketed as “metatourism”.  
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## Animation made in South Africa - a digital creative sector on the rise

**Manuel KUHLMANN (MK):** The Creative Economy, especially in the Global South, was disproportionately hit by the negative effects of the pandemic. In the animation industry Small and Medium-sized Enterprises (SMMEs) suffered especially. With the help of funding from GIZ, Animation South Africa (Animation SA) has launched a COVID Relief Programme for its members. Could you tell us about the programme and your learnings from it? How did it help your members to cope with the challenging times of a global pandemic and what could global policy makers learn from it?

**Nick CLOETE (NC):** The animation, gaming, visual effects, and extended reality (XR) industries took their fair share of knocks during the COVID pandemic, leaving most of the small and medium-sized studios cash-strapped and short-staffed. Budget cuts meant that animation students and graduates lost out on essential work experience as part of their training and the vital connection to the industry.

Our COVID Relief Programme was designed to answer the question: “How would the South African animation industries benefit if we could step in and temporarily subsidise labour costs for the most vulnerable SMMEs in this sector, who have been adversely affected by the COVID crisis?” We designed a programme that matched young animation professionals, freelancers and graduates with animation studios in need. The

idea was that SMMEs would have additional staff to assist with production deficits, taking on new work or developing new intellectual property for the company at very low cost. Our initial goal was to raise the productivity level of vulnerable SMMEs by at least 20% with this intervention.

Due to COVID, our stakeholders had had their productivity level decreased on average by 50% and we are very pleased to say that through this programme we have assisted at least 50% of the participating SMMEs with an average increase of 75% in productivity. We learned that animation industries are labour-intensive and, with minimal intervention, have the potential to create desirable and gainful employment for many professionals. Global policy makers should be encouraged to invest in more programmes like this – it is a great success story – and we should be able to offer more than just a stopgap measure in times of crisis.

**MK:** Could you imagine GlZ implementing similar components in the future with other partners abroad? How scalable is the approach?

**Angelika FREI-OLDENBURG (AFO) and Victoria Kathleen GILLAM (VKG):** We found the COVID Relief Programme to be a great success because it is two-fold in nature. By assigning subsidised staff to their teams, the SMMEs were able to get back on their feet, work on their business model, and increase productivity. At the same time, the participating young professionals, freelancers, and graduates were provided with

critical work experience in the animation industries, which is needed to further develop their career paths. In the initial programme, Animation SA was able to place 40 unemployed professionals at 14 SMME studios in Gauteng, Western Cape, and KwaZulu-Natal and within a short timeframe, a further 14 jobs were created. Based on this success, a second programme will commence in the latter half of 2022 for an additional 20 junior staff.

We learned that practical programmes like ours also help to raise awareness for potential industry support within local government structures. As a result of the successful programme implementation, the South African state-owned “Sector Education and Training Authority” (SETA) is currently examining how to adopt this approach within their own support portfolio. This showcases that the programme can be scaled up to the national level.

We see potential of this two-fold approach to be scaled up also to an international level, especially in terms of the development of the animation industries in other partner countries such as Kenya. Despite structural differences in these countries, derived experiences like selection criteria for both aspiring practitioners and SMME studios as well as suitable HR processes deliver valuable insights for the potential implementation in other countries.

**MK:** In contrast to the SMMEs, leading animation studios in South Africa have been even growing during the pandemic,

due to a rising demand of big industry players like Netflix and Disney. How is Animation SA supporting aspiring animation practitioners and smaller studios to successfully enter international productions as well? Any good examples you would like to share that can underline how South African animation experts and stories have succeeded both on national and international level?

**NC:** As an industry association, Animation South Africa is committed to representing the interests of animation professionals and to advocate for conditions which will lead to transformation within our sector. In other words, making trading conditions more conducive to creating work opportunities for our member studios and professionals. Aspiring animation practitioners and smaller studios also benefit from initiatives designed to enable access to key content markets to increase commercial activity, including the export of South African animation products and services.

In June 2022 for example, we sent a delegation of 60 animation practitioners from South Africa to the Annecy Animation Festival in France. Enabling South Africans access to these world renown markets leads to buyers commissioning and buying original South African works. For example, Disney Channel ordered the animated series “Kiff” from South African creators and executive producers Lucy Heavens and Nic Smal, which is set to debut in 2023. There are many more examples just like this one. On the one hand market access and opportunities that create success stories are important

and on the other hand, our studios need the critical skills to meet international demand for original African content. Animation SA therefore also provides skills development through training and mentoring.

**MK:** Why is it important to strengthen industry associations like Animation SA in growth phases of a sector? What does this support look like, and which learnings were derived from it?

**AFO and VG:** To reap the sector’s potential for job creation and economic growth, we see the need for strong linkages between the private sector and government institutions. Favorable framework conditions and government support mechanisms play a crucial role to further develop the ecosystem of the African animation industries. Simultaneously, services such as market information on recent and relevant developments of the sector as well as other services for SMMEs need to be offered to help them grow their businesses.

Therefore, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the GIZ project “Cultural and Creative Industries” is providing support to Animation SA to strengthen their internal capacity as an industry association and broaden Animation SA’s role and capacity for advocacy and lobbying work. In addition, the project supports Animation SA to further develop their services to members. The Goethe-Institut, an implementing

partner of the project, supports Animation SA in enabling essential industry dialogues.

Throughout our collaboration with Animation SA we saw a volunteer-driven, non-profit-organization becoming increasingly recognized in their role as lobbyist for the sector. For example, due to the consulting services of Animation SA, the state-funded South African Cultural Observatory is expanding their research on the economic potential of the creative industries to include the animation sector; government organisations are consulting with industry around introducing incentives better adapted to the animation industry; and training institutions are revising their curricula for the sector.

**MK:** The further growth potentials of the industry are high. According to the Durban Film Mart, the production of one animation film with a small to medium-sized budget creates 70-100 jobs for 3 to 5 years. Why does it seem that the industry is finally meeting global interest and what has hampered the industry's growth before?

**NC:** There are pockets of excellence in South Africa which have met global interests and standards for a long time, especially television commercials and corporate videos with which the collective industry has most experience. There have also been a handful of animation and visual effects (VFX) studios involved in film & television and those are the projects which bring the most media attention. A few studios have

managed to establish themselves in the entertainment content space, both in terms of servicing commissioned work, as well as in creating and producing original work.

With many new content platforms entering the market recently, buyers abroad are interested in sourcing distinctive stories from foreign countries in the hopes of finding ideas with universal appeal from a novel point of view, as well as appealing to regional audiences. This means there has been more opportunity for African studios than ever before.

There are myriad reasons why our growth has been hampered: trading conditions, financial incentives which have been developed for live action film and not animation industries and economic policies that have inadvertently deterred international investment. The animation sector is still often treated as a sub sector of the live action film industry; yet the value chain and requirements often differ. The understanding of international best practice and how animation industry financial instruments work, needs to be further explored on the level of governmental decision-makers to ensure changes are made and structures and services are offered that fit the animation industries' specific requirements.

**MK:** What makes the animation industry so interesting for development cooperation? What potentials do you see in the animation industry for purposes of development?

**AFO and VG:** We see that the animation industry is an exciting industry for development support for various reasons. On a skills level, practitioners that successfully work in the animation industry have potential to explore careers also in related sectors such as architectural visualisations, manufacturing prototyping and of course marketing, even allowing crossover into other industries such as virtual reality training material for the education or health sectors. It is a job sector that appeals to a large group of young professionals, combining creative skills with highly technical and digital competencies and knowledge.

Besides its potential for creating jobs for Africa's youth, animation as a communication medium has potential to tell stories in a way that appeals to Africans and the African diaspora. From an African perspective it is a medium that can make stories accessible and relatable to a large group of consumers who previously were only exposed to content made for other cultures from other regions. African animation can contribute to improvements of African imagery and therefore to a more realistic perception of what the continent has to offer, both in terms of content, aesthetics and skills.

**MK:** Let's talk about your vision for the South African Animation Industry. Nick, what would your top three recommendations be to South African and international policy makers on how best to support the industry and reap its full potential?

**NC:** In order to build on this relatively new sector's growth potential, suitable financial levers must be developed in concert with government economists. We would like to align policy, regulatory and legislative frameworks with the needs of the industry in order to foster trading conditions conducive to growth, including copyright laws. We would also like to introduce an animation sub-programme to South Africa's film incentive cooperatively between government and industry. Last but not least, we would like to design or rework fit-for-purpose financial incentives to encourage private investment in the sector.

**MK:** How can these recommendations form part of further development support?

**AFO and VG:** Supporting conducive framework conditions for creative industries is an important field of action for German development cooperation. It will be important to strengthen dialogue, understanding and cooperation between public and private institutions to achieve required mechanisms that foster growth. As we are often looking into sub-sectors of creative industries that are still quite unknown in our partner countries, fostering exchange and learning between countries that have already established effective support mechanisms and leverage on potentials for jobs, growth, inclusion, and the future world of work should be a focus of our support. In this still male dominated sector, the promotion of gender equality will be also one of our major recommendations.