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THE DEDAT SCREENTECH INITIATIVE: YEAR ONE WISDOM

In November 2020, the [Western Cape Government Department of Economic Development and Tourism](#) (DEDAT) launched an initiative to develop the 'ScreenTech' sector as part of its Digital Technology Ecosystem Support Project, colloquially called the 'DashTech' project. The overarching aim of the project is to harness the strengths and interconnectedness of the local tech ecosystems, support the competitiveness of tech businesses, address the challenges faced by these businesses and open up opportunities for the Western Cape digital economy.

The Western Cape boasts a vibrant range of screen-related industries, namely: gaming, film, television, streaming, social media, chat messaging platforms, animation, and design, along with Augmented, Virtual and Mixed Reality, as well as digital services in the fields of e-learning, e-commerce and e-logistics, among others.

To this end, DEDAT hosted a series of roundtable discussions and Community of Practice (CoP) workshops, powered by [Loudhailer](#) and [Silicon Cape](#), which brought together industry experts and stakeholders from a variety of spheres including corporates, entrepreneurs and government representatives. Together, they discussed the state of the Western Cape tech ecosystem and how best to support the ScreenTech sector as they continue to develop commercially viable digital solutions.

The first order of business however was to define the term 'ScreenTech'. Through collaboration, stakeholders concluded the following definition: ScreenTech is the collective term for all technologies which facilitate human interaction that are optimised by a digital screen, upon which images and/or information are displayed.

Interviews conducted with stakeholders revealed that the ScreenTech sector has remained mostly stable through COVID-19 but with many experiencing growth despite recent economic challenges compounded by the weakening value of the Rand. There are indeed still numerous challenges hampering their potential.

What are some of these roadblocks?

- **Financial Issues.** Across screen-related verticals, weak company finances are a result of an inability to generate significant revenue from products and services sold. This is exacerbated by the need for greater access to bridging finance to help fledgling businesses cover costly overheads. As such, startups in the space are forced to excessively mark-up the prices of their products and services to cover capital shortfalls. This, in turn, creates inflated prices which reduces the amount of demand these businesses see, and contributes to a broadening accessibility gap between consumers in different socio-economic realities. The companies are effectively pricing themselves out of the market.
- **Lack of Resources.** Limited access to resources, devices, training, and skills development were identified by interviewees as key hindrances to technological advancement in the screen-related sectors. This extends to a lack of adequate infrastructure which adds further limitations within operating markets as businesses do not have the infrastructure and resources to accommodate and participate in emerging new technologies and foster the sustainable creation of new tech.
- **Insufficient Access to Stakeholders.** Key issues which contribute to this challenge pertain to regulations and formalities which limit the ability of ScreenTech

stakeholders to directly engage with the relevant people and organisations that could contribute to both business and sector development. This, in turn, extends the amount of time required to complete certain objectives and goals, which discourages the rate of development in the sector.

How do we overcome these challenges?

- **Financial Assistance.** While funding remains an issue for most screen-related sectors, local games studios would benefit hugely from grants for games development. This would make them less reliant on international publishers for development funding, and more capable of covering their overheads, thereby promoting sustainability in the sector. At the same time, free streaming platforms should be engaged to devise more financially sustainable means of enabling emerging creatives to generate an income from these services.
- **Access to Tools and Resources.** Stakeholders need to reduce the costs associated with accessing hardware and software, as well as stable internet and electricity connections. They could benefit from tax breaks and lower import duties, along with special treatment for studios. This could come in the form of a 'third-party' studio or collaborative space, which would help bridge the gap for many local developers who need help accessing certain high-level skills in the fields of software development, business management, marketing, and more.
- **International Connections.** Local production studios would benefit hugely from a direct means of connecting with international streaming services. This could help guide content development to meet international standards, and from a financial perspective, provide access to a bigger audience and new revenue generating opportunities. By making themselves more readily accessible to smaller studios, this is one way that streaming services can invest back into the local industry.

Do you agree with these findings? Let us know by emailing engage@siliconcape.com. Stay up to date with the ScreenTech initiative by visiting <https://www.siliconcape.com/safety-tech>



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