CANAL+'S MULTICHOICE TURNAROUND: COST-CUTTING, SHOWMAX'S DEMISE, AND THE RISK OF FALLING FOUL OF MERGER CONDITIONS

Category: Media and OTT
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MultiChoice continues to face an uphill battle to remain both in business, and in lawmakers' good books. For years, MultiChoice has been losing its customer base as many migrate over to cheaper streaming platforms. In September 2025, Canal+, a French media and entertainment company, formally completed its acquisition of MultiChoice. It has tasked itself with turning this downward trend around. Prior to acquisition, Canal+ required regulatory approval and had to undertake restructuring efforts to align with South African broadcasting laws.[1] In order to comply with South African broadcasting legislation, which limits foreign ownership, Canal+ and MultiChoice created a new South African entity, LicenceCo, which holds the broadcasting license.[2]

Costhas greatly impacted MultiChoice's customer base, specifically the cost of DSTV packages versus the cost of online streaming packages such as Netflix, Disney Plus, and Prime Video to name a few. Many South Africans simply cannot afford the premium package offered by DSTV, and many have indicated that the sole reason behind continued subscription to DSTV packages is because of sport, as provided by SuperSport.

The Competition Tribunal approved the merger between Canal+ and MultiChoice subject to a number of conditions. These include a three-year moratorium on the retrenchment of any MultiChoice employees; and a commitment to entering into arrangements that will result in the majority of LicenceCo's shareholding, economic and voting interests being held to the benefit of historically disadvantaged persons and workers. Additionally, MultiChoice would need remain incorporated and headquartered in South Africa and Canal+ would list on the JSE. Canal+ and LicenceCo have undertaken to invest in acquiring, commissioning, and producing local South African content; and Canal+ and LicenceCo would finance CSI initiatives.[3]

Compliance with the retrenchment and investment in local content conditions has raised eyebrows.

The conditions imposed by the Competition Tribunal regarding retrenchment did not include voluntary retrenchment and/or voluntary separation arrangements, as well as voluntary early retirement packages.[4] As of mid-June 2026, Canal+ has reportedly cut 312 staff at MultiChoice's Randburg headquarters through voluntary severance packages.[5] Although these are not retrenchments as contemplated in the conditions of the Competition Tribunal, it is an indication of Canal+'s move toward cutting additional costs.

Additionally, Canal+ has now cut seven channels across all packages in 2026[6] together with the scrapping of Showmax at the end of April. It was the canning of Showmax which raised concerns amongst lawmakers. The decision became the subject of a meeting of Parliament's Portfolio Committee on Communications and Digital Technologies.[7] Furthermore, the Competition Commission has launched an investigation into whether Canal+ has violated the deal's conditions by scrapping Showmax.[8]

The main concern which arises from the cutting of channels together with the discontinuation of Showmax is the impact it will have on content creation in South Africa. Canal+ is required by the conditions of the deal to acquire, commission, and produce local content. However, cutting channels and discontinuing Showmax may have the converse affect as to what is contemplated in the deal. Showmax showcased a significant amount of South African productions, highlighting the talent and storytelling found within the country. Showmax partnered with production companies and talent agencies to distribute South African content. The platform invested in local productions and helped support the growth of the South African film and television industry.[9] Showmax offered a large number of initiatives, such as talent development programmes, scriptwriter competitions, and filmmaker grants, aimed at leveraging South African talent.[10] By discontinuing Showmax, Canal+ is cutting jobs made available through the streaming platform and these initiatives. The shows and movies which were screened on Showmax have been discontinued, leaving all those employed in the production thereof without the guarantee continued employment. The cutting of Showmax means that fewer shows will be produced in South Africa, increasing the risk of job losses in the country's film and television industry.

The film and television industry relies heavily on freelance work, and these freelancers are often employed in the production of films, events, and series. As a result, production companies too will feel the strain of the removal of Showmax. Many of these production companies have relied on the steady work received through Showmax, and they have been able to build themselves on these productions. What Canal+ may have effectively done is cut jobs through its canning of Showmax. What would this mean for MultiChoice staff employed and tasked with the administration of Showmax? One can only speculate, but such stuff may be required to move into different positions which may be made redundant through overstaffing. This creates ripple effects throughout MultiChoice resulting in corporate inefficiencies and the loss of revenue for the company.

The cutting of Showmax may have significant impacts on the film and television industry outside of MultiChoice too. As stated above, Showmax offered many initiatives and employed a vast number of people through their productions. By cutting off the streaming platform there will be huge drop in the shows created in South Africa and the jobs created through such productions. It has resulted in production staff losing the steady stream of work which they have received through the production of local series, films, and events. It is difficult to reach the conclusion that such action is investing, acquiring, commissioning, and producing local South African content as required by the conditions of the merger. It remains to be seen whether the cutting of Showmax means that the shows made for the streaming service will now be moved over to DSTV channels, or whether an alternative service will be set up for the continuation of these productions.

The cutting of channels on DSTV does not have the same impact as the scrapping of Showmax, however, it does set a precedent going forward. To date, DSTV has cut seven channels across all packages in an effort to save costs. It raises the question: what happens if channels providing South African content become too costly to maintain on all DSTV packages? Following on from this precedent, we may well begin to see channels such as KykNet and Mzansi Magic being removed from DSTV packages, resulting in further cuts to shows, movies, and events created for broadcast on these channels.

Canal+ faces an uphill challenge: turning around MultiChoice and figuring out how it can regain the subscribers it has lost to streaming platforms. However, in doing so it must ensure that it remains compliant with the conditions set out by the Competition Tribunal when it recommended the acquisition of MultiChoice by Canal+. It must take all steps to ensure that the cutting of Showmax together with channels on DSTV does not result in its non-compliance with the conditions to not retrench employees and to invest, acquire, commission, and produce local content.

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[1] Canal+ Acquires MultiChoice: What It Means for Viewers

[2] Ibid.

[3] PUBLIC Order – LM107Oct24 – 18 August 2025 (Final).pdf

[4] Ibid at Clause 2.2.

[5] DStv dropping two channels – MyBroadband

[6] Ibid.

[7] Ibid.

[8] Ibid.

[9] Showmax South African Content: Celebrating Local Talent – Content Drip

[10] Ibid.