



Direct-to-Home Television



Today, with the introduction of High Definition (HD) television and the multiplication of broadcast channels around the world, DTH is strengthening its position as the satellite industry's best customer. Photo courtesy of Sony.

An industry like no other

Satellite Evolution Asia offers a review of some of the latest developments in the Direct-to-Home (DTH) sector of the Asia-Pacific region.

For years, Direct To Home (DTH) television has been one of the principal 'transponder fillers' (and therefore source of income) for the satellite industry.

All over the world, DTH platforms are considered to be amongst the most valuable clients for satellite operators, as companies such as Eutelsat and SES Astra have built their fortune around analogue and digital satellite broadcasting.

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DTH services to drive Asia-Pacific pay-TV growth

DTH is now become one of the main drivers in pay-TV in the Asia-Pacific region. Asia-Pacific pay-TV revenues will increase from last year's US\$19.24 billion to \$45.2 billion in

2012, driven by the rollout of DTH platforms, according to a report from consulting company Frost & Sullivan. Satellite DTH services alone will account for approximately 46.3 per cent, or \$20.91 billion, of the total pay-TV revenues in 2012.

Frost & Sullivan Research Analyst James Lye said: "The reality of the next decade for DTH service providers is convergence: "To create new revenue streams, providers need to shift beyond individual technology and service platforms towards a Multisystem Operators (MSO) model, reaching consumers through any efficient medium.

"Consumers are increasingly looking to a single provider for integrated solutions - offering voice, data and video services. By using video content as the flagship offering, DTH providers can gain a strong position in the market and uncover ways of tapping into the lucrative voice and data demand."

In addition, Lye said: "The lack of local lan-

guage content often limits the potential customer base. Premium content will drive initial growth, but content relevant to the local or regional scene will sustain interest and customer loyalty." Local sports, news and entertainment are all crucial offerings, he added.

The growth experienced in satellite broadcasting, though, has not come devoid of free problems, as several Asia-Pacific broadcasters seem to be experiencing satellite interference. The issue is well known: the interference is caused by broadband wireless access operators using the same C-band spectrum used by the broadcasters. During a meeting of the World Broadcasting Unions' International Satellite Operations Group (WBU-ISOG), it emerged that C-band satellite transmissions all over the region, (Indonesia, Iraq, Pakistan, Australia, New Zealand, Fiji and the Philippines) are being affected. A great deal of pressure was being put on administrations to release this spectrum for broadband wire-



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less services. Exclusion zones are thus needed around earth stations to combat the problem.

But let us take a look at recent developments in the DTH sector in the Asia-Pacific region.

China

With over 1.2 billion inhabitants, of whom millions still live in underdeveloped and underserved areas, China is one of the most promising markets for satellite broadcasting in the Asia-Pacific region. The numbers are quite simply staggering. According to a report published in the South China Morning Post, almost 300 million mainland households are set to gain access to cable-quality TV services that have so far been restricted to China's more urban areas with the launch of DTH satellite TV. This comes after years of uncertainty on the issues, as Chinese authorities hesitated to take a final decision whether to allow the development of a DTH platform in the country.

Unfortunately, the country's march towards the establishment of a domestic satellite DTH platform received a blow when SinoSat-2, a 5.1 tonnes spacecraft developed for broadcasting and equipped with a total of 22 transponders, failed to reach its orbital position.

But while China's plans to become a regional satellite broadcasting superpower have been delayed for a few months as a result of SinoSat-2's launch failure, the country's broadcasting industry keeps moving at an incredible rate.

China Central Television (CCTV) has renewed a multi-year contract with Intelsat for the global distribution of its programming. Intelsat currently provides full-time programme distribution services for CCTV via its PAS-1R Atlantic Ocean Region satellite, PAS-9 Atlantic Ocean Region satellite and PAS-10 Indian Ocean Region satellite. Intelsat also provides CCTV with capacity on its Galaxy 3C satellite for DTH services in the US.

This renewal contract also expands CCTV's C- and Ku-band capacity agreement. He Zongjiu, Vice President of CCTV, said: "With the increased demand for regional programming distribution, CCTV is pleased to continue growing its relationship with Intelsat."

"Intelsat has long partnered with us in the expansion of our services, and we are confident that its network will continue to support us as we develop programming platforms."

Malaysia

Malaysia is one of the region's most active countries in satellite broadcasting, and the launch of the Measat-3 satellite has tripled the country's satellite communication capacity. The new high-powered satellite, which introduces bandwidth-intensive broadcasting applications such as High Definition Television (HDTV) and Video On Demand (VOD) services, will also improve communications network ten-fold.

One of the companies that will benefit from MEASAT's recent addition to its fleet is the country's DTH pay-TV operator, Astro All Asia Networks. The company has recently signed a deal with MEASAT for Ku-band transponder

capacity on the recently launched Measat-3 satellite.

Both companies signed an interim Transponder Lease Agreement (TLA), in which ASTRO will lease an initial five Ku-band transponders from the Measat-3 satellite (the satellite entered service on the 25th January, following the successful completion of in-orbit testing).

This will enable the DTH service provider to roll out new services and products for 2007, said ASTRO TV's Chief Executive Officer (CEO), Rohana Rozhan. "Viewers can look forward to refreshingly new and entertaining programmes as we consolidate our position as the number one choice for total home entertainment," Rohana said.

Paul Brown-Kenyon, Chief Operating Officer (COO) of Measat, said: "Measat-3 has been designed in part to support the aggressive growth plans of our existing customer base. We are delighted to effectively double the capacity used to support the Astro DTH service in Malaysia from the start of commercial operations of the Measat satellite, allowing this dynamic company to begin to expand its Malaysian services."

Astro recently named a new CEO and posted a 21 per cent jump in Third Quarter (Q3) net profit, led by more subscribers and higher advertising sales.

The group has appointed Robert Odendaal as the CEO, effective 1 February, who will take over all responsibility for strategy implementation and work closely with the respective heads of the operating and regional entities, as well as group support units, to optimise returns and enhance earnings and shareholder value.

Recently, the company was also cleared to continue offering its services in Indonesia. Early in 2006, ASTRO's Indonesian unit, PT Direct Vision, hit a bump when the Indonesian government said it could not use a foreign satellite to offer its programmes.

But the governments of Malaysia and Indonesia recently worked out a deal, which allows ASTRO to continue operating in Indonesia. According to Indonesia's Post and Telecommunications Ministry, broadcasters from the two countries are now allowed to operate in each other's market according to the respective country's regulations and without any discrimination. This deal offers ASTRO the opportunity to tap into a huge market with more than 30 million households and a low penetration rate of 0.6 per cent (about 200,000 subscribers). Direct Vision has about 12,800 subscribers currently, and is targeting 150,000 by the end of the year.

Vietnam

While a home-grown satellite broadcasting

sector is already well established in Malaysia, in Vietnam it is about to take its first steps. The country's first satellite, Vinasat-1, is due to be sent into orbit in May 2008. The spacecraft is set to have 20 transponders with a 15-year life span.

Vietnam Telecoms International (VTI) official Nguyen Quang Hung said television broadcasting options will be the satellite's main service following world trends. The number of local television stations will increase in the future, while foreign television stations will also have the opportunity to broadcast their programmes in Vietnam through Vinasat-1, he is reported to have said.

Vinasat-1 will cover Japan, China, Korea, India, the ASEAN region, Australia, the South China Sea and a part of Myanmar.

A satellite control station will be established in Hoai Duc district, northern Ha Tay province, and a standby facility will be built in southern Binh Duong province's Ben Cat district.



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