

Consumers and government to gain from cable TV upgrades

National economic gains from a new approach to investment in cable-TV infrastructure could deliver a 54.6 billion rupee (US\$1.2 billion) increase in economic activity and 18 billion rupees in new tax revenues within five years, according to the Cable & Satellite Broadcasting Association of Asia (CASBAA).

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National economic gains from a new approach to investment in cable-TV infrastructure could deliver a 54.6 billion rupee (US\$1.2 billion) increase in economic activity and 18 billion rupees in new tax revenues within five years, according to the Cable & Satellite Broadcasting Association of Asia (CASBAA).

However, even with a target of 20 million cable broadband subscribers by 2010, the India market would remain less than half the size of the China market which, like India, is experiencing national economic growth of more than 9% per year.

'To achieve this goal we will need a new approach to capital investment in pay-TV, including abandoning the view that cable should be treated as a utility with commodity-like price controls. Today, the approach is more in-line with old-style thinking on electricity services or traditional political battlefields like print media,' said Anjan Mitra, the CASBAA Executive Director (India).

'The fact is that if we don't change our entire attitude to cable, we could suffer nothing less than a 'digital failure'. However, if policymakers get the environment right, there will be huge rewards for the economy, first in the big cities, but then rolling out to the still needy rural areas.'

According to CASBAA, India's cable TV networks are a huge national asset built over more than a decade by private investment. 'We should recognize this important fact and use those networks to create significant new economic activity,' said Mr. Mitra. With around 70 million homes wired, cable TV already plays a bigger role in India than in any other major market.

CASBAA is a regional industry body representing 120 multi-sectoral players such as AsiaSat, Intelsat, Nokia, Sun Microsystems, IBM, CSM Sofres, Synovate, NDS, Standard Chartered Bank and PricewaterhouseCoopers, as well as the likes of Turner International, Walt Disney and HBO Asia. Other CASBAA members include regionally successful pay-TV and broadband operators such as PCCW of Hong Kong, TrueVisions of Thailand, Astro of Malaysia, StarHub of Singapore and ChungHwa Telecom of Taiwan.

During an Executive Briefing for CASBAA members and invited guests at the Cricket Club of India in Mumbai, the industry organization called on the Government of India to learn the lessons of telecoms liberalization and to let consumers decide 'what they want to pay for cable TV services and what they want to watch. After that, for digital networks, it's a matter of 'build and they will come'.'

According to John Medeiros, the CASBAA VP for Regulatory Affairs and Government Relations, 'digital broadband is changing the face of the economically crucial global communications sector and India will benefit hugely if it joins that revolution.'

Mr. Medeiros noted that global experience shows that while the adoption of digital TV may start slowly, the pace of change picks up quickly.

'The very nature of (digital) cable broadband provides consumers with more content choice and more price options; on-demand services become pervasive, allowing people to choose exactly what they want to watch and when, as well as yet more choice in terms of linear (traditional) TV channels.'

According to Mr. Mitra, the greatest opportunities for economic growth will only come when the investment climate is right for consolidation of India's thousands of small cable operators in the big metros and rural areas which are then able to upgrade their last-mile networks. 'Today, MSO cash flow - the bloodline of the communications business - is constrained, leaving the industry handicapped when it taps into the capital markets.'

'The exciting experience of other countries - and already seen in the Indian telecoms industry -- is that domestic and overseas investors are ready and able to generate the large sums necessary to deploy cable broadband - if there is a chance of reasonable returns,' said Mr. Medeiros.

But most importantly, said CASBAA, 'government funds are not needed to achieve these goals. What is necessary is a supportive environment.'

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About CASBAA

CASBAA is an industry-based advocacy group dedicated to the promotion of multi-channel TV via cable, satellite, broadband and wireless video networks across the Asia-Pacific. The Association represents some 120 Asia-based corporations, which in turn serve more than three billion people. Members include Australia Network, AETN International (History Channel), Asia Broadcast Networks, Asia Broadcast Satellite, AsiaSat, Astro, Bloomberg Television, Chunghwa Telecom, Discovery Networks Asia, Granada International / ITV Worldwide, HBO Asia, IBM, Intelsat, Macquarie, MTV Networks Asia Pacific, NDS, Nokia, now TV, Orbit, PricewaterhouseCoopers, Sony Pictures Television International, STAR Group, Sun Microsystems, Turner International Asia Pacific, Taj TV, TrueVisions, Viaccess, Walt Disney Television International, Zonemedia, Al Jazeera, Anytime, Asian Food Channel, BBC World, Celestial Movies, ESPN STAR Sports, Eurosport, Hallmark Channel, Hong Kong Cable, Irdeto, Lovells, Measat, National Geographic, Paul Weiss, Sky News Australia, Synovate and TimeWarner.

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