

Clear skies



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Asia's satellite leaders sound like they're entering the second half of 2011 in pretty good shape. There's massive investment in new satellites and ground infrastructure, economic recovery has taken hold and is trickling through, demand for products and services is up from multiple quarters, DTH is huge and growing, HD is on a roll and 3D is waiting in the wings, set-top box pricing is low, there's no indication that entertainment and connectivity demand in Asia has anywhere near plateaued, hybrid transmission solutions have taken root, maritime is big business, there's every indication that satellite operators are settling into new roles that go beyond simply selling space in space, tech advances are creating all the right kind of buzz.

Is there a cloud anywhere near this silver lining? Sure. The prevailing sentiment is optimism, not delusion. Regulatory environments are anything but the "free skies" most satellite operators would like them to be, particularly in India and China. And there's little respite in sight on that front. Plus, Asia has higher levels of competition among satellite operators than any other region in the world, which is good or bad depending on who's talking. Competitors include government-backed players with an interest in protecting domestic markets – good for domestic players, not so good for regional (and international) operators. And that's not all: transponder pricing in Asia remains among the lowest in the world, tax regimes can be quirky and conflict resolution long and complicated, and maintaining growth is a challenge.

What's the biggest change from this time last year? In June 2010, *ContentAsia* reported an all-quiet on the satellite front after a raucous 2009. There were no major coordination battles, no rogue satellites, no cursing the old-boys network about not letting newcomers in, nothing looming that could have caused the same kind of WiMax fright of a few years ago. Perhaps the thing industry insiders were watching most closely last year this time was the gentle and gentlemanly shift in AsiaSat's leadership from Peter Jackson to Bill Wade in August 2010.

Against this backdrop, Asia's satellite bosses spoke to *ContentAsia* about the best things happening to them and the industry, about the sectors they are most excited about, about investments, challenges, regulations and 3D. Here's what they said...

What's the best thing happening to the satellite industry in Asia this year? "The best thing happening to the satellite industry this year is the continued buoyancy of the pay-TV direct-to-home (DTH) sector. With increasing demand for high quality broadcast content, the uptake of channels from DTH operators and the requirement for more capacity from satellite operators keeps going up. This is a very positive dynamic for the entire industry."

international channels are looking to launch country specific HD feeds to ensure content is relevant to the market. Further, local broadcasters are looking to launch their vernacular channels in HD. We see the move towards more locally relevant HD content from broadcasters following the same pattern as standard definition a few years back."

What industry sector motivates you the most at the moment? "The DTH market sector. Par-

What's your opinion on the C-band and Ku-band capacity over Asia at the moment?

"There is a shortage of good quality Ku-band capacity to support growing demand from DTH sector in the Asian region (as well as other services, such as Universal Service Obligations (USO) projects (for example, in Indone-

Paul Brown-Kenyon

Chief Executive Officer

Measat



What's the best thing happening to Measat this year? "For Measat, we are seeing our HD business really take hold. Since securing the first HD channel for regional distribution in 2007, we've seen the gradual acceleration in growth of number of channels over the last few years. From being a niche customer segment, we are now supporting 18 channels on the C-band feed. HD is now a mainstream customer segment."

Has there been a significant shift in the kinds of content services looking for satellite distribution across Asia? "Being a fragmented region, with multiple culture and languages, we are seeing the increasing focus on the localisation of HD content. More and more

particularly, opportunities in key markets such as Malaysia, India and Indonesia. All DTH platforms in the region are focused on increasing their channel offering – from niche programmes and local content to near video on demand (NVOD). With the adoption of HD channels requiring three to four times the capacity needed for broadcasting an SD channel, this pushes the satellite industry even further for capacity. Measat's HD channel distribution/contribution strategy compliments well with the DTH developments in the region. The competition pressure in the DTH market, which motivates the players to enhance their quality of service, in turn promotes more value-added services from operators."

sia), military communications needs, VSAT and trunking requirements). We also see noticeable growth in the broadcasting sector, which demands global C-band capacity for the distribution of video channels to pay TV operators such as DTH, IPTV, mobile TV, etc."

Have transponder leasing prices in Asia risen to where you would like them to be?

"It is important for the industry that we have rational transponder pricing. Rational pricing allows satellite operators to continue investing in new satellites to support customer requirements. While transponder pricing is on an upward trend we think it will increase further yet before it attains a stable and sustainable level."

Where will you make your biggest investments this year? "Measat is primarily focusing on expanding its satellite fleet to support the growth of our DTH and video customers."

What's the regulatory issue you are most concerned about at the moment? "We are continually focused on ensuring that we have access to the required frequency to continue the development of our business, and access to our core markets to allow us to support our customers. This has been our primary regulatory objective over the last few years and will continue to be moving forward."

amount of 3D content available on the satellites. While it is an interesting segment, and one that we are focused on supporting, we don't see it overtaking HD as the pre-eminent content in the region."

Is there anything the satellite industry – or Measat – can or needs to do to drive 3D penetration? "Measat has been doing a number of things to support the development of 3D in the region. Specifically, we showcased 3D video distribution via satellite during CommunicAsia 2010 in Singapore and have supported the launch of



The best thing happening to the satellite industry this year is the booming pay-TV DTH sector. As demand for more high-quality broadcast content increases, the uptake of channels from DTH operators and the requirement for more capacity from satellite operators goes up. This is a very positive dynamic for the entire industry."

Paul Brown-Kenyon



MEASAT Teleport and Broadcast Centre in Cyberjaya, Malaysia

Has HD so far made the kind of difference to your business that you anticipated? "Measat was the first in the region to launch a regional HD channel and is currently distributing the most number of HD channels in the region. It is a strategically important and growing part of our business."

What do you think of 3D's prospects in Asia over the next two or three years? "The sales of 3D TV sets has been increasing steadily over the last year. In 2010, worldwide shipment of 3D TVs reached 2.5 million. This is expected to expand to 27 million in 2013. This will be matched by a growth in the

the region's first linear 3D channel, BigFoot TV, on satellite. We will continue to support the growth of 3D as customer segment in Asia Pacific."

Has the WiMax spectre gone away in Asia? And if it hasn't, what are you doing to head off any possible damage to your business?

"We are monitoring closely the development of Broadband Wireless Access (BWA) applications in regions and take necessary steps to ensure minimal impact to our business. While we have not seen any negative impact of BWA on our C-Band business today, we need to keep vigilant."