



Rather than being destined to succumb to the heavyweights of the industry, regional satellite operators have the agility and flexibility to innovate and thrive in this business. In the first of a two-part article on regional satellite operators, Giovanni Verlini, Editor of Satellite Evolution Asia (SEA), looks at two of the most solid regional operators: Binariang and AsiaSat.

## Closer to the heart of things

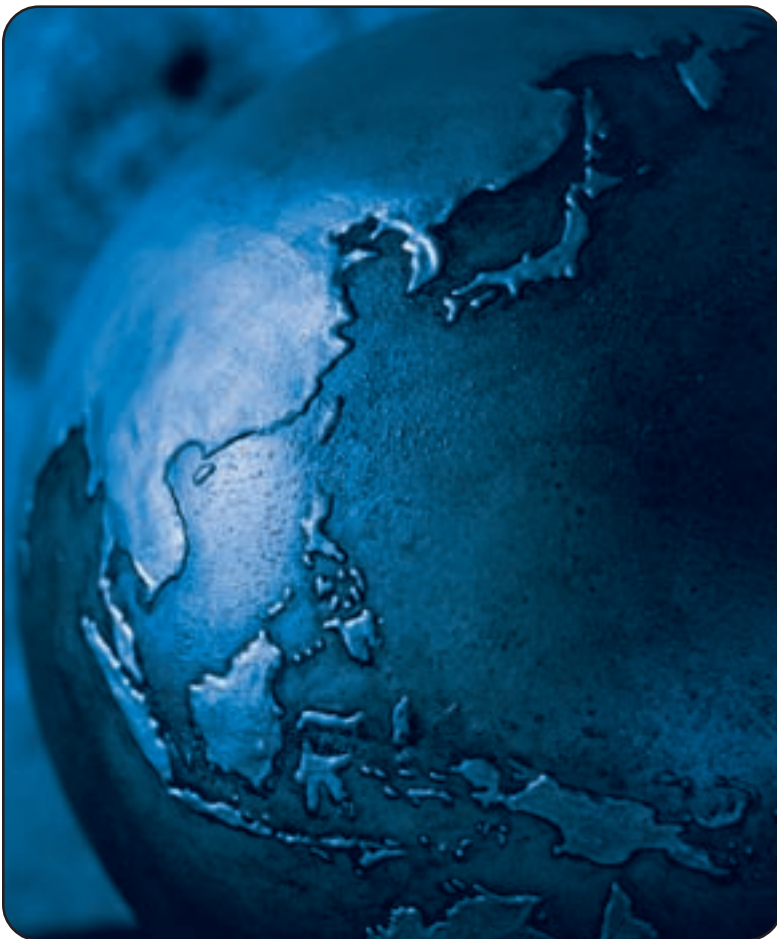
▶▶ Over the last decade, economic pundits and commentators have been witnessing what could be described as a relentless move towards the consolidation of ever larger satellite operators that do business on a global

level. Companies such as Intelsat, Eutelsat and SES Global, have slowly become giant concerns that own and control tens of spacecraft delivering services to customers in the four corners of the globe.

However, while this is a visible and identifiable trend, it is also equally clear that the many regional satellite operators that sprung in the 1980s and early 1990s have not disappeared from the horizon. On the contrary, they are still in business, thriving and growing from strength to strength. For example, in the Asia-Pacific region, one of the richest and most diverse satellite markets in the world, regional satellite operators remain aplenty, with countries such as Vietnam hoping to join the pack with a new system to be deployed in a not too distant future. Many of these companies are as solid as they have ever been and are also planning to expand (Measat, Koreasat and the Japanese operators); others have already been expanding into other markets through either internal or external growth (AsiaSat, Singtel Optus); while some of them are even launching entirely new systems that will hopefully introduce a new family of applications generating revenues for the satellite industry (Shin Satellite). What is certain, however, is the fact that all of them have plans that look forward into the future.

So how can these two apparently contrasting trends be reconciled? How can the satellite industry be going at one time towards the creation of giant operators and the consolidation of smaller regional companies? The answer to this apparent puzzle is that the satellite business is not a monolithic bloc where a one-size-fits-all type of operator is capable of satisfying the needs of the whole market. There are countless applications in this industry, and each one of them requires a different type of service supplier. For example, direct satellite broadcasting such as digital radio, is a totally different business from Internet trunking. Likewise, an application such as Direct-To-Home (DTH) requires an entirely different kind of spacecraft from one that delivers satellite telephony services. The satellite sector is a fascinating and complex industry, and

Image courtesy of PhotoDisc 2003



*The Asia-Pacific region is one of the richest and most diverse satellite markets.*



the variety of satellite operators that currently co-exist in the market is the result of this diversity. Besides, many governments still see space and satellite applications as a strategic resource in which control cannot be handed to foreign companies - in this sense Australia, which saw its national satellite operator Optus being sold to Singapore's SingTel, is an exception rather than the norm.

But above all, as Romain Bausch, President and Chief Executive Officer (CEO) of SES Global declared in an interview with *Satellite Evolution Asia (SEA)* published in this issue (see Q&A article in this issue), the satellite business remains a regional business. This is true from both a technical point of view (on the whole, satellites tend to serve a region rather than act as bridge between two or more regions), and from a political point of view (you need to know the local 'lever pullers' in order to do business in a country).

In addition, regional operators can draw from the strength of the position they enjoy in their domestic dominions to launch into new markets.

So while economy of scale clearly indicates that big is better, the reality is somewhat different: regional satellite operators have a bright future in that they can offer a range of services to their customers to a level that global satellite companies cannot match. In fact, despite being a relatively small sector, the satellite industry is large enough for allowing more than one type of operator to succeed. Indeed, it is this diversity that constitutes one of the sector's major strengths. Diversity is an essential ingredient for the resilience of an industry; as the saying goes, you should not put all your eggs in one basket.

But let us now cast an eye on the current state of affairs for some of Asia's major regional satellite operators.

#### A new bird from Malaysia

Binariang Satellite Systems Sdn. Bhd. is the owner and operator of the MEASAT satellite network, which supplies satellite services to Asian DTH operators and hosts one of the strongest neighbourhoods of South East Asia broadcasters and telecommunications providers.

With the launch of MEASAT-1 and MEASAT-2, two spacecraft specifically designed to cut through the region's difficult heavy tropical rainfall climate, MEASAT pioneered the development of DTH satellite services to 0.6 metre antennas in Southeast Asia.

MEASAT-1, located in the orbital slot of 91.5 degrees East, employs 12 C-band transponders, covering East and Southeast Asia, and five Ku-band transponders that offers flexible switching coverage over India, Malaysia and Philippines.

MEASAT-2, located in the orbital slot of 148 degrees East, has up to six C-band transponders, with footprints that extend from East Australia to South, North East and South East Asia and seven high-powered spot beam Ku-band transponders focusing on Indonesia, Philippines, Taiwan, Vietnam and Eastern Australia.

MEASAT-1 and MEASAT-2's positioning offer maximum coverage of the region, providing powerful, reli-



*Kuala Lumpur's skyline*

able and uninterrupted signals across Southeast Asia, North East Asia and parts of South Asia.

#### MEASAT-3 and beyond

In 21 March 2003 Binariang Satellite Systems entered into a contract with Boeing Satellite Systems (BSS) for the procurement of the MEASAT-3 satellite. The spacecraft, a Boeing 601 HP satellite, will join the existing MEASAT-1 and MEASAT-2 spacecraft in the MEASAT system.

Scheduled for launch in 2005, MEASAT-3 will be co-located with MEASAT-1 at 91.5 degrees East, and will employ 24 C-band and 24 Ku-band transponders each providing 36MHz of bandwidth over a 15 year minimum service life. The C-band payload will cover Africa, Middle East, Eastern Europe, Asia and Australia, while the Ku-band payload has been designed to provide high-powered flexible service options for the development of data services and DTH applications in Malaysia, India, Indonesia, and China.

Yau Chyong Lim, Regional Manager, Sales and Marketing said, "The MEASAT fleet enjoys one of the highest utilisation rates within the region. The launch of MEASAT-3 ensures MEASAT can continue to serve the growth requirements of our existing customers while providing backup capacity for fully integrated video, data and VSAT services."

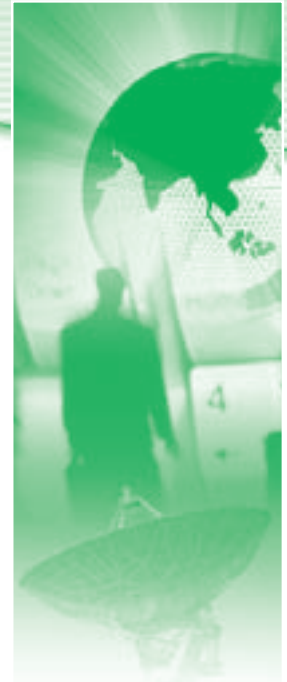
"The launch of MEASAT-3 will also enable BSS to expand geographically and tap into new markets in South and Central Asia, the Middle East and Africa."

Binariang's plans for growth, however, are not limited to a single spacecraft. To further expand the MEASAT global reach additional satellites are currently being planned for launch. MEASAT-4 will be located at 91.5 degrees East to provide redundancy for MEASAT-1 and MEASAT-3, and will eventually replace MEASAT-1 at the end of its service life in 2008.

MEASAT-5 will be located at 57 degrees East to provide a platform for premium broadcast, Internet and telecommunications throughout Africa, Middle East and Southern Europe. MEASAT-5 will enable the African countries to connect seamlessly with each other through cost effective intra-Africa networks, and will provide global interconnectivity through the MEASAT system.

#### A look into the future

The MEASAT system, which already provides fully in-





egrated satellite platform offering advanced DTH, digital video data and telecommunications services to customers across the region, will soon be enhanced by the launch of MEASAT-3. With the deployment of MEASAT-4 and MEASAT-5, which will allow Binariang to expand into other regional markets, a further stage in the company's expansion will then follow.

#### AsiaSat

Although part of the SES Global family of satellite operators, AsiaSat can be considered as one of the most prestigious and well-established representatives of the Asian regional satellite operators sector.

On 11 April 2003, AsiaSat celebrated the latest addition to its fleet of regional spacecraft. AsiaSat 4,

designed and built by BSS of the US, was successfully launched by an Atlas IIIB rocket from Cape Canaveral, Florida, US.

The spacecraft reached its final Geostationary (GEO) orbital location of 122 degrees East on 24 April, and became fully operational in the morning of 28 April.

Speaking with *SEA*, Peter Jackson, CEO of AsiaSat, said that there is a growing market for quality transponder capacity over Asia and Australasia, and AsiaSat 4 can precisely serve that market demand. In the meantime, AsiaSat's business around the rest of its fleet also continues to thrive - the company is the most profitable company of the SES Global family. For example, AsiaSat has recently announced another lease deal on AsiaSat 3S. AsiaSat and Singapore's MCN International Pte Ltd have announced the signing of a lease agreement for the use of C-band capacity on AsiaSat 3S to broadcast Channel NewsAsia digitally across Asia.

Channel NewsAsia is an Asian television news channel, providing the latest in news and information on global developments with Asian perspectives, as well as lifestyle and analytical programmes on topics ranging from politics, finance, business, technology to health, food, travel and entertainment.

From 1 September, 2003, Channel NewsAsia will completely switch over its broadcast to AsiaSat 3S. The channel will no longer be transmitted from Palapa C2 and APSTAR IIR.

"This is another milestone for Channel NewsAsia since we started beaming to the region just three years ago. We are extending our reach to more parts of Asia and want to provide viewers, including professionals and executives working, living and investing in the region with the resource to get ahead. Today's sophisticated viewers demand more than just updated news. They want relevant information with the various nuances for them to make the right decisions," said Shaun Seow, Chief Executive Officer (CEO) of MediaCorp News, the holding company of MCN International.

"We are pleased to have Channel NewsAsia onboard AsiaSat 3S. With Channel NewsAsia commencing their broadcast on AsiaSat 3S from 1 September, we will be offering an unmatched mix of news programming, ranging from global, regional and local perspectives. Channel NewsAsia will immediately enjoy the benefits of the enormous audience penetration of AsiaSat 3S reaching out to the numerous cable headends, rebroadcasters and individual television viewers across our huge C-band footprint," said Jackson.

#### Any future expansion?

While AsiaSat sees the satellite business as buoyant in the Asia-Pacific region, the company does not seem to have any immediate plan for further growth. Jackson declared that while growth is always important to a company, AsiaSat's present focus is to market this brand new satellite and introduce its benefits to our existing users and new customers who need this type of satellite service. ■

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AsiaSat 4. Image courtesy of Boeing Satellite System (BSS)