



Indian demand for transponders to outpace domestic supply: CASBAA

New Delhi, 07 Mar 2013 -- The number of satellite transponders required by Indian TV broadcasters and DTH operators is expected to double or triple over the next five years, according to a new report from CASBAA, the apex Asian association of the cable and satellite television industry. Entitled "Easing India's Capacity Crunch," CASBAA's report was released today at the CASBAA India Forum 2013 in New Delhi. Developed with knowledge support from PwC India, it forecasts that transponders required by the DTH industry will rise from 73 in 2012 to more than 220 in 2017 to meet burgeoning demands by Indian consumers.

This rapid growth in transponder demand will be driven by the expected increase of TV channels in India, fuelled by strong growth of the Indian television industry over the next few years (expected CAGR of 14%). The continued proliferation of pay-TV services, coupled with cable digitization, growth of regional channels and entry of foreign players will provide a fillip to growth. Given these driving factors, India can potentially have about 1,600 licensed channels by 2017, of which about 1,300 channels, (80% of licensed channels), are expected to be operational. Further, high growth in the number of HD channels is expected, due to growth in digital platforms coupled with increasing penetration of high-end TV sets that support HD viewing experiences. By 2017, India is likely to have approx 130 HD channels. This growth in the number of channels will lead to higher demand for C-band and Ku-band transponders.

In the report, CASBAA and PwC make a series of suggestions for improving the management of India's satellite industry, to make it more efficient and market-friendly. The report notes that ISRO (Indian Space Research Organization), India's agency for operating the country's domestic satellites, is working hard to launch new satellites and procure additional spectrum to meet the burgeoning demand. Nevertheless, says the report, "it is unlikely that any single satellite operator will be able to fulfil even current demand, let alone the future demand for satellite capacity." Foreign satellite operators will need to be encouraged to invest in capacity to serve the Indian market.

"In spite of the urgent requirements for satellite capacity, there are challenges placing practical restrictions on leasing transponder capacity from foreign satellite operators by Indian players," said John Medeiros, CASBAA's Chief Policy Officer. "Key hurdles include procedural requirements and delays and short contract durations inducing uncertainty for both Indian players and outside investors."

Smita Jha, leader of PwC India's Entertainment and Media practice, said "Satellite capacity constraints impede the growth momentum of the Indian TV sector and impact the ecosystem of the industry. The capacity crunch could restrict the launch of local regional channels and special interest channels and could lead to a distortion of competitive balances in multiple ways."

The report encourages the Indian government to formulate policies and processes to spur growth in satellite services, and to explore opening up additional frequency bands for use by TV industry players. It suggests measures such as allowing DTH operators more freedom to easily lease more space on authorized satellites they already use, lengthening the allowable term of satellite transponder contracts, improving publicly-available market information from the government and ensuring adequate spectrum is available for satellite use in India.

The attached Fact Sheet provides key statistics and data from the Report.

The Report can be downloaded at <http://www.casbaa.com/publications>

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About CASBAA – <http://www.casbaa.com>

Established in 1991, CASBAA is the Association for digital multichannel TV, content, platforms, advertising and video delivery across Asia. Spanning 17 geographic markets, CASBAA and its Members reach over 445 million households and businesses connected to pay-TV systems across a footprint ranging from China to Australasia, Japan to Pakistan. The CASBAA mission is to promote the growth of multichannel TV and video content through industry information, networking exchanges and events while promoting global best practices. To view the full list of CASBAA members please visit [here](#).

About PwC

PwC* helps organisations and individuals create the value they're looking for. We're a network of firms in 158 countries with more than 180,000 people who are committed to delivering quality in assurance, tax and advisory services. PwC India refers to the network of PwC firms in India, having offices in: Ahmedabad, Bangalore, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. For more information about PwC India's service offerings, please visit www.pwc.in.

*PwC refers to PwC India and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

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Fact Sheet

- PwC analysis forecasts increasing growth in Indian television industry revenues at a CAGR of 14% over the next few years. Industry growth fuels an expected increase in the number of TV channels in India, to meet regional as well as national demands.
 - The number of licensed channels in India has doubled since 2008 to 820 channels at the end of 2012. However, a comparison with other media markets globally indicates that given India's size and diversity this channel count is relatively low. Significant continued increases in TV channels are likely. India could potentially have 1,300 channels operational by 2017.
 - Growth of regional channels and niche content will provide a fillip to growth.
 - Furthermore, high growth in the number of high-definition (HD) channels is expected to be fuelled by growth in digital platforms and increasing penetration of high-end TV sets that support HD viewing experiences. By 2017, India is likely to have 130 HD channels, which require more satellite capacity than standard-definition channels.
- As the number of channels increases, Indian DTH operators will need to match the offerings of their peers and also digital cable operators, to remain competitive.
- Growth is therefore anticipated in both C-band and Ku-band transponders.
 - In the case of C-band capacity for distribution of TV channels to MSOs and DTH operators (for further transmission to end-consumers), the total number of required transponders is expected to almost double from 31 in 2012 to 54 by 2017.
 - The demand for Ku-band capacity used by DTH companies to transmit to consumer homes is expected to grow even more rapidly, requiring over 220 transponders by 2017 as compared with about 73 in 2012.
 - In an ideal world, demand estimates for DTH operators should be far higher – Indian operators need backup/redundant satellite capabilities to keep up with global best practices, and the current capacity crunch inhibits them.