

# Television in the Asia-Pacific region the changing scene

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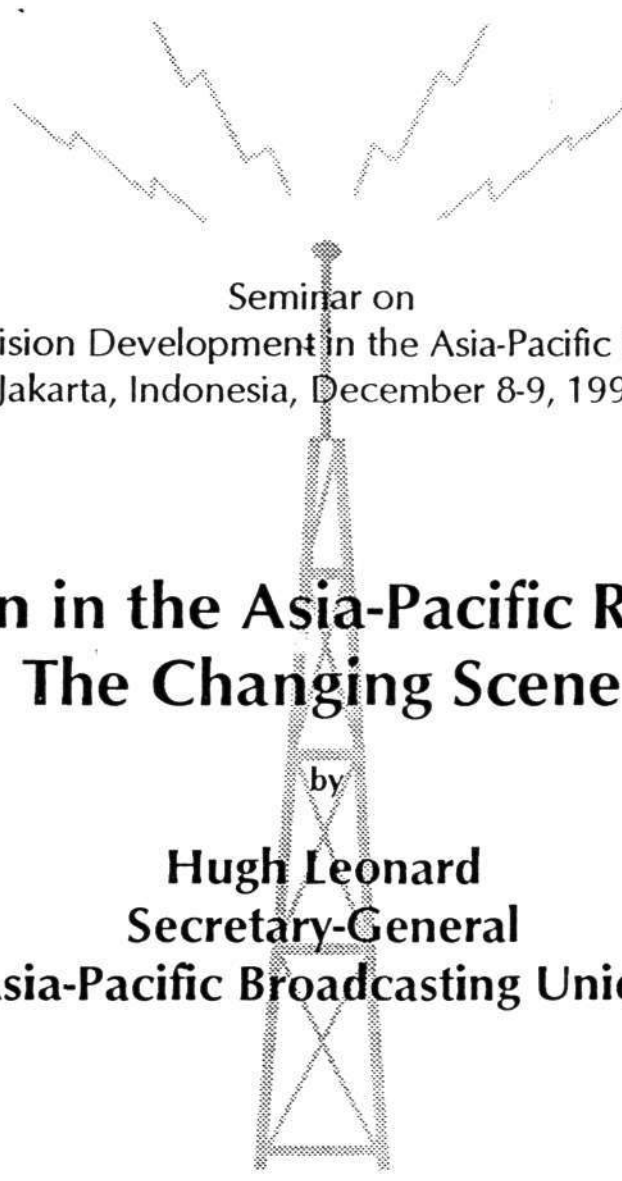
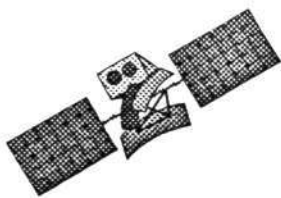
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**Television In The Asia-Pacific Region :  
The Changing Scene**

**By**

**Hugh Leonard**



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# Television in the Asia-Pacific Region — The Changing Scene

by

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## Television in the Asia-Pacific region — the changing scene

### ***Change is in the air***

In the last few years, big changes have been taking place in broadcasting in this region. These changes could be summarised into two main areas. First, there's been a very marked shift towards globalisation and commercialisation. Secondly, deregulation rather than regulation has been the trend. In most of the countries of the region, things have become much more liberal than in the past.

Here in Indonesia, this change has been very apparent. In a very short time, the number of channels in this country has risen from two to six. But this tendency can be seen in many of the countries in the region, even some where you might not expect it. For instance, in China, it was announced recently that the government had approved limited distribution of STAR TV's movie channel to certain segments of the population. This is a major concession and the first time a scrambled satellite service originating overseas has been offered to subscribers in China.

So what has sparked off all this change?

Technology was the driving force by providing us with new methods of delivering television. In particular, the satellite was, of course, the main agent because for the first time it provided a means to send TV signals across borders.

In Asia, the watershed was undoubtedly the start-up of STAR TV's service in 1991. This quickly became the dominant satellite-delivered service and penetrated deeply into the region. The rapid spread of STAR TV's influence quickly showed the Asian governments that the policies of the past were no longer suited to the fast-paced technological environment of the present.

### ***Change in user demand***

And so another change took place. A change in user demand. Viewers in this region were exposed, in many cases for the first time, to a different kind of television — which many thought was better — and a choice of channels. They began to demand the same things at home.

Some governments chose to meet the demand by developing terrestrial broadcasting. Because the governments themselves or their national state-owned broadcasters couldn't afford to do this alone, they began to allow commercial competition.

In some countries, restrictions on private ownership were lifted, moves were made towards corporatising or even privatising the national broadcasters. To provide the funding for development of services, joint ventures were allowed between local companies and foreign investors.

### ***Governments CAN exercise control***

However, all this deregulation doesn't mean that all the rules have been dropped. The fact is that governments in Asia have demonstrated that they are quite capable of exercising control over international television. They can do this by banning the

ownership of dishes, as has been effectively done in Malaysia and Singapore, or by prohibiting the distribution of foreign channels by cable.

But, as we have seen, generally speaking, the governments are becoming more and more accommodating. They are controlling less and allowing more. There are several reasons for this. One is that they realise that receiving equipment will soon become so small that it won't be possible to detect who is watching what. Another is that they realise there is a demand for high quality programmes and a choice of them, which it is not possible to provide solely from within their countries. Thirdly, many of them have recognised that the high technical standards of top-line international services have stimulated big improvements in domestic services.

### ***Satellite TV for national consumption***

As satellites developed and became affordable, they were soon seen as a means of providing truly national services. Years and years of effort to develop terrestrial stations had not succeeded in extending the reach to every part of the country. The satellite was seen as a quick way achieve this.

For instance, in 1985 China's national service got to only 50 percent of the population. Now, four national channels and many provincial channels are distributed by satellite, potentially to the entire country. In India, the situation was even worse before the Insat system was established. Now, the national service and all of the regional services are distributed by satellite, and there is even talk of 25 satellite channels in the future. Indonesia has long used the Palapa satellite system for distribution of terrestrial TV and has made it available to neighbouring countries for the same purpose.

Some governments allow the ownership of dishes provided they are only used to receive signals from domestic satellites. But everyone knows it is impossible to police this and the same dish can be pointed at any other satellite. So, in those countries with satellite-delivered local television, there is no longer any real regulation of the reception of TV from any satellite.

Clearly, the Asian market for international television is growing. The changes in regulation and the spreading liberalisation are providing more and more viewers and potential viewers. In the last five years, the number of television households in Asia has increased by over 70 percent, compared with just over 4 percent in the UK and 7 percent in the United States. It's now estimated that there are about 400 million TV households in Asia and the number goes on increasing.

People are becoming more affluent. Some estimates indicate that the number of households in Asia with an income of more than 30,000 US dollars a year will reach at least 51-million by the year 2000.

This growth is also expanding the advertising market. It is estimated that advertising in Asia, expressed as a fraction of the GNP, is still only about one-third of that in the United States. But it's growing and it has great potential for growth.

The competition is hotting up. STAR TV doesn't have it all to itself any more. There are several others in the field and the number is growing. So rapidly, in fact, that the demand for transponders is currently out-pacing the supply. However, with the many new launchings planned in the near future, this situation could soon be reversed.

### ***Market forces will decide***

Not all of the new services will survive. Those that are most likely to do so are those that learn well this little lesson in geography: there is no such place as Asia. It's true. Anyone who regards Asia as one place, or one market, is ignoring the fact that Asia is made up of many very diverse countries. They are diverse in language, culture, customs, economic development — and tastes in television. Those who have regarded Asia as a coverage zone that could be served with one source of programming have learned the lesson the hard way. There is no such thing as a pan-Asian desire for common programming, even if it is dubbed into local languages.

On the other hand, the importance of language and the cultural factor has been vividly demonstrated in almost every country in Asia. In those countries that provide programming in English as well as the local language, the English broadcasts enjoy a tiny audience in comparison with those in the national language.

This is one of the major regulatory issues that is driving broadcasting in this part of the world — language and culture. But it's not regulation by governments. It's regulation by the viewers.

### ***Asia Speaks Out***

The ABU General Assembly was held in Kyoto, Japan, last month and that was the theme we adopted. We spent a whole morning discussing satellite television from the other angle — Asia as a *sender* rather than a *receiver* of television by satellite.

This is already happening, of course, although in many cases it is spillover from domestic services into neighbouring countries. Japan, China, India and Indonesia have long been using their domestic satellites for this purpose and have acquired in some cases quite sizable audiences outside their borders.

In Thailand, the government has awarded the main cable operator, IBC, an exclusive eight-year satellite distribution licence following the start of the Thaicom system. Although this is a domestic satellite, its footprint will cover a good portion of the region. A company in the Philippines says it is going to launch a 10-channel pan-Asian service on the Rimsat satellite. Malaysia has ambitious plans to use its domestic satellite system, Measat, for direct-to-user television when the system is up and running in 1995.

Generally speaking, the governments support ventures of this sort and in some cases have changed the regulations to help them succeed.

In Japan, for instance, the Broadcast Law was changed in June this year to permit the

domestic networks to transmit internationally, which they were not allowed to do before. NHK has said it intends to begin international transmissions next year and eventually to operate a worldwide service.

### **What about cable?**

Cable television is a fairly new phenomenon in Asia. As with everything else in this region, the systems in use now vary enormously in size and sophistication. They range from the latest fibre optic systems to very primitive neighbourhood setups charging as little as a dollar a month.

However, cable has penetrated quite deeply in some countries. In China, for instance, there are 32 million cable homes, which is about 23 percent of all TV homes. India has 10 million cable homes, about 34 percent of all TV homes.

→ In some countries, cable is seen as a much-needed supplement to terrestrial stations that are not able to provide full coverage. China has about 500 cable stations, which combine with more than 600 regional stations to provide multi-channel country-wide coverage.

India has a very big cable industry. But unlike China, it is a very unregulated industry. There are literally thousands of small cable systems, most of them serving little local communities.

Hong Kong has what is probably the best-developed cable system in the region, although it is only a year old. It's running 16 channels round-the-clock, including four pay-per-view channels. The licence is held by Wharf Cable, which the government has given exclusivity up until 1996. Wharf says that in its first year it has signed up 100,000 subscribers.

In South Korea, the Cable Law, which was enacted in 1991 has outlined a framework that will allow cable systems to be started in 1995. It's estimated that 2.7 million homes will be hooked up by the end of 1997. That's 25 percent of all TV households in the country.

Singapore has Singapore Cable Vision, which is a three-channel UHF pay-TV network. There are plans to overbuild this system with a fibre optic network to connect all Singapore homes to multimedia services and pay-TV within four years.

There will be a similar situation in Malaysia, where the government has approved a plan to introduce a package of pay-TV channels, controlled by the State broadcaster, RTM. The target is to have 50,000 homes in the network within a year of start-up.

In Thailand there are two pay-TV operators and they appear to be providing stiff but not undesirable competition to the on-air broadcasters.

***Can the regulations be harmonised?***

One rather interesting aspect of all the change that has been taking place in recent times is that, although broadcasting itself has become globalised, the regulation of it has by and large remained a national function. In other words, there have apparently been no moves to bring about harmonisation of the rules in the various countries or to establish some kind of regional control.

This is not surprising, really, because in Asia there are really no structures that could create and oversee regulations covering the whole continent. Like, for instance, the European Commission's directives or agreements of the regional telecommunications organisation, CEPT.

The main problem in this region is that in many of the countries, the ministries of broadcasting and telecoms are quite separate and in most cases there is very little contact between them. The responsibility for regulation has traditionally been with the telecoms ministry which in most cases is not involved in broadcasting in any way.

But the fact remains that, if this harmonisation doesn't take place, there's going to be chaos in international broadcasting in Asia, with the operators having to work their way through a thickening jungle of different, and often conflicting, regulations.

One example, most of the conflicting claims for orbital slots for satellites have arisen in the geostationary arc over Asia, largely because of speculative filings. There are now fears that the spacing between satellites may eventually be reduced to a level where very complex receivers may be needed on the ground to prevent satellite signals from interfering with each other.

This kind of problem can't remain unresolved forever and the governments of the region would be well advised to get together to take action to prevent a chaotic and potentially disastrous situation from developing.

***Into the future...***

So what is the future going to hold for broadcasting in the region?

There are two developments that will have a major influence on the future of broadcasting in this region, as in other parts of the world. One is digital compression and the other will be the convergence of broadcasting, telecommunications and computer technology.

Digital compression is a new technology that allows one satellite channel, which can now carry one TV channel, to carry four or eight or even more channels. Together with convergence of the three technologies, this will have a number of interesting and exciting results, including —

- ***Inter-active television.*** This will mean that the viewer can react with his TV set to do things like ordering goods from a shopping catalogue or paying his bills or

carrying our banking transactions, without ever leaving his home. Also, he will be able to choose the camera angles for, say, a sports match, or pick the ending for a drama from a list of different kinds of endings.

- **Video on demand.** This means that the viewer can decide what he wants to watch at that particular time and it will be shown there and then. A movie, for instance. If he wants to see it right now, it will be shown right now.

A simpler variation of this is what is now being called **Near video on demand**. This means that the viewer will have a choice but not total control. For instance, the same movie may be shown at, say, half-hour intervals and so the viewer will have to wait only that long to be able to see it.

- **Much more choice.** The old limitations on the number of channels available to a viewer are fast disappearing. In the United States and Canada, for instances, viewers in some places already have access to over 100 channels. This could easily increase to four or five hundred in the future.

How could you cope with that sort of choice? How could you possibly remember what is on what channel when you have such a choice? Well, the way we watch television will also have to change. The number of the channel won't be any longer important. You will be presented with a menu, from which you will choose the type of programming you want, such as news, drama, movies or whatever. When you choose the type, then another menu will appear showing you what you can choose from under that sub-heading and so on.

But — while technology and deregulation are driving broadcasting in our region, as in other parts of the world — they are not the factors that will determine whether or not any particular service succeeds or fails. The fact is that the viewer doesn't really care what marvel of modern science has been used to bring him the programme or what rule or regulation has allowed it to be done. What he cares about is the programme and whether it is what he wants. Success or failure will depend on the viewer and whether he is satisfied with what the broadcaster offers him. □