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by

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ASIAN BROADCASTING: THE CHANGING SCENE

by

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1. Set for take-off

The number of television households in Asia has increased by 70 percent in the last five years. By comparison, in the United Kingdom the increase in the last five years was 4.3 percent and in the United States 6.7 percent.

I don't propose to bore you insensible with facts and figures in this brief presentation, but I think those figures are very significant. A 70 percent increase in TV households in Asia in the last five years gives a clear indication of the way in which broadcasting is taking off in this region, and I believe the growth will continue.

2. The present scene

Before we look at the way broadcasting is changing in Asia, let's take a brief look at the way broadcasting is now, or has been up until recently.

There are two factors that make this region very different from other parts of the world. One is its sheer size, the other is its almost infinite diversity. These are two things that I believe are not well understood in certain other parts of the world.

First, let's look at the size of the region. Nobody, of course, can tell you where Asia starts and ends, but if you take it as the region extending from Turkey in the west to Japan in the east, from China in the north to Indonesia in the south, it covers nearly two-fifths of the circumference of the earth. It's also huge in terms of the number of people. Asia has in it some of the most populous countries in the world and, in fact, the region contains over half of the world's population.

And so to diversity. Within this vast region, you have some of the largest countries in the world and some of the smallest. You have some of the richest countries in the world and some of the poorest. You have some of the most highly developed countries in the world and some of the least developed. So there is no way you can generalise about the Asia-Pacific region. Virtually every country has its own language or languages and its own culture or cultures and there is every possible type of political system. There is no "typical" country in this region and there is no "typical" broadcasting organisation.

At one end of the scale, NHK-Japan with 13,000 employees and a leader in research and development in both technical and production terms. World renowned and world respected. At the other end, Maldives TV, perhaps, with one channel and 7,000 TV households.

We also have every conceivable type of broadcasting system - government

departments, corporations of one sort or another, state owned but giving the broadcasters a degree of freedom to make their own decisions, purely privately-owned commercial concerns; and many variations on the theme. Most of the broadcasting organisations - even the government-owned ones - are commercial. That is, they accept commercial advertising as all or part of their revenue.

In some places, the government or state-owned system is the only one. But in many countries, different types of systems co-exist.

In most of the countries, there has always been a fair amount of locally-produced programming, mainly because of the need to transmit in the national language of the country concerned, along with selected imported material, mostly American.

So that's how it is, or at least how it has been until very recently.

3. The beginnings of change

For many years, broadcasting in Asia moved along with very little change. Even when vast and sweeping changes began to take place in other parts of the world, there was little sign of the same thing happening here.

As in other parts of the world, two things brought about the start of the change - technology and deregulation. Technology mainly in the form of satellites, and deregulation in the form of a relaxation - in some countries - of the tight grip on broadcasting that the governments have traditionally held.

Although broadcasters in this region have used satellites for some years for domestic programme delivery and for such things as international news and sport, transnational satellite broadcasting is a comparative newcomer in Asia. When Asiasat 1 was launched in April 1990, it opened up for the first time in this region the possibility of a communications satellite being used for DBS. The majority of its transponders were booked by STAR TV, which is owned by a company that is also one of the three partners in Asiasat.

I'm not going to talk at any length about STAR TV, because I understand a representative of that organisation is here to tell you all about it. Suffice it to say that, for better or worse, STAR TV has changed the face of broadcasting in this region.

When STAR TV went on the air about two years ago, it wasn't taken very seriously by the terrestrial broadcasters because they felt secure in their own bailiwicks. I think it was widely believed that STAR would fail, because it is free-to-air and relies on advertising for its revenue. But it hasn't failed yet; in fact, it seems to be going from strength to strength.

In February this year we saw the start of ABC-Australia's Asian service, carried

on the Indonesian Palapa satellite. This is an eight-hour-a-day service concentrating on news and information. Television New Zealand, in a partnership with others, is planning to start an Asian business service, also on Palapa, later this year. It was announced a week or two back that TVB-Hong Kong - which is now partly owned by Rupert Murdoch's News Corporation, has entered into an alliance with Turner Broadcasting, ESPN, Home Box Office and ABC-Australia to work together in a satellite TV venture in opposition to STAR TV. They're planning to use the new Apstar satellite which is due for launch next year.

These services are not available to viewers in all of the countries within the footprints of the satellites carrying them. Some countries still ban the use of privately-owned dishes for satellite reception. Singapore and Malaysia are examples of this. Certain other countries would like to do so, but find that the technology has overtaken them. They didn't move quickly enough to enact legislation or regulations and are now in the position of not being able to tell thousands of viewers that they must throw away their TVROs. In other countries, owning a dish is legal as long as you use it only to watch programmes on the domestic satellite. But who's to say which satellite a particular dish is aimed at?

4. The Indian experience

India is a very interesting case. It's legal to own a dish in India, although you must obtain a licence. In theory, one of the conditions is that it be used only to pull down signals from the domestic satellite, Insat. In practice, everyone watches whatever they please and there has never been a single case of anyone being prosecuted for breaching that licence provision.

So STAR TV has a big audience in India and is now involved in a channel called Zee TV transmitting in Hindi, the national language.

There's also another satellite service operating out of India called Asia Television, which uses one of the Russian Stationar satellites and this also has a big audience. An interesting sidelight on that is that Asia TV's programmes are also available in parts of Europe on a number of cable systems, aimed at the Indian expatriates and those of Indian descent in Europe.

But it doesn't end there. In India, there are literally thousands of small cable systems serving local communities, which distribute STAR TV, Asia TV, CNN and anything else they can lay their dishes to. They are unorganised and uncontrolled but they are not illegal. The distribution of telecommunications signals is governed by the Indian Telegraph Act of 1885, which - understandably - didn't foresee cable television. Under the Act, it's not illegal to send such signals by wire provided you don't cross over public property. So as long as your cables don't cross roads or public parks, they're perfectly legal.

Some of them do so, of course, and I believe some even make use of the government's telegraph poles, but it's impossible to police, so they get away with it.

The upshot of all this is that Indian viewers now find themselves with a wide variety of fare to watch, including, incidentally, programming from Pakistan, where the national broadcaster has leased a transponder on Asiasat for internal distribution of its own programmes, but which are easily received in India. And they're making the most of it, because for a long time they were restricted to the offerings of the government-run national service, Doordarshan.

Doordarshan and the government of India suddenly find themselves in a situation that really is uncontrollable. One recent move has been the launching of three satellite channels to carry sports, entertainment, news and business news. Apparently the thinking behind this is that it's better to have the populace watching material produced within the country and over which there is some control than all of the stuff that's coming in from outside.

A similar, though different situation, exists in China, where the audience potential is enormous. Nobody really knows how many illegal dishes and cable systems are now operating in that country, but one estimate has put it at about 5 million.

4. Short-term policy

The governments that ban the use of private dishes believe - understandably - that an uncontrolled diet of western television will have a damaging effect on the culture of their country.

So, where they can, and for as long as they can, they want to keep these influences away from their people. Or at least control them. Banning or restricting the use of dishes is the simplest and most effective way of doing this. However, the reality is that it is a short-term policy, because satellite receivers are becoming smaller all the time and it won't be long before there's really no way to police who is watching what.

Some of the governments are alive to this and to the fact that there is a demand from their people for the freedom to watch what they consider to be more exciting television than what's provided by their local stations. So, they are adopting a different approach. They're establishing cable or pay-TV services of their own, which will carry a selection of material from the satellite services. So you might get a few hours of CNN, a few hours of BBC World Service, a little of the Australian product and bit of the New Zealand service, movies from HBO, maybe even a smidgeon of MTV and selections of whatever else is offering.

This is already happening on some of the domestic stations in the region which are carrying edited excerpts from CNN for instance. Arrangements are entered into with the operators of the transnational systems, who don't mind at all because they're getting at audiences they otherwise wouldn't have. The countries concerned can then exercise some control over what is seen within their shores and they short-circuit the demands of those who clamour for the freedom to watch the transnationals. Why go to the trouble and expense of installing a home dish if you can get the best of what's on offer nicely packaged at a moderate cost?

5. Into the future

So what does the future hold? It's certain there are going to be a lot more transnational services of one sort or another as the amount of satellite capacity available in the region increases. And that is about to happen.

Already, Australia, China, India, Japan and Indonesia have their own domestic satellites. Thailand is planning to launch two satellites in the near future. Malaysia has slated the first of its birds for launch in 1994. South Korea is pressing ahead with its plan to launch in 1995. Taiwan has announced its own satellite programme. Most of these satellites will have capacity for lease to others, as is the case with Indonesia's Palapa system. I believe India has recently decided to do the same with its unused Insat capacity.

Asiasat is planning to launch its second bird in 1995. And this is going to be a much more powerful satellite with a footprint covering the area from Northern India to Northern Australia. A rival regional system called APSTAR has been announced by a China/Hong Kong joint venture company. And there are several other private operators with plans to get into the fray. Panamsat's new bird will target Australia, New Zealand and SE Asia.

6. Boom time in Asia

So, although there's a shortage of capacity in this part of the world at the moment, that situation will change dramatically over the next year or two. All of a sudden, it's going to be boom time in Asia and the commercial boys are already queueing up to make full use of it. I was told just the other day that Turner Broadcasting has taken options on all of the new and planned satellites, for instance. They have definite plans to bring their cartoon and classic movie service into Asia within the next 18 months.

I mentioned earlier that the conventional broadcasters weren't too worried about the advent of satellite TV at first. Now, some of them are not so confident. As I've said, there is a multiplicity of languages in Asia. Virtually every country has its own language and many of them broadcast in several. Many of the national

broadcasters have had the feeling that, because most of the outside-based transnationals broadcast in English and audiences are much more comfortable with programming in their own languages, then they will retain their viewers with their locally-produced material in the language in which the people think.

But even that is now changing, as the transnationals begin to wake up to the same simple fact and come to realise what a vast potential market there is in this part of the world. Already Asia TV and STAR TV are doing it in Hindi and STAR is doing it in Chinese. I believe BBC World Service Television has commissioned a programme series to be produced entirely in India. CNN has six bureaus in Asia and has plans to expand that number and even to set up a regional production centre in Tokyo. So the transnationals are now developing the capacity to beat the national broadcasters at their own game.

6. Where are we heading?

So where is it all going? What is going to happen in the future? Like everything else in this region, it's difficult to say with any certainty, but some things are pretty obvious.

There is without a doubt going to be a surge in the amount of transnational television pouring into Asia. The new satellites and digital compression technology are going to make it possible to increase the potential for satellite TV many times over. We are going to see more and more a realisation on the part of the national broadcasters that they are not able to compete by continuing in the way they have in the past. We're going to see more and more alliances of the type I mentioned earlier, with the broadcasters making deals of one sort or another with the transnationals.

There's going to be a multiplication of the small cable systems, legally or illegally, in many of the countries, because there's going to be a vast amount of programme material available to distribute to a huge and hungry audience.

But at the same time, we're going to see a continuing development of conventional commercial broadcasting systems in many of the countries, as more and more governments make the decision to licence private stations in competition with the public broadcasters. This is happening in Korea and Indonesia and Sri Lanka and other countries in the region, where traditionally the government has kept a close rein on this sort of development. In some cases the government itself is a part-owner of the commercial stations along with private business interests.

These new stations will be programmed to a larger or a lesser extent by the transnationals, most of whom are only too happy to act as programme suppliers. STAR TV, for instance, is fond of telling the broadcasters that it regards itself as a "library in the sky". But I believe they are also going to carry

a fair proportion of locally-produced programme material, in the languages of the masses and dealing with those things that the audiences are familiar with. There are many privately owned production houses in this region, producing good quality material, and they are already being used extensively by the national systems, who in many cases commission a good percentage of their local drama and entertainment programmes to these production companies.

We're also going to see more and more of the national broadcasters starting transnational services. The larger ones are going to have to do it in order to survive in a highly competitive marketplace. Most of them already run international shortwave radio services. A counterpart TV service is a natural development of the same idea.

7. Opportunities for broadcasters

I may have given an impression so far of a rather negative or defensive reaction from the broadcasters, but satellites offer them many opportunities as well. The opportunity to offer their audiences a greater choice of programmes by using digital compression, the opportunity of extending their coverage to all parts of the country, which they would never be able to do with normal terrestrial transmitters, a greater opportunity for programme exchange with other broadcasters and even satellite news gathering with the ability to uplink live coverage from the scene of the event. How they use these opportunities will depend on the initiative and acumen of the broadcasters concerned.

Another phenomenon we are seeing now, which I believe is going to increase in the future, is a rebirth of radio. Of course, in many of the developing countries in Asia, radio is still the main source of mass communications. But in other parts of the region, radio is showing clear signs of coming into its own again, despite the competition from television, after having been in the doldrums for some years. Privately-owned commercial radio services are starting to appear and I believe we'll be seeing more of that in the future, because - dare I say it - radio has many strengths over television. It's cheap, it's immediate, and it can reach easily into areas of a scattered and mountainous country that are very difficult to cover with terrestrial television.

Satellites offer exciting possibilities for radio broadcasters as well. The biggest of these is that audio channels occupy very little space on a satellite and can be fitted in as an adjunct to television services. So, at a very low cost, several radio channels can be delivered to audiences over a very big area.

There's a new system called DAB, digital audio broadcasting, that can carry extremely high quality sound on multiple channels. I believe that DAB will eventually replace shortwave broadcasting for international services.

So broadcasting in this region is at a very interesting and exciting stage right

now. New technologies are being developed and poured into the marketplace at an astonishing rate, offering many challenges and opportunities for the broadcasters. It's up to them to take advantage of them.

8. **Management change essential**

One thing that **must** happen, though, is a major change in broadcasting management attitudes in many of the countries in Asia. It is not going to be possible for them to continue as they have in the past, operating services for captive audiences within their countries. Much as some managers - and some governments - might wish to, they cannot ignore the changes that are taking place. They won't be able to ignore the competition for their audiences, for programme material and for skilled professional staff.

And that's another area that needs to be closely looked at: human resource development. The emerging broadcasting environment in this region requires staff who are not only highly skilled, but also innovative, imaginative and creative. You don't attract such people by offering them the same salaries and terms of employment as clerks in the Inland Revenue Department. Government-run broadcasting services will be compelled to work out some way of having their own salary scales and flexible staff conditions quite distinct from the rest of the civil service. Or to become totally divorced from the civil service by corporatisation or privatisation.

For all the technologies and marvels of modern science, broadcasting is a highly labour-intensive industry and the most valuable asset a broadcaster has is his staff. If they're good, others will try to steal them, so today's managers need to know how to keep them happy and must ensure that they are properly rewarded and that their efforts are properly recognised.

Television audiences in this part of the world show no loyalty to particular channels. They will watch what is offered by anyone, if what is offered pleases them. So any broadcast manager who tries to ignore the fact that he is, or soon will be, in a highly competitive market will soon find himself running a service that has no viewers.

So, the upshot of all this is that broadcasting is changing very rapidly in Asia and is poised to take off in a very big way. Those who win the audiences and attract the advertisers will be those who recognise that change is upon them, who rise to meet the challenges, who see and seize the opportunities and who can think and act creatively.

The others just won't survive.