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Expectation And Interest Of Industrial Countries Regarding Satellite Broadcasting In Asia-Pacific

By

Kazuhiro Suda
(Introduction)

1. I am honored to be invited here to comment on satellite broadcasting in the Asia-Pacific region. I should like to express my sincere thanks to Mr. Dewabrata, Head of the Information Research Development Board for inviting me to this seminar. I should also like to congratulate the Departments of Information of Indonesia and the Asia Mass Communications Research Centre of Singapore. It is a great opportunity to visit Indonesia and to exchange views on recent developments in broadcasting in the Asia-Pacific region which are of interest to many people working in the media industry throughout the world.

2. In this talk I aim to present an account of the traditional broadcasting system in Japan, the recent development of satellite broadcasting in Japan, and some changes which the introduction of satellite broadcasting has brought to the traditional broadcasting and the society of Japan. Finally, I will describe the benefits which satellite broadcasting may bring to the Asia-Pacific region.

3. In giving this talk I am conscious that there may be many differences among countries in this region, reflecting different histories, different cultures and different religions as well as different geographical features. I will concentrate in this talk on the case of Japan as I am not yet sufficiently knowledgeable about these differences to make a valid comparison. I hope that
through this seminar here I will learn much more about these differences so that I can find things in common between our countries in order to pursue our common aims, that is to say, peace and prosperity in the Asia-Pacific region.

(Background)

4. I would like then to start with the background of Japan's broadcasting system. Broadcasting in Japan is characterised by the coexistence of public broadcasting and private broadcasting.

In 1950, NHK (Nippon Hoso Kyokai; Japan Broadcasting Corp.) was established as a public broadcasting company, the purpose of which is to ensure nationwide broadcasting coverage, to provide programs of high quality, to carry out international broadcasting and to conduct other business necessary for the development of broadcasting. The major financial source of NHK is the receiving fee which is imposed on all receivers. NHK started radio broadcasting as soon as it was established and three years later started TV broadcasting.

In order to explain the basis of the present broadcasting system of Japan, we have to go back to 1950 when the Radio Law and the Broadcast Law were enacted, although there had been radio broadcasting from 1925.

5. One year after NHK was established, the Government gave licenses to private companies to allow them to broadcast. However, in contrast to NHK, these private broadcasters were established locally and are required to broadcast locally.

These private broadcasters are financed mainly by income from advertising on radio and TV, as the income from the receiving fee is allocated only to NHK.
6. The value of the advertising market in Japan reached over 5 trillion yen in 1994. This means that 1% of Japan's GDP is spent on advertising of this total. Approximately one third is spent on broadcasting. These figures have been almost stable since the 1960's. I can therefore say the total revenue of private broadcasters has grown in line with Japan's economic growth. This has resulted in an increase in the number of private companies as well as their broadcasting stations throughout the country. In 1994, the number of private broadcasters is 193 and approximately 90% of all households can see more than 4 television channels. I think I can say that as far as terrestrial broadcasting is concerned, diffusion of television broadcasting in Japan is very high.

7. I would now like to turn to the content of TV broadcasting.

Foreign programs broadcast by NHK and private broadcasters in Tokyo in the half year from April to September in 1993 amounted to approximately 3254 hours, out of a total broadcasting time of around 35,610 hours. Foreign programs are therefore broadcast for 9.1% of the total time. I would say that the proportion of the total which are foreign programs is at most 10%. This is the third characteristic of Japanese broadcasting, that is to say, the proportion of domestically produced programs is comparatively high.

The cost of programs purchased from foreign countries is 33.6 billion yen in total for NHK and Tokyo key stations, and their total program procurement cost is approximately 310 billion yen.

(Satellite Broadcasting)

8. In Japan, there are two types of satellite broadcasting. One is satellite broadcasting using Broadcasting Satellite (BS), which use the frequencies allocated by the Radio Regulatory Board of ITU. The other is satellite
broadcasting using Communications Satellite (CS), which use frequencies allocated through the procedure of the ITU for international coordination. We call the former BS broadcasting and the latter CS broadcasting. First I would like to talk about BS broadcasting, then talk about CS broadcasting.

9. Direct satellite television broadcasting was conducted for the first time in the world in 1984. This was NHK's test broadcasting with one channel of the Broadcasting Satellite, BS-2. After a period of test broadcasting, BS broadcasting entered a new stage in 1989. NHK started to broadcast actual services using 2 channels of BS-2 on June 1st 1989.

NHK used one channel of these two channels for transmitting the same programs as terrestrial television, because at this stage satellite broadcasting was thought to be an appropriate method for solving problems of poor reception.

10. One year later, in 1991, two private companies entered the satellite broadcasting market. Japan Satellite Broadcasting Inc, the first private satellite broadcaster, started its satellite television service using BS-3 and at the same time another private company, Satellite Digital Audio Broadcasting Co. Ltd.(SDAB), started PCM sound broadcasting services using the same satellite. These services are scrambled services and are provided as subscription services while NHK's satellite broadcasting is financed by receiving fees in the same way as its terrestrial television services.

11. 8.5 million households out of the 45 million households in Japan were receiving satellite broadcasting at the end of September 1994. 6 million households pay receiving fees to NHK. The number of subscribers to JSB is 1.6 million and to ST.Giga is about 77 thousand.

I would like to mention one more thing about BS broadcasting.
That is, NHK and 7 private broadcasters started a Hivision Service using one channel of BS-3 last month after three years of test broadcasting.

12. Now I will move on to CS broadcasting, satellite broadcasting using communication satellites.

At present, there are 11 satellite television broadcasters using 11 channels of two satellite systems, JCSAT-2 and Superbird-B and 3 satellite audio broadcasters using 12 PCM channels of JCSAT-2. The number of households who receive CS broadcasting is still under 100 thousand but continues to grow rapidly.

Satellite broadcasting using Communications Satellite came into being after the revision of the Broadcast Law and the Radio Law in June 1989. Under the revised law, the functions of broadcasters are divided between two types of broadcasters; Facility Supplying Broadcasters and Program Supplying Broadcasters. A Facility Supplying Broadcaster is given a license for a radio station to transmit and a Program Supplying Broadcaster is given approval with regard to programming. The Facility Supplying broadcaster must transmit the programs compiled by Program Supplying Broadcasters without making any changes to them.

13. The CS broadcasting channels are specialized ones such as a Japanese film channel, a foreign film channel, sports channel, news channel, and so on. The financial system of these CS broadcasters is principally a subscription system with some assistance from advertising revenues. Another characteristic of CS broadcasting is that the broadcasters are so-called new-comers from a variety of backgrounds.
14. Before I go any further, I think it's necessary to mention the relationship between satellite broadcasting and CATV in Japan.

CS broadcasting is received by about 1 million households through CATV. Compare this with the less than 100 thousand direct receivers that I mentioned before. With regard to BS broadcasting, about 2 million household receive NHK channels through CATV but only 150 thousand households subscribe through JSB.

This means that at least in Japan, CS broadcasting has a stronger relationship with CATV than BS broadcasting.
15. I would now like to explain what satellite broadcasting has brought to Japanese broadcasting and Japanese society.

Firstly, satellite broadcasting has brought and is bringing more channels or multi-channel media in response to society's diversified needs. This means that programs are becoming more specialized and diversified. I believe this trend will continue until the super multi-channel era is realized with new digital technology.

16. The increase in the number of channels affects the internationalization of the content as part of the diversification of programs.

As I explained before, as far as terrestrial television is concerned, the percentage of foreign programs in Japan is not so high. But as far as satellite broadcasting is concerned, a lot of foreign programs, including foreign news, are transmitted in Japanese as well as in foreign languages. Even NHK's satellite broadcasting contains a lot of foreign news. For example, with regard to NHK-satellite 1, bilingual programs account for approximately 80% of its total time. As for private satellite broadcasters, some of these have channels specializing in foreign news or foreign films.

17. However one question has arisen from the increase in channels. That is, by whom and how should the cost for maintaining these increased channels be paid, when a drastic increase in income from advertising can't be expected, because it is closely related to economic growth. It is inevitable that new comers should introduce subscription systems and pay per view systems.

As a result, the second change which satellite broadcasting has brought to Japan's broadcasting concerns the financial system of broadcasters, which is traditionally based on advertisement. At the same time this is gradually changing the nature of the broadcasting market. In the traditional broadcasting market, if I may use the word market differently from the case of the usual commodity market, it is not viewers or consumers, but sponsors that pay for the programs. Conversely, in the case of subscription systems or pay per view systems, individual viewers have to pay for programs. This means that the broadcasting market is becoming more similar to a normal commodity market, although there is still a big difference between them as broadcasting is dealing with information rather than a commodity.
18. The third change which satellite broadcasting has brought concerns the concept of broadcasting and the role of broadcasting in an information oriented society.

The concept of traditional broadcasting is usually thought of as the mere delivery of news and various types of entertainment which broadcasters include in programs. But, as the contents of programs get more specialized and diversified, the traditional concept of broadcasting changes. In other words, broadcasting starts to be used as a means in other fields which were originally in a different world from broadcasting. For example, tele-shopping as a delivery system, tele-schooling as an education system, tele-betting as a system for betting on horse racing. In addition, for example in Japan, a private broadcaster is planning to start satellite data broadcasting which delivers various kinds of data including computer software directly to individual homes so that receivers can store and process these data on their own systems at home. This means that broadcasting itself is changing and is expected to play a key role in the highly information oriented society or the multi-media society in the 21st century.

19. The fourth change or effect of satellite broadcasting is, the channels for national broadcasting are dramatically increased while channels for local broadcasting remain almost unchanged. In other words, today everyone in the country has equal access to more than 10 channels simultaneously, in addition to 4 or 5 local channels. If some satellite company starts to send 50 or 60 television channels, everyone will have equal access to these 50 channels. This means, I believe, that satellite broadcasting represents what Max Weber, the German philosopher, called Gesellschaft where the society or network is based on common values regardless of where people live.

Satellite broadcasting has raised a new subject to consider, that is the conversion between broadcasting and communications, sometimes talked of as the appearance of narrow-casting. This issue is getting more crucial while we talk about how an information super high-way should be built or what kind of needs there will be for optical fibers to be installed to every home.

20. These are the changes which, I think, satellite broadcasting has brought to Japanese broadcasting and to Japanese society. Some of these changes may be
seen in other countries of this region and some of these changes can be expected on a much larger scale, that is to say, transnationally in the Asia-Pacific region.

Therefore, I would like to conclude my remarks by mentioning a bit about what we should expect for satellite broadcasting in Asia-Pacific.

21. When we think about the role of satellite broadcasting in the Asia-Pacific region, it’s natural to start with the advantages of satellite broadcasting. It is not so difficult to see advantages of satellite broadcasting from various points of view, such as its large capacity, resilience against earthquakes, better reception conditions in densely built-up areas and so on.

However, the biggest advantage of satellite broadcasting is, I believe, the breadth of its coverage and, for this reason, the low cost of building wide-area networks such as nationwide networks or transnational networks.

Bearing this advantage in mind, we can divide the role of satellite broadcasting into two phases, as broadcasting within each country and as transnational broadcasting in this region.

22. In national broadcasting, satellite broadcasting plays an important role as a substitute for terrestrial television networks especially in countries where the terrestrial broadcasting network is not sufficient for their needs. It can also in a way play an important role even in those countries where deployment of a terrestrial broadcasting network is almost complete. I would like to explain Japan’s case as an example of this. In Japan, the higher the percentage of receivers of satellite broadcasting among households as a whole, the fewer terrestrial television channels there are.

This is an example of the relationship between satellite broadcasting and local broadcasting, where people enjoy satellite broadcasting as, in a sense, a substitute for local broadcasting.

The relationship between these two media can be thought of in a different way. I believe that thanks to digital technology we will able to use many more channels in the near future. If so, it is natural to think of broadcasting local programs throughout the country using satellite.

23. In this way, satellite broadcasting is expected to make a big contribution to the welfare of each country in this region.

However, I believe, that satellite broadcasting as transnational
broadcasting is expected to make a much greater contribution to this region.

Firstly, transnational broadcasting by satellite will be able to contribute to the abolition of information differentials, because, as I said before with regard to Japan’s case, satellite can ensure equal access for everyone living in the region.

Secondly, transnational broadcasting will be able to contribute to mutual understanding among countries through the free flow of information.

Thirdly, the increase in information flow within the region can be followed by an increase in the information flow out of this region to the rest of the world. This means we can make people living in other areas understand more about the Asia-Pacific region and about us, the people living in this region.

24. Various hurdles may appear in front of us when we try to take advantage of satellite broadcasting for the Asia-Pacific region. However, I believe, it’s not so difficult to overcome these hurdles if we continue to talk, to learn about each other’s experience, and to cooperate for our common aim, the peace and the prosperity of Asia-Pacific. Thank you very much for listening.