

High-Definition TV Promises Continuing Growth for Satellite Operators

BY SAM SILVERSTEIN

High-definition (HD) television content is playing a fast-growing role in the pay-TV industry around the world, helped along by a combination of rapidly falling prices for TV sets and the proliferation of HD programming, panelists said at a session on HDTV Thursday afternoon.

The global economic crisis has not dented enthusiasm for HDTV, according to a report from Northern Sky Research. Two-thirds of respondents to a recent survey of satellite firms said their clients were not abandoning or delaying plans to invest in HD services because of the crisis, said Patrick French, a senior analyst for the firm.

Satellite providers, in particular, are driving HD adoption, French added, followed by cable providers. Free-to-air broadcasters, on the other hand, are not seen as key players in the HD market, he said.

Viewers in emerging markets across the world are showing strong interest in getting HD service in their homes, as the

stunning visual and audio quality of high-definition signals wins them over, said Roberto Alvarez Vitale, chief executive officer of Tiba SA of Argentina. "HD is here to stay, and it's not going anywhere," Vitale said. Standard-definition fare "will start to fade."

TV when they have an HD set in their home.

The popularity of HD programming and equipment in the United States and Europe is helping to drive adoption of high-definition programming in Latin America, because the West's interest in advanced

have the ability to receive HD programming, she said. "Viewers these days are sophisticated. They can tell the difference" between standard- and high-definition pictures, she said.

A notable exception to the trend is the Middle East, where only a sliver of homes subscribe to pay-television services, which are the mainstay of the HD sector of the television market, said Salah Hamza, chief technology officer of Egyptian satellite operator Nilesat.

By contrast, pay-TV services are popular in much of Asia, making that part of the world ripe for rapid growth in HD services, said Paul Brown-Kenyon, COO of Measat, a Malaysian satellite operator. The company is working closely with customers to ignite the market and has put up a small bouquet of HD channels on one of its satellites to build an anchor neighborhood. "We are strong believers that HD will become the norm in Asia," Brown-Kenyon said.

Still, while HDTV sets

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– Brown-Kenyon, Measat

Kay Connacher, vice president and general manager of media for SES Astra, said she is seeing a similar trend in Eastern Europe. Virtually every new channel being added to the transponders that serve the region is high definition, she said. The rising number of HD channels is feeding a cycle of growth, she added, because people watch more

TV services has caused the price of high-definition sets to drop sharply and spurred the creation of a growing number of high-definition channels, Vitale said.

In Eastern Europe, too, people are eager to buy high-definition television sets and willing to pay for programming, said Connacher. By 2012, 80 percent of homes in Eastern Europe are expected to

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have come down in price and programming to feed them is becoming more common, other hurdles could stand in the way of that happening. One problem is that some pay-TV platforms are simply not equipped to efficiently distribute high-definition signals, Brown-Kenyon said. For example, the highly-efficient MPEG-4 compression standard has yet to catch fire in Malaysia, where the older MPEG-2 protocol is firmly established, he said.

Various factors can im-

pect the expansion of high-definition services in a particular market, according to members of the panel. In Singapore, for instance, the government has spurred growth in HD by making it a national priority, as the country strives to build its international reputation as a top-tier media hub. In other places, competition will help encourage TV channel operators to make the leap to HD, said Vitale.

Some kinds of material that benefit from HD technology, such as movies, are relatively

easy to migrate from SD to HD broadcasting, he explained. But other programming that makes paying for HD compelling for consumers, particularly sports, requires a hefty investment in cameras and other equipment — and that can be an impediment, said Vitale.

Yet, once a single player switches to HD, others have little choice but to follow suit, he said, because otherwise they risk losing their position in the market.

One reason why the

availability of one HD channel can put standard-definition competitors at a disadvantage is that only HD-capable sets are on store shelves, Vitale said. The only real question for many people, therefore, is whether they're going to pay for high-definition programming — and given how poor standard-definition pictures look on the big screens rapidly taking their place in peoples' homes, many people will not look back once they have seen a high-definition broadcast, he said. ■



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