

# ***Pay-TV Content Regulation -- How is it being done, in Asia?***

**John Medeiros, Chief Policy Officer**

**CASBAA**

**Jakarta, May 17, 2017**

# What Is CASBAA?

- The Asia Pacific representative for the satellite TV, cable TV, channel programmer, broadband and wireless video sectors
- 100 members in 17 Asian markets:
  - Pay-TV content providers
  - Cable, satellite, broadband and mobile platforms
  - Satellite system operators
  - Equipment & technology suppliers
  - Industry research
- Working with government and industry to enhance market growth

# CASBAA and Its Members



# Content Standards Are Present Everywhere in the TV Industry



- Every society/every government believes certain content should not be made available to consumers. Extreme forms of pornography and support for some crimes (terrorism) are banned and pursued everywhere – even on the internet. So the basic principle that “some things are not allowed” is not contentious.
- The next level, of “things that might be allowed,” however, sees greater differences between societies.
  - In some countries it is accepted / demanded that a greater range of politically and morally sensitive content be available for adults to make their own choices about what to watch.
  - In others, society demands more conservative limits/tighter controls.

# The TV Industry is used to Living within Guidelines



- The international television industry is used to following societal guidelines.
  - Our goal is to meet the guidelines specified by governments.
  - Our request is that the guidelines be:
    - Clear, transparent and easily-understandable
    - Implemented in a way that is reasonable, market-friendly and cognizant of real-world constraints
    - Differentiated to take account of audience reach and access controls (if any)



# But Technological and Commercial Conditions are Changing Rapidly



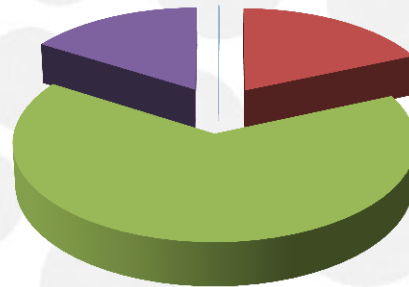
- In country after country, consumers who are connected to the Internet are watching more and more TV online.
- Online content supply complements and competes with traditional TV offerings.
- In Asia, there are new content services springing up across the region. Existing players offering new services. Cross-border competition is fierce. “Convergent” investment partnerships are common.
  - *Stand-alone OTT services: LeEco, Hooq, iFlix, ViuTV, Hotstar, Ditto, Tribe, Catchplay, Netflix, BBC Player, Toggle TV, MySmartTV, YouTube Red, many others.*
  - *Platform-linked OTT-type services: Indihome, K+, True Visions, First Media X, Astro Beyond, Starhub Anywhere, MNC Play, “TV Everywhere” services like HBO Go, Fox Plus, etc.*

# APAC

## Consumer Internet Traffic



2015

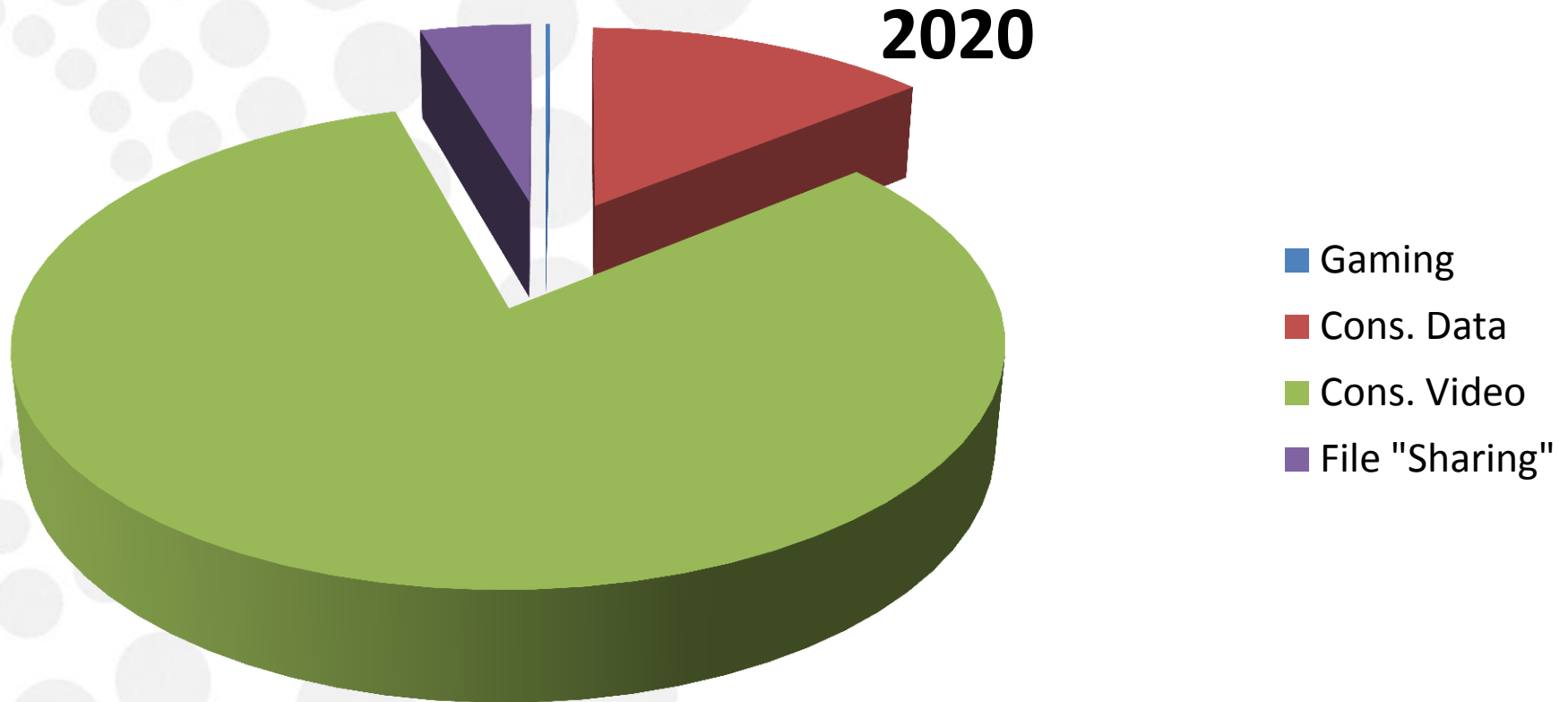


- Gaming
- Consumer Data
- Consumer Video
- File "Sharing"

Source: Cisco VNI

# APAC

## Consumer Internet Traffic



Source: Cisco VNI





# Regulation for the 21<sup>st</sup> Century Must Adjust to 21<sup>st</sup> Century Conditions

- Online content supply is becoming the norm wherever broadband data infrastructure is available and not expensive.
- Indonesia, with its complicated geography and developing economy, is less affected – for now. But connected urban consumers in Jakarta and Surabaya are racing to view online.
- We can see the future – the TV industry in Indonesia, and everywhere else, will progressively supply more and more content via broadband networks.
- But the same content is subject to very different standards and controls depending on how it is delivered – online or “traditional.”
- It is not possible or desirable to increase regulation on Internet TV to match approaches used for traditional TV; rather we seek a more flexible and differentiated approach for pay-TV.

# Let's Compare Asian Approaches to Three Types of Practices in Content Regulation



- **Pre-censorship versus post-broadcast review**
- **Differentiation between FTA TV and pay-TV**
- **Regulation of online TV streams.**

# Pre-Broadcast Censorship



Australia	Post-b'cast complaint review	Philippines	Post-b'cast complaint review
China	Pre-b'cast censorship	Singapore	Post-b'cast complaint review
Hong Kong	Post-b'cast complaint review	South Korea	Post-b'cast complaint review
India	Post-b'cast complaint review	Thailand	Mixed
Japan	Post-b'cast complaint review	Vietnam	Pre-b'cast censorship
Malaysia	Mixed	For comparison:	
Myanmar	Post-b'cast complaint review	UK	Post-b'cast complaint review
New Zealand	Post-b'cast complaint review	US	Post-b'cast complaint review



Pre-b'cast censorship



Post-b'cast  
complaint review



Mixed




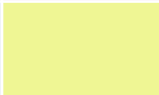

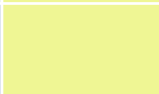
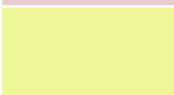

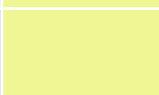
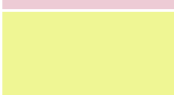
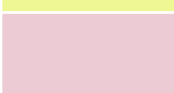
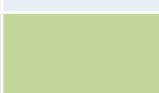

# Pay-TV Differentiation





Australia	Green	Philippines	Green
China	Pink	Singapore	Green
Hong Kong	Green	South Korea	Green
India	Yellow	Thailand	Yellow
Japan	Green	Vietnam	Pink
Malaysia	Green	For comparison:	Light Blue
Myanmar	Green	UK	Green
New Zealand	Green	US	Green


Differentiated standards for Pay-TV
  No differentiation
  Differentiation in practice

# Internet TV Content Standards

Australia		Philippines	
China		Singapore	
Hong Kong		South Korea	
India		Thailand	?
Japan		Vietnam	
Malaysia		For comparison:	
Myanmar		UK	
New Zealand	?	US	

 Seriously applying some standards

 No practical constraints

 "Cosmetic" standards

# Result: A Very Unfair Playing Field





# Cosmetic Regulation is a Trap for Local Industry



- When content standards are effectively applied only to local players, or only to local players+well-known brands, offshore suppliers gain a tremendous advantage.
- The biggest advantage is always held by piracy websites. They follow no rules, get no licenses, pay no taxes. They readily mix children's content with porn ads; they host huge amounts of malware. They are uniquely hazardous to consumers and disrespectful of social mores.
  - A recent study in Vietnam found 32% of the most popular VN-language piracy websites injected malware onto consumers' computers. *What would be the number for Bahasa I. websites?*
- Of course, they completely defy all content standards.
- And they are funded by Indonesian advertisers.

**Thank You**