JUNE 2022

ASIA VIDEO PULSE

THE NEWSLETTER OF THE ASIA VIDEO INDUSTRY ASSOCIATION

2022 EVENTS

KOREA IN VIEW
30 AUGUST

INDONESIA IN VIEW
6 OCTOBER

A Return to the Norm

For anyone that's spoken to me over the last few years, they may well have heard me say that AVIA is not an event company. And for sure that's true with the work that we do promoting the industry always taking centre stage. But it has also always been clear that we have a very important role to play in bringing together the multiple stakeholders and ecosystems that make up the Asian video industry. And our conferences, summits and seminars are an important way of doing this, and discussing the developments, the trials and the tribulations of our industry.

Over the last two years, we have learnt how to do these online, and I am proud of the virtual events our team has managed. The content has been great, the engagement has been good and the production values were high. But there was always one obstacle we could not overcome and that was the lack of human contact. And even that is not quite true because we have held local events for our members both in Hong Kong and in Singapore which have been great. But what has been missing is the travel, the delegates flying in, and the catching up and sharing that is impossible otherwise.

2022 EVENTS

POLICY ROUNDTABLE

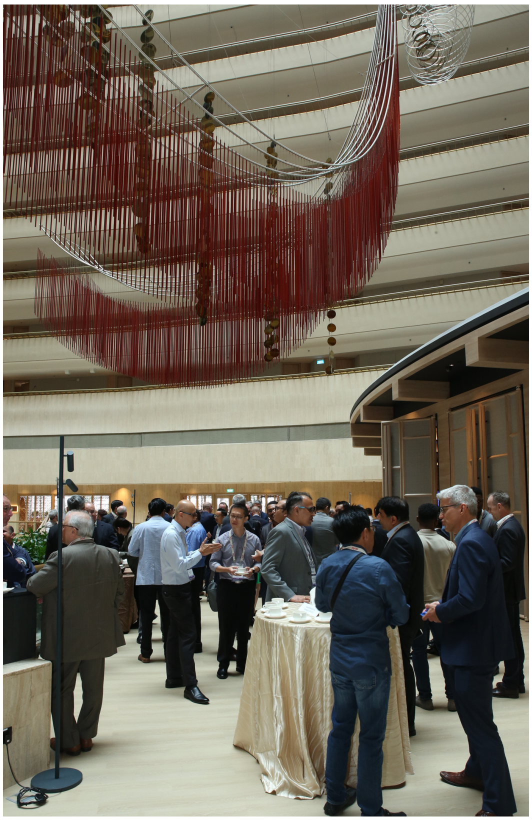
7 NOVEMBER

STATE OF PIRACY SUMMIT

8 NOVEMBER

ASIA VIDEO SUMMIT

9 - 10 NOVEMBER



Click here for more event photos

For us, that all changed on May 31st when we hosted the Satellite Industry Forum 2022 at the ParkRoyal Collection in Marina Bay Singapore. The event was sold out, the room was full, the programme was good and the food and drinks flowed.

It was so gratifying to be back together, meeting new people, talking to friends, catching up on news and listening to some very interesting conversations. It was testament to the fact that there is life after Covid and we are ready to spring back.

As we look ahead for the remainder of the year we want to replicate this success. We are doing two country in view events – Korea for the first time, and Indonesia. Unless things change dramatically, both will be physical events and we encourage as many of you as possible to arrange business around that week and join us in person in **Seoul on 30 August** and in **Jakarta on 6 October**. Both events will be accompanied by market reports which will be available to all AVIA members. And then in November we trust that the Asia Video Summit will be back as a physical event again.

We don't want to count our chickens and we know Covid could still have some twists in store for us, but what we have seen is the appetite to get back to normal is alive and well and we intend to fully capitalise on that. We look forward to seeing you in person as these events are held in the coming months.

LOUIS BOSWELL

POLICY MATTERS

CELESTE CAMPBELL-PITT

CHIEF POLICY OFFICER

As always when writing the content for this column I am struck by how quickly time marches on. We are already looking more actively at travel within the region to meet with regulators and, indeed, seeing a much more regular flow of travellers into Singapore, as restrictions ease. Whilst we are already focusing on the planning and execution of our two in-view market reports coming out later this year – South Korea and Indonesia – to tie-in with our in-view conferences, we also have to turn our attention to the Policy Roundtable event in November. As most of you will know, this is our cornerstone event when we bring together senior regulators and members to discuss the hot regulatory issues, hopefully this year with the ability to do it in person. Whilst planning has not yet commenced in detail yet, I am confident that some of the issues covered below will feature in some of the conversations we'll want to have with regulators.

AVIA is the authoritative resource for the state of regulation across Asia

APAC REGULATOR CHANGES

Since last writing we have seen a number of regulator changes in the region, with **Thailand's NBTC Commissioners** finally being appointed and elections in **Australia**, the **Philippines** and **South Korea**. Also on the horizon will be the appointment of 3 new **National Communications Commission (NCC) Commissioners in Taiwan** in August; we look forward to building a good relationship with them going forward. As new governments are formed, we are watching with interest how policies on the content industry may be affected. Equally, issues that have taken a long time to come to fruition are finally starting to move, although not necessarily in the right direction. This is particularly evident in **Vietnam** where, at the time of writing, we understand that discussions are taking place in the Vietnamese parliament on the **Cinema Law**. Whilst the draft of this, along with Decree 6, have been on the table for years, the Cinema Law is finally moving closer to a conclusion, although we believe that some last-minute unhelpful amendments may, once again, need to generate international intervention.

TAIWAN

As Taiwan seeks to fast-track its digital transformation, plans were put into place at the end of December last year to establish a new **Ministry of Digital Development**. It is anticipated by lawmakers that this new ministry, will be in charge of planning the nation's digital development policies in response to the political and economic challenges created by the rapidly evolving digital world.

The existing **Ministry of Science and Technology (MOST)** will be reorganized as a ministry-level council, while related operations currently under the **Ministry of Transportation and Communications** and the **NCC** will also become part of the new ministry, according to amendments to several organizational acts approved by lawmakers.

We understand that all these changes are still in the process of being implemented but we will of course share any updates with our members as and when we become aware of them. In the meantime, we are awaiting the publication of the new **Digital Services Act (the DSA)** and the **Internet Audiovisual Services Management Act (the OTT Act)**, both of which were anticipated to be unveiled by June 2022. The DSA is expected is expected to draw substantially from the provisions of the Digital Services Act proposed by the European Commission last year. Its chief objective is to set out the responsibilities and obligations of digital service platform operators.

While intermediaries such as Yahoo, Meta and Google were given an opportunity to review and provide feedback on the draft provisions, the online curated video content industry was not given such an opportunity and the assumption therefore that is being made is that SVOD will not be caught within the scope of the legislation but that is by no means definitive. The OTT Act was one on which AVIA made a submission back in 2020 when the NCC designed a new framework to address the competition between Pay TV and OTT services, which would require the prior registration of OTT service providers subject to the NCC's approval and the full disclosure of their terms of use for consumer protection purposes. Further, certain service providers could be subject to special obligations regarding local content production. The draft was put on hold but is expected to be revived by June 2022. We are not aware of any substantial changes that have been made since our last submission but will continue to closely monitor developments.

INDIA

TRAI has been active, with a number of ongoing consultations on the **Tariff Order** and **Media Ownership**. We are making submissions on them both. In terms of the Media Ownership consultation, our view is that TRAI has, as in previous consultations, whilst considering introducing new measures to tackle alleged concerns about media plurality as the digital market evolves, failed to demonstrate either a market or consumer need for intervention. On the Tariff Order consultation TRAI is again re-examining the mechanism for bouquets and a-la-carte pricing given the previous concerns raised by providers, including court action, alongside a stated desire to provide price protection for consumers. We anticipate both of these consultations will generate significant engagement from the industry.

OUTREACH AND UPDATES

The policy team continues its effort in outreach to regulators, which we hope will become easier as travel resumes. As more and more regulators recognise the value of collaborating to support innovation and the growth of the digital economy within their markets, we are working closely with regulators both within Asia and outside to facilitate some of these discussions especially insofar as they relate to data privacy and online harm.

Finally, a shameless plug! If you're a regular reader of the Regulatory Policy updates that we put out, much of what I've included in this newsletter has been discussed there, or in our quarterly **Regulatory and Anti-Piracy Committee** meetings. If you're not on the distribution for policy updates and would like to be included, we would be delighted to add you! Please drop Clare an email (clare@avia.org) for more details.

PIRACY COSTS

MATTHEW CHEETHAM
GENERAL MANAGER

The Great White Shark, terror of the seas, cannot 'inhale' water by using cheek muscles to draw it into the mouth and over the gills, the ability known as buccal pumping. So, unlike most other sharks, Great Whites really must keep swimming, with their mouths open to push water through their gills, known as obligate ram ventilation, or they die. What does this have to do with CAP? Not much, but interesting nevertheless.

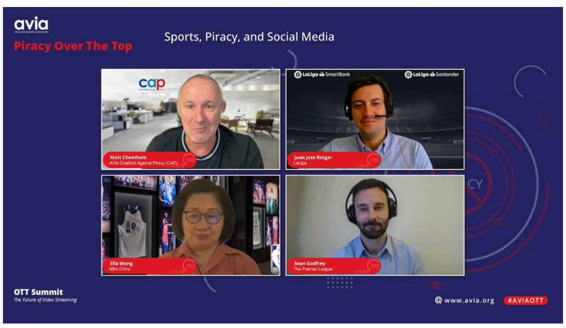
CAP's **Piracy Over the Top** (POTT) seminar on the final day of Q1 was a well attended event that provided a summary of CAP's work and goals for 2022, as well as serving as a nice launching pad for CAP's efforts in Q2. The **2022 YouGov consumer surveys** were a feature of this seminar and continue to provide enduring value as talking points in CAP seminars and presentations, background to press releases, including those released by CAP in Indonesia and Singapore, as well as for CAP Steering Committee members elsewhere. Steering Committee members were also provided with country summary brochures for the 2022 YouGov consumer surveys, and going forward, these will be provided on an annual basis.

Our **site blocking** efforts continued apace with further referrals in **Indonesia** and **Malaysia**, as well as meetings with relevant government officials from both countries. CAP is working on tracking the sites blocked in **Singapore** in March with a view to obtaining a further order against of the sites that may have subsequently moved. The MagiCAP portal is crucial to CAP's site blocking efforts and we are now knee-deep in rebooting the portal with an expected launch in Q3. **MagiCAP 2.0** will build off the success of the current version but also include enhancements in both piracy data tracking and presentation, as well as enriched data streams.

The focus of CAP's first seminar of the year, POTT, was firmly on **piracy on social media and messaging apps** with panelists from **NAGRA** and **Viaccess-Orca** kicking the discussion off by discussing how technology can support content providers to combat the growth of piracy on social media. Later in the day, representatives from **LaLiga**, **NBA** and the **Premier League** addressed the issue in terms of **pirated sports content** and we were fortunate to have a representative from **Google** talk through how they are addressing the issue of piracy on their various platforms. But it wasn't all about social media and messaging apps, we also reviewed some of the research CAP has or is undertaking: Louis had an in depth discussion with PwC on the work they are doing to evaluate the **impact of piracy in Asia-Pacific**; we spoke with **Korean** counsel about the **online piracy landscape** report they were working on, and; we held a session with **Dr Watters** to discuss the **malware reports** he had recently issued.

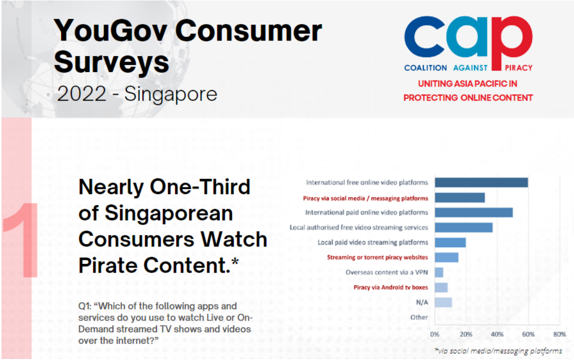
Left: Clockwise from Left::
Mathieu Harel, Viaccess-Orca,
Matt Cheetham, CAP,
David Würgler, NAGRA

Right: Clockwise from Top Left::
Matt Cheetham, CAP,
Juan Jose Rotger, LaLiga
Sean Godfrey, Premier League,
Ella Wong, NBA China



CAP Research

2022 YOUGOV CONSUMER SURVEYS



In late March, CAP released the first YouGov round of reports that had been undertaken in numerous markets across the region at the same time. These reports help us identify threats and define strategies to meet them. For example, we included questions on the use of social media and messaging apps to access pirated content for the first time, and it is now clear that these are the main sources of piracy.

The surveys are also particularly helpful as lobbying tools for government, industry and stakeholder presentations illustrating consumer attitudes and involvement with piracy, as well as the impact of enforcement strategies, notably site blocking.

KOREA ONLINE PIRACY LANDSCAPE REPORT

Further to the discussion with Korean counsel at POTT, in May, CAP released the Korea Online Piracy Landscape Report. Given the known difficulties in analysing piracy and piracy trends in Korea, the Report largely drew from publicly available online materials from recent years at the **Korea Copyright Commission** and the **Korea Copyright Protection Agency**. The Report found that while there is a high public awareness of the value of copyright and the need to protect it, there is also a relatively **high level of consumption of pirate content.** We aim to follow the report with a short session on piracy at the Korea in View seminar later in the year.

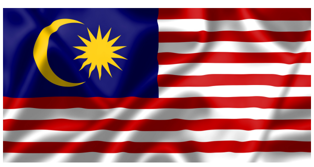
MAGICAP REBOOT

Over time the MagiCAP portal has become a crucial component of CAP's work. It helps us identify sites for blocking in Indonesia, Malaysia, Singapore and Vietnam. Its data has also become a central component in our lobbying efforts in its ability to illustrate the impact of **effective site blocking**, particularly in Indonesia, in respect of both legal and pirated sites. We are now working on updating the portal to provide enhanced presentation and access to the data, as well as enhanced data streams.

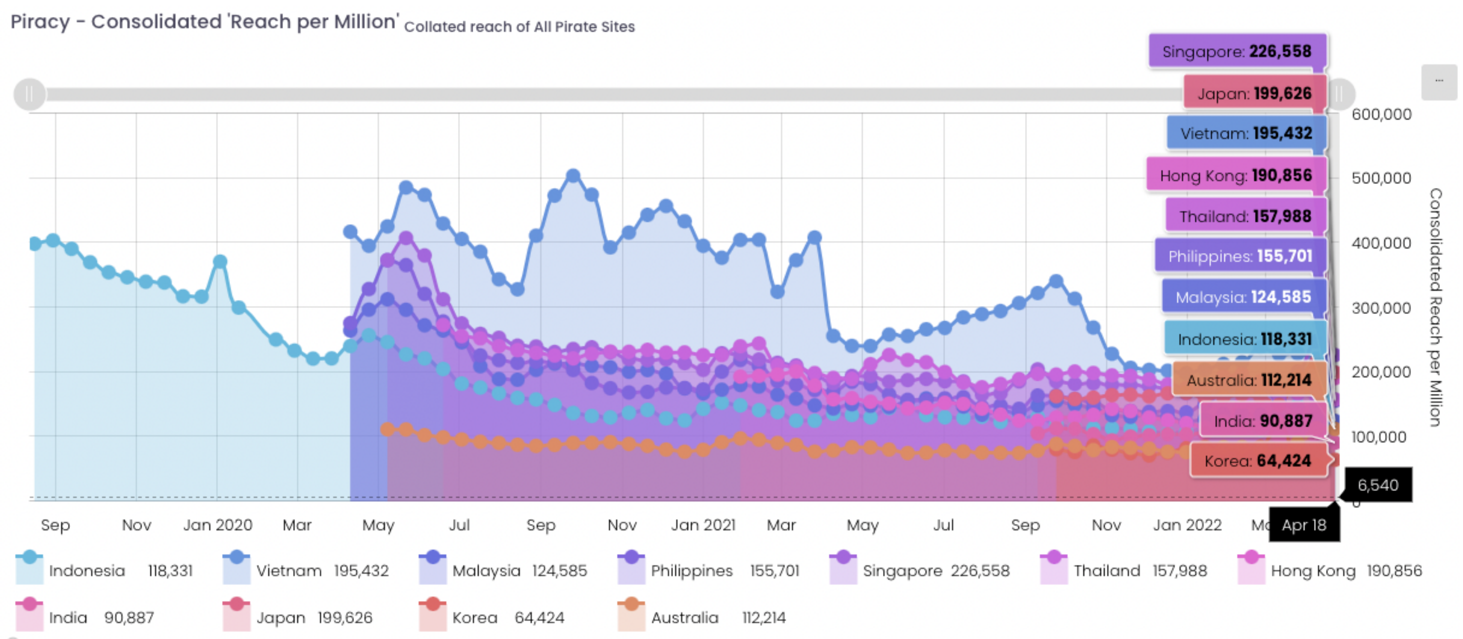
SITE BLOCKING

The **Singapore Court Order** in February obtained against 30 sites and close to 150 associated domains was implemented in early March. In Q2 CAP worked with counsel to identify any of the domains that may have moved and could be subject to a further 'hopping' order to ensure they remain blocked. CAP also expects to see a further Order obtained later in the year and we will be working with members on this as the year progresses.

In Q3 CAP continued its regular rounds of referrals to the telecommunications regulator in Indonesia, Kominfo, with more than 100 sites being referred. The **effectiveness of the blocking in Indonesia** is evidenced by the increasing proliferation of sites with IP addresses only that cannot be blocked by DNS blocking. In late May CAP organised an in-person meeting with the Director General at Kominfo responsible for blocking to discuss this issue with him.



CAP also resumed **site blocking referrals in Malaysia** and personally met with the body responsible, the MDTCA, to discuss site blocking in May.



While Indonesia, Malaysia, Singapore and Vietnam are leading the way in site blocking in Asia, other countries are clearly taking notice. As part of our MOU, in May CAP held a videoconference with **IPOPHL Philippines** to discuss how an efficient site blocking regime could be implemented there. CAP also presented to more than 140 government officials, from around the region, including more than 90 from the Philippines alone, at an **ASEAN/USPTO seminar** on piracy, where we pushed the success of site blocking in combatting online piracy.

INTERMEDIARY ENGAGEMENT

CAP continues is regular engagement with intermediaries, most notably via our regular and ongoing discussions with Google and Meta/Facebook. As noted earlier, Google appeared at POTT earlier this year and we expect Meta to do the same at State of Piracy summit later in the year.

Our interaction with Google has been particularly active, especially in relation to issues in Indonesia. In Q2 we liaised extensively with Google regarding developers that were clearly connected to apps that were replacing apps that had been taken down for infringement of member company content. We were able to see a successful outcome to this action. CAP will also be holding its first roundtable with Google in June where this and other issues of concern will be discussed.

Following the success of the Synamedia seminar CAP hosted in March on Telegram, "*Telegram - The New Piracy Playground*", we hosted a further Synamedia seminar in June focused on Telegram and India. For more details on piracy on Telegram, have a read of **Synamedia's article**.

CONCLUSION

Q2 was a busy quarter for CAP and we expect Q3 to be even busier as we move from a period of buccal pumping to obligate ram ventilation, and perhaps back again. As travel opens up throughout the region CAP will be visiting more countries, in particular **Thailand** and the **Philippines** where we are planning on hosting **anti-piracy summits**. Our site blocking efforts across the region will continue and we expect to launch **MagiCAP 2.0** as well as rebooting our market sweeps for ISPs and infringing apps, pirate operator and investigations programs.

AVIA was finally able to host its annual Satellite Industry Forum in-person in Singapore on 31st May 2022 after a two-year hiatus, bringing together over 120 delegates from around the world and some of the satellite industry's most foremost leaders.

Opening the Forum this year was keynote speaker, **Steve Collar**, CEO, **SES** (pictured left), to address the issue of where future growth was coming from and kicked off the session with his views on demand and supply in the market. As platforms were getting longer to get built and become operational, it showed how difficult it was to get launches done, and how much the industry overestimated supply.

Access to space is also what made the industry exciting for Collar, as technology continued to develop both in space and on the ground. However, he also highlighted that space sustainability was critical, with the industry having a duty and moral obligation to treat space in a sustainable way. "Our job is to make sure that space will be used by future generations, and the access to space is equivalent to what we enjoy today and hopefully more in the future," said Collar.

COVID saw the resurgence of the linear broadcast, with video having done very well over the last two years. At the Satellite Operators' Roundtable. **Terry Bleakley**, Regional Vice President, Asia Pacific, **Intelsat**, talked about the importance of satellite to video and how long-term agreements were still being signed with satellite operators.

From Left to Right: Christophe Cazes, Eutelsat Asia, Andrew Jordan, COMSYS, Terry Bleakley, Intelsat, Ganendra Selvaraj, MEASAT, and Patrick French, ABS

Patrick French, Executive Vice President, Global Business Development and Strategy, **ABS**, added that video still had a long lifetime ahead, and the core of Asia for the longer term. Software defined satellites were also going to be addressing all market segments and would de-risk the business case going forward.

From the manufacturer's perspective, **Vaibhav Magow**, Vice President, International Division, **Hughes Network Systems**, also said this was the most exciting time for the satellite industry, as software defined satellites could change and swap the configuration of what was being offered to the customers, and easily adapted to the change of demand.

From Left to Right: Jeremy Rose, COMSYS, with Bill Carlin, AWS Aerospace & Satellite Solutions

Closing off the Forum was **Bill Carlin**, Senior Manager, Global Sales, **AWS Aerospace & Satellite Solutions**, whose interest in space and satellite was on the vast amount of data that was being collected and created from space, and soon in space, with a future view of launching data centers on the moon and even on Mars. "I see the ability of moving the cloud to space. If we move high speed computing to space . . . we can do all the things that we do on earth that require high volumes of computing, storage or analytics," said Carlin.

AVIA held its third Future of Video India virtual conference to much optimism as industry leaders remained bullish on India's long-term view, after its fifth straight quarter of economic expansion, with all round economic recovery and an economic rebound that is much broader based and across multiple sectors.

Mihir Shah, Vice President, India, **Media Partners Asia**, opened the conference with an outlook on India's video market, which showed a sharp rebound in the TV advertising market, after a depressed 2020. The market grew 37% last year and stood at U$3.8 billion now.

While the broader Pay TV industry continued to see a lot of pressure, Free to Air revenues have surged, and the pandemic has resulted in the rapid adoption and consumption of Connected TV especially in the urban centres. With a Total Video Market worth US$12 billion and growing at 9% CAGR in the next 5 years to US$20 billion, the AVOD market was also predicted to remain buoyant and triple in the next five years, with SVOD tripling as well.

From Left to Right: Louis Boswell, AVIA with Sunil Rayan, Disney+Hotstar India

This optimism for the market continued with the keynote conversation with **Sunil Rayan**, Head, **Disney+ Hotstar India**. With the mission to making the streamer as accessible to as many people as possible, Disney+ Hotstar India had made a significant shift to an SVOD offering while maintaining their freemium ad-supported model, Their content offering had also evolved into 'cricket plus entertainment', with a shift both in investment and quality of entertainment that is digitally native.

Megha Tata, Managing Director, South Asia, **Warner Bros. Discovery**, was also positive on the outlook for both linear TV and OTT. However, sharing her views on the road ahead, Tata also pointed out that revenue and monetization today was still coming from linear, and funding all the investment that was needed in digital. "We need to take care of the now or there is no future," said Tata. How the share of wallet would play out also continued to be an evolution every day. **Gourav Rakshit**, COO, **Viacom18 Digital Ventures**, added that the holy grail was to create habit in your consumers.

However, with video now having been democratized, consumers have never had it better, and from a consumer's point of view, it was now utopian. Summing up the optimism for the industry in his closing keynote, **Avinash Kaul**, CEO, Network18, Managing Director, **A+E Networks TV18,** added, "The future of video has always been bright and will continue to shine brighter and brighter."

Clockwise from Top Left: Jehil Thakkar, Deloitte India, Vynsley Fernandes,, NXTDIGITAL Limited, John Huddle, SES, Megha Tata, Warner Bros. Discovery, Gourav Rakshit, Viacom18 Digital Ventures

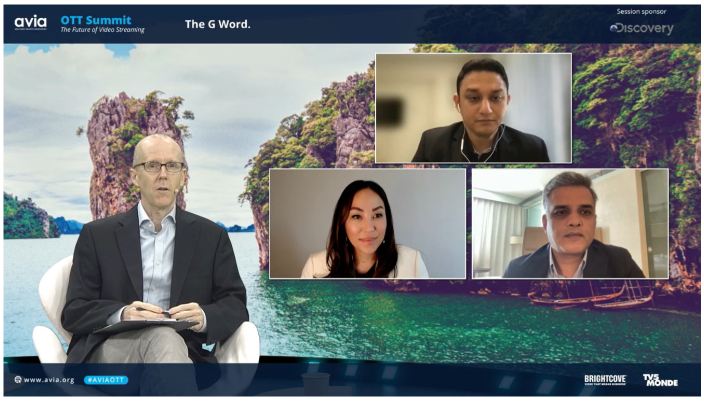
AVIA hosted over 850 delegates and featured over 80 industry leaders at the virtual OTT Summit held back in March, with conversations revolving a lot on the subject of growth, from subscriber and revenue growth to increased local content investment and an intense focus on the customer.

From Left to Right: Vivek Couto, MPA, with Louis Boswell, AVIA

In discussing the outlook for the video industry in Asia, **Vivek Couto**, Executive Director and Co-Founder of **Media Partners Asia (MPA)**, indicated there remained a lot of room for growth. With most markets having an SVOD household penetration of less than 50%, there was certainly an upside for Southeast Asia and some parts of North Asia as well.

The adage of "Content is King", was also very much heard throughout the Summit. In MPA's review of share of first-title consumption, premium local content was a key driver for customer acquisition, particularly in Indonesia and Thailand.

The importance of being local was also echoed by many panellists, as Asia could not be seen as one homogenous market. **Sagar Pandit,** Associate Director, Business Development, Asia Pacific, **Discovery, Inc**., said, "When you gun for growth, especially in Asia, it's about tailoring your approach for every region but keeping your consumer at the front and centre of whatever you are doing."



Clockwise from Top: Sagar Pandit, Discovery, Inc., Gaurav Pradhan, Netflix, Ari Kader-Cu, Viu Philippines, Louis Boswell, AVIA

And with increasing fragmentation in Asia, customer obsession became a key part of the strategy, as more platforms leveraged technology to deliver personalised experiences. However, the challenge to integrate it all into an operator's platform for a seamless experience very much remained, calling for perhaps greater aggregation and bundling for the OTT industry, as we started to see some fatigue from consumers working with multiple services to meet their content needs.

Clockwise from Top: Ervin Chan, Kaltura, Gourav Rakshit, Viacom18 Digital Ventures, Alexandre Muller, TV5MONDE, Louis Boswell, AVIA

Closing off the summit with Bold Predictions for the Future of Streaming, **Gourav Rakshit**, COO, **Viacom18 Digital Ventures**, remained very optimistic, sharing that a large bet that platforms had not fully capitalised on was the area of media becoming social, with the opportunity to build communities. "We've really made rapid strides in the last five years . . . the next five will be focusing a lot more on delivering consumer delight," said Rakshit.

MEMBERS' VIEWS

Life in the FAST Lane

What's better than watching an amazing catalogue of content for a small monthly subscription? Doing the same for free. . . Enter Free Ad-supported TV (FAST) channels, where you can watch compelling programming in a TV-like playlist in exchange for ads, but with easier access, choice and value to the consumer. With high adoption rates across American and European markets, it is gathering momentum as a new way to drive continuous audience engagement and high-value ad revenues.

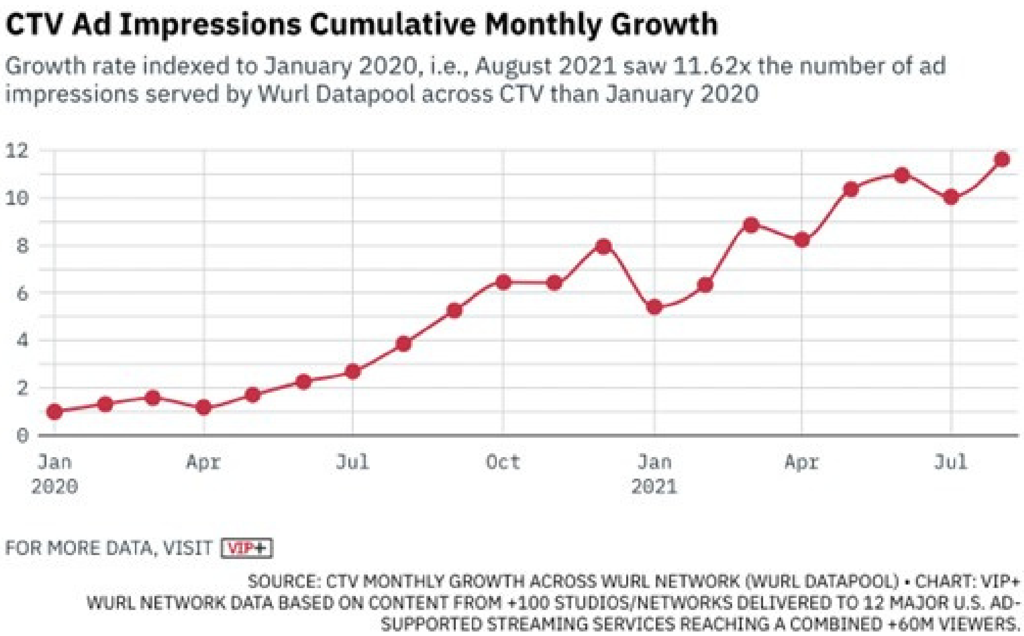
THE RETURN ON INVESTMENT

According to a recent Deloitte report on digital media trends, 47% of Americans now watch free ad-supported streaming TV services. Estimates cited in TV[R]EV's research take OTT ad spend in 2025 to about US$25 billion, with FASTs being central to this growth. Big players like NBCUniversal, Paramount, Amazon etc, all want a piece of the action.

The success of FASTs can be attributed to a number of factors:

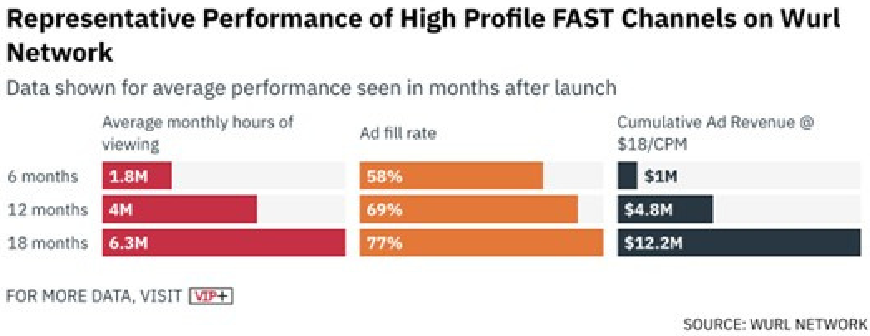
- Free
- Large content libraries
- User experience akin to a traditional TV
- Device agnostic and pre-installed on many smart TV platforms

And most importantly, they carry more relevant yet lower ad-loads than TV.



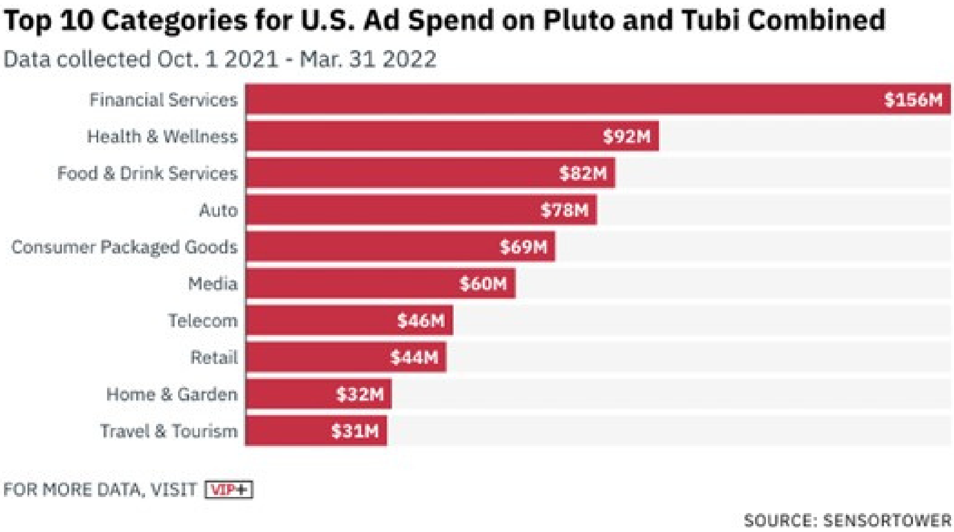
The graph above shows the number of ad impressions through FAST channels on Wurl reaching 12 times since launching in 2020. Not only that, but FAST channels performed better over time with higher viewership numbers and better ad fill rates, leading to more revenues.

Contingent upon many factors, including channel placement, ad fill rate, average CPM, content quality, duration, and refresh rates, FAST channels will drive ad revenue from $2.1 billion in 2021 to $4.1 billion in 2023.



Such a return is more than enough reason for the excitement in the market to counter the decreasing revenues in linear TV.

A key differentiator, moreover, with the FAST linear viewing experience is its capability to support a wide range of audience and advertiser verticals, as shown in the following data compiled by Pluto and Tubi.



WHAT NEXT?

FAST is still in its early days, with Pluto TV, the most well known FAST channel provider having launched in 2014. What isn't new are the typical issues that OTT providers have around measurement, user management and targeted advertising - in other words, the data ecosystem and its management.

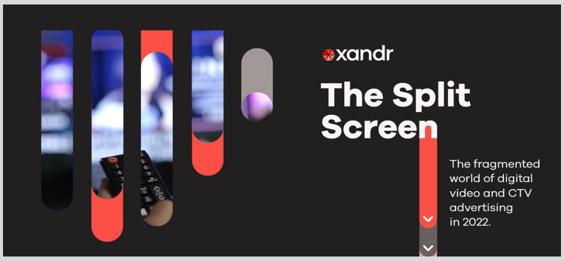
At present, much of this data comes from disparate platforms and ad servers rather than neutral 3rd parties leading to issues of transparency and incomplete datasets, be it for audience analysis or targeting and post-campaign reporting. Therefore an effective data strategy that links up all the different sources to unify and validate the reporting will be key. Streamhub is working with multi-service media companies including FAST channels to develop such linked measurement and reporting data platforms that can work across multiple markets.

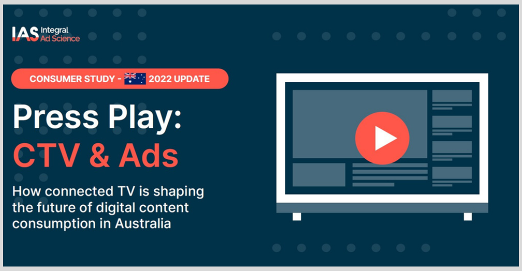
As such, Asian markets can look to learn from early adopters in the West to build smarter collaborative models from the start, and enter the FAST lane.

To learn more on the latest in OTT/CTV and data developments, check out our blog or email us bizdev@streamhub.co.uk.

Member Reports:

The following reports are now available at avia.org for download and is accessible to all members. Please register at our website for access.





New Members:

AVIA is only as strong as its members. We want to appeal to all parts of the video ecosystem and we are delighted that in the last quarter we have been joined by the following companies:

b&p bharucha & partners Advocates & Solicitors

BytePlus

ENDEAVOR STREAMING

kaltura

2022 Upcoming Events:

Korea In View	**30 August**
Indonesia In View	6 October
Policy Roundtable	**7 November**
Piracy Over The Top	8 November
Asia Video Summit	**9 - 10 November**

Contact Us:

We want to hear from you. Please get in touch and let us know what you think:

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