Response to the Telecom Regulatory Authority of India Consultation on "Foreign Direct Investment in the Broadcasting Sector in India"

August 12, 2013

CASBAA (the Cable and Satellite Broadcasting Association of Asia) thanks the TRAI for its Consultation Paper on the above topic. CASBAA, as the TRAI knows well, is a non-profit Association of 130 companies active in the pay-TV industry in the Asia-Pacific region. Our member companies operate and invest in 17 different Asian markets, and many of them are substantial cross-border investors; those that are not international investors themselves are the business partners of foreign investors. They have extensive experience in building and creating television infrastructure and quality programming to meet the needs of this region's more than 450 million multichannel TV households.

CASBAA believes that the recommendations formulated by TRAI in the consultation paper go in the right direction.

Firstly, they take account of the reality of convergence in the communications industry. TRAI is absolutely correct to insist that all the "carriage" industries be regulated in a consistent framework, and to posit that FDI limits on legacy "telecommunications" operators and legacy "television" communication operators should be the same. Some governments in Asia have still not got the "convergence" message and it is reassuring to see it stated so clearly by TRAI in this paper. As these industries continue to grow and converge, maintenance of the level playing field supported by TRAI is crucial.

Secondly, the recommendations recognize the reality of an inter-linked and interdependent global economy – a trend that is fully reflected in the modern communications industry, where flows of television content and other media products across borders are accelerating. Where governments try to obstruct them, they happen illegally. Liberalization of investment limits, coupled with the ongoing digitization of India's cable networks, will contribute to the development of legitimate entertainment industries by tax-paying Indian enterprises, rather than offshore internet-based industries.

Thirdly, the recommendations recognize the need of Indian infrastructure for continued large flows of investment funding, to ensure the expansion, improvement and digitization of communications networks.

Therefore, CASBAA welcomes and supports the TRAI proposal that investment in the "carriage" sectors be increased to 100% across the board. This will help to bring to the Indian market the capital investment necessary to meet India's digital infrastructure goals, as well leading technology and industry expertise.

With respect to the "content services," India already has a liberal regime in place for uplinking and downlinking most genres of channels. TRAI recommends maintaining the 100% foreign investment limits in place for non-news channels, and we applaud this. We note that TRAI has recommended increasing the limits applicable to news channels to 49% and we believe this is the right direction. Further liberalization of investment in broadcast news, in tandem with other news media, should be contemplated over time, as the Indian news media, like those in other countries, will find themselves exposed to greater international competition over broadband networks.

Should the TRAI require any further information or clarification on these matters, we are of course ready to assist.