

The Future Digital Economy

**Digital Content Creation,
Distribution and Access**

30-31 January 2006, Rome - Italy

Parallel panel sessions

New developments:

*A) New platforms and content
delivery opportunities*

Luca di Mauro

Chief Economist, Sky Italia



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New Platform and Content Delivery Opportunities

Luca Di Mauro
Chief Economist
Sky Italia

**The Future Digital Economy:
Digital Content – Creation, Distribution and Access**
Rome, 30 and 31 January 2006

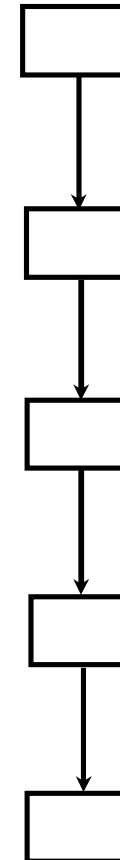
Programming Provider
Rights Holder

Wholesale Market
W/S Exchange

Retail Market
Sale to End-User

Platform
Technical Distribution Services

End-Users
Household Equipment



- **Objectives to Maximise Overall Welfare**
 - **Tackling Market Failures**
 - **Increasing Efficiency of Use of Resources**
 - **Creating Conditions for Enhancing Diversity and Plurality**
 - **Ensuring Level Playing Field**

- **Most of All: Putting the End User in the Driving Seat**

- **It is clear that a market failure exists in many electronic communications markets...**
 - **Legacy of Public Monopolies Still Super-Dominant**
 - **High Barriers to Entry in Infrastructure**
 - **Powerful Network Effects**

- **... but not clear that a market failure exists in the media industry**
 - **Rights are Contestable**
 - **Bidding Contests Take Place Regularly: No Absolute Barrier to Entry**
 - **Exclusivity Provides Right Balance**

➤ **Media Companies Focus on Delivering Choice and Programmes to Viewers, not on Technological Processes**

The Viewer is in Control, Not the Broadcaster !

➤ **Myopic Strategies by Electronic Communications Platform can Deprive Media Content of its Economic Value**

Antitrust Enforcement Must Ensure that Market Power is not Leveraged from Safe Cash-Flow Havens

➤ **Development of New Platforms and Increasing Innovation Depends on Effective Regulation of Electronic Communications Markets**

The Focus should be on Ensuring and Monitoring the Development of Effective Competition in all Traditionally Monopolistic Markets