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COMPETITION ISSUES IN TELEVISION AND BROADCASTING

Contribution from India

-- Session II --

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COMPETITION ISSUES IN TELEVISION AND BROADCASTING

-- India* --

1. Regulatory Institutions and Key Regulations

1. Media regulation in India is currently under significant government regulation with multiple agencies involved in governing different aspects of drafting, implementing and enforcing policies and legislations.

1.1 Key Regulatory Institutions:

1. **Ministry of Information & Broadcasting (MIB)** is the apex body responsible for formulation and administration of the rules and regulations and laws relating to information, broadcasting, the press and films. MIB's ambit governs mass communication channels - radio, television, films, the press, publications, advertising and traditional mode of dance and drama. It plays a significant part in helping the people to have access to free flow of information. It also caters to the dissemination of knowledge and entertainment to all sections of society, striking a careful balance between public interest and commercial needs. MIB is a nodal agency responsible for international co-operation in the field of mass media, films and broadcasting and interacts with its foreign counterparts on behalf of Government of India. In case of any violations of programme and advertisement codes, an Inter-Ministerial Committee (IMC) constituted by the MIB looks into the complaints.
2. **Ministry of Communications & Information Technology (MCIT)** has the responsibility for licensing transmission equipment, satellites, Internet Protocol Television (IPTV).
3. **Telecom Regulatory Authority of India (TRAI)** was established under the Telecom Regulatory Authority of India Act, 1997. TRAI regulates telecom services, including fixation/revision of tariffs for telecom services, earlier vested in the Central Government. One of the main objectives of TRAI is to provide a fair and transparent policy environment, which promotes a level playing field and facilitates fair competition. From January 2004, broadcasting and cable services have been brought under the ambit of telecommunication services under section 2(k) of the TRAI Act. It also entrusts TRAI to make recommendations regarding terms and conditions on which the "Addressable Systems" shall be provided to the customers and the parameters for regulating maximum time for advertisements in pay channels as well as other channels. TRAI periodically reviews the tariff structure of the television channels including analog and digital cable TV services, DTH services, IPTV services and HITS.

* The views expressed in the document have been researched and analyzed by the officers of the Competition Commission of India and do not necessarily represent the views of Government of India.

4. **Telecom Disputes Settlement & Appellate Tribunal (TDSAT)** adjudicates disputes arising from TRAI's orders, and disposes appeals with a view to protect the interests of service providers and consumers and to promote and ensure orderly growth of the sector.
5. **Competition Commission of India (CCI)** established by the Competition Act, 2002 is responsible for ensuring fair and healthy competition in markets in India including TV and broadcasting market. It also aims to develop and nurture effective relations and interactions with sectoral regulators to ensure smooth alignment of sectoral regulatory laws in tandem with the competition law.

1.2 Key Regulations:

1. **Prasar Bharati (Broadcasting Corporation of India) Act, 1990** enacted to provide for the establishment of Broadcasting Corporation for India, known as Prasar Bharati. The Act defines the composition, functions and powers of this body.
2. **Cable Television Networks (Regulation) Act, 1995** (amended in 2011) passed to regulate the operation of cable television networks in the country. It is the government's first attempt to regulate private broadcast media, primarily concentrated on cable operators. The Cable Television Networks Rules specifies a programming code that imposes restrictions on the content of both programmes and advertisements shown on cable television.
3. **Other Acts and regulations :**
 - i. Information Technology Act, 2000
 - ii. The Copyright Act, 1957
 - iii. Consumer Protection Act, 1986
 - iv. Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012
 - v. Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007 (Amended in 2009)
 - vi. Register of Interconnect Agreements (Broadcasting and Cable Services) Regulation 2004 (Third Amendment in 2006)
 - vii. Standards of Quality of Service (Duration of Advertisements in Television Channels) Regulations, 2012
 - viii. Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012
 - ix. The Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – Non-CAS Areas) Regulations, 2009
 - x. Consumers Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012
 - xi. Regulation on the Standards of Quality of Service (Broadcasting and Cable services) (Cable Television - CAS Areas) Regulation, 2006

2. Sector Overview

2. The **Media and Entertainment Industry** in India is one of the fastest growing sectors of the economy and is expected to grow at an average annual rate of 13.2 per cent to reach Rs. 1.19 trillion (USD 22.1 billion)¹ in 2015.² Some of the salient features of digitisation are enhanced number of channels and private stakeholder, momentum in crossover movies and crossover audience, increase in global presence of Indian channels and creation of domestic demand for animation and special effects.

3. The **Broadcasting Sector** consists of Television (including analog and digital cable TV services, DTH services, IPTV services, HITS and terrestrial TV services) and Radio services. The sector has shown significant growth over the years spanning last two decades. Television and Radio are projected to grow at compound annual growth rate (CAGR) of 14.5 per cent and 19.2 per cent respectively by 2015.³

4. Today, India is the third largest **Television** market after China and USA.⁴ The television subscriber base has grown at over 34 per cent per year for the last 20 years and the service providers have also increased to commensurate this growth.⁵ In 2003, DTH services were introduced and operators are adding various innovative offerings such as value added services (VAS), interactive services including movie on demand, gaming, shopping etc. Increase in the number of conventional TV channels and increase in the offerings by service providers indicates a healthy competition in the sector.

- The sector comprises of 800 plus satellite TV channels, 100 multi system operators (MSO), 26 pay broadcasters, 60000 local cable operators (LCO), 6000 independent cable operators, seven pay DTH operators, several IPTV service providers and public service broadcaster – Doordarshan (DD).⁶
- DD is the world's largest terrestrial broadcaster with over 1400 terrestrial TV transmitters. DD covers 88 per cent of India's geographical areas and provides coverage to about 92 per cent population of the country.⁷
- During 2011-12, TV households in India grew at 4.66 per cent to 150 million.⁸ Direct to Home (DTH) services grew at 30.06 per cent to 46.25 million⁹ and is expected to reach a subscriber base of 70 million by 2015.¹⁰ DTH is leading the digital distribution as it accounts for more than 80 per cent¹¹ of all digital TV subscribers in India. Total cable TV subscribers were 94 million

¹ Exchange Rate of Rs. /USD, as on January 28, 2013, as per Reserve Bank of India. 1USD=Rs.53.8515

² Twelfth Five Year Plan (2012-2017) Economic Sectors Vol. II, Planning Commission, Government of India. Available at <http://planningcommission.gov.in/plans/planrel/12thplan/welcome.html>

³ Ibid.

⁴ TRAI Annual Report 2011-12. Available at http://www.trai.gov.in/Content/Annual_Reports.aspx

⁵ Ibid.

⁶ Twelfth Five Year Plan (2012-2017) Economic Sectors Vol. II, Planning Commission, Government of India

⁷ Ibid.

⁸ TRAI Annual Report 2011-12

⁹ Ibid.

¹⁰ Twelfth Five Year Plan (2012-2017) Economic Sectors Vol. II, Planning Commission, Government of India

¹¹ Ernst and Young (2011), "Spotlight on India's Entertainment Economy", EYGM Limited. Available at <<http://www.ey.com/IN/en/Industries/Media---Entertainment/Spotlight-on-India-entertainment-economy>>

including 0.91 million subscribers in notified CAS areas.¹² Registered TV channels grew at 28.04 per cent at 831.¹³

5. **Radio** is one of the most popular and affordable means for mass communication in India. Radio provides coverage to 99.18 per cent of the population and 91.85 per cent of the country.¹⁴ The radio sector consists of 245 private radio stations and a public service broadcaster – All India Radio (AIR).¹⁵ FM radio market registered a robust growth of over 15 per cent during the year 2011 making it a Rs. 1150 crore (USD 213.6 million) industry.¹⁶ Further, as on March 2012, of the 167 community radio station licenses issued, 130 were operational.¹⁷ The phase III of FM radio licensing, yet-to-be-implemented, is likely to further boost the sector. This policy will extend FM radio services to about 227 new cities with a total of 839 new FM radio channels in 294 cities. A total of 216 cities and towns, with a population of one lakh, will get private FM radio stations for the first time. Also 67 of the 86 cities and towns, already have private FM Radio channels, will get additional channels.¹⁸

6. The growth potential of the broadcasting sector is fuelled by convergence of technologies. Since 1990s there has been a transformation in the role of the Government from being the major services provider in this sector to that of a facilitator. However, there is a need to maintain the momentum of growth and promote development and employment generation within the sector. There is also a need to ensure free flow of information, safeguard freedom of speech and expression as well as enhance the reach of broadcasting to the inaccessible areas within the country.

3. Trends and Key Issues

7. At present subscribers in India can view television content through three main modes, given below. Of these, only the first link has analog mode of transmission.

- Cable Television - Presently both analog/ non-digital and digital
- Direct to Home (DTH) - Digital
- Internet Protocol Television (IPTV) - Digital

¹² TRAI Annual Report 2011-12

¹³ Ibid.

¹⁴ Ibid.

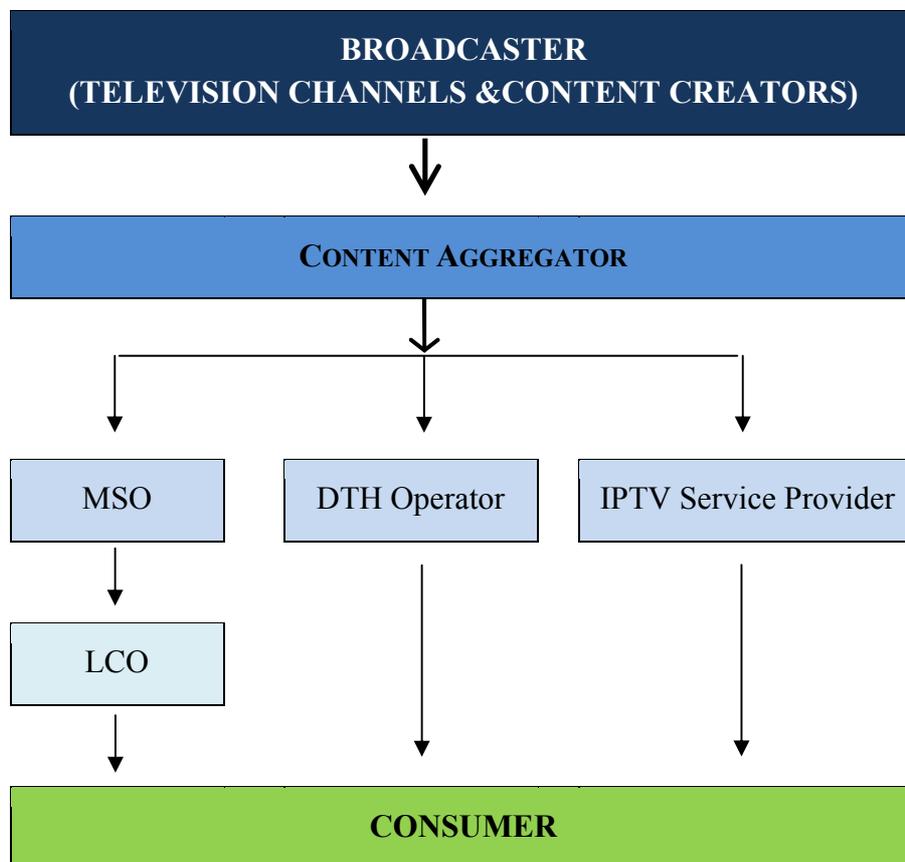
¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ [Indiantelevision.com](http://www.indiantelevision.com/headlines/y2k12/aug/aug128.php), Fresh cabinet nod for FM Phase III auction in few weeks, August 16, 2012. Available at <<http://www.indiantelevision.com/headlines/y2k12/aug/aug128.php>> Accessed on January 18, 2012

8. The schemata of television transmission through these three modes can be represented as follows:



3.1 Digital Addressable System (DAS) in the Cable TV Sector:

9. The distribution of subscribers in analog and digital mode of transmission is roughly 65:35. MIB has decided to introduce digitisation in the country through Conditional Access System (CAS) and TRAI is implementing this process. Digitisation is favoured to address the shortcomings inherent in the analog networks and to increase the number of channels by genre, increase the competition in television broadcasting and improve revenue-sharing models. The implementation of DAS is being carried out in a phased manner. In Phase I, four metropolitan cities have switched to digital system in 2012. In phase II, cities having population over one million will switch over by March 2013. All other urban areas will switch over in phase III by November 2014 and the rest of India in Phase IV by March 2015.¹⁹

10. It is expected that implementation of DAS will be a game changer and will benefit all stakeholders. The advantages of digitisation include efficient utilization of bandwidth and a more transparent subscriber base for the broadcasters for assessment of subscriber revenue, thereby generating a potential for possible levy of service tax. It also will enable a more robust audience viewership rating, thereby reducing/ eliminating abuse or manipulation by rating agencies. It will also provide support to

¹⁹ Cybermedia India Online Limited, Digitisation of Cable TV: What You Didn't Know, November 01, 2012. Available at <<http://archive.ciol.com/News/News-Reports/Digitisation-of-cable-TV-What-you-didnt-know/166511/0/>> Accessed on January 15, 2013

niche genres through access to targeted audience at lower carriage fee. The broadcast of such channels is economically unviable at the current carriage fee being charged by analog distributors due to lower viewership.

3.2 *Headend in the Sky (HITS):*

11. It is anticipated that HITS would provide greater channel capacity and may lower the investments thereby enabling deeper penetration of required cable services, particularly into rural areas. However, availability of transponder capacities for HITS services is a constraint. Policy makers foresee that the implementation of DAS in the cable TV sector would help resolve certain issues and positively impact HITS services. The Government is committed to digitise cable TV as per its deadline and to achieve this it has issued permission to two companies to operate HITS services in 2003 for fast implementation of CAS. Guidelines for operating HITS services have also been formulated by MIB.

3.3 *Internet Protocol Television (IPTV) Service:*

12. IPTV platform is at the intersection of broadcasting and telecommunication technology. It provides superior quality, interactive services, delivery of more content and functionality. However, its reach is limited by accessibility to broadband connections. Current broadband penetration in India is extremely low. Once the penetration of broadband services improves, the growth in demand for IPTV services will see a rise. With the introduction of 4G services and the growing techno savvy population, IPTV has a potential to become a huge success in India.

3.4 *Content Generation and Regulation:*

13. Digitisation is expected to increase focus on quality of content and provide greater choice for viewers. There is an increasing need for differentiated content due to the increase in the number of channels. Most television channels in India produce their content in-house. However, the sector is also witnessing a growth in quality content creators who sell television content to channels.

14. Self-regulation is viewed as the best way to regulate the content. Industry experts feel that introducing a measure to regulate content is not desirable and will not solve any purpose. It is also not possible for the Government to monitor such vast volume and diverse content. Direct control and micro-management may also be considered violation of the fundamental right of freedom of speech and expression enshrined in the Constitution. As self-regulation is considered effective mechanism for content regulation it is already institutionalised by private broadcasters, in both news and non-news channels. The Indian Broadcasting Foundation (IBF) has laid down Content Code and Certification Rules, 2011 covering a content-related principles and criterion for television broadcast.

3.5 *High Definition Television (HDTV):*

15. Channels that are transmitted through HD technology requires special set-top-box to view them in DTH mode. At present, the HDTV market is a very small fraction and is accessible only to the affluent class. Being in a nascent stage, the market is out of the purview of TRAI's regulation but the regulator would regulate the market at an appropriate time. The competition amongst broadcasters will increase with the government approving more licenses for launch of new HD channels.

3.6 Pricing System and Revenue Generation:

16. Revenue is generated for the broadcasters from advertisement and subscription.



Source: KPMG & FICCI (2012), “Digital Dawn – Indian Media and Entertainment Industry Report”, KPMG. <https://www.in.kpmg.com/Securedata/FICCI/Reports/FICCI-KPMG_Report_2012.pdf>

17. From the above figure, it is suggestive that the overall television industry is expected to grow at a CAGR of 17 per cent over 2011-16 to reach Rs.735 billion (USD 13.6 billion) in 2016 and the share of subscription is expected to increase from 65 per cent in 2011 to 69 per cent in 2016.

18. Subscription amount for pay channels is at present regulated by TRAI’s guidelines. Consumers are given the choice to pay per channel they subscribe (a-la carte) or subscribe to channels as a bouquet.

4. Competition Issues in Television and Broadcasting Sector

19. Although the television and broadcasting sector witnessed the entry of private broadcasters over two decades back, it is still an emerging sector. New regulations are being implemented to address the changing markets and multiple regulators are governing various different aspects. The three main competition issues that are surfacing include scarcity of spectrum, abuse of dominance in television viewership ratings and the information asymmetry in the subscriber base in the analog mode.

4.1 Scarcity of Spectrum/Capacity Constraints:

20. In January 2010, the Government temporarily suspended giving permission to new channels in India on the grounds of reviewing the transmission of existing channels, assessing the net worth of the channels and checking the availability of spectrum. TRAI was directed to give recommendations on whether the number of television channels in India should be capped and new entrants should be restrained because of the surge in the number of players in the industry. TRAI recommended that there should not be a cap on the total number of satellite based channels, but the eligibility criteria for registration should be revised. In May 2011, MIB cleared 75 new channels from among 150 applications received during the interim period of two years either seeking permission to start new channels or replicate the existing ones in

HD.²⁰ The net worth criteria for uplinking of non-news and current affairs and downlinking of foreign channels is revised to Rs. 5 crore (USD 0.9 million) from Rs. 1.5 crore (USD 0.3 million) for the first channel and Rs. 2.5 crore (USD 0.5 million) for each additional channel. For news and current affairs channels, it is increased to Rs. 20 crore (USD 3.7 million) from Rs. 3 crore (USD 0.6 million) for the first channel and Rs. 5 crore (USD 0.9 million) for each additional channel.²¹ While this policy seems to have been adopted to make efficient use of the limited spectrum, it may restrict the entry of new players also.

4.2 Television Viewership Ratings:

21. At present, television viewership ratings in India are published by TAM Media Research (TAM) and Audience Measurement and Analytics Limited (aMap). While TAM publishes its viewership data twice a week, aMap publishes its data every day. All television channels in the industry are focused on obtaining high ratings to increase their advertising revenues as these ratings are used by media planners to devise advertising strategies. As the broadcasters are closely monitored and frequently rated, competition amongst them is intensified owing to the dependence of the advertising revenues on these ratings. Transparency, accountability and objectivity of the ratings are of prime importance as false and misleading ratings can harm the broadcasters, advertisers and viewers. Hence, ratings have a major impact on the programming content of television channels. Since there are only two rating agencies, the competition for television ratings is limited, thereby leading to a possibility of abuse of dominance and the ratings published can also be biased.

22. In 2010, MIB constituted a committee chaired by Dr. Amit Mitra to review the existing ratings measurement system. In November 2010, the committee recommended a roadmap for improving the existing system. One of the critical recommendations was increasing the number of 'People meters' from a small sample base of 8,000 to 15,000 in two years and further to 30,000 in next three years covering the entire nation.²²

4.3 Information Asymmetry on Subscriber Base:

23. Television subscriber base in India is at present opaque owing to non-availability of reliable information. The distribution of subscribers is heavily skewed in favour of analog mode, which is characterized by low channel carrying capacity and little addressability. About 78.5 per cent are connected through analog cable, which provides a near monopoly power to the analog cable in terms of last mile connectivity.²³ There exists a bone of contention in the supply chain of television broadcasting in the analog mode between the content aggregator and MSO and between the MSO and LCO regarding the subscriber base owing to its under declaration, which affects the revenue mobilised per channel, per consumer. LCOs do not reveal the exact number of households serviced by them as they directly cater to the consumers and have the last mile advantage. Owing to this, there have been many disputes between the pay channels and MSOs & LCOs. The ongoing implementation of digitisation will lead to a more

²⁰ ICRA (2011), "Indian Television Broadcasting Industry: Recent Developments", ICRA Limited. Available at <<http://www.icra.in/Files/ticker/Media.Quarterly%20Note.%20July%202011.pdf>>

²¹ Press Information Bureau, Government of India, Proposal for amendment In Policy Guidelines for Uplinking/Downlinking of TV channels approved, October 7, 2011. Available at <<http://pib.nic.in/newsite/erelease.aspx?relid=76506>> Accessed on January 18, 2013

²² Press Information Bureau, Government of India, Committee Provides Roadmap to Look Into the TRP Issues - Smt. Soni: Committee Submits Its Report to I&B Minister, January 10, 2011. Available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=68958/>> Accessed on January 9, 2013

²³ ICRA (2011), "Indian Television Broadcasting Industry: Recent Developments", ICRA Limited. Available at <<http://www.icra.in/Files/ticker/Media.Quarterly%20Note.%20July%202011.pdf>>

transparent assessment of the subscriber base of the country. Due to improvement in transparency of subscriber base, broadcasters and MSOs are anticipated to have better bargaining power over LCOs thereby enabling them to earn higher subscription revenue.

24. Further, in many areas LCOs and small MCOs enjoy a local monopoly status leading to non-standard pricing for the consumers. A market study commissioned by TRAI observed a wide dispersion in the monthly cable bill from Rs. 149 (USD 2.8) in Kochi (Kerala) to Rs. 322 (USD 6) in Shillong (Meghalaya) for similar services.²⁴ Further, the LCOs arbitrarily increase their tariffs in their locality and in most localities alternate cable operators are absent. Thus, owing to this monopoly status, LCOs restrict competition and prevent free market forces from operating thereby keeping prices under check.

25. Such anti-competitive practices prevalent in the analog mode may encourage broadcasters to form distribution alliances or joint ventures to strengthen their ability to negotiate with the MCOs/LCOs, improve their bargaining power in negotiating the carriage fees and minimize their losses in subscription revenues due to underreporting.

5. Competition Enforcement in India

26. Section 3 & 4 pertaining to anti-competitive practices and abuse of dominance respectively came into effect from May 2009. Section 5 & 6 and other regulations regarding combinations were notified and merger review came into effect from June 1, 2011. Section 5 & 6 regulates mergers and acquisitions above a specified threshold.

5.1 Interoperability of DTH Set-Top-Boxes (STBs)

27. Currently there are seven DTH service providers in the country. There is an issue of interoperability of the STBs. Allowing technical interoperability may benefit the subscribers by enabling them to shift from one operator to another without having to buy a new STB. This may lead to increased competition in the market and possibly lower prices. In *Consumer Online Foundation vs. Tata Sky Limited & Ors.*, the Commission concluded that the STBs were not interoperable because all the DTH operators (Tata Sky, Reliance Big TV, ZEE's DishTV and Bharti's Airtel) were using different technologies and standards for signal transmission. CCI had closed the case against DTH operators ruling out any violation of either Section 3 (anti-competitive agreement) or Section 4 (abuse of dominant market position) of the Competition Act 2002. Not allowing interoperability was not abuse of dominance but valid on grounds of techno-economic feasibility. No tacit agreement or action in concert was found and it was observed that the DTH market was fairly competitive.

5.2 Abuse of Dominance in Television Viewership Ratings

28. TAM, a 50:50 joint venture between Nielsen (India) Private Limited and Kantar Market Research, measures TV Viewership and monitors advertising expenditure across television channels, radio and print. Public sector broadcaster Prasar Bharati moved CCI alleging that TAM agency is abusing its dominant position by not carrying out audience measurement in a fair manner.²⁵ It is alleged that TAM was 'limiting the provisions of audience measurement services' and is abusing its monopoly position in India by manipulating ratings data in favour of broadcasters who paid money. Also, the news broadcaster

²⁴ CMS Media Lab and Assocham India (2012), "Background Paper on Digitizing Indian Broadcasting", Assocham. Available at <<http://www.assochem.org/arb/general/CMS-Final-Background-paper.pdf>>

²⁵ Business Standard, PrasarBharati alleges TAM rating anti-competitive, November 19, 2012. Available at <<http://www.business-standard.com/india/news/prasar-bharati-alleges-tam-rating-anti-competitive/492893/>> Accessed on January 7, 2013

NDTV filed, in July 2012, a law suit against Nielsen and Kantar Media for manipulation of viewership data. NDTV has demanded USD 810 million as compensation for the loss in revenues it has suffered over the years and USD 580 million in penalty for negligence by Nielsen and Kantar officials.²⁶ The reported issue is under investigation of CCI.

5.3 *Consolidation and Alliances amongst Broadcasters*

29. A large number of channels indicate high level of fragmentation. But some broadcasters are consolidating to increase their bargaining power with distributors with regard to the push for digitisation. Consolidation is also likely to be favoured due to large investments required in content and distribution. In 2010, Sun Network and Network18 entered into a strategic alliance to form “Sun18 Media Services”. Sun18 distributes more than 30 channels across all platforms in India via all networks including cable, DTH, IPTV and HITS.²⁷ In 2011, Star Den Media Services Private Limited and Zee Turner Limited formed a 50:50 joint venture called “Pro Media Enterprise” to jointly aggregate and distribute television content.²⁸ The broadcasting industry has already witnessed the initial steps towards consolidation with NDTV Imagine being acquired by Turner Asia Pacific Ventures in 2009 and 9X by Zee Entertainment Enterprises Limited in 2010.²⁹

5.4 *Intra-Group Corporate Restructuring*

30. CCI approved the merger of Wireless Broadband Business Service (Delhi) Pvt. Ltd. (WBBS Delhi), Wireless Broadband Business Service (Kerala) Pvt. Ltd. (WBBS Kerala) and Wireless Broadband Business Service (Haryana) Pvt. Ltd. (WBBS Haryana) into Wireless Business Services Private Limited (WBSPL). 51 per cent and 49 per cent of equity shares in each of these parties are held by Qualcomm Incorporated and BhartiAirtel Limited respectively. It was observed that the shareholding pattern in each of the party before combination and shareholding pattern of WBSPL, the surviving entity, after the combination would be the same. Therefore, the proposed combination does not give rise to any appreciable adverse effects on competition in India.

5.5 *Others*

31. CCI approved the acquisition of 27.5 per cent equity shares of Living Media India Limited (LMI) by IGH Holdings Private Limited (IGH). LMI is a private company and is the holding company of India Today Group, which is involved in broadcasting through TV and radio, print media, publication and distribution of music etc. IGH is also a private limited company and is an investment company in Aditya Birla Group (ABG). ABG has diversified business interests in various sectors including telecommunications, IT, IT enabled services etc. ABG places advertisements in various media, which are

²⁶ IBN Live, NDTV sues Nielsen over TAM rating ‘manipulation’, July 31, 2012. Available at <<http://ibnlive.in.com/news/ndtv-sues-nielsen-over-tam-rating-manipulation/276822-44-124.html>> Accessed on January 7, 2013

²⁷ Money Control, Network18, Sun Network form distribution venture Sun18, July 13, 2010. Available at <<http://www.moneycontrol.com/news/business/network18-sun-network-form-distribution-venture-sun18-469702.html>> Accessed on January 28, 2013

²⁸ Business Standard, Star Zee join hands for TV distribution venture, May 26, 2011. Available at <<http://www.business-standard.com/india/news/star-zee-join-hands-for-tv-distribution-venture/136496/on>> Accessed on January 28, 2013

²⁹ Line Mint, NDTV sells stake in NDTV Imagine to Turner Asia, Available at <<http://www.livemint.com/Companies/JjKNbXGr03DK6VxhHZp5rI/NDTV-sells-stake-in-NDTV-Imagine-to-Turner-Asia.html>> Accessed on January 28, 2013

owned and operated by ITG but the advertising revenue generated by ITG from ABG is negligible in total market of advertising. Further, ABG through Idea Cellular is engaged in telecommunications and internet services and ITG provides content for mobile value added services to be used by telecom companies. However, revenue generated by ITG through provision of such content is also a very small percentage of the total revenue generated by ITG. Hence, the proposed combination is not likely to have any appreciable adverse effects on competition in India.

32. A notice was filed by Independent Media Trust relating to a series of inter-connected and inter-dependent acquisitions intended to acquire control over Network18 Group companies by Reliance Industries Limited. The Commission assessed the effect of the combination on the businesses for supply of television channels, event management services and broadband internet services using 4G technologies and content accessible through such services. It was concluded that the combination was not likely to give rise to any appreciable adverse effect on competition and was cleared.

6. Conclusion

33. India is the third largest television market after China and USA. Television along with radio constitutes the most popular mediums of public broadcast with a wide coverage across the spectrum of population. These sectors would continue to grow at a double-digit rate due to higher penetration into smaller markets.

34. Digitisation is expected to be the major game changer in the television industry. Not only will it lead to emergence of more channels, but it will also minimize the capacity constraints in analog cable television distribution platform. It will also improve the quality of viewing and evolve more transparent revenue-sharing models.

35. The market structure in broadcasting varies from a highly-competitive in content creation to concentrated in content aggregation. While market structure with respect to distribution to consumers in cable platform is fragmented, in DTH and IPTV it is limited to few players. The skewed nature of market structure in the different nodes of television broadcasting has given rise to certain competitive concerns. The industry has witnessed consolidation in the form of acquisitions and strategic alliances amongst various broadcasters, content aggregators and distributors, which may enhance the revenue base for the upstream players.

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