

Presidential Address

NewsBroadcastersAssociation



Mr. G. Krishnan, President
News Broadcasters Association
at its 1st Annual General Meeting
held on September 30, 2008
at the Chambers, Parliament Room,
The Taj Mahal Hotel, New Delhi.

- Presidential Address -

Dear Members

On behalf of the Board of Directors of the NBA it is my privilege to greet you all and extend a very warm welcome at the 1st Annual General Meeting of the Association. Your presence adds to our motivation to further excel and meet your expectations. The Directors' Report and the audited accounts for the year 2007-08 are already with you and with your permission, I consider them as read.

Little did we realize while brain storming amongst ourselves for a separate news broadcasters association, that there would be so many issues which needed our collective thinking. The Management Report details the achievements during our first year. We have succeeded in some and are actively looking at finding solutions for the remaining issues. We have a long way to go as an Industry body. However, every journey begins with a first step.

❖ Industry at Crossroads

The future before us is very complex and challenging. The question we have to ask is, do we have the vision to move together to meet these challenges?

The Indian broadcasting industry will change enormously and we will have to change willingly. Instead of reluctantly drifting into the future, we should drive the future using all the tools available to us, given of course that government policies adapt to new realities. The movement forward is a collective initiative supported with a sound policy environment. The industry and government must work together in a public private partnership to meet the new challenges and to strengthen the broadcasting industry rather than strangle the industry. A meaningful dialogue is needed with the government and the various stakeholders.

The recent recommendations of the TRAI to the government on TAM and TRP are a case in point. In the grab of purportedly rationalizing television rating system, it cannot control content and cannot confuse and intertwine the diverse subjects of "industry research" and "content". TRAI has in its final recommendations, recommended that regulations of content should be transferred to TRAI and self-regulation may be through an industry body with government involvement and government guidelines covering organizational structure, functioning and methodology for television rating system. The TRAI has a role in laying down guidelines for industry research and it should not deviate from worldwide industry practices, which they have relied upon. It should not tread upon territory it is not empowered to go into.

Our regulatory models must match the realities of tomorrow, where government regulations are incentive based rather than being coercive. The incentive based approach would promote and encourage flexibility to allow every opportunity to adjust quickly and decisively including measures to support and encourage the expansion of programming services to reach audience on new platform. We can no longer afford antiquated regulations. The opportunity is to ensure that government comes out with forward looking regulations.

❖ The New Digital Age

A technology whose time has come will not conform to existing rules. Who would have thought mobile phones would become the multifunctional - multi-purpose devices that we have today. Digital age of television is here. The first transition is the migration from analog cable to digital distribution. This would be possible only if the government and the regulatory authorities and their programmes are adapted to the new digital environment. By 2010 the government should successfully implement the CAS roll out and we should see cable becoming a digital only distributor.

We have moved from cable to DTH and now moving to high definition (HD) programming by which viewers will get to see amazing advances in picture and quality.

The Indian Environment and Media Industry Report 2007 of FICCI Pricewaterhouse Coopers has correctly stated that India today, does not have a national digital policy or plan. The report states the measures to be taken to truly benefit from digitalization. The Government should seriously consider the measures suggested by FICCI.

❖ Commercial issues

In the changing environment the advertiser has the option to choose various medium and platforms and they are not standing still. As eyeballs migrate to this unregulated, parallel universe, advertisers are racing to meet them there. This is splitting the value chain, and in consequence, poses a serious threat to the broadcasters.

The first priority must be to develop a holistic view of the industry, by setting clear goals and thoughtful consideration to consumer demand and market forces on what is best for India. We must recognize that our audience is blown up into fragments. It's going to be a challenge to re-aggregate them. The changes that we are witnessing are fundamental and irreversible.

We are competing with a growing field of new competitors. I am making a specific reference to the internet. By the end of the decade it is expected that the internet advertising will grow at 18.8%. It is worth noting that "YouTube founded in 2005 underwent a 300% growth in the first half of 2006 itself. It boasts 100 million downloads daily and 20 million unique visitors each month, which is projected to hit USD 2.4B by 2010." Clearly revenues will inevitably match this high volume of traffic. With such starting figures we need to ask ourselves - where do we stand in terms of our advertising revenues.

We need vision and flexibility to compete with the parallel universe. We are contributing substantially to our economy and we invest substantially in ensuring that our content is brought to prominence. We are aggressively seeking new sources of revenue from existing content and developing new content for new services. Everywhere you look broadcasters are cutting deals, launching innovative ventures, and making advances in the delivery of content across the multiple new delivery platforms. We must put every effort to ensure that we remain relevant in every market and compete on every platform. We need to look at the next two decades, year 2025, when 42% of our population would be below the age of twenty-five. India will have a young country unlike many others. This is the opportunity we need to seize, which will significantly drive our growth.

In addition to the advertising revenue, there exists tremendous potential in subscription revenue as well. As an industry, we need to address this section of the commercial pie and tackle the various issues faced by the industry. The most immediate issue is that of

under reporting of subscribers that is leading to a significant revenue loss of the channels.

❖ Content & its delivery

I have stated in my message that the most common area of complaint against us relate to content and its delivery. I am glad that the Board thought it pertinent to tackle this issue on priority in the first year itself. This resulted in the constitution of the nine members News Broadcasting Standards Dispute Redressal Authority, under the Chairmanship of Justice J.S. Verma, former Chief Justice of India and former Chairperson of the National Human Rights Commission, which will become operational from October 2, 2008.

I would like to lay emphasis on the Redressal mechanism that we have chosen to put in place - self - regulation by a “jury of peers”. These have not been imposed on us, they are ours. It applies to each one of us equally. If all of us imbibe the system, we know that the system will be stronger for our unity of purpose. We must be conscious that the failure to effectively regulate ourselves today, may entice others, for political or other reason, to do so in the future.

To motivate this form of self-regulation, there must be confidence in the fairness, balance and credibility in the decisions taken by the Authority. I am confident, with Justice Verma heading the Authority; the members will have the benefit of his astute knowledge and experience, to guide the news broadcasters to choose content and its delivery in a manner to keep news broadcasting standards high. News Broadcasters would come to know what their obligations and limitations are and the viewers would know what they may expect of those who have the privilege to broadcast. We should walk the path with no compromise on our editorial independence.

The next year will show case the decisions taken by the Authority, which I am sure, will be reasoned, thoughtful and detailed. All decisions and initiatives of the Authority would be available on the website, published in the Newsletter and Annual report of the NBA. I hope the Government will recognize this initiative of private broadcasters.

❖ Acknowledgment

In conclusion, I take this opportunity to express my gratitude to the Board of Directors, Members of the NBA, Secretariat and our counsels for their continued support, which has been the driving force of our success in our first year.

Thank you.

30th September, 2008

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President

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