



Presidential Address

Mr. G. Krishnan, President
News Broadcasters Association
at its 2nd Annual General Meeting
held on September 23, 2009
at Magnolia Hall, India Habitat Centre,
Lodhi Road, New Delhi

NewsBroadcastersAssociation





Presidential Address

Dear Members,

On behalf of the Board of Directors of News Broadcasters Association (NBA) it is my privilege to welcome all of you to the 2nd Annual General Meeting of the Association. The Directors' Report and the audited accounts for the year 2008-09 are already with you and with your permission, I consider them as read. The Management Report details the achievements during our second year, which has also been a busy year.

Economic scenario

The year 2008-09 will be remembered by one and all as the most challenging for the world economy. It has indeed been a turbulent year. The global recession resulting in unprecedented financial crisis, has shaken the foundations of the strongest economies in the world. Not since the days of the Great Depression has the world seen panic of such magnitude. Iconic financial institutions collapsed like a pack of cards. Several million jobs have been lost. Cumulative losses from bankruptcy, closures and failed businesses have lead governments around the world to pump in trillions of dollars. Though Governments across continents have responded positively, the path to recovery is expected to be long and difficult.

Despite the economic slowdown, there are reasons to remain optimistic. The verdict of the people of India has paved the way for a stable Government at the Center. The resultant political stability has also ignited new hopes and the expectation of a better tomorrow.

Keeping pace with the future

The media industry has been one of the fastest growing sectors in recent times. Despite the growth, increased complexities have emerged on account of various platforms which the audience can use across media platforms.

Technological changes are making the world of media so exciting today. Broadcasters will need to compete with a whole host of



delivery platforms that are arriving in consumer's hands at the same time. We will need to embrace those technologies to remain relevant and to stay afloat. If consumers are becoming early adopters and change the way they access media, broadcasters will have to change the way they deliver media.

We may not find answers immediately to all the issues that confront us. What we need is the beginning of a vision. It should not be a vision that simply replicates the past as it would be totally inadequate to the incredible possibilities that confront us.

For anyone in this business, survival in the future means business plans now – there is no choice but to seize the opportunities. Individual actions will not be enough. The movement forward is a collective initiative. We should continue to work in that direction and look forward, working with technology and using it to realize the vision, a vision that will ensure the relevance of our broadcasting industry and its ability to continue enriching our nation. We cannot do this in a policy vacuum. To find our path to the future we must be supported with a sound policy environment from the Government.

Commercial issues

The television industry is one of the largest contributors of revenue to the media & entertainment industry. It has transformed completely in the last few years. The number of channels have arisen from 120 in 2003 to over 450 in 2008. Of this number, it is understood around 270 are news channels.

The year 2008 has been a difficult year for all of us. Almost every sector suffered from the adverse impact of the economic slowdown. The broadcast industry was no exception. The liquidity crunch and lack of access to funds has impacted the expansion plans of our industry. However, every cloud has a silver lining. The economic slowdown became an opportunity for us to re-think and re-visit our business models. We are under pressure to change, innovate and re-look at existing models for survival in this difficult and complex environment.

The only source of revenue for the broadcasters is its advertising revenue. With low advertising spends, the bottom lines of most of the broadcasters have been severely impacted. The Government



was however convinced that the slow down had only impacted the print medium. A stimulus package was offered to the print medium for DAVP advertisements by the Government. Our protests did not heed any positive results. On the contrary, while presenting the budget proposals for the year 2009-10, the Finance Minister extended the stimulus package for print medium as the Government was of the view that “it is passing through difficult times”. The same applies to service tax on advertisements. The print medium has been exempted from payment of service tax since inception. This burden continues on the broadcasters. The Government should have a level playing field rather than being discriminatory.

The major issue which the news broadcasters are confronted with is the enormous amount that is doled out towards carriage fee. The reason why such unrealistic amounts are paid towards carriage fee is the slow digitization process. Unless the Government takes appropriate action to effectively implement CAS and move from analog to digital, broadcasters would continue to drain their resources towards payment of carriage fee, which accounts for nearly 60% of the total cost. The Government hence needs to bring out a strong digital policy which should be made mandatory by 2010 when CAS would be implemented in several states. The Government also needs to seriously consider moving cable operators from analog to digital mode. The under declaration of subscribers by cable operators is resulting in large subscription revenue losses for the broadcasters and to the exchequer. It may not be out of place to mention that cable TV contributes to large viewership.

Content & its delivery

Our first initiative upon the formation of NBA was to seriously look into issues of content which was most complained about. The vision of the NBA in this regard got translated into the formation of the News Broadcasting Standards Authority. The nine member Authority headed by Justice (Retd) J. S. Verma, former Chief Justice of India became operational from October 2nd 2008.

The Authority besides looking into viewer complaints has consciously taken proactive steps to ensure that broadcasting standards improve. In this direction, the Authority in consultation with the Editors has laid down “Guidelines for telecast of news



during emergency situations” and “Specific guidelines for reportage”. The Authority was prompt in issuing advisories during the Mumbai terror attacks and also when the Kasab trial began. The Authority felt the need for these guidelines because they recognized that the programmes of the news broadcasters influence public opinion, change attitudes and shape minds. At the end of the day, balance is the name of the game, balance between serving the interests, sensitivities and needs of audiences, on the one hand, and preservation of creative, editorial and journalistic freedom, on the other. I am glad the Authority has ensured that balance.

We must ensure that the self-regulation model adopted by news broadcasters is pursued by all of us to avoid any Government imposed regulations. The Government should walk with NBA to recognize its Code of Ethics and the Redressal Regulations and make it part of the Programme Code under the Cable TV Rules as done in the case of ASCI.

Acknowledgment

In conclusion, on behalf of myself, the NBA Board and the Members of the NBA, I would like to place on record our sincere gratitude to the Chairperson and Members of the NBA Authority for their support and time to ensure that the self regulation mechanism chosen by the news broadcasters has been translated into reality.

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

Thank you.

G. Krishnan
President

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