



International Telecommunication Union

IPTV – Market, Regulatory Trends and Policy Options in Europe

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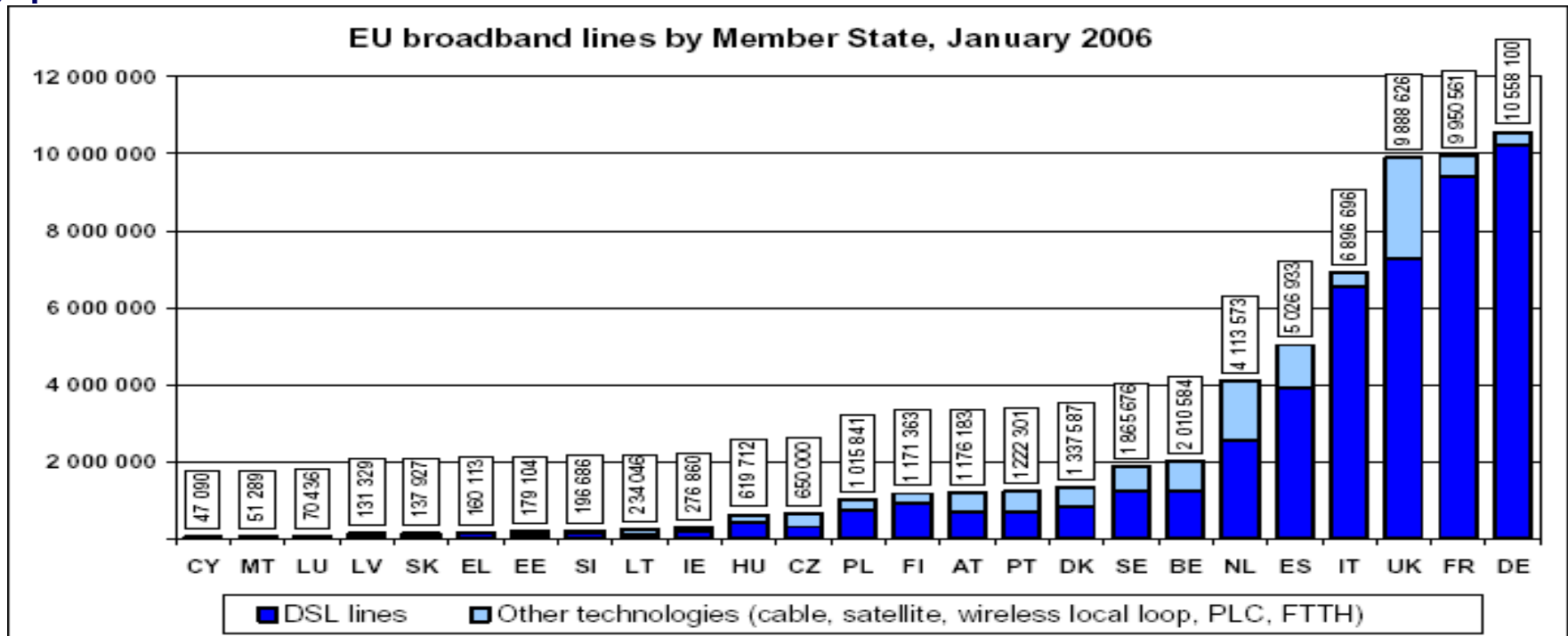
Outline

- o Broadband take-up in Europe
- o What is IPTV?
- o IPTV offers
- o Football rights
- o Regulatory issues
- o The future



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EU countries by number of broadband lines

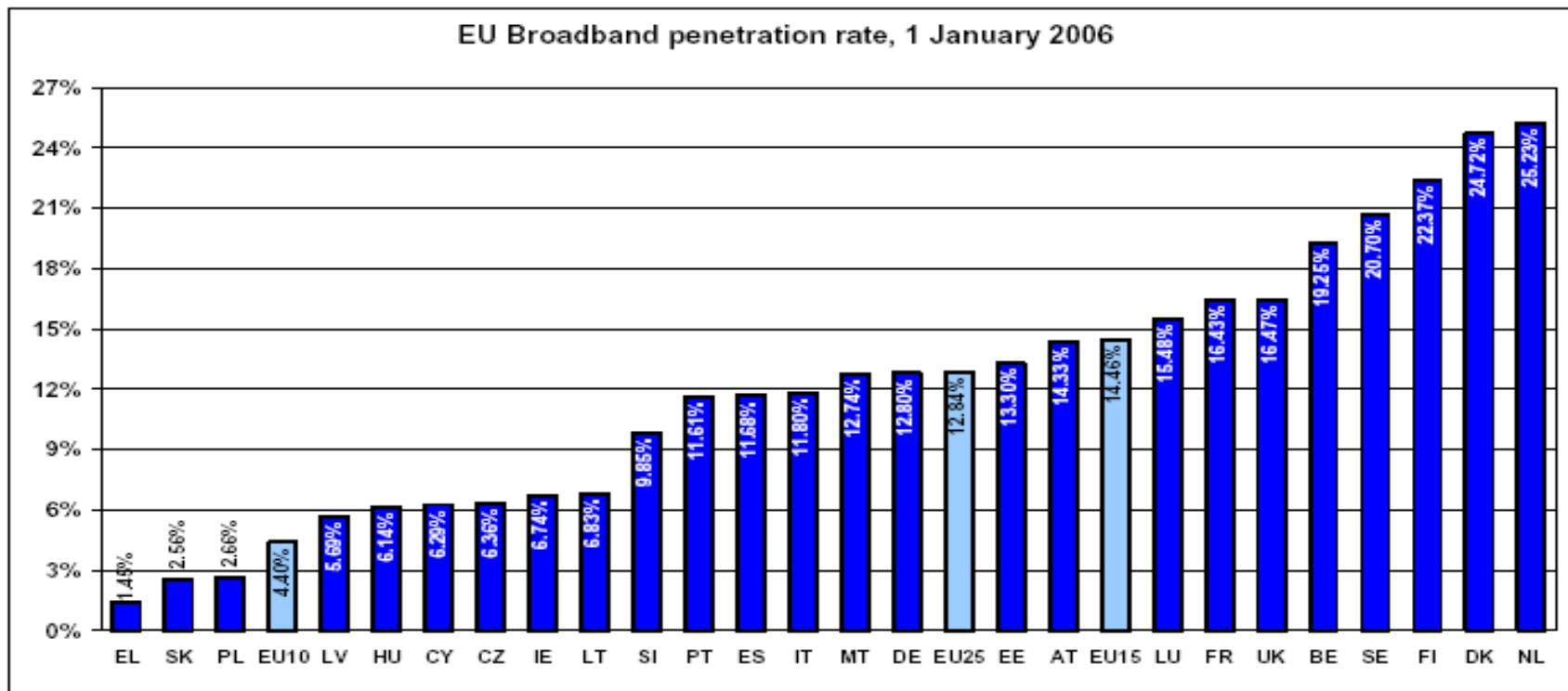


- o 59 million broadband lines in total (of which 83% DSL)
- o Only 585,000 are FTTH (approx. 1%)



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Penetration rate. Lines per 100 population

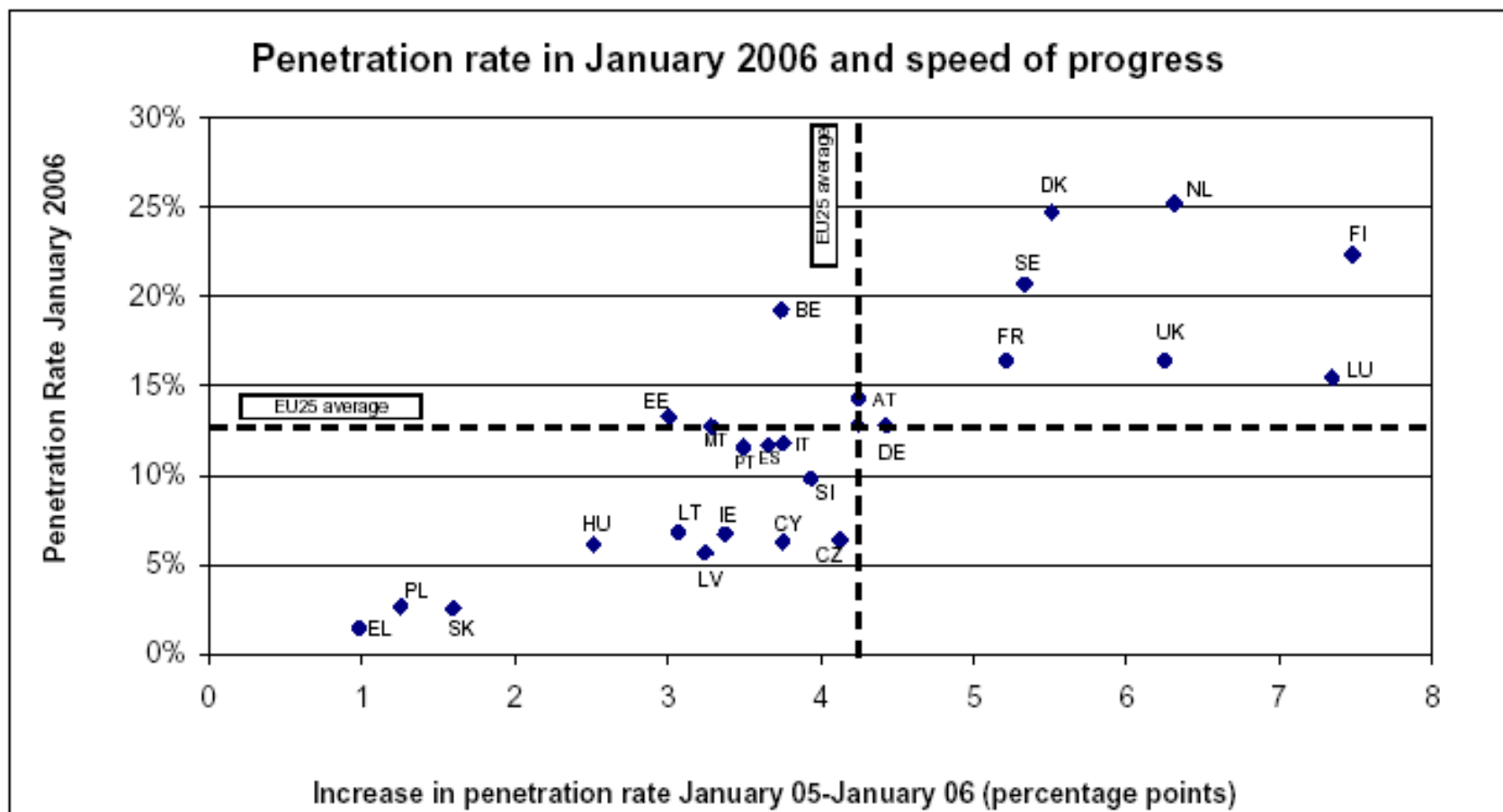


- o Average penetration rate is 12.8% for EU-25 and 14.5% for EU-15
- o Highest rates (20%-25%) in Belgium, Denmark, Finland, Netherlands and Sweden



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Growth in penetration rate 2005-2006

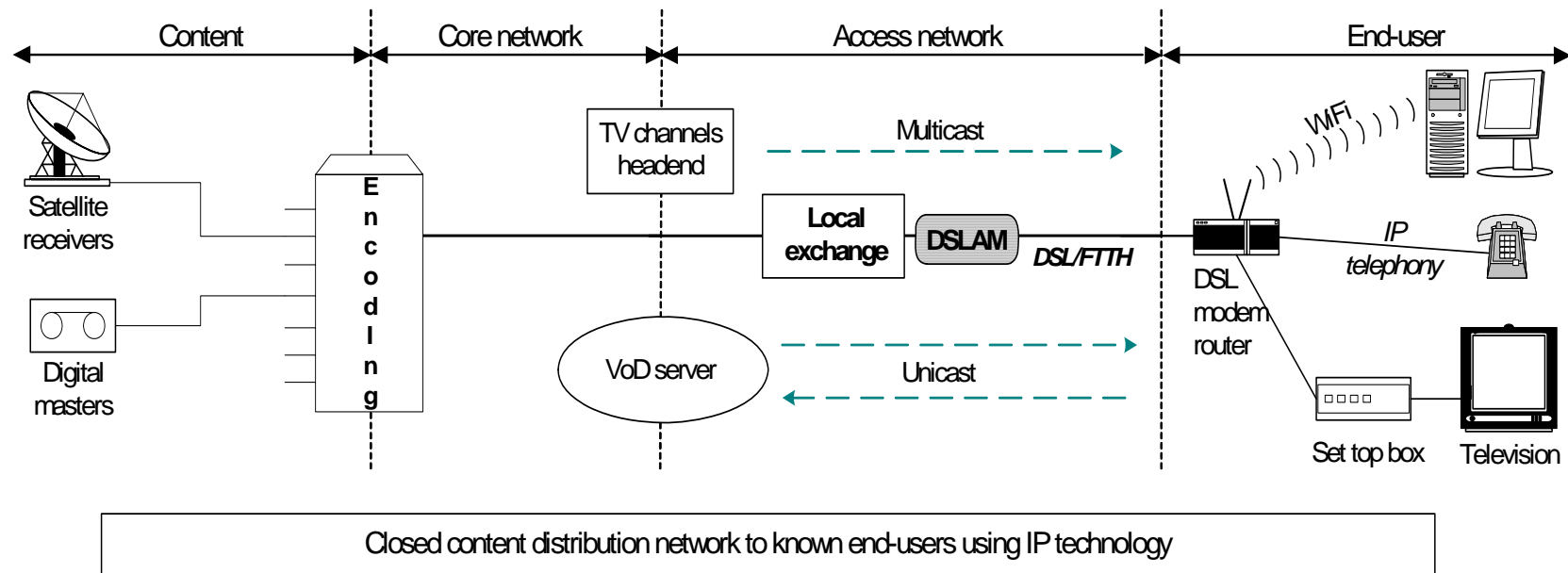


- o No surprises which countries grew fastest!



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What is IPTV?



- o IPTV is viewed over fixed broadband connection (DSL or FTTH) with standard TV set
- o NOT video streaming over public Internet viewed on a PC



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IPTV subscribers

- o IPTV is in its infancy in 9 Western European countries surveyed
- o France and Italy are the early leaders
- o Subscribers at end June 2006:

France		Italy	
Free	1.26 million	FastWeb	870,000
France Télécom	300,000 (23.5 million households)		(22 million households)



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IPTV commercial offers

- o IPTV offers look pretty similar between incumbent and alternative operators in each country and between countries
 - Sold as part of bundle together with broadband Internet and IP telephony
 - Live TV (basic + premium channels), VoD, PVR
- o But some differences
 - Integration of digital terrestrial TV tuner in STB



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English Football Premier League broadcasting rights

Current			Future		
2004/05 to 2006/07 seasons (3 years)			2007/08 to 2009/10 seasons (3 years)		
Live TV	BSkyB	£1.024bn	Live TV	BSkyB (4 packages)	£1.3bn
				Setanta (2 packages)	£392m
	BBC (highlights)	?		BBC (highlights)	£171.6m
Online	BSkyB	£100m bid for combined rights by BSkyB, 3 and Vodafone	Online	BT and BSkyB 242 "near live" matches/season	£84.3m
Mobile	3 and Vodafone		Mobile	BSkyB	Under £10m
TOTAL		Approx. £1.1bn (€1.6bn)	TOTAL		Approx. £2bn (€3bn)

- o Live matches can be watched on different pay TV platforms (satellite, cable or IPTV) by subscription to Sky Sports channels
- o BT will launch "near live" matches on demand from 2007
- o Very different model in Belgium and Netherlands...



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Regulatory issues

- o Replicability
- o Predatory pricing
- o Bundling
- o Must-carry
- o Net neutrality
- o Broadcasting licences



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The Future

- EU regulatory frameworks for telecoms and broadcasting currently under review
- New directives into force around 2009
- Telecoms
 - no changes that would significantly affect IPTV
 - but longer term, fibre LLU may be an issue
- Audiovisual media services
 - regulation of both broadcasting (linear) and on demand (non-linear) services
 - who has “editorial responsibility” over content?