

ASIA VIDEO SUMMIT OPENING SPEECH

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Mr Secretary, Ladies and Gentlemen, welcome to the Asia Video Summit 2018.

This has been a momentous year for the association as we have evolved from Casbaa to the Asia Video Industry Association (AVIA). I want to take a moment to talk briefly about that change and why we have made it. It is not a rebranding exercise where we have simply changed the name of Casbaa to AVIA. We have recalibrated what it is we are here to do and whom we represent. To too many people, Casbaa said only traditional pay TV. We wanted to be clear that we embrace the changes going on in our industry and we represent the broader professional video ecosystem, including the native streaming companies, the mobile telcos, the small start-ups and the big media titans. That is not to say that we diminish the importance of the existing stakeholders by one iota. Linear TV channels, pay TV platforms, the satellite industry, all of these are still by far the largest part of the industry and our aim is to help everyone grow and succeed.

So how do we help?

How can we help?

Well, having broadened the definition of the industry, we have to be very clear what it is that we are doing for the industry. We have narrowed these down to three key roles.

The first is policy and advocacy. Under the leadership of John Medeiros, we are continually engaged in consultations with government, ensuring that the voice of our industry is heard and understood and governments consider this very carefully when they update and amend regulations. We want light-touch regulation that allows market access and fair competition. We push this agenda pro-actively across the region and there is no question that our voice, your voice, has made a difference to the overall health of our industry but, as we see governments grappling with the impact of streaming video, as we see India's space policy becoming more nationalistic, as we see attempts to limit foreign advertising in certain markets, as we see certain governments starting to think about changes to copyright legislation, as we see and support the advent of 5G, we also see encroachment on C band spectrum, and the issues go on. There is much work to be done and never has there been a more crucial time for us to be doing it.

Today, in most markets across Asia there are very few regulations on streaming video services. We are strong believers that this is an area where we can show that as a responsible industry, which curates its own content, we can self-regulate or if needs be, work with governments to enact light-touch regulation. We are working with members to develop our own self-regulatory content code across many parts of Asia. This approach is bearing fruit but it cannot be taken for granted. There are regulators who are inclined to see streaming video as an extension of broadcast television and attempt to manage it in the same way.

If this were to happen it would fuel what is the single greatest threat to our industry today – video piracy, the fight against which is the second pillar of our association. Piracy in some shape or form has always been there but recently it has been on the charge as broadband speeds increase. In Hong Kong, 24% of consumers use an illicit streaming device or ISD. This is a small android device pre-loaded with unauthorised apps which links your TV set to the internet and provides access to pirated content, both live channels and on demand. In the Philippines, 28% of consumers use ISDs, in Taiwan that figure is 34% and, in Thailand, an incredible 45%. In all four of these countries, approximately one half of ISD users are cord cutters. The cost to industry is huge. One shop in Sim Lim Square in Singapore told me they sell 20 boxes per day except Saturday and Sunday when that figure is 50. That is 200 boxes per week. At about US\$220 per box, that is US\$2.3 million per year. For one small shop. There are scores of outlets. This is organised crime on a massive scale. Add to that all other forms of streaming piracy and we have an epidemic on our hands. Transforming our businesses to take account of technology and changing consumer behaviour is difficult. To do so when there is a gaping hole in the side of the aeroplane and everything is being sucked out is almost impossible.

The Coalition Against Piracy (CAP), headed by Neil Gane, started a year ago. With the changes we have made this year we have brought the fight into the heart of AVIA because we are all affected. Piracy affects aggregators of content, which affects suppliers of content, which affects the entire ecosystem from those who playout and deliver video, via satellite as well as other means of transmission, to those who consult and provide a whole range of services across the industry.

It is the biggest threat facing us today. But I am confident that if we come together to fight it, if we support AVIA and CAP, we can make big differences. This is not a fight we are going to win in the short term but we should not think it is a fight we are going to lose. We are seeing some very encouraging signs – from the work we did here during the world cup assisting HK customs which dramatically reduced the supply of ISDs; the prosecution with severe custodial sentences in the Maige case; our collaboration with IPO's and industry in informing consumers of the piracy/malware nexus and the very real risks consumers face; the support we are getting from e-commerce sites such as Lazada as well as payment gateways such as Paypal and Mastercard to remove links and deny payment for ISDs; and very recently in Singapore we have been granted approval for dynamic site blocking, closing a big loophole for pirates.

The third pillar of the association is insight. We publish reports, we run committees and we hold conferences such as this to bring the industry together, to share information and to understand the kaleidoscope that is the Asian video industry. It is important that we continue this ability to convene, to bring members together not as competitors, but as an industry, to discuss and debate the betterment of our industry.

In this first Asia Video Summit, we want to address the State of the Video Industry. Over the next two days we will look at this industry from many angles but for me the underlying question is one of business models and how we evolve and broaden our focus to encompass not only traditional means of delivery - what for many has been a secure and lucrative business model - to include new business models, in this more fragmented, more consumer-focussed world - one in which there are higher levels of engagement with content than ever before.

I also want to be honest about this conference though. We believe we have made this Asia Video Summit stronger than the old CASBAA Conventions, and it is my aim to continue this turnaround and hold stronger conferences and summits next year. But I want to remind people that we are not primarily an event organiser. We are an industry association focused on making the industry stronger and healthier. The policy, piracy and insight pillars are vital and we need your support to continue and grow this work. By attending this conference you are supporting these aims and I thank you. To our members, thank you for your support. We are more focused than ever before in delivering value to you through improving the video landscape. Stick with us. Help us to help you. And to our non-members, I have a simple message: Please become a member. We are all stakeholders in this industry, and we need everyone's support. We have a marketing desk outside where enquiries can be made.

I want to thank all of our speakers over the coming days, including the 5G summit on Thursday. I want to thank our supporting partners, our marketing partners, our media partners, you our delegates and, most especially, our sponsors, particularly our lead sponsor Create Hong Kong.

It now gives me great pleasure to welcome on stage to give his opening address our Guest of Honour, Dr Bernard Chan, Under Secretary for Commerce and Economic Development of the HKSAR Government. Dr Chan...