

5. The satellite telecommunications sector

Satellite communications and broadcasting represent the most important space-related commercial market. Revenues of satellite operators are mainly generated by sales of capacity (i.e. leasing of satellite's transponders: data links and bandwidth) and added value services. The bulk of the satellite communications business comes from television. By early 2010, there were 1.4 billion households with a television around the world, providing roughly five billion people access to TV programmes at home (ITU, 2010). In the OECD, 95% on average of all households have at least one television (OECD, 2009). The number of households around the world with direct-to-home (DTH) satellite dishes rose from 82 million in 2000 to 177 million in 2008 (ITU, 2010). As shown in Figure 5.1 the number of direct broadcast satellite (DBS) subscribers outnumbers the numbers of terrestrial and cable broadcast viewers in 11 countries (particularly Austria, New Zealand, Germany and Ireland). DBS has already penetrated the mobile market particularly in Japan and Korea, as users can subscribe to satellite services and watch TV programmes using a mobile handset. Overall, the revenues generated by satellite telecommunications transmissions are estimated at more than USD 70 billion in 2010 (World Teleport Association, 2010). The delivery of multi-channel television via satellite has spread rapidly over the last decade, with 113 satellite operators worldwide, beaming over 15 000 channels to more than 130 million subscribers in over 85 countries (Northern Sky Research, 2010). As a result of mergers in the early 2000s, four operators (Intelsat, SES, Telesat and Eutelsat) account for about 75% of the global fixed-satellite services business worldwide with revenues estimated from USD 10 to almost 15 billion, depending on the source (Figure 5.2). In 2010, records were broken in revenue generation, despite the economic crisis, as the end-customers were relatively unaffected (i.e. the general public still watched television, the military still needed to communicate, ships at sea were still required to send data via satellites). In addition to satellite operators, the revenues of operators of very small aperture terminals (VSAT) networks grew 30% between 2006 and 2008, to about USD 3.7 billion (Comsys, 2010). One key driver comes from government-funded projects to guarantee universal access to the telecommunications grid for rural communities in South America, Africa and Asia. Showing resilience during the economic crisis, demand for satellite communications should continue growing over

the next couple of years in both OECD and non-OECD countries boosted by increased numbers of users in mobile telephony, broadband, and high-definition and 3D TV programming.

Methodological notes

The satellite telecommunications' value chain is complex. This is also reflected in the data presented in this section, with estimates coming from both public and private sources (e.g. market surveys).

Sources

- Comsys (2010), *Annual VSAT Report*, 11th Edition, Report prepared by Simon Bull, Comsys, London, January.
- International Telecommunications Union (ITU) (2010), *Monitoring the WSIS Targets: A Mid-term Review*, World Telecommunication/ICT Development, Report 2010, International Telecommunications Union, Geneva.
- Northern Sky Research (2010), *Global Direct to Home (DTH) Markets*, 3rd Edition, Washington DC, September.
- OECD (2009), *OECD Communications Outlook 2009*, OECD Publishing, Paris.
- Satellite Industry Association (2010), *State of the Satellite Industry Report*, Report prepared by Futron Corp., Washington DC, June.

Further reading

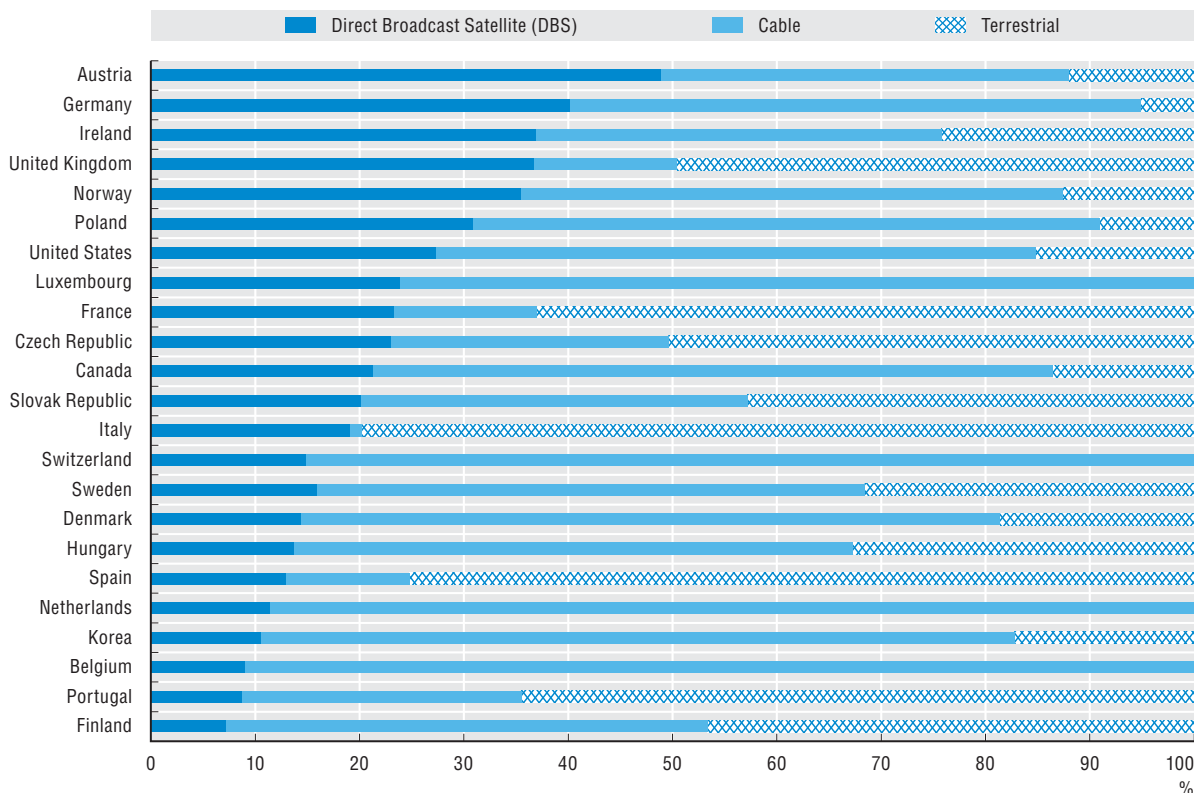
- OECD *Information Technology Outlook*, Annual Report, www.oecd.org/sti/ito.

Notes

- 5.1: Japanese terrestrial subscribers are not included because DBS statistics were higher than total households with television sets. This is due to the inclusion of mobile television subscriber data.
- 5.2: Not adjusted for inflation.

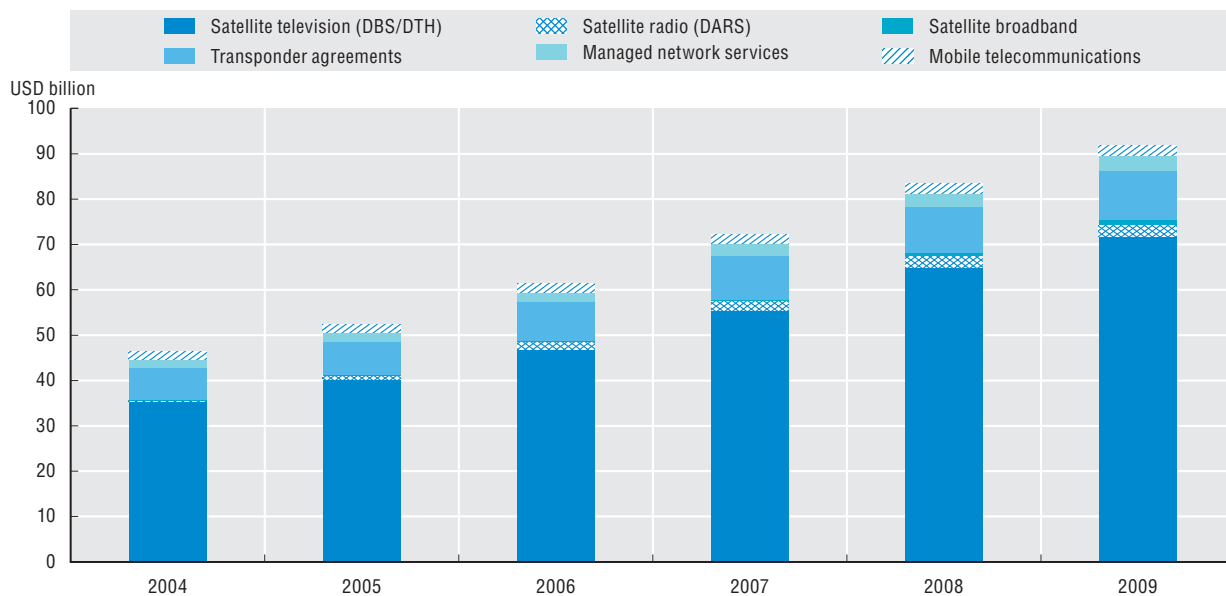
5.1 Breakdown of television access by distribution type: Terrestrial, cable, direct broadcast satellite

2006 or latest year, percentage of households with a television



Source: OECD (2009).

5.2 Estimates of satellite communications and broadcasting revenues (2004-09)



Source: Satellite Industry Association (2010).



From:
The Space Economy at a Glance 2011

Access the complete publication at:
<https://doi.org/10.1787/9789264111790-en>

Please cite this chapter as:

OECD (2011), "The satellite telecommunications sector", in *The Space Economy at a Glance 2011*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264113565-10-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.