

The primary driving forces for the growth of satellite services and transponder leasing in the region of Asia-Pacific will be the applications in video distribution and other upcoming networking applications. The success of these applications will depend upon the ability of the operators to comprehend these developments and build up plans and ways of taking advantage of these applications.

By the year 2011, it is expected that video and direct-to-home (DTH) satellite services will comprise a share of around 59.5 percent of the total transponder leasing done in the Asian market. This will, however, depend on the scope in the growth of video programming and the bandwidth requirement for such high-definition programming.

Over the same time period, spanning the years from now upto 2011, internet trunking and telephony applications over satellite transmission are, however, expected to decline or at least remain static.

The primary factor that is driving the growth in the market of the commercial satellite transponder is the outburst of video applications and the subsequent necessity for larger bandwidth to distribute them.

However, the deployment of satellite applications might get hampered owing to the fierce competition from terrestrial wireline and wireless technologies. The rules and regulations of followed in certain countries in Asia may also act as barriers to the entry of satellite services and lead to a slower rate of adoption of these satellite services. Another crucial obstacle for the growth of satellite operators would be the intrinsic drawbacks in satellite technology, such as susceptibility to weather conditions.

Surprisingly Asia accounts for the largest share in the total global satellite transponder capacity which is 34 percent. It comprises the maximum number of commercial satellite operators than any other regions around the globe. In spite of this fact, the utilization rate suggested an average of only 34.7 percent in 2006. No doubt then that as a result of the presence of 24 active satellite operators in the Asian region and with such high under-utilized capacity, the competition is bound to be quite intense.