



Expectations for the future

Thaicom was established in 1991 as a satellite operator and services provider. The company has expanded greatly since its foundation, and currently has five satellites in orbit, including THAICOM 4 or IPSTAR-1, the world's first high throughput satellite (HTS). Today, Thaicom provides broadcast, telecommunications, mobility and Internet services to commercial entities, enterprise and government customers from its base in Thailand. Amy Saunders spoke with Paiboon Panuwattanawong, CEO at Thaicom, to find out more about the company's presence, activities and expectations for the future.

Question: Can you provide an overview of Thaicom's development since its founding in 1991?

Paiboon Panuwattanawong: From day one we have been working hard to be a customer centric organization, providing customized broadcast and broadband satellite communications services that are aimed at meeting the specific needs of Asia-Pacific's DTH operators, TV broadcasters, ISPs, telcos and government organizations. From Content Delivery Networks (CDN) for Asia-Pacific's media industry, to mobility services for aviation and maritime applications, our more than 25 years of experience in providing cost-effective satellite communications and customized solutions in combination

with outstanding customer support are what makes Thaicom a trusted partner.

We launched THAICOM 1 in 1993, THAICOM 2 in 1994, and THAICOM 3 in 1997 to serve the broadcast industry in Asia. We quickly became one of the leading satellite operators in the region. We have launched seven satellites so far and have five satellites currently in operation. With THAICOM 4, also known as IPSTAR 1, we were the first satellite operator in the world to launch a broadband satellite in 2005 – now commonly called high throughput satellite (HTS). In the following years, we could successfully expand our operations into markets such as Australia, New Zealand, Japan, China and more recently African countries.

Our broadcast platform at 78.5 degrees East is one of the premier video channel neighbourhoods in Asia. In May 2016, we launched our latest satellite THAICOM 8, to expand our servicing capacity and footprint in Asia and Africa.

Today, Thaicom is one of the few satellite operators worldwide and the only Asian operator to develop and market customized, end-to-end satellite communications solutions for the broadband and broadcast sectors. I take much pride in our engineering teams who support this mission with leading-edge, innovative solutions. In fact, we were the first operator back in 2014 to introduce inflight connectivity (IFC) on Ku-band to the airline industry in Asia. Thaicom was also the first operator in



Paiboon Panuwattanawong, CEO at ThaiCom



the world to provide MPEG2 service more than 15 years ago. Our Smart Broadcast Platform - which is the first end-to-end platform for IP multicast over satellite in Asia - delivers content to smart devices anywhere and anytime for linear TV on-demand and OTT services. In 2017, ThaiCom satellites board a combined 900 TV channels with more than 120 in HD format and growing.

Question: Which end-user markets and geographic regions are key to ThaiCom's operations, and how have they changed over the years?

Paiboon Panuwattanawong: Our end-user markets and regional focus have not changed much in recent years, but as we know, the industry is going through a lot of changes right now. Technological disruptions such as OTT are posing significant threats to the satellite industry, putting not only enormous pressure upon ThaiCom's

market position and growth, but upon the satellite industry as a whole.

The resulting dynamically shifting market behaviours and increasing competition among satellite industry players have led to a significant drop in revenues and market share in the last two years. But with threats come opportunities. In order for ThaiCom to stay ahead of the curve in response to the disruptive trends in our industry we have embarked on several initiatives. In essence, we are moving closer downstream to the end-user in order to offset the declining satellite wholesale market, drive our consumer broadband business and provide nationwide broadband connectivity in selective markets such as Oceania. We are also focusing on the mobility sectors including maritime to provide true high-speed connectivity at sea. Our new China-built satellite will be launched by late 2019 and together with our old and new partners alike, we will accomplish our mission.

In regard to the DTH market, our new Smart Broadcast Platform provides multicast and multiscreen content delivery. For more than 25 years we have helped broadcasters and the media industry grow new audiences and reach more markets and plan to do so for the next 25 years. In a world where broadband and broadcast are converging more and more and IP based multicast content delivery is becoming the norm, we are well prepared to meet all future challenges.

Question: In 2005, ThaiCom was the first satellite operator to launch a high throughput satellite (HTS) into orbit. How has the market for HTS

services developed since then?

Paiboon Panuwattanawong: In the late 90s when we embarked on the IPSTAR programme no one could foresee what glorious future would lie ahead for high throughput satellites. The IPSTAR platform was originally designed for consumer broadband and the delivery of high speed Internet to the many people living in unserved or underserved areas in Asia-Pacific. It is widely known that IPSTAR has proved to be a real game-changer in the satellite industry with its lower cost per bit value proposition. The steady development of new ground technology including hubs and antennas has really helped the rise of HTS in recent years. Nowadays, HTS can deliver speeds comparable to fibre networks - unthinkable 10 years ago. Obviously, HTS has come a long way, providing the huge amount of capacity needed to fuel the massive data demand and new applications.

So, in regard to HTS capacity, there is no doubt that there is a growing demand for broadband services in the future which will lead to a lot of competition and interesting developments in regards to future LEO and MEO satellite constellations and other ways to connect the unconnected.

ThaiCom has proved the business case for GEO HTS with IPSTAR a long time ago. Therefore, we believe that there continues to be a strong market for GEO satellite enabled broadband services and we will continue to invest in our broadband satellite programme.

Question: ThaiCom is a major player in the broadcast sector. How has the advent of 4K affected ThaiCom's operations, and how big an impact do you expect 8K and virtual reality to have in the future?

Paiboon Panuwattanawong: I foresee satellite will continue to play a significant role in complementing other technology platforms due to the increasing consumption of data and the proliferation of UHD as growth drivers.

The broadcast sector is currently marked by two major changes. Firstly, UHD has seen a significant uptake in recent years. The other shift is in consumer behaviour. Consumers want anywhere, anytime connectivity wherever they roam, on land, at sea or in the air. No doubt this will lead to an exponential growth of data consumption and satellite is part of it.

To deal with these changes, satellite





operators must ensure not only capacity, but also solutions to address customers' needs. At Thaicom, we have already set UHD as key in our strategic direction, even though the UHD broadcast market is still a few years from gaining traction, especially in the developing economies in Asia including Thailand.

Question: OTT services have made a significant impact on the viewing habits of consumers in Europe and North America. How does this compare to viewing habits in Asia, and is it affecting Thaicom's broadcasting operations?

Paiboon Panuwattanawong: Although the DTH market and linear TV are still on a strong growth trajectory in many Asian markets, the future video market in Asia will be going through huge changes as viewers gravitate towards OTT services. There are signs of declining pay TV subscription numbers even in the developing economies in Asia. In order for us to stay ahead of the curve we must adapt to this emerging new ecosystem where broadcasters can only survive and grow their business if they provide more of what viewers want in terms of how they access content. So, in a situation of declining advertising revenues from traditional linear TV and changing viewer habits, how can our customers deliver new multiscreen formats including UHD and explore new markets at the same time? Thaicom is embracing this new challenge. We are working hard to provide quality HD distribution platforms and IP multicast over satellite services for our customers so that they can efficiently distribute their programming and still grow their markets.

Question: In 2016, THAICOM 8 was launched by SpaceX to provide coverage over Asia and Africa. How have operations of the latest satellite been to date, and is demand over the region developing as expected?

Paiboon Panuwattanawong: With THAICOM 8 we are providing a total solution for media clients in Asia and Africa with excellent Ku-band coverage. The satellite enlarges Thaicom's footprint over high growth South Asia and Africa markets where it strengthens our broadcast platform at the 78.5 degrees East longitude position. THAICOM 8 enables us to provide added satellite capacity to meet the

long-term growth needs in those markets, able to support the high demand for capacity of the broadcasting industry as it transitions from standard definition to high and ultra-high definition and digital broadcasting. We also designed THAICOM 8 to power our smart broadcast platform including IP based multicast and multiscreen content delivery services.

Question: With THAICOM 4/IPSTAR-1 surpassing 10 years of operations, Thaicom has started to plan for its replacement. Can you outline the project timeline as it stands, and elaborate on the selection of China Great Wall Industry Corp. for both manufacture and launch?

Paiboon Panuwattanawong: We want to launch a replacement satellite for IPSTAR 1 and could secure several anchor customers early on in the planning stage. But, unfortunately, we have run into multiple issues with the Thai administration over rights to spectrum and orbital slots. In effect, the ongoing issue has slowed the development of a replacement satellite significantly and thus we are looking for alternatives.

IPSTAR 2 is not to be confused with the other HTS satellite to be constructed and launched by China Great Wall. We signed a contract with China Great Wall last year. Scheduled for launch in late 2019, the new Chinese built satellite will carry a Ka-band payload with 37GHz of capacity, which is equivalent to a throughput of 53Gbps. This new satellite will cover a large area of East and Southeast Asia, including China and Japan.

Question: What plans does Thaicom hold for the rest of 2017 and beyond?

Paiboon Panuwattanawong: Like most other satellite operators, we are currently facing tough price pressures.

The demand for satellite capacity was flat in 2016, and 2017 is no different. 2016 was a tough year for our broadband business. For example, in Australia our contract with the National Broadband Network (NBN) is ending this year due to the launch of NBN's own satellites. But the demand in other markets such as Indonesia and the Philippines will help compensate for a weaker Australian market. This gives us reason to believe that the broadband market will bounce back.

The global fixed satellite service market is crucial for Thaicom going forward and will grow steadily until 2020. Thaicom has adopted business models that enable us to offer value-added services including uplink services, teleports, and MCPC to name but a few. The FSS market presents an opportunity for us to leverage our core competencies. What's more, we intend to expand our presence in Asia and other regions through investments and partnerships. One example is our recent agreement with China Great Wall Corp. (CGWIC) for the construction and launch of a high throughput Ka-band broadband satellite. The satellite is scheduled for launch in late 2019.

In order for Thaicom to remain competitive, we need to set the controls now and invest in the company's transformation and improve overall competitiveness. It is important to use the current softness in the market to develop new business and investment strategies in order to come out strong of the crisis that the satellite industry is experiencing right now. Having said that, we have been working hard to improve our end-to-end service offering, move further downstream, and align our organisation to better meet the demands of our customers in response to the ongoing price decline in the satellite wholesale market. This, we think, is the way to move forward. ■





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