Chapter 1

Summary & forecasts

Digital TV growth continues apace, with 67 million households to be added in 2008. This will bring the global total to 343 million, meaning digital penetration of TV households at 24% by year-end. The North American penetration rate will exceed 77%, with Western Europe at 63%. A further 62 million digital homes will be added to the total in 2009.

By 2013, half the world's TV homes will receive digital signals – or 636 million households. This indicates that digital growth will accelerate as the decade progresses, especially outside North America and Western Europe. More than 293 million digital homes will be added between end-2008 and end-2013.

China will be a major contributor to this increase, accounting for 79 million of the extra homes. Other significant rises will come in the US (30 million more), Japan (14 million) and India (26 million). These four countries combined will take half the additional digital households. However, most countries will experience significant additions to their digital household total.

Digital TV household composition in 2013 (million)

	Cable	DTH	IPTV	DTT#	Freesat#	Total TV*
Asia Pacific	147	36	22	26	15	676
Europe - East	15	13	5	10	9	134
Europe - West	35	31	17	59	16	174
Latin America	16	9	2	3	0	124
Middle East@	2	2	0	2	11	22
North America	75	38	8	11	0	133
Total	**290**	**129**	**54**	**111**	**51**	**1,262**

Source: Informa Telecoms & Media

 # Homes not paying to receive cable, DTH or IPTV signals

**** includes digital and analog homes***

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Cable will be the main source of digital TV households, bringing in 290 million homes by 2013. Pay DTH will be the next most popular delivery system at 129 million. Digital cable overtook pay DTH during 2007. There will be 111 million DTT homes and 51 million freesat homes (both of which do not subscribe to cable, satellite or IPTV services) and 54 million households paying to receive IPTV signals.

However, 627 million homes will still take analog signals, so digital growth is likely to extend way beyond the forecast period. The North American market will be very close to complete digital conversion by 2013, with Western Europe also enjoying high rates. Penetration rates will vary considerably from one country to the next, even within more 'developed' regions such as Western Europe.

Split of TV households by delivery system in 2013 (%)

	Digital Cable	Digital DTH	IPTV	DTT	Freesat	Analog
Asia Pacific	22	5	3	4	2	64
Europe - East	11	10	4	7	7	61
Europe - West	20	18	10	34	9	9
Latin America	13	7	2	2	0	76
Middle East@	9	9	0	9	50	23
North America	56	29	6	8	0	1
Total	**23**	**10**	**4**	**9**	**4**	**50**

Source: Informa Telecoms & Media

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By 2013, half the world's TV households will still receive analog signals, revealing plenty of scope for further digital growth. More than a fifth of homes will take digital cable, with high penetration in North America boosting this figure. Digital DTH will be strong in North America and Europe, but less so elsewhere. DTT will be taken by 9% of global TV households, but will be as high as 34% of Western European homes. Free-to-air satellite will appear in 4% of global TV households.

Digital TV homes (million)

	2007	2008	2009	2013
Asia Pacific	75	101	128	246
Europe - East	14	19	25	53
Europe - West	89	104	117	157
Latin America	8	11	15	30
Middle East@	8	10	11	17
North America	82	98	109	132
Total	**276**	**343**	**405**	**636**

Source: Informa Telecoms & Media

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At present, Asia Pacific, Western Europe and North America each have a similar number of digital homes – at around the 100 million mark. Although every region will grow in the next five years, Asia Pacific will really take off – by more than doubling its digital total.

By 2013, Asia Pacific will account for 39% of the world's digital homes, with North America taking 21% and Western Europe 25%. Asia Pacific will overtake North America in 2008, and will surpass Western Europe in 2009.

The US is forecast to have 90 million digital households (a quarter of the world's total) by end-2008. The US will add 19 million more digital homes between end-2008 and end-2013, taking 19% of the global total.

China will be the largest digital nation by 2013, having overtaken the US that year. China will gain 79 million digital homes between 2008 and 2013 to reach a total of 123 million. The top five countries will account for 55% of the global total in 2013.

Digital TV homes as a % of TV households

	2007	2008	2009	2013
Asia Pacific	13	17	21	36
Europe - East	11	15	19	39
Europe - West	54	63	70	90
Latin America	8	10	13	24
Middle East@	41	49	56	79
North America	66	77	85	99
Total	**24**	**29**	**34**	**50**

Source: Informa Telecoms & Media

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Half the world's TV households will receive digital signals by 2013, up from 24% at end-2007 and 29% at end-2008. North American penetration will reach 99% by 2013. By end-2007, the UK had the highest digital penetration rate, at 87%.

Finland will be the first country to achieve complete digital switchover - by end-2008. By 2013, six countries will be completely digital, 14 countries will be above 90% digital penetration and 34 countries will exceed 50%.

Digital cable TV homes (million)

	2007	2008	2009	2013
Asia Pacific	32.1	49.7	68.0	147.5
Europe - East	2.6	4.4	6.6	14.8
Europe - West	16.0	20.4	24.2	34.7
Latin America	3.1	5.0	7.1	16.3
Middle East@	0.7	0.8	1.0	1.5
North America	44.2	52.4	60.0	75.4
Total	**98.7**	**132.7**	**166.6**	**290.2**

Source: Informa Telecoms & Media

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The rapid conversion of cable homes is probably the most exciting area for digital television. About 34 million new digital cable subs are forecast to be added in 2008, with similar numbers expected in 2009 and 2010. The total will reach 290 million in 2013.

The Asia Pacific region is enjoying fast growth, and is expected to be the largest digital cable region by end-2009. The US is forecast to have 68 million digital cable homes by 2013, behind China with 102 million subs. The top five countries will take 72% of the total in 2013.

Digital cable TV homes as a % of TV households

	2007	2008	2009	2013
Asia Pacific	5	8	11	22
Europe - East	2	3	5	11
Europe - West	10	12	14	20
Latin America	3	4	6	13
Middle East@	4	4	5	7
North America	35	41	47	57
Total	**9**	**11**	**14**	**23**

Source: Informa Telecoms & Media

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Digital DTH homes (million)

	2007	2008	2009	2013
Asia Pacific	16.4	19.5	22.5	35.8
Europe - East	6.8	8.5	9.8	13.5
Europe - West	25.7	26.8	27.8	31.0
Latin America	5.3	6.1	6.8	8.8
Middle East@	1.2	1.4	1.5	1.9
North America	33.3	34.6	35.6	38.1
Total	**88.8**	**96.9**	**104.0**	**129.1**

Source: Informa Telecoms & Media

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By end-2008, there will be 97 million digital DTH homes, or 29% of the global digital total. However, DTH's influence will wane as cable, IPTV and DTT become more commonplace – to 21% of the global total by 2013. DTH took 51% of the digital total in 2000.

Despite this, the number of digital DTH homes will increase by 32 million between 2008 and 2013. North America, Asia Pacific and Western Europe are forecast to have 36 million, 31 million and 38 million digital DTH homes respectively by 2013.

Digital DTH homes as a % of TV households

	2007	2008	2009	2013
Asia Pacific	3	3	4	5
Europe - East	5	7	7	10
Europe - West	16	16	17	18
Latin America	5	5	6	7
Middle East@	6	7	7	9
North America	27	27	28	29
Total	**8**	**8**	**9**	**10**

Source: Informa Telecoms & Media

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About 8% of the world's TV households pay to receive digital DTH signals. However, penetration varies considerably from one country to the next. Some countries, such as Singapore, are never expected to host a DTH platform either because of the relatively small populations or due to government attitude or because cable penetration is already very high.

However, penetration in other countries, such as New Zealand (58%), Malaysia (54%), Ireland (49%), Poland (43%) and the UK (37%), will be high by 2013.

IPTV homes paying for TV services (million)

	2007	2008	2009	2013
Asia Pacific	3.6	6.2	8.8	22.4
Europe - East	0.5	1.1	1.7	4.8
Europe - West	4.8	7.5	9.3	16.5
Latin America	0.0	0.1	0.3	2.0
Middle East@	0.0	0.0	0.1	0.5
North America	1.7	3.0	4.0	8.4
Total	**10.6**	**17.9**	**24.3**	**54.5**

Source: Informa Telecoms & Media

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Much of IPTV's growth has come from incumbent telcos finding new ways to deliver TV signals, especially after the European telcos were ordered to dispose of their cable interests. DSL upgrades are relatively cheap to carry out and TV signals are an easy add-on to high-speed internet and telephony offers, so fast growth is expected in some countries, especially those with low cable penetration.

Many IPTV operations are considered more of a customer retention tool (via triple-play packages) than a stand-alone commercial operation. A lot of telcos are virtually giving away IPTV services to attract customers to triple-play options.

By end-2008, there are only likely to be 18 million paying IPTV subs. However, this figure is forecast to rise to 55 million by 2013, with Asia Pacific and Western Europe providing 71% of the total – or 39 million subs.

France is the largest IPTV nation at the moment, but it is likely to be overtaken by the US and China in 2010. US IPTV operators have enjoyed some success despite high cable and satellite take-up.

IPTV homes as a % of TV households

	2007	2008	2009	2013
Asia Pacific	1	1	1	3
Europe - East	0	1	1	4
Europe - West	3	5	6	9
Latin America	0	0	0	2
Middle East@	0	0	0	2
North America	1	2	3	6
Total	**1**	**2**	**2**	**4**

Source: Informa Telecoms & Media

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Despite the rapid growth, IPTV is only ever expected to be a niche TV delivery platform. By 2013, 4% of the world's TV households will take these signals, with the penetration rate reaching 9% in Western Europe. By country, the highest penetration by far will be in Hong Kong, with half the homes subscribing. Singapore will be in second place, but a long way behind at 20%.

Digital terrestrial TV homes # (million)

	2007	2008	2009	2013
Asia Pacific	9.9	11.9	14.1	25.7
Europe - East	0.5	1.0	2.2	10.2
Europe - West	31.3	37.3	42.4	58.9
Latin America	0.0	0.2	0.6	3.1
Middle East@	0.0	0.1	0.3	2.3
North America	3.2	7.9	9.8	10.6
Total	**45.0**	**58.5**	**69.3**	**110.9**

Source: Informa Telecoms & Media

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 # homes that do not pay for cable, DTH or IPTV signals

DTT is enjoying rapid growth as governments, mainly in Western Europe and the US, mandate analog terrestrial switch-off. As a primary TV source, DTT is usually only taken in homes that do not want to pay for cable, DTH or IPTV services. However, it has proved popular for use on secondary sets (for example, in bedrooms or kitchens) as box prices are low.

From 1.4 million homes in 2000, the global total is forecast to climb to 58.5 million by end-2008 and rocket to 110.9 million by 2013. Western Europe is the stronghold for DTT take-up, and will still supply more than half the total by 2013.

The UK is the world's leader for primary DTT homes, with 9.6 million expected by end-2008. However, it will fall to fourth place by 2013 when it will be overtaken by Italy, Spain and France – all of which have low cable penetration.

Digital terrestrial TV homes as a % of TV households #

	2007	2008	2009	2013
Asia Pacific	2	2	2	4
Europe - East	0	1	2	8
Europe - West	19	23	25	34
Latin America	0	0	0	3
Middle East@	0	0	1	10
North America	3	6	8	8
Total	**4**	**5**	**6**	**9**

Source: Informa Telecoms & Media

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 # homes that do not pay for cable, DTH or IPTV signals

Only 5% of the world's TV households are expected to take DTT signals by end-2008. However, this figure will escalate to 9% by 2013. DTT will have little influence in North America due to the high cable and satellite penetration. By 2013, only 8% of North American homes are expected to receive DTT signals, though the rate will be 34% in western Europe.