



October 4, 2019

Independent Communications Authority of South Africa

Block B, 350 Witch-Hazel Avenue,

Eco Point Office Park, Centurion

Eco Park, Centurion

Phone: (012) 568 3000/1

Attention: **Violet Molete**

Email: vmolete@icasa.org.za

Dear Madam,

Subject: Independent Communications Authority of South Africa (“ICASA”) – Inquiry into subscription television broadcasting services, draft Findings Document dated issued by the ICASA April 12, 2019 (“Draft Findings Document”)

We write to you on behalf of Star India Private Limited (“Star”), one of the largest media and entertainment companies globally, a wholly owned subsidiary of the Walt Disney Company and licensors of a wide variety of sports content to Supersport International Pty. Ltd. (“Supersport”) including the International Cricket Council’s events (2015-2023), the Indian Premier League (2018-2022) and BCCI international cricket (2018-2023). In the ensuing paragraphs below, Star has put forth its limited perspective on the potential impact on any sports ecosystem as a result of dilution of sports media rights without reference or assessment of the cause for any such dilution.

I. Overview about Star:

Star has defined the Indian media landscape for over two decades and is one of the country’s leading media conglomerates, reaching approximately 785 million viewers a month (January 2019) across



India and more than 100 other countries. Star generates ~17,000 hours of content every year and broadcasts more than 60 channels in 8 different languages, reaching ~8.6 out of every 10 Cable and Satellite TV homes in India. Star has also developed a strong presence in the digital space through the web and mobile offering namely “Hotstar”, which it owns and operates through its wholly owned subsidiary, Novi Digital Entertainment Private Limited. Hotstar, is an over-the-top (OTT) video content platform available on mobile and connected TV platforms, which has established itself as India’s largest online destination for premium video content since its launch in 2015. Star currently holds the global TV and digital media rights to the International Cricket Council (“ICC”), Indian Premier League (“IPL”), Asian Cricket Council (“ACC”) and the Board of Control for Cricket in India (“BCCI”) matches. It also holds the Indian sub-continent rights to broadcast cricket matches conducted by other international cricket boards – such as New Zealand Cricket and Bangladesh Cricket Board as well as several other marquee sports events including the Premier League, Bundesliga, the Wimbledon Championships, the U.S. Open, the French Open, the Indian Super League, Formula One, the Pro Kabaddi League and the Kabaddi World Cup, matches conducted by the International Hockey Federation (FIH), and the Badminton World Federation (BWF), among others.

II. Sports Ecosystem:

Globally, investment from the media and broadcasting sector is the biggest source of revenue for sports federations and organisations. Not only does the sale of broadcast rights help underwrite the substantial expense involved in conducting sports events, it also plays a key role in sustaining the development framework for the respective sports by funding training, infrastructure, as well as player / athlete livelihood. Towards this end, broadcasters take on significant upfront financial risk by committing to high value contracts across multiple events with rights owners such as the ICC, BCCI, ACC, etc.

The ability to take on such upfront risk is dependent on the nature of rights which are available. Within that, exclusivity of sports broadcast rights is a key-criteria which helps broadcasters recoup their investment. Absent exclusivity a broadcasters’ ability to garner subscription revenue as well as



advertiser interest would be challenged. Any impact on revenues for a media organization would naturally result in depressed interest in the sport / event in the following media rights cycle, which in turn would impact the revenues available to the sports authority to plough back into the sports ecosystem. In countries like India, where State largesse is prioritized for more pressing needs such as poverty alleviation, sanitation, housing etc., the impact on a sporting ecosystem would be even more acute than developed nations which dedicate significant sums towards the growth of sports.

Broadcasters also tend to use the revenues derived from more “established sports” to develop fledgling or new sports with a view to not only gain commercial benefit but to also help in the growth and sustenance of a new sport. Limiting the nature of broadcast rights available therefore may lead to an adverse impact on sports as a whole .

III. Conclusion:

It is critical for the sustained growth of sport that broadcasting revenues continue unabated. We humbly submit that a balanced, long-term approach may be adopted which advances public interest while incentivizing private investment. We firmly believe that fostering an environment where private broadcasters compete in fair, transparent, rights acquisition processes guarantees them the ability to monetize and leverage rights to content to ensure the growth and future of sport.

You will appreciate that our submission is a general perspective on the sports ecosystem as a whole. We thank you in advance for allowing us to provide this macro perspective. Please feel free to contact us should you have any questions or require any clarifications in relation to this submission.

Regards

Mihir Rale

Authorised Signatory