

**Welcome address by Mr Martin Mokgware, Chief Executive of Botswana Communications Regulatory Authority (BOCRA) on the occasion of the National Broadcasting Conference. 16-18 October 2018, Travel Lodge**

Director of Ceremonies

Hon. Onkokame Kitso Mokaila, Minister of Transport and Communications

Mr. Kabelo A. Ebineng, Permanent Secretary Ministry of Transport and Communications

Board Members here present

Chief Executives

Directors of Government Departments

Distinguished Conference facilitators

Media Fraternity

Conference Delegates

Ladies and Gentlemen

Good Morning! It gives me great pleasure to welcome you to the 2018 National Broadcasting Conference this morning. I wish to extend a special welcome to all our regional and international guests. We are truly grateful that you made time to come and share with us your experiences and expertise to help us develop our infant broadcasting sector. We are looking forward to benefitting from your experiences.

The National Broadcasting Conference is one of the initiatives by the Botswana Communications Regulatory Authority (BOCRA) intended to offer our industry stakeholders the opportunity to reflect and make input on key issues that impact the broadcasting industry.

Conventional broadcasting, just like the rest of the communications sector, has been experiencing disruption due to technological advancements. Therefore, the theme: “**The Future of Broadcasting in the era of emerging technologies**” was chosen to allow you delegates to explore how emerging technologies can be leveraged to advance this important sector. Since this is a gathering for the broadcast media, we also took the opportunity to apprise participants of the mandate and initiatives that BOCRA, as the sector regulator, is involved in.

Conventional broadcasting placed all the power in the hands of the broadcasters who had the latitude to package content and schedule programming as they deemed fit. In other words, they unilaterally determined when and how the broadcast content should be consumed by their customers. As a consumer, it was incumbent upon you to ensure that your time was aligned to the programming for you to benefit or you would miss out. With the advent of modern communications technologies, the power is shifting, if it has not already shifted, from the hands of broadcasters into the hands of the consumers. Increasingly consumers have the power to decide what to watch, when to watch it and how to watch it. Over The Top services (OTTs) providers studied changes in consumer patterns, an offered solutions that revolutionised delivery of broadcasting content by giving consumers the choice to consume broadcasting content per their own convenience.

Director of Ceremonies, I am aware that I am speaking to the converted but allow me to share my limited understanding of the concept of OTTs, particularly as it relates to broadcasting. OTTs providers are entities that distribute broadcasting content (audio, video and other media) directly to consumers over the internet without the involvement of another party in the control or distribution of the content. Netflix, Amazon and Apple TV come to mind as common OTTs known to consumers globally in the broadcasting sector.

The International Telecommunication Union (ITU) estimates that there are over 2 billion devices connected to the internet. This phenomenal amount of connected devices makes OTT broadcasting a very attractive option for wider reach to consumers. Compared to traditional broadcasting, both terrestrial broadcasting and pay TV, OTTs offer a wide range of content, a lot of which cannot make it to traditional broadcasters’ platforms. OTTs also offer consumers flexibility of time and place for viewing the content as well as the flexibility of price options. In 2016 OTTs were reported to generate annual revenues in the order of some 25 billion US Dollars, with a projected growth of 20%. These are significant figures from which the broadcasting industry need to cash. However, the figures contrasted sharply with declining revenues for traditional broadcasting.

You may recall that ten years ago, it was projected that by now traditional broadcasting, as we know it, will be dead as OTTs take over. The reality is that traditional broadcasting has continued to survive despite these challenges, and the reasons for the survival are part what this conference need to interrogate. The biggest strength of traditional broadcasting, in my view, lies in its ability to harness, package and deliver content with local flavour. Unlike OTTs, traditional broadcasters enjoy closer proximity to their audience, which gives them the edge as they have the opportunity to package relevant niche content. The large international OTTs like Netflix, Amazon, Apple TV etc are not positioned to package local content that can dynamically meet the needs of local communities. This reality can be expected to remain true for the foreseeable future.

However, as pressure mounts on traditional broadcasters, it is important that they demonstrate agility to reposition themselves to withstand competition from OTTs. In recent times, OTTs have stepped up the game and are now competing with broadcasters for the rights of premium sports content. Amazon has managed to secure English Premier League rights for 2019/20 season and will be streaming the games live alongside traditional broadcasters. This move will certainly continue to pile pressure on broadcasters.

We have also seen satellite subscription TV beginning to offer value add services like Catch Up, Box office. Similarly, Broadcasters are now all streaming their content live and are providing podcasts. In the United Kingdom, public service broadcasters like BBC, Channel 4 and ITV have partnered to launch a streaming service to compete with OTTs. Elsewhere in Europe, traditional broadcasters react to the pressure from OTTs by entering into similar types of partnerships. It is abundantly evident that traditional broadcasters need elaborate strategies for dealing with OTTs.

The jury is still out to determine whether or not the growth of OTTs is a bad thing. As a regulator we encourage a healthy competition as we believe that it will benefit both the economy and consumers. We are, however, alive to the regulatory challenges that OTTs bring to the market. Unlike traditional broadcasters, OTTs do not hold jurisdictional licenses, making it difficult for regulators to have oversight control over them. Often traditional broadcasters have argued that one sided regulation, in terms of content, levies, social obligation and tariffs is to the benefit of OTTs. Admittedly, the argument that competition while the playing field is not level is unhealthy, is persuasive.

Suffice to point out that there is increased global activity to deal with this matter. Some countries require OTTs to have local offices; some even go to the extent of licensing OTTs to provide services while others subject them to taxation. As Botswana we are following these developments with keen interest. We actively participate in International Telecommunication Union (ITU) to explore global multi-lateral framework for internet and OTT services. We will be participating in the ITU Plenipotentiary Conference at the end of this month where conversations on this matter will ensue.

Before I conclude Director of Ceremonies, allow me to point out that lately even OTTs are threatened by the emerging concept of Blockchains. Initially conceived for management crypto currencies like bitcoins, the concept of Blockchains is gaining traction and threatens to revolutionise broadcasting content consumption. As you may be aware, blockchains remove the central authority, in this case the OTT provider, thereby presenting viewers with the opportunity to play an active role in content acquisition through joint funding. With the use of Artificial Intelligence, content distribution can then be personalised and localised to viewers. This phenomenon is coming thick and fast.

BOCRA has recently authorised three (3) Subscription Internet Protocol Television (IPTV) providers to enhance competition on the subscription television market which has so far been delivered through satellite. Two service providers have already rolled out the IPTV service. As a regulator we will actively explore means to provide a conducive environment for all types of broadcasting.

In conclusion ladies and gentlemen, we leave in very exciting and challenging times for both the service providers and the regulator. The regulatory mandate of balancing the interests of all the stakeholders has never been more demanding. However, we have a role to ensure the sustainability of the broadcasting service for the future generations.

My task today is to welcome all stakeholders. I felt duty bound to share the regulatory perspective in this matter that I believe all of us here will have very strong positions on. Once again let me extend a hearty and warm welcome to all of you and wish this conference the success that we all wish to see for the benefit of the industry.

I welcome you and thank you for your attention.