

**Interregional Seminar on the Transition from SECAM to Digital TV Broadcasting
Kiev, Ukraine, 13 - 15 November 2000**

Opening ceremony

Esteemed Mr.
Distinguished guests from the broadcasting industry,
Ladies and Gentlemen,

I am honoured to have the privilege of addressing you today and welcoming you to this Seminar, co-sponsored by both the ITU/BDT and the Ukrainian State Centre of Radio Frequencies and Supervision for Telecommunications.

Let's take a close look at the present broadcasting industry developments.

Recent doubts and scepticism towards the digital technology-based products and systems in the field of broadcasting are gradually fading out. The industry and broadcasters themselves are getting closer to the understanding that the future of the broadcasting is digital and the manufacturers' product range is becoming predominantly digital. The situation at the moment is such that the broadcasters will be forced sooner or later to go digital when the time comes for rehabilitation of present broadcasting systems or even more to build up new ones, primarily because of cost considerations. Even today, to stay analog in broadcasting plants is more expensive than going digital and, to put it mildly, is considered unwise. Some broadcasters have nevertheless already gone digital. While this process has led to a similar operational cost to produce and process TV programmes, for example, (around 93 per cent of the operational budget), there was a drastic fourfold reduction of the transmission cost. To the CEO of the broadcasting organization this would seem a negligible improvement of the efficiency because the transmission cost weight is only around 6 to 7 per cent of the operational budget. To him/her, the transition to digital would give no sizeable cost advantage if one would take into account the investment associated with this and all the hurdles involved. But for the government regulators and operators, the improvement of the spectrum efficiency associated with going digital into the broadcasting brings an important strategic advantage. More spectrum might be allocated to the ever-demanding more and more mobile operators and freshly appearing service providers.

We have to underline the quick progress being made in the field of the interactive broadcasting systems and the wide use of upcoming multimedia services.

Let us now have a look at the television domain in particular. Study in Switzerland has revealed that the structure capital investment in the TV broadcasting chain for this country is divided roughly into three categories:

- TV programme production - between 8 to 9 per cent
- signal transmission - 6 per cent
- household appliances and devices - all the rest.

This example illustrates the weight and investing power of the viewer/listener within the overall broadcasting chain. The viewer/listener is the biggest shareholder, but is he participating on an equal footing during the standardization process? I am afraid the answer is negative.

Any new broadcasting standard must provide attractive added value of content and technical quality, exceeding the investment cost to the viewer/listener. It is well known that the environment, culture and standard of life differ from country to country and even within a country. Nevertheless, the low cost expectations for new products are unquestionable. The large-scale production enables meeting of the low-cost goal. The manufacturing industry must develop new technology and products in order to stay competitive. Sizeable investment in this domain, however, was wasted simply because the system or product was not agreed to be standardized. Manufacturers and operators recently are teaming up in consortiums, etc., with the objective to reduce the risks involved, create their own system (predominantly of a proprietary nature), standardize it and conquer the market. It is not rare that systems competing for approval by the standardization bodies are incompatible. In field of the digital TV broadcasting, we are also deprived to enjoy a single worldwide standard. We all know that agreeing common standards is complex and extremely difficult but this is well worth to foster balance between conflicting interests and pursue the objective of global standardization and in particular this consideration is of great concern to developing countries. The real challenge for ITU is to succeed in agreeing on unique common standards in a digitally-based convergence environment but not to catalogue regional or other standards. Broadcasting organizations, governments and the broadcasting industry must cooperate and reach consensus at the ITU meetings on agreeing worldwide standards.

Regrettably however, it is a real adventure to rightly choose a digital broadcasting system at the right cost, technical quality and guaranteed after sale service. Without open worldwide standards within the digital broadcasting domain and the multimedia digital transport environment, the near future may well turn into a hell for the CEOs and senior engineers mandated to manage the broadcasting entities and for the end user/consumer. Open worldwide standards will make the life of everybody much easier in the upcoming converged but fragmented world of computers, broadcasting and communications.

Ladies and Gentlemen,

On behalf of the Director of BDT and the ITU Regional Office for Europe, I would like to thank the team of our hosting organization for choosing such a lovely site to be the venue of this Seminar.

Allow me to thank you and the eminent speakers for sharing their valuable experience and time with us in spite of your very busy schedules.

I urge you to make full use of the opportunity given to you over the next three days and wish you the greatest success.

Thank you all.

13th November 2000, Kiev, Ukraine

Petko KANTCHEV
Coordinator TAG
BDT/ITU