



digital TV research

Global Pay TV Forecasts

May 2018

Background

- The forecasts for this white paper are taken from three reports published by Digital TV Research:
 - [Global Pay TV Subscriber Forecasts](#)
 - [Global Pay TV Revenue Forecasts](#)
 - [Global Pay TV Operator Forecasts](#)
- These forecasts cover 138 countries for every year from 2010 to 2023

The future of global pay TV

- Pay TV subscriber numbers will continue to increase – reaching 1,100 million by 2023; up from 1,006 million at end-2017
- However, pay TV revenues will fall from \$201 billion in 2017 to \$183 billion in 2023
- How can subscriber numbers increase but revenues fall? Many of the new subscribers will be in emerging markets where subscription fees are low. Furthermore, many subscribers are converting to triple-play bundles, which means lower revenues for TV.



Despite poor results in some countries, there is still plenty of life left in pay TV.

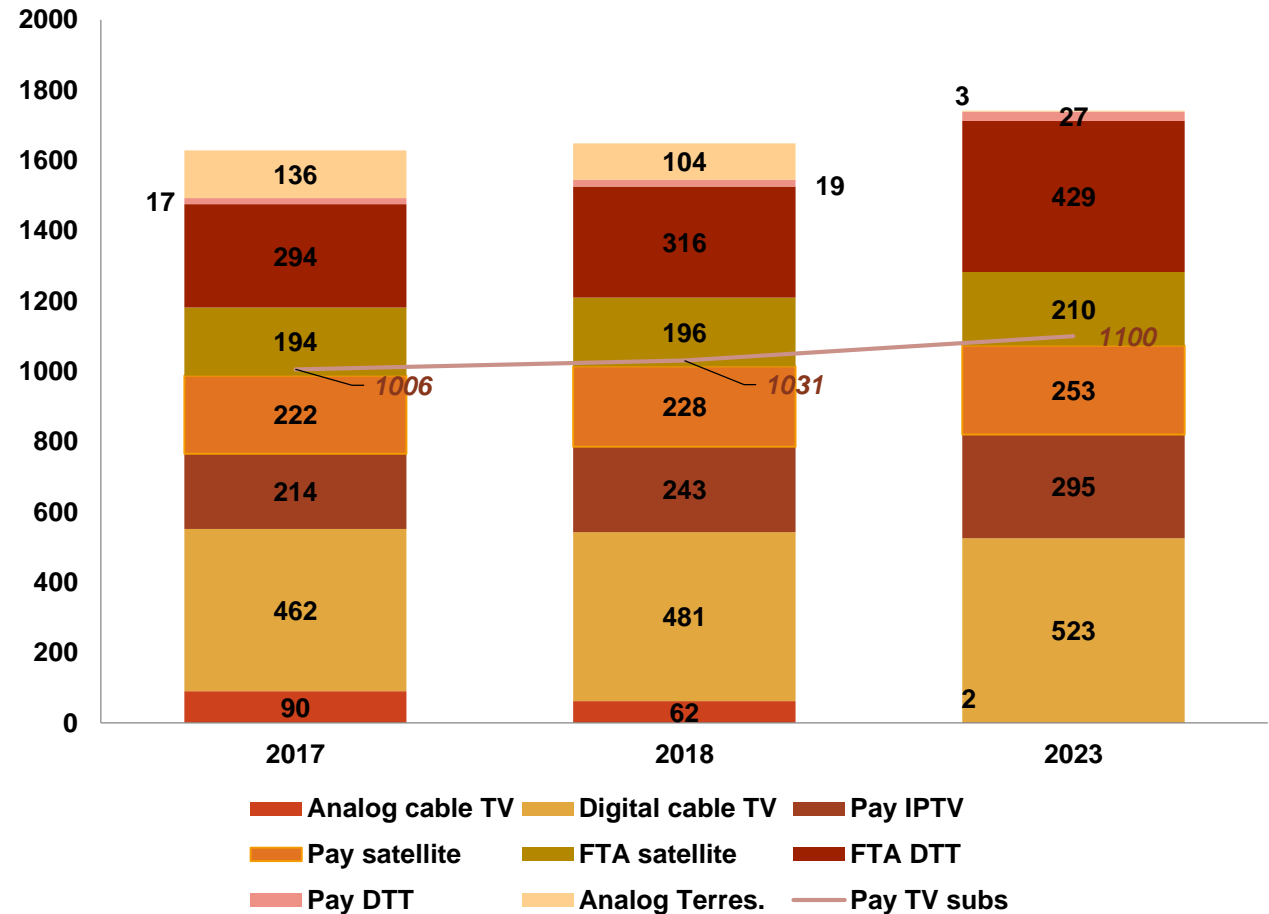
Digital TV Research forecasts 95 million additional pay TV subscribers between 2017 and 2023 to take the global total to 1.1 billion. The number of pay TV subscribers passed 1 billion in 2017.

IPTV will win 81 million new subs. IPTV will overtake pay satellite TV subs in 2018.

There were still 90 million analog cable TV subscribers by end-2017. Although this is down from 335 million in 2010, it still represents a major hurdle for pay TV operators to convert.

Excluding analog cable TV, digital pay TV growth is really impressive – rocketing from 380 million subs in 2010 onto 915 million at end-2017 and to 1,099 million by 2023.

Global TV households by platform (million)



Top 10 countries by pay TV subscribers (million)

		2017		2023	
1	China	342	1	China	375
2	India	152	2	India	180
3	USA	90	3	USA	80
4	Russia	41	4	Russia	40
5	Germany	25	5	Germany	26
6	Japan	24	6	Japan	23
7	Mexico	19	7	Brazil	20
8	South Korea	19	8	Mexico	20
9	Brazil	18	9	South Korea	18
10	UK	16	10	Pakistan	16
Source: Digital TV Research Ltd					

China and India will together provide half the world's pay TV subscribers by 2023. China will continue to supply about a third of the world's pay TV subscribers. India will bring in another 16% of the total by 2023.

The top five countries will account for 64% of global pay TV subscribers by 2023. The next 15 countries will bring in a further 19%. Therefore, the top 20 countries will contribute 83% of pay TV subs by 2023.

The US will be the biggest loser – down by 10 million subscribers. About 26 of the 138 countries covered will lose subscribers between 2017 and 2023.

Top 10 operators by subscribers (million)							
	Operator	Country	2017		Operator	Country	2023
1	China Radio & TV	China	220.0	1	China Radio & TV	China	201.4
2	China Telecom	China	85.5	2	China Telecom	China	121.6
3	BesTV	China	27.5	3	BesTV	China	39.1
4	AT&T	USA	22.9	4	Comcast	USA	20.1
5	Comcast	USA	21.3	5	Dish TV	India	18.8
6	Charter	USA	16.5	6	AT&T	USA	17.1
7	Dish TV	India	14.5	7	Tata Sky	India	16.6
8	Hathway	India	14.1	8	Hathway	India	16.6
9	Tata Sky	India	12.8	9	Charter	USA	15.5
10	Siti	India	12.5	10	Airtel	India	14.8

Source: Digital TV Research

The top 50 operators accounted for two-thirds of the world’s pay TV subscribers by end-2017, with this proportion not expected to change over the next five years. By end-2017, 15 operators had more than 10 million paying subscribers. This will climb to 17 operators by 2023.

China Radio & TV is the world’s largest pay TV operator by a long, long way. Government policy to consolidate cable TV means that China Radio & TV quickly became the world’s largest pay TV operator, with 220 million subs by end-2017 – more than the next eight operators combined. However, China Radio and TV will lose subscribers to IPTV and OTT; falling to 201 million subs by 2023.

The number of US traditional pay TV subscribers will fall from 100 million in 2012 to 90 million in 2017 and down to 80 million in 2023.

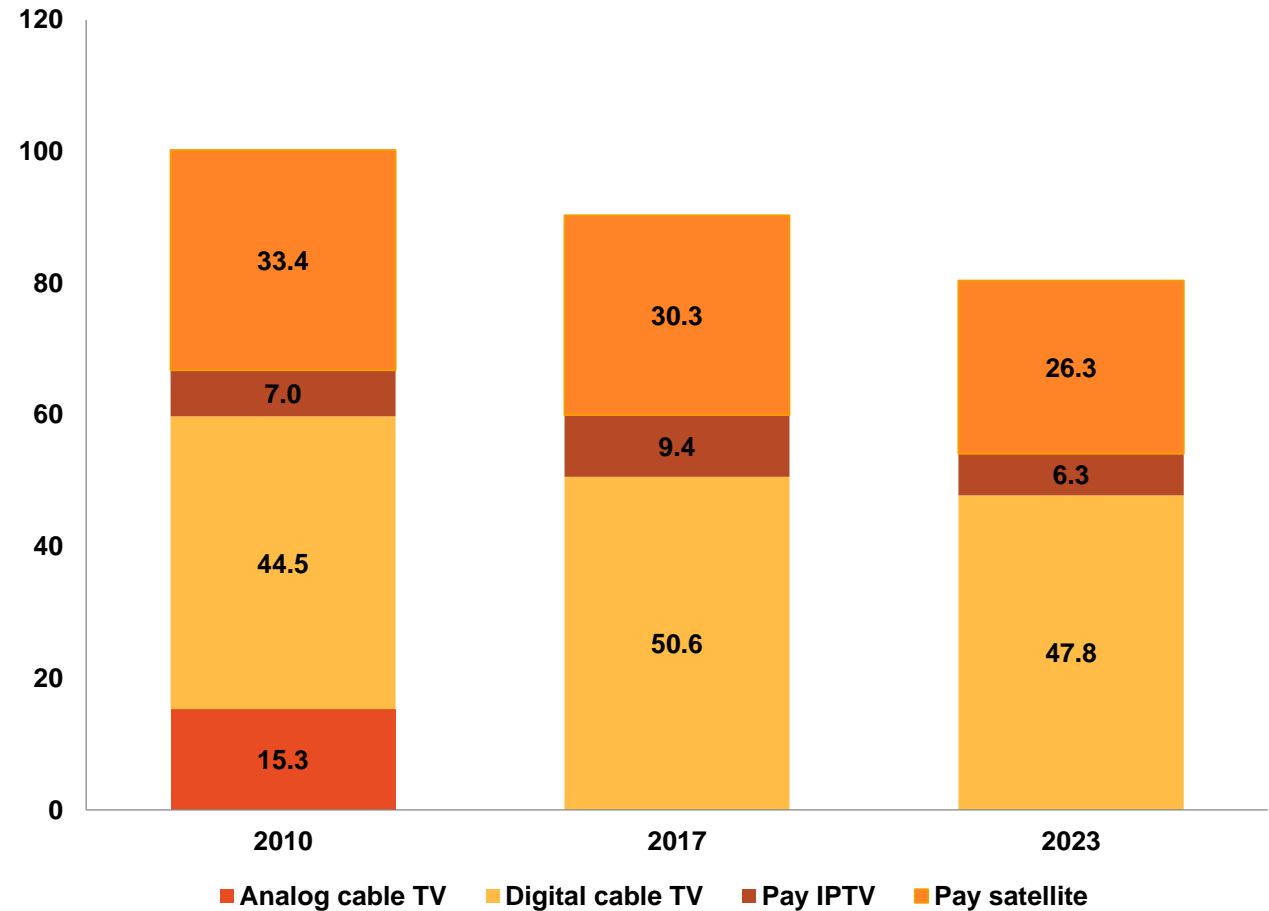
Cable operators have already been hard hit, but now IPTV and satellite TV operators are also affected.

Cord-cutting is a factor. Traditional pay TV operators, especially cable ones, have been accused of charging too much for TV services.

Cord-cutting has been exacerbated by the traditional pay TV operators launching vMVPD [virtual multichannel video programming distributors] services.

Satellite TV platform Dish provides Sling TV and DirecTV Now has started. Other distractions include Hulu and HBO Now.

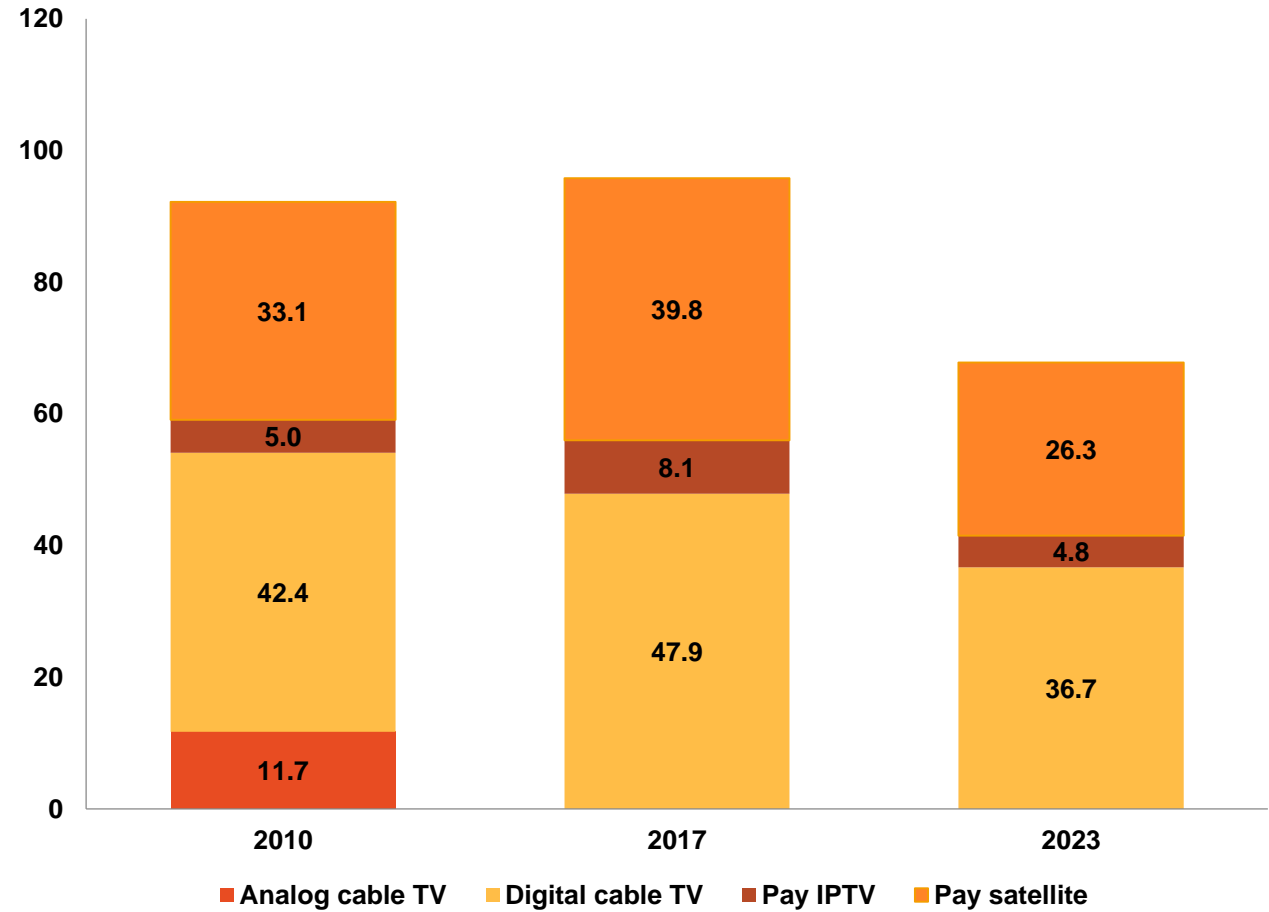
US pay TV subs by platform (million)



Subscribers will spend less on pay TV, partly due to homes dropping some packs, partly due to competition (including SVOD) forcing operators to offer cheaper packs and partly as more homes convert to bundles (which are less lucrative for TV than standalone subs).

US pay TV revenues peaked in 2015, at \$102 billion. A \$27 billion decline is forecast between 2015 and 2023 to take the total down to \$75 billion.

US pay TV revenues by platform (\$ million)



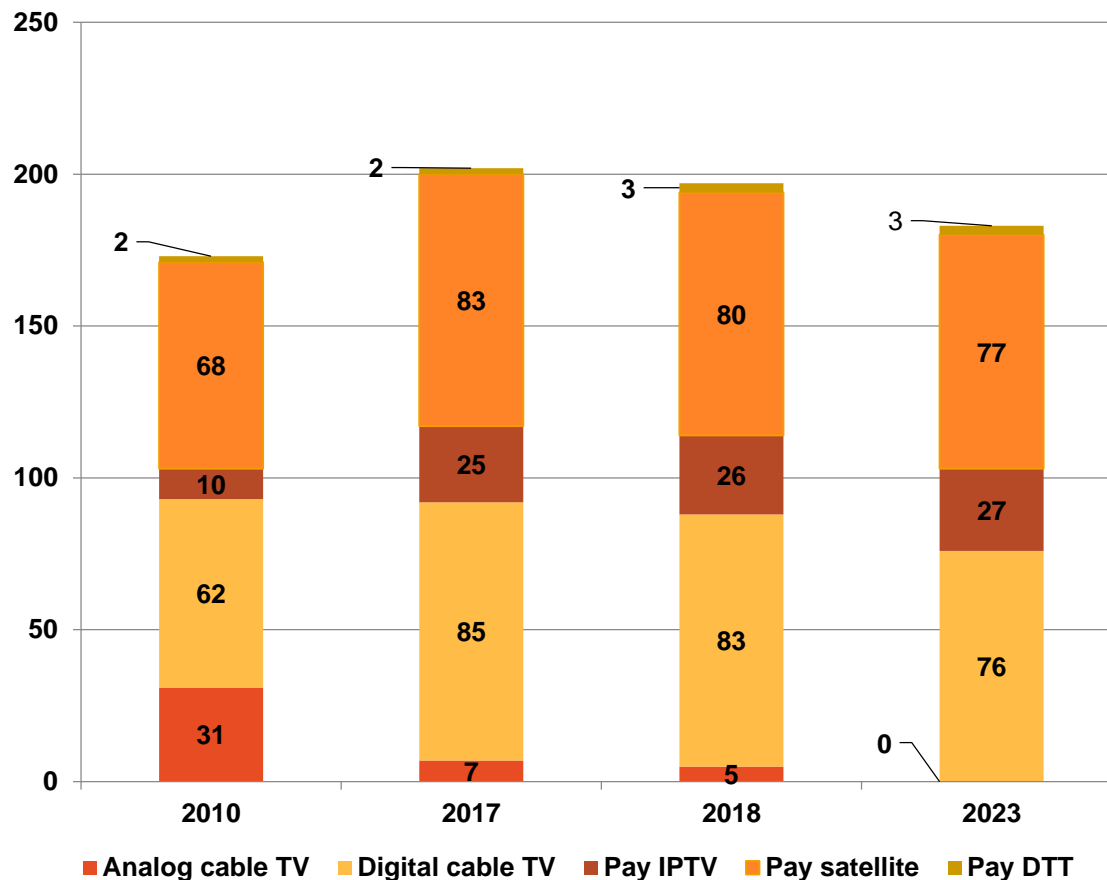
Global pay TV revenues [subscription fees and PPV movies and TV episodes] peaked in 2016 at \$205 billion.

Revenues will fall by 11% to \$183 billion in 2023, despite the number of pay TV subscribers rising by 9%.

Revenues will fall in North America by a huge \$22 billion between 2017 and 2023. The global decline will be \$19 billion, so the other regions will grow. Western Europe will lose \$2 billion but Asia Pacific will record a \$3 billion increase.

Despite its rapidly falling revenues, North America will still command 44% of global pay TV revenues in 2023. However, this is way down from the 57% recorded in 2010.

Global pay TV revenues by platform (\$ billion)



Top 10 countries by pay TV revenues (\$ million)

		2017		2023	
1	USA	95,774	1	USA	75,127
2	China	11,842	2	China	12,766
3	Japan	7,451	3	Brazil	7,005
4	Brazil	7,196	4	Japan	6,828
5	UK	7,046	5	UK	6,418
6	Canada	6,733	6	India	6,209
7	India	4,654	7	Canada	6,014
8	France	3,953	8	Italy	3,652
9	Italy	3,793	9	Germany	3,611
10	Germany	3,694	10	France	3,462

Source: Digital TV Research

Eight of the top 10 countries will lose pay TV revenues between 2017 and 2023. Despite losing \$20 billion in revenues, the US will still account for 41% global pay TV revenues in 2023.

China will gain nearly \$1 billion in pay TV revenues between 2017 and 2023 to take its total to \$13 billion - still a long way behind the US.

India will provide the largest increase in pay TV revenues at \$1.6 billion.

Top 10 operators by revenues (\$ billion)							
	Operator	Country	2017		Operator	Country	2023
1	AT&T	USA	30.7	1	AT&T	USA	23.6
2	Comcast	USA	20.0	2	Comcast	USA	15.4
3	Charter	USA	15.6	3	Charter	USA	11.9
4	DISH Network	USA	12.3	4	DISH Network	USA	10.4
5	China Radio & TV	China	8.6	5	China Radio & TV	China	7.4
6	Sky	UK	5.3	6	Sky	UK	4.6
7	Verizon Fios	USA	3.9	7	China Telecom	China	3.8
8	Cox	USA	3.7	8	Sky	Brazil	3.7
9	Sky	Brazil	3.6	9	Verizon Fios	USA	3.3
10	Altice	USA	3.2	10	Cox	USA	2.8

Source: Digital TV Research

All of the top 10 operators in 2017 will lose revenues over the next five years. With much lower ARPUs and despite high numbers of subs, Asia Pacific's top operators are less prominent in the subscription and PPV revenue rankings than in the subscribers' list. This is where the US companies come to the fore – with six of the top 10 in 2017.

The good news is that 15 operators will add more than \$100 million between 2017 and 2023, with China Telecom up by \$1.4 billion. However, this is overshadowed by the bad news. Five operators, including four from the US, will lose more than \$1 billion in revenues.

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