

Sri Lanka Telecom starts IPTV

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Sept 23, 2008 (LBO) - Sri Lanka Telecom (SLT), the island's largest fixed access provider, has launched Internet Protocol Television (IPTV) with a target of reaching 7,000 customers by year end, officials said.

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IPTV uses SLT's wireline network to pipe video to customers who are already using Asymmetric Digital Subscriber Line (ADSL) connections.

SLT is now an affiliate of Malaysia's UT group.

Thusha Weerasuriya, chief executive of VisionCom, the SLT unit which runs the IPTV service, says his company has invested about one billion rupees so far, in building up a delivery platform.

VisionCom has a target of reaching 7,000 customers by the year end and 100,000 customers in three years.

An IPTV connection, which comes with a set top box, is sold for 9,950 rupees followed by a monthly fee of 1,000 rupees a month.

The service is now available in the greater Colombo area, Katunayake which is north of the capital Colombo, and Kalutara to the south, officials said.

It is also available in Kandy in the central province and Kurunegala in north western Sri Lanka.

At the launch, SLT's IPTV service had 14 international and 5 domestic channels including CNN, Al-Jazeera, BBC World and HBO. Officials say it will be eventually boosted to 40.

Discussions are on the pipeline with other channels like ESPN and Start Sports, Weerasuriya told LBO.

Officials did not reveal break-even subscriber levels.

Weerasuriya is also talking with education organizations who want to conduct virtual or online classrooms through IPTV with interactive capabilities, which would boost average revenues per user (ARPU).

Other value added services are video on demand, music video and a movie library.

Video shuttling (where subscribers have playback and fast forward options) and interactive educational programs for children are also expected to boost revenues.

Dialog Telekom, a unit of Malaysia Telekom, is already offering a satellite TV service which had reached 100,000 customers. But its high operating costs resulted in large losses in the start-up phase.

There are also competing cable operators.

K S Chowdrey from Aksh Optifibre who attended the launch, says his firm became India's first commercial IPTV provider using Mahanagar Telephone Nigam copper lines.

Chowdrey says IPTV reversed a decline in fixed access services where subscribers were dis-connecting their lines with the wide availability of mobile phones.

Aksh IPTV's average revenue per user is between four to five dollars.