

## **Union Budget Impact on IPTV Industry**

Overall the Union budget 2008-09 is step towards a liberalisation to fuel economic growth.

The impact of this budget vis-à-vis IPTV is inferred from the benefits accruing to the DTH industry. The DTH industry in India is likely to witness a price cut in its services in near future, with the government proposing a cut customs duty to zero per cent from the existing 7.5 per cent on specified parts of set top boxes same may likely to be extended to IPTV Set top Boxes per say. Hence the benefits will be passed on to the consumers. At present, there is zero duty on import of set top boxes. The exemption of customs duty will bring broadcasting equipment like set top boxes on par with rates applicable on telecom equipment and provide a fillip to the DTH industry , IPTV services not mentioned but should be benefit as the same uses set top boxes.

The countervailing duty has been reduced from 16 per cent to 14 per cent, the cost of the customer premises equipment would go down to the similar affect and will benefit the DTH operator directly, and same could fuel growth of broadband penetration and ultimately large number of IPTV subscribers.

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