

Head of newly formed Jio Star puts faith in Indian TV after \$8.5bn Disney-Reliance merger

CHRIS KAY — MUMBAI

The head of Disney and Reliance Industries' newly merged \$8.5bn Indian entertainment titan plans to invest and "revitalise" television in the world's most populous country even as western media organisations increasingly see it as a dying medium.

Uday Shankar, vice-chair of Jio Star — the freshly formed company whose merger was completed yesterday — said traditional television revenue could experience "significant double-digit growth within the next several years" on the back of investment in innovative content ranging from dramas to soaps. "There is this whole narrative that television is dead and it's all about streaming," Shankar told the Financial Times

in Mumbai in his first interview since the combination was approved by India's regulators. "Television in this country for sure is not dead."

While lagging growth in online streaming, Shankar pointed to a still robust linear pay-TV industry as more Indians steadily join the middle class.

EY predicts TV revenue in India, from subscribers and advertising, will rise by 10 per cent to \$9bn in the three years through 2026, while TV ownership will climb at a similar pace to 202mn sets.

"A large number of people are coming into the economic mainstream every year," Shankar said. "One of the aspirational items of consumption that they acquire, or want to acquire, is a TV."

Shankar's comments came as he outlined his plans after Disney and

Reliance, the conglomerate run by Asia's wealthiest man Mukesh Ambani, agreed this year to combine their Indian entertainment assets.

The combined entity has more than 100 TV stations and more than 50mn

streaming subscribers. "It's a monster merger . . . there is no competition," said Shankar, a media industry veteran who will run the company, which is chaired by Ambani's wife, Nita. "We have to reinvent the market and make it



Sporting chance: Uday Shankar, vice-chair of Jio Star, is banking on the rising Indian middle class to drive growth in TV viewing

Dhiraj Singh/Bloomberg

much bigger." The joint venture came together after Disney battled to gain traction in India's huge cricket and film markets, which have both tempted and thwarted global media groups which have struggled with cost-conscious audiences and fierce local competition.

After Disney acquired Star India in 2019 from Fox, the business became a financial drag. Internal debate swirled on whether to exit the country entirely, particularly after Ambani's Reliance won the streaming rights to the wildly popular Indian Premier League short-format cricket tournament.

The new Jio Star, formed from these loss-making media businesses, aims to hit profitability within five years.

Investment bank Jefferies has compared its control over Indian sports

rights to that of ESPN in the US and Sky Sports in the UK.

Shankar said that "dominance in sports is highly overrated" and criticism of Disney and Reliance's hold was "somewhat uninformed because sports rights in this country are awarded to you for a frighteningly short period of time — it's anything from three to five years".

Punit Goenka, chief executive of Zee Entertainment, whose tie-up with Sony would have created a \$10bn rival to Jio Star before it collapsed this year, said he did not expect to see much change after competing with the duo previously as independent companies.

"Their entire strategy is sports-focused whereas our strategy is completely entertainment-focused," he said on an earnings call last month.