Satellite Transponder - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Satellite Transponder Market was valued at USD 14.14 billion in the previous year and is expected to register a CAGR of 3.87 % during the forecast period to become USD 18.76 billion by the next five years. Satellite transponders are minor chip-size circuits integrated into satellites to transmit the uplink data or information to the downlink and vice-versa. The development of new cost-effective satellite technologies, growing demand for telecommunication services, and availability of efficient and practical technological solutions coupled with growth in demand for Ku-band and Ka-band are likely to drive the satellite transponder market over the forecast period.

Key Highlights
-With the rise of internet penetration worldwide, broadband connectivity has become a critical source of information. This, coupled with the growing demand for high-speed internet, will significantly drive the demand for satellite transponders in the coming years. For instance, according to the ITU data, internet users worldwide increased from 3,729 million in 2018 to 4,901 million in 2021.
-The increasing demand for C band (which provides lower transmission power over vast geographic areas and typically requires larger ground equipment for reception) and Ku band (which offers higher transmission power over smaller geographic regions and can be received with smaller ground equipment) transponder by the commercial sector worldwide, is expected to augment the growth of the satellite transponders market in the future.
-In addition, satellite operators are now developing applications over the Ku-band and Ka-band frequency bands, which may facilitate increased transmission speeds and important information transfer with the usage of small ground equipment. Ka-band and Ku-band bandwidth/transponders' leasing is expected to account for the majority of the growth in the satellite transponder market. Of this leasing, Ka-band is expected to witness the highest growth rate in the forecast period.
-Moreover, growth in Ku-band service demand is expected to generate significant traction for satellite transponders over the

forecast period. Ku-band satellite communication systems are increasingly being deployed for various emergency communications during natural disasters and for satellite news gathering (SNG) by TV broadcasters in remote or rural areas where fiber and cable networks are unavailable.
-Further, with the emergence of the Internet of Things (IoT) and Industry 4.0 across the globe, broadband connectivity plays a crucial role in providing information to individuals. The telecom industry players are looking to lease satellite transponders to deliver broadband facilities to isolated places as well as across the globe. Various market vendors, such as Singtel, are capitalizing on the opportunity and offering extensive coverage, myriad transponder capacity bandwidths, and flexible satellite transponder lease services to fulfill business needs.
-During the COVID-19 pandemic, satellite communications enabled access to telemedicine to diagnose diseases or treat individuals who were quarantined, reducing the need for face-to-face interaction between healthcare personnel and patients. The applications of satellite transponders primarily supported such instances, thus positively impacting the market's growth. However, the impact of the COVID-19 pandemic on the global economy resulted in some satellite communication projects being postponed, delayed, and canceled, significantly impacting the satellite transponder leasing business.

Satellite Transponder Market Trends

Transponders Leasing as Service is Expected to Gain Significant Traction

- Transponder leasing is expected to gain significant traction in the satellite transponder market owing to fuelling the cost of transponders throughout the globe. In addition, the increasing demand to support bandwidth-intensive applications with reliability drives the need for transponder leasing in various applications.
- Satellite transponder lease service helps to connect businesses and communities globally. With the help of secure and reliable satellite connectivity, organizations can be connected wherever they are. The faster point-to-point access to new markets, flexible transponder leases, and stable on-ground control facilities help businesses get easier.
- Various prominent market vendors such as Thaicom and Singtel are continuously innovating their satellite transponder services to cater to the growing demand for advanced spectrum such as Ku-band to provide effective transponder leasing services for data, broadcast, and mobile backhaul connectivity across the world. In addition, market vendors are also providing flexible transponder leases, which is expected to influence the transponder leasing segment growth in the coming years.
- The leasing of communication satellite transponders is extremely dependent upon the adoption of HD video broadcasting and the widespread of High Dynamic Range (HDR) applications. Moreover, the advancement in new TV platforms coupled with an increase in subscriber base in OTT platforms is also augmenting the demand for transponder leasing, thus positively impacting the market growth.
- In addition, the growing need for reliable satellite-based communication in video distribution, broadband, and DTH is providing a promising future for the market's growth. The presence of major OTT and streaming platform players such as Netflix, Amazon Prime, etc., and its increasing subscriber base also aid the market's growth. For instance, according to the data from Netflix's Q4 2022 report, the number of Netflix paid subscribers rose to 230.75 million in Q4 2022 from 148.86 million in Q1 2019.

North America to Occupy Significant Share in the Market

- North America has been an extremely responsive market and has witnessed various technological changes over a long period. In many ways, the North American C-band video services segment is the major contributor to the growth of commercial satellite transponder leasing services. Overall, the satellite industry and satellite operators have realized the potential of Ka-band in delivering 4K-UHD (Ultra-high-definition) and OTT TV services. These evolving markets would drive demand for Ka-band

transponders in the North American region as the Ka-band transponders eliminate rain attenuation to a great extent.
- North American region is expected to amount to the largest share of the satellite transponder market over the forecast period. The extensive presence of key satellite transponder providers and the widespread necessity for secure and reliable satellite-based communication are contributing to the dominance of the North American region in this market.
- Moreover, as satellite communication technology continues to develop and advance, and the satellite communication capability continues to improve, the utilization of satellite communication is becoming increasingly widespread, and the quality of service in the area is continuously improving. In addition, there is a swift development owing to the augmented technology advancement of communications, electronics, aerospace, etc. Such factors are further augmenting the growth of the market in the region.
- Moreover, the number of commercial applications for location/navigation satellite signals is growing in the United States. The accurately and precisely timed signals emitted by the satellites are used for many purposes, including the control of automated farm equipment, the timing of signals for the wireless telephone industry emergency location services, and as the basis for a U.S. national air traffic control system.
- For instance, in April 2023, SpaceX announced the launch of Intelsat's IS-40e communications satellite to help the operator meet the growing demand for connectivity on planes while also carrying its first hosted payload for NASA. The satellite is equipped with Ku- and Ka-band capacity; the satellite weighed around six metric tons at launch and is designed to have roughly eight kilowatts of power.
- Similarly, in May 2023, SAIC, a U.S. defense contractor, announced a strategic partnership with GomSpace, a European manufacturer, to develop small satellites for U.S. government agencies, universities, and commercial firms. Through this partnership, SAIC aims to leverage its heritage and deep technical expertise in legacy space systems development and strengthen its position in the new space economy.
- The demand for advanced commercial imaging satellites for defense and security administration, emergency services, and homeland security is on the rise. The satellite industry in the region is also expected to witness increased investments in product development. The availability of advanced and innovative features in commercial satellites propels the growth of the satellite transponder market in the region.

Satellite Transponder Industry Overview

The satellite transponder market is moderately competitive and consists of several major players. In terms of market share, few major players currently dominate the market. SES S.A., Arabsat, Embratel Star One, Eutelsat Communications S.A., Hispasat, Intelsat S.A., and others are among the major players in the global Satellite Transponder market. The companies are involved in several growth and expansion strategies to gain a competitive advantage. Industry participants follow value chain integration with business operations in multiple value chain stages.

In May 2023, Inmarsat announced the introduction of its new Inmarsat-8 small satellites, which will be launched in 2026 to provide crucial safety services and support advances in emergency tracking. The three I-8 satellites will provide additional network resilience, securing the future of Inmarsat's global L-band safety services.

In September 2022, SES, one of the leading global content connectivity solutions providers via satellite and Republican Centre for Space Communications (RCSC), a subsidiary of the Ministry of Digital Development, Innovations, and Aerospace Industry, announced to offer high-speed connectivity services to organizations across Kazakhstan jointly. The services will be provided via O3b mPOWER, SES's second-generation non-geostationary (NGSO) satellite system. They will be made available to various industries, including onshore energy, mining, maritime, telecommunications, and enterprises via RCSC, offering these companies the opportunity to drive digitalization in the region with expanded high-performance network capabilities.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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