



House of Commons  
Foreign Affairs Committee

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# The Work of the BBC World Service 2008–09

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Third Report of Session 2009–10

*Report, together with formal minutes, oral and  
written evidence*

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# Conclusions and recommendations

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## Performance in 2008–09

1. We conclude that the strong performance of the BBC World Service across all media in 2008–09 is to be welcomed. We particularly welcome the unprecedented growth in online audiences, which exceeded all targets. (Paragraph 16)

## BBC Arabic television

2. We conclude that the early indications are that the BBC Arabic television service, now broadcasting 24 hours a day, has established itself as a trusted and valuable provider of news and discussion across the Middle East, and that it proved its worth during the recent Gaza conflict. We recommend that the World Service should supply us with the results of its latest survey of BBC Arabic television audience figures, broken down by country as soon as they are available. We further recommend that the BBC provide updated ratings for trust and impartiality, and comparable data for the BBC's main competitors, including Al Jazeera. (Paragraph 22)

## BBC Persian television

3. We conclude that the new BBC Persian television service provides an invaluable service to the people of Iran and to other Farsi speakers in the region by supplying an objective news service at this period of great tension. We further conclude that congratulations are due to all the BBC World Service staff involved in launching and delivering this service, despite difficult circumstances and active opposition. (Paragraph 34)
4. We welcome the temporary extension of the service to 24 hours of broadcasting, and regret that this was not able to continue due to financial restraints. We recommend that the provision of a 24-hour BBC Persian service should be a top priority for the World Service in 2009–10. We further recommend that all possible technical expedients should be used to ensure that the Iranian Government's attempts to block their citizens' access to objective news from the BBC does not succeed. (Paragraph 35)

## Other language services

5. We conclude that the changes to the BBC Turkish and BBC Afrique Service are in line with the strategic themes and priorities outlined by the BBC World Service. We recommend that the BBC World Service closely monitor the impact of these changes on audience levels and customer satisfaction, with a view to evaluating the impact of its strategic priorities. (Paragraph 41)

## Online and mobile technology

6. We conclude that the World Service's pro-active response to the rapid growth in online and mobile technology is welcome, in view of the huge potential of this technology for reaching large and new audiences. We agree with the World Service that the key challenge is to develop multimedia platforms while maintaining the quality of the existing radio service. We recommend that the World Service should inform the Committee of the outcome of its review of the mix of services in order to define strategic priorities which identify the most effective and efficient means to disseminate material and to maximise audiences and engagement. (Paragraph 48)

## China

7. We conclude that the partial liberalisation of media access to China during the Olympic Games was a temporary phenomenon, and that this is deeply regrettable. We welcome the World Service's efforts to overcome obstruction and restriction in China, and welcome the subsequent success of [bbcukchina.com](http://bbcukchina.com). We recommend that the Government should continue to insist to China that the broadcasting restrictions which are currently in place serve no useful purpose and should be lifted. (Paragraph 52)

## Russia

8. We conclude that the continuing difficulty in distributing radio content to audiences in Russia is deeply regrettable. We welcome the success of the World Service's strategy to overcome this by increasing investment in online and non-FM radio services. We particularly welcome the fact that this investment has resulted in expanding the World Service's impact in Russia through reaching new audiences. (Paragraph 57)

## Sri Lanka

9. We conclude that the decision to allow the World Service to resume broadcasting in Sri Lanka is to be welcomed. We recommend that the World Service notify us of any further delays, should any occur, after the Sri Lankan elections. (Paragraph 59)

## Rwanda

10. We conclude that it was very disappointing that the BBC World Service was taken off the air in Rwanda, and that the Rwandan Government refused to give interviews to the Great Lakes Service. We welcome the fact that the Rwandan Government are now giving interviews, and recommend that the Government through its mission in Rwanda take active steps to support the World Service in re-establishing confidence in its coverage in that country. (Paragraph 61)

## Azerbaijan

11. We conclude that the ban on international radio broadcasters in Azerbaijan is unacceptable, and detrimental to the interests of the people of Azerbaijan. We

recommend that the Government support the BBC in its attempts to resolve this difficulty and to restore the transmission of BBC FM broadcasting in Azerbaijan. (Paragraph 63)

## **Administration**

- 12.** We conclude that 2009–10 will be a difficult year for the World Service and that further cuts in staff and services should be avoided. We support the crucial work of the World Service and will continue to monitor the situation closely. We conclude that the BBC World Service is of key importance in providing a source of high quality and politically independent broadcasting worldwide. (Paragraph 72)





# 1 Introduction

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1. The Foreign Affairs Committee has conducted an annual inquiry into the FCO's expenditure plans and wider administrative matters since 1981. In 1991, government departments first began publishing annual departmental reports setting out their work for that year and expenditure plans for the future. Since that time the Committee, like most other departmental select committees, has used the relevant Department's reports as a basis for its scrutiny of the Department's administration and expenditure. We also scrutinise the work of the non-departmental public bodies associated with the FCO, the British Council and the BBC World Service. In previous years, we have considered the annual reports of both organisations as part of our over-arching inquiry into the FCO's Departmental Annual Report.<sup>1</sup> This year, we decided to publish separate reports on the work of the British Council and BBC World Service.

2. BBC World Service falls under the BBC's Global News division, which brings together the BBC World Service, BBC World, BBC Monitoring<sup>2</sup> and the BBC's international facing online news services. It predominately broadcasts over radio, although it has moved partly into foreign language television services and is pursuing a multiplatform strategy in order to “meet the challenges of a rapidly changing media environment”.<sup>3</sup>

3. BBC World Service is funded through a Grant-in-Aid from the FCO, allocated as part of the Government's Spending Review process. The World Service received £265 million from the FCO in 2008–09 financial year, an increase of £10 million from 2007–08.<sup>4</sup> BBC World Service has complete editorial and managerial independence; however, it reports performance against a number of measures agreed with the FCO annually as part of the accountability process. These measures support BBC World Service's aim to be the world's best-known and most respected voice in international news, thereby bringing benefit to the UK, the BBC and to audiences around the world.

4. The BBC World Service's Annual Review 2008–09 was published in July 2009. We took oral evidence from Peter Horrocks, Director of the World Service, Richard Thomas, Chief Operating Officer, and Behrouz Afagh, Head of Asia Pacific Region, on 4 November 2009. We also received written evidence.

## Key events and developments in 2008–09

5. In its memorandum to the Committee, the BBC World Service outlined key events and developments for the organisation in 2008–09. BBC Persian TV was launched in January 2009. In the same month BBC Arabic television moved to a full 24-hour schedule; initial audience figures for the channel indicated an average of 8 million weekly viewers. Other

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1 Foreign Affairs Committee, Second Report of Session 2008–09, *Foreign and Commonwealth Office Annual Report 2007–08*, HC 195, chapter 12

2 BBC Monitoring is no longer within the Foreign Affairs Committee's remit since the Cabinet Office took responsibility for its oversight from the FCO.

3 Ev 11

4 BBC World Service is principally funded by Grant-in-Aid. It should not be confused with BBC World, which is the BBC's commercially-funded international English-language television service.

developments included the roll-out of new, wider-page designs for websites with broadband quality video; video channels in six languages were launched on *YouTube*; and a growing number of mobile networks started showcasing BBC World Service content. The BBC World Service collected three Sony Radio Academy Awards at the 2009 ceremony, while the reporting year ended with the departure of Nigel Chapman and the arrival of his successor as Director, Peter Horrocks.<sup>5</sup>

## 2 Performance in 2008–09

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6. In 2007–08 the World Service’s performance measures were based on audience size, reach and awareness. They intended to support the World Service’s agreed objective to be the “best known and most respected voice in international radio and online broadcasting”.<sup>6</sup>

7. The 2008–09 Annual Review set out a new set of agreed objectives for the current Comprehensive Spending Review (CSR) period (2008–11). These are:

- to maintain radio audience levels in an increasingly competitive market, and to increase the audience overall through the newly-launched television service in Arabic;
- to increase impact for the BBC in the Middle East by extending the Arabic television service to a full 24-hour offer; and,
- to launch a BBC Persian television service, to reach audiences in Iran, Afghanistan and Tajikistan.

8. In support of these objectives, a number of new targets were agreed with the FCO for financial year 2008–09. The first two relate to TV and radio audiences and multimedia audiences. The second two relate specifically to the BBC Arabic and BBC Persian Services.<sup>7</sup> The first two are considered in the paragraphs which follow. Targets relating to the BBC Arabic and BBC Persian services are considered in more detail in chapters three and four below.

### Global audience

9. The first target for 2008–09 was to reach an estimated global audience on radio and/or television of at least 190 million adults a week. The overall audience reach figures for 2008–09 fell slightly below this target at 185 million. However, the World Service states that this figure does not include any audiences for BBC Persian television, which was included in the original target, but not then counted as that service was launched later than originally anticipated.<sup>8</sup> Online figures also are not included, as the FCO agreed target is for radio and television only.

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5 Ev 11

6 BBC World Service, *Annual Review 2007–08*, p 3 and Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2007–08*, para 304

7 BBC World Service, *Annual Review 2008–09*, p 22

8 *Ibid.*, p 23

10. There were 177 million radio listeners in 2008–09. Decreases in the number of listeners were noted in Nigeria, Kenya and Pakistan (where there was a general decline in short-wave users). Nevertheless, short-wave radio remains a key method of delivery in less developed parts of the world, accounting for 104 million listeners.<sup>9</sup> Digital short-wave took a significant step forward with the Digital Radio Mondiale consortium creating a new channel covering most of Europe with content that includes BBC World Service.

11. Notwithstanding the continuing importance of short-wave in some regions, the future of BBC World Service radio is increasingly focused on FM radio and on expanding the availability of FM services where possible. The World Service highlighted progress in securing new FM relays and partners in key markets such as Kenya, the Middle East and Bangladesh in 2008–09. In Kenya, five new FM partners were secured and in Bangladesh the FM network was expanded from three to seven transmitters, thereby extending the reach of the BBC's services to more than 40% of the population.<sup>10</sup>

12. In terms of television audiences, significant audience increases were measured in Egypt, Nepal, Saudi Arabia, Syria, Turkey and the USA. In Turkey a new current affairs television programme, launched in partnership with Turkish News TV, has increased audiences.<sup>11</sup> Decreases were measured in Nigeria, India, Pakistan, Kenya and Iran.<sup>12</sup> Furthermore, BBC Persian television went on air on 14 January 2009, and is available to a potential audience of more than 100 million Persian speakers in Iran, Afghanistan and Tajikistan.<sup>13</sup> In oral evidence in October 2008, the then Director of the World Service, Nigel Chapman, identified a figure of 7 million viewers as an “aspirational and longer term” target audience for the channel.<sup>14</sup>

### **Other audience evaluation measures**

13. In addition to measuring audience reach, the World Service also conducts a survey of its customers. In 2008–09 the survey considered measures of **objectivity, relevance, value and loyalty**. In 2008–09, the survey results for objectivity and relevance showed that BBC World Service scored higher than its nearest international competitor in four-fifths of the countries surveyed, and higher than its nearest international competitor in over three quarters of indicators. Ratings for value and loyalty were also measured in some markets; Bangladesh, Nepal, Nigeria and Liberia were amongst the countries where BBC World Service came out on top.<sup>15</sup>

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9 BBC World Service, *Annual Review 2008–09*, p 3

10 Ev 12

11 Ev 14

12 BBC World Service, *Annual Review 2008–09*, p 23

13 *Ibid.*, p 10

14 Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2007–08*, Qq 125–26

15 BBC World Service, *Annual Review 2008–09*, p 23

## Multimedia audience

14. The World Service’s second target for 2008–09 was to increase the impact of the BBC’s online offer through high-quality, on-demand multimedia services in key languages.<sup>16</sup> This target specifically reflects the World Service’s multimedia strategy to focus on supplementing traditional audiences with new audiences on “more rapidly growing platforms”.<sup>17</sup> The World Service noted that “online growth continued to outstrip predictions and all targets were exceeded”. The number of users reached 5.3 million, 17% higher than the 4.5 million target. Page views (text and audio) reached 66 million, exceeding the target of 60 million by 10%, while video views exceeded the target of 1.3 million by 26%, reaching 1.64 million.<sup>18</sup>

15. The World Service acknowledged that “while online audiences are currently considerably lower than the traditional audiences on radio and the large audiences available on TV, the potential future size of online audiences is enormous and this, together with the inevitable decline of short-wave radio, is the reason for significant investment in this platform and development in general”.<sup>19</sup> In oral evidence to the Committee in October 2008, the then Director, Nigel Chapman, cited the example of Russia, where the decline in both short-wave and medium-wave audiences were more than compensated for by the fact that the BBC Russian website was reaching 2–3 million people, about three times the level of radio audiences.<sup>20</sup>

**16. We conclude that the strong performance of the BBC World Service across all media in 2008–09 is to be welcomed. We particularly welcome the unprecedented growth in online audiences, which exceeded all targets.**

## BBC multimedia reach in Arabic

17. The third World Service target for 2008–09 was to deliver a high-quality news service in Arabic for the Middle East, including a 24-hour television service to reach at least seven million weekly viewers, as part of an overall BBC reach in Arabic of over 18 million weekly users. Countries covered by this service include Iraq, Syria, Lebanon, Egypt, Israel (Arabs only) and the Gulf (Saudi Arabia, Bahrain, Kuwait, UAE and Qatar).<sup>21</sup> Performance in relation to this target is discussed in chapter three.

## Multimedia news service in Persian

18. The final target for the World Service in 2008–09 was to deliver a high-quality multimedia news service in Persian. The targets for this service were:

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16 BBC World Service, *Annual Review 2008–09*, p 25

17 Ev 17

18 BBC World Service, *Annual Review 2008–09*, p 25

19 Ev 14

20 Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2007–08*, Q 112

21 Ev 21

- i. to reach at least three million weekly viewers, as part of an overall BBC reach in Persian of over 10 million weekly users; and
- ii. to have the highest reputational indicators of any international TV channel in the region, measured in Iran (and Afghanistan when possible).

Performance in relation to BBC Persian TV and the multimedia news service is discussed in Chapter 4 below.

### 3 BBC Arabic television

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19. BBC Arabic television was launched on March 2008 and is the BBC's first publicly funded international television news service. Following the provision of additional funding in the last Comprehensive Spending Review, BBC Arabic moved from broadcasting for 12 hours a day to a full 24 hours service on 19 January 2009, a development we welcomed in our last Report.<sup>22</sup> The World Service identified the timing of the expansion to a full 24-hour service as being "crucial": the Gaza conflict was under way, and 24-hour television coverage was an important element of BBC Arabic's service. The World Service specifically noted the interactive programme *Nuqtat Hewar* (Debating Point) as providing an opportunity for radio, television and online audiences to discuss every aspect of the conflict, including the BBC's controversial decision not to broadcast the Disasters Emergency Committee (DEC) Gaza Crisis Appeal.

20. Research undertaken by the World Service in Gaza found that two in five people spoken to in a telephone poll, who had watched BBC Arabic during the three-week period following the Israeli offensive launched at the end of December, said that BBC Arabic provided the best coverage of the crisis. Though the poll only surveyed a small group (all with operational landlines), it also showed the continued importance of radio during the crisis, when power supplies were restricted. Of those polled, 58% had used a BBC service of some kind, 40% had listened to BBC Arabic radio, 27% had watched BBC Arabic television and 10% had accessed [bbc.com](http://bbc.com/arabic). The BBC told us that high ratings were given for trust and impartiality.<sup>23</sup> Peter Horrocks confirmed that the service was "very widely used" in the West Bank and Gaza after the conflict.<sup>24</sup>

21. The number of users of BBC Arabic TV hit an initial high of 12 million in January 2009. While this has settled down to 8 million, levels remain higher than originally predicted, 1 million ahead of the 7 million target agreed with the FCO.<sup>25</sup> The overall weekly reach is over 18 million users of radio, television and online services.<sup>26</sup> No further estimates of the audience figure have been issued since the extension of the channel to 24 hours a day. However, research is under way, the results of which will be reported in time for the next global audience estimate in May 2010. BBC World's Arabic TV target for March 2011

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22 Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2007–08*, para 344

23 Ev 14

24 Q 5

25 Ev 21

26 BBC World Service, *Annual Review 2008–09*, p 24

is 25 million weekly viewers, as part of an overall BBC multimedia reach in Arabic of 35 million weekly users.<sup>27</sup>

**22. We conclude that the early indications are that the BBC Arabic television service, now broadcasting 24 hours a day, has established itself as a trusted and valuable provider of news and discussion across the Middle East, and that it proved its worth during the recent Gaza conflict. We recommend that the World Service should supply us with the results of its latest survey of BBC Arabic television audience figures, broken down by country as soon as they are available. We further recommend that the BBC provide updated ratings for trust and impartiality, and comparable data for the BBC's main competitors, including Al Jazeera.**

## 4 BBC Persian television

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23. In 2006, the Government committed £15 million annual funding to the World Service to support a daily eight-hour Farsi (Persian) television service. This was confirmed in the Comprehensive Spending Review 2007 settlement. We have previously welcomed this funding.<sup>28</sup> In preparation for the launch of Persian TV, the BBC World Service predicted a “strong impact” on Iran, and said that based on market and competitor assessment and surveys carried out in Iran it estimated that a national weekly audience of around 8 million was achievable, half a million of which would be based in Tehran.

24. BBC Persian television went on air on 14 January 2009, and is available within a geographical region which includes more than 100 million Persian speakers, in Iran, Afghanistan and Tajikistan. In principle, anyone with access to a satellite dish or a cable connection can receive live broadcasts, eight hours a day (though since June 2009 the service has been subjected to attempts by the Iranian Government to block transmissions – see paragraphs 28 and 33 below). Programmes are also available globally 24 hours a day via [bbcpersian.com](http://bbcpersian.com). In oral evidence to the Committee in October 2008, Nigel Chapman indicated the BBC's desire to be the market leader for Persian TV.<sup>29</sup> Results from a limited survey carried out in Tehran shortly after the launch indicated that BBC Persian TV had a weekly audience of 4.5% of adults and that there was a higher level of awareness for BBC Persian television than for Voice of America (VOA) television.<sup>30</sup>

### Audiences

25. BBC World Service's target for the channel is to reach at least 8 million weekly viewers in Iran by three years after launch, as part of an overall BBC reach across television, radio and online of 10 million weekly users within three years of launch.<sup>31</sup> There is a potential audience of over 100 million people who speak Farsi.<sup>32</sup> The Service expect the channel to

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27 Ev 21

28 Foreign Affairs Committee, First Report of Session 2007–08, *Foreign and Commonwealth Office Annual Report 2006–07*, HC 50, para 322

29 Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2007–08*, Q 124

30 Ev 13

31 Q 12

32 Q 11



draw significant additional audience outside Iran, and aim to reach 3 to 4 million viewers in Afghanistan as well as amongst the Persian-speaking diaspora in the Gulf and Europe. The total radio audience in Afghanistan (which is a combination of Pashto as well as Farsi/Dari) is about 10 million.<sup>33</sup>

26. While an accurate estimate of the current audience is “difficult”, Peter Horrocks told us that he was confident that the Service was meeting the 3 million target.<sup>34</sup> In follow-up evidence he said that “we believe that the audience figure for the channel exceeds the 3 million previously discussed, though he stressed that there is currently no research-based evidence available to support this statement at present.<sup>35</sup> The total figure for viewing and listening was estimated to be in the region of 5 million.<sup>36</sup> The World Service currently only has “incomplete information” in terms of viewer numbers as “audience research in Iran ... is a rather difficult activity to carry out”.<sup>37</sup> Audience research is currently underway, with figures expected to be available by the next global audience estimate in May 2010.<sup>38</sup>

27. Although BBC Persian’s online services have been partially blocked in Iran since 2006, the website has experienced a huge growth in usage since the current protests began. Compared to traffic in May 2009, the number of daily page impressions increased seven-fold to more than 3.6 million in June 2009. The number of visitors to the website has seen a four-fold increase. Online users streaming BBC Persian television through [bbcpersian.com](http://bbcpersian.com) have also increased. On 15 June 2009 alone the stream was accessed nearly half a million times online—this is more video requests than in the whole of May. The BBC Persian YouTube channel also showed an increase in usage until the Iranian authorities blocked the site to those within Iran. As a result of the growth in Iran’s usage of the BBC’s online services, Iran is now second only to the US as the country which accesses live streams of BBC World Service television and radio content the most.

## Challenges

28. Despite this success, the launch and maintenance of BBC Persian TV has faced many challenges, not least from the Iranian Government, which, at the time of launch, declared that the channel was “not suitable for the security of the country” and that it would “take the necessary measures with regards to it”. Behrouz Afagh told us that while all western media in Iran faces criticism, the BBC is singled out “largely because it is new and it seems to have attracted a very large audience ... they are mostly suspicious of the BBC’s or UK’s intentions”.<sup>39</sup> While there were no significant attempts to disrupt output or intimidate people connected with the channel during the first few months of its operation, the situation changed following the presidential election in Iran on 12 June 2009 and the popular protests which followed. Peter Horrocks identified two ways in which BBC Persia faced interference from the authorities: first, the disruption to BBC’s journalism on the

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33 Q 26

34 Qq 7–8

35 Ev 21

36 Q 10

37 Q 6

38 Ev 21

39 Q 18

ground and second, “concerted satellite jamming” which took BBC broadcasters off the air.<sup>40</sup>

29. The BBC World Service and the Persian team itself were never allowed to have journalists in Iran,<sup>41</sup> and on 21 June, Jon Leyne, the BBC’s correspondent in Iran, was expelled from the country amid threats of “more stern action”. Jeremy Bowen, the BBC’s Middle East Editor, replaced him temporarily, but was prevented from reporting freely from the streets of Tehran by the tight new controls imposed on foreign journalists. As a result, the BBC no longer has direct journalistic resources on the ground.<sup>42</sup> Peter Horrocks described this situation as being “not ideal” as “first hand reporting is at the heart of what the BBC tries to offer”.<sup>43</sup> He confirmed that the BBC hopes to re-establish a permanent correspondent in the near future, and that meanwhile, the Service has a “real commitment” to making sure that it covers a range of views in Iran. The World Service consider this as being as “important for our own principles, as it is for the credibility of the service within the country”.<sup>44</sup> During this time, however, the World Service noted that BBC Persian received large amounts of user-generated content during the crisis—up to eight videos per minute at one point—as well as eye-witness accounts via email and over the phone:

With foreign journalists restricted, these reports from BBC Persian’s audiences in Iran became a key source of news material for all BBC channels and those of many other broadcasters.<sup>45</sup>

30. From the first day of Iran’s Presidential election, held on 12 June 2009, the satellite signal was subjected to “deliberate interference” from within Iran. The Iranian Government blamed the BBC and the Voice of America for stirring up trouble in Iran, and accused the broadcasters of “blatantly commanding riots”. It decreed that “any contact with these channels, under any pretext or in any form, means contacting the enemy of the Iranian nation”. There have also been threats of “more stern action” against British radio and television networks if they “continued to interfere” in the country’s domestic affairs.<sup>46</sup>

31. The World Service has taken several steps to attempt to counter the interference it has experienced since the elections. First, the number of satellites that carry the BBC Persian television service for Farsi-speakers in Iran, Afghanistan and Tajikistan have been increased. BBC Persian television is now additionally available on the Eutelsat W2M satellite and continues uninterrupted on the Telstar 12 satellite. BBC Persian has also been made available on Nilesat, though this has also been subject to intermittent interference. The satellite operator has traced the interference and has confirmed it is coming from within Iran. This interference is contrary to all international agreements for satellite usage to which Iran is a signatory. On 15 January 2010, the *Guardian* newspaper reported that the BBC is actively supporting a formal complaint to the International Telecommunication

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40 Q 14

41 *Ibid.*

42 *Ibid.*

43 Q 15

44 *Ibid.*

45 Ev 13

46 *Ibid.*



Union about deliberate interference in Iran. The BBC is telling viewers how to adjust their satellite dishes in order to receive programmes via two other satellites that are out of the range of Iranian jamming. Peter Horrocks said the BBC is also exploring options with Eutelsat in order to “give our large audiences in Iran the television news service that they want”.<sup>47</sup>

32. Second, the broadcast hours and news programmes were expanded soon after the election. The new schedule included extended news programmes at peak listening times throughout the day. Radio broadcasts were also extended. The World Service said that “it is hoped that by adding more ways to access BBC Persian television, Farsi-speaking audiences can get the high-quality news, analysis and debate they clearly desire”. The channel has since reverted to its original schedule, but the BBC has ambitions to extend the hours of the service permanently, if funding permits. Peter Horrocks explained:

The approach that we have taken is that we extended it during the immediate crisis following the disputed election, and provided more hours in that period. We have reverted back to the original eight hours, and we are considering extending those hours as part of the wider reprioritisation that we are currently considering across our whole strategy—looking against other priorities and other services that we may wish to launch. We will look at the effectiveness of extending those hours. There may be ways in which we can do it in quite a cost-effective way, by repeating some of the programmes from the main part of the schedule and having short news updates—we are looking to do that in a cost-effective way—but we have not yet decided whether to commit to that, partly because of the uncertainty about resources more broadly.<sup>48</sup>

33. In January 2010 the Iranian Government prohibited Iranian citizens from having any contact with specified international organisations. The proscribed bodies include the BBC World Service as well as Voice of America and other Farsi-language broadcasters based outside Iran.<sup>49</sup> The Iranian intelligence ministry was reported as commenting that:

Having any relation ... with those groups involved in the soft war [against Iran] is illegal and prohibited. Citizens should be alert to the traps of our enemies and co-operate ... in neutralising the plots of foreigners and conspirators.<sup>50</sup>

It is worth noting that the Iranian Government financed propaganda television channel Press TV faces no comparable restrictions and is able to operate freely in London and the UK.

**34. We conclude that the new BBC Persian television service provides an invaluable service to the people of Iran and to other Farsi speakers in the region by supplying an objective news service at this period of great tension. We further conclude that congratulations are due to all the BBC World Service staff involved in launching and delivering this service, despite difficult circumstances and active opposition.**

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47 “BBC joins international protest against Iranian TV interference”, *The Guardian*, 15 January 2010

48 Q 13

49 “Western links are cut as Iranian rulers increase isolation”, *The Times*, 6 January 2010

50 *Ibid.*

35. We welcome the temporary extension of the service to 24 hours of broadcasting, and regret that this was not able to continue due to financial restraints. We recommend that the provision of a 24-hour BBC Persian service should be a top priority for the World Service in 2009–10. We further recommend that all possible technical expedients should be used to ensure that the Iranian Government’s attempts to block their citizens’ access to objective news from the BBC does not succeed.

## 5 Other language services

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36. The BBC World Service provides international news, analysis and information in English and 32 other languages. In a letter to the Committee in June 2009, Peter Horrocks outlined changes to two of these language services, BBC Afrique (the BBC’s French for Africa service) and the BBC’s Turkish service. These changes arose from service reviews carried out earlier in 2009 “in order to meet the savings targets set for the BBC World Service by the Government in the last public spending review” and “to enable the service to achieve efficiency savings which are required across the World Service”.<sup>51</sup> He further stated that the changes to both services illustrate broader strategic themes for the BBC World Service as a whole: one, the move of staff from London to particular locations; and two, the development of multi media-services in conjunction with other partners.<sup>52</sup>

### BBC Afrique

37. It is proposed that a significant part of BBC Afrique’s production effort be relocated from London to Dakar in Senegal. Consequently, production effort in London will be reduced, involving the closure of around 15 posts in London and the creation of 18 posts in Dakar. London will continue to produce live output and ensure an editorial link to the rest of the BBC. Peter Horrocks said: “we intend to take all reasonable steps to ensure that this process is achieved in a voluntary manner”.<sup>53</sup>

38. The aim of this change is to increase the BBC’s presence at the heart of this market and to improve the service to audiences in the region. Peter Horrocks said the BBC World Service are using that greater efficiency to extend the hours of broadcasting,<sup>54</sup> and that BBC Afrique’s output would be expanded by 25%, from less than four hours daily to five hours, thus allowing the BBC to hit peak audience times throughout francophone Africa and to modernise and restructure the programme schedule. It is expected that these schedule changes will come into effect from February/March 2010, rather than December as originally indicated. The Service is on track to deliver the resulting efficiency savings within the timescale agreed. This development follows similar changes in BBC Hausa and BBC Swahili, which have delivered increases in audience impact for both services.

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51 Ev 19

52 Q 34

53 Ev 19

54 Q 34

## BBC Turkish Service

39. Over the past few years, the Turkish Service has been developing into a multi-media operation, which the World Service says had resulted in the need for some “staffing and operational changes”. This includes the creation of two posts designed to support and develop the multi-media operation further and to strengthen the BBC’s newsgathering presence in Turkey and coverage of Turkish affairs. In order to achieve these new investments and the savings required, the Turkish Service will be closing four posts, resulting in a net loss of two posts. The Service also intends to discontinue BBC Turkish broadcasts on short-wave. Recent audience research produced no measurable figure for short-wave listening, which, the World Service claim has been effectively replaced by online services as the most effective direct way to reach audiences.<sup>55</sup>

40. Furthermore, the BBC has been making BBC content for partner television stations, e.g. NTV. This has been “successful” and BBC TV audiences in Turkey have grown as a result.<sup>56</sup> Following this success, Peter Horrocks said that the World Service are exploring the possibility of developing similar working practices, i.e. more with partners in this way for other television services in other languages. He explained that “the television services that we have launched up until now have been full channels delivered by satellite. A different and more cost-effective way of doing it is to create content and to deliver it through partners (which is the means that is used for a lot of the World Service’s radio broadcasts around the world)”.<sup>57</sup>

**41. We conclude that the changes to the BBC Turkish and BBC Afrique Service are in line with the strategic themes and priorities outlined by the BBC World Service. We recommend that the BBC World Service closely monitor the impact of these changes on audience levels and customer satisfaction, with a view to evaluating the impact of its strategic priorities.**

## 6 Online and mobile technology

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42. Following negotiations on the 2007 Comprehensive Spending Review, the World Service received £4 million for expanding broadband video technology in key languages.<sup>58</sup> It stated that:

As audiences migrate away from traditional platforms, online and mobile sites will become increasingly important to BBC World Service’s efforts to build its global audience. Mobile markets around the world have changed significantly in the past year and continue to develop rapidly. The BBC is striving to keep pace with industry developments and to respond to these changes quickly and effectively.<sup>59</sup>

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55 Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2006–07*, Ev 151

56 Q 34

57 *Ibid.*

58 Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2006–07*, Ev 140

59 Ev 15

Peter Horrocks emphasised that the Service needed to organise itself to allow content “to be produced cost-effectively and distributed in whatever way is appropriate to get it to audiences around the world”.<sup>60</sup>

43. While radio accounts for the largest proportion of the reach that the BBC World Service achieves (still with a reach of about 40 million)<sup>61</sup> there are some markets, for example, Brazil, where online delivery “is now far more important than radio”.<sup>62</sup> For example, *bbcbrasil.com* has some 1.4 million unique weekly users in what is described as “a highly developed and competitive internet market”. The BBC’s Spanish site also has 1.4 million weekly users, representing a 174% increase on the number of users in 2007–08. In 2008–09, a new deal with MSN made text, video and audio content available on ten sites across Latin America in both languages,<sup>63</sup> and in 2008–09, six new YouTube video channels were launched, making BBC news available in Arabic, Portuguese for Brazil, Persian, Russian, Spanish and Urdu.<sup>64</sup> This was the first multi-language deal by a major international news broadcaster with the leading online video site.<sup>65</sup> Maintaining the quality of radio services while also extending to new platforms, was described by Peter Horrocks as “one of the key challenges we have to work through”.<sup>66</sup>

44. The World Service highlighted further developments in use of online and mobile technology: BBC Burmese became the first site to offer international news content online in the Burmese font, which has until now presented difficulties for web software. The site was previously published in English only. In addition, BBC World Service programmes in English were launched on the BBC iPlayer, making streamed and downloadable content available on demand. More than 40 programmes in English, Russian, Mandarin, Spanish, Portuguese, Arabic and Persian are also available for download through the BBC podcast service. There were more than six million BBC podcast downloads in January 2009, of which more than 86% were requested from outside the UK. BBC World Service played a major part in achieving 21% year-on-year growth in the overall number of BBC subscribers since 2008.<sup>67</sup>

## Mobile technology

45. In many parts of the world, for example Africa, India and China, Mr Horrocks said that the mobile telephone is becoming more important than the personal computer as a way of accessing on-demand content, describing mobile technology as a “very popular and cost-effective way of audiences consuming our content”.<sup>68</sup> Mobile technology is making a large impact in Africa. For example, in Nigeria, 86% of online traffic to BBC News and Sport is

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60 Q 37

61 Q 38

62 *Ibid.*

63 Ev 14

64 BBC World Service, *Annual Review 2008–09*, p 3

65 Ev 14

66 Q 38

67 Ev 14

68 Q 36

generated by mobiles, and other mobile deals have been negotiated in Kenya, Gambia, Sierra Leone, Egypt, Sudan and Morocco. The World Service aimed to offer mobile sites in Hausa, Somali and Portuguese for Africa, Swahili and French for Africa, and for the Great Lakes Service in time for the Africa Cup of Nations in January 2010.<sup>69</sup> To this end, the Service is currently working with journalists to develop their skills, enabling them to write “effective and brief text stories that will be suitable for low-cost mobile delivery in places such as Africa”, as well as being strong radio journalists.<sup>70</sup>

46. In 2008–09 the World Service launched new mobile phone applications in Hindi and Urdu, enabling users to download news content from BBC websites. The BBC Arabic Service also extended its mobile internet availability. Nine mobile operators now offer WAP links through which users can download web content to their phones and handheld devices. Nokia launched a new internet radio application making BBC Arabic and two streams of World Service English programmes available on their latest mobile phone models. After two months, BBC Arabic was the number one application (measured by the time people spend listening).<sup>71</sup>

47. In its written submission to the Committee, the World Service identified the need:

to maintain and even accelerate this (multimedia) strategy. Continued investment in FM and TV will be the engines of immediate audience growth. Looking further ahead, online and mobile may be the platforms of the future; two billion people will be online by 2013, with mobile technologies leapfrogging fixed-line internet services in many parts of south Asia and sub-Saharan Africa. The World Service are currently undertaking a major review of our mix of services, so we cannot yet provide any specific details about how their number, range and type will evolve.<sup>72</sup>

**48. We conclude that the World Service’s pro-active response to the rapid growth in online and mobile technology is welcome, in view of the huge potential of this technology for reaching large and new audiences. We agree with the World Service that the key challenge is to develop multimedia platforms while maintaining the quality of the existing radio service. We recommend that the World Service should inform the Committee of the outcome of its review of the mix of services in order to define strategic priorities which identify the most effective and efficient means to disseminate material and to maximise audiences and engagement.**

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69 Ev 15

70 Q 36

71 Ev 15

72 Ev 17

## 7 Obstruction

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### China

49. In February 2007, the World Service announced its decision to “reallocate” resources in China in response to persistent short-wave frequency interference. In its memorandum to our previous inquiry into the FCO Annual Report 2007–08, the World Service said that until midsummer 2008, blocking of Mandarin radio and online content had remained “deep and persistent”, but that following complaints by journalists covering the Olympics, blocking was lifted from 31 July, although what would happen in the future remained uncertain. The memorandum also reported that access to online news material in English had been unblocked in March 2008. However, in the same month, BBC journalists from the Mandarin service had been refused visas allowing them to report on China’s Party Congress. Immediately before the Beijing Olympics, the invitation to the Head of the BBC’s Chinese Service to cover the Games had been withdrawn.

50. In its written submission of September 2009, the BBC World Service indicated that online restrictions were relaxed in the weeks before the Olympic Games but were re-imposed in the following months. The website [bbcchinese.com](http://bbcchinese.com) (the World Service site which contains news content) remains blocked in China. (However, the second BBC Chinese website, [bbcukchina.com](http://bbcukchina.com), is not blocked, and its content is now being syndicated by 24 leading online partners. Traffic on this site rose over the year by 57%, reaching nearly 90 million page impressions in June 2009.) The Chinese Government issued an internal circular to all media organisations ordering them not to have any business cooperation with the BBC, three Chinese partner sites have removed BBC non-news content from their sites and BBC Chinese producers are not able to get journalist visas to China.<sup>73</sup> Subsequently, in November 2009, Peter Horrocks confirmed to the Committee that the situation in China remains “as bad as it was”.<sup>74</sup>

51. In our previous report we expressed regret at the obstruction of radio and internet access, noting that it was “detrimental to the Chinese people.”<sup>75</sup> We impressed upon the Government the need to “make strong representations to the Chinese authorities with a view to encouraging a less restrictive policy”.<sup>76</sup> In its response of April 2009, the Government noted that it continues to raise concerns with the Chinese Government in relation to the restrictions on access to information.<sup>77</sup>

**52. We conclude that the partial liberalisation of media access to China during the Olympic Games was a temporary phenomenon, and that this is deeply regrettable. We welcome the World Service’s efforts to overcome obstruction and restriction in China, and welcome the subsequent success of [bbcukchina.com](http://bbcukchina.com). We recommend that the**

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73 Ev 16

74 Q 12

75 Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2007–08*, para 318

76 *Ibid.*

77 *Second Report of the Foreign Affairs Committee, Session 2008–09, Foreign and Commonwealth Office Annual Report 2007–08: Response of the Secretary of State for Foreign and Commonwealth Affairs*, Cm 7585, April 2009, p 24. See also Foreign Affairs Committee, *Seventh Report of Session 2005–06, East Asia*, HC 860, paras 436–38.



**Government should continue to insist to China that the broadcasting restrictions which are currently in place serve no useful purpose and should be lifted.**

## Russia

53. In both our previous annual Reports dealing with the work of the World Service, we discussed the impact of tensions in UK-Russian bilateral relations on the Service's operations in Russia,<sup>78</sup> and we discussed in particular the decision of the owners of the Moscow-based Bolshoye Radio in 2007 to stop carrying BBC Russian programmes on FM.<sup>79</sup> Peter Horrocks described this as “the main way in which we believe that the Russian authorities have made life more difficult for us”.<sup>80</sup> He explained that the principle concern was not about “technological blocking but more about political perspective and making it difficult for our radio content to get to audiences in Russia”.<sup>81</sup>

54. On 8 October 2008, the World Service announced that in light of the media restrictions it faced in Russia, it was planning to increase investment in [bbcussian.com](http://bbcussian.com), including the launch of a new online rolling news service, and to “re-focus” radio resources, increasing investment in news and current affairs, while ending production of some short news bulletins outside key programme blocks (which were designed for Russian FM partners with whom it no longer had agreements) and closing longer format non-news and current affairs ‘features’. We have previously welcomed the BBC World Service’s strategy in Russia, and identified a focus on online and medium-wave services as the best way to reach Russian audiences.<sup>82</sup>

55. In 2008–09, [bbcussian.com](http://bbcussian.com) was revamped, and a number of new initiatives were launched, including an archive area of significant historical radio programmes from the past 45 years featuring the voices of Alexander Solzhenitsyn, the poet Anna Akhmatova and Alexander Kerensky (Prime Minister after the February 1917 Revolution) on the site. Furthermore, the World Service noted that a partnership with a web publication, *Caucasian Knot*, has enabled the site to offer a forum for bloggers from Chechnya, Dagestan, Ingushetia and North Ossetia to discuss key issues faced by them; and live debates broadcast on radio and online from Moscow. Peter Horrocks described the website as “a successful way of engaging new audiences in Russia”.<sup>83</sup> The website [bbcussian.com](http://bbcussian.com) attracted 385,000 unique users weekly in September 2009, and despite a formal mobile partnership, use of the Russian mobile news site was 122,000 page impressions a month.<sup>84</sup> Online engagement had also benefited the interactive radio programme “when people have

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78 Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2007–08*, para 31

79 In 2007 the Committee considered claims that the BBC Russian Service was weaker than the main news. It found no evidence to support these claims, but did conclude that “the development of a partnership with the international arm of a Russian state broadcasting network [...had put the] BBC World Service’s reputation for editorial independence at risk” (Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2006–07*, paras 298–301).

80 Q 41

81 *Ibid.*

82 Foreign Affairs Committee, *Foreign and Commonwealth Office Annual Report 2007–08*, para 323

83 Q 41

84 *Ibid.*

come to the website and then taken part in ... radio programmes in greater numbers, because of a stronger online presence”.<sup>85</sup>

56. The current estimate for audiences for BBC Russia radio services throughout Russia is 680,000 listeners. Given the problems encountered with radio distribution, it is difficult to measure the popularity of content in terms of pure radio. The last specific offline audience measurement by BBC was conducted in 2007 (prior to the problems with the FM service) and covered Moscow and St Petersburg, where weekly listening averaged 1.9%. Recent official (but non-BBC) radio ratings in Moscow indicated that weekly audience for BBC radio in Russia was 2.2% in June and 1.8% in July, equating to around 200,000 listeners a week in Moscow.<sup>86</sup>

**57. We conclude that the continuing difficulty in distributing radio content to audiences in Russia is deeply regrettable. We welcome the success of the World Service’s strategy to overcome this by increasing investment in online and non-FM radio services. We particularly welcome the fact that this investment has resulted in expanding the World Service’s impact in Russia through reaching new audiences.**

## Sri Lanka

58. BBC World Service monitors the distribution of BBC content by partner organisations closely. In February 2009, the BBC suspended FM programming to the Sri Lankan national broadcaster SLBC after a number of instances of editorial interference with programmes and news reports in English, Tamil and Sinhala. Talks with SLBC’s Chairman have been ongoing since then, and the World Service is “optimistic” that FM programming will resume and reported “encouraging signals”.<sup>87</sup> Peter Horrocks identified the “end of the year” as a “realistic time scale”.<sup>88</sup> As of 11 January 2010, BBC World Service programming on FM to Sri Lanka had not yet resumed. However, the cabinet approval expected in autumn 2009, was eventually given on 6 January 2010. The World Service said that this delay was caused by the impending general election in Sri Lanka, which caused a freeze in decision making. It said that “with the elections ... coming up later this month, we hope to be back on air as soon as possible”.<sup>89</sup>

**59. We conclude that the decision to allow the World Service to resume broadcasting in Sri Lanka is to be welcomed. We recommend that the World Service notify us of any further delays, should any occur, after the Sri Lankan elections.**

## Rwanda

60. The BBC was recently taken off air on FM in Rwanda, after accusations from the authorities that it had broadcast material denying the genocide. Peter Horrocks described

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85 *Ibid.*

86 Ev 22

87 Qq 45 and 47

88 Q 44

89 Ev 23



this response as an “over-reaction”.<sup>90</sup> BBC broadcasts remained off air for “a couple of months” but have since been restored.<sup>91</sup> In the same period, the Rwandan Government decided not to provide interviews to the Great Lakes Service, which, Peter Horrocks explained, made it “even harder to do properly balanced coverage”. The Rwandan Government are now giving interviews, and the BBC are trying to re-establish confidence.<sup>92</sup>

**61. We conclude that it was very disappointing that the BBC World Service was taken off the air in Rwanda, and that the Rwandan Government refused to give interviews to the Great Lakes Service. We welcome the fact that the Rwandan Government are now giving interviews, and recommend that the Government through its mission in Rwanda take active steps to support the World Service in re-establishing confidence in its coverage in that country.**

## Azerbaijan

62. In Azerbaijan, the Azeri authorities banned all international radio broadcasters from transmitting on FM from January 2009. The BBC is working on a resolution to this situation, but at the time of writing, all international broadcasters remain off the air in Azerbaijan.<sup>93</sup>

**63. We conclude that the ban on international radio broadcasters in Azerbaijan is unacceptable, and detrimental to the interests of the people of Azerbaijan. We recommend that the Government support the BBC in its attempts to resolve this difficulty and to restore the transmission of BBC FM broadcasting in Azerbaijan.**

## 8 Administration

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64. The World Service’s financial position moved from an operating surplus (before interest and taxation) of £11.4 million in 2007 to an operating deficit of £0.2 million in 2008,<sup>94</sup> which increased in 2009 to a deficit of £2.3 million.<sup>95</sup> The Service’s Annual Review stated that the fall in Sterling had an impact on the cost base but that this was mitigated by the fall in inflation in the UK.<sup>96</sup> Richard Thomas explained that the World Service spend about £24 million-worth in foreign currencies, and accrue about £4 million-worth from commercial deals. In the last financial year, the fall in Sterling cost the World Service about £4 million, requiring it to draw upon its reserves to offset the difference.<sup>97</sup>

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90 Q 49

91 Qq 50–51

92 Q 49

93 Q 55

94 BBC World Service, *Annual Review 2007–08*, p 31

95 BBC World Service, *Annual Review 2008–09*, p 30

96 *Ibid.*, p 28

97 Q 57

65. The 2008–09 financial year was marked by two major programming developments, both made possible by a combination of savings and new funding. Arabic television, which had been launched in March 2008, completed its first full year of operations and moved from 12- to 24-hour broadcasting in January 2009, as mentioned earlier. This was followed by the launch of BBC Persian television, which was achieved within budget. Both developments were funded by additional baseline income, which was reflected in Grant-in-Aid increasing from £255 million in 2007–08 to £265 million in 2008–09.<sup>98</sup>

66. In its Annual Review, the World Service reports that it invested £29.2 million in capital projects during 2008–09.<sup>99</sup> Notable projects included: completing the infrastructure for Arabic and Persian television; the final stages of the Satellite Media Distribution System, which delivers BBC World Service content to transmission sites and broadcast partners around the world; key aspects of the re-engineering project at the Ascension Island transmitter station, which broadcasts to Africa; and further work to enhance emergency production facilities, which enables the BBC World Service to maintain output in key languages in the event that its London facilities cannot be used. The World Service said that a new windfarm being constructed at the Ascension Island relay station will save up to £450,000 a year on oil as part of the bigger investment on Ascension that will ultimately deliver savings of £1.5 million to BBC World Service. It also means a reduction in CO<sup>2</sup> emissions of 4,000 tons a year.<sup>100</sup>

### CSR07 settlement and the efficiency challenge

67. In its Departmental Report and Resource Accounts 2008–09, the FCO said that the BBC World Service is committed to achieving £23 million of Value for Money (VfM) savings over the CSR07 period.<sup>101</sup> The World Service explained that this requires savings of 3% of baseline Grant-in-Aid to be delivered each year. In 2008–09 the BBC World Service delivered £7 million of savings from across its capital and revenue funding streams,<sup>102</sup> thereby meeting its targets. The savings have been an explicit cash-releasing component. The BBC World Service has achieved this through general efficiencies as well as reprioritisation in existing services. These have included:

- The closure of the Romanian service in August 2008. The scale and speed of changes in the Romanian media since European Union accession have been unprecedented and the declining need for a Romanian service was reflected in the steep drop in audience listening. In the year before closure (2007), listening in Romania fell to the equivalent of less than 3% of the adult population each week, or around half a million people. In 2004, the figure was 1.4 million people or about 7% of the population.
- Changes were made to the Russian service in response to tighter media restrictions, in particular the difficulties in securing FM distribution. The major change is a greater

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98 The CSR07 settlement provided £15 million per annum for the launch of Persian television, and £2 million in 2008–09 and £6 million per annum from 2009–10 for the extension of Arabic television.

99 BBC World Service, *Annual Review 2008–09*, p 29

100 Ev 17

101 FCO, *Departmental Report and Resource Accounts 2008–09*, vol 2, p 7

102 Ev 17

investment in *bbcussian.com* as the key method of delivery for content and the strengthening of some existing areas such as news, video and interactivity on the site.

- The Spanish language news website *bbcmundo.com* is now the BBC World Service’s core activity for audiences in Latin America. Some staff have been redeployed closer to the region.
- In its English language network, the BBC World Service has made reductions in non-news programming that is not core to its purpose and objectives.

68. Further efficiency savings are planned in several areas, including savings in production costs, already agreed with the news department, covering news and current affairs, newsgathering and programmes. The transmission department will be asked to deliver further savings, in part resulting from capital investment in the Ascension Island transmitter site, and the rest from short-wave and FM investments which are proving poor VfM. General efficiency savings of 3% will be made across language services and departments.<sup>103</sup> It is also envisaged that the coming together with BBC News in a new BBC journalism headquarters, currently being built in Portland Place, should achieve some efficiencies.<sup>104</sup>

69. These savings will take place in the context of a fall in the value of Sterling which has already had an impact on the cost base, the full-year effect of which will add “significant pressures in 2009–10”,<sup>105</sup> although the Service expects reductions in the rate of inflation in the UK to help mitigate some cost increases. Some external contracts are related to the retail price index, so the current financial situation, where it effects RPI, will help at least in the short term.<sup>106</sup> The Service identifies that “careful management of costs and financial risk remains a priority in ensuring that BBC World Service meets its objectives and obligations. Pressure on Grant-in-Aid funding will become even more intense next year, given the challenging environment for public spending”.<sup>107</sup> Richard Thomas identified some things that will “help out”, including, for example, the fact that no bonuses were awarded last year, and the pay settlement was lower than previous years.<sup>108</sup>

70. In the FCO board minutes of December 2009, it was noted that the department faced a shortfall of some 8 or 9% from the budget for 2009–10.<sup>109</sup> In an update received on 11 January 2010, the World Service indicated that while it was aware that the FCO was having to address a potential shortfall in its 2010–11 budget, to date the FCO has not approached BBC World Service for more 2010–11 savings over and above the 3% committed to in the last CSR agreement, and its £3.3 million share of the additional target announced by the Treasury in 2009.<sup>110</sup>

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103 FCO, *Departmental Report and Resource Accounts 2008–09*, vol 2, p 7

104 Q 62

105 Ev 17

106 Q 61

107 Ev 17

108 Q 61

109 [www.fco.gov.uk](http://www.fco.gov.uk)

110 Ev 23

## Priorities for 2009–10

71. Peter Horrocks told us that the Service are considering priorities and potential cuts, “very closely at the moment”,<sup>111</sup> in the context of what was described by the World Service in its memorandum as a period of 10 years of “aggressive cost cutting”.<sup>112</sup> The organisation has launched a programme of engagement with all staff, called ‘World Service Choice’s’, in order to identify the World Service’s key priorities. In evaluating potential priorities, Peter Horrocks identified that maintaining the BBC’s reach and reputation will be “important to us”. He added, “our initial focus is not to want to reduce any of our language services”.<sup>113</sup> Further investment in multi-media services as a priority, as well as key parts of the world, including, Africa, India, Pakistan were also identified as priorities. In its written submission, the World Service concluded that:

[W]e will need new funds to complete our transition to a multimedia broadcaster and to fund investment in new services. This could come from closing down some of our existing services, in parts of the world where we are less essential than we once were. It could come from repurposing money that we would have otherwise returned to the FCO as efficiency savings. Or it could come from additional funding for specific, targeted services. We will explore all these options and set out proposals to Government in 2010.<sup>114</sup>

In January 2010, the World Service informed us that no firm decisions have been made yet about strategic priorities for the future, but that the organisation does not expect to announce any major changes to the overall shape of its service, including its language portfolio, prior to the UK general election.<sup>115</sup>

**72. We conclude that 2009–10 will be a difficult year for the World Service and that further cuts in staff and services should be avoided. We support the crucial work of the World Service and will continue to monitor the situation closely. We conclude that the BBC World Service is of key importance in providing a source of high quality and politically independent broadcasting worldwide.**

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111 Q 62

112 Ev 18

113 Q 62

114 Ev 18

115 Ev 23

# Formal Minutes

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**Wednesday 27 January 2010**

Members present:

Mike Gapes, in the Chair

Mr Fabian Hamilton	Mr Malcolm Moss
Mr David Heathcoat-Amory	Sandra Osborne
Mr John Horam	Mr Greg Pope
Mr Eric Illsley	Mr Ken Purchase
Mr Paul Keetch	Ms Gisela Stuart
Andrew Mackinlay	

The Committee deliberated.

Draft Report (*The Work of the BBC World Service 2008–09*), proposed by the Chairman, brought up and read.

*Ordered*, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 72 read and agreed to.

*Resolved*, That the Report be the Third Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

The Committee further deliberated.

[Adjourned till Wednesday 3 February at 2 p.m.]

## Witnesses

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**Wednesday 4 November 2009**

*Page*

**Peter Horrocks**, Director, **Richard Thomas**, Chief Operating Officer, and **Behrouz Afagh**, Head of Asia Pacific Region, BBC World Service

Ev 1

## List of written evidence

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| 2 | Letter from Peter Horrocks, Director, BBC World Service | Ev 19         |
| 3 | Written evidence from BBC Monitoring                    | Ev 20         |

# Oral evidence

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## Taken before the Foreign Affairs Committee on Wednesday 4 November 2009

Members present:

Mike Gapes (Chairman)

Sir Menzies Campbell  
Mr Fabian Hamilton  
Mr Eric Illsley

Andrew Mackinlay  
Sir John Stanley

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Witnesses: **Peter Horrocks**, Director, **Richard Thomas**, Chief Operating Officer and **Behrouz Afagh**, Head of Asia Pacific Region, BBC World Service, gave evidence.

**Q1 Chairman:** I think our new witnesses were sitting in at the end of the last session. Mr. Horrocks, this is your first time before our Committee since your recent appointment. We formally congratulate you on your new role. Mr. Thomas, I think you have been before. Have you, Mr. Afagh? No, you're new, so welcome. Perhaps you could introduce yourselves for the record, please.

**Peter Horrocks:** I am the director of the BBC World Service. On my right are my colleagues Richard Thomas, who is the Chief Operating Officer for BBC Global News and has financial leadership for BBC World Service, and Behrouz Afagh, who is the regional editorial head for the Asia-Pacific region. I particularly asked Behrouz to be here today because of the significance of the launch of the Persian television service in the course of the year.

**Q2 Chairman:** Thank you. We will have some questions about that in a moment. May I begin by asking you a question about your online audience? Your targets have been exceeded by a very wide margin, and that is obviously really encouraging. What is your main focus of work for the future in that area?

**Peter Horrocks:** I suppose our main focus is to develop our skills in delivering that journalism and to develop a different kind of journalism that goes with the online world, which is much more of a two-way engagement with audiences than traditional broadcast media, which are about just pushing information and news out there. The development of our online journalism, which also feeds back into our broadcast journalism, is about a closer relationship with the audience and understanding its needs.

**Q3 Chairman:** May I ask you about BBC Arabic Television, which was launched a year and a half ago? We lobbied very strongly for additional funding from the Foreign and Commonwealth Office so that the service could have a bigger footprint in terms of hours of broadcasting. Your target was 7 million viewers for BBC World TV in Arabic, and 18 million users a week for BBC services overall. Have you achieved those targets, and have you got any research on what the impact has been?

**Peter Horrocks:** We have achieved those targets, but we don't yet have a complete picture because the Arab world is obviously a very extensive one. We have some further research in the field. It is important to note that our future targets are very high. We have a television target of 25 million, and a target of 35 million across the three platforms—radio, television and online. I believe that we have established the television service with real credibility, with proper BBC impartial values, but we are facing significant competition from a number of commercial television news providers, notably al-Jazeera and al-Arabiya, which are well established. So we have a lot of further creative work to do, but we certainly feel that we have established that foothold in the market.

**Q4 Chairman:** Have you been taking audiences from them, or is there a general increase in the audience for television in the Arab world?

**Peter Horrocks:** It's hard to know whether they have directly transferred. I think many audiences do not consume just one channel. We know from our research that al-Jazeera is still the market leader, but quite often people will look at al-Jazeera or al-Arabiya, for example, and if a big news story has happened they will turn to the BBC to get an alternative perspective—perhaps a broader one—than some of those channels might provide.

**Q5 Chairman:** How would you assess the reputation of BBC Arabic among its audiences?

**Peter Horrocks:** The BBC Trust conducted some independent research into that as part of its regulatory function, and carried out audience research that examined audiences' views of impartiality, accuracy, reputation and so on, which all showed positive scores. We also know that particularly during the Gaza crisis audiences turned to us in significant numbers, and we can measure that through the online traffic, the engagement, questions to our interactive forums and so on. We know, through some specific research that was done within both the West Bank and Gaza after that conflict, that the service was very widely used.

**Chairman:** It would be helpful if you could make some of that information available to us for when we produce our report, if you have it available.<sup>1</sup>

**Q6 Sir John Stanley:** Mr. Horrocks, if the test of the effectiveness of the BBC World Service is the amount of uncomplimentary comments you get from your host Governments, BBC Persian is doing brilliantly in Iran. Could you tell us what your current figures for viewers on BBC Persian are?

**Peter Horrocks:** We have only incomplete information, and I'm afraid audience research in Iran in these circumstances is a rather difficult activity to carry out. We need to do it through telephone calls from abroad. But Mr. Afagh is more directly involved in that, and can perhaps explain how we intend to do it and the information that we hope to be able to have.

**Q7 Sir John Stanley:** Can you give us your best ballpark assessment of your viewing figures for BBC Persian?

**Peter Horrocks:** I wouldn't want to put a figure on it. We had some figures about awareness in the Tehran area, which came from a telephone survey done immediately after launch. It showed a high level of awareness, but to give an accurate estimate of the audience is currently difficult, although that is exactly what we are about to do. We also thought it would be unfair to do it immediately on the launch, because the broader publicity around it might affect people's perceptions. Now that it has settled down, it is the right time to do that research. We shall be doing that in time for the next World Service annual review and we will be reporting a figure, although it will have to be a pretty broad estimate.

**Q8 Sir John Stanley:** You did have an actual target. You had a stated target of 3 million viewers.

**Peter Horrocks:** Yes. I would be very surprised if we had not achieved that, given the kind of reaction that we have had from audiences and, as you said, from the reaction of the Government themselves.

**Sir John Stanley:** I think that the Committee would want to know your best judgment as to whether you are achieving your target before this particular report is submitted to the House.<sup>2</sup>

**Peter Horrocks:** It is hard to be certain about it and I cannot point you to direct evidence to back it up, but I would say that I am confident that we are meeting our target. We will be able to put a more precise measure on it when we have conducted the survey.

**Sir John Stanley:** You are confident that you are meeting the 3 million.

**Peter Horrocks:** Yes, I am.

**Q9 Sir John Stanley:** Right. What is your figure for total access, including online—or for just online separately, if you want to do it that way?

**Peter Horrocks:** Online is only a small contribution. The radio audience is much more significant than the online audience.

**Q10 Sir John Stanley:** So, total viewing and listenership—what do you put that figure at?

**Peter Horrocks:** I would put that in the order of 5 million; something of that nature.

**Q11 Sir John Stanley:** You had a target initially of 10 million, didn't you?

**Peter Horrocks:** Yes.

**Sir John Stanley:** So you are some way below that at the moment.

**Peter Horrocks:** We are, but we haven't done the research yet to be able to be certain about the television audience. There is a potential audience of over 100 million people who speak Farsi, so it could easily be in excess of that figure, but I do not want to commit to a figure until we have done the research, because that would just be guessing, which would be the wrong thing to do.

**Q12 Sir John Stanley:** If there is any further information that you can give us on the total access—radio, television, online—in relation to your 10 million target before this report is closed, that would be very helpful.

What are your current hours on BBC Persian TV?

**Peter Horrocks:** Can I turn to Mr. Afagh, whose responsibility it is?

**Behrouz Afagh:** Perhaps I can explain that the 10 million figure that you mentioned is our target to reach within three years, and we are about 10 months after the launch. At the moment our television programmes are going out to Iran from 5 o'clock in the afternoon until 1 o'clock in the morning local time, which are the peak hours. We are broadcasting eight hours a day within those hours.

**Q13 Sir John Stanley:** Are you seeking to expand that? We understand that you want to do that—have you got funding in place? What are your plans for the expansion?

**Peter Horrocks:** The approach that we have taken is that we extended it during the immediate crisis following the disputed election, and provided more hours in that period. We have reverted back to the original eight hours, and we are considering extending those hours as part of the wider reprioritisation that we are currently considering across our whole strategy—looking against other priorities and other services that we may wish to launch. We will look at the effectiveness of extending those hours. There may be ways in which we can do it in quite a cost-effective way, by repeating some of the programmes from the main part of the schedule and having short news updates—we are looking to do that in a cost-effective way—but we have not yet decided whether to commit to that, partly because of the uncertainty about resources more broadly.

**Q14 Sir John Stanley:** Again, if you have any further information on translating your possible expansion plans into reality before we finish the report, it would be very helpful to have it. Can you tell us what degree of deliberate disruption you are being exposed to from the Iranian authorities?

<sup>1</sup> Ev 21

<sup>2</sup> Ev 21



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**Peter Horrocks:** That happens in two ways, one of which is the disruption to BBC's journalism on the ground. The BBC World Service and the Persian team itself were never allowed to have journalists in Iran, but the BBC News correspondent, Jon Leyne, was thrown out of the country in the immediate aftermath of the disputed election, so we no longer have direct journalistic resource on the ground. In terms of the television service in the weeks after the election, we were subject to concerted satellite jamming with signals being sent from within Iran up to the satellite, which was beaming our signal down, and that took our broadcasters and a number of other broadcasters off the air. We purchased satellite space on alternative satellites with different angles into the country and our viewers needed to readjust their satellite dishes to get our signals, so we were able to continue broadcasting for people to receive our signal. When the protests on the streets died down, the jamming declined and we have been able to revert to some of our original broadcasting.

**Q15 Sir John Stanley:** Just following on from what you said about sadly not being able to have anyone on the ground at the moment, how far is that constraining you from getting a fully objective, factually accurate account of what is going on there as best you can? Is it making you unduly dependent on what you are getting from, say, exiled sources out of the country who may lack a degree of objectivity?

**Peter Horrocks:** It is clearly not ideal. First-hand reporting is absolutely at the centre of what the BBC tries to offer, wherever it is possible. There are agencies still operating there, which provide stories in both text and video on which the western agencies can rely, and we receive both information and pictures on video from our audiences. That plays a more important part in all of our programming across a range of services than it used to. We need to treat it with care and, clearly, it comes generally from one side of the argument. Both Mr. Afagh and I have stressed to the editorial team the importance of maintaining the impartiality of the service through this period, and we continually invite all ranges of opinion in Iran on to the programming. It has been notable that it has been a place where a wide range of people—not only people in opposition or reformist movements—have appeared and given their views. We have a real commitment to making sure that it covers a broad range of views in Iran. That is important for our own principles, as it is for the credibility of the service within the country.

**Q16 Sir John Stanley:** Iran has a very high percentage of internet usage. Is it relatively easy for individuals to be able to feed information to you? Are they putting themselves to a degree of risk? How far are you getting worthwhile information from that particular source?

**Peter Horrocks:** They do, and people take risks. There was some throttling of the internet capacity at the height of the protests when bandwidth was controlled by the Government both to stop information getting out and information getting in, but that is now behind us. Some members of the

audience choose to comment anonymously. As you can understand, there are good reasons for doing that. But other people do appear and give their names. They take part in our interactive programmes. They send us a text message. We phone them back and they will contribute. A number of people are prepared to contribute and give their names.

**Sir John Stanley:** Brave people. Thank you very much.

**Q17 Mr. Hamilton:** Before we move on from Iran and the Persian language Service, I want to say how very pleased I was to be able to support its launch in January. The Committee has been very supportive of what has been done successfully. I wonder whether at any kind of high level, our Government and the Foreign Office have received protests from the Iranian Government over the Persian language TV service. Have you received anything formal or official from the Iranian Government?

**Peter Horrocks:** I do not think that we have had formal protests. It is just through commentary in the newspapers, statements from Ministers and so on that are publicly reported. Every other day there is a commentary in Iranian newspapers about the international media, and they usually refer prominently to the BBC Persian service as part of that. I am not aware of any formal protests.

**Behrouz Afagh:** I am not aware of any either.

**Q18 Mr. Hamilton:** Do the Americans do a similar service or are we the only western country that broadcasts in Persian?

**Behrouz Afagh:** They do. The Voice of America has been broadcasting television programmes to Iran for a long time. It comes under criticism from the authorities in Iran as well, but the BBC is singled out more, largely because it is new and it seems to have attracted a very large audience, particularly among the youth. There have been special Iranian parliamentary reports and reviews of the impact of the BBC and hardly a day goes by without some kind of big analytical piece in the Iranian press, or comments from authorities. Really, to summarise, they are mostly suspicious of the BBC's or UK's intentions, but they are all saying that the production and editorial quality is very high, and that, particularly with the young audiences, the Iranian state media need to do something to compete. There's even been a big debate about allowing private channels to start in Iran, since the launch of the BBC. So although all western media—particularly in Persian—in Iran come under criticism as part of the suspicion that they have, the BBC is singled out, usually.

**Q19 Mr. Hamilton:** Is it still the case that you have the highest number of hits on the BBC website on the Persian language service? I remember a few years ago being told that of all the worldwide BBC services the Persian language had by far the most.

**Behrouz Afagh:** It is still among the highest, but I think now sometimes Urdu sites or Brazilian sites get larger hits, but it's certainly one of the top.

**Mr. Hamilton:** I have to say I was very impressed when you invited me to do an interview and I had the simultaneous translation in the earpiece, and I had the interviewer interviewing me in Farsi, and then the English was simultaneously translated over the air. It was very good.

**Chairman:** If we can move on. Ming Campbell, still on Iran.

**Q20 Sir Menzies Campbell:** Can you tell us a bit about the content of Persian television between 5 pm and 1 am? Do you seek to target certain segments of a potential audience? We know that in Iran a very large proportion of the population are what one might describe as being young, so are the programmes designed for the purpose of targeting that potential segment of audience?

**Behrouz Afagh:** I would say the backbone of the programming is obviously news and current affairs analysis, but it's a broad agenda and we do run a large number of other programmes: the best of factual programming, programmes about technology and IT, culture, and a daily programme, which is very popular now, which is interactive. This is people from inside Iran and abroad ringing in and discussing topical issues—political and social. Every day there is a topic and people ring, and sometimes we get up to about 1,000 people ringing in or sending messages, wanting to take part in the programme. So that's proving very popular. We do show some of the best of the BBC documentaries, and we are showcasing some of the best of the Iranian documentary makers, from Iran, which is another very popular programme. So by and large it is news and factual—news is the backbone—but it's a wider agenda. I would say, yes, you are absolutely right that the bulk of the Iranian population are young, and they're very connected, and very keen to connect to the rest of the world, and the programme—the content, the look and feel, the whole approach, the tone and the presentation—is very youthful.

**Q21 Sir Menzies Campbell:** What about entertainment or sport? Are there programmes of that description?

**Behrouz Afagh:** Yes, we do have sport.

**Q22 Sir Menzies Campbell:** “Match of the Day”?

**Behrouz Afagh:** Unfortunately, we can't have the rights for “Match of the Day”, but we do cover a wide range of sports programmes, and sport is very popular. We do actually make a point of trying to get particularly women's sports, which are quite popular in Iran, but they don't get much chance of watching them.

**Q23 Sir Menzies Campbell:** And entertainment? “EastEnders”?

**Behrouz Afagh:** Not “EastEnders”, I'm afraid, but we are very conscious of having entertainment programmes—music programmes, cultural programmes. We try to make the programmes engaging and entertaining—even the most serious programmes.

**Q24 Sir Menzies Campbell:** The information gathering, which you are going to embark upon: will that be able to identify audience segments by age, socio-economic grouping—things of that kind? Will it be as sophisticated as that?

**Peter Horrocks:** We'll do it by telephone-based market research from another country—the calls will be made into Iran. So we're using a classic telephone-based survey methodology. The only thing is who is prepared to answer the phone and who speaks to us. You have to make some allowances for that but we think it will give us a pretty robust picture and we'll get that information to the Committee as soon as it's available.

**Q25 Chairman:** Mr. Horrocks, you referred to a potential audience of 100 million, I think. That presumably includes people in Afghanistan.

**Peter Horrocks:** It does, yes.

**Q26 Chairman:** Have you got any information about audience figures for Afghanistan?

**Peter Horrocks:** I don't think we do specifically. That would be part of this.

**Behrouz Afagh:** Do you mean for Persian television or generally?

**Chairman:** For Persian language generally but for the television, too, if it is possible.

**Behrouz Afagh:** I'll give you our total radio audience in Afghanistan, which is a combination of Pashto as well as Farsi Dari: it is about 10 million. These figures are from 2008. We are due to do another survey in Afghanistan. So it is quite large. We haven't yet been able to measure the impact of Persian television in Afghanistan.

**Q27 Chairman:** It can be picked up, can it?

**Behrouz Afagh:** It can.

**Peter Horrocks:** By those with a satellite dish. Mr. Afagh and I were recently in Afghanistan looking at how we might be able to extend that broadcasting and create more content that is specifically for Afghanistan, for Farsi speakers within Afghanistan.

**Q28 Chairman:** Have you done any programmes about the Afghan election?

**Behrouz Afagh:** Oh yes. Very much so. We had special coverage of the Afghan election. We had a big team there. We have a very strong presence in Kabul and throughout Afghanistan. We have television correspondents there. In fact, out of our five main news presenters on the Persian channel, two are Afghans.

**Chairman:** That's very useful. Thank you very much. If you could send us any more information about that it would be very helpful.

**Q29 Andrew Mackinlay:** On the Americas, let us start south and move north. You intend to leave a post vacant in Buenos Aires, which doesn't give any cover for the Falkland Islands. Brazil is going to be a bit patchy. I think São Paulo is closing. Mexico is a bit lean, despite its importance with regard to drugs, democracy and so on. I don't know whether this is part of something here. I am reading from a

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document on the plan to deliver creative future savings, which was outlined two years ago. Can you tell us about that? These are critical areas, aren't they? I said Argentina, Falklands and Brazil, which is a big player, with the World Cup, and other things I don't understand, sporting activities, and Mexico is critical.

**Peter Horrocks:** I think you're describing some of the recently announced BBC News news-gathering savings in that part of the world. I think they are accurate. But it doesn't mean that the BBC is not covering those countries or that it doesn't have reporters in those countries. There are two ways in which the BBC covers the world internationally. One is the correspondents and the bureaux that are funded from the licence fee, through BBC News, and the second are the correspondents who work for the BBC World Service language services. So we still have teams working for BBC Brazil—the Portuguese service for Brazil—and also for BBC Mundo, the Spanish service for the whole of Latin America. So by those correspondents filing in English as well as in either Spanish or for Brazil, we're able still to cover those countries. Indeed, we will be using journalists who are from that part of the world who are covering those stories. That is the way the savings that have been made because of licence fee savings, which is what the delivering a creative future programme is about, can be offset or allowed for by the World Service correspondents working more broadly. That is one of the important organisational changes that I've been trying to lead. By the World Service language teams and the English news teams working more closely together, we can cover the world effectively but in a cost-effective manner.

**Q30 Andrew Mackinlay:** I would like to come to that blurring of the licence fee as distinct from the World Service grant money in a minute but can I just deal with the Argentine for a moment? That is going to be reduced to a freelancer, BBC-wise. He or she would set their own agenda. There is a world of difference between your own person and a freelancer. It seems to me a big slice of the world—and a not uncritical part of the world in terms of the Falklands and Argentinian aspirations, bearing in mind the memory, if you like, of the boat, the plumb lines sending all the wrong signals to the Argentine. Don't you think there is an impact here of not having somebody in Buenos Aires?

**Peter Horrocks:** As I say, there will be Spanish language correspondents who are covering this and broadcasting in English as well. They clearly know the story extremely well. We have been working very closely with BBC News and the World Service language teams on a plan to be able to do this. Obviously, it is part of a wider context of the licence fee being used as cost-effectively as possible.

**Q31 Andrew Mackinlay:** Okay. I fully understand that you have a duty to maximise scarce resources. I am not challenging that at all, but if we move up to New York there are 12 BBC people and I am not sure

of the mix between taxpayers' news-gathering costs and BBC World Service. There is going to be a net reduction in New York and there might be a case for that, bearing in mind you are cutting in other critical parts of the world. Perhaps you could take us through this. What is licence-payer money and what is BBC World Service grant money from the FCO? I would not want the FCO money to be subsidising the licence payer's fee. There needs to be some transparency here.

**Peter Horrocks:** There does. There are careful auditing and fair trading arrangements around these. However, unlike many other international broadcast organisations—Voice of America would be a good example—which are not linked to a major domestic news organisation, the BBC has that advantage and so you have the World Service with the Foreign Office funding and BBC News with the licence fee funding. We organise those jointly and as effectively as possible, while still maintaining separate accountability. So the savings you refer to in New York are licence fee savings that BBC News is making. New York itself, from a World Service point of view, is not as important a priority as Washington because of its wider strategic significance. So from a World Service point of view I do not think that that change in New York creates particularly difficult issues about covering the world editorially. The UN correspondent post is being retained, which is obviously very important both for UK and international audiences.

**Q32 Andrew Mackinlay:** I agree. Please could you give the Committee a note explaining the separation and the costs between licence fee and the grant money to amplify what you have just said?<sup>3</sup>

On Caversham, this is a BBC service that is wholly funded by the Government, so there is probably some security money in it from the various agencies, but I don't need to know that this afternoon. It is money paid through the BBC and you provide a monitoring service around the world. You are digesting stuff which is then fed into the FCO, the Ministry of Defence and our security and intelligence services and so on. Is there not a cutback in your capacity to do that work because of the reduction in your network of both licence fee and FCO-World Service grant money?

**Peter Horrocks:** Not because of that. There is an efficiency programme which BBC Monitoring, which is not my direct responsibility, is going through at the moment. The monitors—the people who monitor international broadcasts—are separate from the journalists whom you have been talking about, the correspondents who work for me and for BBC News. They work closely together and they often share offices, but they are different people doing different functions.

**Q33 Andrew Mackinlay:** So they share offices and work alongside each other physically?

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<sup>3</sup> Ev 22

*Peter Horrocks:* Yes.

**Andrew Mackinlay:** You have confirmed that it is not your business, which I fully understand, but perhaps this hearing should be BBC World Service and Caversham because this is food and drink to us. Perhaps your brethren at Caversham could give us a note on what is going on there please.<sup>4</sup>

**Chairman:** Mr. Mackinlay, I think we can directly contact them because they produce their own report.

**Andrew Mackinlay:** But we are not having a hearing on them.

**Chairman:** We have never asked them. That is a matter for us, not for the World Service.

**Andrew Mackinlay:** Well, you tell them.

**Chairman:** It is certainly something that we should pursue as a Committee rather than expecting the World Service to do it for us.

**Q34 Mr. Hamilton:** Can I take up some of the other language services? I know that you have had a review of BBC Afrique and the Turkish language service with a view to perhaps cutting down the costs and improving the efficiency of the service delivery. I understand that you'll be cutting around 15 posts in London and are hoping to create 18 posts in Dakar and I understand that on the Turkish service you are developing a multi-media operation, which has been ongoing for a while, and you are closing down the shortwave radio service. Can you elaborate a little on the savings that will be made with both Afrique and the Turkish service and how these are justified? Have you managed to produce a more efficient service for less money and better output?

**Peter Horrocks:** Those two services provide illustrations of a couple of broader strategic themes for the World Service as a whole. One is the move of staff from London to particular locations. We describe that as, "being closer to the story". It also helps us in terms of cost-effectiveness, but the most important reason is obviously, in countries where it is possible and appropriate, and where our journalists would not come under undue pressure from Government interference, to do the journalism in the country and in the right time zone, to be able to see people, to pick up on contacts and to do proper first-hand journalism. It also happens to be a generally more cost-effective way of working. In the case of the BBC Afrique service—the French for Africa service—one of the key ways that we are using that greater efficiency is to extend the hours of broadcasting, including some morning broadcasts, which we believe will pick up a larger audience and that is one of the main benefits of doing that. The changes within the Turkish service are less to do with staff relocating and more to do with developing a multi-media service in conjunction with a partner station. We provide a weekly programme for our partner television station, which also happens to be our radio partner, in Turkey—NTV—and that has been very successful and our audience in Turkey has grown because of providing this high-quality BBC television programme. Being able to do that with a number of other countries with partners is

something that we are exploring. The television services that we have launched up until now have been full channels delivered by satellite. A different and more cost-effective way of doing it is to create content and to deliver it through partners, which is the means that we use for a lot of our radio broadcasts around the world now. We are intending to develop that further for other television services in other languages.

**Q35 Mr. Hamilton:** Can you elaborate slightly on what a multi-media service is? I can make a guess. It is presumably a website together with radio and television, but is there anything else?

**Peter Horrocks:** Yes, it is simply that. We have online sites for nearly all of our languages now. We are creating online video for many of them so once you are doing that you are making a multi-media service. In the case of Turkey, we also happen to have a television partner so our video is delivered terrestrially to homes throughout Turkey, which it is a very effective way of reaching many people.

**Q36 Mr. Illsley:** Could I ask you about what progress you are making in relation to mobile telephone technology? I understand that BBC Arabic is proving very popular delivered to mobiles, and in Africa. Could you tell us a little bit more about that?

**Peter Horrocks:** Yes. I am sure that the Committee will be aware of the explosion in the number of mobiles that are owned around the world. In many parts of the world—Africa, India and China—the mobile is becoming more important than the PC as a way of getting on-demand content. We are currently going through a very rapid programme of developing mobile information services for all of our African languages and are trying to get that launched in time for the Africa Cup of Nations in January—Hausa, Swahili, Portuguese for Africa and a number of other African languages. We believe that that would be a very popular and cost-effective way of audiences consuming our content. We are working with our journalists to develop their skills so that, as well as being strong radio journalists, they can write strong, effective and brief text stories that will be very suitable for low-cost mobile delivery in places such as Africa.

**Q37 Mr. Illsley:** Given the speed at which the mobile market changes and improves, do you have any policies for the future and any further developments planned to actually follow this up?

**Peter Horrocks:** Our approach is very much along the lines of that multi-media approach I was discussing with Mr. Hamilton. Five years ago we were exclusively radio, and we are going through this very rapid change in which our journalists are being asked, instead of being a journalist working for one platform, to cover stories and create content for as many platforms as possible. We need to organise ourselves to allow that content to be produced cost-effectively and distributed in whatever way is appropriate to get it to audiences around the world. In advanced parts of the world people have

<sup>4</sup> Ev 22

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advanced mobile phones on which they can listen to audio or watch video. That will start to happen in developing parts of the world quite rapidly, and we want to be ready to meet that need.

**Q38 Mr. Illsley:** I know that, in the past, as delivery has changed to different platforms you have discontinued traditional methods, for example short-wave radio. Is there any likelihood that in the near future mobile phone technology is going to replace some more traditional delivery methods?

**Peter Horrocks:** I think it will be supplementary. There will be parts of the world that are still very remote and where people rely on short-wave, and radio is still by far the bulk of the reach that the BBC World Service achieves, but we need to be ready for these new technologies taking off. There are some markets—Brazil would be a good example—where online delivery is now far more important than radio. We have reduced our radio services to a very small proportion of the activity, and you see the pattern across the world that, as markets develop more, television and online tend to take the place of radio, but radio is still hugely important. World Service English radio still has a massive reach of 40 million, and we have to maintain the quality of our radio services while also extending ourselves on to new platforms. That is one of the key challenges that we have to work through.

**Q39 Chairman:** I am afraid that we might have a vote that will disrupt us for 15 minutes, but hopefully we can make progress before then.

May I ask you about the situation with regard to China? I gather there was a relaxation before the Olympics, but subsequently things are quite difficult. I would be interested to hear the current position with regard to blockage of the BBC World Service news site, and about what is happening with regard to our journalists and with our partner organisations, which we understand have had BBC news content removed from their sites. Could you give us the current position? Is it significantly worse now than it was before the Olympics, or has it just gone back to where it was normally?

**Peter Horrocks:** It is as bad as it was, I'm afraid, but it is not appreciably different in all honesty. It did improve for that brief period, as you say. Just to explain for those who aren't as aware as you are, there are two BBC sites for China, one is a full news site which is comprehensively blocked by the very effective web blocking that the Chinese authorities use, and there is a second site largely delivering English teaching materials, which is very popular and is generally not blocked. It was the content of that second BBC site that a number of our partners were discouraged from hosting. We believe that was after a documentary that Kate Adie did on the 20th anniversary of Tiananmen Square. But not all our partners dropped the content; it was a discouragement rather than an instruction. That English language content is still reaching people in China, but the overall news service is not available.

We are exploring new technologies that we might be able to use to get our content, including our news content, to audiences in China.

**Q40 Chairman:** Is this blocking enabled because of the collaboration of Google and certain other internet service provider sites, which are in effect working in cahoots with the Chinese Government?

**Peter Horrocks:** I don't think it's particularly about that, although I know that there has been some speculation about it. I think it's simply that the Chinese authorities are smart at doing this. They know the sites that they wish to block and block those specific named sites. A wide range of them are interfered with.

**Chairman:** I have had personal experience of being in Shanghai airport and being able to get on the *Guardian* site but not the BBC site. That was about four years ago.

**Sir Menzies Campbell:** What inference do you draw from that?

**Chairman:** None at all. It was pretty random.

**Q41 Sir John Stanley:** Can you just give us the current position on what the Russian authorities are doing to try to constrict you, jam you and disrupt your broadcasting?

**Peter Horrocks:** The main way in which we believe that the Russian authorities have made life more difficult for us relates to rebroadcasting through local FM stations—we had a number of arrangements in place a few years ago, then our partners for commercial reasons were not able to host the BBC's content any more. So, it is not about technological blocking but more about a political perspective and making it difficult for our radio content to get to audiences in Russia in the quality that people now expect their radio to be. We still deliver through short-wave and medium-wave, but audiences, once they have high-quality radio such as FM, don't typically tune to AM short-wave frequencies instead. The website is not blocked at all. It is not like China. That is why we have put significant extra resource into our online presence in Russia. We believe that that has been a successful way of engaging a new audience in Russia. It has also happened to have a benefit for our radio programming, particularly our interactive radio programme, when people have come to the website and then taken part in our radio programmes in greater numbers, because of a stronger online presence.

**Q42 Sir John Stanley:** Do you have any means of overcoming the rebroadcasting problems that you have run into? I assume those problems were as a result of political pressure on your various partners to disconnect with the BBC. Are you trying to replace that FM rebroadcasting? Do you have any means of doing that?

**Peter Horrocks:** We do not, I am afraid. We continue to talk to our partners and, if the political situation relaxes, then of course we would want to be back on air as soon as possible but, short of that, certainly in

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terms of radio and online, there are no other ways to deliver our content to audiences in Russia unfortunately.

**Q43 Sir John Stanley:** Okay. What is your judgment as to the numbers of people that you are reaching in Russia at the moment?

**Peter Horrocks:** I am not sure that I have those figures with me. I can get some figures to you, but I don't think that I have them immediately to hand—if I find them in a second I'll let you know.

**Sir John Stanley:** If you can't, please let us have some figures, so that we can get some perspective on what sort of coverage you are getting.<sup>5</sup>

**Chairman:** I am very sorry, we are going to have to break. I urge my colleagues, please do come back, because we have to get through some more questions. Thank you very much.

*Sitting suspended for a Division in the House.  
On resuming—*

**Q44 Chairman:** Thank you very much for waiting. Apologies for the Division—that is out of our control. Can I take you to Sri Lanka? I understand that your FM programming was suspended as a result of interference by the Sri Lankan Government and the pressure that they were putting on the national broadcaster. I should be interested to know when or whether you think that the services in Sri Lanka will be resumed.

**Peter Horrocks:** In our submission to the Committee, we thought at that stage that they were resuming, but they have not yet resumed.<sup>6</sup> We have been in discussions with the relevant regulatory authorities in Sri Lanka and we hope to have our service back on the air by the end of the year. I think that that is a realistic time scale, but we are not yet back on the air.

**Q45 Chairman:** Is it a political problem?

**Peter Horrocks:** I believe it is. It is not something that is directly from the Government. It is through the regulatory authority. In the end, coming off air was a decision that the BBC took as opposed to being taken off the air directly by the Sri Lankan authorities, but that was because our signal was being interfered with in relation to specific editorial content. If there were particular stories that we were covering or particular people who we were interviewing, the signal would suddenly be cut or be interfered with. We decided that that was intolerable and decided to withdraw our service. The nature of the dialogue with the Sri Lankan authorities is more about giving us comfort that we can be back on the air without that kind of editorial interference.

**Q46 Chairman:** Was that interference in the English service, the Tamil service or the Sinhala service?

**Peter Horrocks:** It was both the Tamil and the Sinhala services. It was slightly more with the Tamil service, but it was with both. One of the important things about the BBC's coverage of the Sri Lanka

story is that the Tamil and Sinhala teams work very closely together, right alongside each other, within Bush House. They each have a commitment to cover the story from all sides of the conflict, as opposed to taking as it were the language perspective of their particular listeners. That led to both those services being interfered with.

**Q47 Chairman:** It is obviously a matter of some concern. You say the end of the year. Do you have an absolute promise that that will happen?

**Peter Horrocks:** No. It is within Behrouz's region. I do not think that we have a commitment. Recently, we have had encouraging signals, but things have not got back on air yet. We hope that they will do shortly.

**Q48 Chairman:** Okay. We will no doubt take this matter further.

You were taken off the air in Rwanda. Was that the decision of the Rwandan Government or did you take that decision yourself?

**Peter Horrocks:** No, it was the Rwandan Government.

**Q49 Chairman:** That was because they said that you broadcast material denying genocide. Is that correct?

**Peter Horrocks:** That is what they said. We did not agree with that interpretation. Clearly, Rwanda is a country where the scars of the recent past are very deep, and where the use of language and how it is interpreted is a matter of real controversy so we listen very hard and take very seriously the Rwandan Government's concerns. However, we thought that the extent of their reaction was an over-reaction. We certainly shouldn't have come off the air. We were also disappointed that at that period the Rwandan Government decided no longer to provide interviews with the Great Lakes service, the service that was set up after the massacres. That made it even harder to do properly balanced coverage. We're pleased to say that the Rwandan Government are now offering interviews again to our service and we're trying to re-establish confidence, and to make sure that we're covering the story as fairly as we feel we need to, but reflecting the Rwandan Government's perspective on it as part of that.

**Q50 Chairman:** How long was the FM service off air?

**Peter Horrocks:** I think it was a couple of months.

**Q51 Chairman:** But it's been restored?

**Peter Horrocks:** It has been restored. We are back on air now, yes.

**Q52 Chairman:** I understand you've also had a problem in Azerbaijan.

**Peter Horrocks:** Yes. We're not on the air at all in Azerbaijan. Along with other international broadcasters, we had a variety of ways of getting our content to audiences, with relay stations and also local partnerships, and all of those were stopped by action of the Azerbaijani Government.

<sup>5</sup> Ev 22

<sup>6</sup> Ev 16 and Ev 23

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**Q53 Chairman:** What reason was given?

**Behrouz Afagh:** They said they introduced legislation, but we believe it was political.

**Q54 Chairman:** Was this related to an election? The election was some time past, wasn't it?

**Behrouz Afagh:** It was. Sometimes some of this legislation coincided with an event, but it's been a trend. It started in 2006-07, I believe, and it's continued and the last chapter was in January 2009, when they removed—

**Q55 Chairman:** And you're still off air in Azerbaijan?

**Behrouz Afagh:** Yes, and that's the case for all international broadcasters.

**Q56 Chairman:** Can I move on to your financial situation. What is your expected financial out-turn for the current financial year?

**Richard Thomas:** At the moment we're forecasting probably a small underspend, mainly because we're having trouble recruiting all the positions that we have in the Persian service and the Arabic service.

**Q57 Chairman:** What about the impact of the decline in the value of sterling? Has that been a serious problem for you?

**Richard Thomas:** Yes, it has. We spend about £24 million-worth in foreign currencies around the world. We get in, through some of the other commercial deals, about £4 million-worth. So we've got a net exposure, if you like, of about £20 million. I think that in the last financial year the fall in value of sterling cost us about £4 million, so we had to cover that, we put extra savings in to offset that, we had a reserve anyway and we've actually had to increase the reserve in the current year budget.

**Q58 Chairman:** Did the Overseas Price Mechanism apply to the World Service?

**Richard Thomas:** No. I'm not even sure what that is.

**Q59 Chairman:** So this hasn't been a sudden change. You weren't in the same position as the British Council or some of our diplomatic posts around the world?

**Richard Thomas:** No. We're not in that sort of network. We're much more tied in with the BBC and the way it manages foreign currency, and we hedge against it, but we don't speculate. The hedging is very much just fixing so that we know what our exposure is.

**Q60 Chairman:** So if the pound suddenly starts going up again you'll be doing very well.

**Richard Thomas:** We'll benefit, absolutely.

**Q61 Chairman:** I'm not going to speculate on that one. I'm still keeping my dollars, though.

Finally, your departmental resources accounts referred to a number of planned efficiency savings. Have you got any other savings in mind that are not mentioned in your 2008 report?

**Richard Thomas:** I think there are some things, which will help out next year. In particular, you'll have noticed in the press lots of stuff about controlling pay within the BBC. We didn't have any bonuses last year—there'll be an impact with that next year—and we had a pay settlement lower than the previous year's. That will help us to stay within our current funding as well. Also, some of our external contracts are related to the retail prices index, so when RPI is low we get a benefit. Obviously, when RPI has been high we've had to find that money. The current financial situation, where it affects RPI, will help us at least in the short term.

**Q62 Chairman:** This is the same question that I asked the British Council. In the current national and international economic climate and projections for the need to reduce public spending, what are your priorities for the next comprehensive spending review? Where would you envisage making cuts if you had to?

**Peter Horrocks:** We are considering that very closely at the moment. We are going through a programme of engagement with all of our staff which we refer to as World Service Choices, which is about taking our view on what priorities there should be. We talked earlier about investing in multi-media services and there are key parts of the world—Africa, India, Pakistan—where being able to do that to maintain the BBC's reach and reputation will be important to us. So we are focused on things that we want to add. In terms of looking for savings, there are some opportunities that are available to us because of the new BBC journalism headquarters currently being built in Portland Place, where we are coming together with BBC News. The joining together of operations should allow us to achieve some efficiencies. We are also looking at other structural and distribution costs and so on. Our initial focus is not to want to reduce any of our language services. We have not got the same clear-cut decision that we were able to take with regard to the Arabic service by saying, "Here are some countries we are providing services for within Europe, but it is no longer necessary because they have joined the EU." We are not in that position, so we are looking for savings in other areas initially, but that will obviously depend on the resources that are available and the discussions that will no doubt happen over the next year or 18 months about ongoing funding. We need to be ready to respond to prioritisation so we are looking at which are the most important services and which are the ones which, if we had to, we might reduce, but obviously we do not want to be in that position unless it is absolutely essential.

**Q63 Chairman:** You referred to a new journalism centre. What is the prospect long term for Bush House?

**Peter Horrocks:** We will be leaving Bush House. The Bush House lease expires in 2012 and we are moving to what we refer to as W1, which is the BBC's new journalism and radio headquarters where the BBC's radio service is. All of the domestic journalism, all of

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the global news and World Service journalism will be in a single, effective building where the knowledge that the language service teams from the World Service have got will be blended together with all the domestic news operation in what will be the biggest news centre in the world.

**Q64 Chairman:** So you won't make any capital gain by moving out of Bush House.

**Richard Thomas:** We do not own Bush House.

**Q65 Chairman:** Who does?

**Richard Thomas:** I think it is Japanese owned.

**Chairman:** I can see another London hotel. Gentlemen, thank you very much. It has been very valuable. We will follow up with you the other areas on which you said you would send us more information.

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# Written evidence

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## Written evidence from BBC World Service

### PART 1: THE YEAR IN REVIEW—2008–09

It was a year in which BBC World Service reached a record global weekly audience of 188 million—the highest audience ever for BBC World Service, and including for the first time audiences for the newly launched television and expanded online services.

Outstanding coverage of international events, from the violence in Gaza, Georgia and Mumbai to the meltdown in the global economy and the start of a new era in American politics, demonstrated once again the impact of World Service, as its ratings for trust, objectivity, relevance and value remained higher than the nearest competitor in the majority of areas of key geopolitical importance surveyed.

The continuing strength of both reach and impact is a strong validation of the multiplatform strategy adopted by BBC World Service to meet the challenges of a rapidly changing media environment. While overall audience figures remain impressive, radio listening generally, and short wave listening in particular, is beginning to see a decline that is gathering pace; in many places it is no longer the medium of choice. BBC World Service is developing innovative partnerships to provide a range of multimedia services to address this, and indicators are that where new services have been launched, there has been a positive audience response.

### SUMMARY OF KEY EVENTS AND DEVELOPMENTS

- BBC Persian TV launched in January 2009, with a young, newly trained team. It complements the long-established radio service and the relaunched [bbcpersian.com](http://bbcpersian.com) and fills a huge need for audiences in a crucial region where television is the prime medium for news; and there are already indications that the mere arrival of the channel is changing the media landscape in Iran, with national TV channels improving their output in response. The launch proved to be timely—the channel hit the headlines following the election and subsequent demonstrations in Iran, when it was blocked temporarily and accused by the Iranian government of deliberately stirring up trouble. In addition, traffic to the Persian service's online site—blocked since 2006—increased seven-fold from May to June to more than 3.6 million per day, and the number of people streaming BBC Persian television online on one day in June was greater than the number for the whole month of May.
- BBC Arabic television moved to a full 24-hour schedule in January 2009. As the Gaza conflict unfolded key moments were covered round the clock on television, radio and online. Initial audience figures for the channel indicated an average of eight million weekly viewers. On-the-ground reporting of Gaza was complemented by reports received from listeners phoning in. Special editions of the interactive programme *World Have Your Say* (for the World Service English network) and BBC Arabic's *Nuqtat Hewar* (Debating Point) were broadcast across radio, television and online.
- BBC World Service led the field on many of the big stories of the year including coverage of the global economy, the Russia/Georgia and Gaza conflicts, and the Beijing Olympics, with specialist editors and correspondents working across media to explain and analyse often complex issues.
- Building on its award-winning success in 2008, the English network won critical acclaim for new programmes on culture, economics and ideas. It also collected three Sony Radio Academy Awards at the 2009 ceremony.
- The year's future media developments included the roll-out of new, wider-page designs for websites with broadband quality video; video channels in six languages were launched on YouTube and a growing number of mobile networks started showcasing BBC World Service content.
- Multimedia development also helped to compensate for the inevitable decline of short wave radio. BBC World Service is constantly redirecting limited resources to where they are needed most, and one further language service closure took place in 2008, when BBC Romanian ceased broadcasting. Over 69 years, the staff made an immense contribution in serving Romania, now an EU member, as well as neighbouring Moldova.
- 2008–09 ended with the departure of BBC World Service's Director, Nigel Chapman, and the arrival of his successor, Peter Horrocks, who joined BBC World Service at the start of the business year for 2009–10, having previously worked as Head of the BBC's Multimedia Newsroom and in a number of other posts at BBC News.

## AUDIENCES

- BBC World Service reached a global weekly radio, television and online audience of 188 million—its highest audience ever.
- Radio listeners amounted to 177 million.
- Decreases were measured in Nigeria, Kenya and Pakistan (where there was a general decline in short wave users). Further declines in short wave listening are expected in the years ahead.
- The latest results for ratings for objectivity and relevance showed that BBC World Service scored higher than its nearest international competitor in four-fifths of the countries surveyed.
- Ratings for value and loyalty were also measured in some markets. Bangladesh, Nepal, Nigeria and Liberia were amongst the countries where BBC World Service came out on top.
- The first figures for BBC Arabic television indicated an average audience of eight million viewers. This added to the Service's half a million online users and 12 million radio listeners. Firm figures for BBC Persian television are not yet available, although indications are that it is extremely popular.
- The recently relaunched [bbcworldservice.com](http://bbcworldservice.com) and language sites attracted 5.3 million unique users a week.
- Significant audience increases were measured in Egypt, Nepal, Saudi Arabia, USA, Syria and Turkey (where a new current affairs television programme, launched in partnership with Turkish News TV has increased the audience). Data were available for the first time from Liberia, with a radio audience of 1.1 million and survey coverage increased in Niger and Guinea.
- The audience for BBC World Service's English language service remained steady at 40 million weekly listeners globally. The audience in the US grew to six million—overtaking Nigeria (with 5.9 million listeners) as the country with the largest audience for WS English.
- Combined with the international news and information television channel in English, BBC World News, the global weekly audience for the BBC's Global News division is another record, 238 million.

*Performance against targets:* In terms of meeting targets set by the FCO, the overall reach for radio and/ or television was slightly below the target of 190 million adults weekly, at 185 million. However, this figure does not include any audiences for BBC Persian television, which was included in the target but launched later than originally anticipated. Online figures, included elsewhere as part of the overall audience, are not included in this figure, as the agreed FCO target is for radio and television only. Measurement of BBC World Service's impact across all platforms will be of increasing importance in the future.

The agreed targets for impact of the BBC's online offer were exceeded in all areas: the number of weekly users rose to 5.3 million (target was 4.5 million), the number of weekly page views (text and audio) rose to 66 million (target was 60 million) and the number of weekly video views rose to 1.64 million (target was 1.30 million).

## DISTRIBUTION

Increasingly, audiences want to access BBC World Service at a time and place that suits them. Major progress was made towards achieving that goal in 2008–09. BBC Arabic now offers a fully multimedia service with a relaunched website and mobile services complementing the new television channel. BBC Persian is also now trimedia.

*Radio*

Short wave remains a key method of delivery in less developed parts of the world, where other means of access are not readily available. It accounts for 104 million listeners, but numbers are down significantly in key regions such as Nigeria, Kenya and Pakistan.

Digital short wave took a significant step forward with the Digital Radio Mondiale consortium creating a new channel covering most of Europe with content that includes BBC World Service.

Nevertheless, the future of BBC World Service radio is increasingly focused on FM, and increasing its availability where possible. During the year excellent progress was made in securing new FM relays and partners in key markets such as Kenya, the Middle East and Bangladesh.

In Kenya, five new FM partners were secured and in Bangladesh, the FM network was expanded from three to seven transmitters reaching more than 40% of the population.

In the United States, 500 plus US public radio stations now broadcast our programmes delivering six million listeners in English.

### Television

BBC Persian television went on air on 14 January 2009, fulfilling BBC World Service's commitment to developing its widely respected Persian radio and online services into a fully trimedia operation.

Before its move into television, BBC Persian had already produced popular and respected radio for 68 years, serving 10 million listeners a week in Iran, Afghanistan and the wider region. Since 2001 the radio service has been supplemented by *bbcpersian.com*, which despite being largely blocked in Iran since 2006, has its news reproduced by Iranian newspapers and Persian language news websites worldwide. According to independent research, audiences regard the BBC as one of the most trusted, impartial and objective international radio news providers in the Persian-speaking world.

The new channel is available to a region of more than 100 million Persian speakers in Iran, Afghanistan and Tajikistan. Anyone with access to a satellite dish or a cable connection can receive live broadcasts, eight hours a day. Programmes are also available globally 24 hours a day via *bbcpersian.com*. In Iran, where international channels are widely watched despite a ban on satellite dishes and restricted internet access, the new channel made an immediate impact. Less than a week after going on air its presenters were reporting live from the streets of Washington DC for President Obama's inauguration. The special programme included regional reaction from Kabul, Tehran, Jerusalem and Beirut, perspectives Iran's national and local media excluded.

Programmes reflect the richness of Persian culture and give everyone a chance to express their views. The BBC is fast becoming the forum for debate among Persian speakers from different backgrounds and regions. More than a 1,000 texts, emails and webcam messages are received daily from people wanting to take part in interactive programmes.

Although Iran remains closed to BBC Persian reporters, a Tehran-based news correspondent reported in English for the BBC across platforms and channels up until the election, when he was expelled, as described below.

Broadcasting from a new newsroom in London, most of the 140-strong team were recruited from Iran and had no previous television experience. After eight months of training and with BBC mentors on hand to help, they won praise for the quality and production standards of the new channel.

Results from a limited survey carried out in Tehran shortly after launch indicated that BBC Persian TV had a weekly audience of 4.5% of adults and there was a higher level of awareness for BBC Persian television than for Voice of America (VOA) television.

*Post-election interference:* Though largely welcomed in Iran by viewers and the press, the Iranian Government said at the time of its launch that the channel was "not suitable for the security of the country" and that it would "take the necessary measures with regards to it". In fact no significant attempts to disrupt output or intimidate people connected with the channel occurred in the first few months. However from the first day of Iran's Presidential election, the satellite signal was subjected to deliberate and illegal interference from within Iran. In response, the BBC increased the number of satellites carrying the channel, and technical changes were made to help reduce jamming on the original signal (which also lessened the impact upon other affected broadcasters). BBC Persian extended its broadcast hours and news programmes on both television and radio.

The BBC's Tehran Correspondent, Jon Leyne, was expelled amid threats of "more stern action". Arrested protesters were shown on Iranian state TV "repenting" their actions, blaming the BBC and VoA for encouraging them to go out on the streets. The newspaper *Javan* accused Jon Leyne of arranging the death of Neda Aqasoltan for a documentary.

Despite the interference and journalistic restrictions, millions of Iranians continued to turn to the BBC during the crisis. BBC Persian received huge amounts of user-generated content—up to eight videos per minute at one point—as well as eye-witness accounts via email and over the phone. With foreign journalists restricted, these reports from BBC Persian's audiences in Iran became a key element of news material for all BBC channels and those of many other broadcasters.

BBC Persian television is temporarily available on five satellites, serving audiences not only in Iran, Afghanistan and Tajikistan—as before the crisis—but also across the wider Middle East, Europe and Asia. Transmission hours were extended throughout the crisis, and although the channel has reverted to its original schedule, the BBC has ambitions to extend the hours of the service permanently, if funding permits.

The BBC also hopes to re-establish a permanent Tehran Correspondent as soon as possible. However, the Iranian government continues to accuse the BBC of broadcasting lies and inflaming the situation in Iran post-election. Most recently, in August 2009, President Ahmadinejad warned Britain to "stop meddling in Iran's domestic affairs or face the nation's firm response" and referred in particular to the launch of BBC Persian television.

BBC Arabic television, which launched in March 2008, moved from a 12 hour service to 24 hours on 19 January 2009, with five new presenters from across the Arab world joining the team.

The timing of the expansion was crucial—the Gaza conflict was underway, and 24-hour television coverage was an important element of BBC Arabic's multimedia service. The multimedia interactive programme *Nuqtat Hewar* (Debating Point) provided an opportunity for radio, television and online audiences to discuss every aspect of the conflict, including the BBC's decision not to broadcast the Disasters Emergency Committee Gaza Crisis Appeal.

The number of users of [bbc.com/arabic](http://bbc.com/arabic) hit an all-time high in January. In addition, research in Gaza found that two in five people spoken to in a telephone poll, who had watched BBC Arabic during the three-week offensive launched at the end of December, said that BBC Arabic provided the best coverage of the crisis. Though the poll surveyed a small group (all with operational landlines), it is worth noting that it took place at a time when some negative response was anticipated, following the BBC's decision on the DEC appeal mentioned above. It also showed the continued importance of radio during the crisis, when power supplies were restricted. Of those polled, 58% had used any BBC service, 40% had listened to BBC Arabic radio, 27% had watched BBC Arabic television and 10% had accessed [bbc.com/arabic](http://bbc.com/arabic). High ratings were given for trust and impartiality.

Television is also having a significant impact in Turkey, where the new current affairs programme launched in partnership with NTV (Turkish News TV) has added significantly to BBC World Service's audience.

### *Online*

Websites were improved with the introduction of new, wider page designs with broadband quality video. Arabic and Persian services led the way—their redesigned websites highlight live television streaming and on-demand video content. They also make audio, text and interactive features easier to use, offering users a fully multimedia experience.

[bbc.com/brasil](http://bbc.com/brasil) has some 1.4 million unique users a week in a highly developed and competitive internet market. The BBC's Spanish site also has 1.4 million weekly users, representing a 174% increase on 2008. A new deal with MSN made text, video and audio content available on 10 sites across Latin America in both languages.

In China, [bbc.com/china](http://bbc.com/china) (formerly named [bbcchina.com.cn](http://bbcchina.com.cn)) was developed and its content is now being syndicated by 24 leading online partners. Traffic rose over the year by 57%, reaching nearly 90 million page impressions in June 2009. The site caters for young people interested in the UK as well as in English learning, studying, sport and entertainment news.

BBC Burmese became the first site to offer international news content online in the Burmese font, which has until now presented difficulties for web software. The site was previously published in English only.

Six new video channels launched on YouTube made BBC news available in Arabic, Portuguese, Persian, Russian, Spanish and Urdu, joining BBC World News television in English. It was the first multi-language deal by a major international news broadcaster with the leading online video site.

BBC World Service programmes in English were launched on the BBC iPlayer, making streamed and downloadable content available on demand. More than 40 programmes in English, Russian, Mandarin, Spanish, Portuguese, Arabic and Persian are also available for download through the pan-BBC podcast service. There were more than six million BBC podcast downloads in January 2009, of which more than 86% were requested from outside the UK. BBC World Service played a major part in achieving 21% year-on-year growth in the overall number of BBC subscribers since 2008.

Future media development also focused on a new content management system to produce and publish content to any website, including syndication to partner organisations and other platforms such as mobile devices.

While online audiences are currently considerably lower than the traditional audiences on radio and the large audiences available on TV, the potential future size of online audiences is enormous and this, together with the inevitable decline of short wave radio, is the reason for significant investment in this platform and multimedia development in general.

### *Mobiles*

A growing number of mobile networks started showcasing BBC World Service content. From Brazil to Vietnam, new audiences are being won through the expansion of new media and new partnerships.

New mobile phone applications were launched in Hindi and Urdu, both of which use technically challenging fonts, enabling users to download news content from BBC websites.

Arabic extended its mobile internet availability. Nine mobile operators now offer WAP links through which users can download web content to their phones and handheld devices. Through partnerships with the two biggest operators in Egypt, traffic to BBC Arabic mobile sites has increased massively. SMS alerts

were launched in four territories giving short messages about breaking news. Nokia launched a new internet radio application making BBC Arabic and two streams of BBC World Service English programmes available on their latest mobile phone models. After two months, BBC Arabic was the number one application (measured by the time people spend listening).

Mobile internet is also making a big impact in Africa. In Nigeria, 86% of online traffic to BBC News and Sport is generated by mobiles, and other mobile deals have been negotiated in Kenya, Gambia, Sierra Leone, Egypt, Sudan and Morocco. Later in the year, and in time for the Africa Cup of Nations in January 2010, BBC World Service is aiming to offer mobile sites in Hausa, Somali, Portuguese for Africa, Swahili, French for Africa, and for the Great Lakes Service.

As audiences migrate away from traditional platforms, online and mobile sites will become increasingly important to BBC World Service's efforts to build its global audience. Mobile markets around the world have changed significantly in the past year and continue to develop rapidly. The BBC is striving to keep pace with industry developments and to respond to these changes quickly and effectively.

In the United States, 500 plus US public radio stations now broadcast BBC World Service programmes delivering six million listeners in English.

#### EDITORIAL OVERVIEW

The biggest news story of the year was undoubtedly the global financial crisis, and BBC World Service responded by strengthening its business and economics programming. As the story developed, BBC correspondents analysed the background and implications for audiences in every region and language. BBC World Service worked closely with BBC World News television and the international online site to present a coherent picture of the situation across all platforms.

Correspondents in each country showed how people were suffering from the recession and what they were doing about it. The business and economics department at Bush House provided specialist analysis to mainstream news programmes and language services in addition to the usual three-and-a-half hours of business news it produces every weekday. *Business Daily*, the new *Business Weekly*, *World Business Report* and *Global Business* explored the impact in depth in every region of the world. Flagship news programmes *Newshour*, *World Today* and *World Briefing* frequently led with exclusive interviews and special coverage.

Language services explored ways in which the economic crisis was affecting every region. In Latin America, Spanish and Portuguese programmes focused on the emerging markets of Brazil, Mexico and Argentina, and their potential role, through the G20, in finding a solution.

Another major story was the campaign that culminated in the election of Barack Obama. For BBC World Service it was "the multimedia election". Correspondents delivered depth and analysis with greater use of new media platforms than ever before. Programme-makers broke new ground in the way they connected with Americans across the country. In the election run-up, the *BBC Talking America* bus took news programmes in English and 12 other languages on a unique cross-country journey to hear what Americans wanted from their next President.

BBC World Service programme-makers added depth and insight tailored to audiences all over the world. In a special series for *Outlook*, Matthew Bannister travelled to three states to investigate what it means to be *Black in the USA*. The resulting programmes won a Sony Radio Academy Award. Robin Lustig visited the home states of the two presidential contenders to bring voters head to head in *My Senator, My Vote*. For Russian listeners, students at Berkeley and Moscow universities exchanged views in a special link-up, followed by an online forum on [bbcussian.com](http://bbcussian.com).

The English network presented a three-hour live special on the inauguration from the capital. It included contributions from correspondents in Nairobi, Islamabad and President Obama's father's home village in Kenya, plus audience reaction from *Africa Have Your Say*, Urdu interactive and BBC Arabic.

Original programming was produced for every region. African services put the emphasis on interactivity and big interviews from the US and Africa. Hindi and Urdu services presented live coverage from Washington. Urdu reporters at cafés in Pakistan captured reaction and an online forum generated many comments.

BBC World Service was also at the heart of the story during the conflicts in Gaza and Georgia, as well as during the terrorist attack in Mumbai. The challenge, as always, was to provide accurate and impartial information from all angles in conditions that were difficult and dangerous.

During the Gaza conflict, when foreign correspondents were being prevented from entering Gaza by both Israel and Egypt, BBC News correspondents were deployed on the borders and at Israeli towns targeted by Hamas rocket attacks. The local Arabic team at the BBC's Gaza bureau were able to continue reporting from inside the territory. However, safety of the BBC's Gaza bureau staff and their families was a major concern. There was anxiety that the BBC office would be targeted by Israeli forces, who claimed Hamas had taken the building.

A highlight of the year's major programme seasons was *The Amazon Paradox*, in which 11 language services, the English network and other parts of BBC Global News focused on a region of major importance to the rest of the world. It was one of the most ambitious multimedia projects ever carried out in the Americas.

In English, news remains at the heart of the schedule, but there was demand for more than a rolling news network. The aim is to keep listeners longer by making the schedule broader and richer. Significant new programme developments included a daily arts show, *The Strand*, which spans global developments in arts, culture and entertainment and *The Forum*, which brings together acclaimed thinkers to explore and challenge thoughts, theories, opinions and beliefs.

BBC World Service Sport's coverage of the Olympics was also rewarded in a year when the Games dominated the sporting line-up. The special *Olympic Sportsworld* won a Sony Radio Academy Award.

#### CONTINUING CHALLENGES/REALLOCATING RESOURCES

Services to every part of the world are adapting to local conditions and the needs of audiences.

In Russia, for example, BBC World Service faces a number of challenges around its availability as a radio service. BBC Russian is available online, on short wave and medium wave frequencies in Moscow, St Petersburg and Ekaterinburg but audiences are under pressure. Despite extensive efforts, BBC Russian is not currently available on FM and is unlikely to be so in the foreseeable future. This has resulted in a greater investment in [bbcussian.com](http://bbcussian.com)—as a key method of delivery for all content—and development of new radio output. The revamped website has seen a number of new initiatives this year including an archive area of significant historical radio programmes from the past 45 years featuring the voices of Solzhenitsyn, Anna Akhmatova and Alexander Kerensky (Prime Minister during the 1917 Russian Revolution) on the site; a partnership with web publication, *Caucasian Knot*, enabling the site to offer a forum for bloggers from Chechnya, Dagestan, Ingushetia and North Ossetia to discuss key issues faced by them; and live debates broadcast on radio and online from Moscow. Demand for audio, video and mobile content grew rapidly.

In China, online restrictions were relaxed in the weeks before the Olympic Games but were regrettably reimposed in the following months. [bbcchinese.com](http://bbcchinese.com) (the World Service site which contains news content) is blocked in China, although the second BBC Chinese website ([bbcukchina.com](http://bbcukchina.com)—see above), has been very successful. However, the Chinese government has recently issued an internal circular to all media organisations ordering them not to have any business cooperation with the BBC. Three Chinese partner sites have removed BBC non-news content from their sites, but the majority of partners have retained it. In addition, BBC Chinese producers are not able to get journalist visas to China.

BBC World Service monitors the distribution of BBC content by partner organisations closely. In February, the BBC suspended FM programming to the Sri Lankan national broadcaster SLBC after a number of instances of interference with programmes and news reports in English, Tamil and Sinhala. Following much negotiation, programming has recently resumed, but BBC World Service will continue to monitor the situation.

The BBC was recently taken off air on FM in Rwanda after accusations from the authorities that it had broadcast material denying the genocide. Broadcasts have now been restored, but again, the BBC is still watching the situation.

In Azerbaijan, the Azeri authorities banned all international radio broadcasters from transmitting on FM from Jan 2009. The BBC is working on a resolution.

During the year, BBC World Service finalised plans to change the way it serves audiences in places including South Asia and Africa, bringing it closer to key markets. There was a dispute over the relocation of some South Asian services, but there have been constructive discussions with staff and unions to resolve this.

#### FINANCE

2008–09 year was marked by two major programming developments made possible by a combination of savings and new funding. Arabic television, which had been launched in March 2008, completed its first full year of operations and moved from 12- to 24-hour broadcasting in January 2009, as mentioned earlier. This was quickly followed by the launch of BBC Persian television. Detailed preparation helped to ensure its successful transition from development project to live broadcast channel within budget. Taking Arabic television to a 24/7 model and launching Persian television (eight hours per day) were both funded by additional baseline income, which is reflected in Grant-in-Aid increasing from £255 million to £265 million in 2008–09.

*Savings:* Control of costs is a key objective. With £265 million of grant income, BBC World Service has a duty to ensure that it delivers value for money to its stakeholders. The drive for greater efficiency is built into the funding arrangements with a requirement from the 2007 Comprehensive Spending Review (CSR) that savings of 3% of baseline Grant-in-Aid are delivered year on year. In 2008–09 BBC World Service

delivered £7 million of savings from across its capital and revenue funding streams. These savings are re-invested to cover rising costs both in the UK and internationally. For BBC World Service, the fall in the value of sterling (as part of the global economic crisis) did not simply represent one of the biggest news stories of the year, it also had a real impact on its cost base, the full year effect of which will add significant pressures in 2009–10.

Conversely, reductions in the rate of inflation in the UK will help mitigate some cost increases. Careful management of costs and financial risk remains a priority in ensuring that BBC World Service meets its objectives and obligations.

Pressure on grant-in-aid funding will become even more intense next year, given the challenging environment for public spending.

*Capital projects:* Total investment in capital projects in 2008–09 was £29 million. Notable projects included: completing the infrastructure for Arabic and Persian television; the final stages of the Satellite Media Distribution System, which delivers BBC World Service content to transmission sites and broadcast partners around the world; key aspects of the re-engineering project at the Ascension Island transmitter station, which broadcasts to Africa; and, further work to enhance emergency production facilities, which enable BBC World Service to maintain output in key languages if its London facilities cannot be used.

The new windfarm being constructed at the Ascension Island relay station will save up to £450,000 a year on oil as part of the bigger investment on Ascension that will ultimately deliver savings of £1.5 million to BBC World Service. It also means a reduction in CO<sub>2</sub> emissions of 4,000 tons a year.

## PART 2: LOOKING AHEAD—THE BIG PICTURE

### OVERVIEW

Looking to the future, we believe the need and demand for the BBC's international news services will continue to grow. Despite the increasing competitiveness of many of the markets we operate in, the provision of high quality, impartial, independent news remains essential and in many countries is not adequately provided by local alternatives.

Nonetheless, rapid change in our markets poses undoubted challenges. We need to continue to invest and innovate to exploit new opportunities as TV, online and mobile technologies become more widely available. And we need to respond to the emergence of new local and international competitors by ensuring that we focus on what we do best, and on what we distinctively bring to the countries we operate in.

We recognise the huge pressure on public finances that already exists and will persist for years to come. Nonetheless, we believe the impact we achieve, the size of the audience we reach and the strength of our reputation are out of all proportion to our relatively limited cost to UK taxpayers. We hope that as we continue to work hard on seeking further efficiencies and reducing our costs, the Government and Parliament will recognise the continued need for us to invest to maintain World Service's powerful impact and reputation.

### CHANGING MEDIA MARKETS

Throughout the world, the pace of change in media and technology is unprecedented. Countries in which we were the only broadcaster, or one of the few, 20 years ago—such as India and Kenya—now have vibrant media scenes with a wealth of local and international news providers. TVs are ubiquitous, mobile phones are becoming so, and usage of the internet on mobile devices is increasingly common.

We have not been slow to respond to these changes. Through Arabic and Persian TV, websites in 32 languages and new mobile sites launching every month, we have found new audiences while retaining many of our traditional radio listeners.

Nonetheless, short wave radio continues to provide around two-fifths of our audience. Short wave has great benefits—it enables us to transmit from outside the countries we broadcast to, helping to insulate us from political interference and preventing authorities simply closing us down. It also enables us to broadcast cost-effectively to very large geographic areas.

However, audiences in most parts of the world have moved away from short wave radio as other options have become available. Our multimedia strategy has focused on supplementing our short wave audience with new audiences on more rapidly growing platforms. This strategy has thrown up challenges of its own—witness the Iranian authorities' attempt (successfully thwarted) to block our satellite TV signals, or our need to withdraw temporarily from our FM partnership in Sri Lanka following effective censorship of our service—but has been essential to maintaining our effectiveness and impact.

So we need to maintain and even accelerate this strategy. Continued investment in FM and TV will be the engines of immediate audience growth. Looking further ahead, online and mobile may be the platforms of the future; two billion people will be online by 2013, with mobile technologies leapfrogging fixed-line internet services in many parts of south Asia and sub-Saharan Africa.

We are currently undertaking a major review of our mix of services, so we cannot yet provide any specific details about how their number, range and type will evolve. But we will not shy away from big decisions if they will equip us for the change that lies ahead and ensure that we maintain our relevance and impact in the countries in which we matter most.

#### THE PUBLIC SPENDING ENVIRONMENT

Our editorial and operational independence from Government is of fundamental importance—to us, to our audiences and to the benefits we bring back to the UK. We couldn't do the job we do if this independence were compromised. Nonetheless, we are funded by Grant-in-Aid from the Foreign Office, and consequently we are not immune from the huge pressures on public finances that have resulted from the global economic downturn.

We recognise that we need continually to ensure that we use taxpayers' money as effectively as possible. Indeed we have committed to, and achieved, stretching savings targets every year since the first Comprehensive Spending Review in 1998. But we recognise the need to do more in the context of the unprecedented public spending environment we will face over the next few years.

So our current strategy review will also look again at every aspect of the way we work. What could we do more cheaply—by sharing content with other broadcasters, or other parts of the BBC, or by sourcing content in a different way? Are there other ways we could fund some of what we do, consistent with regulatory and governance requirements? How can we use new technologies to produce, edit and transmit our content more efficiently? Can we build on Arabic and Persian TV to deliver other TV services more cost-effectively?

The goals of this exercise are to identify ways we could do what we do now, more cheaply; to release funds that we can use to fund new services; and to ensure we continue to achieve agreed savings targets.

Nonetheless, after 10 years of aggressive cost-cutting, it is unlikely that we will be able to release sufficient funds to enable us to continue to compete in priority markets through efficiencies alone. Television and video are significantly more expensive than radio, on a cost-per-hour basis. But in many of our most important territories, we need to be on both those platforms to maintain our impact.

So we will need new funds to complete our transition to a multimedia broadcaster and to fund investment in new services. This could come from closing down some of our existing services, in parts of the world where we are less essential than we once were. It could come from repurposing money that we would have otherwise returned to the FCO as efficiency savings. Or it could come from additional funding for specific, targeted services. We will explore all these options and set out proposals to Government in 2010.

#### THE BENEFITS OF THE WORLD SERVICE FOR THE UK

The UK's role in the world continues to change. As the traditional balance of power gives way to a multipolar model, power and wealth are shifting from west to east, new or revived state powers are emerging (Russia, China, India and Brazil in the wings), and non-state actors are becoming increasingly important to UK interests. The UK's influence as an independent actor on the world stage is still disproportionate to its size but realisation of its national interests, whether diplomatic, trade or security, will depend increasingly on co-operation, persuasion and the capacity to secure international public support for its role.

In this climate, the role of the World Service as an ambassador for the UK, a force for development and education and a symbol of the UK's commitment to truth, impartiality and freedom will become more important, not less. The UK's international partnerships, alliances and legitimacy depend on trust and respect, which are secured in part through a reputation for honesty and a rejection of propaganda.

The provision of accurate, unbiased, balanced news and information also helps to create the human and social capital that underpins successful foreign policy activity. Provision of news builds understanding, spreads knowledge and helps individuals and communities develop; and this development creates the conditions within which other diplomatic activity can succeed. In particular, if news builds social capital within countries, then international news—such as that provided by the BBC—builds social capital between countries, helping to create stronger shared values, norms and bonds between individuals in different societies.

This role is reflected in many of the BBC's editorial activities, including:

- Our coverage of environmental issues, use of resources, energy conservation.
- Promotion of debate through interactive formats in closed societies, such as the interactive programmes on BBC Arabic TV and BBC Persian TV.
- BBC Persian TV's response to the crisis following the Iranian elections, which drew unprecedented levels of audience engagement through our website, despite the site being partially blocked in Iran.
- Reporting the many international stories that few other outlets cover—providing access to information and a perspective that nobody else does.



- Initiatives such as BBC Swahili’s “Prosper with BBC” competition, promoting entrepreneurship in Kenya amongst younger listeners.
- BBC Urdu—the global market leader in provision of Urdu language news online, delivering a service that remains unmatched even as the Pakistani media environment rapidly evolves.
- Through the BBC World Service Trust, providing a focus on governance, corruption, human rights and the rule of law in societies where these are highly contested issues.

Looking ahead, the ways we reach our audiences will need to continue to evolve as media markets around the world develop and become more competitive, and new technologies become more widely available. Yet our core values and principles remain unchanged, and we believe our ability to make a major impact, despite our limited budget, will continue undimmed. We welcome discussions about our future plans with Committee Members, and other MPs, both through formal Committee hearings and at any other time.

22 September 2009

### **Letter to the Chairman of the Committee from Peter Horrocks, Director, BBC World Service**

I am writing now to let you know about changes to two of our language services BBC Afrique (the BBC’s French for Africa service) and the Turkish Service. These are changes arising from service reviews carried out earlier in 2009 in order to meet the savings targets set for the BBC World Service by the Government in the last public spending review.

#### **BBC AFRIQUE**

We have decided to relocate a significant part of BBC Afrique’s production effort from London to Dakar in Senegal, where we will establish a new office equipped with modern studios and transmission facilities. The aim of the proposal is to increase our presence in the heart of this fast-emerging media market and greatly improve our service to our audiences in the region, which will also create new opportunities for staff.

This will enable the service to expand its output by 25%—from less than four hours daily to five hours, allowing us to hit peak audience times throughout francophone Africa and to modernise and restructure our programme schedule. We expect these schedule changes will come into effect from early December 2009.

This development follows similar changes in BBC Hausa and BBC Swahili, which have delivered significant increases in audience impact for both services.

Production effort in London will be reduced, which will involve the closure of around 15 posts in London and the creation of 18 posts in Dakar. The team in London will continue to produce live output and ensure a crucial editorial link to the rest of the BBC. We intend to take all reasonable steps to ensure that this process is achieved in a voluntary manner.

The move will enable the service to achieve efficiency savings which are required across World Service, within the context of the difficult financial backdrop which affects many companies worldwide, including the BBC.

#### **BBC TURKISH SERVICE**

As you may be aware, the Turkish Service has been developing into a multi-media operation over the last few years, and as a result, we have announced some staffing and operational changes.

The introduction of a TV programme, *Dunya Gundemi*, broadcast in Turkey by partner NTV was an important initiative, which has made a major contribution to the recent increase (almost 4%) in the overall Turkish audience. At the same time, BBC Turkish has developed its online service and usage has almost tripled in the past three years. The online service has gained a distinct audience not reached via broadcast media.

The changes, designed to support and develop the multi-media operation further, include the creation of two posts. We will also strengthen our newsgathering presence in Turkey and coverage of Turkish affairs. To achieve these new investments and the savings required, the Turkish Service will be closing four posts, resulting in a net loss of two posts. The BBC will, as always, look at ways of implementing any redundancies on a voluntary basis, and will do its best to redeploy people within the organisation where possible.

We will also discontinue BBC Turkish broadcasts on short wave. Recent audience research produced no measurable figure for SW listening—our online offer has effectively replaced SW as the most effective direct way to reach audiences.

I believe the above changes will strengthen our services to audiences in Africa and Turkey, raise the quality of our output and increase the overall impact of both of these important language services.

If you would like more details, or have any questions on our plans for BBC Afrique and the BBC's Turkish Service, please do get in touch.

21 May 2009

### Written evidence from BBC Monitoring

#### INTRODUCTION

During a session on BBC World Service this month the Committee asked for an update on BBC Monitoring. This note aims to briefly recap on the last few years since the FAC last reported on BBC Monitoring in its Annual Report on the FCO.

BBC Monitoring stands ready to provide more material to the Committee on this or any other subject should it so wish. Indeed, if the Committee would like to visit Caversham then you are most cordially invited to do so.

#### BACKGROUND

The Committee is already aware from evidence presented previously that in 2004, following a failure by the then lead Stakeholder to agree the recommendations of an OGC led review, and in the light of BBC Monitoring's then parlous financial position, the Cabinet Office commissioned Sir Quentin Thomas to conduct a root and branch review.

This review included all the then Stakeholders (BBC World Service, MoD, the Cabinet Office and the FCO as the lead Stakeholder), the three agencies, and HM Treasury. The review reported in 2005 following that year's General Election.

The recommendations were accepted and the current BBC Monitoring Stakeholder Regime came into existence in late 2005, enshrined in a Memorandum of Understanding agreed by all the Stakeholders (which now included the three intelligence agencies in addition to the previous Stakeholders, with the Cabinet Office now taking the lead).

The key points of the new regime were an agreement to Public Expenditure Survey (PES) transfer the previously disaggregated departmental funding into a ring fenced fund administered by the Cabinet Office, which in turn enabled an agreed common set of requirements and priorities to be defined.

Such wide agreement was never possible under the previous disaggregated funding regimes and was also deemed by the many reviews of BBC Monitoring conducted between 1994–2003 to be impossible to achieve under hard charging models.

The outcome of the Quentin Thomas Review led to the funding profile shown in row 1 of Table 1 below being agreed by Stakeholders and HM Treasury.

**Table 1**

		2006–07	2007–08	2008–09	2009–10	2010–11
1	Stakeholder funding agreed in 2005 £m	24.6	24.6	23.4	23.4	23.4
2	Stakeholder funding agreed in CSR '07 £m	25.0	25.0	25.0		
3	Stakeholder funding received £m	24.6	24.6	24.6	25.0	24.8

Following a Cabinet Office bid on behalf of Stakeholders as part of the CSR '07 process the funding profile should have become that shown in row 2 above. That profile was not realised and, as row 3 above shows, BBC Monitoring has been operating on an effective "flat cash" funding profile since 2006.

This combined with financial problems associated with the previous successive reviews has meant that it has had to achieve an average of over 7% per annum efficiency savings since 2000–01. This has come at a cost, most notably the loss of 25% of its UK headcount in 2006–07—some 94 posts.

#### CURRENT POSITION

Despite the financial stringency demonstrated above BBC Monitoring has used this period of stability to equip itself to meet the evolving open source needs of its Stakeholders and US partner, the Open Source Center.

Thus BBC Monitoring has invested in its international network of bureaus, moving or opening six operations, including, in 2007, in Tbilisi, ahead of the 2008 Russia-Georgia conflict—our coverage of which received much Stakeholder praise.

The main operations room at our Caversham HQ has been completely rebuilt to allow staff to reap the benefits of more collaborative working using modern digital technology. The strategy of investment in staff and infrastructure will take a further significant step next year when a new technology system to ingest, produce and deliver digital multimedia content comes on stream.

This will allow BBC Monitoring to deliver a richer range of products to our Stakeholders than ever before along with, crucially, continuing the interchange of content with our US partner whose own open source activities, in what is now a 67 year partnership with BBC Monitoring, contributes a significant amount of unfunded benefit to BBC Monitoring's UK Stakeholders.

Throughout the period BBC Monitoring has innovated new products and services, for example covering the evolving uses of the Internet. Such thematic services coupled with our unparalleled coverage of countries like Iran, Afghanistan and Somalia have consistently been praised by our Stakeholders and US partner alike, providing often unique insight and context into issues impacting diplomats, journalists, the military and agency staff.

#### FUTURE

In understanding that all of the UK public sector faces difficult decisions, BBC Monitoring acknowledges that it is not immune. But at a time of limited financial options, BBC Monitoring believes it is even more important than hitherto to ensure that it can be funded, operate and be governed in a stable manner, so allowing it to maximise its efficiency and effectiveness for the benefit of the UK Stakeholder community and its US partner.

This is even more crucial given the relatively small amount of public funding that BBC Monitoring receives to deliver global coverage spanning some 150 countries in 100 languages, something that only be achieved by the bilateral burden sharing partnership with the US Open Source Center.

BBC Monitoring has, until now, been able to use its hard won period of stability, albeit with cash flat funding and 7% per annum savings, to maintain its range of products and services, achieve its highest ever scores for customer satisfaction and invest for the future in both its UK and international operations and its technological infrastructure.

22 November 2009

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### Supplementary written evidence from BBC World Service

#### AUDIENCE DATA FOR BBC ARABIC TELEVISION

BBC World Service carried out an audience measurement survey for BBC Arabic TV immediately after the launch of the channel in March/April 2008. Countries covered included Iraq, Syria, Lebanon, Egypt, Israel (Arabs only) and The Gulf (Saudi, Bahrain, Kuwait, UAE and Qatar). This revealed an audience of 12 million weekly viewers (25%). However, it was estimated that this figure settled to 8 million in 2008–09 (1 million ahead of the target agreed with the FCO) once the channel had had time to “bed-in”, and this is the figure that BBC World Service issues, as we believe it gives a truer picture of the audience.

No further estimates of the audience figure have been issued since the extension of the channel to 24 hours a day (in January 2009). Now that the channel is established in the audience's mind as a 24 hour news channel, further surveys are taking place, the results of which will be reported in time for the next global audience estimate in May 2010.

Our Arabic TV target for March 2011 is 25 million weekly viewers, as part of an overall BBC multimedia reach in Arabic of 35 million weekly users.

#### AUDIENCE DATA FOR BBC PERSIAN TV

Research is currently underway to provide a measure of the audience to BBC Persian TV in Iran. The research was delayed as the election unrest earlier this year made any sort of effective research difficult. The results will be reported in time for the next global audience estimate in May 2010.

However, there are regular comments on the channel made by the authorities and in the press and in reports in the public domain—even those critical of the BBC's intentions say that the quality of the service is so high that the domestic media need to do something to respond—Iranian channels need to become more professional. We believe the audience figure for the channel exceeds the three million figure discussed at the Committee hearing, but stress that we have no research-based evidence to back this up. User generated content and emails received continue at a high level.

BBC World Service's target for the channel is to reach at least eight million weekly viewers in Iran three years after launch, as part of an overall BBC reach across television, radio and online of 10 million weekly users.

We would also expect the channel to draw a significant additional audience outside of Iran, and would aim to reach 3–4 million viewers in Afghanistan as well as amongst the Persian-speaking diaspora in the Gulf and Europe. A survey is currently underway in Afghanistan and reporting is due in time for the next global audience estimate in May 2010.

One of the future strategy areas that we are looking at is the possibility of providing some television programming for Afghanistan and Pakistan, as well as other countries, but this is at the internal discussion stage only, and any such proposals have to be seen within the context of the next SR and the limited resources available.

#### THE USE OF THE LICENCE FEE AND FCO GRANT-IN-AID IN THE DELIVERY OF BBC SERVICES

The provision of services from BBC News (Licence Fee Funded) to BBC World Service (FCO Grant-in-Aid funded), are set out in a Service Level Agreement between the BBC and World Service. This agreement sets out the rights, obligations and liabilities of each party to the other so as to ensure that the licence fee will not be used to support or subsidise World Service activities and Grant-in-Aid will not be used to support or subsidise the licence fee, thereby protecting the interests of the licence fee payer. The agreement is negotiated between the BBC and World Service each year.

The agreement follows the principles set out in the BBC World Service Trading Protocols (WSTP), which form part of the BBC's "Fair Trading Guidelines". The WSTP are not contractual agreements, but a framework within which detailed agreements/contracts can be agreed.

The key principles of the WSTP include:

- Fair prices should be charged for all goods and services supplied by the BBC's licence fee funded groups to World Service.
- Trading between the BBC's licence fee funded groups and World Service must be transparent and established on the basis of formal agreements.

The WSTP [and any agreements within their framework] are subject to external audit each year. Each year the World Service Annual Review contains a statement by the BBC Executive Board on the WSTP and the external auditor's opinion (BBC World Service AR 2008–09—see page 45, *BBC Executive Board Report on BBC World Service Trading Protocols*).

#### REACH FIGURES IN RUSSIA

The current estimate for BBC Russian throughout Russia is 680,000 listeners. Given the problems we have with radio distribution, it's hard to analyse the popularity of the content in terms of pure radio. The last bespoke offline audience measurement by BBC was conducted in 2007 (prior to the FM problems encountered) and covered Moscow and St Petersburg, where weekly listening averaged 1.9%.

However, it's worth noting that recent official (non-BBC) radio ratings in Moscow indicated BBC has retained this audience. Ratings indicated the weekly audience for BBC radio in Russia was 2.2% in June and 1.8% in July. This equates to around 200,000 listeners in Moscow a week (*Source: Comcon Radio ratings 2009. All aged 12+ in Moscow*).

There is a substantial qualitative research programme underway in Russia currently with results expected early December. The aim of the research is to further understand the audience and what barriers may exist for the service in Russia.

bbcrussian.com attracted 385,000 unique users weekly in September 2009 and usage of the Russian mobile news site was at 122,000 page impressions in September. This is despite any formal mobile partnership.

There were more than 300,000 audio requests on the Russian website in September (request for the live stream representing about a sixth of this), and close to 700,000 video requests in the same month.

BBC Russian is in advanced contractual negotiations with tut.by, Belarus' leading online portal, for a video and text partnership. In Russia, we are currently finalising multimedia partnerships with gzt.ru, MSN and inosmi.ru.

#### BBC WORLD SERVICE'S RESPONSE TO THE CHANGES TO THE PUBLIC DIPLOMACY BOARD

BBC World Service welcomes the arrangements put in place by the FCO to replace the Public Diplomacy Board. A BBC World Service representative regularly attends the Public Diplomacy Partners Group. In addition, a BBC World Service representative has been attending a monthly London Olympics 2012 meeting chaired by the FCO. These meetings have proved to be a useful way of sharing information relevant to strategic public diplomacy goals whilst at the same time maintaining the BBC's editorial independence. BBC World Service and the British Council continue to work together where appropriate—a recent example being the British Council's Darwin Now conference in Alexandria, Egypt, from which BBC World Service organised and broadcast two debates and ran two media workshops.

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**PROBLEMS IN SRI LANKA**

In February 2009, the BBC suspended FM programming to the Sri Lankan national broadcaster SLBC after a number of instances of interference with programmes and news reports in English, Tamil and Sinhala.

Talks with SLBC's Chairman have gone on since that time and by mid June formal resumption was again on the agenda. A draft letter of variation to the main agreement was then prepared and submitted in September. The BBC signed this, and it was then vetted by the Attorney General's office in early October.

However, there was a last-minute blockage at Ministry/Cabinet level, hence the incorrect statement in BBC World Service's written evidence that programming had resumed. The willingness is there from the SLBC Chairman, but this last hurdle was unexpected given that the Minister had given a letter of no objection previously.

We are still waiting to hear when we can resume our FM programming, and have written again formally to SLBC to exert pressure. We are still optimistic that it will happen.

The High Commission in Colombo has been kept informed of all twists and turns.

*17 November 2009*

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**Further written evidence from BBC World Service**

We are aware that the FCO is having to address a potential shortfall in its 2010–11 budget because of the decline in value of GB Sterling and the World Service is facing similar foreign exchange problems for the same reason. To date the FCO has not approached BBC World Service for more 2010–11 savings over and above the 3% committed to in the last CSR agreement, and its £3.3 million share of the additional target announced by the Treasury in 2009, which World Service is budgeting to find through a combination of cost control and reprioritisation. Any request for further savings would need to be discussed in the context of the ring-fencing put in place by HMT some years ago.

No firm decisions have been made yet about strategic priorities for the future, and we don't expect to announce any major changes to the overall shape of BBC World Service, including its language portfolio, prior to the general election.

*11 January 2010*

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**Further written evidence from BBC World Service**

BBC World Service programming on FM to Sri Lanka has not yet resumed. However, the cabinet approval expected in autumn 2009, was eventually given on 6 January 2010. We have received advice that this delay was caused by the impending general election in Sri Lanka, which caused a freeze in decision making. The variation agreement needed in order to resume the broadcasting of BBC programmes on SLBC, the national broadcaster, is now with them, pending their signature. With the elections in Sri Lanka coming up later this month, we hope to be back on air as soon as possible.

*11 January 2010*

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