

Evolution of Japanese Broadband Services

- Ubiquitous Network Society
- New Markets
- International Competitiveness

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It is said that Japan is a country whose penetration rates of broadband services are the world's highest. The number of subscribers to fixed broadband services is 23.2 million (as of the end of March 2006), meaning that about half the total households of Japan have broadband access to the Internet. Moving picture delivery services are very common on the Internet.

Mobile broadband services are also remarkable. Eighty-seven percent of all subscribers (93 million: as of the end of May 2006) to cellular telephone services have access to the Internet. For cellular telephone users, not only retrieval services for information on weather forecast, stock market quotations, restaurants, etc., but also mobile commerce (m-commerce), e.g., reservation using mobile terminals of air tickets, railway tickets, advance booking of theater seats and online stock trading, are very popular. Sooner or later, mobile payments (m-payments) will become common.

According to NTT's "Roadmap for Building the Next-Generation Network (NGN)," i) fixed telephone networks will migrate to IP-based networks, ii) fixed telephone networks will be combined with mobile communications networks seamlessly, as well as iii) subscriber local loops will become broadband circuits, mainly consisting of FTTH. Analog terrestrial TV broadcasting will be fully replaced by digital terrestrial TV broadcasting. Thereby, efforts to address the "convergence of communications and broadcasting" will become a realistic process.

In light of such market environments, in order to fulfill the mission of CIAJ, "CIAJ is committed to the healthy development of info-communications network industries through the promotion of info-communications technologies (ICT), and contributes to the realization of more enriched lives in Japan as well as the global community by supporting widespread and advanced uses of information in socio-economic and cultural activities," CIAJ set forth the following three items as FY2006 priority projects:

The first is the issue of "realization of a ubiquitous network society." As mentioned before, the development of technologies will bring about the "convergence of various technologies," such as "wired and wireless," "computers and consumer electronics" and "communications and broadcasting." In addition, such trends will lead to the "convergence of various services." Market structures of such businesses as communications, information processing, broadcasting and content distribution, have been drastically changing. The age of so-called "digital convergence" has arrived. Based upon the perception of such an age and with a global viewpoint, CIAJ will, toward the realization of the ubiquitous network society, compile voices from member corporations, actively propose policies and transmit our opinions.

The second is the issue of "creation of new markets."

When market structures are drastically changing, this is also when new business opportunities are being born. The convergence of technologies creates new markets, and such new markets require new technologies. CIAJ's essential activities are to take advantage of such situations, establish and foster new business activities.

For instance, since four years ago, CIAJ has been carrying out a cooperation project between Japan and China on IPv6 networks. Through this project, China has come to highly evaluate Japan's technologies, resulting in increased business opportunities to Japanese enterprises.

CIAJ has been promoting activities of forum working groups where people interested in certain topical themes get together to make a study of and research into such themes. The purpose of the forum working groups is to make use of results of such research activities/studies for projects to create specific business models.

The third is the issue of "strengthened international competitiveness." The "paradigm shift of technologies and markets" has changed each company's core competence and brought about changes in international competitiveness. As a result, global competition between Japan and Asian countries has become harsher. These days, international competitiveness has become an unprecedented and decisive factor. Although each member company is energetically striving to address global competition, it is not easy to survive. Also, CIAJ will implement activities for contributing to the strengthened international competitiveness.

One example is a service for delivering content to consumer electronics via the Internet. To date, CIAJ has been considering technologies for broadband platforms, cryptography and instantaneous settlement. In FY2006, CIAJ will propose specific business models and demonstrate those technologies at the largest ICT exhibition in Japan, "CEATEC JAPAN 2006." This content delivery project is, without saying, focusing on Japan's competitiveness in i) consumer electronics at the world's strongest level, including flat-panel TV screens and the next-generation DVD, and ii) the content industry, including the world's famous "anime" titles.

Considering circumstances where de facto standards are being frequently used, CIAJ has been implementing steady activities for ensuring interoperability, by conducting experiments on interconnectivity between equipment produced by different manufacturers. CIAJ will extend such experiments for member companies.

CIAJ will make full efforts to resolve the three items mentioned above, and to become an "active corporation to contribute to developments of member companies, and to be globally recognized."

