

Section 9

Trends Abroad

1. IT National Strategies of Other Countries

Similar to Japan, other countries are also formulating new IT national strategies or reviewing their existing strategies to respond to the progress in information and communications. For example, the EU adopted the “eEurope 2005 Action Plan” in June 2002. In addition, the Republic of Korea formulated the “e-Korea VISION 2006” in April 2002.

2. Status of Use and Market Size of Telecommunications in the World

The number of Internet users in the world is continuing to grow. According to an estimate released by NUA, the number of Internet users reached approximately 606 million as of September 2002. The number was the highest for the European region with 190.91 million people (31.5%), followed by the Asia-Pacific region with 187.24 million people (30.9%), and the North American region with 182.67 million people (30.2%).

With regard to the use of telecommunications services in the world in 2001, the number of fixed telephone lines (including public telephones) was 1.05 billion and the number of subscribers to mobile phones was 955 million. The number of mobile phone subscribers is rapidly increasing, and mobile phone subscribers are expected to outnumber fixed telephone lines in 2002.

According to the International Telecommunication Union (ITU), the market size of telecommunications in the world expanded to 968 billion dollars (a 5.2% increase over the previous year) in 2001. Of this, the size of the fixed communications market was 472.0 billion dollars (a 1.0% decrease from the previous year) and the size of the mobile communications market dramatically expanded to 317.0 billion dollars (a 14.0% increase over the previous year) in 2001.

3. Trends in Communications Carriers and Broadcasters Overseas

In 2001, small, new entrant carriers, such as DSL providers, failed one after another in the United States. In July 2002, WorldCom (current MCI), the second largest long-distance/international communications carrier in the United States failed due to revelation of accounting fraud. Also in Europe, major communications carriers in the respective countries, including BT, Deutsche Telekom, and France Telecom, are withdrawing from or selling overseas businesses and non-core divisions because of financial difficulties, such as a growth of debt. In addition,

some next-generation cell phone businesses are being postponed or withdrawn due to a steep rise in license fees and IT depression. In this manner, there has been a wave of failures and financial troubles among communications carriers and broadcasters in Europe and the United States.

4. Trends in IT Policies in the United States

With the aim of promoting diffusion of broadband, the Federal Communications Commission (FCC) started a series of surveys from December 2001 to March 2002, on [1] whether or not wire broadband access services should be positioned as non-regulated information services and [2] the extent to which the unbundling regulation (a regulation that obligates release of the network to competitive carriers by network element) imposed on Bell-group local telephone carriers for promoting local competition should be eased for broadband services. With regard to the unbundling regulation, the FCC announced that it would partially ease the regulation for Bell-group local telephone carriers in February 2003.

5. Trends in IT Policies in the EU

In June 2002, the European Council adopted the “eEurope 2005 Action Plan (An Information Society for All).” This plan succeeds the “eEurope 2002 Action Plan” that was aimed at diffusing the Internet throughout Europe. The objectives are: [1] to improve the environment for private investment and create new jobs; [2] to raise productivity; [3] to innovate public services and education; and [4] to provide the opportunity for all people to participate in a global information society.

Furthermore, in the effort to create a dynamic and competitive telecommunications market within the EU, such as promoting competition and converging communications and broadcasting, the EU reviewed the conventional framework of regulations in the telecommunications field, and promulgated and enforced a series of new telecommunications regulations in April 2002 (July 2002 with regard to the EU Directive on Privacy and Electronic Communications).

6. Trends in IT Policies in Asia

China, which achieved official entry to the WTO in December 2001, is developing legal systems and promoting release of the telecommunications market. As for legal systems, China enacted the “Telecommunications Administrative Regulations,” which serves as the basic

law in the telecommunications field, in September 2000. The Regulations categorize telecommunications services into “basic telecommunications services” and “value-added telecommunications services,” and open up the market to foreign capital by allowing foreign capital injection of up to 49% in basic telecommunications services and providing no restrictions on foreign capital in value-added telecommunications services. In addition, the “Administrative Regulations on Foreign-Invested Telecommunications Enterprises,” which stipulate conditions and procedures for launching telecommunications services by a joint venture between foreign capital and a Chinese company, went into force in January 2002.

With regard to IT strategies, Hong Kong released the “2001 Digital 21 Strategy” in May 2001, setting initiatives and detailed targets for five major target fields. As for telecommunications services, the (domestic) fixed communications market within Hong Kong was completely liberalized in January 2003, enabling free business entry without limitations in the number of licenses granted to carriers.

The Republic of Korea released the “e-Korea VISION 2006,” which modified and supplemented the “CYBER KOREA 21” in April 2002, with objectives to “raise citizens’ information utilization abilities,” “strengthen the international competitiveness of all industries,” “realize a transparent and productive smart government,” etc.

7. Status of International Digital Divide

Comparing the diffusion status of information and communications in various countries, outstanding gaps are found between high-income countries and low-income countries, so the closing of the international gaps in use of information and communications (international digital divide) has become a major issue. According to the “World Telecommunication Indicators 2002” released by the ITU, high-income countries (countries with a per-capita gross national income (GNI) of 9,266 dollars or more), which only command 14.7% of the global population, cover 51.9% of the global number of fixed telephone lines, 58.3% of global mobile phone subscribers, and 72.6% of global Internet users. On the other hand, low-income countries (countries with a per-capita GNI of 755 dollars or less), which account for 40.8% of the global population, merely cover 6.9% of the global number of fixed telephone lines, 2.5% of global mobile phone subscribers, and 3.1% of global Internet users.