

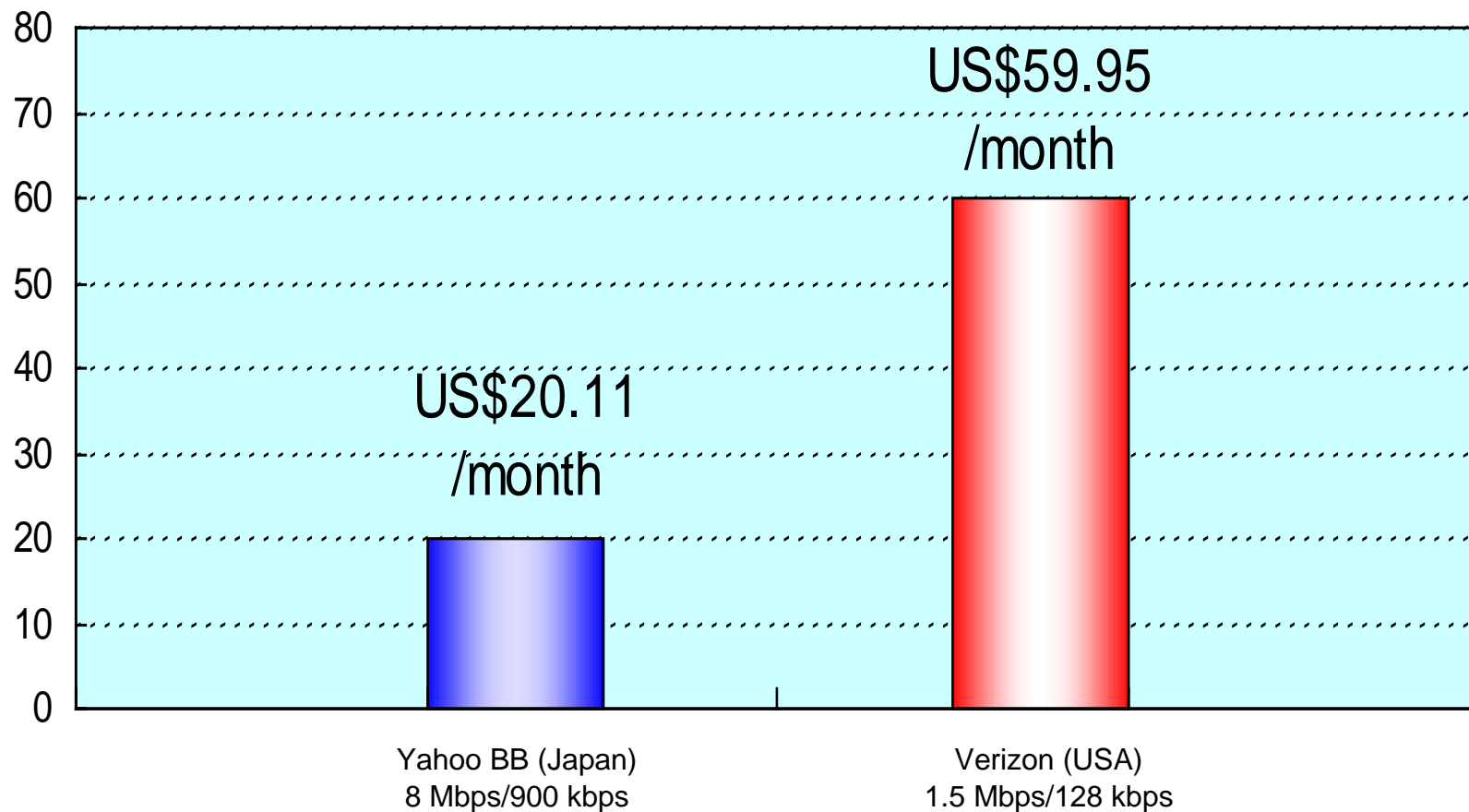
*Realizing the Potential of Broadband:
Infrastructure, Markets, Service*

- Development of Broadband in Japan -

INAMURA Kobo
Director General for ICT Policy Planning

1-1. Implementation Status of Infrastructure Construction

Broadband access costs in Japan are less than half those in the U.S.



Note: US\$1=122 yen

1-2. Implementation Status of Infrastructure Construction

Implementation status of infrastructure construction is progressing favorably.

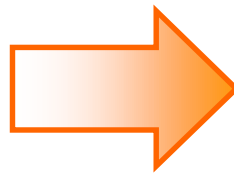
Targets

[e-Japan Strategy(Jan.2001)]

by CY2005:

High-speed available to
30 million households

Ultra high-speed available to
10 million households



Actual results

[April 2001]

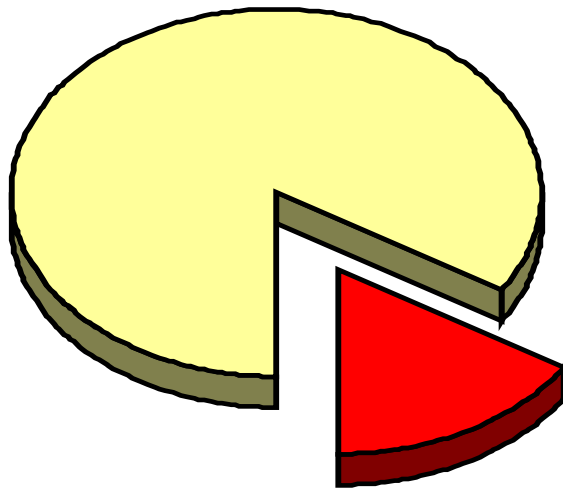
High-speed available to
35 million households

Ultra high-speed available to
14 million households

2. Reality of Actual Usage

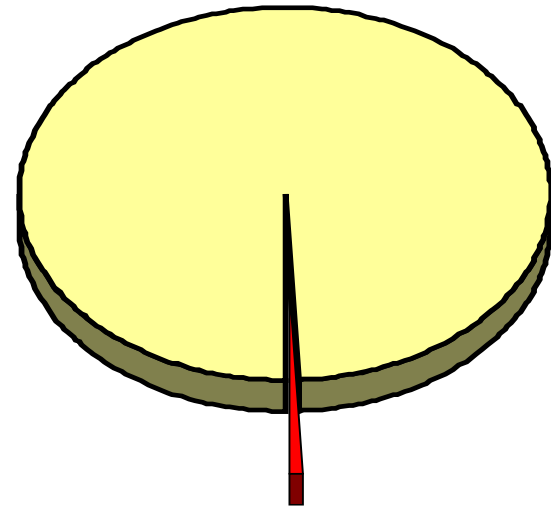
Expressways are extending, but only a few cars are running on them.

High-speed Internet



Actual users:
5,674,000 (16.2%)

Ultra high-speed Internet



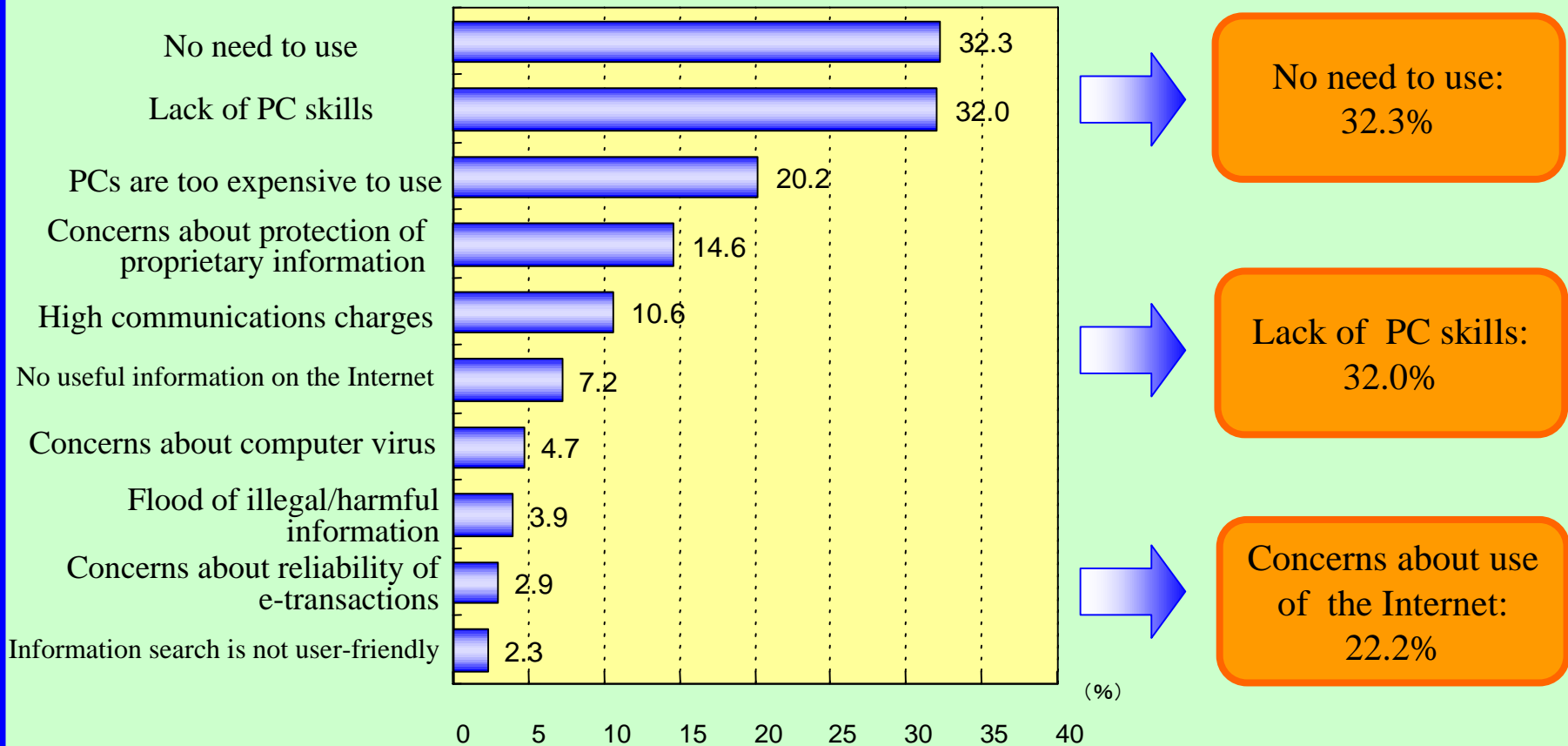
Actual users:
99,000 (0.7%)

Source: MPHPT

3. Current Status of Online Business/Services

- Online sales of PCs and related products: Market size is 148 billion yen and its ratio of e-transactions is 12.2% (CY2001).
- Online sales of travel products: Market leader “Mynet (Tabi no madoguchi)” recorded more than 500,000 reservations in April 2002.
- Online bookshop: Sales amount of online bookshops occupied 1.5%, or 14 billion yen, of the entire 950-billion yen book market (CY2001).
- Music distribution: In addition to the Internet, distribution routes through KIOSK-type terminals and cellular phone terminals are deployed.
- Online securities transactions: 40 - 50% of all individual transactions are processed online.

4. Reasons for NOT Using the Internet



Source: "FY2001 Communications Usage Trends Survey," MPHPT

5. Future issues

Basic concepts

Implementation status of infrastructure construction is favorably progressing.

Expressways are extending, but only a few cars are running on them.(actual use is still sluggish)

From now on, there would be a need to formulate a strategy for encouraging use of the Internet such as setting targets for promotion.

Items to be tackled (examples)

Toward widespread use

Deployment toward upper layers

- Information devices
- Applications (e-learning, telemedicine, e-government)
- Digital content

Universalization of terminals

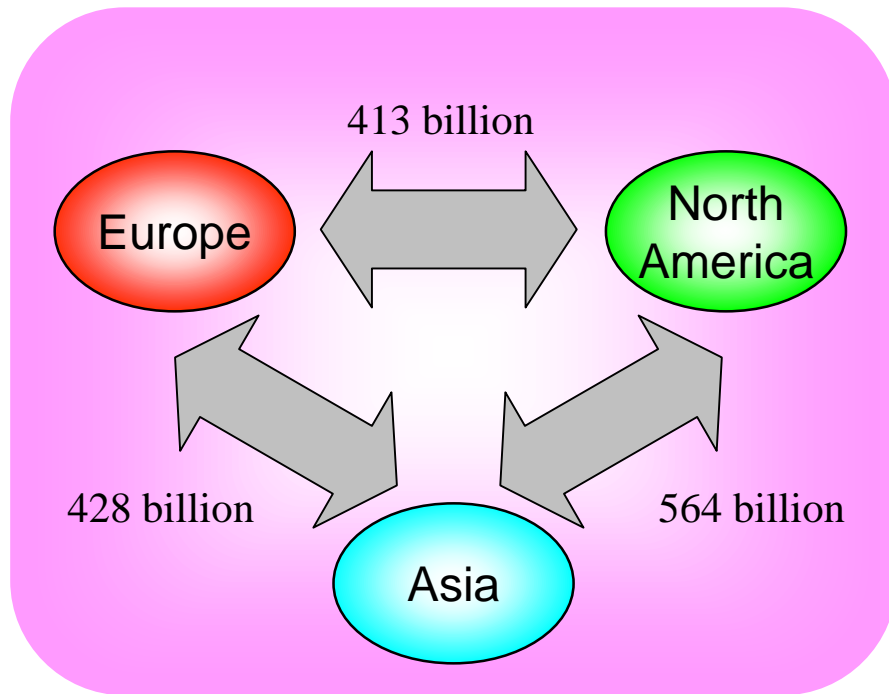
- Utilization of TV receivers
- Digitalization of broadcasting
- Ubiquitous networks

Restructuring of socioeconomic frameworks

- Renovation of corporate business/organizations
- IT introduction into businesses
- Continuous awareness campaign toward citizens
- Bridging the digital divide
- Security

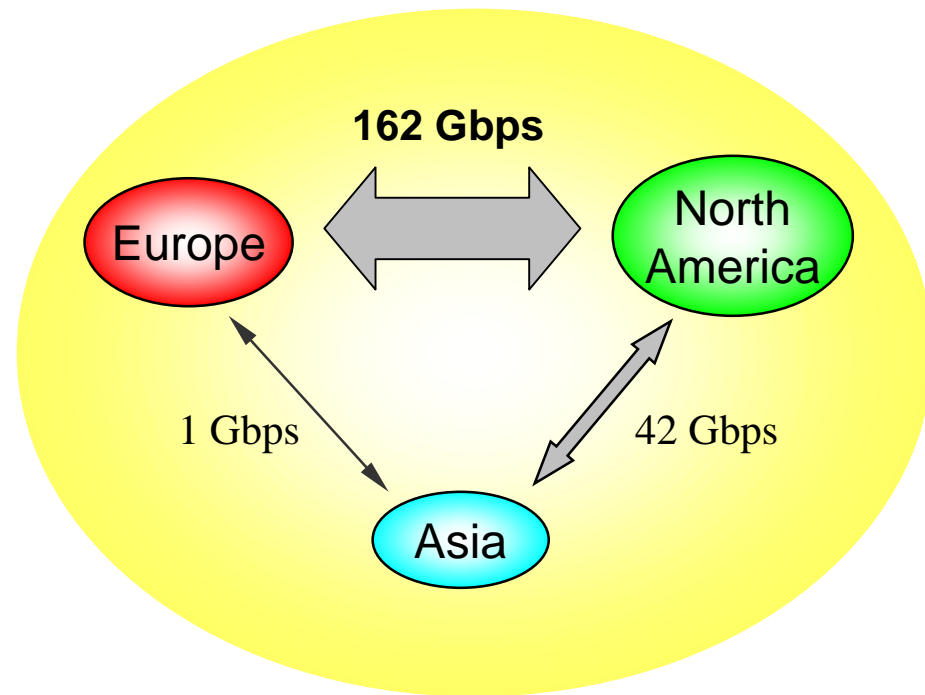
6-1. Asia Broadband Program - Japan's new proposal

2000 World Trade Flows
(in US \$)



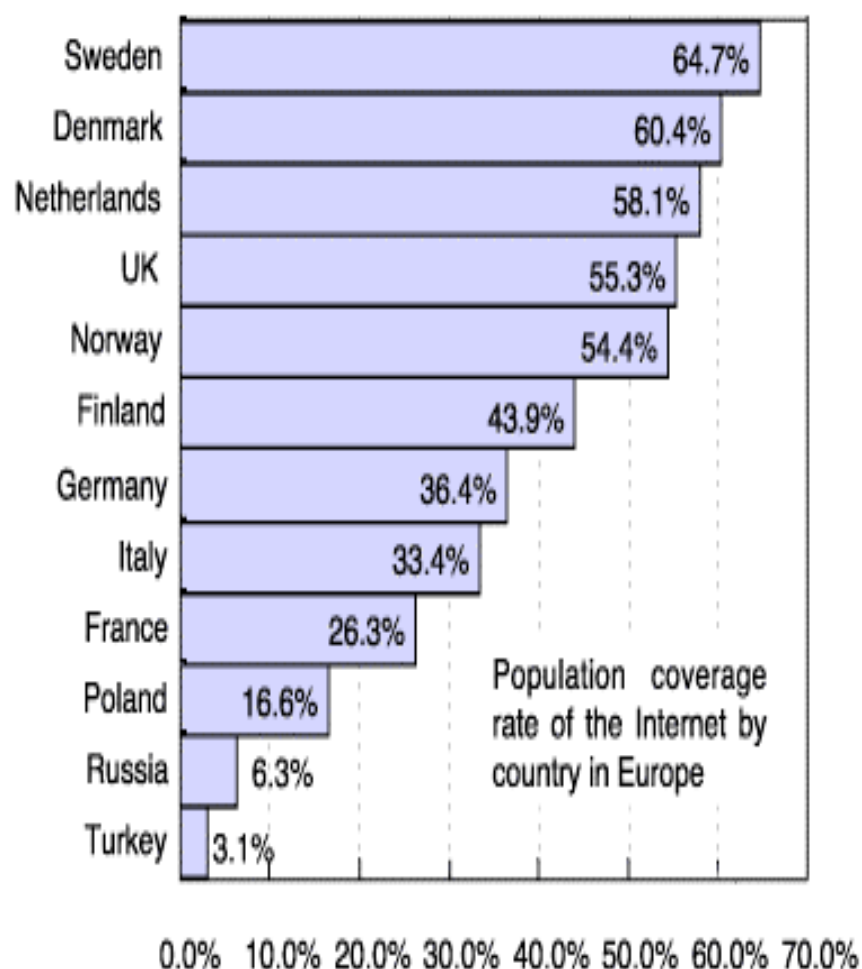
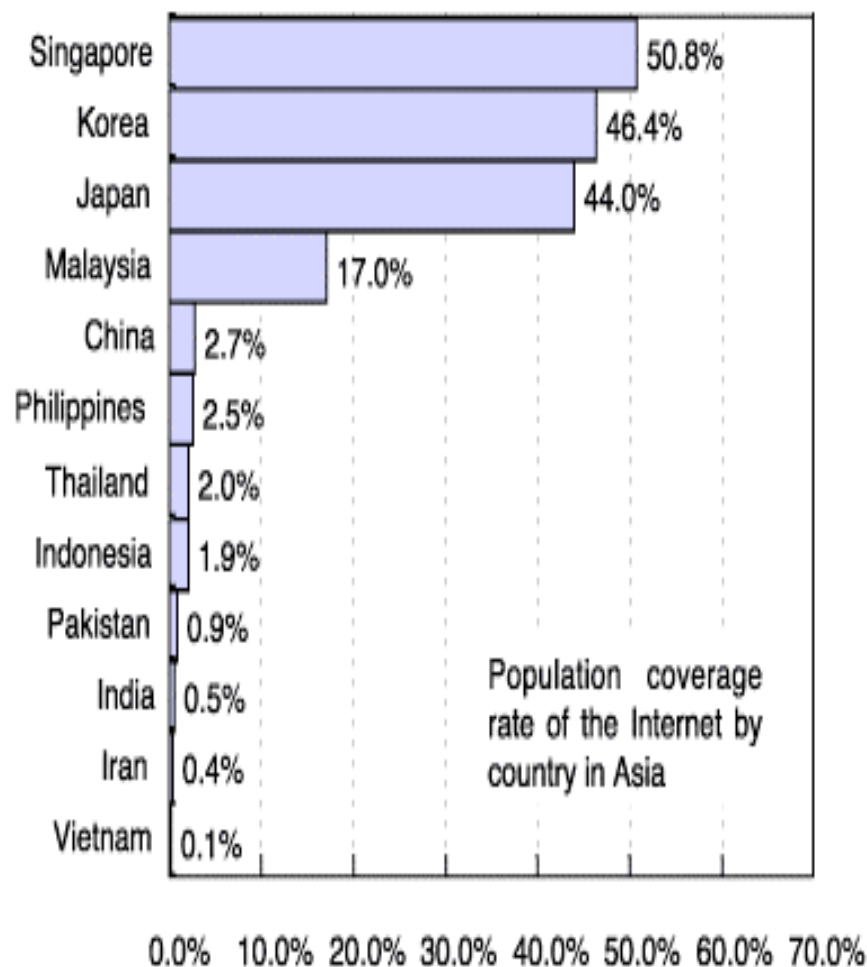
(Source: WTO International Trade Statistics 2000)

2001 World Information Flows
(bandwidth)



(Source: TeleGeography; Packet Geography 2002)

6-2. Asia Broadband Program - Japan's new proposal



(Source: White Paper 2002 "Information and Communications in Japan")

Promoting ICT through deployment of Broadband Networks in Asia

<Challenges for ICT Development via Broadband>

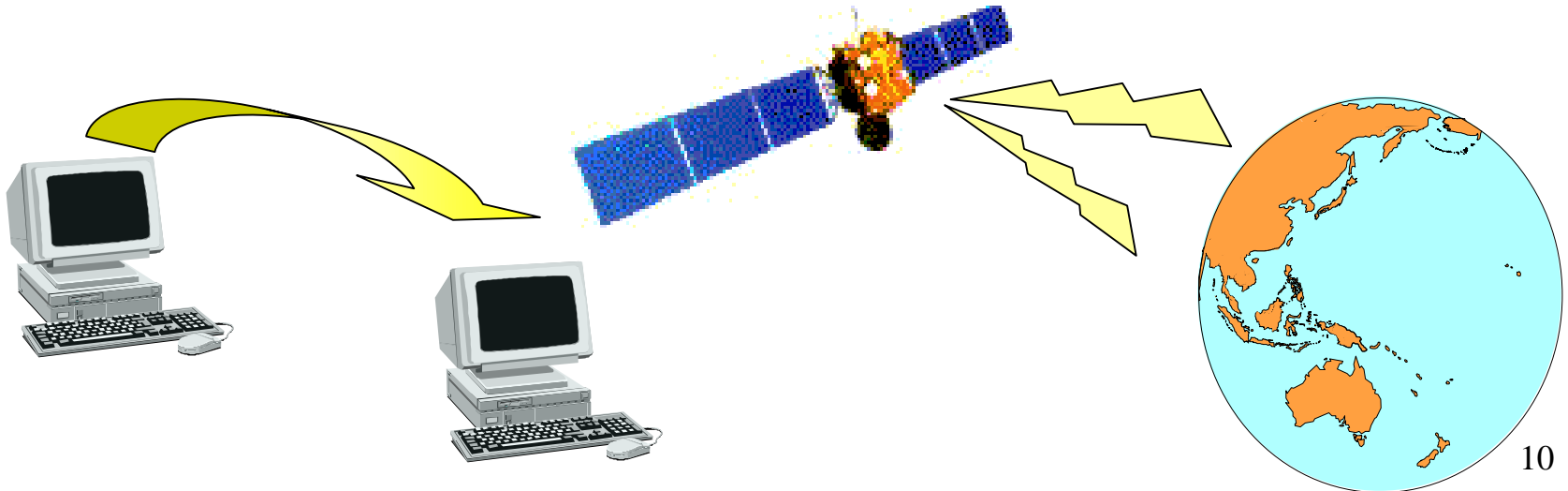
- Establishment of broadband infrastructure
- Efficient distribution of digital content
- Improvement of ICT consumer environment through policy and regulation
- Capacity-building and education to improve ICT literacy, etc.

6-4. Asia Broadband Program - Japan's new proposal

Various measures need to be discussed for expanding broadband in Asia,
such as:

<Establishment of Broadband Infrastructure>

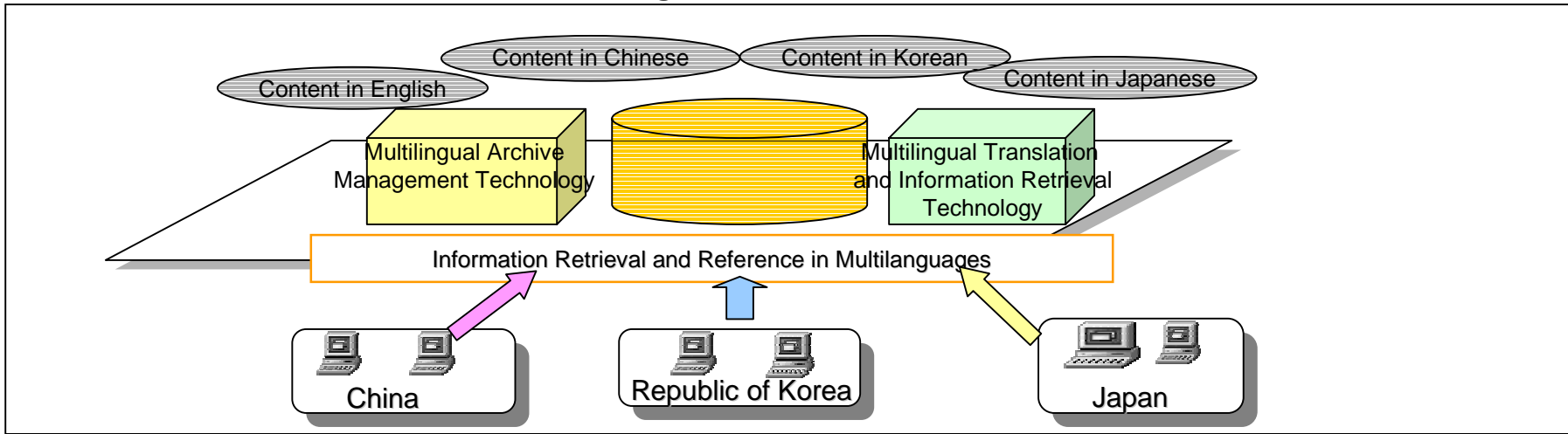
- Construction of Asian R&D broadband network
- Promote use of the network for international joint R&D projects
- Co-operation among Asian countries in building broadband IX
- Study capability of communications satellites to resolve geographical handicaps



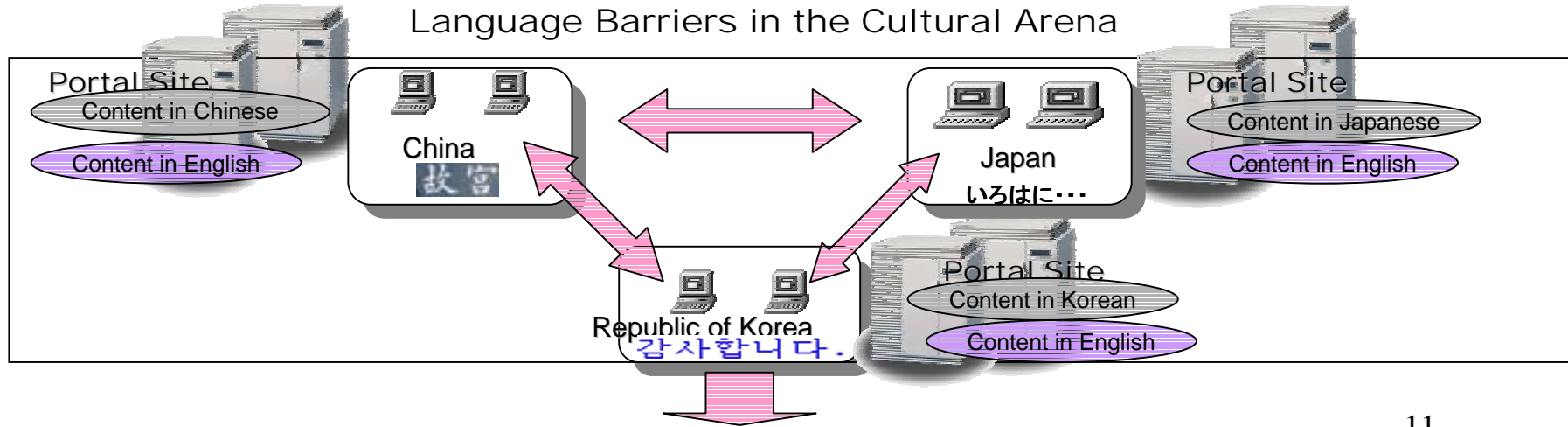
Collaboration in the Cultural Arena

– Possibility of Creating a Common Portal Site Administered by Japan, China and Republic of Korea –

○ Establishment of a Multilingual Environment



○ Mutual Free Access to Cultural and Artistic Content without Language Barriers in the Cultural Arena



Providing Information in the Cultural Arena

6-5. Asia Broadband Program - Japan's new proposal

Endangered Cultural Diversity

■ Languages In Books

■ Languages In Servers

■ Languages Among Network Users

English	28.0%
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English	84.3%
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English	53.7%
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<u>Chinese</u>	<u>13.3%</u>
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German	4.5%
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<u>Japanese</u>	<u>7.1%</u>
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German	11.8%
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<u>Japanese</u>	<u>3.1%</u>
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Spanish	6.2%
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French	7.7%
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French	1.8%
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<u>Chinese</u>	<u>5.4%</u>
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Spanish	6.7%
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Spanish	1.2%
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German	5.0%
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<u>Japanese</u>	<u>5.1%</u>
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Swedish	1.1%
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French	3.9%
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Russian	4.7%
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Italian	1.0%
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<u>Korean</u>	<u>3.8%</u>
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Portuguese	4.5%
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Portuguese	0.7%
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Italian	3.5%
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<u>Korean</u>	<u>4.4%</u>
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Dutch	0.6%
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Dutch	2.2%
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Italian	4.0%
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Norwegian	0.6%
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Russian	2.0%
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