



# Prospect of Telecom and Internet Markets in China

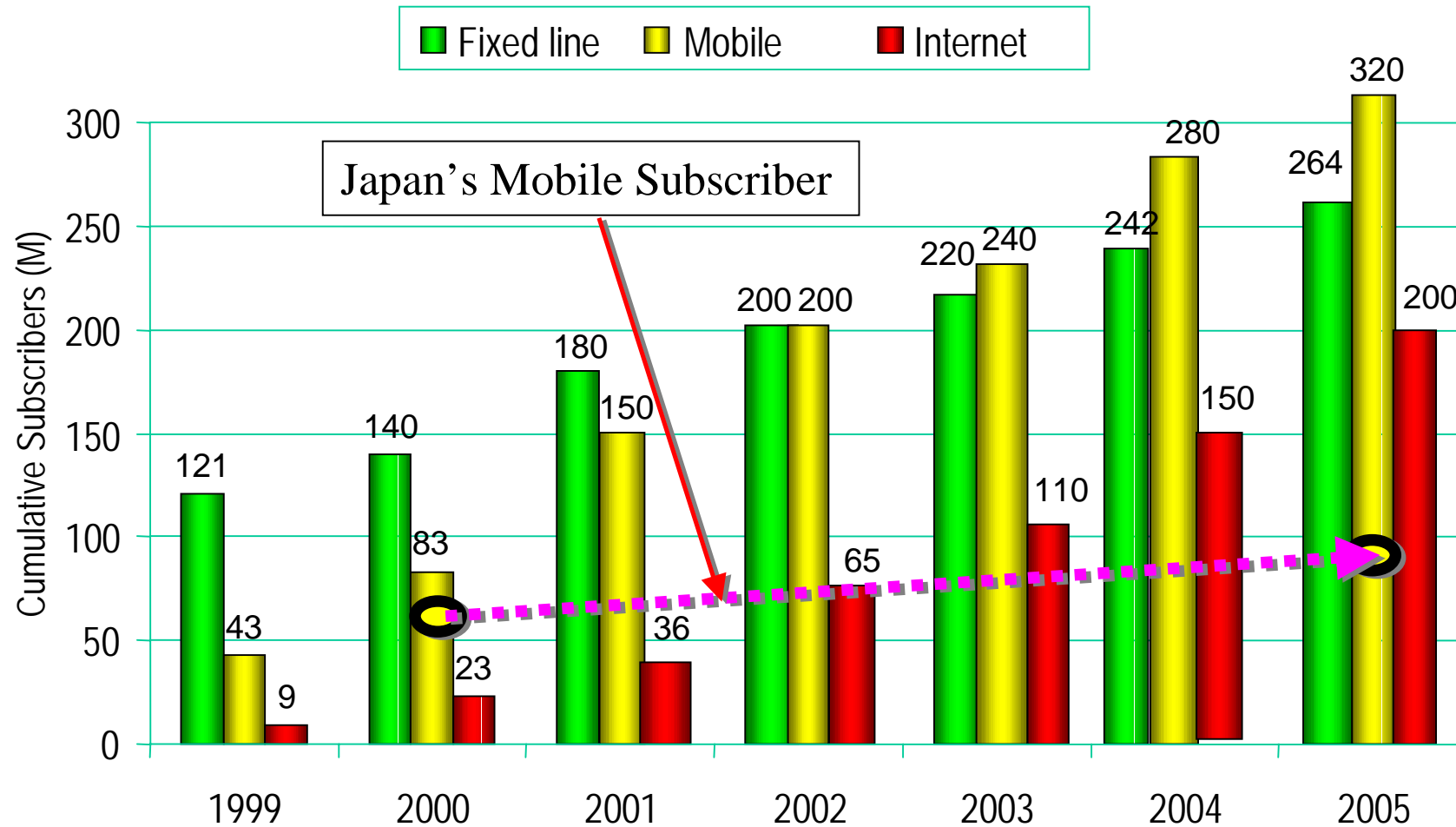
Liu Dong

President & CEO

Beijing Internet Institute (BII)

BII Group Holdings Ltd.

# China Telecom Market





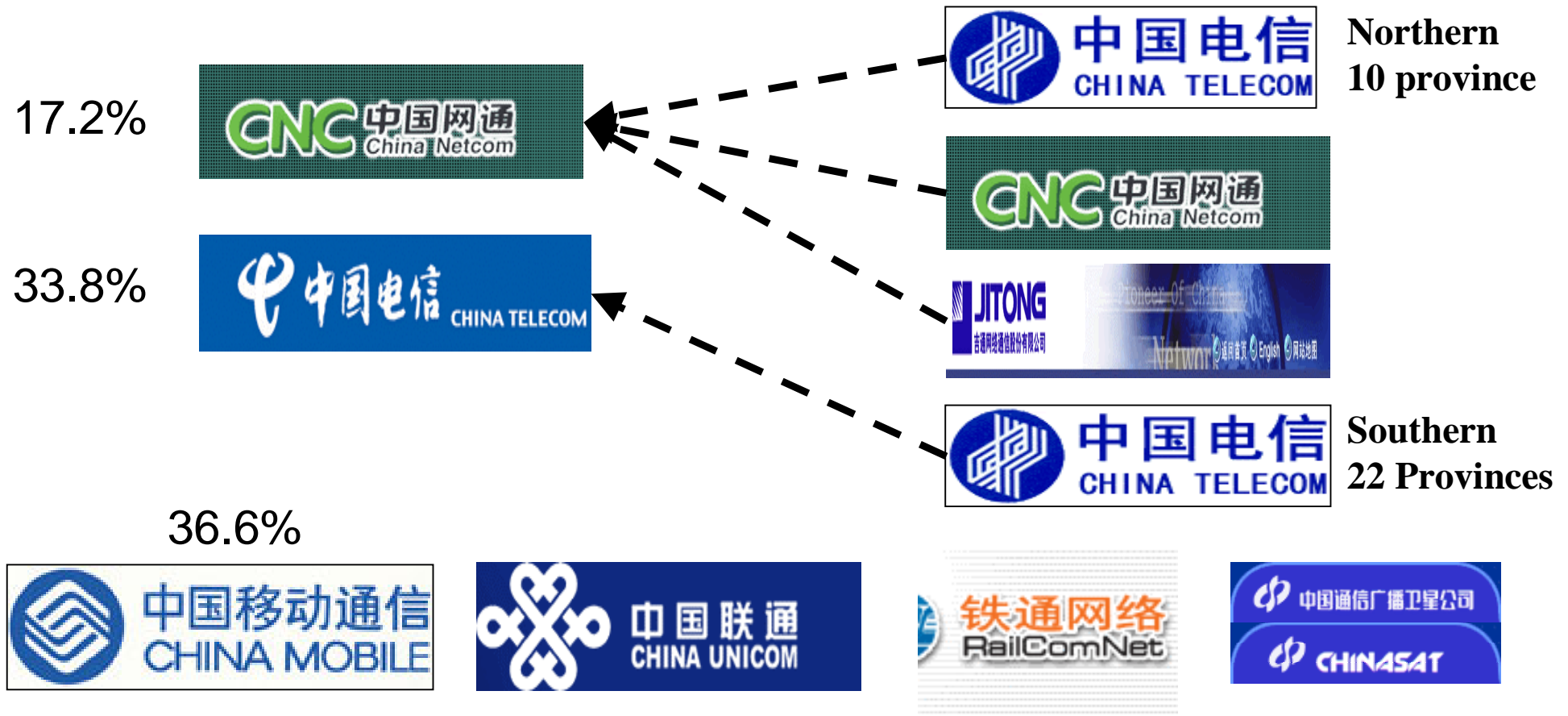
# The Tenth Five-year Plan (2001-2005)

- Information industry will grow two times faster than GDP
- By 2005,
  - Total IT investment: US\$ 1700 B
  - Telecom investment: US\$ 1250 B
  - Information industry: >7% in GDP  
(telecommunications >4.7%, electronic manufacturing >2.5%)
  - Information products export: >30% of total export of China;  
Manufacturing: US\$ 2500 B  
Telecom service revenue: US\$ 1000 B (13.38% annual growth rate)
- Information industry will be the largest industry in state economy by 2005



# China Telecommunications Re-organization

- Since none of the present 6 telecom carriers owns a complete national operation network, they need to expand their existing networks adopting new technologies. And IPv6 service network and its technology will be the best solution.





# China Internet Development

- Internet Situation
  - Total Internet users: 39.8 Million
  - Total www websites: 277,100
  - Total international bandwidth: over 10G
  - Fast development of China's enterprise networks
- IP application in telecom networks
  - VoIP
  - IP video system
  - Broadband telecom networks



# China Broadband Development

## Broadband Market Size (Million Subscribers)

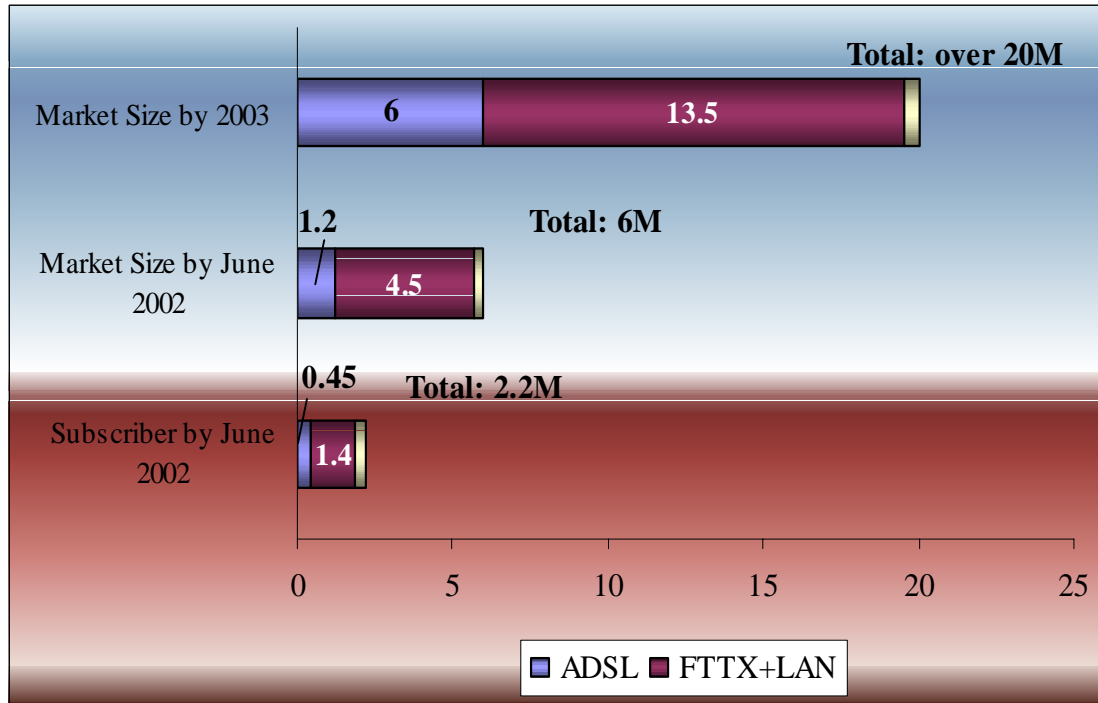
### Carrier

China Telecom  
China Unicom  
China NetCom  
China Mobile  
China RailCom  
CATV

### Local ISP

GreatWall  
Gehua CATV  
UnionFriend

### Access Provider



Total Market Value by 2003: US\$ 121 Million

Data source: CCID

TV Station (CCTV International)  
Program Designer (SUN TV)  
Big ICP (TOM.COM)

### Application Provider

90% applications

Single-media: Plain text and picture

5-10%

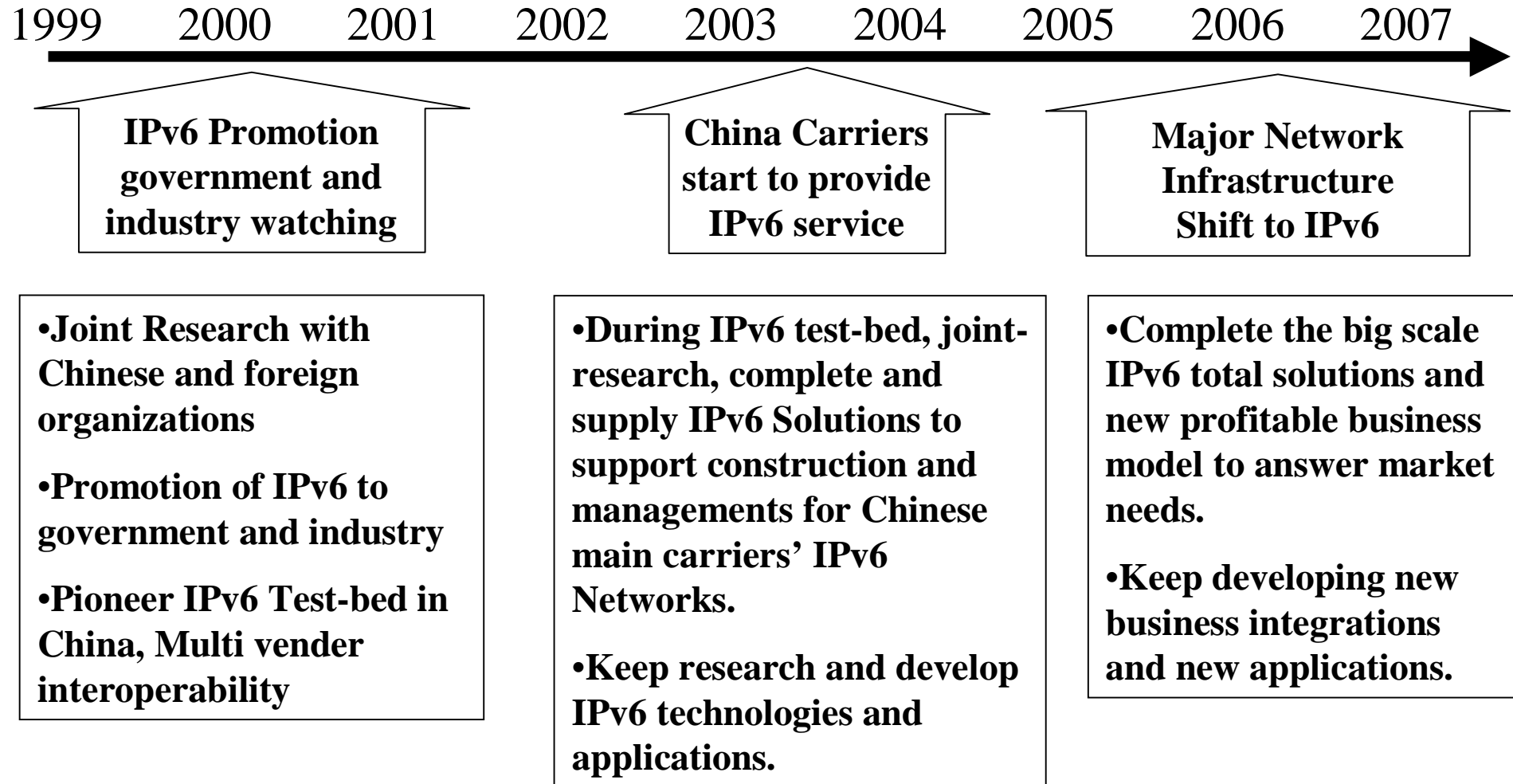
Multi-media: Video & Audio, Internet game

<5%

Stream-media: VOD, virtual community, Video Conference



# Process of IPv6 Market in China





# Summary

- China's information industry will develop with over 10% growth rate during future 5 years.
- Telecommunications manufacturing flourishes, China as “world factory”.
- Fast development of broadband and mobile-communication; Application is key.
- Impending great market potential for IPv6 in China.





# Liu Dong



- Business Titles
  - Beijing Internet Institute(BII), President & CEO
  - BII Group Holdings Ltd. President & CEO
  - BII-CRD President & CEO
  - China Telecom Web-Business Development, Director
- Titles in Government and Industry Associations
  - ICANN Government Advisory Community ,China representative advisor
  - China Internet Society, Founder, Board member
  - Internet Policy & Resources Committee, Member
  - China Mobile Communications Association, Board member
  - Appraisal Committee of the State 863 Plan, Member
  - BUPT-BII NGN R&D Center, Deputy director,Senior researcher
  - 6TNet(IPv6 Telecom Trail Network), Deputy director, Senior researcher
  - China Mobile Informatization Forum, General Secretary
  - Next Generation Network Forum, General Secretary
  - China Internet Summit Conference(Since 1995), Chairman
  - Global IPv6 Forum 2002 Beijing, Chairman
  - China IPv6 Forum(Responsibility of Arrangement), Director



Thank you !!!