

11 Trends Abroad

1. Info-communications Overseas

1.1 The United States

The United States is the world's largest telecommunications market. The agenda announced by the Federal Communications Commission (FCC) in January 2000 contained three planks—access, broadband, and competition—indicating that the US is maintaining a stance of leading the world in promoting competition in the info-communications field and expansion of international communications networks. The U.S. government is aggressively developing info-communications policy.

1.2 Europe

The political unification of Europe is spurring market integration within the EU and the realignment of telecommunications carriers. Major carriers that were once national-government corporations, such as Deutsche Telekom and France Telecom, are moving into other EU countries, spurred on by various M&A activities. The EU is making aggressive advances in info-communications policy, by reviewing regulations and preparing a legal framework for e-commerce.

1.3 Asia

The Asian countries that had suffered so intensely from currency and economic crises beginning in 1997 had almost completely conquered these problems by 1999 and have

been working to further liberalize their telecommunications markets and develop their communications networks. The Chinese telecommunications market continues to expand, with cell phone usage growing particularly sharply. At the end of December 1999 there were over 40 million cell phone subscribers in China, a figure that is fast approaching the number of subscribers in Japan.

2. Global Alliances

The biggest piece of global alliance in the telecommunications industry was the acquisition of Sprint Corp. by MCI WorldCom Inc., both US long-distance companies. At the same time, Global One, an alliance among Sprint, France Telecom, and Deutsche Telekom, has got into difficulties: (1) the acquisition of Sprint by MCI WorldCom and (2) the breakdown of a partnership between France Telecom and Deutsche Telekom (involving the elimination of cross-shareholding). France Telecom agreed to purchase all of Sprint's and Deutsche Telekom's shares in Global One. Forthcoming developments will be the object of intense interest.

3. Development of R&D Network Testbeds

Internet and other network usage has grown tremendously worldwide over the past several years, and usage is expected to continue to expand rapidly. In this environment, universities,

industries, and governments of the advanced nations are working together on various projects to develop next-generation ultra-high-speed networks, the most important element of the infrastructure of the advanced information and telecommunications society. The various participants in these projects are also working to join their R&D networks.

4. Terrestrial Digital Broadcasting Overseas

A number of countries around the world are working on the digitization of terrestrial broadcasting, and digital terrestrial broadcasting has already begun in the UK, the United States, and Sweden. In the UK, more than 70% of households were able to receive such broadcasting as of the end of 1999; the target is to switch entirely to the digital format sometime between 2006 and 2010. In the US, a cumulative total of 134,402 digital TV sets had been sold by the end of 1999; the target in that country is to eliminate analog broadcasting in 2006. In Sweden, Sveriges Television (SVT) and other broadcasters initiated digital multichannel SDTV broadcasting in April 1999. The plan is to eliminate analog broadcasting in at most 10 years.