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Challenge in a Changing Era
Bringing the benefits of Next Generation Network to everyone worldwide

Japan's Candidate for the Post of Director of ITU-T Dr. Yuji INOUE

Abstract

The government of Japan decided to run Dr. Inoue for the post of Director of International Telecommunications Union - Telecommunications Standardization Bureau (ITU-T). Dr. Inoue has extensive experience in the management of R&D, standardization, and intellectual property at NTT, which is one of the world's technically most advanced carriers. This experiences includes R&D and standardization of completely new networks based on the concept of Integrated Services Digital Network (ISDN) conceived at the dawn of its era. Dr. Inoue's achievements and experience will surely be a driving force in the promotion of activities within ITU-T including standardization of Next Generation Networks (NGNs). This election will be held during the ITU Plenipotentiary Conference (ITU-PP06) scheduled for this November in Antalya, Turkey.

Dr. Inoue's background Leading standardization of digital networks and network architectures

Dr. Inoue has been extensively involved in ITU-T activities including standardization of Integrated Service Digital Network (ISDN), Synchronous Digital Hierarchy (SDH), and TNA (Transport Network Architecture). In particular, he took the initiative toward standardization of SDH (Synchronous Digital Hierarchy) and TNA (Transport Network Architecture) in CCITT SG XVIII in the 1980s, which put in place true global standards for the first time in this field. In addition to these vital activities in ITU-T, his standardization activities encompass the development of de facto standards. Dr. Inoue served as Chairman of the Telecommunications Information Network Architecture Consortium (TINA-C) Technical Forum from its inception in 1993 to 1998, and played a leading role in the establishment of a novel network architecture and its concept.

CONTENTS



Japan's Candidate for the Post of Director of ITU-T
Dr. Yuji INOUE

..... 1

Concerning the promotion of the privatization of Japan Post for a smooth transition to the new company following

..... 3

Results of the Annual Survey on Media Content Production and Distribution in Japan

..... 5



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Internationally active in academic societies

Dr. Inoue has also accomplished considerable achievements in many academic societies. He has continued to participate internationally in the field of R&D of ICT. In recognition of this, he was conferred Fellow of the Institute of Electrical and Electronics Engineers (IEEE) in 2002 for his contributions to ISDN network architecture and multimedia network technology development. He was also conferred Fellow of the Institute of Electronics, Information and Communication Engineers (IEICE) of Japan for his significant contributions to the R&D on network systems and architectures including its international standardization. Dr. Inoue established the Asia-Pacific Symposium on Information and Telecommunication Technologies, which has aimed to stimulate research of ICT, particularly in developing countries and to promote an exchange programme of researchers and engineers. He served as Advisory Board Chair from the symposium's first conference in Bangkok in 1993 through its sixth conference in Yangon in 2005, and made substantial contributions to achieve its aims.

Abundant management experience in the telecommunications field

In NTT Corporation, Dr. Inoue currently supervises R&D strategies, international standardization, and intellectual property management, and has accomplished reforms of its R&D structures. His excellent management skills helped apply R&D results not only to services in Japan, but also to a variety of international business opportunities

including the remote monitoring systems for mines in Chile and delegations of researchers to China.

Vision

Creating safe and secure societies through next generation networks

Telecommunications technologies have brought about information societies around the world, and their impact on the human lifestyle is growing day by day. ITU continues to shoulder a tremendous role in ensuring the evolution of communications networks in pace with advances in these technologies.

ITU must provide a stable foundation for NGNs so that they can function interoperably with existing networks, thereby ensuring their reliability and quality. ITU should also promote their worldwide penetration for the prosperity of all inhabitants. Specifically, ITU must help all users safely enjoy myriad services being made available through NGNs with a higher degree of convenience and security.

As such, ITU-T must create safe and secure societies by promoting studies on, for example, security enhancement and reliable communications during emergencies and natural disasters.

Fifty years have passed since CCITT was established. Currently, ITU-T should present its new directions (or directional features), and it should also maintain and enhance its competitive power established so far. To do so, ITU-T must take on new roles, which information and communications technologies (ICT) are expected to fulfill, such as preservation of the environment and equal realization of accessibility for everyone.

Responses to issues that ITU faces

Promoting practical standardization to bridge digital divide

Establishing a firm foundation for NGN

Next generation networks will come to extend around the world and will be used as fundamental social infrastructure. To encourage this, ITU-T must establish international standards and facilitate sustainable development of NGNs.

Development of human resources

An urgent issue for the further evolving of communications networks is fostering ICT experts, who can readily employ cutting-edge technologies. In meeting this need, it is particularly essential to nurture ICT experts in developing countries as well as to encourage them to participate in standardization activities.

Promoting wider adoption of ITU-T recommendations

ITU-T recommendations are globally recognized as providing reliable international standards in the field of ICT. ITU-T must retain its capability to maintain the reliability of its recommendations in the ICT environment as it experiences ever more rapid technological innovations. In addition, ITU-T is responsible to provide an appropriate foundation, where the issues regarding intellectual property rights can be effectively resolved, in order to ensure penetration of the latest ITU-T standard technologies around the world.

Collaboration with other standardization organizations

ITU-T is expected to promote cooperative and collaborative activities and to establish speedy working methods in response to recent developments in the competitive standardization environment. ITU-T must take practical measures to collaborate with both other de jure standardization organizations and de facto standardization fora to

facilitate establishing effective and cooperative relationships that complement each other.

Cooperation among different sectors

In order to fulfill and realize the objectives set out in the World Summit on the Information Society (WSIS), bridging the digital divide is expected to be achieved by promoting interconnection of networks on a worldwide basis. This

will require collaboration with ITU-D in terms of bridging standardization gaps between the developing and developed countries and with ITU-R in terms of the integration of fixed and mobile networks in NGNs.

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Concerning the promotion of the privatization of Japan Post for a smooth transition to the new company following privatization

The privatization of the postal system will start in October 2007, based on the laws concerning the privatization of Japan Post which was enacted in October 2005. The goals of the privatization of Japan Post, as laid out in the laws concerning the privatization of Japan Post are "to increase the independence, creativity and efficiency of management as well as encourage open and free competition, to improve the convenience of the people by providing varied, quality services and work for the vitality of the economy through greater freedom in managing capital."

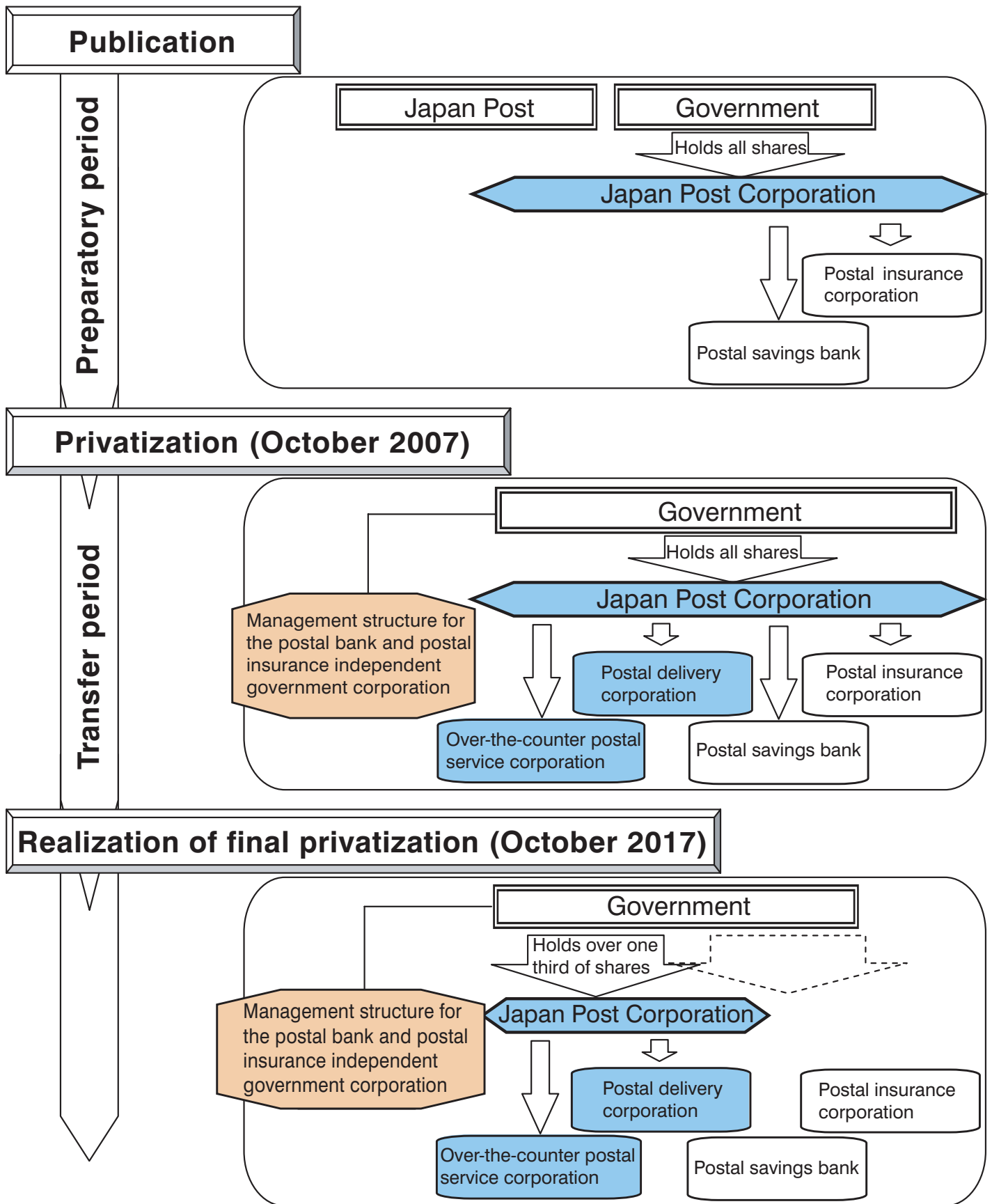
In order to achieve these goals, the Postal Services Policy Planning Bureau of the Ministry of Internal Affairs and Communications is rapidly addressing a number of issues, based on the laws concerning the privatization of Japan Post which was enacted in

October 2005, so that the privatization will proceed smoothly. These issues include setting up concrete systems for the four privatized corporations consisting of the postal delivery corporation, the over-the-counter postal service corporation, the postal savings bank, and the postal insurance corporation, as well as preparing the management structure for the postal bank and postal insurance independent government corporation, and the formulation of ministerial ordinances concerning organization standards for post-privatization post offices and business models for the postal savings bank and postal insurance corporation.

To date, the Postal Services Policy Planning Bureau has established the Japan Post Corporation in January 2006 as a preparation company that will be a holding company for the four future

subsidiary corporations, and auditing it. The basic plan for the transfer of Japan Post's business was also set out in order to realize a smooth transition in January 2006 and, at the same time, the Japan Post Corporation was asked to submit a framework for an implementation plan regarding the transfer by the end of July 2006, and to produce an implementation plan regarding the transfer by April 2007. The Japan Post Corporation submitted its framework for an implementation plan regarding the transfer of Japan Post's business in July 2006.

MIC will continue to act on the laws concerning the privatization of Japan Post and will gradually implement the various preparations for a smooth move to the new corporations, ahead of the October 2007 privatization.



Results of the Annual Survey on Media Content Production and Distribution in Japan

The Institute for Information and Communications Policy (IICP), a research arm of the Ministry of Internal Affairs and Communications, has recently published the latest results of its annual survey on the media content market in Japan. The survey measures the market sizes and distribution volumes, as well as the production values and volumes, of content distributed over a variety of media, including motion pictures, television programs, games, music, newspaper articles, and books. We hereby present a brief report on the media content market trends that appeared over 2000-2004, as well as implication of the ongoing development of the broadband and mobile phone network on the content distribution.

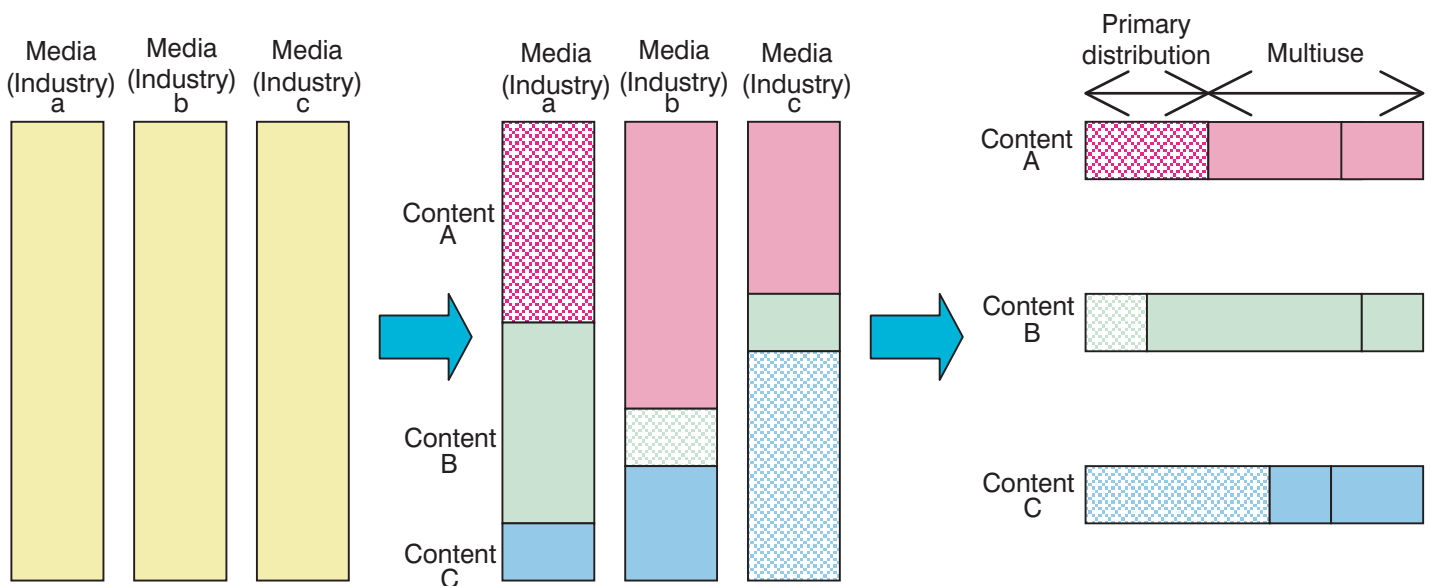
Survey methodology

In the survey, content-specific statistics are estimated from statistical data on sales and advertising revenues from each media industry. This data is organized to estimate

the content market, which is then used to give a comprehensive view of the trends in content production and distribution. The data is further categorized by primary use (or distribution) and secondary use (also

called multiuse) to calculate the size of the primary distribution and multiuse market segments within each content market.

Figure 1: Measuring the content markets



Estimating the content markets in this manner reveals the following:

- Trends in the overall market for visual, audio, and text content, and primary use and secondary use markets.
- Expansion and contraction of markets for individual content types within the three main categories. Visual content includes motion pictures, video content, game software, and television programs (terrestrial, satellite, and cable). Audio content includes music and radio programs. Text content includes newspaper articles, comics, magazine articles, literary content, and databases.

The survey focused on content that is distributed for use by the general public and that forms a market as an economic activity. It did not include content that is distributed only to

certain people or between individuals or that does not form a distinct market.

Trends in media content market in Japan

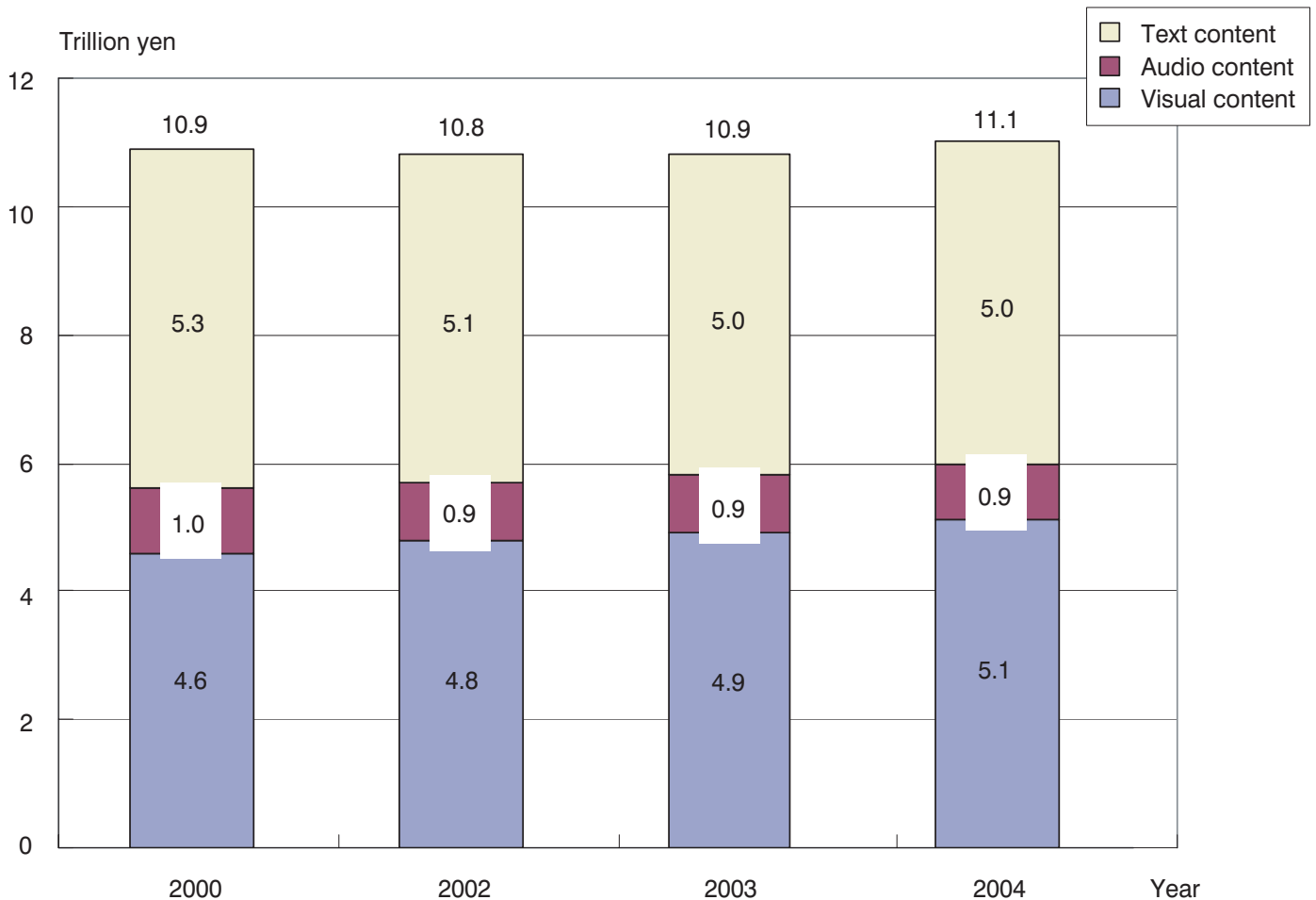
Figure 2 shows the market trends in the 2000-2004 periods. The results of the survey in 2004, which is the most recent data available at this moment, show that the total media content market in Japan was valued at roughly 11.1 trillion yen in 2004. Broken down by content type, visual content accounted for 5.1 trillion yen, or about 46% of the entire market, audio content market for 0.9 trillion yen, or about 8%, and text content for 5.0 trillion yen, or about 46%.

The size of total media content market had been shrinking until 2002, but the trends changed into slight increase since 2003 and the

market increased substantially in 2004. Between 2000 and 2004, the visual content market had grown by 0.5 trillion yen, while the text content market had shrunk by 0.3 trillion yen. Audio content market, too, had shrunk by 0.1 trillion yen. In sum, the steady growing of the visual content market makes up the ground lost in the audio and text content market.

In terms of the distribution tier, i.e., primary distribution vis-a-vis multiuse, the primary distribution market in 2004 accounted for about 80% of the total market at the value of 8.9 trillion yen, while multiuse market accounted for about 20% or 2.2 trillion yen. Size of primary distribution market had shrunk by 0.5 trillion yen between 2000 and 2004, while that of multiuse market had steadily grown by 0.6 trillion yen over the same period.

Figure 2: Market trends in 2000-2004 period
Breakdown by content type



Breakdown by distribution tier



Shift to network-based distribution

The impact of diffusion of the new breed of telecommunication network, notably the Internet and mobile phone network (2.5G and 3G) as means of media content distribution, is already seen.

Figure 3 shows the progress of network-based distribution between 2002 and 2004. The total volume of network-distributed content in 2004

reached 690.1 billion yen. This is a 73% increase over 397.9 billion yen in 2002. Of all types of network-distributed content, visual content grew markedly, registering approximately 3.5-fold increase over 55.5 billion yen in 2002. The share of network-distributed content volume in the total media content market still remained only 6%, but we anticipate a rapid growth in network-distributed content market

in the future, such as seen in the case of visual content today. We expect the increase in network-distributed content market will become the driving force for the growth of the entire media content market in the future.

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Figure 3: Progress of network-based distribution (2002-2004)

