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TOPICS

Triggers to enhance competitiveness and growth Strengthening international competitiveness in the ICT industry that carries Japan's future with it

MIC set up in October 2006 the Panel on ICT International Competitiveness to investigate how Japan's international competitiveness could be strengthened in the field of information and communications, and basic strategic directions for this. The Panel brought together Professor Emeritus SAITO Tadao, the University of Tokyo, as an academic expert, with top people from relevant corporations and organizations who investigated over a period of approximately half a year the international strategies that Japan should develop. This special feature introduces the contents of the final report compiled by the Panel.

The gap between Japan's technological power and its international competitiveness

Japan's technology and products in next-generation mobile phones, optical communications and information consumer products are all very highly evaluated. But at present, Japan's global competitiveness in mobile phones, personal computer related products as well as software related products is unfortunately low.

Japan' share of the ICT industry

- Japan has strengths in technology and products in next-generation mobile phones, optical communications and intelligent home appliances
- Adversely, Japan's competitiveness in mobile phones, personal computer related products as well as software related products is low

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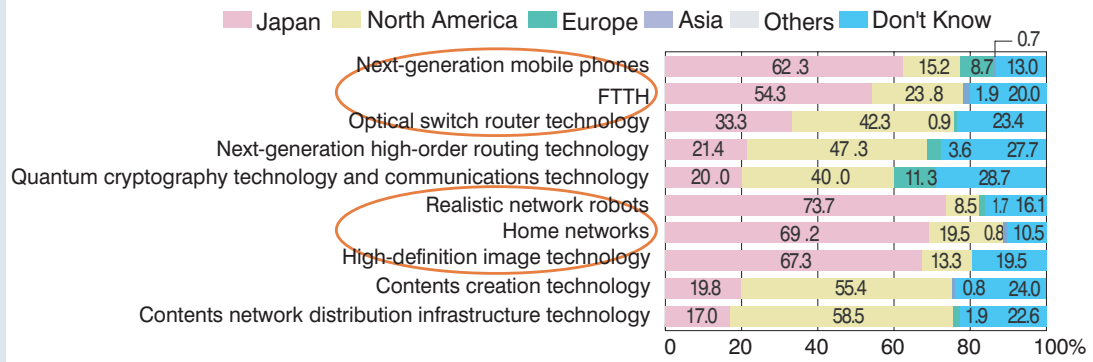
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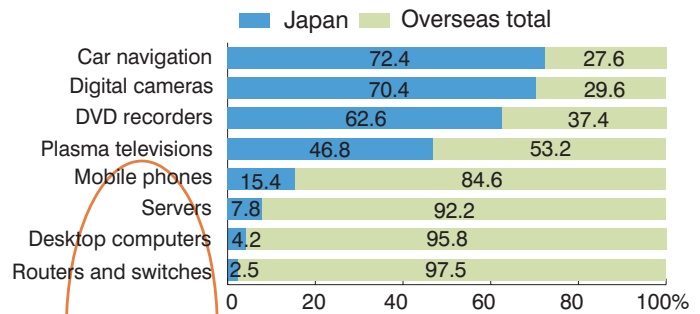
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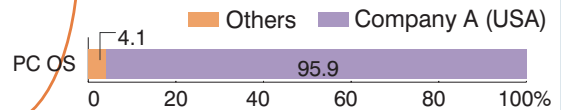
Expert evaluation of superiority in information and communications technology



Share of Japanese corporations



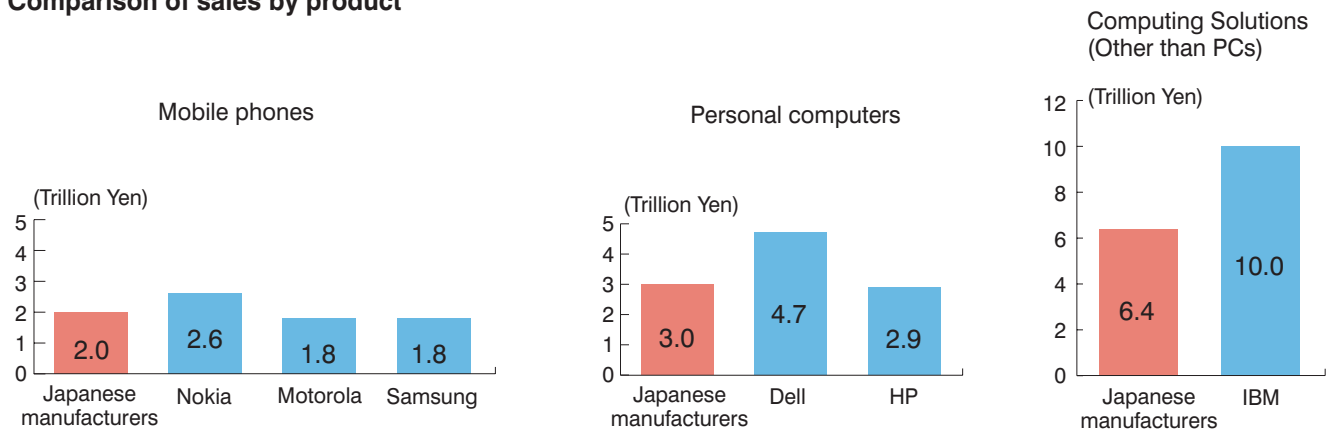
PC OS market share



Comparison of sales by product of Japanese and overseas manufacturers

- Even the total of sales by all Japanese manufacturers does not equal that of a single overseas manufacturer in information and communications markets such as mobile phones or personal computers

Comparison of sales by product



Note 1: Breakdown of Japanese manufacturers

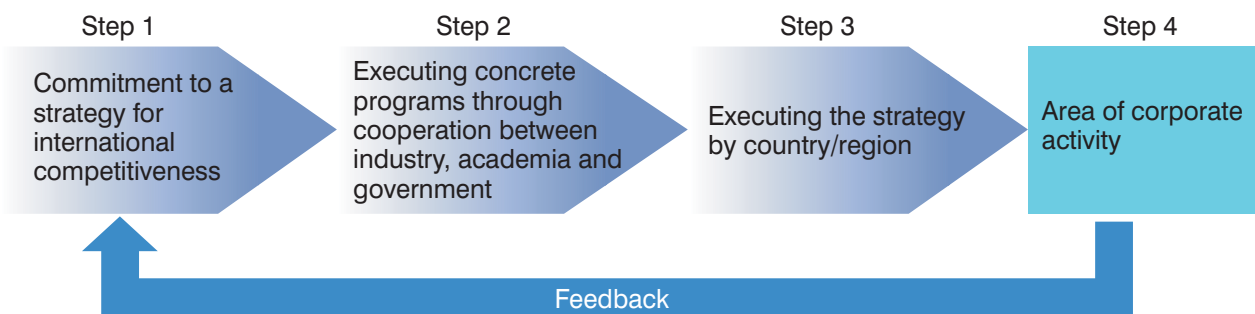
- Mobile phones: Total of sales of mobile phone divisions of NEC, Fujitsu, Hitachi, Toshiba, Matsushita Electric, Sharp, Sanyo Electric, and Mitsubishi Electric
- Personal Computers: Total sales of related divisions of NEC, Fujitsu, Hitachi, Toshiba, Matsushita Electric, Sony and Sharp
- Computing Solutions: Total sales of related divisions of NEC, Fujitsu, Hitachi, Toshiba and Mitsubishi Electric

Note 2

- Mobile phones: Sales totals calculated from CY 2004 figures
- Personal computers: Compiled from figures for CY 2005 or FY 2005
- Computing Solutions: FY 2004 for the Japanese corporations, and the total (CY 2005) of system technology services, global services, and software for IBM

Basic Strategy to strengthen the ICT international competitiveness

- Goals**
- Goal 1: Year of Consolidating ICT International Competitiveness
Designating the next 2 years as "Year of Consolidating ICT International Competitiveness" and realizing the consolidation in global competitiveness by 2011
 - Goal 2: Working towards a strong industry with a global perspective
Making the ICT industry into a core industry such as the automotive industry, so that it is seen as 'strong' from a global perspective
 - Goal 3: The plan to double ICT GDP
Doubling Japan's ICT GDP (From approximately 62 trillion yen in fiscal year 2004 to 120 trillion yen in fiscal year 2011)



Core approach to propel basic cycles	<ul style="list-style-type: none"> (1) Strengthening international competitiveness by transforming domestic communications and broadcasting (2) Sharing between the private and public sectors a core scenario for increasing international competitiveness that can be visualized (3) Making optimum use of Japan's strengths by concentrating on and selecting fields in which Japan leads (4) Building win-win international relationships (international coordination and international contribution)
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Points to which particular notice should be given	<ul style="list-style-type: none"> (1) Strengthening of an organic and lateral approach in the coordination between industry, academia and government (2) Promoting the ICT International Competitiveness Enhancement Program as a package (3) Strategic international coordination and cooperation, as well as international contribution, to increase power of international coexistence
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Realization through the ICT International Competitiveness Enhancement Program

Taking into consideration the final report from the panel, MIC has formulated the ICT International Competitiveness Enhancement Program which includes the concrete suggestions below so as to bring about a strengthening of the international competitiveness of the ICT industry.

Establishment of Conference for ICT International Competitiveness

Strategic development of technology overseas exchanges

Establishment of Specified Ubiquitous Districts

Promotion of reform in the communications and broadcasting fields

Promotion of Japan Initiative Project

Development and putting in place of platforms

Promotion of core strategy in important fields



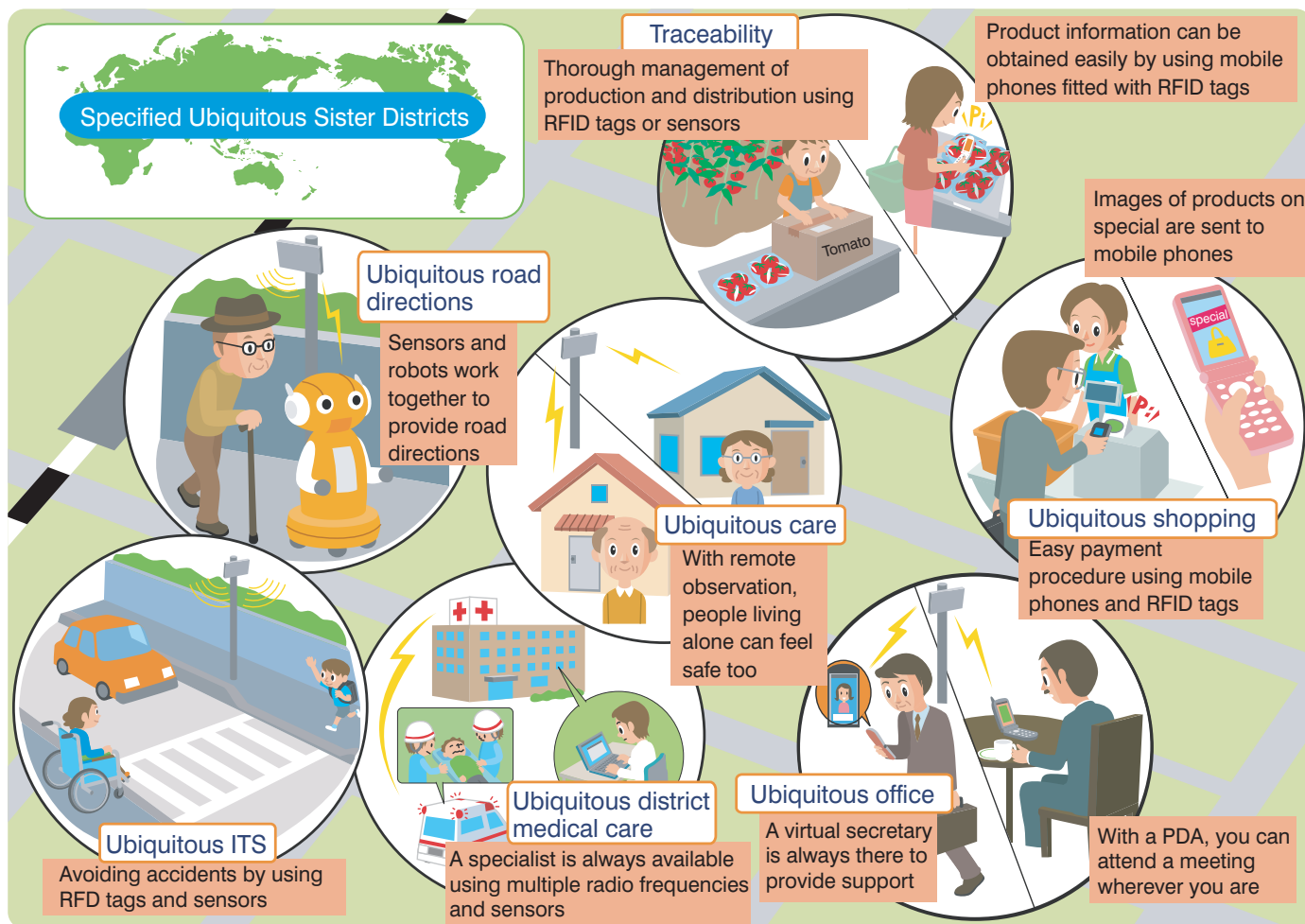
We will introduce program contents below

Coming to you from Japan! The Specified Ubiquitous Districts will become a world model

Information and communications products and services will not expand unless real people in the real world can experience for themselves how useful they are. So, research and development themselves cannot produce that sensation. But, since much of ICT must use public infrastructure such as radio frequencies and communications networks, it is difficult to experience them at the general regional society level. Specified Ubiquitous Districts will address that topic. Let's take a look at what a Specified Ubiquitous District is and what will happen there.

What is a Specified Ubiquitous District?

Aiming for the establishment of a model that can be developed internationally based on a Japanese initiative in which world-leading ICT services are developed and tested.



Integrated project implementation

New safe and secure services will be developed through the fusion and coordination of fixed telephones, mobile communications, contents, applications and the like, and multiple services will become available through one terminal.

Putting in place of environment by relevant ministries and agencies

It will be not just MIC, but also relevant ministries and agencies, that will put in place the environment to promote the use of ICT in the Specified Ubiquitous Districts.

Promotion of radio frequency usage

MIC will put in place an environment in which the radio frequencies that are not being used by mobile phones and the like can be used effectively as long as they do not cause interference. MIC will also investigate the expansion of the secondary radio frequency system.

International cooperation

MIC is moving towards creating specified districts with certain characteristics (Specified Ubiquitous Sister Districts) in other countries as well, and is working towards international cooperation.

Our lives will become more and more convenient in the Specified Ubiquitous Districts!

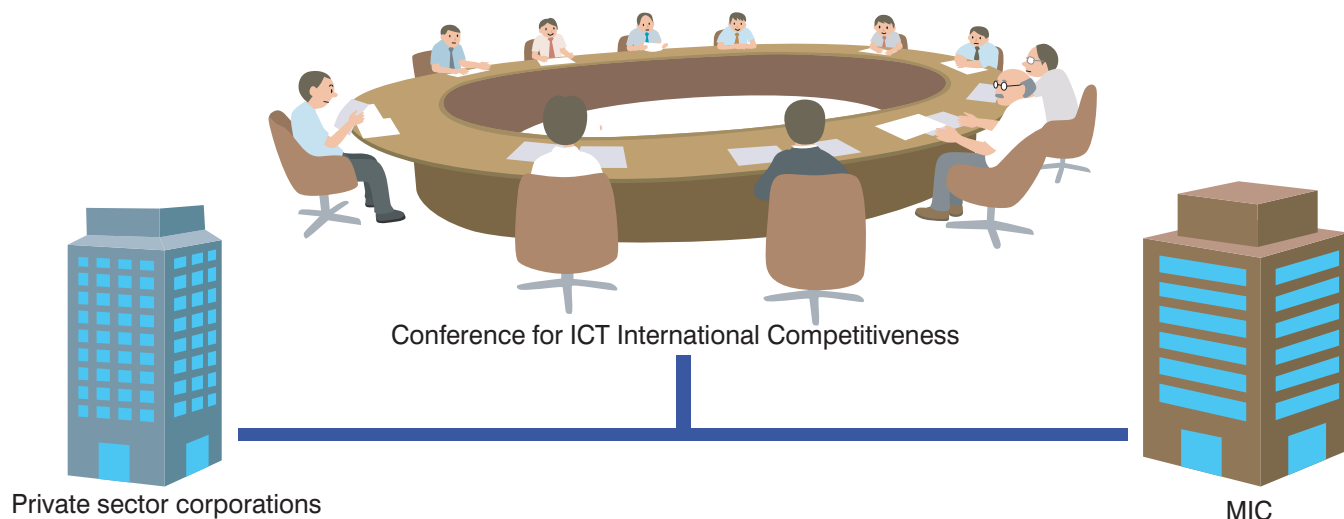


The keys to the basic strategies for strengthening international competitiveness

In order for Japan's ICT industry to strengthen its competitiveness in global markets, there is a need to develop a number of measures in an ongoing way. In addition to establishing Specified Ubiquitous Districts, other measures include the establishment of the Conference for ICT International Competitiveness, the promotion of Japan Initiative Project, the development and putting in place of platforms and the strategic development of technology overseas exchanges.

Establishment of the Conference for ICT International Competitiveness

The Conference for ICT International Competitiveness was set up in order for the private sector to strengthen the international competitiveness of the ICT industry in an ongoing fashion.



Promotion of Japan Initiative Project

Focused promotion of the Japan Initiative Project in order to strengthen international competitiveness in the ICT industry, making use of the fields in which Japan is strong.



Strategic development of technology overseas exchanges

MIC will cooperate with relevant ministries and agencies on general and organizational development that is both integrated and united in international coordination for research and development, international standardization, intellectual property strategy, and an economic development, and will develop these strategically.



Development and putting in place of platforms

In order to build world-leading integrated platforms that are cheap, will be accepted by global markets and are easy to use, making use of Japan's technological strengths, a basic policy regarding the development and putting in place of platforms will be developed in the course of the current fiscal year, and will be applied strategically.

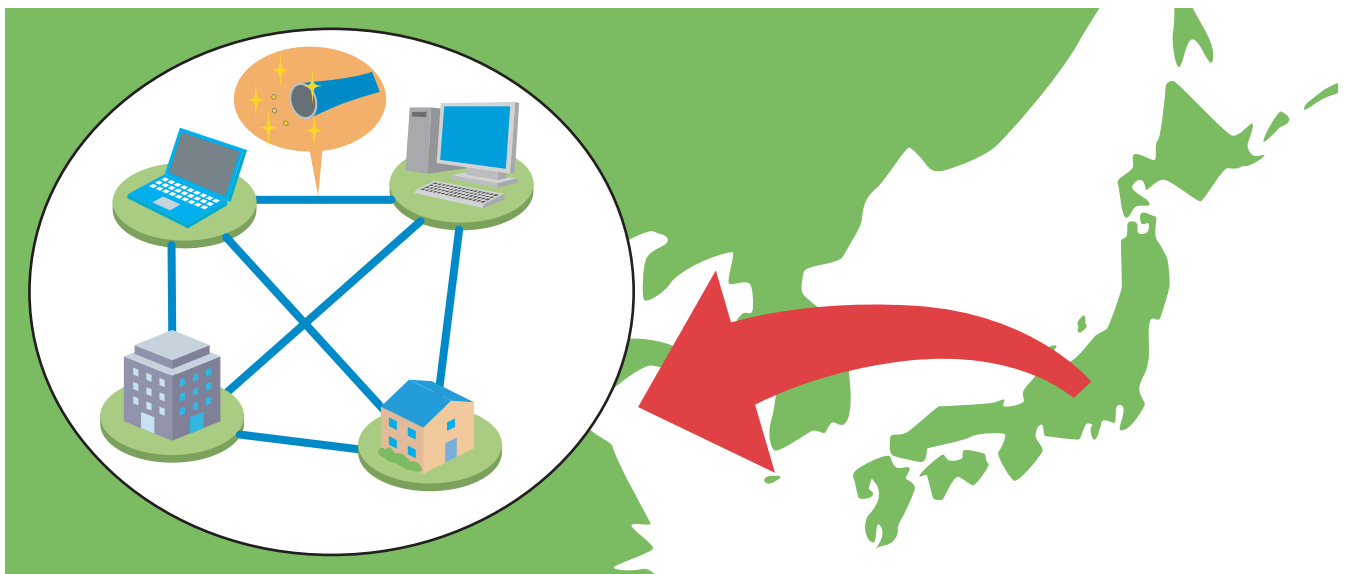


Promoting core strategies in important fields

Next-generation IP networks, wireless, contents, digital broadcasting. It can be said that, in these important ICT fields, Japan has put in place globally top-level technology, products and environment. However, in many cases, this applies only domestically. The overseas corporations that hold large shares in global markets have developed strategies to maintain their competitiveness both in their domestic markets and globally. What should Japan do? Here are some of the strategies that were compiled by the Panel on ICT International Competitiveness.

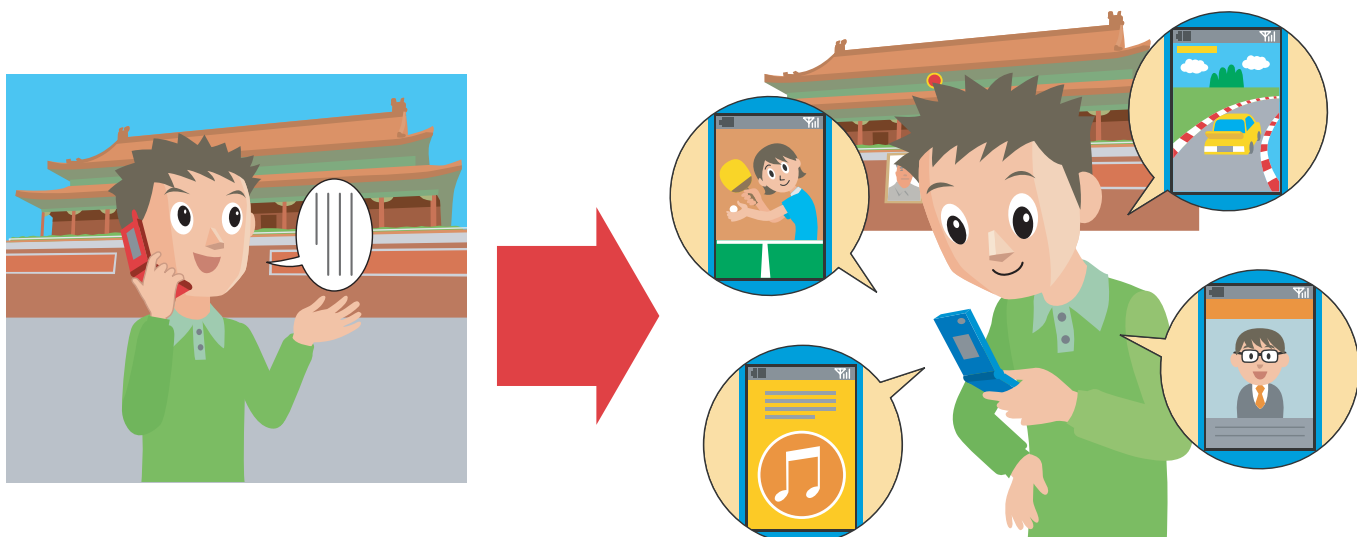
Next-generation IP networks

In the field of IP networks, Japan's goal is to be equipped with a globally state-of-the-art network environment and related communications services, and to be a world market leader in this. In moving towards the realization of this goal in concrete terms, Japan is promoting an approach for the rapid construction of a next-generation IP network infrastructure overseas, especially in Asia, as well as implementing strategic responses to international standardization, the promotion of research and development for the next generation, and a more active exchange of personnel with overseas.



Wireless

Approximately three quarters of the international market for mobile phones is in the hands of just 4 corporations from Northern Europe, North America and Korea, and it is a fact that the share of Japanese manufacturers is very small. It is vital, in the new generation of mobile phones, to improve international competitiveness based on Japan's high technology levels, as well as to develop international markets not just by exporting mobile terminals but through integrated value that brings in services and solutions.



Contents

Even though it produces high-quality video programming, Japan has low recognition levels and it is a fact that overseas distribution is inadequate. In the future, along with activating vision-based marketing of contents worldwide, areas such as the further strengthening of the contents themselves, the opening up of sales networks, and the training of personnel required for overseas development must be boosted.



Digital broadcasting

The "one-segment" technology and services that enable reception of digital broadcasting on mobile phones are revolutionary on a global level. High-level technologies have also become established for broadcasting high-definition images. In the future, even more expendable technologies and formats will be developed and it will be necessary to promote international cooperation in strategic R&D and standardization concerning ultra-high definition broadcasting for which there are expectations as the next generation of broadcasting.

