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TOPICS

"xICT Vision" Final Report from Panel on ICT Growth

Introduction

The Ministry of Internal Affairs and Communications set up the Panel on ICT Growth in February 2008 to conduct strategic and comprehensive research into policies to utilize Japan's world-leading ICT infrastructure to enhance growth. The final report from the panel was compiled under the title "xICT Vision" (referred to as "the report") and announced on July 3, 2008.

The report took up issues that Japan is facing and particularly needs to address, such as the erosion of Japan's international presence and the increasing divide between regions and pointed out the major role that ICT can play in dealing with these issues. It also engaged in a current assessment concerning the goals that were defined in the u-Japan Policy that was formulated in December 2004, as well as concretely showed how society would change with the realization of a "ubiquitous network society," clarifying the directions that should be followed in the

future and proposing a new ICT policy.

ICT and Growth Potential

In the second half of the 1990s, Japan has the world's second highest GDP per person, but recent figures show that its position has slipped to 20th in the world, indicating a gradual erosion of Japan's international presence. In addition, even though within Japan, variation coefficients for prefectural income are on an upward trend, the gap between regions is gradually getting larger.

The level of contribution of the ICT industry to actual GDP growth rate in Japan is approximately 40% (Figure 1), but there are 35 prefectures where the level of contribution of the ICT industry to overall industrial growth is over 50% (Figure 2). It is important to build an integrated strategy with ICT policy as a cornerstone, and bring about greater growth, so as to strengthen Japan's international presence and reduce the gap between regions.

CONTENTS

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TOPICS

"xICT Vision" Final Report from Panel on ICT Growth

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Figure 1: Contribution of ICT industry

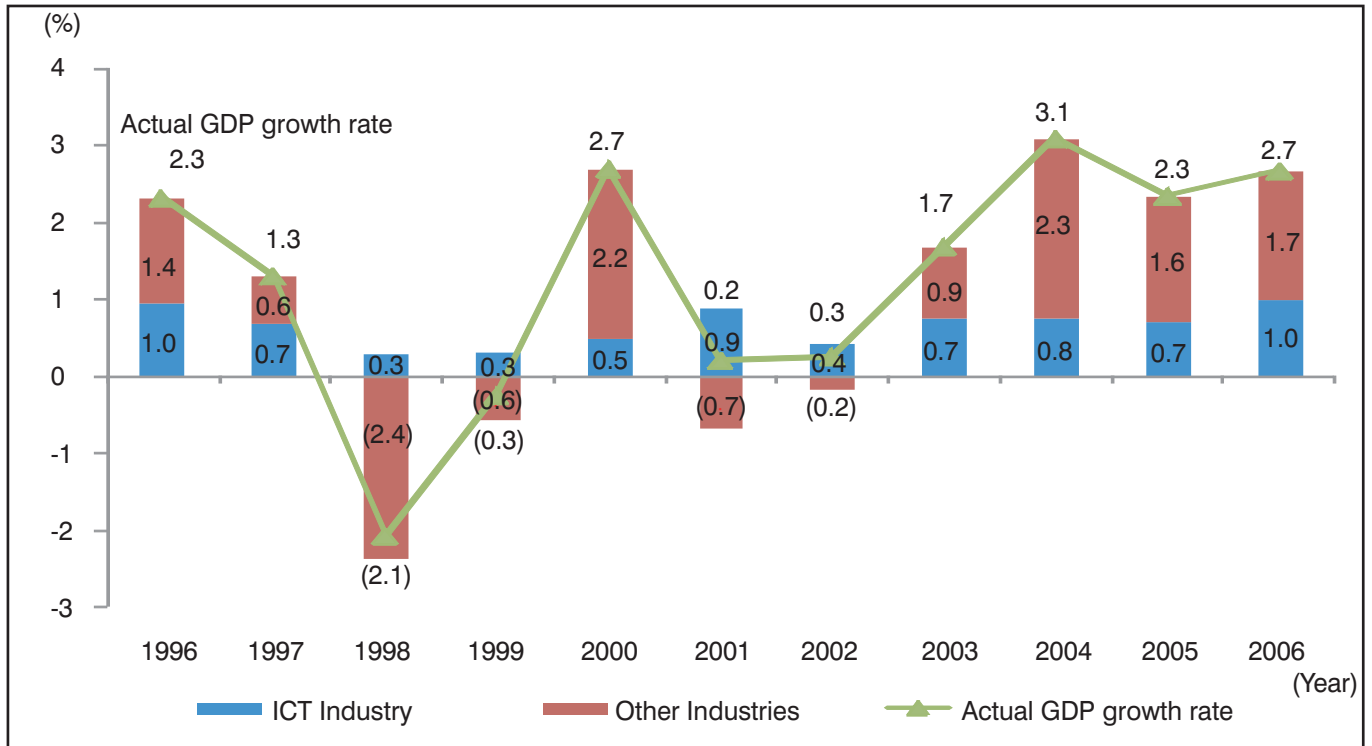
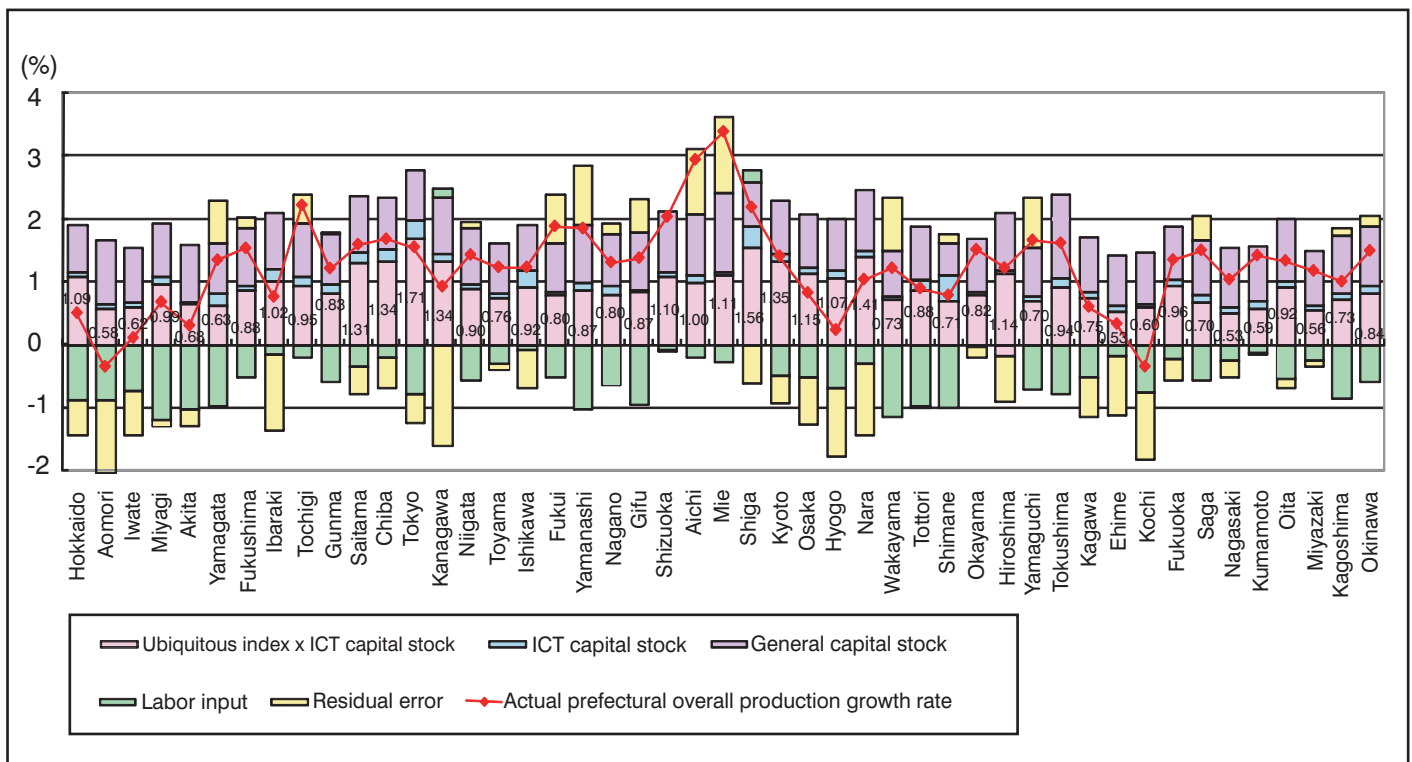


Figure 2: Factor analysis of growth rate of actual overall prefectural total production by prefecture



Assessment of Current ICT Status in Japan

The goals for 2010 that were targeted in the u-Japan Policy included (1) that Japan should become a society in which 100% of the population had access to high-speed or ultra-high-speed Internet, (2) that Japan should become a society in which 80% of the population assessed that ICT was useful in resolving issues, and (3) that Japan should become a society in which 80% of the

population had a feeling of security about ICT.

With regard to the current status relating to these three goals, the report made the following assessments. Firstly, even though 98% of the population has access to broadband and Japan's infrastructure is said to be the best in the world, there is a need for improvement in terms of prioritizing penetration rates and social capital infrastructure. Secondly, a survey showed that, even though 82% of

people deem that ICT systems are able to resolve issues, actual usage of systems is at 46% and usage is particularly low in terms of corporate management, medical, welfare and administrative services. Thirdly, a survey showed that 23% of people feel secure with regard to ICT and there is a great deal of concern with regard to cyber societies in terms of systems, practical use, and social standards.

Figure 3: The changing societal rules

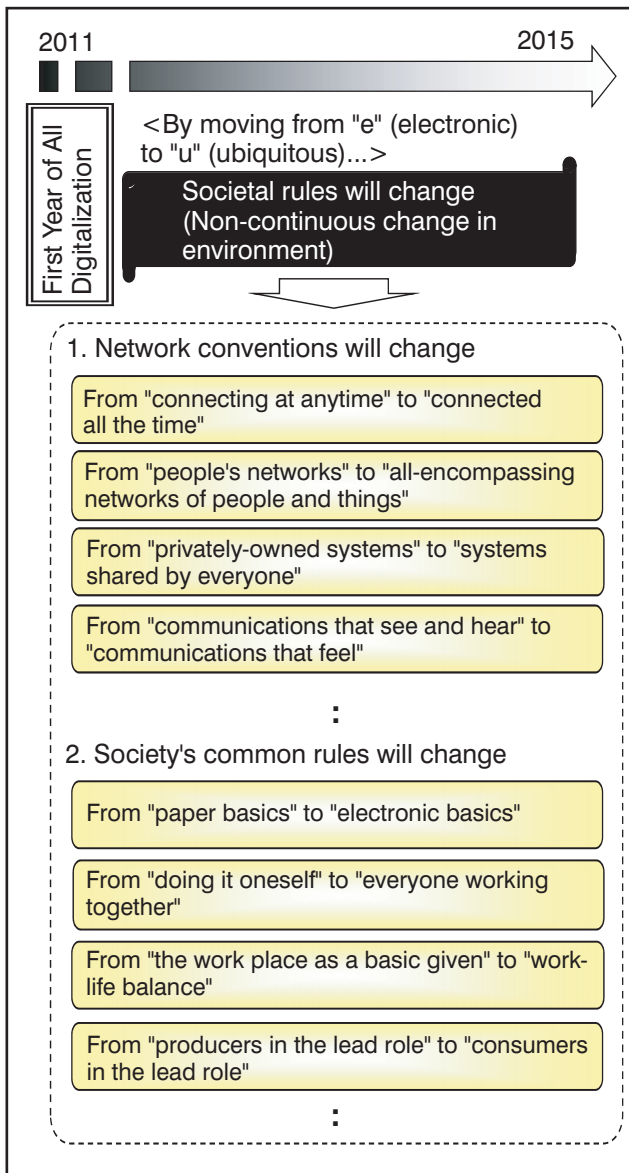


Figure 4: The shape of the "ubiquitous society" as it will contribute to the targeted "future society"

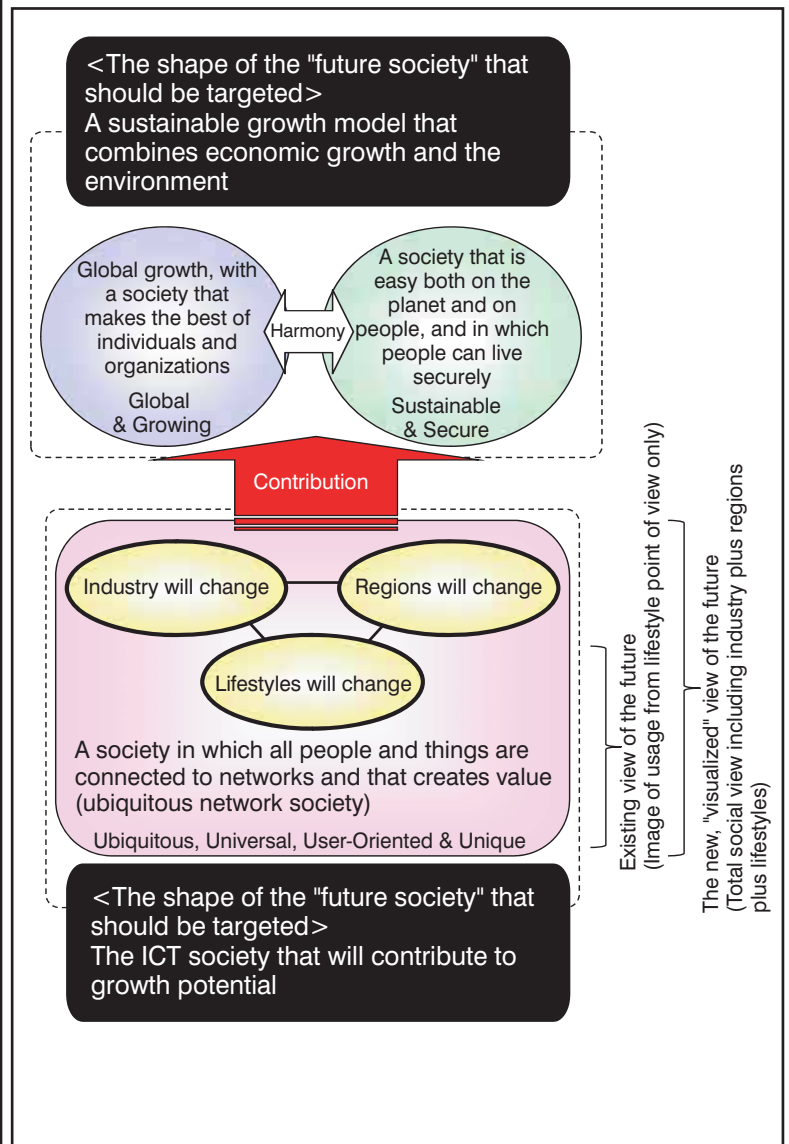


Figure 5: Concrete examples of industrial change

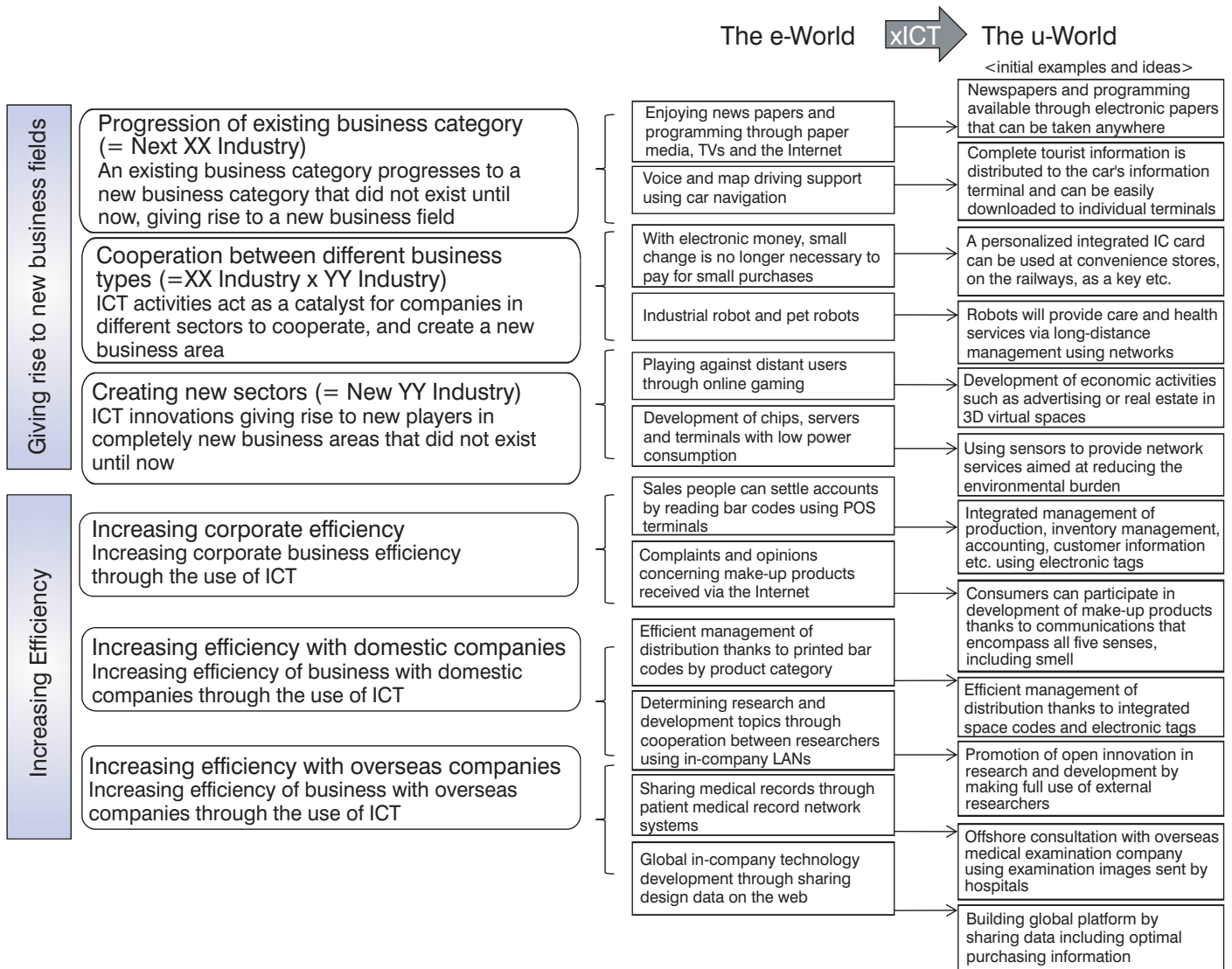


Figure 6: Concrete examples of regional change

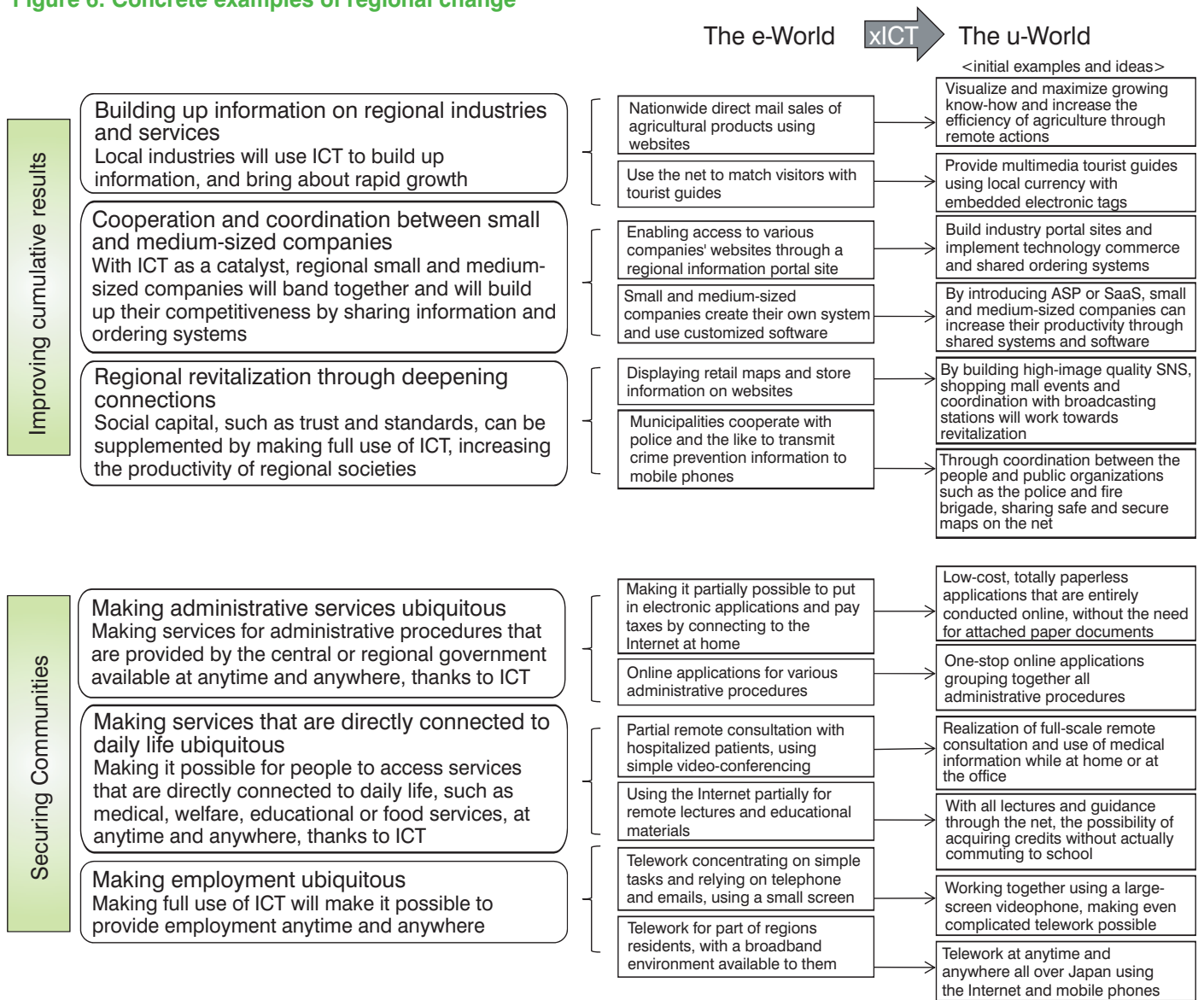
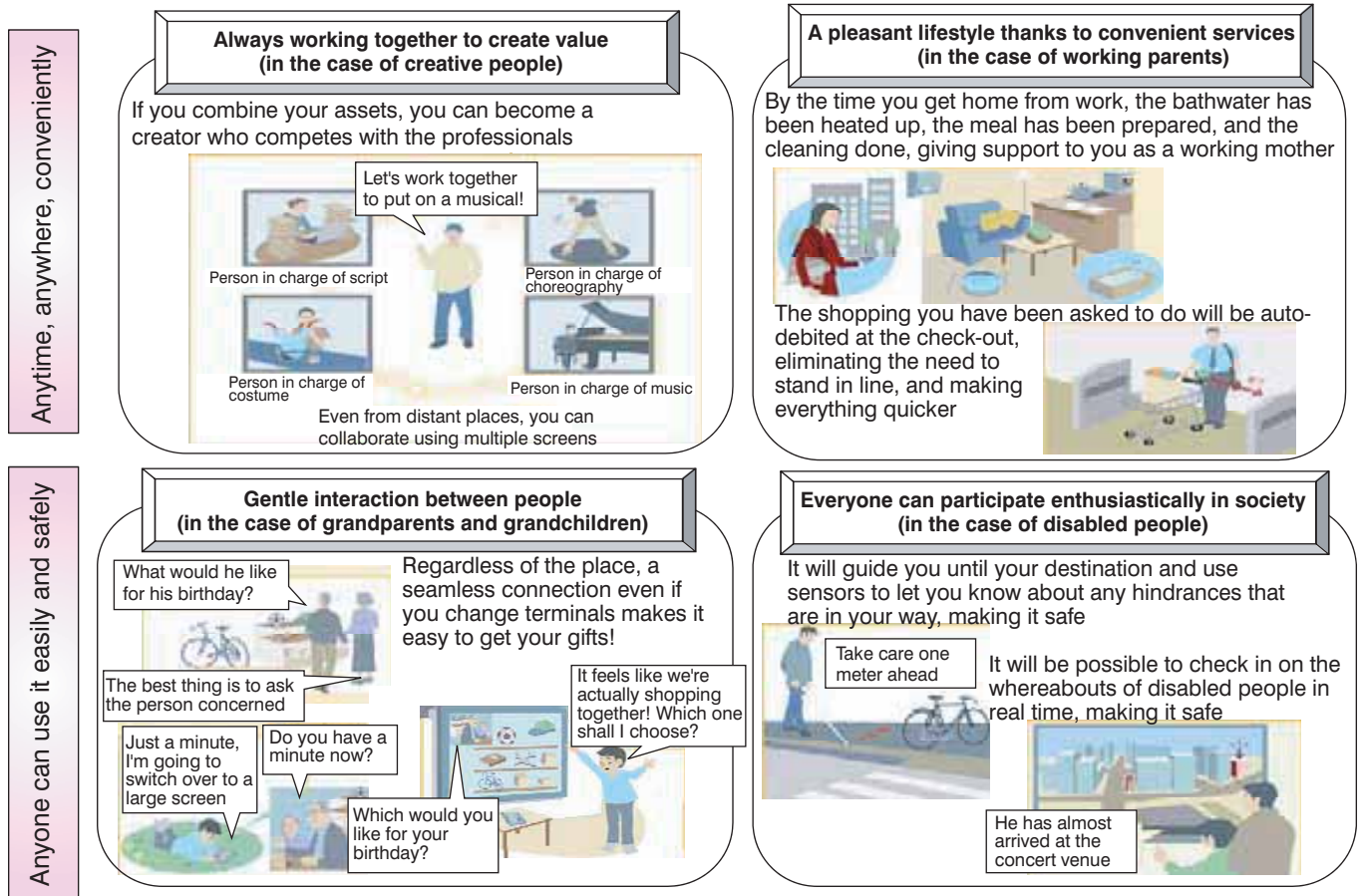


Figure 7: Concrete examples of how life will change



A Future Impression of Information Society

With the realization of the "ubiquitous network society" that is the aim of the u-Japan Policy, it is expected that there will be various changes in environment and that there will be changes in conventional wisdom (Figures 3 & 4). With these changes in society, "lifestyle," "industry" and "regions" will move towards a deeper fusion with ICT and change dramatically, so that the changes in industry and society are expected to strengthen "global growth potential" and "regional growth potential." In addition, since it will be possible to reduce carbon dioxide emissions through the efficient use of ICT, ICT will play an important role in the shift towards a low carbon emission society, one of the major issues in today's international society.

Based on this awareness, the report came up with "xICT" as a novel concept that will change

conventional wisdom and promote the thorough use of ICT in the world. xICT refers to all the ICT crossings, and with the deeper use of ICT as various industries, regions and lifestyles shift from the world of "e" to the world of "u," it stands for this rebirth. The report shows concretely how industries, regions and lifestyles will change as a result of the deepening fusion with ICT. (Figures 5 to 7)

The Plan to Strengthen ICT Growth Power

The report uses two different axes, "global growth potential and regional growth potential" and "ICT industry and ICT user industries" and has divided these into four quadrants, and investigates the truly necessary areas to strengthen growth potential in each quadrant (Figure 8).

Based on the investigations above, the report put together an overall policy package in the shape of the "ICT Growth Enhancement

Plan," and is recommending moving forward with its implementation. This recommendation was announced as the interim report from the Panel on ICT Growth. MIC took this into consideration and, as a result of investigating a related policy package, formulated and announced its "ICT Growth Enhancement Plan" on May 23, 2008 (Figure 9).

In conclusion, MIC is working towards coordination between the private sector and academia and relevant government ministries with regard to the implementation of the "ICT Growth Enhancement Plan," and will provide as much encouragement as possible, implementing PDCA gradually, and carrying out regular evaluations as well as working with ongoing revisions of the policy in the belief of the importance of putting in place a good environment for the framing and implementation of policies.

Figure 8: Areas that are truly necessary to strengthen growth potential

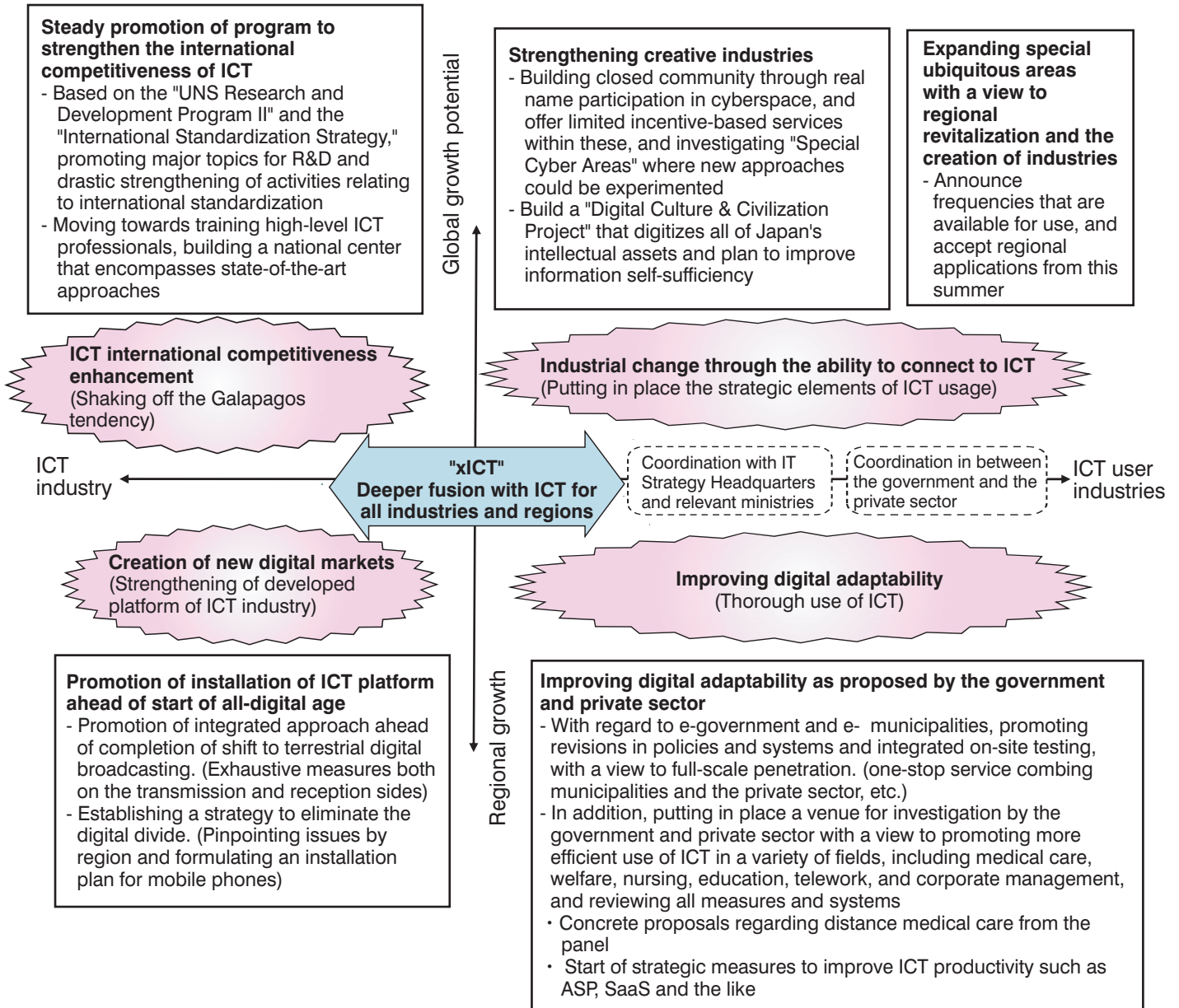


Figure 9: Complete overview of ICT Growth Enhancement Plan

