



# Communications News

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## STATISTICS

### Realization of Dynamic Ubiquitous Network Society --The Current State of Information and Communications in Japan as Seen in the 2008 White Paper "Information and Communications in Japan"--

*MIC recently announced the 2008 White Paper "Information and Communications in Japan" which is a compilation of the current state of information and communications in Japan. The special theme in this year's edition is "Realization of Dynamic Ubiquitous Network Society." It investigates and analyzes the impact of the shift to ubiquitous networks and the globalization of economic activities on economic growth, regional economies, corporate activity, and people's lives. Along with the development of ubiquitous networks that connect everyone at any time and anywhere with anything, it looks at the ways our lives are changing due to the generalization of borderless economic activity.*

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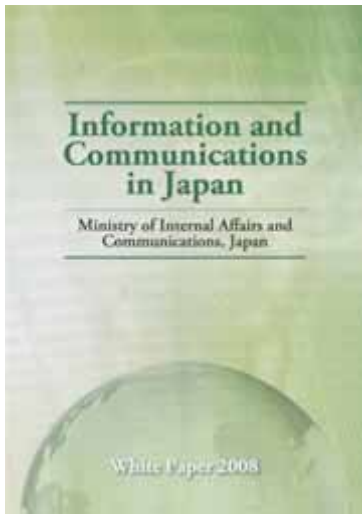
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**2008 White Paper "Information and Communications in Japan"**



The White Paper "Information and Communications in Japan" is a report published by MIC concerning information and telecommunications policy. It explains in an easy-to-understand way the current state of information and telecommunications, which changes day by day due to rapid technological advances. This white paper is also available on MIC's website, and can be downloaded in sections using the "White Paper" table of contents.

**The three main themes of the White Paper "Information and Communications in Japan"**

There are three main themes in this year's edition of the white paper. They are "Revitalization of regional economies through ICT", "Growth of the ICT industry and strengthening of its international competitiveness" and "New lifestyles brought about by the development of ubiquitous network." The advances in ICT are closely linked to regional economies, international economic activities, and people's lives.

**Revitalization of regional economies through ICT**

Regional economies are being vitalized through the utilization of information and communications technology (ICT). In overcoming problems faced by regions, ICT will show its true strength.

**Growth of the ICT industry and strengthening of its international competitiveness**

Information and communications has grown into the largest-scale domestic industry. On the other hand, a number of issues exist in order for Japan to attain the leadership position worldwide in this sector.

**New lifestyles brought about by the development of ubiquitous network**

The advances in ICT are bringing about major changes in people's lives. In particular, all kinds of uses for ICT are appearing, centering on the younger generation.

This is useful even for businessmen, as it will help them understand the current state of information and communications

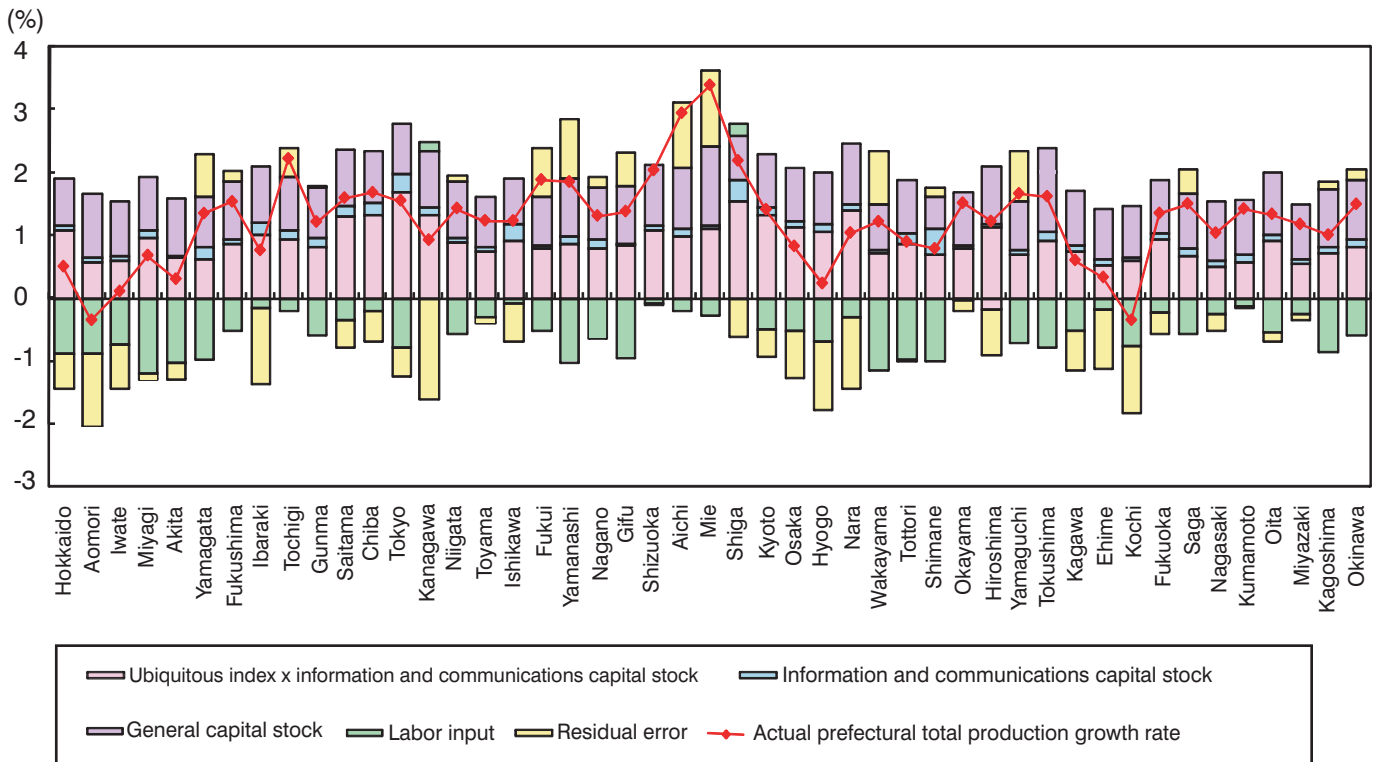


# 1. Revitalization of regional economies through ICT

## The progress of the shift to ubiquitous networks and regional revitalization

The environment surrounding regional economies is changing in a major way, with fewer children and an aging population, as well as depopulation. Whereas, on the one hand, the regions are lacking in people, capital, knowledge and information, they do offer proper resources, and revitalization can be expected from local industry. The use of ICT is a major step in overcoming existing worries and bringing out strengths. One could probably say that ICT holds the key to regional revitalization.

### Factor analysis (2001 to 2005) of average growth rate of actual prefectural total production by prefecture



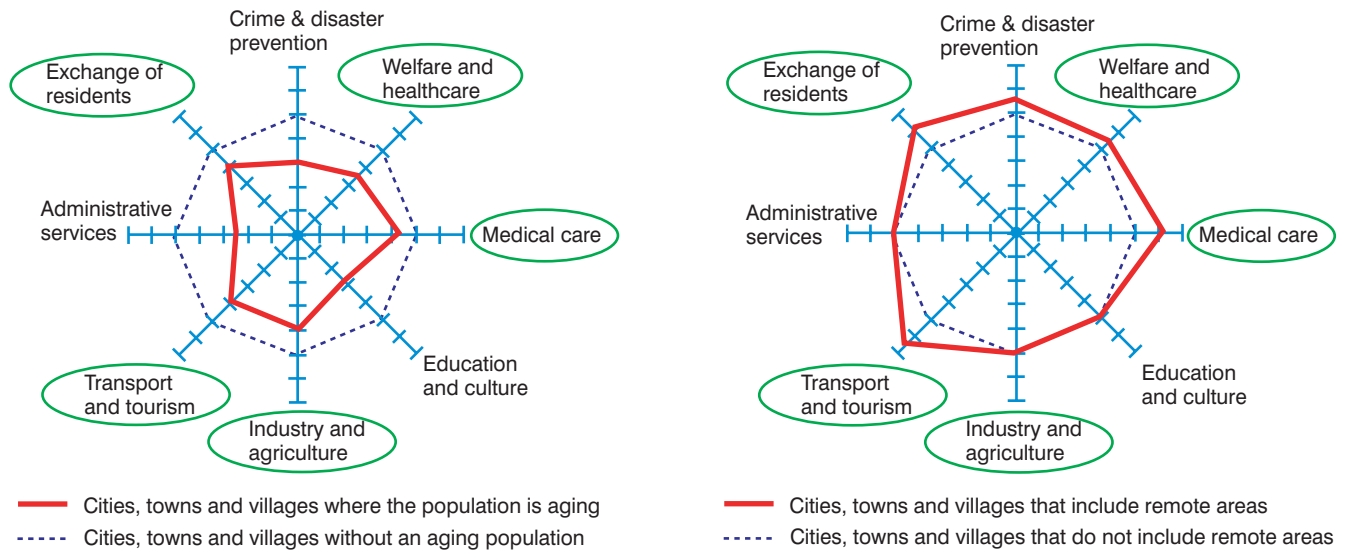
The economic potential and usage advantages of networks from information and communications stock within actual prefectural production in each prefecture or administrative region, show a positive contribution for all prefectures, with 35 prefectures showing a contribution ratio of over 50%.



Information and communications is contributing to the overall health of the Japanese economy.

### Status of ICT usage in municipalities by category

#### Comparison of ICT usage in areas where aging of the population is progressing and in remote areas

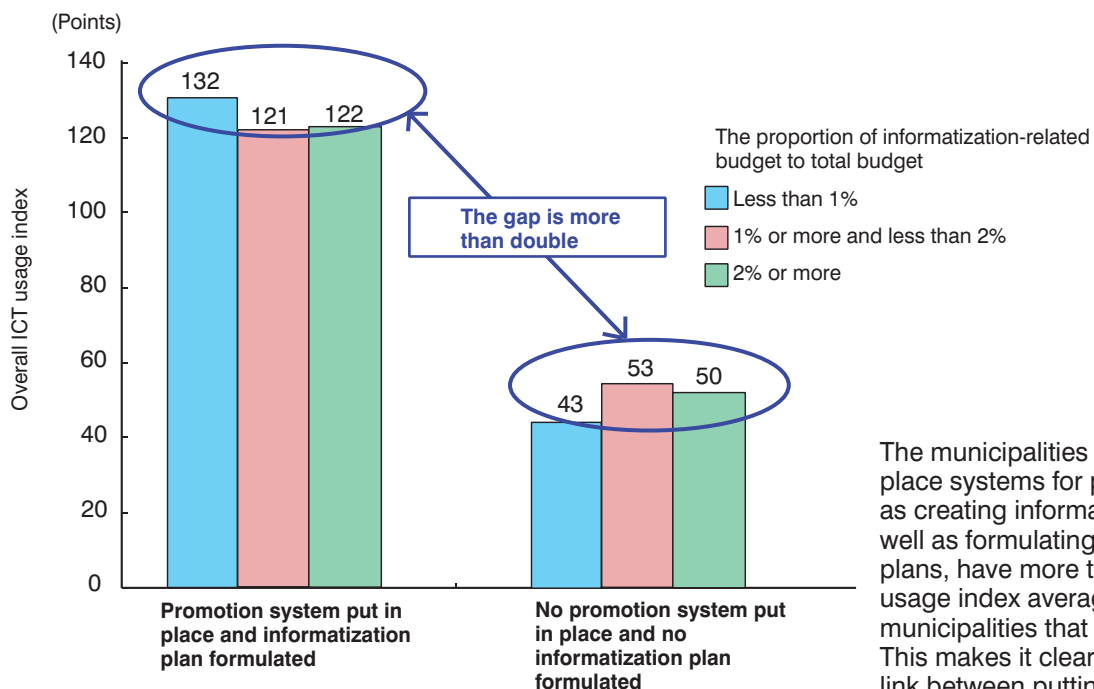


\* Indices of ICT usage by area for each city, town or village were converted into deviations and the average value for each attribute group is shown.

In disadvantaged areas, ICT is in intensive use in areas where ICT can have a direct effect on solving issues related to aging populations. In particular, it was ascertained that the level of ICT usage is high in cities, towns and villages that include remote areas.

### The key to effective use of ICT by municipalities

#### The state of ICT usage by municipalities (Promotion system x plans for informatization x proportion of budget devoted to informatization)



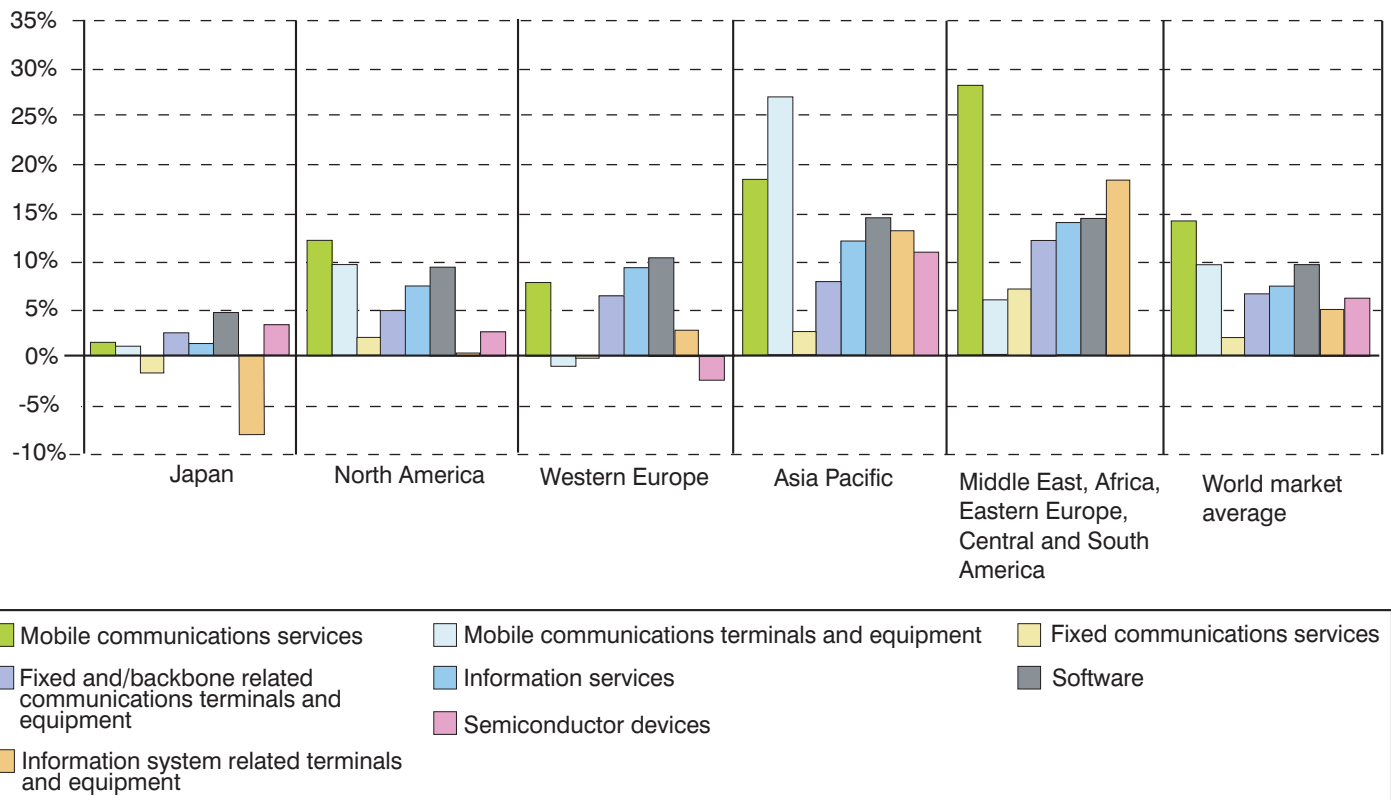
The municipalities that are putting in place systems for promoting ICT, such as creating informatization sections, as well as formulating informatization plans, have more than twice the ICT usage index average points than the municipalities that are doing neither. This makes it clear that there is a direct link between putting in place a promotion system and formulating plans, and effective ICT usage.

## 2. Growth of ICT industry and strengthening of its international competitiveness

### The current status of Japan's information and communications industry within the world (part 1)

The scale of Japan's information and communications market accounts for about 10% of the worldwide market. The market is currently fairly mature and growth rates are low. As far as the Internet is concerned, whereas American portal sites are accessed from all over the world, Japanese portal sites are mainly accessed by domestic users. It can be said that Japan needs to increase its international competitiveness in various areas of information and communications.

#### Growth rates by region for the information and communications market worldwide



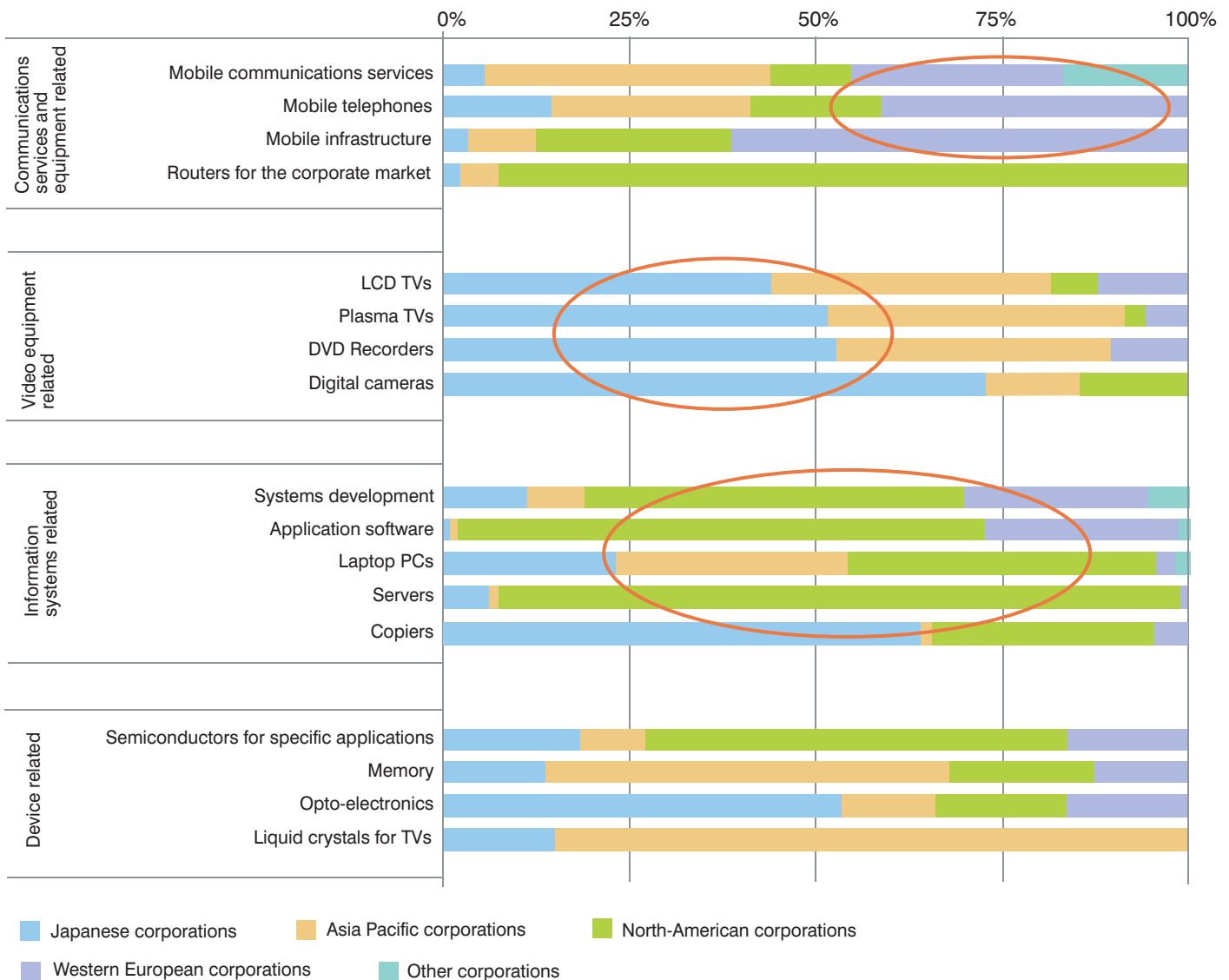
In order for Japan's information and communications industry to maintain its growth, it is important to develop markets in areas such as Asia Pacific, as well as the Middle East, Africa, Eastern Europe and Central and South America, which are expected to see future growth. As opposed to Japan's growth rate of under 5%, these areas have numerous fields showing a growth rate of over 10% and there are among them information and communications related services that are seeing growth rates of over 25%.

Japan needs to increase its international competitiveness in the various fields of information and communications.



The current status of Japan's information and communications industry within the world (part 2)

Corporate share by region of the information and communications related market



It seems that, other than in video equipment related fields, copiers and opto-electronic devices, Japanese corporations have been unable to develop internationally.

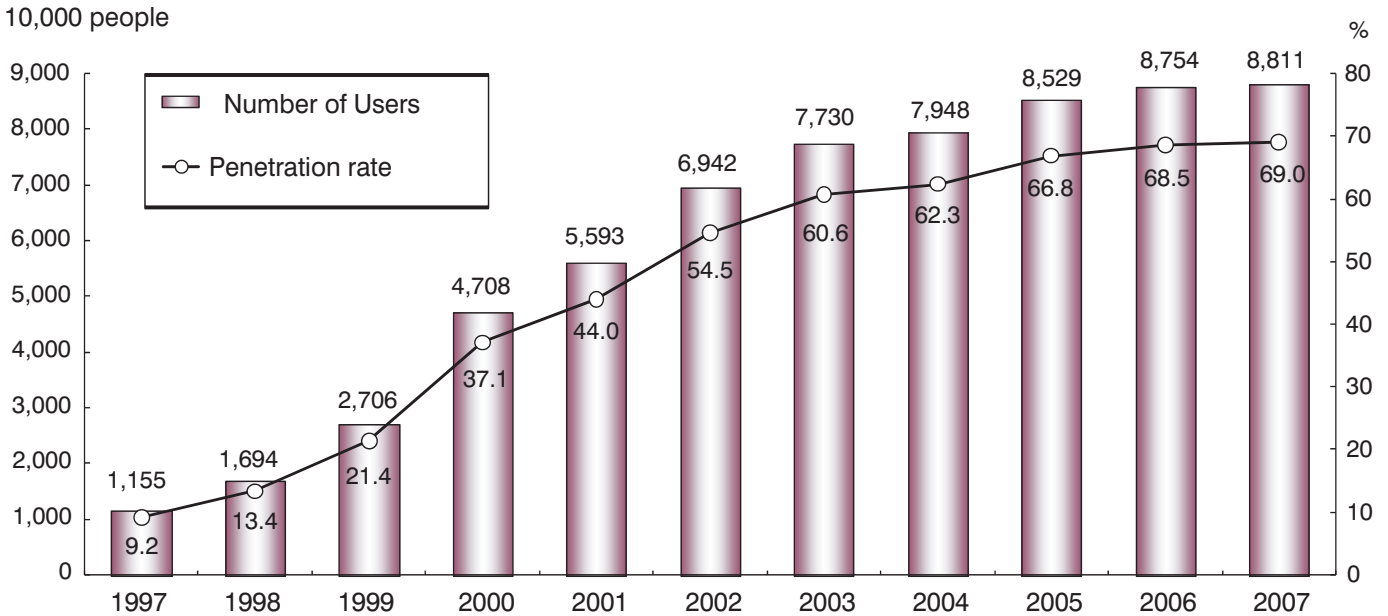
If one looks at corporate share by region within the global information and communications market, one can see that Japan is strong in the video equipment related fields, such as flat panel TVs and DVD recorders, as well as in copiers and opto-electronics devices (sensors, lasers and the like). On the other hand, Western Europe has the upper hand in the mobile communications field, and North America in corporate routers and information systems related fields.

### 3. New lifestyles brought about by the development of ubiquitous network

The number of people using the Internet, which forms that basis of a ubiquitous society, is increasing steadily, with the increase in users from mobile phones being particularly noticeable. In addition, activities such as buying products on the Internet have become quite brisk, with some products selling more than in retail shops. The advances in ubiquitous networks are bringing major changes to our daily lives.

**The number of Internet users has already reached about 88 million!**

#### Number of Internet users and trend in penetration of population

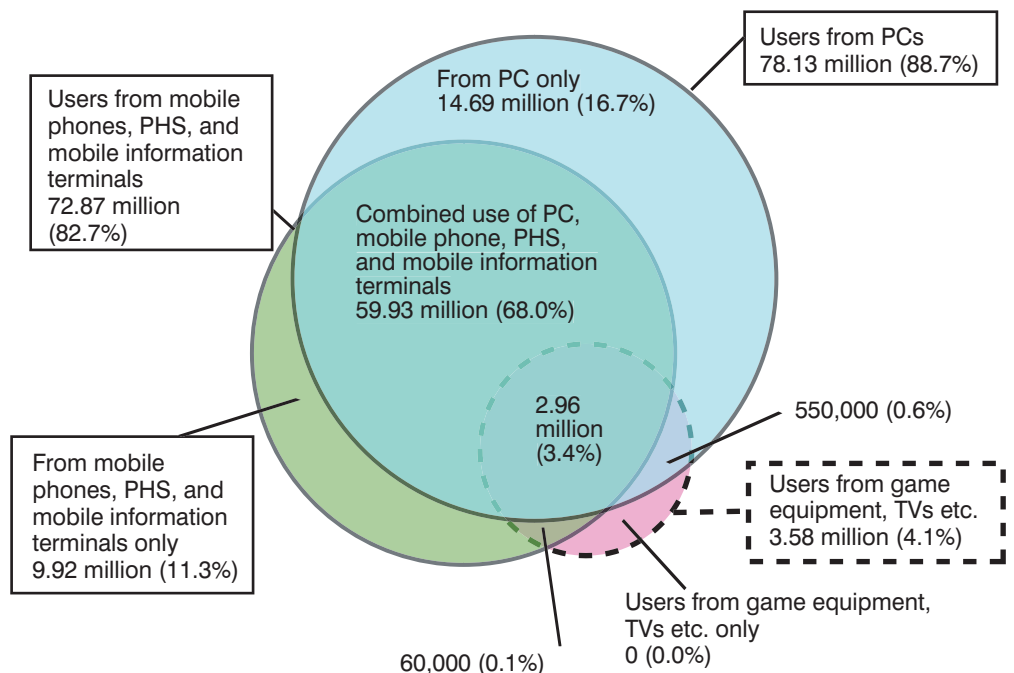


The number of Internet users in Japan stood at 88.11 million at the end of 2007 (an increase of 0.7% year on year), with an estimated penetration rate of 69.0% of the total population (an increase of 0.5 points year on year).

**People who are using the Internet via their mobile phones are on the increase**

#### Types of terminals for Internet usage (2007)

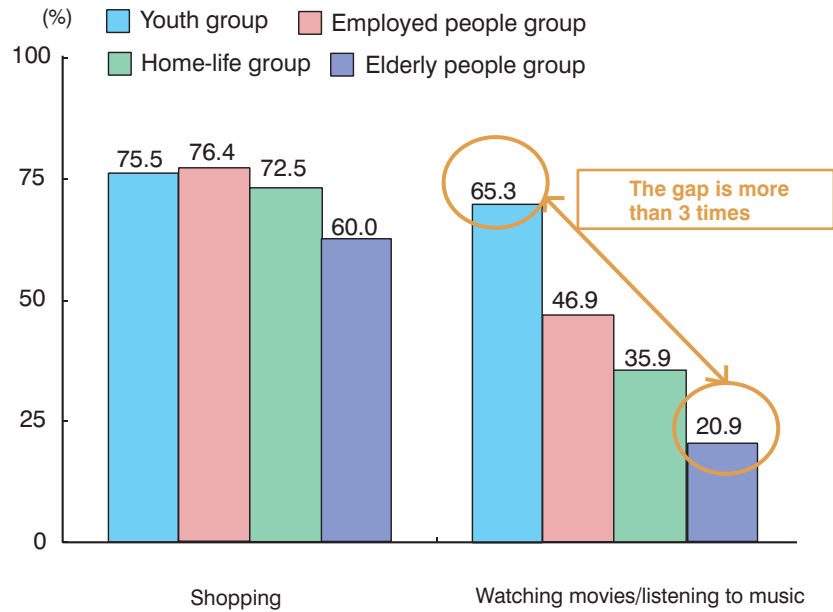
Among Internet users, the number accessing from mobile phones, PHS and mobile information terminals stood at 72.87 million (82.7%), showing an increase to almost the same scale as those accessing from PCs, which stood at 78.13 million (88.7%).



**The age gap in state of usage of website services**

**State of usage of website services by age group**

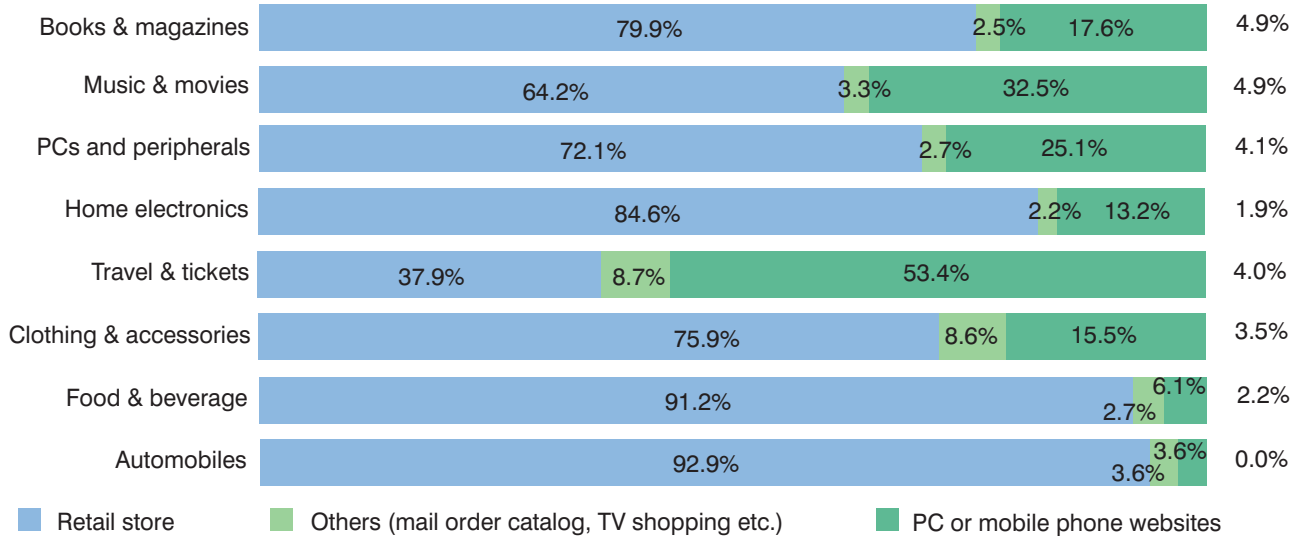
If one looks at the extent of usage of website services by age group, the gap between age groups is small for shopping, but it widens to more than 3 times between the young and elderly when it comes to watching movies or listening to music.



**The number of people purchasing products on the Internet is increasing**

**Methods most frequently used in purchasing products in the past year (2007)**

Ref: Percentage of people who responded that they had made a purchase on the Internet (2002)



The number of people purchasing products on the Internet has increased sharply in comparison to 5 years ago. This trend is particularly noticeable in products such as travel and tickets, music, movies and the like, where quality is standards and the whole process from gathering information to making the purchase can be conducted on the Internet.

For further details concerning the White Paper, please refer to the following website:  
<http://www.johotsusintoeki.soumu.go.jp/whitepaper/whitepaper01.html>