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TOPICS

Results of Strategic Dialogue on Safer Internet Environment for Children

Along with promoting international collaboration in taking the necessary countermeasures against illegal and malicious information on the Internet, Ministry of Internal Affairs and Communications (MIC) is also promoting the putting in place of a safer and more secure Internet environment worldwide. With this in mind, MIC hosted the Strategic Dialogue on Safer Internet Environment for Children in Tokyo on June 2 and 3, 2009.

There were discussions at this strategic dialogue concerning the putting in place a basic framework that would bring about safety, and a chairman's report and a Tokyo Communiqué were produced as a result.

It is hoped that, as a result of this, a global approach that promotes the creation of international rules will be more strongly enhanced from now on.

Time and Place

- (1) Dates: June 2 and 3, 2009
- (2) Place: Hotel New Otani (Kioi-cho, Minato-ku, Tokyo)
- (3) Organizers: MIC and International Telecommunication Union (ITU)
- (4) Participants: Industry, research organizations, international organizations and governments, approximately 200 participants from 32 countries.

CONTENTS

TOPICS

Results of Strategic Dialogue on Safer Internet Environment for Children 1

STATISTICS

Results of Basic Survey on the Communications and Broadcasting Industry (implemented in December 2008) 3

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Outline

(1) Opening

In addition to inaugural remarks by host country representative, MIC Minister, Kunio Hatoyama, there were speeches by Hamadoun I. Touré, Secretary-General, ITU, Shun Sakurai, Director-General, Telecommunications Bureau, MIC, and Professor Masao Horibe, Professor Emeritus of Hitotsubashi University.

(2) Sessions

In all of the sessions, importance of the awareness of the followings was emphasized.

- a- Session 1 - The need for online security for young people
 - Aggressive introduction of mobile filtering services
 - Improving levels of media literacy among relevant people such as guardians and educators

b- Session 2 - How can young people be protected and taught how to become smart Information and Communication Technology (ICT) users?

- Introduction and development of effective technology, and government support
- Promotion of voluntary initiatives by the private sector

c- Session 3 - Initiatives by the state and regional governments concerning safe and secure Internet usage

- Reducing the disparity in state initiatives
- Securing safe and secure use of the Internet worldwide

d- Session 4 - Educating users so that they can use the Internet safely and securely

- Sharing information on systemic approaches and technological

approaches

- Coordination between homes, regions and schools

e- Session 5 - The need for a global initiative

- Impartial support for those users who need support
- Promotion of the creation of international rules

Results of Strategic Dialogue

A Chairman's report and Tokyo Communiqué were adopted.

Furthermore, the chairman's report and the Tokyo Communiqué from this meeting will be discussed at the ITU Council and ITU Telecom Forum, scheduled to be held in October of this year, and will then be included in the discussions at the ITU Plenipotentiary Conference which is scheduled to be held in October 2010.

Outline of "Tokyo Communiqué on Safer Internet Environment for Children"

1. Developing a basic framework for achieving safety

- Ongoing investigation regarding contents harmful to children among interested ITU member countries
- The followings are important in order to reduce to a minimum opportunity for young people to access illegal or harmful information.
 - (1) Promoting a initiatives for raising awareness and education among relevant people
 - (2) Introducing technological measures such as filtering services and parental control
- It is important to promote aggressively the international sharing of information

2. Promotion of voluntary initiatives by the private sector

- The aim should be for private sector voluntary initiatives to play a central role
- There is a need to encourage initiatives towards agreement on a joint approach concerning voluntary regulations
- Support for private sector initiatives in the field of technology development by the various governments
- Support from ITU for a common code of conduct and related recommendations to protect young people online

3. Promoting initiatives to educate users

- It is extremely important to improve levels of media literacy among users
- It is important to give impartial support for those users who need support

- Based on the results of this strategic dialogue, further discussions will be held at the ITU Telecom Forum (October 2009) for preparations made ahead of the ITU Council (October 2009)

- It is expected that the importance of protecting young people online will be further recognized at the ITU Telecom Forum, the Internet Governance Forum (IGF), the Asia-Pacific Economic Cooperation (APEC) TelMin Meeting, the Organisation for Economic Co-operation and Development (OECD) Ministerial Meeting, and the G8 Summit

STATISTICS

Results of Basic Survey on the Communications and Broadcasting Industry (implemented in December 2008)

MIC has recently compiled the results of the Basic Survey on the Communications and Broadcasting Industry that was implemented in December 2008. The outline of the survey results can be found below.

Main points of the results of the current survey

Sales for the communications and broadcasting industry in fiscal year 2007 (actual figure) came to a total of 19.0075 trillion yen (an increase of 1.6% year on year). The estimated figure for fiscal year 2008 is 19.0654 trillion yen (an increase of 0.3% year on year).

The sales breakdown for the telecommunications industry shows data transmission which is used for applications such as connecting to the Internet at 29.5% (an increase of 4.7% year on year) with data communications progressing.

Acquisition capital investment for fiscal year 2007 for the communications and broadcasting industry as a whole (actual figure) came to 2.8016 trillion yen (a drop

of 0.9% year on year). The estimated figure for fiscal year 2008 is 2.6205 trillion yen (a drop of 6.5% year on year).

Outline of survey

The survey has been implemented since fiscal year 1994 in order to grasp actual conditions and trends for sales in the communications and broadcasting industry (telecommunications business and broadcasting business). From fiscal year 1994 to 2001, it was conducted as the Survey on the Communications Industry (Financial Survey of Management Entities). From fiscal year 2002 to 2007, it was conducted as the Basic Survey on the Communications Industry.

Survey targets

- Telecommunications business: All registered telecommunications operators (operators owning large-scale line installations), reported telecommunications operators (those without line installations, or those with small-scale line installations) that are stock companies with capital of more than 30 million yen.

- Commercial broadcasting business: All operators

- Cable TV broadcasting business: Stock companies with more than 10,000 drop terminals installed

- Internet-related service business: Businesses operating portal sites and servers. With regard to ASP (Application Service Providers), operators with capital greater than 30 million yen as picked up from the fiscal year 2004 corporate office statistics lists and industry lists.

Response rate

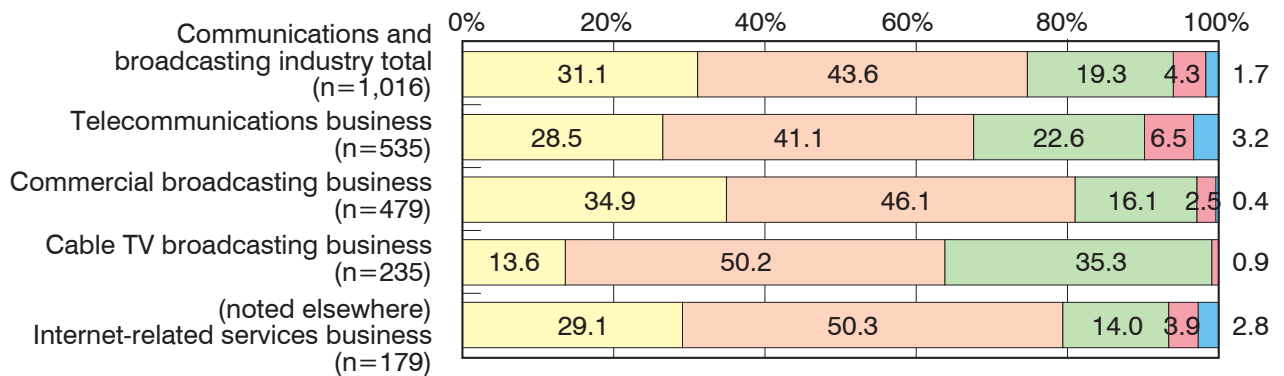
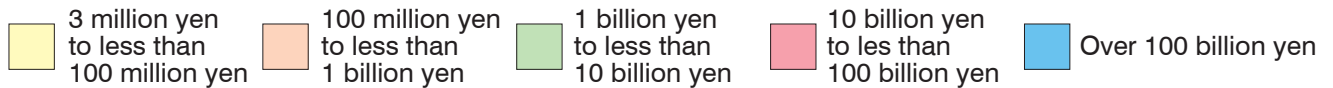
Category	Numbers sent out	Valid replies	Valid reply rate (%)
Communications and broadcasting industry total	1,540	1,249	81.1
Telecommunications business	747	535	71.6
Broadcasting business	793	714	90.0
Commercial broadcasting business	549	479	87.2
Cable TV broadcasting business	244	235	96.3
Internet-related service business	535	179	33.5
Total	2,075	1,428	68.8

* Since there are companies that overlap in the various businesses, the actual number of companies that responded was 1,173.

1. Operator make-up (by capital, scale of employee numbers, sales for company as a whole, on a company basis)

- Communications and broadcasting business
- Looking by scale of capital, the largest number of operators (43.6%) are capitalized at 100.0 million yen to less than 1.0 billion yen, followed by those capitalized at 3.0 million yen to less than 100.0 million yen (31.1%).
- Looking by scale of employee numbers, approximately 70% (71.4%) have less than 100 employees.
- Looking by scale of sales, approximately 40% of operators (39.3%) have sales between 1.0 billion yen and less than 10.0 billion yen, followed by about 30% (27.2%) with sales between 100.0 million yen and less than 1.0 billion yen.

Make -up of communications and broadcasting operators by scale of capitalization (fiscal year 2007)

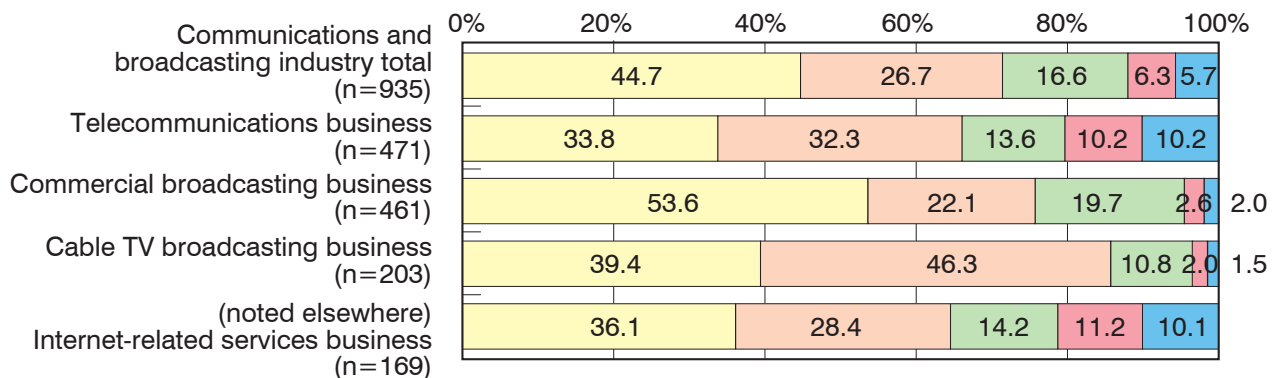
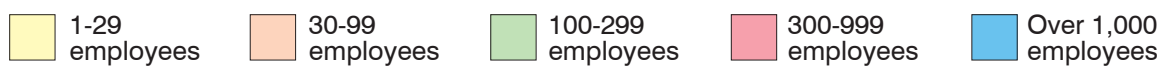


Note 1: Since figures are rounded up or down, totals may not add up to 100.

Note 2: "n" shows the number of companies counted.

Note 3: The communications and broadcasting industry total is a total of telecommunications business, commercial broadcasting business, and cable TV broadcasting business.

Make -up of communications and broadcasting operators by scale of employee numbers (fiscal year 2007)

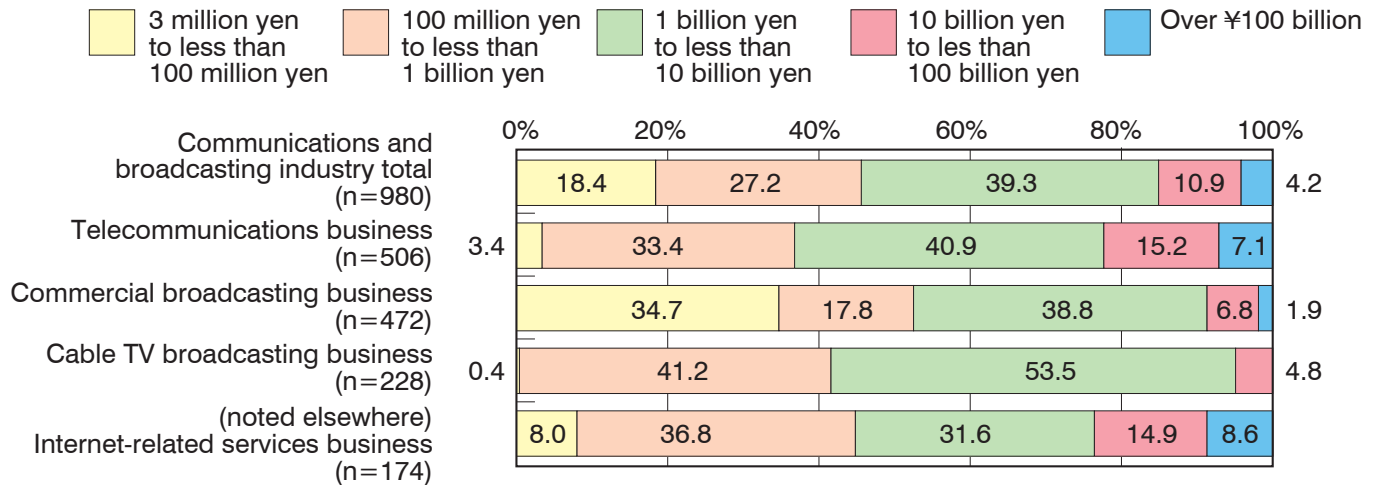


Note 1: Since figures are rounded up or down, totals may not add up to 100.

Note 2: "n" shows the number of companies counted.

Note 3: The communications and broadcasting industry total is a total of telecommunications business, commercial broadcasting business, and cable TV broadcasting business.

Make-up of communications and broadcasting operators by scale of sales (fiscal year 2007)



Note 1: Since figures are rounded up or down, totals may not add up to 100.

Note 2: "n" shows the number of companies counted.

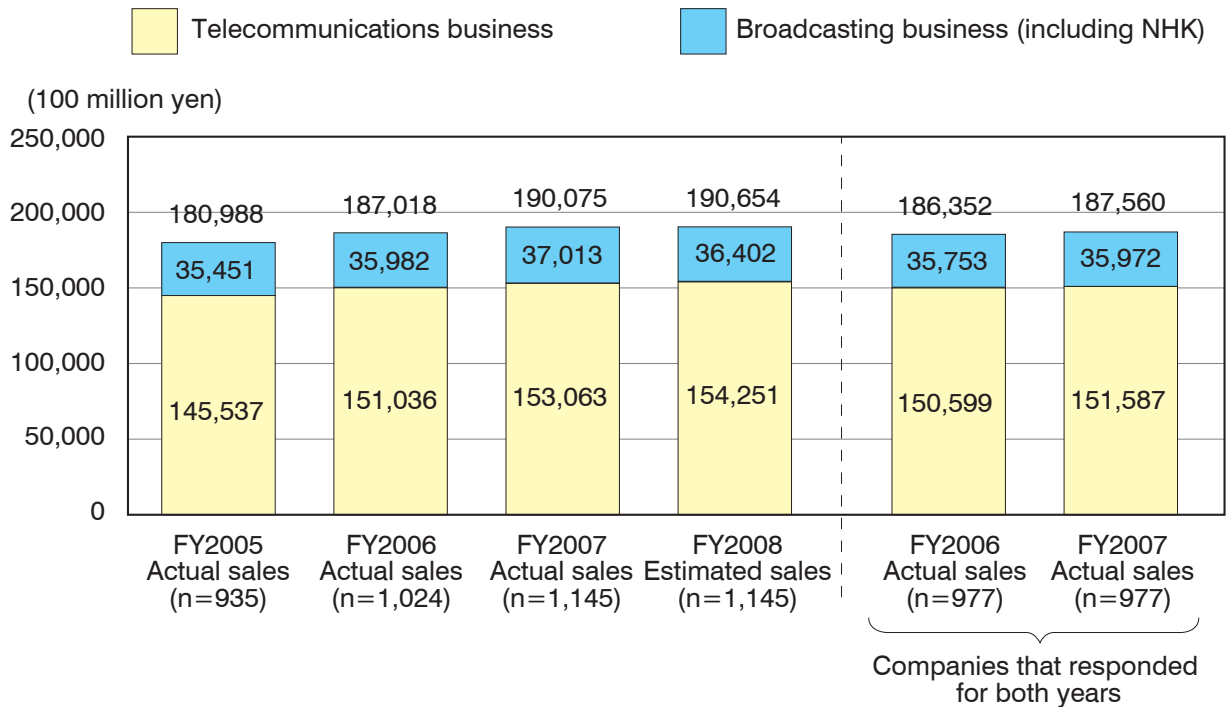
Note 3: The communications and broadcasting industry total is a total of telecommunications business, commercial broadcasting business, and cable TV broadcasting business.

2. Trends in sales (business-base)

(1) Changes in sales

- Actual sales for the communications and broadcasting industry in fiscal year 2007 came to a total of 19.0075 trillion yen (an increase of 1.6% year on year). In addition, estimated sales for fiscal year 2008 came to 19.0654 trillion yen (an increase of 0.3% year on year).

Changes in sales in the communications and broadcasting industry



Changes in sales in the communications and broadcasting industry by business

Unit: 100 million yen, % (upper line: sales, lower line: year on year change)

Category	FY 2005 (n=935) Actual sales	FY 2006 (n=1,024) Actual sales	FY 2007 (n=1,145) Actual sales	FY 2008 (n=1,145) Estimated sales
Communications and broadcasting industry total	180,988 0.1	187,018 3.3	190,075 1.6	190,654 0.3
Telecommunications business	145,537 ▲ 0.2	151,036 3.8	153,063 1.3	154,251 0.8
Broadcasting business	35,451 0.9	35,982 1.5	37,013 2.9	36,402 ▲ 1.6
Commercial broadcasting business	26,420 4.1	26,221 ▲ 0.8	26,603 1.5	25,434 ▲ 4.4
Cable TV broadcasting business	2,688 ▲ 12.8	3,328 23.8	3,852 15.7	4,393 14.1
NHK	6,344 ▲ 4.8	6,433 1.4	6,558 1.9	6,575 0.3
(noted elsewhere) Internet-related service business	4,699 ▲ 25.9	6,354 35.2	7,217 13.6	8,220 13.9

Sales (companies that responded for both years)

Unit: companies, 100 million yen, %

Category	Number of companies	Actual Sales		
		FY 2006	FY 2007	Year on year change
Communications and broadcasting industry total	977	186,352	187,560	0.6
Telecommunications business	390	150,599	151,587	0.7
Broadcasting business	587	35,753	35,972	0.6
Commercial broadcasting business	388	26,206	25,884	▲ 1.2
Cable TV broadcasting business	198	3,114	3,530	13.3
NHK	1	6,433	6,558	1.9
(noted elsewhere) Internet-related service business	90	5,355	5,502	2.8

Note 1: The sales figure is the total from all respondents.

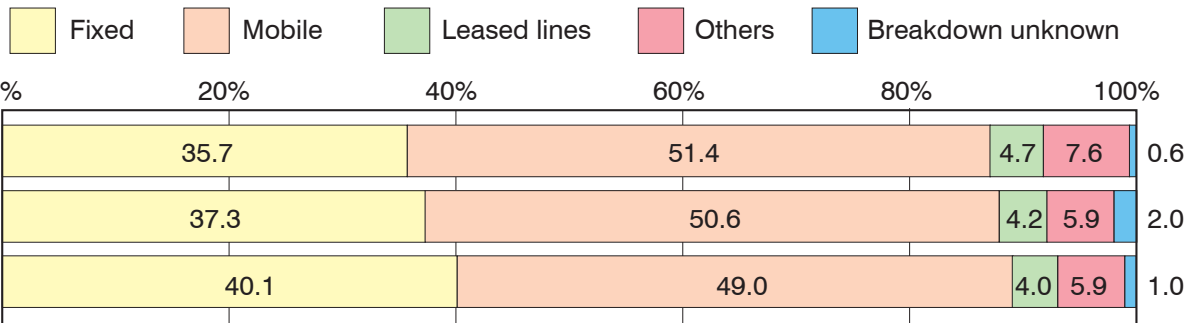
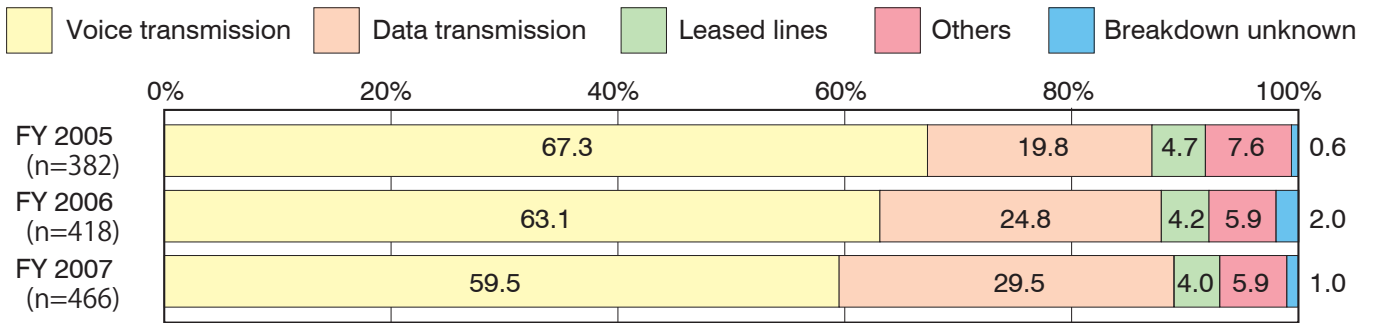
Note 2: NHK figures are based on "business results announcement" and "explanatory documents about budgeted earnings and business plan."

(2) Changes in sales breakdown

(a) Telecommunications business

- When looking at the sales breakdown of the telecommunications business according to type of transmission, data transmission which is used for connections to the Internet and the like accounts for 29.5% (an increase of 29.5% year on year), showing that data transmission is progressing.
- Also, looking at the breakdown in sales by fixed and mobile, fixed communications accounted for 40.1% of the total (an increase of 2.8% year on year).

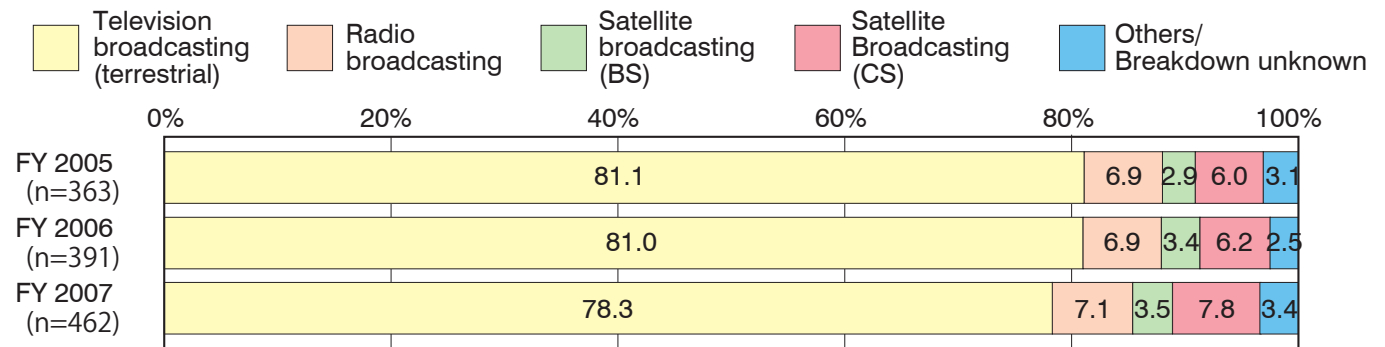
Changes in sales breakdown for the telecommunications business



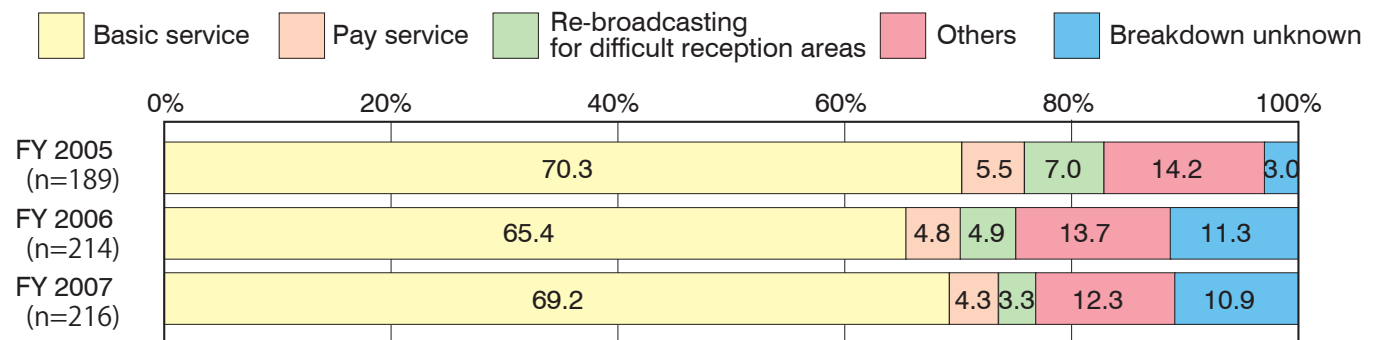
(b) Broadcasting business

- The breakdown of sales in the commercial broadcasting business puts television broadcasting (terrestrial) at about 80% of the total (78.3%), with satellite broadcasting (BS & CS) at about one tenth (11.3%).
- The breakdown of sales in the cable TV broadcasting business puts basic service at about 70% of the total (69.2%).

Changes in sales breakdown for the commercial broadcasting business



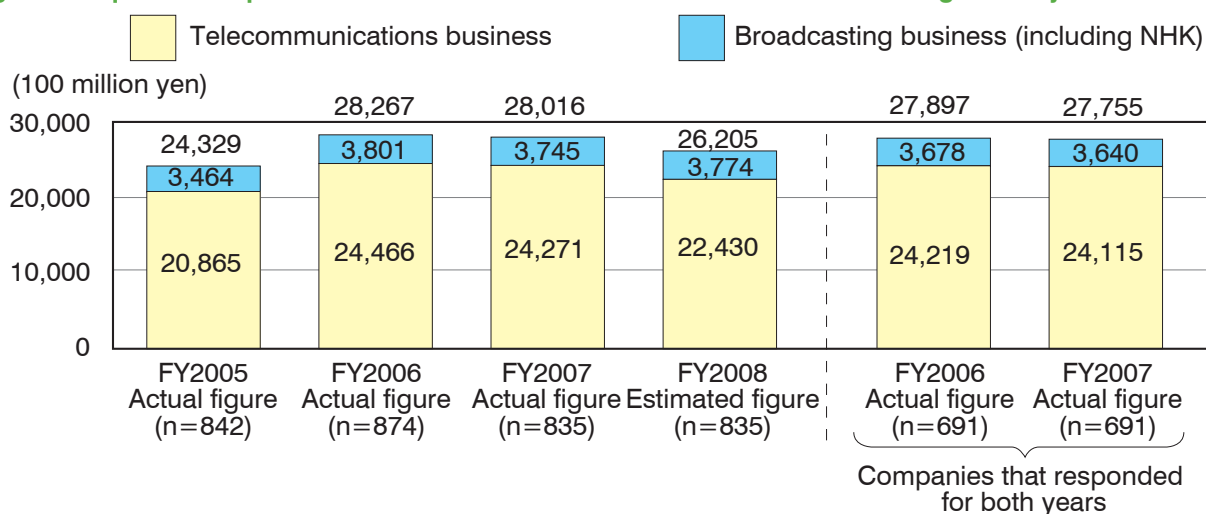
Changes in sales breakdown for the cable TV broadcasting business



3. Capital investment (business base)

• The overall acquisition capital investment for the communication and broadcasting industry in fiscal year 2007 (actual figure) came to 2.8016 trillion yen (a drop of 0.9% year on year). Acquisition capital investment for fiscal year 2008 is estimated at 2.6205 trillion yen (a drop of 6.5% year on year).

Changes in acquisition capital investment in the communications and broadcasting industry



Changes in acquisition capital investment in the communications and broadcasting industry by business

Unit: 100 million yen, % (upper line: sales, lower line: year on year change)

Category	FY 2005 (n=842) Actual figure	FY 2006 (n=874) Actual figure	FY 2007 (n=835) Actual figure	FY 2008 (n=835) Estimated figure
Communications and broadcasting industry total	24,329	28,267	28,016	26,205
	-	16.2	▲ 0.9	▲ 6.5
Telecommunications business	20,865	24,466	24,271	22,430
	-	17.3	▲ 0.8	▲ 7.6
Broadcasting business	2,886	2,886	2,886	2,886
	-	0.0	0.0	0.0
Commercial broadcasting business	2,220	2,511	2,338	2,166
	-	13.1	▲ 6.9	▲ 7.3
Cable TV broadcasting business	566	631	748	839
	-	11.5	18.6	12.1
NHK	678	659	659	769
	-	▲ 2.9	0.0	16.7
(noted elsewhere) Internet-related service business	187	206	446	411
	-	10.3	116.5	▲ 7.9

Acquisition capital investment (companies that responded for both years)

Unit: companies, 100 million yen, %

Category	Number of companies	Actual acquisition capital investment		
		FY 2006	FY 2007	Year on year change
Communications and broadcasting industry total	691	27,897	27,755	▲ 0.5
Telecommunications business	275	24,219	24,115	▲ 0.4
Broadcasting business	416	3,678	3,640	▲ 1.0
Commercial broadcasting business	252	2,509	2,259	▲ 10.0
Cable TV broadcasting business	163	510	721	41.5
NHK	1	659	659	0.0
(noted elsewhere) Internet-related service business	69	204	312	52.8

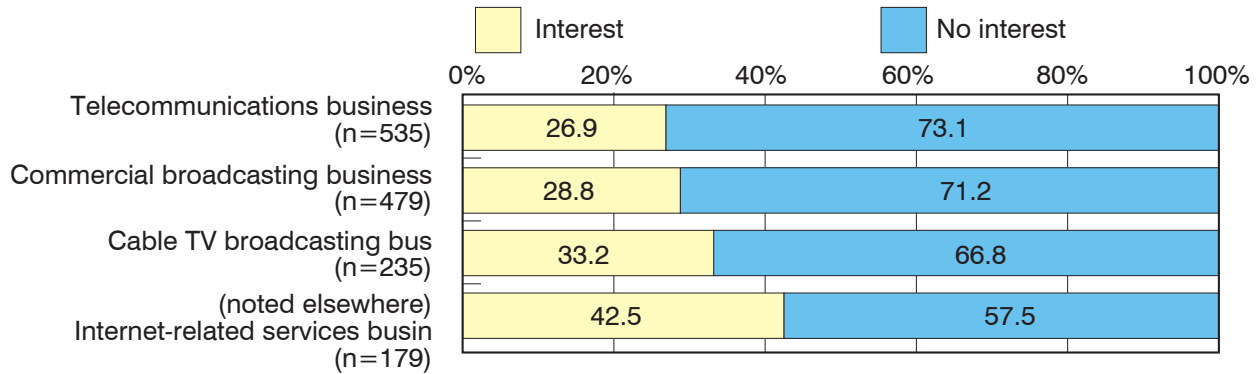
Note 1: Acquisition capital investment is a new investigation topic that was added from fiscal year 2005. The figure is a total of all the respondents.

Note 2: NHK figures are based on the "list of assets, balance sheets, income statement, and related explanatory documents," and "budgeted earnings and business and financial plans."

4. Future business development

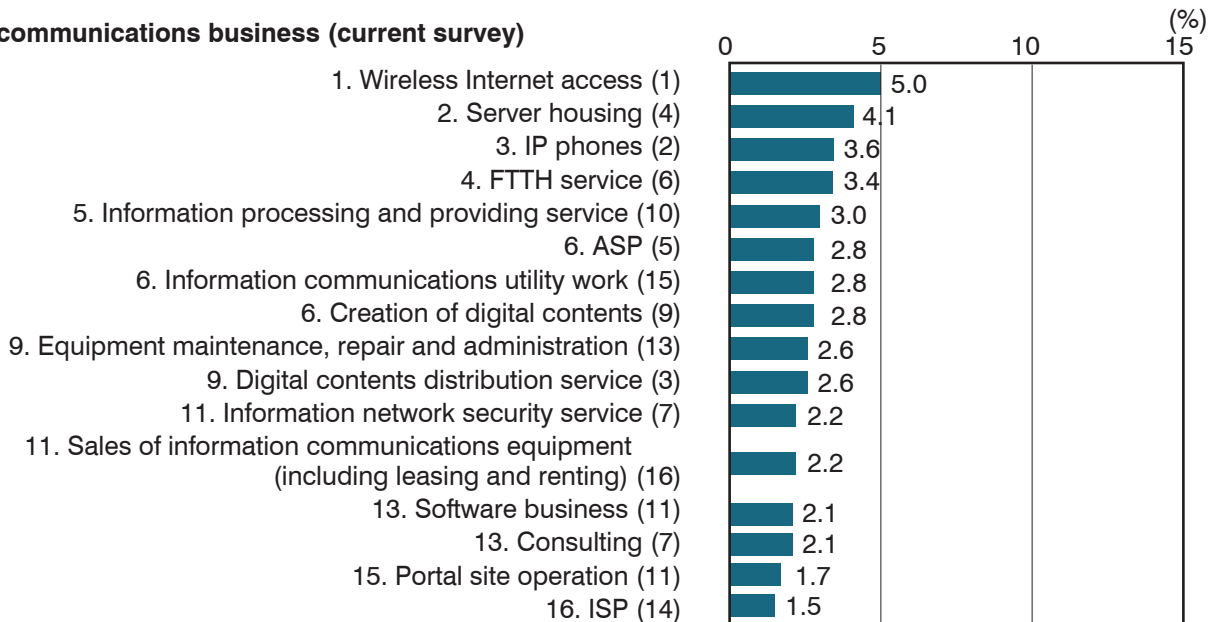
• The business fields companies are most interested in developing within the coming year include "wireless Internet access" for the telecommunications business and the cable TV broadcasting business, "digital contents creation" for the commercial broadcasting business, and "ASP" for Internet-related services business.

Presence or absence of interest in developing new business within the next year

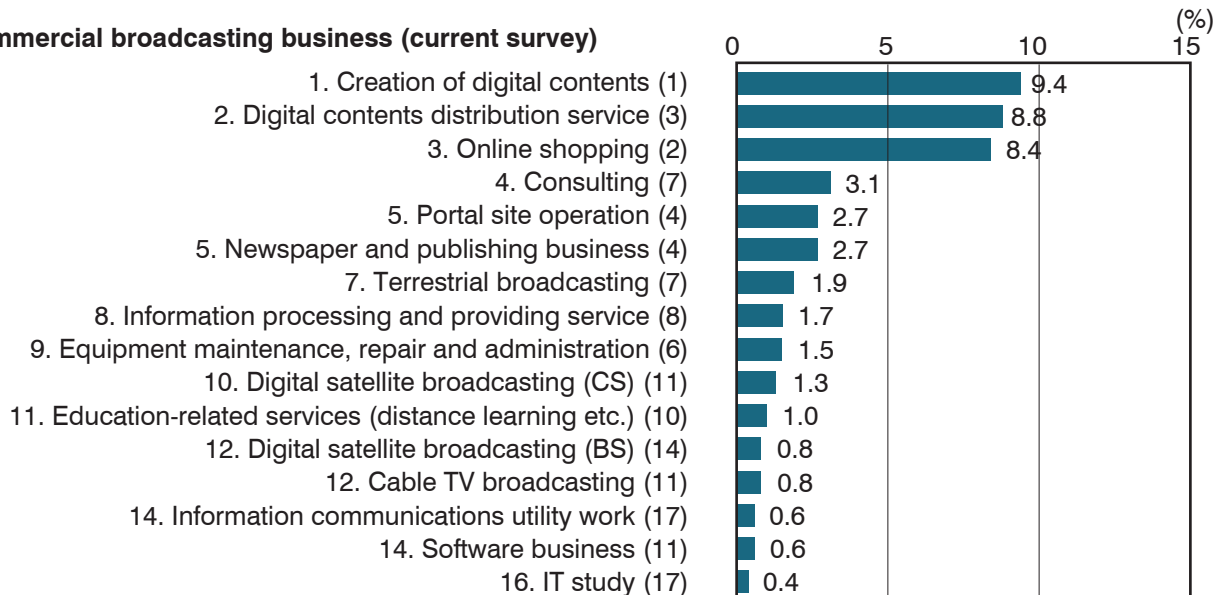


Fields for business development within the next year

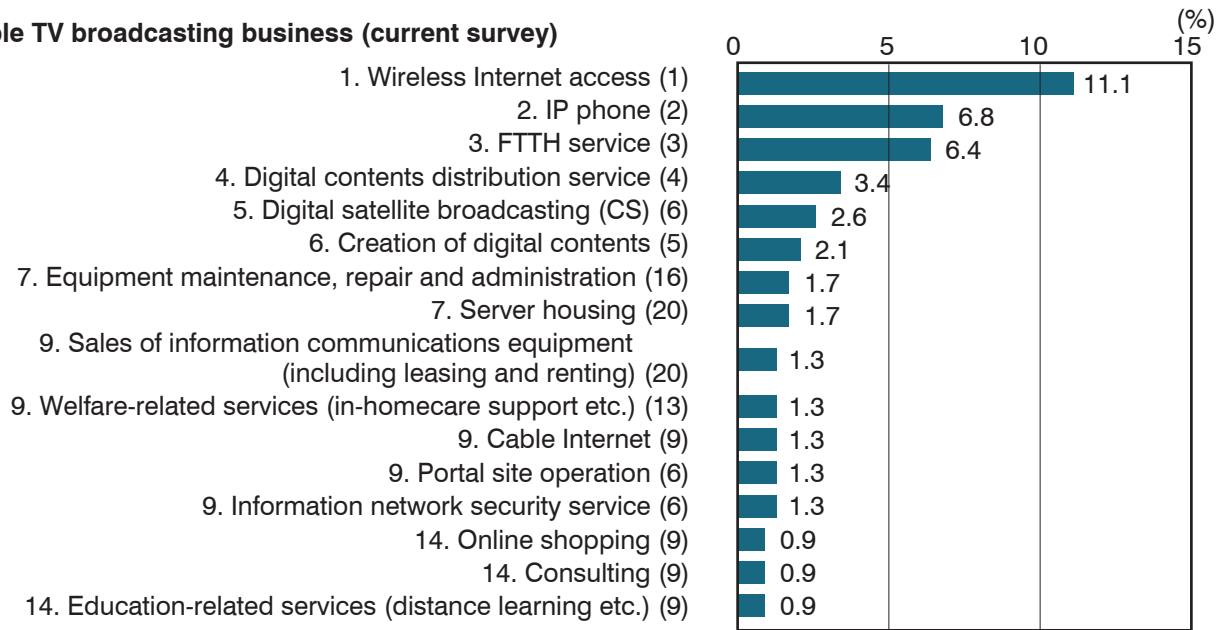
Telecommunications business (current survey)



Commercial broadcasting business (current survey)



Cable TV broadcasting business (current survey)



Internet-related services (current survey)

