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STATISTICS

Results of July 2009 Survey on the Communications and Broadcasting Industry (Flash Report)

MIC has recently compiled the results (flash report) of the survey on Japan's communications and broadcasting industry (general statistic) conducted in July 2009, as shown below.

•Sales forecast diffusion index*1: Both the second and third quarters of FY2009 were positive for the telecommunications business. The commercial broadcasting business showed a negative trend for both quarters, whereas the cable TV business showed a positive trend for both quarters.

•Financial forecast diffusion index*2: The telecommunications business, commercial broadcasting business and cable TV business all showed positive trends for both quarters.

•Business conditions diffusion index*3: The telecommunications business showed a negative trend in the second quarter of FY2009, but a positive one for the third quarter. The commercial broadcasting business showed a negative trend for both quarters, whereas the cable TV business showed a positive trend for both quarters.

Notes:

1. Sales forecast diffusion index (DI): the "percentage of companies predicting an increase in sales" minus the "percentage of companies predicting a decrease in sales"
2. Financial forecast diffusion index (DI): the "percentage of companies predicting they will be financially better off" minus the "percentage of companies predicting they will be financially worse off"
3. Business conditions diffusion index (DI): the "percentage of companies predicting improvement in business conditions" minus the "percentage of companies predicting decline in business conditions"

Survey on Japan's Communications and Broadcasting Industry

Since April 1995, MIC has conducted surveys (by sending questionnaire sheets and receiving responses via fax or as input over the Internet) on Japan's communications and broadcasting industry, on sales forecasts etc., in order to promptly grasp the management trends in the communications and broadcasting industry (telecommunications business and broadcasting business).

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STATISTICS

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Survey target

Based on the sales share in each business category (e.g., telecommunications and commercial broadcasting) in FY2007, a total of 164 sample companies in the overall communications and broadcasting industry were allocated to determine the number of samples in each business

category. In order to minimize the standard error, the data was processed in two steps for each business category, on a total sample basis and on a random sampling basis, and the number of samples was determined for each step. With regard to the total sample basis, top companies in sales were extracted until the number of companies reached the

determined number of samples. Random sampling was then conducted from the remaining population.

Survey items

- (1) State of sales (surveyed monthly)
- (2) Sales forecast, financial forecast and business conditions forecast (surveyed quarterly)

Response Rate (for this flash report)

Category	Number of operators surveyed	Number of responses	Response rate (%)
Communications and broadcasting industry overall	164	126	76.8
Telecommunications	80	54	67.5
Broadcasting	84	72	85.7
Commercial broadcasting	54	46	85.2
Cable TV	30	26	86.7

Sales Forecast

Sales forecast diffusion indices for the second and third quarters of FY2009 are as follows:

- The telecommunications business recovered to a positive trend (a majority of operators

expecting an increase in sales) of +27.8 for the second quarter, and +20.4 for the third quarter.

- The commercial broadcasting business continued to show a negative trend (a majority of operators expecting a decrease in

sales), with figures of -50.0 and -28.3 respectively.

- The cable TV business continues to show a positive trend, with figures of +23.1 and +30.8 respectively.

Table 1: Sales forecast diffusion indices

Category	FY2007	FY2008				FY2009		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Communications and broadcasting industry overall	3.6	1.9	▲0.9	10.0	▲19.3	▲20.7	▲1.6	4.8
Telecommunications	25.5	17.1	29.3	27.8	14.0	▲4.5	27.8	20.4
Broadcasting	▲12.3	▲7.6	▲19.1	▲1.9	▲40.9	▲31.3	▲23.6	▲6.9
Commercial broadcasting	▲37.0	▲27.7	▲42.0	▲29.7	▲72.9	▲60.4	▲50.0	▲28.3
Cable TV	47.4	42.1	44.4	58.8	44.4	42.1	23.1	30.8

(Reference)

All industries	5.0	▲8.1	11.1	▲22.0	▲41.2	▲24.3	▲22.6	4.6
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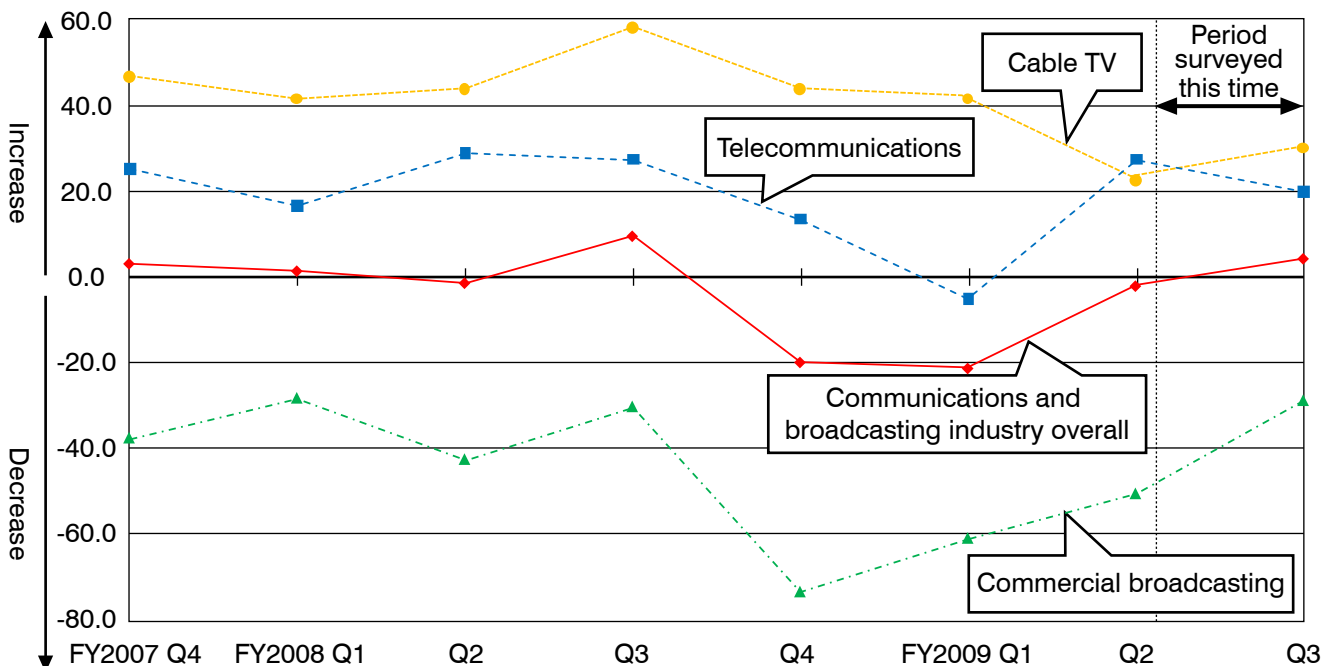
Notes:

1. Sales forecast diffusion index (DI): the "percentage of companies predicting an increase in sales" minus the "percentage of companies predicting a decrease in sales"
2. Indices for Q2 and Q3 of FY2009 are

3. Figures for "all industries" are those for sales forecasts of large-scale corporations, excerpted from the "Business Outlook

Survey (April to June 2009)" of the Economic and Social Research Institute, Cabinet Office, and the Policy Research Institute, Ministry of Finance.

Figure 1: Trends in sales forecast diffusion indices



Financial Forecast

The financial position forecast indices for the second and third quarters of FY2009 are as follows:

- The telecommunications business remained on a positive

trend (a majority of operators predicting they will be financially better off) with figures of +18.5 and +16.7 respectively.

- The commercial broadcasting business remained on a positive

trend with figures of +32.6 and +32.6 respectively.

- The cable TV business remained on a positive trend with figures of +23.1 and +19.2 respectively.

Table 2: Financial forecast diffusion indices

Category	FY2007	FY2008				FY2009		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Communications and broadcasting industry overall	17.0	15.9	31.4	27.8	17.4	16.2	24.6	23.0
Telecommunications	17.0	14.6	24.4	22.2	9.3	0.0	18.5	16.7
Broadcasting	16.9	16.7	35.9	31.5	22.7	26.9	29.2	27.8
Commercial broadcasting	21.7	25.5	39.1	40.5	22.9	29.2	32.6	32.6
Cable TV	5.3	▲5.3	27.8	11.8	22.2	21.1	23.1	19.2

(Reference)

All industries	▲0.8	▲0.1	▲2.6	▲9.7	▲17.9	▲9.0	▲5.9	▲4.1
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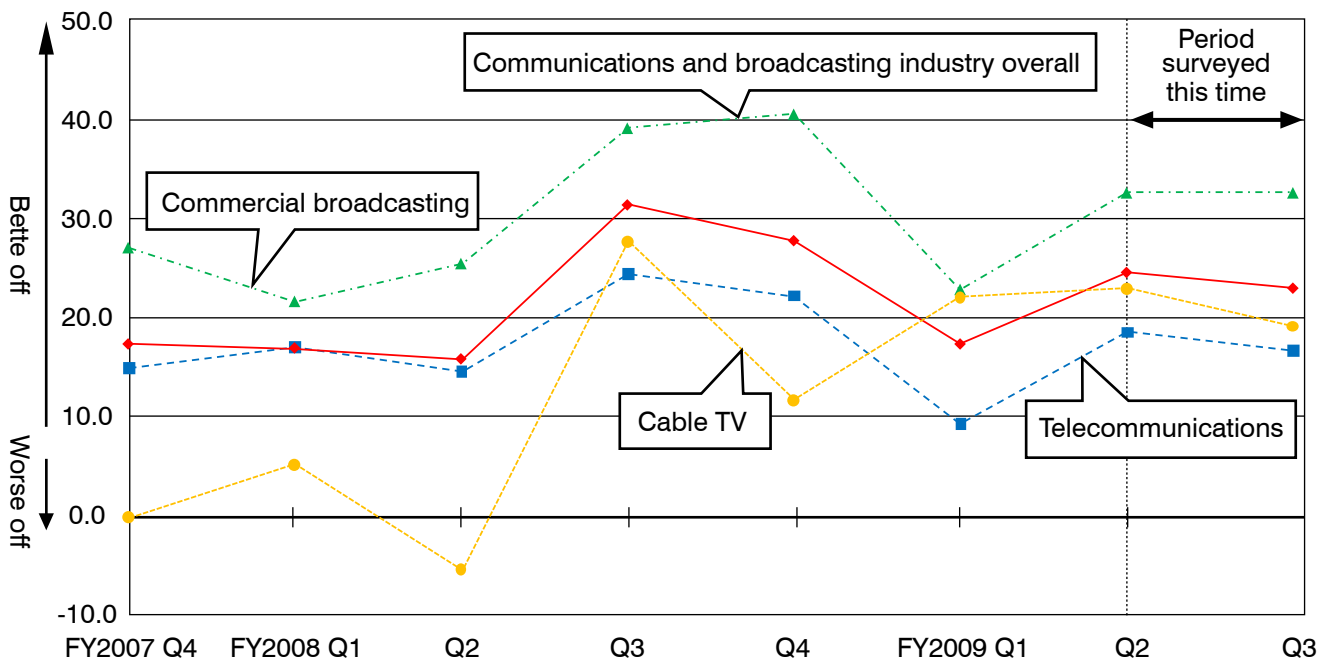
Notes

1. Financial forecast diffusion index (DI): the "percentage of companies predicting they will be financially better off" minus the "percentage of companies predicting they will be financially worse off"

2. Indices for Q2 and Q3 of FY2009 are estimated at the end of Q1 of FY2009. Other indices are estimated as of the end of the previous quarter.
3. Figures for "all industries" are those for financial position forecasts of large-scale

corporations, excerpted from the "Business Outlook Survey (April to June 2009)" of the Economic and Social Research Institute, Cabinet Office, and the Policy Research Institute, Ministry of Finance.

Figure 2: Trends in financial forecast diffusion indices



Business Conditions

The business conditions (companies' own business conditions) diffusion indices for the second and third quarters of FY2009 are as follows:

- Even though the telecommunications business remained on a negative trend (a

majority of companies predicting decline in business conditions) for the second quarter, with a figure of -1.9, the trend turned positive (a majority of companies predicting improvement in business conditions) for the third quarter, with a figure of +3.7.

- The commercial broadcasting

business continued to show a major downward trend with figures of -43.5 and -37.0 respectively.

- The cable TV business continued to show a positive trend, with figures of +7.7 for both quarters.

Table 3: Business conditions diffusion indices

Category	FY2007	FY2008				FY2009		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Communications and broadcasting industry overall	▲4.5	▲1.9	▲9.5	▲2.2	▲28.4	▲29.1	▲15.1	▲10.3
Telecommunications	14.9	14.6	14.6	19.4	▲2.3	▲6.3	▲1.9	3.7
Broadcasting	▲18.5	▲12.1	▲25.0	▲16.7	▲45.5	▲42.6	▲25.0	▲20.8
Commercial broadcasting	▲30.4	▲25.5	▲41.3	▲27.0	▲64.6	▲61.5	▲43.5	▲37.0
Cable TV	10.5	21.1	16.7	5.9	5.6	6.7	7.7	7.7

(Reference)

All industries	▲9.3	▲15.2	▲10.2	▲35.7	▲51.3	▲24.8	▲22.4	▲2.6
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Notes

1. Business conditions diffusion index (DI): the "percentage of companies predicting improvement in business conditions" minus the "percentage of companies predicting decline in business conditions"

2. Indices for Q2 and Q3 of FY2009 are estimated at the end of Q1 of FY2009. Other indices are estimated as of the end of the previous quarter

3. Figures for "all industries" are those for business conditions of large-scale

corporations, excerpted from the "Business Outlook Survey (April to June 2009)" of the Economic and Social Research Institute, Cabinet Office, and the Policy Research Institute, Ministry of Finance.

Figure 3: Trends in business conditions diffusion indices

