



# Communications News

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## TOPICS

### Decision by the government of the Republic of Chile to use the Japanese format for its terrestrial digital broadcasting

*President Michelle Bachelet of the Republic of Chile announced at 10AM local time on September 14, (11PM on September 14 in Japan) that her country would adopt the Japanese format, ISDB-T, for its terrestrial digital broadcasting format. This marks the fourth country overseas, following Brazil, Peru and Argentina, to adopt the ISDB-T format.*

#### The adoption of the ISDB-T format by the government of Chile

MIC has been working together with related industries and government agencies, broadcasters, manufacturers and research organizations, and has dispatched specialists to conduct seminars as well as sent equipment in order to implement actual demonstrations, and invited relevant people from Chile to Japan so that they could grasp the level of penetration in Japan.

As a result, the decision was made that Chile would adopt the ISDB-T format which makes it possible to provide broadcast services such as one-seg for mobile devices in addition to high-definition broadcasts, and which has been highly rated for its resistance to interference, offering good reception in automobiles as well as in mountainous areas.

#### MIC's future involvement

MIC will continue to work with related government agencies and relevant organizations, and has set up a joint working group for consultations on necessary measures in looking ahead to the smooth introduction of ISDB-T in Chile, and is planning to implement technical cooperation and support in educating personnel.

MIC will continue work closely with the countries that have adopted the ISDB-T format towards further overseas penetration of the ISDB-T format.

(Reference Materials)

1. The Japanese format of ISDB-T (Integrated Services Digital Broadcast - Terrestrial)

There are currently three formats in existence for terrestrial digital broadcasting that are approved international standards. They are

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ISDB-T, the European format of DVB-T (Digital Video Broadcasting - Terrestrial), and the American format of ATSC (Advanced Television Systems Committee). ISDB-T is superior in comparison to the other formats, in that it is resistant to radio disturbance and interference, has technological superiority in that signals can be received even in motion, and an economic advantage in that overall costs are reduced because transmissions can be made from a single transmitter for both mobile devices (one-seg) and high-vision

transmissions.

Brazil adopted the ISDB-T format in June 2006, and started broadcasts in December 2007. Broadcasts are currently reaching 23 cities (covering 65% of the population).

Peru adopted ISDB-T in April 2009, and plans to start broadcasts in March 2010.

Argentina made the decision to adopt the ISDB-T format at the end of August 2009 and is aiming to start broadcasts in the near future.

2. The state of the overseas spread of ISDB-T

Japan is cooperating with Brazil, Peru, Argentina and Chile, which have already adopted the format, and working in the various South American countries that have yet to make a decision (Venezuela, Ecuador, Bolivia, Paraguay etc.). In Asia, work is under way for adoption in the Philippines.

## STATISTICS

### Announcement of Report on Economic Trends in the ICT industry (second quarter of 2009)

*MIC has released its Report on Economic Trends in the ICT Industry for the second quarter of 2009 (April to June)*

#### Main Points:

- The outlook on business prospects is for a recovery centered around major corporations in the electrical equipment and communications sectors.

- Inventory adjustments for the ICT manufacturing are under way, and production is recovering due to demand for flat panel televisions.

- Capital investment in the ICT industry remains on a downward trend.

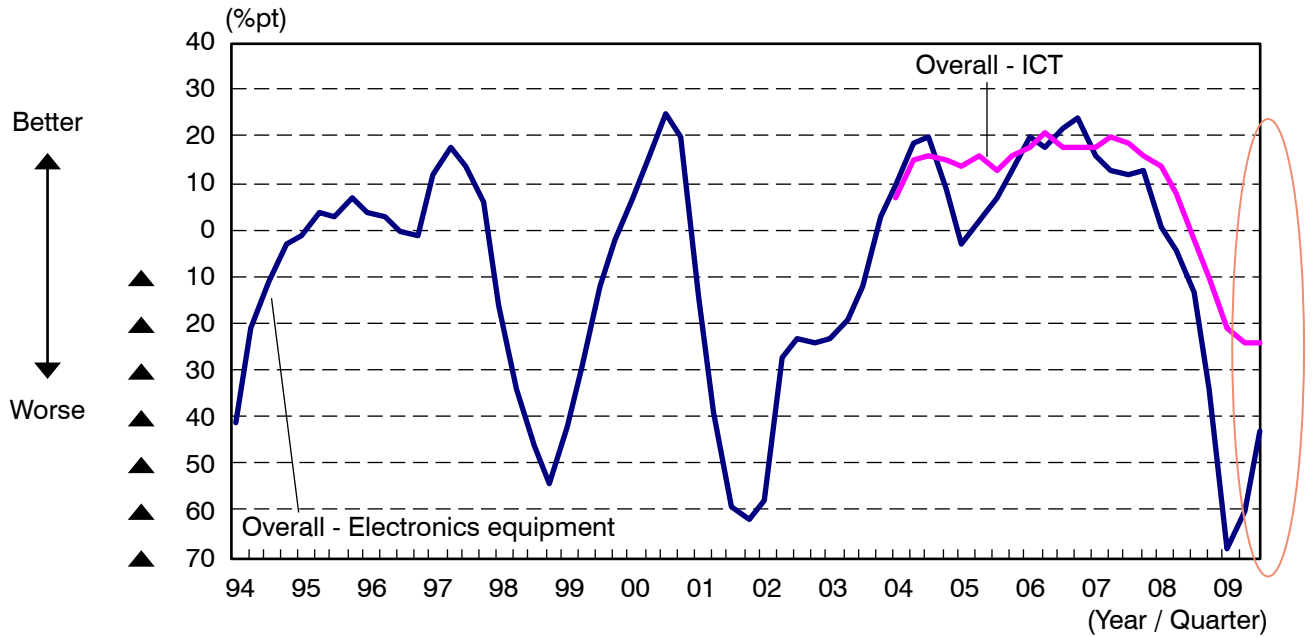
- Information and communications related consumer spending increased for the first time in three quarters.

## Main points of trends in the ICT industry

	Trend	Comment
<b>Business Confidence</b>	→	Business confidence in the electrical equipment (TVs, semiconductor manufacturers etc.) was down 60%pt showing the first improvement from the previous period (-68%pt) in 6 periods, with the larger companies leading the way towards a recovery. Business confidence for information communications equipment was down 24%pt points showing a slight deterioration from the previous period (-21%pt) (See Figure 1). Communications was up 3%pt points showing an improvement over the previous period (-12%pt).
<b>State of Activity</b>	↗	Inventory in the ICT manufacturing (digital home electronics, information related installations for corporate use etc.) were down 27.2% year on year, with inventory adjustments progressing from the previous period (-10.6%). Production was down 30.1% year on year, an increase from the previous period (-44.8%) (See figure 2). While, on the one hand, production adjustments are continuing, inventory adjustments have progressed due to the demand for products such as flat panel TVs.
<b>Trends in Capital Investment</b>	↘	In terms of contribution from information and communications related capital investment, communications equipment (telephones, earth stations etc.) was down 7.6%, an improvement over the previous period (-10.3%). Computers (business use computers etc.) were down -7.7%, a deterioration from the previous period (-3.9%). Semiconductor manufacturing equipment was down 8.0%, an improvement over the previous period (-9.1%) (See Figure 3). A further improvement is expected in capital investment for semiconductor manufacturing equipment.
<b>Employment Trends</b>	↘	ICT industry related (communications business, information services business etc.) employment shows a gap of 40,000 people with the previous year, showing a downward trend from the previous period (up 80,000). The gap was of 50,000 people less in communications, showing a larger decrease than the previous period (down 20,000 people). The share of overall employed people held by ICT related fields was 5.1%, showing a downward trend from the previous period (5.3%).
<b>Trends in Consumption</b>	↗	Consumer spending on mobile telephones and Internet usage showed an upward trend for the first time in three quarters, at +0.8%. In terms of breakdown of consumer spending, it has been increasing for mobile telephones and Internet connection charges, but decreasing for fixed telephones as well as newspapers, magazines and the cinema (See Figure 4). The average consumer spending per household was down 1,000 yen from the previous period at 23,000 yen.
<b>Trends in pricing</b>	↘	Among digital home electronics, even though mobile telephones were up 19.1% year on year, notebook PCs were down 47.4% year on year, and TVs (flat panel) were down 27.4% year on year, so that the overall figure was down 26.1% year on year (See Figure 5). Communications and broadcasting charges showed a very slight increase of 0.1% year on year.
<b>Trends in exports and imports</b>	↘	The value of exports of information and communications related products was down 33.4% year on year and even though this was an improvement over the previous period (-48.3%), it was the seventh consecutive period of decline. In terms of the share of various products as compared to the previous year the decline was greatest for semiconductors at -12.3%, and for TVs and audio equipment at -11.7%. The value of imports was down 25.2% year on year, showing a smaller level of growth than the previous period (-39.1%).

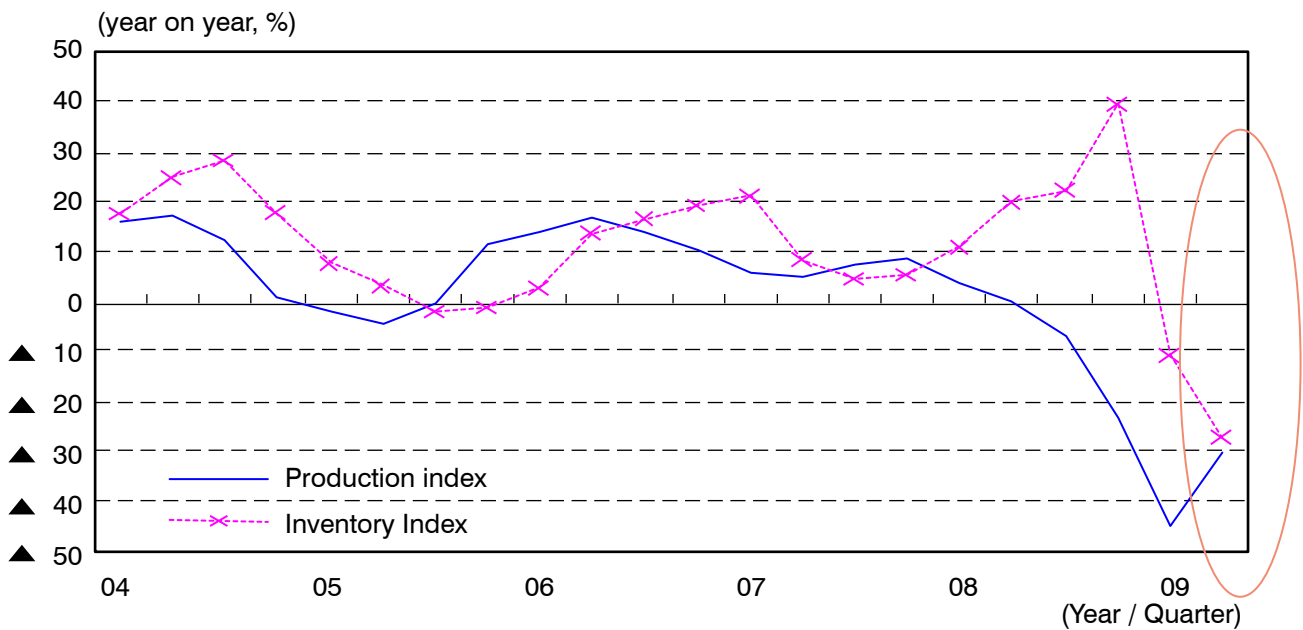
NB: Upward pointing arrows indicate "increase or upward" and downward pointing arrows indicate "decline or drop."

Figure 1 - Trends in business confidence in ICT industry



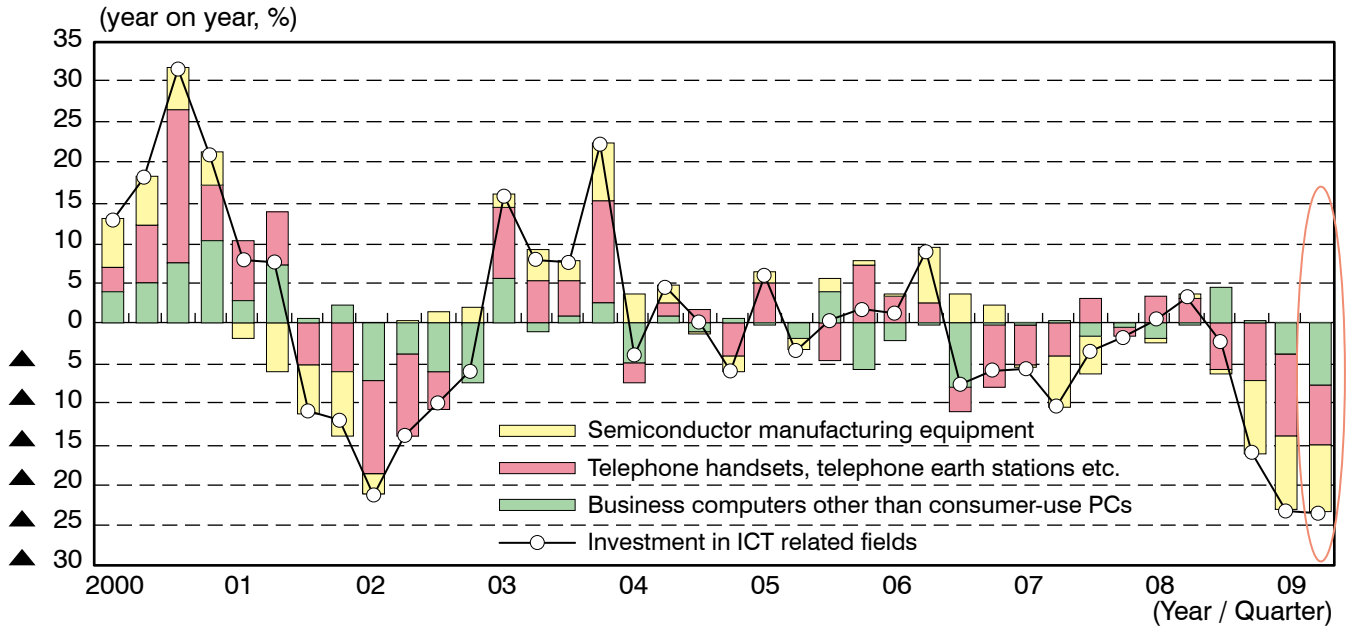
NB: New base as of December 2003. Sep.2009 is estimated as of June 2009 survey  
 The shadow is the duration of the recession  
 Data: Bank of Japan "Short-term Economic Survey of Enterprises in Japan"

Figure 2 - State of production and inventories in the ICT manufacturing industry



NB: Produced by calculating the primary coefficient from the production and inventory indices for mining and manufacturing  
 Raw materials for digital home electronics, ICT facilities etc. are the total of informatization-related production goods and car audio, communications related facilities used in corporations are the total of informatization capital assets and semiconductor manufacturing equipment, flat-panel display manufacturing equipment, semiconductor and IC measuring equipment, and home-use digital electronics is the total of ICT-related consumer goods and consumer electronics equipment other than car audio  
 Data: METI "Indices of Industrial Production"

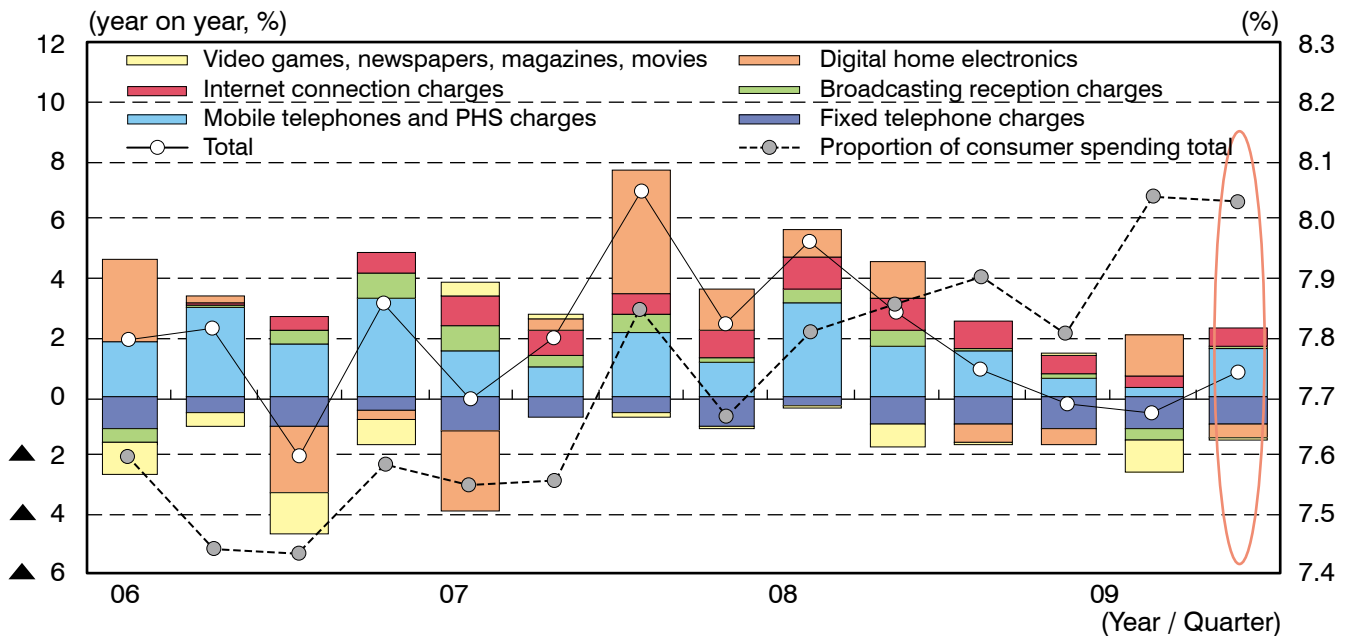
**Figure 3: Trends in capital investment in ICT-related industries**



NB: The bar chart shows the level of contribution of investment in ICT-related fields compared to the previous year. It is not the value of investments but the order value (consumer demand) that is the preceding index, and its value excluding orders in the electric power business where fluctuations are large. Investment in ICT-related fields are the total of business computers other than consumer use PCs, telephone handsets and telephone base station installations (communications equipment), and a semiconductor manufacturing equipment.

Data: Cabinet Office "Orders Received for Machinery"

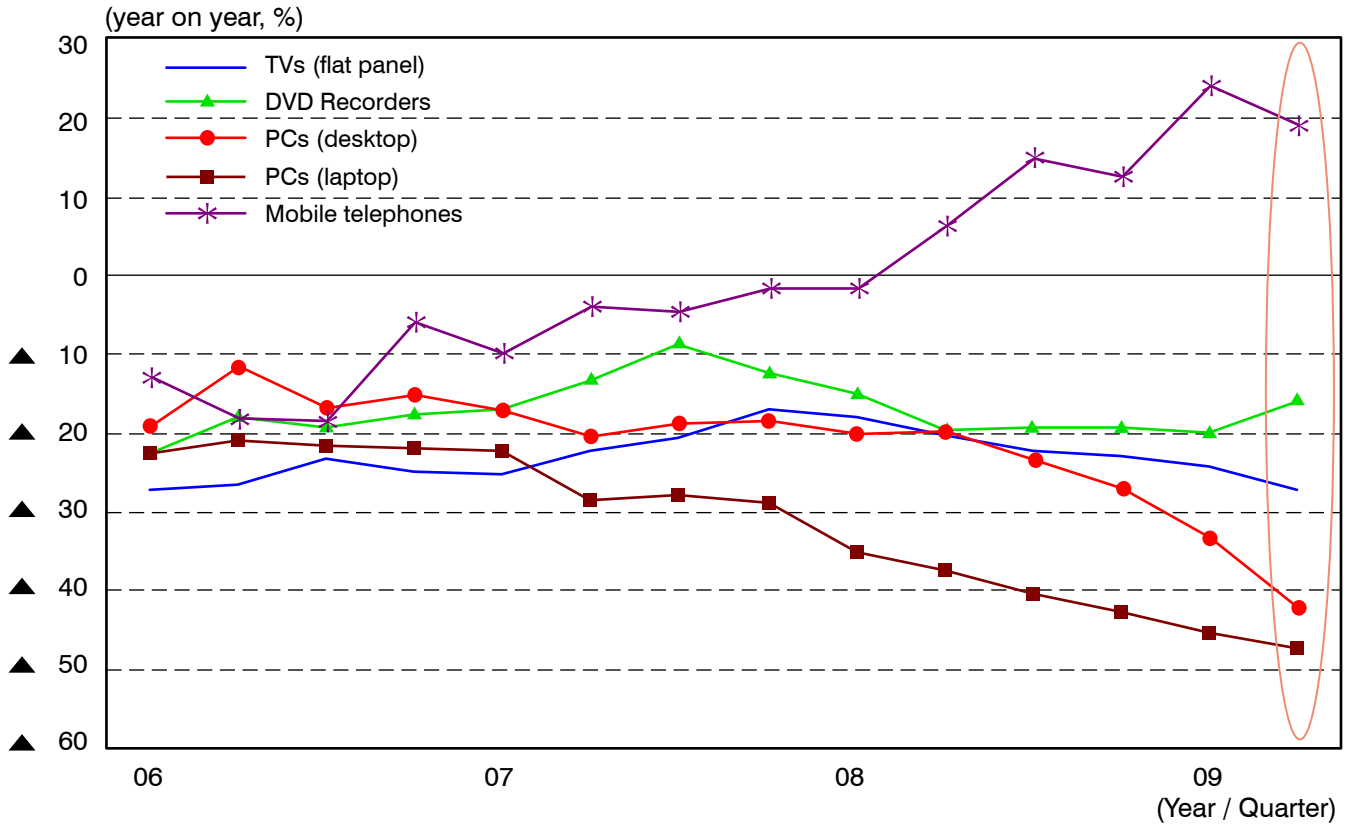
**Figure 4 - Trends in ICT related consumer spending**



NB: The bar chart shows the level of contribution of consumer spending, compared to the previous year, on mobile telephones, Internet connection and digital home electronics. Consumer spending is the average amount spent per month by households of over two persons nationwide, including agricultural and fishing households. The proper names and contents for each series are: for mobile telephone and PHS communications charges, mobile telephone communications charges; for digital home electronics, the total of mobile telephones, other communications equipment, TVs, stereo sets, portable audio and video players, VCRs, personal computers, cameras and video cameras; for video games, newspapers, magazines and movies, the total of video games, media that uses neither audio or video, pre-recorded audio and video media, cinema and theater tickets and books and other printed publications. Fixed telephone charges, broadcasting reception charges and Internet connection charges are as stated.

Data: MIC "Household Expenditure Survey"

Figure 5 Trends in ICT related consumer prices



Data: MIC "Consumer Price Index"