

# “See The Light” is FTTH market in Asia-Pacific

*< What you learn from AP and what you expect from it. >*

**Shoichi Hanatani**

**President**

**FTTH Council Asia-Pacific**

**( Sr. Director, Hitachi Communication Technologies )**

[shoichi.hanatani.he@hitachi.com](mailto:shoichi.hanatani.he@hitachi.com)

# Outline

- What is FTTH Council Asia-Pacific
- Kizuna : What FTTH brings
- “See The Light “ : Asia-Pacific
- Market Study & global FTTH definitions

# Our Role and Overview

## International Industry Association :

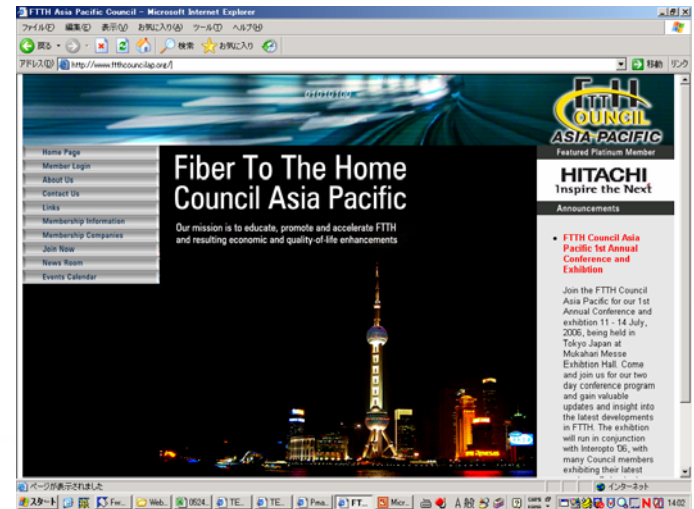
Non-Profit Organization Registered to Singapore, March 2005  
Voluntary Board of Directors

## Mission :

To educate, promote and accelerate FTTH and the resulting quality-of-life enhancements.

## Objectives :

- Supply a consistent and accurate view of FTTH
- Promote FTTH market development
- Be recognized by the industry as the FTTH resource



<http://www.ftthcouncilap.org>

# Our Intercontinental SYSTER Organizations

**Since 2001**  
**FTTH council** | fiber to the home  
**135+ Members**

**Since 2004**  
**FTTH COUNCIL**  
 Europe  
**60+ Members**

**Since 2005**  
**FTTH COUNCIL**  
 ASIA PACIFIC  
**40+ Members**

Europe at the Speed of Light

See the Light

See the Light



# Differences among THREE bodies

- FTTH Council North-America : 135 members
  - 2/3<sup>rd</sup> : equipment vendors
  - 1/3<sup>rd</sup> : service providers
  - Region coverage : U.S.A. Canada & Mexico
- FTTH Council Europe : ~ 60 members
  - No member from service provides
  - Region coverage : 25 EU-Members, Swizerland & Norway
- FTTH Council Asia-Pacific : > 40 members
  - 2 members from service provides
  - Region coverage : equal to “World Cup” AP region

*Need to respect “Culture” & “History”*

# Outline

- What is FTTH Council Asia-Pacific
- **Kizuna : What FTTH brings**
- “See The Light “ : Asia-Pacific
- Market Study & global FTTH definitions

# 絆 : KIZUNA a “newly connected” Cyber World

*絆 : More than partnership, more than friendship and more than family-ship*

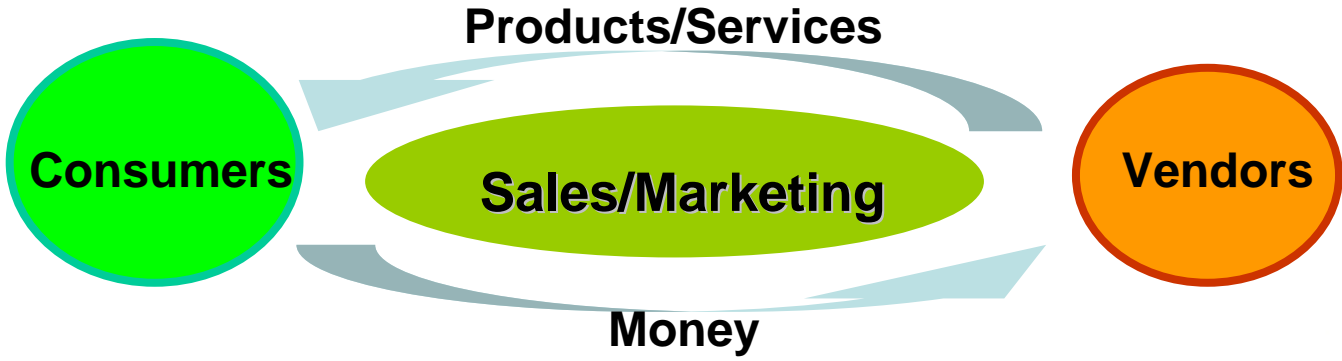
**IP-based Broadband Access brings a Cyber World**

**FTTH : Virtual (cyber ) transportation**

**and complementary with physical transportation**



# Business Model Change from 4P to 4R



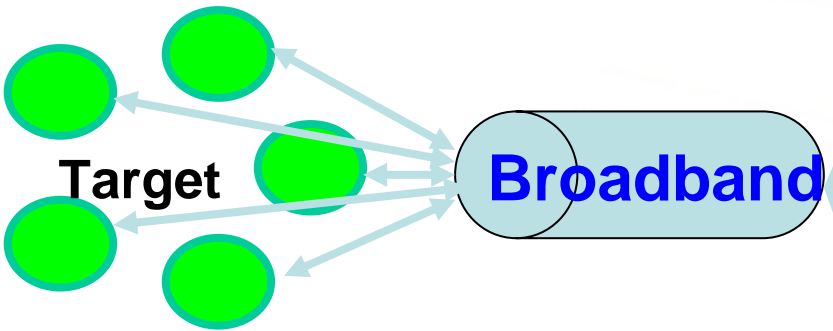
Target

4P Check

Adjustment

Product	Concept Brand Package
Price	
Promotion	
Place (Logistics)	

4P



Relationship
Retrenchment
Relevancy
Rewards

4R



# FTTH C-AP support another “KIZUNA”

- **Network Operators need a set of “solution” to migrate to fully IP-based broadband access networks.**
- **FTTH C-AP is a physical space ( Kizuna ) where everyone gets together to share, learn and discuss.**



[www.ftthcouncilap.org](http://www.ftthcouncilap.org)

# Outline

- What is FTTH Council Asia-Pacific
- Kizuna : What FTTH brings
- **“See The Light “ : Asia-Pacific**
- Market Study & global FTTH definitions

# “See The Light”

## “See The Light” : Asia-Pacific is unique and dynamic

- **Market Leaders : “lighthouses on the coast”**

- Japan
  - More than 6M FTTH subscribers
- Korea
  - Extremely high broadband penetration and FTTB
- Hong Kong

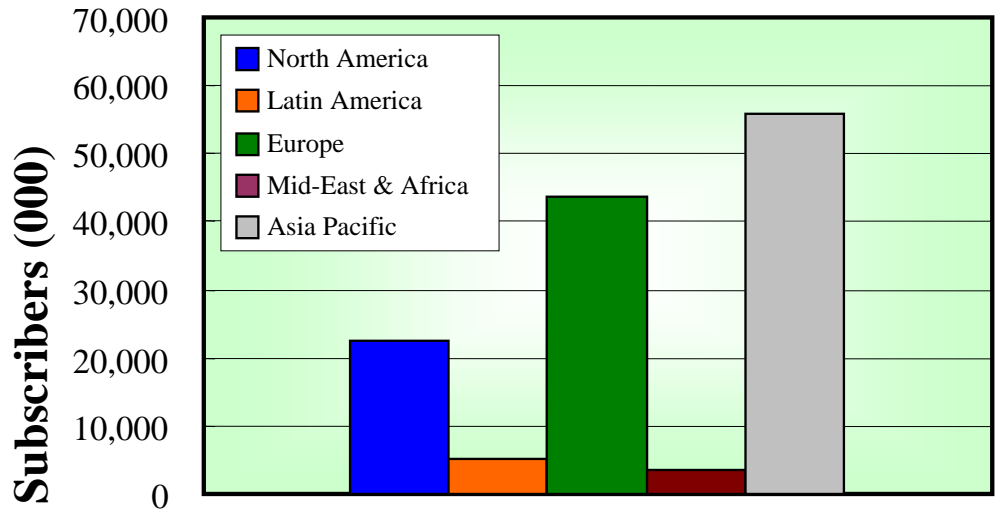


- **Potential and Rising Market : “bright future”**

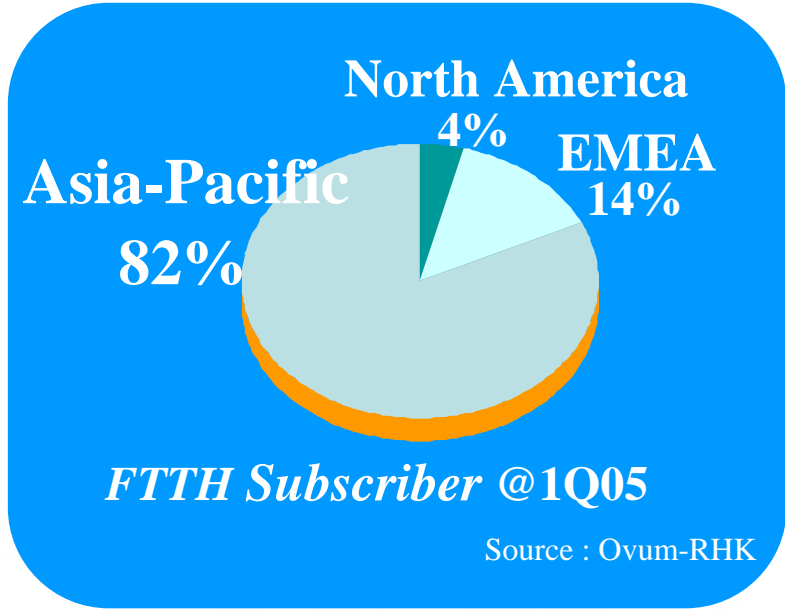
- China
- India
- South-East Asian Countries



# AP is a BB & FTTH market leader

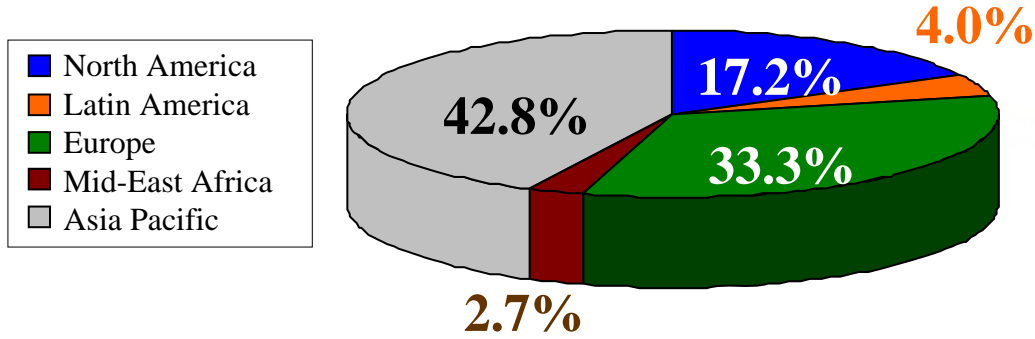


Y2005  
**Broadband subscriber by region**



Source : Ovum-RHK

## Market Status



Source: Ovum-RHK

See the Light

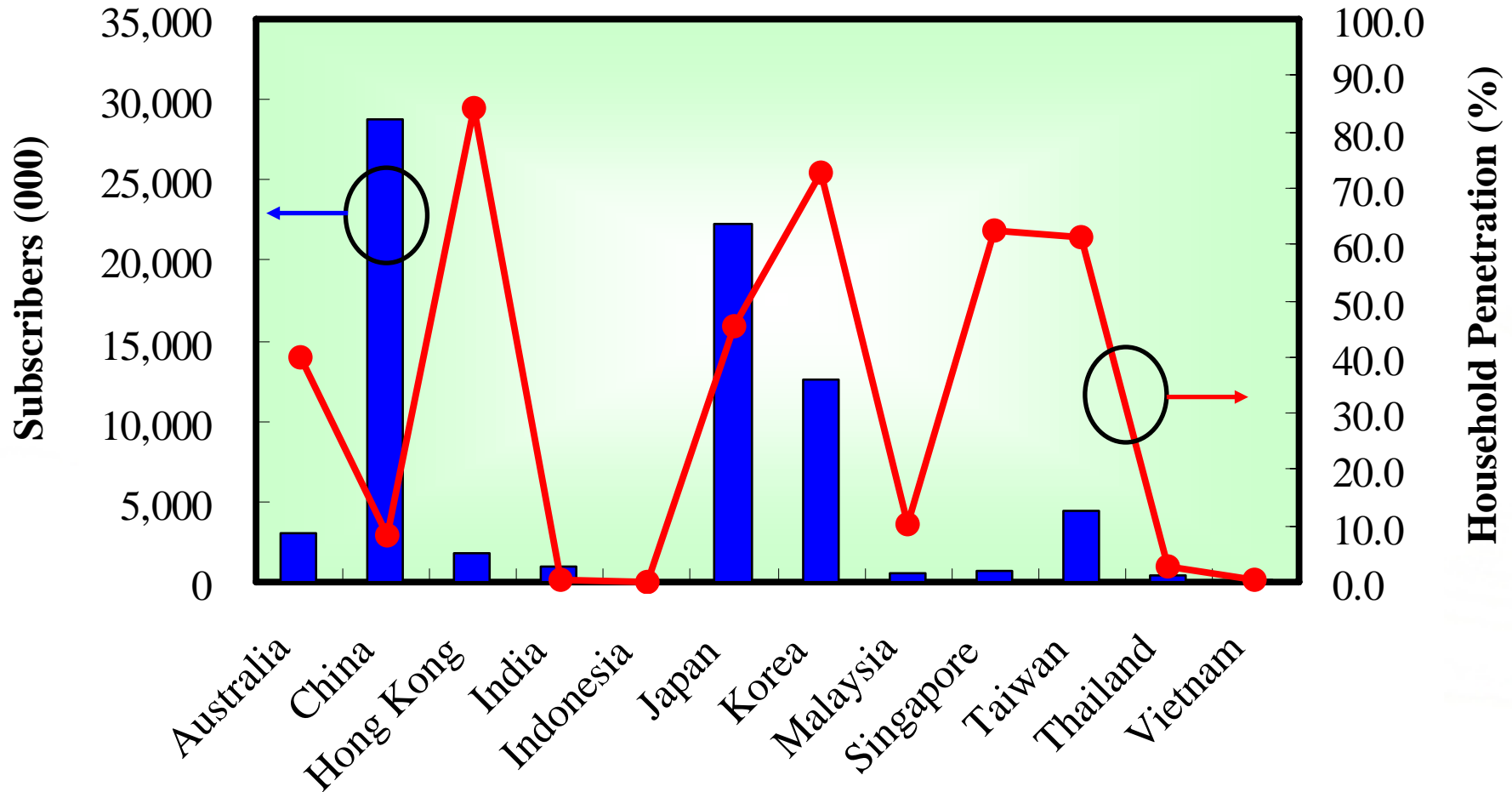


# Outline

- What is FTTH Council Asia-Pacific
- Kizuna : What FTTH brings
- “See The Light “ : Asia-Pacific
- **Market Study & global FTTH definitions**

# Broadband Household Penetration Rate (APAC)

*Broadband subscriber and household penetration rate in APAC (Y2005)*



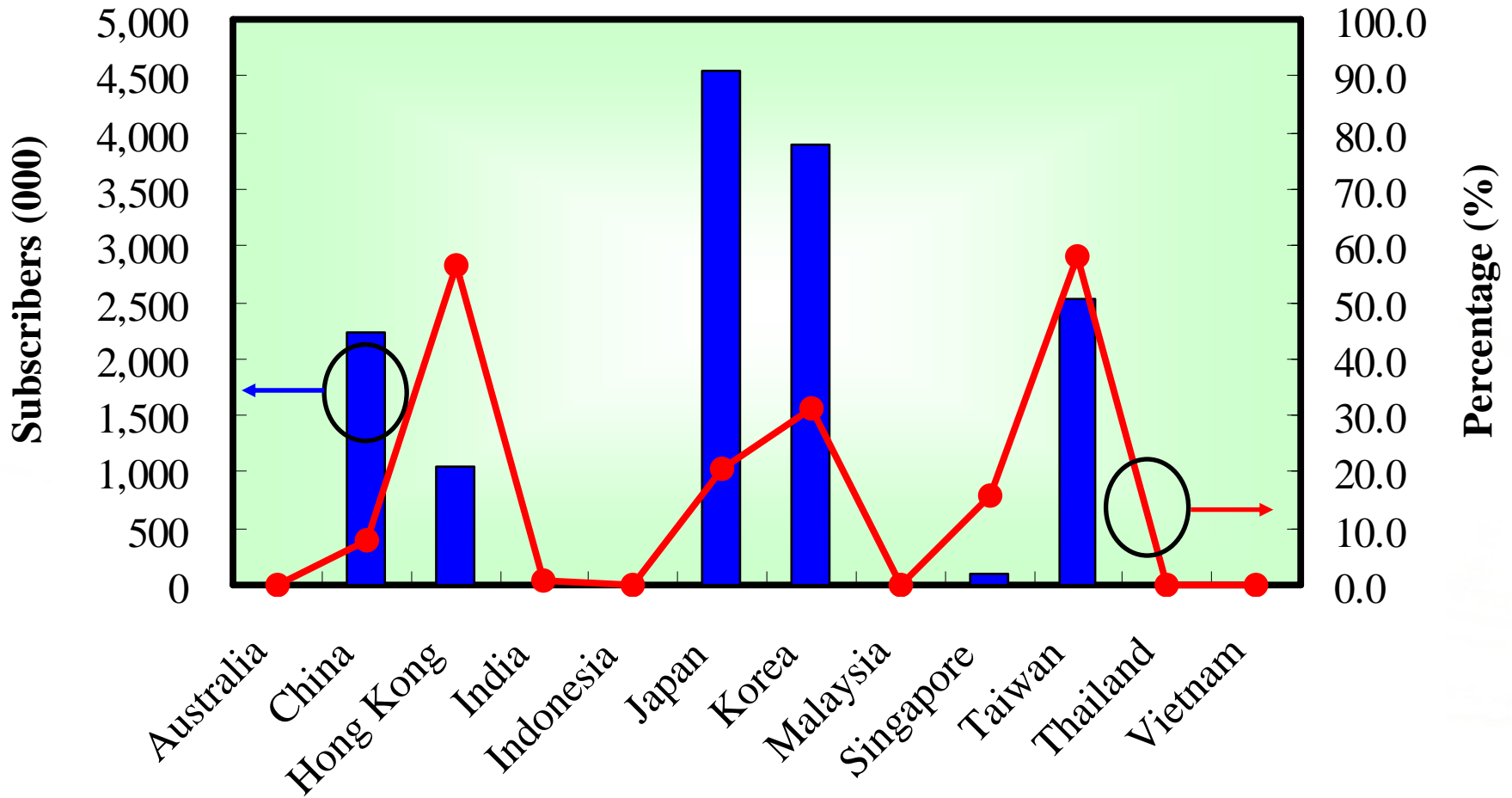
Source: Ovum-RHK / FTTH Council Asia-Pacific (Joint work)

See the Light



# FTTH Subscribers (APAC)

*FTTH subscriber and FTTH percentage in APAC (Y2005)*



\* FTTH includes, FTTB, FTTC and FTTH etc.

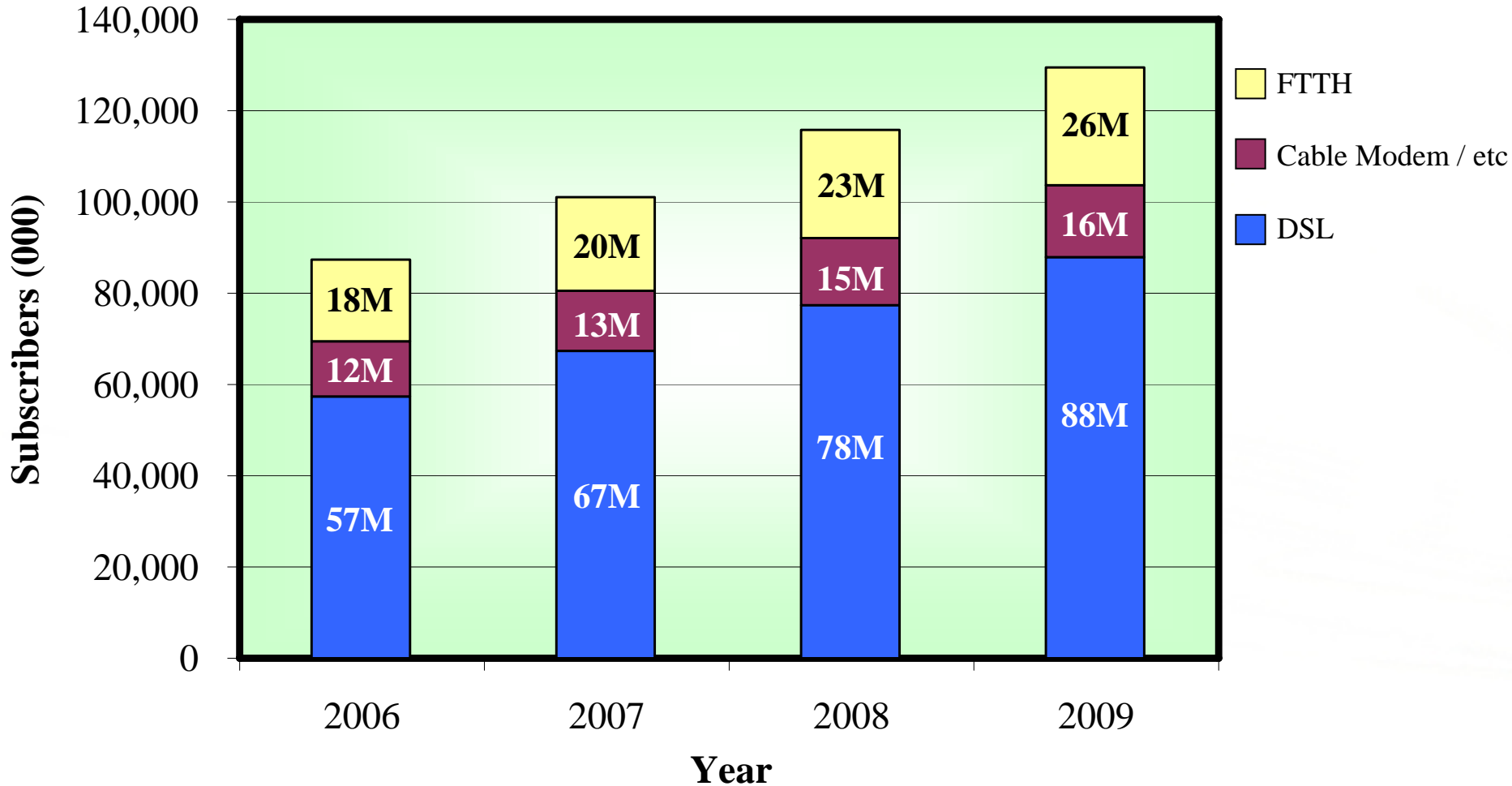
Source: Ovum-RHK / FTTH Council Asia-Pacific (Joint work)

See the Light



# Broadband Subscribers – Forecast (12 Regions)

*Broadband Subscribers Forecast (APAC, 12 Regions)*



Source: Ovum-RHK / FTTH Council Asia-Pacific (Joint work)

See the Light





# FTTH Driving Factors

- **Government Policies and Influence**

China : 5-year plan

Korea : IT839 and Emblem

Taiwan : High-Tech Service Island

Japan : Unbundling



- **Competition**

Multiple FTTH service providers in Japan

- **New Services**

Video/Image-based BW eaters

Personalization

- **Housing and Population Density**

Apartment houses and Condominium

Smaller Houses

MDU in China : > 85 %

Back to Tokyo downtown phenomena

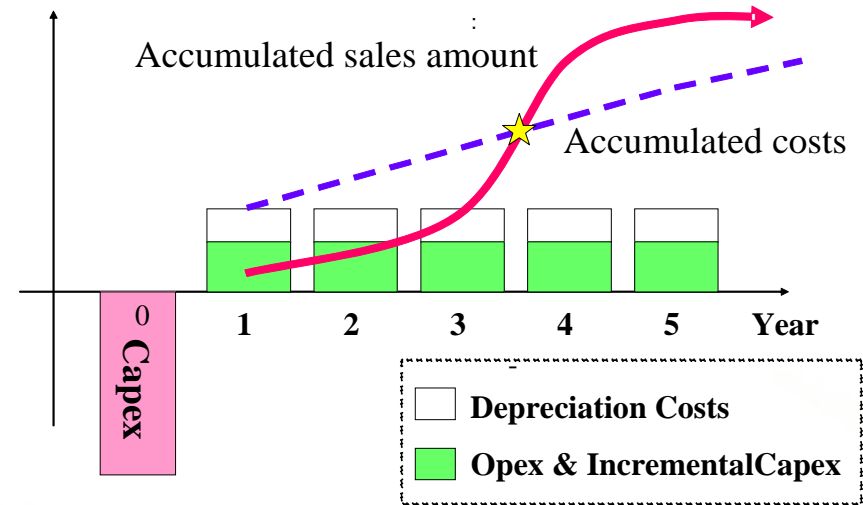
- **Access Loop Network**

Asia loop length average is 2-2.5 km, vs. 3.5 to 4 km in U.S.

- **Cultural Issues**

Speed is a key in Korea

Status Symbol in Japan



**Cash-flow economy impact on long-term investment**

# Analysis on FTTH Market in Japan

- **Government Policies and Initiative**
  - e-Japan & u-Japan
  - Unbundling but one-bill payment
- **Highly competitive marketplace**
  - “leapfrog” competing technology for high-speed internet access
  - NTT market share in metropolitan areas is about 50 %
- **Ethernet-only services over B&GE-PON up to 100 Mb/s**
  - High-speed internet access focus at the beginning
  - Now VoIP service is available
- **Non-hardened units deployed inside the home**
  - For residential house and condominium
  - Simple systems based on engineering prices
- **High speed access is a “*status symbol*”**

# Summary

- FTTH Council Asia-Pacific is FTTH industry association based on NPO
- FTTH is virtual transportation to bring Kizuna (cyber-world) respect to culture & history needed
- Asia-Pacific is “See The Light”
- Not only industry promotion but also governmental one is necessary