



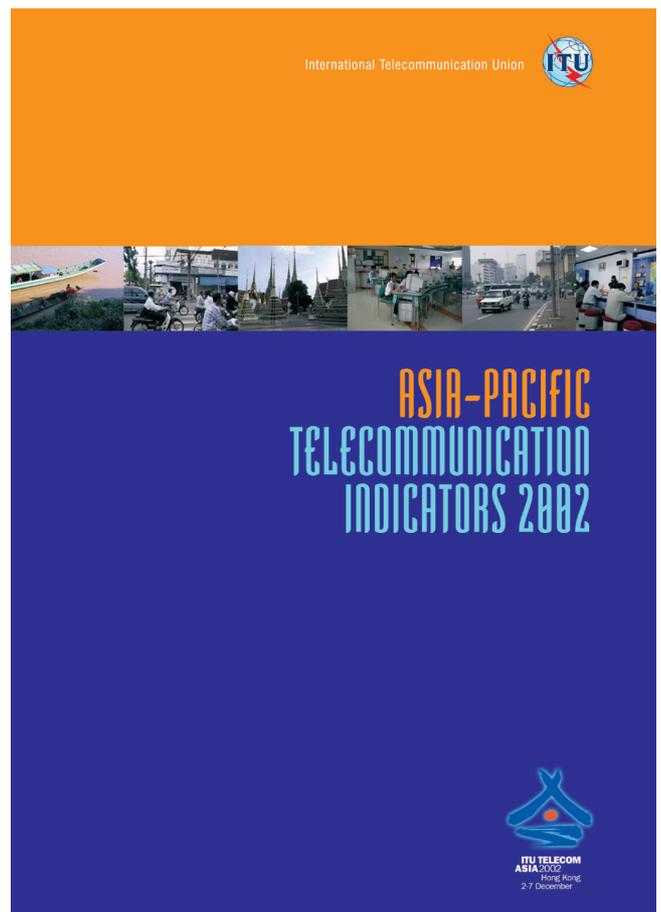
To coincide with the launch of ITU TELECOM Asia 2002, the ITU has published the 5th edition of the *Asia-Pacific Telecommunication Indicators*.

The epicentre of the telecom world

When the first edition came out in 1993, the Asia-Pacific region accounted for just one-quarter of the world's fixed telephone lines and around one-sixth of mobile users. In 2001, the region emerged as the world's largest telecommunication market. It is today home to over one-third of the earth's telephone subscribers (see Figure 1). It is the only region to have increased its market share significantly, adding more than one new telephone user every second for the last decade. Asia-Pacific also leads in advanced Internet technologies such as broadband access and mobile data, making it an exciting region to watch and from which to learn. The Republic of Korea and Hong Kong, China are the top two economies in the world in terms of broadband Internet penetration. In mobile Internet, Japan and the Republic of Korea were the first two nations to launch third generation cellular networks commercially. These exploits corroborate the view that the global telecommunications epicentre is shifting from North America and Western Europe to Asia-Pacific.

There are three principal reasons for the region's rapid evolution: geography, economy and dynamism.

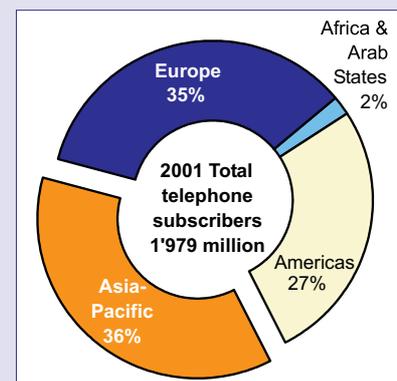
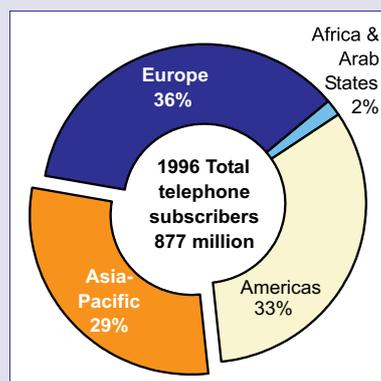
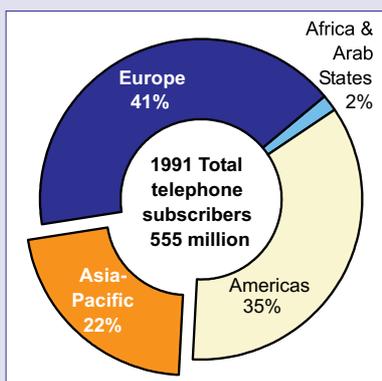
- Developing Asia-Pacific accounts for over half the world's population and the region is home to the only *billion people countries*—China and India. It may be regarded as inevitable that, over time, the region's telecommunication sector should catch up with its global population share. This is exemplified by the emergence of China as a telecommunications superpower. Never before has a country added so many telephone subscribers so quickly and raised its teledensity so rapidly. China's overall teledensity (fixed and mobile combined) rose from less than one in 1991 to 30 by mid-June 2002. China is now the world's largest telecommunication market, overall. It ranks first in the size of its mobile market and second in fixed telephone lines (after the United States).



- Asia-Pacific led the world in economic growth during the decade of the 1990s. Asia-Pacific developing nations outperformed other developing regions every single year. Despite the region's 1997 financial crisis, developing Asian nations as a whole still registered positive economic growth. And the region bounced back quickly from the crisis.
- Asia-Pacific is arguably the most diverse region in the world, a tapestry of different cultures, languages and religions. Its geography ranges from some of the most densely populated

Figure 1: At the top of the world

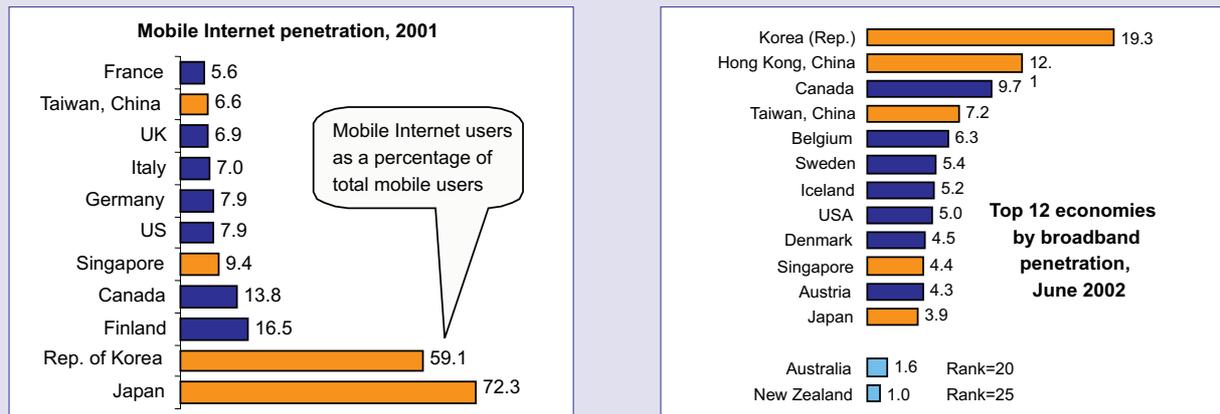
Distribution of telephone subscribers, fixed and mobile, by region, 1991, 1996 and 2001



Source: ITU World Telecommunication Indicators Database.

Figure 2: Ahead of the pack

Mobile data usage in selected Asian economies, compared with selected other economies (left) and top 12 economies by broadband penetration, June 2002 (right)



Source: Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT), Japan (left), ITU (right).

places on the planet to deserts, mountain ranges and island archipelagoes. It is urban and rural, rich and poor. These contrasts create a tense dynamism that lends itself to creative experimentation. Asia-Pacific is also a competitive region. There are subtle jealousies between neighbours, dating back in history, making countries eager to outdo each other. The region's export orientation also makes competitiveness important and there is an obsession with global rankings and ratings. Openness to trade also brings openness to ideas and the region is renowned for copying and improving products and services. In the telecommunication sector, a variety of approaches to development models and technologies for network deployment have been tried. Countries in the region tend to adopt what works best for them taking into account their unique set of socio-economic characteristics, political constraints and legal circumstances. Most countries in the region also prefer to avoid protracted legal disputes, recognizing that the ends are more important than the means. Finally, Asian governments are much more active participants in the telecommunication sector than other regions and have been good at changing regulations when needed in a practical manner.

Broadband Asia: High-growth, high-speed

In the last ten years, the telecommunications environment in the Asia-Pacific region has changed unrecognisably. The rate of change has been the most dramatic in the mobile communications sector. The region now leads the world in several important market categories. Two of the top three mobile economies worldwide, measured by mobile phones per capita are from the region (Taiwan, China and Hong Kong, China). Furthermore, the world's biggest mobile economy, measured by total number of subscribers, is from the region (China). Two other countries are pioneering the mobile Internet (Figure 2, left) with Japan having the largest number of mobile

Internet users and the Republic of Korea the most high-speed (3G) mobile Internet users. The real surprise is in the growth of Taiwan, China, which shows little sign of slowing down even though the theoretical ceiling of 100 per cent mobile penetration was pierced in April 2002.

Perhaps the biggest impact of mobile communications has come not among developed, or even middle-income developing economies, but rather at the bottom of the development ladder, among the Least Developed Countries (LDC) of the region. Indeed, it was an Asian LDC, Cambodia, which in 1993 became the first country in the world where mobile phones exceeded fixed-line connections. Now, Cambodia has more than eight times more mobile phones than fixed-lines. Its experience has been repeated by a number of the region's other LDCs. In Bangladesh, mobile overtook fixed during 2001. This success was partly due to the innovative means of supplying village phones to expand community access.

The Internet in Asia-Pacific has grown steadily. The region had some 160 million users at the end of 2001, accounting for one-third of the world total, and more than any other region. It also leads the world in broadband Internet with five Asian economies among the top twelve worldwide in penetration (Figure 2, right). It has also been an innovator, emerging as a leader in areas such as prepaid cards, offshore software development, e-government, cyber cafes and gaming. At June 2002, the region accounted for almost half the world's Asymmetric Digital Subscriber Line (ADSL) connections. It also has a high-level of cable modem deployment with some five million subscribers. Finally the region has more users of high-speed mobile Internet than the rest of the world put together.

Asia-Pacific's new position of leadership in global ICT markets brings with it a new responsibility. The region has largely avoided the telecom recession that has affected the rest of the world, and now it must play its part in restoring investor confidence in the industry.

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