

Industry Monitor

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High-tech Sector

Third-generation Cell Phone Service To Start Toady

NTT Docomo starts the FOMA service (3G-IMT-2000) today. The company hopes to sign up 150,000 subscribers by the end of the current fiscal year. NTT Docomo will ship about 20,000 cell phone units to its network of 260 shops in the Tokyo area. Up to December service area will be limited to the central Tokyo region and expanded to Nagoya and Osaka in December. The service will be available in all major cities by next March. Three FOMA phone models will be available, standard, with a TV screen and data-only. Rivals, KDDI and J-Phone are getting ready to launch services of their own by next spring.

Kyushu Electric Power to Enter IP Telephone Service

Kyushu Electric Power said that it will diversify into international IP telephone service through its telecommunications subsidiary QTNNet. Kyushu Electric Power sees this as a promising growth area.

NTT Docomo to Make Public I-mode Specifications

NTT Docomo plans to disclose I-mode technical specifications to Internet providers by the end of the year in order to open up the I-mode network to other providers.

NTT Communications Cuts ADSL Rates

NTT Communications will lower ADSL rates to ¥3,180/mth the company said. Initially the company had insisted that it would stick to about ¥3,800/mth.

CATV Operators Slashing Rates

With the rapid popularization of ADSL (subscriber count likely to top one million by the end of the year) and with the FTTH services starting (100Mbps), CATV service providers feel threatened and are cutting rates to stay competitive.

JEITA to Set up B2B e-business Model by Next September

JEITA, an electronics industry trade body, will start field-testing collaborative EDP as a part of the program to establish a BB e-business model. This will be the first collaborative e-business model in the world. The trade body hopes to foster the new model into a global standard for B2B e-business.

Ant-virus Software Sales Booming

With NIMDA infecting more PCs sales of anti-virus software for personal computers are booming.



Demand for Information Systems Strong Despite a Weak Economy

While Windows XP, the new Microsoft OS, is unlikely to bring a boom rivaling the launch of Windows 95, demand for information services continues to be strong, as net-based procurement by corporations gains popularity and investment in IT systems to streamline corporate operations continues to be favorable. System development demand from the government as it moves toward IT-based services is also growing.

DVD Demand Doubles While Color TV Shipments are Off Slightly

Shipments of color televisions in July fell 2% year-on-year to 730,000 units but DVD shipments doubled and shipments of car navigation systems increased 11.9%, according to electronics industry trade body. Although overall TV shipments were weak, shipments of LCD color TVs were up 58.5%. PC shipments in the April-June quarter were up 2%. Shipments of desktop models fell 11% but portable models were up 15%. Shipments of BS digital television sets (broadcasting started 10 months ago) are also below expectations. Manufacturers blame a dearth of interesting contents to explain the shortfall.

Taiwan's Information Appliance Industry Bucks the Global IT Industry Trend

Output of Taiwan's information appliance industry in 2001 is expected to rise 46% despite a weak global demand, according to market intelligence center, a government research organization. And the growth is expected to continue next year, although at a slower pace.

NEC Transfers Electronics Components Operations to Tokin

NEC will transfer its electronics components operations next April to Tokin, an affiliate. NEC plans to raise its stake in Tokin from the current 40.6% to 66.6%, making it the core company in NEC group's electronic components business. Three principle product lines, capacitors, batteries, and relays for exchanges will be transferred. The three business lines contributed ¥77.3 billion yen in consolidated sales in the fiscal year ended March 2001.

DVD Growing into a Major Market Sector

DVD shipments in fiscal 2002 are expected to double in Japan and Europe and increase about 30% in the U. S. Global shipments are likely to total 26 million units. The DVD software market is also coming into its own with Japan's market expected to reach 150 billion yen in the current fiscal year.

SW Power Supply Manufacturers Facing Hard Times

According to the Ministry of Economy, Trade and Industry, output of SW power supplies in the first half of 2001 was roughly 4% below the same period a year earlier. This comes on top a 10.9% drop in 2000.

Basic Electronics Industry Statistics

	Prod.	Ship.	Inv.	Capacity utilization.	H. Elec. machinery	Cons. Appliances	Electronics Sector	Cons. electronics	Industrial electronics	EL. devices
April	118.5	121.0	122.0	110.1	2,261	2,202	18,136	1,503	8,552	8,081
May	118.1	121.9	126.2	110.4	2,007	2,180	18,217	1,148	8,877	7,717
June	112.9	118.2	122.4	110.4	-	-	18,758	1,240	9,334	7,706
July	106.8	110.7	118.0	110.3	-	-	-	-	-	-
YoY	-22.7	-21.2	9.8	0.2	3.9	3.9	-15.6	-13.2	-7.6	-23.8

Base year 1995 = 100; 100 million yen, YoY: Year-on-year percentage change

Source: Ministry of Economy, Trade and Industry, Japan Electronics Industry Association and other trade associations