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High-tech Sector

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NTT Can Slash Connection Charges by 19%, Government Report Claims

A recent report from the Ministry of Public Management, Home affairs, Posts and Telecommunications came to the conclusion that NTT East and NTT West could easily slash connection charges this year by a maximum 19%. The final decision on the percentage of reduction is to be taken in the fall.

KDDI Chooses Qualcom Technologav

KDDI will be adopting Qualcomm's BREW technology for its cell phone networks. The technology allows software to be loaded onto cell phones through wireless networks. NTT Docomo uses Sun Microsystems' Java protocol. The BREW technology, it is claimed, offers faster processing speeds.

Cell Phones with Net Access Capability Top 50 Million

The number of subscribers to cell phones with the capability to access the Internet topped 50 million as of the end of February, an increase of 890,000 units from the previous month. Now three out of every four cell phones are Internet-enabled. The number of cell phones and PHS phones totaled 73.67 million as of the end of February, an increase of 13% from the same month a year earlier.

Electric Power Transmission to be Handled by Separate Firms

The Ministry of Economy, Trade and Industry wants to separate electric power transmission divisions of electric power utilities from the parent companies and transfer them to a neutral third-party organization to be established for the purpose. The ministry hopes that this will spur competition in the industry. While electric power utilities will continue to own the power lines, employees in the power transmission division will be transferred to the new organization permanently.

Govt. to Lift Restrictions on IC Cards

The Ministry of Public Management, Home affairs, Posts and Telecommunications sometime around mid-year will discontinue the license system for issuing IC cards. The move is directed at making it easier to issue such cards and thus increase their popularity. Easier issue conditions will also expand the range of IC card applications.

Capacitor Production Looking Up



Production of capacitors is looking up in 2002, after registering a sharp 37.4% decrease in volume terms in 2001. Production value fell to ¥226.7 billion. Particularly affected last year were electrolytic capacitors, with production suffering a 44% drop. Production in 2002, however, is likely to increase 8.9% in volume. Output will be up 3.6% in value to ¥247.8 billion, according to JEITA, the industry's trade body. Capacitor manufacturers report that orders bottomed out in December and were up by double-digit figures (compared to December) in January and February.

Web Application Server Market to Double in FY2002

The Web application server market is growing rapidly, with demand for platforms with scalability in particular demand. Sun Microsystems' J2EE is becoming the industry standard. After doubling in 2001, the market is set to repeat performance in 2002. In Japan, in addition to IBM, Fujitsu and Hitachi are the leading suppliers.

S. Korea's Samsung Plans to Hike LCD Production

Samsung Electric, a major S. Korean electronics firm, plans to increase production of TFT LCDs by 36% to 12.5 million panels. In a bid to capture the leading position, the company is also building a production line for the fifth-generation LCD panel.

China Also Building LCD Capacity

There are about 30 LCD panel manufacturers in China and all are bullish on the market. Their output in 2000 totaled 2.3 billion Yuan. Plans call for hiking the output to 6 billion Yuan in 2010, and making China self-sufficient in LCD panels. From 2000, production has also been moving toward high-end LCDs.

Japan's Electrical Equipment Manufacturers Expand Procurement in China

Japan's major electrical equipment manufacturers, including Mitsubishi Electric, Toshiba, Sony and Hitachi, are stepping up procurement of components in China. Hitachi's procurement in China is expected to increase six fold in five years. Procurement by other Japanese electrical equipment manufacturers is also expected to rise sharply.

Two Retail Chains Suspend Xbox Sales

Two major retail firms have suspended sales of Microsoft's Xbox, saying that they have received complaints that the game machine damages disks in which the software is stored.

PDP Television Demand Growing

Demand for PDP televisions is expected to more than double to 1.4 million units from an estimated 530,000 units in 2002. The three leading producers are Pioneer, Fujitsu General and NEC. Other major electrical manufacturers, including Matsushita, Toshiba, Sanyo and Sharp, are expected to quickly follow suit. Overseas, South Korean manufacturers, LG and Samsung, are also gearing up to launch models of their own.

Casio Develops Compact Fuel Cell for Portable IT Devices

Casio has developed a compact fuel cell, with life four times longer than that of conventional secondary batteries. The company plans to start marketing it from 2004. Other manufacturers, including Toshiba and Hitachi are also developing similar fuel cells, considered to become the next-generation mainline power source for portable It devices.

Japan's Major Software service Firms Increasing Employment in China

Japan's major software service firms are planning to double the number of their software engineers in China over the next two years. In Japan they face shortages of skilled software engineers and high wage costs. Expansion in China could solve both issues simultaneously.

Square to Resume Developing Software for Nintendo

Square announced on March 8 that it will resume development of software for Nintendo for the first time in five years. First titles may be released by the end of the year.

e-Japan's FY2002 Budget

The e-Japan program that envisions linking 40 million households in the country to BB networks by 2005 is progressing on schedule. Budget requests from various government agencies for FY2002 related to this program totaled nearly two trillion yen. The figure is slightly above that approved for the previous fiscal year.



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	83.1	2,261	2,202	18,136	1,503	8,552	8,081
May	118.1	121.9	126.2	82.2	2,007	2,180	18,217	1,623	8,877	7,717
June	112.9	118.2	122.4	88.9	2,150	2,407	18,758	1,718	9,334	7,706
July	106.8	110.7	118.0	83.1	2,044	2,353	17,229	1,707	8,085	7,436
Aug	104.2	109.1	116.6	67.0	1,898	1,588	15,348	1,460	7,445	4,174
Sept.	100.8	107.6	107.2	71.1	2,674	1,582	17,918	1,648	9,491	6,779
Oct	99.2	103.2	102.9	68.8	2,037	1,683	15,311	1,847	6,803	6,661
Nov	98.5	104.0	98.4	69.7	2,026	1,624	15,443	1,695	7,233	6,515
Dec.	101.6	105.6	95.8	66.3						
YoY	-27.8	-25.9	-14.0	-28.8	-18.4	-14.2	-31.5	-24.0	-27.7	-36.9

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