

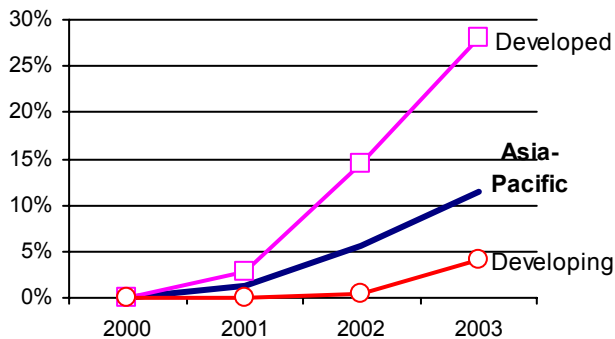
# ASIA PACIFIC MOBILE MULTIMEDIA OUTLOOK 2004



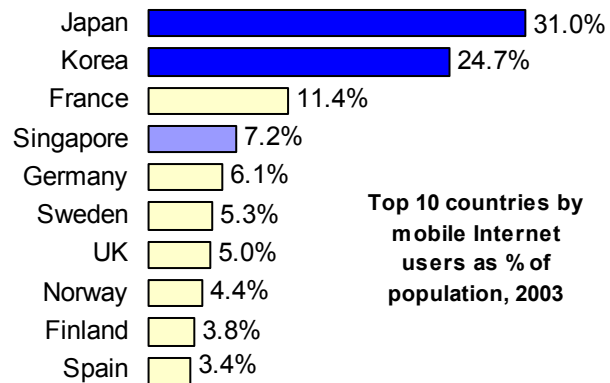
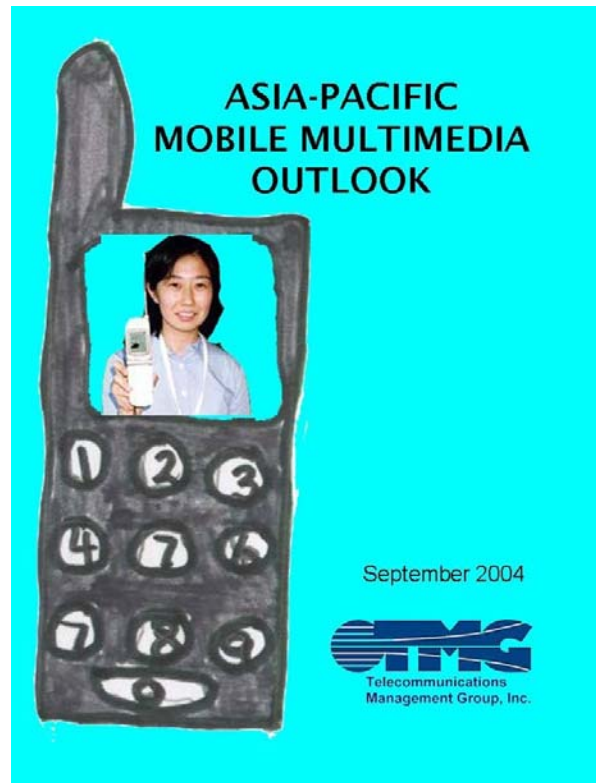
- **High-speed mobile networks beginning to spread throughout Asia-Pacific**
- **Japan ranks top in mobile Internet**

High-speed mobile networks are beginning to spread throughout the Asia-Pacific region, providing a platform for the development of multimedia services. This is one of the findings of a new report, *Asia-Pacific Mobile Multimedia Outlook*, from Telecommunications Management Group, Inc. (TMG), a U.S.-based consultancy. A variety of high-speed mobile networks have been deployed in all countries studied for the report. As a result, the percentage of high-speed mobile subscribers has risen from zero in 2000 to 11.4% in 2003. The Republic of Korea leads the region with 84.5% of mobile subscribers connected to a high-speed network.

**Percentage of subscribers connected to high-speed mobile networks, Asia-Pacific**



The report notes that Japan and South Korea lead the world in mobile Internet penetration and examines the prospects for the other economies in the region catching up. In addition to high-speed, another prerequisite for successful mobile multimedia adoption is attractive pricing. As a result of high-speed networks, operators have moved from time-based to volume-based pricing for mobile Internet access. Though an improvement, customers' main preference is for flat-rate mobile data tariffs, causing a number of operators to move in that direction. For example, Japan's KDDI has launched an unlimited access mobile Internet tariff at a price equivalent to entry-level digital subscriber line (DSL).



**Top 10 countries by mobile Internet users as % of population, 2003**

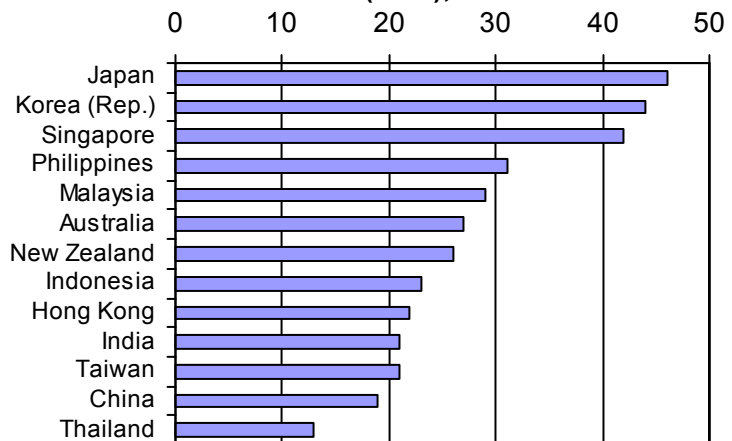
Ironically, the high usage of SMS in countries such as the Philippines may actually be a barrier to more advanced multimedia applications. According to Michael Minges, Senior Market Analyst at TMG and former head of the International Telecommunication Union's (ITU) market research unit, "Operators are making significant revenue from text messaging in countries where SMS is booming, such as China, Indonesia and the Philippines. The downside is that it makes them reluctant to invest in faster networks and multimedia content." Another barrier for mobile multimedia is the lack of Internet-enabled handsets. Multimedia handsets with cameras are too expensive for the majority of subscribers in developing nations, most of whom are prepaid.

The report features a mobile multimedia index (MMI) based on a composite of four indicators. As expected, Japan and South Korea occupy the first two positions, closely followed by Singapore. The Philippines is the highest ranked developing nation, as a result of its high volume of text messaging and subsequent mobile data revenues.

The report also provides forecasts for several indicators for the year 2008, for example:

- The total number of mobile subscribers in the region will rise from 600 million at June 2004 to over 950 million by the end of 2008, raising penetration from 20.6 mobile subscribers per 100 inhabitants to 33.1.
- All mobile subscribers in Japan and South Korea will be connected to high-speed networks by the end of 2008; across the region, some 500 million people will be connected to high-speed mobile networks, over half the mobile subscriber total.

**Ranking of Economies in TMG's Mobile Multimedia Index (MMI), 2003**



**Asia Pacific Mobile Multimedia Outlook provides a comprehensive overview of mobile data developments in the region. It covers high-speed network launches, pricing, text messaging and other factors impacting mobile Internet take-up. The report is accompanied by a 14 table statistical supplement providing a complete picture of the mobile sector in 13 economies (Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand) that make up 98% of all mobile subscribers in the region. Data have been compiled from official sources including government agencies and mobile operators.**

For more information about the report, including ordering details, see [reports.tmgtelecom.com/apmmo](http://reports.tmgtelecom.com/apmmo)



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