

# **The Internet and Networks in Asia**

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# The Fantastic Corporation

Swiss company founded in February 1996

- **Offices: Zug, Lugano, New York, Washington DC, San Francisco, London, Hamburg, Paris, Milan, Singapore, Sydney and Tokyo.**

140 Full Time Employees

World Class Investors and customers.

- **Intel**
- **Deutsche Telekom**
- **Telecom Italia**
- **Reuters**
- **Jafco**



# Broadband Multimedia Distribution

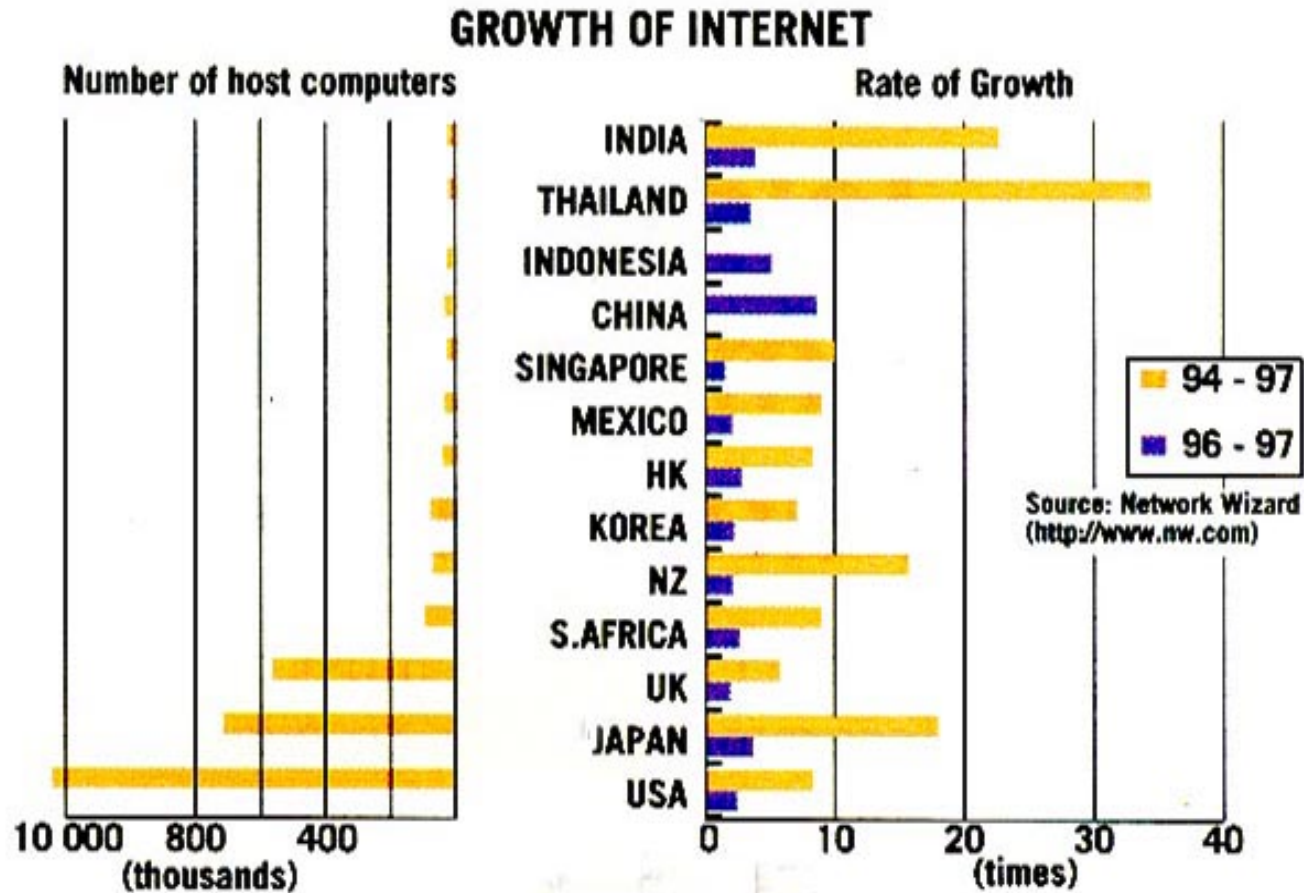
# The Internet and Networks in Asia



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*First in Broadband Multimedia*

# Internet Growth



# Marketplace Changes

## Internet

- Explosive Growth (20 Millions users online in 1998 to 45 Millions in 2002)
- Transformation from text-based to rich multimedia content
- Inexpensive and easy way to communicate

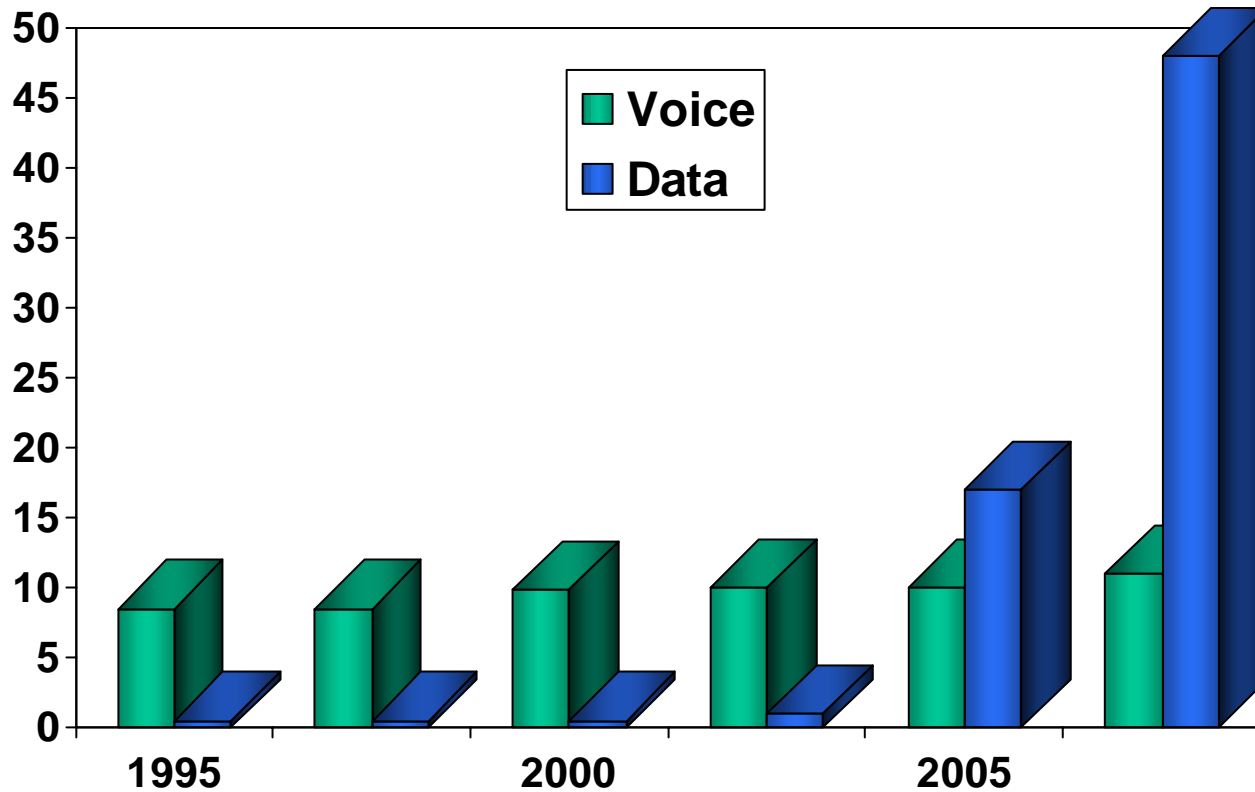
# Marketplace Changes

## Internet

### Telecommunication Networks

- Deregulations everywhere
- Infrastructure improvements
- Surge in Data traffic

# Data Overtakes Voice





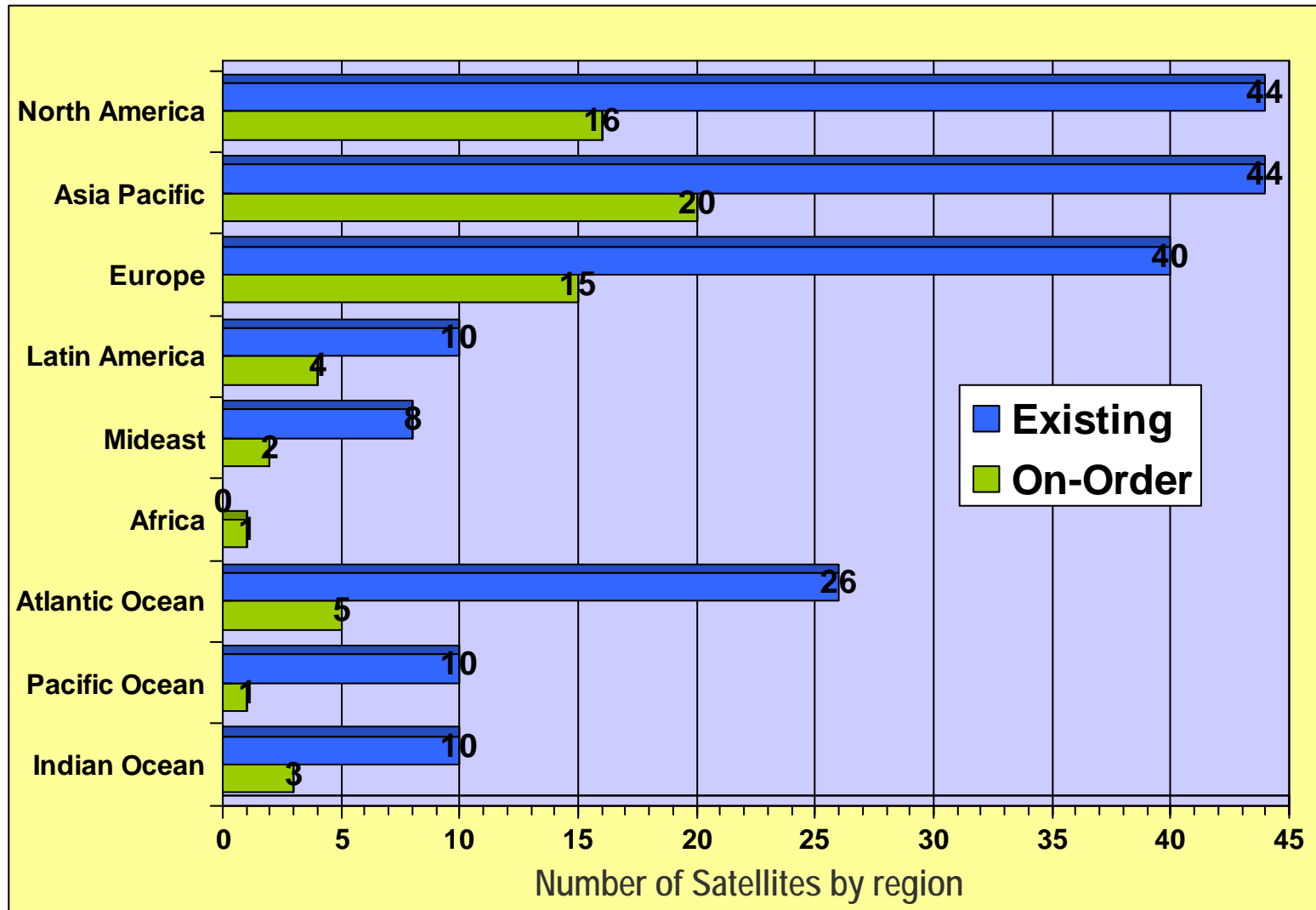
# Marketplace Changes

## Internet

### Telecommunication Networks

- Deregulations everywhere
- Infrastructure improvements
- Surge in Data traffic
- Deployment of broadband networks (ADSL, ATM, Satellite, Cable)

# Satellite Boom

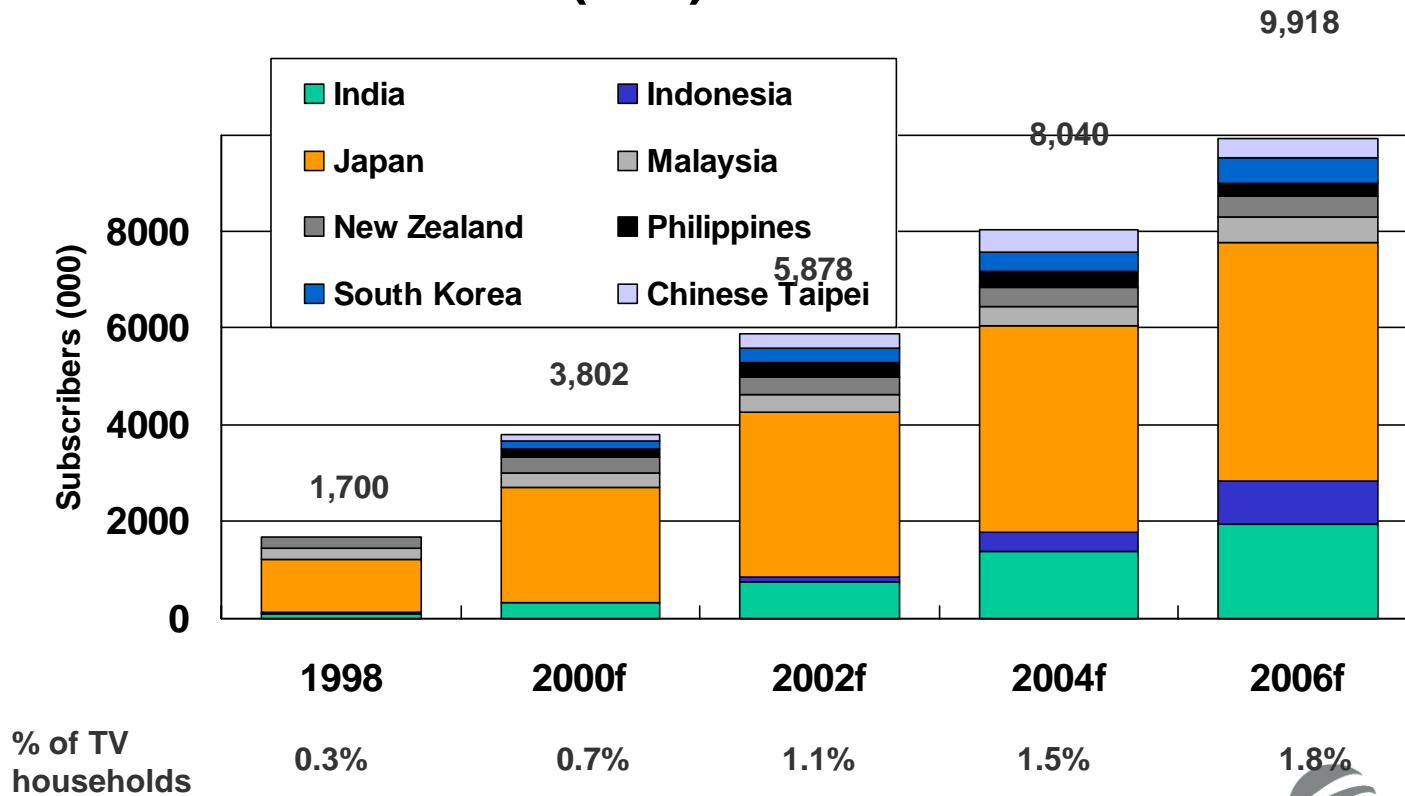


Source: Via Satellite, July 1998

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# Asia Pacific digital dish basic subscribers (000)



Source: Baskerville Communications Corp.

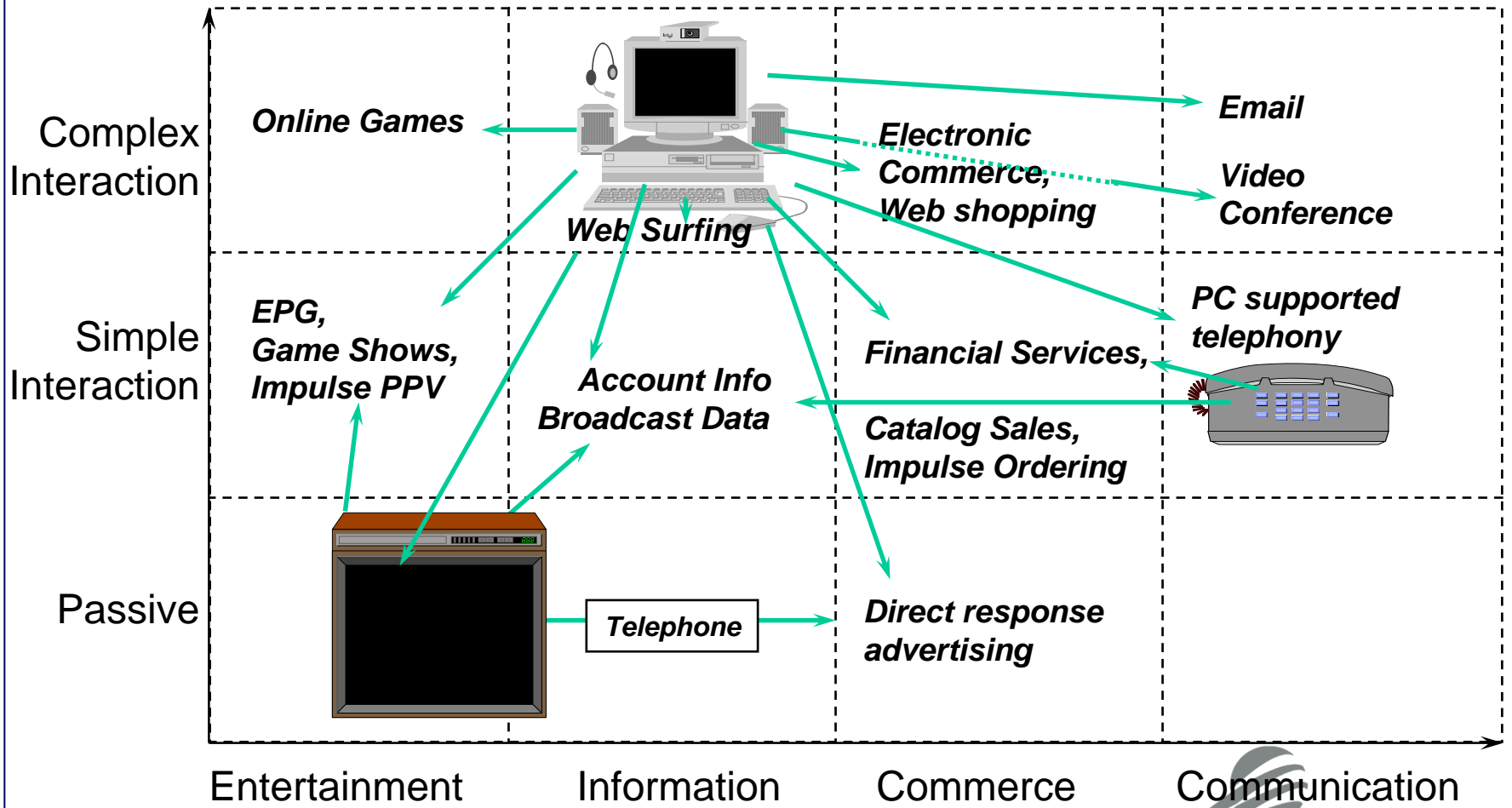
# Marketplace Changes

Internet

Telecommunication Networks

Convergence in Media

# Convergence - Technology



# Asia's Technology Wealth

## TECHNOLOGY PENETRATION IN ASIA

COUNTRY OR REGION	POPULATION (IN MILLIONS)	PHONES PER 100 PEOPLE	TVs PER 100 PEOPLE	PCs PER 100 PEOPLE
Industrialized Asia-Pacific*	147	49	65.4	17.4
China	1,232	4.5	25.2	0.3
India	929	1.3	6.1	0.1
Indonesia	200	2.1	22.9	0.5
Malaysia	21	18.3	21.9	0.4
Philippines	69	2.6	13	1
Thailand	60	5.9	23.3	1.7

\* Australia, Japan and New Zealand

SOURCE: ITU

# Challenges

- Internet users is rapidly increasing
- The Internet is a niche service (less than 3% of the global population)
- Internet content is becoming more rich
- Still only a fraction of the global content is on the Internet
- PCs are moving into households

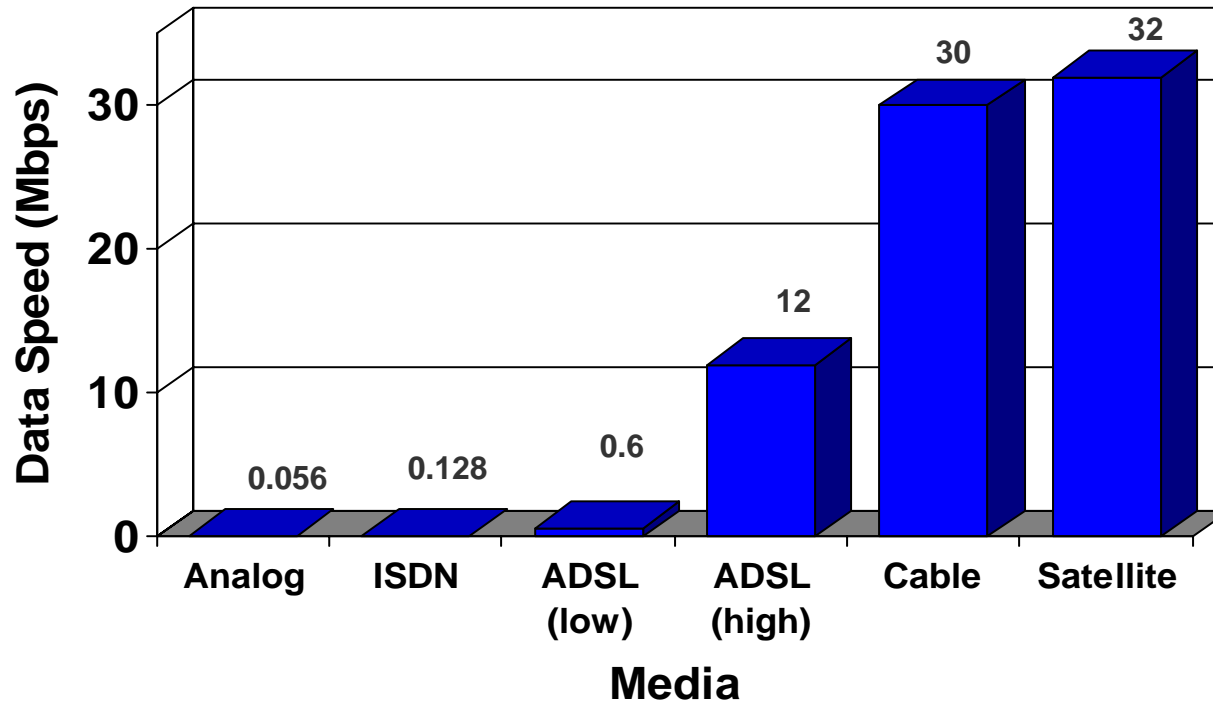
# Opportunities

- Broadband networks widely available
- Identified need for active distribution of rich multimedia content
- Willingness from end-users to pay for quality content
- Business for each player in the value chain



# Why Broadband?

Breaks the Bandwidth Bottleneck!



# What are the implications?

Wide adoption of Open systems and standards - IP, MPEG2, DVB etc.

Raft of new and compelling applications will emerge, including multimedia content and interactivity

Market Shakeout

# Implications

**New knowledge required to tackle market transformations**

**Lower barriers to entry are bringing in new players**

**Small, nimble players are starting to attack established markets**

# **Established players have to move!**

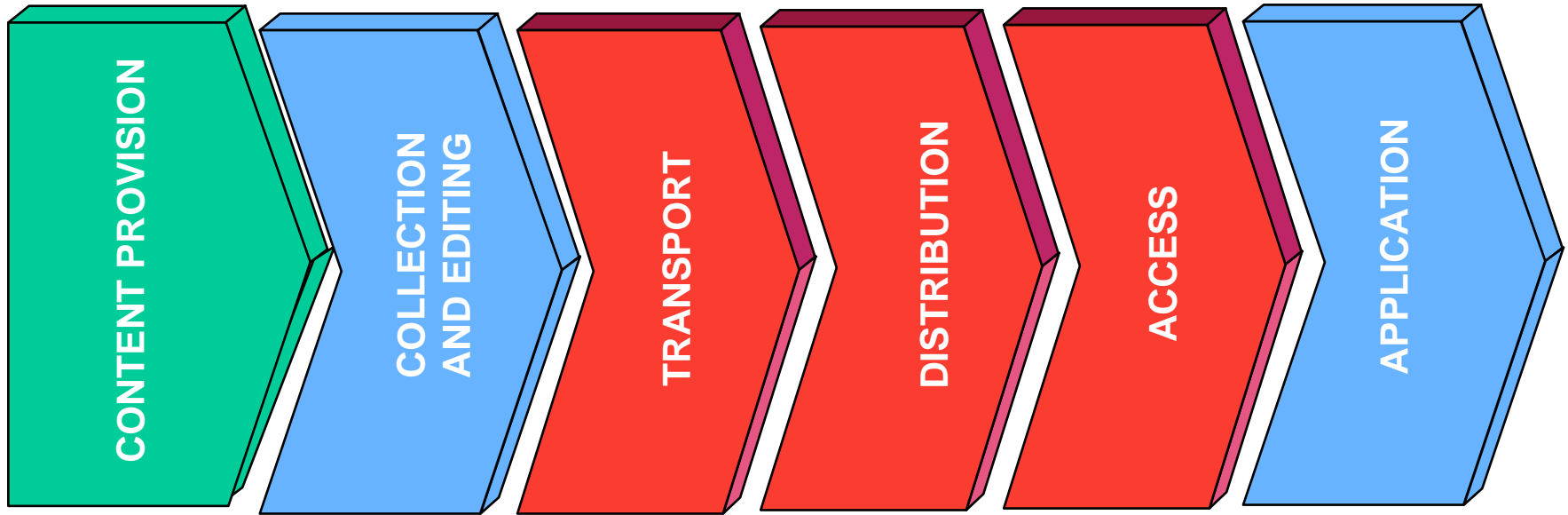
**New players are upsetting the ‘balance of power’**

**Established leaders should leverage their position to claim their stake**

**‘First mover’ advantage is critical!**

- Amazon.com
- CNN

# Broadband Multimedia Value Chain

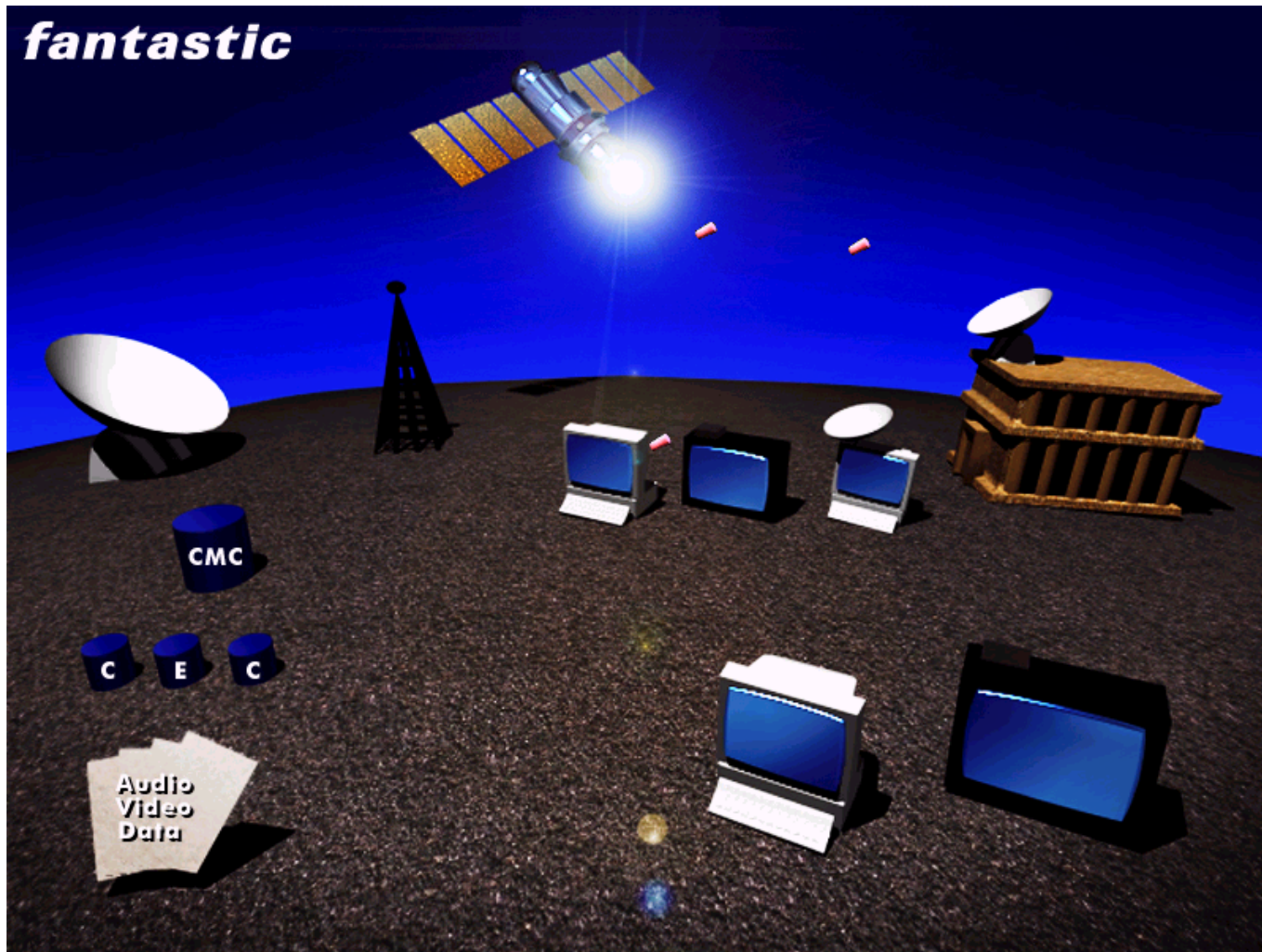


Create and deliver content

Build channels, operation, scheduling, EPG, playout

Bandwidth, sales, support

# Broadband Multimedia



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**Thank you for your attention!**

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