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**Trends and Conditions at**  
**EU-3 G-Market**

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## 3 G History in Europe – very short view back

- Auction in several countries and beauty contests in others to offer the 3 G-licenses was a big mistake, not harmonized by EU-Commission
  - Especially in UK, Germany, Austria and Italy auction caused a time lag for developing 3 G-applications
  - MMO2, T-Mobile, Vodafone and KPN had to add 8 Billion € as debt
  - In addition Spain and France operators – Telefonica and France Telecom failed in entering the German 3 G-market and had to amortize 8 Bio €
  
- The opportunities of network sharing in Europe are different and not optimised
  - In most of EU-countries we will have special number of infrastructures, especially as new local loop to the customer
  
- Operators lost time in developing new applications together with content-partners

## Challenges for the next years

Year	Remarks
1 – 3 / 2003	<ul style="list-style-type: none"><li>• Prepare infrastructure and terminals</li><li>• Guarantee full efficiency and operativeness of technologies and services</li></ul>
4 / 2003	<ul style="list-style-type: none"><li>• Implementation of first services:Text<ul style="list-style-type: none"><li>- Ringing melodies and download of music</li><li>- Games</li><li>- Entertainment infos</li></ul></li></ul>
2004	<ul style="list-style-type: none"><li>▪ Enter new markets !</li><li>• Alliances Telco-operators and Content providers</li><li>• General and official sites</li></ul>

## Lessons to be learnt from Japan

- Description of applications - ringtones, entertainment, adult services – are not enough to create the 3 G - market.
- Until now the EU-operators try to get the central business position at the value chain of 3 G – services.
- Operators must develop a business model together with content providers like Springer, Bertelsmann or news papers: Sharing the revenues on a fair basic, to make the 3 G –market attractive for content providers.
- Is this self-understanding? Not today !
  - Content providers are not prepared to enter 3 G – market.
  - Fear to be regulated
  - No existing fair partnership between content providers and operators

## Lessons to be learnt by European Regulators

- 3 G – operators not only have to penetrate their national market, but the European market with global objectives
- European operators will have different chances to win: Vodafone and T – Mobile with better position as France Telecom or TM Italia.
- For to be successful operators need common and clear regulatory environment.
- EU-Commission has to give up the over regulation of the Telecommunications market
  - Not only the former monopoly of fix market and fix infrastructure
  - In addition new markets like media and broadband markets
- EU-Commission must accept, that with increasing mobile market and with convergence of telco and media we will have one new market. Traditional market model has overcome.