



# A Scenario for 2015

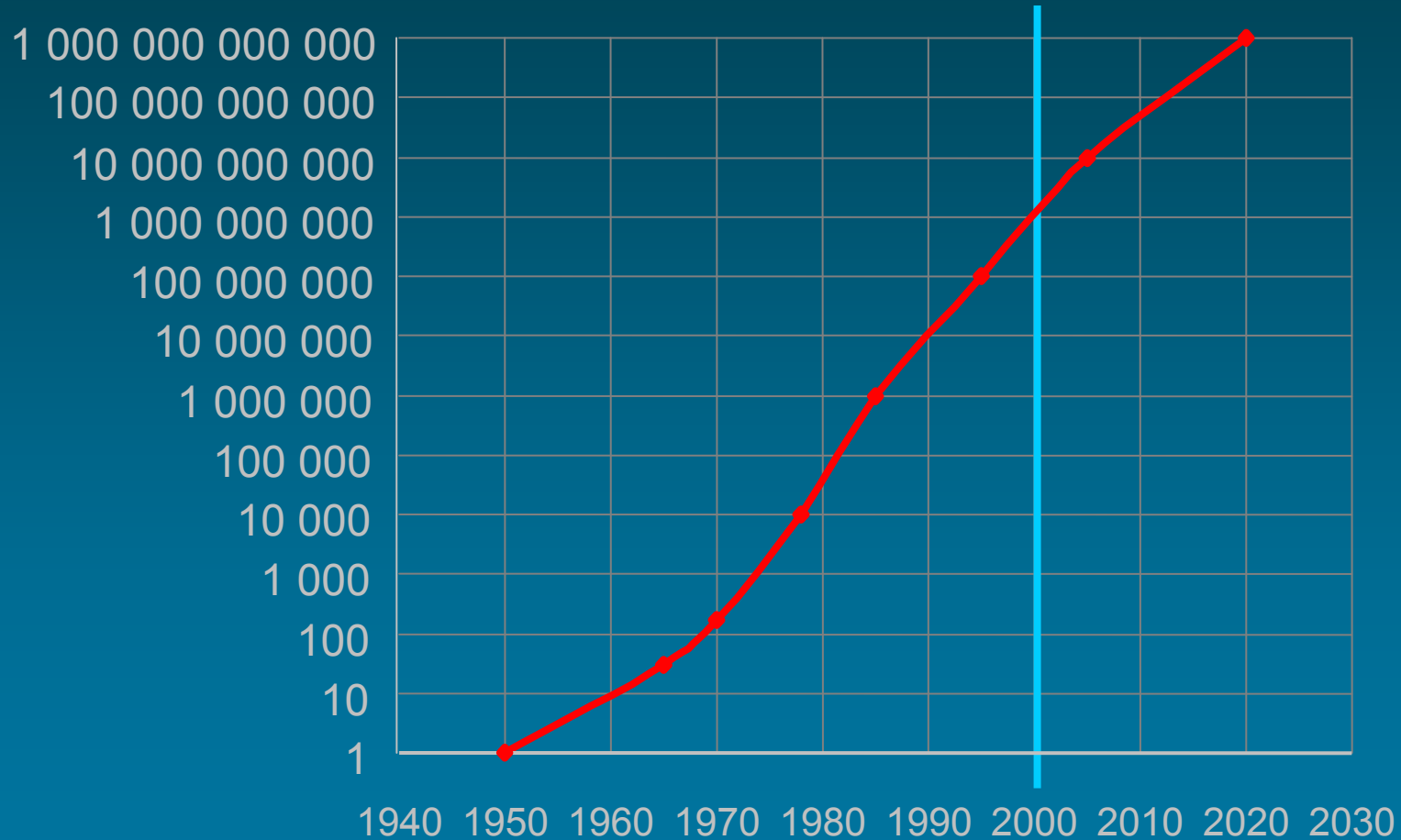
David Cleevely  
26 October 2000

Analysis

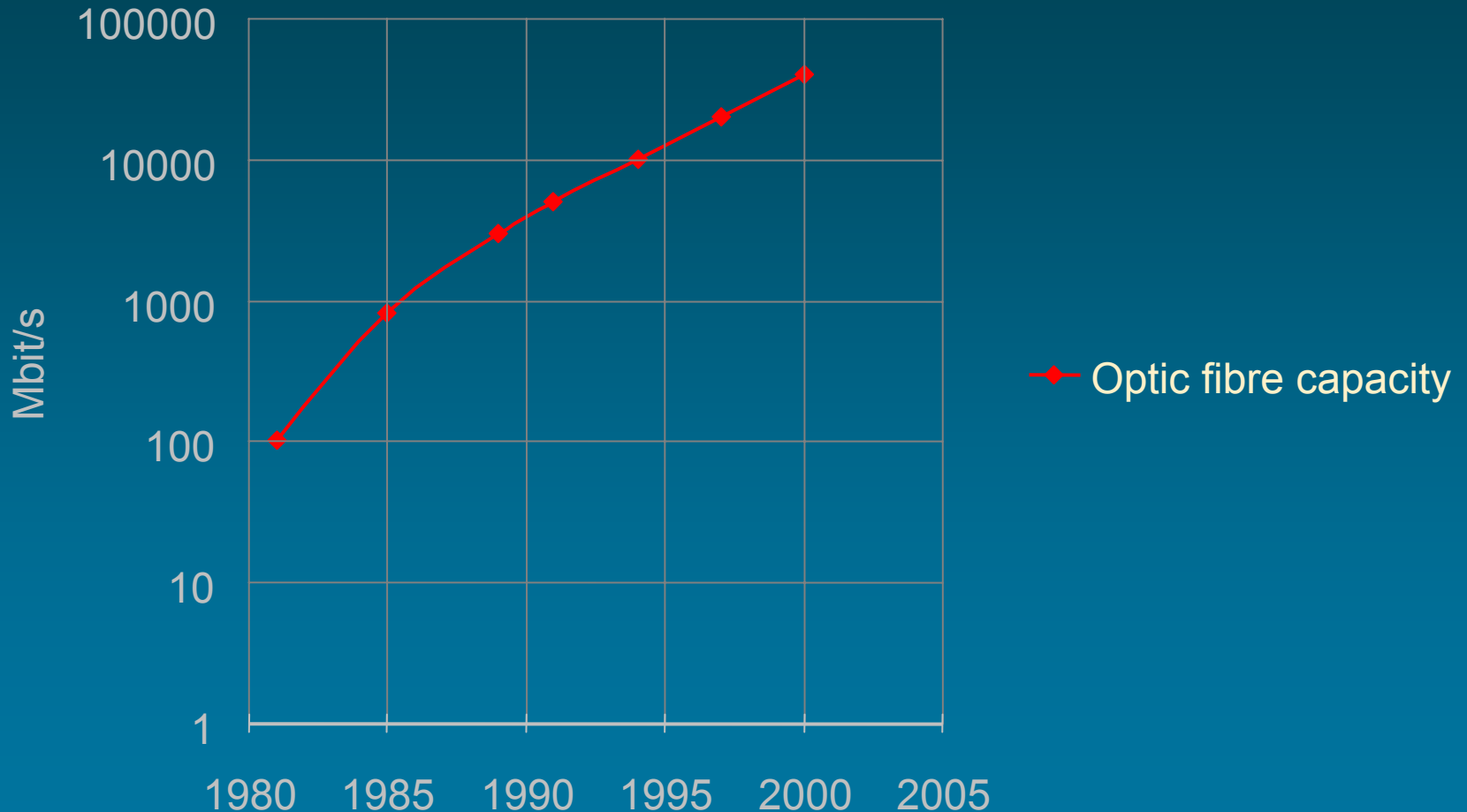
# A Scenario for 2015

- ICT technology
- Comms economics
- Gadgets – why they are important ingredients
- Changes in economic structure, growth rates, globalisation
- Situation in 2015
- Implications for policy

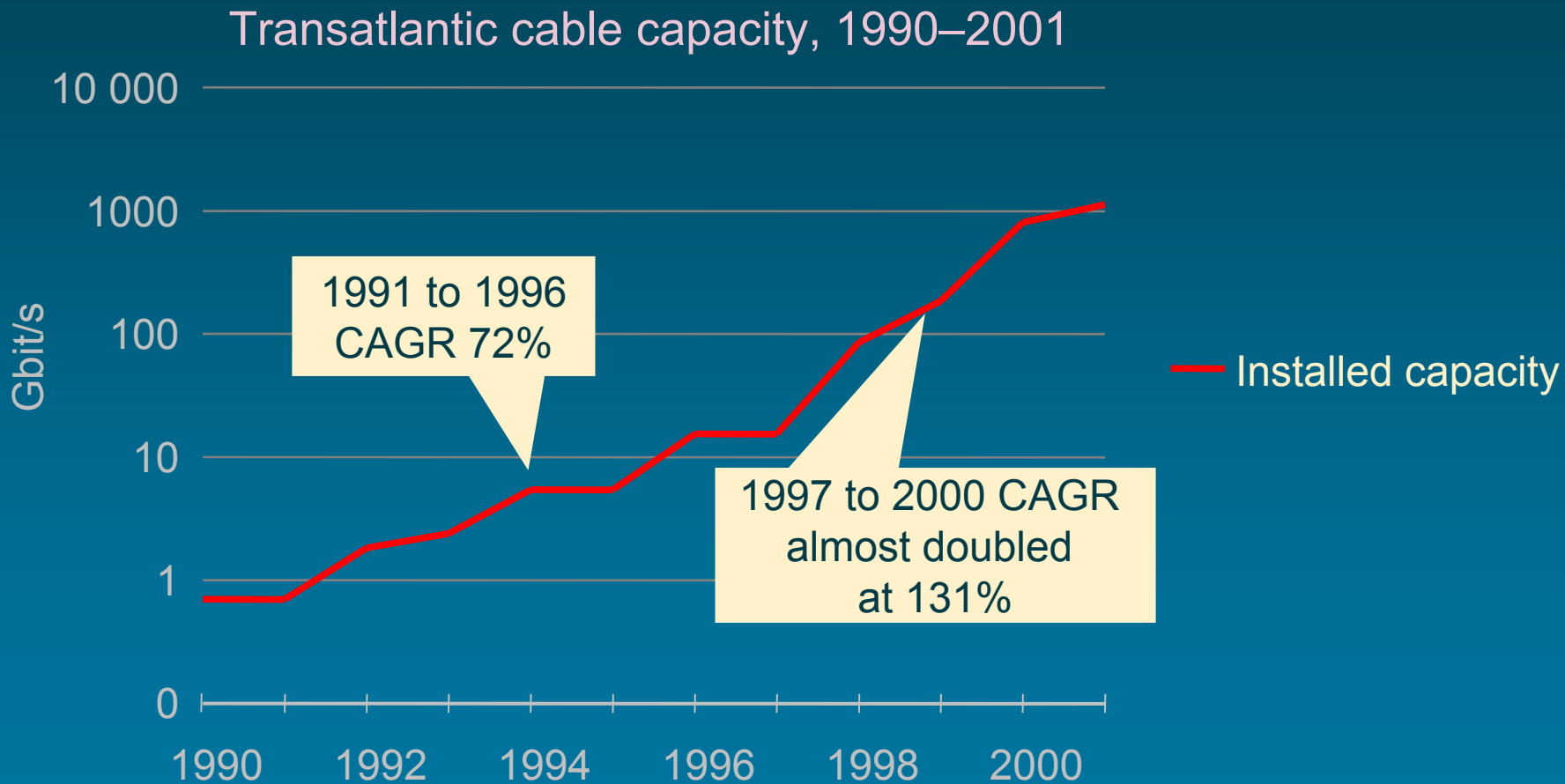
# The cost-performance of electronics doubles every 18 to 24 months (Moore's Law)



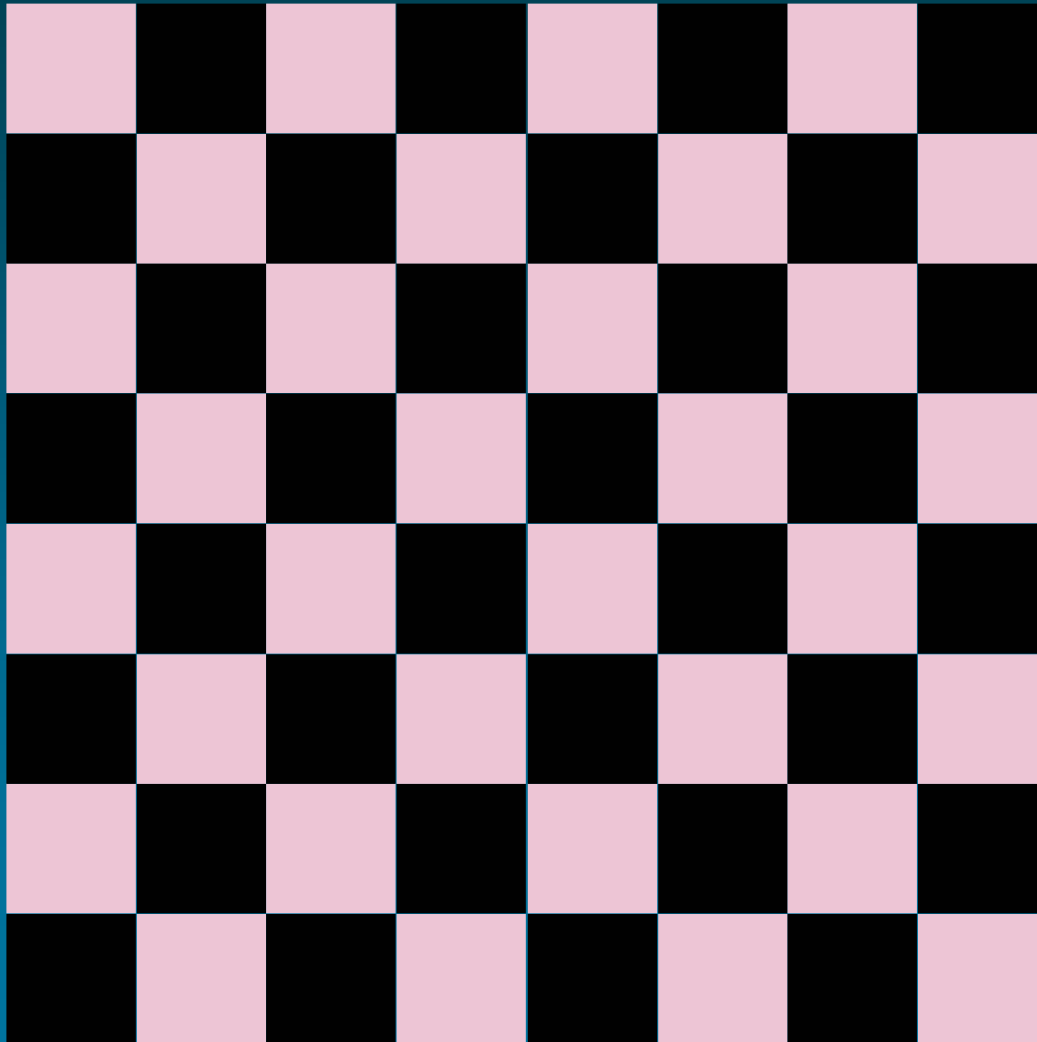
# Opto-electronics are following the same path (Moore's Law operates in telecoms too)



# Undersea cable capacity is growing faster than ever



# The second half of the chessboard

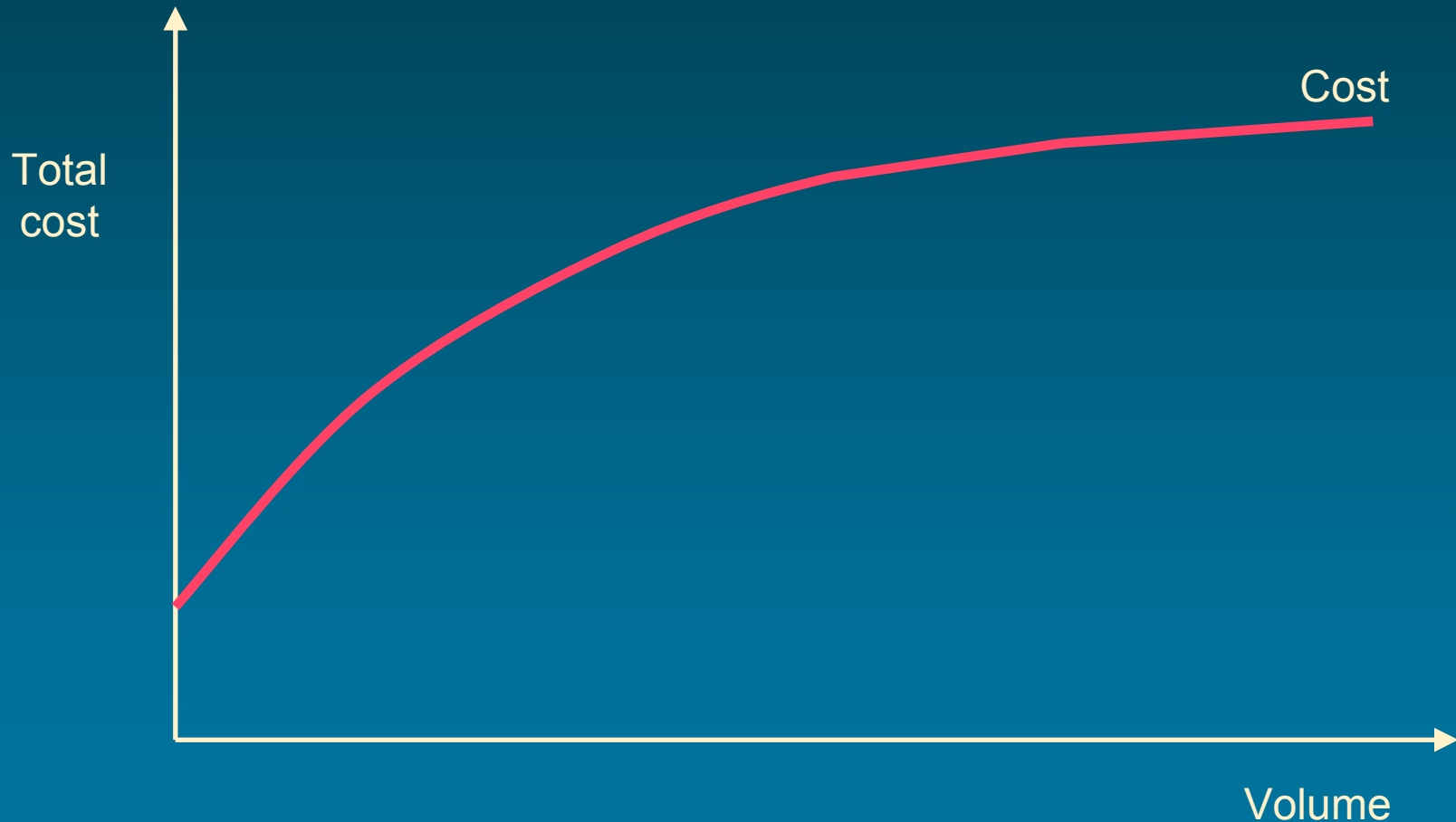


**No one knows what it's going to be like living  
on a planet covered in rice...**



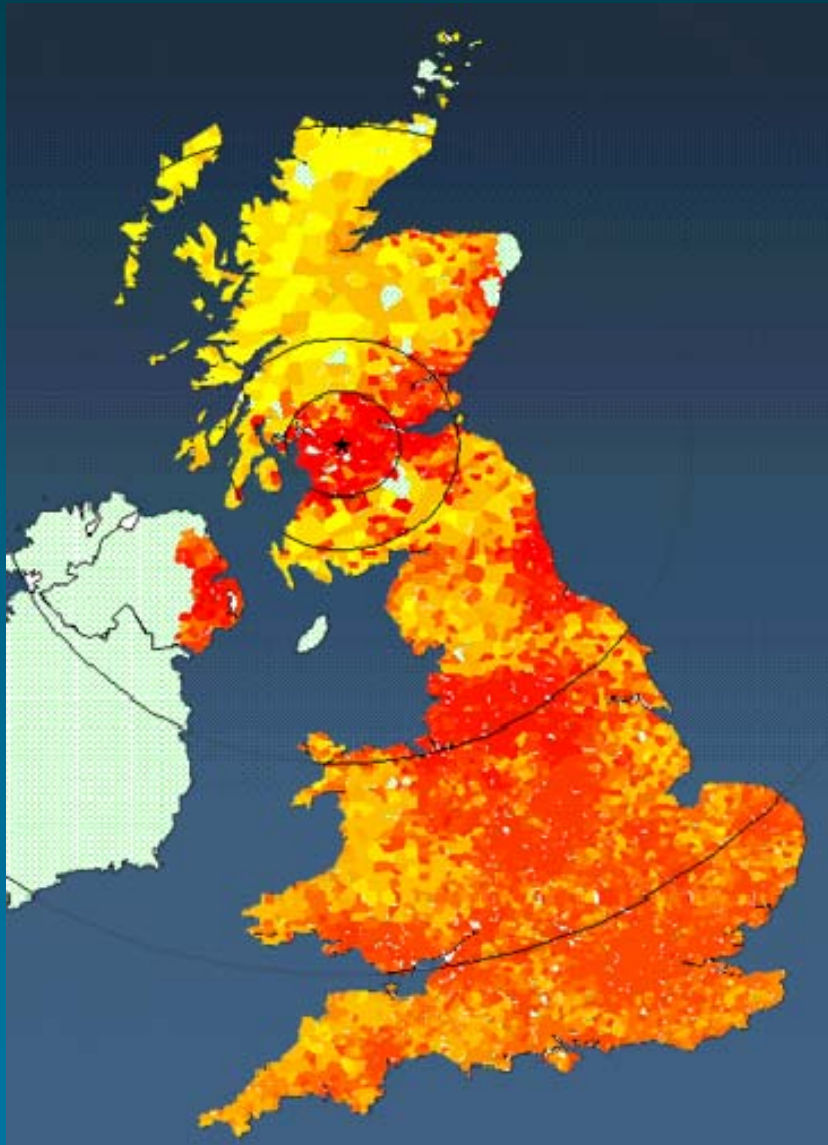
Microsoft Corporation, 1978

# Telecoms networks have significant economies of scale ....



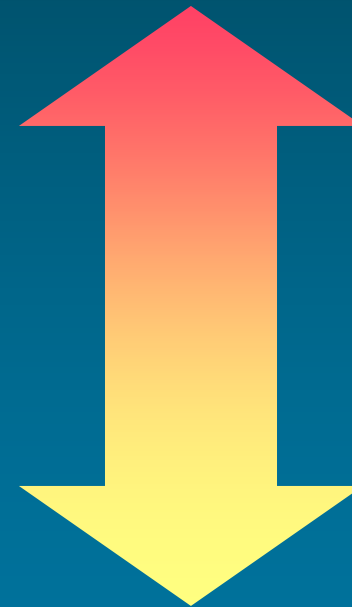


# ... and economies of density ...



Cost of calls from Glasgow

Cheapest

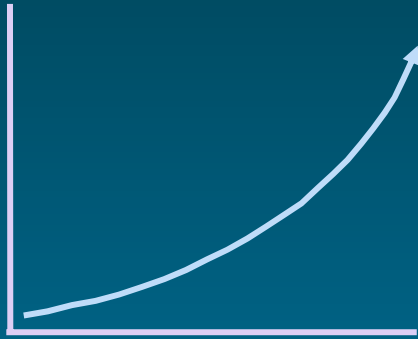


Most expensive

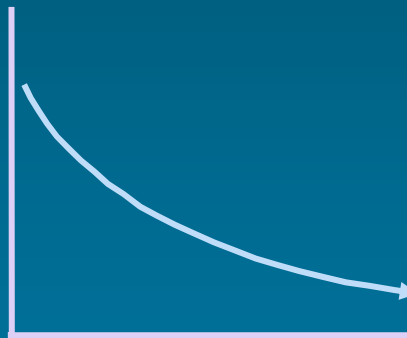
Source: Analysys, 1997

# ... which will have major implications for the economy

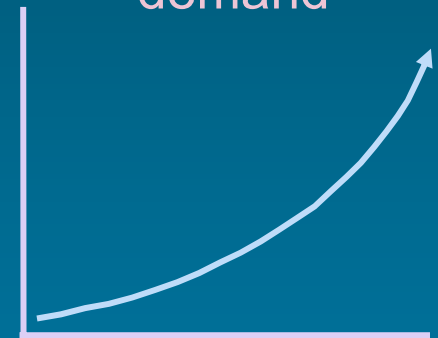
Structural demand for communications and IT



Cost to users



Short term demand



Cost of basic technologies



# Gadgets



TiVo, TV your way.™

# The fridge which talks to the internet is already here



## Electrolux brings you the refrigerator of the future - Screenfridge.

Screenfridge made its premier at the international trade show Domotechnica in Cologne, Germany in February -99. The response was overwhelming. People from all over the world came to see our new prototype. Screenfridge is a combination of refrigerator and computer. Very powerful and useful for home automation. To give you a hint of what the Screenfridge can do, check out our on-line demonstration.



## Guide

- 1 Getting started
- 2 Internal communication
- 3 External communication
- 4 Food management
- 5 News, radio and home security
- 6 Digital cook book
- 7 FAQ

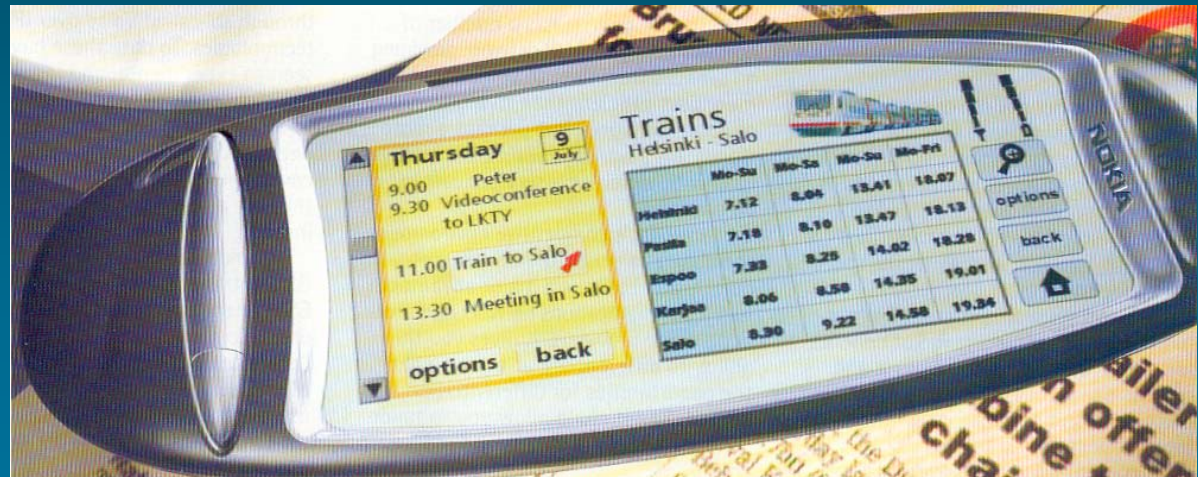


S C R **ee** N F R I D G E

## plugins

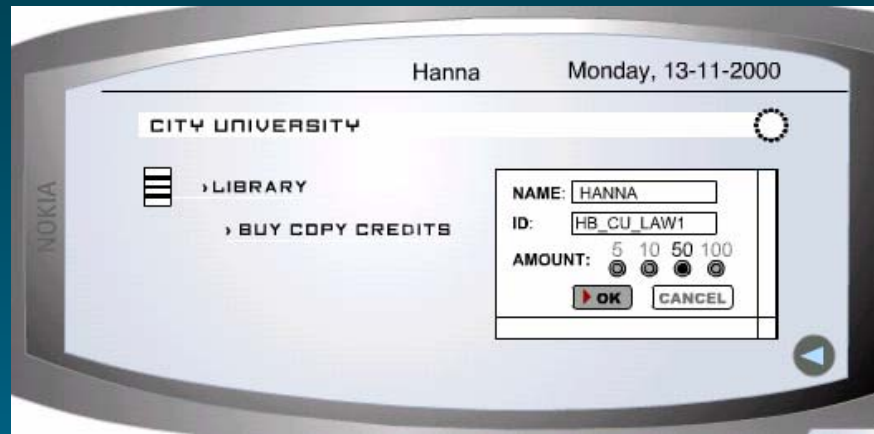


# A vast array of mobile devices are coming soon ...



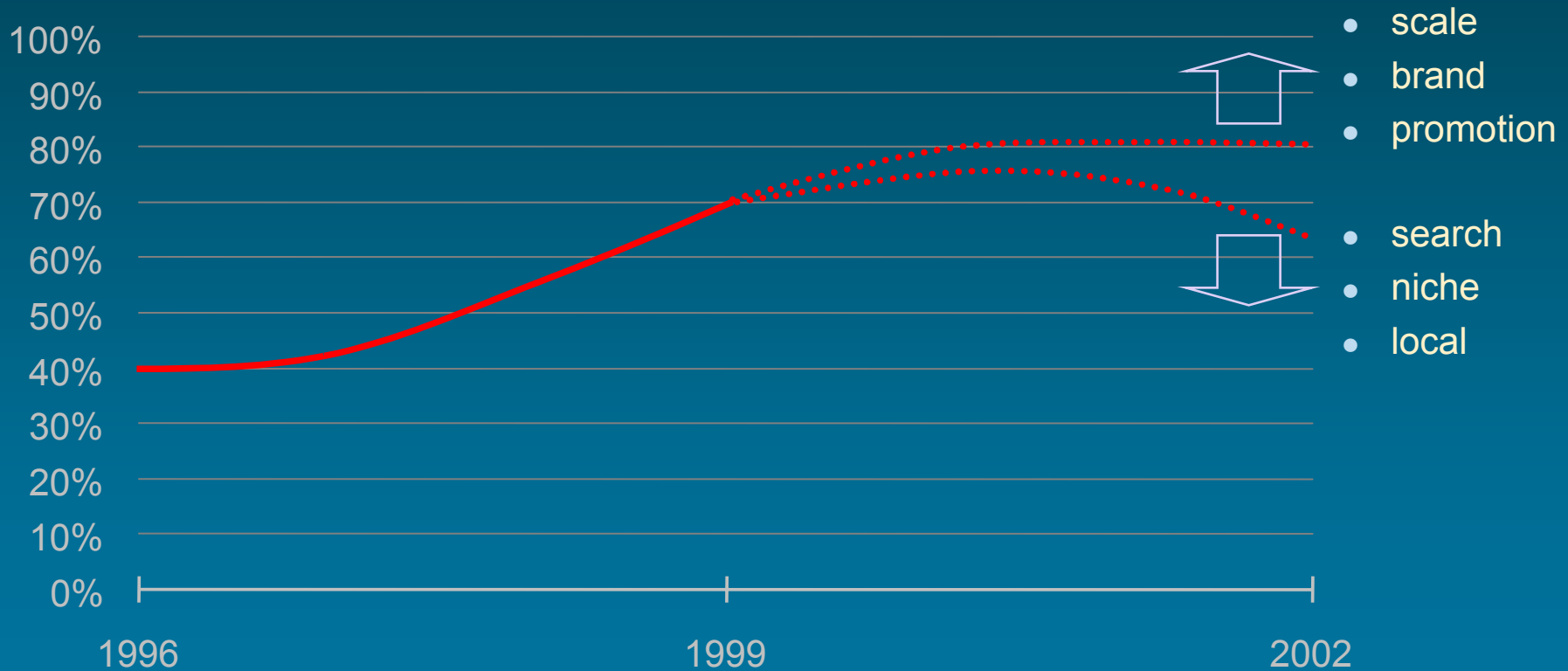
	Mo-Su	Mo-Su	Mo-Su	Mo-Fri
Helsinki	7.12	8.04	13.41	18.07
Pasila	7.18	8.10	13.47	18.13
Espoo	7.33	8.25	14.02	18.28
Karjaa	8.06	8.58	14.35	19.01
Salo	8.30	9.22	14.58	19.34

... including the 'wireless wallet'



# Increasing concentration

% of all hits taken by top 5% of sites

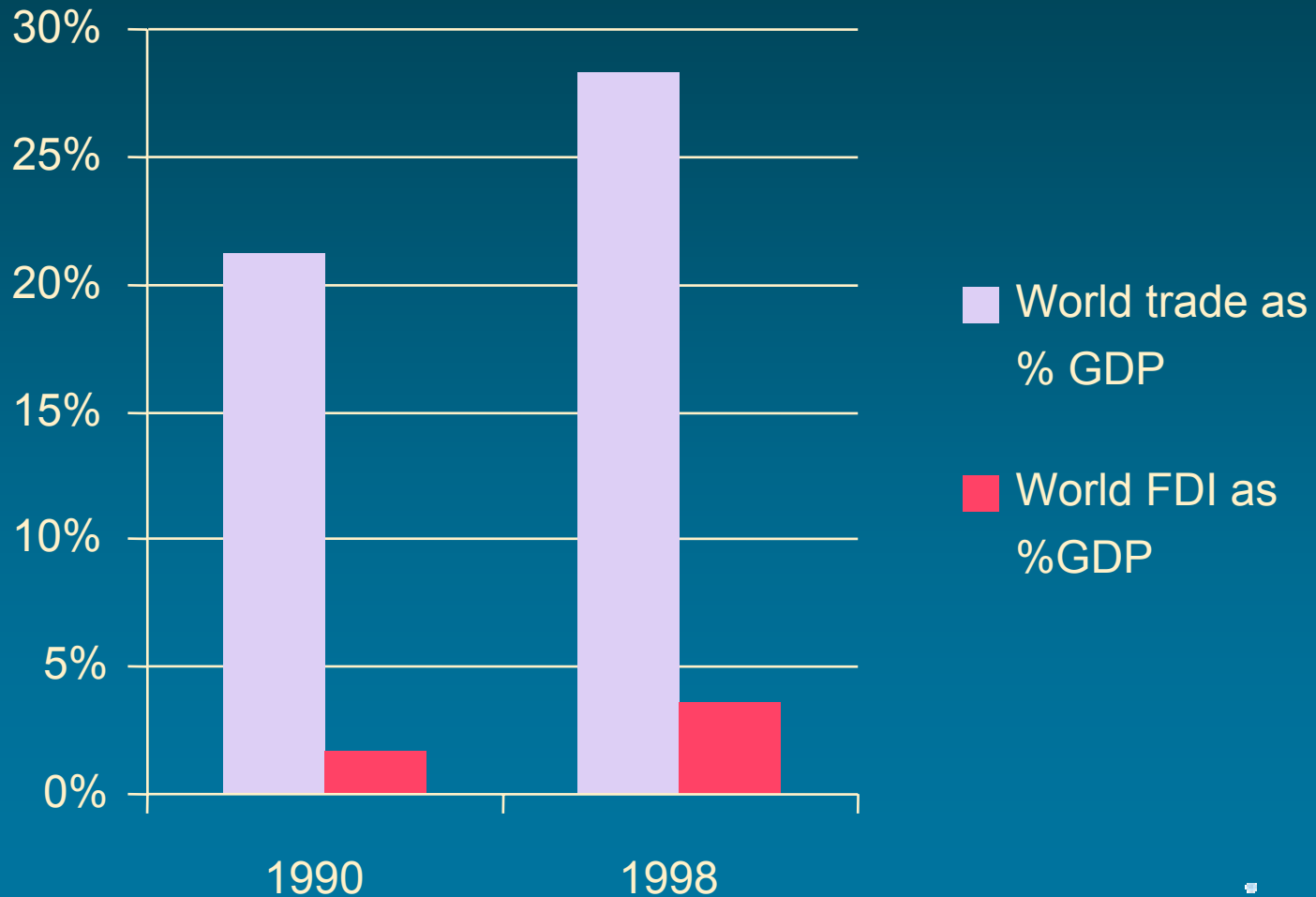


# One day's activity in 1999 was equivalent to ...

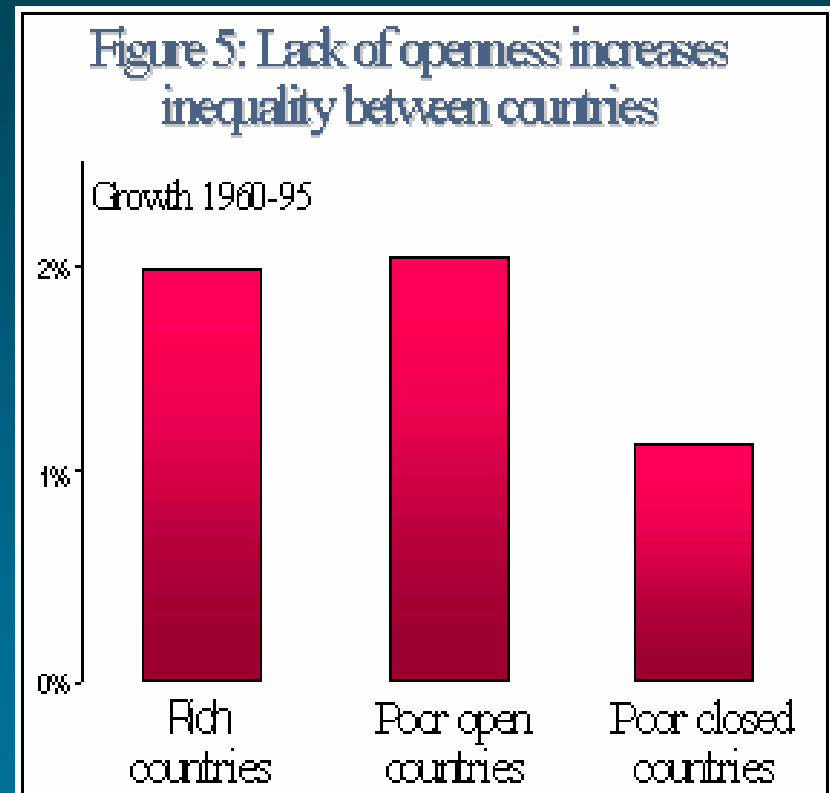
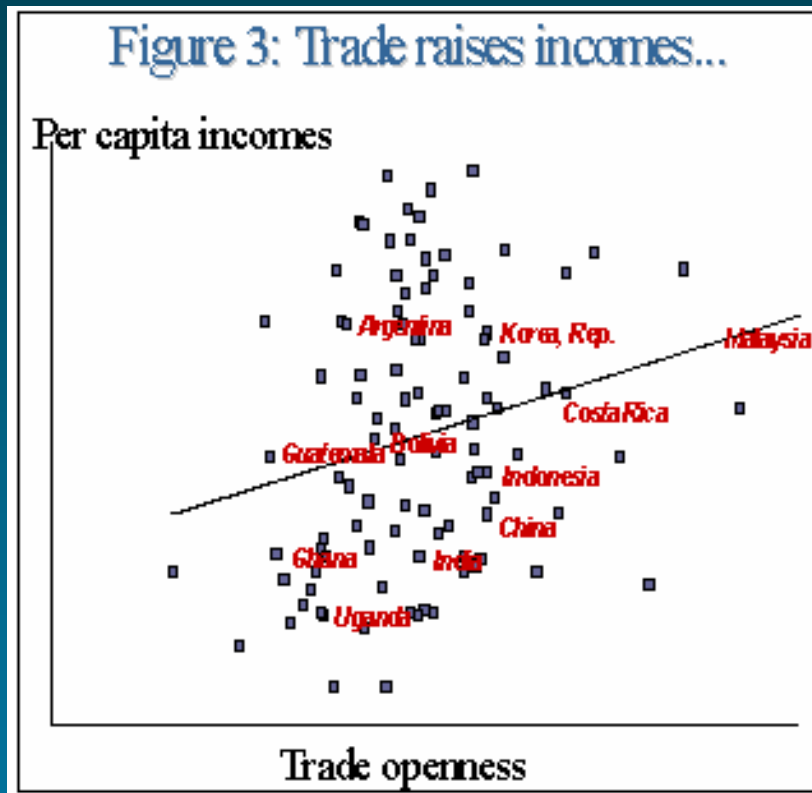




# Rapid growth of globalisation



# Globalisation brings economic growth

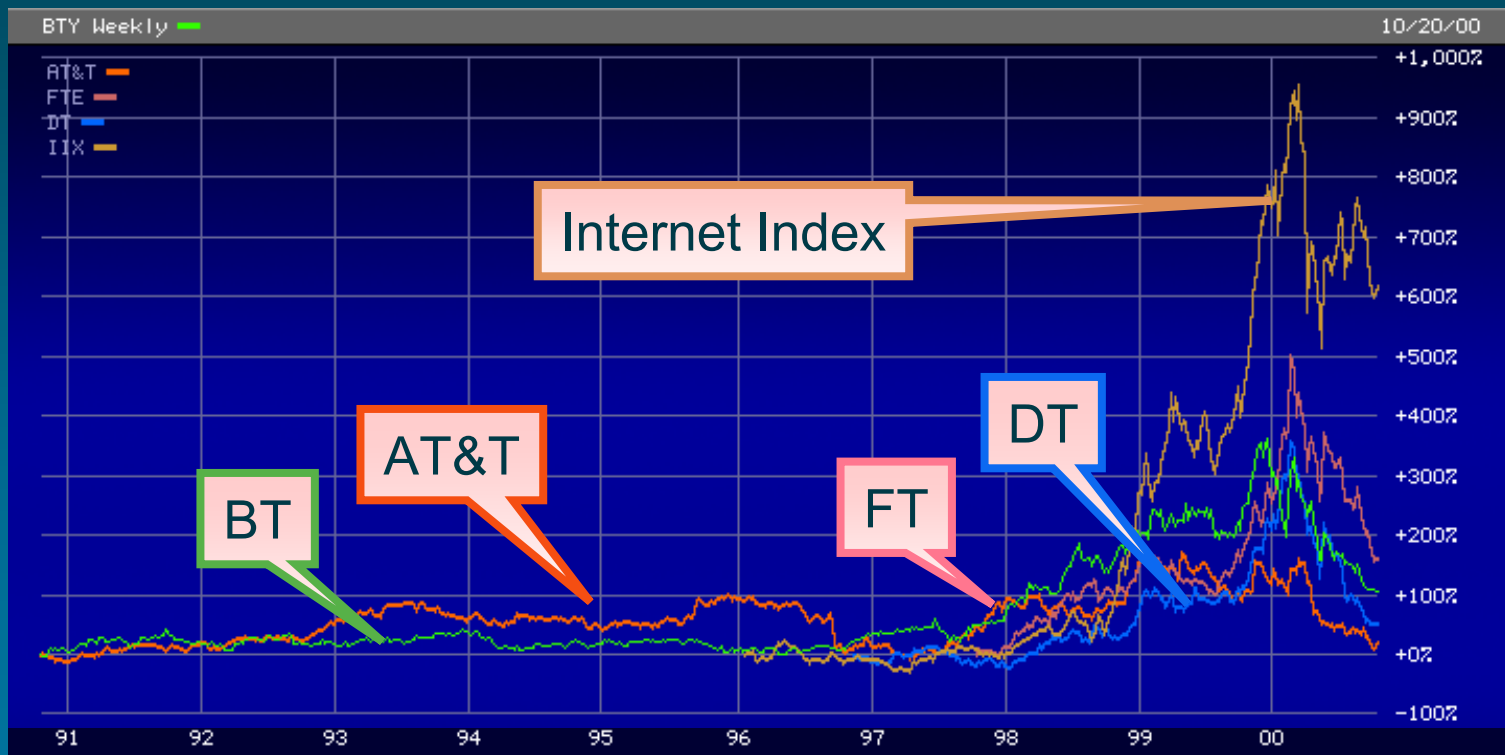


Source World Bank, April 2000, PREM Economic Policy Group and Development Economics Group

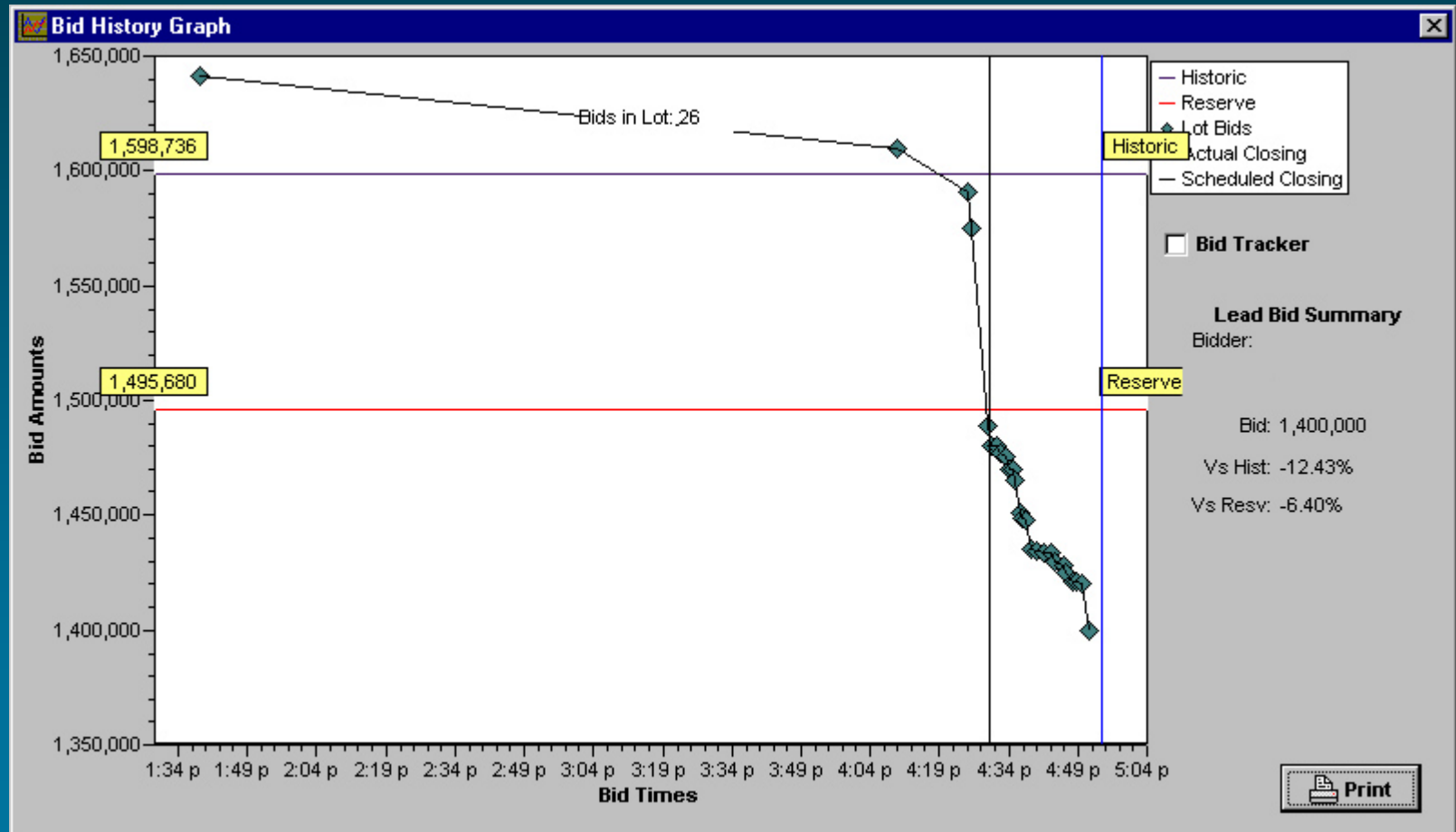
# The USA has been growing faster than any other region since the mid-90s



# The recent surge in telecoms share prices looks like it's over



# E-bidding – real example of event for personal care chemical

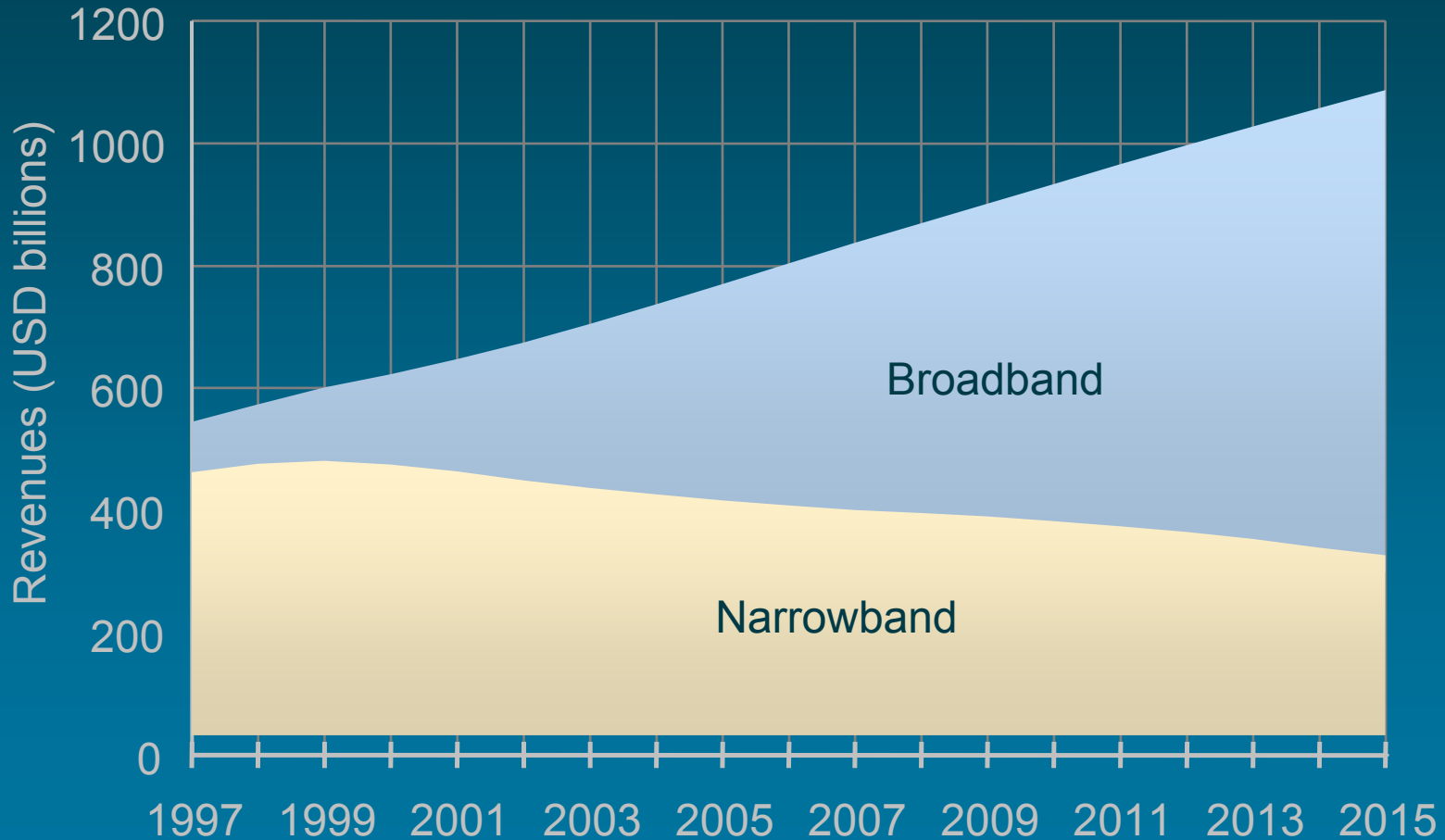


# The shape of 2015

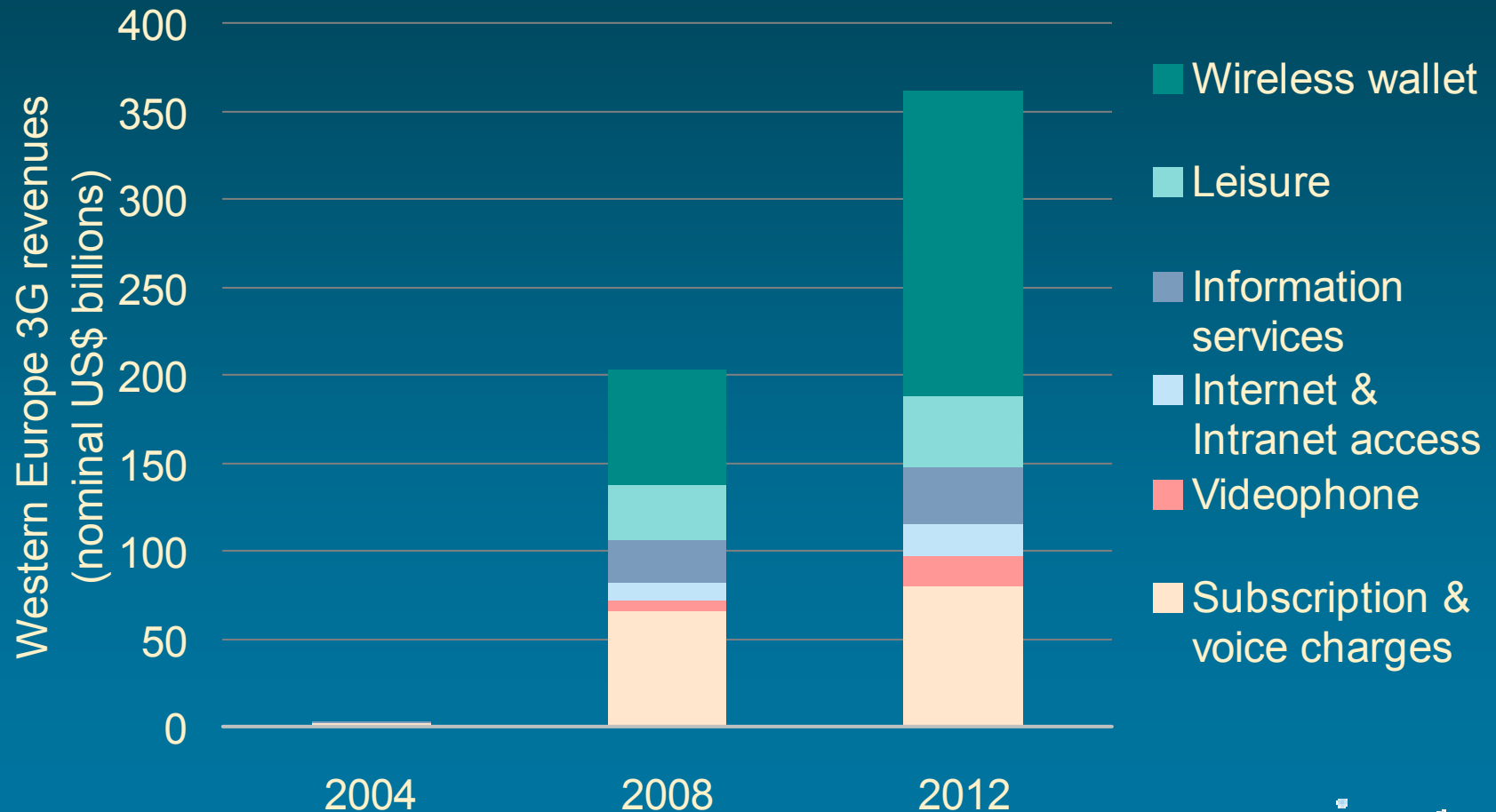
- GDP 60% bigger
- Three times more being spent on telecoms
- Communications traffic 2000-3000 times current levels
- Unit costs about one thousandth of their levels in 2000
- Telecoms doubles as a proportion of GDP

# Broadband telecoms will dominate the market

Worldwide telecoms services revenues



# By 2012, we expect 3G revenues to be significant





# Does this make sense?

- In 1985 the US Internet backbone was just being upgraded to 56kbit/s (it is currently 300 000 times that capacity)
- In 1987 the maximum market for mobile phones in the UK was forecast at 750 000 (there are now more than 35 million)
- Most communications costs are less than 30% of what they were in 1985

# Policy needs to reflect ...

Content

From few providers to many

Platform

From limited platforms to open

Access

From restricted access to multiple

# HG Wells' prophetic vision of the future, *The Shape of Things to Come*, 1933

“It is remarkable to note how long mankind was able to carry on without any knowledge organisation whatever. ... Nor was there any conception of the need of a permanent system of ordered knowledge, continually revised, until the 20th century was nearing its end. ... [To those of an earlier age] our Fundamental Knowledge System ... with its special stations everywhere ... would have seemed incredibly vast.”

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