

Mobile Telecommunications Begin to Buzz

By Ekusa Ato

The Japanese market for car and portable phones has begun to hum. Car phones have been used in Japan since as early as 1979, even before the United States, but their use had been restricted by the Ministry of Posts and Telecommunications (MPT). For example, it was illegal to use a car phone on board a yacht. The technology was there, but red tape prevented portable phones from ringing until then. The wider use of portable phones was not approved until 1985, when Japan's telecommunications business was liberalized.

Today there are eight companies in Japan offering services in the mobile telecommunications field—which includes car and portable phones—Nippon Idou Tsushin Corp. (IDO), an offshoot of the giant Nippon Telegraph and Telephone Corp. (NTT); the newly formed Daini-Denden Inc.; Teleyway Japan Corp.; and others. At the end of fiscal 1992, contracts covered a total of 1,554,000 phones, a 42.5% rise over the previous fiscal year. The increase rate has slowed, feeling the impact of the recent economic recession, but nevertheless remains sizable. IDO accounts for approximately 945,000 of the contracted phones, up 41.6%, but newcomers are hard on its heels with about 609,000 contracts, up 43.9%.

This spread of mobile telecommunications can be seen as a barometer of the advance of the information-oriented society as a whole which expresses the profitability of enterprises in terms of their share prices and the economic strength of countries in terms of the value of their currencies against the U.S. dollar. Moreover, economic management begins with the settlement of accounts, the root of all economic activity, and this is based on credit, another form of information. Such information can be transmitted along telecommunication lines, and now it is possible to purchase and sell shares and bonds even when you are on the move. As long as you have a

portable phone on hand, you can engage in the information business even while walking or riding in a car.

This phenomenon is especially noticeable in Hong Kong where you often see young company employees together in tea shops in large hotels with a portable phone placed on the table between them.

In terms of the ratio of portable phones to population, Hong Kong exceeds Japan hands down. In addition, Hong Kong seems to have a much larger share of individual stock investors. With a portable phone at their fingertips these individual investors can buy or sell shares whenever they want.

It looks like the more a society and its economy become information-oriented, the more widespread will portable phones become. The Radio Technology Council of MPT has estimated that by around the year 2000 the number of car phones in Japan will reach 4.5 million, or 10% of all vehicles, and the number of portable phones will be 12 million, or 10% of the total population.

Until recently portable phones had been used more by gangsters than businessmen, irritating other passengers by talking loudly into their receivers on trains. Recently train announcements have requested passengers to use portable phones only in the vestibules between carriages.

Young people have come to see car and portable phones as a kind of status symbol. One auto parts manufacturer in Nagoya even sells imitation antennas for car phones. Young people buy these 50-centimeter antennas, attach them to the rear of their cars, and show them off as they zoom about, even though they don't have a car phone.



Portable phones have now become an indispensable fixture for most businessmen.

The spread of car phones has highlighted one difficult problem. Drivers can call the police or fire services immediately if they come across a traffic accident, which is an enormous help. But because Japan has no clear system of giving addresses, officers sometimes have a very difficult time finding their way to the scene.

NTT has drawn a very rosy picture of the future of telecommunications in Japan, forecasting that phones will become more and more individual and that everyone will be carrying their own portable unit by 2015. Such a development, however, will create a shortage of radio waves. Since mobile telecommunications utilize the VHF and UHF frequencies that are currently used by television stations, some people within the Posts and Telecommunications Ministry have begun to suggest that in the future the radio waves used by television should be freed for mobile telecommunications. TV stations could transmit their images via optical cable instead. They believe there is no need for motionless televisions to monopolize the highly mobile radio waves. So it looks as though the growth of mobile telecommunications is going to bring about some important social changes.

Ekusa Ato is a free-lance reporter based in Tokyo.