

TELECOM: HIGHWAY TO THE FUTURE

Since the days of Alexander Graham Bell, Canada has excelled in telecommunications. Now, in the race to build an "information highway," Canada is again in the fast lane, with plenty to offer other countries that are expanding in the telecom arena.

France

The trend in France is towards deregulation and greater competition. It seems likely that France Télécom will continue to operate as a state-owned enterprise and will retain the exclusive right to supply public telephone services; however, value-added services (particularly electronic mail, access to data banks, and the resale of data communications services) and mobile communications are subject to heightening competition.

Given that the current systems are overloaded, mobile communications should see explosive growth over the next few years. France Télécom appears to be the most enthusiastic developer in Europe for digital cellular group special mobile systems and the telepoint wireless service. Radiopaging is another important area of development.

Cable TV is gaining popularity in France: it is estimated that by 1995, 2.7 million subscribers and 8 million households will have access to cable. Towards this goal, cable distributors will need equipment, software and increased programming to attract new customers.

Other important segments of the French IT market include network management systems for France Télécom, satellite TV.

Spain

A recent study was initiated by the Spanish government for the

liberalization of Spain's IT sector, including telecommunications products and services. Accordingly, there will be increased activity in the areas of mobile telephones, satellite communications, broadcasting products, international telephone network products and services, and cable TV products and services.

Despite the current economic recession, the cellular telephone market in Spain is booming, with the number of users doubling each year. Until now, the Spanish PTT (Telefónica) has offered this service on a monopoly basis, but this will likely change soon: a tender will be called to award a license for a second cellular telephone company to operate in competition with Telefónica.

Canadian technological expertise is leading the world in telecommunications innovation. Let's make sure the world knows about it.

With the launching of Spain's second communications satellite, there is an incipient boom in this sector also. The two satellites will provide more TV channels and more capacity for telephone communications, including data transmission. Several Canadian manufacturers are already selling TV studio equipment through selected and specialized representatives.

Spain's cable TV market is esti-

mated at about C\$762 million, including engineering, project development and installation. This service could reach up to 1.3 million subscribers. Legislation regulating cable TV is expected to be approved by April 1994.

Spain's telecommunications products sector does not include many local manufacturers - about 40 supply two-thirds of the domestic demand. With Telefónica's ambitious modernization plans and a new trend towards liberalization, there could be good opportunities for Canada in this sector.

Korea

The 1992 domestic Korean market for telecommunications was estimated at US\$2.3 billion, representing a growth of 15% over 1991. It is projected to reach US\$4.5 billion by 1996 and US\$12.5 by 2001. Satellite communications, mobile communications, and network management show particular promise for Canadian firms.

The value of Korea's service market is more than three times that of its equipment market. Basic voice services have been provided mainly by state-owned Korea Telecom (KT); legislation has been passed to

pave the way for KT's privatization.

Deregulation of Korea's service market is making some headway, although the U.S. and the EU, among others, are pressing for earlier access. Korea has agreed to open the VAN service market to foreign firms for full participation from 1994 on.

Korea's Ministry of Communications and five existing basic telecommunications service providers are planning several new