

FORTUNE FAVOURS THE BRAVE IN CONVERGENT COMMUNICATIONS

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CAMBRIDGE, UK, July 19, 2000 - It requires a degree of courage and belief for a government to embark on a programme of investments whose results will only be seen in the medium-to long-term future. But this is precisely what is required if the UK is to take advantage of the opportunities of the networked economy, according to Dr David Cleevely, expert adviser to the UK government on Convergence and the Internet.

In his submission in preparation for the forthcoming White Paper on communications, broadcasting and the media (submission available in pdf format at <http://www.analysys.com>), Dr Cleevely, who is managing director of Analysys Group, the Cambridge-based communications consultancy, research and investment house, declares that policy should focus on three areas: intensifying competition, investing in research and standards, and funding education.

"The revolution that is taking place in the communications and media sectors will drive substantial economic growth over the next 15 years," says Cleevely. "Many of those drivers are outside the influence of government policy, but there are things which it must do now to ensure that the country reaps the long-term benefits. And because communications and broadcasting networks are converging, all measures should be applied to both."

He sees competition as the foundation for a dynamic market in communications services and recommends that the Competition Act is used to its fullest extent to facilitate and encourage innovative and entrepreneurial ventures. The explosion in the volume of communications services will be fuelled by the growth in demand and economies of scale made possible through convergence. However, this does not mean that vertical integration of network service and content is either inevitable or desirable.

Cleevely also recommends a programme of research based on the provision of advanced communications infrastructure and devices, so that some of the

implications of different approaches could be quickly tested and evaluated. A second programme would encourage 'pre-standards' research projects between universities and industry. He argues that if UK industry and academia are involved at an early stage, the UK will get early sight of new developments which, in turn, will spur innovation.

Education should be the third pillar of policy. Cleevely identifies a growing and potentially damaging gap between the needs of industry and the supply of skilled students and ideas from colleges and universities. He suggests that two new ten-year funds are made available: the first to develop higher education courses, which would attract further funding if sponsored by industry; and a second for secondary and vocational full- and part-time education and training, where a tripling of current funding for courses is recommended.

"It's extremely hazardous to forecast the future but we can identify trends," concludes Cleevely. "Success is usually an extraordinary mixture of judgement and luck. New legislation clearly has a part to play and I believe the research, standards and education programmes are central to building critical mass in this area."

Scenarios for 2015: Convergence and the Internet, as David Cleevely's submission is entitled, looks back from the year 2015 at the likely impact on the UK economy of a Communications Bill passed in 2002. Using an imaginative sequence of future events, Cleevely traces the likely industry, economic and social developments. His scenario highlights key milestones - the impact of technologies such as Bluetooth and TiVos, the eventual demise of Verticals, restructuring of the industry, and the impact of standards, research and education.

Dr David Cleevely (photography prints/jpg files - available on request)

Dr David Cleevely is the founder of Analysys and managing director of the Analysys Group. Since the company's formation in 1985, he has overseen its growth into Europe's largest independent company delivering support and insight to the communications and media industry. Analysys has over 170 staff, with offices in Cambridge, London, Glasgow, Paris, Madrid, Munich, Kuala Lumpur and San Francisco.

Dr Cleevely has directed numerous projects at the most senior level for

operators, regulators, manufacturers and investors worldwide. He played a significant part in the preparation of the UK Government's report ecommerce@itsbest.uk, which has laid the foundations for the country's ecommerce strategy.

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