

Broadband booms in Asia but regulations hinder growth

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An Internet surfer uses his mobile phone at a shopping mall in Colombo. Asia is the largest user of broadband technology in the world and there is still plenty of room for growth but regulatory obstacles must be eased, industry leaders said Wednesday.

Asia is the largest user of broadband technology in the world and there is still plenty of room for growth but regulatory obstacles must be eased, industry leaders said Wednesday.

The region has been the biggest [wireless broadband](#) market since 2007 and also boasted the most fixed-location broadband users last year, a telecoms conference and trade exhibition in Singapore heard.

"This is probably one of the great opportunities worldwide, and probably the only opportunity right now for enormous growth," said Bill Barney, chief executive officer of service provider Pacnet.

"We're sitting on billions of users out here in a rapidly growing environment which is... very, very extraordinary," he said in a forum at the CommunicAsia 2010 industry fair.

The increasing number of Asian broadband users is also fuelling greater bandwidth usage.

"If you look at the number of megabits per user, the other thing that is interesting in this region is (you're) not necessarily just getting broadband penetration, but you're also getting a multiplication effect on each user," Barney said.

South Koreans, who used one megabit of bandwidth less than five years ago, are using 11 megabits now, he said.

Asians, particularly Chinese, are also leading the rest of the world in broadband subscription numbers, said Robin Merish, chief operating officer of Broadband Forum, a global consortium promoting [high-speed Internet access](#).

With 113 million broadband subscribers as of the first quarter of 2010, the China was way ahead of second-placed United States, which had 87 million, he said.

"I cant imagine really we're going to see China being knocked off this position at this point," said Merish.

"Asia as a region is responsible for more than 53 percent of new broadband lines being added, and mainland China was 90 percent of that

number."

Speaking to AFP on the sidelines of the conference, Merish said even though the growth rates are already high in Asia and penetration is deep in some markets, there was still room for growth.

"There's plenty of undeveloped parts of the region and some countries that are growing very very fast," he said.

Vietnam, the Philippines, India and China are among the countries where there is great potential but geographic and political obstacles remain, Merish said.

Pacnet's Barney said "Asia is a series of islands. The only way you can connect to each other is via cables or satellites."

"It's much harder to actually build cables, it's harder to build data centres, it's harder to get licenses. The regulatory environment really has not moved significantly since 2000."

He said the regulatory environment was "actually very similar, if not more rigid, than it was 10 years ago," dampening foreign investor interest, but demand will remain robust.

"New applications such as video, social networking, many of these things that are coming onscreen, the critical driver that will allow this to happen will be [broadband](#)," he said.

However, increasing demand for bandwidth among users of Internet-enabled devices was creating problems for network providers.

"Smartphones", Internet-enabled television and gaming platforms which can go online like the Xbox 360, are putting pressure on networks, said

Larry Socher, global head of network practice at management consultancy Accenture.

"All of these new applications (in the mobile devices) are huge bandwidth hogs... We're having a tough time keeping pace with all these new applications," Socher said.

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