

**The Future Digital Economy  
Digital Content – Creation, Distribution and Access**

**Organised jointly by the Italian Minister for Innovation and Technologies and the  
Organisation for Economic Co-operation and Development**

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**Presentation by Bruno Lamborghini, Vice-Chair, OECD Business and Industry Advisory  
Committee to the OECD (BIAC)**

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**Session 2: Broadband and digital content: Creativity, growth and employment**

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Session 2: Broadband and digital content: Creativity, growth and employment**

We are now opening the session on Broadband and digital content : creativity, growth and employment.

Let me say few words before introducing the panelists.

During the past few years the OECD in close cooperation with BIAC has paid increasing attention to new business development and job creation opened by the rapid uptake of broadband high speed communications networks together with the acceleration of the digital convergence of different platforms, products, services and organisations in the so called TMT area, an acronym which includes technology, media and telecommunications players.

Following the 2004 OECD Recommendations of the Council on Broadband Developments, the OECD work has been focused on digital content and digital delivery of content, driven by increasing broadband platform capabilities, network protocols convergence around the Internet protocol, new wireless technologies and hardware and software development.

Digital content, on line content is becoming the real center of the new scenario and the main term of reference.

The OECD analysis is focusing on specific content areas like music, games, scientific publishing and mobile services, including digital video content presently in the OECD pipeline. All new digital content and service areas, which are producing radical transformation in value chains, business models and distribution channels.

I would consider also the impact of the strong diffusion of peer to peer file exchanges on the net which represent 60% of all IP traffic.

Peer2peer applications, overcoming critical problems related to IPR protection, can open new exciting opportunities of content production and delivery and contribute creating new business models by the various industry players.

In order to contribute to understand the specific subject of peer to peer, as European Information Technology Observatory we will present to the EU Commission next February in Brussels a special study on Peers to peers networks and markets in Europe as a major part of the 2006 EITO Report, with the objective of identifying new business models and opportunities based on the peer2peer development.

In front of us the perspective of the Digital Economy scenario is opening a new phase of change, which means new opportunities for creativity and growth.

In a way, 2004 has been the year one of the broadband networks, while 2005 is the year one of the digital convergence scenario, the year in which the digital convergence process has moved from hype to business reality.

We see every day more a growing number of M&A and IPOs, the development of new VoiP and IPTV services, advances in wireless connectivity, new access devices, content digitisation on a global scale.

The digital economy is a global challenge, but we are still lacking a real and effective level playing field.

Obsolete regulations, locally based regulations, an uncertain environment and purely defensive legal actions for protecting very specific interests can create obstacles in participating and gaining from the new opportunities.

The scope of this introductory session which has a relevant role in setting the scene of the following conference discussion is to put on the table and identify main issues both from government and business side, helping to prepare the ground for further OECD work on challenges and opportunities of innovation, growth and employment in the new scenario of broadband content development and new service applications.

The OECD as a unique international organisation has a major role to play in defining proposals and recommendations on a global scale.

There are many questions on the table,

The first question regards the role of the main business players, from networks providers, telecommunications, cable, broadcasting, to the software industry, to the Internet companies and media and content providers.

Then, how industry transformation, new business models, new value chains can contribute to creativity, growth, new skills and new jobs

What is and can be the role of government and regulators in facilitating change and avoiding over regulations or in applying technologically neutral regulations to encourage competition, interoperability and innovation.

And finally how the OECD can contribute to improve conditions for better exploiting new digital opportunities and new digital content and service development.