

**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**

30-31 January 2006, Rome, Italy

**Statement by Nobuo Tanaka, Director for Science, Technology and Industry,
Organisation for Economic Co-operation and Development**

Chair Day 2, Welcome Speech, 31 January 2006

Statement by Nobuo Tanaka, Director for Science, Technology and Industry, Organisation for Economic Co-operation and Development

Chair Day 2, Welcome Speech, 31 January 2006

As so beautifully put in last weekend's papers, with this conference Rome has become the world capital of the digital economy for two days!

Good morning ladies and gentlemen.

I have the pleasure to welcome you to the second day of the OECD-MIT conference on the "Future digital economy: for innovation and technology".

Yesterday, we had great sessions. Business, consumers, artists, and governments alike stressed the changes now taking place and the potential of digital content in an ever widening range of applications.

We also gained insights yesterday from three perspectives.

Macro-view

The rise of broadband access and content applications, and creative uses surrounding them and their impacts on growth and employment:

- We heard from the OECD Secretary-General that there are 155 million broadband subscribers in OECD countries at the start of 2006 -- and catching up rapidly in absolute numbers is China
- Then, perspectives on positive growth and employment from Japan, Korea, US and Europe.

Micro-views from the supply and demand sides

On the supply-side: creativity, value chains and business models.

- Some of the discussions can be summarised in the shift from vinyls (physical supports) to digital media
- new platforms
- creation and access to content, commercial agreements for content, multiple play offers and opportunities.

Transition taking place: Minister Stanca of Italy underlined the shift from supply PUSH to demand PULL.

On the demand-side: The rise of new user habits and social attitudes, enabled by new platforms and new content services:

- 5.5 million game-playing customers for the largest on-line game; "World of Warcraft". "Kartrider" in Korea was introduced yesterday. The tastes of 15 year-old girls are very important for mobile contents provider in Japan.
- 22 million blogs at least, rising rapidly
- enhanced access to research and public sector information as a growth driver.

We are definitely at the "infraction" point of the digital economy.

So, what do we do today?

Our overall aim is to build on the themes laid out in previous sessions and push them forward and identify business and policy strategies that encourage creation, development and use of digital content.

Themes that we will be exploring today include:

1. New and very rapid ways of access to knowledge and content is increasingly possible.
 - are there new forms of government-private collaboration to make this great endeavor happen?
2. Interrelationship between digital media and the Internet and creative supply.
 - What does it all mean?
 - Is the Internet changing both the ways artists create content and distribute it and what does this mean for established distribution mechanisms?
 - Are there new incentives to produce? Has the Internet and digital media expanded the supply of new content?
 - Is it leading to new forms of content or simply new ways of access?
3. How can we shape the future? Striking new and interesting business and government policy balances are the keys to moving forward and getting business and government do it right!!

But there are many challenges in front of us and we will be addressing many of these challenges today. This will also help the OECD to define the next steps of our work.

1. The broadband council recommendation steered the focus from infrastructure policies to broadband content and applications. In this light, OECD has undertaken work on content studies: scientific publishing/music/online games/mobile content. We are moving forward in these areas with additional sectoral studies and associated impacts on policy landscape.

2. The Future of the Internet: Ten years ago, ICCP organised a conference on realizing the potential of Global E-Commerce in Ottawa. The ICCP Committee is now planning to hold a high level Ministerial meeting in 2008 on the future of the Internet. "Trust" is the main issue.

3. OECD's role is to provide fact-based economic analysis and a fruitful exchange for policy makers to enable them to realize their potential. Yes, we are a multilateral organisation but we are increasingly a multidisciplinary organisation. Different policymakers from various disciplines are discussing a large number of horizontal economic issues today, such as structural policy, innovation, sustainable development. Interestingly enough, in parallel, other DSTI Committees, i.e., CSTP and CIBE are working on Intellectual Assets/Innovation/Counterfeiting/Creativity Access as horizontal projects.

OECD as a multidisciplinary organisation is happy to provide a forum today for different players -- business, government, consumers, artists, lawyers and economists and all other players to create the right sort of environment balance to encourage the development, distribution, and use of digital content and ensure impacts on productivity, growth, employment.

This afternoon, in particular, we will be looking in more detail at business and policy approaches that encourage creation, development and use of digital content.

I hope you have an enjoyable day. Thank you.