

**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

Closing remarks by the Hon. Donald J. Johnston, Secretary-General of the OECD

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“WITH THIS CONFERENCE ROME HAS BECOME THE WORLD CAPITAL OF THE DIGITAL ECONOMY FOR TWO DAYS”

We are now closing the final session of the OECD-MIT conference on the “Future digital economy: Digital content creation, access and distribution!”

The striking aspect of the conference has been the extremely rich sessions. These covered many viewpoints and perspectives – reflecting the wide range of participants from the creator and user sides as well as business and government.

All stressed the changes taking place and the potential of digital content not only in traditional content industries but across the whole economy.

The conference has given us important insights from three main perspectives.

Macro-view

There has been a rapid rise of broadband access and content applications, creative uses surrounding them and their impacts on growth and employment. Just one set of numbers is worth quoting:

- At the start of 2006 there are 155 million broadband subscribers in OECD countries – still growing at over 25% per year. And in China growth is very rapid, with 36 million subscribers.
- Perspectives on use are different across countries with Korea having very high broadband-based applications and the US and Europe rapidly expanding and diversifying use.

On the supply-side

Some of the discussion can be summarized in the shift from established physical supports (e.g. vinyl discs) to digital media, and the development of new communications platforms and new ways of distributing content.

But the important transition is the shift from supply PUSH to demand PULL.

This was described in many ways, including “The rise of the amateurs”, with the word “users” becoming ever-more prominent during the conference. This suggests that the interactive and networked features of the Internet are encouraging consumers to become more creative users.

On the demand-side

New user habits and social attitudes have been a feature of the conference. Just one example:

- The new ways of access to information and the creation of new content are not necessarily driven by commercial interests.
- World-wide there are 26 million blogs at least, and numbers are rising rapidly. Even more importantly English is no longer the dominant language of the “new” user-orientated Internet – there were more Japanese-language entries on blogs in January 2006 than English entries.

The conference has addressed new and fundamental questions. For example is the Internet changing the ways content is created and distributed 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?

The government role

The aim of this conference has been to work out the roles of business, government, consumers, artists and all other players to create the right sort of environment that encourages the development, distribution and use of digital content and ensure impacts on productivity, growth and employment.

Opinions have ranged widely as we have seen from the panels this afternoon.

But one thing has become very clear.

Current regulation and policy is being challenged by the opportunities of digital content and the Internet. And the question is how can government policy possibly keep up with these fast-moving areas?

This conference has aimed to help identify the challenges to all actors and this it has done!

The next step is to identify business and policy strategies that encourage creation, development and use of digital content.

How can we as governments and the OECD help shape the future? The challenge is to strike new business and government policy balances that will be the keys to moving forward.

In 2004 all OECD countries agreed a “Recommendation on Broadband Development”. This steered the focus from infrastructure policies to broadband content and applications. In this light, OECD has undertaken work on digital content: completing studies on scientific publishing, music, online games and mobile content.

This is the basis for moving our work further. We acknowledge that these areas are not easy but the digital economy is with us and these issues are on the daily agenda of all OECD governments.

This makes our analytical and policy work at OECD even more important. We are continuing our work in areas such as public sector information, film and video, news publishing. And we are following up on work on the Broadband recommendation by looking to the broader framework for content development.

And we will be analyzing the results of this conference to advance all of our work.