ITA EXPANSION – ENABLING THE NETWORKED SOCIETY

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MEMBER, ICC TRADE & INVESTMENT COMMISSION
ERICSSON HISTORY, 136 YEARS OF LEADERSHIP

- Global leader in the ICT industry
- Presence in more than 180 countries
  - Sales 35 billion USD
  - R&D investments 5 billion USD
- 108,500 employees, whereof:
  - 57,000 in Services
  - 22,000 in R&D
## MOBILE PHONES 1995 ➔ 2012

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>2012</th>
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<tbody>
<tr>
<td><strong>Ericsson</strong></td>
<td><strong>Sony Ericsson</strong></td>
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</tr>
<tr>
<td><strong>GH 337</strong></td>
<td><strong>Xperia Arc S</strong></td>
<td></td>
</tr>
<tr>
<td>2G</td>
<td></td>
<td>2G, 3G</td>
</tr>
<tr>
<td>3 x 12 char</td>
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<td>480 x 854 pixel</td>
</tr>
<tr>
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<tr>
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<tr>
<td>No</td>
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<tr>
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<td>Up to 237 kbps</td>
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<tr>
<td>No</td>
<td></td>
<td>14,4 Mbps</td>
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<tr>
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<td></td>
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<tr>
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<td>455 min</td>
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<td>Internal memory</td>
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<tr>
<td>Phone book</td>
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<td>GPRS</td>
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<td>EDGE</td>
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<td>3G Data Speed</td>
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<td>GPS</td>
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<tr>
<td>Talk time</td>
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### 1995
- Ericsson GH 337
- Mobile phone
- 2G
- 3 x 12 characters
- No
- No
- No
- No
- No
- No
- Yes
- No
- No
- 110 minutes

### 2012
- Sony Ericsson Xperia Arc S
- Mobile device
- 2G, 3G
- 480 x 854 pixel
- Yes
- Yes
- Yes
- Yes
- Yes
- Yes
- Yes
- Up to 86 kbps
- Up to 237 kbps
- 14.4 Mbps
- Yes
- Yes
- Yes
- Yes
- Yes
- Yes
- Yes
- 455 minutes
## 15 YEARS OF DRAMATIC GROWTH OF MOBILE USERS

<table>
<thead>
<tr>
<th></th>
<th>December 1996</th>
<th>March 2012</th>
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<tbody>
<tr>
<td>Mobile subscriptions</td>
<td>136 million</td>
<td>6.1 billion</td>
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<tr>
<td>Mobile penetration</td>
<td>2.3%</td>
<td>86.8%</td>
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<tr>
<td>Countries with &gt; 30%</td>
<td>None (Norway 29%)</td>
<td>&gt; 180</td>
</tr>
<tr>
<td>Mobile penetration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Countries with &lt; 30%</td>
<td>All</td>
<td>approx 10 (Myanmar 3%)</td>
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</table>
Reported mobile subscriptions

By system standard

Source: Internal Ericsson
This slide contains forward looking statements

M2M to be added on top

- LTE/TD-LTE
- WCDMA/HSPA
- GSM/GPRS/EDGE
- TD-SCDMA
- Mobile WiMAX
- CDMA
- Other
MOBILE BROADBAND TAKING OFF – SMARTPHONES DRIVING GROWTH

By type

Subscriptions (million)

Mobile PC & Tablets

Smartphones

Source: Internal Ericsson
Towards the Networked Society

- Things: 50 billion
- People: 5 billion
- Places: 1 billion

Source: Ericsson
“The Networked Society is when people, business and society are using connected devices to their benefit.”
The Networked Society is when and how ICT helps address global challenges such as climate change, health care and education.
### Economic benefits

- For every 10 percentage points increase in broadband penetration the isolated economic effect on GDP growth is around 1% of GDP
- For every 1000 additional broadband users, roughly 80 new jobs are created
- Studies on government efficiency conclude that significant savings are made by transforming offline governmental services into on-line services

### Social benefits

- Improved pupil attainment and educational performance
- Increased political participation
- Increased social interaction and communication
- Improved health (e.g. reduced infant mortality in developing countries) transforming offline governmental services into on-line services

### Environmental benefits

- Increased energy efficiency
  - E.g. Smart grid development for improved energy efficiency and consumer awareness
- Reduced greenhouse gas emissions, pollutants and traffic congestion
  - E.g. intelligent traffic systems for congestion reduction
  - Improved possibilities for telecommuting
SHAPING A SUSTAINABLE CITY IN THE NETWORKED SOCIETY

Connected homes
Connected healthcare
Connected buildings
Connected charging station
Connected truck
Connected bus
Connected micro generation
Connected meters
Connected service organizations
Connected consumers, enterprises & organizations
Connected car

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CHARACTERISTICS OF THE ICT INDUSTRY
- THE MOST GLOBALIZED BUSINESS SECTOR

› Global market, global players
› Global products, based on global standards
› Global sourcing strategies, complex supply chains
› Global origin of products

Multilateral (WTO) trade liberalization – always the preferred option
THE CASE FOR ZERO DUTIES ON ICT GOODS

› Enabler for increased efficiency, productivity
› Undisputed societal benefits (e/m-health, e/m-government etc)
› Enabler for addressing climate change
› Reducing the Digital Divide
› Customs duties and taxes only slow down uptake of technology
› Strengthens the investment climate
› Employment opportunities in the ICT sector, the transfer of technology and the added value are primarily created in:
  - services
  - development of software
  - development of applications and content
  and **not** mainly in manufacturing
WHY ARE FTA’S NOT THE ANSWER?
NOT MADE FOR THE 21ST CENTURY, LEADING TO TRADE DIVERSION

› No recognition of global supply chains
› No rules of origin harmonization
› Trade diversion as a result of competing FTA activities on different time tables
Start from an overall view of ICT rather than from HS codes
- Base expansion negotiations on inter alia the OECD definition of ICT products (2009)
  - Computers and peripheral equipment;
  - Communication equipment;
  - Consumer electronic equipment;
  - Miscellaneous ICT components and goods;
Non-tariff barriers/obstacles to trade are increasing
  - New areas of regulatory intervention related to products, eg. environmental requirements

Risk of hindering international trade
  - Certain markets may become less attractive due to excessive administrative costs in market access particularly for SMEs

Large variety of obstacles
  - Many are difficult to resolve
  - Some are less contentious and can be successfully resolved

Need for continued and even increased result-oriented efforts within the ITA Committee’s Non-Tariff Measures Work Programme