

## EUROPE

Trends: August and the first half of September have seen the proliferation of interactive TV services projects in Europe. The fact that most of them concern entertainment services suggests that companies are confident that there exists an important potential consumer market. Meanwhile, Disney's first significant media move in Europe reinforces the presence of American multimedia players in Europe.

## APPLICATIONS

The German national telecoms operator Deutsche Telekom has presented plans to test new interactive television services in over 6,000 homes in Germany in 1995.

While the initial project that will be launched in Berlin later this year will only involve 50 households, the most ambitious trial, worth 52 million Ecus, will connect 4,000 homes and a few businesses in Stuttgart. Other experiments will be carried out in Hamburg, Nuremberg and Leipzig.

Test users will be able to call up movies, educational programming and games, and to shop on-line. Companies will test business applications such as distance working.

French television is going interactive with the unveiling of plans by several French TV companies to launch interactive services in 1995.

The public broadcaster France Télévision is preparing the launch of France Télévision Interactive in partnership with the media group Havas and the electronics company Thomson to provide interactive services based on the telephone and the Minitel.

The Cinquième, a public-owned "knowledge channel" to be launched in December, will supply schools with interactive educational programming in partnership with the national telecoms company France Télécom.

Finally, France Télécom and Matra-Hachette Multimédia, the multimedia arm of the electronics and publishing group Matra-Hachette, are preparing the launch in 1995 of two thematic channels, including an interactive game channel, Ludo

Canal.

Britain's Carlton and Granada, respectively a broadcaster and a television channel, have agreed to join forces with the Canadian cable operator Le Groupe Vidéotron to launch an interactive television trial involving 65,000 households in London.

Also in Britain, Nynex CableComms, the British cable subsidiary of the US regional telecoms company Nynex, said it will launch an interactive TV trial involving 10,000 homes in Manchester later this year.

The US movie and animation studio Walt Disney and the European Luxembourg-based broadcaster CLT have agreed to launch in January a new German family entertainment television channel, Super RTL, in which each will have a 50% stake.

Super RTL will be available over satellite or cable networks and will feature Disney animation, movies and live shows. The venture, which is Disney first significant media investment in Europe, will allow it to evaluate the potential for similar moves elsewhere in Europe, which could be facilitated by CLT's business in France, Belgium and Holland.

The British publishing group Pearson and France's Matra-Hachette have agreed to join Europe On-Line, thus considerably reinforcing Europe's first electronic information network launched in Luxembourg in June by the German media group Burda.

Europe On-Line will be available on PC via telecoms, satellite and cable TV links. It aims at rivalling US on-line services such as America Online or Prodigy. It will supply business services in English, French and German before expanding towards consumer services. It hopes to attract 50,000 to 70,000 subscribers within six months.

Philips Media, the multimedia arm of the Dutch electronics giant Philips, has agreed to create a joint venture with the Dutch telecoms company KPN and the American pay-television specialist Graff Pay-Per-View, to offer pay-per-view TV services in Europe.

The new company will be owned 45% by Philips, 35% by KPN and 20% by Graff. It will start operating in September and will propose its services to cable operators.

## LEGISLATION

Germany, which currently holds the six-month rotating presidency of the European Union, has advocated that the liberalisation of infrastructures in Europe takes place by 1998 together with the already agreed liberalisation of voice telephony.

Wolfgang BÖTSCH, the German minister for telecoms, warned that Germany could proceed on its own if its European

partners didn't agree with the proposed move.

A report on the future of France Télécom submitted to the French government calls for the sell-off of a minority share of France's national telecoms operator and maintaining of the employee's civil servant status independently of the company's future status.

The report was produced by the chairman of France Télécom, Marcel ROULET, who has pledged to propose by June 1995 a strategic plan for carrying out the reform.

The French government has decided to set up an inter-ministerial committee that will be responsible for launching interactive service trials on existing cable networks as well as an information campaign on the stakes of information superhighways.

## MARKET

Unisource, a telecoms consortium jointly owned by the Dutch, Swedish, Swiss and Spanish national telecoms operators, and AT&T, the leading US long distance operator, are exploring ways to set up a direct partnership.

The move is significant for both AT&T, which is trying to reinforce its position in Europe, and Unisource, which fears being outranked at a world level as a result of transatlantic telecoms ventures between British Telecoms and MCI, and between France Télécom, Deutsche Telekom and Sprint. Unisource has already joined the Worldpartners telecoms venture set up by AT&T.

## NORTH AMERICA

Trends: Concentration in the US cable, wireless and long distance sectors has progressed in the USA with new steps taken by TCI, Time Warner, Nextel and LDDS.

## APPLICATIONS

The US studio Walt Disney is planning to develop interactive video services with three US regional telecoms operators, Ameritech, BellSouth and SouthWestern Bell.

The three Baby Bells would broadcast Disney programming, including video-on-demand, home shopping, educational

programming and video games.

Home Shopping Network (HSN), the leading US cable television shopping company, has taken over Internet Shopping Network (ISN), a company offering home shopping services over the Internet, in order to develop its on-line shopping activities.

ISN currently only offers computer-related products but would largely expand its activities. HSN is controlled by TCI, the leading US cable operator.

## LEGISLATION

A US Court has lifted the last obstacle to the take over by AT&T, the leading US long distance operator, of the largest US cellular operator, McCaw Cellular.

AT&T paid \$11.5 billion for purchasing McCaw, which will be renamed AT&T Wireless Service. McCaw has 3.9 million customers.

## MARKET

TCI, the leading US cable operator, has agreed to spend more than \$1 billion on purchasing TeleCable, a midsize US cable operator operating in 15 states.

Time Warner, the second largest US cable operator, and Advance Publication Newhouse Broadcasting, a midsize cable company, have agreed to combine their cable operations in a new joint venture, Time Warner Entertainment-Advance Newhouse.

Time Warner, which will have a two-third stake in the venture, has 2.8 million customers compared with 1.4 million for Newhouse, which will own the remaining third.

Nextel Communications, the leading US mobile radiocommunications company, is getting closer to its goal of building up of a nationwide network to rival cellular groups.

It has agreed to purchase for \$1.7 billion the radiocommunications licenses of America's Motorola, the world's leader in mobile telephony, and will spend \$760 million on buying Dial Page, a midsize US radiocommunications operator.

LDDS Communications, America's fourth largest long distance operator, has agreed to purchase WilTel, the long distance unit of America's Williams, as well as the US long distance carrier IDB Communications Group.

LDDS has paid \$2.5 billion for WilTel and \$700 million for IDB.

## TECHNOLOGY

Washington State University has developed a technology called "virtual retinal display" (VRD) which allows to directly project an image on a person's retina.

VRD allows for high-quality wide-angle colour stereoscopic vision without the use of bulky virtual vision helmets and is expected to be manufactured within a year.

## ASIA AND PACIFIC

Trends: Information society-related activity in Japan is rising steadily on both the public and private sides, demonstrating Japan's clear desire to catch up. Yet, the picture remains extremely confused at the level of government. The proliferation of ministerial structures and the arrival of a new player - the Home Affairs Ministry - risk undermining PM Murayama's effort to coordinate Japan's entry into the information age.

## APPLICATIONS

About 20 Japanese companies, including the national telecoms operator Nippon Telegraph and Telephone (NTT) and major electronics groups such as NEC, Hitachi and Fujitsu, have decided to set up a multimedia observatory.

The structure, in which academics will participate, will reflect on the development of information infrastructures and services. Their work will set the basis for draft measures to be submitted to the government to encourage the take-off of the information society.

## LEGISLATION

Japan's Prime Minister Tomiichi MURAYAMA has set up an inter-ministerial body, the Advanced Information and Telecoms Society Promotion Headquarters, to coordinate rival ministries' approach towards the information society and prepare next February's G-7 ministerial conference on the information society.

Separately, the Ministry for International Trade and Industry (MITI) has set up "headquarters" to carry out projects

aimed at turning Japan into a more information-oriented society as well as two new administrative structures to tackle info-superhighways issues both at a national and international level, respectively the Multimedia Policy Office and the International Cooperation for Information Policy Office.

Meanwhile, the Home Affairs Ministry (MHA) said it will set up a panel of experts to study the role of local government in setting up fibre optic networks and the use of such networks to improve medical, educational and administrative services.

## MARKET

Itochu, Japan's largest trading house, plans to quickly expand its multimedia activities in partnership with the US second largest cable operator Time Warner and the regional telecoms company US West, which are already active in developing interactive television.

The three partners have agreed to invest \$600 million in Japan's still embryonic cable industry over two years and build on Itochu's existing activities: it is Japan's first satellite TV operator, a TV programme producer and a long distance operator. The three companies are also planning to develop the first interactive Karaoke service in the USA.

Itochu has a 5% stake in Time Warner, in which US West holds a 25% stake.

Hong Kong Telecom, a subsidiary owned 57.5% by Britain's telecoms group Cable & Wireless, has joined the AT&T-led international telecoms venture Worldpartners.

## INFORMATION SOCIETY

The Japanese Ministry of Posts and Telecommunications (MPT), said it will launch home banking services for saving account holders as part of its multimedia trial involving 300 households in the Kansai Culture, Academy and Research City.

Meanwhile, Business Chance & Culture Creation, a group of 182 Japanese companies and associations responsible for part of the Kansai experiment, has started testing interactive video English language courses.

Nippon Telegraph & Telephone (NTT) will launch next Spring a "virtual university" project known as Online University in partnership with 16 Japanese universities.

The project will allow a course at any of the universities to be received in any of the others. The project could also make use of the Internet to develop the concept of "open university" providing worldwide access to Japanese academic lectures and databases.

## WORLD-WIDE

## TECHNOLOGY

A group of 24 US, Japanese and European electronics firms, including Fujitsu, HP, IBM, Philips, Sharp, Sony and 3M, have agreed to adopt a common standard for the next generation of magneto-optical (MO) disks, which can store data, sound and video.

MO disks are 3.5-inch disks resembling a CD encased in a floppy disk. Their storage capacity is currently limited to 250 megabyte but will increase to 600 megabyte with the next generation, which is comparable to a CD-ROM. MOs could become a leading recording medium for multimedia information.

The content of the press review does not necessarily reflect the European Commission's views.