

Listen to a telecommunications expert talk about the most recent developments in this sector.

Optional listening activity:

Listen to the recording and decide whether the statements are true or false.

Statement	True or false?
Paul Carr is an expert in the IT sector.	
Until Skype arrived VOIP technology was difficult to use.	
Skype claim 85 million customers globally.	
Skype spend a lot of money on advertising.	
Skype have no competitors.	
It is not possible to use Skype in the UK.	
Fibre optics will change Internet use.	

Presenter: Now over to Liz Crew of our business news team ...

Liz: Good morning. In 2005 eBay surprised the world of e-commerce by buying the VOIP company Skype for more than 4 billion U.S. dollars. eBay will offer its online buyers and sellers a facility to talk directly with each other before the deal is done. This large purchase put the spotlight on the hidden world of internet telephony. Here with us in the studio is Paul Carr, an expert on the telecoms sector with Lynch and Smith, the investment analysts. Paul, what's happening in the telecoms sector?

Paul: Well VOIP has been around for some time, though until Skype arrived on the scene it was rather techie and not that user friendly. Skype now claim 75 million customers globally ...

Liz: How was it that I missed out on Skype? I hadn't heard of the company until very recently ..

Paul: Well, following the example of The Body Shop Skype have never advertised, all their promotion was achieved by word-of-mouth recommendations, I guess none of your friends are into technology

Liz: You're right, they're not. Obviously, apart from my case Skype have been very, very successful.

Paul: Definitely, their service is very user friendly to download and install and the pricing system they use is also very straightforward and easy to understand.

Liz: Do they have any competition?

Paul: They do. In the UK, for example, the retailers Tesco and Dixons have launched their own VOIP services, British Telecom has its own service too, of course ...

Liz: Can I make VOIP calls anywhere?

Paul: Well, calls are made from a PC either to another PC connected to the Internet or to a regular landline number. One or two countries such as Saudi Arabia actually block Skype and other VOIP traffic, this happens in some countries where there area still monopolistic national telecoms companies. In the U.S. some bandwidth suppliers block VOIP traffic, this doesn't stop calls but can reduce the quality of the call ..

Liz: In the U.S.? Why do they do this?

Paul: Well the bandwidth suppliers say that VOIP traffic uses up too much of their bandwidth ...

Liz: Thanks for this. Now we must move on, before we do, any other developments in the telecoms area?

Paul: Watch out for the impact of super bandwidth supplied by fibre optic cables. These cables will supply on-demand high definition TV - no-one knows yet what sort of impact this will have on traditional delivery methods .. Once again the Internet is turning business models upside down

Answer to listening activity:

Statement	True or false?
Paul Carr is an expert in the IT sector.	False
Until Skype arrived VOIP technology was difficult to use.	True
Skype claim 85 million customers globally.	False
Skype spend a lot of money on advertising.	False
Skype have no competitors.	False
It is not possible to use Skype in the UK.	False
Fibre optics will change Internet use.	True