

## Economic justification

With an expected growth of the telephony minutes transported using VoIP technologies from 7.7 Billions today to 500 Billions in the year 2007 (InfoTech), the market for VoIP equipment is expected to grow from a current level of \$2 Billions up to a value between \$18 and \$44 Billions in 2008. The exact value will depend on the willingness of the telephony providers to invest in new technologies, as well as on regulatory constraints around the world. In general, it is assumed that 10% of the investment in infrastructure will be dedicated to security components. This would result in a market of several Billions in the next few years.

While being a promising market, the required investment - in the case of SPIDER the investment for the security tools - is estimated at less than 2 Million Euros, which is too large for an SME wishing to enter this market. Through the participation in SPIDER the costs are distributed between the involved SMEs and the European commission and provide the SMEs with access to highly qualified research staff, who they would not be able to acquire by themselves. Thereby, the contribution and efforts of the single SMEs will be a low price for entering the lucrative market and will be gained back in the due of a year or two at the most.

## Developments of the VoIP Service and Equipment Market

The growing popularity of instant messaging is expected to boost revenues from session initiation protocol (SIP) based services, with revenues rising from zero in 2002 to \$2.9 billion in 2007 (Source: Analysys). SIP-based instant messaging on the fixed Internet could take off fast and create a significant market for SMS-SIP gateways, which allow seamless messaging across fixed and mobile networks. SIP is a disruptive technology that has the potential to fundamentally change the way telecom services are delivered.

SIP already has widespread industry support. It has been incorporated into 3G mobile standards and Microsoft has built a SIP client into Windows XP. Analysis estimates that by 2007 there will be over 200 million Western European SIP clients on desk-tops, in mobile phones, and in PDAs, driven mainly by instant messaging, which is already very popular in North America. The sheer simplicity and flexibility of SIP makes it particularly easy for service developers, such as Hotsip, Ingate, Avaya and Dynamicsoft, to work with, and as a result we believe that SIP will form the basis of many low-cost value-added services provided over the public networking infrastructure.

SPam over Internet telephony  
Detection sERvice

SPIDER



Fraunhofer Institute for Open  
Communication Systems



University of the Aegean

