



You Have to Read What Google Inc Chairman Eric Schmidt Just Said About the Internet

Description

"I will answer very simply," **Google Inc's** ([NASDAQ:GOOG](#)) executive chairman Eric Schmidt told the audience, "the Internet will disappear."

That's a provocative thing to say, especially when you are the chairman of the largest Internet company in the world. But contrary to what you might think, Schmidt is not calling for the end of the Internet.

Instead, he's saying that the Internet will be seamlessly integrated into our lives, through sensors and connected devices. As reported in the *Hollywood Reporter*, Schmidt elaborated on his comment at the World Economic Forum in Davos, Switzerland:

"There will be so many IP addresses... so many devices, sensors, things that you are wearing, things that you are interacting with that you won't even sense it," he explained. "It will be part of your presence all the time. Imagine you walk into a room, and the room is dynamic. And with your permission and all of that, you are interacting with the things going on in the room."

Today, more than 99% of all things in the physical world remain "unconnected." But that's about to change. Soon, just about every device you use — including your car, appliances, television, alarm system, and thermostat — will be connected to the Web.

It's called the Internet of Things, or IoT, and the opportunity here could be huge. According to **Cisco Systems, Inc**, the IoT could become a US\$19 trillion market. For perspective, that's about the market capitalization of every company in the **S&P 500 combined!**

The IoT will be bigger than 3D printing, the personal computer, and even the iPhone. Cisco predicts that by 2020, 50 billion devices will be connected to the Internet. That compares to the roughly 10 billion devices connected to the Web in 2014.

This might be news for some readers, but early investors have already made fortunes. Semiconductor stocks — such as **Qualcomm**, **Skyworks Solutions**, and **Texas Instruments** — have posted double-digit gains over the past few years. The demand for new wireless chips is overwhelming.

Canada's own **Sierra Wireless Inc** ([TSX:SW](#))([NASDAQ:SWIR](#)), the biggest seller of equipment to connect machines over cellular networks, was the third-best performing stock in the **S&P/TSX Composite Index** through 2014. Revenues have increased for six straight quarters, explaining why the company's shares have soared more than six-fold over the past two years.

But here's the most important point: you haven't missed the boat on the IoT. We're still in the early innings of this story. Even if the market only ends up being half as big as Google and Cisco are predicting, the opportunity here could still be enormous.

That means there's still time to stake your claim in the new Internet gold rush.

CATEGORY

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