

# ExchangeAsia

Volume 17 Issue 01

ISSN 1320 – 2669

25 January 2009

## China

### Cisco outlines plans for China

***Jim Sherriff, chairman and CEO, Cisco China has outlined Cisco's plans to focus on innovation, partnership, leadership development and collaboration to meet its aim to become "a truly local company in the world's most populous nation."***

According to Sherriff, "The central goal is to build a comprehensive operational footprint that is fully aligned with Chinese society. That means developing a tailored vision and strategy for China, a strong local management team, and local product offerings that meet the specific needs of Chinese businesses."

Over the course of 2009, creating new products for Chinese companies and new business models through Web 2.0 technology will be a key priority for Cisco. To that end, Cisco says it plans to expand its product offerings, promote market solutions for small and medium-sized businesses, build a green technology centre in Shanghai and continue to invest in local entrepreneurship and innovation.

In 2009 Cisco plans to establish joint programs with institutes and universities to conduct research into next-generation Internet applications, green technology, and other innovations.

The company says it will continue to deliver on its previously announced RMB300 million (\$US45 million) relief, recovery and sustainability efforts in Sichuan following the Wenchuan earthquake.

The project, named "Connecting Sichuan," will help develop 21st-century (21C) education and healthcare models enabled by collaborative networked information technology and communications. As of December 2008, the project had already resulted in the establishment of three 21C schools.

In the coming year, Cisco also plans to open 140 new Cisco Networking Academy institutions throughout China to provide information communication technology (ICT) skills to students. Today, there are more than 250 networking academies in China that have trained more than 100,000 students. By 2010, this will have grown to 500 networking academies which will train an additional 100,000 students.

Cisco is working with higher learning institutions and industry partners to develop executive leadership talent for Chinese industry and for the future global economy. In 2009, the Guanghai Cisco Leadership Institute in Peking University will be opened to support both the public and private sectors. Also in 2009, the Supply Chain Institute will offer learning and development for managers of Chinese manufacturing companies.

### China's largest search engine (Baidu) misses out on .tel domain

***In what could prove a salutary lesson for all trademark owners, a small European ICT company, Baidu, appears to have beaten China's largest search engine, also called Baidu, to secure its name under .tel, a new top level domain name designed to provide a one stop shop for communication between domain owner and customers, etc.***

Telnic, the UK-based registry operator and sponsoring organisation for .tel, has announced that, "Baidu Europe, the Groningen-based automation and web design solutions organisation, has secured the rights to the baidu.tel domain name, having been the first to apply for the domain name in the trademark protected Sunrise period."

Telnic announced in June 2008 that it would start accepting applications from trademark owners from December in preparation for a March 2009 launch and, as we noted at the time "Owners and licensees of national trademarks may apply, and allocation will be

on a first-come, first-served basis. This presents the opportunity for small companies in unrelated areas to nab the .tel names of global companies."

Telnic intends that .tel will be a one-stop shop where individuals and organisations will be able to provide a range of contact information. According to Telnic it will allow anyone to publish and control, in real time, how they can be reached. It will enable people to reach a business from any Internet enabled device (computer or mobile) simply by typing, for example, 'Hertz.tel'.

Telnic makes no comment on whether Baidu China made a considered decision not to go for Baidu.tel. However it would seem likely that an organisation of its size would want to cover every possible Internet access route.

According to Wikipedia "Baidu is the leading Chinese search engine for websites, audio files, and images. Baidu offers 57 search and community services including an online collaboratively-built encyclopaedia and a searchable keyword-based discussion forum. As of 21 March 2008, Baidu is ranked 19th overall in Alexa's internet rankings. In December 2007 Baidu became the first Chinese company to be included in the NASDAQ-100 index. Baidu provides an index of over 740 million web pages, 80 million images, and 10 million multimedia files. The domain baidu.com attracted at least 5.5 million visitors annually by 2008 according to Compete.com."

## India

### **C&W launches IP services in India** ***Cable&Wireless Europe, Asia & US has launched its next generation network in India, known as the Multi-Service Platform (MSP).***

C&W claims that this makes it the first International telecom provider to receive all necessary security clearances from the Department of Telecommunications - Government of India, to provide, directly advanced IP-based solutions in India

C&W said the MSP launch in India followed a highly successful deployment in the UK and was part of a strategic expansion of this new platform in key global regions.

C&W has set up its own international gateways (two in Mumbai and two in Chennai) and has received the lawful interception and monitoring solution (LIMS)

clearances. Cable&Wireless has been offering virtual private network-based (VPN) services such as MPLS, IP-VPN QoS, ATM etc since February 2008, when it was first awarded the international long distance and national long distance licences.

The company says it has invested \$US30 million in the last nine months in building this new MSP network in India which will form part of its core backbone allowing connectivity to its global network across Asia Pacific, Europe and North America. Cable&Wireless will begin migrating customers to the new platform from February 2009 onwards.

### **Mobile operators may miss out on \$US1b mobile VAS market**

***Strategy Analytics says established Indian mobile operators are in danger of missing out on the \$US1 billion in VAS revenues predicted for 2012.***

According to the research firm they risk doing so "if they continue to focus their efforts on gaining new subscribers, without responding to the requirements of the MVAS market."

Strategy Analytics says that: "At present, ringtones and caller ringback tones account for two-thirds of the MVAS mix, but their growth is slowing. Building a healthy market for newer offerings, like mobile TV, video on demand, music and games will require a thriving content development community, lower data tariffs and extensive service marketing and user education."

"So far, mobile operators seem more focused on the race to gain new voice subscribers than they are on building a solid MVAS ecosystem. This may prove short-sighted," says Rahul Gupta, Senior Analyst in the company's merging Markets Communications Strategies (EMCS) business. With operators retaining 60-80 percent of end user MVAS spending, many content providers express reluctance to invest in new product development, and some are starting to investigate off-deck delivery. "

The pace of 3G deployment is expected to accelerate in 2009, and along with it the ability to deliver advanced services. According to Tom Elliott, Director of EMCS, "The question is whether traditional operators will reap the benefit or if creative new entrants, like Virgin Mobile and their partner, Tata Teleservices, will profit."

## Singapore

### SingTel and Riverbed team to offer WAN optimisation

***Riverbed Technology and SingTel are collaborating to provide the SingTel Traffic Optimization and Profiling Service Application Accelerator (TOPS AA) service based on Riverbed's WAN optimization solutions.***

The SingTel TOPS AA solution accelerates the delivery of data over Wide Area Networks (WAN), improving the performance and speed of corporate applications such as e-mail, data back-up, web browsing, document sharing and management, Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM).

According to SingTel, "As the TOPS AA solution is hosted and fully managed by SingTel, customers need not worry about technology obsolescence, system upgrades and the ongoing cost of manpower to manage complex network infrastructure. It is offered with the option of utility-based pricing to allow customers to avoid heavy upfront investments during this period of economic downturn, and yet flexibly scale to meet growing business needs."

### Verizon extends trans-Pacific mesh net to Singapore

***Verizon Business has extended its trans-Pacific mesh network -provided on a variety of submarine cables - to include Singapore.***

The network now connects Singapore, Hong Kong, Taiwan and South Korea to Japan and the United States providing seven paths of diverse capacity on the new Trans-Pacific Express cable network and other submarine cables. It offers automatic restoration and real-time management of voice and data traffic.

"This mesh network design allows our multinational customers to continue receiving the high-quality network performance and reliability they expect from Verizon Business," said Ihab Tarazi, vice president of global network planning. "We have seen a dramatic improvement in our overall network performance since we introduced meshing. Our Pacific mesh network is operating at 99.999 percent of network availability, and this is important to our large global financial customers."

## Indonesia

### XL boosts network capacity with Cisco

***Indonesian mobile operator, PT Excelcomindo Pratama, Tbk (XL), has deployed a new technology from Cisco that, according to Cisco, allows it to increase the capacity of its network up to seven times at less than half the cost.***

The technology, the Cisco Service and Application Module for Internet Protocol (SAMI) for the Cisco 7600 Series Router, supports SS7-over-IP (SS7oIP) traffic-processing density.

Cisco says it designed the SAMI technology to be used not only for the ITP solution, but also for other Cisco mobile wireless solutions, such as the Cisco Gateway GPRS Support Node, Cisco Mobile IP Home Agent, Cisco Content Services Gateway 2nd Generation (CSG2), and Cisco Broadband Wireless Gateway.

XL has also started using SAMI technology for the CSG2, which, according to Cisco, provides XL with improved performance and output. "XL, which installed Cisco's IP Transfer Point (ITP) solution in 2003, was able to expand the capacity of its mobile wireless network without increasing complexity or cost."

### PT Telkom extends Clarity OSS to service 10m users

***Indonesian convergent operator PT Telkom is to extend the use of Australian company Powerlan's (ASX: PWR) Clarity unified OSS to handle all voice, data and IP services over its fixed wireless CDMA network.***

The network has ten million subscribers and the number is growing at around 30 percent annually. According to Powerlan, "the move marks the fourth phase of PT Telkom's Infusion programme, which will ultimately provide improved national support to all PT Telkom customers through streamlined inventory management, service assurance and fulfilment across a single strategic OSS suite. Past phases have seen the implementation of Clarity's unified OSS to cover 17 elements of the eTOM footprint and it has been successfully deployed to support PT Telkom's core transmission network, IP/MPLS network, metro ethernet and next generation network (NGN) services.

Powerlan claims that "Clarity is the first next generation OSS to be deployed end-to-end, across all lines of business by leading tier 1 service providers. Clarity's installed base includes Telekom Malaysia, Philippine Long Distance Telephone Company (PLDT), Sri Lanka Telecom and India's Reliance Communications.

## South Korea

### KT hopes to merge with KTF

***The board of KT, Korea's largest fixed-line carrier, has approved the long-anticipated merger of the company with the nation's No 2 mobile carrier, KTF.***

According to The Korean Herald, the merger, if it gains approval from the government, will create a giant telecom firm with 25 trillion won (\$US18b) in assets. However, the paper says, "SK Telecom and LG Telecom are steadfastly opposed to the merger, raising concerns that it will give birth to an overly dominant telecom firm and hamper market competition."

However it says that The Korea Communications Commission is expected to approve the merger in March or April, but with some strings attached. KT controls nearly 90 percent of the nation's fixed-line telephony market.

### NTT DoCoMo supports merger

NTT DoCoMo announced today that it has agreed with KT to exchange its 10.72 percent stake in KTF for KT securities in relation to the merger between KT and KTF. The boards of directors of DoCoMo and KT have both approved the agreement, and the deal is expected to be finalized upon approval at shareholders meetings of KT and KTF, as well as completion of regulatory procedures in the near future. Under the plan, DOCOMO will exchange 40 percent of its KTF shareholding for KT common stock and the remaining 60 percent for KT exchangeable bonds.

### KT to be Intelsat maritime distributor

***Intelsat has selected KT to be a distribution partner for Intelsat's Network Broadband Global Maritime service.***

It says that KT's maritime customers will benefit from Intelsat's service that offers an always-on broadband connection and

automatic beam switching technology all for a flat monthly fee.

"These features differentiate Intelsat's platform from most narrow band-based services or Very Small Aperture Terminal (VSAT) solutions currently offered in the maritime industry."

Intelsat's Network Broadband Global Maritime platform, part of Intelsat's GlobalConnex (GXS) portfolio of services, uses C-band capacity provided via three ocean-region satellites: IS-602 at 178°E, IS-707 at 307°E and IS-906 at 64°E. Intelsat's terrestrial network, including hubs at Fuchsstadt, Germany, and Riverside, California, complete its global network.

## Thailand

### DTAC taps Huawei & NSN for 3G rollout

***Huawei Technologies and Nokia Siemens Networks have signed frame contracts with DTAC to build its high speed 3G cellular network in Thailand.***

Tore Johnsen, CEO, DTAC, said: "To be suitably prepared for the change, we have chosen two vendors – one of them being our long trusted 2G partner, Nokia Siemens Networks. Having worked with them since 2000, we are certain they will guide us through the high speed data demands that will become the norm for mobile communications in the future."

He said also: "We signed a 3G frame contract with Huawei, as we believe it is one of the best technical solutions for 3G. Huawei's efficiency of 3G equipment and applications have been implemented and recognized among leading telecom firms all over the world, reflecting its impressive performance and commitment."

## New Zealand

### NZ regulator to review backhaul services

***New Zealand's competition regulator, the Commerce Commission, has initiated a review of backhaul services that provide access seekers using the unbundled local loop service with a link to their interconnect point.***

Commerce Commission chair, Paula Rebstock, said: "The Commission indicated when it released the ULL Backhaul

Determination in June last year that it would regularly review these links. This is the first time that the Commission has built an automatic review of the level of competition in a market into its decision."

If the Commission finds that Telecom NZ faces strong competition on specific primary and secondary routes then it may no longer be required to supply the regulated backhaul service to users. (A primary link is between Telecom's local exchange and the access seeker's parent PoI site. A secondary link is between the parent PoI site and the access seeker's nearest available point of interconnection handover point).

The Commission is seeking information from providers and purchasers of commercial backhaul services and from Chorus, Telecom NZ's separated arm providing access to the ULL. The Commission expects to release its report by 2 March 2009.

## Pan Asia

### Problems in Global Service send BT shares crashing

***BT has reported a dramatic turnaround in the fortunes of BT Global Services, the arm which operates a global network providing services primarily to large multinationals.***

Foreshadowing announcement of its Q3 results on 12 February, BT said it expected to report a one-off charge of £340m for BTGS as a result of "financial and contract reviews". It added that these reviews "may result in further substantial one-off charges in the current financial year."

BT shares fell 13.1p, 12.9 percent, to 109.1p (an all-time low according to *The Times*) wiping almost £1.5 billion from BT's value.

BT CEO, Ian Livingston, said: "The first job of the new management team in Global Services and the new group finance director has been to review the financial position of Global Services and its major contracts. These ongoing reviews reflect changed circumstances and a more cautious view of the delivery of cost efficiencies and contract performance, particularly in the light of the current economic climate.

"We have also initiated a review of Global Services' operations which will help us drive our cost savings and further enhance our ability to serve customers. BT remains committed to the success of Global Services

and I believe these changes will create a stronger business that can deliver positive cash flow and excellent customer service."

BTGS is expected to report revenue growth of around 15 percent in the third quarter due to favourable foreign exchange movements and acquisitions. Order intake for the quarter was in the region of £1.8bn leading to a 12 month rolling order intake of £8.3bn.

BT said the reviews would involve "a reassessment of the estimates and assumptions associated with certain major contracts and have been conducted jointly with external advisers." The reviews cover the largest and most complex contracts and "take into account a more cautious view of the recognition of cost efficiencies and other changes in assumptions and estimates, in light of the current economic outlook."

BT is also undertaking a detailed review of BTGS's operations with the aim of simplifying its operating model to enhance its ability to serve customers efficiently on a global basis and to create a cost base that will enable the division to deliver positive cash flow. Further information on this review is expected to be provided at BT's fourth quarter results.

When BT announced its Q2 results last November BTGS reported a 36 percent decline in its EBITDA, which brought down the group EBITDA by one percent. According to Ovum at the time, "Livingston did not use the global financial crisis as an excuse for the performance of BTGS. He identified the 'failure to deliver the cost efficiency programmes' as the problem. Against this, however, he said that sales had grown in the quarter and that the order pipeline of £30 billion was the best in six quarters."

Hanif Lalani had replaced previous CEO, Francois Barrault, in October. Commenting on that appointment, Ovum said: "Barrault was a formidable character in BT Global Services, and whilst he has been at the helm of the group its revenue performance has been stellar. In fact, the business today advised that BT Global Services will report 15 percent year-on-year growth. However, it is the EBITDA performance that has most likely created tension between salesman Francois Barrault and the former accountant CEO Ian Livingston."

### Friendster expands in Asia

***Social networking site, Friendster has expanded its team, offices and partnerships in the Asia Pacific region***

**and says it will continue growing its team and partners in Asia throughout 2009.**

Friendster has opened up new offices in Singapore and Sydney. The Sydney office is where Richard Kimber, Friendster's CEO, is based along with new members of Friendster's marketing, sales and business development teams. The new Singapore office will also host sales, marketing and business development teams.

Additionally, Friendster has a new US global headquarters in Mountain View, California which houses members of the executive staff along with employees in all departments. Friendster says it will continue to maintain and expand its office in Makati City, Metro Manila, Philippines.

In operation since 2006, the Philippine office primarily houses engineering and operations, but it will expand to accommodate more direct sales and marketing staff in 2009. Since 2008, a majority of Friendster's employees are now located in the Asia Pacific region, and at least 80 percent of Friendster's new hires in 2009 will be based in Asia.

Narciso Reyes, Friendster's first-ever Philippines country sales manager, will head Friendster's sales efforts in the Philippines and will be based out of Friendster's local office in Makati City, Metro Manila. Reyes will focus on building new advertising campaigns and relationships with local advertisers and their agencies and recruiting a local sales team. Prior to joining Friendster, Reyes held senior sales roles at Google, DoubleClick and LycosAsia.

Friendster has also expanded its reseller partnerships to a total of four agencies in the region that will help with local advertising sales efforts. All four resellers will complement Friendster's growing direct sales team.

Pixel Media has been appointed the exclusive sales partner for Friendster in Singapore, where Friendster claims one million monthly unique visitors. Pixel Media will continue to be the exclusive sales partner for Friendster in Malaysia where Friendster claims over 3.6 million monthly unique visitors.

In Indonesia, Admax, a leading website representation and digital advertising network of local and international sites in Southeast Asia, has been named the exclusive reseller for Friendster.

In the Philippines, Friendster has two reseller partners: Havoc Digital and Yehey!. In the Philippines Friendster claims over 13 million unique visitors, virtually the entire online population of the Philippines.

## **Tata launches online IP discussion forum**

***Tata Communications has launched One IP World, billing it as "the industry's first thought leadership platform, which will function as an interactive forum fostering dialogue pertaining to IP and Voice over IP (VoIP)."***

Tata describes One IP World as "an open resource for telecommunications professionals allowing the exchange of business and technical information on challenges associated with IP converged communications."

The platform, located at [www.oneipworld.net](http://www.oneipworld.net), "serves an open resource for telecommunications professionals to report, discuss and analyse with colleagues and peers the impact of IP on the telecommunications industry," Tata says. Telecommunications professionals are also encouraged to use the site to gain both industry insight and information.

One IP World will also feature regular contributions from high-level Tata Communications' executives discussing VoIP Peering, IP issues and trends as well as their knowledge and expertise on IPv6. Industry analysts and media are invited to participate as part of Tata Communications' ongoing effort of collecting, promoting, and exchanging information and business insight to address the challenges associated with converged IP communications. The thought leadership platform facilitates effective communications."

## **Samoan cable clears FCC hurdle**

***A planned submarine cable system that will give the two Samoas vastly improved access to the Internet has cleared another hurdle with receipt of a license from the US Federal Communications Commission.***

The new link will provide around 280,000 people on the two Samoas (65,000 in American Samoa and 215,000 in Samoa) with a total Internet access capacity of 1Gbps - a huge improvement on the 20Mbps via satellite presently available; and the cost

per MB per month will fall from around \$US4000 to \$US1500.

The governor of American Samoa, Togiola Tulafono, said in May 2008 that the project was "the most significant economic development project for American Samoa in the last several decades." He said the additional capacity would allow development of industries, tele-medicine and distant learning, previously limited by the cost and availability of satellite capacity.

According to Tulafono, "With this new initiative, we will move from a labour intensive manufacturing industry into a technology-driven industry."

The American Samoa - Hawaii Cable (ASH Cable) will link American Samoa and Hawaii where it will connect into the existing global telecommunications networks but particularly the global Internet. A second Samoa-American Samoa Cable (SAS Cable) will operate between Samoa and American Samoa providing inter-island communication and giving users in Samoa access to global networks via the ASH Cable.

The system is being built 'on the cheap' by recovering and relaying the PacRim East cable - the first submarine cable link across the Pacific. It is still operating to specification but its capacity is insignificant compared to that of newer systems. However, it will provide a 40 fold increase to Samoa's present satellite Internet links.

Alcatel-Lucent was awarded the primary contract for the system early in 2008. Recovery and laying of the cable is now scheduled to commence in March and it is expected to be tested and ready to carry customer traffic by mid April.

The project is expected to cost around \$US20 million, 20 percent of the cost of completely new system (estimated to be at least \$US100m to connect American Samoa to Hawaii and another \$10m to connect in Samoa.).

## Technology

### **NGN Mobile Alliance envisions self-optimising networks**

***The Next Generation Mobile Network (NGMN) Alliance - whose members represent more than half of all mobile phone users worldwide and more than 90 percent of implemented mobile wireless infrastructure. - has released a***

### ***document which outlines the requirements for self-optimising networks (SON).***

According to the NGMN, SONs offer key operational and financial benefits for operators thinking of investing in next generation networks. "Future networks must be dynamic and have the ability to adapt to user requirements. Self optimising networks are capable of reconfiguring themselves for maximum operational efficiency which in turn significantly reduces the total cost of ownership of a network."

The document focuses on the key parts of the "Technical Working Group SON" requirements including: SON enablers; Self-configuration; self-optimisation; fault management & fault correction; O&M Related SON.

The objective of the NGMN Alliance ([www.ngmn.org](http://www.ngmn.org)) is "to reach out for a new experience in mobile broadband communications and to ensure a virtuous cycle of investment, innovation and adoption of mobile broadband services with attractive cost-performance ratios. NGMN is established as a global voice for common requirements for next generation of mobile networks."

### **IEEE achieves broadband over powerline 'milestone'**

***The IEEE P1901 Working Group has approved the baseline for a new broadband over power lines (BPL) standard 1901: "Draft Standard for Broadband over Power Line Networks: Medium Access Control and Physical Layer Specifications."***

Jean-Philippe Faure, chair of the IEEE P1901 Working Group hailed the move as "a major milestone in the development of a BPL standard" adding that "Our next steps will be to harmonize and improve the different sections and then finalize the draft standard for IEEE Sponsor Ballot by the end of year."

The IEEE says that three proposals addressing more than 400 functional and technical requirements in three critical areas of BPL, in-home, access and coexistence, were approved to form the baseline of the standard. The P1901 Working Group has already formed the first Technical Sub Group dedicated to this task and will next convene from 3-6 February 2009 in Miami. More at <http://grouper.ieee.org/groups/1901>