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Sky is the Limit for China's Mobile Industry

BY VINTI VAID

In just a short period of time, China's mobile industry has gone from a mere follower-of-trends to the world's biggest market for mobile phones, owning the largest telecommunications network in terms of capacity, and the highest number of subscribers.

During the past decade, Chinese telecoms experienced remarkable double-digit growth, unsurpassed in the industry.

With recent moves by the Chinese government following the issuance of long-delayed 3G licenses, the telecom industry in the country is set to experience a new restructuring, riding a new wave of development that will further its growth prospects.

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Korea, where social networks have been a fixture of society for years.

And there do indeed appear to be dangers — and they may be coming up rapidly. A ZDNetAsia article in July found that the mobile banking scene today faces a far greater threat of problems such as malware and viruses attempting to attack mobile phones and devices being used to conduct online banking transactions. Sandeep Lai of consumer banking group eBusiness at

Moving from the traditional voice call market, the industry is set to push more non-voice mobile applications that will eventually catch up with other players in the more developed global market.

Market Performance and Outlook

Government-controlled China Mobile is the world's largest telecommunication company with a subscriber base reaching the 500 million user mark. The company is experiencing continued profit growth, registering increases in its average revenue per user, a key indicator that is used to gauge performance in the telecommunications sector.

This growth trend occurs despite setbacks that the network experienced with England-based Vodafone's sale of its 642.87 million shares of China Mobile. At least 70 percent from this sale will be returned to the company's shareholder or pay off its debt, as spokespersons from China Mobile announced that the British company was free to do whatever they want with their shares.

Despite that, China's telecom industry will focus on technological trends such as the growing popularity of smartphones in Asia. Industry experts forecasted that by the year 2015, at least half of Chinese mobile users will be using a smartphone, a figure that is still a long way from China's current smartphone usage of 5 percent among its

Singapore's DBS Bank said more and more consumers use their mobile phones to conduct such transactions, the amount of viruses and malware will increase, which is why banks today are mindful of such security threats. [A-P](#)

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subscribers. These figures would most likely swell as the price tags on smartphones continue to be much cheaper and more competitive, further booming its popularity among mobile users.

Technology Deployments

For years, backers of the 3G standard have been asking for license issuance from the Chinese government. The industry responded with the emergence of China's own 3G standard, more popularly known as TD-SCDMA. These differences in standards have become a big issue and challenge for wireless operators and manufacturers, who feel that the idea was generated by bureaucrats and not by business people.

China's three mobile carriers, China Mobile, China Unicom and China Telecom invested a total of \$21 billion to build their 3G network infrastructures, with China Mobile focusing on TD-SCDMA and the other two on global standards. The roll-out for wireless 3G networks is set to provide mobile users with more value-added services such as Web browsing, music downloads and video streaming. This difference in standards would create limitations for global telecom players who would like to penetrate the Chinese market.

Many, however, have embraced this challenged and adapted the TD-SCDMA standard to work with China Mobile and penetrate its vast mobile market. This includes Sony Ericsson, which launched its first TD-SCDMA supported smartphones running on its own OMS 2.0 smartphone platform. Another is Research in Motion - which has deployed its TD-SCDMA version for the BlackBerry smartphone.

China Mobile is expected to pour in 45 billion yuan to support 3G development in coverage, rolling out more than 80 types of TD-SCDMA mobile units. [A-P](#)

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Korea Must Build Ferrari of Hand-Held Devices

BY EMANUEL PASTREICH

It may seem odd to suggest that Italy be the model for Korea in its future development in technology.

Although Italy does not hold the dominant position in high volume manufacturing that Korea possesses, Italy offers exactly what Korea needs to jump into the next stage of economic development: an emphasis on fashion and ergonomics.

Italy has established itself as the undisputed leader in design, with such names as Gucci, Prada and Ferragamo in fashion and in the automotive sector with leaders such as Ferrari, Maserati and Lamborghini. The aesthetic sensibility and artistic quality found in Italian products are what Korean products lack.

Let us start with the basic facts

Korea does not need more technology at this point and it does not need more manufacturing capacity. It needs to build cutting-edge devices that will capture the imagination of users and define new fields, along the lines of the iPhone.

Let us consider the case of handheld devices. Korea must dominate the high-end of handheld devices and use that position to make its brand value unassailable along the lines of Gucci or Ferrari.

Let us imagine that Korea builds a "Ferrari of Hand-held devices," a top of the line device that is so innovative and so luxurious that it leaves behind all competitors. That specific product will affect how all Korean products are perceived globally, placing Korea in an unprecedented dominant position.

At present, there are top of the line handheld devices available, but the market for a truly exclusive range of handhelds (10 million won to 60 million won range) has yet to be explored seriously. The opportunity for Korea is tremendous in this blue ocean.

Part of the problem is the "imagination gap" that so troubles Korea. We find that the design used in Korean devices is often unimaginative and even trite: an attempt to catch up with an imagined modern world in the United States rather than a daring leap forward into uncharted territory. The images used for the icons in Korean handhelds are bland stock photos. The structure of menus lacks innovation. The technology is a breakthrough but the design is not.

But the point is not that Korea should team up with Gucci. Rather Korea should learn from Italy how to combine its own cultural and manufacturing sectors effectively. All you have to do is open up a recent issue of Art in America magazine to see that Korea has the most creative and adventurous visual artists in the world. Those Korean



mavericks of painting and sculpture (music and drama) are second to none. But they are not being consulted at Samsung about the layout of the Galaxy. Korea has both the artistic creativity and the engineering know-how.

All we need is to bring them together

Let us take a moment to imagine what the Ferrari of handheld devices might look like. The exterior will be handcrafted of wood, stone and silver with the loving care you might put into a diamond necklace. Although the software within the device will be changed constantly, the perfectly crafted exterior will last for a lifetime.

The visual representation of information will be deceptively easy to use, so well thought out that it is additive, no matter what the price. CEOs will gladly pay 50 million won, or more, for one of these devices.

The images used within the device will be stunning. They will be remarkable illustrations in a perfectly designed "interior architecture" for the representation of information.

The layout within the programs will be original and highly functional. The handheld features an inner landscape so perfectly structured as to create a "memory palace" for the user that he can constantly customize to his needs. The user can walk through a 3D "house" within the device that organizes all information on shelves and drawers, or boxes, or whatever form is most appealing to the individual. Just clip on a pair of electronic "eyeglasses" and the user can wander through the device like her apartment to find and organize information in the most convenient manner.

As the user builds the "interior" of his handheld's virtual reality, this activity of personalizing the representation of infor-

At present, there are top of the line handheld devices available, but the market for a truly exclusive range of handhelds (10 million won to 60 million won range) has yet to be explored seriously.

mation becomes a personal, even creative, activity for the user. He will never want to give up the device he has invested so much time in creating an internal world in.

The major problem of our day is that handhelds, rather than helping the CEO, have made him into a secretary. He must schedule everything by himself and call, message or e-mail all day long. The amount of time consumed is enormous. The solution is to put the secretary in the device. A live secretary (or team) works remotely with the handheld device to arrange all information in an optimal manner 24 hours a day, and conduct research. A supercomputer link helps with more complex tasks. The potential of this market for high-end handhelds has not even begun to be explored.

If the user has a pile of business cards after a party, he can just take a picture of them with the device and press send. The information will be input in the optimal manner by the device support team. And after research, has been done by the team on the business cards, recommendations are made as to how those individuals could be useful for specific ongoing projects.

Another service is instant access to experts

If the CEO needs to talk with an expert on nuclear power, or on biotechnology, or a real estate agent in Argentina, the support team will use a paid group of consultants to set up the telephone call immediately. Simultaneous translation will be offered as well if necessary. For a bit higher cost, the CEO can be put in touch at the press of a button with Nobel Prize winners or important figures in the arts and media. This built in consulting service will make all the difference to the CEO in his business activities. Price will be a secondary concern.

Korea can learn something valuable from the Italian tradition of high-end craftsmanship. Korea has some of the most creative artistic minds in the world. Bring those artists into the workshop at Samsung and SK and there will be no limit to how far Korea can go. [A-P](#)