



**Trade.  
Invest.  
Prosper.**

**ASEAN ICT Team  
8 February 2011**



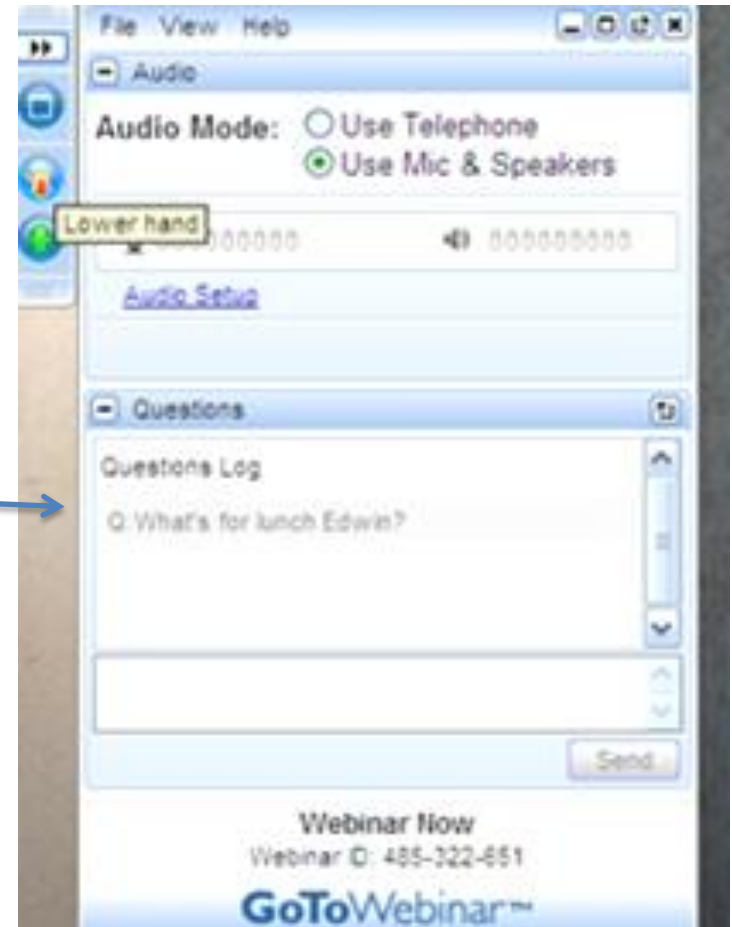
**Australian Government**  
**Austrade**

# Ask a question

Raise hand



Type question



# Webinar Panellists



**Elodie Journet**

ASEAN ICT Team Leader  
Trade Commissioner, Singapore



**Feranica  
Susanto**

BDM  
Jakarta



**Eva Yazon**

Senior BDM  
Manila



**Chantimaporn**

BDM  
Bangkok



**Trang Tran**

BDM  
Ho Chi Minh City



**Diana Pang**

Senior BDM  
Singapore



**Jeremy Chase**

LLB (Hons) BSc(Chem) (Hons)  
Senior Associate  
Allens Arthur Robinson



**Australian Government**  
Austrade

# BRICs Vs CIVITS

## BRICS replaced by CIVITS

**Table 1.1. Asia: Real GDP Growth**  
(Year-on-year; in percent)

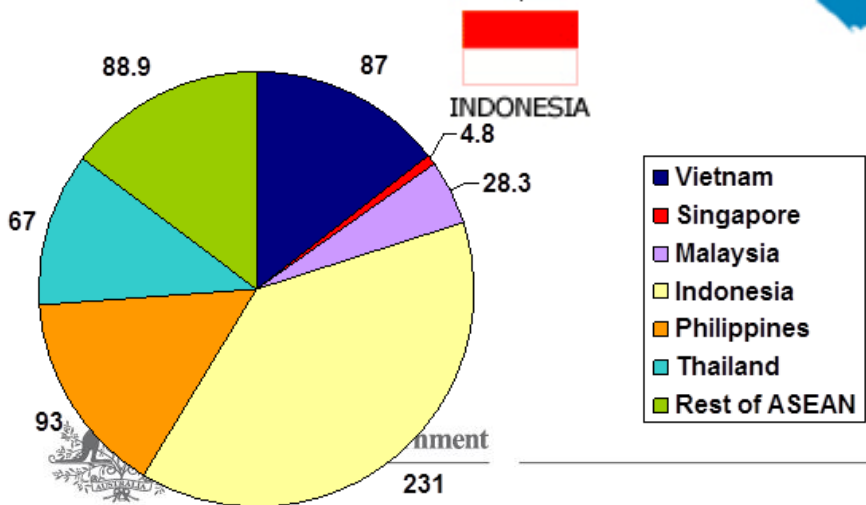
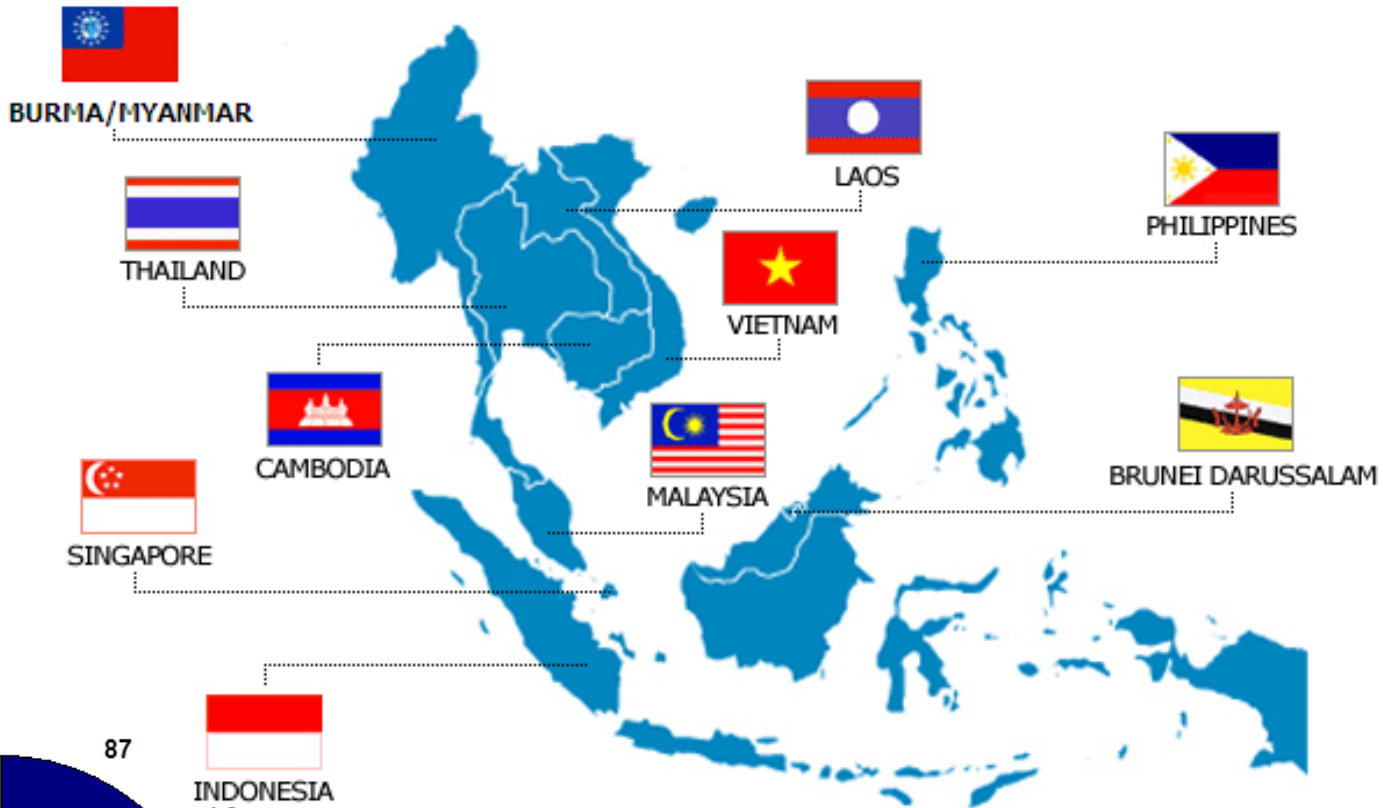
|  | 2009        | 2010              | 2011       |
|--|-------------|-------------------|------------|
|  |             | Latest projection |            |
| <b>Industrial Asia</b>                     | <b>-4.1</b> | <b>2.9</b>        | <b>1.9</b> |
| Japan                                      | -5.2        | 2.8               | 1.5        |
| Australia                                  | 1.2         | 3.0               | 3.5        |
| New Zealand                                | -1.6        | 3.0               | 3.2        |
| <b>Emerging Asia</b>                       | <b>5.8</b>  | <b>9.4</b>        | <b>8.1</b> |
| <b>NIEs</b>                                | <b>-0.9</b> | <b>7.8</b>        | <b>4.5</b> |
| Hong Kong SAR                              | -2.8        | 6.0               | 4.7        |
| Korea                                      | 0.2         | 6.1               | 4.5        |
| Singapore                                  | -1.3        | 15.0              | 4.5        |
| Taiwan Province of China                   | -1.9        | 9.3               | 4.4        |
| China                                      | 9.1         | 10.5              | 9.6        |
| India                                      | 5.7         | 9.7               | 8.4        |
| <b>ASEAN-5</b>                             | <b>1.7</b>  | <b>6.6</b>        | <b>5.4</b> |
| Indonesia                                  | 4.5         | 6.0               | 6.2        |
| Malaysia                                   | -1.7        | 6.7               | 5.3        |
| Philippines                                | 1.1         | 7.0               | 4.5        |
| Thailand                                   | -2.2        | 7.5               | 4.0        |
| Vietnam                                    | 5.3         | 6.5               | 6.8        |
| <b>Emerging Asia excl. China</b>           | <b>2.5</b>  | <b>8.2</b>        | <b>6.4</b> |
| <b>Emerging Asia excl. China and India</b> | <b>0.4</b>  | <b>7.2</b>        | <b>4.9</b> |
| <b>Asia</b>                                | <b>3.6</b>  | <b>8.0</b>        | <b>6.8</b> |

Source: IMF staff projections.



# ASEAN Country Members

Trade. Invest.  
Prosper



Unit: million

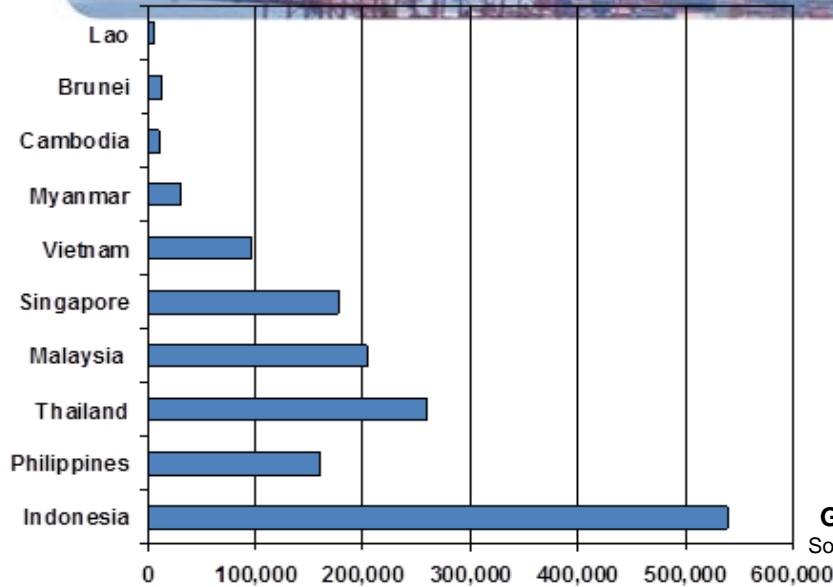
Rest of ASEAN: Cambodia, Laos, Myanmar, Brunei Darussalam

Data Source: Euro monitor International

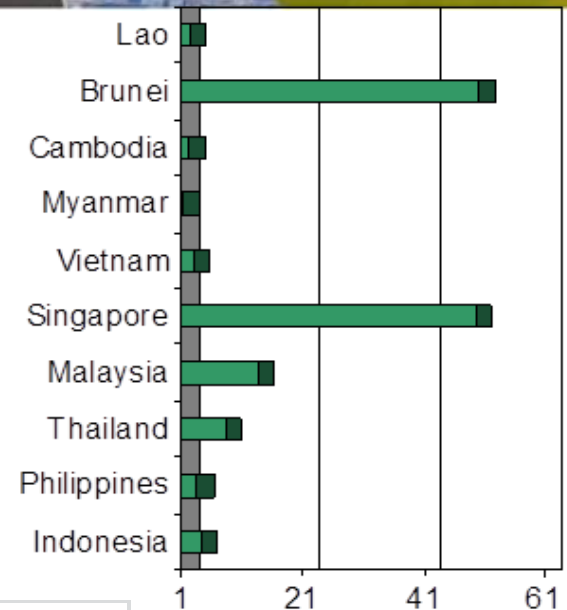
# ASEAN GDP

Trade. Invest.  
Prosper.

[austrade.gov.au](http://austrade.gov.au)



GDP 2009, USD millions  
Source: Euro monitor International



Source: IMF

## REAL GDP GROWTH (percentage change)

|                            | 2010       | 2015       |
|----------------------------|------------|------------|
| <b>Indonesia</b>           | 6.1        | 7.1        |
| <b>Malaysia</b>            | 6.5        | 5.3        |
| <b>Philippines</b>         | 6.0        | 4.4        |
| <b>Singapore</b>           | 14.0       | 4.5        |
| <b>Thailand</b>            | 7.0        | 5.1        |
| <b>Viet Nam</b>            | 6.8        | 7.2        |
| <b>6 countries average</b> | <b>7.3</b> | <b>6.0</b> |

Source: OECD Development Centre (M PF-SAE0 2010)



Australian Government  
Austrade

# ASEAN & AUSTRALIA



- Second largest trading partner (A\$88.9 bn)
- Third export destination
- X 7 trade value increase since 1990
- A\$15.4bn ASEAN investment into Australia
- A\$40bn Australian investment into ASEAN
- SAFTA, TAFTA, AANZFTA
- ASEAN Economic Community 2015

For more information on ASEAN, visit: [www.asean.org](http://www.asean.org)

For ASEAN-Australia-New Zealand FTA, visit:

<http://www.dfat.gov.au/trade/fta/asean/aanzfta/>



Australian Government

Austrade

- 2010 - **Resurgence of IT demand.**
- Global IT spending expected to reach **USD1.6 tr in 2011.**
- Growth areas: **public IT cloud services, mobile computing, social media and applications.**
- Close to 25 bn mobile apps to be downloaded in 2011, up from just over 10 bn in 2010 (IDC).
- **Asian organisations to increase IT expenditures by 7.6%** to approx. AUD308 bn in 2011.
- Fastest growing IT spending segments (2010 – 2014): software, hardware, IT services, telecommunications (Gartner).
- Top industry verticals: Healthcare, utilities and education.
- **IT spending in Asia to surpass North America's spending** in next couple of years.
- Technology **fundamental investment to drive cost reduction and business optimisation.**
- Demand driven by World population growth (from less than 7 bn to 9 bn over next generation – most in Asia) and urbanisation of the emerging ASEAN economies.



# INDONESIA MARKET OVERVIEW



## What do you need to know about Indonesia ICT trends?

- ✓ Hardware accounts for more than 70% of Indonesian IT spending
- ✓ SMEs make up more than 90% of ICT businesses
- ✓ The fastest mobile telephone market in Asia Pacific - to reach into 390mn in 2015



- ✓ The trend of combining social media with mobility services
- ✓ 3.5G technology forecast to 17mn subscribers in 2014
- ✓ The first kick off - WIMAX deployment to a total of 12mn subscribers in 2014
- ✓ Fixed-line market predict to 53mn subscribers in 2014
- ✓ Government's aim to provide telephone and IT services to all rural areas in Indonesia by 2015
- ✓ Submarine cable projects are on the rise

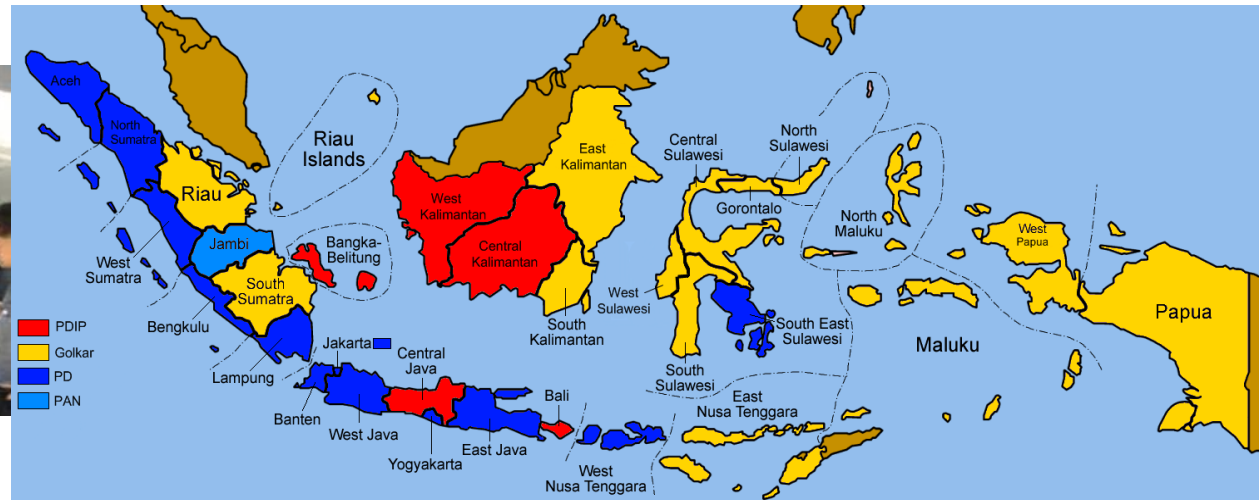


# Indonesia Update



## Live Opportunities

- ✓ Popularity of mobile value-added to different sectors (include emerging mobile applications : mobile banking, entertainment sms-based, mobile TV, mobile games, mobile health application)
- ✓ E-government on projects (e-procurement, security & alert system, disaster risk reduction systems)
- ✓ Telecommunications infrastructure and solutions
- ✓ Cloud Computing



## Top Business Tips

- ✓ Partnering is **STRONGLY** recommended
- ✓ Treating Indonesia as a similar market to its neighboring countries ?
- ✓ Thinking Email, phone (not face to face) communications are enough ?
- ✓ Need to think long term **BUT** flexible with some business models in this market



# The Philippines Market Overview



Trade.  
Invest.  
Prosper.



## • Size of ICT market

- Contributed 6.7% to the country's GDP in 2009
- Phil IT spending to reach USD3.63B while telco spending will reach USD4.5B by end of 2011
- Penetration rates as of Dec 2010 –
  - Fixed line : 5% / 4.2 M subscribers
  - Mobile : 96% / 90 M subscribers
  - Internet : 8% / 7.5 M subscribers

## • Current technology trends

- Cloud computing becoming a buzzword
- Focus on enterprise solutions such as M2M services
- Migration into new generation network plans
- Huge demand for mobile broadband



# The Philippines Update

Trade.  
Invest.  
Prosper.



- **Opportunities for Australian clients**

- Planned network upgrade and expansion by telco operators
- Strong demand for IT services from BPO industry
- ERP and other e-business applications for enterprises
- Digital VAS and platforms combining web and mobile functionalities



- **Tips for entering the market**

- Patience is key – think long term and be flexible
- Focus on unique value proposition
- Prepare and do your homework
- Work with a reliable local partner



# Thailand: ICT Update



## Overview of ICT Market value in 2008 -2009 and the estimated value in 2010

| Market              | Value (Million THB) |                |                | ICT Market share (%) |            |            | Growth (%) |            |
|---------------------|---------------------|----------------|----------------|----------------------|------------|------------|------------|------------|
|                     | 2008                | 2009           | 2010f          | 2008                 | 2009       | 2010f      | 08/09      | 09/10      |
|                     | 1.Computer Hardware | 75,720         | 80,869         | 88,040               | 14.5       | 14.6       | 14.8       | NA         |
| 2.Computer Software | 62,937              | 64,365         | 67,884         | 12.0                 | 11.6       | 11.4       | 2.3        | 5.5        |
| 3.Computer Services | 24,981              | 48,372         | 57,392         | 4.8                  | 8.7        | 9.6        | NA         | 18.6       |
| 4.Communications    | 360,216             | 361,895        | 382,288        | 68.7                 | 65.1       | 64.2       | 0.5        | 5.6        |
| <b>Total ICT</b>    | <b>523,854</b>      | <b>555,501</b> | <b>595,604</b> | <b>100</b>           | <b>100</b> | <b>100</b> | <b>6.0</b> | <b>7.2</b> |



### Communications:

Fixed-line: 7m (3 operators TOT, True, TT&T)

Internet users: 20m / broadband users: 2.7m (3.4% of total population)

Mobile subscription : 70.9m (102% penetration) 80% pre-paid

3G Phone Subscription: 0.85m (1.2% of total market)

Digital Content: AUD 2.7 billion in 2009 (0.91% GDP) mostly games and animation



# Thailand Update



The largest IT market in ASEAN – US\$4.9Bn (2009) reaching US\$7Bn (2013)

## Market Trends:

- Increasing need for computer services and computer software at ratio of 43:57 in 2010
- Mobile market saturation – 70.9m subscription (2010) with 80% pre-paid users
- 3G and WiMAX upcoming



**Opportunities:** - Enterprise Software (SOA, Cloud Computing, Storage Management), **Health IT**, **Financial Services IT**, Telecommunications & Wireless applications (3G applications, GPS on mobile, VARS, Roaming network equipment, Mobile Internet device for 3G & WiMAX), IT services outsourcing

**Tips:** Reference Sites / Case Studies / Localisation



# VIETNAM ICT MARKET OVERVIEW



Trade.  
Invest.  
Prosper.



- ❑ World's second fastest growing ICT market, estimated 20%-30% annually (4,000 ICT companies - 300,000 employees – Current ICT market: USD4.9 billion)
- ❑ Strong economic growth - ongoing economic reforms - large young population combine to create a strong demand for new technology.
- ❑ The Vietnamese government has a strong commitment to developing its ICT industry.
- ❑ Key sectors:
  - Telecommunications and related industries are currently among the fastest growing industries in Vietnam: 110.8 million mobile subscribers, 20.8 internet users
  - Software Industry growth averaged 33% with 1,000 companies and 57,000 employees are working in.
- ❑ Emphasis on human resource development.



# Vietnam ICT update



## Key Opportunities:

- Telecommunications:
  - Niche opportunities for mobile content, applications, and solutions
  - Value-added services for interactive mobile, internet, and television
  - Broadband IT: Developing alternative broadband technologies, including WiMAX and fiber - Partnering with established network operators to provide 3G services
- IT Services:
  - IT technical training and IT consulting
  - Software/hardware development/outsourcing service
  - Data centre/storage and web services
- Financial IT, E-health, E-government

**Up-coming Event: IT Services Mission in Vietnam 27-28 April**





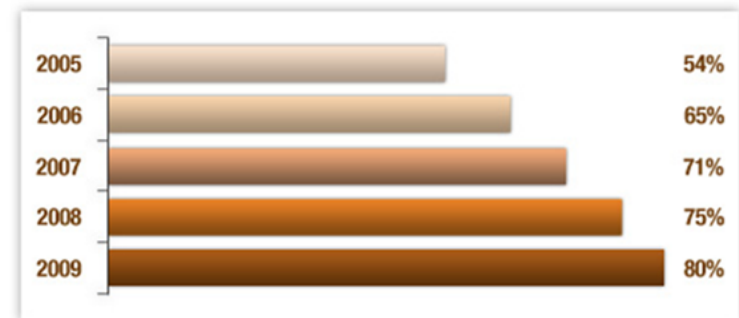
# SINGAPORE MARKET OVERVIEW



- Singapore Government through Infocomm Development Authority (iDA) drives initiatives and programs to develop and enhance ICT sector.
- Singapore market marked by four key ICT strategies:
  - To spearhead transformation of key economic sectors, government and society
  - To establish an ultra-high speed, pervasive, intelligent and trusted infocomm infrastructure
  - To develop a globally competitive infocomm industry
  - To develop an infocomm-savvy workforce and globally competitive infocomm manpower base
- Environment: pro-ICT, pro-business environment, world-class infrastructure
- More than 90 percent of Fortune 1000 technology companies have made Singapore key node in global network, e.g., Amazon, Microsoft, Paypal, Yahoo!
- Australian technology companies based in Singapore: GBST, TTM Group, Erideon Group, Soanar Pty Ltd
- Key sectors: *education, financial services, healthcare, manufacturing & logistics, tourism, hospitality & retail, government, SMEs, community*
- Next Gen NBN: S\$1bn allocated to building & operating national broadband network (NGNBN); roll-out on track – 95% coverage island-wide by 2013.

- ICT market projected to grow faster in 2011:
  - Total market size projection:
    - US\$5.3 bn (2010) / US\$6.6 bn (2014)

Household Access to Broadband, 2005-2009, Annual



# Singapore Update

Trade.  
Invest.  
Prosper.



Mobile penetration: Total mobile market 6.9 mn / more than 3.2 million 3G subscribers; 3G subscribers represent 47% of total subscriber base. 3G rapidly becoming 'normal' mobile service in Singapore. *Singapore population: 5 mn.*

Complementary strategy: Wireless@SG project, free wireless Internet access across the country

Market drivers: Government projects + key IT-spending sectors: financial services, telecoms, government, healthcare, logistics (Government budget in access of S\$1bn in ICT spending in 2010)

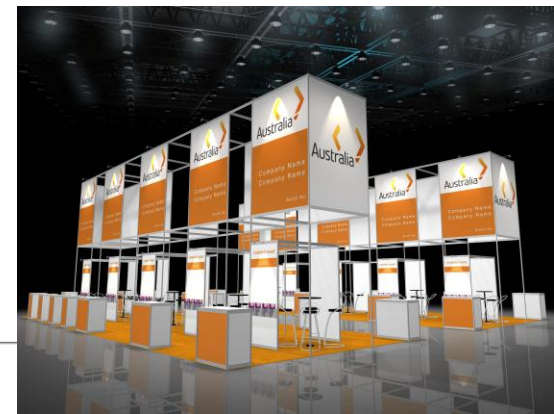
## OPPORTUNITIES:

- Green ICT, Cloud computing, Business analytics
- Business process re-engineering
- Next Gen LTE and WiMAX technologies
- IT services (financial services, telecoms, government, healthcare, logistics, education)
- Next Gen National Broadband Network (NGNBN)
- Standard ICT Operating Environment (SOE)



**CommunicAsia 2011**  
The 22nd International Communications and Information  
Technology Exhibition & Conference

21-24 Jun 2011  
Marina Bay Sands  
Singapore



# Malaysia Update

Trade.  
Invest.  
Prosper.



## Market Overview

- Malaysian information technology (IT) industry is approximately USD4.7 billion and expected to grow to USD6 billion by 2012.
- Australia's ICT goods exports to Malaysia is valued at around USD80 million.
- 10<sup>th</sup> Malaysia Plan to transform the country to become a highly developed and high-income nation. Some major expansion of the IT sector in Malaysia, both in terms of its backbone and its business end.
- Government to target broadband penetration of 75% by 2015 targeting two streams - broadband for the general population (BBGP) and high speed broadband (HSBB).
- 2011 Malaysia Budget - government, healthcare, financial services, retail, and construction to gain further investments from the public and private sectors. ICT is the key enabler.
- Malaysia as the preferred IT hub in the region.



Australian Government  
Austrade



# Malaysia Update



## Market trends

- Telecommunications Spending Will Remain Strong in 2011
- Local Partners Will Stage Their Claim in Cloud
- The packaged software market is expected to continue its good growth at 10% YoY into 2011
- Outsourcing is expected to fuel IT services growth in Malaysia.
- Expanding Digital Universe

Opportunities: Enterprise Solutions / Telecommunications Mobile Technology including mobile content / E-Learning/E-health

Future Outlook: Financial Services IT / Cloud Computing - New services strategies (SaaS and Managed Services) / Green IT/ Systems integration and consultancy services, Outsourcing

Tips: Research / Relationship / Respect / References and case studies



Australian Government  
Austrade



Allens Arthur Robinson 

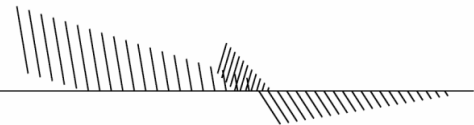


---

# **Trends and developments and key legal issues in ICT in South East Asia**

Jeremy Chase, Senior Associate

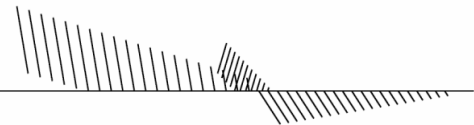
8 February 2011



# Overview

---

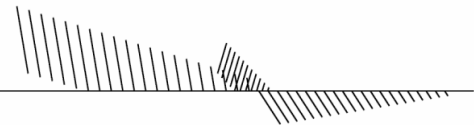
- + Background
- + Developments and trends
- + Key legal issues in foreign investment in South East Asia
- + Allens contacts



# Checklist of Key Legal Issues

---

- + Foreign Investment Regulations
- + Business Structure
- + Intellectual Property
- + Employment
- + Taxation

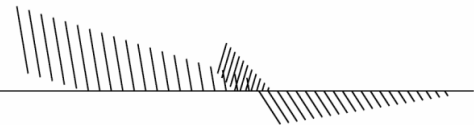




# Legal issues : Foreign Investment Regulations

---

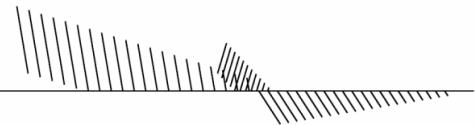
- + Restrictions on foreign investment?
- + Incentives for foreign investment?
- + Licence requirements?
- + Currency and exchange controls?



# Legal issues : Business Structure

---

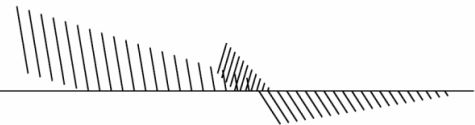
- + 100% foreign-owned?
- + Joint venture / local partner?
- + Licence arrangement?



# Legal issues : Intellectual Property

---

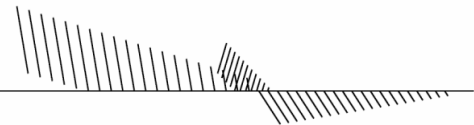
- + What protections are available under law?
- + What protections are available practically?
- + Enforcement?



# Legal issues : Employment

---

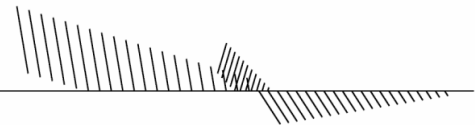
- + Work permits for key executives
- + Local employment conditions
- + Non-compete/confidentiality
- + Hiring and firing



# Legal issues : Taxation

---

- + Ask the accountants
- + Transfer pricing
- + Capital gains tax
- + Repatriation of profits



# Allens in Asia : CMT Contacts

---



Niranjan Arasaratnam  
Partner  
Niranjan.Arasaratnam@aar.com.au  
Tel: +61 3 9613 8324  
Mobile: +61 3 9613 8324



Jeremy Chase  
Senior Associate  
Jeremy.Chase@aar.com.au  
Tel: +65 6535 6622  
Mobile: +65 9649 8121



# Allens in Asia : Where we are

---



# Allens in Asia : Contacts

---

## **Bangkok**

### **Siam Premier International Law Office Ltd**

T +66 2646 1888  
F +66 2646 1919  
26th Floor  
The Offices at Central World  
999/9 Rama I Road  
Pathumwan, Bangkok 10330  
Thailand

## **Beijing**

T +86 10 8515 0250  
F +86 10 8515 0251  
Level 11, Unit 8  
Office Tower E3  
The Towers, Oriental Plaza  
No.1 East Chang An Avenue  
Dong Cheng District  
Beijing 100738  
People's Republic of China

## **Hanoi**

T +84 4 3936 0990  
F +84 4 3936 0984  
Suite 401, Hanoi Towers  
49 Hai Ba Trung, Hanoi  
Vietnam

## **Ho Chi Minh City**

T +84 8 3822 1717  
F +84 8 3822 1818  
Suite 605, Saigon Tower  
29 Le Duan Boulevard  
District 1 Ho Chi Minh City  
Vietnam

## **Hong Kong**

T +852 2840 1202  
F +852 2840 0686  
10/F, Jardine House  
1 Connaught Place  
Central, Hong Kong

## **Jakarta**

### **Widyawan & Partners**

T +62 21 2995 1500  
F +62 21 2995 1501  
The Energy, 9th Floor  
SCBD Lot 11A  
Jl Jend Sudirman Kav 52-53  
Jakarta 12190  
Indonesia

## **Port Moresby**

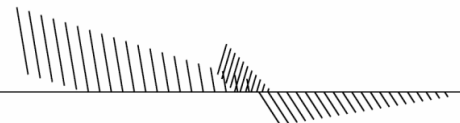
T +675 320 2000  
F +675 320 0588  
Level 5, Pacific Place  
Cnr Musgrave Street &  
Champion Parade  
Port Moresby  
Papua New Guinea

## **Shanghai**

T +8621 6841 2828  
F +8621 6841 2829  
5/F Hang Seng Bank Tower  
1000 Lujiazui Ring Road  
Pudong New Area  
Shanghai 200120  
People's Republic of China

## **Singapore**

Tel: + 65 6535 6622  
Fax: +65 6535 4855  
One Temasek Avenue  
#35-01, Millenia Tower  
Singapore 039192





Allens Arthur Robinson 



# ASEAN ICT Team



**Elodie Journet**

**ASEAN ICT Team Leader**

Trade Commissioner, Singapore

[elodie.journet@austrade.gov.au](mailto:elodie.journet@austrade.gov.au)



**Feranica Susanto**

**Jakarta (Indonesia)**

[feranica.susanto@austrade.gov.au](mailto:feranica.susanto@austrade.gov.au)



**Michelle Hooi**

**Kuala Lumpur (Malaysia)**

[michelle.hooi@austrade.gov.au](mailto:michelle.hooi@austrade.gov.au)



**Eva Yazon**

**Manila (Philippines)**

[eva.yazon@austrade.gov.au](mailto:eva.yazon@austrade.gov.au)



**Chantimaporn**

**Bangkok (Thailand)**

[chantimaporn@austrade.gov.au](mailto:chantimaporn@austrade.gov.au)



**Diana Pang**

**Singapore**

[diana.pang@austrade.gov.au](mailto:diana.pang@austrade.gov.au)



**Trang Tran**

**Ho Chi Minh City (Vietnam)**

[trang.tran@austrade.gov.au](mailto:trang.tran@austrade.gov.au)



**Jeremy Chase**

**Allens Arthur Robinson**

[Jeremy.Chase@aar.com.au](mailto:Jeremy.Chase@aar.com.au)



**Australian Government**

**Austrade**