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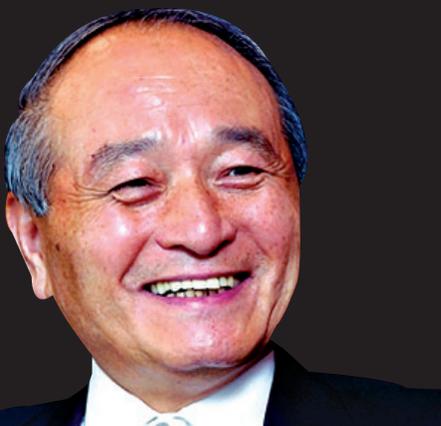
REPORT



RETURN OF THE KING

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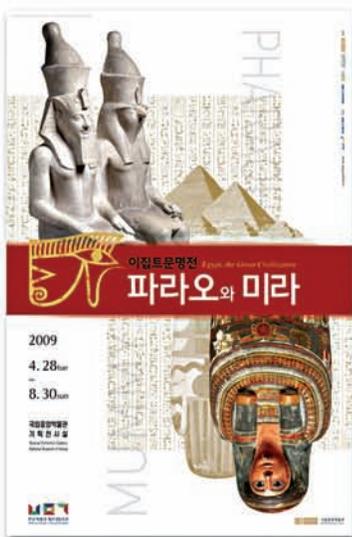
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The Return of the King

NADEEM AKHTAR

Indian National Congress. A name that is on the tip of everyone's tongue today in India. The elections for the 15th Lok Sabha, the lower house of the Indian Parliament, has been altogether captured by this 125-year-old-party. It is crystal clear now that Prime Minister Manmohan Singh will head the newly elected government led by congress (206).

The big question that is arising here is how the absolute-right BJP was defeated despite all the predictions of a hung house and how has the ruling United Progressive Alliance managed to grab the majority?

Well, the answer is not so tough. It's very pathetic to say that the opposition National Democratic Alliance failed to persecute the ruling coalition through its firebrand young bloods such as Varun Gandhi, who made adverse statements about minorities during his election campaign in Pilibheet, a parliamentary constituency of the largest state in the country, Uttar Pradesh. During the election campaign, even the BJP didn't condemn the statements of Varun. This suicidal stand helped the party gain cheap popularity among some of its strongholds, but it failed to convert that into total popular votes throughout the country. It wasn't just leaders like Varun who tried to achieve their target through nasty sloganeering, but also some statements by the opposition leader and PM-in-waiting (still), Mr. L.K. Advani. Yet, when the prime minister hit back with a stinging riposte to say that the BJP leader's main achievement was the demolition of the Babri masjid, Advani had to concede on television that he had been "hurt."

On the other hand, Congress gained from the image of sobriety projected by Manmohan Singh, which was en-

hanced by his reputation for personal integrity, and from the energetic campaigning of Congress President Sonia and General Secretary Rahul Gandhi. Even if the party was taunted for its dependence on the dynasty, it did not seem to bother the average voter, as earlier experience has shown.

The average voter was also apparently not bothered by the withdrawal of a longstanding Interpol notice at the behest of the Central Bureau of Investigation (CBI) against Italian businessman, Ottavio Quattrocchi, who is an accused in the Bofors scam. Or by the Congress's reluctance to recover the dirty money stashed abroad, as alleged by the BJP.

The BJP's meal was soured by a decision of projected Chief Minister of Gujarat Mr. Narendra Modi as a theme leader of the party. The evil deed resulted in an apology from the party after the defeat. After the declaration of results, BJP leader Chandan Mitra said that projecting Modi as the party's next prime ministerial candidate was a mistake, indicating that it could be a factor in the party's poor showing in the elections. "Bringing up Narendra Modi's name in the middle of the campaign was a serious error of judgment," Mitra said, analyzing the election results on a television channel.

Not only Mitra, but the allies of the BJP are saying that the projection of Modi and Varun led the coalition down. NDA's convener Sharad Yadav said, "It may be right or wrong or he [Varun] might have denied it, but his statement has caused immense damage. His statement was unconstitutional. It was against the country's unity and must have affected the polls." When asked whether references that Gujarat Chief Minister Narendra Modi could be a future prime ministerial candidate had affected the prospects of NDA, Yadav, who is also JD(U) president, said the eruption of the issue indeed had confused the people. "It was a factor. When the issue had come up, it created confusion in the peoples' minds. Since the NDA had already declared a prime ministerial candidate [L.K. Advani] unanimously, the issue should have been dismissed immediately."

Hence, it is well indicated that the success of the Congress is attributed to the fact that it was a political confron-

tation devoid of the kind of emotional content, which its principal opponent, the BJP, customarily exploits on such occasions. As a result, the normality of the contest meant that the BJP could not whip up what it likes to term as "nationalistic sentiment" in its favor. It did try various pseudo-religious, pro-Hindu tacks, such as promising to build the Ram temple or saving the Ram sethu. But clearly, none of these worked for the BJP. The major reason behind it is because the voters had realized that these were no more than cynical electoral ploys.

Apart from the hate politics of the opposition, some outstanding works of the UPA government made way for a ruling alliance to sit comfortably in the treasury bench. One such effort was implementing the National Rural Employment Guarantee Act throughout the country, which benefited many workers living below the poverty line. This act assures 90 days of employment and/or minimum wage payment even without work. This success also includes the pro-people economic policies of one of the world's best economists, Manmohan Singh, which prevented the country from searing in the absolute heat of the global recession. Even as it fights back against criticism on the fiscal front, the UPA says that its record in economic development has been strong, arguing that flagship schemes like the Nuclear Power Program, the National Rural Employment Guarantee scheme and Bharat Nirman, have helped bring economic growth to the masses. One cannot abruptly deny these claims of the ruling alliance.

Now, with the success of the UPA, particularly Congress, a big political question arises about the future of the BJP and some regional parties. The BJP has done less well than expected. The party has 120 seats, down 18 from what it had in 2004. The Left party has suffered the most significant reversal in the polls. The CPI(M) of West Bengal and Kerala have presumably lost their case against capitalism in general and against Prime Minister Singh's "nuclear deal" with the United States in particular. Indirectly, this indicates that the electorate supports a strategic partnership between India and America.



Prime Minister Manmohan Singh presents a bouquet of flowers to UPA Chairperson Sonia Gandhi while addressing the media at the latter's residence in New Delhi.

The BJP is now in a dilemma of leadership. After the defeat, L.K. Advani has expressed his desire to quit as the leader of the opposition. The trouble is with the BJP is that, after Advani, there is a crisis of leadership. Sangh Parivar (RSS) is also reluctant, and with a suppressed tongue the opposition is seeking Advani's retirement. In such a situation, an easily-acceptable leader will not be easy to choose, because the party is already in disarray. Therefore, there's a huge challenge ahead for the BJP to stabilize itself in the coming years and to deliver a leader with an acceptable face. Not like Modi or Varun, who have cast a cloud over the party.

Not only the Left and BJP, but the BSP and regional parties have to review their place in a country of 1.3 billion people. Unexpectedly, the Dalit charisma of Kumari Mayawati of the Bahujan Samaj Party in the UP has not made inroads into the Congress vote. Her party has won 21 seats,

There are some possible consequences of a Congress-led alliance victory. Firstly, the UPA will now be fully independent, which will allow it to call the shots in coalition-building rather than being dependent on the goodwill of a host of regional parties. No doubt about the stable government of a coalition that will last another full five-year term.

gaining just two. She was supposed to win as many as 50 seats and become the wild card set to chisel Congress' support and finally force it to take the UP-dominant party-without-an-agenda into its coalition. It's an old tradition to introduce election manifesto by the political parties in India, but the BSP is against this tradition. It contested the election without any manifesto.

Mayawati had expected to make a major impact on the 2009 Lok Sabha elections. So much so, it projected the polls as one that would pave the way for the rise of the first Dalit Prime Minister in the country. The party presented itself as a political ally of the Left-led Third Front, though it did not have seat adjustments with any of the Third Front constituents. It



also tried to strengthen its fortunes, particularly with the Muslim minorities, by taking an aggressive line against Varun Gandhi's anti-Muslim speech and invoking NSA against the BJP's Gandhi. It continued to make the projection about the need for a Dalit Prime Minister, too, in the course of the campaign and asserted that it would be done as part of a non-Congress, non-BJP combination. It also tried to spread far and wide by contesting as many as 488 seats across the country. But as the results conclusively proved, all this failed to entuse the masses.

There are some possible consequences of a Congress-led alliance victory. Firstly, the UPA will now be fully independent, which will allow it to call the shots in coalition-building rather than being dependent on the goodwill of a host of regional parties. No doubt about the stable government of a coalition that will last another full five-year term.

The election result is also a setback for regional, caste-based parties and the communists who were once seen as indispensable to any coalition formation. The result may force the main Hindu-nationalist opposition Bharatiya Janata Party to search for a new leader to replace the 81-year-



In Congress, Singh and Gandhi meet after the election results.

could be in the cards. This could lead to higher market borrowings, which may further push the fiscal deficit beyond the present consolidated deficit of around 10 percent.

After emerging as a "strong politician," Mr. Singh will definitely get special attention from America and neighboring countries alike. Noting that India and the U.S. have common interests in many issues like

pay heed to the international efforts to normalize relations with Pakistan – to begin with, lessen the Indian military presence on the border. Pakistan may find itself challenged by Mr. Singh's insistence that Pakistan punish the Mumbai attack culprits. By insisting less on the maxim of "South Asia for South Asians," India has gained special leverage in dealing with Pakistan, whose economic survival now depends totally on the U.S. and its allies. Letting the Americans become arbiters in the "Afghan-Pak crisis" has taken India out of isolation as it deals with its neighbors. Pakistan will be under pressure to proceed against the Taliban, who it has acknowledged as being located on its soil, even though its courts feel inclined to let them off. India will probably be willing to sign trade deals, but anything that Pakistan wants from India will be put on the back burner until Pakistan delivers on the jihadists in addition to the Taliban.

Along these steps, it is expected the newly-mandated PM will build on ties with the U.S. and fully implement the nuclear deal it signed with Washington in 2008. The government will push for more say in global economic and political policy-making in entities such as the United Nations Security Council, World Bank and the International Monetary Fund.

Aloof about the expectations of political pundits, the new government must fulfill the basic needs of the trailing society, which is most in need at present. Execution is beginning to matter in politics. It is only honesty from the leadership that leads to a value-based victory at the UPA's end, and it must deliver in order to stay alive.

(With input from agencies.)

After emerging as a "strong politician," Mr. Singh will definitely get special attention from America and neighboring countries alike.

old Lal Krishna Advani. Unfettered by an absence of difficult allies, the Congress could push for further liberalization of the insurance, pension and banking sectors, moves that were blocked by its former communist allies. It could also look at stake sales in or the listing of some state-run firms to raise resources to fund its development programs. It could also use innovative financial tools as well as some rate cuts from the central bank. The government could also now forcefully ask commercial banks to cut lending rates in order for monetary policy to make an impact. A renewed focus on the agriculture sector after the rural vote proved decisive for the Congress' strong electoral performance. The government could build on the success of a NREGS(A) and expand its scope to cover the entire country. Higher subsidies for the poor, including cheaper staples, cheaper farm loans, crop insurance and wider health insurance coverage

combating terrorism and putting the global economy back on track, the Obama administration is set to seek an expanded strategic partnership with New Delhi. Interest has been expressed by Ambassador Robert O. Blake, who was nominated by Obama as the Assistant Secretary of State for South and Central Asia. "If confirmed, a top priority for me and for the Bureau of South and Central Asia will be to seek an expanded strategic partnership with India," Blake said in his confirmation hearing before the Senate Foreign Relations Committee. Now it is considered that India, with its vibrant democracy and rapidly expanding economy, can be an anchor of stability and opportunity for South and Central Asia and will be more effective in combating terrorism in the region.

A leading newspaper of Pakistan, The Daily Times, sees a perspective of hope stating that while post-election India will be in a better mood to

The Great Korean Peninsula Chess Match

BY DONALD KIRK

In the great bargaining game for the relaxation of tensions on the Korean Peninsula, for freedom from the fear of North Korea's nuclear arsenal, the decibel level of the rhetoric grows louder by the day. Three factors form separate but related elements in a great drama with far-reaching repercussions for the region. Not necessarily in order of importance, these range from succession in North Korea, U.S. policy on Korea and the North Korean intimidation of South Korea's conservative government. None of these are evolving in ways likely to relieve tensions.

North Korea is elevating the nuclear threat level to new extremes, while American policy appears uncertain to Korean observers. That's the impression one gets from the North's demand that the United Nations Security Council issue "an apology" for having condemned its test-firing of a long-range Taepodong-2 missile on April 5 and its subsequent nuclear test on May 25. If the Security Council fails to do its bidding, North Korea threatens to "defend its supreme interests" with "measures that will include nuclear tests and test-firings of intercontinental ballistic missiles."

The question is, how long is the North prepared to wait to see if the United States shows signs of yielding to direct dialogue outside the format of six-party talks. Paik Sung-joo, director of the Center for Strategy and Security at the Korean Institute for Defense



Kim Jong-il

completing its nuclear system," he told me. "They must improve the device and the delivery system" – that is, the nuclear warhead and the means to fire it to distant targets.

North Korean scientists and engineers by most estimates have fabricated at least six nuclear warheads, but probably not a small enough device to affix to the tip of a long-range missile, such as the one that flew 2,000 miles in the early April test. North Korea has so far conducted two underground nuclear tests, but both tests were far smaller than those of the eight full-fledged nuclear powers – an elite group among which the North would like recognition as a member. The timing of North Korea's test is directly related to the North's succession crisis and evolving U.S. policy. North Korea's leader, Kim Jong-il, "is not in the greatest of health and the succession issue is unresolved," observed Dean Ouellette, a research fellow at the University of North Korean Studies in Seoul. With the missile-firing and subsequent nuclear test, he believes, North Korea is keeping the world on edge while working through problems at home.

The process of selecting a successor to Kim Jong-il became a top priority last August after he suffered a stroke that weakened his left side. Kim, who also suffers from diabetes, looked frail and appeared to have lost weight when he chaired a session of the Supreme People's Assembly sev-

eral days after the firing of the Taepodong-2. The session unanimously roared its approval of another term for Kim as chairman of the national defense commission, the center of power in North Korea, and named his brother-in-law, Jang Song-taek, a commission member. Jang is Kim's right-hand man – and likely regent behind Kim's successor. The youngest of Kim's three sons, Kim Jong-un, given a defense post as "inspector," is believed to be in line as the first third-generation family member to inherit the top post of any communist country.

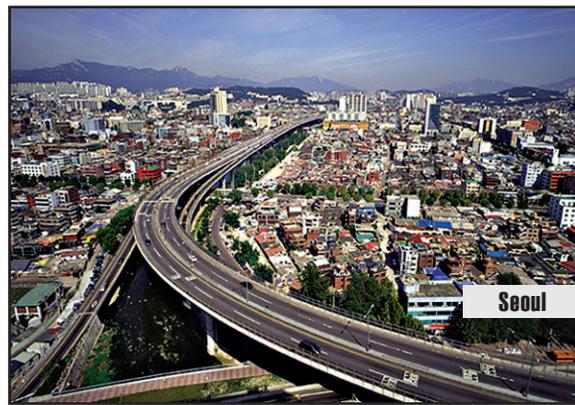
In the midst of the backstage maneuvering for succession, North Korea also is weighing the U.S. response to the drama of rhetoric and testing. North Korea is clearly not interested in going on with six-party talks, last held in December, while the State Department routinely calls for returning to the table. First, in the view of Choi Jin-wook, senior research fellow at the Korea Institute of National Unification, North Korea wants the UN Security Council to cancel sanctions imposed by a resolution adopted after the 2006 nuclear test. The resolution appeared ineffective as long as sanctions were not enforced, but China, Russia and others now appear more inclined to observe them. Meanwhile, said Choi, "No international bank will make transactions" with North Korea while the sanctions are in place. "The U.S. wants to pressure North Korea," he believes. "They are playing a game of bluffing each other."

It is a dangerous game, however, in which North Korea is expected to continue to make good on its threats. "It's easy to predict they will do what they've said," said Yoon Dae-kyu, vice president of Kyungnam University, but first North Korea wants to see the drift of U.S. policy under President Barack Obama. The U.S. special envoy on North Korea, Stephen Bosworth, is believed to advocate dialogue between the U.S. and North Korea, long sought by the North in what is viewed in Seoul as an attempt to sideline and isolate the South.



One consideration will be the degree to which the U.S. chooses to fight the spread of nuclear weapons and technology under the Proliferation Security Initiative, a program for banding scores of nations together to cooperate on blocking shipments of nuclear materiel. South Korean officials have said the South has made a “firm and clear” decision to join the PSI as a core member after having participated under an observer status in exercises, but North Korea has said such a move by the South would be “a declaration of war.” If nothing else, North Korea could respond to the South’s joining the PSI by staging attacks on South Korean patrol boats in the West or Yellow Sea similar to those in June 1999 and June 2002. Six South Korean sailors were killed in the second attack while scores of North Koreans were believed to have died on each occasion.

At the Korea Institute for Defense Analyses, Kim Tae-woo, the vice president, believes North Korea is looking for any pretext to conduct more tests and would rather do so sooner than later. By demanding an “apology” from the UN Security Council, Kim told me, “they are asking something not acceptable” while “trying to accumulate legitimacy for the next nuclear test.” Preparations for testing a warhead,



ited Seoul in February on the way to Beijing, host of the six-party talks, she spoke of the need to consider the future of North Korea when Kim Jong-il was no longer around. Diplomatic analysts chastised her for speaking so frankly about the fitness of the leader of a regime the U.S. hoped would return to negotiations. More recently, Clinton has said the North Koreans can forget about economic aid unless they return to the six-party talks that they have vowed “never” again to attend. She estimated the chances of the North Koreans biting on that bait as “implausible if not impossible,” as were the odds they would “begin to disable their nuclear capacity.” Such tough talk was more reminiscent of the early years of the presidency of George W. Bush than of that of her husband Bill Clinton, whose secretary of state, Madeleine Albright, schmoozed

The certainty of military assumption of real power rests on the military-first policy that Kim Jong Il has promoted ever since he inherited national leadership after the death of his long-reigning father, Kim Il-sung, in July 1994. Although elevated to the National Defense Commission after the latest missile test, brother-in-law Jang will have to contend with military people whose command of the country’s 1.1 million troops gives them an automatic power base. Third

son Kim Jong-un, moreover, may be a weak leader – even if his father adjudged him better qualified than his two older brothers. Educated in Switzerland, he has never had to endure the hardships of the military people around him. Moreover, like his ailing father, he’s somewhat overweight and may be suffering from diabetes – a condition that does not augur well for his long-term future as the first third-generation leader of any socialist country.

In the rivalry to show who’s toughest, North Korean strategists view South Korea as an irritant to be intimidated by threats and warnings. They are “investigating” the Hyundai engineer arrested on March 30 for bad-mouthing North Korea in a drunken conversation with a North Korean waitress at the Kaesong Industrial Complex just above the Demilitarized Zone about 60 kilometers north of Seoul. In response to South Korean demands to see him, they are telling South Korean officials to stop making a fuss or face reprisals. In effect, they are holding the engineer for ransom, demanding more money from the 100 South Korean companies whose managers and technicians supervise about 40,000 North Korean workers producing light industrial products inside the zone. Simultaneously, the North Koreans are warning South Korea to stop investigating activist groups, an implicit call for southern compatriots to stage protests and incidents designed to weaken the government of President Lee Myung Bak.

It was in that spirit that North Korea called on the UN Security Council to apologize. What would it take for the Security Council to decide that retraction of its condemnation of North Korea’s test-firing of the missile and its subsequent nuclear test would not be a bad idea? Could those countries within range of North Korea’s missiles be certain of their immunity? The answer to such questions is sadly no. The demand for an “apology” was noise in a chorus of rhetoric likely to end in more explosions.

South Korean officials have said the South has made a “firm and clear” decision to join the PSI as a core member after having participated under an observer status in exercises, but North Korea has said such a move by the South would be “a declaration of war.”

Kim Tae-woo believes, “will not take much time” since North Korea has started reprocessing spent fuel rods at its nuclear complex at Yongbyon. “They could do it in two months,” he said. “They are waiting for the U.S. position as well as dialogue. The U.S. has not yet set its North Korean policy.” At the same time, North Korea in the next month or two may stage an armed confrontation in the West or Yellow Sea, as happened in the bloody shootouts in 1999 and 2002. Or North Korea could go one better and stage an incident along the demilitarized zone between the two Koreas.

The ultimate challenge, though, is against the United States. When Secretary of State Hillary Clinton vis-

ited Seoul in February on the way to Beijing, host of the six-party talks, she spoke of the need to consider the future of North Korea when Kim Jong-il was no longer around.

At the crux of the North Korean strategy is the desire to soften U.S. policy, as happened during Bush’s second term when North Korea agreed at the six-party talks to an elaborate scheme to disable its nuclear complex in return for a massive aid package. Now Kim Jong-il, prodded by his generals, is betting the U.S. will assent to two-way talks in which the North will press for all the billions promised in the 1994 Geneva agreement and then in the six-party deals of 2007. The generals will be vying for control behind the cover of the close relatives at the apex of the structure.



The Rahul Factor

BY NADEEM AKHTAR

Energetic, popular, charismatic, hard working... whatever positive adjective you prefer, just put it before his name. He is the one who has taken the challenge to feed the enthusiasm of the Party workers. He is the one who managed to come out with a mission in a state (Uttar Pradesh) where caste and creed politics ruled over political agendas. He is the one who addressed election rallies in 26 states in 37 days. He is the one who covered 105,118 kilometers all over the country during the election campaign. He is the one who managed to recover the lost ground in a state where his party was far behind any other. And finally, he is the one who proved himself to be the real heir of the Gandhi dynasty. Of course, he is none other than Rahul. The 39-year-old young chap behind the success saga of the Indian National Congress in the 15th Lok Sabha elections.

Today, Rahul is at a milestone in Indian politics. One can easily assess him from his contributions; Rahul campaigned in 120 constituencies across the country for Congress nominees and the party won in 75 of them (a 62 percent success rate). Before the election results a survey was conducted for the Congress party, which has also not expected such a victory. With his strategic leadership, Rahul has proven himself to be mature enough to successfully deal with any treasury task. There is no doubt that the architect of the UPA's victory is Rahul Gandhi and he deserves to be a cabinet member now, but the million dollar question here is whether or not Rahul is interested in the politics of power.

Flashback: When there was a failure of a seat-sharing agreement between the Samajwadi party and Congress in Uttar Pradesh, Rahul decided to fight alone. At the beginning, voices were heard against this move within the party and speculations were high for a big failure of congress in UP. It was treated as a mistake and a sect of party was ready to pay a big price of these decisions in the state. But

the results made the party stronger in the politically most important state of the country. In UP there are 80 parliamentary seats, out of which Congress has 21. In 2004, congress did not even manage to reach a two digit number.

But when the actual results proved everyone wrong, voices began rising in favor of Rahul to be the next PM. Many top Congress party leaders will have to grudge-





Congress General Secretary Rahul Gandhi with Dongaria Kondh tribes at Niyamgiri Hills in Orissa during his Discovery of India Journey.

ingly or willingly make way for Rahul. Some young MPs, after election victories, rushed to the TV cameras and vociferously opined that Rahul should be the Prime Minister. Jyotiraditya Scindia, Milind Deora and Sachin Pilot were prominent young MPs, while senior leader Kapil Sibal had no doubt either about who

scripted this famous victory for the Congress and for the United Progressive Alliance. Rahul, meanwhile, kept a studied silence after the triumph. But his mother and Congress party president Sonia silenced the 'Rahul as PM' sloganeering brigade by giving Manmohan a second term as Prime Minister.

Manmohan promptly offered a slot for Rahul in his Cabinet and praised Rahul for having "all the qualities a good PM should have," but Rahul refused politely, saying that he will continue to work for the party organization and is not yet keen to join the Union government.

This is not the first time Rahul has refused to join the government, but there are several occurrences when he thanked the requesters while heartily stating 'NO.' In January 2006, at a convention of the Indian National Congress in Hyderabad, Andhra Pradesh, thousands of party members asked Rahul to take a more prominent leadership role in the party and demanded that he address the delegates. He said, "I appreciate it and I am grateful for your feelings and support. I assure you I will not let you down,"

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As the nation remembers his father on the 18th anniversary of his death, Indian political analysts are observing the future of India in Rahul. Since he has a template for future politics, which are clearly reflected in his words, he has been observed as a potential PM of the country. For example, after winning elections Rahul does not scold the opposition for its lower level speeches during campaigning, rather he praised the leader of the opposition, L.K. Advani, for fighting bravely in a tough election. This shows the humbleness he inherited from his father.

but asked for patience and declined to immediately seek a higher profile role. Rahul and his sister, Priyanka Vadhera, managed their mother's campaign for By-election to RaeBareilly in 2006, which was won easily with a margin greater than 400,000 votes. He was a prominent figure in a high-profile Congress campaign for the 2007 Uttar Pradesh Assembly elections; Congress, however, won only 22 seats with 8.53 percent of the votes, but his presence made the whole campaign sublime. The election saw the Bahujan Samaj Party, which represents low caste Indians, become the first party to govern in its own right in Uttar Pradesh in 16 years.

Rahul Gandhi was appointed a general secretary of the All India Congress Committee on Sept. 24, 2007, in a reshuffle of the party secretariat. In the same reshuffle, he was also given charge of the Youth Congress and the National Students Union of India (usually called the NSUI). In his attempt to prove himself as a youth leader in November 2008 he held interviews at his 12 Tuglak Lane residence in New Delhi to handpick at least 40 people who will make up the think-tank of the Indian Youth Congress (IYC), an organization that he has been keen to transform since he was appointed general secretary in September 2007. In the 2009 Lok Sabha elections, he retained his Amethi constituency by defeating his nearest rival by a margin of over 333,000 votes. On May 21, 1991, his father and the then-Premier of India Rajiv Gandhi was assassinated by Tamil rebels. Rahul was 21 when his father was killed by the LTTE and was 14 when his grandmother, Indira Gandhi, was assassinated by her own bodyguards. He completed his schooling in Delhi and studied at Harvard. Rahul clarified during electioneering that he received a M.Phil from Trinity College, Cambridge. He

also flaunted a Spanish girlfriend, and before plunging in to politics he travelled to Pakistan to witness a cricket match in 2003 with sister Priyanka. But, for the last two years he really worked a back-breaker. The writer of these lines witnessed his Discovery of India journey to the interior parts of the country from Kalahandi-Bolangir-Koraput (Orissa) to Holikoti in Karnataka. He has stayed in a hut and had lunch with a local tribe and interacted with representatives of cotton farmers, the main crop in the northern belt of the Karnataka. The people of India are easily attracted to innocence. Rahul's outright admission of reality won a place in the hearts of millions. Rahul accepted repeatedly the reality that the country was achieving rapid development in various fields. However, two Indias were developing within the country: one with access to education, health and employment and another that was lagging behind. In the course of the Lok Sabha election of 2009, Rahul often raised this question and tried to find the answer himself. He talked about his visit to Amethi with British Minister David Miliband, where they had food and spent the night with villagers. Rahul said, "The British minister asked me 'Where does India gets its strength?' I told him that if he wanted to feel the strength of India, he would have to go to villages. The strength of India could not be understood in an air-conditioned room in Delhi." Thereafter Rahul went on telling about how he took Miliband to Amethi, had food, talked to people and spent the night. He said that a foreigner easily understood the strength of India, but the BJP could not understand it. He criticized the opposition for not recognizing the hard labor, struggle, optimism and honest values of the villagers and said that the opposition was trapped in a complete hangover of an India

shining amidst the urbane glitter.

As the nation remembers his father on the 18th anniversary of his death, Indian political analysts are observing the future of India in Rahul. Since he has a template for future politics, which are clearly reflected in his words, he has been observed as a potential PM of the country. For example, after winning elections Rahul does not scold the opposition for its lower level speeches during campaigning, rather he praised the leader of the opposition, L.K. Advani, for fighting bravely in a tough election. This shows the humbleness he inherited from his father.

Also, Rahul is a tech-savvy personality, which is an essential aptitude for a potential team leader. This fact has been revealed from the exercise he has done during these elections. Rahul Gandhi spent over 16 hours a day on the campaign trail, but that's nothing compared to what his website did – it's on 24/7. He managed to cover two states a day and address four public meetings, while his website pressbrief.in relayed as many meetings and that too across the world. The customized portal also replayed streaming videos and audio of past public meetings of not just Rahul, but that of the entire Nehru-Gandhi family. The site, run by what Congressmen call 'Team Rahul,' feeds the media with the latest videos, photographs and speeches of Rahul, Priyanka and Sonia, and has all that the party offices, the media and the cable networks need. This indicates that he will also pay greater attention to the IT sector, from where about 1 million unemployed youths are coming out every year.

(With input from agencies)



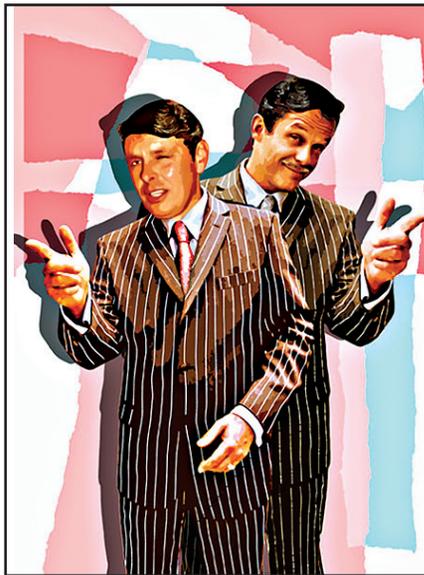
Employee Motivation – the Power is in There!

BY ARPAN BANERJEE
VP Business Development,
Innominds Software

There are several myths about employee motivation that exist today. The most popular one is that people can be motivated. Well, not really. “You can bring a horse to water, but you can’t make it drink,” as the old saying goes. You cannot motivate people. The key is, however, to set up an environment that will empower the employees to motivate themselves. Also, it is wise to understand that different people are motivated by different things and a “one-size-fits-all” approach will not work.

Money, fear, job satisfaction, incentives and various other perks, flexible timing, training and learning and various other tools are used at random by organizations with the belief that a combination of these tools will motivate their employees. These tools in isolation indeed motivate people for a short term or even a slightly longer term. The chance is that one or two in combination will definitely work for an individual as long as all areas are covered. While, there is nothing wrong with this formula, none of these tools work in isolation within the environment and culture of an organization.

So, instead of focusing on the tools, an organization has to work towards building an environment and culture that empowers employees to develop themselves and have their self-actual-



ization needs (Maslow’s Hierarchical model) fulfilled. Self-actualization is the need to maximize one’s potential. The onus is on an organization to provide employees the platform to maximize their potential as they desire.

At the same time, any employee motivation program should not lose its focus on the key objectives. Employees can be all fired up about their work and be working very hard. However, if the results of their work don’t contribute to the goals of the organization, then the organization is no better off than if the employees were sitting on their hands! Identifying the goals for the organization is usually done during strategic planning. The steps taken next to support the motivation of the employees are aligned to build an environment that is aligned with the corporate goals.

Another factor to remember is the phenomenon of change. Organizations change all the time, as do people. Hence, sustaining an environment where employees can strongly motivate themselves is a continuous process. Cultivating strong interpersonal relationships with employees to motivate them may not work at all times. Particularly at times of stress, the nature of these relationships can

change to a great extent. Take, for example, the current economic downturn when many companies are resorting to survival tactics like downsizing. Priorities of organizations change, and interpersonal activities and employee motivational programs strangely take a backseat. This results in an environment where fear and uncertainty rule, creating a negative vibe.

This is the time to indulge in the use of innovative, reliable and comprehensive systems in the workplace to help motivate employees. For example, a clear corporate communication system to take employees into the company’s confidence; establish compensation and performance incentive systems; organizational policies and procedures; and sustained employee motivational programs. Various systems and structures such as these help ensure clear understanding and equitable treatment of employees, which takes care of the primary needs as per Maslow’s Hierarchical model, and drives the self-actualization needs, which provides the platform for employee motivation.

To start with, make a list of the top five motivators of your employees and then have your employees fill out a list through a survey. The order of priority or even certain line items may differ between your impression of what you think is important for them and what they think is important. Talking to employee groups and one-on-one will help you understand the motivational factors even more. Work with your employees to ensure that these motivational factors are taken into consideration in your rewards system and corporate behavioral style. A good starting point will be to acknowledge the employees’ importance and communicate effectively how their contributions affect corporate results.

Employees are motivated through a show of care and concern. But sincerity is a must, and setting aside time to be with each of them is recommended. Skills in delegation should be cultivated, as it can free up a great deal of

time for managers and supervisors. It also allows employees to take a stronger role in their jobs, which usually means more fulfillment and motivation in their jobs. Another fact to remember is that employees must be rewarded when the time comes and as soon as the time comes. Procrastination will spoil the show. That's why every success should be celebrated in whatever appropriate way. Without ongoing acknowledgement of success and appreciation of good work (both internally and from the external customer perspective), employees become frustrated, skeptical and even cynical about their efforts for the organization.

Let me cite an example of an employee motivational initiative taken by my organization, Innominds software. The initiative started in February 2008, the brink of the break-out of the global financial crisis that started the meltdown. The Innominds management team firmly believed in the idea of building a team within the organization "for the people, by the people," which will champion employee motivation and the spirit within. Thus was born an organization called "IMpressions" within Innominds (IM capitalized – highlighting Innovative Minds).

IMpressions, formed with volunteers across the ranks, is an independent (it does not report to any function head) and autonomous body made up of Innominds employees and acting as an agent of change in the organization in order to usher in positive changes through various activities and initiatives in culture, Corporate Social Responsibilities, internal communication, team spirit and employee motivation.

The primary objective of being a change agent towards building a positive atmosphere within Innominds, IMpressions focuses on enhancing:

- Effective communication channels
- Camaraderie and team building
- Healthy competition across teams
- Professional culture and etiquette
- Boosting morale and creating a bond with the Innominds brand identity
- Feel-good factor and pride in being an Innomindsian
- Organizational development activities
- Creative spirit leading to ideas and innovation

IMpressions has its own operating body and office bearers with various responsibilities consisting of specialists from various departments to handle specific operational tasks. The team does frequent surveys and maintains an ongoing dialogue with employees at various levels to understand the dynamics and pulse of the organization and decides on and implements action plans to address employee-related organizational issues under the principal of Internal Marketing and Internal Branding. It undertakes various intra-company activities like sports, socio-cultural activities, internal branding and posters, an internal newsletter (also called IMpressions) and Corporate Social Responsibility activities.

IMpressions is in a constant state of evolution ever since its inception. As new members join, the team keeps up its learning curve at a sustained basis. Following are some of the activities the team has implemented:

A monthly in-house newsletter

- To serve as a communication platform for top management to the employees with regular articles and Q&A sessions
- A platform to broadcast announcements, news, awards and other happenings at Innominds
- To propagate writing habits and creativity in employees
- To propagate Innominds' branding identity and culture across the organization

An internal corporate blog

- IMpressions is working on creating an IMpressions portal with interactive facilities including blogs to further provide a platform for the exchange of information and corporate communication

Creating a structured CSR face of Innominds

- It organized its first blood donation drive, which also attracted positive media attention.
- Organizing a corporate handloom mela for the benefit of the handloom weaver community of Andhra Pradesh.
- Other CSR activities followed with more participation from within, like Bihar Flood Relief along with TCS and HYSEA organizations.
- Currently, IMpressions is planning various activities and movements to create a Green environment at workplaces, a tree-planting movement in Hyderabad city and popularizing public transport and carpooling to reduce traffic problems by encouraging office workers to use public transport at least once a week.
- Organizing several internal social events like national dress day, khadi wear day, tree planting day, a painting competition and the Diwali lighting festival with a central theme to create bonding among employees and have fun at the same time.
- Organizing an intra-group competition to build an atmosphere of healthy competition charged with positive energy.
 - The Innominds employees were divided into four teams (across all functions) of equal size and strength. The teams were named "Power Panthers," "Regal Eagles," "Raging Rhinos" and "Bashing Bulls" – to signify power, speed, vitality and endurance as the spirit of all socio-cultural and sports competitions.
 - Starting last August, teams compete against each other in multiple sports and cultural disciplines – with the winners taking the honors after a 12-month-long schedule of competitions. The 12-month calendar also features a socio-cultural night and an Annual Sports day.
 - The key feature of the competition is that the executive management team members run the four teams as presidents and vice presidents and play significant roles in motivating and encouraging their teams to win. In all events, participation of the senior management team is mandatory, which has been the case thus far with remarkable regularity.
 - IMpressions is also working on a plan to organize campaigns to propagate positive values among employees through activities like Buddy Week, Time Management and Office Etiquette workshops, presentations and external training programs.

IMpressions is just an example of an initiative taken by the people, for the people at Innominds. It reinforces the theory that the members of an organization understand what motivates them best and can work together to create an environment to achieve the best results. The organizational and top management support and participation is, of course, mandatory – without which, any such initiative will not survive the test of time.

It's time for corporate management teams to start looking at this reality.

Bright Days Ahead: Indian IT Industry to Get a Boost

RAJANI BABURAJAN

A new era begins in India. With the 25th Assembly elections giving birth to a stable Congress-led government, India has shown the first signs of economic recovery. Forget the Black Monday that sprang up when the last UPA government announced the coalition with the Marxist party. Look at the way stock market responded on May 18. That day will be written in golden scripts in Indian history, especially because the world record of that one-day high was achieved by the Indian stock exchange when the rest of the world is facing the worst-ever financial crisis.

It's good news for the IT industry as well, no doubt. The National Association of Software and Service Companies (NASSCOM), as the representative of the industry, expressed its satisfaction and optimism towards the industry-friendly government led by Prime Minister Manmohan Singh. The industry association immediately released a statement, calling the attention of investors worldwide and giving no respite to Prime Minister Singh but to act.

In the statement issued on May 16, NASSCOM said, "In the current global economic environment, it is important that India has a stable and progressive political environment that can focus on long-term policies for

the sustainable development of the country, even as it takes decisive steps to immediately put the economy back on a high-growth trajectory."

NASSCOM urges the government to act against all odds, especially the latest anti-outsourcing strategies adopted by the Obama administration. While Obama's 'No More Bangalore' campaign should be taken extremely seriously, the Indian IT industry still hopes that the U.S. will reconsider the decision, since the move will further deteriorate its economy.

R. Chandrasekaran, president and managing director of Cognizant, agrees with the industry opinion. "We would have to keep in mind that any impact of this potential change will be significant for all U.S. multinationals

channel for "continued bilateral trade development with no deviations on protectionist moves through visas and taxation," is one of the several suggestions made in this regard.

Where to Start?

India, though rich in human resources, has not yet been able to leverage the potential lying in rural areas. The number of unemployed youth is still rising. Those who get the maximum benefits of the employment opportunities created out of outsourcing services are a lucky few residing in major cities. The educated young talents in the rural areas are pushed behind due to a lack of opportunities. Companies are reluctant to set up establishments in the rural areas –

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with global operations. In fact, with extreme interpretation, it could possibly make the U.S. multinationals, in general, far less competitive than their global counterparts and I don't think this would be in the interest of the U.S. companies."

Offshoring business in India might get affected if Obama sticks to his strategies. Before the decision strikes the world's biggest IT hub, the government needs to act. The Indian government should immediately open up bilateral talks with the Obama administration and devise strategies that would benefit both countries.

NASSCOM, in its statement, especially wants the government to address these issues. Building international relations and creating a smooth

thanks to the poor infrastructure and communications facilities.

With the broadband subscriber-base expected to touch 20 million by 2010 from the current 6 million, there is a lot of scope for the growth of IT and related businesses in rural India. IT services companies are keen on moving to rural areas. This is mainly due to the low cost of operations and the potential talent lying in these regions, combined with minimum employee attrition levels. The emergence and success of rural BPO setups like Soucepilani is the best example to substantiate this fact. Government can do a lot better to organize businesses in rural areas and small cities and bring them into the mainstream.

NASSCOM has urged the govern-



Bangalore

ment to “initiate a time-bound program for extending broadband to all villages as mentioned in the Congress manifesto, so as to provide Internet access to all citizens and back this up with steps to increase computer penetration.”

However, the provision of broadband services will address only one of the several issues faced by the industry. Equally important is the development of transport services and meeting energy demands. NASSCOM has high hopes on the integrated IT-BPO townships like that working throughout the main cities and in the National Capital Region (NCR). The Special Economic Zones (SEZs) proposed across the IT hubs of the country should be given high priority. Apart from these, the Association urges the government to provide fiscal incentives for the growth of the IT-BPO industry in Tier 2 and Tier 3 towns.

The concern among the young IT professionals about their career aspirations in the U.S. or U.K. is getting diluted, as more Indian companies have grown to meet the pay demands of these elite candidates. It is a good sign since the services of these crème de la crème of the Indian society will benefit the industry. To boost the morale of the Indian students and drag them to the mainstream of national development, the government should also implement the nationwide skill development program and leverage IT expertise both for enabling education and imparting employable skills,

NASSCOM said.

There are several key issues that need to be addressed from the grassroots level. India can no longer tolerate another Satyam-like scam, nor it can take the security issues surrounding the cities lightly. Every blow, whether it is a scam or a bomb blast, is likely to have a direct impact on the economy. When the Satyam scam hit headlines, the world was waiting to see where the IT industry in India is moving. However, the Indian government acted wisely. With the help of experts in the industry, the government successfully managed the crisis and ensured the world that no scam can uproot the IT business in India. It has grown and spread like a giant tree.

Similar was the case when the Mumbai terrorist attacks shattered the dreams of several companies doing business in India. Their concern was genuine. With less than a dozen armed men, the enemy was holding the financial capital under siege for two days. Many thought that would be the end of the business in Mumbai, but India survived that too. Mumbai proved that the strong economic foundation that has been built over centuries could not be knocked off so easily.

Therefore, the new government has a crucial role to ensure the world that such things will not occur again, and India is not susceptible to such adversities. In its statement, NASSCOM pleads for the government to develop and implement a comprehensive na-

tionwide security program as one of its top three priorities.

Industry captains are looking for more favorable policies from the government. They want an extension of tax benefits, especially for SMEs. Despite several round of discussions, the government did not reach a favorable decision on the removal of multiple taxes on issues like FBT, service tax, etc.

Looking Back

At this time, it is appropriate to have a sneak peak into the significant changes that have happened in the IT industry over the past couple of years.

Despite the weakening economy, the Indian IT industry gave a positive response, say experts. Most significant of them is the transition of the IT industry, especially the outsourcing industry, from the conventional business process outsourcing (BPO) to more comprehensive services ranging from knowledge process outsourcing (KPO) to human resources outsourcing and further to platform BPO solutions.

KPO solutions have gained wider acceptance, resulting in higher growth rates among key players in areas like legal process outsourcing, investment research, credit research and educational services. These processes have gained complexity with the addition of areas like engineering design, prototype development, etc. KPO solutions are attracting more talent because this sector is more stable



and secure than industries such as real estate, banking and retail.

Recent developments in the U.S. financial markets have created an opportunity for legal process outsourcing (LPO) services in India. Areas like corporate governance, contract drafting, litigation, legal analytics, risk assessments and bankruptcy are some of the works outsourced to these firms operating in India. A survey¹ conducted by law department consultant Rees Morrison and American Lawyer editor Aric Press finds that U.S. legal departments would spend about US\$2 billion annually on legal outsourcing by 2013. Also, the report finds that U.S. corporate law departments will spend about 3 percent of their budget on legal outsourcing, including LPO.

IT outsourcing has shifted its focus to include infrastructure outsourcing. Earlier, IT outsourcing was solely concentrated on application development and software maintenance, but now it has expanded to outsourcing IT infrastructure including security, server, desktops and laptops. Platform BPO solutions have begun to substantially improve the quality and speed of new process migration offshore and multi-function offshoring services. These services, according to NASSCOM, would increase IT firms' operating margins per employee while simultaneously reducing capital expenditure for their clients.

Another trend noticed last year was the prudential approach adopted by venture capitalists and private equity groups towards investing in risky ventures. They did not want to repeat the mistake that happened in the previous years when they gave the green light to anything and everything in BPO. Some of these firms have also urged their portfolio companies to manage their costs effectively so that they can stand on their own in case investors are not able to fund further. This trend, to an extent, will help companies to become more fund conscious and stable. This is the time to decide who will survive and who will not. With more money in hand, investors can look for better opportunities. These changes, experts say, will result in consolidation of the IT market into a group of large players that can provide end-to-end and global delivery capabilities with deep domain expertise.

Last, but not the least, is the slow attrition rates reported across several companies owing to the recession. This has enabled these companies to cut their expenditures on recruitment and human resources development.

Need for a Pragmatic Approach

To sustain growth and improve gains, the industry has to move up the



Outsourcing industry of India

value chain. Increasing productivity while minimizing the use of resources is important in the wake of pricing pressures. Emphasis should be more on profit margins than on revenue. This is especially important since the majority of outsourcing companies will not be able to raise funds from their investor partners. The global recession has further increased competition. Clients are more likely to negotiate hard about price, indicating that overall price may come down by about 5 percent, further squeezing margins for the outsourcing industry.

To achieve higher margins, companies have to invest to create non-linear growth. The industry is no longer about adding more people to create more revenue. Rather, it is about adding more work without adding more people. Technology can help companies achieve this. Investing in productive technologies has to be a priority. However, downsizing should not be adopted as the immediate option. Companies have to explore new growth areas where the existing talents can be utilized.

Diversification to new markets is important, especially in the current scenario when the West is more affected by the slowdown. In a long-term perspective, new markets will contribute to further growth in the industry in case it is challenged with a face-off from the U.S. administration.

The challenges would be, therefore, to convince the new audience and develop new capabilities to adjust to the new market conditions.

Optimism Amidst Loss

The impact of the recession was felt in terms of dollar earnings. Commoditized services faced pricing pressures and stagnant volumes. The IT industry, which mainly included application development and software maintenance, was affected whereas most of the BPO services were not. This is because of the discretionary spending on IT services. IT services are often about developing new applications and projects, which may be delayed or stopped during a crisis period. On the other hand, BPO means less spending for companies on in-house resources; hence, they will be the priority of multinational companies especially during recession. However, the crisis engulfing the financial institutions is having some negative impact on the financial services outsourcing sector.

According to global consulting firm Everest Group, outsourcing has been growing at a steady 30 percent rate year over year. The trend is likely to continue for at least the next few years, though the industry may reflect a slight impact of the slowdown this year. The agency is hopeful that the industry will recover by 2010 and will push for strong growth thereafter.

Actions Needed

- Priority should be given to sustain growth in the IT industry
- Government should work to smooth over international relations to revive the industry. The industry should shift focus to new markets.
- Government should find a way to deal with the anti-outsourcing attitude of the U.S. administration.
- Rural industrial growth should be encouraged.
- Tax incentives should be encouraged.

Information Technology Trends in Asia

BY MATTHEW WEIGAND

It's already been talked to death, but the global economic crisis is still affecting almost every aspect of our lives and the trends in many different industry sectors including information technology. In Asia, IT trends share common characteristics with greater global economic trends, but there are also some important differences.

First, overall there are some global IT trends that are economy and geography independent. According to a New Jersey Technology Council (NJTC) study on the global IT industry, traditional Microsoft applications are losing ground to more open-source, mobile and wireless solutions as strategic technologies. In fact, one remarkable aspect of the IT industry is that it has more powerful and ubiquitous global trends than other industries. Stephanie Gagnon, a professor at the University of Quebec who helped conduct the study, said, "The exceptional degree of globalization in IT firms is also a factor explaining their similarities in strategic focus." So most information technology firms will hear about new ideas and adapt them to their businesses within weeks or months of each other, which creates a very fluid and flexible environment for innovation.

The study also divided up the IT industry by region, and looked at each one individually. Comparatively, U.S.-based businesses were hit the hardest by the economic crisis. The investment and business outlook of companies were both down in the States, indicating that the U.S. IT industry is low on extra cash. Asia, by contrast, showed a slowing of its industry's growth, but



there remained growth nevertheless.

Piracy Continues

One of the most controversial of the global IT trends is software piracy, which is still rampant throughout most of Asia. While studies about the use of illegal software are notoriously difficult to conduct with any sort of accuracy, the advocacy group Business Software Alliance and IT research company IDC did one anyway. According to their numbers, the use of pirated PC software dropped by 1 percent from 2007 to 2008 in Asia. The study said that 36 percent of all software used globally was pirated. In Asia, the percentage was significantly higher.

The study tried to measure piracy rates in 110 countries in all. In Asia, the largest concentration of software piracy was in China with an 80 percent estimated piracy rate. India followed close behind with an estimated 68 percent of software as illegitimate. Hong Kong runs with 48 percent of all its software permanently borrowed. South Korea followed, with an estimated 43 percent of software being pirated. In contrast, the country with the lowest amount of pirated software is the United States, at 20 percent.

Microsoft, for one, is taking steps

to do something about Asian software piracy. The company has entered into a partnership with Hangzhou, China, in which the software giant will help the city develop its IT industry. In return, city officials will encourage the use of legitimate software by people in its jurisdiction. Alec Cooper, who helped design the deal, told reporters, "In partnering with the municipality of Hangzhou, we are taking a unique approach to improving the IPR (intellectual property rights) environment." Microsoft's previous efforts to combat software piracy in China was by deploying its customary Windows Genuine Advantage validation software, which turned a computer's desktop black once every hour if it failed a validation test. Chinese users, however, labeled the practice as unfair, and the entire incident had the country up in arms.

Hiring trends

On the business side of the IT industry, there are clouds with silver linings. In mid-2008 Asia was touted as one of the most popular destinations for technology executives who were interested in relocating both from the U.S. and Europe. In an interview with ZDNet Asia, Kathryn Yap, managing

Korea took Singapore's rank from last year, jumping up from ninth. India actually dropped this year to 54th place. China overtook India this year, going from 57th to 46th. Hong Kong dropped by one place, pushed down by Korea.

partner at CTPartners Singapore, said, "Candidates are particularly open to the tech sector for relocation because of the growth markets in Asia." Hong Kong and Singapore were specifically cited as the easiest and most popular relocation targets in a poll of 201 senior executives in the U.S. and Europe conducted by CTPartners.

But in the second quarter of 2009 this is no longer the case. While IT companies throughout Asia still expect to hire some candidates, most companies are cutting back on their hiring plans. This is the third straight quarter during which companies have cut back on new hires in the region. Executive recruitment company Hudson indicated that there would be fewer openings for approximately 20 percent of companies in Asia from April to June of this year. The firm surveyed companies in four major markets – China, Singapore, Japan and Hong Kong – to find out what their hiring plans were for 2009. Of these four different Asian divisions, Hong Kong was doing the worst. Forty-three percent of companies surveyed there planned to reduce the number of new executive hires, and only 6 percent of companies indicated that they would hire more aggressively. These numbers are at a seven-year low for the province. On the opposite side of the spectrum, Japan was doing the best, with 31 percent of IT companies surveyed planning to expand their employees, and only 20 percent indicating they would hire fewer people. China and Singapore were both somewhere in the middle of the road. In China, 27 percent of companies said that they would cut back on new hires, while 25 percent said they would hire even more new faces. In Singapore, 22 percent of companies were hiring more, while 20 percent were reducing hiring.

higher than last year. In comparison, Korea took Singapore's rank from last year, jumping up from ninth. India actually dropped this year to 54th place. China overtook India this year, going from 57th to 46th. Hong Kong dropped by one place, pushed down by Korea. Japan reached 17th, up two places from last year. In first and second places were Denmark and Sweden, while the United States was third.

Singapore Stands Out

Despite being middle of the road in hiring new executives, on other fronts

Singapore stands out as one of the strongest IT economies in all of Asia. When looking at the big picture, Singapore has been climbing all IT-related indices steadily, and now stands out as fourth on the Networked-Readiness Index (NRI) of the Global Information Technology Report 2008-2009, which was produced by the World Economic Forum (WEF) in partnership with business school Insead. This is one place

usage of the latest ICT technologies available. In total, 134 economies were reviewed in this year's report.

Singapore's performance in this index has been attributed to its strong focus on education and public-private partnerships. Also, its status as a city-state helps it out a lot, because all of its citizens are centrally located. Irene Mia, co-editor of the report and director at the World Economic Forum, was

reported to have said, "Singapore's prowess in ICT readiness has much to do with its excellent market and regulatory environment, conducive to innovation and ICT advances, as well as with the prominent and consistent role played by the government in setting a vision for ICT penetration and innovation-based development."

Leading experts drew attention to the performance of China in this index, as it jumped considerably in rankings. Taiwan and Japan were also reported to have made significant advances compared to the previous year. On the opposite side of

the spectrum, Cambodia, Indonesia and Thailand dropped the furthest in points. India and the Philippines each dropped four spots while Malaysia and Korea both dropped two spots.

So while the IT industry in the U.S. is pessimistic, with fewer new hires and no expectations for rapid growth, the IT industry in Asia is growing steadily and quickly. Despite global economic problems, a significant minority of Asian IT firms are still hiring and expanding. Despite the rampant software piracy in the region – or perhaps because of it – all aspects of the IT sector are exploding in this part of the world. The evaporation of large sums of imaginary money has not destroyed the IT industry in Asia, merely slowed it down a bit. It will surely pick up in the future and flower into a new, more powerful thing. We can look forward to finding out what that will be.

ASIAN ECONOMIES ON THE NRI		
Country	Ranking in 2008/09	Ranking in 2007/08
Singapore	4	5
Korea	11	9
Hong Kong	12	11
Taiwan	13	17
Japan	17	19
Malaysia	28	26
China	46	57
Thailand	47	40
India	54	50
Vietnam	70	73
Indonesia	83	76
Philippines	85	81
Cambodia	126	115

Source: World Economic Forum.
The WEF's Global Information Technology Report 2008-2009 covered 134 economies worldwide

But what does this index mean? The index measures the effectiveness of an economy with respect to information and communication technologies (ICT) based on three different areas. The first area is the ranking of business, regulatory and infrastructure environment for ICT. The second area is the measurement of the readiness and capacity of individuals, businesses and governments to benefit from ICT. The third factor weighed is the actual

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Helping Semiconductor Firms Achieve High Performance by Simplifying Business

PRADEEP CHAKRABORTY

Engineers in the global semiconductor industry typically have considerable control over their work. Processes are pretty straightforward, sequential, and logical – and satisfying for an honest day's work.

However, due to the ongoing global economic downturn, many of these engineers are rapidly losing control of more of their professional lives. Caught like the rest of the world in a recession, they are losing control of what work they are assigned to do, how they do it, in what sequence, by when and with whom.

Given these interrelated problems, many semiconductor companies need to make rapid and fundamental changes in their business operations, strategies and workforce management practices to emerge from this downturn, and for years beyond, to maintain their high performance.

Once this recession ends, these people will be entering a market with a different landscape than the market that existed when the downturn began. They need to figure out how to restart their businesses, regain their footing and connect to a new purpose. They need to address the so-called 'soft' aspects of business, such as how the engineers who design chips feel. It's time for them to pay more attention to the little things that may seem innocuous, but are actually central to achieving high performance.

I was recently able to get hold of Accenture's recent study: *Managing Through Challenging Times!* Quite an interesting read. Naturally, it led to a conversation with Scott Grant, Executive Global Lead of Accenture's Semiconductor Operating Unit, who led the research and analysis of this new Accenture report about these issues and recommended solutions.

Accenture's report has several suggestions or recommendations.

1. Divesting the business of unproductive assets.
2. Infusing a higher degree of operational excellence into the business.
3. Maintaining morale and energy in the workforce, especially in the key area of innovation.



4. Reducing the "time to cash" for new products.
5. Sharpening customer focus through more in-depth and accurate customer insight.
6. Pursuing alliances to share the cost burden of new product development.
7. Acquiring key assets.

Let's take a look at some of them in further detail.

1. Divesting the business of unproductive assets.

From Accenture's perspective, it has become evident during the past few years that among the top 20 semiconductor makers, a growing number are fabless. That trend will continue in the future mainly because fabless companies have more competitive cost structures than semiconductor manufacturing companies that incur such high fixed-asset costs for their operations. Accenture's customers are seeking to understand the business' operating model that best fits their desired position in the market. Our assessment leads to having a leaner product portfolio.

The first thing we look at is true cost at length. Traditionally, industry looks at cost-per-wafer metrics. Accenture studies what the hidden costs are. We look at Total Cost to Land including NPI re-spin costs, complete organization costs, advanced manufacturing process costs, plus the traditional material and labor costs. The goal is to find a fair comparison with an external manufacturing model

that presents key improvement opportunities.

We also look for an integrated roadmap for manufacturing, design technology and intellectual property (IP). There are opportunities to better use IP investments across both leading products and derivatives, resulting in reduced costs in product ramp/readiness. To divest of unproductive assets, high performing firms build an accurate and balanced cost baseline for comparison.

In addition, we also look at strategic sourcing. Semiconductor companies often ask how they can lower costs. Sometimes this has the adverse affect within material quality. Strategic sourcing is an important factor to balance both sides of this equation. We suggest that our clients compare costs objectively against their peer groups and external suppliers. Many times we see lower direct material costs through use of external manufacturing models, because of the manufacturing supplier's economies of scale.

2. Infusing a higher degree of operational excellence into the business.

Traditionally, semiconductor companies were all about operational excellence. In the late 1990s and early 2000s, the industry was all about R&D excellence. Now, we see operational excellence in terms of sales and marketing – the number of feet on the ground and the amount of time invested per design wins. Accenture strives to understand how companies better integrate sales operations into the manufacturing and production operation process.

Given the focus on external manufacturing, operational excellence is now being applied to the IP Ecosystem. IP management is critical for the current industry landscape. Semiconductor companies need to have a compelling argument to differentiate their IP. IP management and external management have been the crux of the strategy. Companies see design importance growing. They see the change in their clients' requests towards a focus on sales operation and the IP ecosystem.

We see a few shifts in sales operations. Many of Accenture's clients are challenged when they take emerging products into certain regional and local markets. One key challenge is the ability to maintain consistency in quoting, contracting and ordering. The other challenge is training and investing in sales. Sales is being asked to do more. They seem to spend 45 percent of their time in non-sales activities such as administrative tasks. However, they need to spend much more of their total time than that on sales activities and have others do more of the administration.

When Accenture examines the sales cycles of semiconductor companies, we tend to see limited performance metrics that follow. These companies tend to adhere to regional sales models – and the complexity arises regarding how to be consistent with quoting, contracting and ordering.

3. Maintaining morale and energy in the workforce, especially in the key area of innovation.

One of the key decisions during a downturn is workforce reduction. For those employees remaining with the companies after reductions, it's key for these companies to re-enforce their connection to the new strategy, and how can they re-adjust from a training perspective to prepare such employees for innovation.

Investing in innovation is a huge priority. The transition Accenture sees in workforce reduction includes engineers feeling a loss of control. To maintain morale and energy, semiconductor executives need to continue to communicate strategic objectives to all employees.

Sometimes amid the change, a semiconductor company needs to ask whether it has thought beyond the change event (portfolio, workforce or facility reductions) and is also focused on the complete organizational transition. This is a process of communication – to help employees reconnect with their companies. Getting employees to understand, adapt and connect to the new direction takes a lot longer, and it also impacts productivity. Yet it must be emphasized.

4. Reducing the time to cash for new products.

When companies industrialize the market concept, and they procure design win opportunities, we tend to see critical components involved with this: a) maintaining relationships of requirements from market analysis through the final manufacturing build plan; b) leaders who use consistent lifecycle management of a product development flow; and c) IP management with integrated roadmap portfolio capabilities.

"Firms at times are not able to convert concepts to cash quickly. The process to integrate them has several gaps including innovation lifecycles, conversion of R&D concepts to volume products and the ability to optimize the engineering capacity constraints within their P&Ls."

Product lifecycle management, portfolio & market analytics and engineer skills/human resource management help to address these gaps. Portfolio management and the roadmap planning process are a must. When done, semiconductor companies will be able to map quickly with the customers and the market insights.

5. Sharpening customer focus through more in-depth and accurate customer insight.

Most firms won't survive if they are unable to gain rapid adoption of their product offering. From our experience, high performing companies build detailed customer usage-models and insight into end-device markets early in their R&D process.

The challenge many find is that without this baseline of understanding it is difficult to convert concepts into cash once the end-product is delivered to the market.

Many of the insights are available from Point of Sale trends, which can help a semiconductor firm exist at either an OEM (PC, handset, etc.) or distributor. High performers have enhanced the relationship with their work collaborators and customers to gain access to this data. They also build a "Trusted Advisor" relationship where they build scenarios for each end market to better predict what their end-customer may desire in features or functions.

It is difficult for a semiconductor firm to know how a product will be used. It is really the beginning of gaining insight into utilization, the consumer and what usage model should be employed. So a semiconductor firm should study carefully how things can be used in the market. User behavior is crucial. If companies don't understand that, they may be missing out.

6. Pursuing alliances to share the cost burden of new product development.

The point here is to make sure that semiconductor companies are taking a strategic view and are looking at the right places to pursue alliances. There's a lot of impact in pursuing alliances. When semiconductor companies do this, they can absolutely share the burdens, but it can impact the operating model.

3G-WiMax Poised to Boost Telecom Growth

RAJANI BABURAJAN

The much anticipated launch of 3G and WiMax services, depending on the completion of the spectrum auction by the new telecom ministry, will boost the telecom market in India in coming years. Rollout of 3G and WiMax services will also bridge the urban-rural digital divide, facilitating socio-economic development of the masses.

This is a golden opportunity for the telecom operators to rake in additional revenues at a time when top cities are nearing tele-density saturation and a dwindling ARPU in rural areas, where most of the expansion of wireless service is currently taking place.

The launch of 3G and WiMax services will boost the coffers the phone manufacturers and service providers, as well as the government. 3G is emerging as the accepted technology platform across geographic boundaries because it can deliver high speed data and voice on a single network. The 3G platform will be primarily used for both voice and mobile broadband on mobile phones, while WiMax will be used for broadband access.

A recent research, "Indian 3G Mobile Forecast to 2012," by RNCOS has concluded that 3G, if used as a data card/modem, will boost broadband penetration in the country. Interestingly, penetration of broadband in the country stood at less than 1 percent in 2008 despite the ongoing efforts of all stakeholders to have at least 20 million broadband users by 2010.

The main reasons for the low



growth in the Indian broadband market have been the challenge of providing high bandwidth connectivity using landlines and poor PC penetration due to high PC prices, especially in remote and rural areas. "India will achieve the broadband target of 20 million by 2010. Main growth will come from landline broadband," said Vijay Yadav, MD, UTStarcom India.

A number of applications are going to boost 3G's usage and growth. Operators are looking at providing telemedicine, e-education and e-governance that can be offered through 3G in the rural areas, which are definitely going to improve the living standard of people. 3G is expected to facilitate the implementation of important e-initiatives such as e-governance, e-education, and tele-medicine. "3G is expected to bridge the digital divide more than any other measure or policy introduced by the government," said P. Balaji, senior vice president of marketing and strategies at Ericsson India.

Spectrum crunch is forcing operators to halt their investments in 2G services. 3G can be instrumental in alleviating the severe spectrum crunch being faced by many operators, especially in the metros and big cities, where there is not enough 2G spectrum to fuel the aggressive growth. "The government should find

solutions to solve spectrum issues. We need a stable telecom policy," Sunil Mittal, chairman of Bharti Airtel, said at a recent press conference to announce the company's 100 million mobile customers in India.

"3G enjoys higher voice capacity. The 3G platform could facilitate the delivery of far more cost-effective voice services. It will become the main platform for wireless Internet access for masses," said Sanjay Kapoor, deputy CEO of Bharti Airtel.

RNCOS foresees that around 15 percent of the total broadband subscriber base in India will be using the high-speed wireless data services via 3G modems or data cards by 2012. According to analysts, there are several issues that need to be resolved or carefully worked on in order to ensure viable growth in the Indian 3G market.

India has more than 400 million telephone customers at present. From the customers' standpoint, 3G is undoubtedly a technology that will bring with it a whole host of benefits as it supports voice, data and video applications simultaneously. Customers can enjoy higher-speed downloads, audio and video streaming, multi-player gaming experience and newer applications.

Moreover, facing tough competition, operators are bringing new value added services (VAS) in order to satisfy the growing demand of Indian consumers. VAS is increasingly a growth area that helps the operator to maximize revenue and grow their ARPU. Currently, mobile VAS accounts for approximately 10 percent of the operator's revenue, which is expected to reach 18 percent by 2010. VAS revenue can be improved with the forthcoming 3G launch. The revenue from mobile value added services has already touched Rs.4600 crore (US\$1 billion).

The deployment of 3G and WiMax services will generate a reasonable user base over the next five-year period, before noticeable LTE deploy-

ments begin to make an impact in India, according to the latest research by Maravedis, in partnership with Indian telecom market research and analysis firm Tonse Telecom.

Despite delayed spectrum auctions, 3G/BWA/WiMax network activity is already on. But the industry can expect more action once the government releases the spectrum. For the severely underserved Indian broadband market, demand for wireless broadband connectivity continues across all sectors: retail, SOHO, SMEs and large enterprises.

According to the Maravedis report, "The big push will be seen post-spectrum auctions. However, aided by pre-allocation in the 2.5GHz band, incumbents are already developing massive national rollout plans for both 3G and WiMax. Expect significant pan-India deployments from other successful auction bidders."

While most of the global economies are not spending too heavy on telecom, demand for telecommunications services in India continues to fuel significant growth in the sector. The research estimates that in 2008, approximately 10,000 BWA/WiMax base station sectors were deployed in total. Currently there are about 300,000 BWA/WiMax users already using these services.

Capex is always a critical issue for telecom operators. Wireless Capex has already reached sub-\$100 levels per line. This means for most operators the primary transport technology will be wireless in India and abroad. Innovative business models will emerge such as public-private partnerships, the sharing of infrastructure, etc., together with low-cost devices and a vibrant ecosystem. This has already been seen in India. Most of the greenfield operators are ready to share their infrastructure to bring down the cost.

Telecom Growth Spurts

Continuing its poll position by beating a number of global markets, India has added 15.87 million telephone connections (landline and wireless) during March 2009 as compared to 13.82 million connections added in February 2009. With this, the total number of telephone connections has reached 429.72 million at the end of March 2009 as compared to 413.85 million in February.

With this growth, the overall tele-density has reached 36.98 at the end of March as compared to 35.65 in February. Though India is adding a substantial number of new wireless customers, tele-density in India is low when compared with many developed nations.



For LG, India is an important market due to the opportunities it presents. The company has plans to launch more than 32 new models in the country, of which six will be touch phones, while many other models will be 3G-enabled and some of these will also be entry-level phones.

Wireless, which has steered overall telecom growth, continued its growth trajectory. During the period, the total wireless subscriber (GSM, CDMA & WLL(F)) base stood at 391.76 million. A total of 15.64 million wireless subscribers have been added during the month of March as compared to 13.82 million wireless subscribers added during February.

Despite the growth of broadband across the country, the landline segment is showing poor growth. In the landline segment, the subscriber base has increased to 37.96 million in the month of March compared to 37.73 million subscribers in February, registering an increase of 0.23 million.

In fact, 3G and WiMax will further dent the opportunities of the landline segment. On the other hand, 3G and WiMax will further enhance the potential of the telecom market since many enterprises and individual customers will be looking at these services for a plethora of options.

Can 3G Mobile Broadband Take off?

According to some global telecom analysts, the 3G mobile broadband success story may be short lived. But Indian operators are betting big on 3G mobile broadband and there are plenty of reasons for this optimism.

Ronan de Renesse, senior analyst for Screen Digest, has recently completed an analysis of the 3G mobile broadband market. Though the number of people using mobile networks to connect to the Internet through a device known as a 'dongle' will continue to rise, he predicts that the rate of growth is set for a big fall over the next two years.

According to Screen Digest, there has been a significant increase in the usage of mobile broadband in the past two years, especially in Europe where usage grew 10-fold from one million people in 2006 to nine million in 2008. This way of accessing the Internet is attractive as an alternative to a fixed connection for students living in private accommodations, people who live in more than one place and also people who live in areas where fixed broadband is not available.

The growth in mobile broadband has fuelled a price war between the operators. The number of operators offering mobile broadband increased nine fold during 2006 and 2007. They have also become more competitive. Their competitive strategies have resulted in the overall European market a growth of Euro 1.8 billion in 2008 and accounts for 15 percent of all mobile data revenues.

Because of the nature of mobile

broadband, its penetration is highest outside of the big five markets in Europe where fixed broadband is dominant, so Ireland, Austria, Portugal and Greece had the highest adoption rates in 2008, according to Screen Digest.

Despite its growth, contribution to data revenues and the number of subscribers, de Renesse expects to see high customer churn rates this year and in 2010. "The mobile operators have trapped customers into long-term contracts, whilst failing to deliver the unrealistic network speeds that encouraged them to sign up in the first place. The service can be patchy and users become frustrated – many will switch back to fixed broadband if operators don't act quickly."

While European growth is set to reach its lowest in 2010 at only 4.7 percent, the number of connections will rise again in 2011 and 2012 to reach 22.6 million and a total market value of Euro 4.6 billion in 2013. De Renesse says, "While this is potentially good news for stand-alone ISPs, upcoming 4G upgrades in 2010 and further price reduction would put the final nail in the coffin for them."

Aggressive Action to Unfold in India

India may tell a different story. Many telecom equipment vendors and operators have announced their intentions to spruce up revenues through 3G and WiMax. Once the government comes out with the final policy of the 3G and WiMax spectrum auction, there will be more action in the telecom space.

Both handset vendors and Indian telecom operators are gearing up to invest heavily in 3G initiatives. Samsung Electronics, one of the leading handset vendors in India, is planning to chip in \$5 million at its India manufacturing facility this calendar year. This is over and above the \$24 million it has already invested at the Noida (Delhi NCR region) facility. Samsung Electronics is planning to release nearly two dozen models in 2009. Aamir Khan will continue to be the brand ambassador for Samsung.

There has been a significant increase in demand for touchscreen and 3G mobile phones in India. Samsung Electronics has launched 14 mobiles so far this year, of which five are touchscreen and 3G phones. Eight more models are in the offing by June this year. Most of its future



models will be in the touch screen/3G category.

For LG, India is an important market due to the opportunities it presents. The company has plans to launch more than 32 new models in the country, of which six will be touch phones, while many other models will be 3G-enabled and some of these will also be entry-level phones. Entry-level phones are primarily for the rural market, which is expected to contribute more than 50 percent of the wireless customer additions.

At present, LG has about three touch phones and six 3G-enabled handsets already in the market and the company, which is known for quality phones, plans to have about 10 models each in both of those segments by year-end. Other phone vendors like Nokia and Motorola have similar expansion plans.

Many operators feel that 3G will require a full ecosystem if it is to work at full potential. 3G's success will depend on the availability of devices, applications and content. The GSM Association is working on getting affordable 3G devices below \$50 to create the critical mass that is required.

MTNL, the government run service provider, will launch its 3G services in Mumbai shortly and is looking to have 100,000 users by the end of this year. The company, which had already launched 3G services in Delhi last year, would also expand

Samsung Electronics has launched 14 mobiles so far this year, of which five are touchscreen and 3G phones. Eight more models are in the offing by June this year. Most of its future models will be in the touch screen/3G category.

its 3G services to the remaining parts of Delhi in the next two to three months. BSNL, which has launched 3G services in some parts of the country, has yet to achieve a considerable subscriber base.

India is expected to reach more than 500 million by 2010. As a mobile base, India is recognized as the second biggest mobile growth market after China with over 278 million subscribers, a subscription base that is set to exceed 737 million connections by 2012. This figure is forecasted to increase by 36 percent to 775 million by the end of 2012. India will have some 730 million mobile phone customers by 2012 and one-fifth of this user base will be using a 3G connection. India needs a strong 3G and WiMax policy to bridge the digital divide.

Key To Growth

- Internet access is still the big broadband driver in India, with wireless broadband becoming the clear option owing to economics and ease of deployment.
- BWA operators have yet to resolve many service quality issues.
- India is expected to see the world's lowest end-to-end cost for WiMax services, with costs driven down faster than in any other market.
- Computer penetration is still very low and the Indian telecom sector operates in a volume-driven market.

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Information Technology is Source of Wealth for Korea

A pioneer of Korea's IT industry and a living legend of information and communication technology development in the country

BY CHUNG MYUNG-JE

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“Korea's IT miracle started with a telephone revolution in the early 1980s... when it was believed to be impossible for Korea to develop TDX telephone switching technology...”

Dr. Oh Myung, president of Konkuk University, has recently published his memoirs titled “Dream of Korea 30 Years Later” to celebrate his 70th birthday. He led Korea's telephone revolution when he was Vice Minister of Communications and served as a Cabinet member four times. As Minister of Communications, he watched Korean electronics conglomerates develop a 4MB RAM chip in the late 1980s and was awarded the title of Stony Brook Professor by his alma mater, State University of New York at Stony Brook, in recognition of his contribution to the successful operation of information and communications systems for the 1988 Seoul Olympics.

He begins his memoirs by saying, “A person's life is like a line consisting of many dots. The line can be crooked or bent or go straight ahead. But no matter how tangled the line is, it seems that there is a last dot that must be reached. This last dot can be called a goal in life, a *raison d'être*, or a mission in life for the person.”

In his memoirs, he recounts his experiences as Minister of Transportation, of Construction and Transportation, and of Science and Technology; as a professor at the Korea Military Academy, as chairman of the Daejeon EXPO Organizing Committee, as president



Dr. Oh Myung, President of Konkuk University

and chairman of the Dong-A Ilbo daily, and as president of Ajou University. He has been president of Konkuk University since 2006 after he last served as deputy prime minister for Science and Technology.

He has worked as a minister or deputy prime minister for five administrations, under which he implemented various long-term national projects including the introduction of color TV, development of TDX, distribution of telephones across the country, development of semiconductor chips, and the successful hosting and operation of the Daejeon EXPO.

The Korea IT Times interviewed Dr. Oh to hear about his views about what he has done for the development of IT technology as the key architect of the country's science and technology administration over the past three decades and of what future projects he now foresees.

Question: You have led Korea's

development of IT technology over the past 30 years. How do you evaluate your own achievements?

Answer: Korea's communications industry grew fast as a result of the development of TDX telephone switching technology and the automation of telephone circuit switching across the country. I supervised the epoch-making development of the 4MB RAM chip and the successful operation of information and communications systems for the 1988 Seoul Olympics.

As Vice Minister of Communications in the early 1980s, I focused on installing home telephones throughout the country and developing TDX technology as the first projects to promote Korea's information and communications industry by raising sufficient funds. At the time, TDX technology was so new that only six countries including the United States, Sweden and Belgium had developed the technology, with India and Brazil having failed in this regard.

Everybody looked stunned at the prospect of the project, which would cost 24 billion won [US\$31 million in 1983]. But I had made up my mind to push for it, given the annual budget of 500 billion won [US\$645 million in 1983] the government was spending to buy TDX switchboards at that time. I also supervised the introduction of PSTN [public switched telephone network] in March 1983, which made it possible to connect faxes and computers to landline telephones. That was the very beginning of our country's super speed Internet services and data communications.

Q: In addition to the electronics industry, you also helped introduce color TV in 1980. The decision helped Korean electronics conglomerates prosper later. Tell us about what happened then.

A: Color TV was introduced to Korea 20 years later than Japan due to the public concerns about the pos-

sible privileged treatment of electronic home appliance manufacturers. Some people were also worried about the possibility of alienating rural and fishing villages, many of which didn't have even black and white TVs, from urban areas.

I believed then that Korea's electronics industry lagged far behind even Taiwan's, because there existed no color TV market in the country and, therefore, related industries, such as TV components and raw materials industries, were in a recession. But after the color TV was introduced, a color revolution took place, and consumers began to have a different consumption pattern, and related industries, including foods, cosmetics and fashion, began to develop. As a result, Korea was able to overcome sluggishness in domestic business and its economy gained momentum.

But it's sad to see the country give up the top place in the IPTV market to foreign countries such as France, even though we were the first in the world to develop it. It's worse to delay something for a long time than to make a wrong choice.

Q: You're considered the pioneer of Korea's IT revolution. What do you think of the country's level of IT technology and what should Korea do to further develop it?

A: Some time ago, U.S. President Barack Obama announced an IT plan for his country which envisages providing each home with 100 mbps Internet services by 2012. But Korean homes are already using such services, which means that Korea is far ahead of the United States as far as Internet speed is concerned. Korea is now preparing to introduce 1 gbps Internet services by 2012, about 10 times faster than the United States in this regard. Korea is now endowed with huge amounts of IT infrastructure, such as the nationwide optical network and the world's first WiBro technology.

Many leaders in Latin America, such as Colombia and Paraguay, have asked me to help them work out an IT master plan. Many other countries want to learn from our own IT experience. I think we could become a leader in IT technology, which could turn out to be a source of wealth for us.

Q: You've recently published your memoirs titled "Dream about Korea 30 Years Later," which carries messages for the younger generation based on your own experiences. What do you say in the book?

A: I wanted to recount my own experiences as a man of science, an administrator and an educator. This is a story about Korean fathers and moth-



Dr. Oh Myung, shakes hands with Mohamed ElBaradei, Secretary-General of IAEA.

ers who were busy working day and night, thinking of Korea 30 years later. They built Korea as a country with brilliant achievements from a barren land. Now it is the younger generation's turn to do the same. They should think hard of what legacy they can hand down to their descendants 30 years from now. They should turn Korea into a country with a US\$40,000 per capita GNP, top-notch technology and the world's leading tech-savvy country.

Today, everybody is suffering unprecedented economic difficulties, but there will be no development if there is no adversity. In the book, I tried to recount my experiences and display my own knowhow with hopes that Korea will wisely cope with the current difficulties and grow out of them and become stronger.

We should believe in Korea's potential. Faith will bring pride, and pride will invoke a sense of mission. We're afraid of nothing because we have three valuable assets – a strong IT infrastructure, state-of-the-art science and technology, and Koreans' ardent enthusiasm for education.

Q: Since you were inaugurated as president, what changes have you brought to Konkuk University? And what special plans do you have to develop the school?

A: Konkuk University has developed significantly since the school set a goal to join the group of the five most prestigious private universities in Korea by 2011, the 80th anniversary of the school's founding. As a result of recruiting about 100 young professors every year, 56 percent of the entire faculty are younger-generation professors who have joined the faculty since 2000 and Konkuk has now become known as the nation's fastest growing school.

Konkuk is a leader in the field of interdisciplinary studies, which are essential for future generations. It has

also been given assignments by the government in six projects, such as the development of next-generation physics-based electronic memory materials, as a prerequisite to becoming a world-class university. It's also carrying out large-scale national projects in the fusion technology sector, including digital content and research on technology for the digital fashion industry. The school is also focusing on fostering the bioengineering and aviation and space sectors in which Konkuk is traditionally strong.

Q: It seems that Konkuk is implementing many joint projects with overseas research teams, isn't it?

A: What is noteworthy is that Konkuk University is seeking the internationalization of its research network. We've invited three Nobel Prize winners as professors and opened the KU Global Lab. Chairman Erkki Lepavuori of VTT Technical Research Center of Finland visited our school recently. Konkuk and VTT established a joint lab last year to develop new technologies in the IT industry, including a next-generation display. In addition, we've begun joint research with Eurocopter, the world's largest helicopter manufacturer. We'll soon announce a joint research project between Konkuk and a German institute.

I'm certain that our research capacity will increase to the level of advanced countries through such joint research projects and that world-class research results will be produced in our country sooner or later. It's important to concentrate national R&D investments on universities. There will be a virtuous cycle of R&D investments and development if the government makes efficient investments in universities to increase their research capacity and universities, in turn, will respond by producing magnificent research results.

Re-architecting Client Business Models in a Cognizant Way

R. Chandrasekaran, President and Managing Director, Cognizant

BY RAJANI BABURAJAN

Cognizant Technology Solutions Corporation provides information technology, consulting and business process outsourcing services to global clients. The company boasts 50 global delivery centers and approximately 61,700 employees as of December 31, 2008.

Cognizant has set a new trend in IT Infrastructure Services (ITIS) outsourcing. The company was recently named a "Leader" in "The Forrester Wave: Global IT Infrastructure Outsourcing, Q1 2009" by Paul Roehrig. Cognizant is also evaluated as one among the best at managing external margin expectations to allow pricing flexibility and internal investment.

The company reported revenue of US\$753.0 million for the fourth quarter of 2008, up 2.5 percent from \$734.7 million in the third quarter of 2008, and up 26 percent from \$600.0 million in the fourth quarter of 2007.

R. Chandrasekaran, president and managing director, Cognizant, shares his perspective on Indian IT and ITES industry.

Question: What is the outlook of the Indian IT and ITES segment?

Answer: Offshoring has not lost any of its sheen and, under current market conditions, it is an even more attractive proposition. In the current circumstances, the pressure on com-

panies to adjust to the new environment and adopt cost-saving initiatives will only benefit global sourcing. In difficult economic times, clients are more likely to increase their offshore spending in order to get more done with the same or fewer budget dollars. However, I don't think cost is the only motivation for outsourcing. It is more about the "value" that outsourcing delivers.

India enjoys an edge, thanks to the scalability, maturity and flexibility it offers. It is important to build upon this lead by focusing more on value than cost. As indicated by some studies, the cost-differential between the United States and India will continue for many years to come. We have sound educational infrastructure to support the growth needs of the IT industry. In fact, given the market conditions, there is more supply than demand. I do not see any immediate challenges to sustaining India's pricing or manpower advantages.

Q: What are the main countries that are contributing to the growth of the segment?

A: During the quarter, almost 80 percent of revenue came from clients in North America. Europe accounted for approximately 18 percent of total revenue. Just over 2 percent of

revenue came from the Asia Pacific, Middle East and South America. In addition to focusing on the North American markets, we continue to build our footprint and capabilities in Europe. We are increasing our focus on Asia – including India where we have gotten early traction. And we are exploring other emerging markets of the world, such as Latin America and the Middle East, where we have some presence, but we think those geographies present significant opportunities and we are underrepresented.

Q: During the recession, what are the strategies to improve customer satisfaction?

A: Every single strategy that Cognizant has adopted to date is a result of asking one question: "Is it in the best interest of our customers?" We are known for our customer-centric strategies, such as having the bulk of our executive management and practice leaders closer to customers for faster decision-making and high levels of responsiveness; aligning ourselves along the industries of specialization to provide solutions to customer business problems and not just technical capabilities; reinvesting significantly back into the business for enhanced customer value, and providing an integrated value

India enjoys an edge, thanks to the scalability, maturity and flexibility it offers. It is important to build upon this lead by focusing more on value than cost. As indicated by some studies, the cost-differential between the United States and India will continue for many years to come.

to our customers combining consulting, technology and business process capabilities. This obsessive focus on building stronger customer businesses has resulted in trusted relationships with our customers. This is manifest in Cognizant's repeat business consistently being over 90 percent.

Cognizant's business model has been built around the immediate and long-term needs of our customers. Over the course of our history, we have driven revenue growth by staying close to our customers. Three of the most important ingredients for success in this market are industry insight, domain knowledge and relationship management – all three of which play directly to our strengths. In the current economy, Cognizant has strengthened its position as a partner of choice for its customers by virtue of our unswerving commitment to the industry we serve, standing out as thought leaders; our proven ability to bring to our customer base new services; demonstrated expertise and insight to help clients navigate the rough economy; and strong corporate governance controls.

We believe that client engagement is of fundamental importance. Therefore we are heavily focused on relationship management. To this end, we have over 750 account managers and client partners. This strategy of investing in front-led client relationships has proven itself. Rather than pulling back during the downturn, we continue to invest in the interest of our clients to be there for them. We continue to invest in our business to ensure that we build capabilities that differentiate us. In times of economic crisis, it is more important than ever that we stay the course. In fact, because of our strategy of re-investing in the business, we have been able to invest tens of millions of dollars into the development and acquisition of additional value for our clients.

We have invested in Cognizant 2.0, an online, virtual workspace that has improved our operations significantly and underpins the strength of our global delivery model. This new platform, which over 50,000 of our employees are now actively using,

addresses three key challenges in our industry – getting the best talent, the best practices and the best knowledge, all delivered seamlessly and instantly to any client situation, regardless of where the clients or the consultants are located around the world. This new platform has led to a truly global delivery model, heightened levels of collaboration across the world, increased quality, productivity and efficiency, better quality of work, and enhanced employee engagement and customer satisfaction.

The reinvestments we made during the 2001-2002 recession played a major part in fueling the unprecedented industry-leading growth for Cognizant beginning in 2003. Through ups and downs in the economy, through several waves of tech-

nology transition, our business model has stood the test of time, as we have demonstrated yet again in the first quarter of 2009.

Q: Which are the main industry verticals that are contributing to the growth of the segment?

A: During the first quarter of calendar year 2009, our Financial Services segment, which includes our practices in insurance, banking and transaction processing represented 44.4 percent of revenue; healthcare represented 25.4 percent of revenues; retail/manufacturing and logistics represented 16.5 percent of revenues; and the remaining 13.7 percent of our revenues came primarily from other service-oriented industries of communications, media and high technology. During the quarter, our



R. Chandrasekaran, President and Managing Director, Cognizant

This is not a time of just “cyclical change” resulting from an economic slowdown. This is also a time of “secular change” where many of our clients are now realizing that their businesses and supporting technology environments have to be rethought and changed dramatically in order to navigate through this period. These types of client changes are driving changes within our own industry.

financial services segment grew 13 percent compared to Q1 of 2008 [year over year]. Healthcare increased 19 percent year-over-year. Retail, manufacturing and logistics was up 26 percent compared to Q1 of 2008. Our “Other” segment increased 9 percent year-over-year.

Although discretionary decisions are taking longer to be made in the current environment, the need for services such as Application Maintenance, IT Infrastructure Services, BPO/KPO, and other services that are focused on cost containment has never been stronger. Our service lines are continuing to expand and we see momentum in business process outsourcing and Cognizant business consulting. A testament to the value of our reinvestment in service lines is our being named a leader in global infrastructure outsourcing for Forrester recently. Cognizant IT infrastructure services received the highest possible scores for client feedback on service quality, customer value proposition and vision and investment to support our growth strategy.

Our Cognizant Business Consulting or CBC practice has continued to expand over the years and has become a key component of our strategic agenda. We realized early on that providing great offshore capabilities was not enough and that we needed high level business expertise combined with deep technical experience to properly serve the demands of our client base. As part of this effort, we have made a number of strategic hires to fill key leadership roles in the CBC team. Our vision is to move beyond the technology or delivery role and position Cognizant as a transformational partner who can drive powerful thought leadership. We currently have over 1,700 consultants and their technical expertise combined with their industry knowledge has led to a powerful combination where the pillars of business operations and IT align. We believe that our integration of consulting within our global delivery model will be a true differentiator for us. These investments

have allowed us to help our clients adapt more easily to industry trends, enhancing their operations and efficiency.

Q: What are the main trends in the IT and ITES segments?

A: The majority of our client budgets have been finalized. This process has taken longer than it has in prior years and many budgets are flat or down. However, spending has not altogether disappeared. While our clients are continuing to spend in offshore services, given the environment, they are doing so more carefully. We believe that there are opportunities for us and we are investing and adapting to ensure that we can seize these opportunities.

There are significant changes underway within our industry and these changes are primarily driven by significant changes that our clients are facing in their industries. This is not a time of just “cyclical change” resulting from an economic slowdown. This is also a time of “secular change” where many of our clients are now realizing that their businesses and supporting technology environments have to be rethought and changed dramatically in order to navigate through this period. These types of client changes are driving changes within our own industry.

The traditional areas, which the offshore industry has considered key differentiators, are no longer differentiators. To be clear, traditional global offshore excellence is more necessary than ever, but it’s no longer sufficient. To clients, this is just table stakes, an entry point into the game. What clients are really looking for and where Cognizant provides significant value is in “re-architecting client business models and technology footprints” to reduce costs and to address the changes in their industries.

Clients are looking for services firms that have deep domain expertise, strong onsite presence and well-honed relationship management skills so they can customize and implement tailored solutions specif-

ic to each client. Therefore we have found that this recession is in effect highlighting Cognizant’s strength in industry insight, domain knowledge, and relationship management, three of the most important ingredients for success in this market.

As clients increasingly globalize their businesses, they need a global firm with infrastructure around the world to help them. This is being driven on the supply side by the continued focus of firms to find the best talent for an ever-increasing range of services such as IT infrastructure services and business process outsourcing regardless of where that talent is based in the world. This has evolved a delivery model from a point-to-point model to a many-to-many model, where we are often being called to deliver from many locations in the world to client locations in many other parts of the world.

Finally, given the extraordinary sets of issues that clients face today, they need partners who not only understand the issues they face, but also how to make changes in the context of their businesses and their industry. The partners that can do this are the ones that have great client relationships, higher attention rates and the strongest likelihood of continued growth. Client intimacy in our business has perhaps never been so important and relevant. We believe that Cognizant is well positioned to help clients when viewed against this backdrop.

Q: Do the new policies of the U.S. affect the IT and ITES markets? How?

A: We are still looking at the proposals. We would have to keep in mind that any impact of this potential change will be significant for all U.S. multinationals with global operations. In fact, with extreme interpretation, it could possibly make the U.S. multinationals, in general, far less competitive than their global counterparts and I don’t think this would be in the interest of the U.S. companies.



N.K. Goyal, CMAI

Following is an interview with Mr. N.K. Goyal, president of the Communications and Manufacturing Association of India (CMAI), the subcontinent's leading trade promotion organization.

Question: With a population of over 1 billion, India has one of the largest labor pools to draw from. How has that labor pool changed in recent years to make it more attractive to Korea and other IT powerhouses?

Answer: Earlier, India was only known for cheap labor, but now India is one of the largest producers of technically qualified engineers. The Indian expertise for BPO/KPO/ R&D is well known. India has a large pool of engineers and professionals available to Korea for the IT/Telecom sector for research & development, manufacturing and services. CMAI has been playing an active role in promoting HRD activities between Korea and India.

Q: What can Korea offer India and vice-versa?

A: Korea is well known for broadband with the highest penetration rate for faster than 10MBPS speed, whereas India is lagging behind. Hence, there is very good scope for Korean companies dealing in broadband to come to India. India is also opening up 3G, Wimax and broadband wireless, hence this represents other emerging opportunities. India is adding over 15 million wireless phones per month. That means a huge market for wireless equipment, handsets, VAS, etc. CMAI has been arranging B2B meetings in this regard in India.

Q: During the current economic crisis, what is the impetus for the IT sectors of the two countries to work closer together?

A: Not only for India and Korea, but throughout the world everybody is banking upon the ICT sector to revive the entire economy. It is not only the ICT sector itself, which will give

a boost to the economy, but with the assistance of ICT, all other sectors would also get a push.

Q: What is the state of the trade balance between Korea and India and what do you predict for the near and distant future?

A: Gross trade between India and Korea has crossed the US\$15 billion mark and is growing. More than 150,000 people from each country have visited the other. We hope this figure will rise more than 8 percent in the coming years.

Q: Is the government of India making efforts to make it easier for foreign companies to operate and invest in India?

A: Yes. Already 100 percent FDI is permitted in the manufacturing sector without any license required for the ICT sector. In respect to telecom services, FDI up to 74 percent is allowed. The approval process has also been liberalized.

Q: India and Korea both are leaders in various labor and materials-intensive industries, such as steel making and shipbuilding. As these industries become more technology intensive, will this lead to more competition or cooperation between the two nations?

A: We do not think there is any need to worry for competition, because of the huge market in the world. Moreover, even as of now, Korea and India are not competing but are complimenting each other.

Q: In recent years, India has seen economic growth rates exceeding 8 percent, while Korea's growth rate seemed to peak around 5 percent and has been in decline for the past four years. What are some things that Korea can learn from India? Or are the two countries at completely different levels in terms of economic maturity?

A: The growth of India's GDP is attributable to a huge market and a comparatively tight banking system. The huge market is present because

of the low penetration of telecom, internet, etc., whereas in Korea the penetration is already high. It is expected, that, with the demand picking up in Asian markets, the economy of Korea would also grow.

Q: There has been talk of recreating the "Silk Road" for the 21st century. Can you explain what that means for the countries located along that fabled route today?

A: The Silk Road was very good for initiating business in the earlier days. However, now, it is more of a historical and sentimental feeling rather than actual usage, because the goods can be moved much faster by air cargo, etc. However, it would be in the best interest of both countries to ease restrictions on the movement of persons from both sides and relax visa regulations. There is also a very good scope between Korea and India for the promotion of health and medical tourism and education promotion. It can work both ways because of excellent facilities in both the countries.

Q: Your organization represents many of the biggest tech firms in India. From your communication with CEOs and other decision makers, is Korea currently on their radar in terms of expansion, cooperation and investment?

A: Yes. Korea is high on the radar of almost all the companies. CMAI arranges B2B meetings and takes part in international exhibitions and trade shows in India and Korea on a regular basis.

N.K. Goyal is a founding member and chairman emeritus of the Telecom Equipment Manufacturers Association of India (TEMA); serves on the Council of Electronic Hardware Association of India TEMA Export Promotion Council, Govt. of India; and is senior vice president of the Himachal Pradesh Chamber of Commerce and Industries.



Visit Korea Incheon 2009

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This year is Visit Korea Incheon 2009. Incheon's city government has focused on creating sightseeing programs and building sightseeing infrastructure. For these, the city government, the Incheon Tourism Organization, and the committee managing the event finished their overall preparations. First they selected a symbol with three colors: yellow, blue, and red. This trinity stands for Global Incheon. Yellow symbolizes the hope, blue shows the dreams and red signifies the passion of Incheon. Then, they selected a slogan: Come together, Fly Incheon. Through the slogan they expressed their hope to see a rapidly-rising Incheon.

Various Hot Spots

Palmido (Palmi Island) has reopened its lighthouse, which has been there for 100 years, and an esplanade. If you like jajangmyeon, Chinatown has good restaurants. You can have some excellent jajangmyeon and create a great memory. Baeknyeong Island is also wonderful. You can feel the beauty of nature in the rock cliffs of the Dumujin and the sandy Sogot Coast.

In June, it is a perfect time to stay at a temple. The temple stays allow you to feel the value of slowness and



A scene from Boys Over Flowers on Palmi Island. – Korea IT Times

The heroine confessed her love to the hero first and kissed him on Fairy Rock Beach, in Eurwangni. Also, they took their last trip to Incheon at Silmido, Jamjindo and Eurwangni.

emptiness. In July, Incheon recommends a paradise – Ongjin. You can enjoy not only swimming, but also fishing in the sea and catching clams along the shore.

In August, through the Global Fair & Festival 2009, Songdo will reveal itself to the world. The fair is scheduled to run from August to October. It will entertain visitors by providing 65 programs. In particular, Global Culture Street is very unique – it's the perfect setting for visitors to create an unforgettable memory. You will notice that Songdo has two looks: the global city and the future city.

In September, Korea's longest bridge – and the fifth longest in the world – will open for the first time. There will be lots of events celebrating the completion of the construction work. October marks the be-

ginning of the Sorae Wharf Festival. You can see and smell the ocean, and the foreshore is filled with various creatures which can help to re-energize yourself. In November, the everlasting theme of Wolmi Island is romance. You can find out why while you are walking through the picturesque streets with your loved one. In December, Seokmo Island has the greatest sunsets, painting all things red – the sky, the sea and you. It will be a good way to finish the year and to reflect upon yourself.

Boys Over Flowers

The famous Korean TV series Boys Over Flowers was shot in Incheon. The Incheon Tourism Organization attracted the series to inform people of various showplaces. This famous series chose Palmido, Songdo and



A bird's-eye view of the main plaza of the Global Fair and Festival 2009 Incheon, Korea. – Korea IT Times

Muuido as its background because these spots beautified the scenes and gave the ending an incredible look.

The last scenes of the series showed the beautiful islands and sea of Incheon together. Through this opportunity, Incheon showed off its charm to the whole nation.

The heroine confessed her love to the hero first and kissed him on Fairy Rock Beach, in Eurwangni. Also, they took their last trip to Incheon at Silmido, Jamjindo and Eurwangni.

The committee plans to use the series to inform people about Incheon, and has uploaded information and photos about the film locations to its homepage. In addition, the committee is developing many sources for sightseeing and attracting tourists both foreign and domestic.

Railroad Travel

The Incheon Tourism Organization created programs to let people enjoy the showplaces of Incheon on the Korea Railroad for Visit Korea Incheon 2009 and the Global Fair & Festival.

First, the Love Story Starlight Train is a package deal. The train starts from Seoul Station and goes to Incheon Station, and then stays for one hour in Chinatown. Before this tour, the railroad trip was a little boring, but this tour is different. It makes up for the weakness by serving wine, music by a DJ and live performances. Responses from 20-somethings and 30-somethings have been very good. The package will be sold until late September this year and trains will operate just 31 times. You

In August, through the Global Fair & Festival 2009, Songdo will reveal itself to the world. The fair is scheduled to run from August to October. It will entertain visitors by providing 65 programs. In particular, Global Culture Street is very unique – it's the perfect setting for visitors to create an unforgettable memory. You will notice that Songdo has two looks: the global city and the future city.

can check the schedule and make a reservation on Korail Tourservice's website www.korailtours.com. It costs 35,000 won (US\$26.13) per person.

Moreover, the package deal called "Do you know Incheon?" is divided into two parts. First, you can see Korean modern history. Incheon was an open port for accepting modern civilization from foreign countries. It was the main stage in Korea's early modern era. There is Chinatown, Jayu Park and modern architecture. You can tour around this area with Cultural Heritage Interpreters. Then you can rediscover Incheon as Korea's first city of modern civilization.

Second, Incheon is the nearest port to the Seoul metropolitan area. You don't need to go far away from Seoul to feel the atmosphere of a port. There is Korea's earliest lighthouse on Palmi Island, which was locked for 106 years and was

reopened recently; Incheon Bridge, which is the longest in Korea at 21.27 kilometers, and the fifth-longest in the world; and Incheon Complex Fish Market. The Incheon Complex Fish Market has cheap and fresh fish and generous traders. It is the best spot to enjoy gourmet seafood dishes for a sensitive wallet with your family, friends or your significant other.

This package is sponsored by the Incheon City Government. You can enjoy the package at a cheap price: 19,900 won (US\$14.87) per adult, and 14,900 won (US\$11.13) per child. It will be offered until late December of this year. Trains operate every weekend.

You can make a reservation at the Seoul Metropolitan West Office of the Korea Railroad (02-2634-2401), Train Tour (02-1577-7788, www.114ktx.co.kr) and Hongik Tour (02-717-1002, www.ktxtour.co.kr).



Old Kunming

BY JOSH FOREMAN

KUNMING, China — Two lovebirds in a wooden cage. A dozen turtles in a blue plastic box. Hundreds of black beetles eating watermelon rind. Thousands of mealworms squirming — food for the lovebirds. These animals share space with thousands of others here in Old Kunming. Any can be had for a price. But strange animals are not the only things for sale in this crumbling quarter of Southwestern China's largest city.

The historic area was once called the "Bird and Flower Market." Now shoppers browse Nintendos, nunchucks and fishing tackle — along with birds and flowers. It's also a good place to taste Kunming's spicy street food. In Kunming, street meals are cheap and best enjoyed in skewer form. Fatty beef is popular, thin crispy fish delectable, and obscure chicken parts plentiful.

The food area of the market is a series of tents. Each tent serves something different — one sells drinks and soup, another grilled meat, and another fried potatoes and tofu.

In one of the tent restaurants bearing a gold sign marked "Moslem," Muhammad Da Wood and his family grill fish and meat. A nylon sign that takes up the back wall of the restaurant shows two yaks and three ostriches grazing in a green field, but those animals cannot be found on Da Wood's menu. Instead he grills fatty cubes of beef and whole skewered fish. When the beef cubes are finished, they're tender and rich. The fish turn out crispy and blackened, with oily dark meat inside. All items are, of course, covered with chili pepper powder.

Other tent restaurants along the



strip sell grilled tofu (soft and moist inside at first — hard and chewy after too long on the grill), fried new potatoes, mushrooms, soup and tall Dali beers.

Da Wood and his family came from Ili in Xinjiang, a largely Muslim region of northwestern China. Other restaurants around Kunming bear signs written in the Arabic letters of the Uyghur. Hundreds of years ago the city was linked to Muslim central Asia by the Silk Road.

Kunming has a mild climate year-round, and spring is a good time to stroll Green Lake Park, a sprawling, wooded park with interconnecting lakes and lots of old folks. Men sit under willow trees in the park and chat. Spotted brown birds bought in the old market sit in bamboo cages, serenading the old men with squawks.

March is berry season in Kunming, and hawkers can be found throughout the alleys of the Old City selling blackberries, strawberries and haws — a soft, sweet fruit about the size of a crabapple.

In more recent history, Kunming was the launching point for U.S. pilots flying supplies over the Himalayas to India. They called the route "The Hump," and references to that era of aviation abound.

The city's most popular hostel — also called The Hump — is vast, cheap, and centrally located. The walls are decked with old black and white photos of pilots, planes and the old city.

Rooms have been renovated recently and, for a little over \$10 a night, offer sophisticated accommodation. The bargain is beset, however, by a lackadaisical staff that often bungles orders for food and drinks and seems strangely obsessed with collecting deposits for minor services and items (towel? Deposit please.)

Kunming is a big city, but its old heart is still best explored by foot.

The Wonderful

HANGRI LA, China — To stroll the Wonderful Supermarket here is to marvel at the ability of the Chinese to turn nearly any foodstuff into a powder, a dehydrated bit or a biscuit. Walk into the supermarket from the dusty main avenue of this mountain town and behold the specials for the week: soybean oil, candied peanuts, peach cakes. Sounds mundane, but delve deeper into the cavernous store and behold the uniquely Chinese snacks and staples stacked floor to ceiling, aisle after aisle, many with grammatically bewildering names and slogans.

First, past the dour, red-cloaked checkers, there's the tea and mushroom section. It's a dry indicator of what's to come. There are mounds of jasmine buds and paper-wrapped discs of different teas. There are mushrooms of every description — phallic mushrooms, tiny disc mushrooms, giant dusty mushrooms, mushrooms so old and dry that they clank when you bump them together. Everything has been dried severely and displayed with pride in jars and piles.

After the mushrooms come the



Ever want to drink grog from something more exciting than a glass? How about a gold, coin-covered deer? The Wonderful can accommodate, and throw in a booze-filled leopard to boot. Then of course, there's the alcoholic glass cabbage, the fish and the leapfrogging crocodiles.

beauty products, where shoppers can grab Flexibility Cream, Tendering Cleanser or Removing Masks. And on to the booze.

Ever want to drink grog from something more exciting than a glass? How about a gold, coin-covered deer? The Wonderful can accommodate, and throw in a booze-filled leopard to boot. Then of course, there's the alcoholic glass cabbage, the fish and the leapfrogging crocodiles.

The supermarket has a selection of local wines too – Rare Wine (“a present first choice good taste”), Naked Wine, even Enduring Pulchitude Wine.

Past the spirits begins one of the supermarket's most intimidating realms. On the shelves of the vast powder section sit bags and cans of normally whole foods – walnuts, soybeans, milk – all pulverized and rendered into meek powder.

Walnut powder dominates, but there are plenty of others: soybean powder, lotus root powder, nourishment powder (not to be confused with

nourishment meal), milk powder with vitamins (“It has very good smell and taste”). You can pick up oatmeal in the powder section, too. It's nutritious – just ask its spokesman, a deranged fat man in a kaftan.

Throughout the Wonderful there are scattered snacks, some of the most interesting morsels here. Peckish? Grab a box of Fragrant Fragile Walnut Meat Biscuits or a bag of Golden Monkey Milk Candy, which entices with its imaginative slogan: “Mylikes from Anglicism.” There are Shallot King Biscuits, Scallion Pancakes (with scallion crash) and Chum bars. And of course, what snack section would be complete without Wife Cakes?

Toward the back of the store the impressive dehydrated fruit section gloats within sight of its inferior cousin – the fresh fruit. Whereas the dehydrated fruit section overflows with angular bites of haw, pineapple and mango and plums of every sort, the fresh fruit section is a lonely corner sparsely populated by wrinkled or-

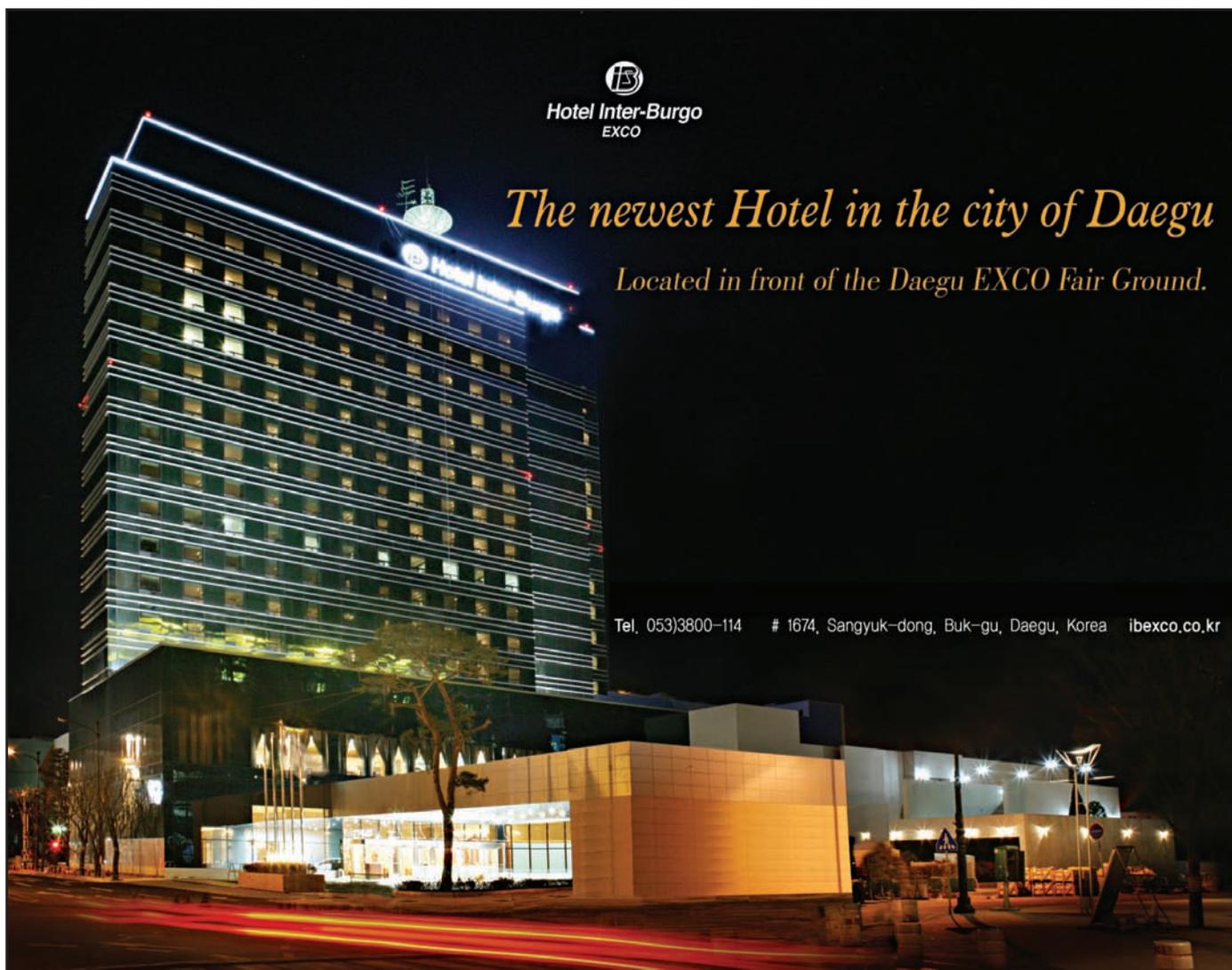
anges and brown pears – huddled as if ashamed of their unprocessed nudity.

Last, but perhaps most hearty, is the meat section (as the “fresh” meat section is so small as to be negligible, I will refer to the cornucopian canned and shrink-wrapped meat section as the “meat section”). Red and white chicken feet share space with whole bagged ducks, roast yak bites and cans of suspiciously goldfish-like anchovies, Pork Luncheon Meat (“So delicious!”) and Beef Meat in Jelly. Included in the meat section are the protein-rich legumes, king of which is the Strange-Taste Horsebean.

If you've filled your cart with dried and packaged delectables and still have room for a sweet, pick up an ice-cream bar. The flavors are sundry and tempting: corn, peas, sesame seed.

Then proceed to checkout. The red-cloaked cashiers will dutifully drop your haul into plastic nets and count out Mao-covered notes. The name of the place is Wonderful, and for some, maybe it is.





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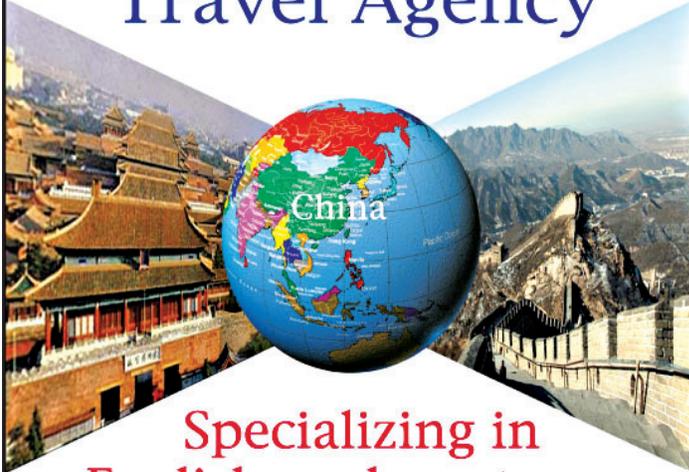
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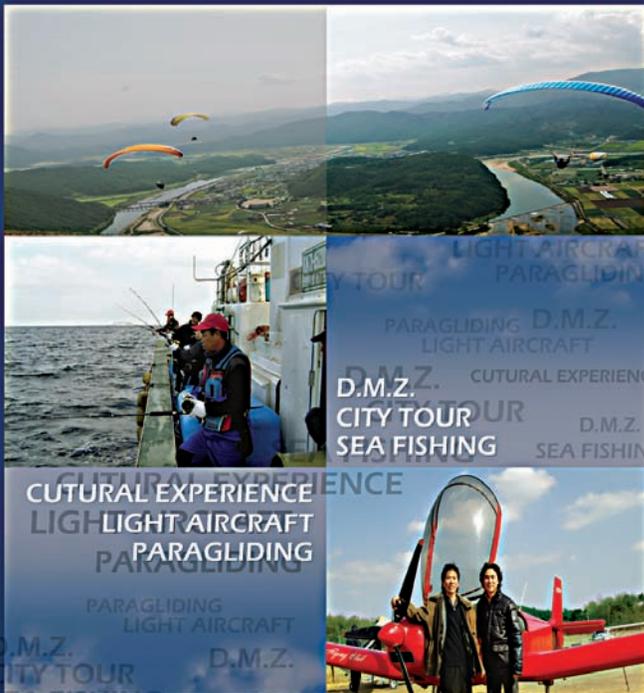


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The Death of Phone Manners

BY TRACEY STARK

I found a seat on the subway and within seconds a middle-aged man sat next to me and began sending text messages. Or maybe he was playing a video game. All I know is that I could hear EVERYTHING he was doing and it was terribly annoying. Beep, boop, beep, beep, boop...

I gave him the death stare. He didn't notice. I coughed a few times and leaned closer. He still didn't budge.

Didn't this guy understand that what he was doing was, well, rude? Couldn't he FEEL the irritation of the people around him? No, in fact, he couldn't. And the reason is simple: his mother didn't know she would have to teach him these particular manners since this technology didn't exist when he was a kid.

In the early days of communication, the rules of conduct were simple. Since the phone was generally confined to a wall at home, the office or the phone booth it was straightforward. Walkie-talkies were used by the military or cops. Video signals were confined to that enormous television set in the living room. And cameras were pulled out on vacations or special occasions. (NOT a trip to the mall.)

Eventually, the wall phone gave way to the cordless phone, walkie-talkies gave way – in a sense – to the pager ('beeper' to you older folks) and everything James Bond and the guys from Star Trek were carrying started to look more and more likely to eventually end up in our pockets.

Today's communication equipment rolls all of that stuff into one tiny little annoyingly convenient package. And with it comes all of the problems that those more primitive technologies presented, except 10 times as bad.

The result? A new generation of people who can no longer communicate effectively face to face, can hardly spell and don't care if the rest of the world wants them to shut the hell up.



Before I call anyone out on bad manners, I must first admit that I have been guilty of one or more of these offenses as recently as yesterday. But I am working on it. I swear.

In the '70s when I was a small child, we had one telephone mounted on the wall in the kitchen. There were strict, but simple rules regarding its use:

Calls were limited to 10 minutes, since call waiting wasn't invented yet. That way, my mother said, if one of our relatives died, we would be able to find out.

If the phone rang while the family was at the dinner table, we were forbidden to answer it. Not an easy feat with five kids ranging in age from 8 to 18.

After 10 p.m., no more phone calls. Period.

In the '80s, the rules changed slightly. We moved to a new place, there were only two kids left at home and we now had three phones, one of which was cordless.

If call waiting beeps, you must answer it. This is because caller I.D. wasn't widely available. Again, the possibility of a dead relative and my mother's desire not to miss the news.

If the phone rang while we were at the dinner table, it usually meant someone was calling to get us to change our long distance provider. Rock, paper, scissors to decide who answers it.

If you were on the phone after 10 p.m., you must use the cordless and go into your room.

As you can see, these rules were straightforward and didn't require any great sacrifices. But now we jump ahead 20 years and my mother would have had to make a list two or three pages long.

What follows is the short version of what she would have demanded of us.

Keep your phone on silent at all times. NOBODY wants to hear your Celine Dion ringtone.

Keep your touchpad on silent as well. NOBODY wants to hear you sending messages or dialing numbers.

Do not take pictures of yourself while enjoying a coffee at Starbucks. Vanity is a very unattractive trait. In fact, don't use the camera on your phone in public at all. For Koreans: Do not stop to take pictures of foreigners on the street. Ever. It is NOT okay.

Do not sing out loud in crowded, public places when listening to music on your phone/MP3 player. Nobody wants to hear your version of 50 Cent, the Wonder Girls or Celine Dion. NOBODY.

If the phone rings while dining in public, answer it, say you are eating and will call the person back, then make sure it is on silent. NOBODY wants to hear you talk about how much of a dick your hagwan director is while they are trying to enjoy themselves.

If you are playing a video game on your phone/MP3 player/PMP, wear headphones or keep it on silent. NOBODY wants to hear you blasting away at some evil alien invader.

When using a hands-free device, wear it so people can see that you are actually talking to someone and not just chatting up yourself. It is important to not look like a crazy person when walking down the street.

If all you are going to say into your phone is "Yeah, yeah, yeah, yeah...uh, uh, uh...nay," please hang up. You obviously have nothing to say and just want attention. NOBODY wants to give you the positive kind of attention you obviously crave.

My mother would have gone into greater detail and it would be a constantly evolving list as the technology changes, but I think it's a good starting point. Please share these rules with your friends and total strangers. And if you text them, keep your keypad on silent. Thank you and I'll call you back when I'm done peeing.



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