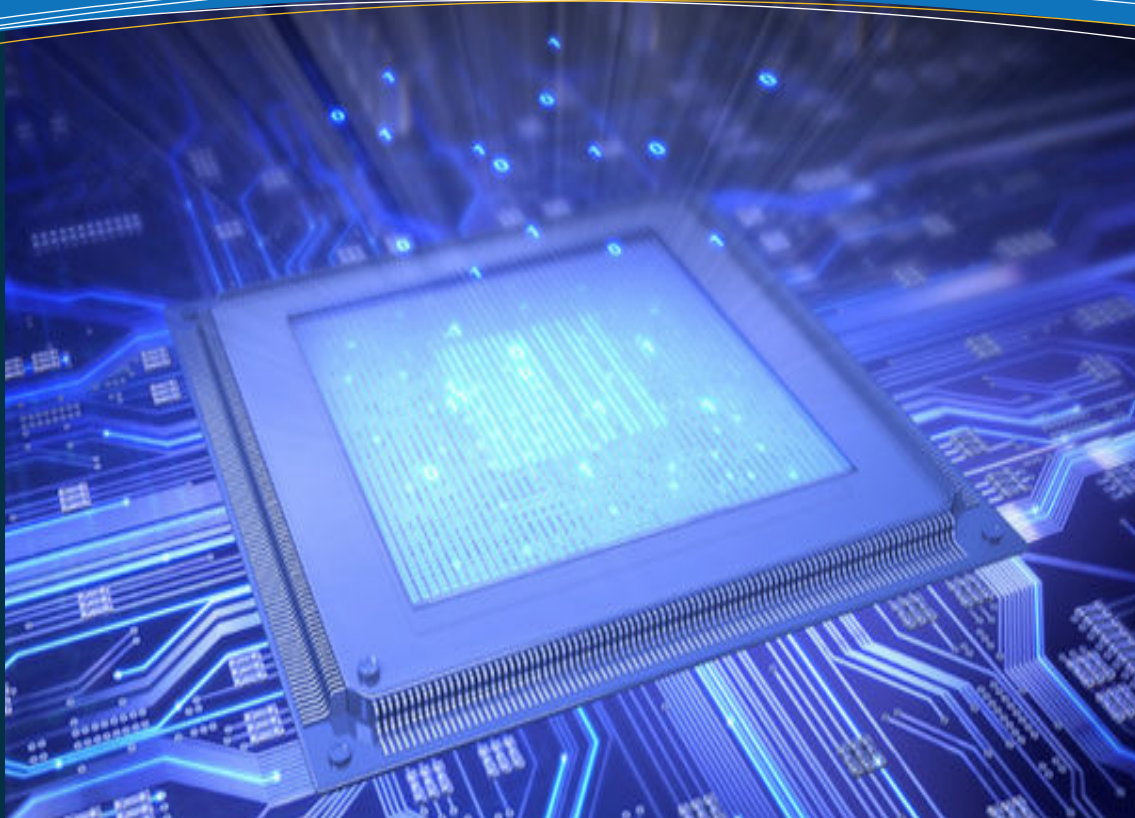


"The Chinese use two brush strokes to write the word 'crisis'. One brush stroke stands for danger; the other for opportunity. In a crisis, be aware of the danger -but recognize the opportunity."

-John F. Kennedy



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Games development gets training boost in Singapore

by Victoria Ho

SINGAPORE - Local institute of learning, Nanyang Polytechnic (NYP), and Sony Computer Entertainment Asia have jointly set up a S\$4 million (US\$2.6 million) games development incubation center.

The NYP Games Resource Centre, opening in June, is expected to train some 450 students over the next two years in games development on Sony's PlayStation3 (PS3) and PlayStation Portable (PSP) platforms, said Sony executives at a media briefing Thursday.

The Japanese electronics giant will donate 50 PS3 and 10 PSP development kits to the facility. It declined to disclose how much it is investing in the setup. Tetsuhiko Yasuda, president, Sony Computer Entertainment Asia, told ZDNet Asia on the sidelines of the briefing, the future of the games industry in Asia lies in downloads.

Through a translator, Yasuda said eventually, most consumers will acquire games by downloading. This will take several years to happen, but it will then be the dominant distribution method, he said.

On piracy in the region, Yasuda acknowledged that it will not likely completely disappear in future, but is likely to decline in rate. He noted that Sony's PS3 and PSP3000 platforms have been impenetrable to date, so he is not as concerned about piracy, looking forward.

(Source: <http://www.zdnetasia.com> Apr '09)

New Malaysian premier snubs ICT body

By Lee Min Keong

MALAYSIA--Newly appointed Prime Minister Najib Razak has delivered an embarrassing snub to the country's ICT association Pikom, after he not only ignored its call for a single ministry, but also transferred jurisdiction for the local communications sector to a low-profile ministry.

In a statement released last week following the Cabinet reshuffle, Pikom said it was "disappointed" its recent request for a single ICT ministry has gone unanswered. The industry body also revealed it was "caught by surprise" that the responsibility for the country's ICT sector has been transferred to the Information, Culture and Arts Ministry, headed by Rais Yatim, a veteran politician who is regarded to lack substantial experience in the ICT sector.

Prior to Najib's Apr. 3 appointment to Malaysia's top political post, Pikom had urged the country's incoming administration to establish a single, dedicated ICT ministry--given the sector's prominent role in the local economy. The ICT industry was previously a shared responsibility between the Ministry of Science, Technology and Innovation, and Ministry of Energy, Water and Communication.

Pikom noted that such fragmented arrangements pose great challenges--administratively and logistically--in mobilizing requisite resources in an appropriate and coherent manner, due to blurring boundaries, roles and responsibilities. Pikom Chairman David Wong said in the statement: "Our proposal for a single ICT ministry would see faster, more convenient and informative provision of information. It also quickens the decision-making process, saves cost, increases efficiency and offers procedural clarity for local and foreign ICT companies to prosper.

"We envisage such a ministry would be specifically tasked to actively promote Malaysia's ICT industry, develop constructive policies and guidelines to deal with global ICT deregulation and market liberalization." Highlighting the significance of ICT, Pikom said statistics indicated value added ICT services contributed 10.8 percent to the country's GDP in 2008, while the overall sector accounted for 26.9 percent of the local manufacturing industry last year.

Najib's decision to transfer oversight of the communications sector to a ministry that essentially deals with the media, culture and arts, has stupefied Pikom. Wong said: "Pikom was caught by surprise that the communication element was lumped together with the Information Ministry, especially since communication is high on the national agenda with the rollout of high-speed broadband. In this respect, Pikom is disappointed that our call for a single ICT ministry has not been realized."

He noted, however, that the retention of Maximus Ongkili as Minister for Science, Technology and Innovation will provide "continuity in the policies and plans" established for the ICT industry by the previous administration. "Drifting" under previous government Najib replaced Abdullah Ahmad Badawi, whom opposition lawmaker Tony Pua said had done little for the local sector. National publicity secretary for the Democratic Action Party, Pua told ZDNet Asia in an e-mail: "Over the past five years, the ICT sector has essentially been drifting on a free-gear mode... There was absolutely no direction, no emphasis, and little incentives or funding were allocated to the sector--unlike when it was under [former premier] Mahathir Mohamad's administration." Abdullah's term led to "the relegation of the sector", he said, straying from Malaysia's target of building a knowledge economy, to one that has been "neglected and regarded as irrelevant".

Can Najib then steer policy changes needed to boost the ICT sector? According to Pua, the early signs are not very encouraging. "We have yet to see any indication that Najib will be more generous toward the ICT sector," he noted. "Even in his last 60 billion ringgit (US\$16.6 billion) stimulus budget, there was no allocation or announcement of initiatives that support and promote the local ICT sector." Driving competition is a key area that the new administration should look into, he added.

Pua said: "ICT is a sector that is necessarily driven by innovation and competition. Without competition, the industry loses its cutting edge. There should be liberalization of competition, particularly for the government sector, which to date, has been restricted to contractors approved by the Ministry of Finance." He added that funds should also be set aside to encourage qualified software service providers to explore overseas markets.

Lee Min Keong is a freelance IT writer based in Malaysia.

(Source: <http://www.zdnetasia.com> Apr '09)

Is flash a bright spot in recession?

By Vivian Yeo

The global economic downturn will trickle down on flash memory demand, industry watchers say. But the proliferation of flash in smartphones and enterprise storage in Asia in the years to come will help the technology make a quick recovery.

A report by In-Stat in February noted that flash memory sales volumes and revenues will see a quick recovery in spite of recessionary woes. Flash, it said, will become an "indispensable resource" and cement its position as a "fundamental building-block technology" as the number of products embedded with flash, grow.

Worldwide, flash revenues will grow at a compound annual growth rate of 24 percent to reach US\$72 billion by 2012, In-Stat predicted. "An oversupply in 2011 will probably drive the market in a negative direction that year, but growth should recover, with a shortage starting late in 2012," the market analyst said.

Also around this period, video and solid-state drives (SSDs) will play an important role in the growth of flash memory, the report added. Gregory Wong, president of Forward Insights, a consulting and market research firm specializing in non-volatile semiconductor memory, pointed out in an e-mail interview there are indeed encouraging signs for flash memory in the next few years.

"Smartphones are increasing storage capacities taking the lead from the iPhone, and the iPhone itself will likely see a 32GB product rolled out soon," he said. "SSD volumes will continue to increase reaching one-quarter of bit consumption in 2012 primarily driven by SSDs in notebook PCs. "According to Wong, flash memory growth will continue--at a slower pace this year and next. From 2011, the growth prospects "look good" as a result of the boost by SSDs and smartphones.

"Since Asia is a hub for PC and cellphone manufacturing, the rise in particular of SSDs is likely to be positive for Asian manufacturers," noted Wong. "SSDs will offer companies in Taiwan, China and Singapore opportunities. "However, all Nand flash vendors are currently unprofitable, he said, adding that this scenario is not likely to change with the current pricing levels. The average selling price of flash memory had rebounded recently, but that was due to adjustment in production by suppliers, and not demand-driven.

"Companies have cut back on production to match demand, however, the price increases could reverse if vendors start to turn on that capacity again," said Wong. Chong Soon Cheong, marketing director of Asia South at Sun Microsystems, also expressed optimism about the role of flash in enterprise storage.

Sun last month announced its integration of flash in the Sun Storage 7000 Unified Storage family. The enterprise flash market is poised for significant growth in 2009, driven by better economies of scale for flash technology that more efficiently allows companies to serve and manage exponentially growing amounts of data," he said in an e-mail.

"While it will not be possible to convert all disks to SSD due to cost efficiencies, systems will continue to use a mix of SSD, memory and disk. "Pointing out that Sun is "taking the lead" in using SSDs in its systems and storage during the current economic climate, Chong said enterprise SSDs can create substantial improvements in server utilization and application performance. They also use less power, which helps customers to lower operational costs. "Flash memory will find applications in areas where high performance is a necessity such as ones that are I/O-bound or virtualized and in the areas of Web 2.0, media, and high-performance computing," he noted.

(Source: <http://www.zdnetasia.com> Apr '09)

Retailers must innovate amid downturn

KUALA LUMPUR--Faced with new challenges in an increasingly difficult economic climate, local retailers must become more innovative by leveraging technology to boost revenues and profits, urge ICT (infocomm technology) vendors.

Thomas Halliday, industry principal for retail and consumer products, SAP Asia-Pacific Japan, noted that during economic downturns, the retail sector must innovate to become leaner and more agile so it can respond to changing market forces accurately and quickly. "The challenge for retailers is that they must meet many customers' needs, each with unique wants," Halliday told ZDNet Asia in an e-mail interview. "ICT gives retailers a better understanding of their customers and allows refinements to be made to customer segmentation.

With this information, Halliday said, retailers can market their products and services more effectively, accurately calculate their customers' price sensitivity, deliver personalized product up-selling and cross-selling, and provide multi-channel customer service. Ash Khalek, group vice president of manufacturing retail distribution at Oracle Asia-Pacific, concurred, noting opportunities are available to retailers but the challenge is finding which segments are providing the opportunities. "Retailers need to look at their respective segments from a different perspective," Khalek said in an interview. They must achieve, as closely as possible, to real-time response using ICT as a tool, so that they can profile and target product promotions accordingly.

Khalek noted that traditional retail segmentations are based on demographic factors such as age and income. Retailers, he added, now need to turn to lifestyle-based segmentation, targeting users by identifying changes in pace, budgets and buying patterns. Lifestyle segmentation considers factors such as whether one is single, married or retired so that retailers can tailor-make promotions accordingly, he said. "With the current economic situation, there's going to be a shift in buying patterns and retailers that use ICT to understand the dynamics of these changes and identify the patterns in near real-time, will gain the most," Khalek said.

According to Halliday, customer loyalty is an important factor that will help retailers weather the slowdown. One way for retailers to identify and cultivate loyalty is to build refined loyalty programs for high-value customers, he said. "Using analytics, retailers can analyze customer behavior and allow them to deliver an improved shopping experience to their customers," he noted.

Slowdown effects felt

Meanwhile, two retailers told ZDNet Asia that retail businesses in Malaysia are already beginning to experience a lackluster response as a result of the global economic crisis. This slowdown is felt despite both companies' efforts in using online technologies to sell their products. Chris Chan, an online certified seller with auction site eBay Malaysia, said the ripple effects of the global economic slowdown in the retail space was especially prevalent after the Christmas and Chinese New Year period. Chan sells various types of merchandise and 1980s memorabilia on eBay. "From the people I've spoken to, retailers are beginning to feel the pinch," she told ZDNet Asia in an interview. "Personally, I do not receive as many enquires today. Last year, for example, I received an average of 100 enquires [about my products] per week but I only get half as many today."

But Chan added that her business has not been badly affected as her sales revenue has only seen marginal fluctuations. "Almost all my customers are from abroad and are still buying items on my site," she said. "A lot of the products I sell are quite niche, and I believe eBay still has the market presence to help my business survive." Chan, however, acknowledged the recession has not seen its worst yet, noting that she had to make adjustments to her business model in order to stay competitive.

"The slowdown will force buyers to look for other online alternatives," she said. "As an online retailer, I have to work harder to strategically sell based on prevailing trends and offer more value-added services, such as throwing in freebies with my products to further attract customers." Tom Law, a partner at Timezone Resources, said his business has experienced mixed fortunes, where his retail outlets at local malls are weathering the slowdown better than his online store on eBay that sells merchandise.

"In our retail store, we sell branded second-hand watches," Law said in a phone interview. "During slower times, more people actually want to sell watches in exchange for cash. This helps keep us going." Compared to business at his company's physical stores, the demand for watches Law sells on eBay has shrunk as some 80 percent of his customers are from the United States, where the average disposable income has been badly affected. While his retail business in Malaysia has not been as badly affected, Law said profit margins were thinner. "But, in times like these, what we want is to keep our business going and cash flowing," he said. "This is the only way small businesses like ours will survive."

Edwin Yapp is a freelance IT writer based in Malaysia.

(Source: <http://www.zdnetasia.com> Apr '09)