

" I like thinking big.  
If you're going to be  
thinking anything, you  
might as well think  
big. "

- Donald Trump

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## Malaysia gets its own Google Maps

By Edwin Yapp

KUALA LUMPUR--Google has launched a localized version of its Google Maps in Malaysia, which the search giant said would benefit local businesses by enabling them to better connect with their customers via relevant information.

Derek Callow, Google's Southeast Asia head of marketing, said the latest localized mapping software dubbed Google Maps Malaysia, lets companies add any information they choose for free. Speaking here Thursday at its launch, Callow said the Web site will go a long way in helping local companies, especially small and midsize businesses (SMBs), list themselves on an online directory.

"With the Local Business Centre (LBC) feature, Malaysian companies can enter their name, location, pictures, contact phone numbers, e-mail addresses, and any other relevant information about their company onto Google maps," he told ZDNet Asia on the sidelines. "With these listings in place, users can then search for local companies and be presented with more information than mere geographical data."

Companies keen to use this feature can sign up with Google, upon which they will have complete control over their entries and can update their information anytime. Besides the LBC feature, Callow said Google is also providing Maps API (application programming interface), a free Javascript-based or Flash-based toolkit that enables Google Maps to be embedded onto third-party Web sites. The embedded map is fully interactive and can be customized with location icons, photos and windows to provide all relevant information, he added.

Google Maps Malaysia currently already has information on roads, addresses, property and tourist information, as well as over 100,000 business directory listings, all of which are not available through the site's international version, he said. Callow said: "This localized information was made possible through our partners. This will enable local search users to utilize the map in amore relevant way."

Google's partners are property portal iProperty, Tourism Malaysia, local lifestyle magazine KLue, and business directory listings provider Super Pages. KLue provided the listings on lifestyle events, restaurant reviews and club promotions, while Super Pages contributed the business directory listings. When asked which other content providers Google plans to work with to create a larger database, Callow said it is willing to work with anyone that has relevant information that will enhance the local mapping site.

"We welcome any partner who can give us the right value-added content," he said, adding that this could include traffic content providers. "As a guide, we will also look at what content other countries have but is still not available in Malaysia yet." Callow, however, declined to say when this will happen. Google Maps Malaysia is also available on a variety of mobile phone platforms and users can download the software.

To date, Google has launched localized versions of its Google Maps in Australia, New Zealand, Hong Kong, Thailand, India, Japan and Korea. The launch of other localized versions such as that for Singapore, is in the pipeline, but company officials did not reveal the timeline for this. The search giant also launched Google Map Maker in the Philippines last October, allowing users to contribute local content such as names of streets and establishments, that was later integrated with Google Maps.

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

## Malaysia: Growth in IT spending to be negative?

By Lee Min Keong

**MALAYSIA-** IT spending in the country is projected to experience negative growth for the first time in a decade, with a contraction of between 1.8 and 3 percent in 2009, IDC said.

Despite the negative forecast for 2009, the research firm expects to see initial signs of recovery on IT spending in Malaysia as early as 2010, with investments rebounding to its pre-crisis level by 2011. Basing its assumptions on first-quarter-2009 research results of various IT spending segments, current economic indicators, historical trends and assumptions, IDC foresees 2009 IT spending growth to be at -1.8 percent. However, IDC said if the economy does not pick up by the third quarter of this year, IT spending growth for 2009 could fall to -3 percent.

However, IDC said "bright spots" that still exist in various sub-sectors will cushion the overall IT investment in Malaysia although the major contributors--the consumer and manufacturing sectors--are likely to remain cautious in spending. Maggie Tan, associate research director of IDC South East Asia, said in a statement: "Depending on the levels of fiscal improvements seen in the economy, how the [government's] overall stimulus package 'kicks-in', as well as the Southeast Asian regional efforts to combat the current world downturn, IDC sees Malaysia riding out this crisis with signs of an upswing in IT investments within 12 to 18 months."

Though hardware spending in 2009 will drop compared to 2008, the exception to this will be in network and infrastructure spending by national telecom operators and the government for broadband and mobile services infrastructure rollout, IDC said. Investments in package software will also dip in 2009 as the enterprise markets have shown signs of gradual slowdown since the second half of 2008, while the small and midsize businesses (SMBs) are likely to be affected in this year's first half. IDC said the IT services market, on the other hand, will enjoy the limelight during this downturn.

"This is a result of the private sector being likely to prolong replacement lifecycles and increase emphasis on maintenance and support of its existing hardware investment in order to channel Capex (capital expenditure) towards priorities areas and having a preplanned budget on Opex (operating expenditure) for IT infrastructure support in the next 12 to 18 months," it added. Within the consumer space, IDC is expecting consumers in the mid- to high-income group to continue contributing to the overall IT spending, particularly on new technologies or services such as Wi-Fi access and broadband. Consumer spending will most likely take a hit in the third quarter of 2009 if job losses and closures of SMBs continue to be pervasive in the country.

### Growth hanging on jobs

"Sizeable job cuts in the manufacturing, financial and services industry will result in lower household income expenditure. If the trend spreads to major metropolitan areas such as the Klang Valley, IDC expects the consumer spending on IT to drop significantly in the third quarter of 2009." Drawing on historical trends in IT spending, IDC sees IT investments having a direct correlation to real gross domestic product (GDP) growth and private consumption growth. IT spending generally picks up faster than both GDP and private consumption growth and drops more significantly than the two.

"With the current slowdown, IDC expects IT spending to take off strongly when the economy begins to pick up, possibly at double the GDP rate prompting companies and governments to continue investing strategically in IT to be better prepared for the new challenges once the economies stabilize. Malaysia's GDP is projected to grow between -1 percent and 1 percent this year, according to Bank Negara Malaysia, the central bank, which had earlier projected a 3.5 percent GDP growth before the full force of the global financial crisis hit Malaysia end last year.

Meanwhile, Tan noted how the strategy of Southeast Asian governments to invest in broadband could create more job opportunities in the short term, while building up a strong IT infrastructure throughout the country for long-term benefits. "The Malaysian government and telecom operators are similarly committed in rolling out high-speed broadband despite the economic conditions," she said. IDC said the worst probable outcome could happen if certain key assumptions do not materialize, particularly with delays in the government's stimulus package trickling into the market. Hardware will take a deeper fall as consumer spending in the second half of 2009 will be impacted given that the mid- to high-income earners will likely cut back on unnecessary spending and focus on the big-ticket expenditures such as home and car loans, it added.

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

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

## Crouching tigers, stirring dragons

### From The Economist print edition

The Asian economies are likely to be the first to pull out of the global recession

ASIA'S tiger economies have suffered some of the sharpest declines in output during the global recession, and some fear that, because of their dependence on exports, they will not see a sustained recovery until demand rebounds in America and Europe. However, their doughty resilience should not be underestimated. They came roaring back unexpectedly fast after the Asian crisis of the late 1990s. They could surprise again. Across the region as a whole, the slump has been as bad as it was in 1998. China and India have continued to grow, but in the rest of emerging Asia GDP plunged by an annualised 15% in the fourth quarter of 2008. Only three economies have published first-quarter figures. China's GDP growth accelerated to an annualised rate of over 6%, up from around 1% in the previous quarter. South Korea's GDP expanded by 0.2%, after plunging 19% in the previous three months. But Singapore's GDP fell by 20%, even more than in the fourth quarter.

More timely export figures suggest that the worst may be over. Although the headline numbers show that South Korea's exports fell by 19% in the year to April, they rose by a seasonally adjusted annualised rate of 53% in the three months to April compared with the previous three months, Goldman Sachs estimates; Taiwan's grew by an annualised 29% over the same period. China's exports over the past few months have managed only to stabilise, but its industrial production jumped by an annualised 25% in the past three months. Economists are revising up their forecasts for China's GDP growth this year: 8% may now be possible even if American consumers remain frugal. There is a myth that China's growth depends on American consumers. In fact, if measured on a value-added basis (to exclude the cost of imported components), China's exports to America account for less than 5% of its GDP.

There is more argument, however, over the smaller, more export-driven economies, such as Hong Kong, South Korea, Singapore and Taiwan. Robert Subbaraman, an economist at Nomura, offers several reasons why they are likely to remain sluggish for the time being. The recent rise in exports and production, he argues, largely reflects the fact that firms are no longer running down stocks. This will provide only a temporary boost unless global demand picks up. Firms' spare capacity also means that investment will continue to fall, while rising unemployment threatens to dent consumer spending. Nor is China's stronger growth likely to save the region. Over 60% of China's imports come from the rest of Asia, but about half of these are components that are assembled in China and then sold to the rich world.

In its latest economic outlook on Asia, the IMF forecast that the region excluding China and India would grow by only 1.6% in 2010, largely because it expects the American economy to be flat. However, Peter Redward of Barclays Capital argues that Asia can recover earlier and more strongly than elsewhere. In 2010, he reckons, the smaller Asian economies could grow by almost 4%, or close to 7% once China and India are added in. One reason for his optimism is his explanation for why the Asian economies were hit so hard in the first place. Asians are often blamed for saving too much and spending too little, but Mr Redward argues that the main reason for their plight was that manufacturing accounts for a much larger share of GDP than elsewhere. Industries such as cars, electronic goods and capital machinery are highly cyclical. In rich and emerging economies, GDP fell furthest last year in countries with the largest share of manufacturing. This, in turn, could imply a sharp recovery.

A second reason for expecting a stronger bounce is that fiscal stimulus in Asia is bigger than in other regions (see chart). China, Japan, Singapore, South Korea, Taiwan and Malaysia have all announced fiscal packages of more than 4% of GDP for 2009, twice as large as America's stimulus this year. The pump-priming should also work better in Asia than in America or Europe, because modest corporate and household debts mean that tax cuts or cash handouts are more likely to be spent than saved. Banks, moreover, are in much better shape and so have more freedom to support an increase in domestic spending. As the world's largest importers of oil and other commodities, the tiger economies have also benefited hugely from the fall in prices over the past year. This has acted like a tax cut, boosting real incomes and profits. Asia has enjoyed a gain from cheaper oil of almost 3% of GDP this year. Add in lower prices for food and raw materials and the total gain could match the governments' stimulus (though the danger remains of a renewed spike in oil prices).

Pessimists maintain that Asia has always been pulled out from previous recessions, such as the 1998 financial crisis, by strong exports to the West. However, a recent analysis by Frederic Neumann and Robert Prior-Wandesforde, both of HSBC, finds that, contrary to received wisdom, Asia's recovery from its 1998 slump was led not by exports, but by consumer spending. Exports to the West did not surge until 2000. The region's current-account surplus actually shrank between 1998 and 2001. Thanks to a large fiscal stimulus and the healthier state of private-sector balance-sheets in most economies, domestic spending (consumption and investment) should revive earlier in emerging Asia than elsewhere, rising by perhaps 7% next year, up from 4-5% this year. America's domestic demand is expected to remain weak in 2010 after falling sharply this year. Indeed, add in Japan and total Asian domestic spending (at market exchange rates) looks set to overtake America's next year.

But what of emerging Asia's longer-term prospects? Much of the increase in Asian domestic demand this year and next will come from government investment. Unlike rich countries, emerging Asia has room to keep investing in infrastructure for several years but governments need to encourage more consumption to fill the gap after the infrastructure projects are completed. Asian households' low rate of consumption and borrowing means that they have huge scope to spend more. Better social safety-nets might encourage Asians to save less. Governments also need to lift households' share of national income by reducing their bias towards capital-intensive manufacturing and encouraging more labour-intensive growth.

Ultimately, relatively robust expansion in domestic spending should help most Asian economies to keep growing faster than the rest of the world. But the tigers are unlikely to return to their heady growth rates of recent years. Nor would that be desirable given the impact on inflation and the environment. Suppose that net exports contribute nothing to growth, and that domestic demand grows at roughly the same pace as it has in the past five years. Then emerging Asia could see annual growth of almost 7% over the next five years (around 8% in China, a more modest 5% in the smaller economies). That might sound disappointing for economies that enjoyed average growth of 9% in the three years to 2007. But it would still be around three times as fast as in the rich economies.

Source: <http://www.economist.com> May '09)

## M'sian WiMax operator pushes for 2010 rollout

### By Lee Min Keong

**MALAYSIA**-Previously criticized for sitting on its WiMax license, local conglomerate YTL has roped in Samsung to implement its WiMax network across the country over the next five years. However, it will take at least 14 months before the high-speed mobile broadband service from YTL's subsidiary, YTL e-Solutions, is expected to be rolled out nationwide in July 2010.

YTL e-Solutions, one of the country's four 2.3GHz WiMax spectrum licensees, was perceived a laggard as it had missed an August 2008 deadline to deploy WiMax services commercially. In fact, the slow progress among the licensees to offer such services in the country prompted then-Energy, Water and Communications Minister Shaziman Abu Mansor to issue a warning last August, threatening to withdraw their licenses if they failed to deliver.

YTL e-Solutions said it expects to spend over 1 billion ringgit (US\$279 million) over the next 12 months ahead of its July 2010 launch. "We expect to roll out fully in 14 months with user trials beginning in the next six to eight months," said Francis Yeoh, YTL e-Solutions' executive chairman and managing director, after a signing ceremony between its subsidiary, Y-Max Infra, and Samsung Electronics here Thursday.

Under the agreement, Samsung will implement a WiMax network that includes base stations, multimedia service offerings and a range of mobile Internet devices. YTL e-Solutions has identified 2,000 sites nationwide for the base stations. "In terms of nationwide coverage, we're ahead of schedule," said Yeoh, adding that the company will invest a total of 2.5 billion ringgit (US\$697 million) in the project over five years.

He said the network is designed to support 14 million customers and will cover about 70 percent of the population. However, he declined to say when YTL e-Solutions expects to break even or the timeline it is targeting to secure half of the 14 million customers the network was designed to support. In June 2008, YTL e-Solutions signed an agreement with U.S.-based Clearwire (formerly known as XOHM) for the provision of technical expertise. It then partnered Cisco Services Malaysia in November 2008 to establish its WiMax core network in peninsular Malaysia.

The partnership with Samsung completes what YTL e-Solutions needs for an all-IP (Internet Protocol) converged mobile Internet network, said Yeoh, adding that the Korean IT vendor will supply network equipment as well as the world's first WiMax-enabled handsets. In June 2006, Samsung launched the world's first commercial mobile WiMax services, called WiBro, in South Korea, which led to partnerships with 23 major WiMax operators in 19 countries, including Russia and Japan.

Asked about missing the deadlines set by the Malaysian government, Yeoh said: "We've explained [to the regulator, Malaysian Communications and Multimedia Commission (MCMC)] and asked them to give us more time." The MCMC did not respond to ZDNet Asia's queries on whether any action will be taken against any of the WiMax licensees.

### WiMax in Malaysia

In August last year, Packet One Networks (P1) became the first licensee to launch WiMax services in Malaysia. Asiaspace commercially launched its WiMax service on Aug. 30 last year, while Redtone International was the first to launch WiMax in East Malaysia. P1 CEO Michael Lai said in an e-mail interview: "We plan to cover 30 percent of the country within the first half of 2009, 40 percent by 2010, and 60 percent by 2012. For East Malaysia, we aim to have a presence there by 2010."

"Currently, P1 [operates] the largest WiMax network in the country, and we're continuing to ramp up our efforts to ensure we stay ahead. We have definitely played our part in fulfilling the requirements of being a WiMax service license holder, and at the same time, are helping to meet the government's goal of bridging the digital divide," Lai said.

According to IDC, the cost of rolling out WiMax is significant and Malaysian players are moving ahead cautiously. In a recent media briefing here, the research firm said P1 looks set to continue its aggressive expansion this year, while the other three WiMax players seem to be taking a "wait-and-see" approach because of the capital investment needed. Chua Fong Yang, IDC's associate market analyst, said it can cost from 100,000 ringgit (US\$27,900) to 1 million ringgit (US\$279,000) to set up a WiMax base station.

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