

COMMSDAY IN SINGAPORE



WHOLESALE

**Orange global
exec says sell
less of more**

BIG THING

**Outsourced mobile voice
services hot to trot for
iBasis wholesale**

COMMSDAY

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Asia Pac sub cable execs say don't fear another capacity bubble

A gathering of Asia Pacific capacity executives in Singapore yesterday were in general agreement that while a plethora of new regional builds raised understandable fears of a second capacity bubble, this time things were different and a repeat of the 2001 industry collapse should be avoided.

An executive from one of the biggest potential losers from new competition, Tata Communications' senior vice president, global communication services Byron Clatterbuck, opined yesterday that the "continuing construction boom" had roots in real business drivers such as the genuine need for diversity, traffic growth in south Asia and the Middle East, broadband penetration growth and the increasing popularity of rich media content.

"Are we back in that position (of 1999-2001)?" he asked during a presentation at a Pacific Telecommunications Council meeting in Singapore (pictured right). "No. Few of the cables are being built by pure play wholesalers or speculators, a majority of systems are uniquely differentiated, there is an emergence of a hybrid private and consortium model, traffic demand is steady and funding is now tied to strict covenants."

Clatterbuck said that demand on the Singapore-HK-Japan route was expected to come in at 1.2Gbps this year and would likely enjoy compound average growth of 27% to 2012. Tata owns the Tyco Global Network, the single biggest existing system across the Pacific and is currently planning a new regional system connecting Malaysia, Singapore, Vietnam, Hong Kong, the Philippines and Guam. Other new systems and upgrades are currently being contemplated across the Pacific, with 600Gbps coming online over existing system upgrades between US and Japan alone. Other new systems include the proposed Pacnet/Google-led Unity North cable, a Reliance Globalcom build and the TM-led Asia America Gateway. A key feature of many of the new builds was that they largely avoided traditional hubs such as Japan and Hong Kong, instead connecting alternative routes such as mainland China and south east Asia, he said.

Reliance Globalcomm Asia Pacific president Owen Best concurred that conditions were not the same as in 2001, pointing out that the previous bubble was exacerbated by the then-newly exponential capacity benefits brought by the DWDM (dense wave division multiplexing) technology. The effects of this were now better understood. Best agreed with Clatterbuck that there was no longer room in the market for pure-play wholesale and that "higher layer levels of service" were driving new business models.

He also made the point that traffic patterns were now changing from traditional landing and population hubs in favour of locations where data centres were situated, often influenced by the availability of cheap land and reliable, good value power supplies. Demand was now being driven



by the “content and server guys” and he noted Malaysia’s efforts to attract Google’s regional data centre. “They have an agenda and they are doing all the right things.”

Also concurring with the view that this time things were different, was financier Brian Tellam, a partner with Gryphon Partners in Sydney who has advised several industry finance deals. He said that the days of financiers giving a billion dollars to new cable builds were over and there was now a much greater focus on prices and volumes in evaluating the business case for builds and upgrades.

Other speakers noted the emerging phenomena of smaller in-fill and thin route cables. Matrix Networks general manager Jim Schweigert said his firm’s Jakarta-Singapore cable was one of three builds on that route, while consultant John Hibbard also noted new or re-routed cable builds serving Papua New Guinea, Samoa, New Caledonia and French Polynesia. The potential for new cable builds serving oil and gas fields under the North West Shelf of Australia, the Gulf of Thailand and the seas of Brunei was also discussed as viable options the future, although Tellam noted it can sometimes be difficult to obtain the co-operation between competing resource companies that is necessary for such infrastructure builds.

Grahame Lynch in Singapore

Sell less of more: The future of wholesale

A multitude of applications niche markets will kill the ‘killer app’, according to the world’s most extensive global network provider. Speaking at a Pacific Telecommunications Council meeting in Singapore, Orange senior VP of international wholesale Claire Paponneau said that “selling less of more” will be the foundation of emerging business models as wholesale providers move into an all-IP world.

“We do believe that the future of telecommunications is in the innovation of services,” she said. “The IP world will be the world in which all the innovations will be built. There will be no killer applications anymore. There will be niche applications.”

Paponneau called the move from traditional mainstream services to niche market apps the most “drastic change” of the all-IP world, but said the true value of wholesale would be cemented by interoperable services deployed on a massive scale.

She used the example of mobile content, saying wholesalers had to grasp the opportunity of all-IP networks to create content for users to access on any device. Orange currently contributes funding to a number of film companies to allow them to distribute film content in any desired format, such as mobile TV and IPTV.

The upcoming Beijing Olympics will provide the first global example of how mobile TV content should be packaged, according to Paponneau, who said user will want to access the same content no matter where they are. “[Customers] want a seamless service between all their equipment or devices,” she said.



Luke Coleman

Mobile: the future of outsourced carriage?

Mobile voice and data will bring a new wave of business to international outsourced carriers, says the self-styled global ‘carrier’s carrier’ iBasis. iBasis’ Asia-Pacific VP John Tolton sees the future of global carriage not only in mobile, but says the nature of the industry will likely see continual consolidation until very few carriers control global networks.

“You look at the region, obviously there’s a lot more mobile carriers than there are fixed line. It looks like mobile is where the future is,” Tolton told CommsDay. “That’s a very critical part of the partnership with KPN... they are very strong in the mobile space.” iBasis acquired KPN global carrier services last year.

Tolton said iBasis offers the most efficient means of carrying voice globally because it allows local operators to get on with the job of serving customers, without needing to make new interconnect agreements around the world.

“I would say that the most significant part [of our business] for the carriers is that they do not have to manage all of these interconnect agreements – they don’t want to. Singapore carriers don’t

want to have to manage agreements in South America, they shouldn't have to do so.”

TeleDenmark recently transferred 130 different interconnect agreements to iBasis, which gave the operator “huge efficiencies,” according to Tolton. iBasis currently works with over 1,000 fixed and mobile carriers globally, with a network that delivers more than two billion minutes per month to fixed and mobile networks in more than 100 countries.

Tolton believes that the global carriage game is dependent on scale – meaning that further consolidation in the industry is inevitable. “Without a doubt, there is consolidation going on,” he said. “This will continue to happen. I think at the end of the day there’s going to be maybe ten very large carriers that are managing businesses around the world... scale is absolutely critical.”

Luke Coleman

Tele Atlas to map the world in 3D

Digital mapping specialist Tele Atlas is currently working on a platform to map the physical world in three dimensions, including details such as the texture of buildings and streets.

According to Arnout Desmet, managing director of APAC South for Tele Atlas, the company has deployed a fleet of camera-mounted vans that are now canvassing the streets of major cities such as Singapore capturing three-dimensional information for its upcoming 3-D world maps.

Each vehicle is equipped with up to six cameras that capture detailed information of its surroundings, down to the texture of building facades.

In a demonstration to CommsDay at this year’s Communicasia, Desmet showed off an example of the rapid enhancements of digital mapping capabilities in the recent past, which shows an evolution of mapping from 2-D flat graphics to eye-level perspective s of 3D models of buildings and streets. The next step, Desmet said, is to add textures and details to the walls of the buildings and streets. The only constraints to the commercial deployment of the technology are performance limitations of available hardware at the right price point. “The biggest challenge is how you can run this efficiently on a mobile device,” Desmet said.

While some of its partners are already developing applications with 3D capabilities, it will be a couple of years before such capabilities come to the mass market.

“On the one hand, you have the hardware constraints, but there is also price pressure for the hard manufacturers because they have to keep the cost of their build of materials quite low for this market, so they cannot work with the latest fancy processors,” Desmet explained. “You need to have the right set of cost structures in place, the right set of hardware components to make it happen, but it’s going to happen.”

“It is probably going to roll out first for high end in-car systems, and high-end portable devices, and then later on it will become more mass market.”

Another major trend in the digital mapping space is to expansion of mapping data down to the street level for pedestrians, as well as the integration of information from other sources, such as public transport systems and even down to user-generated content.

“Most digital mapping systems are very vehicle-centric at the moment,” Desmet said. “But these applications can also be useful for pedestrian routes. In order to do that, we need to include information, such as bus routes, bus stops, and even dynamic data like time tables.”

“This uses the road network in a completely different way, so the next generation of navigation information will have seamless navigation service from you home to the office using whatever mode of travel, be it walking, be it cycling, be it on public transport. This is our vision.”

At the same time, Tele Atlas’ merger with navigation system maker, Tomtom, will now leverage a feature that allows users to update mapping information from their navigation devices. According to Desmet, over 1.1 million reports have been posted by Tomtom users in the past four months.

“This is going to revolutionize how we update and create mapping data,” Desmet said.

Tony Chan

Soma talks WiMAX in India with BSNL

US-based broadband wireless access provider Soma Networks is keen on deploying WiMAX in India with BSNL.

“We started deployment but commercial services aren’t turned on yet, but they will be really soon,” Tom Flak, SVP of Operation in Soma told CommsDay.

Soma has previously signed with state-owned BSNL to deploy the world’s largest mobile WiMAX network in India. Soma has provided the technology to BSNL and the revenue will be shared between the two companies.

In an interview Flak said that the project is targeted at 85 percent of the consumer market that has yet to gain access to broadband wireless services in India.

“Our strategy is to target emerging markets and India is just what were looking for. The need for wireless applications in India is really the largest, especially compared to China for example who continually invests in that infrastructure,” said Flak.

The firm aims to deploy WiMAX nets in 300 towns, though its services have not rolled out yet. “We see good potential in this area, but we are not very active in this space as yet,” said Sanjay Kapoor, president, mobile services, Airtel.

Mobile WiMax is being touted as the technology that will give a big boost to broadband in India. The Government is yet to announce the guidelines for WiMAX services.

“This project confirms our view that the potential for WiMAX is mainly in emerging countries where wired infrastructure is poor or even non-existent, and where fixed broadband penetration is consequently very low. In such markets, wireless solutions represent the only economic alternative to deliver broadband services to the mass market. This explains our forecast that 46 percent of WiMAX users in 2011 will be located in the Asia-Pacific region,” said an analyst’s report from Ovum.

Some analysts, however, are skeptical of WiMAX’s growth prospects. Research and advisory firm Gartner predicts that India will have 6.9 million mobile and fixed WiMAX connections by end 2011. It cautions that India will remain a niche market for this technology until 2009.

While initially the service is being launched for PC and laptop owners, SOMA is planning to make it available on mobile handsets by early next year, the firm said.

Pamela Perez

Redknee takes mobile wallet into Africa

Canadian-based mobile software & services provider Redknee has just bagged another deal for its Mobile Money service in Africa, Humera Malik, Director, Product Line Management Redknee told CommsDay.

“If you look at Kenya, there are about 13 million people and there is few access for these people. All they can rely on are their cellphones which gives them service in certain places. These are their only means of communications. So what were doing is enabling them to make airtime transfers and mobile money transfers,” said Malik.

The firm currently has a number of deals in Africa and has just added one yesterday at Communiasia 2008, Malik remained silent about the identity of the new customer.

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“Mobile money has been gearing up in Africa and in the Middle East as well,” Malik said

According to Malik, the company also just gained an entry into India with leading Indian wireless operator BPL deploying Redknee’s real-time rating and charging solution IPRC. India is currently the fastest growing wireless market in the world, surpassing the U.S. to become the second largest market, claims Redknee.

With a rapidly expanding customer base, BPL will be leveraging Redknee’s IPRC solution to address its specific need to deliver flexible and tailored pricing plans to over two million subscribers. Moreover, Redknee is penetrating Asia with its new operations in Vietnam, Cambodia, New Zealand, Indonesia, India and Africa.

Pamela Perez

Acision continues foray into Asia

UK-based provider of messaging solutions Acision says it continues growth in Asia, as it focuses on countries such as Pakistan and India, said Boudewijn Pesch, Managing Director APAC, Acision.

“Growth in South Asian markets is really good, specifically markets such as Pakistan and India. We supply to about 4 to 5 operators in Pakistan and supply to large operators in India like Bharti,” said Pesch. “In North Asia, like North Korea and Japan markets are still something we need to work more on,” Pesch added.

Acision, a spin-off from LogicaCMG’s telecoms division, has also recently been chosen by Malaysia’s mobile operator, Maxis Communications for its Message Plus solution.

Malaysia has a current mobile penetration rate of 85 percent and, being the world’s sixth largest text messaging market, is one of the fastest growing areas in Asia Pacific mobile industry. Maxis Communications already was using Acision’s messaging infrastructure to cope with considerable capacity increases over the last four years, so it was a logical move to also pick an Acision product to secure greater revenues from SMS.

On messaging services, Pesch noted that personalization, convergence, messaging for mobile internet, enterprise and mobile marketing services will be gaining the most momentum.

According to Pesch, for operators like Maxis, achieving SMS volume growth is just the beginning of the game, after which it becomes essential that the operator starts to differentiate themselves, adding features and functionalities to enhance their text messaging offering.

Pamela Perez

Sprint Nextel WiMAX to launch September

Sprint Nextel will launch commercial WiMAX services in September, according to CTO Barry West. The carrier had previously promised to kick off service under the Xohm brand this year despite coming under a barrage of criticism for choosing the technology over LTE.

West told attendees of this week’s WiMAX Forum Global Congress the operator would start with coverage in Baltimore. “Services will follow in the Washington, DC and Chicago markets during Q4 2008. We’re already looking at other markets to launch after that.” The launch date is five months after a scratched debut earlier this year but an estimated five years ahead of widespread LTE deployment.

West said the company already has nearly 600 live base stations while a slew of user devices are undergoing trials. “It’s the only technology I know where the chipset evolution for devices is going faster than the infrastructure,” he said, adding debut products would include everything from USB dongles to the Nokia N810 Internet tablet. Back office systems are two months from completion and Sprint expects to be able to activate subscribers over the air within five minutes. West declined to outline tariff plans.

LinkedIn worth \$1 billion?

Social network LinkedIn is worth \$1 billion - at least that’s the valuation it says is implied by this week’s \$53 million financing round. The site boasts 8.7 million members drawn from the professional community. The number pales beside larger rivals Facebook and MySpace but Nielsen figures indicate site traffic growth vastly outpaced both at 360% across the past year. “This fourth and largest round of funding is based on the company’s rapid member growth, multiple business lines

and future opportunity,” the company said in a statement. The latest investors including Bain Capital Ventures, Bessemer Venture Partners, Greylock Partners and Sequoia Capital.

Skype releases version 4 in beta

Skype released version 4.0 for public testing. The upgrade offers larger picture and video display and automatically detects computer and connectivity settings and features during installation to help out less savvy customers. The improvements are part of a plan to boost videoconferencing uptake, replacing a previous postage stamp video window with a full-screen interface. Video calling currently accounts for 28% of Skype communications and leverages compression technology enabling successful links at connection speeds as low as 6kbps.

“We’ve given video calling the screen size it finally deserves, plus we’ve made it really simple to use. A single click on the Video call button and you’ll be seeing and talking,” said Skype Windows product management director Mike Bartlett on the company blog. “Video doesn’t start off really small anymore - it’s big and beautiful to begin with. You can also resize and move your own video window around the screen quite easily. Plus in one click, you can have an IM conversation alongside the video call.”

Skype had 309 million registered users at the end of March. Most subscribers use its free VoIP calling service but the eBay unit is nevertheless expected to top \$500 million in 2008 revenue.

Half the telecom sector sees big problems for Internet

Half the telecom sector expects the Internet to run into serious operational problems within the next few years. That's the finding of an IDC survey of 372 telecom professionals, which revealed 51% expect catastrophe and one in eight believe a meltdown is just two years away. "The findings of this survey make it very plain that bandwidth is not infinite. Unless there is sufficient investment into new infrastructure, the increased bandwidth demands of new advanced services could well outstrip capacity," observed analyst Lee Doyle.

Some 40% blamed video as the culprit, predicting such services will comprise 75% of Internet traffic within five years. Twice as many respondents believe video will continue to be the largest drain on mobile bandwidth within the same span. A third of the 80% who proposed a solution said operators should utilize traffic inspection to prioritize traffic, while a quarter believe service providers should adopt metered billing to ease congestion.

The survey found 69% of respondents believe green networks outweigh cost considerations during construction.

Nokia gets into ad sales

With Nokia commanding a major share of the global handset market, its advertising unit now claims to be successfully running over one thousand mobile advertising campaigns, for just as many brands.

According to Marcus Tan, Head of Nokia’s Media Network for Asia Pacific, the newly announced Nokia Interactive division already has sales teams in Europe, the US as well as one each in Singapore, India and China.

Announced at the end of 2007, Nokia Interactive has spent the last six months basically working with different content publishers, telcos and brand advertisers. “We started experimenting mobile advertising internally with Nokia properties, we worked with selected brands to find out its effectiveness and viability. We have had good response and success and then decided to acquire En-pocket in 2007. After that acquisition, Nokia Interactive with 200 staff worldwide, was officially formed at end of 2007.”

Nokia Interactive’s media network ecosystem involves not only brand advertisers, but also acquiring publishers that have mobile websites or content.

For example Ovi at <http://share.ovi.com> is a potential mobile content publisher; it just isn’t being monetised at the moment. Tan adds that Nokia Interactive also encourages collaborations with carriers by engaging them as mobile content publishers or part of Nokia’s global media network.

Catherine Yong

VERIZON HIKES FIOS TO 50MBPS

Verizon is hiking its nationwide FiOS network to 50Mbps links next week, making the fiber network the fastest US consumer broadband service. "The Verizon network is delivering broadband speeds that are unmatched by any competitor. As our customers shoot and send their own photos and movies, work at home more often, and expand their home networks, they love the faster speeds FiOS delivers," president Denny Strigl told attendees of this week's NXTcomm conference. Verizon currently offers FiOS triple play coverage to more than 10 million subscribers in 16 states, including six already enjoying 50Mbps download speeds. The upgraded connectivity pushes peak upload speeds to 20Mbps. Tariffs range from \$90 to \$140 per month depending on location.

BHARTI, PACNET UNVEIL INDIAN DEAL

Bharti Airtel and Pacnet yesterday unveiled a network interconnection agreement bolstering international connectivity for the Indian market. The pair will directly link their respective MPLS IP backbones to provide seamless international carriage. The agreement includes a Gateway to India service offering international private line circuits between India and the US with capacities of STM-1 and above. The end-to-end platform leverages Bharti Airtel's i2i cable, Pacnet's EAC-C2C cable and ally Pacific Crossing's PC-1 cable systems to ensure enterprises' connectivity between the two markets. "This partnership marks a milestone in carrier collaboration, embracing the strength of each participating service provider to deliver high capacity IPL services that are being demanded by enterprise customers around the world looking to connect into and from India," noted Pacnet South Asia sales head Dennis Muscat.

MOZILLA LOGS 7M DOWNLOADS

Mozilla logged more than 7 million downloads of its Firefox 3 browser in its first day of release - despite a server overload that blocked access for more than five hours. The company said the demand gives it the record for the most downloaded software title in 24 hours.

FLICKR FOUNDERS GIVE YAHOO THE FLICK

Flickr founders Stewart Butterfield and Caterina Fake have left Yahoo. The departures are the latest in a string of executive defections ahead of what is expected to be a tumultuous battle for control at the portal's upcoming annual meeting. The pair had been with Yahoo since it acquired their picture sharing site three years ago. The company confirmed Fake left last week while Butterfield is scheduled to depart 12 July. Recent ship jumps include Yahoo network head Jeff Weiner and research honcho Usama Fayyad.

CISCO UNIFIES COMMS FOR JOHOR STATE EMPLOYEES

Malaysia's Johor state government will deploy a Cisco Unified Communications system via MysysNet, a systems integrator in Johor. The Unified Communications system, which includes more than 1,000 Cisco Unified IP Phones, will deliver the voice, video and data communications to state government employees in the Johor State New Administrative Centre (JSNAC) in Nusajaya. The southernmost state on the Malaysian peninsula, Johor has a population of just over 3 million. Cisco networking equipment was also used to provide connectivity for Johor State under the Johor Electronic Government Phases 1 and 2, with the project management undertaken by MysysNet.