

**NORTHERN THAILAND'S CREATIVE
ECONOMY: OPPORTUNITIES AND
CHALLENGES IN THE IT SECTOR**

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Who is The OCA?

- UK based, industry technology policy think tank, founded June 2009
- Supported by companies from telecoms, IT services, hardware, software and consulting
- The Alliance's charter is to build a community of interested parties to address issues of mutual concern across the information and communications technologies (ICT) sector, including the impact of the emergence of *Cloud Computing and Software as a Service - SaaS*.



What the OCA does

- Creating *dialogue* on technology policy
- Advocates for technology adoption and use in;
 - Open Procurement
 - Open Competition
 - Open Access and Interoperability
- Works with *public and private* sector to create constructive dialogues
- Strong advocate for *industry inclusiveness* in policy making
- *Removing barriers* to tomorrows ICT



My focus today

- Software and connectivity
- An *enabler* of the creative economy
- Ubiquitous – 40-100 *software driven* IC chips in the modern car
- Banks/airlines rely on trusted computing
- Cloud Computing/SaaS *enables* IP
- Advocating *affordable* and *reliable high speed* connectivity for the north
- An estimate in the EU is that Cloud/SaaS will enable the creation of *1 million jobs* over the next 5 years in this group*

* Frederic Etro, Univ. Of Milan, Italy



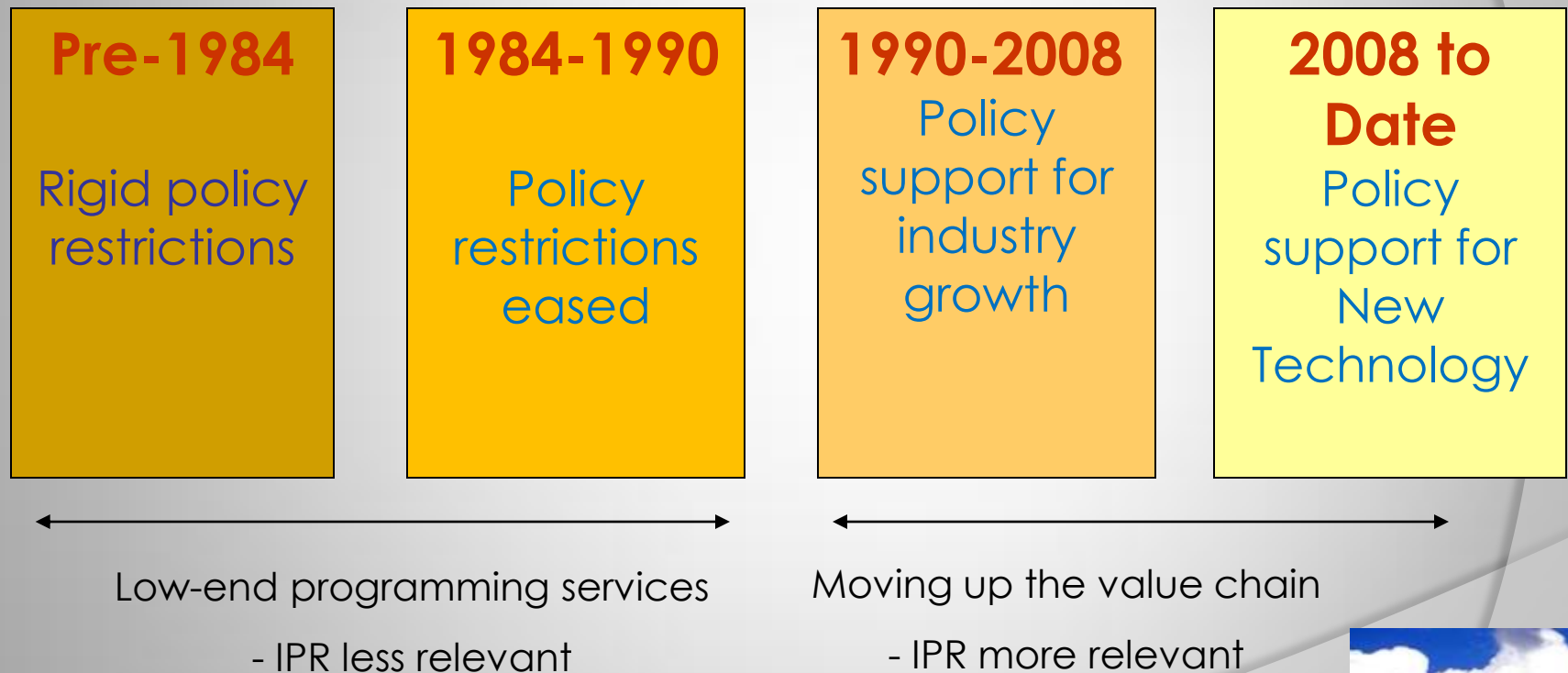
China and India

- Encouraged multiple centres of excellence driven by Govt policy and Universities
- Adopted international standards
- India : Focus on broad IT outsourcing
- China ; Focus on IT manufacturing
- Refining this focus – Dalian in China is now Japan and Koreas 'back office' and the base of the 'Anime' industry.
- Both gradually improved their IPR regimes to attract inward FDI
- Niche opportunities still abound in particular in *software and services*



Software Industry Growth Phases

Role of IPR closely associated with technological advances and industry growth



Issues - Infrastructure

- *Connectivity* enabling IT services is the key to growth for the north
- Make fast connectivity a priority
 - Thailand has increased speed an average of 24% the past two years to 2mbps average*
 - but need 10mbps to equal Korea in 2008
- *Predictable* cost structure;
 - Cost of connectivity
 - Cost of staff
 - Cost of premises
- Management talent pool?

•Akamai Technologies Report Oct. 2009

•For more see the OECD report DSTI/ICCP/CISP(2009)2



Issues - Policy

- Embrace Cloud Computing for the North as a **differentiator** to Bangkok*
 - Government
 - University
 - Business
- This may increase productivity 50-90%
- This will enable cost effective solutions, such as decentralization of back office operations of national Govt programmes;
 - State pensions as an example
- Open up 3G and FTTN to enable the North to have a choice in affordable access

*See FutureGov magazine, vol 6.2 April 2009, pages 30 -33



Issues - Policy

- Promote growth in *investment in software* which will finance development the country's ICT infrastructure
- Revisit **BOI** incentives to specifically cater for the needs 'K' industry *including services* to equal the 'M' industry, for FDI
- Ensuring appropriate **IP laws** are enforced
- Recognizing and promoting *international industry* standards of training and validating this by industry certification



Fostering an indigenous creative IT industry that -

- Can take advantage of *new technology*
- Can work more productively if commonly used *industry standards* are adopted
- Can work with customers that recognize that their core competences go beyond *just price* into *value*
- Can work with *foreign partners* to develop *services*
- Can transmit the 'soft' advantages of their company; flexibility and *respect for IP* and vice versa



A Policy Guideline

- An effective policy for growth must not only allow but *embrace technological change*. With respect to IT there is a need to recognize that *we cannot predict* the future with any reasonable accuracy
- Policies therefore need to be *open to innovation* no matter from where it comes from or the business model of the creator
- This is a dynamic and ongoing process that will be increasingly important to foster *interactivity* with the next generation of connected citizens



A Policy Guideline

- 'NextGen' Citizens want to use different kinds of devices that will use software delivered by Cloud based services in many formats, because they all have *different needs and interests*, and they benefit from *ongoing innovation* (Example; the Apple Iphone we have had already that Thai software companies are creating business)
- *Diversity and competition* are good for all Citizens and Government - because they allow them *to choose* between different offerings that will 'reside' in the Cloud and delivered by SaaS that will contain features and at prices meeting their own specific devices and needs



A Policy Guideline

- Increasingly, citizens (and businesses) will be able to choose products and services that may reside in the Cloud and delivered as SaaS and work on their devices in *all* the formats they need – governments needs to encourage and accommodate this innovation
- Technological innovation will allow *multiple ways* to manage data in the Cloud with effective competition as the price of entry is lower more SME's may benefit.





In Conclusion

- To create a sustainable software industry embracing technical advances such as Cloud/SaaS services are vital to *protect IP*
- *Standards* drive *Interoperability* - key in driving adoption in the digital age
- Cloud Computing/SaaS is today where the Internet was perhaps 15 years ago
- The process above, like evolution, is always changing – only faster

Thailand's Most Valuable Asset

“The most valuable assets of a 20th century company was its *production equipment*. The most valuable asset of a 21st century institution, whether business or non-business, will be its *knowledge workers* and their *productivity*.”

- Prof. Peter Drucker
the late management guru





Reach for the *Clouds* in Chiang Mai!

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