

Embargoed Release

September 16, 2008, 2pm Singapore time

Contacts:**Juliet Lim****Radiant Communications****(t) +65-9431-5111****(e) julietlim@radiantcomms.com****STUDY RANKS FOUR ASIA PACIFIC ECONOMIES IN TOP 10
FOR GLOBAL IT COMPETITIVENESS**

*EIU 2008 global IT competitiveness index finds East Asian economies leading the world
in R&D environment for technology production*

Singapore (Tuesday, September 16, 2008) – Four Asia Pacific economies – Taiwan, Australia, South Korea and Singapore – are ranked among the Top 10 in the world in information technology (IT) industry competitiveness, a study by the Economist Intelligence Unit (EIU) which was launched today has found. According to the study, these economies are ranked as the second, seventh, eighth and ninth most competitive IT industries in the world.

The study, sponsored by the Business Software Alliance (BSA), and now in its second year, assesses and compares the information technology industry environments of 66 economies to determine the extent to which they enable IT sector competitiveness. While the Top 20 economies remain the same from one year ago, nine moved up and eleven went down in the rankings. Three economies in the Top Five are new: Taiwan, Sweden and Denmark. By region, the Top Five economies in Asia Pacific are Taiwan, Australia, South Korea, Singapore and Japan.

“This year’s study shows that major shifts in rank stem from performance in three main areas: R&D environment, human capital, and IT infrastructure. Economies that have improved in these sectors have not only improved their ranking, they have also placed themselves in a better position to reap the benefits of a strong technology sector, which is crucial in addressing economic and social challenges,” said Jeffrey Hardee, BSA Vice President and Regional Director, Asia Pacific.

“Additionally, strong legal frameworks for the protection of intellectual property rights and systems to address e-commerce and cyber security are critical to ensure continued investment in technology and innovation. Leveraging these factors will allow economies in Asia Pacific, regardless of size, to bolster their IT sector and participate more fully in the global networked economy,” said Hardee.

Among the key study findings for Asia Pacific:

- In 2008, Taiwan rose to second place in the world through its strengths in R&D and nurturing technology talent. The US ranks top of the index, with the UK, Sweden and Denmark ranking, third, fourth and fifth in the world respectively.
- In Asia Pacific, Singapore provides one of the best environments for human capital development.

- The brain drain of IT talent from emerging markets shows signs of slowing or reversing, as training opportunities expand in markets and IT professionals return home to work in established technology firms and start-ups.
- Emerging IT outsourcing industries in countries in the middle and lower index tiers like Vietnam would receive a significant boost with faster, competition-led infrastructure development.
- In the region, Australia retains one of the world's most effective systems of IP protection and the most developed bodies of e-commerce and cybercrime law.
- Progress in bolstering legal regimes is being made in tough economies like China, which has in recent years, brought its IP regime and e-commerce legislation more closely in line with international norms, and gradual improvements are evident in its IP enforcement.
- East Asian economies like Taiwan, South Korea and Japan remain the index leaders when it comes to the R&D environment for technology production.

"Policymakers and business leaders need to address the full combination of factors that enable competitive IT industries," maintains Tony Nash, Director, Asia, Country and Economic Research with the Economist Intelligence Unit. "Few countries can hope to build strong IT production sectors without strong business and legal environments, deep pools of talent, support for innovation, and the widespread use of technology throughout society."

Six Key Competitiveness Enablers

According to the Economist Intelligence Unit, six factors work together to create a sound environment for the IT sector, including: an ample supply of skills; an innovation-friendly culture; world-class technology infrastructure; a robust legal regime that protects intellectual property such as patents and copyrights; an open, competitive economy; and government leadership that strikes the right balance between promoting technology and allowing market forces to work.

Those countries that perform well in these six "competitiveness enablers" generally are home to high-performance IT industries. High performing IT sectors directly contribute more than 5% to the gross domestic product of most advanced nations. They also drive momentum in the wider economy by helping organizations and workers to be more efficient and productive.

Other findings of the research include:

- **Investing in people is mission-critical for domestic IT industries.** Sourcing talent will be among the toughest challenges IT producers will face in the coming years.
- **Competitive broadband markets help cultivate strong IT sectors.** Without fast, reliable, and secure Internet access, technology firms cannot interact effectively with partners and the research community, nor can they sell their services online.
- **A legal environment that protects intellectual property rights (IPR) and takes a robust approach to cybercrime is essential.** The US, Australia and Western European countries have the most effective systems in place to address IP protection and cybercrime, but gradual improvements are also evident in tough places like China.
- **Globalization and the Internet will "liberate" R&D.** Ecosystems, online or otherwise, that bring together talent, technology, venture capital, and good universities, supported by a risk-taking ethos, will be the best incubators of innovation.

For more information on the index results and the methodology, see "How technology sectors grow: Benchmarking IT industry competitiveness 2008," available free of charge at www.bsa.org/globalindex or www.eiu.com/sponsor/BSA/technologysectors.

#

About Business Software Alliance

The Business Software Alliance (www.bsa.org) is the foremost organization dedicated to promoting a safe and legal digital world. BSA is the voice of the world's software industry and its hardware partners before governments and in the international marketplace. Its members represent one of the fastest growing industries in the world. BSA programs foster technology innovation through education and policy initiatives that promote copyright protection, cyber security, trade and e-commerce. BSA members include Adobe, Agilent Technologies, Altium, Apple, Autodesk, Avid, Bentley Systems, Borland, CA, Cadence Design Systems, Cisco Systems, CNC Software/Mastercam, Corel, CyberLink, Dassault Systèmes SolidWorks Corporation, Dell, EMC, Frontline PCB Solutions - An Orbotech Valor Company, HP, IBM, Intel, McAfee, Microsoft, Mindjet, Minitab, Monotype Imaging, PTC, Quark, Quest Software, SAP, SAS Institute, Siemens, SPSS, Sybase, Symantec, Synopsys, Tekla, The MathWorks and Trend Micro.

About the Economist Intelligence Unit

The Economist Intelligence Unit (www.eiu.com) is the business information arm of The Economist Group, publisher of The Economist. Through our global network of over 650 analysts, we continuously assess and forecast political, economic and business conditions in 200 countries. As the world's leading provider of country intelligence, we help executives make better business decisions by providing timely, reliable and impartial analysis on worldwide market trends and business strategies.