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Contacts:**Juliet Lim****Radiant Communications****(t) +65-9431-5111****(e) julietlim@radiantcomms.com****SINGAPORE RANKS NINTH IN GLOBAL IT COMPETITIVENESS, SAYS STUDY**

EIU study ranks four Asia Pacific economies in Top 10 for global IT competitiveness

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 on top of the index, with the UK, Sweden and Denmark ranking, third, fourth and fifth in the world respectively.
- 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 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.

The study found that Singapore performed well in a number of areas, including:

- Its business environment, which was ranked 9th in the world and 3rd in Asia, behind Hong Kong and Australia.
- Its IT infrastructure, which continued to improve with Singapore ranked 11th in the world, up one notch from the previous year.
- Its human capital which was ranked 2nd in the world once again due to the high quality of IT skills and the labour force.
- Support for IT industry development, which remained exceptionally high, giving Singapore the 3rd highest ranking in the world, the same position as last year.

"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.

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