

Focused on Asia

Singapore Electronics recently announced the incorporation of iDirect Asia Pte. Ltd as a wholly owned subsidiary. iDirect Asia was established as a result of the Group's ongoing effort to integrate the satellite communication business and operations of iDirect Asia, located in Singapore, with that of ST Electronics. Helen Jameson speaks to Rajanik Jayasuriya, Vice President Engineering of Singapore Technologies Electronics about the incorporation and plans for the future.

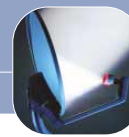
Question: Can you begin by telling us about the trends and developments that are driving the Asian satellite market at present?

Rajanik Jayasuriya: We see that there is a growing appetite for satellite communications across Asia. One of the major reasons for this is that deregulation is occurring in a number of countries in the region which is leading to an increase in satellite operators. The requirement for bandwidth is increasing. We are seeing growth opportunities in three main areas. First, in the commercial market,

we see demand for GSM backhaul. We have seen a lot of operators begin to realise that they can save bandwidth by using bandwidth efficient products or bandwidth sharing products. When you use GSM backhaul with the right devices you can save up to 70 percent of the bandwidth.

The second area where we are seeing increased demand is in the maritime area. There has been a considerable increase in demand for connectivity on board vessels – for Internet and other broadband services. Satellite offers a good solution for this. iDirect

has a good product which has a feature that can provide automatic beam switching so that when a vessel travels globally, the solution automatically hands over the satellite beams from one hub to the other. This means that you can receive signals from different satellites no matter where in the world you are. One aspect of implementing an iDirect solution is the ability to set up as a Virtual Network Operator or VNO. Let's say you are an operator in Asia and want to provide a global service, you can work with a partner who is an iDirect operator in the US and uti-



lise their VNO service to expand your network. So when your ship travels to the beam coverage in the US, you can switch over to the relevant satellite. The VNO is controlled by the user and the cost of deploying a global network is quite competitive.

Finally, we see demand from the government sector, especially for communications-on-the-move. The Asian governments and militaries are looking into having more broadband connectivity whilst they are moving around. The iDirect solution has an advantage in so far as it has a spread spectrum modem which is required when you are using these very small antennas. The other vertical markets that we are looking at in the government field are private networks, distance education and telemedicine. One of the greatest requirements for these customers is that of bandwidth efficiency, as I have said. The new Evolution products from iDirect – the DVB-S2 products – goes further in actually saving bandwidth. The beauty of these solutions is that they can all be provided on a single platform. The same platform can control the communications-on-the-move, the maritime, the fixed – all of them. This is quite unique.

Question: The Singapore region has always been synonymous with cutting edge technology and a technology-savvy population. What is it that makes Singapore such a special place in terms of technology and innovation?

Rajanik Jayasuriya: The government has very much supported innovation and development in Singapore. The geographical presence is also an important feature. Singapore is situated right in the middle of South East Asia and the government also makes it easy to get staff into Singapore and this is the most important resource that they have got. It's all about attracting the right talent.

Question: ST Electronics has very recently set up iDirect Asia Pte Ltd. What was the reasoning behind this move and what will the benefits be?

Rajanik Jayasuriya: ST Electronics and iDirect were both part of the satcom group within the ST Engineering family. ST Electronics has been around in Asia for a long time and has offices in many countries, and iDirect has a very good product. ST Electronics also has the RF equipment that we have been selling in the region for the last 16 years. So, we have distribution channels that overlap. By bringing the two together we feel that we will be more efficient. It will prevent duplication and we can bring relationships that ST Electronics has made together with the technology from iDirect.

It is also easier to take care of the Asian customers having a base here. It is important to be able to operate in their time zones and also to provide the equipment and de-

liver in a timely fashion.

Having a support centre located in the region also improves the response to customers.

Question: How do ST Electronics and iDirect work together in the region? What are the synergies that bring them together?

Rajanik Jayasuriya: Our focus today is mainly on providing vertical orientated solutions. We are finding out what the requirements are and working to develop a solution rather than just a product. So, ST and iDirect are aligning their development efforts to achieve this.

ST Electronics specialises in areas such as RF and encryption whilst iDirect has a single intelligent platform that is bandwidth efficient. We are combining all this expertise to target vertical markets.

We feel that by moving in this direction we can offer an entire solution that basically gives value to the customers. In doing this, we can tackle the verticals and introduce some of these solutions to customers who have not used satellite before.

We are also looking at mobile satellite communications such as communications-on-the-move for land-based, maritime and

airborne applications.

Question: Where are you doing most business in Asia?

Rajanik Jayasuriya: There are a few areas where we are seeing demand - South and South East Asia. India is requiring greater efficiency, for example; so are Indonesia and China. There are a lot of requirements coming from these areas because of the size of the countries and the population distribution. We are also seeing more demand from Vietnam as they have just launched their satellite.

Question: What are the main objectives for iDirect Asia over the coming months?

Rajanik Jayasuriya: The first thing that needs to be done is to bring the two organisations together, to integrate properly and to consolidate our operations. We need to ensure that our customers see the value in the new company.

We must focus on developing vertical-centric solutions for the customers in Asia. We also wish to work with third-party partners such as the maritime antenna suppliers, to make sure that everything works seamlessly to provide an end-to-end solution. We will also be working towards introducing DVB-S2 and full mesh capability. ■

