China and North Korea: new IT offshore destinations

Studytour 2008 to Beijing & Pyongyang
Software - games – animation - cartoons

Rotterdam, July 16, 2008 -- For more than 20 years, European companies have been outsourcing IT-related work to suppliers in various low-cost countries. There are two main reasons for offshore sourcing: the possibility to reduce costs and the availability of specialized IT skills abroad. So far, hundreds of organizations have executed offshore software projects, including small and medium sized firms. Financial and banking enterprises are the most active offshore users.

Indian software companies started offering their services to European clients more than twenty years ago. This country is still the most popular offshore destination.

Software company KCC in Pyongyang

New offshore destinations – China and North Korea

Software orders have also gone to many other offshore destinations, both 'nearshore' and 'farshore'. In Asia, China's software industry has emerged to become a global player in just 5 years. Several of the largest Indian IT service providers, including TCS, Infosys, Wipro and Satyam, have established their offices in China. According to American research firm IDC, Chinese cities are expected to unseat Bangalore, Mumbai, and Delhi in India, and Manila of the Philippines, as favored offshore delivery centers by 2011.

It is interesting to note that several Chinese companies are currently outsourcing IT work to neighboring North Korea. This is a nearshore destination for clients from Japan and South Korea. as well. Also various European organizations are involved in executing IT and BPO projects in this country. An example is The Netherlands, where producers of innovative computer games are outsourcing some of their IT work to a software firm from North Korea.

China and North Korea offer interesting business opportunities in several fields, such as software development, production of computer games, mobile games, animation and cartoons, data entry en digitization. In order to provide detailed information about these IT opportunities, a unique IT Study Tour will take place from 27 September – 4 October 2008. A visit to the famous massgame Arirang can be included.

In a Pyongyang stadium: the Arirang massgame

Programming mobile computergames

2008 IT Study Tour to China and North Korea

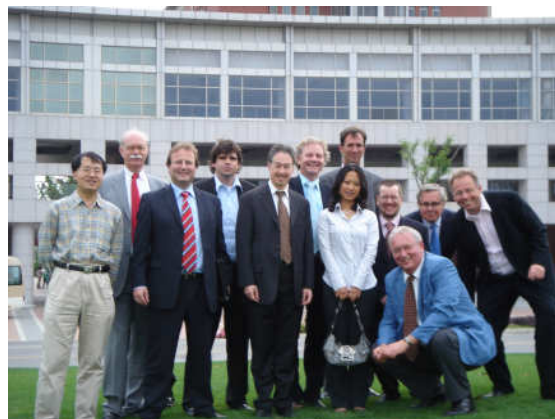🔲 27 September – 4 October 2008 – Information

China and North Korea are suppliers of various offshore IT services and are well worth a visit. From 27 September – 4 October 2008, a European IT Studytour to Beijing and Pyongyang will be organised. Participants from previous trips to offshore destinations were very positive about the informative and well-varied program, the opportunities for networking and the IT offerings available. As a result, several have started IT projects abroad.

Growth in offshore interest

The interest for offshore sourcing is growing in Europe by the day, and many companies are currently investigating the advantages of international IT collaboration. Taking part in an IT tour is an excellent way for potential offshore users to acquire information, to network, and to speed up the decision-making process.

Focus

The trip to Beijing and Pyongyang will focus on offshoring in the field of computer games, mobile games, 2D and 3D animation and cartoons. We expect participants from organizations that are investigating offshoring, or from consultants researching new offshore locations. Companies

participants from one of our previous IT-tours

interested in exploring new potential export markets are also welcome to join the tour. In order to achieve optimal interaction, the number of participants will be limited.

Eye-opener

Europe still lacks sufficient knowledge about the promising Chinese and North Korean IT sector. The goal of the business mission is to give the participants detailed information about offshoring, and especially about the opportunities in Pyongyang.

In order to make this business trip attractive, the delegation will visit various companies in Beijing and Pyongyang in the field of IT, CG animation, cartoons, computer games, mobile games and BPO. In addition, we will take a tour around the annual International Spring Trade Fair. The business mission will have an informal character with a visit to a university and also with attention to cultural and tourist elements. The participants of the tour will meet in China (Beijing); after returning from North Korea, an extension of the stay in China is possible.

Examples of offshore collaboration with North Korea:

CG animation for a Chinese client

a mobile game made for a Dutch company

Program for the IT-mission (concept)

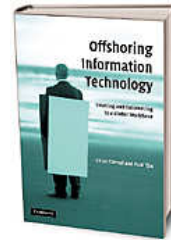|	Morning	Afternoon	Evening
Sa 27 SEP 2008		Departure of European participants (departure at an earlier date is possible)	On board
Su 28 SEP 2008	Arrival Beijing PEK	Free afternoon for adjusting to time difference	Participants will meet (informal welcome reception, dinner) Introduction to the studytour
Mo 29 SEP 2008	Visit to an IT-company in Beijing (optional)	Visit to an IT-company in Beijing (optional) Receiving visa for North Korea and Air Koryo airplane tickets	Dinner and seminar "doing business in DPRK"
Tu 30 SEP 2008	Departure from hotel to airport Air travel to Pyongyang	Arrival in Pyongyang Transfer to hotel	Welcome dinner Presentation by the Pyongyang Chamber of Commerce
We 1 OCT 2008	Visit Korean Computer Center (software development, computer games)	Visit to Kim Chaek university of technology	City tour Pyongyang Informal meeting with Europeans living in Pyongyang
Th 2 OCT 2008	Visit to Tin Ming Alan (animation)	Visit to Dakor Company (data processing, 2D and 3D)	optional: ARIRANG mass performance
Fr 3 OCT 2008	Visit to Nosotek (Open Source, games)	Visit to SEK studio (animation, cartoons)	Farewell dinner
Sa 4 OCT 2008	Departure hotel Departure Pyongyang	Arrival Beijing	Departure to Europe (Optional: extension of the stay in China)

Organization
This IT-mission is part of a general business mission, in which also representatives from various other business sectors will participate (each with a different program). The Korean organizer of this mission is the Pyongyang Chamber of Commerce. The Dutch organizers are:
- NCH - Netherlands Council for Trade Promotion (The Hague)
- Amsterdam Chamber of Commerce
- GPI Consultancy (Rotterdam)

GPI Consultancy is reponsible for the IT-section. Delegation leader will be Mr. Paul Tjia, founder and director of GPI Consultancy. His report of a previous visit to Pyongyang is available at www.gpic.nl/IT_in_NKorea.pdf. Established in 1995, GPI Consultancy is a specialized Dutch consultancy firm in the field of offshore sourcing. It is regularly involved in IT study tours to various offshore countries.

Paul Tjia (together with American professor Erran Carmel) is the author of the handbook: "Offshoring Information Technology - Sourcing and Outsourcing to a Global Workforce" (Cambridge University Press, reprinted in 2007). This book will be handed out to all the IT-participants, in preparation for the tour. The Table of Contents can be found at http://www.gpic.nl/bookTOC.pdf

Logistics / arrangements
- The above program of the tour is meant as an indication; the exact program will be arranged in consultation with local organizations. The company visits in Beijing are optional; we are happy to assist in arranging visits to relevant IT-service providers.
- All participants will travel on their own to and from Beijing; the date of arrival and the choice of the hotel in Beijing are up to the participant. The participants will make their own reservations and will pay the costs involved directly to the airline and the hotel. Participants will arrange before the trip a double entry visa for China and travel insurance. Also medical vaccination – if required.
- The participation fee for the North Korea part will be known shortly. This fee will include organizational costs, visa for North Korea, match-making, company visits, guides, lunches and dinners. It does not include the air ticket from Beijing to Pyongyang v.v. (around US$ 365) and the hotel in Pyongyang (around 90 Euro for a Single Room per night). A discount is applicable if a company has more than one participant.
- The processing of the visa-applications by North Korea can take some time. Registering is possible until 15 August 2008.
- After the visit to North Korea, an extension of the stay in China is possible.
- The organization has the right to cancel the mission in case of insufficient registrations or calamities.

Examples of offshore collaboration with North Korea:

Pocahontas and the Lion King, (partly) produced for Walt Disney

Organization of the business mission

Netherlands Council for Trade Promotion http://www.handelsbevordering.nl

Amsterdam Chamber of Commerce http://www.kvk.nl/regio/Amsterdam/Default.asp?

GPI Consultancy http://www.gpic.nl

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