



North Korea: an upcoming IT offshore destination

IT Studytour Fall 2007 to Pyongyang

Rotterdam, August 8, 2007 -- 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 the most popular offshore destination.



Software company KCC in Pyongyang

New offshore destinations - 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 a producer of innovative computer games is outsourcing some of their IT work to a software firm from North Korea.

North Korea offers interesting business opportunities in several fields, such as software development, production of computer games, animation and cartoons, data entry en digitization. In order to provide detailed information about the IT opportunities in North Korea, a unique IT Study Tour will take place from 20 – 27 October 2007.



Street scene in Pyongyang



Programming mobile computergames

2007 Offshore IT Study Tour to North Korea

■ 20 – 27 October 2007 – Information

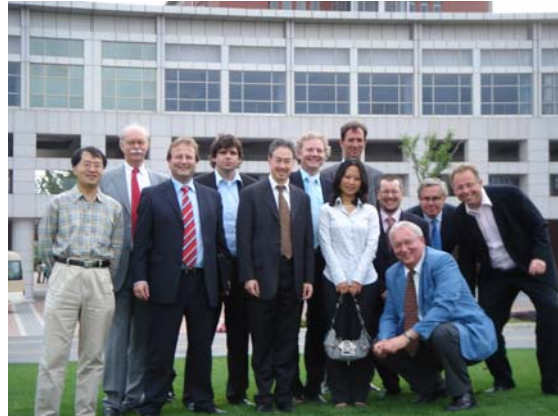
North Korea is a supplier of various offshore IT services and is well worth a visit. From 20 – 27 October 2007, a European IT Studytour to Pyongyang will be organised. Participants from trips to offshore countries are often very positive with an informative and well-varied program, the opportunities for networking and the IT offerings available; as a result, some 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 North Korea will focus on offshoring in the field of IT and BPO (Business Process Outsourcing). We expect participants from IT- and software organizations that are investigating offshoring, or from consultants researching new offshore locations. Companies interested in exploring a new potential export market are also welcome to join the tour.



participants from one of our previous IT-tours

Eye-opener

Europe still lacks sufficient knowledge about the promising 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 North Korea. We will strive to have participants from large, small and medium sized companies taking part in the IT study tour.

In order to make a business trip of 7 days attractive, the delegation will visit various companies in Pyongyang in the field of IT, animation, cartoons, computer games and BPO. 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.

Organization

The organizer of this mission is [KCC \(Korea Computer Center\)](#), a major IT services provider in North Korea with offices in several cities, including Pyongyang and Beijing.

The European contact for this business mission will be Mr. Paul Tjia, founder and director of GPI Consultancy, Rotterdam, The Netherlands. 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 in Asia.

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 participants, in preparation for the tour.



Program (concept)

	Morning	Afternoon	Evening
Sa 20 OCT 2007		Departure of European participants (departure at an earlier date is possible)	On board
Su 21 OCT 2007	Arrival Beijing PEK	Free afternoon for adjusting to time difference Participants will meet	Informal welcome reception and dinner Introduction to the program of studytour
Mo 22 OCT 2007	Meeting with Korean Computer Center: overview of the services of its offices in China	Examples of DPRK work Receiving visa for North Korea and Air Koryo plane tickets	Korean dinner Presentation: about offshoring of IT/BPO
Tu 23 OCT 2007	Departure from hotel to airport Air travel to Pyongyang	Arrival in Pyongyang Transfer to hotel	Welcome dinner with KCC officials
We 24 OCT 2007	Visit Korean Computer Center (exhibition hall) – overview of products and services	Lunch City tour in Pyongyang	
Th 25 OCT 2007	Visit to Tin Ming Alan (animation studio) and SEK (cartoons)	Lunch Visit to Kim Chaek university of technology	
Fr 26 OCT 2007	Visit to Dakor Company (data processing)	Visit to Gwang Myong IT Center (security products)	Farewell dinner
Sa 27 OCT 2007	Departure hotel Departure Pyongyang	Arrival Beijing	Departure to Europe (Optional: extension of the stay in China)

Logistics / arrangements

- The above program of the tour is meant as an indication; the exact program will be arranged in consultation with local parties.
- 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 pay the costs involved directly to the airline and the hotel.
- To arrange before the trip: a double entry visa for China; travel insurance; medical vaccination – if needed.

- Additional payments are related to: air ticket from Beijing to Pyongyang v.v., visa for North Korea, hotel in Pyongyang, meals, guides, and excursions. The actual amount of these costs will be available soon.
- Departure to Beijing is on Saturday 20 October, where we will return on Saturday 27 October. After the visit to North Korea, an extension of the stay in China is possible.
- In order to achieve optimal interaction, the number of participants will be limited. In addition, the processing of the visa-applications by North Korea will take a long time, so in case of interest, a quick response will be appreciated.



For information / application

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