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Series: "Kiwis Target Japan"

Latest IT Trends from New Zealand – Volume 4

A farming nation turned into a leader in information technology

The government assists export of technologies

"With our system, disaster recovery is made easy," notes Alan Campbell, CEO of Maximum Availability, explaining his company's product, "noMAX." The company develops computer data backup systems in Auckland.

Originally launched as a venture business in 2000 by a former employee of a New Zealand IBM subsidiary, Maximum Availability has special competency with medium-sized systems provided by IBM. The backup systems make continuous copies of data, so if a computer system malfunctions, the data can be quickly and readily restored. Maximum Availability's systems are sold in 30 nations, and the company established a Japanese branch in 2005, which now serves 22 clients in the distribution and other industries.

In fact, the New Zealand government's information technology policies played an indirect role in the founding of Maximum Availability. The year 1990 saw the birth of Telecom New Zealand, the largest telecom operator of the nation, as a result of the government's privatization policies. Then, this newly born company, for the sake of better efficiency, employed a medium-sized IBM system. And based on the experiences gained during system implementation, the products of Maximum Availability emerged.

Based on added value, the information technology industry accounts for 5.5% of New Zealand's GDP (gross domestic product). The current Labour Party Cabinet, led by Clark, intends to boost this ratio to 10% by 2012, setting up many new policies to that end. The private sector has begun making new moves in response to the government's call.

"Computerizing medical services is one of our favorite areas. We intend to bring our members' technologies together and export them," said Andrea M. Pettett, Chief Executive of the New Zealand Health IT Cluster, an industrial association in Wellington, the nation's capital.

The non-profit association was founded in 2002 by medical information tech businesses, universities, experts, etc. Today, it has 46 businesses and organizations as its members. Led by Pettett, a patent practitioner, the association manages intellectual properties in the field of medical information technologies. It also sends abroad a number of trade missions.

Pettett describes one of the reasons why her nation has become a leader in computerizing medical services: "First, the government set out to computerize our medical service system before many other countries did. Especially important was the Medical Number system implemented in 1972." The government implemented its own system of patient ID numbers, to help identify each patient. Later on, this system was a considerable help in computerizing the country's medical services.

Microsoft and IBM of the US are also paying attention to New Zealand's medical information technologies. These computer giants provide development funds to some of New Zealand's medical information companies and thus exchange information with them. This is part of their strategy for building up a global system of medical information technologies.

In addition, New Zealand has industrial associations of semiconductor, software, telecommunication, etc. businesses. And now, based on the government's growth promotion plan, an upper overview organization, ICT New Zealand, is scheduled to begin this May to bring all those industrial associations together.

Ross Peat, co-chairperson of ICT New Zealand, speaks about the potential of the

nation's information technology industry, saying, "Our information tech industry, though currently worth 15.4 billion NZ dollars (1 NZ dollar is approximately 85 Japanese yen), boasts a high growth rate of 6 to 9% a year. And exports have been expanding 23% annually since the late 1990s." The co-chairperson worked at both IBM and Microsoft for many years. Basically being a farming country, New Zealand's information technology sector employs only 44,000 people, accounting for only 2% of the nation's labor force. Peat, however, emphatically says, "This figure has another side: New Zealand's information sector still has huge room for growth."

Kohei Suzuki, managing director at JETRO Auckland (the Japan External Trade Organization), says, "There is no Japanese press organizations based in New Zealand so information from here seldom reaches Japan. Yet there is not much governmental regulation and this nation has fertile soil for growing information technology businesses." Indeed, the door to the Japanese market seems to be opening wider for Kiwi technologies to enter Japan.

(By Waichi Sekiguchi, staff writer)

Photo caption: In New Zealand, most taxi payments are made electronically.

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