

Canadian Company in ASEAN

Northern Telecom (Asia) Ltd: Key Player in Telecommunications

Northern Telecom is the world's largest designer of fully digital telecommunications systems, and is a significant supplier of integrated office systems. It is the second largest designer and manufacturer of telecommunications equipment in North America and in 1983 was the sixth largest in the world.

Northern Telecom, which traces its beginnings to the invention in Canada of the telephone by Alexander Graham Bell, was for many years merely the manufacturing department of the Bell Telephone Company of Canada, and, because Bell Canada itself was partially owned by the giant American Telephone and Telegraph Co (AT&T), Northern's activities were largely restricted to manufacturing products designed elsewhere.

Commitment to Research

In the early 1970's, however, with Bell Canada long-since independent of AT&T, a strategic decision was taken to create in Northern Telecom a world-leader in the design and manufacture of integrated voice and data telecommunications equipment. To this end Bell Northern Research (BNR) laboratories were created from NT's modest research division, and the tricorporate family (operating telephone company, manufacturer, R&D laboratory) was complete. Since that momentous decision was taken NT has gone on to become the largest manufacturer of fully digital telecommunications systems in the world, and more than 90% of NT's current revenues result from the sale of products designed by BNR.

Today Northern has 46 manufacturing plants in Canada, the United States, Malaysia, Brazil, the United Kingdom and the Republic of Ireland. Its products are in service in more than 90 countries.

Innovative and Broadly Based

Northern has a broad product line including major voice and data networks for businesses, the military, telephone administrations and governments. In 1983 these products accounted for sales of well over \$3 billion and NT's planned growth over the next several years averages about 20% per year. Besides selling equipment, NT provides wide range of services both before and after a sale. Network planning, maintenance and network administration can be provided by Northern or one of its seven affiliated



Technicians using Northern Telecom's latest equipment.

companies.

NT's presence has transformed and pioneered telecommunications systems in all parts of the world, and Northern Telecom's equipment sales and technology licensing activities outside of North America have recently account for nearly 15% of NT's revenues. These activities are managed by Northern Telecom International Limited (NTIL), based in Mississauga, Ontario. NTIL's subsidiaries include NT Middle East and Africa, NT Europe, NT PLC (UK), NT CALA (Caribbean and Latin America), NETAS (a joint venture with the government of Turkey), NT Japan and NT Asia.

Regional Expansion

NT Asia is managed from Singapore, where it has a staff of about 35. Another 65 employees are spread throughout the region from the Republic of Korea to New Zealand, with the largest concentrations of staff in Seoul (6) and Hong Kong (30).

Although for the first several years after its founding in 1975 NT Asia's sales were largely restricted to Business Communications Products (the SL-1 PABX was the principal product), with the 1983 decision by NTIL to develop CCITT-standard (as opposed to "North America standard") equipment for tele-

phone administrations' networks, NT Asia is now very actively pursuing this much larger opportunity.

Over the next few years NT Asia will be installing CCITT-standard Central Office switches (DMS-10 and DMS-100), Data Packet Switching (SL-10), and a wide variety of transmission equipment (Fibre Optics cable and electronics, channel banks, digital radio, subscriber concentrators, etc) as well as outside plant in telephone company networks all over Australasia.

NT Asia sells through a variety of channels. Although in most countries local distributors handle some or all NT products, there are also two very successful licensees of Northern products and technology in Korea (Daewoo Corporation, which has licensed most NT leading edge products, including the SL-1 PBX, FOTS, DE-4E Channel Banks, etc) and Malaysia (Uniphone which manufactures outside plant).

NT Asia's distributors include the following:

Thailand	— Loxley (Bangkok) Ltd
Malaysia	— Sapura Holdings Sdn Bhd
Singapore	— Setelco Electronics Co Pte Ltd
Indonesia	— PT Maha Guna Mitra
Australia	— AWA and GEC (Australia)
Philippines	— Locator International Marketing Corp
New Zealand	— GEC (NZ)
Hong Kong	— HK Communications

Looking to the Future

NT Asia's most recent ASEAN success has been in winning the tender to provide a very sophisticated voice and data network for all offices of the Government of Singapore, as well as for various Statutory Boards. Thus far requirements for 48 PABX installations have been identified within this contract. When completed in 1986 the Government of Singapore network will be without peer anywhere in Asia — if not the world. As such, it well-represents NT's long standing investment in and commitment to the Australasian market.

Over the next few years NT Asia will be adding new licensing and other arrangements for local manufacture throughout Australasia, enhancing the already strong position from which it intends to participate in the exciting growth prospects for telecommunications in this rapidly developing region.