



North Korea: a new IT and BPO offshore destination

Studytour 2009 to Pyongyang

Software - games – animation - cartoons

Rotterdam, June 23, 2009 -- 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- and BPO-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 and BPO-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 and digitization. In order to provide detailed information about these IT-related opportunities, a unique Study Tour will take place from 19 – 26 September 2009. A visit to the 5th Pyongyang Autumn International Trade Fair will be included as well.



The Pyongyang International trade Fair



Programming mobile computer games

2009 IT and BPO-Study Tour to North Korea

■ 19 – 26 September 2009 – Information

China and North Korea are suppliers of various offshore IT- and BPO-services and are well worth a visit. From 19 – 26 September, a European 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 offerings available. As a result, several have started IT-related 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 collaboration. Taking part in a studytour 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 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.



participants from one of our previous tours

Eye-opener

Europe still lacks sufficient knowledge about the promising Chinese and North Korean IT- and BPO-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 (Business Process Outsourcing). 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 19 SEP 2009		Departure of European participants (departure at an earlier date is possible)	On board
Su 20 SEP 2009	Arrival Beijing PEK	Free afternoon for adjusting to time difference	Participants will meet (informal welcome reception, dinner) Introduction to the studytour
Mo 21 SEP 2009	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	Meeting with Dutch entrepreneurs - dinner and seminar "doing business in DPRK"
Tu 22 SEP 2009	Departure from hotel to airport Air travel to Pyongyang	Arrival in Pyongyang Transfer to hotel	Welcome dinner Pyongyang city tour
We 23 SEP 2009	Visit to the 5 th Pyongyang Autumn International Trade Fair	Visit Korean Computer Center (software development, computer games)	Informal meeting with European entrepreneurs living in Pyongyang
Th 24 SEP 2009	Visit to Kim Chaek university of technology	Visit to Dakor Company (data processing, 2D and 3D)	Tourist visits
Fr 25 SEP 2009	Visit to Nosotek (Open Source, games)	Visit to SEK studio (animation, cartoons)	Farewell dinner
Sa 26 SEP 2009	Departure hotel Departure Pyongyang	Arrival Beijing	Departure to Europe (Optional: extension of the stay in China)

Organization

This IT and BPO-mission is part of a general trade and investment mission, in which also representatives from various other business sectors will participate - each with a different program. For the general program, see <http://www.gpic.nl/Nktour09.pdf>. A report of a previous business mission in 2008 can be found at <http://www.gpic.nl/NK-report2008.pdf>.

The Korean organizer of this mission is the DPRK Chamber of Commerce in Pyongyang.
The Dutch organizers are:

- GPI Consultancy (Rotterdam)

- VNC Asia Travel (Utrecht) to arrange the flights to Beijing and the hotel in Beijing.

GPI Consultancy is responsible for the IT- and BPO-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). 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 participants and local organizations. The company visits in Beijing are optional; we can assist in arranging visits to relevant 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 can make their own reservations and will pay the costs involved directly to the airline and the hotel (or they can use the travel agency VNC Asia Travel). 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 is 1820 Euro (excl. VAT) and will be invoiced by GPI Consultancy. This fee includes organizational costs, visa for North Korea, match-making, company visits, guides, a visit to the International Trade Fair, 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).
- Discounts are possible (e.g. 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 19 August 2009.
- After the visit to North Korea, an extension of the stay in China is possible. VNC Asia Travel has a wide range of excursions and tours available.
- The organization has the right to cancel the mission in case of an insufficient number of registrations, unexpected events or calamities.

Examples of offshore collaboration with North Korea:



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

There will also some time available for tourist activities, such as a citytour of Pyongyang, an art gallery and (if this takes place during our visit in September) the spectacular Arirang Massgame



Photo: delegates of a previous mission attending the famous Arirang Massgame

Organization of the business mission

The Korean organizer of the mission:

DPRK Chamber of Commerce

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