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FOR IMMEDIATE RELEASE

Asia/Pacific (Excluding Japan) Manufacturing IT Spending will Reach US\$22 billion in 2010 at a CAGR of 7.7%, says Manufacturing Insights

Singapore and Hong Kong, July 5, 2006 – According to a recent report "*Asia/Pacific (Excluding Japan) Manufacturing IT Spending 2006-2010 Forecast*" (Document #AP664101N) of Manufacturing Insights, an IDC company, the APEJ manufacturing industry has been recovering and gaining momentum after the initial turnaround observed in 2004. APEJ manufacturing IT spending was valued at US\$15.0 billion in 2005 and is expected to reach US\$22.0 billion in 2010 at a CAGR of 7.7%. The top three sub-industry segment within APEJ in terms of IT expenditure is high-tech, automotive and chemical. From a geographic perspective, the Greater China sub-region had the largest manufacturing IT spending, followed by ANZ and Korea.

"2005 has been a year plagued with external environmental uncertainties globally and notably in the Asian region, with high-profile events such as the repeated terrorists bombing in Bali; the Asian tsunamis and numerous other natural disasters across the region; the bird flu; rising oil price and ongoing geo-political tensions. Despite the above factors, the Asian region as a whole has continued its recovery and stabilization from the economic crises, which began in the late 1990s," says Tan Mang Teck, Research Director, Asia/Pacific Manufacturing Research, Manufacturing Insights. "The APEJ region will continue to be a fast growing regional economic block, powered by the emerging economic engines of China and India."

Manufacturers have a lot of information available to them, but few put that information to work to improve the efficiency and timeliness of decision-making. Leading organizations are building complete control loops over their processes to connect strategic (risk mitigation), tactical (speed and agility), and operational (consistency and control) decisions. There are good opportunities for IT vendors to develop an integrated business & IT vision and roadmap for manufacturing clients extending beyond the four walls.

Manufacturing Insights suggests IT vendors to focus on value realization instead of new application investment. Doing this will allow IT vendor to provide the thought leadership in areas which are close to the hearts of manufacturing clients, as well as serve to "gel together" and position your products, services and overall value proposition.

"IT vendors should bring an understanding of manufacturing and its segments to market. Deploy sub-industry segment experts to speak the language and provide in-depth understanding of manufacturers business drivers, challenges and processes. Besides focusing on helping manufacturers realize value in terms of costs and speed, look for opportunities to help them realize the much valued 3 "As" in their businesses – Agility, Adaptability and Alignment. For example, building dynamic business processes enabled by dynamic IT," Mr. Tan concludes.

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About Manufacturing Insights, an IDC Company

Manufacturing Insights, an IDC Company, provides business and IT decision-makers with fact-based research and analysis to inform and support critical business decisions. The global independent research and advisory firm closely follows processes associated with the design, development and distribution of goods across markets including Discrete Manufacturing, Process Manufacturing, High Tech/Electronics Manufacturing, Consumer Packaged Goods and Retail. Manufacturing Insights' research and analysis is critical for end-users, as well as hardware and software vendors, service providers, and purveyors of IT outsourcing. Founded in January 2005, Manufacturing Insights is headquartered in Framingham, Mass. Visit www.manufacturing-insights.com for more information.

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