

Speech by John Joyce, IBM Senior Vice President and CFO
"Open for Business"
Friday, September 13, 2002

IDA CEO Ms. Tan Ching Yee
Principal and CEO of Nanyang Polytechnic Mr. Lin Cheng Ton
Distinguished Guests, and Ladies and Gentlemen

I am very pleased to be here today to speak at this very important event. As always, I'm very glad to be in Singapore, which I've always found to be a fascinating city with diverse talents and great vitality.

I was here about the same time last year to promote open computing in Singapore. The journey toward that goal is far from complete, but today, with the launching of the Open Computing Center, a significant milestone has been reached by Singapore and IBM.

We have all heard a lot about open computing, both in technical and economic terms. What is open computing and why is it so important?

Open computing is not just another "wave of the future" or "trend of the moment."

It is also not just about technology or emerging technology. In my mind, open computing is something more fundamental that transcends everything that we do, whether we are in the private or public sector, in a small-size business or a large enterprise, or in any business and social endeavor.

It is about independence. Open computing is about the powerful need and desire by all organizations to have the ability to determine how best to serve their constituents, be they Customers or Citizens in the best possible way.

At IBM, we understand and passionately support this notion of technology-independence. We've transformed our own company from an organization that made its fortune from proprietary technologies into one that sees its future in openness.

Maybe it's because we are so acutely aware of the fallacy of proprietary controls that we have learnt to resist them. In a customer-driven world, open architectures and open standards are inevitable.

IBM has been aggressively promoting open computing because we know that it is the key to the growth of our industry.

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Customers now expect their technology infrastructure and solutions to work with the hardware and solutions from multiple vendors. Any technology company that tries to impose proprietary systems on customers will find themselves standing -- alone -- on the wrong side of history.

I am here today to share with you IBM's belief in open computing, to pledge our commitment to Singapore's open computing initiatives and to reaffirm our membership -- and commit to leadership -- in the open computing movement.

Today, with IDA's support, IBM is proud to announce the establishment of the Open Computing Center in Singapore, a major initiative aimed at helping industries and our customers in all sectors move to operating environments based on open Web services standards.

At the heart of the infrastructure is the operating system. It is here that IBM is betting a big piece of its future on Linux. Linux is an open, reliable and efficient operating system, based on open standards concepts that run on different hardware platforms.

In 2001, IBM invested approximately US\$1 billion in Linux development and we now have over 1,500 developers devoted to Linux worldwide. As the CFO of the company, I can say unequivocally that IBM does not invest a billion dollars casually.

And we demonstrate our leadership and commitment by doing! We've moved Linux into our own production environments worldwide, including here in Singapore. The Institute of High Performance Computing is developing systems on servers running Linux. We've also installed a supercomputer-scale Linux cluster -- the largest Linux installation in the world -- at Shell International Exploration and Production.

Governments are recognizing this trend and are beginning to harness the power of open standards for the benefit of their citizens and public institutions.

In June this year, the German government announced plans to migrate key government applications to Linux. The city government of Beijing recently awarded to six Chinese vendors, including Red Flag, a key software contract to support 10,000 users, in a decision to move to Linux and open source desktop function.

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The French Economic Ministry announced that it will migrate to Linux over the next few years. The Japanese government and private industry are incorporating Linux in the national e-Japan initiative.

And now, Singapore. We know that Singapore is a globally recognized hub of innovation. I am pleased that the Infocomm Development Authority of Singapore and Nanyang Polytechnic are here today to show your commitment to support Open Web Services standards, with the launch of the Web Services Innovation Zone.

Singapore, in its drive to continually enhance its creative environment and nurture a culture of innovation, is taking the right step in supporting open standards. I congratulate the Nanyang Polytechnic and my colleagues in IBM Singapore for this farsighted move and significant achievement.

While IBM, through our focus on innovation, and by being in front of major industry shifts, has shaped the IT industry over the last nine decades, we have no intention of attempting to dictate the future of our industry.

All of us -- governments, educational institutions, technology companies, customers, engineers -- form a community whose increased collaboration is shaping the future of this industry.

And today, we're off to a great start.

Thank you.