



Getting ready for push into Asia-Pacific

A strong presence in Asia-Pacific looks set to become a defining requirement for success in global industrial automation markets. For this companies need to ensure that they have appropriate technologies to offer and strong partnership links with local businesses in the region.

Market researchers have identified a number of trends and characteristics that support the rise of automation in the region. For instance, IMS Research, now part of IHS, has just published a report that states that the Asia-Pacific region accounted for 46 percent of the world's spend on industrial automation products in 2012. This amounts to over US\$75bn.

Meanwhile, ARC Advisory Group calculates that by 2016, Asia will be the biggest purchaser of PLCs (programmable logic controllers) worldwide.

Entering and maintaining activity in these regional markets requires companies to understand the culture and accept local practices and preferences. For instance, a separate report by IHS identifies CC-Link as one of the largest and the fastest growing open networks in the region.

By 2016, it is expected to account for about one fifth of the Asia Pacific market. CC-Link's strength is perhaps not surprising, as it originated in Japan before being made "open" in 2000 to allow widespread third party support. It is already well-established in China and much of the rest of Asia, as is much Japanese automation hardware.

"It is no great surprise that people tend to buy relatively local products and solutions," says John Browett, General Manager of the European branch of the CC-Link Partner Association (CLPA). "Markets globalize and blur this trend, as we have seen with CC-Link's increasing strength in Europe and America, but there is great strength in building up market share early by supplying what the buyers want."

Business practices and culture can vary widely across Asia-Pacific – and internally within some of the larger countries. Browett advises that the best way forward is to build strong links with local partner organizations. These will automatically understand the prevalent culture including its most subtle nuances, and have a network of contacts in business, government, etc.

"The CLPA has been running a very successful business development programme, called Gateway to China, for its European members, which helps with partnering, promotion and CC-Link technical developments," he says. "We are now expanding this to become Gateway to Asia to cover the whole region."

Most significantly, the demand for automation throughout China and other developing areas of the region will consistently outstrip growth in the wider economy. This is partly to do with industrialization of previously undeveloped regions, but also due to major infrastructure projects, to counteract an ageing population demographic and a need to meet world-class product quality standards.

Photo Caption: A strong presence in Asia-Pacific looks set to become a defining requirement for success in global industrial automation markets.

About the CLPA

The CC-Link Partner Association (CLPA) is an international organisation with over 1,900 member companies worldwide. The partners' common objective is promotion and technical development of the family of CC-Link open network technologies. Over 1,300 certified products are now available from over 270 manufacturers. CC-Link is the leading open industrial automation network technology in Asia and is becoming increasingly popular in Europe and the Americas. The European headquarters is in Germany, with offices throughout the continent. The key details for CLPA's Gateway to Asia (G2A) can be found at the URL www.cc-link-g2a.com.



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