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## Arbinet picks HK as Asian exchange hub

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Arbinet-theexchange, which exchanges bandwidths between telecommunications carriers and internet service providers, has opened a new internet protocol exchange in Hong Kong for the Asian market, with a focus on the mainland.

The exchange was set up at Mega-iAdvantage data centre in Chai Wan. Sellers include China Telecom, Chunghwa Telecom, Korea Telecom, Singapore Telecom and Telekom Malaysia. Buyers include online gaming and video streaming firms.

"We chose Hong Kong as our Asian exchange centre as the market is fully deregulated, with nearly all international ISPs present here," said Danny Wong, regional sales director of Arbinet's data services division. "We may add one more IP exchange centre in Singapore or Malaysia to serve the Southeast Asia market."

"Hong Kong has emerged as the second-largest internet hub in Asia and is a vital gateway to China," said Alan Mauldin, the research director of TeleGeography. "Our research has indicated intra-Asian internet traffic has grown nearly 65 per cent annually between 2004 and 2008."

The Nasdaq-listed company expects its first group of internet protocol bandwidth buyers to connect in Hong Kong by year-end.

Arbinet generates revenue by charging commission on exchanges of voice and internet protocol capacity. A few years ago, it set up its voice capacity trading centre in Chai Wan.

Mr Wong also said Arbinet could help internet service providers diversify

their voice and internet protocol networks to avoid data traffic congestion in times of emergency.

He said the internet disruption an earthquake off Taiwan caused on December 26, 2006, might not happen again, as many new submarine cables had been installed to diversify the network in the past two years.

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