



Asia Innovation Forum

Panel 1: Enabling Innovation through Policy Initiatives

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About BEA Systems

BEA Systems is the sixth largest software company in the US, with more than 4,400 employees worldwide, and annual revenue of greater than \$1.4 billion US dollars. Software products include Weblogic, Tuxedo, AquaLogic, etc.

BEA has R&D centers in US, China, India, Korea, Sweden and Argentina.

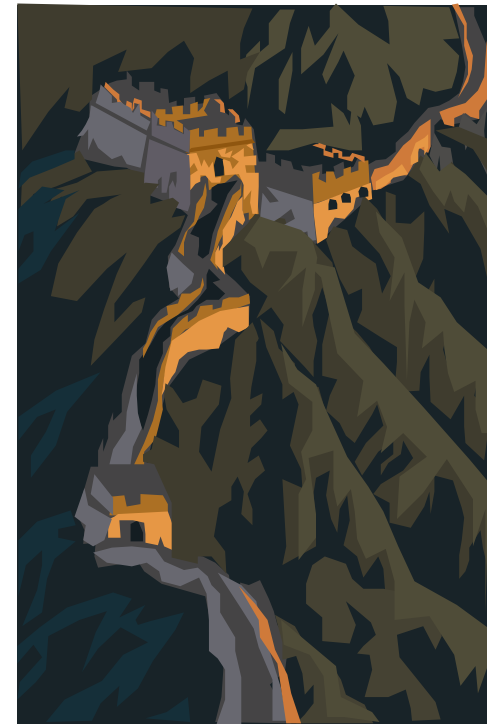


BEA China R&D Center

BEA China R&D Center was established in Beijing in Sept., 2003, reports directly to the headquarter in U.S., and is one of the strategic R&D sites of BEA.

- **Mission**

Become one of the world class BEA R&D Centers to deliver high quality software products to meet customers' needs worldwide, and satisfy the customers in Asia Pacific and China by leveraging geographical and time closeness and better understanding of their needs.



Key Factors to Innovation

- Demands
 - ▶ Necessity is the mother for innovation
 - ▶ Innovation drives demands
- Resources
 - ▶ Qualified human resources
 - ▶ Available money sources
 - ▶ Sound supporting infrastructure
- Environment
 - ▶ Strong IPR protection
 - ▶ Favorable tax system
 - ▶ Stimulation policies



US and China Government Policies in Creating Market Demands

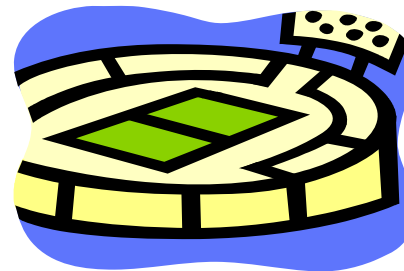
US

- Light handed
- Little to no involvements, most through tax leverage, if any



China

- Light to medium handed
- Various level of involvements, most through administrative orders. e.g.
 - ▶ Digital phone system
 - ▶ Metro transportation unified payment system
 - ▶ 2008 Beijing Olympic Games



US and China Government Policies in Managing Resources

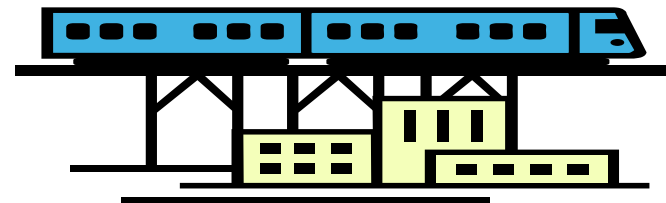
US

- Job market drives education system output
- Private venture capitals fund majority of new start-ups for innovations, many successes
- Low government investment in infrastructure in recent years



China

- Government/University policies determine education system output, is moving towards more market driven system
- Mixture of funding resources, lack of hit innovations
- Heavy government investments in infrastructure



US and China Government Policies in Innovation Environment

US

- Well established IPR protection system
- Certain tax credits for R&D expenditures
- Scarce local policies to favor high-tech businesses



China

- Move towards to more IPR protections
- Various tax relieves for high-tech companies in many high-tech zones across the country
- Local government has power to grant favorable treatments to high-tech companies





Thank You!