

THE INFORMATION TECHNOLOGY SECTOR AND INTERNATIONAL COMPETITIVENESS

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I. INTRODUCTION

This paper presents an analytical framework for understanding and studying the factors determining international competitiveness in the IT sector and its applicability to Asian economies. It is in response to a perceived loss of competitiveness of the corporate sector in some Asian economies and corresponding need for the corporate sector to respond to the changing domestic and global competitive environment. It is also intended to reinforce on-going reviews of the role of government in supporting private sector growth and restoring competitiveness to domestic firms.

Information technology (IT) is one of the most important industry sectors in the Asia-Pacific region because of its contribution to export-led growth. Given its importance, and the vast and ever changing scope of IT, it is especially important to look not only at the factors affecting the competitiveness of this sector, but also how this sector affects the competitiveness of other industry sectors as all of the Asian economies are engaged in production and/or use of the technology.