



SEOUL: This file photo taken on July 8, 2014 shows visitors walking past a glass door showing the logo of Samsung Electronics at the company's showroom in Seoul. A bitter dispute over the proposed merger of two Samsung affiliates comes to a head tomorrow with a shareholder vote that could — whatever the result — force a shift in corporate governance practice among South Korea's giant, family-run conglomerates. —AFP

BATTLE OVER SAMSUNG MERGER HOLDS POTENTIAL FOR CHANGE

SEOUL: A bitter dispute over the proposed merger of two Samsung affiliates comes to a head Friday with a shareholder vote that could—whatever the result—force a shift in corporate governance practice among South Korea's giant, family-run conglomerates. In a country not known for investor activism, the campaign against the takeover of construction company Samsung C&T by affiliate Cheil Industries has been unusually loud and well organized.

Spearheading opposition to the merger is the US hedge fund Elliott Associates, which is the third largest shareholder in C&T and has unsuccessfully moved the courts to block the deal on the grounds that it significantly undervalues the construction firm.

For Samsung's founding Lee family, the takeover is key to consolidating its grip on the multi-headed conglomerate ahead of a generational power transfer. The family-run corporations, or "chaebol," which dominate the South Korean economy are used to running their business their own way, with little interest in the concerns of minority shareholders.

But as companies like Samsung and LG have become global brands, they have attracted overseas investors with a strong sense of shareholder rights that is increasingly seeping into the domestic Korean investor culture. More than 3,000 individual investors have created an online forum aimed at blocking the C&T takeover. Although their combined stake in C&T is less than one percent, the group's mere existence is a sign of changing times.

A 'new phase'

"What we're witnessing here is a new phase in investor-corporate interaction in

South Korea," said Charles Lee, research director for North Asia with the Hong Kong-based Asian Corporate Governance Association (ACGA). "There is an increasing awareness, even among domestic retail investors, that the way some chaebols behave towards minority shareholders can't go on forever," Lee told AFP.

Samsung C&T executives argue that the merger makes good business sense and will enhance shareholder value in the long-run, and insist that the details of the all-stock deal are in full compliance with relevant laws and regulations. So far, the South Korean courts have agreed, but Elliott continues to argue that the merger is "unfair, unlawful and significantly damaging" to C&T shareholders' interests.

The two sides have spent the weeks leading up to Friday's vote locked in an intense campaign for shareholder support, with Samsung needing a two-thirds majority to get the merger approved.

On Monday, Samsung C&T took out an advertisement-titled "An earnest plea to shareholders"—that ran on the front page of nearly every major South Korean daily newspaper and urged support for the deal. Elliott has also been active, garnering backing for its opposition stance from big-name institutional investors like pension giant APG Groep NV, Canada Pension Plan Investment Board and Aberdeen Asset Management. In an e-mailed statement on Wednesday, Elliott urged all shareholders to "ensure their voices are heard and (they) are not railroaded into swapping their undervalued shares."

"This is your last chance to protect the value of your investment," the statement said. —AFP

FIFTY-SIX BILLION REASONS WHY TV MAY NEVER BE THE SAME AGAIN

Jyoti Lalchandani

When news emerged from the United States last week of a deal that would see Charter Communications acquire media giant Time Warner Cable for more than \$56 billion, the reverberations were felt right across the industry. And with good reason, for the proposed deal will combine the second and third largest cable operators in the country, with the new entity serving 23.9 million customers across 41 states.

For a number of years now, cable companies in the U.S. have been coming under intensifying competition from online service providers such as Amazon and Netflix. The common response has been to initiate efforts aimed at cutting costs and improving the quality of their content, but there was always a sense that industry consolidation on the scale of this latest deal was ultimately inevitable. Indeed, a number of industry commentators have suggested that the merger addresses a long overdue need for a strong national player that can offer faster services for watching and playing online content.

At this point, you may be wondering what relevance this has to our own region. And the answer is "a lot". There may be various different factors at play in each of the two markets, but the endgame remains the same - customers are increasingly shunning the idea of traditional 'linear' TV, choosing instead to view video content at a time of their convenience. Commenting on the future direction of the industry, Charter's CEO, Thomas M. Rutledge, said "It is not just the small screens or the large screens in the house, it is the mobile screens and more." And it is this observation that rings particularly true here in the Middle East and North Africa (MENA).

Viewing habits in the region have steadily been moving away from traditional linear TV sources in recent years, with the market no longer revolving around the act of watching 'live' TV on large television screens. The days of sitting down in the living room at 7.30 every evening to watch your favorite show are becoming a thing of the past, with 'TV Everywhere' options such as digital video recorders (DVRs), video-on-demand (VOD) services, streaming platforms, and catchup services offering the ability to consume content whenever, wherever, and however the viewer decides.

Given this evolution in viewer behavior, the focus is shifting noticeably to video content as providers leverage its ability to engage, inspire, and draw in consumers. And on top of all this, a multitude of untethered content services have recently emerged to stoke the flames of competition in the MENA region, including the likes of

Go by OSN, Invision by STC, Icflix, istikana.com, and StarzPlay. These over-the-top (OTT) providers are offering ad hoc on-demand content without the need for ongoing subscriptions, and they have the potential to cause as much disruption here as Amazon and Netflix have in the States.

It is abundantly clear that MENA represents a truly dynamic and growing content market, with pay-TV companies, free-to-air (FTA) giants, and regionally focused OTT offerings all vying for eyeballs and attempting to maximize their potential profits on video content. How they ultimately achieve this is the million-dollar question, although various strategies are beginning to take shape both here and in the more mature media markets of Western Europe and the United States.

Digital advertising

Typically sitting front and center of these strategies is the quest to enhance customer interaction, with social media and content personalization becoming essential for appealing to the region's huge youth population. The ability to properly harvest and analyze customer data plays a key role in this, enabling providers to tailor content offerings through highly tuned auto-generated suggestions that direct individual viewers to must-watch features that they would otherwise miss altogether. Gamification initiatives have also been successful in this regard, generating enhanced customer insights and facilitating a more in-depth understanding of consumer behavior.

Alongside this, we are seeing the emergence of digital advertising strategies in the region, with the likes of Du and Etisalat beginning to experiment with dynamic ad insertion (DAI) techniques in a bid to squeeze greater advertising revenue from their video content. And elsewhere in the region, the introduction of innovative new payment systems is helping to unlock the huge potential customer base here in MENA that is either unwilling or simply unable to pay for services through traditional channels.

The options may be myriad but it is clear that the industry has now reached a critical juncture in its evolution. Viewing habits are shifting irrevocably right across the world, and as Charter's CEO noted, the method used for accessing content is becoming less important. Whether it is viewed on a big screen, a laptop, a tablet, or a smartphone is largely irrelevant; what truly matters is that video is now a megatrend that is here to stay. The fall-out here in MENA is unlikely to be as dramatic as a \$56 billion takeover bid, but with multiscreen video experiences set to shape the future direction of the market, the next few years should be eventful to say the least!

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DRONES AND PHONES TO TACKLE INDONESIAN HOLIDAY ROAD CHAOS

NEW TECHNOLOGICAL TOOLS BEING ROLLED OUT TO EASE TRAFFIC

JAKARTA: From drones to smartphone apps, Indonesia is harnessing technology to tackle traffic chaos during the annual mass exodus before the Muslim Eid holiday, when the potholed roads of overpopulated Java become clogged with millions of slow-moving cars and crashes are frequent.

Cities in the world's most populous Muslim-majority country empty every year at the end of the holy month of Ramadan as people head to villages to celebrate Eid with their families.

This trip is an annual ritual known locally as "mudik" that transforms journeys of a few hundred kilometres (miles) into 24-hour odysseys. The crush is particularly acute on Java, a crowded island that is home to more than half of Indonesia's 250 million people.

Hundreds of new vehicles are hitting the road every day as the economy booms, but scant investment means many routes remain as they have for years—narrow, ageing roads snaking through mountainous terrain.

"Mentally, we are prepared," said Astri Wahyuni, who was gearing up to travel to a village in central Java from the capital Jakarta with her husband and two young children for Eid, which is expected to fall on Friday. The journey normally takes as little as five hours—but in the run-up to Eid, it can last 25.

This year, however, a series of new technological tools are being rolled out in an attempt to ease the traffic chaos.

In Jakarta—an overcrowded, grim metropolis that suffers notorious traffic jams which only get worse in the run-up to Eid—police have deployed drones for the first time this year to monitor traffic as it floods out of the city.

The unmanned aerial vehicles whizz high above the outskirts of the city, which has a population of about 10 million, with images relayed in real-time back to a traffic-monitoring centre where police can make quick decisions as issues arise.

"If there's bad traffic, if there's an accident, we'll be able to see it from above," Jakarta police spokesman Muhammad Iqbal told AFP.

App explosion

Police have also launched a smartphone app that allows drivers to access the police CCTV network via their handsets and check traffic conditions on vital

requirement for Muslims during daylight hours in Ramadan.

Countless map and GPS navigation apps have added extra "mudik" features that identify rest stops, petrol stations and meet-up spots for car pooling.

And those wanting to document their "mudik" in pictures can download "Instadeen", which allows users to add religious text

little sign "mudik" in 2015 was any different from previous years, with hours-long queues on major routes and reports of scores of people killed in crashes since the weekend, when the exodus began.

To stand any chance of seriously reducing the chaos, observers say major investment in public transport and infrastructure is needed, something that new



JAKARTA: In this photo taken on July 11, 2015 Indonesian transportation agency officials monitor a big screen showing all surveillance cameras at their command post in Jakarta, to observe the condition of main roads, airports, train stations and sea ports which are being used by Indonesians to go to their home town to celebrate Eid al-Fitr with their families. —AFP

motorways.

It will face stiff competition from a series of specialised "mudik" apps launched in time for the annual holiday, with technology companies seeking to capitalise on the growing popularity of smartphones as cheaper models flood the market and incomes rise.

Services such as "Ayo Mudik" and "Media Mudik" help locate the nearest mosque and inform drivers when they should start fasting, a

or Koranic verses to their photos before posting them online.

Shinta Dhanuwardoyo, the founder and CEO of Indonesian digital media agency Bubu, said tech entrepreneurs were being creative, developing apps tailored to the particular characteristics of the country's mass exodus.

"These apps may not necessarily work in other countries, it's very localised," she said. Despite the technical innovations, there was

President Joko Widodo has pledged but which has yet to materialise.

Some don't want to see an end to the chaos, however, and believe sitting in hours-long traffic jams is all part of the festive spirit.

"You can enjoy the trip, making memories with your family," Wahyuni said. "That is something you cannot replace with social media, I think, the uniqueness of the 'mudik' tradition itself." —AFP



SASEBO: A receptionist robot, left, greets a hotel employee, right, demonstrating how to check in for the media at the new hotel, aptly called Henn na Hotel or Weird Hotel, in Sasebo, southwestern Japan, yesterday. From the receptionist that does the check-in and check-out to the porter that's a stand-on-wheels taking luggage up to the room, the hotel, that is run as part of Huis Ten Bosch amusement park, is 'manned' almost totally by robots to save labor costs. —AP

ROBOTS DO CHECK-IN, CHECK-OUT AT COST-CUTTING JAPAN HOTEL

SASEBO: From the receptionist that does the check-in and check-out to the porter that's an automated trolley taking luggage up to the room, this hotel in southwestern Japan, aptly called Weird Hotel, is "manned" almost totally by robots to save labor costs. Hideo Sawada, who runs the hotel as part of an amusement park, insists using robots is not a gimmick, but a serious effort to utilize technology and achieve efficiency. The receptionist robot that speaks in English is a vicious-looking dinosaur, and the one that speaks Japanese is a female humanoid with blinking lashes. "If you want to check in, push one," the dinosaur says. The visitor still has to punch a button on the desk, and type in information on a touch panel screen.

Henn na Hotel, as it is called in Japanese, was shown to reporters Wednesday, complete with robot demonstrations, ahead of its opening to the public Friday. Another feature of the hotel is the use of facial recognition technology, instead of the standard electronic keys, by registering the digital image of the guest's face during check-in. The reason? Robots aren't good at finding keys, if people happen to lose them.

A giant robotic arm, usually seen in manufacturing, is encased in glass quarters in the corner of the lobby. It lifts one of the boxes stacked into the wall and puts it out through a space in the

glass, where a guest can place an item in it, to use as a locker. The arm will put the box back into the wall, until the guest wants it again. The system is called "robot cloak room."

Why a simple coin locker won't do isn't the point. "I wanted to highlight innovation," Sawada told reporters. "I also wanted to do something about hotel prices going up."

Staying at Henn na Hotel starts at 9,000 yen (\$80), a bargain for Japan, where a stay in one of the nicer hotels can easily cost twice or three times that much. The concierge is a doll-like hairless robot with voice recognition that prattles breakfast and event information. It cannot call a cab or do other errands.

Japan is a world leader in robotics technology, and the government is trumpeting robotics as a pillar of its growth strategy. Robots have long been used here in manufacturing. But interest is also high in exploring the potential of robots in human interaction, including helping care for the elderly.

Robotics is also key in the decommissioning of the three reactors in Fukushima, northern Japan, which went into meltdowns in 2011, in the worst nuclear catastrophe since Chernobyl.

One area Henn na Hotel still relies on human beings is security. The place is dotted with security cameras, and real people are watching every-

thing through a monitor to make sure guests stay safe and no one makes off with one of the expensive robots. "And they still can't make beds," said Sawada, who has also engineered the rise of a popular affordable Japanese travel agency.

He has big ambitions for his robot hotel concept and wants to open another one soon in Japan, and later abroad. He is also eager to add other languages, such as Chinese and Korean, to the robots' vocabulary.

A block-shaped robot that was scuttling around in the lobby had been brought in to do room service, delivering beverages and simple snacks. But it wasn't ready to do that yet. Outdoors, Sawada also demonstrated a drone that flew in to deliver a few small jars filled with snacks. He said he wanted to eventually have drones perform in shows for guests. In the hotel's rooms, a lamp-size robot in the shape of a fat pink tulip called Tuly answers simple questions like, "What time is it?" and "What is the weather tomorrow?"

You can also tell it to turn the room lights on or off. There are no switches on the walls. Sawada is keeping the hotel half-filled for the first few weeks to make sure nothing goes wrong.

He also canceled at the last minute the overnight stay planned for media. The robots simply weren't ready. —AP