JANUARY 10TH 2023

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South Korean drone defence
Taiwanese satellites
Japan's response to disinformation
China's IT systems challenge
Rare earth supply chains

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1. South Korea & drone defence

"South Korea will spend 560 billion won ($441m) on improving its defences against drones, the country's defence ministry said on Wednesday, after a military scare from the North that set off jitters in Seoul."

"On Monday, five North Korean drones entered the South's airspace, prompting the military to scramble fighter jets and attack helicopters. But the South's response failed to bring any of the drones down..."

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2. Taiwan & satellites

"We are going to spin our low-Earth orbit satellite communications project off into a company," said a senior official at TASA. People familiar with the talks said the government wanted to retain a significant minority stake in the venture.

"We look at the Russian invasion of Ukraine and how Starlink has been used very successfully," said Audrey Tang, Taiwan's digital minister."
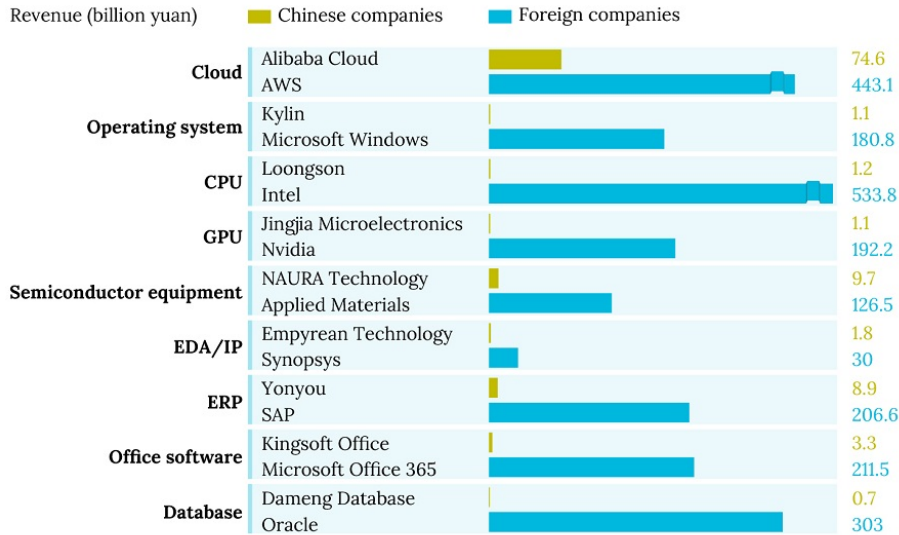
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3. Japan & disinformation

"The Foreign Ministry will launch an AI-powered system in fiscal 2023 to collect and analyze fake information on social media and other platforms, allowing it to track how foreign actors are trying to influence public opinion over the medium to long term."

"In response to recent moves by China and Russia, Japan's National Security Strategy, approved in December, includes plans to bolster the country's ability to respond to 'warfare in the cognitive domain, including spread of disinformation.'"

4. China's IT systems

"The tightening U.S. sanctions have forced the market to conclude that Chinese companies need to replace their systems as much as possible, including PCs, servers, routers, chips, operating systems, databases and industrial software, a person familiar with China's policy told Caixin."

China IT Firms Lag Global Rivals

Revenue (billion yuan) ■ Chinese companies ■ Foreign companies

		Revenue
Cloud	Alibaba Cloud	74.6
	AWS	443.1
Operating system	Kylin	1.1
	Microsoft Windows	180.8
CPU	Loongson	1.2
	Intel	533.8
GPU	Jingjia Microelectronics	1.1
	Nvidia	192.2
Semiconductor equipment	NAURA Technology	9.7
	Applied Materials	126.5
EDA/IP	Empyrean Technology	1.8
	Synopsys	30
ERP	Yonyou	8.9
	SAP	206.6
Office software	Kingsoft Office	3.3
	Microsoft Office 365	211.5
Database	Dameng Database	0.7
	Oracle	303

Note: Currency based on Nov. 24 exchange rate
Source: Companies' annual reports

Caixin

5. Download: Rare earth supply chains

"Japanese and South Korean firms have formed private-public partnerships to expand critical mineral supply chains around the world, decreasing their vulnerability to manufacturing chokepoints."

"Australia is a key partner, with rich resource endowments, technical expertise, and transparent and reliable governance. The U.S. should proactively expand existing partnerships and seek new ones."

CRITICAL MINERALS
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