

# Fact Sheet

March 2011

## Singapore Internet Exchange

To promote Singapore as a major infocomm hub for the region, the Singapore Internet Exchange (SGIX) is established as a neutral Internet exchange to enhance the Internet environment for local and international IP traffic. Offering an efficient central point of Internet traffic exchange for domestic and international telecoms carriers, Internet service providers (ISPs), and content and games providers, the Internet exchange will catalyse the growth of Singapore's infocomm industry by encouraging content hosting and traffic exchange, and related developments such as the establishment of data centres.

Benefits of SGIX include:

### Lower Interconnectivity Costs for Local ISPs

Currently, apart from having connectivity with international carriers, Singapore's ISPs incur additional costs in establishing multiple links to interconnect with one another in order for their customers to access local contents directly. As most ISPs already have connectivity arrangement with common international carriers, they exchange traffic with one another overseas rather than incur additional costs for multiple local interconnections. Consequently, local Internet traffic would be routed abroad first, before users here can access the local content.

SGIX provides a central point for the ISPs to exchange traffic with one another directly instead of routing through international carriers before reaching a local ISP. In addition, this arrangement enables customers of the ISPs to access local contents from other ISPs even during cable outages which occur on the international network, such as those caused by earthquakes. Using a local exchange like SGIX will help to cut connectivity cost and improve the resiliency of their networks. It will ultimately also improve the speeds their customers can experience when accessing local content.

### Regional Reach for International Service Providers

Singapore's proximity to regional markets and extensive global connectivity allows SGIX to be well-positioned as a central traffic exchange in the region to serve international carriers and content service providers. Carriers around the world can exchange traffic effectively without having to establish multiple international connections across the region. This provides a good opportunity for them to aggregate their international traffic from the region, resulting in greater cost-savings.

Content providers can also leverage on SGIX as a gateway to reach out to the growing market in the region without the need to establish multiple connectivity links or presence across the region. Content providers can consolidate their regional content centrally and significantly lower the overall cost of content delivery to regional users.

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## Boosting Singapore's Status as an Infocomm Hub

An efficient traffic exchange eco-system will enhance Singapore's attractiveness to overseas investment from players such as content service providers, data centre players and ISPs. The economic benefits will arise through direct investments from foreign content service providers which will generate indirect economic benefits that flow down to the broader Singapore economy.

## Enhanced Online Experience for Consumers

With the trend towards higher bandwidth applications, having such content hosted within Singapore will allow users here to enjoy improved broadband experience. This will facilitate faster access to content such as videos, games and software in the "Cloud". Latency may also be significantly improved as local Internet traffic need not be routed overseas. By improving the overall broadband experience, ISPs and content service providers will be able to improve customer satisfaction and loyalty. The increased demand for high bandwidth broadband applications could also in turn further drive the demand for more locally-hosted contents and create business opportunities for more online application developments. Consumers, including those from the region, will benefit as more "international" content gets hosted within Singapore.

## **Current Development of SGIX**

SGIX operates as a not-for-profit organisation in order to ensure low costs of traffic exchange for the members. The fees for the services will be on a cost recovery basis. The equal and shared ownership of the SGIX ensures that the Internet exchange aligns to the interests of the members as a whole. It also ensures fair treatment and self-regulation by the members.

Since being operational in June 2010, SGIX has 20 members including domestic carriers, SingNet, StarHub and M1.

<b>Members of SGIX (20 in total, as of Jan 11)</b>	
1-Net Singapore Pte Ltd	Deutsche Telekom Asia Pte Ltd
France Telecom Long Distance (S) Pte Ltd	HostSG Pte Ltd
Infocomm Asia Holdings Pte Ltd	LGA Telecom Pte Ltd
MobileOne Ltd	Moratel International
Microsoft Pte Ltd	New MediaExpress Pte. Ltd
Nucleus Connect Pte. Ltd.	PacNet Global (Singapore) Pte Ltd
Singapore Advanced Research and Education Network (SingAREN)	Singapore Telecommunications Ltd.

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SingNet Pte Ltd	StarHub Ltd
SuperInternet (S) Pte Ltd	Tata Communications International Pte Ltd
Usonyx Pte Ltd	Voxel Dot Net Pte Ltd

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## About Singapore Internet Exchange

The Singapore Internet Exchange (SGIX) was incorporated on 4 September 2009 with 11 founding members from all levels of the industry, including the domestic telecoms carriers, international telecoms carriers, Internet service providers, and content and games providers.

SGIX's objective is to establish a new and neutral Internet exchange point and promote efficient interconnectivity within the traffic exchange eco-system in Singapore. The SGIX infrastructure, consists of two separate nodes located in secured and carrier neutral facilities. In addition, separate locations also provide a redundancy option for service providers who require higher network availability and uptime.

## About Infocomm Development Authority of Singapore

The Infocomm Development Authority of Singapore (IDA) is committed to growing Singapore into a dynamic global infocomm hub. IDA uses an integrated approach to developing infocomm in Singapore. This involves nurturing a competitive telecoms market as well as a conducive business environment with programmes and schemes for both local and international companies. For more news and information, visit [www.ida.gov.sg](http://www.ida.gov.sg)

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