

# Taiwan earthquake triggers a “digital tsunami” in Asia

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A massive undersea earthquake of 7.1 on the Richter scale off Taiwan's southern coast on December 26 killed two people and injured at least 42 more.

Hundreds of rescue workers were sent to the worst hit town of Pingtung. Three houses collapsed. In one, a 36-year-old mother died as she tried to protect her twin sons. Her brother was also killed. Other buildings, including 62 schools, reported damage worth around \$US1.23 million.

Agence France Press reported: “People in Pingtung rushed into the streets in panic during the tremors, which triggered power blackouts in more than 3,000 houses.” High-rise buildings across Taiwan shook, while telephone, road and rail services experienced temporary disruption.

However, while the immediate physical impact was relatively light compared to the 7.6-magnitude earthquake in Taiwan in 1999 that killed 2,400, the latest tremor created what has been dubbed a “digital tsunami”. By damaging seven of the eight major undersea fiber-optic communication cables near southern Taiwan, the earthquake interrupted Internet and telecommunications within East Asia and to Europe and the US.

SMW4 was the only cable left unaffected. Cables such as Flag Telecom, East Asia Crossing (EAC) and Asia-Pacific Cable Network (APCN) were only partially affected. Internet connection in, and to and from, the region remains slow.

Taiwan's largest telephone company, Chunghwa Telecom, said the damage to undersea cables had disrupted almost all the island's phone communications with other Asian countries and cut capacity to the US to 60 percent. Japan's telecom giant NTT reported disruption to 1,400 phone lines and 84 international phone lines, which severely affected the country's phone capacity to South East Asia.

In China, the quake interrupted Internet accessibility to

major foreign websites and some phone calls to Taiwan and Hong Kong. Korea Telecom reported 9,985 communication lines were damaged. Hong Kong's largest telecom corporation PCCW reported it had lost half its Internet capacity.

The disaster highlighted the key role of information technology in the global economy. Less than 15 years after the establishment of the Internet, it has not only become crucial to modern business operations but an essential component of daily life for large sections of the world's population.

The biggest aftershock of Taiwan earthquake was when Asian businesses suddenly discovered the next day that they could no longer make overseas calls, open foreign websites or use email. The region's stock markets and foreign currency trading were immediately affected. Many companies, especially in the finance, IT and shipping sectors, were compelled to resort to fax and mobile phone to maintain their operations. Some international banks had to stop ATM and online banking services.

Francis Lun, general manager of Fulbright Securities in Hong Kong, told Associated Press: “I haven't experienced anything like this before. We've become too dependent on these optic fibres. A few of them get damaged, and everything collapses.”

Telecom operators scrambled to reroute their data to other lines or through satellites, while ships from Philippines and Singapore rushed to repair the damaged lines. It is estimated that it will take until the end of January to fix the seven affected fibre-optic cables.

Alex Tan, a director of Singapore's ISP Qala, which has 6,000 corporate customers, told the *ZDNet India* website on January 2: “The entire highway is congested because everyone is pushing customers to the same pipe, and I'm sure the other alternative routes are also getting congested.”

Within a few days, however, the partial restoration of telecom traffic allowed the Hong Kong stock market to return to normal. China Telecom, the country's largest fixed phone provider, announced that it had recovered 70 percent of its Internet service and completely restored phone calls to Hong Kong and Macau. Singapore Telecom, South East Asia's largest operator, announced its Internet access and voice services were "back to normal". On December 31, Indonesia's second biggest phone carrier, PT Indosat, said it had 80 percent capacity.

The impact was still enormous on business operations and daily life. The *New York Times* reported some of the reactions. Andrew Clarke, a salesman in Hong Kong, said: "You don't realise until you miss it how much you rely heavily on technology. Stuff you took for granted has been taken away and you realise, 'Ah, back to the old way, using mobiles'."

Robert Halliday, an American writer based in Bangkok, said: "I'm completely dependent on the Internet. If the Internet goes down for half a day, people can just stay in bed in terms of getting any work done." In Beijing, television producer Wang Yifei complained: "I had a horrible day. I've been complaining about this all day. This high-tech world of ours. It didn't happen in the old days. In the end I can't do anything."

Neil Yue, a merchandiser supplying US companies, told *USA Today*: "We had no communication with our buyers in the States for one and half days until our technician set up a backup network."

The *Wall Street Journal* commented December 28: "Asia, which has seen hundreds of billions of dollars of direct investment in recent years, is home to some of the world's most earthquake-prone areas, and there are fewer cables connecting Asian countries to each other and the rest of the world than linking the US and Europe, making networks there more vulnerable."

For decades, telecom companies have been building cable networks with redundancies, so if the cables were cut off by natural disaster or man-made activities, traffic would be rerouted to backup systems. But in Asia, the building of telecommunications systems has paralleled every other aspect of economic development—it has been particularly chaotic and dominated by short-term market considerations.

The *Journal* explained: "During the telecom boom of the 1990s, companies laid huge amounts of fiber-optic cable both within and between countries in anticipation of an explosion of demand. When growth didn't happen as quickly as expected, companies were hammered

financially—with several going bankrupt—and investment in new fiber-optic capacity slowed sharply... [subsequently] the use of the Internet and international phone services has grown quickly in Asia, making capacity more tight and often technologically outdated."

The mouthpiece of US capital failed to make the obvious point, however. Although Asia has become a vital cheap labour platform for globalised production and services, there is no international coordination of the vast telecom cable systems essential to keep the region globally connected. The only motive of private cable companies is to make as much profit as possible. Competition, not planning, coordination and collaboration, is what dominates. Little consideration has been given to emergency backups in a region that is prone to earthquakes.

It is worth noting that the Taiwan earthquake took place on the second anniversary of the Asia tsunami in 2004, which killed 230,000 people and left 1.7 million homeless in Indonesia, Sri Lanka, India and Thailand. While governments and corporations reacted within days to fix the broken cables or organise back up arrangements, the same cannot be said of the tsunami victims. Tens of thousands of refugees are still living in abject poverty in temporary accommodation.

The reason for two responses is obvious. In one case, no expense was spared to repair as quickly as possible the telecommunications systems vital for the daily functioning and profits of major international corporations. The impoverished masses of Asia serve no function for global capital, except as a vast reserve army of labour to keep wages and conditions depressed. Whether they live or die is a matter of complete indifference to corporate CEOs and their political servants.



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