

Subsea Connections Enable Quick Expansion and Increased Opportunities

By leveraging subsea cables, Canadian businesses can reach new audiences, expand enterprises and connect to operations in the Asia Pacific to drive post-pandemic growth.

By Nicholas Collins / *Telstra Americas*

Growth. The word propels every business. Where are my new customers? How do I reach and support expanding markets? The word provides a mental drumbeat that energizes companies, leading them to seek out straight-path answers that enable them to be first, run fast and be responsive.

Whenever I'm asked to describe Telstra, and its operations in the Americas, the best answer I can give is "We enable companies to grow." Many people know Telstra as the in-country Australian telecom company, but many do not realize that over its 70 years of existence, the company has created a highly robust subsea, terrestrial and satellite infrastructure and formed in-country relationships throughout the Asia Pacific (APAC) that North American businesses can leverage.

Telstra has been in the U.S. for more than two decades, and its recent expansion into Canada continues to provide opportunities for Canadian businesses to expand into APAC – and for enterprises in the 19 countries in that region to connect with Canada. Adding dedicated connectivity for Canada has been one of our most requested routes, and opportunity is there – now – for Canadian business.

The ability to connect Canadian businesses with an affluent and growing APAC middle class – estimated to grow by an additional 1.5

billion by 2030 – opens a path for established and startup companies in technology, media, financial services and manufacturing, among others, to rapidly and easily engage new customers. However, connectivity is the key enabler. Telstra's Canadian expansion established a new point-of-presence (POP) in Toronto, alongside upgrading infrastructure to link Canada to its transpacific, low-latency, subsea cable networks. As Canadian enterprises embrace fast-turn growth strategies, this type of infrastructure will be vital to their success.

A GLOBAL MARKETPLACE

As a global trading marketplace, Canada has a strong trade foothold in APAC. Asia is one of Canada's largest trading partners. After the U.S., China is Canada's largest trading partner, and Japan is its fourth-largest trading partner. Japan is also the largest source of foreign direct investment into Canada from Asia. Australia, an integral part of the APAC region, is the eighth-largest global destination for Canadian direct investment abroad.

On the financial front, the Toronto Stock Exchange consistently ranks in the top 10 exchanges in the world by market capitalization. As a trading nation, Canada has extensive free-trade agreements in place, or under development, that promote commerce



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in Canada and the flow of capital beyond its market borders. Toronto, Canada's largest city, has seen its technology sector grow more than 85 percent since 2014, according to a report the city recently issued. Toronto and the surrounding area are home to thousands of startups, as well as technology giants such as Airbnb, Facebook and Google.

Along with Australia, Canada is also a member of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), the third-largest free-trade area in the world by GDP. The CPTPP provides significant market access to Asia for Canadian firms. It also makes it straightforward for Canadian companies of all sizes and sectors to do business in the dynamic APAC region. These existing trading relationships create a maturing environment for organizations to build business. Connectivity enables the expansion – in both directions – to ensure these trading relationships flourish.

A company that has deep roots in APAC, Telstra has business relationships that provide a local presence, which brings understanding of local market dynamics in each of the countries. This means Telstra can support businesses looking to trade and expand in Asia rapidly and smoothly.

On the connectivity side, Telstra owns and provides services on a network of subsea cables connecting the Americas to Australia and APAC. This 250,000-mile network spans the Pacific Ocean and is one of the largest in Asia. It is a major driver of business growth, carrying one-third of all daily internet traffic across Asia.

PIVOTING WITH PURPOSE

In 2019, Telstra began to upgrade its transpacific subsea capacity for connecting the U.S. to Asia, alongside upgrading backbones and adding new regional and purpose-built POPs. The need to support increased COVID-19–related connectivity demands happened overnight; as a major global telecom, Telstra had the ability to escalate immediately and it did. To keep the world connected, it also immediately invested in the scale of its network.

Since the beginning of the pandemic, data demands have spiked significantly. Between February and June, Telstra saw internet bandwidth (IP transit) growth increase by almost 80 percent. Considering the scale of the numbers Telstra deals with every day – it carries up to a third of Asia's internet traffic, for example – that growth is enormous.

If the past year and a half has shown anything, it's that increasing demand for

data and information is not going away. As the telecom industry learns to adapt to people's changed circumstances – whether that's continuing mobile work, attending virtual university lectures or simply streaming more online content – the demand for data, connectivity and digital services is not going to revert to prior levels. Ensuring a network can deal with the increase in demands coming from streaming video for virtual calls, uploads and downloads, use of enterprise cloud apps and so on will be critical long after the pandemic subsides.

As businesses in Asia, Canada and across the world begin the process of recovery, they will need technology, connectivity, an innovative mindset and boots on the ground. Canada can be excited as its dynamic and expanding global marketplace forms the perfect foundation for long-term technology innovation and business growth.

Telstra looks forward to what could be a substantial cycle of post-pandemic growth fueled by ideas. The company believes that creativity – combined with connectivity – will help open new pathways for business not just in Canada and Asia but all over the world. ❖

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