



Inside This Issue:

This Week's Stories

[Blockchain, AI To Drive IT Spending](#)

[Apple: We'll Pay \\$38B In Taxes And Add 20,000 Jobs In The U.S.](#)

[AI Beats Humans In Stanford Reading Comprehension Test](#)

Products & Services

[Spotify Launches Visual Content In Multimedia Push Ahead Of IPO](#)

[Google's AutoML Lets You Train Custom Machine Learning Models Without Having To Code](#)

Emerging Technology

[This Samsung Patent Could Solve The iPhone X's Notch Problem](#)

[Fujitsu Optimizes Scale-Out SAP Environments With PRIMEFLEX Integrated Systems](#)

Mergers & Acquisitions

[Google Announces Patent Agreement With Tencent Amid China Push](#)

[IBM And Shipping Giant Maersk Launch Blockchain Company For Global Logistics](#)

Industry Reports

[Dell EMC Readies Its Channel Partners For A Storage Revolution](#)

[For tech Companies Like IBM, Their Tax Rates May Go Up This Year Under The New Bill](#)

[Google Building 3 New Undersea Cables To Expand Cloud Business](#)

This Week's Stories

Blockchain, AI To Drive IT Spending

January 17, 2018

Worldwide information technology spending this year is expected to hit \$3.7 trillion, up 4.5% over 2017, as firms look to capitalize on the potential of blockchain, Internet of Things, artificial intelligence and other nascent digital solutions, Gartner Inc. said.

IT spending last year totaled \$3.5 trillion, up 3.8% from 2016, the IT industry research firm said. The results are based on an analysis of sales data by thousands of vendors selling a range of IT products and services.

The gains come as businesses across all industries continue to shift IT spending away from data center systems and into cloud-powered software and services, according to John-David Lovelock, a Gartner research vice president.

"Servers are still getting that push from enterprise into the cloud," Mr. Lovelock said Wednesday in a webinar presenting the results. As more companies move workloads to the cloud, "license versions of most software categories have flattened out," he said.

All told, spending on enterprise software is projected to reach \$389 billion, up 9.5% from 2017, following strong gains last year, as corporate budgets channel more funds into software-as-a-service. Other big gains include devices, which are expected to grow 5.6% over last year to \$704 billion, and IT services, up 5.5% to \$985 billion.

By contrast, spending on data center systems is expected to grow just 0.6% this year, to \$179 billion, before declining by 0.2% in 2019. An apparent surge in data center spending last year was largely the result of higher prices, Mr. Lovelock said.

By 2021, spending on AI will generate an estimated \$2.9 trillion in new business value, as businesses seek to use AI-powered tools to "drive efficiency gains, create insights that personalize the customer experience, entice engagement and commerce, and aid in expanding revenue-generating opportunities," Mr. Lovelock said.

Separately, the Society for Information Management this week reported a sharp increase last year in average IT budgets, which rose 23% from 2016 to \$107 million.

IT spending as a percentage of revenue increased to 6.08% in 2017, up from 5.04% in 2016, and the largest gain in five years, the trade group said.

bitcoin-newswire.com

Apple: We'll Pay \$38B In Taxes And Add 20,000 Jobs In The U.S.

January 17, 2018

Apple just made a bunch of big promises to the American economy.

The company said Wednesday that it will pay \$38 billion in taxes on cash it has been keeping overseas. It also pledged to create 20,000 jobs and invest \$30 billion in U.S. facilities over the next five years.

The \$38 billion tax payment from bringing home overseas profits "would likely be the largest of its kind ever made," Apple said in a press release.

New U.S. tax rules mean companies like Apple can no longer avoid paying taxes on past international profits by holding the cash outside the United States. They must pay tax whether they bring the money back to the country or not.

American companies with global operations are now expected to pay hundreds of billions of dollars on the overseas profits they've amassed in recent decades.

Apple also informed employees worldwide on Wednesday that they would receive a \$2,500 stock bonus in response to the new U.S. tax code, according to a source familiar with the matter.

Bloomberg, which reported the news earlier, said the bonus would be available to employees below a certain senior level.

Apple employs about 123,000 full-time workers around the world. About 84,000 of those employees are based in the United States.

The \$30 billion investment in the company's facilities across the United States will include a new campus in a yet-to-be-disclosed location.

The campus will "initially house technical support for customers," according to the press release. Apple declined to give further details about the planned campus, saying more information will be disclosed later this year.

Campuses generally refer to a sprawling facility where Apple employees -- working on everything from engineering to customer service -- report for duty. The company currently has two such locations: one in Silicon Valley and another in Austin, Texas.

At least \$10 billion of the new investment will go toward building new data centers -- massive computer warehouses that store information to support services like Apple's Siri, iMessage and Apple Music, the company said.

Apple already has data centers in seven states. In August, the company announced plans to open a data center in Des Moines, Iowa, that would cost \$1.3 billion and create 550 construction and operations jobs. CEO Tim Cook also tweeted images Wednesday of a groundbreaking ceremony for a data center in Reno, Nevada.

Apple claims these new investments combined with its "current pace of spending with domestic suppliers and manufacturers" will add about \$350 billion to the U.S. economy over the next five years.

money.cnn.com

"The \$30 billion investment in the company's facilities across the United States will include a new campus in a yet-to-be-disclosed location."

AI Beats Humans In Stanford Reading Comprehension Test

January 16, 2018

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"The leaderboard on SQuAD's website shows Alibaba's and Microsoft's EM scores to be 82.44 and 82.65 respectively, which put both at first place. The scores are higher than a human's, which is 82.304."

AI created by Chinese tech giant Alibaba and Microsoft have tied for first place on the Stanford Question Answering Dataset (SQuAD) this month, beating the human score for Exact Match (providing exact answers to questions). Alibaba and Microsoft announced the news separately on Monday.

According to the SQuAD website, it is a machine reading comprehension dataset comprising of questions pertaining to a set of Wikipedia articles. Answers to questions are usually a segment of text from a corresponding reading passage.

The leaderboard on SQuAD's website shows Alibaba's and Microsoft's EM scores to be 82.44 and 82.65 respectively, which put both at first place. The scores are higher than a human's, which is 82.304.

The results may not be surprising to some since AI-based systems have proven to be formidable, with Google's AlphaGo defeating Ke Jie as the Go world champion last year.

The systems are also expected to go into hospitals and act as our assistants, and Alibaba founder Jack Ma predicted AI-powered robots will head companies in 30 years.

But not everyone will agree on how intelligent AI-based systems really are yet. Just a little more than three months ago, Chinese researchers published a study saying AI-based systems are no smarter than a six year-old.

A Chinese robot called AI-MATHS which did a version of a Maths paper at China's college entrance exams was unable to beat the national average last year. The robot's developers explained it was unable to comprehend certain words, causing marks to be lost.

Luo Si, Chief Scientist of Natural Language Processing (NLP) at Alibaba iDST commented: "It is our great honor to witness the milestone where machines surpass humans in reading comprehension. That means objective questions such as 'what causes rain' can now be answered with high accuracy by machines. We are especially excited because we believe the technology underneath can be gradually applied to numerous applications such as customer service, museum tutorials and online responses to medical inquiries from patients, decreasing the need for human input in an unprecedented way."

"We are thrilled to see NLP research has achieved significant progress over the year. We look forward to sharing our model-building methodology with the wider community and exporting the technology to our clients in the near future," Si added.

cnet.com

Products & Services

Spotify Launches Visual Content In Multimedia Push Ahead Of IPO

January 18, 2018

Music streaming company Spotify launched a feature that will allow listeners to see stories, news and other content through photos, videos and text, the company said on Thursday, expanding beyond music ahead of taking itself public.

The feature, called 'Spotlight', will have content from BuzzFeed News, Cheddar and Crooked Media, among others, Spotify said in a blog post on Thursday.

Spotlight's content will include news, pop culture, sports and politics, and will be available through a play list, said Spotify, which has 70 million subscribers.

Spotify has filed confidentially with U.S. regulators for an initial public offering and is targeting a direct listing in the first half of 2018, Reuters reported last week.

reuters.com

Google's AutoML Lets You Train Custom Machine Learning Models Without Having To Code

January 17, 2018

Twenty First Century Fox Inc's Fox Sports is partnering with Twitter Inc to stream a live show and Snap Inc's Snapchat to showcase stories with matchday highlights on the FIFA World Cup soccer tournament to be hosted in Russia later this year.

Fox Sports would produce the show, which will be streamed from Moscow's Red Square on each match day and provide previews, recaps and near real-time video highlights for each game, the company said.

Fox said the coverage of the tournament, taking place from June 14 to July 15, will be available in the United States and can be seen using the @FOXSports and @FOXsoccer Twitter handles.

Fox Sports will also produce magazine-like editions of content for Snapchat's mobile-first audience, called Publisher Stories.

The Publisher Story on Snapchat will record the day-by-day highlights of the month-long tournament through recaps, previews and features produced specifically for Snap.

Snapchat will also produce FIFA World Cup "Our Stories," featuring video highlights of goals and other key moments provided by Fox Sports. Live-streaming has been one of Twitter's biggest focus areas since last year as it seeks to attract new users.

The company had previously signed a multi-year deal with the U.S. National Football League to live-stream pre-game coverage as well as a 30-minute show. Snapchat has also done something similar by previously partnering with Discovery Communications Inc's Eurosport for a European, multi-language deal that will see Winter Olympics content held this year as part of Snapchat's 'stories' feature.

techcrunch.com

Emerging Technology

This Samsung Patent Could Solve The iPhone X's Notch Problem

January 18, 2018

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“The new patent application depicts the phone screen taking up more room on the phone's front by including tiny holes for sensors and hardware.”

Why have a notch when you can put holes directly into the display?

The iPhone X's now-infamous notch stirred up plenty of controversy for cutting into the screen space. But Apple's notch just reflects a larger issue with newer phones: as screens begin to cover the entire face, what do we do with hardware such as home buttons and cameras?

A Samsung patent application (first spotted by Dutch site LetsGoDigital) filed with the World Intellectual Property Organization seems to have an answer: put holes in the screen for hardware to poke through. In theory, this would allow for Samsung to completely get rid of the phone bezels you see bordering your screen, a design feature that's increasingly unfashionable.

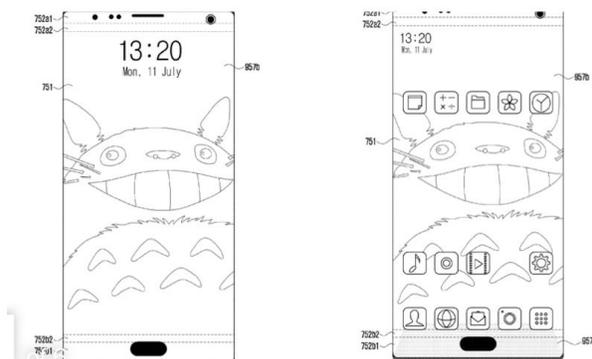
Although the publication date is listed as Jan. 18, the two patents were originally filed in South Korea in July and October 2016, respectively. Samsung appears to be exercising its right to extend its patent application filing in countries other than South Korea.

As always, submitting for a patent doesn't mean that it's been granted or will come to a product. But it is an indication of solutions and designs that companies are considering.

Samsung has a history of making new kinds of screens for its phones, with examples like the curved "Edge" screen on the Galaxy S7 Edge or the minimally bezeled "Infinity Display" on the Galaxy S8.

There are even rumors that Samsung is working on a screen for a phone that folds in half.

The new patent application depicts the phone screen taking up more room on the phone's front by including tiny holes for sensors and hardware. This would allow for Samsung to embed things like cameras or speakers directly into the screen and not in the phone's bezels. This doesn't mean the sensors will be fully covered by the screen (you'll still see little holes) but it gets the phones closer to that 100 percent screen-to-body ratio, more so than a notch or thin bezels.



Does this type of design appeal to you, or have you gotten used to bezels or the notch on the iPhone X? As Samsung releases phones with higher and higher screen-to-body ratios, we may see similar designs.

cnet.com

Fujitsu Optimizes Scale-Out SAP Environments With PRIMEFLEX Integrated Systems

January 17, 2018

Fujitsu today announces two new solutions designed to help organizations deploy extremely data intensive applications needed for their digital transformation, through greatly improving the ease of management for scale-out SAP HANA in-memory database deployments.

Certified by SAP, the enhanced Fujitsu Integrated Systems PRIMEFLEX for SAP HANA and PRIMEFLEX for SAP Landscapes solutions powered by FlexFrame Orchestrator Management Software¹ allow organizations to manage the implementation and operation of SAP infrastructures needed to process vast amounts of data, minimize the complexity and cost of such installations, and run a flexible, efficient and secure SAP environment that is scalable for future growth.

Workload-specific Fujitsu PRIMEFLEX Integrated Systems are optimized specifically for SAP HANA scale-out deployments using databases that exceed the memory limits of a single server. Fujitsu is first to market with a solution that cuts the number of separate physical data lines required in a scale-out installation from three or more to just a single 100 Gigabit Ethernet (GbE) connection. This also reduces the number of required switch ports by at least a factor of three, simplifying installation and operation and ensuring a reliable, high-performance infrastructure that is ready for next-generation Big Data, Artificial Intelligence (AI) and Internet of Things (IoT) applications, as well as future S/4 HANA deployments.

With the industry's most comprehensive portfolio of solutions for SAP environments and building on its close partnership with SAP, Fujitsu offers powerful solutions for every possible SAP application scenario. The newly-enhanced PRIMEFLEX for SAP HANA and PRIMEFLEX for SAP Landscapes are delivered as ready-to-run, integrated systems of pre-defined and pre-tested Intel Xeon Skylake-based packages consisting of PRIMERGY servers, storage, network connectivity and software solutions, ensuring organizations can deploy their infrastructure rapidly, easily manage complex SAP environments, and deliver value to the business, fast.

cio.economictimes.indiatimes.com

Mergers and Acquisitions

Google Announces Patent Agreement With Tencent Amid China Push

January 19, 2018

Alphabet's Google has agreed to a patent licensing deal with Tencent Holdings as it looks for ways to expand in China where many of its products, such as app store, search engine and email service, are blocked by regulators.

The US technology company has signed similar agreements before with Samsung Electronics, LG Electronics and Cisco Systems, but the deal with Tencent is a first with a large Chinese tech firm.

Google has previously said that agreements such as these reduce the potential of litigation over patent infringement.

The agreement with the Chinese social media and gaming firm Tencent covers a broad range of products and paves the way for collaboration on technology in the future, Google said on Friday, without disclosing any financial terms of the deal.

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"The agreement with the Chinese social media and gaming firm Tencent covers a broad range of products and paves the way for collaboration on technology in the future, Google said on Friday, without disclosing any financial terms of the deal."

Tencent oversees China's top social media and payments app, WeChat, which has close to a billion users. It also oversees one of the country's most popular app stores and hosts the country's biggest gaming and livestream platforms.

Google did not disclose the scope of the new patent deal and Tencent did not immediately respond to questions about which products the patent agreement will cover.

"By working together on agreements such as this, tech companies can focus on building better products and services for their users," said Mike Lee, Google's head of patents.

Over the past year, Google has indicated that it was looking to increase its presence in the restrictive Chinese market, with the launch of a local AI research lab, introduction of a version of its translation app and expansion into new cities.

The company announced this month that it had invested in Chinese livestream gaming app Chushou, which is similar to Google's own YouTube game livestreaming services.

In December, Google CEO Sundar Pichai spoke at a conference in China hosted by the Cyberspace Administration of China, which oversees censorship in the country.

gadgets.ndtv.com

IBM And Shipping Giant Maersk Launch Blockchain Company For Global Logistics

January 16, 2018

IBM and Danish transport conglomerate Maersk announced today they are launching a joint venture to redefine the global shipping industry for the blockchain age. The new company, which hasn't yet been named, will focus on simplifying the complex process of moving goods across different trade zones.

The company initially plans to market two capabilities built on IBM Blockchain: a shipping information pipeline that provides a real-time, transparent view of merchandise movement, and smart contracts to replace what is today a slow and paperwork-heavy process.

"More than \$4 trillion in goods are shipped each year, and more than 80 percent of the goods consumers use daily are carried by the ocean shipping industry. The maximum cost of the required trade documentation to process and administer many of these goods is estimated to reach one-fifth of the actual physical transportation costs. According to The World Economic Forum, by reducing barriers within the international supply chain, global trade could increase by nearly 15 percent, boosting economies and creating jobs," Maersk said in a press release.

Assuming the new company is able to get regulatory clearance for its offerings, they should be available within six months, according to the release. The company will be headquartered in New York City.

Maersk and IBM have been working on the platform since June 2016. Companies that have piloted the solution include DuPont, Dow Chemical, Tetra Pak, Port Houston, Rotterdam Port Community System Portbase, the Customs Administration of the Netherlands, and U.S. Customs and Border Protection.

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"According to The World Economic Forum, by reducing barriers within the international supply chain, global trade could increase by nearly 15 percent, boosting economies and creating jobs."

"The pilots confirmed our expectations that, across the industry, there is considerable demand for efficiency gains and opportunities coming from streamlining and standardizing information flows," said Michael J. White, former president of Maersk Line in North America and CEO of the new company. "Now this work has progressed to a point that a beta version involving all players of the ecosystem along a specific trade lane can be launched. That is why we intend to create the joint venture — to take these solutions to market."

Procter & Gamble, Agility Logistics, the Peruvian customs agency, global terminal operator APM Terminals, and the Guangdong Inspection and Quarantine Bureau are a few of the companies and agencies planning to explore the technology, according to the press release.

Maersk and IBM will also be assembling industry experts for an advisory board to guide further development of the platform and open standards.

venturebeat.com

Industry Reports

Dell EMC Readies Its Channel Partners For A Storage Revolution

January 18, 2018

Dell EMC is waging an all-out assault on the storage market, investing \$2bn, hiring 1,200 new storage sales specialists, and initiating for the first time channel storage sales quotas aimed at driving big share gains in 2018 through channel partners.

Leading Dell EMC's storage charge is a trio of tech veterans: Marius Haas, president and chief commercial officer for Dell EMC; Joyce Mullen, the company's recently minted global channel chief and Scott Millard, an EMC veteran who is now vice president of global channels specialty sales at Dell EMC.

Dell EMC is determined to stop storage share losses with a new aggressive "refuse to lose" sales strategy, Haas said.

"We are saying, 'Enough is enough,'" said Haas. "It now needs to be real clear that we expect our team members and our partner ecosystem to really rally around the storage business. There are competitors out in the market and for some reason, in some cases, they have done better than we have. So we're taking an approach around, 'Hey, we're going to take a 'refuse to lose' approach in the business."

At the heart of the storage sales offensive are new robust storage compensation incentives for solution providers and the Dell EMC sales reps working side by side with those partners.

Dell EMC plans to grow in the neighborhood of 5 to 10% above the market in its high-end and midrange storage business during fiscal year 2019, which begins in February, Haas said. The growth will "no doubt" come at the expense of competitors including NetApp and Hewlett Packard Enterprise, according to Haas. "We clearly need to make sure that we have the right resources to go in the right depth, to have the right architecture conversations that also enable our partners to sell the full breadth of the portfolio into all markets aggressively, from the high end all the way down to the low end," he said.

"At the heart of the storage sales offensive are new robust storage compensation incentives for solution providers and the Dell EMC sales reps working side by side with those partners."

Dell EMC has hired 1,200 new specialty sales personnel dedicated exclusively to storage, including data centre partner managers and channel specialty sales executives focused on the partner-led selling motion around storage, converged infrastructure and data protection.

The company also has a parade of new storage products set to be rolled out in its new fiscal year. Those products stem from the massive \$2bn the company spent on storage-specific research and development in fiscal year 2018 in preparation for the storage charge.

Dell EMC is counting on channel partners, who account for about 70% of Dell's midrange storage business, to drive the share gains. The company is incenting partners to attack the \$14bn midrange market in 2018 by implementing, for the first time, a storage-only quota for partners. In the past, Dell has a combined storage and server quota, but that's no longer the case.

"We are getting real precise around the expectations of our sellers to say, 'Storage is critically important. You're going to be driving it.' We got a phenomenal storage team that came to us with the EMC acquisition. Now what we want to do is turn that into an engine that is just going to drive extremely hard," said Haas. "We're also going to create training programmes, enablement programmes, MDFs and back-end rebates commensurate with our ambition to clearly have an aggressive share gain plan next fiscal year."

arabianindustry.com

For tech Companies Like IBM, Their Tax Rates May Go Up This Year Under The New Bill

January 16, 2018

For technology companies, specifically those offering services and software, the new tax bill could end up raising their tax rates this year.

Bernstein warned of this effect on IBM in a note to clients Tuesday.

The enterprise tech company's normalized tax rate could rise from 15 percent to "perhaps closer to 20 percent or more," analysts Toni Sacconaghi and Daniel Chen wrote. They pointed out that Accenture has said its 22-24 percent tax rate will be flat or go up.

"On net, we believe that IBM's normalized rate is greater than 15 percent, even before tax reform, and IBM may have been rightfully pulling forward the use of its foreign tax credits ahead of tax reform, as companies like HPE have done," the analysts wrote, referring to Hewlett-Packard Enterprise.

Additionally, the company might have to make a one-time accounting charge because of a write-down of deferred tax assets, among other things, the analysts wrote.

Overall, they said they think IBM could come out as a "loser" in tax reform, which passed in late December, as companies with low tax rates and some services companies could see rates stay the same or go up, they said.

The Bernstein analysts are expecting \$13.51 in earnings per share, excluding certain items, and they point out it is below the consensus estimate of \$13.88.

cnbc.com

Google Building 3 New Undersea Cables To Expand Cloud Business

January 16, 2018

Google's network of undersea cables is growing.

The Web giant on Tuesday announced plans to commission three new subsea cables in 2019 as part of a plan to expand its cloud computing infrastructure. Google is also gearing up to open new Cloud Platform regions in the Netherlands, Montreal, Los Angeles, Finland, and Hong Kong this year.

The new cables include Curie, which will link Chile to Los Angeles; Havfrue, connecting the US to Denmark and Ireland; and the Hong-Kong-Guam cable system, linking up "major subsea communication hubs in Asia," Google's Vice President for 24/7 Operations Ben Treynor Sloss wrote in a blog post. Curie, named after the scientist Marie Curie, will be Google's own private cable, while Havfrue, which is Danish for "mermaid, and HK-G are consortium cables the company is building alongside others.

"Together, these investments further improve our network—the world's largest—which by some accounts delivers 25 percent of worldwide internet traffic," Treynor Sloss wrote.

With Curie, Google is set to become the first major non-telecom company to build a private intercontinental cable. When operational, Curie will serve Google users across Latin America.

"Owning the cable ourselves has some distinct benefits," Treynor Sloss wrote. "Since we control the design and construction process, we can fully define the cable's technical specifications, streamline deployment and deliver service to users and customers faster. Also, once the cable is deployed, we can make routing decisions that optimize for latency and availability."

Meanwhile, Google is building Havfrue with Facebook, Aqua Comms and Bulk Infrastructure, and working with RTI-C and NEC on the HK-G cable system.

"We're excited about these improvements," Treynor Sloss wrote. "We're increasing our commitment to ensure users have the best connections in this increasingly connected world."

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