

Korea

Since the mid-2000, the speed of informatization development in Korea slowed down significantly, due to an obstacle in finding a new growth engine to replace the broadband Internet, issues in establishing the Internet order, as well as new global trends such as green growth and cloud computing, absence of information technology (IT) control tower and benchmarking target. Thus, in 2008, the Korean government announced the “Basic Plan for National Informatization” to focus on proper use of IT, rather than the spread of IT.



Informatization Status

I. DEMAND SIDE

1) e-Government In 2008, the e-government project emphasized enhancing the efficiency in government administration and improving the convenience of the people and businesses through data interface and sharing among various government agencies. In 2009, it is supporting the 12 key e-government initiatives to realize an “advanced knowledge-information society with creativity and reliability.” The future service will evolve into the virtual government service of “Sense and Response” by identifying and resolving the needs of individual citizens in advance. Thus, the Korean government aims for a comprehensive innovation of government administrative services by implementing the full online service for all civil affairs and creating a consolidated single window for all governmental services.

2) Informatization of the Private Sector

In 2008, the total business volume of e-commerce recorded around 630 trillion won (about 494 billion dollars), which is a 22.0% increase from the previous year. In particular, the recent Internet shopping mall market is led by “open markets,” such as Auction and G-Market. Moreover, personal online businesses using blog or internet community are active these days. In other words, blogging and the internet community are not just a place to post one’s opinion or information, but they are evolving into a business venue for transaction and marketing of products.

2. SUPPLY SIDE: IT INDUSTRY

Korean IT companies are evaluated to have prospered despite the economic downturn, and there was a great progress in convergence of broadcasting and telecommunication over 2008, led by IPTV. With the IPTV service of Korea Telecom opening the door in 2008, SK Telecom and LG Telecom also started a full-fledged service in 2009, which seems to require additional efforts on service quality and product development. In the laptop computer market, “netbook” received a great

attention as a new growth engine and the market became more vibrant recently with the emergence of products that combined netbook and WiBro (or mobile WiMAX).

3. INFRASTRUCTURE AND INFORMATION PROTECTION

Korea has the world's best IT Infrastructure but its support for the people's lives and business activities by linking it with the Social Overhead Capital (SOC) area, such as logistics and transport, has been insufficient. Thus, it is essential for the Korean government to realize the smart SOC by connecting it with the IT service. Moreover, it plans to pursue the green growth strategy to be in line with the global trend, which includes the Four Major Rivers Restoration Project and the surroundings maintenance project. Along with this, the government budget increased by 8.4% from 2008 with the implementation of the national information protection system and the enhancement of personal information protection measures to prevent the negative effects of informatization.

National Informatization Basic Plan

Creativity refers to enhancement of efficiency in each sector and creation of new value-added through creative use of IT. Reliability refers to creating an environment for sustainable informatization by establishing a sound information culture. Moreover, the advanced knowledge-information society refers to a society that creates new values for the people to live a safer and more convenient life through creative use and convergence of knowledge and information. To realize this, the Korean government has selected two growth engines – “creative softpower,”

“cutting-edge digital convergence infrastructure” – and three areas – “reliable information society,” “efficient knowledge government” and “people's prosperity through digitalization.”

Action Plan for National Informatization

To achieve the creative softpower, the Korean government plans to share services among government, public, private sectors, create a collaborative environment to create new services, and expand the consolidation, interface and utilization of data scattered among different policies. Moreover, for the cutting-edge digital convergence infrastructure, it will further develop the information-telecommunication network and provide public services by using u-IT(ubiquitous-IT). To achieve a reliable information society, it will create a safe environment for personal information protection as well as a mature information culture to reduce the personal information collection rate to 30% by 2012 and to improve the digital divide index to 25.0 points by 2012. To realize the efficient knowledge government, it will increase the e-Government usage rate to 60% by 2012 and bring up the e-Government index to rank 3 by 2012 by opening the administrative information in real-time and improving the administrative transparency through the online administrative service. Lastly, to realize the people's prosperity through digitalization, it will improve the life satisfaction score from 0.45 in 2006 to 0.6 in 2012 and expand the separate procurement of software to 30% for the public sector by 2012 by creating an eco-friendly, low-carbon business environment and with efficient management of government IT resources.

China

The Chinese government regarded the IT industry as the strategic, fundamental, and leading pillar for its economic development, and has been implementing a five-year plan for the information industry. The most recent plan was the 11th Five-Year Plan for the Information Industry (2006~2010). This plan is about establishing the policy foundation for national IT projects and businesses in the next five years by functioning as a guideline for the development of the IT industry in China. The 11th five-year plan aims to achieve; the total profit margin of 1.470 billion US dollars and average growth rate of 17.6% for its IT industry; increase the share of IT products to around 35% of its total national export; increase the number of cellphone users to 60 million with the cellphone penetration rate of 45 units per 100 people; and expand the market share and enhance the competitiveness of the Chinese IT industry in the international market by 2010.

In 2009, the Chinese State Council announced the “Electronic Information Industry Restructuring and Promotion Plan” to facilitate the development of the electronic information industry. With the new plan, the State Council aims to increase the GDP contribution of the electronic information industry by a minimum 0.7% over the coming three years (2009~2011) and to create 1.5 million new jobs through continued and stable growth of the electronic information industry and development of new IT and related service industries. It has selected nine core item areas, such as computer, electronic component, AV, integrated circuit, component for new display model, software, communication equipment, information service, and ICT application sector, and has introduced three major tasks and seven policy measures. Here, the “Industry Adjustment Plan” to facilitate the digitalization of broadcasting business and to nurture the new growth engine is included. This plan aims to establish a win-win structure for all contents, terminal, transmission, and operation vendors by accelerating the conversion from analog to digital TV, actively pursuing the program diversification and HD broadcasting, and continuously supporting new services such as IPTV, mobile TV, etc. Demands created from these new application sectors will serve as an important

engine for the development of the broadcasting and telecommunication industry of China.

IT Industry

The growth trend of the IT industry is slowing down with the recent revaluation of yuan, rise in labor cost and global financial crisis, etc., but in 2008, the market size of its IT industry accounted for 5% of the total GDP and the contribution level to the Chinese export growth (30%p) and job creation (5%p) is still very high. According to the Ministry of Industry and Information Technology (MIIT), between January to April 2008, the IT manufacturing industry recorded a profit margin of around 212 billion dollars, which is a 2.8% increase year-on-year. During the 1Q of 2008, the software industry saw its profit margin growing by 30% year-on-year and export volume by 54% to record 2.4 billion US dollars. The IPTV industry experienced a rapid rise in its subscribers with the Beijing Olympics to record 2.54 billion subscribers in the 3Q of 2008. The Chinese digital contents market is estimated at 12.87 billion US dollars in 2008, which is a 33.8% growth. Digital broadcasting accounted for the largest part of this growth with the full support of the Chinese government since 2007, followed by games, mobile contents, online portals, etc.

Japan

The IT Strategy Division of Japan has adopted the “New IT Reform Strategy” in 2006, setting forth drastic developments led by structural reform, user orientation, and international contribution, as well as enhancement of national competitiveness as its basic principles. Based on this strategy, Japan introduced the “Priority Policy Program 2007” in 2007 and created the “New IT Reform Strategy Assessment Committee” to evaluate the government’s response measures and to reflect them in the Priority Policy Program of the following year.

In 2008, it announced the “xICT Vision : For an in-depth convergence of all industries, regions and ICT” to present not only the “changes in livelihood” as it has done so far, but also the “changes in industry landscape” and “changes in local landscape” through the enhancement of efficiency in existing industries and the creation of new industry areas.

In 2009, Japan’s Ministry of Internal Affairs and Communication announced the “Digital Japan Creation Project-IT Hatoyama Plan” based on the “ICT New Deal.” According to this plan, Japan aims to emphasize the IT industry as its new growth engine, expand IT-related markets to around 100 trillion yen in three years, and create around 300,000~400,000 new jobs. Moreover, it plans to accelerate the IT-related investments in all areas to establish a living environment where its people can feel safe and secure, change the entire industry structure of Japan and enhance the international competitiveness through IT.

e-Government

In 2007, the Japanese government revised some parts of the “e-Government Construction Plan,” which was announced in 2006, to implement it as a five-year plan from 2006 till the end of 2010.

Objectives of this plan include improving online usage rate, optimizing systems and processes, expanding the government system optimization, securing stability and reliability, and implementing the next-generation e-administration service.

IT Industry

In 2008, there were 90.9 million Internet users in Japan, which is a 75.3% Internet penetration rate for its total population, and the size of its digital contents market recorded 30.74 billion US dollars in 2008, which is 21.1% growth from the previous year. From its digital contents market of 2007, games accounted for the largest proportion with around 7.46 billion US dollars, followed by digital images and online portals. According to

International Data Corporation Japan, Japan had 240 thousand IPTV subscribers and revenues of 11.3 billion yen in 2007. These numbers are expected to increase further with the enhanced sales of FTTH (fibre to the home) circuit + IPTV service bundle product, improved recognition of IPTV service, wider distribution of video on demand (VOD), etc. to record 3.13 million subscribers and revenues of 108.5 billion yen by 2012. In the mid-to-long term, the market growth will accelerate as conditions to supply the IPTV service will be ready with the revision of copyright laws and supply of TVs and digital video recorders (DVRs) supporting IPTV service become available. [1][2]

About the Article

This article is reorganized based on *The National Information White Paper* published by the National Information Society Agency (NIA) in Korea. The white paper has been published every year since 1993 in order to help both IT experts and the public better understand the national informatization trends.