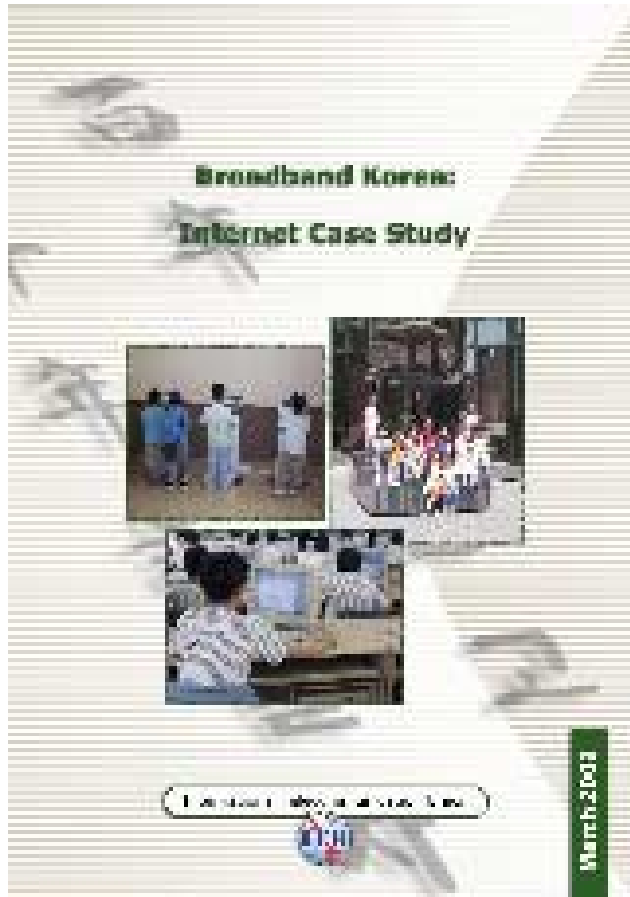


# *Case study of a high-tech world leader: Republic of Korea*



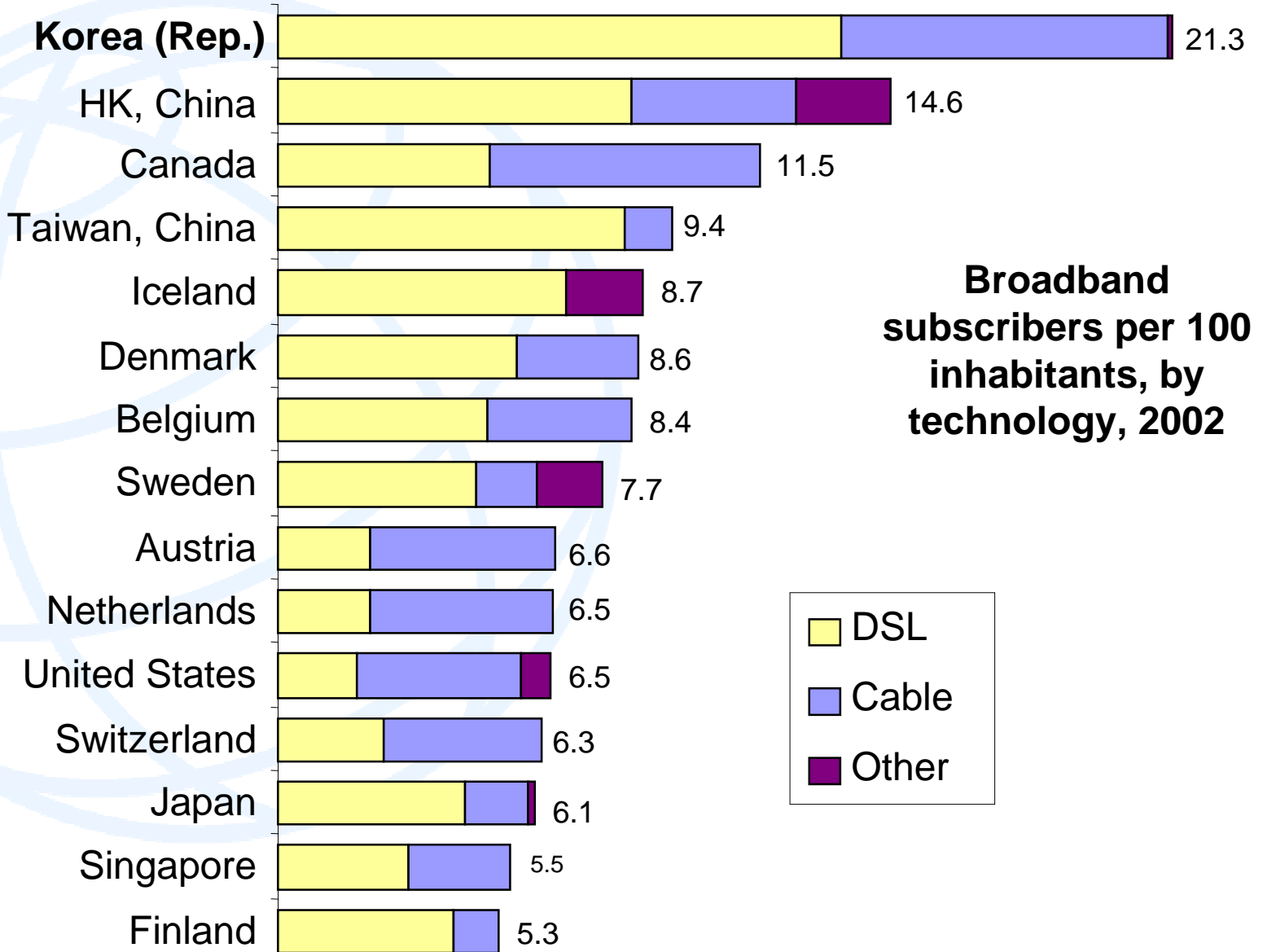
**Dr Tim Kelly,  
Head, Strategy  
and Policy Unit**



The views expressed in this presentation are those of the authors and do not necessarily reflect the opinions of ITU or its Membership. The author can be contacted by e-mail at [tim.kelly@itu.int](mailto:tim.kelly@itu.int).



# Korea: #1 worldwide in broadband

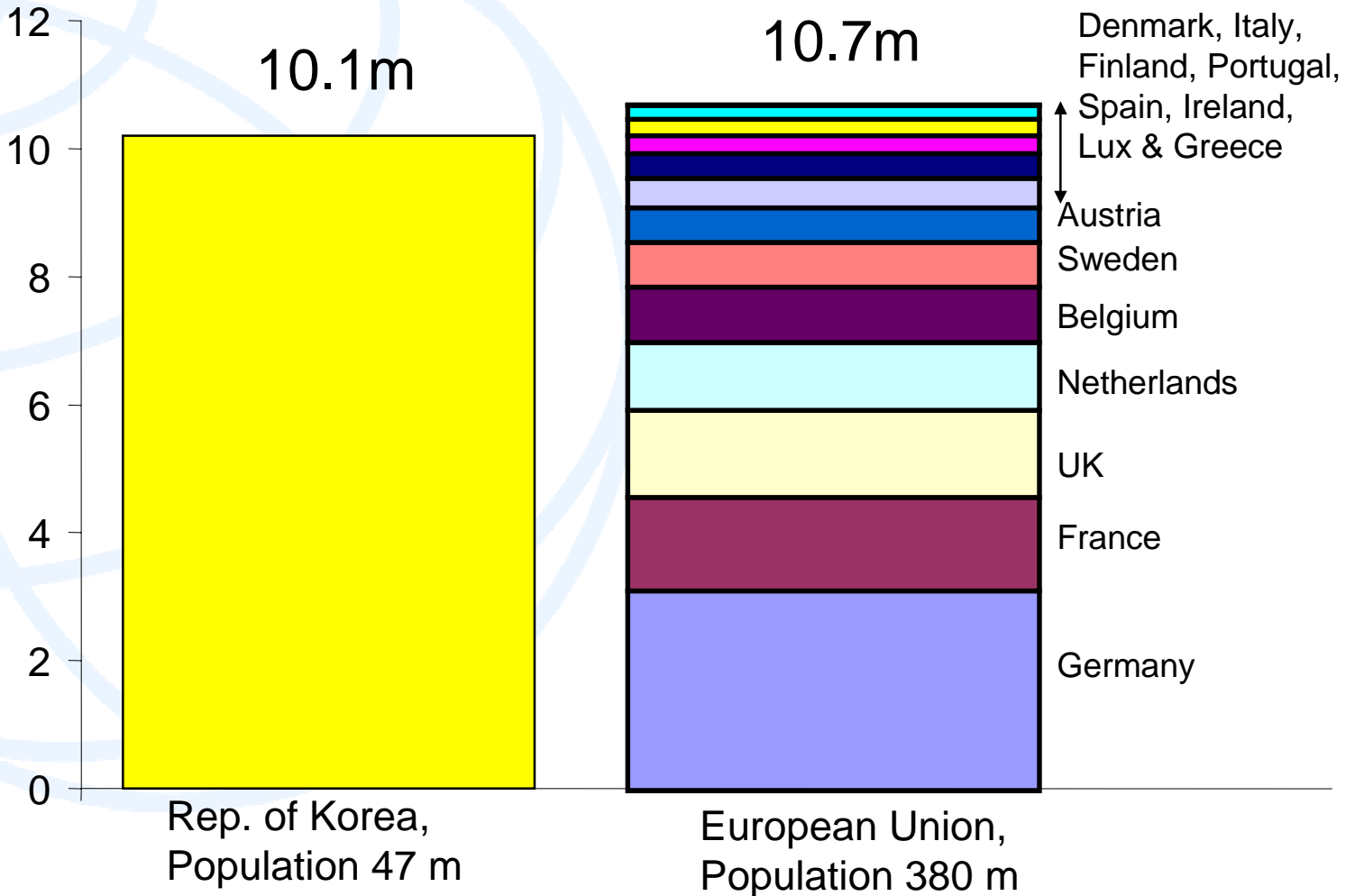


Source: ITU World Telecom Indicators Database.



# Just how far ahead is Korea?

## Broadband subscribers, end 2002, million



Source: ITU World Telecom Indicators Database.



# Secrets of Korea's success (1)

## Government policy push

Maximise ability of all citizens  
to use ICTs

Vision of a creative knowledge-  
based society

Ten priority areas  
Annual action plans

National information  
superhighway

Administration, defence, public  
security, finance & education

Focus on manufacturing

E-Korea Vision 2006  
(2002-2006)

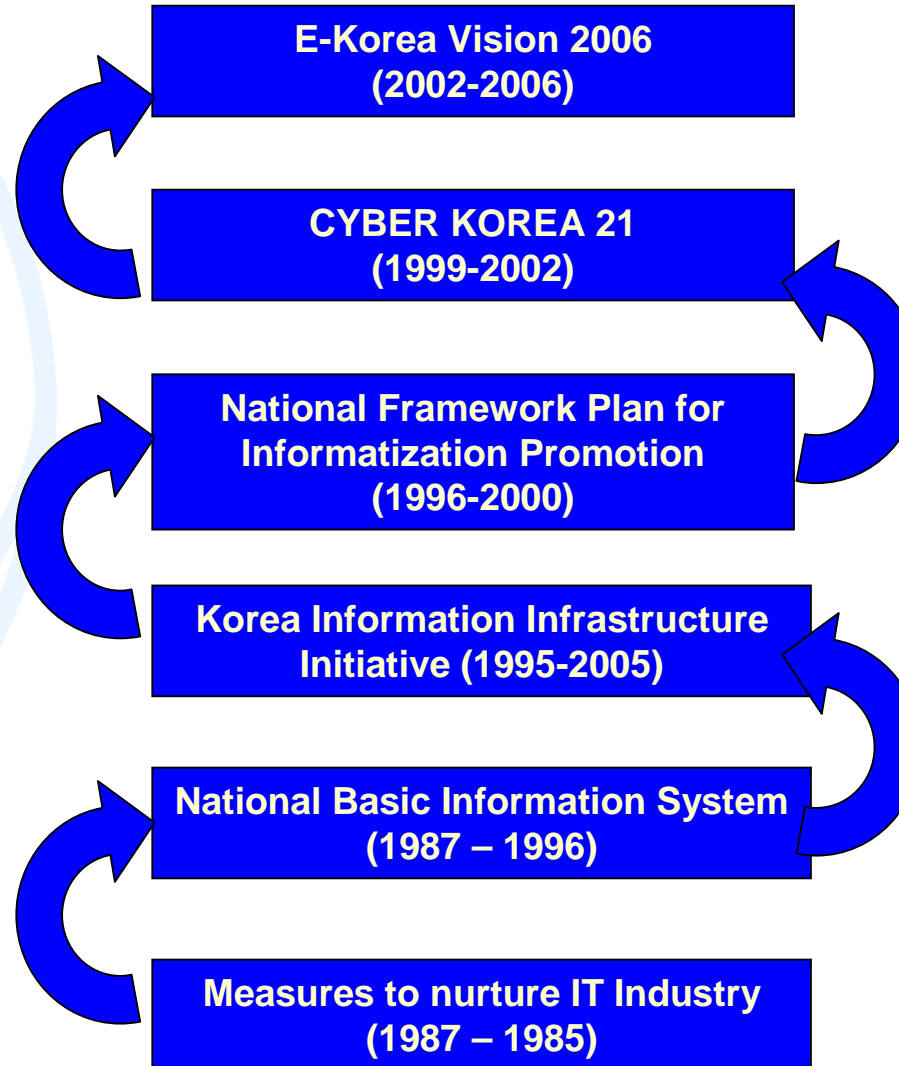
CYBER KOREA 21  
(1999-2002)

National Framework Plan for  
Informatization Promotion  
(1996-2000)

Korea Information Infrastructure  
Initiative (1995-2005)

National Basic Information System  
(1987 – 1996)

Measures to nurture IT Industry  
(1987 – 1985)



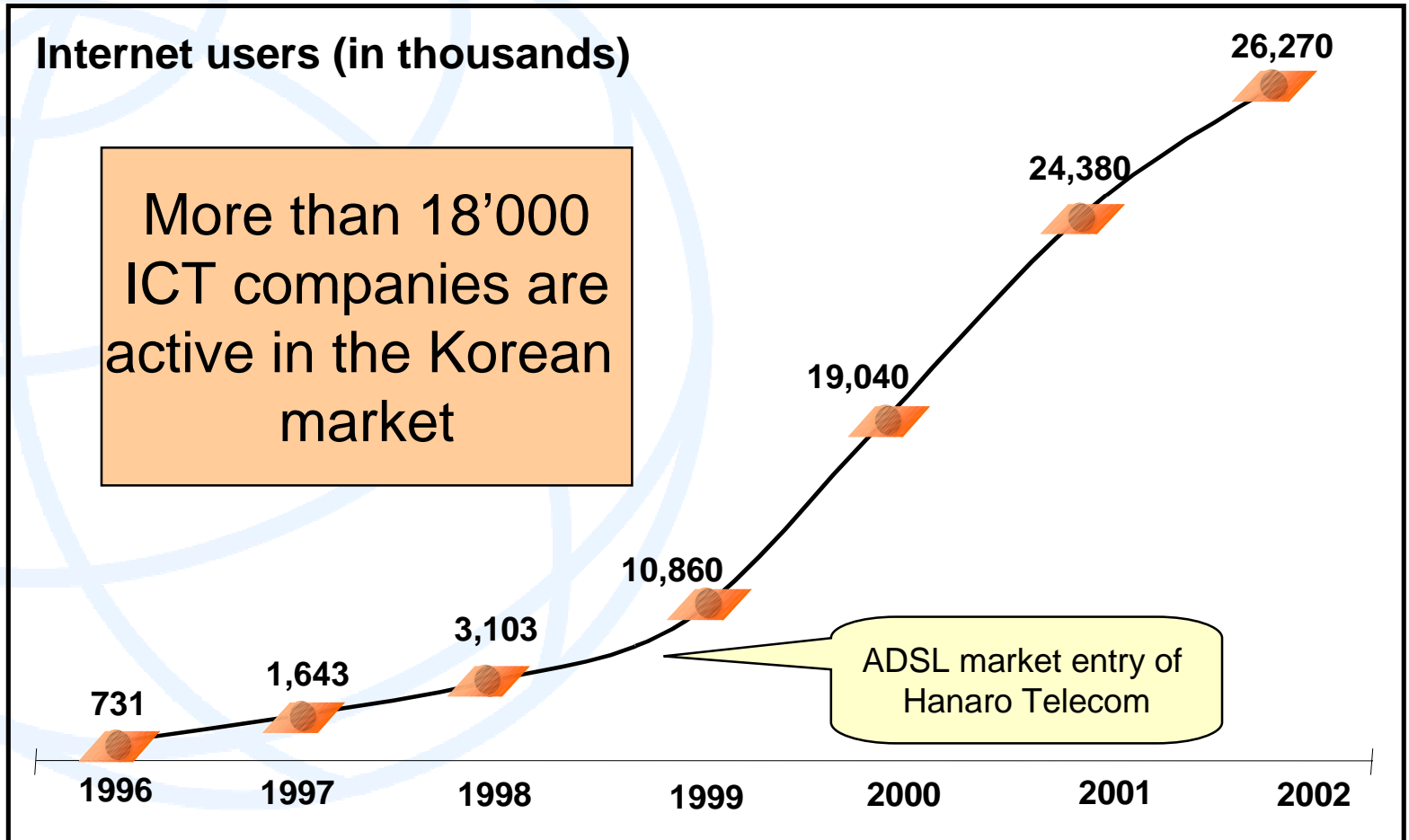
# Outcome of public policy drive: A highly ICT-literate society

- Home PC-ownership: >78%, of which >86% are Internet users
- >90% of Internet users have broadband access

Year	PC Penetration at home (78.5%)						No PC at home
	Internet Access at home (68.1%)					No Internet Access	
	Dial-up	ISDN	xDSL	Cable modem	Other		
June 2002	3.0%	0.5%	55.5%	8.8%	0.3%	10.4%	21.5%
Dec 2001	5.5%	0.8%	45.1%	11.3%	0.5%	13.6%	23.1%

# Secrets of Korea's success (2)

## Infrastructure competition



# Outcome of infrastructure competition:

## Diversity and choice

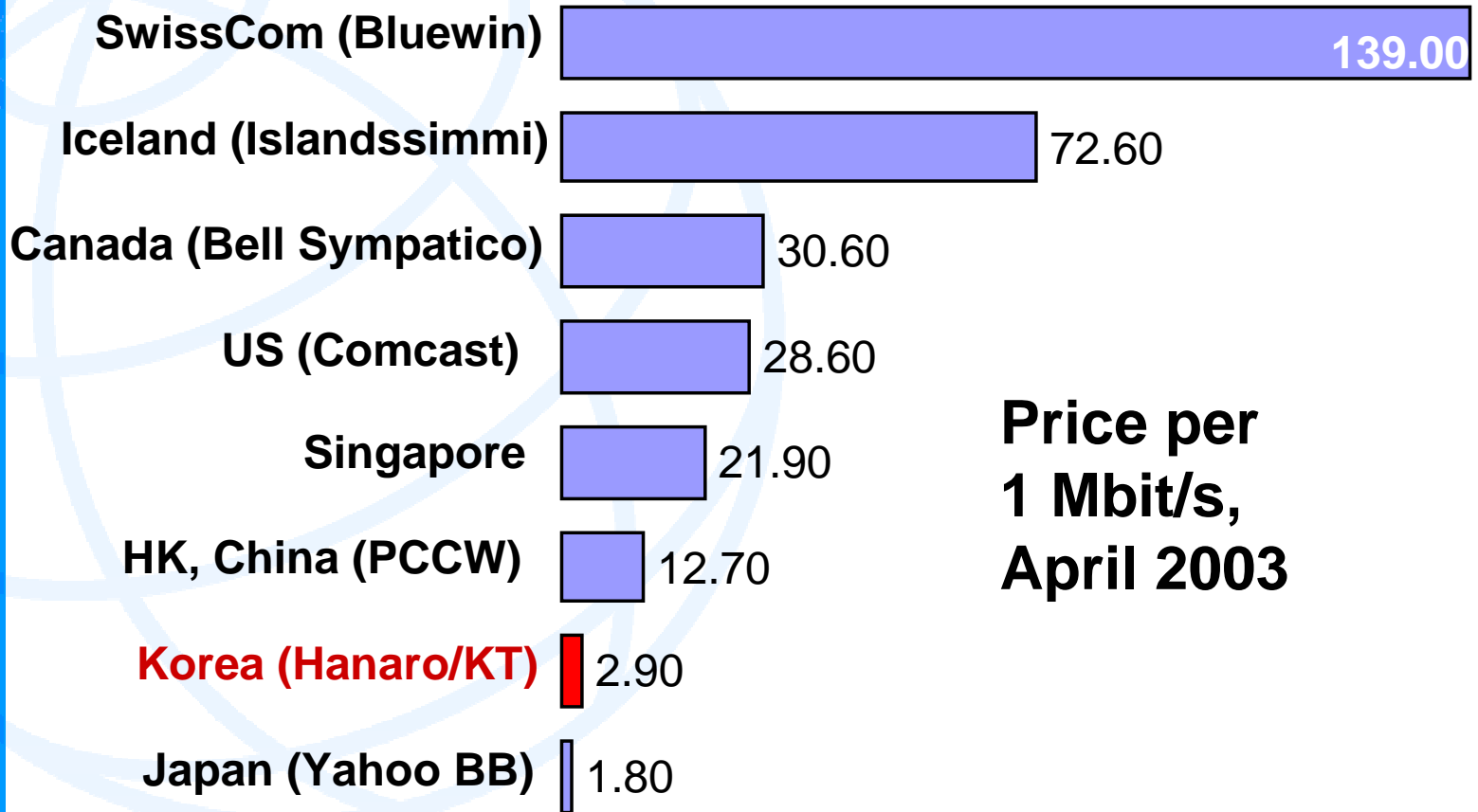
### Broadband service penetration (in '000s of subscribers)

Technology	Max. Down Speed	1998	1999	2000	2001	Nov. 2002
xDSL	Up to 8Mbit/s	1	170	2'070	4'387	5'664
Cable modem	Up to 10Mbit/s	13	190	1'390	2'530	3'554
Metro Ethernet & B-WLL	Up to 10Mbit/s	-	-	540	875	1'181
Satellite	Up to 1Mbit/s	-	10	20	12	6
Total Subscribers ('000s)		14	370	4'020	7'805	10'405
% of total household		0.1%	2.6%	29%	56%	63%



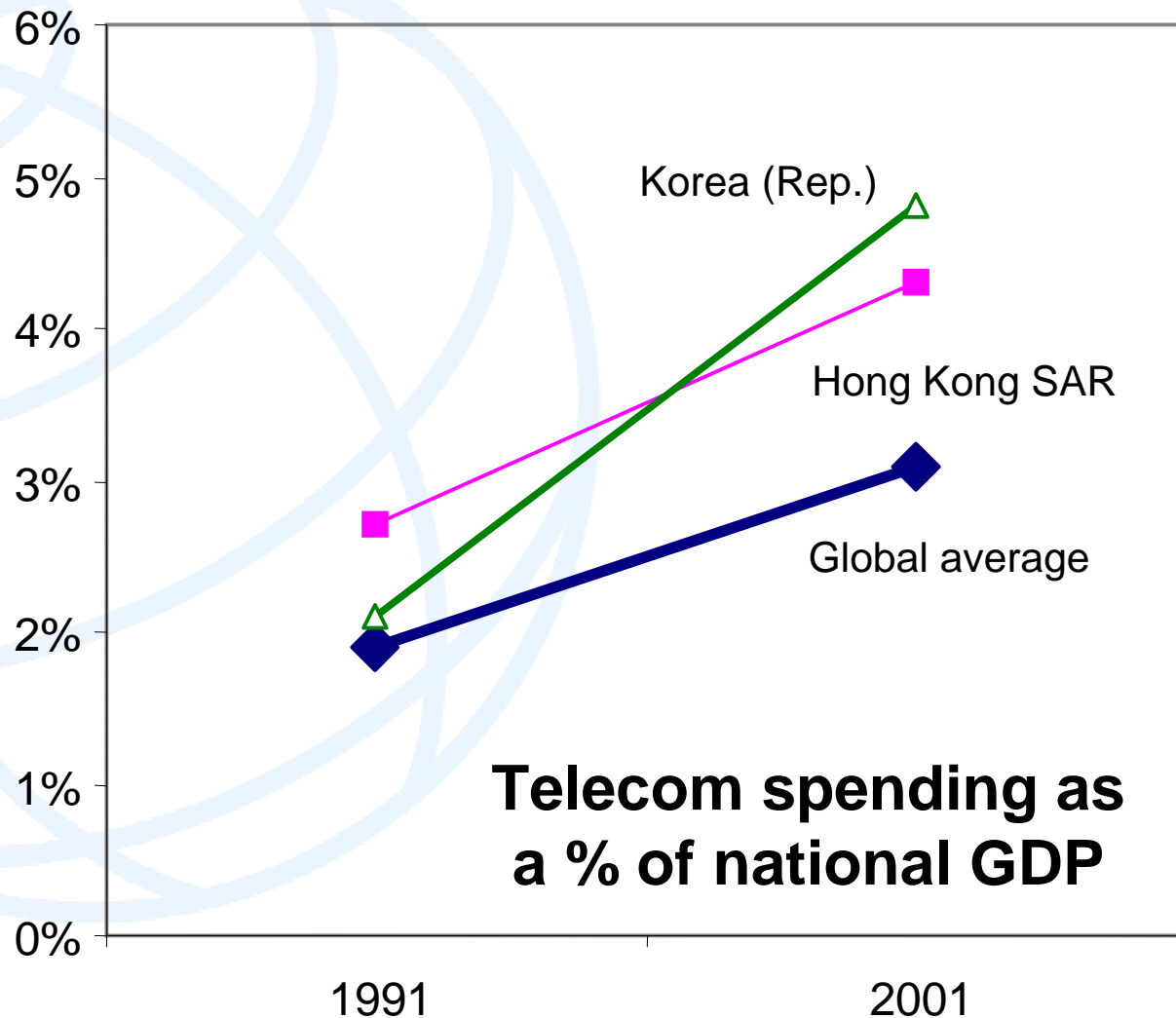
# Secrets of Korea's success (3)

## Attractive pricing options





# Outcome of lower prices: Higher spending on ICT services





# More secrets of Korea's success

- **Emphasis on education**
  - **Broadband seen as family investment in education**
- **Highly-urbanized population**
  - **80% living in urbanized areas**
  - **48% of housing stock is apartment blocks**
- **Favourable regulatory environment**
  - **Local loop unbundling**
  - **Government support for facilities-based competition**
- **Local manufacturing and local content**
  - **Emphasis on R&D**
  - **High performance IP backbone**
  - **Korean content (e.g., DAUM website) and games**
- **Government support**
  - **Spectrum fees and other remain within sector**