

from less than a third in 1989 to 80%, or US\$ 287 million, in 1991. Fiber optic cable purchases increased 20% in value in 1990 and will in 1991 as well to reach US\$ 43 million.

Although only a small portion of total purchase value, expenditure for antenna equipment will multiply by well over four times in 1991 to almost US\$ 5 million. Optic fiber communications equipment purchases are expected to triple and exceed US\$90 million this year.

As Table 1 shows, the value of the domestic telecommunications market in Korea in 1989 and 1990 was US\$ 1.83 billion and US\$2.02 billion respectively in 1989 and 1990.

Although a direct comparison between Korea Telecom's telecommunications equipment purchases and these figures for overall market size overlooks possible differences in time periods and definitions for the recording of sales transactions, it is still enlightening to note that Korea Telecom's major purchases in 1989 and 1990 equal more than 70% of the domestic market's value in both years.

Korea Telecom's entry into the field of data communications will mean an increasingly larger market for vendors of related equipment, particularly packet-switching and network management systems. This is the area where DACOM has been the major buyer in the past two years and they will continue to expand their service areas and network coverage. Deregulation of the VAN/VAS market to domestic companies and joint venture firms with foreign partners will lead a number of Korea's large corporations and conglomerates to invest in data communications equipment as well.

Additionally, DACOM's entry into the international and long-distance telephone service market from the end of this year will create new sales opportunities. The pending appointment of a new mobile communications carrier to meet burgeoning demand and the authorization recently for the establishment of another commercial television broadcasting company will also increase the demand for related equipment and consulting services in these sectors.

The Korean government's massive program for the development of a National Information System composed of five nationwide networks will call for large-scale investment in communications and data processing facilities. One of these networks, the National Administrative Information System, or NAIS, is already under development and limited operation through DACOM.