

## EXECUTIVE SUMMARY

The following are key findings and comments from this study:

\* The 1990 domestic market for telecommunications attained an estimated value of US\$ 2.02 billion in Korea, growing just over 10% from the previous year. By the year 2001, this market is forecast to exceed US\$ 4.9 billion in value.

\* Korea has sourced the majority of its telecommunications equipment imports from the United States and Japan. Although developed countries have been the key buyers of Korea's exports, developing countries in regions such as South East Asia, South and Central America; and the countries in Eastern Europe, the Soviet Union, China and Mongolia are expected to be fertile ground for Korean exporters, particularly for telephone switching systems.

\* Among major equipment and service areas which show promise for active participation by Canadian firms, those relating to the communication satellite business, mobile communications and network management are particularly interesting.

\* The value of Korea's service market is roughly three times that of the

equipment market. Basic voice services, which constituted over three-quarters of total service revenues in 1990, have been provided solely by Korea Telecom (KT), a state-owned enterprise. Legislation has been passed to pave the way for Korea Telecom's privatization.

\* Important new services that Korea's Ministry of Communications and five existing basic telecommunication service providers plan to make available in the nineties, include the launching of a domestic communications satellite, introduction of CATV, and a host of local and international data communications services.

\* Deregulation of Korea's service market is gaining some headway, although the U.S. and the E.C., among others, are pressing for earlier access. Korea has agreed to open the VAN service market to foreign firms through joint ventures in the first part of this year. However, the government is determined to hold off complete foreign access to the market until 1994.