

information about the products through development of mobile RFID technology that combines mobile communications and RFID. The private sector will lead efforts to develop and commercialize tags, readers and middleware while research institutes will focus on developing next-generation core technologies such as ubiquitous network-related sensor nodes. RFID-based service will maximize synergistic effects, bring diversity into our daily lives and enhance consumer convenience.

## VI. W-CDMA Service

*The Korean government is taking measures to invigorate investment in W-CDMA service, as many Korean companies are expected to enter the global W-CDMA market.*

The W-CDMA service is an IMT-2000 service that provides voice, video and high-speed data service in the 2GHz band. After launching commercial W-CDMA service in late 2003, Korea took measures to invigorate the service by encouraging W-CDMA investment, providing handset subsidies, and temporarily fixing tariffs for unlimited data use. In addition, the W-CDMA Technical Support Team, composed of telecom carriers, manufacturers and researchers, was formed to enhance competitiveness of the Korean W-CDMA industry and communication quality of the W-CDMA service. There is also the W-CDMA Working Group that exchanges views on technical and business issues in the domestic and international markets, and actively deals with challenges that arise. Full-fledged W-CDMA service is being launched and is centering around Europe and Japan. Responding to global trends, Korea confirmed its concrete investment plan for domestic W-CDMA service by setting a goal to roll out the service to cities across the nation by 2006. Along with this, many Korean companies are expected to enter the global W-CDMA market.

## VII. Terrestrial DTV Service

The terrestrial digital TV service is a high-quality, multi-functional broadcasting service that provides CD-quality sound and definition five to six times higher than that of analog broadcasting. As the digital TV market is expected to have enormous economic and social spillover effects in the future, global competitiveness in this sector will enhance the people's quality of life. The coverage of terrestrial digital TV broadcasting will expand to provinces, cities and towns by

2005, and nationwide in 2006 along with data broadcasting service.

To promote digital broadcasting service, the government has encouraged development of a variety of low-priced TV sets, increased the minimum number of mandatory HDTV broadcasting hours, and improved digital TV broadcasting reception. The government is considering whether to discontinue analog broadcasting in 2010 when the take-up rate of digital television in Korea reaches 95 percent.

Nationwide terrestrial digital TV broadcasting is projected to create KRW167 trillion in production-inducing effects to the Korean economy by 2010. Terrestrial digital TV service will improve the quality of life by easing access to information and various kinds of entertainment, and playing a key role in a digitized home environment.

## VIII. Internet Telephony Service(VoIP)

*Internet telephony service such as VoIP is likely to play a leading role in the creation of convenient communications environment by integrating video, multimedia, payment and other value-added services.*

The high broadband penetration and completion of the Internet backbone networks contributed to creating Internet telephony service(VoIP) that offers inexpensive phone services. The VoIP service converts voice signals into packet data to provide a phone service over the Internet. This Internet telephony service is likely to play a leading role in the creation of a convenient communications environment by integrating video communications, multimedia, payment settlement and other value-added services. For this reason, Internet telephony emerges as a key application for the All-IP based BcN. In 2004, the government overhauled classification of the service and regulation on market entry and exit, and set a policy direction for Internet telephony service which includes interconnection system and SLA. By 2010, for All-IP telephony systems, the government plans to classify VoIP as a facilities-based telecom service, allocate call numbers, and guarantee telephone call-level voice quality. The government also hopes to promote the Internet telephony industry including equipment and S/W in parallel with the development of VoIP service, which is based on advanced broadband infrastructure.