

IT Industry Trends

New IT Growth Engines

IT R&D and International Standardization Activities

Facilitating the Growth of IT SMEs and Venture Companies

[Table 3-2] *Number of IT Service Subscribers Per Year*

(unit: 1,000 persons)

Year	2000	2001	2002	2003	2004
Facilities-based Telecom Service	57,955	71,279	103,273	110,959	118,178
Resale Telecom Service	1,332	1,729	2,325	2,423	2,423
Value-added Telecom Service	50,136	55,120	54,500	53,202	69,497
Broadcasting Service	9,992	10,326	11,435	12,548	12,552

Source : Korea Association of Information & Telecommunication(KAIT), 2004

II. IT Equipment Industry

The IT equipment industry achieved sound growth in 2004 compared to the previous year because of increased shipments to China and enhanced competitiveness of key export items like mobile phones, semiconductors, LCD monitors, and digital TVs.

The production of the IT equipment market registered a 16% growth rate to reach KRW 164.27 trillion. Domestic sales increased about 27.48% to KRW 148.15 trillion. Exports stood at USD 74.2 billion, up 29.82%. Import volume rose 12.32% and was valued at USD 40.3 billion. As a result, the trade balance of the IT equipment industry amounted to USD 33.9 billion with a 59.33% increase year-on-year.

III. Software Industry

Domestic software production in 2004 increased only 1.6% from 2003 to KRW 18.73 trillion. This was due to negative growth in computer-related and digital contents development services. These services were adversely affected by shrinking IT investment and consumer demand. However, the software industry enjoyed 110.7% growth in exports, recording USD 413 million thanks to strong demand from China and Southeast Asia.

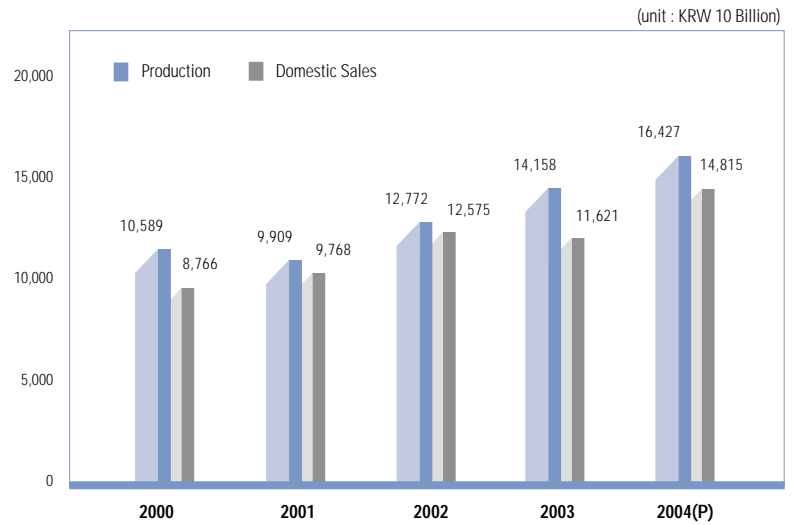
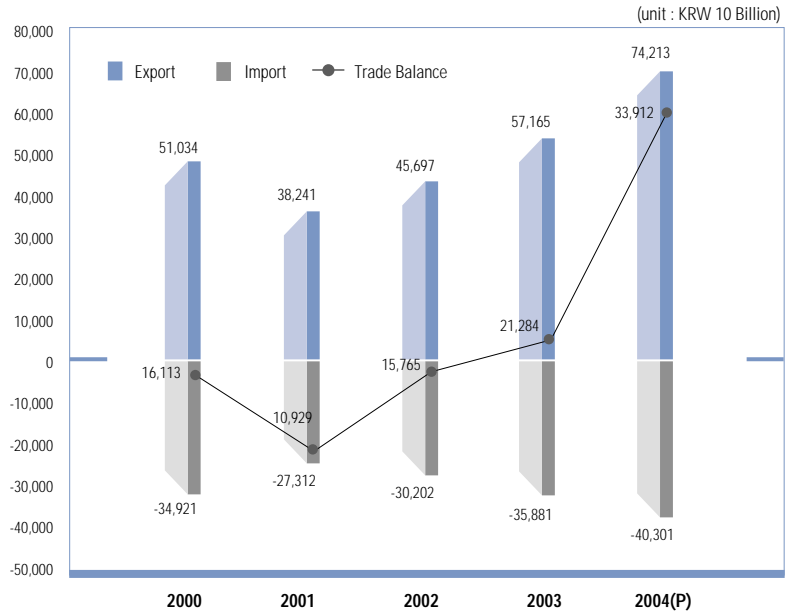
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[Figure 3-3] *Size of the IT Equipment Industry Per Year*



Note : (P) = Preliminary Estimates

Source : Korea Association of Information & Telecommunication(KAIT), 2004