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Gov't Finalizes e-Trade Innovation Plan

'e-Trade Platform' Due by 2007

Korea plans to build e-trade infrastructure, including an 'e-Trade Platform,' by 2007. As a result, the nation is expected to realize about 1.82 trillion won of economic effect in 2008, the first year after its completion.

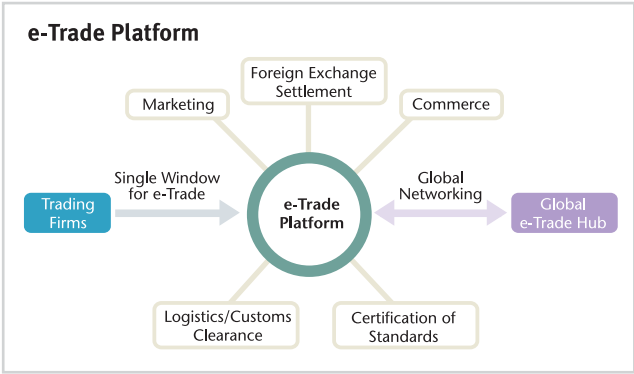
The government has decided to invest a total of 38.65 billion won to conduct 33 major tasks, establish the Internet-based 'e-Trade Platform,' etc. by 2007 for fundamental trade process innovation and conversion into a new trade paradigm to cope with the rapidly changing IT environment and the unlimited global competition era while responding to expansion of the nation's trade volume.

The National Electronic Trade Committee (chairman: Prime Minister) confirmed the content of the e-trade innovation plan 'e-Trade Korea 2007' at its second committee meeting held on September 8.

Prime Minister Lee Hae-Chan, who presided over the meeting, emphasized, "Trade is the key to achieve the national goal of US\$20,000 per-capita income and e-trade is a prerequisite element to support it amid expanding global competition." He called for promotion of bold innovation through organic cooperation among government ministries and between the government and private businesses. Premier Lee also requested related private organizations' active cooperation, as business communities' voluntary participation and cooperation are considered indispensable.

In accordance with the guideline set out at the first meeting of the national e-trade committee held in December last year, the e-trade innovation plan was prepared after six months of in-depth discussions and verifications with experts from trade and academic circles and working-level officials from the ministries concerned.

The plan suggests that the Internet-based e-Trade Platform-centered networking system is the future model for e-trade, while outlining four innovation strategies



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## KTNET to Promote ITA Project



Korea's leading e-trade provider, KTNET is promoting the ITA (Information Technology Architecture) Project starting in September this year. This project aims to improve the architecture of IT infrastructure and to realize

e-trade ITA.

To kickoff the project, KTNET sent RFPs (Requests for Proposals) recently to six companies, NexGen Technology, Bearing Point, Accenture, Sun Microsystems Korea, Hewlett-Packard Korea and IBM Korea, after finalizing the details on September 2.

Under the IT project, KTNET expects to reap various effects such as rearrangement of complicated e-trade services into architecture-based services, prevention of future duplicate investments through establishment of e-trade ITA, improvement of internal software development process and efficient management of IT manpower resources.

A member of KTNET's e-system operation team said, "There are many areas requiring improvement from the aspect of IT infrastructure as related systems used to be added whenever necessary amid the continued introduction of diversified e-trade services." He said that KTNET would be able to introduce a framework-based development environment along with prevention of duplicate investments through the proposed ITA project.

## 'e-Trade Promotion Law' Eyed for 2005

For establishment of the Internet e-trade platform by 2007, a new 'e-Trade Promotion Law' (tentative name) is expected to be implemented early next year, replacing the existing Trade Procedure Automation Promotion Law.

According to the Ministry of Commerce, Industry and Energy (MOCIE), the government decided to prepare an 'e-Trade Promotion Law' bill for revision of the present law in support of building the core infrastructure, an e-trade platform to realize a strong e-trade nation, and to submit it to an extraordinary session of the National Assembly early next year after completing all revision procedures, including public hearings and preliminary announcement of the legislation.

The e-Trade Promotion Law will include an amendment to the basic framework of the existing law that defines VAN-based trade EDI as the trade automation infrastructure and designation of a new open network-centered e-trade platform, such as the Internet, as national e-trade infrastructure.

The e-Trade Platform will be established with a single window concept through which all trade procedures, ranging from marketing to customs clearance and payment settlement, can be processed 24 hours a day via the Internet. Together with e-document exchange through certification, the platform will expand trade transactions to include the trade e-marketplace function to access trade-related information in the future.

The existing de-facto trade EDI specialist, KTNET, was also confirmed as the e-trade platform-operating agency, a designation which had been a controversial issue. The government plans to reorganize KTNET into an enterprise having a strong public character and to suggest ways to operate the e-trade platform as a non-profit system within the e-trade law.

A MOCIE official said that as a result of the ministry's multi-angled scrutiny of utilization and operational knowhow of the existing infrastructure KTNET was judged to be the most appropriate operator.

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Meeting of Korea, France, UK, Germany

## Asia-Europe 'Silk Road' Economy Era

Four nations, Korea, France, the U.K. and Germany, held the first meeting for a Asia-Europe e-trade alliance September 3-4 at Shilla Hotel in Jeju Island with participation by government officials and business representatives of the respective countries.

The two-day Jeju meeting provided momentum to organize a private-government joint 'Asia-Europe e-Trade Alliance' to push for full-scale implementation of e-trade between Asia and Europe, which has been thus far promoted from the perspective of ASEM.

Spearheaded by Korea, a new silk road is being considered to connect Asia and Europe to realize the 21st century digital economy era. Korea has been leading e-trade cooperation between governments steadily through diverse channels, Korea-Germany, Korea-France industrial cooperation council, Korea-U.K. e-commerce policy council, etc. as well as ASEM.

With the launch of Asia-Europe e-trade alliance, a new turning point has been prepared and a new silk road - 'Asia-Europe e-trade network' - is expected to become a new channel for the exchange of goods, services and culture between the two continents.

Participating in the event from the governments were officials from Korea's Ministry of Commerce, Industry and Energy (MOCIE), France's Ministry of Finance and Economy, U.K.'s Ministry of Commerce and Industry and Germany's Ministry of Economy and Labor. Those from the private sector were Korea's e-

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### Inspiration From PAA Success

*The following is the gist of welcome remarks by Shin, Dong Oh, CEO/Korea Trade Network at the official launch of the 1st meeting of Asia-Europe Alliance for Paperless Trade, Jeju, Korea. - Ed.*



Since the Korean government hosted the 1st ASEM Conference on e-Commerce in Seoul in October 2001, continual efforts have been made toward facilitating paperless trade between Asia and Europe.

We are here to launch the Asia-Europe Alliance for Paperless Trade, which I believe is going to be a critical contribution to building the "21st century silk road between Asia and Europe."

As all of you are well aware, the purpose of this meeting is to launch the private-public joint alliance consisting of private service providers and governments of four countries. In the future, the alliance will include more organizations from other countries as well.

Major countries, including Korea, in the Asian region have already formed Pan-Asia e-commerce Alliance (PAA) to play an important role in supporting trading firms in each country and in extending the reach of e-commerce.

I believe that PAA gives us a good example for promoting paperless trade between Asia and Europe.

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## Internet Portal's Rich-Get-Richer Trend



It appears that the domestic Internet portal market has been reorganized to center on four top sites. This implies that the bipolar phenomenon in the market has deepened significantly compared with last year.

A joint survey on 10 domestic portal sites by KTNET and Internet research firm Matrix showed that monthly arrival rates of four major sites, Daum, Naver, Nate and Yahoo Korea, either increased or maintained their level over the past year, while those of sites ranked fifth and below, including Empas and Dreamwiz, declined remarkably. Arrival rate represents the ratio of the number of visitors vs. total Internet-using population.

According to the survey conducted as of the end of July this year, the arrival rate gap between fourth-ranked Yahoo Korea and fifth-ranked Empas widened to 32.2%, almost ten times the 3.9% recorded one year ago. The arrival rates showed comparatively smaller gaps last year: Daum (93.3%), Naver (85.5%), Yahoo Korea (74.4%), Dreamwiz (55.1%), Nate (54.1%), Hanfos (48.1%), Chollian (43.3%), etc. Entering this year, however, the rapid rise of Nate and sharp decline of Dreamwiz and Hanafos resulted in the reorganization of the market.

## e-Trading Firms Under Reorganization

Trade e-marketplace leaders, e-trading companies, are working on large-scale reorganizations, including administrative structure and manpower reinforcement.

On Aug. 26, related business sources said that EC21, EC Plaza, and others have conducted organizational changes, including conversion into business divisions, designed to introduce responsible management and expansion of manpower to raise the scale of competition.

These efforts are interpreted as e-trade companies' aim to diversify by strengthening their trade e-marketplace business and identification of new business areas such as SI.

In August, EC21 converted its team system organization into four business divisions, EC business, strategic business, e-service business and technology business, featuring introduction of a 'Responsible Division System' ranging from business operations to support. EC21 President Kwon Tae-Kyung explained, "The previous team system had a strong support characteristic, but with the present reorganization, the company has a system for taking full responsibility in all activities from business identification and operations to support." He expected that the measure will provide momentum to transform all employees into 'businessmen.'

EC Plaza also raised the 'scale of competition' after increasing the number of regular employees by about 30% in the first half of this year. This company has already assigned newly recruited employees evenly to its two key business sectors, trade/export marketing and EDI, promoting expansion of its overall capabilities.

## Gov't Online Civil Services Takeoff

The number of people using government civil service online is increasing rapidly, according to the Ministry of Government Administration and Home Affairs (MOGAHA).

MOGAHA surveyed people using government-for-civil (G4C) online service from March through July this year, and found that online users had increased more than 70% during the period. The ministry cited upgraded service as the reason for the sharp increase.

Since the launch of Internet service in April this year, the number of visits to the government Web site rose 72% in the following 100 days, with filings for service and document issuances rising 82% and 141%, respectively.

The number of documents issued online was 1,546 in March, 2,481 in April, 3,671 in May, 3,583 in June and 3,961 in July. Information on land was the most-frequently sought item, followed by residence, land price and building information. Land documents are open to everyone wishing to refer to the information.

The surge in the number of users came as the government improved the online civil service system to provide easy-to-use convenient service for the general public. MOGAHA expanded the range of Internet services to information on residences, buildings, identification of handicapped people, farming subsidies and parentless families.

It also simplified application forms by removing the detailed address section. Users can also pay for the online service via mobile or landline phones, as well as with credit cards, money transfer and e-currencies. More than 20% of online service users now opt for mobile phone payment introduced on July 20.

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### 'e-Trade Platform' Due by 2007

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and 33 tasks to innovate trade processes.

Trade Policy Director Kim Kyung-Won at the Ministry of Commerce, Industry and Energy (MOCIE) forecast, "If these tasks are promoted smoothly, the nation should expect to achieve economic effects equivalent to an annual total of about 1.82 trillion won in 2008, the first year after completion of the e-trade platform. The effects would include resolution of duplicate document submission (710.7 billion won), trading firms' IT investment reduction and productivity enhancement (282.8 billion won) and expansion of exports due to price competitiveness from expense saving (825.4 billion won)."



## Local Firms Make Advances in IA

The share of homegrown server makers in the domestic Intel architecture (IA) server market significantly increased in the second quarter of this year while that of multinational firms declined.

Industry sources said the market share of four domestic leading server makers, Uniwide Technology, eSlim Korea, Digital Henge and Samsung Electronics, rose from 30% late last year to nearly 40% in the second quarter of this year. They said these firms supplied more than 7,000 units combined out of a total market of 18,800 units in the quarter.

Sales of servers at eSlim Korea increased from some 1,400 units in the first quarter to more than 1,700 units in the second quarter, while those at Uniwide Technology and Digital Henge rose to 1,300 units each in the second quarter from some 1,200 units and 1,100 units in the first quarter, respectively. Samsung Electronics, which launched its server business in the fourth quarter of last year, sold some 1,100 servers for the third consecutive quarter.

In contrast, the market share of multinational vendors relatively dropped in the second quarter. While HP Korea supplied 5,000 units, keeping its share of 28%, market shares of LG IBM and Dell Computer declined from 16% and 15% in the first quarter to 14% and 8% in the second quarter, respectively.

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### Asia-Europe 'Silk Road' Economy Era

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trade service provider KTNET, EDI France, SITPRO/U.K. and DAKOSY/Germany, with Taiwan's TradeVan as an observer.

At the venue where the four countries discussed future government-to-government cooperation in the e-trade field, participating private enterprises also concluded an MOU for e-trade cooperation among themselves. The results of the meeting will be reported to the fourth ASEM e-Commerce Meeting slated for November 22~24 this year in London and will also be reflected actively in the establishment of the Asia-Europe e-trade system.

MOCIE intends to implement faithfully its already-established 'Three-Year e-Trade Promotion Plan' internally and to continue to pursue the development of Korea's e-trade through various cooperation channels externally, while using the 'Asia-Europe e-Trade Alliance' as a success model for nation-to-nation cooperation, joined by both government and private business.

## Importance of DBMS Security Rising

Financial circles' interest in the security of DBMS (Database Management System) is growing in line with their recent focus on DBMS, a core element of computer systems.

For prevention of financial problems such as unauthorized access to customer credit and personal information, hacking, embezzlement and misappropriation, financial circles have been reinforcing services and internal security by adopting of PC security solutions, public certification systems, etc.

Their rising interest in DBMS came from their judgment that a systematic monitoring system is needed to prevent financial problems that originate from inside the organization as well as from external hacking. According to an analysis by the Financial Supervisory Service (FSS), about 60% of all financial problems are caused by an institution's own employees. This implies that despite establishment of various PC security solutions and security supervision systems, there still exists a real possibility of problems circumventing internal control systems.

Therefore, financial circles are concentrating on a DB security system that uses a separate server for DB, tripling access permissions and can trace and analyze opened databases and users. It is a strategy to obtain a stronger security management system through prior and post monitoring of database access.

Early this year, Kookmin Bank and FSS adopted access-control types of security solutions and Korea Development Bank is operating a DB security system tripling database access permissions in May.

*According to an industry source on Aug. 29, the Professional Committee on e-Government under the Presidential Committee on Government Innovation and Decentralization has prepared 'guideline on introduction of open software for e-government core tasks' through a working group on the introduction of open software including Linux for e-government core tasks.*

## Open Software for 6 e-Gov't Projects

Priority is being given to introduction of open software for six core e-government projects to be undertaken this year.

According to an industry source on Aug. 29, the Professional Committee on e-Government under the Presidential Committee on Government Innovation and Decentralization has prepared 'guideline on introduction of open software for e-government core tasks' through a working group on the introduction of open software including Linux for e-government core tasks.

In particular, this new guideline reportedly further reinforces the guideline and implementation decree prepared in April, the guideline on operational technology (ITA: Information Technology Architecture) and National Administration Network, which recommended utilization of open operating systems for information systems. The new guidance is expected to expand the application of open software in e-government projects.

According to the guideline, such open software as Linux, Apache and Tomcat will be applied first to six projects - application of pan-government ITA (MIC), G4B single-window service (MOCIE), Launch of national welfare information system (MOHW), General information service on food and drugs (KFDA), e-Trade service (MOCIE), and National logistics general service (Korea Customs Service). These six target projects entail relatively less complexity in linkage with other systems.

## Korean Autumn Foliage

**Breathtaking Flame on Mountainsides**

*Thanks to the mountainous terrain and sharp difference in daily minimum and maximum temperatures during fall, the autumn leaves in Korea are bright and intensely colored. Many spots famous for their autumn leaves embrace historical sites or clean valleys, waterfalls and rugged rock outcroppings.*

Thanks to the mountainous terrain and sharp difference in daily minimum and maximum temperatures during fall, the autumn leaves in Korea are bright and intensely colored. Many spots famous for their autumn leaves embrace historical sites or clean valleys, waterfalls and rugged rock outcroppings.

**Mt. Seoraksan****The most beautiful mountains in Korea**

Mt. Seoraksan boasts numerous valleys well-known for their autumn leaves, including Sibiseonnyeotang, Baekdam, Suryeomdong, Cheonbuldong and Jujeongol.

Each is majestic and splendid, with jade water gliding over rocks, imposing boulders and blood-red leaves displaying the splendor of autumn. Seoraksan consists of

Oeseorak, Naeseorak and Namseorak, the outer, inner and southern areas, with best-known valleys for autumn leaves Cheonbuldong, Suryeomdong and Jujeongol, respectively.

**Mt. Jirisan****High, deep and vast mountains**

Jirisan stretches out along the 45-km main ridge and some 15 branch ridges layered one after another, with Cheonwangbong Peak at its center. Cheonwangbong is the highest peak in South Korea, excluding Jeju Island. It has particularly rich soil and plentiful water nourishing a vast array of botanical species.



The autumnal tints are brilliant, and historical temples Hwaeomsa, Cheoneunsa, Yeongoksa and Ssanggyesa are each worth a visit.

**Mt. Naejangsan****the small but splendid mountains**

Naejangsan National Park, which encompasses Mts. Naejangsan, Baegamsan and Ibamsan, is smaller in area and lower in altitude than other national parks.

But it is one of the best spots in the country to enjoy the autumn leaves with its completely red foliage tunnel and several varieties of maple trees with their intense coloration. Particularly famous

are those areas around Naejangsa Temple (northeastern side of the park) and Baegyangsa Temple (southern side).