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www.ctradeworld.com

'e-Trade Portal Service' Launched

On August 15, KTNET completed establishment of cTradeWorld (www.ctradeworld.com), an e-trade portal that can process both export/import work simultaneously via the Internet, and launched the service the next day.

The most remarkable characteristic of cTradeWorld is that it enables processing of trade, customs clearance, and logistics automation services via the Internet, transactions that were provided previously through the existing EDI system.

This portal service consists largely of four systems: export/import logistics system 'eLogisframe'; customs clearance support system 'eCustomsframe'; trade automation system 'eTradeframe'; and customs clearance and logistics information system 'cTradeinfo.'

As a trade-support system following the workflow of trade, customs clearance and logistics firms, eLogisframe, in particular, provides users with e-trade information automatically. In addition, the KTNET-inaugurated service also includes a 'web mail service,' which provides pre-guidance for customs administration affairs and trade, customs clearance and logistics information on a real-time basis by e-mail, and 'eTradebank,' which enables payment settlement via the Internet by transaction stage.

KTNET Director Han Hak-Hee said, "Through upgrade of the existing system, KTNET has minimized users' expense burden and maximized efficiency in processing trade transactions with the provision of an information-sharing environment following utilization of the integrated process between users."

Service	MYINFO	HELPDEK	Others
• eTradeFrame • eLogisFrame • eCustomFrame • cTradeInfo • eMail • cTradeBank	• Member information reference • Change of member information • Termination of service	• Introduction to services • Information on rates • FAQ • Q&A • Customer suggestions • Data	• Issuance of public certificate • Information on issuance of income tax calculation sheet • User agreement • Protection of personal information • Public notice

KTNET Lowers Internet EDI Service Fees

In an effort to stimulate utilization of national e-trade infrastructure, KTNET recently lowered its Internet EDI service fees significantly, it was revealed on August 7. As a result, e-trade, being spread presently centering on large firms, will likely expand to all trade-related business communities, including small and medium enterprises (SMEs), at a rapid pace.

Internet EDI service is a part of e-trade automation of export/import procedures that enable trading firms to carry out establishment of foreign exchange-related import L/C with banks, L/C notice, etc. through a web browser. The utilization fees consist of a basic charge (20,000 won/month) and a transmission charge (388 won/KB) that is calculated based on the volume of documents transmitted by users.

The lowering of fees at this time targets SMEs, which have a fewer number of transactions. Previously, those firms had to pay the monthly basic charge whether they used the service or not. Starting this year, however, they are able to utilize the service for a minimum of 20,000 won/month. As a result, an export firm that has about 10 foreign exchange transactions using the Internet EDI service can substantially reduce the annual 120,000 won fee burden. Therefore, the new fee structure is expected to contribute significantly to the proliferation of e-trade among small and medium-size trading firms.

KTNET Converting to e-Business

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The company announced on Aug. 23 that it reduced its previous 12 teams by one, while establishing four new teams - e-Technological Support Team, e-Trade Team, e-R&D Team and e-Biz Development Team - to reinforce new e-business strategies as well as to improve customer support.

KTNET abolished e-R&D Team II and newly established the e-Technology Support Team in its e-Business Division to expand its capability to receive new project orders as well as to enhance technology support for customers. Also, e-Trade Team and e-Overseas Business Team, the driving force behind KTNET's e-trade, have been merged into the e-Trade Team in the e-Business Strategy Office to focus its capacity for effective promotion electronic trade nationwide.

To reinforce technological support for the national e-trade platform and the research function for core technologies, the e-R&D Team has been established as an expansion of the previous e-R&D Team I. In addition, the new e-Business R&D Team in the e-Business Division will be responsible for development of new business and exploration of SI business. (Refer to table.)

With this restructuring, KTNET decided to drastically change the partner firm-oriented user-application of e-trade to an Internet-based system.

Private Sector to Lead APEC Global B2B

Private businesses will lead the 'APEC Global B2B Networking Project,' which was once at the point of foundering in the wake of the decision by the Ministry of Information and Communication (MIC) to suspend any additional support due to a lack of budget.

According to the government authority and related business communities, recently e-market operators and e-biz solution providers, including eSang Networks, QNSOLVE and K4M, decided to promote the MIC-led international e-commerce project until next year by investing their own funds.

Subsequently, the project is expected to receive functional reinforcement such as e-payment and e-guarantee, and early next year, substantial transactions will likely be made with the national e-marketplaces of China and Southeast Asian countries as well as domestic e-marketplaces.

The participating firms in the project held a working-level meeting for four days (July 28-31) in Guangdong Province of China to promote the B2B networking project with Chinese steel e-marketplace, Guangzhou Steel Corporation, and plan to complete a Korea-China steel e-trade system by the end of this year through mutual linkage. The present case is expected to become a 'signal practice,' where a government-promoted global e-commerce project is transferred to private businesses.

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Open-Source Software Programs Set

Adoption of open-source software programs for the e-government project is expected to pick up steam in the second half of this year.

The e-government experts panel under the government innovation and decentralization council said on August 14 that it had formed a working group to set guidelines on adoption of open-source software such as Linux.

The guidelines are expected to include such details as procedures, technology evaluation, procurement, and maintenance and repair.

The experts panel formed the 'guideline working group' comprising 30 experts from businesses, academia and research organizations on August 9, and hosted a workshop to craft the first draft of guideline.

At the event, participants discussed whether to adopt open-source software for the e-government initiative. After discussion, they decided to adopt Linux, MySQL, Apache and Tom Cat for less complicated systems, including electronics auditing, personnel administration of local governments, job search service, online litigation information service, support for foreign nationals, food and drug information and national logistics.

"Technically, we can switch the entire project to open-source software, but given link with the established systems, we now aim to adopt open-source software for some 8 areas," said Yang Seung-ha, manager of the open-source software center at the Korea Information Promotion Agency.

In the meantime, the working group plans to hold the second and third round of workshop on August 19 and 26, respectively, before unveiling the final proposal to the e-government experts panel and the Ministry of Government Administration and Home Affairs next month.

Resumption of S-N Korea e-Commerce

It was learned that MOCIE intends to complete detailed planning for a wide variety of promotion methods, including ways of seeking suitability of South-North e-commerce and resolving problem areas; drawing up model e-commerce project roadmaps; and linking with the South-North Economic Cooperation Agreement.

The e-commerce project between South and North Korea, which has been at a standstill, will likely get a boost with the strong possibility that the National Assembly will pass a revision bill to the Law for South-North Exchange and Cooperation in September.

In preparation for the passage of the bill, including permission of South-North contacts via the Internet, the Ministry of Commerce, Industry and Energy (MOCIE) will re-activate 'South-North e-Commerce Cooperation Working Group (WG) in August. MOCIE plans to hold the third WG meeting in August in order to review the present basic status of South-North e-commerce and to create an environmental foundation for cooperative transactions. The first and second meetings in January and February ended with the suggestion of agendas.

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Based on the foundation prepared through the upcoming third WG meeting, the ministry plans to launch full-fledged South-North B2B e-commerce after testing of a model e-commerce project in the Kaesung Industrial Complex where offline transactions are presently used.

Director Kim Chang-Ryong of the e-Commerce Division said that the ministry decided to resume the working group in order to cope with situation changes like the passage of the revision bill to the South-North Exchange and Cooperation Law.

IT Firms Speed Advance into S.E. Asia

Domestic IT firms' advance into Southeast Asia is becoming more apparent. KT and QEnquest will participate in the Malaysian information village project, thanks to the Korea-Malaysia Summit Meeting on Aug. 23. Fourteen Korean IT firms including Cnetia Information Technology, NetBlue, Seecode, Sewon Teletech, etc. will form an Indonesia-Malaysia IT Partnership for export.

KT also announced that it will engage in the launch of informationization villages including building super high-speed Internet systems in remote areas and construction of informationization cities in Malaysia jointly with QEnquest, a system integration (SI) firm.

KT has been negotiation with QEnquest for IT consulting, supply of equipment, and the integrated launch of super high-speed Internet. However, with the visit of Malaysian Prime Minister Abdullah Ahmad Badawi, negotiations are expected to accelerate.

In addition, KT has decided to speed up export of BizMecca, an informationization service for SMEs (small & medium enterprises), as a part of globalizing its application service provider (ASP) business.

The "Partnership for Indonesia-Malaysia IT Cooperation" for export, together with KAIT (Korea Association of Information and Telecommunication), will be visiting Malaysia and Indonesia Aug. 30-Sept. 3 and holding an ICT (Information Communication Technology) forum jointly with the two governments.

Daum Acquires Global Portal Access

Daum Communication, a Korean portal service firm, said that it signed a contract on July 31 with Terra Networks, a Spanish communication carrier, to acquire 100% of its subsidiary Terra Lycos, a portal service company in the United States.

Daum Communication agreed with the Spanish communication service company to buy Lycos for 95 million dollars, securing the domain Terra Lycos (http://www.lycos.com) in most countries, including the United States, Japan and China, except for Europe. Daum will also be able to use the domain of Lycos Korea (http://www.lycos.co.kr), which was taken over by SK Telecom earlier.

Terra Lycos is currently providing search services on sites of Lycos'and 'Hotbot,' a home page 'Tripod,' blog service 'Angelfire,' financial information site 'Quote.com,' and a news service 'Wired News.'

New Steps to Up Trust in e-Commerce

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There have been a number of highly publicized cases of fraud related to electronic commerce in Korea in recent years, notably the Half-Plaza incident of 2003 in which 96,000 people were defrauded of approximately 31 billion won (approximately US$26 million) and cell phone fraud cases this year. The result of incidents like these is reduced consumer confidence in electronic commerce. In order to boost consumer confidence and to protect both consumers and merchants against fraud, one of the main proposals is the institution of an escrow system for purchases made over the Internet.

The amendments to the electronic commerce consumer protection laws also include strengthening protections for electronic and mail order transactions, as well as reducing inconvenience to consumers. One method of reducing inconvenience to consumers is to allow them to opt out of Spam emails, at a site run by the KFTC (www.nospam.go.kr). Other measures deal with cases where minors enter into or are induced to enter into transactions, in which case the minor or a legal custodian may cancel the transaction.

Further, restrictions on when and how consumers may cancel a transaction must be clearly stated and available to the consumer before entering into the transaction. With respect to cancellation of transactions, there are limits to when a consumer may cancel, including cases where the goods are damaged, or where the value of the goods have been reduced due to use by the consumer, or where the value of goods has decreased due to passage of time, or where the packaging of the goods has been damaged, or in cases where the goods are custom-made. There are also provisions for damage compensation insurance to limit the effect of damages arising from cancellation of transactions.

Security Control Service Industry

Users of security control services, which used to be concentrated in IT and logistics sectors, are expanding in the manufacturing sector. The introduction of security control services by large firms is also steadily rising.

The result of a survey conducted by Coconut, a security control service firm (http://www.coconut.co.kr), of 500 clients who receive its service, showed that among the clients who have introduced security control service, the percentage of IT-related firms, including communications and dotcoms, increased slightly from 49.61% in 2003 to 51.43% in 2004.

However, the share of clients in the manufacturing sector, which had been relatively passive to the introduction of security control services, increased twofold to 15% from 7.09% and the large-scale financial sector clients also recorded an increase from 5.51% to 8.57%. On the other hand, clients in the logistics and public and education field decreased to 6.43% from 14.96% and to 9.29% from 12.59%, respectively.

In terms of enterprise size, introduction of security control services by large businesses was remarkable. According to the survey, the proportion of firms with less than 50 employees decreased to 30.71% this year from 43.31% last year, while firms with 100-500 employees increased to 22.86% from 16.54% and firms with more than 500 employees increased to 23.57% from 18.11%.

Cho Suk-Il, president of Coconut, said, "The trend being that the competitiveness of an organization is directly related to the security level and because of increasing cases of loss due to security incidents, interest in security control services is growing. Although security control service is concentrated in the IT industry, clients of all sizes from all industries will steadily increase."

Security Control Service

Combating Spam Mail Problems

The government is seriously considering such drastic action as cutting off 'Port25,' an e-mail route, to stop spam mail from increasing.

The Ministry of Information and Communication (MIC) is in discussions with such major ISPs as KT (Korea Telecom), Hanaro Telecom, etc. regarding ways to cut off Port25, the delivery route between mail clients, Microsoft's Outlook Express users, and servers to reach the goal of a 50% reduction in spam mail compared to last year.

Kim Ki-Kon, director of user protection division, said, "As Port25 is known to be the main route for spam mail sent to web mail servers, a consideration is underway to block it completely, while pursuing research into effective ways to reduce spam mail as well as overseas cases." The action under consideration is based on the fact that while another mail route 'Port80' requires registration of certification number before delivery, making spam more difficult, in the case of Port25, the user must go through a complicated certification process to block spam, otherwise the spammers are allowed to take full advantage of the vulnerability.

However, with regard to the MIC plan a KT official said, "If Port25 is subject to controls, Outlook users will not be able to perform normal mailing functions. There has to be a backup measure for emergencies even if Port 25 is blocked, but the efforts and costs needed for this will be significant."

SK Telecom Pushes Into M-Business

SK Telecom

SK Telecom, the largest wireless communication carrier in Korea, plans to launch a mobile business portal service for enterprises including department stores and insurance companies.

The leading wireless communication service firm has been offering networks for business firms as a member of consortia for installing mobile system integration solutions at enterprises and a common business platform for small and medium businesses.

Under a contract with a department store, SK Telecom will initially provide portal service for customers of that store, offering mobile images of its commodities. The new model service will also feature functions of offering information on commodities and recommending access to the portal using waiting mode service for mobile phone users.

SK Telecom's mobile business portal service will also include a customized network service for business clients, allowing them to provide timely information on their service and products as a new marketing tool.

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e-Passport System to Debut in 2005

According to the Justice Ministry on August 23, the government will be implementing an electronic passport verification system for travelers at Incheon International Airport in 2005 in order to prevent passport forgery and to enhance immigration procedures by reducing waiting time.

By the end of this year, the electronic passport verification system, known as the Machine Readable Passport (MRP), will be established at all the immigration desks in the airport. Operations of the system will commence after test runs, even as early as February, according to the ministry.

The machine has the capability to read bar coded personal information from passports and simultaneously have the information gathered compared to previously saved information in the airport server for passport holder verification. According to the ministry, immigration records of passengers and any other additional information will be saved automatically on the server.

At present, in order to travel overseas, Korean travelers are required to fill out immigration and emigration cards and present them to the immigration desk at the airport for confirmation, however once the new system is in place, travelers will not be required to do so any more, the officials added.

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Korea Takes Ninth Place

Awakening of Northeast Asia

The Athens Olympic Games ended with a grand finale that highlighted a sensational fireworks display... giving way to a two-hour spectacular stage of folk dancing and music in the Olympic tradition.

Thousands of athletes marched into the main Olympic stadium soon after the show... waving their arms and flags... to the cheers of 70-thousand spectators.

South Korea finished the final day of the 2004 Athens Olympics on a high note... adding one gold and a silver.

The medals gave the country a ninth-place rank on the overall medal standings... within ts targeted top 10 finish.

In the Olympic highlight event... the men's marathon... South Korea's medal hopeful Lee Bong-ju finished 14th... clocked in two hours 15 minutes and 33 seconds.

The victory went to Italy's Stefano Baldini... who crossed the finish line with a time of two hours 10 minutes and 55 seconds.

The ongoing controversy over who should have the gold medal in the men's all-around gymnastics competition has entered a new phase.

The South Korean Olympic delegation filed an appeal with the Court of Arbitration for Sport on Sunday.

This comes two days after the U.S. Olympic Committee refused to deliver a letter to American Gymnast Paul Hamm... sent by the International Federation of Gymnastics... urging him to turn his gold medal over to South Korean gymnast Yang Tae-young.

A noteable of this summer is the Athens Olympics where the Iraqi athletes received thunderous applause at the opening ceremony as opposed to the reception given to U.S. athletes. Another feature of the Athens Olympics was the performance of three Northeast Asian countries. Just two days from the closing ceremony, the gold medals won by China, Japan and Korea accounted for over 20% of the total. This dwarfs the U.S. and Canada medal count, which combine for 13%, as well as that of three major European countries (Germany, France and U.K.), which combined stand at 11.7%. Even though sports superiority cannot be equated to national power, the Olympics performance of the teams from Asia is symbolic of the dawn of a new era for the region, especially in terms of the global economy.