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Korea IT Industry - Summary

Korea IT industry has played a pivotal role in promoting Korea's economic growth since the 1990s, particularly by the strength of semiconductors, computers and telecommunications equipments. The IT industry enjoys strong global competitive strength and holds a central role for the growth of the Korean national economy.

IT Production of Korea

Year 2007

IT production in 2007 is expected to stand at around 263.2 trillion won with 5.6% growth year on year(yoy), which is higher than that in 2006(4.2%).

By sector, telecommunications service is expected to grow 5.8% yoy in 2007 thanks to the growth of mobile communications, especially led by WCDMA service and the aggressive marketing efforts by broadband service providers.

In addition, IT equipment industry is expected to grow 6.3% yoy in 2007.

IT investment in the manufacturing industry slows down though public and financial sectors demand for IT investment is on the increase.

Prospect for Year 2008

By sector, telecommunications service including broadcasting is projected to grow 5.1% in 2008. Telecommunications service is expected to record a solid growth in production thanks to a wider spread of new services such as WCDMA and WiBro. As for broadcasting, TPS(Triple Play Service) by cable operators and higher service charge for digital broadcasting are expected to drive growth up in this industry.

Production of IT equipment is forecasted to grow 5.9% yoy in 2008. Mobile hand set industry is expected to record limited growth due to an increase in overseas production. Growth in display panel production is expected to slow down due to sluggish growth in advanced countries and a continuing decline in price.



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Semiconductor production is expected to record a solid growth in 2008.

In software, higher corporate demand for system softwares to promote the IT efficiency and an expanded IT investment in financial service sectors will boost production growth by about 5.6% in 2008.

IT Export of Korea

Year 2007

IT export in 2007 is expected to grow by 20.5% yoy to 125.1 billion dollars, a growth similar to that in 2006(10.7%).

Export of communication equipment is projected to rise 14.9% in 2007. In particular, export of mid- and high-end handsets with high performance is forecast to increase, as the demand for handset replacement becomes rising. At the same time, introduction of next-generation communications services around the world will increase export of equipments for WAN, cables and wires, and wireless communication system.

Information equipment export, despite an expected drop in PC export, is projected to grow by 4.7% yoy thanks to a sound growth in export of large LCD monitors.

Broadcasting equipment export is expected to record -10.1% growth yoy resulted from a slowdown in global digital TV market, expansion of overseas production and intensifying price competition.

Export of IT components is projected to increase 13.5% owing to stabilizing price of key items such as semiconductors and displays coupled with a rising demand on panels for large LCD TV.

Prospect for Year 2008

IT export for 2008 is expected to grow by 9.4% to 136.9 billion dollars.

Export of communications equipment is projected to expand by 7.9%. Increase in overseas production will lead to the growth of export of mobile handset components, with the steady growth in export of wireline and wireless communication equipment.

Information equipment export, although export of PC and parts will be sluggish, is expected to grow by 0.3% due to strong growth in LCD monitors, storage devices and printers.

Broadcasting equipment export is expected to show a negative growth due to a slowdown of global demand on digital TV and other key products.



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Components export is projected to increase by 14.8%. Although excess supply will still be a concern for semiconductors, rising global demand and differentiation strategy toward the high capacity premium product by Korean makers will push export upward.

Display export growth in 2008 is likely to remain at a similar level as that 2007 due to a slowdown in demand from advanced countries – major destination market for TV.

Source: The Alberta Korea Office

For more on the latest developments in the Korean marketplace, please [contact the Alberta Korea Office](#).