

e-Learning Market in Korea Showing Steady Growth

The e-learning business in Korea is divided into three sectors -- solutions, content and services -- in line with the e-Learning Industry Development Act and the Presidential Decree that defines solution-producing software, the content and delivery of e-learning, and consulting-related services, including other activities required to carry out e-learning.

In 2006, e-learning revenue in Korea increased 10.0% year-on-year to about 1.62 trillion won compared with 2005, showing steady growth since 2003. By field, sales of solutions decreased 2.3% year-on-year, while those of content and services rose 15.8% and 11.2% respectively. In terms of sales by field, services occupies the lion's share at 61.1% and solutions account for the lowest portion with 14.8%.

The composition ratio of regular education revenue in the e-learning industry in 2006 was the highest with 44.9% but recorded nearly no growth (a mere 0.6% increase year-on-year). In contrast, although its composition ratio was 33.7%, the enterprise field showed significant growth of 31.3%, according to results of a 2006 e-learning industry fact-finding survey conducted by the Ministry of Commerce, Industry and Energy.

● Sales of e-Learning by Business Sector

(Unit: One million won)

Sector	2004	2005	2006
Solutions	222,954	244,814	239,291
Content	287,498	336,320	389,452
Services	788,082	889,683	989,254
Total	1,298,484	1,470,817	1,617,797

Source: Ministry of Commerce, Industry and Energy

The number of e-learning firms in 2006 increased a strong 63% to 621 from 381 in 2005. By business sector, 362 were engaged in services, 167 in content and 92 in solutions. Among these, the number of service firms



recorded an increase of 100%, leading the growth of all e-learning firms most remarkably.

The major reason for the growth in companies in the service sector was that recently large enterprises and regular educational organizations accelerated their advance into the e-learning business and also because the number of private e-learning educational institutes sharply increased in addition to offline education.

36.7% (228 firms) of all e-learning companies were involved in more than two business sectors and the ratio of those currently operating in the content business sector was comparatively high with 55.7%.

The revenue scale by sector indicated that most of the firms engaged in solutions and content had annual sales between 1-3 billion won. In the case of service firms with a high number of newcomers, those with sales of less than 1 billion won accounted for 53.6%.

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Korean Digital Electronics Exports Surge 18.1% in July

Korea's digital electronics exports surged 18.1% in July from a year earlier, thanks to strong demand for telecommunications equipment, semiconductors and other electronic goods, the government said on August 2.

The Ministry of Commerce, Industry and Energy said overseas shipments of digital electronics goods reached US \$10.63 billion in July, compared with US\$8.99 billion a year earlier.

Imports also increased 11% to US\$5.53 billion, with the trade surplus

in digital electronics climbing 26.9% to US\$5.1 billion.

The ministry said exports of locally made mobile phones and semiconductors rose 35.6% and 50.7%, respectively.

Shipments of information technology and communications products also grew 22.2% and 28.5%, respectively.

Exports to China shot up 34.7% to US\$2.72 billion, while shipments to the United States gained 16% to US\$1.28 billion.



In July, Korea bought US\$1.48 billion worth of goods from China, while imports from Singapore and Germany rose 17.9% and 30.4%, respectively.

Scanned Documents to Have Legal Validity

In the future, stored scanned documents will have same legal validity as paper documents. On July 16, the Ministry of Commerce, Industry and Energy (MOCIE) issued notification of the Regulations on the Preparation Procedures and Methods for Electronic Documents' and announced that the regulations will go into effect simultaneously with promulgation.

The new rules are a follow-up by the ministry to the Framework Act on

Electronic Transactions revised in May this year to grant legal validity to the storage of electronic documents.

Since its announcement of a 'draft electronic document notice' through public hearings on the revision of the framework act on e-transactions in August 2006, the ministry has issued the notice after collection of opinions from business communities and after examinations by related experts.

The notice stipulates the content and the type, preparation procedures and methods for electronic documents and object documents like paper documents.

By specifying related work sites, personnel and system and procedures in detail, the ministry prepared the foundation for electronic documents to secure the same effect as paper documents as well as the reliability of preparation procedures.

Dongbu HiTek Develops 130nm Power Management Library

The Semiconductor Division of Dongbu HiTek has developed 130 nano-class power management library jointly with a global semiconductor IP (Intellectual Property) enterprise, ARM of the United Kingdom, the company announced on July 19. The present library features power management functions added to the ARM's existing Metro Library, which can minimize power consumption.

Therefore, the developed library is suitable for the semiconductor design of mobile products requiring less power, such as cell phones, MP3 players and PMP. It also has an advantage to reduce cell size, the minimum chip composing unit, by about 25%, so that the number of chips producible per wafer can be increased comparatively.

Dongbu HiTek plans to supply the

library to FSCs (Fabless Semiconductor Companies) free of charge starting in July. A related official at the company said, "Dongbu HiTek has developed the 130nm power management library for the first time in Korea, continuously from 0.18 micron-class low power library last year." "Sooner or later, we will develop power management libraries of over 110 nano-class as well," he disclosed.

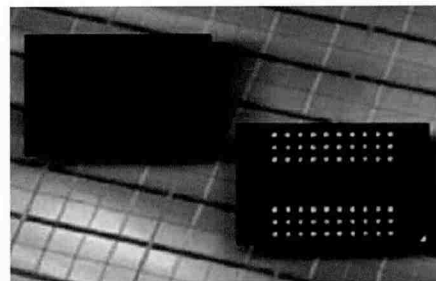
Hynix to Market World's Smallest, Fastest 1G DRAM

Hynix Semiconductor Inc. announced that it has developed the world's fastest and smallest 1-gigabyte mobile DRAM and plans to start mass production in early 2008.

The new chip, to be mainly used in mobile phones, operates at a maximum speed of 200 MHz and is capable of processing 1.6 gigabytes

of data per second, the world's second-largest computer memory chip maker said, making the device the smallest and fastest 1-gigabyte DRAMs developed to date.

A Hynix official said demand for the new chip would be strong as handheld devices are getting smaller and faster and the need for larger



capacity is growing.

Telechips, Qualcomm Sign FLO Tech Agreement

Telechips Inc. announced on August 1 that it signed a royalty-free licensee agreement with Qualcomm of U.S.A. for FLO chip technology. The agreement will enable Telechips to use Qualcomm's technologies to design, manufacture, and sell semiconductor chips that utilize FLO technology. FLO is a globally-recognized air interface standard for mobile TV and a key component of the MediaFLO system.

"The FLO agreement with Qualcomm

will allow us to stay ahead of the rapidly changing market and provide our customers with advanced mobile TV technology efficiently and economically," said President & CEO Seo Min-Ho of Telechips.

Commenting on the deal, President Marv Blecker of Qualcomm's technology licensing division said, "I am happy to have signed a number of FLO chip licensing agreements since we started our FLO chip program last year."

Telechips is a leading fabless semiconductor company in Korea. It designs and develops multimedia platforms for application markets ranging from portable MP3 players, car audios, and home audios to mobile phones and broadcasting devices such as mobile TV and DAB. Its major customers include Samsung Electronics, Philips, Sony, JVC, Thomson (RCA) and LG Electronics.

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In terms of e-learning sales in 2006, the number of firms with more than 10 billion won was 32 (5.2%) and among these, service firms, including regular education organizations, with more than 10 billion won numbered 18, the majority.

Due to the significant growth of the e-learning industry, manpower specializing in e-learning also grew 19.7% to 19,644 in 2006 from 16,413 in 2005. The industry's employment increase effect, following market creation, appeared to be high.

● Number of e-Learning Firms by Business Sector

Sector	2004	2005	2006
Solutions	68	74	92
Content	101	126	167
Services	89	181	362
Total	258	381	621

The targets for e-learning education are categorized largely into primary/middle/high school students, enterprises, and adults. In Korea, e-learning firms like Megastudy, KT and SK Telecom target students; Credu, Samsung SDS, etc. focus on enterprises; and YBM Sisa.com, Exam, Exam, Sungandang, Soodo Institute, etc. cater to adults.

KEA Signs MOU with Korea Polytechnic I

On July 9, KEA concluded an industry-academia cooperation MOU with Korea Polytechnic I, a growth-engine specialization college in the mobile communication field, to collaborate for cultivation of industrial manpower and enhancement of job skills for employees at related enterprises.

Under the MOU, the two organizations will cooperate in introducing complex technologies at production sites and in joint R&D projects, including joint utilization of training equipment, materials and facilities.

Dean Lee Sang-Duk of Korea Polytechnic I said, "We have been striving to nurture custom-tailored specialized manpower for convergence businesses since grafting high-tech information-communication technologies with education programs. With the present MOU, we will be able to nurture skilled workers who can be placed directly into work sites."

As a project jointly supervised by the Ministry of Labor,



Ministry of Education & Human Resources Development, Ministry of Commerce, Industry & Energy and Ministry of Information & Communication, growth-engine specialization by college is designed for the government to provide related colleges with support to help them nurture manpower required for next-generation growth-engine industry fields, including mobile communications, intelligent robots, etc.

Participation in Vietronics Fair 2007

KEA and Gyeonggi Province plan to exhibit products of about 50 selected SMEs from the province at the Korean pavilion to be established for Vietronics Fair 2007 and help the SMEs explore overseas market channels by supporting booth rental charges and equipment expenses.

Commonly organized by KEA, CEAC (Chinese Electronic Appliance Corp.) and SkyExpo Vietnam, Vietronics Fair 2007 will be held December 5-8, 2007, at Saigon Sky Expo Center (SSEC) in Hochimin City, Vietnam.

A total of about 130 companies from 15 countries are expected to take part in the four-day exhibition including such global IT firms as Samsung, LG, Panasonic, TCL, Haier and Acer, attracting about 30,000 visitors, including some 10,000 buyers.

The items to be showcased at the fair will be digital home electronics, information-communication equipment & systems, displays and parts, health and environment-related high-tech products, etc.

12th Electronic Parts Tech Grand Prix

KEA is soliciting domestic electronic parts and materials firms to participate in the 12th Electronic Parts Tech Grand Prix. In this effort, the association is receiving applications for products that have been developed within the past year.

Interested companies are requested to submit applications

in product and individual categories. Prize winners will have various special benefits, such as receiving additional points when applying for industrial technology development fund benefits, support for domestic and overseas marketing and priority participation in education programs.