



KT-1B is the first aircraft to be exported by a Korean aerospace company.

Korea is taking to air with first aircraft exports

By Lee Young-lyoul
JoongAng Ilbo

Korea is adding aircraft to its growing list of exports.

Korea Aerospace Industries, Ltd. announced yesterday the shipping of the KT-1B, a propeller-driven military training plane, to Indonesia. The celebration was attended by Indonesia's chief of military staff.

The aerospace company said it will export a total of seven planes to Indonesia before the end of this year.

"This marks the opening of Korea's export of planes," an official from the firm said. "The first exported plane was developed and manufactured with our own technology."

In 2001, the company won \$60 million order from Indonesia for seven KT-1B air-planes, including maintenance and training.

The KT-1B can fly up to 5 hours without refueling and can be used as an attack craft.

The company said Singapore has expressed interest in the plane. It said it aims to export 150 of the planes by 2012.

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YTN, NHN set news outlet for Web, wireless

By Choi Ji-young
JoongAng Ilbo

YTN, a 24-hour cable news channel, and NHN Corp., a leading community portal Web site, announced yesterday that they have agreed to set up a joint venture called Digital YTN, which will provide news through wireless and fixed-line Internet.

YTN and NHN will each invest 1 billion won (\$830,000) as seed capital for the company, which will be a subsidiary of YTN.

Digital YTN, aside from providing multimedia news content, will operate YTN's Internet Web site.

"We are planning to expand our business portfolio as a news syndicator," an official from NHN said. "We will develop high value added information services, which we will provide both through fixed-line and wireless Internet."

YTN and NHN said they have begun plans to closely cooperate in digital business areas with the establishment of the joint venture.

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Wireless operators wage standards war

But technology is not always the real winner

By Kim Jong-yeon
JoongAng Ilbo

In these times of globalization, a technology firm's success or failure hinges on its survival in the "standards war." Winners can dominate the market — even growing into a monopoly — while losers often fade away.

The best technology doesn't always win, either. Those old enough to remember will recall the Betamax versus VHS video standard wars of the 1970s and '80s. Sony Corp. launched the Betamax standard in 1975 only to see the Victor Company of Japan Ltd. (JVC) introduce its VHS format the following year.

Betamax tapes provided higher-quality and clearer pictures, but by 1987, 95 percent of all video recorders in the world used the VHS format. Those who had purchased a Betamax VCR were stuck with technology they could no longer use.

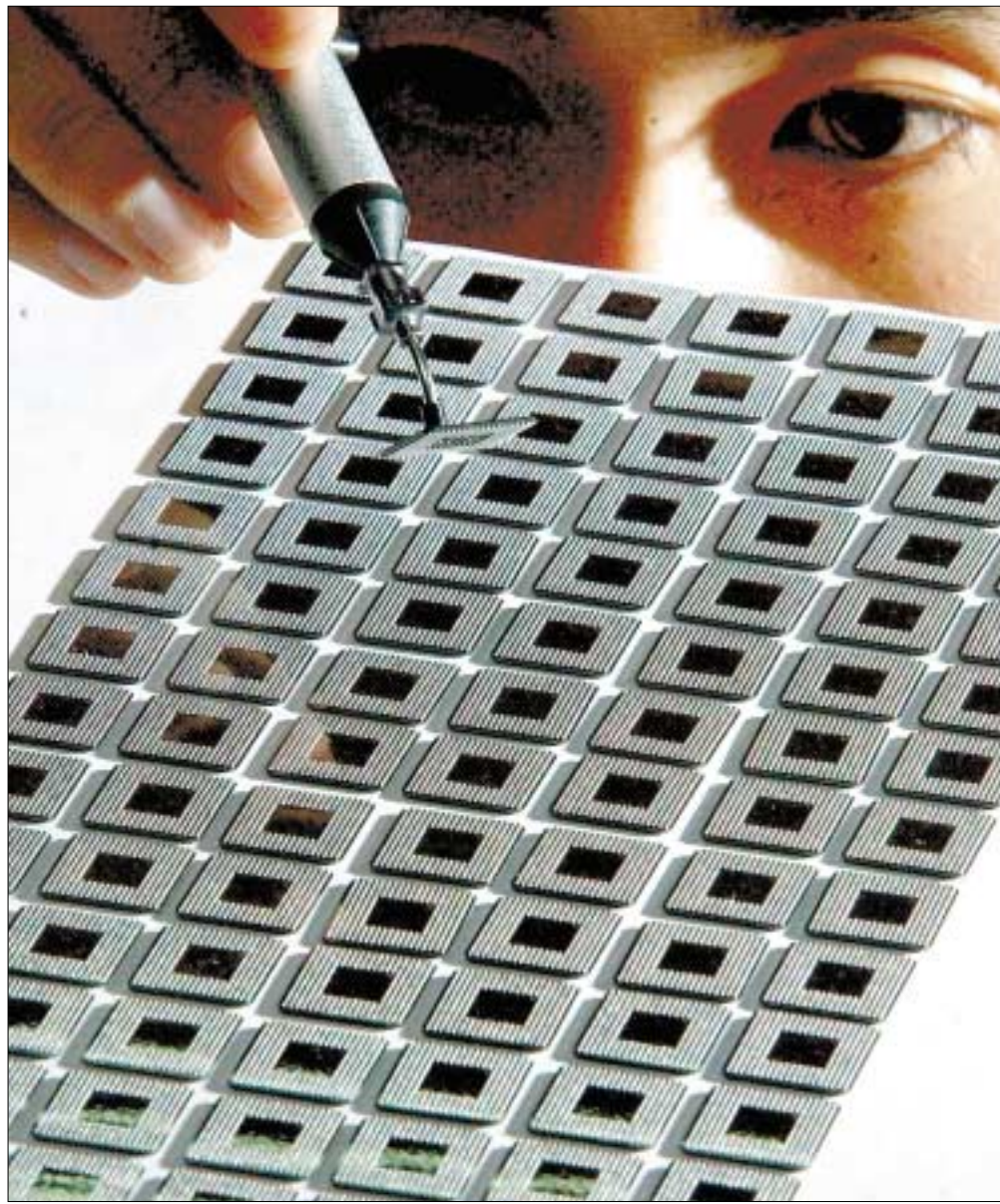
Right now, a bitter standards war is being waged in the global telecommunications and information-technology industries. In order to connect to the Internet via mobile phones, basic software is needed equivalent to operating systems on personal computers, such as Windows, Macintosh or Linux. This mobile-phone software is called a "wireless Internet platform."

Currently, local wireless operators — SK Telecom Co., KTF Co. and LG Telecom Co. — are using platform technologies that are incompatible with each other. What this means is that if a certain technology emerges to dominate the wireless Internet market, the firm that owns and provides that technology will control a market estimated to be worth hundreds of billions of won in the near future. This golden opportunity to cash in has led to the present wireless Internet platform standards war.

In a bid to prevent foreign firms' aggressive penetration into the Korean mobile market, local wireless operators and major handset manufacturers formed the Korea Wireless Internet Standardization Forum, or KWISF. Jointly, they developed the wireless Internet platform for interoperability, or WIPI. This is a standard platform for wireless Internet that the Korean government plans to require all three mobile operators in Korea — SK Telecom, KTF, and LG Telecom — to adopt next month.

As a desperate countermeasure against competing foreign standards, the Korean government managed to standardize basic software. In the making of WIPI, however, the forum had to strike a deal agreeing to pay royalties to Sun Microsystems Corp., a United States network computer maker that owns the core technology for the Java-based wireless Internet standard. In addition, there was a powerful rival in the market called binary runtime environment for wireless, or BREW, the Internet wireless platform developed by Qualcomm Inc.

Qualcomm, a U.S.-based wireless solutions developer, succeeded in standardizing the code division multiple access (CDMA) technology. Today, more than 100 million consumers worldwide rely on CDMA for clear and reliable voice communications. Spurred



Local firms such as Samsung Electronics and Eonex Technologies (pictured above) are concentrating on developing their own core chips for mobile handsets based on the CDMA standard.

By Kim Tae-sung

by its successful commercialization of CDMA, Qualcomm turned its attention to the wireless Internet field.

In November 2001, the Korean mobile operator KTF introduced a wireless Internet technology based on Qualcomm's BREW.

The creation, standardization and deployment of WIPI, however, have posed a grave threat to the fate of Qualcomm's BREW. Qualcomm has already opposed the Korean government's plan, arguing that authorizing the use of a particular platform by the government violates the World Trade Organization pact.

"The government intervention of setting and mandating a standard goes against laissez-faire principles, so such a plan should be withdrawn," said Kim Seung-soo, the managing director of Qualcomm's Korean unit.

"The development project of WIPI was pushed by private companies, not by the government," voiced an official of the Ministry of Information and Communication.

Across the globe, dozens of technologies are entangled in standards wars. Standards wars are especially fierce in markets with strong network effects where consumers place great value on compatibility and interconnection with each other. Therefore, the key to winning the war is winning customers, as seen with the old Betamax versus VHS battle, or the ongoing struggle by Apple Computer Inc. to lure users away from Microsoft Corp.'s Windows platform.

The future of IMT-2000 systems, the next-

generation mobile communication systems, is still murky. The asynchronous Wideband Code Division Multiple Access (W-CDMA) and the synchronous CDMA-2000 standards are still struggling for market dominance, with no clear winner. In Korea, SK Telecom and KTF, the nation's two largest mobile carriers, won in late 2000 a license for a network based on W-CDMA technology. In the meantime, LG Telecom has been preparing to start IMT-2000 services adopting the CDMA-2000 technology.

Markets for the digital versatile disc, or DVD, and memory cards for such devices as digital cameras are also engaged in battles over which standards are likely to dominate the markets. When it comes to the CDMA standard mobile chip market, Samsung Electronics Co. and Eonex Technologies Inc., a software developing firm, are concentrating their energies on developing their own core modem chips for mobile handsets. Because Korea's four mobile handset makers are using Qualcomm's CDMA technology, they pay royalties of up to 10 to 20 percent of their sales. To reduce reliance on Qualcomm, developing Korea's own core technology is imperative.

Domestic companies are poised to accomplish such an essential goal, industry observers said. They have developed worldwide standards such as CDMA mobile phones and the Motion Picture Experts Group technology that compress video files.

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Battle for No.1

PC Operating System

Microsoft (Windows) Vs Apple (Mac OS)

▶ Windows has the upper hand among the public, whereas the Mac has a loyal following

IMT-2000

Asynchronous W-CDMA vs. Synchronous CDMA-2000

VCR



VHS (JVC) vs. Betamax (Sony)
▶ VHS won

Large storage DVD

Blu-ray (Sony, Samsung, etc.) vs. AOD (Toshiba)

DVD Recorder



DVD-RAM (Toshiba, Samsung, etc.) vs. DV-RW (Pioneer, Sony) vs. DVD+RW (Philips, Dell)

Local Wireless Internet Platform

WIPI (KWISF) vs. BREW (Qualcomm)
▶ WIPI is leading

Digital TV



Korea, U.S. vs. Europe

Memory Card

Smart Media (Olympus, Samsung) vs. Compact Flash (Kodak, Nikon) vs. Memory Stick (Sony)

2d Generation Mobile Phone



GSM (Europe) vs. CDMA (Korea, U.S.)

PDA Operating System

Palm OS (Palm) vs. Windows CE (Microsoft)

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