

# Info Super-Highway Top Policy Goal for '99

— Information-Communication Ministry's Business Programs —

By Hong Sun-hee  
Staff Reporter

Throughout this year, the Ministry of Information and Communication will focus its efforts on implementing the information super-highway, solving Y2K computer bugs, and educating the people in becoming more computer-literate.

The ministry will also concentrate on facilitating electronic commerce, creating information technology-dependent new jobs and boosting the information and communication sectors.

The ministry mapped out these and other plans in its New Year's report to President Kim Dae-jung yesterday, saying that it will establish the base for turning Korea into an intelligence-based, creative state with the new millennium just around the corner.

The information super highway will cover the entire country by the year 2002. High-capacity transmission cables extending 1,040 kilometers in total will be laid out and 3 million telephone circuits hooked up by mechanical system will be replaced by a digital

switching system in 13 calling areas country wide, to arrange the infrastructure necessary for an information-based society.

Rural and coastal residents will have access to Internet service at schools or post offices through satellite linkage, according to the ministry plan.

The informatization standard model will be developed to help the citizens in Korea exchange knowledge and information on line with the citizens of the net around the world without inconveniences.

To prevent the Y2K breakdown, the correct data will be fed into computer systems across government offices, industries and all other areas across the country by this month's end, the ministry said in its report to the President.

An inspection on the system fed with the new data will be made during April when a simulation test will be conducted. In particular, the financing and communication sectors have been instructed to implement water-tight solutions by the end of August, the ministry said.

In the worst case scenario, the simulation test on the nation's key systems will be scheduled during the first half of

the year.

The small and medium-sized industries which can hardly settle the problem with their personnel will be financed a total of 130 billion won to seek outside help to fix the situation, it went on to say.

The electronic document interchange (EDI) system will be extended at the time of the government's procurement to facilitate the informatization in the private sector and e-mail correspondence will be implemented among four government offices by June, including the ministry and the Ministry of Government Administration and Home Affairs.

To foster the development of new business items, the ministry will give priority to businesses dealing with the supply and the distribution of information, and will dole out subsidies to the service providers for the telephone charges, according to the report.

The ministry will reform the regulations obstructive to the e-commerce sector by sector, introduce the taxation deductions and financing favors and will start the e-signature endorsement service in July.

Furthermore, the ministry will launch a government-industry task force team to boost the export set at \$31.3 billion and \$13.3 billion in total amount and in returns throughout the year.

In this regard, the ministry will station an official in China to promote the code division multiple access (CDMA) sales, come up with a systematic back-up on personal computers, and help the Economic Development Cooperation Fund (EDCF) to encourage the export in this sector, it said.

The ministry will also improve the environment to facilitate the arrival of more foreign capital, which recorded \$2 billion last year. The ministry will spend 83 billion won to provide information and communication courses to 210,000 college graduates who are jobless, and have set aside 601 billion won to G-7 project.

Digital television broadcasting will make a debut earlier than originally planned. The infrastructure will be expanded for the early introduction of satellite broadcasting and the national information infrastructure will be expanded to include the electronic wave resources.

## Personal Domain Names to Be Allowed

By Yang Sung-jin  
Staff Reporter

Individual Internet users will be allowed to register their own personal domain names on the internet beginning in April, the Ministry of Information and Communication announced yesterday.

The measure is intended to handle intensifying competition for better Internet addresses across the globe and exploding economic activities on Net, the ministry officials said.

Individuals can register their own website address, known as a domain name, at the cost of 10,000 won per year and companies will be permitted to apply for multiple domain names thanks to the measure.

The domain registration and maintenance in Korea, which has so far been supervised by the National Computerization Agency, an organ affiliated with the ministry, will be handed over to a private firm for more efficient process.

To that end, the ministry will charge 30,000 won for a domain name of a corporate Internet website, they said.

The change in policy is likely to spark a wave of fierce domain-hunting by companies for better and faster recognition on the Web, while individual users used to the free-of-charge registration may cry foul.

For firms in search of easy-to-identify domain names, paying the yearly due of 30,000 won does not matter; however, individual users are likely to take issue with the measure since their domain names will be canceled unless they pay the charge.

The ministry maintained that among OECD (Organization for Economic Cooperation and Development) member nations, only Korea has not charged the registration of the Internet domain, a practice ill-prepared for the fast-changing Internet address policies led by advanced nations.

Meanwhile, the global domain registration had been spearheaded by a U.S.-based IANA before the function was transferred to ICANN, a new international organization which was set up last November as the demand for international-level cooperation in domain registration rose.

## SK Wins \$1.2 Bit. Contract for Mexican Project

SK Engineering and Construction has won a \$1.2 billion contract from the Madero Project in Mexico along with Siemens AG of Germany and Grupo Tribasa of Mexico, SK officials said yesterday.

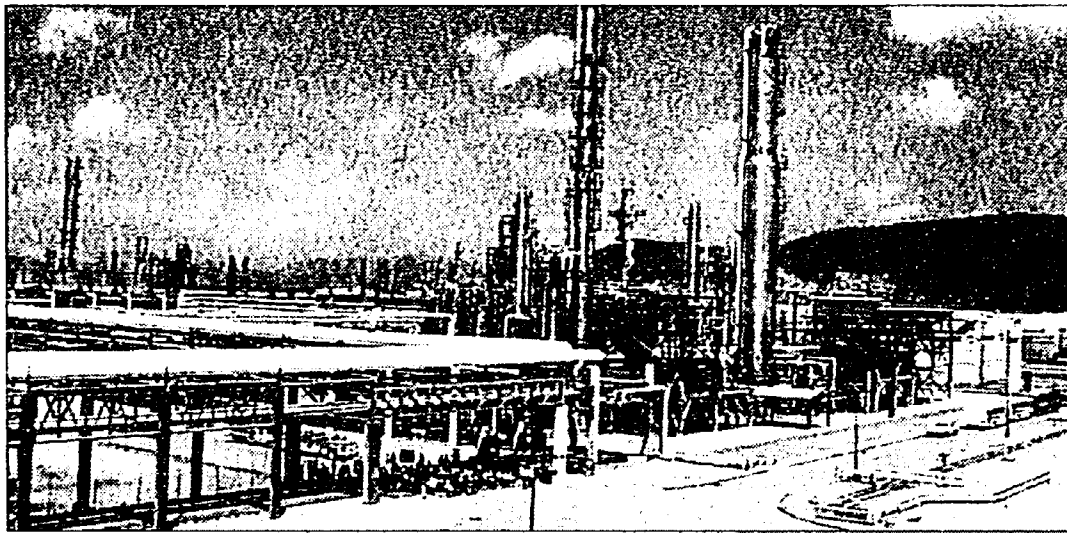
The contract, signed with Pemex, a Mexican government-owned petroleum company, involves the construction and financing of a project to upgrade and expand the Francisco I. Madero refinery in the state of Tamaulipas.

Scheduled for completion in the year 2002, the project provides Mexico with a much-needed increase in high quality gasoline production and fuel processing capabilities with an anticipated reduction in pollution emission.

At the same time, two turbo generators, three high steam boilers and three cooling towers, will be constructed and integrated into the existing refinery, the officials said.

"The awarding of the project is a recognition of our consortium's expertise in large and complex oil and gas projects, particularly in Mexico where we are currently undertaking the Pemex's Cadereyta Refinery project," he said.

The consortium successfully closed the financing of a \$1.5 billion Cadereyta Project in June 1998. It consists of the modernization and expansion of the Pemex refinery scheduled for completion in July this year.



This is a view of the Cadereyta project currently underway in Mexico. SK Engineering and Construction has won an additional contract worth \$1.2 billion in connection with the project.

## Work-outs of Large Companies Enter 2nd Phase

As part of corporate restructuring, the Financial Supervisory Commission will shortly force heavily indebted companies to undertake the second phase "work-out" programs.

After selecting 64 large companies including top chaebol with outstanding loans exceeding 250 billion won, the FSC advised the banking community to submit the names of another five to 10 companies for additional work-out.

The restructuring of large conglomerates within the top 64 is viewed as the final step of corporate restructuring, together with the completion of the so-called "big deal (business swap)" among five chaebol.

Once included in the work-out programs, each company will be coerced to alleviate its highly leveraged financial structure and to shed off a redundant work-

force as well as other excess capacity.

The banks, on the other hand, will provide various incentives to complement their efforts, including the reduction of financial costs and roll-over of matured loans.

The FSC advised the local banks to compose a tentative list of targets for work-out programs by no later than Feb. 20, which will then be handed in to its Corporate Restructuring Committee on Feb. 22.

The FSC is expected to finalize the names by the end of June, 1999.

The banking circle will study each company's restructuring progress before making any initial selection on the list of corporate reform.

They will also carefully analyze the cash flow of each company among the top 64 as well as examine

their debt to equity ratio.

Those export-oriented companies, which recently suffered a severe blow in their trade volume following continuous appreciation of the domestic currency, are considered work-out targets.

The medium sized corporations with records of red figures for three consecutive years are certain to be a part of the program.

Those with excess capacity and high liabilities will be no exception in the restructuring process.

"The work-out of top 64 companies will be the final phase of the corporate reform. The private sector restructuring will be inconsistent without it," said a FSC official.

"The second phase of corporate restructuring will serve as another key factor for eventually upgrading Korea's sovereign rating," he added.

## Samsung Aerospace Exports \$500 Mil. in Compressors to Gardner Denver

Samsung Aerospace Ind., Ltd. struck a deal with Gardner Denver Co. of the United States for technology licensing and \$500 million worth of the export of turbo compressors, a spokesman said yesterday.

The aerospace machinery arm of Samsung Group signed a memorandum of understanding on Feb. 11 with Gardner Denver, the leading compressor manufacturer with the third largest market share in the world.

In return for the technology transfer, Samsung Aerospace will receive yearly royalty worth over \$2 million from the U.S. Finn which has a global production and sales network, the first of its kind in the industry.

Samsung Aerospace will export compressor parts worth a maximum of \$50

million a year over a period of 15 years, totalling at \$500 million, the firm said.

Under the contract, Samsung will provide essential parts of its turbo compressor to Gardner Denver which will manufacture the model with the help of technology licensing.

Samsung Aerospace, the sole domestic producer of gas turbine engines for airplanes, developed "Turbo Master Compressor" in 1997.

## Trade Promotion Delegation Set to Visit South American Nations

A delegation of 100 businessmen will visit Brazil, Argentina and Peru in order to promote mutual trade and enhance cooperative relations March 13- 25, the Ministry of Commerce, Industry and Energy said yesterday.

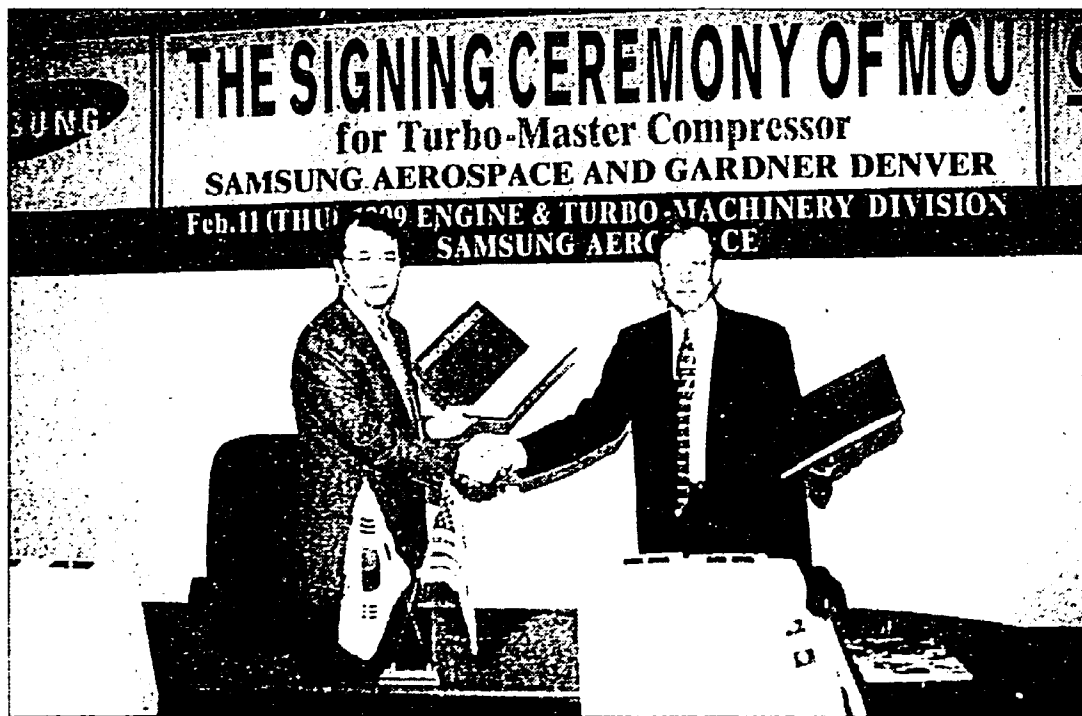
The delegation to be headed by MOCIE Minister Park Tae-young will campaign a drive to help secure bidding in the three South American nations in an effort to increase the overall amount of trade, ministry officials said.

The visit is also aimed at laying a

foundation for Korean firms to establish business relations with the counterparts of the countries involved, they said.

The MOCIE officials said that the delegation will include 60 small and medium-size companies producing items that might appeal to the local consumers in a bid to penetrate niche markets.

In addition, the delegation intends to diversify the nation's export structure in the South American region, now dependent on automobiles, electronics and textiles, they added.



Chung Chong-su, director of the engine and turbo machinery division at Samsung Aerospace, and Dennis Shull, vice president of Gardner Denver Co., pose for the camera after signing a memorandum of understanding on the export of Samsung turbo compressors and technology licensing to the U.S.

### Economic Bulletin

#### OECD Regulatory Reform Mission to Visit Seoul Feb. 25

A delegation from the Organization for Economic Cooperation and Development will make a three-day visit to Seoul starting Feb. 25 to review progress on regulatory reform here.

The mission, led by Jacobs Scott from the OECD's Regulatory Reform Committee, will visit the Deregulation Committee, Office of Administrative Coordination, Fair Trade Commission and Financial Supervisory Commission to assess their reform work.

The delegation's visit will be made in accordance with the OECD's decision to issue an annual report on regulatory reform, which was welcomed by all member countries in May 1997.

Spain and Denmark will be reviewed by the OECD following South Korea.

The Paris-based wealthy nations' club assessed reform progress in the United States, Japan, the Netherlands and Mexico. The purpose of the OECD's regulatory reform analysis is to enhance the performance, cost-effectiveness, or legal quality of regulations and related government formalities.

#### Hyundai (o Hold Road Show Abroad on ML Kuuigang Project

The Hyundai Business Group will embark on road shows in six international cities starting next month to introduce foreign investment in its Mt. Kumgang tourist development project.

A Hyundai official said yesterday that the conglomerate will collect foreign investors to facilitate funding of the project, which is expected to require \$397.13 million in total by the end of next year.

The road show will be staged in New York, Tokyo, Beijing, Frankfurt, Paris and Hong Kong, he said.

### 해외에 있는 동포, 친지들에게 한국일보, 서울경제, 일간스포츠, The Korea Times 및 소년한국일보를 보냅니다

#### 해외신문 우송료

지역구분	한국일보	서울경제	일간스포츠	Korea Times	소년한국	주간한국	비고
1지역	매일 42,000 주3회 39,000 주1회 31,000	매일 44,000 주3회 37,000 주1회 31,000	매일 44,000 주3회 39,000 주1회 31,000	매일 31,000 주3회 26,000 주1회 23,000	매일 16,000 주3회 12,000 주1회 9,000	매일 19,000	일본, 중국, 대만, 홍콩, 마카오 등
2지역	매일 53,000 주3회 51,000 주1회 45,000	매일 55,000 주3회 51,000 주1회 45,000	매일 55,000 주3회 54,000 주1회 45,000	매일 37,000 주3회 32,000 주1회 30,000	매일 18,000 주3회 14,000 주1회 11,000	매일 22,000	태국, 싱가포르, 필리핀, 라오스, 방글라데시, 브루나이, 동남아 등
3지역	매일 64,000 주3회 63,000 주1회 57,000	매일 65,000 주3회 61,000 주1회 57,000	매일 65,000 주3회 63,000 주1회 57,000	매일 44,000 주3회 37,000 주1회 35,000	매일 22,000 주3회 16,000 주1회 13,000	매일 24,000	미국, 북미, 러시아, 동서유럽, 대양주, 중동, 인도, 스리랑카
4지역	매일 79,000 주3회 78,000 주1회 77,000	매일 79,000 주3회 77,000 주1회 77,000	매일 79,000 주3회 77,000 주1회 77,000	매일 52,000 주3회 45,000 주1회 45,000	매일 26,000 주3회 20,000 주1회 15,000	매일 28,000	아프리카, 중남미, 서인도제도, 남태평양

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