

Game Industry in the Korean Economy

Feb 23. 2005

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Asia Broadband Summit

Introduction to KIPA

- ❑ Established in 1998 by MIC to promote Korea IT Industry**
- ❑ Non-profit, legally authorized Government Agency to promote S/W industry and D/C industry**
- ❑ No of Employees : Approx. 200**
- ❑ Home page : www.kipa.or.kr**

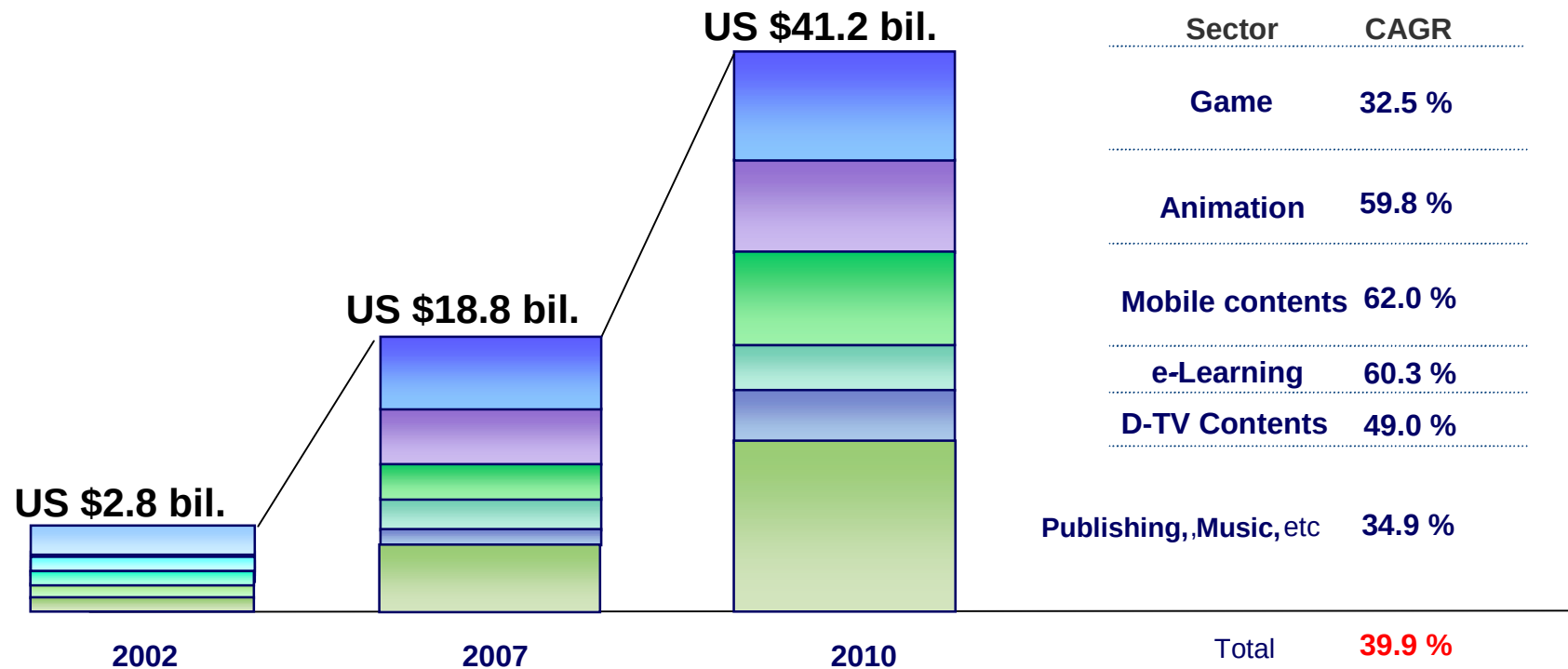
Introduction to KIPA

▪ iPark – Overseas office



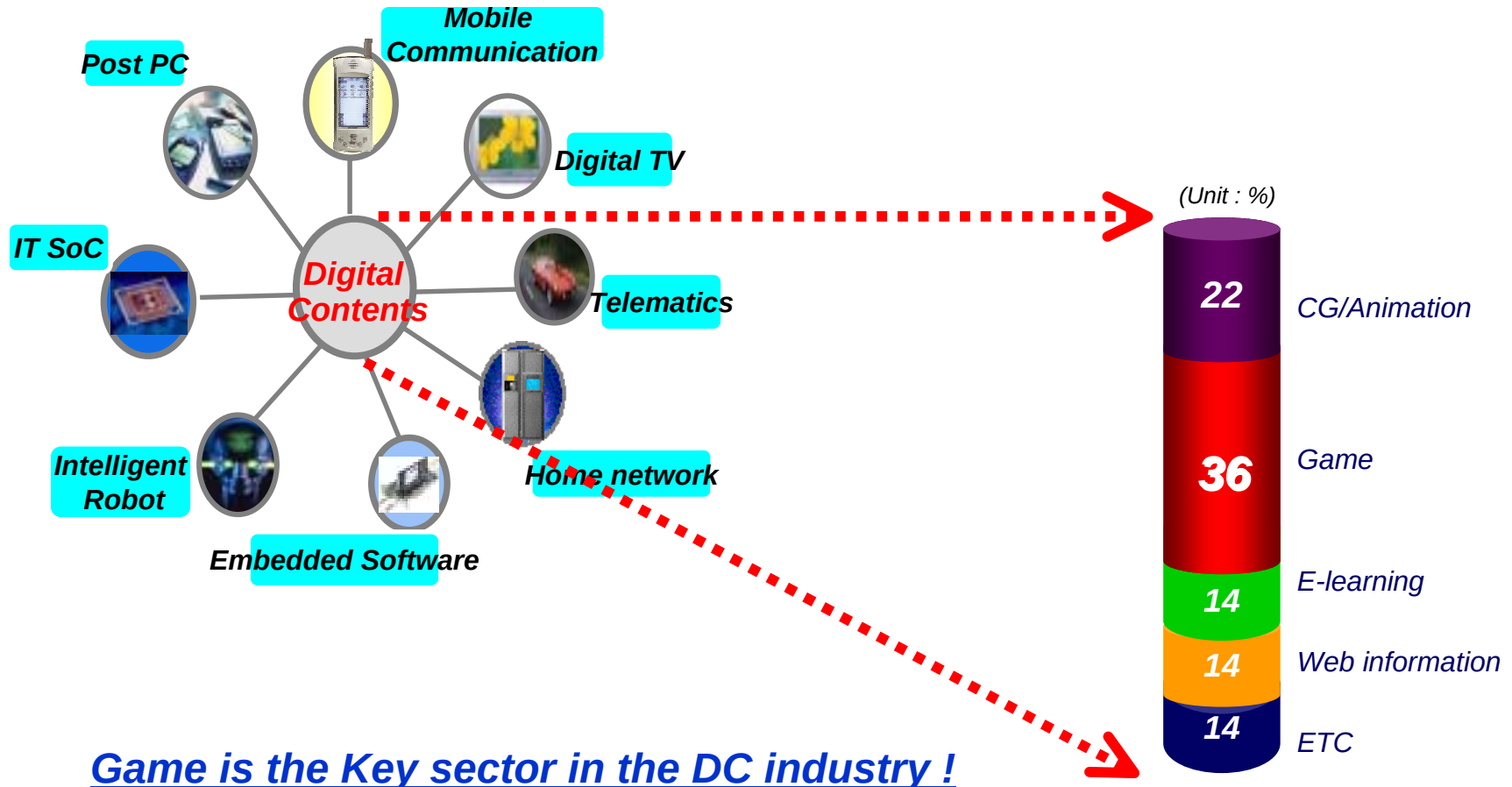
DC industry in Korea

Estimated market size / growth rate



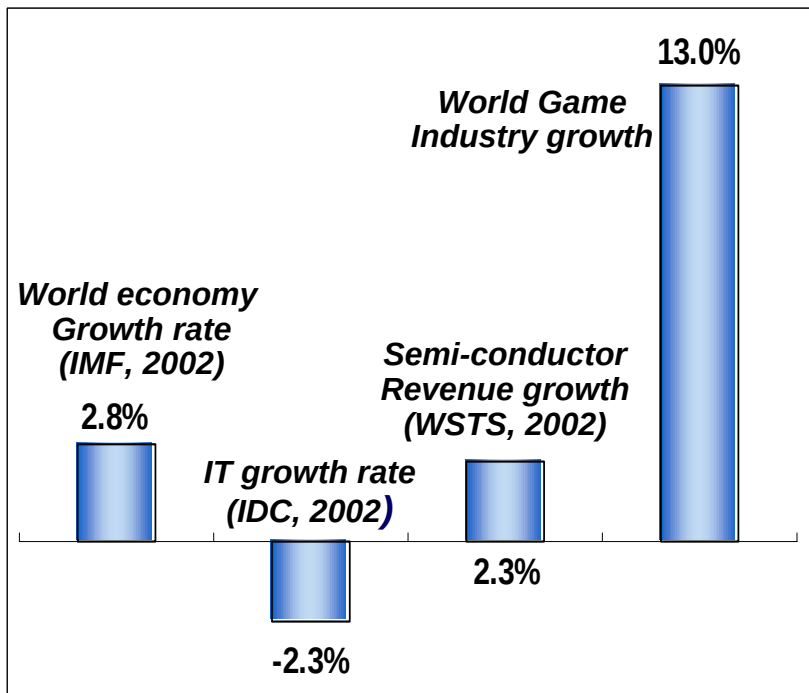
Source : Reconstructed by the data form KIPA (2003)

IT – DC – Game Industry

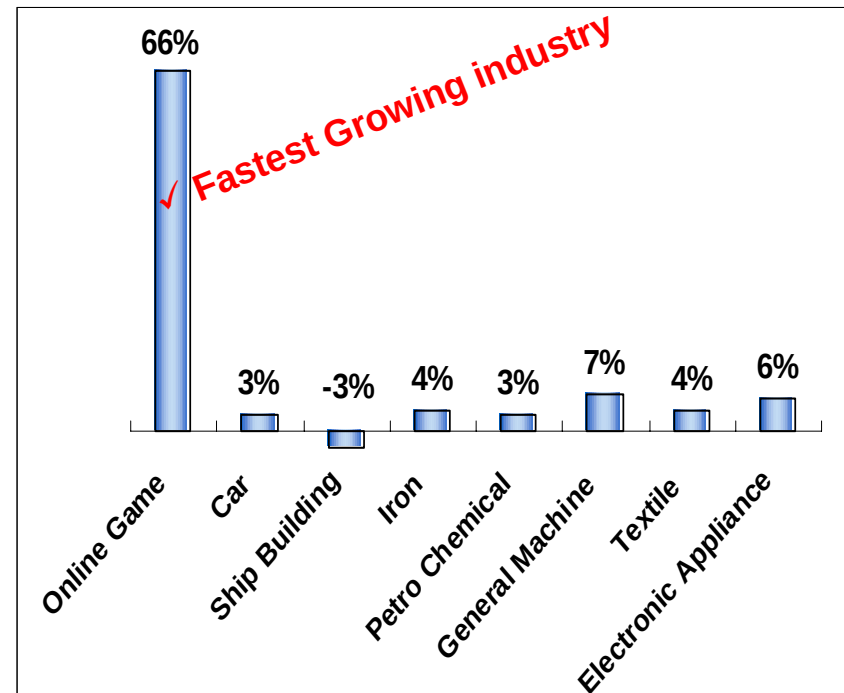


Game industry in the Economy

Industry Growth Comparison



<World economy>

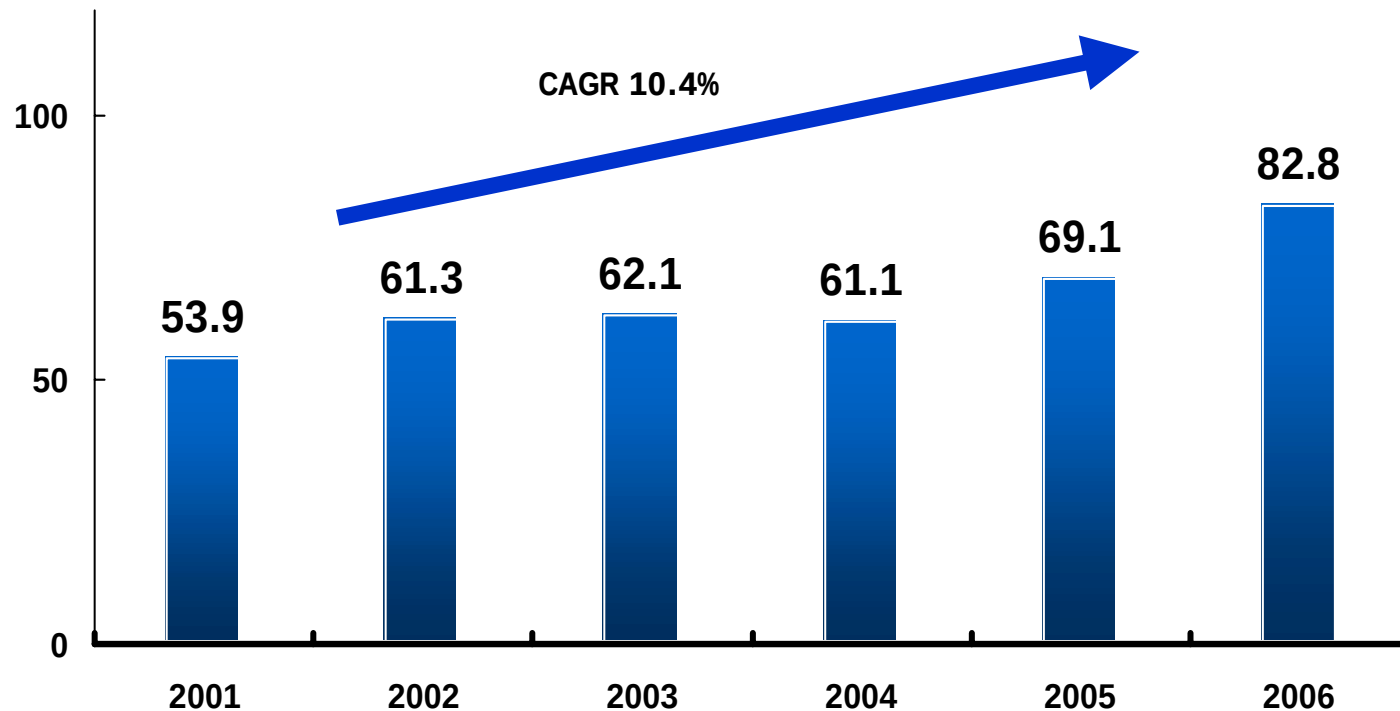


<Korea economy>

World Game Market – Total size

(Unit : U\$1 billion)

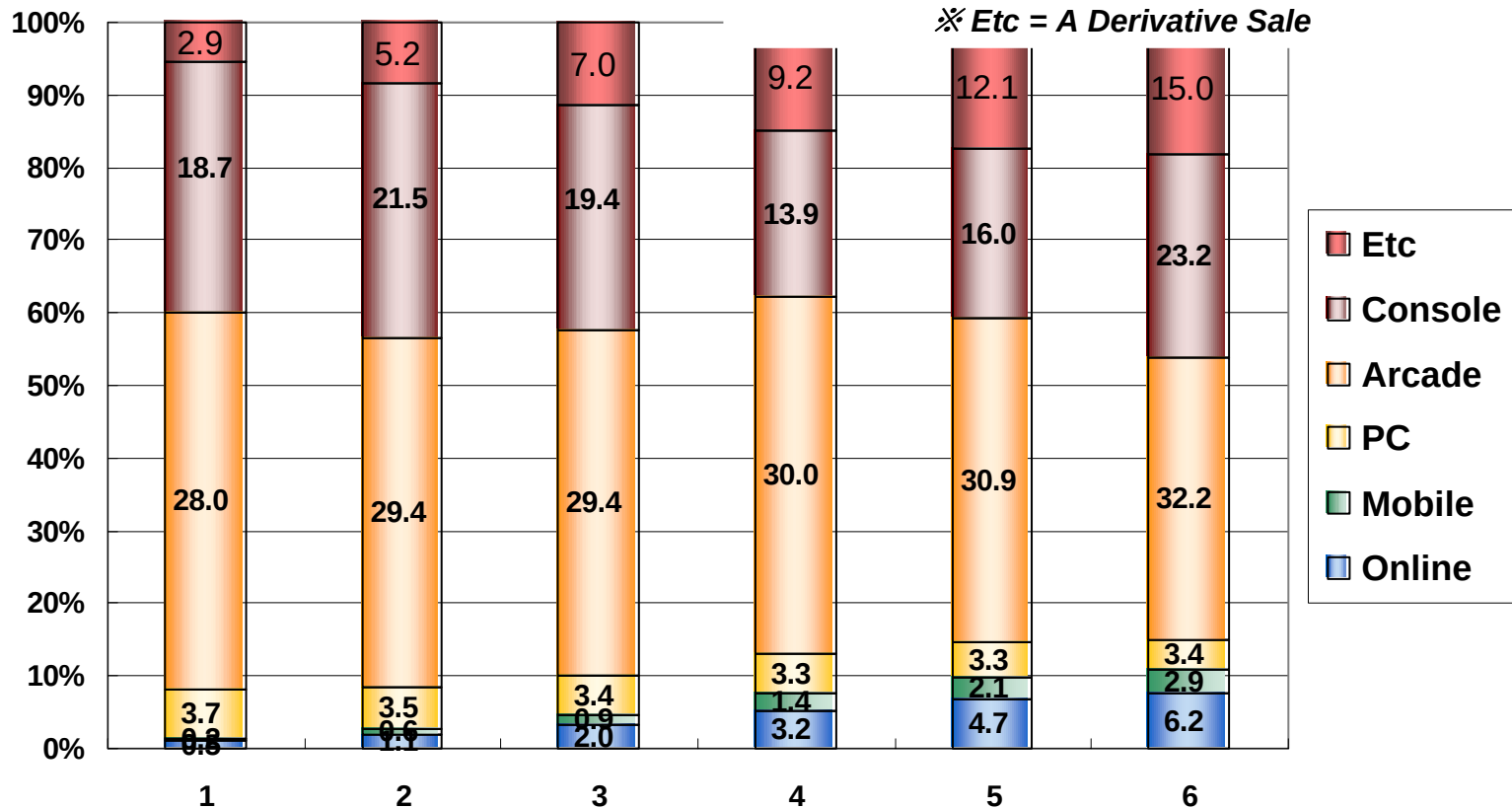
(Source : Korea Game White Paper 2004. KGDI)



World Game Market – P/F composition

(Unit : US\$1 billion)

(Source : Korea Game White Paper 2004. KGDI)

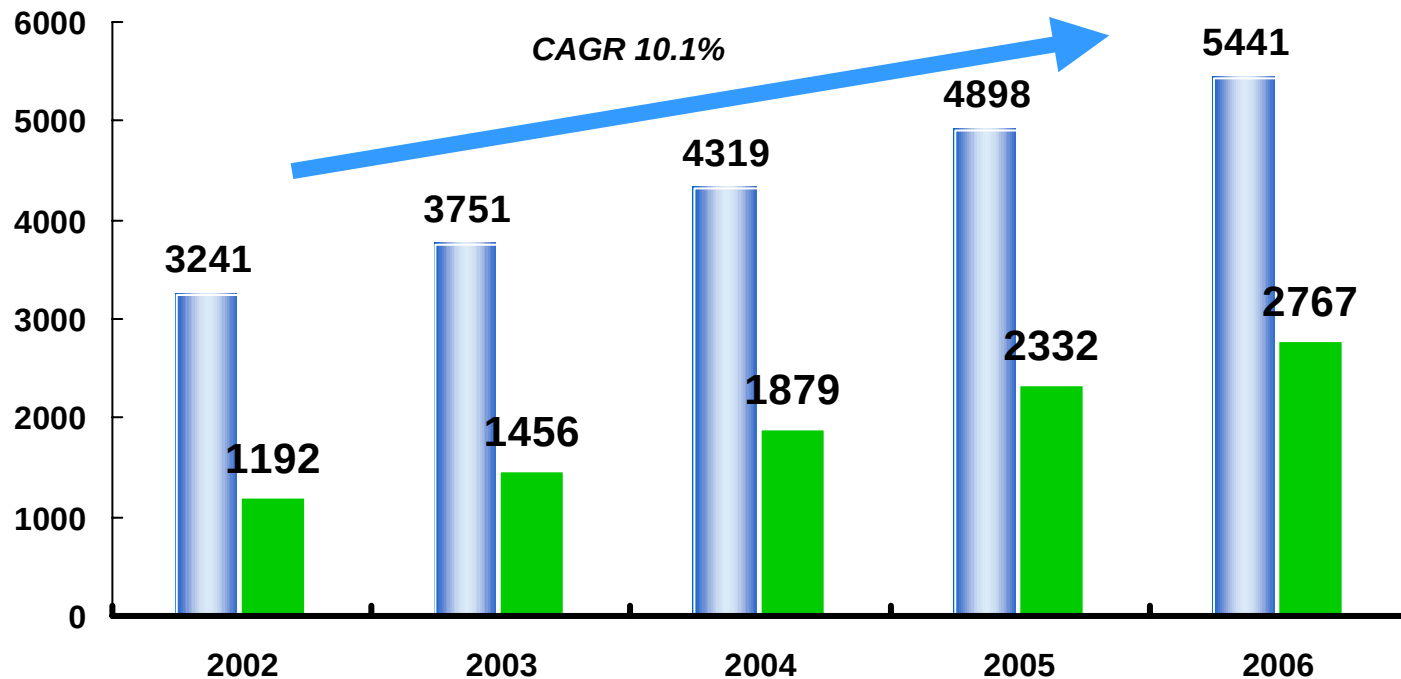


Korea Game Market – Total Size

(Unit : 1 M\$, 1U\$=1,050 won)

(Source : Korea Game White Paper 2004. KGDI)

■ Including PC Café / Game room ■ Net Sales of Game Development

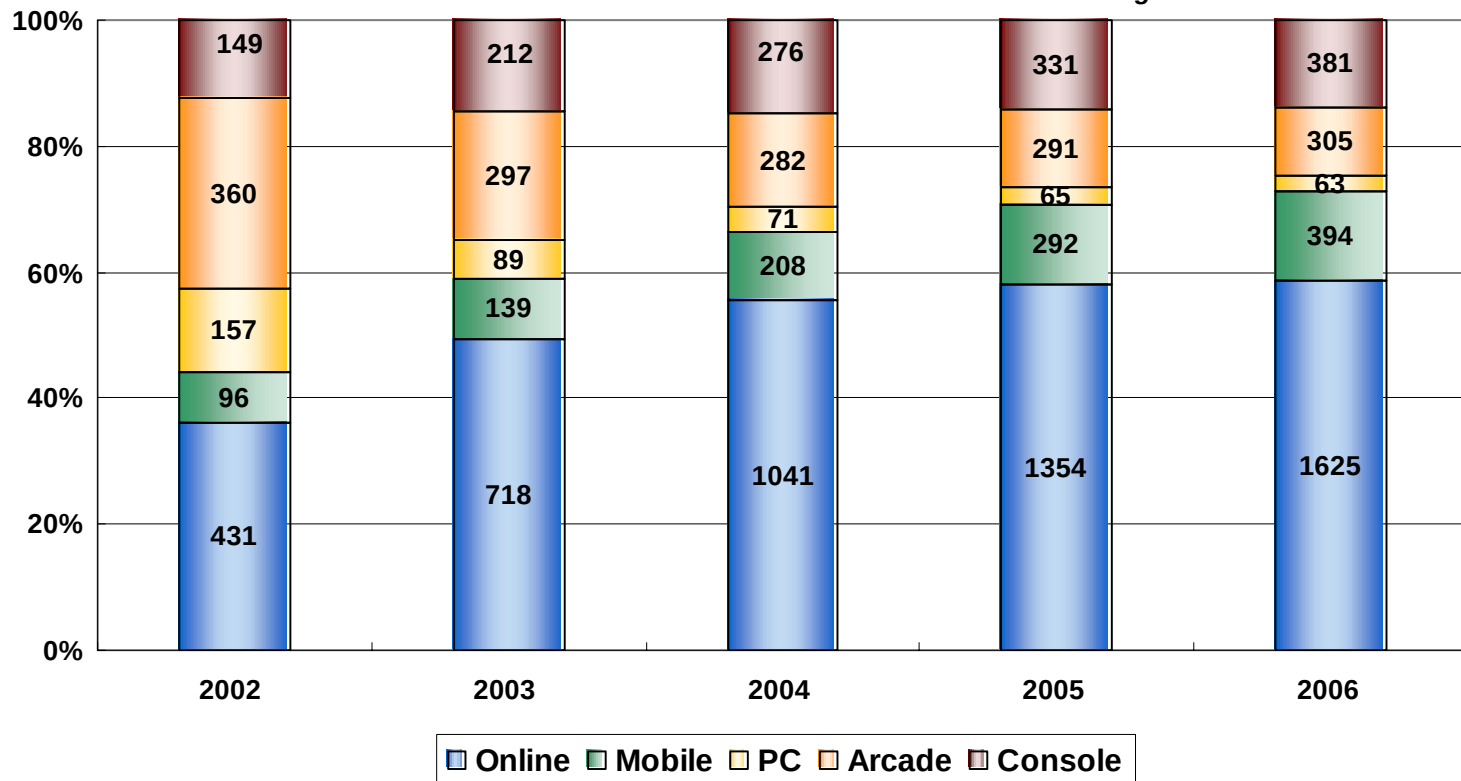


Korea Game Market – O/G domination

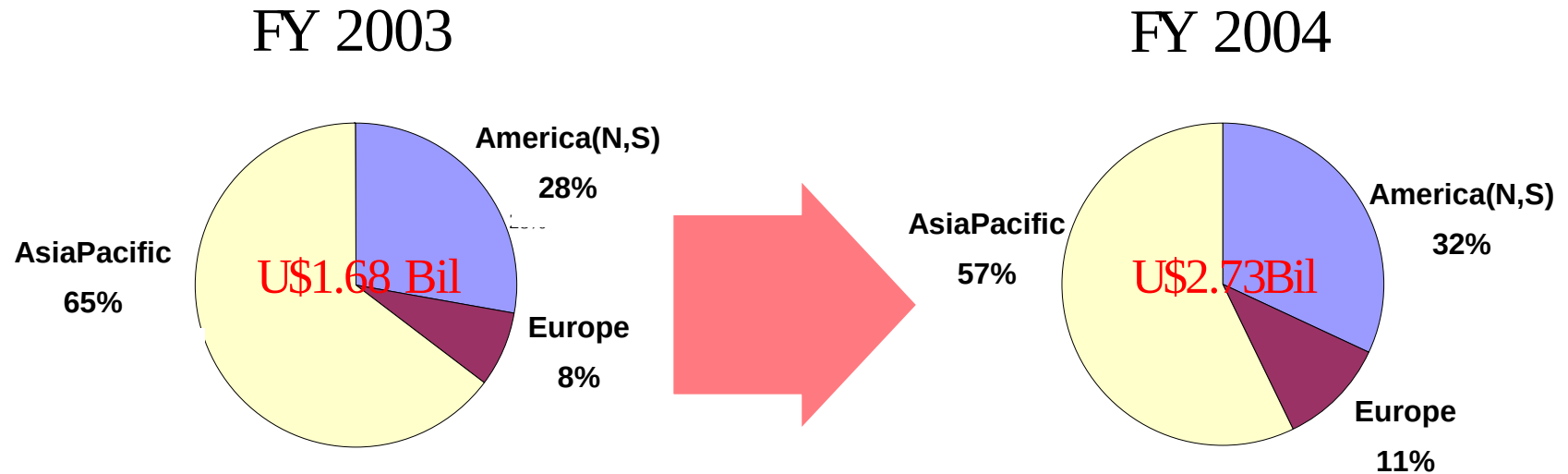
(Unit : 1 M\$, 1U\$=1,050 won)

(Source : Korea Game White Paper 2004. KGDI)

※ Excluding PC Café / Game room



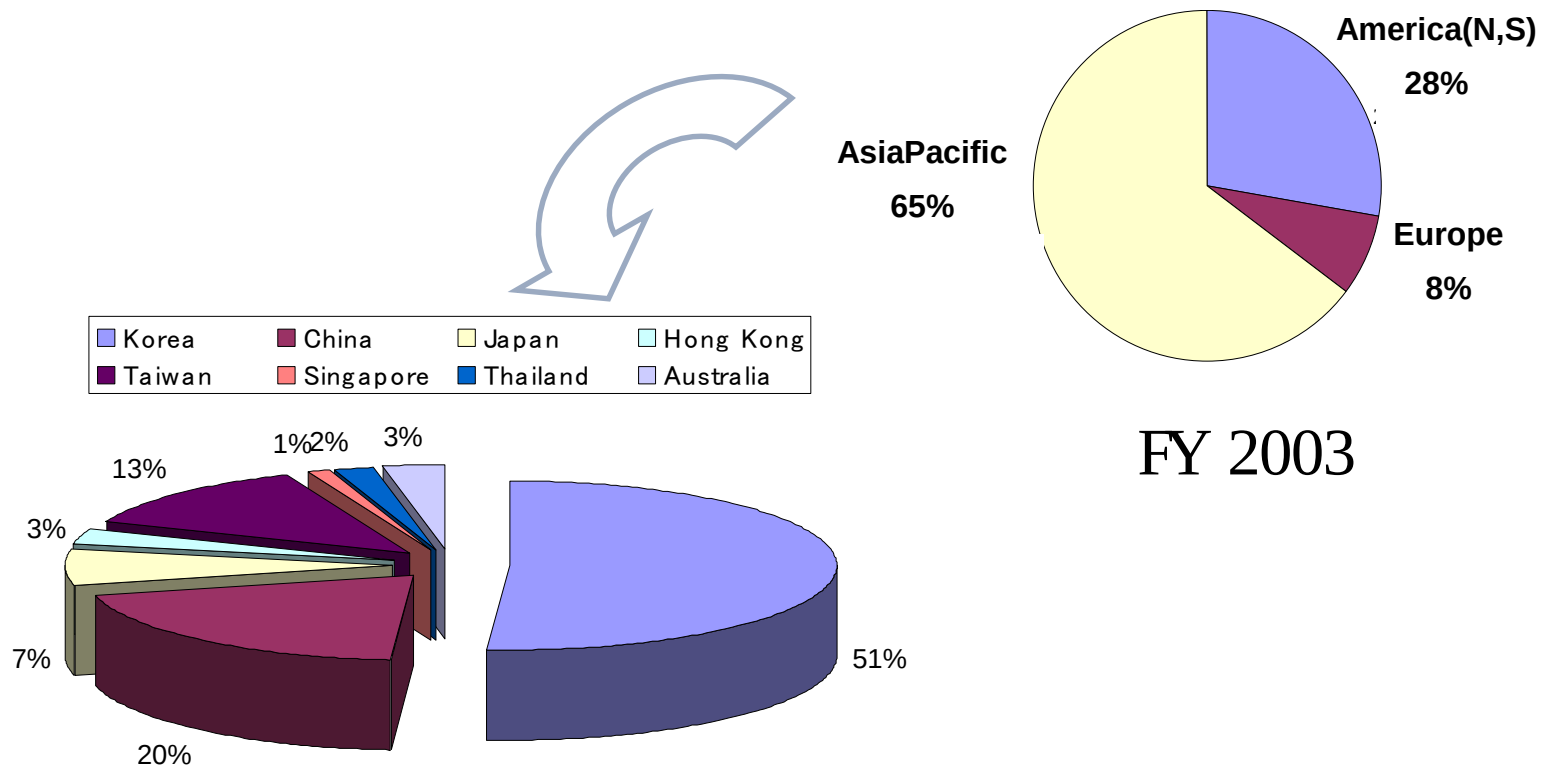
Worldwide Online gaming Market



<Source : World DC market survey report, KIPA, 2003>

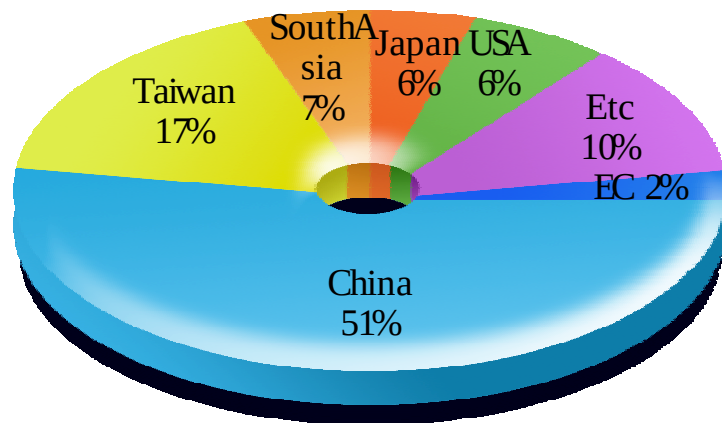
- Market size : FY2003 U\$1.7 Bn -> FY2004 U\$2.7 Bn
- Online game, the fastest growing in the “game” industry
- Share of “America, Europe” market is increasing

Worldwide Online gaming Market

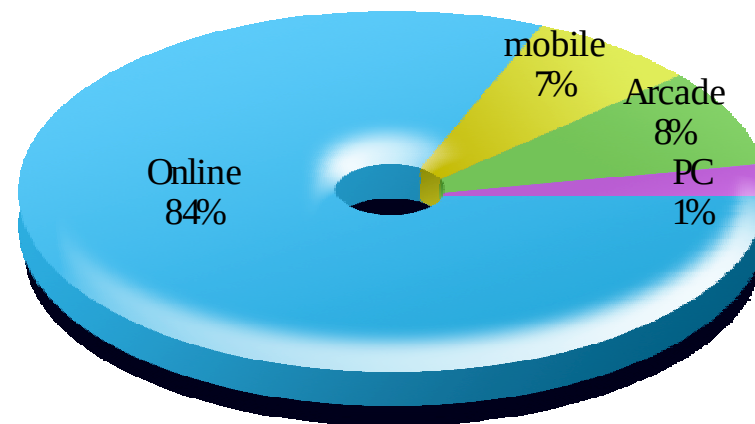


Export of Korean Game

Export according
to a nation

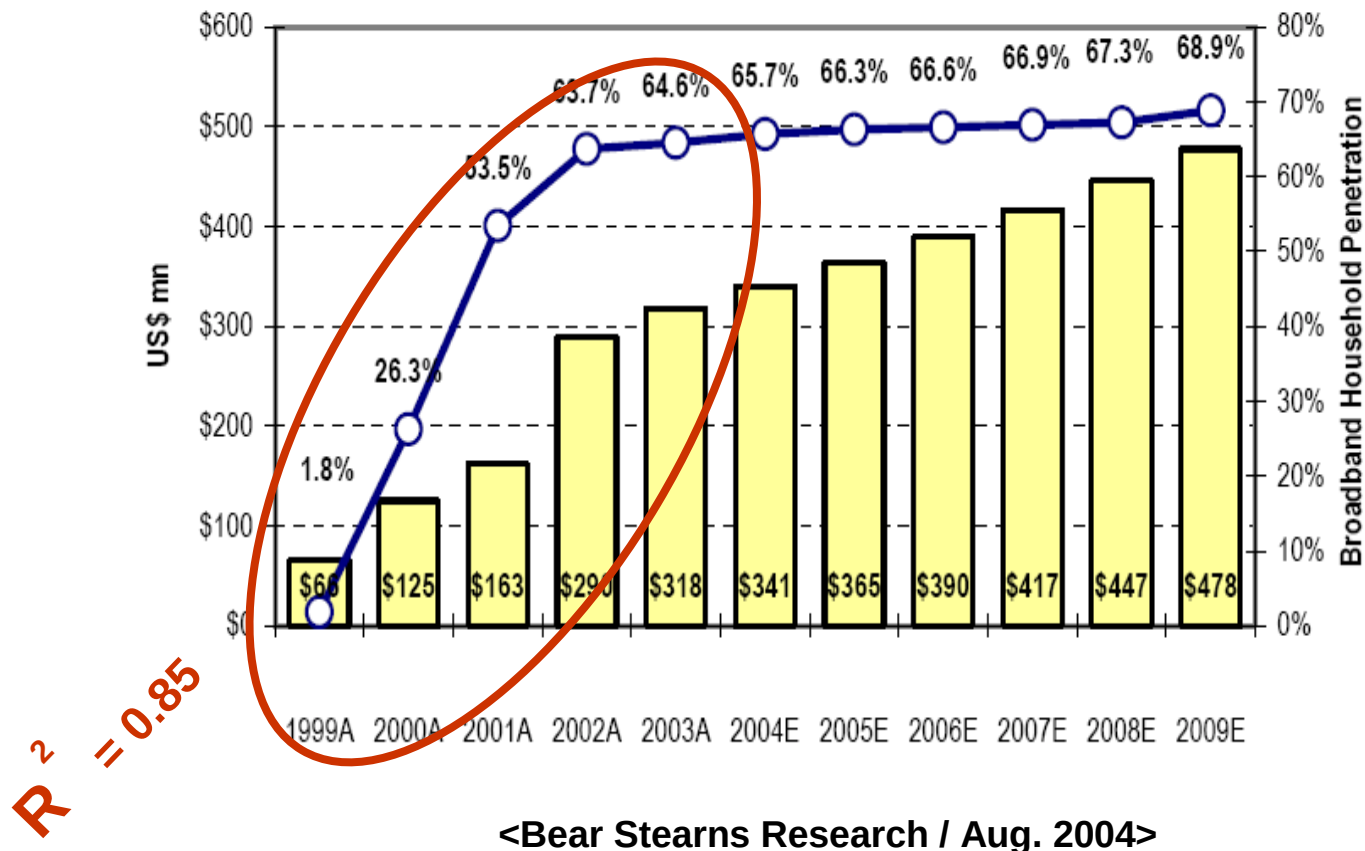


Export according
to a Platform



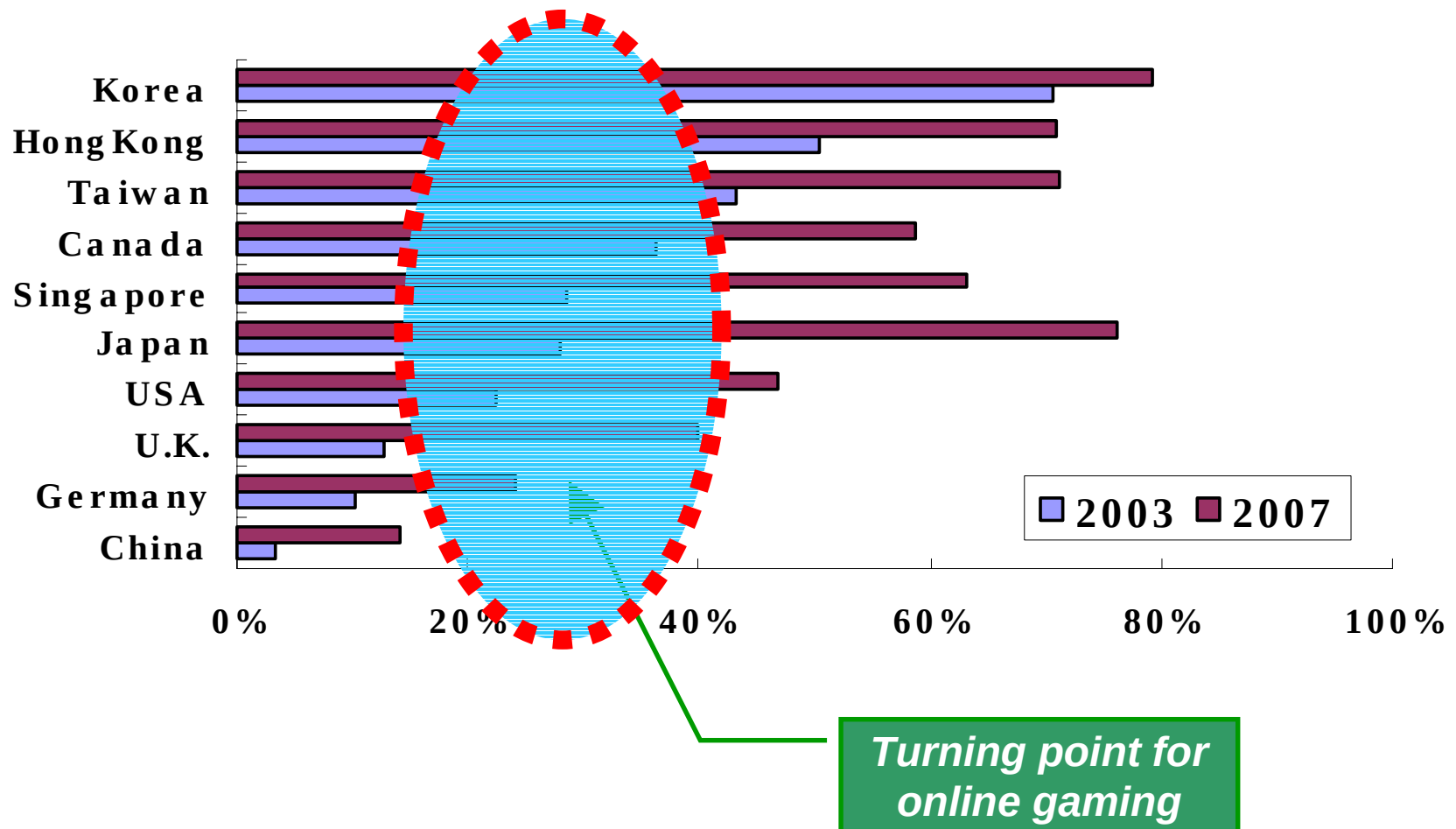
Co-relation between BB and O/G industry

Figure 26. Korea's Online Gaming Market – From Birth to Maturity in Five Years



Strong co-relation between BB & OG (Korea case)

Market driver : Broadband penetration



1. Technology development & infra-structure support

- ✓ ***Game engine & multi-platform technology***
- ✓ ***Online game Testbed (domestic, global)***
- ✓ ***Game component database***

2. Production support

- ✓ ***Production facility shared service***
- ✓ ***Pre production support***
- ✓ ***Main production support***
- ✓ ***Post production support***

3. Oversea marketing support

- ✓ ***Market research service***
- ✓ ***Seminars & conferences (Tech. + Mkt'g)***
- ✓ ***GPP program (1:1 match-making)***
- ✓ ***Trade shows (G-star 2005)***
- ✓ ***gameNgame.com (GTB)***

Contact information

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