



# JOURNAL OF KOREAN | November 2005 | ELECTRONICS

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## Korean Game Industry Emerging as Next-Generation Growth Engine

Since online games came onto the scene in 1994, the Korean game industry has scored surprising growth, emerging as a next-generation growth engine and becoming a cornerstone of revolutionizing people's lives with burgeoning networks and online games via the Internet.

According to the Ministry of Information and Communication (MIC), in 2003, the turnover of the Korea computer game industry was approximately 4 trillion won, growing 10% from 2002, with the online market growing 28%.

Although the Korean game market is relatively small, its online game industry is particularly strong, accounting for 7% of the world market. It is also leading in the number of players involved in a single game and the age range of players. This has been achieved through designs specifically for Korean customers. A significant number of small- and mid-sized portals and content industry firms have entered the industry.

Computer game exports are expected to reach US\$113 million in 2005, with the Korean Internet industry focused on exports as the domestic market is likely to reach saturation by 2006-2007. Mobile game exports now account for 61% of game exports. MIC says that export targets are China, Chinese Taipei and Southeast Asia. Korean firms have had difficulty in penetrating markets outside Asia, and to gain local knowledge they



are establishing alliances overseas.

Until early 1999, foreign network games such as Starcraft and FIFA 99 were the most popular at PC parlors in Korea. Starting from the end of 1999, however, domestic online games have been replacing imported ones, which proves the potential of the domestic game technology in the online game market. This is also evidenced by the fact that Larry Probst, the president of EA Corporation, the world's largest game enterprise, visited Korea to analyze the status of the Korean game industry, the first round of CEO calls on the corporation's branches in nine years. Furthermore, the spread of the Internet and the emergence of new technologies such as VR (Virtual Reality) and 3D graphics will bring explosive growth to the online game market in the future.

The games that have stood out in the domestic online game market are Lineage, the Kingdom of the Winds, Legend of Darkness, and many more. Especially, Lineage has reached 3 million paid members and has had 30,000 players



logging on simultaneously. Leading the domestic game industry, NC Soft has a 33% market share. The growth of revenues from the end of 1999 has been explosive. Also, the domestic online game market has grown 340% per year, with the market size of 5 billion won as of 1998 reaching 200 billion won in 2001. The high-growth trend in the online/network game market is expected to last for some time.

As part of a push to become the world's top game-making country, Korea recently hosted an international game exhibition for the first time. Taking place at KINTEX in Ilsan, Gyeonggi province, from Nov. 10 to 13, Gstar 2005 played host to 150 game developers from at home and abroad, providing them with an opportunity to showcase new games and forge ties with other companies. Games for all formats, including online, mobile and arcade, were on display. Korean game giants such as Nexon, NCsoft and Webzen were represented at the exhibition, alongside such world-famous names as Sony, Sega, Intel and Konami.

APEC Leaders to See State-of-the-Art Robots

## Introducing Life-Like Einstein, Bartender and Lip-Syncing Robot



Like 'David,' the child robot in the movie 'A.I.,' a creation of director Steven Spielberg in 2001, an Albert Einstein-look-alike robot with a lively facial

expression speaks fluently. After meeting the Einstein robot, a visitor leaves the lecture area and heads toward a cafe riding a robot similar to the one that the heroine in

the movie 'Alien' used. Then, in the cafe, a bartender robot greets him and silently makes a cocktail for the visitor. In one corner on the stage of the cafe, an entertainer robot dances and lip-syncs a song by Lee Hyo-Ri, a famous Korean pop singer.

This is not a story in a movie. 'Stories comes alive... and the stuff of science fiction is real!'

On November 15, movie-like fantasies became reality at the Busan IT exhibition center, BEXCO, on the occasion of the APEC summit.

The Ministry of Commerce, Industry and Energy (MOCIE) debuted four kinds of world-class state-of-the-art robots, 'Robot Transporting People,' 'Cafe-Operating Robot,' etc. at the opening ceremony of the IT exhibition at the APEC summit. The ministry has successfully developed those high-tech robots jointly with Korea Advanced Institute of Science and Technology (KAIST) and Korea Institute of Science and Technology (KIST) as a core segment of the nation's next-generation growth engines.

The Robot Hall consisted of three sections - robot cafe, robot kindergarten and Robhaz hall - and introduced four kinds of robots developed for the first time in Korea.

Making a debut at the Robot Hall were 'Robhaz Iraq Version,' which was utilized to detect explosives and conduct reconnaissance for Korea's Zaytun Unit stationed in Iraq, 'Robhaz Rescue Version' outfitted with rescue equipment to search for victims and equipped with a mapping function, and other models.

Robots, which not long ago existed only in an author's imagination or in the movies, like the waiter, entertainer, and transporter models, have now been developed and tested with Korea's own technologies. The day, as soon as 2020, when household robots are commonplace is rapidly approaching.

Korea's robot technologies are either at the world's cutting-edge of technology or very near that level, since they are capable of incorporating not only integrated technologies but also of independent operation in an intelligent home or industrial environment. These technologies are expected to contribute significantly to the Korean economy as a future growth engine.

To reinforce its policy capability as the lead government agency for the robotics industry, MOCIE decided to organize a robot industry team in the capital goods industry bureau and develop an 'Intelligent Robot Industry Vision and Development Strategy' this year to foster intelligent robots as a growth engine to drive the national economy.

