

# ITSA



Korea Information Technology  
Service Industry Association

# Index



Introduction of ITSA

Current IT Service Status

2012 SW Grand Consortium

Case





# 1 Introduction of ITSA





## Korea Information and Technology Service Association (ITSA)

Korea IT service industry association, an affiliate of the Ministry of Knowledge and Economy, is the voice of the Korean IT Service industry. ITSA represents a diverse IT services community spanning SI, IT consulting, IT solution, IT outsourcing and the IT convergence sector with Health, Atomic, e-government etc.

### Activities

<b>Policy Research</b>	ITSA <b>carries our policy research and suggest new legislations</b> in a bid to support IT service companies and advance the IT industry environment
<b>Global Cooperation</b>	<b>Support the exports of IT service solution and provide</b> them global cooperation opportunities. For stimulate exports and global collaboration, we establish business model for Korea IT service industry.
<b>Conference</b>	<b>Promoting industry cooperation and providing the opportunities</b> for exchange information through annual/quarter conference and seminars.
<b>Councils</b>	Korea Software Measurement Association, EA council, Public broad council, Advisory Committee, IT consulting council, data center committee



# 2 IT Service Status



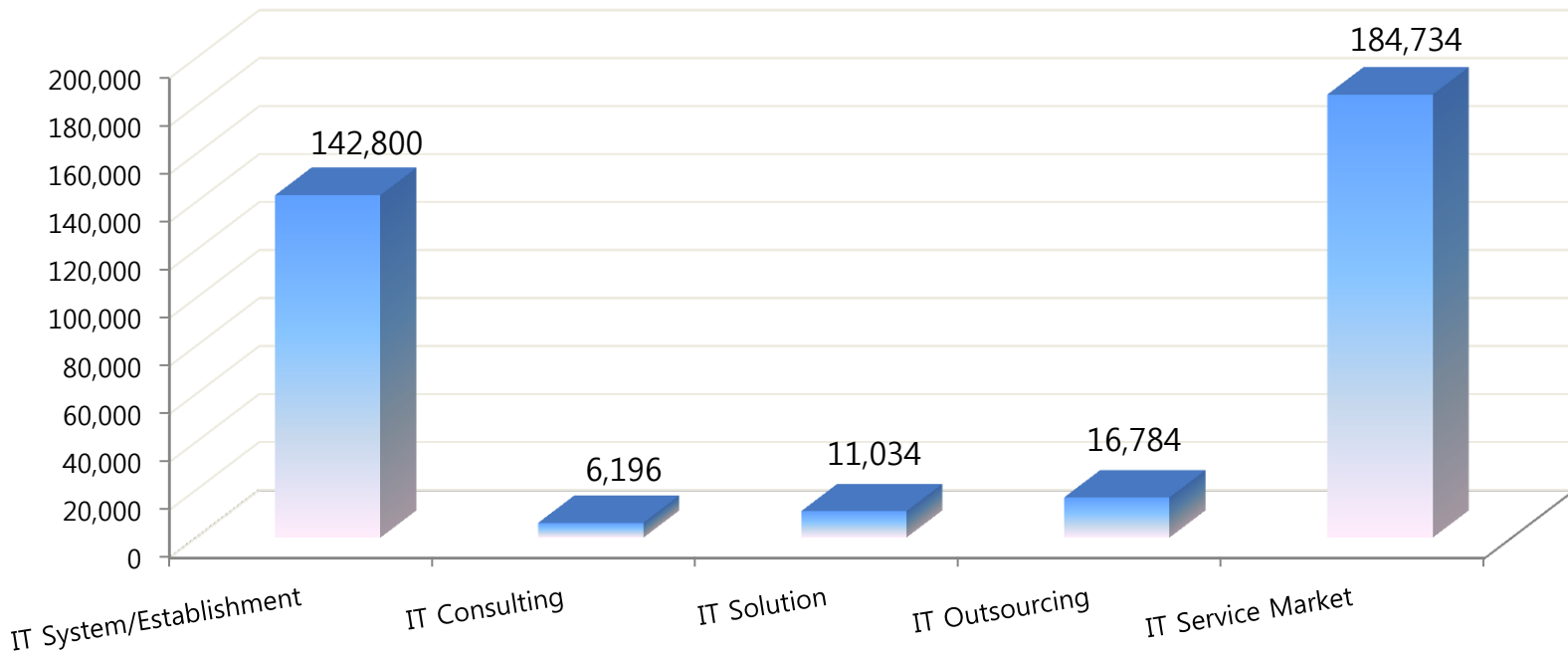
# Domestic Market Status



| ITSA is | **Status** | Grand Co | Case  
**Domestic**  
Overseas  
Trends

## ■ Details (2010)

- Compared with 2009, 18 trillion 473.4 billion scales, increasing 3.8 % (CAGR 10 = 5.4%)





## ■ Details (2010)

- Through Informatization Policies in Government and constraining budget, tend to increase by a small margin but improvement of growth environment during the past 3 year by overseas expansion

	2007	2009	2011	Annual average growth rate (06'~08')	Annual average growth prospect (10'~15')
Total IT Service	170,245	178,268	184,734	4.5	5.9
SI(System Integration)	131,600	137,802	142,800	3.6	3.8
IT Outsourcing	15,241	16,129	16,784	5.1	6.1
IT Consulting	5,321	5,756	6,196	6.9	7.5
IT Solution	9,957	10,493	11,034	4.9	5.8
Support/Training	3,351	3,462	3,570	3.9	5.1

# Overseas Expansion by Sector



ITSA is	Status	Grand Co	Case
	Domestic		
	Overseas		
	Trends		

## Major companies

- Largest change from Simple SI project to large size IT Service, expansion trend to Medical IT, Education(Smart School), Solar Energy, SIE(SOC), Engineering field



- Logistics System, Traffic Report(ITS), Solar Energy, SIE(Smart Infrastructure Engineering), etc.



- Financial Information, AFC(transportation card), Finance, security patent service, etc.



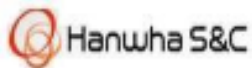
- Mobile Payment System, Emergency Relief Anti-disaster, ITS, U-City, etc.



- Smart Grid, Engineering, PSD, Plant Manufacture Information System, etc.



- Digital Hospital, Financial Information, E-government, etc.



- Petrochemical System, Finance Outsourcing Center, Green IT Outsourcing, etc.



- Logistics System, Hotel Booking Management, Parking Management System, etc.



# Overseas Expansion Status By Year



ITSA is

Status

Grand Co

Case

Domestic  
Overseas  
Trends

Company	10'~11'(million)	10' (million)	Increase over last year	10'(million)	09'(million)	08'(million)
Samsung SDS	US\$ 47,650	US\$ 65,400	48.33%	US\$ 55,430	US\$ 28,640	US\$ 16,450
LG CNS	US\$ 30,430	US\$ 22,430	46.52%	US\$ 21,410	US\$ 11,450	US\$ 8,845
SK C&C	US\$ 27,630	US\$ 20,450	30.97%	US\$ 12,372	US\$ 8,540	US\$ 7,600
POSCO ICT	US\$ 12,400	US\$ 7,310	74.99%	US\$ 13,595	US\$ 3,400	US\$ 2,570
HYUNDAI INFORMATION TECHNOLOGY	US\$ 3,200	US\$ 2,010	72.43%	US\$ 2,829	US\$ 780	US\$ 560
DAEWOO INFROMATION SYSTEM	US\$ 1,100	US\$ 820	82.39%	US\$ 2,555	US\$ 450	US\$ 550
LOTTE DATA COMMUNICATION COMPANY	US\$ 310	US\$ 150	91.33%	US\$ 980	US\$ 85	US\$ 90
HANWHA S&C	US\$ 400	US\$ 140	92.66%	US\$ 1,635	US\$ 120	US\$ 75
KCC I&C	US\$ 300	US\$ 250	64.79%	US\$ 710	US\$ 250	US\$ 140
HYUNDAI AUTOEVER CORP.	US\$ 210	US\$ 110	63.74%	US\$ 910	US\$ 330	US\$ 120
KEPCO KDN CO.	US\$ 550	US\$ 350	76.99%	US\$ 2,390	US\$ 550	US\$ 220
NAUTILUS HYUSUNG INC.	US\$ 290	US\$ 120	98.37%	US\$ 860	US\$ 14	US\$ 20
WOORI FIS	US\$ 50	US\$ 30	86.25%	US\$ 80	US\$ 11	US\$ 15
SHINSEGAE I&C	US\$ 100	US\$ 40	96.56%	US\$ 640	US\$ 22	US\$ 19
Koscom Corp.	US\$ 400	US\$ 210	78.95%	US\$ 1,330	US\$ 280	US\$ 190
ASIANA IDT	US\$ 400	US\$ 210	-47.37%	US\$ 190	US\$ 280	US\$ 190
SSANGYONG I&C	US\$ 7,500	US\$ 6,700	96.85%	US\$ 6,380	US\$ 201	US\$ 190
DONGBU CNI	US\$ 300	US\$ 190	51.96%	US\$ 895	US\$ 430	US\$ 40
DAELIM I&S	US\$ 250	US\$ 180	61.82%	US\$ 550	US\$ 210	US\$ 110
POSTEC	US\$ 100	US\$ 55	72.50%	US\$ 1,600	US\$ 440	US\$ 210
SEAH NETWORKS	US\$ 50	US\$ 30	52.00%	US\$ 250	US\$ 120	US\$ 40
KB DATA SYSTEM	US\$ 200	US\$ 90	48.65%	US\$ 370	US\$ 190	US\$ 48
TONGYANG STSTEMS	US\$ 190	US\$ 35	6.98%	US\$ 215	US\$ 200	US\$ 90
HANJIN IS&T	US\$ 300	US\$ 110	50.00%	US\$ 260	US\$ 130	US\$ 75
DAESHIN ISC	US\$ 50	US\$ 20	80.00%	US\$ 50	US\$ 10	US\$ 20
OPEN BASE	US\$ 60	US\$ 55	38.98%	US\$ 295	US\$ 180	US\$ 50
Cyber Logitec	US\$ 30	US\$ 25	44.83%	US\$ 145	US\$ 80	US\$ 30
NDS	US\$ 40	US\$ 15	66.67%	US\$ 270	US\$ 90	US\$ 15
KT-NET	US\$ 1,250	US\$ 1,100	60.99%	US\$ 1,410	US\$ 550	US\$ 590
INSUNG INFORMATION	US\$ 100	US\$ 35	80.00%	US\$ 100	US\$ 20	US\$ 10
WOONGIN HOLDINGS(IT Service)	US\$ 30	US\$ 15	77.14%	US\$ 175	US\$ 40	-
SAEHAN INFORMATION SYSTEMS	US\$ 20	US\$ 18	-119.53%	US\$ 169	US\$ 371	-
<b>Total</b>	<b>175,890</b>	<b>128,703</b>	<b>55.39%</b>	<b>131,050</b>	<b>58,464</b>	<b>39,172</b>

# Overseas Market Status



| ITSA is | **Status** | Grand Co | Case  
 Domestic  
**Overseas**  
 Trends

## ■ Details (2010)

- Forecast around 3.8% growth evenly in overall fields through Convergence, Smartization, new business, etc... in IT Service field (to 2014)

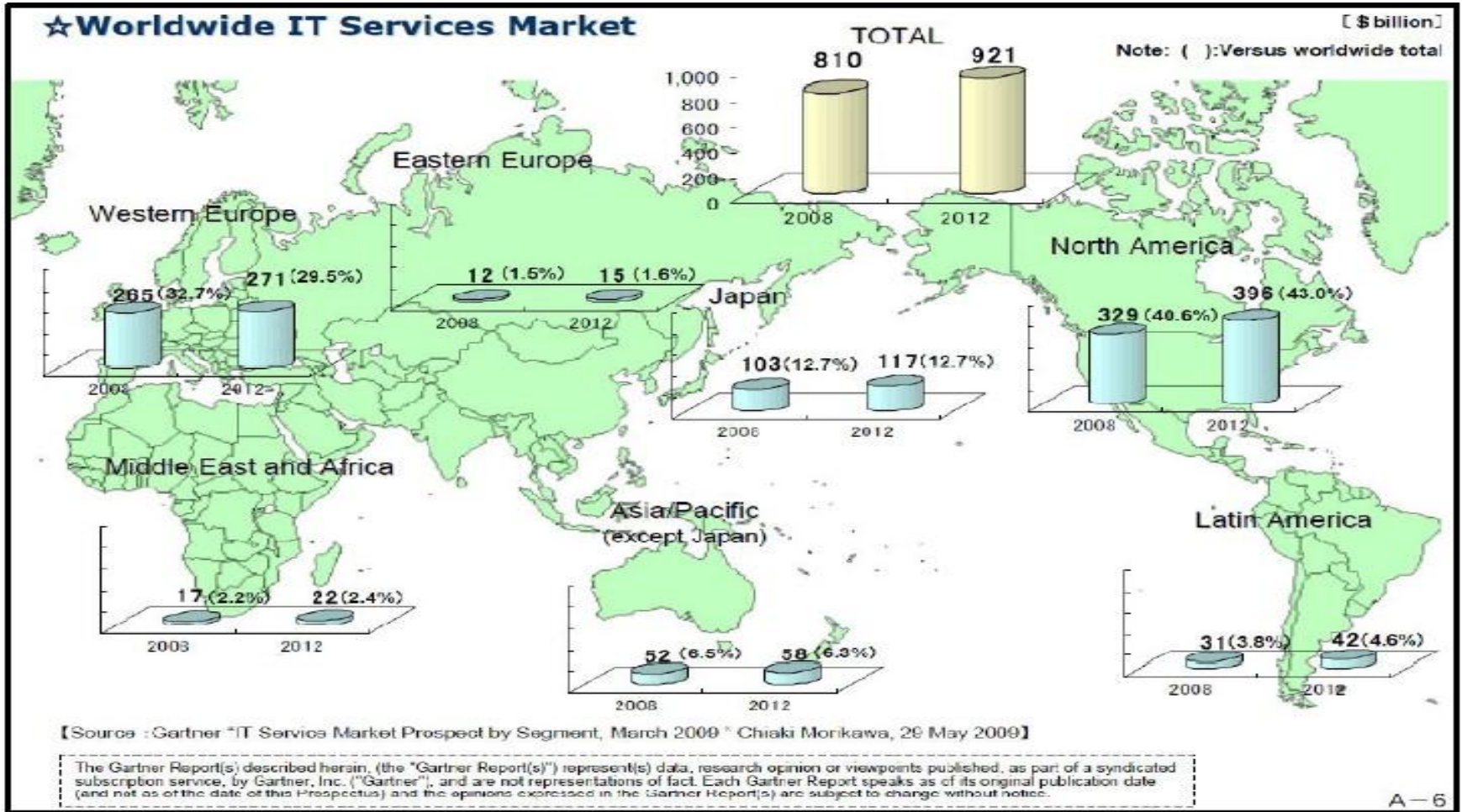
(million USD)

	2007	2008	2009	2010	2011	2012	2013	2014	CAGR
Training	29,091	30,129	27,016	26,984	27,891	29,139	30,529	31,910	1.3%
Planning/ Consulting	72,823	78,151	74,991	76,359	78,961	82,692	87,008	91,193	3.3%
System Construction	193,356	202,932	195,672	200,043	207,643	217,522	228,852	240,458	3.2%
Support Service	140,500	146,289	143,706	144,711	149,179	154,904	161,552	168,784	2.7%
Operation Management	114,606	122,714	123,646	127,120	132,145	138,263	145,275	152,850	4.2%
<b>Total</b>	<b>550,376</b>	<b>580,214</b>	<b>565,032</b>	<b>575,217</b>	<b>595,819</b>	<b>622,521</b>	<b>653,216</b>	<b>685,195</b>	<b>3.2%</b>

# Overseas Market Status



ITSA is | **Status** | Grand Co | Case  
 Domestic  
**Overseas**  
 Trends



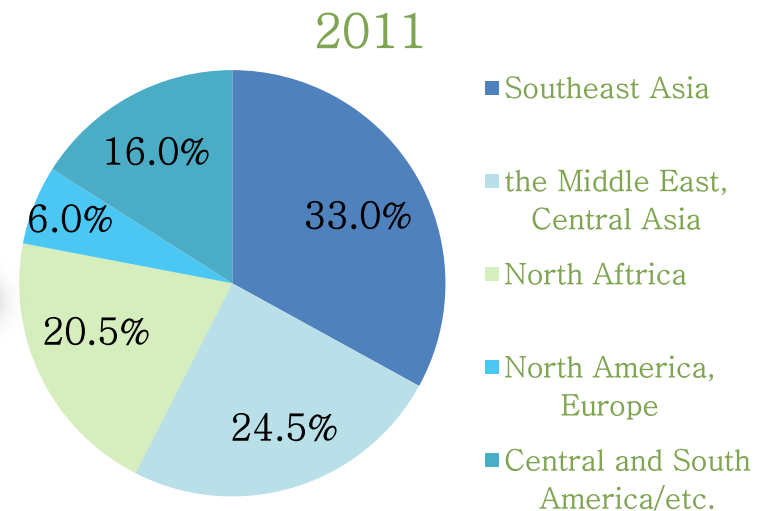
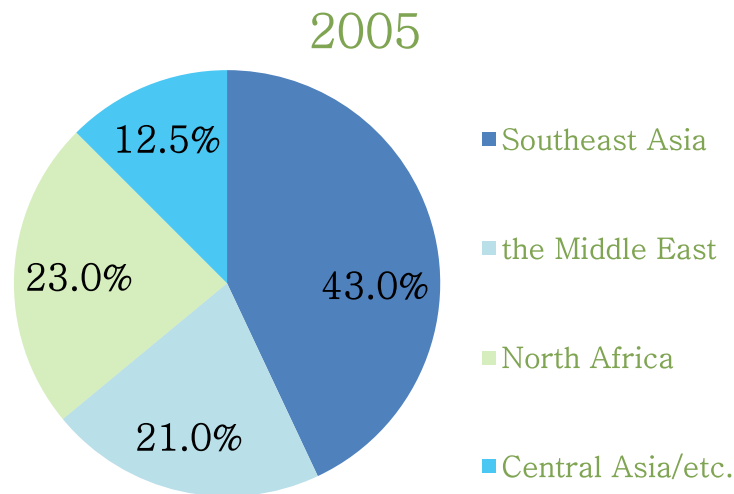
# Overseas Expansion by Country



| ITSA is | **Status** | Grand Co | Case  
Domestic  
**Overseas**  
Trends

## ■ Major Companies

- Focused on Southeast Asia, some countries in North Africa, expanded to Europe, New Zealand, North America and Central and South America.



# Overseas Expansion Trend Analysis



ITSA is

Status

Grand Co

Case

Domestic  
Overseas  
Trends

## Major Companies



Responding to change of the world economy, trend to expand to relevant overall industries  
Industry / Culture / Environment / Social / Health / Resource Problems / Life Tech.

# Problem of Exporting IT goods



| ITSA is | **Status** | Grand Co | Case  
Domestic  
Overseas  
**Trends** - **Problem**

## Initiative in 'Export'...

Integrated Marketing Support by Strategy Country

Overseas expansion by Global Government Organization

Order Information Acquirement by Agency

High-quality Workforce Adaptability

A-Z Integration Construct

Talent Management type Enterprise Order

Long-term Project Order Process

## ... delivers results.

- o Tend to export by Reinforcement IT Service Export Competitiveness
- o Build consistent network with overseas project order organization
- o Expand Superb IT Service Model localization
- o Procure Global IT Service Industry Network Export Competitiveness
- o Build up Global IT Service localizing, M%A, Cooperation
- o Expand Export Strategy with Strategy Country ICT Information Roadmap
- o Need to excavate Government/affiliated organization MOU Project
- o Connection by efficient management and count Industry Statistic System
- o Build up Global Human resource network and integration management system
- o Human resource management abroad senior executives and project manager
- o Develop rising Convergence IT Export Model (CIT / MT, etc.)
- o Apply platform for efficient IT Service Export Modeling
- o ICT of G-20/OECD/TVT Strategy Benching
- o Construct unified/integrated Support System between main government organization
- o Connection LT Export Model possible
- o Reinforcement Status of IT Industry by expanding IT Service Export



## ■ World Bank Trust Fund and International Organizations participating in Procurement market

- Project participation of domestic IT service companies are ranked the lowest in Global market (World Bank, IDB, UNDP, International Organization)


- A. WB Project scale in 2009 \$24.5 billion : EDCF \$4.6 billion(Execution scale)
  - Short-term EDCF business focus structure of oriented conditional Tied Roan
- B. For the last 3 years, Over \$10 Million, IDB(Development Bank Project Direct Performance)
  - Exist only one project of parent company /Lowest rate of Project Order and Participation rate in OECD countries
- C. Non-exist UN affiliated organization and UNDP ICT relevant Project Exclusive Performance Experience
  - Around 1% of Company and Government Organization registered to UN affiliated organization legally as a Vendor




## ■ World Bank Trust Fund and International Organizations participating in Procurement market

- Participation in Trust Funding Business and support networking by various global financial organization (World Bank..)
- Vendor registration to participate in legal business to UN(Global Market Place) and related small and activation to register as medium-sized SW enterprises
- Construct cooperation channels for foundation for international public procurement market participation (European Commission, UNDP, etc) and Activation senior executives interaction (Country-Manager)









# Introduction of 2012 SW Grand 3 Consortium





## Across the government department 2012 SW Grand Consortium

- Strategic Network across the government department for overseas expansion
- Symbiotic relationship among SW packages, IT service companies, and Global Companies
- Matching with international companies by participating Global IT organization and overseas agency

 <b>Ministry of Knowledge Economy</b>	 <b>Ministry of Public Administration and Security</b>	 <b>Ministry of Foreign Affairs and Trade</b>	 <b>Korea Communications Commission</b>
<ul style="list-style-type: none"> <li>- Discover international project</li> <li>- Design overseas exportation partnership</li> <li>- Support IT consulting</li> </ul>	<ul style="list-style-type: none"> <li>- Apply Database of overseas public official</li> <li>- Design E-government project</li> <li>- Apply invited governmental project</li> </ul>	<ul style="list-style-type: none"> <li>- Support Global networking</li> <li>- Apply Foreign Affairs and Trade</li> <li>- Support verification of overseas information</li> </ul>	<ul style="list-style-type: none"> <li>- Apply with mobile service</li> <li>- Support convergence of global project</li> <li>- Discover infrastructure project</li> </ul>

## SW Grand Consortium Each Subcommittee



# 4 Case





■ Back ground

- Summit PJT proposal to Da Nang province in Vietnam for E-government project (4 million U.S Dollar) in September 2011.
- Requested Korea E-government framework based application.
- Keep on aggressive marketing during evaluation term.





## ■ Invitation Event

- Ministry of Information and Communication in Vietnam, the Council of People's Commissars in Da Nang and Hochimin.
- Visit Korea for the purpose of E-government study.

## ■ Schedule

- Date : 2011. 11. 05 ~ 2011. 11. 11
- Visit government related association. (NIA, NIPA, ITSA)
- Visit Data center in Hyundai Information Technology





## ■ Korea E-Government Cooperation Forum

- Date : 2011. 12. 13 Conference room in Da Nang, Vietnam
- 50 people participated (Korea IT association, Vietnam IT company)
- Share Korea E-Government framework.





## ■ MOD agreement

- Cooperative ICT & E-Government sector between Korea and Vietnam
- Based on MOD

## ■ Current Situation

- On August, 2012 Hyundai Information Technology signed e-government establishment project with Da Nang, Vietnam.
- about 4 Million project. (World Bank Trust Fund)





Thank  
you

