

**COMMUNICATION FROM THE REPUBLIC OF KOREA**

Negotiating Proposal for Telecommunication Services

The following communication has been received from the delegation of the Republic of Korea with the request that it be circulated to the Members of the Council for Trade in Services.

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**I. BACKGROUND: THE SIGNIFICANCE OF LIBERALIZATION IN THE TELECOMMUNICATIONS SERVICES MARKET**

1. In the knowledge-based society of the 21st century, the telecommunications services sector will play a pivotal role in attaining stable economic growth at both national and international levels. The GATS Annex on Telecommunications also stresses the characteristics of the sector, in particular, its dual role as a distinct sector of economic activity and as the underlying means of transport for other economic activities.
2. Currently, the landscape of the telecommunications services market is shifting rapidly from voice to data, and from wired to wireless services. In the very near future, electronic commerce, thanks to the rapid spread of the Internet, is expected to act as a driving force in bringing about competitive and regulatory changes in the market.
3. By fully implementing the WTO Agreement on Basic Telecommunications, concluded in February 1997, the Republic of Korea has made significant progress in its market-opening commitments through active deregulation and unilateral improvements of market access. As a result, Korea has witnessed remarkable growth in its telecommunications services market, which is unprecedented worldwide in its dynamics.
4. As of March 2001, 57% of Korea's total population are mobile phone users and 40% are Internet users. Recently, with the dramatic spread of high-speed data services, ten out of one hundred inhabitants, which totals around 4.3 million in Korea, are enjoying the Internet services. This is the highest figure among the 30 OECD member countries.
5. The promotion of competition, stimulated by the liberalization of telecommunications services market, will sustain and improve the quality of telecommunications services for the general public. In addition, a telecommunications services sector with competitive edge will serve as a source for economic development and prosperity in the emerging digital economy.

## **II. EXPECTATIONS FROM THE NEGOTIATIONS**

6. With due respect to national policy goals and the level of economic development of each Member country, the Republic of Korea urges them to contribute to expansion of trade in services as a whole by achieving progressively higher levels of liberalization in the telecommunications services sector.

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