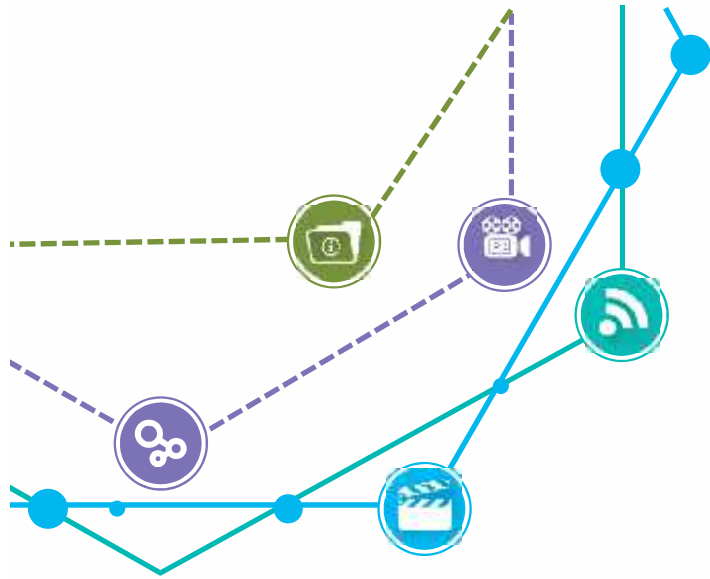




OTT in the Telecommunication/ICT Ecosystem



Sung-Joon Choi
KCC Chairman
Aug. 25, 2015



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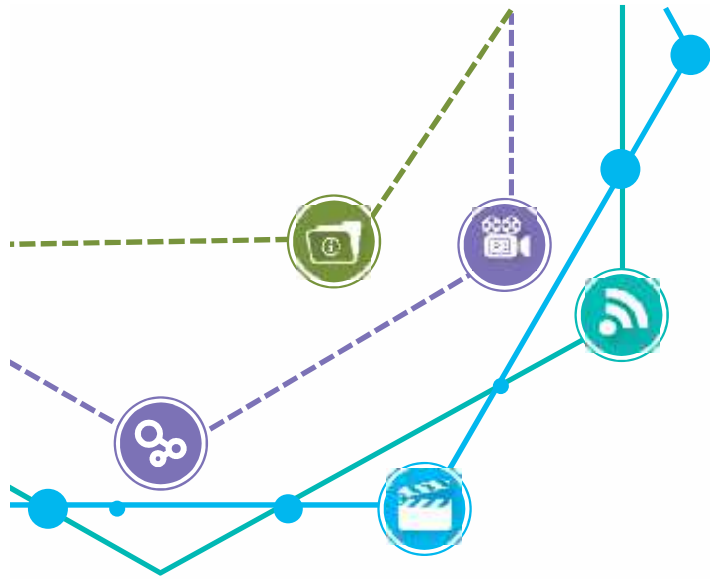
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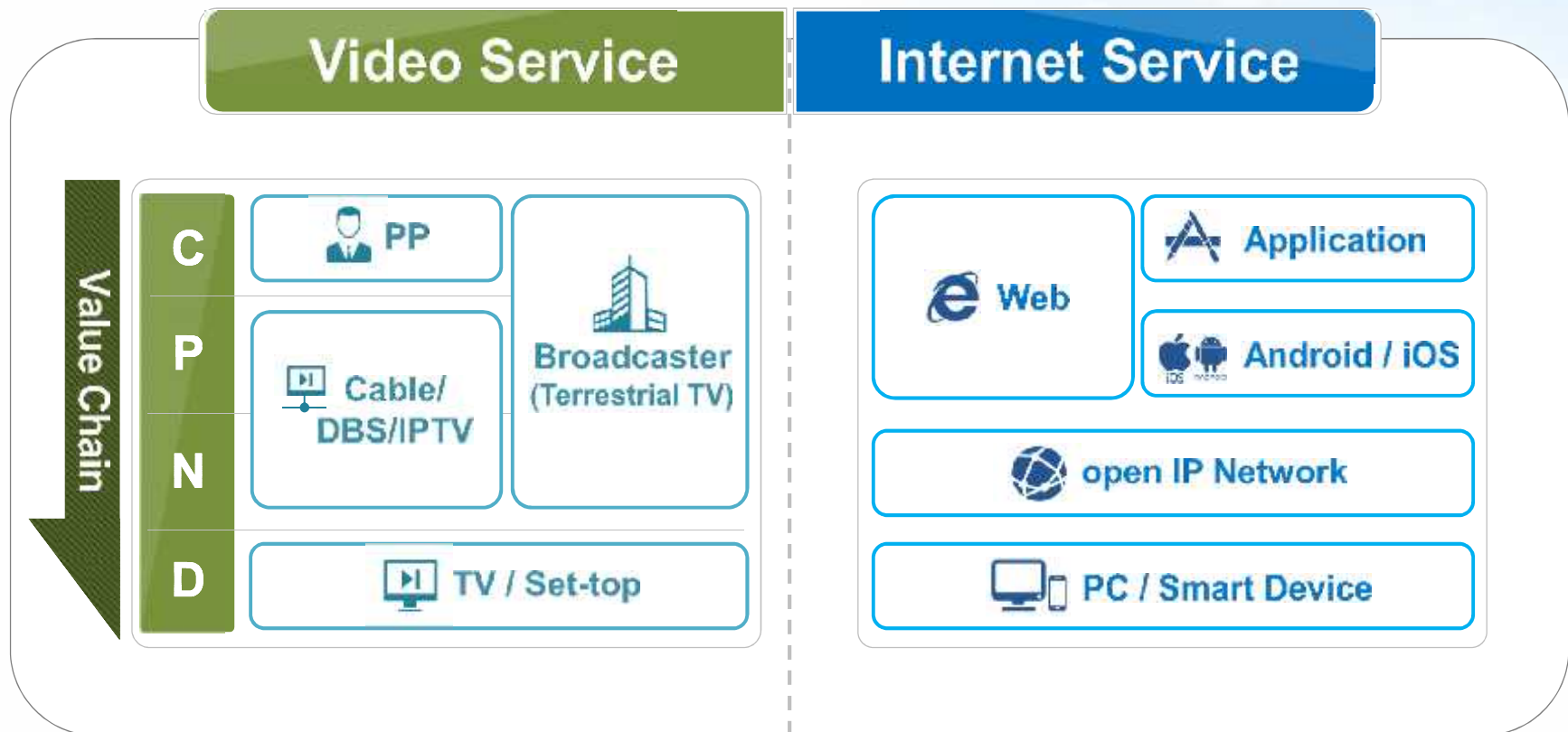
- 5/ Asian-Pacific Cooperation



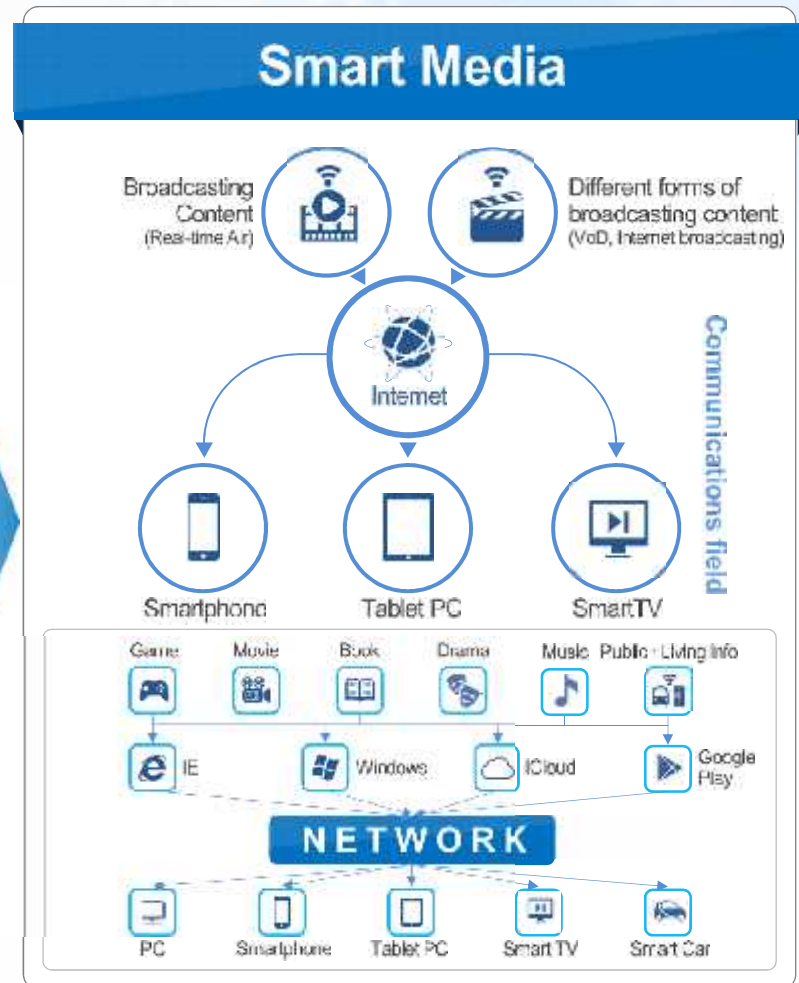
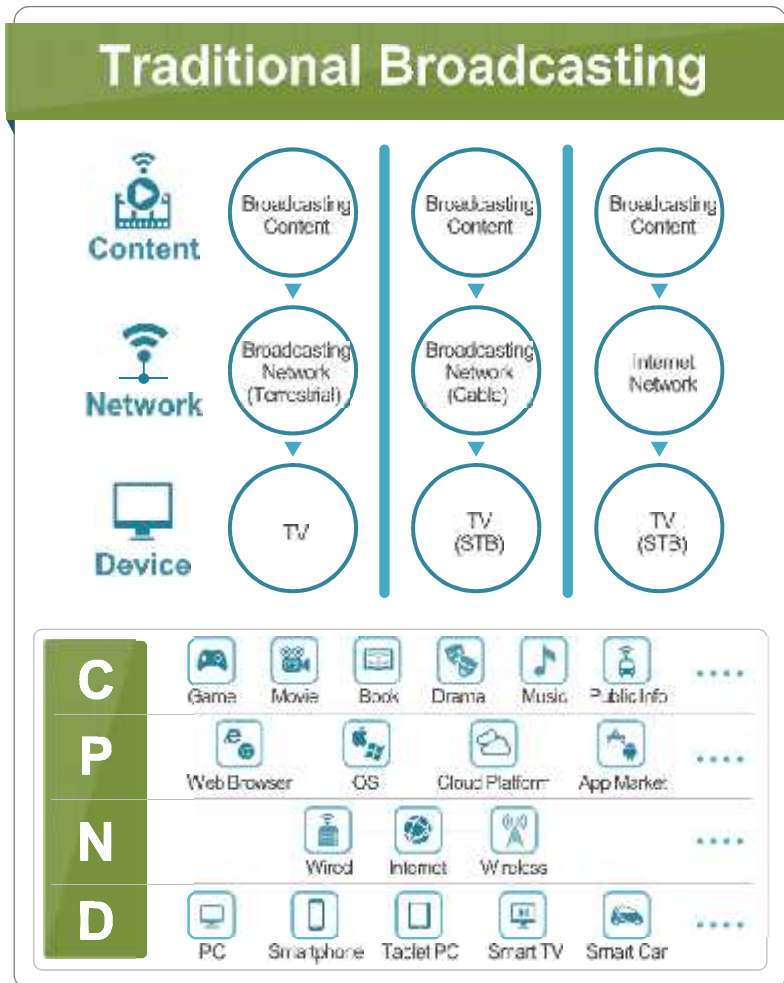
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ICT Industrial Ecosystem



Changes in the ICT Ecosystem

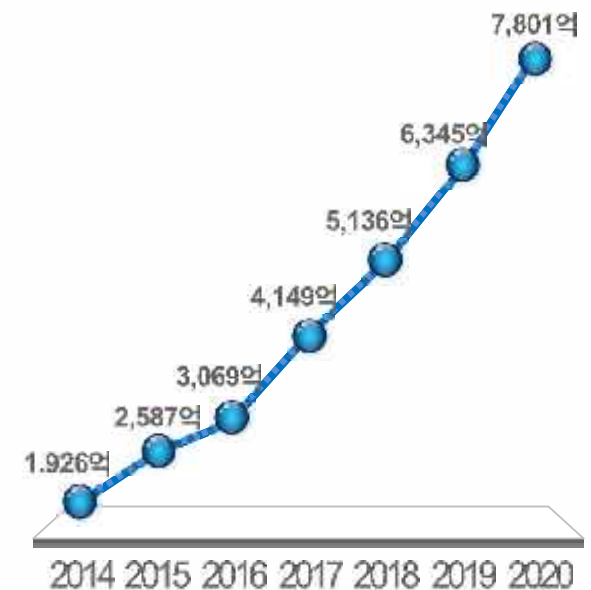
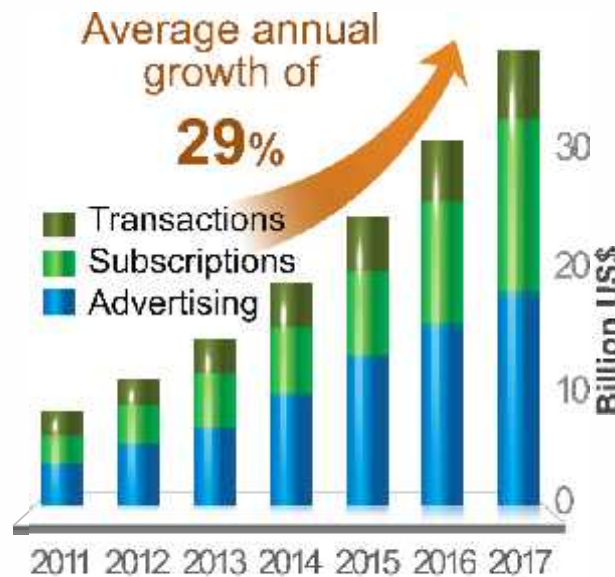
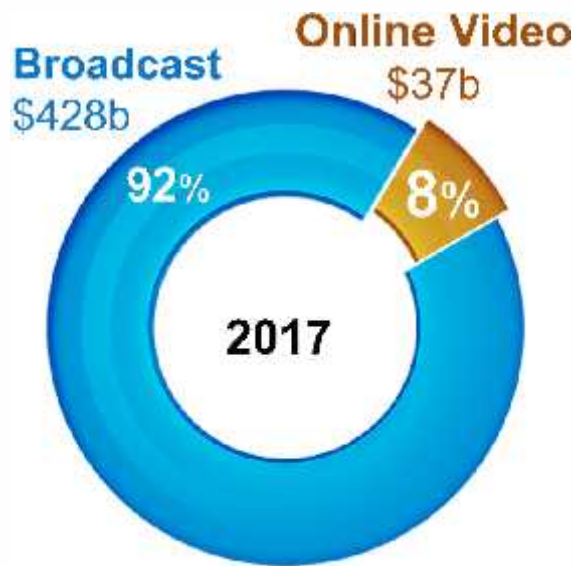


OTT : Current status at home vs. abroad














Broadcast market estimated at \$430b globally, by 2017

OTT will be 37b US\$ by 2017

Korea OTT market



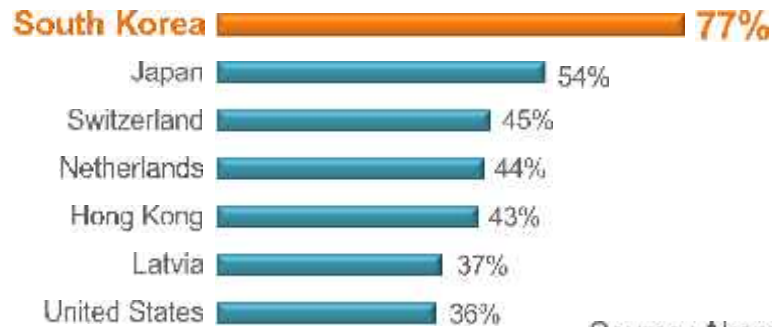
Major OTT players

	Overseas OTT players	Korean OTT players
 Dedicated OTT Player		
 Pay TV Player		
 Internet Player		
 Contents Provider		
 Public Broadcaster		

The background of emerging OTT

Broadband Revolution

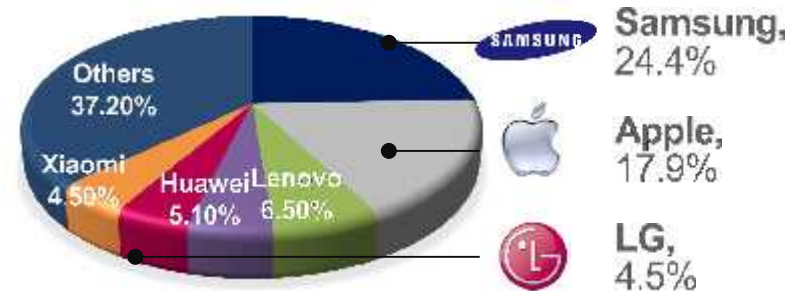
- The Republic of Korea 1st for High Speed Internet Penetration



Source : Akamai

Smart Revolution

- Global Smartphone Shipments Share Q1 2015



Source : Counterpoint Research, April 2015

Changes in the users



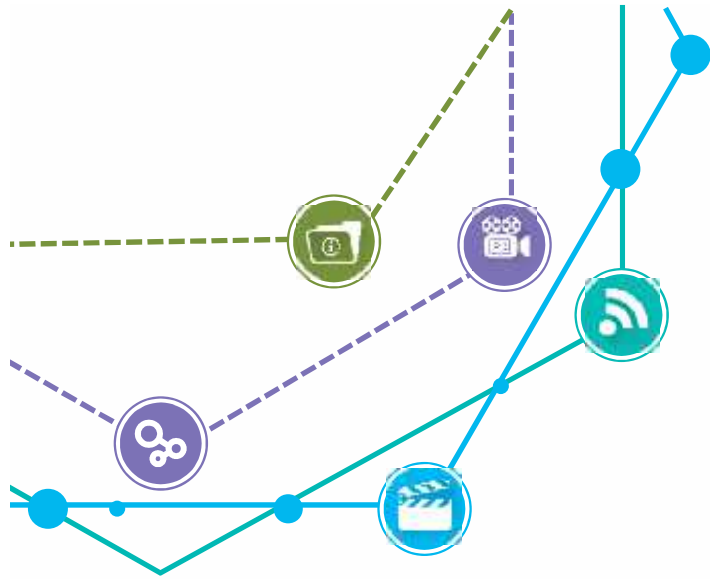
On-demand Users
(Non-linear)



Mobile Users
(Mobile)



Participating Users
(Social viewing)



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OTT Issues

Inter & Intra



player



player

- For Platforms = Asymmetric regulation
- For Devices = Compatibility
- For Networks
- For contents

Intra-layer Issue



player

- C vs. P
 - Fair Trading
 - Re-Transmission
 - Revenue sharing
- C/P vs. N
 - = Network cost sharing issues

Inter-Layer Issue

Domestic & International

Domestic Issue

- fair trading issue
- Re-transmission issue
- content regulation issue

Cross-border Issue

- Jurisdiction issue
- copy right issues
- unequal trade issues
- censorship issues

Examples(Intra-layer issue)



TV

DMB

VS



Tablet PC

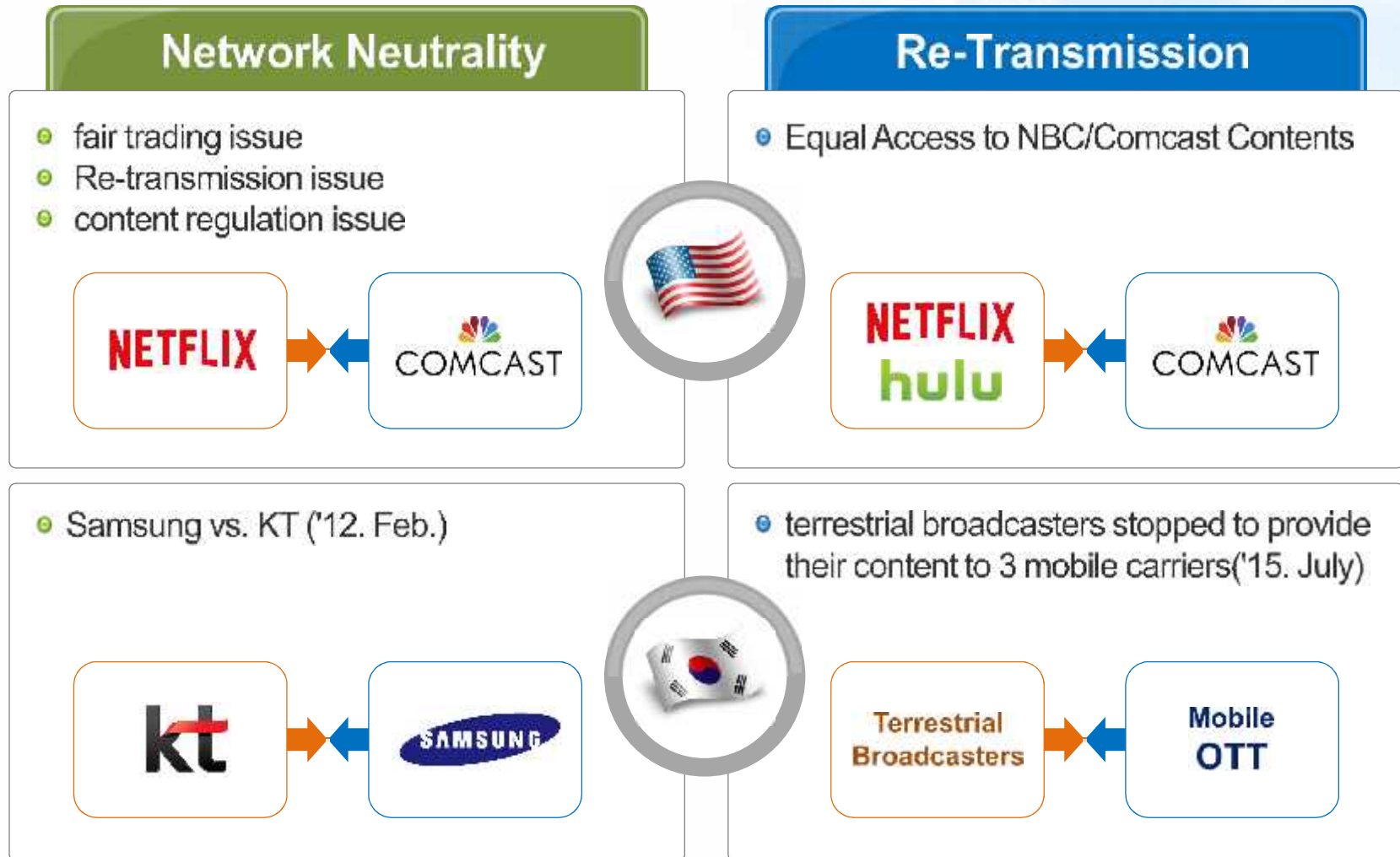


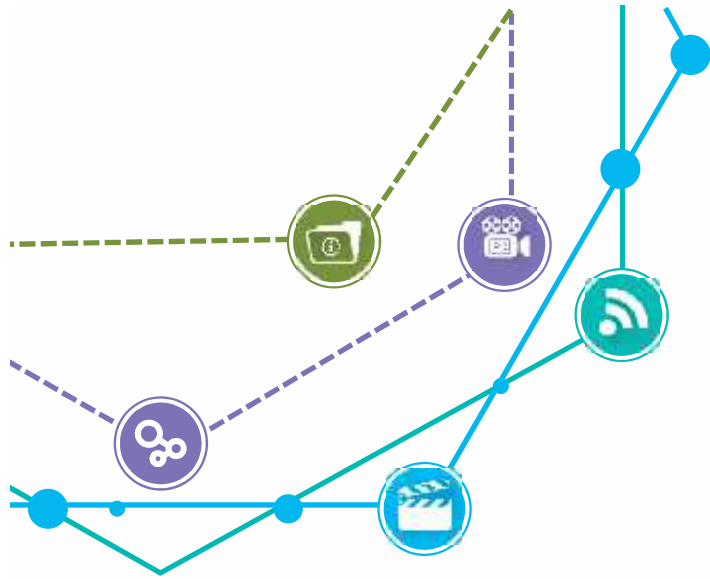
Smart Phone

Legacy player : Strict regulation

OTT : Relatively low regulation

Examples(Inter-layer issue)





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Efforts made by the Korean Government



Investigation of Combined Viewer Rating

- Pilot investigation (Starting from the second half of 2015)



Assessment of competition in the broadcasting sector



Fostering the industry

- Developing 5 base technology



Examples at overseas



- Free Market (Laissez-Faire)



- Audiovisual Media Directory Services Directive



- When enacting Broadcasting Act, regulation on video content on the Internet excluded

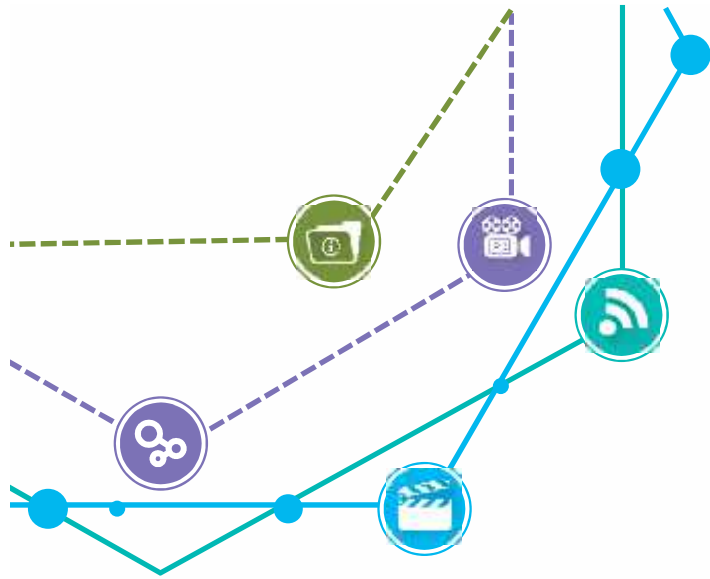


- (Ex-post regulation) The private sector sets the regulation and public organizations oversee the compliance and implementation

Implications

Relatively Low Regulation

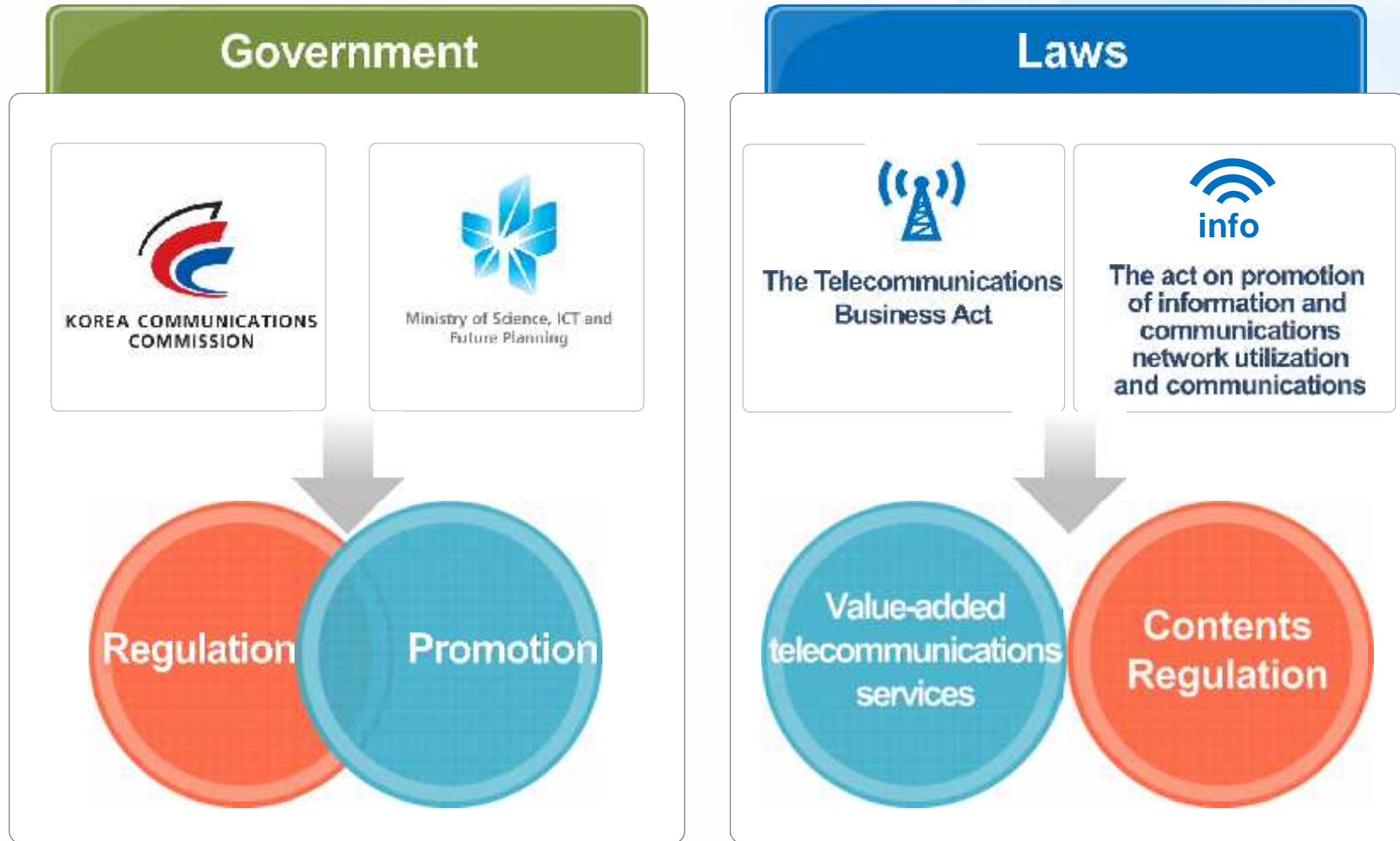
Horizontal Framework



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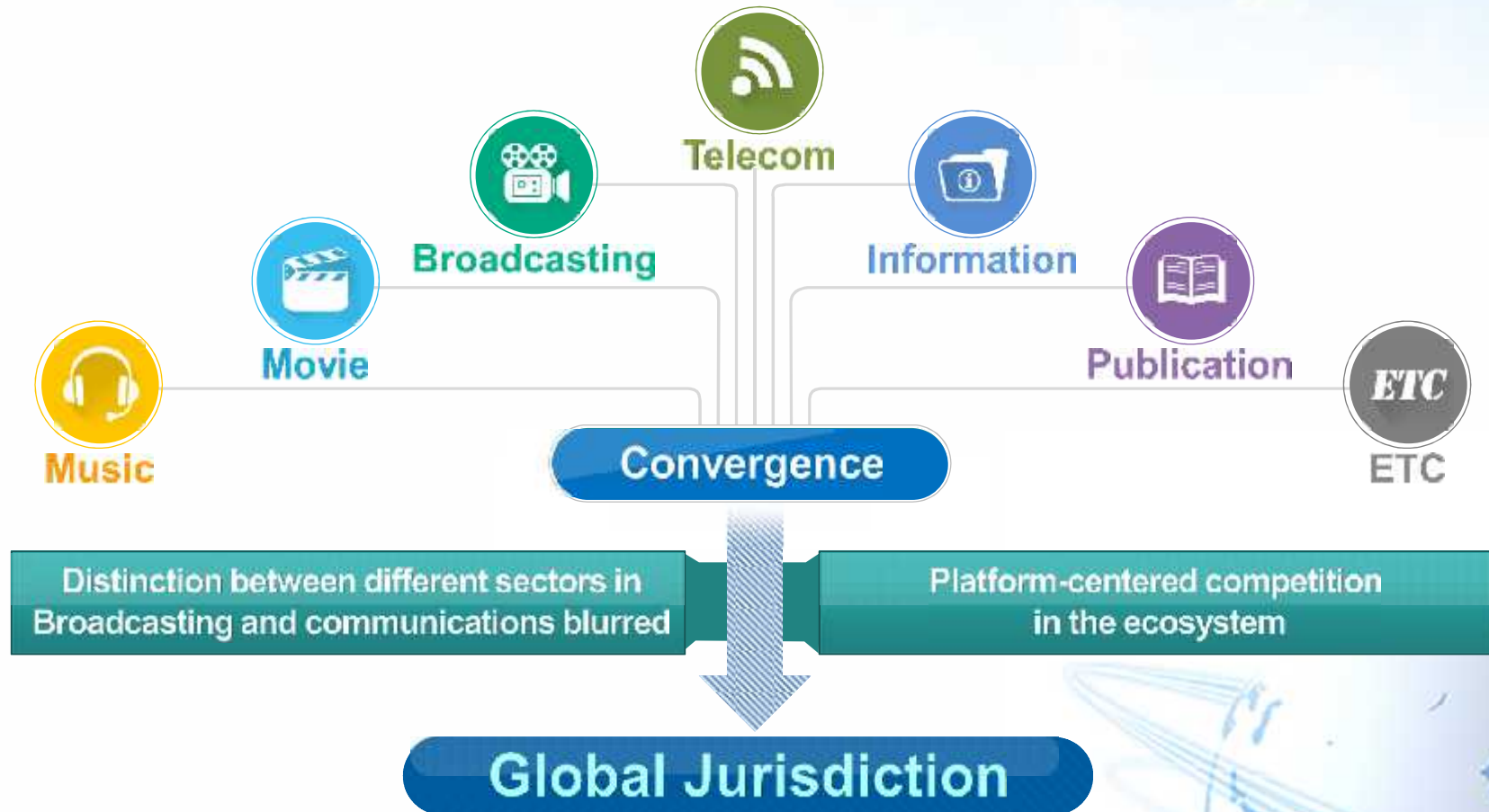
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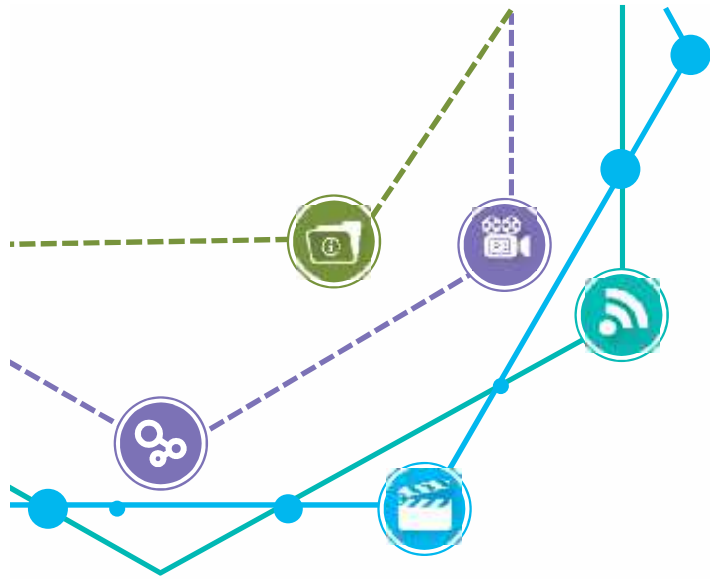
Examples(Inter-layer issue)



Changes in Framework

Fair Competition Issues : The Same Rule for the Same Service





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Asian-Pacific Cooperation

1

Issues about to be faced by countries in **Asia-Pacific region**

2

Asia-Pacific Regional Roundtable



Thank You

OTT in the Telecommunication/ICT Ecosystem



KOREA COMMUNICATIONS
COMMISSION