



News and Current Events :: Handset to Hand set

Handset to Hand set, on: 2009/7/3 7:47

This article was in "The Korea Times" newspaper today and I thought it seemed to hint to the future of chips set in the handset, rather than chips in the handsets... what do I know?!

"Korea Braces for Credit Card-Less Society

By Kim Tong-hyung
Staff Reporter

Korea is bracing for a "credit card-less" society but legal and technical barriers are still lingering.

Mobile phones are already masquerading as televisions and Internet devices, providing stock info, news alerts, games and video cameras. But next, handsets are expected to replace plastic credit cards.

Mobile phone carriers said the intriguing possibility is near at hand. Ideally, wireless users will be able to pay phone bills, taxes, shopping expenses, transport fees and hospital bills with their handsets. This would make plastic cards or paper money almost obsolete.

SK Telecom and KT said users of data-enabled, third-generation (3G) handsets are now capable of doing a limited range of financial services with microchips inserted into the phones.

SK Telecom has more than 10 million users with handsets that are embedded with universal subscriber identity module (USIM) chips, or smart cards that contain user information and process data.

"The very goal of inserting USIM cards was to enable financial services, and credit card capabilities are the last frontier," said an industry watcher.

"Currently, mobile operators are merely the middlemen connecting consumers with conventional financial service firms, but they are exploring the possibilities of establishing their own financial service units."

Telecommunications operators have high hopes for the Lee Myung-bak government's efforts to ease the cross-ownership restrictions between financial and non-financial services.

The National Assembly is currently reviewing the possibility of allowing non-financial companies to own financial units, such as credit card and securities firms.

Should the restrictions be lifted, SK Telecom is moving to acquire Hana Card.

Legal issues aren't the only obstacles to the mobile wallet. An SK Telecom executive said that the conventional "combination" USIM cards, which can store data up to 144 kilobytes, wouldn't be powerful enough to support the expanding range of transactions services.

And unlike plastic credit cards, which users can take with them all over the world, geography still matters in mobile payment.

A new technology called near field communications (NFC) could provide a solution to both of the problems.

NFC is similar to radio frequency identification (RFID) technology and is considered crucial for the mobile wallet as the chips inside the phones store personal information and act as credit cards.

News and Current Events :: Handset to Hand set

If NFC is adopted as a global standard, users will eventually be able to take their handsets abroad and pay for hotel rooms and souvenirs.

KT, the country's biggest telephone company and No. 2 wireless carrier, plans to release an NFC-enabled USIM chip with 256 kilobyte storage early next year and also develop a 1-gigabyte USIM. SK Telecom is also developing NFC-based USIM chips. "

Re: Handset to Hand set - posted by enid, on: 2009/7/3 8:00

Interesting article.

Now we have to wait and see.