ONE-ON-ONE WITH THE NEW PRESIDENT & CEO OF KOTRA

2018 OVERSEAS EMPLOYMENT ENVIRONMENT BRIEFING SESSION

KOTRA HOLDS A BRIEFING SESSION TO PROVIDE YOUNG JOBSEEKERS INFORMATION ON OVERSEAS JOB MARKETS

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SMES & ECONOMIC INDICATORS
MARVRUS
Q1 You have a wealth of experience and insight based on your previous posts at the Ministry of Trade, Industry and Energy and most recently as the Korean Ambassador to Saudi Arabia. Please share with us your thoughts on being appointed President and CEO of KOTRA.

It is a great honor to have been inaugurated as the 20th president and CEO of an organization that has played a vital role in giving traction to Korea’s economic growth. Meanwhile, I do consider it a tremendous responsibility to be taking on this role at a time of domestic and international turmoil surrounding Korean trade.
Q2 Over the past 30 years, you have been in several public offices in charge of tasks related to KOTRA. Now, as President and CEO, what is your vision for the agency?

In 2003, right after the end of the Iraq War, I was serving as the Director for the International Trade Promotion Division at the Ministry of Commerce, Industry and Energy. It was then I learned of the director general of KOTRA’s Baghdad office, who was working toward the establishment of new markets in the region wearing a bulletproof vest. I attribute the success KOTRA has had over the last 56 years in trade and investment promotion to people like him, “KOTRA-men,” who were unyielding in all sorts of hardships and pioneered new markets overseas.

However, 56 years after KOTRA’s establishment, internal and external criticisms have surfaced, claiming KOTRA has become a bit complacent and lost its sense of duty and drive to tackle challenges.

To take this criticism constructively and reclaim our position as a world-class, innovative trade and investment promotion agency that helps small and medium-sized enterprises (SMEs) enter overseas markets and create global jobs, building a “KOTRA-like KOTRA” is what I chose as the theme of the reform we need to undertake.

Q3 Following your inauguration, you have stressed the need for reform several times. What kind of reform does KOTRA need?

The management and innovation principles that I pledge to implement are as follows. First, regarding the core policy tasks, our agency’s missions are to: support SMEs entering overseas markets; create global jobs; diversify export goods and markets; and create new opportunities for overseas expansion. I would especially like to emphasize importance on the first two tasks of supporting SMEs entering overseas markets and creating employment opportunities abroad, as they are critical in creating a “KOTRA-like KOTRA.”

Undertaking such tasks calls for reform on all levels, including organizational operations, business management, organizational culture and personnel management.

In terms of organization and business, KOTRA will take a customer and field-oriented approach to operations, and make sure our trade and investment promotion programs are result-oriented and sustainable. Most importantly, we will recover our fervor to serve our main clients, SMEs, by taking it upon ourselves to resolve their needs.

As for organizational culture, we will build a culture of communication, openness and cooperation and dispose of all unnecessary tasks. Through communication with all of our customers, we will adjust our programs to fit their needs in a timely manner, and work closely with policymakers and supporting organizations to create an ecosystem of support for exporting SMEs.

In terms of personnel management, we will thoroughly manage our personnel focusing on competence and results, and work to increase the expertise of our employees to increase KOTRA’s competitiveness.

Q4 What do you think is the role KOTRA will have to play in Korea’s economy going forward?

KOTRA must become a reliable partner for SMEs looking to advance into overseas markets.

The percentage of SMEs that export their products is 10.9% in Germany, 5.2%
in the U.S., but a mere 2.6% in Korea. As the representative agency in charge of supporting SMEs export their goods overseas for the past 56 years, we need to take full responsibility for Korea’s trade, reflect on if we have supported them in best ways we could, and if not, we must find ways to improve.

We have reached a limit in expanding trade through conglomerates and major products, and are seeing a significant decrease in the trickle-down effect. The best way to tackle the challenge of simultaneously expanding trade and creating jobs is to encourage innovative SMEs to get involved in the export market. To this end, KOTRA will create a support system and take on the central role of helping SMEs expand their exports.

Also, the biggest challenge faced by our country is job creation. KOTRA will use its trade and investment promotion resources and overseas networks to actively create global jobs. We will prioritize job creation in all of our operations by providing support to SMEs entering overseas markets, overseas employment and ventures, foreign investment promotion and reshoring companies.

Q5 How would you introduce the advantages of the Korean market to buyers and investors?

Korea has an excellent investment infrastructure including an attractive market, the third largest FTA network in the world and an outstanding pool of talent. First, in terms of the market, Korea has some of the world’s most competitive key industries including construction, chemicals, electronics and automotive. According to the 2017 World Economic Forum (WEF), Korea ranks second among 137 countries in macroeconomic environment. This means Korea is rated highly in terms of price, national savings rate, fiscal health and sovereign credit rating.

Also, even though Korea does not have a mega-sized market, it is on par with the most advanced nations of the world in terms of income level and consumer culture. The Korean market serves as a testbed for countries not only in Asia, but all around the world, with its insight and high buying power.

That’s not all. Korea has one of the top FTA networks. We currently have trade agreements with 52 countries that connect us to consumer markets covering three fourths of the world’s total GDP. Therefore, Korea is in a prime position to act as a production base for companies looking to enter the global market.

Lastly, Korea is known for its passion for education and high university entrance rates, which turn out an abundance of high-quality workers. Korea is rated number one for patents, second for R&D and value-added-product manufacturing and tops the list on Bloomberg’s Innovation Index for five consecutive years.

Against this backdrop, Korea’s exports increased 15.8% year-on-year to reach a record USD 573.9 billion in 2017. This is the highest number to date since the country’s trade records began in 1956. Now, Korea is the sixth largest exporter in the world. Also, even in the midst of tensions with China over THAAD, U.S. reshoring efforts and other international challenges, Korea attracted USD 22.9 billion in foreign direct investment (FDI) in 2017, the highest total to date and the third consecutive year where total FDI surpassed USD 20 billion.
Q6 You have also stressed the need for a paradigm shift in foreign investment, a critical factor in resolving both domestic and foreign investment imbalances as well as the globalization and development of the Korean economy. What are your thoughts on this?

In the past, Korea’s investment promotion was focused on the sum and quantity of foreign investment. Now, however, we have to focus on attracting high-quality foreign investment that will gear towards a healthy Korean economy.

Specifically, we have to attract FDI that will create jobs, lead domestic startups and SMEs toward globalization, fuel the development of new industries, and flow into non-metropolitan areas for the balanced development of the entire country.

I believe in order for us to attract FDI that will lead to the growth of our economy and create high-quality jobs, we must establish and revitalize an open platform for knowledge and technology sharing.

On that part, we have created the Invest Korea Market Place (IKMP), a platform to help attract foreign investment, support the globalization of domestic startups and SMEs, and aid them in entering the global value chain.

Also, we are focusing our efforts on attracting foreign investment and conducting national IR activities for 11 new growth industries including intelligence information, BioHealth, robotics and next generation software.

Finally, in order to boost the development of non-metropolitan areas, we will implement region-specific investment promotion projects, especially to increase FDI for regional manufacturers.

Q7 Is there any goal in particular you would like to see through during your time as president and CEO?

Since its establishment in 1962, KOTRA has successfully carried out its mission throughout the changing times.

Now, we will reawaken KOTRA’s inherent DNA for pioneering new markets and regain the trust of our customers as a top-notch trade and investment promotion agency. I ask the readers for guidance and encouragement during this time.

Q8 Do you have any last words for the readers of the KOTRA Express?

I would like to close this interview with a saying by Genghis Khan, “If one person dreams a dream, it is but a dream, but if all the people in the world dream the same dream, then that dream becomes a reality.” We will dream of achieving USD 2 trillion in trade, being the fifth largest trading nation in the world, and becoming the top-class trade-investment promotion agency leading Korean SMEs into overseas markets and creating global jobs. I ask for your interest and support as we start our long journey toward this dream.

I look forward to the KOTRA Express serving as the point of contact between Korean and foreign companies to continuously discover areas of cooperation.

By Grace Park
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Recently, the South Korean government proposed a 3.9 trillion won (USD 3.69 billion) supplementary budget to the National Assembly to create new jobs for young people in efforts to alleviate the prolonged youth unemployment in the nation.

In line with the government’s efforts to provide high-quality jobs to the youth, KOTRA hosted its first employment related event of the year, the 2018 Overseas Employment Environment Briefing Session, from April 4 to 6. The session offered valuable insight to participants regarding job markets outside of Korea with an extensive line-up of speakers to give seminars on the employment environments across five countries consisting of the U.S., Canada, Australia, Japan and Vietnam.

The event opened in Busan on Wednesday, then in Gwangju on Thursday, with the number of attendees from these regions amounting to 340 and 151 respectively. The session was held in Busan and Gwangju this year to provide an opportunity for jobseekers from rural parts of Korea gain access to information on foreign job markets. Friday’s event held at El Tower in Seoul attracted about 1,233 attendees, making the total number of participants reach nearly 1,800.

In particular, Seoul’s session commenced with the newly appointed President and CEO of KOTRA, Kwon Pyung-oh, as he delivered his opening address, saying, “I would like to start by expressing my sincere apologies to the
young people of the nation for the hardships you face in the job market.” He added that he was able to relate to the participants of the session, made up mostly of young job-seekers, by speaking of the difficulties faced by his own daughter in the process of searching for a job. He also stated, “Our society is depending on KOTRA’s overseas network based on its offices located worldwide to provide high-quality job information that meet the demands of jobseekers today,” adding that “KOTRA will increase its number of overseas offices devoted to employment from the existing 27 to 50, and actively support over 1000 Korean youth per year get jobs abroad by 2020, providing them with invaluable information on overseas recruitment.”

The briefing session was broken up into three sub-sessions, comprised of eight seminars with experts presenting on a variety of topics related to strategies on landing a job abroad. The first sub-session offered seminars on getting jobs in Canada, the U.S., and Australia. The second sub-session focused on the Asian job market, as speakers provided advice on landing positions in Japan and Vietnam. The final sub-session offered participants guidance on writing resumes best suited for job prospects in the U.S. and Japan.

In addition to the seminars, attendees were given booklets with one containing presentation material from the speakers, another one with individual success stories of Korean jobseekers being hired overseas, and one with recruitment information of 25 different countries.

Notably, Rachel Baek, during her seminar, shared her knowledge and experience of working in Canada, encouraging job-seekers by saying, “Although you may have thought otherwise, I never lived or studied overseas prior to getting a job in Canada. I couldn’t even speak English very well, which shows you that anything is possible if you just give it a try.”

By Grace Park
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CANADA
Rachel Baek spoke about the Canadian job market as well as her own experience and gave tips on successfully finding jobs in Canada.

U.S.A
Soo-yeon Kim from KOTRA’s New York office presented on the U.S. job market, detailing desirable qualifications as well as visa related information.

AUSTRALIA
Jeong-rak Choi from KOTRA’s Sydney office offered insight into successfully finding jobs in Australia despite the abolishment of the subclass 457 visa last April.

JAPAN
Geum-woo Lee from Fuji-Xerox’s HR department highlighted the reasons why Japanese companies seek to hire Korean talent and the qualities that Fuji-Xerox looks for in potential employees.

Min-jeong Kang from KOTRA’s Tokyo office outlined the ABCs on landing a job in a Japanese company as well as the current job market in Japan.

Vietnam
Ji-hoon Shin from KOTRA’s Ho Chi Minh office introduced the advantages of working in Vietnam’s specialized industries and encouraged jobseekers to leap into the Vietnamese job market.

Seong-eun Park walked participants through effectively writing an English resume and cover letter and also gave tips for successfully completing interviews in English.

Sun-joo Kim provided attendees with the standard hiring process in a Japanese company as well as valuable guidelines on writing a Japanese-style resume.
Seoul Food 2018

SEOUl FOOD 2018, the nation’s largest B2B food industry exhibition, will be held from May 1 to 4 at KINTEX. Organized by the Korea Trade-Investment Promotion Agency (KOTRA), the event is set to host 1,500 exhibitors, 3,000 booths and up to 55,000 visitors.

Since its launch in 1983, SEOUL FOOD has been contributing to the development of the food industry by supporting Korean food exports, advancing food technology, and promoting cooperation and information exchange among domestic as well as international food companies.

Korea Brand & Entertainment Expo 2018, Moscow

The Korea Brand & Entertainment Expo 2018 (KBEE 2018) Moscow, which is an event combining culture and industry, will be held from May 14 to 15, hosted by the Ministry of Trade, Industry and Energy (MOTIE) and organized by KOTRA.

The KBEE is an export marketing event that combines elements of the Korean Wave, including appearances by celebrities, with various Korean consumer goods and services.

Seoul Career Vision 2018

With the purpose of helping young job-seekers discover high-quality overseas jobs and providing opportunities for them to work abroad, KOTRA will host Seoul Career Vision 2018 from May 21 to 22 at COEX in Seoul.

The event will be participated by approximately 200 foreign companies reflecting the preferences of current day job-seekers in terms of company size and industry.

KOTRA Events in May

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<td>Beauty Expo 2018</td>
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On April 2, an inauguration ceremony was held at the Korea Trade-Investment Promotion Agency (KOTRA) headquarters in Seocho-gu, Seoul for its new President and CEO, Kwon Pyung-oh.

Mr. Kwon served as the former Korean ambassador to Saudi Arabia from November 2015 to March 2018 and took office on April 2. In his inauguration speech, Mr. Kwon identified business strategies and ways to spur innovation to meet the current demands of the economic environment.

He emphasized the agency’s four core missions of fully supporting SMEs to explore overseas market opportunities, creating global jobs, diversifying exports as well as the export market and identifying new overseas expansion opportunities.

KOTRA signed a memorandum of understanding (MOU) with state-owned Saudi Aramco to build the groundwork for Saudi Arabia’s “Vision 2030” economic reform plan. KOTRA anticipates this collaboration with Saudi Aramco will establish a platform for domestic companies to expand into Saudi Arabia.

Kwon Pyung-oh, CEO of KOTRA, said, “Many Korean companies desire to be a part of projects related to orders from Aramco” and that “increased cooperation between the two parties toward the realization of Saudi Vision 2030 through this MOU will help Korean companies successfully enter Saudi Arabian markets.”

Ahmad A. Al-Sa’adi, Senior Vice President of Saudi Aramco, stated, “The collaboration between Saudi Aramco and KOTRA to set up an investment platform for Korea companies in relation to Saudi Aramco’s supply chain will help strengthen the competitiveness of Korean corporations in Saudi Arabia, and will contribute to Saudi Aramco’s long-term ITK-VA goals as well as Saudi Vision 2030.”

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KOTRA, SK Telecom (SKT) and Interbiz hosted the MWC 2018 & Mobile Strategy Seminar for domestic SMEs and start-ups to take a deeper view into the Mobile World Congress 2018 (MWC), the world’s largest mobile exhibition held in February in Barcelona, Spain.

Under the theme of “Mobile trends and business strategies drawn from MWC,” the seminar covered the latest trends of the mobile industry as well as examples of applying key ICT technologies like artificial intelligence (AI), Internet of Things (IoT), augmented reality (AR) and virtual reality (VR), which were showcased at MWC.

Yoon Won-seok, Executive Vice President of KOTRA’s Business Information and Trade Affairs Department, said, “As KOTRA and SKT took a multi-faceted look into the volatility and uncertainty of global mobile trends witnessed at MWC, we hope SMEs and start-ups can utilize this information in their efforts to expand to overseas markets.”

With the aim to enhance support for domestic medical-bio start-ups to enter global markets, KOTRA signed an MOU with the Korean Research-based Pharmaceutical Industry Association (KRPIA).

Under the MOU, the two agencies will join forces to provide greater support for medical-bio start-ups by developing training programs, promoting partnerships between global pharmaceutical companies and promising start-ups, and building long-term collaborative relationships to aid young businesses expand globally.

Kwon Pyung-oh, CEO of KOTRA, said, “Many Korean medical-bio startups possessing world-class technology have been proving themselves as having a high potential for growth in becoming global enterprises,” and that “KOTRA will actively cooperate with KRPIA as well as global pharmaceutical companies to help Korean companies overcome the entry barriers of the international market.”
Background
As South Korea’s national investment promotion agency, KOTRA boasts its wide overseas network which spans 86 countries with 10 local head offices and 127 Korea Business Centers. Less known is that KOTRA operates support centers in 11 local provinces across Korea. Two more centers are scheduled to open this year as the demand for domestic support continues to rise.

In 2008, KOTRA’s regional support centers were closed down because the government determined that the Ministry of SMEs and Startups should take charge of fostering domestic SMEs while KOTRA should focus on overseas affairs. However, as the number of SMEs seeking overseas expansion grew, the regional support centers were revived in 2013 and grew in number in the years following.

The 11 KOTRA province support centers in Jeonbuk, Gyeonggi, Gyeongnam, Gangwon, Daejeon-Chungnam, Incheon, Daegu-Gyeongbuk, Gwangju-Jeonnam, Ulsan, Chungbuk, Busan, and the two upcoming centers to be located in Northern Gyeonggi Province and Seoul will strengthen KOTRA in achieving its mission to lead the way for SMEs to explore overseas markets.
Functions of the Regional Support Centers

Since SMEs located outside of the nation’s capital are lacking the convenience of accessing the KOTRA headquarters in Seoul, the support centers have been their main points of contact, assuming numerous responsibilities. Their functions include: providing on-site solutions for difficulties; supporting overseas marketing; nurturing “export industrialization” of the specialty goods and services specific to each of the provinces; and operating the Global Business Clubs. Major activities of the support centers consist of dispatching trade delegations to various countries, as well as hosting expos, events, consultation meetings and seminars to connect local SMEs with global buyers and companies.

Operating the Global Business Clubs is one of the main activities of the regional support centers. Each support center operates one Global Business Club to facilitate networking among businesses within the province. During the official meetings held each quarter (four times a year) as well as the unofficial meetings held regularly, companies and institutions can share information and possibly discover potential cooperation partners. Sub-committee meetings are also held for companies to share more detailed information according to the particular industry, product and region. As of 2018, approximately 700 companies are registered in these clubs. Networking is not the only incentive in being part of the KOTRA Global Business Clubs. Members can also benefit from the numerous seminars and discounts offered.

Another interesting service of KOTRA’s regional support centers is “KOTRA on the Move.” It refers to the service where export specialists visit a company in need to provide customized consultation. As the name of the service suggests, KOTRA on the Move has been tremendously active. In 2017, a total of 2,408 visits were conducted by the export specialists from the support centers. Interested companies can simply submit an application online to participate in the selection process, in which appropriate departments at the KOTRA headquarters will review and determine the companies needing support.

Daegu-Gyeongbuk Support Center

While the main services of the support centers focus on organizing consultations and informational meetings, some of the centers are actively participating in other events. For instance, the Daegu-Gyeongbuk center has invited foreign buyer companies to expos and events such as the Korea International Textile Machinery Exhibition, the International Fire & Safety Expo, the Daegu International Beauty Expo, the ICT Convergence Expo and the International Green Energy Expo & Conference to arrange consultations with promising Korean companies. At the Daegu Consumer Goods Business Plaza, one-on-one meetings were conducted between 47 foreign buyers and 115 Korean companies. Additionally, with aim to penetrate the Chinese market, the center has been successful in building a bridge between Gyeongbuk Province and regions across China by arranging meetings between domestic companies and Chinese buyers from major distribution networks.

Gwangju-Jeonnam Support Center

The Gwangju-Jeonnam center also takes part in a number of events including the International Green Car Expo/Robot Expo, the Manufacturing Technology (Ppuri) Fair, the Solar Wind Earth Energy Trade (SWEET) Fair and the Gwangju International Food Fair.

Ulsan Support Center

The Ulsan center supported the Ulsan Export Plaza by inviting foreign buyers from emerging markets in countries such as India, Indonesia and Russia. By utilizing KOTRA’s vast global network, participation of the support centers in these types of events and fairs can greatly aid local companies that seek opportunities to connect with the global market.

Incheon Support Center

KOTRA’s regional support centers usually partner with local SME support institutions in each of the provinces to provide more enhanced services. KOTRA’s Incheon support center is strategically located in the same building as the Ministry of SMEs and Startups Incheon and the Small & Medium Business Corporation. This cooperative “under one roof” environment combines the strengths of each institution, thus improving the quality of the services that the center has to offer. The Incheon center also aims to increase the number of SMEs expanding overseas and strengthen their competitiveness in overseas markets by connecting export specialists with export novices as mentors and mentees.

Chungbuk Support Center

The Chungbuk center works with the Chungbuk Global Marketing System (CBGMS) to provide all types of support to SMEs.

Busan Support Center

The Busan center recently commenced its new project, the Korea Auto Parts Park (KAPP), with a local foreign marketing agency to support auto parts companies in the region. Selected companies will receive financial, legal and administrative support in expanding into the global market.
Global Jobs Project

KOTRA’s Employment Support Team cooperates with numerous KOTRA overseas offices to provide young job-seekers in Korea opportunities to work abroad. The Global Jobs Project aims to connect job-seekers in Korea looking for international employment opportunities to foreign companies having a demand for Korean talent.

Designed to offer support throughout the entire recruitment process, the project consists of five components: finding high-quality overseas jobs through KOTRA’s overseas offices; providing up-to-date recruitment information through various communication channels; holding job-training classes; hosting employment-related events; and providing follow-up care.

KOTRA communicates with its overseas offices located across major cities in the world to gather information on local companies with a demand for Korean employees. Job-seekers can search and apply for overseas jobs online at www.worldjob.or.kr.

Job-seekers can also access the latest information on overseas job positions through an online community, Naver Café, or by attending other KOTRA-hosted events such as the Overseas Employment Environment Briefing Session, which was held earlier this month.

Additionally, KOTRA offers job-training classes to help job-seekers maximize their skills and potential to give them a greater competitive edge within the job market.

On top of this, KOTRA hosts several recruitment events throughout the year, such as the Global Job Fair, to help job-seekers get more exposure to the foreign job market. Attendees of these events, which take place at home and abroad, can participate in one-on-one interviews and consultations with different companies. (www.kotrajobfair.or.kr)

Lastly, the Global Jobs Project operates an online help desk through its Naver Café website as well as a local group of mentors to offer further support to individuals who have been hired abroad successfully adapt to their new environments.

Introducing Invest Korea Plaza

Invest Korea Plaza

Invest Korea Plaza (IKP) is the first business incubation complex in Korea for foreign investors. Designed to meet 21st century business needs, IKP offers furnished offices and conference facilities, in addition to on-site comprehensive services ranging from investment consultation provided by representatives of Invest KOREA and numerous government agencies.

IKP Offices for Lease

A. Office exclusively for foreign investors

• Long-term lease: Office lease by a foreign investor seeking to establish a domestic company in Korea
  - Lease period: Up to two years, on a yearly basis (lease can be extended after deliberation)
  - Short-term lease: Short-term lease of an office by a foreign investor seeking to enter the Korean market
  - Lease period: Up to two months (lease cannot be extended)

B. Office for related organizations

• Organizations and administrative entities for attracting and supporting foreign investors

Qualifications for Occupancy

A. Long-term lease for foreign investors

• Companies that completed FDI notification: Companies with FDI of USD 300,000 or more that have completed foreign investment notification in accordance with the procedures prescribed by the Foreign Investment Promotion Act
  - Required documents: IKP occupancy application form, overview of company and business, FDI notification form
• Companies that plan to notify foreign investment: Companies that are expected to notify FDI of USD 30,000 or more within six months of moving in
  - Required documents: IKP occupancy application form, letter of recommendation by KOTRA’s KBC
• Companies that have executed foreign investment: A foreign-invested company with notified subsequent FDI of USD 200,000 or more
  - Required documents: IKP occupancy application form, overview of company and business, FDI notification form

B. Short-term lease for foreign investors

• For foreign investors conducting market research and business feasibility study to enter the Korean market
  - Required documents: IKP occupancy application form, a letter of recommendation by KOTRA’s KBC or documents certifying the planned business and market research

Occupy counseling is required as lease may not be permitted depending on the type and content of the business.
The Latest on Korea’s Investment Environment

Korean gov’t offers support package to companies investing in the National Innovation Cluster

The National Innovation Cluster Project is well underway as a part of the Korean government’s policy for balanced national development.

The purpose of the project is to connect and attract enterprises to key growth areas such as innovative cities, industrial complexes, special R&D zones and local universities. The government aims to attract 150 companies to core regions around the country.

As such, the Ministry of Trade, Industry and Energy announced it would provide support in terms of finances, subsidies, taxation, special regulations and innovation-projects for companies investing in the project.

Additionally, the Ministry will offer lower interest rates for facilities and operating funds, and up to 100% financing through upcoming financial products of the Industrial Bank of Korea. Subsidies and tax incentives are also available for up to 24% of facility investments and up to 40% of site purchases. There are a total of 73 special regulations available as part of the support package.

Netflix to hire locally, tap deeper into Korean market

Netflix, the U.S.-based video streaming service provider, plans to hire new staff members in South Korea, taking steps to tap deeper into the local market.

According to industry sources, Netflix plans to hire 10 to 15 local employees who will begin working sometime in May. The company has been operating in Korea through its Asia-Pacific headquarters in Singapore.

Industry watchers project the latest move will pave the way for Netflix to officially open a South Korean branch. The U.S. firm already has local branches established in Japan and Taiwan.

“The plan aims to solidify cooperating with local content creators and showcase quality South Korean content to global fans,” an official from Netflix said.

Netflix already provides South Korean content through its platform, such as the movie “Okja,” created by the prominent director, Bong Joon-ho.

BOK: Chipmakers to benefit from global chip industry boom

The global chip industry is projected to enjoy another year of strong demand, according to South Korea’s central bank.

“The industry-wide boom, which started in the second half of 2016 for DRAM products will continue throughout the first half of 2019,” the Bank of Korea (BOK) said in a report. It added that the rising demand from self-driving cars and artificial intelligence segments may prolong the boom further.

The global chip industry was estimated at USD 412.2 billion in 2017, up 22 percent from the previous year. Memory chips accounted for 30.1 percent of the global chip market, with DRAM accounting for 58.7 percent.

The central bank also advised local chipmakers to expand investment of non-memory chip products as the recent boom may not continue for years on end. It said chipmakers should improve their capabilities in the non-memory segment, which is less affected by economic volatilities, by diverting earnings raked in from the latest boom into R&D and facilities upgrades.

Did You Know?

South Korea has the highest online shopping penetration rate in the world (as of 2nd quarter, 2019)

According to tech market intelligence company IDC, worldwide revenues generated by the AR and VR market will reach more than $162 billion in 2020, as the two technologies expand their applications across diverse industries and services.

What’s Trending

AR, VR to gain bigger presence in S. Korea’s gaming industry

Virtual reality (VR) and augmented reality (AR) technologies are geared to become the top trends in the tech world and particularly in South Korea’s gaming industry in 2018, building upon the landmark developments made in the previous year.

According to industry watchers, VR and AR technologies are sparking new trends and establishing a bigger presence in South Korea’s gaming market, as local developers are widely utilizing them in new titles.

Netmarble Games plans to unveil “Fishing Strike” this month, which is a mobile-based game that provides users with an immersive fishing experience using AR and VR technologies.

Smilegate, another Korean developer, showcased three new titles utilizing VR technology last month, including “Project Y,” where users can participate in a dating simulation. Seoul-based 4:33 Creative Lab is currently in the process of developing “Ghostbusters World,” where users can hunt and collect ghosts from different locations featured in the popular film, television and comic book franchise.

Other smaller developers are following the trend as well, rushing to apply AR technology to their contents, after Apple and Google made their development tools available last year. “The time has come for developers to commercialize the VR and AR contents that have been in the process of development up until now,” an industry watcher said, suggesting that these technologies will provide smaller developers with an opportunity to expand their presence in the market.

According to tech market intelligence company IDC, worldwide revenues generated by the AR and VR market will reach more than $162 billion in 2020, as the two technologies expand their applications across diverse industries and services.
IKMP Intro

Invest KOREA Market Place (IKMP) is a project designed to help discover and support new investment projects for Korean SMEs, start-ups and local governments seeking foreign investment. Invest KOREA aims to use the IKMP platform to promote the globalization of Korean companies and institutions by utilizing KOTRA’s 36 overseas offices devoted to attracting foreign investment.

As of April 2018, IKMP has selected and supported a total of 243 Korean companies and institutions across various industries. Most recently, the Fund for the Promotion of Foreign Investment for New Industries has been established to attract foreign investment for Korean companies in new growth industries. The fund’s objective is to select outstanding SMEs or start-ups into which the government and public institutions would initially invest, thus enhancing investor sentiment and promoting foreign investment into such companies.

Every year in March, June and September, the project notice is available on KOTRA’s website at www.kotra.or.kr. Additionally, project information detailing investment opportunities in Korea is available on the Invest KOREA website at www.investkorea.org.

Employment News

The 13th Job Fair for Foreign-Invested Companies 2018

From June 14 to 15, the Korea Trade-Investment Promotion Agency (KOTRA) will hold “The 13th Job Fair for Foreign-Investment Companies 2018” at Seoul’s COEX in Hall D. Since 2006, KOTRA annually hosts the nation’s largest job fair for foreign-invested companies to connect Korean job-seekers with high-quality employment opportunities, as well as to provide foreign-invested companies the opportunity to hire qualified local talent.

This year’s fair will be the largest in its history, as it falls in line with the government’s job-creation policies. More than 140 companies are expected to take part, including Fortune 500 companies 3M and Siemens, Fourth Industrial Revolution leaders Schneider Electric and Tesla, together with global companies such as IKEA and Nestle. About 14,000 job-seekers are expected to attend over the two days.

The recruitment hall will include a one-on-one interview center and an on-site consultation center, available on a first-come, first-served basis. Job-seekers who wish to participate in the one-on-one interviews must submit a resume to the official website (www.jobfairfic.org) by May 25. The consultation center will be divided into four main sections: R&D, Europe, North America and Asia-Pacific; and those looking to take part in the consultations can register on-site.

Moreover, participants can visit recruitment sessions of different companies, listen to special lectures on employment strategies and consult with experts about job interviews and the application process. There will also be various online events for those who register beforehand on the official website, so those who are interested in working for foreign-invested companies are encouraged to attend.

Contact Information: Foreign Firm Employment Support Team 02-3460-7877/7846/7876/7829

* Official Website: www.jobfairfic.org
* Official Blog: blog.naver.com/bestfic
South Korea will shift its trade reliance on China and the United States to emerging economies to foster new growth drivers in the face of rising protectionism, according to the trade ministry.

Trade Minister Kim Hyun-chong introduced the "New Trade Policy," which focuses on expanding trading territories and joining mega-trading blocs to boost the Korean export industry.

"We need to actively deal with the changing trading environment in the wake of protectionist practices in the United States and geo-economic risks in China," Kim said in a briefing. He added, "We will expand the horizons to emerging nations in addition to the G-2 and shift the focus from manufacturing to services and new industries."

In 2017, South Korea was the world's sixth-largest exporter thanks to brisk sales of memory chips and a rally in oil prices. Shipments to China and the U.S. accounted for 36.7 percent of the total.

Seoul has been seeking ways to diversify its export market amid concerns over rising protectionist practices and intensifying trade tensions between the U.S. and China, South Korea's big two trading partners.

KOREAN EXPORTS RISE 6.1 PERCENT ON-YEAR IN MARCH

South Korea's exports rose 6.1 percent in March from the previous year to mark the largest monthly tally for March, according to data compiled by the Ministry of Trade, Industry and Energy.

Outbound shipments reached USD 51.5 billion in the one-month period, up from USD 48.6 billion a year ago. They increased for the 17th consecutive month, with the figure being the highest for all March figures.

South Korea's trade surplus came to USD 6.87 billion, marking 77 straight months in which exports have exceeded imports.

Meanwhile, imports gained 5 percent on-year to USD 44.7 billion. Daily exports also rose for 16 months in a row to USD 2.19 billion, up 8.3 percent from a year earlier.

The ministry said in a release, "The upbeat pace in monthly exports is driven by recovering global trade and a boom in the information technology market," and added that steady demand for Korean semiconductors strongly supported the exports of Asia's fourth-largest economy.

GOV'T TO ALLOCATE R&D BUDGET ON KEY SECTORS

According to the Ministry of Strategy and Finance, the government will spend its research and development (R&D) budget primarily on strengthening industries related to the Fourth Industrial Revolution such as artificial intelligence (AI), smart factories, autonomous driving, and drone technology. In particular, private researchers and companies will be allowed to participate in development projects related to autonomous driving and smart cities. The R&D budget will also be allocated towards other key sectors including renewable energy.

The finance ministry has said it will establish various task forces consisting of government officials, researchers and private companies to draw up a comprehensive investment roadmap.

This is in line with the vision of the Ministry of Science and ICT, as it plans to carry out various R&D projects to help ordinary people understand the Fourth Industrial Revolution so that they can get a better grasp of the changes currently underway.

BOK CHIEF TO FOCUS ON FINANCIAL SYSTEM STABILITY

South Korea's central bank chief has announced that the country's monetary policy tools will be utilized to support the economy as well as maintain stability in the financial system.

Bank of Korea (BOK) Governor Lee Ju-yeol, who was reappointed for a second four-year term by President Moon Jae-in in March, said in his inaugural ceremony, "It is necessary to manage monetary policy in such a way as to make the financial system more stable and create momentum for recovery."

He added that the BOK will remain more vigilant in fending off potential financial risks, including household debt and foreign capital outflow, and noted that it is time to look for ways to improve the effectiveness of the central bank's monetary tools.
Principles of the North-South Economic Cooperation

Perhaps one of the most difficult and complicated puzzles in the political-economic landscape of Korea would be the ways North and South Korea have conducted economic cooperation. It has been difficult as differing iron-clad ideologies have been dividing the peninsula for more than a half century. It has been complicated as many countries of vested interests were involved in the peninsula long before the era of ideological confrontation. At times, the people of the two Koreas felt unity with one another from the bottom of their hearts, and yet, at other times, they became the most vicious of foes to each other. Of course, most of the people living on the peninsula now and then share the same culture, language and rituals. But the political situation and atmosphere on each side have swayed back and forth, from right to left, making true cooperation between the two almost impossible.

Now, everything seems to be changing. The dark and thick cloud of confrontation begins to thaw with the summit talks held in April. Also, there will be the crucial meeting coming up between the U.S. President Donald Trump and North Korea’s Kim Jong-un. It would be very precarious to guess the exact agendas being broached onto the tables, and much more so to predict the outcomes. However, it is evident that every party involved is quite different from the past. The North seems to want a fundamental change in its economic system towards a market economy. The more freedom they are given, the greater the benefits of cooperation will be avoided.

Second, economic cooperation should contribute to reduce economic, social and cultural gaps between the two Koreas that have widened during the last six decades. The reduction in those gaps should be regarded by both parties as one of the most important targets of economic cooperation, and should work for the benefit of both sides. Therefore, cooperation should work over time to converge wages and welfare benefits between the two parties.

Third, economic cooperation should not be hindered by changes in the political landscape surrounding the peninsula. Past experiences have shown ample evidence that changes in administration or personnel on either side have ended up in a sudden halt of ongoing projects. Economic cooperation requires stability and predictability. Even a mere possibility in a policy change could be the most difficult obstacle for successful cooperation. Economic cooperation should be founded upon the firm understanding that everything preset in the beginning would be followed as planned and nothing would change without prior written mutual agreement.

Fourth, economic cooperation between the two parties should be internationally recognized as a transaction within a nation. In particular, the products and services produced, processed or modified between the two parties should be regarded as if done in one nation. By so doing, all of the products produced within the peninsula could be regarded as from a single origin.

Fifth, economic cooperation should be conducted under the full guarantee of economic freedom and autonomy. Economic entities such as firms, corporations and associations taking part in the cooperation between the North and South should be given full economic freedom to make their own decisions and plans regarding wages, marketing, investments and strategy. The more freedom they are given, the greater the benefits of cooperation will be.

The authorities of both sides have a number of alternatives to specifically achieve these principles of economic cooperation. They could first simply agree on revitalizing the Kaesong Industrial Region (KIR), and then gradually expanding it to a much bigger scale. Or they could establish more special industrial regions across the border. In both cases, the two Koreas could agree on inviting third country companies from China, Japan or the U.S. to make the border region an international zone. This would mark the region as a symbol of global peace and harmony. The North and South could expand cooperation efforts to infrastructure development in the North, especially in building highways, irrigation systems and power plants.

Of course, all of these ventures rest critically upon the predication of a complete denuclearization of the North. With all this being said, hopes are high as Mr. Kim Jong-un seems fundamentally different from his predecessors.

By Professor Se Don Shin
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* The opinions expressed in this article are the author’s own and do not reflect the views of KOTRA
Saudi Arabia was South Korea’s 22nd largest trading partner in 2017. This relationship is anticipated to expand further, based on Saudi Arabia’s high level of dependence on imports as well as South Korea’s continued demand of crude oil imports from Saudi Arabia. The total amount of trade between the nations amounted to USD 24.7 billion in 2017, which was a 15.5 percent increase from the previous year.

Korea and Saudi Arabia: Trade and Investment Status
Let’s take a look at where the trade and investment relationship between the two nations currently stands.

01 Korea-Saudi Arabia Trade

Saudi Arabia was South Korea’s 22nd largest trading partner in 2017. This relationship is anticipated to expand further, based on Saudi Arabia’s high level of dependence on imports as well as South Korea’s continued demand of crude oil imports from Saudi Arabia. The total amount of trade between the nations amounted to USD 24.7 billion in 2017, which was a 15.5 percent increase from the previous year.

Imports
In 2017, Korean imports from Saudi Arabia stood at USD 19.5 billion. Main import categories were mineral fuels such as crude oil, naphtha and liquefied petroleum gas (LPG) as well as petrochemical products. Korea is highly dependent on Saudi Arabia for mineral fuels as these two items make up 93.05% of all imports. Also, as of May 2017, Korea’s crude oil imports amounted to USD 7.3 billion, placing Korea at the top among all importers of crude oil from Saudi Arabia.

Exports
Currently, Saudi Arabia is Korea’s 14th largest export market among all countries and the largest export market in the Middle Eastern region. In 2017, Korean exports to Saudi Arabia stood at USD 5.16 billion. Main export items consisted of transport machinery, such as automobiles, vessels and aircraft parts as well as electric goods like generators, transformers and electric wires.

02 Korea-Saudi Arabia Investment

Investment between the two nations have been widely based on construction projects. In 2017, Korean investment to Saudi Arabia reached USD 229 million in declared amount, while Saudi Arabia’s investment to Korea stood at USD 2.04 billion in declared amount.

With Saudi Arabia leading the Second Middle East Boom, Korean construction companies are continuing to seek out infrastructure-based project contracts while Saudi Arabia is investing in Korean companies to carry out such tasks.
Introducing Korea’s SMEs

Every month, KOTRA Express introduces a Korean SME that seeks to expand its network by working with foreign partners. In the May issue, we take a look at one of Korea’s most promising educational technology companies.

MARVRUS is an award-winning company offering technology-based learning solutions by utilizing virtual reality (VR), augmented reality (AR) and mixed reality (MR) technology to develop realistic digital contents. The company’s name, MARVRUS, refers to the “marvelous” experience it seeks to give users through AR and VR technology. Its vision is to become a global educational technology firm with a mission to bridge the education gap as a social venture and deliver high quality learning resources. MARVRUS works with various distribution partners such as after-school programs, educational institutes and other enterprises. As of early 2018, the number of users exceeded 3,000, and the company is now gearing up to expand into overseas markets.

MARVRUS has launched its product, ONION, to give users a state-of-the-art AR and VR experience in line with the Fourth Industrial Revolution. The product name, ONION, signifies turning both AR and VR realities “on and on,” with the “I” in the middle representing the three Is: immersive, interactive and interesting. The product provides digital learning contents in various categories including foreign languages, safety, STEAM, job training and cultural experiences. Composed of a mobile application, an interactive book and a VR/AR device, ONION gives users access to realistic experiences without geographical, time and financial restrictions.

Economic Indicators

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<tr>
<th>Year</th>
<th>GDP Nominal (Unit: USD million)</th>
<th>GDP PPP (Unit: USD million)</th>
<th>GDP Growth Rate (YoY) (%)</th>
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<tr>
<td>2013</td>
<td>1,305,400</td>
<td>1,644,777</td>
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<tr>
<td>2014</td>
<td>1,411,000</td>
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<td>2015</td>
<td>1,382,400</td>
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<td>2016</td>
<td>1,414,700</td>
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<tr>
<td>2017</td>
<td>1,530,200</td>
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Source: The Bank of Korea, March 2018

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<th>Year</th>
<th>GDP Per Capita (Unit: USD million)</th>
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<td>2015</td>
<td>Nominal: 27,105</td>
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<tr>
<td></td>
<td>PPP: 36,395</td>
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<tr>
<td>2016</td>
<td>Nominal: 27,534</td>
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<td></td>
<td>PPP: 37,730</td>
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<tr>
<td>2017</td>
<td>Nominal: 29,891</td>
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<td></td>
<td>PPP: 39,434</td>
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<tr>
<td>2018</td>
<td>Estimate: 32,775</td>
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Source: International Monetary Fund, October 2017

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The 13th Job Fair for Foreign-Invested Companies 2018

- **Date & Venue**: June 27, 2018 (Wed) / Hall D, BEXCO, Busan
- **Eligible participants**: Foreign-invested companies planning to hire employee(s) in 2018/2019 in Young-nam Region
- **Participation Fee**: None
- **Send inquiries**: KOTRA Foreign Firm Employment Support Team Tel: +82-2-3460-7846/3207, Fax: +82-2-3460-7940, Email: ff_jobfair@kotra.or.kr

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COEX Hall D

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<th>Application</th>
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<th>Participating companies</th>
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<td>The list is available at <a href="http://www.jobfairic.org/v18">www.jobfairic.org/v18</a></td>
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www.jobfairic.org/v18

blog.naver.com/bestfic

E-mail: jf@kotra.or.kr

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