The Latest on Korea’s Investment Environment

Mercedes-Benz Opens First Ever AMG Speedway in S. Korea

Mercedes-Benz Korea Ltd. has begun operation of the world’s first racetrack for its AMG vehicles to promote high-performance cars in the fast-growing South Korean market.

Tobias Moers, chairman of the board of management at Mercedes-AMG GmbH, said in a statement, “With remarkable growth, Korea has been contributing to the growth of Mercedes-AMG significantly, while emerging as a major market of the high-performance vehicle segment. In this sense, I am pleased to open the first racetrack bearing the name in Korea where visitors can explore Mercedes-AMG’s motorsport DNA.”

Mercedes-Benz officially launched operations of the AMG Speedway in Yongin, located approximately 50 kilometers south of Seoul, as it seeks to grow further in Korea, one of its top 10 AMG markets in the world.

The German carmaker said the AMG Speedway will be used for the launch of new models; various experience-based events for AMG as well as Mercedes-Benz owners; and the AMG Driving Academy open to the general public.

Taiwan’s Globalwafers to Expand S. Korean Plant

Taiwanese wafer manufacturer Globalwafers Co. is planning to expand its South Korean facilities by 2020 based on a partnership deal with a provincial government.

Globalwafers signed a preliminary agreement with South Chungcheong Province to invest approximately KRW 480 billion (USD 449 million), which includes USD 200 million of foreign direct investment (FDI). The company seeks to expand its plant in Cheonan, located about 80 kilometers south of Seoul, for a 300mm silicon wafer.

The project is expected to trigger KRW 2.73 trillion worth of production in the next five years, creating 185 new jobs and KRW 900 billion in revenue.

Globalwafers is headquartered in Taipei with 26 subsidiaries across 14 countries, and it was the third-largest wafer supplier in the world with 18 percent of market share as of last year.

GM to Establish Asia Pacific Headquarters in S. Korea

South Korea’s minister of trade, industry and energy Paik Un Gyu and GM International President Barry Engle signed a memorandum of understanding (MOU) to cooperate on promoting development of the Korean auto industry.

The agreement came amidst negotiations between the Seoul government and the American automaker on a rescue plan for GM’s local unit that includes the condition that it will remain in the country for at least 10 years.

“GM will newly establish an Asia Pacific headquarters in South Korea and push for making GM Korea the hub for manufacturing, sales and technology development,” the ministry said in a release, without giving details on the specific schedule or the size of the new office.

Under the MOU, the ministry and GM Korea agreed to collaborate on research and development (R&D) for key technologies for next-generation automobiles, including autonomous driving and electric vehicles. Moreover, the company said it would exert more effort to expand purchases of auto parts from local suppliers.

Did you know?

South Korea ranks 1st in the Automation Readiness Index

25 countries were evaluated in:
- Innovation Environment
- Labor market policies
- Education policies

The Automation Readiness Index, built by The Economist Intelligence Unit and sponsored byABB, assesses the extent to which the policy environment in 25 countries is ready for the coming wave of automation.

What’s Trending

Kia partners with Facebook to test AR technology

Kia Motors Corp., South Korea’s second-largest carmaker based on sales, has partnered with U.S. social media giant, Facebook, to help bring augmented reality (AR) to online shopping.

Facebook announced it would work with four enterprises to test a new feature in Facebook Messenger that would allow users to message companies to get a preview of products they want to buy ahead of time using AR, a technology that superimposes a computer generated image onto the real world.

Kia is one of four partner companies to use AR for the Facebook Messenger platform, and the only automaker selected by Facebook to be a part of the initial closed beta test. The other companies include ASUS, Nike and Sephora.

According to Facebook, a user will be able to send a message through its online messenger to look more closely at the features of an ASUS computer, see a new Kia car, get a “visual red carpet” experience with a new pair of Nike sneakers, and try on Sephora makeup.

Kia shoppers in particular will be able to use the Messenger platform to virtually view and capture a 3D image of the 2018 Stinger GT in their choice of color and in their driveway, garage or other location. On top of being able to share any of the AR images in both group and one-on-one conversations, shoppers can also find nearby dealers.

In a news release, Facebook Messenger Product Manager Heath Black said, “We’re thrilled that Kia Motors is showcasing the 2018 Kia Stinger using our new AR effects for Messenger,” and added, “Integrating AR camera effects into their messaging experience will allow their customers to get up close and personal with the Stinger and visualize the car in a new and engaging way.”