The Latest on Korea’s Investment Environment

Foreign investors major players on KOSDAQ in May

According to the bourse operator, foreign investors bought the largest amount of shares listed on South Korea’s secondary stock market in 14 years in May.

Offshore investors purchased a net KRW 534.8 billion (USD 499.34 million) worth of shares on the tech-laden KOSDAQ market, while institutions and retailers sold KRW 180.4 billion and KRW 171 billion worth of the shares, respectively, as shown by data from the Korea Exchange (KRX).

The May figure is the largest since April 2004 when foreign investors bought KRW 723.4 billion on the KOSDAQ bourse, and the third largest in the market’s history.

The record monthly amount of foreign buying was KRW 1.02 trillion in February 2000 when the dotcom boom swept through the country.

Offshore investors’ major choices last month were bio and pharmaceuticals: HLB topped the list as foreigners picked up KRW 206.8 billion worth of shares, followed by Celtrion with KRW 99.2 billion, Viromed with KRW 91.4 billion, and Medytox with KRW 90.1 billion, according to the data.

German auto parts manufacturer to build R&D center in Gyeongbuk Technopark

On June 13, Gyeongbuk Technopark said German automotive company HBPO will build its Asia FEM R&D Center on its grounds, following a business agreement signing between representatives from the two parties on June 12.

HBPO will construct the center together with Korean automotive parts company SL and joint venture SHB.

Gyeongbuk Technopark expects the global market for FEM will grow to USD 119 billion by 2020. Lee Jae-hoon, director of Gyeongbuk Technopark said, “We look forward to seeing our regional companies taking up more prominent positions in the global market for auto parts.”

HBPO has a 23% share of the global market for FEM, including head lamps, engine cooling systems and electronic devices and supplies parts for clients such as BMW, Mercedes-Benz and Chrysler.

Samsung Securities creates research team on N.K. investment

Samsung Securities Co., announced it has launched a team tasked with analyzing possible investment in North Korea amid rising prospects for improved cross-border ties.

Established as part of the company’s research center, the group aims to “provide comprehensive and systematic analysis with longer-term perspectives, at a time when geographical circumstances regarding North Korea go beyond mere short-term market themes to a new growth momentum for local firms.”

The company added that the launch of the team, a first for local brokerage firms, will allow the affiliate of South Korea’s largest conglomerate, Samsung, to cooperate further with securities firms in China and Vietnam so as to learn from their knowledge and get more information on communist economics.

Hopes of inter-Korean cooperation have risen after South Korean President Moon Jae-in and North Korean leader Kim Jong-un held two rounds of summit talks in recent weeks, with Kim committing his country to denuclearization.

Did You Know?

According to the Global Entrepreneurship and Development Institute (GEDI), South Korea ranked 24th among 137 countries on the 2018 Global Entrepreneurship Index (GEI).

South Korea moved up three notches this year as compared to the previous year.