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INTRODUCING INVEST KOREA PLAZA (IKP)
According to KOTRA, information on entering international markets is now available free of charge to the public via the Open Data Portal (www.data.go.kr).

The information consists of about 1.7 million items of 14 types. Specifically, there are 72,000 data items on country information and overseas market news; 24,000 on global competence level tests; 680,000 on trade and investment consultations with domestic companies; and 910,000 on overseas markets.

In a bid to support foreign companies doing business in Korea, KOTRA will organize a large-scale job fair to provide a venue to bring together companies recruiting employees and local job seekers.

The 14th Job Fair for Foreign-Invested Companies 2019, jointly hosted by the Ministry of Trade, Industry and Energy and Seoul Metropolitan Government, will be held on June 4 to 5 at COEX in Seoul. The event is the largest of its kind, and has been held every year in 2006, with an average of 15,000 annual visitors.

This year, over 150 foreign companies will set up booths and to provide information on their company and conduct on-site job interviews, and approximately 20,000 job seekers are expected to take part in the various programs available.

Other sub-events will include a recruitment seminar where HR managers will present on their respective companies, as well as special lectures featuring speakers who can give tips on writing resumes. Furthermore, booths for image and resume consulting will be available and visitors will be able to participate in mock interviews.

Since a wearable electrocardiogram measuring device was selected as Korea’s first product exempt from regulations under the government’s regulatory sandbox program in February, the interest in smart-healthcare combining the latest ICT and medical devices has been on the rise.

Against this backdrop, the Ministry of Trade, Industry and Energy (MOTIE) and KOTRA hosted Global Medical Equipment Plaza (GMEP) to support the global market penetration of Korea’s outstanding medical devices on March 14, in conjunction with the Korea International Medical & Hospital Equipment Show (KIMES), Korea’s largest medical device exhibition, at COEX in Samseong-dong, Seoul.

GMEP 2019, in its 12th year running since 2008, was participated by buyers from 215 companies (52 countries) which was the record figure to date, and provided a venue for 1,500 one-on-one business meetings for 257 domestic companies.

On March 21 at Gwangju City Hall, KOTRA, Gwangju Metropolitan City and Gwangju Techno Park signed an MOU on establishing a cooperative system for foreign investment promotion aimed at revitalizing the regional economy and creating jobs.

By signing the MOU, the three entities agreed to closely cooperate in supporting startups in the Gwangju area to attract foreign investment; discovering strategic projects in the region’s major industries; establishing a database for potential investors; and holding IR sessions and dispatching delegations.

KOTRA President and CEO Kwon Pyung-oh said, “Going forward, KOTRA will actively support foreign investment attraction in non-capital areas to help address the challenges of our times such as the revitalization of the regional economy and job creation.”
As a sub-event of the official state visit by His Majesty the King of Belgium to South Korea, BNP Paribas, the largest bank in France, hosted a breakfast meeting to gather Belgian companies operating in Korea and discuss ways to form a smart partnership between the two countries.

The event was held at the Grand Hyatt Seoul in which approximately 100 representatives from Belgian other foreign companies were in attendance to listen to a panel discussion on the business environment outlook and the challenges and opportunities of the Korean market.

Director General of Bilateral Affairs Anick Van Calster of the FPS Foreign Affairs, Foreign Trade and Development Cooperation of the Kingdom of Belgium, in her opening remarks, spoke on the bilateral relationship between Korea and Belgium. She said the two countries signed a treaty in 1901 on “amity, commerce and navigation, and thus formally established diplomatic relations.” She added, “Belgium and Korea don’t only share memories, but we want our future partnership to be future oriented. Our countries are like-minded and have a similar economic profile, in the sense that they are both export-oriented and mature economies that fully realize how important innovation and forward-thinking are.”

Afterwards, Ethan Seo, head of trading, global markets of BNP Paribas South Korea, gave a keynote speech on the outlook for the South Korean Economy, followed by the main program of the event, which was the panel discussion featuring three panelists, Shawn Chang, head of Invest KOREA; Patrick Defranoux, CEO of Thales Korea; and Andre Nothomb, head of government and public affairs at Solvay Asia Pacific. The moderator, David Han, head of the Corporate Coverage Group at BNP Paribas South Korea, asked various questions related to the business environment for foreign companies in Korea and the services that Invest KOREA offers to foreign investors.

When asked about his experience doing business in Korea as CEO of Solvay Korea, Nothomb shared, “Koreans are sophisticated consumers and they appreciate quality. So quality would be the No. 1 thing to consider for consumer products, and products have to adapt to the local needs.” He added, “The support we’ve had from Invest KOREA has been tremendous,” and advised, “Don’t hesitate to meet them because they will help you to find the right partners and offer practical support.”

By Grace Park
Executive Consultant
Investment Public Relations Team
Korea Trade-Investment Promotion Agency (KOTRA)
gracepark@kotra.or.kr
KOTRA’s Services

KOTRA’s Overseas Buyer Support Project

KOTRA provides a one-stop service for overseas buyers visiting Korea to maximize business efficiency. These services range from meeting arrangements and interpretation services to making reservations for accommodation and providing information on the transportation system for traveling around Korea.

The professional consultants at KOTRA can search through their corporate networks to locate the companies that buyers are looking to consult and arrange meetings with. The staff can also hire interpreters for meetings participated by two or more companies; offer information on various transportation options for traveling around the country (taxis, subway, KTX, etc.); and provide meeting rooms within the KOTRA headquarters on an availability basis.

Here are some of the frequently asked questions regarding the support services:

Q. How many companies can I consult with while visiting Korea?
A. We arrange consultations for up to two working days, with up to four companies per item each day.

Q. During my visit to Korea, does a consultation require signing a contract?
A. Not necessarily. We provide support until the end of your business meetings.

Q. Are all services free of charge?
A. Meeting arrangements and interpretation services (for consulting with more than two companies) are provided for free. With regard to hotels and transportation, however, we only offer information (buyers should bear the costs).

Q. Are there any limits to the number of applicants for business consultations?
A. No, but you may have to check the vehicle size when taking a taxi.

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 April issue, we take a look at one of Korea’s most promising companies in the machinery manufacturing sector.

Jonghap Machinery is a company specializing in engineering and manufacturing for the heavy industry and shipyards.

The company’s products include the following:
1. standard welding equipment
2. special equipment
3. t-bar welding line
4. h-beam build up line
5. pipe spool welding equipment
6. panel fabrication line
7. press bending pipes and line pipe fabrication system
8. u-rib welding gantry machines and box girder manufacturing line
9. coal sampling system
10. super tig welding system
11. other equipment

Major clients of Jonghap Machinery include large companies in the shipyard sector and heavy industry such as Hyundai Heavy Industries, DSME, Hanjin Heavy Industries and Construction, as well as other companies like Posco, Volvo Construction Equipment and LS Industrial Systems.

 operated by KOTRA, buyKOREA is Korea’s premier e-marketplace. If you want to find out more about the products mentioned above, please visit www.buyKOREA.org
### Upcoming Events

#### April 2019
- **4.8-11**: NAB Show 2019
- **4.9-11**: Global Project Plaza 2019
- **4.9-13**: Global Business Partnering Week 2019
- **4.10-19**: Korea International Boat Show 2019
- **4.10-13**: Consumer Goods Showcase Korea 2019
- **4.15-19**: World-Class Product Show 2019
- **4.10-13**: The 14th Job Fair for Foreign-Invested Companies 2019
- **4.15-19**: Global Partnering China 2019
- **4.9-11**: MWC Shanghai 2019 (KOREA Pavilion)

#### May 2019
- **5.9-12**: SEOUL FOOD 2019
- **5.21-24**: Vietnam EXPO 2019 (KOREA Pavilion)
- **5.23**: China Import and Export Fair (Canton Fair) (Korea Pavilion)
- **5.9-12**: NAB Show 2019
- **5.21-24**: Global Project Plaza 2019
- **5.23**: Global Business Partnering Week 2019

#### June 2019
- **6.1-4**: Korea International Boat Show 2019
- **6.3-4**: SEOUL FOOD 2019
- **6.4-5**: World-Class Product Show 2019
- **6.26-28**: Global Partnering China 2019
- **6.1-4**: The 14th Job Fair for Foreign-Invested Companies 2019
- **6.26-28**: Global Partnering China 2019
- **6.3-4**: MWC Shanghai 2019 (KOREA Pavilion)

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### Major Events Organized by KOTRA

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<tr>
<th><strong>SEOUL FOOD 2019</strong></th>
<th><strong>Seoul VR-AR Expo 2019</strong></th>
<th><strong>The 14th Job Fair for Foreign-Invested Companies 2019</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date</strong></td>
<td>May 21-24, 2019</td>
<td>May 30-June 1, 2019</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>KINTEX, Goyang-si, Gyeonggi-do, South Korea</td>
<td>COEX Hall B, Goyang-si, Seoul, South Korea</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td>F&amp;B</td>
<td>Virtual/augmented reality</td>
</tr>
<tr>
<td><strong>Main Programs</strong></td>
<td>2,945 exhibition booths, 1:1 business matching, Culinary Challenge, Wine Challenge</td>
<td>Seoul VR-AR Conference, showcase, open seminar, IR Day, networking session</td>
</tr>
<tr>
<td><strong>Website / Contact</strong></td>
<td>seoulfood.or.kr</td>
<td>seoulvrar.com</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:info@seoulfood.or.kr">info@seoulfood.or.kr</a></td>
<td>Seoul VR AR Expo 2019 Secretariat <a href="mailto:vr@esgroup.net">vr@esgroup.net</a></td>
</tr>
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Singapore’s famous eatery Jumbo Seafood to enter Korea

Jumbo Seafood, one of Singapore’s most popular restaurants, is planning to open an outlet in Seoul this year in partnership with Korean restaurant chain operator Didim Inc.

Jumbo Seafood Group Ltd. and TCI, a subsidiary of Didim, have agreed to establish a 50:50 joint venture “JD F&B” to operate a chain of restaurants including Jumbo Seafood in Korea, according to the Korean company.

The joint venture will kick off operation by launching Jumbo Seafood’s first Korean branch in Dogok-dong in southern Seoul, in June. A TCI official said the branch will be a large-scale restaurant spanning nearly 1,000 square meters.

“Starting with Jumbo Seafood, JD F&B will bring in world’s top restaurant brands to Korea as well as introduce Korean foods to the world, especially China,” said Lim Jae-joon, TCI chief executive officer.

Jumbo Seafood, best known for its chili and black pepper crab dish, is one of Singapore’s most famous restaurants. As of 2018, it has 27 outlets across Asia including six in Singapore and has posted USD 153 million in revenue.

GM Korea to supply at least 6,000 Bolt EVs this year

GM Korea Co., the South Korean unit of General Motors Co., said it will supply at least 6,000 Chevrolet Bolt electrics this year amid rising local demand for environmentally friendly vehicles.

The target volume for the electric vehicle (EV) sector this year exceeds the accumulated 5,500 units the Detroit-based carmaker has sold in the Korean market since 2016, the company said on the sidelines of a media test-drive event on Jeju Island.

The Bolt EV is equipped with a 60 kilowatt-hour battery, good for 383 kilometers on a single charge. It went on sale in Korea in March according to a statement by GM Korea.

The zero-emission model sells for KRW 46 million to KRW 48 million (USD 40,500-42,000), but this does not take into account the KRW 9 million in subsidies provided by the central government. The overall price falls further depending on additional benefits offered by provincial authorities. Regional government subsidies can range from KRW 4.5 million to KRW 10 million for the purchase of EVs, GM said.

S. Korean President meets foreign biz leaders for the first time

On March 28, South Korean President Moon Jae-in met with heads of foreign companies doing business in Korea, marking the first meeting of its kind since Moon took office in May 2017.

The meeting at Moon’s presidential office Cheong Wa Dae in Seoul was attended by officials and representatives from 56 foreign invested firms and nine business organizations, such as the American and European chambers of commerce.

The president acknowledged the importance of foreign invested firms to his country, noting they account for 19 percent of South Korea’s overall exports, as well as 7 percent of all jobs. Moon promised equal treatment for foreign invested companies and local firms while vowing efforts to ensure joint development of foreign companies and his country.

“Foreign companies, when they invest in our country, become our companies that contribute to our economic development. Your success means our development,” the president said.

“The South Korean economy has developed together with foreign invested firms and will continue to do so in the future. Our success will be a great support for South Korea’s economic development and the South Korean economy’s development will open more business opportunities for you all,” he added.

Source: www.investkorea.org; Yonhap News Agency; Pulse by Maeil Business News Korea

Gov’t vows to foster air purifier industry amid fine dust woes

On March 18, the South Korean government announced plans to help local air purification and conditioning companies to create more jobs and to better cope with the rising concerns over the dangerous levels of fine dust air pollution affecting the nation.

The Ministry of Trade, Industry, and Energy said the Gwangju Metropolitan City, located around 330 kilometers south of Seoul, inked an agreement with LG Electronics Inc. and Gwangju Techno Park, to join forces to beef up industries related to dust filtering.

Citing industry data, the ministry said the domestic market for air cleaners was estimated at KRW 2.5 trillion won (USD 2.2 billion) in 2018, up sharply from KRW 1 trillion won posted in 2016.

Through such cooperation, the ministry said it hopes to improve the overall competitiveness of air-purification companies based in Gwangju.

The ministry said while demand for air purification systems for different purposes, ranging from offices, schools, to underground malls, is increasing, the industry has yet to provide customized solutions for all the different needs.

Accordingly, the ministry said the agreement, clinched by the three parties, will center on rolling out joint research and educational programs, eventually to bolster the entire ecosystem of air-related industries in Gwangju.

“The memorandum of understanding is significant as it can contribute to revitalizing the regional economy, and seek cooperation by through partnerships in research and fostering experts,” the ministry said.

It added the aim of the tie-up is to support local small-and-medium sized companies to set eyes on overseas markets by providing them with test infrastructures that fall in line with global standards. The government will provide consulting programs for design, patent, and other issues related to products.
ONE-ON-ONE WITH PHILIPPE NOIROT

Head of Country, BNP Paribas South Korea

Maximizing Business Opportunities in Korea’s Banking Industry

Philippe Noirot, Head of Country for BNP Paribas South Korea, shares his insight on Korea’s banking industry and his experience doing business here.
Philippe Noirot joined the BNP Paribas Group back in 2005, where he was the global head of Merchant Banking Strategy, Communications and Business Development and a member of the executive board for the Merchant Banking Division for Fortis (now BNP Paribas Fortis). From 2009 to 2011, Noirot took leadership of the integration of Corporate and Institutional Banking activities between BNP Paribas and BNP Paribas Fortis for the BNP Paribas Group’s acquisition of Fortis Bank. In 2011, he had the opportunity to move to Singapore as the head of Business Development for Corporate Coverage, BNP Paribas Asia Pacific. In October 2013, Noirot was appointed the head of Corporate Deposits & Liquidity, Asia Pacific, subsequently also overseeing Global Coverage Solutions, Asia Pacific.

Noirot is currently the country head for BNP Paribas South Korea, looking after BNP Paribas Group’s overall activities in the Korean market since July 2015, and particularly more in charge of the Seoul branch. When asked about what brought him to Korea, Noirot says while he very much enjoyed being in a regional role in Singapore, he knew that taking the offer as the country head of Korea would provide him with new challenges and knowledge, so he accepted the job, and has been enjoying his life here in Seoul. Read on to find out more about the company, South Korea’s banking industry, and Noirot’s experience doing business here.

Can you tell us about BNP Paribas and its history?

Our history goes back almost 200 years. With roots stretching back as far as 1822, BNP Paribas was formed in 2000 following the merger of Paribas and BNP, the No.1 bank in France. BNP, the core from which the Group was formed, was established in 1966 after the merger of CNEP and BNCI, two banks whose origins date back to 1848. The oldest company in the Group is the Belgian subsidiary BNP Paribas Fortis, whose history dates back as far as 1822.

Worldwide, BNP Paribas has a presence in 72 markets with more than 202,000 employees. We have key positions in our three main activities: Domestic Markets and International Financial Services, and Corporate and Institutional Banking, which serves two client franchises: corporate clients and institutional investors. In Asia Pacific, BNP Paribas is one of the best-positioned international financial institutions with an uninterrupted presence since 1860. Currently, with over 18,000 employees* and a presence in 13 markets, we provide clients with product and service solutions tailored to their specific needs, and continues to develop our franchise in the region.

*excluding partnerships

In Korea, our bank branch was established in 1976 and we celebrated our 40th anniversary in 2016. Now, with over 500 employees, BNP Paribas has been servicing leading corporates, financial institutions and private investors in Korea. We offer transactional banking, advisory and capital market solutions through our Corporate and Institutional Banking and insurance and asset management solutions through strategic partnerships with Shinhan Financial Group.

What made BNP Paribas establish a branch in Korea, and what are the advantages of doing business here?

BNP opened its Seoul branch in 1976 and Paribas opened its Seoul branch the following year. We started expanding into non-banking businesses in the early 2000s. In 2001, BNP Paribas Cardif was established in Korea and BNP Paribas signed a strategic partnership with Shinhan Financial Group. The partnership built joint ventures in insurance and asset management businesses, namely BNP Paribas Cardif Life Insurance, BNP Paribas Cardif General Insurance and Shinhan BNP Paribas Asset Management, which are successfully managed by both groups today. BNP Paribas Securities Korea was established in 2002.

Korea has been one of the fastest growing economies in the world and we believe Korea will continue to grow.

We came here more than 40 years ago and have stayed in the market in order to serve Korean clients. As a leading global bank with European roots, we can help these clients expand their business outside of Korea, especially with expertise in the European markets, while also supporting multinational clients do business in Korea. We have a very strong client franchise and our business has been continuously growing.

How is Korea’s banking industry (or financial system) different from that in other parts of the world?

The Korean banking industry is characterized by a number of large domestic banks, mostly national, a few regional banks, and a sizeable number of international banks. Most international banks focus on corporate and investment banking, while domestic banks provide all banking services, from retail/network banking to corporate banking.

Furthermore, Korea’s banking system is characterized by a strong separation between banking activities and securities activities (similar to what existed in the U.S. until the 90s, and to what still exists, albeit to a smaller extent, in Japan).

What were some product development strategies that BNP Paribas carried out to target Korean customers?

As a corporate and institutional bank, we have been providing...
solutions to our Korean clients in Korea and abroad. Our bank and its global network is particularly well tailored to help large Korean companies, which are very international, and overall to support the Korean economy, which is highly export-oriented.

On the insurance front, we try to bring the global expertise of Cardif, both in life and non-life insurance, and tailor it to the local needs of our end customers, through our partnership with Shinhan Financial Group and the joint-ventures we established in that context. This is also the approach we’ve followed in asset management.

Our strategic partnership with Shinhan Financial Group has grown over the past 18 years and both Groups benefit from it. We could always leverage Shinhan’s strong presence in Korea while Shinhan can leverage our strong presence in Europe and beyond.

Were there any challenges your firm faced while doing business in Korea?

One of the challenges is the strict separation between banking and securities activities, which does not exist, or not to the same extent, in other countries.

Another challenge is the local perception that, if the going gets tough, foreign companies might leave the country. Even though we have been here for a really long time, we are always asked whether our businesses will remain open in Korea. While it is true that, in recent years, some foreign banks either downsized or withdrew from the market for several reasons, BNP Paribas sees South Korea as a continuously growing market, at a faster pace than the developed markets in the other parts of the world, and we see great business opportunities in this market.

How can Korea become a more ideal business environment for foreign companies like BNP Paribas?

It takes both government’s support and corporates’ investment. I think Korea is very advanced in technology—if the Korean government and regulators support active Fintech development and invite foreign companies to participate, I believe it will be a good growth opportunity for all.

Besides, having a continuous dialogue with regulatory authorities on how to both ensure a sound financial system and allow financial institutions to grow is also of the essence.

What Korean companies/government agencies do you work with (if any) to strengthen your business partnerships?

As mentioned, Shinhan Financial Group is our strategic partner in Korea. Besides SFG, we work with export credit agencies, banking associations and other official and non-official bodies. And we work with all our corporate and institutional clients, which are all very large and reputable companies in Korea, to serve them well both in Korea and abroad.

What is BNP Paribas doing to rise above the competition in the Korean banking industry?

We believe our staff are the key to our success and try to make BNP Paribas a ‘Great Place to Work’ for our employees. We endeavor to attract, retain and develop high performing employees. In order to do this, we provide continuous learning opportunities locally and from our APAC Campus in Singapore. We encourage staff to actively consider mobility opportunities where staff can apply for open positions within the Group for their career development. On the casual side, we occasionally organize social events to create an inclusive corporate culture most recently we went ice skating!

“I think Korea is very advanced in technology—if the Korean government and regulators support active Fintech development and invite foreign companies to participate, I believe it will be a good growth opportunity for all.”

What are some future plans that BNP Paribas has when it comes to doing business in Korea and in Asia?

Our Group has concrete plans to support the UN SDGs and we have embedded basic principles in all areas of our operations. We want to build a business culture characterized by responsible and ethical conduct. We want to give a positive impact on society through our approach on finance and investment and our corporate philanthropy initiatives. Lastly, we want to play an active role in the transition to a low-carbon economy.

Korea, as part of Asia, is a developing area of the world and we are truly committed to serving our clients in this market. To support the Group’s plan, we’re always seeking ways to deliver our basic principles to Korean clients.
Introduction

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 attracting foreign investment.

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.

Investment Opportunities

Below are two Korean companies currently seeking foreign investment. For more details, please contact Seo Dong Hyun, Senior Investment Consultant of the New Industry Investment Promotion Team, at dhseo@kotra.or.kr.

*Some information remains confidential.

1. Business Service Company: SNS Platform (Music)

**Investment Highlights:** The scale of the global music market has been rapidly growing (approx. KRW 60 trillion as of 2017), but artists have been excluded from the traditional revenue-sharing structure. The company lowers entry barriers caused by this structure and provides services that cover the entire process of value chains, from phonogram production to distribution to marketing and entry into overseas markets. The company offers a music platform with a unique system, providing an integrated service for all persons concerned, such as phonogram distributors, agencies, telecommunication companies and consumers, including artists, phonogram producers, and etc.

**Company Profile:** The company was founded in June 2015 and is in the process of registering a patent for a cooperative music composition system using a music-related social network. The sources of sales include phonogram distribution, app services and others.

**Investment Requirements:**
- Investment method: Minority (financial investment, strategic investment), Joint Venture
- Amount: USD 2-3 million
- Region: North America, China, Japan

2. Aviation/Space/Ship Company: Renewable Packaging

**Investment Highlights:** Most packaging materials, made of corrugated cardboard or wood, are discarded after single-use, which consequently has a negative impact on the environment. The company’s products are foldable, making it possible to decrease the volume by one-tenth when stored or returned after shipment, which allows for effective space occupancy and reduced logistics costs. Made of strong aluminum frames that can support up to 2T of load weight, the foldable products can avoid damage as compared to general packaging boxes.

**Company Profile:** The company was founded in October 2010, and plans to cooperate with customers in various fields, such as the domestic automotive parts industry, the secondary battery industry and the aviation industry, in an attempt to develop innovative packaging methods and products.

**Investment Requirements:**
- Investment method: Minority (financial investment), Joint Venture
- Amount: USD 1 million
- Region: All available
Which city in Korea has the longest straight road (12.5 km) and the widest grass park (35,000 m²)?

The answer is Changwon, Korea’s first and the world’s fourth planned city. Changwon, once a tranquil farm village, was turned into a planned city on the back of the government’s push to develop the heavy and chemical industries, starting with the construction of Changwon Machinery Industrial Complex (currently Changwon National Industrial Complex) in 1973.

Since starting operation of factories in 1975 with a mere KRW 1.5 billion in production, USD 600,000 in exports, 44 companies and 1,151 employees, Changwon National Industrial Complex has grown so much that its production is at KRW 50.301 trillion, exports at USD 15.637 billion, has 2,787 companies, and employs 124,228 people. 1,662 companies can be categorized into the machinery industry, accounting for 65 percent of total companies, with production worth KRW 1.465 trillion and reaching USD 9.15 billion in exports. Those working in the machinery industry accounts for 60 percent (74,932 persons) of total workers.

With Changwon National Industrial Complex becoming the center of Korea’s machinery industry and key industrial complex in the southeastern region, Changwon now plays a pivotal role in Korea’s economic growth.

The population of Changwon reached 300,000 as planned in 1989 when the city development plan was carved out, and surpassed the 500,000 mark in 2007. In 2010, it was integrated with small neighboring cities—Masan and Jinhae—to become an ‘Integrated Changwon City’. As a result, it developed into a mega city with a population of 1.1 million, boasting a scale equivalent to that of a metropolitan city.

Currently, Changwon’s GRDP is approximately KRW 36 trillion, making up a third of that of Gyeongsangnam-do (Gyeongnam). Of about the KRW 53.178 trillion gross output of the manufacturing industry in Changwon, the gross output of the machinery industry is around KRW 11.734 trillion, ranking first in Korea. The number of workers in the machinery industry is the third highest in the country. The export volume of Changwon’s machinery industry is USD 9.073 billion, accounting for 76 percent of the Gyeongnam region, and 13 percent of Korea. It is a testament to the fact that Changwon is the mecca of Korea’s machinery industry.

Currently, there are lots of companies in various machinery industries, such as: Doosan Heavy Industries & Construction, Hyeosung, GE Power Systems Korea in industrial machinery; Doosan Machine Tools, Hankook Machine Tools, and Hyundai Wia in machinery tools; GM Korea, Denso, STX Offshore & Shipbuilding, Hyundai Rotem in transport machinery; Volvo Construction Equipment Korea in construction equipment; LG Electronics in electrical machinery; and Hanwha Aerospace in aviation.

Changwon has been working to expand R&D as a way to sophisticate the previously production-focused industrial structure. It succeeded in attracting LG Electronics’ large-scale R&D
Center (KRW 150 billion) in 2017 and Hyundai Wia Machine Tool Research Center in 2018. Also, in order to transform into an advanced industrial city, it plans to make concentrated investments until 2026 in advanced industries such as robotics, ICT machinery convergence, and defense and aerospace parts, which also can be connected with existing industries. In February this year, Changwon National Industrial Complex was designated as the first smart-leading industrial complex run by the government, with a KRW 1.2 trillion investment planned by 2022. If this project is completed in 2023 with 800 smart factories, productivity will increase by 30 percent, defect rate will decrease by 43.5 percent, and costs will be cut by 15.9 percent, upgrading Changwon as the center of production innovation.

Industrial Complexes in Changwon

There are various industrial complexes in Changwon other than the National Industrial Complex. The Masan Free Trade Zone, initiated as Korea’s first foreigner-exclusive industrial complex, has been turned into a place for domestic manufacturing companies or foreign-invested companies in the manufacturing industry. It has 177 companies, half of which are related to machines.

The Busan-Jinhae Free Trade Zone also covers the Changwon and Busan regions. Of the 23 districts in the Busan-Jinhae Free Trade Zone, 11 (19.6 km², out of total 51.1 km²) are located in Changwon. Namnun district, in particular, was designated as a foreign investment zone, attracting foreign companies possessing advanced technologies in machinery equipment, automobiles, advanced parts, and electric/electronics. Tsubakimoto Automotive Korea, the Korean branch of Japanese Tsubaki, a global automotive parts provider, and Sonex Korea, Denmark’s ship parts maker, are currently based in Namnun district. Takaoka Toko (subsidiary of Tokyo Electric Power Company Holdings) which possesses the world’s three most important technologies on gas insulated switchgears (GIS) for high and extra high voltage (EHV) transformer substations, has also been producing substation gas voltage transformers (GVT) together with Korea’s Chungtop Industries, a heavy electrical equipment manufacturer.

Other industrial complexes in Changwon include Jinhae National Industrial Complex which is focused on the shipbuilding industry; Urban Advanced Industrial Complex in which a global auto parts maker Denso is located; and 13 other general industrial complexes.

Geographical Conditions of Changwon

The reason why Changwon was selected as Korea’s base camp for the machinery industry in 1973 was its attractive geographical conditions.

Changwon, located in the southeastern part of Gyeongnam, is a basin surrounded by 500 to 800 meters of mountains with 5,000 hectares flatland inside, providing a wide site to build factories. Also, its ground is solid enough to sustain the heavy weight associated with the machinery industry.

Also, Changwon lies in the center of a major industrial belt consisting of Pohang, Ulsan, Busan and Gwangyang along the southeastern coast, while a railway intersection of the Gyeongjeon Line and Jinhae Line, Namhae Expressway, and Jungbu-naraeyuk Expressway passes through the city center, providing close access to neighboring cities. Thanks to Kimhae International Airport, located within 40 minutes-distance, and three KTX stations (Masan, Changwon, and Changwon Center), it is possible to access Seoul in an hour by flight and 2 hours and 50 minutes by train. Also, befitting its reputation as a port city, it has Masan Port, Jinhae Port and Busan New Port, making freight transportation easier.

Changwon’s economically active population is 550,500 in total, the second highest in the country. 45 percent of the population is in their 20s to 40s, supplying young and abundant labor power. Also, Changwon accounts for 37 percent of the patent applications filed in Gyeongnam. It has ample R&D resources as it is home to Korea Electro Technology Research Institute, Korea Institute of Materials Science, Changwon Smart Innovation Support Center, Agency for Defense Development, LG Electronics R&D Center, and Hyundai Wia Machine Tool Research Center.

By Jinho Kim
Executive Consultant
Investment Public Relations Team
Korea Trade-Investment Promotion Agency (KOTRA)
jinhokim@kotra.or.kr

A New Wealth Tax Reconsidered

The speaker of the ruling party, Hon. Hong Young-pyo, emphasized that the tax is not on whether or not to newly introduce it, but rather, how broadly the rate should be applied on the various kinds of assets. The second uncertainty is based on what the marginal tax rates should be. Currently, the highest bracket for the income tax is KRW 500 million (approximately USD 4.4 million), with a marginal tax rate of 46.2 percent. The tax rate could be raised to a higher level, or create yet another higher bracket with a higher rate, but it is entirely unclear which income group will be the target and what the tax rate should be. For the property tax, the highest rate is 0.4 percent for real estate of over KRW 300 million, and 0.5 percent for land valued over KRW 100 million. However, for people holding more than KRW 600 million, the tax rate progressively surges from 0.5 percent to a maximum of 3.0 percent to those with properties worth more than KRW 9.4 billion. This is called the general property tax, which was revised in 2018 under the new government. The only exemption is an individual with one house worth less than KRW 1.2 billion, who just pays the regular property tax. The current government seems to be considering revising this general property tax system once more, lowering the highest tax rate threshold (KRW 9.4 billion and up) and the marginal tax rates, but nothing is clear at this moment.

The third important issue is whether all the financial assets such as equities and savings should be made subject to the wealth tax. So far, stock holdings are not subject to any tax except for a trading tax of 0.3 percent. Bank savings are also excluded from the wealth tax, but its interest or dividends up to KRW 20 million, approximately USD 17,000, are subject to a 15.4 percent withholding income tax. Therefore, the current tax system is criticized as being unfair, giving too little tax burden on financial assets.

Another non-trivial question is whether the outstanding mortgages on the property should be deducted from the property taxes. As loan holders should pay interest, the property tax amounts to a double-taxation on the same property. In most cases, the wealth tax system allows deduction of liabilities on the assets, and that is why it is called a ‘net’ wealth tax.

Opponents of the wealth tax have cited a series of factors, including the potential risk of capital flight, unconstitutionality, valuation problems, negative effects on senior citizens, as well as unsurmountable administrative costs. The introduction of new wealth taxes could cause the rich to leave the country or take wealth out to avoid paying taxes. This could be avoided if an exit tax is introduced. Unfairly high rates of taxes imposed on the rich could evoke the issue of unconstitutionality, but it is not as serious in Korea as in other countries. A valuation problem has been a critical issue for a long time, but gradually, the tax base has rapidly approached the market value in Korea. As senior citizens tend to possess relatively more assets than the younger generation in preparation for retirement, the wealth tax could unfairly jeopardize the older generation. This could be dodged if the wealth tax is levied for people with extraordinary wealth, such as USD 50 million as U.S. Senator Elizabeth Warren suggests. A new wealth tax system could improve fairness and equality of society, but equally, it would arouse a series of uncertainties and opposition making new investment unstable and daunting. This the reason why a thorough reconsideration is necessary.
According to government data, the trade volume between South Korea and the United States shot up 10.3 percent on-year in 2018 to hit a record high, with the world’s top economy beating Japan to take up the second-largest slice of Seoul’s overall imports.

The Ministry of Trade, Industry and Energy said the amount of goods exchanged between the two countries came to USD 131.6 billion, maintaining robust growth despite the looming protectionism policies around the globe amid concerns surrounding the Washington-Beijing trade dispute.

The figure translates into 11.5 percent of South Korea’s overall trade in 2018, making the U.S. the second-largest overseas partner.

South Korea’s trade with the U.S. continued to grow at a faster pace on-year compared with the average since the free trade agreement went into effect in 2012, with only one exception in 2017, the ministry said.

South Korea’s export prices rose for the first time in four months in February on higher prices of petroleum products, according to data from the Bank of Korea (BOK).

In terms of the Korean won, the export price index came to 82.97 in February, up 0.2 percent from a month earlier, marking the first on-month increase since October last year.

The BOK said the gain was led by an 8 percent hike in export prices of petroleum products and coal in the wake of higher international crude prices.

“February’s upturn suggests that South Korea’s export prices may go up down the road in a turnaround from the losing streak,” a BOK official said. “The downtrend in DRAM chip prices, sparked by inventory adjustments and falling demand, is showing signs of easing.”

Meanwhile, the country’s import price index added 1.9 percent on-month to 86.56 on rising crude costs, the highest on-month gain since May last year.

During a briefing on venture business policies, President Moon Jae-in vowed to increase support for venture firms as the key driver of innovation and growth.

Moon has been putting an increasing emphasis on regulatory reforms and new technology businesses and noted that the importance of venture firms will only grow in the so-called fourth industrial revolution driven by new technologies and convergences.

“Venture companies are setting the course of the global economy,” Moon said in the meeting at a Seoul start-up support center also attended by some 100 venture business heads.

Moon promised at the meeting to increase the number of local unicorn companies to 20 by 2022 from the current six. To this end, the government will create an investment fund worth KRW 12 trillion (USD 10.65 billion) over the next four years to specifically help scale up new startups.

The government will also promote mergers and acquisitions (M&As) to make it easier for venture capitalists to realize their earnings so they can make fresh investments. To this end, the government will work to expand the investment recovery rate through M&As from 2.5 percent in 2018 to over 10 percent in 2020, the president said.

The Seoul Metropolitan Government said it will intensively foster its meetings, incentives, conferences and exhibitions (MICE) sector as part of efforts to help stimulate the sagging economy.

The municipal government will double subsidy payments to academic societies and other organizations that host an international conference in Seoul.

Seoul City will also set up a comprehensive MICE support center under its MICE industry promotion basic plan of 2019.

“Seoul aims to grow into a world class MICE hub city. This year, the municipal government will focus its efforts on inducing medium- and large-scale MICE events to enhance its global competitiveness in the field,” said Ju Yong-tae, a Seoul official in charge of tourism.
The machinery industry includes metal products, precision machinery, electrical machinery, transport machinery and general machinery in a wide sense, but typically refers to the general manufacturing industry (KSIC: 29, Other machine and equipment manufacturing industry) that manufactures machines or infrastructure. Currently, 418,000 people work for about 48,000 companies, and the industry has been ranked second-only next to the semiconductor industry in terms of export volume in the past four consecutive years. The machinery industry can be defined in many ways, in a narrow or wide sense, but this report will define the industries as those belonging to MIT standard 71 (basic industrial machinery), 72 (industrial machinery), 75 (machine element tools and mold), 79 (other machines), 732 (semiconductor manufacturing equipment), and 736 (flat-panel display manufacturing equipment).

In 2018, the machinery industry’s production was KRW 107.3 trillion, 2.1 percent increase year-on-year, while its exports recorded USD 60.7 billion, an 8.0 percent rise year-on-year. Production dropped in 2016, but has rebounded since, due to the economic recovery of advanced countries and China’s booming construction industry. The machinery industry’s exports in 2018 saw a year-on-year increase in all areas including semiconductor and display equipment during the period until November. Specifically, semiconductor equipment grew at 31.0 percent, display equipment 18.3 percent, other machines 11.1 percent, and industrial machinery 13.5 percent. When it comes to imports, display equipment witnessed the sharpest drop of -76.4 percent, while basic industrial machinery and other machines also experienced a decline, recording USD 52.3 billion, a 0.5 percent decrease from the previous year.

By country, an increase in both exports to and imports from Germany and China was evident. However, exports rose to but imports declined from the United States, Japan, and Europe (excluding Germany).

### Exports and Imports of Machine Industry in 2018 by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Exports 2017 (USD 1 M)</th>
<th>Exports 2018 (USD 1 M)</th>
<th>YoY Increase (%)</th>
<th>Imports 2017 (USD 1 M)</th>
<th>Imports 2018 (USD 1 M)</th>
<th>YoY Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>14,708</td>
<td>19,655</td>
<td>33.6</td>
<td>6,147</td>
<td>6,775</td>
<td>10.2</td>
</tr>
<tr>
<td>U.S.</td>
<td>8,253</td>
<td>9,522</td>
<td>14.7</td>
<td>9,910</td>
<td>8,703</td>
<td>-12.2</td>
</tr>
<tr>
<td>Japan</td>
<td>3,502</td>
<td>3,684</td>
<td>10.7</td>
<td>15,369</td>
<td>13,797</td>
<td>-10.2</td>
</tr>
<tr>
<td>Germany</td>
<td>957</td>
<td>1,118</td>
<td>8.2</td>
<td>4,395</td>
<td>4,157</td>
<td>-5.4</td>
</tr>
<tr>
<td>Middle East</td>
<td>3,360</td>
<td>2,609</td>
<td>-15.5</td>
<td>386</td>
<td>466</td>
<td>52.9</td>
</tr>
<tr>
<td>Europe*</td>
<td>6,967</td>
<td>8,234</td>
<td>12.9</td>
<td>9,542</td>
<td>10,092</td>
<td>26.6</td>
</tr>
<tr>
<td>Central and South America</td>
<td>2,694</td>
<td>2,672</td>
<td>-0.8</td>
<td>160</td>
<td>168</td>
<td>32.4</td>
</tr>
<tr>
<td>ASEAN</td>
<td>32,695</td>
<td>37,512</td>
<td>14.7</td>
<td>27,893</td>
<td>25,534</td>
<td>1275.4</td>
</tr>
<tr>
<td>Total</td>
<td>56,257</td>
<td>63,062</td>
<td>12.8</td>
<td>52,555</td>
<td>49,357</td>
<td>55.3</td>
</tr>
</tbody>
</table>

* Excluding Germany, Source: KITA statistics

**Status and Outlook of Korea’s Machinery Industry**

The production amount was estimated based on businesses with five or more workers.

Source: Quotation from KITA (MTI 71, 72, 75, 79, 732, 736), KOSTAT.
Regarding domestic demand for the machinery industry in 2018, it was on the upward trend throughout the year for the ICT industry driven by the booming semiconductor industry. However, general machinery, basic metals and automobiles hit the hiatus in the second quarter and declined since then. With regard to the operating ratio index of upstream industries, the shipbuilding industry hit the bottom in the first quarter of 2018 and bounced back, while general machinery, basic metals, and automobiles generally displayed the similar trends with the operating ratio index of the manufacturing industry.

The current status of machinery industries can be summarized into: machine tool=stable; plants=recession; construction machinery=boom; semiconductor equipment=boom; and display equipment=stable.

In the case of machine tools, the amount of orders received (KRW 2.5 trillion) up to October rose 4.2 percent on-year as domestic demand decreased (-17.7%), but exports sharply increased (30.7%). Meanwhile, plants saw a 7.7 percent decrease on-year, discontinuing the growth trends during 2017 (50.3%). Construction machinery witnessed a huge increase of exports until the third quarter, a 15.4 percent jump from the previous year, continuing the export-led growth momentum. The exports of semiconductor equipment to China reached KRW 1.3 trillion, recording the highest since 2013, on the back of the semiconductor exports boom. Exports of display equipment turned into the red, due to reduction in investment to control LCD supplies. In particular, its reliance on China (84%) has deepened since 2018, after seeing a brief detour to Vietnam (35 percent, China: 52%). The equipment investment index has been on the downward trend since the second quarter of 2017, even seeing a negative growth rate year-on-year in the second and third quarter of 2018.

Since an increase in shipments outpaced an increase in inventory in March 2018, it has fluctuated between slowdown/decline and recovery/growth trends. After pulling out of recovery/growth trends in July 2017, it has been repeating slight slowdown and recovery. The amount of machinery orders received hit the highest level in March 2018, and has been on a gradual declining trend.

The machinery industry in 2019 is expected to experience a growth momentum in the first half of the year due to solid exports led by upstream industries, largely attributable to booming advanced economies, but then enter into the stagnation phase in the second half of the year. With increasing trade uncertainties due to NAFTA renegotiations, U.S.-China trade disputes, and expansion of U.S. trade protectionism, a fall in exports to China is expected.

As a result, the production of the machinery industry is projected to record about a 1 percent growth rate at around KRW 108 trillion. An important variable will be whether the machinery orders, on a gradual decline, will recover.

The 2019 forecast for machinery industries can be summarized into: machine tool=stable; plant=stable; construction machinery=stable/boom; semiconductor equipment=stable; and display equipment=recession.

In case of machine tools, it is expected to continue growth trend driven by booming economy of major countries, but the growth momentum is likely to become weaker due to the unstable economies of emerging countries. The performance of plants is forecast to improve to some extent driven by the recovery trend of onshore plants and determination of orders carried over from the previous year, but a prolonged drop in oil prices still pose a threat. The construction machinery is expected to grow, led by exports originating from the U.S.'s infrastructure replacement and increasing infrastructure investment by China and India. However, construction orders received domestically is projected to decline 6.2 percent year-on-year. Meanwhile, semiconductor equipment is going to see only a slight increase in demand for backend process equipment, due to reduction in investment by semiconductor companies, but its market will eventually expand from 2020. Display equipment is expected to have a growth period (QD-OLED, foldable) in the first half of the year, but total investment in equipment is forecast to drop constantly until 2021.

**Conclusion**

In 2018, production in the machinery industry recorded KRW 107.3 trillion, a 2.1 percent increase, while exports recorded USD 60.7 billion, an 8.0 percent increase, and imports recorded USD 52.3 billion, a 0.5 percent drop. In terms of production and exports, the growth margin fell short of that of the previous year (production 6.5 percent, exports 14.6%). However, the growth momentum was maintained throughout the year, with exports hitting the record.

In 2019, the machinery industry is expected to experience slowing growth due to a slowdown of the global economy, the U.S.'s tighter economic sanctions on Iran, expanding geopolitical risks, and prolonging trade disputes between the U.S. and China. China’s improving competitiveness in general machinery and the resulting intensification of competition in the Chinese market are projected to have a negative impact on exports to China. Also, it is necessary to actively pursue emerging markets such as India and Vietnam, while responding to competitors who eye the domestic and export orders based on their price competitiveness. Automobiles, shipbuilding and other industries based on domestic demand are expected to stagnate in the first half of the year. A sluggish construction market is also a major factor contributing to underperforming domestic demand. As there is concern over stagnation of the domestic market in the general machinery industry overall, including construction machinery and machine tools, the key this year will be whether exports can play a role in overcoming such stagnation.

By Kim, Hee-tae, Ph.D
Senior Researcher
Department of R&D Strategy
Korea Institute of Machinery and Materials (KIMM)
htya91@kimm.re.kr

*The opinions expressed in this article are the author's own and do not reflect the views of KOTRA*
Korea and Belgium: Trade and Investment Status

Let’s take a closer look at where the trade and investment relationship between Korea and Belgium currently stands.

Korea-EU FTA

The free trade agreement between South Korea and the European Union was provisionally applied in July 2011, and was formally ratified in December 2015. This was the EU’s first trade deal with an Asian country, going further than any previous agreement in lifting trade barriers.

Korea-Belgium Trade

<table>
<thead>
<tr>
<th>Exports</th>
<th>Exports YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 3,246,212,966</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Imports</th>
<th>Imports YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 1,496,229,369</td>
<td>17.5%</td>
</tr>
</tbody>
</table>

Main Export Items
- heavy construction equipment, ships, synthetic resins

Main Import Items
- precision chemical materials, medicine & medical supplies, passenger cars

Korea-Belgium Investment

Inbound Investment

<table>
<thead>
<tr>
<th>Declared Amt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemical engineering</td>
</tr>
<tr>
<td>Machinery Equipment/ Precision Medical Equipment</td>
</tr>
<tr>
<td>Wholesale/Retail</td>
</tr>
<tr>
<td>Information and communications</td>
</tr>
<tr>
<td>R&amp;D/Specialized/Science technology</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Outbound Investment

<table>
<thead>
<tr>
<th>Declared Amt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale/Retail</td>
</tr>
<tr>
<td>Information and communications</td>
</tr>
<tr>
<td>Finance/insurance</td>
</tr>
<tr>
<td>Specialized, science, and technology Services</td>
</tr>
<tr>
<td>Leisure-related services</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
**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)

**Economic Indicators**

<table>
<thead>
<tr>
<th>GDP</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nominal</strong></td>
<td>1,411,000</td>
<td>1,382,400</td>
<td>1,414,700</td>
<td>1,530,200</td>
<td>1,619,800</td>
</tr>
<tr>
<td><strong>PPP</strong></td>
<td>1,704,458</td>
<td>1,824,332</td>
<td>1,903,411</td>
<td>1,998,130</td>
<td></td>
</tr>
<tr>
<td><strong>GDP Growth Rate (YoY) (%)</strong></td>
<td>3.3</td>
<td>2.8</td>
<td>2.9</td>
<td>3.1</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Source: The Bank of Korea, March 2019

<table>
<thead>
<tr>
<th>GDP Per Capita</th>
<th>2016</th>
<th>2017</th>
<th>2018 (Estimate)</th>
<th>2019 (Estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nominal</strong></td>
<td>27,608</td>
<td>29,938</td>
<td>32,046</td>
<td>32,766</td>
</tr>
<tr>
<td><strong>PPP</strong></td>
<td>37,810</td>
<td>39,548</td>
<td>41,416</td>
<td>43,212</td>
</tr>
</tbody>
</table>

Source: International Monetary Fund, October 2018

<table>
<thead>
<tr>
<th>Foreign Trade</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exports</strong></td>
<td>559,632</td>
<td>572,665</td>
<td>526,757</td>
<td>495,426</td>
<td>573,694</td>
<td>604,860</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td>515,586</td>
<td>525,515</td>
<td>436,499</td>
<td>406,193</td>
<td>478,478</td>
<td>535,202</td>
</tr>
<tr>
<td><strong>Trade Balance</strong></td>
<td>44,047</td>
<td>47,150</td>
<td>90,258</td>
<td>89,233</td>
<td>95,216</td>
<td>69,657</td>
</tr>
</tbody>
</table>

Source: Korea International Trade Association, March 2019

<table>
<thead>
<tr>
<th>KRW-USD Foreign Exchange Rate</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
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<tr>
<td><strong>2013</strong></td>
<td>1,095.0</td>
<td>1,053.2</td>
<td>1,131.5</td>
<td>1,160.5</td>
<td>1,130.8</td>
<td>1,100.3</td>
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<td>1,095.0</td>
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<td>1,160.5</td>
<td>1,130.8</td>
<td>1,100.3</td>
</tr>
</tbody>
</table>

Source: The Bank of Korea, March 2019

**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 300,000 or more within six months of moving in
- Required documents: IKP occupancy application form, overview of company and business, 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
- Occupancy counseling is required as lease may not be permitted depending on the type and content of the business.
KOTRA Worldwide

- KOTRA has 124 oversea VRIÀFHVDQGKHDGTXDUWHUVZRUOGZLGH Headquarters

Southwest Asia
Tel: (91-124)4628-500
E-mail: ktcdelhi@ktcdelhi.net
Karachi, Dhaka, New Delhi, Colombo, Mumbai, Kolkata, Bengaluru, Chennai, Ahmedabad

Southeast Asia & Oceania
Tel: (84-24)3946-051
E-mail: kotrakanhoikbc@gmail.com
Singapore, Yangon, Auckland, Manila, Melbourne, Sydney, Vientiane, Jakarta, Surabaya, Kuala Lumpur, Bangkok, Hanoi, Ho Chi Minh City, Phnom Penh, Danang

Middle East
Tel: (212)826-0900
E-mail: kofrany@hotmail.com
New York, Dallas, Detroit, Los Angeles, Atlanta, Vancouver, Chicago, Silicon Valley, Toronto, Washington, D.C.

Africa
Tel: (27-11)784-2940
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Maputo, Nairobi, Lagos, Accra, Khatoum, Abidjan, Dar es Salaam, Johannesburg, Addis Ababa

CIS
Tel: (7-985)258-1627
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Europe
Tel: (49-69)2429-920/9
E-mail: frankfurt@kotra.or.kr

North America
Tel: (86-10)6410-6162
E-mail: pekkfc@kotra.or.kr
Hong Kong, Taipei, Dallas, Guangzhou, Xiamen, Chengdu, Wuhan, Qingdao, Xian, Shenyang, Nanjing, Changsha, Zhengzhou, Hangzhou, Beijing, Changqing, Shenzhen, Tianjin, Shanghai

Japan
Tel: (81-3)3214-6951
E-mail: kotratky@kotra.or.jp
Fukuoka, Nagoya, Tokyo, Osaka

China
Tel: (86-10)6410-6162
E-mail: pekkfc@kotra.or.kr
Hong Kong, Taipei, Dalian, Guangzhou, Xiamen, Chengdu, Wuhan, Qingdao, Xian, Shenyang, Nanjing, Changsha, Zhengzhou, Hangzhou, Beijing, Changqing, Shenzhen, Tianjin, Shanghai

Oceania
Tel: (7-985)258-1627
E-mail: info@kotra.ru
Moscow, Vladivostok, Novosibirsk, Saint Petersburg, Tashkent, Baku, Ulaanbaatar, Almaty, Kiev, Minsk

Southeast Asia & Oceania
Tel: (84-24)3946-051
E-mail: kotrakanhoikbc@gmail.com
Singapore, Yangon, Auckland, Manila, Melbourne, Sydney, Vientiane, Jakarta, Surabaya, Kuala Lumpur, Bangkok, Hanoi, Ho Chi Minh City, Phnom Penh, Danang

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