

### Foreign Direct Investment

---

#### IKEA TO OPEN 3RD STORE IN S. KOREA NEXT WEEK

Swedish furniture giant IKEA opened its third outlet in South Korea on Dec. 12 as it strives to strengthen its presence in Asia's fourth-largest economy.

IKEA Korea said the 49,800-square-meter store in Giheung, located about 40 kilometers south of Seoul, will enhance accessibility to residents in the nearby area with new services such as home furnishing consultants and a seamless shopping experience offline and online.

Fredrik Johansson, CEO of IKEA Korea, said the company will continue to widen its customer

touch points under the company's vision "to create a better everyday life for many people."

The Giheung outlet has already hired nearly 500 employees, with 62 percent of them from the region, IKEA Korea said. The average age of its employees is 38 years old, and 65 percent of them are female.

IKEA is set to open its fourth store in the southeastern port city of Busan on Feb. 13. IKEA Korea said it also plans to build smaller stores in downtown Seoul during the first half of 2020 to improve accessibility for city dwellers.

#### SEPHORA OPENS 2ND BEAUTY SHOP IN DOWNTOWN SEOUL

Global cosmetics chain Sephora said Dec. 3 it has opened a second shop in S. Korea in a popular retail area of central Seoul to attract fashion-savvy locals and foreign travelers.

Sephora's second shop landed in Myeong-dong, known as a cosmetics mecca, following its first shop that debuted in the posh district of Gangnam in October.

Sephora said it will target foreign travelers, especially Chinese, in partnership with Lotte Department Store by featuring hundreds of cosmetics, skincare, body and fragrance brands along with its own private label.

The company plans to open a third store in Sinchon, a hip university neighborhood, with a goal of opening 14 outlets in the nation by 2022.

#### BMW REAFFIRMS COMMITMENT TO S. KOREAN MARKET

BMW Group on Nov. 27 reaffirmed its commitment to the S. Korean market as it strives to regain trust following a sales drop caused by a number of cars catching fire in the previous year.

Two BMW directors—Pieter Nota, head of BMW AG's customer, brands and sales operations, and Nicolas Peter, in charge of the German carmaker's finance division—came to S. Korea to meet dealers and look around the German carmaker's facilities.

In a press conference held at BMW's driving center in Incheon, west of Seoul, they said BMW will continue to invest in S. Korea, strengthen partnerships with local companies and launch

more innovative products.

"We recognize Korea as one of the world's powerhouses of high-end technology. It represents innovative thinking, technological progress and tremendous openness to new developments," Nicolas Peter said. "This places Korea in an excellent position to play an important role in shaping future mobility."

BMW advanced to the S. Korean market in 1995 and has invested an accumulated 380 billion won in building a driving center, a logistics center and an R&D center, among other facilities, the company said.

### Trade & Commerce

---

#### SEOUL, BEIJING, TOKYO AGREE TO ACCELERATE TRILATERAL FTA TALKS

Top trade officials from S. Korea, China and Japan agreed on Dec. 22 to accelerate their trilateral free trade talks and ramp up efforts to conclude a mega Asia-Pacific trade deal, Seoul's trade ministry said.

S. Korea's Trade, Industry and Energy Minister Sung Yun-mo met China's Commerce Minister Zhong Shan and Japan's Economy and Trade Minister Hiroshi Kajiyama for talks in Beijing on how to accelerate regional free trade negotiations, according to the Ministry of Trade, Industry

and Energy.

During the meeting, Seoul, Beijing and Tokyo agreed to accelerate their talks to conclude a comprehensive, high-level FTA in 2020 to promote deeper economic ties. The first official negotiations for the trilateral FTA started in 2013.

They also agreed to spare no efforts to successfully conclude the mega Asia-Pacific trade pact, known as the Regional Comprehensive Economic Partnership (RCEP).

**S. KOREA AIMS TO BECOME 3RD-LARGEST COSMETICS EXPORTER BY 2022**

S. Korea aims to become the third-largest cosmetics exporter in the world by 2022 through extensive investment in R&D and concerted marketing efforts, the government said Dec. 5.

The country's makeup products are globally competitive, with growth buoyed by popularity of the Korean Wave and the growing reputation of K-beauty as being high quality yet affordable, the Ministry of Health and Welfare said.

It said despite such gains, there is room for improvement, with S. Korean companies needing to do more to stay ahead of fierce competi-

tion from rivals, like Japan.

"The goal is to ship out more than KRW 9 trillion (USD 7.6 billion) worth of cosmetic products annually and have at least seven of the world's top 100 makeup companies, from four at present," the ministry said.

It added that another goal is to have 276 local cosmetics companies with annual sales exceeding KRW 5 billion in the target year, up from 150 now. Such growth will contribute to the creation of 73,000 new jobs in the sector.

**Industry**

**S. KOREAN FIRM SHORTLISTED FOR BULGARIAN NUCLEAR PLANT PROJECT**

The state-run Korea Hydro & Nuclear Power Co. (KHNP) has been selected as one of three potential investors for a nuclear plant project in Bulgaria, according to the Balkan nation's energy ministry on Dec. 20.

The S. Korean energy firm, along with Russia's Rosatom and the China National Nuclear Corporation, were selected as strategic candidates for the new nuclear energy plant project in

northern Bulgaria, its ministry said.

The decision was based on the candidates' experience in building nuclear plants along with their financial capabilities, it added.

S. Korea, which has been seeking to reduce dependence on fossil fuels and nuclear power at home, is currently making efforts to win nuclear plant projects overseas instead.

**MEMORY CHIP MARKET TO REBOUND IN 2020: REPORT**

The global memory chip market is expected to rebound in 2020, with NAND flash the fastest-growing semiconductor product, a market report showed Dec. 6, boding well for S. Korean chipmakers that have been dominant forces in the sector.

The NAND flash market in 2020 is expected to grow 19 percent, the largest sales growth rate among 33 integrated circuit (IC) products, according to market researcher IC Insights.

DRAM, a type of volatile memory, ranked third with 12 percent growth, just behind a 13 percent gain for auto special purpose IC.

Solid-state computing is expected to push up the 2020 demand for NAND flash, a type of nonvolatile memory, IC Insights said. It added that developments in sectors like 5G technology, artificial intelligence, deep learning and virtual reality will also drive demand for NAND flash and DRAM.

**Government & Policy**

**ECONOMIC POLICY TO CENTER ON BOOSTING INVESTMENT, JOB CREATION IN 2020**

S. Korea will implement its economic policy in 2020 to invigorate investment and create more jobs, while laying the foundation to tackle the nation's chronic low birthrate and maintain decent economic expansion over the mid-to-long haul, the finance ministry said Dec. 19.

The economy is expected to grow 2.4 percent in 2020, following an estimated 2 percent expansion in 2019, on the back of an anticipated recovery in the memory chip sector and a series of policy

measures, according to the ministry.

"Top priority will be given to invigorating investments to help boost economic growth and strengthen growth potential," the finance ministry said in a statement, adding that the government will seek "bold deregulation" in 2020 to spur corporate investment.

The ministry said it will allocate about 70 percent of the 2020 budget in the first half of 2020 to prop up the slowing economy.