Foreign Direct Investment

**IFEZ to set up customized investment plans for 2030**

The Incheon Free Economic Zone (IFEZ), responsible for almost 70 percent of FDI attraction in seven other FEZs nationwide, set up a new investment strategy, which will be commissioned from March to October this year.

Reviewing the research report, IFEZ has come up with a series of investment outlines that are set to come into effect by 2030. The draft includes an in-depth analysis of the internal/external business environment, how competitive the masterplan is, and what should be specifically targeted while comparing the success stories at home and abroad.

IFEZ, in particular, is looking for customized options for each of the different investment settings, along with one-on-one service for potential investors. Additionally, it is aiming to play a more active role in handling investors’ grievances.

Industry

**Samsung retains top spot in Q4 domestic smartphone market: data**

Samsung Electronics Co. retained the top spot in the domestic smartphone market in the fourth quarter of last year, but its market share fell sharply as its archrival Apple Inc. doubled its presence in S. Korea, data showed Feb. 25.

Samsung had a 57 percent market share on its home turf in the last three months of 2019, down 14 percentage points from three months earlier, according to market researcher Counterpoint Research.

Apple was the No. 2 player with a 28 percent share in the fourth quarter, up 17 percentage points from three months earlier, thanks to its iPhone 11 series. LG Electronics Inc. came in third place with a 15 percent share in the October-December period, down two percentage points from three months earlier.

Seven of the top 10 bestselling smartphones in the fourth quarter were from Samsung, according to data.

Counterpoint Research said S. Korea’s smartphone market in the fourth quarter grew 1.6 percent from the previous quarter due to the release of new Apple smartphones and beefed-up 5G marketing.

For the first quarter of this year, Counterpoint Research said the release of new smartphones, such as the Galaxy S20 series and the Galaxy Z Flip, is likely to give a boost to the market.

The novel coronavirus outbreak isn’t likely to disrupt production and supply of smartphones in the domestic market for the time being, Counterpoint Research said, but a spike in coronavirus infections in S. Korea could damage consumer confidence.

**Korean EV battery makers expand presence in 2019**

S. Korea's major electric vehicle (EV) battery producers increased their market share in 2019 from a year earlier in line with increased global EV battery use, industry data showed Feb. 10.

Based on the global usage of their EV batteries, the combined market share of three S. Korean EV battery makers—LG Chem Ltd., Samsung SDI Co. and SK Innovation Co.—stood at 15.8 percent in 2019, compared with 11.8 percent from a year earlier, according to data from market tracker SNE Research.

LG Chem was the third-best performer in the world with a 10.5 percent market share, and 12.3 gigawatt-hours (GWh) worth of its EV batteries was used in 2019, up 64.8 percent from a year earlier.

Samsung SDI was fifth on the list with a 3.6 percent market share after the global usage of its EV batteries surged 20.9 percent on-year to 4.2 GWh, while SK Innovation ranked 10th with a 1.7 percent market share with 1.9 GWh, the data showed.

SNE Research said China’s CATL was the No. 1 player in 2019 with a 27.9 percent market share and usage of its EV batteries surged 39 percent on-year to 32.5 GWh.

Japan’s Panasonic came in second place with a 24.1 percent market share, and the usage of its EV batteries increased 32.1 percent on-year to 28.1 GWh.
South Korea's exports moved up 12.4 percent in the first 20 days of February, customs data showed Feb. 21, led mostly by chips and auto parts.

The country's outbound shipments reached USD 26.3 billion in the Feb. 1-20 period, compared with USD 23.3 billion a year earlier, according to the Korea Customs Service.

By product, exports of chips soared 15.4 percent, and outbound shipments of auto parts surged 40.6 percent.

But the average daily exports—which reflect working days—fell 9.3 percent on-year in the first 20 days of February, the data showed.

Exports earlier fell at a slower-than-expected pace in January but extended their slump to a 14th consecutive month due to there being fewer working days.

S. Korea's trade with Vietnam has expanded 16.5 percent annually since the two countries implemented a free trade agreement (FTA) in 2015, data showed Feb. 20.

The combined trade volume between the two countries reached USD 69.2 billion in 2019, compared with USD 37.6 billion posted in 2015, according to the Korea Customs Service.

S. Korea and Vietnam implemented the FTA in December 2015, after kicking off their first negotiations in 2012.

Over the cited period, S. Korea's trade with China, the top trading partner, grew 1.7 percent annually. Seoul and Beijing also implemented their free trade pact in a similar period with Vietnam.

S. Korea's exports to Vietnam came to USD 48.2 billion in 2019, jumping 73 percent from four years earlier. The figure, however, fell 0.8 percent on-year as the trade feud between Washington and Beijing weighed down on the business sentiment around the globe.

Vietnam was the third-largest export destination for S. Korean goods in 2019, moving a notch up compared with 2015 by outpacing Hong Kong.

Exports of chips to Vietnam, in particular, grew sharply over the cited period, reaching USD 10.7 billion in 2019, compared with only USD 2.8 billion posted in 2015.

Outbound shipments of displays to the Southeast Asian country also gathered ground, reaching USD 7.9 billion last year, compared with USD 254 million in 2015.

S. Korea said Feb. 20 it plans to utilize all necessary measures to help local firms weather the economic fallout from the new coronavirus.

In January, S. Korea's exports fell 6.1 percent on-year, but when measured by working days, they increased 4.8 percent, marking the first on-year increase in 14 months.

The January figure is being seen as a sign of recovery. Outbound shipments nosedived 10.3 percent in 2019 amid a prolonged trade feud between the United States and China—the world's top two economies—coupled with the lackluster performance of memory chips.

S. Korea is betting on an on-year recovery starting February and expects a 3-percent gain for the year.

But the COVID-19 outbreak has emerged as yet another drag on outbound shipments, offsetting eased concerns over the global chip industry.

"S. Korea's exports have been showing signs of improvement early this year, but the outbreak of COVID-19 has had an adverse impact on the recovery," an official from the Ministry of Trade, Industry and Energy said.

To support local industries, S. Korea said it will allocate KRW 260.3 trillion (USD 218 billion) in loans to local exporters this year. The sum is around KRW 28 trillion higher than that of 2019. More than half will be disbursed in the first six months of the year.

To cope with the shortages of parts imported from China, S. Korea said it will provide customs service around the clock so firms can receive necessary goods without delay.

S. Korea said it will closely monitor the global market for six major exports goods, including chips, displays and cars, to provide customized support for different industries.