

Foreign Direct Investment

Airbus to relocate helicopter production line to S. Korea

Airbus SE, Europe's giant aircraft maker, will shift one of its helicopter production lines to S. Korea by 2021, Seoul's transport ministry said on Sept. 18.

The Ministry of Land, Infrastructure and Transport said it signed a pact with the European Union Aviation Safety Agency (EASA) to support the relocation of Airbus' helicopter assembly line.

Airbus will transfer its EC155B1 helicopter production line in Marseille, France, to S. Korea's sole aircraft manufacturing facility operated

by Korea Aerospace Industries Co. (KAI) in Sacheon, 440 km south of Seoul by next year, a ministry official said over the phone. "Airbus and KAI will set up a joint company within this year in S. Korea to manage the production and delivery of the EC155B1 helicopters," the official said.

The two sides also agreed to join forces in the urban air mobility sector including drones, and seek ways to support air transport businesses amid the coronavirus pandemic.

Webasto invests USD 100 mln in Dangjin city

German-based EV battery product maker Webasto, unveiled its plan to establish a new production plant in the city of Dangjin in South Chungcheong Province, Korea.

On Sept. 4, Webasto Donghee Holdings Co., Ltd. signed an investment agreement online with Dangjin city and provincial government to set up a battery manufacturing facility (gross area: 22,000 m²) on a site spanning 43,500 m², located inside Songsan FIZ by the year 2022, which is a capacity making it possible to produce approximately 350,000 EV batteries per year.

The investment came as Korea's top auto makers Hyundai and Kia placed an order for Webasto's batteries. Unveiling the subsequent plans to add more factories in Korea, the German company said it would finance as much as USD 180 million over the next five years.

After breaking ground for the project as planned, the province is likely to raise KRW 291.4 billion in exports with a production inducement effect worth KRW 132.4 billion and a value-added creation effect of over KRW 876.8 billion.

Trade & Commerce

S. Korea, Germany vow to join deeper ties in energy segment

S. Korea and Germany on Sept. 16 vowed to beef up their economic ties centering on the energy sector, which will play a significant role in the recovery of their virus-hit economies.

Seoul's energy and trade officials held a virtual meeting with their German counterparts and discussed a wide array of issues, including expanding cooperation in the education and green

energy segments, according to the Ministry of Trade, Industry and Energy.

Despite the COVID-19 pandemic, S. Korea said the country maintained close trade ties with Germany over the January-June period.

Trade between the two countries came to USD 14.5 billion over the first half of 2020, rising 6 percent from the previous year.

S. Korea seeks to begin free trade talks with Uzbekistan by year-end

S. Korea seeks to launch formal negotiations with Uzbekistan by the end of this year to sign a bilateral free trade deal, Finance Minister Hong Nam-ki said on Sept. 14.

S. Korea will complete domestic procedures this month to begin free trade talks with Uzbekistan, Hong said in a meeting with economy-related ministers. Hong said Uzbekistan is one of the important partners for S. Korea's New Northern Policy aimed at improving the nation's partnerships with countries located north of the peninsula. S. Korea and Uzbekistan have already

completed a feasibility study on the proposed free trade agreement.

In July, Hong and Sardor Umurzakov, Uzbekistan's deputy prime minister for investment and foreign economic relations, held talks in Seoul, during which they agreed to speed up preparations for a free trade deal.

Uzbekistan was the 35th-largest export destination for S. Korea last year. Outbound shipments to the central Asian country reached USD 2.3 billion in 2019, up 10.4 percent from a year earlier.

Industry

BTS' Billboard win expected to create economic effect worth 1.7 tln won: report

An estimated KRW 1.7 trillion (USD 1.43 billion) worth of economic effect is expected to be created by K-pop sensation BTS' conquest of the Billboard Hot 100 chart, government data showed Sept. 7.

Last week, BTS debuted at No. 1 on Billboard's main singles chart with its latest English-language single "Dynamite," becoming the first S. Korean singer or group to achieve the feat.

According to a report co-published by the Ministry of Culture, Sports and Tourism and its affiliate Korea Culture and Tourism Institute, the accomplishment is projected to generate KRW

1.23 trillion in value created in the production sector and KRW 480 billion in added value. About 8,000 more jobs are also likely to be created by BTS' first-place entry into the Hot 100 chart.

Exports of consumer goods stemming from the debut of "Dynamite" are forecast to increase by KRW 371.7 billion, including KRW 276.3 billion from overseas sales of cosmetics and KRW 74.1 billion from food. The economic effect produced by BTS' stellar performance will likely expand further regarding S. Korea's improved image and brand value later, the ministry added.

Sales of food delivery apps hit fresh high amid virus pandemic

S. Korean food delivery applications saw their sales hit a fresh high in August as more people refrained from dining out and stayed home amid the stricter social distancing scheme, data showed on Sept. 8.

The combined transactions made through the country's four major food delivery applications came to KRW 1.2 trillion (USD 1 billion) in August, up 28 percent from a month earlier, according to the industry tracker WiseApp. Sales from the four applications reached a whopping KRW 7.6 trillion over the January-August period, already surpassing the KRW 7.1 trillion in total last year, the data also showed.

Germany-based Delivery Hero operates three

of the four apps surveyed—namely Yogiyo, Baedalton and FoodFly. S. Korea-based Woowa Brothers Corp. operates Baemin, the country's No. 1 delivery app.

In separate data compiled by another industry tracker, IGAWorks, the number of users of Coupang Eats operated by e-commerce giant Coupang Inc. reached a whopping 748,000, growing fourfold from a year earlier. Wemakeprice, another e-commerce giant that recently launched food delivery services, saw its users reach 170,000 in the month as well.

"Due to the rising demand for contact-free services, the delivery applications are flourishing," IGAWorks said in its report.

Government & Policy

S. Korea to bolster investment in digital infrastructure

S. Korea will step up its investment in digital infrastructure as the coronavirus pandemic reinforced digital transformation, Finance Minister Hong Nam-ki said on Sept. 11.

"During the COVID-19 pandemic, digital transformation has taken place at a faster pace," Hong told an online forum on the digital economy.

The government will focus on investing in digital technologies, including big data services and next-generation telecom, Hong said.

In July, S. Korea said it will invest KRW 160 trillion (USD 134 billion) by 2025 under the

bold stimulus package that will create 1.9 million jobs and kick-start the coronavirus-hit economy.

Unlike conventional infrastructure projects, the deal features 28 projects that will transform the nation's fossil fuel-reliant economy into an eco-friendly one and increase state investment in artificial intelligence and fifth-generation (5G) telecommunication services.

The projects are aimed at laying the groundwork for economic growth in the long term while cushioning the economic blow from the pandemic and hastening a recovery.