Ewha Womans University announced last month that it will join hands with Solvay, the world’s leading chemical company, to collaborate on research and development (R&D) for the next-generation metal air battery.

Under the recent joint agreement, the two parties will carry out joint R&D projects for the next three years, and Solvay will invest EUR 1 million in Ewha Womans University.

The university signed a USD 215 billion industry-academia cooperation agreement with the Belgian chemical company in May of 2011. It has since focused on attracting Solvay’s R&D center and establishing an R&D relationship.

The university held an opening ceremony last month for the industry-academia cooperation center, which is expected to provide infrastructure for the global R&D network. The new joint agreement will enable both parties to carry out their fourth joint R&D project.

More European automakers operating car sales businesses in Korea have begun to invest in R&D areas.

While the automakers benefited from Korea’s booming car market, more and more companies are expected to use Korea’s advanced information technology and develop the technological infrastructure necessary to penetrate the global electric device market, which is regarded as the new growth engine for the auto industry.

According to industry sources last month, Mercedes-Benz Korea will invest EUR 70 million over the next two to three years to establish an auto parts distribution center, a training center and an R&D center in Korea. The company will conduct R&D on telematics technology in Korea, a country with strong IT capabilities.

BMW Korea also plans to establish a new R&D center in Korea this year. A group of about 15 researchers will be dispatched to the center and focus on developing “infotainment systems,” such as in-vehicle audio systems and navigation systems.

Analysis shows that such investments in R&D are closely related to the efforts of global auto companies to develop new automotive operating systems by converging new information technologies.

“Although European automakers possess unparalleled engine and safety technologies, they fall behind when it comes to technological convergence between car production and IT,” said an anonymous industry official. “They intend to gain such technologies in Korea.”
company posts annual profits of KRW 320 billion and holds the largest share in the world’s wind turbine and wind tower market.

The MOU will provide CS Wind Corp with an opportunity to establish the first production line in Korea at the container berth hinterland of Gwangyang District. The company currently operates production lines in China, Vietnam and Canada.

“By exporting about 80 to 90 percent of its products, CS Wind Corp will be able to create more local employment opportunities and improve the export competitiveness of the nation’s offshore plant industry,” said a GFEZ official. “South Jeolla Province and the city of Gwangyang will actively provide administrative support to help the company successfully establish its production line in Gwangyang District.”

LL Development Co., Ltd., the project developer of Chuncheon Legoland Korea, last month opened an office in Chuncheon and began operations. The company is set to hold a groundbreaking ceremony in June and begin construction on Chuncheon Legoland Korea in August. The theme park is expected to open to the public in the second half of 2016.

LL Development Co., Ltd. has been involved in the excavation of cultural assets at the construction site since last October. The company began the dam construction work and has gone through various licensing and planning procedures.

The development area of Chuncheon Legoland Korea is about 1,290,000 m², with total business costs reaching KRW 511 billion.

Gangwon Province forecasts that the theme park will attract more than 2 million domestic and foreign tourists every year, generate about KRW 4.4 billion in tax revenue annually, vitalize the local economy and develop a tourism cluster for the Chuncheon and nearby areas.

Gangwon Province (16.7 percent), Merlin Group (16.7 percent), YJ Brick Inc. (29.1 percent), Korea Investment & Securities Co., Ltd. and Hyundai Construction (8.3 percent) are participating in the project.

Meanwhile, Gangwon Province appointed Danish Ambassador to Korea Peter Lysbølt Hansen as an honorary governor of the province. Hansen was recognized for his contributions to the Chuncheon Legoland Korea project.

The city of Gunsan last month signed an investment treaty with the Saemangeum Development Agency, North Jeolla Province and 38 companies in the shipping and marine leisure industries to develop a shipping and marine leisure cluster within the Saemangeum Industrial Complex.

Under the agreement, 38 companies will invest a total of KRW 165 billion to build a 360,000 m² factory to foster the shipping and marine leisure industries.

The city of Gunsan and North Jeolla Province will provide financial and administrative support. The Korea Rural Community Corporation, which oversees the construction of the industrial complex, will provide land. The Korea Industrial Complex Corp. will support factory establishment and business activities. Also, Gunsan National University, the Korea Marine Equipment Research Institute and the Jeonbuk Saemangeum Industry-University Convergence Center will support experts and R&D.

The Saemangeum Development Agency is set to develop infrastructure, including roads and railways, for the smooth establishment of the cluster.

“The project will make a tremendous contribution to the development of the shipping industry,” said a city official.

Korea’s exports jumped to the second-highest level on record in March due to an increase in shipments to the United States and other countries. Outbound shipments that month recorded a 5.2 percent increase on-year, at USD 49.76 billion. Korea’s trade surplus was USD 4.19 billion, as imports saw a 3.6 percent increase on-year.

An increase in demand from advanced nations was part of the reason for the export increase, according to the Ministry of Trade, Industry & Energy. Korea’s shipments to the United States rose 17 percent on-year.
while those to the European Union rose 15.2 percent. Shipments to China jumped 5.4 percent on-year.

Mobile communication devices, automobiles and semiconductors saw especially high increases in exports.

Korea and Australia Sign FTA

Korea and Australia signed a free trade agreement (FTA) last month. The deal’s conclusion comes after seven rounds of negotiations that began in 2009.

Korean President Park Geun-hye and Australian Prime Minister Tony Abbott also agreed to strengthen security and defense cooperation between Korea and Australia, with the countries adopting a joint “Vision Statement on a Secure, Peaceful and Prosperous Future.”

The FTA is the 11th of its kind for Korea, with Australia being Korea’s 48th FTA partner country. The pact is expected to significantly increase trade and investment between Korea and Australia. Korea’s automobile industry is among those expected to see strong benefits from the deal.

Korea Sees Increase in Labor Productivity in 2013

The labor productivity index of Korea saw a 1.1 percent increase in 2013 from the previous year, reaching 99.5, according to a formula that divides total industrial output by total labor input, with the index of 2010 being a baseline of 100. It is the first time in three years Korea has seen an on-year increase.

Korea’s overall industrial output increased by 1.6 percent while labor input saw a 0.4 percent increase, according to the Ministry of Trade, Industry & Energy, which credited the labor productivity increase in part to that of the construction industry.

GOVERNMENT & POLICY

Minister Calls for More Investments from U.S.

Minister of Trade, Industry & Energy Yoon Sang-jick held a lunch-meeting with governors of the American Chamber of Commerce in Korea (AMCHAM Korea) in Seoul last month and called for further investment in Korea.

The meeting was attended by ten AMCHAM Korea governors including AMCHAM Korea’s Chairman James Kim and President Amy Jackson and other officials including Choi Kyung-lim, Assistant Vice Minister of Trade of the Ministry of Trade, Industry & Energy.

“The ministry is set to make Korea a ‘global business hub’ by creating a better investment environment for both domestic and international companies,” said Yoon. “Conducting regulatory reforms is one of the ministry’s approaches to vitalizing corporate investment.”

Yoon added that the ministry will actively proceed with reforms by reexamining current regulations and find and improve “bulky regulations” and “regulations on inter-ministerial integration.”

Regarding the free trade agreement signed between Korea and the United States two years ago, the minister said that it “has shown strong results and brought mutual benefits for the two nations” and “is expected to enhance economic cooperation through tariff reduction and a more open business environment.”

Enforcement Decree of the Framework Act on Small and Medium Enterprises Revised

The Ministry of Trade, Industry & Energy revised the Enforcement Decree of the Framework Act on Small and Medium Enterprises last month in an effort to improve the criteria for defining foreign-invested companies as small- and medium-sized enterprises (SMEs).

Under the current Framework Act on Small and Medium Enterprises, which applies to both domestic companies and foreign-invested companies (FIC), an FIC is not considered an SME if the total assets of its overseas parent company are KRW 500 billion or more.

In such a case, severe fluctuations in exchange rate can lead to a fluctuation in the asset value of an FIC’s parent company, resulting in the failure to be considered an SME. To resolve this, the average exchange rate of the last five years will be applied in the asset valuation of an FIC’s parent company. (Article 7-2 (3) of the Enforcement Decree of the Framework Act on Small and Medium Enterprises)