Japan’s Toray to Invest in Korea

Japan’s Toray Industries Inc. and Toray Advanced Materials Korea Inc. will invest KRW 300 billion (USD 280 million) in Korea to build a manufacturing plant in Saemangeum for plastics used in electric cars and aircraft.

Toray Industries will invest KRW 86 billion and its Korean operations will invest the rest for the plant, groundbreaking for which is scheduled for December. The plant will churn out 8,600 tons of polyphenylene sulfide resin starting in 2015. Toray Advanced Materials Korea will increase its annual production capacity of the plastic to 17,000 tons by 2018.

Malaysia and Thailand were also considered as locations for the new plant.

Siemens Opens Asia HQ for Energy Solutions Business

Global electronics and electrical engineering company Siemens launched Siemens Energy Solutions in Seoul last month as the Asia-Pacific and Middle East headquarters for its energy solutions business. Rochus Bergmann was appointed president.

The company, which will provide various solutions for thermal power generation, plans to increase the number of employees to 500 by 2017. It will build four combined cycle power plants in Dangjin, Ansan, Andong and Incheon and supply gas turbines to the plants.

Siemens expects foreign engineers to be able to share their know-how in designing eco-friendly power plants with Korean engineers through the power plant construction, and that the company’s suppliers in the fields of manufacturing, designing and construction will increase employment and enjoy higher annual sales.

Boeing Holds Groundbreaking for BAMRO

Boeing, the world’s leading aerospace company, held a groundbreaking ceremony last month for the Boeing Avionics Maintenance, Repair and Overhaul Facility (BAMRO) in Yeongcheon, North Gyeongsang Province and started construction.

Joseph Song, Vice President and Managing Director of Boeing’s defense, space and security business in Korea, Kim Kwang-yong, Governor of North Gyeongsang Province, Young Suk Kim, Mayor of Yeongcheon and Byung-Rok Choi, Commissioner of the Daegu-Gyeongbuk Free Economic Zone participated in the groundbreaking ceremony. BAMRO will be constructed on a 14,000 m² area. Construction is scheduled to be completed in October of 2014.

BAMRO will be in charge of the testing and maintenance of electronic parts for F-15K fighter jets at Daegu Air Force Base. Boeing will invest up to USD 100 million in BAMRO by October of 2017 to nurture the facility as the hub of Asia’s avionics industry.

The Korea Trade-Investment Promotion Agency (KOTRA) and the Korean Institute of Certified Public Accountants (KICPA) will provide free accounting consulting services and accounting lectures in English for executives of foreign-invested companies in Korea starting next year.

They will also provide consulting for Korean small- and medium-sized enterprises (SMEs) that plan to expand overseas.

KOTRA, of which Invest KOREA is a part, and KICPA held an initial consultation session at the Chungnam Northern CCI in September for foreign-invested companies and SMEs with grievances in Chungcheong Province.

The Friends of Invest KOREA, a program organized by Invest KOREA in which 35 foreign students served as representatives of Korea, drew to a close last month.

The group of university and graduate school students from 22 countries visited foreign-invested companies including Engel Machinery Korea, Rhodia-Silica and the Kimberly-Clark Global Innovation Center.
Korea for five months to learn about Korea’s investment environment. They reported on their experiences on Invest KOREA’s Facebook page and blog to promote Korea’s advantages as an investment destination. The group also participated in a variety of activities, including making posters promoting Invest Korea and videos promoting the country.

Grow Together Leads Volunteer Activity

KOTRA and the European Chamber of Commerce in Korea (ECCK), along with Grow Together, a group of volunteer university students who strive to improve the perception of foreign investment through corporate social responsibility activities, visited Gyeongbok Palace last month for their first volunteer activity.

They picked weeds and tidied the garden of Gyeongbok Palace to clean up the Korean cultural heritage. The activity was extra significant in that the idea for it was raised by a student participating in Grow Together.

Participants said the cleanup was a great opportunity to raise awareness about cultural heritage protection. They added that the event, with cooperation from European companies and families, served as an opportunity to better understand foreign-invested companies and learn how they contribute to the Korean economy.

KOTRA Holds Job Fair for Foreign-Invested Companies

KOTRA held the Job Fair for Foreign-Invested Companies 2013 in Seoul last month. A total of 110 foreign-invested companies, including Siemens, Nestle, Costco, Bosch, Google, 3M, Microsoft and 25 other companies on the Fortune Global 500 list, participated in the 8th annual event.

The companies interviewed job seekers to recruit 1,400 employees with and without work experience. Human resource managers of foreign-invested companies mentioned work experience as the first thing they consider when recruiting. They also noted that high language skills are recommended and that certificates are not necessary.

This year’s fair was the largest in KOTRA’s job fair history in terms of the number of participating companies and recruitment.

REGIONAL FDI NEWS

Gyeonggi Signs MOU With Air Products

A Gyeonggi Province investment attraction delegation headed by Governor Kim Moon-soo signed a memorandum of understanding (MOU) with Air Products in San Diego in late September.

With the signing of the MOU, Air Products will invest USD 70 million over the next five years to construct facilities on an idle lot at its Neung-dong plant site in Hwaseong City.

Air Products is a producer of industrial gases, including high-purity nitrogen and hydrogen. The company initiated plant construction in January of 2011 and started supplying high-purity nitrogen to Samsung Electronics in October of last year.

With the additional investment, the company will be able to contribute to the growth of Korea’s semiconductor industry, which is one of the country’s core industries, by supplying essential materials needed to make high-value added 10 nano-class NAND flash memory chips.
Japan’s Tokyo Ohka Kogyo (TOK), a global manufacturer of semiconductor photoresists, has completed construction of its research and development (R&D) and manufacturing facilities in Songdo International City in Incheon.

The Incheon Metropolitan City government said that TOK Advanced Materials, a Korean subsidiary of TOK, held a ceremony last month marking the completion of the facilities for advanced materials used in semiconductors and LCDs at the Songdo High-tech Industrial Cluster (Zone 5).

The facilities were built with a KRW 200 billion investment from Japan’s TOK, the world’s no.1 manufacturer of photoresists for argon fluoride lithography, which is a semiconductor manufacturing process requiring high technology.

TOK established TOK Advanced Materials in Korea in August of 2012 for joint R&D with Korea’s global market leaders in the semiconductor and LCD industries and to supply its products to such companies in a stable manner.

Korea ranked at the top of the ICT Development Index this year for the fourth straight year. The index measures 157 countries on ICT access, use and skills.

Korea did especially well for ICT use and skills, outperforming other countries in terms of the percentage of households with Internet access. Korea ranked 5th for active mobile-broadband and fixed broadband Internet subscriptions.

Sweden ranked 2nd, followed by Iceland and Denmark.

The Korean government finalized and announced 21 improvement projects in five areas in September to facilitate ventures.

The Office for Government Policy Coordination announced that 21 out of 34 venture-related legislation improvement projects were selected to build a start-up friendly environment.

The five sectors are start-up support, site improvement, investment promotion, operation support and administrative regulation enhancement. The Korean government plans to identify additional industries for start-up support.

Also, to encourage the start-up of venture companies overseas, the government will establish a KRW 150 billion fund to support venture companies expanding globally.