Invest Korea News

1ST FOREIGN INVESTMENT POLICY CONSULTATIVE MEETING HELD

The first Foreign Investment Policy Consultative Meeting, organized by Invest Korea (IK), the Ministry of Trade, Industry & Energy (MOTIE) and local governments, was held March 13 at IK. Aiming to share the government’s policy direction and improve the consistency and effectiveness of foreign investment policies, the meeting was attended by 70 representatives of Invest Korea, MOTIE, local governments and free economic zones.

Participants agreed on the importance of attracting large-scale investments from China by using the Korea-China free trade agreement, drawing the high value-added investments of global companies from the United States, the European Union and other regions to secure future growth engines and create quality jobs and establishing a strengthened grievance-resolution system for foreign investors to achieve this year’s goal of attracting a record USD 20 billion in foreign investment.

Invest Korea introduced the direction of its major projects and a database project to better manage local companies that wish to attract investment.

The Incheon Free Economic Zone Authority held a groundbreaking ceremony last month for the construction of an automobile parts production and research facility of Hellermann Tyton, a British company. Hellermann Tyton will invest KRW 14.4 billion (USD 13 million) in the establishment of a production and research facility for fasteners and fine plastic parts on 4,160.4 m² of land in a knowledge-based industry complex. The company, which plans to build the four-story facility by October, will be the first British company in the Incheon Free Economic Zone.

Hellermann Tyton established its Korea branch in 2002. The Songdo production facility will be its fourth in Asia, following those in Japan, Singapore and China.

GM KOREA ESTABLISHES 11.5 MW SOLAR POWER FACILITY IN CHANGWON

GM Korea announced March 11 that it established an 11.5 MW solar power facility in its Changwon plant in late February and began producing and supplying electricity. This is to solidify GM Korea’s position as a leading eco-friendly company through enhancing investment in equipment for new and renewable energy.

The solar power facility, which has been built on the ceiling of the building and parking lot (155,000 m²) in the Changwon plant, is an environmentally friendly power-generating facility with high spatial efficiency.

The 11.5 MW power facility was built in three phases, from 2013 to March, 2015. It will produce 14,000 MWh of electricity annually, which will reduce about 9,200 tons of carbon emissions.

KOREAN ECONOMY SEES 3.3% GROWTH IN 2014

The Korean economy grew 3.3 percent in 2014, as a rise in facility investments offset reduced growth in construction investment and exports, according to the Bank of Korea. This is a slight improvement from last year, when the economy grew 2.9 percent.

Facility investment rose 5.8 percent in 2014, improving from a 0.8 percent on-year contraction the previous year. But growth in construction investment slowed to 1 percent from 5.5 percent in 2013. Private spending reached 1.8 percent; it was 1.9 percent the previous year. And exports, which make up about 50 percent of the GDP, grew 2.8 percent; it saw a 4.3 percent increase in 2013. Import growth rose to 2.1 percent from 1.7 percent.

The growth forecast for 2015 is 3.4 percent, according to the Bank of Korea as of January.

KOREAN SHIPBUILDERS RECEIVE MOST ORDERS IN WORLD

Korean shipbuilders won the largest amount of orders in the world in February, outperforming China and Japan.

According to Clarkson Research Services on March 5, the global order quantity reached 1.18 million CGT (compensated gross tonnage, 46 ships) in February, the lowest amount since September, 2009 (770,000 CGT). Korean shipbuilders accounted for 58.1 percent (687,000 CGT, 21 ships) of the total orders despite the fall of the global order quantity, outperforming China (386,000 CGT, 19 ships) and Japan (85,000 CGT, 3 ships) and reclaiming the top spot.

Government & Policy

GOVT. TO INVEST KRW 340 BN IN BIO-HEALTH INDUSTRY

The government will focus on developing the bio-health industry, which does not yet have a clear global leader.

The Ministry of Science, ICT and Future Planning, MOTIE, the Ministry of Health and Welfare and the Ministry of Food and Drug Safety announced last month their strategies to develop the bio-health industry as a new industry and also agreed to invest a total of KRW 340 billion in 2015.

The government aims to launch five new drugs in the stem cell and gene therapy sectors by 2017. Korea is the world leader in the commercialization of stem cell therapy and has the second highest number of clinical research projects.

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