Cover Story

UNDERSTANDING KOREA'S ROLE AS A REGIONAL BUSINESS HUB

The 11th annual FIW 2015 highlighted Korea's opportunities and potential as a gateway to Northeast Asia and beyond.

Three days, 1,000 participants and forums upon seminars upon one-on-one meetings about investing in Korea. That was the scene at last month of Foreign Investment Week 2015 (FIW), which was held Oct. 13-15 at the Grand InterContinental Seoul Parnas.

Hosted by the Ministry of Trade, Industry & Energy (MOTIE) and organized by the Korea Trade-Investment Promotion Agency (KOTRA), FIW is Korea's largest foreign investment attraction event. Participants included 650 foreign investors, 350 representatives of 80 foreign companies, and 50 foreign government and journalists from around the world.

The theme this year was how Korea can be the business hub of Northeast Asia with its expansive free trade agreement (FTA) platform. Participants learned about Korea's achievements in recent years and foreign direct investment (FDI) and opportunities and potential for investment. Investors came from companies including Samsung, LG, and SK, among others.

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12th Korea FDI Forum

Speakers at this forum focused on how Korea's FTA network, especially the Korea-China FTA, offers investors more opportunities in Korea and other markets. Korea's FTA network covers 73.5 percent of the global GDP and includes FTAs with the EU and United States.

Mr. Jinho Kim, Director of the Foreign Investment Policy Division at MOTIE, covered FTA policies promoting foreign investment. He focused on strengthening high-value foreign investment incentives, establishing global business-type infrastructure, improving the investment climate of free economic zones, and more.

Mr. Jongchul Moon, an Associate Research Fellow at the Korea Institute for Industrial Economics and Trade, highlighted the positive and negative effects of the impact of FTAs on investment. He stressed the importance of government efforts to improve the investment environment and the need to take advantage of opportunities presented by FTAs.

Two leaders of foreign-invested companies concluded with case studies. Mr. J.C. Kim, Representative Director of Surya Silica Korea, aimed to promote Vietnam's market and opportunities. He is responsible for creating a new business in the area of fine grinding and manufacturing.

Mr. Hae-sang Ioon, Vice President of Tora Advanced Materials Korea, said the investment aim of his company’s APS resins plant in South Korea would be to respond to domestic demand as well as take advantage of the Korea-China FTA.

How Korea Can Be Your Gateway to China via the Korea-China FTA

This session focused on how global investors can enter the Chinese market through Korea. Wang Cong Rong, Economic & Commercial Counselor of the Embassy of the People's Republic of China in the Republic of Korea, spoke about how Korea and China will enter a new phase of cooperation once the Korea-China FTA goes into effect. He said Chinese companies need to further research and analyze Korean markets and business opportunities.

Lee Ho Jun, Minister Counselor of the Embassy of the Republic of Korea in the People's Republic of China, spoke about the expected effects of the Korea-China FTA and opportunities and advantages for the Chinese market and investment in Korea.

Other experts talked about how Korea and China can trade in specific economic zones with free regulations regarding employment, customs and immigration. Mr. Kwon Dae Jin, Economic Policy Advisor at the Economic and Trade Division, described the “incheon Free Economic Zone,” ‘Guanggung Bay Area Free Economic Zone,’ ‘Iksan Foodpolis and Kaesong Industrial Complex.

Cross-Border M&A Forum

Featuring 16 speakers, this forum brought together professionals from the alternative investment arena—from both international and domestic private equity firms—to discuss trends surrounding Korea's inbound and outbound investment opportunities. Representatives from major Korean LPs spoke about their strategies and GP selection criteria. A total of 150 people participated, and they came from companies including the Growth Ladder Fund, Korea Investment Corporation, National Pension Service, Applied Ventures and Accolade.

Discussions covered what foreign investors in Korea focus on and their thoughts on the Korean market, venture capital, investment targets, mergers and acquisitions, buyouts and government support.

Foreign Investment Press Forum 2015

An audience of about 25 foreign journalists from around the world, government officials spoke about Korea's medium- and long-term core strategies and offered insights on recent international issues, including FTAs, the TPP and exchange rates interest rates.

Mr. Kim Young-sam, Director General of the Investment Policy Department at MOTIE, spoke about FDI trends including rising industries, in addition to the ministry's plan for 2016.

Mr. Kim You Sik, Director of the Creative Economy Promotion Division of the Ministry of Science, Industry and Future Planning, briefed the press about the "creative economy" and how the government supports small enterprises and startups via 17 creative economy innovation centers across the peninsula.

Mr. Lee Chang Mo, Senior Deputy Director of the Educational Policy Division at MOTIE, presented on how the manufacturing sector, as the central driving force of economic growth in Korea, seeks innovations and improvements through the acceptance of a new business paradigm and strategy. Finally, Mr. Kim Mu-Soon, General Director of the Labor and Management Cooperation Policy Bureau of the Ministry of Employment and Labor, elaborated on Korea's recently initiated movement for labor legislation reform.

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