On Sept. 28, 2016, the ‘CSR Forum of Foreign-Invested Companies’ was held in Seoul to raise awareness about corporate social responsibility (CSR) of foreign-invested companies and foreign investors in Korea. The CSR Forum was part of Foreign Investment Week (FIW) 2016, which was co-organized by the Ministry of Trade, Industry and Energy (MOTIE) and the Korea Trade-Investment Promotion Agency (KOTRA). At this year’s FIW, the Office of the Foreign Investment Ombudsman (OFIO) decided to host the forum to promote various community improvement programs being carried out by foreign firms.

337 investors from 291 companies participated in FIW in hopes to seek local partners and opportunities to invest in Korea. In addition to these possible business opportunities, multinational companies no longer merely focus on making profits; they’re seeking out long-term ways to make an impact on the community.

On this note, Ombudsman Jeffrey Kim said, “Amid public fury over a wave of recent corporate scandals involving foreign companies in Korea, foreign companies are concerned with anti-foreign sentiment directed at them.” He added, “However, there are about 17,000 foreign companies here contributing 20 percent of the country’s total exports and 6 percent of the employment in this country. The CSR Forum will likely help improve the public sentiment toward foreign companies here.”

Kim, who resolves grievances facing foreign-invested companies in Korea, kicked off the forum with an opening speech. Subsequently, the forum continued with the growing importance of CSR and current trends in Korea. Most notably, Solvay Asia Pacific, Intel Korea and GM introduced their activities and plans in Korea, and held fruitful discussion on ways to further implement their CSR activities in the future.

“A large number of companies implement CSR activities related to their vision, which is more effective than simply donating or carrying out charity activities that have nothing to do with their work,” said Professor Jung Jin-sup of Chungbuk National University during the forum. Jung cited CSR practices by IBM Korea, BASF Korea, and B. Braun as exemplary cases of CSR activities run by multinational companies. Tech giant IBM Korea, for instance, utilizes IT and consulting skills as part of their CSR activities.

Andre Nothomb, Head of Government and Public Affairs of Solvay Asia-Pacific, said the company will continue to further strengthen their CSR implementation in the future. Since the 1970s, the Belgium chemical company has been running various CSR programs, including emergency response drills and scholarships under the theme of inclusive growth.

Many multinational companies engage in CSR practices for different reasons: it can build a positive corporate image and trust among customers, maximize long-term profits, enhance the morale of employees, increase their long-term productivity and significantly reduce market uncertainty.

Under these circumstances, stakeholders of foreign firms want to see more CSR practices occurring in Korea. Having sensed this, many foreign companies have extended their CSR activities. Foreign firms have actively engaged in CSR in recent years and are expected to further increase their involvement in the community.

Our Ombudsman Office hopes that this will ultimately help create a more foreigner-friendly environment, facilitating the government’s efforts to attract more foreign direct investment in Korea.

By Dr. Jeffrey I. Kim
Foreign Investment Ombudsman
jeffikim@kotra.or.kr