

# Invest KOREA

October 2024



## When Opportunity Knocks

Interview with Altos Ventures

Korea's Semiconductor Industry Seeks to Strengthen Competitiveness by Creating Semiconductor Mega-Clusters Banwol, Sihwa and Sihwa MTV National Industrial Complexes—Presenting the Future of Industrial Complexes as the Biggest Industrial Park in the Seoul Metropolitan Area

# Invest KOREA October 2024 Issue

## Economic Trends

03-05

## Location Report

18-20

Banwol, Sihwa and Sihwa MTV National Industrial Complexes—Presenting the Future of Industrial Complexes as the Biggest Industrial Park in the Seoul Metropolitan Area

## Business News

06-07

## FAQ from Investors

22-23

## Industry Focus

08-10

Korea's Semiconductor Industry Seeks to Strengthen Competitiveness by Creating Semiconductor Mega-Clusters

## Business in Korea

24-25

Priority Zones for Foreign-Invested Companies: Free Economic Zone

## Industry Trends

11

## Experience Korea

26-27

## Invest KOREA Market Place

12

## Invest KOREA's Services

28

## Feature Story

14-17

Interview with Altos Ventures: When Opportunity Knocks

## Invest KOREA Summit

31

# Economic Trends

*Here's a look at Korea's major economic indicators that provide an overview of the country's recent economic developments.*

## Summary and Assessment\*

- Despite strong export growth, the Korean economy is showing signs of constrained improvement, as elevated interest rates are delaying the recovery of domestic demand.
- The manufacturing sector persists in its recovery trajectory, driven by sustained high growth in exports, particularly in the ICT industry
  - Although manufacturing-related indicators observed some adjustments due to disruptions in automobile production, the overall recovery trend in manufacturing remains intact, with semiconductor production maintaining high levels.
- Despite strong export momentum, consumption and investment remain sluggish, indicating that domestic demand recovery has yet to materialize.
  - Retail sales remained subdued amid the persistent high interest rate environment.
  - Construction investment and related employment may remain suppressed for the time being, given the prolonged decline in its leading indicators, potentially constraining the recovery of domestic demand.
  - Furthermore, the delinquency rate among individual business owners continues to rise, indicating an escalating debt repayment burden.

\*All growth figures are on a year-on-year basis unless otherwise noted. This document is an English translation of the original Korean version; the Korean version takes precedence in case of any ambiguities or discrepancies.



**■ Economic Activity: Despite robust export growth, the Korean economy is experiencing a somewhat delayed recovery as domestic demand remains weak.**

- In July, the growth in all-industry production (0.5% → 2.7%) expanded, primarily due to the base effect. However, on a seasonally adjusted month-on-month basis, it decreased by 0.4%, influenced by persistent weakness in construction and some adjustments in manufacturing.

- Industrial (mining and manufacturing) production growth (3.8% → 5.5%) expanded due to the base effect. Nevertheless, on a seasonally adjusted month-on-month basis, it fell by 3.6%, as automobile production (-14.4%) was disrupted by facility maintenance and wage negotiations.

- Services production (0.5% → 2.2%) registered moderate growth, despite the high growth rates in transportation and storage (9.0%) and information and communication (5.0%). The overall growth was tempered by continued declines in sectors closely tied to domestic demand, such as wholesale and retail trade (-0.6%) and accommodation and food services (-3.0%).

- Construction production (-5.3%) continued to decline sharply, as in the previous month (-5.3%), indicating ongoing sluggishness.

- The inventory-to-shipment ratio (107.1% → 112.7%) increased, and the average capacity utilization rate (73.8% → 71.4%) declined, indicating some adjustments in the recovery of the manufacturing industry.

- On a seasonally adjusted month-on-month basis, export shipments declined significantly (-10.3%), while domestic shipments continued to decline (-2.5%).

- Exports maintained a steady recovery, led by ICT products, but consumption and investment remained weak, keeping domestic demand subdued.

- Although manufacturing-related indicators exhi-

bited some adjustments due to disruptions in automobile output, semiconductor exports and production maintained high levels, driving the recovery in manufacturing.

- However, with continued declines in retail sales and the value of construction completed, services production posted only modest growth, indicating sustained weakness in consumption and investment.

- Consequently, the outlook for the BSI on business conditions among domestic demand-oriented firms remained low, and the delinquency rate among individual business owners continued to rise.

**■ Consumption: The prolonged slump in goods consumption, coupled with the modest growth in service consumption, underscores persistent weakness in overall consumption.**

- In July, goods consumption remained weak, particularly in offline transactions.

- Retail sales (-3.6% → -2.1%), a key indicator of goods consumption, continued to contract across most product categories, except for communication devices and computers (-0.5% → 13.1%), which surged due to new product launches.

- Offline transactions saw significant declines in large retailers (-8.8%), supermarkets and variety stores (-8.3%), and department stores (-7.6%), while non-store retail sales (4.2% → 3.2%), reflecting online goods transactions, maintained growth, highlighting a divergence between retail formats.

- Service consumption also remained weak, primarily led by accommodation and food services.

- Service consumption showed weakness, as production growth in information and communication services (2.9% → 5.0%) expanded, but production in accommodation and food services (-1.0% → -3.0%) and arts, sports, and recreation-related services (1.2% → -0.7%) declined.

- Concurrently, online service transactions (10.9%



→ 1.7%) contracted, driven by e-coupon services, following the crises at TMON and WeMakePrice.

■ **Equipment Investment: Equipment investment surged temporarily while the recovery was constrained by the high interest rate environment.**

- In July, equipment investment (-3.3% → 18.5%) surged due to a spike in transport equipment, base effects, and additional working days.
  - Transport equipment (-11.2% → 64.9%) surged, led by other transport equipment, such as like aircraft (14.7% → 159.8%), driving the overall rise in equipment investment.
  - The base effect from last July's contraction (-11.3%) following the end of the excise tax cut on automobiles and the increase in working days (+1.5 days), also contributed to the growth.
- The leading index for equipment investment suggests that July's high growth is likely to be corrected in the future.
  - Domestic machinery orders received (-13.1% → 14.5%) surged in July, but the growth in transport equipment imports (82.5% → 5.3%) sharply decelerated in August.

■ **Construction Investment: Construction investment exhibited persistent weakness, with the building construction sector continuing its downward trajectory.**

- In July, the value of construction completed (constant) maintained a -5.3% growth rate, mirroring the previous month's decline, primarily driven by the building construction sector.
  - The building construction sector (-7.5%) sustained its contraction, predominantly in residential construction, due to accumulated order deficits.
    - \* Residential construction (current, %): (May) -3.7 → (Jun.) -5.0 → (Jul.) -9.4
  - Conversely, the civil engineering sector, bol-

stered by relatively stable public sector demand, registered a 4.1% increase

- Leading indicators remain subdued, suggesting prolonged sluggishness in construction investment.
  - Construction orders received (current, 28.4%) show signs of emerging from severe contraction, yet seasonally adjusted figures of 14.4 trillion won fall short of the previous year's monthly average (14.6 trillion won).
  - Moreover, shipments of ready-mixed concrete (-20.5%), a key material employed in the early to mid-stages of construction, diminished, and the Bank of Korea's construction BSI outlook for September (49) lingers substantially below the long-term average (68, since Jan. 2015).
- **Prices: Consumer price increase is nearing the target, as supply-side inflationary pressures ease while demand-side pressures remain subdued.**
- Headline inflation decreased to 2.0% in August, down from 2.6% in the previous month, primarily driven by a notable deceleration in goods prices (2.9% → 1.7%).
  - The decline in consumer price inflation can be largely explained by the reduced price increases in petroleum (8.4% → 0.1%) and agricultural products (9.0% → 3.6%)
  - The recent drop in Dubai crude oil prices is likely to contribute to further easing of inflationary pressures.
    - \*Dubai crude oil price (\$/barrel): (Jun.) 82.6 → (Jul.) 83.8 → (Aug.) 77.6
- Core inflation (2.2% → 2.1%), which represents the underlying trend in price growth, also edged down.
  - Amid persistent high interest rates, the continued deceleration in inflation was particularly evident in interest rate-sensitive goods, such as durable goods (1.6% → 0.9%).

## Foreign Direct Investment

**ADB maintains S. Korea's 2024 growth forecast at 2.5 pct**

The Asian Development Bank (ADB) kept its outlook for S. Korea's economic growth this year at 2.5 percent given strong exports, Seoul's finance ministry said on Sept. 25.

The bank raised the outlook by 0.3 percentage point in July and maintained the level for the latest forecast. It is on a par

with the forecasts by the International Monetary Fund and the Bank of Korea.

The Manila-based bank also maintained the growth projection for 2025 at 2.3 percent. The ADB cited strong global demand for S. Korean semiconductors and automobiles, among other items, as a main growth engine.

**AliExpress to help S. Korean SMEs sell products overseas**

Alibaba Group's AliExpress said on Sept. 25 it will launch a "global selling program" next month to help S. Korean companies sell their products in global markets as part of its marketing campaign.

Through the selling program, Korea's small and medium-sized enterprises (SMEs) will be able to sell their products to customers initially in Japan, Spain, France and the United States starting in October, AliEx-

press said in a statement.

Early this month, AliExpress said it will accelerate marketing activities in Korea to secure more than half of online shopping platform users here within three to five years.

As of August, AliExpress had ranked third in terms of number of monthly active users with 6.7 million, following Coupang's 13.4 million and 11Street Co.'s 7.7 million.

## Trade &amp; Commerce

**Korea's ramyeon exports expected to reach USD 1.1 bn in 2024**

S. Korea's ramyeon exports have surpassed KRW 1 trillion (USD 750 million) as of August, reaching a milestone two months earlier than last year. According to the Ministry of Agriculture, Food and Rural Affairs on Sept. 18, the country's ramyeon exports from January to August totaled USD 800 million, up 31.7 percent from the same period last year.

In 2022, the KRW 1 trillion mark was surpassed in October. China remained the largest importer of Korean ramyeon, with

exports increasing 26.9 percent to USD 160 million. Exports to the United States grew by 61.5 percent, reaching USD 140 million.

Sales are also climbing in Europe, where Korean ramyeon companies had been slower to enter the market. The Netherlands ranked third with exports up 58.3 percent year-on-year to USD 60 million. Exports to the United Kingdom and Germany also grew substantially, increasing by 64.9 percent and 47.4 percent, respectively.

**Korea's export growth in H1 ranks first among major countries**

S. Korea saw the highest export growth among the major countries tracked by the World Trade Organization (WTO) in the first half of 2024, thanks to the semiconductor and automobile exports' strong performances.

According to the WTO on Sept. 1, the country's export growth rate for the first half of the year was 9.1 percent, ranking first among the top 10 exporting countries.

Korea's particularly high export growth compared to other countries can be attribut-

ed largely to the global increase in demand for semiconductors and electronic devices, sectors in which the country has strong export competitiveness.

Its semiconductor exports surged by an impressive 50.9 percent in the first half of the year, with server and enterprise memory exports soaring due to increased demand from artificial intelligence (AI)-related industries, and memory fixed prices maintaining double-digit growth.



## Industry

**Consumer inflation slows to 41-month low in August**

S. Korea's consumer prices slowed to the lowest level in nearly 3 1/2 years in August on easing prices of farm produce and global oil, data showed on Sept. 3.

Consumer prices, a key gauge of inflation, rose 2 percent on-year last month,

compared with a 2.6 percent on-year rise a month earlier, according to the data from Statistics Korea.

The government has said that the country is projected to reach the target rate of 2 percent by around the end of 2024.

**Korea's greenhouse gas emissions decline by 30 mn tons**

S. Korean greenhouse gas emissions decreased by 28.6 million tons in 2023 compared to the previous year, a second consecutive year of declines, data showed on Sept. 10.

According to the Greenhouse Gas Inventory & Research Center of Korea (GIR), the country's greenhouse gas emissions for 2023 were provisionally calculated at 624.2 million tons. This is a 4.4 percent decrease compared to the provisional emissions of 652.8 million tons in 2022 and is also 15.1

million tons less than the target set by the government in its 1st National Basic Plan for Carbon Neutrality and Green Growth.

By sector, the energy sector saw the largest decline, with emissions falling by 7.6 percent. This was due to a 1.2 percent decrease in total electricity generation from 594 terawatt hours (TWh) to 587 TWh in 2022, along with an increased share of carbon-free energy sources like nuclear and renewable energy and a reduction in the use of fossil fuels such as coal.

## Government &amp; Policy

**Korea to invest up to USD 3.7 bn in fund that supports advanced industries**

The S. Korean government plans to create a fund that supports high-tech and minerals industries, with plans to invest up to KRW 5 trillion (USD 3.7 billion) later this year.

The fund is to minimize economic damage by preventing and swiftly dealing with potential supply chain issues.

The fund's launch ceremony was held on

Sept. 5 at the Export-Import Bank of Korea in Yeouido, Seoul.

The fund will be managed by the Export-Import Bank, with a focus on high-tech strategic industries such as semiconductors and secondary battery manufacturers, as well as resource sectors that encompass energy and key minerals.

**About 30 tln won earmarked for 2025 R&D budget**

The government earmarked KRW 29.7 trillion (USD 22.3 billion) in the budget for research and development (R&D) projects in 2025, officials said on August 27.

Next year's R&D budget marks a 11.8 percent increase from this year, when it was significantly slashed. Compared with 2023, the budget rose 1.3 percent, according to the science ministry.

In 2025, the country plans to invest KRW 7.1 trillion in advanced technologies, includ-

ing 1.2 trillion won in developing a next-generation artificial intelligence (AI) ecosystem and artificial general intelligence.

The government also set aside KRW 60 billion as support funds for graduate students at science and engineering colleges and KRW 2.9 trillion for basic science research. Another KRW 2.2 trillion has been allocated for global R&D projects and KRW 1 trillion for innovative research projects.



## Korea's Semiconductor Industry Seeks to Strengthen Competitiveness by Creating Semiconductor Mega-Clusters

In 2023, the global semiconductor market recession hit Korean semiconductor exports hard in the first half of the year. However, exports recovered in the second half of the year as unit prices of memory semiconductors stabilized after Samsung Electronics and SK Hynix decided to cut production and reduce supply. Since January this year, the Korean semiconductor industry exported more than USD 10 billion each month, with cumulative exports up to August reaching USD 88.8 billion. The record is close to the all-time high of USD 91 billion in 2022, and there is a strong possibility that the annual export value will reach a new high. The current export performance alone suggests that the Korean semiconductor industry is in a boom period.

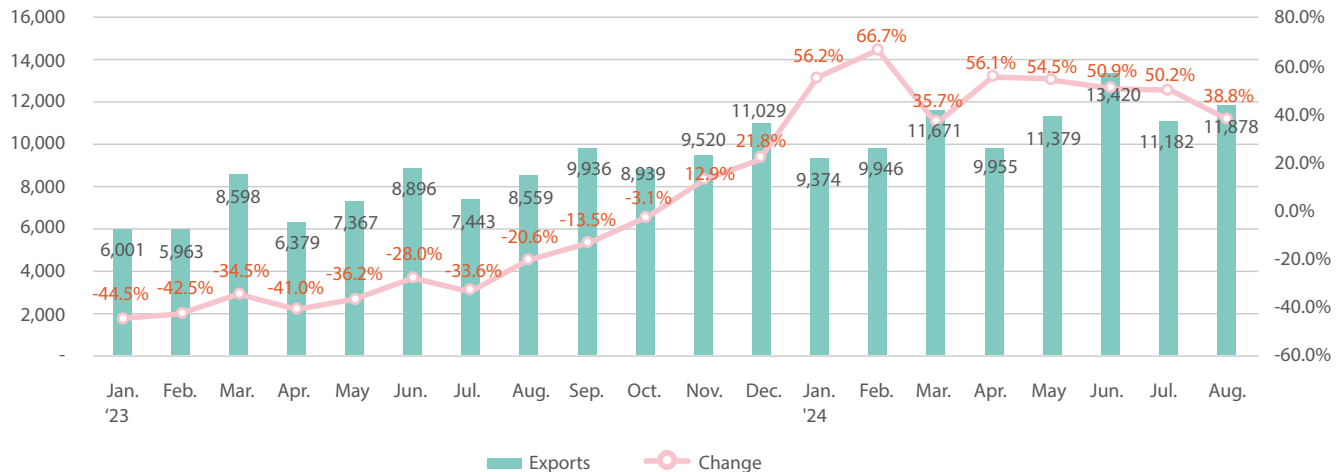
### Global Growth of Markets that Use Semiconductors and Korea's Semiconductor Industry

Since the birth of semiconductors, the global semiconductor market continued growing, despite some bumps along the way. The growth was driven by the rise in the number of devices that use semiconductors and the increasing amount of semiconductor capacity used. The events that triggered an explosive growth in semiconductor demands include the emergency of personal computers in the 1980s, the birth of smartphones in the late 2000s, and the expansion of data center servers in the mid-2010s, AI is the next sector leading the semicon-



## &lt;Korea's Recent Semiconductor Exports&gt;

Million US dollars



Source: Korea International Trade Association (2024)

ductor market of late. While AI technology itself is not a new concept, generative AI, hailed as the next booming technology since late last year, is driving the demand for semiconductors needed to implement the technology.

Memory semiconductors as well as system semiconductors are crucial components needed for running computers, smartphones and servers and power AI. Therefore, Korea plays a critical role in the global semiconductor market as it accounts for 61.0% of the global memory semiconductor market (OMDIA 2024). In particular, Korean companies supply more than 90% of the world's demand for high bandwidth memory (HBM), which has been experiencing a surge in demand in recent years (TrendForce 2024). It is expected that Korea's influence in the global semiconductor market will not weaken going forward. As the world's leading supplier of memory semiconductors, Korea is expected to continue exporting more as demand increases in the global market.

## Construction of the World's Largest Semiconductor Mega Cluster

However, the recent policies of major countries that have experienced global semiconductor supply shortages

since the COVID-19 pandemic posed a threat to the Korean semiconductor industry. The current global semiconductor supply chain was built over a long period of time in a direction that can fully utilize the core competencies of each country and maximize profit and efficiency in the semiconductor production process. However, the existing supply chain is now being reorganized as countries seek to stabilize the supply chain and achieve national economy security by attracting semiconductor production plants in their soil and reduce their dependence on foreign countries. The trend, if intensified, could lead to fierce competition in the memory semiconductor market, where Korea has a dominant position.

In response to these changes in the external environment, the Korean government announced plans to build the "world's largest and best semiconductor mega cluster" at a public discussion in January 2024. The semiconductor mega cluster will be introduced in an area in southern Gyeonggi Province bustling with semiconductor companies and related organizations. The government is aiming to build the biggest mega cluster of its kind, covering an area of 21 million square meters and producing 7.7 million wafers monthly by 2030. The project is based on the assessment that Korea needs not just the

technologies but also economies of scale to champion the global semiconductor market. In May, the Korean government announced the "Comprehensive Plan to Support the Semiconductor Ecosystem". Under the plan, the government will provide an additional KRW 26 trillion to support the semiconductor sector (by providing various tax, financial and fiscal benefits) across the entire semiconductor ecosystem to make the nation's semiconductor industry more competitive.

## Global Semiconductor Materials, Parts and Equipment Makers Flocking to Korea

More global makers of materials, parts and equipment are entering the Korean market after the Korean government announced plans to build the semiconductor mega cluster and better support the semiconductor ecosystem. Late last year, global semiconductor equipment producer Lam Research announced plans to expand its semiconductor R&D facility in Yongin, Gyeonggi-do, while Dutch equipment maker ASML purchased land in Hwaseong, Gyeonggi-do, earlier this year to build an R&D facility for manufacturing next-generation extreme ultraviolet (EUV) lithography equipment in Korea. Tokyo Electron (TEL), Japan's No. 1 semiconductor equip-



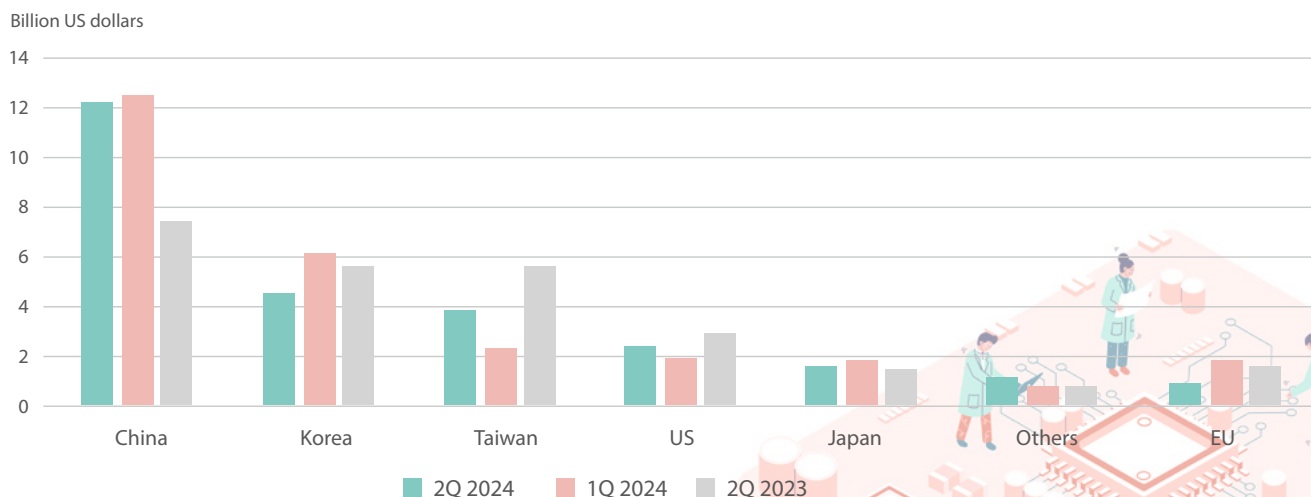
ment maker, is building its fourth R&D center in Yongin, Gyeonggi-do, with the aim of launching operation in 2026. The presence of global semiconductor manufacturing equipment companies is expected to strengthen the local semiconductor industry ecosystem and help maintain competitiveness.

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*\* The opinions expressed in this article are the author's own and do not reflect the views of KOTRA.*

### <Semiconductor Manufacturing Equipment Market Size by Country>



Source: SEMI (2024)



# Industry Trends

*Invest KOREA provides an overview of Korea's monthly industry trends based on the latest data available from the Ministry of Economy and Finance and the Korea Institute for Industrial Economics and Trade. Figures are subject to change and may be updated for accuracy by the respective organizations.*

## All Industries

South Korea's industrial activities performed well in July 2024: services production and capital expenditure rose for the second month in a row, with a particularly strong jump in capital expenditure that has been delayed in the first half of the year.

### Monthly Industrial Activity Trends

| Subject            | All industries | Mining & manufacturing | Service    | Retail sales | Capital investment | Construction completed |
|--------------------|----------------|------------------------|------------|--------------|--------------------|------------------------|
| Monthly Change (%) | <b>△0.4</b>    | <b>△3.6</b>            | <b>0.7</b> | <b>△1.9</b>  | <b>10.1</b>        | <b>△1.7</b>            |

Despite the launch of IT new products, production in the mining and manufacturing industry fell in July 2024, mainly due to temporary factors such as the performance of the semiconductor industry at the beginning of the quarter and disruptions in automobile production (i.e., strikes and early vacations), (from 0.7 percent in June 2024 to △3.6 percent in July 2024).

The service industry increased for the second consecutive month (from 0.3 percent in June 2024 to 0.7 percent in July 2024), driven by broadcasting sales (boosted by the Olympic Games), an increase in the information and communication sector driven by more users switching carriers (after purchasing new IT products), and an increase in water and land transportation.

Retail sales shrunk as goods consumption slowed (from 1.0 percent in June 2024 to △1.9 percent in July 2024).

Capital investment improved significantly (from 3.4 percent in June 2024 to 10.1 percent in July 2024), led by a strong gain in transportation equipment (50.5 percent).

Construction completed declined (from △0.8 percent in June 2024 to △1.7 percent in July 2024), with a rise in construction projects (0.9 percent) offset by a decline in civil engineering projects (△8.9 percent).

The cyclical change in the coincident index fell due to the decline in construction completed, while the cyclical change in the leading index stayed flat as the KOSPI rose despite the decline in the inventory cycle index.

The South Korean economy needs to be closely watched as there are potential upside and downside risks.

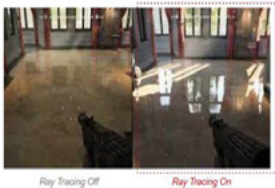
On the production side, the improving IT industry and the prospect of a soft landing in the global economy are positive contributors. On the other hand, uncertainties in the supply chain, elections in major countries, and difficulties for small businesses are weighing on the economy.

On the spending side, stable inflation, the arrival of fall festivals and seasonal sales, and the start of capital investment that was postponed in the first half of the year are upside factors, while household debt, real estate PF risks, and sluggish construction orders are downside factors.

# Invest KOREA Market Place

Invest KOREA Market place (IKMP) is an online business matching platform available on Invest KOREA's website with information on approximately 300 Korean companies seeking to partner with foreign investors. This month, we introduce some outstanding companies in Korea's semiconductor industry.

## COMPANY A



Core Graphics Technology,  
Ray Tracing

|                              |  |
|------------------------------|--|
| Ray Core MC<br>(Ray tracing) | <ul style="list-style-type: none"> <li>• 16 Core Full Ray-Path Tracing (MIMO) architecture</li> <li>• Vulkan RT Extension 1.2 Compatible GPU IP</li> </ul>       |
| RAY<br>(GPGPU)               | <ul style="list-style-type: none"> <li>• RISC-V based AI Computing Acceleration (CMF) architecture</li> <li>• OpenCL, Compatible RISC-V GPGPU IP</li> </ul>      |
| NPU<br>(Tensor Core)         | <ul style="list-style-type: none"> <li>• NPU of Metaverse GPU Chip (8.1T, 8.1T, 12.1T)</li> <li>• CNN based Inference IP, 10 TOPS</li> </ul>                     |
| Shader<br>(Performance)      | <ul style="list-style-type: none"> <li>• Completed the research of 'Verisilicon' IP usage</li> <li>• 1.1 TOPS/Shader, Pixel Fill Rate 1200 pixels/sec</li> </ul> |

Product Line-up

| Investment Requirement         |                                      | Company Profile                 |  |
|--------------------------------|--------------------------------------|---------------------------------|--|
| <b>Amount</b>                  | USD 10 million                       | <b>Patents and Certificates</b> | <ul style="list-style-type: none"> <li>- Registered 22 patents, incl. ray tracing cores and ray tracing chips, 11 trademarks, 3 service marks</li> <li>- Applied for 6 patents</li> <li>- 1 trademark pending</li> </ul> |
| <b>- Applied for 6 patents</b> | Equity Investment, Join Venture, M&A | <b>Financial Performance</b>    | (Sales in 2022) - USD 2.02 million   |

### Investment Highlights

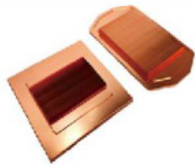
#### • GPU market

GPUs grew in the late 2000 s as they were installed in smartphones and tablet PCs, and with the recent expansion of AI devices, the GPU market is expected to grow from 33 billion in 2021 to 477 billion to 2030. As the importance of General Purpose Graphic Processing Unit (GPGPU), which is optimized for big data analysis where parallel computing is essential, is increasing, the demand for GPUs is also increasing due to the increase in parallel computing volume.

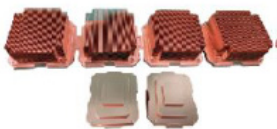
#### • Development of the world's first Ray Path Tracing capable GPU IP and commercialization of MIMO GPU architecture

For ray tracing GPU IP, the company has signed a license agreement with Verisilicon, the No. 1 company in China and No. 7 in the world, currently using it as the core technology of its Metaverse GPU chip. For GPGPU IP, the company will market it as an integrated solution with RISC\_V CPUs in partnership with Codaip, the EU's only RISC\_V CPU company. The company plans to enter the European market based on its partnership with Codaip, and to enter the Chinese market based on its partnership with Verisilicon. It plans to incorporate overseas local offices and to develop its own commercial GPU semiconductors

## COMPANY B



Copper Skiving MICOR  
FIN Heatsink



Copper Skiving  
Heatsink

| Investment Requirement      |                   | Company Profile                 |  |
|-----------------------------|-------------------|---------------------------------|--|
| <b>Amount</b>               | USD 0.772 million | <b>Patents and Certificates</b> | <ul style="list-style-type: none"> <li>- Registered 1 patent on method to the use heat sink manufacturing devices, 3 designs</li> <li>- 2 patents, 1 design pending</li> </ul> |
| <b>Investment Structure</b> | Equity Investment | <b>Financial Performance</b>    | (Sales in 2023) - USD 1.16 million   |

### Investment Highlights

#### • Heatsink market

Heatsinks are devices used to dissipate heat effectively and are widely used in industrial settings. In the existing PCS industrial market, extruded and pressed heatsinks are primarily used. The company's skiving heatsinks have improved heat dissipation performance by about 20 compared to existing products. Additionally, heatsinks have begun to be used to address high heat issues during semiconductor testing, and the company sells to top tier companies in the semiconductor test socket field. Furthermore, the application of heatsinks is expanding to railway vehicles and electric vehicle charging equipment. The company is providing quotes and producing samples for major domestic manufacturers. Particularly, skiving heatsinks are expected to be essential for immersion cooling, and the market is anticipated to expand rapidly due to the increasing need for data centers driven by the speed of AI development.

#### • Micro cooling channel molding technology for improving the performance of electric vehicle inverters

As the only specialized company in Korea with fundamental technology for manufacturing heatsinks for electric vehicle inverters and forming skiving cooling channels, the company was the first to apply skiving heatsinks to railway vehicles. After 3 years of research and development, it has secured its technological capabilities and holds patented, differentiated technologies compared to other companies. To counter the low cost supply from foreign companies, the company has completed the development of factory technology for mass production, designing processes that increase productivity by 400% and reduce costs by 50%.



# Luxury Tourism Industry and Advanced Materials & Hydrogen Industry Cluster, Gangwon State Free Economic Zone Authority

## What is the Gangwon State Free Economic Zone?

- The Gangwon State Free Economic Zone (GANGWON FEZ) is being developed by Gangwon State to build the East Coast region of South Korea into an economic hub of the Pan-East Sea area through fostering new industries, developing luxury tourist destinations, and creating an international city.
- A Free Economic Zone (FEZ) is an area designed to improve the business environment for foreign-invested companies and domestic reshoring enterprises, as well as the living conditions for foreigners. It is a place where foreign companies can come, invest, and conduct business with convenience and ease. The FEZ guarantees the freedom of economic activities and investments by significantly relaxing various regulations, thereby supporting a wide range of corporate activities.

## Advantages of Gangwon State Free Economic Zone

- Geographical Advantage: Located in Gangneung and Donghae, adjacent to China, Japan, and Russia, providing a geographical advantage for developing into the economic hub of the Pan-East Sea area.
  - Transportation and Logistics Infrastructure: With Donghae Port, Okgye Port, and Yangyang International Airport, and connected to Seoul via KTX from Gangneung Station and Donghae Station, accessibility to the metropolitan area is convenient.
  - Industrial Infrastructure: Proximity to Bukpyeong-Songjeong Industrial Complexes, Donghae Free Trade Zone, and Gangwon Technopark, which makes industry-academia-research collaboration easy.
  - Complex Tourism City: Located near the East Sea, Seoraksan Mountain, and Odaesan Mountain, the region is ideal for development into a complex tourism city encompassing both sea and mountain attractions.
- Based on these advantages, the Gangwon State Free Economic Zone Authority aims to create an international integrated tourism city, foster hydrogen energy-related industries, and generate new growth engines in the advanced materials industry.

## The Gangwon State Free Economic Zone Authority, designated as a FEZ in February 2013, is promoting strategically specialized investment attraction for each business district.

- Mangsang District: A world-class complex tourism city. Utilizing the natural marine and regional tourism resources in the Mangsang-dong area of Donghae City, Gangwon State, over an area of 3.8 km<sup>2</sup>, it aims to create a sustainable international integrated tourism city by attracting hotels, resorts, and foreign educational institutions, and leading the tourism industry in Northeast Asia.
- Okgye District: An advanced material and parts convergence industry district. Based on optimal transportation resources such as adjacent railways, highways, Okgye Port, and Donghae Port, it plans to establish a cluster for advanced industrial materials and parts, R&D, and non-ferrous metals.
- Bukpyeong District: An international complex industrial district. Focusing on the recently spotlighted hydrogen energy sector, it plans to attract related businesses such as P2G R&D and demonstration projects, hydrogen storage and transportation cluster projects, and liquid hydrogen industry regulatory free zone projects. By maximizing the synergy effect with existing industrial facilities like Bukpyeong Industrial Complex, Songjeong Industrial Complex, and Donghae Free Trade Zone, it aims to establish a leading hydrogen energy innovation cluster.



# When Opportunity Knocks

Interview with Altos Ventures



*Invest KOREA spoke with the Korean team of Altos Ventures to hear about their beginnings and gain more insight into Korea's vibrant startup and venture capital environment. Read on to find out more.*

**A**ltos Ventures is a Korean-American venture capital firm that started in 1996 in Menlo Park, USA. It is led by co-founders and managing general partners Han Kim, Ho Nam, and Anthony Lee.

They first met at Stanford MBA and began managing their first fund in 1996 through an introduction from their professor. Later, by chance in 2006, they were introduced to Korea's Pandora TV through a global company. At that time, Pandora TV's traffic surpassed that of YouTube, which led them to recognize the remarkable growth rate of the Korean mobile market. After meeting many of Korea's first-generation IT entrepreneurs, they discovered that there was a lack of capital to support their growth. Altos Ventures decided they could fill this gap and began identifying promising early-stage companies in Korea.

The headquarters is currently located near Burlingame, California, and the Korean team consists of about 10 key talents. They are responsible for identifying excellent early-stage startups in Korea and supporting their scale-up. Despite being a US VC, the reason for receiving such support from Korean startups is that they have long trusted and accompanied the growth of the Korean market, and have been with promising companies from their early stages.

## What is Altos' investment philosophy and why has it been so successful in its investments?

Altos Ventures pursues value investing. The key is to patiently stay invested in companies with high capital efficiency over the long term. Our investment approach can be divided into three stages. First, we look for companies with the potential to grow into great companies. Second, after investing, we actively support the management and assess whether the company can genuinely grow into a great one. Third, if we are convinced, we support them with patience through follow-up investments until the company grows sufficiently.

In particular, we adhere to the principle of long-term investment. In fact, our fund maturity period is longer than other VCs in Korea. This gives founders ample time to develop their business.

Based on this 'value investing' philosophy, Altos Ventures has clearly established the type of entrepreneurs we prefer. We uniquely categorize entrepreneurs' tendencies using the metaphor of 'foxes and hedgehogs'. Foxes represent clever and shrewd entrepreneurs, while hedgehogs represent somewhat slower but steadfast entrepreneurs.

David Baszucki of Roblox is an example of a typical hedgehog-type entrepreneur according to the Altos team. Altos' relationship with Roblox began in 2007. The idea originated from a quiet, introverted computer engineer and father of four who wished to 'nurture children's creativity'. Kim Bong-jin, the founder of Woowa-Brothers, is also a hedgehog-type entrepreneur. Despite Altos rejecting investment in 'Baemin' twice initially, Kim persistently knocked on Altos Ventures' door.

As the Altos team observed the surprisingly growing revenue data each month, they realized the value of 'entrepreneurs with drive, substantial growth, and perseverance'. The biggest advantage of hedgehog-type leaders is that they don't give up, constantly focus, and steadily move forward towards their goals.

**We all know that Altos was at the forefront of offering growth opportunities to Korea's innovative startups like Coupang, Krafton, Daangn, Woowa Brothers, Viva Republica, and LiMO TAXI—just to name a few. Why did your company decide to invest in Korean startups?**

What we focused on was the pattern of urban development in Korea and the United States. Especially in terms of population. When comparing the top 20 cities in the U.S. and Korea, Korean cities have larger populations and higher population densities than U.S. cities. However, the ratio of consumer spending to income is similar in both countries. At the time, Korea had a GDP that supported considerable purchasing power, and the national character, which was sensitive to trends and had rapid adaptability, stood out.

Moreover, after the release of the iPhone in 2009, the smartphone adoption rate grew more rapidly than in the U.S., exceeding the U.S.'s 80% penetration rate to record over 90% in the late 2010s. As a result, consumers naturally transitioned from PCs to mobile devices for their purchasing and communication needs. We believe there is still potential for innovative companies to emerge in the mobile market, and we are actively working to anticipate the rise of next-generation leading companies and the forthcoming major trends (the next big wave).

## What are the advantages of doing business in Korea, and why are people starting up new business ventures here?

Ironically, during the Asian Financial Crisis (also known as the IMF crisis here) in the late 1990s, Korea chose the internet and IT services as the key industries to drive its growth. During the same period, numerous IT talents emerged, and by fostering an investment environment conducive to the growth of venture companies and startups, Korea rapidly developed all the essentials for new industries to thrive. As a result, companies like Naver, Coupang, and Toss swiftly emerged as leading IT players in their respective sectors.

Another advantage that facilitates the rapid growth of new industries in Korea is its homogeneity. People are trend-sensitive, quick to adopt, and because users share the same language and culture, there's an advantage in having lower explanation costs.

Furthermore, the creativity and innovation of Koreans have turned K-pop and K-content into global phenomena, with fashion and beauty products worn by actors, celebrities, and idols in these contents spreading rapidly.

All these various factors intertwine to solidify Korea's position as a country with significant growth potential.





# ALTOS VENTURES

## How has Korea's startup ecosystem evolved over the last 15-20 years?

In the early 2000s, no one could have predicted that a company with a valuation reaching KRW 1 trillion would emerge from Korea's KOSDAQ market. At that time, the prevailing belief was that even reaching a valuation of KRW 100 billion would be challenging, and surpassing KRW 200 billion was deemed impossible. Consequently, it was also difficult for startups in Korea to secure investments exceeding KRW 50 billion, even with new technology.

However, companies like Baedal Minjok (Woowa Brothers), Hyperconnect, Krafton, Coupang, Ridi, and more recently, Webtoon Entertainment, have accomplished all of this. They successfully expanded overseas, went public, or achieved mergers and acquisitions. Initially, the dominant expectation was that these companies would fail, but instead, they turned profitable and steadily increased their market share.

These success stories have captured the attention of foreign investors. As the recognition that "such large companies can emerge from Korea" spread, global capital naturally began to take notice. Now, investments exceeding KRW 50 billion have become commonplace, and companies with valuations of KRW 1 trillion are emerging one after another. What's remarkable is that all these changes have occurred within just a decade.

## What are some of the major startup trends you're seeing in Korea's startup environment?

Amid various changes and trends, one of the most noteworthy is the emergence of second-generation (or 2.5-generation) startup founders. Entrepreneurs who have gained experience at companies like Toss, Coupang, Hyperconnect, and Woowa Brothers are now founding their own startups, leveraging the growth know-how and organizational culture they acquired from these companies.

In fact, some of the companies we have recently invested in were founded by developers, product managers, and business developers from the early-stage startups we initially invested in within Korea. Additionally, for young and talented newcomers in Korea, joining a startup has become an increasingly attractive career path for personal growth and value realization.

Beyond this, we are closely monitoring the continued success potential of Korean content, the impact of demographic changes on industries, the potential for AI to lead market shifts, and the global expansion efforts of Korean B2B SaaS companies.

## How does this compare to countries with the highest startup success rates like the U.S., China and Germany?

It's difficult to make a comparison with other countries, but let's use the United States as an example since that's where we started out. Despite being a country that respects diversity, there are still areas or communities in the U.S. that receive relatively little attention—immigrants, for instance. As immigrants ourselves, we could better understand their efforts and passion. A notable example is the founder of Roblox, a global gaming phenomenon, who is of Polish descent.

However, what is most important is not nationality or country, but the individual. If an environment allows such entrepreneurs to keep challenging themselves and trying new things, their chances of success could be higher. Korea, in its journey to becoming an IT powerhouse, has experience in government-led development. Moving forward, it must continue to put effort into nurturing new entrepreneurs.

## What advice would you give startups to enable them to boost competitiveness in Korea and increase their chances of attracting investment?

If a company grows sufficiently in Korea and reaches a certain scale, it will naturally expand abroad or attract interest from overseas without needing to be pushed. Therefore, it's not advisable to think, "It's difficult to grow in Korea, but there's a bigger and better market overseas, so I'll expand abroad."

Instead, we suggest gaining as much experience as possible in Korea. It's better to consider expanding internationally after building strong competitiveness domestically. If a business finds success in a service it offers, it usually means there's enough confidence there to grow the company further, and naturally, more customers, revenue, and investment is bound to follow.

**By Grace Park**

*Investment PR Team, Invest KOREA  
Korea Trade-Investment Promotion Agency (KOTRA)*







## Banwol, Sihwa and Sihwa MTV National Industrial Complexes—Presenting the Future of Industrial Complexes as the Biggest Industrial Park in the Seoul Metropolitan Area

*The Banwol National Industrial Complex was established from 1977 to 1987 in an area close to Seoul with easy access to water and power supply as part of an effort to disperse the manpower and industrial facilities concentrated in the Seoul metropolitan area. At the time of construction, the authorities grouped related sectors and allocated non-polluting industries such as food, clothing, and textiles adjacent to residential areas, polluting industries such as chemicals, metals, and non-metal manufacturing in coastal areas, and companies likely to generate air pollution in the southwestern part of the complex by considering the area's residential, natural, and working environments. Since its construction, the Banwol National Industrial Complex has grown rapidly to the point that the government had to introduce measures to restrict speculators, and the complex grew into a highly competitive national industrial complex, with production increasing even when the economy slowed or oil prices surged.*



## Banwol, Sihwa, and Sihwa Multi Techno Valley (MTV) National Industrial Complexes

### • Location:

- Banwol National Industrial Complex: Wonsi-dong, Seonggok-dong, Singil-dong, Mongnae-dong, and Choji-dong, Danwon-gu, Ansan-si, Gyeonggi-do
- Sihwa National Industrial Complex: Jeongwang-dong, Siheung-si, Gyeonggi-do, and Seonggok-dong, Ansan-si, Gyeonggi-do
- Sihwa Multi Technology Valley (MTV) National Industrial Complex: Jeongwang-dong, Siheung-si, Gyeonggi-do, and Seonggok-dong and Mongnae-dong, Ansan-si, Gyeonggi-do

### • Area

(Unit: 1,000 m<sup>2</sup>)

|           | Total Area | Industrial Facilities | Supporting Facilities | Public Facilities | Green Area |
|-----------|------------|-----------------------|-----------------------|-------------------|------------|
| Banwol    | 15,374     | 7,915                 | 420                   | 2,068             | 4,932      |
| Sihwa     | 16,121     | 10,431                | 1,354                 | 3,527             | 809        |
| Sihwa MTV | 6,516      | 2,769                 | 858                   | 1,630             | 1,259      |

The great success of the Banwol National Industrial Complex led to the establishment of the Sihwa National Industrial Complex, which was created by reclaiming the shared water surface and salt ponds on the west side of the Banwol National Industrial Complex. Afterwards in 2002, the authorities begun building the Sihwa MTV National Industrial Complex as a high-tech industrial complex that bring together nature and high-tech industries. The complex is celebrated as the country's first eco-friendly national development project conducted by engaging the government, local governments, and environmental organizations for dialogue and reaching consensus. In August 2011, the Korea Industrial Complex Corporation decided to name the Banwol National Industrial Complex, Sihwa National Industrial Complex, and Sihwa MTV National Industrial Complex collectively as the Smart Hub as part of the Quality of Working Life (QWL) project aimed at attracting young workers to

the complexes.

As of 2022, more than 8,500 companies are operating in the Banwol National Industrial Complex, employing more than 110,000 people. The complex accounts for annual production of about KRW 37 trillion and exports of more than USD 7.1 billion. Sihwa and Sihwa MTV National Industrial Complexes have 11,946 companies and 10,000 employees, with annual production of about KRW 40 trillion and exports of about USD 6.2 billion.

In 2009, Banwol and Sihwa Complexes were selected in the country's first pilot project of upgrading the structures of aged complexes and transforming them into high-tech manufacturing industrial bases, followed by their selection as Smart Green Industrial Complexes in 2019. Despite always staying one step ahead in innovation, the companies operating in the complexes are facing difficulties brought on by recent economic slowdown



and changes in the industrial environment. More specifically, digital innovation and reducing carbon emissions are urgent challenges for Banwol and Sihwa Industrial Complexes as they specialize in materials, parts, and equipment industries and fundamental industries.

The Gyeonggi Regional Headquarters of the Korea Industrial Complex Corporation felt the need to introduce innovative projects and supporting measures tailored to each industrial complex to help them overcome the crisis. To that end, it strengthened the on-site support system with the goal of digitally transforming the entire manufacturing cycle, from planning, design, and testing to manufacturing, sales, and service. A case in point is the Business Diversification Support Platform Project designed to optimize the manufacturing environment by running data-based diagnostics and providing more opportunities for companies to discover new businesses and transform their current businesses. Participating companies enjoyed clear results, including an average sales growth of 7%, a 2% decrease in development costs, and a 6% increase in patents and applications.

The Korea Industrial Complex Corporation, the private sector, and local governments are running various projects to reduce carbon emissions. Among them, the Energy Independence Model, which began in 2021, helped generate 6.8 MW of renewable energy by adding renewable energy facilities. In addition, a high-speed electric vehicle recharging system and an integrated energy supply and demand management system were developed. By introducing an LCA-based carbon reporting system to help companies prepare carbon reports, the project participants are also working to build an energy self-sufficient infrastructure by helping businesses pursue carbon-neu-

tral management.

The structural upgrade project launched in 2009 at the industrial complexes in Banwol and Sihwa successfully attracted private investment, especially in projects aimed at adding new industrial spaces. In an effort to attract start-ups and high-tech companies, facilities such as knowledge industry centers, data centers, and re-factories are under construction. These facilities are contributing to the digital innovation of companies and attracting young entrepreneurs. As a result, facilities such as Smart Square, Global Meta, and Sihwa Refactory were introduced.

In addition, facilities that save energy by forming a cluster of similar businesses and collectively treating their waste heat and wastewater were introduced, in addition to a multi-purpose research center for joint research. The complexes are witnessing a constant increase in smart logistics facilities and vehicle-related facilities.

Hotels, residential buildings, houses as well as a multi-purpose cultural center were built in the industrial complexes in Banwol and Sihwa to enable workers to enjoy culture and better living conditions.

Although the industrial complex is large in size, companies are located far from subway stations and the area lacks parking spaces, leading to frequent complaints about illegal parking. To address the problem, the Korea Industrial Complex Corporation and local governments are operating free shuttle buses during commuting hours.

The Banwol and Sihwa Industrial Complexes continue to make new challenges and changes to fulfill its role as the largest industrial complex in the Seoul metropolitan area.

Source: (Text/photo) Korea Industrial Complex Corporation



# Gyeonggi Free Economic Zone

## What is the Gyeonggi Free Economic Zone?

The Gyeonggi Free Economic Zone (GGFEZ) is located in the center of the West Coast Economic Belt in Gyeonggi-do, South Korea, and boasts excellent features such as transportation infrastructure (i.e. Pyeongtaek Port), excellent human resources, and large-scale industrial infrastructure (i.e. semiconductor and automobile clusters).

In 2008, the 'Hwanghae Free Economic Zone' was designated around Pyeongtaek and Dangjin ports, and the Chungnam district was dissolved and launched as a separate Gyeonggi-do branch office in 2015. In August 2020, Siheung Baegeot District was designated as an additional free economic zone, and the agency was renamed Gyeonggi Free Economic Zone Authority in October 2020 to enhance the brand value of Gyeonggi-do.

The Gyeonggi Free Economic Zone is being developed in three districts: Poseung District in Pyeongtaek, which is being built as an eco-friendly future mobility production cluster; Hyundeok District in Pyeongtaek, which is being built as a hydrogen economy city; and Baegeum District in Siheung, which is being built as a land, sea, and air unmanned vehicle, bio, and medical innovation cluster.

## Investment Environment in GGFEZ

Within 20 kilometers of the Gyeonggi Free Economic Zone, Hyundai, Kia Motors, Ssangyong Motors, and other automakers are located, and there are about 8,700 automobile-related companies.

In addition, the world's largest semiconductor factory, Samsung Semiconductor's Godeok Campus, and SK hynix's next-generation semiconductor production facility are located there, and more than 2,680 semiconductor-related companies form a cluster.

The Poseung District of the Pyeongtaek Free Economic Zone is home to leading global companies such as Motorola, a subsidiary of Hyundai Mobis, IKEA Korea, and Kendall Square. In the future, Tokyo Oka Kogyo, the world's largest manufacturer of photoresist, a key material for semiconductors, will build an advanced manufacturing facility, and American Air Products, a global industrial gas production company, will build a clean green hydrogen production facility.

The Siheung Baegeum District is home to the Seoul National University Siheung Campus, the Unmanned Vehicle Research Center, the Future Mobility Center, and the Test Tank Research Center (Hanwha Ocean). In addition, an 800-bed Seoul National University Hospital will be built in the district.

## Invest in GGFEZ

The Gyeonggi Free Economic Zone is equipped with an environment for high-tech and mobility production and research, including semiconductors, material components, AI, and autonomous driving. It also has a convenient transportation infrastructure and a highly qualified workforce. If you invest in the zone, the Gyeonggi Free Economic Zone Authority will provide one-stop administrative services, help companies develop new technologies, and actively work to improve regulations.

Source: Gyeonggi Free Economic Zone Authority (GGFEZ)



# What is the process of establishing a corporation in Korea?

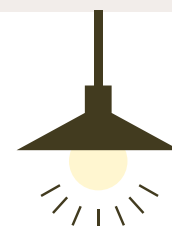
*Every month, Invest KOREA provides answers to some frequently asked questions submitted by foreign-invested companies in Korea and potential investors.*

## Q.

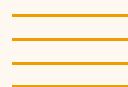
**What is the process of establishing a corporation in Korea?**

## A.

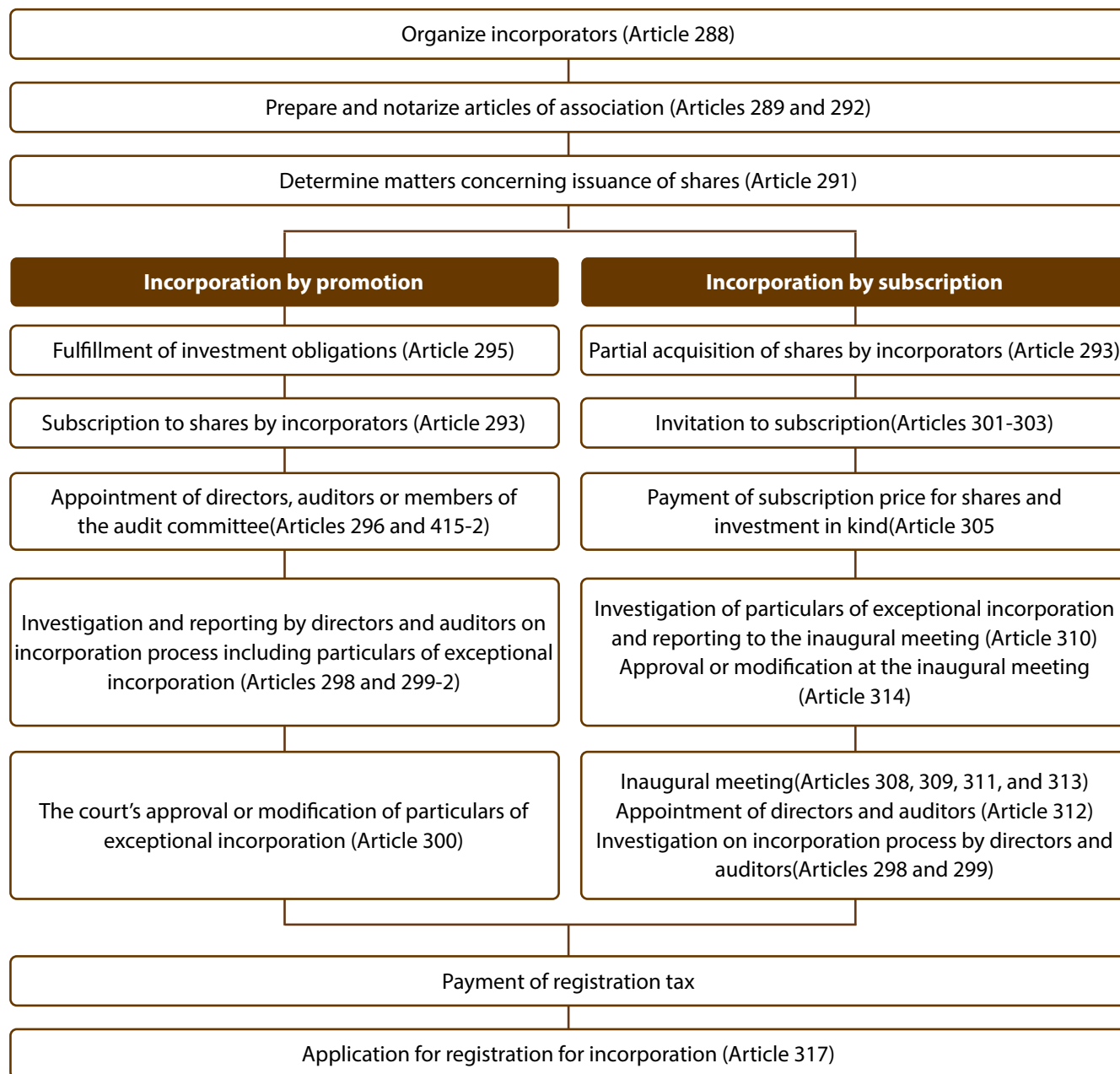
There are four types of corporations—general partnership company, limited partnership company, stock company, limited company and limited liability company—that can be established under the Commercial Act of Korea. As a stock company represents an absolute majority, the process of establishing a stock company is explained below (the “Act” refers to the Commercial Act).



Q&A



## Process of Establishing a Stock Company



For further inquiries, please contact the Investment Consulting Center

Call



+82-1600-7119

or

Visit



[www.investkorea.org](http://www.investkorea.org)



## Priority Zones for Foreign-Invested Companies: Free Economic Zone

*A free economic zone is an area designated to create a business-friendly environment for foreign-invested companies and improve the living conditions for its employees. In an FEZ, various regulations are eased to ensure autonomous business activities. This area is also used as a special economic zone where various incentives are offered to actively attract foreign investment. Saemangeum (FEZ status lost in April 2018) is a project area that is directly developed and supported by the government under the Special Act on Promotion and Support for Saemangeum Project, and in this area, land is supplied at a low price and flexible land utilization plan is applied.*



## Free Economic Zones in the Country & Saemangum

### East Coast / Yangyang International Airport, Eastern Port

Rich in non-ferrous metal resources, hosted the 2019 Pyeongchang Winter Olympics, largest non-ferrous metal cluster in Korea, center of green materials business and marine tourism, has international logistics and business complexes

### Chungbuk Province / Cheongju Int'l Airport

High accessibility due to location in central inland area, hub of IT and BT convergence industries with solar power, semiconductor and bio clusters, pursuing to become hub of Northeast Asia's aircraft maintenance industry

### Daegu- Gyeongbuk / Daegu International Airport

The region is the center of Korea's key industry cluster including the top domestic automobile parts production, IT/SW industry, medical and steel industries, and offers abundant human resources.

### Ulsan port / Ulsan Airport

Energy hub of Northeast Asia and planning to attract hydrogen businesses (hydrogen cars, fuel cell, parts manufacturing, R&D performance assessment, hydrogen city)

### Busan, Jinhae Gimhae Int'l Airport, Busan New Port

Busan Port, the world's 6th largest port by volume, is the largest logistics hub in Korea and linked to major feeder ports in Japan, China and Russia. It is the center of shipbuilding, automobile and machinery clusters and also a resort and leisure destination.

### Incheon / Incheon International Airport/ Incheon Port

Highly efficient business environment and advanced logistics, medical service, education and high-tech industries, supported by the worldclass Incheon International Airport, port infrastructure, and international business complex and business complexes

### Gyeonggi/Pyeongtaek

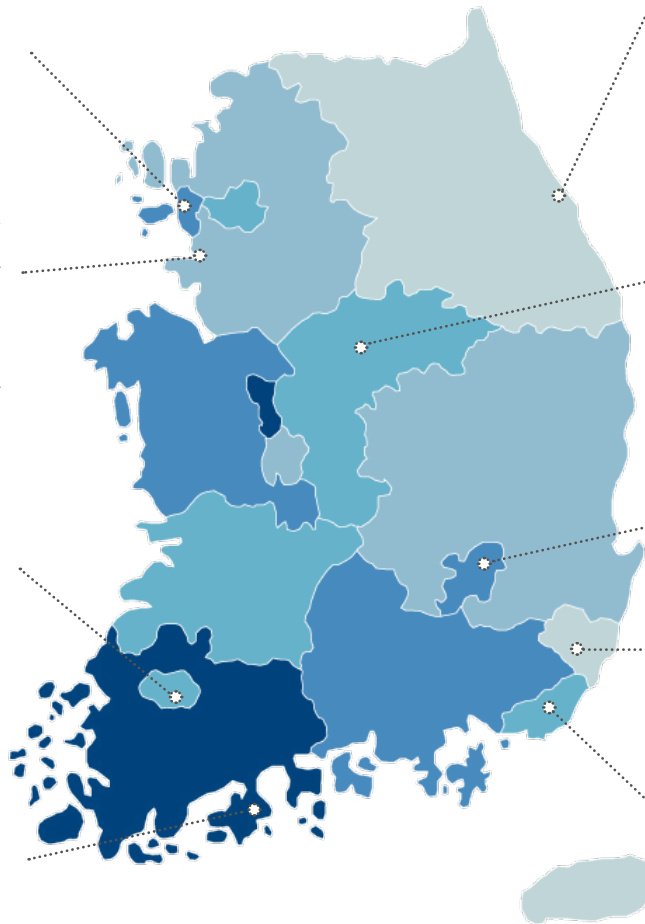
Located at the center of the Pan-Yellow Sea Economic Bloc and a hub of international cooperation. Import/Export base with China through Pyeongtaek Port and developed as knowledge-based special economic zone. Pursuing a high-tech cluster of global corporations.

### Gwangju Airport / Mokpo Port

A hub of new convergence businesses based on AI and partnership, which plans to attract businesses in AI, future cars, smart energy and biomedicine

### Gwangyang Bay / Yeosu Airport, Gwangyang Port

Strategically located in the heart of the Pacific ocean route, this area is known for its scenic natural environment and infrastructure for convenient production and logistics. Its vision is to become an international trade city that combines new industries with cultural tourism.



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# KOREA Unique Venue

## Discover the unique beauty of diverse regions throughout Korea

Every month, in cooperation with the Korea Tourism Industry (KTO), Invest KOREA features one unique region in Korea as an ideal venue for corporate meetings, international conventions, and incentive travels. Read on to find out more on the KTO's Korea Unique Venue initiatives and plan your next visit to Korea!

### What is KOREA UNIQUE VENUE?

The MICE industry is celebrated as the "golden industry without limits" of the 4th Industrial Revolution Era. With the growth of this industry, MICE venues are increasing in variety. Nowadays, corporations and institutions, which have preferred large scale convention centers in the past, are increasingly seeking out special places and experiences, or "unique venues" that showcase traditional local cultures and regional characteristics.

The Korea Tourism Organization regularly selects and promotes such unique venues that can be found all throughout the country—places with a distinct Korean charm that captivate its visitors. After various studies and evaluations on the suitability of the purpose, scale, and size of various events and meetings, the KTO has selected 39 of Korea's unique venues to fit your various needs.

These 39 "KOREA Unique Venues," which demonstrate the special characteristics of its respective region, are bound to add color to your events and provide visitors with experiences and memories beyond expectations. Korea's doors are wide open for you to experience the country's culture and beauty to their fullest.

### Incentives for Organizers

#### ❖ Subjects of incentive support for international meetings (event hosting/global PR and event hosting support)

##### Common Conditions:

1. Meetings hosted by international organizations or members of the international organizations, or legal entities & groups which are part of international organizations that fulfill ALL of the following conditions.
  - Foreigners from at least 5 or more countries shall participate in the meetings.
  - Total number of meetings participants shall be at least 300 or more and foreign participants shall be at least 100 or more.
  - The duration of the meetings shall be at least 3 days or longer.
2. Meetings hosted by legal entities & groups which are not a part of international organizations that fulfill ALL of the following conditions.
  - Among the meeting participants, total number of foreign participants shall be at least 150 or more.
  - The duration of the meetings shall be at least 2 days or longer.

#### ❖ Subjects of incentive support for corporate meetings/incentive tours

##### Common Conditions:

1. Visitors should stay in Korea for at least 2 days or longer.
  - \* "NOT" applicable for hobby clubs, fan clubs, religious organizations, government officials' groups, and/or student groups.
2. Among the participants, total number of foreign participants shall be at least 10 or more.

##### ❖ Additional Conditions:

1. Incentive Tour: Incentive Tour Groups (as performance awards), with sponsoring corporations paying for all of tour related expenses for visiting Korea.
2. Corporate meetings: Groups of people who are visiting Korea for meetings hosted by specific corporations for the express purpose of meetings or travels
  - \* Meetings with at least 4 hours or longer shall be included in the official schedule.

For further details, please visit the K-MICE website at <https://k-mice.visitkorea.or.kr>.



K-MICE



KOREA UNIQUE  
VENUE





GWANGJU

## Asia Culture Center

The Asia Culture Center is an international arts institution and a cultural exchange organization, with the main focus on promotion of cultural arts of Asia. It has spaces for large scale seminars, lectures, meetings, and banquets. Various performances, exhibitions, and hands-on experience programs are being held in the Asia Culture Center year-round.



### Venue & Rental Information

- Address: 38 Munhwajeondang-ro, Dong-gu, Gwangju, Korea
- Phone Number: 1899.5566 Homepage: [www.acc.go.kr/en/index.do](http://www.acc.go.kr/en/index.do)
- Inquiries: +82-62-601-4057 / [kijh9715@korea.kr](mailto:kijh9715@korea.kr)
- Major Events Held in Recent Years: ISEA (International Symposium on Electronic Art)(2019) / Cultural Tourism Forum (2019) / Asia Culture Week (2019~2020) / Asia Embassy Cooperation Meeting (2018~2020)

### Other Major Event Held in Recent Years

- Name of the Event: Asia Culture Week / Event
- Date of the Event: October every year
- Event Details: A festival where people from various Asian countries can communicate via different cultures & pursue connection and mutual prosperity (international conventions and fora, various performances and exhibitions are being held)
- Participants & Number of Participants: Approximately 1,000 Koreans and foreigners (based on the number of visitors in 2021)

Source: Korea Tourism Organization, "2022 KOREA Unique Venue"

# Invest KOREA's Services

## Foreign Investment Ombudsman

The Office of Foreign Investment Ombudsman is an organization established in 1999 to provide close aftercare support and grievance resolution services for foreign-invested companies, and is dedicated to resolving any difficulties that foreign-invested companies face while doing business in Korea.

## One-Stop Service for Foreign Investors

The Inbound Investment Consulting Department not only assists foreign investors and foreign-invested companies in the investment review and implementation stage, but also offers customized services to help foreign investors and their families get comfortably settled in Korea.

## Invest KOREA Market Place (IKMP)

IKMP is a project aimed at discovering promising Korean SMEs seeking to attract foreign investment and matching them with foreign investors who have compatible needs. Projects looking for investment are posted on our website at [www.investkorea.org](http://www.investkorea.org).

## Job Fair for Foreign-Invested Companies

IK organizes regular job fairs to help foreign-invested companies discover qualified local talent, and job seekers find employment through job consultations, on-site interviews, and more.



## Invest KOREA Plaza (IKP)

Invest KOREA Plaza (IKP) is Korea's first facility dedicate to the incubation and investment of foreign investor. Each year, more than 40 foreign-invested companies rent out offices in the plaza and utilize IK's one-stop service.

IKP also provides serviced offices, business lounges, video conference rooms and a shower and sleeping lounge to maximize convenience for foreign investors.

## IKP Offices for Lease

### Foreign-invested companies

Companies planning to notify investment: Those who expect to report foreign direct investment of which the arrived amount is over USD 100,000 within 1 year of move-in.

## IKP Occupancy Procedure

Counseling in occupancy → Application for occupancy → Screening committee evaluates application → Result notification(result confirmed in 1-2 weeks) → Conclusion of lease contract → Move into IKP





# IKP Offices for Rent

INVEST KOREA PLAZA (IKP) is Korea's 1st facility dedicated to the incubation and investment of foreign investors and overseas organizations seeking to do business in Korea.

IKP provides serviced offices, business lounges, video conference rooms, and even a shower and sleeping lounge to maximize convenience for foreign investors.

**Address:** 06792, 7 Heolleungno, Seocho-gu, Seoul, Republic of Korea

**Contact:** +82-2-3497-1003 / [ikp@kotra.or.kr](mailto:ikp@kotra.or.kr)      [www.investkorea.org](http://www.investkorea.org)



# 2024 GITIC

Gyeongsangnam-do International Tourism Investment Conference

**Date** | **Sept. 26, 2024** 10:00~12:40

\*27th~29th: Field Trip (Attractive Sites for Hotel & Resort Investment)

**Venue** | Convention Hall(3F), Changwon Exhibition Convention Center

**Contact** | (+82)55-211-4084 / oscar89@korea.kr

## Timetable

| Schedule    |             | Contents  |
|-------------|-------------|---|
| 9/26 (Thu.) | 10:00~12:40 | <b>Forum / Conference / Luncheon</b>                      |
| 9/27 (Fri.) | All-day     | <b>Field Trip I</b><br>(Jaran Island, Gohyeon Port, etc.) |
| 9/28 (Sat.) | All-day     | <b>Field Trip II</b><br>(Bugok, Geumo Mountain, etc.)     |
| 9/29 (Sun.) | All-day     | <b>Field Trip II</b><br>(Robot Land, Bito Island, etc.)   |





# INVEST KOREA SUMMIT 2024

**November 6 - 8, 2024**

**Grand  
InterContinental  
Seoul Parnas**



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## KOTRA's Global Network

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Dhaka, Karachi, Kolkata, Mumbai, New Delhi

### Southeast Asia & Oceania

Tel: (84-24)3946-0511  
E-mail: kotrahanokbc@gmail.com

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Ho Chi Minh, Jakarta, Kuala Lumpur,  
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Surabaya, Sydney, Vientiane, Yangon

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E-mail: kotra@kotra.org.za  
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Dar es Salaam, Johannesburg, Khartoum, Lagos,  
Maputo, Nairobi

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Novosibirsk, Saint Petersburg, Tashkent,  
Ulaanbaatar, Vladivostok

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**Publisher.** KOTRA | **Director General.** Kim Byung Ho | **Director.** Myunglae Choi  
**Editor-in-chief.** Grace Park | **Designer.** Yoojin Jang

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