

kotra EXPRESS

KOREA'S 5G INDUSTRY

Success Story
**Hwy-Chang Moon
and
Jin-chul Kim**

Newly Appointed Honorary Ambassadors of
Foreign Investment Promotion for Korea

October 2019

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Foreign Direct Investment

NO. OF FOREIGN-INVESTED COMPANIES IN S. KOREA SURGE IN JULY-AUG.

The number of foreign-invested companies registered in South Korea has risen since July, despite concerns over an economic slowdown prompted by escalating trade tension with Japan, an industry report showed Sept. 15.

The number of overseas firms registered with the Korean government rose from 14,481 on

July 1 to 14,632 as of Sept. 10, a rise of 162, according to data compiled by Seoul-based corporate tracker Chaebul.com.

Notably, China and Hong Kong added 60 and 17 companies, respectively, in South Korea over the last two months, while 17 more American companies registered here, it said.

FOREIGN INVESTMENT IN PARTS AND MATERIALS GROW 41 TIMES IN 18 YEARS

Amidst efforts to secure core technologies as a response to Japan's exports curbs, it has been reported that investment and entry to the Korean market by foreign materials and parts companies have risen 41 times over the past 18 years.

On September 19, the Ministry of Industry, Trade and Energy (MOTIE) said that foreign investment (as declared) since 2001—when government began implementing policies regarding parts and materials in earnest, including

the enactment of the Act on Special Measures to Promote Materials and Parts—jumped from USD 1.4 billion in 2001 to USD 59.3 billion (cumulative), growing 41 times.

Against this backdrop, there have been efforts to diversify foreign investment in the parts and materials industries, which tended to be reliant on Japan, and intensively attract investment in high-tech components such as nano, polymer, and semiconductor materials.

S. KOREA TO EXPAND FDI INCENTIVES AMID GLOBAL UNCERTAINTIES

South Korea plans to expand incentives for foreign direct investment as part of measures to cope with growing uncertainties stemming from the escalating trade dispute between the U.S. and China, the industry ministry said on Sept. 5.

South Korea received USD 26.9 billion worth of FDI commitments in 2018, up 17.2 percent from a year earlier, according to the ministry. It was the fourth consecutive year it surpassed the USD 20 billion mark.

To beef up the amount of FDI arriving here

amid the trade disputes, the industry ministry said it will expand cash incentives for companies making investment in the parts, materials and equipment sectors. South Korea will simplify the process for foreign companies to win construction permits for factories as well, according to the ministry.

"We need to guarantee that all foreign firms that made investment pledges here, even those from Japan, face no hurdles in rolling out their businesses," an official from the industry ministry said.

Trade & Commerce

S. KOREA, RUSSIA TO FORM JOINT INVESTMENT FUND, ACCELERATE FTA TALKS

South Korea and Russia agreed Sept. 24 (Moscow time) to launch a fund for the industrial materials and parts sectors, and to speed up free trade negotiations, Seoul's finance ministry said.

During the annual meeting on economic cooperation between South Korea and Russia, held in Moscow, South Korean Finance Minister Hong Nam-ki proposed a USD 1-billion joint fund to beef up the supply chain of industrial materials and parts by investing in core technologies, according to the ministry. Russia's delegation was

led by Deputy Prime Minister Yuri Trutnev.

The first batch of funding will amount to USD 400 million and gradually be expanded to invest in other areas, such as healthcare, down the road, the ministry added.

The two nations agreed to speed up free trade negotiations in the service and investment sectors with a goal of striking the deal in 2020, as they seek to broaden partnerships on science, information and communications technology, and medical services, the ministry said.

KOREA'S EXPORTS UP ON YR EARLY SEPT., RAISING HOPE FOR RECOVERY AFTER 9-MO. LOSS

South Korea's exports raised hopes for a turnaround after a losing streak throughout the year by showing a marginal recovery in the first 10 days of September.

According to data released by the Korea Customs Service on Wednesday, the country's exports totaled USD 15.0 billion in the Sept. 1-10 period, expanding 7.2 percent from the same period last year. Compared with the same period

last month, exports jumped 31.1 percent.

The growth in exports in the first 10 days of September from a year ago period was mainly led by wireless communication devices whose exports more than doubled on year thanks to the launch of new smartphone models. Outbound shipments of home appliance also soared 50.5 percent and automobiles 20.7 percent.

Industry

S. KOREA TO EXPAND TIES WITH AUSTRALIA IN HYDROGEN INDUSTRY

South Korea's industry ministry said Sept. 23 it has agreed with its Australian counterpart to expand ties in promoting hydrogen as the new main source of energy, in line with Seoul's plan to promote sustainable and green economic growth.

South Korea and Australia inked the letter of intent to join forces in a wide scope of areas related to the hydrogen industry, according to MOTIE.

It marked the fourth deal of its kind signed by South Korea this year, after the government unveiled the so-called hydrogen economy vision in

January. Seoul also signed deals with Norway, Saudi Arabia, and Israel.

Under the agreement, the two countries vowed to draw up the so-called hydrogen action plan to vitalize their industries utilizing the gas through 2030.

"South Korea has a strength in the field of hydrogen cars and fuel cells, while Australia is competitive in terms of the supply of the energy," an official from the energy ministry said, claiming the two countries can cooperate in various areas.

KAMA SIGNS MOUS WITH ACEA AND SMMT

The Korea Automobile Manufacturers Association (KAMA) signed MOUs with the European Automobile Manufacturers Association (ACEA) and the Society of Motor Manufacturers & Traders (SMMT) to strengthen cooperation.

On September 9, KAMA visited ACEA in Brussels, Belgium and signed an MOU to step up cooperation between the two associations on current issues including safety, environment, and trade, while seeking for information sharing

and joint response to electric vehicles and autonomous vehicles policies.

It also signed an MOU with SMMT while visiting the UK pavilion at the Frankfurt Motor Show 2019. They agreed to stimulate information sharing on connected and autonomous vehicles (CAV), and alternative fuel vehicles (AFV) including electric and hydrogen vehicles, as well as policies about the market and regulation trends.

Government & Policy

S. KOREA TO INVEST KRW 248 BN IN SMART FARMING IN 2020

South Korea plans to allocate a whopping KRW 248 billion won (USD 203 million) for next year to nurture the country's smart farming industry, Seoul's agriculture ministry said September 3.

The budget, which must be approved by parliament later this year, marks a more than 50-percent surge from KRW 162 billion earmarked for this year, according to the Ministry of Agriculture, Food and Rural Affairs.

The government plans to provide local farmers with testbeds to try out new smart farming tech-

nologies, including providing smart farms for lease. The budget will also be used to provide education courses to young farmers, especially to cope with the aging population in rural areas.

The ministry will prepare consulting programs to help livestock farms modernize their facilities and adopt information-communication technology (ICT) equipment and robot milking machines.

Other projects include developing self-driving tractors and various robots designed exclusively for agriculture.

KOREA UPS R&D BUDGET BY 16% IN BIOTECH, BACKS GENOME DATA INITIATIVE NEXT YEAR

The South Korean government proposed to up budgeting for government subsidy in biotech sector by 16 percent next year and finance a project to secure the genome data of 1 million people.

To further back commercialization of new drugs, it will designate five data-driven hospitals to enable clinical practice data for their R&D programs.

The new measures are key part of the government's drive to promote bio as Korea's future strength, the Ministry of Health and Welfare

announced in its outline to aid innovation in bio and health sector on Sept. 4.

The government will significantly increase its budget spending to help the pharmaceutical sector develop innovative new drugs and medical devices next year. A total of KRW 1.15 trillion won (USD 951.8 million) will be allocated to R&D projects in the sector in 2020, up 16 percent from this year. The spending includes KRW 93.8 billion for the development of full-life cycle medical devices and KRW 15 billion for the creation of state big data.

Trends and Prospects of Korea's 5G Industry



LTE-based 4G mobile communication services have changed the lives of people and society through various data services, i.e., the Internet, news, SNS, music and video. Currently, mobile communication is transitioning towards 5G. How will our society and lives change with 5G mobile communication?

In April 2019, Korea became the first in the world to roll out 5G services. With six months passing from the launch, it is timely to reflect on the status of the services in Korea while exploring how 5G is transforming the lives and society of the Korean people.

Progress of 5G

Korea's 5G service had a long-term preparation phase based on cooperation between the government and private sector. Three mobile communications service providers—SKT, KT, and LGU+—began enterprise-exclusive services using router-type terminals on December 1, 2018. Specifically, SKT supported “5G machine vision,” which is a smart-factory solution, to its first customer “Myungwha,” a company specializing in auto parts. KT chose “Lota,” an AI guide robot placed at Lotte World Tower in Jamsil as the first partner. LGU+ selected LSMtron—a company specializing in industrial machinery—as its first customer, providing an unmanned harvesting system.

Personal services were launched on April 3, 2019, using

a smartphone-type terminal (Samsung Galaxy S10) in the form of 5G/LTE Non-Stand Alone (NSA) on 3.5GHz. This service was released focusing on big cities. The government and service providers are expanding coverage with the target of providing 5G services using 3.5 GHz NSA in 84 major cities by the end of 2019. The “coverage of 84 major cities” is equivalent to the coverage of 93 percent of Korea's population. The target for 2020 is to establish full coverage in the nation, and to launch 5G Stand-Alone (SA) services and 28GHz services.

The number of 5G subscribers has been on a rapid rise thanks to aggressive marketing by service providers, larger volumes of data such as unlimited data option, rapid transfer speed, and the rising popularity of new services such as AR/VR. According to a press report on August 22, the number of 5G subscribers reached 2.45 million as of August-end, and is likely to surpass the 4 million mark within this year. When it comes to smartphone models, S10, Note10, and A90 by Samsung and V50ThinQ by LG Electronics are available. Compared to LTE, the pace of increase in the number of subscribers is much faster. It took 69 days to pass the 1 million subscriber mark for 5G, compared to 81 days for LTE.

With the commercialization of 5G, data usage also shot up. According to KT's announcement in May, the average monthly data usage by LTE users was only 9.5 GB, while it was 22.3 GB by 5G users.

5G Service Trends

Video and music streaming services have continued to expand in line with the development of 5G. SKT is in the process of integrating its Over-the-Top (OTT) service, called “Oksusu,” with broadcasters' OTT service called “POOQ.” Meanwhile, KT and LGU+ are also stepping up their



Idol Dance AR Service (Source: LGU+)

streaming services.

Domestic carriers are also strengthening high-resolution contents including VR and 4K to strongly appeal the high-speed communications feature of 5G. Three mobile carriers are providing videos of K-Pop stars' performances and music, major tourist destinations, movies and sports in 4K resolution. Through the VR service, users can zoom into the parts of videos they want without compromising resolution.

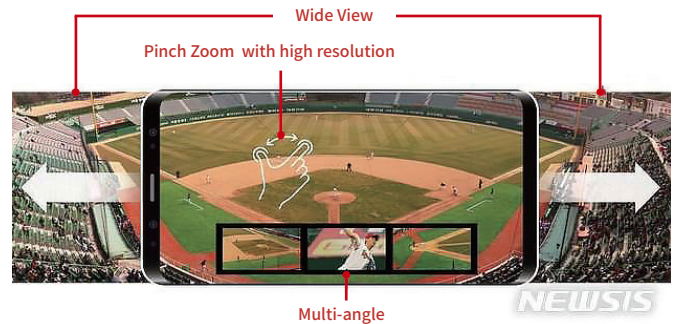
For instance, a user can zoom into his/her favorite member of an idol group during the group's performance. Furthermore, users can watch vivid moments of an idol group's dance rendition from various angles through 360 VR video. This type of video can be enjoyed through smartphones or dedicated VR devices.

In addition, VR video services allow users to watch sports broadcasting including baseball and eSports, etc. in a more realistic way. For instance, cameras film the moves at various positions (pitcher, catcher, 1st base, 2nd base, 3rd base, etc.) during a professional baseball game and can simultaneously broadcast the videos. In doing so, users can enjoy videos on any of those positions at any time. These types of services transform the way people enjoy broadcasts on golf, marathons and other sports, as users can select the player they want from the entire course. They can also view any plays of the athletes through 360 VR video, watching and analyzing the plays from multiple angles.

360 VR video service is used not only for broadcasting but also for personal filming or personal broadcasting. By using a neckband-type 360 camera, users are able to film their surroundings from all angles, and then easily share the video through SNS or even air his/her own personal broadcasting.

The number of AR service users increases in line with the spread of 5G. Mobile carriers are providing call services featuring various avatars, AR emoticker, and beauty functions in existing video calls. Users can also watch dance performances of idol groups from all angles. They can even superimpose idol star's dance performance filmed from 360 degrees on the screen in which his/her own dancing is filmed. With this AR service, users can practice dances by mimicking the idol's movements or exercise at home by watching professional trainers' videos.

High-speed, high-quality 5G data services are also transforming the way people enjoy games. For a streaming game, which interactively controls the screen operated on cloud without downloading a program, the high-speed and low-latency features of 5G are essential. Game users can enjoy various games, not only games developed for smartphones but also for PCs, at any time. Also, they can enjoy a game on all devices seamlessly, e.g., smartphone, TV, PC, and game console. For a game provider, it becomes possible to provide games in a stable manner without fear of hacking attacks onto users' game devices. Three service providers launched their own streaming games. For instance,



Baseball Broadcasting Service through high-resolution video and AR
(Source: SKT press release)

LGU+ plans to launch the GeForce NOW streaming game, while Google Stadia service is also in the pipeline. AR and VR games are also booming. Three mobile providers are preparing to launch VR games such as Harry Potter and Gun Jack. Games of new genres including multi-ending VR—which integrates movies and games—based on 5G's high-speed and low-latency are under development.

5G Application in Industries

5G was developed to satisfy the demands from various industries including automobiles, factory, energy, medical, disaster safety, and cities. New functions and performance of 5G will act as a stimulus to advance the level of industries and accelerate the Fourth Industrial Revolution underway worldwide.

On April 5, the Korean government announced the 5G+ strategy to strengthen the role of 5G as an infrastructure for industrial innovation. It designated ①Realistic Contents, ②Smart Factory, ③Autonomous Vehicles, ④Smart City, ⑤Digital Healthcare as the five core services, and ①network equipment, ②smartphone, ③AR/VR device, ④wearable device, ⑤intelligent CCTV, ⑥drone, ⑦robot, ⑧V2X (Vehicle to Everything), ⑨Security, and ⑩Edge computerization as the 10 core industries, followed by implementation measures for facilitation.

In particular, the government decided to take the lead in making investments to expedite the application of 5G technologies in industries. For that purpose, the Ministry of Land, Infrastructure, and Transport (MOLIT), the Ministry of the Interior and Safety (MOIS), the Ministry of SMEs and Startups, and the Ministry of Trade, Industry and Energy (MOTIE), which are responsible for their respective industries, agreed to participate in the government-wide cooperation to set a plan for government-led investment implementation in each industry area. For instance, there are implementation plans to apply 5G technologies and services in rolling out 1,000 buses equipped with Cooperative-Intelligent Transport System (CITS); and installing 250

CCTVs in intersections, 7,000 ambulances, 400 hospitals and 20 tunnels. This preemptive investment by the government will encourage large-scale investment by the private sector. In the process, public-private cooperation is critical.

*C-ITS (Cooperative Intelligent Transport Services): Infrastructure installed on roadsides that check traffic conditions and risk information through communications between vehicles (car-to-car) and between vehicles and fixed locations (car-to-infrastructure) to prevent traffic accidents in advance.

The 5G Forum is a body that pursues the facilitation of 5G through private-public-research cooperation, discussing strategies, technologies, business models and policy directions for 5G industry convergence, as well as giving advice to the government. The Forum also acts as a think tank by utilizing experts through: industry convergence committees in smart factory, transport convergence, smart city; and specialty committees in technology, service, ecosystem, and frequency. In particular, the ecosystem strategy committee is playing an important role in establishing and stimulating the ecosystem of the industry, while conducting various activities to expand business opportunities of SMEs and startups through 5G.

Prior to implementing the 5G+ strategy, the services available through 5G industry convergence have been demonstrated through the Giga Korea project run by the government. The Giga Korea Project—having been through the first phase—which targeted development of high-tech media services including AR/VR and demonstration at the 2018 Pyeongchang Winter Olympics—is currently conducting demonstration project of 5G industry convergence. Major application areas consist of factory, automobile, city, public safety and media. The outcomes of development are expected to be applied in implementation of the 5G+ strategy. Services under development through each demonstration are as follows.

In a Smart Factory Project adopting 5G, services based on a machine-learning platform specialized for production have been developed including: robot assisted production; machines as a service; machine-learning as a service; quality management based on big data; production line simulation; smart production network; predictive maintenance; additive manufacturing utilizing 3D printing. Also, defect detection based on machine vision*, autonomous mobile robot, real-time monitoring adopting AR technology, and module-based production facilities for flexible production lines have been demonstrated.

*Machine Vision: Technology to analyze videos filmed by camera installed on production lines, using them for defect detection and industrial robot control.

In automobiles, self-driving vehicle technologies based on Cellular Vehicle to Everything (C-V2X)* have been developed and demonstrated. Technologies that enable remote control of a car in emergency situations through remote cockpit* have been developed. In addition, mobile services for transportation by using self-driving cars are under development.

*C-V2X: Information sharing between vehicles, between vehicles and pedestrians, between vehicles and infrastructure through mobile communications network

*Remote cockpit: Real-time remote control system of vehicles and road infrastructure through 5G network

When it comes to smart city, public safety services using intelligent CCTV and numerous sensors of massive Machine-Type Communications (mMTC), and public safety service utilizing drones have been demonstrated. As these services require comprehensive data sharing and services integration, the development of the platform to support smart city inevitably follows.

In disaster safety areas, technologies to support effective rescue activities in buildings or tunnels on fire are being developed. More specifically, various sensors, high-precision indoor positioning, 360-degree camera as a wearable device for rescue workers to picture situations on site are included. In particular, cyber-physical system technologies, which relates the database of building information with various video information collected from an IP camera, wearable camera and drone camera integrated with various sensor data are under development as well. By using such technologies, it is expected to comprehensively understand the data collected through various means and find out the locations and situations of those in need of rescue.

With regard to media services, the following are in progress: 8K 360-degree camera, the technology stitching multiple media sources, VR device based on brainwave/heart rate sensor, interactive smart signage service technologies, which all advance existing media services, and the development of hyper reality games based on 360-degree 4K video.

Besides the government-led 5G+ strategy and the Giga Korea project, private companies are actively progressing with 5G industry convergence. For instance, SKT, in cooperation with local governments, is carrying out demonstration of C-ITS project in Seoul, while KT is doing the same in Jeju Island. Three mobile carriers are all in the process of integrating self-driving with 5G, demonstrating their technologies on Gyeongbu highway, in Sangam-dong, and in Zero City of Pangyo. For mobile carriers, dynamic HD 3D maps are essential for self-driving. So they have been developing relevant technologies and succeeded in demonstration. Regarding C-ITS as a safety-related service, development and verification of technologies through demonstration projects is underway. However, some projects using big data from advanced driver assistance systems (ADAS) have already been in use. Case in point is the reduction of traffic accidents by analyzing the type of traffic accidents, and cutting insurance premiums by analyzing the driving type of individual drivers.

When it comes to factory, KT is in the process of a smart shipbuilding project by applying 5G to shipyards of Hyundai Heavy Industries. LGU+ is pushing for smart factory applying 5G in cooperation with LG Electronics. SKT is building an

ecosystem by actively taking advantage of smart factory demonstration project under the Giga Korea project. There are efforts to apply 5G to smart city projects as well. For smart cities in progress in Busan and Sejong, 5G Forum and Busan/Sejong Smart City Councils are cooperating to discuss 5G application cases. Meanwhile, SKT is already working with 5G test-operations of smart offices and smart military.

**Smart military: ICT are applied to all areas of the military, including military drilling, physical exercise, learning environment, and facility management through 5G infrastructure*

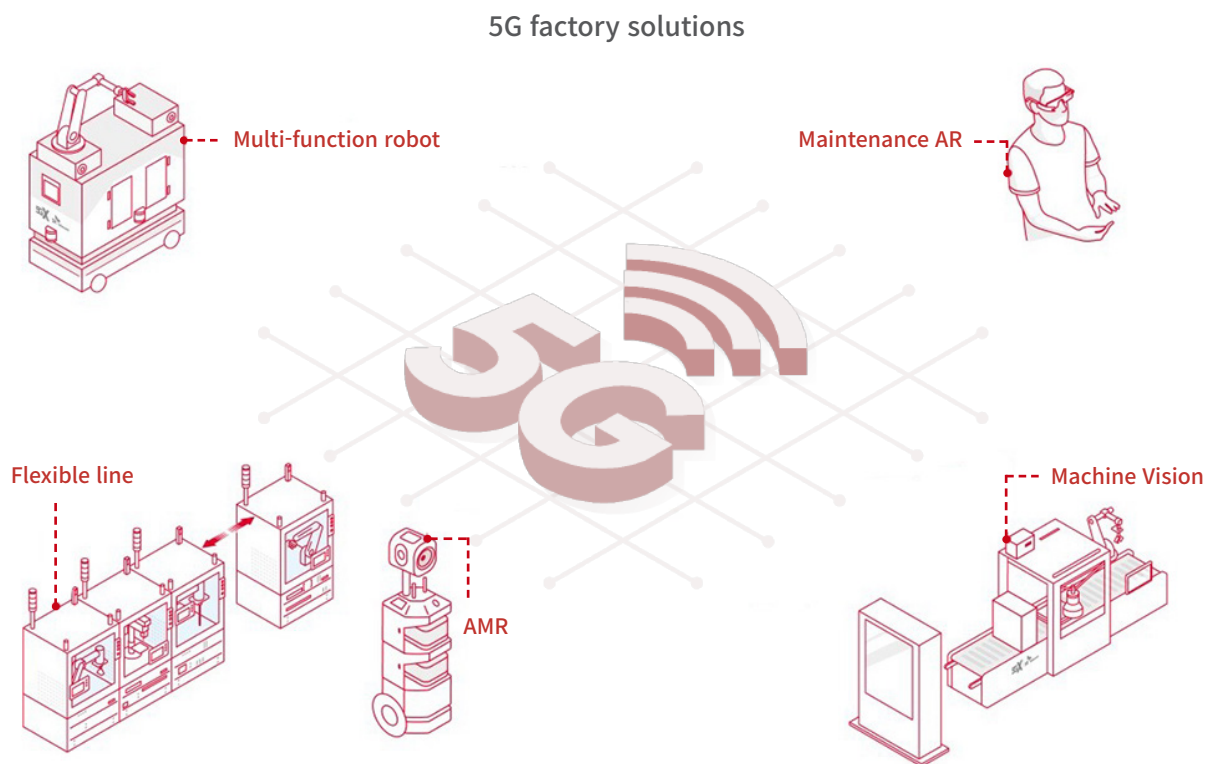
In the process of 5G industry convergence, various new services and business models based on new ideas are likely to generate further innovation. In this context, it is necessary to cultivate an environment in which SMEs and startups can easily utilize 5G technologies and the network environment to help them spur innovation. To do so, the government and mobile carriers have expanded the infrastructure to nurture industries in more innovative ways by: establishing numerous innovation labs to provide 5G network for test purpose; supporting a dedicated test environment for factories through Smart Manufacturing Innovation Center (SMIC); and providing a dedicated test environment for automobiles through K-city.

Outlook of 5G

5G commercialization and 5G application in industries in the past few months have confirmed that the improvement of people's life standards and the acceleration of the 4th Industrial Revolution through 5G industry convergence are critical in improving people's wellbeing and national competitiveness. The spread of 5G at the national level and the convergence of 5G and industries will continue to expand. Throughout the process, the 5G+ strategy is likely to play a crucial role. International cooperation is deemed necessary to ensure the diversity of 5G services and economy of scale when applying 5G in various industries.

By DongJoo Park

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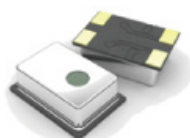


Services demonstrated in Giga Korea's smart factory project (Source: SKT press release)

Invest Korea Market Place

Invest Korea Market Place (IKMP) is an online business matching platform available on Invest KOREA's website with information on over 280 Korean companies seeking to partner with foreign investors. This month, KOTRA Express introduces some outstanding companies in Korea's information and communication technology sector.

COMPANY A



Digital far-infrared thermopile sensor



Dual-channel NDIR CO2 sensor

Investment Requirement		Company Profile	
Amount	USD 5 million	Patents and certificates	Registered 24 patents and applied for 8 patents in South Korea
Investment Structure	Minority (Financial investment), Joint venture, M&A	Major Clients	Korean electronics companies and Chinese wearable and mobile companies
Investment Highlights The company has developed the world's first compound thin film-based infrared sensor called "micro-thermopile," which overcomes the limits of the existing silicon thermopile. The company can develop an NDIR gas sensor, which is essential to home appliances such as air conditioners, and a proximity sensor, which is indispensable to smartphones. The company has products including temperature sensors, gas sensors and proximity sensors, which is made available through established marketing networks.			

COMPANY B

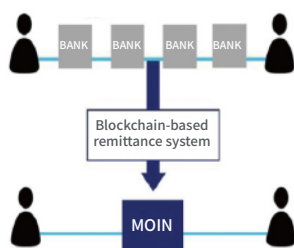


Combinable, multipurpose portable condition monitoring device

Investment Requirement		Company Profile	
Amount	USD 1 million	Patents and certificates	Local registration of 5 patents for a combinable, multipurpose condition monitoring device, with one patent applied for the same device
Investment Structure	Financial investment (Minority), Joint venture	Financial Performance	(Sales) USD 2.11 million (in 2016)
Investment Highlights The company manufactures an eco-alarm box which is designed to monitor indoor and outdoor conditions such as temperature, humidity, illumination, smoke, and flames in real time and notify the user of the results. The smart recognition function can also immediately inform the user of recognized results through Bluetooth and Wi-Fi.			

COMPANY C

+ Remittance fees + Cable charges + Receiving bank charges
+ Foreign transaction fees + Brokerage fees



Major features of key technology

Investment Requirement		Company Profile	
Amount	USD 5 million	Patents and certificates	Trademark for MOIN (South Korea, Hong Kong, Europe, India, Indonesia, Singapore, Thailand, U.S., Vietnam)
Investment Structure	Minority (Financial investment), Joint venture	Major and Potential Clients	Remittance service in 7 countries
Investment Highlights The company's self-developed block chain-based outward remittance service allows customers to transfer money overseas quickly and affordably. Notably, the company's block chain-based foreign remittance service does not go through the network of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) like other existing banks.			

For more information, please visit the IKMP page on www.investkorea.org.

Regulation-Free Special Zone, a Testing Ground for Innovation

“As there is no sky for a bird locked in a cage, there is no innovation if locked in a regulation.” This is what the Minister of SMEs and Startups said when she announced the designation of seven regulation-free special zones, for the first time in the world in July 2019. It illustrated the Korean government’s determination to create a flexible business environment in the face of the fourth industrial revolution wave. Regulation-free special zones are areas designated to allow firms to conduct business freely without restrictions from regulations, to carry out tests for innovative technologies. Also, innovative firms will be fostered through support measures such as R&D funding and tax breaks.

Seven regulation-free special zones designated are as follows: Gangwon Province, Busan Metropolitan City, Sejong City, North Gyeongsang Province, Daegu Metropolitan City, South Jeolla Province, and North Chungcheong Province. Each city and province was assigned with an industry to focus on. **First of all, Gangwon Province was selected to foster digital healthcare.** The province will be fostered as a center of the bio-health industry, driven by bio and medical device companies and organizations located in Chuncheon and Wonju. Six regulation exemptions will be applied to telemedicine and monitoring by wearable devices, among others.

Secondly, Busan City was designated as a regulation-free zone for blockchain technologies. Blockchain applications are expected in four areas including logistics, tourism, safety and finance. A total of eleven regulations have been lifted. For example, to resolve the conflict between the undeletable nature of blockchain and the Personal Information Protection Act, an exception will be applied to allow the off-chain method.

BNK Busan Bank, who will take charge of blockchain applications in finance, signed an MOU with Xntree of the U.K. in August 2019 to discover and foster Busan-based unicorns in fintech, blockchain, and smart city.

Third, Sejong City was designated as a regulation-free zone for self-driving. The city aims to grow as the center of Korea’s first autonomous vehicle commercialization through the demonstration of the Bus Rapid Transit (BRT) and commercial buses in urban parks. The city plans to conduct step-by-step demonstration projects, placing priority on safety. To accelerate the development of technologies related with autonomous driving, it signed an MOU with LGU+ in August 2019 to develop and foster connected self-driving cars utilizing the 5G communications network.

Fourth, North Gyeongsang Province was designated as a regulation-free zone for next-generation battery recycling. The next-generation battery recycling industry includes re-

processing of batteries produced from electric vehicles, which can be re-used in other industries, or retrieval of key materials through battery recycling. Seven regulations have been lifted, including permission of demonstration to devise the standard for dumping and re-usage of waste batteries. In the future, it is expected to contribute to the localization of materials by extracting lithium and cobalt, the core materials of batteries.

Fifth, Daegu City was designated as a regulation-free zone for smart wellness. Smart Wellness is a compound word of smart, well-being, fitness and happiness. It refers to an industry of next-generation care for a healthy life, including a remote personal PT service utilizing VR technologies and customized 3D printing plaster cast. Seven regulation exemptions, e.g., establishing the world’s first joint medical devices manufacturing plant adopting 3D printers, are in store.

Sixth, South Jeolla Province was designated as a regulation-free zone for electric mobility (e-mobility). E-mobility is a personal transportation means adopting electricity as a motor, including electric kickboards, electric bicycles, electric vehicles, and etc. The industry will be fostered through the development of related safety measures and test driving. It is expected to lead to new industries as transport using ultra-small electric car or car-sharing business become possible.

Seventh, North Chungcheong Province was designated as a regulation-free zone for smart safety control. The province aims to formulate a standard for wireless control, managing the safety gas alarm and shut-off system-which used to be controlled only through wired system-by using AI and IoT. It also plans to take a lead in technology standards by working out wireless control and shut-off standards in the gas equipment sector, for the first time in the world.

Having taken the first step toward the future, the Korean government plans to continue actively and systematically support the Regulation-Free Special Zones. By setting up an institution to comprehensively control and operate regulation-free zones, the government will manage the status of regulation overhaul, etc., while nominating an Ombudsman for follow-up management. As regulation-free zones provide testing grounds for innovation, new industries are expected to grow even further.

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Korea's Vibrant Investment Environment and Potential



Interview with HWY-CHANG MOON AND JIN-CHUL KIM

KOTRA Express talks to Hwy-Chang Moon and Jin-chul Kim, the newly appointed Honorary Ambassadors of Foreign Investment Promotion for Korea, to hear more about their insight on Korea's investment environment.



Hwy-Chang Moon

- Professor Emeritus, GSIS, Seoul National University
- Director of Center for International Competitiveness and Chair Professor, aSSIST



Jin-chul Kim

- Vice Chairman, Korea Engineers Affiliate
- President, Solvay Silica Korea, 2001-2017
- Chairman, Korea Foreign Company Association (FORCA), 2015-2017

Hwy-chang Moon and Jin-chul Kim were newly appointed as Honorary Ambassadors of Foreign Investment Promotion for Korea on August 28, 2019. With abundant expertise and experience in their respective fields, they were both considered to be well-suited candidates to effectively promote Korea's vibrant investment environment. KOTRA Express sat down

with them to get their insight on Korea as an investment destination.

Professor Moon, based on your extensive research on Korea's national competitiveness, what do you think Korea's main advantages are as an investment destination?

First of all, Korea has a locational advantage. It's actually the gateway to Asia from America, since it's the first location you hit when you're coming from the Pacific Ocean. This makes it an ideal location for expanding business in Asia. Also, Korea is between Japan, China and Russia, which makes it a good business hub, and in fact, the smaller the better. For instance, Belgium, Switzerland or Austria actually act as the centers of business in Europe, because with large countries and corporations, there is always the issue of hegemony. Indeed, tension exists between Korea and Japan, but there's even more tension between China and Japan. In that sense, Korea is the more ideal business hub.

Secondly, Korea has great potential for further growth. There's a lot of talent in Korea, and Korea has many competitive industries. There are five major manufacturing industries here: steel, automobile, shipbuilding, electronics and petrochemical. In the major league of these flagship manufacturing sectors, Korea is probably the only country which has major league players. Korea's big players are global big players including top names like Samsung, Hyundai and POSCO, and even though Korea doesn't produce a single drop of petroleum, there is a huge chemical complex in the southern part of the country. So, it's very interesting that Korea has such strong industries, which provides a broad scope for attracting foreign investment.

Last but not least, Korean culture is very attractive, and we can now see this through K-Pop and media. Korea is the only example of a country which has moved from a very underdeveloped country to a developed country. It's common to see that when you grow economically at a fast pace, cultural growth cannot follow as rapidly. However, Korea's cultural aspects are now surpassing economic development, which really makes Korea's case an exception to the norm, and therefore, I see a bright future for the nation. Korea recently joined the so-called 30:50 club, which refers to countries with a population of over 50 million, and income per capita which exceeds USD 30,000. Originally, there were only six countries meeting these two criteria: the UK, France, Germany, Italy, U.S. and Japan, but Korea has now joined the ranks of these countries, and can essentially say that it's virtually part of the G7.

Mr. Kim, based on your expertise in business and industry, what are Korea's main advantages as an investment destination?

Korea has excellent industrialization skills, although its basic research skills are a little weak. Still, I think the ability to achieve industrialization is one of Korea's greatest strengths.

In the last 30 years, Korea has developed its own technology by digesting technologies introduced from advanced countries. What's important is that, instead of being government-led like China, each business organization accomplished this on their own. Each Korean company wanted to create something new based on its entrepreneurial spirit, and had a strong desire to acquire outstanding skills of

foreign companies. Today's Samsung, Hyundai and LG have all developed in this context.

I remember when I worked at Hyundai engineering. In the early years of our service, marine oil acquisition technology was designed by advanced countries, but we tried to design our own basic technology for several years. I think these efforts paid off, and in the 2000s, we were able to win 100 percent of the world's offshore oil fields' orders.

Professor Moon, in your opinion, what about Korea's history/economy/culture is most appealing?

Some refer to Korea's culture as a speedy, or a "ppalipali" culture. Some would argue that this isn't a good thing, but I believe it's an important, positive cultural factor in the economic aspect. In terms of labor costs, let's say that labor costs for the same quality of work are the same, yet one country provides it at a faster pace; this will essentially reduce the labor costs overall. Of course, just being speedy is not good—you have to be precise enough for good outcomes. So, speed plus precision is ideal, and is something that Korea can offer.

Also, Korean people are highly motivated. In the past, we had something called "Korean time," referring to the lack of punctuality of Koreans. However, for the last half a century or so, Korean people have been very motivated with the desire for a better life, which has then led to the high-level of education we see now. The high level of productivity and motivation of Koreans are deeply rooted in the country's culture, having a favorable impact on the economy.

Do you feel that companies from other countries are interested in investing in Korea? What sort of opportunities/sectors are they most interested in?

Prof. Moon: In general, Korea has advantages in location, diversified industries, a talented workforce, and a dynamic culture, which all make up an attractive investment destination. Even now, the Korean government is more concerned about the manufacturing sector and greenfield investment, thus putting more emphasis on attracting investment into such areas. However, manufacturing is more pronounced in less developed, emerging countries, such as in Vietnam and Indonesia, and I think Korea has reached the level of advancement to the point where manufacturing should not be the main focus any longer. Greenfield investment is also the initial stage of manufacturing, where companies establish factories and plants here, but then again, Korea already has enough of them, and so now, investors are seeking to invest a little differently from the past. Specifically, investors may now be more attracted to Korea's service sector rather than manufacturing, because services aren't as developed as the manufacturing sector yet. Also, investors may be interested in M&A rather than establishing factories for greenfield investment.

Mr. Kim: Korea is a technologically advanced country. Therefore, most companies that invest in Korea will have demand related to Korean technology. One case of investment could be that the company hopes to deliver its products to the best-in-class Korean market. Currently, the semiconductor and automobile industries are the prime examples. If a particular industry is leading world-class technology, a number of companies in related fields such as materials, software, technology, machinery, electronics and robots will try to tap into the Korean market. In this case, however, there's a risk that if the industry regresses or if local competitors grow, they may be reeling together.

Another case could be that a well-funded but under-skilled company or country wants to receive Korea's advanced technology. In the future, I think it will be promising to attract investment in the form of providing Korea's outstanding technology to countries with lots of capital such as oil-producing countries, China, India and etc., and attracting funds in that way instead.

Since future investment in Korea is closely related to technology, we need to understand which industries in Korea are at the apex of the technology chain. If we take advantage of Korea's promising global technology industry, we will be able to attract foreign investment. In addition, with the advent of the fourth industrial revolution, we need to look at what new industries can grow and lead the world.

Personally, I'm paying attention to the environmental industry. In the long run, industries seeking to preserve the environment will lead the world and achieve sustainable development. I anticipate that aviation and water treatment will grow to become major industries, and the materials, electronics, and machinery industries which support them will also be in the spotlight.

Professor Moon, what is it that makes Korea such an innovative country?

We have a bit of a misunderstanding about what it is to be innovative. Many people say that out-of-the-box thinking is necessary to achieve disruptive innovation. But true innovation is learning the best practice of today and adding something to it. Let's take the iPhone for example. Steve Jobs did not create the phone, nor the camera, nor the Internet. He just improved the functions of each and combined them to create a new product. As such, the components of creativity are benchmarking and convergence. Innovation can be achieved by learning the best global practices, and adding good features to them, and I think Korea does this very well.

American firms created and introduced new items, and Japanese firms like Sony, for example, benchmarked them. Then Samsung caught up with Sony by learning and adding other features, and now, Chinese firms are catching up with Samsung. This isn't because Korean and Chinese firms are more creative, but they are good learners. You have to be a good enough learner to be able to overtake your teachers.

One reason why so many startups fail is that they are sometimes too creative. While the creators and suppliers of those products may understand the idea and quality of the products, the market may not yet be able to. At times, it's not necessarily best to be too creative for achieving success.

Mr. Kim, what advice would you give investors or companies from foreign countries seeking to do business in Korea?

Korea is a very dynamic country. It is also an export-driven country. The economy may slow down for a while in the future, but I think it will continue to grow in the long run. I recommend investing in the high-tech industry since it is very likely to continue to grow. Also, if you invest in Korea, you can receive consistent support from the government, and therefore, I highly recommend investing in Korea.

How can Korea become a more ideal country for foreign-invested companies?

Prof. Moon: This is a very important question. Even if Korea has great potential for foreign investors, it's just potential until we realize it. The government's role is critical. It is more focused on giving incentives to prospective investors, but investors actually like low costs, minimal regulations, and better infrastructure.

When I ask investors, "What are the steps in making a decision for foreign direct investment?" they usually answer with three steps. First, potential merchants and firms evaluate whether the host country has the following economic or business opportunities: resource-seeking FDI, or finding natural resources such as petroleum, in which case, they would go to Saudi Arabia or Iraq; efficiency-seeking FDI, which means they'd like to have cheaper manufacturing in places like China and Vietnam; market-seeking FDI, which is when they already have a product and are looking for a new market; or strategic, asset-seeking FDI, which for instance, could refer to firms like Amore Pacific, which, 20-30 years ago, invested in France, the center for the cosmetics industry at the time and when the "made in Korea" brand didn't hold as much value as it does now. Secondly, they look at whether there is significant regulation, or political instability of some sort, which would affect their decision to go. Thirdly, they would compare the incentives between candidate countries, whether the country would provide monetary incentives and so on. This is to say, if a host country meets the first two phases—business opportunities and low regulations—a firm would go even without incentives. But if the first two conditions are not met, yet a country has great incentives for investment, the firm would not go. As such, the government must focus on creating a good business environment first, then think about the regulations, and finally think about the incentives.

Mr. Kim: First, let me talk about the technical aspects. It's necessary to target the best companies in the technology chain and attract them to Korea. If Korea already has the best technology, such as Hyundai Motor Co., the government should provide comprehensive support to the companies so that they can continue to stay at the top.

Also, the government should make aggressive efforts to support Industry 4.0, the latest, the hottest topic that everyone around the world is talking about. It needs to check and see if Korea has a difficult environment for trying new projects as interested groups are intervening. In particular, it needs to consider lifting regulations to help develop new areas such as the tele-medicine industry and the sharing economy.

In addition, various support policies must be established to attract new investments, and cash grants, which was recently expanded as part of the budget, must be well promoted and utilized. On top of that, I believe if we can lower corporate taxes, Korea will become an ideal investment destination.

What would you like to accomplish during your time as Honorary Ambassador of Foreign Investment Promotion for Korea?

Prof. Moon: I'd like to be a good ambassador for multinational firms; this is my core responsibility. Foreign investors may not have a good understanding of Korea's investment environment. They just look for larger, more well-known markets like China. Sometimes, smaller economies like Korea's are more flexible. I'd like to explain to investors that Korea has a lot more advantages than they may think. Also, some incorrectly assume that China has a more diversified economy, but as I mentioned, Korea also has very developed, diversified industries, and really, anything can happen in Korea because of its flexibility. Yes, Korea is smaller, but still, Korea is big enough; a population of 50 million is not small. In that sense, Japan and China are too big to some extent. Korea offers attractive factors like efficiency; this doesn't mean just cheap labor manufacturing, which they could find in Southeast Asia, but Korea offers skilled labor as well which entails both speediness and quality.

I'd also like to act as a liaison officer between potential investors and the Korean government. Many of the attractive factors of Korea for an investment destination should be well prepared by the government, particularly in terms of favorable tax rates, deregulation and infrastructure.

Mr. Kim: First of all, I plan to strengthen my activities with the foreign chambers of commerce in Korea as well as FORCA, the group of foreign-invested companies doing business in Korea. Also, I'd like to participate in events related to Industry 4.0, such as the electric vehicle expo, which is based on a new industry, to increase contact with companies that are likely to invest in Korea. I hope to contribute to attracting foreign investment by seeking out tech-savvy companies and having discussions with them

during their review phase of initial investment.

In other words, rather than waiting for foreign investors to come to Korea, I would like to find business partners in Korea that I can recommend to investors first, and connect companies from starting from the very beginning as well as and provide any type of technical support that I can. Currently, I'm in contact with five companies to support inter-company connections.

What are your hopes for Korea's future?

Prof. Moon: For Korea to become a true business hub, we need to make Korea provide the best business environment in East Asia. Some years ago, I visited the Economic Development Board (EDB) in Singapore, and they said 2/3 of global business is connected to Singapore. How can 2/3 of the entire global business go through a small city-state? Korea is a lot bigger, and the Korean location may be more important since it connects Asia to the Americas.

In addition, although my primary job is to help attract investment to Korea, outbound investment from Korea is also very important. Some companies want to go abroad, and some companies want to come here; the water should flow smoothly in both directions. I once had a conversation with the person in charge of investment in the state of California in the U.S., and I asked, "What are the advantages and disadvantages for foreign multinational firms in California?" To which he answered, "What do you mean by foreign firms? All firms incorporated in California are California-based firms." Singapore also refers to all companies in the city-state as "Singapore-based" companies. Eventually, our final goal is not to discriminate against nor to give preferential treatment to Korean or foreign firms. I believe this perspective is the core in developing a global business hub. In the future, I hope the Korean peninsula can become a truly global hub, with both free inflow and outflow of businesses.

Mr. Kim: I have a very positive view of the Korean economy. Given the research capabilities of many Korean conglomerates such as Samsung, SK, and Hyundai Motors, it's highly likely that they will develop even more new technology industries in the future. Overall, the Korean economy has a very bright future ahead of it and will continue to grow.

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Deflation, Deja Vu

Right after the bureau of statistics in Korea announced that the consumer price index (CPI) for the month of August had fallen 0.038 percent over the year period, it shocked the people and the possibility of deflation once again became one of the hottest buzzwords of the times. Many analysts even jumped to the conclusion that Korea is in a state of de facto deflation, as had Japan been for more than a decade since the late 1990s. Deflationists emphatically argued that the clue was not the single month fall in CPI, but the GDP deflator falling quarters since the fourth quarter of 2018.

The fuss about deflation is not entirely new. It is the *deja vu* of September 2014, when two-thirds of 30 scholars surveyed believed that Korea was in danger of deflation, with varying degrees of certainty. In retrospect, however, neither 2014 nor afterwards was found to be a deflation. The advocates were just found to be dancing with the then government, including the Ministry of Strategy and Planning, which had long wanted to find a rationale for drastically easing the monetary policy and stimulating construction businesses. For the ministry, deflation was a sure enough excuse to legitimize dramatically lowering the interest rate as well as to engage in massive stimulative fiscal policy measures, which eventually plagued the economy with the real estate bubble without much of the desirable real effects. And this time again, the deflationists' subscription is exactly the same; they want the authority to lower the interest rate further down with massive stimulative fiscal policy.

A deflation is a real danger, especially when it is caused by chronically sluggish real demand. A dampened real economy pulls down demand and prices, followed by faltering real growth which once again invites another round of a fall in demand and prices. This is called the deflationary spiral, which overwhelmed the world under the name of the infamous Great Depression in 1930s. A recent example of deflation could be found in Japan when it suffered negative inflation with little economic growth for more than a decade since 1999.

A textbook causes of deflation consist of demand oriented as the 1930s and Japan in the 2000s, or oversupply, or monetary contraction. Even if the Korean economy has been sluggish for some time, it has mostly maintained positive growth rates. Therefore, demand deflation is a far cry. As the base money has been expanding well over 9 percent, monetary deflation is also unimaginable.

Looking at the micro statistics, it becomes ever more evident that the recent fall in prices are coming from the decline in some of the key service prices and fresh produce such as vegetables and fruits. More specifically, the prices of communication services (-2.2%), transportation (-1.9%), and grocery produce (-3.6%) showed falls in August. Indeed, the prices of almost all fruits and vegetables have fallen between 15 percent and 54 percent for the month, due to extraordinary

harvest. The prices of communication and transportation have been managed under strict guidelines by regulatory agencies, implying that the fall is not a continuous but a transitory phenomenon. On top of this, Korean growth rates in real economy or domestic consumption are relatively low and declining, but never close to zero or below. All of these sheer facts are leading us to believe that this recent fall in some of the price indexes is, as the Bank of Korea and the Ministry of Economy and Finance explain, all but a transitory consequence of either seasonal oversupply or governmental guidelines. This means that the price fall will soon halt and there will be no further concern.

But that doesn't mean that there is no need for worry at all. One of the incumbent ailments is the chronically falling global prices of raw materials and agricultural commodities. The prices of petroleum, copper, wheat, aluminum and cotton are simultaneously falling more than 10 percent for the year. Reflecting the global economic slowdown, demands for the products have been weakened for more than a few quarters, bringing speculative futures prices further down. The potential recession in Europe, China and the U.S. will render further down in their prices, creating a pandemic disinflation on a global scale. Many analysts in the U.S. have begun to worry about the re-emergence of the Great Recession.

However, one of the most comforting or relieving strengths in times of potential future difficulty is its fiscal integrity. The national debt to GDP ratio is below 40 percent, one of the lowest among OECD countries. Korea has plenty of leg-room to deal with potential economic and financial turmoil with the government's fiscal and monetary maneuverability: it can directly issue government bonds or have the Bank of Korea supply sufficient money with government collateral.

To reinvigorate the business spirit, various measures can be considered. Broad based deregulation is one significant way to relieve business leaders out of their hopelessness. Also, lowering or delaying inheritance tax is another good way to hype-up their conviction in the future business. Whatever that might be, something should be done immediately to let businesses rise up again for the country.



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

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Mystical Wonder of the Island

Jeju-do Island, a UNESCO World Natural Heritage, is filled with environmental assets recognized not only in Korea but also worldwide. A mystical tale of the island's birth told for generations tells of a giant named Seolmundae Halmang. She carried sand with her skirt and built in the middle of the sea an island called Jeju-do. The pile of sand she made became Hallasan Mountain, while the lumps of earth that fell through her torn skirt became parasitic cones.

Gotjawal is like a secret garden that Seolmundae Halmang seems to have hidden deep inside the island. Jeju-do Island is the only place in the world where plants from the northern limits of tropical regions and those in the southern limits of polar regions coexist. This uniquely formed forest and topography are called Gotjawal. In Jeju dialect, got means “forest” while jawal refers to a location where trees and vines are tangled together in loosely built rock piles. Gotjawal is broadly established both east and west of Hallasan Mountain, and thus serves as a lung that enables the island to breathe.

A cozy vibe gently wraps the body once visitors step into Gotjawal. Though occasional winds fiercely pass over the tree branches, the forest is generally tranquil and snug, filled with only the sound of nature, from the crisp noise of grass leaves to that of fleeting birds. When standing still with eyes closed, you will feel as if the forest is breathing. In most parts of Gotjawal, water is not collected on the ground but rather permeates into the earth even during heavy rainfall. The forest, however, also features several wetlands with permanent pooling of water. The Gotjawal in the village of Seonheul-ri, called Donbaekdongsan, is one of them.

Dongbaekdongsan features rocks covered in green moss, trees twisted in their own random directions and red camellias in full bloom. The camellias here exude more elegance than glamor. Gotjawal, which is a registered Ramsar site, has

several ponds. The look of the forest reflected in the water is more mystical than the others. The forgotten childlike innocence is resurrected at Gotjawal. As going deeper into the forest, you feel as if a cookie house or cabin with small windows will appear. Will fairies come out at night to have a festival? Leaving behind an overflow of imagination caused by nature, it's time to move to the next destination.

Living Landscape

Anywhere along the coastal road of Jeju is greeted by picturesque scenery. In seasons with nice weather, many people ride electric bicycles to enjoy the island's refreshing breeze. Enormous wind power generators are seen in the distance. The environment of Jeju, which is known as windy, is perfect for manufacturing eco-friendly energy. Rather than unconditionally keeping a distance from nature for protection, Jeju residents have learned (and are still learning) how to coexist with nature. To create a carbonless island, authorities have put a lot of effort into distributing and normalizing the operation of electric vehicles. As a result, the number of visitors who travel to the island in electric cars continues to rise.

Driving on a coastal road where the sky and the ocean seem to be one, head toward Seongsan Ilchulbong (Sunrise Peak). Ninety-nine rocky peaks that surround the sunken

crater at the top look like the high walls of an impenetrable fortress, from which the name “Seongsan” originated. While charging an electric car at a nearby station, hike up the cone. Looking back after walking up a neatly established path for a while, the landscape of Jeju will seem to have expanded a few inches at a time below your feet. Descend on stairs heading toward the beach to reach Haenyeo House, where the island’s female divers haenyeo perform at sea. Despite no stage, the performance is nonetheless meaningful just with the appearance of the divers, who have lived their entire lives around the island’s waters.

The performance begins with a song by the divers. A folk song that Jeju’s ancestors used to sing while going out to sea on a traditional fishing boat, “Teu,” excites the audience. As the song ends, the divers enter the water, go into the sea and skillfully collect seafood with no equipment. The life and culture of haenyeo has been listed on UNESCO’s Intangible Cultural Heritage of Humanity. These divers who make a living in the sea with their bodies show the strong vitality the island holds.

Where Love Flows

A stream of water flowing down from Hallasan Mountain becomes Hyodoncheon Stream in the island’s southern region. The small dry stream is still a beautiful place created by lava and decorated by beautifully shaped rocks and cliffs. At Soesokkak Estuary located at the stream’s mouth, strange-looking rocks stand tall on the sides like screens and a forest grows thick over them, which completes a mystical view. The name “Soesokkak” also comes from Jeju dialect, with soeso meaning a “pond where a bull lies” and kkak meaning the “final end.” A blue pond appears between the rocks and trees and laughter is heard from people enjoying the scenery of the estuary and stream on a boat.

In old times, ceremonies praying for rain were said to be held at Soesokkak Estuary when the island faced droughts. Due to the sacred image of the site, people were banned from throwing around stones or playing in the water. The area is also known to be where bay salt was made by blocking the entrance of the valley, and is now part of the Jeju Olle Trail. Instead of enjoying the stream and the estuary via water activities, visitors should tread the rocks with their feet and walk along the valley. From sunlight beaming through the thickly wooded forest to the softness felt in the feet and other gorgeous spectacles that slowly appear in various places, the magnificent scenery will strike onlookers with awe.

Soesokkak Estuary is also the scene of a legendary love story between the only child of a rich family and the son of a servant at the family’s house. Depressed over the wide difference in their social classes, the man threw himself into waters at Namnaeso, located in the estuary’s upper region. Upon learning of her lover’s death, the distraught woman visited Prayer Rock at the estuary for 100 days, praying for

his body to be salvaged. The ensuing heavy rains that came resulted in the man’s body being washed to shore. She cried with his body in her arms before climbing Prayer Rock and throwing herself into the pond. To honor this star-crossed couple, the villagers built the shrine Halmangdang at the estuary. Legend goes that a prayer made here will make one’s hope for love come true.

Spirit of Coexistence

Jeju-do Island’s beauty mostly lies in its more than 370 volcanic cones, which included Jeju in UNESCO’s World Natural Heritage list. People say that when someone on the island dies, he or she is buried in a volcanic cone. Gods who protected villages are also enshrined in cones. So the proper Jeju experience requires a hike up a volcanic cone, thus the last stop of this trip is Darangswi Oreum. From a tidy appearance that resembles a hanbok (traditional Korean attire) skirt spread out to a neatly organized path toward the top, there is no better location on the island to enjoy a night view while reflecting on Jeju nature experienced to this point.

The island takes on an impressive appearance when the sun begins to set. The sunset featuring colorful shades slowly spreads between volcanic cones and over the horizon, enlightening and inspiring those who gaze at it. On the way up Darangswi Oreum, you will encounter the impressive beauty of Jeju, the balance formed by the peak, the sunken crater that looks like the moon and the lovers who complete such a gorgeous scene on the island. Hiking up the cone just in time to see the sunset, couples hold hands and walk, relaxing or sitting side by side to share the wind, sea and sunset. JMG Le Clézio, the winner of the 2008 Nobel Prize for Literature, once said the most impressive thing about Jeju is its beauty. As more people abroad discover the beauty of nature on Jeju, efforts for the protection and preservation of nature on the island are more pressing than ever. Projecting the nature of the island’s original form into daily life as is instead of forcibly bringing it to the present and going beyond modest acts for protecting nature to effectively coexist with it.



FAQ FROM INVESTORS

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

Remittance of investment funds

Q. How can a foreign investor remit investment funds to Korea when he/she does not have a bank account in Korea?

A. Generally, the procedure for opening a bank account is complicated for foreign companies. In this regard, banks open accounts exclusively for foreign investment to make it more convenient for foreign investors to remit investment funds to Korea.

- The following is a list of virtual bank accounts for foreign investors.

Bank	SWIFT Code	Account No.	Address
Gwangju Bank	KWABKRSE	932305200000	15th floor, 7-12, Daein-dong, Dong-gu, Gwangju
Kookmin Bank	CZNBKRSE	0015-68-900-9999	#9-1 Namdaemunro 2-ga, Jung-gu, Seoul
Nonghyup	NACFKRSE	0009-00-999999	75, Chungjeong-ro 1 ga, Chung-gu, Seoul
Daegu Bank	BAEBKR22	N/A	118,2-ga, Suseong-dong, Suseong-gu, Daegu
Busan Bank	PUSBKR2P	Seoul: 070-99-999999-9	830-38 Beomil-dong, Dong-gu, Busan
Suhyup Bank	NFFCKRSEXXX	N/A	Ogeumro 62 (Shincheon-dong 11-6), Songpa-gu, Seoul
Shinhan Bank	SHBKCRSE	1418-999-999999	231 yangjae-dong, Seocho-gu, Seoul
Woori Bank	HVBKCRSE	8202-2002-3980	203 Hoehyeon 1-ga, Chung-gu, Seoul
Jeonbuk Bank	JEONKRSE	102-FDI-96330000	17/F, Seorin B/D, 88 Seorin-dong, Chongro-gu, Seoul
Jeju Bank	JJBKCR22	N/A	1349 E-do 1 Dong, Jeju-si, Jeju-do
KEB Hana Bank	HNBKCRSEXXX	195-910001-01805	2F, Seoul Center B/D, 91-1 Sogong-dong, Chung-gu
SC Cheil Bank	SCBLKRSE	038-85-000000	100 Kongpyung-dong, Chongro-gu, Seoul

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Publisher. Kwon Pyung-oh | General Manager. Jeong Deok Rae | Editor-in-chief. Grace Park

Designer. Jang Yoo Jin | Printed by Samsin Munhwa Printing Co., Ltd

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