

## Foreign Direct Investment

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### FDI PLEDGES TO SEOUL TOP USD 10 BN FOR FIRST TIME IN 2019

The amount of foreign direct investment (FDI) pledged to Seoul exceeded USD 10 billion for the first time last year as the popularity of K-beauty products drove investment in manufacturers, the city government said Jan. 6.

Seoul received a record USD 10.1 billion worth of FDI commitments in 2019, compared with the previous record of USD 9.6 billion in 2016, according to the Seoul Metropolitan Government.

From the previous year, the amount of FDI pledges increased 12 percent, or USD 1.1

billion. The city said the growth was due to both new investors and increases by existing investors.

New investment jumped 16 percent on-year to USD 3.7 billion, while that of existing investors rose 11 percent in the same period to USD 6 billion.

The city government said it plans to open a help desk to help foreign investors and hold 10 rounds of overseas investor relations meetings to attract more investment.

### SF MARINA SWEDEN, TO BUILD UP A FLOATING PONTOON MARINA SYSTEM NEAR ANSAN

The city of Ansan announced on Dec. 18 that SF Marina, an advanced floating solution company headquartered in Sweden, unveiled plans to build up an offshore town made of a floating pontoon marina system alongside the Korea's western coastline.

A city official said, "The announcement of the floating village project this time appears to be a gesture to reaffirm the investment agreement reached at the EU Investment Seminar held in Paris in October 2018," and added, "It

is highly likely that SF Marina will hand out a draft for the USD 100 million plan to the city of Ansan early next year, though we haven't heard any details yet. I think the village will settle in the nearby town of Daebu island."

Seeing it as a significant contributor to the local economy, the city is looking forward to launching the project, affirming plans to review the plan and take all necessary administrative steps to execute the project.

## Trade & Commerce

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### BEAUTY GOODS EXPORTS TO JAPAN UP NEARLY 30 PCT DESPITE TRADE ROW

S. Korea's exports of beauty products to Japan advanced nearly 30 percent in the first 11 months of last year, data showed Jan. 5, despite the ongoing bilateral trade row stemming from their shared history.

Asia's No. 4 economy shipped USD 370 million worth of beauty products to Japan in the January-November period of 2019, according to the report released by KOTRA, which cited

the latest data available from IHS Markit.

Despite the frayed relations, demand for S. Korean cosmetics still gathered ground last year on the back of the rising popularity of Korean drama, pop, film and other cultural contents, according to KOTRA.

The market for beauty products in Japan is also set to grow sharply this year in line with the 2020 Tokyo Olympics.

### S. KOREA'S MACHINERY EXPORTS TOP USD 50 BN MARK FOR 2ND YEAR

S. Korea's annual exports of machinery surpassed the USD 50 billion threshold, data showed Dec. 29, 2019, standing as the second-largest export item for Asia's No. 4 economy after semiconductors.

The country's outbound shipments of general machinery were estimated at USD 52.5 billion in 2019, according to the Ministry of Trade, Industry and Energy.

The country's machinery exports surpassed the mark for the first time last year by shipping USD 53.5 billion, up 10 percent from a year earlier.

"It is significant that the machinery segment posted exports above USD 50 billion for the second consecutive year amid the trade dispute between the United States and China," an official from the ministry said. "S. Korea will continue to beef up the competitiveness of the area in 2020."

**Industry**

**SALES OF SHINSEGAE DEPARTMENT STORE'S GANGNAM BRANCH SURPASS KRW 2 TN IN 2019**

Shinsegae Department Store, one of S. Korea's leading retailers, said Jan. 7 that its outlet in Gangnam, southern Seoul, reported KRW 2 trillion (USD 1.7 billion) in accumulated sales last year.

It marks the first time for a single department store branch to achieve the milestone, the company said.

Lotte Department Store, another leading player, earlier said its branch in Myeong-

dong in downtown Seoul generated KRW 1.8 trillion in sales in 2019.

Shinsegae attributed its stellar performance to increased visits by foreign shoppers as its Gangnam outlet is adjacent to a number of five-star hotels, including the JW Marriott Gangnam.

The country's three major players — Lotte, Hyundai and Shinsegae — account for about 80 percent of the sector's sales in the country.

**SAMSUNG ELECTRONICS RANKS 18TH WORLDWIDE IN MARKET CAP**

Samsung Electronics Co., the world's largest memory chipmaker, saw its market cap vault 10 notches over the past year to rank 18th worldwide, as the S. Korean tech giant has continued to build up gains on a rosy earnings outlook, data showed Jan. 12.

Samsung's market cap reached USD 301.65 billion as of Jan. 9, up USD 95.08 billion from

Jan. 2, 2019, according to the data compiled by Bloomberg.

Over the cited period, Samsung, also the world's largest smartphone maker, rallied 51 percent to close at KRW 58,600 on Jan. 9. On Jan. 10, the tech giant reached a fresh all-time high of KRW 59,500.

**Government & Policy**

**MOON STRESSES GOV'T ROLE IN FOSTERING AI SECTOR**

President Moon Jae-in said Jan. 16 that his government will make every effort to promote South Korea's artificial intelligence (AI) industry on the basis of its information technology prowess.

Moon emphasized that the country has great potential to become an AI powerhouse at a meeting held at the Electronics and Telecommunications Research Institute (ETRI) inside the Daedeok Innopolis, the state-funded AI technology research hub of S. Korea located in Daejeon.

"(We) should secure future jobs with the power of information and technology and advance the era of an innovative, inclusive nation," Moon said. He added that S. Korea has "adequate potential to make a leap as an AI power," citing its advanced IT sector.

The president said the government will take the initiative in efforts to nurture AI-related unicorn companies in the nation via support for the training of manpower, and stressed, "Pulling off the potential into a reality is the task the government should do."

**S. KOREA TO SHARPLY JACK UP SPENDING FOR ECO-FRIENDLY AUTO SECTOR IN 2020**

S. Korea said Jan. 3 that it will allocate more money to foster the eco-friendly automobile market this year in a long-term plan to have such cars take up a quarter of all car exports by 2030.

To further foster the segment, S. Korea said it will allocate KRW 950 billion (USD 821 million) this year to provide customers with subsidies and install more charging stations across the country, according to the Ministry of Trade, Industry and Energy. The budget marks a 60 percent increase from 2019.

Another KRW 204 billion will be spent to support local companies' research and development

projects in 2020, up 54 percent from a year earlier. S. Korea will also help local auto parts makers with various financial incentives, including subsidies and tax deductions.

"While the global automobile industry is facing a setback amid the growing protectionism and slowing demand, the market for eco-friendly cars is nevertheless expanding at a fast pace," an official from the ministry said.

Exports of eco-friendly cars, including electric and hybrid models, reached 249,000 units in 2019, rising 25 percent from 196,000 units posted a year earlier.