

kotra EXPRESS

COVID-19 SPECIAL ISSUE

ONE-ON-ONE with **CHRISTOPH HEIDER**

President, European Chamber of Commerce Korea (ECCK)

April 2020

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CEO's Message to our Global Business Partners:

S. Korea and KOTRA's response to COVID-19



Dear global business partners,

First of all, I sincerely wish you all good health in the midst of the ongoing coronavirus pandemic, which is posing many difficulties for people and businesses all over the world.

Based upon world-class medical and disease prevention capabilities, S. Korea is working tirelessly in a transparent manner, and is determined to win this battle against the virus. In February, we witnessed a sudden spike in confirmed cases, with the mass infection occurring amongst a certain cluster of residents. However, since March, the confirmed patients testing positive on a daily basis decreased to the double digits thanks to the persistent response measures put in place. We are now seeing the recovery rates outnumber the daily new confirmed cases.

To stop the spread of COVID-19, authorities have recommended citizens to practice social distancing as part of infection control efforts. In addition, we've pioneered "drive-thru" and "walk-thru" testing stations, which has enabled us to test many as 19,000 people per day and has drastically reduced the time it takes to detect new cases. Such containment efforts are being praised in major foreign press, serving as lessons for other countries and international organizations like the WHO, all the while contributing to the global effort in putting an end to the virus.

Not only is this virus taking a toll on our mental and physical health, but the pandemic has started to affect the global economy. In the collective effort to protect the global business environment, KOTRA is fulfilling its duty as Korea's national trade and investment promotion agency to help foreign buyers and investors maintain their business activities even in the face of this public health crisis.

For instance, to help cope with the travel restrictions many countries are imposing, we've expanded our online marketing and video conferencing channel which allows local businesses to hold virtual meetings with global partners and solidify their partnerships. Furthermore, Invest KOREA, the national investment promotion agency under KOTRA, is helping foreign-invested companies in Korea identify and resolve various grievances they're facing due to the infectious disease.

Through KOTRA's 127 overseas offices in 84 countries, we are always here to be the bridge between you and your Korean business partners, so please don't hesitate to contact your nearest KOTRA office anytime you need assistance.

While it's true that we are experiencing fear and turmoil over the virus, I firmly believe that Korea, as a global IT powerhouse and major world economy, is capable and resilient enough to overcome this hardship as we have with every other hurdle in the past. There is a saying that goes, "Every cloud has a silver lining." If we believe in the power of optimism during these tough times, I'm certain that everything will be back up and moving forward in good time.

In closing, I wish you and your loved ones good health and happiness. Thank you.

Sincerely,

KWON Pyung-oh
President and CEO
Korea Trade-Investment Promotion Agency (KOTRA)

KOTRA launches online expo and teleconferences to keep exports afloat amid coronavirus spread

In an effort to help more exporters utilize online platforms to maintain their business activities amid the COVID-19 pandemic, KOTRA is providing support for business partners to hold teleconferences as well as offering an online expo of Korean products on the Buy Korea website.

Video Conferencing

KOTRA is increasing the number of its teleconference booths from five to 60. At these booths, exporters can arrange meetings with overseas partners and receive other necessary support including interpretation services.



Online Expo on Buy Korea

Buy Korea is KOTRA's online platform which connects global buyers to Korean partners. In line with efforts to help businesses at home and abroad during these difficult times, Buy Korea is hosting an online exposition showcasing outstanding Korean products in various industries ranging from consumer goods to machinery and heavy equipment. Global buyers can explore products, contact suppliers and request video conferences with them directly on <https://www.buykorea.org/onlineshowcase/home.do>.

Consumer Goods

Cosmetics, F&B, Fashion, Living and more



< All (1363)
Alcoholic Beverages (4)
Apparel Fabric (35)
Baby Bathing (4)
Baby Clothing (15)
E >



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[MINYA] Pro Cover Perfe...
Hanlab Co.,Ltd.



[MINYA] All Day Wear Li...
Hanlab Co.,Ltd.

<https://www.buykorea.org/onlineshowcase/home.do>

Foreign Direct Investment

FDI commitments in S. Korea edges up 3.2% in Q1 despite virus impact

Foreign direct investment (FDI) in South Korea increased in the first quarter compared to the same period a year earlier despite the rising global economic uncertainties amid the coronavirus pandemic.

According to the Ministry of Trade, Industry and Energy on April 9, the country received USD 3.27 billion worth new FDI commitments in the Jan. to Mar. period, up 3.2 percent from last year. Fresh FDI pledges to Korea maintained its year-

on-year growth momentum for the third consecutive quarter.

By region, new FDI committed by the United States surged 136.8 percent from a year ago to USD 370 million in the first quarter and actual investment jumped 98.7 percent to USD 190 million. FDI pledged by China also shot up 172.3 percent to USD 1.46 billion, while that by Japan fell 50.2 percent to USD 130 million.

S. Korea's overseas direct investment up 21 pct in 2019

South Korea's overseas direct investment rose 21 percent in 2019 from a year earlier due mainly to increased investment by financial and insurance companies, data showed Mar. 20.

Investments made by S. Korean companies came to USD 61.85 billion in 2019, according to the data compiled by the Ministry of Economy and Finance.

S. Korean companies invested USD 14.77 billion in the United States in 2019, up 32.4 percent from 2018. The hike was driven by large-scale mergers and acquisitions. The U.S. accounted for

the largest share of S. Korea's overseas investments at 23.9 percent.

S. Korea's direct investment in China—S. Korea's largest trading partner—jumped 20.7 percent on-year to USD 5.8 billion in 2019 due to increased facility investment by electric vehicle makers and chipmakers. By sector, investments made by S. Korean financial and insurance companies rose 45.4 percent on-year to USD 25.04 billion in 2019. Manufacturing firms' combined investments increased 13.8 percent on-year to USD 18.35 billion in 2019, according to the ministry.

Industry

Online shopping jumps nearly 25 pct in Feb. amid virus pandemic

The total value of online shopping in South Korea soared nearly 25 percent in Feb. from a year earlier, data showed April 3, as more people refrained from going outside amid the coronavirus pandemic.

Total online transactions reached KRW 11.9 trillion (USD 9.67 billion) in the month, up 24.5 percent from a year earlier, according to the data compiled by Statistics Korea. It marked the steepest jump since 30 percent growth posted in

Oct. 2018.

Sales of fresh foodstuffs at online malls nearly doubled on-year in Feb., and those of household products, including hand sanitizers, also jumped 53 percent. Shipments of home appliances and mobile devices moved up nearly 40 percent.

Purchases made through smartphones, tablets and other mobile gadgets soared 31.1 percent on-year to KRW 8.1 trillion, accounting for 68.1 percent of all online sales in Feb.

5G subscribers in S. Korea top 5 mln

The number of subscribers to the 5G mobile network in S. Korea passed the 5 million mark in Feb., 10 months after its commercialization, government data showed Apr. 1.

Nearly 5.37 million S. Koreans subscribed to the top-of-the-line wireless network as of end-February, up 8.1 percent from the previous month, according to the data compiled by the Ministry of Science and ICT.

The nation's three mobile carriers—SK Telecom Co., KT Corp. and LG Uplus Corp.—have been aggressively promoting the commercial 5G network for premium smartphones after rolling

out the service in early April last year.

Industry watchers attributed the February increase mainly to preorders for Samsung Electronics Co.'s new flagship Galaxy S20 smartphones.

Industry leader SK Telecom's 5G customers accounted for 44.9 percent of the total in February, trailed by KT with 30.2 percent and LG Uplus with 24.8 percent.

The data also showed the number of mobile communication subscribers in S. Korea totaling 69.1 million as of end-February, with SK Telecom taking up 42.1 percent of the total.

Trade & Commerce

S. Korea calls for partners to maintain trade amid new coronavirus

S. Korea's trade minister said on Mar. 18 the country operates an open and transparent quarantine regime against the new coronavirus, and urged trade partners to keep their business going with Asia's No. 4 economy.

"S. Korea has been effectively containing and managing the COVID-19 outbreak by carrying out preemptive tests and treatments transparently," Trade Minister Yoo Myung-hee said during her meeting with the Korea Trade-Investment Promotion Agency (KOTRA).

"The country is operating a strict quarantine system on those departing from S. Korea to pre-

vent the spread of the virus," the minister added, saying other countries and overseas business partners should be aware of its all-out measures against the novel virus.

"To overcome the economic crisis sparked by COVID-19, every country should bolster their quarantine efforts, but at the same time maintain the economic activities," Yoo said.

S. Korea announced a set of measures to revitalize its ailing exports, including providing financial programs worth KRW 260 trillion (USD 219 billion) for exporters, and operate customs clearance services around the clock.

Exports of sanitary goods surge amid virus woes

Exports of sanitary goods such as hand sanitizers and coronavirus test kits surged last month in line with growing demand from overseas for such Korean-made goods, data showed on April 5.

According to the data compiled by the trade ministry, outbound shipments of hand sanitizers surged sevenfold to reach USD 5.69 million last month, which is equivalent to 84 percent of last

year's USD 6.78 million in total.

Exports of test kits for COVID-19 and others also more than doubled from a year earlier to USD 48.65 million last month. In 2019, the country's outbound shipments of such goods dropped 45 percent on-year to reach USD 217 million.

S. Korea-US trade volume expands 32 pct on bilateral FTA

Trade volume between S. Korea and the United States totaled USD 135.2 billion last year, up 32 percent from USD 101.8 billion posted in 2012, when a bilateral free trade agreement went into effect, government data showed Mar. 15. Trade volume between the two countries in 2019 also moved up 2.7 percent on-year.

S. Korean carmakers and chip producers, were major winners from the bilateral FTA over the

2012-2019 period. Exports of automobiles to the U.S. reached USD 15.7 billion in 2019, up nearly 50 percent from 2012. Outbound shipments of chips to the world's top economy more than doubled to reach USD 5.95 billion over the cited period.

The amount of investment in S. Korea pledged by U.S. investors also reached USD 6.84 billion in 2019, up 16.4 percent on-year to set a new record.

Government & Policy

U.S. currency swap deal to stabilize market: authorities

S. Korea's currency swap agreement with the United States will help stabilize the domestic foreign exchange market hit by the global financial turmoil, Seoul's financial authorities said Mar. 20.

Seoul struck a USD 60 billion currency swap deal with Washington on Mar. 19, which will be in place for at least six months. It is the second of its kind since 2008.

Bank of Korea Gov. Lee Ju-yeol told reporters that the agreement is expected to help ease instability of the domestic foreign exchange market. "Dollar demand soared in global financial markets on the spread of the coronavirus, resulting in the won's plunge due to a dollar shortage on the domestic market," he said.

Lee emphasized S. Korea has an optimum level of foreign exchange reserves, independently of the swap deal. Seoul's foreign exchange reserves came to USD 409.17 billion as of the end of Feb.

"The arrangement will serve as a reliable cushion to protect the domestic currency market that was impacted by global financial instability," Vice Finance Minister Kim Yong-beom said at a meeting of officials on pending policies and innovative growth.

Early in the week, Seoul also took a series of steps to inject more liquidity into the financial system and announced an extra budget worth KRW 11.7 trillion. The central bank also cut its policy rate by half a percentage point to a record low of 0.75 percent.

Trends and outlook of Korea's display materials and components industry

1. Global display materials and components market forecast

The global market for display materials and components is expected to grow from KRW 37.7 billion in 2019 to KRW 38.3 billion and KRW 42 billion, showing an average annual growth rate of 2.2 percent by the year 2020 and 2024, respectively.

<Table 1> Global display materials & components market outlook

(Unit: USD 1 million, yoy %)

Classification	2019	2020	2021	2022	2023	2024
LCD · OLED materials & components	8,479	8,633	8,759	8,853	8,904	8,926
LCD materials & components	25,515	25,440	25,583	25,792	25,977	26,140
OLED materials & components	1,859	2,209	2,558	3,100	3,664	4,271
Touch screen materials & components	1,902	2,033	2,221	2,434	2,567	2,662
Total	37,755	38,315	39,121	40,180	41,112	41,999

* Source: Fuji Chimera Research 2019

Of all product segments, the materials and components used to make LCD screens take up the largest proportion of the market share at 68 percent (USD 25.5 billion) as of 2019. Despite the ongoing global LCD market contraction, China's increasing production capacity and market trends in transition to bigger visual panel size appear to sustain the growth, reaching an annual average growth rate of 0.5 percent or KRW 26.1 billion by 2024.

Falling prices of liquid crystal and polymerizing plates (or polarizer), the key materials that constitute the LCD panels, is currently shrinking the market share, whereas soaring demand for other applications such as quantum dot (QD) film, a thin layer coated on top of the flat screen panels—mainly applied to the surface of the LCD TV—or backlight unit (BLU)

for automotive LCD panels is predicted to lead the robust growth. With rising shipping volume of QD films, produced by Samsung Electronics Co. Ltd., as well as television manufacturers in China, the market is projected to reach the highest annual growth rate of 21 percent on average by 2024.

The market value of OLED materials for the next few years is estimated to move upward from USD 1.9 billion in 2019 to USD 4.3 billion in 2024, with a bigger share doubling from five to ten percent of all materials and components industries for the same period.

The product portfolio such as organic synthetic chemistry or polarizer which includes emissive materials (EML) is currently dominant in the market, but components that are applicable to flexible displays or QD-Ink are forecast to evolve into the key sources of sales revenue in the coming years.

Polyamide (PI) film and Ultra Thin Glass (UTG) that officially debuted in 2019 as commercial display applications in the spotlight to be used as the cover for bendable or rollable displays are witnessing tremendous growth annually.

With its unique properties to be utilized to make super large OLED screens, QD-Ink is seen as the next hot topic in the display industry, forming the fourth largest share in the display materials market.

2. Industrial competitiveness of materials and components business in Korea

Continuous efforts to achieve technological autonomy has enabled display manufacturers in Korea to build self-reliance in production of some of key parts; polymerizing panels, BLU, photomask and organically synthesized products (EML, HIL). Korea, however, still shows high external dependence on core technologies, relying heavily on imports from Japan and the US.

An index which signifies to what extent a country can be self-sufficient in technology to produce materials and key components for domestic supply, says Korea recorded 65 percent and 75 percent in LCD and OLED products, separately.

Flagship companies producing display materials and components in Korea are LG Chem and Samsung SDI; major suppliers of polarizer and OLEDs, Dongjin Semichem Co., Ltd and ENF technology; wet chemical producers, Kolon Industry, MNtech, Hyosung, SKC hi-tech & marketing, the largest film makers and DS Neolux. Products of these top players are not only supplied inside Korea but consumed by numerous display makers in mainland China and Taiwan.

3. Global display manufacturers in Korea

With panel makers in Korea ensuring greater manufacturing capacity and rapid growth since 2000, a group of the world's leading display producers such as Merck (Germany), offering customer specific liquid crystal products, the largest glass maker Corning (USA) and display material suppliers, NEG, AGC, Dongwoo Fine-Chem and Toray (Japan) have started to enter and settle down in Korea, infiltrating into some of the less developed industrial base. Being a stimulator, their market entry has helped Korean display businesses scale up their capabilities since then, as key components and high-tech solutions that these multinational brands were churning out have begun to be part of the supply chain.

4. Global partnership to advance the next generation display materials

LG Chem and Universal Display Corporation (UDC) headquartered in the US, signed a strategic partnership in 2019 to co-develop next generation OLED luminescent materials.

Sharing their specialty—low voltage, long life “host,” part of light emitting materials that LG has supplied and UDC’s “phosphorescent dopant,” excellent in efficiency and its performance—both agreed to team up to find the best combination of the two. As part of OLED’s multi-layered luminous materials, hosts produce light combining electrons

injected into another thin layer. LG’s product boasts a longer life span, which enables electric charges running through the materials to transport at low voltage. UDC’s phosphorescent dopant features absolute high color reproduction and longevity. When perfectly combined, it is highly likely that the combo can help get the most out of wide color gamut (WCG), which magnifies color reproducibility to reproduce images to be richer and more vivid.

Two big display panel makers in Korea—LG Display and Samsung Display—separately reached a joint development agreement with Kyulux, Inc., a Hyperfluorescence developer in Japan, in 2018 to further advance Thermally Activated Delayed Hyperfluorescence (TADF). Prior to the partnership, both Samsung Venture Investment and LG Display have already raised JPY 1.5 billion in co-financing into the venture startup, Kyulux, armed with exclusively-licensed technologies for the future OLED display, under the shared goals to improve display performance showing longer duration and better efficiency, which can dramatically reduce energy consumption and (almost 90 percent of) the raw material costs currently paid for.

By Choi Young-dae
Managing Director
Korea Display Industry Association
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<Table 2> Global display companies in Korea

Countries	Companies	Products	Production plants in Korea
Japan	Dongwoo Fine-Chem	Color filter, Polaroid film	Iksan, Pyeogtaek
	Toray Advanced Materials Korea Inc.	Display optical film	Gumi, Gunsan
	SU Materials	PI Varnish	Asan
	Nitto	NPF (polarizer protective film)	Pyeongtaek
	Asahi Glass Fine Techno Korea	LCD glass	Gumi
	PEG	LCD glass	Paju
	CotemKorea	Photo resist	Paju
USA	DuPont Korea	Small-molecule luminescent materials	Cheonan
	Corning	LCD/OLED glass	Cheonan
Germany	Merck	Liquid crystal	Pyeongtaek

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

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, KOTRA Express introduces some outstanding companies in Korea's display industry.

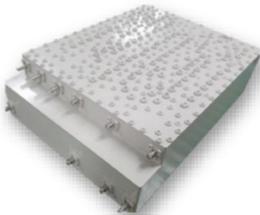
COMPANY
A



Smart Home
Mirror Information Display

Investment Requirement		Company Profile	
Amount	USD 10-20 million	Patents and Certificates	Registration of 5 patents for transferring real-time weather information and advertisements through an automotive navigation system
Investment Structure	Minority, JV, M&A	Financial Performance	(Sales) USD 6.71 million (in 2017)
<p>Investment Highlights</p> <p>As a developer and provider of smart home products such as smart robots and smart cars, the company is a high-tech venture business equipped with capabilities ranging from planning and designing hardware, software, and designs to mass production. We were the only company designated as an official technology partner for the global company MediaTek in 2015, and have exclusively supplied the display tablet for "Pepper," the chatbot of the Japanese company Softbank.</p>			

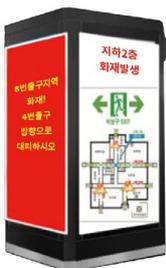
COMPANY
B



Multiplexer

Investment Requirement		Company Profile	
Amount	USD 1 million	Patents and Certificates	Registration of seven patents in total including a patent for a band combiner having common pole design
Investment Structure	Minority	Financial Performance	(Sales) USD 3.65 million (in 2018)
<p>Investment Highlights</p> <p>The company is increasing sales by diversifying its existing High PIMD Solution Filter into 5G-mounted products. It provides PIMD Solution MUX for the distributed antenna system (DAS) for Verizon and Sprint, and MRF PIMD Combiner for SoftBank, KDDI, and a company in Indonesia. The company is the only supplier of 5G filters to three Korean mobile carriers (SKT, KT, and LG U+). It now plans to pioneer new 5G filter markets such as China and Europe as well as KDDI in Japan, which will lead to an increase in revenue.</p>			

COMPANY
C



IoT digital signage

Investment Requirement		Company Profile	
Amount	USD 1 million	Patents and Certificates	Leading light, full automatic emergency escape guide, advertisement board
Investment Structure	Equity investment, JV	Financial Performance	(Sales) USD 0.05 million (in 2016)
<p>Investment Highlights</p> <p>The company makes a digital bulletin board, which uses distal displays to provide different information and advertisement instead of existing analog-style advertising boards such as posters and signs. It is networked, so its content can be remotely controlled at a time. Because of its high attractiveness, communication is outstanding, and thus content is effectively provided. When a fire or power failure occurs, the digital signage is automatically converted to an evacuation guidance system.</p>			

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

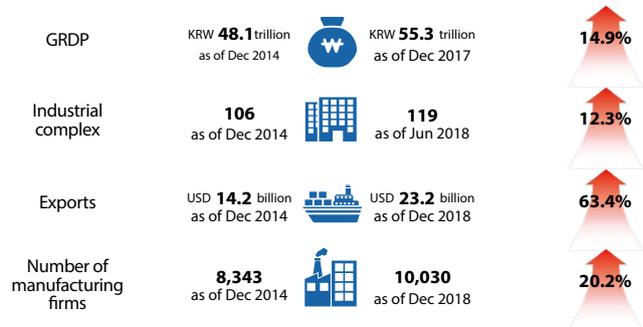
Why Chungcheongbuk-do?



No.1

- GRDP growth rate
- Growth rate of industrial complex land designation and sale
- Plant registration growth rate (12.5%)
- Annual export growth rate (last five years)
- Production of solar cells & modules
- Production of secondary batteries
- Lowest unemployment rate

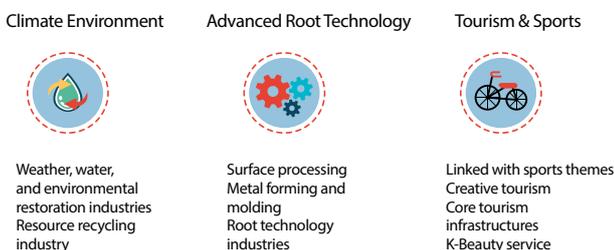
Scale of Chungbuk's economy



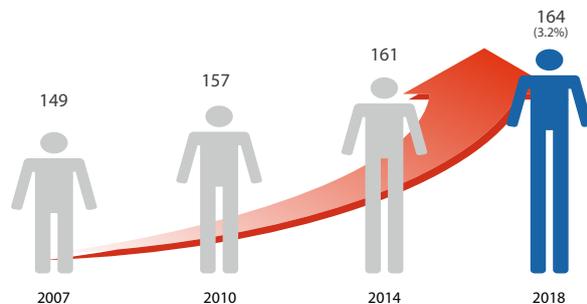
New Growth Industries



Promising Future Industries



Population by year (millions)



※ Population increase of 150,000 persons for ten years

Six out of 17 provinces and metro cities had a population increase (Chungbuk, Gyeonggi, Incheon, Sejong, Chungnam, Jeju)



ONE-ON-ONE WITH CHRISTOPH HEIDER

President, European Chamber of Commerce Korea (ECCK)

Hope in the Midst of Crisis

In this special issue of KOTRA Express, we sit down with Christoph Heider, President of the European Chamber of Commerce Korea, to hear more about his views on doing business in Korea and how the country is responding to the COVID-19 pandemic.

Christoph Heider graduated with an Intermediate Diploma in Economics from the Technical University of Braunschweig, Germany in 1988 before going on to complete his Diploma in Business Economics from the University of Mannheim in 1991. He then went on to finish a Postgraduate Program in Japanese from the University of Tuebingen in Germany and Doshisha University in Japan in 1996.

In 1997, Heider started working for Bayer Ltd. in Tokyo, later holding positions as Chief Financial Officer for Bayer Korea Ltd. in Seoul and Regional Manager of Bayer AG Legal Entity Accounting Asia Pacific Division in Germany.

In 2013, Heider became the President of the European Chamber of Commerce in Korea (ECCK), and in 2016, he received Honorary Citizenship of Seoul. His other honorary assignments include being a board member of Heider-Kober Foundation in Munich, Germany as well as being a member

of the European Union Domestic Advisory Group and the Korea-EU Civil Society Forum. Heider currently lives in Korea with his wife, daughter and son.

Please tell us a little about yourself.

I left my home country Germany in 1997 when I was moving to Japan to join my former employer, Bayer.

20 years ago in the year 2000, I had the opportunity to work from time to time in Korea when Bayer implemented so called “country groups,” with one of them being the Japan-Korea group.

Then in 2010, I had the opportunity to be transferred to Korea, to which I agreed immediately to with no hesitation. It was good to be back in such a beautiful country and get reconnected to friends I met in my first encounters at the company.

What are some of the advantages of doing business in Korea?

Korea has a lot to offer. It is a huge source of innovation and change. Despite the fact that Korea has so much drive to change—which is the reason that Korea is leading in so many different industry fields—it has not forgotten its roots and traditions. All of the Korean people I've met are hard-working with a high determination to succeed. The IT infrastructure is just outstanding, and I would wish that in my home country we would have a similar one.

How interested are companies from Europe in investing in Korea and what sectors are they most interested in?

Korea remains in high focus for European companies in many aspects; from sourcing of outstanding products via direct export to the establishment of subsidiaries to serve Korean B2B and B2C consumers. In the first quarter of 2020 alone, about 20 companies from Europe established their affiliates offering services and products among others in consulting, machinery, textiles or tourism.

It is good to see that the business focus is not only on specific industry segments but that it covers various ones. Furthermore, and equally important, commitment in Korea can be clearly seen in the re-investment of capital earned in Korea.

What kinds of support do investors from Europe want from Korea?

Actually, Korea has an excellent system for taking care of companies. Not only does the country offer various incentives but government agencies such as KOTRA and the Foreign Investment Ombudsman stand second to none in the world when it comes to supporting foreign investors.

Naturally, what companies need is an environment where business can prosper. This is easily said but difficult to reach. As such, the ECCK is working in close collaboration with the Office of the Foreign Investment Ombudsman, namely, to ensure that there is a consistent legal framework governing business as well as to ensure that amendments are carried out in a transparent and predictable manner.

What advice would you give investors and companies from your country seeking to do business in Korea?

First and foremost: Seize the day, go ahead and invest, start your business operation. The economic potential in Korea is higher than in Europe, the infrastructure is excellent, and so is Korea's highly qualified workforce. It would be a mistake not to be in Korea.

Secondly: use the expertise and networks already

established here on the ground. This includes not only the ECCK or the Foreign Investment Ombudsman at KOTRA, but also the wide range of other business chambers and associations, outstanding service providers and knowledgeable long-term residents running their businesses. Korea is an ideal country for networking and as a new arrival, you have to form networks to ensure business success but also for your own well-being.

What are your views on Korea's response to the COVID-19 pandemic?

The Korean government did a great job in containing the COVID-19 virus. This becomes very obvious when you just take a look at the pure numbers of infected people in Korea and in Europe.

As the first step, it was important and wise to focus primarily on health, and as the second step, short-term measures were implemented to ensure the survival of businesses and to safeguard employment. For the next step—which is actually evenly important—I would wish to see the Korean administration come up with some mid- to long-term measures such as the amendment of rules and regulations, moving closer to international standards to facilitate economic recovery.

What are some lessons that others can take away from how Korea is handling the situation?

Here at the ECCK, all of our staff is strictly abiding by the Korean government's measures on intensive social distancing to halt the spread of the virus.

Our Chamber has cancelled or postponed all our face-to-face events and meetings. Instead, we have replaced our seminars and information sessions with Webinar series featuring remarkable speakers to keep our members informed.

For me, personally, at home, it's not always easy as I have two kids aged 8 and 4 who need to be "entertained." Anyhow, I think the key factor for the successful slowing in the spread of the virus in Korea is not only the excellent leadership by the health authorities but also the active participation by Korean citizens. Thus, my recommendation to other countries would simply be: Accept leadership and trust in them to well handle the pandemic.

How do you think the current situation is affecting business activities?

The impact on business will become more and more visible and it will become a tough one, which is a very high concern for many business people including myself. In fact, there are concerns that the economic crisis due to COVID-19 will be much heavier than the financial crisis in 2008. Up to now, the focus was on short-term crisis management but it is time to implement other mid- and long-term reforms.

INTERVIEW

We are now unfortunately entering a vicious cycle; reduced business activities, problems in product supply and logistics and flow of goods via customs, less income generated by individuals and corporations, decrease in profitability, cost saving measures including delay of investment and reduction of head count.

A stimulus package—as the name indicates—can only provide a one-time stimulus. Thereafter, the economic system needs to improve on its own; a recovery will be faster and more powerful when adjustments in the legal framework are wisely carried out to facilitate business.

What are your hopes for future economic relations between Korea and European countries?

I am very optimistic about the economic ties between Korea and Europe. The relationships between Korea, the European Union and its member states, the European Free Trade Association, as well as the United Kingdom have been

excellent and will further prosper—this is also because all of them share the common understanding of free competition and free trade.

I hope that the economic relations will become even stronger when the agreements to modernize the KOR-EU FTA as well as the KOR-EFTA-FTA and to make them even better than before are reached.

By Grace Park

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

Businesses eligible to move into a complex-type foreign investment zone



Are there special restrictions on businesses eligible to move into a complex-type foreign investment zone?



Yes.



Additional information

Businesses eligible to move into complex-type foreign investment zones¹¹⁶⁾

- Businesses eligible to move into a complex-type foreign investment zone are as follows. The businesses permitted in each zone shall be determined by the basic management plan.
 - Businesses accompanying new growth driver industry technology under the Foreign Investment Promotion Act
 - Businesses that involve high technology or manufacture high-tech products as prescribed by Article 5 of the Industrial Development Act
 - Other businesses determined by the managing authority considering the industrial characteristics of the relevant zone
 - Research institutes affiliated with enterprises under Article 2 Subparagraph 3 Item c of the Special Act on Support of Scientists and Engineers for Strengthening National Science and Technology Competitiveness and research and development businesses under Article 2 (4) of the same Act
 - Businesses under Article 25 (1) 3 (a) and (b) of the Enforcement Decree of the Foreign Investment Promotion Act (complex logistics terminal business and business creating and operating a joint collection and delivery complex)

¹¹⁶⁾ Article 22 (4) of the Foreign Investment Operation Guideline

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Overcoming COVID-19



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The 2019 Coronavirus outbreak, or COVID-19, is a highly infectious disease caused by a virus very similar to SARS. That is why it is sometimes called SARS-CoV-2. The disease began spreading in late 2019, probably around November, in Wuhan Province, China, and was officially declared a pandemic in March 2020 by the World Health Organization (WHO). So far, hundreds of thousands people have contracted the virus and several thousands have already lost their lives. In Korea alone, there are more than 8000 confirmed cases and 78 deaths so far. However, the pace of its spread or its fatality is so fast and awful that counting their number loses validity almost as soon as it is announced.

The pathological risks aside, COVID-19 has struck an unprecedented blow to the world. Global stock markets plummeted and the financial world was put in ultimate chaos in its aftermath. For example, in the week of March 9, the Dow Jones Industrial Average fell 10 percent on Thursday and came back 9.36 percent on Friday, while the NASDAQ

fell 9.43 percent followed by a 9.35 percent recovery. The KOSPI showed more tenacious troubling signs throughout the months of February and March, where the index fell by more than 20 percent.

However, it is not merely the falling stock indexes that the pandemic has dealt to the world. It is the 'real economy' that could crumble after the malaise. Here, the real economy means millions of SMEs in retail stores, taxi drivers, restaurant owners, and manufactures who have their businesses devastated by the disease due to complete closure or reduced operation. They must have lost substantial revenues and incomes, and its impact would rippled down to their supply chains. Millions after millions of people might be adversely affected by reduced working hours or income, making their livelihood or standard of living worse than ever before. It is not a few tenths of percentage point drop in GDP growth rate. It is human decency that is at stake after COVID-19. This is a national emergency as South Korean President Moon as well as U.S. President Trump declared.

Therefore, the economic cure for this global state of emergency has to be more audacious and ground-breaking than ordinary policy makers would have expected. A traditional macro prescription of lowering interest rate or quantitative easing would not work anymore. It might have some positive effect of temporarily reducing the fever in the financial markets but no direct impact on the millions of people losing their jobs and income. General tax exemption is also hardly recommendable because most of the benefits of the tax cut goes to people with sufficient incomes, having little real effect on lower income groups.

Now, the real COVID-19 emergency prescription should be conducted under the following principles: First, it has to be a micro, rather than macro, surgical policy. It has to be applied and executed right to the point of the problem. Subsidies have to be provided directly to taxi drivers, small business owners and manufacturers. Teachers or professionals who lost income because of quarantine or closure should also be given proper compensation. Of course it may be really challenging and time consuming to exactly figure out the extent of the damage caused by the disease, but it should not be taken as the reason for not adopting the necessary micro policy, nor as an excuse for adopting a universal indiscriminate subsidy. It might be suggested that the affected victims be classified according to the severity of the damages as A class, B class and C class, where governmental support could be differentiated.

The second principle is that the policy should be preemptive. The measures have to be quick and right on time. Lengthy calculation or validity evaluation processes should be put away in a state of emergency. There is little time to waste as most of the affected people are desperate and on the verge of collapse. This doesn't mean that help should be given irresponsibly. Authorities must in advance have a prior legitimate and meticulous manual for the governmental support process which will be applied almost immediately after the situation arises. All governmental support must follow a predetermined manual to quicken the process, and all associated paperwork must be laid afterwards.

The principle is that the magnitude of government support has to be audaciously radical to meet the real needs of the public. Resources have to be sufficient to sooth the pains and toils of the millions of SMEs and their families. Considering the extent of the economic damages incurred by COVID-19, a small percentage of the national budget may not be enough. It might require a small percentage of the entire GDP, amounting almost a hundred billion dollars.

Luckily, the pandemic in Korea has shown a little beam of hope as the number of new cases has been dwindling from a few hundreds to below a hundred. More people are being treated than new patients. The way Korea is handling the

disease is getting worldwide acclamation, even by President Trump for its effectiveness and thoroughness. Although it is not over yet, Korean people are beginning to feel the positive hope of eradicating this unprecedented challenge. Now, it is the role of the government to heal the economic wounds as soon and ubiquitously as possible. Also, the people in Korea should not be overly afraid of the virus. As long as each and every individual keeps his/her proper sanitary procedure of washing hands and maintaining adequate distance from others, there should be nothing beyond what we've seen so far to worry about. This will also pass by.



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



Tteokbokki

Street Food Bringing People Together

Tteokbokki, a food you can eat quickly and easily on the street is seen everywhere in Korea. Interestingly enough, every restaurant and vendor offers their own unique spin on the popular snack. Now it has evolved to be one of the most popular delivery and late night foods in Korea. The personality of tteokbokki is ever changing.

Expanding Variety

Tteok means rice cake and bokki stir-fried food. Combining these two words forms the term tteokbokki, or “stir-fried rice cake.” Ask Koreans what food makes them most nostalgic about their childhood and tteokbokki is the first thing they’ll say. Street vendors that sell the snack with eomuk (fish cake) on a stick are ubiquitous on Korea’s streets, attracting passers-by especially in the cold winter. This is because the sweet and savory taste with a bit of a spicy kick remains irresistible to many Koreans, along with a chewy texture. For only a few dollars you can fulfill your need to snack, which makes it all the more tempting.

Tteokbokki has evolved into a more fancy meal served in a huge pot full of ingredients like dumplings, vegetables,

noodles and sausages. Sharing the food in one pot makes tteokbokki the perfect food for friends and family. It’s also a popular late-night snack available for delivery.

There is no better food than tteokbokki that can be perfectly customized to one’s taste. The tteok itself, which was initially made with only rice now can come stuffed with different ingredients like cheese or sweet potato, or made with flour to make it lighter and absorb sauce better. A personal touch can also be added through the sauce of choice. Gochujang (fermented pepper paste) is the basic sauce base but jjajang (sweet black bean sauce) or curry produces a completely different but unique taste. Western-inspired sauce includes carbonara sauce that is more creamy and cheesy. Name any sauce and you will be surprised to see how much it changes the flavor yet maintains the essence of tteokbokki.

The level of personalization for this versatile food doesn't end there. To make it even more filling and substantial, dip some deep fried sweet potato, laver rolls, or squid in the thick red sauce. You can even add instant ramen noodles or vermicelli as an additional bonus for volume, flavor and texture. Also, pair it with gimbab (seaweed rice rolls) and you've got a feast.

Learning Each Other's Culture

For the cooking class, the tteokbokki recipe was prepared in a more traditional way. With this recipe on hand, you can tweak and change to your liking. An international couple, Hanol from Korea and Roger from the U.S., joined today.

Sharing and learning each other's culture is a daily event for them. That's why today's cooking class was extra special: the first time they both made Korean food together. Roger said he saw tteokbokki every time he goes out and never thought about making it himself. He was glad he finally had chance to learn. "I visit my parents back to my home country every now and then, and next time I do, I should definitely make it for my family. I think they will be surprised," he said. Hanol also said "I'm excited to finally have chance to cook together. We like going out to find nice restaurants but making good food together feels more meaningful. It will be fun!"

Teamwork Makes Food Special

You will be surprised to see how easy and simple tteokbokki is to make. To start off, we prepared some ingredients first. Rice cakes usually come hard and need to be soaked in water for a little bit. We cut some flat fish cake sheets into a diagonal shape, and cut cabbage slightly bigger than the fish cakes. While Roger put gochujang and sugar into the boiled water that was separately prepared, Hanol kept stirring it to prevent the pepper paste from getting lumpy. When it was well mixed, we scooped out rice cakes from the water and put them in the sauce. Be careful here, rice cakes like to stick to the pan, so they should constantly be stirred. In a couple of minutes, we also put prepared fish cakes, cabbage and green onions, soy sauce, and pepper powder.

"If you want to feel the texture of crunchy cabbage with chewy rice cake, you need to put the cabbage at the very last moment," the instructor added. "Why do we put soy sauce and pepper powder when we already used pepper paste?" When Hanol asked this question, the instructor answered that it is a way to adjust salt and spicy level and enhance the flavor. The last step was to add a spoon of corn syrup to make it sweeter and look more appetizing. As simple as that, the food is complete.

During the class, experienced home chef Hanol took care



of Roger so he could understand all the steps, explaining the ingredients in detail. Roger's lively personality and detailed descriptions of how everything looks and sounds kept everyone's spirits lifted: "This red sauce looks like a volcano!" "These green speckles of green onions in the red sauce look like a painting!" The inviting red glow of tteokbokki and its provocative taste accentuated the results of their teamwork.

"If I knew making tteokbokki is this easy, I would've made it myself instead of always getting delivery," Roger said. "There are many holidays and birthdays coming up in January, I should definitely give it a try making it again with Roger and invite close friends." Hanol also added.



Ingredients for tteokbokki:

300 grams of tteok (rice cake)	1 Tbsp of pepper powder
2 sheets of eomuk (fish cake)	3 Tbsps of sugar
handful of cabbage	1 Tbsp of soy sauce
stalk of green onion	1 Tbsp of corn syrup
4 Tbsps of gochujang (red pepper paste)	2 cups of water
	2 boiled eggs (optional)

COVID-19 Daily News Updates

Since March 5, Invest KOREA (IK) has been sending out a daily compilation of the latest news regarding the COVID-19 pandemic in Korea to global investors and foreign-invested companies doing business here.

In a single glance, you can view the current COVID-19 numbers in the country, news on how Korea is tackling the virus, articles on the economy and market, as well as the foreign media's coverage on Korea's efforts.

Visit www.investkorea.org to see all of the news updates provided so far, and subscribe to receive up-to-date information as this pandemic unfolds.

All of us at Invest KOREA wish you and your loved ones safety and health amidst the crisis and are always here to help with any questions or concerns you may have regarding investment in Korea.

COVID-19 Daily Updates
by INVEST KOREA
www.investkorea.org April 6, 2020

1 COVID-19 News

▶ **Current Status** (Source: Korea Centers for Disease Control & Prevention)

	Confirmed Cases	Released from Isolation	Isolated	Deaths	In Progress	Total
As of April 6	10,284	6,598	3,500	186	19,295	456,520
Differences	+47	+135	-91	+1	-276	+5,574

- S. Korean gov't briefing on COVID-19
- Korea will share COVID-19 quarantine, treatment experience with world
- [Reuters] South Korea reports fewer than 50 new coronavirus cases
- [ABC News] South Korea's coronavirus test makers in high demand

2 Economic & Industry News

▶ **Daily Economic Indicators** (Source: Ministry of Economy and Finance)

- Exports of sanitary goods surge amid virus woes
- Export of Korea's COVID-19 test kits stepped up worldwide
- S. Korea to actively use FX reserves to stabilize market: vice minister
- Online shopping jumps nearly 25 pct in Feb. amid virus pandemic

Logos: Ministry of Trade, Industry and Energy; kotra; KOREA.net; KCDC

Invest KOREA's Services

Invest Korea Plaza (IKP)



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

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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.

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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.

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

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What is the Red Carpet Service?

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Eligibility requires that you are an executive of a foreign company and that your company is recommended by KOTRA (Invest KOREA), foreign chambers of commerce in Korea, embassy or central / local governments.

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3. Your company has a need for the Red Carpet Service.



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- Depending on the application or recommendation, the provided services may be adjusted by Invest KOREA and KOTRA headquarters.



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