

Foreign Direct Investment

Busan city-KOTRA sign MOU for FDI attraction

The city of Busan and the Korea Trade-Investment Promotion Agency (KOTRA) signed an MOU on Aug. 26 to further promote foreign investment and business reshoring in Korea.

Under the MOU, both parties reached a consensus on making concerted efforts to help multinational companies as well as those who once moved their businesses overseas come to Korea, bringing along more jobs with them. The parties agreed to work together to find global investors and venture capitalists, appoint a trade office dedicated to the partnership and to jointly run

corporate IR events and presentations overseas.

KOTRA will give its counterpart a leg up by making full use of its human resources and global network so as to help the Busan city government set up FDI policies and focus more on investment attraction into major growth drivers.

A city official said "The deal is highly anticipated to band the city and the agency together, creating momentum to bring top global businesses into the community, which in turn will bring decent jobs for young city residents."

Airbnb users spend USD 2.1 bln in S. Korea in 2019

Users of the global house-sharing platform Airbnb Inc. spent USD 2.1 billion in S. Korea in 2019, the company said on Aug. 19.

The amount accounted for 4.2 percent of total tourist spending in Asia's fourth-largest economy, with Airbnb users' median expenditures standing at USD 445.

Airbnb users and hosts contributed USD 1.91 billion to S. Korea's gross domestic product last

year, or 0.12 percent of the country's total GDP. The amount was about seven times more than the USD 260 million recorded in 2015, a year after Airbnb's entry into S. Korea.

Airbnb said spending by its users in S. Korea totaled USD 5.5 billion between 2015 and 2019. The house-sharing platform has created nearly 55,000 jobs in S. Korea since it started operations here in 2014, the company added.

Industry

Mando to develop ventilator for COVID-19 patients in collaboration with NASA

Mando Corp., a S. Korean auto parts manufacturer, has been selected as a partner for a project being pushed by the U.S. National Aeronautics and Space Administration (NASA) to develop a ventilator for novel coronavirus patients, company officials said on Aug. 24.

Mando has become the only Asian company to collaborate with NASA's Jet Propulsion Laboratory's (JPL) Ventilator Intervention Technology Accessible Locally project aimed at ensuring the steady supply of medical ventilators during the COVID-19 pandemic.

The S. Korean company plans to develop a ventilator for personal use that can also be utilized for emergency purposes at makeshift hospitals.

"It will be a product designed to meet growing demand for ventilators amid a spike in COVID-19 patients," a Mando official said.

Mando's involvement in the ventilator development scheme comes as JPL recognized the company's expertise in so-called redundancy technology, which is designed to automatically fix malfunctions.

Samsung maintains No.1 spot in global DRAM market in Q2: report

Samsung Electronics Co. maintained its dominant status in the global DRAM market in the second quarter of the year, a report showed on Aug. 19, as the pandemic drove demand for server chips.

Samsung's market share in the global DRAM market stood at 43.5 percent in the April-June period, down 0.6 percentage point from three months earlier, while its revenue increased 13.8 percent to USD 7.4 billion over the cited period, according to data from market researcher TrendForce.

Its local competitor SK hynix Inc. came in second with a 30.1 percent market share in the

second quarter, up 0.8 percentage point from three months earlier. U.S. chipmaker Micron Technology Inc. took third place with a 21 percent market share in the first quarter, up 0.2 percentage point from three months earlier.

"The DRAM market saw an increase in both prices and bit shipments, leading to a double-digit rise in revenue for the three suppliers," TrendForce said. "On the matter of profitability, all three leading suppliers posted an increase in their operating margins in the second quarter of 2020 as the overall average selling price rose by around 10 percent."

Trade & Commerce

**Vietnam-EU
FTA to benefit
S. Korean
fashion firms:
KITA**

S. Korean fashion firms based in Vietnam are expected to benefit from the free trade agreement (FTA) between the Southeast Asian country and the European Union, which went into effect in August, a report showed on Aug. 4.

"Under the agreement, clothes producers based in Vietnam can enjoy the benefit of the latest FTA for goods made with S. Korean materials," the Korea International Trade Association (KITA) said in its report.

Clothes produced with Chinese materials, on the other hand, cannot enjoy the benefits of the Vietnam-EU trade deal, as the world's No. 2 economy does not have a pact with the union.

S. Korea implemented its own FTA with the EU in 2015.

Vietnam's imports of S. Korean materials to produce clothes reached USD 1.7 billion in 2019, accounting for 11.5 percent of the total.

**S. Korea,
Indonesia eye
broader ties
to overcome
pandemic
fallout**

S. Korea and Indonesia on Aug. 26 agreed to expand their economic ties to overcome the economic fallout from the new coronavirus pandemic.

Trade officials from Seoul and Jakarta held a two-day virtual meeting to discuss ways to bolster the two countries' economic ties and overcome economic jitters of the COVID-19 pandemic, according to the Ministry of Trade, Industry and Energy.

During the meeting, the two countries vowed to expand cooperation in the e-commerce seg-

ment, which is especially expected to play a bigger role amid the virus pandemic.

Seoul and Jakarta struck the Comprehensive Economic Partnership Agreement (CEPA) in November last year, with an official signing expected this year.

Indonesia was the 15th-largest export destination for S. Korea in 2019, with outbound shipments reaching USD 7.6 billion, according to the Korea International Trade Association.

Government & Policy

**S. Korea to
expand public
Wi-Fi network
amid pandemic**

S. Korea said on Aug. 20 it will expand free public Wi-Fi service to 41,000 additional locations across the country by 2022 to meet increasing data demand amid the coronavirus outbreak. The move comes as the pandemic has led to a surge in data consumption this year.

S. Koreans used 616,072 terabytes of wireless data in June, up 24 percent from the previous year, according to the Ministry of Science and ICT.

"Public Wi-Fi is becoming increasingly important

amid the pandemic, which has expanded remote work and education," Hur Sung-wook, head of the ICT ministry's cybersecurity and network policy bureau, said in a statement. "We will pursue additional installations as planned to ensure that the public can freely use data."

Under the latest plan, the government aims to install free Wi-Fi in 10,000 public facilities, including libraries and bus stations, by the end of this year. It plans to establish the service in 31,000 additional sites in the next two years.

**S. Korea to set
up 400 bln-won
fund for digital
startups**

S. Korea will set up a fund of KRW 400 billion (USD 339.6 million) to help digital startups get more loans, Finance Minister Hong Nam-ki said on Aug. 20.

The fund is expected to help promising startups commercialize their technologies, Hong said in a meeting with economy-related ministers.

Hong voiced concerns over a recent jump in daily new infections of the new coronavirus, saying, "Successful containment is a prerequisite of an economic recovery."

The ministry has set up a task force to support Korean New Deal projects that will help create 1.9 million jobs and jumpstart the coronavirus-hit economy.

Last month, S. Korea said it will invest KRW 160 trillion by 2025 under the bold stimulus package. Hong said the government will soon announce a plan to establish a fund for the projects.

Unlike conventional infrastructure projects, the deals feature 28 projects that will transform the nation's fossil fuel-reliant economy into an eco-friendly one and increase state investment in artificial intelligence and fifth-generation (5G) telecommunication services.

The projects are aimed at laying the groundwork for economic growth in the long term, while cushioning the economic blow from the pandemic and hastening an economic recovery, ministry officials said.