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Why Korea?

The Korean New Deal and the Path Towards Growth

ONE-ON-ONE WITH **ALESSANDRO RECUPERO**

CEO of Intercos Korea

KOTRA Express talks to Alessandro Recupero, CEO of Intercos Korea, to hear more about Korea's cosmetics industry and his experience doing business here.

December 2020

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Foreign Direct Investment

Netflix expanding investment in S. Korean content

U.S. media giant Netflix is beefing up efforts to secure popular Korean-made films and shows as part of a strategy to boost its presence in the global streaming service market.

Netflix, which launched its Korean service in 2015, said it set up a separate production firm, Netflix Entertainment Korea, which deals with fostering and financing up-and-coming Korean-language content, in September next year.

"It is part of our efforts to introduce more Korean content to the world," Netflix Services Korea said. "As Korean-made content has been loved by global entertainment fans, we expect our business and investment here will increase further."

The establishment of the new unit reflects Netflix's deepening investment in South Korea, whose TV series and shows have created a boom and gained huge popularity especially in Asian countries.

The platform service operator has funneled nearly KRW 800 billion (USD 722.4 million) into Korean titles since 2015, with about 70 Korean-language original shows having been created, including the historical zombie horror series "Kingdom" (2019).

It has also signed strategic partnerships with S. Korean content creators, including Studio Dragon, which was behind the smash-hit TV series "Guardian: The Lonely and Great God" (2016).

Netflix has already set up a few production hubs in countries like Great Britain and Spain, where their original content has a competitive edge in the global market.

At the same time, the streaming service firm has been moving swiftly to have the whip hand in the film production industry and theaters in S. Korea, which have been hit hard by the protracted coronavirus pandemic.

It has bought the distributing rights of three Korean films, "Time To Hunt," "Call" and "Space Sweepers," and released them on its platform without theatrical runs.

Experts said Netflix seems to be satisfied with the rising demand for Korean dramas and series in the global market.

In Southeast Asian countries, in particular, Korean-language series have been listed among the most-viewed Netflix shows in recent few months, pushing the company to expand its investment in Korean productions.

Trade & Commerce

S. Korea to consider joining CPTPP to expand its free trade network

President Moon Jae-in said on Dec. 8 that S. Korea is considering becoming a member of a major Asia-Pacific free trade agreement, known as the CPTPP, as part of efforts to diversify its export market.

"Diversifying the market is a task that (we) should achieve," he said during the 57th Trade Day ceremony held at the COEX convention center in southern Seoul. "(The government) will continue to review joining the CPTPP." The event marked the first time that Moon has talked in public about the possibility of S. Korea joining the CPTPP.

Last month, S. Korea signed another mega FTA, called the Regional Comprehensive Economic Partnership (RCEP).

S. Korea commemorated the first "Export Day" on Nov. 30, 1964, to celebrate the country's export volume reaching the USD 100 million mark. The government later renamed it "Trade Day" and designated Dec. 5 as the anniversary for the 2011 achievement on becoming the world's 9th nation to exceed USD 1 trillion in annual trade.

S. Korea ranks 10th in world arms exports

S. Korea was the 10th-largest arms exporter in the 2015-2019 period, accounting for 2.1 percent of the world's total defense exports, an annual government report showed Dec. 14.

According to the Global Defense Market Yearbook 2020 published by the Defense Agency for Technology and Quality, Britain, Iraq and Indonesia were the main buyers of S. Korea's defense products during the period.

Among the world's top 100 defense compa-

nies, S. Korea had three on the list—Hanwha Aerospace Co. at 46th, Korea Aerospace Industries at 60th and LIG Nex1 Co. at 67th.

"The world defense budget is expected to gradually increase, surpassing the USD 2 trillion mark in 2022. Of the total, the budget for arms purchases is forecast to increase 56 percent from USD 356.7 billion in 2020 to USD 555.7 billion in 2026," the report said.

Industry

S. Korean companies bet big on hydrogen for zero-emission goal

Major S. Korean companies in carbon intensive industries are jacking up investment in hydrogen across sectors to cut their greenhouse emissions and capture new business opportunities in the emerging energy sector.

Hydrogen can offer solutions in fields ranging from transport to energy storage as an alternative to fossil fuels and is an important pillar of President Moon Jae-in's Green New Deal initiative aimed at going carbon neutral by 2050 and developing renewable energy industries.

To embrace the global energy transition, Korean companies in the auto, chemical and steel industries have recently announced hydrogen business road maps to boost demand and foster new growth drivers.

Hyundai Motor Group, the world's fifth-largest automotive group, is on the front of the hydrogen

business in the nation with two decades of expertise in developing the hydrogen fuel cell system for vehicles.

SK Group, the nation's third-largest conglomerate whose businesses range from semiconductor and telecom to refinery and battery, said it plans to produce hydrogen utilizing its energy infrastructure.

POSCO, the world's fifth-largest steelmaker by output, is also stepping up efforts to expand its hydrogen business and establish supply chains, targeting 5 million tons of annual hydrogen production by 2050.

Market watchers say the traditional manufacturing industry's aligning strategy is an inevitable trend to join the global shift to the renewable energy economy.

S. Korea sets up free Wi-Fi networks on buses in operation across nation

S. Korea has established free Wi-Fi networks on around 35,000 city buses operating across the nation, allowing citizens aboard to access the internet free of charge and reduce their mobile phone bills, the ICT ministry said on Dec. 14.

The Ministry of Science and ICT said it marks the first time in the world that free Wi-Fi services will be provided on all of the 35,006 city buses

in operation.

The accumulated number of times the free Wi-Fi services were used on buses reached 420 million between May 2019 and October 2020, the ministry said. This translates into each person in the country's 51.6 million population using such services eight times.

Government & Policy

S. Korea to focus on supporting economic recovery, preparing for post-pandemic era in 2021

S. Korea plans to implement its economic policy next year to maintain economic recovery momentum and prepare for a post-pandemic era, the finance ministry said Dec. 17.

The S. Korean economy is expected to grow 3.2 percent next year, following this year's estimated contraction of 1.1 percent, the first contraction since the 1997-98 Asian financial crisis, according to the Ministry of Economy and Finance.

Asia's fourth-largest economy is expected to rebound next year on improving exports and domestic demand, according to the ministry. But economic uncertainty also remains high, depending on the development of virus outbreaks and timeline for a vaccine rollout.

Against this backdrop, the Korean government unveiled two-pronged approaches in managing its 2021 economic policy—to support a "fast and strong" economic recovery and to pre-

pare for a smooth transition into a "pacesetting" economy in the post-COVID-19 era.

"The year 2021 will be a crucial time for S. Korea as we need to fully overcome the pandemic-caused crisis and ramp up preparations for taking a lead in the post-COVID era," Vice Finance Minister Kim Yong-beom said at a press briefing on Dec. 14.

To reinvigorate recovery momentum, the country plans to keep its expansionary fiscal policy next year and will frontload 63 percent of the nation's budget spending in the first half of 2021.

In July, the country announced a plan to invest KRW 160 trillion in creating 1.9 million jobs by 2025 under the New Deal initiative. The New Deal drive consists of four pillars—the Digital New Deal, the Green New Deal, the strengthening of the job and social safety net, and balanced regional development.

S. Korea's Digital New Deal, a great transformation to create a world-leading nation

S. Korea's success in containing COVID-19 with excellent digital infrastructure

COVID-19 broke out in the beginning of 2020, but there is no sign of it disappearing at this point. Countries around the world are struggling with a decrease in jobs and the contraction of the real economy, resulting in a recession. Also, people feel insecure in their everyday lives because of the risk of infection.

Against this backdrop, S. Korea's strong response to COVID-19 served as a lesson for the rest of the world. Our excellent information and communication technology with well-built infrastructure have allowed us to start a contactless lifestyle by keeping us in data-based quarantine with an epidemiological investigation of infection routes, by providing real-time information about the provision of face masks, and by allowing students to attend school online, as the first in the world to do so. Thanks to such efforts, during this unprecedented economic crisis when negative growth rates are expected worldwide, Korea shows a relatively good economic growth prospect with -1.1 percent, the highest growth rate among 37 OECD member countries according to the OECD's economic outlook report released this December.

Digital transformation in economy and society under the Digital New Deal

Based on excellent digital technology and infrastructure, the Korean government announced in July the "Digital New Deal" policy with the "Korean New Deal Comprehensive Plan" to overcome the economic crisis caused by COVID-19 and lead the global digital economy. By 2025, the government will spend a total of KRW 58.2 trillion on 12 tasks in the four areas of D.N.A (Data, Network, AI) ecosystem reinforcement, digital transformation of education infrastructure, contactless industry promotion, SOC digitalization, etc. in the four areas of the Digital New Deal project, creating 90.3 million jobs. Meanwhile, the government will seek to promote the digital transformation of the Korean economy and society.

Details on the Digital New Deal

The first and representative task of the Digital New Deal is to promote the convergence and use of data, fifth-generation mobile communications, and artificial intelligence in all industries. To this end, the government will promote the "Data

Dam" project by building infrastructure and sharing data, which will facilitate the use of data in areas close to people's lives. More specifically, with about 1,300 types of data that can be learned through artificial intelligence by 2025, the government will provide artificial intelligence and cloud vouchers to support the digital transformation of SMEs and to develop artificial intelligence convergence service (AI+X project), which allows us to respond to infectious diseases and tell whether it is an illegally copied product, etc. in the industries that are a vital part of people's everyday lives.

Also, through the digital transformation of educational infrastructure, we will create an on- and offline convergence learning environment for elementary, middle, and high schools, universities, and vocational training centers nationwide, expanding educational contents. Additionally, the government will lay the foundation for the growth of new contactless industries by building a contactless infrastructure in areas close to people's lives such as medicine, work, business, etc. Furthermore, the government will promote the digitalization of core infrastructures such as roads, railroads, and ports for safe and convenient life and will aim to improve the competitiveness of related industries by smartening cities, industrial complexes, and logistics.

The government will promote drastic regulatory innovation and support active participation and investment of the private sector to make the "Digital New Deal" positioned as a successful policy for developing new industries. Also, the government will continuously strengthen the partnership with local governments for central-regional cooperation.

The Digital New Deal is a national innovation project in Korea that seeks to turn the great crisis of COVID-19 into an excellent opportunity to take a leap forward in become a leading country in the future. Through the Digital New Deal, Korea plans to use all its technology to produce an outcome that can have a significant impact on the digital lives of its people. By overcoming the COVID-19 pandemic and preparing for the digital economy in the future, Korea will set a good example for the rest of the world.

By The Digital New Deal Support Team
Ministry of Science and ICT

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



Foreign Press Conference 2020

Q&A session on the Korean New Deal for international journalists

On Tuesday, October 20, 2020, the Foreign Press Conference 2020 hosted by the Ministry of Trade, Industry and Energy and organized by KOTRA and Arirang TV was held at the Korea Press Center in Seoul. This year's conference was participated by journalists from a total of 27 foreign press agencies who joined on-site and online, or who provided their questions before the event. It was broadcast worldwide via the Invest KOREA Week 2020 (IKW 2020) website and YouTube. At the conference, Jungwook Park (Director General for Cross-Border Investment Policy at MOTIE), Sanggoog Lee (Head of the Digital New Deal support team at the Ministry of Science and ICT), James Kim (Chairman of AMCHAM), Jenny Chu (Honorary Ambassador of Foreign Investment Promotion for Korea), Woonsik Ha (President of Johnson Controls Korea), and Edmund Wong (CEO of Jeju Shinhwa World) delivered remarks. Journalists from leading media outlets around the world including the Wall Street Journal (U.S.), Le Figaro (France), Reuters (U.K.), Sangyo Times (Japan), and Shanghai Media Group (China) asked questions regarding Korea's trade policies amid the COVID-19 pandemic, FDI policies and incentives in the post-coronavirus era, and details of Korea's Digital New Deal policy.

■ Presentations

Making Korea a more accessible and attractive investment destination amid COVID-19 - Jungwook Park, Director General for Cross-Border Investment Policy at MOTIE

Jungwook Park, Director General for Cross-Border Investment Policy at MOTIE gave a presentation on the Korean government's FDI policy amid COVID-19. By focusing on the Korean New Deal (Digital and Green New Deal), the government has introduced strong incentives for high-tech industries, including tax incentives, financial incentives, and support for clusters and human resources while expanding online business meetings and online IR for continued investment promotion. The government also promotes collaboration between relevant institutions to resolve any investment hurdles and induce early implementation of investment plans. Going forward, the Korean government will ensure a safe economic environment through effective response to COVID-19 and enhance access to investment through online IR and fast-track entry of businesspeople and investors. Korea strives to be a more competitive and attractive investment destination optimized to changes in the global industrial paradigm.

An opportunity for grand transition amid the crisis: Digital New Deal – Sanggoog Lee, Head of the Digital New Deal support team at the Ministry of Science and ICT

The next speaker was Sanggoog Lee, Head of the Digital New Deal support team at the Ministry of Science and ICT. He focused on introducing the Korean New Deal and the Digital New Deal in particular. The Digital New Deal is Korea's economic development strategy based on "D" (Digital), "N" (Network), and "A" (Artificial Intelligence) consisting of 12 tasks in four main fields of strengthening the

DNA ecosystem, improving the digital transition of education infrastructure, promoting non-contact industries, and digitizing SOC infrastructure. More specifically, the Digital New Deal aims to generate 903,000 jobs by investing KRW 58.2 trillion by 2025. The presentation emphasized the Data Dam, which collects and processes data imported from IoT, sensors, and robots to build the Data Value Chain for business projects across life-cycle and industrial areas. In the field of education, the Korean government plans to establish Wi-Fi networks across all elementary, middle, and high schools and provide tablet computers as part of the Digital New Deal. Korea plans to improve the competitiveness of relevant industries by digitizing the main SOC infrastructure. Mr. Lee finished his presentation by saying that Korea will emerge as the best investment destination for investment, R&D, and the commercialization of digital technologies once the Digital New Deal is implemented in full-scale through public-private partnership.

Presentations of foreign investors, AMCHAM, and Honorary Ambassador of Foreign Investment Promotion for Korea

Following the presentations by government officials foreign investors, the Chairman of AMCHAM, and Honorary Ambassador of Foreign Investment Promotion for Korea shared their thoughts. First, Woonsik Ha, President of Johnson Controls Korea, stressed that the digital system is crucial for the construction industry and added that his company is working with customers and local partners for building smart buildings.

James Kim, Chairman of AMCHAM, explained that Korea has excellent human resources, a strategic geographic location, and a fast-paced, dynamic economy and that it is no surprise that many global companies have chosen Korea as their investment destination. Smart energy and natural resources will be an exciting area for investment especially thanks to the Korean government's strong leadership under the Green New Deal. Industries like 3M are making parts and materials a new growth engine for Korea. Global companies such as Pfizer, Johnson & Johnson, and Cytiva are making substantial investments in the pharmaceutical and medical device sectors. He said Korea would remain a leading investment destination for companies in the consumer goods sector such as P&G and Amway.

Next, Jenny Chu, Honorary Ambassador of Foreign Investment Promotion for Korea in the U.S., delivered her presentation. Appointed by the Minister of Trade, Industry and Energy, Honorary Ambassadors of Foreign Investment Promotion for Korea are committed to promoting Korea's investment environment in their regions of expertise, discovering potential investors, arranging investors' visits to Korea, and consulting with them. As a financial investment specialist, Chu started her speech by stressing that the pandemic is an unprecedented event. She shared that Groupe Societe Generale, France's second-largest bank, cited in its

reports the highly-skilled workforce thanks to an efficient education system, advanced R&D capabilities, and high-quality infrastructure as Korea's strengths, while mentioning somewhat restrictive and opaque regulatory frameworks, the dominance of big industrial groups, and high labor costs as its weaknesses. Citing analysis from a Bank of America report, she also shared about the investment trends in the post-coronavirus era including de-globalization, digitization, disease prevention technologies and smart cities.

The last speaker was Edmund Wong, CEO of Jeju Shinhwa World, who spoke on "Digital Transformation: New Normal for Korea's Tourism." Jeju Shinhwa World is Korea's largest resort located in Korea's leading tourist destination of Jeju Island, also affected by COVID-19. However, he explained that the digital transformation in the tourism industry accelerated the introduction of non-contact services, which will soon become the standard of service industries.

Q&A Session

In the Q&A session, questions about the presentations were submitted by participants on-site and online. There were also written and pre-recorded questions. Sebastian Falletti from France's leading daily newspaper Le Figaro asked how the Korean government is and will be supporting visits of foreign investors and businesspeople amidst COVID-19. Jungwook Park, Director General for Cross-Border Investment Policy at MOTIE, answered that the government allows businesspeople and investors with urgent matters in Korea to request for an exemption so that self-quarantine regulations do not affect their businesses. Alex Irwin-Hunt from fDi Intelligence of the UK asked about the priority areas for investment promotion, and Park answered that Korea is focusing on attracting FDI in high-tech industries, new industries, and the materials, parts and equipment industries.

Various questions were directed at Sanggoog Lee, Head of the Digital New Deal support team at the Ministry of Science and ICT. A journalist from Cash in Switzerland asked which industry will benefit the most from the Korean New Deal, and Lee answered that areas related to data and AI are most promising. A journalist from Japan's NNA asked whether the Data Dam is a physical structure concept, and Lee explained that the Data Dam, rather than being a physical structure, is a virtual structure where data from various data sources are gathered and processed by AI and other means.

When asked by a journalist from the United Arab Emirates why he thinks Korea is a good investment destination amidst COVID-19, Chairman James Kim of AMCHAM answered that Korea has innovative and outstanding manufacturing technologies and that the Korean government provides full support.

By Hyo Jung Jang

Assistant Manager

Investment Public Relations Team

Korea Trade-Investment Promotion Agency (KOTRA)

Cheongju Aeropolis in Chungbuk Free Economic Zone Emerges as the Center of the High-Tech Aviation Industry

Overview of Cheongju Aeropolis

Cheongju Aeropolis, which is emerging as the most important cluster of the aviation industry in the central region of Korea, is located immediately adjacent to Cheongju International Airport, which makes it the best location to accommodate and support aviation companies in areas such as aviation maintenance, air transportation, logistics, aviation parts manufacturing, and R&D. Cheongju Aeropolis was designated as a free economic zone in February 2013 and will be developed as an industrial complex spanning 1,834m² by 2025 with a total project budget of KRW 403.6 billion.

The First Zone of Cheongju Aeropolis was originally planned to be an MRO complex for large airplanes, but in consideration of the geographical strengths of the Cheongju region, the prospects of the aviation industry and the future of the mobility business, the plan was changed to develop it as a maintenance complex for rotary-wing aircrafts. Investment agreements with the three largest rotary-wing aircraft manufacturers in Korea are already underway and administrative procedures are in progress for the start of construction, including changes to the existing development plan, with construction scheduled to commence within this year.

The Second Zone is envisioned as the complex for aviation/advanced manufacturing, aviation maintenance, aviation logistics, and 16 aviation parts manufacturing, aviation maintenance, R&D, advanced manufacturing, and logistics companies have already expressed their intention to move into the Second Zone, with the site creation work for an area of 411,000m² being scheduled to be completed by the end of 2022.

The Third Zone is planned to be developed as the center for innovative growth of the aviation industry and will include various cutting-edge technology areas such as urban air mobility (UAM), drone manufacturing, R&D, and aviation parts manufacturing. In order to build an industrial ecosystem, the Third Zone is planned to be built as a UAM-specialized complex with a total investment of KRW 260 billion in an area spanning 1,290 m² near the Second Zone.

Geographical Advantages and Visions of Cheongju Aeropolis

Cheongju Aeropolis is a transportation and logistics hub located in the center of the country and is closely connected to Cheongju International Airport, the largest airport in the central region and the gateway airport of Sejong City, providing access to anywhere in the country in two hours.

The Chungbuk Free Economic Zone Authority aims to develop Cheongju Aeropolis as the base for the production and maintenance of UAM materials and parts, and as the best test bed for verifying service models by taking full advantage of the geographical advantages, industrial competency and high-quality human resources development system in combination with the Cheongju International Airport and the Aviation Maintenance Complex. As part of the plan, the Chungbuk Free Economic Zone Authority will proactively pursue and implement the Ministry of Land, Infrastructure and Transport's policy to commercialize UAM by 2025 and nurture the industry as the future growth engine of the region while taking proactive actions to improve the mobility of residents.

In addition, the Chungbuk Free Economic Zone Authority plans to build a new city with a population of approximately 50,000 in the vicinity of the Mihocheon to support the development of Cheongju Aeropolis and Cheongju International Airport and to accelerate the development of the aviation industry. This city is envisioned to be a mobility-friendly smart city capable of overcoming the weaknesses and limits of modern mobility.

The Chungbuk Free Economic Zone Authority believes that there is much potential for the development of Cheongju International Airport with the operation of the Aero-K Airline in the airport and that it will also create synergy with other aviation companies based in Cheongju Aeropolis. In particular, the Chungbuk Free Economic Zone Authority is convinced that, by pushing ahead with the UAM business, it can expand accessibility and provide more mobility options for airport users, and that, together with the autonomous driving track and pilot industrial complex in Ochang and Osong, Cheongju Aeropolis will lead Korea's aviation industry as the center of innovation for new future industries.

Map of South Korea



Trends and Outlook of S. Korea's Aerospace Industry

The aerospace industry largely encompasses markets in the space and aviation subsectors which produce aircrafts, flight vehicles, individual parts and materials to make primary products. The industry is tech-intensive and incorporates a broad spectrum of technological applications in aerospace, physics, mathematical, mechanical, material, electrical, telecommunications and software engineering. It also has a profound influence that ripples through other industrial sectors like automobile, electronics and medical business.

The industry has so far put most of its emphasis on advances in technology. Yet the radically changing industry landscape and unprecedented business model innovation triggered by the recent COVID-19 outbreak and Industry 4.0 have brought tectonic shifts to the entire aerospace sector. Encountering the abrupt wave of business transformation, S. Korea is striving to gain agility to quickly respond to shifting market trends.

The Aerospace Industry in S. Korea

S. Korea's commercial aviation sector which somewhat stalled in 2017 after it had shown strong growth at 28.3 percent in sales in 2015, has recently bounced back from 2018.

Other subsectors, providing products and services to space markets, has been on an upward trajectory since 2013, but now remains a bit stagnant.

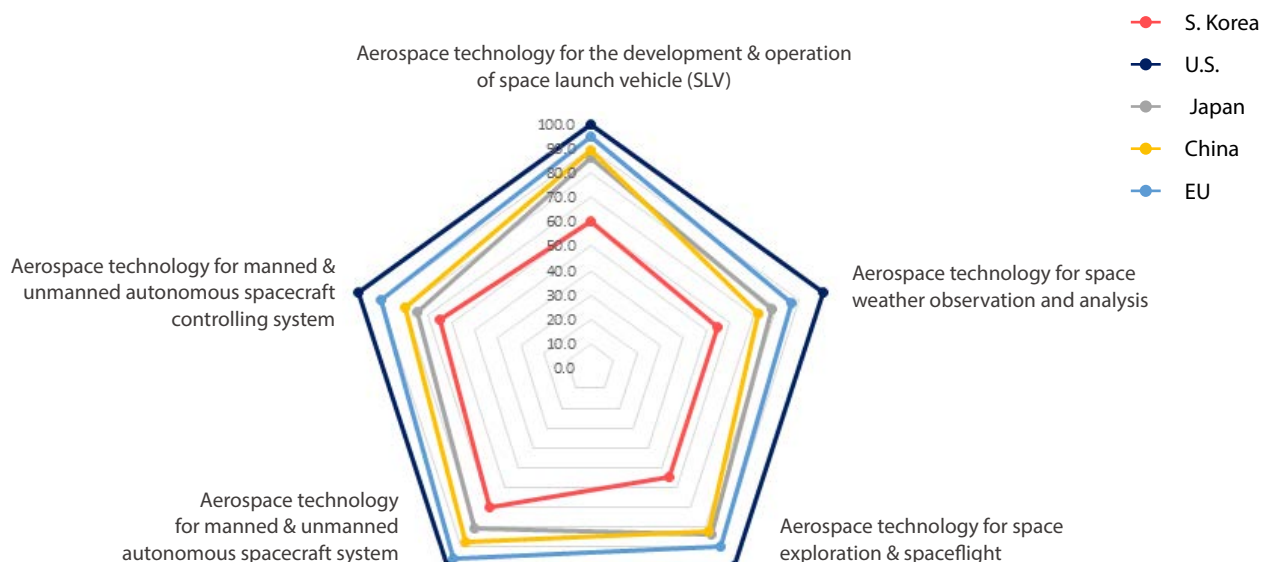
The trade volume of the combined subsectors of the industry amounted to KRW 6 billion in 2019, a 7 percent jump compared to the previous year.

To be sure, the trade value is relatively insignificant compared to that of the world's superpowers in the aerospace industry. That said, the growth that S. Korea has attained so far, however, is attributed to intense support primarily focused on investments in technologies to close the gap between countries at the top of the global tech race. An index which demonstrates the technology prowess level and gap between nations shows S. Korea at 60.9 percent (U.S. 100%), which signifies that the tech-divide between Korea and the U.S. is not so big as the discrepancies in trade (S. Korea: 3.2%, U.S.: 100%).

These numbers imply how much the private sector businesses in S. Korea have committed to investment in aerospace R&D thus far. Companies in the commercial aviation sector as of 2018 poured nearly 36 percent and 32 percent of spending into research work and manufacturing facilities respectively. Investments in space projects have consistently increased by over 80 percent. (2016: 81%, 2017: 89%, 2018: 84%)

On top of that, a series of successive launches of the geostationary satellite used to monitor the space weather and climate of the earth (2018-2019), and a 75-ton thrust liquid-fueled rocket engine mounted on prototype vehicles developed by the Korea Aerospace Research Institute (KARI), a government-funded research center specializing in aerospace engineering, have helped get the most out of the

Aerospace Technology by Country (2018, %)



Source: 2018 Technology Index by KISTEP

industry's resources and related infrastructure.

With a market prospect betting on explosive growth in the UAM business, the Korea Institute of S&T Evaluation and Planning (KISTEP) recently transferred scientific research over personal VTOL aircraft along with the associated skills they have acquired for years to Hyundai Motor Group, which helped the Korean automaker take its first step into the aviation industry. Such industry-academia collaboration is highly anticipated to encourage private enterprises in different segments to drive engagement, consequentially bringing a positive domino effect to the economy at large.

Significant Changes in External Business Environment and Implications on the Aerospace Industry

Since its first emergence identified late last year, COVID-19 has soon spread across the entire world, becoming the global health crisis of our time. The pandemic-induced recession resulted in a deadly economic downturn, causing breakdowns of the global supply chain and disruptions in the world economy. The fallout from the crisis brought a nosedive in air passenger demand (36%↓ yoy), while accelerating the transition to a digital future and the development of contact-free services. Such market reactions that arose in the midst of COVID-19 appear to have a tremendous effect on the aerospace industry as a whole.

Putting the public health challenge ahead of us aside, the world has begun to appreciate greener (and more sustainable) technologies. By unfolding environmental initiatives, each country has committed to a net zero emissions target, seeking available solutions to cut the amount of hazardous substances discharged into the environment. The European Union proposed de-carbonization pathways to a net greenhouse gas (GHG) emissions reduction target by 2050. Under such goals, all member states are required to alter the traditional business practices to reach climate neutrality.

S. Korea recently announced the authority-led environment plan, known as the Green New Deal. With its objectives to add new jobs, while moving to a greener economy, the country launched a package of policies that involve turning industry infrastructure environmentally sustainable, relying more on cleaner energy sources and investing more in green business.

To be in line with the transition to green economy, research on developing commercially viable technologies of hybrid-electric powered aircrafts is currently underway among tech-startups and private sector businesses.

The advent of Urban Air Mobility (UAM) technologies

As public health concerns and the demand for environmental sustainability are growing, the industry is increasingly turning into the technologies of electric Vertical Take-off & Landing (eVTOL) urban air mobility (UAM), a

contact-free, green alternative of the future aviation industry. The advent of this new technology is now heating up the global market competition among developers who wish to expand their market presence in advance.

S. Korea is one of them, joining the race to seize the next wave of opportunities. With detailed goals that entail the enactment of a proper legislative framework for safe driving; development of a business environment to further enhance capabilities; and the formation of a sustainable business ecosystem, the Korean government has recently rolled out a roadmap on how to harness UAM technologies as an innovative urban mobility solution and a future growth driver.

The New Space Age: The Emerging Space Economy

For decades, space exploration and development has been the domain of large corporations and governments who are able to fund big science projects, but more private companies nowadays are unlocking the opportunities and increasingly taking a plunge into the new space race.

Facing the altering trends, the space industry sees new private actors (and their investors) driving the age of the commercial space economy based on the entrepreneurial activity model.

In Korea, mobile-satellite communications antenna makers; startups developing technologies for satellite and launcher miniaturization; and entrepreneurs manufacturing commercial satellite launch vehicles with hybrid rocket propulsion systems are the non-governmental entities jumping into the fray in the private aerospace business. Meanwhile, the authorities in S. Korea set out a space development strategy that allows transition to private sector involvement from what is only accessible to the public domain, while the space entrepreneurs are making their way into the commercial space economy.

As we are on the brink of a new space age, today's dynamic global business climate has brought the aerospace industry to a watershed moment. In this ever-changing environment, hundreds of Korean research institutes and companies, small or large, have engaged with the government-led space projects and endeavored to tap into the next economic frontier. Hopefully, growing private-public partnerships can help Korea take a grand leap forward and improve its capabilities in space technology in the forthcoming future.

By Junwoo Park

Researcher

Korea Aerospace Research Institute

park2445@kari.re.kr

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ONE-ON-ONE WITH **ALESSANDRO RECUPERO**

CEO of Intercos Korea



Korea, Strategic Hub for Innovation and Growth in Asia

KOTRA Express talks to Alessandro Recupero, CEO of Intercos Korea, to hear more about Korea's cosmetics industry and his experience doing business here.

Intercos Group, the world's No. 1 cosmetics OEM/ODM manufacturer, was founded in Italy in 1972. With its unique and innovative technologies for the development of Color Cosmetics, Skincare, and Hair & Personal Care products, the company works with over 550 cosmetics brands around the world, including beauty giants such as major multinational companies, as well as "indie" brands and retailers.

In 2015, the Group expanded its business to the Korean market in the form of a 50:50 joint venture with Korean luxury retailer Shinsegae International and had been operating as Shinsegae Intercos Korea since then. Following the company's success, Shinsegae and Intercos Italy made additional investments to build a greenfield manufacturing site, the Osan Beauty Hub which was inaugurated in 2017; in June 2020, Intercos decided to purchase 100 percent of the share capital of the Korean subsidiary, being reborned as Intercos Korea.

Alessandro Recupero was appointed CEO of Intercos Korea in February this year after serving as its Board Member since 2017, and played a decisive role in the full acquisition of the shares and the consequent transformation of the company into the new Intercos Korea. He first joined the Italian Intercos Group in 2012 acting as Senior Vice President of the global Business Unit Skincare, Hair & Personal Care. Shinsegae Intercos Korea achieved sales of KRW 12.5 billion in 2017, KRW 26 billion in 2018, and KRW 51 billion in 2019. Under Recupero's leadership, despite the highly uncertain market situation linked to the pandemic, Intercos Korea is set to achieve an additional 50 percent growth in sales in 2020, with even stronger growth in profitability. In addition, thanks to his global network and the global business experience, exports will grow ca. 120 percent compared to 2019.

Consequently, the excellence of Korean cosmetics represented by "K-beauty" has been introduced to North America, Europe, China and the other Asian markets. Leveraging these accomplishments, the company is now ready for its second phase of growth, with additional significant investments in the pipeline in the areas of Innovation and

Operations, in order to become the Strategic Innovation Hub for the group's business development in its most important market, Asia.

Read on to learn more about Recupero's insight on doing business here as well as the many opportunities K-Beauty will bring to potential investors.

Can you tell us about Intercos and its history?

Intercos is one of the top global business to business operators in the creation, production and marketing of Color Cosmetic products (make-up), skin treatments (Skincare) as well as Hair and Body care. Our mission is to create lasting partnerships with the most relevant and iconic cosmetic brands, offering a complete range of products across the Beauty & Personal Care industry, with a global approach.

Founded in 1972 by Dario Ferrari, the Group, with a client base of 550 brands including all major players of the cosmetics industry, is made up of a global staff totaling approximately 5,800 employees, with 11 research centers, 15 production plants and 15 sales & marketing offices located across three continents.

For over 45 years, Intercos has been interpreting beauty, creating innovating cosmetic products and positioning itself as the undisputed trendsetter, capable of predicting, anticipating and influencing new trends in the world of cosmetics, thus satisfying the requests of all types of customers with products for all price ranges, market positioning and distribution channels.

Intercos' ambition is to continue developing its role of being a trusted partner to the major brands in each respective market, offering increasingly innovative and high quality products. We rely on our creative and technical teams, our laboratories specialized in advanced research activities and dedicated to the development of new raw materials, active ingredients or technology platforms, and we strive to continuously invent new formulations, delivery systems and finished products to ultimately create Hero Products and best sellers for our clients.

SUCCESS STORY



Photo provided by Intercos Korea

Due to implications of the COVID-19 pandemic, many companies are scaling back or postponing their investments. Why, then, did Intercos decide to expand investment in Korea?

Given our long term vision and commitment for Korea, we were not too preoccupied by COVID-19; rather, we saw it as an opportunity. While our competitors might slow down, we thought this was the best timing for expanding our investments to get ahead and strategically secure our future development. That's why we decided to purchase 100 percent of share capital of Shinsegae Intercos Korea, and we are currently increasing our investments for expanding our R&D and Innovation activities in Korea.

Intercos typically fosters specific areas of strengths and expertise for each region and develops and manufactures products tailored to local characteristics, thus following local requirements and trends. In this context, we do have a long-term vision for Korea as a Strategic Hub for Asia.

Korea has an excellent position in the development and production of emulsion-type products such as foundations, skincare, hybrids, etc. driven by the strong domestic demand and the appeal of K-Beauty in the international markets. The outstanding ecosystem in this field makes Korea a perfect location for the scouting and the development of new innovative raw materials, packaging solutions or creative marketing & product concepts. Also, it's a great environment for hiring talented researchers and skilled human resources. That is why Intercos decided to expand investment here, and foster Korea as the strategic hub for the Group's global business development and growth within the entire Asian region.

What makes Korea an attractive investment destination?

When we first entered Korea, our goal was mainly to consolidate and expand our presence within the Korean domestic market and to develop innovative products in the areas of Foundations and Skincare. We realized that Korean

products and Korean trends were receiving great attention from consumers in China and neighboring countries in Asia, as well as in the U.S. and EMEA, and this became one of the reasons behind the decision to increase our investment here.

Korea has very suitable conditions to become a strategic hub for Asia and a global center of excellence for the Group in the categories of complexion, namely foundations, skincare and hybrids. Indeed, the country has various benefits and advantages when exporting to a third country, on top of an easy entry into other Asian markets including China and Japan, and now, into the U.S. market as well.

More particularly, we highly value some characteristics of the specific Business Model adopted within the Korean cosmetics industry, with a high focus put on creativity, speed and fast time-to-market, customer centricity and an excellent service-level. We believe that combining these values with our deep dedication and global expertise on Innovation and Technology, Quality, Sustainability and Clean Beauty, will put us in a very unique position to leverage Intercos Korea as the strategic driver for the Group's next phase of growth.

Are you working with any local partners to expand your network or presence here?

Since Intercos plans to foster Korea as an innovative hub, we are hoping to grow our scope of cooperation with various local companies. We also aim to collaborate with innovative and high-tech startups in different fields and to evaluate various forms of industry-academia cooperation with universities.

We also plan to recruit more and more skilled employees as a result of our ambitious growth plans for 2021 and the following years, and our consequent continuous need for expansions in the areas of production facilities and R&D lab. In this regard, it would be nice to take advantage of the support offered by KOTRA. I'm aware that Invest KOREA holds an annual job fair for foreign-invested companies to

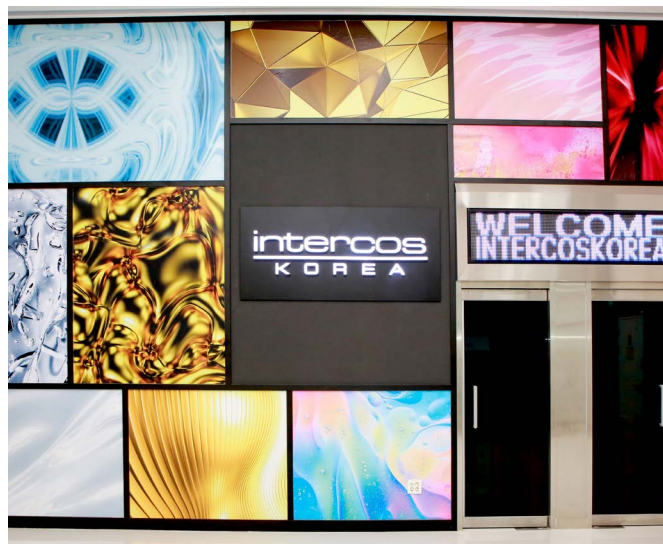


Photo provided by Intercos Korea

help businesses like us find great local talent, and I look forward to taking part in this once the conditions are suitable.

What are some future plans/goals that Intercos has in terms of doing business in Korea?

As said, we are working to make Intercos Korea a global center of excellence in the complexion category, meaning that we will continuously focus on developing and producing the most innovative foundations and skincare products. This will also include the so-called hybrids, or in-between, products where we can combine our unique and deep expertise in both skincare and makeup. To this end, on one side we will continue to expand our R&D laboratory—in particular strengthening our Advanced Research teams—on the other side, we are already undergoing an upgrade and scale-up of our production facilities, also with the aim to improve our process efficiency according to Intercos global standards, and to exploit the significant synergies existing with the rest of the Group.

Also, we are gradually introducing more manpower and human capital from HQ and our other subsidiaries around the world, not only for enabling the above mentioned upgrade within operations, but also for facilitating technology transfer

and introducing additional technologies and know-how from Intercos in Korea. As an example, thanks to the Group's well established expertise, we aim to boost our local efforts in the areas of Sustainability and Clean Beauty, where we want to be a trendsetter for Asia.

Lastly, and more importantly, we intend to leverage our cultural mix for enabling further organizational development, upgrading our policies and practices to global best practices, while continuing fostering diversity and cultural evolution.

By Grace Park

Executive Consultant

Investment Public Relations Team

Korea Trade-Investment Promotion Agency (KOTRA)



Photo provided by Intercos Korea

Korea Business Partnership Online Expo, a New Contactless Marketing Channel in the COVID-19 Era

In order to promote the exports of Korea's small and medium enterprises which have been sluggish for some time due to the prolonged COVID-19 pandemic, KOTRA is strengthening its online marketing efforts focused on contactless channels. As a government agency, KOTRA has been holding economy-themed events involving overseas trips and official visits of high-ranking government officials, but this year, it has established and is operating the "Korea Business Partnership Online Expo" instead of the economic diplomacy programs that were suspended or delayed due to the pandemic.

The Business Partnership Online Expo is an online virtual exhibition hall where foreign buyers can browse and trade products registered by Korean sellers. The channel is provided through Buy Korea, KOTRA's online B2B platform. Korean companies can post comprehensive product information such as product photos, videos, product descriptions, catalogs, certifications, and patent information on the online exhibition hall, and the platform allows potential buyers send purchase offers and request video meetings. The Buy Korea platform supports a one-stop transaction process, so if a buyer wants to purchase any displayed product, it can make a payment at the exhibition hall directly and receive the product.

At present, a total of 706 products from 150 companies that participated in KOTRA's economic events involving trips and

visits are registered on the Business Partnership Online Expo, and their categories range widely from beauty and personal care, to health and medical services, and to machinery and heavy equipment. KOTRA has provided support for 100 applying companies among those registered with the Business Partnership Online Expo for the production of a one-minute promotional video, and these videos are available at the Business Partnership Online Expo. KOTRA plans to expand its support and promotion so that more companies can easily use the Business Partnership Online Expo.

The online exhibition hall program is one of the representative contactless marketing programs of KOTRA amid the COVID-19 pandemic, and there are other online exhibition hall programs currently in service aside from the Business Partnership Online Expo, including those for Consumer Goods and Anti COVID-19 Products. The participating companies are expected to benefit from the "Team Korea" brand, with increased credibility and awareness, thanks to Korea's brand power which has recently been strengthened by the Korean government's successful efforts to prevent the spread of the COVID-19 pandemic, including "K-Prevention." It is hoped that the online exhibition hall programs will help both foreign and domestic companies find successful business opportunities and eventually overcome the COVID-19 crisis.

Business Partnership Online Expo

Explore a full range of premium products


Categories

- All
- Beauty & Personal Care
- Health & Medical devices
- Food & Beverage
- Machinery & Heavy equipment
- Electrical Equipment & Components
- Construction & Equipments
- Vehicles & Parts
- Chemicals & Rubber, Plastics
- Computer Hardware & Software
- Etc


317 for "Beauty & Personal Care"

Featured Price : High to Low Price : Low to High Newest Arrivals **Popularity**


View : 20




NSL Co Ltd
varuza Aloe Vera 95 FREE SYSTEM 500ml / EWG VERIFIED



WANNABE COSMETIC CO.,LTD.
ORJENA Intensive Serum Ampoule - Hydra



CORINGCO CO.,LTD.
Coringco Marshmallow velvet tint 6colors matte lipstick Long-



THE SKIN FACTORY CO.,LTD.
pure moist body mist

Website image: <https://www.buykorea.org/onlineshowcase/partnership.do#none>

14

KOREA's Promising Startups to Invest in

Thirteenth Floor

THIRTEENTH FLOOR provides 'XR SQUARE', a virtual event platform



Main Products and Services

XR SQUARE

Website

www.thirteenthfloorcorp.com
www.xrsquare.co

Thirteenth Floor is a company that is leading the Korean VR market. The company develops and produces content based on extended reality (XR) technology, going beyond virtual reality (VR). It won the Best VR Narrative Film award at VR FEST 2019, the world's largest VR content awards.

Thirteenth Floor has produced over 100 original VR contents in various areas, ranging from games (STUMPER) to movies (The Whale) and from mental care applications (Calm&Immerse) to medical service applications (MATRIX MEDICAL, CPR EDUCATION, Dementia Prevention Exercise). Thirteenth Floor recently drew much attention with XR SQUARE, its software program based on online XR technology that can be used for remote classes, meetings, and conferences. XR SQUARE is known for its highly immersive environment compared to other general video conferencing tools as it supports various and unique immersive tools such as real-time VOIP voice chat, custom avatars, and simultaneous access of up to 40 people.

Thirteenth Floor is already providing its contents and applications to a number of multinational corporations, entertainment companies, universities in Korea and has demonstrated its technical stability by completing global connectivity tests at the ATEP conference. Based on such technical stability, it is planning to make its software support mobile, PC and MAC. The market for XR technology is expected to grow significantly with the arrival of the Fourth Industrial Revolution.

Philophos

Developing a portable and affordable OCT device for retina imaging



Main Products and Services

Optical Coherence Tomography

Website

www.philophos.com

The Optical Coherence Tomography (OCT) ophthalmic diagnostic device is capable of most accurately diagnosing major retinal diseases that cause blindness. The device has drawn much attention as it can carry out early and accurate detection of major retinal diseases that are on the rise due to aging trends and environmental problems.

Philophos is a relatively new company, established in 2018, but it is distinctly competitive compared to other companies in the industry. Existing OCT devices are generally large and expensive and so have been used almost exclusively for research purpose or in large hospitals. Philophos has overcome such limits, by successfully developing an OCT device in the form of a VR goggle with similar performance but at only 1/3 of the market price of existing OCT equipment through the combination of precision optical design and implementation capabilities, electronic product packaging know-how, and the application for and registration of essential patents for size reduction and cost-saving.

Given the small size and low price of Philophos' OCT device, it can certainly be used by more ophthalmologists at small facilities and may even allow for point-of-care diagnostics. Furthermore, Philophos is targeting the remote diagnostic market beyond the eye clinic market with its extensive technology scalability, enabling self-diagnosis with the support of AI analysis. It is planning to first obtain a medical device approval in Korea and then promptly make inroads into the global medical device market to gain a first-mover's advantage.

Looking Back on 2020...

Here's what our KOTRA Express interviewees in 2020 said about why Korea's a great place to do business.



“ Companies from the U.S. believe that the Korean labor force is strong and well-educated; they believe that the Korean market is stable and growing; and they know that the government has created a good environment for development. ”

***John M. Kerry**, Honorary Ambassador of Foreign Investment Promotion for Korea
(January 2020)*

“ I believe Korea has many attractive characteristics as a country with its vibrant culture, innovative spirit, and strong foundation as one of the most advanced manufacturing hubs in the world. ”



***Ben Eum**, Technology Industry Lead & Principal Director of North Asia of Element AI Korea
(February 2020)*



“ Korea has a mature financial market, sound legal system, rich human resources, stable political situation, and competitive global companies which make up the rich soil for foreign companies to nurture their businesses in their respective ways. ”

***Niu Jianjun**, Country Head for Korea & General Manager of the Industrial Commercial Bank of China (ICBC)
(March 2020)*

“ 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. ”



***Christoph Heider**, President of the European Chamber of Commerce Korea
(April 2020)*



“ I believe that despite this global pandemic, Korea is best suited to handle COVID-19 and any other future threat. It boasts an attractive investment environment based on its solid manufacturing base, talented workforce, and high levels of market openness. ”

***Jenny Chu**, Honorary Ambassador of Foreign Investment Promotion for Korea
(May 2020)*

“ We see Korea as an exciting market with an enormous potential, an attractive business environment and great talent pool. ”



***Fredrik Johansson**, Country Retail Manager of **IKEA Korea**
(June 2020)*



“ No other location in the world has the combination of a leading edge startup ecosystem, technology ecosystem and beauty ecosystem. This brings Korea into the best position to develop new skincare trends. ”

***Endrik Hasemann & Jacek Brozda**, General Manager & Head of Ventures & New Business of **Beiersdorf Korea**
(July 2020)*

“ Based on Korea’s innovative capabilities to overcome COVID-19, also known as “K-quarantine,” the country is being acknowledged in the global arena as a stable supply base for sanitation and disease control products. ”



***Kwon Pyung Oh**, President and CEO of **KOTRA**
(August 2020)*



“ We’ve seen globally that the earliest adaptors that love innovation are found in Korea. ”

***Richard Molin**, Country Manager & Head of Operations APAC of **Höganas Korea**
(September 2020)*

“ Korea combines many features of other countries in Northeast Asia, so Korea could serve as a test market and provide a good reference for future developments within the region. ”



***Andre Nothomb**, Executive Vice President and Head of Government & Public Affairs of **Solvay Asia Pacific**
(October 2020)*



“ The way in which the pandemic has been managed by Korean authorities is simply extraordinary. It has been fascinating to see how Korean society was so quick to adopt the universal wearing of facemasks, with hand sanitizers on every corner. ”

***Gudmundur Jonsson**, Head of College of **Dulwich College Seoul**
(November 2020)*

Implications of the Weak Dollar

Weeks after almost all the votes have been counted, still there lingers dense political uncertainty caused first by the Trumpean reluctance to accept the outcome of the presidential election of 2020, and second by the Republican denial to cooperate with the Congress. Indeed, it is quite unprecedented that the outgoing president after losing the election strongly defies the vote counts of the individual States, suspends all the legitimate transition services to the president-elect, and proclaims the intention to begin the non-existent second term. This casts further bafflement as they are influencing the Congressional emergency legislative actions.

The Congress has been wrestling with the emergency spending measures for a few months but a mutually acceptable compromise seems even more difficult to achieve after the November election as Trump and his administration vehemently oppose any cooperation with President-elect Biden and Democrats in Congress. This non-conformity in the legislature has rendered a pause on all the emergency funding to the COVID-19 victims, especially SMEs and tens of millions of the unemployed. In fact, the size difference of the emergency measures were not as dramatic as the political war between the two parties. The Democrats' package asked for USD 2.4 trillion, while the Republican administration led by Secretary Mnuchin could only reach an agreement of up to USD 1.9 trillion, the gap being a mere USD 0.5 trillion, about 25 percent. But the nitty gritty of the quarrel was reported, detailing that the Democratic Party wants the money to support states and local governments with financial difficulties, while the Republicans have asked to protect companies from lawsuits related to the pandemic. Because of the rather trivial stalemate, the entire USD 2 trillion has come to sit idle on the floor for months.

This endless political tug of war between the two political rivals has dealt a big blow to the financial world by causing stock prices to tumble and interest rates to severely gyrate after the election. Now, the real economy of the U.S. is not expected to recover shortly after the election with the congressional assistance, and it remains uncertain whether we will see recovery before February 2021 when the 118th Congress begins its new session. Secretary Mnuchin threw cold water upon the slim hope of mutual agreement when he recently announced that nine emergency funding programs will not be extended beyond December 31, 2020.

President-elect Biden and the Democrats were outraged by Mnuchin's pushback but they could do nothing under this political "dark age" at least until next February. Quixotic presidential behavior and the lack of smooth cooperation in the legislature has made not only the short run economic recuperation highly improbable, but also made the longer run smooth transition of the administration more difficult. Indeed,

this political eclipse casts severe uncertainty to the financial world. The global stock markets were engulfed with the politico-economic risks as almost all the global stock indices have been staggering since the November election, with the interest rates showing unusual tremors.

Such political aspects have damaged not just the prospects of the stock markets but the strength of the US dollar. In fact, the value of the dollar has become quite strong in 2018 and throughout 2019. But it began to decline on March 20, 2020, when the dollar index was highest at 103.6. By the month of November, it has lately fallen more than 10 percent to 92. The weak dollar is particularly concerning for Korea as it hinders trade as well as investment. The weak dollar means a strong Korean won, and this makes Korean export products more expensive in the global markets. Of course, the extent of the negative effects of the weakening dollar would be mitigated by the strength of competitors' currencies like the Japanese yen and Chinese yuan, but still the effect should be formidable as most export products are denominated in the US dollar.

On the other hand, foreign investment out of Korea will surge as it becomes relatively less expensive due to the stronger won. In particular, the stronger won will give a very distinct incentive for existing investors to start repatriate their previous commitments to capitalize on the exchange rate benefits. Increased incentives for outbound investment coupled with expanding dis-incentives for inbound foreign investment due to weak dollar could be an obstacle for maintaining economic vitality and innovating new technology.

So far, little attention has been given to exchange rate movements because it has been pretty stable for some time. But now, everything is expected be reshaped and reformed under the new Biden administration, especially trade policy, interest rate policy, and the exchange rate policy.

At this moment, nothing is clear. The political landscape as well as the financial terrain are as foggy as the future destiny and prospect of COVID-19. When everything stays in the darkness, it is imperative for Korea to further focus on promoting vitality in its investment environment.



By Professor Se Don Shin

Dean, Sookmyung Women's University
seshin@sm.ac.kr

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

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

Scope of capital goods

Q. A foreign-invested company incurred expenses on technical knowhow (e.g., outsourced design expense, pilot test expense) and engineering (e.g., technical training expense, expense for technicians) required for the initial test of a facility that is recognized as capital goods. In this case, are such expenses considered capital goods as well?

A. Yes.



Additional information

- Article 2 (1) 9 of the Foreign Investment Promotion Act states that the term “capital goods” means machinery, apparatus, facilities, equipment, parts, accessories as industrial facilities (including vessels, motor vehicles, aircraft, etc.), livestock, breeds or seeds, trees, fish and shellfish which are necessary for the development of agriculture, forestry, and fisheries, raw materials and reserve supply deemed necessary by the competent Minister (referring to the head of the central administrative agency in control of the project concerned) for the initial test (including pilot projects) of the facilities concerned, and the fees for transportation and insurance required for the introduction thereof and other know-how or service necessary therefor
- In the above definition, “know-how or service necessary therefor” means the expense for the know-how or service required for the initial introduction of industrial facilities. In this regard, the expense for know-how on the installation and initial testing of facilities and service expenses including those for engineering are included in the scope of capital goods.

If you have further questions please contact +82-1600-7119 or visit www.investkorea.org >>How We Can Help >> Online Consulting.



Baeksuk

Hot broth, tender chicken meat, and nutritious porridge combined into a single dish

If you're looking to regain your strength this summer, there is no better dish than baeksuk. Made from a whole chicken, baeksuk is a Korean dish known to help restore your energy. The tender meat and the porridge cooked in delicious chicken broth will make a hearty, healthy meal.

Baeksuk, Easy yet Tasty Meal

Baeksuk is a dish made by boiling meat or fish without any seasoning. Any kind of meat is suitable for baeksuk, but the most popular is chicken. The taste of baeksuk is similar to another traditional food, samgyetang ginseng chicken soup, but it's more affordable and easier to make. When you make baeksuk, you first cook the meat in the broth. After the meat is well cooked and removed, glutinous rice and garlic are added to the remaining broth to make a porridge. The broth, obtained by simmering the chicken over heat for a long time, is packed with nutrition.

Cooking Baeksuk with Mongolian Students

We met Tuul and Saruul from Ulaanbaatar. They got to know each other while studying at International Cooperation and Education Center at Yong In University. Although it has only been slightly over a year since they came to Korea, we were amazed by their fluent Korean.

The two friends live in the same dormitory and enjoy sharing food with each other, taking turns to cook Mongolian and Korean food. Perhaps because lamb and beef are common ingredients in their home country, their favorite Korean dishes are dakbokkeumtang braised spicy chicken and



jeyukbokkeum stir-fried pork. They were extremely pleased at the opportunity to learn a Korean recipe with a friend, and looked forward to whipping up a dish that was different from what they used to make.

Tasting the Deep Flavors of Korea

The first step to cooking baeksuk is to prepare the raw chicken. The remaining feathers are plucked, and the fat near the bottom is removed. Both Tuul and Saruul are fascinated by the various medicinal herbs that go into the dish. The ingredients, many of which they are seeing for the first time, include glutinous rice, mung beans, milk vetch roots, chestnuts and ginkgo nuts. Saruul grabs a handful of ginkgo nuts and asks, “Is this good for your health?” The two, who are majoring in the cosmetics business, answer their own question, saying, “These herbs are surely good for your skin.” The cooking instructor informs them that the herbs help to get rid of the smell of the chicken and also act as an energy booster. The students are delighted to be learning such a “wonderful recipe.”

The chicken and various ingredients are boiled in a pot for about 50 minutes, and the irresistible smell of baeksuk soon fills the air. After taking a whiff, Tuul and Saruul exclaim, “It smells so good!” The meat is taken out of the pot and is ready to eat with salt and pepper. The two friends say that the dish

brings out the deep flavors of Korean cuisine. Now, it’s time to cook some delicious porridge in the chicken broth.

Baeksuk, a Bowl of Love from Korea

Glutinous rice porridge can be made simply by adding glutinous rice to the broth, but today we take a different approach. Glutinous rice and mung beans are placed in a deep pot and stir-fried in sesame oil. The broth is poured in, along with a handful of chopped green onions that adds different colors to the food. It already looks and smells good enough to be served. Tuul and Saruul continue stirring to prevent the porridge from sticking to the bottom. They add more broth to get the right thickness. A pinch of salt is added as seasoning.

Saruul says, “This dish is truly cooked from the heart. It’s bound to be delicious.” He believes that devotion is the key ingredient to good cooking. The two friends are very pleased to have learned the recipe from a professional chef, and are excited to cook baeksuk for their parents when they return to Mongolia. They empty their bowls to the last drop and seem ready to beat the summer heat.

“Baeksuk has a warmth and tenderness similar to people’s jeong, or affection.” Baeksuk is the ultimate comfort food, and not only for people who live in Korea. Based on Tuul and Charol’s experience, it may soon become a therapeutic dish for people from all around the world. For the two friends, the cooking session will be an unforgettable memory of their time in Korea.



Baeksuk Ingredients:

1 whole chicken, 1.5 cups glutinous rice, 1.5 cups mung beans, 5 jujubes, 10 whole garlic cloves, 8 ginkgo nuts, 3 chestnuts, 1 stalk of green onion, 1 pouch of medicinal herbs (milk vetch root, stalkless-flower eleuthero stem, prickly castor oil tree stem, kudzu root, oriental raisin tree stem, angelica root), water, a pinch of salt

Introduction of social value activities such as environmental protection, job creation, and charitable donations from a foreign-invested company

Novelis Korea

Our efforts to create a sustainable world

Novelis is the world's largest aluminum rolling and recycling company, providing high value-added aluminum solutions to a variety of industries, including beverage cans, automobiles, construction, and electronics. Novelis is building a sustainable business model by steadily expanding the use of recycled aluminum raw materials. The original value or quality of recycled aluminum does not decrease, allowing it to be recycled infinitely. When aluminum is recycled, energy consumption is reduced by 95 percent, and greenhouse gas emissions are also reduced by 95 percent compared to when aluminum is produced from natural resources. Globally, Novelis' use of recycled raw materials amounted to about 61 percent as of the 2019 business year.

The Novelis Recycling Center, the largest in Asia, located in Yeongju, Gyeongsangbuk-do, is a state-of-the-art aluminum beverage can recycling facility that plays a pivotal role in achieving Novelis' sustainability goals. Novelis launched its "CanCrushChallenge" campaign in 2019 to inform citizens of the benefits of aluminum recycling and how to recycle it correctly. In addition, Novelis is supporting robot education to foster human resources in science and technology. Every October, Novelis carries out a volunteer project in the community with employees, families and partners. Novelis has established an online social contribution platform to encourage employees to participate in social contribution activities and make more meaningful contributions to local communities. Now, Novelis plans to create a matching donation program and a volunteer database.

Novelis

Business (category)	Aluminum rolling
Date of establishment	Sept. 1999
Website	http://www.novelis.com



Novelis CanCrushChallenge contribution ceremony



2019 Cheonggye upcycling festival aluminum can sculpture

For more information, please visit www.investkorea.org.

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.

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

IKP Offices for Lease

Foreign-invested companies

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

IKP Occupancy Procedure

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



Other IK Services

Foreign Investment Ombudsman

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

One-Stop Service for Foreign Investors

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

Invest Korea Market Place (IKMP)

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

Job Fair for Foreign-Invested Companies

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.



KOTRA's Overseas Network

KOTRA has 127 overseas offices and 10 headquarters worldwide

Southwest Asia

Tel: (91-124)4628-500

E-mail: ktcdelhi@ktcdelhi.net

Ahmedabad, Bengaluru, Chennai, Colombo, Dhaka, Karachi, Kolkata, Mumbai, New Delhi

Southeast Asia & Oceania

Tel: (84-24)3946-0511

E-mail: kotrahanoikbc@gmail.com

Auckland, Bangkok, Danang, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, Manila, Melbourne, Phnom Penh, Singapore, Surabaya, Sydney, Vientiane, Yangon

Japan

Tel: (81-3)3214-6951

E-mail: kotratky@kotra.or.jp

Fukuoka, Nagoya, Osaka, Tokyo

China

Tel: (86-10)6410-6162

E-mail: pekktc@kotra.or.kr

Beijing, Changsha, Chengdu, Chongqing, Dalian, Guangzhou, Hangzhou, Hong Kong, Nanjing, Qingdao, Shanghai, Shenyang, Shenzhen, Taipei, Tianjin, Wuhan, Xiamen, Xian, Zhengzhou

CIS

Tel: (7-495)258-1627

E-mail: info@kotra.ru

Almaty, Baku, Kiev, Minsk Moscow, Novosibirsk, Saint Petersburg, Tashkent, Ulaanbaatar, Vladivostok

Europe

Tel: (49-69)2429-920/9

E-mail: frankfurt@kotra.or.kr

Amsterdam, Athens, Beograd, Bratislava, Brussels, Bucharest, Budapest, Copenhagen, Frankfurt, Hamburg, Helsinki, London, Madrid, Milan, Munich, Paris, Prague, Sofia, Stockholm, Vienna, Warsaw, Zagreb, Zurich

Middle East

Tel: (971-4)450-4360

E-mail: ktcdxb@emirates.net.ae

Alger, Amman, Baghdad, Cairo, Casablanca, Damascus, Doha, Dubai, Istanbul, Kuwait, Muscat, Riyadh, Tehran, Tel Aviv, Tripoli

South America

Tel: (52-55)5514-3173

E-mail: mexico@kotra.or.kr

Asuncion, Bogota, Buenos Aires, Caracas, Guatemala, La Habana, Lima, Mexico, Panama, Quito, Santiago, Santo Domingo, Sao Paulo

North America

Tel: (1-212)826-0900

E-mail: kotrany@hotmail.com

Atlanta, Chicago, D.C., Dallas, Detroit, Los Angeles, New York, Silicon Valley, Toronto, Vancouver, Washington

Africa

Tel: (27-11)784-2940

E-mail: kotra@kotra.org.za

Abidjan, Accra, Addis Ababa, Dar es Salaam, Johannesburg, Khartoum, Lagos, Maputo, Nairobi

KOTRA's Investment Support Offices

ASIA & OCEANIA

Melbourne, Australia

Tel: (61-3) 9860-0500

Sydney, Australia

Tel: (61-2) 9264-5199

Beijing, China

Tel: (86-10) 6410-6162

Guangzhou, China

Tel: (86-20) 2208-1600

Hong Kong, China

Tel: (852) 2545-9500

Qingdao, China

Tel: (86-532) 8388-7931

Shanghai, China

Tel: (86-21) 5108-8771/2

Fukuoka, Japan

Tel: (81-92) 473-2005

Nagoya, Japan

Tel: (81-52) 561-3936

Osaka, Japan

Tel: (81-6) 6262-3831

Tokyo, Japan

Tel: (81-3) 3214-6951

Singapore

Tel: (65) 6426-7200

Taipei, Taiwan

Tel: (886-2) 2725-2324

EUROPE

Vienna, Austria

Tel: (43-1) 586-3876

Brussels, Belgium

Tel: (32-2) 203-2142

Copenhagen, Denmark

Tel: (45) 3312-6658

Paris, France

Tel: (33-1) 5535-8888

Frankfurt, Germany

Tel: (49-69) 2429-920/9

Hamburg, Germany

Tel: (49-40) 3405-740

Munich, Germany

Tel: (49-89) 2424-2630

Milan, Italy

Tel: (39-02) 79-5813

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Publisher. Kwon Pyung-oh | **General Manager.** Lee Jehyuk

Editor-in-chief. Grace Park | **Acquisitions Editor.** Jinyoung Lee

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