

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 join-

ing the CPTTP.

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.