Pursuing Innovation for a Climate Neutral Future

Korea, a Country with a Robust Economic Foundation
Korea’s Automobile Industry and the Development of EVs and Self-Driving Vehicles
BitGreen Industrial Complex, the Center of the Future Automotive Industry
Korea is well-equipped with its robust healthcare business ecosystem, led by anchor enterprises such as Samsung Biologics and Celltrion. Thanks to the government's untiring efforts to promote the healthcare industries, Korea has seen a steady inflow of foreign direct investment.

Despite the prolonged pandemic, Invest KOREA has put in our utmost efforts to attract investment in the healthcare sector for the sustainable development of Korea. With this award, Invest KOREA will strive to contribute to sustainable development not only for Korea but also around the world.
Automobile

Business News 04-05
News highlights on FDI, trade & commerce, industry, gov’t & policy

Why Korea? 06-07
“Korea, a Country with a Robust Economic Foundation”

Cover Story Interview 08-13
“Pursuing Innovation for a Climate Neutral Future”

Industry Focus 14-16
“Korea’s Automobile Industry and the Development of EVs and Self-Driving Vehicles”

Invest KOREA Market Place 17
Korean companies to invest in

Future Unicorns 18-19
“Autonomous a2z, a Full-Stack Autonomous Vehicle Developer”

Location Report 20-22
“BitGreen Industrial Complex, the Center of the Future Automotive Industry”

Economic Opinion 23
“Brighter Side of the Cheapening Won”

Special Report 24-25
“2022 K-ESG Regulatory Outlook”

Living in Korea 26-27
“Korea 101: Car Purchase, Registration and Insurance”

FAQ from Investors 28-29

Experience Korea 30-33
“Suwon Hwaseong Fortress”

Economic Indicators 34

IK’s Services 35
BMW Group Korea said on Dec. 16 that it has signed an initial pact with a provincial government to build a research and development center to provide advanced mobility services to local customers.

BMW Korea signed a memorandum of understanding with the Incheon metropolitan city and the Korean Free Economic Zones to build the BMW R&D Center Korea in the Cheongna Incheon Hi-Tech Park by 2023 to advance R&D projects involving autonomous driving, connectivity and electrification, the company said in a statement.

"BMW Korea will cooperate with its German parent group and Korean companies in developing future mobility technologies in the new center," it said.

BMW has had an R&D unit within the BMW Driving Center in Incheon, 40 kilometers west of Seoul, since 2015. It was the company's fifth overseas R&D facility after ones in the United States, China, Japan and Brazil, the statement said.

The existing R&D unit will be absorbed by the new R&D center, BMW said.

S. Korea's industrial output increased by the most in 17 months in November in the latest sign that economic recovery momentum has been extended despite the pandemic, data showed on Dec. 30.

Industrial output grew 3.2 percent in November from the previous month, a turnaround from a 1.9 percent on-month fall in October, according to the data compiled by Statistics Korea. It marked the largest on-month gain since June 2020, when industrial output went up 3.9 percent.

The rebound came after industrial output fell by the most in 18 months in October due to fewer working days and global supply chain bottlenecks.

From a year earlier, industrial output rose 5.3 percent in November.

The statistics agency said industrial output rebounded on the back of robust production in the manufacturing and service sectors despite a fall in private spending.

"The economic recovery is on track to gain momentum," Eo Woon-sun, a senior Statistics Korea official, told reporters.

The Organization for Economic Cooperation and Development (OECD) on Dec. 1 revised up its 2022 growth outlook for the S. Korean economy to 3 percent, citing robust exports and a recovery of private spending.

The OECD's 2022 outlook for Asia's fourth-largest economy was raised from its September estimate of 2.9 percent. The Paris-based organization maintained its 2021 growth projection for Korea at 4 percent. Its 2023 economic outlook for Korea came to 2.7 percent.

The OECD's 2022 forecast is on par with the growth estimates by the Korean government and the Bank of Korea (BOK).

The OECD said S. Korea's economic growth is expected to be "stable through 2023."

"The Korean economy continues to recover following the COVID-19 shock, propelled by strong export growth, improving business investment and public support," the OECD said.

The outlook for Korea came even as the OECD revised down its 2021 growth forecasts for major economies, including the United States, the eurozone, China and Japan.

The S. Korean economy is on a recovery track on the back of solid exports despite the latest spike in COVID-19 cases.
S. Korea's exports grew 20 percent on-year in the first 20 days of December on the back of solid demand for chips and petroleum products, customs data showed on Dec. 21.

The country's outbound shipments stood at USD 36.9 billion in the Dec. 1-20 period, compared with USD 30.7 billion a year earlier, according to the data from the Korea Customs Service.

Imports jumped 42.1 percent on-year to USD 39.6 billion, resulting in a trade deficit of USD 2.66 billion during the cited period, the data showed.

S. Korea will push to submit an official application to join a mega Asia-Pacific free trade agreement in April next year by speeding up the process of collecting public opinions and building social consensus, the country's top economic policymaker said on Dec. 27.

The government earlier said that it had begun the process to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) involving 11 nations as part of efforts to diversify its export portfolio.

Finance Minister Hong Nam-ki said in a meeting with other export and trade-related officials that a task force composed of relevant ministries will discuss countermeasures to handle the impact of joining the CPTPP and contact its member countries, while pushing to submit an official application to accede to the trade agreement in the middle of April.

The CPTPP is the renegotiated version of the Trans-Pacific Partnership (TPP) led by the former U.S. President Barack Obama administration.

Exports, which account for half of the economy, grew 32 percent on-year to a record high of USD 60.44 billion in November, extending their gains to the 13th straight month.

The country's exports are set to exceed USD 640 billion this year, hitting a record high. The government set the annual target of exports at around USD 660 billion for next year.

The Bank of Korea forecast Asia's fourth-largest economy will expand 4 percent this year and grow 3 percent next year. The finance ministry expects the Korean economy to grow 3.1 percent in 2022.

S. Korea's exports grew 20 percent on-year in the first 20 days of December on the back of solid demand for chips and petroleum products, customs data showed on Dec. 21.

The country's outbound shipments stood at USD 36.9 billion in the Dec. 1-20 period, compared with USD 30.7 billion a year earlier, according to the data from the Korea Customs Service.

Imports jumped 42.1 percent on-year to USD 39.6 billion, resulting in a trade deficit of USD 2.66 billion during the cited period, the data showed.

The government unveiled a revised road map on improving regulations for self-driving cars on Dec. 23 to hasten their commercial adoption starting next year.

The road map, confirmed at an interagency government meeting earlier in the day, came as S. Korea is expected to see a fast adoption of autonomous driving for commercial vehicles beginning in 2022, starting with the launch of Level 3 self-driving cars—made for conditional driving automation that requires human intervention.

The government expects Level 4 autonomous vehicles, capable of high automation with little need for human input, to be widely adopted in the country by 2027.

Under the road map, the government will take a phased approach by adding and upgrading regulations and laws related to technology, communications and insurance in steps in order to meet the standards and structure associated with operating autonomous vehicles, according to the Ministry of Land, Infrastructure and Transport.

Over the next two years, the government will start allowing self-driving software to be upgraded wirelessly outside of maintenance stores, as well as upgrading the authentication process to enhance overall security systems.

Between 2024 and 2026, the government will focus on devising a legal framework for Level 4 self-driving vehicles in terms of insurance policy and traffic systems so as to provide clear standards for legal responsibilities.

The land ministry will also apply "a regulation sandbox," or a grace period on regulations, to the mobility sector in order to support autonomous driving in the passenger and freight sectors.

According to the ministry, detailed action plans for regulation improvements will be announced in the first half of next year.
Korea, a Country with a Robust Economic Foundation

The global economy is gradually escaping from the shock of COVID-19. In its Economic Outlook released in December, the OECD projected that the global economy had recovered to pre-crisis levels. However, due to risk factors such as supply chain disruptions and the prolonged spread of COVID-19, monitoring the global economy for smooth global management is more important than ever before. In this issue, Invest KOREA provides a 2022 outlook of the Korean economy for companies wishing to invest here.

<table>
<thead>
<tr>
<th>Korea at a Glance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>51,821,669 (2021)</td>
</tr>
<tr>
<td>GDP</td>
<td>USD 1.63 T (2020)</td>
</tr>
<tr>
<td>Per capita GDP</td>
<td>USD 31,495 (2020)</td>
</tr>
<tr>
<td>Trade Volume</td>
<td>USD 980.1 B (2020)</td>
</tr>
<tr>
<td>FDI Inflows</td>
<td>USD 29.5 B (2021)</td>
</tr>
<tr>
<td>Credit Rating</td>
<td>Aa2 (2021)</td>
</tr>
</tbody>
</table>

* Sources: Statistics Korea, Ministry of Trade, Industry and Energy, Moody’s
Recent Economic Trends

The world economy is showing recovery thanks to the expansion of vaccines, continued policy support from each country, and rising private consumption. Nevertheless, with downside risks such as supply chain disruptions, increasing raw material prices, and the spread of the Omicron variant of COVID-19, the OECD predicted in December that the global economy would grow 5.6 percent, down 0.1 percentage point from the previous forecast in September.

Although growth rate forecasts of almost all countries have been slightly lowered, the projection for Korea’s remains at 4.0 percent, the same as before. Analysts say that easing social distance regulations owing to the expansion of vaccines, strong export and investment, as well as effective policy measures make up the basis for Korea’s growth forecast.

Korea's economic growth rate in 2021 is expected to be in the middle of the G20 countries, taking the 2020 levels into consideration, Korea’s economy has remained strong and among the top in the world.

Economic Outlook for the Future

The global economy is expected to recover continuously over the next two years. However, the OECD predicted that the pace of growth will dwindle due to the outbreak of the Omicron variant of the virus, the sluggish Chinese economy, and an earlier-than-expected tightening of monetary policy. The global economic growth rate is projected to be 4.5 percent this year and 3.2 percent next year.

The Korean economy is also expected to follow in the same trend of the global economy. Expansion of consumption and recovery of employment centered on the service industry, increasing external demand, and continued growth in export and investment are expected to lead to solid growth, with the growth rate projected to be 3.0 percent this year and 2.7 percent next year.

In the next two years, the Korean economy is expected to demonstrate annual economic growth at the mid-range level of G20 countries, as in 2021. However, considering that the Korean economy minimized reverse growth during the 2020 COVID-19 pandemic, it is expected to continue its fastest growth among G20 countries as compared to before the crisis until 2023.

2023 Real GDP Estimation (2019=100)

*Source: OECD (Dec. 2021), Ministry of Economy and Finance

2020-21 Economic Growth Rate (%)

*Source: OECD (Dec. 2021)
One-on-One with Robert Seidenkranz

CFO of Schaeffler Korea
Pursuing Innovation for a Climate Neutral Future

Invest Korea talks to Robert Seidenkranz, CFO of Schaeffler Korea, to hear more about the company’s operations in Korea and his experience doing business here.

The Schaeffler Group, a leading global supplier to the automotive and industrial sectors, has been driving forward groundbreaking inventions and developments in the fields of motion and mobility for over 70 years.

As the preferred technology partner for its customers, Schaeffler manufactures high-precision components and systems for powertrain and chassis applications as well as rolling and plain bearing solutions for a large number of industrial applications with innovative technologies, products, and services.

The Group generated sales of approximately EUR 12.6 billion in 2020. With around 83,900 employees, Schaeffler is one of the world’s largest family companies, and with approximately 200 locations in over 50 countries, it has a global network of manufacturing locations, research and development facilities, and sales offices.

Robert Seidenkranz, hailing from Germany, became CFO of Schaeffler Korea in 2018, responsible for the company’s finance and IT operations, and is also a member of the board of directors for the legal entities in Korea. He holds a master’s degree in business administration from the University of Mannheim, Germany as well as an MBA with focus on Finance from Clarkson University, NY, USA. After his studies, Seidenkranz started his career at Mercedes-Benz (Daimler) in the truck division before joining Schaeffler in 2006. He has spent most of his professional career in Asia, working in Singapore, China, Japan and now Korea, where he enjoys living in Seoul with his wife and three children.
Please tell us a little bit about Schaeffler Korea and its history.

Schaeffler Korea was established in 1953 under the name, Shinhan Bearing Industry Co., Ltd. to pursue the restoration of Korea’s machinery industry, and has since secured its position as Korea’s best and biggest bearing manufacturer.

In June 2006, in keeping with the trend of globalization in the industry, Shinhan Bearing Industry Co., Ltd. became a joint company through a capital investment agreement with FAG (Germany). Becoming a part of the Schaeffler Group, Shinhan Bearing Industry Co., Ltd. changed its name to Schaeffler Korea.

Schaeffler Korea integrates domestic technologies that it developed over the past 60 years and the advanced technologies of Germany to produce and sell various bearings and engine parts, playing a pivotal role in the Asia-Pacific region of Schaeffler Group. With approximately 1,800 employees in Korea, it has an office in Seoul, and has plants, a logistics center, and research center in Changwon, Jeonju, Ansan and Anseong.

Why did Schaeffler establish a branch in Korea?

Korea is a very well-developed country with an attractive automotive and industrial market for our innovative technologies, products and services. We want to be a local, reliable partner for our customers at close proximity and we also want to grow and develop together with our Korean customers globally.

Korea offers skilled human resources, an excellent industrial infrastructure and a great ecosystem for key supplies which are important for doing business, especially in the manufacturing industry. Schaeffler has three factories in Korea that are an important part of the footprint for Asia to serve our customers in the entire region.

What are some characteristics and advantages of Korea’s industrial environment, particularly in terms of the automotive industry?

Korea has already been recognized as a strong leader in the manufacturing sector, especially the automotive, IT,
semiconductor and machinery industries. Based on such a strong and stable industrial foundation, Korea has now become one of the most automated countries.

When it comes to Industry 4.0 (also called the fourth industrial revolution), robotics, specifically, would be the key to navigate future business. Fortunately, all stakeholders in Korea understand this very well and look at the same direction. Many companies, no matter how big or small, are struggling to develop robotics. The Korean government has also established institutions and actively invest in the robot industry, plus, the Korean public is very open and favorable to this new system. The fact that Korea is adopting robots at the highest level in view of robot density per 10,000 employees would be the evidence to support this.

The advantages of doing business in Korea can be found in the new opportunities for innovation under the dynamics and transformation of future-oriented industries led by the government as well as our customers. In this regard, Schaeffler is adapting robots in our production as well as logistic areas in Korea, and is applying 5G technology to transform our traditional factories into smart factories.

What are the advantages of doing business in Korea?

Korea has many advantages for doing business, such as its mature market for traditional businesses, a rapid transition to new fields, and the diligence of its people.

In particular, in the manufacturing industry in which Schaeffler Korea belongs, the existence of strong local steel makers such as POSCO and SeAh, world-class machinery manufacturers like Doosan, Hwacheon and WIA, and the world’s best cost-competitive suppliers pool are among the great benefits the country offers.

Schaeffler Korea is expanding its supply to the global market as a leading company based on these advantages.

What kind of opportunities does Korea’s new policy schemes such as the Green New Deal, Digital New Deal or ESG offer for your company?

Under the Korean New Deal policy, the government is investing heavily in e-mobility, renewable energy, robotics and Industry 4.0. The market is rapidly shifting in response,
and this poses a big opportunity for Schaeffler Korea.

Our e-mobility business is expected to grow with 38 percent of CAGR by 2025, and the battery business is also expanding its scale. Schaeffler Korea will support this growth through the new technology products such as E-Axle, Thermal Management System, Axial Flux Motor and High-Speed ball bearings.

Green Energy is one of the top 10 tasks of the Korean New Deal, and many Korean companies are expanding their wind and solar energy businesses. Korea’s best-known 15 companies including HMC, SK and POSCO, launched a business council to promote the domestic hydrogen industry and tap into the growing global movement toward decarbonization.

Schaeffler Korea already supplies main bearings and condition monitoring for wind energy, and products related to hydrogen Bipolar Plate and Fuel Cell System are being developed in partnership with our customers.

Industry 4.0 is becoming a reality through the Digital New Deal and is bringing forth innovative changes in the national system, society and life as a whole. We successfully launched the Speed Reducer for Collaboration Robot and are continuing to expand high precision bearings based on our accumulated manufacturing technology.

What Korean companies/agencies do you work with to strengthen your business partnerships?

Schaeffler has always had good relationships with Korean companies since its establishment here. While it can be challenging to directly initiate business with Korean conglomerates, it is a very necessary step to achieve more sustainable growth in the future.

Key business areas which will be led by the Korean big players will be new-mobility, semiconductor and equipment, hydrogen ecosystem, robotics, renewable energy and factory automation based on advanced IT.

Schaeffler aims to continue discovering new business opportunities in response to the business transformation of top Korean conglomerates and strategically decide our areas of focus. Notably, we’re going to continue to strengthen our business partnerships with Hyundai Motors, Samsung, SK, Hanwha, LG and POSCO.

“The advantages of doing business in Korea can be found in the new opportunities for innovation under the dynamics and transformation of future-oriented industries led by the government as well as our customers.”
What are Schaeffler’s future goals for Korea and Asia as a whole?

Schaeffler has over 70 years of experience in the fields of motion and mobility. We want to expand our business in the fields of CO2-efficient driving, e-mobility, Industry 4.0, digitalization, and renewable energy. We see three significant trends for the future: e-mobility, robotics and Industry 4.0, and renewable energy generation.

In terms of e-mobility, the Korean government announced a roadmap for EV & FCEV in 2019. We want to be the preferred technological partner to achieve this e-mobility vision in Korea, Asia and globally.

As for Industry 4.0 and robotics, we are developing products and services with our local partners to achieve more innovation in this new and attractive business field.

Furthermore, the Korean government has announced the Green New Deal in order to increase the capacity of generating renewable energy, including hydrogen. Globally, we have long-standing experience in the wind energy sector, which we also want to expand in Korea. Today, Schaeffler is enhancing its technologies, products and services for hydrogen and fuel-cell technologies, which are key to increasing sustainability and contributing a greener environment. By 2040, the Schaeffler Group will be operating as a climate-neutral company, and our production facilities will already be climate neutral from 2030.

By Grace Park
Executive Consultant
Investment Public Relations Team
Korea Trade-Investment Promotion Agency (KOTRA)
Korea’s Automobile Industry and the Development of EVs and Self-Driving Vehicles
The automobile industry, which has been reliant on internal combustible engines, is now at the center of technological development, with the transition to electric vehicles and autonomous driving vehicles. Restrictions on movement, factory shutdowns and other shockwaves from the COVID-19 pandemic, which has spread across the world since early 2020, stimulated technological innovation, accelerating industrial restructuring.

The Korean automobile industry regained the world’s top 5 position, behind China, the US, Japan, and Germany, producing 3.51 million units in 2020. This was attributable to the fact that production in India and Mexico, which once had surpassed Korea, contracted significantly, while Korea performed relatively well in the domestic market and exports. The automobile industry is a flagship industry of Korea, accounting for 11.5 percent of Korea’s manufacturing employment, 12.7 percent of production, and 12.1 percent of total exports as of 2020. As the automobile industry has great upstream and downstream effects, employment increases up to 1.9 million, accounting for 7.1 percent of total employment, and if parts and materials, sales and repair, and service utilization are included in addition to automobile production, it plays a pivotal role in the Korean economy. Depending on the success of transition in the mobility industry in the coming days, it will have a great impact on not only the status of the industry but also the Korean economy as a whole.

Korea’s automobile industry undergoing a process to become differentiated, luxurious, and electrified

First of all, vehicles are becoming more luxurious and differentiated. With the Genesis-line of Hyundai Motors successfully landing in the market, more and more new models such as G70, G80, G90, GV70, and GV80 have been released. As indicated by increasing sales of SUVs which offer driving convenience and leisure use, accounting for 48.3 percent of domestic demand in 2020, there is a certain movement towards differentiation. Second, as the share of domestic high added-value vehicles increased, the average export prices also rose 25.2 percent, from USD 14,200 in 2015 to USD 17,900 in 2020. In the domestic demand market of passenger cars, the sales of expensive imported cars jumped, accounting for 17.7 percent. As a result, the average prices of passenger cars moved up to KRW 36 million. Third, with provision of the government’s purchase subsidy and customer’s increasing interest in the eco-friendly vehicles, the share of hybrid cars, electric cars, and hydrogen electric cars rose to 11.8 percent, exceeding the 10 percent range.

Readjustment of sourcing structure of parts and materials, in response to global supply disruption

The trend of protectionism and post-globalization provoked by regionalism, such as the US-China trade dispute, has been further accelerated due to the COVID-19 pandemic, highlighting the issue of global supply chain reorganization of the automobile industry. Until now, overseas production of finished vehicles and parts had expanded and efficiency-based global sourcing had been underway backed by the expansion of free trade agreements. However, the COVID-19 pandemic has caused shutdowns of parts factories and disruption in logistics, dealing a blow to major global automobile companies.

In the case of Korea, the supply of wiring harness from China was stopped in February 2020, and the supply of semiconductors for vehicles was disrupted in 2021, resulting in partial disruption to production. In response, the Korean automobile industry exercised flexibility in resolving problems by diversifying supply sources of wiring harness from China to Thailand, Vietnam, and Indonesia, among others. In the case of semiconductors for vehicles, it has strengthened solidarity with major makers, including Infineon, NXP and Renesas, and pursued the strategy of creating a new ecosystem through joint research and investment with domestic system semiconductor companies.

Meanwhile, there is another emerging issue: rising prices and supply problems of rare metals, including lithium, nickel, cobalt, and neodymium, necessary for motors and batteries of electric vehicles. As reliance on such metals from China is high, there is a possibility for resource weaponization such as China’s export control, which becomes a cause for concern. The Korean automobile industry and government plan to pursue a policy that induces overall reorganization of the global value chain by preventing risks such as supply shocks in advance and lowering reliance of specific parts and materials on a few countries.
2020 Carbon neutrality and 2030 zero emission vehicle distribution

The Korean government announced the ‘Future Car Industry Development Strategy 2030 Roadmap’ in October 2019, planning to support distribution of EVs and key technologies of EVs. The main contents are: to increase the share of EV sales to 33.3 percent by 2030, expand the global market share of domestic EVs to 10 percent, and strengthen industrial ecosystem and prepare relevant laws and systems to realize Level 4 of the driving automation market by 2027.

The Ministry of Environment confirmed the ‘2050 Carbon Neutrality Plan’, ‘2030 National Greenhouse Gas Emission Reduction Target’ in October 2021. Accordingly, the Carbon Neutrality Commission confirmed the cumulative number of Zero Emission Cars distribution at 4.5 million including 3.62 million EVs and 880,000 hydrogen cars, while increasing the number of hybrid cars to 4 million, in the 2030 transport sector. To achieve these goals, it will implement government-wide specific support measures.

Expect a leapfrog of Korean cars in the post-COVID-19 era

After 2022, the global automobile industry is expected to go through restructuring driven by recovery of global demand and reorganization of global value chains. Also, the emergence of China and trends of trade protectionism in some major countries are likely to continue. Korea has been performing relatively well, based on exemplary quarantine measures and industrial activities, and the automobile industry has the chance to turn crisis into opportunity. The Korean auto industry has gained experience of overcoming difficulties early on and achieving further growth while going through the financial crisis in 1997 and the global financial crisis in 2008. Similarly, in the 2020s, the Korean auto industry is expected to set the global example of industrial growth based on EVs and autonomous vehicles.

Future Car Industry Development Strategic Objectives (2030) & 2050 Carbon Neutrality Target

- Global No.1 in distribution of EVs and hydrogen cars & achieve 10 percent global market share
  - The share of EVs and hydrogen vehicles sales: (2022) 9.9 percent → (2025) 18.3 percent → (2030) 33.3 percent

- Launch Level 3 self-driving vehicles in 2021,
  - The 1st commercialization of Lev.4 autonomous cars on major roads (2027)

- 2050 greenhouse gas emission target in the transport sector: 35 percent reduction compared with 2018
  - Carbon Neutrality Commission’s target for cumulative distribution of zero-emission cars: Distribution of 3.62 million EVs and 880,000 hydrogen cars out of total cars (27 million) in 2030

By Jun Kyu Kim
Vice President
Korea Automobile Manufacturers Association
junkim@kama.or.kr

* The opinions expressed in this article are the author’s own and do not reflect the views of KOTRA.
Invest KOREA Market Place

Invest Korea Market Place (IKMP) is an online business matching platform available on Invest KOREA’s website with information on approximately 300 Korean companies seeking to partner with foreign investors. This month, Invest Korea introduces some outstanding companies in Korea’s automobile industry.

**COMPANY A**

**K-By wire**

**HMI system**

**KAR mobility**

<table>
<thead>
<tr>
<th>Investment Requirement</th>
<th>Company Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
<td>USD 6 million</td>
</tr>
<tr>
<td><strong>Patents and Certificates</strong></td>
<td>Technologies related to manufacturing self-driving cars</td>
</tr>
<tr>
<td><strong>Investment Structure</strong></td>
<td>Minority, M&amp;A, Joint venture</td>
</tr>
<tr>
<td><strong>Financial Performance</strong></td>
<td>(Sales in 2017) USD 1.73 million</td>
</tr>
</tbody>
</table>

**Investment Highlights**

- **Self-driving car industry, the hottest topic of the Fourth Industrial Revolution:** To secure technologies and commercialization, global car makers and IT leaders, such as GM, Toyota Motor Corporation, Hyundai Motor Company, and Google, have been devoted to R&D projects to develop cars in cooperation with multiple companies.

- **Korea’s top design and manufacturing technology in relation to a self-driving car:** As the first partner of Hyundai Motor Company, the company boasts expertise in new technology development, mass production, and infrastructure. It is the only company in Korea that can deal with engineering, electric equipment, control, manufacturing, designs, and finish processes in relation to self-driving cars. The company is recognized as Korea’s top manufacturer when it comes to self-driving cars because of its differentiated original technology. It is currently devoted to jointly developing self-driving technologies with major countries such as Germany, the U.S., Switzerland, India, and others.

**COMPANY B**

**The technology provides external API information and customizes display information**

**Riding skin service**

<table>
<thead>
<tr>
<th>Investment Requirement</th>
<th>Company Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
<td>USD 0.5 million</td>
</tr>
<tr>
<td><strong>Patents and Certificates</strong></td>
<td>Applied for 10 domestic patents including “Customized movement information display service”</td>
</tr>
<tr>
<td><strong>Investment Structure</strong></td>
<td>Equity investment</td>
</tr>
<tr>
<td><strong>Financial Performance</strong></td>
<td>(Sales in 2020) USD 0.04 million</td>
</tr>
</tbody>
</table>

**Investment Highlights**

- **Smart mobility software:** The company provides customized driving screens for vehicles and bicycle speedometer services based on personal mobility. When supplying the UX/UI service to promote the sheer pleasure of movement, it is essential to understand the various means of transportation available. Unlike the uniform dashboard layout design of mobility manufacturers, the company provides customized displays through a smartphone connection.

- **Smart mobility market:** The smart mobility market is growing rapidly in line with the rapid advances and innovations of drone technology, mobile technology, communication technology, and mobility technology. The size of the smart mobility market is expected to rise from USD 126 billion in 2020 to USD 343.6 billion in 2025 at an annual average growth rate of 22.2%.

For more information please e-mail ikmp@kotra.or.kr, or visit the Invest KOREA Market Place page on www.investkorea.org.
Autonomous a2z, a Full-Stack Autonomous Vehicle Developer

About the company

Autonomous a2z specializes in autonomous driving and is leading the R&D of self-driving cars with its own solution. Since its establishment in 2018, Autonomous a2z has been committed to demonstrating the feasibility of autonomous driving with its a2z Solution developed to determine the most optimal driving strategy based on a full-stack algorithm.

Background

The completion of technologies for full self-driving and the opening of an autonomous driving market for passenger cars are expected to require an excessive amount of time. Therefore, a2z is expected to accelerate the commercialization of autonomous vehicles focused on low-speed special-purpose vehicles operating in limited areas.

Based on its strength as a startup, Autonomous a2z is leading the effort to commercialize autonomous vehicles by leveraging the characteristics of special-purpose vehicles that generally resort to small quantity batch.

About the product and/or technology

• a2z Solution

a2z is an autonomous driving solution that depends on a single algorithm for perceiving, determining and controlling autonomous driving.

• LiDAR Infra System

The LiDAR Infra System can provide a wide range of traffic services by perceiving mobile and stationary objects in real time with each LiDAR sensor installed on an intersection and by combining the data with precision maps. Road traffic will be safer with the LiDAR Infra System.

• Test Automation Solution (TAS)

The Test Automation Solution (TAS) enables unmanned and automated tests conducted in driving test tracks under extreme conditions.

Multiple cars fitted with TAS can be tested by a minimum number of testers, and the test results are also faster and more accurate.
Competitive edge and business strategy

• Autonomous a2z has the experience of having performed various on-road demonstrations with more than twenty of its autonomous driving platforms divided into eight types
• The world’s seventh longest demonstration distance
• More than 40% of employees have OEM-related work experience
• Launched Korea’s first fee-based driving service
• ISO9001 certification planned

Future plans

<table>
<thead>
<tr>
<th>Autonomous driving platform development plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
</tr>
<tr>
<td>Vehicle development</td>
</tr>
</tbody>
</table>

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

By Ji-Hyung Han
CEO
Autonomous a2z Co., Ltd
info@autoa2z.co.kr
autoa2z.co.kr
BitGreen Industrial Complex, the Center of the Future Automotive Industry

Established to advance the technologies of autonomous vehicles and electronic automotive parts, BitGreen Industrial Complex in Gwangju is emerging as the center of future automotive industry.

Gwangju Global Motors (GGM) in BitGreen Industrial Complex was created based on the letter of intent of Gwangju Metropolitan City and Hyundai Motors and the labor-management-civil administration agreement for joint prosperity. Currently, the production line for 1,000cc SUVs is under construction. Notably, the production line is designed to allow the production of eco-friendly autonomous vehicles when the need arises in the future to flexibly cope with changes in the global automotive market.

Moreover, Gwangju Metropolitan City plans to build an eco-friendly automotive parts cluster by investing a total of KRW 303 billion (USD 257 million) and work with the Korea Automobile Testing & Research Institute (KATRI) for establishing and operating by 2022 the nation’s first center for certification of eco-friendly car parts, which will specialize in certifying and evaluating the safety of eco-friendly automotives.

Having attracted key agencies specializing in eco-friendly autonomous vehicles and a leading automotive manufacturer, BitGreen Industrial Complex is emerging as a new hub that will drive regional economic growth.
About the Industrial Complex

- Location: Around Deongnim, Samgeo and Dongho-dong in Gwangsan-gu, Gwangju
  Around Yeongwol, Oechi and Worya-ri in Worya-myeon, Hampyeong-gun, Jeollanam-do
- Area: 4,073,831.7 m²
- Project budget: KRW 652 billion (USD 554.3 million)
- Project period: 2009-2023
- Layout plan

<table>
<thead>
<tr>
<th>Type</th>
<th>Area (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial facilities</td>
<td>2,691,979.6</td>
</tr>
<tr>
<td>Residential facilities</td>
<td>133,903.0</td>
</tr>
<tr>
<td>Site for supporting facilities</td>
<td>115,109.2</td>
</tr>
<tr>
<td>Public facilities</td>
<td>1,132,839.9</td>
</tr>
<tr>
<td>Total</td>
<td>4,073,831.7</td>
</tr>
</tbody>
</table>

※ Contact: Investment Attraction Bureau, Gwangju Free Economic Zone Authority (+82-62-613-6061~4)

About the location

Gwangju Metropolitan City is known for its excellent transportation infrastructure. The city is less than 100 minutes away from the Seoul Metropolitan Area by high-speed trains (i.e., KTX and SRT), and it is also only an hour’s drive from Muan International Airport, Mokpo Port and Gwangyang Port.

Moreover, Gwangju has eleven universities including Jeonnam National University and Chosun University, six colleges and ten specialized high schools. Businesses can recruit from more than 50,000 highly-trained specialists produced annually and benefit from the successful partnership of industries, universities and numerous research institutes operating in Gwangju.

Preferred Industries

Businesses operating in mining, digital home appliances, automotive, and state-of-the-art materials industries.

Incentives for Investors

Various incentives are offered based on relevant ordinances and regulations and the criteria for eligibility determination and evaluation.

- Cash Grant
- Special Support for Large-Scale Investment
- Subsidy for Promoting Investment
- Regional Investment Promotion Subsidy
- Support for Tenant Companies in the Investment Promotion Districts
- Financial Support
- Tax Reduction and Exemption System

※ For more details, please visit the website of Gwangju Free Economic Zone Authority (gjfez.go.kr).
Key Highlights

- **Gwangju Global Motors (GGM) automotive manufacturing plant**
  - Composed of a vehicle body plant, a painting plant and an assembly plant built in an area of 600,000 m²
  - Production plan established to produce 12,000 Casper by the end of 2021 and to start manufacturing 70,000 cars annually from 2022
  - Can be converted to a production line for eco-friendly automotives as all facilities are designed for eco-friendly, digital and flexible production
  - Expected to create 1,000 jobs directly and 11,000 jobs indirectly

- **Eco-friendly automotive parts cluster**
  - Cluster built by investing KRW 303 billion (USD 257 million) by 2022
  - Established for the development of promising leading eco-friendly automotive technologies and laying the foundation
  - Construction of the Leading Technology Support Center and the Global Business Center (Area: 32,989 m²)
  - Development of future leading technologies and installation of equipment for business support (179 types)
  - Supporting businesses for improving technologies, quality and price competitiveness and training customized specialists
  - Development of technologies in four leading areas of EV, electronic automotive parts, size reduction and special-purpose vehicles

- **Center for certification of eco-friendly car parts (operated by KATRI)**
  - Built by investing KRW 39 billion (USD 33.22 million) by 2022
  - Composed of an impact test unit, a battery test unit, etc.
  - Certification and evaluation of the batteries, impact, and impact safety of eco-friendly automotives and investigation of production defects

- **Establishment of a clean air industry cluster as a part of the Korean Green New Deal**
  - Established by investing KRW 45 billion (USD 38.3 million) by 2023
  - Composed of a facility for demonstrating the feasibility of emission reduction technologies and measuring systems
  - Supporting the domestic production of materials, parts, and equipment and the commercialization of innovative technologies
  - Expected to generate a synergistic effect with BitGreen Industrial Complex’s main focus of automotive industry
  - Expected to generate 2,807 jobs and create a production value of KRW 309.8 billion

Source: Investment Attraction Bureau, Gwangju Free Economic Zone Authority
Brighter Side of the Cheapening Won

Between the abyss of the COVID-19 pandemic, global inflation worries, and the tapering tantrum, one of the most prominent developments in the financial world is the fact that the dollar has gotten very strong throughout 2021. This year, the dollar index has hovered around 89 in January to 96 in December. It is very surprising and contrasting as the dollar index was precipitously dropping in 2020. The dynamics behind this stronger dollar turnaround is obvious. The interest rate in the US was expected to rise in the midst of a very robust real economy. With strong economic growth and job creation, it was natural to see the dollar’s strength as a safe haven in times of a worldwide pandemic and inflation.

While the stronger dollar means the weakening value of other currencies, it was typically the Korean won whose rate depreciated more than other currencies. The won has dropped in value by 10.5 percent from January to October 2021, and are showing no signs of retreating back to the level below 1100 won per dollar.

This extraordinary won depreciation was a welcome blessing for Korean economy, which has been striving to create more jobs and economic livelihood under severe distress of the effects of the pandemic. In fact, domestic personal consumption showed no sign of substantial growth despite astronomical subsidies and compensation from the government throughout this year, and construction investment failed to recover from last year’s level.

In short, the domestic portion of Korean economy contributed little for 2021, but it was the export performance that led its economic growth. Until November 2021, exports have increased by almost 27 percent, and this seems to be the best record in more than ten years. It has significantly contributed to economic growth for 2021. Of course, export growth has to be inevitably high due to the base effect of 2020, but it is also certain that the weak won has contributed significantly to such excellent export performance.

Another very important, but easily neglected point about the won rate is its effect on foreign investment into Korea. The weak won would make investing in Korea very cheap for foreign investors. Stocks, bonds, or real estate in Korea have turned into bargain items when the won exchange rates soar.

The statistical data manifests its evidence. In the second and the third quarters of 2021, the year-over-year growth rates of foreign direct investment into Korea marked 497 percent and 206 percent, and portfolio investment to Korea grew 127 percent and 41 percent for the same period. It is striking U-turn from the first quarter of 2021, when foreign investors were withdrawing from Korea. Despite a little bit of inflationary effect, the recent depreciation of the won against the dollar has become manna for the pandemic-ridden Korean economy, instilling hope that this trend will continue for a while longer.

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.
In recent years, ESG factors have become increasingly significant among investors worldwide. Amidst this sweeping trend, some raised concerns on around 600 types of ESG assessment indicators, with many different scoring agencies which might slow the spread of ESG management. Such mixture of reporting frameworks adds to confusion for companies and investors. On December 1, the Ministry of Trade, Industry and Energy unveiled the “K-ESG Guideline,” which will perform as an integrated guidance for companies and institutions. This article will explore the upcoming key regulatory issues that will have a significant impact on the investment strategy in 2022, altogether with the current regulatory landscape of Korea.

1. Disclosure Regulation

   a) Introduction of K-ESG Guideline: The newly distributed K-ESG Guideline prepared 61 common and core points by analyzing 13 major domestic and foreign assessment indicators and disclosure criteria¹. Reflecting the opinions of experts, specialized institutions, and relative ministries, the guideline presents assessment indicators that are most frequently dealt with by assessment agencies, and it is indeed optimized for Korean companies while meeting global standards. Fundamental items centered on global standards, partially used items in global standards or important items in the domestic system are classified as additional items. Moreover, 27 affordable items are sorted out for small and medium-sized companies.

   b) Revisions to Existing Disclosure Regulations: In January 2021, the Financial Services Commission (FSC) announced initiatives to promote ESG responsible investing. ESG disclosure will become mandatory in phases: for KOSPI entities with assets over two trillion Korean won by the end of year 2025, and for all KOSPI entities by the end of year 2030. Meanwhile, the Korea Exchange (KRX) published a new ESG disclosure guidance for voluntary use. Also, the Korea Corporation Governance Service (KCGS) announced an amended version of the ESG Best Practice Guideline on August 5, 2021.

   c) K-Taxonomy: In addition to the K-ESG Guideline, the Ministry of Environment released the K-taxonomy, a regulatory framework to foster sustainable investment according to the amended Environmental Technology and Industry Support Act. The taxonomy will allow financial market participants and authorities to assess whether certain economic activities are “sustainable,” and thus put an end to the so-called greenwashing or overstatement of green credentials.

¹ DJSI, MSCI, EcoVails, Sustainalytics, World Economic Forum, Global Reporting Initiative, etc.
2. Industry Trends

Major companies in the manufacturing and financial industries are proactively responding as they face bigger ESG challenges. In 2020-2021, many of them launched ESG committees under their boards: Samsung, Hyundai, LG, SK, Kakao, Naver, Korean Air Lines, Hanwha, Hyosung, CJ, LIG, Lotte, KB Financial Group, Woori Financial Group, IBK Group, and so on. In alignment with that, financial institutions introduced new “green” investment products, and SK, LG, Samsung, POSCO, and other steelmakers announced net-zero action plans. Also, an alliance called the “K-ESG Alliance,” has been formed among the Federation of Korean Industries, global companies, and startups. This alliance runs a website, “ESG Tomorrow,” which is expected to diffuse ESG-related information, including management cases.

In the announcement of the K-ESG Guideline, 25 enterprises and public entities were honored for managerial excellence in ESG. SK Telecom and Hana Financial Group were rewarded the Presidential Citation for comprehensive achievement—running an ESG committee, providing greater transparency, reducing greenhouse gas emission, offering aid for female workers, providing green financial services, supporting startups, for application of ISO 37301 (compliance management systems) and so on.

3. Legal Implications

First of all, the regulatory focus on ESG disclosure will require much more accuracy and thoroughness of ESG data. Mandatory ESG disclosure will become a key tool to meet the investors’ growing calls for transparency. In that regard, the K-ESG Guideline is envisaged to be continuously developed. Also, the COVID-19 pandemic and rapidly changing global environment precipitated public awareness and social requirements on ESG, which have been growing much faster than legal requirements. Therefore, inaccurate ESG reporting may result in invasive public investigations and pose significant risks to a company.

Expert ESG risk assessment and systematic due diligence are vital. ESG-related uncertainties are hard to quantify, and substantial issues should be identified through expert assessment. ESG issues are dynamic, involving social requirements and investor pressure. These require coordination among all functional areas within a company. It implies that companies should employ systematic due diligence efforts until ESG is truly embedded in their corporate governance.

By Dr. Yun Sung Kim, Ms. Seulbin Park
Associate Attorneys at Law
(members of Korean Bar Association),
Lee & Ko
yunsung.kim@leeko.com,
seulbin.park@leeko.com
Korea 101: Car Purchase, Registration and Insurance

Car Purchase

A foreigner wanting to buy a car in Korea must present his/her alien registration certificate that can prove the major location of the vehicle use.

Car Registration

After buying a car, a foreigner must register the car. He/she however can get the automobile manufacturer or seller to register the car on behalf of him/her. One who drives a car without registration can be sentenced to up to two years of imprisonment or fined up to KRW 5 million.

TIP

Checklist for Buying a Used Car

① Check meticulously whether the car was involved in an accident, flood damage, odometer fraud, seizure, or establishment of the right to collateral security.
  - Accident or flood damage: Visit the Car History website of the Korea Insurance Development Institute to check the accident history of used cars (the threshold of a car accident is KRW 2 million in insurance payment).
  - Odometer fraud: Ask the car dealer for the vehicle registration certificate and the performance inspection records, and then check the car history at the manufacturer’s service center or the Korea Transportation Safety Authority (Vehicle Inspection Information).
  - Seizure or establishment of the right to collateral security: Contact the relevant district office or Vehicle Registration Office to check the original vehicle registration card.

② Check the relationship between the car owner and seller together with the complete payment of automobile tax.

③ To buy a good used car, you also have to check meticulously the car body, conditions of car options and paint, and status/leakage of various oils.

Car Insurance

When you plan to possess and drive a car in Korea, you have to buy insurance for it.

### Insurance Companies Selling Car Insurance to Foreigners

<table>
<thead>
<tr>
<th>Company</th>
<th>Phone</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIG Non-Life Insurance</td>
<td>+82-1544-2792/</td>
<td><a href="https://www.aig.co.kr">https://www.aig.co.kr</a></td>
</tr>
<tr>
<td></td>
<td>(English) +82-1544-0911</td>
<td></td>
</tr>
<tr>
<td>MG Non-Life Insurance</td>
<td>+82-1588-0303</td>
<td><a href="https://direct.mggeneralins.com">https://direct.mggeneralins.com</a></td>
</tr>
<tr>
<td>KB Non-Life Insurance</td>
<td>+82-1588-0303</td>
<td><a href="http://www.kbinsure.co.kr">www.kbinsure.co.kr</a></td>
</tr>
<tr>
<td>Samsung Fire &amp; Marine Insurance</td>
<td>+82-1588-5114/</td>
<td><a href="http://www.samsungfire.com">www.samsungfire.com</a></td>
</tr>
<tr>
<td></td>
<td>(For foreigners) +82-1899-0010</td>
<td></td>
</tr>
<tr>
<td>Hyundai Marine and Fire Insurance</td>
<td>+82-1588-5656</td>
<td><a href="http://www.hi.co.kr">www.hi.co.kr</a></td>
</tr>
<tr>
<td>Hanhwa General Insurance</td>
<td>+82-1566-8000</td>
<td><a href="http://www.hwgeneralins.com">www.hwgeneralins.com</a></td>
</tr>
</tbody>
</table>

If you have further questions please contact +82-1600-7119 or visit www.investkorea.org
When a foreign investor acquires a domestic company, should he/she file a report on business combination?

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

Q. When a foreign investor acquires a domestic company, should he/she file a report on business combination?

A. When a foreign investor meets the criteria of a “company required to report its business combination”, he/she shall report its business combination in the same manner as a domestic company under Article 12 of the Monopoly Regulation and Fair Trade Act. Since any business combination that restricts competition is prohibited, all cases of business combination should be examined, in principle. However, in order to reduce unnecessary burden on corporations and raise administrative efficiency, the reporting requirement is imposed only on business combinations meeting certain criteria in terms of size.
Reasons

- Companies required to report their business combination
  - Reporting company (foreign investor): A company whose total assets or sales are KRW 300 billion or more
  - Merged company (domestic company): A company whose total assets or sales are KRW 30 billion or more (A business combination by a company whose total assets or sales are KRW 30 billion or more of another company whose total assets or sales are KRW 300 billion or more is also subject to the reporting requirement. The total assets or sales of a company that retains the status of a subsidiary both before and after the business combination should be added.)

- Business combinations required to be reported
  - Acquisition of stocks: Where a company acquires 20 percent or more (or 15 percent or more in the case of a listed corporation) of the total number of stocks (excluding non-voting stocks) issued by another company (including in the case when it becomes the largest shareholder by acquiring the stocks of that company additionally)
  - Concurrent holding of executive position: Where an executive officer of a large company concurrently holds an executive office position in another company
  - Merger: In the case of a merger of a company
  - Acquisition of business: In the case of acquisition of a business by transfer
  - Participation in company establishment: Where a company becomes the largest shareholder by participating in the establishment of a new company

* When the total assets or sales of a foreign investor are not less than KRW 300 billion, its business combination can be reported after it is executed. It should be noted, however, when the total assets or sales of a foreign investor is not less than KRW 2 trillion, its business combination should be reported before the execution of the business combination (prohibition of execution). Even when a prior report is required for a business combination, a delegated agency including a foreign exchange bank can receive a notification of foreign investment. (It does not violate the prohibition of execution.)

If you have further questions please contact +82-1600-7119 or visit www.investkorea.org
Hwaseong fortress, regarded by UNESCO as the epitome of military architecture, was built by Chong Yak-yong in 1796. Consisting of 48 structures, the castle complex was designed with the utmost care. As well as being beautiful to look at, the castle contains many ingenious defensive features such as the osongji and chi fortifications. Its low walls reflect the shift to artillery-based warfare, and provide overlapping fire coverage all around the perimeter. Hwaseong is also a site of great historical significance – King Chongjo planned the site of the new Suwon city there, and its construction was significant as the first national project undertaken with performance-based pay instead of compulsory labor. Details of the castle’s design and the building process are recorded in minute detail in the Uigwe records, enabling the castle to be rebuilt perfectly after its destruction in the Korean War.
Entering Suwon city, the capital of Kyonggi Province, one is immediately met with the spectacle of the high Changan Gate and long fortress wall that extends in both directions. The Fortress of Hwaseong (“Shining Fortress”) was designated as a World Heritage site in 1997 by UNESCO for its historical significance and unique architectural style.

The Epitome of East Asian Military Architecture

Suwon Hwaseong Fortress was completed in 1796 during the reign of King Chongjo of the Choson Dynasty. The chief architect was Chong Yak-yong, a renowned scholar official and leader of the “practical learning” (silhak) movement. In building the fortress, he made use of both Western and Eastern construction tools and materials, such as cranes, bricks and pulleys, and so made the fortress distinctive among the other fortresses of the East.

*The Silhak movement opposed the strict formalism of traditional Confucianism, and the increasingly metaphysical preoccupations of its defenders, placing more emphasis the “practical” studies of science and technology.

Hwaseong Fortress consists of 48 buildings and structures in total, including four gates that were once entrances to the old Suwon city. The fortress wall is 5.7 kilometers long and up to seven meters tall. Why did the architects of Hwaseong keep the walls at such a low height?

In ancient times, the scaling of enemy castle walls was a common part of warfare. The height of the wall therefore was very important, and could determine the outcome of a battle. However, the introduction of artillery fundamentally changed this. As cannons gained importance in the battlefield, high walls became disadvantageous, for when the lower parts were damaged by artillery fire, the risk of collapse was greater. To compensate for its low height, the architects of Hwaseong used large stones in order to make the wall stronger and thicker. Moreover, stone rivets measuring 1.5m in length were inserted at various places, causing the existing stones to interlock fully and so enhance the wall's structural integrity.

The Fortress was also built using an appropriate
combination of stone and brick. Although stone is harder than brick, when one stone is damaged by artillery fire, the adjoining stones are also dislodged, whereas in a brick wall, the damage is limited to immediate area. The basic framework of the castle was therefore made of stone, while brick was used for the areas of greatest strategic importance, such as corners and the sections of the wall directly adjoining the castle gates.

Hwaseong’s Cultural and Historical Significance

Besides its distinction as a work of architecture, Hwaseong also has a profound historical significance. The king who commissioned it, Choson Dynasty’s 22nd monarch Chongjo (1752~1800) was deeply devoted to his father, Sado Seja, who had been installed as Crown Prince only a year after his birth.

Devoted to literature during his youth, Sado Seja showed great intellectual promise, and would often share his compositions in poetry and prose with court ministers. However, due to a deep-rooted fear of his father King Yongjo, he would at times exhibit eccentric behavior, bordering on insanity, and thus incurred his father’s anger. Tragically, he died at the young age of 28, the victim of a court intrigue. The young Chongjo, only eleven at the time, experienced grief and longing for his father until his old age.

Succeeding his grandfather Yongjo at the age of 25 in 1776, Chongjo regularly paid visits to his father's tomb. In 1789 he had the tomb moved to the mountain district behind the village of Suwon, then known as one of the most auspicious burial grounds in Korea. He asked the villagers to move to the new Suwon district, providing them with money for transport and ready accommodation. New Suwon was the first planned city in the history of Korea. Royal villas, government offices and travel inns came to be built in the area, and as settlers moved in, the new castle town of Suwon was born.

Here's a look at Korea's major economic indicators that provide an overview of the country's recent economic developments.

**Source:**
International Monetary Fund (IMF), Bank of Korea (BOK), Korea International Trade Association (KITA), Ministry of Trade, Industry and Energy (MOTIE)

### Economic Indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade volume</strong> (Unit: USD million)</td>
<td>1,137,248</td>
<td>1,052,172</td>
<td>1,045,576</td>
<td>980,131</td>
<td>1,046,330</td>
<td>1,050,030</td>
</tr>
<tr>
<td><strong>Exports</strong> (Unit: USD million)</td>
<td>583,654</td>
<td>604,860</td>
<td>542,233</td>
<td>512,498</td>
<td>573,694</td>
<td>643,908</td>
</tr>
<tr>
<td><strong>Imports</strong> (Unit: USD million)</td>
<td>478,478</td>
<td>476,478</td>
<td>456,816</td>
<td>403,694</td>
<td>408,616</td>
<td>443,098</td>
</tr>
<tr>
<td><strong>Trade balance</strong> (Unit: USD million)</td>
<td>30,860</td>
<td>59,696</td>
<td>62,257</td>
<td>59,802</td>
<td>53,698</td>
<td>340,938</td>
</tr>
<tr>
<td><strong>FDI</strong> (Unit: USD million)</td>
<td>20,747</td>
<td>23,328</td>
<td>27,125</td>
<td>20,717</td>
<td>22,948</td>
<td>34,865</td>
</tr>
<tr>
<td><strong>Foreign exchange reserves</strong> (Unit: USD million)</td>
<td>463,908</td>
<td>457,633</td>
<td>503,343</td>
<td>33,829</td>
<td>31,398</td>
<td>31,495</td>
</tr>
</tbody>
</table>
Invest KOREA's 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.

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

Job Fair for Foreign-Invested Companies
IK organizes regular job fairs to help foreign-invested companies discover qualified local talent, and job seekers find employment through job consultations, on-site interviews, and more.