

Invest Korea

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Managing Director of 3M Korea

**Unlocking the Power of People,
Ideas and Science
to Reimagine What's Possible**

FDI Inflows to Korea at an All-Time High in 2021

Korea's Petrochemical Industry Striving for Carbon Neutrality

Yeosu National Industrial Complex : Korea's largest petrochemical complex

Economic Indicators

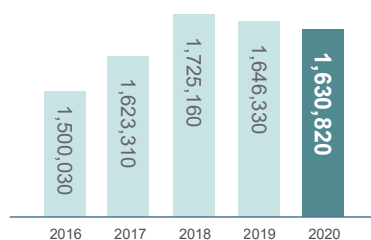
Here's a look at Korea's major economic indicators that provide an overview of the country's recent economic developments.

Source:

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

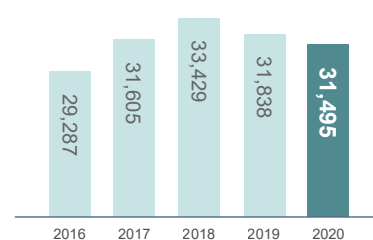
GDP

(Unit: USD millions)



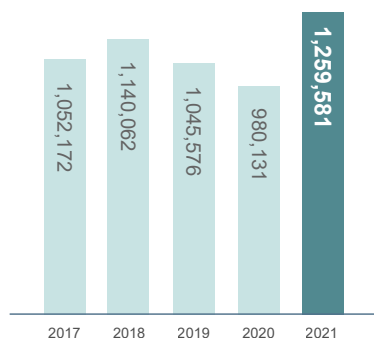
Per capita GDP

(Unit: USD)



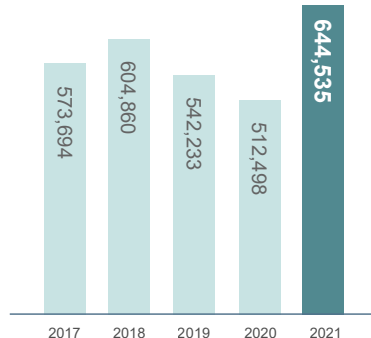
Trade volume

(Unit: USD millions)



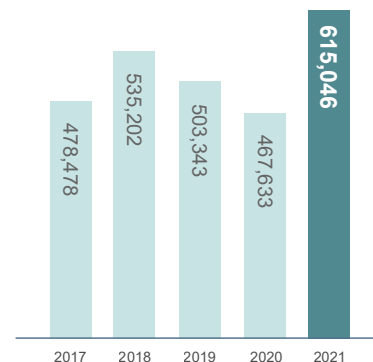
Exports

(Unit: USD millions)



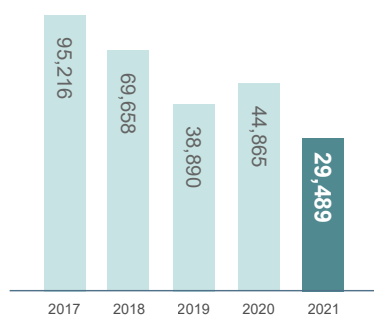
Imports

(Unit: USD millions)



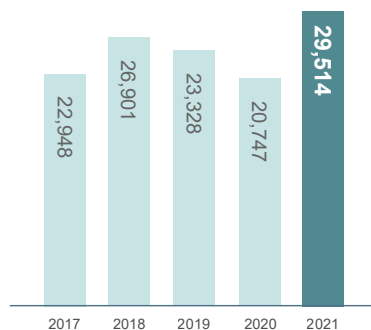
Trade balance

(Unit: USD millions)



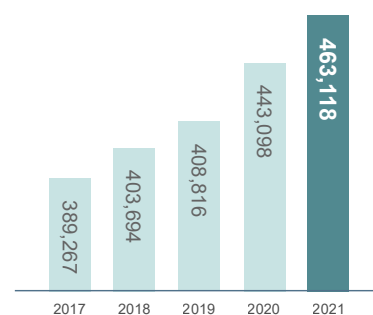
FDI

(Unit: USD millions)



Foreign exchange reserves

(Unit: USD millions)



Chemical

Economic Indicators 02

Business News 04-05

News highlights on FDI, trade & commerce, industry, gov't & policy

Industry Focus 06-09

"Korea's Petrochemical Industry Striving for Carbon"

Cover Story Interview 10-14

"Unlocking the Power of People, Ideas and Science to Reimagine What's Possible"

Why Korea? 15-17

"FDI Inflows to Korea at an All-Time High in 2021"

Future Unicorns 18-19

"KB ELEMENT, No.1 for Graphene"

Location Report 20-22

"Yeosu National Industrial Complex : Korea's largest petrochemical complex"

Invest KOREA Market Place 23

Korean companies to invest in

Special Report 24-27

"Foreign Investor Guidelines for Establishing a Presence in Korea"

Living in Korea 28-29

"Korea 101: Public Facilities"

FAQ from Investors 30-31

Experience Korea 32-34

"Hearty Pleasures"

IK's Services 35

Foreign Direct Investment

FDI in free economic zones up 43 pct in 2021: data

Foreign direct investment pledged to S. Korea's free economic zones (FEZs) surged 42.8 percent in 2021, led by the overseas investment in bio and other new industry sectors, data showed on Jan. 4.

The country's nine FEZs received USD 1.31 billion worth of FDI commitment last year, up from USD 910 million a year earlier, according to the data compiled by the Ministry of Trade, Industry and Energy. It is the first time in three years that the figure marked an on-year growth.

The amount of foreign direct investment actually made in S. Korea last year more than doubled from a year earlier to USD 840 million, the data showed.

The country has designated nine FEZs across the country since 2003, including those in the western city of Incheon and the southeastern port city of Busan, by offering tax incentives and eased regulations for foreign companies. The cumulative amount of FDI in the free economic zones surpassed the USD 20 billion mark last year.

Last year, in particular, foreign investors expanded their investment in Songdo, Incheon, for a production base of biopharmaceuticals, according to the ministry. The country's biotech cluster is located in Songdo, where dozens of major local and global bio and health care firms have made investment.

SoftBank invests USD 146 mn in AI startup Qraft

SoftBank Group Corp. is investing USD 146 million in S. Korea's artificial intelligence company Qraft Technologies, Inc. The investment includes primary growth capital and secondary capital that will be used to fund share purchases from investors.

Industry insiders say the fresh injection of funds will be used to accelerate Qraft's ongoing expansion into the US and China. The two parties will work on developing AI-enabled public portfolio management systems for SoftBank.

Qraft develops and operates deep learning-based algorithms that provide portfolio analysis to financial institutions. Using artificial intelligence, it tracks 50 blue-chip

stocks in the US and analyzes their returns on investment; as well as the impact of currency exchange rate and industry news. Since 2019, it has listed six ETFs on the New York Stock Exchange, all of which have shown strong performances.

The AI startup received the initial investment from Delta Investment, LLC., Shinhan Bank Co., and KB Investment Co. Back in May 2021, it received KRW 15 billion (USD 12.6 million) from Korea Development Bank, Dunamu and Partners, and Smilegate Investment. At the time of the investment, Qraft's corporate value was priced at KRW 175 billion. Industry insiders say it would have doubled by now.

Trade & Commerce

Exports in free trade zones hit all-time high last year: data

Exports by companies in S. Korea's free trade zones grew 89.6 percent on-year to hit an all-time high last year, the industry ministry said on Jan. 23.

Outbound shipments came to USD 10.94 billion, surpassing the USD 10 billion mark for the first time ever, according to the data from the Ministry of Trade, Industry and Energy.

The growth is attributable to strong demand for electric and electronic goods, automotive chips, semiconductor-related products and COVID-19 items amid a global economic recovery, the ministry said.

S. Korea operates 13 free trade zones across the country, including the western city

of Incheon and the southeastern port city of Busan, to promote exports and foreign investment by offering eased regulations and other benefits. A total of 1,152 domestic and foreign companies ran businesses there as of September 2021. Their combined sales accounted for 1.7 percent of the country's total exports last year, according to the data.

In 2021, S. Korea's exports advanced 25.8 percent on-year to reach a record high of USD 644.54 billion. "The government will take steps to actively support exporters and to implement ways to innovate the operation of the zones," a ministry official said.

Industry

S. Korea's economy grows 4 pct in 2021, highest in 11 years

S. Korea's economy posted the highest growth rate in 11 years as consumption and exports bounced back from the pandemic-caused slump, central bank data showed on Jan. 25.

The gross domestic product is estimated to have grown 4 percent in 2021, marking a turnaround from a year earlier when the economy contracted 0.9 percent, the worst performance since 1998, according to the data from the Bank of Korea (BOK).

The 2021 growth rate marked the highest tally since 2010, when the economy expanded 6.8 percent. It also met the central bank's annual growth outlook.

S. Korea has sought to bolster the economy, which has been hit hard by the coronavirus pandemic and toughened social distancing curbs by expanding government spending, including two extra budgets of around KRW 50 trillion (USD 41.8 billion) in total last year.

The BOK cited the government's extra budgets, eased antivirus curbs, high vaccination rates and consumers' adaptation to the pandemic, coupled with rebounding exports, as factors that contributed to the overall upward trends of economic growth.

S. Korea expected to become world's biggest investor in fab equipment this year: report

S. Korea is expected to become the biggest investor in chip fabrication facilities this year, a global industry association said on Jan. 13.

According to SEMI, a global industry association representing the electronics manufacturing and design supply chain, S. Korea is forecast to rank at the top of fab equipment spending this year, followed by Taiwan and China.

Global fab equipment spending is predicted to increase 10 percent from last year to reach an all-time high of USD 98 billion, the SEMI said in its quarterly World Fab Forecast report, marking a third consecutive year of growth.

The fab equipment spending rose 17 percent in 2020 and 39 percent in 2021 year-on-year.

"The semiconductor equipment industry

has enjoyed a period of unprecedented growth with increased spending in six of the past seven years as chipmakers expand capacity to meet secular demand for a wide range of emerging technologies, including artificial intelligence, autonomous machines and quantum computing," Ajit Manocha, president and CEO of SEMI said.

In November, Samsung, the world's largest memory chip maker, said it will spend USD 17 billion in building a new chip fabrication plant in Taylor, Texas, to expand its foundry business and pump up production amid a global chip shortage. Construction will begin in the first half of this year, with the mass production to begin in the latter half of 2024.

Government & Policy

S. Korea to expand tax incentives for R&D on carbon neutrality technology

S. Korea plans to provide tax incentives for research and development (R&D) on green technology designed to help cut carbon emissions in an effort to nurture new industries, the finance ministry said on Jan. 6.

Currently, the country has picked 235 technologies in 12 sectors, including next-generation vehicles and bio health, as "new growth and original technologies" and provided tax incentives on R&D expenditures on such spending.

For such technology, the country has applied the tax credit rate of 30-40 percent for smaller firms and 20-30 percent for large companies.

The government has decided to add carbon neutrality-related technology into such a category and expand the total number of technologies subject to the tax breaks to 260, according to a revised enforcement ordinance to the tax code.

S. Korea has an ambitious goal of reducing greenhouse gas emissions to 40 percent by 2030 compared with 2018 levels. The target marks a sharp rise from its previous goal of 26.3 percent. The country is pushing for reducing reliance on coal and building up the low-carbon economic structure in a bid to achieve the goal of carbon neutrality by 2050.

Korea's Petrochemical Industry Striving for Carbon Neutrality



The petrochemical industry supplies basic chemical materials necessary for major industries such as automobiles, electronics, textiles, as well as everyday life with Naphtha and gas as feedstock. It is Korea's leading industry, ranked 5th in production (6.1%), and 4th in exports (6.9%, 56% of production exported) among Korea's manufacturing industries. In terms of ethylene production capacity, Korea is ranked 4th in the world (9.82 million tons per year).

Despite the global economic recession in 2021 caused by the COVID-19 pandemic, sales of the petrochemical industry in the first half of 2021 recorded KRW 42.7 trillion, up 39.2 percent on-year, and operating profits of KRW 7.1 trillion, up 16.6 percent year-on-year. The sales increase is attributable to geopolitical factors, such as the increase in international oil prices, explosive increase in demand from China, and facility operation shutdown due to a cold-wave in the US and an earthquake in Japan, as well as the concentration of regular facility maintenance activities.

The most important viable in predicting the petrochemical industry in 2022 will be the recovery of China's demand. As the global economic growth rate in 2022 is estimated to be above pre-COVID-19 levels, the trend of demand recovery is expected to continue. However, the uncertainty in China is expected to play a great role. China's control over electric consumption, contracted demand due to its zero-COVID quarantine policy, and little change before the Winter Olympics in February all put a damper on the expectation for demand recovery in

China. Also, the price increase of raw materials (Naphtha) due to rising international oil prices and oversupply stemming from facility expansion of ethylene is expected to continue.



Response to Climate Change Crisis: Efforts towards Realization of Carbon-Neutrality in 2050

The Korean government set its national greenhouse emissions target (40% reduction compared to 2018) in 2030 and 2050 carbon neutrality, with the petrochemical sector aiming to cut 20.2% compared to 2018 levels by 2030. The petrochemical industry is inevitably a huge CO₂ emitter because it uses petroleum as feedstock. It is ranked 2nd among all industries, only after the steel industry, in terms of the amount of CO₂ emissions. With an increase in demand and expansion of facility investment, the industry has continued to record increasing emissions, at an average annual growth rate of 4%. However, despite the fundamental difficulty of achieving carbon neutrality by its nature, the petrochemical industry set the carbon-neutral target on its own and is accelerating carbon-neutral growth in order to create opportunities for new businesses and respond to the changing environment. Meanwhile, as the greenhouse emissions trading system (ETS), strengthened ESG measures, RE100, and the potential carbon tax and carbon border tax will put additional burdens on industries, bold support from the government will be required.



Petrochemical Industry's Carbon Neutral Technology Concept Diagram

Petrochemical Technological Development Strategy

Category	Current Status	Short-term				Mid-term		Long-term	Target		
		~2022	~2023	~2024	~2025	~2026	~2028	~2030		~2050	
 Utilization of carbon-neutral materials	Utilization of bio-mass TRL 4 (Bio-Nylon: Price at 150% or more of the current petrochemical products)					Linkage with overseas hydrogen(2040~)▼			<ul style="list-style-type: none">• (2025) Demonstration of Bio Naphtha production technology, Secure price competitiveness of bio nylon• (2030) Secure price competitiveness of polyester• (2040) Secure price competitiveness of polyolefin		
		Demonstration of Bio Naphtha production technology				Input existing Naphtha through thermolysis					
		Secure price competitiveness of bio nylon				Secure price competitiveness of bio polyester		Polyolefin			
								Commercialization			
		Utilization of waste plastics TRL 5	Demonstration of plastic Naphtha/gasification platform							<ul style="list-style-type: none">• (2030) Commercialization of mass production technology and promotion of commercialization	
			Demonstration of plastic depolymerization				Commercialization				
 Reduction of processes carbon	C1 gas conversion TRL 4	Development of original technology for direct coupling of methane				Demonstration of technology for direct coupling of methane			<ul style="list-style-type: none">• (2025) Secure original technology• (2030) Demonstrate mass-production technology		
						Commercialization					
		Development of original technology for by-product CO conversion				Demonstration of technology for by-product CO conversion			Commercialization		
		Electrification of petrochemical processes TRL 2	Development and demonstration of elementary technology for electrolysis process							Renewable power mass supply▼	<ul style="list-style-type: none">• (2030) Demonstration of electrolysis process• (2040) Commercialization of electrolysis process (0.10 kg CO2/kg product)• (2040) Demonstration of electrolysis process and electrochemical synthesis process
									Commercialization		
		Development and demonstration of elementary technology for electrolysis process and electrochemical synthesis process							Commercialization		
	Development of low-carbon innovative processes TRL 2	Demonstration of energy-saving Naphtha cracking technology							Commercialization	<ul style="list-style-type: none">• (2030) Demonstration of Naphtha cracking technology (0.58 kg CO2/kg product)• (2030) Demonstration of low-energy separation material process technology• (2040) Demonstration of COTC technology	
		Development and demonstration of new-concept COTC technology elementary technology							Commercialization		
		Demonstration of low-energy separation materials and process technologies							Commercialization		

*Source: Korea Institute of Energy Research, "The Strategy to Promote Carbon-Neutral Technological Innovation" (September 2021)

Leading the White-Bio Industry by ESG Management and Circular Economy

With the expansion of global ESG (Environmental, Social and Governance), major countries including the US and EU member states are making efforts to foster the white-bio industry, which will result in strengthening the competitiveness of the companies involved.

ESG management has successfully taken root in multinational companies based on their excellent technological prowess around the world, especially making great achievements in the environment sector, as they work towards net-zero carbon goals. However, it has become a new trade barrier as they request the same standards to their suppliers.

Korea also introduced K-Taxonomy to promote investment in ESG, providing standards to evaluate the appropriateness of eco-friendly economic activities, including carbon neutrality and environment preservation. In addition, it is necessary to operate policies and systems of regulation policies, support policies and systems, R&D, infrastructure and human resources development to foster the white bio industry in Korea. The white bio industry is a convergence new industry that applies bio technologies to the carbon-based chemical industry, requiring collaboration between bio companies and chemical companies. The government plans to actively support the creation of the white bio industries by pushing for bioplastic demonstration projects and technological development of bio-based next generation materials.

Tasks to revitalize the White Bio Industry

Section	Tasks
Realize the circular economy through expansion of bioplastic development and distribution	<ul style="list-style-type: none"> - Support technological development for commercialization of bioplastic materials - Gradual expansion of usages by verifying effective value through demonstration projects - Realistic operation of bio plastic certification system - Provide full life cycle treatment system for bioplastics
Strengthen the value chain focused on white bio high value-added products	<ul style="list-style-type: none"> - Identify promising items and strengthen support for various R&D - Promote application of new bio technologies by improving regulations - Advance the value chain by establishing partnership between innovation actors
Establish common ground to revitalize the industrial ecosystem	<ul style="list-style-type: none"> - Prepare on-the-job training programs and nurture convergence talents - Support the creation of intelligent property rights and entry to overseas market - Establish infrastructure to support commercialization

* Source: Jointly by ministries concerned, "The Strategy to Reinvigorate the White Bio Industry" (December 2020)

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

A portrait of Jim Falteisek, a middle-aged man with short, graying hair and glasses, smiling warmly. He is wearing a dark blue checkered blazer over a white button-down shirt. His hands are clasped in front of him, and a gold ring is visible on his left hand. The background is dark and out of focus.

One-on-One with Jim Falteisek

Managing Director of 3M Korea

Unlocking the Power of People, Ideas and Science to Reimagine What's Possible

Invest Korea talks to Jim Falteisek, Managing Director of 3M Korea, to hear more about 3M's operations in Korea and his experience doing business here.

As the Senior Vice President of Corporate Affairs in Asia, Jim leads the execution of many corporate priorities in Asia, including corporate brand and communications, government affairs, ethics and compliance, ESG efforts, and crisis management. Jim has the opportunity for hands-on local execution of these priorities in his dual role as Managing Director of 3M Korea.

Prior to his appointment as the Senior VP of Corporate Affairs for 3M Asia, he was the Global Vice President of Commercialization for the Consumer Business Group at the 3M headquarters in St. Paul, Minnesota. Jim started his career at 3M as an engineer 35 years ago and through his career has served various roles in R&D, sales, marketing and business management. He was also the Managing Director of 3M Greece in the early 2000s. Through his abundant global experience in many different roles across the company, he has become well versed in addressing multicultural, complex issues.

Jim actively leads Diversity, Equity, and Inclusion initiatives at 3M. Jim is a steadfast champion of the 3M Women's Leadership Forum, including "Men as Advocates." Jim is a visible and active supporter of 3M efforts to improve STEM education diversity, and 3M Korea has launched a series of initiatives to support Women in STEM under his leadership. Most recently, he took on the role as global executive sponsor of 3M PRIDE employee resource network, whose mission is to ensure every 3Mer feels confident to bring their complete self to work, regardless of what gender they express themselves as,



identify with or who they are attracted to.

Please tell us a little bit about yourself. What brought you to Korea?

For me, it was a dream opportunity to live in and lead Asia. As leader of Corporate Affairs, I am able to utilize so many of the experiences I've had in over 30 years with the company—international, business leadership, technical and commercialization leadership, marketing—to both engage with our employees and to engage externally with stakeholders (governments, customers, communities, consumers) to help build a sustainable future for our businesses and our communities.

Leading Asia from Korea makes sense as we have important industries and customers located here, and traveling anywhere from Seoul is very easy during non-pandemic times.

I arrived in Korea in January 2020, at the start of the pandemic. I feel fortunate to have been here over these past couple of years as I truly believe Korea has navigated the balance between safety and keeping businesses running very well.

I have been exposed to and now love trail hiking in the mountains. I had the opportunity to make Kimchi with our team in Naju that is then given to citizens in need within the community. I have learned that golf in Korea is the best in the world. I am grateful for the many great new experiences living here!



Kimchi Donation Event

What kind of company is 3M, and what is its history?

3M was founded in Two Harbors, Minnesota, as an abrasive company in 1902. What began as a small abrasives business evolved to become one of the world's most trusted and admired worldwide corporations.

3M is a science company dedicated to improving lives. At 3M, all 96,000 employees are dedicated to science and exploration—driving to understand our customers' needs. We strive to solve today's challenges and prepare for the future, aiming to create a more positive world through science by delivering innovative solutions that add value for our customers. Our business areas include:

- Safety and Industrial – where we drive performance, safety and reliability to protect people and transform how work gets done
- Transportation and Electronics – where we collaborate with customer to develop groundbreaking solutions that advance today and refine tomorrow
- Health Care – where we enable better, smarter, safer healthcare
- Consumer – where we empower people to discover and achieve more every day

Why did 3M establish a branch in Korea?

We entered Korea in 1977 because we saw the potential growth that Korea offered both from the consuming and producing perspectives. We saw a growing economy. We saw a focus on technology development in the country. We saw an educated, hard-working workforce that could build on 3M technology platforms, engaging with Korean customers to understand their problems.

Since that time, we have continued to expand our investment in Korea. We established an R&D center in Dongtan New Town, Gyeonggi-do; invested in manufacturing operations in Naju, Jeollanam-do and Hwaseong; as well as distribution centers in Pyeongtaek and Yangsan.

So now, we are almost 45 years later in the Korean market. Today, more than ever before, the technologies, the industries, the global leading companies, the consumers in Korea—they all match very well with our vision to use science to improve lives. Korea is a leading country in displays for phones and TVs, semiconductors, biopharma, electric vehicles, hydrogen fuel cells, LNG ships to name a few. These industries that Korea is focused on as growth drivers are also key areas of focus for 3M and 3M Korea. Those are areas we'd be planning to invest in from both R&D and manufacturing perspectives in the future.

Since our entry here, Korea has been and continues to be a very important market for 3M. It has delivered well against our assumptions in 1977!

What are some characteristics and advantages of Korea's industrial chemical, consumer and R&D industries? Were there any specific strategies that 3M established to target the Korean market?

Strengths of the Korean market include the fact that there are many Korean global companies with excellent R&D capabilities, and many companies are working hard to become the "global number one." In particular, Korean companies are evaluated to have leading technology in the global market in cutting-edge fields, such as EV batteries, hydrogen fuel cells, LNG ships, displays, 5G, semiconductor and EV markets.

From my perspective, the most obvious characteristics of the Korean industries I just mentioned are that they exist here, they are very strong, and the industries can lean on each other to develop further and faster. Many countries have the presence of some of these industries, but not many have this breadth of such high-tech industries at such a large

scale. Many countries have manufacturing, but not this level of innovation and development.

The advantage of these industries is that there are industry leaders headquartered in Korea. There are so many opportunities to collaborate, innovate and solve big challenges together to better the world!

By setting up business, R&D and manufacturing capabilities that are relevant to Korean industries, we focus on superior understanding of needs by being close to our customers. We believe if we can understand the issues, and have capabilities in Korea to both develop solutions locally as well as utilize our global technology assets, we can deliver solutions to our customers that help them succeed in the market. When we do that, we have the foundation for a strong and growing business.

What are the advantages of doing business in Korea?

First, smart consumers. Korean consumers are very sensitive to changes in product technology and marketing, responding to both of them immediately. Sometimes, their responses are considered to be one step ahead of global market trends. From the perspective of 3M Korea, which takes the lead in technology, such a propensity of the Korean market and consumers was a very lucrative factor for 3M.

Second, the dynamic features of Korean companies. Korean companies are hungry to win. They are hungry to win both domestically and globally. Korean companies, big and small, are companies with vision to grow. When we

collaborate with these companies, we can win with them in Korea and we can win with them outside Korea.

Third, the depth of human resources. Korean employees are considered to be longer-term employees and more productive than those from other countries. Another strength is that a team's performance is high in Korea thanks to the Korean organizational culture that values "us" rather than "me."

What kinds of opportunities do the global ESG trends and Korea's new policies such as the Green New Deal and Digital New Deal offer for your company?

3M is committed to building a sustainable future for all that are consistent with the Green New Deal and good ESG policies.

3M created our Strategic Sustainability Framework to focus on three priority areas that align with shared global needs.

Science for Circular: Starting in 2019, we implemented a policy to ensure that every new product has a sustainability benefit. We are designing solutions that do more with less material. In 2021, we announced plans to reduce usage of virgin fossil-based plastic by 57 million kg by 2025.

Science for Climate: We have both the math and the path to bending the curve on carbon emissions and reducing water usage. 3M will reduce carbon emissions by 50% by 2030, 80% reduction by 2040, and 100% carbon neutral in its operations by 2050. 3M announced goals to reduce



3M Women in STEM Scholarship Ceremony

water use at its facilities by 25% by 2030 and to return higher quality water to the environment after use in our manufacturing operations.

And Science for Community, where we hope to create a more positive world through science and inspire the next generation of scientists—looking to help influence a more diverse generation of scientists that will solve the new problems facing new generations. We’ve been doing that for 17 years with our 3M Science Camp, having served 1700 middle school students. This year, we did our camp in a virtual format—another new innovation—and we had 53% female students. We just completed a Science Camp for underprivileged students who are pursuing the science field from June through November in 2021 with a grant from 3Mgives. And we launched the 3M Women in STEM scholarship last year where we are providing financial support to female college students in science-based fields.

We believe this framework aligns well with the goals and objectives of the Korean Green New Deal to build a sustainable future for all of us.

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

We participate in a variety of forums, including AMCHAM Korea, FORCA, FKI, KBCSD, and the Asian Leadership Conference.

We have helped facilitate the formation of the ESG Committee in AMCHAM Korea to support understanding of ESG in Korea.

We are sharing our sustainability related knowledge with domestic companies to raise the capability of all companies to build a sustainable future.

What are 3M’s future goals for Korea and Asia as a whole?

Unlocking the power of people, ideas and science to reimagine what’s possible.

We want to build a diverse pipeline of talent for generations to come. At 3M, we apply science to make lives better, easier and more complete. We are creating a better world through science, and we want to inspire others to join us in that effort.

As a science-based company, we are all about innovation. It drives our business, fuels our passions, and allows us to improve lives. That’s why so many of our community outreach activities focus on encouraging careers

in STEM, and specifically Women in STEM, to support a diverse workforce in our future.

Change for Good. We believe in an equitable and inclusive world, so we think, work and act to drive meaningful change that endures. Together, we commit to creating a more sustainable world for our future.

“Customer at our Core” is a key element of our culture. It means that we place a strong value on building good relationships with our customers. We believe that understanding well their problems, understanding well their opportunities—is a great competitive advantage for us. We leverage our global capabilities as often as we can and we believe that is how we will continue to help our customers solve their problems, and help our customers win in these important markets.

By Grace Park

Executive Consultant

Investment Public Relations Team

Korea Trade-Investment Promotion Agency (KOTRA)



3M Women in STEM Mentoring



FDI Inflows to Korea at an All-Time High in 2021

This January, the Ministry of Trade, Industry and Energy of Korea announced that the country's export and FDI inflow figures recorded an all-time high in 2021. With the recovery of the global economy, the Korean government's timely industrial policy drew the world's attention to Korea.

What aspects of Korea did global investors pay attention to? Invest KOREA takes a closer look at the details of Korea's FDI attraction in 2021 to learn about global investors' interest in Korea.

Korea at a Glance

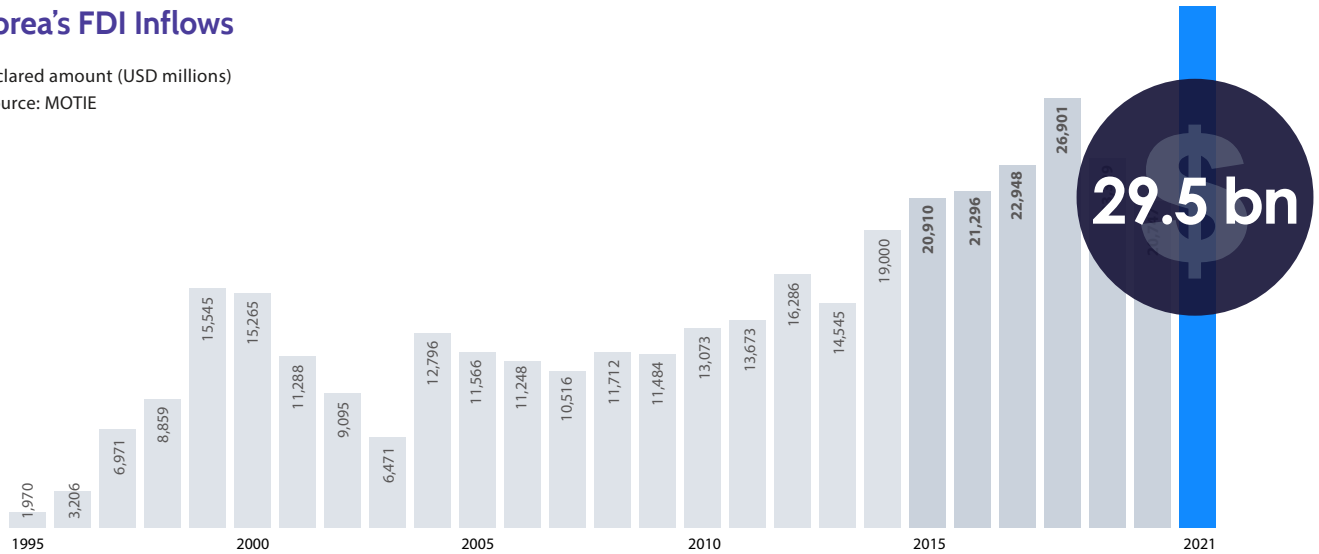
Population	5,182,669 (2021)
GDP	USD 1.63 T (2020)
Per capita GDP	USD 31,495 (2020)
Trade Volume	USD 1.26 T (2021)
FDI Inflows	USD 29.5 B (2021)
Credit Rating	Aa2 (2021)

* Sources: Statistics Korea, Ministry of Trade, Industry and Energy, Moody's

Korea's FDI Inflows

Declared amount (USD millions)

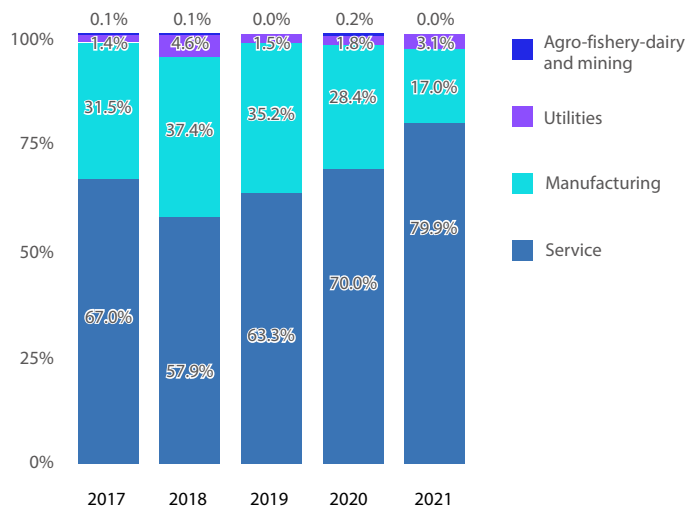
*Source: MOTIE



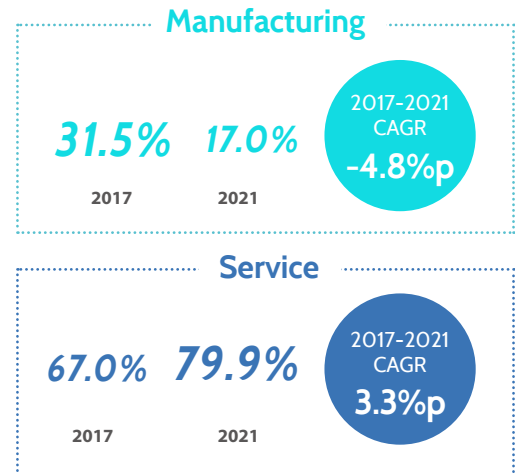
The amount of foreign direct investment attracted into Korea in 2021 stood at USD 29.5 billion, reaching an all-time high. In 2020, Korea's FDI decreased by just 11 percent even as global FDI decreased by 42 percent, and then it bounced back with a 43 percent increase in 2021. Korea's FDI inflows have surpassed 20 billion dollars annually for 7 consecutive years.

FDI Share by Industry

FDI share by industry sector



Changing trends in FDI share by industry sector



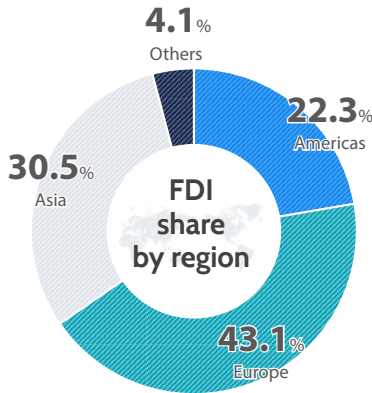
*Source: MOTIE

The service sector made up 79.9 percent of all investment, followed by the manufacturing sector with 17.0 percent. FDI in the service sector increased remarkably due to the increase of FDI in ICT (317.2%↑) and distribution (139.1%↑). Continued investment in platform services such as O2O (Offline to Online) and e-commerce led FDI growth in the ICT industry.

Due to the movement restrictions around the world stemming from the COVID-19 pandemic, investment in the manufacturing sector slightly decreased. But the increase in FDI in the semiconductor (81.8%↑) and steel (77.2%↑) manufacturing industries is notable.

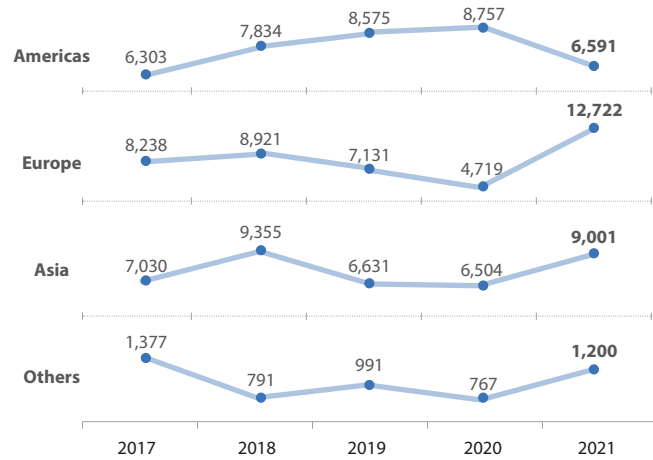
FDI Share by Region

Korea's FDI inflows by region



*Source: MOTIE

Declared amount (USD millions)



In 2021, among the Korea's total FDI inflows, FDI from Europe took up the largest proportion, followed by Asia and the Americas.

The amount of investment coming from the Americas in 2021 decreased a little year-on-year, whereas the investment amounts from Europe and Asia have increased remarkably.

Features of Korea's FDI in 2021

Major investment cases in 2021

The Korean New Deal			Materials·Parts·Equipment			Global Vaccine Hub		
	Financial Investment for Korean O2O Travel Platform	Company S ▶ \$ 1.3 bn		Photoresist for EUV Manufacturer	Company D ▶ \$ 30 mn		Biosimilar & Bioprocess Solution Provider	Company S ▶ \$ 300 mn
	Offshore Wind Power Project Developer	Company O ▶ \$ 100 mn		Manufacturer of Industrial gas for Semiconductor Assembly	Company K ▶ \$ 10 mn		Biopharmaceuticals Manufacturer	Company P ▶ \$ 85 mn
	Global Data Service Provider	Company M ▶ \$ 20 mn		Manufacturer of Fuel Tank for Hydrogen Cars	Company P ▶ \$ 30 mn		Pharmaceuticals Manufacturing Service Provider	Company C ▶ \$ 50 mn

Despite concerns over the prolonged COVID-19 pandemic and the global supply chain crisis, the amount of Korea's FDI surpassed the base effect and recorded the highest level in history. Other than the growth amount, the quality of FDI also increased.

On the back of the Korean government's industrial policies, such as the Korean New Deal, Material·Parts·Equipment 2.0 and Global Vaccine Hub Policy, FDI inflows to related industries were expanded. The Ministry of Industry, Trade and Energy of Korea expects such trends to continue in 2022.

KB ELEMENT, No.1 for Graphene

About the company

As a leading startup specializing in materials and parts, KB Element, with its pioneering non-oxidized graphene manufacturing and research technology, was selected in 2021 as one of the “100 Materials, Parts and Equipment Startups” by the Ministry of SMES and Startups.

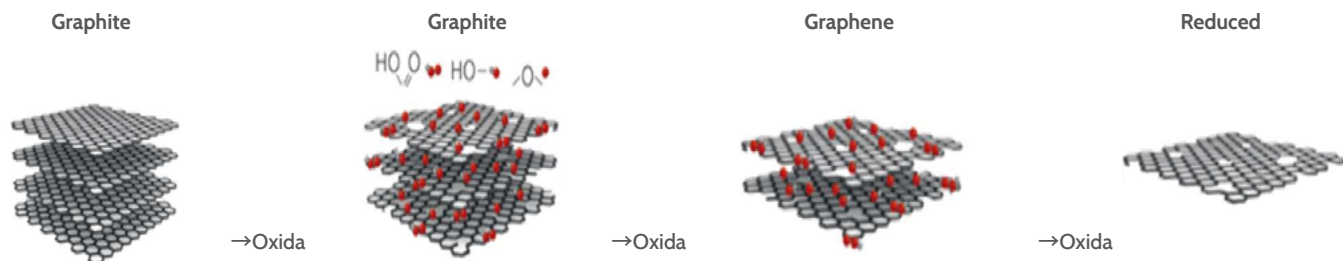
KB Element has set the benchmark for graphene commercialization and entered into a supply agreement with Samsung Display and LG Display.

Background

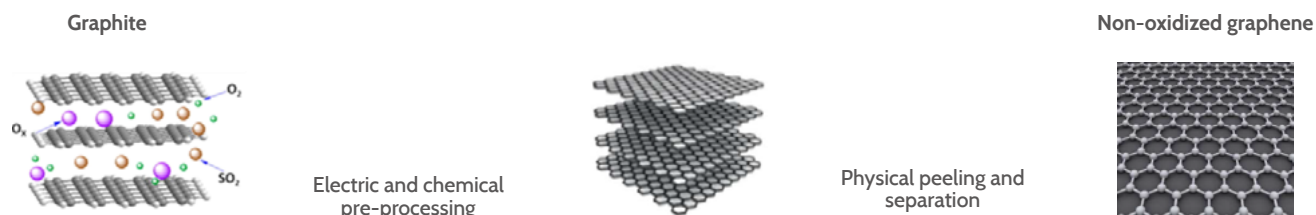
“Why is graphene, touted as a wonder material, difficult to commercialize?” is the question that led to KB Element’s product development. Graphene’s high price is the greatest obstacle in commercializing this high-quality material, but KB Element succeeded in bringing down the sales price to one tenth of the existing price based on its simplified processing and innovative manufacturing technology.

About the product and/or technology

[Conventional oxidized graphene manufacturing]



[Non-oxidized graphene manufacturing]



Generating highly-toxic heavy metals and acid fumes (which cause air pollution) are the biggest problems in existing graphene manufacturing processes. KB Element produces high-purity graphene in a non-oxidized manner for application in heat-dissipating materials and anti-static materials. KB Element offers purity-controlled graphene to meet the needs of customers.

The main advantage of non-oxidized graphene manufacturing—which is the world’s first plasma emission technology—is that it produces defect-free graphene without generating heavy metals or wastewater.

Competitive edge and business strategy

Researchers represent eighty percent of KB Element’s employees. Based on the highly-skilled manpower and technological competence specializing in graphene, KB Element developed technologies key to producing graphene materials and is working on various product development and commercialization projects.

KB Element’s non-oxidized graphene is used in anti-static coating solutions, which effectively control static electricity generated in the process of manufacturing display and other cutting-edge products, and in heat-dissipating materials used in automobile battery packs, among others. Currently, KB Element has applied for 22 patents and successfully registered 11 patents, as well as patent applications in the U.S., China, Japan and the UK.

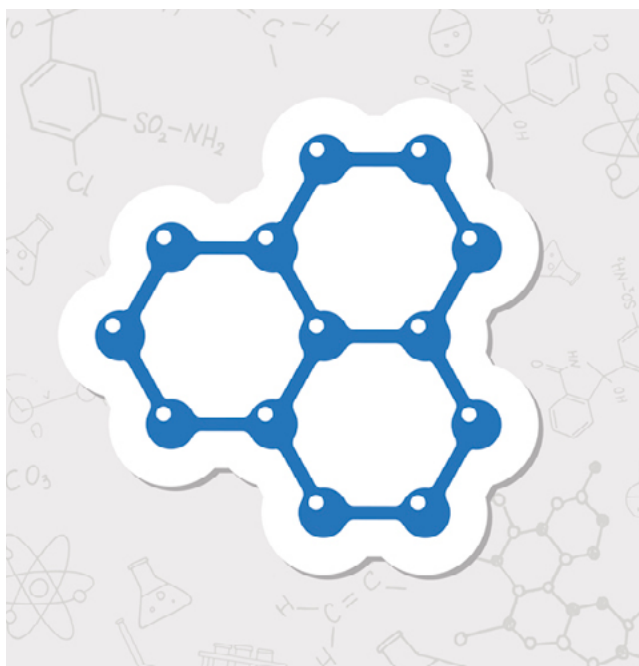
In a technology valuation project, the Korea Invention Promotion Association assessed KB Element as possessing a business value of KRW 23.1 billion and a technology value of KRW 7.1 billion, leading numerous agencies and businesses to take note of KB Element’s technological competence.

Future plans

KB Element is currently relocating and expanding its production facility to upscale its graphene production and succeeded in attracting a Series A funding worth KRW 7 billion. Based on the recent investment, KB Element aims to grow as a global material producer. It plans to accelerate innovative growth based on its initial objective of tech IPO.

KB Element has the vision to revitalize the local in-

dustry, create jobs driven by its rapid growth, and emerge as a leader in the materials, parts and equipment industry.



By Kyoung Jeong BAE

CEO

KB-ELEMENT Co., Ltd.

www.kb-element.com



Yeosu National Industrial Complex

Korea's largest petrochemical complex

Yeosu National Industrial Complex has served as the engine of Korea's petrochemical industry and made it globally competitive. More specifically, the petrochemical complex is Korea's biggest in terms of ethylene production. It plays a crucial role in the nation's chemical industry by covering 46-49 percent of production capacity in all areas of the petrochemical industry.

In addition to the petrochemical infrastructure, Yeosu National Industrial Complex also has excellent logistics infrastructure for import and export. It has a total of thirty-two berths in ports including the U-1 Cargo Port accommodating up to 300,000 ton-class ships, the Petrochemical Port, the Crude Oil Port, and the Cosmos Port.

A total of 294 companies are operating in Yeosu National Industrial Complex by employing some 24,390 workers. It plays a pivotal role as the growth engine of the regional economy by producing KRW 48.86 trillion (USD 4.04 billion) and exporting USD 17.6 billion.

About the Industrial Complex

Overview

- Location: Around Jungheung-dong, Hwachi-dong and Nakpo-dong in Yeosu, Jeonnam
- Objective: Developing an all-round petrochemical industrial complex by tapping into the excellent location of the Southeastern Maritime Industrial Region.
- Establishment: Designation of the Yecheon Chemical Base Development Zone (Apr. 1974)
 - Expansion (established by reclaiming the adjacent sea) (Completed in Dec. 2015 in an area of 7,306,000 m²)
 - Connection of industrial complexes (by incorporating nearby industrial complexes) (in an area of 1,288,000 m²)



(Unit:1,000m²)

Total area	Industrial facility zone	Supporting facility zone	Public facility zone	Green area
32,550	23,502	1,851	4,256	2,941

About the Location

Excellent transportation network

Expressway	Railway (KTX)	Airport	Marine transportation
<ul style="list-style-type: none"> • 347 km from Seoul to Yeosu (Gyeongbu, Honam and Wanjū Expressways) • 178 km from Busan to Yeosu (Namhae Expressway) 	Three-hour travel time from Seoul Station to Yeosu Expo Station	One-hour flight from Yeosu Airport to Gimpo and Jeju Airports	International cruise terminal: Capable of accommodating 150,000 ton-class international cruise ships

Optimal logistics infrastructure

- ① Yeosu Port: Environmentally-friendly port dynamically serving as a port and an urban facility.
 - Berthing capacity: Two ships, one berth for cruise ships
 - Unloading capacity: 95,000 tons/yr
- ② Gwangyang Port: Logistics hub closely connecting the freight port with the nearby industrial complex
 - Berthing capacity: Twenty ports in the Yecheon region with 45 berths, 15 ports in the Gwangyang area with 52 berths
 - Unloading capacity: General cargo (279.9 million tons/yr), container (4.6 million TEU/yr)

Anchor Companies in the Complex

- Oil refining: 800,000 barrels/day (24% of national processing capacity (of 3,280,000 barrels/day)
- Major anchor company: GS Caltex
- Petrochemical: 4,360,000 tons/yr of ethylene (46% of total national production (9,490,000 tons/yr))
- Major anchor companies: LG Chemical, Lotte Chemical, Yeochun NCC
- Fertilizer: 480,000 tons/yr (49% of total national production (980,000 tons/yr))
- Major anchor company: Namhae Chemical

Incentives for Investors

- Incentives for domestic companies: Subsidy support
- Incentives for foreign-invested companies: 100% rent reduction for companies operating in an individual-type foreign-invested zone, cash grant, subsidy support
- Special incentives for large-scale investors: Granted by the Mayor with the approval of the city council

Key Highlights

- Launch of the 2021 Gwangyangman Area Industrial Complex Modification Project and the designation of the Jeonnam Yeosu Smart Green Industrial Complex Project

1) Industrial Complex Modification Project

- Boosting chemical and steel industries through the modification of industrial complexes in Gwangyangman area including Yeosu National Industrial Complex,

which will be closely linked with Gwangyang National Industrial Complex and Yulchon 1 General Industrial Complex.

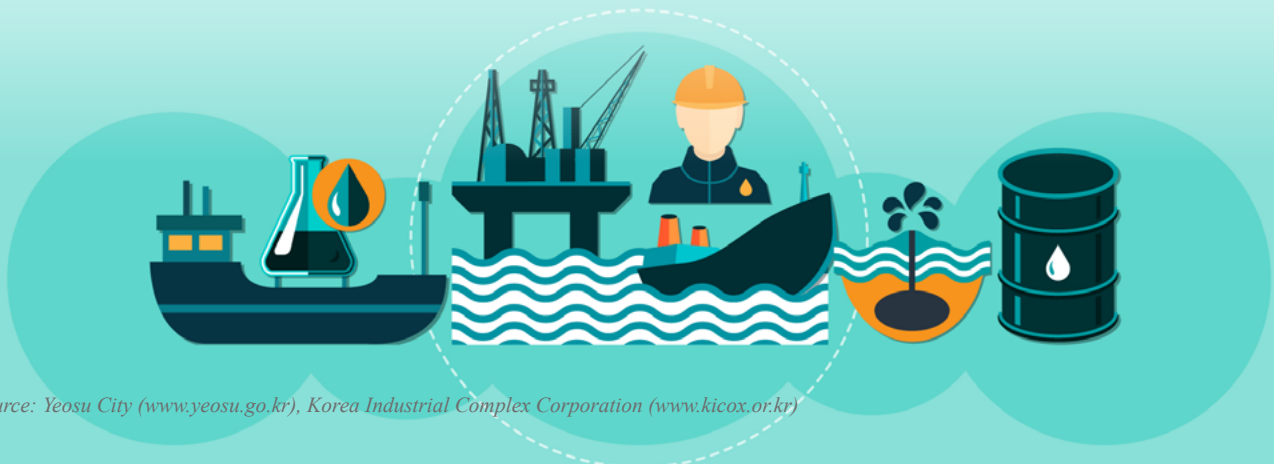
※ Developed as an innovative regional hub at the initiative of the local government (master plan established by the local government) → Support of the central government (across various ministries including the Ministry of Land, Infrastructure and Transport, the Ministry of Trade, Industry and Energy, the Ministry of SMEs and Startups, the Ministry of Culture, Sports and Tourism, the Ministry of Employment and Labor)

- The project is expected to generate 15,000 jobs over three years, add production worth KRW 35 trillion, reduce industrial accidents by 10 percent, reduce air pollution by 15 percent and save logistics costs of KRW 15 billion.

2) Jeonnam Yeosu Smart Green Industrial Complex Project

- Incorporating digital (development of materials and parts industry), Green New Deal (development of an eco-friendly industrial complex), and Human New Deal (training workers and improving living conditions) elements in order to develop a petrochemical-based low-carbon smart industrial complex specializing in materials and parts.

- The Industrial Complex is expected to allow the use of additional 300,000 tons of greenhouse gas, reduce industrial accidents by 10 percent, add production by 40 percent and generate 35 percent more jobs in 2023.




Source: Yeosu City (www.yeosu.go.kr), Korea Industrial Complex Corporation (www.kicox.or.kr)


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 chemical industry.


**COMPANY
A**



Adhesives/pressure-sensitive adhesives



Functional adhesive (cold seal)




Factory equipment

Investment Requirement		Company Profile	
Amount	USD 2 million	Patents and Certificates	6 domestic patents, including fine chemicals
Investment Structure	Financial investment (minority), joint venture	Financial Performance	(Sales in 2019) USD 2.51 million

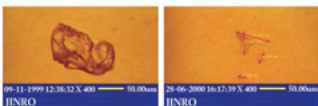
Investment Highlights

- **Fine chemicals, adhesives / pressure-sensitive adhesives, and synthetic resins:** The production of the company's original products is attributed to its technology for synthesizing fine chemicals, adhesives/pressure-sensitive adhesives, and synthetic resins. The company's product lineup consists of synthetic resins (coatings, paints, etc.), regular adhesives, pressure-sensitive adhesives, etc., all of which boast far more competitive prices than existing products on the market.
- **Detergents and water treatment products:** The company's technologies are intended for cleansers and water treatment products suitable for its customers and their materials. The solutions are composed of detergents appropriate for industrial materials (corrosion in metals and other materials, contaminated surfaces), household detergents (corrosion, contaminated surfaces), chemicals for industrial boilers, and other products for water and wastewater treatment processes. All of those are based on the company's experiences and expertise in quality management.

**COMPANY
B**



*Dispersant effect:
The sludge in a low quality bunker tank is converted to fuel (resulting in stabilization of the engine and reduction of fuel consumption).*



Fuel ultra atomization: Fuel is homogenized at the time of injection by ultra atomization (nozzle injection process), and vaporization efficiency is maximized (combustion efficiency improvement)

Investment Requirement		Company Profile	
Amount	USD 2.16 million	Patents and Certificates	7 patents at home and abroad, including "A fuel additive for reducing greenhouse gases, NOx and particulate matter."
Investment Structure	Equity investment (minority)	Financial Performance	(Sales in 2020) USD 0.56 million

Investment Highlights

- **Eco-friendly fuel additives:** The company produces fuel additives for eco-friendly vehicles that are designed to reduce greenhouse gases in response to global warming. The fine dust reduction performance of the company's fuel additives is superior to that of existing products currently in distribution, and the constituent materials of the raw materials and products after combustion are eco-friendly. The company is a promising small and medium sized enterprise that has obtained the Green Certification and a performance certification in Korea, as well as the China Environmental Labelling certification from the Chinese government. The company has successfully conducted a national project for the Ministry of Environment to develop a next generation core environmental technology (development of a technology that reduces NOx by 20% and PM by 50%)
- **Fuel additives market:** The demand for eco-friendly products is increasing throughout the world. For example, the International Maritime Organization began to regulate the use of fuel oil with 3.5% sulfur content from January 2020, and applies mandatory regulations to prevent air pollution by ships around the world.

Foreign Investor Guidelines for Establishing a Presence in Korea

I. Corporate Forms

For a foreign investor, three typical types of corporate forms are often considered: (i) a joint stock company (“Jusik Hoesa” in Korean); (ii) a limited company (“Yuhan Hoesa” in Korean); and (iii) a limited liability company (“Yuhan Chaegim Hoesa” in Korean).¹ Once a corporate form is chosen, in general, such foreign investor will need to appoint directors to serve on a board, a representative director and/or a statutory auditor.

Under the Korean Commercial Code (the “KCC”), a Jusik Hoesa is in principle required to have three (3) or more directors and one (1) or more statutory auditors, provided that in case of the company capitalized at less than KRW 1 billion, it is allowed to have one (1) or two (2) directors and no statutory auditor.

II. Directors

1. Qualifications of Director

Under the KCC, except for an outside director², there are no limitations in terms of qualifications for a director.

¹ Currently, Jusik Hoesa accounts for about 95% of corporate forms of entities in Korea (“Status of Corporate Income Tax Returns – National Tax Service, 2020”)

² It is not mandatory for a non-listed company to appoint and have an outside director. For a listed company, one-fourth of the total number of directors shall be appointed as outside director(s). Further, for a large-scale listed company with assets over KRW 2 trillion or more, three or more outside directors shall be appointed and a majority of the total number of directors shall be appointed.

2. Role and Authority of Director

While the day-to-day operations are managed by a representative director, the Board of directors (if applicable) should resolve all “important matters concerning the management of the company”. Under the KCC, generally, a director of a company has the following authority:

- To audit the other directors, including the representative director;
- To request that the management provide information relating to the company;
- To access financial books or other important documents of the company; and
- To bring a lawsuit in accordance with the KCC.

3. Duties of Director

Under the KCC, the directors of a Korean company have various duties towards the company, which include, among others, the followings:

Duty of Care: The KCC describes the relationship between a director and the company as a “mandate,” which is equivalent to a delegation under the Korean Civil Code. Accordingly, directors are deemed to be fiduciaries and are considered to owe a duty of due care to their company, the applicable standard of care being that of a good manager. It is generally understood that directors are required to act with care on the basis of their actual knowledge and such knowledge as they should have gained by reasonable care and skill.

Duty of Loyalty: The directors of a company must perform their duties faithfully for the benefit of the company in accordance with applicable laws and regulations and the Articles of Incorporation (“AOI”). In that regard, the Korean Supreme Court has held that such duty requires directors to act in the best interest of the company as opposed to the shareholder(s) of the company.

Duty of Confidentiality: The directors of a company have an obligation not to disclose any confidential information regarding the company’s business during and after their term of service with the company.

Duty Not to Compete with the Company: No director may, without the approval of the Board, be involved in a transaction falling under the scope of the business of the company for (i) his/her own account or (ii) the account of a third party where the interest of the company and the director may conflict (e.g., usurping a corporate opportunity from the company).

Duty as to Transactions between Director and Company (Self Dealing): Under the KCC, an approval of more than two-thirds of all directors (excluding the interested director) is required for transactions between a director and the company for the account of such director or a third party that may harm the interest of the company (e.g., self-dealing).

Duty Not to Usurp Corporate Opportunity: Under the KCC, a director is restricted from utilizing or causing third parties to utilize business opportunities by taking advantage of information that he/she has obtained during his/her employment or a business opportunity that is closely connected to business of the company, unless approved by more than two-thirds of the members of the Board (excluding the interested director).

4. Liabilities of Director

A breach of the above discussed duties by a director may subject such director to civil and/or criminal liability, as discussed further below.

Liability to Compensate for Damages Incurred By the Company³ : Under the KCC, if the directors of a company act in contravention of the requirements of laws, government regulations or the AOI, or if they neglect to perform their duties, they will be jointly and severally liable for damages incurred by the company as a result thereof.

The civil liabilities of a director may be extinguished in certain circumstances under the KCC. For example, under Article 400 (1) of the KCC, a director may be relieved of his/her liabilities to provide compensation for damages incurred by the company if all shareholders/members unanimously agree to discharge the directors from such liabilities. In particular, pursuant to Article 400 (1) of the KCC, a company may limit its director's liability to six times (in the case of an outside director, three times) the amount of remuneration (including bonuses and profits from the exercise of stock options) for the preceding one-year period from the date of the director's act.

Liability towards Third Parties: In order to protect third parties, the KCC provide that a director of a company will be liable to a third party for any damages suffered by the third party as a result of the director's breach of his/her fiduciary duties to the company if such breach results from wrongful intent or gross negligence.

Criminal Liability: As discussed above, under the KCC, the directors of a Korean company owe a duty of care towards the company, pursuant to which the directors must perform their duties in good faith and in the best interests of the company in accordance with applicable laws and the company's AOI.

In this regard, a director could be exposed to certain criminal liabilities (as well as civil liabilities) in case of a breach of his/her duties which may constitute a breach of trust under the Korean Criminal Code. Please note that, for a director to be found criminally liable, it must be shown that he/she (i) acted with "intent" and (ii) either benefited himself or herself or caused a third party (e.g., shareholders) to benefit, resulting in damages or "threatened damages" to the company. When a director is found criminally liable, then such director may be subject to imprisonment of up to 10 years and/or criminal fine of up to KRW 30 million.

III. Statutory Auditor

1. Qualifications of Statutory Auditor

Under the KCC, except for a full-time statutory auditor of a listed company, there are no limitations in terms of qualifications for an auditor.

³ Under the KCC, if a company does not take proper actions to seek damages from the directors, any shareholder(s) holding one (1) percent or more of the total number of issued and outstanding shares (or, in the case of a listed company, any shareholders(s) holding 0.01% or more of the total number of issued and outstanding shares for a period of at least 6 months) may demand in writing that the company initiate a suit to hold the directors liable. If the company does not initiate such suit within 30 days from the date of such demand, the shareholder(s) may initiate an action on behalf of the company against the responsible directors.

2. Role and Authority of Statutory Auditor

The statutory auditor is a separate corporate organ that acts an independent “watchdog” over the board of directors and management team.

To that end, the KCC grants the statutory auditor with certain rights, such as the right to attend Board meetings and state his/her opinion (but not the right to vote), investigate the affairs of the company, audit the accounting, and request the convening of a shareholders’ meeting.

3. Duties of Statutory Auditor

Duty of Care: The statutory auditor owes a duty of care to the company with respect to his/her duties. The statutory auditor should act as a “good manager.”

Duty to Avoid Conflict of Interest: As explained above, to ensure the statutory auditor’s independence and fairness in performing his/her duties, the KCC prohibits a statutory auditor from assuming the office of director, registered manager or some other position of management in a company or its subsidiary companies, concurrently with his/her office as a statutory auditor.

Duty of Report to Board: Fundamentally, the statutory auditor is intended to be an independent monitor of the directors’ management of the company. Thus, when in the opinion of the statutory auditor, a director acts or may act in violation of the law or the AOI, the statutory auditor should report the foregoing to the Board.

Duty to Examine Documents for Shareholders’ Meeting: The statutory auditor must examine the particulars of the agenda and documents to be submitted by the directors at the shareholders’ meeting, and state before the shareholders’ meeting if such particulars or documents include any matter(s) contrary to the law or the AOI, or is/are otherwise grossly inequitable.

Duty to Prepare Audit Records: The statutory auditor must prepare the written records of his/her inspection(s) and audit(s). The details of the inspection carried out by the statutory auditor and the results must be recorded in the minutes and bear the name and seal or signature of the statutory auditor who has conducted such inspection.

4. Liabilities of Statutory Auditor

The statutory auditor bears the same liabilities as a director (discussed in II.3. above).⁴

By Kim & Chang

Ji-Pyoung Kim (Attorney)

Chang-hee Shin (Foreign Legal Consultant)

Seung-Hwan Cheong (Attorney)

Min-Young Oh (Attorney)

⁴ Article 400 (“Extinction of Civil Liabilities”) and Article 403 (“Shareholder’s Rights to Seek Damages Incurred by the Company from Directors”) of the KCC applies mutatis mutandis pursuant to Article 415 thereof.

Korea 101: Public Facilities

Public Agencies

(1) Administrative Agencies

The administrative agencies that foreigners come to contact in their everyday lives include an eup/myeon office, a community support center or a si/gun/gu office. You can receive civil documents from them or from one of the certificate issuing machines installed in major subway stations, or from a public service portal called 'Minwon 24' (www.minwon.go.kr). Please note that not all civil documents can be issued by the machine or the service portal. For foreigners, Minwon 24 offers seven foreign language services including English, Chinese and Japanese.

(2) Police (☎ 112)

(3) Fire, Emergency and Ambulance (☎ 119)

In the event of a fire or a medical emergency, call 119 for immediate response.

(4) Post Office

① Basic fare

Regular mail: KRW 380 (25 g), registered mail: KRW 3,500 (1 kg), ePOST Shipping: KRW 5,000 (2 kg)

② Domestic mail

- Location: Post offices across the country
- Major business: mailing, shipping, banking and insurance
- Hours: 09:00-16:30 Mon-Fri (financial services) / 09:00-18:00 Mon-Fri (mailing service)
- Inquiry: 82-1588-1300/82-2-2108-9895
- Zip codes: Check zip codes at any post office across the country, the Internet post office (<http://www.epost.kr>), Korea Post (<http://www.koreapost.go.kr>) or the post office app.



③ International mail services

- Korea Post offers EMS (express mail service) as well as regular mail and parcel delivery services. The weight limits for parcel delivery and EMS are 20 and 30 kg each. Delivery charges vary depending on the destination on top of the type, size and weight of the parcel. Weight limits also differ according to shipping destinations, which you can check at post offices or ePost.
- You can check the country's zip codes composed of 5-digit numbers at either the Naver Zip Code Search or the ePost Zip Code Search.
- Rates: Check EMS rates at the website (<http://koreapost.go.kr>) in Korean or English. Contact the call center of Korea Post for regular international mail and international parcel rates.
- EMS: The international express mail service delivers letters, documents and parcels overseas in the fastest and safest way. It currently delivers to 143 countries, and EMS Premium Service is available for 72 countries.

④ International shipping

Though a bit more expensive, you can also use international couriers with a global network to send goods and documents overseas. The following international couriers are operating in Korea. Check details about their services and fares at the following contact information.

Company	Website	Phone	Language
DHL Korea	https://www.logistics.dhl	82-1588-0001	Korean, English
FedEx	https://www.fedex.com	82-80-023-8000	
UPS Korea	https://www.ups.com/kr	82-1588-6886	

⑤ Parcel delivery and quick service

Korea boasts a well developed delivery culture. Many businesses are engaged in the delivery business. Though more expensive than regular postal services, this express service provides convenient door-to-door courier delivery service for anything you want to send around the country.

Type	Delivery Service	Quick Service
Reservation	Phone or Internet reservation → a courier's visit → start of delivery	
Time (Seoul, weekdays)	Seoul and Gyeonggi major cities: 1-2 days Other areas: 3-4 days Remote areas: extra time required	Immediate delivery upon receiving parcels
Fee	Different depending on distance and parcel weight	

If you have further questions please contact

or visit



+82-1600-7119



www.investkorea.org

What is the PM system, and what does a PM do?

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

Q.

What is the PM system, and what does a PM do?

A.

The president of the Korea Trade-Investment Promotion Agency may designate a project manager (PM) for each foreign investor or each foreign-invested company to render effective support to investment affairs of a foreign investor or foreign-invested company (Article 21-2 of the Enforcement Decree of the Foreign Investment Promotion Act.).

Q&A



Reasons



- Designation and operation of PMs
 - The president of the Korea Trade-Investment Promotion Agency may designate a PM for each foreign investor or each foreign-invested company to render effective support to investment affairs of a foreign investor or foreign-invested company.
 - In such cases, the president of the Korea Trade-Investment Promotion Agency shall notify the relevant foreign investor or foreign-invested company of the designated PM.
- Persons eligible to become a PM
 - Employees of the Korea Trade-Investment Promotion Agency
 - Dispatched officers (public officials or employees of a foreign-investment related agency dispatched to the Korea Investment Service Center under Article 15(2) of the Foreign Investment Promotion Act)
 - Public officials or employees from a central administrative organization, local government and public institution under the Act on the Management of Public Institutions that are related to foreign investment
- A project manager shall perform the following duties:
 - Collection and provision of data or information and arranging interviews at the request of a foreign investor or foreign-invested company
 - Presentation of opinions regarding support related to foreign investments under Articles 9, 13, 14 and 14-2 of the Act
 - Assistance in the affairs and vicarious execution of civil affairs related to foreign investments under Articles 15 and 17 of the Foreign Investment Promotion Act
 - Assistance in resettlement of the officers, employees and their families of a foreign investor or foreign-invested company, such as housing rental and guidance for school admission
 - Other affairs related to foreign investments

If you have further questions please contact



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Hearty Pleasures

Night Markets of Daegu Metropolitan City

Especially famed for its pocha (short for pojangmacha) alley, Chilseong Market in Daegu abounds with red tents or tarpaulin sheets surrounded by plastic chairs and round tables.

Though it appears to be a mere venue full of seafood-serving eateries, it transforms into a flashy street come nighttime. Each of its stores will unfold the red tarpaulin sheet, dousing the street with red hues.

Snack on Seafood at Chilseong Market

Customers tend to frequent pochas for post-meal snacks rather than full-on meals; and rather than mere snacks, a specialty complementing an alcoholic beverage.

The ‘Pocha alley’ of Chilseong Market is overwhelmingly stocked with seafood — so much, as to be dubbed ‘Chilseong Seafood Market’ at times. Whether in the least-tempered and fresh forms like shrimp and raw fish (hoe) or as cooked dishes like the regional specialty seafood (haemul) kalguksu (hand-kneaded, ‘knife-cut’ (kal) noodles), the market boasts an assortment of marine goodness.



Anju to Calm Stomachs

Worth noting is how many first orders upon a customer’s entry at a Chilseong Market pocha consist of soup dishes. This is because many are, by the time they drop by, well underway into their long night of drinking. Though every servicer differs from one another, pochas within the market are often very quick to fill your table with simple and easy side dishes: tempura (fried vegetables or vegetables, or onion rings), tteokbokki (spicy rice cake), mussel stew (or steamed mussel broth), rice with fish roe (albab) and spaghetti and corn cheese. A defining component of pochas of the Daegu region is water and ice served by the bucket.

‘Spare Parts’ at Anjirang Gopchang Alley

In the Nam-gu District of the city is Anjirang Gopchang Alley, a cluster of gopchang (beef or pork

intestines, also known as ‘tripe’) and makchang (beef or pork entrails)-specializing barbecue restaurants. Forty-seven stores and counting, the first opening took place in 1979 before spanning into a proper alleyway series of approx. 500 m. The alley was selected amongst the likes of ‘Korea’s 5 Best Food-themed Streets’ in 2012 and ‘Exceptional Dine-out Spot’ for 2020.

Makchang is said to have been consumed on the Korean peninsula since the Joseon dynasty, specifically during King Seonjo’s reign. In 1567, the king is said to have rewarded his cooks gratuitously upon tasting makchang that his people prepared him for a celebratory occasion. But despite the fanfare, it wasn’t until the 1970s that makchang rose to the attention of the masses. Till then, the ‘spare part’ (a direct translation of the colloquial term, ‘boosok’ gogi (meat)) was used only to add a deeply meaty tinge to broths. It was a particular restaurant in Daegu that in 1969, grilled makchang for sale for the first time in the nation. From 1975 and onwards, the barbecue method (cooking the meat atop grills, or table-grills as seen in Korean barbecue restaurants) became mainstream.

This makes it a mere half a century since makchang became widely consumed amongst Koreans. For much of Korea’s younger generations, this will come as a surprise, considering the innate familiarity many will have for the barbecue item. Within the 50 years it has been around for, makchang has established itself as a major specialty of Daegu.

The most popular way to consume makchang is



to dip every bite with its custom-made sauce dubbed ‘makchang.’ It is a combination of traditional Korean barbecue sauces (doenjang, ssamjang and gochujang) with Sprite and konggaru (bean powder) with chives and green chili (cheong-yang gochu). Variations of the sauce, presented as additional options at some franchise stores nowadays, include curry powder, chili sauce as well as unaltered bean powder.

Grandiosity of Seomun Market

Since the late Joseon dynasty, Seomun (West gate) Sijang (market) had been the de facto largest market in the southern provinces of the Korean peninsula. To this day, it remains among the nation’s top three markets. In it are approx. 5,000 stores with an estimate of over 20,000 merchants. The visitor count is around 45,000 per weekday and 100,000 during weekends. For a tiny country like Korea, these are impressive numbers of people congregating anywhere outside of Seoul.

Separate from Seomun Market is Seomun Yasijang (Night Market), which opened its doors in June 2016. Spanning approx. 350 m, the massive market boasts 80

stalls decked out with eclectic offerings of food to feast on. It is largely divided by three sections: fusion and global food, ethnic Hansik (traditional Korean food) and street food or snacks. Among non-Korean visitors who visited Daegu in 2019, 75.1% of them made visits to the night market, making Seomun Night Market the most frequented locale in Daegu. The night markets begin operations from 7 p.m. and close at either 11 p.m. (in wintertime, from the months of December to February) or midnight (during the rest of the year), though merchants will often take 30 minutes more to set up or wrap up.



Source: Excerpt from “Hearty Pleasures” Written by Yu Pureum, Photographed by Studio Kenn, KOREA (February 2021), Korean Culture and Information Service (KOCIS)

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