

## Foreign Direct Investment

### Overseas direct investment more than doubles in Q1 amid post-pandemic recovery

South Korea's overseas direct investment more than doubled on-year in the first quarter of this year amid an economic recovery from the COVID-19 pandemic, the finance ministry said on June 17.

The value of investments made overseas by South Korean companies reached USD 25.4 billion in the January-March period, up from USD 11.3 billion a year earlier, according to the data

by the Ministry of Economy and Finance.

The net amount went up nearly threefold to USD 21.5 billion in the first quarter from the previous year's USD 7.1 billion, the data showed.

The ministry attributed the growth to a low base effect and eased uncertainties as the spread of the coronavirus had slowed down across the globe.

### Merck Korea completes expansion of key equipment for OLED materials

Merck Korea, the local subsidiary of the German science and technology giant Merck, said on June 9 that it has completed installation of equipment for sublimation and vacuum deposition processes, the key to an organic light-emitting diode (OLED) panel materials in Poseung Industrial Complex, Pyeongtaek, Gyeonggi Province. The completion comes about two years after Merck Korea signed an agreement with Gyeonggi to invest KRW 25 billion in additional facilities.

With the completion of new facility installation, Korean clients will be able to receive their OLED materials more stably. The products produced in Merck's plant in Darmstadt, Germany

had to travel 8000 km from Merck's plant in Darmstadt, Germany to Korea. It will be reduced by more than 1/100, as short as 60 km.

Kim Woo-kyu, managing director of Merck Korea, said that "Korea is leading the global OLED market, commanding more than 80 percent of global market share," stressing that "with the installation of the new equipment, we will be able to provide Korea's latest technologies including innovative materials and solutions to Korean clients and partners."

Last year, Merck announced Korea as one of the key focus countries for investments at Merck and a plan to invest EUR 600 million (approx. KRW 810 billion) in Korea.

## Industry

### Level 4 autonomous taxi to go into service on Seoul roads in August next year

The Ministry of Land, Infrastructure and Transport announced June 9 that it has partnered with Seoul Metropolitan Government and Hyundai Motor Co. for test operation and technical demo of Level 4 self-driving RoboRide service on congested roads in the districts of Gangnam-gu and Seocho-gu of southern Seoul.

Transportation minister Won Hee-ryong and Seoul City Mayor Oh Se-hoon have become the first passengers for an unmanned drive around Gangnam.

They have agreed to inspect the self-driving technology and its safety ahead of the official service launch for the public. Cooperation will continue to commercialize autonomous public

transportation by 2025 and open an entire Level 4 self-driving era by 2027.

The transport ministry aims to increase test drive areas as well to one or more in each city or province by 2025.

Cooperative-Intelligent Transport Systems (C-ITS) will be supported with precision road maps, and about KRW 1.1 trillion will be spent for research and development to move up the Level 4 self-driving era.

"Future mobility roadmap will be announced this summer for the country's leap towards a global leader in future mobility by 2030," said Won in a press release.

### Korea ranks 15th in travel & tourism development rankings, fourth in Asia

South Korea ranked No. 15 in global scale, its highest yet, in terms of travel and tourism potential last year, four notches higher from the previous year.

According to a report by the World Economic Forum (WEF) in late May, Korea moved up four notches to 15th in the overall rankings of

the Travel & Tourism Development Index 2021, with a score of 4.8 among 117 countries.

Japan topped the list, followed by the United States and Spain. In Asia, Singapore ranked second-largest ninth, and China third-largest 12th. Korea achieved the biggest leap in a year in the top 30. It marks the highest ranking in history as well.

## Trade &amp; Commerce

**Auto exports up 19.1 pct in May on solid demand for eco-friendly cars**

South Korea's car exports rose 19.1 percent in May from the previous year on the back of global popularity of eco-friendly cars, data showed June 15.

Outbound shipments of automobiles stood at 182,869 units last month, compared with 150,894 units a year earlier, according to the data from the Ministry of Trade, Industry and Energy.

In terms of value, auto exports grew 18.9 percent on-year to USD 4.15 billion last month, which is a record-high figure for May.

Car exports marked on-year growth for the second consecutive month in May despite a tight global supply of automotive chips and the delayed distribution of car parts around the globe amid the COVID-19 pandemic.

The upbeat sales overseas were attributable to solid demand for eco-friendly cars. Exports of eco-friendly vehicles spiked 45.1 percent on-year to 44,854 units. In terms of value, sales jumped 46.1 percent on-year to reach USD 1.28 billion, the data showed.

## Government &amp; Policy

**Seoul speeds up removal of regulatory stumbling blocks, giving traction to USD 263 bn projects**

Big South Korean manufactures would be relieved to see removal of regulatory stumbling blocks for their investments for smart and robotics and other innovative applications as the new government speeds up regulatory lifting.

On June 15, the Ministry of Trade, Industry and Energy identified 53 investment projects worth a combined KRW 337 trillion (USD 263.2 billion) in stalemate due to regulation or lack of support and attention, and began remedial work.

It has received corporate requests for regu-

latory amendment in 26 projects worth KRW 239 trillion, fast-track licensing process on 14 projects worth KRW 71 trillion, state support and incentives for 25 projects worth KRW 288 trillion.

As part of regulatory reforms and system improvements, the ministry is planning to discuss altering the usage purpose of related sites, changing the development plan of industrial complexes and revising the enforcement ordinances.

**South Korea to invest \$794 million in AI chips, nurture 7,000 experts**

The South Korean government has decided to invest KRW 1.02 trillion (USD 794 million) in the artificial intelligence semiconductor sector and foster over 7,000 related experts to sharpen its competitive edge in the global chip industry.

Following a meeting of government officials and industry executives on AI chips on June 27, Science Minister Lee Jong-ho said the government will actively support local companies' research and development projects in that regard.

"Korea has the potential to dominate the world's (semiconductor) industry given its competitive edge in the memory chip and foundry businesses," he said at a meeting held at the

Korea Advanced Institute of Science and Technology (KAIST).

Korea is home to the world's two largest memory chipmakers—Samsung Electronics Co. and SK Hynix Inc. —accounting for 56 percent of the USD 124.5 billion global market. However, Korean chipmakers take up a mere 3 percent of the much larger non-memory or system chip market, which is estimated at USD 272.4 billion.

Minister Lee said the investment to be made over the next five years is aimed at securing a strong foothold in the fledgling next-generation AI chip sector.