

## S. Korea attracts record high FDI of USD 30.45 billion in 2022

Foreign direct investment (FDI) in S. Korea exceeded USD 30 billion for the first time ever in 2022 thanks to an increase in facility investments in the semiconductor and petrochemical sectors but a net outflow of investment capital from the country will also likely hit a record high on a surge in Korean firms' investment in foreign operations.

The Ministry of Trade, Industry and Energy said on Jan. 4 that FDI in the country record-

ed USD 30.45 billion in 2022, up 3.2 percent from 2021. A total of 3,463 FDI cases were reported, adding 12.1 percent in a year.

It is the first time for the country's FDI to top USD 30 billion.

The ministry attributed the record FDI to the government's efforts to ease regulations and improve foreign investment support programs on top of the country's strong manufacturing base.

## Global hotel chains bet big on Korea's resort island of Jeju

Global hotel giants are rushing to open properties on Jeju Island, a hot tourist spot in the southwest corner of the Korean peninsula, as the region grows more popular among tourists from home and abroad.

According to multiple sources from the hotel and resort industry, JW Marriott Jeju Resort & Spa will open in Seogwipo located in the south side of Jeju Island in February and offer guests a scenic coastal view. Parnas Hotel Jeju also opened in July last year and

Grand Hyatt Jeju in 2020. More global luxury hotel chains are set to launch operations in Jeju, including Banyan Tree and Ananti.

Jeju Island has seen an explosive growth in the number of visitors amid rising demand for luxury accommodation options. According to Jeju Tourism Association, more than 15 million people visited Jeju in 2019 before the Covid-19 pandemic. The number of travelers dropped in 2020 and 2021 but rebounded last year to 12 million in the first 11 months.

## Wind power giant Vestas to relocate Asia Pacific office to Korea from Singapore

Vestas Wind Systems A/S, a Danish wind power giant, plans to invest USD 300 million in S. Korea and relocate its Asia Pacific headquarters from Singapore, according to sources on Jan. 19.

The plans were announced in an investment report event in a hotel in Davos, Switzerland, which was attended by Korean President Yoon Suk-yeol, Minister of Trade, Industry and Energy Lee Chang-yang, and Vestas CEO Henrik Andersen.

Vestas is the world's largest wind turbine company that supplies more than 160 giga-

watt (GW) capacity globally. The company is in partnership with many of Korean enterprises, including Korea South-East Power Co. and Sejin Heavy Industries Co.

Trade Minister Lee, in the meantime, met with key executives from advanced science technology company Merck Life Science and Swiss pharmaceutical firm Novartis and discussed potential investment ties worth about USD 500 million.

Merck Life Science said Korea is one of the candidates to build a new bio subsidiary materials production facility.

## Trade & Commerce

### S. Korea posts largest trade surplus with Vietnam in 2022

S. Korea is experiencing a change in its international trade relationship with Vietnam as trade with the Southeast Asian country showed the biggest surplus last year.

Korea's trade surplus with Vietnam came to USD 34.25 billion in 2022 on exports of USD 60.98 billion and imports of USD 26.72 billion, data published by the Ministry of Trade, Industry and Energy on Jan. 4 showed.

This put Vietnam as Korea's largest partner in terms of trade surplus. It is the first time for

the Southeast Asian country to top the ranking. The two countries celebrated 30 years of diplomatic relations last year.

The second largest trade surplus for Korea came from the U.S. at USD 28.04 billion. Hong Kong followed at USD 27.79 billion, India at USD 9.98 billion and Singapore at USD 8.86 billion.

Korea was the sixth largest exporting country in the world, based on January-September figures of USD 683.9 billion.

## Industry

### S. Korea to complete preparations for Level 4 autonomous car by 2024: minister

S. Korea will set up safety standards and an insurance system for the launch of Level 4 autonomous vehicles in the country by next year, the transport ministry said on Jan. 8.

Land, Infrastructure and Transport Minister Won Hee-ryong also said the government will "dramatically" ease regulations involving autonomous cars during his visit on Jan. 7 (local time) to the booth of Motional at this year's CES 2023 in Las Vegas.

Motional is a 50-50 joint venture set up in

2020 between Hyundai Motor Co. and U.S. mobility startup Aptiv to test fully autonomous vehicles for ride-hailing services. The IONIQ 5-based robo taxis are currently available for the 15-minute drive between Luxor Hotel and Mandalay Bay Hotel in Las Vegas.

At Level 4, a vehicle can drive itself under limited conditions and will not operate if all required conditions are not satisfied. At Level 5, a vehicle's automated driving features can drive under any conditions.

## Government & Policy

### S. Korea to spend USD 223 million in bio R&D projects this year

The S. Korean government will spend KRW 274.6 billion won (USD 223 million) in research and development in the bio industry this year, the Ministry of Trade, Industry and Energy said on Jan. 20.

The budget will be injected into 252 new R&D projects in four fields of biopharmaceuticals, medical devices, healthcare and biomaterials in 2023, the ministry said.

Around KRW 107.4 billion will be extended to support biopharmaceutical R&D projects, with KRW 94.8 billion allocated for novel therapies, artificial blood, microbiome analysis and other technology development for bio manufacturing process.

The ministry will spend KRW 12.6 billion for the localization of raw materials necessary to produce the latest platform-based vaccines, including messenger ribonucleic acid (mRNA) vaccines, and the development of process technology for mass production.

Some KRW 69.5 billion will be spent to support the development of advanced medical devices, and KRW 10.8 billion is set aside for joint R&D projects between hospitals and companies.

The ministry will inject KRW 30 billion for the development of advanced biomaterials and KRW 5.7 billion for biomass bioplastic manufacturing process.