

Invest KOREA

June 2023

Korea's Biotech Industry, Emerging as a Global Manufacturing Hub of Cutting-Edge Biotechnology

Taste Success with Seoul Food & Hotel 2023

DDH, a Leader of Digital Dentistry

Janghang National Ecological Industrial Complex, an Innovation Cluster Leading the Development of the West Coast

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Economic Trends

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

Summary and Assessment*

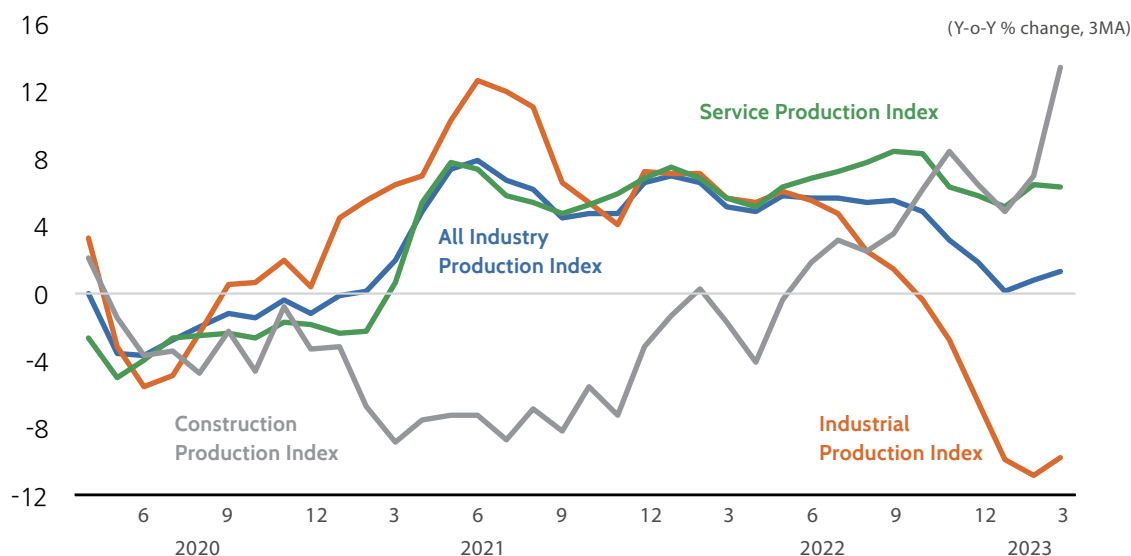
- The Korean economy remains sluggish, with exports falling sharply, but the steep decline has been somewhat tempered by a moderating slump in domestic demand.
- Due to challenging external conditions, exports continued to decrease sharply, centering on semiconductors.
 - Manufacturing production and shipments continued to decline, while related business sentiment indices stood at low levels, indicating persistent weakness in economic activity.
- Domestic demand contracted less, led by consumption and construction, although equipment investment growth remains limited.
 - This slow growth in equipment investment reflects the lackluster activity in the manufacturing market.
 - Retail sales experienced an easing of contraction led by automobiles, while services production sustained favorable growth backed by increased demand for tour activity.
 - National Accounts for Q1 indicate a modest recovery in private consumption, with a 0.5% QoQ increase, suggesting a modest recovery from the previous quarter's contraction (-0.6%).
- Meanwhile, employment conditions remain favorable led by continued high growth in services productions, although the recent economic slowdown is centered on the manufacturing industry.

*All growth figures are on a year-on-year basis unless otherwise noted. This document is an English translation of the original Korean version; the Korean version takes precedence in case of any ambiguities or discrepancies.

■ **Economic Activity:** The economic downturn continues as manufacturing production contracted, but the pace of slowdown appears to be easing as services production remains strong.

- In March, all-industry production continued on a sluggish trend, registering a mere 2.2% increase, lower than the previous month's growth (3.3%).- Industrial production (-13.0% → -8.1%) continued to decline sharply, although there were substantial gains in
 - Industrial production (-8.0% → -7.6%) continued to decelerate rapidly, driven by semiconductors (-41.7% → -26.8%), electronic parts (-36.3% → -30.4%), etc., although automobiles (26.4% → 26.8%) sustained a robust upward trend, facilitated by the normalization of auto parts supply.
 - Services production (8.0% → 6.2%) sustained robust gains in most categories: accommodation and food services (23.3% → 18.2%) and transport and warehousing (21.2% → 18.2%), etc.
 - Construction production (21.7% → 15.4%) continued high growth mainly due to the resumption of delayed construction projects late last year, suggesting that the growth may be just a short-run episode.
 - The average capacity utilization rate for manufacturing (68.9% → 72.2%) remained low, while the inventory-to-shipment ratio (122.4% → 117.4%) persisted elevated, signifying continued sluggishness.
 - The sluggishness in manufacturing has been partially eased compared to the previous month.
 - With exports continuing to decline due to weakening external demand, particularly for semiconductors, the business sentiment index remained low, suggesting a prolonged economic slowdown.
 - Both global trade volume and manufacturing PMI have weakened, indicating deteriorating external conditions.
- * World Trade Volume Index (%): (Dec. '22) -2.7 → (Jan. '23) -1.0 → (Feb.) -2.6
 * Global manufacturing PMI: (Jan. '23) 49.1 → (Feb.) 49.9 → (Mar.) 49.6
 - Accordingly, exports continued to stagnate, centering on semiconductors, while the manufacturing BSI on future tendency has stagnated at a low level.
 * Exports (%): (Feb. '23) -7.6 → (Mar.) -13.6 → (Apr.) -14.2
 * Semiconductor exports (%): (Feb. '23) -42.5 → (Mar.) -34.5 → (Apr.) -41.0
 * Manufacturing BSI on future tendency (SA): (Feb. '23) 66 → (Mar.) 65 → (Apr.) 67 → (May) 68

Production Indices by Industry



■ **Consumption:** Services production sustained solid gains, and the slump in retail sales eased, indicating a potential modest recovery in consumption.

- In March, retail sales growth remained steady at 0.5% compared to the previous month; however, its SA MoM growth exhibited a 0.4% increase, suggesting a slight easing of the slowdown.
- Services production (8.0% → 6.2%) maintained strong growth, attributed to an influx of tourists and increased face-to-face activities.
- April's CCSI was registered at 95.1, up from 92.0 in the previous month.

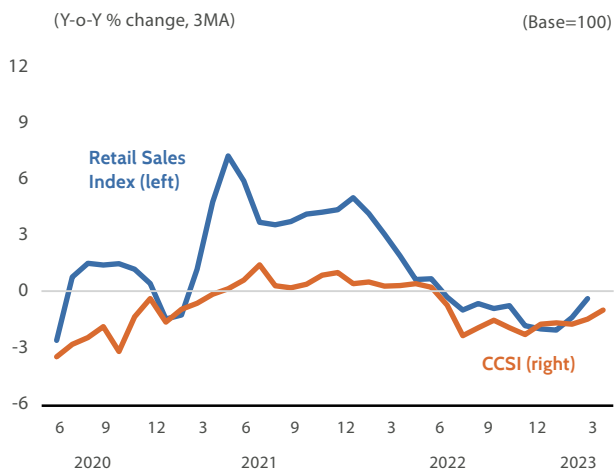
■ **Equipment Investment:** Equipment investment displayed a stagnant trend, with slower growth driven by transportation equipment.

- In March, equipment investment recorded a decreased YoY growth of 2.2% from the previous month (4.2%), and a SA adjusted MoM growth of -2.2%.
- The average capacity utilization rate for manufacturing stood at a low level, and domestic machinery orders experienced a sharp decrease, indicating weak demand for equipment investment.

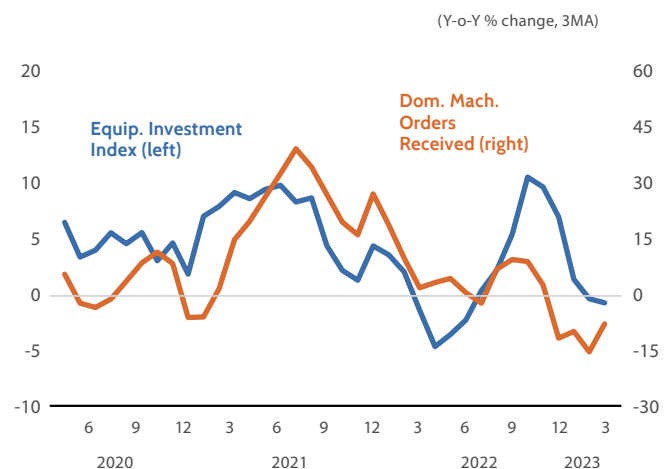
■ **Construction Investment:** A short-term spike in growth was observed due to the resumption of construction projects that were stalled by material supply shortages late last year.

- In March, the value of completed construction (constant) registered a robust increase of 15.4%, following the previous month's rate of 21.7%.
- However, construction orders received (current) recorded a -44.4% growth, marking the sixth consecutive month of decline.
- There are some positive indicators of a recovery in construction investment, with construction costs exhibiting a slower increase and the construction-related sentiment index persistently improving.

Retail Sales Index and
Composite Consumer Sentiment Index



Equipment Investment Index and
Domestic Machinery Orders Received



Recent Economic and Labor Market Conditions

- Despite the recent deceleration in the manufacturing industry, employment levels remain elevated, primarily due to the robust performance of the service industry, which holds a substantial employment share.
- Q1 GDP growth registered a modest 0.8% YoY; however, the addition of 400,000 employed individuals signifies favorable conditions.
 - The recent economic slowdown mainly stems from manufacturing weakness (-3.3%), whereas services (3.2%), more closely tied to overall employment conditions, continue to expand at a relatively fast pace.
- Due to differences in economic conditions across industries, male employment slowed rapidly, while female and senior employment continued to grow strongly.
 - The slowdown in manufacturing and construction, as well as a decline in delivery demand, contributed to reduced labor demand in sectors that employ more men than women.
 - Conversely, due to sustained demand for healthcare and caring work from the COVID-19 crisis and the recovery of face-to-face service businesses, labor demand in sectors employing a significant proportion of women persists in growing.
 - At the same time, senior employment continues to increase, particularly in the service sector.

Major Economic Indicators

(Y-o-Y % change)

	2021	2022	2022			2023			
			II	III	IV	I	2	3	4
All Industry Production	5.3	4.6	5.6	5.5	1.9	1.3	3.3	2.2	-
Industrial Production	8.2	4.6	5.6	1.4	-6.4	-9.7	-8.0	-7.6	-
Service Production	5.0	6.7	6.8	8.5	5.8	6.3	8.0	6.2	-
Retail Sales Index	5.8	-0.3	-0.2	-0.9	-2.3	-0.3	0.5	0.5	-
Index of Equipment Investment	9.6	3.3	-2.4	7.5	9.6	-0.4	4.2	2.2	-
Value of Construction Completed (Constant Price)	-6.7	2.7	2.0	3.5	6.4	13.4	21.7	15.4	-
Exports (f.o.b.)	25.7	6.1	13.0	5.8	-10.0	-12.6	-7.6	-13.6	-14.2
Imports (c.i.f.)	31.5	18.9	23.0	22.6	3.1	-2.2	3.5	-6.4	-13.3
Balance of Trade (Billion US Dollars)	29.3	-47.8	-6.4	-18.3	-18.6	-22.4	-5.3	-4.6	-2.6
Unemployment Rate	3.7	2.9	2.9	2.8	2.9	2.7	2.6	2.7	-
Number of Employed	1.4	3.0	3.2	2.8	2.2	1.5	1.1	1.7	-
Consumer Price	2.5	5.1	5.4	5.9	5.3	4.7	4.8	4.2	3.7
3-year Treasury Bonds	1.80	3.72	3.55	4.19	3.72	3.27	3.80	3.27	3.29
KOSPI	2,987	2,236	2,333	2,155	2,236	2,477	2,413	2,477	2,502
Housing Price	9.9	-4.7	4.8	1.2	-4.7	-8.0	-7.3	-8.0	-
Won/Dollar Exchange Rate	1,188.8	1,264.5	1,298.4	1,430.2	1,264.5	1,301.9	1,322.6	1,301.9	1,337.7
G20 Composite Leading Indicator	4.1	-1.7	-1.7	-2.2	-2.1	-1.7	-1.7	-1.5	-
Oil Prices (Dubai, US\$/bbl)	69.4	96.4	108.3	96.7	84.8	80.3	82.1	78.5	83.4

Source: Korea Development Institute, "Monthly Economic Trends" (www.kdi.re.kr)

Industry Trends

Invest KOREA provides an overview of Korea's monthly industry trends based on the latest data available from the Ministry of Economy and Finance and the Korea Institute for Industrial Economics and Trade. Figures are subject to change and may be updated for accuracy by the respective organizations.

All Industries

In March 2023, production of all industries increased in Korea, driven by increases in mining and manufacturing and service industries. Consumption is strong, but investment has slowed slightly. Investments in both equipment and construction saw a decline.

Monthly Industrial Activity Trends

Subject	All industries	Mining & manufacturing	Service	Retail sales	Equipment investment	Construction completed
Monthly Change (%)	1.6	5.1	0.2	0.4	Δ2.2	Δ3.3

In March 2023, production in mining and manufacturing industries rose by 5.1 percent month-on-month, driven by 35.1 percent and 6.5 percent increases in semiconductors and automobiles, respectively, despite a 31.5 percent decline in the production of communications and broadcasting equipment. Service industry production inched upward by 0.2 percent month-on-month as real estate and financial insurance increased by 3.1 percent and 1.8 percent, respectively. Retail sales increased by 0.4 percent from the previous month as sales of durable and nondurable goods improved by 0.4 percent and 0.7 percent, respectively, despite a 1.1 percent decline in sales of semi-durable goods. Equipment investment fell by 2.2 percent month-on-month as investment in machinery such as special industrial machinery increased by 0.5 percent, but investment in transportation equipment such as ships declined by 9.7 percent. Construction investment declined by 3.3 percent from the previous months as engineering projects gained by 12.2 percent supported by increased execution of SOC budgets, but construction projects fell by 7.6 percent due to delays in material supply. The cyclical change in the coincident index increased by 0.6 percentage points, while the cyclical change in the leading index decreased by 0.3 percentage points affected by growing inventories and falling domestic shipments of machinery. As the real economy continues to deteriorate since the second half of 2022, there are a mix of upside and downside risks to the economy going forward. On the production side, there are positive factors, such as expectations over the effect of China's reopening and gradual improvements in service sector production. At the same time, burdens exist including a possible weakening of the global recovery, slow exports of the nation's key items such as semiconductors, and a slowdown in IT. In the case of consumption and investment, there are positive factors such as the implementation of the amendment to the Act on Restriction of Special Taxation, measures to boost domestic consumption, slowing inflation, and improving consumer and business sentiment. However, there are risk factors such as short-term investment adjustments caused by semiconductor production cuts, uncertainties in the construction industry, and household debt burdens.

Trends by Industry

Automobile

Finished car exports surpassed USD 6 billion to achieve best-ever monthly results



February production increased year-on-year but decreased month-on-month due to disruptions in parts supply and the previous year's base effect. However, domestic consumption in March grew by 20.6 percent year-on-year driven by the base effect of last year's parts supply issues and pent-up standby demand. March exports grew by 39.6 percent year-on-year to record a double-digit growth for two consecutive months due to an increase in eco-friendly vehicle exports and a base effect of the previous year. Exports of finished cars grew by 64.2 percent, with exports to the US and EU increasing in double digits alongside strong exports of EVs, which increased by 95.7 percent.

General machinery

China's delayed recovery aggravated sluggish exports to China



Production in February increased slightly by 8.6 percent year-on-year thanks to the rebound in both domestic consumption and exports. Production grew both year-on-year and month-on-month as exports and domestic sales increased by 12.8 percent and 7.0 percent, respectively. Imports increased by 3.1 percent from a year ago to USD 2.417 billion in February. Exports declined slightly by 0.8 percent year-on-year in March affected by slow exports to China and the base effect of strong performance in the same period of the previous year.

Shipbuilding

Production indicators continued recovery with both production and orders growing

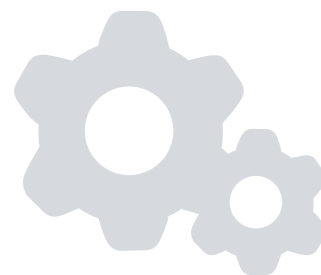
Whereas economic recession stalled global ship orders, Korea's strength in eco-friendly ships helped it win large orders for LNG carriers and CMA CGM from H-Line Shipping and methanol-fueled carriers from HMM, resulting in a 62.6 percent year-on-year increase of orders in February to CGT 1.68 million. February imports were up by 22.2 from the previous year as improvements in production indicators boosted equipment imports and ship blocks were imported from China in massive volume. In March, exports saw a 24.3 percent year-on-year decrease despite the delivery of high-end LNG-FSUs to Russia, as deliveries centered on small and medium-sized vessels.



Steel

Exports continued to fall due to production rebounds and weak global steel prices

Steel production saw a decline of 2.1 percent year-on-year in February affected by fewer working days and weak exports. Despite the increase in volume, imports in February fell by 0.4 percent from a year ago due to the base effect of high import unit prices in the same period of the previous year. Exports in March dropped by 10.7 percent from a year ago caused by falling exports to major export destinations such as the US, EU, and ASEAN and the base effect of high export unit prices in the previous year.



Oil refining

Exports turned to a decline for the first time in 25 months due to falling unit prices

In February, slow domestic consumption continued and production fell by 0.5 percent year-on-year. Exports in March plunged by 16.6 percent from a year ago to USD 4.6 billion. Despite growing export volumes led by aviation fuel and higher refining margins, exports decreased year-on-year as a result of a relative drop in export unit prices caused by the base effect of international oil prices. While export volumes increased by 3.4 percent from a year ago, export unit prices grew by 19.4 percent.



Semiconductor

Signs of the easing of sluggishness in the semiconductor industry

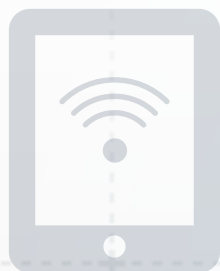
In February, semiconductor production and shipments dropped by 41.8 percent and 41.6 percent year-on-year, respectively. The month-on-month production also plunged by 17.1 percent while the year-on-year inventory growth rate widened significantly to 33.5 percent as demands for semiconductors continued to fall. In March, exports decreased by 34.5 percent year-on-year to reach USD 8.598 billion and decline for the eighth consecutive month after ending a long-term rally.



Wireless communication devices

Recovery of the global smartphone market stalled, March exports plummeted by 42.3 percent

In February, production surged by 43.9 percent from a year ago, with shipments up by 20.6 percent and capacity utilization rate up by 32.3 percent. Imports saw a year-on-year decrease of 4 percent in February, led by mobile phones. After falling for eleven straight months in 2022, exports reversed course and recorded a 17.7 percent growth in January 2023 only to decline again. Exports to China plunged by 43.2 percent year-on-year while exports to the US nosedived by 40.8 percent, and exports to the ASEAN region also fell by 17.2 percent.



Display

Exports plunged as recession curbed demands

Production fell in February due to sluggish sales of major products made with display panels such as smartphones and TVs. In March this year, exports plunged by 41.6 percent to fall for ten months in a row as sales of products made with display panels declined due to the global economic slowdown.



Foreign Direct Investment

Dutch chip firm ASM to invest USD 100 mln to build new facility in S. Korea

Dutch semiconductor equipment maker ASM will invest USD 100 million to build a new production and research and development center in S. Korea by 2025, a top executive said on May 23.

The decision underscored ASM's commitment to expanding business in S. Korea, the second largest semiconductor market with 19 percent of global industry sales as of 2021. The

country is home to Samsung Electronics Co. and SK hynix Inc.

The new Hwaseong facility will be used for production of equipment for atomic layer deposition, a key process in chip manufacturing, and research and development, like the current facility in the city. With the new one, ASM's R&D space in S. Korea will grow by twofold and production space by threefold.

Canada pledges USD 220 million aid for POSCO Future M's JV battery plant

S. Korea's POSCO Future M Co. said on May 30 that the Canadian government will provide significant funding to support the construction of its Ultium CAM electric vehicle battery plant, a joint venture with General Motors Co. in Becancour, Quebec.

POSCO Future M and GM formed the joint venture in July 2022 and are investing about USD 633 million to build a 30,000 tons per year cathode production plant in the region located about halfway between Montreal and Quebec City. The plant will be the largest battery cathode production facility ever built

in Canada.

According to POSCO Future M, both the federal government of Canada and the government of Quebec have pledged financial support for the project during a joint announcement at the construction site of the Ultium CAM battery plant.

Local media outlets, including CTV News, reported that the Quebec government will contribute USD 112 million, while the federal government will provide USD 108 million in financial support for the project.

Trade & Commerce

Korea's car exports reach record in first four months on demand

Korea's exports of automobiles reached a record USD 23.2 billion in the first four months of this year, helping to offset the country's sluggish overseas shipment that has fallen for a seventh month due to sluggish chip exports.

The country's automobile exports in April recorded USD 6.2 billion, the highest ever for any April. The number of exported cars during the same period reached 247,000 units, up 25.3 percent from a year ago. Overseas

shipment of components were tentatively tallied at USD 1.9 billion, according to the Ministry of Trade, Industry and Energy on May 16.

Kia Corp. had the highest number of exports among carmakers from January to April this year, followed by Hyundai Motor Co., GM Korea Co., Renault Korea Motors Co., KG Mobility Co. and Tata Daewoo, according to the Korea Automobile Manufacturers Association.

S. Korea to up seafood exports to USD 4.5 bln by 2027

S. Korea will penetrate deeper into the global seafood market with the goal of exporting USD 4.5 billion worth of goods in the sector by 2027, the oceans ministry said on May 17.

The amount represents around a 50 percent rise from a record high of USD 3.15 billion tallied in 2022, on the back of the global popularity of "gim" and abalone, according to the

Ministry of Oceans and Fisheries.

Gim, or dried seaweed, is usually roasted with sesame oil and fine salt, and served as a side dish in Korean dining.

The ministry said S. Korea plans to foster new mainstay export products in the seafood industry, such as fish cake, sea mustard and salmon, while maintaining the competitiveness of gim and other existing leaders.

Industry

Korea's business sentiment hits 7-month high on expectations for chips rebound

The business sentiment in S. Korea reached its highest level in seven months on rising expectations that the country's mainstay industries such as chips will bottom out in the second half of the year.

The Bank of Korea (BOK) said on May 24 that its business survey index (BSI) of the overall industry for May was 76, up 4 points from the previous month. The index was still below 100 as pessimistic views prevailed but it improved from the previous month when it remained flat. The index was the highest since October last year.

The BSI shows how companies think of the current business environment and their outlook. A reading below 100 means more companies are pessimistic than optimistic, and vice versa for a reading above 100.

The business sentiment among manufacturers reached 73 in May, up 3 points from the previous month. The rise was led by the electronics, visual, and communication equipment sector, including chips, which rose 12 points, and other machinery and equipment sectors that rose 9 points.

SE Asian visitors revive Seoul's tourism industry

In Myeongdong, Seoul's shopping mecca, on May 14, street vendors were busy soliciting foreign tourists, greeting them in their mother tongues from Thai to Vietnamese and Arabic.

This illustrates the changed landscape of S. Korea's tourism industry, which had relied heavily on Chinese visitors.

In the first quarter of this year, inbound travelers from Vietnam, the Philippines, Thailand, Malaysia, Singapore and Indonesia reached a combined 277,624, more than quintuple those from China, according to the Korea Culture and Tourism Institute. Including

visitors from other Southeast Asian countries, the gap widened further.

In 2022, Vietnamese tourists splurged the most among foreign visitors to S. Korea, according to Korean credit card and financial service company BC Card Co.

The eased COVID-19 restrictions and an improved visa process led to the rapid increase of foreign visitors. In 2021, tourists from major Southeast Asian countries reached 60,278, more than the 14,824 from China. It is the first time that Southeast Asian visitors topped Chinese travelers since the outbreak of COVID-19 in 2020.

Government & Policy

S. Korea to extend 14 tln won of support to prop up auto parts industry

The S. Korean government and major carmakers will extend combined support worth more than KRW 14.3 trillion won (USD 10.9 billion) to the auto parts industry for technology development and securing necessary liquidity in the latest move to boost exports and ensure stable supply chains in the broader industry, the industry ministry said on May 23.

During a roundtable meeting with private auto and auto parts companies, the government announced a set of supportive measures for the sector, as the country has enjoyed solid growth in exports of vehicles and auto parts and the global demand for S. Korean products

is forecast to rise further, according to the Ministry of Trade, Industry and Energy.

Under the plan, the ministry and carmakers will provide auto parts companies with over KRW 14.3 trillion of funds to help support their investment and secure necessary liquidity through policy financing and joint development projects.

The supportive measures are expected to help grow the country's production of electric vehicles about fivefold by 2023 and lead to innovation in other next-generation industries, such as system semiconductors, software, displays and bio, according to the industry.



Event Overview

TASTE SUCCESS WITH SEOUL FOOD & HOTEL 2023

Seoul Food & Hotel, Korea's largest international food and hospitality trade show, has been held since 2009 to bring together food industry professionals and businesses from countries around the world. This year's event, organized by KOTRA and Informa Markets, was held from May 30 to June 2 at the spacious exhibition halls of KINTEX in Goyang-si, Gyeonggi Province, just outside of Seoul.



Opening ceremony of Seoul Food & Hotel 2023

Largest B2B Exhibition of its Kind

Standing as the leading trade show for the food and beverage industry in Korea, Seoul Food & Hotel 2023 (Seoul Food 2023) attracted over 40,000 key decision-makers, buyers, and industry experts over the course of four days, providing a golden opportunity for international suppliers to expand their businesses into the Korean market. Since 2009, when the event was first launched, Seoul Food & Hotel has been trusted by Korean and overseas F&B companies for its wide reach and expertise in creating business partnerships.

Show Size

637
Domestic
329
International



966
Exhibitors



37,685
Visitors



28
Exhibiting Countries



1,743
Booths

Exhibit Categories



MEAT



SEAFOOD



DAIRY



FRESH PRODUCE



PROCESSED FOOD



FROZEN FOOD



FOOD INGREDIENTS



SNACKS &
CONFECTIONERY



BAKERY &
PASTRY



NATURAL &
ORGANICS



VEGAN



HALAL



DRINKS



SPECIALITY
TEA & COFFEE



WINE &
SPIRITS



BEER



FOODTECH



FOODSERVICE
EQUIPMENT



FOODSERVICE
& TECHNOLOGY



COLD CHAIN
& LOGISTIC



Exhibitors from the food industry at home and abroad showcase their products at KINTEX

Vistor Analysis

BUSINESS NATURE		MAIN OBJECTIVE	
Manufacturer	49.6%	Discover latest industry trends	30.0%
Distributor	20.5%	Find new partners for future collaboration	28.0%
Importer	7.3%	Find new suppliers	16.8%
Wholesaler	6.4%	Source new products	14.3%
Hotel & Restaurant	5.7%	General interests	7.7%

MAIN INTEREST OF SEOUL FOOD & HOTEL			
Processed Food	51.45%	Beverage/Coffee/Tea	23.66%
Food Additives/Ingredients	31.94%	Meat Products	22.77%
Convenience Foods	29.37%	Vegan/Alternative Proteins	21.67%
Agriculture Products	28.13%	Condiments/Seasonings/Oil	18.61%
Health/Organic Food	25.42%	Bakery/Confectionery	18.51%
Frozen Food	25.26%	Dairy Products	16.66%

What was Special about Seoul Food 2023?

Technology and product development always go hand-in-hand. At Seoul Food 2023, food producers and exhibitors in the food technology industry came together, each running their booths to showcase their unique products. The exhibition was divided into two specialized sections—F&B and food tech—to allow for more detailed segmentation and to facilitate the search for appropriate business partners in a timely and efficient manner. Industry players from all around the world were invited to meet a diverse range of both domestic and overseas buyers interested in a wide array of food related businesses.

Exclusive one-on-one business meetings between international exhibitors and Korean buyers were arranged during the event to support the penetration of foreign businesses in the Korean market. Local importing vendors, distributors and buyers from a vast range of business fields in the F&B industry attended Seoul Food 2023, and were able to request consultations with the numerous overseas exhibitors at the event.

Every year, Seoul Food draws in thousands of visitors who are keen on exploring the latest food industry trends and developments. The international fair positions Korea as a major player in the global food and hospitality industry, showcasing the country's commitment to foster win-win business relationships in the F&B sector as well as its innovative expertise to respond to ever-changing trends. KOTRA's strong global network consisting of 129 overseas offices around the world promotes active communication between businesses and global buyers, thus, generating new opportunities for continued collaboration that goes beyond the confines of the event.



Chefs compete at the Culinary Challenge 2023, a sub-event held during the fair

Korea's Biotech Industry, Emerging as a Global Manufacturing Hub of Cutting-Edge Biotechnology

Current Status and Outlook of Korea's Biotechnology with the Biopharmaceutical Industry at its Heart

As biotechnology carries more significance than ever before, countries all around the world designate biotechnology as their future growth engine and rush to join an intense global competition to dominate the state-of-the-art bio-healthcare industry. Korea is no exception. The country is showing a rapid growth in biotechnology thanks to continuous support in R&D from the public sector and innovation carried out by the private sector.

The Biotechnology Classification Code set by the Korean Agency for Technology and Standards (KATS)¹ estimated the biotech industry's 2021 production amount at about KRW 21 trillion². Compared to numbers in 2016, below KRW 10 trillion, there has been an average annual increase of 17.8% over the last 5 years. The biopharmaceutical industry, which accounts for the lion's share of the biotech industry, showed average annual increase rates in production amount and export value at 11.7% and 14.8%, respectively, during the same period. In particular, Korea's growth potential in biopharmaceuticals has already been proven by its outstanding performance in public health during the Covid-19 pandemic with the government's swift response to the pandemic, excellent virus test-kits, and world-class capabilities to manufacture vaccines and therapeutics.³

Korea's biotechnology industry, already equipped with highly competitive manufacturing abilities, can utilize this moment as a window of opportunity to make a great leap given both internal and external factors we face now. Internally, Korea's biopharmaceutical industry base has recently been enlarged thanks to domestic pharmaceutical and biotech companies increasing R&D and capital investments to develop high-value-added advanced biological products. Externally, a growing number of biological medical products, touted as blockbuster drugs, will have their patents expired soon. In addition, major economies, such as the US and the EU are encouraging the use of biosimilar products⁴ to reduce the burden of healthcare costs.

Annual Trends of Korea's Biotech and Biopharmaceutical Industries

(unit: KRW trillion, %)

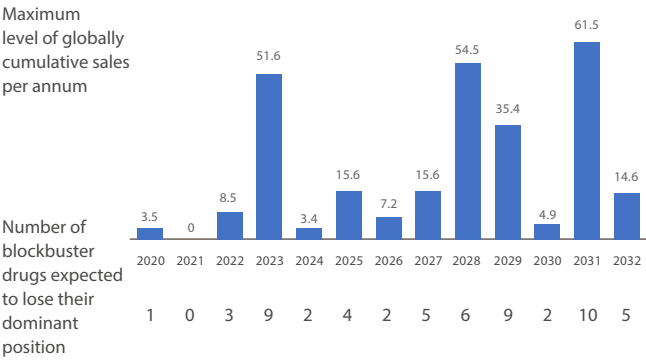
Year		2001	2006	2011	2016	2021	CAGR (%)			
							'01-'11	'11-'16	'16-'21	'11-'21
Biotech Industry	Production	1.40	3.16	6.40	9.26	21.00	16.4	7.7	17.8	12.6
	Import	0.42	0.94	1.56	1.46	4.77	14.0	△1.3	26.7	11.8
	Export	0.64	1.35	2.75	4.63	11.86	15.7	11.0	20.7	15.7
Biopharmaceutical Industry	Production	0.57	1.22	2.46	3.36	5.84	15.7	6.4	11.7	9.0
	Import	0.16	0.74	1.23	1.24	4.07	22.6	0.2	26.8	12.7
	Export	0.26	0.25	0.95	1.76	3.51	13.8	13.1	14.8	14.0

Source: Study on the domestic biotech industry, MOTIE, KoreaBIO (yearly data)

1. KS J 1009 (Bioindustry classification code) includes the biopharmaceutical, biochemical and bioenergy, biofood, bioenvironmental, biomedical equipment, bioinstrument and bioequipment, biosource, bioservice industries
2. MOTIE, KoreaBIO (yearly data), 「Report on Survey of Domestic Bioindustry」.
3. Korea's global CMO capacity in terms of vaccine is the second largest (385,000 ltr) after the US and outperforms Germany (246,000 ltr) and Denmark (144,000 ltr) (BDO USA, 2021)
4. Promoting Competition in the American Economy (Executive Order 14036, Jul. 9, 2021), HMA and EMA issued a joint statement on the interchangeability of biosimilar medicines approved in the EU (Sept. 19, 2022)

Number and Estimated Sales of Soon-to-be-Expired Blockbuster Drugs

(Unit: USD billion, No. cases)



Source: KIET (compilation of data from McKinsey & Company, 2022)

Current Status and Outlook of Major Biologics CDMO Facilities

(Unit: kL)

CDMO Company	2020	2021	2022	2023	2024
Lonza	318	324	324	340	460
SAMSUNG BIOLOGICS	364	364	424	620	620
Boehringer Ingelheim	305	490	490	490	490
WuXi Biologics	54	151	268	332	456
FUJIFILM	132	132	132	261	261
Total	1,173	1,461	1,638	2,043	2,287

Source: KIET (compilation of market data)

Government Strategy to Foster the Biotech Industry

The Korean government announced a strategy that comprises five key tasks in February 2023 to create new bio-health markets under the goals of ‘Creation of New Digital Markets’ and ‘Vitalization of Bio-health Export’. With the strategy, it aims to respond to the current paradigm shift in medicine which is pivoting to comprehensive patient-centric healthcare services that cover medicine and healthcare, while keeping up with progress in digital technology and technology convergence.

As a follow-up measure of the ‘Strategy to Create New Bio-Health Markets’, the government announced the Comprehensive Plan to Promote the Biopharma Industry which contains four supportive strategies and 10 major tasks in March in an attempt to make Korea the 6th largest pharmaceutical and biotech powerhouse in the world.

Strategy to Create New Bio-health Markets

Vision	Achieving digital transition in medicine, health, and care to serve the public health Emerging as a global pivotal state in terms of the digital & bio-health market
Goal	Creation of new digital markets, Vitalization of bio-health export
Key Task	<ul style="list-style-type: none"> ① Promoting innovation in medical, health, and caring services ② Boosting bio-health export ③ Strengthening R&D in convergence of cutting-edge technology ④ Nurturing talent in the bio-health industry, Expanding support for startups and venture companies ⑤ Establishing related laws, regulations and other infrastructures

Source: Strategy to Create New Bio-health Markets, Inter-ministerial joint cooperation, Feb. 28, 2023

Comprehensive Plan to Promote the Biopharma Industry

Vision	To develop a world-class biopharma industry	
Goal	Develop blockbuster medicines	Foster world-class biopharma companies
	Double the current export of medicines	Secure the world's third biggest clinical trial capacity
	Create quality jobs in the biopharma industry	
Major Objectives	<ul style="list-style-type: none"> ▶ Strengthen R&D capabilities – Expanding R&D investment to develop global medicines ▶ Support export – Increasing biopharma investment and support for export of biomedical products ▶ Nurture human resources – Fostering talent in biopharma and technology convergence ▶ Improve regulations and infrastructure – Reforming the regulatory framework to match the global level and expanding supply chain infrastructure 	

Source: The 3rd Comprehensive 5-year Plan to Promote the Biopharma Industry, Mar. 24, 2023

Cases of FDI in Korea

Along with the growing biopharma market worldwide, the demand of materials, parts, and equipment in biotechnology required from domestic Contract Development & Manufacturing Organization (CDMO) and Contract Manufacturing Organization (CMO) has been on a steep rise. Meanwhile, the government is providing various incentives to attract foreign investment to establish Korea as a global vaccine hub. To take advantage of these favorable circumstances, leading global companies of bio-based raw and subsidiary materials are actively engaging in negotiations to sign an MOU on direct investment in building plants, biological clean rooms (BCRs), manufacturing facilities, and training centers in Korea.

Recent Investment by Global Material-Part-Equipment Companies of Biotechnology

Company	Details
Cytiva (USA) (Sep. 2021)	Building manufacturing facilities to produce raw and subsidiary materials for vaccines (e.g. plastic bags)
SARTORIUS (Germany) (Nov. 2021)	Manufacturing raw and subsidiary materials for vaccines (e.g. plastic bags), CMO, research
Thermo Fisher SCIENTIFIC (USA) (May 2022)	Building manufacturing facilities to produce raw and subsidiary materials for biomedicines
Merck (Germany) (May 2023)	Building manufacturing facilities to produce raw and subsidiary materials for biomedicines

Source: KIET (compilation of data from MOTIE, MOHW and other media outlets)

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* 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, we introduce some outstanding companies in Korea's bio-healthcare industry.

COMPANY A



Culture fluid

Korea Institute of Procurement
Certified as an outstanding R&D Innovation product (2021)



Selected as an innovative public procurement platform



Excellence of culture technology



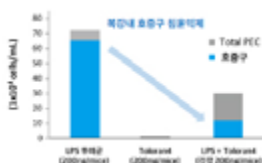
Excellence of EPC

Investment Requirement		Company Profile	
Amount	USD 4 million	Patents and Certificates	3 registered patents, including a vascular stem cell therapy technology and a method of differentiating mesenchymal stem cells into cartilage cells using electrical stimulation, and 9 patents filed at home and abroad (20 intellectual property rights secured)
Investment Structure	Equity Investment, Joint Venture, R&D Collaboration	Financial Performance	(Sales in 2021) USD 0.06 million
Investment Highlights <ul style="list-style-type: none"> • Extensive tissue damage caused by ischemic disease, a major disease of the circulatory system: Traditional EPC (Endothelial Progenitor Cell) treatment technology had side effects due to a heterogeneous group of cells and difficulty in obtaining enough cells to treat patients. But, the company's technology has overcome this and demonstrated that it is a genetically completely new stem cell and the only cell in the vascular endothelial cell family. In particular, it exhibits differentiated mobility and proliferative capability, shows both Angiogenesis and Vasculogenesis effects, and can multiply in vitro in large quantities to enable fundamental vascular treatment, so it is highly applicable to various ischemic diseases (lower limb ischemia, myocardial infarction, stroke and diabetic retinopathy, etc.). • Ensuring safety and effectiveness through preparation of animal and clinical trials: It produced the treatment effects necessary for vascular regeneration with better vascular regeneration than conventional EPCs, recovered blood flow, and increased viability in transplanted cells in severe lower limb ischemic animal models compared to conventional cells. The company demonstrated excellence of technology by receiving 4 commendations from the Ministry of Health and Welfare and the Korea Health Industry Promotion Agency (2021), and expects to be the first in the world to commercialize vascular treatments. 			

COMPANY B



High immune activity



Inhibition of inflammation

Investment Requirement		Company Profile	
Amount	USD 5 million	Patents and Certificates	27 registered patents such as the development of immune materials from raw food materials, and 4 patents pending
Investment Structure	Equity Investment	Financial Performance	(Sales in 2021) USD 2.17 million
Investment Highlights <ul style="list-style-type: none"> • Super Immune Booster that overcomes the limitations of existing immune materials: Various "products that are good for immunity," including traditional edible materials in each country, are developed and sold, but there are few immune system materials that can be expected to have a clinically significant effect. The company's immune material is an immunomodulator with high immune activity (Th1 inducer of TLR4 agonist) that activates innate immunity in a very safe way and has a very ideal feature that can simultaneously improve anti-disease ability and suppress the occurrence of inflammation, which has differentiation and comparative advantages in terms of efficacy/effectiveness compared to existing immune materials supplied as dietary supplement ingredients in domestic and foreign markets. • Construction of own GMP factory for full-scale production of dietary supplement ingredients underway: When the GMP factory currently underway is completed, the company plans to supply dietary supplement ingredients to domestic and foreign companies, and to obtain necessary domestic and foreign certifications such as individual certification from the Ministry of Food and Drug Safety and overseas food certification in advance. In addition, the company is developing anticancer drugs such as neutropenia (CIN) drugs based on a pharmaceutical material (Toloran4) purified from black rice bran-derived immunoactive polysaccharides. 			

For more information please e-mail ikmp@kotra.or.kr, or visit the Invest KOREA Market Place page on www.investkorea.org.

DDH, a Leader of Digital Dentistry



About the Company

DDH was founded as a university-industry collaborative AI center by DDH and Seoul National University School of Dentistry (SNUSD) in 2017 at the school's Dental Medicare Business Incubator.

The development team members include a dentist CEO, a CTO who is a world-class developer, a sales representative from a global IT company, an executive who had led the AI/Platform development and operation of a major Korean company, and PhD-level key engineers. Main products are Ceppro, an AI-based automatic orthodontic diagnosis support solution, Pano, which automatically reads high-frequency diseases such as dental caries (cavity) and periodontitis from panoramic images, Ashley, a solution for automatic 3D analysis of teeth arrangement and automatic suggestion of ideal arrangement, and DDHaim Clear, a transparent orthodontic device.

Background

The current process of dentists reading images and dental technicians designing transparent orthodontic devices by running software is labor-intensive, while the quality of results varies significantly as it depends on the operator's intuition and experience.

Automating the process with AI based on extensive clinical data of Seoul National University Dental Hospital (SNUDH) and the research methodology of top-notch

researchers will improve the overall quality of reading and device design, as well as saving labor costs and dramatically enhancing productivity.

Having started with orthodontics as it is the area where diagnosis and treatment can be digitized most easily, DDH is now expanding to panoramic readings and implant guide design solutions.

About the Product

Ceppro is patent-registered in Korea, the US, Japan, and China, and DDH is currently working towards obtaining FDA certification following the certification of the Korean Ministry of Food and Drug Safety (MFDS).

Similar solutions are also on the market, but Ceppro's differentiated clinical validity and accuracy are being proven by SCI journals. Whereas all existing solutions either do not provide features of predicting the results of orthodontic treatment, jaw surgeries, and growth or predict results arbitrarily, the world's first data-based AI automation feature will be added to Ceppro around the end of 2023 to make it overwhelmingly differentiated from competitors.

In the case of Pano, a similar solution company in the US called Overjet, which uses a different image-shooting method, has proven its commercial value by achieving a corporate value of KRW 1 trillion.

As the panoramic method has never been licensed at home and abroad, it took more than a year and trial and

error for DDH to set up approval guidelines with MFDS to complete the world's first therapeutic exploratory trials in Q1 2023 and launch therapeutic confirmatory trials.

Ashley, a solution that automatically analyzes teeth arrangement in 3D and suggests ideal arrangement, is scheduled for launch in December 2023. It is expected to emerge as a game-changer that improves the quality and speed of orthodontic treatment by minimizing the intervention of dental technicians, maximizing productivity, and automatically suggesting the optimal arrangement for each race.

In the case of Invisalign, the sales of transparent orthodontic devices reached USD 3.1 billion in 2022, and Ashley's adoption by global transparent orthodontic device suppliers will help increase annual production by more than 30% by reducing arrangement time by about 30% and reducing remanufacturing due to arrangement errors by 30%, and Ashley's licensing value is expected

to reach hundreds of billions of won.

After demonstrating the viability of its transparent orthodontic device DDHaim Clear in Korea, DDH is working in partnership with overseas producers such as those in Vietnam, thereby building a data business based on local production to overcome the hurdle of delivering devices overseas.

Meanwhile, DDH has also secured the original technology of SurgiPro, implant guide designing software, to cover both areas of orthodontics and implants representing the two main treatment pipelines in dentistry.

Competitive Edge and Business Strategy

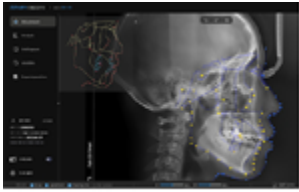
The capabilities of clinical researchers and developers are key to developing medical devices.

As the vice president of the SNUSD Alumni Association and vice president of the Korean Academy of

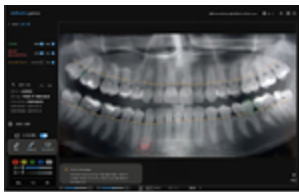


University-industry collaborative AI center of DDH and SNUSD (Photo provided by company)

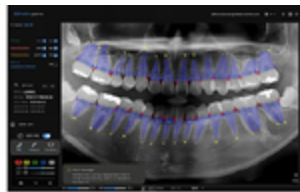




Ceppro, AI-based orthodontic diagnosis software (Photo provided by company)



Pano, AI-based software for automatic detection of dental caries (cavity) and periodontitis from panoramic images (Photo provided by company)



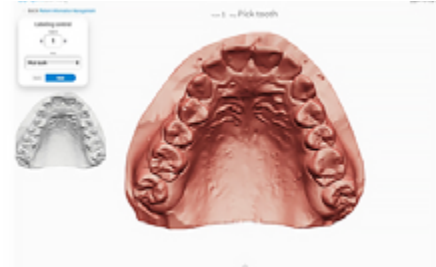
Digitalized Dentistry, the CEO of DDH has been able to attract the cooperation of outstanding clinical researchers from SNUSD and contributed greatly to obtaining data and suggesting development directions. John Wainwright heading DDH's development team emphasizes that clinical validity and accuracy are vital for medical software, and that the procedural legitimacy of the data used to develop the software is as crucial as its functional elements.

The entire data used in the development of DDH solutions are unrivaled in quantity and quality as they have been reviewed by the Institutional Review Board (IRB) of dental school hospitals, including SNUDH.

In addition, R&D results were designed to qualitatively overtake advanced overseas software by developing the world's first data-based AI automation module, rather than quantitatively catching up.

The clinical validity has been proven by SCI journals and patents, and DDH is developing the business model of licensing through cooperation with global system integrators by demonstrating the viability globally.

NICE Investors Service in its recent technology credit evaluation highly recognized DDH for its technology, marketability, and management prowess to grant a T2 rating, which is the highest rating realistically obtainable for SMEs.



Ashley, software for automatic 3D measurement and analysis of teeth arrangement and automatic suggestion of ideal arrangement (Photo provided by company)

Future Plans

In Korea

- Launch product at SNUDH
- Launch Pano's therapeutic confirmatory trials
- Expand user base by hosting training sessions for overseas dentists at the SNU Center for Future Dentistry (1st round on May 23-24, 2023)
- Increase member clinics

Around the World

- Sign MoU with Viet Group, Vietnam's largest dental laboratory group, for local production of transparent orthodontic devices (May 27, 2023)
- Develop solution certification and pilot project with Vietnam's major public hospitals
- Find partners in Saudi Arabia
- Distribute solution licenses to global system integrators after obtaining FDA certification. (Currently discussing with multiple SI candidates)

By **SOO-BOK HER**

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

Janghang National Ecological Industrial Complex, an Innovation Cluster Leading the Development of the West Coast

Janghang National Ecological Industrial Complex is being established to promote the regional growth of Chungnam's southeast region by building a differentiated eco-friendly forward-looking multi-purpose industrial complex of the 21st century. It is composed of a life science technology cluster focusing on pharmaceutical manufacturing and R&D, a cutting-edge clean knowledge and technology cluster, a transportation industry cluster linked with industrial complexes in Gunsan, a community-friendly industrial cluster, and a beauty industry cluster. The first phase of development was completed in 2021, with the first and second halves of phase 2 to be completed by late 2023 and late 2025, respectively.

- **Title: Janghang National Ecological Industrial Complex**
- **Location: Maseo-myeon and Janghang-eup of Seochon-gun, Chungnam**
- **Area**

(Unit: 1,000m²)

Total area	Industrial facilities	Supporting facilities	Public facilities	Green area
2,218	1,525	57	417	219

• **Location with great transportation and logistics infrastructure:** Janghang National Ecological Industrial Complex is located within 15 km of Gunsan Port, the logistics center connecting China, Japan, and Southeast Asia. Not only is it located less than 3 km away from Janghang Station, the first stop of the Janghang Cargo Line, the complex is connected to the southern region through Gunsan and Iksan. It is an optimal location for trade using transportation and logistics infrastructure as it is located within 21 km of Gunsan Airport and 8 km of Seochon IC of Seohaean Expressway. A large-scale multi-purpose logistics complex will be built in the complex, through which it will emerge as the center of west coast logistics base.

• **Potentials for growth through fostering new industries:** Currently, the local government has designated auto parts, printed electronic parts, display, veterinary drugs and feed, and digital image content industries as the main industries, and a life science technology cluster has been established inside Janghang National Ecological Industrial Complex for specialization in bio materials and drugs. The plan is to build a marine bio cluster in the complex, in addition to a marine bio industry support center, bio knowledge industry center, and marine bio certification support center. The industrial infrastructure for the marine bio industry will be established by building a mass production plant producing marine bio materials.

Source: (Text) Korea Industrial Complex Corporation (Photo) Korea Land & Housing Corporation
For more information, visit kicox.or.kr; or call 070.8895.7000

When a certificate of registration of a foreign-invested company is lost, can it be reissued?

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

Q.

When a certificate of registration of a foreign-invested company is lost, can it be reissued?

A.

The Foreign Investment Promotion Act does not specify whether or not a certificate of registration of a foreign-invested company can be reissued when it is lost or damaged.

- However, as Article 21 (6) of the Foreign Investment Promotion Act prescribes that the certificate of registration of foreign-invested company shall not be transferred to any other third person or be used unjustly, there is no problem with reissuance of the certificate. Therefore, it can be reissued when an application for reissuance is filed with a delegated agency, together with a statement detailing the cause of loss.

For further inquiries, please contact the Investment Consulting Center

call



+82-1600-7119

or visit



www.investkorea.org



Introduction of the Pillar Two Global Minimum Tax Rules

In October 2021, members of the OECD/G20 Inclusive Framework on BEPS agreed to a two-pillar solution to address the tax challenges arising from the digitalization of the economy. The second pillar of such solution (“Pillar Two”) introduces certain Global anti-Base Erosion Rules (“GloBE rules”), which is intended to ensure that in-scope multinational enterprises (“MNEs”) pay a minimum effective tax rate (“ETR”) of 15% in the jurisdictions in which they operate, and if such ETR falls short of 15%, the shortfall is further taxed by using an (1) Income Inclusion Rule (“IIR”) and/or (2) an Undertaxed Payment Rule (“UTPR”).

Currently, many countries have started domestic legislative procedures to implement the Pillar Two GloBE rules in their domestic tax laws. On December 31, 2022, Korea enacted new Global Minimum Tax Rules, and the rules are included in the Adjustment of International Taxes Act in the newly established Section 5 (Articles 60 ~ 86), thereby making Korea the first country to codify the GloBE rules into domestic legislation. These rules are effective for fiscal years beginning on or after January 1, 2024.

Scope and calculation of ETR

Scope: The rules apply to MNEs with annual consolidated revenue of EUR 750 million (approx. KRW 1.1 trillion) or more in at least two of the four fiscal years immediately preceding the tested fiscal year.

Calculation of ETR: The ETR is calculated by dividing the total adjusted tax expenses of all the MNEs’ constituent entities (“CEs”) located in the same country by their total adjusted net income (“GloBE income”). The tax expense and net income amounts are based on those recognized on the CEs’ financial statements. If the ETR is lower than 15% in the jurisdiction, the shortfall is calculated (“Top-Up Tax”) and paid by other CEs within the MNE group.

De minimis exclusion: when the average GloBE revenue and GloBE income or loss in the jurisdiction are below EUR 10 million and the average sales are below EUR 1 million, the Top-Up Tax of each CE is considered to be nil.

Excluded entities: (1) Governmental Entity, International Organization, Non-profit Organization, and Pension Fund, (2) investment fund and real estate investment vehicle that are the UPE and (iii) entities directly or indirectly owned by (1) or (2).

Jurisdiction of each CE: The jurisdiction of each CE is where it is a tax resident or has effective management. For a flow-through entity, its jurisdiction is where it is established.

Paying Top-Up Tax

Income Inclusion Rule (IIR)

Pursuant to the IIR, the Ultimate Parent Entity (“UPE”)

is primarily liable for the Top-Up Tax of all low-taxed CEs (“LTCEs”). If IIR does not apply in the jurisdiction of the UPE (e.g., the jurisdiction has not adopted the GloBE Rules, etc.), the Top-Up Tax is imposed on the next intermediate parent entity (“PE”) which is required to pay the Top-Up Tax in its jurisdiction (“top-down approach”).

Undertaxed Payment Rule (UTPR)

The UTPR is applied in cases where the UPE or other PEs are located in jurisdictions that have not implemented the IIR, and under this rule, the other CEs in the MNE group are required to remit their allocable portions of the Top-Up Tax to their respective relevant tax authorities. According, under the UTPR, to the extent that the Top-up Tax attributable to a LTCE in the MNE group is not fully paid by a UPE or PE in the group (e.g., due to being located in a low-tax jurisdiction, or one that has not yet implemented the GloBE rules), a Korean CE would be responsible for paying an allocable portion of such Top-up Tax along with other CEs in the MNE group that has adopted the UTPR.

Korean CE’s allocable portion of the Top-up Tax is as follows:

$$\begin{aligned} &\text{Top-up Tax of LTCEs unpaid by UPE/PEs} \times \left(\frac{\# \text{ of employees of Korean CE}}{\# \text{ of employees of all CEs with UTPR}} \times 50\% \right. \\ &\quad \left. + \frac{\text{NBV of tangible assets of Korean CE}}{\text{NBV of tangible assets of all CEs with UTPR}} \times 50\% \right) \end{aligned}$$

Filing and Payment

GloBE Information Return filing and Top-up Tax payment: The due date for the return and the Top-Up Tax payment is 15 months (18 months in the case of the first year of application) from the last day of the fiscal year.

What to prepare

Due to the Pillar Two Global Minimum Tax Rules, additional Korean tax burdens may be incurred by Korean MNEs (through the IIR) and foreign MNEs that have either

subsidiaries or permanent establishments in Korea (through the UTPR) if they have LTCEs in their MNE group. For the latter case in particular, foreign MNEs whose parent entities are in countries that have not yet implemented the GloBE rules may need to pay significant taxes to Korean tax authorities via the application of the Korean UTPR. In this regard, not only is it important to monitor further legislative activity in Korea (i.e., Enforcement Decrees laying out detailed rules, such as safe harbor rules, have not yet been introduced), it is also important to closely monitor the global progress in adoption of the GloBE rules.



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

KOREA Unique Venue

Discover the unique beauty of diverse regions throughout Korea.

Every month, in cooperation with the Korea Tourism Industry (KTO), Invest KOREA features one unique region in Korea as an ideal venue for corporate meetings, international conventions, and incentive travels. Read on to find out more on the KTO's Korea Unique Venue initiatives and plan your next visit to Korea!

What is KOREA UNIQUE VENUE?

The MICE industry is celebrated as the “golden industry without limits” of the 4th Industrial Revolution Era. With the growth of this industry, MICE venues are increasing in variety. Nowadays, corporations and institutions, which have preferred large scale convention centers in the past, are increasingly seeking out special places and experiences, or “unique venues” that showcase traditional local cultures and regional characteristics.

The Korea Tourism Organization regularly selects and promotes such unique venues that can be found all throughout the country—places with a distinct Korean charm that captivate its visitors. After various studies and evaluations on the suitability of the purpose, scale, and size of various events and meetings, the KTO has selected 39 of Korea's unique venues to fit your various needs.

These 39 “KOREA Unique Venues,” which demonstrate the special characteristics of its respective region, are bound to add color to your events and provide visitors with experiences and memories beyond expectations. Korea's doors are wide open for you to experience the country's culture and beauty to their fullest.

Incentives for Organizers

❖ Subjects of incentive support for international meetings (event hosting/global PR and event hosting support)

Common Conditions:

1. Meetings hosted by international organizations or members of the international organizations, or legal entities & groups which are part of international organizations that fulfill ALL of the following conditions.
 - Foreigners from at least 5 or more countries shall participate in the meetings.
 - Total number of meetings participants shall be at least 300 or more and foreign participants shall be at least 100 or more.
 - The duration of the meetings shall be at least 3 days or longer.
2. Meetings hosted by legal entities & groups which are not a part of international organizations that fulfill ALL of the following conditions.
 - Among the meeting participants, total number of foreign participants shall be at least 150 or more.
 - The duration of the meetings shall be at least 2 days or longer.

❖ Subjects of incentive support for corporate meetings/incentive tours

Common Conditions:

1. Visitors should stay in Korea for at least 2 days or longer.
 - * “NOT” applicable for hobby clubs, fan clubs, religious organizations, government officials' groups, and/or student groups.
2. Among the participants, total number of foreign participants shall be at least 10 or more.

❖ Additional Conditions:

1. Incentive Tour: Incentive Tour Groups (as performance awards), with sponsoring corporations paying for all of tour related expenses for visiting Korea.
2. Corporate meetings: Groups of people who are visiting Korea for meetings hosted by specific corporations for the express purpose of meetings or travels
 - * Meetings with at least 4 hours or longer shall be included in the official schedule.

For further details, please visit the K-MICE website at <https://k-mice.visitkorea.or.kr>.



K-MICE



KOREA UNIQUE
VENUE



SEOUL

National Museum of Korea



The National Museum of Korea is the place where visitors can experience history and culture of Korea. With various facilities such as the Grand Auditorium with 416 seats and other indoor & outdoor facilities, it can be used as a venue for events of various sizes. It has been proudly selected as the MICE venue for large scale events such as Meeting of the Bureau of the World Conference on Constitutional Justice, and World Women Economic Forum.

Venue & Rental Information

- Address: 137 Seobinggo-ro, Yongsan-gu, Seoul, Korea
- Phone Number: +82-2-2077-9000
- Homepage: www.museum.go.kr/site/eng/home
- Inquiries: +82-2-2077-9227 / wjddbfla774@korea.kr
- Major Events Held in Recent Years: The 10th Directors Meeting of National Museums, Korea, Japan, and China (2018) / ICOM (International Council of Museums) Korea General Assembly (2019)



Source: Korea Tourism Organization, "2022 KOREA Unique Venue"

Korea 101: UNESCO World Heritage Sites



For further inquiries, please contact the Investment Consulting Center

call



+82-1600-7119

or visit



www.investkorea.org

1 Reporting on persons related with private interests and applications for recusal



2 Reporting on possession or purchase of real estate in connection with duties of public institutions



3 Submission of details of high-ranking officials' business activities in the private sector



4 Reporting on transactions with persons related to duties



To secure fairness in the performance of public duties

The Act on the Prevention of

Conflict of Interest Related to Duties of Public Servants

 Anti-Corruption &
Civil Rights Commission
Republic of Korea

5 Reporting on personal contact with retirees (golf, travel, or speculative entertainment)



6 Restrictions on outside activities related to duties



7 Restrictions on employment of family members



8 Restrictions on conclusion of negotiated contracts



9 Prohibition of private use of or profit-making from goods of public institutions



10 Prohibition of use of confidential information in course of performing duties



KOTRA's Global Network

KOTRA has 129 overseas offices and 10 headquarters worldwide

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Publisher. YU Jeoung Yeol | **Director General.** Kim Byung Ho | **Director.** Myunglae Choi
Editor-in-chief. Grace Park | **Designer.** Yoojin Jang

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