

# Invest KOREA

July 2023

A portrait of Dr. Martin Henkelmann, a middle-aged man with a receding hairline, smiling. He is wearing a dark blue suit jacket, a light blue shirt, and a grey patterned tie. A small Korean-German Chamber of Commerce and Industry (KGCCI) logo is pinned to his left lapel. The background is a blurred outdoor setting with people and structures.

## Dr. Martin Henkelmann

President & CEO  
Korean-German Chamber of Commerce and Industry (KGCCI)

Revitalizing Tourism Exports Amid the Recovery of International Tourism  
PPMS, a Digital Business Management Platform  
Sihwa Multi Techno Valley, Where Industry and Leisure Coexist in Harmony

# Invest KOREA July 2023 Issue

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## Economic Trends

03-06

---

## Location Report

21

Sihwa Multi Techno Valley, Where Industry  
and Leisure Coexist in Harmony

---

## Industry Trends

07-09

---

## Future Unicorns

22-24

PPMS, a Digital Business Management  
Platform

---

## Business News

10-11

---

## FAQ from Investors

25

---

## Feature Story

12-15

One-on-One with Dr. Martin Henkelmann

---

## Living in Korea

26-27

Korea 101: Associations and Clubs

---

## Industry Focus

16-19

Revitalizing Tourism Exports Amid the Recovery  
of International Tourism

---

## Experience Korea

28-29

---

## Invest KOREA Market Place

20

---

## Economic Opinion

30-31

Challenge of the Surging Yen

---

# 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 in weakened state, driven by underperformance in the manufacturing industry, although there are increasing signs of having passed the economic downturn's nadir.
- The manufacturing industry continues to lag, characterized by a steady drop in production, a low average capacity utilization rate, and an increase in inventories.
  - Despite a slower decline in production, the semiconductor industry continued to stagnate as a result of a significant rise in inventories.
  - With the partial slowing of both value and volume declines in semiconductors, the reduction in exports to China is gradually narrowing, suggesting a lessening in the export slump.
- The service industry maintained positive momentum, primarily supported by face-to-face businesses, and indices related to consumer sentiment show signs of recovery
  - The number of employed persons continued to rise, especially in services, and the CCSI has shown a modest upward trend since March.
  - Conversely, construction sustained strong growth due to the increase in projects reaching their final stages. However, this growth is unlikely to continue given the ongoing slump in the housing market.
- Meanwhile, consumer price inflation continued its slowdown as supply-side inflationary pressures lessened.
  - While rates for electricity and gas were increased, the CPI has begun to stabilize due to falling import prices and the base effect.
  - Core inflation (excluding food and energy), which represents the underlying trend in inflation, remained elevated, hovering around 4%.

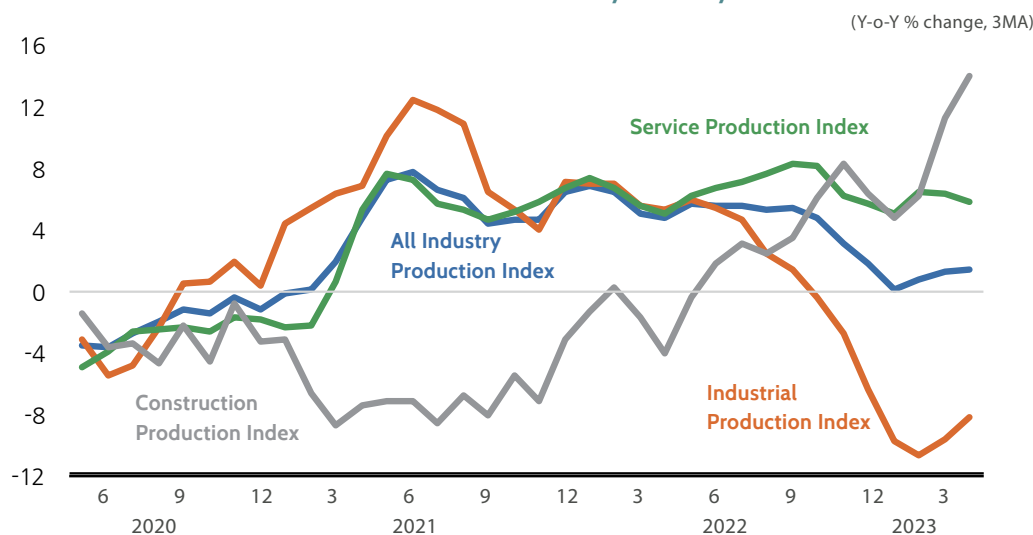
\*All growth figures are on a year-on-year basis unless otherwise noted. This document is an English translation of the original Korean version; the Korean version takes precedence in case of any ambiguities or discrepancies.



■ **Economic Activity:** The slowdown in economic activity remained unabated, primarily driven by the manufacturing sector. A series of transient influences such as base effects and fewer workdays, curtailed production growth, but there is no sign of deceleration in economic activities.

- In April, all-industry production fell 0.8%, marking a decrease from the preceding month (2.0%), mainly due to fewer workdays (+1 day → -1 day).
  - Despite a sustained surge in automobiles (27.2% → 16.6%), industrial production (-7.6% → -8.9%) remained stagnant, led by semiconductors (-26.9% → -20.2%), electronic parts (-30.3% → -30.0%), and chemical products (-19.7% → -20.5%).
  - Services production (6.2% → 3.1%), although maintaining a positive trajectory, exhibited a slight moderation in growth, especially in accommodation and food services (17.8% → 2.0%) and wholesale and retail trade (0.5% → -2.7%), mainly due to base effects.
  - Construction (12.0% → 12.2%) sustained its robust growth, led by the building construction sector (14.6% → 16.5%) due to an increase in projects entering their final stages. However, leading indicators like the number of housing starts (-60.4%) stagnated amidst the persistent downturn in the housing market.
- The manufacturing average capacity utilization rate (72.0% → 71.2%) remained stagnant at subpar level, while the inventory-to-shipment ratio (117.2% → 130.4%) soared from the previous month, indicating sluggishness.
  - Manufacturing shipments (-7.0%) fell while inventories (15.7%) skyrocketed, driven by semiconductors (83.3%), reflecting the weakness in manufacturing.
- Exports saw a sharp contraction due to a slowdown in global demand, but semiconductors and exports to China exhibited a slower decline, implying no further deceleration in economic activity.
  - The decline in exports, attributed to semiconductors and exports to China, is somewhat moderating.
    - \* Semiconductor exports (%): (Mar.) -34.5 → (Apr.) -41.0 → (May) -36.2
    - \* Semiconductor export volume index (%): (Feb.) -14.5 → (Mar.) -0.7 → (Apr.) -0.3
    - \* Exports to China (%): (Mar.) -33.1 → (Apr.) -26.5 → (May) -20.8
    - \* Average daily exports (%): (Mar.) -17.4 → (Apr.) -10.5 → (May) -9.3
  - Both manufacturing and non-manufacturing BSI on future tendency showed a gradual increase.
    - \* Manufacturing BSI on future tendency (SA): (Mar.) 65 → (Apr.) 67 → (May) 68 → (Jun.) 70
    - \* Non-manufacturing BSI on future tendency (SA): (Mar.) 74 → (Apr.) 75 → (May) 73 → (Jun.) 75

Production Indices by Industry





■ **Consumption:** Consumption growth has slightly moderated, but signs of an abating consumption slump persist, exemplified by a consistent increase in the CCSI.

- April's retail sales grew by -1.1%, lower than the previous month (0.1%), and experienced a 2.3% decline on a SA MoM basis, indicating sluggishness.
- Services production (6.2% → 3.1%) exhibited a decrease in growth, primarily due to face-to-face service businesses, mainly influenced by the base effect.
- May's Consumer Sentiment Index (CCSI) stood at 98.0, sustaining the mild upward trajectory since March and nearing the baseline (100).

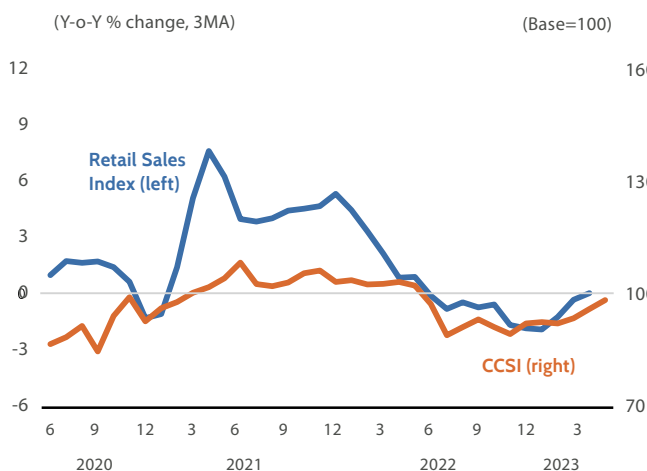
■ **Equipment Investment:** Equipment investment saw an uptick mainly driven by semiconductor-related investments and transport equipment, despite continued sluggishness in the manufacturing industry, thus curbing investment demand.

- Equipment investment grew by 4.4% in April, expanding from the previous month's 1.8%, stimulated by semiconductors and transport equipment.
- The manufacturing average capacity utilization rate remained low, and leading indicators for equipment investment continued to languish.

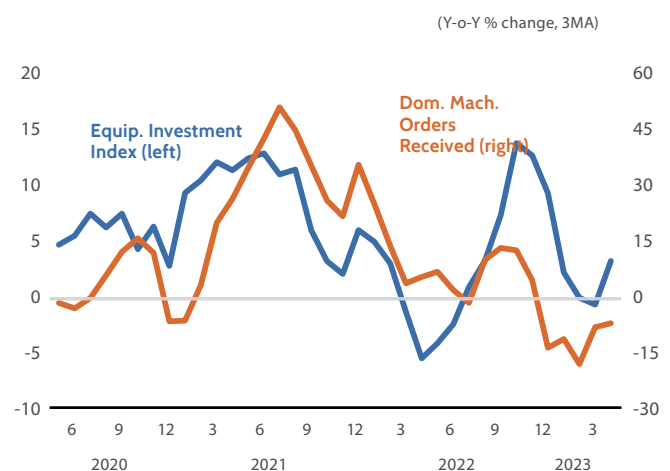
■ **Construction Investment:** Construction investment, driven by the building construction sector, remained robust, yet leading indicators seemed weak, implying that growth in construction investment might dwindle in the future.

- In April, the value of completed construction (constant) surged by 12.2%, on par with the previous month's 12.0%.
- However, the construction orders received dipped significantly. Housing permits and starts persisted in their sluggishness, suggesting that construction investment may decelerate in the future, driven by the housing sector.

Retail Sales Index and  
Composite Consumer Sentiment Index



Equipment Investment Index and  
Domestic Machinery Orders Received



■ **Prices:** Consumer price inflation continued to slow, reflecting the base effect and easing supply-side inflationary pressures.

- May's headline inflation was at 3.3%, trailing the previous month's 3.7%.
- Commodity prices (3.4% → 3.0%) exhibited a deceleration, led by livestock and petroleum products.
- Service prices increased by 3.7%, down from the previous month's 4.0%, primarily due to a smaller rise in personal services (6.1% → 5.6%).
- Import price decreases caused a gradual easing of supply-side inflationary pressures.



## Major Economic Indicators

(Y-o-Y % change)

	2021	2022	2022			2023			
			II	III	IV	I	3	4	5
All Industry Production	5.3	4.6	5.6	5.5	1.9	1.3	2.0	-0.8	-
Industrial Production	8.2	4.6	5.6	1.4	-6.4	-9.8	-7.6	-8.9	-
Service Production	5.0	6.7	6.8	8.5	5.8	6.5	6.2	3.1	-
Retail Sales Index	5.8	-0.3	-0.2	-0.9	-2.3	-0.4	0.1	-1.1	-
Index of Equipment Investment	9.6	3.3	-2.4	7.5	9.6	-0.6	1.8	4.4	-
Value of Construction Completed (Constant Price)	-6.7	2.7	2.0	3.5	6.4	11.5	12.0	12.2	-
Exports (f.o.b.)	25.7	6.1	13.0	5.8	-10.0	-12.7	-13.8	-14.3	-15.2
Imports (c.i.f.)	31.5	18.9	23.0	22.6	3.1	-2.2	-6.4	-13.3	-14.0
Balance of Trade (Billion US Dollars)	29.3	-47.8	-6.4	-18.3	-18.6	-22.6	-4.7	-2.7	-2.1
Unemployment Rate	3.7	2.9	2.9	2.8	2.9	2.7	2.7	2.6	-
Number of Employed	1.4	3.0	3.2	2.8	2.2	1.5	1.7	1.3	-
Consumer Price	2.5	5.1	5.4	5.9	5.3	4.7	4.2	3.7	3.3
3-year Treasury Bonds	1.80	3.72	3.55	4.19	3.72	3.27	3.27	3.29	3.46
KOSPI	2,987	2,236	2,333	2,155	2,236	2,477	2,477	2,502	2,577
Housing Price	9.9	-4.7	4.8	1.2	-4.7	-3.4	-0.8	-0.5	-
Won/Dollar Exchange Rate	1,188.8	1,264.5	1,298.4	1,430.2	1,264.5	1,301.9	1,301.9	1,337.7	1,327.2
G20 Composite Leading Indicator	4.1	-1.7	-1.7	-2.2	-2.1	-1.5	-1.5	-1.1	-
Oil Prices (Dubai, US\$/bbl)	69.4	96.4	108.3	96.7	84.8	80.3	78.5	83.4	75.0

Source: Korea Development Institute, "Monthly Economic Trends" ([www.kdi.re.kr](http://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 April 2023, the production of all industries in Korea fell by 1.4 percent. The first quarter's recovery appears to have experienced a modest adjustment.

### Monthly Industrial Activity Trends

Subject	All industries	Mining & manufacturing	Service	Retail sales	Equipment investment	Construction completed
Monthly Change (%)	<b>Δ1.4</b>	<b>Δ1.2</b>	<b>Δ0.3</b>	<b>Δ2.3</b>	<b>0.9</b>	<b>1.2</b>

In April, production in the mining and manufacturing industries decreased by 1.2 percent from the previous month, led by declines of 8.0 percent and 6.9 percent in pharmaceuticals and machinery, respectively, against a 13.4 percent increase in communications and broadcasting equipment. Service industry production fell by 0.3 percent with finance up by 2.0 percent and wholesale and retail sales and real estate down by 3.1 percent and 1.9 percent, respectively. Retail sales saw a decrease of 2.3 percent month-on-month, with the sales of durable goods, semi-durable goods, and non-durable goods falling by 1.7 percent, 6.3 percent, and 1.2 percent, respectively. Equipment investment rose by 0.9 percent, led by a 5.9 percent surge in transportation equipment such as aircraft. Construction investment grew by 1.2 percent from the previous month, driven by a 2.4 percent increase in construction projects including a progress in the construction of a semiconductor factory. The cyclical change in the coincident index rose by 0.2 percentage points supported by increases in the production index for mining and manufacturing and service industries and the retail sales index. The cyclical change in the leading index saw a decrease of 0.2 percentage points due to a decline in the inventory cycle index and construction orders. As the real economy continues to worsen since the second half of 2022, upside and downside factors coexist for the economy moving forward. On the production side, there are positive factors such as the rebound of the IT industry in the second half, expectations over the resumption of China's economic activities, and the normalization of face-to-face activities. At the same time, the economy may be burdened by factors such as continued global economic uncertainties and high levels of semiconductor inventory. 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, declines in construction projects and reduced new orders caused by uncertainties in the construction industry, and household debt burdens.



## Trends by Industry

### Automobile

**Production gains continued, supported by improvements in parts supply disruptions and solid global demand for new vehicles**



In March, production continued to grow, supported by improved production conditions and solid global demand. Domestic consumption in April rose by 4.6 percent year-on-year, but the increase was moderated by weakened demands dampened by the continuation of high interest rates. As more eco-friendly cars and used cars were exported in April, exports increased by 27.5 percent year-on-year to sustain double-digit increases for three straight months. Exports of finished cars grew by 40.3 percent to surpass USD 6 billion for the second month, as more eco-friendly cars with a high export unit price were exported.

### General machinery

**Production growth continued, exports started growing based on strong exports to developed economies**

In March, production grew by 5.2 percent year-on-year due to the base effect of slow production in the same period of the previous year (-5.9 percent). Both domestic consumption and exports fell by 0.9 percent year-on-year to bring down production by 1.8 percent year-on-year, but the reverse base effect of weak production in the same period of the previous year (-5.9 percent) resulted in a year-on-year production growth of 5.2 percent. Imports in March fell by 2.1 percent year-on-year to USD 2.817 billion. Despite sluggish exports to China, exports in April increased by 8.1 percent from a year ago, supported by sound performance of exports to developed economies such as the US and Europe.



### Shipbuilding

**Production index continued recovery, exports turned to growth**

As environmental regulations imposed by the International Maritime Organization (IMO) triggered the replacement of ships, major shipbuilders selectively took orders based on their abundant backlogs to raise the Newbuilding Price Index to 168.1, the highest since 2009. Imports decreased by 30.1 percent in March, led by decreases in imports of ships and ship parts by 45.2 percent and 26.0 percent, respectively, alongside a minor decline in ship engine imports. Exports saw an increase of 59.2 percent in April, thanks to the delivery of numerous high value-added vessels such as container ships, supertankers, and gas carriers and the export of some vessels ordered during the high price period.



### Steel

**Production started recording a year-on-year growth, exports continued to decrease due to falling export unit prices**

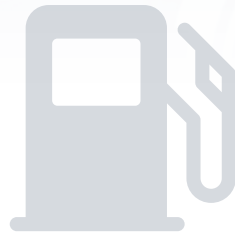
In March, steel production increased by 1.1 percent year-on-year and turned to growth as the industry entered the high season and the shipbuilding industry started recovering. Imports in March saw a decrease of 12.4 percent year-on-year due to falling import unit prices and reduced imports from major trade partners such as Japan, the US, and Vietnam. In April, exports fell by 10.7 percent from a year ago due to the base effect of lower export unit prices compared to the previous year and sluggish exports to China and ASEAN.



## Oil refining

### Exports fell for two straight months due to declining export volume and unit prices

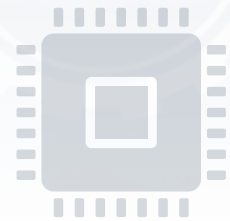
Production in March increased by 1.6 percent year-on-year, driven by increases in domestic consumption and exports. In April, exports decreased by 27.3 percent from a year ago to USD 3.76 billion. The value of exports plunged year-on-year as export volume and unit prices fell together. Export volume saw an increase of 2.3 percent year-on-year as more aviation fuel and lubricants were exported.



## Semiconductor

### Recession of the semiconductor industry continued

In March, semiconductor production fell by 26.8 percent year-on-year, and shipments also decreased by 18.3 percent from a year ago while the decline slowed. Production continued to fall year-on-year due to base effects, but the decline slowed. Compared to the previous quarter, however, performance improved by 35.1 percent and appears to be stabilizing. April exports decreased by 41.0 percent year-on-year to USD 6.38 billion to fall for the ninth consecutive month after ending a long-term rally.



## Wireless communication devices

### ICT industry continued to be sluggish in Q2, April exports fell by 34.3 percent

In March, production fell by 14.9 percent year-on-year and shipments saw a decrease of 15.7 percent from a year ago as well, resulting in a 31.8 percent increase in inventories and a 20.5 percent fall in capacity utilization rate. March imports declined by 36.5 percent year-on-year, mainly due to slow imports of mobile phones. After posting a 17.7 percent year-on-year increase in January, exports plummeted for two straight months by 42.4 percent in March and 34.3 percent in April, respectively, compared to the same period of the previous year. Exports to China were down by 42.3 percent year-on-year, while exports to the EU plunged by 47.3 percent year-on-year and exports to the ASEAN region also saw a decrease of 22.8 percent year-on-year.



## Display

### Slow exports continued due to lengthened replacement cycle of products built with displays

In March, production fell as inventories of major products built with displays grew and dampened the demand for displays. Exports were down by 29.3 percent to post a decrease for eleven consecutive months as demand for replacing major products slowed and weakened the demand for display panels.



## Foreign Direct Investment

## S. Korea attracts investment of USD 940 from 6 European companies

S. Korea has attracted investment worth USD 940 million from six high-tech European companies to build factories and R&D centers. The six companies on Jun. 21 in Paris announced their investments at a ceremony attended by President Yoon Suk Yeol, who visiting France.

This year, S. Korea has attracted reported foreign investment of USD 16.5 billion, breaking the previous record for the first half of the year of USD 15.7 billion in 2018. The Office of the President said cumulative foreign investment attracted by President Yoon's sales diplomacy this year reached USD 3.1 billion, or 19% of the reported amount in the first half.

French mineral company Imerys pledged to

build in S. Korea a plant for carbon black, a fine carbon powder used as a cathode material for secondary batteries and additive for semiconductor manufacturing.

Umicore, a Belgium-based cutting-edge materials company, will build a cathode material plant and R&D center for secondary batteries, and German automotive parts maker Continental a high-tech electrical parts factory for future cars such as electric vehicles.

Copenhagen Infrastructure Partners aka CIP of Denmark, the world's largest green energy investment company, and the Norway-based public energy company Equinor announced construction projects for offshore wind farms.

## S. Korean select shops emerge as incubators of foreign fashion brands

Global fashion brands are increasingly seeking to introduce their items at select shops in S. Korea, suggesting that the country has become a test bed for worldwide growth.

Ulla Johnson, a contemporary women's fashion brand in the U.S., began sales of its items at RAUM, a multi-store managed by Korean fashion retailer LF Group.

Italian shoe brand Hidnander also picked Korea as the first stage in Asia to launch its

luxury sneakers brand last year.

Multi-shops in Korea that sell items of a wide range of fashion brands are now considered incubators that foster global brands. Industry insiders noted that select shops, which first opened in Korea more than a decade ago, have established themselves as the first place to access the latest trends in the global fashion market.

## Trade &amp; Commerce

## S. Korea exports halal-certified beef to Malaysia for 1st time

Halal-certified premium Korean beef Hanwoo was exported to Malaysia on June 29, marking the culmination of seven years of quarantine negotiations for Korean beef exports that began in 2016.

Ten cows are scheduled for official export on this day, with the exported Korean beef being supplied to local hotels and restaurants

in Malaysia.

On June 19, the Malaysian government sent an official letter stating its decision to allow imports of Korean beef from the S. Korean government.

With this export, the number of countries that Korean beef can be exported to has now reached a total of four.

## Auto exports jump 50 pct in May on strong eco-friendly car sales

S. Korea's car exports soared nearly 50 percent on-year in May driven by vibrant demand for eco-friendly cars, particularly in the U.S. market, the industry ministry said on Jun. 15.

The value of outbound shipments of automobiles came to USD 6.2 billion last month, up 49.4 percent from a year earlier to reach the highest monthly figure for any May, according to the data from the Ministry of

Trade, Industry and Energy.

In terms of volume, exports jumped 37.5 percent on-year to 248,755 vehicles, the data showed. The brisk car sales were attributable to strong global demand for eco-friendly vehicles. The export value of eco-friendly cars surged 64.3 percent on-year in May to USD 2.1 billion. In terms of volume, sales advanced 49.2 percent to 66,264 units last month.



## Industry

**S. Korean conglomerates jump into EV charging business**

Stocks of electric vehicle (EV) battery charging infrastructure providers are expected to gain momentum in line with the projection that the EV market will grow at an annual average of about 30 percent by 2030.

According to multiple industry sources on Sunday, S. Korean conglomerates, including SK Group, LG Group, Hyundai Motor

Group, and GS Group, are actively engaged in the EV charging infrastructure business by leveraging existing business sites such as charging stations and parking lots.

According to the market research firm Precedence Research, the world's EV charging infrastructure market size was expected to grow to USD 417.3 billion by 2030.

## Government &amp; Policy

**S. Korea to foster local bio industry to produce KRW 100 tln by 2030**

The Korean government said on Jun. 7 that it will give full support to the local biotechnology industry to raise the sector's production capacity to KRW 100 trillion (USD 76.9 billion) by 2030 as part of its plans to become the world-leading biotech economy.

The Ministry of Science and ICT mapped out a long-term biotechnology development

plan to accelerate the integration of bio and high-tech digital technologies as a way to bring about innovation in other sectors, like medicine, environment and agriculture.

Korea's bio industry had an annual capacity valued at KRW 43 trillion in 2020, and the government will expand it to KRW 100 trillion over the next 10 years.

**S. Korea to foster Seoul, Busan as global financial hubs over 3 years**

The Korean government has decided to promote Seoul and Busan as new global financial centers over the next three years based on a regionally tailored strategy that considers the characteristics of each city.

The move comes as specialized financial centers have emerged as an alternative as the competitiveness of traditional financial centers such as London and Hong Kong has weakened.

Yeouido will provide step-by-step support for the discovery and development of fintech companies. Seoul Fintech Lab will support scale-up of growth companies within seven years of establishment, and the second Seoul

Fintech Lab will be dedicated to incubating early-stage companies within three years of establishment. To attract global financial firms to Yeouido's Financial Special Development Zone, tax breaks will be provided and projects to improve the settlement environment for foreign employees will be carried out.

Munhyeon will focus on strengthening its capabilities in digital finance and maritime finance. It will build a financial district data center around Busan International Finance Center (BIFC) and create a Busan-type scale-up mother fund to support startups in Busan, Ulsan, and Gyeongnam.

A portrait of Dr. Martin Henkelmann, a middle-aged man with a receding hairline, wearing a dark suit, white shirt, and light-colored tie. He is smiling slightly and looking towards the camera. The background is a blurred outdoor setting with people and structures.

## One-on-One with Dr. Martin Henkelmann

*President & CEO*

*Korean-German Chamber of Commerce and Industry (KGCCI)*

*Invest KOREA talks to Dr. Martin Henkelmann, President & CEO of the Korean-German Chamber of Commerce and Industry (KGCCI) to hear about his career experience and the long-standing business partnership between Korea and Germany.*

**D**r. Martin Henkelmann draws his extended personal and professional experience from working with companies at the crossroads of business and public affairs for over 20 years. Practicing as a lawyer in Germany for over four years, he successfully managed a portfolio of international companies and associations. Prior to his post in Korea, Dr. Henkelmann led the German-Tunisian Chamber of Industry and Commerce, and the German-Philippine Chamber of Commerce and Industry.

Since May 2021, Dr. Henkelmann has been spearheading the Korean-German Chamber of Commerce and Industry (KGCCI) as President & CEO, guiding the growing team out of the pandemic period. He has been innovating the service portfolio as well as the event formats and increased the Chamber's visibility in the media while strengthening and enlarging the cooperation with strategic partners. A passionate tennis and field hockey player, he lives in Seoul with his wife and their two children.

Read on to hear more about Dr. Henkelmann's career experience as well as the long-standing business partnership between Korea and Germany.

### Dr. Henkelmann, can you tell us a little bit about your background and how your career has led you to Korea?

Throughout my career, my passion has always been to work with companies in an international environment. I studied law in Germany and France and worked afterwards in a law firm, an advocacy consultancy, and a large business association.

My tasks led me to Brussels, Berlin, and Paris among others. In 2014, I had the opportunity to join the powerful global network of German Chambers of Commerce Abroad (Auslandshandelskammern). Initially, I served as the head of the German-Tunisian Chamber, then the German Chamber in the Philippines. Since 2021, I've been in Korea, serving as President and CEO of the Korean-German Chamber of Commerce and Industry.

### Can you tell us about KGCCI and its history? What is the Chamber's main mission and projects in Korea's business and industry circles?

Established 42 years ago, KGCCI is the second-largest foreign chamber of commerce in Korea with around 500 members and a dedicated team of 28 multilingual employees. With a strong focus on facilitating business between Germany and Korea, KGCCI provides comprehensive supports to German companies entering the Korean Market and vice versa. This includes in-depth market analysis, facilitating delegation visits, B2B matchmaking and other services aimed at fostering successful business collaborations.

KGCCI serves as an essential information platform, offering various publications such as the business magazine "KORUM", a Business Confidence Survey that depicts German companies' assessment of the Korean market, and an annual CSR Report of German companies and weekly newsletters. Moreover, KGCCI organizes many networking and information events and voices the recommendations of the German-Korean business community.

Also, KGCCI has been supporting uncountable numbers of Korean companies to participate in leading trade fairs in Germany. KGCCI has been the official representative of renowned trade fairs such as Messe Berlin, IFA, Messe Stuttgart, and Spielwarenmesse Nürnberg for many years. Since 2021, KGCCI has been hosting the Secretariat of the Korean-German Energy Partnership in Korea, reaffirming

its dedications to promote sustainable and innovative energy collaborations.

Some of our signature projects include the annual KGCCI Innovation Awards, the cross-industry, cross-national mentoring program for female executives "Women in Korea" (WIR/우리) and the German-Korean Vocational Training (Ausbildung) program, fostering the development of skilled professionals in various industries.



2023 Ausbildung Graduation Ceremony (Photo provided by KGCCI)

### What are some Korean partners the Chamber works with to strengthen the business presence of German companies?

We are immensely honored to have grown close and trusting ties to many esteemed partners in Korea. We appreciate the strong cooperation with KOTRA, the Foreign Investment Ombudsman and many Ministries, particularly the Ministry of Trade, Industry and Energy (MOTIE). We are grateful for the fruitful collaboration with regions such as Gyeonggi and Jeonbuk. Additionally, the Free Economic Zones including Incheon, Gyeonggi, Ulsan, Busan, Deagu-Gyeongbuk and Gwangyang have played a pivotal role in promoting investment and trade opportunities. The city of Seoul and Ansan have also been exceptional partners and within the private sector, we particularly commend our partnership with KCCI and KITA.

### Is Korea an important market for German companies? In what areas of Korea's business and industries are German companies flourishing?

The significance of the Korean market has grown



tremendously. For Germany, Korea is its third largest trading partner in Asia.

Particularly, German companies have been very competitive in Korea's cars and automotive, pharmaceuticals and chemicals, as well as mechanical engineering industries. Additionally, German players have a strong footprint in many other sectors such as logistics, consumer goods, financial services, testing and certification.

### What would you say are the advantages of doing business in Korea?

First of all, Korea has an outstanding ICT infrastructure that spans the entire country. This robust network facilitates seamless connectivity and enables companies to leverage advanced technological capabilities in their operations. Additionally, companies appreciate the dense network of roads and railways as well as the ports.

Secondly, Korea is highly industrialized with Korean companies leading the way in key products, such as batteries and semiconductors. By establishing a presence in Korea, German companies operating in these fields can contribute and participate as well as foster collaboration with Korean

counterparts.

Thirdly, when it comes to consumer goods, Korea has a very elevated GDP-per-capita ratio and Koreans value high-end and top-quality products. Furthermore, Korea is a lead market and serves as a gateway to many other countries, particularly in Southeast Asia.

### What are the shared interests or growth opportunities that both countries can mutually benefit from through collaboration?

Korea and Germany share numerous common interests as both countries have a strong industry. Successful and mutually beneficial collaboration will bring us forward solving the challenges of de-carbonizing our industries. Germany has extensive experience in renewable energy production and capable companies in this field. Additionally, Korea and Germany need to move quickly when it comes to hydrogen. Both countries are also home to several of the world's largest car manufacturers. They are embracing the new opportunities linked to e-mobility and autonomous driving while the way is still long and costly. Joint efforts could create added value here as well.



KGCCI Economic Outlook 2023 (Photo provided by KGCCI)

On a broader scale, both countries need to collaborate closely to enact an international rule-based economic order as their businesses are export-oriented and need a reliable economic environment globally.

**2023 is a special year for Korea and Germany, as the two countries celebrate the 140th anniversary of the establishment of diplomatic relations. On that note, how would you describe the relationship between the two countries and what are some notable business and industry-related accomplishments that the bilateral partnership has produced thus far?**

The political relationship between Korea and Germany has grown over the past decades. Notably, the visits of the German Federal President Frank-Walter Steinmeier and the German Chancellor Olaf Scholz to Korea within a span of seven months underscored the close ties between the two countries.

Our economic interlinkage is robust and continues to strengthen. The bilateral trade volume reached an all-time high of USD 33,682,588,000 in 2022. Investment from Germany to Korea is an accumulated USD 13.7 billion (1964-2022), Korean investment in Germany USD 3.6 billion (2015-2022). Beyond the macroeconomic indicators, numerous collaborations between German and Korean companies are taking place across various sectors.

**Both timely and relevant, the German Korean Business Summit was held at the end of June in Frankfurt. What was the overall theme and purpose of this event, as well as the main topics of discussion?**

The Business and Investment Summit, jointly organized by the IHK Frankfurt, KOTRA, KGCCI and DIHK and supported by KCCI and OAV, proved to be a highly impactful event that, propelling our business relations to new heights. The varied and wide organization group enabled us to address all relevant economic topics and to bring our business



German-Korean Business & Investment Summit (Photo provided by KGCCI)

relations to the next level, as the title of the event states.

The summit provided a platform to reunite high-level speakers from the realms of politics, administration and renowned Korean and German companies. Spanning two days, the event focused on the important topics that impact our companies and bilateral economic relations, such as digitalization, securing global supply chains and decarbonizing our industries.

**What are your future hopes and goals for Korean-German cooperation in the areas of trade and investment?**

First and foremost, I hope that the trade and investment volume continue to flourish, driven by the competitive spirit and growing collaboration within our industries.

Secondly, it would be great if we see some lighthouse project investments in future-orientated key technologies for which the ribbon-cutting could take place when we celebrate 145 years of German-Korean relations in 2028.

*By Grace Park*

*Executive Consultant*

*Investment Public Relations Team*

*Korea Trade-Investment Promotion Agency (KOTRA)*

## GERMAN-KOREAN BUSINESS AND INVESTMENT SUMMIT 2023







# Revitalizing Tourism Exports Amid the Recovery of International Tourism



Exports of international tourism stand out within Korea's service sector with amounts now equivalent to those of the nation's major industries. In 2019 before the outbreak of COVID-19, the number of foreign tourists visiting Korea recorded an all-time high of 17.5 million, with tourism exports reaching about USD 20.7 billion. The record is outstanding, even when compared with other industries leading the nation's exports.<sup>1</sup>

For quite some time, however, domestic and international tourism activities have been restricted by the prolonged COVID-19 pandemic that began in 2020, and the tourism industry has experienced a major downturn as it is a face-to-face service industry based on traveling. According to the 2021 Tourism Industry Survey of the Korean Ministry of Culture, Sports and Tourism, the revenue of businesses categorized by the Tourism Promotion Act as tourism businesses declined from KRW 26.8138 trillion in 2019 to KRW 8.2024 trillion in 2020 and KRW 10.5006 trillion in 2021, with the number of people working in tourism businesses plunging from

276,447 in 2019 to 191,524 in 2020 and 195,280 in 2021.

### Recovery Trends of Korea's Inbound Tourism

Whereas domestic tourism recovered relatively early after the COVID-19 outbreak in 2020, the recovery of foreign inbound tourism began only in the second half of 2022 with the full-fledged easing of COVID-19-related restrictions. Accordingly, the recovery of tourism exports has been relatively slow.

The number of foreign tourists visiting Korea was only about 967,000 in 2021, but the number more than tripled to about 3.198 million in 2022. The recovery has continued in 2023, with about 2.603 million foreigners visiting Korea from January to April, which is about 47.5% of the same period of 2019.

By country, 482,000 Japanese tourists visited South Korea from January to April 2023, followed by the United States (291,000), China (250,000), Taiwan (238,000), and Thailand (151,000).

Monthly Recovery of Foreign Tourists Visiting Korea (Jan. 2022-Apr. 2023)

(Units: person, %)

Period	2019	2022		2023		
		No. of tourists	Rate of change (%, 2019)	No. of tourists	Rate of change (%, 2022)	Rate of change (%, 2019)
Jan.	1,104,803	81,851	-92.6	434,429	430.8	-60.7
Feb.	1,201,802	99,999	-91.7	479,248	379.3	-60.1
Mar.	1,535,641	96,768	-93.7	800,575	727.3	-47.9
Apr.	1,635,066	127,919	-92.2	888,776	594.8	-45.6
May	1,485,684	175,922	-88.2	-	-	-
Jun.	1,476,218	227,713	-84.6	-	-	-
Jul.	1,448,067	263,986	-81.8	-	-	-
Aug.	1,586,299	310,945	-80.4	-	-	-
Sep.	1,459,664	337,638	-76.9	-	-	-
Oct.	1,656,195	476,097	-71.3	-	-	-
Nov.	1,456,429	459,906	-68.4	-	-	-
Dec.	1,456,888	539,273	-63.0	-	-	-
Jan.-Apr.	5,477,312	406,537	-92.6	2,603,028	540.3	-52.5
Jan.-Dec.	17,502,756	3,198,017	-81.7	-	-	-

Source: Tourism Knowledge and Information System of the Korea Culture and Tourism Institute (KCTI)

1. In 2019, tourism was Korea's fifth largest export industry in terms of export value, followed by semiconductors, automobiles, petroleum products, and auto parts.

## Korean Government's Measures for Tourism Industry Revitalization

In the 6<sup>th</sup> Master Plan for Development of Tourism (2023-2027)<sup>2</sup>, the Korean government set 'Korea, an Attractive Tourist Destination with K-Culture' as a vision to revitalize the tourism industry dampened by COVID-19, and announced four goals and strategies to achieve the vision. As a strategy to boost tourism exports, the plan suggests diversifying the inbound market, promoting tourism by combining with K-culture, and providing convenient tourism services, thereby attracting foreign tourists and boosting consumption.



### 6<sup>th</sup> Master Plan for Development of Tourism (2023-2027)

<b>Vision</b>	<b>Korea, an Attractive Tourist Destination with K-Culture</b>
<b>Directions</b>	<ul style="list-style-type: none"> <li>• 'Tourism, it's Korea' - international tourism led by Korea</li> <li>• Transforming the tourism industry by restoring and further developing a disrupted tourism ecosystem</li> <li>• Promoting domestic travel by creating an environment where anyone can travel anywhere</li> <li>• Developing local tourism resources based on original and attractive storytelling</li> </ul>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• No. of foreign tourists: 17.5 million (2019) → 30 million (2027)</li> <li>• Tourism revenue: USD 20.7 billion (2019) → USD 30 billion (2027)</li> <li>• Domestic travel days per capita: 12.9 days (2019) → 15 days (2027)</li> <li>• Domestic travel expenditure: KRW 44.2 trillion (2019) → KRW 50 trillion (2027)</li> </ul>
<b>Strategies</b>	<ul style="list-style-type: none"> <li>• Strategy 1. Making Korea an attractive tourist destination sought by people all over the world</li> <li>• Strategy 2. Innovating the tourism industry by working with industry insiders</li> <li>• Strategy 3. Developing the domestic tourism sector together with the public</li> <li>• Strategy 4. Ushering in the new era of local tourism for people to visit more often and stay longer</li> </ul>

Source: 6<sup>th</sup> Master Plan for Development of Tourism. Jointly announced by related ministries. Dec. 12, 2022

2. Master Plans for Development of Tourism are mid-term plans established every five years based on Article 3 of the Tourism Promotion Act for the objective of laying the foundation for promoting the tourism industry and strengthening the competitiveness of the industry.



On June 5, 2023, the government announced a plan to provide more customized support for promising export sectors, including tourism, at a meeting of the Service Industry Development Task Force. Devised to boost exports of the tourism industry, the plan focuses on developing attractive tourism contents combined with K-culture and improving the convenience of foreign tourists visiting Korea.

### Plan for Revitalizing Tourism Exports

<b>Vision</b>	<b>K-Tourism, a bucket list of people around the world</b>
<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Adding tourism contents that can appeal to people around the world</li> <li>2. Korea, a great place to tour and shop</li> <li>3. Supporting the growth and overseas expansion of tourism venture capitals</li> </ol>

Source: Plan for Revitalizing Exports of the Content and Tourism Industries. Jointly announced by related ministries. June 5, 2023

### Suggestions for Expanding Tourism Exports Going Forward

According to the World Tourism Organization (UNWTO), the global international tourism market has recovered to 80% of its pre-COVID-19 level in the first quarter of 2023. In comparison, the Asia-Pacific region including Korea has been the slowest to recover and its tourism market only reached 54% of the same period in 2019. As international tourism has resumed in earnest, countries around the world are actively attracting foreign tourists to rebuild their tourism industries shattered by COVID-19.

As more foreigners start visiting Korea, the government has also announced and promoted policies to swiftly rebuild inbound tourism. In order to expand tourism exports going forward, it is necessary to attract more foreign tourists visiting Korea and strengthen strategies to increase the spending of tourists by actively attracting high value-added tourists and stay-over tourists. In addition, it is important to encourage foreign tourists to visit local areas so that they can spend in local areas and help revitalize the local economy.

*By Kyung-Eun Choi*

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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 offering innovative services and platforms.

## COMPANY A



General Construction: Examples of extension, construction, remodeling, etc.



Food Service: Operation of group meals, external catering stores, etc.



Hotel/Travel Business: Premium service operations

Investment Requirement		Company Profile	
Amount	USD 5 million	Patents and Certificates	9 trademarks, including Admiral Bakery
Investment Structure	Joint Venture	Financial Performance	(Sales in 2021) USD 75.61 million

### Investment Highlights

- **Expansion of home meal replacement (HMR) consumption across all generations** : HMR market size is expected to grow to KRW 5 trillion in 2022 exceeding KRW 4 trillion in 2020. In the e-commerce sector, startups targeting the eating alone culture are expected to grow rapidly. As the competitiveness of large companies is not great due to the labor-intensive process, startups are expected to perform well in this regard.
- **HWR specialized store differentiated from existing meal kit stores**: The company offers comprehensive services to meet the needs of daily life. It provides a variety of services across the food service (FS) business, including premium HMR made by the best chefs in Korea and abroad, lunch boxes, catering businesses, focusing on the group meal business, and a one-stop total service from construction to completion, building management and repair maintenance, etc.

## COMPANY B



Vlog Auto-editing APP



Embedded handling of 4 types of metadata

Investment Requirement		Company Profile	
Amount	USD 5 million	Patents and Certificates	5 registered patents (incl. integrated rendering system that combines heterogeneous image rendering engine), 2 pending patents
Investment Structure	Equity Investment, Joint Venture	Financial Performance	(Sales in 2021) USD 0.81 million

### Investment Highlights

- **ViiV: Automatic editing and sharing platform for travel vlogs, a new way that records and shares travel experiences**: The platform can automatically edit and complete VLOGs with a single tap once filmed and consists of a FEED page that provides video and location (map) information together. It is possible to produce a large number of videos and various designs simultaneously with the same source. According to the Korea Tourism Organization, the global online travel market is expected to grow from about KRW 500 trillion in 2020 to about KRW 966 trillion in 2025. Even before the official launch, collaboration with mobility companies and online travel agencies with user content needs has been secured, and the service is expected to grow through collaboration not only with individuals but also with tourism institutions and online travel agencies.
- **Video Monster: Cloud rendering and template-based self-video creation solution**: The solution can complete a video in less than 3 minutes without directly editing and designing by using more than 5,000 templates, and is a technology that can be applied to ad network and ecommerce platforms. With the potential to be widely used in the online e-commerce market, which is about KRW 5,000 trillion as of 2022, the company is promoting partnerships with e-commerce-related companies that have expanded overseas.

For more information please e-mail [ikmp@kotra.or.kr](mailto:ikmp@kotra.or.kr), or visit the Invest KOREA Market Place page on [www.investkorea.org](http://www.investkorea.org).



# Sihwa Multi Techno Valley, Where Industry and Leisure Coexist in Harmony

Sihwa Multi Techno Valley (MTV) was first established in 2002 as a high-tech multi-purpose industrial complex of the 21st century that brings together natural environment and high-tech industries. Focusing on knowledge-based industries such as high-tech and venture industries, it provides R&D and logistics functions while also offering leisure functions such as tourism and recreation to ensure diversity and create a vibrant urban culture. Proceeds from development are reinvested in improving the environment of the Sihwa region to help improve the region's air and water quality.

• **Title:** Sihwa Multi Techno Valley National Industrial Complex

• **Location:** Jeongwang-dong of Siheung, Gyeonggi-do and Moknae-dong and Seonggok-dong of Ansan

• **Area**

(Unit: km<sup>2</sup>)

Total area	Residential area	Commercial area	Industrial area	Green area
9.98	0.66	1.45	4.71	3.16

• **Establishment of a future-oriented high-tech industrial complex:** The industrial facility zone in Sihwa MTV is open to high-tech industries (mechatronics and precision equipment), IT industries (microelectronics, computers, IT equipment, etc.), and new material industries (new materials and fine chemicals), and the multi-purpose facility zone houses knowledge industries and ICT industries. As of March 2023, Sihwa MTV has a total of 1,185 companies as tenants leading the revitalization of the local economy by producing KRW 1.1 trillion, exporting USD 180 million and employing 15,000 workers.

• **A popular marine leisure and tourism destination in the Seoul Metropolitan Area:** Siheung City is building a marine leisure and tourism hub on Turtle Island in Sihwa MTV to enable visitors to enjoy marine leisure and sports in the Seoul Metropolitan Area. The world's largest artificial surfing park established inside the Turtle Island Marine Leisure Complex is gaining popularity. A project is being implemented to build Aqua Pet Land, Korea's largest facility producing and distributing ornamental fish, and the Marine Ecology Science Center for specialized treatment of marine life and exhibition of marine ecology. Other tourist destinations nearby such as Oido Island, Gaegol Ecological Park, and Mulwang Reservoir welcome visitors.

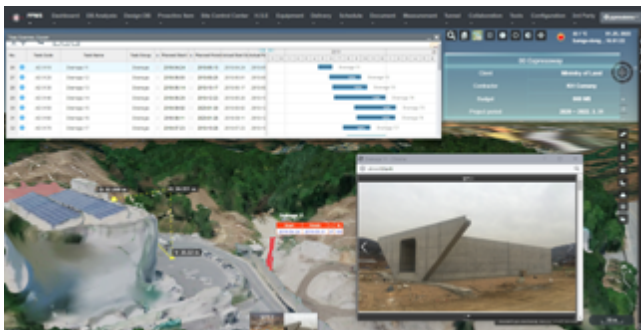
Source: (Text) Korea Industrial Complex Corporation (Photo) Korea Land & Housing Corporation  
For more information, visit [kicox.or.kr](http://kicox.or.kr); or call 070.8895.7000



# PPMS, a Digital Business Management Platform

## About the Company

MingsPM was founded in 2014 by engineers with over 20 years of experience at managing infrastructure construction projects at home and abroad. In the beginning, MingsPM provided consulting services in domestic and international large-scale construction projects based on the rich experience of its members, but started developing the Proactive Project Management System (PPMS) in 2018 after experiencing problems in the construction field that were difficult to resolve. Developed to innovate the way the construction industry works, the first commercial product of digital-based PPMS was launched in 2022 and is being used in the Ulleung-do airport construction project.



## Background

The construction industry is known to be an inefficient industry with low productivity, just like the agricultural sector.

In infrastructure construction projects, it is a daunting task to complete within a set period of time and cost the construction of a linear section covering a vast area or stretching tens of kilometers without any accidents and with high quality.

For instance, building a 10-kilometer road requires the work of civil engineers who must drive out to the field every day in order to give work instructions where construction is underway in different spots along the planned route, measure the length of safety fences, or check if the work has been completed as instructed. These frequent on-site visits delay important planning and analysis work to be handled in the office, and tasks that must be completed today are quietly put off to the next day.

Whereas many industries are already going digital, the digital transformation of the construction industry has just begun. Considering the absence of an integrated platform capable of remotely managing the field in real-time and enabling collaboration, MingsPM set out to develop PPMS to introduce smart work in the construction industry.



## About the Product

PPMS is a GIS-based 3D web platform that integrates BIM and 3D drone map data, CCTV, and IoT sensors, and features various optional functional modules that enable 3D construction management, process management, and safety management. With access to the internet, signed-in users can remotely manage facilities and construction sites around the world in 3D and in real time wherever and whenever.

Using PPMS from the BIM design stage, users can load construction history data into the BIM model in the construction stage, and after completion, the facilities or the city can be managed based on the digital twin. This is because building an effective smart city/digital city requires digital records of the construction phase.

PPMS is configured with a basic engine and various optional modules that customers can select by considering the nature of their business.

The basic engine of PPMS features basic functions to effectively manage the business based on the high-capacity lightweight 3D modeling technology by MingsPM, vertical relationship navigation technology, mobile-linked location search technology, and drone trajectory display technology (dashboard, comparison of design and construction, weekly comparison of construction progress, 3D measurement (area, height, volume, contour, slope, etc.), flight reports, smart video co-work, construction photos, and smart co-work tools).

Various optional modules are also available including the process management module directly linked to Primavera, the construction management module that



detects the real-time location and trajectory of CCTV, workers and equipment/vessels, the material procurement management module, the environmental management module, the inspection management module, and the VR management module.

## Competitive Edge and Business Strategy

MingsPM is composed of a group of experts specializing in construction. Experienced construction professionals who are involved in the entire construction process from bidding, design, construction, and completion of construction projects are in charge of planning the content of PPMS's functional modules, and highly qualified developers with dozens of programming languages at their command develop the programs. As today's construction industry is becoming increasingly complex and large-scale, it is difficult to complete construction projects by meeting the due date and budget without the help of PM methodology and useful ICT technologies. PPMS was built with the global construction market in mind. Mega-sized construction projects in the Middle East, Southeast Asia, and Eastern Europe are implemented in line with the Project Management (PM) methodology, and PPMS offers functional modules compatible with the PM methodology. Global project owners (central and local governments), PMCs, construction and companies are the target customers of PPMS, and PPMS customers can monitor in real time the progress of their construction projects carried out around the world by using their computers or mobile devices and swiftly make decisions based on quantified data. More specifically,



PPMS eliminates the risk of making incorrect decisions due to disconnection or lack of information as it shows visual, quantified project progress to allow different stakeholders involved in the construction project to make a unified judgment in real time. Since PPMS is web-based, simply clicking on the refresh button on the web browser during maintenance automatically applies the change to all users around the world. Moreover, PPMS's smart video co-work module enables real-time maintenance and Q&A. Since MingsPM lends PPMS for the construction period per project and charges monthly fee per user, cost handling is simply and accurate for users.

### Future Plans

MingsPM's research center is continuously applying patents for its functional modules specializing in construction projects and developing practical programs. While PPMS currently consists of more than 30 functional modules, MingsPM plans to develop more than 100 modules in the future to allow customers to use the platform by selecting modules suitable to their construction businesses. BIM design must become universal in order to use PPMS more effectively. From next year, South Korea is scheduled to mandate BIM design for construction projects worth more than KRW 100 billion, which is expected to vitalize MingsPM's domestic sales activities.

### Plans for the domestic market in 2023

- Korea Land and Housing Corporation (LH):  
Negotiating the application of PPMS in smart construction/safety management control center project at all of LH's sites (15 regional headquarters + 10 projects)
- KEPCO: Discussing the application of PPMS in a smart control system for transmission and distribution pylons (14 regional headquarters)
- Korea Gas Technology Corporation (KOGAS):  
Negotiating the application of PPMS in the nationwide hydrogen cell recharging station construction project.
- Negotiating the application of PPMS in construction projects worth more than KRW 100 billion to be implemented by construction companies (five to 10 projects)



### Plans for the overseas market in 2023

In early 2023, MingsPM signed an MOU with a local development company in the Philippines for a smart city project. Aiming to participate in mega projects in Saudi Arabia, Vietnam, and Indonesia, MingsPM is also taking part in fairs and export meetings organized by South Korean government agencies.

Since PPMS is mainly used in construction projects but manages map-based 3D models, MingsPM is seeking to expand the business by offering a digital project management platform to hotels, franchise stores, industrial complexes, gas stations and manufacturing plants that require the management of dispersed facilities.

\* Search "mingspm" on YouTube to find out more about the company.

**By Jacky Myung**

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

# Are there any disadvantages when a foreign investor fails to register as a foreign-invested company?

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

**Q. Are there any disadvantages when a foreign investor fails to register as a foreign-invested company?**

**A.** A foreign investor who fails to register as a foreign-invested company cannot prove that his/her foreign investment has been completed. As a result, matters such as visa applications for a stay in Korea or the transfer of dividends or proceeds from the sale of stocks to foreign countries cannot be processed.

- Therefore, all foreigners who have completed a foreign investment (including partial execution of investment satisfying the requirements for foreign investment under the Foreign Investment Promotion Act) should apply for registration (registration of alteration) as a foreign-invested company within 60 days from the occurrence of relevant events\*, as prescribed by Article 21 of the Foreign Investment Promotion Act.

\* Occurrence of relevant events: The completion of payment for the object of investment, the completion of acquisition of stocks, etc. (settlement of payments), or the completion of contributions

- In addition, a delay or other disadvantages may be experienced in cases requiring a certificate of the registration of a foreign-invested company (when renting an office or a facility in a foreign investment zone or applying for exemption from the mandatory bond purchase under the Housing Act or the Urban Railroad Act)

*For further inquiries, please contact the Investment Consulting Center*

call



+82-1600-7119

or visit



[www.investkorea.org](http://www.investkorea.org)





# Korea 101: Associations and Clubs

## 1) YMCA

YMCA (Young Men's Christian Association) is a worldwide Christian lay movement. Founded in London, England in 1844, it now serves more than 10,000 social movement organizations in more than 120 countries around the world. Seoul YMCA is located in Jongno-gu, Seoul and is currently focused on youth movement including education and cultural projects customized for them. YMCA is a highly recognized organization with about 30 million members across the world.

Address: 69 Jongno, Jongno-gu, Seoul

Phone: 82-2-730-9391

Website: [seoulymca.or.kr](http://seoulymca.or.kr)

## 2) Rotary Club

Rotary International carried out a wide range of activities for the global community placing particular emphasis on combating polio and providing clean drinking water. With 35,000 local clubs, it boasts more than 1.2 million members across the world. It is a highly recognized international organization where people from different regional, business and occupational backgrounds get together not only to socialize among themselves but also make contributions to the entire global community.

Currently, the dues are USD 53 per person. Though different from country to country, 4-14 percent of the dues goes to Rotary International. The rest is used by Rotary clubs and districts for operating costs, food expenses, and subscription fees for the Rotarian magazine and other publications.

Address: Rm. 930 Royal Building, 19 Saemun-ro 5-gil, Jongno-gu, Seoul

Phone: 82-2-738-1501

Website: [rotarykorea.org](http://rotarykorea.org)

### 3) Lions Club

Lions Clubs International has more than 1.3 million members in 45,000 clubs in 205 countries. Its main purpose is to serve the interests of the international community and the local community. Since its founding in 1917, the organization has been involved in a variety of activities such areas as education, environment, public interests, volunteering and health services. Currently Seoul has 88 clubs. Lions clubs classify their membership into active, affiliate, honorary, life, member-at-large, privileged, and associate members, whose subscription fees and qualifications differ depending on those categories. For details, please visit the website.

Address: 3F Lions Building 455 Cheonho-daero, Dongdaemun-gu, Seoul

Phone: 82-2-2242-6427

Website: lions354c.com

#### TIP

#### Curious about your expat gatherings?

Visit 'Korea4expats.com' should you want to join a group with a specific purpose other than the ones listed above, or if you want to find your expat community in Korea.

This site introduces a number of social gatherings by country, purpose and interest. You can check an overview of the groups along with their website and e-mail address.

Website: korea4expats.com

Languages: English

*For further inquiries, please contact the Investment Consulting Center*

call



+82-1600-7119

or visit



[www.investkorea.org](http://www.investkorea.org)

# 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

## Nodeul Island



Nodeul Island is a global art island, located in the middle of Hangang Bridge, where music and art coexist within a “Cultural Complex Infrastructure”.

Nodeul Island is the perfect place with great facilities for various international meetings, concerts, and colorful cultural activities.

### Venue & Rental Information

- Address: 445 Yangnyeong-ro, Yongsan-gu, Seoul, Korea
- Phone Number: +82-2-749-4500
- Homepage: [nodeul.org](http://nodeul.org)
- Inquiries: +82-2-749-4500
- Major Events Held in Recent Years: 2020 Korea Gender Equality Forum, MU:CON ONLINE 2020 / The 27th Environment Day Commemorative Event (2022)/ H.eco Forum 2022: ‘Climate Crisis and the Ocean (2022)’



# Nodeul Island

Source: Korea Tourism Organization, “2022 KOREA Unique Venue”

# Challenge of the Surging Yen



**A**mong the many changes that the COVID-19 pandemic has brought, probably the most troublesome development for Korea's trade would be associated with the weakening value of the yen. Throughout the years before the pandemic, the rate of the Yen was stable—around 110 yen per dollar. Occasionally, the rate fell below or soared above 110 yen, but never failed to recover in a short period of time, staying at the 110 level for the last 30 years since the early 1990s. But this has completely changed after the pandemic, rendering the exchange rate over 140 yen per dollar; once in September, 2022 and then again in June 2023.

Almost all currencies weakened against the dollar in 2022 but the yen was the weakest of all the major currencies. The reason for this is very simple and straightforward. While the federal reserve had to raise its key interest rates from almost 0% to 5% to curb the surging inflation faster than any other country in the world, Japan, however, had to stick with a negative interest rate policy, making the gap of the key rates between the two countries a record level of 5.35%. This huge disadvantage of the yen's interest rate would cause people to hold less of the Japanese currency, and more of the US dollar denominated assets. Consequences of the interest rate gap would then show up in extreme outflows of funds from Japan to overseas, mostly to the US, which in turn, would fuel further decline in the value of yen.

One particular concern is whether the yen would be able to reach 150 again, like after the Plaza Agreement in 1984. Just before the agreement, the yen exchange rate

maintained its level around 250 Yen, contributing to an unacceptably big trade deficit for the US. Consequently, the finance ministers of G5 countries gathered together in a New York hotel to readjust the currency values, and they agreed temporarily to lower the yen level around 150. It fell further to 80 yen in the mid-1990s, but the great Kobe earthquake in 1995 and the Abenomics policy in 2013 had rendered it back to the 110 level. The 150 yen per dollar rate in October 2022 raises afresh the possibility for the yen rate to climb back to 150, which is far from being absurd as long as the Bank of Japan sticks with the -0.1% interest rate.

The depreciation of the yen has two critical challenges for Korea's trade. First, Japanese exports will become very cheap in the world's markets, and this will significantly jeopardize Korean exports. As most Japanese exporters are pricing their products in yen, not in the dollar, the fluctuations in the exchange rate instantly alters the export price in dollar terms. Japanese exporters changed from the dollar-pricing practice to yen-pricing in the late 1990s to avoid the exchange rate risks. Automobiles, electronic products, ships, steel products, petroleum products, machinery, and all the major export items for Korean manufacturers will have to face fierce price competition from Japanese counterparts.

Another challenge is the potential inflow of Japanese products into Korean markets. So far, Korean imports from Japan has been mostly limited to technology items that Korea finds difficult to produce locally. As Japanese products become immensely cheap, Korea would have to import not just the technology products but also miscel-



laneous everyday consumer products such as beer, candy, clothing, or shoes, just to name a few. Japan and Korea both have maintained quite a close cultural affinity and this tie could be a grand conduit to import such sundry goods from Japan when prices become more than affordable due to yen's depreciation. In short, the yen's depreciation would decrease Korean exports to the world on the one hand, and increase Japanese imports on a grand scale, on the other. This could be pose a serious blow to Korea's trade, which has been suffering a long decline in the export value over the last right months.

The current Yoon Administration well understands the importance of Korean exports for growth and the creation of jobs. The administration, from the onset, has been pushing various export promotion policies under the leadership of the strategic export promotion conference. The first such conference was held in November 23, 2022 and with the goal of becoming a top five exporter in the world, the conference designated five major areas for targeted export enhancement policies. The five areas were overseas construction, tourism and contents, digital and bio industries, space and defense industries as well as the traditional mainstream industries such as automobile, chemical products, semiconductor, and steel. Three additional such conferences have been held so far, and the focus of policy orientation ranged from defense industry products in the second conference to K-pop in the fourth. Another important policy for export promotion was to provide more than ample export finances to firms. Indeed, the administration plans to expand export finance from KRW 351 trillion to KRW 360, worth almost USD 280 billion. In addition, the administration wishes to export USD 50 billion worth in infrastructure investments, becoming a global top four exporter in that area by 2027. Grandiose in nature, however, all these policies were not designed specifically to combat the competition from the yen depreciation. The 30% yen depreciation so far is big enough to nullify all the minute and detailed export promotion policies advanced by the administration. The exporters want more concrete measures to drastically enhance competitiveness against Japanese counterparts.

There are two approaches for that purpose. One is building up capabilities in Korean firms to confront Ja-

panese competitors. That requires own finances, human resources and education, and technological development. The other approach is to cooperate with Japanese competitors with mutual investment, human resource exchange, and technology development. In other words, instead of competing directly against Japan, the aim would be to enhance the arena of mutual interaction in technology development, human resource exchanges and financial investment. At first, these approaches seemingly have no direct effect on increasing our exports to Japan, or sometimes may mean further deterioration, but in the longer run, it will be fruitful to expand our exports not just to the global market but to the Japanese market as Korean companies become more familiar to Japanese people and their markets. In short, instead of following an outright confrontation strategy to guard against the Japanese export surge, the better route is to rather try to assimilate and cooperate with Japanese manufacturers by investing together, marketing together, and researching together in a world of competition. The weaker yen is making this a lot easier than ever before.



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*\* The opinions expressed in this article are the author's own  
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