

U.S. Corning to invest USD 1.5 bn to build production facility in Korea

Corning Inc., the world's top manufacturer of specialty glass for displays, will invest USD 1.5 billion to build a new production facility in Asan, South Chungcheong Province.

The investment involves building the world's first integrated supply chain for bendable glass for cell phones, according to Corning Chief Executive Officer Wendell Weeks. The investment

will be made over five years.

Corning entered Korea in 1973 and has invested more than USD 10 billion in the country over the past 50 years, creating thousands of jobs. The investment is noteworthy as it comes amid a recent reshoring push by the U.S. government to bring back production bases to the U.S.

Korea emerges as growth market, design hub for global brands

Global fashion and luxury goods brands are opening directly managed stores in S. Korea, one of their growth markets, ending their decades-long reliance on domestic distributors.

More than 30 foreign fashion houses, including Celine, Chloe, Givenchy and Moncler, have established subsidiaries in S. Korea over the past three years. Earlier this year, Gucci and Louis Vuitton held their first collection shows in Seoul.

Since late last year, Italy's OTP Group, which owns Maison Margiela, Marni, Jil Sander and Diesel brands, has shifted to

directly managing its S. Korean operations, after ending contracts with its long-term distributor Shinsegae International Inc. in early 2022.

This trend is spreading to casual and street brands, targeting young consumers. Calvin Klein has canceled its 10-year distribution license with Handsome Corp. to take direct control of domestic sales from the autumn of next year. Acne Studios, nicknamed MZ Luxury, is also preparing to make direct inroads into S. Korea.

Trade & Commerce

Guatemala to join S. Korea-Central America FTA

Guatemala will join a free trade agreement (FTA) between S. Korea and a group of Central American nations, Seoul's trade ministry said on Sept. 5.

S. Korea and five Central American nations—Costa Rica, El Salvador, Panama, Honduras and Nicaragua—fully implemented their FTA in March 2021, and they reached a deal with Guatemala for its joining of the pact following two years of negotiations, ac-

ording to the Ministry of Trade, Industry and Energy.

Guatemala was initially among dialogue partners for the FTA, but it had stepped out during negotiations amid differences on tariff and country of origin related rules.

Trade between S. Korea and Guatemala has risen recently from USD 237 million in 2018 to USD 323 million last year, according to government data.

Exports of instant noodles hit record high this year: data

S. Korea's exports of instant noodles jumped 17.7 percent on-year in the first seven months of 2023 to reach the highest figure for the period ever amid the growing popularity of Korean culture, data showed on Sept. 1.

The country exported USD 522.03 million worth of instant noodles, or "ramyeon" in Korean, in the January-July period, up from USD 443.34 million a year earlier, according to the Korea Agro-Fisheries and Food Trade

Corp. and the Korea Customs Service.

It is the first time that such exports for the first seven months of a year have surpassed the USD 500 million level.

Global sales of S. Korean ramyeon products have been on a constant rise in recent years in line with the popularity of Korean movies, dramas and music, as well as high demand for ready-to-eat food products during the COVID-19 pandemic, officials said.

Industry

Forbes selects nine S. Korean startups as Asia 100 to Watch

According to Forbes, the following companies were selected as part of Asia's top 100 promising enterprises: LaundryGo, a contactless mobile laundry service; MyRealTrip, a travel platform; Liner, a generative artificial intelligence (AI) company; Makestar, an entertainment media platform; NearthLab, an autonomous drone solution company; Playlist, a content studio; Seadronix, an AI autonomous navigation company; Floatic, a

logistics robot solution company; and Anpolly, a biotech healthcare company.

Since 2021, Forbes Asia has been annually releasing a list of 100 promising startups across 11 sectors, including healthcare, education, logistics, distribution, and finance.

These selections are based on factors such as the company's impact on the industry, revenue growth, and business model robustness.

Government & Policy

S. Korea lays out comprehensive plan to boost exports

To break away from eleven consecutive months of declining exports, lasting from October 2022 to August 2023, the S. Korean government has introduced an all-encompassing support strategy that aims to diversify export items and markets as well as strengthen the existing infrastructure.

The government forecasts the nation will maintain its trade surplus throughout the second half of the year, as outbound shipments of semiconductors and other IT items, as well as ship exports, gradually improve amid strong automobile and secondary battery exports.

Against this backdrop, the strategy's focus is not only on enhancing the competitiveness

of traditional export industries but also on bolstering export momentum in promising areas like digital technology, content, and nuclear energy.

In addition to targeting existing key markets like the United States, China, and ASEAN countries, the government plans to support S. Korean companies in winning contracts in new strategic markets including the Middle East, Latin America, and the European Union. The comprehensive plan includes various forms of support, including trade and export financing, totaling up to KRW 181.4 trillion (USD 138 billion) by the end of 2023.

Korea allocates over USD 900 mn budget for AI development in 2024

The S. Korean government plans to inject over KRW 1.2 trillion (USD 900 million) next year for the development of artificial intelligence (AI) technologies and services, according to First Vice Finance Minister Kim Byung-hwan.

"We will spend more than KRW 1.2 trillion next year developing AI technologies and services to make digital technology a part of everyone's life," Kim said during his opening remarks at the 6th Digital Economy Forum held in Seoul on Sept. 6. The planned investment represents a 20 percent increase com-

pared to this year's budget allocation of KRW 1 trillion.

Kim also mentioned the government's goal of revising related regulations, including copyright laws, to remove obstacles to innovation.

The government also plans to expand the budget for the fund of funds (FoF) supporting venture capital and startups to KRW 1 trillion as well as creating the 'Startup Korea Fund' with a budget of over KRW 2 trillion in collaboration with the private sector.