

Foreign Direct Investment

Renault to invest USD 523 mn to build green car hub in Korea

Renault Korea Motors Co., grappling with a protracted slump without new releases, plans to invest more than KRW 700 billion (USD 523 million) by 2027 to transform its auto plant in Busan, S. Korea's No. 1 port city, into an eco-friendly car-manufacturing hub in hopes of rejuvenating its business.

On Mar. 18, the Korean operation of the world's fourth-largest auto group Renault S.A. signed an MOU with the Busan Metropolitan City government to build a future mobility center in Korea's second-largest city.

Under the terms of the agreement, Renault will transform its Korean auto manufacturing plant in Busan into an eco-friendly car-producing base centering around hybrid and electric vehicles.

As part of the first phase of the project, dubbed Aurora 1 and 2, the French carmaker will invest KRW 700 billion to build its hybrid car research and development center and manufacturing facilities in the city, Renault Korea Motors CEO Stephane Deblaise said during the signing ceremony.

Alibaba pledges USD 1.1 bn investment for Korea expansion

China's Alibaba Group, the parent company and operator of global online marketplace AliExpress, is poised to take a significant step into the S. Korean market with an investment of about KRW 1.5 trillion (USD 1.1 billion). Sources within the industry revealed on Mar. 14 that Alibaba Group recently presented a business plan to the Korean government, outlining a proposed investment of USD 1.1 billion over the next three years.

The submitted business plan indicates Alibaba Group's intent to diversify its activities in the Korean market beyond AliExpress and the company will allocate USD 200 million towards the construction of an integrated logistics center in Korea within 2024 as part of this strategy.

This facility, spanning an area of 180,000 square meters, signals Alibaba Group's direct targeting of the Korean market.

Merck KGaA to invest USD 323 mn to build bio facility in Daejeon

Germany's Merck KGaA, a leading global company in science and technology, will invest about KRW 430 billion (USD 323 million) to build a bio raw material production facility in Daejeon, S. Korea.

According to the company on Mar. 21, it will establish the facility in Dungok District in Daejeon. The decision comes after Merck KGaA signed an MOU with the Ministry of Trade, Industry, and Energy, and Daejeon

City regarding the establishment of a production facility in May 2023.

The investment marks the largest scale commitment the company has made in the Asia-Pacific region so far. Merck aims to position Daejeon as a central hub covering the Asia-Pacific region. Once completed, the facility is projected to create 300 jobs by the end of 2028.

Trade & Commerce

Korea's March 1-20 exports up 11.2% on strong chip demand

S. Korea's exports in the first 20 days of March surged by more than 10 percent from the same period a year ago, driven by robust demand for semiconductors and strong exports to China.

According to data released by Korea Customs Service on Mar. 21, the country's outbound shipments reached USD 34.1 billion in the March 1-20 period, up 11.2 percent from the same period last year.

Daily exports also surged 11.2 percent

based on the same number of working days. Korea's monthly exports have maintained an upward trend for five consecutive months from October. They are expected to stay in the positive territory in March.

The surge in exports in the first 20 days of March was driven mainly by strong demand for semiconductors, the country's mainstay export item. Exports of vessels also soared 370.8 percent during the March 1-20 period compared to the same period last year.

Industry

OpenAI interested in collaboration with Korean chipmakers

OpenAI, the service behind the artificial intelligence (AI)-powered chatbot ChatGPT, has expressed keen interest in forging partnerships with Korean chipmakers such as Samsung Electronics Co. and SK hynix Inc.

Sam Altman, the company's CEO, said he visited Korea twice in the past six months and had good meetings with Samsung and SK hynix when asked by Korean reporters if there were any plans for a semiconductor partnership with the Korean chipmakers during a meeting at the company's headquarters in San Francisco on Mar. 13 (local time).

At an event focused on fostering collaboration between Korean startups and OpenAI, organized by the Korean Ministry of SMEs and Startups., Altman engaged in detailed discussions with reporters and startups at the gathering.

OpenAI is currently one of the largest users of graphics processing units in the world. ChatGPT is used by 100 million people every week, and its AI video generator, Sora, which will be released to the general public later in 2024, is expected to require much more computing power than ChatGPT.

Meta CEO discusses AI, XR with S. Korean startups

Mark Zuckerberg, founder of Facebook and CEO of Meta Platforms Inc., has met with representatives of Korean artificial intelligence (AI) and extended reality (XR) startups in Seoul to discuss Meta's vision in the areas, industry sources said on Feb. 29.

The meeting, which took place at Meta Korea's office in southern Seoul on the previous day, included leaders from three S. Korean AI startups as well as representatives from two XR startups. During the session, Zuckerberg shared Meta's technological vision and in-

terests in the AI and XR markets with young tech leaders, according to Choi Min-kyung, CEO of Devs United Games and one of the participants. The Meta CEO also expressed hopes for more opportunities to meet with various startups in Korea, she added.

Zuckerberg was in Seoul on a three-day visit during which he met with Samsung Electronics Co. Chairman Lee Jae-yong, LG Electronics Co. CEO Cho Joo-wan and President Yoon Suk Yeol to discuss collaborations in the cutting-edge industries.

Government & Policy

Gov't unveils record USD 190 bn financial support to boost exports

The S. Korean government plans to expand financial support for exporting companies to a record high of KRW 255 trillion (USD 190.3 billion) to achieve this year's export target of USD 700 billion.

Under measures unveiled during a government-private joint meeting on Mar. 25 chaired by the Minister of Trade, Industry and Energy Ahn Duk-geun, the government plans to allo-

cate KRW 255 trillion in trade insurance for 2024, up by KRW 10 trillion from 2023.

The size of trade insurance has increased by about KRW 100 trillion in five years from KRW 156 trillion in 2019. The automotive and secondary battery sectors will also be supported with KRW 33 trillion in trade insurance.

Yoon vows strong support for new space industry cluster

President Yoon Suk Yeol pledged on Mar. 13 to expand the budget for space development to over KRW 1.5 trillion (USD 1.1 billion) by 2027 as he attended the launch of a new space industry cluster in the southern part of the country.

The cluster—a triangle formed by Daejeon in the north, South Gyeongsang Province in the east and South Jeolla Province in the west—was launched during a ceremony at the headquarters

of Korea Aerospace Industries in Sacheon, 296 kilometers southeast of Seoul.

Yoon noted that his administration has devised a space economy road map outlining goals to complete a moon landing by 2032 and a Mars mission by 2045. The aim is to make the country a top five space technology power in the world.