Invest KOREA

January 2025

Exploring Opportunities for FDI

Korean Industry Prospects for 2025
Gwangju High-Tech National Industrial Complex
Making AI Robots' Noses and Eyes

Invest KOREA
January 2025 Issue

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 exhibits signs of limited improvement, primarily in the construction industry, amid escalating uncertainties.

- Semiconductor production and exports continue to show robust growth, with related equipment investment maintaining its upward trend.

- However, goods consumption and construction investment remain subdued, constraining the recovery of domestic demand.

  - Goods consumption continues to slide while delinquency rates among sole proprietorship businesses remain on an upward trend.
  - Despite improving leading indicators related to construction, the value of construction completed continues to recede, while employment conditions are experiencing modest adjustments, particularly in the construction industry.

- Meanwhile, the deteriorating global trade environment following President Trump's election could adversely affect Korea's export performance.

*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 Korean economy exhibits signs of limited improvement due to the struggling construction industry, while uncertainties over the global trade environment are expanding.**

- In October, all-industry production (-1.3% → 2.3%) increased, driven by gains in the manufacturing and service industries, bolstered by factors such as a rise in the number of working days (-1 day → +1 day). However, seasonally adjusted production declined by 0.3% month-on-month due to continued weakness in the construction sector.
  - Industrial (mining and manufacturing) production (-1.4% → 6.3%) saw favorable growth, led by semiconductors (17.5%). Nonetheless, on a seasonally adjusted month-on-month basis, its growth remained flat from the previous month, as automobile production (-6.3%) declined due to strikes among parts suppliers.
  - Services production (-0.5% → 1.9%) expanded, supported by increases in financial and insurance services (-0.7% → 3.6%) and human health and social work activities (1.2% → 2.7%). Seasonally adjusted, services production rose by 0.3% month-on-month.
  - Construction production (-12.9% → -9.7%) continued to record significant declines, extending the downward trend from the previous month. Seasonally adjusted, it fell by 4.0% month-on-month, reflecting persistent sluggishness.

- The inventory-to-shipment ratio (106.8% → 112.7%) rose, while the average capacity utilization rate (73.4% → 72.5%) declined; these changes are largely attributable to temporary factors
  - On a seasonally adjusted month-on-month basis, shipments decreased by 4.2%, driven by export shipments (-9.0%).
  - The decline in shipments was influenced by reduced semiconductor shipments earlier in the quarter, while the drop in the average capacity utilization rate was attributed to temporary production disruptions caused by strikes among automotive parts suppliers.

- Construction investment has contracted, constraining the recovery of domestic demand, while concerns about a potential export slowdown are emerging.

■ **Consumption: Consumption remains subdued, with continued weakness in goods consumption and modest growth in service consumption.**

- Goods consumption exhibits sluggishness as the decline in retail sales persists across multiple items
  - On a seasonally adjusted month-on-month basis, retail sales fell by 0.4%, following the previous month's decline (-0.5%), highlighting persistent weakness in goods consumption.

- Service consumption maintains low growth, particularly in key industries such as accommodation and food services
  - Production declined in consumption-sensitive service sectors, including accommodation and food services (-1.2%) and arts, sports, and recreation-related services (-0.6%).

- Meanwhile, November's Composite Consumer Sentiment Index (CCSI) (100.7) fluctuated near the baseline (100).

■ **Equipment Investment: Equipment investment continues to improve, driven primarily by semiconductor-related investments**

- October equipment investment (7.3% → 5.8%)

sustained high growth, supported by substantial increases in semiconductor-related investment

- Leading indicators suggest continued recovery potential for equipment investment, particularly in semiconductor-related investment

■ **Construction investment: Construction investment remains sluggish due to the accumulated declines in building construction orders received**

- In October, the value of construction completed (-12.9% → -9.7%) remained in significant decline despite an increase in working days.
  - On a seasonally adjusted month-on-month basis, it fell for the sixth consecutive month, reflecting deepening weakness.
  *Value of construction completed (SA, MoM, %): (Aug.) -2.2 → (Sept.) -0.7→ (Oct.) -4.0
  - The building construction sector (-15.7% → -12.0%) continued to show a significant decline from the previous month, with contractions in both residential and non-residential segments. The civil engineering sector (-4.3% → -1.9%) also remained on a downward trajectory.

- Meanwhile, leading indicators appear to sustain their pace of improvement.
  - While construction orders received (nominal, -11.9%) decreased due to base effects from last year's surge (42.3%), leading indicators continued to improve, including increases in housing permits (28.9%) and housing starts (10.0%).
  - However, given the significant time lag between improvements in leading indicators and their reflection in construction investment, the sluggish trend in construction investment is likely to persist for the time being.

■ **Prices: Price increases continue to ease, as demand-side pressures remain subdued.**

- Consumer price inflation remains subdued at 1.5%, led by weak goods price growth (0.9%), as international oil prices continue their downward trend
  - The decline in petroleum product prices (-10.9% → -5.3%) persisted, although the decrease narrowed slightly in November due to the implementation of fuel tax adjustments.
  *Fuel tax reduction for gasoline, diesel, and LPG (KRW per liter): (Oct.) -164, -174, -61 → (Nov.) -122, -133, -47
  - Consequently, consumer price inflation edged up slightly from the previous month (1.3%).

- Core inflation (1.9%), which represents the underlying trend in price growth, continues its moderating trajectory as demand-side pressures remain low.
  - Given the time lag between recent policy rate cuts and their effect on domestic demand, inflationary pressures are expected to ease consistently for the time being.

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

Foreign Direct Investment

L’Oreal acquires K-beauty brand Dr.G

L’Oreal Group, the world‘s largest cosmetics company, will acquire Dr.G, a major S. Korean beauty brand. It marks L’Oreal‘s first acquisition of a Korean beauty brand in six years, following its 2018 purchase of Stylenanda’s cosmetic brand 3CE.

L’Oreal announced on Dec. 23 that it signed an agreement with Swiss distributor Migros to acquire a full stake in Gowoonsesang Cosmetics, the parent company of Dr.G.

Alexis Perakis-Valat, President of L’Oreal’s Consumer Products Division, noted that “We have admired the success of Dr.G for years and look forward to bringing the best of Korean skincare to consumers worldwide.”

SPA brands thrive as consumers prioritize affordability

Amid a sluggish economy and reduced spending on fashion, specialty store retailer of private label apparel (SPA) brands are posting strong performances in S. Korea this year, appealing to cost-conscious consumers with affordable prices.

Japanese fashion brand Uniqlo has surpassed KRW 1 trillion won (USD 701.75 million) in S. Korean revenue for the first time in six years.

According to the Financial Supervisory Service’s electronic disclosure system, FRL Korea, the operator of Uniqlo in S. Korea, recorded KRW 1.06 trillion in revenue for its fiscal year ending August 31, 2024.

This marks a 15 percent increase from the previous fiscal year, while operating profit grew 5.4 percent to KRW 148.9 billion.

Trade & Commerce

Exports increase 6.8 pct in Dec. 1-20 period on chip demand

S. Korea's exports increased 6.8 percent on-year in the first 20 days of December on growing demand for semiconductors, data showed on Dec. 23.

Outbound shipments reached USD 40.3 billion in the Dec. 1-20 period, compared with $37.73 billion tallied a year earlier, according to the data from the Korea Customs Service.

Imports jumped 7.5 percent on-year to USD 38.9 billion during the period, resulting in a trade surplus of USD 1.35 billion, the data showed.

Exports of semiconductors surged by 23.4 percent on-year to USD 8.2 billion, reflecting an upswing in the semiconductor industry cycle. Automobile exports rose 8.9 percent on-year, while exports of petroleum products fell by 14.6 percent on-year.

Bakery product exports hit record high in 2024 on growing popularity of K-food

S. Korea's exports of bakery-related products, such as snacks, reached a record high this year, bolstered by the growing global popularity of Korean culture and cuisine, the customs agency said on Dec. 24.

Outbound shipments of bakery products came to an all-time high of USD 440 million in the January-November period, up 8.3 percent from the same period last year, according to data from the Korea Customs Service.

Snacks accounted for the largest share of the exports, representing 72.5 percent of the total. Notably, exports of baked goods such as pies surged 18.9 percent on-year, driven by the appeal of unique items such as steamed buns and fish-shaped pastries.

Industry

Korean SMEs sweep CES Innovation Awards

S. Korean startups and small and medium-sized enterprises (SMEs) claimed a significant share of the innovation awards at the upcoming Consumer Electronics Show 2025, set to open in January in Las Vegas.

A large number of awards were given in core categories including digital health and artificial intelligence (AI).

The Ministry of SMEs and Startups announced on Dec. 30 that Korean companies won 162 out of the 363 CES Innovation Awards presented by the Consumer Technology Association (CTA), or 44.6 percent of the total.

Among these, SMEs, ventures, and startups claimed 124 awards, representing 76.5 percent of Korea's entire win.

Korea's M&A market rebound for first time in 3 yrs

The mergers and acquisitions market in S. Korea has expanded this year, the first growth in three years, data showed on Dec. 30.

According to data compiled by Ray The M, a capital market media under Maeil Business Newspaper, transactions in Korea's M&A market stood at KRW 35.67 trillion (USD 24.2 billion) this year, up 16 percent from the previous year.

M&A activity in Korea hit its peak in 2021 before declining for two straight years due to rate hikes, tighter financing conditions, and broader economic uncertainty.

This year, there were 10 major deals valued at over KRW 1 trillion, which is double from five last year.

Government & Policy

S. Korea to ease regulations, enabling new hydrogen charging stations

S. Korea's industry ministry said on Dec. 18 that the country plans to implement eased regulations for hydrogen charging stations next year in line with efforts to support the sector's ecosystem.

The set of new rules is reflected in the revised high-pressure gas safety control act, which will be implemented in May, focusing on lowering barriers for building new hydrogen charging stations, according to the Ministry of Trade, Industry and Energy.

Under the updated guideline, the required safety distance between charging stations and their surrounding facilities, currently set at 12 to 30 meters, may be reduced if the stations are equipped with proper protection walls and other safety measures.

Gov't designates Yongin chip cluster as national industrial complex

The S. Korean government designated a semiconductor cluster in Yongin, located on the southern outskirts of Seoul, as a national industrial complex, aiming to create one of the country's biggest chip manufacturing hubs by 2030, the land ministry said on Dec. 26.

Samsung Electronics Co., the world's largest memory chipmaker, already operates several chip facilities in Yongin and surrounding areas, making the region a strategic location for the new complex. Its chipmaking rival SK hynix Inc. has also unveiled investment plans to create chip facilities in Yongin.

The Yongin semiconductor national industrial complex is a mega-sized national strategic project that will span 7.28 million square meters. It will house six large-scale semiconductor fabs, three power plants and over 60 small and medium-sized suppliers specializing in materials, parts and equipment.

Source: www.investkorea.org, Yonhap News Agency, Korea Economic Daily Global Edition, Pulse by Maeil Business News Korea

Ministry of Economy and Finance

Support for On-Site Projects and Investment-Friendly Institutional Reforms for Activating Corporate and Regional Investment

Dec. 18, 2024

· 3-Month reduction in administrative procedures for Yongin System Semiconductor Complex approval
· Addition of tax-reduced sectors in opportunity development special zone to expand LNG Hub Terminal Investment
· Plans to secure water supply and shorten completion time for water facilities by one year for secondary battery industrial complex
· Regulatory and institutional reforms, including environmental impact assessment improvements and increased loan limits per company under the Climate Response Fund

Relaxation of Regulations on Foreign Exchange Inflows to Enhance Market Stability and Supply-Demand Balance

Dec. 20, 2024

· Promote within the scope of maintaining external soundness and in a direction that benefits the real economy
*①Relaxation of soundness regulations, ②Easing of foreign currency loan regulations, ③Improvement of foreign currency procurement conditions, ④Establishment of cross-currency settlement conditions, ⑤Expansion of FX Swaps with National Pension Service

Ministry of Science and ICT

Identify Key Projects for Securing 12 Major National Strategic Technologies and Support Bold Special Provisions

Dec. 18, 2024

· Designate and promote core R&D projects directly related to mission achievement in each technology area as Strategic Research Projects (MVP, Mission-oriented Visionary Project)
· Hold the 8th National Strategic Technology Special Committee under the National Science and Technology Advisory Council

Ministry of Trade, Industry & Energy

Progress in Timely Construction of Power Grids, No Delays Expected

Dec. 19, 2024

· 72 power grid projects to be completed this year through active regional discussion and institution improvements

Record-high R&D Budget of KRW 5.7 trillion for 2025, Fast-track Execution

Dec. 23, 2024

· Announcement of the integrated implementation plan for 218 projects
· 1,400 new projects, KRW 870 billion in total, with public bid starting in January
· Continuous projects to be expedited starting February through streamlined procedures

①Amendment to the "Autonomous Ship Act" Enforcement Decree ②Approval of the "Enforcement Decree of the Deep-Sea Mineral Resources Development Act" by the Cabinet

Dec. 24, 2024

· ① In collaboration between the Ministry of Trade, Industry and Energy (MOTIE) and the Ministry of Oceans and Fisheries (MOF), the 'Autonomous Ship Act' was enacted for the first time in the world in January 2024. The enforcement decree detailing the delegated matters from the Act was finalized in December 2024
· ② The amendment aims to ensure equitable profit distribution between the government and investment companies, offering a predictable investment environment for investors
The amendment includes:
△Profit-based adjustment of royalty rates and increase of the maximum rate
△Introduction of additional royalties during periods of high oil prices
△Establishment of a recovery cost reserve system and special allowances
△Procedures for deferring or splitting royalty payments

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 October 2024, South Korea's industrial activities fell from the previous quarter (△0.3 percent from the previous quarter) due to continued sluggishness of the construction industry (△4.0 percent). On a year-to-year basis, however, the nation's industrial activities turned positive (2.3 percent) in just one month, thanks to a significant increase in the mining and manufacturing industries (up 6.3 percent year-on-year), including a surge in semiconductor production.

Monthly Industrial Activity Trends

Subject	All industries	Mining & manufacturing	Service	Retail sales	Capital investment	Construction completed
Monthly Change (%)	△0.3	△0.2	△0.7	△0.4	8.4	△0.1

In October, mining and manufacturing production stayed flat (from △0.1 percent to 0.0 percent) as increased semiconductor production made up for the temporary production disruption caused by the strike of car parts manufacturers. The service industry rebounded (from △0.8 percent to 0.3 percent) due to the spread of infectious diseases (e.g., whooping cough), an increase in inbound tourists, and the beginning of the professional winter sports season. Retail sales fell from △0.5 percent to △0.4 percent as sales increased for semi-durable goods (4.1 percent) and non-durable goods (0.6 percent), but decreased for durable goods (△5.8 percent) due to the strike and base effects. Facilities investment was adjusted after a big jump in the previous month, mainly for machinery such as semiconductor equipment. Construction completed fell further (from △0.7 percent to △4.0 percent) as construction and civil sectors shrunk together. The cyclical change in the coincident index stayed flat despite the falling amount of construction completed as the mining and manufacturing index improved. The cyclical change in the leading index fell due to the effect of falling KOSPI and others.

Source: Ministry of Economy and Finance (moef.go.kr)

Trends by Industry

Automotive

September Exports Turned Positive for the First Time in Four Months, Driven by Robust Demand for South Korean Cars from North America

September exports ended the three-month decline to grow by 1.8 percent year-on-year, driven by the strong performance of hybrid vehicles and the subsequent increase in the exports of finished vehicles. Domestic demand in August shrunk by 3.3 percent year-on-year as consumption remained sluggish despite the launch of new models. Production in August stayed flat year-on-year, with upside and downside factors offsetting each other.

General machinery

Despite Sluggish Production and Exports, the Industry's Performance Stayed Similar to the Previous Year, Supported by Growing Domestic Demand

In August, the industry's production remained at the same level as the previous year as exports plummeted even as domestic shipments and facility investment supported the growth of domestic demand. Exports in September declined by 13.3 percent year-on-year, led by falling exports to the US. Imports in August remained at the same level (0.0 percent) as the previous year due to the slow recovery in demand in the upstream industries.

Shipbuilding

As Production Indices Continued to Improve, the Industry's Exports and Imports Surged Together

In August, the industry's production, shipments, and capacity utilization rates continued to rise together by double digits. In September, exports surged by 76.2 percent year-on-year as a large number of container ships and LNG carriers were delivered. In August, imports grew by 94.4 percent year-on-year, driven by a significant increase in the imports of ships and ship parts. South Korea continues to win orders for LNG and LPG carriers and tankers, but competition between South Korea and China is intensifying as China wins more orders for high-value-added vessels.

Steel

Production Continued to Increase Month-on-Month, while Exports Fell Further due to Falling Unit Prices and Intensified Competition

In August, production decreased by 2.2 percent year-on-year due to a contraction in the domestic economy, including a sluggish construction market, but continued to grow month-on-month as exports expanded. In September, exports fell by 3.9 percent year-on-year as exports to major countries slowed, and competition in the global market intensified. Despite the increase in imports of low-end products from China, imports in August declined by 4.1 percent year-on-year, affected by rising import prices and sluggish domestic demand.

Oil refining

Despite Increases in Exports and Export Volume, the Industry's Export Amount Fell by 17.8 percent Year-on-Year due to Falling Unit Prices

In August, production increased by 16.6 percent year-on-year, supported by an increase in domestic demand and export volume and an upward revision of the capacity utilization rate of domestic refining facilities. In September, the industry's export amount slid by 17.8 percent year-on-year as oil prices plummeted by 21.1 percent.

Semiconductor

Monthly Exports Hit Record High in Three Months

September exports reached USD 13.6 billion, a 37.1 percent increase from the same month last year, setting a new record. The semiconductor production index in August recorded 161.8, up 10.3 percent year-on-year, and turned positive again from the previous month.

Wireless communication devices

September Exports Increased by 19 percent to Grow for Seven Straight Months, Supported by the Expansion of the Global Smartphone Market

September exports increased by 19 percent year-on-year, with exports of mobile phone parts - the country's main export product—increasing by a significant 24.8 percent as global smartphone makers increased production. In August, production increased by 26.2 percent year-on-year, and shipments also increased by 0.5 percent. However, inventories jumped by 99.8 percent as consumers postpone purchase and wait for the launch of a new flagship product scheduled for launch in the fourth quarter. August imports declined by 16.4 percent year-on-year due to falling imports of smartphones and parts.

Display

Exports Down and Inventories Up due to Strong Performance in the Previous Year and Intensified Global Competition

In August, production fell by 2.8 percent year-on-year, while the capacity utilization rate rose by 4.5 percent. In September, exports decreased by 4.3 percent year-on-year, affected by the impact of strong performance in the previous year, while new demand continued with the launch of new IT products.

** Please note that the latest data available in Statistics Korea are for the previous month in the case of exports and the month prior to the previous one for production.*

Source: Ministry of Economy and Finance (moef.go.kr), Korea Institute for Industrial Economics and Trade (kiet.re.kr)

Korean Industry Prospects for 2025

Changes in Domestic and External Conditions and their Impact on Industries in 2025

In 2025, the global market is expected to see growth in consumption of final goods and demand for intermediate goods as major countries are expected to introduce economic stimulus policies and cut interest rates to restore consumer confidence. At the same time, uncertainties that could suppress global demand in 2025 include the slowdown of China's economic growth, the accelerated decoupling of China from rest of the world, the Russia-Ukraine war, and the prolonged geopolitical risks in the Middle East.

Demand from Korea's major export destinations such as the US and Europe for the country's 13 major industries is expected to increase in most markets except China as they see their domestic consumption improve and build more infrastructure. Domestic supply capacity is expected to expand slightly, mainly in high-tech and promising sectors, while China's catch-up and overproduction are expected to be factors that threaten the exports and domestic demand of the country's key industries in 2025. The outcome of the US presidential election is also seen as a major issue that can have positive and negative effects on Korea's exports and production.

Prospects for Korea's 13 Major Industries in 2025

▶ Exports

The IT industry is expected to lead the overall growth of exports for the 13 major industries following the previous year, but the growth is expected to slow down due to the base effect.

In 2025, exports of the 13 major industries will increase by 2.2% year-on-year as interest rate cuts lead to the gradual recovery of global demand and enable the continued growth of IT exports, such as semiconductors and information and communication devices. However, the growth of global production, delay in China's recovery, and China's increased competitiveness are expected to limit the growth of Korea's exports.

Exports of the 13 major industries in 2024 are expected to record a significant increase of 10.3% compared to 2023, driven by strong exports of semiconductors, information and communication devices, shipbuilding and bio-health.

- Machinery Industries: The shipbuilding industry (4.1%) will continue to grow, but exports of automotive (-2.7%) and general machinery (0.2%) will stagnate, and overall exports of the machinery industries group are expected to fall by 0.8% compared to 2024.

- Material industries: Despite an increase in steel (5.0%) and petrochemicals (0.1%), the impact of a significant decrease in exports of refined oil (-7.5%) will result in a year-on-year decrease of 1. 5%, continuing the sluggish performance of last year.

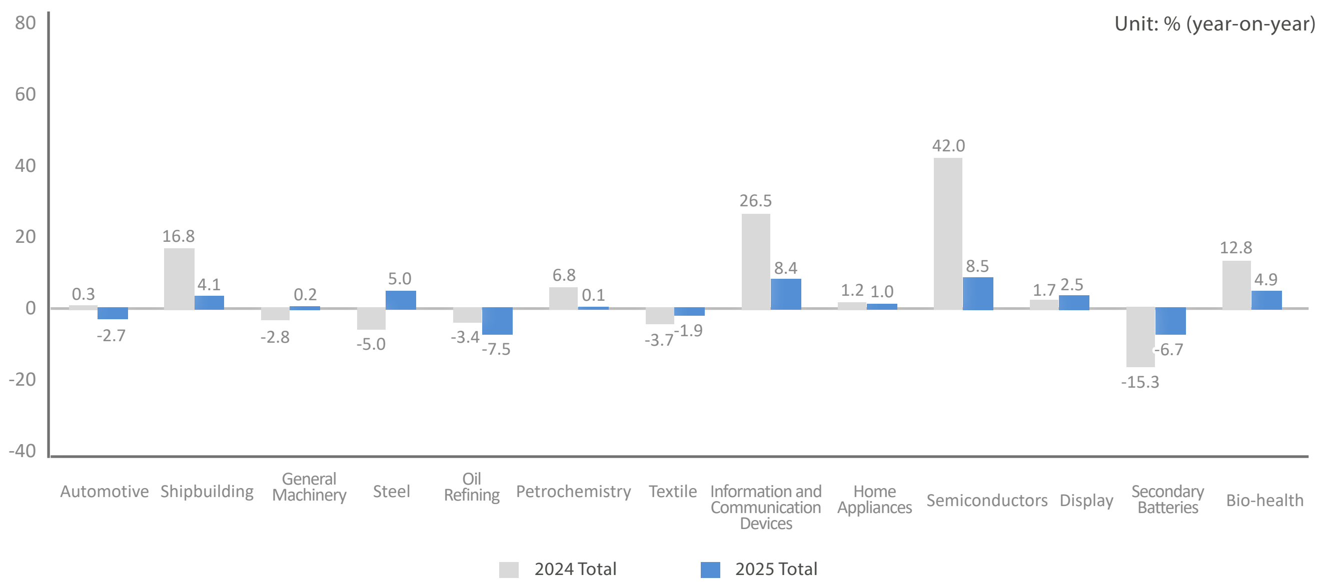
- IT and new industries: The exports of the IT and new industries group, which surged to 28% in 2024, is expected to continue growing by 6.9% in 2025 as demand for IT devices increase, driven by the growth in demand for AI and the improvement in consumer sentiment, and the increase of exports of semiconductors (8.5%), information and communication devices (8.4%), and bio-health (4.9%). However, the stagnation in demand for electric vehicles and China's increased competitiveness are weighing on export growth.

▶ Domestic demand

Domestic demand in most industries is expected to increase slightly year-on-year as consumer sentiment improves and companies launch new products.

- Machinery industries: Domestic demand in major industries such as general machinery (1.1%) and automotive (3.6%) is expected to turn to growth in 2025 as manufacturers increase investment and companies focus their sales strategies on the domestic market.

2025 Prospects for Korea's 13 Major Industries: Growth Rate of Exports



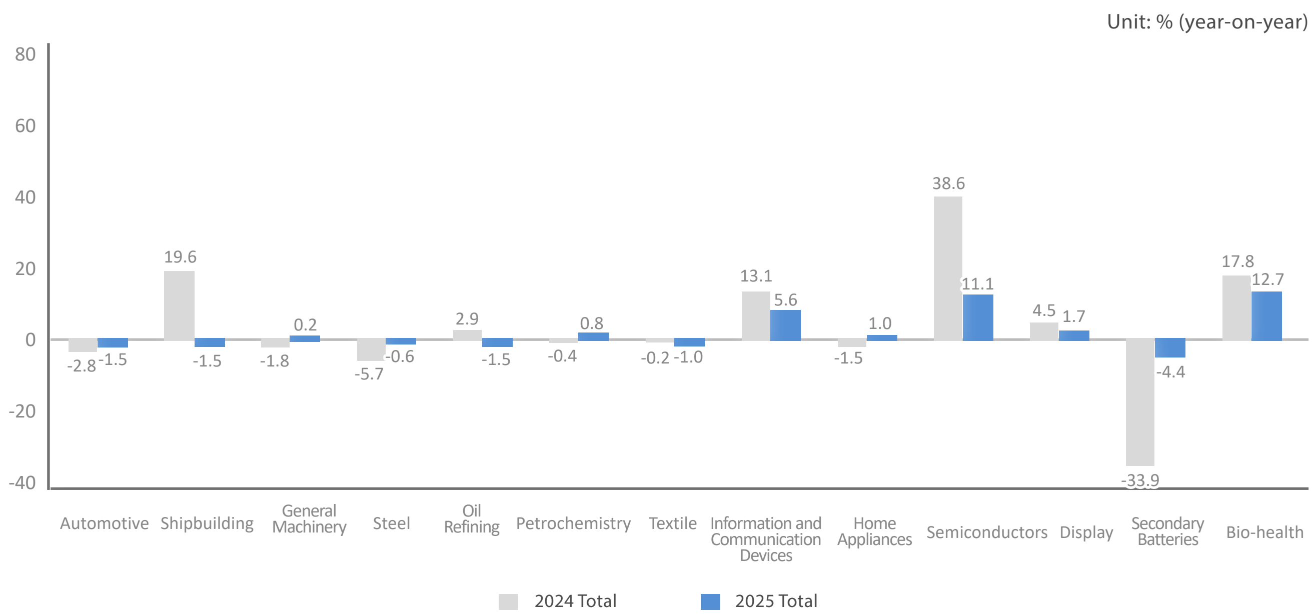
Note: 1) Price in US dollars
2) Automotive includes automotive parts (MTI 741, 742)

- **Materials industry:** The recovery in downstream industries will enable a rebound in domestic demand of the petrochemical industry (4.2%), and the oil refining industry is expected to maintain the scale of domestic demand (0.1%). However, the steel industry (-2.1%) is expected to see domestic demand fall for two straight years due to the delayed recovery in demand from the construction sector.
- **New and IT industries:** Domestic demand for major IT industries such as information and communication devices (4.3%) and semiconductors (17.3%) is expected to increase, supported by strong IT exports and consumers replacing their devices, and the bio-health industry is expected to maintain its strong growth (13.3%) by introducing new drugs. However, domestic demand for secondary batteries (-21.8%) is expected to continue to decline due to the shrinking production and sales of electric vehicles.

▶ Production

The IT and new industries group with a high dependence on exports is expected to increase production, while the production of other industries, such as automotive, is expected to contract following the previous year due to weak improvements in domestic demand and export conditions.
- **Machinery industries:** Overseas production expansion is expected to cause a second consecutive year of decline in automotive (-1.5%) production, and a slight decline in shipbuilding (-1.5%) is expected due to the base effect, but machinery (0. 2%) production is expected to increase.
- **Material industries:** Due to the weak improvement in domestic demand and export conditions, the sluggish performance of steel (-0.6%) and textiles (-1.0%) is expected to continue. The production of petrochemicals is expected to start growing albeit slowly (0.8%) as sales unit price improves.

2025 Prospects for Korea's 13 Major Industries: Growth Rate of Production



Note: The automotive industry figures are based on the volume of finished vehicles, shipbuilding on the volume of ships built, steel on the volume of steel materials, oil refining on the volume of petroleum products, and petrochemicals on the volume of the three major derivative products (synthetic resins, synthetic raw materials, and synthetic rubber). Other industries' figures are based on the prices in Korean won.

- New and IT industries: As the strong export performance and improved domestic demand continue, the production of information and communication devices (5.6%), semiconductors (11.1%), and bio-health (12.7%) is expected to continue growth, while secondary batteries (-4.4%) are expected to continue shrinking due to weak export and domestic demand.

▶ Imports

Imports will grow by 3.6% year-on-year as IT and new industries increase imports in line with the recovery of domestic demand.

- Machinery industries: Increased imports related to electric vehicles are expected to boost automotive imports, and general machinery is expected to continue to see an increase in imports due to the recovery of the manufacturing industry. Imports of the shipbuilding industry are expected grow as the industry imports more ships from China and build more LNG carriers.

- Material industries: The continued influx of general-purpose products from China is a factor leading to the increase in imports of steel, petrochemicals, and textiles, but domestic growth stagnation is expected to limit the increase. Imports of refined oil are expected to decline due to falling unit prices.

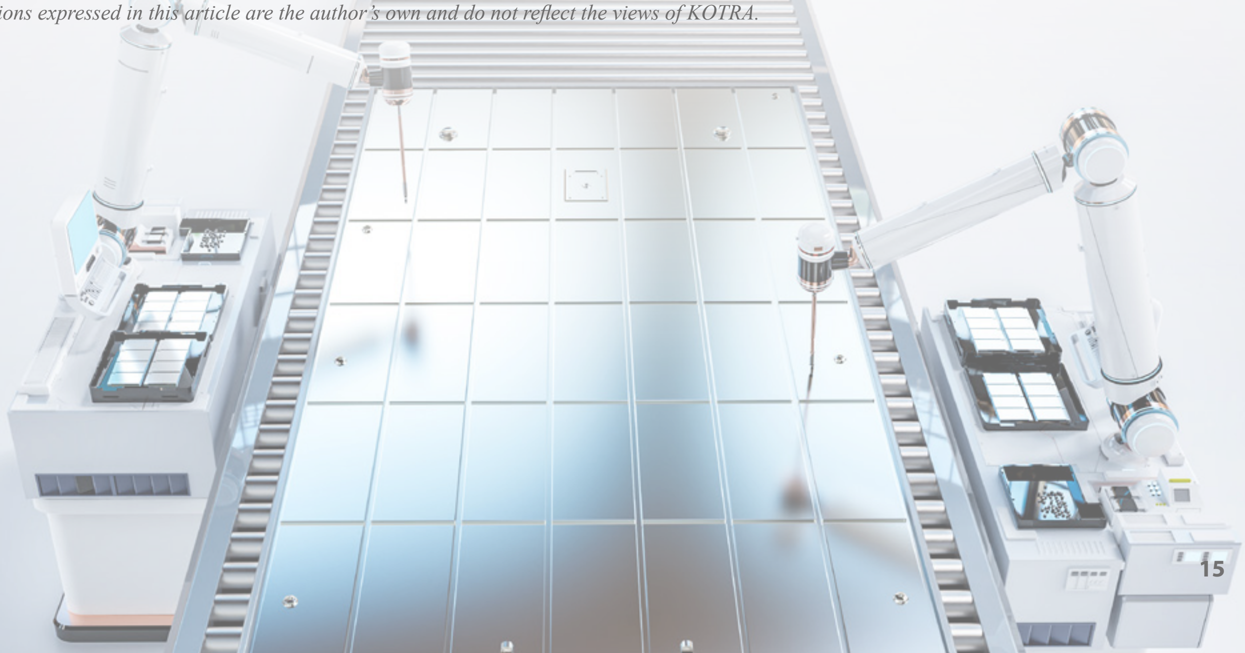
- New and IT industries: Imports of major IT industries are expected to continue growing as domestic demand recovers, new products are launched, and reverse imports spread. Imports of the bio-health industry are expected to turn positive, while the secondary batteries industry is expected to cut imports due to sluggish domestic demand.

13 Key Industries

· **Machinery Sector:** Automotive, Shipbuilding, General Machinery
· **Materials Sector:** Steel, Oil Refining, Petrochemicals, Textiles
· **IT & New Industries Sector:** ICT Devices, Home Appliance, Semiconductors, Display, Secondary Batteries, Bio-health

Source: Korea Institute for Industrial Economics and Trade (kiet.re.kr)

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

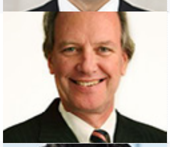
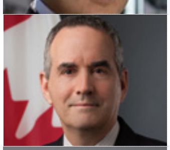


Feature Story

Exploring Opportunities for FDI

At the Invest KOREA Summit 2024, held from November 6 to 8, 2024 at the Grand Intercontinental Seoul Parnas, all 12 honorary ambassadors of foreign investment promotion for Korea, for the first time ever, gathered under one roof for a special roundtable discussion on Korea's investment environment, and exchanged ideas for enhancing multilateral investment cooperation amidst the changing landscape of the global economy.

Honorary Ambassadors of Foreign Investment Promotion for Korea:

Honorary Ambassadors	Name / Nation	Profile
	**Tim Yeo** (United Kingdom)	· President of The New Nuclear Watch Institute, etc. · Former) Deputy Minister of the UK Foreign Office, Home Office, etc. · Edu) Master's in History from the University of Cambridge, UK
	**Jean-Marie Hurtiger** (France)	· Senior Executive at ERG Europe (Global Consulting Firm) · Former) CEO of Renault Samsung and Chairman of ECCK · Edu) MBA from CEDEP, France
	**Takasugi Nobuya** (Japan)	· Chairman of the Policy Advisory Committee at the Asia-Pacific Policy Research Institute · Former) President of the Seoul Japan Club, CEO of Fuji Xerox Korea, etc · Edu) Bachelor's in Commerce from Waseda University, Japan
	**James Choi** (Australia)	· President of The New Nuclear Watch Institute, etc. · Former) Deputy Minister of the UK Foreign Office, Home Office, etc. · Edu) Master's in History from the University of Cambridge, UK
	**Thomas Byrne** (U.S.)	· CEO of Korea Society, Adjunct Professor at Columbia University · Former) Vice President at Moody's, Senior Economist at the Institute of International Finance · Edu) Master's in International Economics from JHU
	**Alex Kim** (U.S.)	· CEO of Three Kings Public Affairs, etc. · Former) Congressional Aide, etc. · Edu) MBA from Pepperdine University, USA
	**Micheal Danagher** (Canada)	· Member of the Steering Committee at the Canada-Korea Forum · Former) Canadian Ambassador to South Korea, etc. · Edu) MBA from McGill University, Bachelor's degree from the U of O
	**Peng Wu** (China)	· Partner Attorney at Zhong Lun Law Firm · Former) Antitrust specialist at the Beijing Municipal Administration · Edu) Bachelor's in Law from Peking University, etc.
	**Dirk Lukat** (Germany)	· Vice President at Schenker Deutschland AG (Frankfurt) · Former) Representative of the ECCK · Edu) Michael Mount Waldorf School, Johannesburg, Hult Ashridge
	**Hwy Chang Moon** (South Korea)	· President of Seoul School of Integrated Sciences & Technologies · Former) Chairman of the Institute for Industrial Policy Studies, etc. · Edu) Ph.D. in Business Administration from the University of Washington
	**Tong Soo Chung** (South Korea)	· Chairman of Global Unity Holdings and AKR Co., Ltd. · Former) Deputy Assistant Secretary for Financial Services at the DOC · Edu) JD from UCLA, USA
	**Young Jae Kim** (South Korea)	· Executive Director at LG Electronics, etc. · Former) Senior Engineer Velodyne and Apple · Edu) Ph.D. in Electrical Engineering from Stanford University, USA

Each possessing a wealth of experience and knowledge in their respective fields, 12 honorary ambassadors of foreign investment promotion for Korea from nine different countries, met in person for the first time ever, contributing to active conversations to share insights on Korea's investment environment. The honorary ambassadors, appointed by the Ministry of Trade, Industry and Energy based on their extensive network and expertise, also discussed how the changing global economic landscape is expected to affect Korea's business environment in the future.

The roundtable discussion was opened by Tae Hyung Kim, commissioner of Invest KOREA, and facilitated by Tae Ho Bark, president of the Lee & Ko Global Commerce Institute and professor emeritus of Seoul National University, and former minister for trade of the Korean government from 2011 to 2013.

Notably, there was a strong consensus on the need for all countries to make more efforts to stabilize the global supply chain. Korea, as a global auto and semiconductor powerhouse, will continue playing a critical role in supply chain reorganization. Particularly, in the critical mineral supply chain, Korea has now taken on the role of chair of the Minerals Security Partnership (MSP) which was launched in June 2022 under the aim to accelerate the development of stable and diverse critical minerals supply chains worldwide.

Climate change was also another hot topic, with Tim Yeo stressing the importance of Korea's role in green development and recommending more investment be made into Korea's sustainable energy industries. Tong Soo Chung proposed the idea that traditional and eco-friendly energy industries need to strengthen cooperation for a more sustainable approach in responding climate change.

All of the ambassadors agreed that Korea, as one of the most advanced markets in the world, offers favorable prospects for foreign investments over the medium to long term. They also emphasized that the second Trump administration in the United States will bring about many changes for Korea, with Thomas Byrne highlighting that whatever the case, nothing will be able undermine the strong relationship between the US and South Korean economies as well as diplomatic and military establishments.

By Grace Park
Investment PR Team, Invest KOREA
Korea Trade-Investment Promotion Agency (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 early-stage Korean companies.

COMPANY A

DTX
3D underground facility construction management platform

PBD Master
Soft ground improvement construction management system

Investment Requirement		Company Profile	
Amount	USD 3 Million	**Patents and Certificates**	- Registered 7 patents and 5 SW copyrights, incl. a method for extracting 2D pipeline drawing data for 3D design data generation - 7 patents pending
Investment Structure	Equity Investment, Joint Venture	**Financial Performance**	(Sales in 2023) USD 1.47 million

Investment Highlights

- **Digital Transformation of the Civil Engineering Construction Industry**
  According to the Construction Economy Research Institute of Korea, most major companies in the construction industry are still in the information digitization stage, which is the digitization of existing analog data and contents, and few companies have reached the digital transformation stage using RFID, 3D scanners, and smart sensors. The company is leading the digitalization of the civil engineering and construction industries by utilizing AR, VR, AI, big data, IoT, GIS, and bump mapping technologies.

- **Smart Construction 3 D Integrated Management Platform**
  DTX AR is a solution that uses augmented reality technology to check the location and information of underground facilities and building structures based on design and construction information. Through the standardization of the solution and the integration of individual overseas market requirements into the platform, the business structure will transition from the existing service contract form to a SaaS model, with plans to expand into the global market. The company plans to enter the international smart construction market with smart construction technology products that integrate digital twin and AR technologies.

COMPANY B

Container

Showcase

Investment Requirement		Company Profile	
Amount	3 million USD	**Patents and Certificates**	- Filed 10 patents for plant cultivation devices and PCT applications - Registered 2 trademarks and filed 1 application through the Madrid Protocol
Investment Structure	Equity Investment	**Financial Performance**	(Sales in 2023) Approx. USD 0.67 million

Investment Highlights

- **Lack of cultivation technology is an intrinsic problem in urban agriculture**
  With the dwindling of Korea's agriculture sector, the prices of agricultural products rose, and urbanites began to solve problems by farming themselves. In the 10 years from 2010 to 2019 the number of participants in urban agriculture increased 15 times to about 2,418,000, and the area of vegetable gardens also increased 12 times. In North America and Japan, indoor plant cultivators have become commonplace. In particular, the sale of indoor plant cultivators for growing hemp has been rapidly increasing in regions where hemp has been legalized, such as the United States and Germany.

- **A showcase combining a patented hydroponic cultivation technology with its unique LED lighting technology and IoT**
  Once users plant seeds or seedlings and select the crop via a dedicated app, the system automatically manages temperature, humidity, lighting, and other factors based on data until harvest. This system reduces water usage by 98.8% compared to soil cultivation and cuts LED power consumption by 55%. With minimal discharge of waste nutrient solution, it is a sustainable product that can attract attention both in domestic and international markets. Unlike existing smart farm companies that build smart farms to sell crops, the company sells the indoor plant cultivator equipment itself and related utilities (seedlings, nutrient solutions), offering a different business model.

Making AI Robots' Noses and Eyes

About the Company

Tempus Inc. is an infrared sensor manufacturer established in 2012. The company operates its own MEMS Fab and supplies optical NDIR gas sensors and infrared imaging sensors built based on its proprietary micro-thermopile device. As the use of eco-friendly refrigerants will be mandatory from 2025, there is a demand for low-end and long-lasting optical refrigerant sensors, and Tempus is leading the early-stage global market in this field.

Background

AI technology is based on data, and data is collected with sensors. Current development of AI semiconductors is focused on processing the collected data in data centers. In the future, the technology will expand to collecting and immediately reflecting everyday information. In that regard, EDGE AI technology is the answer.

For autonomous driving (ADAS), driving information must be analyzed and used in real time. Driving information includes various video information. For autonomous driving in bad weather, vehicles need SWIR (short-wave infrared) image information that penetrates water, and for night driving, LWIR (long-wave infrared) image information that detects heat is required. Sensors that provide such information already exist, but they are too expensive to apply to vehicles.

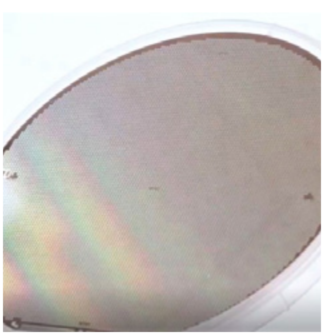
Vehicles need multi-channel gas sensors with a lifespan of ten years or more to selectively detect various gases and ensure safety. These sensors are also very expensive and cannot be used in home air conditioners (HVAC) or vehicle air conditioners (HVAC).

Tempus has revolutionized the prices of mono-frequency infrared imaging sensors, far-infrared imaging sensors, and multi-channel optical gas sensors with its micro-thermopile device, which is based on broadband, high-sensitivity, and ultra-low-cost infrared sensors. With the vision of creating AI robots' noses and eyes in the future, the company is leading the innovation of technology and price with its original device technology.

About the Product

From 2025, air conditioners (HVAC) marketed in the United States, Europe, and Japan will be required to use eco-friendly refrigerants with a global warming potential (GWP) of 750 or less. This is to limit the global warming potential of each refrigerant to 750 or less, assuming that the global warming potential of carbon dioxide (CO2) is 1. Existing refrigerants up to the third-generation had the safety rating of A1, so there was no need to install a refrigerant sensor. The fourth-generation eco-friendly refrigerant has a global warming potential of less than 750, but its safety classification is A2L or A3, meaning that it is flammable, and the installation of a refrigerant sensor is therefore mandatory.

The domestic and industrial air conditioners market, which produces 100 million products each year, now needs refrigerant sensors. The use of eco-friendly refrigerants in vehicle air conditioners has been postponed for about two years, and their installation will be mandatory for 80 million new vehicles per year from 2027.



Among various third-generation refrigerants, R32 is the only one with a GWP of less than 750 and a safety rating of A2L, and it needs to be fitted with a sensor. Its chemical formula is CH2F2, which means it is slightly flammable. Previously, R32 used metal oxide semiconductor (MOS) sensors. However, these sensors have a fatal flaw in that they detect gas by heating the sensor when the refrigerant gas contacts the sensor, which causes them to deteriorate. In other words, these sensors have a short life. In order to guarantee the life of the sensor for more than ten years, an optical NDIR sensor that is contactless is required.

The NDIR sensors guarantee durability and reliability, but they are very expensive, costing more than USD 100, which is much costlier than MOS sensors, which are USD 10 or cheaper. Tempus matched the price and interface of its optical NDIR R32 refrigerant sensor with the existing MOS sensors based on its proprietary source technology, which enabled the company to win orders from global Tier-1 HVAC manufacturers and expand its market share.

In addition to the optical NDIR R32, Tempus is expanding its offering of refrigerant sensors to R290, R744, and R1234yf. In addition, by expanding the application of its original technology, the company has developed a Battery Thermal Runaway Sensor that can detect off-gases, such as hydrogen (H2) and electrolyte gases (electrolytes), emitted in small quantities at the beginning of battery failure so that it can detect defective batteries that may have thermal runaway at an early stage. The product is not only used for measuring the degree of defects in electric vehicle batteries, but can also be used for preemptively detecting fires in ESS systems.

Tempy.eye, a 16-channel or 64-channel thermal imaging sensor, is attached to ceiling-mounted air conditioners to support efficient indoor air conditioning. It can detect the number of people in any location in the room to maximize pleasant air conditioning and energy efficiency. The high-end product has the performance and price compatible with affordable air conditioners.

Competitive Edge and Business Strategy

Tempus provides modular components to customers who make devices. The source of the performance and price competitiveness of its module is based on the differentiated and price-competitive device that is applied to the module. In order to develop and produce differentiated devices, it is necessary to operate a MEMS fab by investing a huge amount of money and time.

Over the past twelve years, Tempus has invested more than USD 25 million to maintain its own MEMS fab and develop its proprietary technology. The mandatory use of eco-friendly refrigerants in 2025 will provide the opportunity to become the unrivaled market leader in the large-scale market of more than 100 million units.

Tempus has 1) a wide-band sensor that can simultaneously detect the entire infrared spectrum from 1um to 25um, 2) a sensor operated with unique compound thin-film technology that has a sensitivity (SNR) five times higher than that of other global competitors, 3) a price-competitive sensor that uses an 8-inch wafer and achieves a yield of 95% or more, and 4) competitive advantage in modules that minimize additional costs by using digital chips in the operation of all modular products (ROIC).

Tempus commercialized 2-channel, 4-channel, and 16-channel optical gas sensors, and is working to put 64-channel and 4,800-channel versions on the market within five years. The 16-channel gas sensor selectively detects 15 different gases. As for short-wave infrared and far-infrared imaging sensors. 16-pixel and 64-pixel versions have been commercialized, with 4,800-pixel versions to be commercialized in 2025 and 300,000-pixel versions to be commercialized within five years.

Future Plans

In order to create a sustainable company, it is important to develop a differentiated core competitiveness while securing a stable cash flow structure. Tempus's goal for 2025 is to achieve sales of more than USD 15 million and make profit with its optical NDIR refrigerant sensor and Tempy.eye, which is a 64-channel thermal imaging sensor.

Going forward, Tempus plans to secure funds with a KOSDAQ listing in early 2026 to grow into the world's top global unicorn that supplies the most noses and eyes for future AI robots.

We are a small company. But our vision is to lead the world’s low-end multi-channel infrared spectroscopy technology (optical gas sensor, short-wave infrared imaging sensor, thermal imaging sensor) market. As a small company, we value “cooperation.” Hopefully, this introduction will help us expand global cooperation and lead to practical results.

By Alex B.K. Shin
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** The opinions expressed in this article are the author’s own and do not reflect the views of KOTRA.*

Gwangju High-Tech National Industrial Complex

The Gwangju High-Tech National Industrial Complex started by focusing on the photonics industry to grow into the country's leading photonics industry cluster. Since then, the complex temporarily faced difficulties due to fierce price competition with China, but upgraded itself by leveraging its accumulated photonics technology and seeking convergence with other fields such as medicine and electronic devices.

Among the fourteen industrial complexes located in the Gwangju area (one national industrial complex, eight general industrial complexes, one agro-industrial complex, and two undeveloped complexes), the Gwangju High-Tech National Industrial Complex is the largest in size, housing 42% of all companies operating in the fourteen industrial complexes. After being designated as a national industrial complex in 1990, the complex saw the construction of the first section completed in December 1998, followed by the second section in December 2012. The complex is also a great place to live in as it is conveniently located and connected to Bitgoeul-daero—one of the city's major highways—and has a well-developed commercial district.

Gwangju High-Tech National Industrial Complex

- **Location:** Daechon-dong, Yeonje-dong, Sinyong-dong (in Buk-gu) and Bia-dong (in Gwangsan-gu), Gwangju
- **Area**

(Unit: 1,000 m^2)

Total Area	Industrial Facilities	Residential Facilities	Supporting Facilities	Public Facilities
9,991	2,458	1,787	2,508	3,238

For these reasons, the number of companies operating in the Gwangju High-Tech National Industrial Complex is steadily increasing: there were 1,506 tenants in 2020, 1,695 in 2021, 2,072 in 2022, and 2,194 in 2023. In the past year, the complex produced KRW 6.98 trillion, exported USD 2.97 billion, and had 18,612 employees. Among the fourteen industrial complexes in Gwangju, the complex ranked second in export volume (accounting for 35.6%) and the number of employees (accounting for 27.5%).

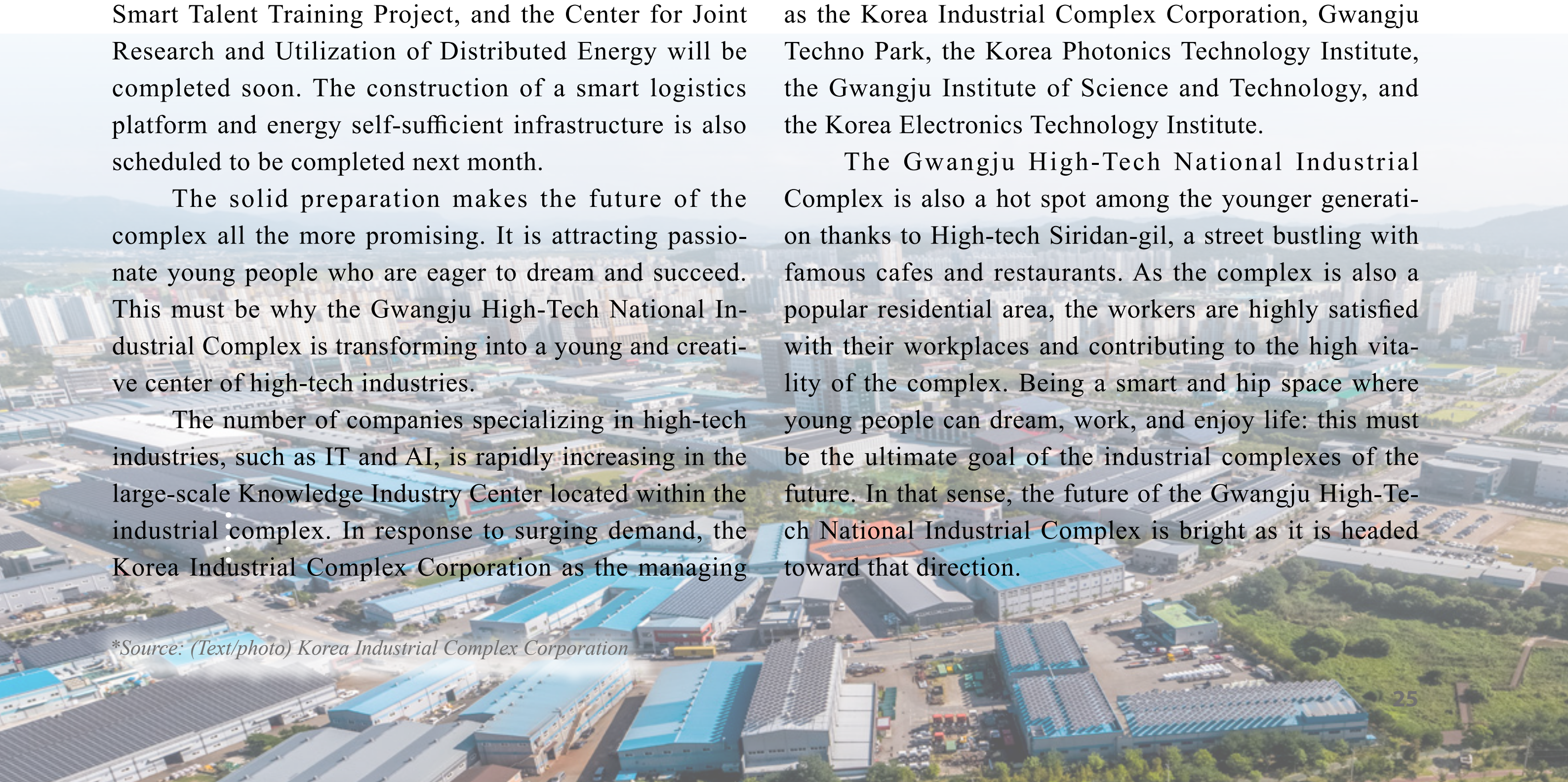
The future of the Gwangju High-Tech National Industrial Complex is focused on high-tech development. From 2022 to the present, the Smart Green Industrial Complex project has completed the Smart Integrated Control Center, the Smart Energy Platform, and the Smart Talent Training Project, and the Center for Joint Research and Utilization of Distributed Energy will be completed soon. The construction of a smart logistics platform and energy self-sufficient infrastructure is also scheduled to be completed next month.

The solid preparation makes the future of the complex all the more promising. It is attracting passionate young people who are eager to dream and succeed. This must be why the Gwangju High-Tech National Industrial Complex is transforming into a young and creative center of high-tech industries.

The number of companies specializing in high-tech industries, such as IT and AI, is rapidly increasing in the large-scale Knowledge Industry Center located within the industrial complex. In response to surging demand, the Korea Industrial Complex Corporation as the managing authority of the complex renovated dilapidated spaces and installed amenities while creating spaces for startups to develop and test new technologies. Since then, the Gwangju High-Tech National Industrial Complex saw a dramatic change in its industrial structure, which was concentrated on high-tech manufacturing. It has been transformed into a young industrial complex focused on ICT and knowledge industries.

The majority of the companies operating in the complex are small and medium-sized enterprises. Another factor that makes the complex attractive to small and medium-sized enterprises is the wide variety of research institutes and organizations supporting them. They can also benefit from innovative institutions and research institutes and facilities that provide public functions, such as the Korea Industrial Complex Corporation, Gwangju Techno Park, the Korea Photonics Technology Institute, the Gwangju Institute of Science and Technology, and the Korea Electronics Technology Institute.

The Gwangju High-Tech National Industrial Complex is also a hot spot among the younger generation thanks to High-tech Siridan-gil, a street bustling with famous cafes and restaurants. As the complex is also a popular residential area, the workers are highly satisfied with their workplaces and contributing to the high vitality of the complex. Being a smart and hip space where young people can dream, work, and enjoy life: this must be the ultimate goal of the industrial complexes of the future. In that sense, the future of the Gwangju High-Tech National Industrial Complex is bright as it is headed toward that direction.



Source: (Text/photo) Korea Industrial Complex Corporation

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

GYEONGGI-DO

Korean Folk Village

Korean Folk Village, a traditional culture theme park, was created by collecting the folk customs that have been passed down for a long time in one place. Across a 245-acre area, there is a replication of a Joseon period village which shows the actual living conditions and culture of daily life, various exhibits, and performance halls.

Venue & Rental Information

- Address: 90 Minsokchon-ro, Giheung-gu, Yongin-si, Gyeonggi-do, Korea
- Phone Number: +82-31-288-0000 Homepage: https://www.koreanfolk.co.kr/multi/english/
- Inquiries: +82-31-288-1709 / koreafolkvillage@gmail.com
- Major Events Held in Recent Years: Financial Alliance Singapore Dinner (2019) / Herbalife Malaysia Tour & Dinner (2019)

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

Visa

In principle, a foreigner should obtain a visa in advance in order to enter the Republic of Korea. Unauthorized entry and departure is not permitted even for a person who obtained a visa or is eligible for no visa entry, which means every person must go through the immigration declaration process at the border, airport and seaport, and entry may prohibited because of a failure to meet any of the requirements therein. In addition, a foreigner who intends to stay in Korea for more than 90 days should file for alien registration at the immigration office in the jurisdiction of the place of residence or regional immigration service.

How to Enter Korea

A foreigner can enter the Republic of Korea through one of the following procedures:

1. Obtaining a visa from a diplomatic mission abroad

Issuance of a visa at a Korean embassy or consulate → Immigration inspection at the airport (confirmation) → Permission to enter granted

2. When necessity for visa is recognized before visa issuance

Entry into Korea is permitted by obtaining a certificate of visa issuance (or certification number) from a local immigration office having jurisdiction over the address of the inviter in advance and submitting it to an overseas diplomatic mission.

Certificate of visa issuance or certification number issued from a local immigration office → Visa issuance by a Korean embassy or consulate → Immigration inspection at the airport → Permission to enter granted

3. Arriving at Korea without a visa and obtaining a status of stay and period of stay at immigration inspection at the airport

Applicable only to nationals of countries with a visa exemption agreement with Korea and nationals of countries where Korea grants no-visa entry.

Guide to Selection of Investment Sites

(1) The Selection of Sites

A. Purpose of the Guide

• 'Location' is important not only for business establishments, but also for industrial factories as well. For investors, the choice of location has a significant influence on their investment outcome.
What is a good location for investors? A lot of research has been done on location over the years. While focus was placed on cost in the past, investors now consider a wide variety of factors when choosing the ideal location.
Starting with the designation of free trade zones in 1970, Korea has been promoting the attraction of foreign investment by designating foreign investment zones and free economic zones. Because there was a need to make the necessary information regarding Korea's industrial site system accessible to foreigners, this guide focuses on providing information on investment sites for foreign investors and foreign-invested companies.

B. Factors that Companies Consider

• 'A variety of factors such as internal corporate factors, industrial and external policy factors, etc. can influence a company's decision of a factory site depending on the characteristics of the company including size, type of business, and start-up/ relocating company.
Companies' site selection criteria have changed as times changed, moving on from the industrialization era, information era, and knowledge-based era. While traditional production factors such as land and capital were important in the industrialization era, knowledge and human resources have become more important
in the knowledge-based era. In other words, while comparative advantage was placed on production costs in the past, more emphasis is being placed on sociocultural and institutional factors such as innovation, learning, interaction between innovators, institution, cooperation and trust.
A company decides its site depending on the type of industry and business it is engaged in, and the factors influencing a company's choice of site are changing with economic paradigm shifts. In the traditional manufacturing industry, companies chose their sites based on factors such as access to labor, transportation, land, raw materials, market, power supply, government support, etc., while in the field of new industries which value knowledge, information and innovation, more importance is placed on the factors that facilitate innovation and the proliferation thereof, while at the same time prioritize spacial proximity as close linkage between the functions of each step of the value chain. Some of the key factors determining a location include a wide pool of technology workforce, accessibility to R&D facilities, and clusterization of related industries.
The process of determining a location also varies depending on the size of the area. On the metropolitan city level, macro factors such as government policies and labor market traits, while on the smaller regional level, priority is placed on infrastructure such as transportation and communication, labor market conditions, education and cultural environment, accessibility to front and back industries, etc. Decisions on details such as specific spots and buildings are made based on the traits of land and buildings.

Official Website

We are Already Global!

2025 GLOBAL TALENT FAIR

5.19(MON)~5.20(TUE)
SEOUL, COEX HALL B

The GLOBAL TALENT FAIR (GTF) is Korea's largest job fair which aims to connect global jobseekers and companies. Over 160 foreign-invested companies attend GTF each year to discover and hire qualified talent in Korea. This year the event will be held from May 19 to 20 at COEX in Seoul, South Korea.

Registration is scheduled to open at the end of January. (Please refer to the website soon)

Main Programs

1:1 Job Interviews & Consultations
Job Concert (Recruitment Sessions, etc)
1:1 Job Consulting
On-site Participation Event

Contact Information

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Host 산업통상자원부 고용노동부 Organizer kotra 대한무역투자진흥공사 HRDK 한국산업인력공단 국립국제교육원 National Institute for International Education 오늘 행복하고 내일이 기다려지는 서초

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