

# Invest KOREA

February 2025



## The Korean AI Industry and Policy Trends Amid the Global Competition Paradigm

Economic Policy Directions for Korea in 2025

Yeosu National Industrial Complex

Key Amendments to Regulation on Securities Issuance and Disclosure

# Invest KOREA February 2025 Issue

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# Economic Trends

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

## Summary and Assessment\*

- The Korean economy is experiencing mounting downward pressure, as the economic recovery is delayed by slowing production growth, accompanied by weakening economic sentiment amid growing uncertainties.
- Semiconductor production maintained high growth, while related equipment investment and exports continued on a robust trajectory.
- However, excluding semiconductors, production and exports in other sectors have slowed, and domestic demand remains subdued, particularly in the construction industry.
  - Construction production continues to decline sharply, while growth in services and non-semiconductor manufacturing is slowing.
  - Goods consumption and construction investment continues to exhibit prolonged weakness, weighing on economic recovery.
- Amid growing external uncertainties, domestic political uncertainty is exacerbating economic sentiments.
  - Despite recent political turmoil, financial market indicators, such as exchange rates and stock prices, have remained relatively stable, although household and business sentiment indices have dropped significantly.

\*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.



.91

59.36

- **Economic Activity: Amid a delayed economic recovery, evidenced by slowing production growth led by the construction industry, domestic and global uncertainties are mounting, weighing on economic sentiment.**
  - November all-industry production (2.4% → -0.3%) declined as growth slowed across industries
    - On a seasonally adjusted month-on-month basis, it decreased by 0.4%, following declines in September (-0.4%) and October (-0.2%).
    - Construction production (-10.8% → -12.9%) continued significant declines, indicating persistent weakness.
    - Industrial (mining and manufacturing) production (6.3% → 0.1%) receded despite high growth in semiconductors (11.1%), due to declines in automobiles (-6.7%) and electronic parts (-10.2%).
    - Services production (2.1% → 1.0%) maintained a slowdown trend, with declines in wholesale and retail trade (1.0% → -3.2%) and professional, scientific, and technical activities (2.4% → -1.8%).
  - Indicators suggesting a slowdown in manufacturing production are mounting, as evidenced by a persistently high inventory-to-shipment ratio (112.3% → 111.8%) from the previous month and a drop in the average capacity utilization rate (72.3% → 71.8%).
    - On a seasonally adjusted month-on-month basis, shipments fell by 0.4%, led by domestic shipment (-4.1%).
  - Despite sustained favorable momentum in the semiconductor sector, goods consumption and construction investment remained sluggish, keeping domestic demand at a weak level.
    - Semiconductor production and exports maintained robust growth, alleviating downward economic pressures.
    - However, excluding semiconductors, production and exports in other sectors are gradually slowing, with prolonged weakness in goods consumption and construction investment delaying the recovery of domestic demand.
- While recent domestic political turmoil has not resulted in financial instability, economic sentiment has contracted, heightening downside risks to the economy.
  - Compared to the 2016–17 period of political turmoil, financial indicators show limited instability, but sentiment indicators for households and businesses have worsened by a much larger margin.
- **Consumption: Consumption remains sluggish, led by weak goods consumption, while consumer sentiment contracts sharply, amplifying downside risks.**
  - Goods consumption showed weakness across most categories.
    - November retail sales (-0.9% → -1.9%) decline more sharply, driven by decreases in major categories, such as passenger cars (-7.9%), household electrical appliances (-4.5%), communication devices and computers (-6.2%), and cosmetics (-9.8%).
  - Service consumption exhibited only modest growth, centered on major businesses.
  - Reflecting the impact of political instability, the Composite Consumer Sentiment Index (CCSI) fell sharply to 88.4 in December from 100.7 in the previous month.

### ■ Equipment Investment: Equipment investment continues its modest recovery, driven by improvements in semiconductor-related investments.

- In November, equipment investment (5.5% → 2.6%) maintained modest growth despite declines in highly volatile transport equipment, as machinery continued favorable performance, particularly in semiconductor-related equipment.
- Leading indicators suggest that semiconductor-related investments maintain strong momentum, while investment conditions in other industries remain weak.

### ■ Construction investment: Construction investment remains sluggish, with a sharper decline in the value of construction completed.

- The value of construction completed in November (-10.8% → -12.9%) continued its steep decline, driven primarily by the building construction sector.
  - On a seasonally adjusted month-on-month basis, it declined for the seventh consecutive month, indicating a deepening downturn.

\* Value of construction completed (SA, MoM, %): (Sept.) -2.0 → (Oct.) -4.1 → (Nov.) -0.2

  - The building construction sector (-11.8% → -16.5%) saw significant declines in both residential and non-residential construction, while the civil engineering sector (-7.7% → -0.5%) also remained weak.
- Construction orders received, a leading indicator, maintained improvement, primarily in the public sector.

### ■ Prices: Consumer price inflation accelerated, driven by volatile petroleum products, although the underlying trend of price increases continues to moderate.

- Consumer prices (1.5% → 1.9%) saw a larger increase, primarily led by commodity prices.
  - As the decline in international oil prices moderated due to base effects, petroleum product prices (-5.3% → 1.0%) shifted to positive growth, contributing to the steeper rise in commodity prices (0.9% → 1.8%).

\* Dubai crude oil price (YoY, %): (Oct.) -16.5 → (Nov.) -13.1 → (Dec.) -5.3

  - Conversely, service prices maintained the same growth rate as the previous month at 2.1%.
- The ongoing weakness in domestic demand has sustained the moderation in the underlying inflation trend, while the recent decline in consumer sentiment could further amplify downward pressure moving forward.



## Foreign Direct Investment

**FDI pledges to S. Korea hit record high in 2024 on rise in manufacturing sector**

Foreign direct investment (FDI) pledges to S. Korea rose 5.7 percent from a year earlier in 2024 to hit a fresh high for the second consecutive year, driven by a sharp increase in the manufacturing sector, data showed on Jan. 7.

S. Korea received USD 34.5 billion worth of FDI commitments last year, surpassing the previous record of USD 32.7 billion posted in 2023, according to the Ministry of Trade, Industry and Energy.

By industry, FDI pledges in the manufacturing sector jumped 21.6 percent to USD 14.5 billion, with those in the material, parts and equipment sectors surging 52.7 percent to USD 11.1 billion.

The ministry added that FDI pledges in the semiconductor industry rose 46.5 percent to USD 1.3 billion, and those in the bio-health industry more than tripled to USD 1.2 billion.

**S-Oil to establish GTG in Ulsan with KRW 263 bn investment**

On Jan. 23, Ulsan-si announced that it will sign a Memorandum of Understanding (MOU) with S-Oil for the establishment of a "Gas Turbine Generator (GTG) for natural gas."

This agreement is aimed at supporting the government's energy policy direction through the investment in the GTG facility, and also aims to stimulate the local economy and create jobs.

Under the agreement, S-Oil will invest KRW 263 billion to build a 121 MW natural gas GTG facility at its Ulsan plant in the Onsan National Industrial Complex, which will account for 24 percent of the plant's current electricity usage.

The facility is scheduled to break ground in February and be completed by December of next year.

**Global big tech companies including Google and Amazon are flocking to Cheonan**

Global big tech companies, including Google Cloud, Amazon, and NVIDIA, which rank among the top five in market capitalization on the global stock markets, are flocking to Cheonan, Chungnam-do.

Starting with a memorandum of understanding signed in November last year with Dassault Systemes, a French virtual twin solution company, to cooperate on smart city development, the city signed an agreement with Amazon to revitalize the smart

city industry ecosystem and establish a global cooperation framework in December.

This year, the city has held discussions with companies like Google Cloud on related education, workforce training, startup support, and assistance with international expansion.

The city also held a meeting with NVIDIA, a leader in AI semiconductors, to discuss smart city projects on January 13.

## Trade &amp; Commerce

**Exports from free trade zones log record USD 14.9 bln in 2024**

S. Korea exported a record USD 14.9 billion worth of products from its free trade zones (FTZs) last year on strong global demand for automobiles, ships and semiconductors, the industry ministry said on Feb 4.

The combined outbound shipments from 13 FTZs across the country jumped 22.5 percent from USD 12.1 billion in 2023 to

reach an all-time high, according to the Ministry of Trade, Industry and Energy.

It also marked the fourth consecutive year the figure exceeded USD 10 billion.

FTZs are special economic zones where various tax and tariff benefits are provided to guarantee more freedom in manufacturing, logistics and trade.

## Industry

**3 S. Korean shipbuilders rank among top 10 in global new orders**

Three S. Korean shipbuilders were on the list of the world's top 10 companies by new global orders in 2024, while the remaining seven spots were claimed by Chinese shipyards, industry data showed on Jan. 26.

Samsung Heavy Industries Co. ranked fifth on the list, based on new orders measured in compensated gross tons (CGTs), and Hanwha Ocean Co. and HD Hyundai

Samho Heavy Industries Co. followed in sixth and seventh places, according to the data by London-based Clarkson Research Services.

Insiders noted that the results highlight S. Korean shipbuilders' performance in securing large-scale orders and maintaining significant backlogs to ensure steady production in the coming years.

**Cruise tourists nearly triple in 2024 on post-pandemic recovery**

The number of visitors to S. Korea traveling on cruises nearly tripled in 2024 from a year earlier, driven by post-pandemic travel demand, data showed on Jan. 23.

Around 810,000 tourists visited S. Korea on cruise ships in 2024, compared with 273,000 a year earlier, according to data compiled by the Ministry of Oceans and

Fisheries.

The number of cruises arriving at S. Korean ports also reached 414 in 2024, up from 203 the previous year, the data showed.

In 2025, the oceans ministry said the number of tourists on cruise ships is expected to reach 1.1 million.

## Government &amp; Policy

**Science ministry designates 10 technologies to innovate bio industry**

The science ministry said on Jan. 20 that it has designated 10 technologies that will innovate the bio industry in the next decade.

The technologies are human immunome, multi-cancer early detection, ribonucleic acid structurome, artificial intelligence (AI)-designed gene editors, anti-aging antibodies, molecular glue, motile living biobots, digital

artificial organs, bio foundation model and health care digital twin, according to the Ministry of Science and ICT.

The technologies will likely be applied in bio and other industries, including medical, space and manufacturing, in the next five to 10 years.

**S. Korea to invest 208.8 bln won in promoting global technology cooperation**

S. Korea will spend 208.8 billion won (USD 143.7 million) this year on global technology cooperation projects as part of efforts to bolster the country's technological competitiveness, the industry ministry said on Feb. 5.

In detail, S. Korea plans to funnel 94.2 billion won into international projects aimed at fostering technology developments through bilateral cooperation or participation in multilateral funding programs, such as Eureka and Eurostars, led by the European Union.

The country will inject an additional 105.2 billion won into creating industrial technology collaboration centers at top-tier research institutions across the globe and launching mid- to long-term joint research projects to develop core technologies for future growth engines, according to the ministry.

Another KRW 3.5 billion will be spent on promoting global entities' investment in local research and development (R&D) projects and cooperation between local and foreign companies.

# Guide to Selection of Investment Sites

## (1) The Selection of Sites

### C. Factors that Foreign-Invested Companies Consider

• A foreign-invested company should consider the type of the company and business when selecting a location. Generally, when operating a manufacturing business, it is advised to move into an industrial complex where it is relatively easy to move into or establish a factory by changing the use of the individual site concerned. National industrial complexes and general industrial complexes are planned sites where facilities related to major customers are clusterized and it is relatively easier to secure sites and the environment for operating a business is optimal.

On the other hand, in individual sites, land can be flexibly secured depending on the needs of the company concerned. However, because there are sites created for foreign investment attraction such as foreign investment zones, free economic zones and free trade zones created for attracting foreign investment in Korea, foreign-invested companies can consider operating a business in one of such areas. Such sites provide various incentives and support catering to foreign investors.

In addition to areas focusing on foreign investment attraction, Saemangeum, enterprise cities, Jeju Special Self-Governing Province and high-tech investment zones offer various incentives based on their respective support legislation to attract domestic and foreign investors.

There are also other types of industrial sites that investors can choose depending on the nature of the intended business.

### Types of Industrial Sites Favorable to Foreign Investors

Planned Sites	Industrial Complexes	National, general and urban high-tech, agricultural and industrial, lease-type industrial complexes
	Priority regions for foreign investment inducement	Foreign investment zones, lease complexes for foreign-capital invested companies only, free economic zones, free trade zones
	Special areas for investment inducement from home and abroad	Saemangeum, enterprise cities, Jeju Special Self-Governing Province, high-tech investment zones
	R&D, Technology, Industrial Cluster Areas	Saemangeum, enterprise cities, Jeju Special Self-Governing Province, high-tech investment zones Special R&D zones, international science and business belts, high-tech medical complexes, specialized complexes for ppuri industries, Technoparks, environmental industry research complexes, venture business development and promotion zones, areas for clustering new technology-based businesses, small urban manufacturers' clusters
	Balanced National Development Complexes	National innovation clusters, innovation cities, Sejong City (Multi-functional administrative city)
	Regulation Innovation Zones	Regulation-free special zones, special economic zones for specialized regional development
Individual Sites	Factory construction (subject to approval of factory establishment and start-up business plans) and operation in accordance with the special purposes areas of the National Land Planning and Utilization Act	

\* The above is an informal classification to help the understanding of readers.



# 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 November 2024, South Korea's industrial activities declined slightly, as production of all industries ( $\Delta 0.4$  percent from the previous quarter), including the construction industry ( $\Delta 0.2$  percent), remained sluggish. The mining and manufacturing industry shrank ( $\Delta 0.7$  percent from the previous quarter) due to production disruptions caused by the labor strikes of auto parts manufacturers, but continued to grow (0.1 percent) on a year-on-year basis, driven by a significant jump (11.1 percent) in semiconductor production.

### Monthly Industrial Activity Trends

Subject	All industries	Mining & manufacturing	Service	Retail sales	Capital investment	Construction completed
Monthly Change (%)	$\Delta 0.4$	$\Delta 0.7$	$\Delta 0.2$	0.4	$\Delta 1.6$	$\Delta 0.2$

In November, the mining and manufacturing industry fell (from 0.0 percent to  $\Delta 0.7$  percent) despite an all-time high production of semiconductors, due to production disruptions caused by the labor strikes of auto parts manufacturers. The service industry shrank (from 0.6 percent to  $\Delta 0.2$  percent) despite improvements in lodging, food, and retail segments, mostly in financial and insurance segments where banks saw a slowdown in the growth of household and corporate loans. Retail sales rose (from  $\Delta 0.8$  percent to 0.4 percent) despite sluggish sales of durable goods ( $\Delta 0.1$  percent) and non-durable goods ( $\Delta 0.7$  percent), supported by brisk sales of semi-durable goods (4.1 percent), such as clothing and shoes. Affected by the base effect of the large increase in the past, capital investment shrank (from  $\Delta 5.9$  percent to  $\Delta 1.6$  percent), with investments in transportation equipment growing and those in machinery falling. Construction completed decreased due to the slow construction segment, but the fall slowed (from  $\Delta 4.1$  percent to  $\Delta 0.2$  percent) thanks to improvements in the civil engineering segment, such as plant construction. The cyclical change in the coincident index declined due to a fall in construction completed and domestic shipments. The cyclical change in the leading index grew, led by increases in construction orders and the machinery segment's domestic shipment index.

With the goal of managing our economy as stable as possible, the government will need to mobilize all available resources - such as a revision in the fund management plan under the Economic Policy Direction for 2025, additional investments of public institutions, and policy-based loans - to revitalize the national economy and domestic demand.

## Trends by Industry

### Automotive

#### Exports Continued the Upward Trend by Recording the Best Performance for the Month of October

In October, exports increased for the second consecutive month, up 5.6 percent year-on-year, thanks to strong exports of finished vehicles and parts to the US. In September, domestic sales remained flat year-on-year, but increased by 2.6 percent month-on-month and turned positive for the first time in six months, thanks to the release of new models and increased supply. Despite the release of new models, September production remained flat due to a drop in the production of large passenger cars.

### General machinery

#### Declined due to Sluggish Production and Exports

In September, production fell by 0.6 percent year-on-year as exports slowed down amidst growing domestic demand backed by strong capital investment and machinery orders. Exports in October decreased by 8.1 percent year-on-year, affected by sluggish exports to the United States. September imports grew by 5.3 percent year-on-year due to a delay in the recovery of demand in the downstream industries.

### Shipbuilding

#### Exports Fell due to the Base Effect, but Production and Capacity Utilization Rate Continued to Improve

In September, all production indices continued to show double-digit growth on a year-on-year basis. October exports performed above the annual average with the delivery of high-value ships, but fell by 28.5 percent due to the base effect of the dramatic increase in the same month of the previous year. In September, imports rose by 58.7 percent, influenced by the increase in imports of not only ships but also ship engines and parts. Up to September, South Korea's cumulative orders increased by 22.2 percent year-on-year, including large orders for LNG carriers from Qatar, large container ships, and tankers, but orders somewhat slowed down since the second half of the year.

### Steel

#### Production Continued to Decline, and Exports Turned Positive

In September, production decreased by 3.3 percent year-on-year despite the start of the industry's peak season, due to the Chuseok holiday, sluggish domestic demand, and the impact of facility maintenance. Exports in October grew by 8.8 percent year-on-year, with steel makers expanding exports to make up for sluggish domestic demand and increasing exports to ASEAN, the EU, and others. September imports shrank by 2.5 percent year-on-year despite an increase in imports from China, with sluggish domestic demand dampening imports from Japan and the US.



## Oil refining

### Fell Sharply Year-on-Year as Exports, Unit Prices, and Volume Slid Altogether

In September, production increased by 1.4 percent year-on-year despite the continuation of weak refining margins, as domestic refineries maintained the upward-revised capacity utilization rate. In October, exports plunged by as much as 34.9 percent year-on-year as regular maintenance of domestic refining facilities slashed volume while unit prices continued to fall.

## Semiconductor

### Strong Export Growth Continued

In October, exports grew by 40.3 percent year-on-year to reach USD 12.544 billion, and set a new monthly export record for the month of October. The September semiconductor production index was 160.3, down by 3.0 percent year-on-year and by 2.6 percent month-on-month.

## Wireless communication devices

### October Exports Increased by 19.7 percent Year-on-Year to Grow for Eight Straight Months as Global Demand Improved and Parts Exports Grew

Global smartphone shipments have begun to increase in full swing with the arrival of the IT device replacement cycle, China's introduction of economic stimulus measures, and expectations of economic recovery following the US presidential election. In September, production increased by 10.1 percent year-on-year thanks to the recovery of exports, and shipments also grew by 36.7 percent to enable a big jump of 26.6 percent in capacity utilization rate. In September, imports of wireless communication devices soared by 59.9 percent year-on-year, driven by a huge increase in the demand for Apple's new products.

## Display

### Production and Exports Fell, Affected by the Previous Year's Strong Performance and Slowdown in Related Industries

Exports in October declined by 22.7 percent year-on-year, affected by the strong performance in the previous year and a recent slowdown in demand for IT home appliances. September production fell by 0.3 percent year-on-year, and shipments (-0.2 percent) and inventories (-3.3 percent) also declined.

*\* 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)



# The Korean AI Industry and Policy Trends Amid the Global Competition Paradigm

## Current Status of the Korean AI industry

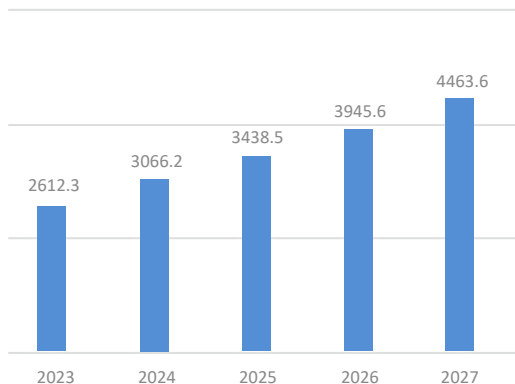
Artificial intelligence (AI) is evolving into an essential technology in everyday life and the business environment. The highly autonomous AI technology is solving complex problems and simplifying everyday life, and is expected to be actively used in tackling major challenges facing humanity, including social, scientific, medical, and food problems. Currently, AI is a major driver of national development, and the competition to dominate AI technology is intensifying not just between companies but also on a global level. Korea is the world's sixth most competitive nation in terms of AI capacity (Tortoise Intelligence, The Global AI Index, 2023) and is

highly rated in the categories of infrastructure, development, government strategy, and scale.

In 2025, the size of the Korean AI market is estimated to grow by 12.1% from the previous year and reach KRW 3.43 trillion. The market is expected to grow at an annual average growth rate of 14.3% to achieve KRW 4.46 trillion in 2027 (IDC Semiannual Artificial Intelligence Tracker, 2023). Most notably, the country's AI application industry shows promising outlook in major industries such as information and communication, manufacturing, medical, public/defense, finance, and education, and the industry is expected to attract more investment aimed at strengthening corporate competitiveness and creating new business opportunities.

## Outlook of the Korean AI Market

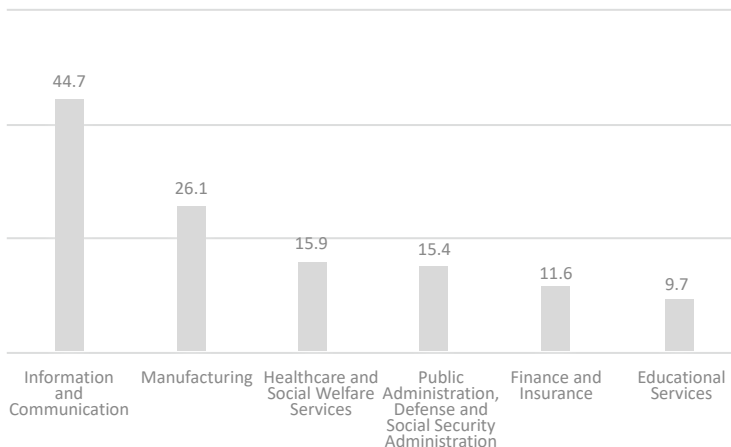
[Unit: billion KRW]



Source: IDC Semiannual Artificial Intelligence Tracker, 2023

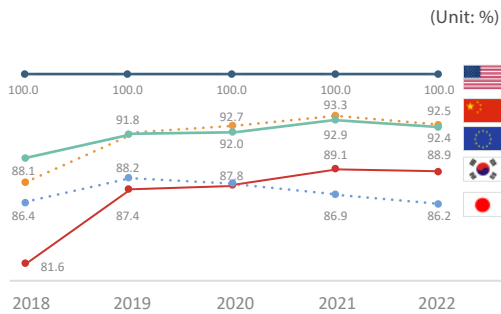
## Top 6 Industries Using AI Application (Multiple Responses)

[Base: all responses, n=2,354, unit: %]



Source: 2023 AI Industry Survey, Ministry of Science and ICT/Software Policy and Research Institute, 2023

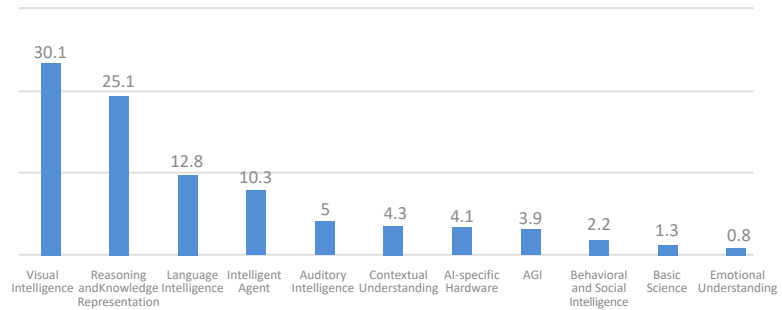
## AI Technology Advancement of Major Countries from 2018 to 2022



Source: Recent Changes in the Level of AI Technology in Korea and Major Countries, Software Policy and Research Institute, 2023

## AI Technology of Korean Companies: Main Areas

[Base: all responses, n=2,354, Unit: %]



Source: 2023 AI Industry Survey, Ministry of Science and ICT/Software Policy and Research Institute, 2023

## Current Status of Korea's Artificial Intelligence Technology

The level of Korea's AI-related technology has grown from 81.6% of the global leader in 2018 to 88.9% in 2022, and the country's technology has advanced faster than any other major country in the five years (ICT Technology Level Survey and Technology Competitiveness Analysis Report, Institute for Information & communication Technology Planning & evaluation (IITP), 2023). In terms of overall technology level, the country's level of AI technology has improved by 7.3 percentage points from 81.6% in 2018 to 88.9% in 2022, compared to the United States (100%), the global leader in AI technology. More specifically, the pace of development of AI technology in application stage is more than twice as fast as that of major countries. In addition, Korea's AI technology gap with the US in each field is 1.3 years in the category of learning intelligence (reduced by 0.7 years from 2018), 1.5 years in the category of single intelligence (reduced by 0.5 years from 2018), and 1.0 year in the category of complex intelligence (reduced by 1.0 year from 2018). The results show that Korea closed the technology gap faster than any other country during the period.

Visual intelligence accounted for the highest share of AI technologies held by Korean companies (30.1%),

followed by reasoning and knowledge representation (25.1%) and language intelligence (12.8%). These technologies contributing greatly to automating operations and making them more efficiency, driven by AI-based image recognition and natural language processing technologies in various fields. The improvement of AI's logical thinking and reasoning capabilities, and the advancement of related infrastructure and data processing capabilities are expected to accelerate innovation in a wider range of industries.

## Enactment of the Framework Act on Artificial Intelligence for Enhancing National AI Competitiveness and Outlook

In December last year, the Korean National Assembly passed the "Framework Act on the Advancement of Artificial Intelligence and the Establishment of a Foundation for Trust" (hereinafter referred to as the "Framework Act on AI") at the plenary session. The passage made Korea the world's second state, after the European Union (EU), to enact a framework act on AI. The Framework Act on AI is positively reviewed as having established a government-supported governance system for promoting AI technology and the industry and laid the foundation for enhancing the country's AI competitiveness by

creating a responsible AI ecosystem. However, there are concerns that the details of regulations and the ambiguity of obligations will add uncertainties to the business environment. In light of the situation, this article aims to review the differences with the European Union's AI Act, the concerns that arise from these differences, and the outlook for the future.

Korea's Framework Act on AI and the EU AI Act are common in the sense that they both take a risk-based approach and aim to preempt potential risks. However, the Framework Act on AI differs in terms of the targets and scope of regulation and the severity of sanctions. First, unlike the EU AI Act, which defines four levels of risk, including unacceptable risk, high risk, limited risk and minimal risk, the Framework Act on AI focuses on the "impact" of AI and distinguishes between "high-impact AI (AI systems harboring the risk of seriously affecting or endangering human lives, physical safety and basic rights) and "generative AI systems (that imitate the structure and characteristics of input data to generate various outputs such as text, sound, pictures, and videos)." The Framework Act on AI includes both AI developers (parties that develop and provide AI) and AI users (parties that provide products or services using AI) as AI businesses that are subject to regulation and impose common obligations. This is different from the EU AI Act, which distinguishes between providers, deployers, importers, and distributors of high-risk AI and applies different obligations.

Second, the Framework Act on AI grants exceptions for AI developed and used only for the purpose of national defense and security, which is narrower than the EU AI Act allowing several exceptions, such as AI for national defense and security, pre-launch research, test and development, scientific research and development, and purely private and non-professional activities.

Third, the Framework Act on AI only stipulates a fine of up to KRW 30 million, regardless of the scale of the company, technology, or service, as opposed to the EU AI Act, which imposes fines of up to 7% of global sales or EUR 35 million, and the severity of the sanctions imposed depending on the company's size.

In summary, the main issues raised in the Framework Act on AI, when compared with the EU AI Act, include ambiguity in the content and targets of regulations, narrow exceptions, and lack of strictness and differential application standards for preemptive sanctions. There are also concerns that these uncertainties could lead to adverse effects. However, the Framework Act on AI is significant in that it provides a basis for establishing policies to promote AI technology and industry at the government level. The scope and standards for the implementation of obligations and others will be established in subordinate statutes, and the contents of risk management, ensuring the safety and reliability of high-impact AI, and user protection will be specified in guidelines and notices. A public-private joint consultative body (subordinate statute preparation group) consisting of industry insiders, scholars, and legal experts was launched by the Ministry of Science and ICT ahead of the Framework Act on AI's enforcement in January 2026, with the aim to prepare a draft of the subordinate statute by June this year. The government and related agencies are expected make swift progress to resolve uncertainties and help companies predict policy directions, thereby promoting large-scale public and private investments.

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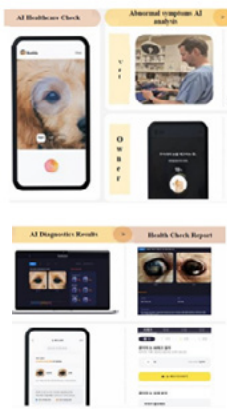
*\* The opinions expressed in this article are the author's own and do not reflect the views of KOTRA.*



# Invest KOREA Market Place

Invest KOREA Market place (IKMP) is an online business matching platform available on Invest KOREA's website with information on approximately 300 Korean companies seeking to partner with foreign investors. This month, we introduce some outstanding companies in Korea's artificial intelligence industry.

## COMPANY A



*Pet health check solution*

Investment Requirement		Company Profile	
Amount	USD 10 Million	Patents and Certificates	- Registered and applied for a total of 7 domestic patents related to AI pet disease diagnosis software - First AI veterinary medical device certification in Korea
Investment Structure	Equity Investment, Joint Venture	Financial Performance	(Sales in 2023) USD 1.76 million
<b>Investment Highlights</b> <ul style="list-style-type: none"> <li> <b>Pet Care Market</b>            According to the Korea International Trade Association, the global pet care industry is expected to grow from USD 142.1 billion in 2020 to USD 217.7 billion by 2026. The pet care market is seeing an increase in demand for products that manage all stages of pet health care, including disease detection, treatment, and management, as real time accumulation of pet related data through diagnostic platforms, AI disease prediction and diagnosis, and remote treatment and counseling.         </li> <li> <b>Mobile Pet Health Management Solution</b>            Services that cover all stages of pet health management (discovery-treatment-management). Pet owners can check for signs of health problems using a mobile app at home, and receive veterinary care or advice remotely. They can also manage their pet's healthcare through the service and products, including a boutique brand of nutritional supplements. The service is an AI pet diagnosis system that targets animal hospitals sold in SaaS format.         </li> </ul>			

## COMPANY B



*Before the application of the technology*



*After the application of the technology*

Investment Requirement		Company Profile	
Amount	2 million USD	Patents and Certificates	- Total 15 patents filed/registered, including improved adversarial attention network system and image generation method
Investment Structure	Equity Investment	Financial Performance	(Sales in 2023) Approx. USD 0.79 million
<b>Investment Highlights</b> <ul style="list-style-type: none"> <li> <b>Video Recognition Solution Market</b>            According to Markets and Markets Research, the domestic video recognition solution market was valued at KRW 185.3 billion in 2019 and has since grown at a compound annual growth rate (CAGR) of 22.8% reaching an estimated KRW 518 billion in 2024. Based on the same growth rate, the market is projected to reach KRW 1.2 trillion by 2028. To achieve accurate video recognition, it is crucial to capture clear images even in dark environments. The global night vision device market was estimated at USD 8.9 billion in 2023 and is expected to grow at a CAGR of 7.9% reaching USD 13.1 billion by 2028.         </li> <li> <b>AI Vision Solution NOX</b>            The company specializes in AI vision solutions, possessing core technology that rapidly enhances low light and low resolution images. Through its proprietary NOX AI technology, it provides low latency, high-speed solutions for improving large-scale low-light and low-resolution video. Leveraging this technology, the company enhances safety monitoring at construction sites and converts low-light video into high-resolution footage, delivering clear images even in dark environments. The company has been recognized as the only firm in Korea to achieve GS (Good Software) Grade 1 certification for its software.         </li> </ul>			



# Economic Policy Directions for Korea in 2025

*In the February 2025 issue, Invest Korea provides a special report on South Korea's economic policy directions for this year based on data from the Ministry of Economy and Finance. Read on to find out more.*

## Current Economic Situation and 2025 Outlook

The Korean economy has recently faced sluggish recovery in domestic demand, while the pace of export growth is slowing, and the uncertainty regarding future growth paths is increasing.

The external environment is also challenging. Changes in trade and industrial environments caused by policy shifts of the leading country in the global economy and intensified international competition in advanced industries, pose significant challenges for the Korean economy.

Considering these domestic and external conditions, the growth rate for last year is projected to be 2.1%, while this year's growth is expected to be further declined to 1.8%.

Exports are facing elevated downward pressure due to external factors, while domestic demand is expected to be constrained by weak construction activity and depressed economic sentiment, despite mitigation of inflation rates and easing of high interest rates.

The inflation rate of this year is expected to decelerate to 1.8%, which is lower than 2.3% of last year aided by a decline in international oil prices, though uncertainties stemming from geopolitical risks may persist.

The increase in the number of employed people is expected to increase by only 120 thousand, a smaller increment than last year.

## 2025 Economic Policy Directions

The government has devised the 2025 economic policy directions with the goal of ensuring the economy is managed as stably as possible in response to growing domestic and external uncertainties.

The policy directions focus on four pillars, which are (1) Supporting the recovery of people's livelihoods, (2) Managing external creditworthiness, (3) Responding to the uncertainties in the international trade environment, and (4) Increasing industrial competitiveness.



### Support Recovery of People's Livelihoods

First, the government will make all-out effort to achieve a swift recovery of the people's livelihoods. The government's top priority is to improve economic sentiment and stimulate recovery in domestic demand and overall economic activity. To this end, the government will take unprecedented action to provide swift support for people's livelihoods as follows:

- Mobilize a total of 18 trillion KRW in available resources by expanding and accommodating major fund project plans, increasing investments by public institutions, promoting private sector investments, and providing additional policy financing.
- Raise the expedited execution rate for planned projects in the first-half of the year to a record-high 67%. In particular, KRW 85 trillion allocated to key sectors related to people's livelihoods and economy will be executed up to 70% by the first half of the year.
- Immediately begin urgent projects critical to the public and businesses at the start of the year through streamlined administrative procedures, relaxed requirements, and advanced national funding disbursement to enhance policy impact.
- Provide fast-track key livelihood initiatives to increase effectiveness, such as the early launch of senior job pro-



grams, expedited disbursement of youth employment incentives, and accelerated payment of eco-friendly vehicle subsidies.

- Temporarily reduce the specific consumption tax on automobiles during the first half of the year and immediately launch discount campaigns for agricultural, livestock, and fisheries products starting in early January. In addition, 1 million accommodation vouchers for non-metropolitan areas will be supplied to boost consumption and tourism momentum from the beginning of the year.
- Address sluggish construction and regional economies. Public housing supply will be increased through expanded new construction and increased purchase of newly constructed rental units. Furthermore, public and private construction costs will be adjusted reflecting market realities to resolve industry difficulties. Tax burdens, such as comprehensive real estate tax in regional area, will also be eased.

Moreover, tailored support for low-income and vulnerable groups will be further strengthened.

- This includes reducing key living expenses by implementing measures such as additional tariff quotas on several food items and introducing rent tax credits for married couples living apart. Policy financing for low-income households will also be provided at a record-high level of KRW 11 trillion.
- A 'ladder of hope for youth' will be established by scaling up the Youth Employment All-Care Platform and improving social integration admissions.
- Measures will be devised to support retirement income security for middle-aged and older individuals by developing measures to improve retirement pension yields.
- Eligibility for the New Start Fund<sup>1</sup> will be expanded, income tax deductions will be raised for spending at small-scale taxpayer businesses, and acceptance of On-

nuri gift certificates will be broadened, aiming to alleviate management burdens for small business owners and strengthen their sales base.

- Support for the livelihood stability of vulnerable workers will be reinforced, including those affected by industrial accidents, low income, and wage arrears.

### Manage External Creditworthiness

Second, the government will meticulously manage external creditworthiness by carrying out the following measures:

- Ensure stable management of the foreign exchange (FX) market through structural improvements in FX supply while maintaining ongoing communication with the international community to enhance external trust.
- Continue efforts to advance the capital market, including the introduction of value-up tax incentives and promoting amendments to the Capital Markets Act. Moreover, the comprehensive infrastructure for government bond investments will be reformed to ensure smooth inclusion of Korean government bonds in the World Government Bond Index (WGBI).
- Enhance FX transaction infrastructure for foreign investors to meet global standards.
- Drastically raise incentives to attract foreign investors by allocating separate quotas for Opportunity Development Zones in non-metropolitan areas and significantly increasing cash grant limits temporarily until 2025.

### Respond to Uncertainties in the International Trade Environment

Third, the government will proactively respond to the uncertainties in the global trade environment.

- We will push forward with a new outward economic strategy by developing a new policy framework and action plans based on a framework that allows for flexible

1. This program adjusts debt for individual business owners or small business corporations by extending loan repayment periods, reducing interest burdens, and assisting borrowers struggling with repayment through principal adjustments.

responses to the policy changes of the partner nations, through ministerial level of intergovernmental channels such as a Ministerial Roundtable on International Economic Affairs, and.

- We will strengthen support of supply chain management in response to shifts in the economic security landscape, provide urgent liquidity support to export companies facing challenges, and supply the largest-ever trade financing, ensuring the upward momentum of exports can be sustained despite challenging conditions.

### Increase Industrial Competitiveness

Last but not least, the government will commit to enhancing industrial competitiveness. Above all, the government supports innovation in core industries to respond to intensifying global competition in the following ways:

- Shore up infrastructure support for specialized industrial zones and provide increased policy financing to bolster the semiconductor ecosystem. In addition, strategies for the automotive and battery industries will be developed to address external changes, such as possible tariff increase of the new US administration and uncertainties related to the Inflation Reduction Act (IRA).
- Step up governmental response to new demand in traditional manufacturing industries such as shipbuilding, steel, and petrochemicals, and secure competitiveness through value-added innovation.
- Establish an innovation strategy focusing on artificial

intelligence, biotechnology, and quantum technology as the three major game-changers, while striving to nurture new service industries and support service exports.

- Continue to scale up key infrastructure, including support for the power grid and efforts to attract overseas talent.

Furthermore, the government will make all-out efforts to promote investment as described below:

- Apply special accelerated depreciation for facility investment to small and medium-sized enterprises, along with the largest-ever supply of facilities funds.
- Plans to announce the 4th Investment Promotion Measures focused on resolving on-site obstacles within the first half of the year.

### Conclusion

The government will actively communicate with the National Assembly and shore up public-private cooperation to address major issues related to the economy and people's livelihoods.

In addition, taking into account the specific developments of the partner nation's economic policies, changes in economic indicators, and shifts in the domestic economy, the government will reassess the overall economic conditions in the first quarter and consider additional measures to support the economy as necessary.



# InBic, Becoming a Global Leader in AI Technology

## About the Company

InBic Ltd. is a leader in AI-based low-light/low-resolution image conversion technology, providing real-time high-resolution images in dark environments with its unique Night Ocular X (NOX) technology. Certified as Good Software by the South Korean Telecommunications Technology Association, NOX is highly effective in private and public sectors as it can be used for analyzing nighttime accidents and events, managing traffic and detecting disasters. The technology is contributing to building smart cities and making societies safer. In addition, InBic continues to bring innovation in military and security sectors based on its cutting-edge technology and is positioning itself as a global leader in building safer nations and societies.

## Background

NOX V1.0 was born out of the need for accurate and rapid video surveillance in dark environments and harsh conditions in fast-paced modern environments. The video quality of existing video solutions is significantly degraded in low light or complex environments, and these solutions cannot process and analyze data in real-time, making it difficult to respond effectively.

InBic has developed NOX V1.0 by combining cutting-edge AI technology with high-resolution image processing. It delivers the reliability and efficiency required in specialized environments such as military operations and nighttime surveillance, and is designed to ensure effective use of real-time video data considering their growing importance in public and private sectors.

NOX V1.0 was developed with the goal of tackling video quality degradation, and analyzing and eliminating risk factors in real time to maximize safety and efficiency. By meeting the goal, InBic aims to fulfill the video surveillance and analysis needs of various industries and make societies safer and more efficient.

## About the Product

### NOX V1.0

InBic's NOX V1.0 is an AI-powered video surveillance solution that provides real-time video processing and analytics in low-light and harsh environments. It consists of two products, NOX V1.0 R (real-time solution) and NOX V1.0 A (video analytics solution), and can be used in a variety of applications including military operations, public safety, and private security.

### NOX V1.0 R (Real-time Solution)

NOX V1.0 R processes high-resolution video in real time, even in dark environments, and maximizes efficiency with lag-free data transmission and high compatibility with existing systems. It has a wide range of potential applications, including military operations, surveillance missions, traffic control, smart city surveillance.

### NOX V1.0 A (Video Analytics Solution)

NOX V1.0 A uses AI to analyze reconnaissance video and real-time data, and provides a wide range of applications such as event tracking and object identification. The solution adjusts brightness and improves the resolution of images to enhance data quality and swiftly detect risks. Therefore, it is highly effective in military



operations, as well as public safety and civilian industrial applications.

NOX V1.0 makes video surveillance more effective in various environments with reliable image processing and analytics, contributing to making societies smarter and safer.

## Competitive Edge and Business Strategy

### 1. Unrivaled Technology

- NOX AI solution: Real-time processing of high-resolution video in FHD 30 FPS or above in low-light environments, and easy integration with existing systems.
- Grade 1 GS (Good Software) Certification and Designation as an Innovative Product: Recognized as the only AI-based video surveillance software in South Korea.

### 2. Market Success

- Government R&D projects: Technology demonstration projects worth KRW 5.1 billion.
- Military and public sector demonstration projects: building trust with real-time processing and analytics.
- Global collaboration: Technological prowess proven through partnerships with Genetec and Dell.

Categories	InBic (NOX)	Competitor A	Competitor B
Processing speed	30 FPS or higher	20 FPS	15 FPS
Video quality	No data loss	10% loss	20% loss
Cost of adoption	Compatible with existing systems (low cost)	Camera replacement required (high cost)	Camera replacement required (high cost)

### 3. Customer Value

- Cost-effective: Up to 40% cost savings without the need to replace existing cameras.
- Enhance safety: Rapid detection of threats and analysis in military, public, and private sectors.

With its innovative NOX technology and practical results, InBic is setting a new standard for AI vision and growing more competitive in domestic and international markets.

## Future Plans

### 1. Technology Advancements and Product Expansion

- Developing NOX V2.0 to speed up image processing and implement ultra-low latency technology.
- Developing AI-powered predictive control systems to assist rapid responses.

### 2. Global Market Expansion

- Entering the markets of Middle East and Europe in areas of smart cities and security.
- Strengthening collaboration with Genetec and Dell.

### 3. R&D and Collaboration

- Expanding military and government collaboration, and delivering customized solutions.
- Leading AI imaging technology by bringing industrial, academic and research partners together.

### 4. Revenue Growth Strategies

- Increasing product awareness by participating in trade shows and giving demonstrations.
- Expanding to markets targeting small businesses and individuals by developing compact solutions.
- Expanding to the public procurement market by being designated as an innovative product and a leading supplier.

By innovating its technologies and exploring business opportunities in the global market, InBic plans to emerge as a leader in AI vision.

**By Hyo Chul Ji**

Chief Executive Officer, InBic Inc.  
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*\* The opinions expressed in this article are the author's own and do not reflect the views of KOTRA.*

# Yeosu National Industrial Complex

## The Heart of Korea's Petrochemical Industry Moving Towards a Sustainable Future

*The Yeosu National Industrial Complex is the very heart of Korea's petrochemical industry. Since its first groundbreaking in 1967, it grew into a key hub that has led the development of the local economy and national industry. The complex is still playing a central role in the country's chemical industry, but it is currently transforming itself in the face of the global economic downturn and oversupply.*

*The Yeosu National Industrial Complex is home to 303 companies on a vast area of approximately 12.5 million square meters. The annual production value reached KRW 84 trillion won as of 2023, with exports reaching USD 3.2 billion. It is home to Korea's petrochemical leaders such as LG Chem, Lotte Chemical, GS Caltex, Yeochun NCC, Hanwha Solutions, and Kumho Petrochemical, and these large-scale petrochemical companies account for 84% of the total production. The Yeosu National Industrial Complex has played a key role in revitalizing the local economy by creating about 25,000 jobs through companies operating in the complex.*

### Yeosu National Industrial Complex

• **Location:** Jungheung-dong and Samil-dong, Yeosu, Jeollanam-do

• **Area**

(Unit: 1,000 m<sup>2</sup>)

Total Area	Industrial Facilities	Supporting Facilities	Public Facilities	Green Areas	Multi-Purpose Areas
32,550	23,517	1,849	4,256	2,923	5



However, the recent global economic slowdown and the oversupply of petrochemical products from China are curbing the growth of the industrial complex. Production has slowed down sharply, resulting in job insecurity and a contraction in domestic demand. To resolve the multi-dimensional crisis, the Yeosu National Industrial Complex is seeking a new breakthrough.

The Yeosu National Industrial Complex is preparing to leap forward through the Smart Green Industrial Complex project. It is innovating itself based on the three pillars of digital innovation, enhanced safety, and low-carbon technology.

To achieve digital innovation, the complex is building a process innovation simulation center and a smart logistics platform and implementing a project for developing high-quality manpower specializing in smart manufacturing. More specifically, the process innovation simulation center supports the optimization of petrochemical processes and helps improve production efficiency. The smart logistics platform is building a system for reducing logistics costs and improving operational efficiency by considering the special logistics structure of the Yeosu National Industrial Complex.

The industrial complex, whose reputation has been tarnished by repeated safety accidents in the past, aims to create a safer working environment by introducing an integrated control center for digital environment and safety and building infrastructure for designing explosion-proof plants and ensuring fire safety.

The efforts to create a low-carbon industrial complex are also noteworthy. The Yeosu National Industrial Complex is working to better fulfill its environmental responsibility by developing technology for using carbon dioxide and establishing a smart energy platform for upgrading the energy management system.

Local governments are also working to restructure their businesses by conducting a project for building a

clean hydrogen pipeline network in the Gwangyangman Bay Area and projects specializing in materials, parts and equipment. Recently, the complex was designated as the final demonstration site to conduct the mega project for carbon capture and utilization (CCU). The large-scale project supports the entire technology cycle from carbon dioxide supply to its use in products, with the aim of achieving the country's 2030 Nationally Determined Contributions (NDCs) and finding new growth engines for the future. By demonstrating the viability of a process that converts carbon dioxide in petrochemical processes into basic chemical materials (olefins, naphtha, etc.) and polyols, the mega project is expected to further strengthen the industrial complex's competitiveness and help achieve carbon neutrality.

Recently, Yeosu City proposed to the government to designate the Yeosu National Industrial Complex as an area to preemptively respond to industrial crises in order to overcome the ongoing crisis in the petrochemical industry and strengthen its global competitiveness. Based on the proposal, practical measures, such as lifting excessive regulations and cutting electricity rates for industrial use, are being discussed.

Major petrochemical companies are also seeking to explore new global markets. They expanded their presence in the international market by increasing exports to European and Asian markets, and also strengthened cooperation with global partners. In addition, they are working to increase overseas sales by introducing more high-value added product groups in the petrochemical industry.

As it prepares for a sustainable future by conducting various projects, the Yeosu National Industrial Complex will find new ways to turn the crisis into an opportunity, just as it has been the solid foundation of the country's petrochemical industry.

*\*Source: (Text/photo) Korea Industrial Complex Corporation*



# Key Amendments to Regulation on Securities Issuance and Disclosure

## I. Regulation on Securities Issuance and Disclosure Amended on November 13, 2024

On January 23, 2024, the Financial Services Commission (the “FSC”) announced its plan to improve the soundness of the convertible bond (“CB”) market. The FSC cited existing regulatory issues with CBs, including some major shareholders negatively affecting shareholder value by abusing the distinct characteristics of CBs. On May 28, 2024, the FSC pre-announced changes to the proposed amendment of the Regulation on Securities Issuance and Disclosure. These changes aim to strengthen regulations regarding the disclosure of CBs and bonds with warrants (“BW”), the conversion price of CBs and convertible shares, and the exercise price for preemptive rights with respect to BWs.

As a result, on November 13, 2024, the FSC amended the Regulation on Securities Issuance and Disclosure (the “Amended Regulation”), with the changes effective as of December 1, 2024 to (i) strengthen regulations on disclosures regarding the issuance and circulation of CBs, BWs, and (redeemable) convertible preferred shares (collectively, “CB/BWs”), (ii) enhance the conversion price adjustment (i.e., refixing) mechanism, and (iii) clarify the base date for calculation of conversion prices. Provided below are the key details of the Amended Regulation.

## II. Stricter Regulations on Disclosures Regarding Issuance and Circulation of CB/BWs

Under the Amended Regulation, if a company designates a call option exerciser with respect to CB/BWs or assigns a call option to a third party, the company is required to disclose a report on material matters including the call option exerciser, whether consideration was paid (in the case of assigning the call option to a third party), and the amount paid. This amendment addresses the common disclosure practice where companies issuing CB/BWs simply state that the option would be exercised by “the company or a person designated by the company,” failing to provide meaningful information about who will be exercising the option.

The Amended Regulation also introduces additional disclosure requirements regarding matters related to the acquisition and disposition of CB/BWs prior to maturity, including the reason for acquisition prior to maturity and the anticipated method of disposition (e.g., cancellation or resale).

## III. Strengthened Regulations on Conversion Price Adjustments for CB/BWs

The original regulations permitted adjustments below the 70% threshold through a special resolution of the general meeting of shareholders or by including relevant provisions in the articles of incorporation. In this regard, concerns have been raised because companies could circumvent the minimum refixing requirement by way of provisions in the articles of incorporation that allow for refixing below 70% for general corporate purposes such as financing and asset purchases. To address such concern, the Amended Regulation sets the minimum refixing threshold at 70% of the initial conversion price

with respect to conversion price adjustments for CB/BWs through refixing per stock price fluctuations. Any exceptional adjustment below this 70% threshold requires a special resolution of the general meeting of shareholders.

There have been concerns about the original regulations because companies could freely determine the adjustment method through board resolutions, which sometimes resulted in excessive downward adjustments to the conversion price. Thus, the Amended Regulation introduces new restrictions on conversion price adjustments that are made to account for dilutive effects from corporate actions such as capital increases and stock dividends (i.e., anti-dilution adjustments), as well as adjustments through refixing per stock price fluctuations. Under the Amended Regulation, downward adjustments to conversion prices cannot go below the price that reflects the dilution effects, which is calculated as shown below.

### [Formula to Reflect Dilution Effect in Value of Conversion Rights]

$$\text{Adjusted Price} = \text{Initial Price} \times \frac{\text{\# of issued and outstanding shares} + (\text{\# of new shares} \times \frac{\text{Issue price per share}}{\text{Market price}})}{\text{\# of issued and outstanding shares} + \text{\# of new shares}}$$

\* “# of issued and outstanding shares” refers to the total number of issued and outstanding shares as of the date immediately preceding the date on which the adjustment event occurs.

\* “Issue price per share” is considered zero in the case of bonus issues or stock dividends.

\* “Market price” refers to the base share price—which is the basis for calculating the issue price set forth in the Regulation on Securities Issuance and Disclosure—or the theoretical ex-right price. (In cases other than capital increase, it refers to the base share price calculated as of the date immediately preceding the date on which the adjustment event occurs).

## IV. Clarification of the Base Date for Calculation of Conversion Prices for Privately Placed CB/BWs

Under the original regulations, a company was permitted to determine a conversion price for CB/BWs as of the date immediately preceding the date of the board resolution of the issuance of CB/BWs, and the certain past market prices before the subscription date acted as reference prices to determine the conversion price. Thus, there have been concerns that, although the purchaser is usually predetermined and accordingly a subscription date serves little purpose, companies could arbitrarily decide that the board resolution date as the subscription date, postpone the date for the payment of subscription price for an extended period and pick a day when the market price is higher than the board resolution date (i.e., the subscription date), in order to secure a lower conversion price. To address this issue, the Amended Regulation requires the conversion price for CB/BWs to be calculated based on the reference price as of the “actual payment date” under certain conditions as provided in the Amended Regulation.

*By Ji-Pyoung Kim (Attorney)*

*Chang-hee Shin (Foreign Legal Consultant)*

*Seung-Hwan Cheong (Attorney)*

*Jae-Yeob Lee (Attorney)*

**Kim & Chang**

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

# KOREA Unique Venue

## Discover the unique beauty of diverse regions throughout Korea

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

### What is KOREA UNIQUE VENUE?

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

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

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

### Incentives for Organizers

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

##### Common Conditions:

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

#### ❖ Subjects of incentive support for corporate meetings/incentive tours

##### Common Conditions:

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

##### ❖ Additional Conditions:

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

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



K-MICE



KOREA UNIQUE  
VENUE





GYEONGGI-DO

## Hyundai Motorstudio Goyang

Hyundai Motorstudio Goyang is a hands-on experience-based automobile theme park. It has various facilities for MICE events such as the Auditorium which can have up to 320 people, Showcase, where dynamic presentations can be done through a super large LED display, and Roof Terrace, where unique outdoor performance and banquets can be held. Large scale events such as new automobile model launch events, concerts, and global dealership events were successfully held at Hyundai Motorstudio Goyang.



### Venue & Rental Information

- Address: 217-6 Kintex-ro, Ilsanseo-gu, Goyang-si, Gyeonggi-do, Korea
- Phone Number: 1899.6611
- Homepage: <https://motorstudio.hyundai.com/goyang/ln/main.do?lang=en>
- Inquiries: Call 1899.6611 & press 4 and select "Auditorium" – select Rental inquiry & application
- Major Events Held in Recent Years: Hyundai Motors CS Innovation Week (2019) / STAGEX Concert (2019) / Democratic Party of Korea's Future Ready K-New Deal Committee Meeting (2020)

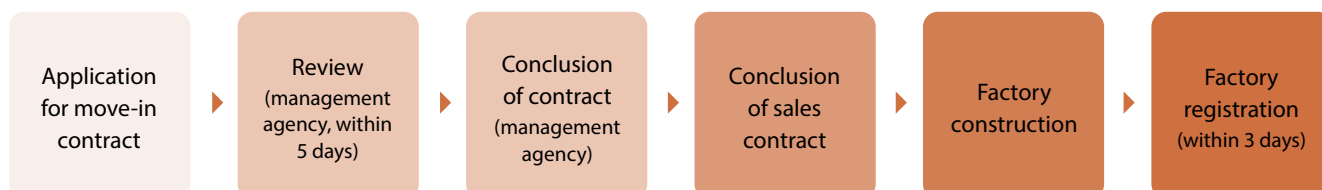
Source: Korea Tourism Organization, "2022 KOREA Unique Venue"

# Factory Establishment

*Factories are business establishments for operating a manufacturing business, and include buildings, factory buildings, manufacturing facilities and their incidental facilities. Manufacturing business refers to manufacturing businesses under the Korean Standard Industry Classification promulgated by the Commissioner of Statistics Korea.*

## ① Factory establishment in an industrial complex (planned site)

Unlike individual sites, many parts of an industrial complex are complete and thus there are not many matters that require permits and licenses. The types of businesses permitted in each industrial complex is pre-determined, which greatly reduces the time required for review. The industrial complex submits to the management agency an application for tenancy contract, which has the same administrative effect as an application for approval of factory establishment for an individual site. Approval is normally granted within five days of filing an application, but it takes up to 10 days if a negotiation with related organizations is needed. After obtaining an approval, the procedure for report of completion, confirmation of field visit by a public official and factory registration is the same as the ones for individual sites.





## ② Factory Establishment in an Individual Site

Establishment of a factory in an individual site under the Act on Industrial Integration and Factory Establishment

Since there are many laws about factory establishment, it is important to review all the relevant laws and regulations. When a move-in application is submitted, it will be reviewed and approved within 20 days in accordance with Korea's factory establishment approval system. If the application is filed to the municipality having jurisdiction over the site of the factory to be established, it may be approved within 14 days. If blanket processing\* applies, the approval period can be shortened to seven days or less.

\* Blanket processing: A system of permitting the permits and authorizations that should be obtained separately pursuant to individual laws at the same time to increase administrative efficiency and enhance administrative service



### ▪ Application for confirmation of conformance with tenancy requirements

This system allows you to confirm in advance whether or not a factory can be established on the site. The results are informed within 10 days of filing an application.

### ▪ Factory construction

After factory establishment is approved, ground leveling, infrastructure building and construction can be carried out.

### ▪ Factory registration

If a report of factory establishment is completed within two months of finishing construction and machinery and equipment installation, the government official in charge visits the factory and checks whether the plant is operating according to the original application. If there are no issues, factory registration shall be completed within three days of the report of factory establishment.



# Invest KOREA's Services

## Foreign Investment Ombudsman

The Office of Foreign Investment Ombudsman is an organization established in 1999 to provide close aftercare support and grievance resolution services for foreign-invested companies, and is dedicated to resolving any difficulties that foreign-invested companies face while doing business in Korea.

## One-Stop Service for Foreign Investors

The Inbound Investment Consulting Department not only assists foreign investors and foreign-invested companies in the investment review and implementation stage, but also offers customized services to help foreign investors and their families get comfortably settled in Korea.

## Invest KOREA Market Place (IKMP)

IKMP is a project aimed at discovering promising Korean SMEs seeking to attract foreign investment and matching them with foreign investors who have compatible needs. Projects looking for investment are posted on our website at [www.investkorea.org](http://www.investkorea.org).

## Job Fair for Foreign-Invested Companies

IK organizes regular job fairs to help foreign-invested companies discover qualified local talent, and job seekers find employment through job consultations, on-site interviews, and more.



## Invest KOREA Plaza (IKP)

Invest KOREA Plaza (IKP) is Korea's first facility dedicated to the incubation and investment of foreign investors. Each year, more than 40 foreign-invested companies rent out offices in the plaza and utilize IK's one-stop service.

IKP also provides serviced offices, business lounges, video conference rooms and a shower and sleeping lounge to maximize convenience for foreign investors.

## IKP Offices for Lease

### Foreign-invested companies

Companies planning to notify investment: Those who expect to report foreign direct investment of which the arrived amount is over USD 100,000 within 1 year of move-in.

## IKP Occupancy Procedure

Counseling in occupancy → Application for occupancy → Screening committee evaluates application → Result notification(result confirmed in 1-2 weeks) → Conclusion of lease contract → Move into IKP



We are *Already* Global!

# 2025 GLOBAL TALENT FAIR

Official Website



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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