Invest KOREA

June 2025

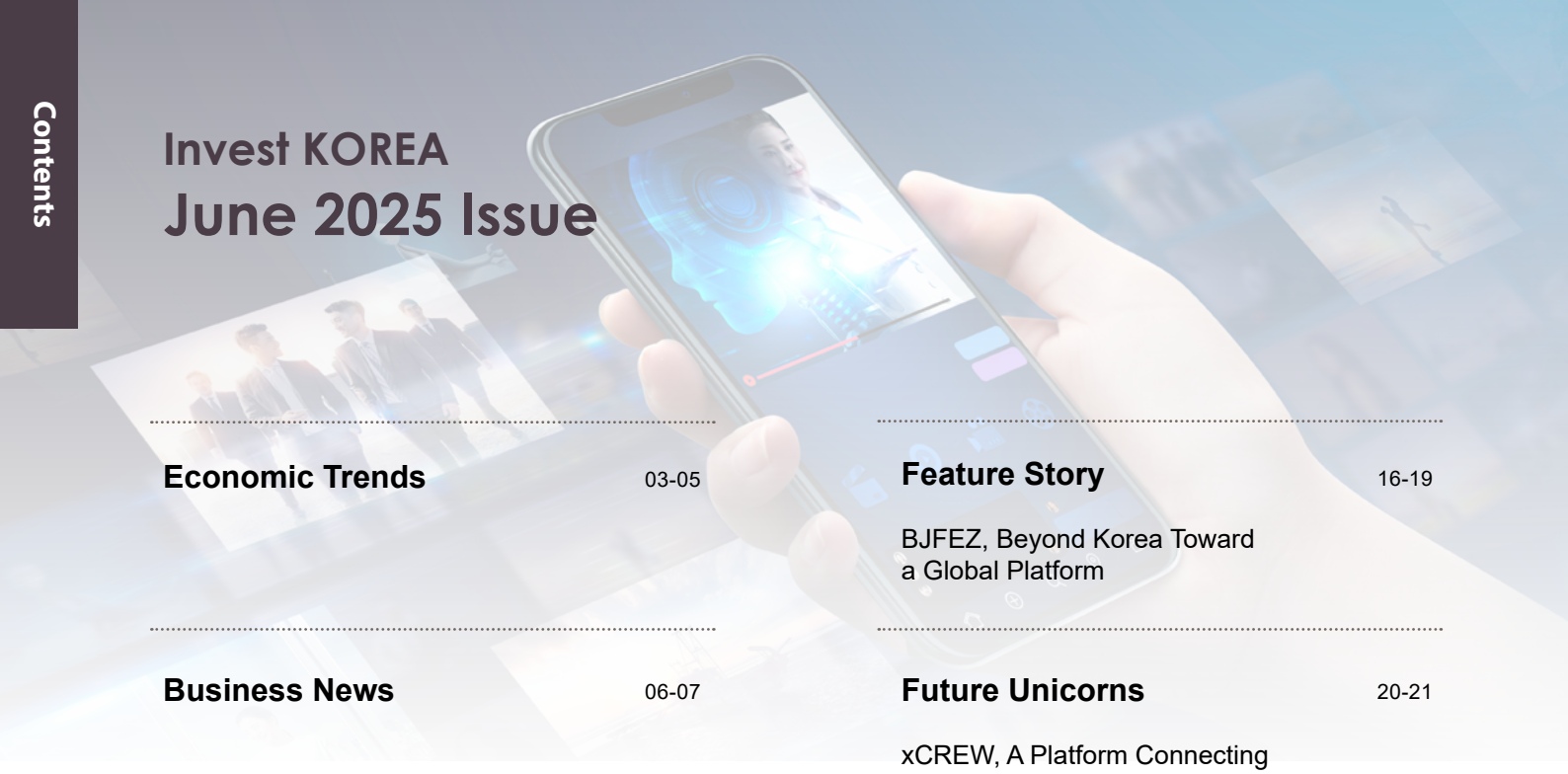


OTT Platforms and Korea's Original Content

BJFEZ, Beyond Korea Toward a Global Platform
Gunsan National Industrial Complexes 1 and 2
Patent Litigation in Korea: Key Features and Strategic Insights for Foreign Investors

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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 showing signs of a slowdown, as external conditions have sharply deteriorated.

- A weakened construction sector is weighing on the recovery of domestic demand, while deteriorating trade conditions are slowing exports.
  - Manufacturing production remains of a favorable trajectory, led by semiconductors, accompanied by a significant increase in related investment.
  - However, the protracted downturn in construction is keeping overall production and domestic demand growth at low levels.
  - Average daily exports declined, led by exports to the U.S., amid worsening trade conditions stemming from recent U.S tariff hikes.

- The global economic slowdown, driven by worsening trade conditions, is expected to exert mounting downward pressure on economic activity, particularly in exports.
  - Global growth forecasts, especially for the U.S and China, have been significantly downgraded, while elevated volatility in global financial markets is dampening economic sentiment both domestically and globally.

*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: Despite improvements in industrial production, overall growth remains subdued, mainly due to weakness in construction. As trade conditions, deteriorate, indicators suggesting an economic slowdown are gradually increasing.

● All-industry production recorded low growth in March (1.2% → 1.3%), comparable to the previous month, as weakness in construction persisted.

- Industrial production maintained a favorable growth trajectory (7.1% → 5.3%), driven by a sharp acceleration in semiconductors (12.3% → 26.8%) and electronic parts (0.3% → 8.5%).
- However, all-industry production growth remained subdued as construction production (-20.2% → -14.7%) continued to contract, while growth in services production (1.2% → 0.7%) also moderated, reflecting slower gains in information and communications (1.7% → 0.2%) and financial and insurance services (3.2% → 1.0%).

● Amid the expansion in manufacturing production, the average capacity utilization rate rose (73.2% → 74.9%), and the inventory-to-shipment ratio declined (107.4% → 103.9%) at the same time.

- On a seasonally adjusted month-on-month basis, domestic demand shipments decreased by 0.4%, while manufacturing shipments rose by 0.9% on the back of a 2.6% increase in export shipments.

● With the recovery in domestic demand delayed and export conditions deteriorating, concerns over an economic slowdown are intensifying.

■ Consumption: The weakness in goods consumption has shown partial signs of easing: however, consumer sentiment remains subdued, indicating a delayed recovery in consumption.

● Retail sales increased, driven by sustained high growth in passenger cars supported by excise tax reductions, suggesting a partial alleviation in the sluggishness in goods consumption.

- Retail sales rose by 1.5% largely due to passenger cars, which recorded robust growth of 10.0% in March following 10.1% in January-February, after a 7.3% contraction in the previous year.
- In contrast, retail sales, excluding passenger cars, grew by only 0.5%, and declined by 1.0% in the first quarter.
- Given that retail sales fell by 3.3% in March of last year, base effects also appear to have contributed in part to the increase.

● Service consumption, however, remains weak across major sectors including accommodation and food services.

- Production in key service industries closely tied to consumption continued to decline, including accommodation and food services (-3.7%), educational services (-1.3%), and arts, sports, and recreation-related services (-0.7%).

● Meanwhile, the Composite Consumer Sentiment Index (CCSI) rose slightly to 93.8 in April form 93.4 in the previous month, yet remained below the baseline (100).

■ Equipment investment: Semiconductor-related investment remains on a favorable trajectory, but downside risks to equipment investment persist amid heightened external uncertainty.

● Equipment investment recorded strong growth in March (8.0% → 14.1%), supported by sustained semiconductor-related investment and base effects from a decline in the same month last year (-4.9%).

● However, with uncertainty surrounding global trade remaining elevated, it could potentially limit further improvement in equipment investing.

■ Construction investment: Construction investment remains sluggish, with the value of construction posting a sharp decline.

● The value of construction completed continued to decline sharply in March (-20.2% → -14.7%), remaining weak with a seasonally adjusted month-on-month decrease of 2.7%.

● However, positive signals for future construction investment are also being observed, as construction orders received, which serve as a leading indicator, have shown improvement since late 2023.

■ Prices: Despite subdued demand-side pressures, the inflation rate continues to fluctuate around 2%, primarily reflecting factors such as a rising exchange rate.

● Consumer prices rose by 2.1% in April, unchanged from the previous month.

- Amid falling global oil prices, petroleum product prices (2.8% → -1.7%) declined, exerting downward pressure on overall inflation.

  * Dubai crude oil ($/barrel): (Feb.) 77.9 → (Mar.) 72.5 → (Apr.) 67.7

- However, processed food prices accelerated (3.6% → 4.1%), driven by higher import prices stemming from the exchange rate increase. Personal services prices increased at a faster pace (3.1% → 3.3%), mainly attributable to policy-driven* increases in insurance service fees.

  * The acceleration in insurance service fees (15.1% → 16.3%) was primarily attributable to premium increases following new guidelines issued by financial authorities.

● As a result, core inflation rose slightly to 2.1%, from 1.9% in the previous month.

- While core inflation edged higher due to exchange rate and policy effects, demand-side price pressures remain muted amid weak domestic demand.

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

Foreign Direct Investment

GM Korea CEO visits Changwon plant amid U.S. tariff-related exit concerns

The chief executive officer (CEO) of GM Korea Co., the South Korean unit of General Motors Co., has visited the automaker's Changwon plant to encourage employees amid growing concerns over a potential withdrawal driven by shifting U.S. tariff policies, the company said on May 16.

GM Korea CEO Hector Villarreal visited the plant, located 298 kilometers southeast of Seoul, on Thursday to meet with employees and reinforce on-site management, the company said in a press release.

The Detroit-based automaker operates two plants in South Korea: one in Bupyeong, just west of Seoul, and another in Changwon. The Bupyeong plant produces the Trailblazer sport utility vehicle (SUV), while the Changwon factory manufactures the Trax Crossover for both domestic sales and exports.

Trade minister vows all-out efforts to boost foreign investment, reshoring firms

Trade Minister Cheong In-kyo said on Apr. 28 that the government will make all-out efforts to attract more foreign investment and support the return of local firms from overseas.

Cheong made the remarks during a policy coordination meeting with local government leaders and officials from the Korea Trade-Investment Promotion Agency (KOTRA), according to the Ministry of Trade, Industry and Energy. He further pledged continued policy support in close cooperation with local governments and free economic zones.

In 2024, South Korea attracted a record high USD 32.57 billion in FDI, the highest since records began in 1962, according to the ministry. Despite global uncertainties, the ministry assessed that FDI has remained resilient this year, noting that South Korea secured USD 6.4 billion in commitments in the first quarter alone.

Trade & Commerce

S. Korea holds bilateral trade talks with 14 partners at APEC meeting

South Korea has discussed ways of enhancing bilateral economic and trade cooperation with the United States, China, Japan and several other partner nations on the sidelines of the Asia-Pacific Economic Cooperation (APEC) meeting amid heightened uncertainties in the global economic and trade landscape, the industry ministry said on May 16.

The two-day APEC Ministers Responsible for Trade Meeting took place on South Korea's southern resort island of Jeju, providing an opportunity for trade ministers of regional economies to engage in one-on-one discussions, according the Seoul's Ministry of Trade, Industry and Energy.

On the sidelines of the meeting, South Korean trade and industry officials held high-level bilateral talks with representatives from 14 of the 20 other APEC member economies, as well as with the director-general of the World Trade Organization (WTO), to explore avenues for trade cooperation and coordination.

KOTRA, AMCHAM to cooperate on regulatory reform, S. Korea-U.S. trade

The Korea Trade-Investment Promotion Agency (KOTRA) and the American Chamber of Commerce in Korea (AMCHAM) on May 15 that they have formed a strategic partnership to promote regulatory reform and boost bilateral trade between South Korea and the United States, the organizations said.

Under a memorandum of understanding (MOU) signed on the day, the two organizations agreed to collaborate on promoting regulatory reform and support initiatives that advance the U.S.-Korea economic partnership. They will set up a joint working-level committee to identify and recommend regulatory improvements to this end.

The two sides also plan to co-host briefings, exhibitions and export consultations while continuing to explore new opportunities to expand bilateral trade and investment.

Industry

S. Korea to build world's largest liquefied hydrogen carrier by 2027

South Korea plans to build the world's largest liquefied hydrogen carrier (LHC) for demonstration purposes by 2027 as part of efforts to develop future growth engines for the local shipbuilding industry, the industry ministry said on May 9.

To this end, the government will invest KRW 55.5 billion (USD 39.5 million) in 2025 alone, according to the Ministry of Trade, Industry and Energy.

LHC is considered a type of high-value and high-tech vessel that is widely expected to play a significant role in the shipbuilding market. The ship, which can transport hydrogen in liquid form, has yet to be commercialized by any country, the ministry explained.

S. Korea, Saudi Arabia host joint business forum on advanced industries

South Korea and Saudi Arabia hosted a joint business forum on May 9 in Seoul to promote the expansion of the countries' bilateral cooperation in advanced industries, Seoul's industry ministry said.

From Riyadh, 20 major companies attended the forum, including the country's biggest wireless carrier STC Group, state-run defense company Saudi Arabian Military Industries and Saudi's first electric vehicle (EV) manufacturer Ceer, according to the Ministry of Trade, Industry and Energy. From Seoul, 100 companies took part to discuss cooperation with Saudi Arabian firms.

The forum discussed possible cooperation between the two countries in information technology (IT), digital infrastructure, EVs, defense, renewable energy and other advanced industries, according to the ministry.

Government & Policy

S. Korea newly adds robotics, defense on list of nat'l strategic technologies

South Korea has newly designated robotics and defense technologies as part of its portfolio of advanced technologies the country aims to strategically develop as new economic growth engines, the industry ministry said on May 12.

The Ministry of Trade, Industry and Energy posted a notification of designation of the two new national strategic technologies on the official gazette, bringing the total number of such technologies to 19.

Before the addition of robotics and defense, South Korea's list of national strategic technologies comprised eight semiconductor-related technologies, four related to displays, three concerning rechargeable batteries and two in biotechnology.

In the robotics sector, the government picked the design, manufacturing and processing technology for humanoid robots capable of moving at speeds of at least 3.3 meters per second and carrying loads exceeding 20 kilograms.

Last year, the government announced a plan to integrate artificial intelligence (AI) and robotics technologies to boost the competitiveness of the Korean humanoid robot technologies to a global top tier level by 2027.

In the defense sector, core materials and components technologies for advanced aircraft engines with a thrust of 15,000 pounds-force or more have been newly listed as strategic technology.

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

Incentives and Support Programs for Industrial Complexes

Incentives and Support Programs

1) Tax Support

There are various preferential treatment measures for occupant enterprises in industrial complexes, with various tax benefits being the most common. The tax support reduces the companies' national and local taxes, thereby reducing their investment burdens and inducing businesses to relocate to industrial complexes, as stipulated in the Restriction of Special Taxation Act and the Restriction of Special Local Taxation Act.

Enterprise	Eligibility	Support	Legal Ground
Occupant Enterprises in Industrial Complexes	• Companies in an industrial complex or a technopark acquiring real estate (until Dec. 31, 2025)	• Reduction of 50% of acquisition tax for land acquired for construction of industrial building and industrial buildings acquired through construction and expansion, reduction of 35% of property tax for 5 years (75% reduction in industrial complexes in places outside the metropolitan area) • 25% reduction of acquisition tax for industrial buildings acquired through repair	• Article 78 of the Restricti on of Special Local Taxation Act
Occupant Enterprises in Agricultural and Industrial Complexes	• Domestic persons running a rural income source development project in an agricultural and industrial complex located outside the city area with a population of 200,000 or more as of the complex designation date outside the overconcentration control region in the metropolitan area • An SME doing business as an occupant enterprise in a Local SME Special Support Area*	• 50% of income tax or corporate tax for 5 years	• Article 64 of the Restriction of Special Taxation Act

* Naju general complex, Gimje-Jipyeongseon general complex, Jangheung bio food complex, Bukpyeong national complex, Bukpyeong general complex Naju general innovation complex, Gangin, Jeongeup hig-tech complex, Damyang general complex, Daema electronic vehicles complex, East-Hampyeong general complex, Sepung general complex (phase 1), Boryeong, Jupo 2nd agro-industrial complex

2) Financial Support

- Financial support according to the relevant development laws for national key industries, technology development and quality improvement projects, and high-tech industries
- Support for facilities funds and working funds for occupant enterprises in agricultural and industrial complexes
- Support for SMEs according to the Support for Small and Medium Enterprise Establishment Act, the Small and Medium Enterprises Promotion Act, and the Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets, etc.
- Low-interest loans for business expenses in general and urban high- tech industrial complexes

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 March 2025, Korea's industrial activities shrank in the service sector (down 0.3 percent month-on-month and up 0.7 percent year-on-year), but increased in the mining and manufacturing sector (2.9 percent and 5.3 percent) and public administration (4.5 percent and 3.8 percent), resulting in an increase in the overall industrial production for the second consecutive month (0.9 percent and 1.3 percent).

Monthly Industrial Activity Trends

Subject	All industries	Mining & manufacturing	Service	Public administration	Retail sales	Capital investment	Construction completed
Monthly Change (%)	0.9	2.9	△0.3	4.5	△0.3	△0.9	△2.7

In March, the manufacturing industry grew faster as semiconductor production hit record high backed by increased demand for AI servers and exports of pharmaceuticals expanded. The service sector saw a decrease, primarily in wholesale and retail trade and financial insurance, due to the base effect from the large increase in the previous month backed by the early distribution of EV subsidies and new product launches, as well as a decline in stock trading. Public administration saw the largest increase in twenty-two months as the government swiftly executed the budget. Even as sales of semi-durable goods (clothing) and non-durable goods (food and beverages) increased, retail sales decreased as sales of durable goods (vehicles and communication equipment) shrank. Equipment investment decreased slightly despite an increase in transportation equipment driven by higher ship imports, as machinery for general industries and other sectors declined. Construction completed fell month-on-month as both building and civil engineering activities declined. The cyclical change in the coincident index rose despite a decrease in construction output, as the number of employed persons and import volumes increased. The cyclical change in the leading index also rose despite falling construction orders, as the term spread widened and stock prices increased.

Production increased for two consecutive months, mainly in the mining and manufacturing and public administration sectors, but domestic demand, including consumption and investment, declined. Overall, economic sentiment weakened in the first quarter, and the growth rate of total industrial production slowed due to temporary factors (i.e., wild fires, accidents, heavy snowfall, and cold weather) and a slowdown in export growth. The government will make every effort to effectively respond to trade-related risks and revitalize domestic demand.

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

Trends by Industry

Automotive

Exports Grew for the First Time in Fourth Month, Driven by a Surge in Exports of Hybrid Vehicles

In February 2025, exports grew by 11.8 percent year-on-year, supported by robust global demand for South Korean hybrid vehicles. As a result, exports increased for the first time in four months. Domestic demand in January fell by 9.1 percent year-on-year despite an increase in the number of imported vehicles registered, due to sluggish sales of domestically produced vehicles. Production in January saw a double-digit decrease as both domestic sales and exports remained weak.

General machinery

Production Turned Downward due to the Combined Impact of Sluggish Domestic and Export Markets

In January 2025, production fell by 7.5 percent year-on-year, affected by weak domestic demand. February exports decreased by 12.3 percent year-on-year due to the continued decline in exports to the United States and the base effect. January imports increased by 9.0 percent year-on-year as capital investment rose.

Shipbuilding

Exports Fell due to the Base Effect, But Production Continued Increasing

In January 2025, production increased by 17.1 percent year-on-year, and shipments also rose by 10.8 percent. Exports in February decreased by 10.8 percent, affected by the base effect of the delivery of offshore plants in the same month last year. Imports in January increased by 194.4 percent due to the large influx of ships. All of South Korea's three major shipbuilders have turned profitable for the first time in thirteen years, showing signs of improved profitability. However, concerns persist over intensifying competition amid China's growing share in new orders.

Steel

Exports Continued to Decline due to Weak Unit Prices, While Production Fell Further due to the Impact of the Off-Season

In January 2025, production declined by 10.8 percent year-on-year as demand weakened due to sluggish domestic demand, the industry entered the seasonal off-season, and the long Lunar New Year holiday slashed the month's working days. In February, exports, affected by weak export unit prices, decreased by 4.4 percent year-on-year despite the growth in exports to major customers such as ASEAN and the United States. January imports fell by 10.7 percent year-on-year as demand weakened due to sluggish domestic demand and import volumes fell against rising prices of Chinese products.

Oil refining

Exports Fell by 12.2 Percent Year-on-year, Affected by Weak Refining Margins and Lower Volumes

January production decreased by 4.3 percent year-on-year due to a downward adjustment in operating rates caused by weak refining margins and the aftermath of regular maintenance. February export revenue fell by approximately USD 540 million year-on-year, affected by a decline in unit prices and a reduction in volume caused by expanded regular maintenance.

Semiconductor

Exports Fell Year-on-year for the First Time in Sixteen Months

In February 2025, exports fell by 3.0 percent year-on-year and reached USD 9.6 billion, but the amount was the third highest for the month of February. The semiconductor production index for January stood at 166.3 to fall by 20.8 percent decline year-on-year and 0.1 percent month-on-month, maintaining a downward trend for four straight months.

Wireless communication devices

February Exports Surged by 42.3 Percent, Driven by Continued Growth in Global Smartphone Shipments

In February, semiconductor exports surged, mainly due to the release of new flagship models by South Korean companies (February 7) and an increase in high-value-added components for AI and foldable smartphones. January production increased by 4.4 percent year-on-year, while shipments shrank by 6.5 percent. Inventory fell by 15.2 percent, and the operating rate rose by 15.0 percent. January imports shrank by 29.2 percent year-on-year, primarily driven by declines in smartphones (-25.8 percent), smartphone parts (-20.7 percent), and wireless communication device parts (-18.2 percent).

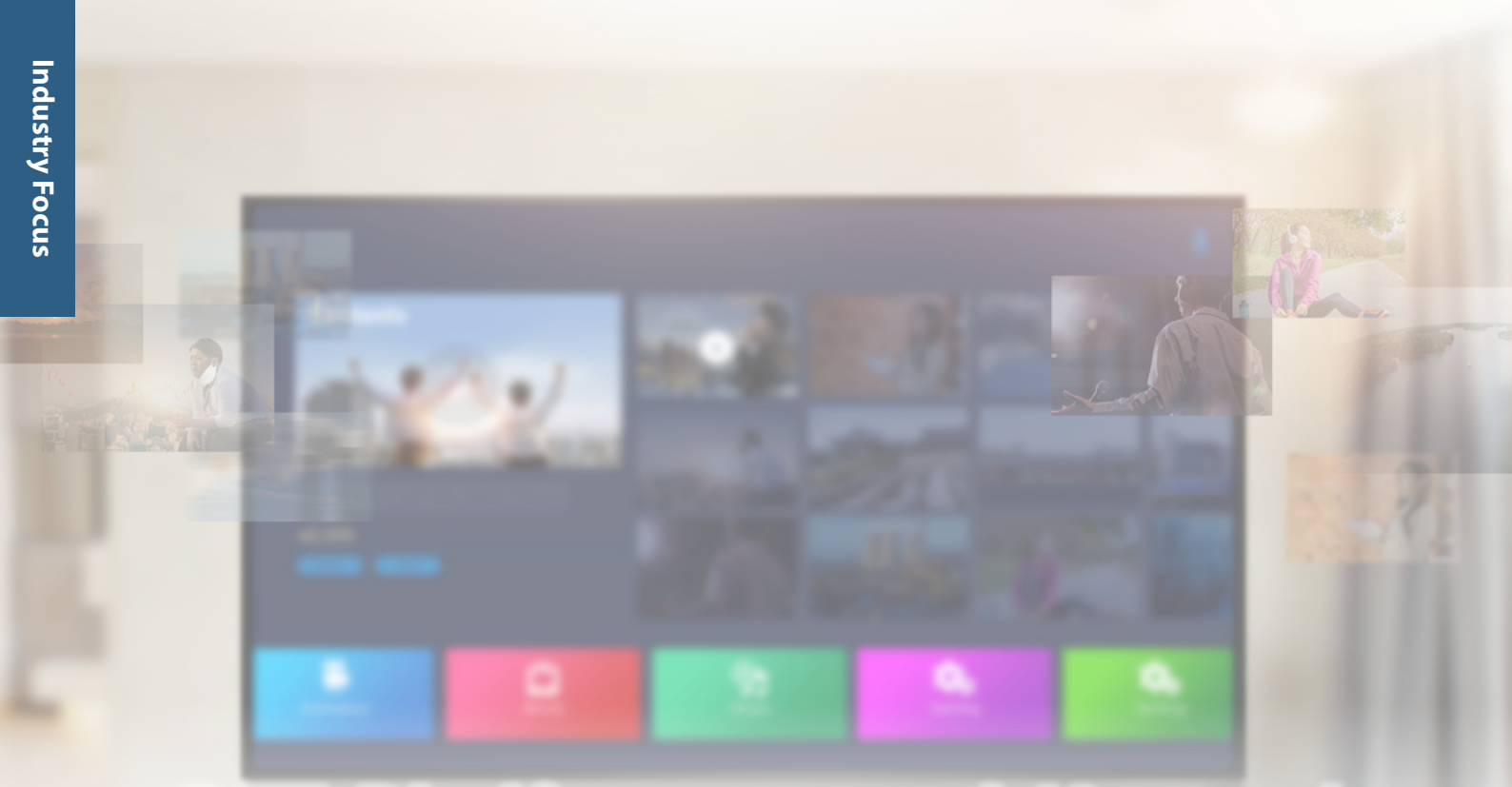
Display

Despite Rebound in OLED Demand, Exports Continued Declining due to Falling Panel Unit Prices

In February 2025, exports fell by 5.8 percent year-on-year as panel unit prices weakened. The production index for January was 60.5, down 1.6 percent year-on-year and 8.1 percent month-on-month.

** 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)



OTT Platforms and Korea's Original Content

OTT Platforms: Current Status

With the development of smart devices and the internet, media consumption patterns have changed around the world, leading to rapid growth in the over-the-top (OTT) market. According to Global Information (GII), a global market research firm, the OTT market size is estimated to reach USD 542.3 billion by 2024. Moreover, it is projected to grow at an average annual rate of 37.1% from 2024 to 2030, reaching approximately USD 3.6 trillion by 2030. In South Korea, the number of OTT service users have been steadily growing, at an average annual growth rate of 5.4% from 2020 to 2024.

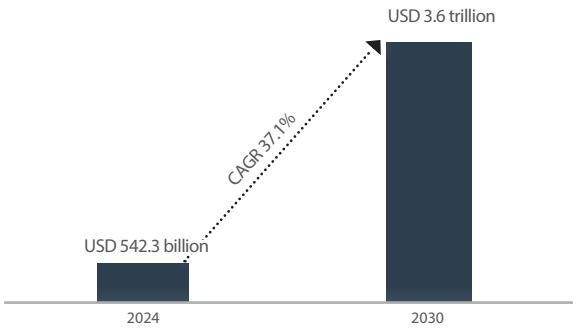
In the United States, the number of paid TV subscribers, including cable, satellite, and IPTV, fell from 83% in 2013 to 64% in 2023.[1] The case is similar in South Korea: fewer households are subscribing to paid TV broadcasts due to factors such as increased OTT usage and low subscription rates for paid TV broadcasts among single-person households. As of December 2023, the total number of paid broadcasting subscribers was 36.3 million, with the growth rate[2] continuing to decline since 2016.[3] On the other hand, the OTT service usage rate has been steadily increasing, rising from 72.2% in 2020 to 89.2% in 2024. The OTT market is expected to grow further in line with global trends such as cord-cutting (canceling paid TV subscriptions) and the emergence of cord-nevers (people who have never subscribed to paid TV).

The global OTT market is seeing intensifying competition among global giants such as Netflix, Disney+, Apple TV+, and Amazon Prime. Netflix is leading the OTT market in South Korea, and according to WiseApp and Retail, the OTT apps with the most users in South Korea are Netflix (14.2 million), followed by Coupang Play (7.6 million), Tving (6.3 million), Wavve (2.7 million), and Disney+ (2.4 million) as of January 2025.[4]

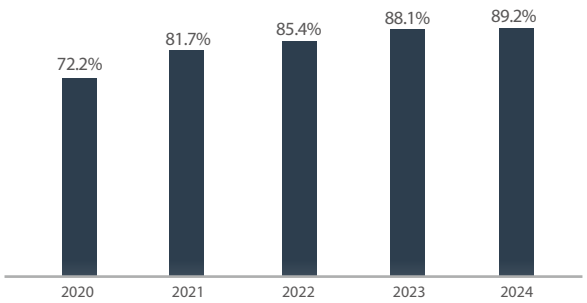
While homegrown OTT platforms are trying va-

Size of the Global OTT Market and the Growth of OTT Service Users in South Korea

Size of the Global OTT Market



Growth of OTT Service Users in South Korea



Source: (Left) https://www.giikorea.co.kr/report/tsci1667886-over-top-market-global-industry-size-share-trends.html,
(Right) Based on KISDI STAT Report: Key Results of the Broadcasting Industry Census 2024 (page 6, vol.24-19) published by the Korea Information Society Development Institute (January 30, 2025)

rious strategies to attract users, they face challenges in competing with global OTT platforms as they lack in content and capital. In other words, each platform needs differentiated original content to appeal to users, but South Korean platforms, when compared with their global rivals, lack the capital and resources needed to produce such content. To support them, the South Korean government plans to establish a KRW 1 trillion K-Content Media Strategy Fund by 2028 to make homegrown OTT platforms more competitive. In addition, the Korea Creative Content Agency is working with South Korean OTT platforms such as Tving, Wavve, and Coupang Play and funding their production of dramas and non-dramas.

Global OTT Platforms Rushing to Invest in South Korean Content

Global OTT platforms are expanding their user base by producing differentiated original content. Especially noteworthy is that cultural content is highly subject to cultural discount, referring to content produced in a specific country devalued when it is launched in other cultural regions due to cultural and linguistic differences. In response, Netflix and Disney+ are trending toward producing content by resorting to localization strategies to reflect the cultures of their viewers.

Meanwhile, Korean original content is widely produced as K-content is gaining popularity in the global market. One of the best examples is Netflix's original series Squid Game Season 1. The show was produced with a budget of approximately USD 21.4 million and is estimated to have generated around USD 900 million in value.[5] In other words, Squid Game Season 1 yielded a return of about 40 times the production cost. Building on the success, Netflix has announced plans to invest a total of USD 2.5 billion in Korean content from 2023 to 2026.[6]



[1] https://evoca.tv/cord-cutting-statistics/
[2] (2016) 6.2% → (2017) 5.5% → (2018) 3.5% → (2019) 3.2% → (2020) 2.9% → (2021) 2.8% → (2022) 1.5% → (2023) 0.0%
[3] Korea Information Society Development Institute (Dec. 31, 2024), 'Key Results of the Broadcasting Industry Census 2024', 「KISDI STAT Report」, vol.24-19, p.6.
[4] https://www.wiseapp.co.kr/insight/detail/626
[5] https://www.bloomberg.com/news/articles/2021-10-17/squid-game-season-2-series-worth-900-million-to-netflix-so-far
[6] https://about.netflix.com/ko/news/netflixkoreainvestment

As Korean content gains popularity in the global market, the number of original content productions is also increasing rapidly. The number of Korean original content productions, which stood at just four in 2018, is expected to rise to 32 by 2025.[7] In fact, during the period from May 5 to May 11, 2025, four South Korean shows - Weak Hero: Class 2, Heavenly Ever After: Limited Series, Resident Playbook: Limited Series, and The Devil's Plan: Season 2 made the top 10 non-English shows list.[8]

Disney+ has also been ramping up its investment in South Korean content since its official launch in the country in November 2021. Moving, released in August 2023, became the most-watched South Korean original content, and contributed to securing seven million subscribers in the fourth quarter of 2023.[9] As of 2023, nine of the top 15 content titles were South Korean,[10] indicating that subscribers are growing more interested in South Korean content. Disney+ plans to release eight Korean original content titles in 2025, including Trigger, Nine Puzzle, and Tempest. The platform is strengthening partnerships with South Korean production companies such as Studio & NEW and KeyEast to find and stream South Korean content.

Global OTT platforms' investments in South Korean are playing a role in expanding the global market presence and user base for South Korean video content such as drama shows and movies. Additionally, as original content expands beyond drama shows to variety shows, South Korean video content across various genres now has the opportunity to enter overseas markets.

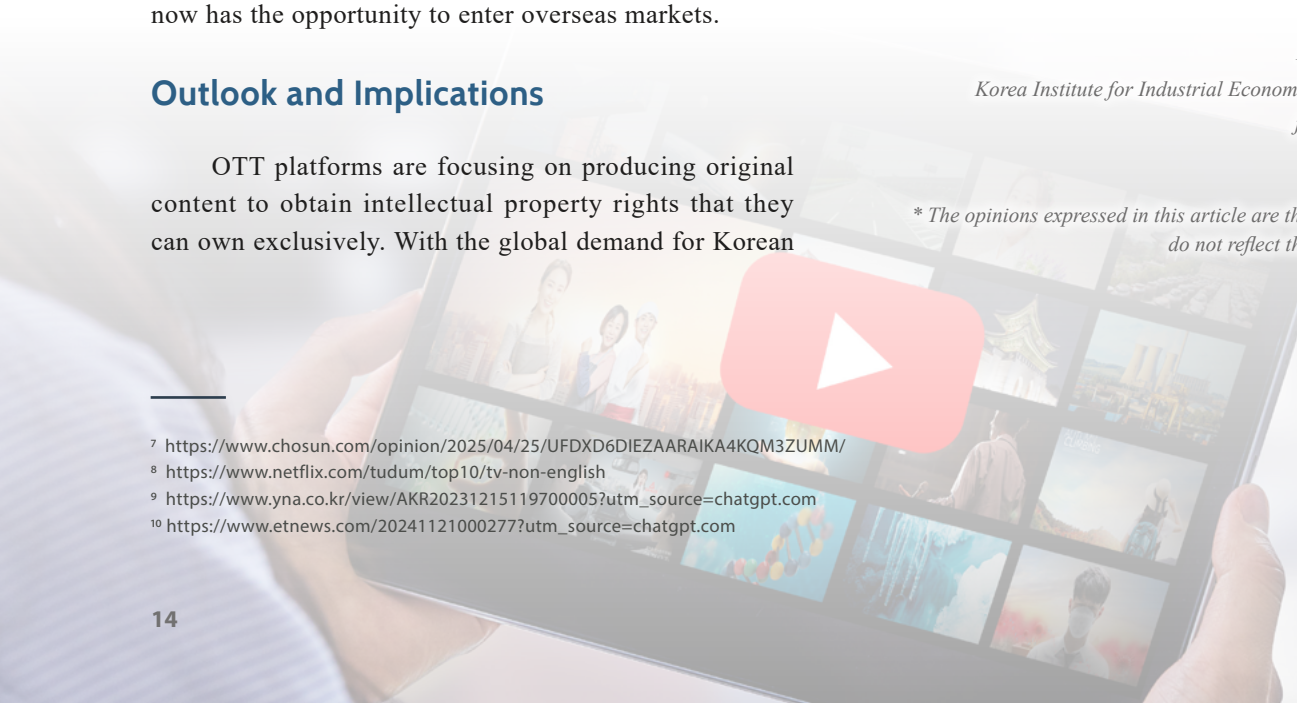
Outlook and Implications

OTT platforms are focusing on producing original content to obtain intellectual property rights that they can own exclusively. With the global demand for Korean video content such as Squid Game, All of Us Are Dead, Moving and Pachinko on the rise, investment in this area is expected to expand further. Additionally, the popularity of Korean webtoons is driving a virtuous cycle where original content based on webtoon IP with high box office potential is being produced, and further raises interest in the original webtoons.

As global OTT platforms invest more in South Korea, local production companies can enjoy the benefits of being provided with a stable production environment and opportunities for global expansion. At the same time, however, local production companies, as suppliers of content, are unable to secure IP rights or enjoy additional revenue, leading to dependence on platforms and potential imbalances in revenue generation. Therefore, from a long-term perspective, it is necessary to explore ways for local production companies to build diverse revenue structures by owning IP rights or seeking joint ownership. For example, a licensing agreement could be established where OTT platforms purchase exclusive streaming rights only for a certain period while production companies retain IP ownership, and production companies and OTT platforms, as partners, work together for stable distribution, global expansion, and improvements in IP revenue structures.

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



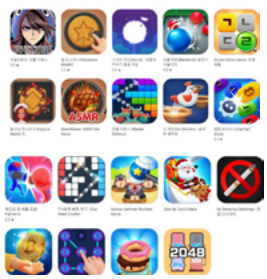
[7] https://www.chosun.com/opinion/2025/04/25/UFDXD6DIEZAARAIKA4KQM3ZUMM/
[8] https://www.netflix.com/tudum/top10/tv-non-english
[9] https://www.yna.co.kr/view/AKR20231215119700005?utm_source=chatgpt.com
[10] https://www.etnews.com/20241121000277?utm_source=chatgpt.com

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 cultural content industry.

COMPANY A

Investment Requirement		Company Profile	
Amount	USD 3 Million	**Patents and Certificates**	- Registered 1 patent and 4 trademarks incl. grouping-based games according to users' play tendencies - Applied for 3 patents, 2 trademarks
Investment Structure	Equity Investment, Joint Venture, M&A	**Financial Performance**	(Sales in 2023) USD 0.37 million



Game Portfolio
Developed 18 casual games and 1 puzzle RPG game, securing the prototype of various games

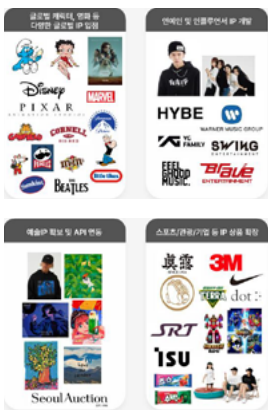
Investment Highlights

- **Modularized in-house game development:**
  The company is an indie game developer that creates puzzle RPGs, where players collect characters through puzzles, and hyper-casual games using a modular development approach. This method allows for the flexible addition or modification of features in games and the reuse of development results for new game releases. One of the company's games, a horizontal idle game featuring 3D characters is expected to gain popularity in Japan, Taiwan, and other regions. Additionally, the company currently services a that is already popular in Korea, Taiwan, and other markets.

- **Key characteristics of core technology**
  - In the early stages of game development, related game mechanics, production tools, and implementation elements are structured, and the development schedule is organized into rules
  - Game content & systems (modules) are developed separately and developed in a way that is later combined, so that it can flexibly respond to modification, changes, and new game development

COMPANY B

Investment Requirement		Company Profile	
Amount	USD 1.5 million	**Patents and Certificates**	Trademark registered
Investment Structure	Equity Investment	**Financial Performance**	(Sales in 2023) USD 1.12 million



Ulkin Canvas – IP Discovery & Distribution

Investment Highlights

- **Visual IP Commerce Solution:**
  The company develops an on-demand visual IP commerce solution that offers licensing sales opportunities to visual IP (license) owners under copyright protection. Consumers can directly purchase or trade products with embedded visual IPs such as art IP, character IP, and celebrity IP. The solution builds an ecosystem where users can securely trade visual IP worldwide, while providing innovative services that enable proper valuation and revenue sharing of visual IPs, similar to music copyright.

- **Key characteristics of core technology:**
  - Multi-layer content editor with dimension mapping optimized for physical object printing
  - A system that recommends mockups of IP products by combining personalized visual IP and products
  - Computer vision, cloud/mobile AI-based IP recommendation and recombination simulation technology
  - Provides proof of IP and design copying using an image big data engine



Focus on Busan-Jinhae Free Economic Zone Authority:

BJFEZ, Beyond Korea Toward a Global Platform

In a special one-on-one interview, Invest Korea talks to BJFEZ Commissioner Park Seong-ho, who elaborates on his vision for the next 20 years of innovation and growth in the Busan-Jinhae region.

Commissioner Park Seong-ho of the Busan-Jinhae Free Economic Zone Authority is actively laying the groundwork for the next 20 years of innovation and growth, with the ambition of elevating BJFEZ into a global investment hub. He is driving forward a robust dual-track strategy centered on regulatory reform and aggressive investment attraction. In the following interview, he shares his insights and vision for the future.

BJFEZ is gaining recognition as a strategic hub for global investors. What are its key competitive strengths?

The Busan-Jinhae Free Economic Zone (BJFEZ) is emerging as a new growth engine for the Korean economy and a premier logistics hub of Northeast Asia. It is strategically located at the center of a logistics "Tri-Port," connecting a gateway airport, a major intersection of trans-Pacific maritime cargo, and the starting point of southern inland freight routes.

BJFEZ is home to the Port of Busan, the world's second-largest transshipment port and the seventh-largest container port by volume.

Moreover, its proximity to the Southeast Manufacturing Belt—linking Ulsan, Busan, and Changwon—provides optimal conditions for collaboration with key industries such as machinery, shipbuilding, aerospace, automotive, and marine equipment manufacturing.

Could you share this year's foreign investment targets and your achievements so far?

Considering uncertainties such as strengthened protectionist policies in the U.S. and concerns over Korea's low-growth trend, BJFEZ has set this year's targets at USD 180 million in FDI and KRW 600 billion in domestic investment.

Thanks to the dedicated efforts of our team, we have seen promising results. In January, we signed an MOU worth KRW 14 billion (approximately USD 10 million) with Kokusai Express, a leading Japanese logistics company.

In April, we secured another agreement with Allcargo ULS Terminal, a subsidiary of India's largest logistics group, Allcargo, for an investment of approximately KRW 10 billion.



As of the end of April, foreign direct investment (FDI) reached USD 352 million, setting a new record for a four-month period. This represents an increase of approximately 66% compared to the same period in 2024 (USD 211.69 million). This result is particularly notable as it was achieved under challenging conditions, including the global economic slowdown and ongoing supply chain uncertainty.

BJFEZ hosts a large number of tenant companies. What initiatives are you pursuing for them?

More than 2,200 companies are now operating within BJFEZ, and this number continues to grow.

We are committed not only to providing infrastructure but also to building an environment where companies can operate and expand with confidence.

A key initiative is the "Enterprise Field Forum," jointly hosted with the BJFEZ Tenant Association on a quarterly basis. This forum aims to reflect companies' on-site needs into policies and foster inter-company collaboration.

In addition, we are launching programs such as the "Company Communication Team" and the "Corporate Support Advisory Group" to deliver practical support directly to our tenants.

What is BJFEZ's mid- to long-term vision?

BJFEZ boasts world-class infrastructure and limitless potential to become a new economic center of Northeast Asia.

We are fully committed to evolving BJFEZ into the most sought-after free economic zone for global companies.

To achieve this, we will strongly promote four strategic pillars:

- Activation of integrated logistics centered on the MEGA Tri-Port,
- Development of future-oriented advanced industries,
- Establishment of a global-level business environment, and
- Creation of premium tourism and leisure complexes.

Ultimately, we aim to transform BJFEZ from merely a manufacturing site into a "platform" where global businesses design their futures and grow together.

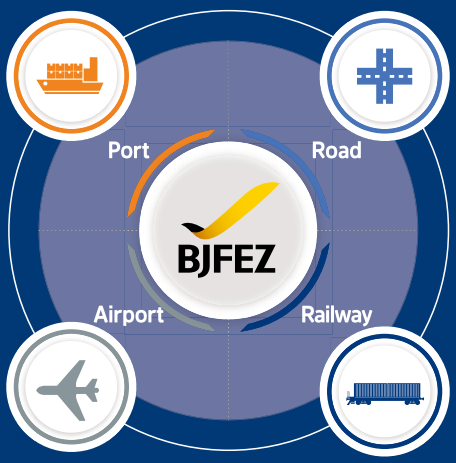


INVEST IN BUSAN-JINHAE
FREE ECONOMIC ZONE

BJFEZ IN KOREA



The global hub for international business and logistics



Your Success is our Top Priority!

BJFEZ is ready to assist in all steps of your decision-making process



xCREW, A Platform Connecting People Around the World

About the Company

xCREW is a global sports activity platform established in 2020, and it is rapidly growing in the global market with bases in Seoul and the United States. Having noticed that advances in digital technology often result in disconnecting human relationships, xCREW leveraged technology to create a genuine space for people to meet and communicate directly, fostering true connections. The platform connects sports enthusiasts worldwide, enabling them to work out together, find healing, and achieve their goals, thereby building a global community where new friendships are formed.



Background

Kwak, the founder of xCREW, drew inspiration from the complex and high barriers he encountered when he first started camping. As a beginner camper, he found

that essential information such as purchasing camping gear, selecting the camping site, and learning how to use the gear was scattered and complicated, making it difficult for beginners to access. Online searches only added the confusion as he was inundated with information, and the stringent registration processes and ranking systems of online communities created yet another barrier. The experience made Gwak realize that there are high entry barriers for beginners not only in camping but almost all sports and outdoor activities. He launched xCREW in January 2021 as a platform that can tackle these challenges.

About the Product

xCREW is a platform that helps beginners easily get started with sports and outdoor activities. After signing up, users can select their desired activities, members to work out with, and locations, and an AI-based recommendation solution will provide the optimal options from among 23,000 professional crew leaders (suppliers) and 43,000 verified products worldwide. From selecting a location to preparing for the activity, users benefit from the expert knowledge and recommendations of crew leaders and can minimize stress and the likelihood of failure while having a satisfying experience guaranteed.

Competitive Edge and Business Strategy

xCREW has already successfully verified its product-market fit (PMF) in the South Korean market and has consistently achieved the break-even point (BEP) from 2023 to the present. Especially notable is that the company maximized operational efficiency and automation in 2024, enabling a single employee to handle tasks previously managed by fifteen people. This resulted in significant cost savings while simultaneously increasing revenue and operating profit. Building on this successful model, xCREW entered the US market in October 2024, establishing offices in Los Angeles and San Francisco. xCREW has confirmed the same challenges in the US market and successfully verified its product-market fit, and is now focusing on expanding its business and increasing market share.

Future Plans

As of 2024, the tour and activity reservation market in South Korea is estimated to be approximately KRW 6.5 trillion. In contrast, the American running market alone is as large as the entire South Korean market, and has high growth potential. xCREW plans to first target major cities in the US and then rapidly expand to key cities in Europe and Asia. The aim is to resolve the chronic issues of the activity market and emerge as the unrivaled leader in the global sports activity platform sector.

Please look forward to the growth of xCREW, a community platform where sports enthusiasts worldwide can work out together, find healing, and achieve their goals.

US : https://xcrew.us
KOR : https://xcrew.kr

By Sangjoon Kwak
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xCREW
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** 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



GANGWON-DO

DMZ Museum

DMZ Museum is the only DMZ (Demilitarized Zone) Specialty Museum in the world and is located in the northern most CCL (Civilian Control Line) in South Korea. Inside the Museum, various materials realistically show times before, during and after the Korean War. Its Multi-purpose Center can be used as venues for various seminars, academic conferences and corporate meetings.

Venue & Rental Information

- Address: 369 Unification Observatory-ro, Hyunnae-myun, Goseong-gun, Gangwon-do, Korea
- Phone Number: +82-33-681-0625
- Homepage: www.dmzmuseum.com/en
- Inquiries: +82-33-681-0625
- Major Events Held in Recent Years: International Forum on the Peace Economy (2019) / DMZ art-POP World Festa (2019) / Peace Meeting for Reopening of Kaesong Industrial Region & Mount Kumgang (2019)

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





Investment Incentives: Tax Reduction and Exemption

The Korean government provides incentives in the form of reductions and exemptions of taxes including acquisition tax, property tax, customs duty, and valueadded tax for foreign investors in order to promote investment and national economic development through the transfer of advanced technologies. Tax reductions or special provisions on taxation are also provided to foreign engineers and workers.

Tax Reduction and Exemption for Foreign Investment under the Restriction of Special Taxation Act

In Detail	Tax reduction and exemption	Related law
Foreign-Invested Company	Reduction/exemption of acquisition tax and property tax on acquired or held real estate	Restriction of Special Local Taxation Act , Article 78-3
	Exemption from customs duty, individual consumption tax, and value-added tax by bringing in capital goods	Restriction of Special Taxation Act , Article 121-3 (1), (2)
Foreign Engineer	50% of Income tax reduction and exemption (for 10 years)	Restriction of Special Taxation Act , Article 18
Foreign Worker	Flat tax rate of 19% (for 20 years)	Restriction of Special Taxation Act , Article 18-2

Eligibility and Procedure

Eligible Businesses

Businesses eligible for tax reduction and exemption are defined in Article 121-2 of the Restriction of Special Taxation Act and Article 116-2 of the Enforcement Decree of the Act.

Eligible Businesses (related law)	Investment Requirements, etc.	
	Business	FDI Amount
- Technologies for new growth engine industries and source technologies - Technology for materials and production processes directly related to new growth engine industries and source technologies * Attached Table 7 of the Enforcement Decree of the Restriction of Special Taxation Act , Attached Table 14 of the Enforcement Rules of the Act	A manufacturing facility is installed or operated for the business	At least USD 2 million

Eligible Businesses (related law)	Investment Requirements, etc.	
	Business	FDI Amount
Companies in a foreign investment zone (individual type) as prescribed by Article 18 (1) 2 of the Foreign Investment Promotion Act and companies in a free trade zone, Jeju Advanced Science and Technology Complex, Jeju Investment Promotion Zone, etc. that have undergone review and received approval by the relevant committee * Companies in former free export zones are granted the same tax reduction as companies in a foreign investment zone (individual-type)	Manufacturing, etc.	At least USD 30 million
	Tourism	At least USD 20 million
	Resort	
	International conference facilities	
	Youth training facilities	
	Logistics	At least USD 10 million
	SOC	
	R&D	At least USD 2 million
	Joint venture	At least USD 30 million
Companies in a free economic zone * Article 2 subparagraph 1 of the Special Act on Designation and Management of Free Economic Zones	Manufacturing, etc.	least USD 10 million
	Tourism	
	Resort	
	International conference facilities	
	Youth training facilities	
	Logistics	At least USD 5 million
	Medical institutions	
	R&D	At least USD 1 million
Development project entity in a free economic zone * Article 8-3 of the Special Act on Designation and Management of Free Economic Zones	Total development projects worth at least USD 500 million with: - Foreign investment of at least USD 30 million or; - Foreign investment ratio of at least 50%	
Development project entities in Jeju Special Investment Promotion Zone * Article 162 of the Special Act on the Establishment of Jeju Special Self-Governing Province and the Development of Free International City	Total development projects worth at least USD 100 million with: - Foreign investment of at least USD 10 million or; - Foreign investment ratio of at least 50%	
Companies in a foreign investment zone (complex-type) as prescribed by Article 18 (1) 1 of the Foreign Investment Promotion Act	Manufacturing	At least USD 10 million
	Logistics	At least USD 5 million
Companies in an enterprise city development zone * Article 2 subparagraph 2 of the Special Act on the Development of Enterprise Cities	Manufacturing, etc.	At least USD 10 million
	Logistics	At least USD 5 million
	R&D	At least USD 2 million
Development project entities in enterprise city development projects * Article 10 (1) of the Special Act on the Development of Enterprise Cities	Total development projects worth at least USD 500 million with: - Foreign investment of at least USD 30 million or; - Foreign investment ratio of at least 50%	
Businesses or development project entities in the Saemangeum project area * Article 2 and 8 of the Special Act on Promotion and Support for Saemangeum Project	Manufacturing	At least USD 10 million
	Tourism	
	Logistics	At least USD 5 million
	R&D	At least USD 1 million
Businesses for which a tax reduction or exemption is inevitably allowed * Article 10 (1) 2 and 5 of the Act on Designation and Management of Free Trade Zones	Manufacturing	At least USD 10 million
	Logistics	At least USD 5 million



Patent Litigation in Korea: Key Features and Strategic Insights for Foreign Investors

In today's global economy, the protection and enforcement of patent rights have become more critical than ever. As cross-border investment and technology transfers grow, so does the need to understand how different jurisdictions handle patent disputes.

Korea, as one of the world's most innovation-driven economies, presents both opportunities and challenges in patent enforcement. This article provides practical guidance on Korea's patent litigation system.

Bifurcated System Structure

Korea adopts a bifurcated approach, separating invalidation from infringement proceedings. The Korean Intellectual Property Trial and Appeal Board (KIPT) has exclusive jurisdiction over invalidation trials, which may only be initiated by parties with a vested interest. Infringement remedies, such as damages or injunctions, are pursued through civil litigation in district courts. While invalidity arguments may be raised in court under the legal doctrine of abuse of rights, the court's finding of invalidity in this context does not have a binding effect on the public at large. Appeals from both types of proceedings follow a unified appellate route through the Patent Court and, ultimately, the Supreme Court.

Remedies and Enhanced Damages

Patent holders may seek injunctive relief to prohibit or prevent the manufacture and sale of infringing products, as well as request the destruction of infringing materials and the removal of equipment used in infringing activities. Such relief may also be pursued through preliminary injunctions if specific requirements are met. Preliminary injunctions are generally regarded as the fastest and most effective interim relief.

Damages must be sought through main proceedings. While patent holders must establish the occurrence of damage, they may seek compensation based on reasonable royalties even without direct proof of actual economic loss. Since mid-2019, Korea has strengthened protection for IP rights holders by introducing enhanced damages, which are up to five times the base amount for infringement of patents, utility models, and trade secrets, and up to three times for trademarks and designs. However, the cap for the latter will increase to five times effective July 22, 2025.

Procedural Features

A notable feature of Korean patent litigation is its sequential hearings, often commencing before all evidence is fully submitted. Main proceedings typically involve 3 to 6 hearings at 4 to 6-week intervals; preliminary injunctions typically require 1 to 3 hearings, spaced 2 to 3 weeks apart. Although Korea lacks formal discovery, courts permit various evidence-gathering methods, such as document production, testimony, expert appraisals, fact-finding inquiries, and site inspections. In preliminary injunctions, admissible evidence is generally limited to written materials. First-instance rulings in main proceedings may include provisional execution orders, which can be suspended upon appeal with a cash bond. By contrast, preliminary injunctions are rarely suspended, making them powerful enforcement tools.

Procedural Flexibility

Korean patent litigation offers greater procedural flexibility than many other jurisdictions. For instance, (i) new claims may be added during litigation; (ii) the amount of damages claimed may be increased post-filing; (iii) courts may assess damages before confirming infringement; (iv) new patents may be added to the case during proceedings; (v) defendants may raise invalidity arguments under the doctrine of abuse of rights, and the underlying grounds for invalidation and/or supporting prior art may be subsequently supplemented or amended during the proceedings; (vi) expert testimony is permitted if a written expert opinion is submitted, although rarely used; and (vii) courts often await the outcome of a KIPT trial if a related infringement lawsuit is pending, though formal stays are uncommon.

Invalidation Trials

Korean Invalidation trials are inter partes proceedings between the petitioner (typically an alleged infringer) and the patent holder. Key features include: (i) the respondent must respond within 30 days (extendable) of receiving the petition and may amend claims during this period but, unlike EU practice allowing multiple auxiliary requests, only one set of amendments is permitted; (ii) the trial panel sets deadlines for submissions, generally stricter than in civil litigation; (iii) petitioners may introduce new invalidity grounds or prior art during proceedings; (iv) the panel may examine unraised grounds ex officio but must allow parties to comment; (v) claim amendments are permitted in response to newly introduced grounds, prior art, or panel requests; (vi) evidence collection mirrors civil litigation, though most evidence is submitted in writing; (vii) oral hearings are typically limited to one session, with post-hearing written submitted permitted; (viii) once the panel deems all key issues addressed, it sets a final deadline for any additional briefs or evidence, disregarding late submissions, then issues a notice of conclusion followed by a decision usually within 2 to 3 days; and (ix) trials typically conclude within 6 to 12 months if involving prior art, or 4 to 6 months without prior art or under expedited review (often granted when related litigation is pending).



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Gunsan National Industrial Complexes 1 and 2

The Center of the West Coast Industrial Belt Emerging as Next-Generation Industrial Complexes

Designated in 1987 and 1989, respectively, Gunsan National Industrial Complexes 1 and 2 pioneered the development of the west coast as the country sought balanced national development. They were established to supply new industrial sites and expand national territory through coastal reclamation. Spanning a vast area of 21,440,000m², the complexes were home to industrial giants such as Daewoo Motor (now GM Korea), Doosan Infracore (now HD Hyundai Infracore), and Hyundai Heavy Industries, and developed into a hub for the automotive, machinery, and shipbuilding industries.

Gunsan National Industrial Complexes 1 and 2 have access to various transportation networks, including railways and ports. The Gunsan Port located within the complexes serves as the only trading port in Jeonbuk Special Self-Governing Province and is adjacent to the newly-developed Saemangeum New Port, making it an ideal location for maritime trade with China. As a result, the complexes serve as a key industrial hub accounting for approximately 58% of production and employment in Gunsan and approximately 14% of production and employment in the Jeonbuk Special Self-Governing Province. They rank first in employment, second in export volume, and third in production volume in Jeonbok, contributing significantly to the regional economy.

Gunsan National Complexes 1 and 2

· Location

- Gunsan National Complex 1: Around the seas of Soryong-dong, Gunsan, Jeollabuk-do
- Gunsan National Complex 2: Around the seas of Osik-do and Bieung-do, Gunsan, Jeollabuk-do

· Area

(Unit: 1,000 m^2)

	Total Area	Industrial Facilities	Supporting Facilities	Public Facilities	Green Area
Complex 1	6,828	5,577	99	831	321
Complex 2	13,356	8,873	1,009	2,093	1,381

The shutdown of Hyundai Heavy Industries in 2017 and the subsequent closure of GM Korea's factory the following year pushed the complexes into a crisis as they suffered a significant decline in production, exports, and employment. As a result, Gunsan was designated as the country's first Special Zone for Industrial Crisis Response in 2018. However, perseverance eventually paid off. Gunsan National Industrial Complexes 1 and 2 are overcoming the crisis by patiently seeking a new industrial transformation. In 2022, the Gunsan shipyard of Hyundai Heavy Industries resumed operations and is seeing an increase in production. In 2023, the Saemangeum National Industrial Complex was designated as a complex specializing in secondary batteries, driving increased investment from battery makers. As the automobile industry diversified businesses, transformed into eco-friendly mobility and increased investment in resource recycling industries, the production value of Gunsan National Industrial Complexes 1 and 2 reached KRW 8.3787 trillion as of Q4 2024, recovering to pre-crisis levels.

Considering that industrial complexes account for 48.6% of the country's total energy consumption and 42.5% of greenhouse gas emissions, there is an urgent need to transform them into eco-friendly manufacturing plants. Gunsan National Industrial Complexes 1 and 2 installed the country's largest-scale floating solar power generation facilities and 16 wind turbines to lead the supply of eco-friendly energy. Since being designated as a Smart Green Industrial Complex in 2021, they have been actively reducing energy consumption and expanding the use of eco-friendly energy.

As the substation connection capacity of the Jeonbuk region is saturated, it is difficult to increase the region's power generation capacity through KEPCO's transmission and distribution network. To solve the problem, the complexes, for the first time among Smart Green Industrial Complexes, added solar power generation facilities with a capacity of 2MW based on direct on-site power purchase agreements (PPAs). Additionally, the complexes introduced Factory Energy Management System (FEMS) to monitor fifty companies operating in the complexes in an effort to reduce energy consumption through monitoring and data analysis, thereby enhancing energy efficiency. As a result, twenty companies participating in the system achieved an energy savings rate of 7.2% in 2023.

Moreover, in 2025, the complexes plan to focus on expanding eco-friendly energy infrastructure and improving worker convenience by building Mega Station, an eco-friendly cultural complex that utilizes solar energy. Mega Station will combine industries, environment, and

culture by offering EV charging stations, rest areas and media art production and exhibition spaces.

Gunsan National Industrial Complexes 1 and 2 are aging facilities that have been in operation for over twenty years, with outdated production facilities and inadequate infrastructure for cultural, welfare, residential, and convenience services. Thus, they failed to attract young workers, and the closure of Hyundai Heavy Industries and GM's Gunsan plants in 2017 resulted in an increase in the number of idle or closed factories and caused various issues.

The Jeonbuk Regional Headquarters of the Korea Industrial Complex Corporation purchased these closed factories and renovated them by focusing on functional improvement and exterior renovation, and the area was reborn as Refactory Gunsan.

The average floor area of existing companies in Gunsan National Industrial Complexes 1 and 2 was as big as 5,096m², making it difficult for small and medium-sized enterprises (SMEs) and startups to even consider relocating. To address the issue, the sites in Refactory Gunsan were separated into smaller spaces and leased to SMEs and startups at 70% of the nearby market rate, resulting in 100% occupancy of all 19 units. Additionally, the Korea Industrial Complex Corporation, having noticed that improved quality of life for workers directly impacts work efficiency, utilized shared areas to create cultural spaces such as meeting rooms, cafeterias, and fitness centers to make them more convenient for users.

Furthermore, the Korea Industrial Complex Corporation constructed the Gunsan Industrial Complex Cultural Center in collaboration with Gunsan City and cultural institutions to provide a rich array of experiences including cultural performances, programs, and learning opportunities for workers and their families to enjoy.

The leap toward a sustainable future, the determination to provide a better environment for operating companies and workers, and the belief that industrial complexes must break away from the image of colorless manufacturing plants: these values are prioritized in Gunsan National Industrial Complexes 1 and 2 and serving as the driving force that enable them to rise further.

Source: (Text/photo) Korea Industrial Complex Corporation



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*.

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 dedicate to the incubation and investment of foreign investor. 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





KOTRA's Global Network

KOTRA has 129 overseas offices and 10 headquarters worldwide

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