Invest KOREA

October 2025

South Korea's Semiconductor Industry and Investment Status

Focus on Gyeonggi Free Economic Zone : An Optimal Investment Environment Chosen by Global Enterprises
Heat-Sol, Offering Solutions to AI Data Center Cooling
Daegu National Industrial Complex: Emerging as a Manufacturing Hub by Fostering New High-Tech Industries Including Future Mobility Robots

Contents

Invest KOREA
October 2025 Issue

Economic Trends

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

Summary and Assessment*

■ The Korean economy, despite weak construction investment, is showing some easing of overall sluggishness, led by consumption.

- Construction investment remains sluggish, while equipment investment growth is moderating, with manufacturing capacity utilization still at low levels.

- However, the weakness in consumption is slightly easing as market interest rates continue to decline and government consumption support policies are implemented.

- Downward pressures on exports remain elevated, reflecting persistently high U.S. tariffs and heightened global trade uncertainty.

  - Exports continue gradual growth led by semiconductors, but with tariff hike effects starting to emerge, including declining shipments to the U.S., earlier front-loading may unwind, potentially slowing export growth.
  - Uncertainty also lingers over the possibility of tariffs on semiconductors and the timing of tariff reductions on motor vehicles.

*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: Production growth remained modest, led by services, although manufacturing capacity utilization stayed low amid sluggish construction.

● All-industry production in July (1.0%→1.9%) expanded as services maintained solid growth and base effects also played a role.

- Services production (2.1%→2.1%) maintained solid growth as wholesale and retail trade (2.6%→5.8%) expanded and weakness in accommodation and food services (-2.7%→1.6%) eased.
- Industrial (mining and manufacturing) production (1.6%→5.0%) expanded as semiconductors (20.5%) sustained strong growth, while motor vehicles (1.7%→ 6.4%) and electronic parts (-21.4%→5.3%) also improved.

* However, much of the expansion reflected base effects from last July, when motor vehicle production was weak due to facility maintenance and wage negotiations, with seasonally adjusted month-on-month growth limited to 0.3%.

- By contrast, construction production (-12.1%→ -14.2%) remained in a prolonged downturn.

● The manufacturing inventory-to-shipment ratio (102.4%→101.7%) declined, while the average capacity utilization rate (72.5%→72.4%) stayed stagnant at low levels below the 2024 annual average (72.7%).

- On a seasonally adjusted month-on-month basis, shipments declined 1.1% as both domestic demand (-0.4%) and exports (-1.7%) were sluggish, while business sentiment continued to stay at low levels.

■ Consumption: Consumption weakness is somewhat easing, supported by declining market interest rates and government consumption support policies.

● Retail sales, closely tied to goods consumption, are expanding, while weakness in service consumption is also easing, led by key sectors such as accommodation and food services.

- Retail sales in July (0.3%→2.4%) expanded further as passenger cars (12.9%) maintained strong growth on the back of excise tax reductions, while retail sales excluding passenger cars also rebounded (-1.3%→1.3%).
- Production in consumption-related service sectors such as accommodation and food services (-2.7%→1.6%) and arts, sports and recreation-related services (-2.1%→5.5%) also shifted to growth.

● Consumption conditions are gradually improving, supported by continued declines in market interest rates and stronger gross national income growth in Q2 (-0.1%→1.5%). In addition, government support measures implemented in July, including consumption recovery vouchers and home appliance rebate programs, further bolstered the easing of consumption weakness.

- Higher travel receipts (33.1%), driven by increased inflows of foreign tourists (25.5%), provided further support to domestic consumption.

● The CCSI in August (111.4) remained at a high level, reflecting improved consumption conditions, and the consumption recovery is likely to persist as government support measures continue.

■ Equipment investment: Equipment investment growth is undergoing adjustment as machinery remains on a weak trajectory.

● Equipment investment in July (1.4%→-5.4%) declined, as transport equipment fell sharply due to base effects, while semiconductor-related investment growth narrowed.

- Transport equipment (10.1%→-16.5%) decreased, reflecting base effects from the surge in other transport equipment, mainly aircraft, in July last year.
- Machinery (-1.8%→1.5%) exhibited somewhat

reduced weakness in electrical and electronic equipment (-8.6%→4.2%) and general industrial machinery (-12.3%→0.8%), but overall growth stayed subdued as semiconductor-related investment decelerated in semiconductor manufacturing equipment (14.2%→ 8.5%) and precision instruments (12.7%→4.4%).

● Leading indicators suggest continued adjustment in equipment investment.

- Imports of semiconductor manufacturing equipment in August (27.7%→9.5%) registered slower growth, while imports of aircraft and parts (-56.1%→-43.8%) continued to decline.

■ Construction investment: Construction investment stayed weak, marked by a sharp decline.

● The value of construction completed in July (-12.1%→-14.2%) fell sharply following the previous month, led by the building construction sector.

- The building construction sector (-10.4%→-16.4%) contracted further as both residential and non-residential construction weakened, while the civil engineering sector (-16.3%→-6.4%) also continued to decline.
- Adverse weather conditions, including heat waves, further weighed on the value of construction completed.

* Number of heatwave days in July (daily maximum temperature ≥33℃): (2024) 4.3 days → (2025) 14.5 days

● Leading indicators continue to show improvement, but their reflection into actual construction investment may be somewhat delayed.

- The recovery in construction orders received and the floor area of construction starts (floor area commenced) is expected to be reflected in investment with some lag.
- However, funding conditions have tightened due to stricter screening of real estate project financing loans, and regional real estate markets have weakened. As a result, the recovery of construction investment may be delayed.

■ Prices: Consumer price inflation slowed due to temporary factors, but overall inflation trends stayed stable.

● In August, consumer prices rose 1.7%, sharply lower than 2.1% in the previous month, mainly due to temporary reductions in mobile phone fees.

- Increases in prices of agricultural, livestock, and fisheries products (2.1%→4.8%) accelerated due to adverse weather conditions.
- However, mobile phone fees (0.0%→-21.0%) fell sharply, serving as the main factor behind the slowdown in headline inflation (contribution: -0.6%p).
- Core inflation also slowed to 1.3%, down from 2.0% in the previous month.

● Underlying price trends, excluding temporary factors, have remained stable close to 2%

- Core inflation excluding mobile phone fees has held steady with little variation, while inflation expectations have also remained on a stable path.

* Core inflation excluding mobile phone fees (%): (Jun.) 2.1 → (Jul.) 2.1 → (Aug.) 2.1

- Looking ahead, policy-driven improvements in consumption may lessen demand-side downward pressure on prices.

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

Foreign Direct Investment

BlackRock CEO vows support for Korea to become AI capital in Asia

Larry Fink, chairman and chief executive officer (CEO) of BlackRock Inc., the world's largest asset manager, pledged to cooperate actively with S. Korea to help the country turn into the artificial intelligence (AI) capital of the Asia-Pacific region by attracting global investment.

Fink's remarks were made during a meeting with Korean President Lee Jae-myung in New York, the United States, on Sept. 22.

Fink also reportedly indicated BlackRock's willingness to invest up to tens of trillions of won in Korea by allocating trillions of won from the pilot (initial) investment stage. Korean companies may also participate in the investment fund that BlackRock plans to establish.

Celltrion inks agreement to buy Eli Lilly's U.S. plant for $330 mn

S. Korea's Celltrion Inc. has signed an agreement to acquire Eli Lilly and Company's U.S. biopharmaceutical manufacturing facility, eliminating its tariff-related risks in the U.S. market.

The acquisition price is around KRW 460 billion (USD 330 million), with total investment—including planned expansion—expected to reach KRW 1.4 trillion.

Celltrion announced on Sept. 23 that its U.S. subsidiary signed a contract on Saturday to acquire 100 percent of the Branchburg, New Jersey biopharmaceutical production facility owned by Imclone Systems Holdings, a subsidiary of Eli Lilly.

The purchase price was USD 330 million. In addition, an initial investment of around KRW 700 billion, including operating costs, will be injected into Celltrion USA through a paid-in capital increase.

Trade & Commerce

S. Korea's exports up 13.5 pct in first 20 days of Sept.

S. Korea's exports expanded 13.5 percent from a year earlier in the first 20 days of this month, led by a greater number of working days and solid demand for semiconductors, data showed on Sept. 22.

Outbound shipments reached USD 40.1 billion in the Sept. 1-20 period, compared with USD 35.4 billion tallied over the same period last year, according to the data from the Korea Customs Service.

Imports increased 9.9 percent on-year to USD 38.2 billion during the period, resulting in a trade surplus of USD 1.9 billion, the data showed.

Shipments to the United States rose 6.1 percent to USD 6.6 billion amid the new tariff scheme by U.S. President Donald Trump's administration, the data showed.

In August, exports, a key economic growth engine for the country, rose 1.3 percent on-year to USD 58.4 billion thanks to strong demand for semiconductors.

S. Korea aims to double bio exports by 2030 to become global top 5

S. Korea on Sept. 5 outlined a plan to help the biohealth industry double its exports by 2030 and join the world's top five.

Under the "K-Bio Leap Strategy" unveiled at a seminar in Songdo, west of Seoul, the government outlined new targets for the industry, which also include the fostering of three new blockbuster drugs and ranking third globally in clinical trials by 2030.

S. Korea is competitive in contract development and manufacturing (CDMO) services and biosimilars, ranking around 10th globally with biopharmaceutical exports of USD 5.8 billion last year.

The country aims to double its exports in the field in the next five years.

Industry

KOTRA hosts cooperative event for S. Korean, Japanese battery companies

The Korea Trade-Investment Promotion Agency (KOTRA) said on Sept. 18 that it hosted a cooperative event to facilitate collaboration between S. Korean and Japanese battery makers in Aichi prefecture in central Japan.

At the 2025 Korea-Japan next-generation battery plaza, some 150 officials from the countries' secondary battery companies and research institutes gathered to discuss ways to bolster cooperation between the two countries' battery industries, according to the trade agency.

Ten Korean companies explored collaboration opportunities with Japanese companies, such as trade, joint development and equity investment, during the event, while SK On Co., a major Korean battery maker, proposed measures to enhance industrial and technological cooperation between Seoul and Tokyo.

Government & Policy

Gov't vows full policy support for domestic AI, robotics firms

The government will provide all available policy support to help domestic artificial intelligence (AI) and robotics firms, in line with its goal of turning the country into a global AI powerhouse, Finance Minister Koo Yun-cheol said on Sept. 12.

The minister made the pledge during a meeting with heads of AI, robotics and automotive companies, as well as officials from related ministries and agencies, held at the headquarters of Hyundai Motor Group's Robotics Lab in Uiwang, just south of Seoul.

The gathering was part of the government's effort to actively engage with the field, following the announcement of the Lee Jae Myung administration's five-year economic development blueprint, which emphasizes AI as a new growth engine and aims to build what it calls a "super-innovation economy," according to the Ministry of Economy and Finance.

Koo noted that change is happening so rapidly it is almost impossible to keep up, and said the global economy is entering an era where "only the winner survives."

S. Korea aims to enter mass production of humanoid robots in 2029, self-driving cars in 2030

S. Korea will work to begin mass producing humanoid robots in 2029 and autonomous vehicles powered by artificial intelligence (AI) the following year, making it a global leader in the AI transformation (AX) of manufacturing industries, the industry ministry said on Sept. 10.

The plan was unveiled at the launching ceremony of the Manufacturing AX Alliance (M.AX), which will connect major companies, such as Hyundai Motor Group, LG Electronics Inc., Samsung Electronics Co. and Posco Group, with AI companies to help manufacturing companies apply AI technology in their businesses.

The M.AX will be composed of 10 divisions, which will be in charge of developing AI factories, AI manufacturing services, AI logistics facilities, self-driving cars, humanoid robots, autonomous ships, AI home appliances, AI defense products, AI-powered facilities for the biopharmaceutical industry and AI chips, according to the Ministry of Trade, Industry and Energy.

The alliance's projects are expected to generate more than KRW 100 trillion (USD 72 billion) in added value by 2030, the ministry stressed.

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

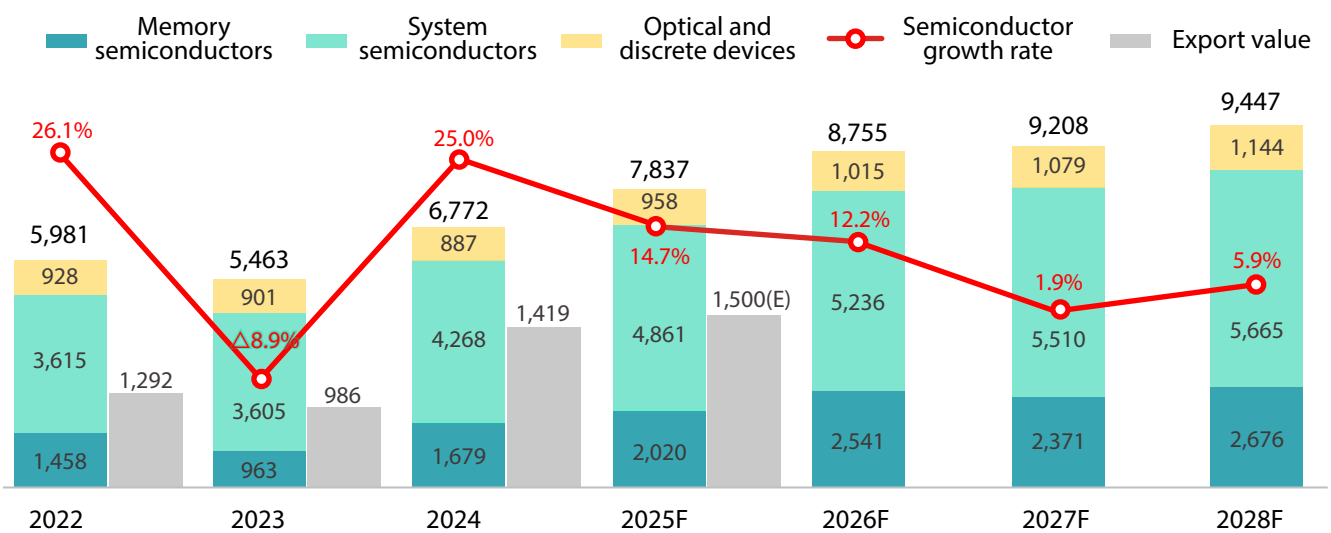
South Korea's Semiconductor Industry and Investment Status

Global Semiconductor Market and Exports of South Korean Semiconductors

The semiconductor industry has grown steadily since the 1980s as semiconductors have been used as core components in computers, smartphones, and other devices. The global semiconductor market reached USD 677.2 billion in 2024. Recently, artificial intelligence (AI) has been driving the growth of the semiconductor market, and the sector is projected to grow at an average annual rate of 6.8% over the next five years. In 2024, South Korea's total semiconductor exports reached USD 141.9 billion, making semiconductors the country's largest export item. Semiconductors account for 20.8% of South Korea's total exports and is leading the national economy and industry.

Global Semiconductor Market Outlook and South Korea's Exports

(Unit: USD 100 million)



*Source: OMDIA 2025 and South Korea International Trade Association (KITA)

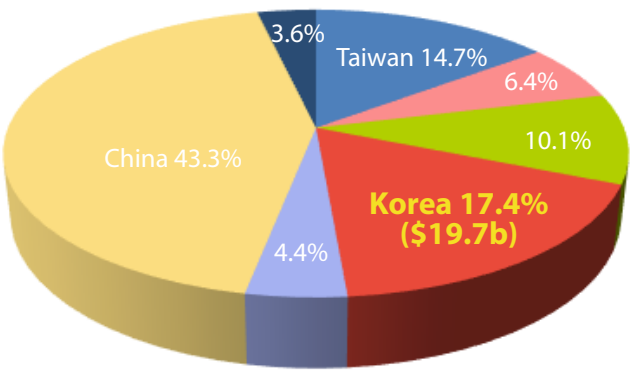
The Appeal of South Korea's Semiconductor Market

South Korea accounts for approximately 20% of the world's semiconductor production capacity and, serves as a key semiconductor manufacturing base within the global semiconductor supply chain alongside China and Taiwan. Furthermore, South Korea's geographical advantages provide an optimal investment environment not only for South Korean companies but also for those seeking to enter the East Asian semiconductor market.

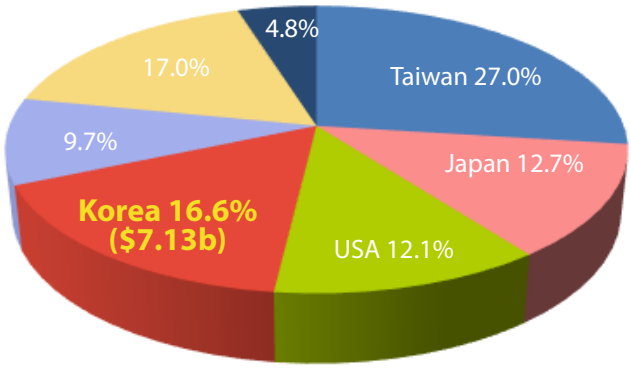
Based on these large-scale semiconductor manufacturing facilities, South Korea formed a massive semiconductor equipment/materials market and has become the world's most active country in semiconductor equipment investment. As of 2024, the country holds a 17.4% share of the global semiconductor equipment market and a significant 16.6% share of the semiconductor materials market. Considering that these figures include the combined equipment investment of Samsung Electronics and SK Hynix, which are located in China, the actual size of South Korea's semiconductor equipment and materials market is even larger. For companies producing semiconductor equipment and materials, South Korea and its companies represent a significant opportunity.

Global Semiconductor Equipment and Materials Markets and South Korea's Shares

Global Semiconductor Equipment Market (2024)



Global Semiconductor Materials Market (2024)



*Source: Gartner 2025

Global Semiconductor Companies Expanding into the South Korean Market

Many global companies in the materials, components, and equipment sectors are expanding into South Korea by noting the country's strength in semiconductors. Lam Research, a U.S. company specializing in semiconductor etching and deposition equipment, has steadily increased its production in South Korea since establishing Lam Research Manufacturing Korea in 2011. It began operating a new 5,170m² factory in Hwaseong, Gyeonggi-do in 2021 and plans to open its Yongin campus in 2024. The campus will serve as Lam Research's largest R&D center in South Korea, focusing on research, technology training, and customer collaboration.

Furthermore, ASML, the exclusive supplier of advanced EUV lithography equipment, is establishing a high-tech EUV cluster in Hwaseong. Semiconductor material makers like Tokyo Electron (TEL), DuPont, Merck, and Ulvac are also expanding their investments for production in South Korea. Moreover, numerous South Korean materials, components, and equipment producers are engaged in R&D business for each semiconductor process, collaborating on various projects with global companies that have entered the South Korean market.

South Korean Government's Policies Supporting the Semiconductor Industry

Looking beyond memory semiconductors, the South Korean government is very committed to fostering system semiconductors and working to emerge as an all-

South Korean Government's Support of the Semiconductor Industry

Cluster

- Memory & Foudndry Factory expansion
- Build new industrial complex for SME sectors
- Establish fabless cluster

Infra

- Tax Benefits for R&D and Infra Investment
- Support for water, electricity & wastewater management
- Fundraising to support facility

RnD & HR

- RnD for On device AI chips next-generation semiconductor process technology
- HR Training support

Legal Support

- Enacting Special Legislation for Semiconductor Industry
- Removal of various regulations

*Source: Korea Semiconductor Industry Association (KSIA)

round semiconductor powerhouse through initiatives such as the K Chips Act and semiconductor mega cluster projects.

Aiming to build the world's best semiconductor supply chain, it has expanded tax incentives for semiconductor equipment investment (20-30%) and R&D (30-50%), while actively improving labor and environmental regulations to stimulate semiconductor investment. Furthermore, the government plans to further support infrastructure development, including water supply and power, in the Pyeongtaek and Yongin semiconductor complexes where large-scale new semiconductor factory construction is underway.

The government also plans to cultivate and supply 150,000 specialized personnel needed in the semiconductor industry by 2030 through regulatory reform and financial support. It will further support inter-company R&D collaboration by establishing technology-specific semiconductor clusters.

Furthermore, the South Korean government is striving to create a favorable environment for the semiconductor industry by enacting and revising relevant laws.

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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 Chemical industry.

COMPANY A

Investment Requirement		Company Profile	
Amount	USD 5 Million	**Patents and Certificates**	Total 8 patents related to thermoelectric modules and their manufacturing methods, thermoelectric module-based hot and cold-water mat circulation systems, and sterilization and Peltier function-based hot and cold air conditioners
Investment Structure	Equity Investment, Joint Venture, M&A	**Financial Performance**	(Sales in 2024) USD 1.63 million

Automotive electronic components using semiconductor thermoelectric modules

Hot & cold water mat using semiconductor thermoelectric modules

Investment Highlights

Consumer electronics market using semiconductor thermoelectric modules

Products utilizing semiconductor thermoelectric modules in the consumer electronics market are experiencing growth, driven by increasing consumer demand for energy-efficient, compact, and low-noise appliances. According to global market analysis, the thermoelectric module market is expected to continue its steady growth until 2024, with particularly strong growth anticipated in the Asian region.

Key characteristics of core technology

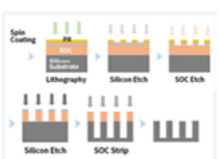
Semiconductor thermoelectric modules are devices that can convert electrical energy into thermal energy or vice versa, and are used in various industries and technologies. They have the following characteristics.

· Peltier Effect: This occurs when two different types of semiconductors, when subjected to an electric current, absorb or release heat at the junction, allowing for direct temperature control in areas requiring heating or cooling. It is commonly used in cooling devices, car seats, and small refrigerators, etc.

· Seebeck Effect: This phenomenon occurs when a temperature difference between two different semiconductor junctions generates an electric current. It can be used to generate electricity by utilizing temperature differences, improving energy efficiency in applications such as waste heat recovery systems and thermoelectric generators.

COMPANY B

Investment Requirement		Company Profile	
Amount	USD 5 million	**Patents and Certificates**	Total 6 patents related to SOC organic hardmask
Investment Structure	Joint Venture	**Financial Performance**	(Sales in 2024) USD 15.17 million



Hardmask used ACL (Amorphous Carbon Layer) with existing CVD, but has been replaced with Carbon Polymer substance capable of spin coating. The above image shows the lithography and etching processes for each layer after spin-coating and heat treatment process

Investment Highlights

Key characteristics of core technology

· SOC Hardmask Material Technology: Semiconductor SOC materials are organic polymer materials in hardmask series used in advanced semiconductor manufacturing processes. The company has polymer forming technology using high-carbon monomers as well as polymer forming technology with flexible structure.

· Development of polymer-forming structural materials simultaneously satisfying the properties of polymer materials: While organic hardmask coating process provides excellent solubility and a simple process, it shows inferior etch resistance and heat resistance compared to CVD deposition processes. Its polymer forming structural material satisfies etch resistance, heat resistance and solubility at the same time.

Competitiveness of core technology

Since SOC material technology of the company can satisfy excellent wear resistance, heat resistance, and solubility without the expensive equipment of CVD deposition method, it can respond to requirements of thickness control and high-specification according to customer demand, and has excellent price competitiveness with its simple process.

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 July 2025, Korea's industrial activity increased for the second consecutive month (up 0.3 percent month-on-month and 1.9 percent year-on-year), driven by increases in mining and manufacturing (up 0.3 percent month-on-month and 5.0 percent year-on-year), services (up 0.2 percent month-on-month and 2.1 percent year-on-year), and public administration (up 2.8 percent month-on-month and 0.8 percent year-on-year).

Monthly Industrial Activity Trends

Subject	All industries	Mining & manufacturing	Service	Retail sales	Capital investment	Construction completed
Monthly Change (%)	0.3	0.3	0.2	2.5	7.9	△1.0

In July, the mining and manufacturing sector increased despite declines in semiconductors and automobiles caused by base effects from the previous month, as electronic components and machinery equipment rose. The service sector also grew, led by growth in wholesale and retail trade, information and communications, and accommodation and food services. However, financial and insurance services, and professional, scientific, and technical services decreased. Retail sales saw the largest increase in 29 months since February 2023, driven by growth in sales of durable goods, semi-durable goods, and non-durable goods. Capital investment increased, led by machinery (particularly general industrial machinery) and a significant rise in transportation equipment like automobiles and aircraft. Construction completed decreased slightly, as declines in building construction offset increases in civil engineering. Even as retail sales increased, the cyclical change in the coincident index fell due to decreases in imports and non-agricultural employment. Despite a decrease in machinery shipments, the cyclical change in the leading index rose, supported by rising stock prices and increased construction orders.

Key indicators of industrial activity improved for the second consecutive month, with retail sales posting their largest increase in 29 months, driven by factors like the distribution of people's livelihood recovery consumption coupons. Positive signals for economic recovery appear to be strengthening, as consumer sentiment in August reached its highest level in 7 years and 7 months, and business sentiment rebounded following the resolution of U.S. tariff negotiations. The government will make every effort to stimulate the economy, including domestic demand, and successfully respond to U.S. tariffs.

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

Trends by Industry

Automotive

June Exports Turned Upward, Driven by Strong Performance in Eco-friendly and Used Vehicles

June exports increased by 2.4 percent year-on-year, upported by growth in finished vehicles and auto parts exports to the EU. Even as more imported vehicles, especially eco-friendly ones, were registered in May, domestic sales in May decreased by 1.4 percent. May production continued its year-on-year decline as both domestic sales and exports remained sluggish.

General machinery

May Production Continued to Grow Despite Weak Domestic Demand and Exports

In May, production grew by 1.3 percent year-on-year even as domestic demand and exports remained weak. June exports fell by 7.6 percent year-on-year as global investment sentiment continued to contract. May imports rose by 1.9 percent year-on-year, influenced by the recovery of domestic demand and the increase of facility investments.

Shipbuilding

High Growth Sustained

In May, production maintained a clear expansion phase and grew by 39.2 percent year-on-year. June exports rose by 18.8 percent year-on-year. May imports surged by 96.8 percent from a year ago, led by brisk imports of ships and ship engines. Up to May, cumulative orders for Korean ships fell by 34.4 percent year-on-year. While this appears relatively resilient compared to China's 57.7 percent decline, concerns persist over intensifying competition as orders for key vessel types like gas carriers plummeted.

Steel

May Production Turned Upward, and June Exports Continued to Fall

Even as the demand for steel bars for construction use remained sluggish, May production increased by 2.7 percent year-on-year, driven by expanded production of major plate products. Despite expansion into ASEAN, Korea’s largest export region, June exports decreased by 8.0 percent year-on-year due to weak economic conditions in major export markets and falling unit prices. May imports decreased by 19.7 percent year-on-year as weak domestic demand dampened the imports of key products and the imposition of provisional anti-dumping duties slashed the imports of products from China.

Oil refining

June Exports Decreased by 2.0 percent as Persistently Low Oil Prices Brought Down Unit Prices

Even as refining margins rebounded, May production dropped by 2.9 percent year-on-year as refineries maintained conservative production levels by considering the weak trend seen in previous months. Falling unit prices caused June export value to decrease by 2.0 percent year-on-year despite an increase in export volume driven by high demand for petroleum products in the summer season.

Semiconductor

Exports Broke Records for Three Straight Months

June exports grew by 11.2 percent year-on-year to reach USD 14.9 billion, setting a new record for June and continuing the strong semiconductor export trend. Semiconductor production in May increased by 18.1 percent year-on-year and 2.0 percent month-on-month, maintaining the strong growth.

Wireless communication devices

June Exports Shifted to a 3.6 percent Year-on-Year Decrease, Primarily Driven by Components

Since the second quarter, the forecasts of global smartphone shipments have been revised downward, and despite an increase in the exports of finished smartphone products, June exports decreased by 3.6 percent year-on-year, primarily driven by components. May production grew by 6.0 percent year-on-year, shipments rose by 12.2 percent, and inventories shrank by 17.4 percent. May imports fell by 5.1 percent year-on-year, impacted by reduced imports of smartphones and wireless communication device components.

Display

June Exports Dropped Significantly due to Slowdown of Premium Market

June exports fell sharply by 36.1 percent year-on-year as the premium smartphone market slowed down and dampened demand. Even as the exports of OLED panels for IT products grew, exports in the first half of 2025 shrank by 14.4 percent year-on-year due to shrinking demand caused by deteriorating global consumption conditions. May production decreased by 2.8 percent year-on-year but increased by 1.4 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)

Photo of GGFEZ Commissioner Kim Neungsik

Focus on Gyeonggi Free Economic Zone

An Optimal Investment Environment Chosen by Global Enterprises

A Free Economic Zone Where Industries and People Can Grow Together

The Gyeonggi Free Economic Zone (GGFEZ) is driving the growth and development of three districts—Poseung BIX and Hyeondeok in Pyeongtaek City, and Baegot in Siheung City—establishing itself as the hub of Korea's West Coast and a focal point for innovation in emerging industries.

By actively engaging in domestic and international investor relations (IR), identifying potential investors, strengthening networks with relevant institutions, and crafting tailored strategies for different countries, GGFEZ continues to enhance its investment promotion capacity. It aims to create a free economic space where industries converge and people choose to live.

Invest KOREA speaks to Neungsik Kim, Commissioner of the Gyeonggi Free Economic Zone Authority, about its achievements, vision, and development plans. Read on to find out more.

What are the characteristics and current status of GGFEZ's three business districts?

GGFEZ is strengthening its global competitiveness based on Poseung (BIX) District (2.04 km²) and Hyeondeok District (2.32 km²) in Pyeongtaek City, and Baegot District (0.88 km²) in Siheung City.

Poseung (BIX) District, an eco-friendly future mobility cluster, is establishing an ecosystem for the automotive, semiconductor, and chemical industries.

Hyeondeok District, by transitioning to public development in 2024, is rapidly emerging as a hydrogen economic city as well as a semiconductor and smart logistics hub. We plan to develop it into a balanced model that integrates jobs, housing, and industry.

Baegot District is promoting unmanned land/sea/air-based vehicles and biomedical innovation clusters simultaneously. By attracting Seoul National University Hospital, it is evolving into a next-generation city that combines residential comfort and research facilities.

The GGFEZ Authority received an "S Grade," the highest rating, in nationwide performance evaluations conducted by the Korean Ministry of Trade, Industry and Energy of nine free economic zone authorities in 2024 and 2025. This clearly demonstrates our efforts to strengthen future industrial competitiveness by leading the way in strategic investment attraction and the creation of a hydrogen-based economic city centered on Poseung (BIX) and Hyeondeok.

What are the advantages offered to foreign-invested enterprises looking to invest in GGFEZ?

GGFEZ's foremost strength lies in its world-class logistics location and the concentration of industrial ecosystems in the Korean capital region.

Its proximity to Pyeongtaek Port, Incheon Port, Gimpo Airport, and Incheon International Airport enables access to major Northeast Asian markets such as China and Japan within two hours. This offers an ideal business environment for foreign investors to accelerate production, distribution, and exports.

With excellent talent and R&D infrastructure in the Korean capital region, as well as R&D networks linking the cities of Seoul, Suwon, and Seongnam (Pangyo Te-

Gyeonggi Free Economic Zone

chno Valley), companies can easily secure cutting-edge technology and skilled researchers, expediting new technology development and commercialization.

Global enterprises, such as Samsung Electronics, Hyundai Motor Company, Kia, and LG Electronics, have already established a collaborative ecosystem in the region, which enables components and materials companies, startups, and research institutes to grow together. The fact that the GGFEZ is located in the Korean capital region, where approximately 40% of the country's knowledge-based manufacturing industries are concentrated, is a key attraction for investors.

What are some ongoing projects that GGFEZ is focusing on this year?

To secure new growth engines and attract future-oriented industries, GGFEZ is working to designate new districts: Songpo and Gajwa in Goyang City (17.6 km²) and Ansan Science Valley (ASV, 1.66 km²).

The two districts in Goyang City (Songpo and Gajwa) will be developed as a hub for Korean culture and international tourism, and Ansan Science Valley as a global R&D base for advanced robotics and manufacturing.

In October, construction of Seoul National University Hospital in Baegot will begin, providing core infrastructure for the biomedical R&D cluster and improving both the local innovation and residential environments.

To enhance the competitiveness of resident companies, we are working to open up new overseas markets, support research and demonstrations, and establish a youth entrepreneurship support center.

We are also striving to create a pleasant investment environment by revising district unit plans (district-level urban planning).

Can you share about the achievements and key success stories regarding foreign direct investment (FDI) in GGFEZ?

FDI in GGFEZ has surged from just over USD 8 million in 2020 to USD 20 million in 2024—an increase of approximately 147%. The number of resident companies has grown from 12 to 52, while employment has risen from 307 to 7,967, a remarkable jump of 2,495%.

In 2024 alone, GGFEZ signed six investment MOUs with leading companies such as Hantok Chemicals and Fusso Korea in the semiconductor, automotive, and display sectors. Global anchor firms, including Air Products Korea, TOK Advanced Materials, Hyundai Mobis, and ESR Kendall Square, have also invested, enhancing the zone's brand value.

Pyeongtaek Poseung (BIX) District

GGFEZ has established a virtuous ecosystem of investment, innovation, and employment centered on strategic industries, such as advanced manufacturing, green energy, global logistics, biomedical, and more. By solidifying the global network, GGFEZ is establishing itself as a leading business hub in Northeast Asia.

What is GGFEZ's future vision and development strategy?

GGFEZ will strengthen its position as the economic hub of Korea's West Coast by creating a free economic zone where industries gather and people thrive.

GGFEZ plans to switch the industrial ecosystem from one centered on large enterprises to a multi-layered structure, expanding the attraction of cutting-edge SMEs and venture startups.

In addition to the Goyang and Ansan districts currently in progress, we will further expand district designation by reviewing the feasibility of candidate areas, including the cities of Uijeongbu, Paju, and Suwon, and through cooperation with relevant organizations.

Of particular note, GGFEZ will concentrate on developing Hyeondeok District as a future-oriented economic city through strategic investments in hydrogen infrastructure, smart logistics, and eco-friendly vehicle clusters. We will also attract companies in renewable energy production, storage, and utilization, as well as smart logistics, while establishing automotive distribution and sales networks linked to the green vehicle cluster. Additionally, tourism-related enterprises will be encouraged through linkage with the Pyeongtaek Lake Development Plan, advancing GGFEZ as a growth hub offering an optimal investment environment.

By advancing each district's projects in line with its strategy, GGFEZ will consolidate its role as one of Korea's core engines of growth. We will continue to expand our global networks through overseas IR, participation in international exhibitions, and customized investment briefings, building a forward-looking economic ecosystem in which investment, innovation, and employment reinforce one another.

Source: Gyeonggi Free Economic Zone

Siheung Baegot District

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

Haslla Art World

Haslla Art World is a complex art space that has a museum, a hotel, restaurants, an art gallery, Pinocchio Museum, Sculpture Park, and Ocean Café. Pinocchio Museum, Sculpture Park, and Ocean Café. It invites artists from the East and the West for International Art Residency every year and all the exhibits at Haslla Art World are displayed in harmony with the surrounding environment.

Venue & Rental Information

- Address: 1441 Yulgok-ro, Gangdong-myeon, Gangneung-si, Gangwon-do, Korea
- Phone Number: +82-33-644-9411 Homepage: museumhaslla.com
- Inquiries: +82-33-644-9411 / sb5674@haslla.kr / ar2271@naver.com
- Major Events Held in Recent Years: Healing Camp for Samsung Electronics Executives (2017~2019) / PlanUp Company's Team Building Event (2019)

Other Major Event Held in Recent Years

- Name of the Event: Seoul Metropolitan Government's Senior School Supervisors Workshop / Meeting
- Date of the Event: 2022.7.14
- Name of the Event: Training for new programs developed for Seoul Metropolitan Government's Senior School Supervisors (presentation, group discussion, dinner and exhibition viewing)
- Participants & Number of Participants: 83 Senior School Supervisors from Seoul Metropolitan Government

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

FAQ on Foreign Direct Investment (Part 2)

Frequently Asked

Questions & Answers

Q. **Is it considered foreign direct investment when a foreign-invested company invests in another domestic company?**

A. It is recognized as a foreign direct investment only if the foreign investor directly invests. Foreign-invested companies are classified as domestic corporations, and thus investments in other domestic corporations by foreign-invested companies cannot be considered foreign direct investment.

Q. **Investment associations such as the Small and Medium Enterprise Establishment Investment Association do not have a corporate personality and are therefore organizations, not corporations. However, in many cases foreign investors invest in 10% or more of such associations' shares. Do such cases constitute FDI as prescribed by the Foreign Investment Promotion Act?**

A. Where a foreigner invests in an entity that is not a Korean corporation or a corporation managed by a national of the Republic of Korea, the investment is not recognized as FDI as stipulated by the Foreign Investment Promotion Act. However, a foreign investment in certain investment associations* that is prescribed as a special case according to a relevant special law** is recognized as FDI according to Article 2 (1) 4 of the Foreign Investment Promotion Act.

* Venture Investor Association , Private Goods Indirect Venture Investment Association Specialized Parts and Materials Investment Association , Agricultural and Food Investment Association, etc.

** Article 64 of the Act on Special Measures for the Promotion of Venture Business, Article 53 of the Act on Special Measures for Strengthening the Competitiveness of Materials, Components, and Equipment Industries and Stabilizing the Supply Chain etc., for Materials and Components, Article 24 of the Act on Formation and Operation of Agricultural, Fisheries and Food Investment Funds, etc.

* Source: e-People FAQ

Q. Should foreign investors notify a merger if they take over a domestic company?

A.

In the event of a merger, the entity must notify the merger under Article 11 of the Monopoly Regulation and Fair Trade Act, as is the case of a domestic company.

① Size of applicable companies

- Notifying company (foreign investor): KRW 300 billion or more in total assets or sales
- Partner company (domestic company): KRW 30 billion or more in total assets or sales

② Mergers requiring notification

- Where a company holds at least 20% (or at least 15% in the case of a listed corporation) of the total number of shares (excluding non-voting shares) issued by another company
- Where an individual who holds at least 20% (15% in the case of listed companies) of the shares issued by another company becomes the largest shareholder by acquiring additional shares of that company
- Where an executive officer of a large company concurrently holds an executive officer position in another company
- In the case of a corporate merger
- Where a company takes over the business
- Where the company participates in the establishment of a new company and becomes the largest shareholder thereof

* Notification following the merger is permitted when a foreign investor's total assets or sales is KRW 300 billion or more although a large company with total assets or sales of KRW 2 trillion or more is required to notify the merger prior to it taking place (prohibition of action).
However, even in cases requiring premerger notification, FDI notification can be made through a delegated agency such as a foreign exchange bank (not a violation of prohibition of action).

Q. Do capital goods only include facilities such as machinery and vehicles?

A.

Capital goods include industrial facilities, materials for test operation, and technical services which are not for sale and create added industrial value.
Materials (excluding those for test operation) and raw materials are not included.

- Machinery, apparatus, facilities, equipment, parts, and accessories as industrial facilities (including vessels, motor vehicles, aircraft, etc.), livestock, breeds or seeds, trees, fish and shellfish which are necessary for the development of agriculture, forestry, and fisheries, and raw materials
- Raw materials and reserve stocks deemed necessary for initial testing (including pilot projects) of facilities as recognized by the relevant Minister and fees for transportation and insurance required for the introduction thereof and other know-how or service necessary therefor

Article 2 (1) 9 of the Foreign Investment Promotion Act

Free Trade Zones

A. Overview

• A free trade zone is an area where smooth manufacturing, logistics, distribution, and trade activities are guaranteed through various benefits such as customs duty suspension, tax reduction/exemption, and low rent. It is operated for the purpose of attracting foreign investment, promoting trade, facilitating international logistics, and encouraging local development. Depending on the site conditions and management authority*, the 13 FTZs can be classified into seven industrial complex types (Masan, Gunsan, Daebul, Donghae, Yulchon, Ulsan, Gimje) and five port-types (Busan, Pohang, Pyeongtaek, Dangjin, Gwangyang, Incheon) and one airport type (Incheon airport).

* Ministry of Trade, Industry and Energy (industrial complex type), Ministry of Oceans and Fisheries (port type), Ministry of Land, Transport and Infrastructure (airport type).

B. Inquiries

1) Industrial Complex-type Free Trade Zone

- Innovation Support Team, Free Economic Zone Planning Office (☎ 044-203-4633)
- Masan Free Trade Zone Office (☎ 055-294-2661~2)
- Gunsan Free Trade Zone Office (☎ 063-464-0702)
- Daebul Free Trade Zone Office (☎ 061-464-0745~7)
- Donghae Free Trade Zone Office (☎ 033-522-6113)
- Yulchon Free Trade Zone Office (☎ 061-727-9791~5)
- Gimje Free Trade Zone Office (☎ 063-545-4811~2)
- Ulsan Free Trade Zone Office (☎ 052-240-6000)

2) Port/Airport-type Free Trade Zones

- Port Logistics Planning Division, Ministry of Oceans and Fisheries (☎ 044-200-5756)
- Busan Port Authority (☎ 051-999-3000)
- Yeosu Gwangyang Port Authority (☎ 061-797-4300)
- Incheon Port Authority (☎ 032-890-8000)
- Pohang Regional Office of Oceans and Fisheries (☎ 054-242-1812~5)
- Pyeongtaek-Dangjin Port (☎ 031-683-0313)
- Incheon International Airport Corporation (☎ 032-741-2277)

C. Related regulations and reference sources

• The Act on Designation and Management of Free Trade Zones
• Notice of rent in free trade zones in 2023 (Notice of the Ministry of Trade, Industry and Energy no. 2022-894)
• Notice of rent in port-type free trade zones (Notice of the Ministry of Oceans and Fisheries, no. 2022-1102)
• Korea Industrial Complex Corporation, 2022 industrial site guide
• Free trade zone management authority (www.motie.go.kr/ftz)
• Incheon Int'l Airport Corporation (www.airport.kr)

Daegu National Industrial Complex: Emerging as a Manufacturing Hub by Fostering New High-Tech Industries Including Future Mobility Robots

Daegu Metropolitan City had pursued the construction of a national industrial complex since the 1990s, but plans were repeatedly abandoned due to environmental issues and other factors. As a result, it was the only city among 16 metropolitan cities and provinces without a national industrial complex, and its Gross Regional Domestic Product (GRDP) ranked lowest nationwide for 28 years starting in 1992. Against this socioeconomic backdrop, Daegu persistently worked to build a national industrial complex with the goals of attracting new growth industries, revitalizing the local economy, and creating jobs. After thirty-six years in 2009, it was designated as a national industrial complex. Following the completion of Phase 1 in December 2016, the entire project is scheduled for completion in December 2026. As of the second quarter of 2025, 297 companies have moved in. By industry, there are 105 machinery companies, 95 transportation equipment companies, 45 electrical and electronics companies, and 52 non-manufacturing and other manufacturing companies operating in the complex.

Daegu National Industrial Complex

- **Location:** Guji-myeon, Dalseong-gu, Daegu Metropolitan City

(Unit: 1,000 m^2)

Total Area	Industrial Facilities	Supporting Facilities	Public Facilities	Green Area
7,354	4,910	336	1,286	822

In particular, the Daegu National Industrial Complex is home to numerous companies in promising new industries such as future mobility and robotics, which are growing steadily based on the complex. Leading companies include L&F, a secondary battery materials manufacturer; Guyoung Tech, an automotive parts specialist; Daedong Mobility, a provider of agricultural and non-agricultural mobility and smart mobility products; and KBWS, a specialist in automotive wipers.

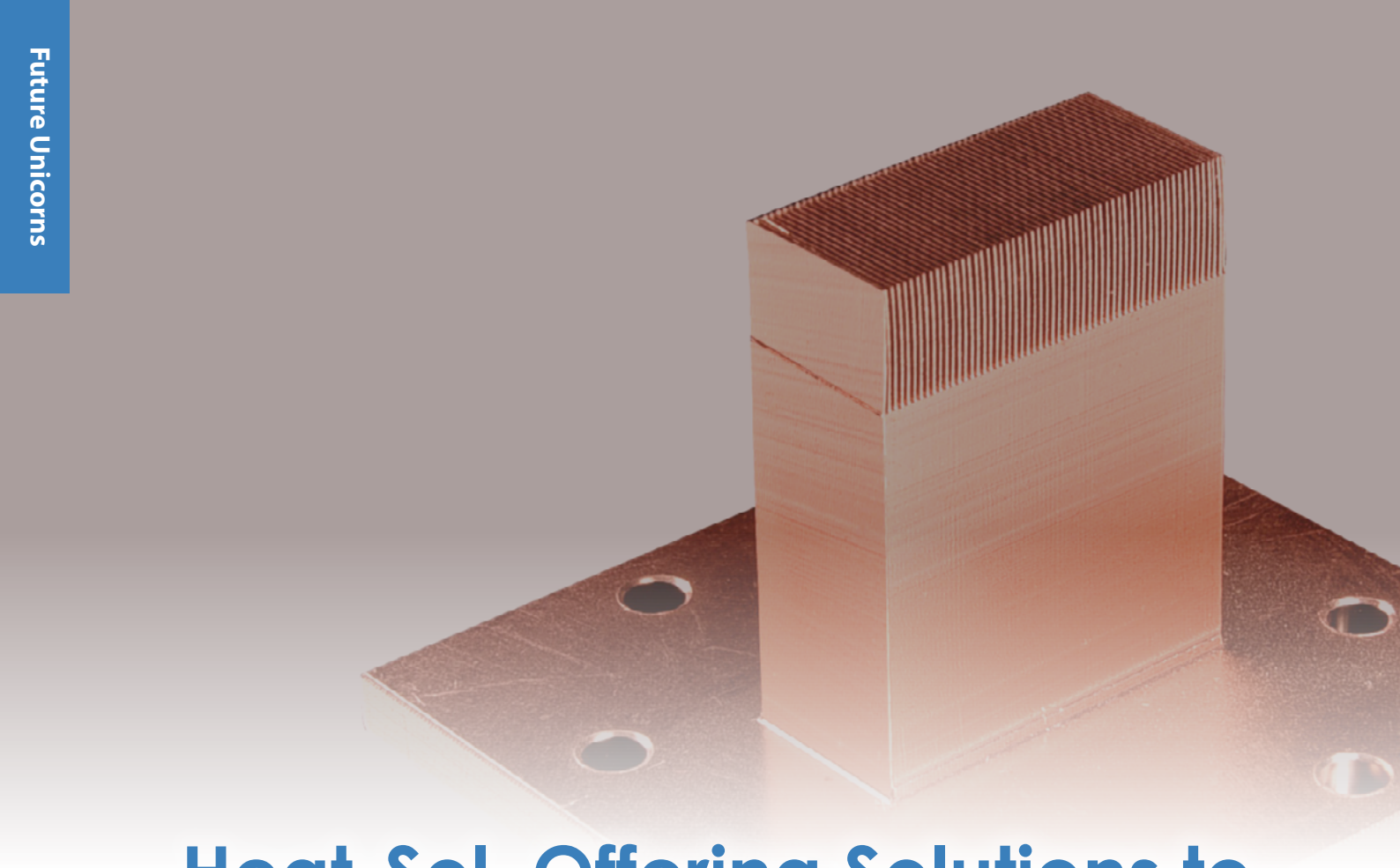
Following its designation as a specialized complex for mobility materials, parts, and equipment in July 2023, Daegu Metropolitan City is advancing various national projects, including the full-scale construction of the National Robot Test Field.

Additionally, the Autonomous Manufacturing Robot Demonstration Project, led by Daegu Regional Headquarters of the Korea Industrial Complex Corporation and companies operating in the Daegu National Industrial Complex, successfully automated the electric vehicle battery housing process using industrial robots and autonomous robots, laying the groundwork to establish the complex as a leading hub for future manufacturing.

Meanwhile, the Daegu Industrial Line will be newly built to improve accessibility between downtown Daegu and the complex located in the southwest of the city. The Daegu Industrial Line is a railway connecting Seodaegu Station and the Daegu National Industrial Complex and is scheduled to open with a total of 9 stations. Construction is slated to begin by the end of 2025, with completion expected in 2030.

The combined efforts of businesses and Daegu Metropolitan City culminated in the 2nd Daegu National Industrial Complex passing the Ministry of Economy and Finance's preliminary feasibility study on July 29, 2025. The approval marks the first such designation in sixteen years since the Daegu National Industrial Complex was established in 2009. Spanning 2.6 million m^2 across Hwawon-eup and Okpo-eup in Dalseong-gun, the Daegu Second National Industrial Complex is a major national project with a budget of KRW 1.8 trillion. It will be developed as a future smart technology hub focused on AI-based future mobility and advanced robotics. Although it was the last among 16 metropolitan cities and provinces to be designated, the Daegu National Industrial Complex, a late bloomer showing remarkable growth through persistent efforts, is an industrial complex where tomorrow and the future ahead look more hopeful than today.

Source: (Text/Photo) Korea Industrial Complex Corporation



Heat-Sol, Offering Solutions to AI Data Center Cooling

About the Company

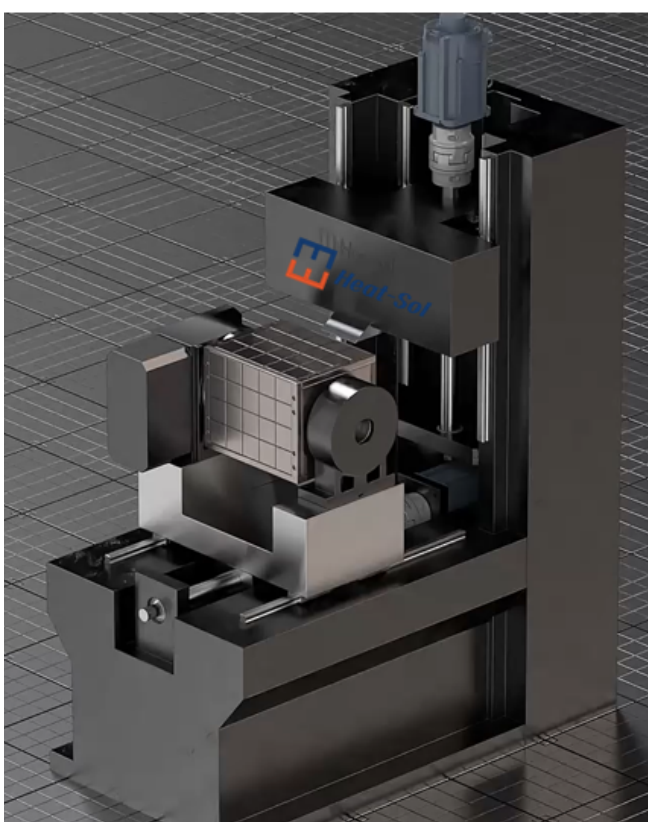
Heat-Sol is a research and development company specializing in skiving (cutting materials in thin layers or pieces) technology. Skiving technology involves cutting materials with high thermal conductivity, such as aluminum or copper, in slices to maximize surface area. Heat-Sol is the only South Korean company specializing in the fundamental skiving technology. Notably, Heat-Sol has independently developed equipment and successfully processed ultra-fine fins as thin as 40μm, which is a world-leading technological feat. Founded in 2020, Heat-Sol began with fundamental research into skiving technology, successfully localized the process, and now holds multiple patented technologies. The company is actively seeking opportunities in the global cooling market, including AI data centers.

Background

Conventional heat sinks primarily relied on processing methods such as aluminum extrusion, press-fitting, and casting. However, the skiving process offers high thermal conductivity compared to existing methods, resulting in superior heat dissipation efficiency. This is because skiving enables the processing of thinner fins and tighter spacing within the same volume, maximizing the surface area a heat sink can possess. Particularly as demand for higher heat dissipation efficiency has recently shifted from air cooling to liquid cooling and from aluminum to copper—a material with higher thermal conductivity—Heat-Sol is confident that skiving technology could be recognized as a processing technique far excelling other methods.

About the Product

Heat-Sol has successfully localized skiving technology and is currently developing a fully automated CNC skiving machine as a TIPS R&D project. The prototype built by Heat-Sol can successfully process ultra-fine fins as thin as 40μm. This represents the world's highest standard, surpassing the previous limit of 150μm achievable with existing equipment. Skiving is similar to the woodworking process where a surface is shaved off by pushing wood against a plane. It involves thinly shaving the surface of a metal base material using a knife attached to the arm of a processing machine. The resulting thin metal fins, resembling shavings, are then pushed to stand vertically on the base material's surface. Unlike milling methods that remove material from the base, this knife-cutting approach reduces material waste by more than half. Since the fin and base are formed from a single material, there is no contact thermal resistance. However, secondary finishing is essential, as sharp burrs form at the fin tips during processing. Under identical conditions, the heat dissipation performance of a skived heat sink is 1.5 to 2 times greater than that of conventional bonded (press-fit) fins or soldered heat sinks, making skiving an ideal method for improving the performance and lifespan of heat-generating components. Additionally, it was confirmed that skiving improves heat dissipation performance by 10 to 13 percent compared to the press-fit method. Furthermore, skiving allows the processing of various shapes, and Heat-Sol completed the application of numerous patent and design registrations, including the development of V-fin shapes suitable for air cooling (2021), Y-fin shapes suitable for natural cooling (2021), and seaweed fin and wave fin shapes suitable for water cooling.



Competitive Edge and Business Strategy

Heat-Sol is developing skiving technology at its corporate research institute, led by its CEO and two other executives with over 20 years of experience developing inverters and power stacks in the power semiconductor industry, along with a principal researcher—a specialist who is the youngest to have simultaneously earned Korea's Master Machinist title and Master Electronics Technician certification—and two other staff members.

Heat-Sol's core competitiveness lies in its expertise as a skiving specialist, encompassing materials, processing technology, and equipment for skiving and possessing world-class technological capabilities.

Heat-Sol has completed R&D for entry into the following three major target markets:

- Completed development of ultra-fine fin shapes effective for AI data center liquid cooling (D2C) and immersion cooling
- Developed cooling channel forming technology for SiC used in EV inverters
- Completed development of heat-dissipating busbars with heat dissipation functions for use in circuit breakers

Based on these achievements, Heat-Sol is working to enter overseas markets in Japan, the US, and Europe through participation in exhibitions, among other activi-

ties. The company is also working on a joint venture (JV) for factory construction in Uzbekistan.

Future Plans

For the AI data center cooling market, Heat-Sol is developing products with LG Electronics in Korea. For heat sinks for EV inverters, the company is working with LG Magna, Hyundai Motor Company and others. For heat sink busbars for circuit breakers, the company has partnered with LS Electric and is introducing them to the global market.

Plans for Entering Major Markets:
- Application of heat sink in EV inverters (KRW 2.5 trillion market): Proof of Concept (POC) underway with five domestic and international companies; initial mass production expected in 2026.
- Application for low-voltage circuit breakers (KRW 600 billion market): POC underway with a leading domestic company, global marketing in progress (with KOTRA).
- Application for heat sinks in AI data centers (KRW 1.4 trillion market): POC underway with a leading domestic company to develop and evaluate proprietary fin shapes.

Research and Development:
- R&D Plan: Simultaneous development of proprietary technology-intensive equipment (TIPS R&D) and exclusive standardized components for market entry
- 2025: Advanced design and prototype production/evaluation of heat dissipation busbars (With ITP support, Korea Electrotechnology Research Institute)
- 2025: Development of components for immersion cooling in AI data centers
- 2026: Planned development of AI data center cooling systems (AGAMI PJT; Scale up TIPS R&D)
- Development of value-added components—Integration of heat dissipation plate components and ceramic plates

Business Plans:
- Overseas Marketing to establish a foundation for entering markets in North America, Japan, and Europe with KOTRA
- Joint venter for building an overseas factory in Uzbekistan
- Attracting investment funds to expand production in Korea

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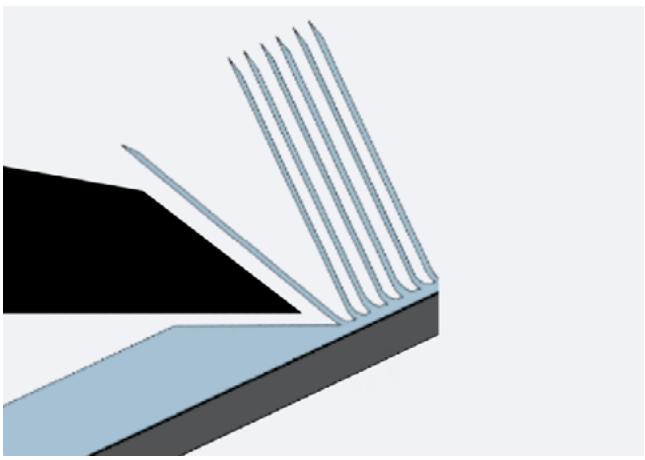
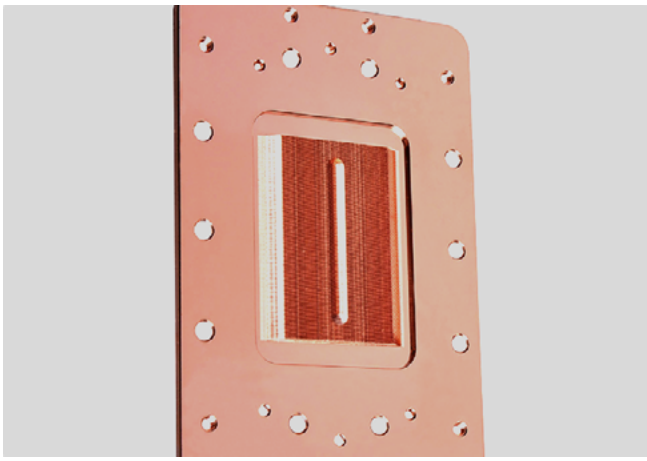
** The opinions expressed in this article are the author's own and do not reflect the views of KOTRA.*





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