Foreign Direct Investment

Leading renewable energy company Vena Group to invest KRW 20 tln in Korea

Vena Group, a leading private power producer (Independent Power Project) in the Asia-Pacific region for renewable energy development and operations, has decided to invest in Korea's renewable energy sector and related AI data center construction projects.

On October 23rd, the Ministry of Climate and Energy and the Ministry of Science and ICT announced that they received a letter of intent (LOI) for investment from Vena Group at the National Assembly on Renewable Energy Day.

In the LOI, Vena Group outlined investment areas including "renewable energy solution projects such as solar power, onshore and offshore wind power, energy storage systems (BESS), green hydrogen, and fuel cells," as well as "AI data centers linked to renewable energy grids to support next-generation AI computing," and "cooperation projects in agreement with the Korean government."

The total investment is expected to amount to KRW 20 trillion, which includes the 500 MW Taean offshore wind power project and the 384 MW Yokji offshore wind power project.

IFEZ attracts USD 550 million, reaching 92% of yearly target

On October 12, Incheon Free Economic Zone Authority (IFEZ) announced that the cumulative foreign direct investment (FDI) reported up to the third quarter of this year reached USD 553.5 million.

This amount represents 92.3% of the annual target of USD 600 million. The reported amounts for each quarter were USD 309.6 million in the first quarter and USD 184.1 million in the second quarter.

In the third quarter, an additional USD 59.8 million was reported, including approximately USD 50 million related to the Starfield Cheongna project in Cheongna International City.

Trade & Commerce

S. Korea's exports hit record high in Q3 on semiconductors, automobiles: ministry

S. Korea's exports reached a new quarterly high of USD 185 billion in the July-September period, led by robust demand for semiconductors and automobiles, the industry ministry said on Oct. 20, vowing efforts to maintain the export momentum amid trade uncertainties.

The ministry said exports have posted an on-year increase for the fourth consecutive month since June thanks to the strong performance of semiconductors, automobiles, biohealth products and ships.

In particular, semiconductor exports hit USD 119.7 billion in the January-September period, with auto exports reaching USD 54.1 billion, both the highest marks for the period.

K-food exports during Jan.-Sept. period rise to record high of KRW 8.5 bln

Accumulative exports of S. Korean food products for this year so far reached an all-time high, customs agency data showed on Oct. 28.

The country's exports of food products during the January-September period grew 8.9 percent from a year ago to KRW 8.5 billion (USD 5.9 million), according to the data from the Korea Customs Service.

The United States, China and Japan were the top three destinations, accounting for 50.2 percent of total shipments. Korean food products were also popular among the Asia-Pacific Economic Cooperation (APEC) member countries, with 81.5 percent of total exports going to the 20 member nations.

Industry

APEC biz leaders gather in Gyeongju for discussions on AI, energy transition

The APEC CEO Summit officially kicked off on Oct. 29 at the Gyeongju Arts Center under the official theme "Bridge, Business, Beyond," with S. Korean President Lee Jae Myung delivering a special address.

The summit featured nine sessions on AI, finance, the culture industry, digital currency and carbon neutrality on the first day, six sessions on supply chains, semiconductors, digital health and hydrogen on the second day, and five sessions on data centers, healthcare and the energy transition on the third day.

Key attendees at this year's APEC CEO Summit include AI chip giant Nvidia Chief Executive Officer (CEO) Jensen Huang, Amazon Web Services CEO Matt Garman, Google's Chief Marketing Officer for Asia Pacific Simon Kahn, Citigroup CEO Jane Fraser and Johnson & Johnson CEO Joaquin Duato. From Korea, Chey Tae-won, SK Group chief and the KCCI chair, Samsung Electronics Co. Chairman Lee Jae-yong, Hyundai Motor Group Executive Chair Euisun Chung and LG Group Chairman Koo Kwang-mo were on the list.

S. Korea's GDP expands 1.2 pct in Q3; fastest growth in 6 quarters

The S. Korean economy expanded at the fastest pace in 1 1/2 years in the third quarter, supported by solid exports and rising private consumption, central bank data showed on Oct. 28.

Real gross domestic product (GDP), a key gauge of economic growth, rose 1.2 percent in the July-September period from the previous quarter, preliminary data from the Bank of Korea (BOK) showed.

It marked the fastest quarterly expansion since the first quarter of 2024, when the economy grew 1.2 percent, and was up from a 0.7 percent on-quarter increase in the second quarter. The third-quarter figure also beat the BOK's expectation of a 1.1 percent gain.

On an on-year basis, the economy expanded 1.7 percent in the third quarter, accelerating from a 0.6 percent increase in the previous quarter.

Government & Policy

Gov't aims to attract KRW 30 tln investment for materials, parts industries by 2030

S. Korea aims to induce KRW 30 trillion (USD 20.8 billion) in corporate investment by 2030 to develop 40 key technologies in the materials, parts and equipment sector, essential in the fields of artificial intelligence (AI) and quantum computing, the industry ministry said on Oct. 23.

Through the envisioned investment, the country plans to establish 20 special industrial complexes for materials, parts and equipment companies by 2030, including 10 currently in operation, according to the Ministry of Trade, Industry and Resources.

To draw corporate investment, the government plans to offer various incentives, including low-interest loans, subsidies and business consultation services, while streamlining regulations related to construction and research and development (R&D).

Science, industry, SME ministries sign MOU to collaborate on AI transformation

Government ministries for science, industry and small and medium-sized enterprises (SMEs) on Oct. 15 signed a memorandum of understanding (MOU) to enhance artificial intelligence (AI) transformation across domestic industries, the ministries said.

The Ministry of Science and ICT, the Ministry of Trade, Industry and Resources and the Ministry of SMEs and Startups agreed that the government should take an active role as the rapid advancement of AI technology brings a new paradigm across industries, while local companies still lag behind the trend.

Under the MOU, the ministries pledged to pool their expertise and capabilities to develop interconnected policies aimed at accelerating the national AI transition, fostering new markets through AI integration and supporting the growth of AI startups and SMEs over the next three years.

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