

Investing in a Business Base

A longtime partner of Korea, Siemens will soon establish the regional headquarters of its Energy Solutions Business in Seoul

Home to 40 regional headquarters and 150 research and development (R&D) centers of top foreign-invested companies, Korea is a lucrative business hub for Asia and beyond. In May, Siemens became the latest company to establish a regional headquarters for one of its major business units in Korea, proving once again, in the words of Siemens Ltd. Seoul Chairman and CEO Kim Jong Kap, that “Korea can do it.”

Indeed, since the 1950s, when Siemens participated in reconstruction projects here after the Korean War, the Korea operations of the Germany-based Siemens has shown it is one of the electrical engineering and electronics powerhouse's most important markets.

Last year, Siemens Ltd. Seoul ranked 7th in terms of new international business orders among Siemens' 193 global operations and recorded KRW 1.6 trillion (USD 1.4 billion) in revenue. Having invested a total of USD 200 million in Korea, Siemens has continuously increased its presence in the country and has 18 facilities nationwide today.

Its greatest milestone to date is the pending establishment of the regional headquarters of Siemens' Energy Solutions Business in Korea. Scheduled to open in October in Siemens Seoul's Seodaemun location, the regional headquarters will be responsible for providing comprehensive solutions for the supply of power plants, including complete turnkey solutions, throughout Asia and the Middle East.

Siemens Ltd. Seoul provides state-of-the-art products, solutions and services in the areas of industry, infrastructure & cities, healthcare and energy, the largest area in Korea. The company offers a wide variety of products, solutions and services for the energy sector, enabling customers to generate, transmit and distribute electrical power and to produce, convert and transport oil and gas.

The Energy Solutions Business' Asia headquarters, which is Siemens' second regional headquarters, the first being in the United



Kim Jong Kap,
Chairman and CEO
of Siemens Ltd. Seoul



States, is expected to create more than 500 jobs by 2017 and to draw the eco-friendly power plant design knowhow of experts from Germany and elsewhere. The business is expected to have considerable ripple effects on domestic manufacturing, design and construction companies in terms of job creation and revenue generation.

“We are becoming more important for our headquarters,” said Kim.

Korea was chosen to host the regional headquarters for its expansive free trade agreement network, which includes trade pacts with the United States and European Union; excellent human resources, including the 60,000 new engineers who come out of Korea annually; commitment to R&D, which Siemens was drawn to, having invested 5.4 percent of its total revenue in R&D in fiscal year 2012; policies by the Park Geun-hye administration that aim to improve the business environment; and collaborations with Korean engineering, procurement and construction companies.

“I think we are going to purchase more

from Korean suppliers, and we will continue to work very closely with other Korean partners,” said Kim, adding that the company, which has maintained double digit growth in recent years, purchases about KRW 2.5 trillion annually in Korean-made goods and services.

The decision to establish the regional headquarters in Korea comes in the year of the 130th anniversary of diplomatic ties between Korea and Germany. The goal of Siemens Seoul is to continue to partner with Korean businesses both domestically and abroad. With programs like Siemens Seoul's Northeast Asia Business Integrity School, in which Siemens Seoul introduces its compliance practices to Korean companies, collaborations also extend beyond business projects.

Looking ahead, the chairman says Korea may draw more regional headquarters of Siemens' business units in the future.

“I think Siemens Korea will continue to become an important location for Siemens' operations worldwide,” said Kim.

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Did you know?

- Kim Jong Kap, Chairman and CEO of Siemens Ltd. Seoul, is Chairman of the Global Investment Forum, sponsored by the Ministry of Trade, Industry and Energy, and a member of the Special Committee on Creative Economy of the Federation of Korean Industry.
- The Siemens Environmental Portfolio, which consists of energy-efficient products and systems, enabled customers to cut their CO₂ emissions by 332 million tons in 2012.
- Siemens was established in 1847, when founder Werner von Siemens invented the pointer telegraph to allow long-distance message delivery.