

Invest KOREA

April 2024

Feature Story

One-on-One with **Sun Choi**

Founding Partner, 2080 Ventures

Korea's Battery Industry: A Founding Year to Strengthen Core Competence

Huyeong General Industrial Complex, Leading the Future of Korea's Culture, Knowledge, ICT and Bio Industries

Korea LFP, Pioneering the Revolution of the Secondary Battery Market

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Economic Trends

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

Summary and Assessment*

- The Korean economy is experiencing a continued contraction in domestic demand, yet exports are rebounding, thereby mitigating the economic slowdown.
- The value of construction completed exhibited a temporary uptick, yet both consumption and equipment investment continue to stagnate under the strain of sustained high interest rates.
 - The marked rise in construction production was primarily driven by temporary factors such as the momentum from construction projects approaching completion. Given the sluggishness observed in leading indicators, this high growth is expected to face adjustments moving forward.
 - In contrast, retail sales persist in their decline, while services production also remains lackluster, particularly in accommodation and food services.
 - Furthermore, the diminished spending capacity due to ongoing high interest rates, combined with higher inflation on certain items due to worsening supply conditions, may pose adverse impacts on consumption.
- However, the economic slowdown continues to abate, bolstered by a recovery in exports driven by favorable conditions in the semiconductor market.
 - With reduced concerns over a global economic slowdown, the downturn in global trade is easing, acting as a supportive factor for exports.
 - Moreover, the manufacturing industry reported increases in production and shipments, a decrease in inventories, and a sustained uptrend in sentiment indices, all signaling an ongoing recovery in manufacturing.

*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:** Domestic demand remains sluggish, yet exports are rapidly growing, thereby easing the contraction in economic activity.
- January saw significant growth in all-industry production, driven by recovery in the mining and manufacturing industry and temporary factors, although the service industry continued to be weak.
 - Services production recorded an increase in growth from 0.9% to 4.4% due to temporary factors such as base effects and additional working days, yet it only showed only a modest growth rate of 0.1% on a seasonally adjusted month-on-month basis, indicating sluggishness.
 - Conversely, industrial (mining and manufacturing) production (6.1% → 12.9%) exhibited a sharp increase in growth rate, amid continuous high growth in semiconductors (44.1%) and automobiles (13.2%), along with the influence of additional working days (+2.5 days).

*Even when adjusted for seasonality to remove the effect of the number of working days, industrial production still recorded a high year-on-year growth rate of 5.8%.
 - Meanwhile, the marked rise in construction production (-2.2% → 17.6%) was primarily ascribed to the momentum from construction projects nearing completion. Considering the sluggishness observed in leading indicators, this high growth is expected to face adjustments moving forward.
- The manufacturing industry experienced sustained high growth in production and shipments along with a reduction in inventories, continuing its recovery trajectory on the back of semiconductors.
 - Led by semiconductors, production expanded from 6.6% to 13.7%, maintaining a high growth rate in shipments from 4.2% to 9.6%.
 - Inventories (-2.1% → -6.1%) experienced significant decreases, particularly in semiconductors (-16.6%) and electronic parts (-16.0%).
- Despite a contraction in domestic demand, the resurgence of exports, driven by the semiconductor industry, is contributing to mitigating the economic downturn.
- Meanwhile, domestic demand risks linger; delinquency

rates on household and personal business loans stay high, and certain items such as agricultural products are experiencing an increasing inflationary trend due to deteriorating supply-side factors.

- **Consumption:** Consumption remains weak, with goods consumption contracting and service consumption showing only a slight increase.
- Goods consumption is stagnating, particularly in items sensitive to interest rates.
 - The shift of the Lunar New Year holiday from January last year to February this year had a positive impact on January's consumption due to additional working days, but also had a negative effect as holiday-related consumption was deferred, leading to reduced spending.
 - As a result, domestic passenger car sales, which are closely tied to the number of working days, surged by 10.0%, whereas beverages and food products, closely associated with the holiday, plummeted by 18.5%, leading to a sharper decline in overall retail sales (-0.6% → -3.4%).
 - On a seasonally adjusted month-on-month basis, which removes the Lunar New Year holiday effect, goods consumption exhibited sluggishness, especially in interest-sensitive items such as passenger cars (-16.2%), indicating that persistent high interest rates are curbing goods consumption.
- Services consumption growth remains tepid, particularly in businesses that require face-to-face interaction.
 - Services production (4.4%) saw a temporary increase in growth due to additional working days, but its seasonally adjusted month-on-month growth was a mere 0.1%.
 - On a seasonally adjusted month-on-month basis, accommodation and food services (-0.2%) saw a decrease for the fourth consecutive month, pointing to stagnant service consumption, especially in the face-to-face service industry.
- Meanwhile, the Composite Consumer Sentiment Index (CCSI) for February stood at 101.9, similar to the previous month's 101.6.

■ **Equipment Investment:** Equipment investment continued to stall, influenced by persistently high interest rates.

- January saw an increase in equipment investment (-5.8% → 4.1%) due to temporary factors such as base effects and an increase in working days, though the month-on-month growth declined, signaling an ongoing slowdown.
- Furthermore, leading indicators have shown signs of weakness, as evidenced by decreases in domestic machinery orders received and machinery imports.
- However, there are some positive signals that investment in semiconductor-related equipment may be on the path to recovery.
 - Semiconductor-related special industrial machinery (-11.3% → 12.7%) reported a significant turnaround, supported by the recovery of the semiconductor market.
 - Among leading indicators, special industrial machinery orders received (14.5% → 32.0%) sustained high growth and February's imports of semiconductor manufacturing equipment (0.0% → 12.7%) reported higher growth, all indicative of positive trends for semiconductor-related equipment investment.

■ **Construction Investment:** The value of construction completed experienced substantial gains, yet the slowdown in construction investment seems set to persist, given that leading indicators remain subdued.

- In January, the value of construction completed (constant) recorded a notable short-term growth of 17.6%, driven by an increase in the number of working days and a rise in projects nearing completion.
- Conversely, construction investment is expected to continue its deceleration, given that the surge in the value of completed construction is largely driven by temporary factors, and construction orders received—a leading indicator—have decreased by a large margin.

■ **Prices:** Consumer prices experienced an accelerated rate of increase as supply-side inflationary pressures intensified, although underlying inflation continued to decelerate.

- In February, headline inflation rose to 3.1% from the previous month's 2.8%, primarily driven by volatile items such as agricultural and petroleum products.
 - The surge in agricultural product prices (15.4% → 20.9%) driven by adverse weather conditions played a crucial role in the overall rise in headline inflation (contribution 0.59%p → 0.80%p: +0.21%p).
 - Additionally, geopolitical risks have contributed to rising oil prices, consequently slowing the decrease in petroleum product prices (-5.0% → -1.5%), and factors such as the extension of production cuts by OPEC+ may impede future deceleration in inflation.
- *Dubai oil prices (\$/barrel): (Dec. '23) 77.3 → (Jan. '24) 78.9 → (Feb.) 80.9
- However, core inflation remained at 2.5%, similar to the previous month's trend, alongside the slowed increase in prices for services (2.6% → 2.5%), which are less volatile, indicating a continued slowdown in inflation.
 - Influenced by high interest rates leading to weaker domestic demand, prices of multiple items, including personal services (3.5% → 3.4%), demonstrated a gradual, modest increase.

Foreign Direct Investment

Renault to invest USD 523 mn to build green car hub in Korea

Renault Korea Motors Co., grappling with a protracted slump without new releases, plans to invest more than KRW 700 billion (USD 523 million) by 2027 to transform its auto plant in Busan, S. Korea's No. 1 port city, into an eco-friendly car-manufacturing hub in hopes of rejuvenating its business.

On Mar. 18, the Korean operation of the world's fourth-largest auto group Renault S.A. signed an MOU with the Busan Metropolitan City government to build a future mobility center in Korea's second-largest city.

Under the terms of the agreement, Renault will transform its Korean auto manufacturing plant in Busan into an eco-friendly car-producing base centering around hybrid and electric vehicles.

As part of the first phase of the project, dubbed Aurora 1 and 2, the French carmaker will invest KRW 700 billion to build its hybrid car research and development center and manufacturing facilities in the city, Renault Korea Motors CEO Stephane Deblaise said during the signing ceremony.

Alibaba pledges USD 1.1 bn investment for Korea expansion

China's Alibaba Group, the parent company and operator of global online marketplace AliExpress, is poised to take a significant step into the S. Korean market with an investment of about KRW 1.5 trillion (USD 1.1 billion). Sources within the industry revealed on Mar. 14 that Alibaba Group recently presented a business plan to the Korean government, outlining a proposed investment of USD 1.1 billion over the next three years.

The submitted business plan indicates Alibaba Group's intent to diversify its activities in the Korean market beyond AliExpress and the company will allocate USD 200 million towards the construction of an integrated logistics center in Korea within 2024 as part of this strategy.

This facility, spanning an area of 180,000 square meters, signals Alibaba Group's direct targeting of the Korean market.

Merck KGaA to invest USD 323 mn to build bio facility in Daejeon

Germany's Merck KGaA, a leading global company in science and technology, will invest about KRW 430 billion (USD 323 million) to build a bio raw material production facility in Daejeon, S. Korea.

According to the company on Mar. 21, it will establish the facility in Dungok District in Daejeon. The decision comes after Merck KGaA signed an MOU with the Ministry of Trade, Industry, and Energy, and Daejeon

City regarding the establishment of a production facility in May 2023.

The investment marks the largest scale commitment the company has made in the Asia-Pacific region so far. Merck aims to position Daejeon as a central hub covering the Asia-Pacific region. Once completed, the facility is projected to create 300 jobs by the end of 2028.

Trade & Commerce

Korea's March 1-20 exports up 11.2% on strong chip demand

S. Korea's exports in the first 20 days of March surged by more than 10 percent from the same period a year ago, driven by robust demand for semiconductors and strong exports to China.

According to data released by Korea Customs Service on Mar. 21, the country's outbound shipments reached USD 34.1 billion in the March 1-20 period, up 11.2 percent from the same period last year.

Daily exports also surged 11.2 percent

based on the same number of working days. Korea's monthly exports have maintained an upward trend for five consecutive months from October. They are expected to stay in the positive territory in March.

The surge in exports in the first 20 days of March was driven mainly by strong demand for semiconductors, the country's mainstay export item. Exports of vessels also soared 370.8 percent during the March 1-20 period compared to the same period last year.

Industry

OpenAI interested in collaboration with Korean chipmakers

OpenAI, the service behind the artificial intelligence (AI)-powered chatbot ChatGPT, has expressed keen interest in forging partnerships with Korean chipmakers such as Samsung Electronics Co. and SK hynix Inc.

Sam Altman, the company's CEO, said he visited Korea twice in the past six months and had good meetings with Samsung and SK hynix when asked by Korean reporters if there were any plans for a semiconductor partnership with the Korean chipmakers during a meeting at the company's headquarters in San Francisco on Mar. 13 (local time).

At an event focused on fostering collaboration between Korean startups and OpenAI, organized by the Korean Ministry of SMEs and Startups, Altman engaged in detailed discussions with reporters and startups at the gathering.

OpenAI is currently one of the largest users of graphics processing units in the world. ChatGPT is used by 100 million people every week, and its AI video generator, Sora, which will be released to the general public later in 2024, is expected to require much more computing power than ChatGPT.

Meta CEO discusses AI, XR with S. Korean startups

Mark Zuckerberg, founder of Facebook and CEO of Meta Platforms Inc., has met with representatives of Korean artificial intelligence (AI) and extended reality (XR) startups in Seoul to discuss Meta's vision in the areas, industry sources said on Feb. 29.

The meeting, which took place at Meta Korea's office in southern Seoul on the previous day, included leaders from three S. Korean AI startups as well as representatives from two XR startups. During the session, Zuckerberg shared Meta's technological vision and in-

terests in the AI and XR markets with young tech leaders, according to Choi Min-kyung, CEO of Devs United Games and one of the participants. The Meta CEO also expressed hopes for more opportunities to meet with various startups in Korea, she added.

Zuckerberg was in Seoul on a three-day visit during which he met with Samsung Electronics Co. Chairman Lee Jae-yong, LG Electronics Co. CEO Cho Joo-wan and President Yoon Suk Yeol to discuss collaborations in the cutting-edge industries.

Government & Policy

Gov't unveils record USD 190 bn financial support to boost exports

The S. Korean government plans to expand financial support for exporting companies to a record high of KRW 255 trillion (USD 190.3 billion) to achieve this year's export target of USD 700 billion.

Under measures unveiled during a government-private joint meeting on Mar. 25 chaired by the Minister of Trade, Industry and Energy Ahn Duk-geun, the government plans to allo-

cate KRW 255 trillion in trade insurance for 2024, up by KRW 10 trillion from 2023.

The size of trade insurance has increased by about KRW 100 trillion in five years from KRW 156 trillion in 2019. The automotive and secondary battery sectors will also be supported with KRW 33 trillion in trade insurance.

Yoon vows strong support for new space industry cluster

President Yoon Suk Yeol pledged on Mar. 13 to expand the budget for space development to over KRW 1.5 trillion (USD 1.1 billion) by 2027 as he attended the launch of a new space industry cluster in the southern part of the country.

The cluster—a triangle formed by Daejeon in the north, South Gyeongsang Province in the east and South Jeolla Province in the west—was launched during a ceremony at the headquarters

of Korea Aerospace Industries in Sacheon, 296 kilometers southeast of Seoul.

Yoon noted that his administration has devised a space economy road map outlining goals to complete a moon landing by 2032 and a Mars mission by 2045. The aim is to make the country a top five space technology power in the world.

Korea's Battery Industry: A Founding Year to Strengthen Core Competence

- Diversifying Portfolio, Securing R&D Technology Gap -

Status of the Battery Industry

Korea is a global leader in the battery industry aiming to turning crisis to opportunity amidst changes in the global trade environment

The battery industry is playing a key role in the global energy transition and is growing rapidly based on carbon neutral targets set by developed countries to respond to climate change and the electrification of vehicles. In particular, electric vehicles (EVs) emerged as a solution to carbon neutrality and circular economy, and are driving the growth of the battery industry. With interest rate increases slowing down the global economy and the war in Ukraine pushing up energy prices in Europe, there are concerns over the slowdown of the EV market, but these are short-term setbacks caused by external factors and the battery industry is expected to continue growing steadily in the mid- to long-term. The growth rate

forecast for the EV market has been revised downward as it enters the chasm, but plans to ultimately ban the sale of internal combustion engine vehicles in major countries is still effective, and OEMs are expected to invest more in EV production in stages to meet the steadily growing demands for EVs.

Korea is leading the global battery industry in small batteries for laptops and cell phones, and is also in a leading position in rapidly-growing markets of medium and large secondary batteries, such as EV batteries and energy storage systems (ESS). Currently, Korea holds a 37% market share of the global battery market and is second only to China in terms of volume. At the same time, the country enjoys the biggest share or 54.1% in markets excluding China.

Despite the strong growth of Korean battery makers, the recent global trade environment is anything but favorable. The reorganization of global supply chain in blocks and the spread of resource nationalism pose sig-

Deadlines for Sales of International Combustion Engines

Country	Deadline	Country	Deadline
EU	2035	Sweden	2030
Norway	2025	Denmark	2030
Netherlands	2025	France	2035
UK	2030	US	2035
Germany	2030	(California)	

*US carmakers are required to produce two thirds of its new cars as EVs and hydrogen cars from 2032.

Market Share in Global Markets Excluding China

Markets excluding China	2019	2020	2021	2022
Korea	36.2%	54.0%	56.7%	54.1%
China	8.6%	12.1%	18.5%	27.3%
Japan	53.9%	33.1%	24.3%	17.6%

*Source: SNE Research

nificant burdens for Korea as it is highly dependent on overseas materials and minerals. Major developed economies such as the US and the EU are striving to foster the battery industry at the national level as it is crucial in achieving carbon neutrality and energy transition. They are also introducing policies to support the battery industry on a large scale, such as the IRA in the US and the CRMA in Europe, and to internalize the supply chain of key minerals and materials. As a result, they are pulling in overseas investments like a black hole and are rapidly building a battery industry base in their countries. Korean battery makers are estimated to have won orders worth KRW 1,000 trillion, and the nation's three major battery makers are planning to invest KRW 52 trillion by 2025, mainly in the US and EU. In addition, battery material companies are increasing their investments in countries with rich resources such as Canada, Australia, and Indonesia, and are also making investments to grasp opportunities in the future battery recycling market.

Market Outlook and Government Policies to Foster the Battery Industry

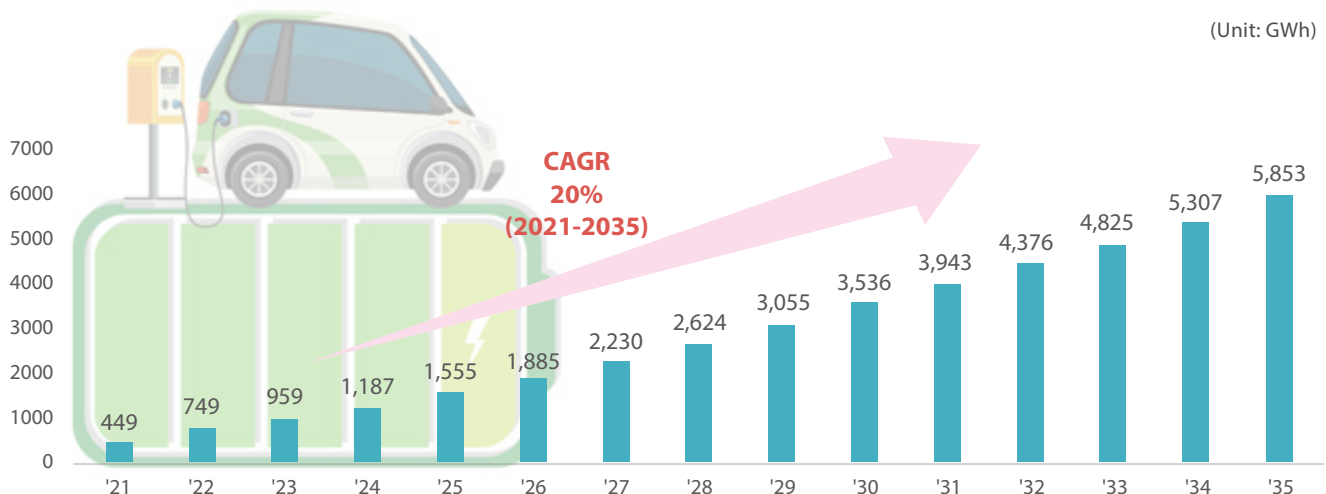
With the EV market slowing down, Korea is faced with challenges to diversify portfolio,

build smart factories and establish supply chain

Global EV sales are expected to grow at a CAGR of over 19% from 6.7 million units in 2021 to 78.8 million units in 2035. The EV battery market is expected to grow from 449 GWh in 2021 to 5,853 GWh by 2035, at a CAGR of 20%.

Going forward, the EV battery market is expected to be divided into the entry-level LFP and premium NCM markets, and competition in the mid-market is expected to intensify. In order to capture the volume market, the three major battery makers are diversifying their material portfolio to include LFP, mid-nickel, and manganese-rich batteries in addition to their current focus on high-nickel batteries. They are also making efforts to diversify form factors to include cylindrical, square, and pouch. This year, the Korean government approved a technology development project worth KRW 110 billion to develop next-generation batteries (lithium-sulfur, lithium metal, solid-state, etc.). Battery makers are also closely watching developments in the automation of the battery manufacturing process. They are also expanding production bases by investing overseas and building smart factories to ensure high cost competitiveness and yield. These efforts are expected to clear problems such as high labor

Global Battery Market: Current Status and Outlook



*Source: SNE Research

costs and yield variance in North America and Europe.

Stable supply chain is another important factor in producing batteries as Korea makers import a high proportion of materials. The introduction of legislations on supply chain such as the IRA in the US and CRMA in Europe highlighted the importance of securing a stable and sustainable supply chain in the EV and battery industry. The government is providing comprehensive support for the internalization of the battery supply chain by enacting and revising the Act On Special Measures To Strengthen Competitiveness And Stabilize Supply Chain Of Materials, Components, And Equipment Industry to closely manage items that are highly dependent on certain countries and granting benefits to companies that contribute to supply chain stabilization.

the electric vehicle tax credit, making it easier for battery makers to meet the IRA parts and minerals requirement if the precursors of cathode material components are processed in Korea, a free trade partner of the US.

As a result, Chinese companies are increasing their presence in Korea by forming joint ventures with Korean companies as a means to fulfill the IRA requirements. Major materials companies such as EcoPro, LG Chem, and POSCO Future M have announced joint ventures with Chinese companies such as Zhejiang Huayou Cobalt and CNGR to produce precursors, and are investing in industrial complexes in Saemangeum and Pohang that have been designed by the government last year to specialize in batteries.

Overseas Battery Makers Investing in Korea

As a result of the government and companies continuously making efforts to attract investment since the US government's announcement of the IRA, the processing of cathode material components was accepted as a mineral processing process in the proposed guidance for

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

Company	Activities	Capacity and Future Plans	Product	Location
LG Chem	Planning to invest in Saemangeum by forming joint venture with China's Zhejiang Huayou Cobalt	Adding production capacity of 50,000 tons by 2026 and another 50,000 tons by 2028	Precursors	Saemangeum
	Planning to invest in Gumi by forming joint venture with China's Zhejiang Huayou Cobalt	Planning to produce 60,000 tons in 2024	Cathode material	Gumi
ECOPRO Materials	Established joint venture with SK On and China's GEM	Planning to add capacity by 50,000 tons by 2024 and 200,000 tons by 2026	Precursors	Saemangeum
POSCO Future M POSCO Holdings	Investment via joint venture with China's CNGR	Planning to produce 50,000 tons of nickel and 110,000 tons of precursor by 2026	Nickel and precursors	Pohang

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 January 2024, Korea's industrial activities increased for three consecutive months, marking the first time in 24 months that all industrial production grew for three straight months.

Monthly Industrial Activity Trends

Subject	All industries	Mining & manufacturing	Service	Retail sales	Capital investment	Construction completed
Monthly Change (%)	0.4	Δ1.3	0.1	0.8	5.6	12.4

In January, production of mining and manufacturing industries declined in semiconductors (Δ8.6 percent) due to a declining trend at the beginning of the quarter, but the decline was compensated by an increase in production of other manufacturing industries, including telecommunications. Despite a decline in wholesale and retail (Δ1 percent), service industry production grew (1.1 percent in Dec. 2023 and 0.1 percent in Jan. 2024), backed by increases in telecommunications (+4.9 percent) and real estate (+2.6 percent). Retail sales increased by 0.2 percentage points from December 2023, as durable goods (-1 percent) and semi-durable goods (-1.4 percent) declined, but sales of nondurable goods (2.3 percent) expanded. Capital investment contracted from the previous month, led by a decline in machinery (-3.2 percent) and a sharp drop in transportation equipment (-12.4 percent). Civil engineering (12.8 percent) increased on the back of expanded plant construction, while construction improved (12.3 percent) both in residential and non-residential sectors. The cyclical change in the coincident index turned positive for the first time in three months, driven by increases in retail sales and completed construction projects. The cyclical change in the leading index stayed flat despite improvements in inventories and stock prices, due to falling construction orders. Recently, the manufacturing sector and exports have led the recovery of the Korean economy amidst uncertainties in domestic consumption. At the same time, the economy carries upside and downside risks going forward. On the production side, the rebound in key industries such as semiconductors, continued improvement in exports, and the spreading prospect of a soft landing in the global economy are positive, but geopolitical unrest and supply chain risks, as well as monetary policies of major countries in line with global inflation, are burdening the economy. As for consumption and investment, improving consumer sentiment, an increase in international visitors, and plans to expand capital investment in key industries (ten major manufacturing industries, +10 percent YoY) are positive factors, while household debt and real estate PF risks, slow construction orders, and delays in construction of major business sites are downside factors.

Trends by Industry

Automotive

December 2023 Domestic Consumption Fell Year-on-Year Due to the Base Effect of Strong Domestic Sales at the End of 2022

Exports in January increased by 21.2% year-on-year backed by growing EV exports and brisk overseas production. Domestic consumption in December 2023 fell by 11.7% year-on-year due to weak consumer sentiment and the base effect. Production in December 2023 decreased from a year ago as demand for internal combustion engine parts weakened.

General machinery

Production Continued Slumping, Exports Increased for 10 Months in a Row to Reach Second-Largest on Record

In December 2023, general machinery exports recorded the second largest volume ever, but the industry's production fell by 7.0% year-on-year as domestic consumption continued to slow down. In January, exports grew by 14.5% year-on-year as exports to the United States continued growing and those to China turned around, while exports to the EU remained sluggish. Imports in December 2023 continued to decline for the seventh consecutive month, increasing by 6% year-on-year as Korean companies continued to cut back on capital investment.

Shipbuilding

Exports Increased for Six Straight Months with the Delivery of High-End Offshore Plants

In December 2023, the capacity utilization rate of the shipbuilding industry maintained a downward trend as shipbuilders increased their investments to improve production capacity, and production and shipments fell due to the effect of December 2022. Exports increased by 76.7% in January to grow for the sixth consecutive month, as high-value ships and offshore plants were delivered. While imports of ship engines and parts fell in December 2023, imports increased by 19%, driven by imports of ships from Japan and Singapore.

Steel

Growing Demand from Emerging Economies Pushed Exports Upward

Production increased by 11.8% year-on-year in December 2023, backed by increased demands for sheet metal products from the auto and shipbuilding industries and the base effect of the previous year's production decline. In January, exports grew by 2% year-on-year as emerging countries such as India, Latin America, and the Middle East saw their economic conditions improve and expanded infrastructure investment. Imports decreased by 5.1% year-on-year in December 2023 due to sluggish domestic consumption of construction bar steel and falling import unit prices.



Oil refining

Against Falling Unit Prices, Higher Volume Pushed January Exports Upward

In December 2023, production increased by 4.9% year-on-year as Korean refineries increased capacity utilization rates in response to growing exports. In January, growing export volume pushed exports upward by 11.8% from a year ago.

Semiconductor

Semiconductor Exports Up for Three Straight Months, Growing at a Faster Pace

In January 2024, exports reached USD 9.4 billion, up 56.2% year-on-year, which is the highest increase ever for the month of January. The semiconductor production index in December 2023 rose sharply year-on-year (by 53.3%) to 175.8, and also grew by 8.5% month-on-month, indicating strong growth.

Wireless communication devices

Amidst Expectations for Gradual Recovery of Global Smartphone Market, January Exports Plunged Due to Delay in Full-Scale Rise in Shipments at the Beginning of the Year

With the global economic downturn delaying the recovery of smartphone demands, exports fell as consumers postponed purchase in anticipation of new product launches scheduled for February. In December 2023, the slowdown in exports cut production by 1.8% year-on-year, while shipments plummeted by a significant 30.5%, resulting in a 21.1% increase in inventories. Imports in December 2023 decreased by 1.9% year-on-year, mainly in the imports of smartphones.

Display

Production Continued to Decline in 2023 Due to LCD Production Cuts

Display production continued to decline last year due to the ripple effect of LCD facility closures. Despite falling OLED exports, January panel exports increased by 2.1% thanks to rising LCD panel prices and grew for six straight months. Wider application of OLEDs in IT devices is expected to boost exports, but the trend is unlikely to produce a visible result in Q1.

** 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.*

A portrait of Sun Choi, a man with dark hair, smiling and wearing a white button-down shirt. The background is a plain, light-colored wall.

One-on-One with

Sun Choi

Founding Partner of 2080 Ventures

Invest KOREA spoke with Sun Choi, founding partner of 2080 Ventures, to gain more insight into Korea's startup environment on the back of his extensive experience working in venture capital.

Over the last few years, South Korea has been in the global spotlight for its cars, smartphones, household appliances, and even culture. On the back of its solid economic fundamentals, the country is now experiencing an influx of foreign venture capital for its innovative startups. According to startup industry tracker The VC on Mar. 11, the number of Korean startups receiving foreign venture funding was at 32 in the first two months of 2024—a 1.7 fold increase from the same period last year—with total funding more than doubling to USD 135 million. VC industry insiders are seeing the recent inflow of startup funding as a positive signal for accelerating momentum in the market.

In line with such trends, we met with Sun Choi of US-based 2080 Ventures, to gain a deeper understanding of the Korean startup market based on his extensive experience working in venture capital. Aside from his position as founding partner at 2080 Ventures, Sun also functions as an angel investor. With a notable tenure as Managing Director of Asia at Mind the Bridge, a startup accelerator and open innovation advisory firm rooted in Silicon Valley, he has successfully contributed to two startup exits—an IPO for a tech enterprise by spearheading the development and launch of an AI-powered SaaS product. Additionally, he backed the acquisition of a beverage company, expanding its reach internationally. Sun's professional journey commenced in a Japanese management consulting firm, advising Fortune 500 giants like Mitsubishi and Toyota, and his international experience spans over two decades, with extended stays in Canada, Japan, the US, and Korea, well-equipping him with a nuanced understanding of global markets and cultural diversities. Read on to find out more.

Sun, can you tell us about 2080 Ventures and its history? Why did the company decide to establish an office in S. Korea?

2080 Ventures, established in the US in 2022, is the brainchild of three partners with roots in leading global accelerators such as 500Global, Techstars, and Mind the Bridge. Recognizing the disconnect between local and global accelerator initiatives, we sought to bridge this gap.

Our rapid expansion led to a diverse team of 20 people that operates across multiple regions, including the US, South Korea, Japan, Saudi Arabia, India and beyond. The strategic decision to establish an office in South Korea was driven by our understanding of the local culture, the rapid growth of its startup ecosystem, and the unique opportunity to foster a global mindset within the country's burgeoning market.

What do you think are the benefits of doing business in Korea?

Doing business in Korea offers a confluence of advantageous conditions, which I would encapsulate into three core areas. Firstly, the centralized nature of Korea's economy, predominantly positioned in Seoul, offers unparalleled convenience. The compact nature of the city allows for efficient business operations, minimizing transit times and maximizing productivity.

Secondly, Korea's government is particularly proactive in supporting foreign business ventures. This comes in the form of generous grants and incentives designed to foster innovation and attract international companies. In line with President Yoon's commitment to transforming Korea into a global startup hub, we can anticipate even more comprehensive support structures in the near future.

“

Korea's government is particularly proactive in supporting foreign business ventures. This comes in the form of generous grants and incentives designed to foster innovation and attract international companies.

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Finally, the corporate culture in Korea is increasingly geared towards open innovation. There's a significant appetite among established Korean companies to collaborate with new players, allowing for symbiotic relationships that can accelerate growth and innovation. This creates a fertile environment for startups and foreign businesses to not only thrive but also to drive transformational change.

What are some of the major startup trends you're seeing in Korea's startup environment? And how does this compare to countries with the highest startup success rates like the U.S., China and Germany?

The Korean startup landscape is unique in its government-led approach, which is somewhat atypical when compared to other global leaders in innovation. Most venture capital in Korea is sourced from government funds, making

it a rarity to encounter a startup that hasn't benefitted from this support. This governmental involvement has the benefit of creating a stable foundation for startups but does also mean that the ecosystem has certain top-down directives.

When we examine the industry-specific trends, e-commerce, and gaming are standout sectors. The e-commerce strength is attributed to the nation's infrastructure that supports rapid delivery systems, backed by a culture that prizes speed and efficiency in services. This, coupled with a societal penchant for materialism and trendsetting, creates a continuous demand in the sector. Meanwhile, the gaming industry has carved out its distinctive path due to historical limitations on Japanese cultural imports. This restriction spurred the growth of home-grown internet and computer-based games, which, in turn, gave rise to the PC room culture—a social gaming experience that's uniquely Korean. These aspects not only differentiate Korea's startup environment from others but also create specific niches where businesses can specialize and succeed.

What are the main ways in which 2080 Ventures helps startups grow in Korea?

2080 Ventures propels startups by offering tailored support for product market fit and international expansion. Our approach is two-pronged: fostering growth within Korea and facilitating global market entry.

With a diverse mentor network exceeding 5,300 experts, we deliver comprehensive acceleration programs that refine startups' strategies, validate their business models, and ensure product-market alignment. Our guidance spans from foundational mindset shifts to operational execution, preparing startups for investor and partner engagement, thus enabling them to thrive both locally and globally.

What kinds of benefits do startup accelerators offer businesses that are seeking out investment?

Startup accelerators like ours bring a wealth of benefits to businesses seeking investment. Beyond the immediate infusion of capital, accelerators provide a nurturing ecosystem where entrepreneurs can access a breadth of resources, including an extensive network of industry contacts, mentorship from seasoned experts, and educational programs to

refine their business acumen. These resources are crucial for startups to refine their business models, accelerate growth, and increase their market readiness.

Furthermore, accelerators often provide a stamp of credibility that can be instrumental in attracting further investment. However, it's imperative for startups to diligently research and select accelerators with a proven track record of success. The reputation and previous investments of an accelerator can significantly influence the perception of a startup in the eyes of potential investors, including notable venture capitals, who may take an accelerator's endorsement as a signal of a startup's potential.

What advice would you give startups for boosting their competitiveness in Korea, and for increasing their chances of attracting investment?

For startups aiming to escalate their competitive stance in Korea and attract investment, it's imperative to delve deeply into the cultural and business dynamics prevalent in the country.

The Korean business environment still holds a strong preference for face-to-face interactions, which underscores

the value of personal relationships in business dealings. The work culture is intense, and international founders must be willing to adapt to local practices and expectations. A successful integration into the Korean market goes beyond just professional adjustments; it extends into everyday life. For instance, international founders need to navigate through local digital landscapes, opting for widely-used platforms like Kakao and Naver over Western counterparts like Google Maps. This cultural adaptation is more than just a necessity—it's a strategic move.

By embracing and understanding the nuances of Korean lifestyle and business etiquette, startups can significantly enhance their appeal to local investors and partners, which is often a crucial factor in securing investment and achieving business success in Korea.

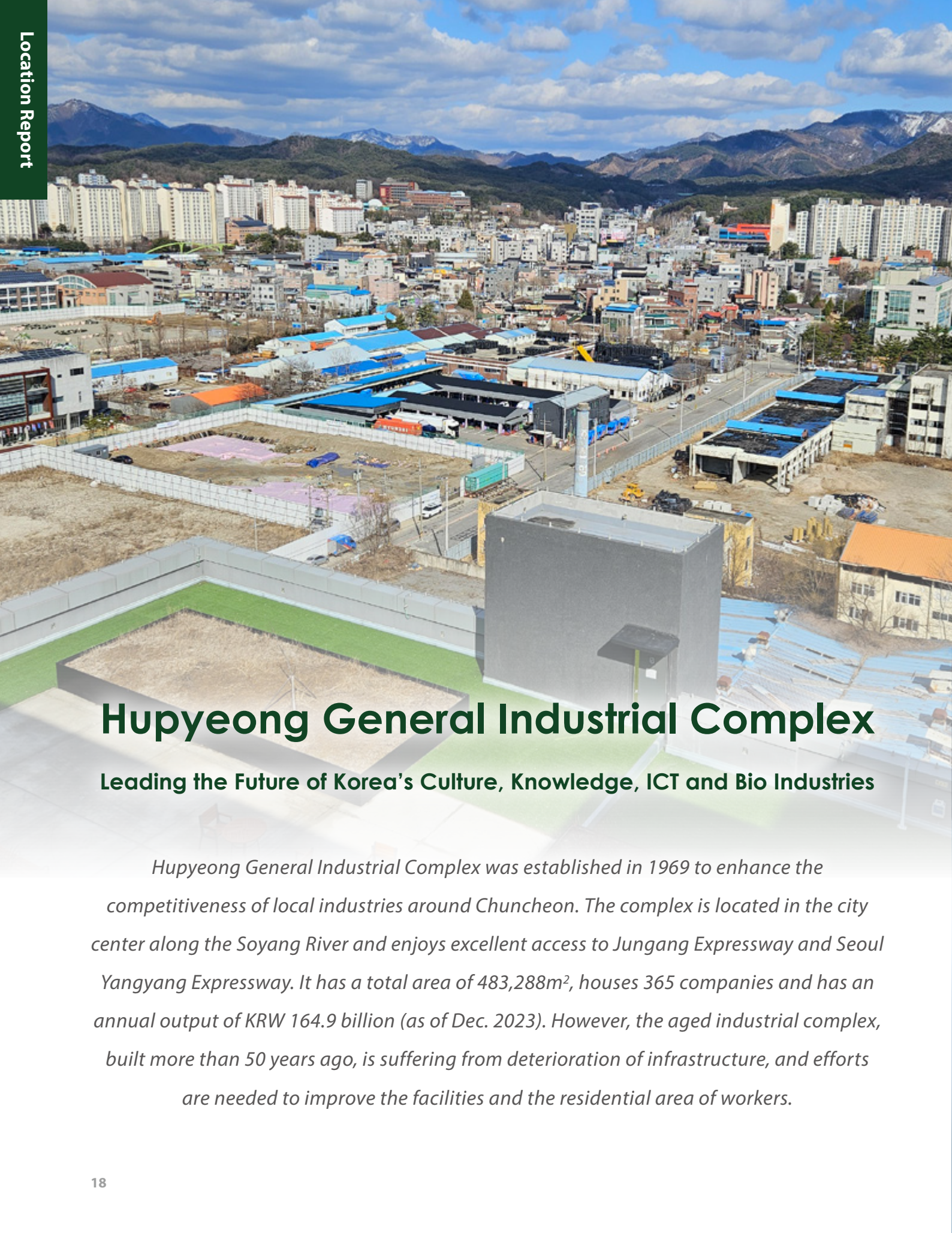
By Grace Park

*Investment PR Team, Invest KOREA
Korea Trade-Investment Promotion Agency (KOTRA)*

“

There's a significant appetite among established Korean companies to collaborate with new players, allowing for symbiotic relationships that can accelerate growth and innovation.

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Hupyeong General Industrial Complex

Leading the Future of Korea's Culture, Knowledge, ICT and Bio Industries

Hupyeong General Industrial Complex was established in 1969 to enhance the competitiveness of local industries around Chuncheon. The complex is located in the city center along the Soyang River and enjoys excellent access to Jungang Expressway and Seoul Yangyang Expressway. It has a total area of 483,288m², houses 365 companies and has an annual output of KRW 164.9 billion (as of Dec. 2023). However, the aged industrial complex, built more than 50 years ago, is suffering from deterioration of infrastructure, and efforts are needed to improve the facilities and the residential area of workers.

Hupyeong General Industrial Complex

- Location: Hupyeong-dong, Chuncheon
- Area

(Unit: m²)

Total area	Industrial facilities	Supporting facilities	Public facilities	Green area
483,288	263,376	70,741	144,780	4,391

In order to tackle these problems, Chuncheon City selected Hupyeong General Industrial Complex as a regeneration project area in 2017 and launched a regeneration project to widen roads and improve the landscape. The project is actively underway with the goal of completion in 2025.

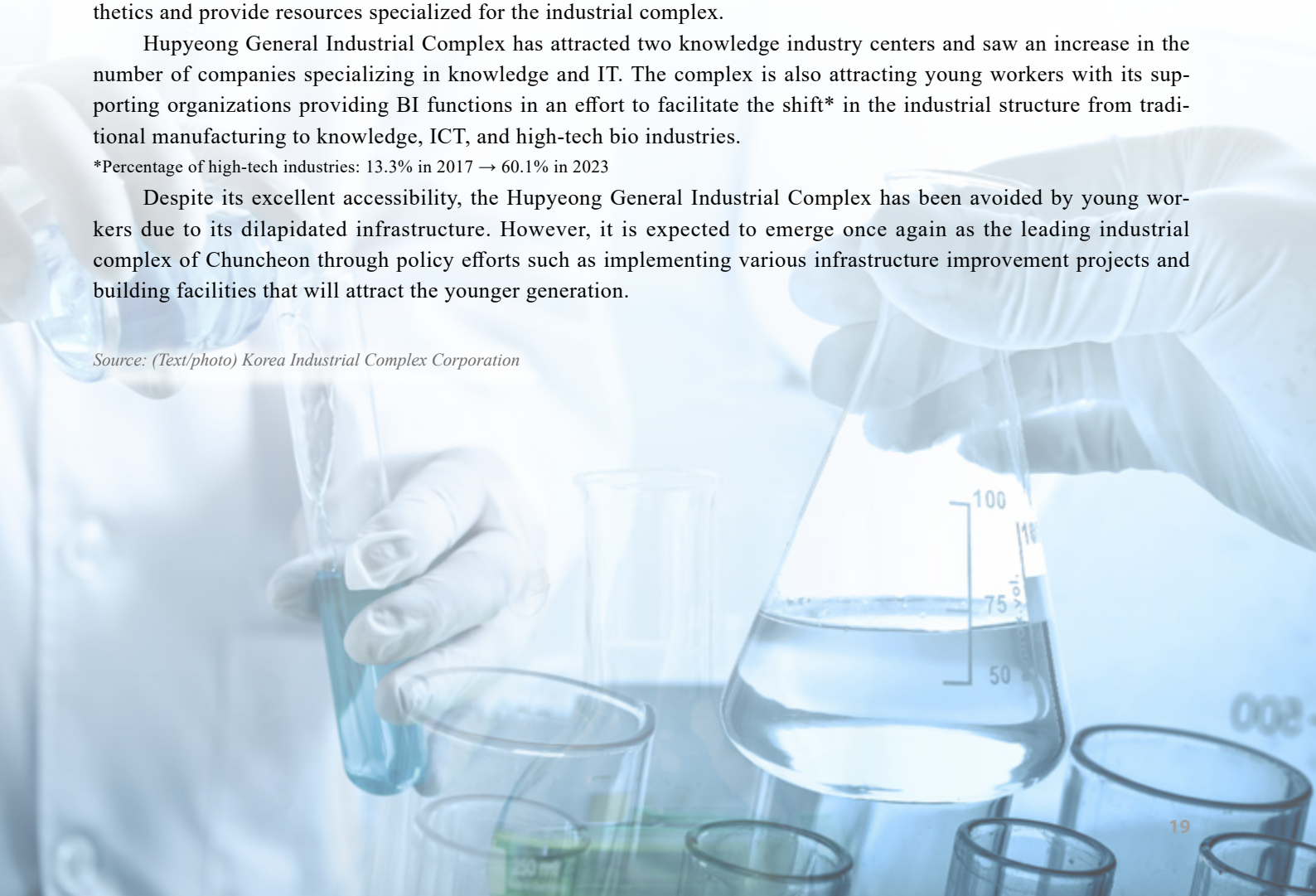
In addition, Chuncheon City, together with the Ministry of Trade, Industry, and Energy (MOTIE), has been working to build and improve the infrastructure since 2020 in projects including (1) the construction of a multi-purpose cultural center meeting the cultural needs of young workers, (2) the remodeling of closed factories to establish and support the stage after business incubation (BI) for startups, and (3) the creation of better streets to enhance the aesthetics and provide resources specialized for the industrial complex.

Hupyeong General Industrial Complex has attracted two knowledge industry centers and saw an increase in the number of companies specializing in knowledge and IT. The complex is also attracting young workers with its supporting organizations providing BI functions in an effort to facilitate the shift* in the industrial structure from traditional manufacturing to knowledge, ICT, and high-tech bio industries.

*Percentage of high-tech industries: 13.3% in 2017 → 60.1% in 2023

Despite its excellent accessibility, the Hupyeong General Industrial Complex has been avoided by young workers due to its dilapidated infrastructure. However, it is expected to emerge once again as the leading industrial complex of Chuncheon through policy efforts such as implementing various infrastructure improvement projects and building facilities that will attract the younger generation.

Source: (Text/photo) Korea Industrial Complex Corporation



Korea LFP, Pioneering the Revolution of the Secondary Battery Market

About the Company

Korea LFP Inc. specializes in manufacturing lithium iron phosphate batteries (LFP batteries) and develops and manufactures customized batteries for a variety of devices, including cordless products/mobility products, industrial machinery, and energy storage systems (ESS). The company started LFP battery R&D in 2016, established the company Jangsoo Battery in 2018, and was established as Korea LFP in 2022. With Jangsoo Battery as its brand, it is leading the LFP battery market in Korea. Korea LFP manufactures and produces LFP batteries that are in line with the current times and offers customers LFP batteries, all produced with its original technology and used in various fields from medical batteries to multi-purpose batteries for industrial use (awning batteries, electric carts, forklifts, etc.).

Background

Korea LFP developed its batteries to address the problems found in the existing battery market. The growing

global supply of renewable energy gave rise to the need of ESS, and the growth of the ESS industry is calling for high-quality LFP batteries that are safe and high performing.

Korea LFP has developed LFP batteries in light of these industry trends. LFP batteries are highly safe, easy to repair in case of failure, and have a long service life. Moreover, the service life is about ten times longer than that of conventional lead-acid batteries, while the price is also economical. In addition, problems such as overcharging and over-discharging can be prevented in advance by deploying the battery management system (BMS).

Against this backdrop, Korea LFP is developing high-performance LFP batteries that are used in various fields, starting with medical batteries. Through these activities, the company aims to grow into a leader of the secondary battery market by providing safe and efficient energy solutions to customers.

About the Product

LFP batteries made by Korea LFP provide safe and

reliable energy solutions and have technical features that allow them to be highly reliable when used in a variety of industries.

First of all, LFP batteries are extremely safe, with a significantly lower risk of fire or explosion. They can be operated reliably in large-scale energy storage and management systems as they are resistant to overcharging, over-discharging, and overheating.

LFP batteries also have a long service life, providing long-term reliability. With an average service life of about ten years, they can be charged and discharged about 2,000 times. Therefore, they provide customers with reliability for long-term use.

In addition, the safety of Korea LFP's batteries is further enhanced by the application of the battery management system (BMS) developed and designed with the company's own technology. The BMS extends the battery life and ensures stable operation by detecting and preventing problems such as overcharging and over-discharging.

Applications include electric scooters, electric wheelchairs, electric forklifts, electric cleaning vehicles, guide motors, golf carts, vehicle starters, solar street lights, electric cars for kids, electric bicycles, and energy

storage systems (ESS). Korea LFP delivers outstanding performance and reliability to provide customers with reliable energy solutions fit for the diverse environments of today's world.

Competitive Edge and Business Strategy

The company's LFP batteries are performing well in the Korea market, where demand for batteries is increasing significantly in line with the growing demand for electric mobility and industrial applications. Based on these market trends, the company is gaining a leading position in the Korean renewable energy market as it grows based on high demand from the electric mobility and industrial sectors.

Based on these achievements, Korea LFP successfully exported to Japan in 2023, a feat that can be considered as an international recognition of the company's technology and quality. Korea LFP aims to expand its business by tapping into the experience and know-how gained in Korea and explore opportunities in the global market. At the same time, Korea LFP is investing in new product development and technological innovation to



Figure 1. Jangsoo Battery: Main products



Figure 2. Jangsoo Battery Applications

grow more competitive in the global market and target a wider market by providing high-quality products. The company is also focused on improving the quality and performance of its products by closely collaborating with partners. Through these efforts, Korea LFP aims to grow more competitive in the global market and achieve sustainable growth.

Future Plans

In anticipation of the global growth of renewable energy supply and the rapid growth of the ESS industry, Korea LFP is focused on the research, development and commercialization of LFP batteries known for their high safety and long life. More specifically, the company is positioning LFP battery technology as a key element of its environmental, social and governance (ESG) management strategy to achieve ESS fire prevention and greenhouse gas reduction goals.

LFP batteries, thanks to their chemical composition, offer high safety in the event of overcharging, over-discharging, and overheating, and are characterized by a significantly lower risk of fire or explosion. These features satisfy the essential safety requirements for ESS applications that require large-scale energy storage and management. In addition, LFP batteries have a long service life of more than 2,000 to 5,000 cycles, which contributes significantly to long-term operational cost savings.

In terms of environmental sustainability, LFP batteries are composed of low toxicity materials and therefore have a low negative impact on the environment as waste. Such features are in line with ESG management objectives and are an important advantage, especially when integrated with renewable energy sources. The wide operating temperature range and high charge and discharge efficiency enable ESS to operate efficiently under different climatic conditions and energy demand scenarios.

As for future plans, Korea LFP in the short-term plans to launch the process of developing and obtaining certifications for its LFP battery pack used on 100KWh ESS that are resistant to thermal runaway. Such a battery pack includes a battery management system (BMS) and a battery cell box with an added active cell balancing function. In the medium to long term, Korea LFP plans to focus on marketing and promoting products for commercialization, while continuously monitoring market response and improving the products. In addition, Korea LFP plans to lay the foundation for market diversification and stable growth by continuously developing its existing businesses in the medical and industrial battery segments.



By Hwang DongEun

Chief Executive Officer
Korea LFP

** 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 battery industry.

COMPANY A

Quantum Solution



Corporate-owned electric vehicles
- Small EV logistics vehicles
- Corporate-owned EVs



Distributed power seller
- ESG construction and power sales
- Microgrid power sales

Quantum solutions platform

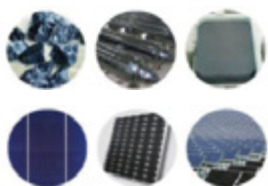
Investment Requirement		Company Profile	
Amount	USD 3 million	Patents and Certificates	- Regulatory sandbox special case for post-spend batteries - IEC 62619 BMS safety certificate - Battery evaluation platform GS certification - Secured more than 6 related patents
Investment Structure	Equity Investment, Joint Venture	Financial Performance	(Sales in 2022) USD 2.17 million

Investment Highlights

- **The rapidly growing commercial software industry for drones**
In 2021, global car sales were 84.5 million units, down 9.7% from before the pandemic (2019), but electric vehicle (EV) sales increased 226.3% from 2019 to 6.6 million units, the highest ever. The cumulative number of EVs has increased by about 2.3 times compared to before Covid-19, and the penetration rate of EVs in the domestic market has grown by more than 30% since 2020.
- **An integrated solution that builds a business system through real time video recording and data transmission using drones.**
With the unification of battery performance and management technology, it is possible to diagnose the status and health of the EV battery when charging, and to manage the safety of the battery through continuous charging data management. In addition, the company has secured a charger-type diagnostic technology.

COMPANY B

FINEENERGY CO.,LTD



Photovoltaic industry value chain



Recycling process when making ingots

Investment Requirement		Company Profile	
Amount	USD 5 million	Patents and Certificates	Registered 2 patents, including a method for manufacturing solar cells using carbon fiber and solar cells manufactured accordingly
Investment Structure	Equity Investment, Joint Venture	Financial Performance	(Sales in 2022) USD 1.79 million

Investment Highlights

- **Increasing global demand for ingots for photovoltaic and semiconductor wafer production**
The demand for semiconductors for 5G, autonomous driving, AI data centers, renewable energy power plants, and etc. is expected to increase rapidly. As a result, as the demand for ingots for wafer production for photovoltaics and semiconductors continues to increase, the demand for recycling of scraps generated from waste ingots is also expected to continue to grow. The technology of shredding ingot scraps and reusing them in the ingot manufacturing process by turning them into chip-sized poly contributes to environmental protection, and therefore, is expected to garner interest for ESG management.
- **Chip poly can contribute to reducing carbon emissions**
By recycling byproducts generated during the manufacturing process of photovoltaic or semiconductor wafers with its own unique cleaning technology chip-poly manufacturing), the company can reduce wafer production costs and contribute to saving resources.

Are there any business categories where a foreigner should have a Korean partner to invest in Korea?

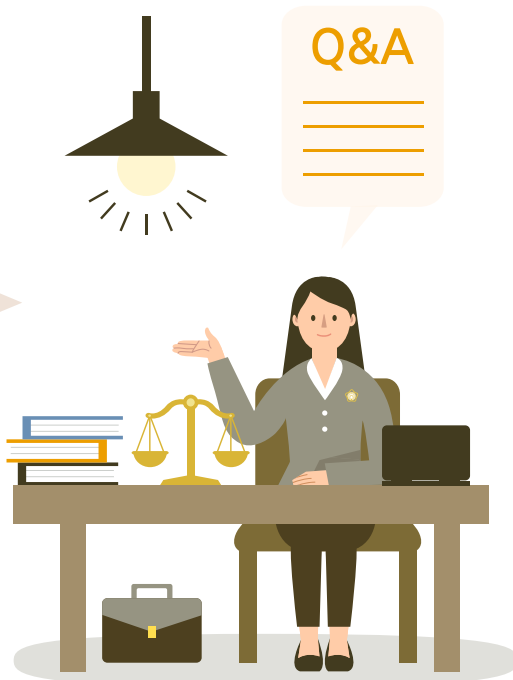
Every month, Invest KOREA provides answers to some frequently asked questions submitted by foreign-invested companies in Korea and potential investors.

Q.

Are there any business categories where a foreigner cannot invest alone and should have a Korean partner to invest in Korea?

A.

In most business categories, a foreigner can invest alone in Korea without a Korean partner. However, a foreigner should have a Korean partner to invest in “restricted business categories” and there are restrictions as to the percentage of stocks or shares that can be held by a foreign investor.



- The restricted and prohibited business categories are revised and announced every year by the Minister of Trade, Industry and Energy through the Integrated Public Notice of Foreign Investment pursuant to Article 4 (4) of the Foreign Investment Promotion Act and Article 5 (11) of the Enforcement Decree of the Act.

- **Restrictions on Foreign Investment (Example)**

Business Categories (KSIC)	Overview	Criteria for Permission
Electric power transmission and distribution (35120)	Industrial activities of transmitting the electric power generated to certain regions or distributing the transmitted electric power to endusers	Permitted only in the following cases: 1. The foreign investment ratio shall be less than 50%. 2. The number of stocks with voting rights held by a foreign investor shall be below that of the largest domestic shareholder. * These criteria only apply to trade of electricity subject to the Electric Utility Act.
Trade of electricity (35130)	Industrial activities of supplying and selling electricity to household, industrial and commercial users	
Collection, treatment and disposal of radioactive nuclear waste (38240)	Industrial activities of collecting, transporting and disposing of radioactive wastes that need to be disposed of	Permitted except for radioactive waste management business pursuant to Article 9 of the Radioactive Waste Management Act
Wholesale of meat (46313)	Industrial activities of wholesaling fresh, refrigerated or frozen meat of livestock or other land animals	Permitted if the foreign investment ratio is less than 50%.

For further inquiries, please contact the Investment Consulting Center

Call



+82-1600-7119

or Visit



www.investkorea.org

How Foreigners Can Start Business in Korea



Category



Foreign-Invested Company



Domestic Branch



Liaison Office

Governing law	Foreign Investment Promotion Act	Foreign Exchange Transaction Act	Foreign Exchange Transaction Act
Type of corporation	Domestic	Foreign	Foreign
Recognized as FDI	Yes	No	No
Company name	No restrictions	Must be identical to that of headquarters	Must be identical to that of headquarters
Scope of business activities	No restrictions within the permitted scope	Restricted to same activities as headquarters, within the permitted scope	Not permitted to generate profit, and can only engage in liaison operations
Minimum investment amount	KRW 100 million*	No restrictions	No restrictions
Legal liability	Liability limited to domestic corporation	Liability extends to domestic corporation and headquarters	Liability extends to domestic corporation and headquarters
Independence	Independent from headquarters	Subordinated to headquarters	Subordinated to headquarters
Loans in Korea	Possible depending on credit rating of the domestic corporation	Almost impossible	Impossible
Establishment procedures	1. FDI notification 2. Remittance of investment funds 3. Registration of incorporation 4. Business registration 5. Registration of foreign-invested company	1. Notification of domestic branch establishment 2. Registration of incorporation 3. Business registration	1. Notification of domestic branch establishment 2. Registration of identification number
Accounting and taxation	Obligation of bookkeeping according to Korean Accepted Accounting Principle and external audit for certain conditions	Obligation of bookkeeping according to Korean Accepted Accounting Principle, but no obligation of external audit	No bookkeeping obligation
Corporate tax rate	Tax obligation * Taxation ▶ National Tax ▶ Corporate Tax		None
Taxable income	Total income based on all profit made in Korea and overseas by the domestic corporation	Total profit based on domestic source income of the domestic branch. Branch tax should be paid in some countries.	None
Tax benefits	Tax benefits for foreign-invested company and small and middle-sized business according to the Restriction of Special Taxation Act	None	None

* A foreigner may establish a corporation with an investment of less than KRW 100 million, although it will not be recognized as FDI and is subject to notification of stocks acquisition (Attached Form no. 7-6 of the Regulations on the Foreign Exchange Transaction) as prescribed by the Foreign Exchange Transaction Act.

Unappropriated Retained Earnings Reinvestment FDI Recognition System

Did you know that reinvesting unappropriated retained earnings can be recognized as foreign investment in Korea?

With the revision of the 「Foreign Investment Promotion Act」 in August 2020, foreign-invested companies operating in Korea can now have their reinvestments of unappropriated retained earnings recognized as foreign direct investment (FDI) and apply for investment incentives such as cash support.

I. Procedure for Reporting Investment of Unappropriated Retained Earnings

- ① Prepare required documents such as the investment plan for using unappropriated retained earnings.
(Refer to the explanation below)
- ② Submit the aforementioned documents to the Investment Consulting Center at KOTRA.

II. Required Documents for Submission (Total of 5 Documents)

- ① Two originals of the report for investment of unappropriated retained earnings
 - Planned investment amount (A): When proceeding with investment using future unappropriated retained earnings, the investment amount should be set within the limit of retained earnings carried forward from the most recent settlement.
 - Foreign investment ratio (B): The foreign investment ratio as stated on the Certificate of Foreign Investment Company Registration.
 - Authorized signatory: The representative of the Korean corporation
 - Other: Figures such as the company's capital must match the most recent financial statements report.
- ② One original of the investment plan for using unappropriated retained earnings
- ③ One copy of the external audit report on the financial statements (Extractable from DART Management Disclosure)
- ④ The most recent earnings surplus disposition statement (Extractable from DART Management Disclosure)
- ⑤ One copy of the Foreign Investment Company Registration Certificate

For further inquiries, please contact the Investment Consulting Center

Call **+82-1600-7119** or Visit **<https://www.investkorea.org/ik-en/cntnts/i-2558/web.do#>**

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



BUSAN

MUSEUM 1

MUSEUM 1 is a Modern Art Museum for Immersive Media Art located in Centum City, Haeundae, Busan. MUSEUM 1 is currently working on exhibits in collaboration with famous contemporary artists, and visitors can enjoy various contemporary artworks such as paintings, sculptures, ceramics, and photographs. MUSEUM 1's Main Hall boasts 80 million Ultra HD LED light sources, and hence offers a great space for unique and distinct events. It is an attractive space for various activities such as corporate functions, various group meetings, product launching parties, and networking parties.

Venue & Rental Information

- Address: 20 Centumseo-ro, Haeundae-gu, Busan, Korea
- Phone Number: +82-51-731-3302 Homepage: www.museum1.co.kr
- Inquiries: +82-10-2795-6320 / ssong@museum1.co.kr
- Major Events Held in Recent Years: IT EXPO (2019) /G-STAR, ROLLS-ROYCE BLACK BADGE launching Event (2019) / FIMSA (Federation of Immunological Societies of Asia-Oceania) (2021)

Other Major Events Held in Recent Years

- Name of the Event: FIMSA (Federation of Immunological Societies of Asia-Oceania) 2021 / Event
- Date of the Event: 2021.11.2
- Event Details: Standing party held in a Unique Venue after the official event (academic program) is finished
- Participants & Number of Participants: 100 members of Federation of Immunological Societies of Asia-Oceania & The Korean Association of Immunologists

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

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



IKP (Invest Korea Plaza) Office for Rent!



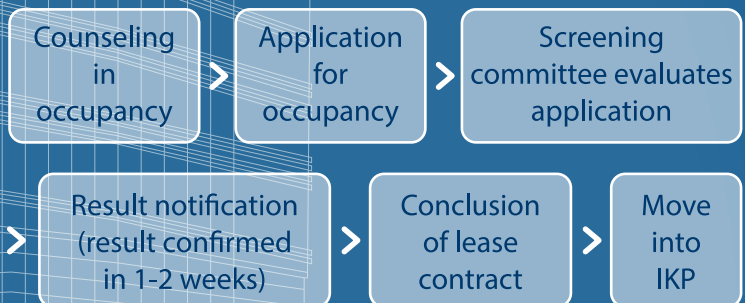
INVEST
KOREA
PLAZA

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

IKP Occupancy Procedure



KOTRA's Global Network

KOTRA has 129 overseas offices and 10 headquarters worldwide

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