

Invest Korea

January 2023

What Does 2023 Hold for South Korea?

Economic Outlook for South Korea in 2023

Korean Industry Prospects for 2023

Gunsan National Industrial Complexes 1 and 2 – Seeking Innovation Beyond Crisis

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Korean Industry Prospects for 2023



Economic Outlook

Economic Outlook provides an overview of the prospects for the Korean economy on a quarterly basis (in January, April, July, and October) based on sources published by the Bank of Korea.

Summary

- ◆ In light of changes in internal and external conditions, the Korean economy is projected to grow by 1.7 percent in 2023 and 2.3 percent in 2024.
- ◆ The number of persons employed is expected to increase by 90,000 in 2023 and 150,000 in 2024.
- ◆ CPI inflation is forecast to record 3.6 percent and 2.5 percent in 2023 and 2024, respectively.
- ◆ The current account is forecast to record a surplus of USD 28 billion in 2023 and USD 48 billion in 2024.

Economic Forecasts

(%, Year-on-year)

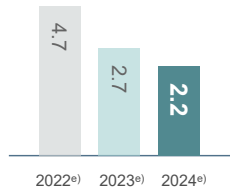
	2022 ^{e)}	2023 ^{e)}	2024 ^{e)}
GDP*	2.6	1.7	2.3
Changes in no. of persons employed*	82	9	15
Unemployment rate	3.0	3.4	3.3
Employment rate	62.1	62.0	62.1
Consumer prices	5.1	3.6	2.5
Current account (USD billion)	250	280	480

Macroeconomic Outlook

1. Economic Growth

Private consumption

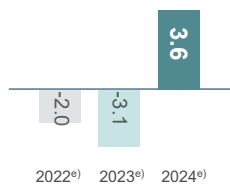
(Year-on-year, %)



Private consumption is projected to grow by 4.7 percent and 2.7 percent in 2022 and 2023, respectively, and by 2.2 percent in 2024. Private consumption is expected to continue to recover as the effects of pent-up demand remain. However, the recovery momentum will slow gradually due to falling real purchasing power and the rise in interest rates.

Facilities investment

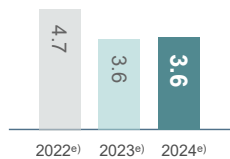
(Year-on-year, %)



Facilities investment is expected to decrease by 2.0 percent and 3.1 percent in 2022 and 2023, respectively, before growing by 3.6 percent in 2024. Thanks to the resolution of disruptions in global supply, facilities investment has improved in the third quarter of 2022, driven by investments in semiconductor equipment and automobiles. However, facilities investment is expected to contract, affected by slowing global demand and increased cost of capital. Investment in the IT sector will decrease, mostly in semiconductors, while the non-IT sector will also continue to fall.

Intellectual property products investment

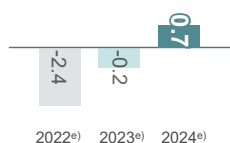
(Year-on-year, %)



Intellectual property products investment is expected to grow by 4.7 percent and 3.6 percent in 2022 and 2023, respectively, and increase by 3.6 percent in 2024. R&D investment is projected to slow, centered on private R&D investment, due to deteriorating corporate earnings caused by the slump in global demand. Other intellectual property products investment will increase, thanks to continuing software-related investment for digital transformation.

Construction investment

(Year-on-year, %)

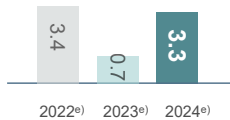


Construction investment is expected to decrease by 2.4 percent and 0.2 percent in 2022 and 2023, respectively, before growing by 0.7 percent in 2024. In the third quarter of 2022, construction investment continues to be slow, due to delays in the sales of new houses and execution of SOC expenditure budget. Construction investment is expected to continue its sluggish trend due to the slowdown in housing demand and decrease in government SOC expenditure budget.

Exports of goods*

(Year-on-year, %)

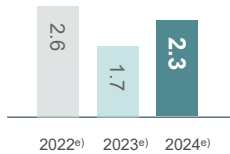
* Actual goods exported in GDP



Exports of goods are expected to grow by 3.4 percent and 0.7 percent in 2022 and 2023, respectively, and increase by 3.3 percent in 2024. The upward trend of exports of goods has slowed in the midst of weakening global demand for imports, mainly in China and IT products. Moreover, growth is projected to slow due to the worsening of negative effects caused by the economic slowdown of the world's three major economies (the US, China, and Japan) and the slump of the IT sector.

Economic growth

(Year-on-year, %)



The Korean economy is expected to grow by 2.6 percent and 1.7 percent in 2022 and 2023, respectively, and increase by 2.3 percent in 2024. Economic growth is forecast to remain below the potential due to sluggish growth in major economies, but the sluggishness is expected to gradually ease from the second half of 2023 as external uncertainties diminish.

2. Employment

The number of persons employed after the third quarter of 2022 (year-on-year) has increased by 754,000 to sustain the high growth. As the nation returns to normalcy by recovering from the pandemic, the service sector continues to add jobs, while the manufacturing added jobs for twelve consecutive months to drive the increase in employment. However, the increase is expected to be smaller in 2023 across all sectors of service, manufacturing and construction as the effect of the reopening of economic activities vanishes and the economy slows further. Employment rates for 2023 and 2024 are projected to be 62.0 percent and 62.1 percent, respectively.

3. Prices

The CPI inflation forecast for November 2022 has been revised downward to 5.1 percent compared to the August projection (5.2 percent), reflecting the considerable base effect and the fall in agricultural prices. Consumer prices are forecast to rise by 3.6 percent and 2.5 percent in 2023 and 2024, respectively. Core inflation for items other than food and energy is forecast to stand at 2.9 percent in 2023 and 2.0 percent in 2024, respectively.

4. Current Account Balance

The current account surplus is projected to drop in 2022, but will post a gradual improvement in 2023 driven by the goods account, despite the deterioration of the service account. Whereas the goods account surplus was reduced in 2022 due to the surge in raw material prices, the surplus is forecast to widen from second half of 2023 supported by improvements in exports and declining imports. The service account, on the other hand, is expected to widen its deficit position as transitory surplus factors wane, such as travel services and the transportation sector, which have arisen from the ongoing pandemic shock.

Foreign Direct Investment

S. Korea to ease regulations to boost foreign investment

S. Korea will ease regulations on imports of electric vehicles, chemical substances and other items in an effort to attract more foreign investment to the country, the industry ministry said on Dec. 8.

They are part of 40 major measures that the government came up with to revamp imports and investment rules, after a total of 454 such requests from foreign companies here had been made through surveys and meetings conducted earlier this year.

The largest share of the demand, or 27 percent, was about rules on examination and certification, followed by environment and labor regulations, according to the Ministry of Trade,

Industry and Energy.

Of the measures, the government decided to revise process and conditions of required tests on the imports of EVs and plug-in hybrid vehicles to meet international standards.

It will also relax rules on bringing in restricted chemical substances and foreign firms' management of facilities inside free economic zones, according to the ministry.

During the first nine months of this year, foreign direct investment pledges to S. Korea hit an all-time high of USD 21.52 billion on the back of solid growth in investment in such advanced sectors as chips and batteries, government data showed.

Trade & Commerce

S. Korea to report best ever exports performance this year: trade ministry

S. Korea is expected to log a record annual value of exports this year to become the world's sixth-largest exporter despite a global economic slowdown, the trade ministry said on Dec. 5.

The value of the country's exports is expected to come to over USD 680 billion for this year, which will be larger than an all-time high of USD 644.4 billion set the previous year, according to the Ministry of Trade, Industry and

Energy.

The country rose to the world's No. 6 exporter this year, up by one notch from the previous year, according to the ministry.

The performance was on the back of solid demand for the country's major export items, including semiconductors and petro products, as well as the record high sales of electric vehicles, secondary cells, and military items.

Vietnam emerges as S. Korea's No. 3 trading partner

Vietnam will finish this year as S. Korea's No. 3 trading partner and the country with which the latter has the largest trade surplus, a study has shown.

The Federation of Korean Industries on Dec. 21 released an analysis on trade between the two countries from 1992, when they formed diplomatic ties, to last year to mark the 30th anniversary of bilateral relations.

The report said Korea has kept a trade surplus

with Vietnam since posting USD 300 million in 1992. This year, the 30th anniversary of ties, the black figure reached USD 31.3 billion, surpassing the surplus with the US of USD 25.4 billion as the highest among Korea's trading partners.

Since forming ties three decades ago, both countries have seen bilateral trade jump 161 times from USD 500 million in 1992 to USD 80.7 billion last year.

Industry

Korean steelmakers accelerate advance into green energy sector

S. Korean steel firms are accelerating their advance into the sustainable, green energy sector, ranging from hydrogen power to secondary battery materials, amid the world's fast low-carbon energy transition.

Choi Jeong-woo, CEO of POSCO Group, S. Korea's largest steel making business group, met with Australian Prime Minister Anthony Albanese in Australia on Thursday (local time) and discussed eco-friendly business cooperation, the company said on Dec. 2.

Other Korean steel and metal firms are also actively seeking growth through green business.

Young Poong, a global leader in non-ferrous

metal production, and its affiliate Korea Zinc have been actively expanding their secondary battery materials business.

Korea Zinc is driving new business development through hydrogen, battery materials, and resource recycling businesses. It has been actively forging partnerships with sectoral leaders, including battery giant LG Chem and energy solutions provider Hanwha, for co-investment and technology collaboration.

SeAH Besteel will start using power generated through solar farms for steel production in Korea from the first half of 2023.

Government & Policy

S. Korea to boost fintech fund to 1 trillion won

S. Korea's financial authorities have decided to increase the size of the Fintech Innovation Fund from KRW 500 billion (USD 379 million) to 1 trillion won to support fintech firms suffering from the liquidity crunch on rising interest rates and concerns over an economic downturn.

Kim Joo-hyun, chair of the Financial Services Commission (FSC), attended the Next Round 2022: Fintech Special Round, hosted by the Korea Development Bank (KDB) on Dec. 7 and announced plans to foster the fintech industry.

The Fintech Innovation Fund, of which the

goal was to invest a total of KRW 500 billion in fostering and discovering promising fintech firms between 2020 and 2023, will expand to 1 trillion won as an additional KRW 500 billion will be injected over the next four years (2024-2027), Kim explained.

The fund was created in December 2019 with investments from major financial holding companies, banks and Koscom to make more investment funding available for innovative fintech firms.

S. Korean unveils plans to attract 30 million visitors by 2027

The S. Korean government unveiled measures, including easing travel-related restrictions, in its efforts to attract 30 million tourists by 2027 as borders around the world reopen amid easing in Covid policies.

Under the 2023-2027 tourism promotion basic plan, the government will designate 2023 and 2024 as Visit Korea years and hold K-tourism road shows in 50 cities around the world. It will aim to bring in 30 million foreign visitors in

2027 and raise USD 30 billion in travel income.

Korea in 2019, before the pandemic, attracted 17.5 million foreign visitors and raised USD 20.7 billion in income.

"Visit Korea Year will allow our travel industry to overcome difficulties from Covid-19 and leap forward," Prime Minister Han Duck-soo said at a national tourism strategy meeting in Seoul.

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, Invest Korea introduces some outstanding companies in Korea's healthcare industry.

COMPANY A



*Compression vest for children
With developmental Disabilities*



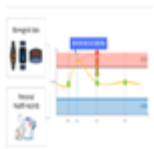
*High-level/advanced feature
extraction process*

Investment Requirement		Company Profile	
Amount	USD 2 million	Patents and Certificates	1 registered patent, including a compression vest for children with developmental disabilities, and 4 applications filed
Investment Structure	Equity Investment	Financial Performance	(Sales in 2021) USD 0.09 million

Investment Highlights

- **Current status of assistive devices for developmental disabilities:** Work treatments for people with developmental disabilities vary in their types and treatments, but assistive devices that help them improve stability, attention, and concentration are very insufficient. Existing assistive devices have a high price range and safety accident risk, and lack individual customized management system. Existing weight vests used for treatment in the developmental disability market have a disadvantage that they can strain skeletal muscle development in growing children.
- **Development of air-injected vests and jackets:** As a company selected as an excellent social venture by the Ministry of SMEs and Startups, the company developed air-injected vests and jackets that can support treatment education and daily life for people with developmental disabilities. Field tests have proven the effect of decreasing cortisol concentration, which shows a stress level, and increasing class participation, and the company has released a beta version to reflect customers' vivid reactions in future product planning. It has laid a foundation for global expansion, such as successful crowdfunding in Japan, entry into Alibaba and local Canadian employees to enter the North American market, etc. Starting with the developmental disability market, an initial target, it is planning to enter the infant, elderly, emotional workers, and pet markets by expanding its original technology.

COMPANY B



*Prediction and monitoring of
thyroid hormone levels*



*Predicting and monitoring
thyroid eye disease risk levels*

Investment Requirement		Company Profile	
Amount	USD 12 million	Patents and Certificates	2 registered patents at home and abroad, including a method of information on visiting the hospital for the treatment of active thyroid eye disease and a device that performs it, and 27 applications filed
Investment Structure	Equity Investment	Financial Performance	N/A

Investment Highlights

- **Abnormal changes in thyroid hormone with a high recurrence rate of 60%:** More than 400 million patients in the world are diagnosed with thyroid dysfunction and need to take daily medication. But as for abnormal changes in thyroid hormone, there is no way to check one's conditions in daily life other than blood tests at the hospital, so it has a high recurrence rate of 60%.
- **The world's only ultra-small all-in-one 24GHz radar motion detection sensor:** The company is in the process of licensing the technology of analyzing bio-signals from wearable devices to predict thyroid hormone levels and monitoring of thyroid eye disease, a major complication. Currently, it has completed the forming of a global clinical trial team consisting of authorities in the thyroid field in U.S. and Germany, and is in the process of selecting a CRO to conduct global clinical trials. Through global clinical trials, it is planning to simultaneously achieve FDA approval and German DiGA registration.

For more information please e-mail ikmp@kotra.or.kr, or visit the Invest KOREA Market Place page on www.investkorea.org.

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Basque Trade & Investment Opens its Doors in South Korea

Building New Partnerships for Cooperation

“For Korea, which has selected renewable energy and aerospace as top priority industries, it is significant to promote partnership with Basque in the future.”

On Dec. 1, Invest KOREA Commissioner Shawn Chang delivered his congratulatory remarks at the opening ceremony of the new commercial office of Basque Trade and Investment in South Korea. The opening of the new office signifies the Basque Government's initiative for boosting business activities in South Korea and other major Asian markets. Notably, South Korea is known for its sophisticated demand, economic and regulatory stability, and ease of doing business.

Read on to find out more on Korea's efforts to expand its cooperation with countries all over the world, and specifically, with Basque Country, in this month's issue of Invest Korea.



Basque Country in Spain

The Basque Country is in a privileged position to access the main European markets thanks to its strategic location in the center of the European Atlantic Axis.

Inherited from a tradition that goes back centuries, the

Basque Country has a bilateral financial relationship with the Spanish State, which allows it to collect and manage its own resources since the restoration of democracy in 1978.

This financing system, known as the *Concierto Económico* (Economic Agreement), takes the form of annual payments or “quotas” (Also known as the Basque Quotas) from the Basque Country to the State for non-transferred powers, such as defense.

This high level of self-government and capacity to administer taxes in the Basque Country enables Basque institutions to develop industrial, innovation, and technology policies that are sustained over time. This unique and flexible business-friendly environment has enabled many companies to grow into “Hidden Champions” of each respectable industry.

Energy

Basque is a region with advanced renewable energy resources including wind, solar, and power transmission. It’s filled with competitive players in each value chain.

Korea is the 8th country in the world with the highest



Officials of Basque Trade & Investment and Invest KOREA attend the opening ceremony. (Dec. 1, 2022)

energy consumption. Its energy production is focused on nuclear and fossil fuels, of which 95% are imported. For this reason, and for environmental reasons, the Korean government is giving a strong push to renewable energy with a strategy called the “Green New Deal”. It outlines targets to increase renewables capacity to 60.4GW by 2030, contributing around 20 percent to South Korea's total electricity consumption. The target for renewables is to contribute 35 percent to the electricity mix by 2040, with a roadmap to achieve 279 million tons of green hydrogen by 2050.

Basque seeks potential partnerships with Korea's major players with cooperation with organizations such as KEPCO, KHNP, as well as KOGAS.

Aerospace

In 2021, nearly 95 percent of South Korea's total volume of aerospace imports was made up of aircraft, parts, and components. In August 2021, South Korea outlined new plans to expand the domestic MRO (maintenance, repair, and overhaul) market currently valued at USD 611.5 million into a USD 4.3 billion industry by 2030. Also, the Korean government has identified the space industry as one of its 10 strategic sectors to receive substantial public funding. In February 2022, the Ministry of Science and ICT (MSIT)

announced that it will be focusing on projects in 3 key areas for space development—launch vehicles, satellites, and space exploration—with a budget of USD 610 million in 2022.

As one of the historic birthplaces of aeronautics, the Basque Country today provides an exceptional pool of skills. The presence of companies as emblematic as Turbomeca, Safran, and Dassault makes the Basque Country a favorite location for the Aerospace industry. With around 120 companies such as ITP-Rolls Royce, Aeronova, Sener, Aciturri and over 15,000 jobs in the field, a network of businesses provides highly qualified subcontracting especially in the field of high-performance composite materials.

Basque is looking to find opportunities in South Korea's aerospace industry, in cooperation with major players such as the Korea Aerospace Industries (KAI) and Korean Air. Cooperation between South Korea and Basque, along with KAI and Korean Air's capabilities in manufacturing, assembling parts and components for Boeing and Airbus, as well as designing, developing, and producing aircrafts such as unmanned aerial vehicles (UAV), rotor-wing and fixed-wing aircraft, is expected to create synergy in developing the aerospace industry in both countries.

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**BasqueTrade
& Investment**

Agencia Vasca de Internacionalización
Nazioartekotzeko Euskal Agentzia

New Legislations

Here's a brief look at Korea's newly proposed & enforced legislations.

Newly Enforced Legislations

Legislation	Category	Date of Enforcement
Enforcement Decree of the Chemical Substances Control Act	Presidential Decree no. 32994, partially amended	November 15, 2022
Enforcement Rules of the Clean Air Conservation Act	Ordinance of the Ministry of Environment no. 1003, partially amended	November 14, 2022

To see more newly enforced legislations in Korea, visit the Invest KOREA website (<https://www.investkorea.org/ik-en/bbs/i-2715/list.do>).



Newly Proposed Legislations

Legislation	Ministry in Charge	Opinion Submission Due Date
Detailed Regulations on Supervision of Banking Business, Detailed Supervisory Regulations on Financial Holding Companies	Financial Supervisory Service	January 25, 2023
Partial Amendment to the Enforcement Rule of the Long-term Care Insurance Act	Ministry of Health and Welfare	January 30, 2023

Please submit your opinion on the newly proposed legislations and get more information on newly proposed legislations on the Foreign Investment Ombudsman website (<https://ombudsman.kotra.or.kr/ob-en/bbs/i-2651/list.do>).



Industry Trends

All Industries

The index of all industry production in October 2022 fell dramatically, mostly in mining and service industries. In contrast, retail sales were adjusted slightly and construction completed is on the rise by increasing for three straight months.

Monthly Industrial Activity Trends

Subject	All industries	Mining & manufacturing	Service	Retail sales	Equipment investment	Construction completed
Monthly Change (%)	Δ1.5	Δ3.5	Δ0.8	Δ0.2	0.0	3.8

In October, the production of all industry rebounded slightly in the semiconductor sector but nosedived in overall due to decreases in automobiles, machinery equipment, primary metal and chemical products. Service industry production fell as financial and insurance industries decreased as less stocks were traded, and the sluggish imports and exports and house trading caused a decline in transportation warehouses and real estate. Despite the increased consumption of non-durable goods, retail sales dropped slightly due to the decreased consumption of durable and semi-durable goods. In contrast, facilities investment remained stable as investment in machinery including wireless communication devices increased while investment in transportation equipment decreased. Investment in construction surged as construction and civil engineering projects both increased, supported by the construction of large-scale commercial facilities and the brisk performance of display-related plants. The cycle variation value of the coincident composite index remained unchanged (0.0 percentage point) by reflecting improved employment and reduced production of mining and manufacturing industries, and the leading index fell by 0.1 percentage point due to the slow financial market and deteriorating economic sentiment.

Amid worsening exports and investment conditions caused by the global economic slowdown and the downturn in semiconductors and real estate, the recovery of domestic consumption is limited, raising uncertainties in the economic trend. On the production side, positive prospects such as falling global oil prices and resolution of disruptions in supply chain exist, which may be burdened by factors including the continuation of falling exports and the effect of the truckers' union refusing to transport goods. In case of consumption and investment, there are positive signs including the increase of foreign tourists and the FIFA World Cup boosting sales, but factors such as the aftermath of the Itaewon incident, the downward trends of semiconductors and real estate, the ongoing high inflation, and interest rate increases may pose risks.

Trends by Industry

Automobile

Auto industry in Q3 witnessing the resolution of continued disruptions in parts supply

Auto production in September 2022 increased by 30.9 percent year-on-year supported by the base effect of the previous year and the increase in exports. Domestic consumption in October grew for three consecutive months year-on-year driven by increased supplies. The sales of Korean cars gained 12.6 percent as more new cars were shipped thanks to the base effect of the previous year and the easing of difficulties in sourcing semiconductors. Exports in October grew by 20.4 percent from the same period of the previous year, driven by the increased demand for EVs and exports to the United States. The exports of finished cars gained 28.5 percent supported by the strong demands for Korean eco-friendly cars and the increased exports of GM Korea, Renault Korea and Ssangyong. The exports of auto parts grew by 3.2 percent as more cars are produced globally and exports to the US increased by 30.3 percent.



General machinery

Production continues to grow and exports down further due to slower exports to China

In September 2022, production increased by 11.2 percent year-on-year and 1.1 percent month-on-month supported by domestic demand. Production saw a two-digit growth for two straight months as domestic shipments and facility investment continue to grow and machinery orders also maintain solid performance. Imports in September dropped by 3.4 percent from the same period of the previous year due to sluggish exports to China. However, demands from the United States and Europe are maintained due to increased investment, and exports to India and ASEAN are also on an upward trend supported by the recovery in manufacturing facilities investment.



Shipbuilding

Production index continues recovery, exports down and imports up

In September 2022, imports increased by 20.9 percent year-on-year as the imports of ship engines dropped but those of cargo ships and ship parts grew. Exports in October 2022 fell by 2.6 percent year-on-year due to the exports of ships ordered during a low-price period and the decreased delivery volume. As the International Monetary Fund lowers the world's growth projection for 2023 and the market condition worsens, global ship orders plunged by 32 percent year-on-year in September, but Korea continues to win orders by carrying on with the LNG carrier agreement with Qatar.



Steel

Slow demand and supply shock trigger a record fall in steel production

Steel production in September 2022 plunged by 27.8 percent year-on-year due to sluggish demands and production disruptions caused by the aftermath of the typhoon that had hit Pohang. Slow domestic demand and falling unit prices caused September imports to decline by 28.1 percent year-on-year. Exports in October nosedived by 20.8 percent year-on-year, hit by disruptions in domestic production and slow global demand.



Oil refining

Exports of petroleum products continue growth despite regular maintenance in Korea

Production in September 2022 gained 6.8 percent year-on-year driven by the increased exports of transport fuel and especially aviation fuel. Exports in September saw a 6.6 percent increase as more aviation fuel, diesel, and bunker C were exported. Exports in October grew by 7.6 percent year-on-year to record USD 4.39 billion, supported by the recovery in global demand centered on aviation fuel and natural gas whose demand as an alternative resource is growing amidst the prolonged war in Ukraine.

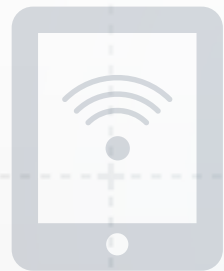
Semiconductor

Exports on a full-scale downward trend

Production and shipment of semiconductors in September 2022 fell by 3.5 percent and 0.9 percent year-on-year, respectively, to result in a decrease of both production and shipment. Exports in October fell by 14.7 percent year-on-year to stand at USD 9.23 billion, leading to a decline of three consecutive months, which ended a long-term rally. The export outlook is uncertain as the unit price of memory semiconductors - Korea's major export item - continues to decline.

Wireless communication devices

Global economic slowdown causes the global mobile phone market's reverse growth



Production in September 2022 grew by 15.3 percent year-on-year, and shipments also increased by 17.9 percent while inventories fell by 4.6 percent to show signs of recovery of demands in the second half. Smartphone shipments in Q3 gained slightly from Q2 when shipments failed to reach 0.3 billion units. In September, the number of mobile telecommunication subscribers in Korea crept up by 3.1 percent year-on-year and 0.4 percent month-on-month. September imports saw a decrease of 8.4 percent mostly in mobile phones and parts. Exports in October fell, most notably the exports to nations including the US, ASEAN and India.

Display

Slow demand and base effect cause exports to continue declining

Production continues to decline in September 2022 as the economic slowdown dampens the demand for panels. Exports in October plunged by 7.9 percent to decline for the fifth consecutive month due to reduced production of LCDs and declining demands for smartphones. In comparison, OLED exports grew by 3.8 percent as the increase in shipments of high value-added products pushed up the unit prices of exported panels.



**Note: 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.*



Korean Industry Prospects for 2023

What does the new year hold for South Korea's industries?

Changes in Internal and External Conditions and Impacts by Industry in 2023

In the 2023 global market, growth in the better part of industries is expected to slow or decrease due to expanding uncertainties in external conditions such as global economic slowdown, a prolonged war in Ukraine, and a sharp decline in consumer confidence driven by price and interest rate hikes, despite the solid recovery in demand for IT and eco-friendly industries (ICT devices, electric vehicles, secondary batteries).

Moreover, the demand outlook for Korea's main export destinations, including the US, European countries, and China, is forecast to face sluggish or decreased growth of import demand in the aftermath of the global economic downturn. There is a possibility that the domestic market may face slow economic growth at home and abroad, rising price and interest rates, poor demand industry, and other aggravating domestic demand conditions at large. In terms of supply, domestic supply capacity is likely to improve, boosted by the normalization of parts supply and demand, the expansion of new manufacturing facili-

ties in response to internal and external demands, and the rise of operating capacity. Yet, there are concerns about contraction in some industries affected by the expansion of overseas production and changes in the product structure.

2023 Outlook for Korea's 13 Key Industries

► **(Exports)** Expected to decrease by 4.0% on-year due to sluggish external demand caused by the global economic slowdown

Exports of 13 key industries in 2023 are projected to slip by 4.0% to USD 517.9 billion from 7.7 % in 2022, with slow growth in most industries except for automobiles (2.5%), shipbuilding (42.4%), secondary batteries (17.3%), and bio-health (6.5%), due to the impacts of inflationary pressure in most countries maintaining mo-

netary tightening and stagnant economic growth globally.

· Exports of 13 key industries: (2021) USD 501.2 billion → (2022) USD 539.7 billion → (2023) USD 517.9 billion

· Export Share of 13 Key Industries: (2021) 77.8% → (2022) 77.8% → (2023) 77.1%

- **(Machinery industry)** Despite the decrease in general machinery (-2.3%), brisk exports of automobiles (2.5%) and shipbuilding (42.4%) are expected to drive a 5.7 % increase in the machinery industry as a whole.

- **(Material industry)** Expected to slip by a great margin of 11.2 % from the previous year due to falling unit prices and slowing import demand

- **(IT & new industries)** Expected to fall by 5.0% compared to the previous year due to sluggish demand and increased overseas production amid economic contraction

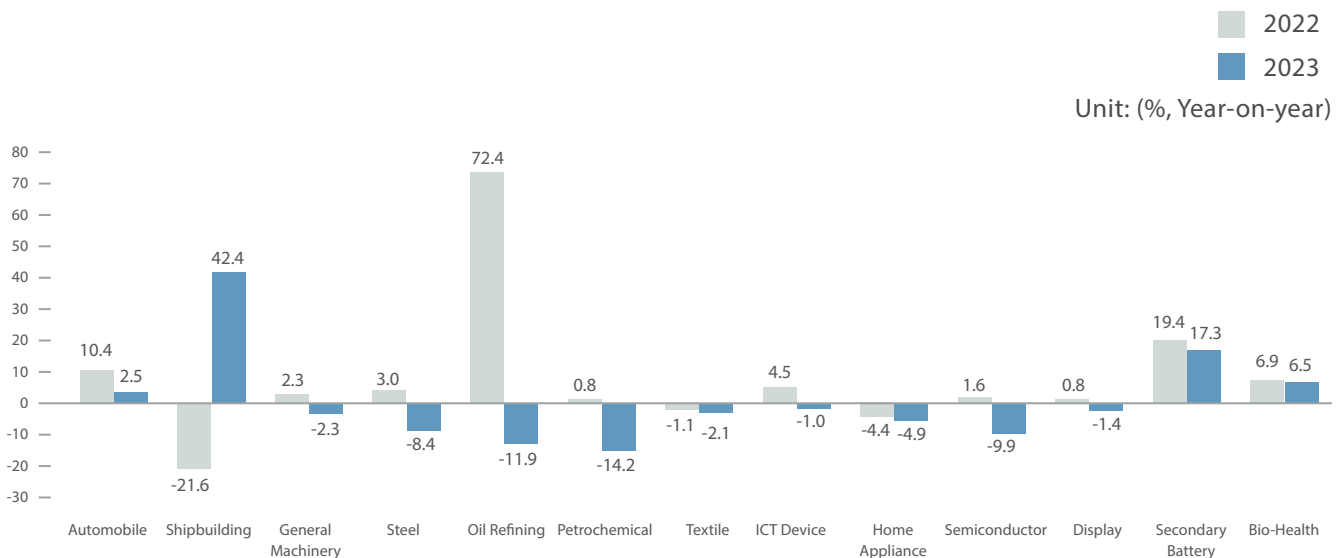
13 Key Industries

- **(Machinery industry)** Automobiles, shipbuilding, general machinery

- **(Material industry)** Steel, oil refining, petrochemicals, textiles

- **(IT & new industries)** ICT devices, home appliance, semiconductor, display, secondary battery, bio-health

Prospects for Export Growth Variation in 13 Key Industries in 2023



Note: 1) Based on the value of USD

2) Automobile includes automotive parts

► **(Domestic demand)** The decline continues or growth is limited in many industries due to the economic slowdown and weak consumer sentiment

Most industries, except for shipbuilding (35.4%) and secondary batteries (33.1%), are projected to continuously decline (automobile, general machinery, oil refining, petrochemical, home appliance, and display), with slow growth outlook (for fiber, semiconductor, bio-health)

- **(Machinery industry)** Domestic demands for automobiles and general machinery continue to decrease, except for shipbuilding.

- **(Material industry)** The overall economic activity is expected to contract due to sluggish front industry's business condition and private spending crunch.

- **(IT & new industries)** Despite poor performance in home appliances and displays, ICT devices, semicon-

ductors, and secondary batteries are expected to draw a domestic demand for the IT & new industries.

► **(Production)** In most industries, except for shipbuilding (42.4%) and steel (1.6%), growth rates have slowed or turned to decline due to negative factors such as weak domestic demand in tandem with sagging exports and inventory accumulation.

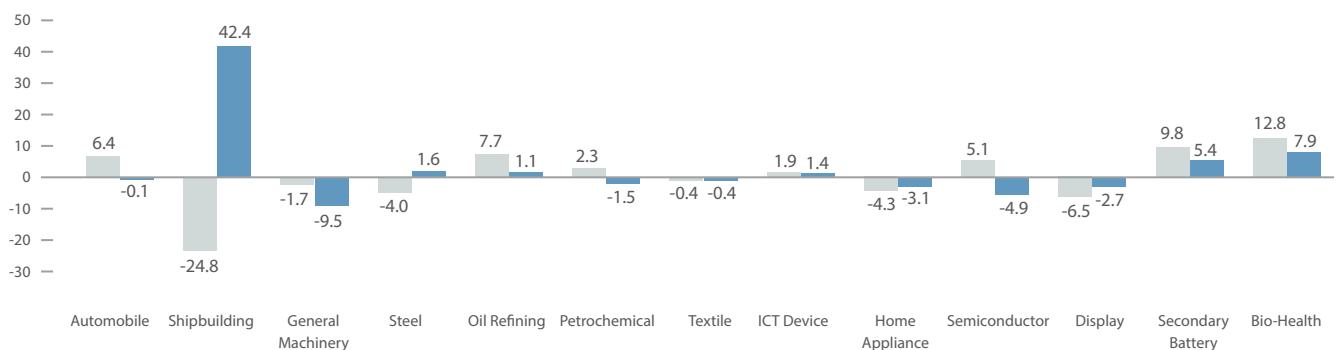
- **(Machinery industry)** While the growth of automobiles (-0.1%) and general machinery (-9.5%) is to decline due to low domestic demand and exports, shipbuilding is forecast to show a significant increase of 42.4% as the orders before the outbreak of COVID-19 go into production.

- **(Material industry)** Steel (1.6%) and oil refining (1.1%) are expected to edge up slightly, but petrochemicals (-1.5%) and textiles (-0.4%) are expected to decrease due to deteriorating internal and external conditions.

Prospects for Production Growth Rate in 13 Key Industries in 2023

■ 2022
■ 2023

Unit: (% , Year-on-year)



Note: Automobile is based on the volume of finished cars, shipbuilding is based on the volume of building volume, steel is based on the volume of steel products, oil refining is based on the volume of petroleum products, petrochemical is based on the volume of the three major derivatives (synthetic resin, synthetic raw material, and synthetic rubber), and other industries are based on the value of the KRW.

- **(IT & new industries)** Although production of home appliances (-3.1%), semiconductors (-4.9%), and displays (-2.7%) declines, owing to sluggish demand at home and abroad, that of ICT devices (1.4%), secondary batteries (5.4%), and bio-health (7.9%) keeps an upward trend thanks to greater demand.

▶ **(Import)** Expected to decrease by -1.2% from the previous year's uptick (8.0%), attributable to the stabilization of unit price and a slowdown in the domestic economy.

- **(Machinery industry)** Shipbuilding is expected to jump due to overseas equipment imports. In contrast, a slight decrease in automobiles and general machinery leads to the expectation of a 0.4% increase as a whole.

- **(Material industry)** Expected to fall by 7.7% in all industries, except for textiles, due to dropping unit price

and volume.

- **(IT & new industries)** Expected to inch up 2.0% thanks to increased imports in the IT & new industries, led by the expansion of domestic demand for ICT devices, semiconductors, and secondary batteries, but the growth rate is conspicuously diminished from the previous year (11.7%).

Source: Korea Institute for Industrial Economics and Trade (kiet.re.kr)



2023



PLCOskin, Leading the Technological Innovation of Anti-aging and Regenerative Medicine

About the Company

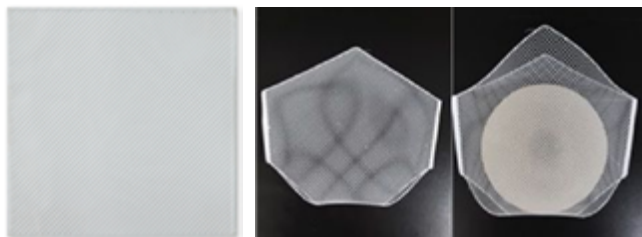
PLCOskin is a biotech startup specializing in the R&D of artificial implants for soft tissues such as breast and advanced regenerative medicine. It began as a corporate research center through Yonsei University's faculty start-up program. PLCOskin's R&D focuses on the multi-purpose artificial dermis TissueDerm™, which is used for soft tissue reconstruction. TissueDerm™ is made by combining animal collagen and artificial polymer, and is used in surgery for reconstructing defective soft tissues such as the breast of breast cancer patients. PLCOskin's products also include collagen sheets for skin grafting, breast prosthesis covers for breast reconstruction, 3D structural materials for partial breast reconstruction, high-strength mesh for abdominal wall reconstruction, raw materials of anti-aging drugs and cosmetic, bio-degradable mini-slings for treating urinary incontinence, and implantable medical devices for treating lymphadenopathy.

Background

Breast cancer is the most common cancer in women around in the world, and the number of cases is increasing by more than five percent every year in Korea. Despite the growing number of patients, eighty percent of patients who have undergone mastectomy do not have their breasts reconstructed. This is due to concerns over the financial burden associated with using expensive treatment materials and side effects.

Baek Woo-yeol, the CEO of PLCOskin who is also a plastic surgeon and professor at Severance Hospital of Yonsei University, is the developer of TissueDerm™, an artificial soft tissue that can be mass-produced without side effects. TissueDerm™ is a safe artificial implant medical device that is reasonably-priced at approximately half the price of other products in the soft tissue reconstruction market but does not have their side effects. Containing FDA-approved and safe polycaprolactone (PCL), TissueDerm™ has excellent biocompatibility and

high tensile strength and is safe and easy to fixate on the body as it does not cause inflammation. Moreover, it is very appropriate for treating patients with soft tissue defects as it induces the generation of autologous fat.



About the Product

TissueDerm™

- Artificial dermis for soft tissue regeneration and silicone prosthesis cover
- Excellent biotransplantation performance with less inflammatory response than acellular dermal matrix (ADM)
- Stable supply ensured by placing biodegradable polymers (polycaprolactone) on collagen sponge with 3D printing technology
- Biodegradable polymers remove issues related to adhesion
- Collagen used to guarantee high biocompatibility
- Unlike ADM, TissueDerm is capable of inducing the regeneration of autologous fat.
- Potentials for application in other product groups such as ligaments and abdominal walls

Competitive Edge and Business Strategy

IPR (Competitiveness)

- KFDA license for medical device manufacturing
 - TissueDerm™
- Applied for six patents at home and abroad/Registration of two patents completed
- Selected as a partner in a joint R&D project with Israel (KRW 2 billion)
- Selected as a EUROSTAR project of international joint R&D with Europe (KRW 2 billion)

- 2022: Selected as an innovative startup by IBK Changgong
- 2022: Selected as SBA Seoul's promising exporter
- 2019: Selected to implement TIPS (Tech Incubator Program for startup Korea), the Ministry of SMEs and Startup's private investment-led tech startup program
- 2019: Selected as a Top 100 business in Slush-Helsinki, the world's biggest startup event

Future Plans

In 2023, PLCOsKin plans to launch a full-scale PR and sales campaign by participating in exhibitions and local academic conferences, starting with obtaining the license for TissueDerm™ Mesh used for soft tissue reconstruction. In parallel to these efforts, PLCOsKin aims to develop products and win approvals and licenses to build a strong product pipeline by using TissueDerm's technology.

As the second stage, PLCOsKin will explore overseas markets by utilizing its networks with US university hospitals, Japanese trade companies, and a Dutch/Israeli research company and actively participate in fairs, exhibitions, and events for finding overseas buyers.

Lastly, PLCOsKin aims to contribute to improving patients' quality of life as a global bio-tech company in the future by increasing corporate value based on active IR and consistently attracting investments.



By Baek Woo Yeol

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

Gunsan National Industrial Complexes 1 and 2 – Seeking Innovation Beyond Crisis

Gunsan National Industrial Complexes 1 and 2 are the biggest industrial complexes in the Jeonbuk region established in 1988 and 1990 as the nation's base for developing the west coast. Machinery and transportation equipment businesses were hit hard by the relocation of Hyundai Heavy Industries in 2017 and GM Korea in 2018, but the Complexes are still leading the nation's auto and shipbuilding industries based on advanced technologies.

- **Title:** Gunsan National Complexes 1 and 2
- **Location:** Around the seas of Soryong-dong (Complex 1) and Osik-do and Bieung-do of Gunsan, Jeonbuk (Complex 2)
- **Area**

(Unit: 1,000 m²)

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

- Transformation by shifting the focus from internal combustion engines to future cars: In order to improve the environment of aged Gunsan National Industrial Complexes that have been operating for thirty-eight years and strengthen their production competitiveness, efforts are ongoing to transform the Jeonbuk Industrial Complexes 1 and 2 by shifting the focus from internal combustion engines to future cars. Gunsan National Industrial Complexes will emerge as a production base for commercial mobility and be connected with nearby Iksan General Industrial Complex 2, Wanju Science Industrial Complex, and Saemangeum National Industrial Complex

to complete the innovation towards future industries.

- Upgraded to Eco-Friendly Industrial Complexes: Gunsan National Industrial Complexes have recently been upgrading to eco-friendly industrial complexes by promoting renewable energy generated from wind and floating solar panels. The Complexes' facilities and environment will also be improved through upgrade projects such as remodeling closed factories and building multi-purpose cultural centers, which will continue to support the growth of businesses.

Source: (Text and photo) Korea Industrial Complex Corporation

When the repayment amount of a long-term loan or foreign loan is converted into capital, can this be directly set off without going through stock subscription payment?

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

Q.

When the repayment amount of a long-term loan or foreign loan is converted into capital, can this be directly set off without going through the procedure of stock subscription payment?

A.

Even without the amount of redemption of loans or loans from foreign countries (Article 2(1)8(f) of the Foreign Investment Promotion Act), the loan claim can be converted into capital by set-off in accordance with the interpretations of the Ministry of Trade, Industry and Energy.

- Prior to the 2012 amendment to the Commercial Act, a foreign-invested company was required to use the amount of principal repayment to pay for the shares acquired in accordance with the principle of capital adequacy or to invest in kind the amount of loan and notify it as foreign investment on the condition that the investment in kind obtained court approval, in accordance with the authoritative interpretations by the Ministry of Trade, Industry and Energy.
- However, with the amendment of the Commercial Act in 2012, the regulations on investment in kind were eased (Article 334 prescribing that a shareholder cannot assert set-off against the company in regard to payment was deleted). Consequently, investment in kind can now be notified as foreign investment without court approval on investment in kind as long as there is an agreement (contract) on the debt-equity swap between the foreigner (foreign investor) and the domestic company and there is consent from both parties on the set-off. When the capital increase is registered with a court, an application for foreign-invested company registration (change of information) should be submitted.

If you have further questions please contact



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or visit




www.investkorea.org

Korea 101: Tourism

Central Region: Chungcheongbuk-do, Chungcheongnam-do, Daejeon Metropolitan City, Sejong Special Autonomous City

(1) Chungcheongbuk-do

The country's only landlocked province, Chungcheongbuk-do is famous for high-quality agricultural products such as rice, jujube, pepper, apples and grapes. More than half of its population lives in its capital city Cheongju, leading to the relative calm and natural beauty in the rest of the province.



tour.chungbuk.go.kr/home_en

▼

Traveling Chungcheongbuk-do

▼

E-Book

▼

Chungbuk Travel Go

(2) Chungcheongnam-do

Located in central South Korea, Chungcheongnam-do boasts an extremely well-developed transportation network with connection to any part of the country. It is also famous for a great variety of festivals based on its long historical backgrounds or its various local specialties. Be sure to check the festival schedule and make memorable moments with your family, friends and other loved ones.



tour.chungnam.go.kr/html/en/

(3) Daejeon Metropolitan City

Korea's largest city of science and technology, Daejeon is well-known for the Daedeok Research Complex and the International Science & Business Belt. The metropolitan city is currently featuring various events for 'Visit Daejeon 2019-2021' which is a great opportunity for tourists to visit the city to enjoy a number of tourist attractions, festivals and delicious dishes while learning a lot about the city's cultural heritage.



www.daejeon.go.kr/toe/index.do

Tourist Guide

Culture and Tour Guide

(4) Sejong Special Autonomous City

Sejong Special Autonomous City is the country's administrative city with a number of central government agencies and national research institutes. With a high proportion of public officials and researchers, the city was ranked No.1 in the first half of 2019 in terms of the employment ratio of highly educated people.

Situated in the center of the country, the city boasts a wide-ranging transportation network, easily accessible from anywhere in the country.



<https://ex.sejong.go.kr:442/eng.do>

Travel Information

Tourist Map of Sejong

Download Tourist Map

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Overcoming the Imminent Economic Storm



A multifarious economic storms is expected to challenge the Korean economy in 2023. A record level inflation, abnormally high interest rates, extremely volatile exchange rate movements and massive loss in the value of stocks and real estates amid global recession all at once inflict enormous economic and social burden on the people's shoulder, who have already been beleaguered by three years of COVID-19. The inflation rate of 5% is highest in more than 20 years, and 8% lending interest rate is also highest since 2011. The dollar exchange rate around 1400 won per dollar is also the highest since 1500 won in February, 2009. On top of these contemporaneous macro insurgencies, there are global recession and unprecedented losses in the value of both financial and real assets, which seem unsurmountable for many of the already debt-ridden middle classes.

With this seemingly formidable back drop, it is hardly surprising many of the leading research institutions in Korea suggest less than 2% growth rate for 2023. The Bank of Korea put out a growth projection of 1.7% for 2023 last November, while the Korea Development Institution last October hinted at 1.8% growth. Though a 1% growth rate hardly seem miserable as long as it purports a positive growth, it should be reminded that those forecasting institutions have never projected for the last 40 years a growth rate lower than 2%. Always, they had prophesized

2% or higher economic growth rates, only to the only exception in year 2023 with a good reason. For the last 6 decades, there were on 4 cases when growth rate fell below 2%. -5.1% in 1997, -1.6% in the oil shock of 1980, -0.7% in 2020 after COVID-19, and 0.8% in the financial crisis of 2008.

What the economists and policy makers are mostly concerned about is that about the 23 million middle and lower income classes should face most of the economic shocks with loss of incomes and jobs, reduced working hours, cut in sales and revenues due to slowing economy. Jobs being insecure, their businesses being unanchored, they have little to maintain day by day survival without enough savings to overcome. The welfare programs of the government, although it has been substantially replenished and constantly renovated, are far from being sufficient for the relatively poor people to comfortably rely upon.

The new government is well aware of the economic danger for 2023. The ministries have set out a number of pertinent programs and policies to deal with such potential problems of the afflicted middle class and SMEs. First, the government has tried to supplement the sudden decline in household consumption by providing emergency aid to the lowest income group. Rather than giving direct cash compensations, the new government intends to supply more coupons for the broader ranges of families in need.

This is why the government plans to spend 226.6 trillion won for the welfare budget for 2023, a 4.4% increase over the last year. Considering the extent of the sluggish 1% economic growth, the government might have to expand its budget substantially next year through an emergency budget. Also, the government should be ready to provide fast and expedient help to the 6 million self-employed and SMEs as they face slowing business and increasing burdens of rent and utilities, interest payments and higher labor costs.

Second, the government must speed up deregulation innovation to encourage private sector investment. In fact, the new government realizes the utmost importance of deregulation, and that is why the innovative deregulation is laid upon as the first and most immediate task of the Yoon's new administration policy agenda addressed in June 2022. To administer deregulation efficiently and effectively, the agenda promised to establish a deregulation control tower headed by none other than the president and a TF is set up under the leadership of the prime minister. The government plans to introduce a "one-in two-out" system of deregulation, which renders automatic removal of past two regulations when a new regulation is adopted. Of course, this is a legislative change which must be approved by the assembly. As long as the majority party disagrees, the plan seems difficult to get through the assembly for fruition, but the government's deregulation depends upon how successfully the political leadership can persuade the majority opposition party.

Third, the government is eager to lower the corporate income tax rate for the leading companies from 25% to 22%, which is designed to encourage their investment and employment as well as to induce foreign investment into Korea. Although it is well known that the Korean corporate income tax rate is relatively higher than other competing countries such as Taiwan and most of the OECD countries, the parliament dominated by the opposition party has been vehemently opposing the government proposal, stalling the entire 2023 budget plan for 2023. The government budget plan has been hung in the

congress floor well beyond the legal deadline of December 2, 2022, but somehow it will eventually come up with a compromise.

The only remaining challenge might be to maintain fiscal austerity, which has been seriously endangered by spending by the previous government, rendering the national debt surge from 34% in 2016 to a level of almost 50% by the end of 2022. It must be difficult for government behavior to turnaround overnight from extravagant spending to unprecedented frugality, especially when next general election looming very close in 2024, but President Yoon and all the ministries seem to be dedicated not to follow the populist footsteps of the previous governments, but to set the national budgetary course on a right and sound track.

Weighing all the apparently unsurmountable economic turmoil, financial obstacles and political challenges, however, it should be remembered that Korea has countered even worse crises back in 1998 and 2008. It was the wholesome corporate ingenuity and people's endurance that led to miraculous economic revival back then. This time, on the eve of another potentially devastating economic storm of 2023, the Korean people and the government stand ready to navigate successfully through the turmoil, never succumbing to failure.



By Professor Se Don Shin

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

Kobukson or “Turtle Ship”

Clad with iron, the “Turtle Ship” won many sea battles against large numbers of enemy ships by means of superior fire-power and structural design. The roof was covered with iron spikes to prevent the enemy from boarding. Cannons were placed at every angle on the ship, and the “dragon’s head” emitted smoke to provide cover and distraction. The ship was well-suited for ramming, as it was sturdier than the enemy ships thanks to the red pine timber and the use of wooden nails which expanded as they absorbed seawater. The enhanced structural integrity also enabled it to carry heavier cannons than the enemy, with greater range. As with other Korean traditions, innovation on the sea has carried through to the modern age, with Korean shipbuilders currently leading the world market, both in construction of vessels and also naval constructions such as floating and “on ground” dock.

The Kobukson, or Turtle Ship, was the world's first iron-armored warship. It was completed and used for the first time by Admiral Yi Sun-sin in the 16th century. With its exceptional capabilities and fire power, it played an active role in almost all the sea battles of the Imjin War (1592~1598). Able to charge and break up the enemy fleet's formation, sinking ships within minutes, the Kobukson was effectively a sea tank.

The bow of the Kobukson was shaped like the head of a dragon, and the stern was like a turtle's tail. The interior of the ship consisted of three floors: the lower floor was used to store cargo, the middle floor kept the rowers, and the top floor was the gun deck. The ship was designed so that the crew were able to see outside whilst being invisible to the enemy.

Iron armor plating covered the wooden boards which roofed over the Kobukson. Steel spikes were then fixed in the roof, and straw laid over the top. When the enemy tried to board the ship, they were impaled on the hidden spikes.

Unlike other warships, the Kobukson had guns stationed not only along its sides, but also in the bow and in the stern, allowing it unprecedented flexibility of range and accuracy. The dragon's head was designed to "exhale" flaming arrows and cannon balls, and also sulfurous fumes and clouds of smoke, which provided the Korean Navy with cover for tactical maneuvers.

A little below the bow protruded the head of a gargoyle, which served as a charging device, and was used in conjunction with the dragon head in the Kobukson's special ramming technique. When the gargoyle's head breached an enemy hull, the dragon's head would fire cannon balls into the breach as the ship withdrew. The gargoyle had the further effect of improving the ship's hydrodynamic performance by cutting the waves as the ship sped along, thus increasing its ramming speed.²⁶

Two further features of the Kobukson made it particularly serviceable for the execution of this tactic. First, it was built with red pine timbers, which have a relative density of 0.73, much higher than that of average timber (0.41-0.47). Second, wooden nails were used in the construction of the Kobukson. Unlike metal nails, which are quick to rust, the wooden nails expanded as they



Replica of the Kobukson The War Memorial of Korea

absorbed water, and the joints became more secure over time. The Kobukson as a whole was constructed on this principle of strengthening by expansion: support beams were fitted to the roof by means of a system of matching indentations and interlocking teeth, thus making the entire structure of the vessel stronger and more resilient.

Korea's small territory, with limited natural resources, spurs on the creative spirit of its people. Korean shipbuilding companies can build ships on the water, without the need for dry docks. At one point, under pressure from excessive demand, Samsung Heavy Industries ran out of dock space. After careful planning, it developed the world's first large-scale "floating dock." The huge

26. Tae-hoon Kim, *The Two Faces of Yi Sun-sin* (Seoul: Changhae, 2004), 117-118.

building blocks of the ship were assembled on the surface of a special barge, and when the ship was completely built, the barge was sunk so that the ship was left floating. The “floating dock” method enabled Samsung to overcome the problems of side-to-side motion that normally inhibit the process of welding at sea.

Hyundai Heavy Industries, the world’s largest ship-builder was the first to build a vessel on land, which it claimed was a breakthrough. This “on ground building” method frees ships from the tight constraints of a dry dock, allowing them to be built in bigger sections at a time. After the ship is completed it is transported by rail and put out to sea on a barge. If development of innovative technologies such as this continues, the Korean ship-building industry is likely to keep its lead in the world.



Replica of the Kobukson The War Memorial of Korea



* Replicas of Kobukson are on display at various national museums, such as the War Memorial of Korea, as well as other museums throughout the world, such as the Washington D.C. War Memorial Museum in North America, and in many other countries including China, Japan, Germany, France, and Canada.

Source: Excerpt from “Fifty Wonders of Korea” Vol. 2 Science and Technology, Korean Spirit & Culture Promotion Project

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 dedicated to the incubation and investment of foreign investors. 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



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