

# Invest Korea

October 2022

## Jason Yun

General Manager & CEO,  
Edwards Korea

A professional portrait of Jason Yun, a middle-aged man with short dark hair, wearing glasses, a dark blue suit jacket, a white shirt, and a blue patterned tie. He is smiling slightly and looking directly at the camera against a plain light grey background.

**Creating Environments Where  
Innovation Thrives**

Korea, Incorporating Smart Healthcare into Everyday Life  
Munmak Bangye General Industrial Complex – Center of Gangwon's New Growth Industry Ecosystem  
CAIMI, Creation through Innovation

# Smart Healthcare

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# Economic Outlook

*Economic Outlook is an overview 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, Korea's real GDP is projected to grow by 2.6 percent in 2022 and 2.1 percent in 2023.
- ◆ The number of persons employed is expected to increase by 740,000 this year and by 140,000 in 2023.
- ◆ CPI inflation is forecast to record 5.2 percent and 3.7 percent in 2022 and 2023, respectively.
- ◆ The current account is forecast to record a surplus of USD 37 billion in 2022 and USD 34 billion in 2023.

## Economic Forecasts

(%)  
\* Year-on-year

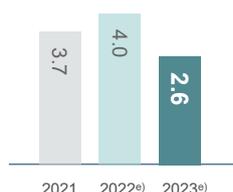
	2021	2022e)	2023e)
GDP*	4.1	2.6	2.1
Changes in no. of persons employed*	370,000	740,000	140,000
Unemployment rate	3.7	3.1	3.5
Employment rate	60.5	61.9	62.0
Consumer prices	2.5	5.2	3.7
Current account (USD billion)	88.3	37.0	34.0

# Macroeconomic Outlook

## 1. Economic Growth

### Private consumption

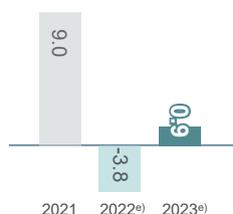
(Year-on-year, %)



Private consumption is expected to grow by 4.0 percent and 2.6 percent in 2022 and 2023, respectively. With the support of improved income conditions and continued lifting of social distancing from COVID-19, private consumption is projected to recover gradually. However, high inflation, the rise in interest rates, and growing economic uncertainties may be potential factors limiting the recovery of consumption.

### Facilities investment

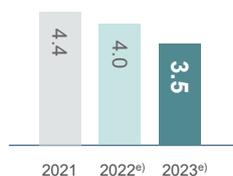
(Year-on-year, %)



Facilities investment is projected to decrease by 3.8 percent in 2022 but will increase by 0.9 percent in 2023. In the second quarter, facilities investment decreased due to disruptions in the global supply chain and growing economic uncertainties. The recovery is expected to be delayed, caused by a global economic slowdown and increased cost of capital. IT manufacturing sector investment will decrease after a temporary improvement in the second half of 2022, and the non-IT sector will continue its modest trend of decrease.

### Intellectual property products investment

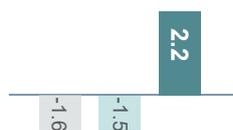
(Year-on-year, %)



Intellectual property products investment is expected to grow by 4.0 percent and 3.5 percent in 2022 and 2023, respectively. R&D investment is projected to increase thanks to the expanded R&D in new growth industries and the government support. Other intellectual property products investment will also increase, led by expanded software-related investment as digital transformation accelerates.

### Construction investment

(Year-on-year, %)

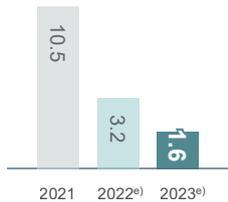


Construction investment will decrease by 1.5 percent in 2022, followed by an increase of 2.2 percent in 2023. In the second quarter, construction investment is expected to recover slightly from its downward trend with the support of additional construction projects and continue growing moderately as the increase in prices for raw materials slows down and sales of new building lots increase.

### Exports of goods\*

(Year-on-year, %)

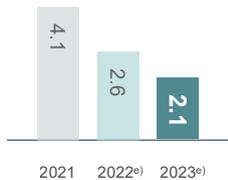
\* Actual goods exported in GDP



Export of goods are expected to grow by 3.2 percent in 2022 and by 1.6 percent in 2023. The export of goods is projected to slow further as global demands weaken especially in China, and the spreading impacts of slowdowns in major economies may further limit the growth.

### Economic growth

(Year-on-year, %)



The Korean economy is expected to grow by 2.6 percent and 2.1 percent in 2022 and 2023, respectively. The Korean economy continued to recover as consumption improves rapidly, but uncertainties in the growth trend are growing due to downside risks including the prolonged Ukraine crisis and the interest rate hikes of major economies.

## 2. Employment

Since the second quarter, the number of employed persons (compared to the same period of the previous year) has continued to grow sharply, mostly driven by increases in the service sector, and is expected to sustain the upward trend. In the manufacturing sector, the increase in employment is expected to be reduced due to sluggish export growth. The increase in construction projects and other factors are projected to stall employment growth in the construction sector.

## 3. Prices

The CPI inflation forecast for 2022 has been revised upward compared to the May projection, reflecting increased demand-side inflationary pressure following the lifting of social distancing measures and rising prices of agricultural products. However, short-term trends will heavily be influenced by recent fluctuations in global oil prices and the prices of agricultural prices. Core inflation for items other than food and energy is forecast to stand at 3.6 percent this year and 3.1 percent next year, respectively.

## 4. Current Account Balance

The current account surplus is projected to shrink for this year as the goods account and the service account surpluses significantly contract. The current account surplus is projected to diminish this year as foreign investment income suffers from both worsening global economic prospects and the decrease in foreign investment outflows. Despite the revitalized transport service sector, the easing of overseas travel restrictions and the subsequent surge in foreign travel demand will widen the service account deficit.

Source: Bank of Korea (bok.or.kr)

## S. Korea attracts USD 1.15 bn investment in chip, battery from seven NA firms

Seven North American companies in the fields of chips, electric vehicles, energy and logistics pledged a combined USD 1.15 billion investment in S. Korea to strengthen cooperation between the two nations to enhance related industries' supply chains amid intensifying competition.

The Ministry of Trade, Industry and Energy announced on Sept. 22 (local time in New York) that it received investment declaration letters from seven North American firms during a North American Investment Reporting Ceremony and Investor Roundtable in New York, the United States on the same day.

The seven names are Applied Materials, DuPont and Entegris in the semiconductor industry, Solid Energy System (SES) and BorgWarner in the EV and battery sector, Northland Power in the onshore wind farm market and EMP Belstar in the logistics field.

## Korea vows favorable taxation for US, foreign firms

S. Korea's National Tax Service (NTS) and the American Chamber of Commerce in Korea (AMCHAM) held a meeting on Sept. 16 to discuss favorable tax policies for foreign companies.

It was the first such meeting in seven years between the tax authority and the US business chamber in Korea.

"Through fair taxation and world-class tax service, Korea will forge an investment environment where foreign companies can

The latest investment pledges by North American firms are mostly for research and development centers and other quality facilities and thus will contribute to the development of advanced technologies in Korea and nurture technology experts at home, the ministry said.

Expectations for positive effects on the semiconductor industry ecosystem and supply chains also are rising as Applied Materials and three other global leaders in materials engineering solutions for chips (ASML, Tokyo Electron and Lam Research) have been active in investment in Korea.

The latest investment pledges are closely related the Korean government's national projects to enhance supply chains and achieve carbon neutrality, said Lee Chang-yang, the industry minister.

operate with little tax burden," NTS Commissioner Kim Chang-ki told the AMCHAM delegation, which included Chairman and CEO James Kim and Chairman of Board of Governors Henry An.

Total foreign direct investment from the US to Korea reached USD 2.95 billion in the first half of 2022, up 39.5 percent from the same period in 2021, according to Korea's Ministry of Trade, Industry and Energy.

## Trade & Commerce

## S. Korea, Ecuador hold new round of talks for bilateral trade deal

S. Korea and Ecuador began a seventh round of talks on Sept. 20 on the formation of a bilateral free trade deal, the trade ministry here said.

The two nations launched negotiations for the strategic economic cooperation agreement, or SECA, a type of free trade pact, in 2016 and held five rounds of talks that year. The sixth round took place in July after a six-year hiatus.

The latest round of talks will continue through Oct. 5, and they will take place vir-

tually, according to the Ministry of Trade, Industry and Energy.

The two sides will discuss a wide range of trade issues involving manufactured goods, services and procurement, as well as ways to jointly respond to supply chain disruptions, the ministry said. The South American nation is rich in natural resources.

"The two nations have complementary trade relations. We will speed up negotiations this time based on the recently renewed momentum," a ministry official said.

## Industry

**Korea ranks No. 4 in global EV sales, doubled from 2019**

S. Korea's electric vehicle exports last year more than doubled from the pre-pandemic year of 2019 to command fourth largest share in the world after Germany, the United States and China.

According to a report published by the Korea International Trade Association on Sept. 8, Korea's EV exports totaled USD 7 billion in 2021, trailing Germany with USD 28.8 billion, the U.S. with USD 10.1 billion and China with USD 10 billion.

Compared to the level before the virus spread two years ago, outbound shipments of EVs expanded 112.2 percent. Of total auto exports, EVs took up 15.8 percent last year, nearly doubled from 8.1 percent in 2019.

"In line with the domestic-favoring state subsidy system in each government, the Korean government also will have to seek for close cooperation with the private sector to help Korean firms maintain their export competitiveness."

## Government &amp; Policy

**Seoul targets half of new vehicles as autonomous ones in 2035**

S. Korea is targeting to commercialize a Level 4 autonomous vehicle in 2027 to release half of newly launched vehicles as Level 4 models in 2035, the transport ministry said on Sept. 19.

This year, Korea aims to become the world's third country to commercialize a Level 3 autonomous vehicle after the United States and Japan, the Ministry of Land, Infrastructure and Transport said in a statement.

"To achieve the aim, the government will overhaul the existing transportation systems, and set up safety standards and insurance pro-

grams for autonomous cars to provide Level 4 autonomous bus services as well (by 2027)," the statement said. Hyundai Mobis Co., a major affiliate of Hyundai Motor Group, introduced Level 4 self-driving automation technology in its concept M.VISION at the Consumer Electronics Show (CES) in January 2020.

At Level 4, a vehicle can drive itself under limited conditions and will not operate if all required conditions are not satisfied. At Level 5, a vehicle's automated driving features can drive under any conditions.

**Financial regulator vows deregulation to meet global standards**

S. Korea's financial regulator is looking to ease or lift regulations that have caused the undervaluation of the local capital market, a senior official said Sept. 15.

"We will find and unshackle the regulations that exist only domestically and not in advanced countries, which have become obsolete and unreasonable, and cannot comply with the latest changes in technology," Financial Services Commission (FSC) Vice Chairman Kim So-young said in a seminar in

Seoul.

The FSC is considering scrapping the registration system for foreign investors, a key hurdle for the country's inclusion on the Morgan Stanley Capital International (MSCI) index.

"We hope that these efforts can help (the S. Korean capital market) receive a worthy evaluation (globally) and generate a new growth paradigm for a lasting advancement," he added.



# One-on-One with Jason Yun

*General Manager & CEO, Edwards Korea*

# Creating Environments Where Innovation Thrives

*Invest Korea talks to Jason Yun, General Manager & CEO of Edwards Korea, to hear more about the company's operations in Korea and his experience doing business here.*

**A** global leader of vacuum and abatement, Edwards was founded in 1919 by F.D. Edwards and is based in Burgess Hill in the UK. The company has a presence in over 30 countries with 7,000 employees worldwide, and ranks No. 1 in the global market for vacuum and abatement-related R&D and technology.

Edwards established its Korean branch in 1992, and since then, Edwards Korea has grown to strengthen its position in the semiconductor, display, LED and solar industries. With its state-of-the-art manufacturing system at its Cheonan Product Company, Edwards Korea continues to future its value and leadership not only in Korea, but also across Asia as an important center for innovation, quality and environmental vacuum and abatement solutions to extend beyond—to industrial, chemical, and scientific R&D applications.

Invest Korea interviews Jason Yun, General Manager & CEO of Edwards Korea since 2015, to learn more about the company's operations in Korea and his experience doing business here.

**Please tell us a little bit about yourself. What is your story and how has your career experience led you to where you're at now?**

Thank you for the interview opportunity. I've been working in the semiconductor and display industries for the past 30 years with companies like Samsung, Philips, and Cymer (ASML). I joined Edwards in 2015, where

I'm leveraging my global experience and track record in business development to advance the company's leadership in Korea. I'm also very passionate about delivering happiness, opportunities, and value to our employees and the local community.

**What kind of company is Edwards, and what is its history?**

Founded in 1919, Edwards Vacuum is a global company leading the world in vacuum and gas abatement systems. As of 2022, Edwards has more than 7,000 employees and 28 manufacturing and repair facilities around the world are working to provide customized



Photo of Jason Yun, General Manager & CEO of Edwards Korea  
(Photo provided by company)

services.

Edwards entered Korea in 1984, when the country did not have robust vacuum technology. In 1992, Edwards Korea was founded, and it has been leading the vacuum technology in Korea since then. With the completion of its Cheonan production plant in 2011, state-of-the-art production system and technology from the UK headquarters were transferred to Korea, where now about 1,200 Edwards employees are working for greater innovation.

Edwards Korea, above all else, strives to achieve higher customer satisfaction by mass-production of error-free products through the development of innovative technologies tailored for its customers. In addition, as an environmentally conscious company, we continue to work on energy savings while maintaining the world's best technology in the vacuum pump field.

### Why did the company establish a branch here, and why is Korea an important market for Edwards?

Around 2010, as major semiconductor and display customers set up production bases in Asia and expanded their investments, we also decided to move our production plant located in Shoreham, England to Asia. At that time, the trend of many global companies was to relocate their

production bases to China to build a supply chain but to provide faster and closer support closer to industry-leading semiconductor display customers such as Samsung, SK Hynix, and LG Display, we decided to relocate the plant to Korea. Since then, customer investment has increased due to the growth of the semiconductor and display market.

### What are some characteristics of Korea's manufacturing sector that are helpful for your company in running its business here?

Korea is famous for getting things done quickly, allowing the country to achieve rapid development, improvement, and growth. Based on this, I believe that we have an environment where we can achieve more effective business operations than anywhere else. As mentioned earlier, Korea is also a place where market changes occur faster than anywhere else with industry-leading leaders such as Samsung, SK Hynix, and LG Display.

### What are some advantages of doing business in Korea?

Above all, I think it is a great advantage that the companies that lead the global semiconductor display market are based in Korea, so that we can provide faster



Photo provided by Edwards Korea

and closer support closer to them. This advantage has become a stepping-stone for us to provide a one-stop solution by developing customized technology, producing high-efficiency products, and achieving 100% customer satisfaction.

In addition, there are many advantages to running a business in Korea. Above all, the country's abundant technological prowess, human infrastructure, strong supply chain, innovation, and the continuous support of local governments are great for operation.

**What kinds of opportunities do global trends like the transition into greener and digital economies, as well as new policy schemes regarding ESG and sustainability offer for your company in Korea?**

Edwards Korea, a group company of Atlas Copco, complies with the Safety, Health, and Environment (SHE) principle in the company's operations. SHE is also our slogan, showing our firm's dedication to conducting environmentally and socially responsible management in line with its reputation as the world's No.1 in vacuum and gas abatement technology.

We are working to minimize our environmental impact by achieving goals such as reducing carbon emissions by 46% by 2030 and reducing waste and wastewater continuously. To protect the environment, we are making extensive efforts together with our employees to increase the ratio of eco-friendly products, establish energy conservation policies, recycle packaging material, improve logistics, and promote eco-friendly transportation.

Edwards Korea maintains environmentally friendly facilities while taking responsibility for the safety of its employees by operating an environment and safety department at each business site. Through these efforts, we have obtained Responsible Business Alliance (RBA) Audit Platinum Certification in 2021. In addition, to create social value through socially responsible management, we are carrying out various activities such as community service and support, and nurturing local talent.

**What Korean companies/agencies do you work with to strengthen your business partnerships locally?**

Edwards Korea is contributing greatly to revitalizing the local economy in Korea, with domestic companies

accounting for 70% of its suppliers.

We also maintain close cooperative relationships with local universities and educational development institutions to develop and nurture talents and continue to carry out various sponsorship activities. Edwards Korea continues to focus on nurturing talent because we believe that discovering talented people with high potential and giving them a chance to grow contributes significantly to our innovation.

In addition, Edwards provides opportunities to experience jobs in various countries, leveraging its strengths as a global company. As an example, our Graduate program selects talented individuals who can grow through Edwards'



Photo of Jason Yun, General Manager & CEO of Edwards Korea (Photo provided by company)

professional education and development. After completing a certain training domestically, these individuals will also undergo intensive dispatch training at our company's overseas sites. The program attracts many applicants each year and receives significant positive feedback from employees who have completed the program. As such, Edwards is not simply cultivating domestic talent but is actively utilizing its strengths as a global company. Based on the knowledge the company has learned and acquired, we are making efforts to nurture talents who can lead the future economic development of Korea.

### What are Edwards' future goals for Korea and Asia as a whole?

Edwards Korea operates the largest production facility in Korea, the center of the global semiconductor industry, and is already showing its influence not only in Asia but also in the global market. In addition, we are making continuous investments to respond to global semiconductor demand. In June 2022, we built a new production facility in Asan City, Chungcheongnam-do, which we expect to increase existing capacity by more than 100%, allowing us to respond more quickly and flexibly to customer needs.

In addition, a new production facility for gas processing equipment and integrated system manufacturing is scheduled to be completed in Asan-si, Chungcheongnam-do by the third quarter of 2023. In addition, in order to reduce our environmental impact and achieve carbon neutrality in the semiconductor manufacturing processes, we will adopt a Science-Based Target, register in the K-RE100, and use 100% renewable energy in our production plants.

Edwards Korea aims to lead the global market beyond Asia by focusing on developing innovative products through Edwards' 100-year tradition, outstanding technology, continuous investment, and key talent.

*By Grace Park*

*Executive Consultant*

*Investment Public Relations Team*

*Korea Trade-Investment Promotion Agency (KOTRA)*



# Industry Trends

## All Industries

In July 2022, Korea's mining and manufacturing industries and facilities investment were adjusted after growing for two consecutive months, but the production of all industries continued recovery in July 2022 despite difficult conditions with the support of the rebounding service industry and the increase in the coincident composite index for three straight months.

### Monthly Industrial Activity Trends

Subject	All industries	Mining & manufacturing	Service	Retail sales	Equipment investment	Construction completed
Monthly Change (%)	$\Delta 0.1$	$\Delta 1.3$	$0.3$	$\Delta 0.3$	$\Delta 3.2$	$\Delta 2.5$

The production of mining & manufacturing industries declined, mostly in semiconductors, machinery and telecommunication and broadcasting devices, due to adjustments in semiconductor production and equipment delivery and sluggish demands for mobile phones. The production of all industry decreased slightly after growing for two straight months, but posted a year-on-year increase. The production of service industries rebounded with the support of increased outdoor activities and face-to-face service industries that were backed by the summer holiday season and the below average number of rainy days. In case of retail sales, the production of durable and non-durable goods decreased in line with more face-to-face activities, sluggish sales of cosmetics in duty-free shops and inflation.

The performance of industrial activities in July confirmed the continued recovery of the Korean economy, but uncertainties in the economic flow remain high due to overseas factors including global inflation, slow growth and rate hikes. On the production side, positive signs include the recovery of production in service industries, declining global oil prices and raw material prices, and a partial resolution of disruptions in the supply chain. With regard to consumption and investment, the continued recovery of employment and the slowdown of increases in steel prices are positive signs that exist alongside uncertainties such as the effects that the heavy rain in August may have on consumption and construction activities, continued high prices and rate hikes, and increased volatility in the financial market.

## Trends by Industry

### Automobile

**Cars worth USD 5.1 billion were exported to record best-ever results for the month of June**



Production increased by 2.8 percent year-on-year in June 2022, driven by the lift of lockdown of Shanghai, China and the partial resolution of the supply of semi-conductors used in cars. In contrast, delivery decreased by 1.3 percent from the same period of 2021 due to the refusal of unionized truckers to transport products and subsequent difficulties in selling products. Consumption in June 2022 shrank by 2.8 percent from the same period of the previous year as the shortage in supply persisted. Exports in June 2022 grew by 17.7 percent year-on-year to record best-ever results for the month of June, boosted by the end of unionized truckers' strike and the brisk exports of electric cars

### General machinery

**Production turned downward while exports continued the downward trend**



Despite the growing equipment investments and orders of machinery, production in June 2022 decreased by 4.0 percent from the same period of the previous year as consumption and exports both declined. Slowdown of the global economy and the subsequent weakening of demands caused exports in July 2022 to fall by 2.9 percent year-on-year despite the continued infrastructure investments of major economies. Imports in June 2022 decreased by 4.5 percent from the same period of 2021 to record USD 2.7 billion.

### Shipbuilding

**Alongside the continued improvements in production indices, exports increased while imports decreased**



Global ship orders in the first half of 2022 fared better than originally-anticipated to decrease only by 16 percent year-on-year, despite the continued worsening of global economic conditions, which led the International Monetary Fund to revise down global growth by 0.4 percentage point by considering the recession of the Chinese economy, Russia's war with Ukraine, and high inflation. Driven by the offshore plant sector, exports in July increased by 29.2 percent from the same period of the previous year alongside the persisting effects of orders having plunged in 2022 after the outbreak of COVID-19. The plummeting imports of cargo ships led to the 29.4 percent year-on-year decrease of imports in June 2022 although more ship parts were imported.

### Steel

**Production and exports stalling due to declining domestic consumption and negative global economic conditions**



Although more sheets were produced after the completion of equipment repair and maintenance, production in June 2022 decreased by 2.4 percent from the same period of the previous year, caused by the poor performance of steel-consuming industries including construction. The continuation of high export unit prices pushed up exports in June by 5.2 percent year-on-year as the proportion of exports increased due to the effects of stalling domestic consumption and the soaring won-dollar exchange rate. Amidst the continued price-slashing of China and other exporters, imports continued to grow in June 2022 but the rate of increase was reduced to 7.8 percent year-on-year by reflecting the downward trend of import unit prices.

## Oil refining

**Petrochemical products worth USD 6.72 billion were exported in July to record best-ever results**

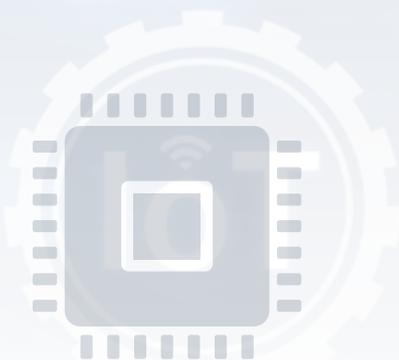
Domestic consumption decreased by 11.0 percent due to stalling demands for petrochemical products caused by the sustained high oil prices. In comparison, production increased by 2.3 percent year-on-year as improved refining margins pushed up capacity utilization rate. In July 2022, exports reached USD 6.72 billion to record best-ever results as high oil prices and the continuation of high refining margins helped elevate unit prices and export volume.



## Semiconductor

**The increase rate of exports slowed**

In June 2022, semiconductor production and delivery increased by 23.9 percent and 5.1 percent, respectively, from the same period of the previous year to support brisk sales, but worries over supply-demand imbalance remain as inventory inclined by almost 80 percent in June despite the continued production decrease from the previous period. Exports in July grew by 2.1 percent year-on-year to stand at USD 11.2 billion dollars, which is the best-ever export results for the month of July.



## Wireless communication devices

**Exports decline alongside the continued slowdown of the global economy**

Exports in July 2022 decreased by 3.5 percent year-on-year, dragged down mostly by declining exports to China and the United States, as demands for ICT final products including smartphones decline due to China's zero COVID policy causing local lockdowns and affecting economic growth and the slowdown of the global economy bringing disruptions in supply chains and increasing raw material prices. In June 2022, production and delivery increased by 6.1 percent and 3.8 percent, respectively, from the same period of the previous year to overturn the downward trend of the first half of 2022 and increase capacity utilization rate by 5.3 percent.



## Display

**Despite the stalling economy, exports of OLEDs grew with the support of high value-added smartphone panels**

Production in June 2022 plunged by 21.5 percent year-on-year due to sluggish demands resulting from reduced LCD production and economic slowdown. Global demands shrank in July 2022 to bring down exports by 2.7 percent year-on-year. While the downward trend continued for two consecutive months after the spread of COVID-19, OLED exports grew by 4.3 percent boosted by the dramatic increase in the delivery of panels applied with high value-added technologies including low-temperature polycrystalline silicon (LPTO).



*Please note that the latest data available on Statistics Korea are for the previous month in the case of exports and the month prior to the previous one for production.*

# New Legislations

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

## Newly Proposed Legislations

Legislation	Ministry in Charge	Opinion Submission Due Date
Pre-Announcement of a Partial Amendment to the Enforcement Decree of the Measures Act	Ministry of Trade, Industry and Energy	October 9, 2022
Partial Amendment to the Enforcement Decree of the Act on Origin Labeling, etc. of Agricultural and Fishery Products	Ministry of Oceans and Fisheries	October 10, 2022
Pre-Announcement of Partial Amendment to the Enforcement Rule of the Motor Vehicle Management Act	Ministry of Land, Infrastructure and Transport	October 11, 2022

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>).



## Newly Enforced Legislations

Legislation	Category	Date of Enforcement
Act on Promotion of Utilization of Drones and Creation of Infrastructure	Act no. 18556, partially amended	June 8, 2022
Enforcement Decree of the High-Pressure Gas Safety Control Act	Presidential Decree no. 32148, partially amended	June 8, 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>).





# Korea, Incorporating Smart Healthcare into Everyday Life

**S**mart Healthcare refers to a service that monitors and manages individual health status in real-time by combining digital technologies—such as Big Data, Artificial Intelligence (AI), the Internet of Things (IoT), and the cloud in the health care field in charge of diagnosing and treating diseases—thereby enabling personalized medicine. Though there have been attempts to tap into related concepts since the mid-1990s, an age of Smart Healthcare genuinely applied to daily lives has just begun thanks to the expansion of exponentially growing telecommunication technologies, sensor technologies and personal devices. In particular, the pandemic that has hit the world since 2020 appears to have provided momentum for the application of Smart Healthcare, such as remote treatment, to become full-fledged in a situation where medical staff cannot easily access patients

## Accumulated Experience in Remote Treatment during the Pandemic

During the spread of COVID-19, medical institutions had difficulties operating smoothly due to closures as the medical staff were infected with the virus. Accordingly, the Ministry of Health and Welfare conducted remote treatment through telephone counseling for one year, from Feb. 2020 throughout Feb. 2021. In one year, 940,000 patients received 1.64 million prescriptions, followed by prescriptions related to high blood pressure, diabetes, and hyperlipidemia.

In fact, the main goal of Smart Healthcare with telemedicine is to constantly monitor the patient's condition alongside abnormal symptoms, and to give appropriate treatment. Korea has applied the service to real patients and had a success during the pandemic. Also, to further advance the system, the country is currently distributing relevant equipment, making a Big Data database, and securing cases with regards to prescription and prevention.



### Overseas Smart Healthcare Market Trend

The Global ICT behemoths including Apple, Google, and Amazon have already entered the international Smart Healthcare market, and are building a healthcare ecosystem through collaboration. Digital technologies such as AI, IoT, wearable devices, smartphones, and cloud computing have been widely integrated, allowing more accurate diagnosis and status monitoring in connection with personal health records (PHR).

In addition, genome analysis plays a pivotal role in precision medicine and personalized medicine, the core of Smart Healthcare. Furthermore, a government-led industrial support - the U.S. medical policy such as the Cancer Moonshot\* - and revitalization measures act as major differentiators in the field of genome analysis.

\*Cancer Moonshot Initiative (2016): A U.S. government-led health policy that aims to reduce cancer mortality by more than 50 percent over the next 25 years, and better the experience of cancer patients/survivors and their families.

### Domestic Smart Healthcare Market Trend

As of 2021, there are 363 companies in the domestic smart healthcare sector, and their total sales in 2020 reached KRW 1.35 trillion. By business area, intelligent health management services grossed KRW 752.6 billion won, 55.6% of the total; personal health care devices made KRW 299.1 billion (22%); and home POCT devices KRW 210.6 billion (16%).

Most notably, Korean start-ups, recognized for their technology, are expanding in terms of investment

promotion, with Noom attracting USD 540 million and HUIINNO attracting KRW 20 billion. Moreover, large companies such as domestic insurance, telecommunications, and platform companies are also entering the Smart Healthcare market in real earnest. The Kakao Group established a healthcare CIC in December 2021, and KB Insurance set up KB Healthcare in October 2021.

### Government's Support Policy for Smart Healthcare

The Korean government announced the "4th Industrial Revolution-based Healthcare Development Strategy" in December 2018. This strategy mainly focuses on operating a pilot system for the production and management of healthcare big data; developing new drugs using AI; building a smart clinical trial system; inventing smart convergence medical devices; and creating an innovation-based ecosystem for the healthcare industry. In July 2020, it has evolved into the "Korean version of the New Deal Comprehensive Plan" to further strengthen support.

Along with the Green New Deal, the Digital New Deal is one of the pillars of the Korean version of the New Deal with an aim to lead job creation and digital transformation through the Digital New Deal. Therefore, it plans to center on investing in the entire D.N.A (Data-Network-AI) ecosystem to create new digital products as well as services, and to improve economic productivity.

One of them is Smart Healthcare, which directs to have a digital-based smart medical infrastructure to protect medical staff and patients from the risk of infectious disease and to increase patient's convenience. The specific goal is first to build 18 digital-based smart hospitals so that real-time monitoring of inpatients and collaboration between medical institutions are possible. The second is to set up 1,000 dedicated respiratory clinics. It is a clinic that can check and take measures for respiratory and fever symptoms in advance and provide safe treatment when visiting the hospital. And the third is to develop Dr. Answer 2.0, a software that can accurately diagnose 12 diseases ranging from liver disease, lung cancer to diabetes, and serve as AI-powered precision medicine.

Smart Healthcare is a crucial industry as a measure for medical expenses poised to increase, rapidly owing

to the growing proportion of the elderly, and will prevent patients from diseases and enable complete recovery at the lowest cost in the event of diseases. Especially, one of the important characteristics of Smart Healthcare market is that it is difficult to change once customers take part in the market dominated by the ICT-based techno-

logy and platform companies. Going forward, it is hoped that the government support together with the participation of competent medical staff, scientists and entrepreneurs make South Korea an exemplary case of success in Smart Healthcare.

### Development through the Integration of Healthcare with Digital Technology

Category	Tele-Health	E-health	U-Health	Smart-Health
Time	Mid-1990s	2000	2006	After 2010
Service	Inpatient care	Treatment or offering information	Treatment/ prevention management	Treatment/ prevention/ welfare/ safety
Main Player	hospital	Hospital	Hospital, ICT-enterprise	Hospital, ICT-enterprise, Insurance company, service company, etc.
Main User	Medical personnel	Medical personnel, patients	Medical personnel, patients, ordinary people	Medical personnel, patients, ordinary people
Main System	Hospital management (HIS, PACS)	Electronic Medical Record (EMR) website	Electronic Health Record (HER) monitoring	Personalized service based on personal health record

Source: Smart Healthcare Industry Revitalization Plan, Ministry of Trade, Industry and Energy (motie.go.kr), Jan. 2015



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

# CAIMI, Creation through Innovation

## About the Company

CAIMI specializes in AI-based medical devices employing endoscopy and ultrasonography for the examination and diagnosis of various diseases including cancer, and the application of CAIMI's AI-based diagnostic devices has expanded from the digestive system (esophagus and stomach) to other internal organs (colon, liver, kidney, etc.). Having completed the development of AI-based diagnostic devices for the digestive system, CAIMI is preparing to launch the products while planning for a remote consultation service and big data-based service platform for medical information interpretation and diagnosis.



## Background

The world is witnessing a growing number of patients with cardiovascular diseases and malignant neoplasm diseases such as cancer caused by changing diet and aging. Moreover, the global medical paradigm is shifting from treating in-patients after the occurrence of a disease to an early examination and treatment through preemptive examination, which greatly reduces social costs and improves the satisfaction and survival rate of patients. Whereas endoscopy is widely performed for an early detection of cancer of the digestive system, the misdiagnosis rate is above 25 percent, depending on the capability and experience of the medical personnel and the patient's condition on the day of the examination. Moreover, there are limitations to early examination and diagnosis as certain disease are difficult to detect with the human eye and due to other limitations including folds and hidden spaces that may exist inside the digestive system. In order to overcome these limitations, CAIMI developed an AI-based diagnostic system using AI algorithm that has learned the big data of a wide range of diseases.

## About the Product

### CAIMI's AI diagnosis algorithm

- Learned the big data of a wide range of disease encompassing more than 200,000 cases.
- Real-time confirmation, analysis and diagnosis of endoscopic image frames



- Real-time marking and examination guidance of suspected lesions
- Marking of examined and unexamined areas during endoscopy
- Identification and diagnosis of lesions with a sensitivity of 90 percent and accuracy of 93 percent.

### Alphaon, a diagnostic device detecting digestive diseases and cancer.

- Real-time interoperability with various endoscopy systems
- Touch switches with AI operation, sensitivity adjustment, examination area setting, video recording and backup features for hassle-free endoscopy
- Accurate detection and diagnosis of tumors and inflammation inside the digestive system
- Capability and confidence of medical personnel enhanced with excellent lesion detection



## Competitive Edge and Business Strategy

- Attracted investments worth KRW 1.1 billion as of April 2022
- Conducting two government R&D projects in 2022 (worth KRW 0.22 billion)
- Registration and application of more than twenty patents at home and overseas
- Selected as a K-Biohealth Business, an ITP Boost Startup, a Shinhan S2 Bridge Leading Startup, and as one of Korea Credit Guarantee Fund's OPEN NETS 200 Businesses
- Signing of MOU for AI Medical Device R&D and Demonstration with Gachon University Gil Medical Center and Korea University Medical Center in 2022
- February 2023: TIPS program application and selection
- February 2023: Establishment of a joint venture and entering the UAE market with Alphaon
- June 2023: Establishment of a joint venture and entering the Korean and UAE markets with Alphaon
- July 2023: Development of Alphaon (diagnosis of colon diseases)
- January 2024: Development of Alphaon (diagnosis of liver diseases)
- March 2024: Launch of Alphaon (remote consultation and cloud service)
- January 2024: Launch of a platform providing medical data analysis, interpretation and diagnosis services

## Future Plans

- October 2022: Demonstration of AI medical device Alphaon with Gachon University Gil Medical Center
- November 2022: Demonstration of Alphaon with Gachon University Gil Medical Center
- November 2022: Series A round for production and overseas market exploration
- December 2022: Approval of the AI medical device by the Ministry of Food and Drug Safety (Grade 2)
- January 2023: GMP certification for the manufacturing of medical devices

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

# Invest KOREA Market Place

Invest Korea Market Place (IKMP) is an online business matching platform available on Invest KOREA's website with information on approximately 300 Korean companies seeking to partner with foreign investors. This month, Invest Korea introduces some outstanding companies in Korea's smart healthcare industry.

COMPANY  
**A**



Portable ECG device



Mobile app



AI server

Investment Requirement		Company Profile	
<b>Amount</b>	USD 5 million	<b>Patents and Certificates</b>	A total of 3 patents registered
<b>Investment Structure</b>	Equity Investment	<b>Financial Performance</b>	(Sales in 2020) USD 0.01 million

**Investment Highlights**

- **Rising trend in heart disease death toll:** The rate of arrhythmia and heart disease deaths due to irregular heartbeats is very high compared to other organs. It has been continuing to increase due to aging population growth. Small and medium hospitals lack reading expertise, and primary screening devices due to high maintenance costs. Due to these causes, the global ECG (electrocardiogram) monitoring market is expected to grow from about USD 6.7 billion in 2020 to about USD 9 billion in 2026.
- **Fast and easy ECG measurements anytime and anywhere:** The company has developed a portable electrocardiograph and AI software (CE-MDD certified for the 2nd time in the world) that can measure ECG directly without the help of medical staff, and provides fast and easy measurement technology using small size and AI algorithms. After conveniently measuring ECG and obtaining data, it provides analysis and reading for heart disease using AI algorithm software.

COMPANY  
**B**



Personalized AI Nutritional supply devices



Measurement of in vivo metastasis



Smart nutrient cartridge

Investment Requirement		Company Profile	
<b>Amount</b>	USD 2 million	<b>Patents and Certificates</b>	A total of 4 patent applications filed, including a personalized A IoT nutrient supply solution based on bio-signal measurement.
<b>Investment Structure</b>	Equity Investment	<b>Financial Performance</b>	(Sales in 2020) USD 0.56 million

**Investment Highlights**

- **Misuse of health functional foods:** The global nutritional supplement market is USD 310.4 billion in 2020 and is expected to grow at 6.2% from 2021 to 2028. The global personalized nutrition market is expected to reach USD 16.4 billion in 2026 from USD 8.2 billion in 2021 at a 15% growth rate per year. Due to the consumption of health functional foods online and through mobile, misuse has become serious, and the government recommends to take only ingredients suitable for oneself.
- **Need to spread personalized AI nutrient supply devices based on electrocardiogram measurement:** The company is a venture company that develops, manufactures, produces, sells, and provides various devices based on its own home IoT platform. It supplies personalized nutrients and provides various healthcare management solutions in conjunction with smart home platforms. Healthcare professionals and business matching services can be expanded in conjunction with subsequent businesses.

# Munmak Bangye General Industrial Complex – Center of Gangwon’s New Growth Industry Ecosystem

Located in Gangwon’s biggest city of Wonju, the Munmak Bangye General Industrial Complex is a small-sized industrial complex with some 30 businesses operating in an area of 423,000m<sup>2</sup>, but has advantages such as being located nearby the Seoul Metropolitan Area and being able to generate synergy by collaborating with businesses operating in nearby industrial complexes including the Munmak General Industrial Complex, the Donghwa General Industrial Complex, and the Wonju Auto Parts Industrial Complex. It is the only industrial complex in Gangwon that is located in a foreign investment zone (Munmak Foreign Investment Zone) and is contributing to revitalizing the economy by attracting local businesses.

As of 2020, the Complex is estimated to have produced about KRW 235.4 billion and exported about USD 4.64 million.

- **Name: Munmak Bangye General Industrial Complex**
- **Location: Around Bangye-ri and Chwibyeong-ri, Munmak-eup, Wonju, Gangwon**
- **Area**

(Unit: m<sup>2</sup>)

Total area	Industrial facilities	Residential facilities	Supporting facilities	Public facilities
422,743	282,263	2,451	23,896	114,133

## A general complex evolving in line with the changing times

A major remodeling program is being planned to link the Munmak Bangye General Industrial Complex, nearby Donghwa and Taejang, Ucheon (Hoengseong) and the Wonju Enterprise City and to build an ecosystem for new growth industries focused on e-mobility and medical healthcare. Moreover, medium-scale R&D projects and technology transfer projects will be supported to nurture e-mobility and bio and medical businesses. In addition, a consortium was established to build the Gangwon Wonju Industry-University Convergence District by 2025 to bring together industrial complexes and universities and build a field-oriented industry-university convergence education system.

## New growth engine created through technology transfer

Currently in the Wonju area, industry-university mini clusters specializing in auto parts and medical devices are in operation, and the plan is to further expand the medical devices area to medical diagnostic devices and convergence medical devices. By supporting technology transfers and their commercialization, the mini clusters are leading the effort to domestically-develop imported products in line with the government’s emphasis on nurturing the nation’s materials, parts and equipment industries. Moreover, smart manufacturing R&D projects are implemented to support the sharing of manufacturing data between partnering businesses and the automation of manufacturing processes.

Source: (Text & Photo) Korea Industrial Complex Corporation

# Korea 101: Education

## Foreign Schools and Foreign Educational Institutions

### (1) Foreign Schools

Foreign schools in Korea are established to provide the children of foreigners staying in Korea with education equivalent to that of their own countries. They are also open to Korean nationals who have returned after residing for three years or longer in a foreign country within a certain percentage of the total number of students.

There are 40 foreign schools in Korea with more than half concentrated in Seoul. Gyeonggi-do and Busan are home to a number of foreign schools, too. Most international schools use English as their official language and follow the American curriculum. Students of those schools have to get separate lessons about the Korean history and the Korean language accredited by the Ministry of Education if they want to enter universities in Korea. For schools overseas, their regular curricula are good enough. Check in advance whether schools you are interested in are running accredited educational programs to enter institutions of higher education.

The number of students ranges from 100 to 1,500 with tuition fees from USD 15,000 to USD 25,000 per year, excluding some additional costs for school buses, textbooks and extracurricular activities.

Each school has a different admission criteria. The country's laws about foreign schools change frequently. So direct contact with the schools is the best way to obtain the latest information.

### No. of Foreign Schools and their Students (as of Jan. 9, 2019)

No. of foreign schools	No. of classes	No. of students	No. of students at kindergartens, elementary and middle schools	No. of high school students
40	782	11,735	7,992	3,743

\* Source: Korean Education Statistics Service

### No. of Schools by Language (as of Jan. 9, 2019)

English	German	Japanese	French	Mongolian	Chinese	Chinese + English
24	1	2	2	1	8	2

\* Source: International School Information (<https://www.isi.go.kr>)

## (2) Foreign Educational Institutions

Foreign educational institutions refers to the state, a local government, or a non-profit corporation which establishes and manages a preschool/elementary/secondary educational institution under the foreign statutes in a foreign country with the approval of the Minister of Education of Korea. There are seven foreign educational institutions across the country as follows.

Schools	Foreign Educational Institutions	Regions	Country
Preschool/ elementary/ middle schools	Daegu International School	Daegu-Gyeongbuk	USA
	Chadwick International School Songdo	Incheon	USA
High schools	SUNY Korea	Incheon	USA
	The University of Utah Asia Campus	Incheon	USA
	Ghent University Global Campus	Incheon	Belgium
	George Mason University Korea	Incheon	USA
	Friedrich Alexander University (FAU) Busan Campus	Busan-Jinhae	Germany

## (2) Jeju International Schools

Jeju international schools refers to those established in Jeju English Education City with the approval of the Superintendent of Jeju Special Self-Governing Province. There are four international schools at present. Jeju international schools can offer kindergarten, elementary, middle and high schools courses, which can be added or integrated as needed.

### International Schools in Jeju

North London Collegiate School Jeju

Branksome Hall Asia

St. Johnsbury Academy Jeju

Korea International School Jeju Campus



### Comparison Table

Foreign schools, foreign educational institutions, and Jeju international schools sound similar. However, they differ in applicable law, establishment requirements, and admission qualifications.

Description	Foreign Schools	Foreign Educational Institutions	Jeju International Schools
Admission qualifications	<ul style="list-style-type: none"> <li>- Foreigners' children</li> <li>- Koreans who lived overseas for 3 years or longer</li> <li>- Naturalized citizens' children considered unfit to continue studying in regular schools</li> </ul>	No restrictions	No restrictions
Admission rate of Koreans	- 30% (or up to 50% by local education office regulations)	<ul style="list-style-type: none"> <li>- Elementary and middle schools: 30% (or up to 50% by local education office regulations)</li> <li>- High schools: No restrictions</li> </ul>	No restrictions
Establishment & operation status	- 40 schools nationwide	<ul style="list-style-type: none"> <li>- 2 kindergartens, elementary &amp; middle schools</li> <li>- 5 high schools</li> </ul>	4 schools (KIS, LCS Jeju, Branksome Hall Asia, SJA Jeju)

### TIP

#### Curious about foreign schools in Korea?

If so, visit the website of International School Information run by the Ministry of Education, Science and Technology. You can check all the necessary information on foreign schools, international schools and foreign educational institutions from kindergartens to universities, including contact information, website addresses, class schedules, school foundation days, school locations and types. You can also visit the websites of all those schools and institutions with just a couple of clicks.

Website: <https://www.isi.go.kr> Language: English

*If you have further questions please contact*



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# Navigating through Tumultuous Worlds

**W**hirlwinds of a tornado scale have pounded the world economy one after another after the outbreak of the COVID-19 pandemic. Once the pandemic struck the world in early 2020, the global economy was completely frozen by the mandatory block out and social distancing. Oil prices briefly fell, and most countries without exception had suffered negative growth in 2020. That was just the first wave. If the vaccines were to develop by the end of 2020, it was believed the COVID-19 pandemic would become just another common flu that should fall into oblivion to the public minds.

Unfortunately, however, that was not the case. Even long after the rolling out of the vaccines, and long after the cease of the mandatory block out, the global economy has to face yet another pandemic; this time not medicinal but an economic pandemic of worldwide inflation. In the US, for example, the inflation rate surged to over 9%, for the first time in 40 years since 1981, and the story is not much different in other countries.

The global inflation data being so evident, causes of it are not equally self-evident. While some analysts point out the supply chain disruptions necessitated by the global block out, making production facilities to standstill, others emphasize the expectation of future inflation perpetuated the inflationary spiral. Yet other theorists believe the real cause was the enormous quantity of money supply accumulated over the last decade after the financial crisis and great recession since 2008.

As any macroeconomics text book teaches us, inflation makes everybody poorer as the real income of people must be taken away automatically by the rate of inflation. No matter what the cause is, inflation mercilessly chips

away real income from our pockets. It doesn't literally take away your money by force, but just rendering you to buy less with the same amount of money. Unlike other economic transactions where one wins when the others lose, inflation makes everyone lose. That is the cruelty of inflation. The only solace of inflation might be that there is no one that benefits from inflation, possibly except for the progressively tax collecting government.

The next malaise after the inflation-caused-poverty is higher interest rates. Most central banks have raised their policy rates substantially after rising inflation. In the US, the Fed has hiked the interest rates from 0.25% to above 3% in less than a year, and they have almost promised another jump, letting the rate be 4.0% or higher in 2023. In accordance with the US rate movements, many other countries tend to follow suit to avoid potential financial backlashes when they do not conform. Knowing in advance that the Fed will eventually have to raise the rates, the Bank of Korea gradually began raising its policy rate of 0.5% seven times from August 2021, until August 2022.

Now the BOK rate set at 2.5%, it is expected to rise at least 0.5% in the September meeting, and market lending rates would soar above 7% for average borrowers. As most of the Korean borrowers incurred debts on flexible rate loans, rising rates directly affect the loan service burdens, causing significant reduction in their disposable income. For example, the average borrower of USD 200,000 should pay 7%, USD 14,000 a year just for the interest payments. As average household income being about USD 35,000, it would have to pay almost 40% of the income just for the interest on the loan.

Last, but not the least, the shock wave of recent

turmoil is the global dwindling of trade. Unlike other countries less dependent on trade, Korea critically rests upon global trade for its economic vigor and vivacity. As trade takes up almost 70% of GDP, nothing is closer to trade when it comes to economic growth. Now it is evident the global trade in the future inevitably has to slow down; higher inflation, reduced purchasing power, higher interest rates, and lingering pandemic all point to tepid slower trades and economic growth. The prolonged war in Ukraine only has worsened global inflation and supply channels.

With such challenges, every government has to find solutions of its own. The US and the Biden administration ventured out last August, 2022, with the audacious Inflation Reduction Act of 2022. The act wants to stimulate the economy by spending USD 370 billion on the measures to use more efficient energy sources for cars, houses, commercial buildings, and public transportation. In short, the IRA of the Biden administration aims at the dual task of anchoring the National Energy Security and of achieving higher economic growth at once. The key words for the Biden administration seems to be adaptation to climate change, usurpation of information technology supremacy, and maintaining global scientific dominance.

Now, Korea's task is no different at all. Korea needs to maintain IT advancement, both in manufacturing and in research and development investments. Korea also seeks superiority in biotechnology and bio manufacturing. The new government's five-year policy directives revealed in May adroitly pointed out that science and technology should lead the nation's future economic growth and prosperity. In that audacious plan, the government plans to put USD 44 billion in investments for next five years on securing the national strategic technologies development and human resources education. The Yoon administration has focused on nurturing bio and healthcare industries, autonomous vehicle, smart farm, big data, robotics, IoT, to name just a few, and all these industries should proceed not by the government orientation but by their own active autonomy. The government's role is just to provide long term resources and finances with the removal of the maze of regulations and ordinances.

In this exact respect, Korea needs to collaborate more with the US to navigate through this challenging world of never ending tumults. The US is the main sour-

ce not just for Korean export products, but of the first rated technology and patents. Without US technology and patents, hardly nothing could be manufactured or sold in the US and the world. Of course, Korea has definite relative advantage in some areas such as manufacturing of semi-conductors or bio-medical products, and the US realizes the superiority of Korean products and manufacturing prowess. That's why the Biden administration emphasized the importance of building an international alliance and cooperation such as CHIPS4 between the US, Japan, Taiwan and Korea. So, the destination has been determined, and the mast is up for now to set sail on.



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

# Can a foreigner acquire real estate in Korea and engage in real estate lease business?

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

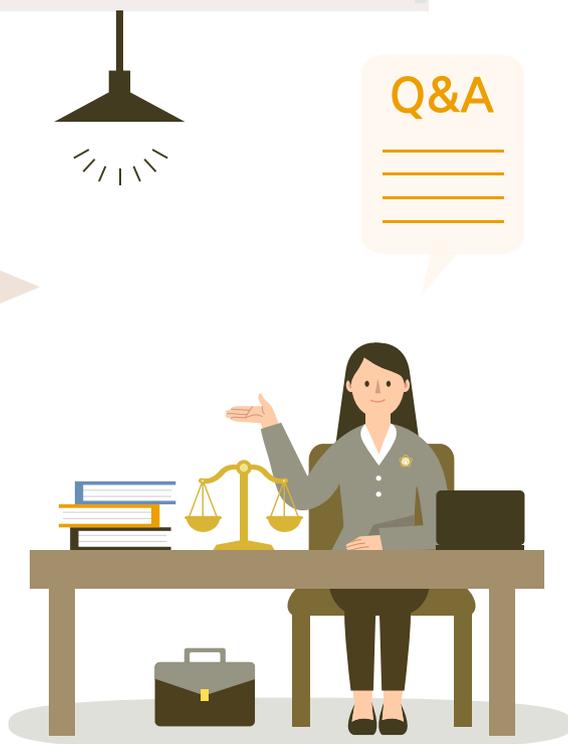
## Q.

**Can a foreigner acquire real estate in Korea and engage in real estate lease business?**

## A.

A foreigner intending to engage in real estate lease business in Korea can establish a foreign-invested company and acquire real estate in the name of the company. In this case, rental income can be transferred to foreign countries in the form of dividends after the settlement of accounts.

Q&A



- However, an individual foreigner or a foreign corporation intending to engage in real estate lease business by directly acquiring real estate can engage in real estate lease business under the name of a foreigner after acquiring real estate pursuant to the Foreign Exchange Transactions Act or the Act on Report of Real Estate Transactions, Etc. and appointing a tax manager. This does not constitute a foreign investment under the Foreign Investment Promotion Act.
- When intending to acquire real estate for the purpose of possession, a foreigner (individual or foreign corporation) should notify the acquisition of real estate to the head of a foreign exchange bank in accordance with the Foreign Exchange Transactions Act, together with document certifying the real estate transaction.

### <Domestic Laws related to Real Estate Acquisition>

	Act on Report of Real Estate Transactions, Etc.	Foreign Investment Promotion Act	Foreign Exchange Transactions Act
Applicable parties	A foreigner, etc. (an individual of foreign nationality, a foreign corporation, a domestic corporation with not less than 50% foreign ownership, a foreign government, an international organization, etc.) * Including a permanent resident of a foreign country	A foreigner (an individual of foreign nationality, a foreign corporation, a permanent resident of a foreign country, and an international organization for economic cooperation)	A non-resident
Key regulations	Notification required when real estate in Korea is acquired by a foreigner	Notification required when a foreigner acquires real estate through a foreign-invested company after reporting on foreign investment and the registration of a foreign-invested enterprise	Notification required when a non-resident acquires rights related to real estate in Korea (a right to use property based on lump-sum deposit (jeonse) contract, mortgage, etc.)
Where to report	Si/Gun/Gu office having jurisdiction over the property	Foreign exchange bank and KOTRA	Foreign exchange bank and Bank of Korea
Reporting period	Within 60 days of the conclusion of a contract	Prior to bringing in investment funds	At the time of withdrawal of funds
Governing authorities	Ministry of Land, Infrastructure and Transport	Ministry of Trade, Industry and Energy	Ministry of Economy and Finance

If you have further questions please contact



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# Literary Inspiration

## Celebrate the Written Word in Paju Book City

*Located a short drive north of Seoul, Paju Book City is a pilgrimage destination for all lovers of the written word. Its countless publishing companies, bookstores and cafes draw visitors from all over the world in search of tranquility and literary inspiration. The town celebrates this heritage in October when it hosts the Paju Book Festival, the biggest book bash in the country.*

### A Landmark of Wisdom

Paju Book City is full of beautiful works of architecture, many blending seamlessly into the wetland environment. The Forest of Wisdom stands apart, however.

Located on the first floor of the Asia Publication Culture & Information Center and operated by the Book-city Culture Foundation, the Forest of Wisdom is a collection of over 500,000 books and other written works donated by scholars, intellectuals and research centers, as well as by publishing companies. The books are stacked on eight-meter-high floor-to-ceiling bookshelves that stretch for over three kilometers.

Unlike most libraries, where the books are organized according to subject, genre or author name, the Forest of Wisdom's works are organized according to the donor or publisher. This gives the collection a surprisingly personal touch, despite its visually imposing size.

Volunteers are on hand to help you navigate the stacks. The space also serves as a reading room, with plenty of comfortable chairs and pleasing window views. There's even a cafe. It's the perfect place to spend the day with a good book

Part of the Forest of Wisdom also serves as the lobby of the beautiful Jijihyang, a guest house with lovely views over Paju Book City. The wood interiors and cotton bedding reinforce the space's "forest" identity. As befitting a guest house in a library, the rooms have no TVs. This is a space for reading, not watching.

### A Book Date with the Kids

Paju Book City is a space dedicated to the written word, which means you'll find more than a few cafes and coffeehouses. If you have children, however, head straight to Milkbook.

Milkbook is a children's bookstore, book cafe and cultural space wrapped in one. It's a relaxing space where you can let the kids indulge their youthful curiosity while you sip a coffee, munch on a scone and do some quality reading.

Your spuds will find a full range of children's literature, picture books, used books and even Lego sets. There are plenty of new releases and bestsellers, too. The theater hosts children-oriented plays, puppet shows, films and concerts, many of them book-related.

## Book History at a Glance

Some spaces offer much deeper dives into the heritage of publishing.

Run by Youlhwadang, a publishing company specializing in art books, Youlhwadang Book Museum boasts a collection of about 40,000 books from around the world. Part library, part bookstore and part museum, the space contains “new books” published since the 1980s as well as “old books” from the early modern period. The collection includes a 16th century German book and plenty of works on literature, music and art.

The museum also has a music lounge as well as other picturesque spaces.

Through the end of the year, the museum is hosting an exhibit on the history of Korean literature. On display are titles written from the Silla period to the 1980s. The museum is also hosting an exhibit on Korea’s territory and natural environment



## Old School Printing

Letterpress printing dominated the publishing world from the mid-15th century to the second half of the 20th century, when offset printing largely displaced it.

BookCity Letterpress keeps the art of letterpress printing alive, however. Founded by printer Kim Han-su, Book-City Letterpress has been publishing an average of five volumes a year since 2008, specializing in poetry anthologies.

It’s painstaking, highly artisanal work. But the results are undeniably spectacular.

BookCity Letterpress not only prints books, but it also gives visitors a hands-on experience with the presses, some of the oldest in the country.

The workshop also operates a beautiful cafe full of not only old printing equipment, but also old books—including a first edition of Hemingway and a Luther Bible.



## Getting Away to Read

Sometimes, it’s nice to simply get away for a weekend with a good book.

Or with a laptop to write a good book. Located in nearby Heyri Art Valley, the Motif #1 guesthouse was originally an artist’s residency. Indeed, it still serves as workspace as well as a popular travel destination for the Bohemian chic.

Designed by top Korean architecture firm Mass Studies, the beautiful forest space promotes creativity as well as relaxation.

A writer operates the guesthouse, so unsurprisingly, its library includes over 12,000 titles. Need a place to curl up with a book this autumn? This is it.

Source: Excerpt from “Literary Inspiration” Written by Robert Koehler, KOREA (October 2021), Korean Culture and Information Service (KOCIS)

# Semicon driving the high-tech sector and beyond

*Discover the Netherlands' dynamic and innovative semicon sector*

In the last 50 years, semiconductors have revolutionized our lives, being an essential component driving innovations in computers, smart devices, cloud computing, and 5G communication networks. And with the Internet of Things, 70% of semicon chips are now inside everyday consumer appliances from washing machines and fridges to self-driving electric vehicles, wearables and drones. By 2030, demand for semicon products is expected to double compared to 2020. The acceleration of the digital transition means leading-edge semiconductor technology is central to competition, data security and digital performance. While miniaturization (Moore's law) will have reached its limits, new opportunities present themselves for emerging markets for AI, edge computing and digital transformation (More-than-Moore).

The Netherlands is one of only three countries in the world to have all steps of the semiconductor value chain – from design and fabrication to packaging, testing and assembly of the end product. Our country is a seasoned partner in networks and international cooperation on global markets. Our proven track record in major innovations makes the Netherlands an attractive semicon partner. We are a leading global player with regard to knowledge on and production of semiconductors and the largest supplier to the automotive industry and home to the world's biggest machine builder for semicon manufacturing, ASML. Nevertheless, the semicon industry in the Netherlands is largely fed by small to medium-sized companies employing up to 50 people. As a result, the Netherlands boasts both the stability of large companies with comprehensive vertical integration and the versatility of independent operators. On average 85% of the integrated circuits in all electronic devices worldwide, are made on machines designed and manufactured in the Netherlands.

## Dutch national network of semiconductor companies

High Tech NL is the branch association of the Dutch high-tech industry consisting of some 230 members, both companies (OEM, SME and startups) and knowledge institutes. High Tech NL is committed to the collective interests of the sector, with a focus on long-

term innovation and international collaboration. To share specific knowledge, each member participates in one or more of our three clusters: Robotics, Semiconductors and Lifescience Technologies.

The cluster Holland Semiconductors is the Dutch national network of semiconductor companies and knowledge institutes active in the entire semicon value chain. It is our aim to strengthen the semicon sector by stimulating (international) cooperation, initiating new (international) innovation projects and facilitating crossover projects with semiconductors as a key enabling technology (KET). We support international innovation missions, and organize, support and host workshops, seminars, webinars and joint booths at international semicon tradeshows. We do this in close partnership with our members, Holland High Tech, Silicon Europe, the Netherlands Enterprise Agency RVO, embassies, consulates and trade offices in the Netherlands and abroad.

## Examples of cooperation with Korea

To strengthen business cooperation and establish essential networks in different areas of semiconductor design & equipment between Korea and the Netherlands we have a highly valued partnership with KOTRA. Together with KOTRA, the Korea Semiconductor Industry Association, the Netherlands Embassy in Seoul and the Netherlands Enterprise Agency (RVO) we organized in June 2022 a webinar and several online B2B meetings for Dutch and Korean companies.

Together with the Netherlands Enterprise Agency (RVO) and the Netherlands Embassy in Seoul we organized beginning of October an innovation mission for Dutch semiconductor companies to South Korea, including a Netherlands booth with Dutch companies at SE-DEX 2022.

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*Holland Semiconductors*

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

# Invest KOREA'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](http://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.



## Change in Investment Consulting Center Operations Due to Building Repair Work

As the IKP building is currently shut down due to repair work for rain-induced flooding, the Investment Consulting Center is currently unable to provide some of its services (from Aug. 18 to repair completion date). Please refer to the below.

### 1) Visa/Sojourn

Business Investment (D-8) visa change/extension services are suspended.

Please apply to the immigration office with jurisdiction over your address (place of sojourn) or place of business. You can call 1345 to find your jurisdictional immigration office and inquire other matters.

Look up the immigration office with jurisdiction through the link:  
<https://www.hikorea.go.kr> → convert language from Korean to English  
 → information lookup → office directory

### 2) Exchange of foreign driver's license to a Korean one

To exchange your foreign driver's license to a Korean one, please visit and apply at the Gangnam Driver's License Examination office.

Address: Gangnam Driver's License Examination office, 23 Teheran-ro 114-gil, Gangnam-gu, Seoul  
 Phone: 02-2193-7600~1



## KOTRA's Global Network

KOTRA has 128 overseas offices and 10 headquarters worldwide

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### Southeast Asia & Oceania

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### Japan

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Melbourne, Australia  
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Osaka, Japan  
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Tel: (65) 6426-7200

Sydney, Australia  
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Taipei, Taiwan  
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Tel: (34-91) 556-6241

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Paris, France  
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Stockholm, Sweden  
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Vienna, Austria  
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