

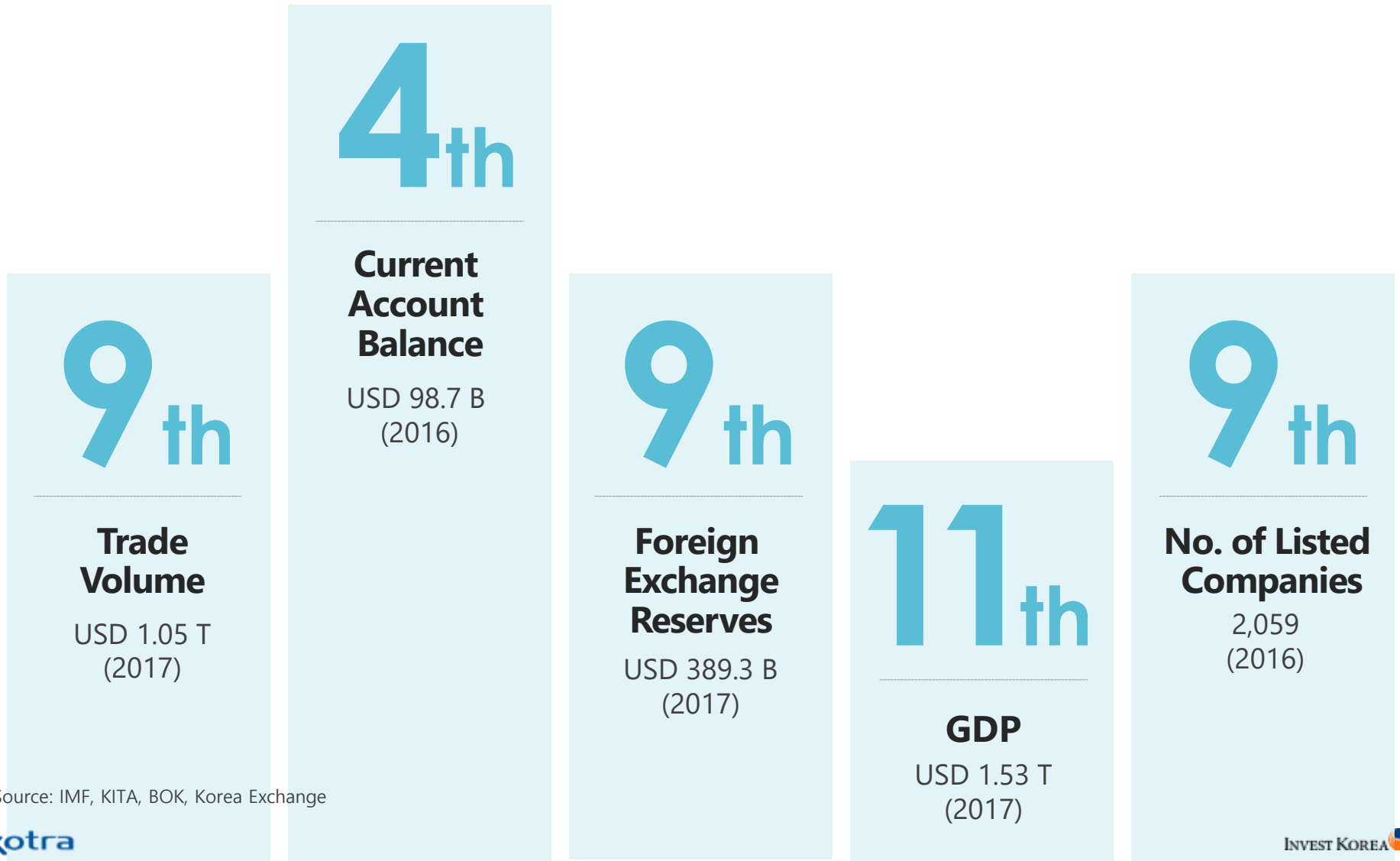


Standard IR 2Q 2018

# Korea Economy & Investment Environment



# Key Economic Indicators



\*Source: IMF, KITA, BOK, Korea Exchange

# Export Growth



\*Source: KITA (2017)

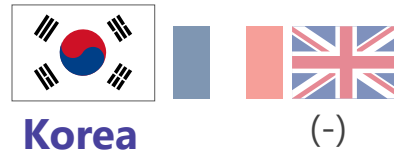
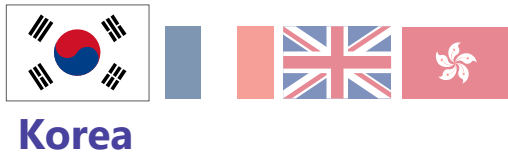
# Stable Credit Rating

MOODY'S

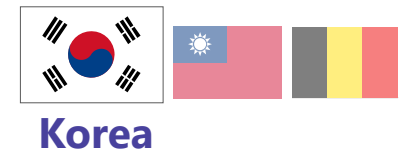


Fitch

**AA**  
Aa2



**AA-**  
Aa3

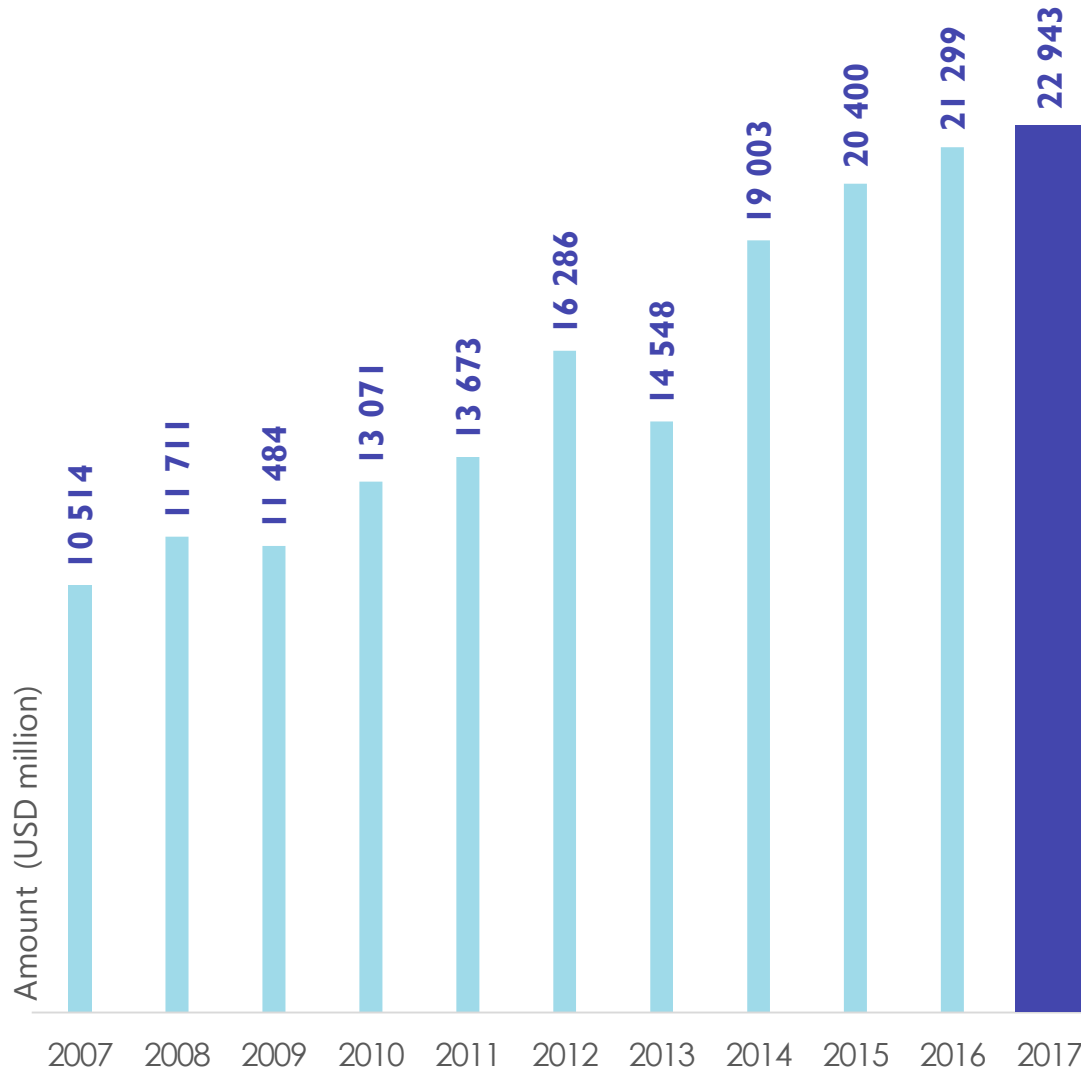


**A+**  
A1



\*Source: MOSF (as of October 2017)

# FDI Statistics



**\$ 22.94 B**  
2017

\*Source: MOTIE (based on declared amount)

FDI in Korea

# Foreign-invested Companies in Korea



\*Source: KOTRA (2017)

FDI in Korea

# Foreign-invested Companies in Korea

**223 of 500**

companies invested in Korea

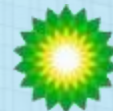


DAIMLER



TOYOTA

ExxonMobil



GLENCORE



ICBC



Human Energy



## Major Industries

Financials 52

Motor Vehicles & Parts 27

Energy 24

Technology 23

Health Care 11

F&B, Tobacco 10

Wholesale 9

Tele-Communications 9

Materials 8

Chemicals 8

Industrials 8

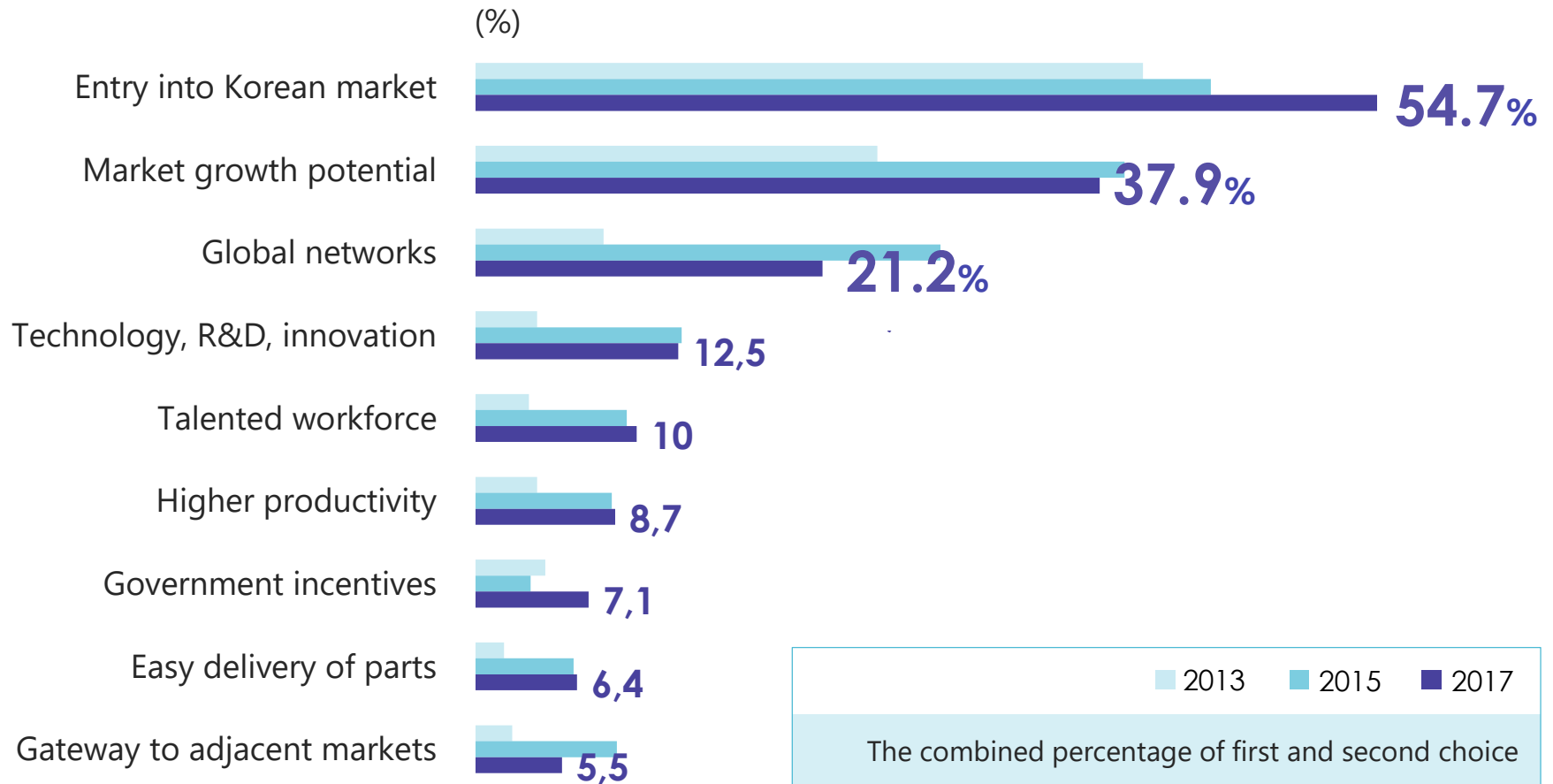
Transportation 8

Hotels, Restaurant & Leisure 5

Retail 5

\*Source: Fortune, Invest KOREA (2015)

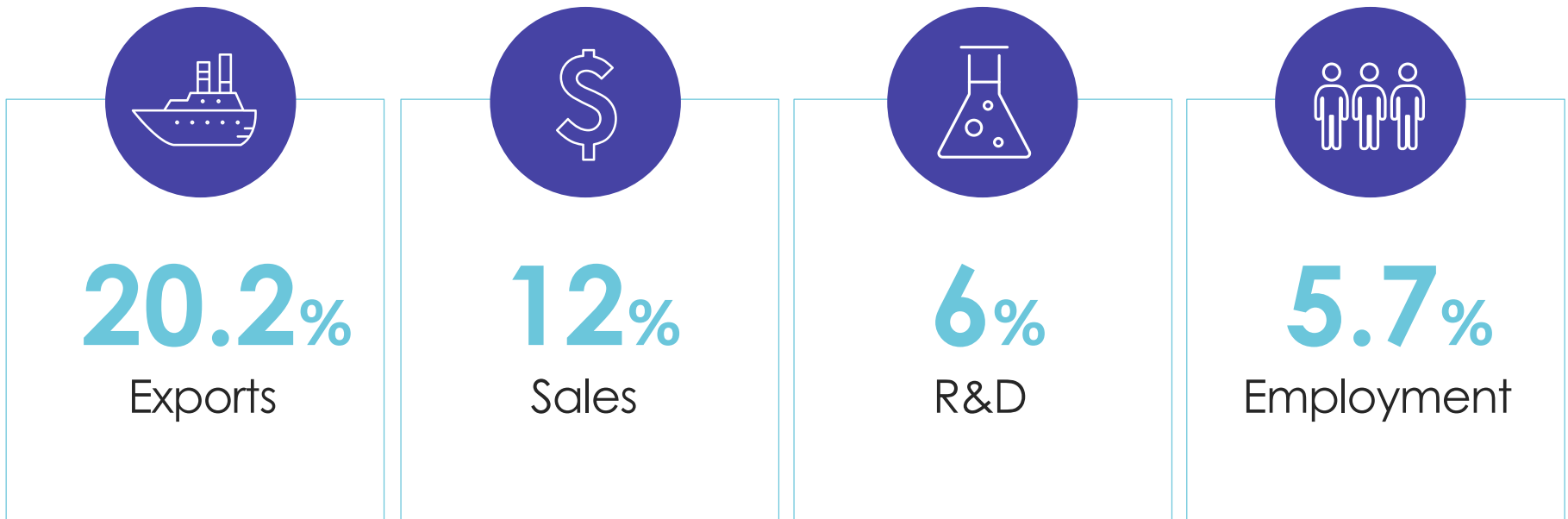
# Reasons for Investing in Korea



\*Source: Invest KOREA (March 2018)



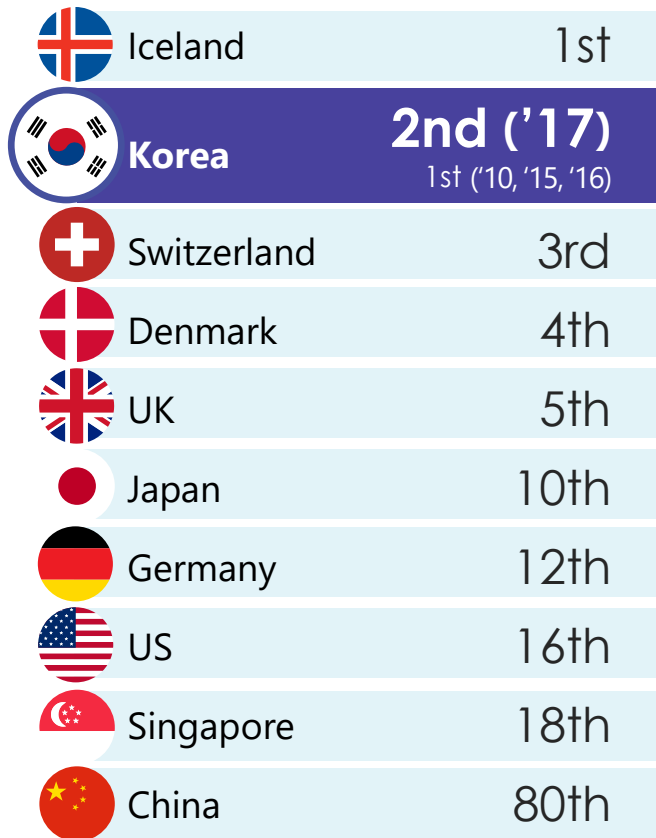
## Economic Contribution of Foreign-invested Companies ('16)



\*Source: Invest KOREA (2017) "2017 Survey on the Management Status of Foreign-invested Companies"

# ICT Development

## ICT Development Index



## ICT Products Exports ('16)



\*Source: ITU (2017) "Measuring the Information Society Report 2017"

\*Source: OECD (2017) "Digital Economy Outlook 2017"

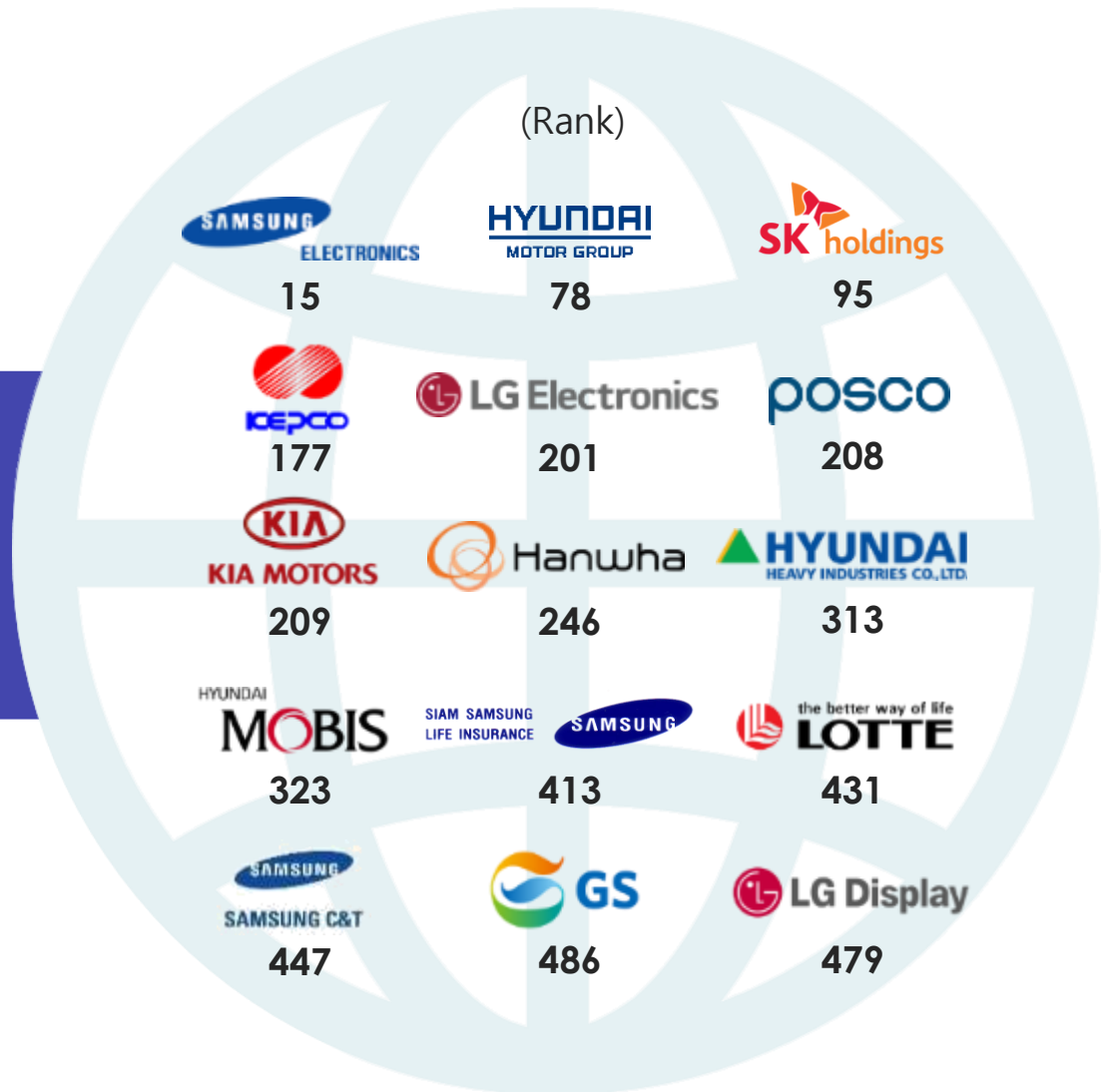
Why KOREA: Leading Industries

# Korean Companies in Fortune Global 500



**15** *in total*

\*Source: Fortune (July 2017)




Why KOREA: Strategic Location

# Strategic Location in Northeast Asia

## Korea Zone Cities within 3 hours by plane

Cities with a population of > 1 million

 **61**  
cities

 **498**  
million people

\*Source: Citymayors statistics, distancecalculator.net

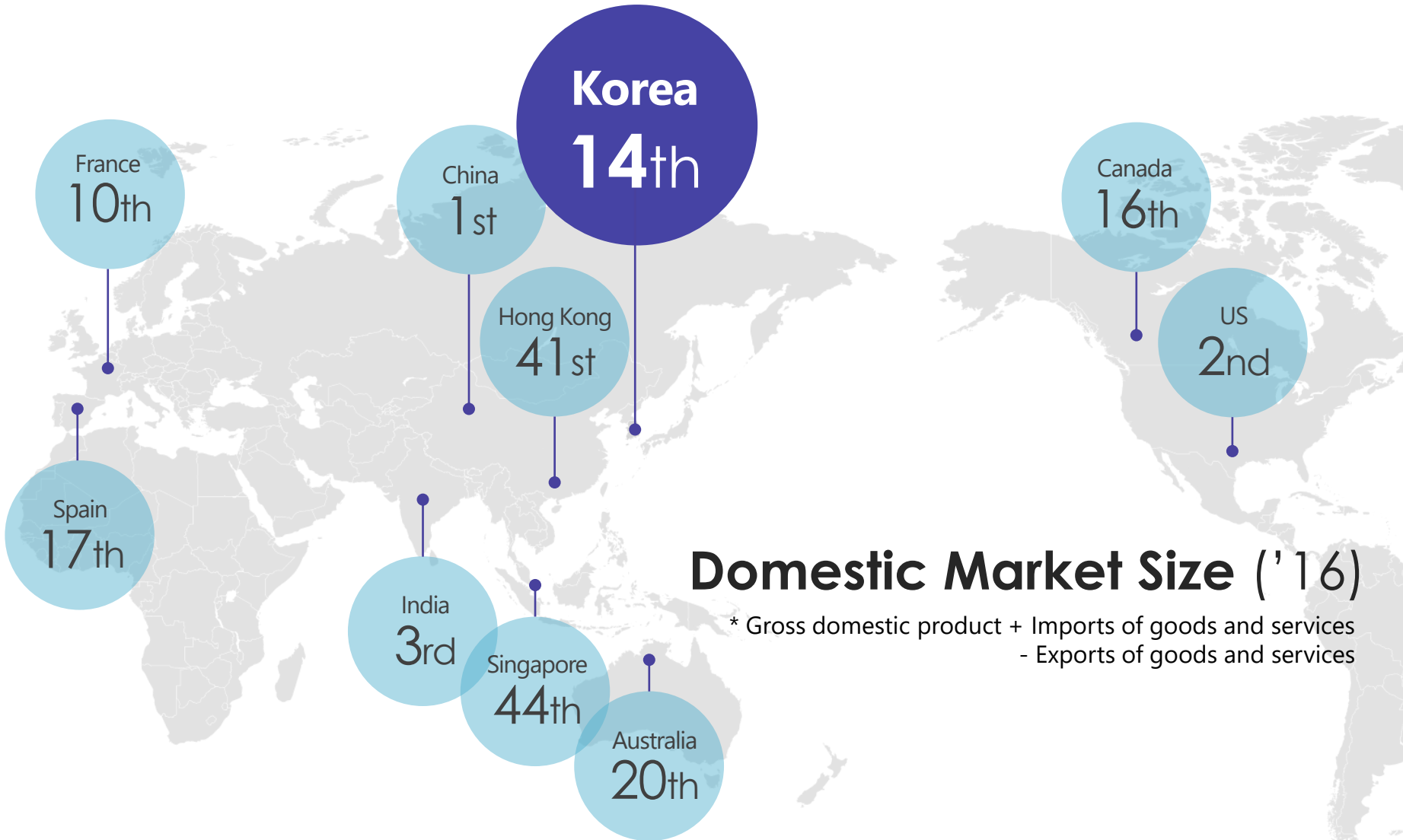
**CHINA**  
Large market

**JAPAN**  
Sophisticated market

**KOREA**  
Test-bed market

Why KOREA: Domestic Market

# Domestic Market



## Domestic Market Size ('16)

\* Gross domestic product + Imports of goods and services  
- Exports of goods and services

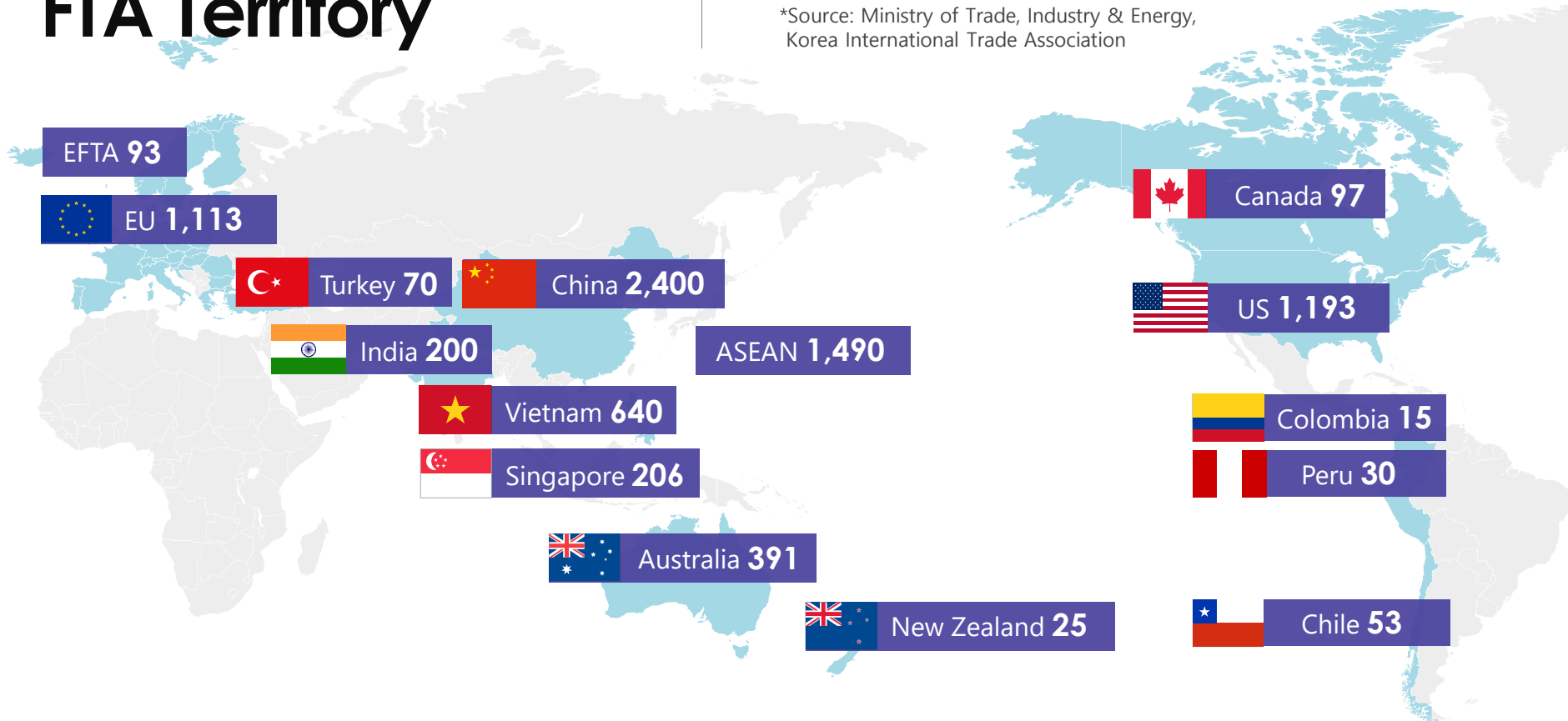
\*Source: World Economic Forum (September 2017) "The Global Competitiveness Report 2017-2018"

# FTA with 52 countries

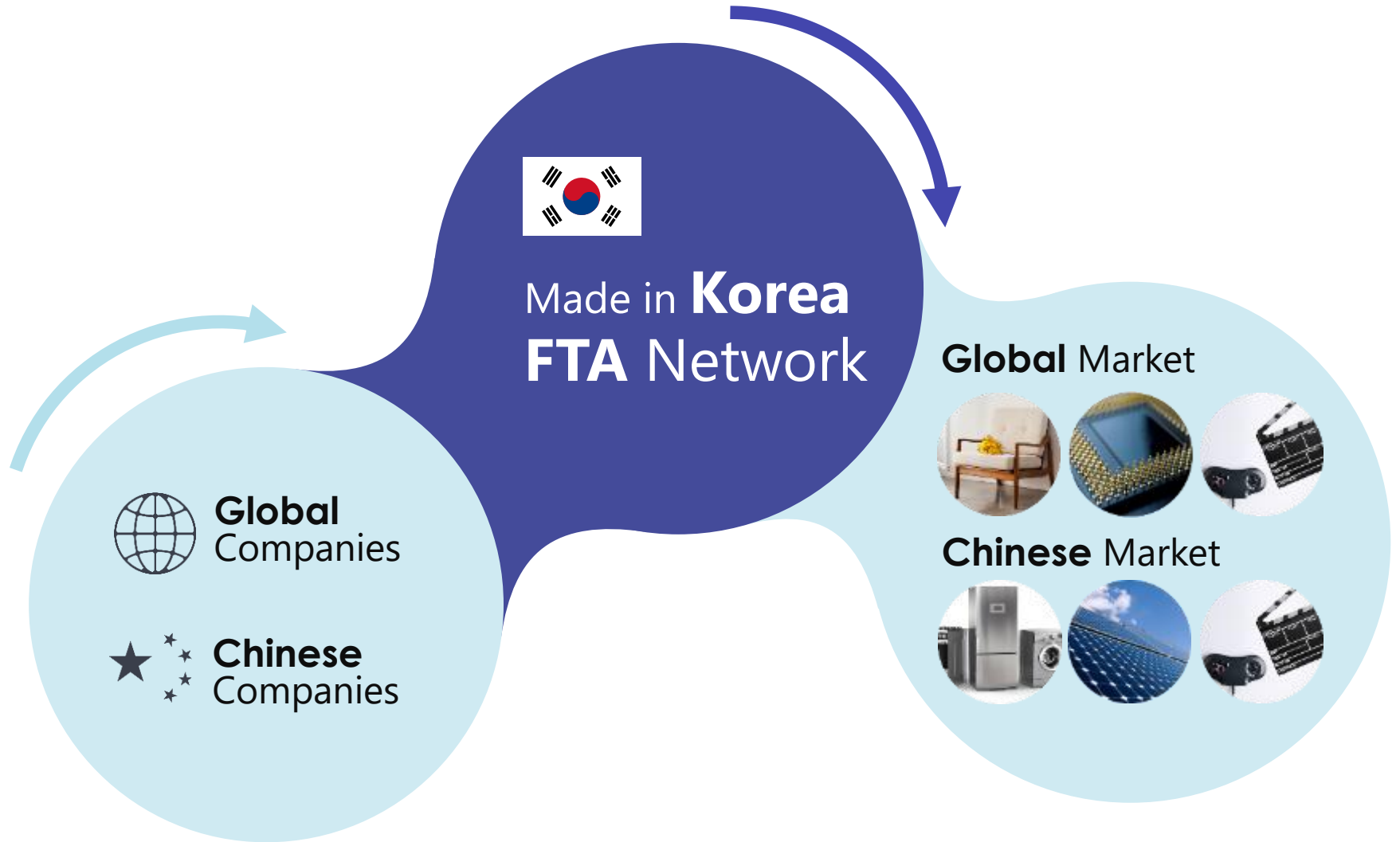
## World's 3rd Largest FTA Territory

● Trade Volume as of 2017  
(USD 100 million)

\*Source: Ministry of Trade, Industry & Energy,  
Korea International Trade Association



# FTA Hub



# No.1 Mobile Environment

## Average Connection Speed

1st  
**28.6Mbps**

\*Source: Akamai (2017)

## Average Mobile Speed

2nd  
**45.9Mbps**

\*Source: OpenSignal (2017)



**The World's  
Most Wired  
Country**

Korea is the only country  
in the world whose entire  
Population can access  
4G connectivity.

## Smartphone Penetration

4th  
**71.5%**

\*Source: Newzoo (2017)

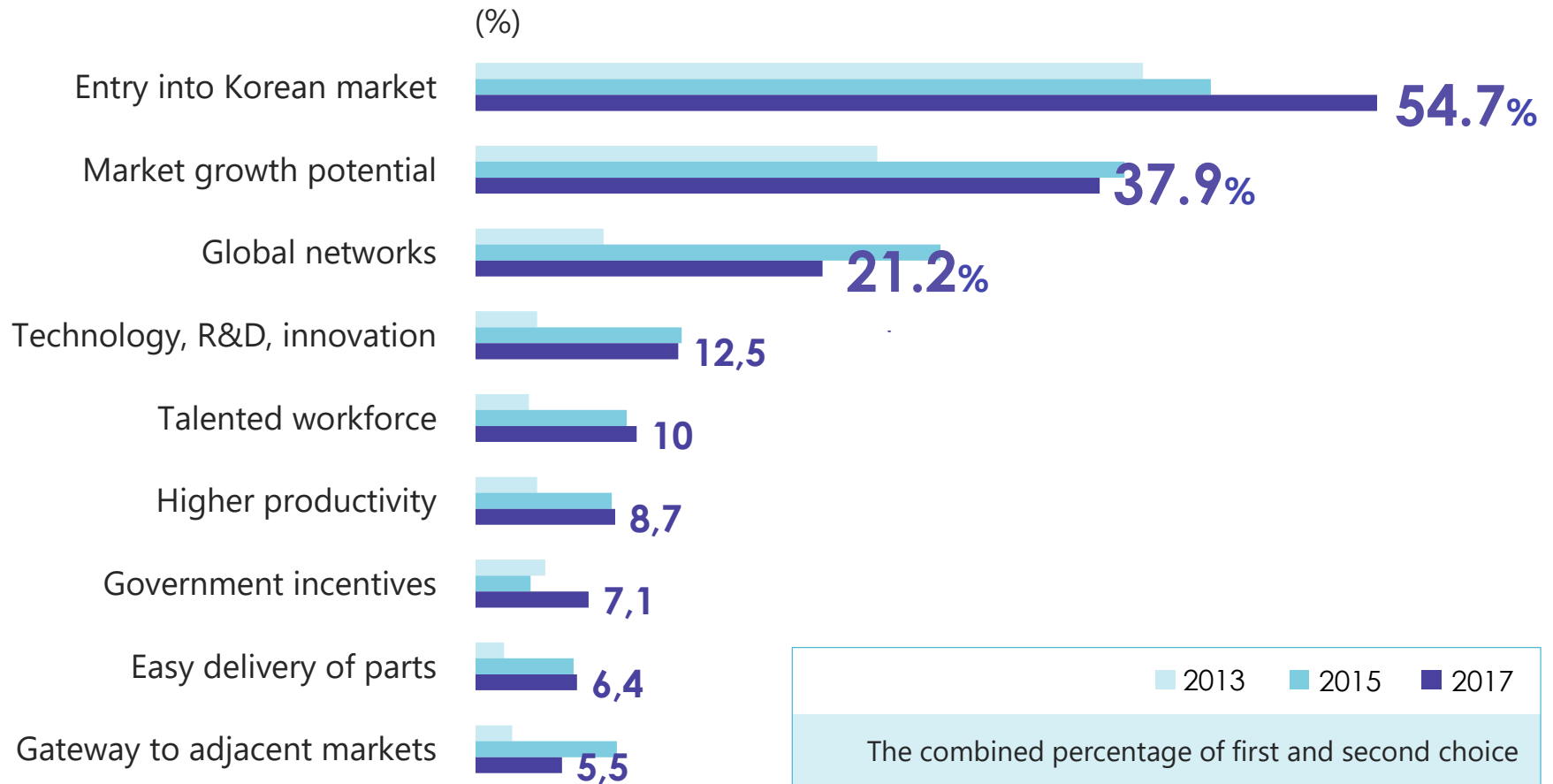
## 4G LTE Penetration

1st  
**96%**

\*Source: OpenSignal (2017)



# Reasons for Investing in Korea



\*Source: Invest KOREA (March 2018)

# Incentives for FDI

|               |                         | Investment Qualifications   | Incentives   |
|---------------|-------------------------|---|--|
| Tax Reduction | High-tech Business      | <ul style="list-style-type: none"> <li>Contribute significantly to domestic economy and technology</li> </ul>   | <ul style="list-style-type: none"> <li>Income, corporate tax: 100% for 5 years, 50% for 2 years after that</li> <li>Local tax: 100% for 15 years</li> <li>Customs: 100% for 5 years</li> </ul> |
|               | Foreign Investment Zone | Individual type <ul style="list-style-type: none"> <li>Manufacturing: min. \$30M</li> <li>Tourism &amp; Resort, International convention: min. \$20M</li> <li>Logistics: min. \$10M</li> <li>R&amp;D center: min. \$2M &amp; min. 10 researchers</li> </ul> |  |
|               |                         | Complex type <ul style="list-style-type: none"> <li>Manufacturing: min. \$10M</li> <li>Logistics: min. \$5M</li> </ul>  | <ul style="list-style-type: none"> <li>Income, corporate tax: 100% for 3 years, 50% for 2 years after that</li> <li>Local tax: 100% for 15 years</li> <li>Customs: 100% for 5 years</li> </ul> |
|               | Free Economic Zone      | <ul style="list-style-type: none"> <li>Manufacturing, Tourism &amp; Resort, International convention: min. \$10M</li> <li>Logistics, Medical institutions: min. \$5M</li> <li>R&amp;D center: min. \$1M &amp; min. 10 researchers</li> </ul>                |  |
| Land Support  |                         | <ul style="list-style-type: none"> <li>More than 30% of foreign investors' stock rate</li> </ul>  | <ul style="list-style-type: none"> <li>Reduction of rent fee</li> <li>Support for infrastructure</li> </ul>  |
| Cash Grant    |                         | <ul style="list-style-type: none"> <li>More than 30% of foreign investors' stock rate</li> <li>Manufacturing: Parts &amp; materials specialty or high-tech business</li> <li>R&amp;D center: New R&amp;D facilities and min. 5 researchers</li> </ul>       | <ul style="list-style-type: none"> <li>Negotiable</li> </ul>   |

# Websites KOTRA Express



[www.investkorea.org](http://www.investkorea.org)



[www.investkorea.org/en/published/express.do](http://www.investkorea.org/en/published/express.do)



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Thank You !!!!!