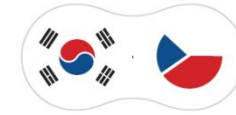


CZECH-KOREAN TRADE:

Opportunities & Challenges for Czech Companies

Jana Chamrová
Korea Business Forum 2018
Nov 9, 2018



Chamber of Commerce
of the Czech-Korean Society

체코-코리아 협회의
한체상공회의소



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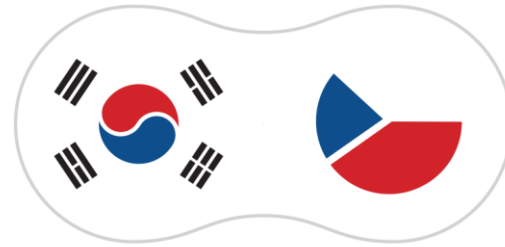
Support Infrastructure in Czech-Korean relations



CZECH - KOREAN SOCIETY
체코 - 코리아 협회



NGO, established 1990



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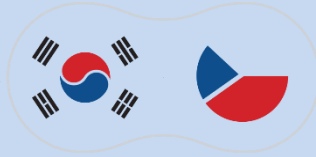
체코-코리아 협회의
한체상공회의소

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MEMBERS & PARTNERS



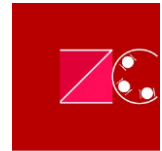
**EXTREME
DEVELOP**



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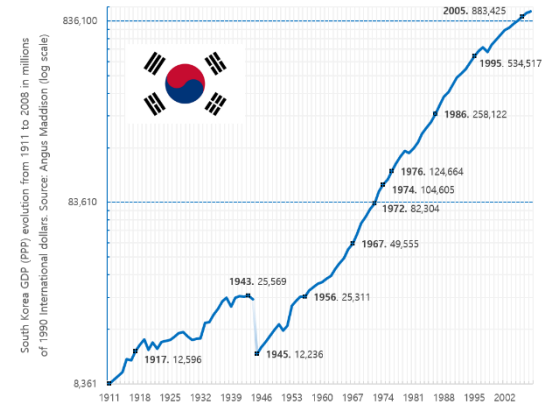


WHY KOREA?

Reasons for Czech Companies
to 'Go Korean'

ROK as an economic stronghouse with needs to engage in foreign trade:

- ✓ Asia's 4th largest economy
- ✓ World leader in electronics, shipbuilding, steel and automotive
- ✓ 7% of GDP spent on education, focus on R&D and creative economy
- ✓ Hyper-consumerist society with fast-changing trends
- ✓ Czech-Korean friendship



WHERE ARE WE NOW?

The Development of
Czech-Korean Business Relations

KOREA & CZECH REPUBLIC: DIPLOMATIC HISTORY

Mutual friendship
since **1930s**

1950 Korean
Studies Dept. at
Charles Univ.

1990 Diplomatic
relations with ROK
& Czech-Korean
Society established

2013 Czech Center
& Czech Tourism
in Seoul

2015 CzechInvest
in Seoul

2016 Chamber of
Commerce of the
Czech-Korean
Society

ROK is CR's 3rd most important non-European business partner:

- ✓ Many high-level visits
- ✓ Strategic partnership since 2015
- ✓ EU-ROK FTA since 2011
- ✓ EGAP & K-Sure MOU since 2014
- ✓ ROK investments created 12,000 jobs
- ✓ First Czech investment in ROK: Czech brewery in Busan & Iksan



Photo: president.go.kr

WHY ARE WE BEHIND?

Challenges and Difficulties for
Czech Companies

ROK

- ← Nationalistic worldview & tendency to trade protectionism
- ← Different legal environment
- ← Rigid and unusual barriers
- ← Strong dominance of chaebols
- ← Modern business trends clashing with Confucianist legacy (creative, start-up)
- ← High cost of living, high labor costs

CR

- ← Business priorities not well defined
- ← Lack of cooperation & info exchange among institutions, and with companies
- ← Soft economic diplomacy & absence of negotiations across different fields
- ← Companies not willing to invest in long-term business partnership
- ← Companies not aware of cultural barriers willing to invest in long-term business partnership

WHAT HAS WORKED?

Czech-Korean
Success Stories

- ➔ Unique, high-quality product, a market niche
- ➔ Business storytelling related to product, company or origin
- ➔ Global brand with presence and/or connections in Korea
- ➔ Cultural engagement such as Korean KAM, distributor or partner
- ➔ Working with local municipalities and smaller professional associations
- ➔ Assertive economic diplomacy

WHAT MIGHT COME?

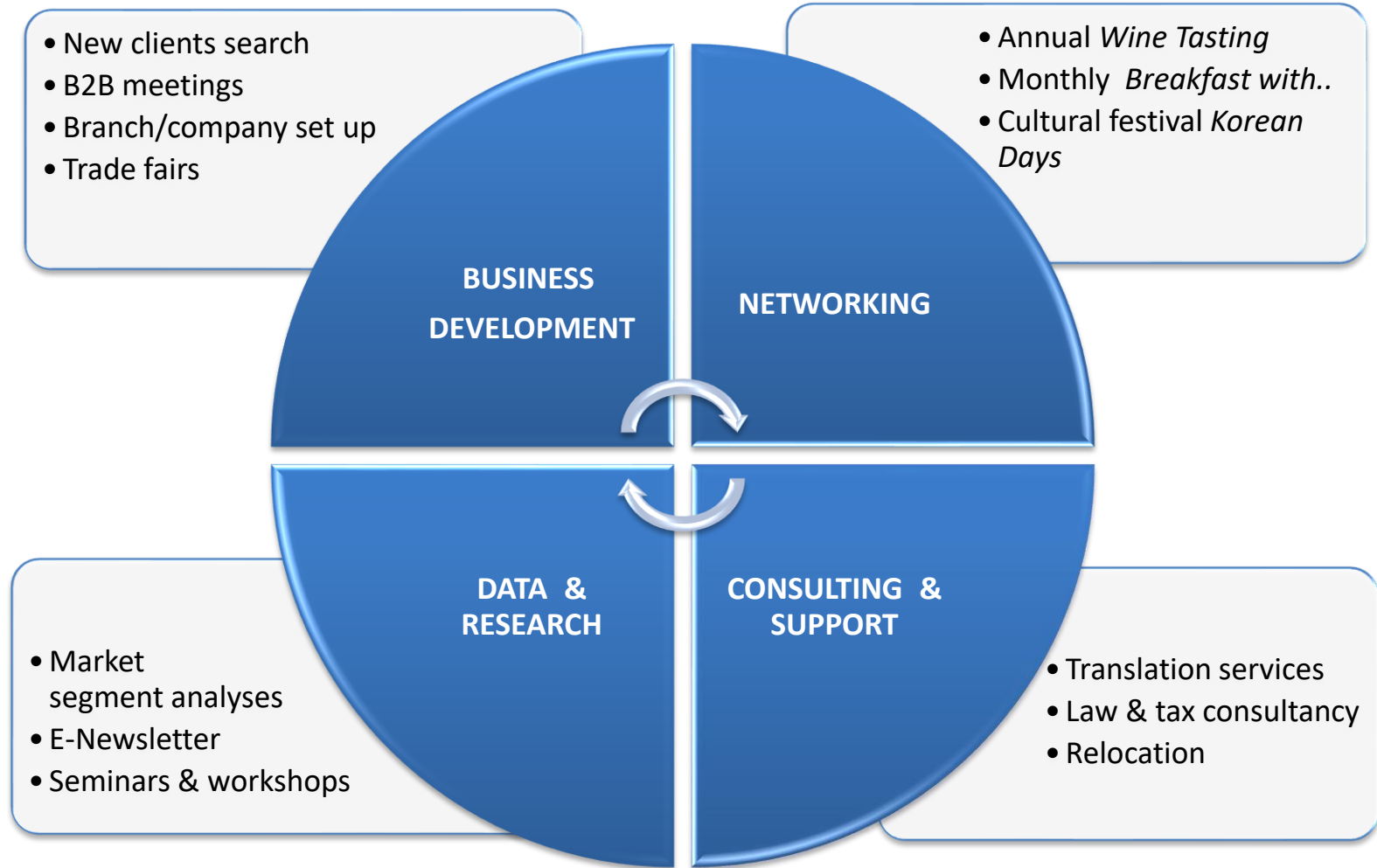
Future Prospects of Czech-Korean
Business Relations

- ➔ Loss of interest on the Korean side
- ➔ New political leadership
- ➔ Continuing economic slowdown
- ➔ Worsening business ties with China
- ➔ Worsening relations with USA
- ➔ Threat from North Korea

HOW TO START?

Support Infrastructure in Czech-
Korean relations

CHAMBER OF COMMERCE OF THE CZECH-KOREAN SOCIETY:



NETWORKING EVENTS

You are invited to

A Wine Tasting

Sat June 4, 2016

Chamber of Commerce
of the Czech-Korean Society
체코-코리아 협회
한체상공회의소



2016 Czech-Korean Wine Event

hosted by



Chamber of Commerce
of the Czech-Korean Society
체코-코리아 협회
한체상공회의소

Saturday June 4, 2016
6 p.m.

DSC Gallery
Dlouhá 5, Prague 1

RSVP by May 31 at chambersky@ncc.or.kr +82735131411

Among invited:

Hyundai • Nesen • Doosan Sleda Power • Korean Air • Samsung • KIA • LG • Hanjin • MOBIS • GS Caltex • Sungwoo Hitech • Hanwha • Hyundai Glovis • Hyundai Steel • Plakor • Hyundai Dymos • Sejong • DONGWON • PHA • Daochang Seat • Noroo

KB • Deloitte • Eeste • Vitkovice • Citibank • ŠKODA AUTO • Clifford Chance • Mandarin Oriental • Preciosa • CEZ • Lawrít • ŠKODA PRAHA • Gold of Prague • Extreme Develop • BROZ BROC VALA • ITW Finnovia • FIL • Ostrav

Embassy of the Republic of Korea • Czechinvest • CzechTrade • Ministry of Industry & Trade • Ministry of Foreign Affairs • Technological Agency • Czech Tourism • Czech National Bank • International Chamber of Commerce • Czech Chamber of Commerce

Czech white wine & French red wine with a sommelier

Korean - Czech business networking

Live classical music & contemporary art



B2B DELEGATIONS & MEETINGS



2016 KOREA NUCLEAR EQUIPMENT INDUSTRY
KOREA DELEGATION

Date : June 27, 2016 (Mon)
Venue : Prague, Czech Republic
(Chamber of Commerce of the Czech-Korean Society, Na Příkopě 6, Prague 1)



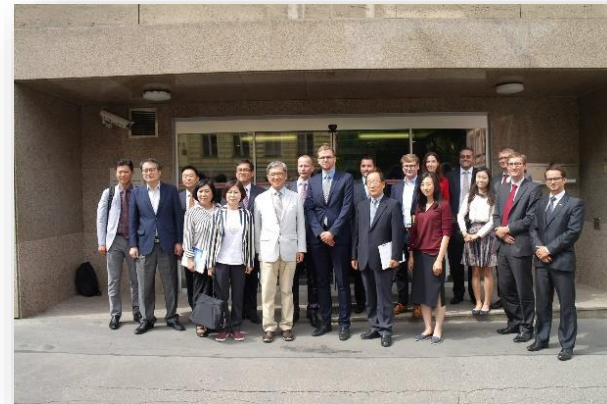
Organizers & Partners:



2016 KOREA START-UP DELEGATION



2016 KOREA SME DELEGATION



MONTHLY E-NEWSLETTER

- Articles in Czech, English & Korean
- 865 e-mail addresses (companies, institutions and people active in Czech-Korean relations)



Chamber of Commerce
of the Czech-Korean Society

체코-코리아 협회의
한체상공회의소

April 2017 News



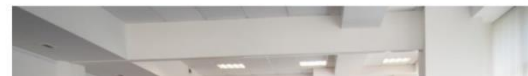
SMARTECH KOREA AT AMPER 2017

A delegation from **Hannam University in Daejeon** came to Brno, Czech Republic, to participate at [AMPER 2017](#), the most important trade fair of electrotechnics and ICT in the Czech Republic. The "Smartech Korea" booth presented **latest biomedical technologies** developed by Nanosoft Co., Ltd.

"We are very glad to attend the fair trade. We met a lot of potential buyers especially from Czech Republic, Slovakia and Poland, and we'll continue to develop mutual cooperation," said Peter Lee, Deputy Director of the University's ICT Marketing Support Center.

[More in KOREAN](#)

[More in CZECH](#)



CULTURAL EVENTS & PARTNERS

10. ROČNÍK KOREJSKÉ DNY 2016

V MORAVSKOSLEZSKÉM KRAJI 11. – 26. 11. 2016

한국



OSTRAVA	
11. listopadu 18:30 Lokál Město, Hrabůvka	ČESKO-KOREJSKÝ GALA VEČER gala s koncertem
21. listopadu 13:00-14:00 VŠZ, Šternická ul. 100, Ostrava, Ekonomická fakulta	KOREAN CAREER DAY Třídenní a šestiřadový setkání s odbornými představiteli z korejských firem

FRÝDEK-MÍSTEK	
11. listopadu 11:00-16:30 Oceňovací ceremonie FIDEA	KOREJSKÝ TRADIČNÍ BUBEN „JIANGGŮ“ Workshop korejského tradičního bubnu a doprovodný program
14. listopadu 17:30 Městská knihovna Frýdek-Místek	KOREA: KULTURA A SPOLEČNOST Střední a konverzní u současně Koreji – sociální, rodové a společenské postavení ženy
14.-25. listopadu Městská knihovna Frýdek-Místek	KOREJSKÁ LITERATURA V ČESTINĚ Střední a konverzní u současně Koreji – první a původní literatura literární a pro děti a dospělá
16. listopadu 15:30-18:00 Střední škola SPV, 23. 5.	MINI-KURZ KOREJŠTINY Průběžná a konverzní první a konverzní
21.-26. listopadu Dobrá zahrada	TÝDEN KOREJSKÉHO ČAJE Třídenní a šestiřadový
22. listopadu 14:00-16:30 Koránské studio Ubi ane	„I ♥ KIMCHI“ Workshop příprav tradičního nakládaného zelí
26. listopadu 17:00 Dobrá zahrada	CESTA KOREJSKÉHO ČAJE Střední a konverzní u současně Koreji – čajová kultura a historie čajového obřadu

OPAVA	
16. listopadu 8:30, 9:45 Kulturní středisko Opava	KOREJSKÉ DÍLNY Workshopy a úvodní koncert v sobotu 20. 11. 2016

TŘINEC	
25. listopadu 16:00 Kulturní středisko Třinec	KOREJSKÉ ODPOLEDNE Střední a konverzní u současně Koreji – občasná korejská jídla, film

SPECIÁLNÍ PROGRAM

14. – 25. listopadu: Česko-korejská kulturní semináře v korejských formách
Sledují směr: úvodní a konverzní u současně Koreji – pracovní kultura v Koreji a Společná setkání
11. – 25. listopadu: Dělnická kulturní společnost v Opatovci
Speciální nabídka v partnerství korejských a národních úřadů
Závěry a program vyhlášený. Více na webu www.ckk-korea.cz

VSTUP ZDARMA WWW.CKS-KOREA.CZ



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MUZEUM



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FRÝDEK-MÍSTEK





COMING IN 2017...



Chamber of Commerce
of the Czech-Korean Society

체코-코리아 협회의
한체상공회의소

The Czech-Korean Society and The Chamber of Commerce

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Celetná 20, 110 00 Praha 1, CR
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E: info@cks-korea.cz

T: +420 774 915 727 (CZ), + 82 010 3448 8845 (ROK)

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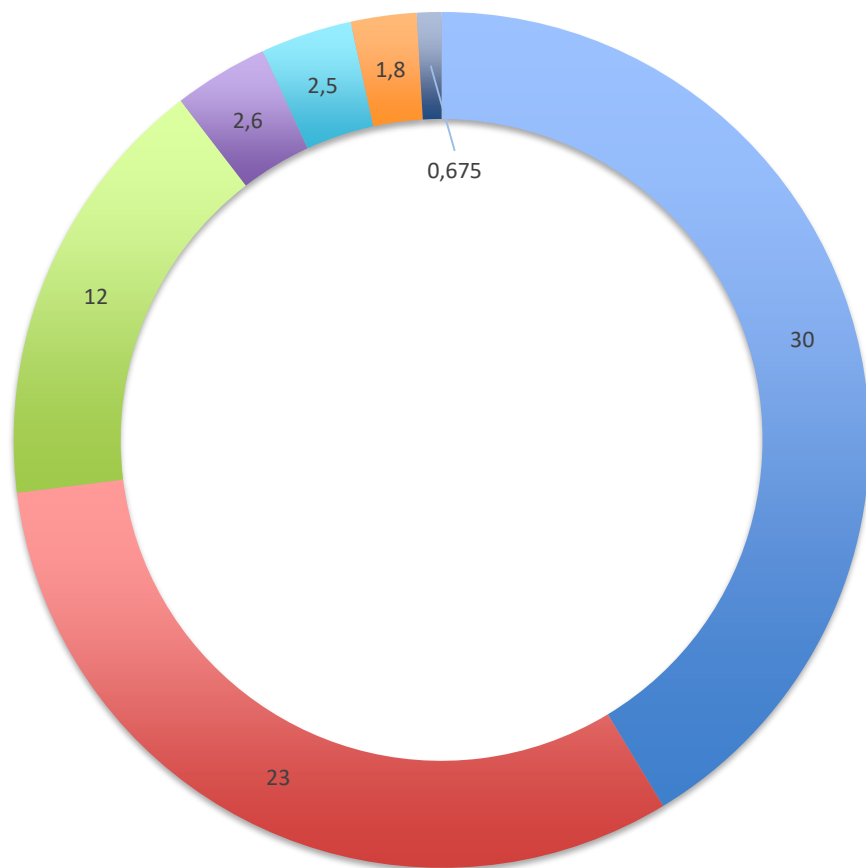
Mutual trade turnover

- **Czech export to ROK:** components to vehicles, shafts, optical and electric devices, consumer goods (toys)
- **Korean export to CZ:** components to vehicles, cars, electric equipment, electronics, optical and photographic equipment

	Export	Import	Turnover	Balance
2011	446 178	2 704 586	3 150 764	-2 258 408
2012	555 529	3 098 395	3 653 924	-2 542 866
2013	579 455	3 002 988	3 582 443	-2 423 533
2014	603 754	3 110 446	3 714 200	-2 506 692
2015	507 086	3 376 299	3 883 385	- 2 869 213

In thousands of USD

Korean Investments in Numbers (in bil. CZK)



- Hyundai - manufacturing plant in Nošovice
- Nexen - manufacturing plant near Žatec
- Doosan - capital entry in Škoda Power
- Hyundai Mobis - manufacturing plant in Mošnov
- Sungwoo Hitech - manufacturing plant in Ostrava
- ARRK/Plakor - manufacturing plant in Mošnov
- Korean Air - capital entry in ČSA

Export opportunities

- Korean market is very competitive and difficult for Czech companies to enter
- Perspective sectors for export:
 - Automotive industry
 - Energy industry
 - Defence industry
 - Entertainment and leisure time
 - Medical and pharma industry
 - Agricultural and food industry

Trade & FDI Incentives

- 17 Foreign investment zones
- 8 Free economic zones
- 7 Free trade zones

- Supported industries:
IT, biotechnology, aerospace, green material industry, steel and petrochemical industry, logistics, advances industries, tourism

- Important role of KOTRA – incubators for investors (Invest Korea Plaza)



Trade and investment problems in ROK

- Ease of Doing Business: 5th place
- Non-tariff barriers: especially slow and difficult custom clearance process
- Preference of local services, goods, etc.
- Unusual administrative barriers (licences)
- Difficult banking system and capital control
- Obtaining visa for foreign employees
- Corruption (the „old boys club“), legal uncertainty
- Rigid labor market, high labor costs, strong trade unions
- Intellectual property protection